

RESIDENTIAL APPRAISAL REPORT



157 FORRESTER STREET SW

Property Location:	157 FORRESTER STREET, SW SQUARE 6240 LOT 0803 WASHINGTON, DC 20032, DC 20032
Borrower:	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL
Client:	DC GOV'T - GOVERNMENT OF THE DISTRICT OF COLUMBIA PROPERTY ACQUISITION & DISPOSITION DIVISION WASHINGTON, DC 20018
Effective Date:	SEPTEMBER 09, 2014
Prepared By:	RONALD HUDSON MARKET APPRAISAL CORPORATION MAC REAL ESTATE APPRAISAL & CONSULTANTS



137-B TENNESSEE AVENUE, NE
WASHINGTON, DC 20002
202-547-1452

THANK-YOU FOR THE OPPORTUNITY TO DO BUSINESS

LAND APPRAISAL REPORT

Appraisal Report

File No. 165/MACRH

IDENTIFICATION	Borrower <u>D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL</u>	Census Tract <u>0098.07</u>	Map Reference <u>47894</u>	
	Property Address <u>157 FORRESTER STREET, SW</u>			
	City <u>WASHINGTON, DC 20032</u>	County <u>DISTRICT OF COLUMBIA</u>	State <u>DC</u>	Zip Code <u>20032</u>
	Legal Description <u>SQUARE 6240 LOT 0803</u>			
	Sale Price \$ <u>PRESALE</u>	Date of Sale <u>N/A</u>	Loan Term <u>N/A</u> yrs.	Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD
Actual Real Estate Taxes \$ <u>0</u> (yr)	Loan charges to be paid by seller \$ <u>UNK</u>	Other sales concessions <u>NONE NOTED</u>		
Lender/Client <u>DC GOV'T - GOVERNMENT OF THE DISTRICT OF COLUMBIA</u>	Address <u>PROPERTY ACQUISITION & DISPOSITION DIVISION</u>			
Occupant <u>LOT</u>	Appraiser <u>RONALD HUDSON</u>	Instructions to Appraiser <u>TO DETERMINE FAIR MARKET VALUE AS IS</u>		

NEIGHBORHOOD	Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural		Good	Avg.	Fair	Poor		
	Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	Growth Rate	<input checked="" type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input type="checkbox"/> Slow	Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining		Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply		Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Marketing Time	<input checked="" type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.		Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Present Land Use	<u>40% 1 Family</u>	<u>10% 2-4 Family</u>	<u>10% Apts.</u>	<u>5% Condo</u>	<u>5% Commercial</u>	Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Change in Present Land Use	<input type="checkbox"/> Not Likely	<input checked="" type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)		Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Predominant Occupancy	(*) From <u>VACANT</u> To <u>RESIDENCE</u>				Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Single Family Price Range	<u>\$ 20,000</u> to <u>\$ 250,000</u>	Predominant Value \$ <u>110,000</u>			Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): See attached addenda.

SITE	Dimensions <u>104 X 50</u> = <u>5,200</u> Sq. Ft. or Acres <input type="checkbox"/> Corner Lot		
	Zoning classification <u>(R2) ONE-FAMILY DETACHED DWELLING</u>	Present Improvements <input type="checkbox"/> do <input checked="" type="checkbox"/> do not conform to zoning regulations	
	Highest and best use <input type="checkbox"/> Present use <input checked="" type="checkbox"/> Other (specify) <u>DEVELOPMENT OF SINGLE FAMILY DWELLING PRICE RANGE OF \$200,000- \$350,000</u>		
	Elec. <input checked="" type="checkbox"/>	OFF SITE IMPROVEMENTS	Topo <u>LEVEL</u>
	Gas <input checked="" type="checkbox"/>	Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private	Size <u>TYPICAL OF NGHB</u>
	Water <input checked="" type="checkbox"/>	Surface <u>CONCRETE</u>	Shape <u>RECTANGLE</u>
	San. Sewer <input checked="" type="checkbox"/>	Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private	View <u>RESIDENTIAL HOMES</u>
	<input checked="" type="checkbox"/> Underground Elect. & Tel.	<input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Curb/Gutter	Drainage <u>APPEARS ADEQUATE</u>
		<input checked="" type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights	Is the property located in a HUD identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): THE SUBJECT SITE, ONCE HAD A 2,553 SQFT. DETACHED SINGLE FAMILY DWELLING WHICH HAS BEEN RAISED, THERE IS A CHAIN LINK FENCE ENCLOSURE. THE ONLY ADVERSE CONDITION NOTED AT TIME OF INSPECTION WAS LARGE NUMBERS OF VACANT AND BROAD-UP FOUR UNITS LOCATED ON SUBJECT'S EAST END OF THE BLOCK. NO ADVERSE EASEMENTS OR ENCROACHMENT.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

MARKET DATA ANALYSIS	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
	Address	<u>157 FORRESTER STREET, SW WASHINGTON, DC 20032</u>	<u>BRANDYWINE STREET, SW WASHINGTON, DC 20032</u>	<u>3216 Brothers PI SE Washington, DC 20032</u>	<u>TRENTON STREET, SE WASHINGTON, DC 20032</u>
Proximity to Subject		<u>0.31 miles NE</u>	<u>1.38 miles NE</u>	<u>1.24 miles NE</u>	
Sales Price	\$ <u>PRESALE</u>	\$ <u>53,000</u>	\$ <u>50,000</u>	\$ <u>110,000</u>	
Price	\$	\$ <u>9.42</u>	\$ <u>9.52</u>	\$ <u>11.40</u>	
Data Source	<u>INSPECTION</u>	<u>SITE INSPECTION</u>	<u>SITE INSPECTION</u>	<u>SITE INSPECTION</u>	
Date of Sale and Time Adjustment	<u>DESCRIPTION</u>	<u>DESCRIPTION</u>	<u>+(-)\$ Adjust.</u>	<u>DESCRIPTION</u>	<u>+(-)\$ Adjust.</u>
Location	<u>N/A</u>	<u>C:09/13 S:09/13</u>		<u>C:01/14 S:05/14</u>	<u>C:04/14 S:05/14</u>
Site/View	<u>CONGRESS HEIGHTS</u>	<u>CONGRESS HEIGHTS</u>		<u>CONGRESS HEIGHTS</u>	<u>CONGRESS HEIGHTS</u>
SIZE	<u>5,200 RESID/SINGLE</u>	<u>RESID/SINGLE FAMILY</u>		<u>RESID/SINGLE FAMILY</u>	<u>RESID/SINGLE FAMILY</u>
.TOPOGRAPHY	<u>5,200 SQFT 104 X 50</u>	<u>5,625 SQFT.</u>	<u>-700</u>	<u>5,250 SQFT. 117 X 39</u>	<u>9,648 SQFT 100 X 96</u>
ZONE	<u>LEVEL/INTERIOR</u>	<u>LEVEL/INTERIOR</u>		<u>LEVEL/INTERIOR</u>	<u>LEVEL/INTERIOR</u>
LANDSCAPING	<u>R-2</u>	<u>R-2</u>		<u>R-2</u>	<u>R-2</u>
Sales or Financing Concessions	<u>FLAT-CLEAR</u>	<u>FLAT-CLEAR</u>		<u>TRESS/SHRUBBERY +2,000</u>	<u>CLEARED</u>
Net Adj. (Total)	<u>NONE NOTED NO CONC RPT</u>	<u>CASH-DOM/95 SELLER: \$3,000</u>		<u>CASH-DOM/15 NO CONC RPTD</u>	<u>CASH-DOM/268 NO CONC RPTD</u>
Indicated Value of Subject		<u>Net 1.3 % \$ 52,300</u>		<u>Net 4.0 % \$ 52,000</u>	<u>Net 4.2 % \$ 105,400</u>

Comments on Market Data: ALL SALES IN SUBJECT MARKET, SIMILAR MARKET INFLUENCE- COMPARABLE #1, & #2 LARGER SIZE= MADE MARKET ADJUSTMENT FOR SIZE COMPARABLE #2. TRESS/SHRUBBERY VS FLAT -CLEAR MADE ADJUSTMENT. ALL COMPARABLES IN THIS REPORT REPRESENT THE BEST AVAILABLE LAND SALE IN THE SUBJECT MARKET AREA, WITH SIMILAR IN SIZE, & LOCATION SAME ZONING REQUIREMENTS.

Comments and Conditions of Appraisal: ALL ADJUSTMENTS WERE BASED ON THIS APPRAISER'S ANALYSIS OF THE MARKET PLACE. ALL COMPARABLES UNITIZED IN THIS REPORT ARE TRUE VACANT LOTS. BASED UPON THE ABOVE ANALYSIS, ADJ S PRICE PER SQFT RANGE (LAND) \$9.30 TO \$10.92. GIVEN THE SALES AS QUANTIFIED, THE MOST WEIGHT IS AFFORDED SALES (S)#2 DUE TO ZONING, DATED OF SALES & SIZE. ACCORDINGLY, THE ADJUSTED SALES PRICE PER SQUARE FOOT OF \$9.90, IN AGGREGATE, IS CONCLUDED IN DERIVING AN ESTIMATE OF VALUE VIA MARKET SALES COMPARISON APPROACH.

Final Reconciliation: ZONING & LOCATION FURTHER, \$9.90/SF X 5,200 SF = \$51,480= \$51,500 (ROUNDED) SUBJECT VALUE, IT ZONING REQUIREMENT WILL PERMIT ANY USE THAT WILL SUPPORT MARKETABILITY. THE HIGHEST AND BEST USE FOR THE SITE FOR CONSTRUCTION OF SINGLE-FAMILY DETACHED OR SEMI-DETACHED DWELLING. PRICE RANGE \$200,000 TO \$350,000.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF SEPTEMBER 09, 20 14 to be \$ 51,500

THE SUBJECT SITE IS GIVEN VALUE CONSIDERATION BASED ON MARKET SALE OF SIMILAR LOTS IN SUBJECT MARKET AREA.

Ronald Hudson
 RONALD HUDSON Did Did Not Physically Inspect Property
 Appraiser(s) Review Appraiser (if applicable)

Subject Photo Page

Borrower/Client	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL				
Property Address	157 FORRESTER STREET, SW				
City	WASHINGTON, DC 20032	County	DISTRICT OF COLUMBIA	State	DC
Lender	DC GOV'T - GOVERNMENT OF THE DISTRICT OF COLUMBIA				
				Zip Code	20032



VIEW OF SITE

157 FORRESTER STREET, SW
Sales Price PRESALE

Location CONGRESS HEIGHTS
View 5,200 RESID/SINGLE
Site



VIEW OF SITE



VIEW OF STREET

Comparable Photo Page

Borrower/Client	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL			
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Comparable 1

BRANDYWINE STREET, SW
 Prox. to Subject 0.31 miles NE
 Sale Price 53,000

Location CONGRESS HEIGHTS
 View RESID/SINGLE FAMILY
 Site 5,625
 Quality
 Age



Comparable 2

3216 Brothers PI SE
 Prox. to Subject 1.38 miles NE
 Sale Price 50,000

Location CONGRESS HEIGHTS
 View RESID/SINGLE FAMILY
 Site 5,250



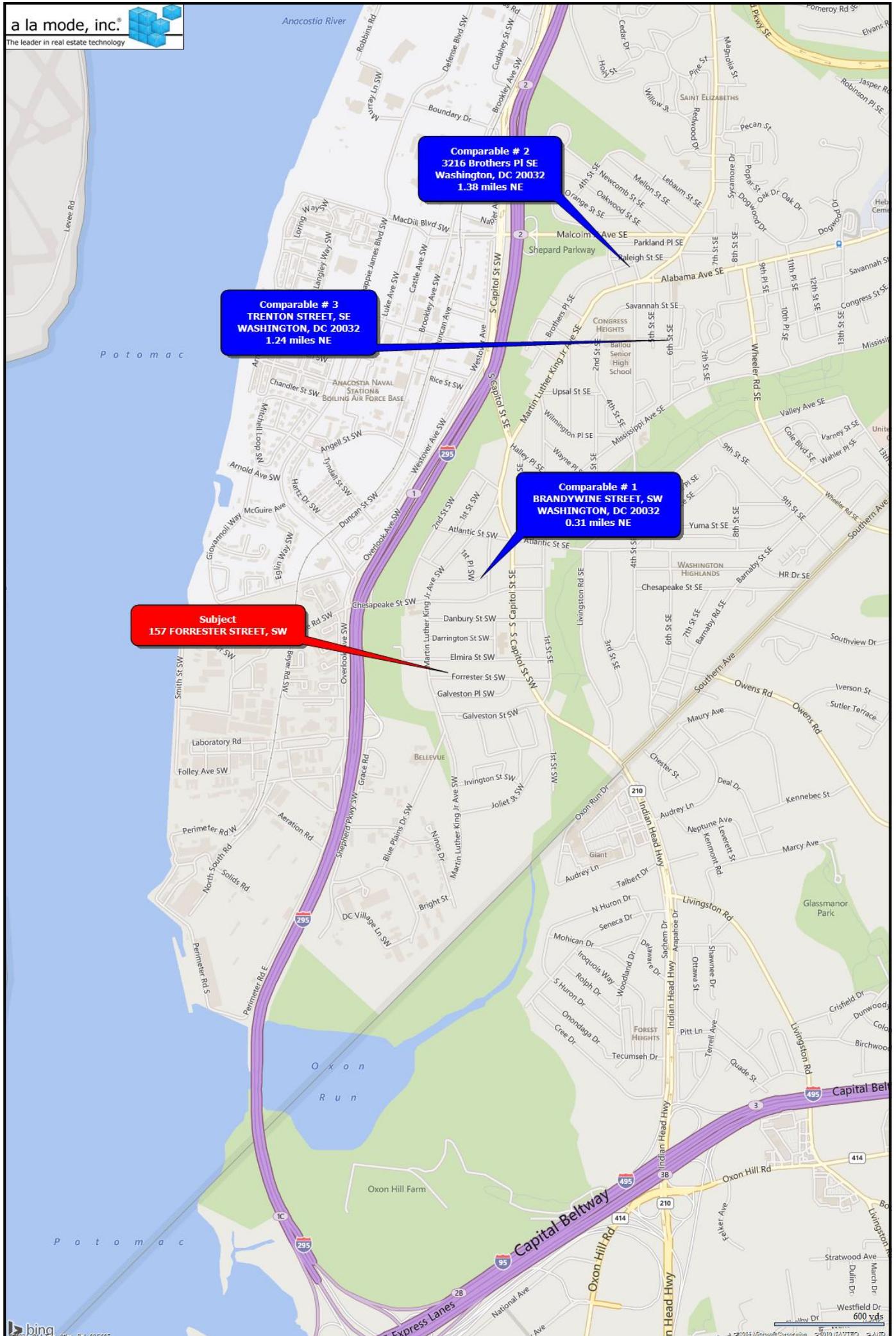
Comparable 3

TRENTON STREET, SE
 Prox. to Subject 1.24 miles NE
 Sale Price 110,000

Location CONGRESS HEIGHTS
 View RESID/SINGLE FAMILY
 Site 9,648

Location Map

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Zoning Map

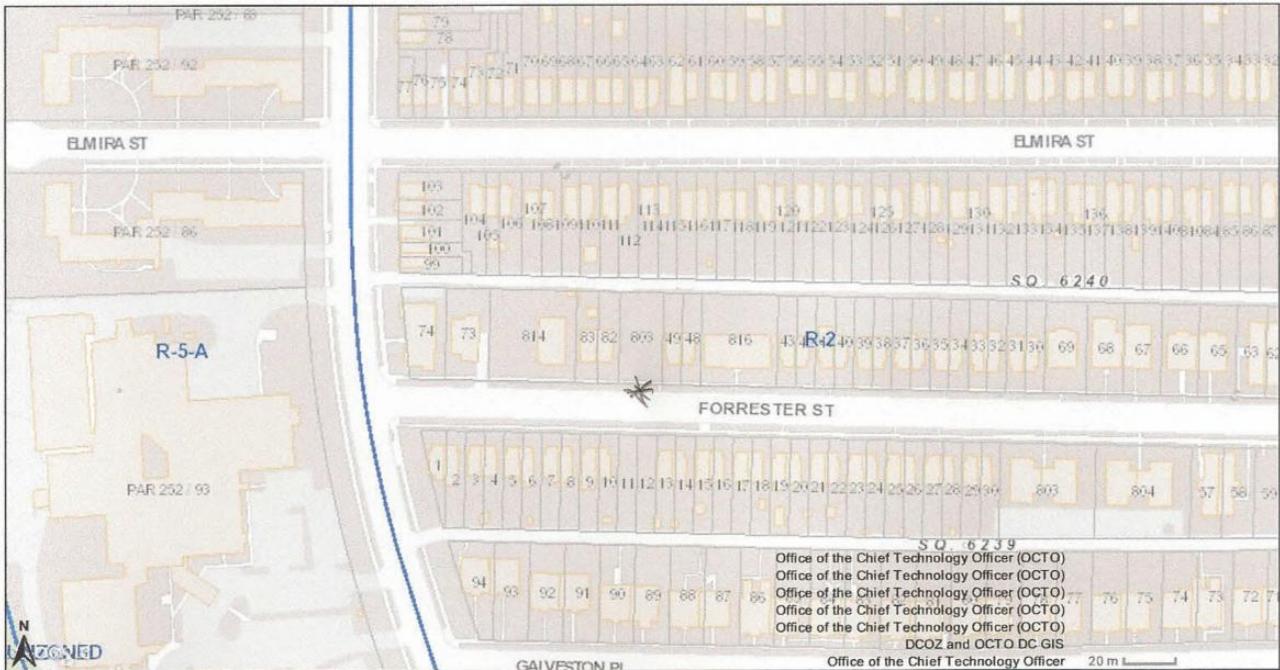
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9/29/2014

District of Columbia Office of Zoning EXTRACTED ZONING MAP



District of Columbia Office of Zoning
EXTRACT OF THE DISTRICT OF COLUMBIA ZONING MAP
 September 29, 2014



Zoning Layers	Zone Districts	Overlays Districts	TDRs
	Pending Zones	Pending PUDs	Pending PUDs
	Historic Districts	Pending Overlay Districts	Active PUDs
	Campus Plans		

To certify zoning on any property in order to satisfy a legal requirement, contact the Office of Zoning at (202) 727-6311.

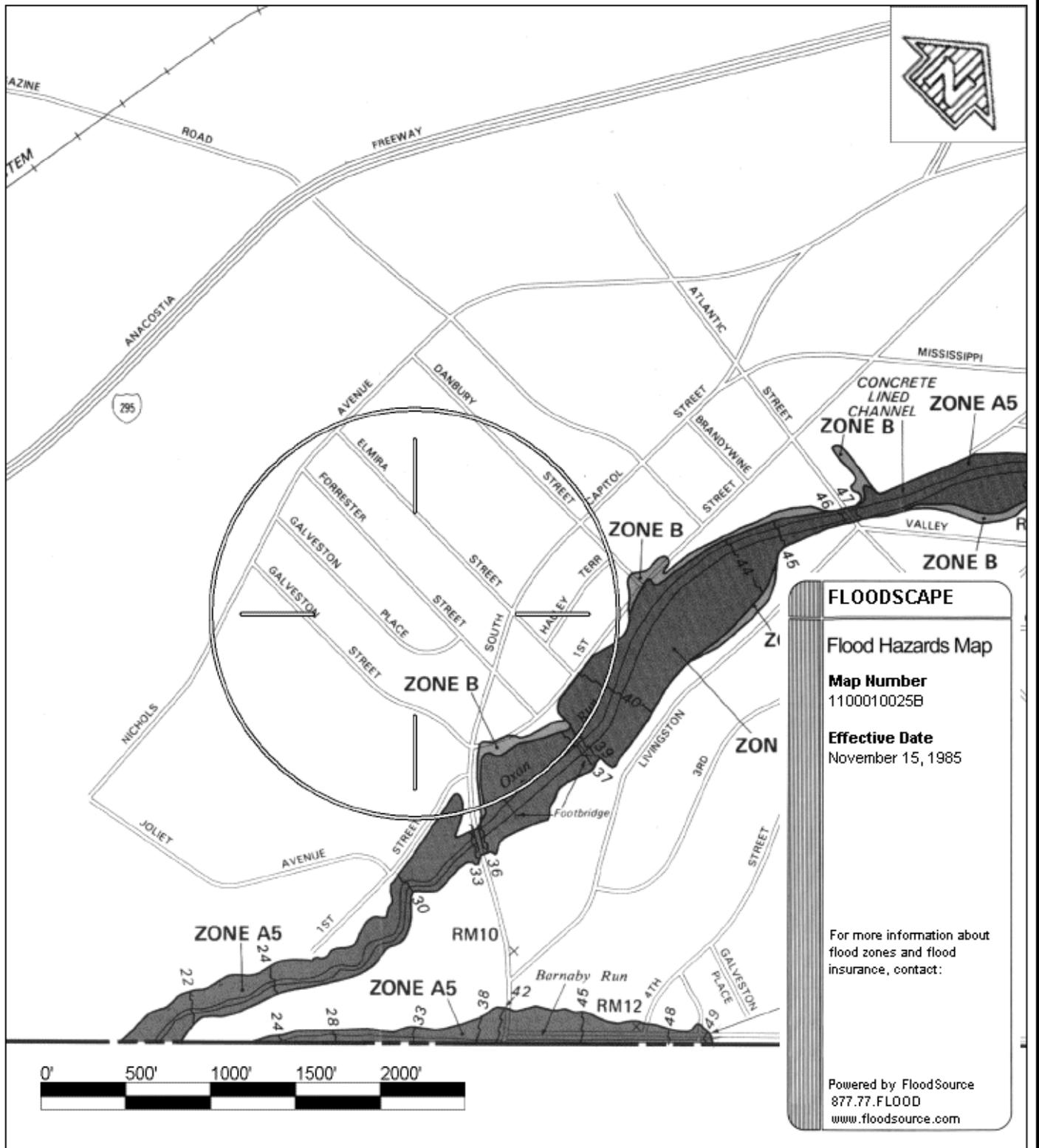
- All Rights Zone
- Baist Index
- CEA

Flood Map

Borrower/Client	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL						
Property Address	157 FORRESTER STREET, SW						
City	WASHINGTON, DC 20032	County	DISTRICT OF COLUMBIA	State	DC	Zip Code	20032
Lender	DC GOV'T - GOVERNMENT OF THE DISTRICT OF COLUMBIA						



Prepared for:
 Market Appraisal Corp.
 64 FORRESTER STREET, SW
 WASHINGTON, DC 20032



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Supplemental Addendum

File No. 165/MACRH

Borrower/Client	D.C. GOV'T HOME AGAIN PROGRAM APPRAISAL						
Property Address	157 FORRESTER STREET, SW						
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SUBJECT NEIGHBORHOOD IS LOCATED IN CONGRESS HEIGHTS A AREA WITH LARGE INFLUX OF MULTI-FAMILY UNIT, SEMI-DET TOWNHOUSE AND ROW DWELLINGS, SOME DWELLINGS ARE BROAD-UP WITH THE TREND ON REMOVE BOARDS AND RENOVATING. THERE IS A DEMAND FOR OLDER RENOVATED PROPERTIES. ROUTE 295 IS A MAJOR TRANSPORTATION ARTERY WHICH IS LEADS TO DOWNTOWN, WASHINGTON, DC . MANY RESIDENTS COMMUTE TO THE WASHINGTON METROPOLITAN DOWNTOWN AREA ON A DAILY BASIS. IN CLOSE PROXIMITY TO HADLEY HOSPITAL, BOILING AIR FORCE BASE AND US NAVAL STATION. SCHOOL ARE ADEQUATE AND BUSING IS NOT REQUIRED, SHOPPING IS LOCAL , WITH MO/ PO RETAIL STORES LOCATED WITHIN WALKING DISTANCE. AS THE NEAREST TOWN CENTER FOR SEROUS SHOPPER WOULD BE "PENN. AVE. TRANSPORTATION IS GOOD WITH A ADEQUATE BUSING SYSTEM AVAILABLE AT SCHEDULED TIME. WITH EAST OVER SHOPPING CENTER IN CLOSE PROXIMITY. SUBJECT SITE IS ZONED-2, ZONING REGULATION FOR R-2 SINGLE FAMILY RESIDENTIAL USES FOR DETACHED OR SEMI-DETACHED..

• URAR :

THIS ADDENDUM IS DESIGNED AS AN ADJUNCT TO THE FNMA FORM 1004 FOR THE REPORTING OF COMMENTS MOST TYPICALLY REQUIRED BY LENDERS TO CLARIFY ASPECTS OF THE APPRAISAL PROCESS. AN "X" IN THE BOX NEXT TO A PARTICULAR PHRASE INDICATES THAT THIS APPLIES TO THE INDIVIDUAL APPRAISAL BEING PERFORMED. PHRASES NOT CHECKED DO NOT APPLY TO THIS INDIVIDUAL APPRAISAL.

(X) NO CONSIDERATION GIVEN FOR ANY POINTS, CLOSING COSTS, OR CONCESSIONS GIVEN PURCHASER BY SELLER. POINTS AND/OR CLOSING COSTS PAID BY SELLER ARE COMMON FOR ALL TYPES OF FINANCING IN THIS AREA. NO ADJUSTMENTS FOR FINANCING BECAUSE NO DIMINUTION OF VALUE DISCOVERED IN MARKETPLACE.

(X) EVERY EFFORT HAS BEEN MADE TO USE COMPARABLES THAT HAVE SOLD WITHIN SIX MONTHS OF THE DATE OF THE APPRAISAL. OUR DATA BANK INCLUDES 1 MLS COMPUTER TERMINAL, LUSK REPORTS, APPRAISAL FILES, ETC. AN EXAMPLE OF THIS IS SALE #1,2 & 3.*

(X) MANY COMPARABLES WERE CONSIDERED AND RELIED UPON BY THE APPRAISER IN THE CONCLUSIONS DRAWN THEREFROM, THE THREE EXHIBITED WERE CONSIDERED THE MOST INDICATIVE AND RELIABLE AVAILABLE SALES. WE DO NOT RECITE SALES OVER 1 YEAR OLD EXCEPT IN EXTREME CASES AND AFTER DISCLOSURE OF COMPELLING REASON. HOWEVER, LIMITING SALES TO WITHIN 6 MOS. OF APPRAISAL DATE CREATES ARTIFICIAL RESTRAINTS NOT FOUND IN THE OPEN MARKETPLACE. THIS APPRAISER WILL NOT PASS OVER THE BEST POSSIBLE COMPARABLE SALE IN ORDER TO USE ONE THAT IS LESS COMPARABLE, THOUGH OF A MORE CURRENT DATE.

(X) "DATE OF SALE" USED IN THE MARKET DATE SECTION IS THE SETTLEMENT/CLOSING DATE UNLESS OTHERWISE NOTED.

(X) SITE IMPROVEMENTS: WITH THE EXCEPTION OF THE STREET, IT IS THE APPRAISER'S EXPERIENCE THAT NEITHER THE PRESENCE NOR LACK OF SITE IMPROVEMENTS HAS ANY EFFECT ON VALUE OR MARKETABILITY.

(X) NO ITEM THAT HAS ANY NEGATIVE EFFECT ON VALUE WAS NOT DISCLOSED ON THE FORM

(X) AS A RESULT OF THE CURRENT FHLBB MEMORANDUM R-41, YOUR APPRAISER HAS NOTED IN THE APPRAISAL REPORT CERTAIN CHATTELS WHICH ARE CONSIDERED NON-REALTY ITEMS. THE CONVEYANCE AND INCLUSION OF THESE ITEMS IS TYPICAL OF TRANSACTIONS IN THIS MARKETPLACE.

(X) THE APPRAISER HAS REVIEWED THE FFLBB MEMORANDUM R-41C, ANND IS THE OPINION THAT THE APPRAISAL OF THE SUBJECT PROPERTY CONFORMS TO THE BANK BOARD MEMORANDUM.

(X) THE INCOME APPROACH WAS DEEMED INAPPROPRIATE AND THEREFORE, WAS NOT CONSIDERED FOR THIS TYPE OF PROPERTY.

CONSIDERED APPROPRIATE AND THE SALES CHOSEN ARE THE BEST AVAILABLE.

A THOROUGH SEARCH FOR COMPARABLE SALES WAS MADE IN AN ATTEMPT TO FIND SALES WHICH BRACKET THE FINAL VALUE ESTIMATED FOR THE SUBJECT PROPERTY SQUARE FOOT PRICE. AFTER CONSIDERATION OF LOCATIONS, DATES OF SALE AND PHYSICAL DIFFERENCES IN THE APPRAISER'S JUDGEMENT, THE COMPARABLES USED ARE THE BEST INDICATOR OF THE SUBJECT'S VALUE.

: FLOOD MAP SAME LOCATION AS 157 FORRESTER STREET, SW

• URAR :

PURPOSE & SYNOPSIS

Since not every subject property can be compared to "ideal" comparable sales, the appraiser has chosen the best sales available from the market search which meet investor underwriting standards and guidelines. Every effort to has been made to conform to FNMA and FHLMC underwriting guidelines and in most bases, to an even stricter interpretation found common to most investors in the secondary market.

The comments in this addendum are intended to expand on what the appraiser feels are areas of most concern to mortgage investor and/or the owner(s) of the appraised property in underwriting an appraisal report. The expanded comments allow the appraiser to provide additional comments where sufficient space is not available on the appraisal form. The market has been thoroughly searched and the sales reported herein are in the appraiser's opinion, the bestsales available that properly weigh the four (4) major elements of comparison. The four (4) major elements of comparison are (1) Location, (2) condition of Sale; (3) Time of Sale; and (4) Physical Characteristics of the subject and the Comparables.

Supplemental Addendum

File No. 165/MACRH

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SCOPE OF THE APPRAISAL

In order to estimate the subject property's market value, as of the date of the appraisal, a systematic procedure has been followed to reach a logical final value conclusion. Every effort has been made to conform to the code of ethics of the Appraisal Institute. The National Association of Real Estate Appraisers, FHLMC underwriting guidelines and additional requirements of investors in the secondary market. Of the three (3) approaches to value, the sales comparison approach and the cost approach are relied upon most to estimate the subject's market value.

Upon receiving the appraisal order, county assessor's records are researched to obtain basic property information such as the last sale date and price, lot size, zoning assessments, utilities present, real estate taxes, census tracts and other pertinent data as required in the appraisal report. Then the local multiple listing service is consulted to research the subject property. If available, recent sales, contract sales and current available listings in the subject's subdivision and immediate market area that are most similar to the subject property are obtained. An appointment is then set up to inspect the exterior or interior of subject property. The appraiser then visually inspects the exterior of the comparables selected that are most similar to the subject property.

The comparables selected for use in the report are, in the opinion of the appraiser, the best available after investigation of the sales activity in the subject's market area. Adjustments in the sales comparison approach are estimated based on market extraction and/or reaction of a particular item, its effects on value and are not based on cost figures. Negative (-) adjustments in the sales comparison approach reflect items that are superior to those found in the subject property. Positive (+) adjustments reflect items inferior to those found in the subject property. Comparable sales data are adjusted to the subject property, with the subject property as standard in terms of which of the comparable sale properties are evaluated and adjusted. The adjusted sales prices are reconciled to a final indication of the market via the direct sales comparison approach.

Upon completion of the sales comparison analysis, the appraiser develops the Cost Approach, using the Marshall & Swift Cost Handbook, local builder cost and estimate guides, and other pertinent residential cost information to arrive at the reproduction cost new of the subject property. Depreciation is estimated by the appraiser which takes into consideration the effective age of the subject property and its remaining economic life and any functional or external obsolescence extracted via matched pair analyses. Any depreciation is subtracted from the estimated reproduction cost new of the subject property. To this depreciated cost, the value of the site, as if vacant and available to be put to its highest and best use, is added to obtain a value via the Cost Approach.

If enough information is available, the Income Approach is developed using gross rent multiplier analysis (GRM). GRM analysis requires a substantial quantity of reliable, verified data on market sales or comparable properties that were rented at the time of the sale to estimate the market rent. Typically, in this market there is insufficient available information on single family properties to estimate the value by the Income Approach.

After analysis of the three (3) approaches to value, the direct sales comparison approach, reproduction cost new (Cost Approach) and the Income Approach, the appraiser logically reconciles all the approaches to value to arrive at a final estimate of property value (market value) as of the valuation date. It should be the best, most probable figure obtainable under current market circumstances. The final value estimate is rounded appropriately to emphasize the fact that it is an estimate.