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APPRAISAL REPORT-RESIDENTIAL INCOME PROPERTY

This form may be used for appraisal of income producing properties provided the loan requested does not exceed \$750,000.

TO BE COMPLETED BY LENDER

Borrower/Client6

File No.3

Property Address7

Map Reference4

City8County9State10Zip Code11

Census Tract5

Legal Description12

13

Current Sale Price (if applicable) \$14

Date of Sale15

Loan Requested\$16

Terms of Sale17

Property Rights AppraisedFeeLeasehold (attach completed Lease Analysis FHLMC Form 461)

Lender20

Lender's Address21

Instructions to Appraiser: The purpose of this appraisal is to estimate the current Market Value of the Subject Property. The Definition of Market Value is as set forth in Certification And Statement Of Limiting Conditions (FHLMC 439).

Note: FHLMC/FNMA do not consider the racial composition of the neighborhood to be a relevant factor and it must not be considered in the appraisal.

Other Information22

Appraisal requested from23

Date24

10/25

By26

Items 1, 2, 4, 5, & 6 are required. Attach additional items and check box if items are considered appropriate for this appraisal or are requested by Lender.

1Descriptive photographs of subject property

7Map(s)36

2Descriptive photographs of street scene

8Plot plan or survey

3Photographs of30

9Qualifications of Appraiser

4Sketch or floor plan of typical units

10Lease Analysis FHLMC 461 (required if leasehold interest appraised)

5Owner's current certified rent roll if existing, or  
pro forma if proposed or incomplete

11Summary of reciprocal agreements with other owners for use of parking,  
driveways, recreational facilities, private streets, (required if applicable)

6Owner's income and expense statement10/34, or  
pro forma income and expense statement

1242

1344

NEIGHBORHOOD

LocationUrbanSuburbanRural

OVERALL RATING

GoodAvg.FairPoor

Built-upOver 75%25% to 75%Under 25%

Employment Stability

Present land use51% Condominiums52% 1-Family53% Apartments

Adequacy of Utilities

54% Commercial55%57

Convenience of Schools

Change in present land useNot LikelyLikely (\*)Taking Place (\*)

Police and Fire Protection

(\*) From61To62

Recreational Facilities

Property valuesIncreasingStableDeclining

Property Compatibility

Housing demand/supplyIn balanceShortageOversupply

Protection from Detrimental Conditions

Predominant occupancyOwnerTenant71% Vacant

General Appearance of Properties

Condominium: Price range\$72to\$73

Predominant\$74

Appeal to Market

Age75yrs.to76yrs.

Predominant77yrs.

Distance

Single Family: Price range\$78to\$79

Predominant\$80

Access or Convenience

Age81yrs.to82yrs.

Predominant83yrs.

Public Transportation134

Typical apartment: Type84

No. Stories85

Employment Centers139

No. Units86Age87yrs.

Condition88

Shopping Facilities144

Rent Levels:IncreasingStableDeclining

Freeway Access154

Estimated neighborhood apartment vacancy rate92%DecreasingStableIncreasing

Rent ControlsNoYes (comments on page 4 if Yes)

Describe any incompatible land uses and overall property appeal and maintenance level59

160

161

Describe any oversupply of units in area by type and rental62

163

164

Describe any shortage of units in area by type and rental65

166

Describe potential for additional units in area considering land availability, zoning, utilities, etc.67

168

169

Is population of relevant market area of insufficient size, diversity and financial ability to support subject property and its amenities ?170If yes, specify.

171

172

Describe any probable changes in the economic base of neighborhood which would favorably or adversely affect apartment rentals(e.g. employment centers, zoning)

173

174

General comments including either favorable or unfavorable elements not mentioned (e.g. public parks, view, noise, parking congestion)175

176

177

178

SITE

Dimensions179

Area180

Sq. ft. or Acres

Zoning (classification, uses and densities permitted)181

Present Improvementsdo

do not conform to zoning regulations

Highest and best usePresent useOther (specify)187

188

ElectricityPublicComm.Individual

Ingress and Egress (Adequacy)210

Gas

Topography211

Water

View Amenity212

Sanitary Sewer

Drainage and Flood Conditions213

Underground Electricity & Telephone

214

Is the property located in a HUD Identified Special Flood Hazard Area?

215

COMMENTS (including any easements or encroachments or any nonconforming use(s) of present improvements)216

217

218

219

FHLMC Form 71B-Rev. 8/77 [Y2K]

Page 1

Existing

Approx. Year Built 110

227

Proposed

Under Construction

Elevator

Walk-up

No. of Stories 227

Row or Townhouse

No. of Bldgs.

229

No. of Units 230

No. of Rooms 231

No. of Baths 232

Parking Spaces: No.

233

Type

234

Basic Structural System

235

Exterior Walls

236

Roof Covering

237

Interior Walls

238

Floors

239

Bath Floor and Walls

240

Insulation

241

Adequacy

242

Adequacy and Soundproofing

243

Heating:

Central

Individ.

Type

246

Fuel

247

Condition

248

Air Conditioning:

Central

Individ.

Describe

251

Adequacy and Condition

252

Elevator(s): Number

253

Automatic

254

Adequacy and Condition

255

Security Features

256

Kitchen cabinets, drawers and counter space

Adequate

Inadequate

OVERALL PROPERTY RATING

Good

Avg.

Fair

Poor

Range/Oven

Fan/Hood

Dishwasher

Disposal

General appearance of property.....

Quality of construction (materials and finish) .....

Condition of improvements .....

Rooms size and layout .....

Closets and storage .....

Plumbing-adequacy and condition.....

Electrical-adequacy and condition.....

Amenities and parking facilities .....

Appeal to market

Hot Water Heater(s)

268

Plumbing Fixtures

269

Electrical Service

270

Recreational Facilities

271

272

273

Effective Age

310

Yrs.

Estimated Remaining Economic Life

311

Yrs.

COMMENTS: (Special features, functional or physical inadequacies, repairs needed, modernization,

313

314

315

316

DESCRIPTION OF IMPROVEMENTS

LAND SALES (complete ONLY if appropriate for this appraisal)

Zoning

Area

Sales Price

Date

Price per Sq. Ft. or per Unit

1.

317

318

319

\$

320

321

\$

322

Per

323

2.

324

325

326

\$

327

328

\$

329

Per

330

3.

331

332

333

\$

334

335

\$

336

Per

337

Comments & Reconciliation

338

339

Estimated Land Value

340

\$

341

APARTMENT BUILDING(S)-ESTIMATED REPRODUCTION COST NEW

342. 00 X

343. 00

=

344

Sq. ft. X

345

(Stories) =

346

Sq. ft. X \$

347. 00

\$

348

349. 00 X

350. 00

=

351

Sq. ft. X

352

(Stories) =

353

Sq. ft. X \$

354. 00

\$

355

356. 00 X

357. 00

=

358

Sq. ft. X

359

(Stories) =

360

Sq. ft. X \$

361. 00

\$

362

OTHER IMPROVEMENTS

363

\$

364

365

\$

366

367

\$

368

TOTAL ESTIMATED COST NEW OF IMPROVEMENTS.....

\$

369

LESS DEPRECIATION

370

\$

382

DEPRECIATED VALUE OF IMPROVEMENTS .....

\$

383

ADD-ESTIMATED LAND VALUE .....

\$

384

INDICATED VALUE BY THE COST APPROACH (IN FEE SIMPLE) .....

\$

385

IF LEASEHOLD DEDUCT VALUE OF FEE INTEREST (ATTACH CALCULATIONS) .....

\$

386

INDICATED VALUE BY THE COST APPROACH (LEASEHOLD) .....

\$

387

COST APPROACH

ITEM

COMPARABLE NO. 1

COMPARABLE NO. 2

COMPARABLE NO. 3

Address

388

389

434

435

480

481

Proximity to subj.

390

436

482

Rntl. survey date

391

437

483

Brief description of property improvements

No. Units

392

No. Vacant

393

Age

394

Yrs

No. Units

438

No. Vacant

439

Age

440

Yrs

No. Units

484

No. Vacant

485

Age

486

Yrs

395

441

487

396

442

488

397

443

489

Individual unit breakdown

Rm. Count

Size

Monthly Rent

Rm. Count

Size

Monthly Rent

Rm. Count

Size

Monthly Rent

Tot BR b

Sq. Ft.

\$

□

Rm

Tot BR b

Sq. Ft.

\$

□

Rm

Tot BR b

Sq. Ft.

\$

□

Rm

398

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9. 00

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15. 00

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6. 00

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12. 00

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3. 00

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9. 00

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0. 00

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6. 00

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Utilities, furniture and amenities included in rent

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472

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427

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474

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Comparison to subject including rental concessions, if any

429

475

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430

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COMPARABLE RENTAL DATA

Utilities included in actual rents:

Water

Gas

Heat

Electric

Air Conditioning

532

Utilities included in forecasted rents:

Water

Gas

Heat

Electric

Air Conditioning

539

No. of Units

Unit RM Count

Total Rooms

Sq Ft Area Per Unit

No. Units Vacant

ACTUAL RENTS

Per Unit

Total Rents

FORECASTED RENTS

Per Unit

Total Rents

Per Sq. Ft. or Room

540

541

542

543

544

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MARKET APPROACH

ITEM	SUBJECT				COMPARABLE NO. 1				COMPARABLE NO. 2				COMPARABLE NO. 3							
Address	681 682				739 740				795 796				851 852							
Proximity to subject					741				797				853							
Map code	683				742				798				854							
Lot size	684				743				799				855							
Brief description of building improvements	No. Units: <u>685</u> No. Vac. <u>686</u> Year Built:11C <u>687</u>				No. Units: <u>744</u> No. Vac. <u>745</u> Year Built:11C <u>746</u>				No. Units: <u>800</u> No. Vac. <u>801</u> Year Built:11C <u>802</u>				No. Units: <u>856</u> No. Vac. <u>857</u> Year Built:11C <u>858</u>							
	688				747				803				859							
	689				748				804				860							
	690				749				805				861							
Quality	691				750				806				862							
Condition	692				751				807				863							
Recreational facilities	693				752				808				864							
	694				753				809				865							
Parking	695				754				810				866							
Tenant appeal	696				755				811				867							
697	698				756				812				868							
699	700				757				813				869							
701	702				758				814				870							
Unit breakdown	No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT						
		Total	BR	Bath		Total	BR	Bath		Total	BR	Bath		Total	BR	Bath				
	703	704	705	706	759	760	761	762	815	816	817	818	871	872	873	874				
	707	708	709	710	763	764	765	766	819	820	821	822	875	876	877	878				
	711	712	713	714	767	768	769	770	823	824	825	826	879	880	881	882				
	715	716	717	718	771	772	773	774	827	828	829	830	883	884	885	886				
Util. paid by owner	719				775				831				887							
Data source	720				776				832				888							
Price	\$	721		Unf.		F	\$	777		Unf.		F	\$	833		Unf.		F		
Sale-Listing-Offer	724				780				836				892							
Date of sale	725				781				837				893							
Terms (Including conditions of sale and financing terms)	726				782				838				894							
	727				783				839				895							
	728				784				840				896							
	729				785				841				897							
	730				786				842				898							
Complete as many of the following items as possible using data effective at time of sale																				
Gross Annual Income	\$	731				\$	787				\$	843				\$	899			
Gross Ann. Inc. Mult. (1)		732. 00					788. 00					844. 00					900. 00			
Net Annual Income	\$	733				\$	789				\$	845				\$	901			
Expense Percentage (2)		734 %					790. 00 %					846. 00 %					902. 00 %			
Overall Cap. Rate (3)		735. 00 %					791. 00 %					847. 00 %					903. 00 %			
Price per unit	\$	736				\$	792				\$	848				\$	904			
Price per room	\$	737				\$	793				\$	849				\$	905			
Price gross bldg. area	\$	738. 00 /sq. ft. bldg. area				\$	794. 00 /sq. ft. bldg. area				\$	850. 00/sq. ft. bldg. area				\$	906. 00 /sq. ft. bldg. area			
(1) Sale Price / Gross Annual Income (2) Total Annual Expenses / Total Gross Annual Income (3) Net Annual Income / Price																				
RECONCILIATION:		907																		
908																				
909																				
910																				
911																				
912																				
INDICATED VALUE BY MARKET APPROACH 913																				

INCOME APPROACH

INCOME				EXPENSES		ACTUAL		FORECASTED				
Total Monthly Apartment Forecasted Rents.....	\$	914		Real Estate Taxes*.....	\$	937		\$	938			
Other Monthly Income (Itemize) <u>915</u>				Other taxes or licenses.....		939			940			
916	\$	917		Insurance .....		941			942			
Total Gross Monthly Forecasted Income.....	\$	918		Unsubordinated ground rent .....		943			944			
Total Gross Annual Forecasted Income .....	\$	919		Fuel .....		945			946			
Less Forecasted Vacancy and Collection Loss ( <u>920</u> %)	\$	( 921 )		Gas .....		947			948			
Effective Gross Annual Income .....	\$	922		Electricity.....		949			950			
Less Forecasted Expenses & Replacement Reserves.....	\$	( 923 )		Water and sewer.....		951			952			
Net Annual Income from Total Property.....	\$	924		Trash removal .....		953			954			
Less Return on and Recapture of Depreciated Value of.....				Pest control .....		955			956			
Furnishings (\$ <u>925</u> @ <u>926</u> %) .....	\$	( 927 )		Maintenance and repairs.....		957			958			
Net Annual Income from Real Property.....	\$	928		Interior and exterior decorating.....		959			960			
Capitalized as follows:				Cleaning expenses and supplies.....		961			962			
929				Management (Off-site).....		963			964			
930				Res. Mgr. salary & apartment.....		965			966			
931				Janitor(s) salary & apartment .....		967			968			
932				Miscellaneous .....		969			970			
* Real Est. Taxes <input type="checkbox"/> Actual <input type="checkbox"/> Est. Tax Rate Per \$100	\$	935		971 .....		972			973			
Total Assessed Value \$	936			REPLACEMENT RESERVES								
Comments: <u>992</u>				Carpeting and drapes .....		978			979			
993				Ranges and refrigerators.....		980			981			
994				Dishwashers and disposals .....		982			983			
995				Individual heating & AC units.....		984			985			
996				986 .....		987			988			
997				TOTAL EXPENSES & REPL. RES.....	\$	989		\$	990			
998												
999				INDICATED VALUE BY INCOME APPROACH	\$							

GENERAL COMMENTS (Including comments on any items rated poor or fair)1003

1004

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CONDITIONS AND REQUIREMENTS OF APPRAISAL (include required repairs, replacements, painting, termite inspections, etc.1015

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RECONCILIATION AND VALUE CONCLUSION

Indicated Value by the Cost Approach ..... \$ 1.023

Indicated Value by the Market Approach ..... \$ 1.024

Indicated Value by the Income Approach..... \$ 1.025

FINAL RECONCILIATION 1026

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I certify, that to the best of my knowledge and belief, the statements made in this report are true and I have not knowingly withheld any significant information; that I have personally inspected subject property, both inside and outside, and have made an exterior inspection of all comparable sales listed herein; that I have no interest, present or contemplated, in subject property or the participants in the sale; that neither the employment nor compensation to make said appraisal is contingent upon any value estimate; and, that all contingent and limiting conditions are stated herein.

Certification and Statement of Limiting Conditions

(FHLMC Form 439 Rev. 6/93) applies on file with ClientAttached).

As a result of my investigation and analysis, my estimate of Market Value of the subject property as of 1042 11(104 is

\$ 1,044

Date 1045Appraiser

If applicable, complete the following 1046

Date 1047Appraiser

1048

Date 1049Supervising oReview Appraiser 1052

DidDid Not Physically Inspect Property

FOR LENDER'S USE ONLY (completion optional)

Loan Recommended \$ 1,055 @ 1056. % Term 1057yrs. Principal & Interest \$ 1,058 /mo. \$ 1,059 /annually

Subject to: 1060

1061

1062

Borrower's Cost or Purchase Price \$ 1,063Appraised Value \$ 1,064Loan to Appraised Value 1,065 %

Loan: Per Unit \$ 1,066Per Room \$ 1,067Per Sq. Ft. of Building Area \$ 1,068.00

Gross Annual Forecasted Income \$ 1,069Gross Annual Income Multiplier 1070.00Overall Capitalization Rate 1071.0 %

Forecasted Annual Expenses and Replacement Reserves \$ 1,072 ( 1073.0% of Gross Annual Forecasted Income)

Break-even Point (this loan): (Annual Exp. & RR \$ 1,074 + Annual P & I pymts. \$1,075 ) / (Gross Annual Income \$ 1,076 ) = 1077. %

(All financing) : (Annual Exp & RR \$ 1,078 + Annual P & I pymts. for all financing \$1,079 ) / (Gross Annual Inc. \$ 1,080 ) = 1081. %

Borrower's Return on Appraised Equity (Net Annual Inc. \$ 1,082 (-) Annual P & I pymts \$ 1,083 ) = \$ 1,084 (1)

(Appraised Value \$ 1,085 (-) Loan Amt. \$ 1,086 ) = \$ 1,087 (2)

\$ 1,088 (1) / \$ 1,089 (2) = 1090.0%

Comments or Committee Action 1091

1092

1093

1094

FHLMC FORM 71B - Rev. 8/77

Page 4

1002