

Uniform Residential Appraisal Report

File No. 071521

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 233 EAST HUNTINGTON DRIVE	City TEMPE	State AZ Zip Code 85282-
Borrower DAVID HANEY	Owner of Public Record DAVID HANEY LLC	County MARICOPA
Legal Description LOT 238, NU-VISTA UNIT 4		
Assessor's Parcel # 133-46-113	Tax Year 2006	R.E. Taxes \$ 1,272.00
Neighborhood Name NU-VISTA	Map Reference N/A	Census Tract 3196.00
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant	Special Assessments \$ N/A	<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 type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) MARKETING		
Lender/Client BORROWER IS CLIENT	Address N/A	
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). REALQUEST; NETVALUE CENTRAL; ESTIMATED EXPOSURE TIME IS 20-180 DAYS; THE SUBJECT IS CURRENTLY LISTED FOR SALE BY OWNER - LIST PRICE NOT DISCLOSED.		

I <input type="checkbox"/> did <input type="checkbox"/> 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 Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s) N/A
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 type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, report the total dollar amount and describe the items to be paid. \$ N/A N/A

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 type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	One-Unit 85% %
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	AGE (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	100 Low 10	Multi-Family 5% %
Neighborhood Boundaries See Attached Addendum		600 High 60+	Commercial 5% %
		300-400 Pred. 20-30	Other %
Neighborhood Description See Attached Addendum			

Market Conditions (including support for the above conclusions) **MARKET DATA AND MLS STATISTICS IN THE NEIGHBORHOOD SUPPORT A STABLE MARKET. THE DATA IS NOW SHOWING A BALANCE IN SUPPLY AND DEMAND. MARKETING TIME IS CURRENTLY THREE TO SIX MONTHS WITH LISTINGS SELLING AT APPROXIMATELY 95-100% OF LIST PRICE.**

Dimensions 103 X 73	Area 7519 Sq.Ft.	Shape RECTANGULAR	View AVERAGE
Specific Zoning Classification R-6	Zoning Description SINGLE FAMILY RESIDENTIAL		
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 the 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. See Attached Addendum			
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 YES	<input checked="" type="checkbox"/> <input type="checkbox"/>
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone X500	FEMA Map # 040054 2170G	FEMA Map Date 09/30/2005
Are the utilities and 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.			

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials/condition	INTERIOR materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls *CONCRETE/GOOD	Floors *CARPET-TILE
# of Stories ONE	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls *BRICK/GOOD	Walls *DRYWALL
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq. ft.	Roof Surface *COMP/GOOD	Trim/Finish *PAINT GRADE
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Under Const.	Basement Finish N/A %	Gutters & Downspouts NONE	Bath Floor *CERAMIC TILE
Design (Style) 1-STORY	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type *SLIDER/GOOD	Bath Wainscot *CERAMIC TILE
Year Built 1960	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated NO	Car Storage <input type="checkbox"/> None
Effective Age (Yrs) 10	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens NO	<input checked="" type="checkbox"/> Driveway # of Cars 2
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 N/A Fuel GAS	<input checked="" type="checkbox"/> Fireplace(s) # 1 <input checked="" type="checkbox"/> Fence BLOCK	<input checked="" type="checkbox"/> Garage # of Cars 2
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck CVD <input checked="" type="checkbox"/> Porch C. ENTRY	<input type="checkbox"/> Carport # of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other N/A	<input type="checkbox"/> Pool N/A <input type="checkbox"/> Other N/A	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Appliances <input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)			
Finished area above grade contains: 6 Rooms 3 Bedrooms 2 Bath(s) 1,706 Square Feet of Gross Living Area Above Grade			
Additional features (special energy efficient items, etc.) See Attached Addendum			
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). THE SUBJECT HAS A FUNCTIONAL FLOORPLAN AND IS IN GOOD CONDITION OVERALL. NO ADVERSE CONDITIONS NOTED. THE SUBJECT RENOVATIONS ARE NEARLY COMPLETE, HOWEVER THIS APPRAISAL IS SUBJECT TO COMPLETION. SUBJECT TAX RECORDS INDICATE 1,950 SQ. FT. WHILE ACTUAL MEASUREMENTS REVEAL 1,706 SQ. FT. IT IS NOT KNOWN WHY THE DISCREPANCY, HOWEVER, MEASUREMENTS REVEAL 1,706 SQ. FT.			
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.			
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.			

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There are 12 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 335,000 to \$ 450,000

There are 35 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 280,000 to \$ 420,000

FEATURE	SUBJECT			COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2			COMPARABLE SALE NO. 3											
233 EAST HUNTINGTON DRIVE Address TEMPE	518 EAST BROADMOR DRIVE TEMPE			2207 SOUTH SIERRA VISTA DR. TEMPE			533 EAST FAIRMONT DRIVE TEMPE														
Proximity to Subject	0.74 miles NNE			0.77 miles NNE			0.32 miles ENE														
Sale Price	\$ N/A			\$ 400,000			\$ 380,000			\$ 468,000											
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.			\$ 210.19 sq. ft.			\$ 190.67 sq. ft.			\$ 218.28 sq. ft.											
Data Source(s)	INSPECTION 06/07			ARMLS/DKT. 07-236213			ARMLS/DKT. 07-928659			ARMLS/DKT. 07-209879											
Verification Source(s)	IMAPP/REALQST			IMAPP/REALQUEST			IMAPP/REALQUEST			IMAPP/REALQUEST											
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION			+(-) \$ Adjustment			DESCRIPTION			+(-) \$ Adjustment								
Sale or Financing Concessions	N/A			NEW CONV LOAN NOT DISCLOSED			NEW CONV LOAN \$76,000 DOWN			ALL CASH											
Date of Sale/Time	N/A			02/27/2007			8/17/2007			2/21/2007											
Location	SUBURBAN			SUBURBAN			SUBURBAN			SUBURBAN											
Leasehold/Fee Simple	FEE SIMPLE			FEE SIMPLE			FEE SIMPLE			FEE SIMPLE											
Site	7,519 Sq.Ft.			7,754 SQ. FT.			10,206 SQ. FT.			-2,000 9,666 SQ. FT.											
View	AVERAGE			CORNER/SUP.			-1,000 INT. LOT/EQU			INT. LOT/EQU											
Design (Style)	1-STORY/AVG			1-STORY/EQU			1-STORY/EQU			1-STORY/EQU											
Quality of Construction	BLOCK/COMP			BLOCK/COMP			BLOCK/COMP			BLOCK/COMP											
Actual Age	47+/- Years			50 YEARS			48 YEARS			41 YEARS											
Condition	GOOD			GOOD			GOOD			GOOD											
Above Grade	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths									
Room Count	6	3	2	5	3	2	7	3	2	NMD	7	4	2								
Gross Living Area	40 1,706 sq. ft.			1,903 sq. ft.			-8,000 1,993 sq. ft.			-11,500 2,144 sq. ft.			-17,500								
Basement & Finished Rooms Below Grade	NO BASEMENT			NO BASEMENT			NO BASEMENT			NO BASEMENT											
Functional Utility	AVERAGE			AVERAGE			AVERAGE			AVERAGE											
Heating/Cooling	CENTRAL			CENTRAL			CENTRAL			CENTRAL											
Energy Efficient Items	TYPICAL			TYPICAL			TYPICAL			TYPICAL											
Garage/Carport	GARAGE-2			CARPORT-2			5,000 CARPORT-2			5,000 GARAGE-2											
Porch/Patio/Deck	C. ENT/C. PATIO			C. ENT/C. PATIO			C. ENT/C. PATIO			C. ENT/SLAB											
FEATS/UPGRDS	AS DESCRIBED			OFFSETTING			INFERIOR			7,500 OFFSETTING											
POOL/SPA	NO POOL			NO POOL			NO POOL			NO POOL											
	FIREPLACE-1			NO FIREPLACE			2,000 NO FIREPLACE			2,000 FIREPLACE-1											
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> -			\$ 2,000			<input checked="" type="checkbox"/> + <input type="checkbox"/> -			\$ 1,000			<input type="checkbox"/> + <input checked="" type="checkbox"/> -			\$ 29,500		
Adjusted Sale Price of Comparables				Net Adj. -0.5% %						Net Adj. 0.3% %						Net Adj. -6.3% %					
				Gross Adj. 4.0% %			\$ 398,000			Gross Adj. 7.4% %			\$ 381,000			Gross Adj. 7.2% %			\$ 438,500		

SALES COMPARISON APPROACH

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) REALQUEST, NETVALUECENTRAL

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) REALQUEST, NETVALUECENTRAL

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 NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	11/09/2006	NO SALE IN PAST 12 MOS.	NO SALE IN PAST 12 MOS.	NO SALE IN PAST 12 MOS.
Price of Prior Sale/Transfer	\$240,000	N/A	N/A	N/A
Data Source(s)	IMAPP/REAL QUEST	IMAPP/REAL QUEST	IMAPP/REAL QUEST	IMAPP/REAL QUEST
Effective Date of Data Source(s)	9/24/2007	9/24/2007	9/24/2007	9/24/2007

Analysis of prior sale or transfer history of the subject property and comparable sales THE DIFFERENCE FROM THE SUBJECTS PREVIOUS SALE PRICE TO THE CURRENT APPRAISED VALUE IS DUE TO A COMPLETE INTERIOR REMODEL. IT APPEARS TO HAVE BEEN A NON ARMS-LENGTH TRANSACTION. NO MARKETTING IN ARMLS WAS DISCOVERED. AFTER CAREFUL INSPECTION OF ALL SALES IT IS APPEARANT THAT ALL COMPS ARE AT ARM'S LENGTH TRANSACTIONS. NO UNUSUAL CIRCUMSTANCES NOTED.

Summary of Sales Comparison Approach. SEE ATTACHED ADDENDUM

Indicated Value by Sales Comparison Approach \$ 395,000

Indicated Value by: Sales Comparison Approach \$ 395,000 Cost Approach (if developed) \$ 406,500 Income Approach (if developed) \$ N/A

THE MARKET AND COST APPROACHES ARE REASONABLY CLOSE. MOST WEIGHT IS GIVEN THE MARKET APPROACH AS IT MOST CLOSELY REPRESENTS TYPICAL NEGOTIATIONS AND ACTIONS OF BUYERS AND SELLERS IN THE MARKET PLACE. THE COST APPROACH SUPPORTS THE FINAL VALUE ESTIMATE.

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: See Attached Addendum

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 \$ 395,000 as of 09/24/2007, which is the date of inspection and the effective date of this appraisal.

RECONCILIATION

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ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

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) **NO LANDS SALES AVAILABLE DUE TO TRACT STYLE DEVELOPMENT. SITE VALUE WAS EXTRACTED FROM APPRAISAL EXPERIENCE IN THE MARKET.**

ESTIMATED <input checked="" type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 155,000		
Source of cost data MARSHALL AND SWIFT	Dwelling	1,706 Sq. Ft. @ \$ 147.00	= \$ 250,782
Quality rating from cost service AVERAGE Effective date of cost data 03/07		Sq. Ft. @ \$	= \$ 0
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	APPLIANCES, FLOORING, ETC. INCLUDED		
See Attached Addendum	Garage/Carport	420 Sq. Ft. @ \$ 50.00	= \$ 21,000
	Total Estimate of Cost-New = \$ 271,782		
	Less 55 Physical	Functional	External
	Depreciation 13%		= \$ (35,332)
	Depreciated Cost of Improvements = \$ 236,450		
	"As-is" Value of Site Improvements . C.ENT/CPAT/FNC/LNDS ... = \$ 15,000		
Estimated Remaining Economic Life (HUD and VA only) 45 Years	INDICATED VALUE BY COST APPROACH = \$ 406,500		

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ **N/A** X Gross Rent Multiplier **N/A** = \$ **N/A** Indicated Value by Income Approach

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

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 an 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(s) _____

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. _____

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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 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.

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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.

Uniform Residential Appraisal Report

File No. 071521

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.

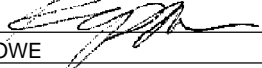
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation 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 RYAN J. LOWE

Company Name BRAVADO APPRAISAL GROUP

Company Address 3510 EAST HAMPTON AVENUE #114
MESA, AZ 85204

Telephone Number 480-656-4308

Email Address RYAN@BRAVADOGROUP.COM

Date of Signature and Report 09/24/2007

Effective Date of Appraisal 09/24/2007

State Certification # 20937
or State License # _____
or Other (describe) _____ State # _____

State AZ

Expiration Date of Certification or License 8/31/2008

ADDRESS OF PROPERTY APPRAISED
233 EAST HUNTINGTON DRIVE
TEMPE, AZ 85282-

APPRAISED VALUE OF SUBJECT PROPERTY \$ 395,000

LENDER/CLIENT

Name _____

Company Name BORROWER IS CLIENT

Company Address N/A

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 _____

ADDENDUM

Borrower: DAVID HANEY	File No.: 071521	
Property Address: 233 EAST HUNTINGTON DRIVE	Case No.:	
City: TEMPE	State: AZ	Zip: 85282-
Lender: BORROWER IS CLIENT		

Neighborhood Boundaries

NORTH: 13TH STREET (CONTINUED); SOUTH: SOUTHERN AVENUE; EAST: RURAL ROAD; WEST: MILL AVENUE. THE SUBJECT IS AN ESTABLISHED RESIDENTIAL AREA LOCATED IN TEMPE.

Neighborhood Description

THERE ARE NO APPARENT ADVERSE FACTORS WHICH WOULD AFFECT THE SUBJECT'S MARKETABILITY. THE CURRENT MARKETING TIMES DEMONSTRATE AN GOOD MARKET DEMAND FOR THIS AREA. EMPLOYMENT PROXIMITY IS CONSIDERED TO BE GOOD FOR THE AREA. THE IMPROVEMENTS CONFORM WELL TO THE SURROUNDING USES (IE: AVERAGE TO GOOD QUALITY SINGLE & MULTI FAMILY DWELLINGS). ALL RESIDENTIAL SUPPORT FACILITIES ARE LOCATED WITHIN REASONABLE PROXIMITY TO THE SUBJECT (IE: SCHOOLS, PARKS, SHOPPING, FREEWAYS, ARIZONA STATE UNIVERSITY, ETC.).

Highest and Best Use

PER THE MUNICIPAL ZONING DEFINITION MENTIONED ON PAGE 1 AND CURRENT MARKET ACCEPTANCE, THE SUBJECT'S PRESENT USE IS CONSIDERED TO BE IT'S HIGHEST AND BEST USE BY THE APPRAISER.

Additional Features

FULL INTERIOR REMODEL: NEW FLOORING THROUGHOUT, ALL NEW DOORS AND HARDWARE, RAISED CEILINGS; FULL KITCHEN REMODEL: NEW CABINETS, GRANITE TILE KITCHEN COUNTERS, NEW UPGRADED APPLIANCES, NEW SINK AND HARDWARE; NEW AC UNIT; NEW PAINT; MODERNIZED FLOORPLAN, GLASS BLOCK; CUSTOM TILED WAINSCOT; ETC

Comments on Sales Comparison

ALL COMPS ARE SIMILAR QUALITY RESIDENCES LOCATED IN THE SUBJECT'S IMMEDIATE MARKET AREA. ADJUSTMENTS ARE MADE FOR DIFFERENCES IN LOT SIZE, LIVABLE AREA, COVERED PARKING FEATURES, COVERED PATIO FEATURES, POOL COUNT AND UPGRADES/FEATURES (FLOORING, KITCHEN, ETC). COMP #2 IS INFERIOR IN UPGRADED FEATURES (PER ARMLS LISTINGS AND LISTING AGENTS INVOLVED).

SEE ADDITIONAL SALES ON PAGE 7.

MOST WEIGHT IS GIVEN THE UPPER END OF THE INDICATED VALUE RANGE (AFTER ADJUSTMENTS) DUE TO THE SUBJECT'S GOOD REMODELED AND UPGRADED CONDITION.

THERE ARE A LIMITED NUMBER OF SALES WHICH ARE DIRECTLY COMPETITIVE TO THE SUBJECT PROPERTY. THE SALES CITED IN THIS REPORT ARE THE RESULT OF A THOROUGH DATA SEARCH, BOTH WITHIN AND BEYOND THE SUBJECT SUBDIVISION. THEY ARE CONSIDERED TO BE THE MOST RECENT, RELEVANT AND RELIABLE VALUE INDICATORS CURRENTLY AVAILABLE FOR EVALUATION.

BOTH THREE AND FOUR BEDROOM HOMES HAVE BEEN USED AS COMPARABLE SALES IN THIS APPRAISAL. OFTEN THERE IS AN INSUFFICIENT SUPPLY OF SALES WHICH SHARE BOTH BEDROOM NUMBER AND OTHER SALIENT CHARACTERISTICS. CONVERSELY, IN MANY INSTANCES HOMES WITH DIFFERING BEDROOM COUNTS ARE IN FACT MORE SIMILAR IN ALL OTHER RESPECTS, AND CONSTITUTE THE MOST RELEVANT AND RELIABLE COMPARABLE SALES. THIS INTERCHANGE IS TYPICALLY NOT POSSIBLE BETWEEN HOMES WITH ONE AND TWO BEDROOMS OR HOMES WITH TWO AND THREE-PLUS BEDROOMS. HOWEVER, THE MARKET FOR THREE AND FOUR BEDROOM HOMES IS TYPICALLY INTERCHANGEABLE, WITH A SUFFICIENT INVENTORY OF EACH. THEREFORE, THE USE OF THESE COMPARABLE SALES IS RELIABLE IN ESTIMATING THE VALUE OF THE SUBJECT PROPERTY. ADJUSTMENTS ARE MADE UPWARD FOR THE SUBJECT'S FOUR BEDROOM FLOORPLAN IN SOME CASES.

Conditions of Appraisal

RYAN J. LOWE IS ARIZONA STATE CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER #20937. REFER TO THE ATTACHED CERTIFICATION AND LIMITING CONDITIONS ADDENDUM.

THE INCOME APPROACH WAS NOT USED BECAUSE THE SUBJECT IS NOT AN INCOME PRODUCING PROPERTY AND IT IS NOT LOCATED IN AN AREA HAVING ENOUGH INCOME PRODUCING PROPERTY DATA TO PROVIDE A SUFFICIENT BASIS FOR THE ESTIMATION OF MARKET RENT OR A GROSS RENT MULTIPLIER.

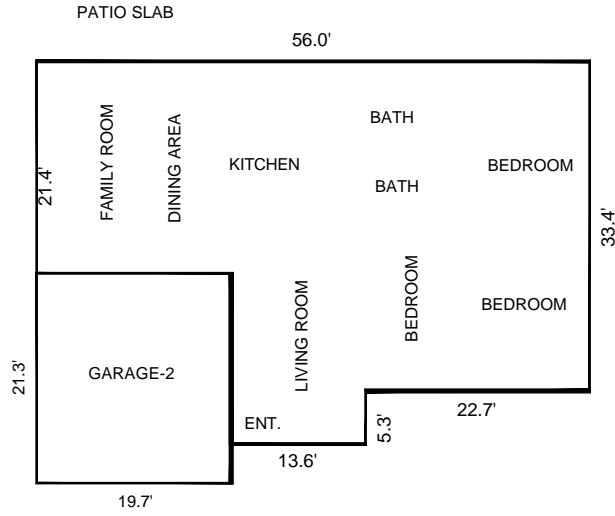
Cost Approach Comments

THE REPRODUCTION COST IS BASED ON INFORMATION FOUND IN THE MARSHALL AND SWIFT COST HANDBOOK AND IS SUPPLEMENTED BY THE APPRAISER'S KNOWLEDGE OF THE LOCAL MARKET. PHYSICAL DEPRECIATION IS BASED ON ESTIMATED EFFECTIVE (OBSERVED) AGE OF THE SUBJECT PROPERTY.

THE SUBJECT'S SITE VALUE EXCEEDS 30% OF THE TOTAL VALUE ESTIMATE DUE TO LOCATION IN AN AREA OF HIGHER LAND VALUES. THIS CONDITION IS NOT UNUSUAL FOR THE SUBJECT MARKET AREA AND DOES NOT ADVERSELY IMPACT MARKETABILITY.

FLOORPLAN

Borrower: DAVID HANEY	File No.: 071521
Property Address: 233 EAST HUNTINGTON DRIVE	Case No.:
City: TEMPE	State: AZ Zip: 85282-
Lender: BORROWER IS CLIENT	



Seabhy/ApeX/™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	1706.08	1706.08
GAR	Garage	419.61	419.61
TOTAL LIVABLE (rounded)		1706	

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
13.6	x	38.7	526.32
19.7	x	21.4	421.58
22.7	x	33.4	758.18
3 Calculations Total (rounded)			1706

SINGLE FAMILY COMPARABLE RENT SCHEDULE

This form is intended to provide the appraiser with a familiar format to estimate the market rent of the subject property. Adjustments should be made only for items of significant difference between the comparables and the subject property.

SUMMARY APPRAISAL

071521

ITEM	SUBJECT	COMPARABLE NO. 1			COMPARABLE NO. 2			COMPARABLE NO. 3		
Address	233 EAST HUNTING TEMPE	338 EAST PEBBLE BEACH DRIVE TEMPE			10 WEST GENEVA DRIVE TEMPE			15 WEST DEL RIO DRIVE TEMPE		
Proximity to Subject		0.27 miles S			0.29 miles WNW			0.38 miles NW		
Date Lease Begins	N/A	07/28/2006			02/16/2007			05/18/2007		
Date Lease Expires	N/A	07/28/2007			02/16/2008			05/18/2008		
Monthly Rental	If Currently Rented: \$ N/A	\$ 1,395			\$ 1,350			\$ 1,475		
Less: Utilities	\$ N/A	\$ N/A			\$ N/A			\$ N/A		
Furniture	\$ N/A	\$ N/A			\$ N/A			\$ N/A		
Adjusted Monthly Rent	\$ N/A	\$ 1,395			\$ 1,350			\$ 1,475		
Data Source	ARMLS INSPECTION 06/07	ARMLS #2563817			ARMLS #2626024			ARMLS #2757374		
RENT ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment
Rent Concessions		NONE			NONE			NONE		
Location/View	AVERAGE	AVERAGE			AVERAGE			AVERAGE		
Design and Appeal	1-STORY AVERAGE	1-STORY EQUAL			1-STORY EQUAL			1-STORY EQUAL		
Age/Condition	47 YEARS GOOD	45 YEARS GOOD			47 YEARS GOOD			46 YEARS GOOD		
Above Grade Room Count	Total: 6, Bdrms: 3, Baths: 2.00	Total: 6, Bdrms: 3, Baths: 2.00	50		Total: 6, Bdrms: 3, Baths: 2.00	50		Total: 6, Bdrms: 4, Baths: 2.00		
Gross Living Area	1,706 Sq. Ft.	1,671 Sq. Ft.			1,745 Sq. Ft.	NMD		1,568 Sq. Ft.	NMD	
Other (e.g., basement, etc.)	NO BASEMENT	NO BASEMENT			NO BASEMENT			NO BASEMENT		
Other:	GARAGE-2 NO POOL	GARAGE-2 NO POOL			GARAGE-2 POOL	-30		CARPORIT-1 POOL	30	-30
Net Adj. (total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 50			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 20			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 0		
Indicated Monthly Market Rent		3.6 \$ 1,445			5.9 \$ 1,370			4.1 \$ 1,475		

COMPARABLE RENT SCHEDULE

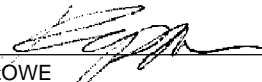
Comments on market data, including the range of rents for single family properties, an estimate of vacancy for single family rental properties, the general trend of rents and vacancy, and support for the above adjustments. (Rent concessions should be adjusted to the market, not to the subject property.)

ALL RENTALS ARE RESIDENCES LOCATED IN THE SUBJECT'S IMMEDIATE SUBDIVISION. ADJUSTMENTS ARE MADE FOR DIFFERENCES IN BEDROOM COUNT, POOL COUNT AND COVERED PARKING FEATURES.

RECONCILIATION

Final Reconciliation of Market Rent: EQUAL CONSIDERATION IS GIVEN ALL RENTALS IN THE FINAL RENTAL ESTIMATE

I (WE) ESTIMATE THE MONTHLY MARKET RENT OF THE SUBJECT AS OF 06/25/2007 TO BE \$ 1,450

APPRAISER: Signature  Name RYAN J. LOWE Date Report Signed September 24, 2007 State Certification # 20937 State AZ Or State License # State	SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature _____ Name _____ Date Report Signed _____ State Certification # _____ State _____ Or State License # _____ State _____
---	---

Operating Income Statement

SUMMARY APPRAISAL

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

071521

Property Address

233 EAST HUNTINGTON DRIVE

TEMPE

AZ

85282-

Street

City

State

Zip Code

General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.

Unit No.	Currently Rented		Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid	
	Yes	No					By Owner	By Tenant
Unit No. 1	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A	\$ N/A	\$ 1,450	Electricity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 2	Yes <input type="checkbox"/>	No <input type="checkbox"/>		\$	\$	Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 3	Yes <input type="checkbox"/>	No <input type="checkbox"/>		\$	\$	Fuel Oil	<input type="checkbox"/>	<input type="checkbox"/>
Unit No. 4	Yes <input type="checkbox"/>	No <input type="checkbox"/>		\$	\$	Fuel (Other)	<input type="checkbox"/>	<input type="checkbox"/>
Total				\$ 0	\$ 1,450	Water/Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>
						Trash Removal	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (for new properties the applicant's projected income and expenses must be provided). This Operating Income Statement and previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (e.g., Applicant/Appraiser 288/300). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item.) Income should be based on current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Income (Do not include income for owner-occupied units)		
Gross Annual Rental (from unit(s) to be rented)	\$ 17,400	\$
Other Income (include sources)	+	+
Total	\$ 17,400	\$
Less Vacancy/Rent Loss	- 522.00 (3%)	- (%)
Effective Gross Income	\$ 16,878	\$

Expenses (Do not include expenses for owner-occupied units)

Electricity	BY TENANT	
Gas	BY TENANT	
Fuel Oil		
Fuel (Type-)		
Water/Sewer	BY TENANT	
Trash Removal	BY TENANT	
Pest Control		
Other Taxes or Licenses		
Casual Labor	15	
This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating	10	
This includes the costs of contract labor and materials that are required to maintain the interiors of the living units.		
General Repairs/Maintenance	20	
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.		
Management Expenses	TBD	
These are the customary expenses that a professional management company would charge to manage the property.		
Supplies	10	
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	432	
Miscellaneous		
Total Operating Expenses	\$ 487	\$

Replacement Reserve Schedule

Adequate replacement reserves must be calculate regardless of whether actual reserves are provided for on the owner's operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year-such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc.-should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life		By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 600.00 ea. ÷	30 Yrs. x	1	Units = \$ 20.00	\$
Refrigerators	@ \$ ea. ÷	Yrs. x		Units = \$	\$
Dishwashers	@ \$ ea. ÷	Yrs. x		Units = \$	\$
A/C Units	@ \$ 4,000.00 ea. ÷	25 Yrs. x	1	Units = \$ 160.00	\$
C. Washer/Dryers	@ \$ ea. ÷	Yrs. x		Units = \$	\$
HW Heaters	@ \$ 400.00 ea. ÷	20 Yrs. x		Units = \$ 0.00	\$
Furnace(s)	@ \$ ea. ÷	Yrs. x		Units = \$	\$
(Other)	@ \$ ea. ÷	Yrs. x		Units = \$	\$
Roof	@ \$ 2,000.00 ÷	30 Yrs. x One Bldg. =		\$ 66.67	\$
Carpeting (Wall to Wall)		Remaining Life			
(Units)	185 Total Sq. Yds. @ \$ 20.00 Per Sq. Yd. ÷	20 Yrs. =		\$ 185.00	\$
(Public Areas)	Total Sq. Yds. @ \$ Per Sq. Yd. ÷	Yrs. =		\$	\$
Total Replacement Reserves. (Enter on Pg. 1)				\$ 431.67	\$

Operating Income Reconciliation

\$ 16,878.00	- \$ 487.00	= \$ 16,391.00	÷ 12 =	\$ 1,365.92
Effective gross Income	Total Operating Expenses	Operating Income		Monthly Operating Income
\$ 1,365.92	- \$ BY LENDER	= \$ 1,365.92		
Monthly Operating Income	Monthly Housing Expenses	Net Cash Flow		

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter's instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the subject property to the borrower's stable monthly income.

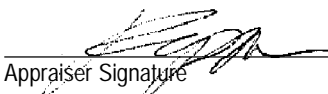
Underwriter's instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower's primary residence to the borrower's stable monthly income.

Appraiser's Comments (including sources for data and rationale for the projections)

THE LENDER IS TO PROVIDE THE MONTHLY HOUSING COSTS WHICH INCLUDE PRINCIPAL AND INTEREST ON THE MORTGAGE, HAZARD INSURANCE PREMIUMS, REAL ESTATE TAXES, MORTGAGE INSURANCE PREMIUMS, AND HOA DUES.

RYAN J. LOWE
Appraiser Name


Appraiser Signature

09/24/2007
Date

Underwriter's Comments and Rationale for Adjustments

Underwriter Name

Underwriter Signature

Date

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: DAVID HANEY	File No.: 071521	
Property Address: 233 EAST HUNTINGTON DRIVE	Case No.:	
City: TEMPE	State: AZ	Zip: 85282-
Lender: BORROWER IS CLIENT		

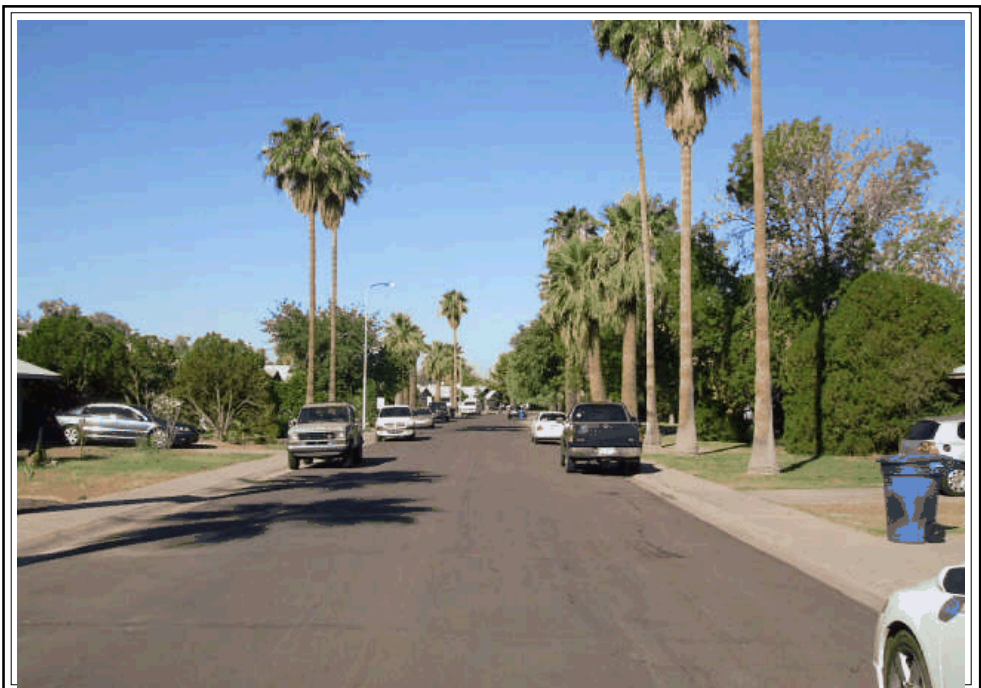


FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: September 24, 2007
Appraised Value: \$ 395,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: DAVID HANEY	File No.: 071521	
Property Address: 233 EAST HUNTINGTON DRIVE	Case No.:	
City: TEMPE	State: AZ	Zip: 85282-
Lender: BORROWER IS CLIENT		



COMPARABLE SALE #1

518 EAST BROADMOR DRIVE
TEMPE
Sale Date: 02/27/2007
Sale Price: \$ 400,000



COMPARABLE SALE #2

2207 SOUTH SIERRA VISTA DR.
TEMPE
Sale Date: 8/17/2007
Sale Price: \$ 380,000



COMPARABLE SALE #3

533 EAST FAIRMONT DRIVE
TEMPE
Sale Date: 2/21/2007
Sale Price: \$ 468,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: DAVID HANEY	File No.: 071521	
Property Address: 233 EAST HUNTINGTON DRIVE	Case No.:	
City: TEMPE	State: AZ	Zip: 85282-
Lender: BORROWER IS CLIENT		



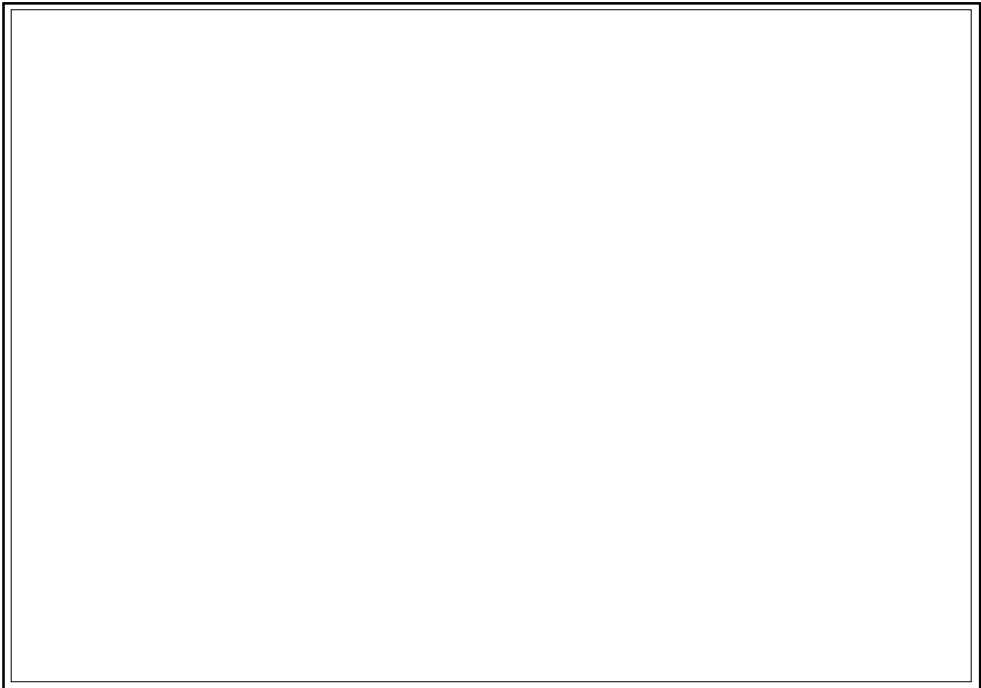
COMPARABLE SALE #4

303 EAST SOLANA DRIVE
TEMPE
Sale Date: 02/27/2007
Sale Price: \$ 420,000



COMPARABLE SALE #5

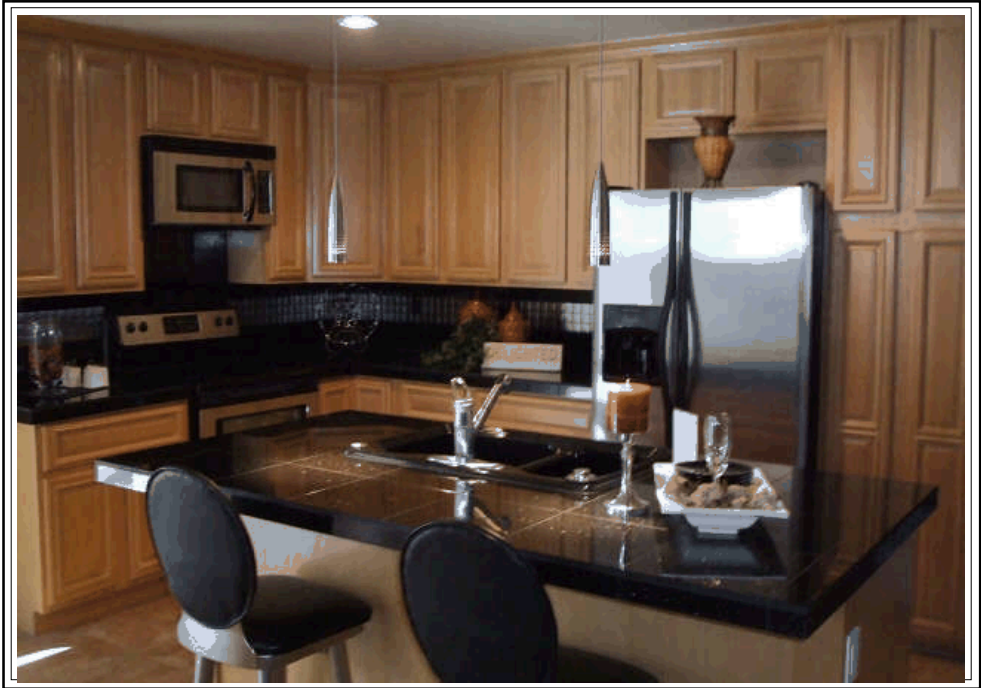
2116 SOUTH VENTURA DRIVE
TEMPE
Sale Date: 01/17/2007
Sale Price: \$ 394,900



COMPARABLE SALE #6

Sale Date:
Sale Price: \$

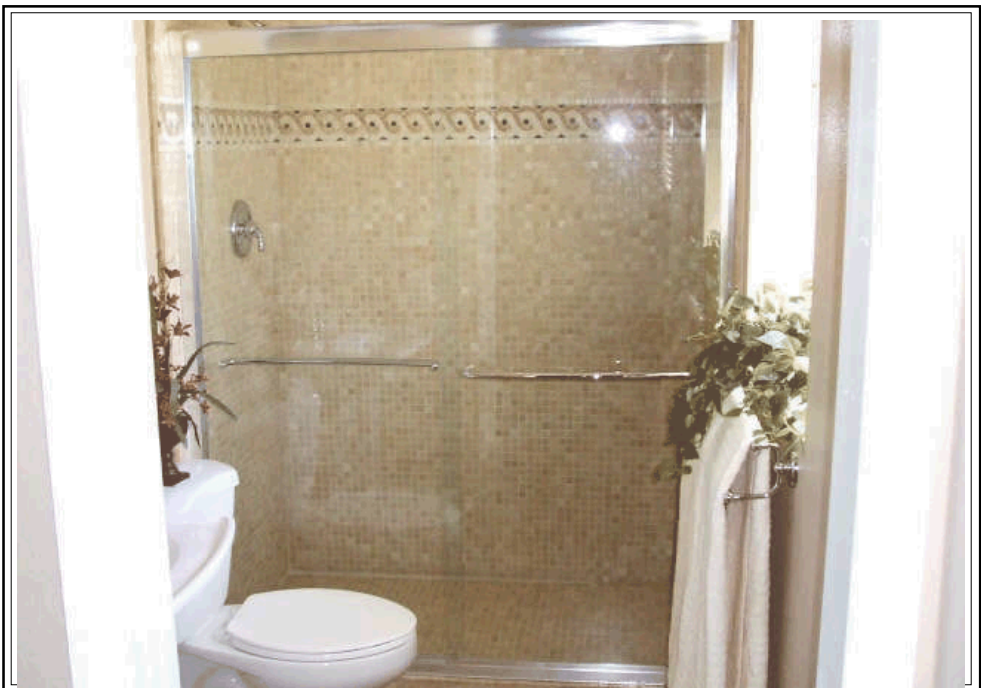
Borrower: DAVID HANEY	File No.: 071521	
Property Address: 233 EAST HUNTINGTON DRIVE	Case No.:	
City: TEMPE	State: AZ	Zip: 85282-
Lender: BORROWER IS CLIENT		



KITCHEN



HALL BATH



MASTER BATHROOM

LOCATION MAP

Borrower: DAVID HANEY

File No.: 071521

Property Address: 233 EAST HUNTINGTON DRIVE

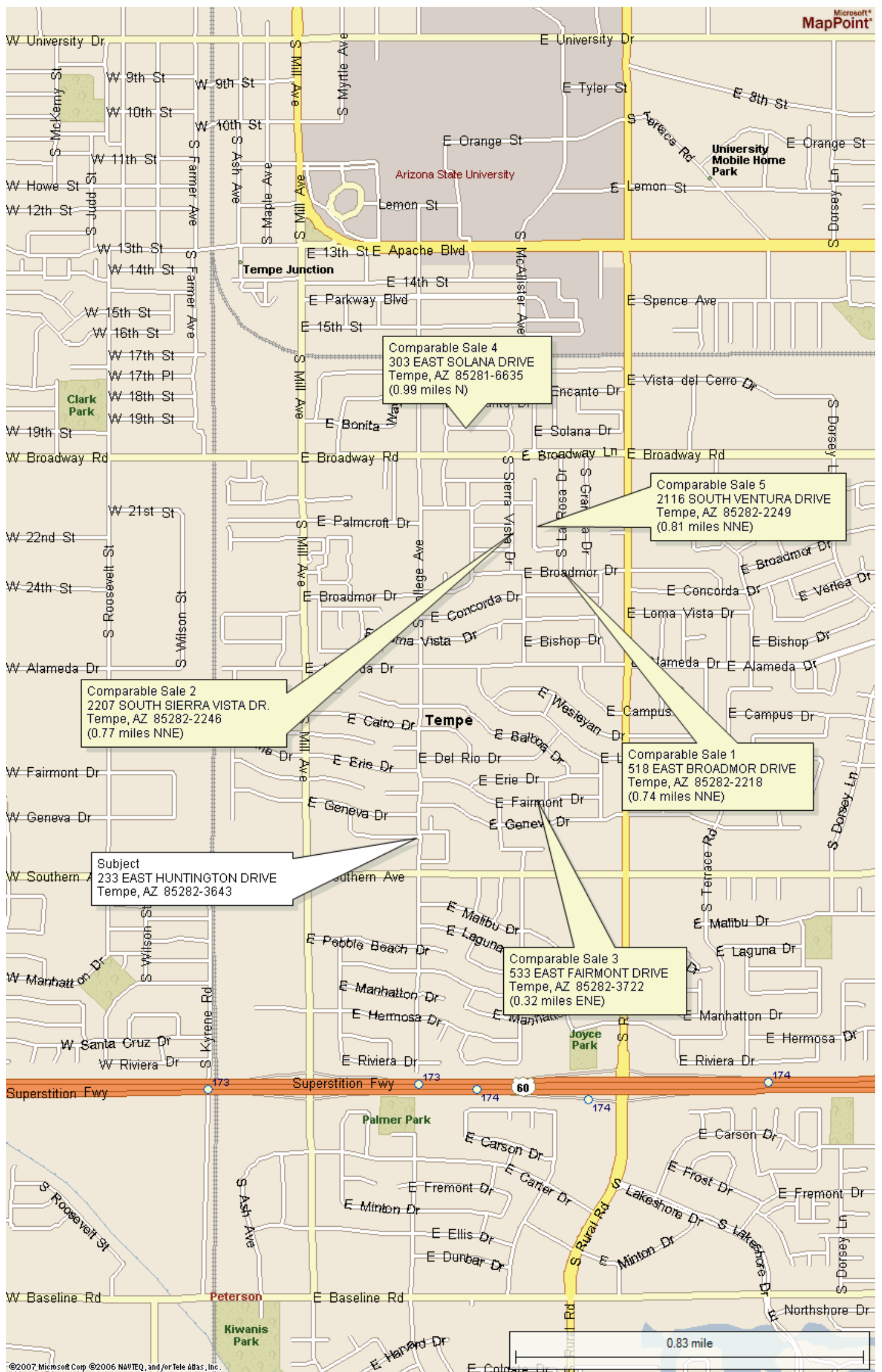
Case No.:

City: TEMPE

State: AZ

Zip: 85282-

Lender: BORROWER IS CLIENT



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