

ADDENDUM

Borrower: <u>Namaniel Johnson & Kristin Petrell</u>		File No.: <u>031405A</u>
Property Address: <u>25625 W. Lynne Lane</u>		Case No.: <u>AV0161219-1</u>
City: <u>Buckeye</u>	State: <u>AZ</u>	Zip: <u>85326</u>
Lender: <u>Navy Federal Credit Union</u>		

March 28, 2006

RE: Additional data provided for review

To whom it may concern:

Sales sheets/upgrade sheets, apparently provided by the builder's sales office, regarding homes that appear to have sold in the Subject development and were not utilized as Comparables in the original appraisal report, dated March 15, 2006, were forwarded for review

As a "Model Match" (Comparable #1), which was provided to the appraiser by the builder and was the only truly comparable sale in the area to include a swimming pool, and two other very similar re-sales were originally included as Comparables, the "best" available market data are considered to have already been utilized in valuating the Subject property.

Information provided regarding 25532 and 25540 W. Pleasant Lane Buckeye, AZ pertains to homes that both have Gross Living Area in excess of twenty percent larger than the Subject's (3306 square feet versus 2570 square feet). Particularly due to the fact that other, more similar homes were available as Comparable data, the inclusion of either or both of these sales on Pleasant Lane would be inappropriate and may give the impression that the appraisal's purpose was to target a predetermined value range. Neither of the Pleasant Lane properties are considered, by the appraiser, to be more appropriate for inclusion than those originally utilized and the report will not be amended.

I hope this dissertation is helpful in the analysis of the appraisal report and if I can be of further assistance, please feel free to contact my office at your convenience.

Respectfully submitted,

Cari S Vasicek
Licensed Appraiser
AZ # 10874

Revised

15 pages

Borrower: Nathaniel Johnson & Kristin Parrill
 Property Address: 25625 W. Lynne Lane
 City: Buckeye
 State: AZ
 Zip: 85326
 File No.: 0314054
 Case No.: AV0161215-1

ADDENDUM

March 28, 2006

RE: Additional data provided for review

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Sales sheets/upgrade sheets, apparently provided by the builder's sales office, regarding homes that appear to have sold in the Subject development and were not utilized as Comparables in the original appraisal report, dated March 15, 2006, were forwarded for review.

As a "Model Match" (Comparable #1), which was provided to the appraiser by the builder and was the only truly comparable sale in the area to include a swimming pool, and two other very similar re-sales were originally included as Comparables, the "best" available market data are considered to have already been utilized in valuing the Subject property.

Information provided regarding 25532 and 25540 W, Pleasant Lane Buckeye, AZ pertains to homes that both have Gross Living Area in excess of twenty percent larger than the Subjects (3306 square feet versus 2570 square feet). Particularly due to the fact that other, more similar homes were available as Comparable data, the inclusion of either or both of these sales on Pleasant Lane would be inappropriate and may give the impression that the appraiser's purpose was to target a predetermined value range. Neither of the Pleasant Lane properties are considered, by the appraiser, to be more appropriate for inclusion than those originally utilized and the report will not be amended.

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Respectfully submitted,

Carl S Vasticek
 Licensed Appraiser
 AZ # 10874

Reviewed

15 pages

Uniform Residential Appraisal Report

AVB16215-1

Property Address: 25625 W Lynn Lane
City: Buckeye
State: AZ
Zip: 85328

Seller: Johnathon & Kristin Pelham
Buyer: Public Metro KB Home Sales Program Inc.

APR 1998
RE Taxis: 1,952.06
MAP Reference:
Neighborhood: SanTamas
Owner: [X] Vacant [] Leasehold [] Other
Property: [X] Fee Simple [] Leasehold [] Other (Describe)
Assessment: None Known
Other: [X] Part
APR: 1,952.06
INRA: 1,952.06
RE Taxis: 1,952.06

Neighborhood: SanTamas
City: Buckeye
State: AZ
Zip: 85328

APR 1998
RE Taxis: 1,952.06
MAP Reference:
Neighborhood: SanTamas
Owner: [X] Vacant [] Leasehold [] Other
Property: [X] Fee Simple [] Leasehold [] Other (Describe)
Assessment: None Known
Other: [X] Part
APR: 1,952.06
INRA: 1,952.06
RE Taxis: 1,952.06

Contract Price: \$ 389,899
Date of Contract: 07/13/2005
Is the property being sold as part of a public auction? [X] Yes [] No
Is the property being sold as part of a foreclosure sale? [X] Yes [] No

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Is the property being sold as part of a foreclosure sale? [X] Yes [] No

Neighborhood Description: See Attachment

Market Conditions: (Reading support for the above conditions) See Attachment

Zone Classification: Single Residential

Location: [X] Urban [] Suburban [] Rural
Urban: [X] Suburban [] Rural

Structure: [X] Detached [] Attached
Other: [] Commercial [] Industrial [] Other (Describe)

Year Began: 2005
Style: Contemporary
Construction: Masonry

General Description:
Foundation: Slab on grade
Roof: Asphalt/Flt Shingles
Exterior: Brick
Interior: Hardwood floors, tile in kitchen/bath
Rooms: Living, Dining, Kitchen, 2 Bedrooms, 2 Bathrooms, Laundry, Storage
Area: 1,952 sq. ft.
Lot: 5,000 sq. ft.
Year Began: 2005
Style: Contemporary
Construction: Masonry

Additional Features: (Special energy efficient items, etc.)
 Energy Star Appliances, Low E Windows, Insulation
Estimated Energy Cost: 2.5 Btu/ft² per hour
Estimated Energy Cost: 2.5 Btu/ft² per hour

Conclusion: No known special assessments
Conditions: None observed
Remarks: None observed

Uniform Residential Appraisal Report

AVB101215-1
 File No. 031405A

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Three Net B comparable properties initially offered for sale in the subject neighborhood during the 0951 month ending in sale price from \$ 258,000 to \$ 380,000
 Three Net C comparable sales in the subject neighborhood within the 0951 month ending in sale price from \$ 215,000 to \$ 380,000

Address: 2525 W. Lynne Lane, Buckeye, AZ 85326
 2525 W. Lynne Lane, Buckeye, AZ 85326
 7385 S Skyhawk Lane, Buckeye, AZ 85326
 0.74 million NNE, Buckeye, AZ 85326

Site Area: 1133 ML SF, 7704 ML SF, 7403 ML SF, 8167 ML SF
 Location: Fee Simple, Fee Simple, Fee Simple, Fee Simple
 Typical Use: Typical residential, Typical residential, Typical residential, Typical residential

Condition: New, New, Good-States etc, Near New
 Act. Age: 2000, 2005, 2005, 2005
 Quality of Construction: Ft./Stu - Avg., Ft./Stu - Avg., Ft./Stu - Avg., Ft./Stu - Avg.

Value Adjustments: Description, Description, Description, Description
 Conventions: -0- Points, -0- Points, -0- Points, -0- Points
 Date of Sale/Time: 02/13/2005, 12/28/2005, 10/16/2005, 12/15/2005

Room Count: 10 d, 2 e, 10 d, 2 e, 8 s, 3, 9 d, 3
 Gross Living Area (sq. ft.): 2,570 sq. ft., 2,573 sq. ft., 2,548 sq. ft., 2,832 sq. ft.

Basement & Finished: No basement, No basement, No basement, No basement
 Functional Utility: Average, Average, Average, Average

Health/Condition: FWA C/Air, FWA C/Air, FWA C/Air, FWA C/Air
 Energy Efficient Items: Double panes, 2 Car Garage, Double panes, 2 Car Garage

Particulates: Covered Patio, Covered Patio, Covered Patio, Covered Patio
 Fireplaces, etc: No fireplace, No fireplace, No fireplace, No fireplace

Pool/SPA: Pool/No Spa, Pool/No Spa, Pool/No Spa, Pool/No Spa
 Modernization: New/Minor Upg, New/Minor Upg, New/Minor Upg, New/Minor Upg

Acquired Sale Price: \$ 385,300, \$ 350,000, \$ 34,500, \$ 25,300
 Net Adjustment (Gain): \$ 0, \$ 0, \$ 0, \$ 0

APV: 15.1%, 15.1%, 10.8%, 7.0%
 GRV: 15.1%, 14.1%, 10.8%, 15.6%

1 [X] did not receive the sale of transfer history of the subject property and comparable sales if not explain
 2 [X] did not receive the sale of transfer history of the subject property and comparable sales (upon additional prior sales on page 2)

My research did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of the appraisal.
 Data source(s): ARMLS, Net-Value Central and County Assessor.

My research did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of the appraisal.
 Data source(s): ARMLS, Net-Value Central and County Assessor.

Report the results of the research and analysis of the prior sales or transfers history of the subject property and comparable sales (upon additional prior sales on page 2).
 Date source(s): ARMLS, Net-Value Central and County Assessor.

Item 1: Subject, Comparable Sale No. 1, Comparable Sale No. 2, Comparable Sale No. 3
 Date of Prior Sale/Transfer: N/A, N/A, N/A, 06/21/2005

County Assessor: N/A, N/A, N/A, N/A
 Date of report signature: N/A, N/A, N/A, N/A

County Assessor: N/A, N/A, N/A, N/A
 Date of report signature: N/A, N/A, N/A, N/A

Analysis of prior sale or transfer history of the subject property and comparable sales. See Attachment.
 Summary of Sales: Concession Approach. See Attachment.

Indicated Value by Sales Concession Approach: 1,351,000
 Concession Approach: 1,351,000
 Income Approach: N/A

Most consideration is afforded the Market Approach since the method best reflects the actions of typical buyers and sellers. Since most homes in the area are owner occupied, the Income Approach is not considered necessary. The Cost Approach supports the Market Approach.

This appraisal is made on the basis of a hypothetical condition that the improvements have been completed. Subject to the following caveats or alterations on the basis of a hypothetical condition that the improvements have been completed.

1004-D Satisfaction Certificate of the equivalent by the author of this report. Estimated "AS IS" Value: \$308,000.
 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 \$ 351,000.

55 of 05/15/2008
 which in the state of inspection and the effective date of this report.

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Personal property was not included in the final value estimate.

The intended user(s) of the appraisal is/are the above-named Lender(s)/Client(s) and the intended use of the appraisal is to estimate the market value of the subject property, as defined herein, for mortgage lending purposes. Although Section 21 of the Appraiser's Certification allows the appraiser to communicate the report to certain parties, the appraiser will, at no time, discuss or distribute this report with any party other than the lender/client.

This is a federally related transaction.
 The definition of Market Value is derived from FIMA and FLMC and is generally accepted by FHA/HUD, VA and the users of Residential Real Estate Appraisals.

This is a "Complete" appraisal and is communicated as a "Summary" appraisal report for the ratio and exclusive use of the lender/client specified herein.

This report is intended to comply with current USPAP requirements. In compliance with the USPAP version effective 03/17/1999, all references to "Estimate of Value" contained on the form or within the body of this report should read "Opinion of Value". In compliance with the USPAP version effective 03/17/1999, all references to "Neighborhood" contained on the form or within the body of this report should read "Market Area".

SCOPE OF REPORT

The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales, listings, and/or rentals when applicable, within the Subject Market Area. The original source of the comparable is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion. The extent of analysis applied to this assignment may be further imparted within the report and/or any other Statement of Limiting Conditions and Appraiser's Certification (Dated 03/2005), when applicable.

The appraiser is NOT a home inspector and this appraisal report is NOT a home inspection. The appraiser performed only a VISUAL inspection of accessible areas and the appraisal CANNOT be relied upon to disclose conditions and/or defects in the property.

COST APPROACH TO VALUE (not required by Fannie Mae)
 Provide adequate information for the lender/client to replicate the below cost figures and calculations.
 Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) See Attachment.

ESTIMATE REPRODUCTION OR REPLACEMENT COST NEW
 Source of cost data See Attachment
 Quality rating from cost survey Average Effective date of cost data 12/01/2005
 Comments on Cost Approach (gross living area calculations, depreciation, etc.)
 Pool, patio, built-in, etc. Sq Ft # 3 - \$
 Garage/Carport 426 sq ft # 3 23.00 - \$ 9,800
 Total Estimate of Cost-Now - \$ 229,400
 Less 65 Percent Functional Equivalent - \$ 0
 Depreciated Cost of Improvements - \$ 229,400
 Ass'n Value of Site Improvements - \$ 5,000
 Indicated Value by Cost Approach - \$ 354,400

INCOME APPROACH TO VALUE (not required by Fannie Mae)
 N/A x Gross Rent Multiplier N/A x Gross Rent Multiplier Not considered necessary for this appraisal.
 Summary of income approach (including support for market rent and Gross) Not considered necessary for this appraisal.
PROJECT INFORMATION FOR FUDs (if applicable)
 Is the development in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached
 Provide the following information for FUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
 Legal name of project N/A
 Total number of phases N/A
 Total number of units N/A
 Total number of units for sale N/A
 Total number of units sold N/A
 Date sold(s) N/A
 Does the project require the conversion of an existing structure(s) into a PUD? Yes No Date of conversion N/A
 Are the unit, common elements, and region located complete? Yes No If no, describe the status of completion N/A
 Are the common elements needed to be by the Homeowners' Association? Yes No If yes, describe the items and options N/A
 Describe common elements and regional facilities N/A

Uniform Residential Appraisal Report
AVE 181215-1
FPO No. 031405A

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 errors on the 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 the 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 at 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 comparable 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 based on the appraiser's judgment. 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 guarantee, 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 guarantee 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 on the assumption that the subject property will be completed, repaired, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

AVB181215-1
FIRM NO. 031405A

Uniform Residential Appraisal Report

Lucid Appraisals Incorporated

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. 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. 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.
- 8 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.
- 9 I verified, from a diversified 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.
- 10 I have knowledge and experience in appraising this type of property in this market area.
- 11 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.
- 12 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.
- 13 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, noxious odors, 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 I have performed in appraising 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.
- 14 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.
- 15 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.
- 16 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.
- 17 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).
- 18 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 and I will take no responsibility for it any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it. I identified the lender(s) in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Lucid Appraisals Incorporated
AV8181215-1
Form No 031405A

Uniform Residential Appraisal Report

21 The lender/borrower 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; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency or institutionally the mortgagee or its successors and assigns; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency or institutionally of the United States; and any state, the District of Columbia, or other jurisdiction; without having to obtain the approval or consent of the lender/borrower. Such consent must be obtained before the 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/borrower 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 lenders 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

- 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.
- 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.
- 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.
- 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.
- 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: *John S. Taylor*
Name: John S. Taylor, Licensed Appraiser
Company Name: Lucid Appraisals Incorporated
Company Address: 499 E. Dinby Ave. Higley, AZ 85236
Telephone Number: 000-000-0000
Email Address: _____

APPRAISER Signature: _____
Name: _____
Company Name: _____
Company Address: _____
Telephone Number: _____
Email Address: _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED) Signature: _____
Name: _____
Company Name: _____
Company Address: _____
Telephone Number: _____
Email Address: _____

ADDRESS OF PROPERTY APPRAISED
25625 W. Lynne Lane
Buckeye, AZ 85326
APPAISED VALUE OF SUBJECT PROPERTY \$ 351,000

LENDER/CLIENT
Name: _____
Company Name: Navy Federal Credit Union
Company Address: P.O. Box 3325 Merfield, VA 22119
Email Address: _____

SUBJECT PROPERTY
Date of Signature: 03/15/2008
Effective Date of Appraisal: 03/15/2008
State Certification #: 10974
or State License #: _____
or Other (describe): _____
State #: _____
Expiration Date of Certification or License: 04/30/2007

COMPARABLE SALES
Date of Inspection: _____
Did inspect exterior of comparable sales from street:
Did not inspect exterior of comparable sales from street:

COMPARABLE SALES
Date of Inspection: _____
Did inspect interior and exterior of subject property:
Did not inspect interior and exterior of subject property:

Lucid Appraisals Incorporated
Form No 031405A
Printed Name: John S. Taylor
Printed License #: 031405A
Form No 031405A

Borrower: Naimel Johnson & Kristin Pettit
 Property Address: 25825 W. Lyman Lane
 City: Buckeye
 Lender: Navy Federal Credit Union
 File No.: 031405A
 Case No.: AVB1215-1
 State: AZ
 Zip: 85326

APPENDUM

Neighborhood Boundaries
 For purposes of this report, Neighborhood Boundaries are roughly defined as: Broadway Rd. (North), S Miller Rd (East), Baseline Rd (South), and S 259 th Ave (West)

Neighborhood Market Factors
 The Subject is located in Buckeye, on the southwest edge of the Phoenix Metropolitan Area, in a residential neighborhood community that is built up with more single family dwellings of average design and appeal

The vacant land in the area appears to be in the process of being built up with extensive additional residential and commercial properties

Amenities include proximity to Maricopa County public schools, public parks and recreational amenities and regional shopping malls. Retail and other commercial usages are located in Buckeye. Highway access is proximate to Interstate Highway 10

Neighborhood Market Conditions
 General market conditions are considered typical for the area. Mortgage rates and loan discounts are considered reasonable

Financial factors for the comparables have been analyzed by the appraiser. Atypical financial concessions, if any, are adjusted in the Market Analysis

Eight "Active" competitive listings were found via an MLS computer search of the Subject Market Area. List prices range from \$259,900 to \$350,000. The search criteria included similar style dwellings between 2050 and 3100 square feet, only. Further, no "Under Contract" listings were found

Approximately 128 dwellings were transferred over the last twelve months with an average exposure time under three months.

One to three months is considered a reasonable marketing period for the Subject property based on an analysis of market activity in the Subject Market Area via the ARMLS on-line system

Condition of Improvements
 The overall Condition/Modernization of the Subject is considered new for its Age, Location and Quality of Construction. Please note that the Subject has been fairly well maintained and no significant deferred maintenance was observed

Overall condition of the Subject property, upon completion, is considered "New". No significant functional or economic inadequacies were observed. Modernization is considered current. No suggested repairs, upon completion

No mechanical systems tested. Systems to be in working condition, upon completion. Please note that the Subject is "new" construction and is approximately 80% to 85% complete.

The remaining items to be completed are as follows:

1. Roof tiles to be installed. (+/- \$1500)
2. Exterior paint to be applied. (+/- \$1500)
3. Ceramic tile and Berber carpet to be installed. (+/- \$4000)
4. Granite counter tops to be installed in Kitchen. (+/- \$5000)
5. Sink, dishwasher and stove to be installed in Kitchen. (+/- \$1500)
6. Toilet, Vanity and mirror to be installed in lower level Powder room. (+/- \$1500)
7. Shower surround toilet, mirror and vanity to be installed in Master Bathroom. (+/- \$2000)
8. Toilet and mirror to be installed in upper level Bathroom. (+/- \$1500)
9. Front yard landscaping to be installed. (+/- \$2000)
10. Complete construction of the pool needs to be done (+/- \$30500)
11. Final clean-up and touch-up to be done (+/- \$1000)

The total estimated costs to complete the above items is approximately \$50,000 to \$60,000

Prior Sales Comments and Analysis of Current Agreements
 The contract in force appears to be an "arms-length" transaction. It is not supported by the Market Analysis contained in this report.

Please note that, according to an ARMLS on-line search, it appears that the Subject has been under contract since July 2, 2005 with a contract price of \$396,000. Further, the Deed portion of the Net Value Central function of the ARMLS on-line system does not indicate any transfers of the Subject property, as improved, within the last three years.

APPENDUM

Borrower: Nathaniel Johnson & Kristin Peltill
 Property Address: 25625 W. Lyme Lane
 City: Buckeye
 State: AZ Zip: 85328
 Case No.: AVB181215-1
 File No.: 031405A

Except as noted, the Net Value Central function of ARMLS on-line system does not indicate prior sales or listings for the Comparables within the year prior to the indicated sales date

Comments on Sales Comparison
 The Comparables utilized are located in the same or similar type subdivisions and are considered similar or equal in design, appeal, livability, and marketability

Due to the unique nature of the Subject property, the fact that it is "New" construction and the buyer added excessive design center upgrades, representative market activity is scarce, at best. Although not "ideal", the comparables utilized are considered the "best" available

An extensive MLS Computer search yielded eight applicable market activity. Therefore, Comparables #2 and #3 are located in competing subdivisions and Comparable #3 is distant. These properties are located as close in proximity to the Subject as possible and in subdivisions as similar as possible. Location adjustments for Neighborhood Differences are not considered supportable and none are made

Due to extremely limited applicable market data all of the Comparables have somewhat smaller sites than the Subject. Although the appraiser is unable to determine the precise effect the condition has on marketability and market values in the area, the market does typically recognize a premium for this amenity and conservative three percent Site/View adjustments are utilized for differences in site sizes.

Condition and Modernization descriptions and/or adjustments are estimated based on Realtor (R) comments via the MLS computer and the appraiser's exterior inspection of the comparables. The "exterior wrap" for the Subject (upon completion) and the comparables appeared similar

Comparable #1 is the most current sale and is a "Model Match" to the Subject and Comparables #1 and #2 are closest in proximity to the Subject and they are given additional consideration. Further, the contract price is above the range of indicated values and is therefore, not considered to be supported in the marketplace.

Since the Subject is larger than average, it follows that the Option of Value is greater than the Predominant Range for the Market Area.

One primarily to differences in upgrades. Total Net Adjustments slightly exceed 15% for Comparable #1

The comparables utilized are not considered ideal; that is, limited data were available, and prior to adjustment the comparables reflect a relatively wide range of sales prices. As a result, the adjusted sales prices depict a wide range which exceeds ten percent

Cost Approach Comments

The gross area of the improvements are based on approximate calculations. Any variance is considered negligible

Cost Estimates and Physical Depreciation are estimated based on Marshall/Swift Publications and are adjusted for geographic location and/or other variables

The Land Value Estimate is estimated based on abstracted and allocated land values for dwellings in the Market Area

The estimated Remaining Economic Life is 65 years, or more

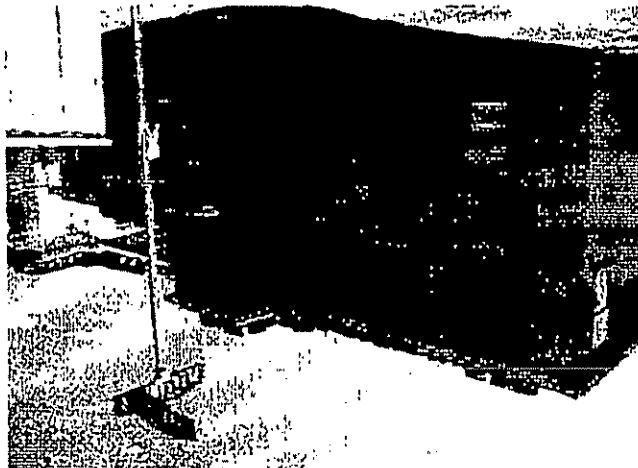
Please note, the land value ratio exceeds 30% of the Estimated Cost of Reproduction. This condition is considered commonplace in the Subject Market Area

SUBJECT PROPERTY PHOTO ADDENDUM

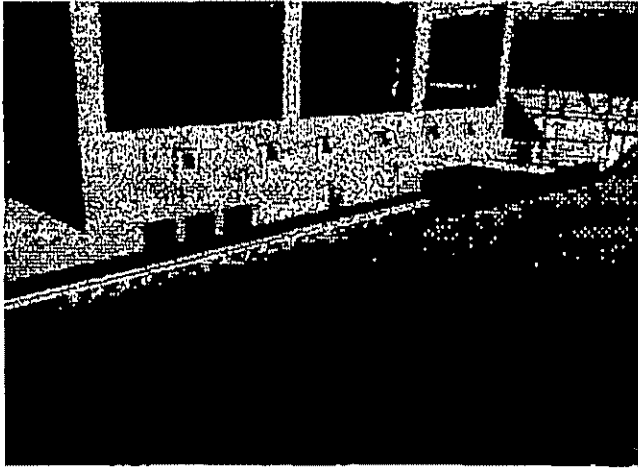
Fig No.: 031405A	Property Address: 25625 W. Lynne Lane
Case No.: AV8181215-1	City: Buckeye
State: AZ	Zip: 85326
Lender: Navy Federal Credit Union	

FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: March 15, 2008
Appraised Value: \$ 351,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE



COMPARABLE PROPERTY PHOTO ADDENDUM

File No: 031405A	Property Address: 25625 W. Lynne Lane
Case No.: AV0181215-1	City: Buckeye
State: AZ	Lender: New Federal Credit Union
Zip: 85328	

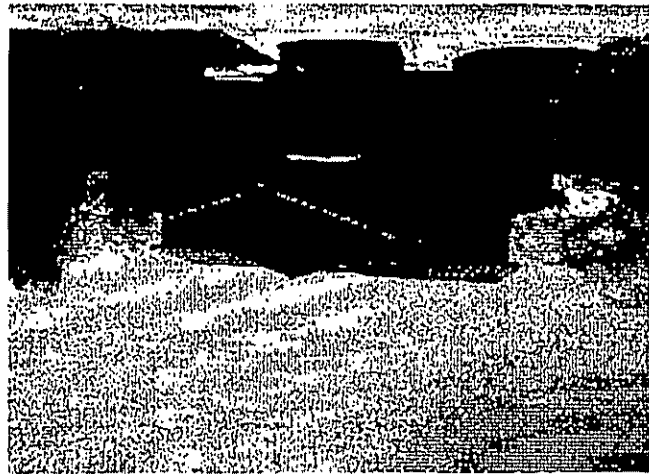
COMPARABLE SALE #1

25534 W Lynne Lane
 Buckeye, AZ 85326
 Sale Date: 12/20/2005
 Sale Price: \$ 280,111



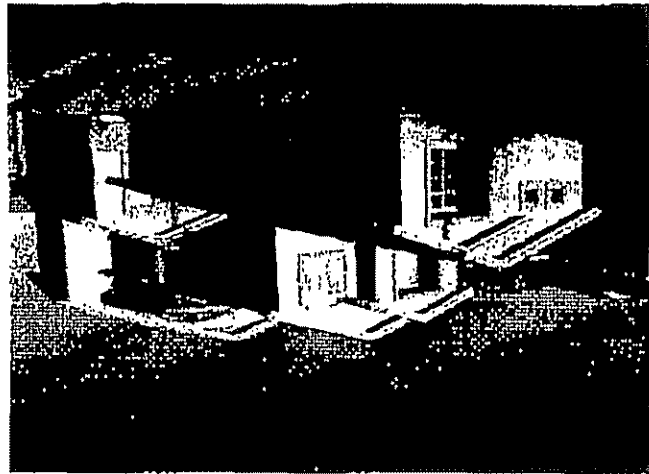
COMPARABLE SALE #2

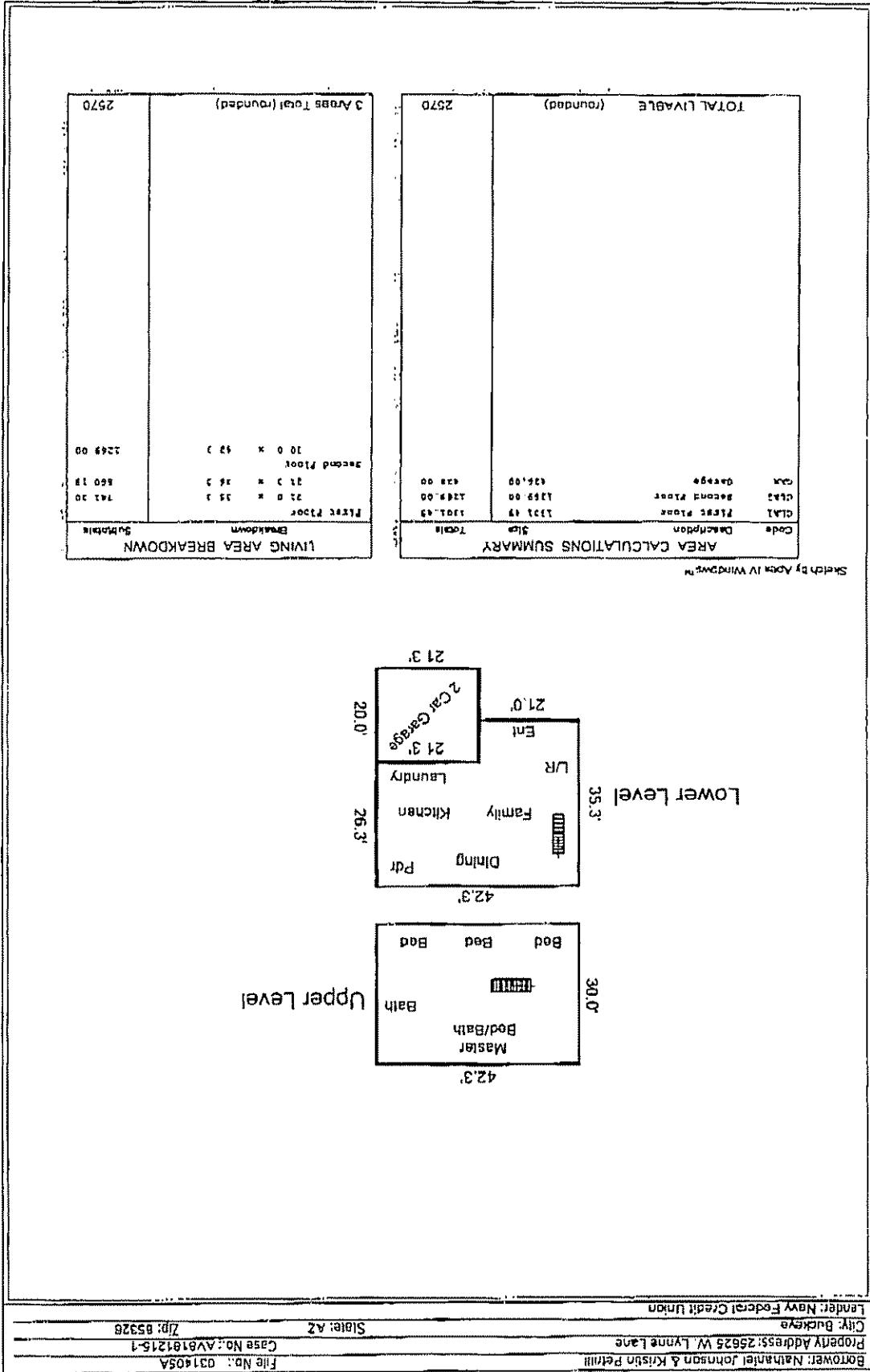
7385 S Skyhawk Lane
 Buckeye, AZ 85326
 Sale Date: 10/16/2005
 Sale Price: \$ 319,530



COMPARABLE SALE #3

3435 S 256th Ave.
 Buckeye, AZ 85326
 Sale Date: 12/15/2005
 Sale Price: \$ 360,000



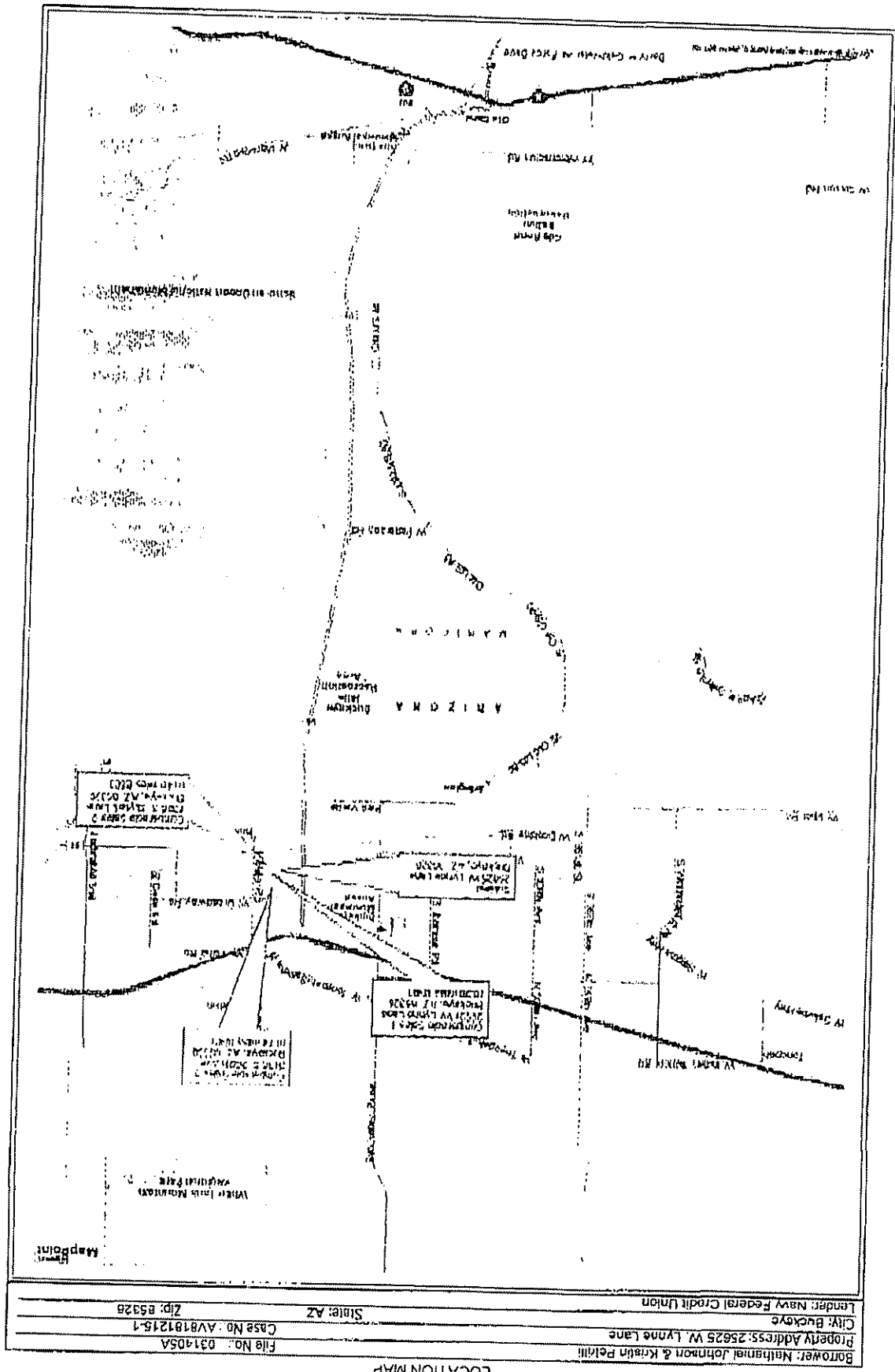


DIMENSION LIST ADDENDUM

Borrower: Nathaniel Johnson & Kristin Petriill
 Property Address: 25625 W. Lynn Lane
 City: Buckeye
 Lender: Navy Federal Credit Union
 File No.: 031405A
 Case No.: AV8181215-1
 State: AZ
 Zip: 85326

GROSS BUILDING AREA (GBA)	2,980
GROSS LIVING AREA (GLA)	2,570
Area	% of GBA
Living	85.78
Level 1	43.42
Level 2	42.36
Level 3	0.00
Other	0.00
Basement	0.00
Garage	14.22

Area Measurements		Area Measurements	
Measurements	Factor	Total	Area Type
21.30	1.00	426.00	Level 1
35.30	1.00	741.30	
28.30	1.00	580.18	
42.30	1.00	1,208.00	
20.00	1.00	426.00	Level 2
21.00	1.00	741.30	
21.30	1.00	580.18	
30.00	1.00	1,208.00	Level 3
30.00	1.00	1,208.00	
0.00	0.00	0.00	Other
0.00	0.00	0.00	
0.00	0.00	0.00	Bsmt.
0.00	0.00	0.00	
0.00	0.00	0.00	Garage
0.00	0.00	0.00	




Borrower: Nathaniel Johnson & Kristin Pettini
 Property Address: 26625 W Lynne Lane
 City: Buckeye
 Lender: Navy Federal Credit Union
 File No.: 031405A
 Case No.: AV0101215-1
 State: AZ
 Zip: 85326

STATE OF ARIZONA
BOARD OF APPRAISAL

BE IT KNOWN THAT
CARL S. VASTICER
 HAS MET ALL THE REQUIREMENTS AS A
Licensed Real Estate Appraiser

In accordance with Arizona Revised Statutes and in authority of the Board of Appraisal, State of Arizona.
Due certificate that I am in evidence hereby unless or until the same is suspended, revoked or annulled in accordance with the provisions of law.

LICENSE NUMBER
 10874
 EXPIRATION DATE
 APRIL 30, 2007

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

 Michael A. Johnson, Director

