

Ned & Nancy Noteseller  
123 Note Street  
Notesville, NV 94177

**DI CARO & ASSOCIATES**

RE: Promissory Note on Property located at 123 Cashflow Blvd, Cash Cove, CT 06177

Dear Ned & Nancy Noteseller,

Pursuant to your request, below you will find my estimate of the current "Cash Market Value" of the payment streams of the promissory note secured by the above mentioned real estate property. As no title report has been ordered, a marketable and insurable title is assumed. No physical inspection has been made of the securing property. No opinion is given concerning the condition or value of the property. This valuation is as of July 2, 2003.

This estimate of value is based upon the following information that you have provided to me:

<b>Position of Note: Second</b>	Balloon Amount: 19,013.97
Interest Rate: 8%	Balloon Due Date: July 2, 2008
Payment Amount: 146.75	Estimate of Balance due on First Mortgage: \$54,324.59
Number of Payments Made: 12	Payor's FICO Credit Score: 650
Number of Payments Remaining: 48	Current Value of Property: \$100,000
Balance of Second: \$19832.93	Original Sales Price of Property: \$100,000

This note has been presented to three institutional investors, private investors, or brokers that purchase such notes on a national basis. The average purchase price of these three quotes is \$17,878.28.

Institutional Investor: \$18,097.31  
Private Investor: \$19,180.66  
Investor Broker: \$16,356.86

An additional estimate of value was done by using a strictly mathematical evaluation of the note with the following factors:

Equity (weighted 30%): \$25,842.48  
Credit (weighted 40%): FICO 650  
Payment History (weighted 10%): current, no late payments  
Seasoning (weighted 20%): 12 months

Using the above factors the note would be graded at AA (on a scale of AAA to D). The yield that an investor would expect to receive on a note with this grade where the property is an Owner Occupied Single Family Residence would be 9.5% to 12.5%. As a dollar amount, this would calculate as a valuation of from \$17,083 to \$18,864.

Based on this analysis of the information that you provided, the current Cash Market Value of the payment streams associated with the subject property is:

**\$17,916.37**

The conclusions in this note appraisal are based on data provided by Ned & Nancy Noteholder. The accuracy of the evaluation depends on the correctness of the information that was provided. Should the conditions on which this appraisal is based change, the value of the note will likely change accordingly. There may be additional costs involved in the selling of the note that would include updating the title insurance, appraisal fees and broker fees.

As a result of having issued this evaluation, I will provide reasonable consultation to you concerning the contents and back up detail of this report.

Respectfully,  
Nicholas di Caro

DI CARO & ASSOCIATES  
Westmont, IL 60559