Uniform Residential Appraisal Report

7001867311
File No. 1127082.1

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

SUBJECT

Property Address 20705 Edgemont Rd | City Park Rapids | State MN | Zip Code 56470
Borrower Jerome Kramer | Owner of Public Record JERRY H & MELISSA KRAMER | County Hubbard
Legal Description SECT-14 TWP-140 RANGE-034 3.67 AC 14-7A-1-A W400 OF S400 OF LOT 1
Assessor's Parcel # 13.14.01011 | Tax Year 2022 | R.E. Taxes $ 1,400
Neighborhood Name HENRIETTA | Map Reference MN Gazetteer | Census Tract 0706.00
Occupant [X] Owner [ ] Tenant [ ] Vacant | Special Assessments $ 0 [ ] PUD HOA $ 0 [ ] per year [ ] per month
Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)
Assignment Type [ ] Purchase Transaction [X] Refinance Transaction [ ] Other (describe)
Lender/Client HomePoint Financial | Address 2211 Old Earhart Road, Ste 250, Ann Arbor, MI 48105
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? [ ] Yes [X] No
Report data source(s) used, offering price(s), and date(s). Northstar MLS

CONTRACT

I [ ] did [ ] 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.

Contract Price $ | Date of Contract | Is the property seller the owner of public record? [ ] Yes [ ] No | Data Source(s)
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.

NEIGHBORHOOD

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

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing			Present Land Use %	
Location	[ ] Urban	[ ] Suburban	[X] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE	AGE		One-Unit	60 %
Built-Up	[ ] Over 75%	[X] 25-75%	[ ] Under 25%	Demand/Supply	[X] Shortage	[ ] In Balance	[ ] Over Supply	$(000)	(yrs)		2-4 Unit	%
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[X] Under 3 mths	[ ] 3-6 mths	[ ] Over 6 mths	80 Low	1		Multi-Family	%
Neighborhood Boundaries	Route 18 to the North, Hwy 34 to the South, Lake Belle Taine to the East,							460 High	130		Commercial	%
Route 226 to the West.								250 Pred.	38		Other Other	40 %

Neighborhood Description The subject property is located in a Rural area consisting of lands that are a variety in size and shape and dwellings of variety of construction design and condition. Employment, recreation, schools, shopping facilities and support services are of some distant from Subject property. No apparent adverse factors affecting the marketability were noted. Other land use is approximate vacant

Market Conditions (including support for the above conclusions) The subject market has a current short supply. Due to the short supply, some properties are selling for premium prices which has been known to be driven up by multiple offers. Mortgage money is readily available to qualified buyers at attractive rates.

SITE

Dimensions 3.67 ac | Area 3.67 ac | Shape Irregular | View N;Res;Woods
Specific Zoning Classification RR | Zoning Description Rural Residential Minimum area 5 acres 1-4 family
Zoning Compliance [ ] Legal [X] 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? [X] Yes [ ] No If No, describe. Per zoning officer, the subject is grandfathered in and can be re-built if destroyed.

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements? Type	Public	Private
Electricity	[X]	[ ] 200 Amp	Water	[ ]	[X] Well(Private)	Street Gravel	[ ]	[X]
Gas	[ ]	[X] Propane	Sanitary Sewer	[ ]	[X] Septic(Private)	Alley None	[ ]	[ ]

FEMA Special Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X | FEMA Map # 08/01/2022 | FEMA Map Date 08/01/2022
Are the utilities and off-site improvements typical for the market area? [X] Yes [ ] No If No, describe.
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [ ] Yes [X] No If Yes, describe.

IMPROVEMENTS

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units	[X] One [ ] One with Accessory Unit	[ ] Concrete Slab	[ ] Crawl Space	Foundation Walls	Concrete/Blk/Avg.	Floors	LMNT/CRPT/Go
# of Stories	1	[X] Full Basement	[ ] Partial Basement	Exterior Walls	Lap/Poor	Walls	Drywall/Shiplap/
Type	[X] Det. [ ] Att. [ ] S-Det./End Unit	Basement Area	1128 sq. ft.	Roof Surface	Asphalt/Avg.	Trim/Finish	Painted/Good
[X] Existing	[ ] Proposed [ ] Under Const.	Basement Finish	85 %	Gutters & Downspouts	None	Bath Floor	LMNT/Good
Design (Style)	Rambler	[ ] Outside Entry/Exit	[ ] Sump Pump	Window Type	Sliding/Avg	Bath Wainscot	Fiberglass/Good
Year Built	1980	Evidence of [ ] Infestation		Storm Sash/Insulated	Wood/Avg.	Car Storage	[ ] None
Effective Age (Yrs)	15	[ ] Dampness	[ ] Settlement	Screens	Nylon/Avg.	[X] Driveway	# of Cars 4
Attic	[ ] None	Heating [X] FWA	[ ] HWBB [ ] Radiant	Amenities	[ ] WoodStove(s) # 0	Driveway Surface	Gravel
[ ] Drop Stair	[ ] Stairs	[ ] Other	Fuel Propane	[ ] Fireplace(s) # 0	[ ] Fence None	[X] Garage	# of Cars 3
[ ] Floor	[X] Scuttle	Cooling [X] Central Air Conditioning		[X] Patio/Deck Deck	[ ] Porch None	[ ] Carport	# of Cars 0
[ ] Finished	[ ] Heated	[ ] Individual	[ ] Other	[ ] Pool None	[ ] Other None	[X] Att.	[ ] Det. [ ] Built-in

Appliances [X] Refrigerator [X] Range/Oven [X] Dishwasher [ ] Disposal [X] Microwave [X] Washer/Dryer [ ] Other (describe)
Finished area above grade contains: 5 Rooms | 2 Bedrooms | 1.0 Bath(s) | 1,128 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.). The subject interior has been remodeled and updated.
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C4;Kitchen-remodeled-one to five years ago;Bathrooms-remodeled-one to five years ago;The interior is updated and remodeled. Due to the deferred exterior maintenance, the overall condition is average. Approximate cost to cure for the repair and painting of the exterior is $11,200.
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [ ] Yes [X] No If Yes, describe.
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] Yes [ ] No If No, describe.

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There are 0 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 0 to $ 0 .

There are 0 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 0 to $ 0 .

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address	20705 Edgemont Rd Park Rapids, MN 56470	20028 Ferndale Loop Park Rapids, MN 56470		10422 Edgewood Loop Park Rapids, MN 56470		807 Kaywood Dr Park Rapids, MN 56470	
Proximity to Subject		2.76 miles NE		4.81 miles W		0.97 miles NE	
Sale Price	$		$ 215,000		$ 223,000		$ 203,500
Sale Price/Gross Liv. Area	$ sq. ft.	$ 196.89 sq. ft.		$ 165.92 sq. ft.		$ 144.53 sq. ft.	
Data Source(s)		RMLS#6072166;DOM 50		RMLS#6187453;DOM 3		RMLS#6164407;DOM 0	
Verification Source(s)		Assessor		Assessor		Assessor	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sale or Financing Concessions		ArmLth Conv;6450	-1,500	ArmLth Conv;0		ArmLth RH;6105	-1,100
Date of Sale/Time		s11/21;c10/21		s06/22;c05/22		s05/22;c03/22	
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	3.67 ac	2.40 ac	+1,300	3.01 ac	+700	1.23 ac	+2,400
View	N;Res;Woods	N;Woods;	0	N;Woods;	0	N;Woods;	0
Design (Style)	DT1;Rambler	DT1;Rambler		DT1;Rambler		DT1.5;Split Level	0
Quality of Construction	Q5	Q5		Q5		Q5	
Actual Age	42	45	0	44	0	40	0
Condition	C4	C4		C3	-11,000	C4	
Above Grade Room Count (Total / Bdrms. / Baths)	5 / 2 / 1.0	4 / 1 / 1.0	+2,000	5 / 2 / 1.0		6 / 3 / 2.0	-2,000
			0				-4,000
Gross Living Area	1,128 sq. ft.	1,092 sq. ft.	0	1,344 sq. ft.	-12,300	1,408 sq. ft.	-16,000
Basement & Finished	1128sf959sfin	1092sf992sfwo	0	0sf	+24,500	500sf350sfin	+11,400
Rooms Below Grade	1rr3br1.0ba0o	1rr2br1.0ba0o	0		0	1rr1br0.0ba0o	0
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA CAC	FWA None	0	BB None	0	FWA None	0
Energy Efficient Items	None	None		None		None	
Garage/Carport	3ga4dw	2gd2dw	+6,000	2ga2dw	+6,000	2gd2dw	+6,000
Porch/Patio/Deck	Deck	Deck		None	0	None	0
Extra Features	None	1 W/S	0	1 F/P	0	None	
Net Adjustment (Total)		[X] + [ ] - $	7,800	[X] + [ ] - $	7,900	[ ] + [X] - $	-3,300
Adjusted Sale Price of Comparables		Net Adj. 3.6% Gross Adj. 5.0% $	222,800	Net Adj. 3.5% Gross Adj. 24.4% $	230,900	Net Adj. 1.6% Gross Adj. 21.1% $	200,200

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

My research [ ] did [X] 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) MLS and County Records

My research [ ] did [X] 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) MLS and County Records

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

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	MLS and County Records	MLS and County Records	MLS and County Records	MLS and County Records
Effective Date of Data Source(s)	08/01/2022	08/01/2022	08/01/2022	08/01/2022

Analysis of prior sale or transfer history of the subject property and comparable sales Research of the applicable public records, private data services and an interview of the current owner, revealed that the subject property is not under current agreement or option and is not offered for sale on the open market. Additionally, according to these sources, the subject property has not been transferred during the past three years. The sales history of the comparables has been reviewed for the past 12 months prior to the listed sales dates and the results are stated above.

Summary of Sales Comparison Approach. See Addendum

Indicated Value by Sales Comparison Approach $ 221,000

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 221,000 Cost Approach (if developed) $ 290,858 Income Approach (if developed) $

Due to lack of rental data the Income Approach is not appropriate. Most weight is given to the Direct Sales Comparison Approach as it best reflects the actions of buyers & sellers. The Cost Approach was applied.

This appraisal is made [X] "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:

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 $ 221,000 as of 08/01/2022 , which is the date of inspection and the effective date of this appraisal.

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ADDITIONAL COMMENTS

Clarification of Intended Use and Intended User:

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser. “The appraiser has not identified any purchaser, borrower or seller as an intended user of this appraisal, and no such party should use or rely on this appraisal for any purpose. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use. Any reference to or use of this appraisal report by a purchaser, borrower or seller for their own purposes, including without limitation for the purposes of a property purchase decision or an appraisal contingency in a purchase agreement, is at such party’s own risk and is not intended or authorized by the appraiser.”

"The appraiser has not identified any purchaser, borrower or seller as an intended user of this appraisal and such parties should not rely on the appraisal for their own purposes.Neither payment for the appraisal nor receipt of a copy of the appraisal by such a party or any other third party means that the party is an intended user of the appraisal. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use. This appraisal report should not serve as the basis for any property purchase decision or any appraisal contingency in a purchase agreement relating to the property."

A reasonable exposure time for the subject property developed independently from the stated marketing time is: 60 Days

This assignment requires geographic competency as part of the scope of work. I have spent sufficient time in the subjects market and understand the nuances of the local market and the supply and demand factors relating to the specific property type and the location involved. Such understanding will not be imparted solely from a consideration of specific data such as demographics, costs, sales and rentals. The necessary understanding of local market conditions provides the bridge between a sale and a comparable sale or a rental and a comparable rental.

The term inspection, as used in this report, is not the same level of inspection that is required for a Professional Home Inspection. This appraiser does not fully inspect the electrical system, plumbing system, mechanical systems, foundation system, floor structure of subfloor and only notes items that are readily viewable. This appraiser is not an expert in construction materials and the purpose of the appraisal is to make an economic evaluation of the subject property. If the client needs a more detailed inspection of the property, a home inspection, by a professional Home Inspector is suggested. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property that would make the property more or less valuable, and makes no guarantees, express or implied, regarding the condition of the property.

The appraiser is not a home inspector and does not guarantee the functionality of the utilities.

I have performed no services as an appraiser or in any other capacity regarding the property that is the subject of this report within the 3 year period immediately preceeding acceptance of this assignment.

ANSI Declaration: A 1 story DETACHED single-family house with 1128 above-grade finished square feet and 959 below-grade finished square feet and 69 below-grade unfinished square feet. In addition, the property includes a deck. A 3 car garage is also present.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Site value is based on a review of recent land sales, tax assessed values and site-to-value ratios.

ESTIMATED ☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW

Source of cost data Dwelling Cost

Quality rating from cost service Avg/Gd Effective date of cost data 08/01/2022

Comments on Cost Approach (gross living area calculations, depreciation, etc.)

Site value is based on a review of recent land sales and site-to-value ratios. Cost is developed from information obtained from local builders and Dwelling Cost. Physical depreciation is based on Marshall and Swift Typical Life Expectancy Guide with an estimated life expectancy of 70 years for residential dwellings.

OPINION OF SITE VALUE			= $	30,000
Dwelling	1,128 Sq. Ft. @ $	144	= $	162,432
Basement 1128	Sq. Ft. @ $	69	= $	77,832
Garage/Carport	1,032 Sq. Ft. @ $	63	= $	65,016
Total Estimate of Cost-New			= $	305,280
Less Depreciation	Physical $65,422	Functional	External = $	(65,422)
Depreciated Cost of Improvements			= $	239,858
"As-is" Value of Site Improvements			= $	21,000
INDICATED VALUE BY COST APPROACH			= $	290,858

Estimated Remaining Economic Life (HUD and VA only) 55 Years

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent $ X Gross Rent Multiplier = $ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

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.

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.

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.

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

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

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

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

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

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

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

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

APPRAISER

Signature _____
Name Kevin Litchke
Company Name K&C Appraisals
Company Address PO 608
Coleraine, MN 55722
Telephone Number 218-245-3614
Email Address k1litchke@msn.com
Date of Signature and Report 08/05/2022
Effective Date of Appraisal 08/01/2022
State Certification # _____
or State License # 20543689
or Other (describe) _____ State # _____
State MN
Expiration Date of Certification or License 08/31/2023

ADDRESS OF PROPERTY APPRAISED
20705 Edgemont Rd
Park Rapids, MN 56470

APPRAISED VALUE OF SUBJECT PROPERTY $ 221,000

LENDER/CLIENT
Name SettlementOne
Company Name HomePoint Financial
Company Address 2211 Old Earhart Road Ste 250
Ann Arbor, MI 48105
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 _____

Uniform Residential Appraisal Report

7001867311
File No. 1127082.1

FEATURE	SUBJECT	COMPARABLE SALE NO. 4		COMPARABLE SALE NO. 5		COMPARABLE SALE NO. 6	
Address	20705 Edgemont Rd Park Rapids, MN 56470	901 Pine St Park Rapids, MN 56470					
Proximity to Subject		0.68 miles E					
Sale Price	$		$ 239,900		$		$
Sale Price/Gross Liv. Area	$ sq. ft.	$ 173.34 sq. ft.		$ sq. ft.		$ sq. ft.	
Data Source(s)		NrthstrMLS#6197844;DOM 8					
Verification Source(s)		Assessor					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sale or Financing Concessions		ArmLth Cash;0					
Date of Sale/Time		s06/22;c05/22					
Location	N;Res;	N;Res;					
Leasehold/Fee Simple	Fee Simple	Fee Simple					
Site	3.67 ac	1.00 ac	+2,700				
View	N;Res;Woods	N;Res;CtyStr	0				
Design (Style)	DT1;Rambler	DT1;Rambler					
Quality of Construction	Q5	Q5					
Actual Age	42	21	0				
Condition	C4	C3	-12,000				
Above Grade Room Count	Total 5 / Bdrms. 2 / Baths 1.0	Total 6 / Bdrms. 2 / Baths 2.0	-4,000	Total / Bdrms. / Baths		Total / Bdrms. / Baths	
Gross Living Area	1,128 sq. ft.	1,384 sq. ft.	-14,600	sq. ft.		sq. ft.	
Basement & Finished	1128sf959sfin	0sf	+24,500				
Rooms Below Grade	1rr3br1.0ba0o		0				
Functional Utility	Average	Average					
Heating/Cooling	FWA CAC	FWA CAC/AEx	0				
Energy Efficient Items	None	None					
Garage/Carport	3ga4dw	3gd3dw	0				
Porch/Patio/Deck	Deck	Patio/Deck	0				
Extra Features	None	GrgShp	0				
Net Adjustment (Total)		☐ + ☒ -	$ -3,400	☐ + ☐ -	$	☐ + ☐ -	$
Adjusted Sale Price of Comparables		Net Adj. 1.4% Gross Adj. 24.1%	$ 236,500	Net Adj. % Gross Adj. %	$	Net Adj. % Gross Adj. %	$

SALES COMPARISON APPROACH

ITEM	SUBJECT	COMPARABLE SALE NO. 4	COMPARABLE SALE NO. 5	COMPARABLE SALE NO. 6
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	MLS and County Records	MLS and County Recorde		
Effective Date of Data Source(s)	08/01/2022	08/01/2022		

Summary of Sales Comparison Approach

Uniform Appraisal Dataset Definitions

7001867311
File No. 1127082.1

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.

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

C3 The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

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

C4 The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

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

C5 The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

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

C6 The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

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

Quality Ratings and Definitions

Q1 Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2 Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring 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.

Definitions of Not Updated, Updated, and Remodeled

Not Updated

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

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.
An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

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

Explanation of Bathroom Count

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

Uniform Appraisal Dataset Definitions

7001867311
File No. 1127082.1

Abbreviations Used in Data Standardization Text

Abbrev.	Full Name	Appropriate Fields
ac	Acres	Area, Site
AdjPrk	Adjacent to Park	Location
AdjPwr	Adjacent to Power Lines	Location
A	Adverse	Location & View
ArmLth	Arms Length Sale	Sale or Financing Concessions
AT	Attached Structure	Design(Style)
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
B	Beneficial	Location & View
BsyRd	Busy Road	Location
cp	Carport	Garage/Carport
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
cv	Covered	Garage/Carport
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
DOM	Days On Market	Data Sources
DT	Detached Structure	Design(Style)
dw	Driveway	Garage/Carport
Estate	Estate Sale	Sale or Financing Concessions
e	Expiration Date	Date of Sale/Time
FHA	Federal Housing Authority	Sale or Financing Concessions
g	Garage	Garage/Carport
ga	Garage - Attached	Garage/Carport
gbi	Garage - Built-in	Garage/Carport
gd	Garage - Detached	Garage/Carport
GR	Garden Structure	Design(Style)
GlfCse	Golf Course	Location
Glfvw	Golf Course View	View
HR	High Rise Structure	Design(Style)
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
MR	Mid-Rise Structure	Design(Style)
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
op	Open	Garage/Carport
o	Other	Basement & Finished Rooms Below Grade
O	Other	Design(Style)
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
RT	Row or Townhouse	Design(Style)
RH	Rural Housing - USDA	Sale or Financing Concessions
SD	Semi-detached Structure	Design(Style)
s	Settlement Date	Date of Sale/Time
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
sqm	Square Meters	Area, Site, Basement
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
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
w	Withdrawn Date	Date of Sale/Time
Woods	Woods View	View

Other Appraiser-Defined Abbreviations

Abbrev.	Full Name	Appropriate Fields	Abbrev.	Full Name	Appropriate Fields

ADDENDUM

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		

Regarding comparable sales GLA reporting, please see item #25

The following items (when applicable) are addressed in this addendum;

1.The Quality and Condition (Q and C)
2.of sales/actives/pendings and results
3. Reconciliation
4. COMMENTS ON SUBJECT:
5. Adjustments for various amenities
6. SITE DESCRIPTION: If No dimensions are stated, the county does not have dimensions and site stated is per county assessor.
7. Multiple parcel statement (if applicable)
8. FloodMap statement for unmapped areas (if applicable)
9. Site size of 20 or more acres(if applicable)
10. Adjustments for site size differences
11. Q Ratings (per appraiser judgement and opinion based on training) 12. C Ratings(per appraiser judgement and opinion based on training) 13. ROOM COUNT/GLA
14. Adjustments for GLA
15. BASEMENT/FINISHING/Interior/Exterior (entry/exit) :
16. Adjustments for garage stall differences
17. No Adjustments for these amenities
18. Search in direct neighborhood results (addresses comp distance exceeding typical distance and data at top of page 2 and in the MC)
19. Distance and land markers
20. Log siding (if applicable)
21. Private road (if applicable)
22. differences
23. Inspection of the subject
24. Heating System
25. Verification sources
26. Accessory Unit (if applicable)
27. Non-Income Producing
28. COVID IMPACT STATEMENT
29. High to low sale price, adjusted sale price and grid adjustments exceeding typical guidelines 30. Market Value Greater Than Predominate Price with no Over Improvement or Market value lower
31. Rural properties on major highways/roads
32. Lake Front Differences (if applicable)
33. Dwelling Age difference, effective and actual
34. Net/Gross adjustments
35. MLS Data
36. Special Assessments (if applicable)
37. Verification of utilities
38. Summary of Sales Comparison Approach

1. The Quality and Condition (Q and C) ratings as stated in this report for the comps and the subject are based on appraiser opinion due to personal training and understanding of the HUD definitions of the Quality and Condition ratings and may differ from what other appraisers are reporting. Photos (when available) and county assessor stated data are relied on due to no interior inspection of the comps.
The appraiser completed the report based on individual research of the subject market and concluded " opinions " based on the research of the subject market. Per UAD guidelines, there are no absolutes regarding adjustments for amenity differences, but an appraiser is to conduct research and draw the opinions based on revealed data during the research. Therefore, adjustments were based on "market research" and not based on what peer appraisers may or may not have used for adjustments and/or Quality and Condition ratings. "

2. List of sales/actives/pendings and results
There were no similar sales within the previous 120/180 days and no similar listings, therefore no active listings were included in this report. The search included properties having GLA within 20%, similar location, similar site and foundation and remodeled interior and deferred maintenance exterior.
See attached list of sales/listings revealed in the expanded search of non-lender and non-distressed sales from which the appraiser extracted sales/listings that were considered, in the appraiser opinion, to be most similar and most useful for this report, keeping in mind various ammenities bracketing the subject amenities. In order to display comparable sales having bracketing amenities, the search was expanded to include properties outside of the attached list.

Review of the attached sales, revealed some of the sales were somewhat similar but not used in this report due to being distressed sales or the data as stated in the MLS was not similar to the county data, and therefore the additional research revealed the property to be dis-similar.

Research of the subject market revealed stable median home values in the past 12 months with normal highs and lows due to seasonal impact.

3. Reconciliation

All sales contribute considerable data for the final estimate of value for the subject property with focus on bracketing the subject various amenities . Comps breakdown and weighted in order as #1 first and #4 least

#1. has most similar GLA and basement area
#2. is a recent sale
#3. has next most similar basement
#4. is a recent sale with similar garage size

See attached weighted analysis.

Although the opinion of value submitted herein is a single point value to comply with Fannie Mae's requirement to render one specific number, the desires and purchasing emotions of a typical buyer vary and marketing seasonal conditions affect property marketing, which could result in a value within 10% +/- of the stated value.

4. COMMENTS ON SUBJECT: The subject was personally measured with a tape measure by the appraiser and were obtained using the ANSI method and the GLA reflects the appraiser personal measurements which are considered most accurate. The appraiser notes that local realtors and the local assessors are not measuring properties per the ANSI method and have indicated that they do not intend to measure per ANSI. GLA as stated for comps in this report are per the county assessor data or, if the appraiser has personally measured the comp, then the appraiser measurements will be utilized.Due to the appraiser being the only ANSI measurements for comps personally viewed, the appraiser ANSI measurements will often differ from the county and the realtor/MLS data.
The subject property is a frame-built residential home suitable for year around use and includes a garage. The subject and the comparables stated in this report have a Q rating of 5. Q5 rating has been determined based on the UAD ratings guideline in which it states properties having minimal upgrades and/or ornamentation and an average design plan consisting of standard builder grade kitchen cabinets and countertops and fiberglass tub/shower surround, standard drywall and builder grade windows and trim work, are in the Q5 rating. This rating is considered average for the homes in the subject market and

"not" below average.

5. Adjustments for various amenities
A variety of methods were utilized when determining adjustments. The methods utilized were; Regression analysis, historical sales analysis retained w/in the appraisers work files; discussions w/ local Realtors in conjunction w/ the appraisers geographical competency and years of experience ; or a combination thereof . The adjustments applied were based on the results. Due to a wide variety of properties and the lack of similar properties available in the market, a paired or matched sales analysis is not applicable.

Adjustments applied in this report were derived using "Group Analysis and Ratio Allocation" utilizing data obtained by analyzing the most similar properties within the subject market area.

Adjustments are made to reflect market reactions to amenity differences, if there are market reactions. If there was insufficient market data for support of an adjustment, or there is not a remarkable market value reaction to a specific feature of a property, an adjustment is not considered warranted and is not applied in this report.

Per research in the market, the following adjustments were based on % of weight in the sale price or % of the Sale Price/Gross Liv. Area in the top portion of the grid.
Average adjustment for GLA is typically 30% for non-water front. C ratings range from 10% to 40% and Q rating differences when presented range between 10%-30% pending presence of other amenitie differences.

6. SITE DESCRIPTION: The subject home is located in an outer lying low populated area of rural Park Rapids on a site of average size. No dimensions are stated, the county does not have dimensions and site stated is per county assessor.

7. Multiple parcel statement N/A
8. FloodMap for unmapped areas
If Portions of the subject county are located in an area that is unmapped for FEMA flood map purpose, The data on page one is filled with the effective date of the report in lieu of the lack of an actual map date.

9. Site size of 20 or more acres N/A
10. Adjustments for site size differences
Site value is based on a review of recent land sales, tax assessed values and site-to-value ratios." and based on review of recent land sales, adjustments for site are $1,000 per acre for site size differences. If significant low land is present, additional adjustments are applied at $500 per acre of low land. Adjustments applied are a % of the actual sale price of similar bare land properties based on various amenity differences. See attached site sales.

11. Q Ratings (per appraiser judgement and opinion based on training) N/A

12. C Ratings(per appraiser judgement and opinion based on training) C rating adjustments were based on varying % of difference and varies across the grid as warranted accordingly based on market reaction. Properties assigned a C3 rating have been recently completely remodeled within the previous 5 years with all new floor coverings, all wall and ceilings replaced, remodeled kitchens and bathrooms and may include exterior updates as well and have been extremely well maintained since the remodel. Newer properties that are 10-20 years that have been well maintained have been assigned a C3 rating as well. The adjustments applied for differences were applied based on market reaction for the differences. The adustments were based on % of known updates resulting in the C rating difference and whether the rating was in an upper or lower rating of the stated C rating. Items observed were both interior and exterior with considerable weight of rating differences focused on kitchens and bathrooms and siding and roofing. Based on research, the C rating difference can impact the sale price by 20-40% with additional consideration given to the "cost to cure" to bring the subject and the comparable into similar C rating . Adjustments have been applied at $11,000 to account for the subject deferred exterior maintenance. The appraiser additionally notes that sale price differences are influenced by purchasing emotions when an updated property is viewed versus a property having cosmetic deferred maintenance.
13. ROOM COUNT/GLA : Any room count differences noted have been taken into consideration under square foot adjustment in the GLA grid. Adjustments in the room count grid were made for differences in the number of bathrooms. Rate for adjustments applied for bathrooms were per market averages of similar properties. Due to insufficient data for bedroom adjustments, minimal adjustments were applied for bedroom count differences. Due to lack of support for additional bedroom/bathroom adjustments in the basement level, no additional adjustments were applied. The grid line "room count" is utilized to place adjustments for bathroom differences and reflects zero for comps having similar bathroom counts, $2,000 per 1/2 bath, $4,000 per full bath. The bedroom count adjustments are in the grid directly in line across from "total bdrms baths". (this line is directly above the "room count" line) 14. Adjustments for GLA
GLA extracted adjustment was based on average price per sq ft in the grid at the top of page 2. GLA adjustments were applied at $57 s/f (factored from 30% of comps 1 average $190 price per s/f). GLA is factored as an opinion of market based percentage from the 'range middle value' cost per square foot as shown at the top of the comparable sale grid columns for indicated comps, and shown in the comment section below the grid. GLA differences of 100 sf or less did not receive an adjustment.
Based on market research, Differences of less than 100sf are considered adequate for bracketing purposes.
15. BASEMENT/FINISHING/Interior/Exterior (entry/exit) : The subject has a minimally finished basement. Comparables were adjusted as necessary for differences in basement square footage and/or amount of finishing. Based on market research and analysis, finished basement area was adjusted at 10% of price per sq ft of $190 weighted on #1 and the unfinished area for comparables having no basement was applied at $5 per sq ft. Basement unfinished areas were not adjusted for in the comparables having basements, as market reaction is in a basement versus no basement and finished sq ft. Per research of the subject market, there is insufficient support for adjustments for basements having an interior versus a walk out exit/entrance and the unfinished area for comparables having no basement was applied at $5 per sq ft. Basement unfinished areas were not adjusted for in the comparables having basements, as market reaction is in a basement versus no basement and finished sq ft. Per research of the subject market, there is insufficient support for adjustments for basements having an interior versus a walk out exit/entrance.
16. Adjustments for garage stall differences
Research of the market indicates that an average return on the cost to build/ return value at re-sale is approximately 30% of the cost to build. An average cost to build a 2 stall garage is estimated at $40,000. 30% return indicates an adjustment of $6,000 per stall is warranted. Due to insufficient data for a comparative analysis, no additional adjustments have been applied for a heated garage versus an unheated garage.

17. No Adjustments for these amenities
Design type differences
As is typical when appraising properties in the subject market, this report includes properties having a variety of construction design. When appraising properties, minimal weight is placed on construction design, and more weight is placed on the land amenities and Q and C ratings of the dwellings.
No adjustments were applied for differences in heating/cooling, sheds, carports, boat houses, storage units, chicken coops, saunas, fireplaces, or porch/patio/deck , boat docks, boat lifts, features. Due to the wide variety of C and Q ratings, effective age and other wide difference in other variables for properties in the market, there is insufficient data to support an adjustment for amenity differences. For instance, there are a wide variety of types of fireplaces, sheds, out buildings and heating systems. Porches and decks are a wide variety of sizes and materials and docks and boat lifts are considered personal property and not real estate . Quality and condition (Q and C ratings) adjustments were applied based on market reaction for the differences. Per HUD guidelines, adjustments are not to be applied without adequate support.

18. Search in direct neighborhood results
The initial search for comparable sales having similar in overall amenities and located within the subject neighborhood revealed no listings and no sales similar to the subject within the previous 12 months, therefore the top of page 2 and the MC states zeros in all fields.
Per HUD guidelines, the MC addendum is to be completed with data from within the subject neighborhood of properties similar to the subject. The search for comparable sales and listings revealed limited comparable sales considered similar to the subject in the subject neighborhood and therefore there is limited data to report in the MC Addendum. An expanded search was completed of all properties in the market having similar water or non-water front

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		

location, site size difference within 50% and GLA within 40% and with or without a garage. The expanded search revealed considerably more comparable sales and listings which have not been included in the MC grid due to not being similar to the subject. The expanded search revealed the subject market is seasonally affected, with the peak sales period being the months of May through October, due to the unfavorable weather of the colder months. When considering the peak sale period of the market, the year over year sales activity is considered stable and normal for this time of year in the subject market and is consistent with 2 prior years sales activity which differs from the above grid, and is a more reliable indicator of the subject market conditions

In order to complete this report the search was expanded to include properties located in the greater marketing area up to 15 miles distance and to include properties having various amenities differing from the subject which is typical and necessary when appraising properties in the subject market.

19. Distance and land markers
Although comparables are located a distance greater than 1 mile across major highways and land markers, this is typical when appraising properties in the subject market due to limited turnover and a wide variety of property types. The properties displayed in this report are located in similar competing neighborhoods of similar marketability. 20. Log siding N/A

21. Private road N/A
22. CU differences

The amenities and the Q and C ratings stated in this report for the comparables are verified and based per county records and/or personal inspection and may differ from the MLS data available and may differ from what other appraisers have stated. And due to additional training obtained by the appraiser, the Q and C ratings as applied are based on the additional training and may differ from what appraiser peers have stated and/or the appraiser may have stated in prior reports.

23. Inspection of the subject
"The appraiser is not a home inspector, and this appraisal report is not a home inspection report. It does not guarantee or imply that the property or any structures are free of defects or property condition problems."

24. Heating System
The appraiser notes that there are no zoning or building restrictions in the state of Minnesota regarding size of fuel tank, source of heating fuel type regarding fuel oil, propane, online gas or electric. Wood fuel source needs to meet industry guidelines. The appraiser is not a home inspector and if there is wood heat, recommends a separate inspection by a qualified home inspector to determine whether the wood heat system meets industry guidelines.In the subject market and surrounding markets, heating systems and fuel type do not have an impact on marketability difference.

The subject has an alternate heat source; propane fuel

Is the heating source is sufficient to heat entire dwelling? Yes

Is the subject property habitable as a year-round residence? Yes

Fuel type "other" refers to either electric, propane or fuel oil which is not different in marketability when compared to being connected to a public online gas source.

Sales having similar heating systems have been utilized in this report.

25. Verification sources

The direct county website was utilized to verify the subject and the comparable property data and is more reliable than online data systems, due to the county information not being readily available to online data systems, therefore the information in the county differs from online data systems.

The appraiser notes thatsignificant time is spent in researching each comparable and the subject with the county data systems and with realtors and MLS. Where warranted, the county data is most often utilized which commonly differs from the MLS data, unless a realtor confirms actual measurements were taken and/or that the property was changed since the last county assessor update.

(NCD/Appraisal-Ltd) due to the county information not being readily available to online data systems such as NCD/Appraisal-Ltd which is further noted that the appraiser does not have access too for comparison purposes).

The appraiser respectfully requests reviewers and clients to utilize the county site to verify data as stated in this report.
Please note in the comparable property verification sources line, whether it is noted that the comparable has been personally verified and fully inspected (Assessor&Personal,Full Inspect)
If fully inspected is noted, then the comparable data may differ from the county and public data and the appraiser is confident in the stated results regarding the GLA, room counts, outbuildings, etc.

The appraiser notes that with properties in the subject market, it is common for properties to have sites consisting of more than one parcel. For reviews being completed on completed reports, it is recommended for the reviewer to do as the appraiser does and check surrounding parcels to see if they are part of the comp or the subject under review.

26. Accessory Unit N/A

Fields marked N/A in the report were marked N/A due to no data available to complete the field, this applies to "non-MLS sales" etc.

When a property is un-mapped in the FEMA flood map system, "x" will be inserted in the FEMA flood zone followed by the effective date of the report in both date fields.
27. Non-Income Producing
Based on review of similar properties of similar site size and the current zoning of the subject property, the highest and best use is residential, and the subject is neither tilled nor is it income producing. The comparables displayed in this report are similar in zoning and use. Sites similar to the subject in size and similar in location are used primarily for residential purposes. The four criteria that the highest and best use was researched and meets; they are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The county zoning is not an indicator of what the land is currently used for. Farm or agricultural zoning does not mean the subject is being used for this purpose, but rather, it means that the land is "approved" for such use and is a common zoning assigned to properties having site size greater than 2.5 acres. The subject is not a working farm.
28. COVID IMPACT STATEMENT
"This appraisal was performed following public awareness that COVID-19 was affecting residents in the United States. At the time of the appraisal, COVID-19 was beginning to have widespread health and economic impacts. The effects of COVID-19 on the real estate market in the area of the subject property were not yet measurable based on reliable data. The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value."

Due to the current Covid-19 pandemic an economic effect may affect a listing's number of days on market and ultimately the sales price of properties that are listed for sale.

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		

29. High to low sale price, adjusted sale price and grid adjustments exceeding typical guidelines

"Due to low comparable sales in the subject market and lack of similar homes, the appraiser found it necessary to utilize comparable sales having a low to high sale price difference exceeding 20% and various amenity differences exceeding 10% in order to complete this report and bracket the subject various amenities and appeal. The utilization of comparable sales having a high to low sale price exceeding 20% also resulted in adjusted sales price exceeding 20% low to high. This is typical due to lack of properties that are similar to one another in all or a majority of amenities and the wide variety of properties which differ in significant amenities. "

The aforementioned statement is particularly true when appraising properties in the subject market due to the wide variety of property amenities such as GLA, basement versus no basement, Q and C ratings etc, and in this report, GLA and Q and C ratings were a significant factor when choosing comparables.
The appraiser further notes that this is typical when appraising properties in the subject market and that although the range of sale price/values exceed typical guidelines, this is typical and not considered a marketability issue.

The wide range is due to various unknown factors considering the comparable and also was necessary for bracketing.

30.

The predominate neighborhood price, within the report, is from the appraisers research of housing stock that would be considered applicable to typical buyer pools of the subject property and not a snapshot of the entire housing stock and inventory.

31. Rural properties on major highways/roads
Comps that are located on highways or main roads which is of no notable impact when appraising rural properties as remote rural areas have less traffic on major roads, therefore no adjustments are considered necessary for location on a major road.

33. Dwelling Age difference, effective and actual
Due to the wide variety of C and Q ratings, effective age and other variables for properties in the market, there is insufficient data to support an adjustment for age difference. Per appraisal guidelines, adjustments are not to be applied without adequate support. It is further noted that for bracketing purposes, the effective age and C rating correlate with bracketing, and not actual age in the market.

34. NET/GROSS ADJUSTMENTS N/A
35. MLS Data
The appraiser has made the best effort regarding the information obtained about comparable sales and bases data stated in this report on the reported data available to the appraiser. Based on the information available to the appraiser, in the county assessors office, the available MLS information and/or the appraiser personal knowledge, the comparables displayed in this report were, in the appraiser opinion, the most similar available to display having 1 or more amenities similar to the subject.

36. Special Assessments N/A

37. Verification of utilities

Utilities were on and functional at the time of inspection.

The subject has private well and septic system which is typical for rural properties in the subject market. Due to the rural location of the subject, a public well and septic system is not available and will not be offered or available in the future, and is of no impact on marketability and appeal. The comparables in this report also have private well and septic systems.

38. Summary of Sales Comparison Approach

Highest and best use
The subject zoning is rural residential as verified by the city of Henrietta township. The subject as improved is a legally permissible use based on its current zoning. The lot size, shape, physical condition and land to building ratio allow the present structure and indicate a good utilization of the improvements. Based upon the current market conditions, the present use as a single family residence is its financially feasible and maximally productive use. The highest and best use is its present use.

Bracketing the subject
The subject major amenities have been bracketed by the comparables displayed in this report to the extent that was possible with comps available.

Cindy Litchke, an office assistant, assisted in the writing of this report.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date:
Appraised Value: $



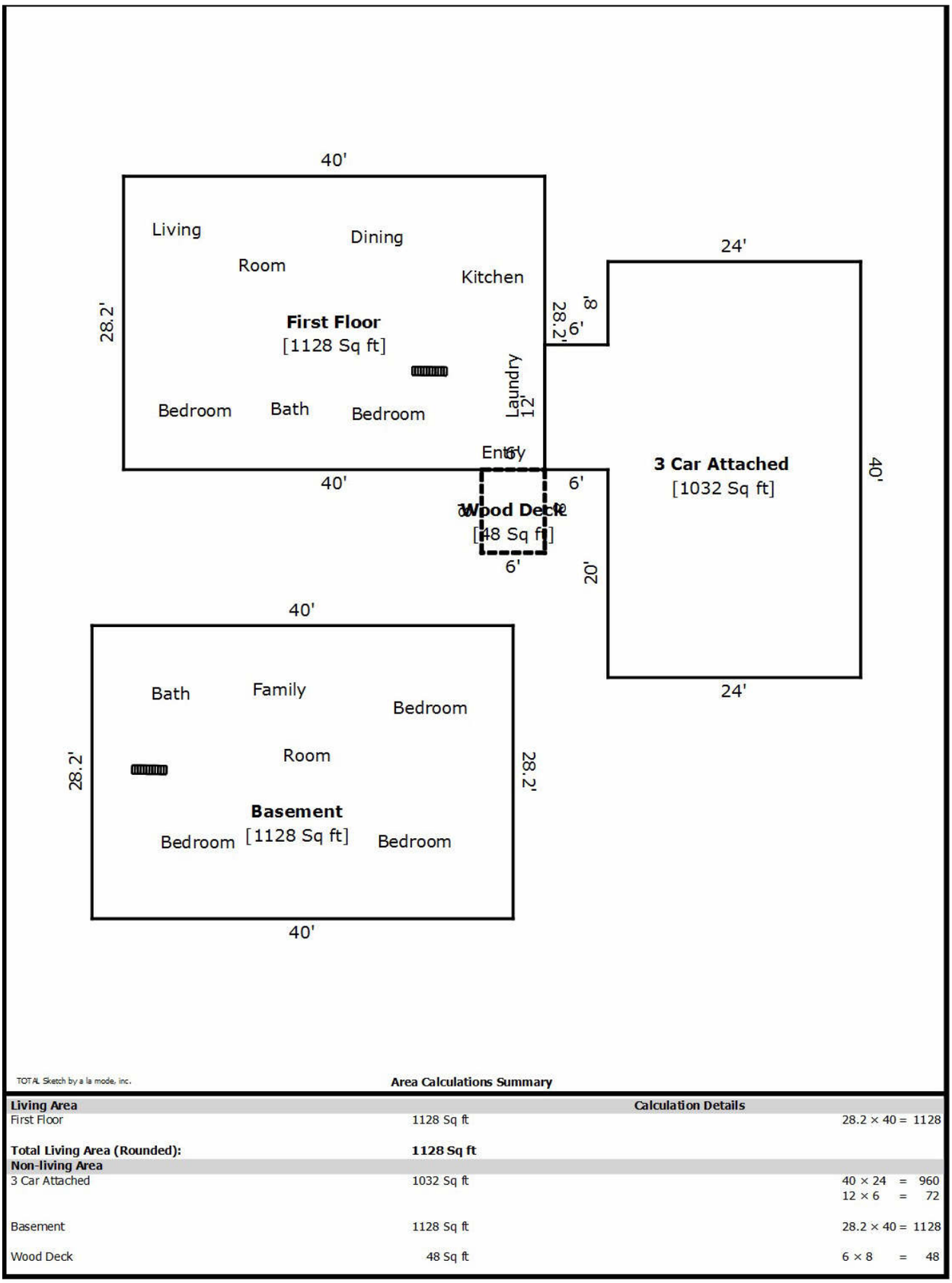
REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

FLOORPLAN SKETCH

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
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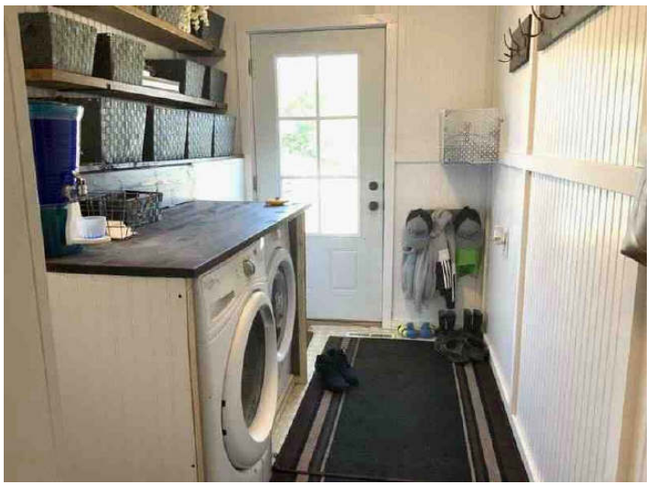


TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		Calculation Details
First Floor	1128 Sq ft	28.2 × 40 = 1128
Total Living Area (Rounded):	**1128 Sq ft**	
Non-living Area		
3 Car Attached	1032 Sq ft	40 × 24 = 960 12 × 6 = 72
Basement	1128 Sq ft	28.2 × 40 = 1128
Wood Deck	48 Sq ft	6 × 8 = 48

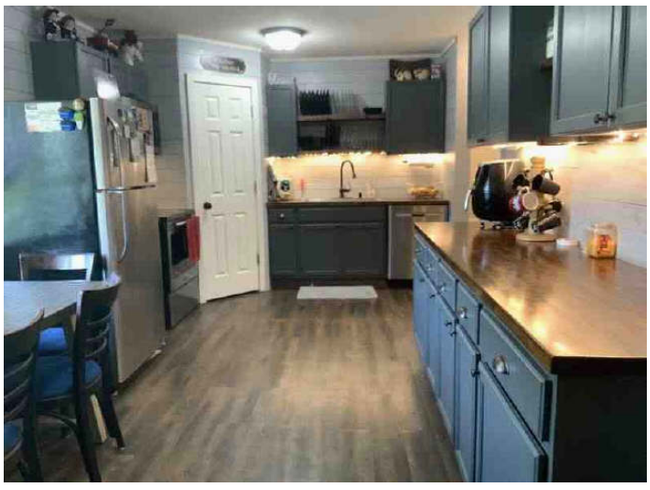
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Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		



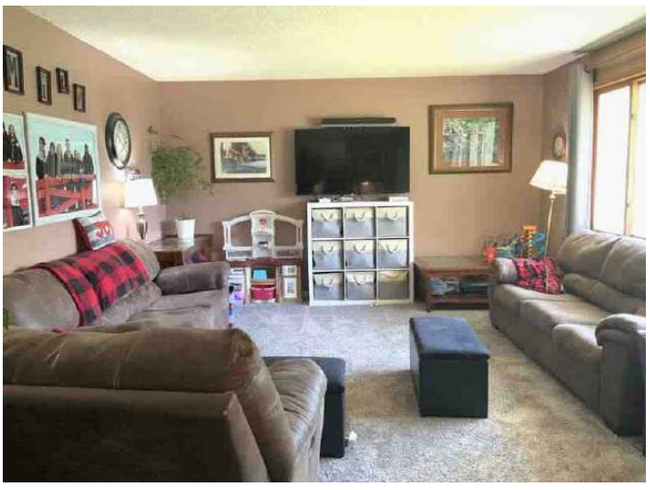
Entry/Laundry Room



Kitchen



Kitchen/Alternate View



Living Room



Bedroom



Bedroom

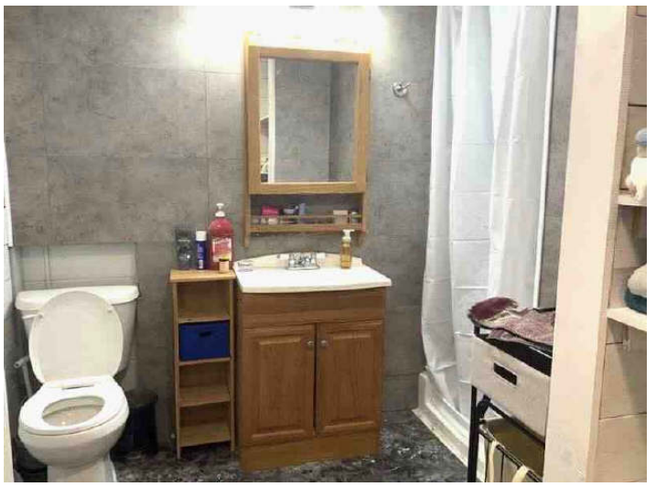
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Main floor bathroom



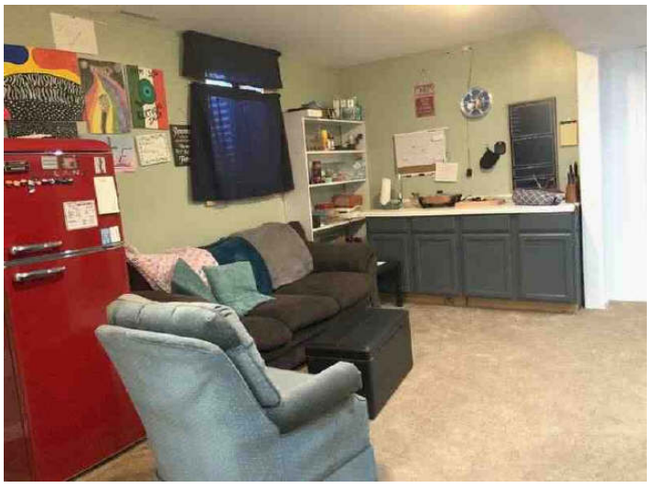
Verification of Utilities



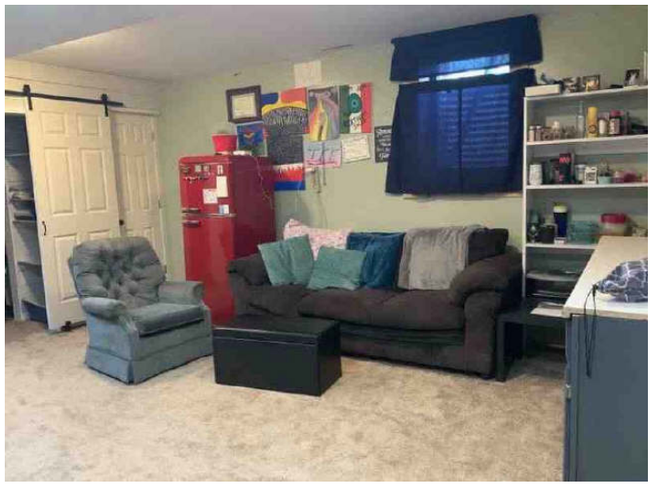
Bathroom/Basement



Furnace/Basement



Family Room/Basement



Family Room/Alternate View

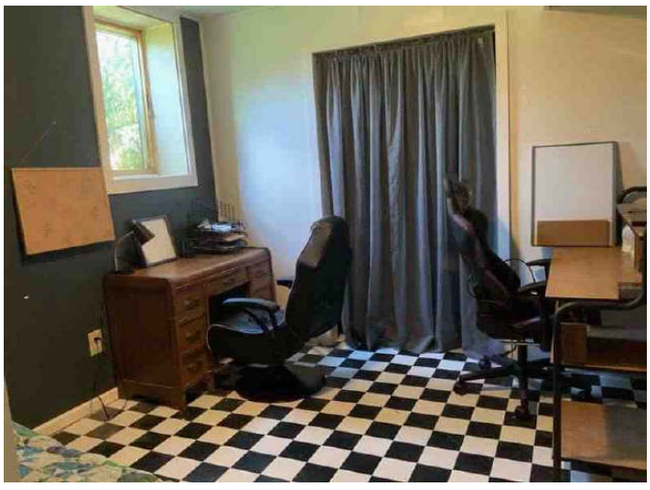
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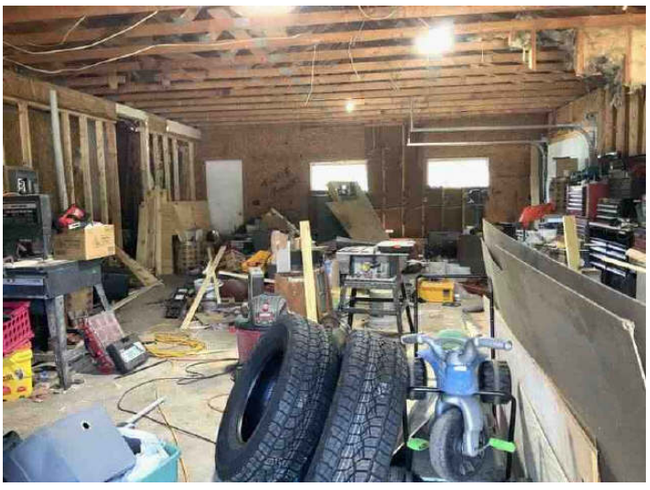
Bedroom/Basement



Bedroom/Basement



Bedroom/Basement



Garage Interior



Side View of Subject



Side View of Subject

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
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Address Verification



Opposite Street View



Verification of utilities

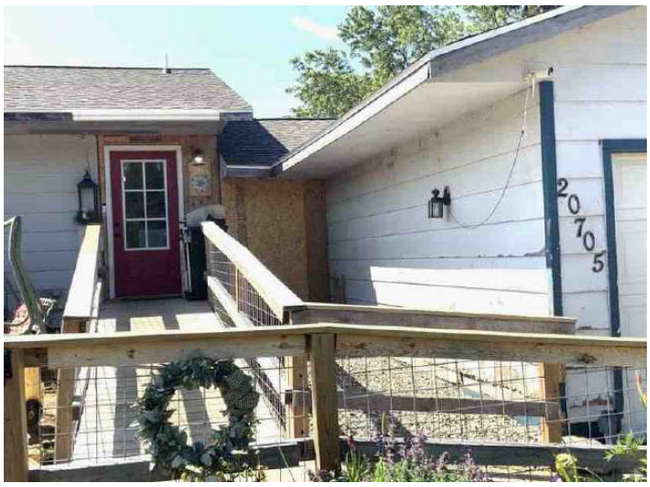
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Missing and Damaged Siding/Garage/dwelling
Comments:



Missing and Damaged Siding/Garage/dwelling
Comments:



Missing and Damaged Siding/Garage/dwelling

Comments:



Unpainted Exterior Trim

Comments:

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		



COMPARABLE SALE #1

20028 Ferndale Loop

Sale Date:
Sale Price: $



COMPARABLE SALE #2

10422 Edgewood Loop

Sale Date:
Sale Price: $



COMPARABLE SALE #3

807 Kaywood Dr

Sale Date:
Sale Price: $

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		



COMPARABLE SALE #4

901 Pine St

Sale Date:
Sale Price: $

COMPARABLE SALE #5

Sale Date:
Sale Price: $

COMPARABLE SALE #6

Sale Date:
Sale Price: $

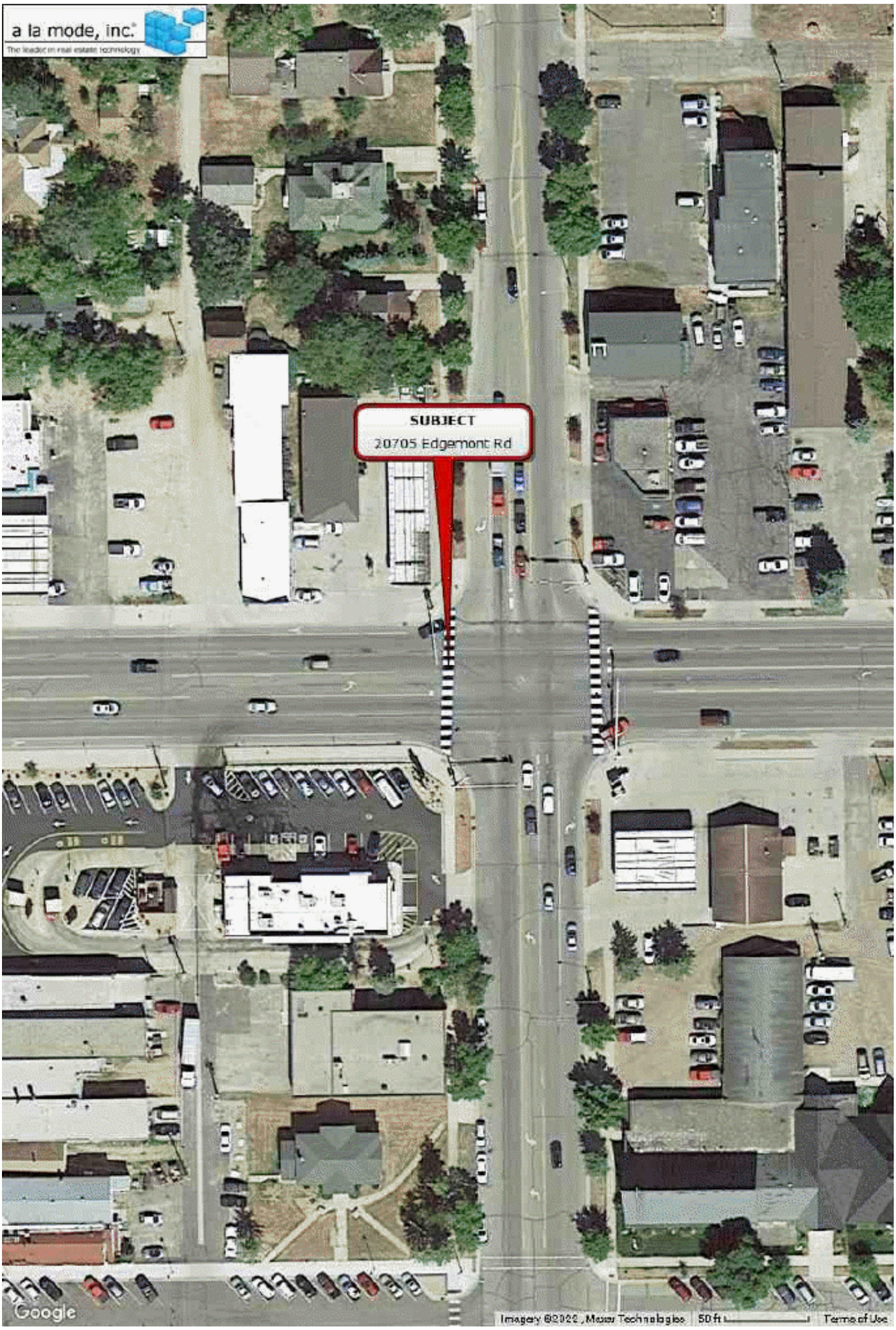
PLAT MAP

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		



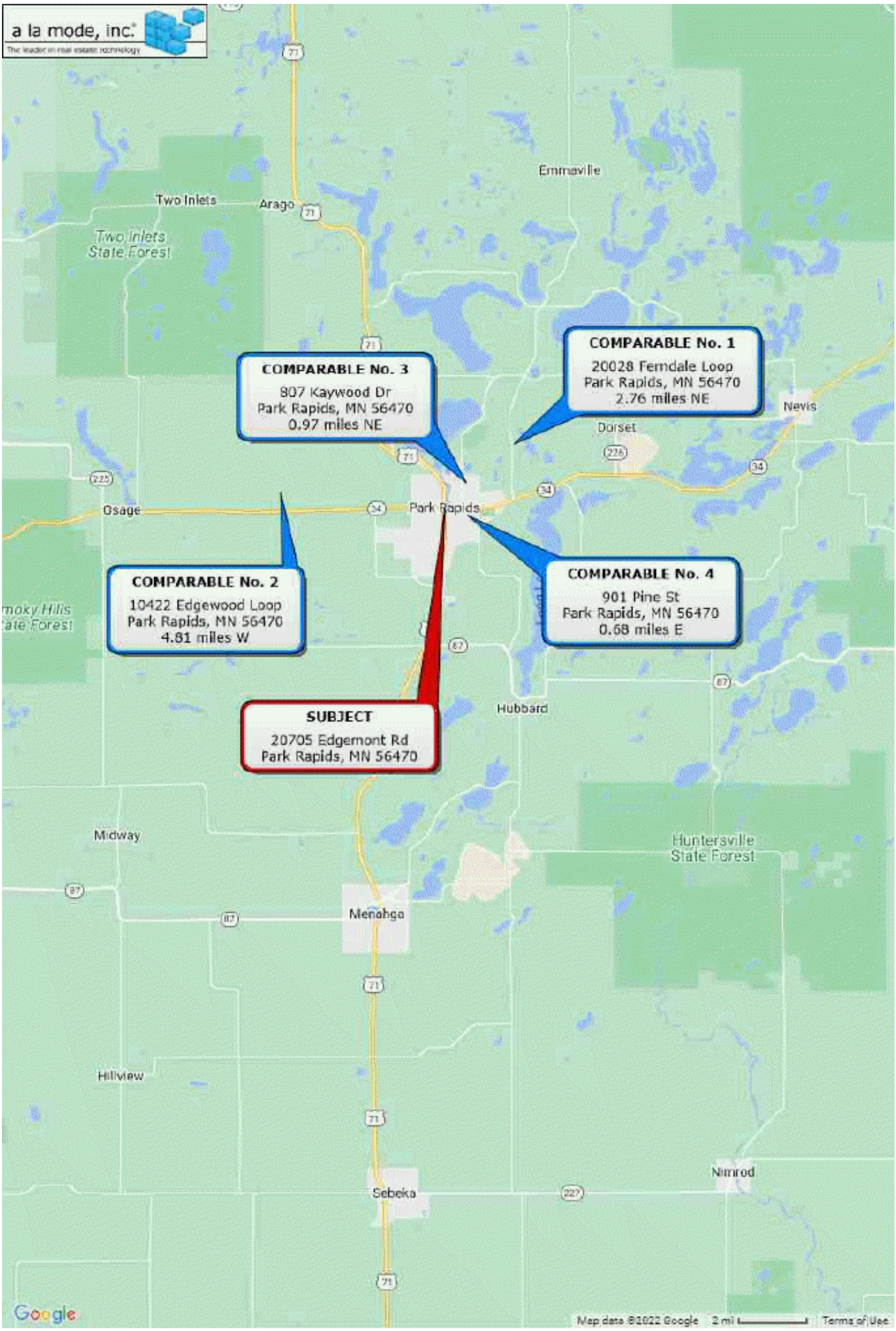
AERIAL MAP

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
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LOCATION MAP

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		



License

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		

STATE OF MINNESOTA

KEVIN RICHARD LITCHKE
PO BOX 608
COLERAINE, MN 55722

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that

KEVIN RICHARD LITCHKE

PO BOX 608
COLERAINE, MN 55722

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of

Resident Appraiser : Licensed Residential

License Number: 20543689

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2023.

IN TESTIMONY WHEREOF, I have hereunto set my hand this August 18, 2021.

Grace Arnold

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division
85 7th Place East, Suite 500
St. Paul, MN 55101-3165
Telephone: (651) 539-1599
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

Notes:

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. **Trainees do not qualify.** For further details, please visit our website at commerce.state.mn.us.

Market Conditions Addendum to the Appraisal Report

7001867311
File No. 1127082.1

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 20705 Edgemont Rd City Park Rapids State MN Zip Code 56470

Borrower Jerome Kramer

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.

MARKET RESEARCH & ANALYSIS

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	0	0	0	☐ Increasing	☒ Stable	☐ Declining
Absorption Rate (Total Sales/Months)	0.00	0.00	0.00	☐ Increasing	☒ Stable	☐ Declining
Total # of Comparable Active Listings	0	0	0	☒ Declining	☐ Stable	☐ Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.00	0.00	0.00	☒ Declining	☐ Stable	☐ 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	0	0	0	☐ Increasing	☒ Stable	☐ Declining
Median Comparable Sales Days on Market	0	0	0	☐ Declining	☒ Stable	☐ Increasing
Median Comparable List Price	0	0	0	☐ Increasing	☒ Stable	☐ Declining
Median Comparable Listings Days on Market	0	0	0	☐ Declining	☒ Stable	☐ Increasing
Median Sale Price as % of List Price	0.00%	0.00%	0.00%	☐ Increasing	☒ Stable	☐ Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent? ☒ Yes ☐ No				☐ Declining	☒ Stable	☐ 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.).

According the MLS and county records, the seller concessions are common and consistent with neither a decrease or increase in contributions toward closing costs, etc. Research reveals that concessions up to $5000 are common and have no impact on sales price while concession amounts over $5000 have a notable impact and are adjusted for in the grid accordingly.

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).

The subject market is not REO driven, and the current REO properties are a minimal part of the market.

Cite data sources for above information. County records, MLS and CMA reports

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.

Per HUD guidelines, the section above is to be completed with data from within the subject neighborhood of properties similar to the subject. The search for comparable sales and listings revealed limited comparable sales considered similar to the subject and therefore there is limited data to report in the section above. An expanded search was completed of all properties in the market having similar water or non-water front location, site size difference within 50% and GLA within 40% and with or without a garage. The expanded search revealed considerably more comparable sales and listings which have not been included in the above grid. The expanded search revealed the subject market is seasonally affected, with the peak sales period being the months of May through October, due to the unfavorable weather of the

CONDO / CO-OP PROJECTS

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)				☐ Increasing	☐ Stable	☐ Declining
Absorption Rate (Total Sales/Months)				☐ Increasing	☐ Stable	☐ Declining
Total # of Active Comparable Listings				☐ Declining	☐ Stable	☐ Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				☐ Declining	☐ Stable	☐ 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.

APPRAISER

APPRAISER

Signature
Name Kevin Litchke
Company Name K&C Appraisals
Company Address PO 608
Coleraine, MN 55722
State License/Certification # 20543689 State MN
Email Address k1litchke@msn.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

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

List of sales and listings

Borrower: Jerome Kramer		File No.:	1127082.1
Property Address: 20705 Edgemont Rd		Case No.:	7001867311
City: Park Rapids	State: MN	Zip:	56470
Lender: HomePoint Financial			

Agent Single Line

Distance	#	List #	S	Street Address	Abv Gr Fin SqFt	Reno	Outbuildings	Basmt	TFSF	City	Price/Close Date	List Price	DOM	List Date	Acres	Garage Stalls	Lake	Bottom Type	Beds	Bth	Built	Water Body Name
9.4 mi	1	6190851	CLS	38641 Blueberry View V	1,328	No		Walks	1,980	Menahga	$190,000 06/29/2022	$129,900	160	5/04/2022	1.030	2			3	3	1995	
9.0 mi	2	6121218	CLS	54828 Pearl Street	1,128	No		Concr	1,120	Osage	$190,000 01/31/2022	$169,900	671	0/28/2021	1.570	2			2	2	1980	
18.7 mi	3	6068213	CLS	801 Wells Avenue NW	1,280	No	Shed - Storage	Concr	1,280	Sebeka	$190,000 11/19/2021	$159,000	670	7/22/2021	1.370	3			3	1	1979	
3.4 mi	4	6100438	CLS	14615 Us 71	1,248	No	Other, Sauna	Concr	1,248	Park Rapids	$172,000 10/29/2021	$169,900	160	9/15/2021	2.500	2			3	2	1953	
1.7 mi	5	6145471	CLS	13693 Bitterroot Lane	1,376	No		Crawl	1,376	Park Rapids	$175,000 03/03/2022	$164,900	501	2/2022	1.920	2			3	1	2006	
1.3 mi	6	6126309	CLS	1305 Henrietta Avenue	1,256	No		Concr	1,496	Park Rapids	$185,000 03/01/2022	$199,900	781	1/08/2021	2.500	2			3	3	1989	
8.3 mi	7	6094794	CLS	13868 Inlet Circle	1,812	No	Chicken Coop/Barn, Garage(s), Lean-to,	Concr	2,024	Park Rapids	$183,000 10/08/2021	$199,900	2936	3/2021	1.230	2			4	2	1984	
14.6 mi	8	6218836	A	25162 Fieldstone Drive	1,824	No		None	1,034	Akeley	$199,900	$199,900	4656	6/2022	2.800	1			2	1	2010	
1.0 mi	9	6164467	CLS	807 Keywood Drive	1,458	No		Partia	1,758	Park Rapids	$283,500 05/16/2022	$295,000	603	4/2022	1.230	2			3	2	1982	
9.6 mi	10	6139618	CLS	16877 308th Avenue	1,886	No	Chicken Coop/Barn, Garage(s), Shed - S	Full	3,132	Nevis	$395,000 03/09/2022	$329,000	4213	3/2021	4.330	3			4	3	1987	
19.7 mi	11	6231685	P	800 Wells Avenue N	1,144	No	Workshop	Full	2,288	Sebeka	$212,000	$212,000	507	7/2022	1.810	3			5	2	1979	
2.8 mi	12	6072566	CLS	20628 Ferndale Loop	1,892	No	Chicken Coop/Barn, Shed - Loafing, She	Concr	2,084	Park Rapids	$215,000 11/30/2021	$219,900	5036	8/2021	2.400	2			3	2	1977	
9.8 mi	13	6160963	CLS	10792 Impression Road	1,273	No	Hot Tub, Shed - Storage	Concr	1,273	Park Rapids	$230,000 04/12/2022	$210,000	303	7/2022	1.500	2			2	1	1957	
2.8 mi	14	6072842	CLS	20704 County 1	1,848	No		Full, F	2,080	Park Rapids	$230,000 11/24/2021	$224,900	780	7/25/2021	1.720	2			3	2	1992	
4.8 mi	15	6187453	CLS	10422 Edgewood Loop	1,344	No	Shed - Storage	Crawl	1,344	Park Rapids	$223,000 06/30/2022	$199,900	304	9/2022	3.010	2			2	1	1978	
1.9 mi	16	6231803	P	19616 Rnd Of The Day I	1,128	No		Finish	2,188	Park Rapids	$275,000	$275,000	07	6/2022	1.280	2			3	2	1977	
2.7 mi	17	6171149	A	12224 State 34	1,440	No	Garage(s), Shed - Machine	Crawl	1,440	Park Rapids	$235,000	$235,000	1240	3/30/2022	5.000	1			3	1	1966	
1.0 mi	18	6228748	P	1603 Park Avenue S	1,483	No	Shed - Storage	Full, F	1,967	Park Rapids	$239,000	$239,000	2106	7/2022	1.550	3			3	2	1940	
1.7 mi	19	6225836	A	15877 Essex Road	1,340	No	Other	Concr	2,680	Park Rapids	$239,000	$239,000	3806	6/2022	1.250	3			3	3	1984	
0.7 mi	20	6197844	CLS	901 Pine Street	1,384	No	Garage(s)	Crawl	1,384	Park Rapids	$239,900 06/22/2022	$239,900	805	8/2022	1.000	3			2	2	2001	
8.7 mi	21	6154337	CLS	24004 Elderberry Circle	1,128	No		Finish	2,188	Nevis	$240,000 04/15/2022	$249,900	502	7/2022	1.460	2			3	2	2001	
13.0 mi	22	6189163	P	27310 State Hwy 34	1,248	No	Chicken Coop/Barn, Garage(s), Kennel/T	Walks	2,028	Akeley	$244,900	$244,900	3805	0/2022	6.620	4			4	3	1994	
5.8 mi	23	6112352	CLS	16955 State 87	1,368	No	Pole Building	Concr	1,368	Park Rapids	$252,000 06/01/2022	$249,900	2803	8/2022	3.000	2			2	2	1971	
2.0 mi	24	6190229	CLS	17561 Denkber Loop	1,416	No		Concr	1,916	Park Rapids	$260,000 06/17/2022	$259,900	1805	6/2022	2.770	2			4	2	1999	
18.6 mi	25	6214160	CLS	12579 378th Street	1,168	No		Egres	2,272	Menahga	$261,000 07/25/2022	$239,900	4706	6/2022	2.200	2			4	2	2003	
2.1 mi	26	6189403	CLS	17333 168th Avenue	1,400	No		None	1,480	Park Rapids	$294,021 06/24/2022	$289,900	4105	3/2022	2.690	2			3	2	2020	
18.8 mi	27	6224435	A	37277 Twin Lakes Road	1,155	No	Garage(s), Shed - Storage	Concr	1,330	Menahga	$299,000	$299,000	4006	2/2022	5.730	3			3	2	1973	
4.5 mi	28	6229604	P	11898 Nr Portage Drive	1,204	No		Concr	2,408	Park Rapids	$299,900	$299,900	106	8/2022	4.810	2			4	2	1977	
12.7 mi	29	6165225	CLS	51130 Old Mill Trail	1,440	No	Garage(s), Shed - Storage	Slab	1,440	Osage	$324,900 04/29/2022	$329,900	1603	8/2022	2.850	2			3	2	2019	
8.4 mi	30	6184318	CLS	19802 Eastwood Drive	1,120	No	Other	Egres	2,240	Nevis	$335,000 09/08/2022	$314,900	704	2/2022	5.000	2			3	3	1998	
11.2 mi	31	5767681	CLS	845 E Blueberry River D	1,456	No		Egres	2,912	Menahga	$339,000 09/15/2021	$325,000	5901	8/2021	2.139	2			6	3	2017	
9.3 mi	32	6156023	CLS	24552 Evergreen Drive	1,344	No		Walks	2,688	Nevis	$339,000 04/08/2022	$339,000	4802	3/2022	6.200	2			3	3	1999	
2.8 mi	33	6212472	CLS	20621 Firewood Trail	1,328	No	Shed - Storage	Egres	2,656	Park Rapids	$426,000 08/04/2021	$379,900	0	6/04/2021	1.730	2			4	3	1998	
2.8 mi	34	5760758	CLS	20621 Firewood Trail	1,328	No	Shed - Storage	Egres	2,656	Park Rapids	$426,000 08/03/2021	$379,900	368	6/04/2021	1.730	2			4	3	1998	

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Similar Land

Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		

Agent Single Line

Distance	#	List #	S	Close Date	Street Address	Outbuildings	City	Price	DOM	Water Body Name	Road town WF & Home Waterfront Frontage Feet	Acres
8.2 mi	1	6167687	CLS	07/15/2022	017 Hard Pine Drive		Park Rapids	$38,000	58			3.620
3.0 mi	2	6194098	CLS	06/23/2022	TBD Firewood Trail		Park Rapids	$65,000	26			3.700
2.8 mi	3	6165973	CLS	06/03/2022	3.3 AC County 107		Park Rapids	$67,500	38			3.300
3.2 mi	4	6064276	CLS	05/06/2022	Lot 4 Pemelck Circle		Park Rapids	$14,900	239			2.520
6.7 mi	5	6012996	CLS	05/02/2022	A.B.C. Holiday Road		Park Rapids	$27,400	268			3.210
6.6 mi	6	6013029	CLS	05/02/2022	J.K.L. Holiday Lane		Park Rapids	$27,400	268			3.020
6.6 mi	7	6013017	CLS	05/02/2022	G.H.I. Holiday Road		Park Rapids	$27,400	268			2.480
6.7 mi	8	6013034	CLS	05/02/2022	D.E.F. Holiday Road		Park Rapids	$27,400	268			2.400
5.6 mi	9	6024548	CLS	04/29/2022	xxx3 Grandview Drive		Park Rapids	$32,000	259			3.340
8.1 mi	10	6167292	CLS	04/18/2022	XXX Hard Pine Trail		Park Rapids	$28,000	13			4.210

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Borrower: Jerome Kramer		File No.: 1127082.1
Property Address: 20705 Edgemont Rd		Case No.: 7001867311
City: Park Rapids	State: MN	Zip: 56470
Lender: HomePoint Financial		

General Weighted Analysis

Comparable Sale	Adjusted Value	Weighed Factor	Weighted Value
Number 1:	$222,800	33.00%	$73,524
Number 2:	$230,900	32.00%	$73,888
Number 3:	$200,200	25.00%	$50,050
Number 4:	$236,500	10.00%	$23,650
	Sums	100.00%	$221,112
		Call	**$221,000**

The weight was derived from the local market and applied by the real estate appraiser.

Borrower	Jerome Kramer			File No. 1127082.1
Property Address	20705 Edgemont Rd			
City	Park Rapids	County Hubbard	State MN	Zip Code 56470
Lender/Client	HomePoint Financial			

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

☒ Appraisal Report (A written report prepared under Standards Rule 2-2(a) , pursuant to the Scope of Work, as disclosed elsewhere in this report.)

☐ Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b) , pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use only by the specified client and any other named intended user(s).)

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.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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 were 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).

Reasonable Exposure Time

(USPAP defines Exposure Time as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.)

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: 60 Days

A reasonable exposure time for the subject property developed independently from the stated marketing time is: 60 Days The DOM are impacted by the seasonal factors in the market.

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:

I have performed no services as an appraiser or in any other capacity regarding the property that is the subject of this report within the 3 year period immediately preceding acceptance of this assignment.

APPRAISER:

Signature: Kevin Richard Litchke
Name: Kevin Litchke
Appraiser
State Certification #:
or State License #: 20543689
State: MN Expiration Date of Certification or License: 06/31/2023
Date of Signature and Report: 08/05/2022
Effective Date of Appraisal: 08/01/2022
Inspection of Subject: ☐ None ☒ Interior and Exterior ☐ Exterior-Only
Date of Inspection (if applicable): 08/01/2022

SUPERVISORY or CO-APPRAISER (if applicable):

Signature:
Name:
State Certification #:
or State License #:
State: Expiration Date of Certification or License:
Date of Signature:
Inspection of Subject: ☐ None ☐ Interior and Exterior ☐ Exterior-Only
Date of Inspection (if applicable):

Errors - These items must be corrected to receive a "pass".

- 1004_05UAD - REPORT - Fair Lending - Comments in the Ending Addenda contain (SINGLE) "Although the opinion of value submitted herein is a single point value to comply with Fannie Mae's requirement to render one specific number, the desires and purchasing emotions of a typical buyer vary and marketing seasonal conditions affect property marketing, which could result in a value within 10% +/- of the stated value.", which could be a violation of fair lending practices. Please revise these comments so that there is no risk of a fair lending violation.
  ☐ The appraiser acknowledges that this rule is not applicable to the report or is addressed in the body of the report.
- 1004_05UAD - REPORT - Fair Lending - Comments in the Neighborhood Market Conditions contain (ATTRACTIVE) "Mortgage money is readily available to qualified buyers at attractive rates.", which could be a violation of fair lending practices. Please revise these comments so that there is no risk of a fair lending violation.
  ☐ The appraiser acknowledges that this rule is not applicable to the report or is addressed in the body of the report.
- 1004_05UAD - REPORT - Fair Lending - Comments in the Additional Comments contain (DEMOGRAPHICS) "Such understanding will not be imparted solely from a consideration of specific data such as demographics, costs, sales and rentals.", which could be a violation of fair lending practices. Please revise these comments so that there is no risk of a fair lending violation.
  ☐ The appraiser acknowledges that this rule is not applicable to the report or is addressed in the body of the report.

Warnings - These items may be incorrect and require your review.

- 1004_05UAD - SUBJECT - Borrower Name - is not the same as Owner of Public Record and Assignment Type is Refinance. Verify the loan purpose and the owner of public record.
- REQ - LENDER/CLIENT - Company Address - on report 2211 OLD EARHART ROAD, STE 250, ANN ARBOR, MI 48105 does not match Lender/Client Address as ordered 2211 Old Earhart Road Ann Arbor MI 48105.
- 1004_05UAD - SALES COMPARISON APPROACH - Site Size - is not bracketed by the comparables.
- 1004_05UAD - SALES COMPARABLE(S) #2, 3, 4 - Gross Adjustment Percentage - exceeds 15% of Sales Price.
- 1004_05UAD - RECONCILIATION - Estimated Market Value - is below the Neighborhood Predominant Price.
- GSE - RECONCILIATION - Effective Date - is older than 1 year (365 days) from the current date. (ref. FNM0079)
- 1004_05UAD - SALES COMPARABLE(S) #4 - Actual Age - differs by more than 17 years from the subject property and no adjustment has been entered.