

RESIDENTIAL APPRAISAL REPORT



SUBJECT SITE LOT 223

|                    |                                                                                                          |
|--------------------|----------------------------------------------------------------------------------------------------------|
| Property Location: | KRAMER STREET, NE<br>SQUARE 4540 LOT 0223<br>WASHINGTON, DC 20002                                        |
| Borrower:          | N/A                                                                                                      |
| Client:            | DC GOVT - HOME INITIATIVE PROGRAM<br>PROPERTY ACQUISITION & DISPOSITION DIVISION<br>WASHINGTON, DC 20002 |
| Effective Date:    | NOVEMBER 10, 2014                                                                                        |
| Prepared By:       | RONALD HUDSON<br>MARKET APPRAISAL CORPORATION MAC<br>REAL ESTATE APPRAISAL & CONSULTANTS                 |



MARKET APPRAISAL CORPORATION  
137 TENNESSEE AVENUE, NE  
WASHINGTON, DC 20002

THANK-YOU FOR YOUR BUSINESS

SUMMARY OF SALIENT FEATURES

|                             |                         |                                   |
|-----------------------------|-------------------------|-----------------------------------|
| SUBJECT INFORMATION         | Subject Address         | KRAMER STREET, NE                 |
|                             | Legal Description       | SQUARE 4540 LOT 0223              |
|                             | City                    | WASHINGTON                        |
|                             | County                  | N/A                               |
|                             | State                   | DC                                |
|                             | Zip Code                | 20002                             |
|                             | Census Tract            | 0079.01                           |
|                             | Map Reference           | 47894                             |
| SALES PRICE                 | Sale Price              | \$ PRESALE                        |
|                             | Date of Sale            | N/A                               |
| CLIENT                      | Borrower/Client         | N/A                               |
|                             | Lender                  | DC GOVT - HOME INITIATIVE PROGRAM |
| DESCRIPTION OF IMPROVEMENTS | Size (Square Feet)      | 600 (TRUE VACANT LOT)             |
|                             | Price per Square Foot   | \$ 115.00                         |
|                             | Location                | OLD CITY #1                       |
|                             | Age                     |                                   |
|                             | Condition               |                                   |
|                             | Total Rooms             |                                   |
|                             | Bedrooms                |                                   |
|                             | Baths                   |                                   |
| APPRAISER                   | Appraiser               | RONALD HUDSON                     |
|                             | Date of Appraised Value | NOVEMBER 10, 2014                 |
| VALUE                       | Final Estimate of Value | \$ 69,000                         |

Appraisal Report

LAND APPRAISAL REPORT

File No. 131-14

|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------|--|-----------------------------|--|
| SUBJECT                                                                                                                                                                                                                                                                                                                                                                      | Borrower <u>N/A</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Census Tract <u>0079.01</u>                                                                                                                           |  | Map Reference <u>47894</u>                                                                              |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Property Address <u>KRAMER STREET, NE</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | City <u>WASHINGTON</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | County <u>N/A</u>                                                                                                                                     |  | State <u>DC</u> Zip Code <u>20002</u>                                                                   |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Legal Description <u>SQUARE 4540 LOT 0223</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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
| NEIGHBORHOOD                                                                                                                                                                                                                                                                                                                                                                 | Actual Real Estate Taxes \$ <u>5,148.38</u> (yr) Loan charges to be paid by seller \$ <u>UNK</u> Other sales concessions <u>NONE NOTED</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Lender/Client <u>DC GOVT - HOME INITIATIVE PROGRAM</u> Address _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Occupant <u>VACANT</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Appraiser <u>RONALD HUDSON</u>                                                                                                                        |  | Instructions to Appraiser <u>TO DETERMINE FAIR MARKET VALUE AS IS</u>                                   |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | 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%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Employment Stability <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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Convenience to Employment <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>              |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Convenience to Shopping <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 Schools <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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Adequacy of Public Transportation <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>      |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Present <u>55</u> % One-Unit <u>15</u> % 2-4 Unit _____ % Apts. <u>20</u> % Condo <u>5</u> % Commercial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Recreational Facilities <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>                |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Land Use <u>5</u> % Industrial <u>3</u> % Vacant _____ %                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Adequacy of Utilities <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>                  |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Change in Present <input type="checkbox"/> Not Likely <input checked="" type="checkbox"/> Likely (*) <input type="checkbox"/> Taking Place (*)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Property Compatibility <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>                 |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Land Use (*) From <u>VACANT</u> To <u>RESIDENCE</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Protection from Detrimental Conditions <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <u>3</u> % Vacant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Police and Fire Protection <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>             |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | One-Unit Price Range \$ <u>100,000</u> to \$ <u>1,200,000</u> Predominant Value \$ <u>500,000</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | General Appearance of Properties <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
| One-Unit Age Range <u>15</u> yrs. to <u>100</u> yrs. Predominant Age <u>75</u> yrs.                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Appeal to Market <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) <u>See attached addenda.</u>                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
| SITE                                                                                                                                                                                                                                                                                                                                                                         | Dimensions <u>50 X 12</u> = <u>600</u> <input type="checkbox"/> Corner Lot                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Present Improvements <input type="checkbox"/> Do <input checked="" type="checkbox"/> Do Not Conform to Zoning Regulations                             |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Zoning Classification <u>R4-RES ROW WIDTH 18 AREA 1,800 60% LOT OCCUR</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Highest and Best Use <input checked="" type="checkbox"/> Present Use <input type="checkbox"/> Other (specify) <u>use as lot to adjacent lot.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Public Other (Describe) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Elec. <input checked="" type="checkbox"/> _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | OFF SITE IMPROVEMENTS                                                                                                                                 |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Gas <input checked="" type="checkbox"/> _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private                                                             |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Water <input checked="" type="checkbox"/> _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Surface <u>Concrete</u>                                                                                                                               |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | San. Sewer <input checked="" type="checkbox"/> _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private                                                               |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | <input checked="" type="checkbox"/> Underground Elect. & Tel.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Curb/Gutter                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | <input checked="" type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Topo <u>LEVEL</u>                                                                                                                                     |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Size <u>TYPICAL OF NGHB</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Shape <u>RECTANGLE</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | View <u>RESIDENTIAL HOMES</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Drainage <u>APPEARS ADEQUATE</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Is the property located in a FEMA Special Flood Hazard Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
| Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>THE SUBJECT SITE IS A SMALL VACANT LOT GRASS COVERED. THIS IS ADVERSE CONDITION WHICH WILL HAVE AN AFFECT ON THE MARKETABLTLY OF THE LOT. THE ADVERSE CONDITION NOTE IS THE SITE SIZE, THAT LIMIT ANY REQUIRED USE IN ACCORDANT WITH ZONING.</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
| MARKET DATA ANALYSIS                                                                                                                                                                                                                                                                                                                                                         | The undersigned has recited the following 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. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | SUBJECT PROPERTY                                                                                                                                      |  | COMPARABLE NO. 1                                                                                        |  | COMPARABLE NO. 2                                                                   |  | COMPARABLE NO. 3                                                                    |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Address <u>KRAMER STREET, NE</u><br><u>WASHINGTON, DC 20002</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>GALLAUDET STREET NE</u><br><u>WASHINGTON, DC 20002</u>                                                                                             |  | <u>KENDALL STREET NE</u><br><u>WASHINGTON, DC 20002</u>                                                 |  | <u>737 6th St NE</u><br><u>Washington, DC 20002</u>                                |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Proximity to Subject                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>1.09 miles N</u>                                                                                                                                   |  | <u>1.07 miles N</u>                                                                                     |  | <u>0.88 miles W</u>                                                                |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Sales Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | \$ <u>PRESALE</u>                                                                                                                                     |  | \$ <u>175,000</u>                                                                                       |  | \$ <u>175,000</u>                                                                  |  | \$ <u>220,000</u>                                                                   |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Price SQFT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | \$ _____                                                                                                                                              |  | \$ <u>85.45</u>                                                                                         |  | \$ <u>34.21</u>                                                                    |  | \$ <u>209.92</u>                                                                    |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Data Source(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>INSPECTION</u>                                                                                                                                     |  | <u>INSPECTION/ASSESSMENT/MLS</u>                                                                        |  | <u>INSPECTION/ASSESSMENT/MLS</u>                                                   |  | <u>INSPECTION/ASSESSMENT/MLS</u>                                                    |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | ITEM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | DESCRIPTION                                                                                                                                           |  | DESCRIPTION                                                                                             |  | + (-) \$ Adjust.                                                                   |  | DESCRIPTION                                                                         |  | + (-) \$ Adjust.            |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Date of Sale/Time Adj.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>N/A</u>                                                                                                                                            |  | <u>JUNE 30, 2014</u>                                                                                    |  |                                                                                    |  | <u>DEC. 26, 2013</u>                                                                |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Location                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>OLD CITY #1</u>                                                                                                                                    |  | <u>BRENTWOOD INFERIOR</u>                                                                               |  | <u>+10,000</u>                                                                     |  | <u>BRENTWOOD INFERIOR</u>                                                           |  | <u>+10,000</u>              |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Site/View                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>RESIDENTIAL HOMES</u>                                                                                                                              |  | <u>RESIDENTIAL HOMES</u>                                                                                |  |                                                                                    |  | <u>RESIDENTIAL HOMES</u>                                                            |  | <u>OLD CITY #1 SUPERIOR</u> |  |
|                                                                                                                                                                                                                                                                                                                                                                              | SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>600 SF 50 X 12</u>                                                                                                                                 |  | <u>2,408 SQFT</u>                                                                                       |  | <u>-60,000</u>                                                                     |  | <u>5,115 SQFT</u>                                                                   |  | <u>-85,000</u>              |  |
|                                                                                                                                                                                                                                                                                                                                                                              | TOPOGRAPHY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>LEVEL</u>                                                                                                                                          |  | <u>LEVEL/CORNER</u>                                                                                     |  | <u>-15,000</u>                                                                     |  | <u>LEVEL</u>                                                                        |  | <u>LEVEL/END</u>            |  |
|                                                                                                                                                                                                                                                                                                                                                                              | ZONE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>R4,</u>                                                                                                                                            |  | <u>R4</u>                                                                                               |  |                                                                                    |  | <u>R4</u>                                                                           |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | LANDSCAPING                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>FLAT-GRASS</u>                                                                                                                                     |  | <u>FLAT-GRASS</u>                                                                                       |  |                                                                                    |  | <u>FLAT-GRASS</u>                                                                   |  | <u>FLAT-GRASS</u>           |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Sales or Financing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>UNK</u>                                                                                                                                            |  | <u>CONVENTIONAL</u>                                                                                     |  |                                                                                    |  | <u>CONVENTIONAL</u>                                                                 |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Concessions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>NONE NOTED</u>                                                                                                                                     |  | <u>NO CONC RPTD</u>                                                                                     |  |                                                                                    |  | <u>NO CONC RPTD</u>                                                                 |  | <u>NO CONC RPTD</u>         |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Net Adj. (Total)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-65,000</u>                      |  | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-75,000</u> |  | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-100,000</u> |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Indicated Value of Subject                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  | <u>Net 37.1 %</u><br><u>Gross 48.6 %</u> \$ <u>110,000</u>                                              |  | <u>Net 42.9 %</u><br><u>Gross 54.3 %</u> \$ <u>100,000</u>                         |  | <u>Net 45.5 %</u><br><u>Gross 68.2 %</u> \$ <u>120,000</u>                          |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | Comments on Market Data <u>COMPS#1 &amp; #2 ADJ. FOR LESS DESIRABLE LOCATION VIS SUBJ; COMPS #3 &amp; #5 THE MARKET INDICATED AN ADJ. FOR TIME; COMPS #3 &amp; #5 HAS A MORE DESIRABLE LOCATION VIS SUBJ. MADE MARKET ADJ. ALL COMPS WERE ADJ. FOR SIZE VIS SUBJ.; COMP. #1 CORNER FRONT ON TWO STR., VIS ROW LOT COMP #3 &amp; #5 END MADE ADJ. COMP#4 HAS A WASA 22FT WATER LINE EASEMENT MADE ADJ. ALL COMPARABLE ARE ZONE R4 LIKE SUBJECT.</u>                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              | RECONCILIATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Comments and Conditions of Appraisal <u>SUBJECT PROPERTY IS VACANT LOT WITH OPEN SPACES, NOT SUITABLE TO BUILD ON , COMPARBLES USED IN THIS REPORT REPRESENT THE BEST AVAILABLE LAND SALE IN THE SUBJECT MARKET AREA. ALL ADJUSTMENTS WERE BASED ON THIS APPRAISER'S ANALYSIS OF THE MARKET PLACE. ALL COMPARBLES UNITIZED IN THIS REPORT ARE TRUE VACANT LOTS. SUBJECT HAS VALUE, IT ZONING REQUIREMENT PROHIBITED ANY USE THAT WOULD SUPPORT ANY MARKETABILITY. THE HIGHEST AND BEST USE FOR THE SITE FOR CONSTRUCTION OF S/F TH SALE \$250,0000 - \$350,000.</u> |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Final Reconciliation <u>THE FINAL ESTIMATE VALUE WAS BASED ON ADJ. COMP#3 CLOSEST IN SIZE VALUE OF \$120,000 LOTS SIZE 1,046 SF. VALUE OF \$114.72 PER SF. \$115.00 ROUNDED. WHEN APPLIED TO THE SUBJECT SQUARE FOOTAGE OF 600 SF X \$115.00 = \$69,000. THE SALES COMPARISON IS CONSIDERED TO BE THE MOST RELIABLE INDICATOR OF VALUE FOR LAND.</u>                                                                                                                                                                                                                |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | I (WE) ESTIMATE THE MARKET VALUE AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>NOV 10, 2014</u> TO BE \$ <u>69,000</u>                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                       |  |                                                                                                         |  |                                                                                    |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Appraiser <u>RONALD HUDSON</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                       |  |                                                                                                         |  | Supervisory Appraiser (if applicable) _____                                        |  |                                                                                     |  |                             |  |
|                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Date of Signature and Report <u>November 14, 2014</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                       |  |                                                                                                         |  | Date of Signature _____                                                            |  |                                                                                     |  |                             |  |
| Title <u>APPRAISER</u>                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  | Title _____                                                                                             |  |                                                                                    |  |                                                                                     |  |                             |  |
| State Certification # _____ ST _____                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  | State Certification # _____ ST _____                                                                    |  |                                                                                    |  |                                                                                     |  |                             |  |
| Or State License # <u>145</u> ST <u>DC</u>                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  | Or State License # _____ ST _____                                                                       |  |                                                                                    |  |                                                                                     |  |                             |  |
| Expiration Date of State Certification or License <u>02/28/2016</u>                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  | Expiration Date of State Certification or License _____                                                 |  |                                                                                    |  |                                                                                     |  |                             |  |
| Date of Inspection (if applicable) <u>NOVEMBER 10, 2014</u>                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                       |  | <input type="checkbox"/> Did <input type="checkbox"/> Did Not Inspect Property Date of Inspection _____ |  |                                                                                    |  |                                                                                     |  |                             |  |

Subject Photo Page

|                  |                                   |        |     |       |    |                |
|------------------|-----------------------------------|--------|-----|-------|----|----------------|
| Borrower/Client  | N/A                               |        |     |       |    |                |
| Property Address | KRAMER STREET, NE                 |        |     |       |    |                |
| City             | WASHINGTON                        | County | N/A | State | DC | Zip Code 20002 |
| Lender           | DC GOVT - HOME INITIATIVE PROGRAM |        |     |       |    |                |



VIEW OF SITE FRONT

KRAMER STREET, NE  
Sales Price       PRESALE  
Gross Living Area   1,031  
Total Rooms  
Total Bedrooms  
Total Bathrooms  
Location            OLD CITY #1  
View                 RESIDENTIAL HOMES  
Site  
Quality  
Age



VIEW OF SITE REAR



SITE STREET VIEW EAST

Subject Land Photo Page

|                  |                                   |        |     |       |    |                |
|------------------|-----------------------------------|--------|-----|-------|----|----------------|
| Borrower/Client  | N/A                               |        |     |       |    |                |
| Property Address | KRAMER STREET, NE                 |        |     |       |    |                |
| City             | WASHINGTON                        | County | N/A | State | DC | Zip Code 20002 |
| Lender           | DC GOVT - HOME INITIATIVE PROGRAM |        |     |       |    |                |



STREET VIEW WEST

|                   |                   |
|-------------------|-------------------|
| KRAMER STREET, NE |                   |
| Sales Price       | PRESALE           |
| Date of Sale      | N/A               |
| Location          | OLD CITY #1       |
| Site/View         | RESIDENTIAL HOMES |
| SIZE              | 600 SF 50 X 12    |
| TOPOGRAPHY        | LEVEL             |
| ZONE              | R4,               |
| LANDSCAPING       | FLAT-GRASS        |



VIEW OF ALLEY



Comparable Photo Page

|                  |                                   |        |     |          |       |
|------------------|-----------------------------------|--------|-----|----------|-------|
| Borrower/Client  | N/A                               |        |     |          |       |
| Property Address | KRAMER STREET, NE                 |        |     |          |       |
| City             | WASHINGTON                        | County | N/A | State    | DC    |
|                  |                                   |        |     | Zip Code | 20002 |
| Lender           | DC GOVT - HOME INITIATIVE PROGRAM |        |     |          |       |



Comparable 1

|                     |                    |
|---------------------|--------------------|
| GALLAUDET STREET NE |                    |
| Prox. to Subject    | 1.09 miles N       |
| Sales Price         | 175,000            |
| Gross Living Area   |                    |
| Total Rooms         |                    |
| Total Bedrooms      |                    |
| Total Bathrooms     |                    |
| Location            | BRENTWOOD INFERIOR |
| View                | RESIDENTIAL HOMES  |
| Site                |                    |
| Quality             |                    |
| Age                 |                    |



Comparable 2

|                   |                    |
|-------------------|--------------------|
| KENDALL STREET NE |                    |
| Prox. to Subject  | 1.07 miles N       |
| Sales Price       | 175,000            |
| Gross Living Area |                    |
| Total Rooms       |                    |
| Total Bedrooms    |                    |
| Total Bathrooms   |                    |
| Location          | BRENTWOOD INFERIOR |
| View              | RESIDENTIAL HOMES  |
| Site              |                    |
| Quality           |                    |
| Age               |                    |



Comparable 3

|                   |                          |
|-------------------|--------------------------|
| 737 6th St NE     |                          |
| Prox. to Subject  | 0.88 miles W             |
| Sales Price       | 220,000                  |
| Gross Living Area |                          |
| Total Rooms       |                          |
| Total Bedrooms    |                          |
| Total Bathrooms   |                          |
| Location          | OLD CITY #1 SUPERIOR     |
| View              | RESIDENTIAL//RETIAL      |
| Site              |                          |
| Quality           |                          |
| Age               |                          |
|                   | present-day construction |

Comparable Photo Page

|                  |                                   |        |     |          |       |
|------------------|-----------------------------------|--------|-----|----------|-------|
| Borrower/Client  | N/A                               |        |     |          |       |
| Property Address | KRAMER STREET, NE                 |        |     |          |       |
| City             | WASHINGTON                        | County | N/A | State    | DC    |
|                  |                                   |        |     | Zip Code | 20002 |
| Lender           | DC GOVT - HOME INITIATIVE PROGRAM |        |     |          |       |



Comparable 4

1717 E St NE  
Prox. to Subject 0.18 miles SE  
Sales Price 280,000  
Gross Living Area  
Total Rooms  
Total Bedrooms  
Total Bathrooms  
Location OLD CITY #1  
View RESIDENTIAL HOMES  
Site  
Quality  
Age



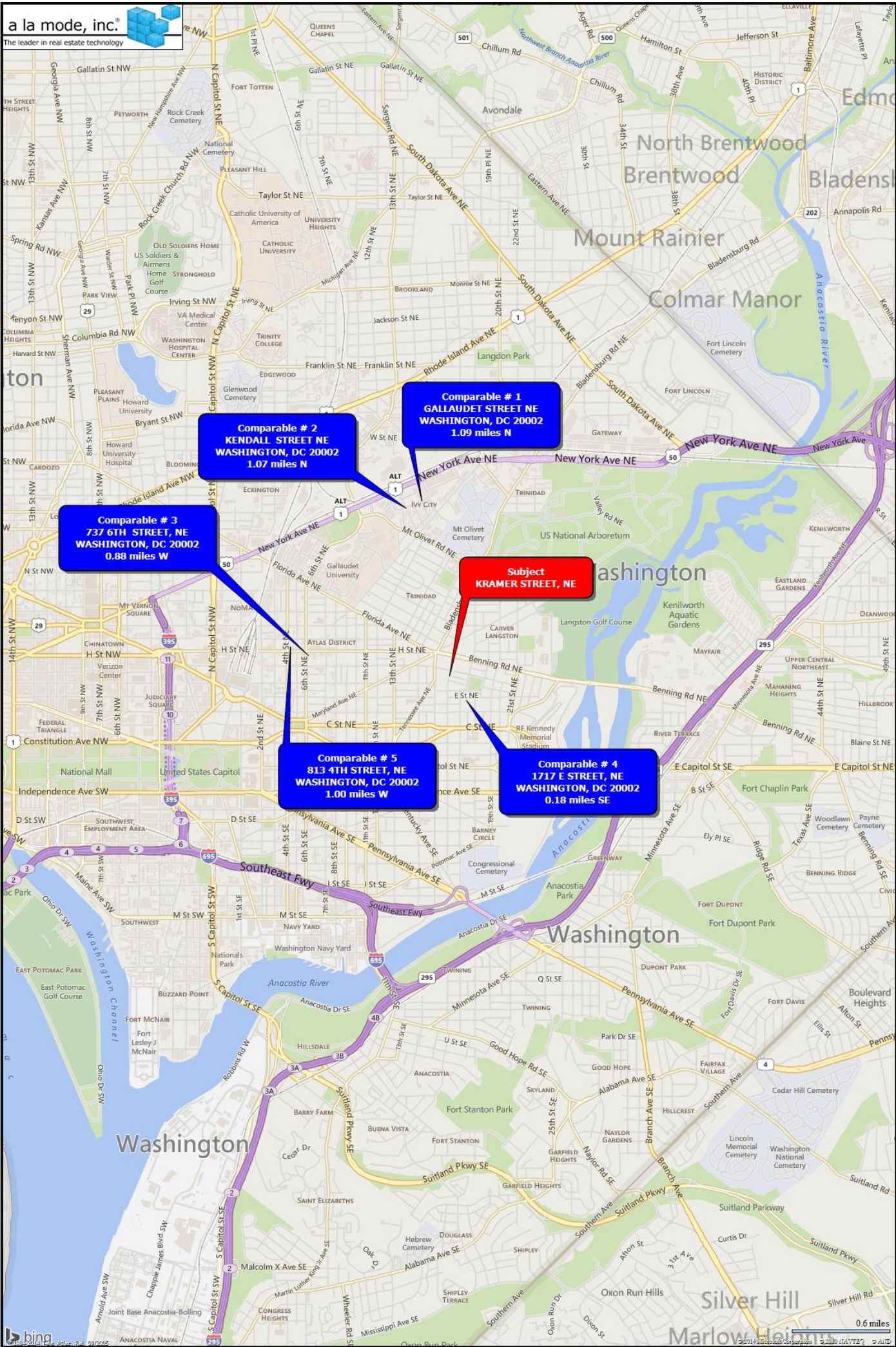
Comparable 5

813 4TH STREET, NE  
Prox. to Subject 1.00 miles W  
Sales Price 168,000  
Gross Living Area  
Total Rooms  
Total Bedrooms  
Total Bathrooms  
Location OLD CITY #1 SUPERIOR  
View RESIDENTIAL/RETIAL  
Site  
Quality  
Age present-day construction



Location Map

|                  |                                   |        |     |          |       |
|------------------|-----------------------------------|--------|-----|----------|-------|
| Borrower/Client  | N/A                               |        |     |          |       |
| Property Address | KRAMER STREET, NE                 |        |     |          |       |
| City             | WASHINGTON                        | County | N/A | State    | DC    |
| Lender           | DC GOVT - HOME INITIATIVE PROGRAM |        |     |          |       |
|                  |                                   |        |     | Zip Code | 20002 |





Supplemental Addendum

File No. 131-14

|                  |                                   |        |     |       |    |                |
|------------------|-----------------------------------|--------|-----|-------|----|----------------|
| Borrower/Client  | N/A                               |        |     |       |    |                |
| Property Address | KRAMER STREET, NE                 |        |     |       |    |                |
| City             | WASHINGTON                        | County | N/A | State | DC | Zip Code 20002 |
| Lender           | DC GOVT - HOME INITIATIVE PROGRAM |        |     |       |    |                |

SUBJECT NEIGHBORHOOD IS OFF 17TH STREET, A MAJOR TRANSPORTATION ARTERY WHICH IS THREE BLOCKS SOUTH OF "BENNING ROAD" WHICH LEADS TO DOWNTOWN WASHINGTON, DC . MANY RESIDENTS COMMUTE TO THE WASHINGTON METROPOLITAN DOWNTOWN AREA ON A DAILY BASIS, SCHOOL ARE ADEQUATE AND BUSING IS NOT REQUIRED, SHOPPING IS LOCAL , WITH MO/ PO RETAIL STORES & RESTAURANTS LOCATED WITHIN WALKING DISTANCE. AS THE NEAREST TOWN CENTER FOR SEROUS SHOPPER WOULD BE " H " STREET. TRANSPORTATION IS GOOD WITH A ADEQUATE BUSING SYSTEM,THE NEW TROLLEY CAR SYSTEM- AVAILABLE AT SCHEDULED TIME. WITH UNION STATION IN CLOSE PROXIMITY. SUBJECT SITE IS ZONE R4, ZONING REGULATION FOR R4 SITES, WIDTH OF 18 FT, AREA OF 1,800 SF- 60% OF LOT OCCUPANCY, HEIGHT STORIES 3 FEET 40. THE HIGHEST AND BEST USE FOR SUBJECT IS TO CONSTRUCTION OF 3 THREE STORIES TOWN HOUSE WITH A VARIANCE FOR THE NONCONFORMING SIZE AND FRONTAGE.

• 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 # 2, 3, 4 & 5.\*

(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 ) IT IS NOTED THAT NET ADJUSTMENT FOR COMPARABLE SALE(s) NO. 1, 2, 3, 4 & 5 (s) EXCEED(s) 15% . THIS ADJUSTMENT IS LARGER THAN NORMAL BUT THE SALES CHOSEN ARE CONSIDERED THE BEST AVAILABLE. OTHER SALES ANALYZED WOULD HAVE REQUIRED LESS DESIRABLE ADJUSTMENTS AND WERE NOT USED FOR THAT REASON.

(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.

( ) COMPARABLE SALES ARE LOCATED IN THE SUBJECT SUBDIVISION, BUT SALES OUTSIDE THE SUBDIVISION ARE NOT 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. 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.

THE FLOOD MAP HAS A DIFFERENT ADDRESS VIS SUBJECT, HOWEVER IT COVERS THE SUBJECT PROPERTY AREA.

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.

SCOPE OF THE APPRAISAL

Supplemental Addendum

File No. 131-14

|                  |                                   |        |     |       |    |                |
|------------------|-----------------------------------|--------|-----|-------|----|----------------|
| Borrower/Client  | N/A                               |        |     |       |    |                |
| Property Address | KRAMER STREET, NE                 |        |     |       |    |                |
| City             | WASHINGTON                        | County | N/A | State | DC | Zip Code 20002 |
| Lender           | DC GOVT - HOME INITIATIVE PROGRAM |        |     |       |    |                |

In order to estimate the subject SITE 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 NOT APPLICABLE, 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 NOT APPLICABLE 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 ONE (1) approaches to value, The direct sales comparison approach, the appraiser logically reconciles all the approaches to value ot 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.