

02/21/2008

[CONFIDENTIAL]
[CONFIDENTIAL]
Palm Desert, CA 92211
RE: [CONFIDENTIAL]

Larry Ward
Assessor-County Clerk-Recorder
P.O. Box 12004
Riverside, CA 92502

Dear Mr. Ward,

Thank you for taking the time to review our 'Decline-in-Value Reassessment Application'. The text below is an explanation of the adjustments and the properties used in the development of our opinion of our current market value as of the beginning of the year.

In the comparison, there are six comparables included - all of which are within our [CONFIDENTIAL] development. Comparables 1-5 represent the only 5 similar properties to have sold during the period beginning 07/01/2007 to the present. Comparable 6 is the only similar property in the neighborhood as of the date of this letter that is in escrow/in a pending status. Similar properties are basically defined as being within 15% of our property's living area since most other attributes/features are very similar. Only properties that were transacted through the local MLS have been considered to eliminate the possibility of the inclusion of non-market-based transactions. The properties included are the only properties to sell through the MLS during this period. All properties are single family detached residences.

In this comparison, Quality adjustments are used. Quality describes a degree of worth and the character of the workmanship and material used and describes the structure and the features - such as counter tops and flooring. In contrast, condition is used to describe the degree of defects or physical deterioration present, in the structure and in the features.

Comparable 1 is the most recent sale in the neighborhood. It is directly across the street from our house, is the exact reverse of our floor plan, and has been listed on the market since it was originally purchased on 09/20/2005. The property is in what is considered to be a superior location as the rear of the property is south facing towards the local mountains, reflected in its Location description and adjustment, and its feature quality (counter tops, flooring) is inferior to our house, reflected in its Quality of Construction description and adjustment. The adjustment's used are not only consistent with the other properties in this sales comparison, but they are also consistent with the difference between the prior purchase price of our property and comparable 1 which was only \$3,500. Comparable 1 was also listed for sale for \$392,500 on 12/12/2007 and would have been a direct competitor for buyers with our property if it were listed for sale as of 12/31/2007 making it even more relevant to our home's market value as of 12/31/2007.

Comparable 2 was a model home and has far superior feature quality to our house, reflected in the comparable's Quality of Construction description and adjustment.

Comparable 3 is the same floor plan as our house.

Comparable 4 is located at the northern edge of the neighborhood which is undesirable because there are a trains that frequently pass by the neighborhood on the north side, reflected in comparable 4's Location description and adjustment.

Comparable 6 is a current sale in escrow as of 01/17/2008 and it's Date of Sale/Time adjustment is derived from the typical sales price to list price ratio of 6.39% over the past 6 months. As adjusted, comparable 6 represents the upper limit of value for our property. Comparable 6 has also been listed for the price of \$392,500 since 10/30/2007 and would have been a direct competitor of our property as of 12/31/2007 if we were looking to sell our house, limiting our potential list price to the adjusted price of comparable 6 if we wanted to reasonably compete for buyers.

Date of Sale/Time adjustments, with the exception of comparable 6, are derived from the market decline of similar properties to our property that are not in resort developments and in the city of Palm Desert. Similar properties are defined as those within +/-15% of our property's living area size and +/- 10 years of our property's age. Over the six month period ending 12/31/2007, the median \$/Sqft of similar properties has been \$204.25 (\$437,500) and during the same period 1 year ago the median \$/Sqft was \$245.70 (\$542,500) which is a decline of 16.87%. More narrow time periods are not reliable due to a low number of sales.

In narrowing our opinion of our property's value, we place most emphasis on the following:

1. Comparables 1 and 6 for being the best reflections of the most current market trends.
2. Comparable 1 for being the best reflection of the appeal of our floor plan.
3. Comparables 3, 4 , and 5 for being the best reflections of our feature quality.
4. Comparables 4, 5, and 6 for being the best reflections of the appeal of our pool and spa.
5. The prior sales prices of the comparables which support the indicated market value of our property, given our addition of a swimming pool and spa.
6. The mode value of the adjusted sales prices of all comparables.

In our opinion, the market value of our house at [CONFIDENTIAL] as of the end of last year is \$410,000.

Thank you again for your time and attention. If you have any questions, please do not hesitate to contact us at [CONFIDENTIAL].

Sincerely,

[CONFIDENTIAL]

EXTRA COMPARABLES 1-2-3

File No. [CONFIDENTIAL]
Case No.

Borrower (owners) [CONFIDENTIAL]

Property Address [CONFIDENTIAL]

City Palm Desert County Riverside State CA Zip Code 92211

Lender/Client Assessor-County Clerk Recorder Address P.O. Box 12004, Riverside, CA 92502-2204

SALES COMPARISON ANALYSIS

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address [CONFIDENTIAL] Palm Desert, CA 92211	[CONFIDENTIAL] Palm Desert, CA 92211	[CONFIDENTIAL] Palm Desert, CA 92211			[CONFIDENTIAL] Palm Desert, CA 92211			[CONFIDENTIAL] Palm Desert, CA 92211		
Proximity to Subject		100 Ft / 0.019 Miles			0.24 Miles			0.044 Miles		
Sale Price	\$	\$ 375,000			\$ 440,000			\$ 410,000		
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 173.77 sq. ft.			\$ 198.29 sq. ft.			\$ 189.99 sq. ft.		
Data Source(s)		MLS# 21314464			MLS# 21300277			MLS# 41292961		
Verification Source(s)		Public Record#:71433			Public Record#:614658			Public Record#:588622		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION		+(-) \$ Adjustment	DESCRIPTION		+(-) \$ Adjustment	DESCRIPTION		+(-) \$ Adjustment
Sale or Financing		None			None			None		
Concessions		Cash Equivalent			Cash Equivalent			Cash Equivalent		
Date of Sale/Time		2/13/09 in escrow 1/10/08			10/02/2007			-12,000 09/18/2007		
Location	Good	Good/Very Good			-20,000 Good			Good		
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Site	10019 Sqft	10,019 Sqft			10,454 Sqft			10,019 Sqft		
View	Not A Value Infl.	Not A Value Infl.			Not A Value Infl.			Not A Value Infl.		
Design (Style)	Conventional	Conventional			Conventional			Conventional		
Quality of Construction	Good/Very Good	Good			+20,000 Very Good (model home)			-41,000 Good/Very Good		
Actual Age	3 yrs	3 yrs			4 yrs			4 yrs		
Condition	Good	New, Never Lived In			Good			Good		
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
Room Count	5 3 2.50	5 3 2.50			6 4 3.00			5 3 2.00		+2,000
Gross Living Area	+2,158 sq. ft.	2,158 sq. ft.			2,219 sq. ft.			2,158 sq. ft.		
Basement & Finished Rooms Below Grade	N/A	N/A			N/A			N/A		
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	FWA/Central	FWA/Central			FWA/Central			FWA/Central		
Energy Efficient Items	Not a Value Infl.	Not a Value Infl.			Not a Value Infl.			Not a Value Infl.		
Garage/Carport	2 Car Garage	2 Car Garage			2 Car Garage			2 Car Garage		
Porch/Patio/Deck	Patio, Porch	Patio, Porch			Patio, Porch			Patio, Porch		
Pool, Spa	Pool, Spa	None			+35,000 None			+35,000 None		
Net Adjustment (Total)		X + -		\$ 35,000	X + -		\$ -30,000	X + -		\$ 17,000
Adjusted Sale Price of Comparables				\$ 410,000			\$ 410,000			\$ 427,000

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	09/20/2005	10/06/2005	03/11/2005	04/15/2005
Price of Prior Sale/Transfer	\$473,000	\$476,500	\$549,000	\$475,000
Data Source(s)	Public Record Doc#774766	Public Record Doc#828731	Public Record Doc#199223	Public Record Doc#299899
Effective Date of Data Source(s)	\$473,000	\$476,500	\$549,000	\$475,000

Analysis of prior sale or transfer history of the subject property and comparable sales Prior sales dates that are closest to the prior sale date of the subject (APN: 626-460-040-2 have been included for relative pricing at time of purchase comparison.

Summary of Sales Comparison Approach Please see attached letter of explanation of this sales comparison.

EXTRA COMPARABLES 4-5-6

File No. [CONFIDENTIAL]
Case No.

Borrower (owners) [CONFIDENTIAL]

Property Address [CONFIDENTIAL]

City Palm Desert County Riverside State CA Zip Code 92211
Lender/Client Assessor-County Clerk Recorder Address P.O. Box 12004, Riverside, CA 92502-2204

SALES COMPARISON ANALYSIS

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	[CONFIDENTIAL] Palm Desert, CA 92211	[CONFIDENTIAL] Palm Desert, CA 92211			[CONFIDENTIAL] Palm Desert, CA 92211			[CONFIDENTIAL] Palm Desert, CA 92211		
Proximity to Subject		0.25 Miles			.05 Miles			0.055 Miles		
Sale Price	\$	\$ 390,000			\$ 495,000			\$ 392,500		
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 203.76 sq. ft.			\$ 201.06 sq. ft.			\$ 176.88 sq. ft.		
Data Source(s)		MLS#21297527			MLS#21297488			MLS# 21313619		
Verification Source(s)		Public Record#:573002			Public Record#:561130			Public Record#:164677		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION		+(-) \$ Adjustment	DESCRIPTION		+(-) \$ Adjustment	DESCRIPTION		+(-) \$ Adjustment
Sale or Financing		None			None			N/A		
Concessions		Cash Equivalent			Cash Equivalent			N/A		
Date of Sale/Time		09/10/2007			-19,000			08/31/2007		
Location	Good	Average			+50,000			Good		
Leasehold/Fee Simple	Fee Simple	Fee Simple						Fee Simple		
Site	10019 Sqft	13,503 Sqft			-29,000			10,019 Sqft		
View	Not A Value Infl.	Not A Value Infl.						Not A Value Infl.		
Design (Style)	Conventional	Conventional						Conventional		
Quality of Construction	Good/Very Good	Good/Very Good						Good		
Actual Age	3 yrs	4 yrs						3 yrs		
Condition	Good	Good						Good		
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths		-10,000	Total Bdrms. Baths		-10,000
Room Count	5 3 2.50	5 3 2.00		+2,000	6 4 3.00		-2,000	6 4 2.50		
Gross Living Area	+2,158 sq. ft.	1,914 sq. ft.		+16,000	2,462 sq. ft.		-20,000	2,219 sq. ft.		
Basement & Finished Rooms Below Grade	N/A	N/A			Casita/Guest House			-25,000		
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	FWA/Central	FWA/Central			FWA/Central			FWA/Central		
Energy Efficient Items	Not a Value Infl.	Not a Value Infl.			Not a Value Infl.			Not a Value Infl.		
Garage/Carport	2 Car Garage	2 Car Garage			2 Car Garage			2 Car Garage		
Porch/Patio/Deck	Patio,Porch	Patio, Porch			Patio, Porch			Patio, Porch		
Pool,Spa	Pool,Spa	Pool,Spa			Pool,Spa			None		
Net Adjustment (Total)		X + -		\$ 20,000	X + -		\$ -85,000	X + -		\$ 20,000
Adjusted Sale Price of Comparables				\$ 410,000			\$ 410,000			\$ 412,000

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales

ITEM	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Date of Prior Sale/Transfer	09/20/2005	03/08/2006	09/02/2005	03/01/2005
Price of Prior Sale/Transfer	\$473,000	\$546,000	\$480,000	\$451,000
Data Source(s)	Public Record Doc#774766	Public Record Doc#165318	Public Record Doc#728120	Public Record Doc#164677
Effective Date of Data Source(s)	\$473,000	\$546,000	\$480,000	\$451,000

Analysis of prior sale or transfer history of the subject property and comparable sales Prior sales dates that are closest to the prior sale date of the subject (APN: 626-460-040-2 have been included for relative pricing at time of purchase comparison.

Summary of Sales Comparison Approach Please see attached letter of explanation of this sales comparison.