

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

OREA APPRAISER IDENTIFICATION NUMBER

AR010270

MARY K. CUMMINS

has successfully met the requirements for a license as a residential real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified Residential Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OFFICE OF REAL ESTATE APPRAISERS

Anthony F. Majewski

Date Issued: March 23, 2005

Date Expires: March 22, 2007

Audit No. 68285



Property Address **357 N. Harper Ave.** City **Los Angeles** State **CA** Zip Code **90048**
 Legal Description **Tract # 4353** County **Los Angeles**
 Assessor's Parcel No. **5514-009-042** Tax Year **2005** R.E. Taxes \$ **8,824.3** Special Assessments \$ **0**
 Borrower **Fabre, Danielle** Current Owner Occupant: Owner Tenant Vacant
 Property rights appraised Fee Simple Leasehold Project Type PUD Condominium (HUD/VA only) HOAS /Mo.
 Neighborhood or Project Name **Beverly Center** Map Reference **593A7** Census Tract **1945**
 Sale Price \$ **Refinance** Date of Sale **04/07/05** Description and \$ amount of loan charges/concessions to be paid by seller **NA**
 Lender/Client Address

Appraiser **Mary Cummins** Address **359 N. Sweetzer Ave. LA, CA 90048**

Location	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Predominant occupancy	<input checked="" type="checkbox"/> Owner 90 <input type="checkbox"/> Tenant 1.5M <input checked="" type="checkbox"/> Vacant (0-5%) 90 <input type="checkbox"/> Vacant (Over 5%) 1.2M	Single family housing PRICE \$ (000)	800K Low 40 High 90	Present land use %	One family 75 2-4 family 5 Multi-family 5 Commercial 15	Land use change	<input checked="" type="checkbox"/> Not likely <input type="checkbox"/> Likely <input type="checkbox"/> In process To: NA
Built up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Growth Rate	<input checked="" type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Property values	<input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	Demand/supply	<input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In balance <input type="checkbox"/> Over supply	Marketing time	<input checked="" type="checkbox"/> Under 3 mos. <input type="checkbox"/> 3-6 mos. <input type="checkbox"/> Over 6 mos.

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

Neighborhood boundaries and characteristics: **Beverly Center area - N Santa Monica Blvd., S Olympic, E Fairfax, W La Cienega**

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):
Subject is located near all supporting facilities and amenities.

Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):
Demand is currently high, supply is low, properties selling within 30 days over list price.

Project Information for PUDs (If applicable) - Is the developer/builder in control of the Home Owners' Association (HOA)? Yes No
 Approximate total number of units in the subject project . Approximate total number of units for sale in the subject project .

Describe common elements and recreational facilities:

Dimensions 50' x 127'	Site area 6,350 sq. ft.	Corner Lot <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Topography	Flat
Specific zoning classification and description LAR2	Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning	Highest & best use as improved: <input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other use (explain)	Size	Average
Utilities	Off-site Improvements	Public	Private	Landscaping
Electricity <input checked="" type="checkbox"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Good, mature
Gas <input checked="" type="checkbox"/>	Curb/gutter Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Driveway Surface Concrete
Water <input checked="" type="checkbox"/>	Sidewalk Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Apparent easements None noted
Sanitary sewer <input checked="" type="checkbox"/>	Street lights Incandescent	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Storm sewer <input checked="" type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>	FEMA Zone C Map Date 1998
Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.):				Normal utility easements. None other noted.
FEMA Map No. 06013700				

GENERAL DESCRIPTION	EXTERIOR DESCRIPTION	FOUNDATION	BASEMENT	INSULATION
No. of Units 1	Foundation Raised	Slab NA	Area Sq. Ft. 100 sf	Roof Unk <input checked="" type="checkbox"/>
No. of Stories 1	Exterior Walls Stucco	Crawl Space Yes	% Finished 50%	Ceiling Unk <input checked="" type="checkbox"/>
Type (Det./Att.) Det.	Roof Surface Tile/comp	Basement Yes	Ceiling No	Walls Unk <input checked="" type="checkbox"/>
Design (Style) Spanish	Gutters & Dwnspts. yes-alum	Sump Pump Yes	Walls Cement	Floor <input type="checkbox"/>
Existing/Proposed Exist.	Window Type Wood sash	Dampness NE	Floor Cement	None <input type="checkbox"/>
Age (Yrs.) 1928-77	Storm/Screens Scr-alum	Settlement NE	Outside Entry No	Unknown] <input type="checkbox"/>
Effective Age (Yrs) 40	Manufactured House No	Infestation NE		

ROOMS	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bedrooms	# Baths	Laundry	Other	Area Sq. Ft.
Basement												
Level 1	area	1	1	1				3	2.75			2,083
Level 2												

Finished area above grade contains: **6** Rooms; **3** Bedroom(s); **2.75** Bath(s); **2,083** Square Feet of Gross Living Area

INTERIOR	Materials/Condition	HEATING	KITCHEN EQUIP	ATTIC	AMENITIES	CAR STORAGE
Floors	Tile/wood	Type Cent	Refrigerator <input checked="" type="checkbox"/>	None <input checked="" type="checkbox"/>	Fireplace(s) # 1 <input checked="" type="checkbox"/>	None <input type="checkbox"/>
Walls	Plaster	Fuel Gas	Range/Oven <input checked="" type="checkbox"/>	Stairs <input type="checkbox"/>	Patio Cov <input checked="" type="checkbox"/>	Garage # of cars
Trim/Finish	Tile/wood	Condition Good	Disposal <input checked="" type="checkbox"/>	Drop Stair <input type="checkbox"/>	Deck <input type="checkbox"/>	Attached
Bath Floor	Tile	COOLING	Dishwasher <input checked="" type="checkbox"/>	Scuttle <input type="checkbox"/>	Porch Cov <input checked="" type="checkbox"/>	Detached 2
Bath Wainscot	Tile	Central Yes	Fan/Hood <input checked="" type="checkbox"/>	Floor <input type="checkbox"/>	Fence Wood <input checked="" type="checkbox"/>	Built-in
Doors	Solid wood	Other No	Microwave <input checked="" type="checkbox"/>	Heated <input type="checkbox"/>	Pool No	Carport
All in good condo		Condition Good	Washer/Dryer <input checked="" type="checkbox"/>	Finished <input type="checkbox"/>		Driveway yes

Additional features (special energy efficient items, etc.): **Koi pond, spa tub, coved ceilings, new kitchen, master suite.**

Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: **All are in good condition. New roof, plumbing, electrical, kitchen, baths**

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

ESTIMATED SITE VALUE		= \$	850,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and, for HUD, VA and FmHA, the estimated remaining economic life of the property): 40/80 years = 50% Marshall and Swift and local developer costs used.
ESTIMATED REPRODUCTION COST-NEW OF IMPROVEMENTS:				
Dwelling	2,083 Sq. Ft @ \$ 100.00 = \$		208,300	
	Sq. Ft @ \$	=		
Garage/Carport	400 Sq. Ft @ \$ 50.00 =		20,000	
Total Estimated Cost New		= \$	228,300	
Less	Physical	Functional	External	
Depreciation	114150	= \$	114,150	
Depreciated Value of Improvements		= \$	114,150	
"As-is" Value of Site Improvements		= \$	25,000	
INDICATED VALUE BY COST APPROACH		= \$	989,150	

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	357 N. Harper LA 90048	627 N. La Jolla Av LA 90048		405 N. Edinburgh A LA 90048		347 N. La Jolla Av LA 90048	
Proximity to Subject		3 blk NE		6 blk E		1 blk E	
Sales Price	\$1,000,000	\$ 991,000		\$ 895,000		\$1,000,000	
Price/Gross Liv. Area	\$ 480.08	\$ 531.65		\$ 438.73		\$ 520.83	
Date and/or	03/15/05						
Verification Sources	Inspection	MLS 04-097010		MLS 05-000091		MLS 05-000753	
VAI I/F ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment
Sales or Financing		NA		NA		NA	
Concessions							
Date of Sale/Time		12/30/04		03/03/05		02/18/05	
Location	Good	Good		Good-cnr +5000		Good	
Leasehold/Fee Simple	Fee	Fee		Fee		Fee	
Site	6,350	6,534 -920		6,550 -1000		6,000 +1750	
View	None	None		None		None	
Design and Appeal	Spanish	Spanish		English		Spanish	
Quality of Construction	Good	Good		Good		Good	
Age	1928	1925		1926		1928	
Condition	Good	Good		Good		Good	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	6 4 2.75	6 3 2.5 +300		6 3 2 +3500		6 3 1.75 +4000	
Gross Living Area	2083 Sq. Ft.	1864 Sq. Ft. +5500		2040 Sq. Ft. +1100		1920 Sq. Ft. +4100	
Basement & Finished	Yes	Yes		Yes		Yes	
Rooms Below Grade	None	None		None		None	
Functional Utility	Good	Good		Good		Good	
Heating/Cooling	CFAG	CFAG		CFAG		CFAG	
Energy Efficient Items	None	None		None		None	
Garage/Carport	2-gar	2-gar		2-gar		2-gar	
Porch, Patio, Deck	patio,yard	patio,yard		patio,yard		patio,yard	
Fireplace(s), etc.	1	1		1		1	
Fence, Pool, etc.							
Net Adj. (total)		X + - \$ 4,880		X + - \$ 8,600		X + - \$ 9,850	
Adjusted Sales Price of Comparable		\$ 995,880		\$ 903,600		\$1,009,850	
Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): Subject is most comparable to comp 3 in terms of style and condition. Support from comp 1. Comp 2 is corner lot, diff style.							

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data	None	None	None	None
Source for prior sales within year of appraisal				
Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: None				

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 1,000,000

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ NA /Mo. x Gross Rent Multiplier NA = \$

This appraisal is made "as is" subject to the repairs, alterations, inspections, or conditions listed below subject to completion per plans and specifications.
Conditions of Appraisal: **As per attached limiting conditions form.**

Final Reconciliation: **Most support given to market approach with support from cost approach. Income approach not used as not applicable.**

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/Fannie Mae Form 1004B (Revised _____).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF **03/15/05** (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ **1,000,000**

APPRaiser: Signature _____ Name **Mary Cummins** Date Report Signed **03/17/05** State Certification # **AR010270** State _____ Or State License # _____ State _____
SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature _____ Name _____ Date Report Signed _____ State Certification # _____ State _____ Or State License # _____ State _____

Property Address **801 Detroit** City **Los Angeles** State **CA** Zip Code **90036**
 Legal Description **Tract 5691, lot** County
 Assessor's Parcel No. **5089-021-030** Tax Year **2004** R.E. Taxes \$ **6,235** Special Assessments \$ **NN**
 Neighborhood or Project Name **Miracle Mile/BeverlyCntr** Map Reference **TG 633D3** Census I tract **5414**
 Borrower **Refinance** Current Owner Occupant Owner Tenant Vacant
 Property rights appraised Fee Simple Leasehold Project Type PUD Condominium HOA\$ /Mo.
 Sale Price \$ **949000** Date of Sale **10/29/04** Description and \$ amount of loan charges/concessions to be paid by seller
 Lender/Client Address
 Appraiser **Mary Cummins** Address **359 N. Sweetzer Ave. LA, CA 90048**

Location Urban Suburban Rural
 Built up Over 75% 25-75% Under 25%
 Growth Rate Rapid Stable Slow
 Property values Increasing Stable Declining
 Demand/supply Shortage In balance Over supply
 Marketing time Under 3 mos. 3-6 mos. Over 6 mos.
 Typical 2-4 family bldg. Type **Walk-up** No. stories **2** No. units **3** Age **70** yrs.
 Typical rents \$ **1200** to \$ **2800** Increasing Stable Declining
 Fst neighborhood apt vacancy **5** % Increasing Stable Declining
 Rent controls Yes No Likely If yes or likely, describe **LA Rent control**
 Present land use % Land use change
 One family **75** Not likely Likely
 2-4 family **5** In process to:
 Multi-family **10**
 Commercial **10**
 ()

Note: Race and the racial composition of the neighborhood are not appraisal factors.
 Neighborhood boundaries and characteristics: **Subject located in neighborhood Miracle Mile. See map.**

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):
Near all supporting facilities. Walking distance to stores and public transportation. 10 fwy 1.5 mi south. LAUSD school system.

The following available listings represent the most current, similar, and proximate competitive properties to the subject property in the subject neighborhood. This analysis is intended to evaluate the inventory currently on the market competing with the subject property in the subject neighborhood and recent price and marketing time trends affecting the subject property. (Listings outside the subject neighborhood are not considered applicable). The listing comparables can be the rental or sale comparables if they are currently for sale.

ITEM	SUBJECT	COMPARABLE LISTING NO. 1	COMPARABLE LISTING NO. 2	COMPARABLE LISTING NO. 3
Address	801 Detroit	6200 San Vicente	1216 S. Burnside	
Proximity to subject		.25 mi W	.5 mi E	
Listing price	\$	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$ 1475000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$ 999,900	<input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$
Approximate GBA	3653	2875	4260	
Data source	PubRec	MLS 05-012169	MLS 05-018673	
# Units/Tot. rms./BR/BA	3 5	3 17 4 3	3 17 5 5	
Approximate year built	19	1937	1948	
Approx. days on market	NA	18	22	

Comparison of listings to subject property: **Subject more similar to list comp 1 in terms of size, location and condition. List comp 2 in slightly different inferior location. Rents of all are comparative and show accurate rent for neighborhood.**
 Market conditions that affect 2-4 family properties in the subject neighborhood (including the above neighborhood indicators of growth rate, property values, demand/supply, and marketing time) and the prevalence and impact in the subject market area regarding loan discounts, interest buydowns and concessions, and identification of trends in listing prices, average days on market and any change over past year, etc.: **The subject neighborhood is made up primarily of multifamily and single family dwellings. The property values are stable with rents increasing at the present time. The vacancy rate in the neighborhood is very low. Loan discounts, buydowns and other sales concessions are not common in the subject market at the present time.**

Dimensions **145' x 50'**
 Site area **7,230 sq. ft.** Corner lot No Yes
 Specific zoning classification and description **R2**
 Zoning compliance Legal Legal nonconforming (Grandfathered use) Illegal No zoning
 Highest & best use as improved: Present use Other use (explain)
 Utilities Public Other
 Electricity
 Gas
 Water
 Sanitary sewer
 Storm sewer
 Off-site Improvements Type Public Private
 Street **Asphalt**
 Curb/gutter **Concrete**
 Sidewalk **Concrete**
 Street lights **Incandescent**
 Alley **Yes**
 Topography **Flat**
 Size **Average**
 Shape **Rectangular**
 Drainage **Appears adequate**
 View **None**
 Landscaping **Avg-mature**
 Driveway **Concrete**
 Apparent easements **utilities only**
 FEMA Special Flood Hazard Area Yes No
 FEMA Zone **C** Map Date **1992**
 FEMA Map No. **06013700**

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning, use, etc.):
No adverse easements or encroachments noted at time of inspection.

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

General Description		Exterior description (Materials/condition)				Foundation Raised		Insulation (If value if known)	
Units/bldgs.	3	Foundation	Raised	Slab	NA	<input checked="" type="checkbox"/> Roof	Unk		
Stories	2	Exterior Walls	Stucco	Crawl space	Yes	<input checked="" type="checkbox"/> Ceiling	Unk		
Type (det./att.)	Det	Roof surface	Tile/comp	Sump Pump	Yes	<input checked="" type="checkbox"/> Walls	Unk		
Design (style)	Spanish	Gutters & downspts.	Yes/alum	Dampness	NE	<input type="checkbox"/> Floor			
Existing/proposed	Existing	Window type	Wood sash	Settlement	NE	<input type="checkbox"/> None			
Under construction	No	Storm sash/Screens	No	Infestation	NE	Adequacy	Avg		
Year Built	1925	Manufactured housing*	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Basement	50	% of 1st floor area		Energy efficient items: NN	
Effective age(yrs.)	1970	*(Complies with the HUD Manufactured Housing Construction and Safety Standards.)			Basement finish				

Units	Level(s)	Foyer	Living	Dining	Kitchen	Den	Family rm.	Bedrooms	# Baths	Laundry	Other	Sq. ft./unit	Total <input type="checkbox"/>
1			1	1	1			2	1				1100
1			1	1	1			2	1				1200
1			1	1	1			1	1				1000

Improvements contain: **12** Rooms: **6** Bedroom(s): **4** Bath(s): **3653** Square feet GROSS BUILDING AREA

GROSS BUILDING AREA (GBA) IS DEFINED AS THE TOTAL FINISHED AREA (INCLUDING COMMON AREAS) OF THE IMPROVEMENTS BASED UPON EXTERIOR MEASUREMENTS.

Surfaces (Materials/condition)	Heating	Kitchen equip. (# / unit-cond.)	Attic	Car Storage	No. Cars 4
Floors Wood/tile	Type FA	Refrigerator 3 avg	<input checked="" type="checkbox"/> None	Garage <input checked="" type="checkbox"/>	
Walls Plaster	Fuel Gas	Range/oven 3 avg	<input type="checkbox"/> Stairs	Carport <input type="checkbox"/>	
Trim/finish Wood/tile	Condition Avg	Disposal 3 avg	<input type="checkbox"/> Drop stair	Attached <input type="checkbox"/>	
Bath floor Tile		Dishwasher 3 avg	<input type="checkbox"/> Scuttle	Detached <input checked="" type="checkbox"/>	
Bath Wainscot Tile	Cooling	Fan/hood 3 avg	<input type="checkbox"/> Floor	Adequate <input checked="" type="checkbox"/>	
Doors Solid wood	Central Yes	Compactor 0	<input type="checkbox"/> Heated	Inadequate <input type="checkbox"/>	
All in good cond	Other No	Washer/dryer 1	<input type="checkbox"/> Finished	Offstreet <input type="checkbox"/>	
	Condition Avg	Microwave 3	<input type="checkbox"/> Unfinished	None <input type="checkbox"/>	
Fireplace(s) 2		Intercom 0			

Condition of the improvements, repairs needed, quality of construction, additional features, modernization, etc.: **Recently renovated with new plumbing, roof, electrical.**

Depreciation (physical, functional, and external inadequacies, etc.): **No external or functional inadequacies noted. Recently renovated so actual physical depreciation is low.**

Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property: **Appraiser did not observe or is not aware of any detrimental environmental conditions or hazards in the subject area.**

VALUATION ANALYSIS			
ESTIMATED SITE VALUE	= \$	800,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and, for HUD and VA, the estimated remaining economic life of the property): The Marshall and Swift cost service was used in the cost approach with support from local developers. 40/80=50% depreciation
ESTIMATED REPRODUCTION COST - NEW OF IMPROVEMENTS:			
3,113 Sq. Ft. @ \$ 100.00	= \$	311,300	
Gar 500 Sq. Ft. @ \$ 50.00	= \$	25,000	
Sq. Ft. @ \$	= \$		
Sq. Ft. @ \$	= \$		
Sq. Ft. @ \$	= \$		
Appliances	= \$	18,000	
	= \$		
	= \$		
Special Energy Efficient Items	= \$		
Porches, Patios, etc. 15000	= \$	15,000	
Total Estimated Cost New	= \$	369,300	
Physical Functional External			
Less			
Depreciation 184650	= \$	184,650	
Depreciated Value of Improvements	= \$	184,650	
"As is" Value of Site Improvements	= \$		
INDICATED VALUE BY COST APPROACH	= \$	984,650	

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

File No. **detroit801**

At least three rental comparables should be reported and analyzed in this section. The rental comparables should represent the most current rental information on properties as similar and proximate to the subject property as possible. (This comparison is based on current rental data, therefore, the rental comparables typically are not the same comparables used in the sales comparison analysis.) The appraisal report should assure the reader that the units and properties selected as comparables are comparable to the subject property (both the units and the overall property) and accurately represent the rental market for the subject property (unless otherwise stated within the report.)

ITEM	SUBJECT	COMPARABLE RENTAL NO. 1	COMPARABLE RENTAL NO. 2	COMPARABLE RENTAL NO. 3
Address	801 Detroit	1301 S. Ogden	826 N. OrangeGrove	1231 S. CresHghts
Proximity to subject		.5 mi. SE	.5 mi. E	.5 mi. SW
Lease dates(if available)	1 yr	1 yr	tenants at will	tenants at will
Rent survey date	04/22/05	04/22/05	04/22/05	04/22/05
Data source	Owner	MLS	MLS	MLS
Rent concessions	none	none	none	none
Description of property- units, design, appeal, age, vacancies, and conditions	No. Units 3 No. Vac. 0 Yr. Blt.: 1925	No. Units 3 No. Vac. 0 Yr. Blt.: 1925	No. Units 3 No. Vac. 0 Yr. Blt.: 1923	No. Units 3 No. Vac. 0 Yr. Blt.: 1936
	2 story/wdfr	2 story/wdfr	2 story/wdfr	2 story/wdfr
	Avg cond	Avg cond	Avg cond	Avg cond
	Avg loc	Avg loc	Avg loc	Avg loc
Individual unit breakdown	Rm. Count Tot Br Ba Sq Ft	Rm. Count Tot Br Ba Sq Ft	Rm. Count Tot Br Ba Sq Ft	Rm. Count Tot Br Ba Sq Ft
	Size Sq Ft	Size Sq Ft	Size Sq Ft	Size Sq Ft
	Total Monthly Rent	Total Monthly Rent	Total Monthly Rent	Total Monthly Rent
Utilities, furniture, and amenities included in rent	Unfurnished Sewer, trash included No amenities	Unfurnished Sewer, trash included No amenities	Unfurnished Sewer, trash included No amenities	Unfurnished Sewer, trash included No amenities
Functional utility, basement, heating/cooling, project amenities, etc.	Average CFAG	Average CFAG	Average CFAG	Average CFAG

Analysis of rental data and support for estimated market rents for the individual subject units (including the adjustments used, the adequacy of comparables, rental concessions, etc.)

No rental concessions in the subject market. Tenants at will common with some year long leases. Three most similar comparables used.

Subject's rent schedule The rent schedule reconciles the applicable indicated monthly market rents to the appropriate subject unit, and provides the estimated rents for the subject property. The appraiser must review the rent characteristics of the comparable sales to determine whether estimated rents should reflect actual or market rents. For example, if actual rents were available on the sales comparables and used to derive the gross rent multiplier (GRM), actual rents for the subject should be used. If market rents were used to construct the comparable rents and derive the GRM, market rents should be used. The total gross estimated rent must represent rent characteristics consistent with the sales comparable data used to derive the GRM. The total gross estimated rent is not adjusted for vacancy.

Unit	LEASES		No. Units Vacant	ACTUAL RENTS			ESTIMATED RENTS		
	Begin	End		Per Unit		Total Rents	Per Unit		Total Rents
			Unfurnished	Furnished		Unfurnished	Furnished		
1	NONE	NONE		\$ 1272		\$ 1272.00	\$ 2200		\$ 2200.00
1	NONE	NONE		2900		2900.00	2900		2900.00
1	NONE	NONE		515		515.00	1200		1200.00
3						\$ 4687.00			\$ 6300.00

Other monthly income (itemize) **None**

Vacancy: Actual last year **0** % Previous year **0** % Estimated: % \$ **Annually Total gross estimated rent \$ 6300.00**

Utilities included in estimated rents: Electric Water Sewer Gas Oil Trash collection **Vacancy rate is low**

due to shortage of apartments in area.

Comments on the rent schedule, actual rents, estimated rents (especially regarding differences between actual and estimated rents), utilities, etc.: **Actual rents very close to market rents. Vacancy rate is low in neighborhood.**

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

The undersigned has recited three recent sales of properties most similar and proximate to the subject property and has described and analyzed these in this analysis. If there is a significant variation between the subject and comparable properties, the analysis includes a dollar adjustment reflecting the market reaction to those items or an explanation supported by the market data. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the adjusted sales price of the comparable property; if a significant item in the comparable property is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the adjusted sales price of the comparable property. **[(1) Sales Price - Gross Monthly Rent]**

ITEM	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
	801 Detroit	1301 S. Ogden		826 N. OrangeGrove		1231 S. CrescentHg	
Address							
Proximity to subject							
Sales price	\$ 1,000,000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$1,150,000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$ 940,000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$1,095,000			
Sales price per GBA	\$ 273.75	\$ 272.58	\$ 327.30	\$ 268.91			
Gross monthly rent	\$ 4,687.00	\$ 5,275.00	\$ 5,445.00	\$ 4,065.00			
Gross mo. rent mult. (1)	213.36	218.01	172.64	269.37			
Sales price per unit	\$ 500,000.00	\$ 383,333.33	\$ 313,333.33	\$ 365,000.00			
Sales price per room	\$ 90,909.09	\$ 104,545.45	\$ 94,000.00	\$ 91,250.00			
Data and/or Verification Sources	Inspection	MLS 04-073828	MLS 04-098592	MLS 04-100252			

ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment
Sales or financing concessions		None		None		None	
Date of sale/time		11/12/04		2/14/05		03/31/05	
Location	corner	corner					
Leasehold/Fee Simple	Fee	Fee		Fee		Fee	
Site	7230	7143		6490		6490	
View	None	None		None		None	
Design and appeal	Spanish	Spanish		Trad		Trad	
Quality of construction	Average	Average		Average		Average	
Age	1925	1925		1923		1936	
Condition	Average	Average		Average		Average	
Gross Building Area	3653 Sq.ft.	4219 Sq.ft.	-14150	2872 Sq.ft.	+19525	4072 Sq.ft.	+10475
Unit breakdown	No. of units: Tot Br Ba	No. of units: Tot Br Ba	No. vac.	No. of units: Tot Br Ba	No. vac.	No. of units: Tot Br Ba	No. vac.
	1 6 2 1	0 2 6 3 2 0	0	2 5 2 2 0	0	2 6 2 1 0	0
	1 5 1 1	0 1 5 1 1 0	0	1 5 1 1 0	0	1 6 2 2 0	0
Basement description	Average	Average		Average		Average	
Functional utility	Average	Average		Average		Average	
Heating/cooling	CFAG	CFAG		CFAG		CFAG	
Parking on/off site	4	4		4		4	
Project amenities and fee (if applicable)	Yard	Yard		Yard		Yard	
Net Adj. (total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 14,150		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 19,525		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 10,475	
Adjusted sales price of comparable		\$ 1,135,850		\$ 959,525		\$ 1,105,475	

Comments on sales comparison (including reconciliation of all indicators of value as to consistency and relative strength and evaluation of the typical investor's/purchaser's motivation in that market): **Subject most similar to comp 1 in terms of location and unit makeup. Support from comps 2, 3.**

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data	10/29/04	None	None	None
Source for prior sales within year of appraisal	949,000			

Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal.
Subject sold six months ago for \$949,000. Rents were lower at that time. Upgrades were recently completed.

Total gross monthly estimated rent \$ **4,617** x gross rent multiplier (GRM) **215.00** = \$ **992,655** INDICATED VALUE BY INCOME APPROACH
 Comments on income approach (including expense ratios, if available, and reconciliation of the GRM)

INDICATED VALUE BY SALES COMPARISON APPROACH	\$ 1,000,000
INDICATED VALUE BY INCOME APPROACH	\$ 992,655
INDICATED VALUE BY COST APPROACH	\$ 963,000

This appraisal is made "as is" subject to the repairs, alterations, inspections, or conditions listed below subject to completion per plans and specifications.
 Comments and conditions of appraisal:

Appraisal subject to attached limiting conditions form.

Final Reconciliation: **Most weight given to market value as most triplex in area sold to owner/user. Support from income approach. Cost approach given least weight.**

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/Fannie Mae Form 1004B (Revised _____).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF 04/14/05 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 1,000,000

APPRaiser: _____ SUPERVISORY APPRAISER (ONLY IF REQUIRED): _____
 Signature _____ Signature _____
 Name **Mary Cummins** Name _____
 Date Report Signed **04/17/05** Date Report Signed _____
 State Certification # **AR010270** State _____ State Certification # _____ State _____
 Or State License # _____ State _____ Or State License # _____ State _____