

APPRAISAL OF



LOCATED AT:

12 Renshaw Place
Palm Coast, FL 32164-6628

FOR:

Taxpayer
123 Main St.
Anytown, FL 32123

BORROWER:

Duane Pipes

AS OF:

January 28, 2006

BY:

Anna Prentice

Desktop Underwriter Quantitative Analysis Appraisal Report

THIS SUMMARY APPRAISAL REPORT IS INTENDED FOR USE BY THE LENDER/CLIENT FOR A MORTGAGE FINANCE TRANSACTION ONLY.

Property Address	12 Renshaw Place	City	Palm Coast	State	FL	Zip Code	32164-6628
Legal Description	Lot 48, Block 73, Section 44, Palm Coast			County	Flagler		
Assessor's Parcel No.	07-11-42-6044-00730-00480	Tax Year	2005	R.E. Taxes \$	574.64	Special Assessments \$	
Borrower	Duane Pipes	Current Owner	Grahm and Ginger Kraker	Occupant:	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> Vacant
Neighborhood or Project Name	Leigh Woods - Palm Coast	Project Type	<input type="checkbox"/> PUD	<input type="checkbox"/> Condominium	HOA\$	/Mo.	
Sales Price \$		Date of Sale		Description/\$ amount of loan charges/concessions to be paid by seller			
Property rights appraised	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold	Map Reference	4B-1			
			Census Tract	0602.02			

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

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	Single family housing	PRICE \$ (000)	AGE (yrs)	Condominium housing	PRICE \$ (000)	AGE (yrs)
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	200	Low	New	10	Low	
Growth rate	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing time	<input type="checkbox"/> Under 3 mos.	<input checked="" type="checkbox"/> 3-6 mos.	<input type="checkbox"/> Over 6 mos.						

Neighborhood boundaries Subject is bounded on the north by White View Parkway, on the east by Bell Terre Parkway, on the south by Royal Palms Parkway and on the west by Highway One.

250	High	10	High
225	Predominant	5	Predominant

Dimensions	80 x 130	Site area	10400 Sq.Ft.	Shape	Rectangular
Specific zoning classification and description					
Zoning compliance	<input checked="" type="checkbox"/> Legal	<input type="checkbox"/> Legal nonconforming (Grandfathered use);	<input type="checkbox"/> Illegal, attach description	<input type="checkbox"/> No zoning	
Highest and best use of subject property as improved (or as proposed per plans and specifications):	<input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other use, attach description.				
Utilities	Public	Other	Public	Other	Off-site Improvements
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street
Gas	<input checked="" type="checkbox"/>		Sanitary sewer	<input checked="" type="checkbox"/>	Alley
					Type
					Public
					Private
					Asphalt
					None
					<input checked="" type="checkbox"/>
					<input type="checkbox"/>
					<input type="checkbox"/>

Are there any apparent adverse site conditions (easements, encroachments, special assessments, slide areas, etc.)? Yes No If Yes, attach description.

Source(s) used for physical characteristics of property:	<input type="checkbox"/> Interior and exterior inspection	<input checked="" type="checkbox"/> Exterior inspection from street	<input type="checkbox"/> Previous appraisal files
	<input type="checkbox"/> MLS	<input checked="" type="checkbox"/> Assessment and tax records	<input type="checkbox"/> Prior Inspection
	<input type="checkbox"/> Property owner	<input type="checkbox"/> Other (Describe):	
No. of Stories	One	Type (Det./Att.)	
Exterior Walls	CBS/avg	Roof Surface	Comp. sh./avg
Manufactured Housing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Does the property generally conform to the neighborhood in terms of style, condition, and construction materials?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, attach description.		
Are there any apparent physical deficiencies or conditions that would affect the soundness or structural integrity of the improvements or the livability of the property?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, attach description.		
Are there any apparent adverse environmental conditions (hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, attach description.		

I researched the subject market area for comparable listings and sales that are the most similar and proximate to the subject property. My research revealed a total of _____ sales ranging in sales price from \$ _____ to \$ _____. My research revealed a total of _____ listings ranging in list price from \$ _____ to \$ _____. The analysis of the comparable sales below reflects market reaction to significant variations between the sales and the subject property.

FEATURE	SUBJECT	SALE 1		SALE 2		SALE 3	
12 Renshaw Place		111 Redmill Drive		128 Redmill Drive		45 Red Barn Drive	
Address	Palm Coast	Palm Coast		Palm Coast		Palm Coast	
Proximity to Subject		0.24 miles W		0.14 miles WSW		0.32 miles WSW	
Sales Price	\$ N/A	\$ 220,000		\$ 209,000		\$ 230,000	
Price/Gross Liv. Area	\$ 0.00	\$ 132.93		\$ 136.78		\$ 129.50	
Data & Verif. Sources		MLS Records		MLS Records		MLS Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment
Sales or Financing		Conventional		Conventional		Conventional	
Concessions		None Noted		None Noted		None Noted	
Date of Sale/Time	N/A	11/9/05		12/14/05		01/05/06	
Location	Suburban	Suburban		Suburban		Suburban	
Site	10,400 Sq.Ft.	10,400 Sq Ft		10,500 Sq Ft		10,000 Sq Ft	
View	Res. St. Scene	Similar		Similar		Similar	
Design (Style)	Ranch	Ranch		Ranch		Ranch	
Actual Age (Yrs.)	5 Years	6 Years		8 Years		2 Years	
Condition	Typical	Similar		Inferior	2,000	Superior	-2,000
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	7 3 2	7 3 2		7 3 2		7 3 2	
Gross Living Area	1,655 Sq. Ft.	1,655 Sq. Ft.		1,528 Sq. Ft.	4,200	1,776 Sq. Ft.	-4,480
Basement and Finished							
Rooms Below Grade	No Basement	No Basement		No Basement		No Basement	
Garage/Carport	2 Car Att. Gar.	2 Car Att. Gar.		2 Car Att. Gar.		2 Car Att. Gar.	
Net Adj. (total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 0		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 6,200		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 6,480	
Adjusted Sales Price of Comparables		Gross: 0.00% Net: 0.00% \$ 220,000		Gross: 2.97% Net: 2.97% \$ 215,200		Gross: 2.82% Net: -2.82% \$ 223,520	
Date of Prior Sales	10/14/2000						
Price of Prior Sales	\$ \$60,000						

Analysis of any current agreement of sale, option, or listing of the subject property and analysis of the prior sales of subject and comparables: _____

Summary of sales comparison and value conclusion: The three closed sales used above were determined to be the most comparable to the subject property. All three sales are highly similar three bedroom models built by same builder as the subject and located in the subject's neighborhood. Adjustments for size, condition and screen porch were derived from previous market analysis. Sale #1 is a model match to the subject, required no adjustment and is clearly an excellent value indicator. Consequently, Sale #1 was used as the primary value indicator with Sales #2 and #3 providing good support.

This appraisal is made "as-is", or subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, or subject to the following repairs, alterations or conditions:
 BASED ON AN EXTERIOR INSPECTION FROM THE STREET OR AN INTERIOR AND EXTERIOR INSPECTION, I ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT TO BE \$ 220,000, AS OF January 28, 2006.

Desktop Underwriter Quantitative Analysis Appraisal Report

File No.: limited appraisal

PUD

Project Information for PUDs (if applicable)--Is the developer/builder in control of the Home Owners' Association (HOA)? Yes No

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:

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 buildings into a PUD? Yes No If yes, state date of conversion: _____

Does the project contain any multi-dwelling units? Yes No Data Source: _____

Are the common elements completed? Yes No If No, describe status of completion: _____

Are any common elements leased to or by the Home Owners' Association? Yes No If yes, attach addendum describing rental terms and options.

Describe common elements and recreational facilities: _____

CONDOMINIUM

Project Information for Condominiums (if applicable)--Is the developer/builder in control of the Home Owners' Association (HOA)? Yes No

Provide the following information for all Condominium Projects:

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 buildings into a condominium? Yes No If yes, date of conversion: _____

Project Type: Primary Residence Second Home or Recreational Row or Townhouse Garden Midrise Highrise _____

Condition of the project, quality of construction, unit mix, etc.: _____

Are the common elements completed? Yes No If No, describe status of completion: _____

Are any common elements leased to or by the Home Owners' Association? Yes No If yes, attach addendum describing rental terms and options.

Describe common elements and recreational facilities: _____

PURPOSE OF APPRAISAL: The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report based on a quantitative sales comparison analysis for use in the mortgage finance transaction.

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

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

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

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided any required sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser 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.
4. The appraiser has noted in the appraisal report any adverse conditions (such as, but not limited to, needed repairs, 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 normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, expressed or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
5. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
6. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
7. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the report to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
8. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.

Desktop Underwriter Quantitative Analysis Appraisal Report

File No.: limited appraisal

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

1. I performed this appraisal by (1) personally inspecting from the street the subject property and neighborhood and each of the comparable sales (unless I have otherwise indicated in this report that I also inspected the interior of the subject property); (2) collecting, confirming, and analyzing data from reliable public and/or private sources; and (3) reporting the results of my inspection and analysis in this summary appraisal report. I further certify that I have adequate information about the physical characteristics of the subject property and the comparable sales to develop this appraisal.
2. I have researched and analyzed the comparable sales and offerings/listings in the subject market area and have reported the comparable sales in this report that are the best available for the subject property. I further certify that adequate comparable market data exists in the general market area to develop a reliable sales comparison analysis for the subject property.
3. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware, have considered these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them, and have commented about the effect of the adverse conditions on the marketability of the subject property. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
4. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
5. 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 the estimate of market value in the 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.
6. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
7. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
8. I estimated the market value of the real property that is the subject of this report based on the sales comparison approach to value. I further certify that I considered the cost and income approaches to value, but, through mutual agreement with the client, did not develop them, unless I have noted otherwise in this report.
9. I performed this appraisal as a limited appraisal, subject to the Departure Provision 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 the place as of the effective date of the appraisal (unless I have otherwise indicated in this report that the appraisal is a complete appraisal, in which case, the Departure Provision does not apply).
10. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value. The exposure time associated with the estimate of market value for the subject property is consistent with the marketing time noted in the Neighborhood section of this report. The marketing period concluded for the subject property at the estimated market value is also consistent with the marketing time noted in the Neighborhood section.
11. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. I further certify that no one provided significant professional assistance to me in the development of this appraisal.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certified and agrees that; I directly supervise the appraiser who prepared the appraisal report, have examined the appraisal report for compliance with the Uniform Standards of Professional Appraisal Practice, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 5 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

APPRAISER:

Signature: _____
 Name: _____
 Company Name: _____
 Company Address: _____

 Date of Report/Signature: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED):

Signature: _____
 Name: _____
 Company Name: _____
 Company Address: _____

 Date of Report/Signature: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

ADDRESS OF PROPERTY APPRAISED:

12 Renshaw Place
Palm Coast, FL 32164-6628

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 220,000
EFFECTIVE DATE OF APPRAISAL/INSPECTION 1/28/2006

LENDER/CLIENT:

Name: _____
Company Name: Taxpayer
Company Address: 123 Main St.

SUPERVISORY APPRAISER:

- SUBJECT PROPERTY**
- Did not inspect subject property
 - Did inspect exterior of subject property from street
 - Did inspect interior and exterior of subject property
- COMPARABLE SALES**
- Did not inspect exterior of comparable sales from street
 - Did inspect exterior of comparable sales from street

ADDENDUM

Borrower: Duane Pipes	File No.: limited appraisal	
Property Address: 12 Renshaw Place	Case No.: 19981106180	
City: Palm Coast	State: FL	Zip: 32164-6628
Lender: Taxpayer		

Highest and Best Use

Given present zoning and demand, highest and best use is limited to single unit and the present use is the most practical use.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Duane Pipes	File No.: limited appraisal	
Property Address: 12 Renshaw Place	Case No.: 19981106180	
City: Palm Coast	State: FL	Zip: 32164-6628
Lender: Taxpayer		



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: January 28, 2006
Appraised Value: \$ 220,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Duane Pipes	File No.: limited appraisal
Property Address: 12 Renshaw Place	Case No.: 19981106180
City: Palm Coast	State: FL Zip: 32164-6628
Lender: Taxpayer	



COMPARABLE SALE #1

111 Redmill Drive
Palm Coast
Sale Date: 11/9/05
Sale Price: \$ 220,000



COMPARABLE SALE #2

128 Redmill Drive
Palm Coast
Sale Date: 12/14/05
Sale Price: \$ 209,000



COMPARABLE SALE #3

45 Red Barn Drive
Palm Coast
Sale Date: 01/05/06
Sale Price: \$ 230,000

LOCATION MAP

Borrower: Duane Pipes
Property Address: 12 Renshaw Place
City: Palm Coast
Lender: Taxpayer

File No.: limited appraisal
Case No.: 19981106180
State: FL
Zip: 32164-6628

