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Specializing in Appraisal Review

Appraisal Review Disclosure

In compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the following disclosure is made concerning the nature, extent and detail of the review process conducted for client bank's internal purposes, as well as the reporting of the results of such review:

The proposed review work will consist of a desk review only; no physical inspection of the appraised property or the comparables will be made. It is not within the scope of work of our review process to verify any of the comparables used in the appraisal report. It is a major assumption that all of the supporting data (sales, rentals or otherwise) are reported accurately, completely and are the most comparable, relevant data available as of the effective date of the report. It is further assumed that these comparables are included in the work file of the appraiser.

The reviewer (partner or affiliate) will read the appraisal report, analyze the information provided in the report, including any computerized cash flow models provided by the appraiser. The purpose of this activity is to offer an opinion of the appraisal's reasonableness and its conformance with regulations, standards and guidelines and to determine the appraisal's acceptability with regard to adequately supported value conclusions.

Our review is based only on the information contained in the appraisal report unless noted otherwise.

The bank's internal policy requirements should be supplied to L-CAM. One of the main purposes of our review is for quality control so that the client's appraisal reports will comply with internal appraisal policies, good appraisal practice, federal regulations (FIRREA) and appraisal guidelines (USPAP).

The review document will include a summation:

- 1) of the data used,
- 2) of the methods employed and
- 3) of the assumptions and conclusions made by the appraiser.

The summation will be used to compare the report's data with the actual valuation methodology used in the report. Also, this summation is used as the basis for critiquing the reasonableness, relevance, adequacy and completeness of the content of the report. The summation will be used for developing an opinion whether the analyses are appropriate and credible within the context of the requirements applicable for the appraisal assignment. It will be used for discussing the appraiser's methodology with respect to the valuation conclusions. It is from these procedures that the reviewer will be able to discuss any concerns about the reasonableness of the opinions and conclusions in this review document and develop any reasons for disagreement.

If the data or data analyses, methods used, assumptions made or errors found in the report make the value conclusion questionable, they will be reported in the review with appropriate comments and will be discussed with the appraiser. **L-CAM will not provide a revised appraisal value.**

The reviewer reserves the right to revise or amend the findings and conclusions of the report (**except for the concluded market value**), or at the reviewer's option, rescind or invalidate the appraisal report in its totality if significant errors, included in the report, are revealed. The L-CAM reviewer or a specialized person hired by L-CAM who is familiar with the Argus program will verify the Argus input data in the report to the input data within the Argus program.

The review will be made in context of market conditions as of the effective date of the report. Any information that may have been obtained, but was not available to the appraiser, will not be used by the reviewer in the development of this review.