

# INVOICE

**FROM:**

Paul Casas  
 Paul Casas  
 1117 Corte de Tajo  
 Thousand Oaks, CA 91360  
 paulcasas@roadrunner.com  
 Telephone Number: 805-300-3227 Fax Number: 805 523-3409

**INVOICE NUMBER**

ebar201410

**DATE**

6/14/2010

**REFERENCE**

Internal Order #:  
 Lender Case #:  
 Client File #:  
 Main File # on form: ebar201410  
 Other File # on form:  
 Federal Tax ID:  
 Employer ID:

**TO:**

Farber Family Trust  
 205 East Barnett Street  
 Ventura, Ca 93001

Telephone Number: Fax Number:  
 Alternate Number: E-Mail:

**DESCRIPTION**

**Lender:** Federal Home Loans **Client:**  
**Purchaser/Borrower:** Farber Family Trust  
**Property Address:** 205 E Barnett St  
**City:** Ventura **State:** CA **Zip:** 93001-1713  
**County:** Ventura  
**Legal Description:** Ventura, CA 93001

**FEES**

**AMOUNT**

|                                    |         |
|------------------------------------|---------|
| Summary URAR 1004 Appraisal Report | 450.00  |
| COD Paid in full                   | -450.00 |

**SUBTOTAL** 0

**PAYMENTS**

**AMOUNT**

|                 |              |                     |
|-----------------|--------------|---------------------|
| <b>Check #:</b> | <b>Date:</b> | <b>Description:</b> |
| Check #:        | Date:        | Description:        |
| Check #:        | Date:        | Description:        |

**SUBTOTAL**

**TOTAL DUE** \$ 0

**APPRAISAL OF REAL PROPERTY**

**LOCATED AT:**

205 East Barnett Street  
Ventura, CA 93001  
Ventura, CA 93001-1713

**FOR:**

Federal Home Loans  
5540 Ruffin Road, San Diego, Ca 92123

**AS OF:**

6/14/2010

**BY:**

Paul Casas AL031157  
Paul Casas  
1117 Corte De Tajo, Thousand Oaks, CA 91360  
Ph. (805) 300-3227; Fx. (805) 523-3409  
Email: paulcasas@roadrunner.com  
A Summary Appraisal Report For Use In A Mortgage Transaction

|                  |                     |          |            |                              |
|------------------|---------------------|----------|------------|------------------------------|
| Borrower/Client  | Farber Family Trust | File No. | ebar201410 |                              |
| Property Address | 205 E Barnett St    |          |            |                              |
| City             | Ventura             | County   | Ventura    | State CA Zip Code 93001-1713 |
| Lender           | Federal Home Loans  |          |            |                              |

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# Uniform Residential Appraisal Report

File # ebar201410

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 205 E Barnett St City Ventura State CA Zip Code 93001-1713  
 Borrower Farber Family Trust Owner of Public Record Farber Family Trust County Ventura  
 Legal Description REF: 014MR 009 LOT 18  
 Assessor's Parcel # 069-0-132-210 Tax Year Current R.E. Taxes \$ 2,664.76  
 Neighborhood Name Ventura Map Reference 471-C7 Census Tract 0022.00  
 Occupant  Owner  Tenant  Vacant Special Assessments \$ N/A  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 Federal Home Loans Address 5540 Ruffin Road, 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?  Yes  No  
 Report data source(s) used, offering price(s), and date(s). Please See Attached: General Comment Addendum: (60 MONTH LISTING AND SALES HISTORY)

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. Please See Attached: General and Supplemental Addenda: (60 MONTH LISTING AND SALES HISTORY)  
 Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record?  Yes  No Data Source(s) See Addendum  
 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. N/A Please See Attached: General Comment Addendum: (60 MONTH LISTING AND SALES HISTORY)

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           | 75 % |
| Built-Up   | <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% | Demand/Supply           | <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply   | \$ (000)         | (yrs)    | 2-4 Unit           | 5 %  |
| Growth   | <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow         | Marketing Time          | <input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths | 210              | Low 10   | Multi-Family       | 15 % |
| Neighborhood Boundaries Please See Attached: General Comment Addendum: (NEIGHBORHOOD BOUNDARIES AND CHARACTERISTICS) |   |                         |   | 350              | High 102 | Commercial         | 5 %  |
| Neighborhood Description Please See Attached: General Comment Addendum: (NEIGHBORHOOD DESCRIPTION)                   |   |                         |   | 300              | Pred. 65 | Other              | %    |

Market Conditions (including support for the above conclusions) Please See Attached: General Comment Addendum: (NEIGHBORHOOD MARKET CONDITIONS)

SITE

Dimensions Please See Attached Plat Map Area 6,973SF Shape Rectangle View Mountain View  
 Specific Zoning Classification Ventura/R2 Zoning Description Single Family Residential; County Use Code:  
 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 Please See Attached: General Comment Addendum: (SITE COMMENTS)  
 Utilities Public Other (describe) Public Other (describe) Off-site Improvements - Type Public Private  
 Electricity   Water   Street Asphalt    
 Gas   Sanitary Sewer   Alley No Alley    
 FEMA Special Flood Hazard Area  Yes  No FEMA Flood Zone X FEMA Map # 06111C0745E FEMA Map Date 1/20/2010  
 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  
 Please See Attached: General Comment Addendum: (SITE COMMENTS)

IMPROVEMENTS

| General Description  | Foundation  | Exterior Description                                 | materials/condition                       | Interior                                     | materials/condition   |
|--|---|--|---|--|---|
| Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit                       | <input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space              | Foundation Walls                                     | Wood/Average                              | Floors                                       | Carpet/&Vinyl/Avg   |
| # of Stories One   | <input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement                    | Exterior Walls                                       | Stucco/Average                            | Walls  | Drywall/Average   |
| 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/Avg                          | Trim/Finish                                  | Wood/Average  |
| <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const. | Basement Finish N/A %   | Gutters & Downspouts                                 | None Observed                             | Bath Floor                                   | Vinyl/Average   |
| Design (Style) Traditional   | <input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump                      | Window Type  | S.P.Slider/Good                           | Bath Wainscot                                | Fiberglass/Average  |
| Year Built 1923  | Evidence of <input type="checkbox"/> Infestation None Obsen   | Storm Sash/Insulated                                 | N/A                                       | Car Storage                                  | <input checked="" type="checkbox"/> None                        |
| Effective Age (Yrs) 35   | <input type="checkbox"/> Dampness <input type="checkbox"/> Settlement                               | Screens  | Average                                   | <input checked="" type="checkbox"/> Driveway | # of Cars 2   |
| Attic <input type="checkbox"/> None  | Heating <input 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 checked="" type="checkbox"/> Other Wall Fuel Gas   | <input checked="" type="checkbox"/> Fireplace(s) # 1 | <input checked="" type="checkbox"/> Fence | <input type="checkbox"/> Garage              | # of Cars   |
| <input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle   | Cooling <input type="checkbox"/> Central Air Conditioning   | <input checked="" type="checkbox"/> Patio/Deck       | <input checked="" type="checkbox"/> Porch | <input type="checkbox"/> Carport             | # of Cars   |
| <input type="checkbox"/> Finished <input type="checkbox"/> Heated  | <input type="checkbox"/> Individual <input type="checkbox"/> Other                                  | <input type="checkbox"/> Pool                        | <input type="checkbox"/> Other            | <input 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) 1,309 Square Feet of Gross Living Area Above Grade  
 Additional features (special energy efficient items, etc.). Please See Attached: General Comment Addendum: (ADDITIONAL FEATURES)  
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). Please See Attached: General Comment Addendum: (DEPRECIATION COMMENTS)  
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?  Yes  No If Yes, describe  
 Please See Attached: General Comment Addendum: (DEPRECIATION COMMENTS)  
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?  Yes  No If No, describe  
 Please See Attached: General Comment Addendum: (DEPRECIATION COMMENTS)

# Uniform Residential Appraisal Report

File # ebar201410

There are **9** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **199,000** to \$ **305,000**.

There are **12** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **180,000** to \$ **323,000**.

| FEATURE                               | SUBJECT                                    | COMPARABLE SALE # 1                             |                    |   | COMPARABLE SALE # 2                    |   |                    | COMPARABLE SALE # 3                          |                    |  |
|---------------------------------------|--|---|--------------------|---|--|---|--------------------|--|--------------------|--|
| Address                               | 205 E Barnett St<br>Ventura, CA 93001-1713 | 42 West Vince Street<br>Ventura, CA 93001       |                    |   | 250 Seneca Street<br>Ventura, CA 93001 |   |                    | 54 North Hemlock Street<br>Ventura, CA 93001 |                    |  |
| Proximity to Subject                  |  | 0.26 miles NW                                   |                    |   | 0.99 miles N                           |   |                    | 0.98 miles SE                                |                    |  |
| Sale Price                            | \$ N/A                                     | \$ 270,000                                      |                    |   | \$ 350,000                             |   |                    | \$ 275,000                                   |                    |  |
| Sale Price/Gross Liv. Area            | \$ sq.ft.                                  | \$ 312.50 sq.ft.                                |                    |   | \$ 251.44 sq.ft.                       |   |                    | \$ 270.67 sq.ft.                             |                    |  |
| Data Source(s)                        |  | NDC/MLS; D.# 82953                              |                    |   | NDC/MLS; D.# 48635                     |   |                    | NDC/MLS; D.# 39005                           |                    |  |
| Verification Source(s)                |  | List Price-\$270,000; DOM-10                    |                    |   | List Price-\$365,000; DOM-153          |   |                    | List Price-\$275,000; DOM-4                  |                    |  |
| VALUE ADJUSTMENTS                     | DESCRIPTION                                | DESCRIPTION                                     | +(-) \$ Adjustment | DESCRIPTION                                     | +(-) \$ Adjustment                     | DESCRIPTION                                     | +(-) \$ Adjustment | DESCRIPTION                                  | +(-) \$ Adjustment |  |
| Sales or Financing Concessions        |  | Conventional 1st \$278,910                      |                    | FHA Financing 1st \$434,660                     |  | Conventional 1st \$225,000                      |                    |  |                    |  |
| Date of Sale/Time                     |  | 6/4/2010  |                    | 3/30/2010                                       |  | 3/12/2010                                       |                    |  |                    |  |
| Location                              | Average                                    | Average   |                    | Average   |  | Average   |                    |  |                    |  |
| Leasehold/Fee Simple                  | Fee Simple                                 | Fee Simple                                      |                    | Fee Simple                                      |  | Fee Simple                                      |                    |  |                    |  |
| Site                                  | 6,973 SF                                   | 5,834 SF  |                    | 6,000 SF  |  | 5,455 SF  |                    |  |                    |  |
| View                                  | Mountain View                              | No View   | +10,000            | Mountain View                                   |  | Slight View                                     |                    |  |                    |  |
| Design (Style)                        | Traditional                                | Traditional                                     |                    | Traditional                                     |  | Traditional                                     |                    |  |                    |  |
| Quality of Construction               | Average                                    | Average   |                    | Upgrade/Slt.Supe                                | -20,000                                | Average   |                    |  |                    |  |
| Actual Age                            | 87   | 70  |                    | 31  | -28,000                                | 102   |                    |  |                    |  |
| Condition                             | Average                                    | Average   |                    | Average   |  | Avg/Repair Work                                 | +20,000            |  |                    |  |
| Above Grade Room Count                | Total Bdrms. Baths                         | Total Bdrms. Baths                              | +5,000             | Total Bdrms. Baths                              |  | Total Bdrms. Baths                              |                    |  |                    |  |
|                                       | 5 3 2                                      | 4 2 1   | +5,000             | 5 3 2   |  | 5 3 1   | +5,000             |  |                    |  |
| Gross Living Area                     | 1,309 sq.ft.                               | 864 sq.ft.                                      | +11,000            | 1,392 sq.ft.                                    |  | 1,016 sq.ft.                                    | +7,500             |  |                    |  |
| Basement & Finished Rooms Below Grade | No Basement N/A                            | No Basement N/A                                 |                    | No Basement N/A                                 |  | No Basement N/A                                 |                    |  |                    |  |
| Functional Utility                    | Average                                    | Average   |                    | Average   |  | Average   |                    |  |                    |  |
| Heating/Cooling                       | FAU/None                                   | FAU/None  |                    | FAU/None  |  | FAU/None  |                    |  |                    |  |
| Energy Efficient Items                | Standard                                   | Standard  |                    | Standard  |  | Standard  |                    |  |                    |  |
| Garage/Carport                        | No Gar/No Crprt                            | No Gar/No Crprt                                 |                    | 2 Car Garage                                    | -5,000                                 | No Gar/No Crprt                                 |                    |  |                    |  |
| Porch/Patio/Deck                      | Porch/Patio                                | Porch/Patio                                     |                    | Porch/Patio                                     |  | Porch/Patio                                     |                    |  |                    |  |
| Additional Amenities                  | None Observed                              | None Observed                                   |                    | None Observed                                   |  | None Observed                                   |                    |  |                    |  |
| Pool and Spa                          | No Pool/No Spa                             | No Pool/No Spa                                  |                    | No Pool/No Spa                                  |  | No Pool/No Spa                                  |                    |  |                    |  |
| Marketing Factors                     | N/A  | Non-REO   |                    | Non-REO   |  | Non-REO   |                    |  |                    |  |
| Net Adjustment (Total)                |  | ⊗ + □ - \$ 31,000                               |                    | □ + ⊗ - \$ -53,000                              |  | ⊗ + □ - \$ 32,500                               |                    |  |                    |  |
| Adjusted Sale Price of Comparables    |  | Net Adj. 11.5 %<br>Gross Adj. 11.5 % \$ 301,000 |                    | Net Adj. 15.1 %<br>Gross Adj. 15.1 % \$ 297,000 |  | Net Adj. 11.8 %<br>Gross Adj. 11.8 % \$ 307,500 |                    |  |                    |  |

SALES COMPARISON APPROACH

I  did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain **Please See Attached: General Comment Addendum: (60 MONTH LISTING AND SALES HISTORY and COMPARABLE COMMENTS)**

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) **NDC; FARES and MLS**

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.  
Data Source(s) **NDC; FARES and MLS**

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

| ITEM                             | SUBJECT                     | COMPARABLE SALE #1          |  | COMPARABLE SALE #2             |  | COMPARABLE SALE #3          |  |
|----------------------------------|-----------------------------|-----------------------------|--|--------------------------------|--|-----------------------------|--|
| Date of Prior Sale/Transfer      | No Prior Transfers          | No Prior Transfers          |  | 11/18/09;\$265,000;Foreclosure |  | No Prior Transfers          |  |
| Price of Prior Sale/Transfer     | Within 60 Months            | Within 60 Months            |  | Within 60 Months               |  | Within 60 Months            |  |
| Data Source(s)                   | See Above                   | See Above                   |  | See Above                      |  | See Above                   |  |
| Effective Date of Data Source(s) | Online (3 to 14 Days Tardy) | Online (3 to 14 Days Tardy) |  | Online (3 to 14 Days Tardy)    |  | Online (3 to 14 Days Tardy) |  |

Analysis of prior sale or transfer history of the subject property and comparable sales **Please See Attached: General Comment Addendum: (60 MONTH LISTING AND SALES HISTORY and COMPARABLE COMMENTS)**

Summary of Sales Comparison Approach **Please See Attached: General Comment Addendum (SALES COMPARISON COMMENTS) and Supplemental USPAP Addendum (FINAL RECONCILIATION)**

Indicated Value by Sales Comparison Approach \$ **300,000**

**Indicated Value by: Sales Comparison Approach \$ 300,000 Cost Approach (if developed) \$ 300,616 Income Approach (if developed) \$ N/A**  
**Please See Attached: General Comment Addendum (SALES COMPARISON COMMENTS) and Supplemental USPAP Addendum (FINAL RECONCILIATION)**

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: **Please See Attached: General Comment Addendum and Supplemental USPAP Addendum**

**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 \$ 300,000, as of 6/14/2010, which is the date of inspection and the effective date of this appraisal.**

# Uniform Residential Appraisal Report

File # ebar201410

Please See Attached: General Comment Addendum: (SALES COMPARISON COMMENTS)

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) Please See Attached: Supplemental USPAP Addendum (FINAL RECONCILIATION)

COST APPROACH

|   |  |
|---|--|
| ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW   | OPINION OF SITE VALUE ..... = \$ 210,000                   |
| Source of cost data Building- Cost.net  | DWELLING 1,309 Sq.Ft. @ \$ 150.00 ..... = \$ 196,350       |
| Quality rating from cost service Class 5 Effective date of cost data 6/2010   | N/A Sq.Ft. @ \$ 0.00 ..... = \$                            |
| Comments on Cost Approach (gross living area calculations, depreciation, etc.)  | ..... = \$   |
| 70% to 75% of Land to Improvement Ratio is not uncommon for "Like Properties" in this market area, posing no marketing detriment. Physical  | Garage/Carport Sq.Ft. @ \$ 0.00 ..... = \$                 |
| Depreciation is based upon Effective Age and Deferred Maintenance from a 65 year base. Publicly recorded gross living area (GLA) is 1,266 SF; and on-site measurements were 1,309 SF. | Total Estimate of Cost-New ..... = \$ 196,350              |
|   | Less Physical Functional External                          |
|   | Depreciation 105,734 ..... = \$( 105,734)                  |
|   | Depreciated Cost of Improvements ..... = \$ 90,616         |
|   | "As-is" Value of Site Improvements ..... = \$              |
| Estimated Remaining Economic Life (HUD and VA only) 30 Years  | Opinion Of Site Value Is Abstracted (Extraction Method)    |
|   | <b>INDICATED VALUE BY COST APPROACH</b> ..... = \$ 300,616 |

INCOME

**INCOME APPROACH TO VALUE (not required by Fannie Mae)**

|  |                             |          |                                    |
|--|-----------------------------|----------|------------------------------------|
| Estimated Monthly Market Rent \$ N/A                                       | X Gross Rent Multiplier N/A | = \$ 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)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s) <input type="checkbox"/> Detached <input type="checkbox"/> 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 N/A   |                                    |                                |  |
| Total number of phases N/A  | Total number of units N/A          | Total number of units sold N/A |  |
| Total number of units rented N/A  | Total number of units for sale N/A | Data source(s) N/A             |  |
| Was the project created by the conversion of existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion. N/A  |                                    |                                |  |
| Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source N/A   |                                    |                                |  |
| Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion. N/A  |                                    |                                |  |
|   |                                    |                                |  |
| Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options. N/A                                    |                                    |                                |  |
| Describe common elements and recreational facilities. N/A   |                                    |                                |  |

# Uniform Residential Appraisal Report

File # ebar201410

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.

**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 # ebar201410

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 Paul Casas

Signature Paul Casas  
Name Paul Casas AL031157  
Company Name N/A  
Company Address 1117 Corte De Tajo, Thousand Oaks, CA 91360

Telephone Number 805 300-3227  
Email Address paulcasas@roadrunner  
Date of Signature and Report 6/14/2010  
Effective Date of Appraisal 6/14/2010  
State Certification # \_\_\_\_\_  
or State License # AL031157  
or Other (describe) N/A State # N/A  
State CA  
Expiration Date of Certification or License June 26, 2011

ADDRESS OF PROPERTY APPRAISED  
205 E Barnett St  
Ventura, CA 93001-1713

APPRAISED VALUE OF SUBJECT PROPERTY \$ 300,000

LENDER/CLIENT  
Name \_\_\_\_\_  
Company Name Federal Home Loans  
Company Address 5540 Ruffin Road, San Diego, Ca 92123  
Email Address \_\_\_\_\_

### SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Company Name \_\_\_\_\_  
Company Address \_\_\_\_\_

Telephone Number \_\_\_\_\_  
Email Address \_\_\_\_\_  
Date of Signature \_\_\_\_\_  
State Certification # \_\_\_\_\_  
or State License # \_\_\_\_\_  
State \_\_\_\_\_  
Expiration Date of Certification or License \_\_\_\_\_

### SUBJECT PROPERTY

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

### COMPARABLE SALES

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

# Uniform Residential Appraisal Report

File # ebar201410

| FEATURE   | SUBJECT                                    | COMPARABLE SALE # 4  |                    |  | COMPARABLE SALE # 5                         |   |                    | COMPARABLE SALE # 6 |                    |  |
|---|--|--|--------------------|--|---|---|--------------------|---------------------|--------------------|--|
| Address   | 205 E Barnett St<br>Ventura, CA 93001-1713 | 2512 Mandan Court<br>Ventura, CA 93001                           |                    |  | 161 East Ramona Street<br>Ventura, CA 93001 |   |                    |                     |                    |  |
| Proximity to Subject  |  | 1.02 miles NE  |                    |  | 0.14 miles SW                               |   |                    |                     |                    |  |
| Sale Price  | \$ N/A                                     | \$ 365,000   |                    |  | \$ 305,000                                  |   |                    | \$                  |                    |  |
| Sale Price/Gross Liv. Area  | \$ sq.ft.                                  | \$ 250.34 sq.ft.   |                    |  | \$ 266.61 sq.ft.                            |   |                    | \$ sq.ft.           |                    |  |
| Data Source(s)  |  | NDC/MLS; D.# 30027   |                    |  | NDC/MLS; # 10006454                         |   |                    |                     |                    |  |
| Verification Source(s)  |  | List Price-\$379,900; DOM-11                                     |                    |  | List Price-\$310,000; DOM-55                |   |                    |                     |                    |  |
| VALUE ADJUSTMENTS   | DESCRIPTION                                | DESCRIPTION  | +(-) \$ Adjustment | DESCRIPTION  | +(-) \$ Adjustment                          | DESCRIPTION   | +(-) \$ Adjustment | DESCRIPTION         | +(-) \$ Adjustment |  |
| Sales or Financing Concessions  |  | Conventional 1st \$272,000                                       |                    | Active Listing 5% Neg. Marg                                      | -15,000                                     |   |                    |                     |                    |  |
| Date of Sale/Time   |  | 4/22/2010  |                    | 4/17/2010 LD   |   |   |                    |                     |                    |  |
| Location  | Average                                    | Average  |                    | Average  |   |   |                    |                     |                    |  |
| Leasehold/Fee Simple  | Fee Simple                                 | Fee Simple   |                    | Fee Simple   |   |   |                    |                     |                    |  |
| Site  | 6,973 SF                                   | 6,893 SF   |                    | 7,525 SF   |   |   |                    |                     |                    |  |
| View  | Mountain View                              | Mountain View  |                    | No View  | +10,000                                     |   |                    |                     |                    |  |
| Design (Style)  | Traditional                                | Traditional  |                    | Traditional  |   |   |                    |                     |                    |  |
| Quality of Construction   | Average                                    | Upgrade/Super  | -20,000            | Average  |   |   |                    |                     |                    |  |
| Actual Age  | 87   | 31   | -28,000            | 59   |   |   |                    |                     |                    |  |
| Condition   | Average                                    | Average  |                    | Average  |   |   |                    |                     |                    |  |
| Above Grade   | Total Bdrms. Baths                         | Total Bdrms. Baths   | -5,000             | Total Bdrms. Baths   |   | Total Bdrms. Baths                                    |                    | Total Bdrms. Baths  |                    |  |
| Room Count  | 5 3 2                                      | 6 4 2  |                    | 5 3 1.5  | +2,500                                      |   |                    |                     |                    |  |
| Gross Living Area   | 1,309 sq.ft.                               | 1,458 sq.ft.   | -3,500             | 1,144 sq.ft.   | +4,000                                      |   |                    | sq.ft.              |                    |  |
| Basement & Finished Rooms Below Grade   | No Basement N/A                            | No Basement N/A  |                    | No Basement N/A  |   |   |                    |                     |                    |  |
| Functional Utility  | Average                                    | Average  |                    | Average  |   |   |                    |                     |                    |  |
| Heating/Cooling   | FAU/None                                   | FAU/None   |                    | FAU/None   |   |   |                    |                     |                    |  |
| Energy Efficient Items  | Standard                                   | Standard   |                    | Standard   |   |   |                    |                     |                    |  |
| Garage/Carport  | No Gar/No Crprt                            | 2 Car Garage   | -5,000             | No Gar/No Crprt  |   |   |                    |                     |                    |  |
| Porch/Patio/Deck  | Porch/Patio                                | Porch/Patio  |                    | Porch/Patio  |   |   |                    |                     |                    |  |
| Additional Amenities  | None Observed                              | None Observed  |                    | None Observed  |   |   |                    |                     |                    |  |
| Pool and Spa  | No Pool/No Spa                             | No Pool/No Spa   |                    | No Pool/No Spa   |   |   |                    |                     |                    |  |
| Marketing Factors   | N/A  | Non-REO  |                    | None-REO   |   |   |                    |                     |                    |  |
| Net Adjustment (Total)  |  | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -61,500         | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | \$ 1,500                                    | <input type="checkbox"/> + <input type="checkbox"/> - | \$                 |                     |                    |  |
| Adjusted Sale Price of Comparables  |  | Net Adj. 16.8 %<br>Gross Adj. 16.8 %                             | \$ 303,500         | Net Adj. 0.5 %<br>Gross Adj. 10.3 %                              | \$ 306,500                                  | Gross Adj. %  | \$                 |                     |                    |  |
| 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   | No Prior Transfers                         | 2/10/10;\$285,000;foreclosure                                    |                    |  | No Prior Transfers                          |   |                    |                     |                    |  |
| Price of Prior Sale/Transfer  | Within 60 Months                           | 9/20/05;\$644,000;Grant Deed                                     |                    |  | Within 60 Months                            |   |                    |                     |                    |  |
| Data Source(s)  | See Above                                  | See Above  |                    |  | See Above                                   |   |                    |                     |                    |  |
| Effective Date of Data Source(s)  | Online (3 to 14 Days Tardy)                | Online (3 to 14 Days Tardy)                                      |                    |  | Online (3 to 14 Days Tardy)                 |   |                    |                     |                    |  |
| Analysis of prior sale or transfer history of the subject property and comparable sales Please See Attached: General Comment Addendum: (60 MONTH LISTING AND SALES HISTORY and COMPARABLE COMMENTS) |  |  |                    |  |   |   |                    |                     |                    |  |
| Analysis/Comments Please See Attached: General Comment Addendum (SALES COMPARISON COMMENTS) and Supplemental USPAP Addendum (FINAL RECONCILIATION)  |  |  |                    |  |   |   |                    |                     |                    |  |

# Market Conditions Addendum to the Appraisal Report

File No. ebar201410

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 **205 E Barnett St** City **Ventura** State **CA** ZIP Code **93001-1713**

Borrower **Farber Family Trust**

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

| Inventory Analysis                                | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend                                 |  |  |
|---|-------------------|------------------|--------------------|---|--|--|
| Total # of Comparable Sales (Settled)             | 9                 | 1                | 2                  | <input type="checkbox"/> Increasing           | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining             |
| Absorption Rate (Total Sales/Months)              | 1.50              | 0.33             | 0.67               | <input type="checkbox"/> Increasing           | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining             |
| Total # of Comparable Active Listings             | 12                | 5                | 9                  | <input type="checkbox"/> Declining            | <input type="checkbox"/> Stable            | <input checked="" type="checkbox"/> Increasing |
| Months of Housing Supply (Total Listings/Ab.Rate) | 8.0               | 15.2             | 13.4               | <input type="checkbox"/> Declining            | <input checked="" type="checkbox"/> Stable | <input 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                      | 251,000           | 271,500          | 250,500            | <input type="checkbox"/> Increasing           | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining             |
| Median Comparable Sales Days on Market            | 46                | 35               | 15                 | <input checked="" type="checkbox"/> Declining | <input type="checkbox"/> Stable            | <input type="checkbox"/> Increasing            |
| Median Comparable List Price                      | 255,000           | 230,000          | 254,000            | <input type="checkbox"/> Increasing           | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining             |
| Median Comparable Listings Days on Market         | 69                | 167              | 55                 | <input checked="" type="checkbox"/> Declining | <input type="checkbox"/> Stable            | <input type="checkbox"/> Increasing            |
| Median Sale Price as % of List Price              | 98                | 1.18             | 98                 | <input type="checkbox"/> Increasing           | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining             |

Seller-(developer, builder, etc.)paid financial assistance prevalent?  Yes  No  Declining  Stable  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.). **Seller Concessions are not prevalent in this market.**

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

**REO sales are no a major factor in this market area.**

Cite data sources for above information. **Public Records, MLS, Realty Trac and Dataquick**

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.

**No search function is available to reasonable delineate by condition or quality, and so the data above may be skewed to an extent based on those factors. The appraiser notes that in addition to the defined criteria noted above, final conclusion on the market trends were tempered by the appraiser's overall experience and knowledge of the local market, as factors may exist in the general marketplace beyond these directly measured by the above analysis for "comparable sale" (as required by this form) which may also impact the subject property.**

**If the subject is a unit in a condominium or cooperative project, complete the following:**

**Project Name:**

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

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

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

|  |                                     |
|--|-------------------------------------|
| Signature  | Signature                           |
| Appraiser Name <b>Paul Casas AL031157</b>                          | Supervisory Appraiser Name          |
| Company Name <b>N/A</b>  | Company Name                        |
| Company Address <b>1117 Corte De Tajo, Thousand Oaks, CA 91360</b> | Company Address                     |
| State License/Certification # <b>AL031157</b> State <b>CA</b>      | State License/Certification # State |
| Email Address <b>paulcasas@roadrunner</b>                          | Email Address                       |

## General Comment Addendum

File No. ebar201410

|                  |                     |        |         |       |    |          |            |
|------------------|---------------------|--------|---------|-------|----|----------|------------|
| Borrower/Client  | Farber Family Trust |        |         |       |    |          |            |
| Property Address | 205 E Barnett St    |        |         |       |    |          |            |
| City             | Ventura             | County | Ventura | State | CA | Zip Code | 93001-1713 |
| Lender           | Federal Home Loans  |        |         |       |    |          |            |

### URAR: NEIGHBORHOOD BOUNDARIES AND CHARACTERISTICS:

Boundaries are north by Texaco Access Road, south by East main Street, east by Open Space and west by Ojai 33 Freeway. Accessibility is adequate as are availability to utilities and arterial thoroughfares and freeways. Unless otherwise noted, all comparables are from the same city or legislated "area" as the subject property.

### URAR: NEIGHBORHOOD DESCRIPTION:

This is an established suburban neighborhood consisting mostly of conventional style SFR tract homes of various ages, displaying general similarity in design, appeal and utility, with variations in size. There's an adequate mix of multi-family residences, condominiums, commercial activity, employment opportunities and public support facilities, (schools, police, hospitals, recreation, fire stations, houses of worship, etc.) which are beneficial to the community, but along with traffic, may pose an adverse affect upon residences in close proximity to them. No atypical social, economic, governmental or environmental trends or characteristics were observed at this time.

### URAR: NEIGHBORHOOD MARKET CONDITIONS:

Though interest rates are generally reasonable, short sales and foreclosures over the past two years have impacted the subject's market area resulting with market activity that has been a little sluggish with softer values. However, market data on closed sales in comparison with the asking prices on current active listings suggests that the subject's market is currently "stable". This is evidenced by comparing the closed sales to one another and to the optimistic asking prices of the listings utilized. Market demand for this neighborhood the has picked up and marketing times are now typically less than 90 days. However, there are still some properties with exposure periods of over 90 days due to non-competitive pricing in the market place. Time adjustments were not utilized but consideration was given to the date of sale when determining value.

(NOTE: The appraiser also notes that according to Dataquick, (<http://www.dqnews.com>), the subject's market area, as defined by its Ventura Times Zip Code reference of "93001", has demonstrated a 56.4% increase in "median" SFR values between April of 2009 and April of 2010, offering no justification for the judicious use of time adjustments.)

### URAR: SITE COMMENTS:

No significant factors relating to the subject's site, topography, shape, size, or drainage were noted.

### URAR: ADDITIONAL FEATURES:

Unless otherwise stated, all improvements given value in this report appear legal and conforming to market area standards. No significant upgrading or notable amenities were observed. Kitchen features wood painted cabinetry, formica countertops and vinyl flooring. Livingroom has carpet flooring with fireplace. All bedrooms feature carpet flooring. Bathrooms have oak vanity, culture marble countertops, fiberglass tub/shower wainscoting and vinyl flooring. Field measurements and room counts are utilized. The subject has newer dual pane windows with exterior recently painted throughout. The subject features rear views of local surrounding mountain ranges.

(Note: Per subject legal indicates the subject to have 3 bedrooms and 1 bathroom, yet however upon inspection appraiser reveals the subject to have 3 bedrooms and 2 full bathrooms. Appears the Tax Assessors Rolls are in error as no additions were noted.

### URAR: DEPRECIATION COMMENTS:

Maintenance is adequate and the subject is in average condition with no deferred maintenance observed that would impair marketability or value. Condition adjustments are deemed unnecessary. (Typical Physical Depreciation is accounted for in the Cost Approach as a percentage of the Effective Age.) (Please See: COMMENTS AND CONDITIONS OF APPRAISAL:)

### URAR: ADVERSE ENVIRONMENTAL CONDITIONS:

The appraiser has no specific knowledge of conditions relating to the property's structure or site that would make the property a potential health or safety hazard. (See CERTIFICATION ADDENDA - COMMENTS AND CONDITIONS)

### URAR: 60 MONTH LISTING AND SALES HISTORY:

The Subject has not been listed or transferred within the last 60 months. No other relevant facts were noted. Sales and history was researched through MLS and Public Records.

### URAR: SALES COMPARISON COMMENTS:

GRID ADJUSTMENTS: Unless otherwise noted, all Market Grid adjustments are deemed to be self-explanatory; but all adjustments to the comparable sales reflect the appraiser's best estimates of the market's reaction to the differences between the subject property and the comparables. Though paired sales analysis is conducted to the degree that the available data allows, in most cases, data is too limited to be conclusively definitive and the adjustments are as much "qualitative" (reflecting generally positive or negative market influences) as they are "quantitative" (irrefutably derived from hard core data and information); and unless otherwise explained, line adjustments do not exceed 10% of the sale price of the comparable being adjusted. This approach adequately serves to ascribe or to depreciate value to any factor that is generally considered to have a measurable impact upon value. In any case, the adjustment values utilized are reasonable relative to the limited amount of data that is typically available; as well as to anticipated market reaction to various property characteristics as is noted through experience in this and like markets and input from local brokers.

-View at \$10,000 (Based upon the scope, degree and type of view realized by the comparables in relative comparison to the subject.)

-Quality of Construction (Upgrades) at \$20,000 (Based upon anticipated market reaction, in relative comparison to the subject,

## General Comment Addendum

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|                  |                     |        |         |       |    |          |            |
|------------------|---------------------|--------|---------|-------|----|----------|------------|
| Borrower/Client  | Farber Family Trust |        |         |       |    |          |            |
| Property Address | 205 E Barnett St    |        |         |       |    |          |            |
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| Lender           | Federal Home Loans  |        |         |       |    |          |            |

to the construction materials utilized, and/or the greater or lesser degree of remodeling or upgrading noted in the comparables at the time of sale as specifically disclosed, visually observed or reasonably deduced. Upgrades, though oft times different in their characteristics, when not adjusted, are deemed to be similar in overall demand and value to what was observed in the subject property, noting also that many MLS comments may involve a little broker "puffing" [i.e. "superlative statements about a property that shouldn't be considered assertions of fact": California Real Estate Law; 3rd Edition {2001} Pg. 542]).

-Age adjustments at \$100 per year when differences are 30 years or greater.

-Bedrooms are adjusted at \$5,000

- Full Bathroom at \$5,000; 1/2 Bathrooms at \$2,500.

-Gross Living Area (GLA) is adjusted at \$25.00 per square foot (rounded - \$1,000 minimum adjustment).

### COMPARABLE COMMENTS:

Comparable #1 is the most recent closed sale. The views, bedroom/bathroom count and GLA are inferior.

Comparable #2 has superior upgrades and age difference.

Comparable #3 per MLS states to be a fixer. The bathroom count and GLA are inferior.

Comparable #4 has superior upgrades, age difference, bedroom count and GLA.

Comparable #5 was given a neagitive adjustment of 5% for possible buyer/seller negotiations in this market. This comparable has no views and is inferior in bathroom count and GLA.

### FINAL ARGUMENT:

All closed sales are adjusted under FNMA Adjustment Guidelines not exceeding 25% Gross and 15% Net adjustments. Value is derived from the actual sale prices and adjusted values of all the sales with all comparables contributing to a reliable value range. Due consideration was given to comparable 1-4 for most recent close sales within the market area of the subject property. Under current market conditions, a reasonable marketing time necessary to satisfy this "market value" conclusion is estimated to be no greater than 90 days; within the context of an asking price that is no more than 3% higher than the estimated value in this report. However, the appraiser cannot be held responsible for unforeseeable events that alter market conditions after the effective date of this appraisal report.

### Property Profile Situs

File No. ebar201410

|                  |                     |        |         |                              |
|------------------|---------------------|--------|---------|------------------------------|
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Address: 205 E BARNETT ST City: VENTURA Zip: 93001-1713  
APN#: 069-0-132-210 Use Code: Single Family Residence County: Ventura  
Tract: 0 Census Tract: 22.00 Zone: R2  
Map Page/Grid: 471/C7 Legal Desc: REF: 014MR 009 LOT18  
Total Assessed Value: 245,932 Tax Amount: 2,664.76  
Percent Improvement: 25.93 Tax Year: 2009  
Current Owner Information  
Current Owner: FARBER FAMILY TRUST Owner Address: PO BOX 2649  
City, State: VENTURA, CA Zip: 93002-2649  
Last Transaction: 06/02/2003 Deed Type: deed of trust  
Amount: 0 Document 0000181286  
Last sale Information  
Transferred From: Seller Address:  
Sale Date: 04/25/1989 Prior Sale Date:  
Most Recent Sale Price: 62,500 Prior Sale Price:  
Document Number: 63323 Prior Document No.:  
Document Type: Prior Document Type:  
Lender Information  
Lender: Full/Partial: F  
Loan Amount / 2nd Trust Deed: 0 / 0 Loan Type: conventional  
Physical Information  
Building Area:  
1,266 # of Bedrooms: 3 Lot Size: sqft / acreage 6,973 / 0.16  
Additional: 0 # of Bathrooms: 1.00 Year Built / Effective: 1923 / 0  
Garage: 0 # of Stories: 1 Heating:  
First Floor: 1266 Total Rooms: 6 Cooling:  
Second Floor: 0 # of Units: 1 Roof Type:  
Third Floor: 0 Garage/Carport: / Construction/Quality: / 0  
Basement Finished: 0 Fireplaces: 0 Building Shape:  
Basement Unfinished: 0 Pool/Spa: View:  
Flood Data  
Panel Date: 1/20/2010 Comm/Map Id/Panel Number: 060419/06111C/0745 E Flood Zone: X

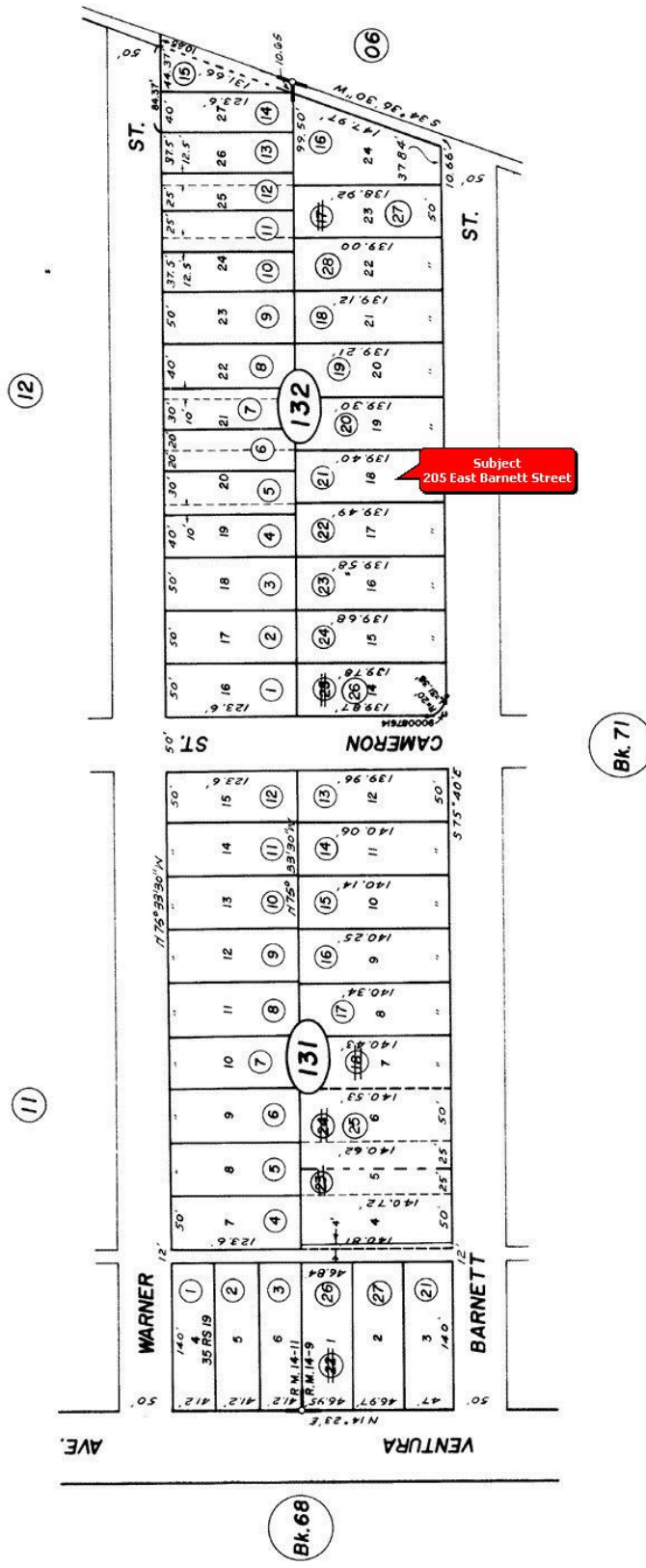
# Plat Map

|                  |                     |                |                                   |
|------------------|---------------------|----------------|-----------------------------------|
| Borrower/Client  | Farber Family Trust |                |                                   |
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| City             | Ventura             | County Ventura | State CA      Zip Code 93001-1713 |
| Lender           | Federal Home Loans  |                |                                   |

69-13

Tax Rate Area    05012  
 05058            ~~94030~~  
 05059            05034  
 05067

RANCHO EX MISSION



**CITY OF SAN BUENAVENTURA**  
 Ventura County Assessor's Map.

Assessor's Block Numbers Shown in Ellipses.  
 Assessor's Parcel Numbers Shown in Circles.  
 Assessor's Mineral Numbers Shown in Squares.

|   |         |           |      |
|---|---------|-----------|------|
| DRAWN   | REVISED | 2-14-2002 |      |
| REDRAWN                                       | CREATED |           |      |
| INKED   | PLOTTED | EFFECTIVE | ROLL |
| Compiled By: Ventura County Assessor's Office |         |           |      |

NOTE: ASSessor PARCELS SHOWN ON THIS PAGE  
 DO NOT NECESSARILY CONSTITUTE LEGAL LOTS.  
 CHECK WITH COUNTY SURVEYOR'S OFFICE OR  
 PLANNING DIVISION TO VERIFY.

Ventura Ave. Tract No.2, M.R. Bk. 14, Pg. 11  
 Ventura Ave. Tract No. 1, M.R. Bk. 14, Pg. 9

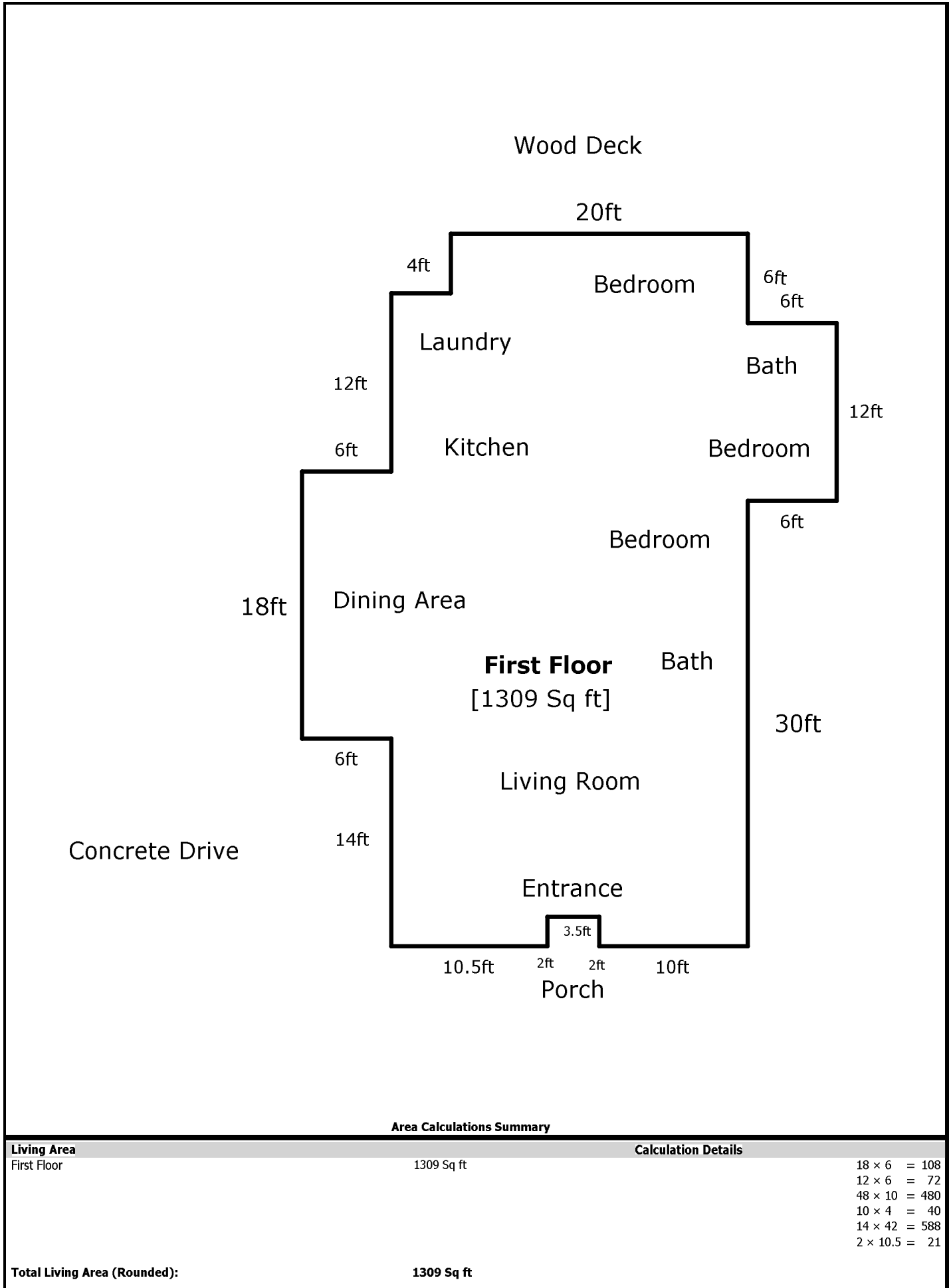
## Location Map

|                  |                     |                |          |                     |
|------------------|---------------------|----------------|----------|---------------------|
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## Building Sketch

|                  |                     |                |          |                     |
|------------------|---------------------|----------------|----------|---------------------|
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## Subject Photos

|                  |                     |        |         |       |    |          |            |
|------------------|---------------------|--------|---------|-------|----|----------|------------|
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**Subject Front**  
205 E Barnett St



**Subject Rear**



**Subject Street**

## PHOTOGRAPH ADDENDUM

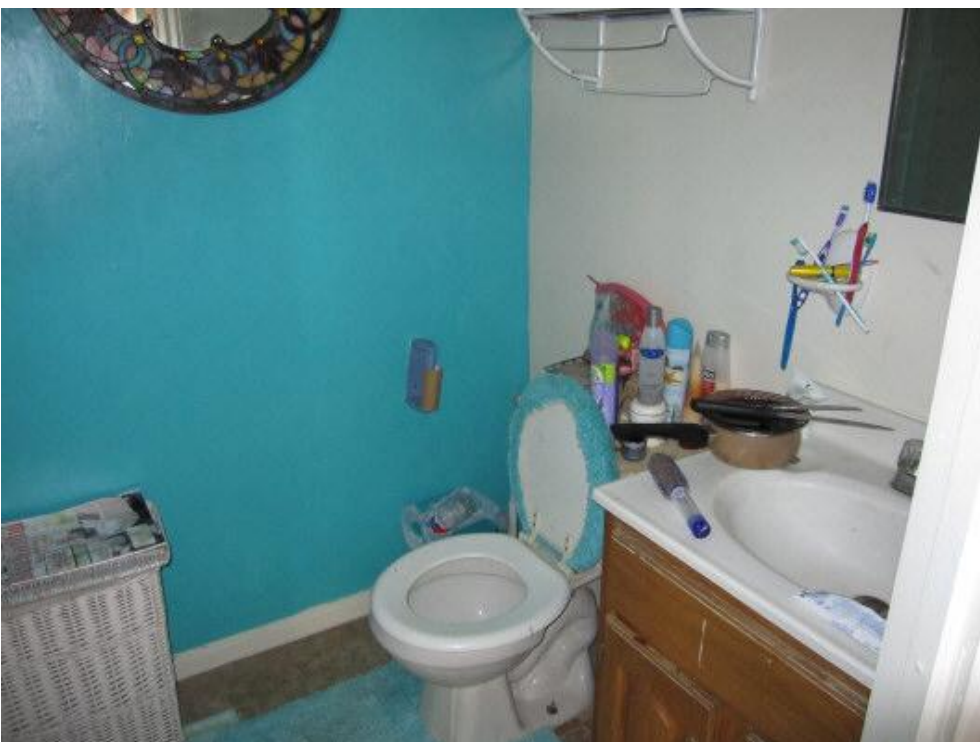
|                  |                     |        |         |       |                        |
|------------------|---------------------|--------|---------|-------|------------------------|
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SUBJECT'S LIVING ROOM



SUBJECT'S KITCHEN



SUBJECT'S BATH

## Photograph Addendum

|                  |                     |        |         |       |    |          |            |
|------------------|---------------------|--------|---------|-------|----|----------|------------|
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MOUNTAIN VIEWS



MOUNTAIN VIEWS

## Comparable Photo Page

|                  |                     |        |         |       |    |          |            |
|------------------|---------------------|--------|---------|-------|----|----------|------------|
| Borrower/Client  | Farber Family Trust |        |         |       |    |          |            |
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**Comparable 1**  
42 West Vince Street



**Comparable 2**  
250 Seneca Street



**Comparable 3**  
54 North Hemlock Street

## Comparable Photo Page

|                  |                     |        |         |          |            |
|------------------|---------------------|--------|---------|----------|------------|
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|                  |                     |        |         | Zip Code | 93001-1713 |



**Comparable 4**  
2512 Mandan Court



**Comparable 5**  
161 East Ramona Street

# Supplemental USPAP Addendum

File No. ebar201410

|                  |                     |        |         |       |    |          |            |
|------------------|---------------------|--------|---------|-------|----|----------|------------|
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This supplemental addendum is to fulfill the appraiser's USPAP responsibilities for reiteration, elaboration of, or giving additional considerations to, the "STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS" as begun in the URAR Form (Page 4 of 6) and also to make further "FINAL RECONCILIATION" remarks. It is purposefully separated from the main body of the report in order to make property specific statements more salient and easier for the client to read. However, its separation from the main body of the report and its insertion location within the appraisal package should not be construed as a de-emphasizing of the information submitted herein, or as being less important to the understanding of the appraisal report regarding the subject property.

## - COMMENTS AND CONDITIONS OF APPRAISAL:

The appraiser strongly urges and recommends that all marketing and financial decisions, which are based upon the value(s) indicated in this report, be made only after the client has had the opportunity to fully review the entire analysis contained in the body of this report. The appraiser is not responsible for the client's misunderstanding of any issues or influences affecting value and financial decisions that would otherwise be clear upon a full review of the hard copy. This is of particular importance, in those cases, when at the client's request, the estimated value is reported to the client before the client receives the hard copy.

The purpose of this report, is to estimate the "Market Value" of the subject property as defined on Page 4 of 6 of the attached Fannie Mae *Uniform Residential Appraisal Report* (URAR) Form (See NOTE 1 ff), in its "As Is" condition, in conjunction with the declared Intended Use of this report (See NOTES 2 and 3: ff).

(NOTE 1: *ADDITIONAL SOURCE FOR DEFINING "MARKET VALUE"*: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM; TITLE 12 -- BANKS AND BANKING; CHAPTER II -- FEDERAL RESERVE SYSTEM; SUBCHAPTER A; SUBPART G -- APPRAISALS: 225.62 Definitions.[g])

(NOTE 2: Due to the convenience and uniformity of acceptance within the appraisal community of the reporting format of the URAR, this report has been conducted on a Fannie Mae 1004 [Freddie Mac 70] form which was devised primarily for conducting an appraisal report for the Intended Use of the 1004 Form [Page 4 of 6] viz. "*for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.*" However, the appraiser also utilizes this same URAR 1004 form for conducting appraisals with different "intended uses" for different types of clients, but due to software limitations, and the fact that this aforementioned "intended use" is embedded into the software of this form, its declaration cannot be removed, accordingly; the appraiser notes that the client should rely upon the more precise language stated for the "Intended Use" as more clearly indicated at the bottom of the cover sheet and reiterated on Page 1 of 6 of the URAR as the "Assignment Type", since this takes precedence over the embedded portions of the software.)

(NOTE 3: While Fannie Mae and Freddie Mac (and FHA) do not require the Cost Approach, in some cases it is requested by the client and included in the analysis as part of the Reconciliation of Value. In such cases, this still precludes its use for insurance replacement value, noting that insurance agencies utilize charts that are standardized for their industry, utilizing different equations and cost factors which also takes into consideration demographics and locational factors deemed irrelevant to contractors and appraisers, thereby rendering any estimates that the Cost Approach may render as invalid for that use. Therefore, if the client still chooses to use the Cost Approach for that use, the appraiser is not liable for the decision made by the client to violate the expressed intended use of this report. - See FINAL RECONCILIATION below)

The client (i.e. "*the party or parties who engage an appraiser [by employment or contract] in a specific assignment.*" and "*who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.*" (Sources: USPAP Definitions and Item #20 of the Attached STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS [URAR: Page 6 of 6]) is stated by name on the Cover Sheet and on Page 1 of 6 of the URAR. But in keeping with Items #21 and #23 of the Attached STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS (URAR: Page 6 of 6) this report may be used by the client or any individual, group of people, company, corporation or entity of any nature, if authorized by the client, as long as it fulfills the intended use of this report, whether it be on behalf of the client or any other party and/or parties to whom the client has deemed may benefit from its intended use. It may also be used by the appraiser for verification of work experience when required or permitted by law. It may not be used by the client, or by anyone either authorized or unauthorized by the client, for any reason that is fraudulent, unethical, criminal or in any way illegal. Also, "*the appraiser recognizes accountability for the quality of his or her appraisal for a mortgage finance transaction and that it must not be explicitly limited to the Lender/Client and also acknowledges the reality of a mortgage finance transaction that reliance by these other parties is customary and reasonable*" (Fannie Mae's Revised Appraisal and Property Report Forms – FAQs 7 11/1/05). However, while "*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*" (Item# 23); it is important to note that the appraiser has "confidentiality" responsibilities and duties to the engaging client and not to, or with, any other party, including the borrower or any other lender to whom the report may have been given to either by permission or assigned even "*without the appraiser's or supervisory appraiser's consent.*" (Item #21). Accordingly, the USPAP constrained CONFIDENTIALITY requirements (USPAP Ethics Rule) are strictly adhered to by the appraiser, who is not constrained by law or any certification within this report, to discuss its content with anyone other than the client established by engagement.

Furthermore, this report is NOT a home inspection report, nor was it conducted by a licensed or qualified home or building inspector, and MAY NOT BE RELIED UPON by the client nor the clients assigns (either by permission or without consent) for full disclosure of physical or site conditions that may be defective, NOR RELIED UPON for any other use, other than the declared Intended Use of this Appraisal Report. Accordingly, because the appraiser is not a qualified and professional contractor and/or builder, or building inspector, the appraiser is not responsible for matters of a legal nature that may affect the property in regards to its structural integrity or that which is non-code conforming in matters of electrical, plumbing, and/or architecturally. This includes matters of breakable glass (shower doors, etc.) wiring amperage, piping materials, roofing procedures, insulation requirements, heating and cooling, framing, ventilation, duct work and fire safety or any other factor that could result in personal injury. Therefore, the appraiser, while attempting to identify any readily observable conditions, is not responsible or liable for any conditions that are hidden, unobservable, or beyond the scope of the appraiser's expertise or responsibility to determine; and that may impair the value of the subject property; and/or would pose liability in a personal injury lawsuit. Accordingly, if the lender has any concerns along these lines, it is the appraiser's recommendation that lender hire a professional or qualified building inspector and/or contractor to inspect the subject property.

With consideration to the foregoing comments, unless otherwise stated in the General Comment Addendum, the appraiser has no specific knowledge of hidden or unapparent conditions relating to the property's structure that would make the property a potential health hazard, though the appraiser notes that paint containing LEAD has been, and still is, available to consumers, even though since 1978 government legislation has prohibited the use of paints containing LEAD on residential structures.

## Supplemental USPAP Addendum

File No. ebar201410

|                  |                     |                |          |                     |  |
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However, the appraiser cannot determine if any or all of the subject's improvements are, or have been, finished with any paint containing LEAD and the appraiser is not aware of the existence of LEAD in any of the paints that were used to finish any or all of the improvements on the subject's site. Furthermore, the appraiser is not responsible for any such conditions that may exist, nor for any laws that may have been violated in the refinishing of the subject property post-1978, or for any testing that might be required to discover whether such factors presently exist. Subsequently, unless otherwise stated in the General Comment Addendum, the appraiser has made the "extraordinary assumption" that there are no hidden or unapparent conditions of the property site, the subsoil, or the structures that would make the property more or less valuable. Furthermore, unless otherwise stated in this report, the existence of any other hazardous or toxic substances, which may be present on the subject property, were not visually obvious to the appraiser. However, the appraiser is not trained to detect all forms of hazardous or toxic substances under all circumstances. At the time of inspection, there were no obvious known environmental problems in the area observed by the appraiser; however, as indicated above, the appraiser is not qualified to identify all forms of detrimental environmental factors that could be present on the grounds, in the structure or adjacent to the subject property. To the best of the appraiser's knowledge, no tests were conducted on the subject property or on the adjacent properties to confirm any visual observations indicated in this report. While the presence of certain substances may affect the value of the property, the value estimate is predicated on the extraordinary assumption that there are no such adverse substances on, or in, the property that would cause a loss in value. It is recommended, to the client, that if any complications, arising from an environmental origin are suspected, that an investigation, by a qualified professional be requested. The appraiser is not responsible for any such conditions that do exist or for any engineering that might be required to discover whether such factors exist. In the event of any discovery, of an environmental nature, that poses any adverse affect upon value or marketability, the appraiser reserves the right to change any conclusions in this report. Also, it should be noted that the Uniform Building Code, of the International Conference of Building Officials, governing "all concrete surfaces" is very general and vague, reading that they must be "free from hazard to foot traffic". Since this safety code is subject to interpretation only in a court of law, it is beyond the appraiser's abilities to determine all such site hazards as may be constituted by this code. Therefore, the appraiser, while attempting to identify any and all such "hazards to foot traffic" in this report, is not responsible for any such conditions that may hold the property owner liable in personal injury litigation due to said hazards. (Per USPAP - DEFINITIONS, an EXTRAORDINARY ASSUMPTION is "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions." There is an advisory comment that states, "Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.")

The appraiser determined the subject's Highest and Best Use, after giving consideration to what is: (1) legally permissible and probable, (zoning allowances, etc.), (2) physically possible, (3) economically and financially feasible and (4) what is most profitable, yielding the highest net return on the land and improvements. (Substantively from The Real Estate Dictionary (TRW/Redi); Fifth Edition).

Data pertaining to the subject property is generally gathered by the appraiser at the time of the physical inspection of the subject property, along with a search of public records pertaining to the subject. The appraiser's primary data sources are FARES (First American Real Estate Solutions), NDC (National Data Collective) which report recorded sales and marketing trends, using public records. Title companies are utilized, when necessary, for additional information and verification of market data as is Dataquick for marketing trends. Further information about closed sales and active listings is derived from the Multiple Listing Services (MLS) of various realty boards when available; and, when possible and deemed necessary, through interviews with the realtors representing the comparables noted. A prudent and deliberate search for supplemental information on comparable sales data is also made through local real estate offices where brokers and selling agents, not specifically involved with the properties mentioned in the report, are consulted for information and verification. The search for comparable data is first localized to the subject's immediate market area (or Planned Unit Development (PUD) if the subject is part of a PUD complex). In the event of a lack of credible comparable sales within the subject's immediate market area or complex, a search of the closest and most similar competing neighborhoods [and/or competing PUD complexes] is conducted. Accordingly, with consideration to the foregoing and to all of the economic, external, functional and physical market factors influencing the subject property, its market area and the sales that are available for comparative analysis, the appraiser utilizes the most reliable indicators of market value for the subject property, which would be the most similar to the subject property both locationally and physically, unless the most similar or proximate sales are disqualified for reasons that would render them unsuitable for comparative analysis. And when required, necessary or deemed relevant, active listings and/or pending sales are utilized and are also deemed to be most similar to the subject property. The appraisal report is then completed in accordance with standards dictated by THE APPRAISAL FOUNDATION in the UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICES (USPAP) and includes sufficient data and information needed to lead a reader to a similar conclusion of market value. The appraisal report is then delivered to the client, which constitutes the completion of the assignment.

The appraiser obtained the information, estimates, and opinions that are expressed within this appraisal report from sources that were considered 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. To the best of the appraiser's knowledge the information contained within this appraisal report is true and correct, and appraiser has not knowingly withheld any significant information. The appraiser reserves the right to re-analyze the data, to consider alternative approaches and to change the estimate of value, if at a future point it is verifiable that the appraiser received and applied misinformation during the preparation of this report and value was thereby influenced, either positively or negatively.

The appraiser is not responsible for matters of a legal nature that may affect the property being appraised. The appraiser has made no survey of the property; therefore, any sketch and/or plat maps in this report show approximate dimensions and are included only to assist the reader of the report in visualizing the property. Unless otherwise noted, no original structure permits were reviewed by the appraiser, neither was there any review of any permits and/or Certificates of Occupancy for the noted improvements. The appraisal report is made "As Is" and is based upon on-site inspection and information in the Public Records. It is left to the client's discretion to confirm the legality of all or any of the subject's improvements.

Flood data reported in the appraisal was obtained for the FEMA; and a "NO" designation in the "FEMA FLOOD HAZARD" section of the report does not mean that the property cannot suffer damage from flooding; nor does a "YES" designation mean that the property will suffer damage from flooding.

The appraiser is not an engineer, contractor, or an expert qualified to make estimates in property repairs or cosmetic upgrades. All estimates (if any are required), if not otherwise stated, are approximations only and are generally based upon information derived from a principal involved with the subject property, previous interviews with local contractors for basic rehabilitation costs, (on a square foot basis), "handy man" estimates on an hourly basis, and when deemed necessary or applicable, with corroborative support from the NATIONAL CONSTRUCTION ESTIMATOR - 41st Edition (Craftsman Book Company and/or, either or both, the Craftsman National Building Cost Manual and the Marshall & Swift Exceptional Homes Cost Guide).

## Supplemental USPAP Addendum

File No. ebar201410

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| Lender           | Federal Home Loans  |                |          |                     |

Therefore, the appraiser leaves it to the client's discretion to determine if a professional inspection and/or estimate for repairs is necessary to confirm repair costs that may be estimated and depreciated by the appraiser. Since the appraiser is not a contractor, if an estimate is given, the appraiser reserves the right to re-analyze all findings, consider alternative approaches and to change the estimate of "As Is" value, if upon further professional investigation it is determined that the actual cost to cure the subject is more or less than is estimated in this report. Furthermore, the value conclusion in this report is for "As Is" market value ONLY; and any or all "AS REPAIRED" value remarks, (*if requested by the client*), are NOT to be understood as "SUBJECT TO" completion of repairs; or for repairs to be conducted within a specific time frame. This is because all "AS REPAIRED" value remarks, (*if made*), are to be understood as a "hypothetical condition", reflecting the appraiser's estimate of market value, for the subject property, on the date of the appraisal, with consideration to what its market value would be IF NO REPAIRS WERE NEEDED AND THE SUBJECT WERE ALREADY IN A FULLY MARKETABLE CONDITION. Furthermore, it is irrespective of, and independent from, the client's choice to repair or not repair the subject property, or from what the actual repair costs may be as determined by a qualified professional. It should also be noted that the "AS REPAIRED" value, (if one is rendered), may or may not be proportionate to the subject's "As Is" value PLUS the estimated cost of repairs utilized for depreciation. This is because the approach to "AS REPAIRED" value, (*if given in this report*), gives greater consideration to overall market conditions, and to available market data on generally similar properties, rather than to a dollar for dollar recovery of the estimated repair costs in this appraisal. (Per USPAP DEFINITIONS a "HYPOTHETICAL CONDITION" is "that which is contrary to what exists but is supposed for the purpose of analysis." Comment: "Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.")

If listings are utilized in the Market Grid, market negotiation adjustment percentages (or the absence thereof) is determined by estimating the most probable final sale price of an active listing, thereby reflecting a more probable adjusted value relative to the subject. This is due to the various number of influences impacting seller motivation and expectation, The percentage used by the appraiser is based upon all the information that is available to the appraiser regarding several considerations, with no single issue given greatest weight, since what is known cumulatively helps to make this determination. These factors include: The listing's Days on Market (DOM); The number of price reductions noted over that period; The percentage of dollar amounts noted during price reductions; The nature and terms of the intended sale (i.e. "REO", "In Escrow/Pending Sale", "Shortpay/Subject to Lender Approval", "Quick Sale", "Probate", "For Sale by Owner", etc.); Likewise, consistency between the presently listed sale price and market data on recently closed sale amounts, with further consideration given to the listing's asking price in relationship to its size, appearance, upgrades and amenities, and their impact upon its overall appeal and marketability. It should be remembered that the negotiation adjustment is made without regard to any adjustments made to its characteristics relative to the subject, but the resultant net value for the listing, does not represent an appraisal (i.e. an "opinion of value") for the listing, but is only a tool for reconciliation purposes. It should be further noted that "Short Pay Offs, Subject to Lender Approval" are adjusted for market negotiations not only on the merits of each property's individual characteristics, but also with added consideration to its particular marketing approach. Some "short pays" are listed well below market value. This is often a strategy employed by "Short-Pay" sellers to incite immediate market reaction and to receive multiple offers in order to submit several opportunities to the lender. In such cases they are adjusted upwards to reflect a more feasible final sale price after all offers have been considered by the lender. On the other hand, some "Short Pays" are listed significantly above "Market Value".

This approach is typically taken when the defaulting seller is already aware of the minimum value that the lender will approve of and marketing subsequently reflects the limitations imposed by the lender. In such cases, though non-negotiable from the seller's/lender's point of view, they are adjusted more aggressively to better reflect a truer market reaction to the asking price. Finally, some "Short Pays" are listed right at the floor of what would be commonly considered "Market Value" as is often defined by other distressed properties like some REO and HUD sales. In such cases, since the listed price is consistent with the lower end of the market's value range and viable market reaction, offers close to the asking price are anticipated, thus typical or no negotiation adjustments are made. In any case, the marketing of a "short pay property, subject to lender approval" is often impaired by both buyer and broker perceptions of the distressed nature of the property (economically and/or physically) and a general lack of optimism that lenders will be cooperative or responsive to an offer in a timely fashion. In some markets, the "stigma" associated with "short pay" listings greatly inhibits the number of viable offers received because some selling agents fear that their "time will be wasted" and are subsequently unwilling to make offers on behalf of a potential buyer due to added "red tape" and lender involvement, also knowing that it is not uncommon for all offers to be disapproved of based upon various lender policies and strategies in the secondary market.

### - FINAL RECONCILIATION:

It should be noted that the appraiser has made every effort to comply with all USPAP regulations. To the best of the appraiser's knowledge this written appraisal report has been performed under Standard 1 (Rules 1-6) and Standards Rule 2 (Rules 1-4, as applicable). In accordance with these requirements, this appraisal is given recognition as a SUMMARY APPRAISAL REPORT.

The Direct Market Data (Sales Comparison) Approach indicates a value conclusion for the subject property predicated on a comparative analysis of recent sales of similar properties. It is based upon the Principle of Substitution, which is the cornerstone of appraisal theory for the Market Approach. It states that "a buyer will not pay more for property, goods or services than the price of similar (substituted) property, goods or services." - (THE REAL ESTATE DICTIONARY, 5th Edition); ..."*With all other things being approximately equal, a prudent buyer will purchase the product offered at the lowest price when there is a choice of products available*" - (ILLUSTRATED DICTIONARY OF REAL ESTATE AND APPRAISAL); and that "...the lowest price will attract the greatest demand and widest distribution." - (THE DICTIONARY OF REAL ESTATE APPRAISAL). The predicated merits of this approach are limited by the heterogeneous nature of real estate, imperfect market conditions, widely divergent financing terms and the inherent subjectivity of buyer reaction and appraisal adjustments. However, in the case of the subject property, this approach was given the most weight due to the fact that there was reasonable sales data for similar types of properties with similar amenities.

The Cost Approach is not market oriented as are the other approaches to value, as it typically does not utilize market data to establish the subject's land value, but rather the land value is extracted/abstracted from the indicated value of the improved sale. To accomplish this, the replacement cost is estimated by a recognized valuation service, (such as the Craftsman National Building Cost Manual or Marshall and Swift Exceptional Home Cost Guide), and the remaining economic life expectancy of the improvements is determined from physical observation, actual age and an analysis of existing market conditions. If the site is developed to it's highest and best use, and the improvement costs and land value are in harmony, the Cost Approach to Value may be a valid indicator of value, but in the case of fully developed tracts that have no remaining vacant lots, this approach's validity is diminished and is given limited consideration. This is because when there is a lack of recent land sales, land extraction through the Cost Approach does not guarantee a true evaluation of intrinsic worth of the subject's land on a square foot basis since land value can be demonstrated, by this method, to be equal to the abstracted land values of improved properties with sites that are significantly larger than that of the property under analysis. Other limitations include the preclusion of functionally and externally depreciating the land for limited utility and external influences depreciating the worth of the land,

## Supplemental USPAP Addendum

File No. ebar201410

|                  |                     |        |         |       |                        |
|------------------|---------------------|--------|---------|-------|------------------------|
| Borrower/Client  | Farber Family Trust |        |         |       |                        |
| Property Address | 205 E Barnett St    |        |         |       |                        |
| City             | Ventura             | County | Ventura | State | CA Zip Code 93001-1713 |
| Lender           | Federal Home Loans  |        |         |       |                        |

since, by this method, only the improvements are depreciated in these ways, and not the site. In this case, the appraiser has distributed the value of the property between the land and the improvements on the basis of the existing use of the property. These separate values are not to be considered of relevant use in conjunction with any other appraisal and would be considered invalid in such a case.

The Income Approach is a valid indicator of value for income producing properties, in that this approach converts the anticipated future benefits to a present worth figure through the capitalization process. For the purposes of this report, the appraiser gave consideration to the fact that the Highest and Best Use of the subject, and the comparables utilized in this report, is NOT, as presently improved, that of income producing properties. Nor, to the best of the appraiser's knowledge, are any of the comparables herein submitted being utilized as income earning properties. Therefore, in the case of the subject property and for the purposes of this report, the Income Approach is not considered to be applicable nor a valid indicator of value as there is no relevant income market data information available to the appraiser that would contribute to a relevant value conclusion. For these reasons, the Income Approach was not utilized and given no further consideration beyond an initial analysis of the potential of this Value Approach for contributing to a reliable estimate of value for the subject property. Since the Income Approach is "not applicable" the exclusion of this Value Approach is NOT a departure from USPAP.

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