

INVOICE

FROM:

Danny Holloway
EAST TENNESSEE APPRAISAL GROUP
PO Box 1096
920 Gallaher Road
Kingston, TN 37763
Telephone Number: 865-376-1533 Fax Number: 865-376-1554

INVOICE NUMBER

200509027D

DATE

October 17, 2005

REFERENCE

Internal Order #: 200509027D
Lender Case #:
Client File #:
Main File # on form: 200509027D
Other File # on form:
Federal Tax ID: 62-1296161
Employer ID:

TO:

Marshall Dudley
406 Monitor Lane
Knoxville, TN 37922
Telephone Number: 865-966-0174 Fax Number:
Alternate Number: E-Mail:

DESCRIPTION

Lender: Marshall Dudley Client: Marshall Dudley
Purchaser/Borrower: Personal Appraisal for Marshall Dudley
Property Address: 569 Coon Creek Rd
City: Sunbright
County: Morgan State: TN Zip: 37872-2223
Legal Description: Deed Book B-9, Page 443

FEES**AMOUNT**

Summary Appraisal Report	600.00
SUBTOTAL	600.00

PAYMENTS**AMOUNT**

Check #: 289 Date: 9/20/2005 Description: Paid 1/2	300.00
Check #: 3294 Date: 9/20/2005 Description: Paid 1/2	300.00
Check #: Date: Description:	
SUBTOTAL	600.00
TOTAL DUE	\$ 0.00



COMPLETE SUMMARY APPRAISAL REPORT

LOCATED AT:

569 Coon Creek Rd
Deed Book B-9, Page 443
Sunbright, TN 37872-2223

FOR:

Marshall Dudley
406 Monitor Lane
Knoxville, TN 37922

AS OF:

September 20, 2005

BY:

Daniel R. Holloway, CR#671
State Certified Residential
Real Estate Appraiser

Daniel R. Holloway
East Tennessee Appraisal Group
920 Gallaher Road
Kingston, TN 37763

October 17, 2005

Marshall Dudley
406 Monitor Lane
Knoxville, TN 37922

Re: Property: 569 Coon Creek Rd
Sunbright, TN 37872-2223
Borrower: Personal Appraisal for Marshall Dudley
File No.: 200509027D

In accordance with your request, I have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me if I can be of additional service to you.

Sincerely,



Daniel R. Holloway, CR#671
State Certified Residential
Real Estate Appraiser

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. 200509027D

Property Description

Property Address 569 Coon Creek Rd City Sunbright State TN Zip Code 37872-2223
 Legal Description Deed Book B-9, Page 443 County Morgan
 Assessor's Parcel No. 012/002.01 Tax Year 2004 R.E. Taxes \$ 1,358.72 Special Assessments \$ 0.00
 Borrower Personal Appraisal for Marshall Dudle Current Owner 21 Retreat LLC Occupant: Owner Tenant Vacant
 Property rights appraised Fee Simple Leasehold Project Type PUD Condominium (HUD/VA only) HOA \$ N/A /Mo.
 Neighborhood or Project Name Coon Creek Road Map Reference 012/002.01 Census Tract 1101.00
 Sale Price \$ N/A Date of Sale N/A Description and \$ amount of loan charges/concessions to be paid by seller N/A
 Lender/Client Marshall Dudley Address 406 Monitor Lane, Knoxville, TN 37922
 Appraiser Daniel R. Holloway, CR#671 Address 920 Gallaher Road, Kingston, TN 37763

Location Urban Suburban Rural
 Built up Over 75% 25-75% Under 25%
 Growth rate Rapid Stable Slow
 Property values Increasing Stable Declining
 Demand/supply Shortage In balance Over supply
 Marketing time Under 3 mos. 3-6 mos. Over 6 mos.
 Predominant occupancy Owner 90 Tenant Vacant (0-5%) Vac.(over 5%)
 Single family housing PRICE \$ (000) AGE (yrs)
 50 Low 5
 300 High 60
 Predominant
 90 30
 Present land use %
 One family 60
 2-4 family
 Multi-family
 Commercial
 Vacant 40
 Land use change Not likely Likely
 In process
 To: N/A

Note: Race and the racial composition of the neighborhood are not appraisal factors.
 Neighborhood boundaries and characteristics: The subject neighborhood is a rural outlying neighborhood located north of Sunbright. Neighborhood boundaries are Highway 27 northeast, and Burrville Road southwest.
 Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.):
 The neighborhood is located in an area which has experienced a stable growth rate. The overall accessibility to employment, shopping, and schools help to create favorable market conditions in this neighborhood. The area is located off Burrville Road north of the town of Sunbright.
 The neighborhood is predominantly comprised of single family farm residences. Historically this area has experienced stable marketability with supply and demand factors being consistent with comparable neighborhoods nearby.
 Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.):
 Conventional financing is readily available at rates which purchasers consider attractive. Mortgage interest rates are presently stable at a range of 6% to 8% depending on the loan term. Local market conditions are presently favorable and financial incentives or concessions are not typically necessary to enhance marketability. Sellers need not negotiate a sale based on purely financing related concessions. The typical marketing time for this neighborhood is three to six months.

Project Information for PUDs (If applicable) -- Is the developer/builder in control of the Home Owners' Association (HOA)? Yes No N/A
 Approximate total number of units in the subject project N/A Approximate total number of units for sale in the subject project N/A
 Describe common elements and recreational facilities: N/A

Dimensions Irregular Topography Rolling
 Site area 58.76 Acres Corner Lot Yes No Size Typical
 Specific zoning classification and description No Zoning in Morgan County Shape Irregular
 Zoning compliance Legal Legal nonconforming (Grandfathered use) Illegal No zoning Drainage Appears Adequate
 Highest & best use as improved: Present use Other use (explain) View Pasture/Wooded
 Utilities Public Other Off-site Improvements Type Public Private Landscaping Adequate
 Electricity Gas LP Well Curb/gutter N/A Driveway Surface Dirt/Gravel
 Water Well/Typical Sidewalk N/A Apparent easements Right of Way Easement
 Sanitary sewer Septic/Typical Street lights Utility Pole FEMA Special Flood Hazard Area Yes No
 Storm sewer None/Typical Alley N/A FEMA Zone X Map Date 3/1/1987
 FEMA Map No. 4701390001B

Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): The subject site is a 58.76 acre tract with two single family manufactured dwellings. It is typical for the neighborhood in terms of size and appeal. A survey would be necessary to prove any adverse encroachments exist at this time.

GENERAL DESCRIPTION		EXTERIOR DESCRIPTION		FOUNDATION		BASEMENT		INSULATION	
No. of Units	Two	Foundation	Block & Piers	Slab	No	Area Sq. Ft.	1,143	Roof	Conc <input checked="" type="checkbox"/>
No. of Stories	One	Exterior Walls	Vinyl Siding	Crawl Space	Yes	% Finished	0%	Ceiling	Conc <input checked="" type="checkbox"/>
Type (Det./Att.)	Detached	Roof Surface	Composition	Basement	Partial	Ceiling	Exposed	Walls	Conc <input checked="" type="checkbox"/>
Design (Style)	Manufacture	Gutters & Dwnspts.	None	Sump Pump	No	Walls	Block	Floor	Conc <input checked="" type="checkbox"/>
Existing/Proposed	Existing	Window Type	Metal Single	Dampness	In Basement	Floor	Concrete	None	<input type="checkbox"/>
Age (Yrs.)	6 & 11	Storm/Screens	Both	Settlement	Bsmt Walls	Outside Entry	Yes	Unknown	<input type="checkbox"/>
Effective Age (Yrs.)	7	Manufactured House	Yes Two	Infestation	None Apparent				

ROOMS	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bedrooms	# Baths	Laundry	Other	Area Sq. Ft.
Basement												1,143
Level 1		1	1	1	1			4	2.5	1	1	2,125
Level 2		1	1	1	1			3	2.0	1		1,559

Finished area above grade contains: 16 Rooms; 7 Bedroom(s); 4.5 Bath(s); 3,684 Square Feet of Gross Living Area

INTERIOR	Materials/Condition	HEATING	Yes	KITCHEN EQUIP.	ATTIC	AMENITIES	CAR STORAGE: None
Floors	Carpet, Vinyl/Avg	Type	2 Central	Refrigerator	<input type="checkbox"/> None <input checked="" type="checkbox"/>	Fireplace(s) # 2 Gas <input checked="" type="checkbox"/>	None <input type="checkbox"/>
Walls	Wallboard/Avg	Fuel	Elect	Range/Oven	<input type="checkbox"/> Stairs <input type="checkbox"/>	Patio Concrete <input checked="" type="checkbox"/>	Garage # of cars
Trim/Finish	Prefinished/Avg	Condition	Avg	Disposal	<input type="checkbox"/> Drop Stair <input type="checkbox"/>	Deck <input type="checkbox"/>	Attached
Bath Floor	Vinyl/Avg	COOLING	Yes	Dishwasher	<input type="checkbox"/> Scuttle <input type="checkbox"/>	Porch <input type="checkbox"/>	Detached
Bath Wainscot	PVC	Central	Yes	Fan/Hood	<input type="checkbox"/> Floor <input type="checkbox"/>	Fence <input type="checkbox"/>	Built-In
Doors	Hollow Core	Other		Microwave	<input type="checkbox"/> Heated <input type="checkbox"/>	Pool Shed <input checked="" type="checkbox"/>	Carport
Average Condition		Condition	Avg	Washer/Dryer	<input type="checkbox"/> Finished <input type="checkbox"/>	2 Storage Bldgs <input checked="" type="checkbox"/>	Driveway One

Additional features (special energy efficient items, etc.): Property included: Two Manufactured Dwellings #1 is 1999 Fleetwood Doublewide with 2125 square feet and a partial 1,143 unfinished basement with a storm shelter below the patio, #2 is 1995 Southern Energy Doublewide.
 Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: The subject dwellings are two double wide manufactured homes. Each dwelling has been adequately maintained and projects curb appeal that is similar to other manufactured dwellings in the area. The functional utility of each is typical with adequate sized rooms, and closet space. Additional items include two storage building, gas power generator, with private gas well, above ground fuel tank, and a barn stable type shed.
 Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property.: There is an above ground fuel storage tank located on the property. However, the appraiser is not an environmental expert. A separate environmental audit would be necessary to verify any adverse conditions exist.

COST APPROACH	ESTIMATED SITE VALUE	58.76 acre Site	= \$	80,000	Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): Remaining Economic Life = 33 years. All cost calculations were taken from the Marshall Swift Residential Cost Manual (Current Edition). Physical Depreciation was calculated using the Economic Age/Life Method. No Functional or External Obsolescence was observed or applied to the cost approach. The site value was estimated after a review of similar site sales in the market area. A separate method for site value was not included in this report. However similar residential site sales were researched. This information is retained in the appraisers work files.	
	ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:					
	Dwelling	2,125 Sq. Ft. @\$ 42.00	= \$	89,250		
		1,559 Sq. Ft. @\$ 42.00	=	65,478		
	Patio, Storage, Shed, Appl, FP, Genetrato		=	20,000		
	Garage/Carport	1,143 Sq. Ft. @\$ 12.00	=	13,716		
	Total Estimated Cost New		= \$	188,444		
	Less	Physical Functional External				
	Depreciation	32,978	= \$	32,978		
	Depreciated Value of Improvements		= \$	155,466		
"As-is" Value of Site Improvements		= \$	8,000			
INDICATED VALUE BY COST APPROACH		= \$	243,466			

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	569 Coon Creek Rd Sunbright	334 Highland Way Harriman		195 Hensley Road Deer Lodge		3939 Nashville Highway Deer Lodge	
Proximity to Subject		31.85 miles		5.50 miles		10.20 miles	
Sales Price	\$ N/A	\$ 100,000		\$ 72,900		\$ 81,300	
Price/Gross Living Area	\$ 71.43	\$ 71.43		\$ 32.54		\$ 36.29	
Data and/or Verification Source	Inspection Owner	Knox MLS#414257 County Records		MLS#442677 County Records		MLS#449604 County Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Sales or Financing Concessions		Cash None Disclosed		Conventional None Disclosed		Conventional None Disclosed	
Date of Sale/Time		11/04/2004		3/24/2005		8/15/2005	
Location	Rural/Avg	Suburban/Avg	-5,000	Rural/Avg		Rural/Avg	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	58.76 Acres	16.96 Acre	+50,000	10.04 Acre	+60,000	10.3 Acre	+60,000
View	Pasture/Wooded	Street		Street		Street	
Design and Appeal	2 Manufacture/A	Manufacture/Avg		Manufacture/Avg		Manufacture/Avg	
Quality of Construction	Frame/Avg	Siding/Avg		Siding/Avg		Siding/Avg	
Age	6 & 11/ 7E	9A 7E		3A 3E	-2,000	4A 4E	-1,500
Condition	Average	Average		Average		Average	
Above Grade Room Count	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
	16 7 4.5	7 3 2	+5,000	7 3 2.0	+5,000	7 4 3.0	+3,000
Gross Living Area	3,684 Sq. Ft.	1,400 Sq. Ft.	+57,100	2,240 Sq. Ft.	+36,100	2,240 Sq. Ft.	+36,100
Basement & Finished Rooms Below Grade	1,143 Bsmt None	Crawl Space None	+10,000	Crawl Space None	+10,000	Crawl Space None	+10,000
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	Central/Central	Central/Central		Central		Central	
Energy Efficient Items	Standard	Standard		Standard		Standard	
Garage/Carport	None	None		None		None	
Porch, Patio, Deck, Fireplace(s), etc.	Patio 2 Gas	EnclPrch None	-2,000 +3,000	Deck 1 Prefab	+1,500	Stoop,Deck 1 Prefab	+1,500
Fence, Pool, etc.	Storage, Generatc	Workshop	+8,000	Storage	+8,000	Storage	+8,000
Appliances	Appliances	Appliances		Appliances		Appliances	
Net Adj. (total)		⊗ + ⊠ - \$	126,100	⊗ + ⊠ - \$	118,600	⊗ + ⊠ - \$	117,100
Adjusted Sales Price of Comparable		Net 126.1% Gross 140.1%	\$ 226,100	Net 162.7% Gross 168.2%	\$ 191,500	Net 144.0% Gross 147.7%	\$ 198,400

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): All of the comparable sales used for this report are manufactured dwelling located in Morgan and Roane Counties close in proximity to the subject. All of the dwellings are of similar age, and design compared to the subject. Sale #1 is located in Roane County. Slaes #2 and #3 are in nearby Deer Lodge. Equal consideration was given to each of the comparable sales utilized within the report.

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Date, Price and Data Source, for prior sales within year of appraisal	No Prior Sales Past Three Years Public Records	No Prior Sales within past year Public Records		No Prior Sales within past year Public Records		No Prior Sales within past year Public Records	

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: The subject property is not presently under contract for sale. This report was prepared for Marshall Dudley. The property has not sold in the past three years.

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 210,000

INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ N/A /Mo. x Gross Rent Multiplier N/A = \$ N/A

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

Conditions of Appraisal: Single family dwellings in the subject neighborhood are typically purchased for owner occupancy, not for potential investment income. The income approach was not utilized because the subject is located in a owner occupied neighborhood.

Final Reconciliation: The sales comparison approach is considered to be a good indicator of the subject property market value. The appraised value is further supported by the value from the cost approach. The income approach is not considered applicable because similar sales are not typically purchased to generate income. The sales comparison approach value is considered to be most reliable of the three approaches.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised June 1993).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF September 20, 2005

(WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 210,000

APPRAISER: Signature *Daniel R. Holloway* Name Daniel R. Holloway, CR#671 Date Report Signed October 17, 2005 State Certification # CR#671 State TN Or State License # State

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

Did Did Not Inspect Property

SUPPLEMENTAL ADDENDUM

File No. 200509027D

Borrower/Client Personal Appraisal for Marshall Dudley			
Property Address 569 Coon Creek Rd			
City Sunbright	County Morgan	State TN	Zip Code 37872-2223
Lender Marshall Dudley			

Contributing value of each manufactured dwelling:

The subject property has two manufactured dwelling situated on the the site. The larger dwelling with partial basement is identified as dwelling #1. The smaller dwelling is identified as dwelling #2. The contributing value of each dwelling to the appraised value of property is estimated below.

Dwelling #1 2,125 sqft X \$42.00 = \$89,250
 Bsmt 1,143 sqft X \$12.00 = \$13,716

Subtotal \$102,966
 Less Depreciation 17.5% -\$18019
 Depreciated value of Dwelling #1 \$84,947 or 34.9% of indicated cost approach value \$243,466

Dwelling #2 1,559 sqft X \$42.00 = \$65,478

Less Depreciation 17.5% -11,459
 Depreciated Value of Dwelling #2 \$54,019 or 22.1% of indicated cost approach value \$243,466

The information above indicates that dwelling #1 contributes \$73,290 or 34.9% to the appraised value. Dwelling #2 contributes \$46,410 or 22.1% to the appraised value. The remaining contribution to value would be \$80,000 or 38% for land, and \$10,300 or 5% for as-is site improvements, and additional feature items such as storage buildings, sheds, power generator, and fuel storage tank.

Dwelling #1	\$73,290
Dwelling #2	46,410
Site value	80,000
Improvements (As-is)	10,300
Appraised Value	\$210,000

APPRAISER'S MANUFACTURED HOUSING CHECKLIST

Borrower / Client: Personal Appraisal for Marshall Dudley

Property Address: 569 Coon Creek Rd City Sunbright St. TN Zip Code 37872-2223

HUD Tag (ID) Number(s): TEN475158A&B Manufactured Date: 10/14/1999

Serial Number(s): TNFLX27A538485R12, TNFLX27B538485R12 Manufacturer: Fleetwood

FOUNDATION

I. Please mark an X in the appropriate box to describe the subject's foundation.

- **Permanently Affixed on a Concrete/Masonry Perimeter with Concrete/Masonry Footings:**
 Yes No Footings located below the frost line No frost line
- **Permanently Affixed on Pier & Post with Concrete/Masonry Footings:**
 Yes No Footings located below the frost line No frost line
- **Not Permanently Affixed:**
 Blocks Pier and Pad Wood and Concrete/Masonry Other _____

GENERAL INFORMATION

II. All questions must be answered. Please mark an X in the appropriate box for the subject.
Any "NO" answers require an explanation to be provided as an addendum to the checklist.

1. Subject has been converted to real property as evidenced by (e.g., 433A in California, Manufactured Housing Application in Washington, Conversion Certificate in Nevada, etc.):
 Yes No If "Yes", recording # and date of document: N/A
2. Subject foundation has been designed by an engineer.
 Yes No Unknown See Engineer Certification Attached
3. Foundation appears to be suitable for the soil conditions of the site.
 Yes No Unknown
4. Post and piers appear to be placed according to manufacturer recommendations.
 Yes No Unknown
5. Foundation system is typical and acceptable in the subject's marketplace.
 Yes No
6. All wheels, axles, trailer hitches and running gear removed.
 Yes No
7. The subject is considered a "double-wide" manufactured unit.
 Yes No
8. The subject manufactured home meets local zoning.
 Yes No No zoning
9. The subject has sufficient square footage, room size, storage, adequacy of roof pitch, and overhangs to be acceptable to typical buyers in the subject's market area.
 Yes No
10. Materials and construction of the subject are acceptable in the subject's market area.
 Yes No
11. Comment on the marketability of manufactured housing units in comparison to the marketability of site-built housing in the subject's market area. Sales of existing manufactured dwellings are limited in the subject area. However, the dwellings are considered typical for the market area in general.

APPRAISER'S CERTIFICATION: I certify that I have inspected the above referenced property and foundation system.

Appraiser Signature *Daniel R Holloway* Inspection Date September 20, 2005
 Print Name Daniel R. Holloway, CR#671 Date Report Signed October 17, 2005
 State Certification # CR#671 State TN or State License # _____ State _____

APPRAISER'S MANUFACTURED HOUSING CHECKLIST

Borrower / Client: Personal Appraisal for Marshall Dudley

Property Address: 569 Coon Creek Rd City Sunbright St. TN Zip Code 37872-2223

HUD Tag (ID) Number(s): DSE2AL8906A&B Manufactured Date: 10/11/1995

Serial Number(s): SE1L732 Manufacturer: Southern Energy

FOUNDATION

I. Please mark an X in the appropriate box to describe the subject's foundation.

- **Permanently Affixed on a Concrete/Masonry Perimeter with Concrete/Masonry Footings:**
 Yes No Footings located below the frost line No frost line
- **Permanently Affixed on Pier & Post with Concrete/Masonry Footings:**
 Yes No Footings located below the frost line No frost line
- **Not Permanently Affixed:**
 Blocks Pier and Pad Wood and Concrete/Masonry Other Vinyl Underpinning

GENERAL INFORMATION

II. All questions must be answered. Please mark an X in the appropriate box for the subject.
Any "NO" answers require an explanation to be provided as an addendum to the checklist.

1. Subject has been converted to real property as evidenced by (e.g., 433A in California, Manufactured Housing Application in Washington, Conversion Certificate in Nevada, etc.):
 Yes No If "Yes", recording # and date of document: N/A
2. Subject foundation has been designed by an engineer.
 Yes No Unknown See Engineer Certification Attached
3. Foundation appears to be suitable for the soil conditions of the site.
 Yes No Unknown
4. Post and piers appear to be placed according to manufacturer recommendations.
 Yes No Unknown
5. Foundation system is typical and acceptable in the subject's marketplace.
 Yes No
6. All wheels, axles, trailer hitches and running gear removed.
 Yes No
7. The subject is considered a "double-wide" manufactured unit.
 Yes No
8. The subject manufactured home meets local zoning.
 Yes No No zoning
9. The subject has sufficient square footage, room size, storage, adequacy of roof pitch, and overhangs to be acceptable to typical buyers in the subject's market area.
 Yes No
10. Materials and construction of the subject are acceptable in the subject's market area.
 Yes No
11. Comment on the marketability of manufactured housing units in comparison to the marketability of site-built housing in the subject's market area. Manufactured dwellings are considered typical in the Market Area.

APPRAISER'S CERTIFICATION: I certify that I have inspected the above referenced property and foundation system.

Appraiser Signature *Daniel R Holloway* Inspection Date September 20, 2005

Print Name Daniel R. Holloway, CR#671 Date Report Signed October 17, 2005

State Certification # CR#671 State TN or State License # _____ State _____

Borrower Personal Appraisal for Marshall Dudley			File No. 200509027D
Property Address 569 Coon Creek Rd			
City Sunbright	County Morgan	State TN	Zip Code 37872-2223
Lender Marshall Dudley			

APPRAISAL AND REPORT IDENTIFICATION

This appraisal conforms to one of the following definitions:

- Complete Appraisal** (The act or process of estimating value, or an opinion of value, performed without invoking the Departure Rule.)
- Limited Appraisal** (The act or process of estimating value, or an opinion of value, performed under and resulting from invoking the Departure Rule.)

This report is one of the following types:

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

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

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

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

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

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

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

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

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

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

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

Comments on Appraisal and Report Identification

Note any departures from Standards Rules 1-3 and 1-4, plus any USPAP-related issues requiring disclosure:

PURPOSE AND INTENDED USE OF THE APPRAISAL:

The purpose of the appraisal is to estimate the market value of the subject property as defined previously. The report is intended for use by only the stated client and the clients assignee(s). This report is not intended for any other use other than those previously states.

EXTENT OF APPRAISAL PROCESS (SCOPE OF WORK):

This appraisal is based on the information readily available and gathered by the appraiser in the normal course of business. An interior and exterior inspection of the subject property was performed as of the effective date of the appraisal unless circumstances prohibited the inspection and were specified in the report. Physical and economic factors which affect the property were identified and researched from available sources. Research information is deemed to be reliable but not guaranteed and some of the sources include and are not limited to public records concerning transactions and characteristics, inspection of the subject property, multiple listing services, secondary data from independent sources, other appraisers, office files, and parties involved in transactions. The source of the comparable data is shown in the data section of the market grid along with the confirmation source when available. The analysis section of report was utilized applying all the necessary approaches to value. If approaches were excluded, details to the exclusion are included in the report.

SITE VALUE COMMENTS:


A separate site value is not included in this report. However, similar site sales are retained in my office files for support and documentation purposes. A site valuation can be provided, if previous arrangement has been made at the time engagement from the client.

PERSONAL PROPERTY:

No personal property was included in the final value estimate of this report. If the subject property is presently under sales contract and their personal property is included in the contract price for the subject property, the specified items will be included in the report.

PHOTO ADDENDUM COMMENTS: The images included in this report represent the unedited digital photographs of the subject property. The subject property images are not color copies. The images have been retained in the appraisers data archive files.

APPRAISER:

Signature: 
 Name: Daniel R. Holloway, CR#671
 Date Signed: October 17, 2005
 State Certification #: CR#671
 or State License #: _____
 State: TN
 Expiration Date of Certification or License: 12/31/2005

SUPERVISORY APPRAISER (only if required):

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

Did Did Not Inspect Property

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

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

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

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

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

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

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 569 Coon Creek Rd, Sunbright, TN 37872-2223

APPRAISER:

Signature: *Daniel R. Holloway*
Name: Daniel R. Holloway, CR#671
Date Signed: October 17, 2005
State Certification #: CR#671
or State License #: _____
State: TN
Expiration Date of Certification or License: 12/31/2005

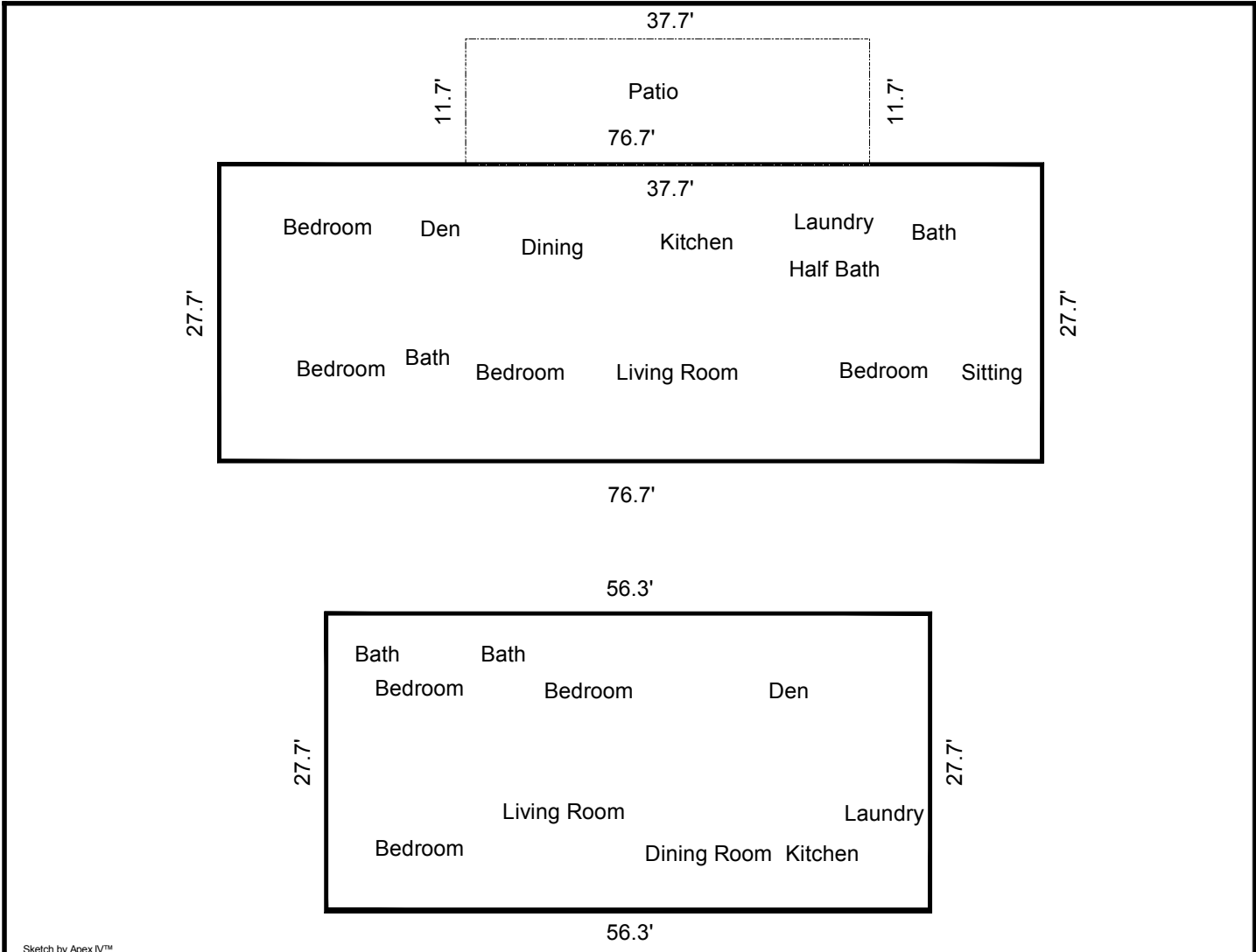
SUPERVISORY APPRAISER (only if required):

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

Did Did Not Inspect Property

Building Sketch (Page - 1)

Borrower/Client Personal Appraisal for Marshall Dudley			
Property Address 569 Coon Creek Rd			
City Sunbright	County Morgan	State TN	Zip Code 37872-2223
Lender Marshall Dudley			



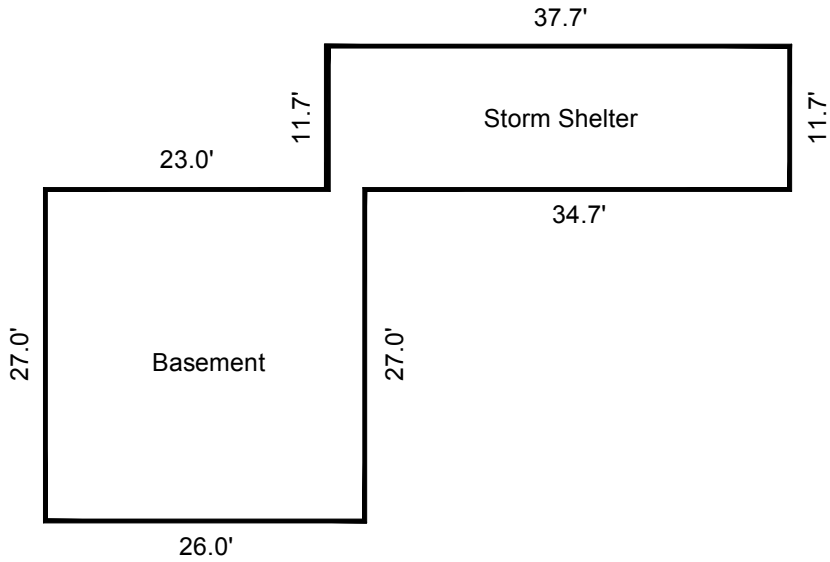
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	Dwelling #1	2124.6	
	Dwelling #2	1559.5	3684.1
P/P	Patio	441.1	441.1
Net LIVABLE Area		(Rounded)	3684

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
Dwelling #1			
	27.7	x 76.7	2124.6
Dwelling #2			
	27.7	x 56.3	1559.5
2 Items			(Rounded) 3684

Building Sketch (Page - 2)

Borrower/Client Personal Appraisal for Marshall Dudley			
Property Address 569 Coon Creek Rd			
City Sunbright	County Morgan	State TN	Zip Code 37872-2223
Lender Marshall Dudley			



Sketch by Apex IV™

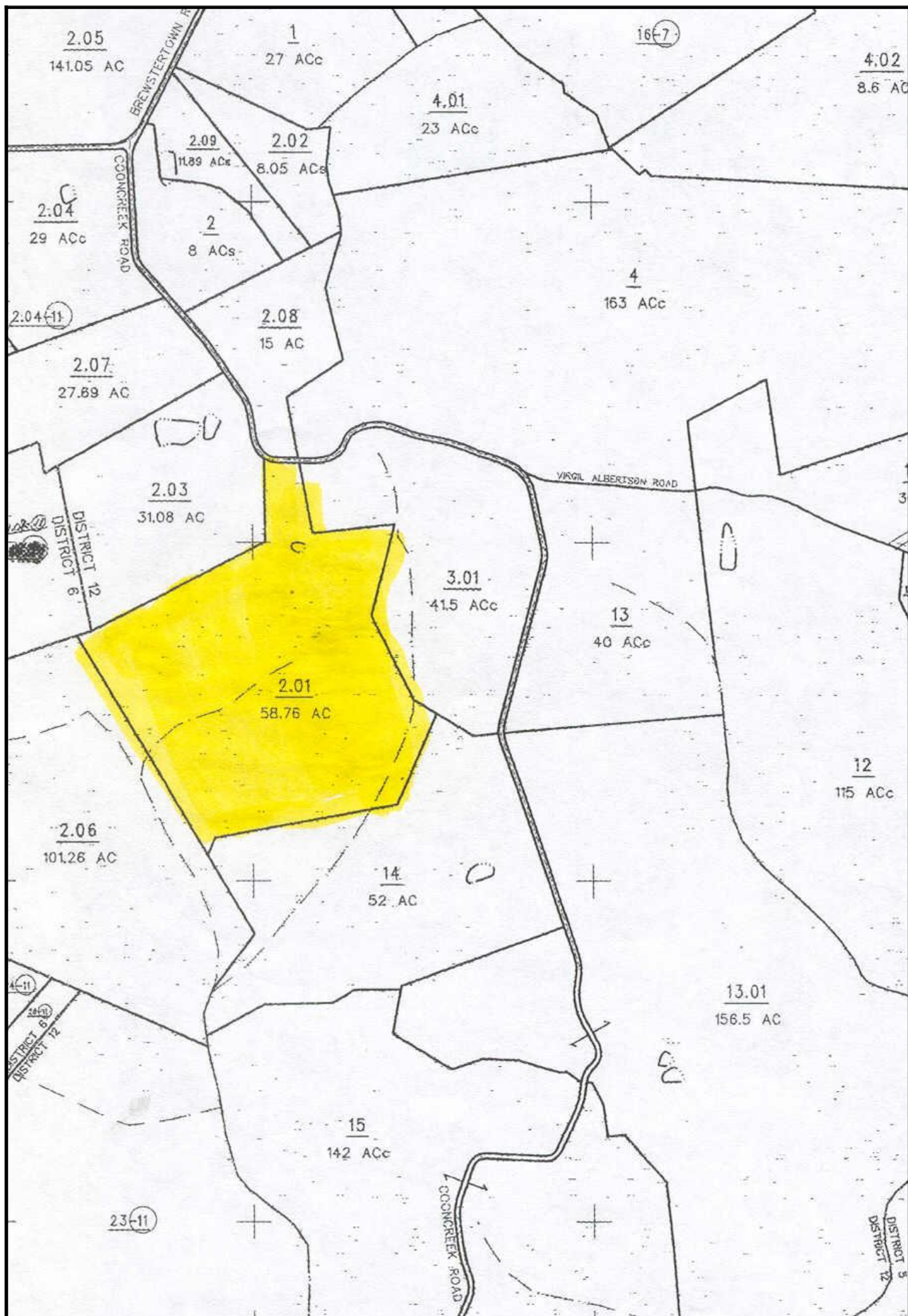
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
BSMT	Basement	1143.1	1143.1

AREA BREAKDOWN	
Breakdown	Subtotals

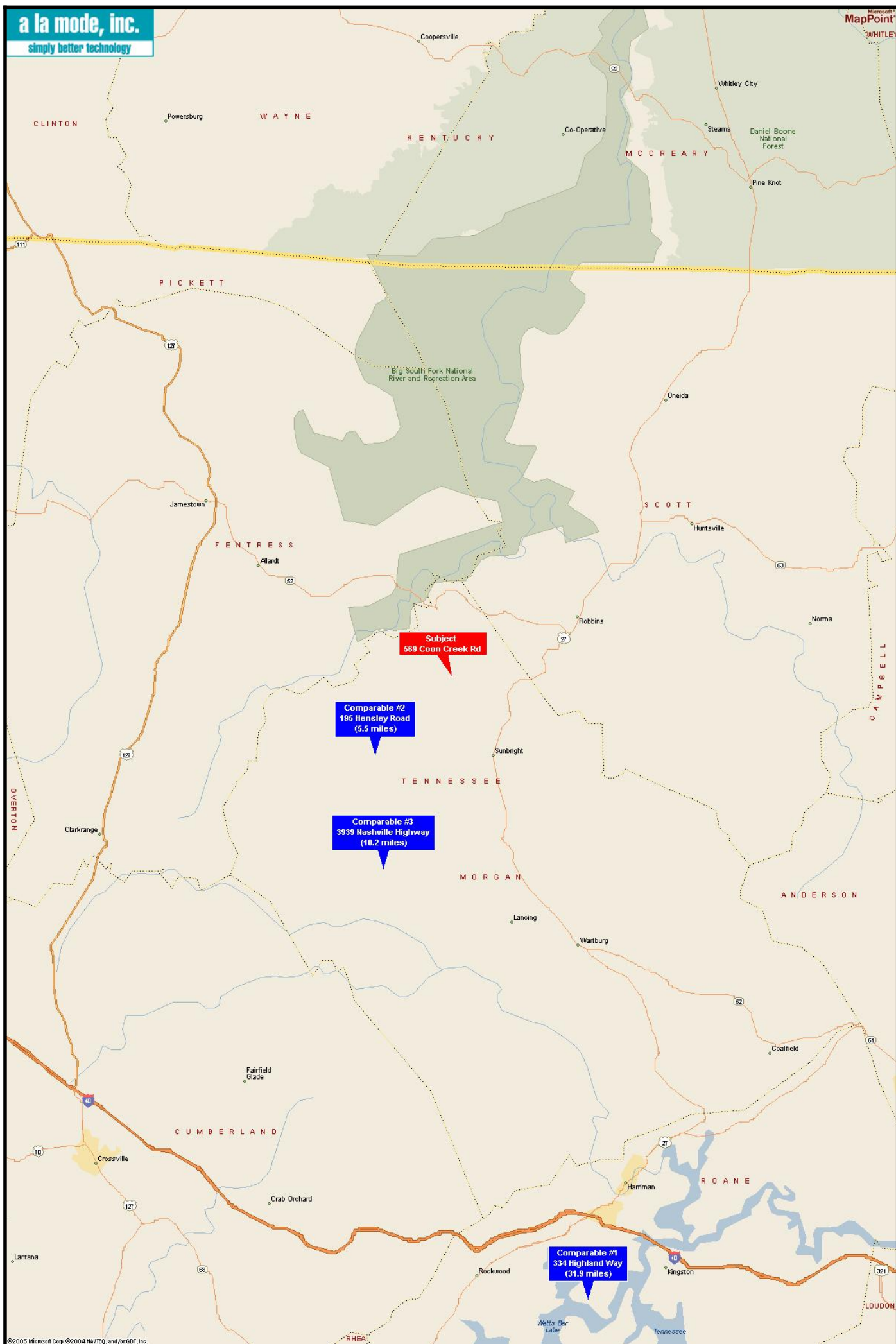
Plat Map

Borrower/Client Personal Appraisal for Marshall Dudley			
Property Address 569 Coon Creek Rd			
City Sunbright	County Morgan	State TN	Zip Code 37872-2223
Lender Marshall Dudley			



Location Map

Borrower/Client Personal Appraisal for Marshall Dudley			
Property Address 569 Coon Creek Rd			
City Sunbright	County Morgan	State TN	Zip Code 37872-2223
Lender Marshall Dudley			



Subject Photo Page

Borrower/Client Personal Appraisal for Marshall Dudley				
Property Address 569 Coon Creek Rd				
City Sunbright	County Morgan	State TN	Zip Code 37872-2223	
Lender Marshall Dudley				



Subject Front

569 Coon Creek Rd	
Sales Price	N/A
Gross Living Area	3,684
Total Rooms	16
Total Bedrooms	7
Total Bathrooms	4.5
Location	Rural/Avg
View	Pasture/Wooded
Site	58.76 Acres
Quality	Frame/Avg
Age	6 & 11/ 7E



Subject Rear



Subject Street

PHOTOGRAPH ADDENDUM

Borrower/Client	Personal Appraisal for Marshall Dudley						
Property Address	569 Coon Creek Rd						
City	Sunbright	County	Morgan	State	TN	Zip Code	37872-2223
Lender	Marshall Dudley						



Dwelling #1 Front View



Back View



Detached Storage

PHOTOGRAPH ADDENDUM

Borrower/Client	Personal Appraisal for Marshall Dudley				
Property Address	569 Coon Creek Rd				
City	Sunbright	County	Morgan	State	TN
				Zip Code	37872-2223
Lender	Marshall Dudley				



Basement Interior



Storm Shelter



Shed Stable

PHOTOGRAPH ADDENDUM

Borrower/Client	Personal Appraisal for Marshall Dudley						
Property Address	569 Coon Creek Rd						
City	Sunbright	County	Morgan	State	TN	Zip Code	37872-2223
Lender	Marshall Dudley						



Dewling #2 Front View



Back View



Power Generator with private natural gas well fuel

Comparable Photo Page

Borrower/Client Personal Appraisal for Marshall Dudley			
Property Address 569 Coon Creek Rd			
City Sunbright	County Morgan	State TN	Zip Code 37872-2223
Lender Marshall Dudley			



Comparable 1

334 Highland Way
 Prox. to Subject 31.85 miles
 Sale Price 100,000
 Gross Living Area 1,400
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2
 Location Suburban/Avg
 View Street
 Site 16.96 Acre
 Quality Siding/Avg
 Age 9A 7E



Comparable 2

195 Hensley Road
 Prox. to Subject 5.50 miles
 Sale Price 72,900
 Gross Living Area 2,240
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location Rural/Avg
 View Street
 Site 10.04 Acre
 Quality Siding/Avg
 Age 3A 3E



Comparable 3

3939 Nashville Highway
 Prox. to Subject 10.20 miles
 Sale Price 81,300
 Gross Living Area 2,240
 Total Rooms 7
 Total Bedrooms 4
 Total Bathrooms 3.0
 Location Rural/Avg
 View Street
 Site 10.3 Acre
 Quality Siding/Avg
 Age 4A 4E