

APPRAISAL OF



LOCATED AT:

**922 W. Culver Street  
Phoenix, AZ 85007**

FOR:

**BloodhoundRealty.com, LLC  
314 El Caminito Drive  
Phoenix, AZ 85020**

BORROWER:

**Pawlenko**

AS OF:

**March 15, 2006**

BY:

**Gwen M. Baker  
Certified Appraiser**

03/17/2006

BloodhoundRealty.com, LLC  
314 El Caminito Drive  
Phoenix, AZ 85020

File Number: **7889GB**

In accordance with your request, I have personally inspected and appraised the real property at:

**922 W. Culver Street  
Phoenix, AZ 85007**

The purpose of this appraisal is to estimate the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the estimated market value of the property as of **March 15, 2006** is:

**\$500,000  
Five Hundred Thousand Dollars**

The attached report contains the description, analysis and supportive data for the conclusions, final estimate of value, descriptive photographs, limiting conditions and appropriate certifications.



**Gwen M. Baker  
Certified Appraiser**

Uniform Residential Appraisal Report

File No. 7889GB

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property Address	922 W. Culver Street	City	Phoenix	State	AZ	Zip Code	85007
Borrower	Pawlenko	Owner of Public Record	Pawlenko	County	Maricopa		
Legal Description	Lot 13, Story Plat B						
Assessor's Parcel #	111-21-056	Tax Year	2005	R.E. Taxes \$	1,113.94		
Neighborhood Name	Story	Map Reference	Pg. 148, LU-163	Census Tract	1129.00		
Occupant	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> Vacant	Special Assessments \$	N/A	<input type="checkbox"/> PUD	HOA \$
					N/A	<input type="checkbox"/> per year	<input type="checkbox"/> per month
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type	<input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) Realtor request.						
Lender/Client	BloodhoundRealty.com, LLC						
Address	314 El Caminito Drive, Phoenix, AZ 85020						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?							
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s). NetValueCentral, MLS. The subject property was listed for sale for \$449,500 for 98 days on 10/25/05.							
The listing expired. The home was listed on 04/04/05 for 100 days at \$429,800. The listing was cancelled.							

CONTRACT

I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.							
Contract Price \$	N/A	Date of Contract	N/A	Is the property seller the owner of public record?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)	
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?							
<input type="checkbox"/> Yes <input type="checkbox"/> No							
If Yes, report the total dollar amount and describe the items to be paid. \$							

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.										
Neighborhood Characteristics				One-Unit Housing Trends		One-Unit Housing		Present Land Use %		
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	150 Low	30	
Neighborhood Boundaries	The subject is bounded on the north by Camelback Road, east by 16th Street, south by Van Buren Road, and west by the I-17 Freeway.						2000+ High	100+	Commercial	5% %
Neighborhood Description	See Attached Addendum						500 Pred.	60	Other	%
Market Conditions (including support for the above conclusions) See Attached Addendum										

SITE

Dimensions	65 x 142 +/-	Area	9230 Sq.Ft. +/-	Shape	Rectangular	View	Avg/Neighborhood
Specific Zoning Classification	R1-6	Zoning Description	Single Family Residential				
Zoning Compliance	<input checked="" type="checkbox"/> Legal	<input type="checkbox"/> Legal Nonconforming (Grandfathered Use)	<input type="checkbox"/> No Zoning	<input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?							
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.							
Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/> APS	Water	<input checked="" type="checkbox"/> City:Phoenix	Street	Asphalt	<input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/> Southwest Gas	Sanitary Sewer	<input checked="" type="checkbox"/> City:Phoenix	Alley	In Rear	<input checked="" type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	X	FEMA Map #	04013C 2130 G	FEMA Map Date	09/30/05
Are the utilities and off-site improvements typical for the market area?							
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?							
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.							

IMPROVEMENTS

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space		Foundation Walls	Concrete-Avg	Floors	Wd/CermTI-Avg.
# of Stories	One	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls	Stcc/Frm-Avg.	Walls	Plaster/Drywall-Av
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area	N/A sq. ft.	Roof Surface	CompSh-Avg.	Trim/Finish	Wood-Avg.
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish	N/A %	Gutters & Downspouts	None	Bath Floor	CermTile-Avg.
Design (Style)	Southwest/Ranch	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	Alum-Avg.	Bath Wainscot	CermTile-Avg.
Year Built	1936	Evidence of	<input type="checkbox"/> Infestation	Storm Sash/Insulated	Average	Car Storage	<input checked="" type="checkbox"/> None
Effective Age (Yrs)	10 Yrs.	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	Average	<input checked="" type="checkbox"/> Driveway	# of Cars 1
Attic	<input type="checkbox"/> None	Heating	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> WoodStove(s) #	Driveway Surface	Concrete
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input type="checkbox"/> Other	Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input checked="" type="checkbox"/> Fence Chain	<input type="checkbox"/> Garage	# of Cars
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Scuttle	Cooling	<input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck SunRr	<input checked="" type="checkbox"/> Porch Cvrđ	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated	<input type="checkbox"/> Individual	<input type="checkbox"/> Other	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Appliances	<input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven	<input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Washer/Dryer	<input type="checkbox"/> Other (describe)		
Finished area above grade contains:		7 Rooms	3 Bedrooms	2.5 Bath(s)	1,766 Square Feet of Gross Living Area Above Grade		
Additional features (special energy efficient items, etc.). The subject property features a sun room, separate unfinished studio, glass knobs, berber carpeting, ceiling fans, tile counters, original kitchen, original wood floors, two and a half bathrooms, three bedrooms, one fireplace, etc.							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject is rated in "Average" condition with no deferred maintenance items noted, nor were any adverse external impacts or functional obsolescence observed at the time of the inspection.							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?							
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?							
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.							

Uniform Residential Appraisal Report

File No. 7889GB

SALES COMPARISON APPROACH

RECONCILIATION

There are 9 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 424,900 to \$ 525,000 .

There are 8 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 445,000 to \$ 519,000 .

FEATURE	SUBJECT	COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2			COMPARABLE SALE NO. 3		
922 W. Culver Street Address Phoenix		911 W. Lynwood Street Phoenix/111-21-084			1102 W. Culver Street Phoenix/111-19-049			922 W. Moreland Street Phoenix/111-22-136		
Proximity to Subject		Two Streets North			Same Street			One Street South		
Sale Price	\$ N/A		\$ 480,000		\$ 480,000		\$ 550,000			
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 304.96 sq. ft.		\$ 330.35 sq. ft.		\$ 370.37 sq. ft.				
Data Source(s)	Inspection, Owner	MLS & NetValueCentral			MLS & NetValueCentral			MLS & NetValueCentral		
Verification Source(s)	NetValueCentral	Docket #06-41313			Docket #06-253098			Docket #05-1431615		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment			
Sale or Financing Concessions	N/A	Conventional None Known		Conventional None Known		Conventional None Known				
Date of Sale/Time	N/A	01/06 COE		02/06 COE		09/05 COE				
Location	Sub/Average	Sub/Average		Sub/Average		Sub/Average				
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple				
Site	9230 Sq.Ft. +/-	9230 Sq.Ft. +/-		6965 Sq.Ft. +/-	NMD	8485 Sq.Ft. +/-	NMD			
View	Avg/Neighborhood	Avg/Neighborhood		Avg/Neighborhood		Avg/Neighborhood				
Design (Style)	Historical/Avg.	Historical/Avg.		Historical/Avg.		Historical/Avg.				
Quality of Construction	CmpSh/Stc/Frm-Av	CmpSh/Brk/Frm-A	NMD	BU/Adobe/Frm-Av	NMD	CmpSh/Stc/Frm-Av				
Actual Age	70 Yrs.	76 Yrs.	NMD	70 Yrs.		80 Yrs.	NMD			
Condition	Average	Average		Average		Average				
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths				
Room Count	7 3 2.5	7 3 1	6,000	6 3 1	6,000	6 3 2.5	NMD			
Gross Living Area	35 1,766 sq. ft.	1,574 sq. ft.	6700	1,453 sq. ft.	11000	1,485 sq. ft.	9800			
Basement & Finished Rooms Below Grade	No Basement	Basement	-10,000	Basement	-10,000	No Basement				
Functional Utility	Average	Average		Average		Average				
Heating/Cooling	Gas FWA/CAC	Gas FWA/CAC		Gas FWA/CAC		Gas FWA/CAC				
Energy Efficient Items	Average	Average		Average		Average				
Garage/Carport	None	None		2-Garage	-10,000	2-Garage	-10,000			
Porch/Patio/Deck	C/Porch, Patio	C/Porch, Patio		C/Porch	1,500	C/Porch, C/Patio				
Fireplace Features	One Fireplace	One Fireplace		One Fireplace		One Fireplace				
Pool Features	No Pool	No Pool		Pool	-10,000	No Pool				
Other	Studio	None	10,000	None	10,000	GstHouse: 491 sf	-10,000			
Net Adjustment (Total)		[X] + [ ] -	\$ 12,700	[ ] + [X] -	\$ 1,500	[ ] + [X] -	\$ 10,200			
Adjusted Sale Price of Comparables		Net Adj. 2.65% % Gross Adj. 6.81% %	\$ 492,700	Net Adj. -0.31% % Gross Adj. 12.19% %	\$ 478,500	Net Adj. -1.85% % Gross Adj. 5.42% %	\$ 539,800			

I [X] did [ ] did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research [ ] did [X] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) NetValueCentral, MLS

My research [ ] did [X] did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) NetValueCentral

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	07/02/1991	09/30/1993	02/20/2004, \$264,000	03/29/2004, \$315,000
Price of Prior Sale/Transfer	\$Unknown	\$63,000	03/07/1997, \$123,700	07/31/2001, \$175,000
Data Source(s)	MLS & NetValueCentral	MLS & NetValueCentral	MLS & NetValueCentral	MLS & NetValueCentral
Effective Date of Data Source(s)	03/14/2006	03/14/2006	03/14/2006	03/14/2006

Analysis of prior sale or transfer history of the subject property and comparable sales There were no prior sales within the past year for the subject or the comparables.

Summary of Sales Comparison Approach. See Attached Addendum.

Indicated Value by Sales Comparison Approach \$ 500,000

Indicated Value by: Sales Comparison Approach \$ 500,000 Cost Approach (if developed) \$ 518,400 Income Approach (if developed) \$ N/A

The Income Approach was not utilized due to insufficient data to calculate GRM. Cost Approach considered but most emphasis placed on the Sales Comparison Approach. Not one sale was weighed more than another, weight was evenly placed as the comparables are all recent resales of similar homes located within the subject's historical subdivision.

This appraisal is made [X] "as is," [ ] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [ ] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or [ ] subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: There are no conditions to this appraisal.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 500,000 as of 03/15/2006 , which is the date of inspection and the effective date of this appraisal.

Freddie Mac Form 70 March 2005

Produced using ACI software, 800.234.8727 www.aciweb.com  
Page 2 of 6

Fannie Mae Form 1004 March 2005  
1004\_05 033005

GMB APPRAISAL GROUP



# Uniform Residential Appraisal Report

File No. 7889GB

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**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 or she considers his or her 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 judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting 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, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader 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 this appraisal report whether any portion of 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, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, 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 research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. 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, this appraisal report must not be considered as an environmental assessment of the property.
6. 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 the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

File No. 7889GB

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of 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 at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of 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 opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, 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 or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in 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 this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

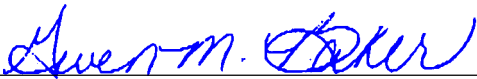
File No. 7889GB

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies 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 at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature   
Name Gwen M. Baker  
Company Name GMB Appraisal Group  
Company Address P.O. Box 7476, Phoenix, AZ 85011-7476  
  
Telephone Number 602-254-6090  
Email Address gmb1028@aol.com  
Date of Signature and Report 03/17/2006  
Effective Date of Appraisal 03/15/2006  
State Certification # 20925  
or State License # \_\_\_\_\_  
or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
State AZ  
Expiration Date of Certification or License 10/31/06

ADDRESS OF PROPERTY APPRAISED  
922 W. Culver Street  
Phoenix, AZ 85007

APPRAISED VALUE OF SUBJECT PROPERTY \$ 500,000

LENDER/CLIENT  
Name \_\_\_\_\_  
Company Name BloodhoundRealty.com, LLC  
Company Address 314 El Caminito Drive  
Phoenix, AZ 85020  
Email Address gregswann@bloodhoundrealty.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_  
  
Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

SUBJECT PROPERTY  
☐ Did not inspect subject property  
☐ Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_  
☐ Did inspect interior and exterior of subject property  
Date of Inspection \_\_\_\_\_

COMPARABLE SALES  
☐ Did not inspect exterior of comparable sales from street  
☐ Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_



ADDENDUM

Borrower: Pawlenko		File No.: 7889GB	
Property Address: 922 W. Culver Street		Case No.:	
City: Phoenix	State: AZ	Zip: 85007	
Lender: BloodhoundRealty.com, LLC			

Neighborhood Description

The subject's neighborhood consists of mostly single family homes with some commercial. The subject is located in a typical neighborhood similar to others in the Phoenix metropolitan area. Arterial section streets and freeways offer easy access to downtown employment centers. Support facilities such as schools, shopping and entertainment are located within a reasonable distance acceptable for the area. There were no unfavorable factors observed that would have an effect on the value or the marketability of the subject property.

Neighborhood Market Conditions

At the present time, there are no discounts or concessions being offered for financing in the subject's market area. Typical terms of sales are conventional or government loans with split points being typical and customary. Property values have remained stable to increasing over the past 12 months. There appears to be an equal balance of listings and sales in the area. The marketing time for the area is under 3 months with a reasonable listing price for the area. There were no unfavorable factors observed at inspection that would have an effect on the value or the marketability of the subject.

Comments on Sales Comparison

The comparables are all recent resales of similar homes located within the subject's historical subdivision, Story Historical District. Comparables #1 and #2 include basement features and required downwards basement adjustments accordingly. Comparable #3 includes a guest house above the garage. A downwards adjustment was required. Other adjustments were required to the comparables for differences in square footages, bathroom counts, pool features, patio features, etc. The comparables all required minimal amounts of gross adjustments. The adjustments made to the comps are based upon the contribution of each item to market value. The adjustments are not based on the original or replacement costs of the items. The amounts of the adjustments were obtained through "Paired Sales Analysis" and/or "Market Extraction". "NMD" ( no market difference) is used when adjustments could not be supported with market data.

Additional Comments

This appraisal report is intended for use by the lender/client for a mortgage finance transaction only. This report is not intended for any other use.

In compliance with Title V of the Gramm-Leach-Bliley Act, information about your transaction with us, such as your home's appraised value, parties to the transaction, transaction expenses, and any other information we receive from you, your lender, or your real estate agent are subject to the following policy: We do not disclose any non-public personal information about you with anyone for any purpose that is not specifically permitted by law. We restrict access to non-public personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your non-public personal information.

This appraisal was signed with an electronic signature by the signing appraiser. This signature should be considered real and original.

This report is intended for use by the client previously mentioned in this report.

Public records were examined for 36 months for the subject property.

Digital signatures were used in this report. The signatures are secured by the appraiser's password. Removal of signature will void the report.

Extraordinary Assumption

The appraiser assumes that all mechanical and structural systems are in good working order unless otherwise noted. The appraiser is not a home inspector and does not warrant or guarantee the physical condition of these systems.

Opinion of Market Value Vs Estimate of Market Value

The current Uniform Standards of Professional Practice defines the market value conclusion as an opinion of market value and not an estimate of market value.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: <b>Pawlenko</b>		File No.: <b>7889GB</b>
Property Address: <b>922 W. Culver Street</b>		Case No.:
City: <b>Phoenix</b>	State: <b>AZ</b>	Zip: <b>85007</b>
Lender: <b>BloodhoundRealty.com, LLC</b>		



FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: **March 15, 2006**  
Appraised Value: \$ **500,000**



REAR VIEW OF  
SUBJECT PROPERTY



STREET SCENE



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: <b>Pawlenko</b>		File No.: <b>7889GB</b>
Property Address: <b>922 W. Culver Street</b>		Case No.:
City: <b>Phoenix</b>	State: <b>AZ</b>	Zip: <b>85007</b>
Lender: <b>BloodhoundRealty.com, LLC</b>		



COMPARABLE SALE #1

**911 W. Lynwood Street**  
**Phoenix/111-21-084**  
Sale Date: **01/06 COE**  
Sale Price: \$ **480,000**



COMPARABLE SALE #2

**1102 W. Culver Street**  
**Phoenix/111-19-049**  
Sale Date: **02/06 COE**  
Sale Price: \$ **480,000**



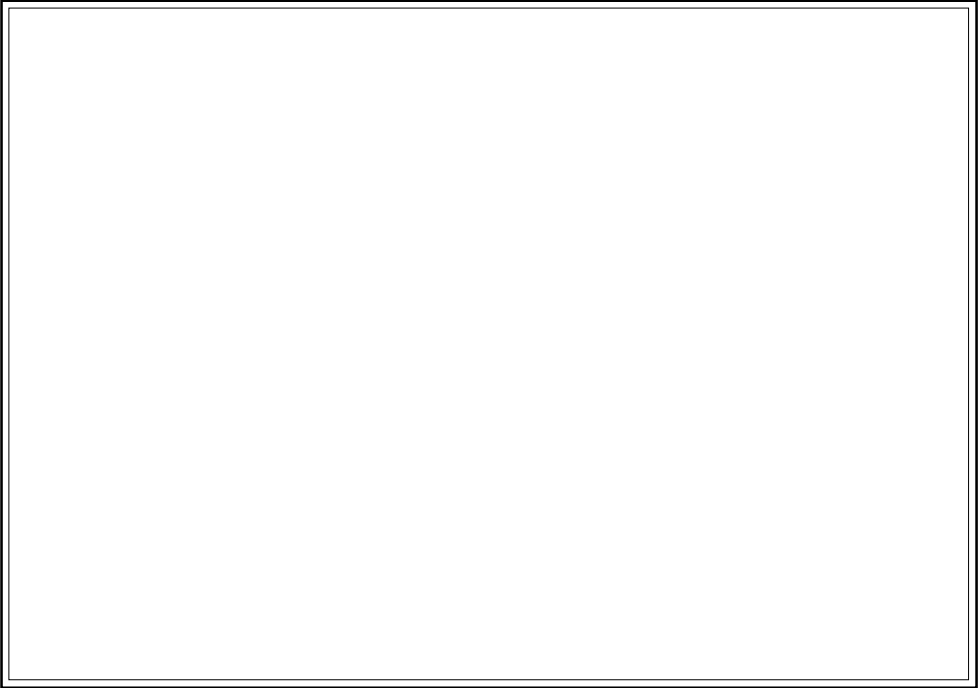
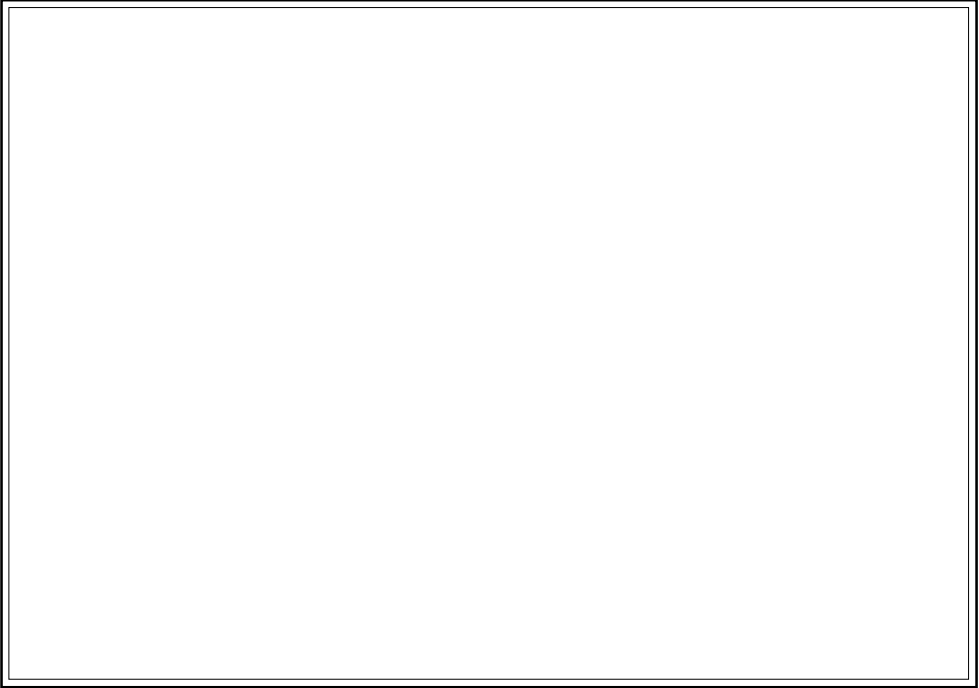
COMPARABLE SALE #3

**922 W. Moreland Street**  
**Phoenix/111-22-136**  
Sale Date: **09/05 COE**  
Sale Price: \$ **550,000**

Borrower: <b>Pawlenko</b>		File No.: <b>7889GB</b>
Property Address: <b>922 W. Culver Street</b>		Case No.:
City: <b>Phoenix</b>	State: <b>AZ</b>	Zip: <b>85007</b>
Lender: <b>BloodhoundRealty.com, LLC</b>		

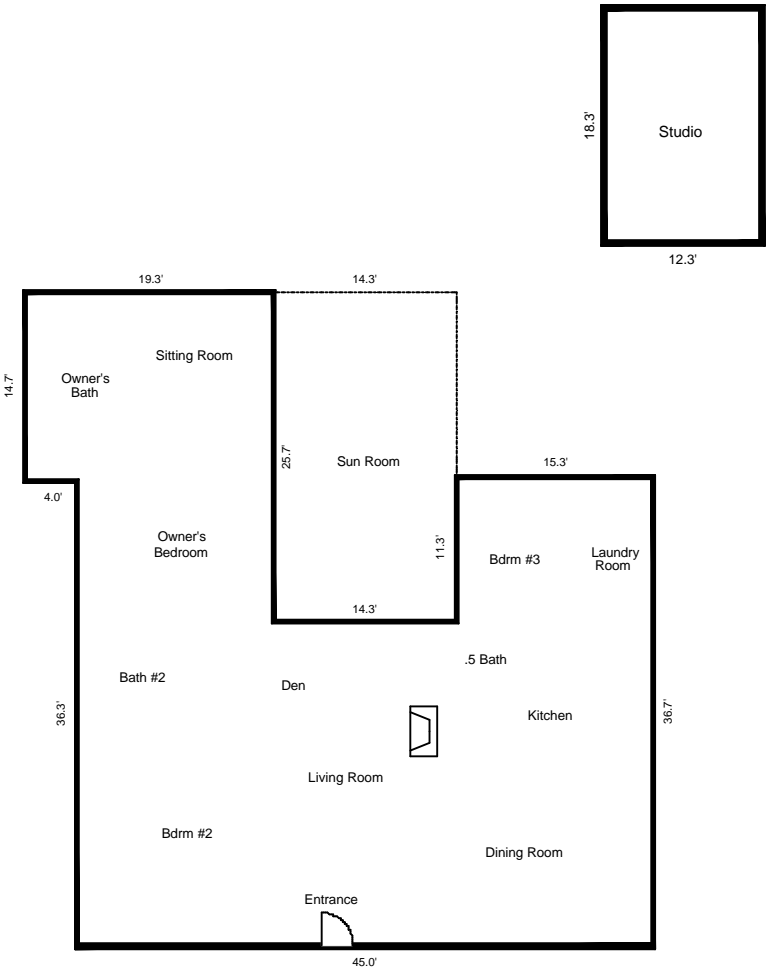


Subject's Studio



FLOORPLAN

Borrower: <b>Pawlenko</b>		File No.: <b>7889GB</b>	
Property Address: <b>922 W. Culver Street</b>		Case No.:	
City: <b>Phoenix</b>		State: <b>AZ</b>	Zip: <b>85007</b>
Lender: <b>BloodhoundRealty.com, LLC</b>			



Sketch by Apex IV Windows™

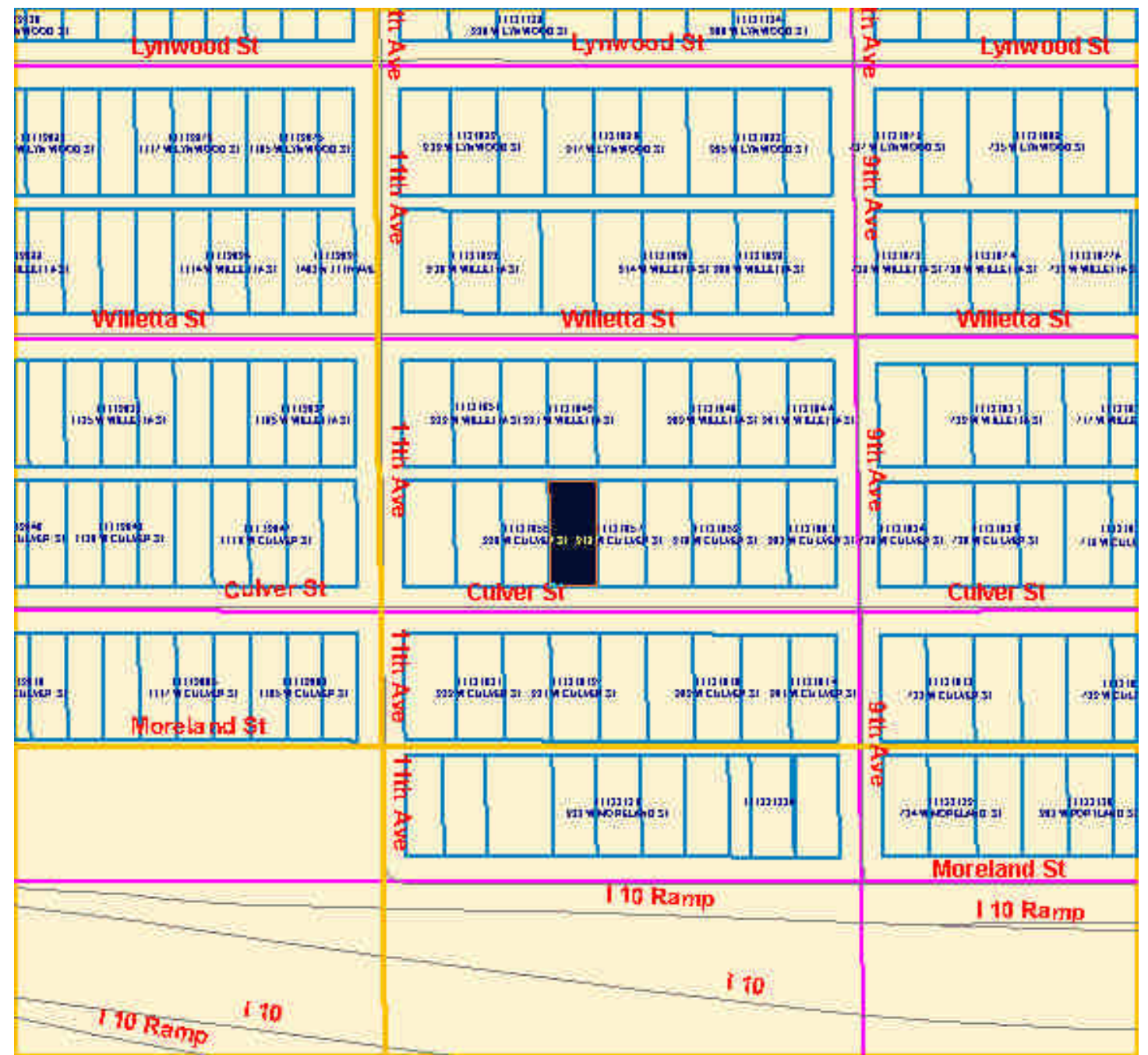
AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	First Floor	1766.23	1766.23
GBA1	Studio	226.32	226.32
P/P	Sun Room	368.11	368.11
TOTAL LIVABLE (rounded)			1766
TOTAL BUILDING (rounded)			226

LIVING/BUILDING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
25.3	x	45.0	1140.30
11.3	x	15.3	173.69
14.7	x	19.3	283.76
11.0	x	15.3	168.48
Studio			
12.3	x	18.3	226.32
5 Areas Total (rounded)			1993



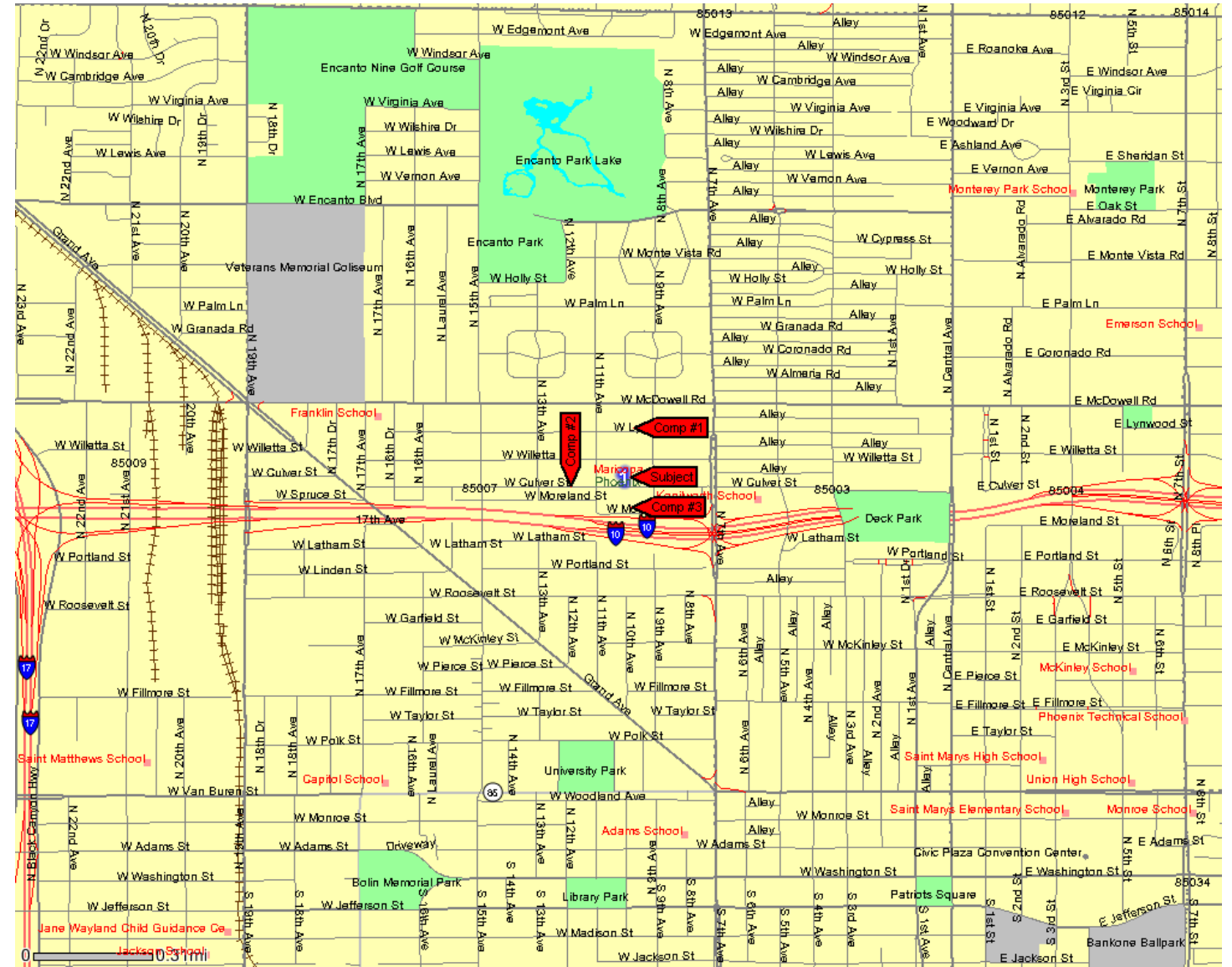
PLAT MAP

Borrower: Pawlenko	File No.: 7889GB
Property Address: 922 W. Culver Street	Case No.:
City: Phoenix	State: AZ
Lender: BloodhoundRealty.com, LLC	Zip: 85007



LOCATION MAP

Borrower: <b>Pawlenko</b>	File No.: <b>7889GB</b>
Property Address: <b>922 W. Culver Street</b>	Case No.:
City: <b>Phoenix</b>	State: <b>AZ</b>
Lender: <b>BloodhoundRealty.com, LLC</b>	Zip: <b>85007</b>

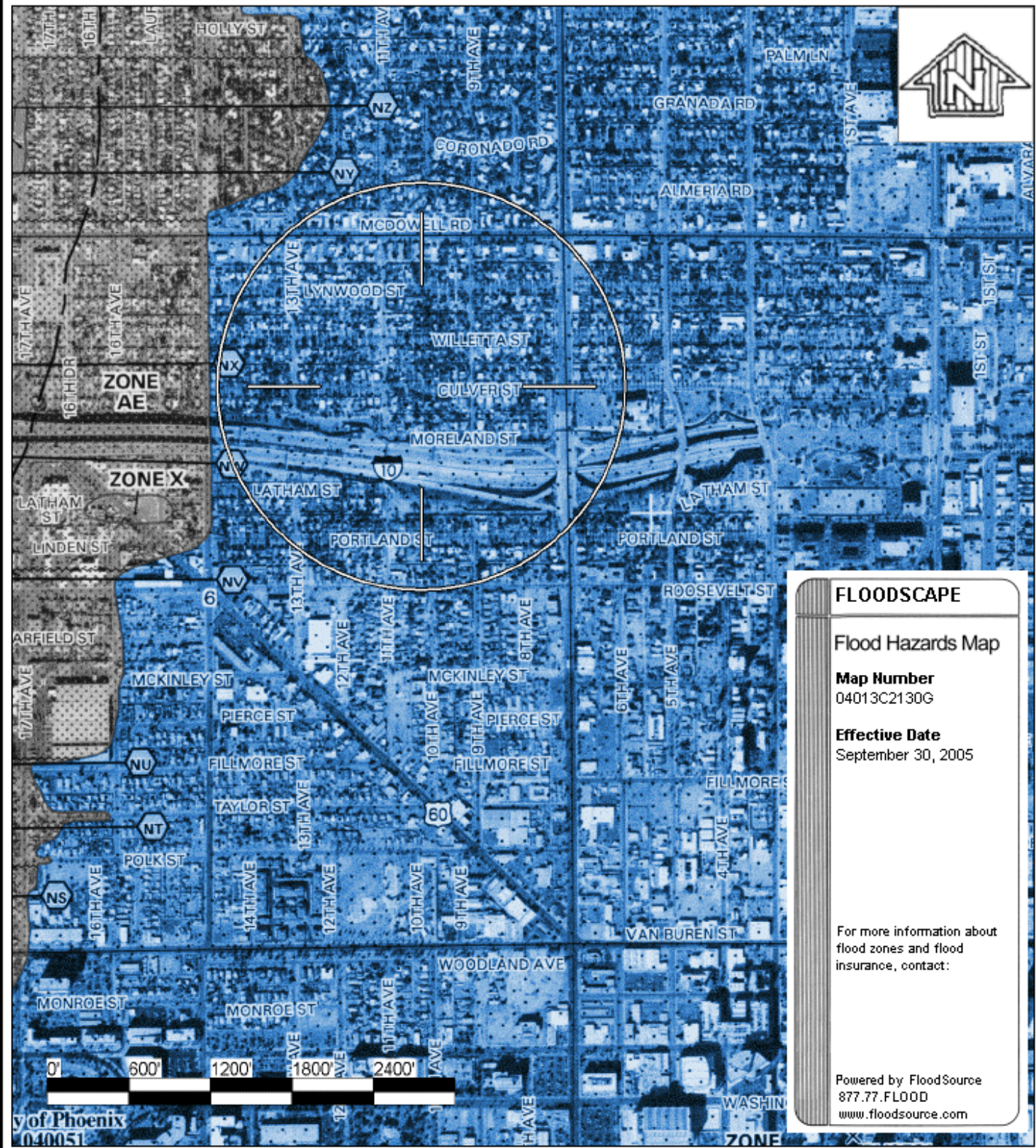




Borrower: Pawlenko	File No.: 7889GB
Property Address: 922 W. Culver Street	Case No.:
City: Phoenix	State: AZ
Lender: BloodhoundRealty.com, LLC	Zip: 85007



**Prepared for:**  
GMB Appraisal Group  
  
922 W Culver St  
Phoenix, AZ 85007-1907





Borrower: Pawlenko		File No.: 7889GB
Property Address: 922 W. Culver Street		Case No.:
City: Phoenix	State: AZ	Zip: 85007
Lender: BloodhoundRealty.com, LLC		

STATE OF ARIZONA  
**BOARD OF APPRAISAL**

BE IT KNOWN THAT

**GWENDALYNN M. BAKER**

HAS MET ALL THE REQUIREMENTS AS A

**Certified Residential Real Estate Appraiser**

In accordance with Arizona Revised Statutes and on authority of the Board of Appraisal, State of Arizona,

This certificate shall remain evidence thereof unless or until the same is suspended, revoked or expires in accordance with the provisions of law.

CERTIFICATE NUMBER  
20925  
EXPIRATION DATE  
OCTOBER 31, 2006



In witness whereof the Arizona Board of Appraisal caused to be signed by the Chair of the Board and the Executive Director

  
\_\_\_\_\_  
Chair, Board of Appraisal  
Date 10/6/04

  
\_\_\_\_\_  
Executive Director of the Board of Appraisal  
Date 10/6/04

SHALL REMAIN PROPERTY OF ARIZONA BOARD OF APPRAISAL

\*\*\*\*\* INVOICE \*\*\*\*\*

File Number: 7889GB 03/17/2006

BloodhoundRealty.com, LLC  
314 El Caminito Drive  
Phoenix, AZ 85020

Borrower : Pawlenko  
  
Invoice # : 7889GB  
Order Date : 03/14/2006  
Reference/Case # :  
PO Number :

922 W. Culver Street  
Phoenix, AZ 85007

Appraisal Fee	\$	300.00
	\$	-----
Invoice Total	\$	300.00
State Sales Tax @	\$	0.00
Deposit	(\$	300.00 )
Deposit	(\$	----- )
Amount Due	\$	0.00

Terms:

Please Make Check Payable To:

GMB Appraisal Group, PLLC  
P.O. Box 7476  
Phoenix, AZ 85011-7476

Fed. I.D. #: 20-3910768