

Case No. 44-44-6-3564TRA

File No. 3601 Crest

***** INVOICE *****

File Number: 3601 Crest

Lender or Client:
 Warner Bro. Mortgage Co
 000 Sunset Driver
 Hollywood, CA 11111

Borrower : Any Qualified Veteran

Invoice # : NFFVA 111GG 3601 Crest 12-10
 Order Date : Invoice Date: 12/13/2010
 Reference/Case # :
 PO Number :

Borrower: Gary Cooper
 3601 Crest Drive
 Bakersfield, CA 93306

URAR/VA Appraisal Report	\$	450.00
	\$	-----
Invoice Total	\$	
State Sales Tax @	\$	
Deposit	(\$)
Deposit	(\$)

Amount Due	\$	450.00

Terms: Due within 30 days of Invoice Date

Please Make Check Payable To:
 Louis Merlin
 Real Estate Appraisals
 000 Hills Avenue
 Anywhere, CA 93312

Fed. I.D. #:

For Training Purposes Only

Uniform Residential Appraisal Report

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File # 3601 Crest

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.

Property Address 3601 Crest Drive City Bakersfield State CA Zip Code 93306
 Borrower Gary Cooper Owner of Public Record Rory Calhoun County Kern
 Legal Description TRACT 3175 LOT 27 See attached plat map.
 Assessor's Parcel # 382-292-05-00 Tax Year 2010 R.E. Taxes \$ 2,8197
 Neighborhood Name N.E. Bakersfield Map Reference 2403-D7 Census Tract 0009.03
 Occupant Owner Tenant Vacant Special Assessments \$ -0- PUD HOA \$ 0 per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe)
 Lender/Client Warner Bros. Mortgage/Dept of Veterans Affairs Address 000 Sunset Driver Hollywood, CA 11111
 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). DOM 58 Subject is reportedly Contingent on MLS with list price of \$179,000. It is listed with Keller Williams Realty (Lawrence K Henson) Ph# 661-549-1321. MLS Listing# 21014314.

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. Arms Length Sale. The purchase contract seemed adequate and conforming. The total purchase price to be \$185,256 and the date of contract is October 13, 2010.
 Contract Price \$185,256 Date of Contract 10/13/2010 Is the property seller the owner of public record? Yes No Data Source(s) Public records
 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. 0

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

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	60%		
Built-Up <input type="checkbox"/> Over 75% <input checked="" 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 type="checkbox"/> Stable <input checked="" type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	110	Low 10	Multi-Family	5%		
Neighborhood Boundaries NHBHRD bounded by Haley St. to the West, University Ave. to the South, Columbus St. to the East, and Alfred Harrel Hwy. to the North. Avg.(-) to Avg./Good condition SFR's on residential lots.		240	High 60	Commercial	0%		
Neighborhood Description NGBRHD consists mainly of SFR's in Avg.(-) to Avg./Good condition. Proximity to employment and services is average with all facilities located nearby. Employment stability is average. Appeal to market is average for the subject property as it is located in a desirable area of homes that appear for the most part well kept.		120-230	Pred.20-50	Other	30%		
Market Conditions (including support for the above conclusions) A conventional/FHA financing area, w/VA concessions noted. Seller financing, buydowns & other concessions not the norm. Values that have appreciated in 2002-2006 have continued to decline. Some areas/markets indicate stabilizing/increasing values. Mktg time for those properties priced to reflect current market conditions ranges from 30-120 days.							

Dimensions approximately 69 X 150 Area 10,350 SF Shape Sl. Irregular View N;Res
 Specific Zoning Classification R-1 Zoning Description SGL Fam Res on R-1 Zoned Lnd (0101)
 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 No If No, describe

Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private
 Electricity Water Street Asphalt
 Gas Sanitary Sewer Alley None
 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone "X" FEMA Map # 060077-0123 FEMA Map Date 09/26/2008
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe
 No external obsolescence noted or observed.

General Description		Foundation		Exterior Description materials/condition		Interior materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls Slab/Avg.	Floors Cpt./vinyl/stone/Avg.				
# of Stories 1 Story	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls Stucco/rock/Avg.(+)	Walls Drywall/Avg.(+)				
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq. ft.	Roof Surface Comp.Shingle/Avg.	Trim/Finish Wood/Avg.(+)				
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts None	Bath Floor Tile/Vinyl/Avg.				
Design (Style) Contemporary	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type Mixed/Avg.(+)	Bath Wainscot Tile/Avg. (+)				
Year Built 1971	Evidence of <input type="checkbox"/> Infestation None	Storm Sash/Insulated Storms	Car Storage <input type="checkbox"/> None				
Effective Age (Yrs) 20	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens None	<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) # 0	Driveway Surface Paved				
<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 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 1 <input type="checkbox"/> Porch 0	<input type="checkbox"/> Carport # of Cars 0				
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool 0 <input checked="" type="checkbox"/> Other Cov'd entry	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in				

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)
 Finished area above grade contains: 7 Rooms 3 Bedrooms 3.0 Bath(s) 2,585 Square Feet of Gross Living Area Above Grade
 Additional features (special energy efficient items, etc.) Subject has built in appliances & formica countertops in kitchen, laundry room, formal d/room, d/area, Rock F.P. in LR, WIC off of M.BR, separate Roman tub/shower in M. Bath, pool, cov'd patio & entry, built in bbq, and a 2 car garage.
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).
 C3. Appraiser noted deferred maintenance on subject's pool as the pool is dirty and the pool equipment is missing. The pool does not meet VA MPR requirements. It is unsafe to have a pool that will not circulate the required chemistry properly. The pool is a significant amenity to the home and value is attributed to it. The pool must be clean and in working order. Cost to cure: \$3,500., estimate of repairs. For cleaning & new pool pump.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe
 Physical depreciation computed using the age/life method. The remaining estimated economic life is 55 years.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe
 Slight functional obsolescence noted for subject's pool as it does not retain its full value in this market.

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There are 4 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$170,000 to \$194,000				
There are 15 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$124,000 to \$225,000				
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address	3601 Crest Drive Bakersfield, CA 93306	4201 Wenatchee Avenue Bakersfield, CA 93306	3200 Crest Drive Bakersfield, CA 93306	3111 Christmas Tree Lane Bakersfield, CA 93306
Proximity to Subject		0.32 miles W	0.24 miles W	0.28 miles W
Sale Price	\$ 185,256	\$ 200,000	\$ 195,000	\$ 184,000
Sale Price/Gross Liv. Area	\$ 72 sq. ft.	\$ 99 sq. ft.	\$ 98 sq. ft.	\$ 89 sq. ft.
Data Source(s)	Realquest, MLS	MLS#12345 DOM 16	MLS# 23456 DOM 8	MLS# 34567 DOM 215
Verification Source(s)	Realquest/MLS	Realquest/MLS	Realquest/MLS	Realquest/MLS
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
		+(-) \$ Adjustment	+(-) \$ Adjustment	+(-) \$ Adjustment
Sale or Financing Concessions	REO FHA;0	0	Armlth FHA;0	0
Date of Sale/Time	s11/10;Unk	0	s11/10;Unk	0
Location	N;Res	A;BsvRd +5,000	N;Res	A;BsvRd +5,000
Leasehold/Fee Simple	Fee Simple	Similar	Similar	Similar
Site	10,350 sf	10,942 sf 0	9,269 sf 0	9,459 sf 0
View	N;Res	N;Res	N;Res	N;Res
Design (Style)	Contemporary	Contemporary	Contemporary	Contemporary
Quality of Construction	Q3	Q3	Q3	Q3
Actual Age	39	37 0	39 0	43 +3,300
Condition	C3	C2 -12,500	C2 -12,500	C2 -12,500
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count	7 3 3.0	7 4 2.1	7 4 2.1	7 3 2.1
Gross Living Area	2,585 sq. ft.	2,013 sq. ft. +11,440	1,985 sq. ft. +12,000	2,062 sq. ft. +10,460
Basement & Finished Rooms Below Grade	0sf0sf 0rr0br0.0ba0o	0sf0sf 0rr0br0.0ba0o	0sf0sf 0rr0br0.0ba0o	0sf0sf 0rr0br0.0ba0o
Functional Utility	Good	Good	Good	Good
Heating/Cooling	Fau/Central	Similar	Similar	Similar
Energy Efficient Items	Storms	Storms	Storms	Storms
Garage/Carport	2 Car Garage	2 Car Garage	2 Car Garage	2 Car Garage
Porch/Patio/Deck	Patio	Patio	Patio	Patio
Fireplaces	1 Fireplace	1 Fireplace	1 Fireplace	1 Fireplace
Pool	Pool	Pool	No Pool +7,000	Pool
Built Ins	Avg.Yrd.Improv	Supr Landscape -7,500	Avg.Yrd.Improv	Avg.Yrd.Improv
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -5,060	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ +5000	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ +6,760
Adjusted Sale Price of Comparables		Net Adj. -3% Gross Adj. 19% \$ 194,940	Net Adj. 3% Gross Adj. 17% \$ 200,000	Net Adj. 4% Gross Adj. 17% \$ 189,960
<input checked="" type="checkbox"/> I did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain				
My research <input checked="" type="checkbox"/> did <input type="checkbox"/> 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) Public Records/MLS				
My research <input checked="" type="checkbox"/> did <input type="checkbox"/> 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) Public 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	07/23/2008 Prior Sale	No Prior Sale/Transfer	No Prior Sale/Transfer	No Prior Sale/Transfer
Price of Prior Sale/Transfer	\$265,000	12 Months	12 Months	12 Months
Data Source(s)	Public Records/MLS	Public Records/MLS	Public Records/MLS	Public Records/MLS
Effective Date of Data Source(s)	12/13/2010	12/13/2010	12/13/2010	12/13/2010
Analysis of prior sale or transfer history of the subject property and comparable sales The subject had a prior sale on 07/23/2008 for \$265,000 as per Realquest.				
Comparable #1-#3 have not sold/transfer within the last 12 months as per Realquest.				
Summary of Sales Comparison Approach				
The Sales Comparables utilized on sales comparison section of this appraisal considered the best/most recent available. Sale #4 apparently sold through auction and represents the lower end of the indicated range of value. Sale #4 sold at 70% of its listing price, awarded least consideration. Sale #4 adjusted over the recommended adj. guidelines due to being inferior. All appropriate adjustments made for dissimilarities. The subject has adjusted living are adjustments made @ \$20/SF. Bedroom adjustments made at \$2,000 and half bath adjustments made at \$500. See additional comparable #4 - #6 as they also indicate good support for the subject properties estimate of market value. *** Days on market as well as sales price vs. listing price is available on all ales due to this information being critical in changing markets.				
Sales price vs. listing price and days on market indicate market activity as well as absorption rate.				
Indicated Value by Sales Comparison Approach \$ 190,000				
Indicated Value by: Sales Comparison Approach \$190,000 Cost Approach (if developed) \$ 0 Income Approach (if developed) \$ N/A				
This appraisal is made <input type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input checked="" type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:				
The pool is to be clean and in working order. This report is considered a credible, self contained appraisal report as defined by USPAP.				
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 \$ 190,000, as of 12/10/2010, which is the date of inspection and the effective date of this appraisal.				

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ADDITIONAL COMMENTS

COST APPROACH

INCOME

PROJECT INFORMATION

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)

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW		OPINION OF SITE VALUE = \$	
Source of cost data	Dwelling	2,585 Sq. Ft. @ \$ = \$
Quality rating from cost service	Effective date of cost data	Sq. Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			
	Garage/Carport	472 Sq. Ft. @ \$ = \$
Total Estimate of Cost-New		 = \$
	Less	Physical ²⁷ Functional External	
	Depreciation	0 = \$(0)
Depreciated Cost of Improvements.....			= \$ 0
"As-is" Value of Site Improvements.....			= \$
Estimated Remaining Economic Life (HUD and VA only)	55	Years	Indicated Value By Cost Approach = \$ 0

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)

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? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion			
Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data source(s)			
Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.			
Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.			
Describe common elements and recreational facilities			

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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.

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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.

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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 Louis Merlin
 Name Louis Merlin
 Company Name Real Estate Appraisals
 Company Address 000 Hills Avenue
Anywhere CA 93312
 Telephone Number 555-555-7069
 Email Address lmerlin@training.sar
 Date of Signature and Report 12/14/2010
 Effective Date of Appraisal 12/10/2010
 State Certification # ATRA ---
 or State License # _____
 or Other (describe) _____ State # _____
 State CA
 Expiration Date of Certification or License 10/28/2012

ADDRESS OF PROPERTY APPRAISED
3601 Crest Drive
Bakersfield, CA 93306

APPRAISED VALUE OF SUBJECT PROPERTY \$ 190,000

LENDER/CLIENT

Name _____
 Company Name Warner Bro. Mortgage/Dept of Veterans Affairs
 Company Address 000 Sunset Driver Hollywood, CA 11111

 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 _____

EXHIBITS

Exhibit 1: Requirements – Condition and Quality Ratings Usage

Appraisers must utilize the following standardized condition and quality ratings within the appraisal report.

Condition Ratings and Definitions

C1

The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*

**Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered “new” if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).*

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

EXHIBITS

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

EXHIBITS

Exhibit 2: Requirements – Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

EXHIBITS

Exhibit 3: Requirements – Abbreviations Used in Data Standardization Text

Abbreviation	Full Name	Appropriate Fields
ac	Acres	Area, Site
AdjPrk	Adjacent	Location
AdjPwr	Adjacent to Power Lines	Location
A	Adverse	Location & View
ArmLth	Arms Length Sale	Sale or Financing Concessions
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
B	Beneficial	Location & View
Cash	Cash	Sale or Financing Concessions
CtySky	City View Skyline View	View
CtyStr	City Street View	View
Comm	Commercial Influence	Location
c	Contracted Date	Date of Sale/Time
Conv	Conventional	Sale or Financing Concessions
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
DOM	Days On Market	Data Sources
e	Expiration Date	Date of Sale/Time
Estate	Estate Sale	Sale or Financing Concessions
FHA	Federal Housing Authority	Sale or Financing Concessions
Glfcse	Golf Course	Location
Glfvw	Golf Course View	View
Ind	Industrial	Location & View
in	Interior Only Stairs	Basement & Finished Rooms Below Grade
Lndfl	Landfill	Location
LtdSght	Limited Sight	View
Listing	Listing	Sale or Financing Concessions
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
BsyRd	Busy Road	Location
o	Other	Basement & Finished Rooms Below Grade
Prk	Park View	View
Pstrl	Pastoral View	View
PwrLn	Power Lines	View
PubTrn	Public Transportation	Location
rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RH	USDA –Rural Housing	Sale or Financing Concessions
s	Settlement Date	Date of Sale/Time
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
w	Withdrawn Date	Date of Sale/Time
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
wu	Walk Up Basement	Basement & Finished Rooms Below Grade
WtrFr	Water Frontage	Location
Wtr	Water View	View
Woods	Wood View	View

Uniform Residential Appraisal Report

44-44-6-3564TRA
File # 3601 Crest

	FEATURE		SUBJECT		COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6			
	Address		3601 Crest Drive Bakersfield, CA 93306		3600 Christmas Tree Lane Bakersfield, CA 93306		3212 Rampart Street Bakersfield, CA 93306		2713 Harmony Drive Bakersfield, CA 93306			
Proximity to Subject			0.07 miles S		0.42 miles SW		0.56 miles W					
Sale Price	\$ 185,256		\$ 124,000		\$ 179,000		\$ 187,900					
Sale Price/Gross Liv. Area	\$ 72 sq.ft.		\$ 54 sq.ft.		\$ 78sq.ft.		\$ 76 sq.ft.					
Data Source(s)	Realquest, MLS		MLS# 45678 DOM 12		MLS# 56789 DOM 19		MLS# 67890 DOM 14					
Verification Source(s)			Realquest/MLS		Realtor/Castle & Cook sales office		Realtor/Castle & Cook sales office					
VALUE ADJUSTMENTS	DESCRIPTION		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION		+(-) \$ Adjustment			
Sales or Financing Concessions			REO Cash:0		0		Listing Listing		0 Listing Pending			
Date of Sale/Time			s10/10;Unk		0		Listing		0 c10/10			
Location	N;Res		A;BsyRd		+5,000		N;Res		N;Res			
Leasehold/Fee Simple	Fee Simple		Similar				Similar		Similar			
Site	10,350 sf		10,916 sf		0		7,196 sf		+3,000 9,606 sf			
View	N;Res.		N;Res				N;Res		N;Res			
Design (Style)	Contemporary		Contemporary				Contemporary		Contemporary			
Quality of Construction	Q3		Q4		+10,000		Q3		Q3			
Actual Age	39		45		+5,000		39		0 48 +7,500			
Condition	C3		C4		+12,500		C3		C3			
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths
Room Count	7	3	3.0	7	3	2.0	7	4	3.1	7	4	2.1
Gross Living Area	2,585 sq.ft.		2,283 sq.ft.		+6,040		2,291 sq.ft.		+5,880		2,460 sq.ft.	
Basement & Finished Rooms Below Grade	UsUst 0rr0br0.0ba0o		UsUst 0rr0br0.0ba0o				UsUst 0rr0br0.0ba0o		UsUst 0rr0br0.0ba0o			
Functional Utility	Good		Good				Good		Good			
Heating/Cooling	Fau/Central		Similar				Similar		Similar			
Energy Efficient Items	Storms		Storms				Storms		Storms			
Garage/Carport	2 Car Garage		2 Car Garage				2 Car Garage		2 Car Garage			
Porch/Patio/Deck	Patio		Patio				Patio		Patio			
Fireplaces	1 Fireplace		1 Fireplace				1 Fireplace		1 Fireplace			
Pool	Pool		Pool				No Pool		+7,000 No Pool		+7,000	
Built Ins	Avg.Yrd.Improv		Avg.Yrd.Improv				Avg.Yrd.Improv		Avg.Yrd.Improv			
Net Adjustment (Total)			<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 39,540		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 13,380		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	
Adjusted Sale Price of Comparables			Net Adj. 32 %		\$ 163,540		Net Adj. 7 %		Net Adj. 8 %		\$ 203,400	
			Gross Adj. 32 %		\$ 163,540		Gross Adj. 10 %		Gross Adj. 10 %		\$ 203,400	
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 # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6					
	Date of Prior Sale/Transfer		07/23/2008 Prior Sale		No Prior Sale/Transfer		05/19/2010 Prior Sale		12/02/2010 Transfer			
Price of Prior Sale/Transfer		\$265,000		12 Months		\$92,000		Correction Deed				
Data Source(s)		MLS/Pub. Records		Public Records/MLS		Public Records/MLS		Public Records/MLS				
Effective Date of Data Source(s)		12/13/2010		12/13/2010		12/13/2010		12/13/2010				
Analysis of prior sale or transfer history of the subject property and comparable sales												
Comparable #5 has a prior sale for \$92,000 on 05/19/2010 as per Realquest. Comparable #6 transferred as a Correction Deed on 12/02/2010 as per Realquest.												
Analysis/Comments												

44-44-6-3564TRA

Addendum to Fee Appraiser's Report: Client Requirements

File No. 3601Crest

VA Case #: 44-44-6-3564TRA

Property Address: 3601 Crest Drive City: Bakersfield State: CA Zip: 93306

Subject/Comps Listing History

	<u>Subject</u>	<u>Comp #1</u>	<u>Comp #2</u>	<u>Comp #3</u>	<u>Comp #4</u>	<u>Comp #5</u>
Listing	N/A	FJl, €€€	FJl €€€Á	Ál €€€€	FÁ €€€€Á	Fí J€€€Á
Sales Price	N/A	Á00,000	Á 195,000	Á 184,000	Á24,000	N/A
D.O.M.	N/A	8	N/A	58	21	28

The current **sales price to listing price ratio** is 108.00 %
6 months ago sales price to listing price ratio was 100.00 %

The current **Average Marketing Time** for this market is 90 days.
6 months ago the **Average Marketing Time** was 90 days.

VA Certification

"I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal and in the trending information reported in this section. ***If a trend is indicated, I have attached an addendum providing relevant competitive listing/contract offering data.***"

Appraiser's Signature for VA Certification Louis Merlin Date 12/14/2010

Appraised Value (from URAR): 190,000

Data Source(s) for Subject and Comps

	<u>Subject</u>	<u>Comp #1</u>	<u>Comp #2</u>	<u>Comp #3</u>	<u>Comp #4</u>	<u>Comp #5</u>
Source #1	MLS	MLS	MLS	MLS	MLS	MLS
Source #2	Realquest	Realquest	Realquest	Realquest	Realquest	Realquest

Comments on Sales Concessions or on Comps over 6 months old:

RAM Information

R (Received): 11/29/2010
 A (Appraised): 12/10/2010
 M (Mailed): 12/12/2010

Comments on RAM date (if necessary use an addendum):

Condominium / PUD Supplemental Information (N/A for all other property types)

VA/HUD Condo Approval ID# (Condos only): _____
 Comment on Adequacy of HOA Dues/Assessments: _____
 Phone # of HOA Management Company: _____

Market Conditions Addendum to the Appraisal Report

44-44-6-3564TRA
File No. 3601Crest

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 3601 Crest Drive City Bakersfield State CA ZIP Code 93306

Borrower Gary Cooper

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.

Table with columns: Inventory Analysis, Prior 7-12 Months, Prior 4-6 Months, Current - 3 Months, Overall Trend. Rows include Total # of Comparable Sales, Absorption Rate, Total # of Comparable Active Listings, Months of Housing Supply, Median Sale & List Price, etc.

Seller-(developer, builder, etc.)paid financial assistance prevalent? Yes No

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.).

Non recurring closing costs appear to be stable at 3-5%. Seller paying non recurring closing costs is conforming/typical to this market.

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).

REO's do make up a portion of the market at this time between 60-80% depending on market and area. Some areas/markets are composed of nearly 80% REO's at this time.

Cite data sources for above information.

MLS, Public Records, Realquest. Data was analyzed for the period of 2009-2010.

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.

Market data indicates values are still in decline in this area and market. However, in some markets the trend is indicating some stabilization at this time and values are not declining as in the prior 12 months.

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

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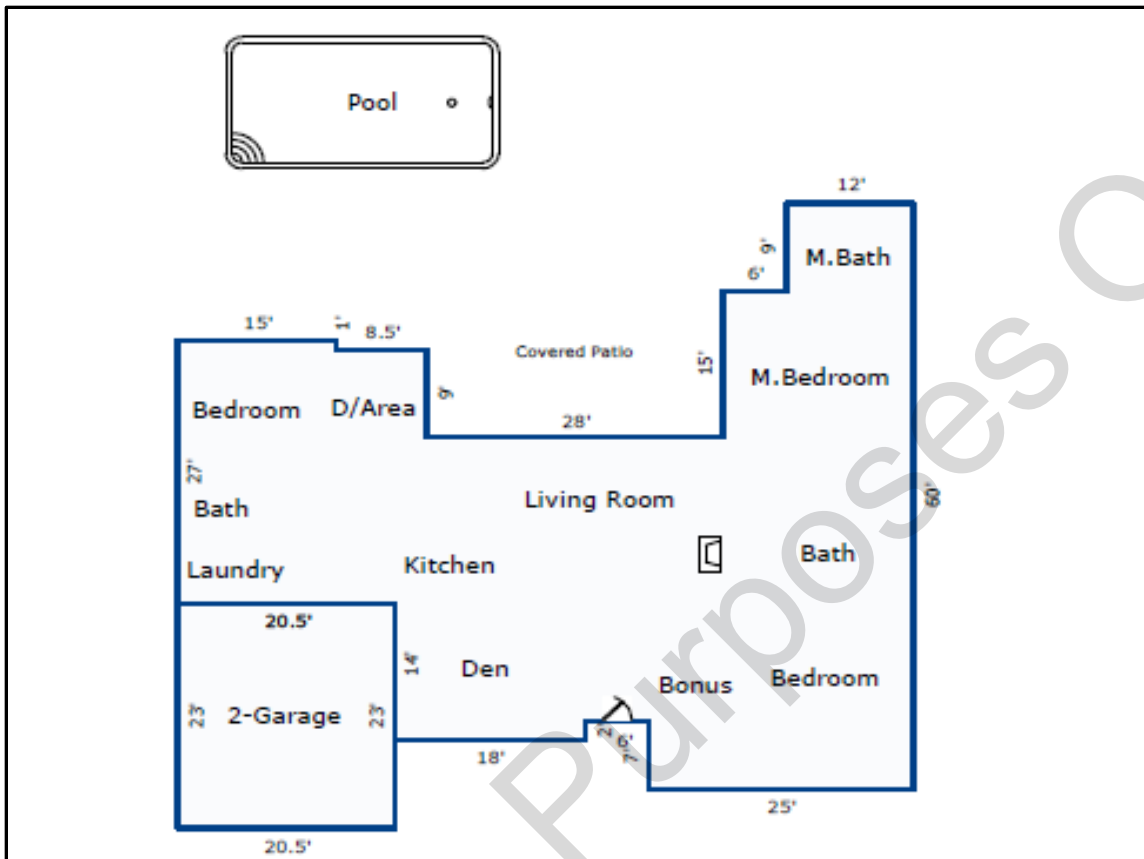
Summarize the above trends and address the impact on the subject unit and project.

MARKET RESEARCH & ANALYSIS
CONDO/CO-OP PROJECTS
APPRAISER

Signature Louis Merlin
Appraiser Name Louis Merlin
Company Name Real Estate Appraisals
Company Address 000 Hills Avenue, Anywhere, CA 93312
State License/Certification # ATRA State CA
Email Address lmerlin@training.sar

Building Sketch

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA
Property Address	3601 Crest Drive		
City	Bakersfield	County	Kern
		State	CA
		Zip Code	93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs		



Sketch by Apex Media™
Comments:

AREA CALCULATIONS SUMMARY				LIVING AREA BREAKDOWN		
Code	Description	Net Size	Net Totals	Breakdown		Subtotals
GLA1	First Floor	2585.0	2585.0	First Floor		
GAR	Garage	471.5	471.5	17.0 x	69.5	1181.5
				1.0 x	15.0	15.0
				9.0 x	23.5	211.5
				15.0 x	18.0	270.0
				7.0 x	25.0	175.0
				2.0 x	18.0	36.0
				12.0 x	49.0	588.0
				9.0 x	12.0	108.0
	Net LIVABLE Area	(rounded)	2585	8 Items	(rounded)	2585

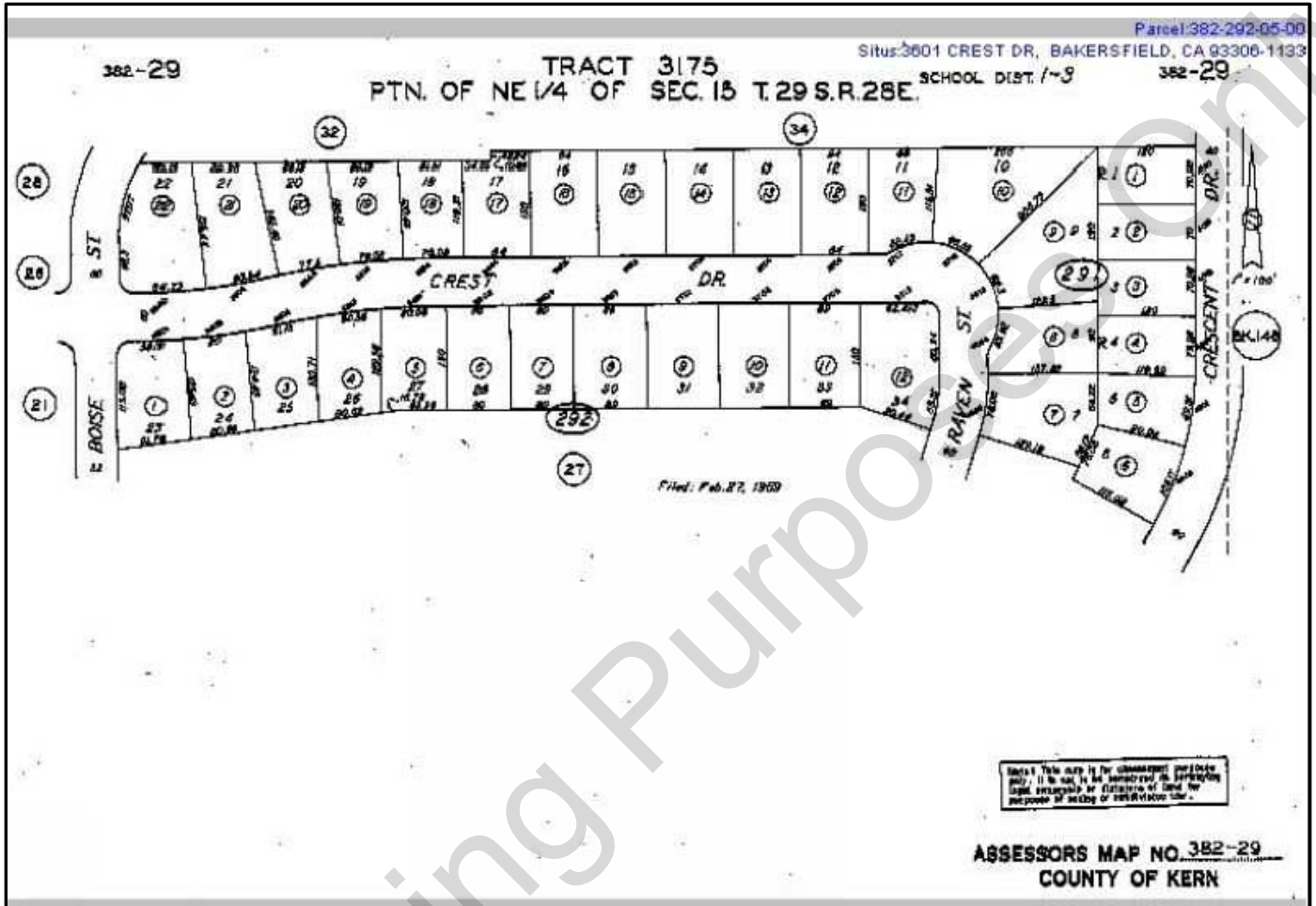
Location Map

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA
Property Address	3601 Crest Drive		
City	Bakersfield	County	Kern
		State	CA
		Zip Code	93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs		



PLAT MAP

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA
Property Address	3601 Crest Drive		
City	Bakersfield	County	Kern
		State	CA
		Zip Code	93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs		



Subject Property Addendum

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA				
Property Address	3601 Crest Drive						
City	Bakersfield	County	Kern	State	CA	Zip Code	93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs						



Front of Subject Property

3601 Crest Drive
Bakersfield, CA 93306



Rear of Subject Property



Street Scene

Subject Photo Addendum

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA				
Property Address	3601 Crest Drive						
City	Bakersfield	County	Kern	State	CA	Zip Code	93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs						



Right side of the subject



Left side of the subject



Pool

Subject Photo Addendum

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA				
Property Address	3601 Crest Drive						
City	Bakersfield	County	Kern	State	CA	Zip Code	93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs						



Garage



Master Bedroom



Master Bath

Subject Photo Addendum

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA				
Property Address	3601 Crest Drive						
City	Bakersfield	County	Kern	State	CA	Zip Code	93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs						



Bedroom



Bath



Bonus Room

For Training Purposes Only

Subject Photo Addendum

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA				
Property Address	3601 Crest Drive						
City	Bakersfield	County	Kern	State	CA	Zip Code	93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs						



Bedroom



Living Room & Kitchen



Missing pool equipment

Comparables 1, 2, 3

Borrower/Client	Gary Cooper		Case No. 44-44-6-3564TRA	
Property Address	3601 Crest Drive			
City	Bakersfield	County	Kern	State CA Zip Code 93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs		Address: Any VA Approved Lender	



Comparable Sale #1

4201 Wenatchee Ave
 APN: 382-281-18-00



Comparable Sale #2

3200 Crest Drive
 APN: 382-261-04-00



Comparable Sale #3

3111 Christmas Tree
 APN: 382-162-14-00

Comparables 4, 5, 6

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA
Property Address	3601 Crest Drive		
City	Bakersfield	County	Kern
		State	CA
		Zip Code	93306
Lender/Client	Warner Bros. Mortgage/Dept of Veterans Affairs	Address:	Any VA Approved Lender



Comparable Sale #4

3600 Christmas Tree
 APN: 382-271-05-00



Comparable Sale #5

3212 Rampart Street
 APN: 382-073-17-00



Comparable Sale #6

2713 Harmony Drive
 APN: 382-034-07-00

Comment Addendum

File No. 3601 Crest

Borrower/Client	Gary Cooper	Case No.	44-44-6-3564TRA				
Property Address	3601 Crest Drive						
City	Bakersfield	County	Kern	State	CA	Zip Code	93306
Lender	Warner Bros. Mortgage/Dept of Veterans Affairs						

THE SCOPE OF THIS APPRAISAL REPORT

This appraisal was completed to facilitate in the Purchase of the subject property and estimate the market value for the use by the client. The scope of the appraisal is to provide an estimate of market value for the subject property based on current market data as well as the condition of the subject as well as the comparables utilized in the sales comparison section of the appraisal report.

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.

Based on the market data obtained by the diligent search completed while working on this appraisal assignment and the inspection of the subject property the appraiser has developed an opinion of value for the subject property. After inspecting the subject property and reviewing all the market data, the appraisers opinion of value for the subject property as well as the date of value are contained on the appraisal report supplied.

Sincerely,

Louis Merlin, State Certification #_ATRA

For Training Purposes Only