APPRAISAL REPORT OF

Chad & Katie Gustafson
3820 Berkshire Avenue
Ames, Iowa 50010

AS OF
11/10/03

PREPARED FOR
Community Bank Of Boone
1704 South Marshall
Boone Iowa 50036

PREPARED BY
Community Bank Of Boone
Mark Martens
1704 South Marshall Street
Boone, Iowa 50036
The subject property is a two-story home that was built in 1999. The home has a maintenance-free exterior with vinyl siding. The existing home has a living room, kitchen, dining room, half bath, and laundry #1. No repairs needed to be made at the time of inspection, and no repairs were needed. The home is well-built and has a maintenance-free exterior with vinyl siding and soffits.

The subject is located on Berkshire Avenue in the Bloomington Heights Subdivision. This is a new subdivision that is made up of a mix of two-story homes and townhomes to the east. The economic activity in Ames is strong at this time with low unemployment. Ames is a large employment center in the area with Iowa State University and several government research facilities. Ames is also experiencing new industrial growth at this time and the strong housing market should continue.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time and trend time): The subject is in a new subdivision that is made up of a mix of two-story homes and townhomes to the east. The economic activity in Ames is strong at this time with low unemployment. Ames is a large employment center in the area with Iowa State University and several government research facilities. Ames is also experiencing new industrial growth at this time and the strong housing market should continue.

Note: Changes to the subject property: None noted. No adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.:

The home was in new condition at the time of inspection and no repairs needed to be made. The home is well-built and has a maintenance-free exterior with vinyl siding and soffits. No repairs needed to be made. The home is well-built and has a maintenance-free exterior with vinyl siding and soffits. No repairs needed to be made. The home is well-built and has a maintenance-free exterior with vinyl siding and soffits. No repairs needed to be made. The home is well-built and has a maintenance-free exterior with vinyl siding and soffits. No repairs needed to be made. The home is well-built and has a maintenance-free exterior with vinyl siding and soffits. No repairs needed to be made. The home is well-built and has a maintenance-free exterior with vinyl siding and soffits. No repairs needed to be made. The home is well-built and has a maintenance-free exterior with vinyl siding and soffits.

Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: None noted.
UNIFORM RESIDENTIAL APPRAISAL REPORT

Estimated Site Value = $32,000

Comments on Cost Approach: (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FHA, the estimated remaining economic life of the property): 64 Years. The replacement cost for the subject is estimated by using the remodeling plans for the new addition and the the Marshall and Swift Cost Guide for a Good Quality Two Story with a vinyl siding exterior and a full basement with 750sqft of finished basement area after the remodeling is completed and a two car finished and attached garage.

SALES COMPARISON ANALYSIS

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUBJECT</th>
<th>COMPARABLE NO. 1</th>
<th>COMPARABLE NO. 2</th>
<th>COMPARABLE NO. 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>3820 Berkshire Avenue</td>
<td>3127 Almond Rd.</td>
<td>3860 Valley View Rd</td>
<td>3231 Evergreen Rd</td>
</tr>
<tr>
<td>Ames, Iowa 50010</td>
<td>Ames Iowa</td>
<td>Ames Iowa</td>
<td>Ames Iowa</td>
<td></td>
</tr>
<tr>
<td>Proximity to Subject</td>
<td>8 Blocks SW</td>
<td>9 Blocks SW</td>
<td>10 Blocks SW</td>
<td></td>
</tr>
<tr>
<td>Sales Price</td>
<td>$256,900</td>
<td>$262,900</td>
<td>$254,000</td>
<td></td>
</tr>
<tr>
<td>Price/Gross Lx Avr</td>
<td>$0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data and/or Source Verification</td>
<td>Inspection</td>
<td>Sale Courthouse</td>
<td>Sale Courthouse</td>
<td>Sale Courthouse</td>
</tr>
</tbody>
</table>

Final Reconciliation:

<table>
<thead>
<tr>
<th>Condition</th>
<th>Very Good</th>
<th>Very Good</th>
<th>New</th>
<th>Very Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>

SALES COMPARISON ANALYSIS

Net Adj, (total) = $-6,340

Adjusted Sales Price of Comparable = $250,560

Comments on Sales Comparison (including the subject property’s comparability to the neighborhood, etc.): Each sale was analyzed and compared to the subject property. All four sales were newer homes. Sales one two and three were located in the Northridge development and the west and were adjusted for their differences in lot value. Adjustments were made for the number of baths and for the size of the homes. Sales one two and four were adjusted for the amount of basement finish and all four sales were adjusted for their differences in size for the garages on a square foot basis. All four sales had three car garages.

RECONCILIATION

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUBJECT</th>
<th>COMPARABLE NO. 1</th>
<th>COMPARABLE NO. 2</th>
<th>COMPARABLE NO. 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date, Price and Data Source, for prior sales within year of appraisal</td>
<td>Inspection</td>
<td>Assessor</td>
<td>Assessor</td>
<td>Assessor</td>
</tr>
</tbody>
</table>
These recent sales of properties are most similar and proximate to subject and have been considered in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

### ITEM SUBJECT COMPARABLE NO. 4 COMPARABLE NO. 5 COMPARABLE NO. 6

<table>
<thead>
<tr>
<th>Address</th>
<th>3820 Berkshire Avenue</th>
<th>3828 Brickman Avenue</th>
<th>Ames Iowa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximity to Subject</td>
<td>2 Blocks West</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Price</td>
<td>$</td>
<td>$ 240,687</td>
<td>$</td>
</tr>
<tr>
<td>Price/Gross Liv. Area</td>
<td>$ 0.00</td>
<td>$ 120.10</td>
<td>$</td>
</tr>
<tr>
<td>Data and/or Verification Source</td>
<td>Inspection Assessor</td>
<td>Sale Courthouse Assessor</td>
<td></td>
</tr>
<tr>
<td>VALUEADJUSTMENTS DESCRIPTION</td>
<td>DESCRIPTION</td>
<td>+(-)$ Adjustment DESCRIPTION</td>
<td>+(-)$ Adjustment DESCRIPTION</td>
</tr>
<tr>
<td>Sales or Financing Concessions</td>
<td>Conv.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date of Sale/Time</td>
<td>11/20/02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Urban</td>
<td>Urban</td>
<td></td>
</tr>
<tr>
<td>Leasehold/Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td></td>
</tr>
<tr>
<td>Site</td>
<td>Residential</td>
<td>Residential</td>
<td></td>
</tr>
<tr>
<td>View</td>
<td>Residential</td>
<td>Residential</td>
<td></td>
</tr>
<tr>
<td>Design and Appeal</td>
<td>Two Story</td>
<td>Two Story</td>
<td></td>
</tr>
<tr>
<td>Quality of Construction</td>
<td>Good</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Condition</td>
<td>Very Good</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Above Grade Total Bdrms</td>
<td>9</td>
<td>5</td>
<td>3.50</td>
</tr>
<tr>
<td>Room Count</td>
<td>9</td>
<td>5</td>
<td>3.50</td>
</tr>
<tr>
<td>Gross Living Area</td>
<td>2,272 Sq. Ft.</td>
<td>2,004 Sq. Ft.</td>
<td>+13,400 Sq. Ft.</td>
</tr>
<tr>
<td>Rooms Below Grade</td>
<td>750 sqft Finish</td>
<td>651 sqft Finish</td>
<td>+1,185</td>
</tr>
<tr>
<td>Functional Utility</td>
<td>Average</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Heating/Cooling</td>
<td>FAGCA</td>
<td>FAGCA</td>
<td></td>
</tr>
<tr>
<td>Energy Efficient Items</td>
<td>Standard</td>
<td>Standard</td>
<td></td>
</tr>
<tr>
<td>Garage/Carport</td>
<td>Two Car Attc.</td>
<td>Three Car Attc.</td>
<td>-3,250</td>
</tr>
<tr>
<td>Porch, Patio, Deck, Freplax(e), etc.</td>
<td>Deck Cov.</td>
<td>Porch</td>
<td>Front Porch</td>
</tr>
<tr>
<td>Fence, Pool etc.</td>
<td>Chain Fence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Adj. (total)</td>
<td>$13,565</td>
<td>$</td>
<td>$0</td>
</tr>
<tr>
<td>Adjusted Sales Price of Comparable</td>
<td>Net= 6%</td>
<td>$254,272</td>
<td>Net= 0%</td>
</tr>
</tbody>
</table>

Comments on Comparables:

#### ITEM SUBJECT COMPARABLE NO. 4 COMPARABLE NO. 5 COMPARABLE NO. 6

| Date, Price and Data Source, for prior sales within year of appraisal | Inspection Assessor | Assessor | |
SUBJECT PHOTO ADDENDUM

Borrower    Chad & Katie Gustafson
Property Address  3820 Berkshire Avenue
City    Ames  County    Story  State    Zip Code
Chad & Katie Gustafson  3820 Berkshire Avenue  Ames, Iowa 50010
Property Address  3820 Berkshire Avenue
City    Ames  County    Story  State    Zip Code
Chad & Katie Gustafson  3820 Berkshire Avenue  Ames, Iowa 50010
Lender/Client  Community Bank Of Boone  Address  1704 South Marshall, Boone Iowa 50036

FRONT OF
SUBJECT PROPERTY
3820 Berkshire Avenue
Ames, Iowa 50010

REAR OF
SUBJECT PROPERTY

STREET SCENE
and a family room that has a gas fireplace. There is an exit off the dining room that leads to a wood deck. The back yard of the home is fenced. The second floor existing has three bedrooms and 1.75 baths. There are plans for a major remodeling on the second floor that will add two bedrooms and a new full master bath and a new second floor laundry. The room addition will add 640sqft of living area to the second floor and increase the size of the home to 2275sqft. This addition will be built over the existing garage. The total cost of the project has been bid at $75,768.00.

The basement in the home is being finished and will have 750sqft of finished area when completed. The walls are drywall with drywall ceilings and there are egress windows to meet the city code.

A follow up inspection will be made when the home remodeling is completed. See the attached bid and building sketch of the proposed addition.
SATISFACTORY COMPLETION CERTIFICATE

File No 121A Case No. 

On November 10, 2003 the property situated at:

Address 3820 Berkshire Avenue City Ames

County Story State Iowa Zip 50010

Purchaser/Borrower Chad & Katie Gustafson

was appraised by Mark Martens

The appraised report was subject to: □ satisfactory completion, □ repairs, or □

I certify that I have reinspected subject property, the requirements or conditions set forth in the appraisal report have been met, and any required repairs or completion items have been done in a workmanlike manner.

Itemized below are substantial changes from the data in the appraisal report, and these changes do not adversely affect any property ratings or final estimate of value in the report:

The subject was inspected and has been completed. The project was finished as planned with no extras and came in on budget. The appraised value of $250,000.00 will remain the same. See the attached photos.

11/11/03

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

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market; 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 LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

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

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.

3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.

6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazard wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

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

10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
APPRAISER’S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.

2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.

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

4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familiar status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.

5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.

6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.

7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of the Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.

8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.

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

SUPERVISORY APPRAISER’S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser’s certifications and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, unless I have otherwise stated in the reconciliation section.

ADDRESS OF PROPERTY APPRAISED:

3820 Berkshire Avenue, Ames, Iowa 50010

APPRAISER:

Signature:
Name: Mark Martens
Date Signed: 11/11/03
State Certification #: CG01672
or State License #:
State: Iowa
Expiration Date of Certification or License: 6/30/05

SUPERVISORY APPRAISER (only if required)

Signature:
Name:
Date Signed:
State Certification #: or State License #:
State:
Expiration Date of Certification or License:
Did Did Not Inspect Property
Having passed all examinations and complied with all other requirements prescribed by statute and The Real Estate Appraiser Examining Board, I hereby grant this Certificate as a

CERTIFIED REAL PROPERTY APPRAISER

in the State of Iowa

WHEREFORE, this Certificate is granted under the Seal of said Board

this 11th day of May, 2005

Chair

STATE OF IOWA

FIELD OF OPPORTUNITY

A CERTIFICATE AS A

GENERAL REAL PROPERTY APPRAISER

MARK W. MARTENS

CERTIFICATE NO. CG01672

EXPIRES: 06/30/2005