

### Grading Sheet - Appraisal Report

|                   |
|-------------------|
| <b>Applicant:</b> |
| <b>Date:</b>      |
| <b>Grader:</b>    |

The following are the Mandatory Requirements which must be met to receive a passing grade. The grader should check the appropriate box to indicate the required element is present or is not included in the report. Failure to include a mandatory requirement will result in failure of the report.

| Mandatory Requirements  | Included | Not Included |
|---|----------|--------------|
| <b>USPAP Compliance - including but not limited to the following:</b> |          |              |
| - Impact of Assumptions   |          |              |
| - Impact of Hypothetical Conditions (if any)                          |          |              |
| - Scope of Work   |          |              |
| - Definition of Value   |          |              |
| - Effective Date  |          |              |
| - Property Rights Appraised   |          |              |
| - Legal Description   |          |              |
| - History of the Subject Property                                     |          |              |
| - Exposure Time   |          |              |
| <b>Subject Buildings with Contributory Value</b>                      |          |              |
| <b>Building structures are described</b>                              |          |              |
| <b>Highest and Best Use Analysis</b>                                  |          |              |
| <b>Cost Approach</b>  |          |              |
| - Two (2) sources of cost new for the primary building                |          |              |
| - Source of cost new on secondary buildings                           |          |              |
| - Market based depreciation estimates                                 |          |              |
| - Breakdown method of depreciation analysis employed                  |          |              |
| - Functional or external obsolescence analyzed                        |          |              |
| <b>Income Approach</b>  |          |              |
| - Comparable market rent data   |          |              |
| - Rent data analyzed  |          |              |
| - Source of two (2) expense items provided                            |          |              |
| - Going-concern value addressed (only if owner-operator)              |          |              |
| - Capitalization rate is based on market data                         |          |              |
| <b>Sales Comparison Approach</b>                                      |          |              |
| - At least two (2) market derived adjustments                         |          |              |
| - Building mix adjustment on an individual sale basis                 |          |              |
| - Land mix adjustment explained                                       |          |              |
| - If land mix adjustment not used, explain why                        |          |              |

| Grading Categories                  | Points    | Deductions | Grade     |
|-------------------------------------|-----------|------------|-----------|
| <b>Preface and Introduction</b>     |           |            |           |
| Title Page                          | 5         |            | 5         |
| Letter of Transmittal               | 5         |            | 5         |
| Table of Contents                   | 5         |            | 5         |
| Summary of Salient Facts            | 5         |            | 5         |
| Area/Neighborhood Analysis          |           |            |           |
| Physical                            | 5         |            | 5         |
| Social                              | 5         |            | 5         |
| Economic                            | 5         |            | 5         |
| Governmental                        | 5         |            | 5         |
| Discussion of the Appraisal Process | 5         |            | 5         |
| Qualifications of the Appraiser     | 5         |            | 5         |
| <b>Total Deductions</b>             | <b>50</b> | <b>0</b>   | <b>50</b> |

**PROPERTY DESCRIPTION**

|  |           |          |           |
|--|-----------|----------|-----------|
| <b>Land</b>  |           |          |           |
| Location Map*  | 5         |          | 5         |
| Location, Access, Land Use & Tenure                  | 5         |          | 5         |
| Land Features Map*                                   | 5         |          | 5         |
| Terrain & Topography                                 | 5         |          | 5         |
| Soils Map*   | 5         |          | 5         |
| Soils Description                                    | 5         |          | 5         |
| Vegetation   | 5         |          | 5         |
| Water Rights, Irrigation, Carry Capacity, Yields     | 5         |          | 5         |
| Utilities  | 5         |          | 5         |
| Taxes & Assessments                                  | 5         |          | 5         |
| Hazards & Detriments                                 | 5         |          | 5         |
| Zoning, Easements, Restrictions                      | 5         |          | 5         |
| Land Photos  | 5         |          | 5         |
| <b>Land Improvements</b>                             |           |          |           |
| Fences, Wells, Corrals, Windmills, Pumps, Dams, etc. | 5         |          | 5         |
| <b>Buildings</b>                                     |           |          |           |
| Description  | 5         |          | 5         |
| Building Photos                                      | 5         |          | 5         |
| Economic life and Functional Utility                 | 5         |          | 5         |
| <b>Total - Property Description</b>                  | <b>85</b> | <b>0</b> | <b>85</b> |

\*Suggested location only. These items may appear elsewhere in the report.

|  |            |          |            |
|--|------------|----------|------------|
| <b>Highest and Best Use</b>  |            |          |            |
| Definition and Explanation of Highest and Best Use                 | 4          |          | 4          |
| Uses for which the property is adapted                             | 4          |          | 4          |
| Legally permissible uses   | 4          |          | 4          |
| Financially feasible uses  | 4          |          | 4          |
| Maximally productive use   | 4          |          | 4          |
| <b>Total - Highest and Best Use</b>                                | <b>20</b>  | <b>0</b> | <b>20</b>  |
| <b>Cost Approach</b>   |            |          |            |
| Cost New & Definition of Cost Used                                 | 2          |          | 2          |
| Source of Cost Data (2 sources are required for the primary bldg.) | 2          |          | 2          |
| Calculation of Cost New  | 4          |          | 4          |
| Estimate of Depreciation   |            |          |            |
| Physical Depreciation Defined                                      | 2          |          | 2          |
| Physical Depreciation Explained                                    | 2          |          | 2          |
| Depreciation Indication by Market Data                             | 15         |          | 15         |
| Functional and External Obsolescence Defined                       | 2          |          | 2          |
| Functional and External Obsolescence Explained                     | 2          |          | 2          |
| Functional and External Obsolescence Calculations                  | 15         |          | 15         |
| Tabular Analysis of the Indicated Contributory Value               | 4          |          | 4          |
| Estimate of Land Value   |            |          |            |
| Comparable Sales Presentation                                      | 5          |          | 5          |
| Analysis of Market Data  | 15         |          | 15         |
| Development of land value  | 20         |          | 20         |
| Indicated Value by the Cost Approach                               |            |          |            |
| Tabular analysis and presentation (incl. calculations)             | 5          |          | 5          |
| Discussion of Value by Cost Approach/Validity                      | 5          |          | 5          |
| <b>Total - Cost Approach</b>                                       | <b>100</b> | <b>0</b> | <b>100</b> |

| Income Approach  |            |          |            |
|--|------------|----------|------------|
| Income Estimate  |            |          |            |
| Comparable rental data or crop share or yield & price data | 10         |          | 10         |
| Analysis of rental data                                    | 10         |          | 10         |
| Conclusion of Gross Income                                 | 10         |          | 10         |
| Expense Estimates  |            |          |            |
| Itemized Expenses  | 10         |          | 10         |
| Source of Two (2) expense items*                           |            |          |            |
| Explanation of Expenses                                    | 10         |          | 10         |
| Expense Conclusions  | 10         |          | 10         |
| Market Rate Selection                                      |            |          |            |
| Comparable Sales Presentation and Calculations             | 10         |          | 10         |
| Tabular Analysis & Rate Derivation                         | 10         |          | 10         |
| Conclusion of the Market Rate                              | 10         |          | 10         |
| Value by the Income Approach and Validity                  | 10         |          | 10         |
| <b>Total - Income Approach</b>                             | <b>100</b> | <b>0</b> | <b>100</b> |
| Sales Comparison Approach                                  |            |          |            |
| Comparable Sales Presentation                              |            |          |            |
| Analysis & Allocation                                      | 20         |          | 20         |
| Sale to Subject Comparison                                 |            |          |            |
| Selection of Variables and Value Factors                   | 15         |          | 15         |
| Explanation of Adjustments                                 | 30         |          | 30         |
| Two (2) Market Derived Adjustments                         | 15         |          | 15         |
| Tabular Comparison Presentation                            | 10         |          | 10         |
| Value by the Sales Comparison Approach and Validity        | 10         |          | 10         |
| <b>Total - Sales Comparison Approach</b>                   | <b>100</b> | <b>0</b> | <b>100</b> |
| Reconciliation   |            |          |            |
| Cost Approach Discussion                                   | 5          |          | 5          |
| Income Approach Discussion                                 | 5          |          | 5          |
| Sales Comparison Approach Discussion                       | 5          |          | 5          |
| Final Conclusion   | 5          |          | 5          |
| <b>Total - Reconciliation</b>                              | <b>20</b>  | <b>0</b> | <b>20</b>  |
| Market Data Presentation                                   |            |          |            |
| Market Data Location Map                                   | 5          |          | 5          |
| Courthouse Data  | 5          |          | 5          |
| Price, Terms, Verification                                 | 5          |          | 5          |
| Description  |            |          |            |
| Physical Features  | 5          |          | 5          |
| Plat Maps  | 5          |          | 5          |
| Photographs  | 5          |          | 5          |
| Description of Rent Comparables                            | 10         |          | 10         |
| <b>Total - Market Data Presentation</b>                    | <b>0</b>   |          | <b>40</b>  |
| Clarity, Readability, Professionalism                      |            |          |            |
| Format & Organization                                      | 15         |          | 15         |
| Grammar, Punctuation & Spelling                            | 10         |          | 10         |
| Sentence Structure & Writing Style                         | 10         |          | 10         |
| <b>Total - Clarity, Readability, Professionalism</b>       | <b>35</b>  | <b>0</b> | <b>35</b>  |
| <b>Total Points</b>  | <b>550</b> | <b>0</b> | <b>550</b> |

Regardless of the overall score, a report must also attain a score of 75 percent including a minimum of 75 percent (75 points out of the 100 allotted) for each of the three approaches to receive a passing grade. A grade below 75 percent in any one approach or failure to include a mandatory requirement results in the failure of the report.

*Based on the grading sheet, the point distributions are as follows:*

|  |              |
|--|--------------|
| Mandatory Requirements                 | All required |
| Preface and Introduction               | 50 points    |
| Property Description Section           | 85 points    |
| Highest and Best Use                   | 20 points    |
| Cost Approach                          | 100 points   |
| Income Approach                        | 100 points   |
| Sales Comparison Approach              | 100 points   |
| Reconciliation                         | 20 points    |
| Maps, Photos, Exhibits                 | 40 points    |
| Clarity, Readability & Professionalism | 35 points    |
| TOTAL                                  | 550 points   |
| PASSING GRADE                          | 412 points   |