



APPRAISAL OF REAL PROPERTY

LOCATED AT:

Sample
Charlotte, NC 28206-2114
Sample

FOR:

Sample

AS OF:

June 17, 2008

BY:

George Fitzsimmons
Excel Appraisal Group
1346 Saint Julien Street
Charlotte, NC 28205

Small Residential Income Property Appraisal Report

File # 08111

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	Sample	City	Charlotte	State	NC	Zip Code	28206-2114
Borrower	Sample	Owner of Public Record	Sample	County	Mecklenburg		
Legal Description	Sample						
Assessor's Parcel #	Sample	Tax Year	2007	R.E. Taxes	\$ 1,499.92		
Neighborhood Name	Druid Hills	Map Reference	MLS 1/1	Census Tract	0051.00		
Occupant	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments	\$ none known	<input type="checkbox"/> PUD	HOA \$	n/a	<input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type	<input checked="" type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)						
Lender/Client	Sample	Address					
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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s). CMLS records, the subject was offered on 7/18/2007 for \$134,500, was reduced several times to \$65,900, and sold on 11/30/2007 for \$58,000.							

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. An interest in the subject was granted to the borrower in 1/2008 (no excise tax paid). The subject is now being sold to borrower.

Contract Price	\$ 145,000	Date of Contract	5/23/2008	Is the property seller the owner of public record?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)	tax records
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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
If Yes, report the total dollar amount and describe the items to be paid. \$2900 Seller concessions.							

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

NEIGHBORHOOD

Neighborhood Characteristics		2-4 Unit Housing Trends		2-4 Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	70 %
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	5 %
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	45	Low 10	Multi-Family	10 %
Neighborhood Boundaries Generally bounded by: McArthur Avenue (north), Graham Street (east), Oaklawn Avenue (south), and Interstate 77 (west).				185	High 75	Commercial	10 %
				115	Pred. 40	Other	5 %
Neighborhood Description Residential neighborhood convenient to employment, schools, entertainment, religious facilities, business, and shopping facilities. The subject neighborhood is comprised primarily of homes similar to the subject in size and character, which appear adequately maintained. Multi-family and non-residential uses (such as office, retail, etc) are located primarily along main routes.							
Market Conditions (including support for the above conclusions) Property values in the subject market area have been moderately increasing with a balance between supply of and demand for existing homes. Active listings are minimal with good market absorption of resale properties. Typical mortgage financing in the market area consist of conventional, FHA, and VA mortgage loans. Mortgage financing is readily available.							

SITE

Dimensions	120' x 185' (per tax records)	Area	.514 acre	Shape	rectangular	View	avg/residential		
Specific Zoning Classification	R-5	Zoning Description	Single Family Residential/5 Units per Acre						
Zoning Compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)								
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe									
Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type		Public	Private	
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Street	asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Alley	none	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	X	FEMA Map #	37119C0167E		FEMA Map Date	2/4/2004	
Are the utilities and/or off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe									
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe									
Typical utility and drainage easements have no adverse impact on marketability. No known encroachments or adverse conditions affecting the site.									

IMPROVEMENTS

General Description		Foundation		Exterior Description		materials/condition		Interior		materials/condition	
Units	<input type="checkbox"/> Two <input checked="" type="checkbox"/> Three <input type="checkbox"/> Four	<input type="checkbox"/> Concrete Slab	<input checked="" type="checkbox"/> Crawl Space	Foundation Walls	brick/avg		Floors	carpet, vinyl/avg			
<input type="checkbox"/> Accessory Unit (describe below)		<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	aluminum/avg		Walls	drywall, plstr/avg			
# of Stories	2 # of bldgs. 1	Basement Area none sq.ft.		Roof Surface	composite/avg		Trim/Finish	wood, paint/good			
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Finish n/a %		Gutters & Downspouts	aluminum/avg		Bath Floor	vinyl/avg			
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	double hung/avg		Bath Wainscot	fiberglass/avg			
Design (Style)	triplex	Evidence of <input type="checkbox"/> Infestation none noted		Storm Sash/Insulated	none		Car Storage				
Year Built	1950	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	yes/avg		<input type="checkbox"/> None				
Effective Age (Yrs)	35 years	Heating/Cooling				Amenities					
Attic	<input checked="" type="checkbox"/> None	<input checked="" type="checkbox"/> FWA	<input type="checkbox"/> HWBB	<input type="checkbox"/> Radiant	Fireplace(s) #	<input type="checkbox"/> Woodstove(s) #		<input checked="" type="checkbox"/> Driveway	# of Cars	2	
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input type="checkbox"/> Other	Fuel natural gas		Patio/Deck	<input type="checkbox"/> Fence		<input type="checkbox"/> Garage	# of Cars		
<input type="checkbox"/> Floor	<input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning		<input type="checkbox"/> Pool	<input checked="" type="checkbox"/> Porch front/rear		<input type="checkbox"/> Carport	# of Cars			
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated	<input type="checkbox"/> Individual	<input type="checkbox"/> Other		<input type="checkbox"/> Other		<input type="checkbox"/> Att.	<input type="checkbox"/> Det.	<input type="checkbox"/> Built-in		
# of Appliances	Refrigerator 0	Range/Oven 3	Dishwasher 0	Disposal 0	Microwave 0	Washer/Dryer 0	Other (describe)				
Unit # 1 contains:	5 Rooms	2 Bedrooms	1 Bath(s)	913 Square Feet of Gross Living Area							
Unit # 2 contains:	4 Rooms	2 Bedrooms	1 Bath(s)	747 Square Feet of Gross Living Area							
Unit # 3 contains:	5 Rooms	2 Bedrooms	1 Bath(s)	1,123 Square Feet of Gross Living Area							
Unit # 4 contains:	Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area							
Additional features (special energy efficient items, etc.). The subject features similar finish and energy efficient items as typically found in most houses in the market area.											

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). Average quality construction in average overall condition. There is no apparent functional or external obsolescence. The subject has 3 new HVAC systems, new carpet/vinyl, updated electrical, updated plumbing, and fresh interior paint.

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IMPROVEMENTS

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe.

Based on a visual observation of the subject property and on information obtained from public records and other sources deemed reliable, I am unaware of any apparent physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property.

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

Is the property subject to rent control? Yes No If Yes, describe

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1			COMPARABLE RENTAL # 2			COMPARABLE RENTAL # 3			
Address Sample	3616 Kentucky Avenue Charlotte, NC 28206-2114	3616 Kentucky Avenue Charlotte			1900 Catherine Simmons Avenue Charlotte			2208 Irma Street Charlotte			
Proximity to Subject		2.44 miles W			0.88 miles NW			1.06 miles NW			
Current Monthly Rent	\$ 1,475	\$ 1,405			\$ 1,400			\$ 1,000			
Rent/Gross Bldg. Area	\$ 0.53 sq.ft.	\$ 0.52 sq.ft.			\$ 0.67 sq.ft.			\$ 0.63 sq.ft.			
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Data Source(s)	property manager	mls records			mls records			mls records			
Date of Lease(s)	not leased	unknown			unknown			unknown			
Location	average	average			average			average			
Actual Age	57 years	38 years			45 years			46 years			
Condition	average	average			average			average			
Gross Building Area	2,783	2,700			2,088			1,600			
Unit Breakdown	Rm Count	Size Sq. Ft.	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent
	Tot Br Ba	2,783	Tot Br Ba	2,700	1,405	Tot Br Ba	2,088	1,400	Tot Br Ba	1,600	1,000
Unit # 1	5 2 1	913	4 2 1	900	\$ 500	4 2 1	696	\$ 450	4 2 1	800	\$ 500
Unit # 2	4 2 1	747	4 2 1	900	\$ 500	4 2 1	696	\$ 500	4 2 1	800	\$ 500
Unit # 3	5 2 1	1,123	4 2 1	900	\$ 405	4 2 1	696	\$ 450			\$
Unit # 4					\$			\$			\$
Utilities Included	none	none			none			none			

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) The rental units considered provide a range of rental rates for the subject market area. These units would appeal to the same potential tenants as the subject and provide reliable data to estimate the subject's fair market rents. Rents displayed are from MLS records and property management companies.

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Unit #	Leases		Actual Rents			Opinion of Market Rent			
	Lease Date		Per Unit		Total Rents	Per Unit		Total Rents	
	Begin Date	End Date	Unfurnished	Furnished		Unfurnished	Furnished		
1	1/2008	1/2009	\$ 575	\$	\$ 575	\$ 575	\$ 575	\$ 575	
2	1/2008	1/2009	500		500	500	500	500	
3	1/2008	1/2009	400		400	400	400	400	
4									
Comment on lease data Rental data provided by owner. The 3 units were rented in 1/2008 for 12 months.			Total Actual Monthly Rent			\$ 1,475	Total Gross Monthly Rent		\$ 1,475
			Other Monthly Income (itemize)			\$	Other Monthly Income (itemize)		\$ 0
			Total Actual Monthly Income			\$ 1,475	Total Estimated Monthly Income		\$ 1,475

Utilities included in estimated rents Electric Water Sewer Gas Oil Trash collection Cable Other

Comments on actual or estimated rents and other monthly income (including personal property) The estimated market rents are based on review of the rental comparables shown and other available market data. These figures are well supported by the comparables shown here.

PRIOR SALE HISTORY

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) mls/tax records

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) mls/tax records

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

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	12/4/2007	no prior sales in the	12/11/2006	11/6/2006
Price of Prior Sale/Transfer	\$58,000	past 12 months	\$78,000	\$78,000
Data Source(s)	mls/tax records	mls/tax records	mls/tax records	mls/tax records
Effective Date of Data Source(s)	6/13/2008	6/13/2008	6/13/2008	6/13/2008

Analysis of prior sale or transfer history of the subject property and comparable sales The subject transferred through foreclosure for \$113,635 in 6/2007, sold in 12/2007 for \$58,000, and partial interest transferred from "*****" to "*****" on 1/30/2008 (no excise tax paid). No other transfers, of the subject, reported in the past 36 months. The comparables have transferred in the past 12 months, as indicated. Note: comparable #2 is currently active at \$125,900 (MLS records).

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There are 10+/- comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 75,000 +/- to \$ 185,000 +/-																						
There are 10+/- comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 65,000 +/- to \$ 175,000 +/-																						
FEATURE		SUBJECT			COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3											
Address		Sample Charlotte, NC 28206-2114			2634 Jefferson Davis Street Charlotte			1801 Newland Road Charlotte			3616 Kentucky Avenue Charlotte											
Proximity to Subject					0.24 miles NE			0.95 miles NW			2.44 miles W											
Sale Price		\$ 145,000			\$ 160,000			\$ 115,000			\$ 133,000											
Sale Price/Gross Bldg. Area		\$ 52.10 sq.ft.			\$ 64.00 sq.ft.			\$ 56.71 sq.ft.			\$ 49.26 sq.ft.											
Gross Monthly Rent		\$ 1,475			\$ 1,800			\$ 1,350			\$ 1,405											
Gross Rent Multiplier		98.31			88.89			85.19			94.66											
Price per Unit		\$ 48,333			\$ 40,000			\$ 38,333			\$ 44,333											
Price per Room		\$ 10,357			\$ 10,000			\$ 9,583			\$ 11,083											
Price per Bedroom		\$ 24,167			\$ 20,000			\$ 19,167			\$ 22,167											
Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Data Source(s)					mls/tax records			mls/tax records			mls/tax records											
Verification Source(s)					exterior inspection			exterior inspection			exterior inspection											
VALUE ADJUSTMENTS		DESCRIPTION			DESCRIPTION			+(-) Adjustment			DESCRIPTION			+(-) Adjustment								
Sale or Financing Concessions					conventional slr con 8300			-3,500			conventional slr con 0			no adjust			conventional slr con 2500			no adjust		
Date of Sale/Time					6/2007						7/2007						7/2007					
Location		average			average						average						average					
Leasehold/Fee Simple		Fee Simple			Fee Simple						Fee Simple						Fee Simple					
Site		.514 acre			.34 acre			no adjust			.261 acre			no adjust			.225 acre			no adjust		
View		avg/residential			avg/residential						avg/residential						avg/residential					
Design (Style)		triplex			fourplex						triplex						triplex					
Quality of Construction		avg/aluminum			sup/brick			-5,000			sup/brick			-5,000			avg/vinyl+brick					
Actual Age		57 years			56 years						46 years						38 years					
Condition		average			average						average						average					
Gross Building Area		2,783			2,500			+7,075			2,028			+18,875			2,700			no adjust		
Unit Breakdown		Total	Bdrms	Baths	Total	Bdrms	Baths		Total	Bdrms	Baths		Total	Bdrms	Baths							
Unit # 1		5	2	1	4	2	1		4	2	1		4	2	1							
Unit # 2		4	2	1	4	2	1		4	2	1		4	2	1							
Unit # 3		5	2	1	4	2	1		4	2	1		4	2	1							
Unit # 4					4	2	1	-30,000														
Basement Description		none			none						none						none					
Basement Finished Rooms		n/a			n/a						n/a						n/a					
Functional Utility		average			average						average						average					
Heating/Cooling		fwa/central			fwa/none			+4,000			fwa/none			+4,000			EBB/window unit			+5,000		
Energy Efficient Items		insulated			insulated						insulated						insulated					
Parking On/Off Site		parking area			parking area						parking area						parking area					
Porch/Patio/Deck		porch			porch						porch						porch					
Net Adjustment (Total)					<input type="checkbox"/> + <input checked="" type="checkbox"/> -			\$ -27,425			<input checked="" type="checkbox"/> + <input type="checkbox"/> -			\$ 17,875			<input checked="" type="checkbox"/> + <input type="checkbox"/> -			\$ 5,000		
Adjusted Sale Price of Comparables					Net Adj. 17.1 %						Net Adj. 15.5 %						Net Adj. 3.8 %					
					Gross Adj. 31.0 %			\$ 132,575			Gross Adj. 24.2 %			\$ 132,875			Gross Adj. 3.8 %			\$ 138,000		
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)					\$ 33,144						\$ 44,292						\$ 46,000					
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)					\$ 8,286						\$ 11,073						\$ 11,500					
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)					\$ 16,572						\$ 22,146						\$ 23,000					
Value per Unit		\$ 43,000 X 3			Units = \$ 129,000						Value per GBA \$ 50 X 2,783			GBA = \$ 139,150								
Value per Rm.		\$ 10,000 X 14			Rooms = \$ 140,000						Value per Bdrms. \$ 22,000 X 6			Bdrms. = \$ 132,000								
Summary of Sales Comparison Approach including reconciliation of the above indicators of value.										Financing concessions were adjusted, as required, to a level considered typical for the current market. Site adjustment considers site size and setting appeal. Quality of construction adjustment considers quality of materials and workmanship including: exterior siding, trim, upgrades, finish flooring, kitchens, and baths. Condition adjustment considers overall maintenance levels of each property. Room count/living area/unit count adjustments are made as needed on an individual basis. Additional adjustments made for differing amenities as deemed necessary. The closed sales displayed are considered the most comparable and the best indications of market value for the subject property. The comparables are in the same market area as the subject and would be considered by the same potential buyers. Comparable #5 is an active listing, in the subject market area, used as an indication of current pricing.												
Indicated Value by Sales Comparison Approach \$ 137,000																						
Total gross monthly rent \$ 1,475 X gross rent multiplier (GRM) 93 = \$ 137,175										Indicated value by the Income Approach												
Comments on income approach including reconciliation of the GRM										The income approach (GRM) provides potential purchasers/investors with the ability to estimate potential return on investment available from the subject property.												
Indicated Value by: Sales Comparison Approach \$ 137,000										Income Approach \$ 137,175				Cost Approach (if developed) \$ n/a								
The income approach and market approach were developed with equal weight placed on both. The cost approach was not considered necessary in developing a credible report.																						
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: No conditions or repairs required. All subsystems were assumed to be operational and in average condition at the time of appraisal.										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 \$ 137,000 , as of June 17, 2008 , which is the date of inspection and the effective date of this appraisal.												

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The digital photographs used in this report have not been enhanced or altered to provide misleading representations of the subject or comparable properties. MLS, and/or GIS tax file photos may be used to illustrate condition of comparable at the time of sale.

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

Definition of Inspection: The term "inspection", as used in this report is of a lower level of inspection that is done/required by a "Professional Home Inspection" where the mechanical, structural, plumbing, and the like are evaluated. The inspection by the appraiser is done with no special tools (other than measuring devices such as laser measures) and consists of a visual type inspection to determine an economic evaluation, readily available. If the client needs a more detailed inspection of the property, a Home Inspection by a qualified home inspector is recommended. All mechanical systems and structure, plumbing, foundation, etc. are assumed to be in functional condition unless mentioned in the report.

The turnover rate for multi-family properties in the subject market area was low. In order to use the best available comparables it was necessary to go beyond the suggested six month timeframe and one mile radius guidelines. Comparable #4 closed approximately 13 months ago, market conditions were considered similar to the current market and no time adjustment was deemed necessary. Due to variances between the subject and some of the comparables, adjustments exceed the suggested 10% line item, 15% net, and 25% gross guidelines. The comparables used were considered the best available at the time of appraisal.

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.
 Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Site value estimate is based on a review of recent land sales, tax records and listings in the subject's market area.

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 25,000
Source of cost data	DWELLING Sq.Ft. @ \$ = \$
Quality rating from cost service Effective date of cost data	Sq.Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.) = \$
	Garage/Carport Sq.Ft. @ \$ = \$
	Total Estimate of Cost-New = \$
	Less Physical Functional External
	Depreciation = \$()
	Depreciated Cost of Improvements = \$
	"As-is" Value of Site Improvements = \$
Estimated Remaining Economic Life (HUD and VA only) Years	INDICATED VALUE BY COST APPROACH = \$ 25,000

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.

PUD INFORMATION

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This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

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, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report

File # 08111

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, including all units. 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 and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, 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.

Small Residential Income Property Appraisal Report File # 08111

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

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

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

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

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

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

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature _____
 Name George Fitzsimmons
 Company Name Excel Appraisal Group, LLC
 Company Address 1346 Saint Julien Street, Charlotte, NC 28205
 Telephone Number (704) 607-2085
 Email Address gfitzsimmons@carolina.rr.com
 Date of Signature and Report June 19, 2008
 Effective Date of Appraisal June 17, 2008
 State Certification # A5953
 or State License # _____
 or Other (describe) _____ State # _____
 State NC
 Expiration Date of Certification or License 6/30/2009

ADDRESS OF PROPERTY APPRAISED
Sample
Charlotte, NC 28206-2114

APPRAISED VALUE OF SUBJECT PROPERTY \$ 137,000

LENDER/CLIENT

Name _____
 Company Name Sample
 Company Address _____
 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 _____

Small Residential Income Property Appraisal Report

File # 08111

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	Sample Charlotte, NC 28206-2114	1900 Catherine Simmons Avenue Charlotte			1544 Oaklawn Avenue Charlotte					
Proximity to Subject		0.83 miles NW			0.90 miles SW					
Sale Price	\$ 145,000	\$ 132,000			\$ 117,000					
Sale Price/Gross Bldg. Area	\$ 52.10 sq.ft.	\$ 63.22 sq.ft.			\$ 58.50 sq.ft.			\$ sq.ft.		
Gross Monthly Rent	\$ 1,475	\$ 1,400			\$ 1,200					
Gross Rent Multiplier	98.31	94.29			97.50					
Price per Unit	\$ 48,333	\$ 44,000			\$					
Price per Room	\$ 10,357	\$ 11,000			\$ 9,750					
Price per Bedroom	\$ 24,167	\$ 22,000			\$ 19,500					
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input type="checkbox"/> No		
Data Source(s)		mls/tax records			mls/tax records					
Verification Source(s)		exterior inspection			exterior inspection					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment		DESCRIPTION	+(-) Adjustment		DESCRIPTION	+(-) Adjustment	
Sale or Financing Concessions		conventional slr con 2375			active listing DOM-185					
Date of Sale/Time		5/2007			listed: 12/18/2007					
Location	average	average			average					
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple					
Site	.514 acre	.251 acre			.141 acre	+1,500				
View	avg/residential	avg/residential			avg/residential					
Design (Style)	triplex	triplex			triplex					
Quality of Construction	avg/aluminum	sup/brick	-5,000		sup/brick	-5,000				
Actual Age	57 years	45 years			49 years					
Condition	average	average			average					
Gross Building Area	2,783	2,088	+17,375		2,000	+19,575				
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths		
Unit # 1	5 2 1	4 2 1			4 2 1					
Unit # 2	4 2 1	4 2 1			4 2 1					
Unit # 3	5 2 1	4 2 1			4 2 1					
Unit # 4										
Basement Description	none	none			none					
Basement Finished Rooms	n/a	n/a			n/a					
Functional Utility	average	average			average					
Heating/Cooling	fwa/central	fwa/central			fwa/none	+4,000				
Energy Efficient Items	insulated	insulated			insulated					
Parking On/Off Site	parking area	parking area			parking area					
Porch/Patio/Deck	porch	porch			porch					
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 12,375		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 20,075		<input type="checkbox"/> + <input type="checkbox"/> -	\$	
Adjusted Sale Price of Comparables		Net Adj. 9.4 %	\$ 144,375		Net Adj. 17.2 %	\$ 137,075		Net Adj. %	\$	
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)		\$ 48,125			\$			\$		
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$ 12,031			\$ 11,423			\$		
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)		\$ 24,063			\$ 22,846			\$		
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	12/4/2007	no prior sales in the			no prior sales in the					
Price of Prior Sale/Transfer	\$58,000	past 12 months			past 12 months					
Data Source(s)	mls/tax records	mls/tax records			mls/tax records					
Effective Date of Data Source(s)	6/13/2008	6/13/2008			6/13/2008					
Analysis of prior sale or transfer history of the subject property and comparable sales See page #3 of the URAR.										
Analysis/Comments See page #3 of the URAR.										

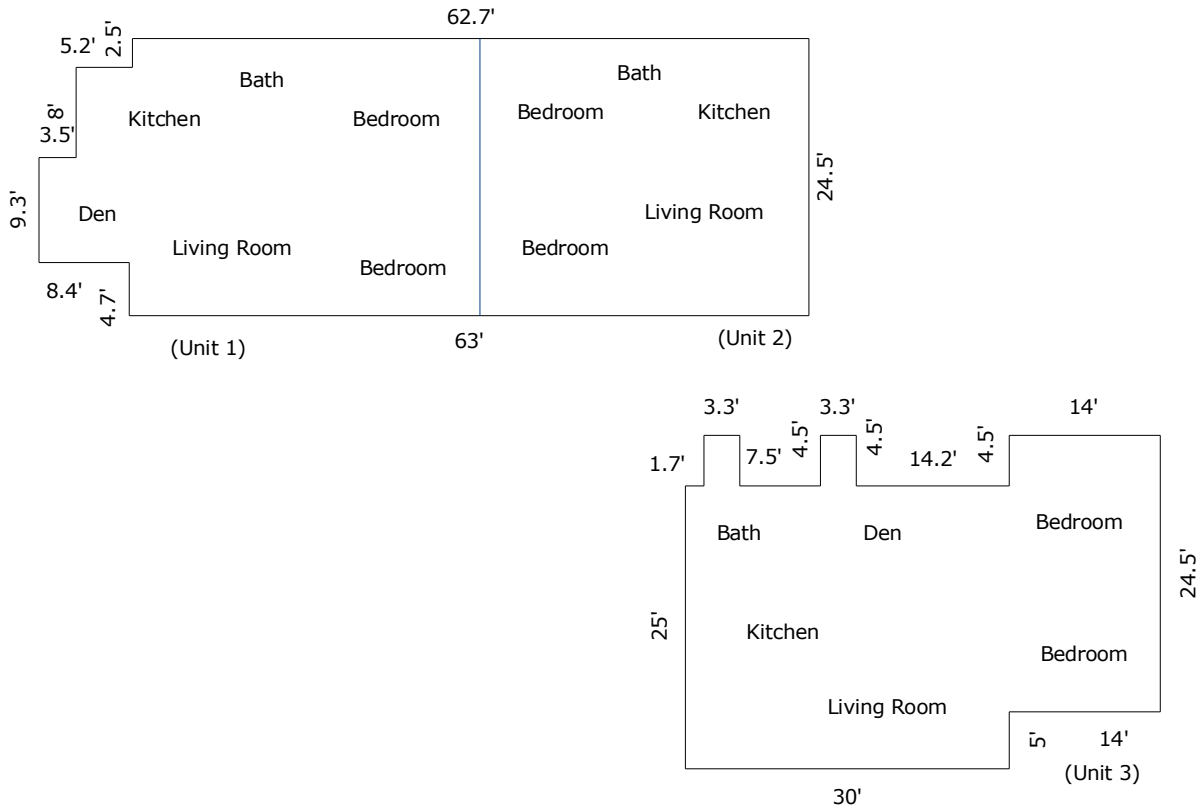
SALES COMPARISON APPROACH

SALE HISTORY

ANALYSIS / COMMENTS

Building Sketch

Borrower	Sample			
Property Address	Sample			
City	Charlotte	County Mecklenburg	State NC	Zip Code 28206-2114
Lender	Sample			



Sketch by Apex Medina™

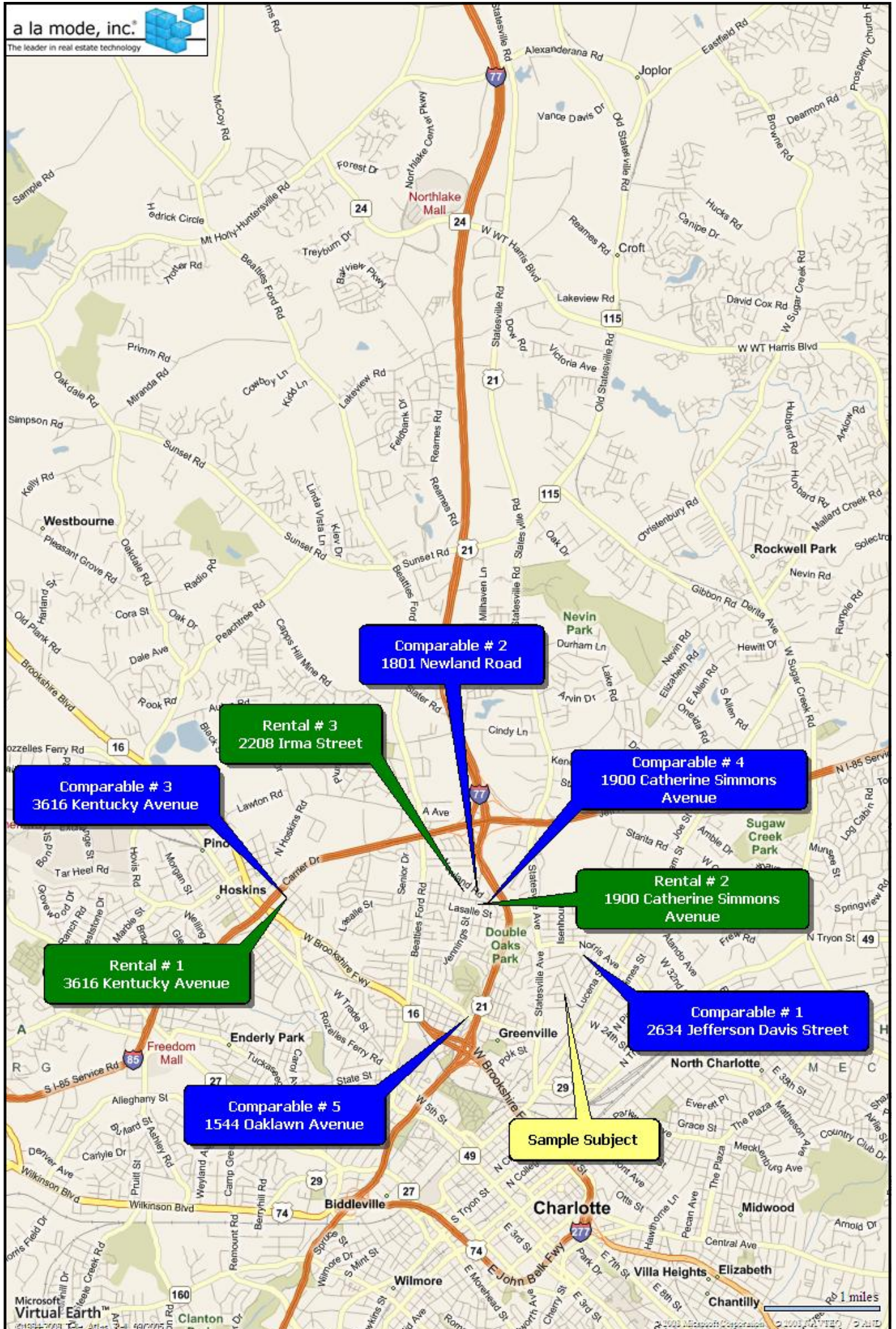
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1660.1	1660.1
GLA2	Second Floor	1122.7	1122.7
Net LIVABLE Area		(rounded)	2783

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
71.4	x	9.3	664.0
8.0	x	67.9	543.2
4.7	x	63.0	296.1
2.5	x	62.7	156.8
Second Floor			
30.0	x	5.0	150.0
4.5	x	3.3	14.9
4.5	x	3.3	14.9
4.5	x	14.0	63.0
20.0	x	44.0	880.0
9 Items			(rounded) 2783

Location Map

Borrower	Sample			
Property Address	Sample			
City	Charlotte	County Mecklenburg	State NC	Zip Code 28206-2114
Lender	Sample			



Subject Photo Page

Borrower	Sample				
Property Address	Sample				
City	Charlotte	County	Mecklenburg	State	NC
Lender	Sample				
				Zip Code	28206-2114

**Subject Front**

Sample
 Sales Price 145,000
 Gross Building Area 2,783
 Age 57 years

**Subject Rear****Subject Street**

Comparable Photo Page

Borrower	Sample				
Property Address	Sample				
City	Charlotte	County	Mecklenburg	State	NC
Lender	Sample				
				Zip Code	28206-2114



Comparable 1

2634 Jefferson Davis Street
 Sales Price 160,000
 Gross Building Area 2,500
 Age 56 years



Comparable 2

1801 Newland Road
 Sales Price 115,000
 Gross Building Area 2,028
 Age 46 years



Comparable 3

3616 Kentucky Avenue
 Sales Price 133,000
 Gross Building Area 2,700
 Age 38 years

Comparable Photo Page

Borrower	Sample				
Property Address	Sample				
City	Charlotte	County Mecklenburg	State NC	Zip Code 28206-2114	
Lender	Sample				



Comparable 4

1900 Catherine Simmons Avenue
 Sales Price 132,000
 Gross Building Area 2,088
 Age 45 years



Comparable 5

1544 Oaklawn Avenue
 Sales Price 117,000
 Gross Building Area 2,000
 Age 49 years

Comparable 6

Sales Price
 Gross Building Area
 Age