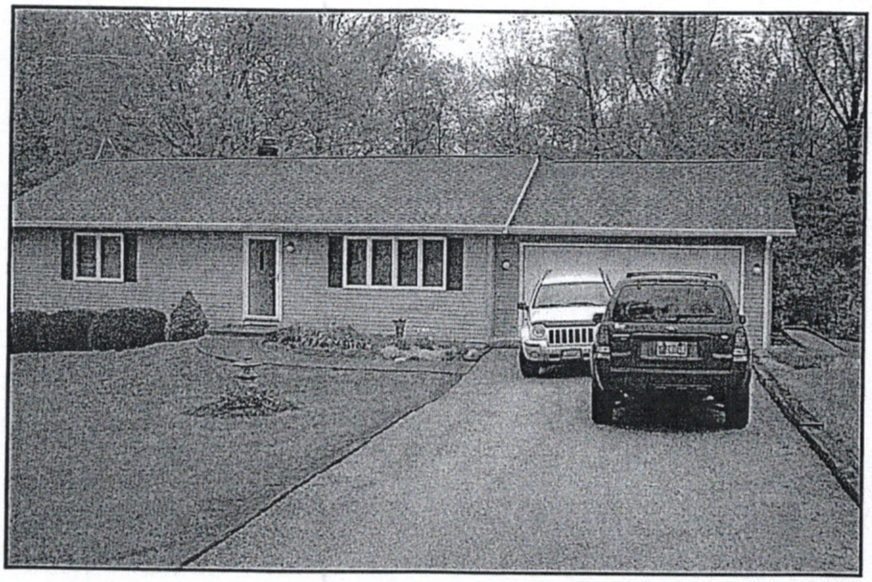
APPRAISAL OF REAL PROPERTY



LOCATED AT
2730 Grange Hall Rd NE
Corydon, IN 47112
pt SE1/4 28-3-4

Grng

3/

FOR
James Kenneth Neukam Estate
Corydon, IN 47112

OPINION OF VALUE
152,000

AS OF
04/23/2013

BY
Larry Harmon
Larry J Harmon Appraisals Inc
1355 Ridgewood Dr NW
Corydon, IN 47112-5206
(812) 738-8924
larry.harmon@insightbb.com

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	2730 Grange Hall Rd NE
	Legal Description	pt SE1/4 28-3-4
	City	Corydon
	County	Harrison
	State	IN
	Zip Code	47112
	Census Tract	0604.00
	Map Reference	na
SALES PRICE	Sale Price	$
	Date of Sale	
CLIENT	Borrower/Client	James Kenneth Neukam Estate
	Lender	James Kenneth Neukam Estate
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	1,092
	Price per Square Foot	$
	Location	rural
	Age	23
	Condition	aver
	Total Rooms	4
	Bedrooms	2
	Baths	1
APPRAISER	Appraiser	Larry Harmon
	Date of Appraised Value	04/23/2013
VALUE	Opinion of Value	$ 152,000

Uniform Residential Appraisal Report

2730 Grange Hall Rd
File # James Kenneth Neukam

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 2730 Grange Hall Rd NE | City Corydon | State IN | Zip Code 47112
Borrower James Kenneth Neukam Estate | Owner of Public Record James Kenneth Neukam Estate | County Harrison
Legal Description pt SE1/4 28-3-4
Assessor's Parcel # 31-10-28-400-007.000-007 | Tax Year | R.E. Taxes $
Neighborhood Name na | Map Reference na | Census Tract 0604.00
Occupant ☐ Owner ☐ Tenant ☒ Vacant | Special Assessments $ 0 | ☐ PUD HOA $ 0 ☐ per year ☐ per month
Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)
Assignment Type ☐ Purchase Transaction ☐ Refinance Transaction ☒ Other (describe) estate
Lender/Client James Kenneth Neukam Estate | Address Corydon, IN 47112
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 ☒ No
Report data source(s) used, offering price(s), and date(s). Information from inspection, court house, heir, sira search. Appraiser has not performed any appraisal services on the subject property in the last 3 years.

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 ☒ Rural	Property Values ☐ Increasing ☒ Stable ☐ Declining	PRICE		AGE	One-Unit	30 %
Built-Up ☐ Over 75% ☒ 25-75% ☐ Under 25%	Demand/Supply ☐ Shortage ☒ In Balance ☐ Over Supply	$ (000)		(yrs)	2-4 Unit	%
Growth ☐ Rapid ☒ Stable ☐ Slow	Marketing Time ☐ Under 3 mths ☒ 3-6 mths ☐ Over 6 mths	50	Low	4	Multi-Family	%
Neighborhood Boundaries Rural area of scattered growth located 4 miles NE of Corydon, pop 3100,		350	High	90	Commercial	%
largest town-county seat of Harrison Co, pop 39,000. Other land use % is vacant.		140	Pred.	35	Other	70 %

Neighborhood Description Variety of housing is common to area. Majority of housing is average with scattered manufactured housing. Typical access to employment, shopping and schools for the area. Normal amenities and utility for area. Typical appeal to market for subject area.

Market Conditions (including support for the above conclusions) General market conditions average with little impact from creative financing. Marketing time stable at 3-12 months. Typical sales-list ratio of 95-100%. I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal and trending info. If a trend is indicated an addendum providing relevant list-contract data is provided.

SITE

Dimensions see legal description | Area 10 acres | Shape rect | View aver
Specific Zoning Classification ag-res | Zoning Description ag & sin fam res
Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	☒	☐	Water	☒	☐	Street asphalt	☒	☐
Gas	☐	☒ LP	Sanitary Sewer	☐	☒ septic	Alley none	☐	☐

FEMA Special Flood Hazard Area ☐ Yes ☒ No | FEMA Flood Zone C | FEMA Map # 1800850004B | FEMA Map Date 11/01/1995
Are the utilities and off-site improvements typical for the market area? ☒ Yes ☐ No If No, describe
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☒ No If Yes, describe
Adequate site, typical for subject area. Front open, rear wooded. No apparent adverse easements or encroachments. Gravel drive and septic are common to area. No significant marketable timber value is included in this appraisal which if present should be valued separately.

IMPROVEMENTS

General Description	Foundation	Exterior Description materials/condition	Interior materials/condition
Units ☒ One ☐ One with Accessory Unit	☐ Concrete Slab ☐ Crawl Space	Foundation Walls concrete/aver	Floors carpet/aver
# of Stories 1	☒ Full Basement ☐ Partial Basement	Exterior Walls vinyl/aver	Walls drywall/aver
Type ☒ Det. ☐ Att. ☐ S-Det./End Unit	Basement Area 1,092 sq.ft.	Roof Surface asp sh/aver	Trim/Finish aver/aver
☒ Existing ☐ Proposed ☐ Under Const.	Basement Finish 5 %	Gutters & Downspouts alum/aver	Bath Floor tile/aver
Design (Style) ranch	☒ Outside Entry/Exit ☐ Sump Pump	Window Type metal/aver	Bath Wainscot fiber/aver
Year Built 1990	Evidence of ☐ Infestation	Storm Sash/Insulated thermopane/aver	Car Storage ☐ None
Effective Age (Yrs) 23	☐ Dampness ☐ Settlement	Screens alum/aver	☒ Driveway # of Cars 1
Attic ☐ None	Heating ☒ FWA ☐ HWBB ☐ Radiant	Amenities ☐ Woodstove(s) #	Driveway Surface gravel
☐ Drop Stair ☐ Stairs	☐ Other Fuel LP	☐ Fireplace(s) # ☐ Fence	☒ Garage # of Cars 2
☐ Floor ☒ Scuttle	Cooling ☒ Central Air Conditioning	☒ Patio/Deck 10x18 ☐ Porch	☐ Carport # of Cars 0
☐ Finished ☐ Heated	☐ Individual ☐ Other	☐ Pool ☐ Other	☒ Att. ☐ Det. ☐ Built-in

Appliances ☐ Refrigerator ☐ Range/Oven ☐ Dishwasher ☐ Disposal ☐ Microwave ☐ Washer/Dryer ☒ Other (describe) none included
Finished area above grade contains: 4 Rooms 2 Bedrooms 1 Bath(s) 1,092 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.). Basement finish is 1/2 bath. Frame shed in average condition, metal roof, overhead door.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). Typical physical depreciation for this age-type housing in the area. No apparent inadequacies. Average quality, no apparent repair needed.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe
No apparent adverse conditions or deficiencies noted at time of inspection.

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

Uniform Residential Appraisal Report

2730 Grange Hall Rd
File # James Kenneth Neukam

There are comparable properties currently offered for sale in the subject neighborhood ranging in price from $ to $.
There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ to $.

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	2730 Grange Hall Rd NE Corydon, IN 47112	3390 Grange Hall Rd NE Corydon, IN 47112		2591 Beckinridge Rd NE Corydon, IN 47112		7260 Kesindale Circle Rd SE Elizabeth, IN 47117	
Proximity to Subject		0.70 miles E		2.26 miles NE		8.73 miles SE	
Sale Price	$		$ 118,000		$ 153,000		$ 186,000
Sale Price/Gross Liv. Area	$ sq.ft.	$ 111.74 sq.ft.		$ 116.53 sq.ft.		$ 136.16 sq.ft.	
Data Source(s)		mls		mls		mls	
Verification Source(s)		court house		court house		court house	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sales or Financing Concessions		conv 183 days		conv 99 days		conv 248 days	
Date of Sale/Time		10/04/2012		05/20/2012		09/05/2012	
Location	rural	rural		rural		inferior	+4,000
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	10 acres	8.69 acres	+3,000	8.15 acres	+4,000	7.45 acres	+5,000
View	aver	aver		aver		aver	
Design (Style)	ranch	ranch		ranch		ranch	
Quality of Construction	frame	frame		frame		brick	-5,000
Actual Age	23	38		36		12	
Condition	aver	inferior	+5,000	aver		superior	-7,500
Above Grade Room Count (Total / Bdrms. / Baths)	4 / 2 / 1	5 / 3 / 1	-3,000	5 / 3 / 1.1	-4,000	5 / 3 / 2	-4,000
Gross Living Area	1,092 sq.ft.	1,056 sq.ft.	0	1,313 sq.ft.	-4,000	1,366 sq.ft.	-5,500
Basement & Finished Rooms Below Grade	1,092 Sq.Ft. 5% finished	none	+6,000	none	+6,000	1366 sf 90% finished	-16,000
Functional Utility	aver	inferior	+5,000	aver		aver	
Heating/Cooling	FA/CA	FA/CA		FA/CA		FA/CA	
Energy Efficient Items	none	none		none		none	
Garage/Carport	2 car att	2 car att		2 car det		2 car att	
Porch/Patio/Deck	deck,shed	porch	+2,000	deck	+2,000	porch,deck	
	gravel dr	gravel dr		gravel dr		gravel dr	
Net Adjustment (Total)		☒ + ☐ -	$ 18,000	☒ + ☐ -	$ 4,000	☐ + ☒ -	$ -29,000
Adjusted Sale Price of Comparables		Net Adj. 15.3 % Gross Adj. 20.3 %	$ 136,000	Net Adj. 2.6 % Gross Adj. 13.1 %	$ 157,000	Net Adj. 15.6 % Gross Adj. 25.3 %	$ 157,000

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

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
Data Source(s) court house
My research ☐ did ☒ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.
Data Source(s) court house
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	NA	NA	NA	NA
Price of Prior Sale/Transfer				
Data Source(s)	court house	court house	court house	court house
Effective Date of Data Source(s)	04/23/2013	04/23/2013	04/23/2013	04/23/2013

Analysis of prior sale or transfer history of the subject property and comparable sales Comps not resold in last year.

Summary of Sales Comparison Approach Limited, scattered, sales data available for the rural subject area. See attached comps # 4-6 for acreage comps. The above sales are used to illustrate the market for this size housing on small acreage in the area and are typical for the area. Age-condition combined and reflects remodeling.

Indicated Value by Sales Comparison Approach $ 152,000

Indicated Value by: Sales Comparison Approach $ 152,000 **Cost Approach (if developed) $** 150,830 **Income Approach (if developed) $** NA

Sales comparison approach is weighted, limited support from cost approach, final estimate is justified.

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

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 $ 152,000 **, as of** 04/23/2013 **, which is the date of inspection and the effective date of this appraisal.**

Uniform Residential Appraisal Report

2730 Grange Hall Rd
File # James Kenneth Neukam

ADDITIONAL COMMENTS

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 the Definition of Market Value. No additional intended users are identified by the appraiser.

Southern Indiana Board of Realtors data from 2006-2007-2008-2009-2009-2010-2011 & 2012

	2006	2007	2008	2009	2010	2011	2012
Residential Closed Sales	3562	3513	2610	2871	2529	2573	2550
Average Sales Price	$140,136	$137,682	$128,665	$124,000	$121,709	$120,000	$127,500
Median Sales Price	$123,000	$124,295	$118,000	$117,000	$114,500	$110,900	$112,000

Very limited bakc to back sales and very limited same floor plan, same age, same house, different lot sales available in the rural/small town subject area to determine exact time adjustment. The subject market shows stabilization in the more recent data.

The subject market is small enough for holes-spurts in sales data for a particular type property in the area. 4 berm sales in 12 months, no berm sales in 12 months for example. The market for berm housing did not change during this 2 year period.

Wider than desired indicated values from comparable sales, greater than desired gross adjustments to available comparable sales, sold older than desired dates of sale, and some longer than desired distances to comparable sales are not unusual for rural areas of diverse housing.

All adjustments rounded to nearest $500.

Market areas of often ill defined in rural and/or small town areas. The market area for the subject property is defined as Harrison Co.
Utilities on and appear functional at time of inspection.

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) See comps # 4-6 for acreage comps

ESTIMATED ☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW
Source of cost data similar construction
Quality rating from cost service aver Effective date of cost data 04/23/2013
Comments on Cost Approach (gross living area calculations, depreciation, etc.)
Typical physical depreciation for well maintained housing of this age-type in the area.

OPINION OF SITE VALUE			=$	60,000
DWELLING	1,092 Sq.Ft. @ $	90.00	=$	98,280
Basement	1,092 Sq.Ft. @ $	10.00	=$	10,920
Deck,Shed			=$	5,000
Garage/Carport	480 Sq.Ft. @ $	16.00	=$	7,680
Total Estimate of Cost-New			=$	121,880
Less	Physical	Functional	External	
Depreciation	40,050		=$(	40,050)
Depreciated Cost of Improvements			=$	81,830
"As-is" Value of Site Improvements			=$	9,000
INDICATED VALUE BY COST APPROACH			=$	150,830

Estimated Remaining Economic Life (HUD and VA only) 47 Years

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent $ X Gross Rent Multiplier = $ NA Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM)

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 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
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.

Uniform Residential Appraisal Report

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 the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.

6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.

2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.

3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.

5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.

6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.

7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.

8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.

9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.

10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.

11. I have knowledge and experience in appraising this type of property in this market area.

12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.

14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.

15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.

16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.

17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.

18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).

19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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

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

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

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

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

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

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

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

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

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

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

APPRAISER Larry J Harmon

Signature Larry J Harmon
Name Larry Harmon
Company Name Larry J Harmon Appraisals Inc
Company Address 1355 Ridgewood Dr NW, Corydon, IN 47112-5206
Telephone Number (812) 738-8924
Email Address larry.harmon@insightbb.com
Date of Signature and Report April 28, 2013
Effective Date of Appraisal 04/23/2013
State Certification #
or State License # CG49300012
or Other (describe) State #
State IN
Expiration Date of Certification or License 06/30/2014

ADDRESS OF PROPERTY APPRAISED
2730 Grange Hall Rd NE
Corydon, IN 47112

APPRAISED VALUE OF SUBJECT PROPERTY $ 152,000

LENDER/CLIENT
Name
Company Name James Kenneth Neukam Estate
Company Address Corydon, IN 47112
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

2730 Grange Hall Rd
File # James Kenneth Neukam

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Address	2730 Grange Hall Rd NE Corydon, IN 47112	Country Club Rd SE Corydon, IN 47112		Shiloh Rd SW Corydon, IN 47112		Hwy 62 NE Corydon, IN 47112	
Proximity to Subject		1.89 miles SW		3.35 miles SW		0.88 miles SE	
Sale Price	$		$ 4,672		$ 8,377		$ 6,040
Sale Price/Gross Liv. Area	$ sq.ft.	$ sq.ft.		$ sq.ft.		$ sq.ft.	
Data Source(s)		mls		mls		mls	
Verification Source(s)		court house		court house		court house	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sales or Financing Concessions		conv 171 days		conv 216 days		conv 189 days	
Date of Sale/Time		07/02/2012		11/02/2012		11/16/2011	
Location	rural	rural		rural		rural	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	10 acres	7.92 acres		7.64 acres		7.45 acres	
View	aver	aver		aver		aver	
Design (Style)	ranch	no improvemnts		no improvemnts		no improvemnts	
Quality of Construction	frame						
Actual Age	23						
Condition	aver						
Above Grade Room Count	Total 4 / Bdrms. 2 / Baths 1	Total / Bdrms. / Baths		Total / Bdrms. / Baths		Total / Bdrms. / Baths	
Gross Living Area	1,092 sq.ft.	sq.ft.		sq.ft.		sq.ft.	
Basement & Finished Rooms Below Grade	1,092 Sq.Ft. 5% finished						
Functional Utility	aver						
Heating/Cooling	FA/CA						
Energy Efficient Items	none						
Garage/Carport	2 car att						
Porch/Patio/Deck	deck,shed						
	gravel dr						
Net Adjustment (Total)		☐ + ☐ -	$	☐ + ☐ -	$	☐ + ☐ -	$
Adjusted Sale Price of Comparables		Net Adj. % Gross Adj. %	$ 4,672	Net Adj. % Gross Adj. %	$ 8,377	Net Adj. % Gross Adj. %	$ 6,040

SALE HISTORY

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 # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Date of Prior Sale/Transfer	NA	NA	NA	NA
Price of Prior Sale/Transfer				
Data Source(s)	court house	court house	court house	court house
Effective Date of Data Source(s)	04/23/2013	04/23/2013	04/23/2013	04/23/2013

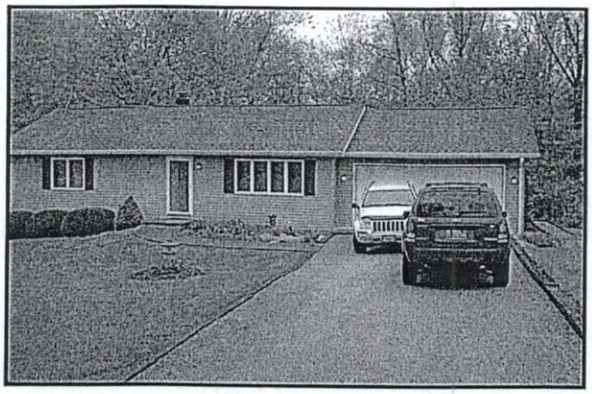
Analysis of prior sale or transfer history of the subject property and comparable sales Comps not resold in last year.

ANALYSIS / COMMENTS

Analysis/Comments The above sales are used to illustrate the market for this size acreage in the area and are typical for the area. The above sales are given in price per acre.

Subject Photo Page

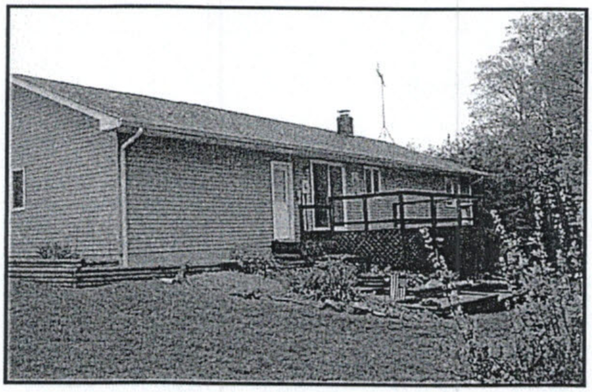
Borrower/Client	James Kenneth Neukam Estate
Property Address	2730 Grange Hall Rd NE
City	Corydon County Harrison State IN Zip Code 47112
Lender	James Kenneth Neukam Estate



Subject Front

2730 Grange Hall Rd NE

Sales Price	
Gross Living Area	1,092
Total Rooms	4
Total Bedrooms	2
Total Bathrooms	1
Location	rural
View	aver
Site	10 acres
Quality	frame
Age	23

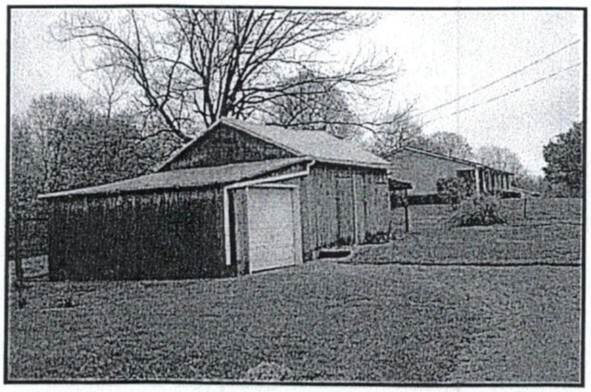


Subject Rear

Subject Street

Photograph Addendum

Borrower/Client	James Kenneth Neukam Estate						
Property Address	2730 Grange Hall Rd NE						
City	Corydon	County	Harrison	State	IN	Zip Code	47112
Lender	James Kenneth Neukam Estate						

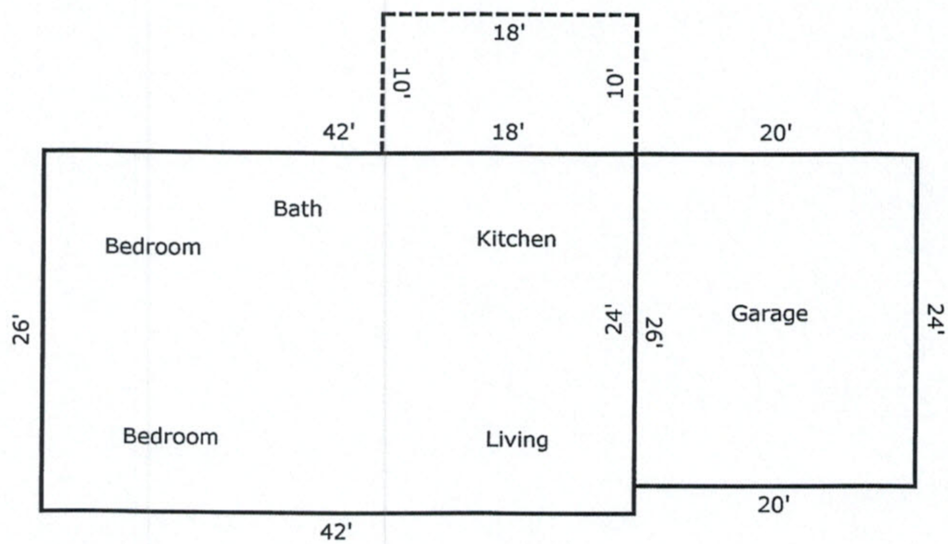


shed

subject land

Building Sketch

Borrower/Client	James Kenneth Neukam Estate						
Property Address	2730 Grange Hall Rd NE						
City	Corydon	County	Harrison	State	IN	Zip Code	47112
Lender	James Kenneth Neukam Estate						



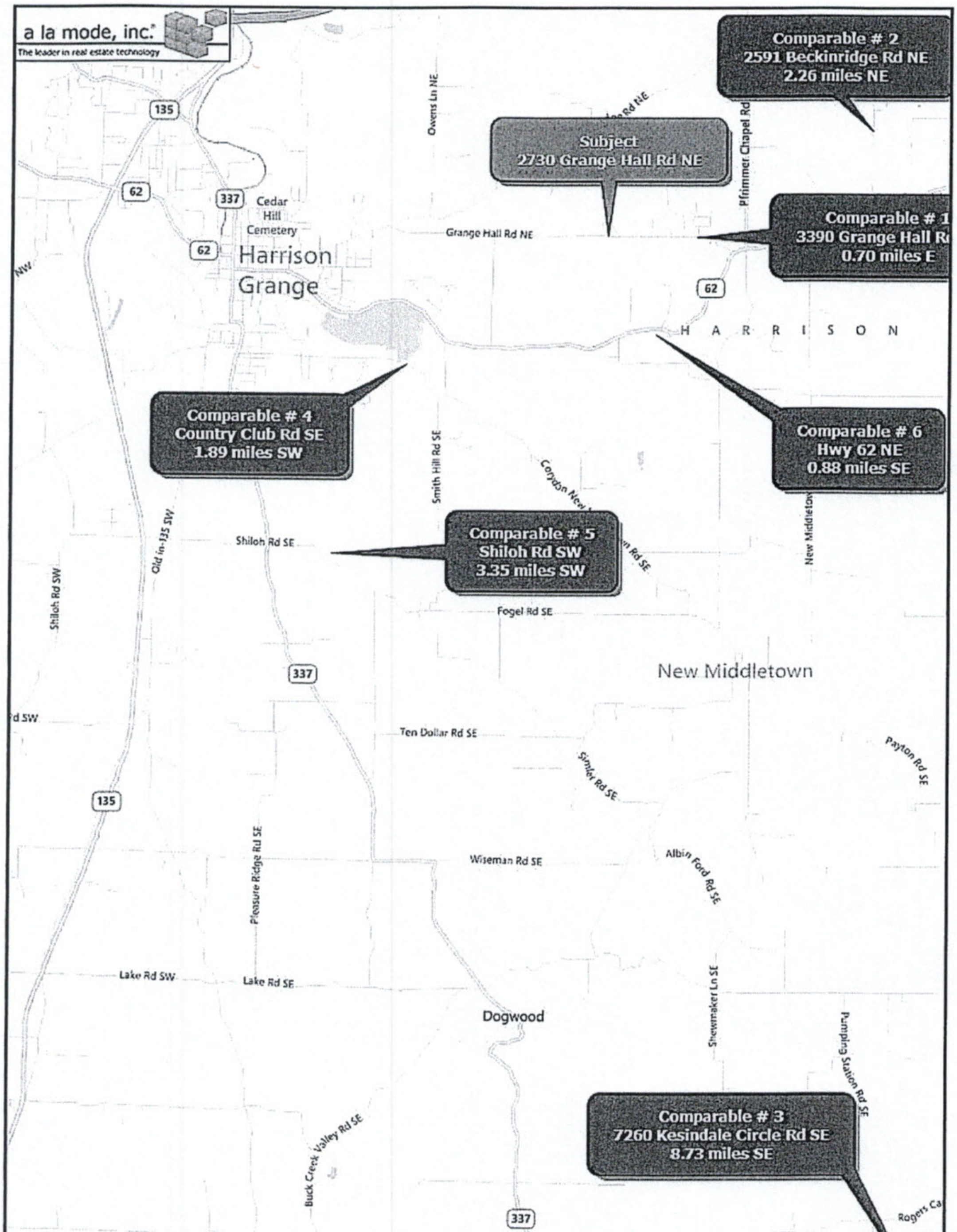
TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		**Calculation Details**
First Floor	1092 Sq ft	26 × 42 = 1092
Total Living Area (Rounded):	**1092 Sq ft**	
Non-living Area		
2 Car Attached	480 Sq ft	24 × 20 = 480
Wood Deck	180 Sq ft	18 × 10 = 180

Location Map

Borrower/Client	James Kenneth Neukam Estate						
Property Address	2730 Grange Hall Rd NE						
City	Corydon	County	Harrison	State	IN	Zip Code	47112
Lender	James Kenneth Neukam Estate						



2730 Grange Hall Rd aerial plat

Disclaimer:

Printed: 04/24/13

License

Details

Page 1 of

Indiana

Online Licensing

New Search

Litigation Documents

Digital Certification

Appraiser Board

Person Information

Lawrence Harmon

Address Information

Corydon IN 47112

License Information

License No:	CG49300012
Profession:	Appraiser Board
License Type:	Certified General Appraiser
Obtained By Method:	Examination
Issue Date:	1/8/1993
Expiration Date:	6/30/2014
License Status:	Active
Status Date:	

Previous Action

Previous Action - None

Related Licenses

ENVIRONMENTAL ADDENDUM

APPARENT* HAZARDOUS SUBSTANCES AND/OR DETRIMENTAL ENVIRONMENTAL CONDITIONS

2730 Grange Hall Rd
File # James Kenneth Neukam

Borrower/Client	James Kenneth Neukam Estate						
Property Address	2730 Grange Hall Rd NE						
City	Corydon	County	Harrison	State	IN	Zip Code	47112
Lender	James Kenneth Neukam Estate						

***Apparent is defined as that which is visible, obvious, evident or manifest to the appraiser.**

This Environmental Addendum is for use with any real estate appraisal. Only the statements which have been marked by the appraiser apply to the Subject property.

This addendum reports the results of the appraiser's routine viewing of and inquiries about the subject property and its surrounding area. It also states what assumptions were made about any observed evidence of any hazardous substances and/or detrimental environmental conditions. The appraiser is not an expert environmental inspector and therefore might be unaware of existing hazardous substances and/or detrimental environmental conditions which may have a negative effect on the safety or value of the property. It is possible that tests and inspections made by a qualified environmental inspector would reveal the existence of hazardous materials and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.

DRINKING WATER

☒ Drinking water is supplied to the subject from a municipal water supply which is considered safe. However, the only way to be absolutely certain that the water meets published standards is to have it tested at all discharge points.

☐ Drinking water is supplied by a well or other non-municipal source. It is recommended that tests be made to be certain that the property is supplied with adequate drinking water.

☐ Lead can get into drinking water from its source, the pipes, at all discharge points, plumbing fixtures and/or appliances. The only way to be certain that water does not contain an unacceptable lead level is to have it tested at all discharge points.

☒ **The opinion of value is based on the assumption that there is an adequate supply of safe, lead-free drinking water.**

Comments:

SEWER SYSTEM

☐ Sewage is removed from the property by a municipal sewer system.

☒ Sewage is disposed of by a septic system or other sanitary on-site waste disposal system. The only way to determine that the disposal system is adequate and in good good working condition is to have it inspected by a qualified inspector.

☒ **The opinion of value is based on the assumption that the sewage is disposed of by a municipal sewer or an adequate properly permitted alternate treatment system in good condition.**

Comments:

SOIL CONTAMINANTS

☒ There are no apparent signs of soil contaminants on or near the subject property (except as stated in Comments, below). It is possible that research, inspection and testing by a qualified environmental inspector would reveal existing and/or potential hazardous substances and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.

☒ **The opinion of value is based on the assumption that the subject property is free of soil contaminants.**

Comments:

ASBESTOS

☐ All or part of the improvements were constructed before 1979 when asbestos was a common building material. The only way to be certain that the property is free of friable and non-friable asbestos is to have it inspected and tested by a qualified asbestos inspector.

☒ The improvements were constructed after 1979. No apparent friable asbestos was observed (except as stated in Comments, below).

☒ **The opinion of value is based on the assumption that there is no uncontained friable asbestos or other hazardous asbestos material on the property.**

Comments:

PCBs (POLYCHLORINATED BIPHENYLS)

☒ There were no apparent leaking fluorescent light ballasts, capacitors or transformers anywhere on or nearby the property (except as stated in Comments, below).

☒ There was no apparent visible or documented evidence known to the appraiser of soil or groundwater contamination from PCBs anywhere on the property (except as reported in Comments below).

☒ **The opinion of value is based on the assumption that there are no uncontained PCBs on or nearby the property.**

Comments:

RADON

☒ The appraiser is not aware of any radon tests made on the subject property within the past 12 months (except as stated in Comments, below).

☒ The appraiser is not aware of any indication that the local water supplies have been found to have elevated levels of radon or radium.

☒ The appraiser is not aware of any nearby properties (except as stated in Comments, below) that were or currently are used for uranium, thorium or radium extraction or phosphate processing.

☒ **The opinion of value is based on the assumption that the Radon level is at or below EPA recommended levels.**

Comments:

USTs (UNDERGROUND STORAGE TANKS)

☒ There is no apparent visible or documented evidence known to the appraiser of any USTs on the property nor any known historical use of the property that would likely have had USTs.

☒ There are no apparent petroleum storage and/or delivery facilities (including gasoline stations or chemical manufacturing plants) located on adjacent properties (except as reported in Comments below).

☐ There are apparent signs of USTs existing now or in the past on the subject property. It is recommended that an inspection by a qualified UST inspector be obtained to determine the location of any USTs together with their condition and proper registration if they are active; and if they are inactive, to determine whether they were deactivated in accordance with sound industry practices.

☒ **The opinion of value is based on the assumption that any functioning USTs are not leaking and are properly registered and that any abandoned USTs are free from contamination and were properly drained, filled and sealed.**

Comments:

NEARBY HAZARDOUS WASTE SITES

☒ There are no apparent hazardous waste sites on the subject property or nearby the subject property (except as stated in Comments, below). Hazardous Waste Site search by a trained environmental engineer may determine that there is one or more hazardous waste sites on or in the area of the subject property.

☒ **The opinion of value is based on the assumption that there are no hazardous waste sites on or nearby the subject property that negatively affect the value or safety of the property.**

Comments:

UREA FORMALDEHYDE INSULATION (UFFI)

☐ All or part of the improvements were constructed before 1982 when urea foam insulation was a common building material. The only way to be certain that the property is free of urea formaldehyde is to have it inspected by a qualified urea formaldehyde inspector.

☒ The improvements were constructed after 1982. No apparent urea formaldehyde materials were observed (except as stated in Comments, below).

☒ **The opinion of value is based on the assumption that there is no significant UFFI insulation or other urea formaldehyde material on the property.**

Comments:

LEAD BASED PAINT

☐ All or part of the improvements were constructed before 1978 when lead based paint was a common building material. There is no apparent visible or known documented evidence of peeling or flaking Lead Paint on the floors, walls or ceilings (except as stated in Comments, below). The only way to be certain that the property is free of surface or subsurface lead based paint is to have it inspected by a qualified inspector.

☒ The improvements were constructed after 1978. No apparent Lead Paint was observed (except as stated in Comments, below).

☒ **The opinion of value is based on the assumption that there is no flaking or peeling Lead Paint on the property.**

Comments:

AIR POLLUTION

☒ There are no apparent signs of air pollution at the time of the appraiser's viewing of the subject property, nor were any reported (except as reported in Comments, below). The only way to be certain that the air is free of pollution is to have it tested.

☒ **The opinion of value is based on the assumption that the property is free of air pollution.**

Comments:

WETLANDS/FLOOD PLAINS

☒ The site does not contain any apparent wetlands/flood plains (except as stated in Comments, below). The only way to be certain that the site is free of wetlands/flood plains is to have it inspected by a qualified environmental professional.

☒ **The opinion of value is based on the assumption that there are no Wetlands/Flood Plains on the property (except as stated in Comments, below).**

Comments:

MISCELLANEOUS ENVIRONMENTAL HAZARDS

☒ There are no other apparent hazardous substances and/or detrimental environmental conditions on or in the area of the site except as indicated below:

- ☐ Excess noise
- ☐ Radiation and/or electromagnetic radiation
- ☐ Light pollution
- ☐ Waste heat
- ☐ Acid mine drainage
- ☐ Agricultural pollution
- ☐ Geological hazards
- ☐ Nearby hazardous property
- ☐ Infectious medical wastes
- ☐ Pesticides
- ☐ Other (chemical storage, drums, pipelines, etc.)

☒ **The opinion of value is based on the assumption that, except as reported above, there are no other environmental hazards that would negatively affect the value of the subject property.**

When any of the environmental assumptions made in this addendum are not correct, the opinion of value in this appraisal may be affected.