



**APPRAISAL OF REAL PROPERTY - Redacted sample report**

**LOCATED AT:**

Subject address redacted

Raleigh, NC 27613

**FOR:**

Lender information redacted

**AS OF:**

00/00/2012

**BY:**

Patrick Jones  
Raleigh-Durham Appraisals  
1135 Kildaire Farm Road - Suite 200  
Cary, NC 27511  
Phone: 919-379-3833; Fax: 866-480-1483  
E-mail: [office@raleighdurhamappraisals.com](mailto:office@raleighdurhamappraisals.com)

Raleigh-Durham Appraisals

Main File No. 100086291 | Page #2

20120206\_COB

File # 100086291

Uniform Residential Appraisal Report

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property AddressRedactedCityRaleighStateNCZip Code27613

BorrowerRedactedOwner of Public RecordRedactedCountyWake

Legal DescriptionRedacted

Assessor's Parcel #RedactedTax Year2012R.E. Taxes\$2,254

Neighborhood NameRedactedMap Reference39580Census Tract0537.14

Occupant☒ Owner☐ Tenant☐ VacantSpecial Assessments\$0☐ PUDHOA\$0☐ per year☐ per month

Property Rights Appraised☒ Fee Simple☐ Leasehold☐ Other (describe)

Assignment Type☐ Purchase Transaction☒ Refinance Transaction☐ Other (describe)

Lender/ClientLender information redactedAddressRedacted

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?☐ Yes☒ No

Report data source(s) used, offering price(s), and date(s).The property has not been listed for sale in the previous 12 months per the Triangle Multiple Listing Service.

CONTRACT

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

Contract Price\$Date of ContractIs the property seller the owner of public record?☐ Yes☐ NoData Source(s)

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

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

NEIGHBORHOOD

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

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80 %
Built-Up	<input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	%
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	95	Low0	Multi-Family	%
Neighborhood BoundariesBounded on the north by Strickland Rd., the south by Lynn Rd., the west by Ray Rd. and the east by Lead Mine Rd.				588	High42	Commercial	20 %
				275	Pred.24	Other	%
Neighborhood DescriptionThe Subject property is compatible with other homes in the neighborhood and is conveniently located to schools, shopping and employment access. The overall maintenance of the neighborhood appears to be in favorable condition. During the appraisal inspection, there were no observed unfavorable factors in this neighborhood that could potentially affect the Subject property's marketability.							
Market Conditions (including support for the above conclusions)The market conditions for the neighborhood are stable. The paying of points and/or closing costs has been accepted. The purpose of this appraisal is to form an Opinion of Market Value for the Subject property. This report is intended for the sole use of the named client. The function of this appraisal is to assist the named client in evaluating the Subject property.							

SITE

DimensionsSee the attached plat map.Area13,068 sfShapeIrregularViewN;Res;

Specific Zoning ClassificationR-6Zoning DescriptionSingle family residential

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

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?☒ Yes☐ NoIf No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street	Asphalt	<input checked="" type="checkbox"/> <input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	None	<input type="checkbox"/> <input type="checkbox"/>

FEMA Special Flood Hazard Area☐ Yes☒ NoFEMA Flood ZoneXFEMA Map #3720079700JFEMA Map Date04/16/2007

Are the utilities and off-site improvements typical for the market area?☒ Yes☐ NoIf No, describe

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?☐ Yes☒ NoIf Yes, describe

There were no adverse easements or encroachments noted at the time of the appraisal inspection.

IMPROVEMENTS

General Description	Foundation		Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab	<input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Brick/Block/Avg	Floors	Hdwd/Cpt/Vin/Avg
# of Stories2	<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Hdbd/Avg	Walls	Dwall/BeadBrd/Avg
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 Shingle/Avg	Trim/Finish	Wood/Paint/Avg
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish	0 %	Gutters & Downspouts	Metal/Metal/Avg	Bath Floor	Ceramic/Avg
Design (Style)Transitional	<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	Wood/DH/Avg	Bath Wainscot	Ceramic/Avg
Year Built1983	Evidence of	<input type="checkbox"/> Infestation	Storm Sash/Insulated	Yes/Yes/Avg	Car Storage	<input checked="" type="checkbox"/> None
Effective Age (Yrs)9	<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement	Screens	Yes/Avg	<input type="checkbox"/> Driveway	# of Cars0
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) #0	Driveway Surface	Concrete	
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other	Fuel	Electric	<input checked="" type="checkbox"/> Fireplace(s) #1	<input checked="" type="checkbox"/> Fence	Wood
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck	Deck	<input checked="" type="checkbox"/> Porch	2	Stoops
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool	None	<input type="checkbox"/> Other	None	
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:8 Rooms4 Bedrooms2.1 Bath(s)2,148 Square Feet of Gross Living Area Above Grade						
Additional features (special energy efficient items, etc.).See page 3 of URAR.						
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).C4;No updates in the prior 15 years;No major renovations to kitchen or bathrooms. Other upgrades have been made including attic flooring, roof redone with ventilation added, screen porch and deck updates, chair rail and crown molding in bedrooms, landscape upgrades and existing woodwork updates. All upgrades, renovations, improvements, additions and home features either listed in this report, observed during the inspection and/or discussed with the homeowner have been considered in the final opinion of value.						
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"/> NoIf Yes, describe						
There were no physical deficiencies or adverse conditions noted during the inspection that would affect the livability, soundness or structural integrity of the property.						
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> NoIf No, describe						
The subject generally conforms in size, style, condition and construction to the other homes in the neighborhood.						

Freddie Mac Form 70 March 2005

UAD Version 9/2011 Page 1 of 6

Fannie Mae Form 1004 March 2005

Form 1004UAD — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

Uniform Residential Appraisal Report

20120206\_COB  
File # 100086291

SALES COMPARISON APPROACH

There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 299,900 to \$ 299,900 .							
There are 13 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 241,000 to \$ 291,000 .							
FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	Redacted Raleigh, NC 27613	7525 Milestone Ct Raleigh, NC 27615		8704 Foggy Bottom Dr Raleigh, NC 27613		7429 Chippenham Ct Raleigh, NC 27613	
Proximity to Subject		1.14 miles E		1.45 miles NW		0.07 miles NW	
Sale Price	\$		\$ 241,000		\$ 250,000		\$ 291,000
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 104.78 sq.ft.		\$ 130.28 sq.ft.		\$ 120.90 sq.ft.	
Data Source(s)		Triangle MLS#1784795;DOM 162		Triangle MLS#1802289;DOM 12		Triangle MLS#1794129;DOM 115	
Verification Source(s)		County Tax Off		County Tax Off		County Tax Off	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		ArmLth FHA;0		ArmLth Conv;4000	-1,000	ArmLth Conv;0	
Date of Sale/Time		s11/11;c10/11		s12/11;c11/11		s12/11;c11/11	
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	13,068 sf	10,890 sf	0	25,700 sf	0	13,504 sf	0
View	N;Res;	N;Res;		N;Res;		N;Res;	
Design (Style)	Transitional	Transitional		Transitional		Transitional	
Quality of Construction	Q4	Q4		Q4		Q4	
Actual Age	29	29		31	0	28	0
Condition	C4	C4		C4		C3	-15,000
Above Grade Room Count	Total Bdrms. Baths 8 4 2.1	Total Bdrms. Baths 8 4 2.1		Total Bdrms. Baths 7 3 2.1	0	Total Bdrms. Baths 9 4 2.1	0
Gross Living Area	2,148 sq.ft.	2,300 sq.ft.	-5,267	1,919 sq.ft.	+9,824	2,407 sq.ft.	-10,342
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA/CAC	FWA/CAC		FWA/CAC		FWA/CAC	
Energy Efficient Items	Insul Windows	Insul Windows		Insul Windows		Insul Windows	
Garage/Carport	None	1 C Att Carport	-3,000	2 C Att Garage	-10,000	None	
Porch/Patio/Deck	2Stps/LgDeck	Stoop/Deck	+1,000	Stp/LgDeck	+500	2Stp/Pat/Deck	-500
Screen Porch/Sunroom	Screen Porch	Sunroom	0	None	+4,000	Screen Porch	
Fenced Yard/W-U Attic	Fence	Fence		None	+1,500	Fence	
Storage	Storage	Storage		Storage		Storage	
Net Adjustment (Total)		□ + ☒ -	\$ -7,267	☒ + □ -	\$ 4,824	□ + ☒ -	\$ -25,842
Adjusted Sale Price of Comparables		Net Adj. 3.0 % Gross Adj. 3.8 %	\$ 233,733	Net Adj. 1.9 % Gross Adj. 10.7 %	\$ 254,824	Net Adj. 8.9 % Gross Adj. 8.9 %	\$ 265,158
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) Verified through Triangle MLS and deed information in county tax records.							
My research ☒ did □ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.							
Data Source(s) Verified through Triangle MLS and deed information in county tax records.							
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).							
ITEM	SUBJECT		COMPARABLE SALE #1	COMPARABLE SALE #2		COMPARABLE SALE #3	
Date of Prior Sale/Transfer				11/07/2011			
Price of Prior Sale/Transfer				\$0			
Data Source(s)	County tax records		County tax records	County tax records		County tax records	
Effective Date of Data Source(s)	02/12/2012		02/12/2012	02/12/2012		02/12/2012	
Analysis of prior sale or transfer history of the subject property and comparable sales Per the Triangle Multiple Listing Service and county tax records, there has not been a sale of the Subject property in the prior 36 months. Comparable 2 has transferred in the 12 months prior to its most recent sale. None of the other comparables used in this report have sold in the 12 months prior to the dates reported in the Date of Sale/Time field in the sales comparison grid above.							
Summary of Sales Comparison Approach See page 3 of URAR.							
Indicated Value by Sales Comparison Approach \$ 251,000							

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 251,000	Cost Approach (if developed) \$ 259,531	Income Approach (if developed) \$
The appraiser has relied on the Sales Comparison Approach as it is the best reflection of the buyers and sellers in the market and is considered the most reliable value indicator. This appraisal report has been prepared for the exclusive benefit of the intended user only.		
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: Personal property conveyed in transactions, if any, was given no value in this appraisal report.		
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 \$ 251,000 , as of 00/00/2012 , which is the date of inspection and the effective date of this appraisal.		

Freddie Mac Form 70 March 2005

UAD Version 9/2011 Page 2 of 6

Fannie Mae Form 1004 March 2005

Form 1004UAD — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

Uniform Residential Appraisal Report

20120206\_COB

File # 100086291

ADDITIONAL COMMENTS

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

I have performed no services regarding the subject property within the prior three years, as an appraiser or in any other capacity. All utilities were turned on and operating properly during the appraisal inspection.

NOTE ON MLS SQUARE FOOTAGE AND FEATURES: Since we do not have permissions to inspect the interiors or measure the exteriors to verify the square footages of the comparables chosen, this appraisal is based on the assumption that the square footages and other features of the comparables used in this report are as described in Triangle MLS listings. It is noted that the square footages for the subject and comparable properties in the Triangle Multiple Listing Service are *frequently different* from the square footages shown on the county property cards. The comparable square footages verified and used in this report are taken from the Triangle MLS. Square footages of the Subject property as reported in the MLS and county records may also somewhat vary from the square footages as measured by the appraiser.

NOT A HOME INSPECTION: The appraiser is not a home inspector. This report is not intended to be a home inspection. The appraiser only performed a visual inspection of accessible areas and the appraisal cannot be relied on to disclose conditions and/or defects to the property.

The home is not located in a PUD.

ADDITIONAL FEATURES: Among the primary features of this home are a fenced backyard, large deck, large screen porch, side stoop, attached storage, hardboard exterior with dentil molding, 2-car parking pad, family room with fireplace, tongue in groove wood ceiling, built-in bookshelves and beadboard walls, bar area with sink, and bay windows in dining room and breakfast area.

HOME FEATURES, UPGRADES and RENOVATIONS: All upgrades, renovations, improvements, additions, updates (excluding cosmetic and standard maintenance) and primary home features either listed in this report, observed by the appraiser during the appraisal inspection, and/or discussed with the homeowner have been considered in the final estimate of value.

SUMMARY OF SALES COMPARISON APPROACH: Active listings used in this report have been adjusted based on approximate sales price to list price ratios for their respective neighborhoods. Comparables have been adjusted for differences in Gross Living Area (GLA) at \$37 per square foot. Adjustments for site values were not necessary based on predominant neighborhood values and based on land values in tax records reflecting utility, topography and other factors. Sales concessions above \$3,000 have been adjusted in this report. Comparable 3 is adjusted for superior condition based on MLS listings and photos for superior upgrades including granite countertops, stainless steel appliances and other renovations. Car storage is adjusted at \$10,000 for an 2-car attached garage, \$5,000 for an an attached 1-car garage and \$3,000 for an attached carport. Screen porches, sunrooms and walk-up attics are adjusted \$4,000. All other adjustments in this report -- decks, stoops, porches, patios, etc. -- are typical. All adjustments in this report reflect market reaction to age, size and features as determined by cost service analysis, paired sales analysis, available market data, appraiser experience, prior appraisal files, and cumulative, ongoing conversations with other certified appraisers, builders, contractors and licensed brokers familiar with market values typical for various residential real estate amenities and features. *The appraiser has given equal weight to all closed comparables in this report. The adjusted values of the active sales bracket and support the final opinion of value.*

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)      The Subject property is located in a neighborhood where there have been minimal land sales. Few lots are offered to the public as most subdivisions are controlled by developers and the lots are sold directly to builders. Therefore, the tax value is considered the most reliable source for opinion of site value.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE .....			= \$	90,000
Source of cost data   Marshall Swift, L.P.	DWELLING	2,148	Sq.Ft. @ \$	75.60	= \$ 162,394
Quality rating from cost service   3.5      Effective date of cost data   2/1/2012	Sq.Ft. @ \$			= \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Subtotal Extras			= \$	10,710
See attached Sketch Addendum for square footage calculations. Cost figures derived from Marshall & Swift. Because there is insufficient market evidence to	Garage/Carport			Sq.Ft. @ \$	= \$
fully support the site value/derivation of total depreciation, the cost approach is not	Total Estimate of Cost-New			= \$	173,104
given any consideration in the appraiser's final analysis. Further, the cost approach	Less	Physical	Functional	External	
may not be a reliable indication of replacement or reproduction cost for any date	Depreciation	10,387			= \$( )
other than the effective date of this appraisal due to changing building codes,	Depreciated Cost of Improvements			= \$	
governmental regulations and requirements.	"As-is" Value of Site Improvements			= \$	6,814
Estimated Remaining Economic Life (HUD and VA only)      56 Years	INDICATED VALUE BY COST APPROACH .....			= \$	259,531

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$      X Gross Rent Multiplier      = \$      Indicated Value by Income Approach

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

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)?   ☐ Yes   ☐ No      Unit type(s)   ☐ Detached   ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases	Total number of units	Total number of units sold
Total number of units rented	Total number of units for sale	Data source(s)

Was the project created by the conversion of existing building(s) into a PUD?   ☐ Yes   ☐ No   If Yes, date of conversion.

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

Are the units, common elements, and recreation facilities complete?   ☐ Yes   ☐ No   If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association?   ☐ Yes   ☐ No   If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

# Uniform Residential Appraisal Report

20120206\_COB  
File # 100086291

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

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

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

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

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

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

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

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

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

Uniform Residential Appraisal Report

20120206\_COB  
File # 100086291

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

20120206\_COB  
File # 100086291

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 B. Patrick Jones

Signature

Name Patrick Jones

Company Name Raleigh-Durham Appraisals

Company Address 1135 Kildaire Farm Rd., Suite 200  
Cary, NC 27511

Telephone Number 919-379-3833

Email Address office@raleighdurhamappraisals.com

Date of Signature and Report 02/19/2012

Effective Date of Appraisal 00/00/2012

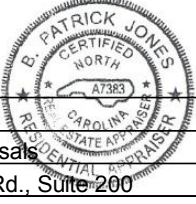
State Certification # A7383

or State License #

or Other (describe) State #

State NC

Expiration Date of Certification or License 06/30/2012



ADDRESS OF PROPERTY APPRAISED

Redacted

Raleigh, NC 27613

APPRAISED VALUE OF SUBJECT PROPERTY \$ 251,000

LENDER/CLIENT

Name Redacted

Company Name Lender information redacted

Company Address Redacted

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



Uniform Residential Appraisal Report

20120206\_COB  
File # 100086291

SALES COMPARISON APPROACH	FEATURE		SUBJECT		COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6					
	Address		Redacted Raleigh, NC 27613		2761 Farnborough Rd Raleigh, NC 27613			7536 Milestone Ct Raleigh, NC 27615								
	Proximity to Subject				0.55 miles NW			1.18 miles E								
	Sale Price		\$		\$ 299,900			\$ 244,900			\$					
	Sale Price/Gross Liv. Area		\$ sq.ft.		\$ 114.29 sq.ft.			\$ 114.44 sq.ft.			\$ sq.ft.					
	Data Source(s)				Triangle MLS#1819534;DOM 7			Triangle MLS#1790596;DOM 120								
	Verification Source(s)				County Tax Off			County Tax Off								
	VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION		+(-) \$ Adjustment	
	Sales or Financing Concessions				Listing				Listing							
	Date of Sale/Time				Active		-8,997		c01/12		-7,347					
	Location		N;Res;		N;Res;				N;Res;							
	Leasehold/Fee Simple		Fee Simple		Fee Simple				Fee Simple							
	Site		13,068 sf		24,394 sf		0		12,197 sf		0					
	View		N;Res;		N;Res;				N;Res;							
	Design (Style)		Transitional		Transitional				Transitional							
	Quality of Construction		Q4		Q4				Q4							
	Actual Age		29		29				29							
	Condition		C4		C4				C4							
	Above Grade		Total	Bdrms.	Baths	Total	Bdrms.	Baths	0	Total	Bdrms.	Baths	0	Total	Bdrms.	Baths
	Room Count		8	4	2.1	7	3	2.1	0	10	5	2.1	0			
	Gross Living Area		2,148 sq.ft.		2,624 sq.ft.		-17,907		2,140 sq.ft.		0		sq.ft.			
	Basement & Finished Rooms Below Grade		0sf		0sf				0sf							
	Functional Utility		Average		Average				Average							
	Heating/Cooling		FWA/CAC		FWA/CAC				FWA/CAC							
	Energy Efficient Items		Insul Windows		Insul Windows				Insul Windows							
	Garage/Carport		None		None				1 C Att Garage		-5,000					
	Porch/Patio/Deck		2Stps/LgDeck		Stp/LgDeck		+500		Stp/Pat/Deck		0					
	Screen Porch/Sunroom		Screen Porch		None		+4,000		None		+4,000					
Fenced Yard/W-U Attic		Fence		Fence/W-UAtt		-4,000		None		+1,500						
Storage		Storage		Storage				Storage								
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -26,404		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -6,847		<input type="checkbox"/> + <input type="checkbox"/> -		\$		
Adjusted Sale Price of Comparables				Net Adj. 8.8 %				Net Adj. 2.8 %				Net Adj. %				
				Gross Adj. 11.8 %		\$ 273,496		Gross Adj. 7.3 %		\$ 238,053		Gross Adj. %		\$		
SALE HISTORY	Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).															
	ITEM		SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6				
	Date of Prior Sale/Transfer															
	Price of Prior Sale/Transfer															
	Data Source(s)		County tax records			County tax records			County tax records							
	Effective Date of Data Source(s)		02/12/2012			02/12/2012			02/12/2012							
	Analysis of prior sale or transfer history of the subject property and comparable sales See page 3 of URAR for analysis.															
ANALYSIS / COMMENTS	Analysis/Comments See page 3 of URAR for analysis.															





Subject Photos

Client	Redacted				
Property Address	Redacted				
City	Raleigh	County	Wake	State	NC      Zip Code 27613
Client	Redacted				



Subject Front

Redacted



Subject Rear

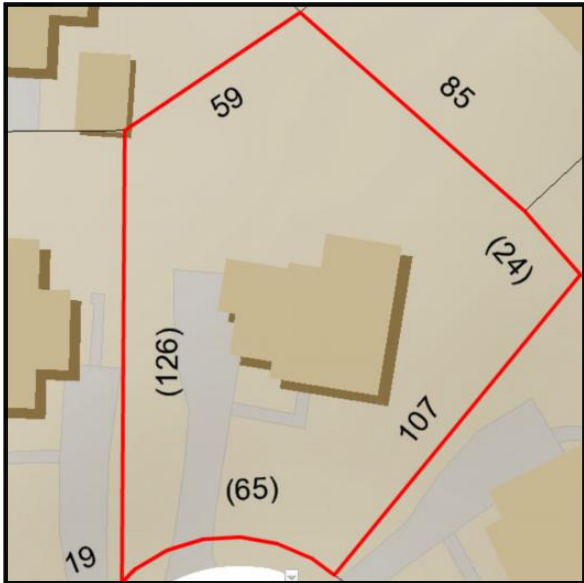


Subject Street



Photograph Addendum

Client	Redacted			
Property Address	Redacted			
City	Raleigh	County	Wake	State NC Zip Code 27613
Client	Redacted			



Lot dimensions



Aerial view



Left side of house



Right side of house



Deck



Screen porch



Photograph Addendum

Client	Redacted				
Property Address	Redacted				
City	Raleigh	County	Wake	State	NC
				Zip Code	27613
Client	Redacted				



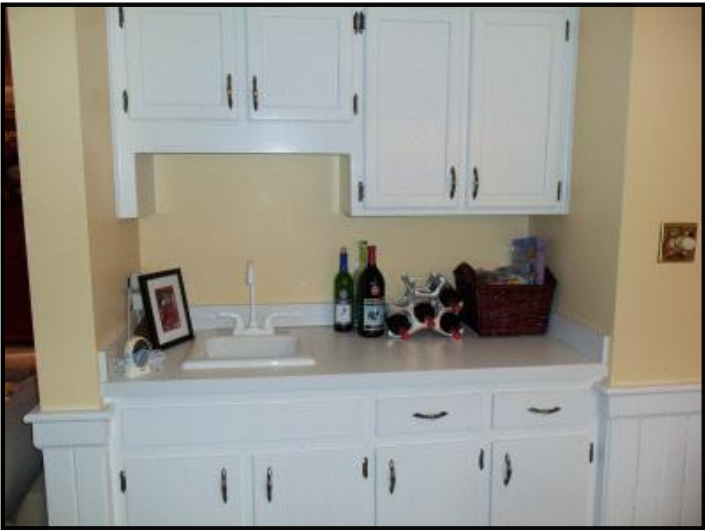
Family room



Kitchen



Breakfast



Bar and sink



Dining room



1/2 bath

Photograph Addendum

Client	Redacted				
Property Address	Redacted				
City	Raleigh	County	Wake	State	NC      Zip Code 27613
Client	Redacted				



Bedroom



Bath



Bedroom



Bedroom



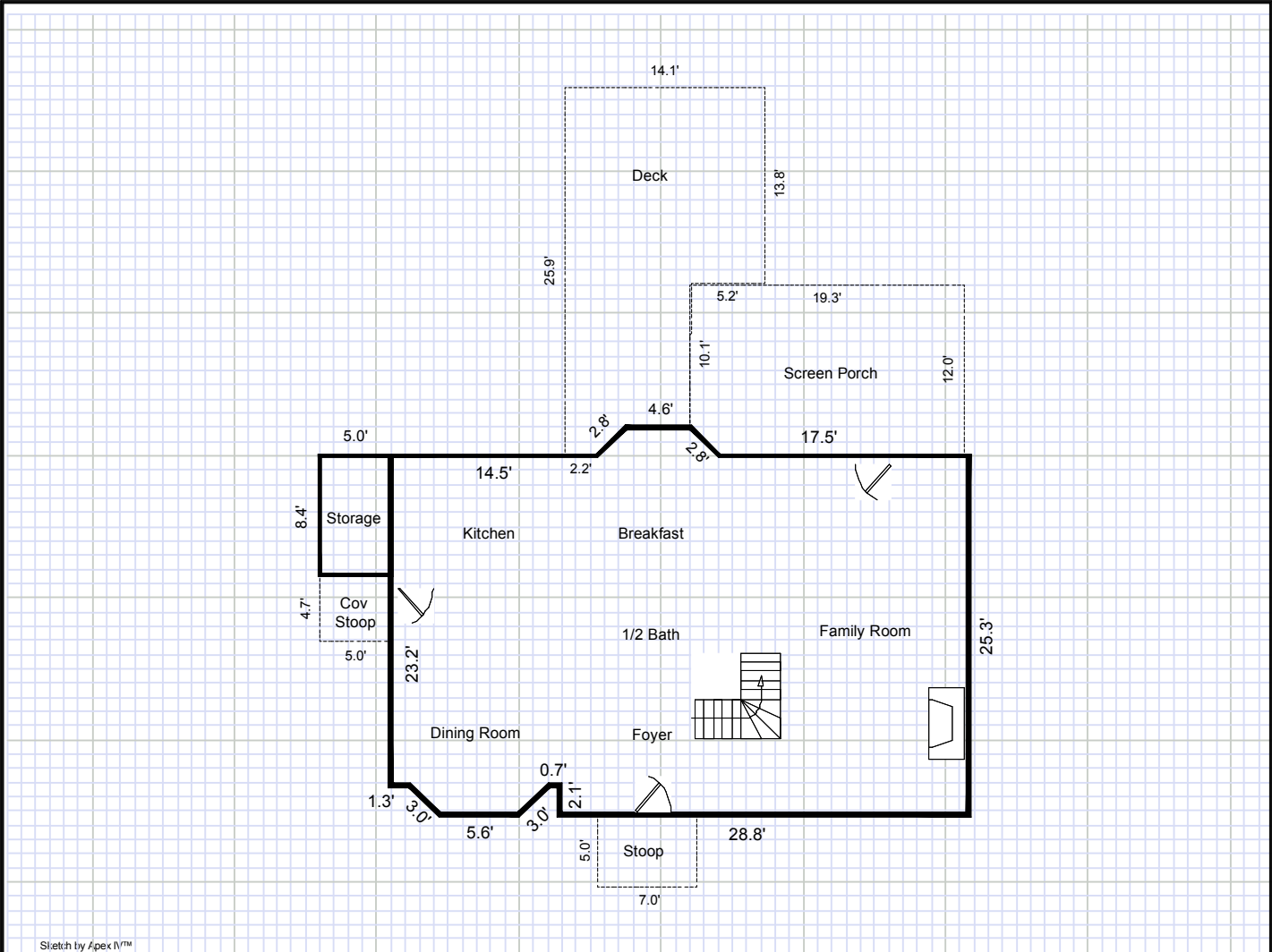
Master bedroom



Master bath

Building Sketch

Client	Redacted			
Property Address	Redacted			
City	Raleigh	County	Wake	State NC Zip Code 27613
Client	Redacted			



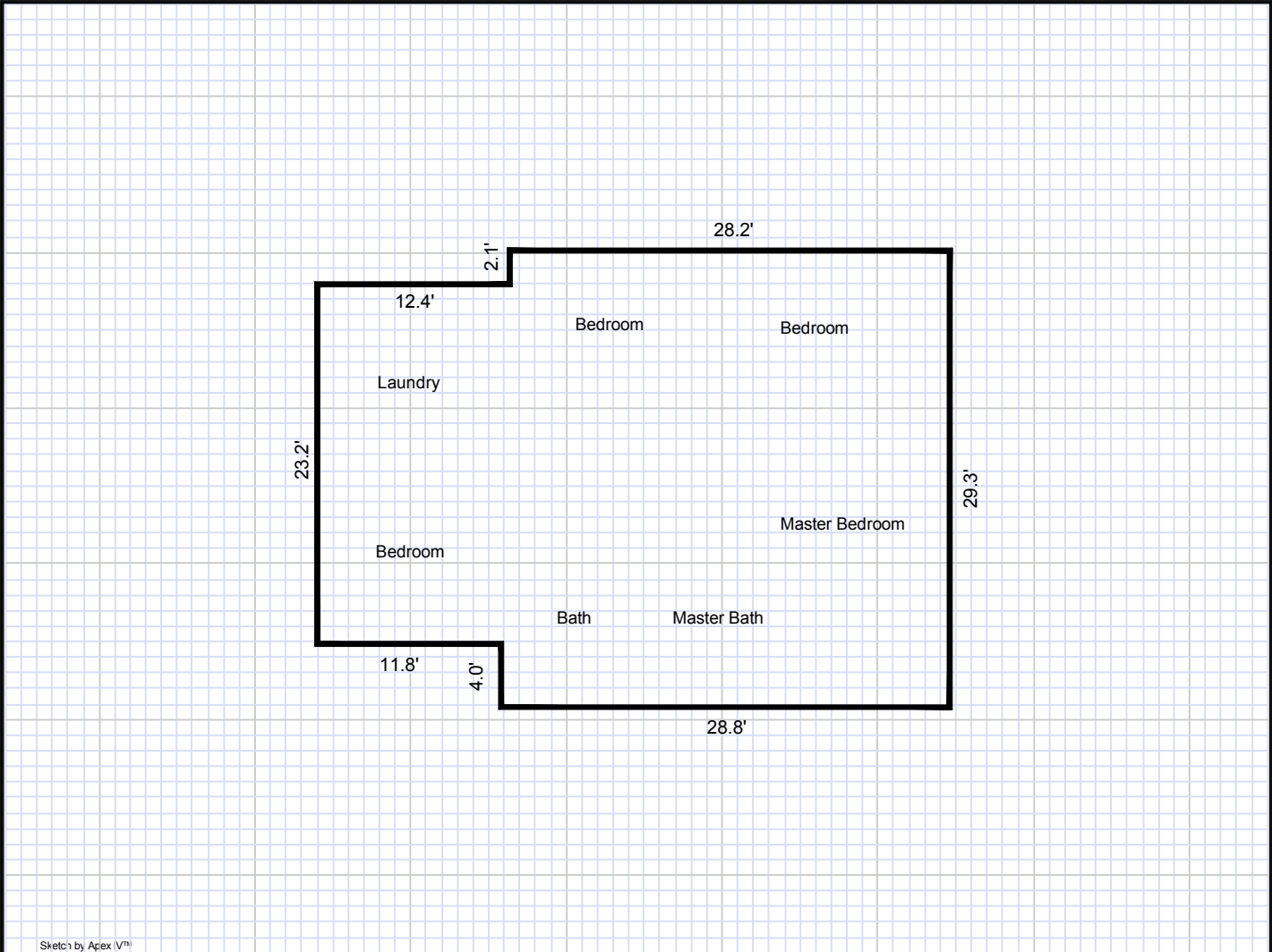
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1031.8	1031.8
P/P	Covered Stoop	23.5	
	Stoop	35.0	
	Screen Porch	229.6	
	Deck	290.4	578.5
OTH	Storage	42.0	42.0
Net LIVABLE Area		(Rounded)	1032

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
	8.6 x	25.3	217.6
	2.0 x	4.6	9.2
0.5 x	2.0 x	2.0	2.0
0.5 x	2.0 x	2.0	2.0
	17.5 x	25.3	442.8
	13.2 x	23.2	306.2
	2.1 x	5.6	11.8
0.5 x	2.1 x	2.1	2.2
0.5 x	2.1 x	2.1	2.2
	2.1 x	2.7	5.7
	1.3 x	23.2	30.2
11 Items	(Rounded)		1032

Building Sketch - Second Floor

Client	Redacted				
Property Address	Redacted				
City	Raleigh	County	Wake	State	NC
				Zip Code	27613
Client	Redacted				



Sketch by Apex V™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA2	Second Floor	1116.3	1116.3
Net LIVABLE Area		(Rounded)	1116

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
Second Floor	28.2	x 29.3	826.3
	0.6	x 27.2	16.3
	11.8	x 23.2	273.8
3 Items	(Rounded)		1116



Comparable Photo Page

Client	Redacted				
Property Address	Redacted				
City	Raleigh	County	Wake	State	NC
Client	Redacted	Zip Code	27613		



Comparable 1

7525 Milestone Ct	
Prox. to Subject	1.14 miles E
Sales Price	241,000
Gross Living Area	2,300
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	2.1
Location	N;Res;
View	N;Res;
Site	10,890 sf
Quality	Q4
Age	29



Comparable 2

8704 Foggy Bottom Dr	
Prox. to Subject	1.45 miles NW
Sales Price	250,000
Gross Living Area	1,919
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.1
Location	N;Res;
View	N;Res;
Site	25,700 sf
Quality	Q4
Age	31



Comparable 3

7429 Chippenham Ct	
Prox. to Subject	0.07 miles NW
Sales Price	291,000
Gross Living Area	2,407
Total Rooms	9
Total Bedrooms	4
Total Bathrooms	2.1
Location	N;Res;
View	N;Res;
Site	13,504 sf
Quality	Q4
Age	28

Comparable Photo Page

Client	Redacted				
Property Address	Redacted				
City	Raleigh	County	Wake	State	NC
Client	Redacted				
				Zip Code	27613



Comparable 4

2761 Farnborough Rd	
Prox. to Subject	0.55 miles NW
Sales Price	299,900
Gross Living Area	2,624
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.1
Location	N;Res;
View	N;Res;
Site	24,394 sf
Quality	Q4
Age	29



Comparable 5

7536 Milestone Ct	
Prox. to Subject	1.18 miles E
Sales Price	244,900
Gross Living Area	2,140
Total Rooms	10
Total Bedrooms	5
Total Bathrooms	2.1
Location	N;Res;
View	N;Res;
Site	12,197 sf
Quality	Q4
Age	29

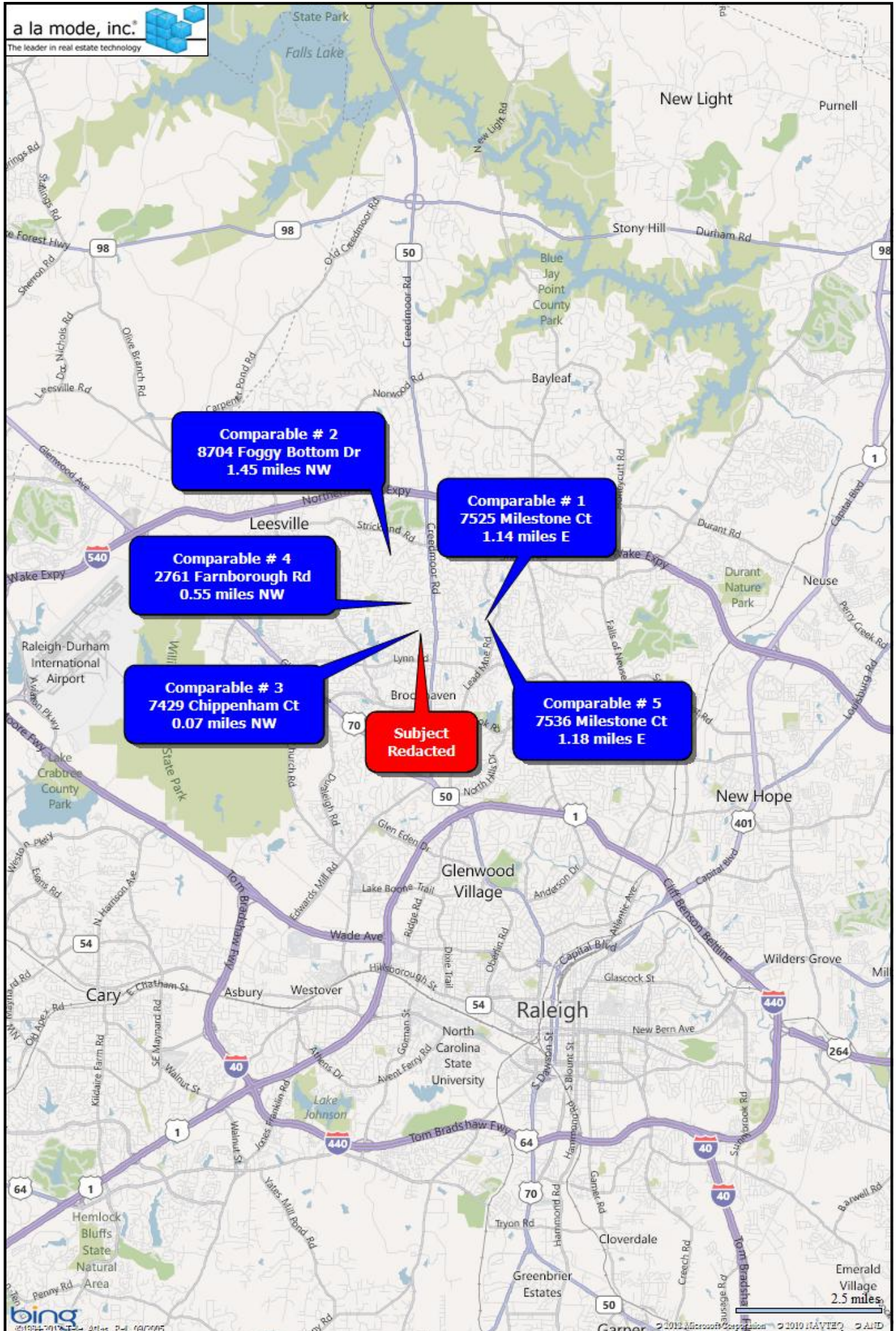
Comparable 6

Prox. to Subject
Sales Price
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age









Supplemental Addendum

File No. 100086291

Client	Redacted				
Property Address	Redacted				
City	Raleigh	County	Wake	State	NC      Zip Code 27613
Client	Redacted				

All utilities were turned 'On' and functioning properly at the time of the inspection.

I certify, as the appraiser, that I have completed all aspects of this valuation, including reconciling my opinion of value, free of influence from the client, client's representatives, borrower, or any other party to the transaction.

The appraiser of this report, as indicated in the signature section, has NOT provided any prior services for the subject property in the 36 months prior to the effective date of the report.

Exposure Time: A reasonable exposure time for the subject property at the opinion of value indicated is estimated to be 80-100 days and was derived using the statistical mean (91 days) for all closed sales within the search parameters previously disclosed in the 1004 MC report.

All adjustments in this report reflect market reaction to age, size and features as determined by cost service analysis, paired sales analysis, appraiser experience, prior appraisal files and cumulative, ongoing conversations with other certified appraisers, builders, contractors and licensed brokers familiar with market values typical for various residential real estate amenities and features.

See lot dimensions image on photo addendum page.

The Subject is not located in a PUD.

Land to value ratios above 30% are typical for this neighborhood.

The Subject property is slightly below the predominant neighborhood value but is well within the high and low ranges. This does not affect marketability.