

APPRAISAL OF



LOCATED AT:

1513 N. Valencia Court
Reedley, CA 93654

FOR:

Sierra Pacific Mortgage Company, Inc
50 Iron Point Circle Suite 200
Folsom, CA 95630

BORROWER:

Ofelia Olivarez

AS OF:

November 17, 2009

BY:

James Rudick

Sierra Pacific Mortgage Company, Inc
50 Iron Point Circle Suite 200
Folsom, CA 95630

File Number: 6145505

In accordance with your request, I have appraised the real property at:

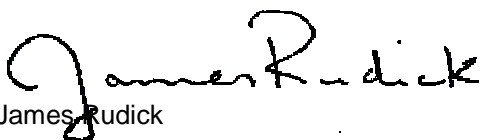
1513 N. Valencia Court
Reedley, CA 93654

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of November 17, 2009 is:

\$152,000
One Hundred Fifty-Two Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.


James Rudick

Uniform Residential Appraisal Report

File No. 6145505

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 Address1513 N. Valencia CourtCityReedleyStateCAZip Code93654

BorrowerOfelia OlivarezOwner of Public RecordOlivarezCountyFresno

Legal DescriptionLOT 36 WILLOW RIDGE II

Assessor's Parcel #363-482-2Tax Year2008R.E. Taxes \$1,523.96

Neighborhood NameNo neighborhood nameMap Reference1457-C3Census Tract0066.01

Occupant☒ Owner☐ Tenant☐ VacantSpecial Assessments \$None☐ PUDHOA \$☐ per year☐ per month

Property Rights Appraised☒ Fee Simple☐ Leasehold☐ Other (describe)

Assignment Type☐ Purchase Transaction☒ Refinance Transaction☐ Other (describe)

Lender/ClientSierra Pacific Mortgage Company,Address50 Iron Point Circle Suite 200, Folsom, CA 95630

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?☐ Yes☒ No

Report data source(s) used, offering price(s), and date(s).Fresno County Association of Realtors MLS.

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 ContractIs the property seller the owner of public record?☐ Yes☐ NoData Source(s)

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?☐ Yes☐ No

If Yes, report the total dollar amount and describe the items to be paid.

NEIGHBORHOOD

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

Neighborhood Characteristics			One-Unit Housing Trends				One-Unit Housing		Present Land Use %		
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining	PRICE	AGE	One-Unit	85 %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	5 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	35 Low	2	Multi-Family	5 %
Neighborhood Boundaries				The subject property is located north of E Manning Ave, south of E Adams Ave, east of N Reed Ave, and west of S Englehart Ave.				268 High	99	Commercial	5 %
Neighborhood Description				See Attached Addendum				165 Pred.	11	Other Vacan	0 %
Market Conditions (including support for the above conclusions) See Attached Addendum											

SITE

DimensionsSee plat mapArea7540 SFShapeRectangularViewNone

Specific Zoning ClassificationR1Zoning DescriptionSingle Family Residential

Zoning Compliance☒ Legal☐ Legal Nonconforming (Grandfathered Use)☐ No Zoning☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?☒ Yes☐ NoIf No, describe.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area☐ Yes☒ NoFEMA Flood ZoneXFEMA Map #0600532710FFEMA Map Date07/19/2001

Are the utilities and off-site improvements typical for the market area?☒ Yes☐ NoIf No, describe.

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?☐ Yes☒ NoIf Yes, describe. The subject is a typical residential lot graded above street level. There were no encroachment and/or easements noted during inspection. Title neither provided nor reviewed by the appraiser.

IMPROVEMENTS

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR	
				materials/condition		materials/condition	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab	<input type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Avg	Floors	Crpt/Wd/Avg
# of Stories	1	<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Stucco/Avg	Walls	Stucco/Avg
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area	0.0000 sq. ft.	Roof Surface	Comp Shing/Avg	Trim/Finish	Wood/Avg
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish	%	Gutters & Downspouts	Overhang/Avg	Bath Floor	Wd/Avg	
Design (Style)	Traditional	<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	Aluminum/Avg	Bath Wainscot	Tile/Avg
Year Built	1997	Evidence of	<input type="checkbox"/> Infestation	Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs)	6	<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement	Screens	Aluminum/Avg	<input checked="" type="checkbox"/> Driveway	# of Cars 2
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	Concrete
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input type="checkbox"/> Other	Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input checked="" 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 checked="" type="checkbox"/> Patio/Deck	<input checked="" 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 type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Range/Oven	<input type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Microwave	<input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)
Finished area above grade contains:		5 Rooms	3 Bedrooms	2 Bath(s)	1,447 Square Feet of Gross Living Area Above Grade		
Additional features (special energy efficient items, etc.).		Standard Features. Upgrades include: new patio cover.					
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). No inadequacies were noted at the time of the inspection. The subject is considered to be in overall average condition. Property appears to have received adequate care and maintenance. 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"/> NoIf Yes, describe. None apparent or disclosed to appraiser. I have not been provided with any documentation revealing any physical deficiencies and have reported only apparent adverse conditions. Borrower may not rely on this report for structural conditions that may exist and is encouraged to obtain a home inspection by a professional home inspector to determine if problems exist.							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> NoIf No, describe.							

Uniform Residential Appraisal Report

File No. 6145505

SALES COMPARISON APPROACH

There are **3+/-** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **149,900** to \$ **195,000** .

There are **15+/-** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **122,000** to \$ **190,000** .

FEATURE		SUBJECT		COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
1513 N. Valencia Court		1723 Klein Ave		1318 N Valencia St		1570 E Willow Ridge Ave			
Address Reedley		Reedley		Reedley		Reedley			
Proximity to Subject		1.27 miles W		0.13 miles S		0.04 miles S			
Sale Price		\$ N/A		\$ 160,000		\$ 125,000		\$ 178,000	
Sale Price/Gross Liv. Area		\$ 0.00 sq. ft.		\$ 92.38 sq. ft.		\$ 88.65 sq. ft.		\$ 108.21 sq. ft.	
Data Source(s)		RQ/NDC/MLS#340187		RQ/NDC/MLS#334496		RQ/NDC/MLS#334496			
Verification Source(s)		Doc #142576 - 5 DOM		Doc #131064 - 55 DOM		Doc #114334 - 18 DOM			
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION	
		+		-		+		-	
Sale or Financing		Cash		Conventional		FHA			
Concessions						\$5340			
Date of Sale/Time		10/14/2009		-1,000		09/23/2009		1,500	
Location		Suburban		Suburban		Suburban		Suburban	
Leasehold/Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Site		7540 SF		8100 SF		8208 SF		7410 SF	
View		None		None		None		None	
Design (Style)		Traditional		Traditional		Traditional		Traditional	
Quality of Construction		Average		Average		Average		Average	
Actual Age		12		22		11		10	
Condition		Average		Average		Average(-)		12,000	
Above Grade		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count		5 3 2		5 3 2		5 3 2		5 3 2	
Gross Living Area 25.00		1,447 sq. ft.		1,732 sq. ft.		-7,000		1,410 sq. ft.	
Basement & Finished		0		0		0		0	
Rooms Below Grade		0		0		0		0	
Functional Utility		Average		Average		Average		Average	
Heating/Cooling		FWA C/Air		FWA C/Air		FWA C/Air		FWA C/Air	
Energy Efficient Items		Typical		Typical		Typical		Typical	
Garage/Carport		2 Car Garage		2 Car Garage		2 Car Garage		2 Car Garage	
Porch/Patio/Deck		Porch/Patio		Porch/Patio		Porch/Patio		Porch/Patio	
Fireplace		1 F/P		1 F/P		1 F/P		1 F/P	
Pool		None		None		None		Pool	
								-10,000	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 8,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 13,500	
Adjusted Sale Price		Net Adj. -5.0%		Net Adj. 10.8%		Net Adj. -10.4%		Net Adj. -10.4%	
of Comparables		Gross Adj. 5.0%		\$ 152,000		Gross Adj. 10.8%		\$ 138,500	
								\$ 159,500	

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) **RealQuest/NDCData/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) **RealQuest/NDCData/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 NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	09/03/1997	04/08/2009	03/13/2009	07/24/2009
Price of Prior Sale/Transfer	\$110,000	\$143,445 Trustee's	\$125,800 Trustee's	Grany Deed #101641
Data Source(s)	RealQuest/NDCData/ML	RealQuest/NDCData/ML	RealQuest/NDCData/ML	RealQuest/NDCData/ML
Effective Date of Data Source(s)	11/10/2009	11/10/2009	11/10/2009	11/10/2009

Analysis of prior sale or transfer history of the subject property and comparable sales **The subject last transferred on 09/03/1997 for \$110,000 - Doc#113351. During the course of this investigation no other options for sale, sales, transfers or listings were discovered within the 36 months. The comparable sales have not had any transactions within 12 months other than noted above.**

Summary of Sales Comparison Approach. **Please see addendum.**

Indicated Value by Sales Comparison Approach \$ **152,000**

Indicated Value by: **Sales Comparison Approach \$ 152,000** **Cost Approach (if developed) \$ 156,500** **Income Approach (if developed) \$ 0**

See Attached Addendum

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 \$ **152,000** as of **11/17/2009**, which is the date of inspection and the effective date of this appraisal.

Uniform Residential Appraisal Report

File No. 6145505

ADDITIONAL COMMENTS

NOTE:
Be advised, this appraisal report is not a "home inspection". The appraiser has only performed a visual inspection of the accessible areas. The appraisal report can not be relied upon to disclose conditions and/or defects in the property.

Although the borrower and/or third party may receive a copy of the appraisal, it does not mean that the borrower or third party is an "Intended User" as that term is defined in the URAR form.

Clarification of Intended Use and Intended User:

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.

This appraisal assignment was done for the client mentioned in the appraisal report on page 1 of main body of report. The appraisal report will not be put in the name of, nor delivered to multiple client's. The appraisal assignment was done in the client's name, which will not be changed once the report is signed, dated and delivered to the client noted in the report. Once the appraisal report is signed and delivered to the client, the appraiser's obligation to the client is fulfilled. Any other entity requesting a copy of the report should contact the client after the report has been signed and delivered to the client. Any other entity requesting an appraisal of the subject property from the undersigned appraiser will constitute a new assignment and should be ordered as a new assignment by that requesting entity. The new assignment in effect will contain the new client's name, new effective date, new signed date and new file number.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

The indicated land value, in this method, was based upon an extraction process which is considered to be professionally acceptable. However, it is inferior to the direct sales comparison means of estimating land value. This is an estimate for a single family residence built under competitive conditions in zip area 93654 Reedley, California in November of 2009.

ESTIMATED	<input type="checkbox"/> REPRODUCTION OR	<input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE..... = \$		25,000
Source of cost data	Building-Cost.net		Dwelling	1,447 Sq. Ft. @ \$ 85.00..... = \$	122,995
Quality rating from cost service	Avg		Effective date of cost data	11/09	Sq. Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			Entrepreneurial Profit		
See Attached Addendum			Garage/Carport	412 Sq. Ft. @ \$ 25.00..... = \$	10,300
			Total Estimate of Cost-New..... = \$		
			Less	70 Physical	Functional
			Depreciation	\$13,820	= \$ (13,820)
			Depreciated Cost of Improvements = \$		
			"As-is" Value of Site Improvements = \$		
Estimated Remaining Economic Life (HUD and VA only)			64 Years	INDICATED VALUE BY COST APPROACH..... = \$	

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$

X Gross Rent Multiplier

= \$

Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' 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 an 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(s)

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 Homeowners' Association?

☐ Yes ☐ No

If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

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 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: 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 No. 6145505

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 James Rudick
Name James Rudick
Company Name Sterling Appraisals
Company Address 4018 W Elwin Ct, Visalia, CA 93291
Visalia, CA 93291
Telephone Number 949-462-0036
Email Address updates@sterlingapp.com
Date of Signature and Report 11/18/2009
Effective Date of Appraisal 11/17/2009
State Certification # _____
or State License # AL031655
or Other (describe) _____ State # _____
State CA
Expiration Date of Certification or License 08/21/2011

ADDRESS OF PROPERTY APPRAISED
1513 N. Valencia Court
Reedley, CA 93654

APPRAISED VALUE OF SUBJECT PROPERTY \$ 152,000

LENDER/CLIENT
Name _____
Company Name Sierra Pacific Mortgage Company, Inc
Company Address 50 Iron Point Circle Suite 200
Folsom, CA 95630
Email Address _____

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 _____

Uniform Residential Appraisal Report

File No. 6145505

SALES COMPARISON APPROACH

FEATURE		SUBJECT		COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6			
1513 N. Valencia Court				1985 Lincoln Ave			1693 E Santa Rosa Cir			1419 N Haney St			
Address		Reedley		Reedley			Reedley			Reedley			
Proximity to Subject				1.30 miles S			0.69 miles S			0.19 miles WSW			
Sale Price		\$ N/A				\$ 165,000			\$ 149,900				
Sale Price/Gross Liv. Area		\$ 0.00 sq. ft.		\$ 99.70 sq. ft.			\$ 87.15 sq. ft.				\$ 100.06 sq. ft.		
Data Source(s)				RQ/NDC/MLS#320803			MLS #343237			MLS #341654			
Verification Source(s)				Doc #69333 - 139 DOM			RQ/NDC/MLS - 13 DOM			RQ/NDC/MLS - 43 DOM			
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) \$ Adjustment	DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION		
Sale or Financing				VA			None Noted				None Noted		
Concessions							LTSPR 98%		-3,000		LTSPR 98%		
Date of Sale/Time				05/21/2009		-5,500	11/04/2009 LD				11/17/2009 PD		
Location		Suburban		Suburban			Suburban				Suburban		
Leasehold/Fee Simple		Fee Simple		Fee Simple			Fee Simple				Fee Simple		
Site		7540 SF		6900 SF			7848 SF				8100 SF		
View		None		None			None				None		
Design (Style)		Traditional		Traditional			Traditional				Traditional		
Quality of Construction		Average		Average			Average				Average		
Actual Age		12		3			5				14		
Condition		Average		Average			Average(-)		12,000		Average		
Above Grade		Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	
Room Count		5	3	2	5	3	2	7	5	2	5	3	
Gross Living Area		25.00		1,447 sq. ft.		1,655 sq. ft.		-5,000		1,720 sq. ft.		-7,000	
Basement & Finished Rooms Below Grade		0		0			0				0		
Functional Utility		Average		Average			Average				Average		
Heating/Cooling		FWA C/Air		FWA C/Air			FWA C/Air				FWA C/Air		
Energy Efficient Items		Typical		Typical			Typical				Typical		
Garage/Carport		2 Car Garage		2 Car Garage			2 Car Garage				2 Car Garage		
Porch/Patio/Deck		Porch/Patio		Porch/Patio			Porch/Patio				Porch/Patio		
Fireplace		1 F/P		None		1,000	None		1,000		1 F/P		
Pool		None		None			None				None		
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 9,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 3,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		
Adjusted Sale Price of Comparables				Net Adj. -5.8%			Net Adj. 2.0%				Net Adj. -5.2%		
				Gross Adj. 7.0%		\$ 155,500	Gross Adj. 15.3%		\$ 152,900		Gross Adj. 5.2%		
ITEM		SUBJECT			COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
Date of Prior Sale/Transfer		09/03/1997			08/13/2008			12/16/2008			09/25/2009		
Price of Prior Sale/Transfer		\$110,000			\$256,127 Trustee's			\$215,000 Trustee's			\$112,890 Trustee's		
Data Source(s)		RealQuest/NDCData/MI			RealQuest/NDCData/MI			RealQuest/NDCData/MI			RealQuest/NDCData/MI		
Effective Date of Data Source(s)		11/10/2009			11/10/2009			11/10/2009			11/10/2009		
Summary of Sales Comparison Approach													

Purpose

The purpose of this appraisal is to estimate the "as is" market value of the Fee Simple property rights in the real estate described herein as of the effective date of the appraisal.

The interest being appraised is "The Fee Simple Interest".

A fee simple interest is defined as: An Absolute Fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of Eminent domain, escheat, police power and taxation.

The valuation presented is based on and explicitly assumes a total transfer of these interests of the subject, a fractional transfer of these interests would not necessarily be a direct proportional share of the value hereby expressed.

Function

It is the function of this appraisal report to provide information leading to a value estimate of the subject property for loan purposes, with the subject representing collateral for the loan. This appraisal is intended for use in Asset Valuation Purposes only. This report is not intended for any other use.

Scope of Work

In developing an opinion as to the market value of the subject property, several investigative inquiries were made. Firstly, an on-site inspection of the subject property was completed. Secondly, research was conducted through public records to determine the property's current zoning and legal use. Thirdly, research and collection of data (both general and specific) was conducted, in order to develop and express an opinion of value, as defined herein. Sources employed include but are not limited to comparable services such as First American Real Estate Solutions, The National Data Collective, multiple listings services and title companies. Additional data was obtained from conversations with a seller, owner, or real estate agents for the subject and other real estate agents in the market area. Construction costs were estimated, as required, by utilizing one or more of the following sources; The Marshall and Swift Residential and/or Building-Cost.net, conversations with local construction professionals and/or provided contractor's cost estimates. Information obtained through the above mentioned sources has been considered to be reliable, has been verified when possible, and has been used as though correct and accurate. Any changes or subsequent invalidation of data provided by these sources could effect the value conclusion of this report. During the Highest and Best Use Analysis, the appraisers uncovered information which suggests the highest and best use as improved would likely be a single family residence. At the client's request, the property was appraised based on it's current use. The data collected during the investigative process was analyzed and evaluated using the Direct Sales Comparison Approach to estimate the property's value.

This report has been prepared in accordance with Fannie Mae, Title XI of the FIRREA and Uniform Standards of Appraisal Practice as adopted by the Appraisal Foundation. However, I have not utilized the three approaches to value; the Income Approach was omitted. Traditionally the Income Approach is not applied to single family homes and discussions during this assignment and others with real estate professionals, indicated the income approach is not a method being used by typical purchasers for the subject product type. Omission of the income approach will not decrease the reliability of the value conclusion or cause this report to be misleading.

Please Note: Unless otherwise noted in this report, a title report, environmental report, seismic report, construction or repair estimates or soil report were not submitted to the appraiser for review. Additionally, the expertise of the appraiser does not extended to building, termite or environmental inspection and unless a condition is blatantly obvious the appraiser will not be responsible for discovery. This is especially true of environmental hazards, including household mold.

Highest and Best Use

The subject property is within the conformity of the surrounding neighborhood. The subject property meets all four of the tests (1) Legally permitted, (2) Financially feasible, (3) Physically possible, and (4) Most Profitable.

As though vacant: The legally permissible uses for the subject site are single family residential uses. This conforms to zoning restrictions on surrounding properties and is consistent with the suburban location and nature of the neighborhood. Given the subject's location and current and future demand, a single family residential use building would produce the highest net return to the site over the longest period. Therefore, the most productive, legally permitted, physically possible, and financially feasible use of the land would be to hold the site vacant, for the interim, until such a time new construction would be financially sound.

As improved: In conducting a highest and best use analysis as improved, an important determinant is the property's current performance. The data indicates the highest and best use is as currently improved.

The term "highest and Best Use" is an appraisal concept that is defined in the Appraisal Terminology Handbook of the American Institute of Real Estate Appraisers as follows:

That reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use from among reasonably probable and legal alternative uses, found to be physically possible, financially feasible and results in maximum profitability to the land.

Depreciation

Based on an inspection of the improvements, the subject is considered to be in average condition as compared to surrounding properties.

The subject is considered to be free from functional obsolescence.

The residence is functionally similar to other buildings in the area.

The subject is considered to be free from external obsolescence.

Flood data reported in the appraisal was obtained for FEMA guidelines; and a "No" designation in the "FEMA FLOOD Hazard" section of the report does not mean that the property cannot suffer damage from flooding.

Zoning

The improvements on the property are legal and conform to current zoning regulations. In the event of a loss by fire all of the improvements could be rebuilt without obtaining a zoning variance.

Hazardous Materials

The existence of any environmental hazard such as the presence of hazardous wastes, toxic substances, radon gas, asbestos containing materials, ureaformaldehyde insulation, etc., which may or may not be present in or on the subject property, was not observed by or disclosed to the appraiser, and the appraiser has no knowledge of any such environmental hazard. Additionally, some soil in the general area has been determined to have very high swell potential. We have not been provided with any soil studies, and cannot determine the potential for soil swell. The appraiser is not qualified to detect such substances. The presence of such substances may affect the value of the subject property. The value estimate is predicated on the assumption that there is no such material on or in the subject property that would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them. No liability is assumed for the mechanical or structural elements of the subject property. No warranty of the appraisal is given or implied. The appraiser is not a home or environmental inspector. The appraiser provides an opinion of value. The appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. Mold or termites may be present in areas the appraiser cannot see. The borrower "may" rely on the appraisal report, but they should not be relying on it to disclose conditions and defects. A professional home inspection or environmental inspection is recommended. It is recommended the purchaser/borrower retain an expert in this field to make an accurate determination concerning the existence of such materials/conditions. As far as lead based paint: If the subject was constructed prior to 1978 it may contain lead based paint and/or other hazardous substances. The client is hereby notified that the appraiser is not qualified to detect these substances and that it is beyond the scope of this appraisal to ascertain the presence of lead based paint and/or other hazardous substances that may be present in the subject property. The client is advised again to consult a qualified expert(s) in the detection of lead based paint and other hazardous substances if further information is desired.

Electronic Signature Appraiser Acknowledgement

Appraiser acknowledges and agrees, in connection with electronic submission of appraisals as follows:

1. This appraisal complies with USPAPSMT-8, and when applicable to Federal Housing Administration of Department of Veterans Affairs standards and requirements.
2. The software utilized by the Appraiser to generate the appraisal protects signature security by means of a digital signature security feature for each appraiser signing the report, and each appraiser maintains sole control of their related signature thru a password, hardware device, or other means.
3. Appraiser is fully responsible for the integrity and authenticity of data and signatures transmitted electronically and will hold lender harmless from and against any breach or failure of data integrity, signature authenticity, or breach of data security.
4. Adobe's Distiller software or equivalent is utilized by Appraiser to transmit this encrypted.pdf-formatted appraisal.
5. At a minimum, the software contains the following security measures:
Identifies transmission errors during the transmission process, and Confirms date, time and quantity of data submitted by Appraiser and the date, time and quantity of data received by lender, and secures data from editing by means of a password, hardware device, or other means that remains in the sole control of the transmitting appraiser.
6. All such transmissions shall be routed only to the lender at the email address provided in the assignment request at the time the order was placed, unless subsequently directed otherwise by the lender. Appraiser agrees that no such subsequent transmission will result in additional fees billed to the lender, unless agreed to by lender before said subsequent transmission.
7. No Duplicate transmission of this report will be made and no delivery of a hard copy of this report will be made, until appraiser has received lender's written instruction thereto.

Digital Photographs

Digital photographs used in this report are certified to represent the true nature of the properties photographed. Where required for adequate visualization, photographs from published sources may be used. In some instances, photographs taken just prior to the sale are considered to better reflect the condition as of their date

of sale. The reader of this report should realize that the photographs utilized in the report of the comparable sales reflect their condition as of the date of the inspection, but not necessarily reflect their condition as of their date of sale. Information provided in the appraisal report regarding comparables reflects their condition as of their sales date.

Privacy Notice

Pursuant to the Gramm-Leach-Bliley Act of 1999, effective July 1, 2001 appraisers, along with all providers of personal financial services, are required by federal law to inform their clients of the policies of their firm with regard to the privacy of client nonpublic personal information.

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services that we provide to you may include information given to use by you directly or obtained by us from others with your authorization.

We do not disclose any nonpublic personal information obtained in the course of our engagement to nonaffiliated third parties, except as may be necessary or as may be required by law. As an example, a necessary disclosure would be to our employees and, in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed and must agree that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be one that is ordered by a Court of competent jurisdiction with regard to a legal action to which you are a party.

DEFINITION OF MARKET VALUE

The purpose of a typical appraisal is to estimate the market value. Market value is defined in the Uniform Standards of Professional Appraisal Practice, 2003 Edition as follows:

Market value is the major focus of most real property appraisal assignments and can be defined as:

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 and 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 acting in what they consider their 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.

DEFINITION OF MARKET VALUE "AS IS"

Market value "as is" can be defined as:

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

Extraordinary Assumptions:

1. The appraisers inspected the subject with the due diligence expected of a professional real estate appraiser. The appraisers were not qualified to detect adverse soils conditions, potential seismic activity, and hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such should not be taken as confirmation of their presence. Such determination would require investigation by a qualified expert in the field. The appraised value estimates were predicated on the assumption that there are no such adverse conditions that would cause a loss in value. No responsibility was assumed for any expertise or engineering and investigations have been performed on the subject, that soils were suitable for development, and that no toxic conditions/hazardous waste, or adverse seismic conditions were affecting the subject. In conclusion, the extraordinary assumption was made that there exist no adverse mold, fungi conditions, no adverse easements, encroachments, special or legal assessments, slide areas,

adverse illegal uses, or any environmental, soils or geological conditions which would adversely impact marketability. The appraiser is not a home inspector. The appraiser does not have the skill or expertise needed to make such inspections and this report assumes all items are functioning properly and are in good working order.

2. The appraisers were not provided with a preliminary title report. No adverse easements or encumbrances were noted during our inspection. The appraised value was based on the assumption that there were no adverse easements, nor encroachments.
3. The size of the subject is based on measurements taken at the time of inspection by the appraiser. Said measurements and area calculations were assumed reliable for analysis purposes. All units were physical inspected.
4. The Federal Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the subject improvements to determine whether or not they are in conformity with the various detailed requirements of the ADA.
5. The appraisers assumed that the historical income and expense information provided were accurate. All information with regard to the rent and sale comparables was assumed to be accurate.
6. No opinion is expressed with regard to potential seismic impact and it was assumed that the subject's potential risks are similar to those shared by most properties in the subject area. The appraisers make no warranty as to the seismic stability of the subject land. The assumption is made that the existing improvements were constructed in accordance with all appropriate regulations and ordinances regarding grading, fill, and applicable building codes.

7. It was assumed that the property was free and clear of any delinquent tax payment liens.

8. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

9. The appraisers have provided valuation conclusions based on various analyses of market data as of the date of value. As of the date of appraisal, it was premature to empirically measure the effect of recent economic and political events on the real estate market. Accordingly, the reader is advised that any substantial volatility in the economic and political situation might have a substantial impact on real estate and thus the valuation conclusions presented herein.

Acceptance of, and/or use of this appraisal report constitutes acceptance of the above conditions.

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

1. This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental

regulations and laws unless otherwise stated in this report.

9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this report.

10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13. The appraiser is not qualified to detect hazardous and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, Urea-formaldehyde foam insulation, polychlorinated bi-phenols (PCB's), or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required discovering them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals by adversely affect the property's value, marketability, or utility.

15. Any proposed improvements are assumed to be completed in a good professional manner in accordance with the submitted plans and specifications.

16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

17. Possession of this report, of a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualifications and only in its entirety.

18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, of the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

19. The appraiser is not qualified to detect or determine the formation, growth, presence, release, dispersal, containment, removal, testing for or detection, or monitoring of, or failure to detect or monitor or warn about any molds, fungi, spores, or other similar growth or organic matter, including but not limited to Aspergillus, Penicillium, or any strain or type of Stachybotrys, commonly collectively referred to as the "Black Molds". Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of. Such determination would require investigation by a qualified expert in the field. The presence of substances or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required discovering them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

1. Personal property has not been considered in this appraisal.
2. Unless stated, all improvements described herein are assumed to be legal and permitted.

Neighborhood Description

The county has an economic base including manufacturing, and many service professions. The city has a stable level of employment. No incompatible land uses were noted at the time of inspection. There are no short term conditions that would negate future growth in the subject's marketplace. The neighborhood contains low density residential development on interior streets. Commercial uses are located on traffic arterials gravitating toward signalized intersections. The neighborhood

appears to be in a stage of stability and most structures have a significant amount of economic life remaining. Due to area gentrification, differences were noted in effective ages, sizes and styles of area properties.

Neighborhood Market Conditions

The neighborhood appears to have a stable growth rate. Values appear to be in decline at present after a decline in the past 12 months of apx. -7.5% per Fresno MLS. Supply and demand appears to be in balance. These market conditions are related to the sub-prime mortgage crisis, the increase of REO/foreclosure properties in the subject's marketing area, increased new home construction, and diminished demand. Loan discounts, interest buy downs and other concessions were not observed to have a substantial impact on the local market. Listing prices and marketing times appear to be under 3 months.

Comments on Sales Comparison

Due to the lack of available/similar market data the appraiser deemed it necessary to exceed the normally accepted 1 mile radius guideline. All comparables were verified closed with First American Title Co. (RealQuest) and are considered to be the most similar available at the time of inspection. The reported date of sale is the date of recording. Sales data was verified with MLS, NDC, and personal interview with owner, whenever possible. If the appraiser had noticed any differences in sale information between assessor's records and MLS records, the appraiser will make every effort to verify the information contained in this report. However, any discrepancies, which could not be fully verified, the appraiser would rely on the listing agent's information. A discussion of adjustments are as follows:

Financing: All comparables have been considered for cash equivalency and appropriate adjustments have been applied.

Age: No adjustment is given for variation in age, since the comparables effective age is similar to the subject.

Design/Appeal Comments: On occasions, the lack of inventory resulted in the use of some comps that may differ somewhat in the architectural design/appeal. Due to the subjective nature of this appeal factor, no adjustments were made.

Condition: Although the appraiser did not go into the sale homes, this office judges the general condition of each of these homes through review of the sale sheets, discussions with the selling broker and personal observations of the exterior of the residences.

Bedroom/Bathroom count: Variation in bedroom count is reflected in the livable square footage adjustment. The adjustment for a full bathroom is based at \$4,000 and \$2,000 for a half bathroom.

Livable: Variation in livable square footage is based at \$25/SF rounded.

Date of Sale: Due to the subject property being in a declining market a -.63% per month time adjustment was made to all comparables whose date of sale exceeds 1 month.

All adjustments are based on a combination of paired sales analysis, market extraction, the appraiser's knowledge of the marketplace and information supplied by local Realtors. All comparables are within the subjects competitive market area with comparable 1 given most weight in the final determination of value since it is the most recent sale and it utilized the least amount of net adjustments. Comparables 2 and 3 were also given some weight because they are recent sales located in close proximity to the subject.

Final Reconciliation

The Cost Approach was given secondary consideration since market participants rarely rely on this methodology in their purchase decisions. Furthermore, the lack of vacant land sales and the inherent difficulties in accuracy determining accrued physical depreciation weakens the reliability of this approach. The indicated land value, in this method, was based upon an extraction process which is considered to be professionally acceptable. However, it is inferior to the direct sales comparison means of estimating land value.

The Income Approach is deemed not applicable due to the subject's neighborhood being predominantly owner occupied and the lack of sales data of tenant occupied homes. Purchases are typically made with the intent to occupy rather than rent. This approach has been appropriately omitted.

The Sales Comparison (Market) Approach was given most weight due to the availability of verifiable comparable home sales data. It is also considered to be the most accurate indicator of value, as it best reflects the actions of buyers and sellers with the subject's marketplace.

Thus, the final value conclusion of this SUMMARY APPRAISAL REPORT derived with most consideration given to the Direct Market Data Approach, with secondary consideration given to the Cost Approach and no consideration given to the Income Approach.

Cost Approach Comments

The appraiser estimated the physical depreciation of the subject by using the Age Life Method, which is calculated by dividing the effective age by the total economic life. See addendum for additional depreciation information. Below indicates the subject's estimated site value. The land to value ratio is typical for the area. No one, whether the client or a third party, may rely on these figures for insurance purposes. The definition of market value on pg 4 of this report may not be consistent with the definitions of insured value.

Extra Comments

Ending Addendum

The appraiser has prepared this appraisal in the full compliance with the Home Valuation Code of Conduct and has not performed, participated in, or been associated with any activity in violation of the Code.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Ofelia Olivarez		File No.: 6145505
Property Address: 1513 N. Valencia Court		Case No.:
City: Reedley	State: CA	Zip: 93654
Lender: Sierra Pacific Mortgage Company, Inc		

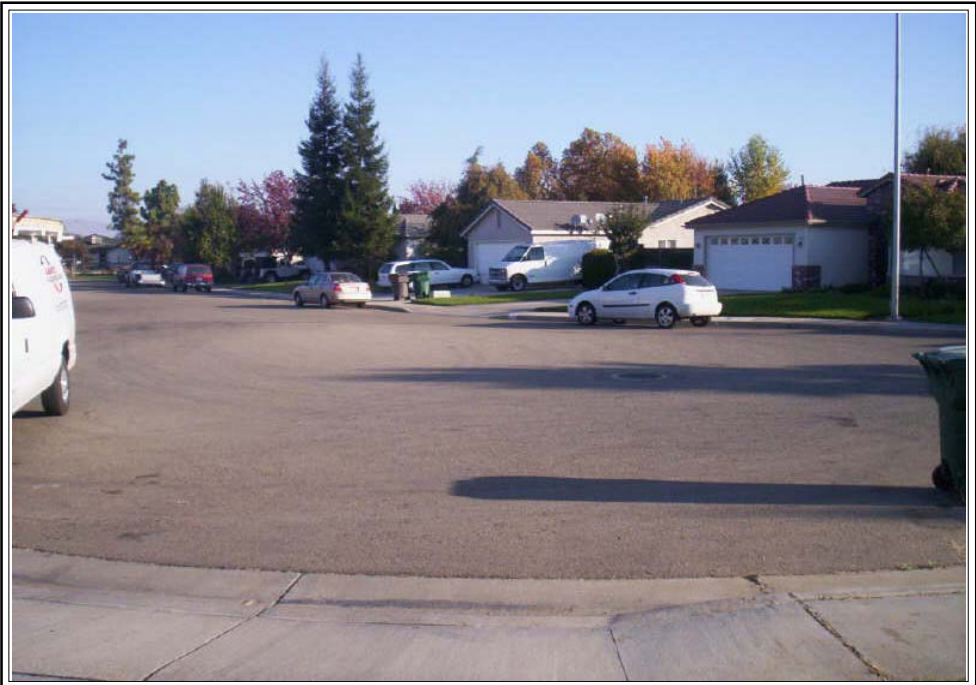


FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: November 17, 2009
Appraised Value: \$ 152,000

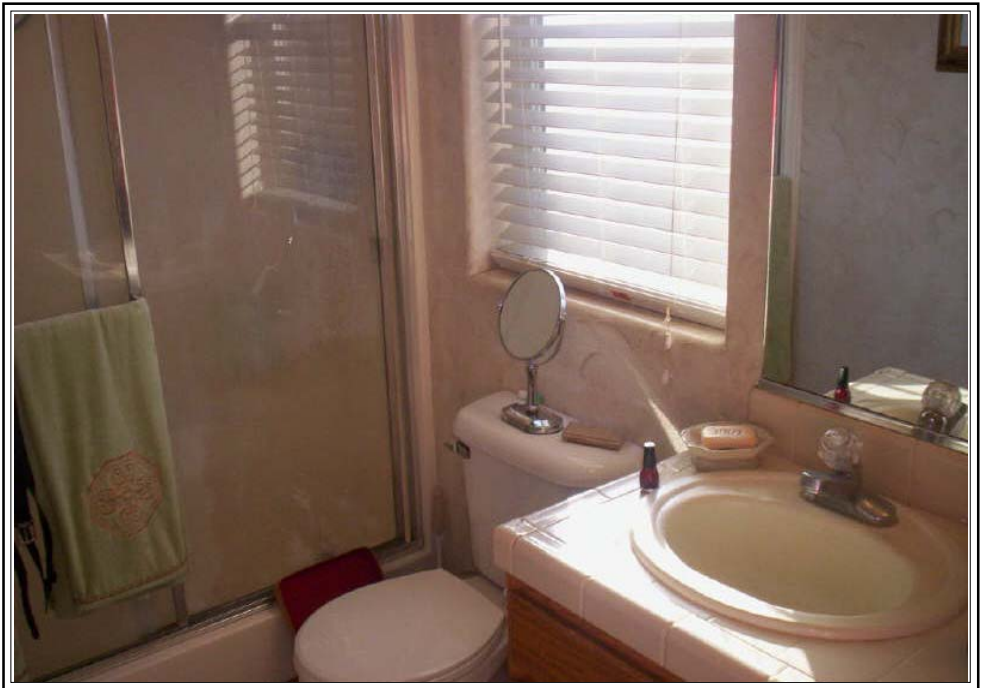


REAR VIEW OF
SUBJECT PROPERTY

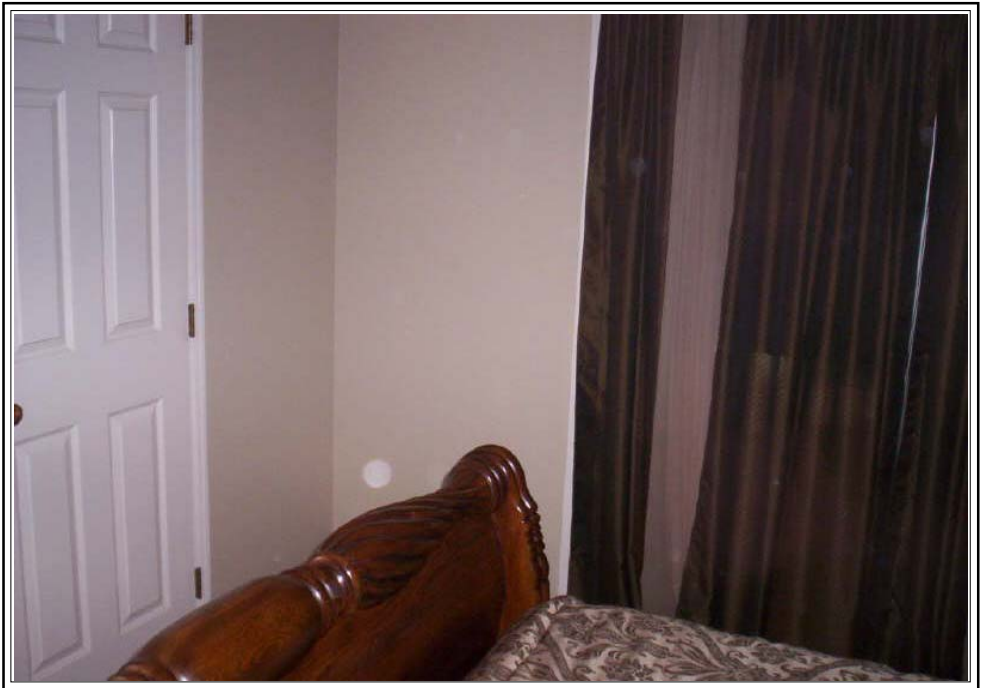


STREET SCENE

Borrower: Ofelia Olivarez		File No.: 6145505
Property Address: 1513 N. Valencia Court		Case No.:
City: Reedley	State: CA	Zip: 93654
Lender: Sierra Pacific Mortgage Company, Inc		



SUBJECT INTERIOR
Bathroom

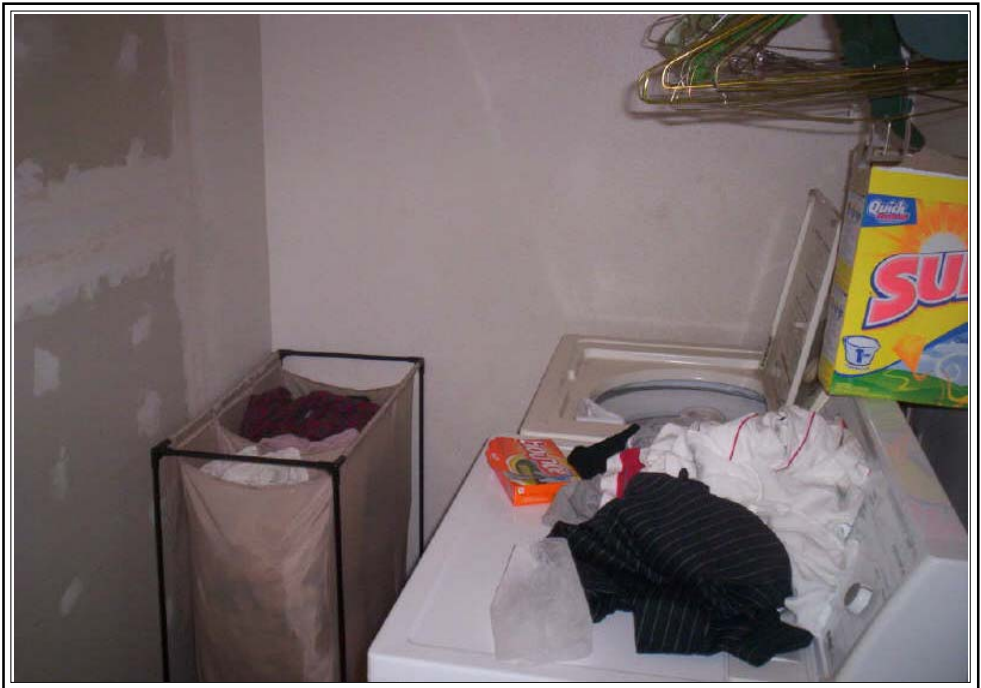


SUBJECT INTERIOR
Bedroom

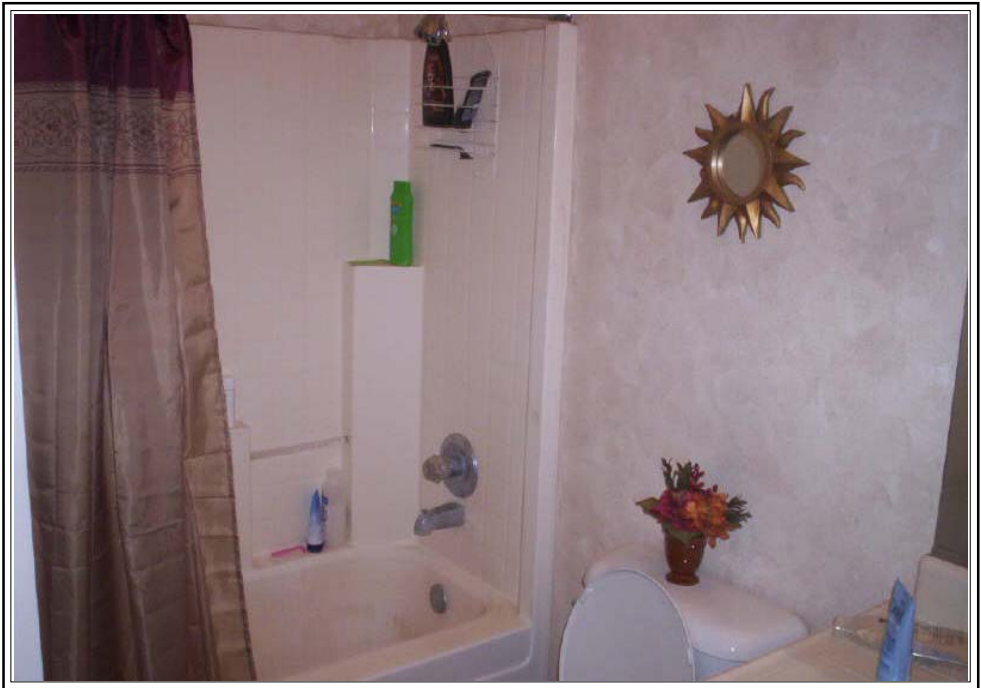


SUBJECT INTERIOR
Bedroom

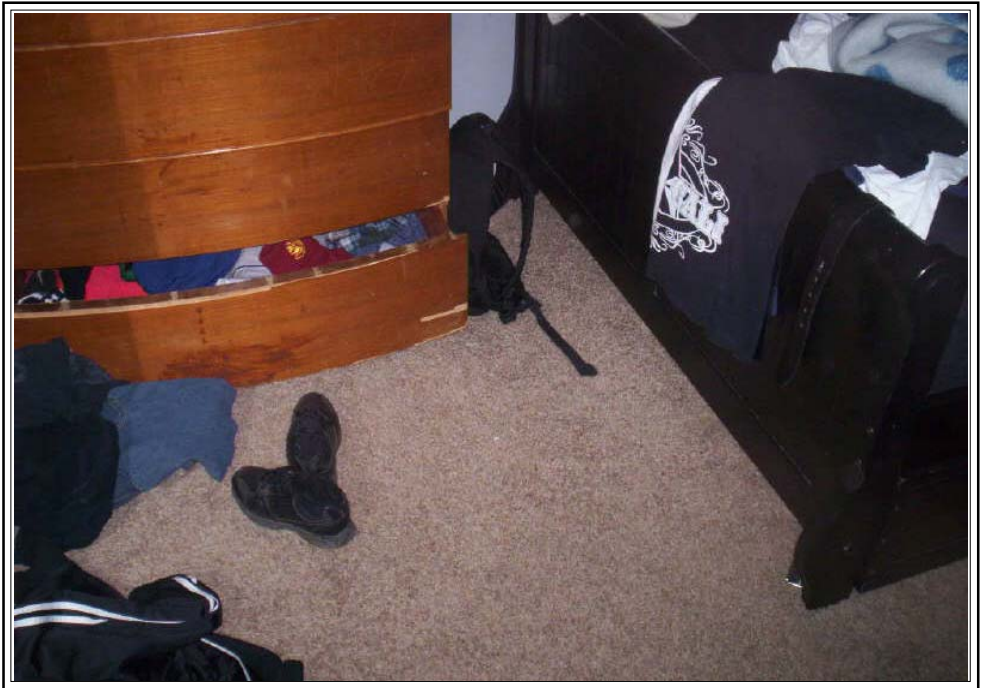
Borrower: Ofelia Olivarez		File No.: 6145505
Property Address: 1513 N. Valencia Court		Case No.:
City: Reedley	State: CA	Zip: 93654
Lender: Sierra Pacific Mortgage Company, Inc		



SUBJECT INTERIOR
Laundry



SUBJECT INTERIOR
Bathroom

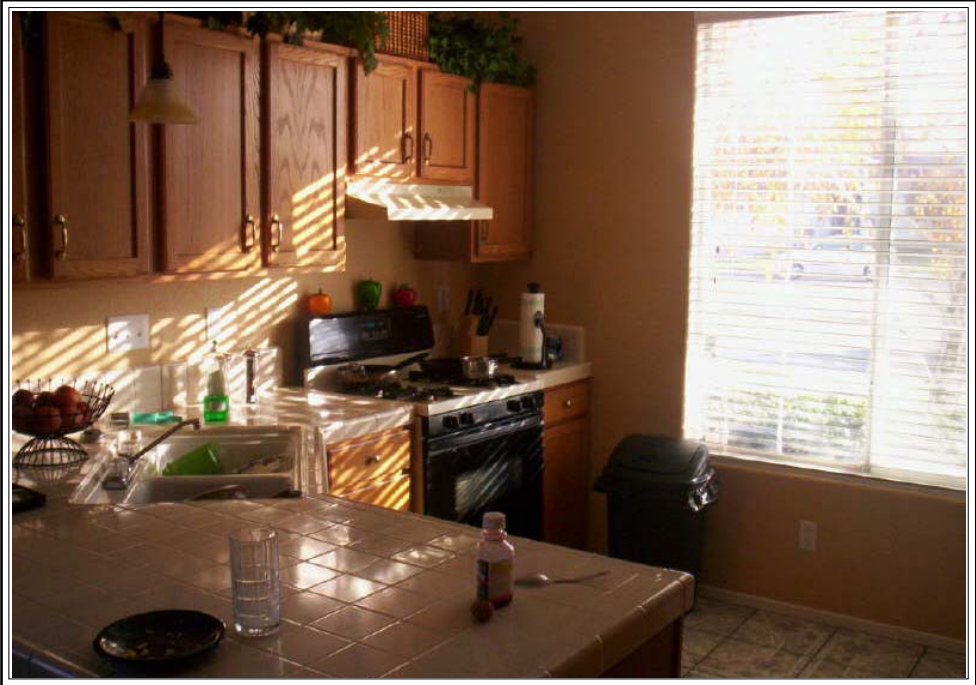


SUBJECT INTERIOR
Bedroom

Borrower: Ofelia Olivarez		File No.: 6145505
Property Address: 1513 N. Valencia Court		Case No.:
City: Reedley	State: CA	Zip: 93654
Lender: Sierra Pacific Mortgage Company, Inc		



SUBJECT INTERIOR
Living Room



SUBJECT INTERIOR
Kitchen



Address Verification

COMPARABLE PROPERTY PHOTO ADDENDUM			
Borrower: Ofelia Olivarez		File No.: 6145505	
Property Address: 1513 N. Valencia Court		Case No.:	
City: Reedley	State: CA		Zip: 93654
Lender: Sierra Pacific Mortgage Company, Inc			



COMPARABLE SALE #1

1723 Klein Ave
Reedley
Sale Date: 10/14/2009
Sale Price: \$ 160,000



COMPARABLE SALE #2

1318 N Valencia St
Reedley
Sale Date: 09/23/2009
Sale Price: \$ 125,000



COMPARABLE SALE #3

1570 E Willow Ridge Ave
Reedley
Sale Date: 08/18/2009
Sale Price: \$ 178,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Ofelia Olivarez		File No.: 6145505
Property Address: 1513 N. Valencia Court		Case No.:
City: Reedley	State: CA	Zip: 93654
Lender: Sierra Pacific Mortgage Company, Inc		



COMPARABLE SALE #4

1985 Lincoln Ave
Reedley
Sale Date: 05/21/2009
Sale Price: \$ 165,000



COMPARABLE SALE #5

1693 E Santa Rosa Cir
Reedley
Sale Date: 11/04/2009 LD
Sale Price: \$ 149,900

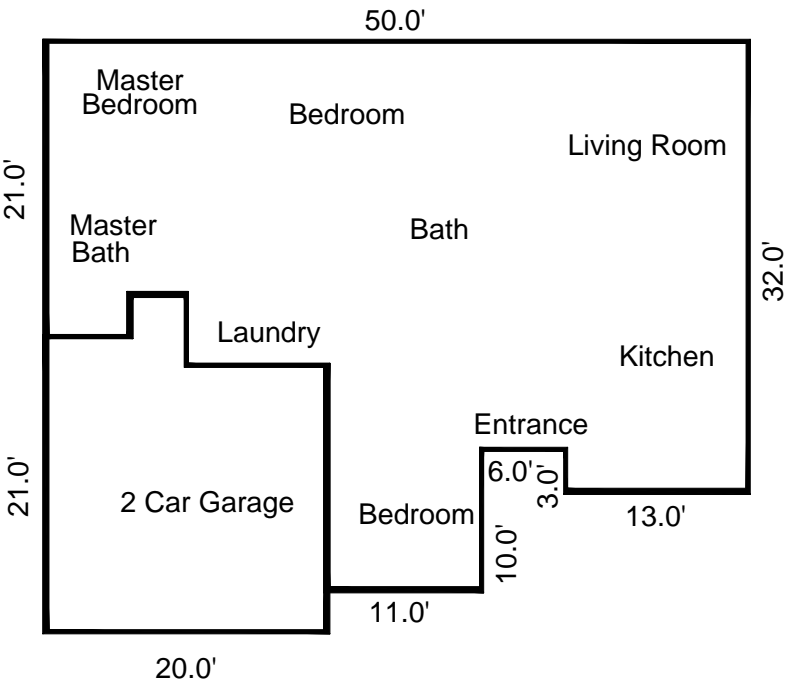


COMPARABLE SALE #6

1419 N Haney St
Reedley
Sale Date: 11/17/2009 PD
Sale Price: \$ 164,600

FLOORPLAN

Borrower: Ofelia Olivarez		File No.: 6145505
Property Address: 1513 N. Valencia Court		Case No.:
City: Reedley	State: CA	Zip: 93654
Lender: Sierra Pacific Mortgage Company, Inc		



Sketch by Apex IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1447.0	1447.0
GAR	Garage	412.0	412.0
Net LIVABLE Area		(Rounded)	1447

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
18.0	x	50.0	900.0
5.0	x	40.0	200.0
3.0	x	6.0	18.0
6.0	x	30.0	180.0
3.0	x	13.0	39.0
10.0	x	11.0	110.0
6 Items			(Rounded)
			1447

DIMENSION LIST ADDENDUM

Borrower: Ofelia Olivarez		File No.: 6145505
Property Address: 1513 N. Valencia Court		Case No.:
City: Reedley	State: CA	Zip: 93654
Lender: Sierra Pacific Mortgage Company, Inc		

GROSS BUILDING AREA (GBA)			1,447
GROSS LIVING AREA (GLA)			1,447
Area(s)	Area	% of GLA	% of GBA
Living	1,447		100.00
Level 1	1,447	100.00	100.00
Level 2	0	0.00	0.00
Level 3	0	0.00	0.00
Other	0	0.00	0.00
Basement Garage	GBA		
	0		
	412		

Area Measurements					Area Type					
Measurements		Factor		Total	Level 1	Level 2	Level 3	Other	Bsmt.	Garage
<u>50.00</u>	x	<u>18.00</u>	x	<u>1.00</u> =	<u>900.00</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>40.00</u>	x	<u>5.00</u>	x	<u>1.00</u> =	<u>200.00</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>6.00</u>	x	<u>3.00</u>	x	<u>1.00</u> =	<u>18.00</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>30.00</u>	x	<u>6.00</u>	x	<u>1.00</u> =	<u>180.00</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>13.00</u>	x	<u>3.00</u>	x	<u>1.00</u> =	<u>39.00</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>11.00</u>	x	<u>10.00</u>	x	<u>1.00</u> =	<u>110.00</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>24.00</u>	x	<u>4.00</u>	x	<u>1.00</u> =	<u>96.00</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>21.00</u>	x	<u>6.00</u>	x	<u>1.00</u> =	<u>126.00</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>19.00</u>	x	<u>10.00</u>	x	<u>1.00</u> =	<u>190.00</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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_____	x	_____	x	_____ =	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

PLAT MAP

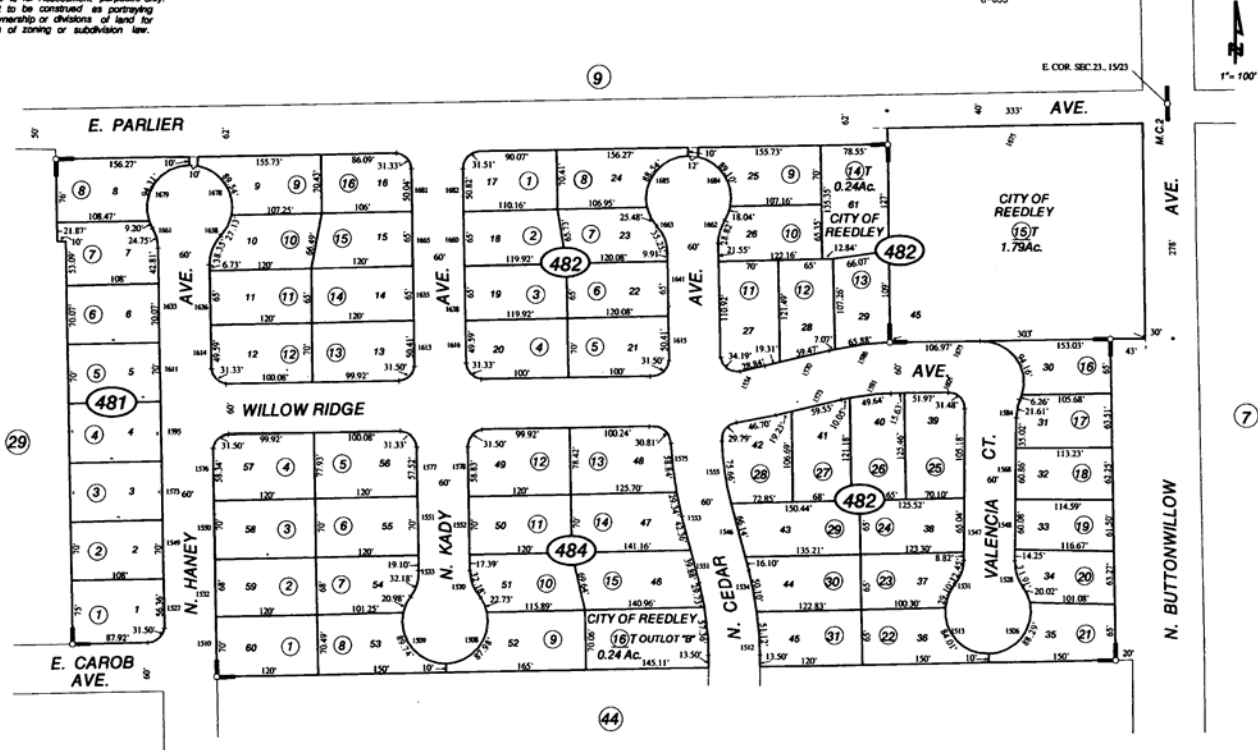
Borrower: Ofelia Olivarez	File No.: 6145505
Property Address: 1513 N. Valencia Court	Case No.:
City: Reedley	State: CA
Lender: Sierra Pacific Mortgage Company, Inc	Zip: 93654

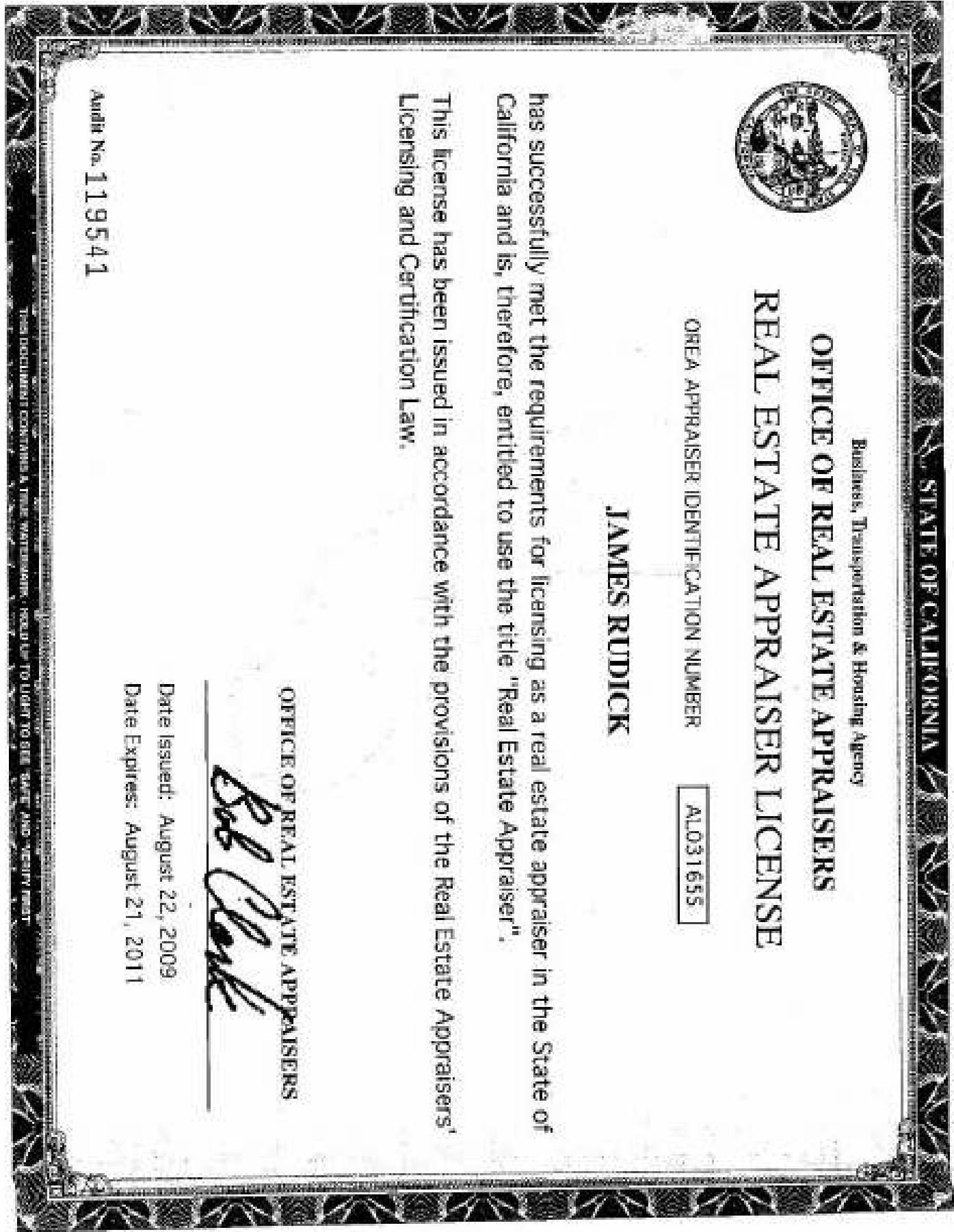
--- NOTE ---
This map is for Assessment purposes only.
It is not to be construed as portraying
legal ownership or divisions of land for
purposes of zoning or subdivision law.

SUBDIVIDED LAND IN POR. SEC.23, T.15S., R.23E., M.D.B.&M.

Tax Rate Area
8-055

363-48





Market Conditions Addendum to the Appraisal Report

File No. 6145505

MARKET RESEARCH & ANALYSIS

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 1513 N. Valencia CourtCity ReedleyState CA Zip Code 93654
Borrower Ofelia Olivarez

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 the data in the analysis. If data sources provide 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.

Inventory Analysis	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	9	3	3	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.5	1.0	1.0	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	1	0	2	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.7	0.0	2.0	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Median Comparable Sale Price	171,600	165,000	159,000	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Median Comparable Sales Days on Market	83	97	27	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	172,544	157,533	166,567	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Median Comparable Listings Days on Market	237	0	32	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	99.5%	104.7%	95.5%	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the 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.). Values have been in a rapid declining market, estimated at 7.5% annually. Seller's are increasing the amount of concessions being offered, with buider's increasing the amount of upgrades as gifts to bring in potential buyers. The sale-to-list price ratio's have decreased from 99.5% (12 months ago) to the current 95.5%.

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). Due to the market being in the declining state, combined with the lack of "effective" buying power, bank owned and auction sales prices represent not only current general and specific trends, but also "market value" in this area, therefore the current REO comparable sales are considered to be the most comparable representation of current market value.

Cite data sources for above information. The data sources utilized for the above information is NDC, FARES, Multiple Listing Service(s), and DQnews.com. The data researched was neighborhood boundary specific.

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. The market research analysis indicates that values have been in a rapidly declining state, estimated at 7.5% annually. Supporting factors indicate that days on the market for the listings have been lengthening (exposure time), giving strong support for the estimated over 6 months marketing time. All conclusions were based on information obtained within the neighborhood boundaries, therefore giving a more accurate and stronger supported conclusion.

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"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure 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

APPRAISER

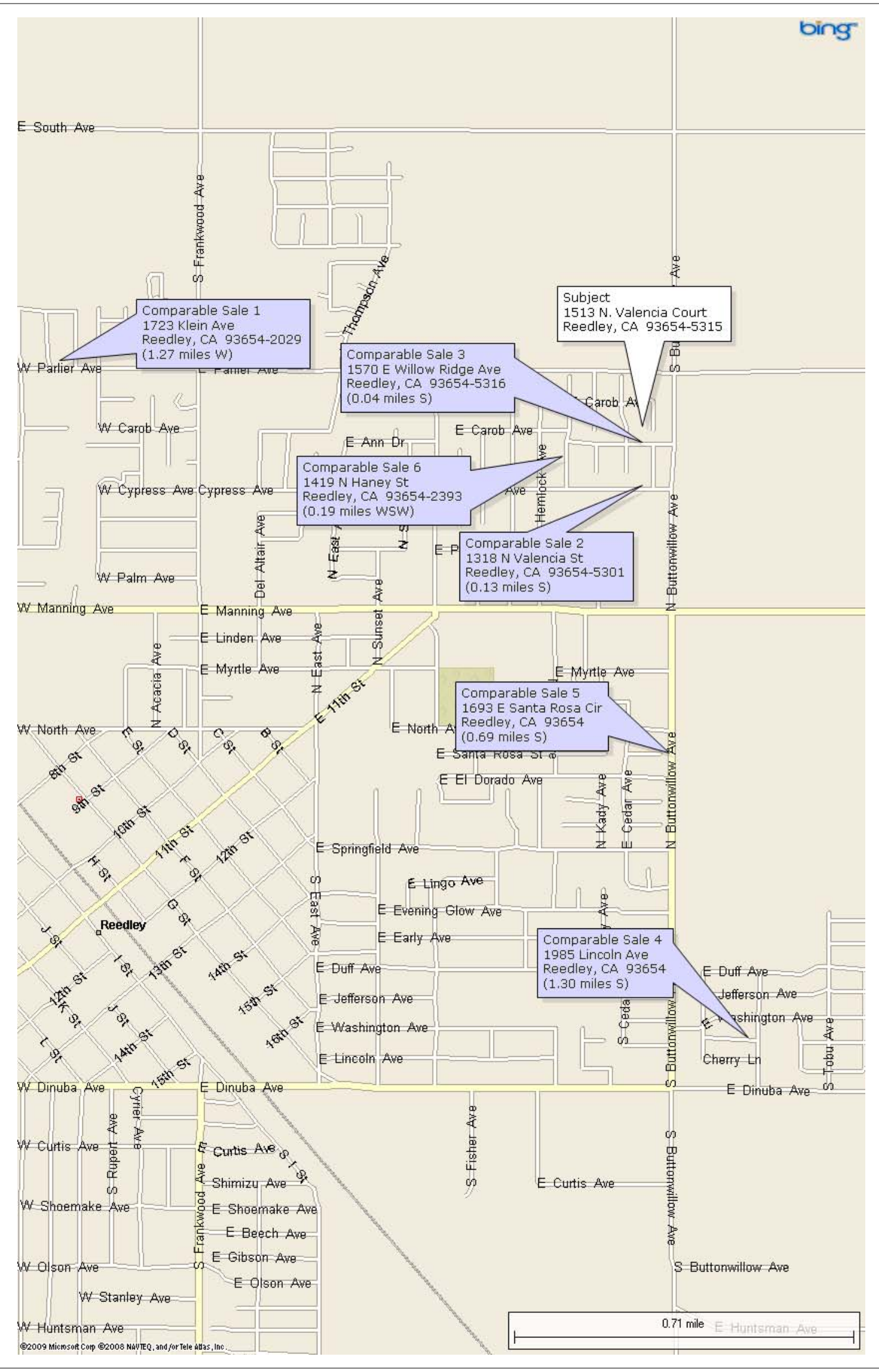
Signature 
Name James Rudick
Company NameSterling Appraisals
Company Address 4018 W Elowin Ct, Visalia, CA 93291
State License/Certification # AL031655 State CA
Email Address updates@sterlingapp.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
State License/Certification # _____ State _____
Email Address _____

LOCATION MAP

Borrower: Ofelia Olivarez		File No.: 6145505
Property Address: 1513 N. Valencia Court		Case No.:
City: Reedley	State: CA	Zip: 93654
Lender: Sierra Pacific Mortgage Company, Inc		





*First American
eAppraiseIT*

HVCC Compliance Certificate

ORDER NUMBER: 6145505

DELIVERED TO CLIENT ON: 11-18-2009

PROPERTY ADDRESS: 1513 N. VALENCIA COURT, Reedly, CA 93654

First American eAppraiseIT, a premiere, nationwide Appraisal Management Company, certifies that to the best of First American eAppraiseIT's knowledge, the appraisal for the above referenced property was completed in compliance with the Home Value Code of Conduct (HVCC).

Appraiser Independence Safeguards

- First American eAppraiseIT has not provided an estimate of value, target value or loan amount to the appraiser, nor performed any act or practice that impaired an appraiser's independence, objectivity or impartiality. For purchase transactions, the purchase agreement will be reviewed by the appraiser as required.

Appraiser Engagement

- First American eAppraiseIT was solely responsible for appraiser selection, retention and compensation.

HVCC Compliant Communication

- First American eAppraiseIT prohibited the appraiser from communicating with the client/lender including loan officers, loan production staff and mortgage brokers. FHA transactions require that the appraiser's name and license number be provided to the lender/client in advance to obtain the FHA case #. This does not influence the objectivity of the appraisal process.

HVCC Compliant Procedures

- First American eAppraiseIT has clearly defined processes for removing an appraiser from our panel, which includes appraiser notification. In addition, a compliant policy for ordering second appraisals is in place.

IVPI

- First American eAppraiseIT recognizes and fully supports all the functions of the Independent Valuation Protection Institute (when instituted) and also provides training to staff members on appraiser independence and HVCC compliance.

First American eAppraiseIT
5 Cherry Hill Drive, Suite 200
Danvers, MA 01923
www.eAppraiseIT.com

