

Summary Report of a Complete Appraisal



Effective Date of Appraisal

1/10/2007

Property Located At:

1 Beaver Lake Avenue
Book 4693 Page 2360
Derry, NH 03038

Lender

Allegiance Mortgage
72 West Broadway, Derry, NH 03038

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SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	1 Beaver Lake Avenue
	Legal Description	Book 4693 Page 2360
	City	Derry
	County	Rockingham
	State	NH
	Zip Code	03038
	Census Tract	0033.01
	Map Reference	40484
SALES PRICE	Sale Price	\$ N/A
	Date of Sale	N/A
CLIENT		McMaster, Douglas
		Allegiance Mortgage
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	2,128
	Price per Square Foot	\$
	Location	Resident/Avg
	Age	1 Yrs +/-
	Condition	Good
	Total Rooms	6
	Bedrooms	3
	Baths	2.5
APPRAISER	Appraiser	Robert J. Wesson
	Date of Appraised Value	1/10/2007
VALUE	Final Estimate of Value	\$ 370,000

Robert J. Wesson
Prime Appraisals
65A Speare Road
Hudson, NH 03051

Barry,

Allegiance Mortgage
72 West Broadway
Derry, NH 03038

Re: Property: 1 Beaver Lake Avenue
Derry, NH 03038
Borrower: McMaster, Douglas
File No.: McMaster

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

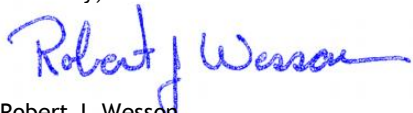
The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

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 or any of my staff if we can be of additional service to you.

Sincerely,



Robert J. Wesson
Prime Appraisals
Hudson, NH 03051

Uniform Residential Appraisal Report

File # McMaster

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 1 Beaver Lake Avenue	City Derry	State NH Zip Code 03038
Borrower McMaster, Douglas	Owner of Public Record McMaster, Douglas	County Rockingham
Legal Description Book 4693 Page 2360		
Assessor's Parcel # Map 51 Lot 36-1	Tax Year 2006	R.E. Taxes \$ TBD
Neighborhood Name N/A	Map Reference 40484	Census Tract 0033.01
Occupant <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$ N/A	<input type="checkbox"/> PUD HOA \$ N/A <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)		
Assignment Type <input type="checkbox"/> Purchase Transaction <input checked="" type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)		
Lender/Client Allegiance Mortgage Address 72 West Broadway, Derry, NH 03038		
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Report data source(s) used, offering price(s), and date(s). According to Multiple Listing Service data and the current owner, the subject property is not currently listed for sale and has not been listed for sale within the last twelve month period.		

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. There is no purchase and sales contract for review as this appraisal is for refinancing purposes.

Contract Price \$ N/A	Date of Contract N/A	Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s) N/A
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If Yes, report the total dollar amount and describe the items to be paid. N/A N/A			

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 checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE AGE	One-Unit 80 %
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 type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	200 Low New	Multi-Family 0 %
Neighborhood Boundaries The subject's neighborhood is bounded by North Shore Road to the north, Chester Road to the east, East Derry Road to the south, and Route 102 to the west.		500 High 99+	Commercial 0 %
Neighborhood Description See attached addenda.		350 Pred. 25	Other 15 %

Market Conditions (including support for the above conclusions) See attached addenda.

SITE

Dimensions See Deed or Plot Plan	Area .410 Acres +/-	Shape See Deed or Plot Plan	View None/Typical
Specific Zoning Classification MDR "Med Density Residential" Zoning Description One Acre Minimum With 125 Feet Of Road Frontage			
Zoning Compliance <input type="checkbox"/> Legal <input checked="" type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe			
Utilities	Public	Other (describe)	Public
Electricity <input checked="" type="checkbox"/>	<input type="checkbox"/>	Water <input type="checkbox"/>	<input checked="" type="checkbox"/> Private Well
Gas <input type="checkbox"/>	<input checked="" type="checkbox"/> Private/Propane	Sanitary Sewer <input checked="" type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X	FEMA Map # 33015C0343E
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		If No, describe	
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe			
See attached addenda.			

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 type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Pour Concrete/Good	Floors	Upgraded/Good
# of Stories 2	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Vinyl/Good	Walls	Drywall/Gd
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 1,064 sq.ft.	Roof Surface	Asphalt Shingle/Gd	Trim/Finish	Painted/Gd
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	None Noted	Bath Floor	Tile/Avg
Design (Style) Colonial	<input checked="" type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Double Hung/Good	Bath Wainscot	Tile/Good
Year Built 2006	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Yes/Good	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 1	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Good	<input checked="" type="checkbox"/> Driveway	# of Cars 3+
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) #	Driveway Surface	Paved Asphalt
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Propane	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> Fence	<input checked="" type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck	<input type="checkbox"/> Porch	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in	
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)					
Finished area above grade contains: 6 Rooms 3 Bedrooms 2.5 Bath(s) 2,128 Square Feet of Gross Living Area Above Grade					
Additional features (special energy efficient items, etc.). Noted is a 24' X 26' unfinished room over the garage for potential additional utility of a bedroom or family room. Three ceiling fans, granite counters in all bathrooms and kitchen. A jacuzzi tub is noted in the master bathroom.					
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). See attached addenda.					
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe					
Based on an interior and exterior inspection of the subject property, physical deterioration appears to be limited to normal wear and tear and competes with other homes of similar age. As previously stated, this home is considered new construction and has little to no depreciation.					
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe					
The subject property conforms to the neighborhood in terms of curb appeal, functional utility, style, current use and quality of construction.					
The overall appearance in terms of exterior appeal and landscaping is also in conformance with other home in this general neighborhood.					

Uniform Residential Appraisal Report

File # McMaster

There are **9** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **354,900** to \$ **399,900**.

There are **6** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **350,000** to \$ **395,000**.

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	1 Beaver Lake Avenue Derry, NH 03038	19 Drake Lane Derry, NH 03038		122.5 Londonderry Turnpike Derry, NH 03038		9 Hall Street Derry, NH 03038	
Proximity to Subject		3.61 miles SE		0.7 miles SW		2.29 miles SW	
Sale Price	\$	\$ 350,000		\$ 369,900		\$ 368,500	
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 156.25 sq.ft.		\$ 164.40 sq.ft.		\$ 186.49 sq.ft.	
Data Source(s)		MLS # 253340 Town Records		MLS # 235770 Town Records		MLS # 217304 Town Records	
Verification Source(s)		DOM: 109 Exterior Photo		DOM: 214 Exterior Photo		DOM: 234 Exterior Photo	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		None Noted		None Noted		None Noted	
Date of Sale/Time		7/19/2006		6/16/2006		3/21/2006	
Location	Resident/Avg	Resident/Avg		Resident/Inf +5,000		Resident/Avg	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	.410 Acres +/-	1.200 Acres +/- -10,000		1.680 Acres +/- -15,000		1.170 Acres +/- -10,000	
View	None/Typical	None/Typical		None/Typical		None/Typical	
Design (Style)	Colonial	Colonial		Colonial		Colonial	
Quality of Construction	Average	Average		Average		Average	
Actual Age	1 Yrs +/-	10 Yrs +/- +10,000		2 Yrs +/-		2 Yrs +/-	
Condition	Good	Good		Good		Good	
Above Grade Room Count	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
	6 3 2.5	7 3 2.5		8 4 2.5	-5,000	7 4 2.5	-5,000
Gross Living Area	2,128 sq.ft.	2,240 sq.ft. -2,800		2,250 sq.ft. -3,050		1,976 sq.ft. +3,800	
Basement & Finished Rooms Below Grade	Full Unfinished	Full Unfinished		Full Unfinished		Full Unfinished	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FHA Gas/CAC	FHW Oil/No Ac +2,000		FHA Gas/No Ac +2,000		FHA Gas/CAC	
Energy Efficient Items	Typical Items	Typical Items		Typical Items		Typical Items	
Garage/Carport	Two Car Attach	Two Car Under +4,000		Two Car Under +4,000		Two Car Attach	
Porch/Patio/Deck	None Noted	Deck -1,000		Farmers Porch -2,000		Deck -1,000	
Fireplace/Wood Stoves	Fireplace	Fireplace		Fireplace		None Noted +3,500	
Kitchens and Baths	Upgd Kit & Bath	Avg Kit & Baths +6,500		Avg Kit & Baths +6,500		Avg Kit & Baths +6,500	
Other Features	Rm over Garage	None Noted +6,240		None Noted +6,240		None Noted +6,240	
Net Adjustment (Total)		☒ + ☐ - \$ 14,940		☐ + ☒ - \$ -1,310		☒ + ☐ - \$ 4,040	
Adjusted Sale Price of Comparables		Net Adj. 4.3 % Gross Adj. 12.2 % \$ 364,940		Net Adj. 0.4 % Gross Adj. 13.2 % \$ 368,590		Net Adj. 1.1 % Gross Adj. 9.8 % \$ 372,540	

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) **Town Office Records and Multiple Service Listing Data.** The last available date of sale is reported regardless of the date.

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) **Town Office Records and Multiple Service Listing Data.**

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	8/10/2006 (Land Only)	None Other Than Above	None Other Than Above	None Other Than Above
Price of Prior Sale/Transfer	\$85,000	None Other Than Above	None Other Than Above	None Other Than Above
Data Source(s)	Assessor	MLS & Assessor	MLS & Assessor	MLS & Assessor
Effective Date of Data Source(s)	1/10/2007	1/10/2007	1/10/2007	1/10/2007

Analysis of prior sale or transfer history of the subject property and comparable sales **No other sales or transfers for the subject within the past three years (other than noted) and no other sales or transfers for the comps within the past twelve months from the date of this appraisal were noted in town hall records. Sales data is typically reported to the assessor record within thirty days of the recording of the deed transfer. The transfer history of the subject property and the comparables is consistent with the market activity in the neighborhood.**

Summary of Sales Comparison Approach See attached addenda.

Indicated Value by Sales Comparison Approach \$ **370,000**

Indicated Value by: Sales Comparison Approach \$ 370,000 Cost Approach (if developed) \$ 369,299 Income Approach (if developed) \$ N/A

See attached addenda.

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 \$ 370,000 , as of 1/10/2007 , which is the date of inspection and the effective date of this appraisal.

Uniform Residential Appraisal Report

File # McMaster

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

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

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

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

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

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

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

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

File # McMaster

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

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

Uniform Residential Appraisal Report

File # McMaster

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

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

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

APPRAISER

Signature Robert J. Wesson
 Name Robert J. Wesson
 Company Name Prime Appraisals
 Company Address 65A Speare Road, Hudson, NH 03051
 Telephone Number 603 566-6516
 Email Address primeappraisals@aol.com
 Date of Signature and Report January 10, 2007
 Effective Date of Appraisal 1/10/2007
 State Certification # _____
 or State License # NHLR - 332
 or Other (describe) _____ State # _____
 State NH
 Expiration Date of Certification or License 12/31/2008

ADDRESS OF PROPERTY APPRAISED

1 Beaver Lake Avenue
Derry, NH 03038

APPRAISED VALUE OF SUBJECT PROPERTY \$ 370,000

LENDER/CLIENT

Name _____
 Company Name Allegiance Mortgage
 Company Address 72 West Broadway, Derry, NH 03038
 Email Address Unknown

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

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

SUBJECT PROPERTY

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

COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
- Did inspect exterior of comparable sales from street
Date of Inspection _____

Supplemental Addendum

File No. McMaster

Borrower	McMaster, Douglas			
Property Address	1 Beaver Lake Avenue			
City	Derry	County	Rockingham	State NH Zip Code 03038
Lender/Client	Allegiance Mortgage			

- **URAR : Neighborhood - Description**

The major employers in this region are easily accessible to the subject's neighborhood. Homes in this area also enjoy adequate commuting access to highways, schools, churches, shopping centers, and other town facilities and amenities. Homes in the subject's immediate neighborhood consist of varying styles, ages, size and utility. Based on recent sales data, homes in this neighborhood are considered to be supportive of the subject's value range. The subject is considered to be a typical property found in this immediate neighborhood with no apparent adverse external conditions noted on the date of inspection.

- **URAR : Neighborhood - Market Conditions**

Typical marketing time or DOM (Days on Market) for properly priced homes in this region is approximately three to six months for the average real property. Supply of currently listed homes continues to be slightly lagging behind current demand. This situation does create multiple offers at or above full asking price. Mortgage programs at acceptable and competitive interest rates continue to be readily available. Most concessions, when applicable, are in the form of closing costs, prepaids, and escrows paid by the seller. Based on MLS (Multiple Listing Service) data, consistent and moderate appreciation appears to continue in this region.

- **URAR : Site - Adverse Conditions or External Factors**

Site is typical in size, shape and topography. Apparent adverse easements, encroachments and adverse environmental conditions do not appear to be present. The subject site fails to meet the current zoning requirements. The subject site is considered to be a pre-existing non conforming use. The site and it's use are considered "Grandfathered". If destroyed, this property could be rebuilt to it's current and existing use.

- **URAR : Improvements - Condition of the Property**

Based on an interior and exterior inspection of the subject property, this home is considered to be in average to good condition. The subject has the typical amenities that are expected in the market within homes of this age and price range as well as some additional upgrade items. There were no items major items of deferred maintenance or major cost to cure items noted at the time of inspection. This home is being built by the owner has has only minor item such as some recessed light cover plates and wall plates. The home is new construction and has little to no depreciation. Please note that the sliding door to the rear of the home does not yet have a deck or other landing. This door has been checked for safety and has an attached safety mechanism inside (See photo). A building inspection has been completed and a certificate of occupancy has been issued. Please note that the unfinished room over the garage lacks the following: Ceiling, flooring, walls, trim, and heat. This room is wired for electric, cable, phone, smoke detector, and plumbed for a possible wet bar. On the exterior there are brick pavers leading to granite steps.

- **URAR : Sales Comparison Analysis - Summary of Sales Comparison Approach**

Location adjustments applied are reflective of minor external obsolescence due to properties located on moderately busy streets. Site adjustment have been made and reflect greater appeal for privacy and larger lots. Age adjustments reflect greater appeal for younger homes with less actual and effective age. Room counts are adjusted to reflect the additional utility of a four bedroom home. GLA is adjusted at \$25.00 per square foot for differences greater than 100 square feet from the subject. Noted is a \$2000 adjustment for the (CAC) central air conditioning. All other value effecting dissimilarities were adjusted according to market reaction. The indicated range of value brackets the value of the subject. Secondary market standards for net, gross and line adjustment percentages have been met. Please note that the 624 square feet over the garage is not included in the room count or in the GLA in this report. Due to the available utility that could be provided by the finishing of this room it does require contributory value. I have allowed \$10.00 per square foot for this area. The finishing of this room would add significant additional utility and living area to this home. Due to limited recent neighborhood sales of newer construction home similar in size and utility to the subject, it was necessary to extend the search beyond a one mile radius. This is typical in most New Hampshire communities and is not adverse to the indicated opinion of value.

- **URAR : Final Reconciliation**

The quality and quantity of data available was reconciled and analyzed within the approaches considered. The sales comparison approach best reflects the interaction of buyers and sellers in the real estate market. Due to the age of the subject property, the cost approach is not considered to be a reliable indicator of value. This is due to the difficulty in estimating site value, "As Is" value of the site improvements, and accrued depreciation. The income approach is not applicable because sales of properties that were rented at the time of sale are insufficient to derive a gross rent multiplier.

Subject Photo Page

Borrower	McMaster, Douglas						
Property Address	1 Beaver Lake Avenue						
City	Derry	County	Rockingham	State	NH	Zip Code	03038
Lender/Client	Allegiance Mortgage						



Subject Front

1 Beaver Lake Avenue
 Sales Price
 Gross Living Area 2,128
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location Resident/Avg
 View None/Typical
 Site .410 Acres +/-
 Quality Average
 Age 1 Yrs +/-



Subject Rear



Subject Street

Subject Interior Photo Page

Borrower	McMaster, Douglas			
Property Address	1 Beaver Lake Avenue			
City	Derry	County Rockingham	State NH	Zip Code 03038
Lender/Client	Allegiance Mortgage			

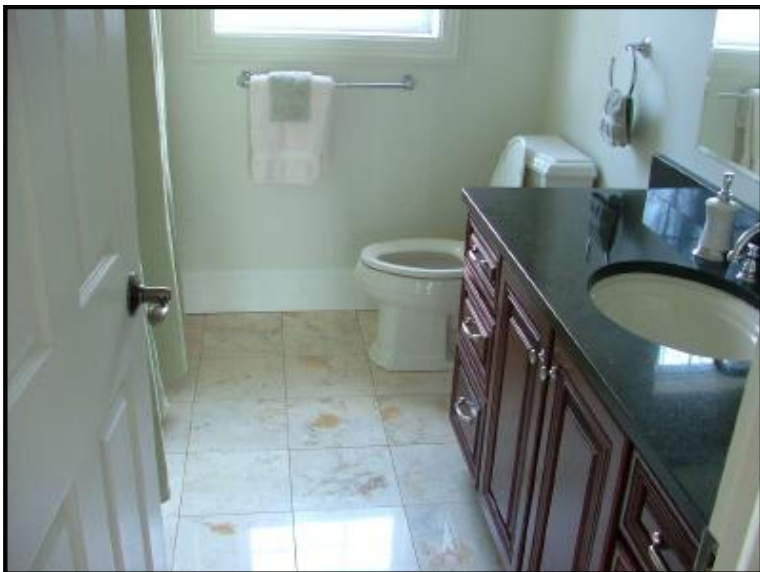


Subject Kitchen

1 Beaver Lake Avenue
 Sales Price
 Gross Living Area 2,128
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location Resident/Avg
 View None/Typical
 Site .410 Acres +/-
 Quality Average
 Age 1 Yrs +/-



Subject Living Room



Subject Full Bathroom

Photograph Addendum

Borrower	McMaster, Douglas						
Property Address	1 Beaver Lake Avenue						
City	Derry	County	Rockingham	State	NH	Zip Code	03038
Lender/Client	Allegiance Mortgage						



Room above Garage



Room above Garage



Secured rear slider. You can see that there is a safety bar which is screwed into place so that this door cannot be opened.

Comparable Photo Page

Borrower	McMaster, Douglas			
Property Address	1 Beaver Lake Avenue			
City	Derry	County Rockingham	State NH	Zip Code 03038
Lender/Client	Allegiance Mortgage			



Comparable 1

19 Drake Lane	
Prox. to Subject	3.61 miles SE
Sales Price	350,000
Gross Living Area	2,240
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.5
Location	Resident/Avg
View	None/Typical
Site	1.200 Acres +/-
Quality	Average
Age	10 Yrs +/-



Comparable 2

122.5 Londonderry Turnpike	
Prox. to Subject	0.7 miles SW
Sales Price	369,900
Gross Living Area	2,250
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	2.5
Location	Resident/Inf
View	None/Typical
Site	1.680 Acres +/-
Quality	Average
Age	2 Yrs +/-

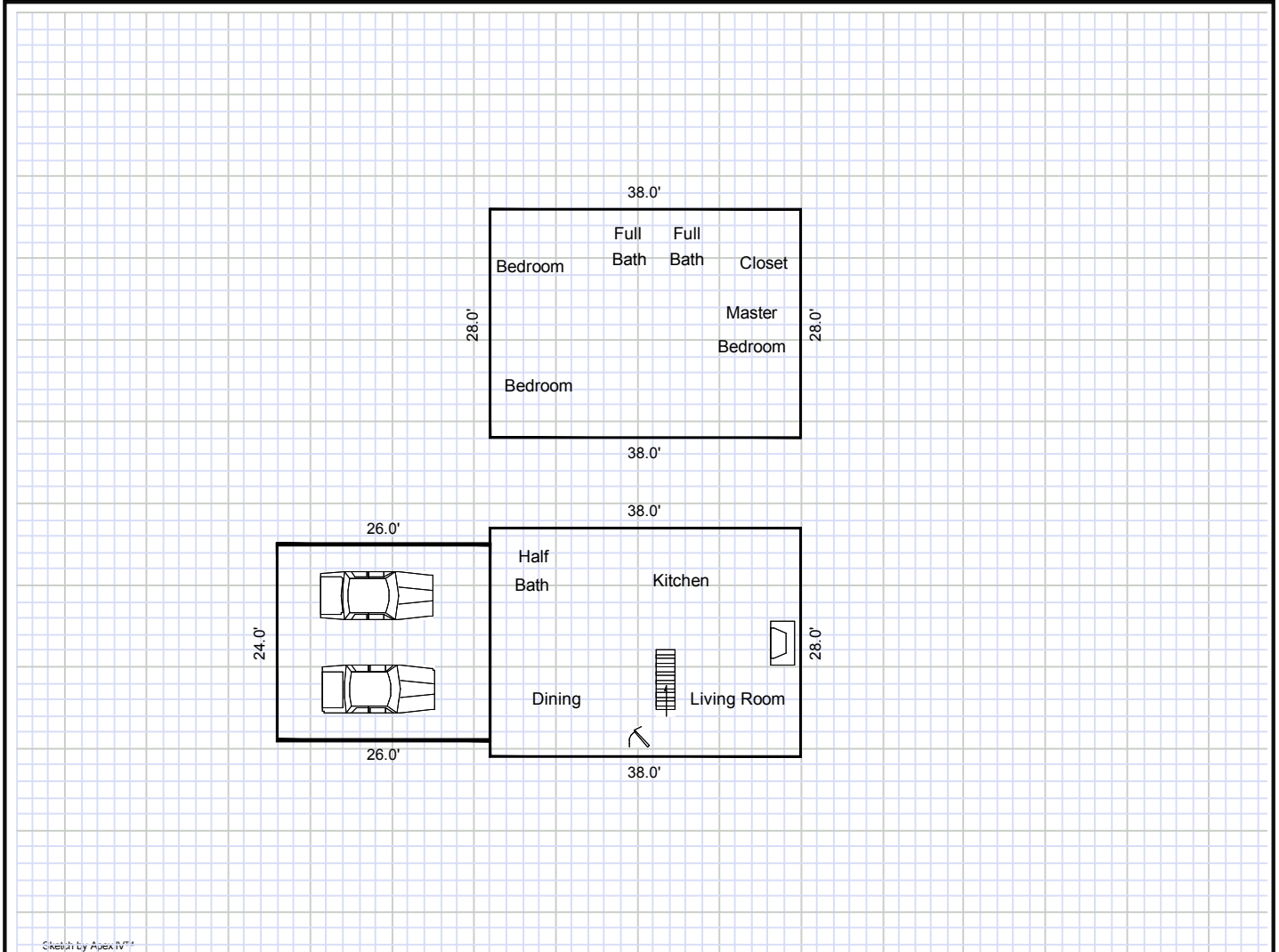


Comparable 3

9 Hall Street	
Prox. to Subject	2.29 miles SW
Sales Price	368,500
Gross Living Area	1,976
Total Rooms	7
Total Bedrooms	4
Total Bathrooms	2.5
Location	Resident/Avg
View	None/Typical
Site	1.170 Acres +/-
Quality	Average
Age	2 Yrs +/-

Building Sketch

Borrower	McMaster, Douglas			
Property Address	1 Beaver Lake Avenue			
City	Derry	County Rockingham	State NH	Zip Code 03038
Lender/Client	Allegiance Mortgage			



Sketch by Apex IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1064.0	1064.0
GLA2	Second Floor	1064.0	1064.0
GAR	Garage	624.0	624.0
Net LIVABLE Area		(Rounded)	2128

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor	28.0	x 38.0	
			1064.0
Second Floor	28.0	x 38.0	
			1064.0
2 Items			(Rounded)
			2128

Location Map

Borrower	McMaster, Douglas			
Property Address	1 Beaver Lake Avenue			
City	Derry	County	Rockingham	State NH Zip Code 03038
Lender/Client	Allegiance Mortgage			

