

Uniform Residential Appraisal Report

File #

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

SUBJECT

Property Address **Beach street** City **Kailua** State **HI** Zip Code
 Borrower **Confidential** Owner of Public Record **Conf.** County **Honolulu**
 Legal Description
 Assessor's Parcel # Tax Year **2007** R.E. Taxes \$
 Neighborhood Name **Kailua Bay Estates** Map Reference Census Tract
 Occupant Owner Tenant Vacant Special Assessments \$ **0** PUD HOA \$ per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe)
 Lender/Client **Confidential** Address
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). **MLS and owner.**

CONTRACT

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

NEIGHBORHOOD

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

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	70 %		
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	5 %		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	355	Low New	Multi-Family	10 %		
Neighborhood Boundaries Kaneohe Marine Base to the north, Kailua Beach and Bay to the east, Kailua town center the south and Aikahi to the west.		22,000	High +80	Commercial	5 %		
		850	Pred. 30	Other	10 %		

Neighborhood Description **Subject is located in the upscale neighborhood of Kailua Bay Estates, part of Kailua. Kailua is a mainly residential beach resort town on the east coast of Oahu, Hawaii. Recreation, public transportation and beaches are within close distance. Employment and commercial activity is limited to major roads in the area. The nearby H-3 freeway facilitates easy commute to other parts of the island.**
 Market Conditions (including support for the above conclusions) **MLS and sales records indicate a generally stable to growing market. Interest rates remain attractive with 30 year fixed rate mortgages around 5-6% level. Market conditions appear stable, with a reasonable balance of listings and sales.**

SITE

Dimensions Appr. **116 x 90 x 120 x 96 SF** Area **10,103 Sq.Ft.** Shape **Rectangular-irregular** View **Garden,Ocean**
 Specific Zoning Classification **R-10** Zoning Description **Residential 10,000 sf minimum**
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>

 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone **AE** FEMA Map # FEMA Map Date **9/30/2004**
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe
No adverse factors and conditions were noted. No Title report was provided as part of this assignment. Zoning, access and utilities are typical and consistent. The current improvements are considered to be legal, conforming land use. A narrow easement runs along the south border of the property.

IMPROVEMENTS

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Good	Floors	Wood,stone/Excell.
# of Stories 2	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Stucco/Good	Walls	Drywall/Good
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area sq.ft.	Roof Surface	Shakes/Average	Trim/Finish	Wood/Good
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %	Gutters & Downspouts	Metal/Good	Bath Floor	Stone/Excellent
Design (Style) Custom 2 flr	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Fixed,sliding/Good	Bath Wainscot	Stone/Excellent
Year Built 1979	Evidence of <input type="checkbox"/> Infestation None notd	Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 8	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Good	<input checked="" type="checkbox"/> Driveway	# of Cars 2
Attic <input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) #	Driveway Surface	Stone/Good
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel -	<input type="checkbox"/> Fireplace(s) #	<input checked="" type="checkbox"/> Fence Rockwall	<input checked="" type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck	<input type="checkbox"/> Porch	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input checked="" type="checkbox"/> Individual Split <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool in ground	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)
 Finished area above grade contains: **7 Rooms 4 Bedrooms 4 Bath(s) 2,635 Square Feet of Gross Living Area Above Grade**
 Additional features (special energy efficient items, etc.). **Custom ocean view dwelling with solar water heating and in-ground pool, with walking distance to beach via private access lane.**
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). **Dwelling is in overall GOOD condition with minimal signs of wear. Recent renovation include new bathrooms, Jaccuzzi bath tub, newer kitchen cabinets with granite counter top and built in appliances, new flooring, new windows and sliding doors and other upgrades. TMK records not yet updated, permitted additions include 1,5 new baths and 2 fully enclosed patios added to GLA. There is no indication of physical or functional obsolescence and no repairs are noted.**
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

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There are 11 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 1,100,000 to \$ 1,995,000		There are 10 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 999,000 to \$ 2,350,000					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address	Beach street Kailu, HI	61 Kaikea Place Kailua, HI 96734	35 Kai Nani Place Kailua, HI 96734	861 Aalapapa Drive Kailua, HI 96734			
Proximity to Subject		1.03 miles SW	0.90 miles SW	2.70 miles SE			
Sale Price	\$	\$ 2,000,000	\$ 2,250,000	\$ 2,360,000			
Sale Price/Gross Liv. Area	\$ 857.69 sq.ft.	\$ 907.85 sq.ft.	\$ 821.47 sq.ft.	\$ 861.31 sq.ft.			
Data Source(s)		MLS 2713668	MLS 2716685	MLS 2717778			
Verification Source(s)		TMK: 1-4-3-19-52, ext. inspect.	TMK: 1-4-3-20-49, ext. inspect.	TMK: 1-4-3-8-89, ext. inspect.			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		Conventional None known		Conventional None known		Conventional None known	
Date of Sale/Time		9/10/2007		10/31/2007		11/9/2007	
Location	Kailua Beach	Kailua Beach		Kailua Beach		Lanikai Beach	-118,000
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	10,103 Sq.Ft.	10,054 Sq.Ft.	0	15,600 Sq.Ft.	-192,400	10,000 Sq.Ft.	0
View	Garden,Ocean	Garden	+100,000	Garden	+112,500	Garden,Ocean	
Design (Style)	Custom 2 flr	Contemp 1 flr		Contemp 1 flr		Custom 2 flr	
Quality of Construction	Good	Inferior 5%	+100,000	Inferior 5%	+112,500	Good	
Actual Age	28	48	+20,000	50	+22,000	48	+20,000
Condition	Good	Good		Good		Good	
Above Grade Room Count	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
	7 4 4	7 4 2	+10,000	7 4 4	0	6 3 3	+10,000
Gross Living Area	2,635 sq.ft.	2,203 sq.ft.	+36,700	2,739 sq.ft.	-8,800	2,740 sq.ft.	-8,900
Basement & Finished Rooms Below Grade	None	None		None		None	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	Split AC 5x	Split AC		Window AC	+10,000	None noticed	+10,000
Energy Efficient Items	Solar Wtr heat	Solar Wtr heat		Solar Wtr heat		Standard	+5,000
Garage/Carport	2 garage	2 garage		2 garage		1 carport	+5,000
Porch/Patio/Deck	Pool,patio,deck	Pool,patio,deck		Pool,patio,deck		Patio,deck	+40,000
List price \$		2,149,500		2,199,999		2,350,000	
DOM		17		7		8	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 266,700		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 55,800		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -36,900	
Adjusted Sale Price of Comparables		Net Adj. 13.3 % Gross Adj. 13.3 % \$ 2,266,700		Net Adj. 2.5 % Gross Adj. 20.4 % \$ 2,305,800		Net Adj. 1.6 % Gross Adj. 9.2 % \$ 2,323,100	

SALES COMPARISON APPROACH

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

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

Data Source(s) Tax Records, Multiple Listing Service and Bureau Of Conveyance.

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

Data Source(s) Tax Records, Multiple Listing Service and Bureau Of Conveyance.

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

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	Exceeds 3 years.	Exceeds 1 year.	Exceeds 1 year.	Exceeds 1 year.
Price of Prior Sale/Transfer				
Data Source(s)				
Effective Date of Data Source(s)	3/5/2008	3/5/2008	3/5/2008	3/5/2008

Analysis of prior sale or transfer history of the subject property and comparable sales No other sales or transfers found for subject in the past 36 months and comparables in the past 12 months prior to the above sales.

Summary of Sales Comparison Approach Subject and all comps are similar in design, construction, utility, age and size. The comparables analyzed in the market sales comparison approach bracket and support the above estimated value. Most weight has been afforded comps 1 and 2 since they most resemble the subject. The design, size and overall appeal of the subject property is consistent with the greater appraisal survey area. All sales are good indicators of value and are the most recent applicable sales found for use in the sales comparison approach for value. Adjustments made at \$85 per SF GLA and \$35 per SF lot size. See addendum for further explanation.

Indicated Value by Sales Comparison Approach \$ 2,260,000

Indicated Value by: Sales Comparison Approach \$ 2,260,000 Cost Approach (if developed) \$ 2,140,666 Income Approach (if developed) \$

The sales comparison approach is considered the most reliable indicator of value as it reflects the actions of buyers and sellers in the market place with limited support from the cost approach.

RECONCILIATION

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, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

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 \$ 2,260,000 , as of 3/5/2008 , which is the date of inspection and the effective date of this appraisal.

