

B P & Assoc.
William G. Pegg
1714 Franklin St. #100-299
Oakland, CA 94612

LETTER OF TRANSMITTAL

To:

Re:

113682NDAVE
OAKLAND, CA 94621

File Number: BPLOCAL#1
Client Ref: 00022782



In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

Physical inspection of the subject property was not performed.

The analysis is based on a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject using MLS and public data records as are available.

The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Estimated Value as stated in the report: \$ 70,000
as of (Effective Date of the Appraisal): 04/08/2011

Respectfully Submitted:

William G. Pegg
06/23/2011

REAL ESTATE COLLATERAL VALUATION REPORT

File No. BPLOCAL#1
Ref No. 00022782

SUMMARY APPRAISAL REPORT

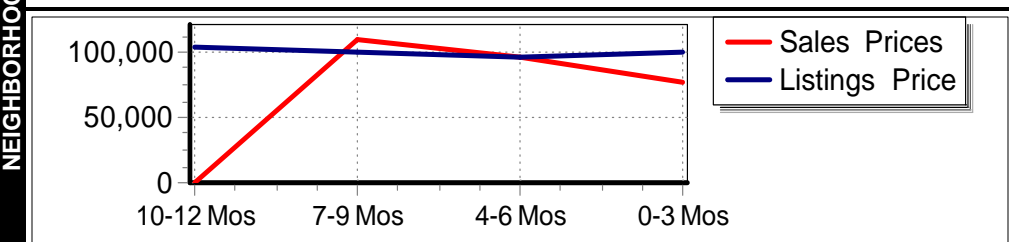
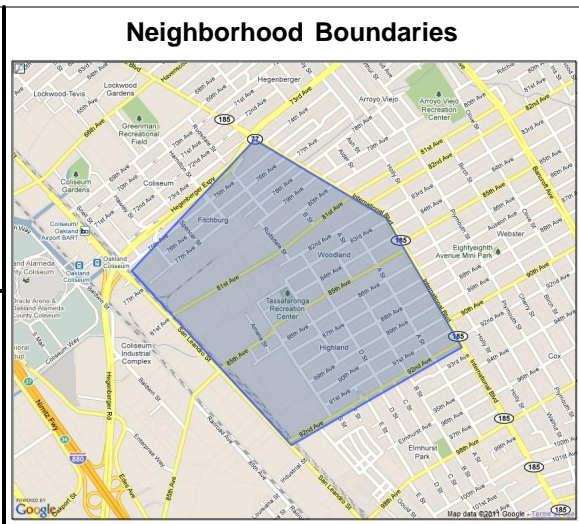
CLIENT	Client <u>Borrower</u>		
Address	City	ST	Zip
Contact	Phone () -		
Address <u>1136 82ND AVE</u>	City <u>OAKLAND</u>	ST <u>CA</u>	Zip <u>94621</u>
Owner	County <u>ALAMEDA</u>		
APN <u>42-4250-25</u>	R.E. Taxes \$ <u>1007.6</u>	Tax Year <u>2010</u>	
Property Rights Appraised:	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Other		
Highest and Best Use: <u>As-Is</u>			
Legal Description			
Total Rooms <u>5</u>	Year Built <u>1926</u>	Design (Style) _____	
Bedrooms <u>2</u>	Stories <u>1</u>	_____	
Baths <u>1</u>	Car Storage <u>1</u>	_____	
GLA <u>820</u>	Basement <u>486</u>	_____	
Site Area <u>2800</u>	Bsmnt Finished _____	_____	



SUBJECT

Comments:

Neighborhood Name <u>BP LOCAL#1</u>		Price(\$000) <u>39.06</u>	Age (Yrs) <u>Low 5</u>
Location <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural		<u>170</u>	<u>High 106</u>
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		<u>93.5</u>	<u>Pred 86</u>
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow			
Trends Last 3 Mos.	Property Values	Demand/Supply	Marketing Time
Median List Price <u>100,000</u>	<input type="checkbox"/> Increasing	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> < 3 Mos
Median Sale Price <u>76,500</u>	<input type="checkbox"/> Stable	<input type="checkbox"/> In Balance	<input type="checkbox"/> 3-6 mths
Sale to List Ratio <u>100</u>	<input checked="" type="checkbox"/> Declining	<input checked="" type="checkbox"/> Over Supply	<input type="checkbox"/> Over 6 mths



Neighborhood Description and Market Conditions: THE SUBJECT IS IN A PREDOMINATELY RESIDENTIAL NEIGHBORHOOD. SCHOOLS AND PARKS ARE TYPICALLY WITHIN A 1/2 MILE. SHOPPING WITHIN A 1 MILE. SEVERAL SHOPPING MALLS ARE WITHIN 5 MILES.

Neighborhood Sales Price Range:	\$ <u>39,064</u> to \$ <u>170,000</u>
Indicated Value from Sales Comparison:	\$ <u>70,000</u>
Indicated Value from Listing Comparison:	\$ <u>71,500</u>
Indicated Value Range from Regression Analysis:	\$ <u>50,161</u> to \$ <u>73,464</u>

Based on the defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certification, my opinion of the market value of the subject as of 04/08/2011, which is the effective date of this appraisal, is **\$ 70,000**.

Comments: The regression indicated values consider a very wide range of conditions and ages from the subject market. The most comparable age and condition properties suggest value at the mid-point of the indicated value range,

RECONCILIATION

APPRaiser

Signature _____

Name William G. Pegg Date 06/23/2011

Company B P & Assoc.

Address 1714 Franklin St. #100-299

City Oakland State CA Zip 94612

License # _____

Certification # AR016500

Other # _____

Expiration Date 11/19/2011 State CA

Inspection: No Inspection Exterior Only Interior and Exterior Date _____

Appraiser Identity and Data Authentication by
Appraisal Sentry (TM)

NEIGHBORHOOD DESCRIPTION AND TRENDS

File No. BLOCAL#1
Ref No. 00022782

Property Address 113682NDAVE

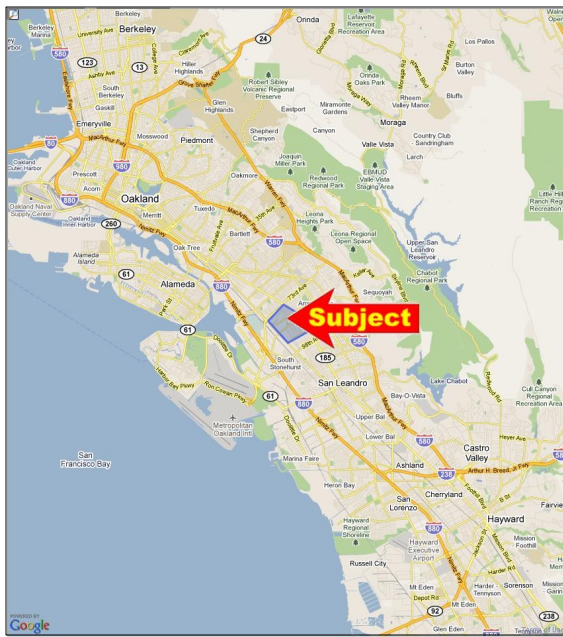
City OAKLAND

County ALAMEDA

State CA

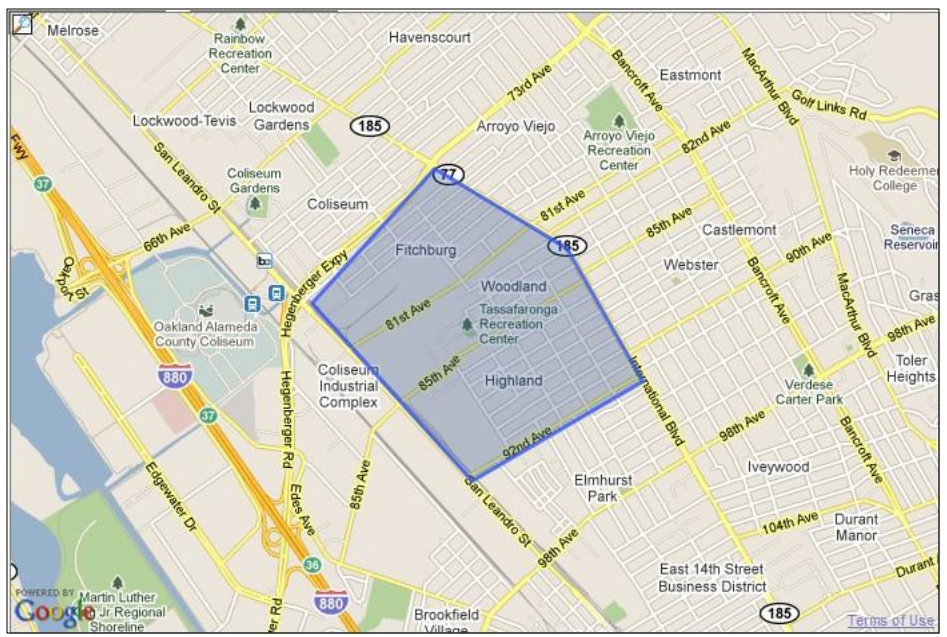
Zip Code 94621

Area Location Map



Neighborhood Boundary

Area: 0.687 sq miles Sq Miles



Neighborhood Name BLOCAL#1

Census Tract 4095.00

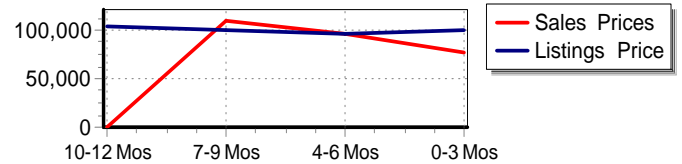
Total Properties Sold within Boundary 37

- Location Urban Suburban Rural
 Built-Up Over 75% 25-75% Under 25%
 Growth Rapid Stable Slow

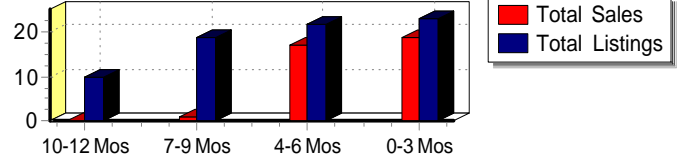
Description: THE SUBJECT IS IN A PREDOMINATELY RESIDENTIAL NEIGHBORHOOD. SCHOOLS AND PARKS ARE TYPICALLY WITHIN A 1 MILE. SHOPPING WITHIN A 1 MILE. SEVERAL SHOPPING MALLS ARE WITHIN 5 MILES. EMPLOYMENT CENTERS ARE WITHIN A

	In Last: 3 Mos.	4-6 Mos.	7-9 Mos.	10-12 Mos.
Total Listings	23	22	19	10
Median List Price	100,000	95,910	99,999	104,475
Total Sales	19	17	1	0
Median Sale Price	76,500	96,500	110,000	0
Days on Market	20	19	8	0
Sale Price / SqFt	90.48	97.66	151.1	0
Low Sale Price	47,800	39,064	110,000	0
High Sale Price	170,000	165,000	110,000	0
Absorption Rate	6.33	5.67	0.33	0
Months of Supply	3.63	3.88	57	0
Sale/List Price Ratio	100	101.16	100.92	0

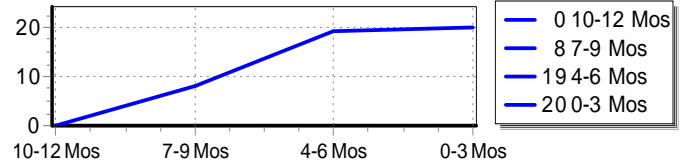
Sales Prices Increasing Stable Decreasing



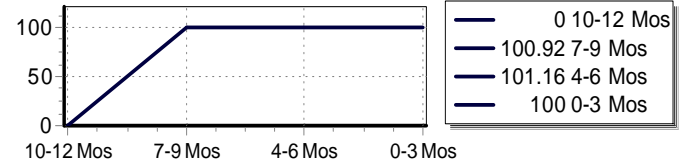
Total Sales Increasing Stable Decreasing



Days on Market (Sales) Increasing Stable Decreasing



Listings to Sales Ratio Increasing Stable Decreasing



Supply/Demand Shortage In-Balance Over-Supply
 Marketing Time .66 Months

Market Conditions: THE M.L.S. IS ACTIVE IN THE AREA. THE TYPICAL CONCESSIONS ARE PRICE RELATED TO CONDITION. IN THE CURRENT MARKET AN INCREASING NUMBER OF HOMES ARE BECOMING R.E.O.'S. THESE HOMES ARE HAVING A DOWNWARD INFLUENCE ON VALUES.

NEIGHBORHOOD VALUE TREND

Neighborhood Value Trend and Impact on Subject Property:

REGRESSION STATISTICS DETAIL

File No. BPLOCAL#1
Ref No. 00022782

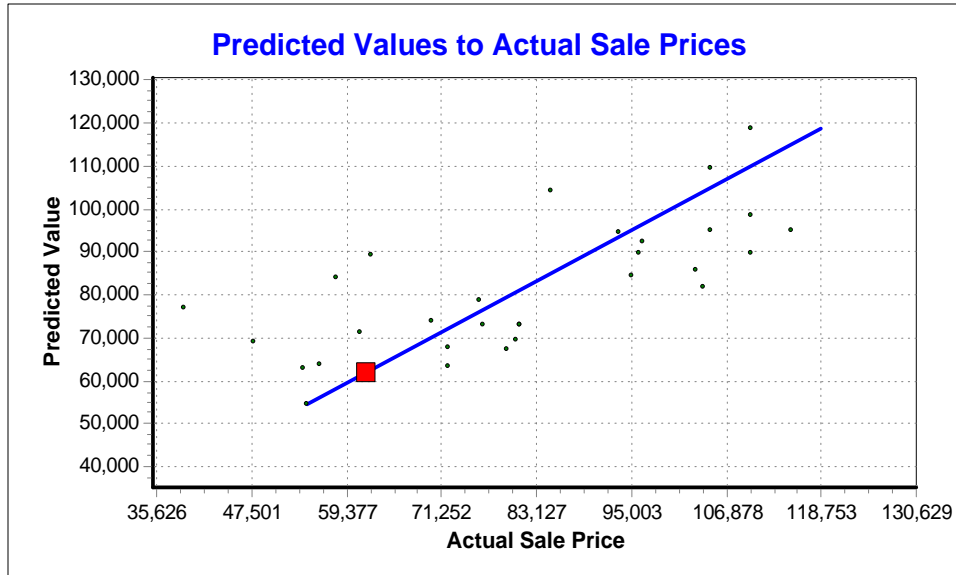
Property Address 113682NDAVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621



Indicated Value from Regression: \$ 61,812

Regression Output Statistics

Statistical Measure	Model Output	Confidence
R Squared	50.54%	Good
Adjusted R Squared	31.69%	Acceptable
COV	18.47%	Acceptable
COD	13.68%	Good
Standard Error	18.85%	Acceptable

Components of Value

Component	Most Likely Value	Significance of Variable	Acceptance of Variable
Base Neighborhood Value	\$30,108.07		Accepted
GLA	\$27.85	Very High	Accepted
Total Baths	\$10,410.11	High	Accepted
Site Area SF	\$3.78	Very High	Accepted
Garage Spaces	-\$6,046.12	High	Accepted
Carport Spaces	-\$14,352.85	Very High	Accepted
Basement Area	Insufficient Data		Insufficient Data
Basement Finished	Insufficient Data		Insufficient Data
Year Built	-\$71.54	Medium	Accepted
Fireplaces	\$24,269.09	Very High	Accepted
Pool	Insufficient Data		Insufficient Data
Spa	Insufficient Data		Insufficient Data
Sale Date (per Day)	\$7.98	Low	Accepted

Top 10 Sales

Address	Sale Price	Date of Sale	GLA	Site Area	Bdrms	Baths	Distance
Street Address Unit, Zip	\$	Sale Date		SqFt	0	0.00	0mi
1159 79TH AVE , 94621-2505	\$61,000	3/31/2011	860	3,675 SqFt	2	1.00	0.22 mi
1315 78TH AVE , 94621-2605	\$54,000	3/24/2011	768	1,855 SqFt	2	1.00	0.26 mi
1320 79TH AVENUE , 94621	\$47,800	3/4/2011	757	3,815 SqFt	2	1.00	0.22 mi
1253 88TH AVENUE , 94621	\$72,000	1/28/2011	813	2,725 SqFt	2	1.00	0.35 mi
1166 75TH AVE , 94621-2906	\$79,500	2/25/2011	854	3,600 SqFt	2	1.00	0.38 mi
989 91ST AVE , 94603-1201	\$105,000	3/30/2011	867	2,725 SqFt	3	5.00	0.51 mi
1216 88TH AVE , 94621-1116	\$54,500	1/17/2011	840	2,712 SqFt	2	2.00	0.34 mi
1307 89TH AVE , 94621-1123	\$72,000	3/18/2011	728	4,033 SqFt	2	1.00	0.42 mi
8617 A ST , 94621-1621	\$76,500	3/16/2011	1,024	2,575 SqFt	2	1.00	0.28 mi

Evaluation of Data and Analysis

Number of Observations	Low (30)
Data Quality	Acceptable
Comparison of Subject to Dataset	Acceptable
Overall Agreement with Model Output	Acceptable
Overall Agreement with Model Accuracy	Average

Comments: Garage & Carport spaces were excluded due to poor correlation to market.

SALES AND LISTINGS ANALYSIS

File No. BLOCAL#1
Ref No. 00022782

HISTORY	Subject 3 yr Sale History			Sale #1 12 Month Sale History		Sale #2 12 Month Sale History		Sale #3 12 Month Sale History	
	Price	Date	Deed Type	Price	Date	Price	Date	Price	Date
	\$			\$		\$		\$	
	\$			\$		\$		\$	
Subject Currently Listed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			Listing Price \$		Sale and Listing Comments:				

COMPARABLE SALE ANALYSIS	FEATURE	SUBJECT	COMPARABLE SALE #1		COMPARABLE SALE #2		COMPARABLE SALE #3	
	Address	1136 82ND AVE OAKLAND, CA 94621		1159 79TH AVE OAKLAND, CA 94621-2505		1315 78TH AVE OAKLAND, CA 94621-2605		1320 79TH AVENUE OAKLAND, CA 94621
Proximity to Subject			0.22 miles		0.258 miles		0.218 miles	
Sale Price	\$		\$ 61,000		\$ 54,000		\$ 47,800	
Sale Price/GLA	\$ N/A /sq.ft.		\$ 70.93 /sq.ft.		\$ 70.31 /sq.ft.		\$ 63.14 /sq.ft.	
VALUE ADJUSTMENTS	DESCRIPTION		DESCRIPTION	+/- \$ Adjustment	DESCRIPTION	+/- \$ Adjustment	DESCRIPTION	+/- \$ Adjustment
Date of Sale / Time	N/A		3/31/2011	64	3/24/2011	120	3/4/2011	279
Location	Urban							
Site Views	NEIGHBORHOOD							
Condition	Average Minus		Similar		Similar			
Design (Style)			Cottage		None		Brown Shingle	
Site Area (SqFt)	2,800 SqFt		3,675 SqFt	-3,308	1,855 SqFt	3,572	3,815 SqFt	-3,837
Year Built	1926		1912	1,002	1927	-72	1907	1,359
Above Grade Room Count	Total Brs. Baths		Total Brs. Baths		Total Brs. Baths		Total Brs. Baths	
	5 2 1		5 2 1.5		4 2 1		4 2 1	
Gross Living Area	820 sq.ft.		860 sq.ft.	-1,200	768 sq.ft.	1,560	757 sq.ft.	1,890
Basement Area	486			4,860		4,860		4,860
Basement Finished Area								
Car Storage	G1, CP0		G0, CP0	5,000	G0, CP0	5,000	G0, CP0	5,000
Fireplace(s)	NoFP		NoFP		NoFP		NoFP	
Pool/Spa	No Pool, No Spa		No Pool, No Spa		No Pool, No Spa		No Pool, No Spa	
Net Adjustment (Total)	Avg: \$69,199		Net Adj 10.52%	\$ 6,418	Net Adj 27.85%	\$ 15,040	Net Adj 19.98%	\$ 9,551
Adjusted Sale Price	WtAvg: \$70,100		Gross Adj 25.30%	\$ 67,418	Gross Adj 28.12%	\$ 69,040	Gross Adj 36.04%	\$ 57,351

COMPARABLE LISTING ANALYSIS	FEATURE	SUBJECT	COMPARABLE LISTING #1		COMPARABLE LISTING #2		COMPARABLE LISTING #3	
	Address	1136 82ND AVE OAKLAND, CA 94621		1218 76TH AVE OAKLAND, CA 94621-2732		1179 78TH AVE OAKLAND, CA 94621-2503		1077 75TH AVE OAKLAND, CA 94621-2913
Proximity to Subject			0.326 miles		0.257 miles		0.425 miles	
REO Property	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Original List Price	\$		\$		\$		\$	
Date of Last Revision								
Total Days on Market								
Current List Price	\$		\$ 100,000		\$ 99,000		\$ 75,000	
Listing/Sales Ratio	100.00		100.00		100.00		100.00	
Forecasted Sale Price	\$ 0		\$ 100,000		\$ 99,000		\$ 75,000	
List Price/GLA	\$ N/A /sq.ft.		\$ 133.69 /sq.ft.		114.32 /sq.ft.		\$ 93.63 /sq.ft.	
VALUE ADJUSTMENTS	DESCRIPTION		DESCRIPTION	+/- \$ Adjustment	DESCRIPTION	+/- \$ Adjustment	DESCRIPTION	+/- \$ Adjustment
Location	Urban							
Site Views	NEIGHBORHOOD							
Condition	Average Minus		SI-Superior	-10000	SI-Superior	-10000	SI-Superior	-10000
Design (Style)			Cottage		None		Cottage	
Site Area (SqFt)	2,800 SqFt		2,805 SqFt	-19	1,855 SqFt	3,572	4,914 SqFt	-7,991
Year Built	1926		1925	72	1927	-72	1942	-1,145
Above Grade Room Count	Total Brs. Baths		Total Brs. Baths		Total Brs. Baths		Total Brs. Baths	
	5 2 1		5 2 1		4 3 1		4 2 1	
Gross Living Area	820 sq.ft.		748 sq.ft.	2,160	866 sq.ft.	-1,380	801 sq.ft.	570
Basement Area	486			4,860		4,860		4,860
Basement Finished Area								
Car Storage	G1, CP0		G1, CP0		G0, CP0	5,000	0, 0	5,000
Fireplace(s)	NoFP		FP1	-24,269	FP1	-24,269	NoFP	
Pool/Spa	No Pool, No Spa		No Pool, No Spa		No Pool, No Spa		No Pool, No Spa	
Other	N/A		N/A		Un warr 3rd Bd.	-5000		
Net Adjustment (Total)	Avg: \$71,604		-Net Adj 27.20%	\$ -27,196	-Net Adj 27.56%	\$ -27,289	-Net Adj 11.61%	\$ -8,706
Adjusted Sale Price	WtAvg: \$71,435		Gross Adj 41.38%	\$ 72,804	Gross Adj 54.70%	\$ 71,711	Gross Adj 39.42%	\$ 66,294

VALUE CONCLUSIONS	Indicated Value by Sales Comparison Approach \$ 70,000	
	Indicated Value by Listing Comparison Using Forecasted Sale Price \$ 71,500	
Comments: Sales:		
Listing:		

COMMENT ADDENDUM

File No. BPLOCAL#1
Ref No. 00022782

Property Address 113682NDAVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621

NEIGHBORHOOD COMMENTS 2 (continued)

20-150 MIN. COMMUTE.

FLOOD MAP

File No. BPLOCAL#1
Ref No. 00022782

Property Address 113682NDAVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621



LOCATION MAP

File No. BPCAL#1
Ref No. 00022782

Property Address 113682ND AVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621



Subject:

1136 82ND AVE

Comparable Sales:

- 1159 79TH AVE
- 1315 78TH AVE
- 1320 79TH AVENUE
- 1253 88TH AVENUE

Comparable Listings:

- 1218 76TH AVE
- 1179 78TH AVE
- 1077 75TH AVE
- 1301 90TH AVE

SUBJECT AERIAL PHOTOS

File No. BPLOCAL#1
Ref No. 00022782

Property Address 113682NDAVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621



Photo Description North View
Photo Source Pictometry
Photo Date 09/18/2009



Photo Description East View
Photo Source Pictometry
Photo Date 09/18/2009



Photo Description South View
Photo Source Pictometry
Photo Date 09/18/2009



Photo Description West View
Photo Source Pictometry
Photo Date 09/18/2009

COMPARABLE SALE AND LISTING PHOTOS

File No. BPLOCAL#1
Ref No. 00022782

Property Address 113682NDAVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621

Comparable Sales



Sale #1

Photo Description 1159 79TH AVE

Comparable Listings



Listing #1

Photo Description 1218 76TH AVE



Sale #2

Photo Description 1315 78TH AVE



Listing #2

Photo Description 1179 78TH AVE



Sale #3

Photo Description 1320 79TH AVENUE



Listing #3

Photo Description 1077 75TH AVE

DEFINITION OF TERMS AND OVERVIEW OF PROCESS

File No. BPLocal#1
Ref No. 00022782

Property Address 113682ND AVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621

Definitions

DEFINITION OF R-SQUARED (Coefficient of Determination): In regression analysis, a measure of the strength of the relationship between the independent variables and the dependent variable. The measure ranges from 0 to 1 - the higher the number, the stronger the relationship (0 would indicate no relationship).

DEFINITION OF ADJUSTED R-SQUARED: R-Squared can overstate the goodness of fit in a model when insignificant variables are included, or the number of variables is large relative to the number of sales. Adjusted R-Squared rewards parsimony and takes into consideration the number of independent variables, thereby diminishing R-Squared appropriately.

DEFINITION OF T-SCORE: A particular statistic that measures the significance of a variable in a regression analysis. The statistic is important in inferential statistics for hypothesis testing. In regression analysis, the t-statistic is equal to the standard error of a regression coefficient divided by the coefficient.

DEFINITION OF COV (Coefficient of Variation): A standard statistical measure of the relative dispersion of the sample data about the mean of the data; the standard deviation expressed as a percentage of the mean.

DEFINITION OF COD (Coefficient of Dispersion): The average deviation of a group of numbers from the median expressed as a percentage of the median.

DEFINITION OF STANDARD ERROR: A measure of the precision of a measure of central tendency; the smaller the standard error, the more reliable the measure of standard tendency. In regression analysis, the standard deviation of a regression coefficient; the smaller the standard error relative to the coefficient, the more reliable the coefficient.

DEFINITION OF SALES RATIO: A measure of model accuracy that divides predicted values by sales prices. The closer to 1 that a sales ratio is, the better the model's predictive capabilities.

DEFINITION OF STANDARD DEVIATION: The statistic calculated from a set of numbers by subtracting the mean from each value and squaring the remainders, adding together all of the squares, dividing by the size of the sample less one, and taking the square root of the result. When the data are normally distributed, one can calculate the percentage of observations within any number of standard deviations of the mean from normal probability tables.

Source Documents

The Collateral Valuation Report (CVR) has been designed in conformance with all available technology, data and statistical processes, generally accepted to represent the state of industry, including:

Uniform Standards of Professional Appraisal Practice (USPAP):

Standard 1

Standard 2

Since specialized statistical and mass appraisal information is contained within Standard 6 and Advisory Opinion 18, these sources have also been considered in tandem with the Development and Reporting standards contained within Standard 1 and Standard 2. It is expressly understood that the Collateral Valuation Report is a summary appraisal report performed under the guidance of Standards 1 and 2 as noted above.

Joint Industry Task Force on Automated Valuation Models:

Standards and Testing Guidelines

These standards and guidelines are instructive in the method of testing accuracy and identifies the statistics and outcome guidelines that can be relied upon in performance of statistical analysis.

International Association of Assessing Officers:

Standard on Ratio Studies

Mass Appraisal of Real Property

Standard on Automated Valuation Models

While the Collateral Valuation Report is a summary appraisal report on a single property, there is a significant body of knowledge contained within the three key reference sources listed above. Each of these sources is the expected standard within the appraisal profession as it pertains to the use of statistical analysis in real estate valuation. General guidelines from these source texts have been considered, and where appropriate, implemented within the process that generates the Collateral Valuation Report.

Appraisal Institute:

A Guide to Appraisal Valuation Modeling

Practical Applications in Appraisal Valuation Modeling and Design

The 13th Edition of the Appraisal of Real Estate

Visual Valuation: Implementing Valuation Modeling and Geographic Information Systems

These texts form the body of knowledge that helps provide an understanding of the modeling process and the use of statistics in real estate

The Modeling Process

An acceptable model will have both reasonable coefficients and satisfactory outcome statistics. The appraiser has been trained in a manner sufficient to understand the various statistical measures outlined in this report. The statistical measures defined within this analysis allow the appraiser to understand the data and draw certain conclusions based on the accuracy of the data, the amount and quality of the data, and the measures of statistical significance and accuracy of the analysis applied.

Competence

The appraiser completing the Collateral Valuation Report asserts that they have undergone sufficient training, and further, have an understanding of the statistical measures underlying the regression component of the process to generally understand the method and manner of analysis: The appraiser does not assert that they are statisticians. They are, however, aware of the basic guidelines pertaining to the use of the CVR application as a tool to analyze small market datasets, and as such, are capable of understanding the analysis and methodology in a manner sufficient to render a credible estimate of value in tandem with the other data and analysis present in the report. The final value conclusion is the appraiser's own, and is based on the appraiser's knowledge and experience in the field of appraisal. The data and analysis in this report, whether through direct information or through derived statistical information, aids the appraiser in understanding the dynamics of the neighborhood and market area.

SCOPE OF WORK DESKTOP

File No. BPLOCAL#1
Ref No. 00022782

Property Address 113682NDAVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621

At the request of the client, the appraiser has prepared a summary appraisal report of the subject property to meet the specific needs of the client, the intended user of this report.

APPRAISER'S ABILITY TO PROVIDE CREDIBLE ANALYSIS:

Under the Uniform Standards of Professional Appraisal Practice, the appraiser is required to measure the credibility of results within context of intended use, intended user(s), and scope of work applied.

In the case of this assignment, the appraiser is able to perform the appraisal assignment and provide a credible analysis based on intended use, intended user(s), and scope of work and assumptions and limiting conditions stated herein.

This appraisal is subject to the following scope of work, intended use, intended user(s), definition of market value, statement of assumptions and limiting conditions, and certifications by the appraiser.

INTENDED USE:

INTENDED USER(S):

This report is not intended by the appraiser for any other use or by any other user.

SCOPE OF WORK:

Definition: Scope of work is the type and extent of research and analysis in an assignment and includes, but is not limited to, the following: (1) the degree to which the property is inspected and identified; (2) the extent of research into physical or economic factors that could affect the property; (3) the extent of data research; (4) the extent and type of analysis applied to arrive at opinions and conclusions.

Scope of Work Applied:

What was done:

1. The appraiser has consulted public and private data sources to determine the location and physical characteristics of the subject property, competing listing and sales necessary for this analysis. Other documentation reported within the report from disinterested sources and which are deemed reliable by the appraiser may have been used. Should the information be incorrect, it could have an impact on the assignment results provided by the client, including prior appraisals or evaluations and information provided by the owner. The appraiser has reported the sources of data that were relied upon and has a reasonable belief that the information is accurate and unbiased. Should this information be incorrect, it could have an impact on assignment results.
2. The appraiser has collected general market data from local sources, including the Multiple Listing Service to analyze the current state of the market as it relates to the subject property.
3. The sales comparison approach was performed on both sold and currently listed properties.
4. Adjustments made to the sales and listings in the comparison approach may have been based on regression analysis and or data extracted from the market or previous appraisal assignments.
5. The appraiser has analyzed general and specific data and formed an opinion as to the market value of the subject property.
6. The appraiser has provided a summary appraisal report of the analysis, opinions and conclusions.

What was not done:

1. The highest and best use of the subject property is assumed to be its current use.
2. The cost approach and income approach, though considered, were not applied. These approaches were not applied based on the needs of the client. The decision to not use these approaches does not have an impact on the assignment results.
3. The value of personal property was not included in the assignment except for built-in appliances which are typically included in the transactions in this market.

ASSUMPTIONS AND LIMITING CONDITIONS DESKTOP

File No. BPLOCAL#1
Ref No. 00022782

Property Address 113682NDAVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621

ASSUMPTIONS AND LIMITING CONDITIONS:

1. This report is prepared using forms developed and copyrighted by AppraisalWorld, Inc. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. AppraisalWorld, Inc. is not liable for any of the content, analyses, or opinions set forth herein.
2. The Opinion of Value is limited to neighborhood and property data available without physical inspection. Therefore the appraiser cannot acknowledge or consider such information not described in Public Record or MLS data or other documents deemed to be reliable by the appraiser.
3. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise noted.
4. The property is appraised free and clear of any or all liens or encumbrances and in fee simple ownership.
5. The information furnished by others is believed to be reliable, but no warrantee is given for its accuracy.
6. It is assumed that property management is competent and that the property condition is typical of the market area unless specifically described otherwise.
7. It is assumed that the subject property is in habitable and in marketable condition with no faults or defects and similar to other substitute properties offered in the market or recently sold.
8. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
9. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion in this report is based.
11. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass.
12. The highest and best use of the subject is assumed to be residential. If this assumption is incorrect, it could have a material impact on the valuation conclusion. The decision to make this assumption does not have an impact on credibility of the analysis.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all nor any part of the contents of this report (especially any opinions as to the value, the identity of the appraiser, or the firm the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
14. The appraiser by reason of this appraisal is not required to give further consultation or testimony or be attendance in count with reference to the property in question unless arrangements have been previously made.
15. Any value opinions provided in the report apply to the entire property, and any proration of division of the total into fractional interests will invalidate the value opinion, unless such proration or division of interest has been set forth in the report.
16. 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.
17. The client identified in this report may disclose or provide this appraisal report as required by law or regulation and as necessary to complete or consider the event or transaction for which the appraisal was requested by the client. The appraiser's 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). Receipt of this appraisal report by any party not identified as the client or intended user shall not entitle that recipient to rely on the appraisal for any purpose or to use the appraisal in any manner other than for the intended use and user stated in this report.

APPRAISER'S CERTIFICATION DESKTOP

File No. BPLocal#1
Ref No. 00022782

Property Address 113682NDAVE

City OAKLAND

County ALAMEDA

State CA

Zip Code 94621

DEFINITION OF MARKET VALUE:

"market value," as used in this report, is defined as:

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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and Seller are typically motivated; (2) Both parties are well informed or well advised, and acting in what they consider their best interests; (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.

Source: "(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994); Appraisal Institute, *The Dictionary of Real Estate Appraisal, Fourth Edition, (Chicago, 2002) Page 177*"

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no (or the specified below) prospective interest in the property that is the subject of this and no (unless specified below) personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
9. I have not made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property assistance to the person signing this certification.
11. I have performed no other services (or the specified) services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
12. I have knowledge and experience in appraising this type of property in this market area.

SUBJECT PROPERTY:

Address 113682NDAVE City OAKLAND State CA Zip 94621

Estimated Value as stated in the report: \$ 70,000 as of (Effective Date of the Appraisal): 04/08/2011

Source of Data: Interior and Exterior Inspection Exterior Inspection from the Street
 Satellite and/or Streetview Imagery Previous Appraisal File Multiple Listing Service Property Owner
 Aerial Imagery (Pictometry) Prior Inspection Assessment and Tax Records Other (describe)

APPRAISER:

Signature _____

Name William G. Pegg

Company B P & Assoc. Date 06/23/2011

Address 1714 Franklin St. #100-299

City Oakland State CA Zip 94612

License # _____ Certification # AR016500

Other # _____ Expiration Date 11/19/2011

State CA

Inspection: No Inspection Exterior Only Interior and Exterior Date _____

I did appraise the subject property within the last 3 years.