APPRAISAL OF REAL PROPERTY

LOCATED AT:
3212 Stanford Dr
STANFORD DR GR PT #7 UNIVERSITY ESTATES DB 4313 PG 226 DCR
Durham, NC 27707-3873

FOR:
North Carolina Mortgage
2216 West Meadowview Road Greensboro, NC 27407

AS OF:
01/04/2005

BY:
Glenn O. Day
DayOneAppraisals
APPRAISAL AND REPORT IDENTIFICATION

This appraisal conforms to one of the following definitions:

☐ Complete Appraisal  
(The act or process of estimating value, or an opinion of value, performed without invoking the Departure Rule.)

☐ Limited Appraisal  
(The act or process of estimating value, or an opinion of value, performed under and resulting from invoking the Departure Rule.)

This report is one of the following types:

☐ Self Contained  
(A written report prepared under Standards Rule 2-2(a) of a Complete or Limited Appraisal performed under STANDARD 1.)

☐ Summary  
(A written report prepared under Standards Rule 2-2(b) of a Complete or Limited Appraisal performed under STANDARD 1.)

☐ Restricted  
(A written report prepared under Standards Rule 2-2(c) of a Complete or Limited Appraisal performed under STANDARD 1, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3
I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

I have no (or the specified) present or prospective interest in the property that is the subject of this report, and no (or the specified) personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have (or have not) made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated.)

Comments on Appraisal and Report Identification
Note any departures from Standards Rules 1-3 and 1-4, plus any USPAP-related issues requiring disclosure:

APPRAISER:

Signature:  
Name: Glenn O. Day  
Date Signed: January 04, 2005  
State Certification #:  
or State License #: A5460  
State: NC  
Expiration Date of Certification or License: 06/30/2006

SUPERVISORY APPRAISER (only if required):

Signature:  
Name:  
Date Signed:  
State Certification #:  
or State License #:  
State:  
Expiration Date of Certification or License:  

Did  Did Not  Inspect Property

Robert J. McManus & Associates
Form ID5 — "TOTAL for Windows" appraisal software by a la mode, inc. — 1-800-ALAMODE
### Neighborhood

- **Subject**: The subject neighborhood includes all of the Real Estate inside the area bounded by: Hope Valley Rd to the East and to the South, Garrett Rd to the West and US 15/501 to the North.

- **Market conditions in the subject neighborhood** (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time) — such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.:
  - Market conditions are stable with no changes noted at the time of inspection. Comparable sales data within the neighborhood indicate an average market period of 3-6 months. This is an average market and it is typical in most areas that points and closing costs or some part thereof, are paid by the seller. This does not adversely effect the market value unless the contributions exceed the recommended guidelines.

### Property Information for PUDs (if applicable) — Is the developer/builder in control of the Home Owners’ Association (HOA)?

- **General Description**: The subject property is located in a planned unit development (PUD) which is an area of land developed and designed as a single entity, for which the developer/builder, or the Home Owners’ Association (HOA), controls the construction and quality of development. The PUD is open and functional.

- **Maintenance**: The interior was in average condition at the time of inspection. No functional obsolescence was noted. The floor plan is open and functional.

- **Condition of the improvements**: The condition of the improvements is not adversely affected by the existence of hazardous or detrimental conditions.

- **Additional features (special energy efficient rams, etc.)**: High Efficiency Heat Pump, Fireplace in Family Room. 1st Floor Bedroom with Full Bath, Large eat-in Kitchen
UNIFORM RESIDENTIAL APPRAISAL REPORT

FILE NO. 5010302

PAGE 2 OF 2

Freddie Mac Form 70 6/93
Fannie Mae Form 1004 6/93

Valuation Section

ITEM | SUBJECT | COMPARABLE NO. 1 | COMPARABLE NO. 2 | COMPARABLE NO. 3
--- | --- | --- | --- | ---
| | | | | |

Date, Price and Data
Source, for prior sales within year of appraisal
03/16/2004
$150,000.00
Tax Rec/Deed
No sale in prior 12 months other than mentioned above.
MLS
No sale in prior 12 months other than mentioned above.
MLS
No sale in prior 12 months other than mentioned above.

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal.
See Addendum

INDICATED VALUE BY SALES COMPARISON APPROACH

| | Estimated Market Rent |
| | N/A |
| | Mo. x Gross Rent Multiplier |
| | N/A |

This appraisal is made "as is" subject to the repairs, alterations, inspections or conditions listed below subject to competition per plans & specifications.

Creditors of Appraisal:
This is a Summary Appraisal Report based on USPAP guidelines. It is assumed that all mechanical equipment works properly and dwelling is structurally sound and free of insect infestation.

Final Reconciliation:
Most weight was given to the value estimate derived by the sales approach. The cost and income approach were not used as almost all of the neighborhood is predominately owner occupied.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 4989A form 104B (Revised 08/93) and/or Fannie Mae Form 1004B (Revised 08/93)

01/04/2005

RECONCILIATION

INDICATED VALUE BY COST APPROACH

| ITEM | | | | |
| | | | | |

Price and Data
3212 Stanford Dr
Durham
1504 Valley Run
Durham
3017 Beledy Ave
Durham
2505 Yorkdale Court
Durham

0.90 miles
0.12 miles
0.21 miles
0.33 miles

Price/Gross Living Area
$160,000
$145,000
$182,000
$205,000

Other than mentioned above.

Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FHA, the estimated remaining economic life of the property): Cost approach calculations based on Marshall and Swift Residential Handbook adjusted to local cost.

Physical depreciation was estimated using tables from the same source. The site estimate is found by the use of the extraction method or sales comparison approach.

Depreciation was calculated on an effective age of 8 years and an economic life span of 70 years.

Depreciation
15,779

INDICATED VALUE BY COST APPROACH

| | | | |
| | | | |

Adjustments to Cost Approach

| | | | |
| | | | |

Addendum

All of the neighborhood is predominantly owner occupied.

See Addendum

All of the neighborhood is predominantly owner occupied.

See Addendum

All of the neighborhood is predominantly owner occupied.

See Addendum

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See Addendum

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See Addendum

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See Addendum

All of the neighborhood is predominantly owner occupied.

See Addendum

All of the neighborhood is predominantly owner occupied.

See Addendum

All of the neighborhood is predominantly owner occupied.
Analysis of any current agreement of sale, option or listing of subject property:

At the time of inspection, the appraiser searched the Durham County Tax Records, the Durham County Register of Deeds and the Triangle MLS system for the most current property transfer information. Per the Durham County Register of Deeds, Deed Book 4313 Page 222-225 and Deed Book 4313 Page 226-229 and MLS System, MLS #723004, the subject ownership was transferred on 03/16/2004 for $149,900.00. These were the only transfers of the subject within a 36 month period of time. Comparable sales used in the report have not been listed or sold within the past 12 months, except as noted.

Summary of sales comparison and value conclusion:

Many comparable closed sales were considered in making this appraisal. The three closed sales displayed are considered to be the most comparable and the best indication of the subject property. No site adjustment was made as all of the site values were similar. The Age adjustment was made at $1500 per year. A Quality of Construction adjustment was made for Comparable #3 having palladium windows, bay windows and formal areas. Additional adjustments were made in the GLA adjustment. The Gross Living Area adjustment was made at $35/SF.

Most weight was given to comparable #3 because it had the least Net & Gross adjustments. The high Net and Gross adjustments were unavoidable due to the differences between the Subject and the Comparables. The appraiser searched the MLS records, and at the time of inspection, the comparables were the best available and were from the same neighborhood.

Additional Comments:

PRIVATE POLICY NOTICE - In compliance with the Title V of the Gramm-Leach-Bliley Act, information about your transaction with us, such as your home's appraised values, parties to the transaction, transaction expenses, and any other information we receive from you, your real estate agent are subject to the following policy:

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

This report may contain digital signatures which are protected by a security password which is known and controlled by the individual appraiser and his office manager. Electronically affixing a signature to a report carries the same level of authenticity and responsibility as an ink signature on a paper copy report. Software programs used to transfer a report electronically are considered equivalent to a paper copy of the report.
**Subject Photo Page**

<table>
<thead>
<tr>
<th>Borrower/Client</th>
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<tr>
<td>Property Address</td>
<td>3212 Stanford Dr</td>
</tr>
<tr>
<td>City</td>
<td>Durham</td>
</tr>
<tr>
<td>County</td>
<td>Durham</td>
</tr>
<tr>
<td>Lender</td>
<td>North Carolina Mortgage</td>
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**Subject Front**

- Address: 3212 Stanford Dr
- Sales Price: 160,000
- Gross Living Area: 1,671
- Total Rooms: 6
- Total Bedrooms: 4
- Total Bathrooms: 2
- Location: Suburban/Avg
- View: Neighborhood
- Site: 0.19 Acre +/-
- Quality: Avg/Typical
- Age: 1983

**Subject Rear**

**Subject Street**
Subject Interior

3212 Stanford Dr
Sales Price 160,000
Gross Living Area 1,671
Total Rooms 6
Total Bedrooms 4
Total Bathrooms 2
Location Suburban/Avg
View Neighborhood
Site 0.19 Acre +/-
Quality Avg/Typical
Age 1983
Comparable 1
1504 Valley Run
Prox. to Subject 0.90 miles
Sale Price 145,000
Gross Living Area 1,410
Total Rooms 6
Total Bedrooms 3
Total Bathrooms 1.5
Location Suburban/Avg
View Neighborhood
Site 0.25 Acre +/-
Quality Avg/Typical
Age 1985

Comparable 2
3017 Bexley Ave
Prox. to Subject 0.21 miles
Sale Price 182,000
Gross Living Area 1,534
Total Rooms 6
Total Bedrooms 3
Total Bathrooms 2.5
Location Suburban/Avg
View Neighborhood
Site 0.28 Acre +/-
Quality Avg/Typical
Age 1990

Comparable 3
2505 Yorkdale Court
Prox. to Subject 0.33 miles
Sale Price 205,000
Gross Living Area 1,989
Total Rooms 8
Total Bedrooms 4
Total Bathrooms 2.5
Location Suburban/Avg
View Neighborhood
Site 0.27 Acre +/-
Quality Better/Typical
Age 1989
**Building Sketch (Page - 1)**

**Comments:**

**AREA CALCULATIONS SUMMARY**

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<thead>
<tr>
<th>Code</th>
<th>Description</th>
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<th>Net Totals</th>
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<tbody>
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<td>GLA2</td>
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<td>GBA1</td>
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<td>Fireplace</td>
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<td>P/P</td>
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<td>156.10</td>
<td>239.40</td>
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**TOTAL LIVABLE (rounded)** 1671

**TOTAL BUILDING (rounded)** 44

**LIVING/BUILDING AREA BREAKDOWN**

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<td>Second Floor</td>
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<td>18.9 x 19.8</td>
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<td>Exterior Storage</td>
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<td>5.0 x 6.3</td>
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<tr>
<td>Fireplace</td>
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<td>2.3 x 5.5</td>
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</table>

8 Calculations Total (rounded) 1715
DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser’s certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser’s determination of its size.

3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.

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

7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.

10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser’s identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser’s prior written consent. The appraiser’s written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
APPRAISER’S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.

2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.

3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.

4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.

5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.

6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.

7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of these Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.

8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.

9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER’S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that:

I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser’s certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 3212 Stanford Dr, Durham, NC 27707-3873

APPRAISER: Glenn O. Day

SUPERVISORY APPRAISER (only if required):

Signature: ____________________________
Name: ______________________________
Date Signed: _________________________
State Certification #: __________________
or State License #: ____________________
State: ______________________________
Expiration Date of Certification or License: __________________

Did ________________________ Did Not Inspect Property

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