File No. SAMPLE 1075

APPRAISAL OF



LOCATED AT:

11 Wren Place
Palm Coast, FL 32137

FOR:

Megabucks Bank
1111 Main Street
Palm Coast, FL 32137

BORROWER:

Duane Pipes

AS OF:

May 28, 2011

BY:

Anna Prentice

Big Box AMC
Megabucks Bank
1111 Main Street
Palm Coast, FL 32137

File Number: SAMPLE 1075

In accordance with your request, I have appraised the real property at:

11 Wren Place
Palm Coast, FL 32137

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved.

In my opinion, the market value of the property as of May 28, 2011 is:

$220,000
Two Hundred Twenty Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

Anna Prentice

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File No. SAMPLE 1075

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 Address 11 Wren Place | Unit # 2 | City Palm Coast | State FL | Zip Code 32137

Borrower Duane Pipes | Owner of Public Record Duane Pipes | County Flagler

Legal Description Lot 48, Block 73, Section 44, Palm Coast

Assessor's Parcel # 07-11-42-6044-00730-00480 | Tax Year 2010 | R.E. Taxes $ 574

Project Name Lehigh Woods - Palm Coast | Phase # 1 | Map Reference 4B-1 | Census Tract 0602.02

Occupant [X] Owner [ ] Tenant [ ] Vacant | Special Assessments $ 0 | HOA $ 1,200 [X] per year [ ] per month

Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)

Assignment Type [ ] Purchase Transaction [X] Refinance Transaction [ ] Other (describe)

Lender/Client Megabucks Bank | Address 1111 Main Street, Palm Coast, FL 32137

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? [X] Yes [ ] No

Report data source(s) used, offering price(s), and date(s). DOM 45;The subject property is currently listed for sale on the local MLS, FCAR, for $115,000. It was originally listed 04/25/2011 at $125,000. The price was reduced to current offering on 05/29/2011.

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 Contract | Is the property seller the owner of public record? [ ] Yes [ ] No | Data Source(s)

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

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

NEIGHBORHOOD

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

Neighborhood Characteristics				Condominium Unit Housing Trends				Condominium Housing		Present Land Use %	
Location	[X] Urban	[ ] Suburban	[ ] Rural	Property Values	[ ] Increasing	[ ] Stable	[X] Declining	PRICE	AGE	One-Unit	80 %
Built-Up	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	Demand/Supply	[ ] Shortage	[ ] In Balance	[X] Over Supply	$(000)	(yrs)	2-4 Unit	0 %
Growth	[ ] Rapid	[ ] Stable	[X] Slow	Marketing Time	[ ] Under 3 mths	[ ] 3-6 mths	[X] Over 6 mths	100 Low	1	Multi-Family	0 %
Neighborhood Boundaries	Subject is bounded on the north by White View Parkway, on the east by Bell Terre							250 High	10	Commercial	0 %
Parkway, on the south by Royal Palms Parkway and on the west by Highway One.								225 Pred.	5	Other Vacant	20 %

Neighborhood Description The subject neighborhood is mostly comprised of single story, stucco on block dwellings between 1,500 and 1,800 square feet that are, for the most part, well maintained with effective ages somewhat less than actual ages. The condominium complexes in the area are similiar in style, amenities and condition. Convenient location and good local school system.

Market Conditions (including support for the above conclusions) Seller financing is virtually nonexistent, although downpayment assistance from community or government programs of a few thousand dollars are not uncommon. MLS records indicate an average market time of about 160 days, which is considered a reasonable exposure time for the subject.

PROJECT SITE

Topography Level | Size 3 ac | Density Medium | View B;Woods;

Specific Zoning Classification R-1 | Zoning Description M-100 Multifamily residential

Zoning Compliance [X] Legal [ ] Legal Nonconforming - Do the zoning regulations permit rebuilding to current density? [X] Yes [ ] No

[ ] No Zoning [ ] Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe.

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements? Type	Public	Private
Electricity	[X]	[ ]	Water	[X]	[ ]	Street Asphalt	[X]	[ ]
Gas	[X]	[ ]	Sanitary Sewer	[X]	[ ]	Alley None	[ ]	[ ]

FEMA Special Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone C | FEMA Map # 120085 0080B | FEMA Map Date 02/05/2010

Are the utilities and off-site improvements typical for the market area? [X] Yes [ ] No If No, describe.

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

PROJECT INFORMATION

Data source(s) for project information Public records.

Project Description [ ] Detached [X] Row or Townhouse [ ] Garden [ ] Mid-Rise [ ] High-Rise [ ] Other(describe)

General Description	General Description	Subject Phase		If Project Completed		If Project Incomplete	
# of Stories 2	Exterior Walls CBS/unk	# of Units	100	# of Phases	1	# of Planned Phases	0
# of Elevators 0	Roof Surface Comp. sh./typ	# of Units Completed	100	# of Units	100	# of Planned Units	0
[X] Existing [ ] Proposed	Total # Parking 200	# of Units For Sale	5	# of Units for Sale	5	# of Units for Sale	0
[ ] Under Construction	Ratio (spaces/units) 2	# of Units Sold	95	# of Units Sold	95	# of Units Sold	0
Year Built ~2000	Type lot	# of Units Rented	0	# of Units Rented	0	# of Units Rented	0
Effective Age 5	Guest Parking 0	# of Owner Occupied Units	95	# of Owner Occupied Units	95	# of Owner Occupied Units	0

Project Primary Occupancy [X] Principal Residence [ ] Second Home or Recreational [ ] Tenant

Is the developer/builder in control of the Homeowners' Association (HOA)? [ ] Yes [X] No

Management Group - [X] Homeowners' Association [ ] Developer [ ] Management Agent - Provide name of management company.

Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? [ ] Yes [X] No If Yes, describe

Was the project created by the conversion of an existing building(s) into a condominium? [ ] Yes [X] No If Yes, describe the original use and the date of conversion.

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? [X] Yes [ ] No If No, describe

Is there any commercial space in the project? [X] Yes [ ] No If Yes, describe and indicate the overall percentage of the commercial space. 10%;Coffee shop.

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File No. SAMPLE 1075

PROJECT INFORMATION

Describe the condition of the project and quality of construction. Typical condition, typical quality.

Describe the common elements and recreational facilities. Community building.

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

Is the project subject to a ground rent? ☐ Yes ☒ No If Yes, $ _____ per year (describe terms and conditions)

Are the parking facilities adequate for the project size and type? ☒ Yes ☐ No If No, describe and comment on the effect on value and marketability.

PROJECT ANALYSIS

I ☒ did ☐ did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed. An analysis of the current year's budget revealed no significant factors that will adversely affect the value of this unit.

Are there any other fees (other than regular HOA charges) for the use of the project facilities? ☐ Yes ☒ No If Yes, report the charges and describe.

Compared to other competitive projects of similar quality and design, the subject unit charge appears ☐ High ☒ Average ☐ Low If High or Low, describe.

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?
☐ Yes ☒ No If Yes, describe and explain the effect on value and marketability.

UNIT IMPROVEMENTS

Unit Charge $ 100.00 per month X 12 = $ 1200 per year Annual assessment charge per year per square feet of gross living area = $ 1

Utilities included in the unit monthly assessment ☐ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☒ Cable ☐ Other

Source(s) Used for Physical Characteristics of Property ☐ Appraisal Files ☐ MLS ☐ Assessment and Tax Records ☐ Prior Inspection ☐ Property Owner
☐ Other (describe) Data Source for Gross Living Area

General Description	Amenities	Appliances	Car Storage
Floor # 2	☐ Fireplace(s) # 0	☒ Refrigerator	☐ None
# of Levels 2	☐ Woodstove(s) # 0	☒ Range/Oven	☐ Garage ☐ Covered ☒ Open
Heating Type FWC Fuel Elec	☐ Deck/Patio none	☒ Disp ☒ Microwave	# of Cars 2
☒ Central AC ☐ Individual AC	☒ Porch/Balcony open	☒ Dishwasher	☐ Assigned ☒ Owned
☐ Other (describe)	☐ Other None	☒ Washer/Dryer	Parking Space # 123

Finished area above grade contains: 7 Rooms 3 Bedrooms 2.0 Bath(s) 1,655 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? ☒ Yes ☐ No If No, describe and comment on compatibility to other projects in the market area.

Additional features (special energy efficient items, etc.). Covered entry porch, vaulted ceilings in LR and MBR, large tub and shower in master bath, glass block windows in master bath, laundry tub in utility room.

Describe the condition of the property (including apparent needed repairs, deterioration, renovations, remodeling, etc.). C3;Kitchen-updated-one to five years ago;Bathrooms-remodeled-one to five years ago;New countertops in the kitchen of average quality. The bathroom was completed renovated with new fixtures, ceramic tile and lighting.

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

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe. Functional utility is acceptable, with adequately sized rooms, ample closet space and an efficient layout. This dwelling effectively fulfills the functional and aesthetic expectations of purchasers in this price range.

PRIOR SALE HISTORY

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) MLS and County 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) MLS and County 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 NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	10/14/2009			10/12/2009
Price of Prior Sale/Transfer	160000			168000
Data Source(s)	MLS and County Records	MLS and County Records	MLS and County Records	MLS #33344444
Effective Date of Data Source(s)	01/15/2011	01/15/2011	01/15/2011	01/15/2011

Analysis of prior sale or transfer history of the subject property and comparable sales The prior sales history of the subject and comparable sales revealed nothing other than what appear to be arm's length transactions at sales prices consistent with competing properties. The local MLS was used as the primary source for the above prior sales data. Local MLS board members are required to report closed sales in three business days or less, indicating that the effective date of the data source is within three days of the date of this report. No prior sales were found for comparable sales 1 and 2.

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File No. SAMPLE 1075

There are 125 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 100,000 to $ 250,000 .

There are 86 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 100,000 to $ 260,000 .

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address and Unit #	11 Wren Place 2, Palm Coast, FL 32137	1 Redmill Drive 5, Palm Coast, FL 32137		8 Redmill Drive 3, Palm Coast, FL 32137		99 Red Barn Drive 8, Palm Coast, FL 32137	
Project Name and Phase	Lehigh Woods - Palm Coast 1	Lehigh Woods - Palm Coast 1		Lehigh Woods - Palm Coast 1		Lehigh Woods - Palm Coast 1	
Proximity to Subject		0.24 miles W		0.14 miles WSW		0.32 miles WSW	
Sale Price	$ 0		$ 120,000		$ 118,000		$ 122,000
Sale Price/Gross Liv. Area	$ 0 sq. ft.	$ 120.00 sq. ft.		$ 90.77 sq. ft.		$ 143.53 sq. ft.	
Data Source(s)		MLS #12345678;DOM 50		MLS #234567;DOM 45		MLS #33344444;DOM 50	
Verification Source(s)		Public Records		Public Records		Public Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sale or Financing Concessions		ArmLth Conv;0		ArmLth Conv;0		ArmLth Conv;0	
Date of Sale/Time		s04/11;Unk	-500	s04/11;Unk	-500	s04/11;Unk	-500
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
HOA Mo. Assessment	100	100		100		100	
Common Elements and Rec. Facilities	3 tennis courts	3 tennis courts		3 tennis courts		3 tennis courts	
Floor Location	2	1	0	1	0	1	0
View	B;Woods;	B;Woods;		B;Woods;		B;Woods;	
Design (Style)	Row or Townhouse	Row or Townhouse		Row or Townhouse		Row or Townhouse	
Quality of Construction	Q3	Q3		Q3		Q3	
Actual Age	~6	6	0	8	0	2	0
Condition	C3	C3	0	C2	2,000	C4	-4,000
Above Grade Room Count (Total / Bdrms. / Baths)	7 / 3 / 2.0	7 / 3 / 2.0		7 / 3 / 2.0		7 / 3 / 2.0	
Gross Living Area	1,000 sq. ft.	1,000 sq. ft.		1,300 sq. ft.	-1,200	850 sq. ft.	4,480
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Acceptable	Acceptable		Acceptable		Acceptable	
Heating/Cooling	FWAC Elec,C/Air	FWA C/Air	0	FWA C/Air	0	FWA C/Air	0
Energy Efficient Items	NA	NA		NA		NA	
Garage/Carport	NA	2 Car Open	0	2 Car Open	0	2 Car Att. Gar.	1,500
Porch/Patio/Deck	Open balcony	Open balcony		Screened balcony	3,000	Open balcony	
Pool/Sauna/Spa	NA	NA		NA		NA	
Net Adjustment (Total)		[ ] + [X] -	$ 500	[X] + [ ] -	$ 3,300	[X] + [ ] -	$ 1,480
Adjusted Sale Price of Comparables		Net Adj. -0.4% Gross Adj. 0.4%	$ 119,500	Net Adj. 2.8% Gross Adj. 5.7%	$ 121,300	Net Adj. 1.2% Gross Adj. 8.6%	$ 123,480

Summary of Sales Comparison Approach 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.

Indicated Value by Sales Comparison Approach $ 120,000

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

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

Summary of Income Approach (including support for market rent and GRM) Homes in this price range and neighborhood are typically purchased for use and not income. Thus, the income approach lacks rationale and was not developed.

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 120,000 Income Approach (if developed) $ N/A

The high quality of the data used in the sales comparison approach demonstrates its viability as the best value indicator, with the cost approach in a strong supporting role. As indicated on page three, the income approach to value was not developed.

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

Based on a visual inspection of the exterior areas of the subject property from at least the street, 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 $ 220000 as of 05/28/2011 , which is the date of inspection and the effective date of this appraisal.

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File No. SAMPLE 1075

This report form is designed to report an appraisal of a unit in a condominium project or a condominium 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 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 visual inspection of the exterior areas of the subject property from at least the street, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

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 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.

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, or as otherwise required by law.

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

5. 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.

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File No. SAMPLE 1075

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 have performed a visual inspection of the exterior areas of the subject property from at least the street. I have reported the condition of the improvements in factual, specific terms. I have 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.

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).

Exterior-Only Inspection Individual Condominium Unit Appraisal Report

File No. SAMPLE 1075

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

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

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

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

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

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

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

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

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

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

APPRAISER

Signature _____
Name Anna Prentice
Company Name ACI Appraisals
Company Address 12 Old Kings Road
Palm Coast, FL 32137
Telephone Number 800-234-8727
Email Address aprentice@aciweb.com
Date of Signature and Report 06/01/2011
Effective Date of Appraisal 05/28/2011
State Certification # _____
or State License # LL12345
or Other (describe) _____ State # _____
State FL
Expiration Date of Certification or License 06/02/2011

ADDRESS OF PROPERTY APPRAISED
11 Wren Place Unit # 2
Palm Coast, FL 32137

APPRAISED VALUE OF SUBJECT PROPERTY $ 220000

LENDER/CLIENT
Name Big Box AMC
Company Name Megabucks Bank
Company Address 1111 Main Street
Palm Coast, FL 32137
Email Address Lender@megabucks.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name Sara Bellum
Company Name ACI Appraisals
Company Address 12 Old Kings Road
Palm Coast, FL 32137
Telephone Number 800-234-8727
Email Address sbellum@aciweb.com
Date of Signature January 30, 2011
State Certification # CG56789
or State License # _____
State FL
Expiration Date of Certification or License 12/23/2011

SUBJECT PROPERTY
[X] Did not inspect exterior subject property
[ ] Did inspect exterior of subject property from street
Date of Inspection _____

COMPARABLE SALES
[X] Did not inspect exterior of comparable sales from street
[ ] Did inspect exterior of comparable sales from street
Date of Inspection _____

Uniform Appraisal Dataset Definitions

File No. SAMPLE 1075

Condition Ratings and Definitions

C1 The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*

*Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2 The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

*Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.

C3 The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

*Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.

C4 The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

*Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.

C5 The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

*Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.

C6 The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

*Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.

Quality Ratings and Definitions

Q1 Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2 Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3 Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4 Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5 Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6 Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.
Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical /functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.
An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/ or expansion.
A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

The number of full and half baths is reported by separating the two values by a period. The full bath is represented to the left of the period. The half bath count is represented to the right of the period. Three-quarter baths are to be counted as a full bath in all cases. Quarter baths (baths that feature only toilet) are not to be included in the bathroom count.

Uniform Appraisal Dataset Definitions

File No. SAMPLE 1075

Abbreviations Used in Data Standardization Text

Abbrev.	Full Name	Appropriate Fields
ac	Acres	Area, Site
AdjPrk	Adjacent to Park	Location
AdjPwr	Adjacent to Power Lines	Location
A	Adverse	Location & View
ArmLth	Arms Length Sale	Sale or Financing Concessions
AT	Attached Structure	Design(Style)
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
B	Beneficial	Location & View
BsyRd	Busy Road	Location
cp	Carport	Garage/Carport
Cash	Cash	Sale or Financing Concessions
CtySky	City View Skyline View	View
CtyStr	City Street View	View
Comm	Commercial Influence	Location
c	Contracted Date	Date of Sale/Time
Conv	Conventional	Sale or Financing Concessions
cv	Covered	Garage/Carport
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
DOM	Days On Market	Data Sources
DT	Detached Structure	Design(Style)
dw	Driveway	Garage/Carport
Estate	Estate Sale	Sale or Financing Concessions
e	Expiration Date	Date of Sale/Time
FHA	Federal Housing Authority	Sale or Financing Concessions
g	Garage	Garage/Carport
ga	Garage - Attached	Garage/Carport
gbi	Garage - Built-in	Garage/Carport
gd	Garage - Detached	Garage/Carport
GR	Garden Structure	Design(Style)
GlfCse	Golf Course	Location
Glfvw	Golf Course View	View
HR	High Rise Structure	Design(Style)
Ind	Industrial	Location & View
in	Interior Only Stairs	Basement & Finished Rooms Below Grade
Lndfl	Landfill	Location
LtdSght	Limited Sight	View
Listing	Listing	Sale or Financing Concessions
MR	Mid-Rise Structure	Design(Style)
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
op	Open	Garage/Carport
o	Other	Basement & Finished Rooms Below Grade
O	Other	Design(Style)
Prk	Park View	View
Pstrl	Pastoral View	View
PwrLn	Power Lines	View
PubTrn	Public Transportation	Location
rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RT	Row or Townhouse	Design(Style)
RH	Rural Housing - USDA	Sale or Financing Concessions
SD	Semi-detached Structure	Design(Style)
s	Settlement Date	Date of Sale/Time
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
sqm	Square Meters	Area, Site, Basement
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
wu	Walk Up Basement	Basement & Finished Rooms Below Grade
WtrFr	Water Frontage	Location
Wtr	Water View	View
w	Withdrawn Date	Date of Sale/Time
Woods	Woods View	View

Other Appraiser-Defined Abbreviations

Abbrev.	Full Name	Appropriate Fields	Abbrev.	Full Name	Appropriate Fields

Market Conditions Addendum to the Appraisal Report

File No. SAMPLE 1075

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 11 Wren Place City Palm Coast State FL Zip Code 32137

Borrower Duane Pipes

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

MARKET RESEARCH & ANALYSIS

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend
Total # of Comparable Sales (Settled)	45	26	15	[ ] Increasing [ ] Stable [X] Declining
Absorption Rate (Total Sales/Months)	7.50	8.67	5.00	[ ] Increasing [ ] Stable [X] Declining
Total # of Comparable Active Listings	127	198	225	[ ] Declining [ ] Stable [X] Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	16.93	22.84	45.00	[ ] Declining [ ] Stable [X] Increasing

Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend
Median Comparable Sale Price	289,000	266,000	243,000	[ ] Increasing [ ] Stable [X] Declining
Median Comparable Sales Days on Market	98	136	167	[ ] Declining [ ] Stable [X] Increasing
Median Comparable List Price	291,000	270,900	250,000	[ ] Increasing [ ] Stable [X] Declining
Median Comparable Listings Days on Market	101	143	171	[ ] Declining [ ] Stable [X] Increasing
Median Sale Price as % of List Price	98.50%	97.00%	96.00%	[ ] Increasing [ ] Stable [X] Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent? [ ] Yes [X] No				[ ] Declining [X] Stable [ ] Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).

Seller contributions re virtually non-existent in the current market.

Are foreclosure sales (REO sales) a factor in the market? [X] Yes [ ] No If yes, explain (including the trends in listings and sales of foreclosed properties).

There remains a high number of bank owned properties on the market.

Cite data sources for above information. MLS records, real esate publicaitons, personal knowledge of the local market.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The neighborhood continues to struggle with vacancies and an increasing number of bank-owned properties.

CONDO / CO-OP PROJECTS

If the subject is a unit in a condominium or cooperative project , complete the following: Project Name: Lehigh Woods - Palm Coast

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend
Total # of Comparable Sales (Settled)	15	5	3	[ ] Increasing [ ] Stable [X] Declining
Absorption Rate (Total Sales/Months)	2.50	1.67	1.00	[ ] Increasing [ ] Stable [X] Declining
Total # of Active Comparable Listings	30	20	10	[ ] Declining [ ] Stable [X] Increasing
Months of Unit Supply (Total Listings/Ab. Rate)	12.00	11.98	10.00	[ ] Declining [ ] Stable [X] Increasing

Are foreclosure sales (REO sales) a factor in the project? [X] Yes [ ] No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Several bank owned units in this project as well as nearby communities.

Summarize the above trends and address the impact on the subject unit and project. The unit is in competition with lesser priced units of equal or lesser quality.

APPRAISER

APPRAISER

Signature _____
Name Anna Prentice
Company Name ACI Appraisals
Company Address 12 Old Kings Road
Palm Coast, FL 32137
State License/Certification # LL12345 State FL
Email Address aprentice@aciweb.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name Sara Bellum
Company Name ACI Appraisals
Company Address 12 Old Kings Road
Palm Coast, FL 32137
State License/Certification # CG56789 State FL
Email Address sbellum@aciweb.com

DIMENSION LIST ADDENDUM

Borrower: Duane Pipes | File No.: SAMPLE 1075
Property Address: 11 Wren Place | Case No.:
City: Palm Coast | State: FL | Zip: 32137
Lender: Megabucks Bank

GROSS BUILDING AREA (GBA) _____
GROSS LIVING AREA (GLA) _____

Area(s)	Area	% of GLA	% of GBA
Living			
Level 1			
Level 2			
Level 3			
Other			
GBA			
Basement ☐			
Garage ☐			
☐			

Area Measurements				Area Type					
Measurements		Factor	Total	Level 1	Level 2	Level 3	Other	Bsmt.	Garage
_____ x _____	x _____	= _____		☐	☐	☐	☐	☐	☐

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Duane Pipes		File No.: SAMPLE 1075
Property Address: 11 Wren Place		Case No.:
City: Palm Coast	State: FL	Zip: 32137
Lender: Megabucks Bank		



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: May 28, 2011
Appraised Value: $ 220,000

REAR VIEW OF
SUBJECT PROPERTY

STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Duane Pipes		File No.: SAMPLE 1075
Property Address: 11 Wren Place		Case No.:
City: Palm Coast	State: FL	Zip: 32137
Lender: Megabucks Bank		



COMPARABLE SALE #1

1 Redmill Drive, #5, Palm Coast, FL 32137

Sale Date: s04/11;Unk
Sale Price: $ 120,000



COMPARABLE SALE #2

8 Redmill Drive, #3, Palm Coast, FL 32137

Sale Date: s04/11;Unk
Sale Price: $ 118,000



COMPARABLE SALE #3

99 Red Barn Drive, #8, Palm Coast, FL 32137

Sale Date: s04/11;Unk
Sale Price: $ 122,000