

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

020404

File No.

Property Address 2966-2968 Indianola Ave	City COLUMBUS	State OH	Zip code 43202
Legal Description 2966-8 Indianola Ave Indianola Highlands Lot 138	County FRANKLIN		
Assessor's Parcel No. 010-048547-00	Tax Year 2001	R.E. Taxes \$ 2,224.98	Special Assessments \$ 0
Neighborhood or Project Name Indianola Highlands	Map Reference See attached map	Census Tract 0005.00	
Borrower THOMAS, JOSEPH & LUKE	Current Owner Same	Occupant <input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant	
Property rights appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold	Project Type <input type="checkbox"/> PUD <input type="checkbox"/> Condominium	HOA \$	/Mo.
Sales Price \$ Refinance	Date of Sale NA	Description and \$ amount of loan charges/concessions to be paid by seller NA	
Lender/Client	Address		
Appraiser JEFFREY CLARK	Address		

Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Built up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Growth rate <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Property values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	Demand/supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In balance <input type="checkbox"/> Over supply	Marketing time <input type="checkbox"/> Under 3 mos. <input checked="" type="checkbox"/> 3-6 mos. <input type="checkbox"/> Over 6 mos.	Predominant Single Family Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (over 5%)	Single family housing PRICE \$ (000) AGE (yrs) 90 Low 40 200 High 90+ Predominant	Predominant 2-4 Family Occupancy <input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (over 5%)	2-4 family housing PRICE \$ (000) AGE (yrs) 100 Low 40 225 High 90+ Predominant
Typical 2-4 family bldg. Type Attached 2-Sty No. stories 2 No. units 2 Age 75 yrs.						Present land use % One family 65 2-4 family 15 Multi-family 10 Commercial 10		Land use change <input checked="" type="checkbox"/> Not likely <input type="checkbox"/> Likely <input type="checkbox"/> In process to:	
Typical rents \$ 550 to \$ 750 <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining Est. neighborhood apt. vacancy 3% <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining Rent controls <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Likely If yes or likely, describe									

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood boundaries and characteristics: Morse Rd. to the north, 11th Ave. to the south, the Olentangy River to the west, I-71 to the east, within the City of Columbus.

Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):

The subject is situated approximately 5 miles north of downtown Columbus and the central work centers. I-71 is accessed within 2 miles and provides good connecting service to support facilities. Columbus City Schools serve the area. Shopping is available within 2 miles of the subject's site. The immediate neighborhood is characterized by older production ranch and 2-story homes (single and multi-family) exhibiting average maintenance programs. The subject is located within 3 miles of The Ohio State University main campus.

The following available listings represent the most current, similar, and proximate competitive properties to the subject property in the subject neighborhood. This analysis is intended to evaluate the inventory currently on the market competing with the subject property in the subject neighborhood and recent price and marketing time trends affecting the subject property. (Listings outside the subject neighborhood are not considered applicable). The listing comparables can be the rental or sale comparables if they are currently for sale.

ITEM	SUBJECT	COMPARABLE LISTING NO. 1	COMPARABLE LISTING NO. 2	COMPARABLE LISTING NO. 3
Address	2966-2968 Indianola Ave COLUMBUS	2954-56 Indianola Ave. COLUMBUS	33-35 California Ave. COLUMBUS	1638 Indianola Ave. COLUMBUS
Proximity to subject		0.05 miles	0.42 miles	1.91 miles
Listing price	\$ NA	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$ 199,900	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$ 190,500	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$ 165,000
Approximate GBA	2,464	2,576	2,240	2,856
Data source	Inspection	MLS/Courthouse	MLS/Courthouse	MLS/Courthouse
# Units/Tot. rms./BR/BA	2 12 6 2	2 12 6 2	2 12 6 2	2 12 6 2
Approximate year built	1923	1928	1927	1903
Approx. days on market	NA	55	26	163

Comparison of listings to subject property: All comps. are similar in age and condition. Comp. 3 is closer to campus which is typically a lower priced market. Comp. 1 is next door to the subject and has a large front porch. Comp. 2 is slightly smaller than the subject and also has a large covered porch. None of the listings appear to have a garage, but the subject has a 2-car detached garage off the alley.

Market conditions that affect 2-4 family properties in the subject neighborhood (including the above neighborhood indicators of growth rate, property values, demand/supply, and marketing time) and the prevalence and impact in the subject market area regarding loan discounts, interest buydowns and concessions, and identification of trends in listing prices, average days on market and any change over past year, etc.: There are a number of homes offered for sale in direct competition within the subject's market area according to local MLS. This indicates that a competitive supply exists in the subject's market.

Many 2-4 family homes in this market are not listed in MLS and sell "word of mouth". All types of government loans are available in this area.

The paying of nominal points or closing costs is considered typical. General marketing time for properties in this area according to local MLS is 90-150 days. The neighborhood has an above-average rental history with approximately a 3-5% vacancy rate.

Dimensions 37x126 Site area 0.11 Acre Corner lot <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Specific zoning classification and description Two Family Residential Zoning compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning Highest and best use as improved: <input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other use (explain)	Topography Generally level Size Typical for area Shape Rectangular Drainage Appears Adequate View Average Landscaping Typical for area Driveway None (Alley) Apparent easements Typical utility FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Zone X Map Date 08/02/1995 FEMA Map No. 39049C-0144G																																										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Utilities</th> <th>Public</th> <th>Other</th> <th>Off-site Improvements</th> <th>Type</th> <th>Public</th> <th>Private</th> </tr> </thead> <tbody> <tr> <td>Electricity</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Street</td> <td>Asphalt</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Gas</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Curb/gutter</td> <td>Concrete</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Water</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Sidewalk</td> <td>Concrete</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Sanitary sewer</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Street lights</td> <td>Yes</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Storm sewer</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>Alley</td> <td>Asphalt</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Utilities	Public	Other	Off-site Improvements	Type	Public	Private	Electricity	<input checked="" type="checkbox"/>		Street	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Gas	<input checked="" type="checkbox"/>		Curb/gutter	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>		Sidewalk	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary sewer	<input checked="" type="checkbox"/>		Street lights	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Storm sewer	<input checked="" type="checkbox"/>		Alley	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning, use, etc.): Typical utility easements do not affect value. No apparent encroachments, special assessments, slide areas, etc. Zoning classification is legal and proper for the existing real estate.

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

At least three rental comparables should be reported and analyzed in this section. The rental comparables should represent the most current rental information on properties as similar and proximate to the subject property as possible. (This comparison is based on current rental data, therefore, the rental comparables typically are not the same comparables used in the sales comparison analysis.) The appraisal report should assure the reader that the units and properties selected as comparables are comparable to the subject property (both the units and the overall property) and accurately represent the rental market for the subject property (unless otherwise stated within the report).

ITEM	SUBJECT	COMPARABLE RENTAL NO. 1	COMPARABLE RENTAL NO. 2	COMPARABLE RENTAL NO. 3
Address	2966-2968 Indianola Ave COLUMBUS	161-63 E Como Ave COLUMBUS	2954-56 Indianola Ave COLUMBUS	2424-26 Adams Ave. COLUMBUS
Proximity to subject		0.69 miles	0.05 miles	0.72 miles
Lease dates (if available)	10/02, 5/03	Unknown	7/03	8/02, 3/03
Rent survey date	7/02	7/02	7/02	7/02
Data source	Owner	MLS/Courthouse	MLS/Courthouse	MLS/Courthouse
Rent concessions	None known	None known	None known	None known
Description of property-units, design, appeal, age, vacancies, and conditions	No. Units 2 No. Vac. 0 Yr. Blt.: 1923	No. Units 2 No. Vac. 1 Yr. Blt.: 1922	No. Units 2 No. Vac. 1 Yr. Blt.: 1928	No. Units 2 No. Vac. 0 Yr. Blt.: 1920
	2-story, average	2-story, average	2-story, average	2-story, average
	appeal, design, and condition.	appeal, design, and condition.	appeal, design, and condition.	appeal, design, and average to
	condition.			average(-) condition.
Individual unit breakdown	Rm. Count Size	Rm. Count Size Total	Rm. Count Size Total	Rm. Count Size Total
	Tot Br Ba Sq. Ft.	Tot Br Ba Sq. Ft. Monthly Rent	Tot Br Ba Sq. Ft. Monthly Rent	Tot Br Ba Sq. Ft. Monthly Rent
	5 3 1 1,232	5 3 1 1,227 755	5 3 1 1,288 750	5 3 1 912 600
	5 3 1 1,232	5 3 1 1,227 755	5 3 1 1,288 750	5 3 1 912 550
Utilities, furniture, and amenities included in rent	Tenants pay for all utilities. No furniture included. Unit 2966 has dishwasher and washer/dryer	Tenants pay for all utilities. No furniture included.	Tenants pay for all utilities. No furniture included.	Tenants pay for all utilities. No furniture included.
Functional utility, basement, heating/cooling, project amenities, etc.	Full basement, central air, 2-car detached garage (off alley) and on-street parking.	Full basement, full front porch, on-street parking.	Full basement, central air, full front porch, and on-street parking.	Full basement, full front porch, on-street parking.

Analysis of rental data and support for estimated market rents for the individual subject units (including the adjustments used, the adequacy of comparables, rental concessions, etc.)
All comparable listings are similar in style, age, and location. The range of rents is \$550-\$755. Comp. 3 has lower rents, which appears to be due to its smaller living area and condition. In addition, Comp. 3 does not offer central air or garage parking.

Comp. 2 is very near the subject and is very similar in all aspects, including size. Comp. 2 does not offer garage parking but does have a full front porch.

Comp. 1 is also very similar to the subject, although it does not appear to offer central air.

In the final analysis, the rents from both Comps. 1 and 2 appear to best reflect the potential rents for the subject.

Subject's rent schedule The rent schedule reconciles the applicable indicated monthly market rents to the appropriate subject unit, and provides the estimated rents for the subject property. The appraiser must review the rent characteristics of the comparable sales to determine whether estimated rents should reflect actual or market rents. For example, if actual rents were available on the sales comparables and used to derive the gross rent multiplier (GRM), actual rents for the subject should be used. If market rents were used to construct the comparables' rents and derive the GRM, market rents should be used. The total gross estimated rent must represent rent characteristics consistent with the sales comparable data used to derive the GRM. The total gross estimated rent is not adjusted for vacancy.

Unit	LEASES		No. Units Vacant	ACTUAL RENTS			ESTIMATED RENTS		
	Lease Date			Per Unit		Total Rents	Per Unit		Total Rents
	Begin	End		Unfurnished	Furnished		Unfurnished	Furnished	
#66	5/1/02	5/1/03	0	\$ 750	\$	\$	\$ 750	\$	
#68	10/1/02	10/1/03	0	665			750		
						\$		\$	

Other monthly income (itemize) _____ \$

Vacancy: Actual last year 0 % Previous year 0 % Estimated: 3 % \$ 540 Annually **Total gross estimated rent \$ 1,500**

Utilities included in estimated rents: Electric Water Sewer Gas Oil Trash collection City of Columbus trash collection.

Comments on the rent schedule, actual rents, estimated rents (especially regarding differences between actual and estimated rents), utilities, etc.: Actual and estimated rents are fairly similar. These rents are typical for the area as noted in the comparable rental data above. Although there was no vacancy in the subject's units within the past year, the typical vacancy rate for this neighborhood is 3%. Per the comparable rental data analysis, it is estimated the the potential monthly income for the subject could be increased to \$1500 (\$750/unit x 2 units).

SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT

The undersigned has recited three recent sales of properties most similar and proximate to the subject property and has described and analyzed these in this analysis. If there is a significant variation between the subject and comparable properties, the analysis includes a dollar adjustment reflecting the market reaction to those items or an explanation supported by the market data. 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 adjusted sales price of the comparable property; if a significant item in the comparable property is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the adjusted sales price of the comparable property. [(1) Sales Price / Gross Monthly Rent]

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Address	2966-2968 Indianola Ave COLUMBUS	228-30 Clinton Heights Ave. COLUMBUS	103-105 E Lakeview Ave. COLUMBUS	103-05 W. Weber Rd. COLUMBUS
Proximity to subject		0.79 miles	0.57 miles	0.67 miles
Sales price	\$ Refinance	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$ 168,000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$ 187,000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$ 155,500
Sales price per GBA	\$	\$ 84.85	\$ 80.60	\$ 63.11
Gross monthly rent	\$ 1,415.00	\$ 1,400.00	\$ 1,500.00	\$ 1,400.00
Gross mo. rent mult. (1)		120.00	124.67	111.07
Sales price per unit	\$	\$ 84,000	\$ 93,500	\$ 77,750
Sales price per room	\$	\$ 33,600	\$ 37,400	\$ 31,100
Data and/or Verification Sources	Owner, Courthouse	Courthouse, Ext. Inspection, Estimate	MLS/Courthouse, Ext. Insp.	Courthouse, Ext. Inspection, Estimate
ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment
Sales or financing concessions		Unk.	Conventional	Unk.
Date of sale/time		5/02	2/02	5/02
Location	Average	Average	Average	Average
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	0.11 Acre	Similar	Similar	Similar
View	Average	Average	Average	Average
Design and appeal	2-Story	2-Story	2-Story	2-Story
Quality of construction	Aluminum	Brick	Aluminum/Wd	Wood
Age	1923	1965	1921	1923
Condition	Average	Average(+) -5,000	Average(+) -5,000	Average
Gross Building Area	2,464 Sq. ft.	1,980 Sq. ft. +10,000	2,320 Sq. ft. 0	2,464 Sq. ft. 0
Unit breakdown	No. of units: 2 Rm. count: 5 Tot, 3 Br, 1 Ba No. Vac: 0	No. of units: 2 Rm. count: 5 Tot, 2 Br, 1.5 Ba No. Vac: -2,000	No. of units: 2 Rm. count: 5 Tot, 3 Br, 1 Ba No. Vac: 0	No. of units: 2 Rm. count: 5 Tot, 3 Br, 1 Ba No. Vac: 0
Basement description	Unfinished Bsmt	Unfinished Bsmt	Unfinished Bsmt	Unfinished Bsmt
Functional utility	Average	Average	Average	Average
Heating/cooling	FA/Central	FA/Central	FA/Central	Window only +3,500
Parking on/off site	2 Car/Det	Driveway access +2,000	None +3,000	None +3,000
Project amenities and fee (if applicable)	None	None	Appliances incl. washer/dryer -2,000	None
Other	None	None	Cvd Pch -2,000	Cvd Pch -2,000
Net Adj. (total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 5,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 6,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 4,500
Adjusted sales price of comparable		Net 3.0 % Gross 11.8 % \$ 173,000	Net 3.2 % Gross 6.8 % \$ 181,000	Net 2.9 % Gross 5.5 % \$ 160,000

Comments on sales comparison (including reconciliation of all indicators of value as to consistency and relative strength and evaluation of the typical investor's/purchaser's motivation in that market): \$20 per sq. ft. to reflect GLA size differences. No GLA adjustment justified for Comp. 2 as the difference in GLA is negligible. Comps. 1 and 2 required condition adjustments primarily due to exterior appearance. An "across the board" adjustment was required for the subject's garage.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source for prior sales within year of appraisal	None in past year. Courthouse	None in past year. Courthouse	None in past year. Courthouse	None in past year. Courthouse

Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: The subject is not currently listed for sale to the best of the appraiser's knowledge.

Total gross monthly estimated rent \$ 1,415 X gross rent multiplier (GRM) 120.00 = \$ 169,800 INDICATED VALUE BY INCOME APPROACH
 Comments on income approach (including expense ratios, if available, and reconciliation of the GRM) The GRM was derived from the subject's rents as well as other typical sales and rents in the market.

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 170,000
 INDICATED VALUE BY INCOME APPROACH \$ 169,800
 INDICATED VALUE BY COST APPROACH \$ 176,384

This appraisal is made "as is" subject to the repairs, alterations, inspections, or conditions listed below subject to completion per plans and specifications.
 Comments and conditions of appraisal: This is a summary report. This appraisal is based on the assumption that all mechanicals are in good working condition.

Final reconciliation: \$170,000 was selected as final estimate of value considering the three approached to value, as well as an analysis of the comparable listings in the neighborhood. Additional weight was given to both the sales comparison approach and income approach due to the subject's age.

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 439/Fannie Mae Form 1004B (Revised 6/93).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF July 20, 2002
 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 170,000

APPRaiser: Signature Jeffrey Clark Name JEFFREY CLARK Date Report Signed July 23, 2002 State Certification # _____ State _____ Or State License # 2001004420 State OH

SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature _____ Name _____ Date Report Signed _____ State Certification # _____ State _____ Or State License # _____ State _____

Did Did Not Inspect Property

SALES COMPARISON ANALYSIS

INC

RECONCILIATION

Operating Income Statement

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

Property Address

Street 2966-2968 Indianola Ave City COLUMBUS State OH Zip Code 43202

General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.

	Currently Rented		Expiration Date	Current Rent Per Month	Market Rent Per Month	Utility Expense	Paid By Owner	Paid By Tenant
	Yes	No						
Unit No. 1	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	5/03	\$ 750	\$ 750	Electricity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 2	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	10/02	\$ 665	\$ 750	Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 3	Yes <input type="checkbox"/>	No <input type="checkbox"/>		\$	\$	Fuel Oil	<input type="checkbox"/>	<input type="checkbox"/>
Unit No. 4	Yes <input type="checkbox"/>	No <input type="checkbox"/>		\$	\$	Fuel (Other)	<input type="checkbox"/>	<input type="checkbox"/>
Total				\$ 1,415	\$ 1,500	Water/Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>
						Trash Removal	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (for new properties the applicant's projected income and expenses must be provided). This Operating Income Statement and any previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (e.g. Applicant/Appraiser 288/300). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item.) Income should be based on the current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (Do not include income for owner-occupied units)	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (from unit(s) to be rented)	\$ 16,980	\$
Other Income (include sources)	+	+
Total	\$ 16,980	\$
Less Vacancy/Rent Loss	- 509 (3%)	- (%)
Effective Gross Income	\$ 16,471	\$
Expenses (Do not include expenses for owner-occupied units)		
Electricity		
Gas		
Fuel Oil		
Fuel (Type -)		
Water/Sewer		
Trash Removal		
Pest Control		
Other Taxes or Licenses		
Casual Labor		
This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating	4,000	
This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit.		
General Repairs/Maintenance	2,000	
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.		
Management Expenses		
These are the customary expenses that a professional management company would charge to manage the property.		
Supplies		
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	560	
Miscellaneous		
Total Operating Expenses	\$ 6,560	\$

Replacement Reserve Schedule

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner's operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year-such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc. - should be expensed on a replacement cost basis.

Equipment	Replacement Cost	Remaining Life	By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@ \$ 400 ea.	10 Yrs. x	2 Units = \$ 80.00	\$
Refrigerators	@ \$ 600 ea.	10 Yrs. x	2 Units = \$ 80.00	\$
Dishwashers	@ \$ ea.	Yrs. x	Units = \$	\$
A/C Units	@ \$ 1,200 ea.	15 Yrs. x	2 Units = \$ 80.00	\$
C. Washer/Dryers	@ \$ 500 ea.	15 Yrs. x	1 Units = \$ 40.00	\$
HW Heaters	@ \$ 300 ea.	15 Yrs. x	2 Units = \$ 80.00	\$
Furnace(s)	@ \$ 1,500 ea.	20 Yrs. x	2 Units = \$ 80.00	\$
(Other)	@ \$ ea.	Yrs. x	Units = \$	\$

Roof @ \$ 3,000 / 25 Yrs. x One Bldg. = \$ 120 \$

Carpeting (Wall to Wall)	Remaining Life
(Units) Total Sq. Yds. @ \$ Per Sq. Yd. / Yrs. = \$	
(Public Areas) Total Sq. Yds. @ \$ Per Sq. Yd. / Yrs. = \$	

Total Replacement Reserves. (Enter on Pg. 1) \$ 560 \$

Operating Income Reconciliation

\$ 16,471	-	\$ 6,560	=	\$ 9,911	/ 12 =	\$ 826
Effective Gross Income		Total Operating Expenses		Operating Income		Monthly Operating Income
\$ 826	-	\$	=	\$		
Monthly Operating Income		Monthly Housing Expense		Net Cash Flow		

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter's instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the **subject property** to the borrower's stable monthly income.

Underwriter's instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower's **primary residence** to the borrower's stable monthly income.

Appraiser's Comments (Including sources for data and rationale for the projections)
Data sources includes market data collected by your appraiser over several years.

JEFFREY CLARK
Appraiser Name

Jeffrey Clark
Appraiser Signature

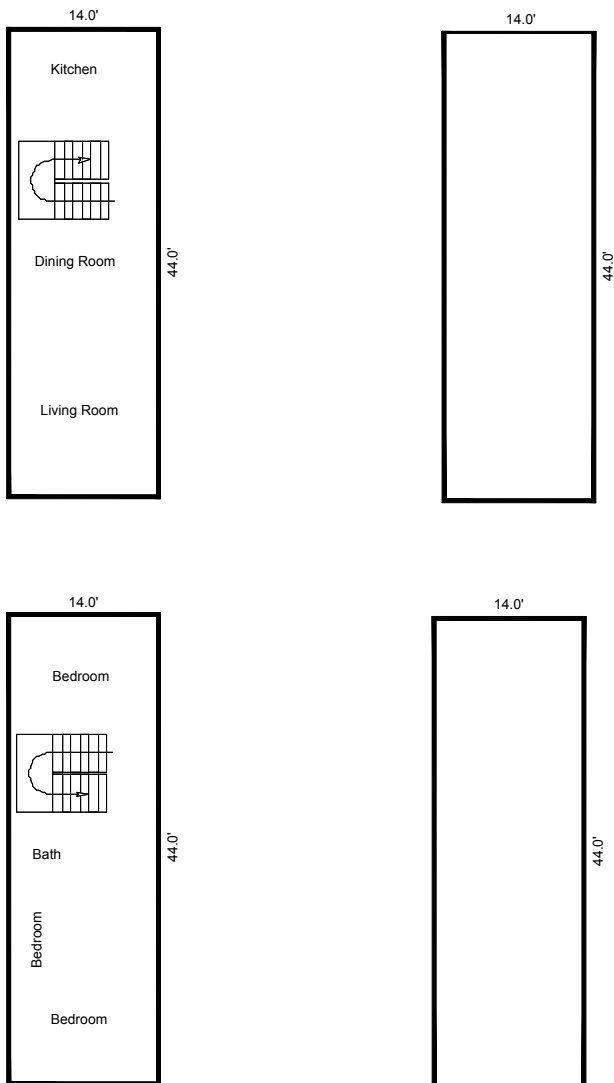
July 23, 2002
Date

Underwriter's Comments and Rationale for Adjustments

Underwriter Name Underwriter Signature Date

Building Sketch (Page - 1)

Borrower/Client THOMAS, JOSEPH & LUKE			
Property Address 2966-2968 Indianola Ave			
City COLUMBUS	County FRANKLIN	State OH	Zip Code 43202
Lender			



Sketch by Apex IV Windows™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	616.00	
	First Floor	616.00	1232.00
GLA2	Second Floor	616.00	
	Second Floor	616.00	1232.00
TOTAL LIVABLE (rounded)			2464

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
14.0	x	44.0	616.00
14.0	x	44.0	616.00
Second Floor			
14.0	x	44.0	616.00
14.0	x	44.0	616.00
4 Calculations Total (rounded)			2464

Subject Photo Page

Borrower/Client THOMAS, JOSEPH & LUKE			
Property Address 2966-2968 Indianola Ave			
City COLUMBUS	County FRANKLIN	State OH	Zip Code 43202
Lender			



Subject Front

2966-2968 Indianola Ave
Sales Price: Refinance
GBA: 2,464
Age: 1923



Subject Rear



Subject Street

Comparable Photo Page

Borrower/Client THOMAS, JOSEPH & LUKE

Property Address 2966-2968 Indianola Ave

City COLUMBUS

County FRANKLIN

State OH

Zip Code 43202

Lender



Comparable 1

228-30 Clinton Heights Ave.

Sales Price: 168,000

GBA: 1,980

Age: 1965



Comparable 2

103-105 E Lakeview Ave.

Sales Price: 187,000

GBA: 2,320

Age: 1921



Comparable 3

103-05 W. Weber Rd.

Sales Price: 155,500

GBA: 2,464

Age: 1923

Location Map

Borrower/Client THOMAS, JOSEPH & LUKE

Property Address 2966-2968 Indianola Ave

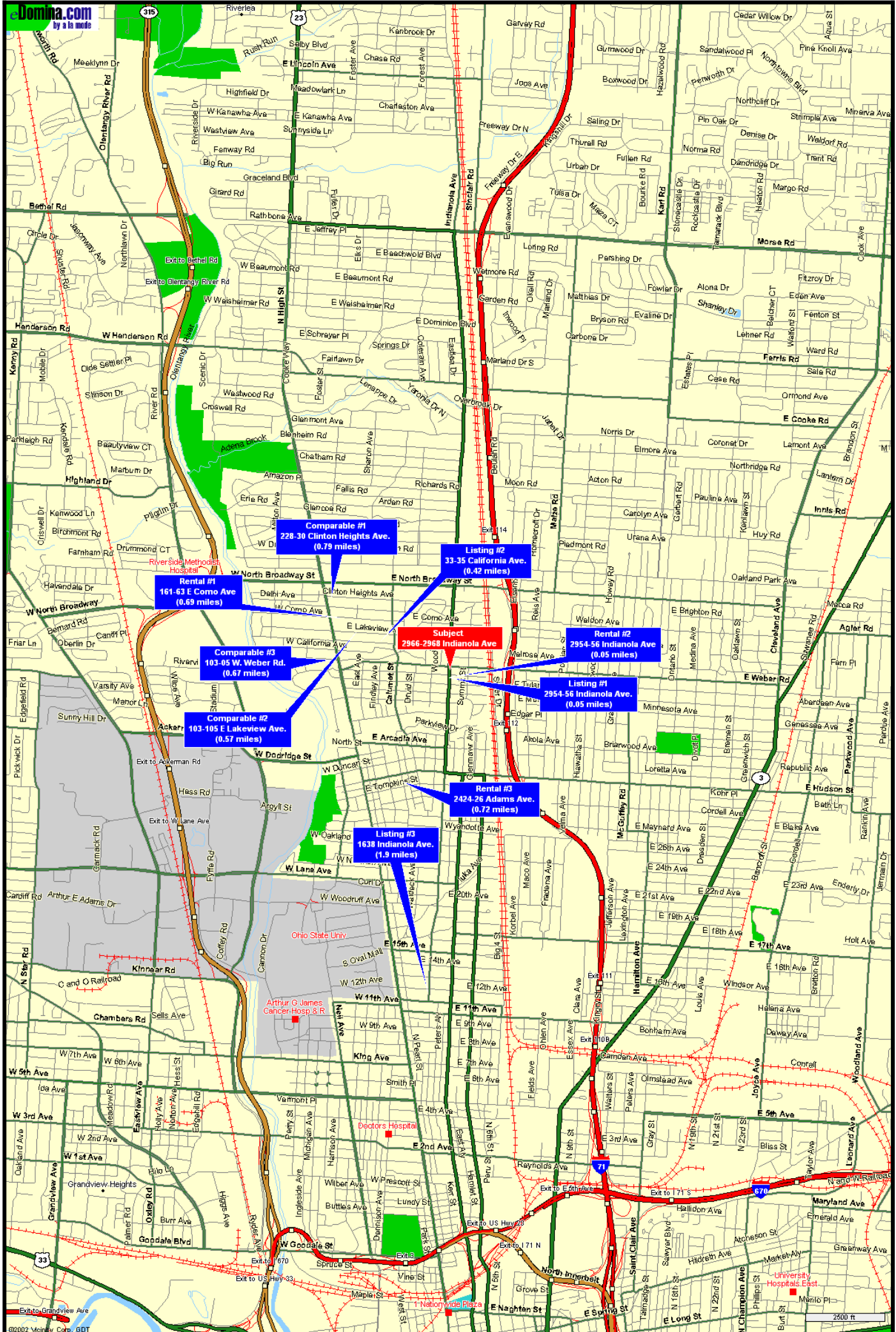
City COLUMBUS

County FRANKLIN

State OH

Zip Code 43202

Lender



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 hazard conditions, etc.)
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 report.

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 those 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. If 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: 2966-2968 Indianola Ave, COLUMBUS, OH 43202

APPRAISER:

Signature: 
Name: JEFFREY CLARK
Date Signed: July 23, 2002
State Certification #: _____
or State License #: 2001004420
State: OH
Expiration Date of Certification or License: 10/1/2002

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

Borrower THOMAS, JOSEPH & LUKE			File No.
Property Address 2966-2968 Indianola Ave			
City COLUMBUS	County FRANKLIN	State OH	Zip Code 43202
Lender			

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 for client use only.)

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 1-2, 1-3, 1-4, plus any USPAP-related issues requiring disclosure:

APPRAISER:

Signature: Jeffrey Clark

Name: JEFFREY CLARK

Date Signed: July 23, 2002

State Certification #: _____

or State License #: 2001004420

State: OH

Expiration Date of Certification or License: 10/1/2002

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