

RESIDENTIAL APPRAISAL REPORT



SUBJECT SITE LOT 226

Property Location:	KRAMER STREET, NE SQUARE 4540 LOT 0226 WASHINGTON, DC 20002
Borrower:	N/A
Client:	DC GOVT - HOME INITIATIVE PROGRAM PROPERTY ACQUISITION & DISPOSITION DIVISION WASHINGTON, DC 20002
Effective Date:	NOVEMBER 10, 2014
Prepared By:	RONALD HUDSON MARKET APPRAISAL CORPORATION MAC 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 0226
	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. 134-14

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 0226</u>							
NEIGHBORHOOD	Sale Price \$ <u>PRESALE</u>		Date of Sale <u>N/A</u>		Loan Term <u>N/A</u> yrs.			
	Actual Real Estate Taxes \$ <u>4,404.05</u> (yr)		Loan charges to be paid by seller \$ <u>UNK</u>		Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD			
	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"/>					
	SITE	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>								
MARKET DATA ANALYSIS	Dimensions <u>50 X 12</u> = <u>600</u> <input type="checkbox"/> Corner Lot							
	Zoning Classification <u>R4-RES ROW WIDTH 18 AREA 1,800 60% LOT OCCUR</u> Present Improvements <input type="checkbox"/> Do <input checked="" type="checkbox"/> Do Not Conform to Zoning Regulations							
	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) _____		OFF SITE IMPROVEMENTS					
	Elec. <input checked="" type="checkbox"/> _____		Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private					
	Gas <input checked="" type="checkbox"/> _____		Surface <u>Concrete</u>					
	Water <input checked="" type="checkbox"/> _____		Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private					
	San. Sewer <input checked="" type="checkbox"/> _____		<input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Curb/Gutter					
	<input checked="" type="checkbox"/> Underground Elect. & Tel.		<input checked="" type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights					
	Topo LEVEL _____							
Size TYPICAL OF NGHB								
Shape RECTANGLE								
View RESIDENTIAL HOMES								
Drainage APPEARS ADEQUATE								
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>								
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		KRAMER STREET, NE WASHINGTON, DC 20002	GALLAUDET STREET NE WASHINGTON, DC 20002		KENDALL STREET NE WASHINGTON, DC 20002		737 6th St NE Washington, DC 20002	
Proximity to Subject			1.09 miles N		1.07 miles N		0.88 miles W	
Sales Price		\$ PRESALE	\$ 175,000		\$ 175,000		\$ 220,000	
Price SQFT		\$	\$ 85.45		\$ 34.21		\$ 209.92	
Data Source(s)		INSPECTION	INSPECTION/ASSESSMENT/MLS		INSPECTION/ASSESSMENT/MLS		INSPECTION/ASSESSMENT/MLS	
ITEM		DESCRIPTION	DESCRIPTION	+ (-) \$ Adjust.	DESCRIPTION	+ (-) \$ Adjust.	DESCRIPTION	+ (-) \$ Adjust.
Date of Sale/Time Adj.		N/A	JUNE 30, 2014		DEC. 26, 2013		AUG. 17, 2011	
Location		OLD CITY #1	BRENTWOOD INFERIOR +10,000		BRENTWOOD INFERIOR +10,000		OLD CITY #1 SUPERIOR -100,000	
Site/View		RESIDENTIAL HOMES	RESIDENTIAL HOMES		RESIDENTIAL HOMES		RESIDENTIAL//RETIAL -10,000	
SIZE		600 SF 50 X 12	2,408 SQFT -60,000		5,115 SQFT -85,000		1,046 SQFT -10,000	
TOPOGRAPHY		LEVEL	LEVEL/CORNER -15,000		LEVEL		LEVEL/END -5,000	
ZONE		R4,	R4		R4		R4	
LANDSCAPING		FLAT-GRASS	FLAT-GRASS		FLAT-GRASS		FLAT-GRASS	
Sales or Financing		UNK	CONVENTIONAL		CONVENTIONAL		CONVENTIONAL	
Concessions		NONE NOTED	NO CONC RPTD		NO CONC RPTD		NO CONC RPTD	
Net Adj. (Total)			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -65,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -75,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -100,000	
Indicated Value of Subject			Net 37.1 % Gross 48.6 % \$ 110,000		Net 42.9 % Gross 54.3 % \$ 100,000		Net 45.5 % Gross 68.2 % \$ 120,000	
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 <u>November 14, 2014</u>			
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



Zoning Map

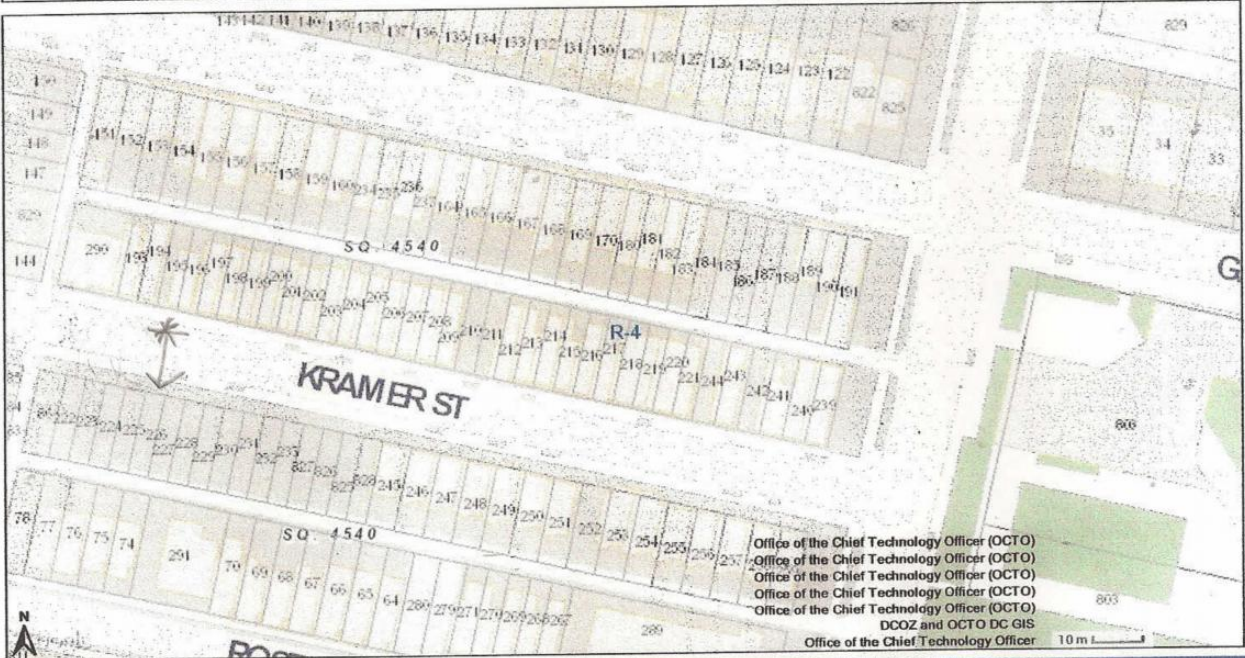
Borrower/Client	N/A				
Property Address	KRAMER STREET, NE				
City	WASHINGTON	County	N/A	State	DC
				Zip Code	20002
Lender	DC GOVT - HOME INITIATIVE PROGRAM				

7/31/2014

District of Columbia Office of Zoning EXTRACTED ZONING MAP



District of Columbia Office of Zoning  
EXTRACT OF THE DISTRICT OF COLUMBIA ZONING MAP  
July 31, 2014



**Zoning Layers**

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

Air Rights Zoning

Baist Index

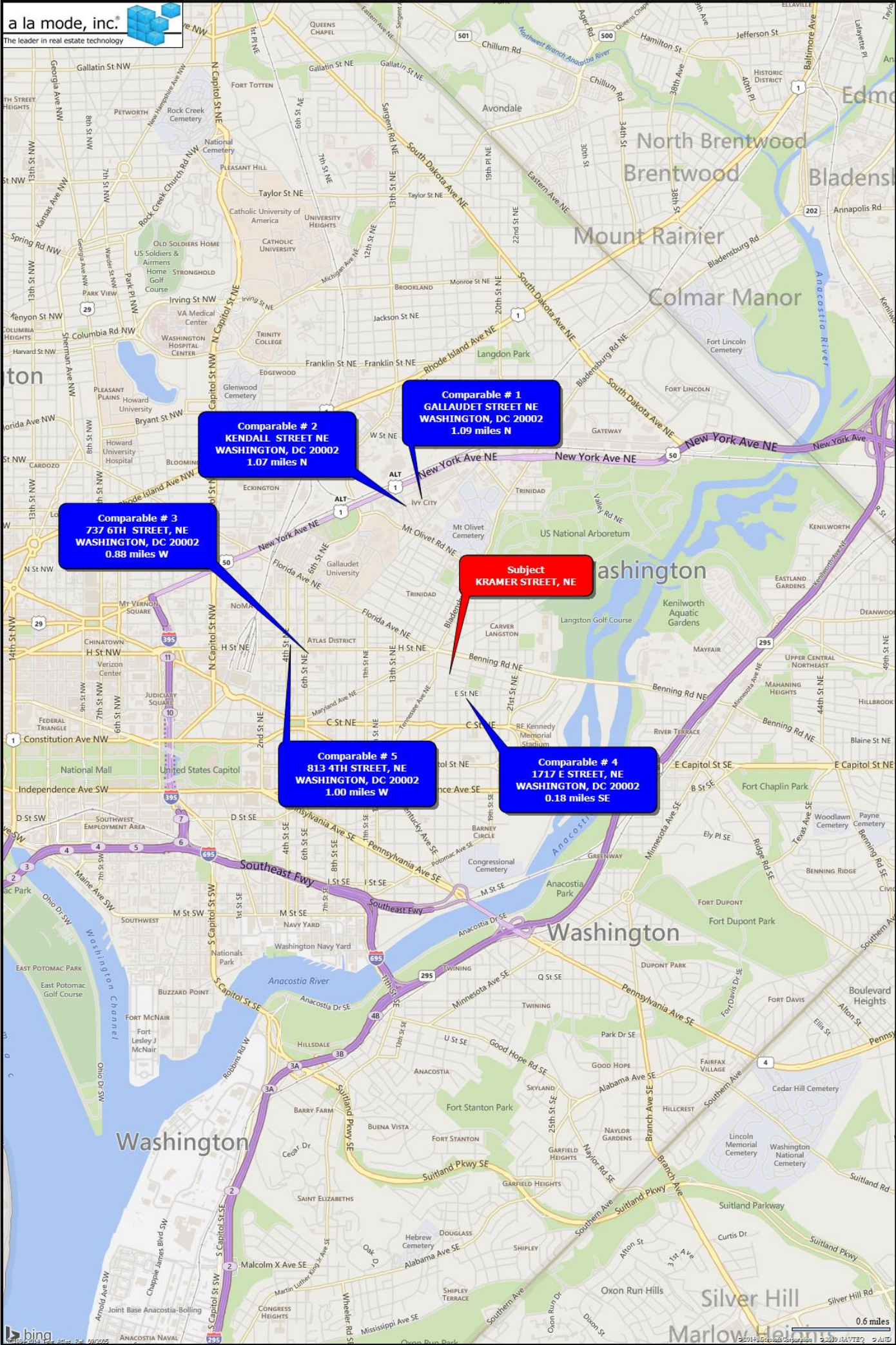
CEA

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



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. 134-14

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. 134-14

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.