

INVOICE

FROM:

APPRAISAL RE CENTER
 18553 ARDENWOOD LN
 RIVERSIDE, CA 92508

Telephone Number: 909-214-1287

Fax Number: 951-565-8159

INVOICE NUMBER

URZUA

DATE

01/06/2010

REFERENCE

Internal Order #: 1384VR
 Lender Case #: N/A
 Client File #: N/A
 Main File # on form: 1384VR
 Other File # on form: URZUA
 Federal Tax ID: N/A
 Employer ID: N/A

TO:

FHL CORP.-HARD MONEY LOANS
 5540 RUFFIN RD
 SAN DIEGO, CA 92123

Telephone Number:

Fax Number:

Alternate Number:

E-Mail:

DESCRIPTION

Lender: FHL CORP.-HARD MONEY LOANS Client: FHL CORP.-HARD MONEY LOANS
 Purchaser/Borrower: URZUA/SANTIAGO
 Property Address: 38565 154th ST E
 City: PALMDALE
 County: LOS ANGELES State: CA Zip: 93591
 Legal Description: TRACT NO 29071 LOT 268

FEES

AMOUNT

APPRAISAL FEE	300.00
SUBTOTAL	300.00

PAYMENTS

AMOUNT

Check #: 5288 Date: 01/04/2010 Description: PAID IN FULL BY CLIENT	300.00
Check #:	
Check #:	
SUBTOTAL	300.00
TOTAL DUE	\$ 0

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	38565 154th ST E
	Legal Description	TRACT NO 29071 LOT 268
	City	PALMDALE
	County	LOS ANGELES
	State	CA
	Zip Code	93591
	Census Tract	9001.01
Map Reference	4199-D7	
SALES PRICE	Sale Price	\$ REFINANCE
	Date of Sale	N/A
CLIENT	Borrower/Client	URZUA/SANTIAGO
	Lender	FHL CORP.-HARD MONEY LOANS
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	1,134
	Price per Square Foot	\$ N/A
	Location	RURAL
	Age	25 YEARS
	Condition	AVERAGE
	Total Rooms	5
	Bedrooms	3
Baths	2	
APPRAISER	Appraiser	DARIAN ROBINSON
	Date of Appraised Value	01/04/2010
VALUE	Opinion of Value	\$ 72,500

Uniform Residential Appraisal Report

URZUA
File # 1384VR

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

SUBJECT

Property Address 38565 154th ST E	City PALMDALE	State CA	Zip Code 93591
Borrower URZUA/SANTIAGO	Owner of Public Record URZUA/SANTIAGO	County LOS ANGELES	
Legal Description TRACT NO 29071 LOT 268			
Assessor's Parcel # 3029-022-023	Tax Year 2009	R.E. Taxes \$ 1,296	
Neighborhood Name N/A	Map Reference 4199-D7	Census Tract 9001.01	
Occupant <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$ N/A	<input type="checkbox"/> PUD	HOA \$ N/A <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input checked="" type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client FHL CORP.-HARD MONEY LOANS Address 5540 RUFFIN RD, SAN DIEGO, CA 92123			
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s). DATAQUICK, REALIST, TITLE, ASSESSOR AND MULTIPLE LISTING SERVICE.			
NO 12 MONTH LISTING HISTORY NOTED FOR THE SUBJECT PROPERTY.			

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. REFINANCE, SALES CONTRACT NOT APPLICABLE.

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

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 type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining	PRICE	AGE	One-Unit	35 %		
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	%		
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	40	Low 15	Multi-Family	%		
Neighborhood Boundaries ARE AVENUE O NORTH, PALMDALE BLVD SOUTH, 170th ST EAST AND 145th ST WEST.		125	High 35	Commercial	1 %		
		75	Pred. 25	Other	64 vac %		

Neighborhood Description SUBJECT IN RURAL AREA WITH FAIR PROXIMITY TO EMPLOYMENT, MAJOR SERVICES & PLACES OF WORSHIP. NO APPARENT ADVERSE CONDITIONS NOTED THAT AFFECTS MARKET VALUE. LOCATED IN A CONFORMING NEIGHBORHOOD WITH AVERAGE EXTERIOR MAINTENANCE LEVELS. MAJOR CROSS STREETS ARE PALMDALE BLVD & 150th STREET.

Market Conditions (including support for the above conclusions) VALUES DECREASING DUE TO TIGHTENING OF FINANCING GUIDELINES, FORECLOSURES, REO & SHORT SALES. RATES ARE FAVORABLE AND FINANCING CONCESSIONS ARE PREVELANT. AVERAGE MARKETING TIME OF SIMILAR PROPERTIES ARE UNDER 3 MONTHS W/ SOME EXCEPTIONS DUE TO CURRENT MARKET.

Dimensions SEE PLAT MAP Area 39,400+-SQFT Shape RECTANGULAR View MTN VIEW

Specific Zoning Classification LCRA40000 Zoning Description RURAL AGRICULTURAL, SINGLE FAMILY RESIDENCE

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

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

SITE

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 type="checkbox"/>	Alley NONE	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X		FEMA Map # 060370 / 0750 F	FEMA Map Date 09/26/2008		
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe							
LAND RECORDS WERE NOT AVAILABLE AT THE TIME OF THIS APPRAISAL AND CAN ONLY DISCLOSE APPARENT EASEMENTS AND ENCROACHMENTS. THE SITE IS TYPICAL FOR THIS AREA WITH TYPICAL UTILITY EASEMENTS. NO APPARENT ENCROACHMENTS OR ADVERSE SITE CONDITIONS NOTED.							

IMPROVEMENTS

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	CONCRETE/AVG	Floors	CPT/NEW TILE/GD
# of Stories ONE	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	STUCCO/AVG	Walls	DRYWALL/AVG
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area N/A sq.ft.	Roof Surface	COMP/AVG	Trim/Finish	WOOD/AVG
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish N/A %	Gutters & Downspouts	ALUM/AVG	Bath Floor	TILE/GD
Design (Style) CONVENTIONAL	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	ALUM/AVG	Bath Wainscot	CERAMIC/AVG
Year Built 1984	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	NONE	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 20	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	ALUM/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 CHN LINK	<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 PATIO	<input checked="" type="checkbox"/> Porch CVRD	<input type="checkbox"/> Carport	# of Cars NONE
<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 Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)

Finished area above grade contains: 5 Rooms 3 Bedrooms 2 Bath(s) 1,134 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.). DETACHED S.F.R. WITH PERIMETER FENCING, SEPTIC TANK, ROLL-UP GARAGE DOOR, SECURITY DOOR, HOME SEC. SYSTEM, CEILING FANS, CENTRAL AIR & HEAT, FIREPLACE & SOME TREES.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). NORMAL WEAR & TEAR NOTED TYPICAL OF PROPERTIES THIS AGE. SUBJECT RATED IN OVERALL AVERAGE CONDITION WITH SOME FRESH EXTERIOR TOUCH UP PAINT, SOME UPDATED CHAIN LINK FENCING, SOME ROOFING UPDATES & NEW CARPET. SUBJECT HAS NO APPARENT SIGNS OF MAJOR NEEDED REPAIR AND NO SIGNS OF ADDITIONS. ALL MECHANICAL, PLUMBING & ELECTRICAL SYSTEMS APPEAR TO BE IN PROPER WORKING CONDITION AT THE TIME OF THE APPRAISAL INSPECTION.

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

NO DEFICIENCIES NOTED.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

THE SUBJECT IS CONFORMING TO THE NEIGHBORHOOD WITH TYPICAL UTILITY, DESIGN, USAGE AND AVERAGE TO GOOD EXTERIOR MAINTENANCE LEVELS AND QUALITY OF CONSTRUCTION.

Uniform Residential Appraisal Report

URZUA
File # 1384VR

There are 5+- comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 50,000 to \$ 75,000 .

There are 10+- comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 40,000 to \$ 125,000 .

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address	38565 154th ST E PALMDALE, CA 93591	15145 E. AVENUE Q7 PALMDALE, CA 93591			15131 E. AVENUE Q7 PALMDALE, CA 93591			38505 151st ST E PALMDALE, CA 93591		
Proximity to Subject		0.30 miles SW			0.31 miles SW			0.33 miles SW		
Sale Price	\$ REFINANCE	\$ 70,000			\$ 75,000			\$ 42,500		
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 68.29 sq.ft.			\$ 57.69 sq.ft.			\$ 37.18 sq.ft.		
Data Source(s)		DOC#09-1807253			DOC#09-1553231			DOC#09- 1575455		
Verification Source(s)		REALIST/TITLE/ASSESSOR			REALIST/TITLE/ML# P679382			REALIST/TITLE/ML# F1751152		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sales or Financing Concessions		BANK OWNED 44 MKT DAYS		BANK OWNED 104 MKT DAYS		BANK OWNED 28 MKT DAYS		BANK OWNED 28 MKT DAYS		
Date of Sale/Time		12/01/2009			10/14/2009			10/19/2009		
Location	RURAL	SIMILAR			SIMILAR			SIMILAR		
Leasehold/Fee Simple	FEE SIMPLE	SIMILAR			SIMILAR			SIMILAR		
Site	39,400+-SQFT	39,400+-SQFT			39,400+-SQFT			44,298+-SQFT -2,500		
View	HILLS VIEW	SIMILAR			SIMILAR			SIMILAR		
Design (Style)	CONVENTIONA	CONVENTIONA			CONVENTIONA			CONVENTIONA		
Quality of Construction	AVERAGE	AVERAGE			AVERAGE			AVERAGE		
Actual Age	25 YEARS	26 YEARS			28 YEARS			32 YEARS		
Condition	AVERAGE	AVERAGE			AVERAGE			AVERAGE		
Above Grade Room Count	Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
	5 3 2	5 3 2			6 3 2			5 3 2		
Gross Living Area	1,134 sq.ft.	1,025 sq.ft. +1,600			1,300 sq.ft. -2,500			1,143 sq.ft.		
Basement & Finished Rooms Below Grade	N/A	N/A			N/A			N/A		
Functional Utility	AVERAGE	AVERAGE			AVERAGE			AVERAGE		
Heating/Cooling	FAU/CAC	SIMILAR			SIMILAR			SIMILAR		
Energy Efficient Items	STANDARD	STANDARD			STANDARD			STANDARD		
Garage/Carport	2 CAR GAR	2 CAR GARAG			2 CAR GAR			2 CAR GAR		
Porch/Patio/Deck	PATIO/PORCH	SIMILAR			SIMILAR			SIMILAR		
Fireplaces	1 FP	1 FP			1 FP			1 FP		
Pool/Spa/BBQ	NONE	NONE			NONE			NONE		
Parcel Number	3029-022-023	3029-021-004			3029-021-006			3029-002-022		
Net Adjustment (Total)		⊗ + ⊠ - \$ 1,600			⊠ + ⊗ - \$ -2,500			⊠ + ⊗ - \$ -2,500		
Adjusted Sale Price of Comparables		Net Adj. 2.3 % Gross Adj. 2.3 % \$ 71,600			Net Adj. 3.3 % Gross Adj. 3.3 % \$ 72,500			Net Adj. 5.9 % Gross Adj. 5.9 % \$ 40,000		

SALES COMPARISON APPROACH

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) DTQ/REALIST/TITLE

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) DTQ/REALIST/TITLE

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	12/11/2009	08/05/2009			04/07/2009			06/26/2009		
Price of Prior Sale/Transfer	\$UNK	\$138,440			\$65,450			\$159,570		
Data Source(s)	DOC#1884174	DOC#1194547			DOC#494749			DOC#964371		
Effective Date of Data Source(s)	12/30/2009	12/30/2009			12/30/2009			12/30/2009		

Analysis of prior sale or transfer history of the subject property and comparable sales THE SUBJECT PROPERTY HAS NOT LISTED WITHIN THE PAST 12 MONTHS, THOUGH HAS TRANSFERRED WITHIN THE LAST 3 YEARS FROM THE EFFECTIVE DATE OF THIS REPORT. LAST TRANSFERS ARE: 12/11/2009- \$UNK- DOC#1884174- GRANT DEED; 05/28/2008- \$84,000- DOC#935694- GRANT DEED; 11/02/2007- #206,975- DOC#2473570- TRUSTEES DEED. COMPARABLES 1, 2, 3, 4 & 5 TRANSFERRED WITHIN 1 YEAR OF THEIR PRIOR SALES.

Summary of Sales Comparison Approach DISTRESSED SALES DOMINATE THIS MARKET AREA & MAKE UP OVER 95% OF SALES IN THE CURRENT MARKET CONTRIBUTING TO DECREASED PROPERTY VALUES BY BEING SOLD AT REDUCED PRICES FOR QUICKER SALES. COMPS 1 - 5 ARE BANK OWNED SALES, COMP 6 IS A SHORT SALE. COMPS 1-4 ARE CLOSED, RECORDED, ARMS LENGTH TRANSACTIONS. COMPS 5 IS CURRENTLY PENDING & COMP 6 IS CURRENTLY ACTIVE, BOTH COMPS DO NOT WARRANT MARKET ADJUSTMENT BASED ON AREA SALES TO LISTING RATIOS. LITTLE WIEGHT GIVEN TO COMP 3 DUE TO PROBATE/BANK OWNED SALE, COMP 5 APPEARS SLIGHTY INFERIOR TO THE SUBJECT IN CONDITION PER MLS DATA & CURBSIDE INSPECTION. ALL COMPS ARE SIMILAR IN LOCATION, CONSTRUCTION & APPEAL. ALL SALES ARE WEIGHED EQUALLY AFTER ADJUSTMENTS, WITH THE VALUE ASSIGNED BRACKETED AND PLACED IN RANGE OF THE SALES PRESENTED.

Indicated Value by Sales Comparison Approach \$ 72,500

Indicated Value by: Sales Comparison Approach \$ 72,500 Cost Approach (if developed) \$ 72,621 Income Approach (if developed) \$ N/A

BOTH COST AND MARKET DATA APPROACH TO VALUE WERE EMPLOYED IN THIS APPRAISAL. MARKET DATA APPROACH IS CONSIDERED THE BEST INDICATOR OF VALUE, AS IT TYPICALLY REFLECTS THE ATTITUDE OF BUYER AND SELLER. INCOME APPROACH IS NOT PREVALENT FOR THIS TYPE OF PROPERTY.

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 \$ 72,500 , as of 01/04/2010 , which is the date of inspection and the effective date of this appraisal.

RECONCILIATION

Uniform Residential Appraisal Report

URZUA
File # 1384VR

DATE OF SALE ADJUSTMENTS NOT WARRANTED DUE TO ALL SALES NOT EXCEEDING 3 MONTHS FROM THE EFFECTIVE DATE OF THIS REPORT AND APPEAR TO REFLECT THE SUBJECTS CURRENT MARKET AREA CONDITIONS. DUE TO LIMITED AVAILABLE COMPARABLES SIMILAR TO THE SUBJECT SOME NET & GROSS PERCENTAGE ADJUSTMENTS GUIDELINES MAYBE EXCEEDED. THIS HAS NO NEGATIVE AFFECT ON THE VALIDITY OF THE COMPARABLES ADJUSTED SALES PRICE.

ADJUSTMENTS: GROSS LIVING AREA DIFFERENCES OVER 100 SQFT ADJUSTED BY \$15 PER SQFT, LOT SIZE DIFFERENCES OVER 2000 SQFT ADJUSTED BY \$0.50 PER SQFT, INGROUND SWIMMING POOLS ADJUSTED BY \$25,000, INGROUND SPA BY \$5,000. ALL COMPS PRESENTED ARE SIMILAR IN GARAGE, BEDROOM & BATH COUNT, NO ADJUSTMENTS WERE WARRANTED. THESE ADJUSTMENTS REFLECT CURRENT MARKET AREA REACTIONS.

THE INTENDED USER FOR THIS REPORT IS LENDER/CLIENT.

ADDITIONAL COMMENTS

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) **LAND TO VALUE RATIO IS TYPICAL OF THIS AREA DUE TO LACK OF AVAILABILITY OF BUILDABLE VACANT SITES. LAND VALUE IS CALCULATED BY THE ABSTRACTION METHOD.**

COST APPROACH

ESTIMATED <input checked="" type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE			=\$ 22,000
Source of cost data MARSHALL & SWIFT COST ESTIMATOR	DWELLING	1,134 Sq.Ft. @ \$ 52.00	= \$	58,968
Quality rating from cost service 6 Effective date of cost data 04/23/2009		N/A Sq.Ft. @ \$	= \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			= \$	
REPRODUCTION COST ARE BASED ON MARSHALL AND SWIFT COST ESTIMATOR. THE REMAINING ECONOMIC LIFE OF THE SUBJECT IS 40 TO 45 YEARS BASED ON THE AGE/LIFE METHOD.	Garage/Carport	462 Sq.Ft. @ \$ 15.00	= \$	6,930
	Total Estimate of Cost-New			= \$ 65,898
	Less	Physical	Functional	External
	Depreciation	20,277		= \$(20,277)
	Depreciated Cost of Improvements			= \$ 45,621
	"As-is" Value of Site Improvements			= \$ 5,000
Estimated Remaining Economic Life (HUD and VA only) 45 Years	INDICATED VALUE BY COST APPROACH			= \$ 72,621

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ **N/A** X Gross Rent Multiplier **N/A** = \$ **Indicated Value by Income Approach**
 Summary of Income Approach (including support for market rent and GRM) **N/A**

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 **NOT APPLICABLE**

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.

Does the project contain any multi-dwelling units? Yes No Data Source

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.

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

Describe common elements and recreational facilities.

Uniform Residential Appraisal Report

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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 the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

URZUA
File # 1384VR

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

URZUA
File # 1384VR

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 DARIAN ROBINSON

Signature 
 Name DARIAN ROBINSON
 Company Name APPRAISAL REAL ESTATE CENTER
 Company Address 18553 ARDENWOOD LANE RIVERSIDE, CA
92508
 Telephone Number (909) 214-1287
 Email Address APPRAISALCNTR@YAHOO.COM
 Date of Signature and Report 01/06/2010
 Effective Date of Appraisal 01/04/2010
 State Certification # AR032786
 or State License # _____
 or Other (describe) _____ State # _____
 State CA
 Expiration Date of Certification or License 01/06/2010

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 _____

ADDRESS OF PROPERTY APPRAISED
38565 154th ST E
PALMDALE, CA 93591
APPRAISED VALUE OF SUBJECT PROPERTY \$ 72,500
LENDER/CLIENT
 Name _____
 Company Name FHL CORP.-HARD MONEY LOANS
 Company Address 5540 RUFFIN RD, SAN DIEGO, CA 92123
 Email Address _____

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

URZUA
File # 1384VR

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	38565 154th ST E PALMDALE, CA 93591	16104 CHUKA AVE PALMDALE, CA 93591			38601 152nd ST PALMDALE, CA 93591			15155 E. AVENUE Q7 PALMDALE, CA 93591		
Proximity to Subject		0.77 miles NE			0.16 miles NW			0.29 miles SW		
Sale Price	\$ REFINANCE	\$ 125,000			\$ 57,900			\$ 75,000		
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 76.13 sq.ft.			\$ 56.49 sq.ft.			\$ 66.14 sq.ft.		
Data Source(s)		DOC#09-1819574			ORG. LP: \$57,900			ORG. LP: \$75,000		
Verification Source(s)		REALIST/TITLE/ASSESSOR			REALIST/TITLE/ML# I09129753			REALIST/TITLE/ML# F1815266		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sales or Financing Concessions		BANK OWNED 43 MKT DAYS		BANK OWNED 12 MKT DAYS		SHORT SALE 84 MKT DAYS				
Date of Sale/Time		12/02/2009			PENDING			ACTIVE		
Location	RURAL	SIMILAR			SIMILAR			SIMILAR		
Leasehold/Fee Simple	FEE SIMPLE	SIMILAR			SIMILAR			SIMILAR		
Site	39,400+-SQFT	25,228+-SQFT	+7,100	39,400+-SQFT		39,395+-SQFT				
View	HILLS VIEW	SIMILAR			SIMILAR			SIMILAR		
Design (Style)	CONVENTIONA	CONVENTIONA			CONVENTIONA			CONVENTIONA		
Quality of Construction	AVERAGE	AVERAGE			AVERAGE			AVERAGE		
Actual Age	25 YEARS	25 YEARS			25 YEARS			25 YEARS		
Condition	AVERAGE	AVERAGE			INFERIOR			+8,000 AVERAGE		
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		
Room Count	5 3 2	7 3 2		5 3 2		5 3 2		5 3 2		
Gross Living Area	1,134 sq.ft.	1,642 sq.ft.	-7,600	1,025 sq.ft.	+1,600	1,134 sq.ft.				
Basement & Finished Rooms Below Grade	N/A	N/A			N/A			N/A		
Functional Utility	AVERAGE	AVERAGE			AVERAGE			AVERAGE		
Heating/Cooling	FAU/CAC	SIMILAR			SIMILAR			SIMILAR		
Energy Efficient Items	STANDARD	STANDARD			STANDARD			STANDARD		
Garage/Carport	2 CAR GAR	2 CAR GAR			2 CAR GAR			2 CAR GAR		
Porch/Patio/Deck	PATIO/PORCH	SIMILAR			SIMILAR			SIMILAR		
Fireplaces	1 FP	1 FP			1 FP			1 FP		
Pool/Spa/BBQ	NONE	POOL/SPA			-30,000 NONE			NONE		
Parcel Number	3029-022-023	3074-009-013			3029-021-027			3029-021-003		
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -30,500			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 9,600			<input type="checkbox"/> + <input type="checkbox"/> - \$		
Adjusted Sale Price of Comparables		Net Adj. 24.4 % Gross Adj. 35.8 % \$ 94,500			Net Adj. 16.6 % Gross Adj. 16.6 % \$ 67,500			Net Adj. % Gross Adj. % \$ 75,000		
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	12/11/2009	06/22/2009			10/28/2009			NO TRANSFERS		
Price of Prior Sale/Transfer	\$UNK	\$231,410			\$63,000			NONE		
Data Source(s)	DOC#1884174	DOC#930547			DOC#1627418			DTQ/REALIST/MLS		
Effective Date of Data Source(s)	12/30/2009	12/30/2009			12/30/2009			12/30/2009		
Analysis of prior sale or transfer history of the subject property and comparable sales COMPARABLES 4 AND 5 HAVE TRANSFERRED WITHIN 1 YEAR OF THEIR LAST SALES.										
Analysis/Comments PENDING AND ACTIVE COMPARABLES 5 & 6 DUE NO WARRANT MARKET ADJUSTMENTS BASED ON AREA SALES TO LISTING RATIOS.										

SALES COMPARISON APPROACH

SALE HISTORY

ANALYSIS / COMMENTS

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 considers his 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 judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following 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. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report 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 the appraisal report whether 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.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, 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 normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. 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, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. 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 completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

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


- 1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
- 2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
- 3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
- 4. I have no present or prospective interest in the property that is the subject to 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 the estimate of market value in the appraisal report on the race, color, religion, sex, 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.
- 5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
- 6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
- 7. I performed this appraisal in conformity 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 as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
- 8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
- 9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of 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 the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 38565 154th ST E, PALMDALE, CA 93591

APPRAISER:

SUPERVISORY APPRAISER (only if required):

Signature: 
 Name: DARIAN ROBINSON
 Date Signed: 01/06/2010
 State Certification #: AR032786
 or State License #: _____
 State: CA
 Expiration Date of Certification or License: 01/06/2010

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

Market Conditions Addendum to the Appraisal Report

URZUA

File No. 1384VR

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 **38565 154th ST E** City **PALMDALE** State **CA** ZIP Code **93591**

Borrower **URZUA/SANTIAGO**

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)	3	3	4	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.5	1.0	1.3	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	8	4	5	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	16.0	4.0	3.8	<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	90	80	75	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Median Comparable Sales Days on Market	80	60	40	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	100	85	75	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Median Comparable Listings Days on Market	80	60	40	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	90%	95%	100%	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input 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.). **MOSTLY CLOSING COST CONTRIBUTION FROM SELLERS OF BANK OWNED PROPERTIES UPTO 3% OF THE SALES PRICE. NO SELLER CONCESSIONS NOTED THAT GREATLY IMPACT PURCHASE PRICES FOR THIS AREA.**

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

MARKET AREA CONSIST OF MOSTLY CONVENTIONAL SALES HOWEVER, SHORT SALES AND BANK OWNED SALES DOMINATE THE MARKET. MOST SHORT SALES ARE PRE-FORECLOSURES AND RE-LISTED AS BANK OWNED PROPERTY AT LESSER SALES PRICE IF SHORT SALE WAS UNSUCCESSFUL. MARKET AREA CURRENTLY NOT DOMINATED BY BANK OWNED PROPERTIES AS SHOWN IN THE SALES MARKET GRID OF THIS REPORT.

Cite data sources for above information. **MUTLIPLE LISTING SERVICE (MLS)**

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 SUBJECTS MARKET VALUES ARE DECREASING DUE TO FORECLOSURE, BANK OWNED & SHORT SALES. RATES ARE FAVORABLE AND FINANCING CONCESSIONS ARE PREVALENT. AVERAGE MARKETING TIME OF SIMILAR PROPERTIES ARE UNDER 3 MONTHS WITH SOME EXCEPTIONS DUE TO THE CURRENT MARKET. ANALYSIS DONE WITH ACTIVE, PENDING AND CLOSED SALES ONLY. WITHDRAWN AND EXPIRED LISTING WERE NOT UTILIZED IN THIS MARKET RESEARCH. HOMES LISTED IN THE APPROPRIATE PRICE RANGE ARE SELLING UNDER THEIR LISTING PRICES AND ARE REFLECTED AS SO IN THE SALES TO LISTING RATIOS GRID. OVERALL TREND SHOWS THIS MARKET AREA IS DECLINING IN PROPERTY VALUES.

If the subject is a unit in a condominium or cooperative project, complete the following: **N/A** Project Name: **N/A**

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 Housing 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. **N/A**

Summarize the above trends and address the impact on the subject unit and project. **N/A**

Signature 
 Appraiser Name **DARIAN ROBINSON**
 Company Name **APPRAISAL REAL ESTATE CENTER**
 Company Address **18553 ARDENWOOD LANE RIVERSIDE, CA 92501**
 State License/Certification # **AR032786** State **CA**
 Email Address **APPRAISALCNTR@YAHOO.COM**

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

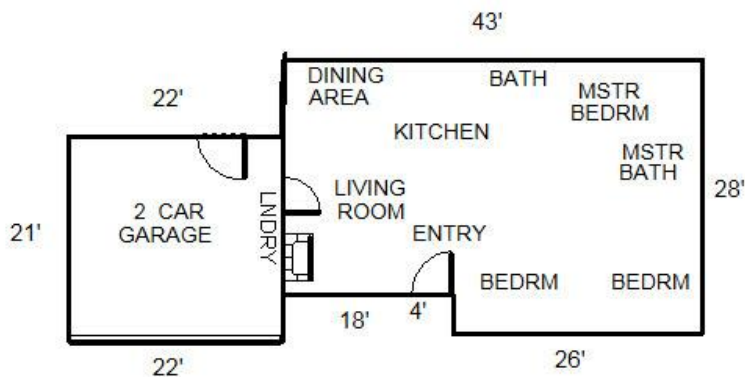
MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

Building Sketch

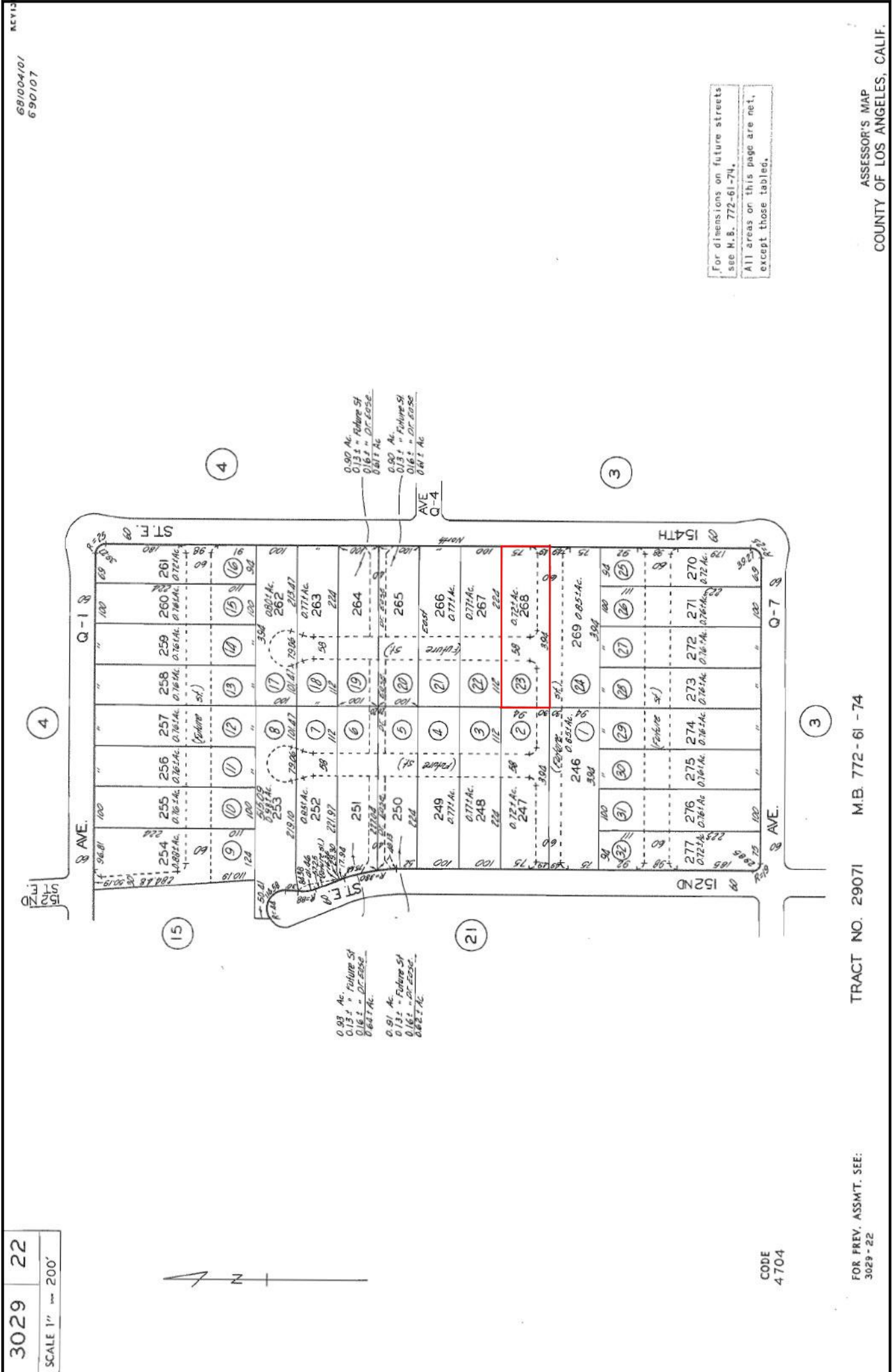
Borrower/Client	URZUA/SANTIAGO			
Property Address	38565 154th ST E			
City	PALMDALE	County	LOS ANGELES	State CA Zip Code 93591
Lender	FHL CORP.-HARD MONEY LOANS			



SKETCH CALCULATIONS		Area
Living Area		
First Floor		1134.0
	Total Living Area	1134.0
Garage Area		
Attached Garage		462.0
	Total Garage Area	462.0

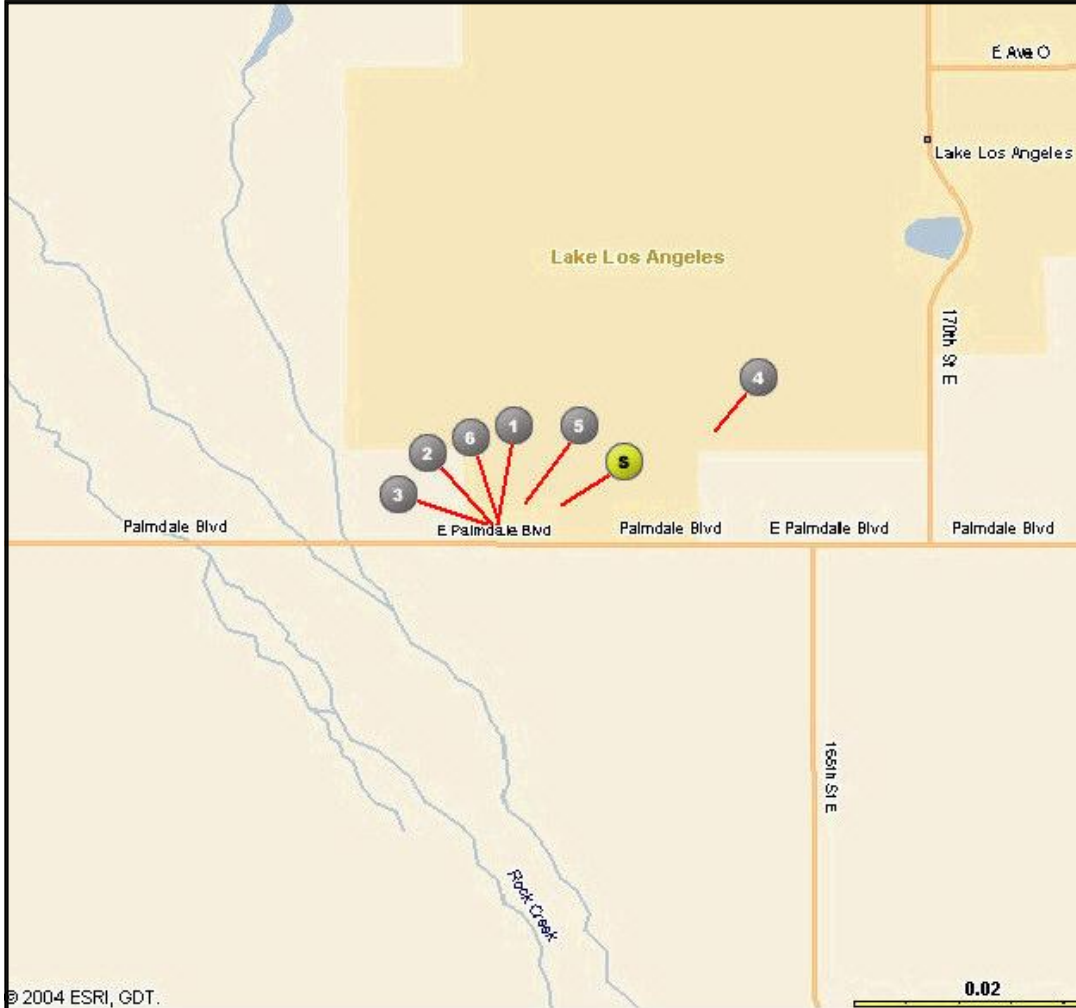
Plat Map

Borrower/Client	URZUA/SANTIAGO		
Property Address	38565 154th ST E		
City	PALMDALE	County	LOS ANGELES
Lender	FHL CORP.-HARD MONEY LOANS	State	CA
		Zip Code	93591



Location Map

Borrower/Client	URZUA/SANTIAGO			
Property Address	38565 154th ST E			
City	PALMDALE	County	LOS ANGELES	State CA Zip Code 93591
Lender	FHL CORP.-HARD MONEY LOANS			



NEIGHBORHOOD MAP



Subject Photo Page

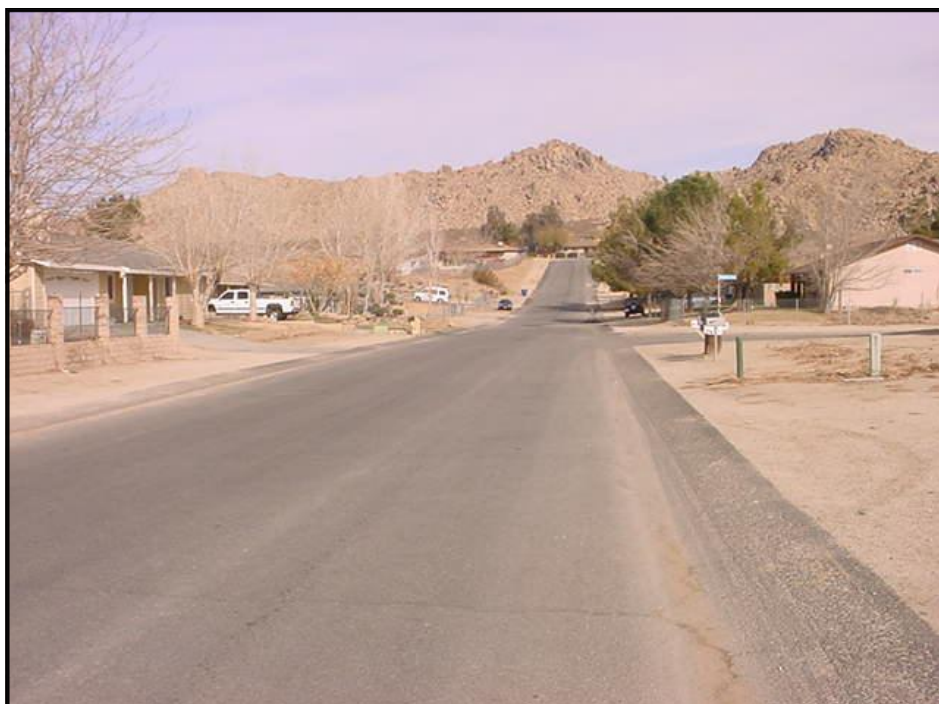
Borrower/Client	URZUA/SANTIAGO						
Property Address	38565 154th ST E						
City	PALMDALE	County	LOS ANGELES	State	CA	Zip Code	93591
Lender	FHL CORP.-HARD MONEY LOANS						



Subject Front



Subject Rear



Subject Street

Comparable Photo Page

Borrower/Client	URZUA/SANTIAGO			
Property Address	38565 154th ST E			
City	PALMDALE	County	LOS ANGELES	State CA Zip Code 93591
Lender	FHL CORP.-HARD MONEY LOANS			



Comparable 1

15145 E. AVENUE Q7
 Prox. to Subject 0.30 miles SW
 Sales Price 70,000
 Gross Living Area 1,025
 Total Rooms 5
 Total Bedrooms 3
 Total Bathrooms 2
 Location SIMILAR
 View SIMILAR
 Site 39,400+-SQFT
 Quality AVERAGE
 Age 26 YEARS



Comparable 2

15131 E. AVENUE Q7
 Prox. to Subject 0.31 miles SW
 Sales Price 75,000
 Gross Living Area 1,300
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2
 Location SIMILAR
 View SIMILAR
 Site 39,400+-SQFT
 Quality AVERAGE
 Age 28 YEARS



Comparable 3

38505 151st ST E
 Prox. to Subject 0.33 miles SW
 Sales Price 42,500
 Gross Living Area 1,143
 Total Rooms 5
 Total Bedrooms 3
 Total Bathrooms 2
 Location SIMILAR
 View SIMILAR
 Site 44,298+-SQFT
 Quality AVERAGE
 Age 32 YEARS

Comparable Photo Page

Borrower/Client	URZUA/SANTIAGO			
Property Address	38565 154th ST E			
City	PALMDALE	County	LOS ANGELES	State CA Zip Code 93591
Lender	FHL CORP.-HARD MONEY LOANS			

**Comparable 4**

16104 CHUKA AVE	
Prox. to Subject	0.77 miles NE
Sales Price	125,000
Gross Living Area	1,642
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2
Location	SIMILAR
View	SIMILAR
Site	25,228+-SQFT
Quality	AVERAGE
Age	25 YEARS

**Comparable 5**

38601 152nd ST	
Prox. to Subject	0.16 miles NW
Sales Price	57,900
Gross Living Area	1,025
Total Rooms	5
Total Bedrooms	3
Total Bathrooms	2
Location	SIMILAR
View	SIMILAR
Site	39,400+-SQFT
Quality	AVERAGE
Age	25 YEARS

**Comparable 6**

15155 E. AVENUE Q7	
Prox. to Subject	0.29 miles SW
Sales Price	75,000
Gross Living Area	1,134
Total Rooms	5
Total Bedrooms	3
Total Bathrooms	2
Location	SIMILAR
View	SIMILAR
Site	39,395+-SQFT
Quality	AVERAGE
Age	25 YEARS

Subject Interior Photo Page

Borrower/Client	URZUA/SANTIAGO						
Property Address	38565 154th ST E						
City	PALMDALE	County	LOS ANGELES	State	CA	Zip Code	93591
Lender	FHL CORP.-HARD MONEY LOANS						



Subject Kitchen



Subject Living Room



Subject Bath

Photograph Addendum

Borrower/Client	URZUA/SANTIAGO						
Property Address	38565 154th ST E						
City	PALMDALE	County	LOS ANGELES	State	CA	Zip Code	93591
Lender	FHL CORP.-HARD MONEY LOANS						



SUBJECT HILLS VIEW



SUBJECT REAR YARD VIEW



SUBJECT SIDE VIEW AND GAS METER

Photograph Addendum

Borrower/Client	URZUA/SANTIAGO						
Property Address	38565 154th ST E						
City	PALMDALE	County	LOS ANGELES	State	CA	Zip Code	93591
Lender	FHL CORP.-HARD MONEY LOANS						



SUBJECT WATER HEATER



SUBJECT ELECTRICAL PANEL



SUBJECT SEPTIC DRAINAGE

STATE OF CALIFORNIA

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

OREA APPRAISER IDENTIFICATION NUMBER

AR032786

DARIAN G. ROBINSON

has successfully met the requirements for a license as a residential real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified Residential Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OFFICE OF REAL ESTATE APPRAISERS

Anthony F. Majorski

Date Issued: January 7, 2008

Date Expires: January 6, 2010

Audit No. 102299



THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "SAFE" AND "VERIFY FIRST"



GENERAL STAR NATIONAL INSURANCE COMPANY
 Financial Centre
 P.O. Box 10360
 Stamford, Connecticut 06904-2360

REAL ESTATE APPRAISERS ERRORS & OMISSIONS INSURANCE POLICY

DECLARATIONS PAGE

This is a claims made and reported policy. Please read this policy and all endorsements and attachments carefully.

Policy Number: NJA991875D

Renewal of Number: NJA991875C

1. **NAMED INSURED:** Darian Robinson
STREET ADDRESS: 18553 Ardenwood Ln
 Riverside, CA 92508

2. **POLICY PERIOD:** Inception Date: 04/06/2009 Expiration Date: 04/06/2010
 Effective 12:01 a.m. Standard Time at the address of the Named Insured.

3. **LIMIT OF LIABILITY:**
 Each Claim: \$ 1,000,000
 Aggregate: \$ 2,000,000
Claim Expenses have a separate Limit of Liability:
 Each Claim: \$ 1,000,000
 Aggregate: \$ 2,000,000

4. **DEDUCTIBLE:** Each Claim: \$500.00 Aggregate: \$1,000.00

5. **RETROACTIVE DATE:** 04/06/2005

If a date is indicated, this policy will not provide coverage for any **Claim** arising out of any act, error, omission or personal injury which occurred before such date.

6. **ANNUAL PREMIUM:** \$ 733.00

7. **ENDORSEMENTS:**
 This policy is made and accepted subject to the printed policy form together with the following form(s) or endorsement(s).

GSN-07-AP-122(07/2007)

GSN-07-AP-375 (10/2007) GSN-07-AP-201 (06/2007)

8. **MANAGING AGENT**
 Herbert H. Landy Insurance Agency, Inc.
 75 Second Avenue, Suite 410

Needham, Massachusetts 02494-2876

Authorized Representative

GSN-07-AP-720 (06/2007)
 Producer Code: 00026230
 Date: 04/03/2009

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Class Code: 73128
 SLA#:

Page 1 of 1