

# Uniform Residential Appraisal Report

File #

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.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description Land Lot, District, Section, Lot, Block, s/d, Unit, Phase			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$ n/a	<input checked="" type="checkbox"/> PUD	HOA \$ <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 type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client 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 type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s). Owners, First Multiple Listing Service and Georgia Multiple Listing Service.			

**SUBJECT**

I  did  did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

**CONTRACT**

Contract Price \$ \_\_\_\_\_ Date of Contract \_\_\_\_\_ Is the property seller the owner of public record?  Yes  No Data Source(s) \_\_\_\_\_

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?  Yes  No

If Yes, report the total dollar amount and describe the items to be paid.

**NEIGHBORHOOD**

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

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	One-Unit %
Built-Up <input type="checkbox"/> Over 75% <input checked="" 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 %
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	Low	Multi-Family %
Neighborhood Boundaries No definitive geographic boundary. Neighborhood generally considered the area within a 1-2 mile radius of the subject s/d. Market area, however, spans multiple neighborhoods.		High	Commercial %
		Pred.	Other %

Neighborhood Description Subject property is located approximately \_\_\_\_\_ miles of downtown Atlanta's central business district; within \_\_\_\_\_ mile of schools and \_\_\_\_\_ mile of shopping. A broad selection of employment opportunities provides a generally stable economic base. The area also benefits from a productive blend of land uses as well as an efficient assimilation of a variety of household incomes. Steady demand for new and existing houses.

Market Conditions (including support for the above conclusions) General market has a balanced supply and demand with typical financing requiring seller participation totaling 5 points or less (discount and/or closing costs) with no measurable impact on value. Local markets leveling off after trending upward the past few years with appreciation at or above reported inflation rates. Exposure period is estimated to be 3-6 months.

**SITE**

Dimensions Area Shape View average

Specific Zoning Classification Zoning Description single family residential permitted

Zoning Compliance  Legal  Legal Nonconforming (Grandfathered Use)  No Zoning  Illegal (describe)

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?  Yes  No If No, describe The current use represents the site's highest and best use. See Addendum A-8.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley not applicable	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area  Yes  No FEMA Flood Zone \_\_\_\_\_ FEMA Map # \_\_\_\_\_ FEMA Map Date \_\_\_\_\_

Are the utilities and off-site improvements typical for the market area?  Yes  No If No, describe \_\_\_\_\_

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?  Yes  No If Yes, describe \_\_\_\_\_

Site is typical of residential lots in the area. No adverse conditions were observed. Improvements appear to be outside a flood hazard area but rely on survey for insurance decisions. See additional comments in Addendum B-7.

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	Foundation Walls		Floors	
# of Stories _____	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls		Walls	
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area _____ sq.ft.	Roof Surface	composition shingle	Trim/Finish	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish _____ %	Gutters & Downspouts	galvanized	Bath Floor	
Design (Style) _____	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type		Bath Wainscot	
Year Built _____	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated		Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) _____	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	yes	<input checked="" type="checkbox"/> Driveway	# of Cars _____
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) # _____	Driveway Surface	concrete
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other _____ Fuel gas _____	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input checked="" type="checkbox"/> Fence	<input checked="" type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck	<input checked="" type="checkbox"/> Porch	<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"/> Pool	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in

Appliances  Refrigerator  Range/Oven  Dishwasher  Disposal  Microwave  Washer/Dryer  Other (describe) \_\_\_\_\_

Finished area above grade contains: Rooms \_\_\_\_\_ Bedrooms \_\_\_\_\_ Bath(s) \_\_\_\_\_ Square Feet of Gross Living Area Above Grade \_\_\_\_\_

Additional features (special energy efficient items, etc.). Vaulted ceilings in living room and master b/r; raised ceiling in breakfast area, covered stoop in front and patio across rear.

**IMPROVEMENTS**

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject's improvements are comprised of generally quality materials and workmanship. The condition is predominately \_\_\_\_\_. No physical deficiencies were observed (other than normal wear and diminished utility). No functional or economic obsolescence was observed.

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

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

The subject property appears to generally conform to the neighborhood.

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There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$				to \$			
There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$				to \$			
FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address							
Proximity to Subject		same s/d		same s/d		same s/d	
Sale Price		\$		\$		\$	
Sale Price/Gross Liv. Area		\$	sq.ft.	\$	sq.ft.	\$	sq.ft.
Data Source(s)		MDC/RedLink/ext insp/FMLS/GAMLS		MDC/RedLink/ext insp/FMLS/GAMLS		MDC/RedLink/ext insp/FMLS/GAMLS	
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		conv s/p		conv s/p		conv s/p	
Date of Sale/Time		7/24/06-8/18/06*		06-19-06/07-31-06*		04-21-06/05-30-06*	
Location		good		good		good	
Leasehold/Fee Simple		fee simple		fee simple		fee simple	
Site							
View		average		similar value		similar value	
Design (Style)							
Quality of Construction		average		average		average	
Actual Age							
Condition							
Above Grade		Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count							
Gross Living Area		sq.ft.	sq.ft.	sq.ft.	sq.ft.	sq.ft.	sq.ft.
Basement & Finished Rooms Below Grade							
Functional Utility		average		similar		similar	
Heating/Cooling		central heat/cool		central heat/cool		central heat/cool	
Energy Efficient Items		standard/typical		standard/typical		standard/typical	
Garage/Carport		2 att/garage		2 att/garage		2 att/garage	
Porch/Patio/Deck							
		*contract/closing		*contract/closing		*contract/closing	
Net Adjustment (Total)			\$		\$		\$
Adjusted Sale Price of Comparables		Net Adj. %		Net Adj. %		Net Adj. %	
		Gross Adj. %	\$	Gross Adj. %	\$	Gross Adj. %	\$

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) RedLink and FMLS

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) RedLink and FMLS

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				
Price of Prior Sale/Transfer				
Data Source(s)				
Effective Date of Data Source(s)				

Analysis of prior sale or transfer history of the subject property and comparable sales

Summary of Sales Comparison Approach The subject's improvements are generally compatible with, and similar in size, style, and utility to, the improved properties that predominate the subject's s/d, as well as others found throughout the neighborhood and market area. The comparables selected reflect recent sales activity of the most similar homes from the subject's s/d and, after adjusting, offer a reasonable value range (\$ to \$) for the subject property. All were considered equally. See Addendum A, Paragraphs 6 and 7.

Indicated Value by Sales Comparison Approach \$

Indicated Value by: Sales Comparison Approach \$ Cost Approach (if developed) \$ Income Approach (if developed) \$ see addendum

The value is based solely on the sales comparison approach. The cost approach was not used for reaching the value conclusion, but was used to corroborate the value derived from the sales comparison approach. The income approach was not applicable. THIS APPRAISAL HAS BEEN PREPARED FOR THE INTENDED USER/CLIENT, LOVEJOY & ASSOCIATES, INC. FOR THE INTENDED USE AS THOSE TERMS ARE DEFINED ON PAGE 4.

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

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ , as of January 20, 2007 , which is the date of inspection and the effective date of this appraisal.

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**Comparable Listed Properties and Comparable Sales** - Comparable listed properties and comparable sales shown on the top of page 2 of this report do not include ALL listed properties and sales in the neighborhood but do include all relevant ones from the subdivision (or immediate area of the subject if not in a subdivision).

**County Tax Assessment** - (example comment) The subject property is valued for tax purposes at \$195,400. After reviewing tax valuations on recent sales, it appears that the county tax assessor's values are considerably lower than the market prices being paid for properties in the subject's s/d. It should be anticipated that county wide re-evaluations will reflect changes in market prices.

**Neighborhood Name** - If there is no recognized name associated with the neighborhood, the "Neighborhood Name" shown on the first page of this report is simply the name of the subdivision or some identifiable location nearby.

**Predominant Value** - The predominant value shown in this report reflects the predominant value relevant to the subject property and the subject's immediate area. Each neighborhood may contain several predominant values, however, insufficient space in the form precludes the ability to show other predominant values that may exist.

**Cost Approach** - The cost approach shown below was not used in reaching a conclusion of value for the subject property. It is used instead to corroborate the value derived from the sales comparison approach to value.

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) The site value shown in this report is based on sales of similar sites when available, otherwise the values are based on market abstraction of the site values from sales of existing properties.

ESTIMATED <input checked="" type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE .....			= \$
Source of cost data New construction costs and new house sales prices.	DWELLING	Sq.Ft. @ \$		= \$
Quality rating from cost service n/a Effective date of cost data current		Sq.Ft. @ \$		= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	a/c, f/p's, built-ins, and patio			= \$
Calculations for the total estimated cost new are derived from analysis of new residential construction costs and new house sales prices in the subject's market area. Depreciation, if shown, has been estimated by the Observed Condition method. However, for simplicity in reporting, the physical depreciation has been converted to, and is shown as, an Overall Age-Life method calculation.	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 .....			= \$

COST APPROACH

### INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ Add. B-4 X Gross Rent Multiplier n/a = \$ see addendum B-4 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

INCOME

### 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.

PUD INFORMATION

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. n/a

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

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

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.

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

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

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

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

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

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

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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

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

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

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

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

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

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

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

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

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

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

**APPRAISER**

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company Name America's Real Estate Associates, Inc.Company Address 1513 Shadow Ridge Circle, Woodstock, GA 30189Telephone Number 770-591-5552Email Address NoraMonahan@area-ga.com

Date of Signature and Report \_\_\_\_\_

Effective Date of Appraisal \_\_\_\_\_

State Certification # \_\_\_\_\_

or State License # \_\_\_\_\_

or Other (describe) Registered 269059 State # 269059State GeorgiaExpiration Date of Certification or License 9/30/07**ADDRESS OF PROPERTY APPRAISED**

\_\_\_\_\_

APPRAISED VALUE OF SUBJECT PROPERTY \$ \_\_\_\_\_

**LENDER/CLIENT**

Name \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Email Address \_\_\_\_\_

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_

Name Dick Viti, CREA (Member NAREA)Company Name America's Real Estate Associates, Inc.Company Address 1513 Shadow Ridge Circle, Woodstock, GA 30189Telephone Number 770-591-5552Email Address DickViti@area-ga.com

Date of Signature \_\_\_\_\_

State Certification # Certified General 227

or State License # \_\_\_\_\_

State GeorgiaExpiration Date of Certification or License 4/30/2007**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 \_\_\_\_\_

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**ADDENDUM A**

The purpose of this addendum is to provide clarification, amplification, and explanation for several of the terms, report sections, appraisal theory, appraisal concepts, and nuances of professional appraisal practice, which have, in the past, generated inquiries from clients and readers and for which there is insufficient space in the report to address.

- 1. Market Value** - The Market Value estimate in this appraisal report (as defined in FHLMC Form 439 and FNMA Form 1004, attached) represents the property's 'most probable sales price.' This value has been selected, in the manner specified in the report, out of the value range that resulted from the market data analysis section of the appraisal with possible influence and/or support from the cost approach and gross rent multiplier analysis.
- 2. PUD Description** - 'De Minimis PUD' (or 'PUD') is not an appraisal term and its use has not been observed in the market place. Any indication that the subject property is a De Minimis PUD (or PUD) is merely an attempt to categorize the subject property for the convenience of, and according to the guidelines provided by, certain clients who have an interest in such a classification. Therefore, the existence (or non-existence) of this classification has no significance to, or affect on, the market value estimate, which is the purpose of this report.
- 3. Date of Sale** - In this appraisal, several sales of similar residential units from the subject's market area were analyzed. One of the factors considered in that analysis is the date of sale. The importance of this factor is apparent since the price paid is influenced by the prevailing economic, political, and social environment (as well as supply/demand factors) on the date the "meeting of the minds" occurs (that is, the date on which the contract/agreement was entered into). In situations where the precise contract date was unknown, the title recording date was used as the next best alternative (unless the dates were believed to be so different as to affect the value estimate). In addition, caution must be exercised by clients that restrict the value estimate's reliance to 'closed' sales only (completion of title transfer), because changes in market factors during the three to six month period from sale to title transfer/recording can distort the value conclusions significantly, particularly during the erratic market swings experienced over the past several years. Such a client must accept responsibility for distortions in market value estimates that result from the imposition of restrictions that do not permit the exercise of the highest and most responsible appraisal practices. All other factors being equal, the most accurate market value estimates are derived from the sales that have occurred the closest in time to the appraisal date, whether or not they have closed (assuming the existence of all other factors requisite for a sale in conformity to the market value definition).
- 4. Subject's Sales Price** - In instances where the subject property is also the subject of a current sale, the subject's sales price is often the best indication of its value (assuming transaction details conform to the market value definition). Therefore, when the subject's sales price falls within the indicated value range the subject's sales price may be selected as the final estimate of value.
- 5. Financing Terms** - All reasonable attempts were made to ascertain the precise financing terms associated with the comparable sales use in this report (including research of the multiple listing services, Market Data Center, lender files, interested party interviews, etc). While some of the details were not disclosed or otherwise not available, the investigation revealed no specific or creative financing or sales concessions. Based on the information available, the financing of the comparable sales appeared to be on terms generally available in the community and typical for the property type in its locale, with no special financing amounts that would measurably alter the value conclusion. Exceptions will be noted on the appraisal along with appropriate comments and adjustments.
- 6. Comparable Sales Dates** - In some instances, comparable sales with sales dates in excess of six months prior to the appraisal date may have been used. Because the date of sale is only one factor to be considered in the selection of a comparable, it generally is not a limiting factor. Other factors must be analyzed in the selection process of comparable sales such as proximity to the subject, similarity in size, style, utility, special features, and amenities. It was due to the consideration of all these factors that the selection was made to use the sales displayed in this report. During periods of market instability, appropriate adjustments were made for the value changes that were evidenced in the subject's market area for the time between the comparable's sales date (contract date) and the effective date of this appraisal.
- 7. Size of Value Adjustments** - While comparable sales that do not require any adjustment are sought, they are infrequent in occurrence and seldom found. The integrity of the comparable sale, however, is maintained by reasonable and appropriate adjustments. If such adjustments are made, any comparable sale can accurately reflect a market value for the subject property. The focus, then, should not be on the frequency or net amount of the adjustments, but on the reasonableness and appropriateness of the adjustment. Homes with extraordinary features, ie. pool, lake view, golf course view, finished basement, etc., that require large individual adjustments, often require large net adjustments. If the adjustments are accurate and properly abstracted from the market place, the subsequent value indication need be no less accurate than instances where small adjustments are required.
- 8. Highest and Best Use** - The 'Highest and Best Use' of the subject property is that reasonable and probable use that will support the highest market value as of the date of the appraisal. In light of the subject's legally permissible, financially feasible, and physically possible uses, and because the subject's improvements are similar in size, style, utility, and quality, to the existing improvements in the neighborhood, the subject's highest and best use is its current use.
- 9. Septic Tank Systems** - In properties with septic tank installations, any apparent signs of malfunction (unusual odors, poor drainage, soggy drain fields, etc.) will be noted on the appraisal in the comments portion of the 'Site' section. In the absence of comments to the contrary, the septic tank and its drain fields appeared to be adequate and operating normally at the time of inspection.
- 10. Cost Per Square Foot Adjustments** - The difference in the dollar amounts per square foot that were used in adjusting the gross living area is reflective of and consistent with market responses to the decreasing unit value attributed to an increase in size within a given quality range of improvement.
- 11. Photographs** - Every attempt was made to provide adequate photographs of the comparable sales. In some instance, however, because of terrain and/or tree cover, the improvements are not visible in the photograph (a situation that cannot be corrected without trespassing). This inability to descriptively photograph the comparable sale does not diminish its reliability as an indicator of the subject's value.
- 12. Section of Comparables** - All reasonably available sales activity has been considered for use in the Sales Comparison Analysis. The sales shown in this report have been selected from the data available because they are, in the appraiser's professional judgment, the best available indicators of the subject's market value as of the effective date of this appraisal. This conclusion is based on an overall assessment and evaluation of a variety of factors, e.g. size, style, utility, quality, proximity to the subject, appeal, type of financing, motivation and relationship of the parties, features, amenities, date of sale, etc.

**ADDENDUM B**

The purpose of this addendum is to specifically address appraisal standards required by Georgia Statutes, Georgia

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Regulations, or the Uniform Standards of Professional Appraisal Practice. In addition, this addendum will contain general and specific comments (and all required signature lines) for which there was insufficient space in the form appraisal report.

- 1. Purpose and Function** - The purpose of this appraisal is to estimate the Market Value of the fee simple ownership interest of the real property identified herein as of the effective date contained in this report. Market Value being defined on page 4 of this appraisal report. The function of this report is to provide the client with information necessary to underwrite the creditworthiness of the property for a mortgage loan.
- 2. Personal Property** - The value conclusion contained in this report is for the real property only and does not include any value for personal property items - even if the property being appraised is the subject of a current sale and the contract contains personal property items in the purchase price.
- 3. Required Georgia Certifications:**

Each of the below named appraisers certifies that to the best of his/her knowledge and belief:

  - A) The statements of fact contained in this report are true and correct.
  - B) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
  - C) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
  - D) I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
  - E) My engagement in this assignment or in any future assignment is not contingent upon developing or reporting predetermined results.
  - F) My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
  - G) My analyses, opinion, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
  - H) I have made a personal inspection of the property that is the subject of this report (unless indicated otherwise, below).
  - I) No one provided significant professional assistance to the individuals signing this report.
  - J) By signing as Supervisory Appraiser, the supervising appraiser hereby certifies that this appraisal complies with generally accepted appraisal procedures and, when applicable, is in compliance with the standards required by the federal financial institutions regulatory agency that regulates the financial transaction for which the appraisal assignment was undertaken.
- 4. Gross Rent Multiplier** - Omissions of the Gross Rent Multiplier Analysis (income approach) are attributed to the lack of credible or reliable data and the resultant inapplicability of that approach. Only occasionally does the single family detached residential market perform in such a manner that would permit inferences to be drawn from the relationship of the price paid for the dwelling and its market rent.
- 5. Responsible Appraisers** - All conclusions and opinions set forth in this appraisal report were prepared by the appraiser(s) whose signature(s) appear below even though one of the signers below may have signed the appraisal report as SUPERVISORY APPRAISER. THE SUPERVISORY APPRAISER'S signature line was used merely because insufficient space was available for the necessary signatures. Each of the signers below has the authority to make any changes, author additional explanations or revisions, and conduct any required post appraisal inspections of the subject property.
- 6. Scope of Work** - The scope of work necessary to resolve this appraisal problem included a detailed on-site inspection of the subject property, the identification of physical, locational, and economic factors that could affect the subject property, the examination of available data sources, highest and best use analysis, and the application of all relevant requirements in USPAP.
- 7. Survey** - A current survey is recommended to demonstrate compliance with setback requirements and to detect encroachments and non-apparent easements. These factors may have a detrimental impact on the subject's value (and marketability) and cannot be detected during the appraisal inspection. In addition, reliance on a previous survey may be misplaced inasmuch as potential violations caused by a subsequent placement of fences, outbuildings, and additions on the subject property or on any adjacent properties would not be discoverable. In the absence of information to the contrary, this appraisal assumes that a current survey would show compliance with setback requirements and the absence of encroachments and nonapparent easements which would affect the subject's value and/or marketability.
- 8. Foreclosure Activity** - Foreclosure activity in the subject's immediate area has been sporadic with insufficient volume and duration to have a measurable effect on the subject's market value.
- 9. Most Recent Sales** - Comparable sales used in this report represent the most recent sales activity of similar properties in close proximity to the subject. The use of comparable sales with sales dates in excess of a year is limited to situations when no more recent and relevant sales are available or the more recent sales fail to provide a reliable value indication for the subject property because the transaction fails to meet the standards stated in the definition of market value.
- 10. Net and Gross Adjustments** - The comparable sales selected are, in the appraisers professional judgment, the best indicators of the subject's value as of the effective date of the appraisal. The appraiser has not minimized value adjustments to comply with maximum net and gross adjustments and the appraiser has not avoided the best comparables in an attempt to comply with arbitrary net and gross adjustment limitations. Comparables are selected based on a variety of factors and often the best comparable is distinguishable from the subject because of one or two substantial features such as a basement, pool, or golf lot. Although it may exceed the net/gross adjustment limitations, a recent sale of a house with the same floor plan as the subject across the street from the subject is a better comparable even if it has a pool and finished basement than a different house in a different location that may require 8 or 9 small adjustments - but complies with the net/gross adjustment limitations.
- 11. Market Area** - Comparables have been selected from the subject's market area. The market area for any property is dependant on the type of property; the size, style, and utility of the property; and the physical, political, social, and economic factors that affect the property. The decision to use comparable sales in excess of a mile from the subject property is based on these factors and the lack of more proximate sales which would be reliable value indicators for the subject property.
- 12. Noteworthy Transactions** - It is common in older residential areas to have houses purchased by investors with the intent to refurbish and "flip" the houses for profit. This would account for a property re-selling within six months of their purchase for an amount considerably greater than the purchase price - often as much as a 25% or more increase in resale price. Legitimate flipping is performed by dealers (categorized as such by the IRS) of real estate who report profits as ordinary income. Illegal flipping occurs when the "investor" purchaser buys the property to resell at an inflated price without refurbishing. Illegal flips can cause economic harm to a market area if occurring in sufficient numbers and usually involves fraudulent purchasers and lengthy foreclosures of the property. As is the case with legitimate flips, illegal flipping activity can occur in any market. The scope of work did not include a study of this activity in this market, and no instances of legal or illegal flipping were observed in collecting and analyzing data for this assignment. However, it is reasonable to expect sporadic legitimate flipping of houses in this market by investors which improves the overall quality of the market. Given the prevalence of illegal flipping, it would also be reasonable to expect that those transactions have occurred in and around the

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subject property from time to time. There was no evidence in data sources observed during the research for this appraisal that suggested sufficient illegal flipping activity in the area causing economic hardship for the market in general.

**13. Significant Assistance** - There was no significant assistance providing by anyone other than the individuals who have signed this report.

Nora Monahan (GA Registered Appraiser #269059)  
Dick Viti, CREA (GA Certified General 227)

Paragraph 3(H) - (x) does ( ) does not apply  
Paragraph 3(H) - (x) does ( ) does not apply