

APPRAISAL OF REAL PROPERTY

LOCATED AT:

1005 Whitesburg Drive
lot 108 Sterchi Hills Unit 1
Knoxville, TN 37918

FOR:

~~_____~~
~~_____~~
~~_____~~

AS OF:

July 16, 2003

BY:

Chris Skalet

THIS SUMMARY APPRAISAL REPORT IS INTENDED FOR USE BY THE LENDER/CLIENT FOR A MORTGAGE FINANCE TRANSACTION ONLY.

Property Address 1005 Whitesburg Drive City Knoxville State TN Zip Code 37918
 Legal Description lot 108 Sterchi Hills Unit 1 County Knox
 Assessor's Parcel No. 057K E 107 Tax Year 2002 R.E. Taxes \$ 757.76 Special Assessments \$ 0.00
 Borrower William S Schehl Current Owner William S Schehl Occupant Owner Tenant Vacant
 Neighborhood or Project Name Sterchi Hills Project Type PUD Condominium HOA \$ n/a /Mo.
 Sales Price \$ n/a Date of Sale n/a Description / \$ amount of loan charges/concessions to be paid by seller n/a
 Property rights appraised Fee Simple Leasehold Map Reference 057K Census Tract 0049.00

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

Location Urban Suburban Rural Property values Increasing Stable Declining
 Built up Over 75% 25-75% Under 25% Demand/supply Shortage In balance Over supply
 Growth rate Rapid Stable Slow Marketing time Under 3 mos. 3-6 mos. Over 6 mos.
 Neighborhood boundaries The subject is bounded by Dry Gap Pike to the south and east and Highway 131 to the north and west.
 250 High 70 175 High 25
 Predominant
 125 5-10 120 10-15

Dimensions 152.8 x 131.25 x irregular Site area 0.46 acres +/- Shape irregular
 Specific zoning classification and description residential
 Zoning compliance Legal Legal nonconforming (Grandfathered use) Illegal, attach description No zoning
 Highest and best use of subject property as improved (or as proposed per plans and specifications): Present use Other use, attach description.
 Utilities Public Other Public Other Off-site Improvements Type Public Private
 Electricity Gas Water Sanitary sewer Street asphalt Alley none

Are there any apparent adverse site conditions (easements, encroachments, special assessments, slide areas, etc.)? Yes No If Yes, attach description.
 Source(s) used for physical characteristics of property: Interior and exterior inspection Exterior inspection from street Previous appraisal files
 MLS Assessment and tax records Prior inspection Property owner Other (Describe):
 No. of Stories one Type (Det./Att.) detached Exterior Walls siding/brick Roof Surface composite Manufactured Housing Yes No
 Does the property generally conform to the neighborhood in terms of style, condition and construction materials? Yes No If No, attach description.
 Are there any apparent physical deficiencies or conditions that would affect the soundness or structural integrity of the improvements or the livability of the property?
 Yes No If Yes, attach description.
 Are there any apparent adverse environmental conditions (hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property? Yes No If Yes, attach description.

I researched the subject market area for comparable listings and sales that are the most similar and proximate to the subject property.
 My research revealed a total of 44 sales ranging in sales price from \$ 115,000 to \$ 135,000.
 My research revealed a total of 15 listings ranging in list price from \$ 115,000 to \$ 135,000.
 The analysis of the comparable sales below reflects market reaction to significant variations between the sales and the subject property.

FEATURE	SUBJECT	SALE 1	SALE 2	SALE 3
Address	1005 Whitesburg Drive Knoxville	611 Whitesburg Drive Knoxville	7000 Stanfort Lane Knoxville	565 Bushwood Drive Knoxville
Proximity to Subject		0.10 miles	0.88 miles	0.06 miles
Sales Price	\$ n/a	\$ 117,000	\$ 124,900	\$ 126,000
Price/Gross Living Area	\$ n/a	\$ 85.90	\$ 102.38	\$ 96.48
Data & Verification Sources		doc#200302050068707	doc#200212110051801	doc#200303070079276
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION +(-)\$ Adjust.	DESCRIPTION +(-)\$ Adjust.	DESCRIPTION +(-)\$ Adjust.
Sales or Financing Concessions		none known conventional	none known conventional	none known conventional
Date of Sale/Time		02/05/03	12/11/02	03/07/03
Location	suburban/avg	suburban/avg	suburban/avg	suburban/avg
Site	0.46 acres +/-	0.26 ac/sim val	0.12 ac/sim val	0.22 ac/sim val
View	suburban	suburban	suburban	suburban
Design (Style)	ranch/avg	ranch/avg	ranch/avg	ranch/avg
Actual Age (Yrs.)	a10/e5	a9/e5	a3/e2	a9/e5
Condition	average	average	average	average
Above Grade	Total :Bd rms: Baths	Total :Bd rms: Baths	Total :Bd rms: Baths	Total :Bd rms: Baths
Room Count	6 : 3 : 2	6 : 3 : 2.5	6 : 3 : 2	6 : 3 : 2
Gross Living Area	1,183 Sq. Ft.	1,362 Sq. Ft.	1,220 Sq. Ft.	1,306 Sq. Ft.
Basement & Finished Rooms Below Grade	none unfinished	none unfinished	none unfinished	none unfinished
Garage/Carport	g-2-a	g-2-a	none noted	g-2-a
Net Adj. (total)	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 4,330	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 1,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 2,460	
Adjusted Sales Price of Comparables	\$ 112,670	\$ 125,900	\$ 123,540	
Date of Prior Sale	no sale in 3 yrs	no sale in past 12 months	no sale in past 12 months	no sale in past 12 months
Price of Prior Sale	\$	\$	\$	\$

Analysis of any current agreement of sale, option, or listing of the subject property and analysis of the prior sales of subject and comparables: The subject is not currently listed.
 Summary of sales comparison and value conclusion: All three sales are located in the same market area as the subject property. Sales over six months old were included due to little change in the subject's market area over the past one year. All three sales are considered in the final opinion of value with most weight given to sales #1 and #3. A final opinion of value of \$120,000 is concluded. The cost approach was also considered and is available to the client upon request.

This appraisal is made "as-is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, or subject to the following repairs, alterations or conditions

BASED ON AN EXTERIOR INSPECTION FROM THE STREET OR AN INTERIOR AND EXTERIOR INSPECTION, I ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT TO BE \$ 120,000, AS OF July 16, 2003

0001936

File No. 0001936

Desktop Underwriter Quantitative Analysis Appraisal Report

PUD	Project Information for PUDs (If applicable) - Is the developer/builder in control of the Home Owners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Provide the following information for PUDs only if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit:	
	Total number of phases _____	Total number of units <u>n/a</u> Total number of units sold _____
	Total number of units rented _____	Total number of units for sale <u>n/a</u> Data Source(s) _____
	Was the project created by the conversion of existing buildings into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, date of conversion: _____	
Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source: _____		
Are the common elements completed? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe status of completion: _____		
Are any common elements leased to or by the Home Owners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, attach addendum describing rental terms and options.		
Describe common elements and recreational facilities: <u>n/a</u>		
CONDOMINIUM	Project Information for Condominiums (If applicable) - Is the developer/builder in control of the Home Owners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Provide the following information for all Condominium Projects:	
	Total number of phases _____	Total number of units _____ Total number of units sold _____
	Total number of units rented _____	Total number of units for sale _____ Data Source(s) _____
	Was the project created by the conversion of existing buildings into a condominium? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, date of conversion: _____	
Project Type: <input type="checkbox"/> Primary Residence <input type="checkbox"/> Second Home or Recreational <input type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Midrise <input type="checkbox"/> Highrise <input type="checkbox"/> _____		
Condition of the project, quality of construction, unit mix, etc.: _____		
Are the common elements completed? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe status of completion: _____		
Are any common elements leased to or by the Home Owners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, attach addendum describing rental terms and options.		
Describe common elements and recreational facilities: _____		

PURPOSE OF APPRAISAL: The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report based on a quantitative sales comparison analysis for use in a mortgage finance transaction.

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 judgment.

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:

- 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.
- The appraiser has provided any required 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.
- 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.
- The appraiser has noted in the appraisal report any adverse conditions (such as, but not limited to, needed repairs, 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, expressed 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.
- 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.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
- 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 report 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.
- The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed.
- The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.

Desktop Underwriter Quantitative Analysis Appraisal Report

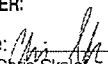
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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I performed this appraisal by (1) personally inspecting from the street the subject property and neighborhood and each of the comparable sales (unless I have otherwise indicated in this report that I also inspected the interior of the subject property); (2) collecting, confirming, and analyzing data from reliable public and/or private sources; and (3) reporting the results of my inspection and analysis in this summary appraisal report. I further certify that I have adequate information about the physical characteristics of the subject property and the comparable sales to develop this appraisal.
2. I have researched and analyzed the comparable sales and offerings/listings in the subject market area and have reported the comparable sales in this report that are the best available for the subject property. I further certify that adequate comparable market data exists in the general market area to develop a reliable sales comparison analysis for the subject property.
3. 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 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, have considered these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them, and have commented about the effect of the adverse conditions on the marketability of the subject property. 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.
4. 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.
5. 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 the estimate of market value in the 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.
6. 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.
7. 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.
8. I estimated the market value of the real property that is the subject of this report based on the sales comparison approach to value. I further certify that I considered the cost and income approaches to value, but, through mutual agreement with the client, did not develop them, unless I have noted otherwise in this report.
9. I performed this appraisal as a limited appraisal, subject to the Departure Provision 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 as of the effective date of the appraisal (unless I have otherwise indicated in this report that the appraisal is a complete appraisal, in which case, the Departure Provision does not apply).
10. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value. The exposure time associated with the estimate of market value for the subject property is consistent with the marketing time noted in the Neighborhood section of this report. The marketing period concluded for the subject property at the estimated market value is also consistent with the marketing time noted in the Neighborhood section.
11. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. I further certify that no one provided significant professional assistance to me in the development of this appraisal.

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 examined the appraisal report for compliance with the Uniform Standards of Professional Appraisal Practice, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 5 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

APPRAISER:

Signature: 
 Name: Chris Skalet
 Company Name: Advanced Appraisal Services
 Company Address: PO Box 11373
Knoxville, TN 37939
 Date of Report/Signature: July 16, 2003
 State Certification #: CR-2399
 or State License #: _____
 State: TN
 Expiration Date of Certification or License: 6/30/2005

SUPERVISORY APPRAISER (ONLY IF REQUIRED):

Signature: _____
 Name: _____
 Company Name: _____
 Company Address: _____
 Date of Report/Signature: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

ADDRESS OF PROPERTY APPRAISED:

1005 Whitesburg Drive
Knoxville, TN 37918

APPRAISED VALUE OF SUBJECT PROPERTY \$ 120,000
 EFFECTIVE DATE OF APPRAISAL/INSPECTION July 16, 2003

LENDER/CLIENT:

Name: _____
 Company Name: ~~Advanced Appraisal Services~~
 Company Address: ~~PO Box 11373, Knoxville, TN 37939~~

SUPERVISORY APPRAISER:

SUBJECT PROPERTY

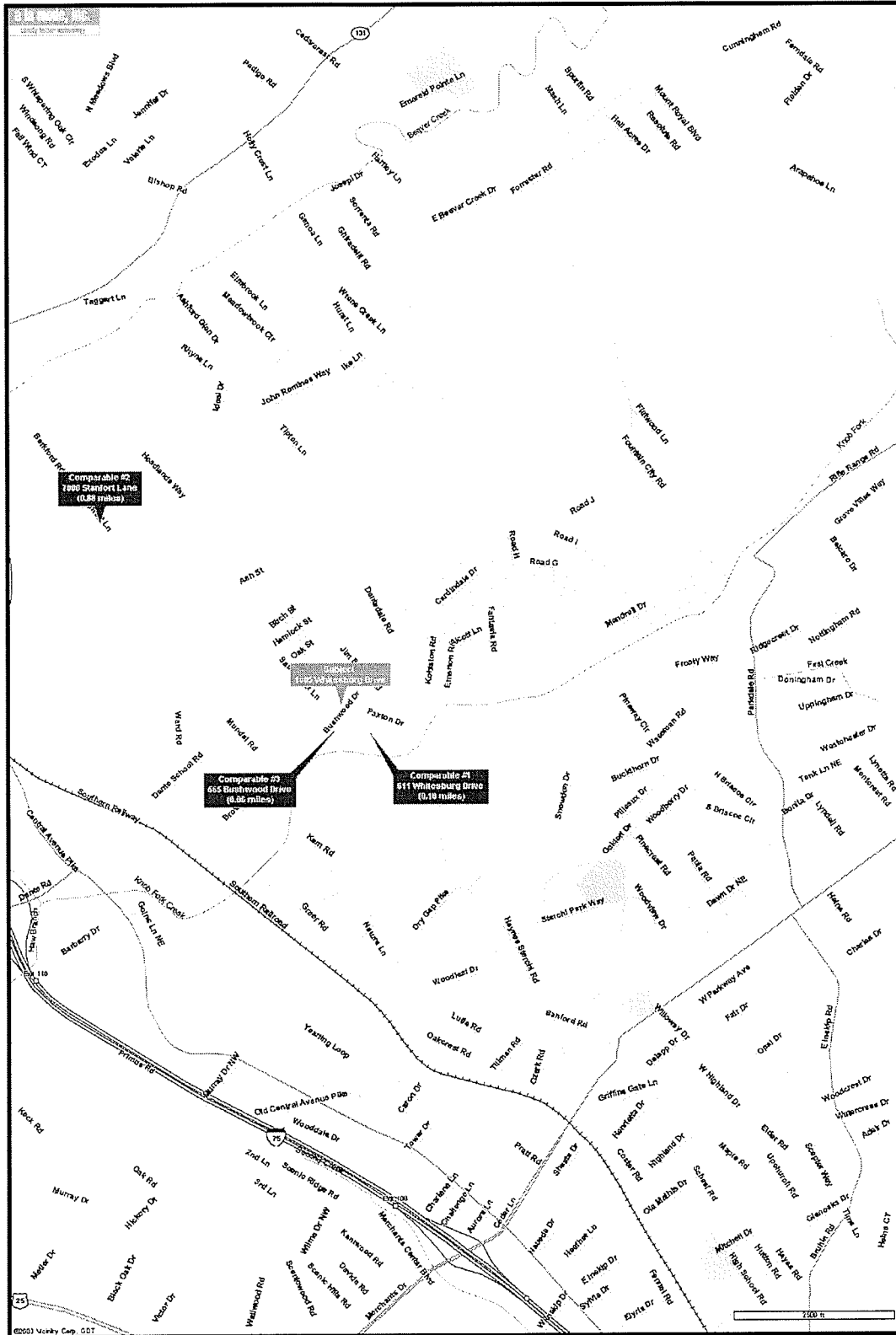
- Did not inspect subject property
- Did inspect exterior of subject property from street
- Did inspect interior and exterior of subject property

COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
- Did inspect exterior of comparable sales from street

Location Map

Borrower/Client William S Schehl				
Property Address 1005 Whitesburg Drive				
City Knoxville	County Knox	State TN	Zip Code 37918	
Lender [REDACTED]				



Subject Photo Page

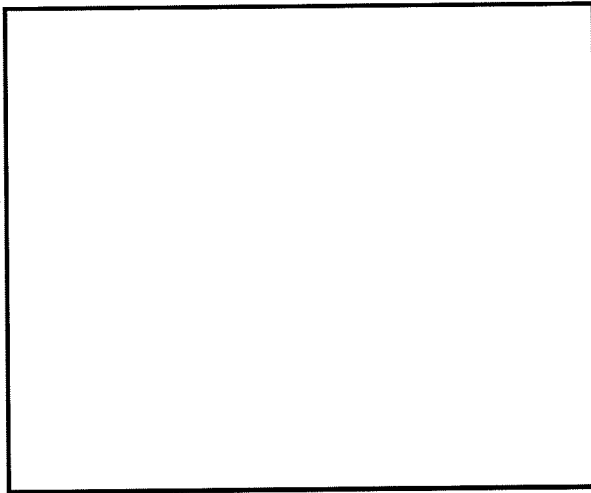
Borrower/Client William S Schehl			
Property Address 1005 Whitesburg Drive			
City Knoxville	County Knox	State TN	Zip Code 37918
Lender [REDACTED]			

Subject Front

1005 Whitesburg Drive
Sales Price n/a
Gross Living Area 1,183
Total Rooms 6
Total Bedrooms 3
Total Bathrooms 2
Location suburban/avg
View suburban
Site 0.46 acres +/-
Quality siding/brick/avg
Age a10/e5



Subject Rear



Subject Street



FIRREA / USPAP ADDENDUM

Borrower William S Schehl

Property Address 1005 Whitesburg Drive

City Knoxville County Knox State TN Zip Code 37918

Lender/Client ~~Bank of America~~

Purpose

To develop an opinion of value of the subject property for lending purposes. The client named in the report is the intended user and sole client of Advanced Appraisal Services regardless of who paid for the appraisal. This report may not be appropriate for any other use.

Scope

This report is a complete appraisal reported in a summary report format. The scope and valuation process may be insufficient for uses other than the intended purpose (lending). The appraiser has made an inspection of the subject property and neighborhood. The process of developing an opinion of value includes three approaches to value unless otherwise noted in this report. The market information used in this report is based on market information obtained from public records and local multiple listing services. These data sources are deemed reliable however are not guaranteed. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included nor used as a basis for the value conclusions. The extent of analysis applied to this assignment may be further imparted within the report the Appraisers Certification and any other statement of limiting conditions when applicable.

Intended Use / Intended User

The client named in this report is the sole intended user. The intended use is for mortgage lending purposes. The services of Advanced Appraisal Services were engaged by the lender/financial institution and not by the borrower.

History of Property

Current listing information: The subject is not actively listed.

Prior sale: The subject has not transferred in the last 3 years.

Exposure Time / Marketing Time

A reasonable marketing time based on marketing conditions pertinent to the appraisal assignment is 90-120 days.

Personal (non-realty) Transfers

No personal property is considered in the valuation process.

Additional Comments

This appraiser is not a home inspector nor was a "home inspection" performed where components and the structure of the home are evaluated or tested.

I certify, 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 analysis, opinions and conclusions. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved, unless otherwise stated within the report. I have no bias with respect to the property that is the subject of this report or to 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. No one provided significant professional assistance to the person signing this report.

Certification Supplement

1. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or an approval of a loan.
 2. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.
- I, Chris Skalet, have made a personal inspection of the property that is the subject of this report.


Appraiser(s): Chris Skalet

Supervisory Appraiser(s): _____

Effective date / Report date: July 16, 2003

Effective date / Report date: _____