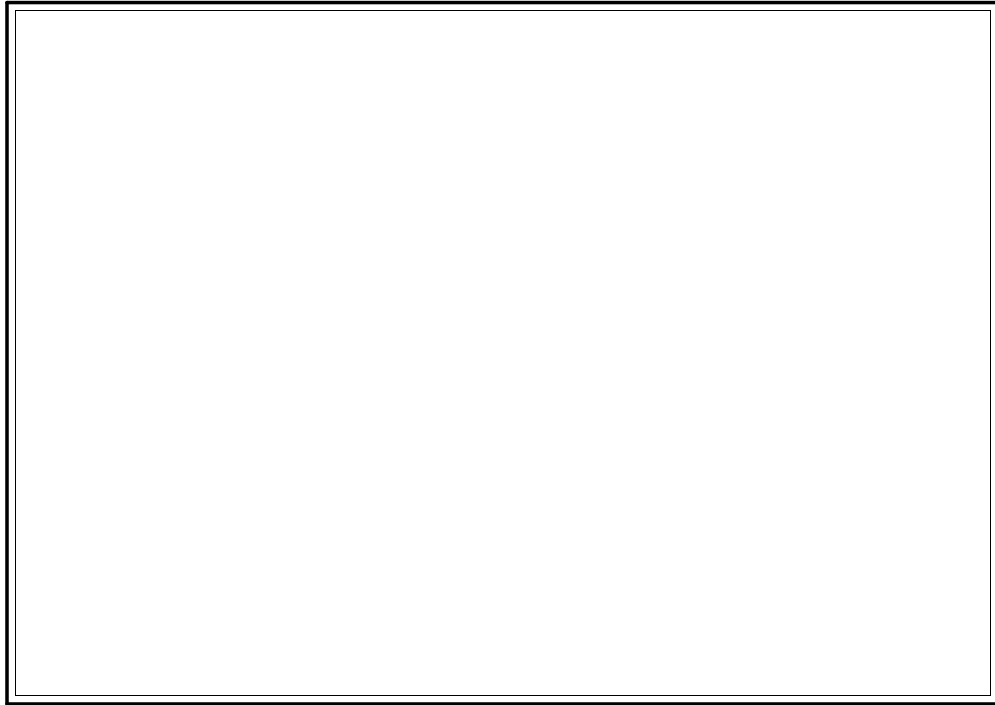


**APPRAISAL REPORT
OF**



PREPARED FOR

AS OF

PREPARED BY

**Country Hills Appraisal Service
26621 Cuenca Drive
Mission Viejo, CA 92691**

Residential Appraisal Report

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

Property Address	City	State	Zip Code
Owner	Intended User	County	Orange
Legal Description			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
Occupant <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/>	Special Assessments \$	0	<input checked="" type="checkbox"/> PUD HOA \$ 179 <input type="checkbox"/> per year <input checked="" type="checkbox"/> per month
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)	Intended Use		
Client	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Report data source(s) used, offerings price(s), and date(s). 0			

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.

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 purchaser? Yes No

If Yes, report the total dollar amount and describe the items to be paid. \$0;;

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 <input type="checkbox"/>	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining <input type="checkbox"/>	PRICE	AGE	One-Unit	65 %						
Built-Up <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% <input type="checkbox"/>	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply <input type="checkbox"/>	\$ (000)	(yrs)	2-4 Unit	15 %						
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow <input type="checkbox"/>	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths <input type="checkbox"/>	Low		Multi-Family	10 %						
Neighborhood Boundaries		High		Commercial	10 %						
		Pred.		Other	%						
Neighborhood Description											
Market Conditions (including support for the above conclusions) See 1004MC Addendum.											

SITE

Dimensions See Site Map for Area Calculation Area _____ Shape Rectangular View N;Res;

Specific Zoning Classification PRD Zoning Description Planned Residential Development.

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"/>		Water	<input checked="" type="checkbox"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area Yes No FEMA Flood Zone X FEMA Map # _____ FEMA Map Date _____

Are the utilities and/or 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.

Standard PUD area.

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"/>	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space <input type="checkbox"/>	Foundation Walls	Concrete - Good	Floors	Wood/Crpt/Tile-Gd		
# of Stories 2	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement <input type="checkbox"/>	Exterior Walls	Stucco/Wood - Good	Walls	Drywall - Good		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit <input type="checkbox"/>	Basement Area 0 sq. ft.	Roof Surface	Concrete Tile - Good	Trim/Finish	Wood - Good		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	Metal	Bath Floor	Tile - Good		
Design (Style) Contemp	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump <input type="checkbox"/>	Window Type	Vynl - Good	Bath Wainscot	Tile-Good		
Year Built 2000	Evidence of <input type="checkbox"/> Infestation None <input type="checkbox"/>	Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None <input type="checkbox"/>		
Effective Age (Yrs) 15	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement <input type="checkbox"/>	Screens	Yes - Good	<input checked="" type="checkbox"/> Driveway	# of Cars 2		
Attic <input type="checkbox"/> None <input type="checkbox"/>	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant <input type="checkbox"/>	Amenities	<input type="checkbox"/> Woodstove(s) # 0 <input type="checkbox"/>	Driveway Surface	Concrete		
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs <input type="checkbox"/>	<input type="checkbox"/> Other Fuel Gas <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Fireplace(s) # 1 <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Fence Block- Gd <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Garage	# of Cars 2		
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle <input type="checkbox"/>	Cooling <input checked="" type="checkbox"/> Central Air Conditioning <input type="checkbox"/>	<input type="checkbox"/> Patio/Deck <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Porch Concrete <input type="checkbox"/>	<input type="checkbox"/> Carport	# of Cars 0		
<input type="checkbox"/> Finished <input type="checkbox"/> Heated <input type="checkbox"/>	<input type="checkbox"/> Individual <input type="checkbox"/> Other <input type="checkbox"/>	<input checked="" type="checkbox"/> Pool Spa <input type="checkbox"/>	<input type="checkbox"/> Other None <input type="checkbox"/>	<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: 11 Rooms 5 Bedrooms 3.0 Bath(s) Square Feet of Gross Living Area Above Grade _____

Additional features (special energy efficient items, etc.) Recessed lighting, crown molding, granite counter tops and back splash, private deck with views, custom built wine cellar and storage area, brick driveway and court yard, epoxy garage floor, new PEX plumbing, etc.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C2;Kitchen-updated-one to five years ago;Bathrooms-updated-one to five years ago;No noted repairs upon inspection. 15 year old home.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe

No noted conditions at time of inspection.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe Subject is a conforming homes with many similar homes surrounding it.

Residential Appraisal Report

There are 39 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 759,000 to \$ 1,300,000 .
There are 62 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 698,000 to \$ 1131000 .

FEATURE	SUBJECT			COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3						
Address																
Proximity to Subject																
Sale Price	\$			\$			\$			\$						
Sale Price/Gross Liv. Area	\$	0.00	sq. ft.	\$	0.00	sq. ft.	\$	0.00	sq. ft.	\$	0.00	sq. ft.				
Data Source(s)																
Verification Source(s)																
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION			+(-) \$ Adjustment			DESCRIPTION			+(-) \$ Adjustment			
Sale or Financing				ArmLth			0			ArmLth			0			
Concessions				Conv;0			0			Conv;0			0			
Date of Sale/Time							0						0			
Location	N;Res;			N;Res;						N;Res;						
Leasehold/Fee Simple	Fee Simple			Fee Simple						Fee Simple						
Site																
View	N;Res;			N;Res;						N;Res;						
Design (Style)	Contemp			DT2;Contemp						DT2;Contemp						
Quality of Construction	Q4			Q4						Q4						
Actual Age	17			11			0			16			0			
Condition	C2			C2						C2						
Above Grade	Total	Bdrms	Baths	Total	Bdrms	Baths	0			Total	Bdrms	Baths	0			
Room Count	11	5	3.0	9	4	3.0				11	5	3.0	10	4	3.1	-6,000
Gross Living Area	sq. ft.			sq. ft.						sq. ft.			sq. ft.			
Basement & Finished Rooms Below Grade	0 sf			0sf						0sf						
Functional Utility	Good			Good						Good						
Heating/Cooling	FWA/Central			FWA/Central						FWA/Central						
Energy Efficient Items	None			None						None						
Garage/Carport	2 Car Gar. Att.			2ga4dw			-20,000			3ga2dw			-30,000			
Porch/Patio/Deck	Porch/Concrete			Patio and Porch						Patio and Porch						
							0						0			
Pool	Pool/Spa			None						None						
Net Adjustment (Total)				□ + □ -			\$			□ + □ -			\$			
Adjusted Sale Price of Comparables				Net Adj: 0%						Net Adj: 0%						
				Gross Adj: 0%			\$			Gross Adj: 0%			\$			

SALES COMPARISON ANALYSIS

I 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/MLS

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/MLS

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				
Price of Prior Sale/Transfer	\$0	\$0	\$0	\$0
Data Source(s)	Tax Records	Tax Records	Tax Records	Tax Records
Effective Date of Data Source(s)				

Analysis of prior sale or transfer history of the subject property and comparable sales

Summary of Sales Comparison Approach

All comparable's considered after adjustments. Appraisers reconciled value is with consideration of each sale and its feature adjusted to match subject.

Indicated Value by Sales Comparison Approach \$

Indicated Value by: Sales Comparison Approach \$ **Cost Approach (if developed) \$ 65,000** **Income Approach (if developed) \$**

Most weight given to the indicated value by use of market data analysis in determining the current fair market value because this best reflects the attitudes of the typical informed buyers and sellers in today's market. Cost approach lends support to opinion of value.

Income approach not developed.

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: There are no conditions to this appraisal. This appraisal is made as is. This is a complete summary report.

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

\$, as of

RECONCILIATION

Residential Appraisal Report

NOTE: THE APPRAISER'S ANALYSIS, OPINIONS AND CONCLUSIONS WERE DEVELOPED AND THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP) STANDARDS 1-3, FNMA GUIDELINES, THE OFFICE OF THRIFT SUPERVISION (OTS), AND THE OFFICE OF THE COMPTROLLER OF THE CURRENCY'S (OCC) MINIMUM APPRAISAL STANDARDS. THIS IS A COMPLETE APPRAISAL REPORT IN SUMMARY FORMAT. THE APPRAISER HAS PREPARED THIS APPRAISAL IN FULL COMPLIANCE WITH APPLICABLE APPRAISER INDEPENDENCE REQUIREMENTS AND HAS NOT PERFORMED, PARTICIPATED IN, OR BEEN ASSOCIATED WITH ANY ACTIVITY IN VIOLATION OF THOSE REQUIREMENTS. THIS REPORT COMPLIES WITH THE FANNIE MAE AND FREDDIE MAC UNIFORM APPRAISAL DATASET STANDARDIZATION REQUIREMENTS.

This appraisal assignment has been completed utilizing digital transfer of information including digitally transferred signatures and photographs. The digitally transferred blue ink signature is protected and controlled by the appraiser through electronic password. Property values within the subject's neighborhood have declined over the past year prior to the date of this appraisal report. Our analysis of current trends in the subjects neighborhood is based on a personal survey of the subjects market area, information published by the California Association of Realtor's, the Real Estate sections of major newspapers, and upon review and research of the major data sources utilized in our report.

ADDITIONAL COMMENTS

Scope of work

- 1) A preliminary search of all available resources was made to determine market trends, influences and other significant factors pertinent to the subject property. The property has been identified previously in this report.
- 2) A complete inspection of the property was performed although due diligence was exercised during inspection of property, appraiser is not expert in matters of soils, structures, engineering, waste hazards, etc. Such matters should be handled by experts with in these fields. No warranty is given by appraiser.
- 3) Research and collection of data (costs, improved sales, land sales, pending sales and listings) were performed as present in the subject marketing area and sufficient in quantity to express an opinion of value as defined herein. Appraiser examined data from sources that are know to be viable and reliable.
- 4)The direct sales comparison, cost approach and income approaches to value were considered as appropriate for this appraisal. Results of these approaches to value is discussed later in the report.
- 5) Comparable's are all inspected by drive by only. Some photo may be used from other sources and other reports. Other sources when deemed hard to acquire through regular means.

COST APPROACH TO VALUE (if applicable)

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Land value is typical for the area and was derived utilizing the extraction method. The sales comparable's used provided estimate site values ranging from \$420,000 to \$740,000. Land value ratio is noted to exceed 30%, However this is typical for the marketing area and has no effect on marketability.

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE			= \$
Source of cost data Marshall and Swift published cost guides.	Dwelling	Sq. Ft. @ \$		= \$ 0
Quality rating from cost service Average Effective date of cost data		Sq. Ft. @ \$		= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				
Physical depreciation is assessed on the subject property and is based on improvements of similar effective age. The indicated value by cost approach should not be considered for any type of insurance coverage.	Garage/Carport	Sq. Ft. @ \$		= \$ 0
	Total Estimate of Cost-new			= \$ 0
	Less Physical 8	Functional 0	External 0	
	Depreciation 0	0	0	= \$ (0)
	Depreciated Cost of Improvements			= \$ 0
	"As-is" Value of Site Improvements			= \$ 65,000
Estimated Remaining Economic Life (HUD and VA only) 95 Years	Indicated Value By Cost Approach			= \$ 65,000

INCOME APPROACH TO VALUE (if applicable)

Estimated Monthly Market Rent \$ X Gross Multiplier = \$ Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM) Income approach not in use. Sales analysis provides best results.

INCOME

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowner's Association (HOA)? Yes No Unit type(s) Detached Attached
Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
Legal Name of Project
Total number of phases Total number of units Total number of units sold
Total number of units rented Total number of units for sale Data source(s)
Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.
Does the project contain any multi-dwelling units? Yes No Data source.
Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.

Are the common elements leased to or by the Homeowner's Association? Yes No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

PUD INFORMATION

This appraisal report is subject to the scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. The Appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment.

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 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.

DEFINITION OF MARKET VALUE: As per Fannie Mae the definition of market value is 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 this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no 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.

APPRAISER'S CERTIFICATION: I certify that, to the best of my knowledge and belief:

- 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 have no present or prospective interest in the property that is the subject of this report and have have no personal interest with respect to the parties involved.
- I have performed have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to 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 this 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 have not made a personal inspection of the property that is the subject of this report.
- No one has provided significant real property appraisal assistance to the person signing this certification.

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

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

APPRAISER

Signature _____
 Name Jim Mcdonald, Jr.
 Company Name Country Hills Appraisal Service
 Company Address 26621 Cuenca Drive
Mission Viejo, CA 92691
 Telephone Number 9492856006
 Email Address countryhills@ymail.com
 Date of Signature and Report _____
 Effective Date of Appraisal _____
 State Certification # _____
 or State License # _____
 or Other (describe) _____ State # _____
 State CA
 Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED

APPRAISED VALUE OF SUBJECT PROPERTY \$ _____

CLIENT

Contact _____
 Client Name _____
 Client Address _____

 Email Address On File _____

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 _____

Country Hills Appraisal Service
SUBJECT PHOTO ADDENDUM

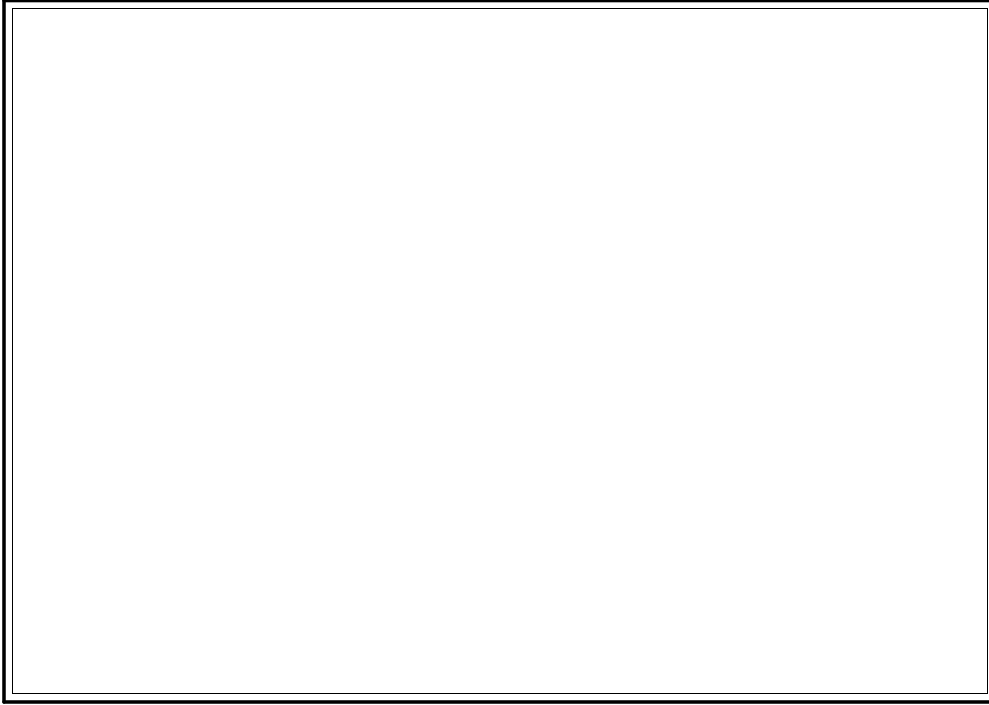
File No.
Loan No.

Borrower

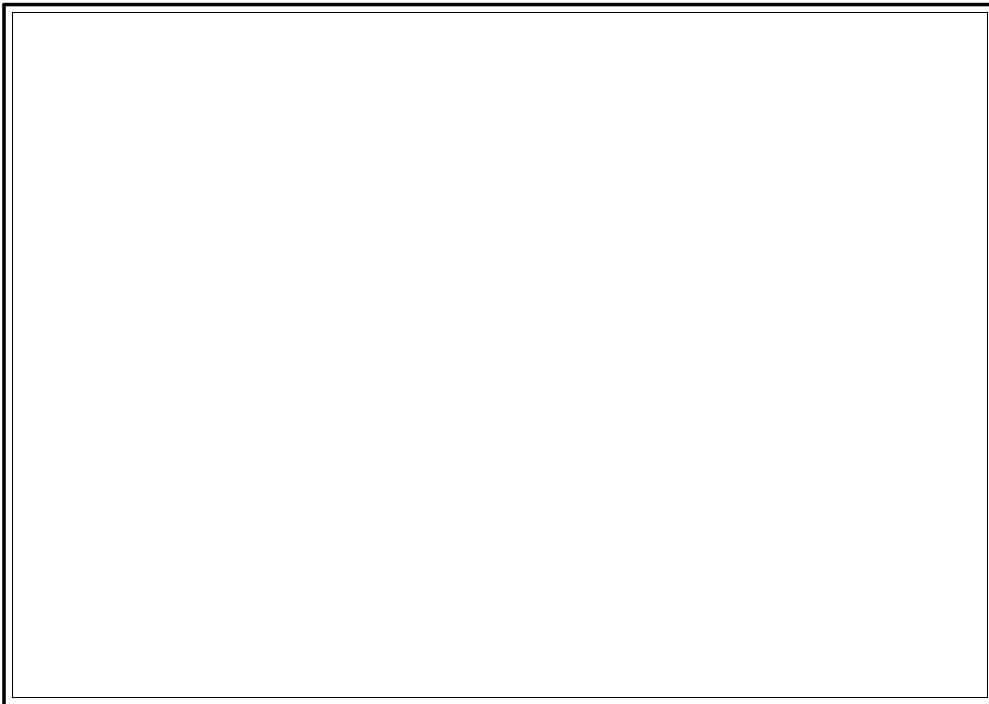
Property Address

City County **Orange** State Zip Code

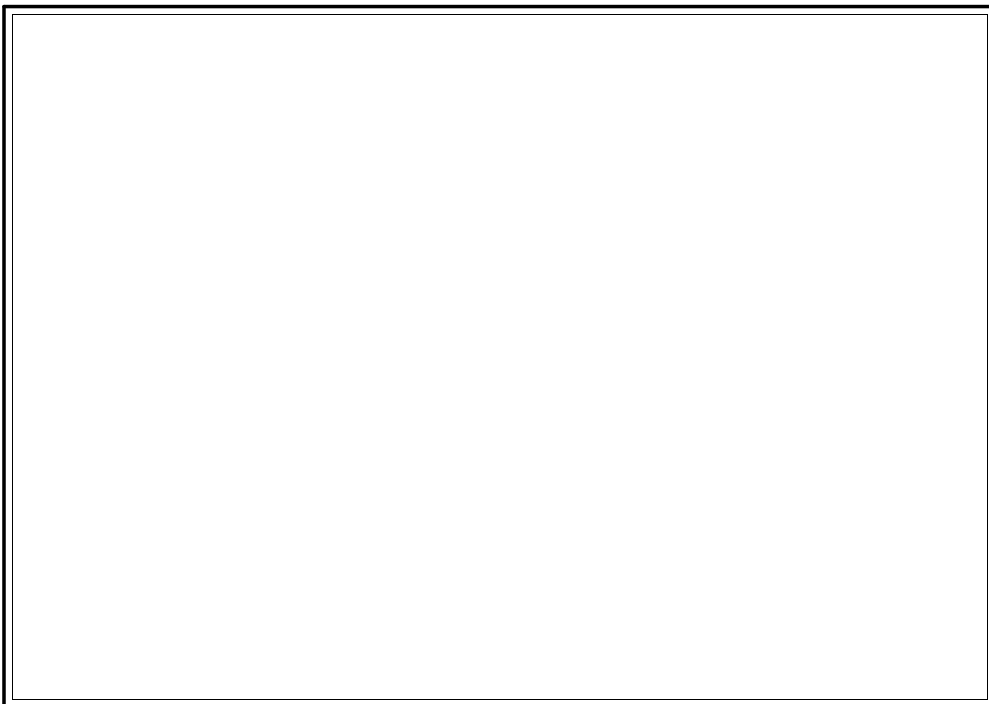
Lender/Client Address



**FRONT OF
SUBJECT PROPERTY**



**REAR OF
SUBJECT PROPERTY**

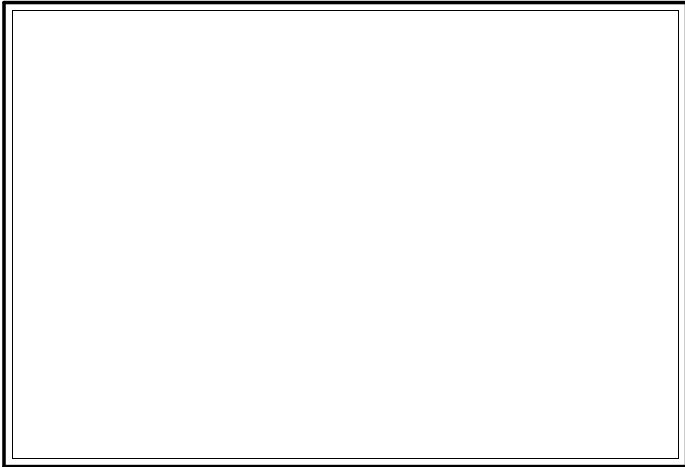


STREET SCENE

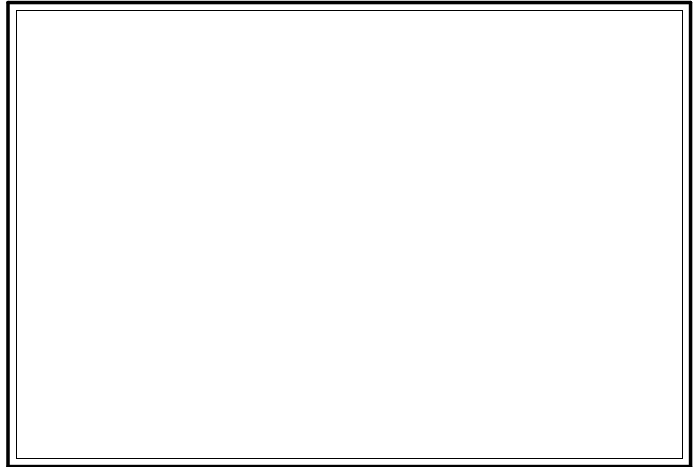
Country Hills Appraisal Service
Subject Photos

File No.
Loan No.

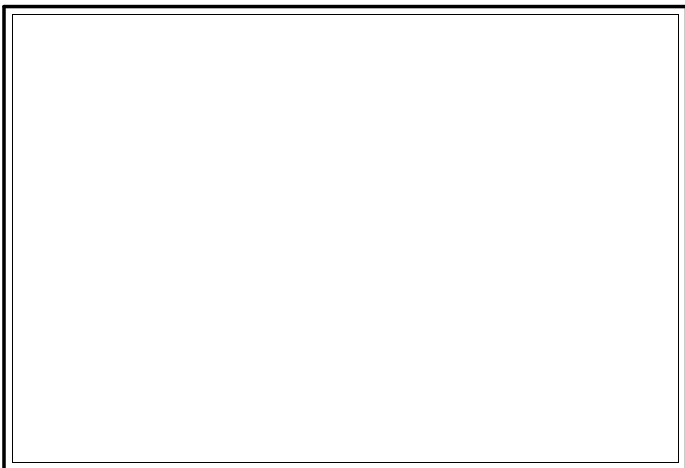
Borrower				
Property Address				
City	County	Orange	State	Zip Code
Lender/Client		Address		



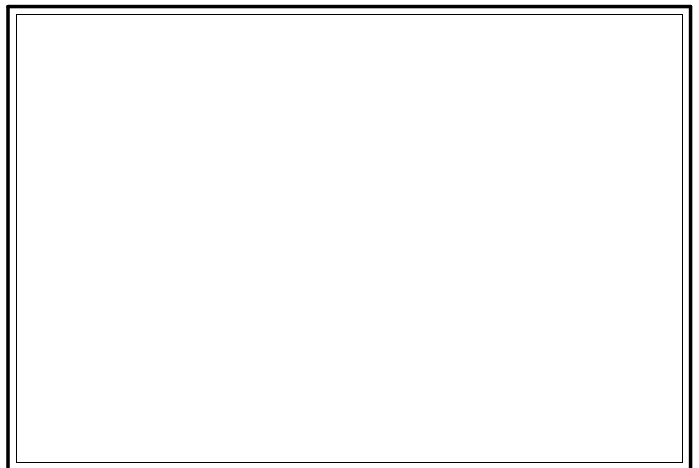
Kitchen



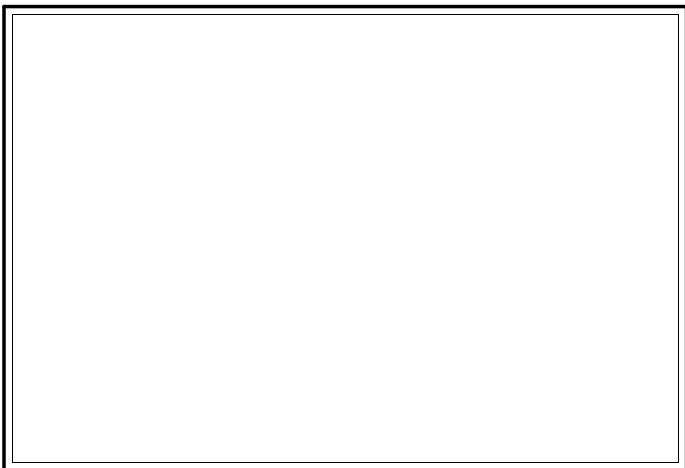
Living Room



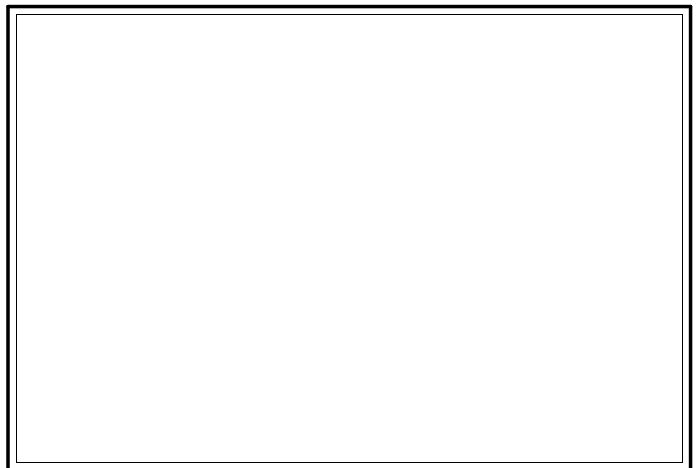
Dinning and Stair Case



Family Room



Master Bathroom

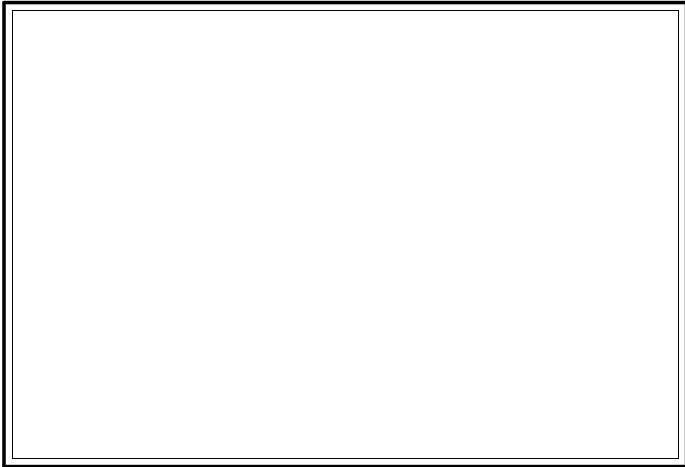


Bathroom

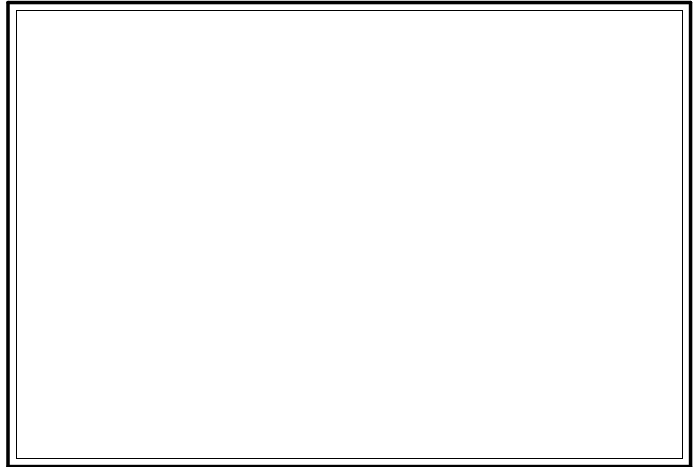
Country Hills Appraisal Service
Subject Photos

File No.
Loan No.

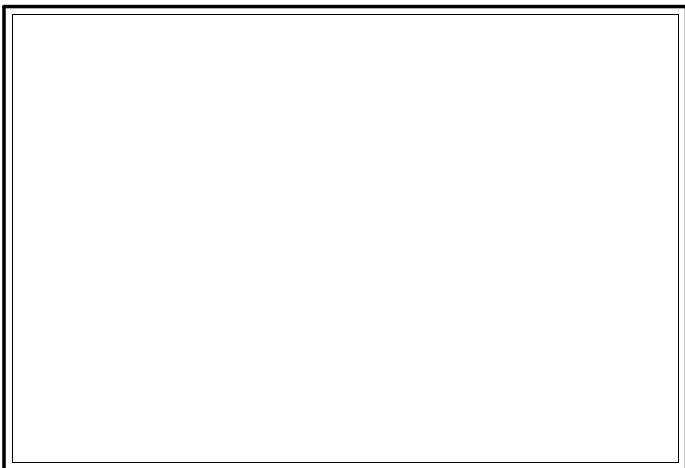
Borrower				
Property Address				
City	County	Orange	State	Zip Code
Lender/Client		Address		



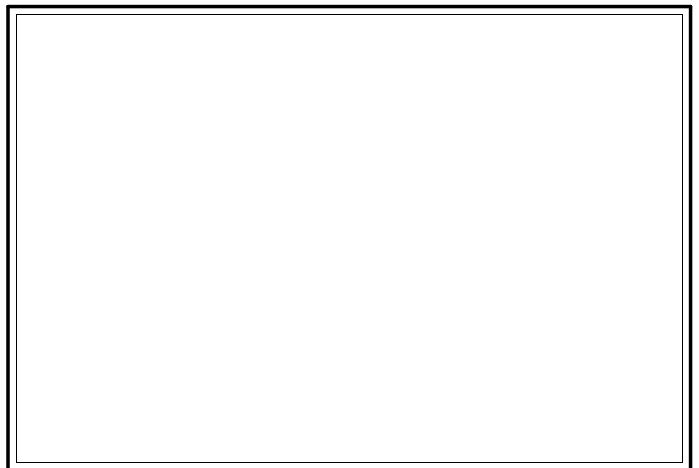
Court Yard



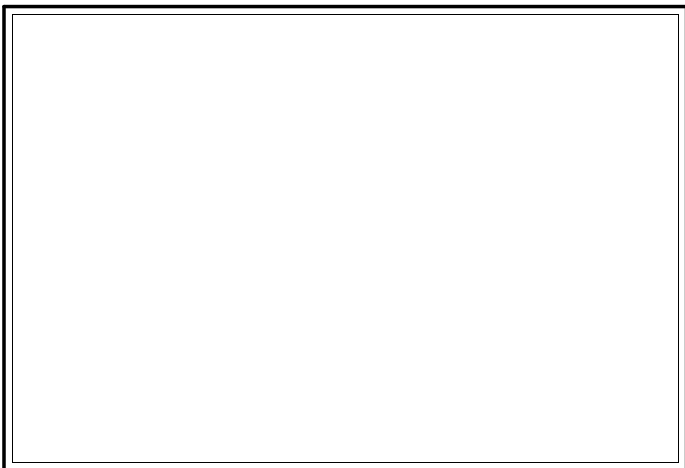
Back Yard



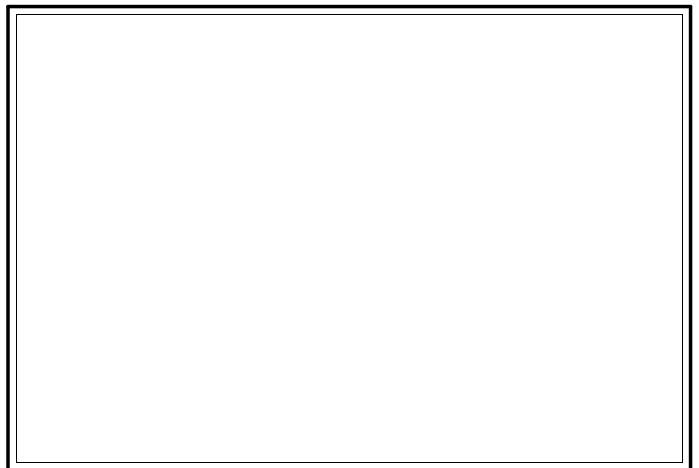
View From Deck



Deck



Wine Storage



Garage

Country Hills Appraisal Service
Subject Photos

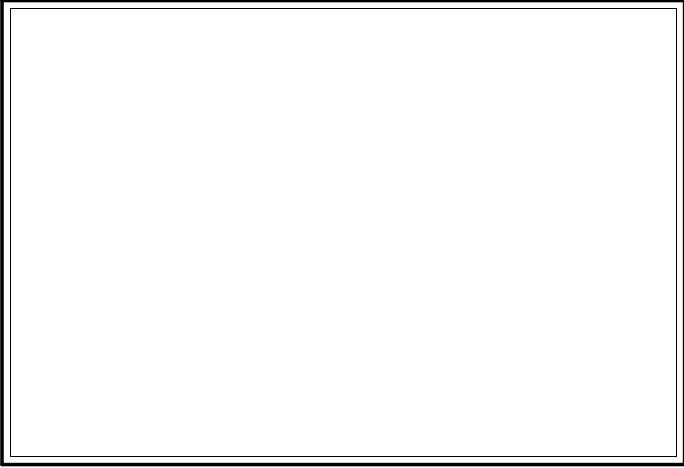
File No.
Loan No.

Borrower

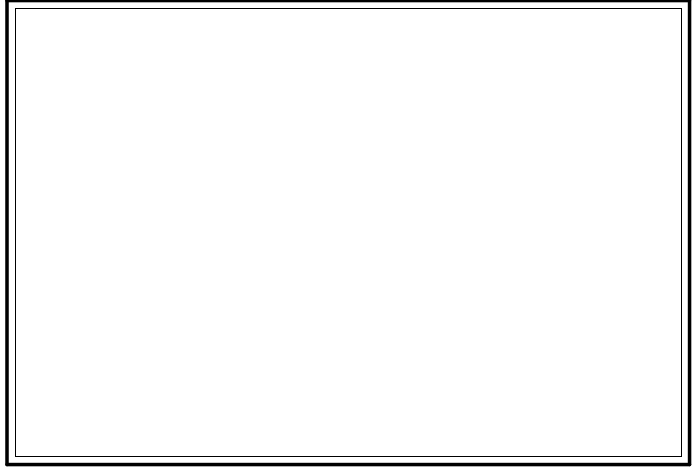
Property Address

City County **Orange** State Zip Code

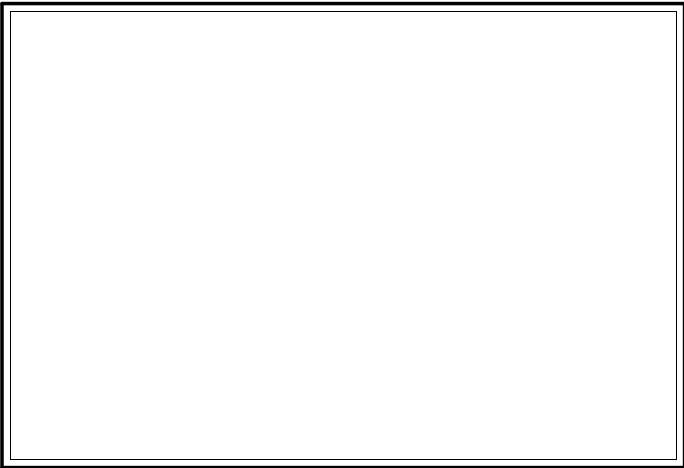
Lender/Client Address



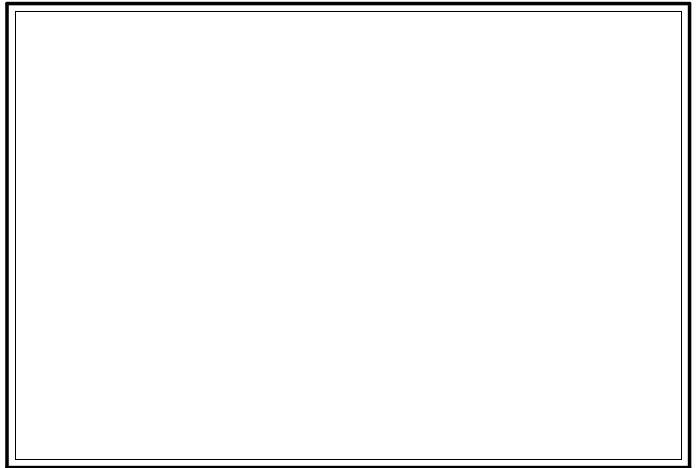
Bathroom



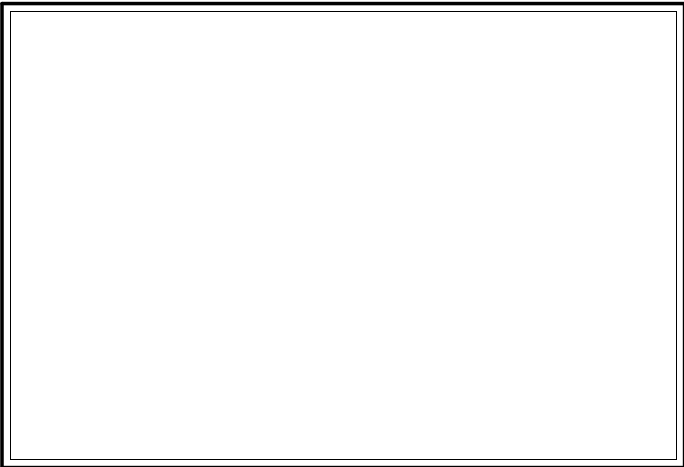
Master Bedroom



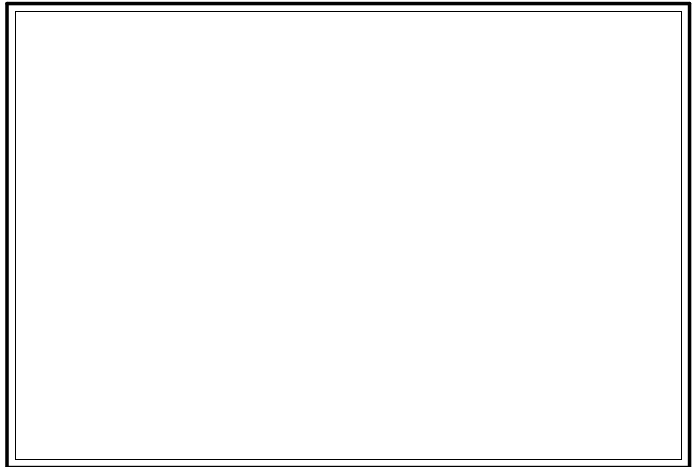
Bedroom



Bedroom



Bedroom



Bedroom

Country Hills Appraisal Service
Subject Photos

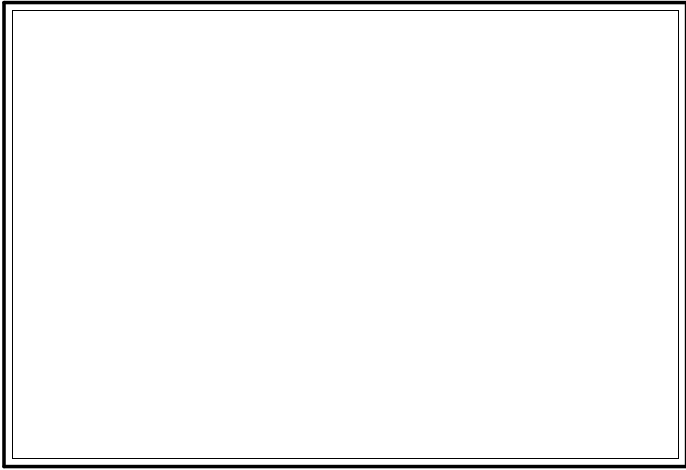
File No.
Loan No.

Borrower

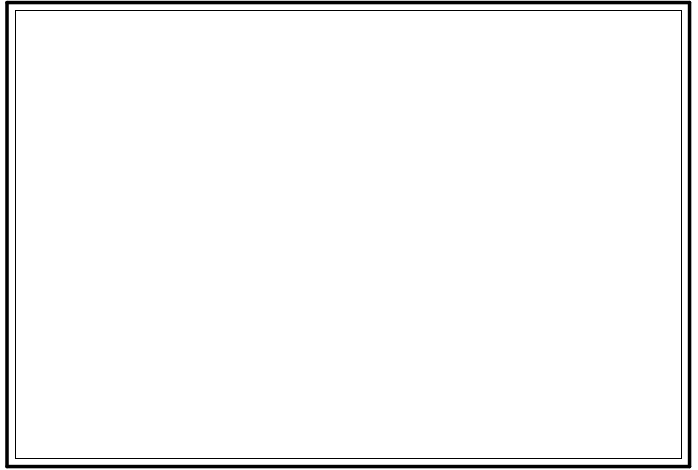
Property Address

City County **Orange** State Zip Code

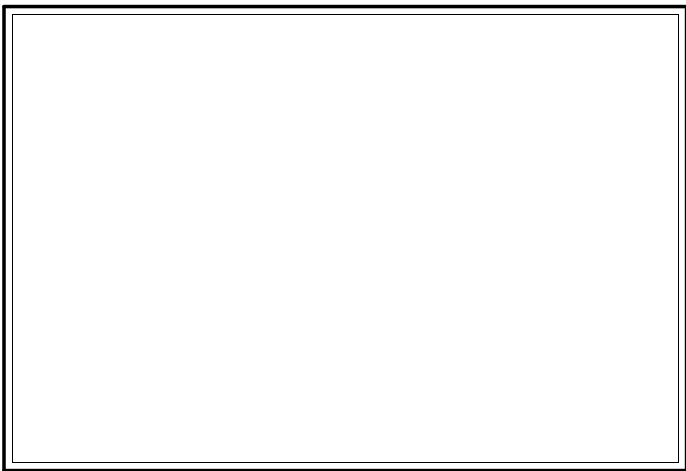
Lender/Client Address



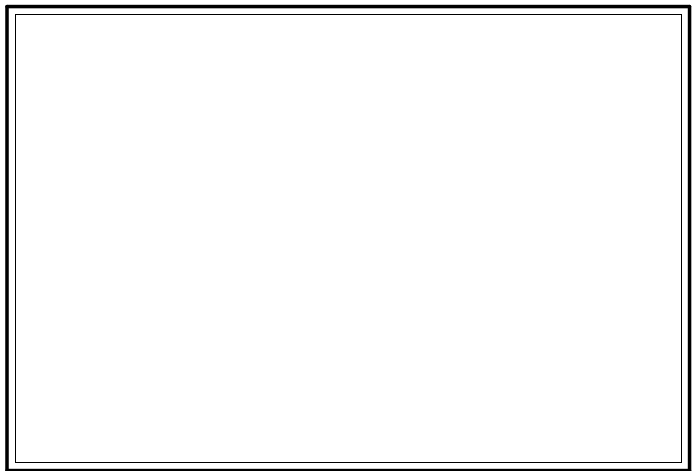
Side



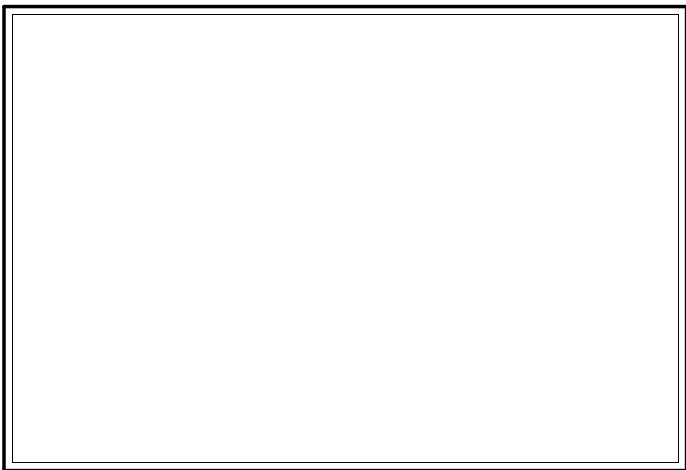
Side



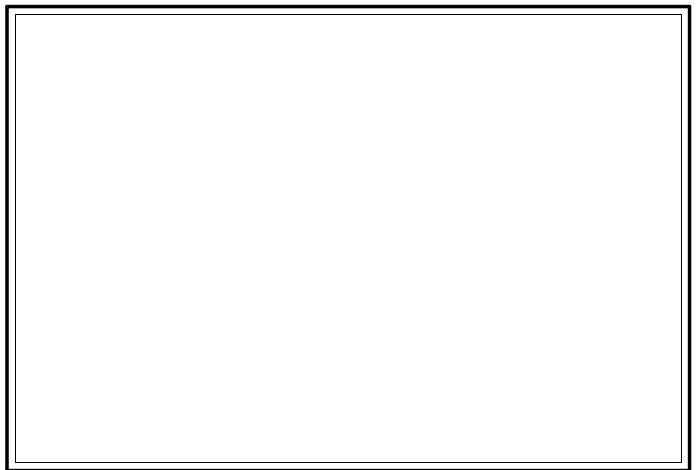
Water Heater



CO2 Sensor



Smoke/CO2 Sensor

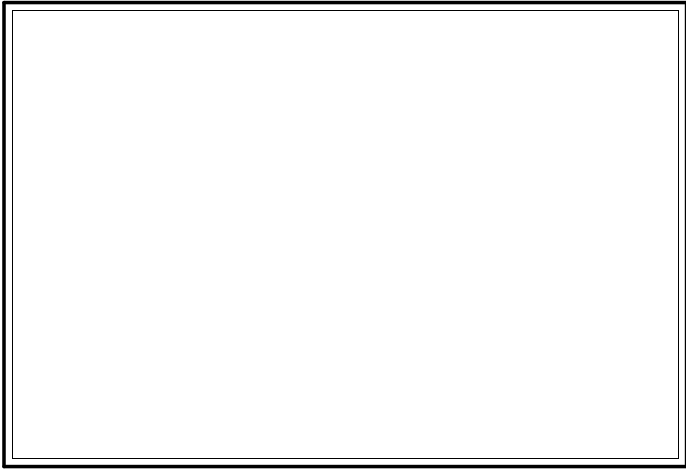


View

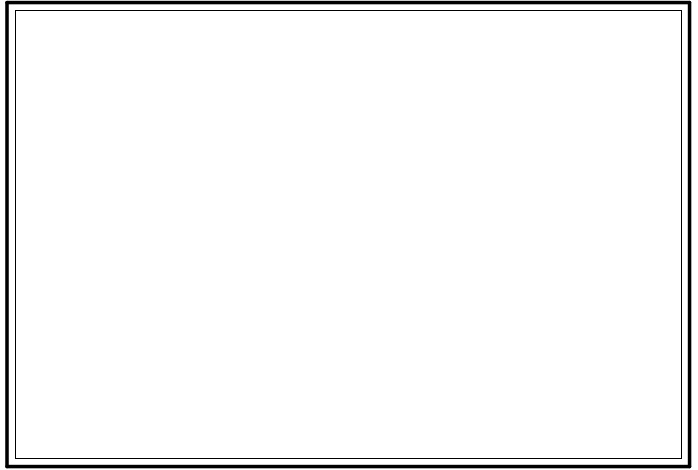
Country Hills Appraisal Service
Subject Photos

File No.
Loan No.

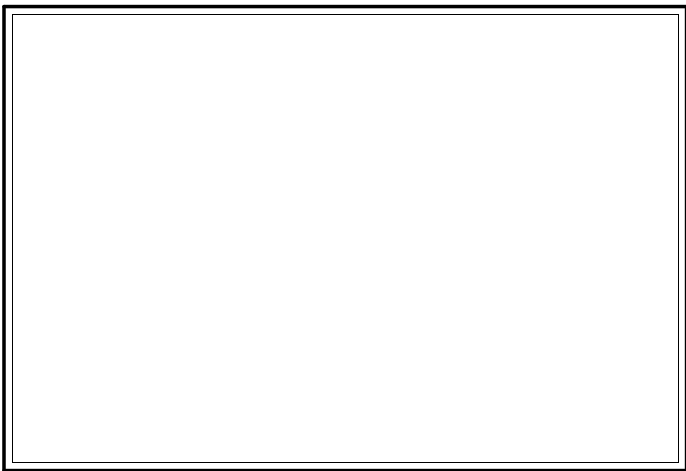
Borrower				
Property Address				
City	County	Orange	State	Zip Code
Lender/Client		Address		



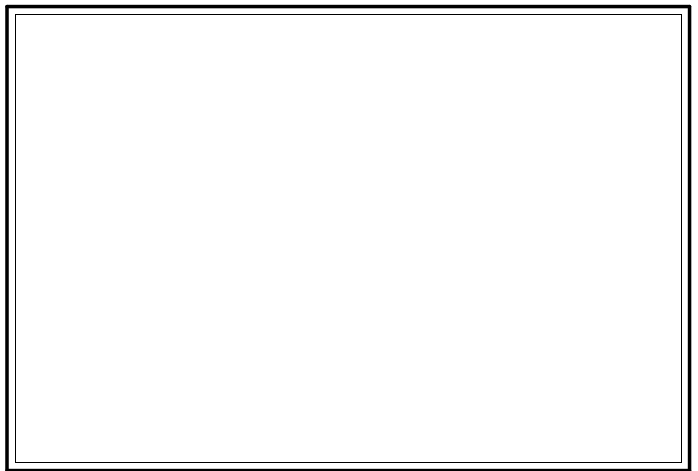
Fountain in Court Yard



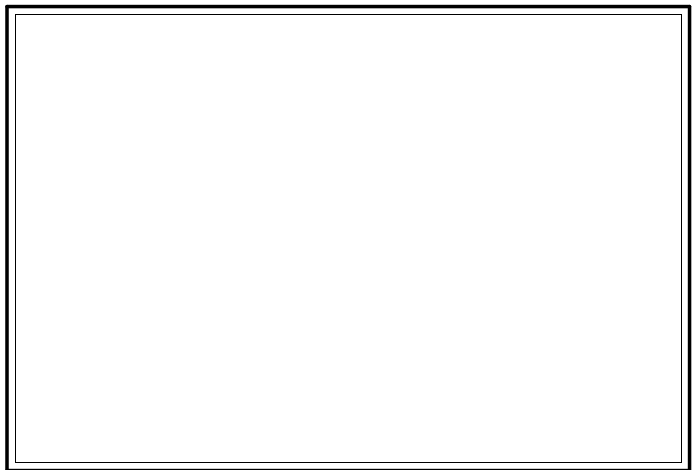
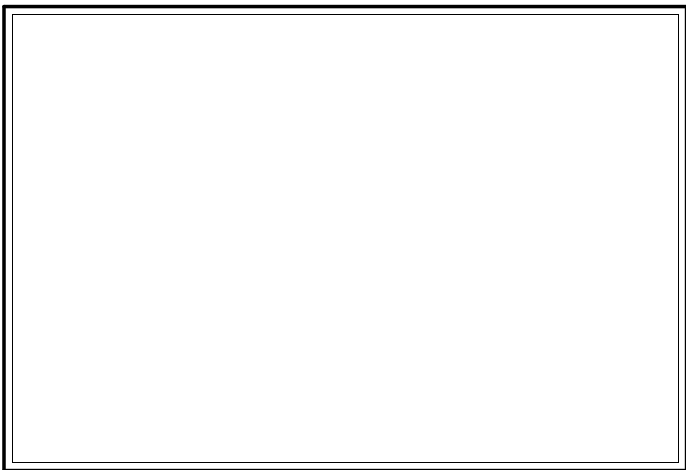
Built in Storage Under Stairs



Laundry Room



Smoke Alarm



Country Hills Appraisal Service
COMPARABLES 1-2-3

File No.
Loan No.

Borrower

Property Address

City County **Orange** State Zip Code

Lender/Client Address

COMPARABLE SALE # 1

,

COMPARABLE SALE # 2

,

COMPARABLE SALE # 3

,

Country Hills Appraisal Service
COMMUNITY MAP

File No.
Loan No.

Borrower

Property Address

City County **Orange** State Zip Code

Lender/Client Address



Country Hills Appraisal Service
Aerial Map

File No.
Loan No.

Borrower

Property Address

City County **Orange** State Zip Code

Lender/Client Address



Country Hills Appraisal Service
PLAT MAP

File No.
Loan No.

Borrower

Property Address

City County **Orange** State Zip Code

Lender/Client Address



Country Hills Appraisal Service
SKETCH ADDENDUM

File No.
Loan No.

Borrower

Property Address

City County **Orange** State Zip Code

Lender/Client Address



Country Hills Appraisal Service
Listing

File No.
Loan No.

Borrower

Property Address

City County **Orange** State Zip Code

Lender/Client Address

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**Country Hills Appraisal Service
Comment Page**

File No.
Loan No.

Borrower

Property Address

City County **Orange** State Zip Code

Lender/Client Address

Reconciliation

The market approach to value given most consideration overall. All comparable's were given consideration in determining the subject's final indicated value. In summary, the appraiser, following general appraisal guidelines, and after thorough research and investigation, has determined a final estimated value for the property. In the opinion of the appraiser, the comps adequately support an estimated market value of \$,000.

Site

Complete inspection of interior and exterior was performed by appraiser. Appraiser is not contractor nor is qualified for complete home inspection. Appraiser only inspects for possible issues with soundness and livability of home.

At time of inspection, gas, electricity and water were turned on. Subject property has vinyl windows. Water heater was noted to have been double strapped to wall in garage. Several smoke alarms and carbon sensors were noted at time of inspection both upstairs and down stairs. Subject property is built on a concrete slab foundation with no crawl space. The subject has attic space.

Comments on Sales Comparison

Comparable's were chosen from within city of San Clemente detached single family homes that sold within six months of effective date of appraisal and were considered to be the most similar, proximate indicators of value available.

Adjustments are made as follows:

Analysis of varying condition premiums contained in appraisers work file.

Condition adjustment made at appraisers discretion based on inferior upgrading based on MLS description and photos of comparable's. Comparable's will tend to have different features that are more or less superior. Analysis of the subject's marketing area revealed that properties that show superior remodeling command an 8% premium over lesser upgraded homes. Analysis of varying condition premiums contained in appraisers work file.

Bathroom adjusted at \$12,000 per bathroom. Lot size adjusted at \$10.00 per square foot space.

GLA adjusted at \$125 per Sf Ft for differences over 100 Sf. GLA adjustment based on depreciated construction costs of subject structure.

Garages adjusted at \$10,000 per one car parking.

No adjustments made for bedroom differences, emphasis placed on GLA adjustment.

Adjustments derived from matched pairs analysis, depreciated replacement cost and market reaction analysis. All rationale and supporting documentation are contained in appraisers work file.

All comparable's are confirmed closed sales located in the subject's marketing area.

Cost Approach

Comments on Cost Approach (gross living area calculations, depreciation, etc.) Replacement costs estimated via the Marshall and Swift Residential Cost Handbook. Land value estimated by the abstraction method due to a scarcity of comparable vacant land sales. Land value to improvements ratio is typical of the area. Indirect costs are calculated at 5% of direct costs. Profit is calculated at 10% of land and improvement costs.

Contract Data Source

The data used in this analysis was obtained primarily from the So Cal MLS. This is the primary MLS for several area Counties. I have worked in this area and sub-market off and on for 8 years. I did personally drive through the neighborhood making note of properties, listed for sale including those for sale by owner (FISBOs), and bank foreclosures and. I maintain an ongoing study of sales concessions in this area.

Purpose of appraisal:

"The purpose of the report is to develop and report an opinion of value for the subject property. The intended use of the report is to assist the client in evaluating the subject property as collateral for lending purposes. Since this will be a federally related transaction, the definition of market value which was applied by the appraiser was taken from the Dictionary of Real Estate Appraisal- Fourth Edition, page 177, and is used by agencies that regulate federally insured financial institutions in the United States."

Intended Use Statement:

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

Electronic Signatures Statement

Electronic signatures are utilized in this report. USPAP and the Appraisal Standards Board State that electronically affixing a Signature to a report carries the same level of authenticity and responsibility as an ink signature on a paper copy report (the terms "Written Records" included information stored on electronic, magnetic or other media). All electronic signatures in this report have a security feature maintained the individual appraiser. No person can alter the appraisal with the exception of the original signing appraiser.

Borrower

Property Address

City County **Orange** State Zip Code

Lender/Client Address

ADDITIONAL CERTIFICATIONS:

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 present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to 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 made a personal inspection of the property that is the subject of this report.

Marketing Condition

It is common for a property to be valued above or below the predominant value for the area. A reasonable marketing time for properties in the Subject's town is currently within 180+- days. Properties exceeding typical marketing time is considered common for the area. Residential financing in the area is primarily of the conventional style, including FHA financing. Some lender financing packages may include point and rate variations, based on the finance options offered by that particular lender. REO and Short Sale property is currently, and has been, marketed via MLS, exposed publicly to the market. These types of programs are typical of the area and are considered market accepted. Although the real estate market appears to have underwent a correction recently, the market values in the Subject's area, the town of San Clemente, appear to have been stable within past few months. Please note that the Comparable Sales used in this report are the most recent comparable properties sold available and are considered to be good indicators of current market values. The Comparable Sales used in this report are the best available, providing current market support for the estimate of a reasonable market value for the Subject, as of the effective date of the appraisal report. Again the appraiser makes it noted within this report that sale prices may appear relatively increasing now but future market trend forecasting can not be guaranteed to be accurate.

EXPOSURE TIME:

Estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. In my opinion, the exposure time for the subject property is estimated to be within 30-180 days with some properties selling within a few days of being listed.

Appraiser Competency

Appraiser has been working in this market for the past 10 years and has lived in Orange County for 25 years. Have over 1600 similar type properties within my appraisal experience. Data sources are MLS, Tax Records, owners, agents and drive by.

AIR Statement

No employee, director, officer or agent of the lender, or any other third party acting as a joint venture partner, independent contractor, appraisal management company, or partner on behalf of the lender has influenced or attempted to influence the development, reporting, result or review of this assignment through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery or in any other manner.

FIRREA Statement

The appraiser certifies and agrees that this appraisal was prepared in accordance with the requirements of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989, as amended (12 U.S.C. 331 et seq.), and any applicable implementing regulations in effect at the time the appraiser signs the appraisal certification.

This appraisal report, in part or whole, is not intended to be utilized by any party for insurance purposes.

Market Conditions Addendum to the Appraisal Report

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address	City	State	ZIP Code
Borrower			

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include that data in the analysis. If data sources provide all the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

MARKET RESEARCH & ANALYSIS

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend			
Total # of Comparable Sales (Settled)	39	17	6	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Absorption Rate (Total Sales/Months)	6.50	5.67	2.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Total # of Comparable Active Listings	16	9	15	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Months of Housing Supply (Total Listings/Ab. Rate)	2.46	1.59	7.50	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Median Sales & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend			
Median Comparable Sales Price	869,000	860,000	860,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Median Comparable Sales Days on Market	59	69	59	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Median Comparable List Price	875,000	925,000	925,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Median Comparable Listings Days on Market	38	49	90	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Median Sale Price as % of List Price	99.00	98.00	100.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Seller-(developer, builder, etc.) paid financial assistance prevalent?	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Explain in detail seller concessions trends for the past 12 months (e.g. seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs condo fees, options, etc.)

Currently there is no predominant concession influence in sales within subjects market area.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Currently there is no predominant REO/Foreclosures within market area.

Cite data sources for above information.

Southern California Multi Listing Service. All single family detached homes within 20 % of subjects GLA.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales, and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

There are a total of 62 Comparable Settled Sales in the past 12 months.

The median sale price for the past 7-12 months was \$869,000 and for the to prior 3 months is \$866,200.

The statistics above were generated from an exported CRMLS market data search.

CONDO/CO-OP PROJECTS

If the subject is a unit in a condominium or cooperative project, complete the following: Project Name: _____

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend			
Total # of Comparable Sales (Settled)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Absorption Rate (Total Sales/Months)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Total # of Active Comparable Listings				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Are foreclosures sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

APPRAISER

Signature	Signature
Appraiser Name Jim Mcdonald, Jr.	Supervisor Name
Company Name Country Hills Appraisal Service	Company Name
Company Address 26621 Cuenca Drive, Mission Viejo, CA 92691	Company Address
State License/Certification # State CA	State License/Certification # State
Email Address countryhills@ymail.com	Email Address