

Uniform Residential Appraisal Report

File # 06609

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 6738 Colleen Lane City San Bernardino State Ca Zip Code 92407
 Borrower H & S Holdings Owner of Public Record Schmidt County Los Angeles
 Legal Description Lot 20 Tract 13630
 Assessor's Parcel # 0261-651-20-0-000 Tax Year 2009 R.E. Taxes \$ 4,645.95
 Neighborhood Name N/A Map Reference 545-H-1 Census Tract 45.03
 Occupant Owner Tenant Vacant Special Assessments \$ 0.00 PUD HOA \$ N/A per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe)
 Lender/Client H & S Holdings Address
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). Data Quick & MLS

CONTRACT

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
 Contract Price \$ 300,000 Date of Contract 12-09 Is the property seller the owner of public record? Yes No Data Source(s) Dataquick/Title Co.
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid.

NEIGHBORHOOD

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

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	85 %		
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	5 %		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	245	Low 2	Multi-Family	5 %		
Neighborhood Boundaries The city limits of San Bernardino are considered to be the neighborhood boundaries.		325	High 45	Commercial	5 %		
		290	Pred. 25	Other	%		

Neighborhood Description A residential neighborhood located in a suburban area, consisting of mostly single family homes constructed mostly from the 1980's to the present. Shopping and public transportation are located on Kendall Drive 7 blocks south of the subject. An elementary school is located within close proximity. Access to the 215 Freeway is located on Palm Avenue 8 blocks south of the subject.
 Market Conditions (including support for the above conclusions) According to the local board of realtors the average marketing time for homes in this area during the last twelve months has been 88 days. This includes properties in the subject neighborhood. Marketing conditions are considered average to good. The predominant occupancy is owner.

SITE

Dimensions Irregular Area 16,225 Sq.Ft. Shape Irregular View None
 Specific Zoning Classification R1 Zoning Description Single Family
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

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

 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone C FEMA Map # 0601370038C FEMA Map Date 12/2/1980
 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
 A fully serviced level interior site typical of area. No adverse conditions were observed at time of inspection.

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/Good	Floors	Crpt, Tile/Good
# of Stories One	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Stucco/Good	Walls	Drywall/Good
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 Shingle/Good	Trim/Finish	Wood/Good
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish N/A %	Gutters & Downspouts	None	Bath Floor	Vinyl/Good
Design (Style) Convntnl	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Dual Pane/Good	Bath Wainscot	Tile/Good
Year Built 2006	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 3	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Good	<input type="checkbox"/> Driveway	# of Cars
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 WallFrn Fuel	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input checked="" type="checkbox"/> Fence Wood	<input checked="" type="checkbox"/> Garage	# of Cars 3
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Cvr'd	<input checked="" type="checkbox"/> Porch Covered	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None	<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: 8 Rooms 3 Bedrooms 2.5 Bath(s) 2,402 Square Feet of Gross Living Area Above Grade
 Additional features (special energy efficient items, etc.). Recessed Lighting, Vaulted Cielings.
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). No physical or functional inadequacies were noted at the time of appraisal.
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

Uniform Residential Appraisal Report

File # 06609

There are 14 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 329,900 to \$ 369,500 .

There are 8 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 260,000 to \$ 329,000 .

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	6738 Colleen Lane San Bernardino, Ca 92407	6579 N. Jordan Lane San Bernardino		3366 W. Jeanette Avenue San Bernardino		6942 N. Melvin Drive San Bernardino	
Proximity to Subject		.22 miles		.11 miles		.78 miles	
Sale Price	\$ 300,000	\$ 295,000		\$ 275,000		\$ 295,000	
Sale Price/Gross Liv. Area	\$ 124.90 sq.ft.	\$ 120.51 sq.ft.		\$ 112.34 sq.ft.		\$ 108.82 sq.ft.	
Data Source(s)		Data Quick/Title Company		Data Quick/Title Company		Data Quick/Title Company	
Verification Source(s)		Doc#542576		Doc#529280		Doc#457492	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		None		None		None	
Date of Sale/Time		12-7-09/COE		11-25-09/COE		10-20-09/COE	
Location	Good	Similar		Similar		Similar	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	16,225 Sq.Ft.	10,800 Sq. Ft.		10,832 Sq. Ft.		10,890 Sq. Ft.	
View	None	None		None		None	
Design (Style)	Convntnl	Similar		Similar		Similar	
Quality of Construction	Good	Similar		Similar		Similar	
Actual Age	2006	2006		2005		2006	
Condition	Good	Similar		Similar		Similar	
Above Grade Room Count	Total Bdrms. Baths 8 3 2.5	Total Bdrms. Baths 8 4 2.5		Total Bdrms. Baths 8 4 2.5		Total Bdrms. Baths 9 3 2.5	-3,000
Gross Living Area	2,402 sq.ft.	2,448 sq.ft.		2,448 sq.ft.		2,711 sq.ft. -7,700	
Basement & Finished Rooms Below Grade	N/A	None		None		None	
Functional Utility	Good	Similar		Similar		Similar	
Heating/Cooling	FAU/Central	Similar		Similar		Similar	
Energy Efficient Items	None	None		None		None	
Garage/Carport	3 Car Garage	Similar		Similar		Similar	
Porch/Patio/Deck	Porch, Patio	Porch, Patio		Porch, Patio		Porch, Patio	
	None	None		None		None	
	None	None		None		None	
Net Adjustment (Total)		□ + □ - \$		□ + □ - \$		□ + □ - \$ -10,700	
Adjusted Sale Price of Comparables		Net Adj. % Gross Adj. % \$ 295,000		Net Adj. % Gross Adj. % \$ 275,000		Net Adj. 3.6 % Gross Adj. 3.6 % \$ 284,300	

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) Data Quick, Title Company

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) Data Quick, Title Company

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	None	None	None	None
Price of Prior Sale/Transfer				
Data Source(s)	DataQuick, Title Company	DataQuick, Title Company	Data Quick, Title Company	Dataquick, Title Company
Effective Date of Data Source(s)	2009	2009	2009	2009

Analysis of prior sale or transfer history of the subject property and comparable sales The subject property has not been listed for sale or sold within the last thirty six months from the date of the appraisal.

Summary of Sales Comparison Approach Sales Three, Four & Five are larger in room count and square footage. Sale Six is smaller in square footage. All sales were given similar consideration in the value estimate.

Indicated Value by Sales Comparison Approach \$ 285,000

Indicated Value by: Sales Comparison Approach \$ 285,000 Cost Approach (if developed) \$ 289,530 Income Approach (if developed) \$

Most weight was placed on the market data approach as it was considered the best indicator of value in the residential market. This appraisal is for use in a mortgage transaction only. This appraisal is not intended for any other use.

RECONCILIATION

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: No conditions.

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 \$ 285,000 , as of December 19, 2009 , which is the date of inspection and the effective date of this appraisal.

Uniform Residential Appraisal Report

File # 06609

ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD 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 checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE			= \$	50,000
Source of cost data Marshall & Swift Residential Cost Handbook	DWELLING	2,402 Sq.Ft. @ \$	89.56	= \$	215,123
Quality rating from cost service Good Effective date of cost data 2009		N/A Sq.Ft. @ \$		= \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Porch, Patio			= \$	8,942
See the attached addendum for calculations and building sketch. The site value estimate is derived by comparison. The site to improvement ratio is typical of the area. The remaining economic life of the area is 65 to 70 years old.	Garage/Carport	681 Sq.Ft. @ \$	18.45	= \$	12,564
	Total Estimate of Cost-New			= \$	236,629
	Less Physical	Functional	External		
	Depreciation	7,099		= \$(7,099)
	Depreciated Cost of Improvements			= \$	229,530
	"As-is" Value of Site Improvements			= \$	10,000
Estimated Remaining Economic Life (HUD and VA only) 70 Years	INDICATED VALUE BY COST APPROACH			= \$	289,530

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)

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 N/A Total number of units sold

Total number of units rented Total number of units for sale N/A 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. N/A

Uniform Residential Appraisal Report

File # 06609

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

File # 06609

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

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

File # 06609

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 
 Name David L. Johnson
 Company Name David L. Johnson Appraisals
 Company Address 6520 Platt Ave # 237 West Hills, Ca 91307
 Telephone Number _____
 Email Address _____
 Date of Signature and Report December 19, 2009
 Effective Date of Appraisal December 19, 2009
 State Certification # _____
 or State License # AL008801
 or Other (describe) _____ State # _____
 State Ca
 Expiration Date of Certification or License October 15, 2011

ADDRESS OF PROPERTY APPRAISED

6738 Colleen Lane
San Bernardino, Ca 92407

APPRAISED VALUE OF SUBJECT PROPERTY \$ 285,000

LENDER/CLIENT

Name _____
 Company Name H & S Holdings
 Company Address _____
 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

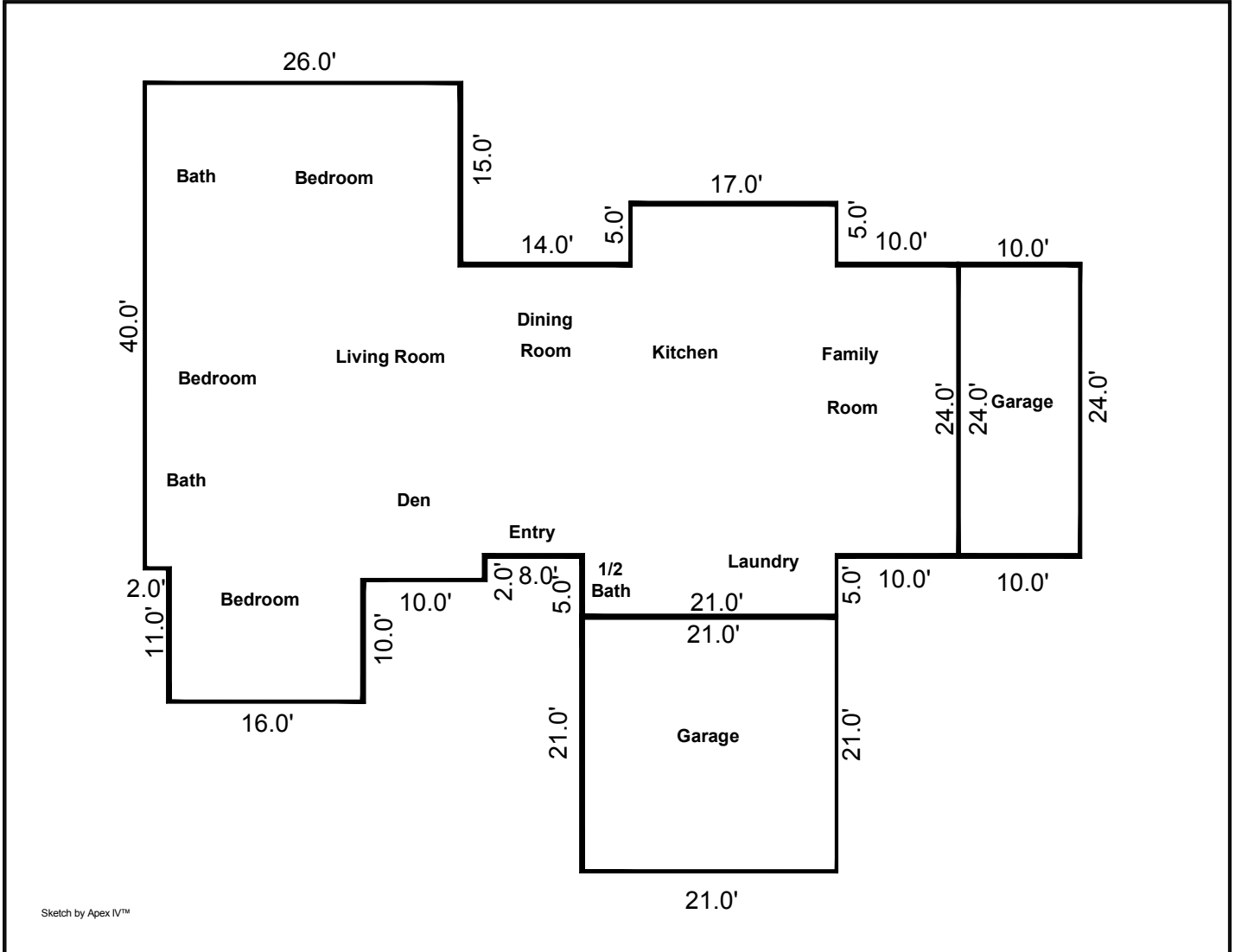
- Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

Building Sketch

Borrower/Client	H & S Holdings						
Property Address	6738 Colleen Lane						
City	San Bernardino	County	Los Angeles	State	Ca	Zip Code	92407
Lender	H & S Holdings						



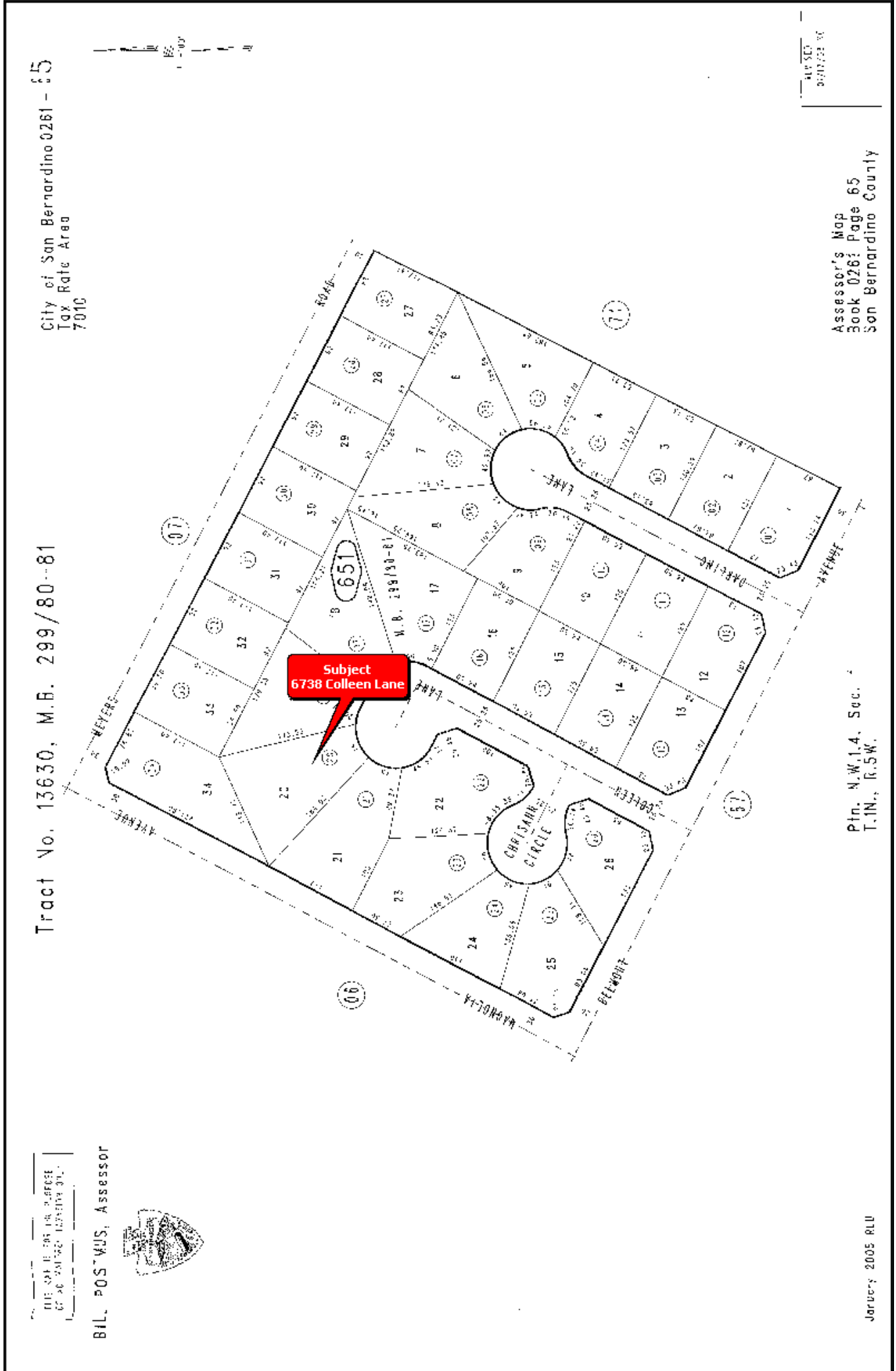
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	2402.0	2402.0
GAR	Garage	441.0	
	Garage	240.0	681.0
Net LIVABLE Area		(Rounded)	2402

LIVING AREA BREAKDOWN		
	Breakdown	Subtotals
First Floor		
	5.0 x 17.0	85.0
	5.0 x 21.0	105.0
	16.0 x 51.0	816.0
	2.0 x 40.0	80.0
	8.0 x 41.0	328.0
	2.0 x 26.0	52.0
	24.0 x 39.0	936.0
7 Items		(Rounded) 2402

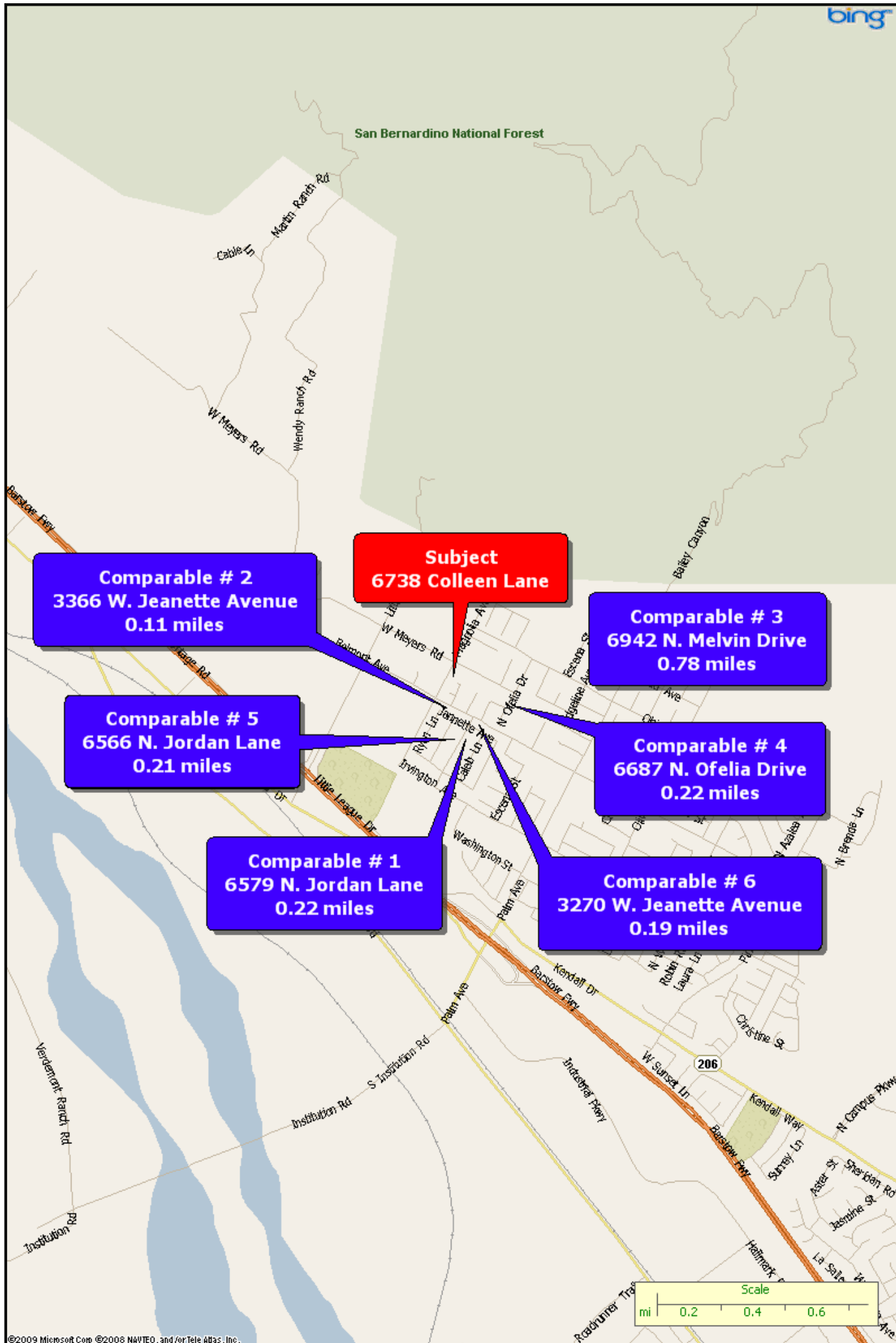
Plat Map

Borrower/Client	H & S Holdings			
Property Address	6738 Colleen Lane			
City	San Bernardino	County	Los Angeles	State Ca Zip Code 92407
Lender	H & S Holdings			



Location Map

Borrower/Client	H & S Holdings						
Property Address	6738 Colleen Lane						
City	San Bernardino	County	Los Angeles	State	Ca	Zip Code	92407
Lender	H & S Holdings						



©2009 Microsoft Corp. ©2008 NAVTEQ, and/or Tele Atlas, Inc.

Subject Photo Page

Borrower/Client	H & S Holdings				
Property Address	6738 Colleen Lane				
City	San Bernardino	County	Los Angeles	State	Ca Zip Code 92407
Lender	H & S Holdings				

**Subject Front**

6738 Colleen Lane
 Sales Price 300,000
 Gross Living Area 2,402
 Total Rooms 8
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location Good
 View None
 Site 16,225 Sq.Ft.
 Quality Good
 Age 2006

**Subject Rear****Subject Street**

Subject Photo Page

Borrower/Client	H & S Holdings				
Property Address	6738 Colleen Lane				
City	San Bernardino	County	Los Angeles	State	Ca Zip Code 92407
Lender	H & S Holdings				

**Kitchen**

6738 Colleen Lane	
Sales Price	300,000
Gross Living Area	2,402
Total Rooms	8
Total Bedrooms	3
Total Bathrooms	2.5
Location	Good
View	None
Site	16,225 Sq.Ft.
Quality	Good
Age	2006

**Bathroom****Pool & Spa**

Comparable Photo Page

Borrower/Client	H & S Holdings				
Property Address	6738 Colleen Lane				
City	San Bernardino	County	Los Angeles	State	Ca Zip Code 92407
Lender	H & S Holdings				

**Comparable 1**

6579 N. Jordan Lane
 Prox. to Subject .22 miles
 Sale Price 295,000
 Gross Living Area 2,448
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 2.5
 Location Similar
 View None
 Site 10,800 Sq. Ft.
 Quality Similar
 Age 2006

**Comparable 2**

3366 W. Jeanette Avenue
 Prox. to Subject .11 miles
 Sale Price 275,000
 Gross Living Area 2,448
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 2.5
 Location Similar
 View None
 Site 10,832 Sq. Ft.
 Quality Similar
 Age 2005

**Comparable 3**

6942 N. Melvin Drive
 Prox. to Subject .78 miles
 Sale Price 295,000
 Gross Living Area 2,711
 Total Rooms 9
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location Similar
 View None
 Site 10,890 Sq. Ft.
 Quality Similar
 Age 2006

Comparable Photo Page

Borrower/Client	H & S Holdings				
Property Address	6738 Colleen Lane				
City	San Bernardino	County	Los Angeles	State	Ca Zip Code 92407
Lender	H & S Holdings				

**Comparable 4**

6687 N. Ofelia Drive
 Prox. to Subject .22 miles
 Sale Price 280,000
 Gross Living Area 2,793
 Total Rooms 9
 Total Bedrooms 4
 Total Bathrooms 3.5
 Location Similar
 View None
 Site 11,586 Sq. Ft.
 Quality Similar
 Age 2007

**Comparable 5**

6566 N. Jordan Lane
 Prox. to Subject .21 miles
 Sale Price 287,000
 Gross Living Area 2,793
 Total Rooms 9
 Total Bedrooms 4
 Total Bathrooms 3.5
 Location Similar
 View None
 Site 10,915 Sq. Ft.
 Quality Similar
 Age 2006

**Comparable 6**

3270 W. Jeanette Avenue
 Prox. to Subject .19 miles
 Sale Price 275,000
 Gross Living Area 1,871
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 2.5
 Location Similar
 View None
 Site 11,400 Sq. Ft.
 Quality Similar
 Age 2005