

IN THE SUPREME COURT OF THE STATE OF NEVADA

SUPERPUMPER, INC., an Arizona corporation; EDWARD BAYUK, individually and as Trustee of the EDWARD BAYUK LIVING TRUST; SALVATORE MORABITO, an individual; and SNOWSHOE PETROLEUM, INC., a New York corporation,

Appellants,

vs.

WILLIAM A. LEONARD, Trustee for the Bankruptcy Estate of Paul Anthony Morabito,

Respondent.

Case No. 79355

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Appeal from the Second Judicial
District Court, the Honorable Connie
J. Steinheimer Presiding

APPELLANTS' APPENDIX, VOLUME 28
(Nos. 4676–4897)

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10	September 20, 2010 email from P. Morabito to Dennis and Yalamanchili RE: Attorney client privileged communication	Vol. 12, 1868–1870
11	September 20, 2010 email string RE: Attorney client privileged communication	Vol. 12, 1871–1875
12	Appraisal of Real Property: 370 Los Olivos, Laguna Beach, CA, as of Sept. 24, 2010	Vol. 12, 1876–1903
13	Excerpted Transcript of March 21, 2016 Deposition of P. Morabito	Vol. 12, 1904–1919
14	P. Morabito Redacted Investment and Bank Report from Sept. 1 to Sept. 30, 2010	Vol. 12, 1920–1922
15	Excerpted Transcript of June 25, 2015 Deposition of 341 Meeting of Creditors	Vol. 12, 1923–1927
16	Excerpted Transcript of December 5, 2015 Deposition of P. Morabito	Vol. 12, 1928–1952
17	Purchase and Sale Agreement between Arcadia Trust and Bayuk Trust entered effective as of Sept. 27, 2010	Vol. 12, 1953–1961
18	First Amendment to Purchase and Sale Agreement between Arcadia Trust and Bayuk Trust entered effective as of Sept. 28, 2010	Vol. 12, 1962–1964
19	Appraisal Report providing market value estimate of real property located at 8355 Panorama Drive, Reno, NV as of Dec. 7, 2011	Vol. 12, 1965–1995

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
20	An Appraisal of a vacant .977± Acre Parcel of Industrial Land Located at 49 Clayton Place West of the Pyramid Highway (State Route 445) Sparks, Washoe County, Nevada and a single-family residence located at 8355 Panorama Drive Reno, Washoe County, Nevada 89511 as of October 1, 2010 a retrospective date	Vol. 13, 1996–2073
21	APN: 040-620-09 Declaration of Value (dated 12/31/2012)	Vol. 14, 2074–2075
22	Sellers Closing Statement for real property located at 8355 Panorama Drive, Reno, NV 89511	Vol. 14, 2076–2077
23	Bill of Sale for real property located at 8355 Panorama Drive, Reno, NV 89511	Vol. 14, 2078–2082
24	Operating Agreement of Baruk Properties LLC	Vol. 14, 2083–2093
25	Edward Bayuk, as trustee of the Edward William Bayuk Living Trust’s Answer to Plaintiff’s First Set of Interrogatories (dated 09/14/2014)	Vol. 14, 2094–2104
26	Summary Appraisal Report of real property located at 1461 Glenneyre Street, Laguna Beach, CA 92651, as of Sept. 25, 2010	Vol. 14, 2105–2155
27	Appraisal of Real Property as of Sept. 23, 2010: 1254 Mary Fleming Circle, Palm Springs, CA 92262	Vol. 15, 2156–2185
28	Appraisal of Real Property as of Sept. 23, 2010: 1254 Mary Fleming Circle, Palm Springs, CA 92262	Vol. 15, 2186–2216

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
29	Membership Interest Transfer Agreement between Arcadia Trust and Bayuk Trust entered effective as of Oct. 1, 2010	Vol. 15, 2217–2224
30	PROMISSORY NOTE [Edward William Bayuk Living Trust (“Borrower”) promises to pay Arcadia Living Trust (“Lender”) the principal sum of \$1,617,050.00, plus applicable interest] (dated 10/01/2010)	Vol. 15, 2225–2228
31	Certificate of Merger dated Oct. 4, 2010	Vol. 15, 2229–2230
32	Articles of Merger Document No. 20100746864-78 (recorded date 10/04/2010)	Vol. 15, 2231–2241
33	Excerpted Transcript of September 28, 2015 Deposition of Edward William Bayuk	Vol. 15, 2242–2256
34	Grant Deed for real property 1254 Mary Fleming Circle, Palm Springs, CA 92262; APN: 507-520-015 (recorded 11/04/2010)	Vol. 15, 2257–2258
35	General Conveyance made as of Oct. 31, 2010 between Woodland Heights Limited (“Vendor”) and Arcadia Living Trust (“Purchaser”)	Vol. 15, 2259–2265
36	Appraisal of Real Property as of Sept. 24, 2010: 371 El Camino Del Mar, Laguna Beach, CA 92651	Vol. 15, 2266–2292
37	Excerpted Transcript of December 6, 2016 Deposition of P. Morabito	Vol. 15, 2293–2295
38	Page intentionally left blank	Vol. 15, 2296–2297
39	Ledger of Edward Bayuk to P. Morabito	Vol. 15, 2298–2300

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
40	Loan Calculator: Payment Amount (Standard Loan Amortization)	Vol. 15, 2301–2304
41	Payment Schedule of Edward Bayuk Note in Favor of P. Morabito	Vol. 15, 2305–2308
42	November 10, 2011 email from Vacco RE: Baruk Properties, LLC/P. Morabito/Bank of America, N.A.	Vol. 15, 2309–2312
43	May 23, 2012 email from Vacco to Steve Peek RE: Formal Settlement Proposal to resolve the Morabito matter	Vol. 15, 2313–2319
44	Excerpted Transcript of March 12, 2015 Deposition of 341 Meeting of Creditors	Vol. 15, 2320–2326
45	Shareholder Interest Purchase Agreement between P. Morabito and Snowshoe Petroleum, Inc. (dated 09/30/2010)	Vol. 15, 2327–2332
46	P. Morabito Statement of Assets & Liabilities as of May 5, 2009	Vol. 15, 2333–2334
47	March 10, 2010 email from Naz Afshar, CPA to Darren Takemoto, CPA RE: Current Personal Financial Statement	Vol. 15, 2335–2337
48	March 10, 2010 email from P. Morabito to Jon RE: ExxonMobil CIM for Florida and associated maps	Vol. 15, 2338–2339
49	March 20, 2010 email from P. Morabito to Vacco RE: proceed with placing binding bid on June 22nd with ExxonMobil	Vol. 15, 2340–2341

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
50	P. Morabito Statement of Assets & Liabilities as of May 30, 2010	Vol. 15, 2342–2343
51	June 28, 2010 email from P. Morabito to George R. Garner RE: ExxonMobil Chicago Market Business Plan Review	Vol. 15, 2344–2345
52	Plan of Merger of Consolidated Western Corp. with and into Superpumper, Inc. (dated 09/28/2010)	Vol. 15, 2346–2364
53	Page intentionally left blank	Vol. 15, 2365–2366
54	BBVA Compass Proposed Request on behalf of Superpumper, Inc. (dated 12/15/2010)	Vol. 15, 2367–2397
55	Business Valuation Agreement between Matrix Capital Markets Group, Inc. and Superpumper, Inc. (dated 09/30/2010)	Vol. 15, 2398–2434
56	Expert report of James L. McGovern, CPA/CFF, CVA (dated 01/25/2016)	Vol. 16, 2435–2509
57	June 18, 2014 email from Sam Morabito to Michael Vanek RE: SPI Analysis	Vol. 17, 2510–2511
58	Declaration of P. Morabito in Support of Opposition to Motion of JH, Inc., Jerry Herbst, and Berry-Hinckley Industries for Order Prohibiting Debtor from Using, Acquiring, or Disposing of or Transferring Assets Pursuant to 11 U.S.C. §§ 105 and 303(f) Pending Appointment of Trustee; Case No. BK-N-13-51237 (filed 07/01/2013)	Vol. 17, 2512–2516

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
59	State of California Secretary of State Limited Liability Company – Snowshoe Properties, LLC; File No. 201027310002 (filed 09/29/2010)	Vol. 17, 2517–2518
60	PROMISSORY NOTE [Snowshoe Petroleum (“Maker”) promises to pay P. Morabito (“Holder”) the principal sum of \$1,462,213.00] (dated 11/01/2010)	Vol. 17, 2519–2529
61	PROMISSORY NOTE [Superpumper, Inc. (“Maker”) promises to pay Compass Bank (the “Bank” and/or “Holder”) the principal sum of \$3,000,000.00] (dated 08/13/2010)	Vol. 17, 2530–2538
62	Excerpted Transcript of October 21, 2015 Deposition of Salvatore R. Morabito	Vol. 17, 2539–2541
63	Page intentionally left blank	Vol. 17, 2542–2543
64	Edward Bayuk’s Answers to Plaintiff’s First Set of Interrogatories (dated 09/14/2014)	Vol. 17, 2544–2557
65	October 12, 2012 email from Stan Bernstein to P. Morabito RE: 2011 return	Vol. 17, 2558–2559
66	Page intentionally left blank	Vol. 17, 2560–2561
67	Excerpted Transcript of October 20, 2015 Deposition of Dennis C. Vacco	Vol. 17, 2562–2564
68	Snowshoe Petroleum, Inc.’s letter of intent to set out the framework of the contemplated transaction between: Snowshoe Petroleum, Inc.; David Dwelle, LP; Eclipse Investments, LP; Speedy Investments; and TAD Limited Partnership (dated 04/21/2011)	Vol. 17, 2565–2572

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
69	Excerpted Transcript of July 10, 2017 Deposition of Dennis C. Vacco	Vol. 17, 2573–2579
70	April 15, 2011 email from P. Morabito to Christian Lovelace; Gregory Ivancic; Vacco RE: \$65 million loan offer from Cerberus	Vol. 17, 2580–2582
71	Email from Vacco to P. Morabito RE: \$2 million second mortgage on the Reno house	Vol. 17, 2583–2584
72	Email from Vacco to P. Morabito RE: Tim Haves	Vol. 17, 2585–2586
73	Settlement Agreement, Loan Agreement Modification & Release dated as of Sept. 7, 2012, entered into by Bank of America and P. Morabito	Vol. 17, 2587–2595
74	Page intentionally left blank	Vol. 17, 2596–2597
75	February 10, 2012 email from Vacco to Paul Wells and Timothy Haves RE: 1461 Glenneyre Street, Laguna Beach – Sale	Vol. 17, 2598–2602
76	May 8, 2012 email from P. Morabito to Vacco RE: Proceed with the corporate set-up with Ray, Edward and P. Morabito	Vol. 17, 2603–2604
77	September 4, 2012 email from Vacco to Edward Bayuk RE: Second Deed of Trust documents	Vol. 17, 2605–2606
78	September 18, 2012 email from P. Morabito to Edward Bayuk RE: Deed of Trust	Vol. 17, 2607–2611
79	October 3, 2012 email from Vacco to P. Morabito RE: Term Sheet on both real estate deal and option	Vol. 17, 2612–2614

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
80	March 14, 2013 email from P. Morabito to Vacco RE: BHI Hinckley	Vol. 17, 2615–2616
81	Page intentionally left blank	Vol. 17, 2617–2618
82	November 11, 2011 email from Vacco to P. Morabito RE: Trevor’s commitment to sign	Vol. 17, 2619–2620
83	November 28, 2011 email string RE: Wiring \$560,000 to Lippes Mathias	Vol. 17, 2621–2623
84	Page intentionally left blank	Vol. 17, 2624–2625
85	Page intentionally left blank	Vol. 17, 2626–2627
86	Order for Relief Under Chapter 7; Case No. BK- N-13-51236 (filed 12/22/2014)	Vol. 17, 2628–2634
87	Report of Undisputed Election (11 U.S.C § 702); Case No. BK-N-13-51237 (filed 01/23/2015)	Vol. 17, 2635–2637
88	Amended Stipulation and Order to Substitute a Party to NRCP 17(a) (filed 06/11/2015)	Vol. 17, 2638–2642
89	Membership Interest Purchase Agreement, entered into as of Oct. 6, 2010 between P. Morabito and Edward Bayuk	Vol. 17, 2643–2648
90	Complaint; Case No. BK-N-13-51237 (filed 10/15/2015)	Vol. 17, 2649–2686
91	Fifth Amendment and Restatement of the Trust Agreement for the Arcadia Living Trust (dated 09/30/2010)	Vol. 17, 2687–2726

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Objection to Recommendation for Order filed August 17, 2017 (filed 08/28/2017)		Vol. 18, 2727–2734
Exhibit to Objection to Recommendation for Order		
Exhibit	Document Description	
1	Plaintiff’s counsel’s Jan. 24, 2017, email memorializing the discovery dispute agreement	Vol. 18, 2735–2736
Opposition to Objection to Recommendation for Order filed August 17, 2017 (filed 09/05/2017)		Vol. 18, 2737–2748
Exhibit to Opposition to Objection to Recommendation for Order		
Exhibit	Document Description	
A	Declaration of Teresa M. Pilatowicz, Esq., in Support of Opposition to Objection to Recommendation for Order (filed 09/05/2017)	Vol. 18, 2749–2752
Reply to Opposition to Objection to Recommendation for Order filed August 17, 2017 (dated 09/15/2017)		Vol. 18, 2753–2758
Defendants’ Opposition to Plaintiff’s Motion for Partial Summary Judgment (filed 09/22/2017)		Vol. 18, 2759–2774
Defendants’ Separate Statement of Disputed Facts in Support of Opposition to Plaintiff’s Motion for Partial Summary Judgment (filed 09/22/2017)		Vol. 18, 2775–2790

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Exhibits to Defendants' Separate Statement of Disputed Facts in Support of Opposition to Plaintiff's Motion for Partial Summary Judgment		
Exhibit	Document Description	
1	Judgment in <i>Consolidated Nevada Corp., et al v. JH. et al.</i> ; Case No. CV07-02764 (filed 08/23/2011)	Vol. 18, 2791–2793
2	Excerpted Transcript of October 20, 2015 Deposition of Dennis C. Vacco	Vol. 18, 2794–2810
3	Order Denying Motion to Dismiss Involuntary Chapter 7 Petition and Suspending Proceedings Pursuant to 11 U.S.C §305(a)(1); Case No. BK-N-13-51237 (filed 12/17/2013)	Vol. 18, 2811–2814
4	Excerpted Transcript of March 21, 2016 Deposition of P. Morabito	Vol. 18, 2815–2826
5	Excerpted Transcript of September 28, 2015 Deposition of Edward William Bayuk	Vol. 18, 2827–2857
6	Appraisal	Vol. 18, 2858–2859
7	Budget Summary as of Jan. 7, 2016	Vol. 18, 2860–2862
8	Excerpted Transcript of March 24, 2016 Deposition of Dennis Banks	Vol. 18, 2863–2871
9	Excerpted Transcript of March 22, 2016 Deposition of Michael Sewitz	Vol. 18, 2872–2879
10	Excerpted Transcript of April 27, 2011 Deposition of Darryl Noble	Vol. 18, 2880–2883

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
11	Copies of cancelled checks from Edward Bayuk made payable to P. Morabito	Vol. 18, 2884–2892
12	CBRE Appraisal of 14th Street Card Lock Facility (dated 02/26/2010)	Vol. 18, 2893–2906
13	Bank of America wire transfer from P. Morabito to Salvatore Morabito in the amount of \$146,127.00; and a wire transfer from P. Morabito to Lippes for \$25.00 (date 10/01/2010)	Vol. 18, 2907–2908
14	Excerpted Transcript of October 21, 2015 Deposition of Christian Mark Lovelace	Vol. 18, 2909–2918
15	June 18, 2014 email from Sam Morabito to Michael Vanek RE: Analysis of the Superpumper transaction in 2010	Vol. 18, 2919–2920
16	Excerpted Transcript of October 21, 2015 Deposition of Salvatore R. Morabito	Vol. 18, 2921–2929
17	PROMISSORY NOTE [Snowshoe Petroleum (“Maker”) promises to pay P. Morabito (“Holder”) the principal sum of \$1,462,213.00] (dated 11/01/2010)	Vol. 18, 2930–2932
18	TERM NOTE [P. Morabito (“Borrower”) promises to pay Consolidated Western Corp. (“Lender”) the principal sum of \$939,000.00, plus interest] (dated 09/01/2010)	Vol. 18, 2933–2934
19	SUCCESSOR PROMISSORY NOTE [Snowshoe Petroleum (“Maker”) promises to pay P. Morabito (“Holder”) the principal sum of \$492,937.30, plus interest] (dated 02/01/2011)	Vol. 18, 2935–2937

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
20	Edward Bayuk's wire transfer to Lippes in the amount of \$517,547.20 (dated 09/29/2010)	Vol. 18, 2938–2940
21	Salvatore Morabito Bank of Montreal September 2011 Wire Transfer	Vol. 18, 2941–2942
22	Declaration of Salvatore Morabito (dated 09/21/2017)	Vol. 18, 2943–2944
23	Edward Bayuk bank wire transfer to Superpumper, Inc., in the amount of \$659,000.00 (dated 09/30/2010)	Vol. 18, 2945–2947
24	Edward Bayuk checking account statements between 2010 and 2011 funding the company with transfers totaling \$500,000	Vol. 18, 2948–2953
25	Salvatore Morabito's wire transfer statement between 2010 and 2011, funding the company with \$750,000	Vol. 18, 2954–2957
26	Payment Schedule of Edward Bayuk Note in Favor of P. Morabito	Vol. 18, 2958–2961
27	September 15, 2010 email from Vacco to Yalamanchili and P. Morabito RE: Follow Up Thoughts	Vol. 18, 2962–2964
Reply in Support of Motion for Partial Summary Judgment (dated 10/10/2017)		Vol. 19, 2965–2973
Order Regarding Discovery Commissioner's Recommendation for Order dated August 17, 2017 (filed 12/07/2017)		Vol. 19, 2974–2981

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Order Denying Motion for Partial Summary Judgment (filed 12/11/2017)		Vol. 19, 2982–2997
Defendants’ Motions in Limine (filed 09/12/2018)		Vol. 19, 2998–3006
Exhibits to Defendants’ Motions in Limine		
Exhibit	Document Description	
1	Plaintiff’s Second Supplement to Amended Disclosures Pursuant to NRCP 16.1(A)(1) (dated 04/28/2016)	Vol. 19, 3007–3016
2	Excerpted Transcript of March 25, 2016 Deposition of William A. Leonard	Vol. 19, 3017–3023
3	Plaintiff, Jerry Herbst’s Responses to Defendant Snowshoe Petroleum, Inc.’s Set of Interrogatories (dated 02/11/2015); and Plaintiff, Jerry Herbst’s Responses to Defendant, Salvatore Morabito’s Set of Interrogatories (dated 02/12/2015)	Vol. 19, 3024–3044
Motion in Limine to Exclude Testimony of Jan Friederich (filed 09/20/2018)		Vol. 19, 3045–3056
Exhibits to Motion in Limine to Exclude Testimony of Jan Friederich		
Exhibit	Document Description	
1	Defendants’ Rebuttal Expert Witness Disclosure (dated 02/29/2016)	Vol. 19, 3057–3071
2	Condensed Transcript of March 29, 2016 Deposition of Jan Friederich	Vol. 19, 3072–3086

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Opposition to Defendants' Motions in Limine (filed 09/28/2018)		Vol. 19, 3087–3102
Exhibits to Opposition to Defendants' Motions in Limine		
Exhibit	Document Description	
A	Declaration of Teresa M. Pilatowicz, Esq. in Support of Opposition to Defendants' Motions in Limine (filed 09/28/2018)	Vol. 19, 3103–3107
A-1	Plaintiff's February 19, 2016, Amended Disclosures Pursuant to NRCP 16.1(A)(1)	Vol. 19, 3108–3115
A-2	Plaintiff's January 26, 2016, Expert Witnesses Disclosures (without exhibits)	Vol. 19, 3116–3122
A-3	Defendants' January 26, 2016, and February 29, 2016, Expert Witness Disclosures (without exhibits)	Vol. 19, 3123–3131
A-4	Plaintiff's August 17, 2017, Motion for Partial Summary Judgment (without exhibits)	Vol. 19, 3132–3175
A-5	Plaintiff's August 17, 2017, Statement of Undisputed Facts in Support of his Motion for Partial Summary Judgment (without exhibits)	Vol. 19, 3176–3205
Defendants' Reply in Support of Motions in Limine (filed 10/08/2018)		Vol. 20, 3206–3217
Exhibit to Defendants' Reply in Support of Motions in Limine		
Exhibit	Document Description	

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
1	Chapter 7 Trustee, William A. Leonard's Responses to Defendants' First Set of Interrogatories (dated 05/28/2015)	Vol. 20, 3218–3236
Defendants' Opposition to Plaintiff's Motions in Limine to Exclude the Testimony of Jan Friederich (filed 10/08/2018)		Vol. 20, 3237–3250
Exhibits to Defendants' Opposition to Plaintiff's Motions in Limine to Exclude the Testimony of Jan Friederich		
Exhibit	Document Description	
1	Excerpt of Matrix Report (dated 10/13/2010)	Vol. 20, 3251–3255
2	Defendants' Rebuttal Expert Witness Disclosure (dated 02/29/2016)	Vol. 20, 3256–3270
3	November 9, 2009 email from P. Morabito to Daniel Fletcher; Jim Benbrook; Don Whitehead; Sam Morabito, etc. RE: Jan Friederich entered consulting agreement with Superpumper	Vol. 20, 3271–3272
4	Excerpted Transcript of March 29, 2016 Deposition of Jan Friederich	Vol. 20, 3273–3296
Defendants' Objections to Plaintiff's Pretrial Disclosures (filed 10/12/2018)		Vol. 20, 3297–3299
Objections to Defendants' Pretrial Disclosures (filed 10/12/2018)		Vol. 20, 3300–3303
Reply to Defendants' Opposition to Plaintiff's Motion in Limine to Exclude the Testimony of Jan Friederich (filed 10/12/2018)		Vol. 20, 3304–3311

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Minutes of September 11, 2018, Pre-trial Conference (filed 10/19/2018)		Vol. 20, 3312
Stipulated Facts (filed 10/29/2018)		Vol. 20, 3313–3321
Defendants’ Points and Authorities RE: Objection to Admission of Documents in Conjunction with the Depositions of P. Morabito and Dennis Vacco (filed 10/30/2018)		Vol. 20, 3322–3325
Plaintiff’s Points and Authorities Regarding Authenticity and Hearsay Issues (filed 10/31/2018)		Vol. 20, 3326–3334
Clerk’s Trial Exhibit List (filed 02/28/2019)		Vol. 21, 3335–3413
Exhibits to Clerk’s Trial Exhibit List		
Exhibit	Document Description	
1	Certified copy of the Transcript of September 13, 2010 Judge’s Ruling; Case No. CV07-02764	Vol. 21, 3414–3438
2	Findings of Fact, Conclusions of Law, and Judgment; Case No. CV07-02764 (filed 10/12/2010)	Vol. 21, 3439–3454
3	Judgment; Case No. CV07-0767 (filed 08/23/2011)	Vol. 21, 3455–3456
4	Confession of Judgment; Case No. CV07-02764 (filed 06/18/2013)	Vol. 21, 3457–3481
5	November 30, 2011 Settlement Agreement and Mutual Release	Vol. 22, 3482–3613
6	March 1, 2013 Forbearance Agreement	Vol. 22, 3614–3622

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
8	Order Denying Motion to Dismiss Involuntary Chapter 7 Petition and Suspending Proceedings, Case 13-51237. ECF No. 94, (filed 12/17/2013)	Vol. 22, 3623–3625
19	Report of Undisputed Election– Appointment of Trustee, Case No. 13-51237, ECF No. 220	Vol. 22, 3626–3627
20	Stipulation and Order to Substitute a Party Pursuant to NRCF 17(a), Case No. CV13-02663, May 15, 2015	Vol. 22, 3628–3632
21	Non-Dischargeable Judgment Regarding Plaintiff’s First and Second Causes of Action, Case No. 15-05019-GWZ, ECF No. 123, April 30, 2018	Vol. 22, 3633–3634
22	Memorandum & Decision; Case No. 15-05019-GWZ, ECF No. 124, April 30, 2018	Vol. 22, 3635–3654
23	Amended Findings of Fact, Conclusions of Law in Support of Judgment Regarding Plaintiff’s First and Second Causes of Action; Case 15-05019-GWZ, ECF No. 122, April 30, 2018	Vol. 22, 3655–3679
25	September 15, 2010 email from Yalamanchili to Vacco and P. Morabito RE: Follow Up Thoughts	Vol. 22, 3680–3681
26	September 18, 2010 email from P. Morabito to Vacco	Vol. 22, 3682–3683
27	September 20, 2010 email from Vacco to P. Morabito RE: Spirit	Vol. 22, 3684–3684
28	September 20, 2010 email between Yalamanchili and Crotty RE: Morabito -Wire	Vol. 22, 3685–3687

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
29	September 20, 2010 email from Yalamanchili to Graber RE: Attorney Client Privileged Communication	Vol. 22, 3688–3689
30	September 21, 2010 email from P. Morabito to Vacco and Cross RE: Attorney Client Privileged Communication	Vol. 22, 3690–3692
31	September 23, 2010 email chain between Graber and P. Morabito RE: Change of Primary Residence from Reno to Laguna Beach	Vol. 22, 3693–3694
32	September 23, 2010 email from Yalamanchili to Graber RE: Change of Primary Residence from Reno to Laguna Beach	Vol. 22, 3695–3696
33	September 24, 2010 email from P. Morabito to Vacco RE: Superpumper, Inc.	Vol. 22, 3697–3697
34	September 26, 2010 email from Vacco to P. Morabito RE: Judgment for a fixed debt	Vol. 22, 3698–3698
35	September 27, 2010 email from P. Morabito to Vacco RE: First Amendment to Residential Lease executed 9/27/2010	Vol. 22, 3699–3701
36	November 7, 2012 emails between Vacco, P. Morabito, C. Lovelace RE: Attorney Client Privileged Communication	Vol. 22, 3702–3703
37	Morabito BMO Bank Statement – September 2010	Vol. 22, 3704–3710
38	Lippes Mathias Trust Ledger History	Vol. 23, 3711–3716

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
39	Fifth Amendment & Restatement of the Trust Agreement for the Arcadia Living Trust dated September 30, 2010	Vol. 23, 3717–3755
42	P. Morabito Statement of Assets & Liabilities as of May 5, 2009	Vol. 23, 3756–3756
43	March 10, 2010 email chain between Afshar and Takemoto RE: Current Personal Financial Statement	Vol. 23, 3757–3758
44	Salazar Net Worth Report (dated 03/15/2011)	Vol. 23, 3759–3772
45	Purchase and Sale Agreement	Vol. 23, 3773–3780
46	First Amendment to Purchase and Sale Agreement	Vol. 23, 3781–3782
47	Panorama – Estimated Settlement Statement	Vol. 23, 3783–3792
48	El Camino – Final Settlement Statement	Vol. 23, 3793–3793
49	Los Olivos – Final Settlement Statement	Vol. 23, 3794–3794
50	Deed for Transfer of Panorama Property	Vol. 23, 3795–3804
51	Deed for Transfer for Los Olivos	Vol. 23, 3805–3806
52	Deed for Transfer of El Camino	Vol. 23, 3807–3808
53	Kimmel Appraisal Report for Panorama and Clayton	Vol. 23, 3809–3886
54	Bill of Sale – Panorama	Vol. 23, 3887–3890
55	Bill of Sale – Mary Fleming	Vol. 23, 3891–3894
56	Bill of Sale – El Camino	Vol. 23, 3895–3898

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
57	Bill of Sale – Los Olivos	Vol. 23, 3899–3902
58	Declaration of Value and Transfer Deed of 8355 Panorama (recorded 12/31/2012)	Vol. 23, 3903–3904
60	Baruk Properties Operating Agreement	Vol. 23, 3905–3914
61	Baruk Membership Transfer Agreement	Vol. 24, 3915–3921
62	Promissory Note for \$1,617,050 (dated 10/01/2010)	Vol. 24, 3922–3924
63	Baruk Properties/Snowshoe Properties, Certificate of Merger (filed 10/04/2010)	Vol. 24, 3925–3926
64	Baruk Properties/Snowshoe Properties, Articles of Merger	Vol. 24, 3927–3937
65	Grant Deed from Snowshoe to Bayuk Living Trust; Doc No. 2010-0531071 (recorded 11/04/2010)	Vol. 24, 3938–3939
66	Grant Deed – 1461 Glenneyre; Doc No. 2010000511045 (recorded 10/08/2010)	Vol. 24, 3940–3941
67	Grant Deed – 570 Glenneyre; Doc No. 2010000508587 (recorded 10/08/2010)	Vol. 24, 3942–3944
68	Attorney File re: Conveyance between Woodland Heights and Arcadia Living Trust	Vol. 24, 3945–3980
69	October 24, 2011 email from P. Morabito to Vacco RE: Attorney Client Privileged Communication	Vol. 24, 3981–3982

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
70	November 10, 2011 email chain between Vacco and P. Morabito RE: Baruk Properties, LLC/Paul Morabito/Bank of America, N.A.	Vol. 24, 3983–3985
71	Bayuk First Ledger	Vol. 24, 3986–3987
72	Amortization Schedule	Vol. 24, 3988–3990
73	Bayuk Second Ledger	Vol. 24, 3991–3993
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75	March 30, 2012 email from Vacco to Bayuk RE: Letter to BOA	Vol. 24, 4054–4055
76	March 10, 2010 email chain between P. Morabito and jon@aim13.com RE: Strictly Confidential	Vol. 24, 4056–4056
77	May 20, 2010 email chain between P. Morabito, Vacco and Michael Pace RE: Proceed with placing a Binding Bid on June 22nd with ExxonMobil	Vol. 24, 4057–4057
78	Morabito Personal Financial Statement May 2010	Vol. 24, 4058–4059
79	June 28, 2010 email from P. Morabito to George Garner RE: ExxonMobil Chicago Market Business Plan Review	Vol. 24, 4060–4066
80	Shareholder Interest Purchase Agreement	Vol. 24, 4067–4071
81	Plan of Merger of Consolidated Western Corporation with and Into Superpumper, Inc.	Vol. 24, 4072–4075

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84	Unanimous Written Consent of the Directors and Shareholders of Consolidated Western Corporation	Vol. 24, 4081–4083
85	Arizona Corporation Commission Letter dated October 21, 2010	Vol. 24, 4084–4091
86	Nevada Articles of Merger	Vol. 24, 4092–4098
87	New York Creation of Snowshoe	Vol. 24, 4099–4103
88	April 26, 2012 email from Vacco to Afshar RE: Ownership Structure of SPI	Vol. 24, 4104–4106
90	September 30, 2010 Matrix Retention Agreement	Vol. 24, 4107–4110
91	McGovern Expert Report	Vol. 25, 4111–4189
92	Appendix B to McGovern Report – Source 4 – Budgets	Vol. 25, 4190–4191
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105	Superpumper Successor Note in the amount of \$939,000 (dated 02/01/2011)	Vol. 25, 4196–4197

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106	Superpumper Stock Power transfers to S. Morabito and Bayuk (dated 01/01/2011)	Vol. 25, 4198–4199
107	<i>Declaration of P. Morabito in Support of Opposition to Motion of JH, Inc., Jerry Herbst, and Berry- Hinckley Industries for Order Prohibiting Debtor from Using, Acquiring or Transferring Assets Pursuant to 11 U.S.C. §§ 105 and 303(f) Pending Appointment of Trustee, Case 13-51237, ECF No. 22 (filed 07/01/2013)</i>	Vol. 25, 4200–4203
108	October 12, 2012 email between P. Morabito and Bernstein RE: 2011 Return	Vol. 25, 4204–4204
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110	P. Morabito – Term Note in the amount of \$939,000.000 (dated 09/01/2010)	Vol. 25, 4214–4214
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112	Consent Agreement (dated 12/28/2010)	Vol. 25, 4245–4249
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122	Salvatore Morabito Term Note \$2,563,542.00 as of December 31, 2010	Vol. 26, 4324–4325
123	Edward Bayuk Term Note \$2,580,500.00 as of December 31, 2010	Vol. 26, 4326–4327
125	April 21, 2011 Management letter	Vol. 26, 4328–4330
126	Bayuk and S. Morabito Statements of Assets & Liabilities as of February 1, 2011	Vol. 26, 4331–4332
127	January 6, 2012 email from Bayuk to Lovelace RE: Letter of Credit	Vol. 26, 4333–4335
128	January 6, 2012 email from Vacco to Bernstein	Vol. 26, 4336–4338
129	January 7, 2012 email from Bernstein to Lovelace	Vol. 26, 4339–4343
130	March 18, 2012 email from P. Morabito to Vacco	Vol. 26, 4344–4344
131	April 21, 2011 Proposed Acquisition of Nella Oil	Vol. 26, 4345–4351
132	April 15, 2011 email chain between P. Morabito and Vacco	Vol. 26, 4352

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134	April 16, 2012 email from Vacco to Morabito	Vol. 26, 4354–4359
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137	August 24, 2011 email from Vacco to P. Morabito RE: Tim Haves	Vol. 26, 4366
138	November 11, 2011 email from Vacco to P. Morabito RE: Getting Trevor's commitment to sign	Vol. 26, 4367
139	November 16, 2011 email from P. Morabito to Vacco RE: Vacco's litigation letter	Vol. 26, 4368
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141	December 7, 2011 email from Vacco to P. Morabito RE: Moreno	Vol. 26, 4371
142	February 10, 2012 email chain between P. Morabito Wells, and Vacco RE: 1461 Glenneyre Street - Sale	Vol. 26, 4372–4375
143	April 20, 2012 email from P. Morabito to Bayuk RE: BofA	Vol. 26, 4376
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148	September 4, 2012 email from Bayuk to Vacco RE: Wire	Vol. 26, 4423–4426
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152	September 3, 2012 email from P. Morabito to Vacco RE: Wire	Vol. 26, 4435
153	March 14, 2013 email chain between P. Morabito and Vacco RE: BHI Hinckley	Vol. 26, 4436
154	Paul Morabito 2009 Tax Return	Vol. 26, 4437–4463
155	Superpumper Form 8879-S tax year ended December 31, 2010	Vol. 26, 4464–4484
156	2010 U.S. S Corporation Tax Return for Consolidated Western Corporation	Vol. 27, 4485–4556
157	Snowshoe form 8879-S for year ended December 31, 2010	Vol. 27, 4557–4577
158	Snowshoe Form 1120S 2011 Amended Tax Return	Vol. 27, 4578–4655

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161	December 18, 2012 email from Vacco to P. Morabito RE: Attorney Client Privileged Communication	Vol. 27, 4659
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174	October 15, 2015 Certificate of Service of copy of Lippes Mathias Wexler Friedman’s Response to Subpoena	Vol. 27, 4670
175	Order Granting Motion to Compel Responses to Deposition Questions ECF No. 502; Case No. 13-51237-gwz (filed 02/03/2016)	Vol. 27, 4671–4675
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189	Mortgage – Mary Fleming	Vol. 28, 4864
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191	Settlement Statement – 370 Los Olivos	Vol. 28, 4866
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193	Mortgage – 8355 Panorama Drive	Vol. 28, 4869–4870
194	Compass – Certificate of Custodian of Records (dated 12/21/2016)	Vol. 28, 4871–4871
196	June 6, 2014 Declaration of Sam Morabito – Exhibit 1 to Snowshoe Reply in Support of Motion to Dismiss Complaint for Lack of Personal Jurisdiction – filed in Case No. CV13-02663	Vol. 28, 4872–4874
197	June 19, 2014 Declaration of Sam Morabito – Exhibit 1 to Superpumper Motion to Dismiss Complaint for Lack of Personal Jurisdiction – filed in Case No. CV13-02663	Vol. 28, 4875–4877
198	September 22, 2017 Declaration of Sam Morabito – Exhibit 22 to Defendants’ SSOF in Support of Opposition to Plaintiff’s MSJ – filed in Case No. CV13-02663	Vol. 28, 4878–4879

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225	Bank of America Records for Edward Bayuk (dated 09/05/2012)	Vol. 28, 4887–4897
226	June 11, 2007 Wholesale Marketer Agreement	Vol. 29, 4898–4921
227	May 25, 2006 Wholesale Marketer Facility Development Incentive Program Agreement	Vol. 29, 4922–4928
228	June 2007 Master Lease Agreement – Spirit SPE Portfolio and Superpumper, Inc.	Vol. 29, 4929–4983
229	Superpumper Inc 2008 Financial Statement (dated 12/31/2008)	Vol. 29, 4984–4996
230	November 9, 2009 email from P. Morabito to Bernstein, Yalaman RE: Jan Friederich – entered into Consulting Agreement	Vol. 29, 4997
231	September 30, 2010, Letter from Compass to Superpumper, Morabito, CWC RE: reducing face amount of the revolving note	Vol. 29, 4998–5001
232	October 15, 2010, letter from Quarles & Brady to Vacco RE: Revolving Loan Documents and Term Loan Documents between Superpumper and Compass Bank	Vol. 29, 5002–5006

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235	August 31, 2010 Superpumper Inc., Valuation of 100 percent of the common equity in Superpumper, Inc on a controlling marketable basis	Vol. 29, 5014–5059
236	June 18, 2014 email from S. Morabito to Vanek (WF) RE: Analysis of Superpumper Acquisition in 2010	Vol. 29, 5060–5061
241	Superpumper March 2010 YTD Income Statement	Vol. 29, 5062–5076
244	Assignment Agreement for \$939,000 Morabito Note	Vol. 29, 5077–5079
247	July 1, 2011 Third Amendment to Forbearance Agreement Superpumper and Compass Bank	Vol. 29, 5080–5088
248	Superpumper Cash Contributions January 2010 thru September 2015 – Bayuk and S. Morabito	Vol. 29, 5089–5096
252	October 15, 2010 Letter from Quarles & Brady to Vacco RE: Revolving Loan documents and Term Loan documents between Superpumper Prop. and Compass Bank	Vol. 29, 5097–5099
254	Bank of America – S. Morabito SP Properties Sale, SP Purchase Balance	Vol. 29, 5100
255	Superpumper Prop. Final Closing Statement for 920 Mountain City Hwy, Elko, NV	Vol. 29, 5101
256	September 30, 2010 Raffles Insurance Limited Member Summary	Vol. 29, 5102

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257	Equalization Spreadsheet	Vol. 30, 5103
258	November 9, 2005 Grant, Bargain and Sale Deed; Doc #3306300 for Property Washoe County	Vol. 30, 5104–5105
260	January 7, 2016 Budget Summary – Panorama Drive	Vol. 30, 5106–5107
261	Mary 22, 2006 Compilation of Quotes and Invoices Quote of Valley Drapery	Vol. 30, 5108–5116
262	Photos of 8355 Panorama Home	Vol. 30, 5117–5151
263	Water Rights Deed (Document #4190152) between P. Morabito, E. Bayuk, Grantors, RCA Trust One Grantee (recorded 12/31/2012)	Vol. 30, 5152–5155
265	October 1, 2010 Bank of America Wire Transfer –Bayuk – Morabito \$60,117	Vol. 30, 5156
266	October 1, 2010 Check #2354 from Bayuk to P. Morabito for \$29,383 for 8355 Panorama funding	Vol. 30, 5157–5158
268	October 1, 2010 Check #2356 from Bayuk to P. Morabito for \$12,763 for 370 Los Olivos Funding	Vol. 30, 5159–5160
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270	Bayuk Payment Ledger Support Documents Checks and Bank Statements	Vol. 31, 5163–5352
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277	Assessor's Map/Home Comparisons for 8355 Panorama Drive, Reno, NV	Vol. 32, 5401–5437
278	December 3, 2007 Case Docket for CV07-02764	Vol. 32, 5438–5564
280	May 25, 2011 Stipulation Regarding the Imposition of Punitive Damages; Case No. CV07-02764 (filed 05/25/2011)	Vol. 33, 5565–5570
281	Work File for September 24, 2010 Appraisal of 8355 Panorama Drive, Reno, NV	Vol. 33, 5571–5628
283	January 25, 2016 Expert Witness Report Leonard v. Superpumper Snowshoe	Vol. 33, 5629–5652
284	February 29, 2016 Defendants' Rebuttal Expert Witness Disclosure	Vol. 33, 5653–5666
294	October 5, 2010 Lippes, Mathias Wexler Friedman, LLP, Invoices to P. Morabito	Vol. 33, 5667–5680
295	P. Morabito 2010 Tax Return (dated 10/16/2011)	Vol. 33, 5681–5739
296	December 31, 2010 Superpumper Inc. Note to Financial Statements	Vol. 33, 5740–5743
297	December 31, 2010 Superpumper Consultations	Vol. 33, 5744

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301	September 15, 2010 email from Vacco to P. Morabito RE: Tomorrow	Vol. 33, 5749–5752
303	Bankruptcy Court District of Nevada Claims Register Case No. 13-51237	Vol. 33, 5753–5755
304	April 14, 2018 email from Allen to Krausz RE: Superpumper	Vol. 33, 5756–5757
305	Subpoena in a Case Under the Bankruptcy Code to Robison, Sharp, Sullivan & Brust issued in Case No. BK-N-13-51237-GWZ	Vol. 33, 5758–5768
306	August 30, 2018 letter to Mark Weisenmiller, Esq., from Frank Gilmore, Esq.,	Vol. 34, 5769
307	Order Granting Motion to Compel Compliance with the Subpoena to Robison, Sharp, Sullivan & Brust filed in Case No. BK-N-13-51237-GWZ	Vol. 34, 5770–5772
308	Response of Robison, Sharp, Sullivan & Brust's to Subpoena filed in Case No. BK-N-13-51237-GWZ	Vol. 34, 5773–5797
309	Declaration of Frank C. Gilmore in support of Robison, Sharp, Sullivan & Brust's Opposition to Motion for Order Holding Robison in Contempt filed in Case No. BK-N-13-51237-GWZ	Vol. 34, 5798–5801
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Minutes of November 2, 2018, Non-Jury Trial, Day 5 (filed 11/08/2018)	Vol. 39, 6818–7007
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Minutes of November 6, 2018, Non-Jury Trial, Day 7 (filed 11/08/2018)	Vol. 41, 7170–7269
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Plaintiff’s Motion to Reopen Evidence (filed 01/30/2019)		Vol. 46, 7894–7908
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Exhibit	Document Description	
1	Declaration of Gabrielle A. Hamm, Esq. in Support of Plaintiff’s Motion to Reopen	Vol. 46, 7909–7913
1-A	September 21, 2017 Declaration of Salvatore Morabito	Vol. 46, 7914–7916
1-B	Defendants’ Proposed Findings of Fact, Conclusions of Law, and Judgment (Nov. 26, 2018)	Vol. 46, 7917–7957
1-C	Judgment on the First and Second Causes of Action; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 123 (April 30, 2018)	Vol. 46, 7958–7962
1-D	Amended Findings of Fact and Conclusions of Law in Support of Judgment Regarding Plaintiffs’ First and Second Causes of Action; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 126 (April 30, 2018)	Vol. 46, 7963–7994
1-E	Motion to Compel Compliance with the Subpoena to Robison Sharp Sullivan Brust; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 191 (Sept. 10, 2018)	Vol. 46, 7995–8035

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1-F	Order Granting Motion to Compel Compliance with the Subpoena to Robison Sharp Sullivan Brust; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 229 (Jan. 3, 2019)	Vol. 46, 8036–8039
1-G	Response of Robison, Sharp, Sullivan & Brust[] To Subpoena (including RSSB_000001 – RSSB_000031) (Jan. 18, 2019)	Vol. 46, 8040–8067
1-H	Excerpts of Deposition Transcript of Sam Morabito as PMK of Snowshoe Petroleum, Inc. (Oct. 1, 2015)	Vol. 46, 8068–8076
Errata to: Plaintiff's Motion to Reopen Evidence (filed 01/30/2019)		Vol. 47, 8077–8080
Exhibit to Errata to: Plaintiff's Motion to Reopen Evidence		
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1	Plaintiff's Motion to Reopen Evidence	Vol. 47, 8081–8096
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Order Shortening Time on Plaintiff's Motion to Reopen Evidence and for Expedited Hearing (filed 02/04/2019)		Vol. 47, 8103–8105
Supplement to Plaintiff's Motion to Reopen Evidence (filed 02/04/2019)		Vol. 47, 8106–8110

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
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Exhibit	Document Description	
1	Supplemental Declaration of Gabrielle A. Hamm, Esq. in Support of Plaintiff's Motion to Reopen Evidence (filed 02/04/2019)	Vol. 47, 8111–8113
1-I	Declaration of Frank C. Gilmore in Support of Robison, Sharp Sullivan & Brust's Opposition to Motion for Order Holding Robison in Contempt; Case No. 15-05019-GWZ (Bankr. D. Nev.), ECF No. 259 (Jan. 30, 2019)	Vol. 47, 8114–8128
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Plaintiff's Reply to Defendants' Response to Motion to Reopen Evidence (filed 02/07/2019)		Vol. 47, 8136–8143
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[Defendants' Proposed Amended] Findings of Fact, Conclusions of Law, and Judgment (filed 03/08/2019)		Vol. 47, 8225–8268
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Memorandum of Costs and Disbursements (filed 04/11/2019)		Vol. 48, 8341–8347
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Exhibit	Document Description	
1	Ledger of Costs	Vol. 48, 8348–8370
Application for Attorneys’ Fees and Costs Pursuant to NRCP 68 (filed 04/12/2019)		Vol. 48, 8371–8384
Exhibits to Application for Attorneys’ Fees and Costs Pursuant to NRCP 68		
Exhibit	Document Description	
1	Declaration of Teresa M. Pilatowicz In Support of Plaintiff’s Application for Attorney’s Fees and Costs Pursuant to NRCP 68 (filed 04/12/2019)	Vol. 48, 8385–8390
2	Plaintiff’s Offer of Judgment to Defendants (dated 05/31/2016)	Vol. 48, 8391–8397
3	Defendant’s Rejection of Offer of Judgment by Plaintiff (dated 06/15/2016)	Vol. 48, 8398–8399
4	Log of time entries from June 1, 2016 to March 28, 2019	Vol. 48, 8400–8456

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
5	Plaintiff's Memorandum of Costs and Disbursements (filed 04/11/2019)	Vol. 48, 8457–8487
Motion to Retax Costs (filed 04/15/2019)		Vol. 49, 8488–8495
Plaintiff's Opposition to Motion to Retax Costs (filed 04/17/2019)		Vol. 49, 8496–8507
Exhibits to Plaintiff's Opposition to Motion to Retax Costs		
Exhibit	Document Description	
1	Declaration of Teresa M. Pilatowicz In Support of Opposition to Motion to Retax Costs (filed 04/17/2019)	Vol. 49, 8508–8510
2	Summary of Photocopy Charges	Vol. 49, 8511–8523
3	James L. McGovern Curriculum Vitae	Vol. 49, 8524–8530
4	McGovern & Greene LLP Invoices	Vol. 49, 8531–8552
5	Buss-Shelger Associates Invoices	Vol. 49, 8553–8555
Reply in Support of Motion to Retax Costs (filed 04/22/2019)		Vol. 49, 8556–8562
Opposition to Application for Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 04/25/2019)		Vol. 49, 8563–8578
Exhibit to Opposition to Application for Attorneys' Fees and Costs Pursuant to NRCP 68		
Exhibit	Document Description	
1	Plaintiff's Bill Dispute Ledger	Vol. 49, 8579–8637

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Defendants, Salvatore Morabito, Snowshoe Petroleum, Inc., and Superpumper, Inc.'s Motion for New Trial and/or to Alter or Amend Judgment Pursuant to NRCP 52, 59, and 60 (filed 04/25/2019)		Vol. 49, 8638–8657
Defendant, Edward Bayuk's Motion for New Trial and/or to Alter or Amend Judgment Pursuant to NRCP 52, 59, and 60 (filed 04/26/2019)		Vol. 50, 8658–8676
Exhibits to Edward Bayuk's Motion for New Trial and/or to Alter or Amend Judgment Pursuant to NRCP 52, 59, and 60		
Exhibit	Document Description	
1	February 27, 2019 email with attachments	Vol. 50, 8677–8768
2	Declaration of Frank C. Gilmore in Support of Edward Bayuk's Motion for New Trial (filed 04/26/2019)	Vol. 50, 8769–8771
3	February 27, 2019 email from Marcy Trabert	Vol. 50, 8772–8775
4	February 27, 2019 email from Frank Gilmore to eturner@Gtg.legal RE: Friday Trial	Vol. 50, 8776–8777
Plaintiff's Reply in Support of Application of Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 04/30/2019)		Vol. 50, 8778–8790
Exhibit to Plaintiff's Reply in Support of Application of Attorneys' Fees and Costs Pursuant to NRCP 68		
Exhibit	Document Description	
1	Case No. BK-13-51237-GWZ, ECF Nos. 280, 282, and 321	Vol. 50, 8791–8835

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Plaintiff's Opposition to Defendants' Motions for New Trial and/or to Alter or Amend Judgment (filed 05/07/2019)		Vol. 51, 8836–8858
Defendants, Salvatore Morabito, Snowshoe Petroleum, Inc., and Superpumper, Inc.'s Reply in Support of Motion for New Trial and/or to Alter or Amend Judgment Pursuant to NRCp 52, 59, and 60 (filed 05/14/2019)		Vol. 51, 8859–8864
Declaration of Edward Bayuk Claiming Exemption from Execution (filed 06/28/2019)		Vol. 51, 8865–8870
Exhibits to Declaration of Edward Bayuk Claiming Exemption from Execution		
Exhibit	Document Description	
1	Copy of June 22, 2019 Notice of Execution and two Write of Executions	Vol. 51, 8871–8896
2	Declaration of James Arthur Gibbons Regarding his Attestation, Witness and Certification on November 12, 2005 of the Spendthrift Trust Amendment to the Edward William Bayuk Living Trust (dated 06/25/2019)	Vol. 51, 8897–8942
Notice of Claim of Exemption from Execution (filed 06/28/2019)		Vol. 51, 8943–8949
Edward Bayuk's Declaration of Salvatore Morabito Claiming Exemption from Execution (filed 07/02/2019)		Vol. 51, 8950–8954
Exhibits to Declaration of Salvatore Morabito Claiming Exemption from Execution		
Exhibit	Document Description	
1	Las Vegas June 22, 2019 letter	Vol. 51, 8955–8956

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
2	Writs of execution and the notice of execution	Vol. 51, 8957–8970
Minutes of June 24, 2019 telephonic hearing on Decision on Submitted Motions (filed 07/02/2019)		Vol. 51, 8971–8972
Salvatore Morabito’s Notice of Claim of Exemption from Execution (filed 07/02/2019)		Vol. 51, 8973–8976
Edward Bayuk’s Third Party Claim to Property Levied Upon NRS 31.070 (filed 07/03/2019)		Vol. 51, 8977–8982
Order Granting Plaintiff’s Application for an Award of Attorneys’ Fees and Costs Pursuant to NRCP 68 (filed 07/10/2019)		Vol. 51, 8983–8985
Order Granting in part and Denying in part Motion to Retax Costs (filed 07/10/2019)		Vol. 51, 8986–8988
Plaintiff’s Objection to (1) Claim of Exemption from Execution and (2) Third Party Claim to Property Levied Upon, and Request for Hearing Pursuant to NRS 21.112 and 31.070(5) (filed 07/11/2019)		Vol. 52, 8989–9003
Exhibits to Plaintiff’s Objection to (1) Claim of Exemption from Execution and (2) Third Party Claim to Property Levied Upon, and Request for Hearing Pursuant to NRS 21.112 and 31.070(5)		
Exhibit	Document Description	
1	Declaration of Gabrielle A. Hamm, Esq.	Vol. 52, 9004–9007
2	11/30/2011 Tolling Agreement – Edward Bayuk	Vol. 52, 9008–9023
3	11/30/2011 Tolling Agreement – Edward William Bayuk Living Trust	Vol. 52, 9024–9035

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
4	Excerpts of 9/28/2015 Deposition of Edward Bayuk	Vol. 52, 9036–9041
5	Edward Bayuk, as Trustee of the Edward William Bayuk Living Trust’s Responses to Plaintiff’s First Set of Requests for Production, served 9/24/2015	Vol. 52, 9042–9051
6	8/26/2009 Grant Deed (Los Olivos)	Vol. 52, 9052–9056
7	8/17/2018 Grant Deed (El Camino)	Vol. 52, 9057–9062
8	Trial Ex. 4 (Confession of Judgment)	Vol. 52, 9063–9088
9	Trial Ex. 45 (Purchase and Sale Agreement, dated 9/28/2010)	Vol. 52, 9089–9097
10	Trial Ex. 46 (First Amendment to Purchase and Sale Agreement, dated 9/29/2010)	Vol. 52, 9098–9100
11	Trial Ex. 51 (Los Olivos Grant Deed recorded 10/8/2010)	Vol. 52, 9101–9103
12	Trial Ex. 52 (El Camino Grant Deed recorded 10/8/2010)	Vol. 52, 9104–9106
13	Trial Ex. 61 (Membership Interest Transfer Agreement, dated 10/1/2010)	Vol. 52, 9107–9114
14	Trial Ex. 62 (\$1,617,050.00 Promissory Note)	Vol. 52, 9115–9118
15	Trial Ex. 65 (Mary Fleming Grant Deed recorded 11/4/2010)	Vol. 52, 9119–9121
Notice of Entry of Order Denying Defendants’ Motions for New Trial and/or to Alter or Amend Judgment (filed 07/16/2019)		Vol. 52, 9122–9124

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Exhibit to Notice of Entry of Order Denying Defendants' Motions for New Trial and/or to Alter or Amend Judgment		
Exhibit	Document Description	
1	Order Denying Defendants' Motions for New Trial and/or to Alter or Amend Judgment (filed 07/10/2019)	Vol. 52, 9125–9127
Notice of Entry of Order Granting Plaintiff's Application for an Award of Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 07/16/2019)		Vol. 52, 9128–9130
Exhibit to Notice of Entry of Order Granting Plaintiff's Application for an Award of Attorneys' Fees and Costs Pursuant to NRCP 68		
Exhibit	Document Description	
1	Order Granting Plaintiff's Application for an Award of Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 07/10/2019)	Vol. 52, 9131–9134
Notice of Entry of Order Granting in Part and Denying in Part Motion to Retax Costs (filed 07/16/2019)		Vol. 52, 9135–9137
Exhibit to Notice of Entry of Order Granting in Part and Denying in Part Motion to Retax Costs		
Exhibit	Document Description	
1	Order Granting in Part and Denying in Part Motion to Retax Costs (filed 07/10/2019)	Vol. 52, 9138–9141

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Plaintiff's Objection to Notice of Claim of Exemption from Execution Filed by Salvatore Morabito and Request for Hearing (filed 07/16/2019)		Vol. 52, 9142–9146
Reply to Objection to Claim of Exemption and Third Party Claim to Property Levied Upon (filed 07/17/2019)		Vol. 52, 9147–9162
Exhibits to Reply to Objection to Claim of Exemption and Third Party Claim to Property Levied Upon		
Exhibit	Document Description	
1	March 3, 2011 Deposition Transcript of P. Morabito	Vol. 52, 9163–9174
2	Mr. Bayuk's September 23, 2014 responses to Plaintiff's first set of requests for production	Vol. 52, 9175–9180
3	September 28, 2015 Deposition Transcript of Edward Bayuk	Vol. 52, 9181–9190
Reply to Plaintiff's Objection to Notice of Claim of Exemption from Execution (filed 07/18/2019)		Vol. 52, 9191–9194
Declaration of Service of Till Tap, Notice of Attachment and Levy Upon Property (filed 07/29/2019)		Vol. 52, 9195
Notice of Submission of Disputed Order Denying Claim of Exemption and Third Party Claim (filed 08/01/2019)		Vol. 52, 9196–9199
Exhibits to Notice of Submission of Disputed Order Denying Claim of Exemption and Third Party Claim		
Exhibit	Document Description	
1	Plaintiff's Proposed Order Denying Claim of Exemption and Third-Party Claim	Vol. 52, 9200–9204

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
2	Bayuk and the Bayuk Trust's proposed Order Denying Claim of Exemption and Third-Party Claim	Vol. 52, 9205–9210
3	July 30, 2019 email evidencing Bayuk, through counsel Jeffrey Hartman, Esq., requesting until noon on July 31, 2019 to provide comments.	Vol. 52, 9211–9212
4	July 31, 2019 email from Teresa M. Pilatowicz, Esq. Bayuk failed to provide comments at noon on July 31, 2019, instead waiting until 1:43 p.m. to send a redline version with proposed changes after multiple follow ups from Plaintiff's counsel on July 31, 2019	Vol. 52, 9213–9219
5	A true and correct copy of the original Order and Bayuk Changes	Vol. 52, 9220–9224
6	A true and correct copy of the redline run by Plaintiff accurately reflecting Bayuk's proposed changes	Vol. 52, 9225–9229
7	Email evidencing that after review of the proposed revisions, Plaintiff advised Bayuk, through counsel, that Plaintiff agree to certain proposed revisions, but the majority of the changes were unacceptable as they did not reflect the Court's findings or evidence before the Court.	Vol. 52, 9230–9236
Objection to Plaintiff's Proposed Order Denying Claim of Exemption and Third Party Claim (filed 08/01/2019)		Vol. 53, 9237–9240

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Exhibits to Objection to Plaintiff's Proposed Order Denying Claim of Exemption and Third-Party Claim		
Exhibit	Document Description	
1	Plaintiff's Proposed Order Denying Claim of Exemption and Third-Party Claim	Vol. 53, 9241–9245
2	Defendant's comments on Findings of Fact	Vol. 53, 9246–9247
3	Defendant's Proposed Order Denying Claim of Exemption and Third-Party Claim	Vol. 53, 9248–9252
Minutes of July 22, 2019 hearing on Objection to Claim for Exemption (filed 08/02/2019)		Vol. 53, 9253
Order Denying Claim of Exemption (filed 08/02/2019)		Vol. 53, 9254–9255
Bayuk's Case Appeal Statement (filed 08/05/2019)		Vol. 53, 9256–9260
Bayuk's Notice of Appeal (filed 08/05/2019)		Vol. 53, 9261–9263
Defendants, Superpumper, Inc., Edward Bayuk, Salvatore Morabito; and Snowshoe Petroleum, Inc.'s, Case Appeal Statement (filed 08/05/2019)		Vol. 53, 9264–9269
Defendants, Superpumper, Inc., Edward Bayuk, Salvatore Morabito; and Snowshoe Petroleum, Inc.'s, Notice of Appeal (filed 08/05/2019)		Vol. 53, 9270–9273

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Exhibits to Defendants, Superpumper, Inc., Edward Bayuk, Salvatore Morabito; and Snowshoe Petroleum, Inc.'s, Notice of Appeal		
Exhibit	Document Description	
1	Findings of Fact, Conclusions of Law, and Judgment (filed 03/29/2019)	Vol. 53, 9274–9338
2	Order Denying Defendants' Motions for New Trial and/or to Alter or Amend Judgment (filed 07/10/2019)	Vol. 53, 9339–9341
3	Order Granting in Part and Denying in Part Motion to Retax Costs (filed 07/10/2019)	Vol. 53, 9342–9345
4	Order Granting Plaintiff's Application for an Award of Attorneys' Fees and Costs Pursuant to NRCP 68 (filed 07/10/2019)	Vol. 53, 9346–9349
Plaintiff's Reply to Defendants' Objection to Plaintiff's Proposed Order Denying Claim of Exemption and Third-Party Claim		Vol. 53, 9350–9356
Order Denying Claim of Exemption and Third-Party Claim (08/09/2019)		Vol. 53, 9357–9360
Notice of Entry of Order Denying Claim of Exemption and Third-Party Claim (filed 08/09/2019)		Vol. 53, 9361–9364
Exhibit to Notice of Entry of Order Denying Claim of Exemption and Third-Party Claim		
Exhibit	Document Description	
1	Order Denying Claim of Exemption and Third-Party Claim (08/09/2019)	Vol. 53, 9365–9369

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Notice of Entry of Order Denying Claim of Exemption (filed 08/12/2019)		Vol. 53, 9370–9373
Exhibit to Notice of Entry of Order Denying Claim of Exemption		
Exhibit	Document Description	
1	Order Denying Claim of Exemption (08/02/2019)	Vol. 53, 9374–9376
Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration (filed 08/19/2019)		Vol. 54, 9377–9401
Exhibits to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration		
Exhibit	Document Description	
1	Order Denying Claim of Exemption and Third Party Claim (filed 08/09/19)	Vol. 54, 9402–9406
2	Spendthrift Trust Amendment to the Edward William Bayuk Living Trust (dated 11/12/05)	Vol. 54, 9407–9447
3	Spendthrift Trust Agreement for the Arcadia Living Trust (dated 10/14/05)	Vol. 54, 9448–9484
4	Fifth Amendment and Restatement of the Trust Agreement for the Arcadia Living Trust (dated 09/30/10)	Vol. 54, 9485–9524
5	P. Morabito's Supplement to NRCP 16.1 Disclosures (dated 03/01/11)	Vol. 54, 9525–9529

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
6	Transcript of March 3, 2011 Deposition of P. Morabito	Vol. 55, 9530–9765
7	Documents Conveying Real Property	Vol. 56, 9766–9774
8	Transcript of July 22, 2019 Hearing	Vol. 56, 9775–9835
9	Tolling Agreement JH and P. Morabito (partially executed 11/30/11)	Vol. 56, 9836–9840
10	Tolling Agreement JH and Arcadia Living Trust (partially executed 11/30/11)	Vol. 56, 9841–9845
11	Excerpted Pages 8–9 of Superpumper Judgment (filed 03/29/19)	Vol. 56, 9846–9848
12	Petitioners' First Set of Interrogatories to Debtor (dated 08/13/13)	Vol. 56, 9849–9853
13	Tolling Agreement JH and Edward Bayuk (partially executed 11/30/11)	Vol. 56, 9854–9858
14	Tolling Agreement JH and Bayuk Trust (partially executed 11/30/11)	Vol. 56, 9859–9863
15	Declaration of Mark E. Lehman, Esq. (dated 03/21/11)	Vol. 56, 9864–9867
16	Excerpted Transcript of October 20, 2015 Deposition of Dennis C. Vacco	Vol. 56, 9868–9871
17	Assignment and Assumption Agreement (dated 07/03/07)	Vol. 56, 9872–9887
18	Order Denying Morabito's Claim of Exemption (filed 08/02/19)	Vol. 56, 9888–9890

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Errata to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration (filed 08/20/2019)		Vol. 57, 9891–9893
Plaintiff's Opposition to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 08/30/2019)		Vol. 57, 9894–9910
Errata to Plaintiff's Opposition to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 08/30/2019)		Vol. 57, 9911–9914
Exhibits to Errata to Plaintiff's Opposition to Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs Pursuant to NRS 7.085		
Exhibit	Document Description	
1	Declaration of Gabrielle A. Hamm, Esq.	Vol. 57, 9915–9918
2	Plaintiff's Amended NRCP 16.1 Disclosures (February 19, 2016)	Vol. 57, 9919–9926
3	Plaintiff's Fourth Supplemental NRCP 16.1 Disclosures (November 15, 2016)	Vol. 57, 9927–9930
4	Plaintiff's Fifth Supplemental NRCP 16.1 Disclosures (December 21, 2016)	Vol. 57, 9931–9934
5	Plaintiff's Sixth Supplemental NRCP 16.1 Disclosures (March 20, 2017)	Vol. 57, 9935–9938

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Reply in Support of Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs (filed 09/04/2019)		Vol. 57, 9939–9951
Exhibits to Reply in Support of Motion to Make Amended or Additional Findings Under NRCP 52(b), or, In the Alternative, Motion for Reconsideration, and Countermotion for Fees and Costs		
Exhibit	Document Description	
19	Notice of Submission of Disputed Order Denying Claim of Exemption and Third Party Claim (filed 08/01/19)	Vol. 57, 9952–9993
20	Notice of Submission of Disputed Order Denying Claim of Exemption and Third Party Claim (filed 08/01/19)	Vol. 57, 9994–10010
Order Denying Defendants’ Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration and Denying Plaintiff’s Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 11/08/2019)		Vol. 57, 10011–10019
Bayuk’s Case Appeal Statement (filed 12/06/2019)		Vol. 57, 10020–10026
Bayuk’s Notice of Appeal (filed 12/06/2019)		Vol. 57, 10027–10030

<u>DOCUMENT DESCRIPTION</u>		<u>LOCATION</u>
Exhibits to Bayuk's Notice of Appeal		
Exhibit	Document Description	
1	Order Denying [Morabito's] Claim of Exemption (filed 08/02/19)	Vol. 57, 10031–10033
2	Order Denying [Bayuk's] Claim of Exemption and Third Party Claim (filed 08/09/19)	Vol. 57, 10034–10038
3	Order Denying Defendants' Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration and Denying Plaintiff's Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 11/08/19)	Vol. 57, 10039–10048
Notice of Entry of Order Denying Defendants' Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration and Denying Plaintiff's Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 12/23/2019)		Vol. 57, 10049–10052
Exhibit to Notice of Entry of Order		
Exhibit	Document Description	
A	Order Denying Defendants' Motion to Make Amended or Additional Findings Under NRCP 52(b), or, in the Alternative, Motion for Reconsideration and Denying Plaintiff's Countermotion for Fees and Costs Pursuant to NRS 7.085 (filed 11/08/19)	Vol. 57, 10053–10062
Docket Case No. CV13-02663		Vol. 57, 10063–10111

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11 Telephone 725-777-3000

12 *Attorneys for William A. Leonard*

13
14
15 **IN THE SECOND JUDICIAL DISTRICT COURT OF**
16 **THE STATE OF NEVADA, IN AND FOR THE COUNTY OF WASHOE**

17 WILLIAM A. LEONARD, Trustee for the
18 Bankruptcy Estate of Paul Anthony
19 Morabito,

20 Plaintiff,

21 vs.

22 SUPERPUMPER, INC., an Arizona
23 corporation; EDWARD BAYUK,
24 individually and as Trustee of the EDWARD
25 WILLIAM BAYUK LIVING TRUST;
26 SALVATORE MORABITO, and individual;
27 and SNOWSHOE PETROLEUM, INC., a
28 New York corporation,

Defendants.

CASE NO.: CV13-02663

DEPT. NO.: 1

**NOTICE OF ISSUANCE OF SUBPOENA
TO GURSEY SCHNEIDER LLP**

Plaintiff, WILLIAM A LEONARD, Trustee for the Bankruptcy Estate of Paul Anthony Morabito, by and through his counsel, GERALD M. GORDON and TERESA M. PILATOWIZ, of the law firm of Garman Turner Gordon LLP, hereby provide notice to Defendants of the issuance of a Subpoena to testify at a deposition and produce documents upon GurseY Schneider LLP. A copy of the subpoena is attached hereto as Exhibit "1."

///

///

AFFIRMATION
Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Dated this 2nd day of February 2016.

GARMAN TURNER GORDON LLP

/s/ Teresa M. Pilatowicz
GERALD M. GORDON, ESQ.
Nevada Bar No. 229
TERESA M. PILATOWICZ, ESQ.
Nevada Bar No. 9605
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Attorneys for William A. Leonard

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CERTIFICATE OF SERVICE

The undersigned, an employee of Garman Turner Gordon, hereby certifies that on the 2nd day of February, 2016, she served a copy of the NOTICE OF ISSUANCE OF SUBPOENA TO GURSEY SCHNEIDER LLP, to all interested parties via e-mail and U.S Mail system addressed to:

Barry Breslow
Frank Gilmore
ROBISON, BELAUSTEGUI, SHARP & LOW
71 Washington Street
Reno, NV 89503

/s/ Jenifer Cannon
An employee of Garman Turner Gordon

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INDEX OF EXHIBITS

1. Subpoena 17 pages

EXHIBIT 1

EXHIBIT 1

1. YOU ARE ORDERED TO APPEAR IN PERSON TO TESTIFY AS A WITNESS in this action at the following date, time, and place:

Date: March 15, 2016 Time: 10:00 a.m. Address: 2029 Century Park East, #1400, Los Angeles, CA 90067

- a. ☒ As a deponent who is not a natural person, you are ordered to designate one or more persons to testify on your behalf as to the matters described in item 4. (Code Civ. Proc., § 2025.230.)
- b. ☒ You are ordered to produce the documents, electronically stored information, and things described in item 3.
- c. This deposition will be recorded stenographically ☒ through the instant visual display of testimony and by ☐ audiotape ☐ videotape.
2. The personal attendance of the custodian or other qualified witness and the production of the original records are required by this subpoena. The procedure authorized by Evidence Code sections 1560(b), 1561, and 1562 will not be deemed sufficient compliance with this subpoena.
3. The documents, electronically stored information, and things to be produced and any testing or sampling being sought are described as follows (if electronically stored information is required, the form or forms in which each type of information is to be produced may be specified): **see attached**

☒ Continued on Attachment 3 (use form MC-025).

4. If the witness is a representative of a business or other entity, the matters upon which the witness is to be examined are described as follows:

☐ Continued on Attachment 4 (use form MC-025).

5. Attorneys for the parties to this action or parties without attorneys are (name, address, telephone number, and name of party represented):

☐ Continued on Attachment 5 (use form MC-025).

PLAINTIFF/PETITIONER: William A. Leonard, Trustee
 DEFENDANT/RESPONDENT: Superpumper, Inc., et al.

CASE NUMBER:

- 6 ☒ Other terms or provisions from out-of-state subpoena, if any (specify):

Please produce documents on or before March 1, 2016

☐ Continued on Attachment 6 (use form MC-025).

7. If you have been served with this subpoena as a custodian of consumer or employee records under Code of Civil Procedures section 1985.3 or 1985.6 and a motion to quash or an objection has been served on you, a court order or agreement of the parties, witnesses, and consumer or employee affected must be obtained before you are required to produce consumer or employee records.
8. At the deposition, you will be asked questions under oath. Questions and answers are recorded stenographically at the deposition; later they are transcribed for possible use at trial. You may read the written record and change any incorrect answers before you sign the deposition. You are entitled to receive witness fees and mileage actually traveled both ways. The money must be paid, at the option of the party giving notice of the deposition, either with service of this subpoena or at the time of the deposition. Unless the court orders or you agree otherwise, if you are being deposed as an individual, the deposition must take place within 75 miles of your residence. The location of the deposition for all deponents is governed by Code of Civil Procedure section 2025.250.

DISOBEDIENCE OF THIS SUBPOENA MAY BE PUNISHED AS CONTEMPT BY THIS COURT. YOU WILL ALSO BE LIABLE FOR THE SUM OF \$500 AND ALL DAMAGES RESULTING FROM YOUR FAILURE TO OBEY.

Date issued: Feb. 2, 2016



William M. Noall, Esq., SBN 122244

(TYPE OR PRINT NAME)

Attorney for William M. Leonard, Trustee

(TITLE)

PROOF OF SERVICE OF DEPOSITION SUBPOENA FOR PERSONAL APPEARANCE AND PRODUCTION OF DOCUMENTS, ELECTRONICALLY STORED INFORMATION, AND THINGS

1. I served this Deposition Subpoena for Personal Appearance and Production of Documents, Electronically Stored Information, and Things in Action Pending Outside California by personally delivering a copy to the person served as follows:

a. Person served (name):

b. Address where served:

c. Date of delivery:

d. Time of delivery:

e. Witness fees and mileage both ways (check one):

(1) ☐ were paid. Amount: \$ _____

(2) ☐ were not paid.

(3) ☐ were tendered to the witness's public entity employer as required by Government Code section 68097.2. The amount tendered was (specify): \$ _____

f. Fee for service: \$ _____

2. I received this subpoena for service on (date):

3. ☐ I also served a completed Proof of Service of Notice to Consumer or Employee and Objection (form SUBP-025) by personally delivering a copy to the person served as described in 1 above.

4. Person serving:

a. ☐ Not a registered California process server

b. ☐ California sheriff or marshal

c. ☐ Registered California process server

d. ☐ Employee or independent contractor of a registered California process server

e. ☐ Exempt from registration under Business and Professions Code section 22350(b)

f. Name, address, telephone number, and, if applicable, county of registration and number:

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

(For California sheriff or marshal use only)

I certify that the foregoing is true and correct.

Date:

(SIGNATURE)

(SIGNATURE)

SHORT TITLE: Leonard v. Supercumpner, Inc., et al	CASE NUMBER: CV13-02663
--	----------------------------

ATTACHMENT (Number): 3

(This Attachment may be used with any Judicial Council form.)

See following pages.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page _____ of _____

(Add pages as required)

DEFINITIONS

1. "Communication" means any contact, oral or written, formal or informal, at any time or any place under any circumstance whatsoever whereby any information of any nature was transmitted or transferred, including but not limited to personal conversation, conferences, telephone conversations, memoranda, letters, correspondence, electronic correspondence, texts, reports, and publications.

2. "Document" shall be deemed to mean any printed, typewritten, handwritten, electronic, or otherwise recorded matter of whatever character, whether original, master or copy (whether still active, archived or transparent) and any copies or reproductions that are not identical to the original, that is or has been in the possession, control or custody of you, your attorney and/or all other person acting in your behalf or of which any of the aforementioned persons have knowledge, other person acting in your behalf or of which any of the aforementioned persons have knowledge, including, but not limited to, letters, e-mail (internal and external), communications, correspondence, memoranda, confirmations, facsimile transmittal sheets, transmittal forms, telegrams, notes, summaries, minutes, contracts, subcontracts, purchase orders, leases, amendments, change orders, proposals, requests for proposal, bids, marketing documents, reports, studies, drawings, charts, diagrams, sketches, estimates, specifications, addenda, schedules, directives, records of telephone conversations, staffing projections, records of meetings and conferences, including lists of persons attending meetings or conferences, summaries and records of personal conversations or interviews, exhibits, transcripts, books, manuals, publications, diaries, logs, daily reports, status reports, minutes of meetings, records, journals, entries in journals, charts, financial records and/or summaries of financial records, work papers, bills, ledgers, financial statements, audit reports, financial data, status sheets, contract status reports, tax returns, certificate of insurance, agreements of suretyship and/or indemnification, insurance policies, calendars, summaries of investigations and/or surveys, statistical compilations, audio or visual recordings, photographs, cpm schedules, spreadsheets, computer or magnetic records, computer memory (including that of any "transparent" information, information deleted from the personal computer or file but not

from the system), hard drives, floppy discs, optical discs, CD-ROM discs, Bernoulli discs and their equivalents, magnetic tape, disaster recovery back-up, compact disks, computer generated reports or summaries, drafts of original or preliminary notes on and marginal comments appearing on any documents, other reports and records, any other paper or physical thing containing writing, photographic, imaged, or electronically recorded data, every copy of such writing or records where the original is not in the possession, custody or control of the aforementioned persons, and every copy of every such writing or record where such copy contains any commentary or notation whatsoever that does not appear on the original.

3. "Plaintiff" or "Leonard" refers to Plaintiff William A. Leonard, Trustee.

4. "Relate" or "Relating to" or "Relative to" means constituting, comprising, containing, setting forth, showing, disclosing, describing, explaining, summarizing, concerning, or referring to directly or indirectly.

5. "You" or "Your" means Gursev Schneider LLP and its agents, employees, assignees or representatives.

INSTRUCTIONS

6. These Discovery Requests shall be deemed continuing and as additional information concerning the answers is secured, such additional information shall be supplied to Plaintiff.

7. You shall produce all Documents in the manner in which they are maintained in the usual course of business and/or shall organize and label Documents to correspond with the categories of these Discovery Requests. A Discovery Request shall be deemed to include a request for any and all file folders within which the document was contained, transmittal sheets, cover letters, exhibits, enclosures, or attachments to the Document in addition to the Document itself.

8. In producing Documents and other materials, You are requested to furnish all Documents or things in Your possession, custody, or control, regardless of whether such Documents or materials are possessed by You directly or Your directors, officers, agents, employees, representatives,

subsidiaries, managing agents, affiliates, investigators, or by Your attorneys or their agents, employees, representatives, or investigators.

9. If any Document is held under claim of privilege, please identify the Document for which there is a claim of privilege and a full description thereof, including without limitation:

- i. The date it bears;
- ii. The name of each person who prepared it or who participated in any way in its preparation;
- iii. The name of each person who signed it;
- iv. The name of each person to whom it, or a copy of it was addressed;
- v. The name of each person who presently has custody of it or a copy of it;
- vi. The subject matter and its substance; and
- vii. What factual basis there is for the claim of privilege.

10. If any Document requested to be produced was but is no longer in Your possession or control, or is no longer in existence, state whether it is (1) missing or lost, (2) destroyed, (3) transferred voluntarily or involuntarily to others and if so to whom, or (4) otherwise disposed of; and in each instance explain the circumstances surrounding an authorization of such disposition thereof and state the approximate date thereof.

11. In the event that Documents called for by any particular request have been lost or destroyed, please state: (i) the date on which the Document(s) were lost or destroyed; (ii) the manner in which the Document(s) were lost or destroyed; (iii) the identity of the Document(s); (iv) the information contained within such Document(s) and the nature of the Document(s); and (v) the identity of any person(s) who has knowledge of the contents of the Document(s) or has received a copy of such Document(s).

12. Documents attached to each other should not be separated.

13. Documents not otherwise responsive to this Discovery Request shall be produced if such Documents mention, discuss, refer to, or explain the Documents that are called for in a Discovery Request.

14. The term "and" as well as "or" shall be construed either disjunctively or conjunctively, as necessary, to bring within the scope of these requests any information which might otherwise be construed to be outside their scope.

15. Whenever appropriate, the singular form of a word shall be interpreted as plural and the masculine gender shall be deemed to include feminine.

16. The fact that a Document has been produced by You or any other defendant in any other litigation does not relieve You of Your obligation to produce your copy of the same Document, even if the two Documents are identical

DISCOVERY REQUESTS

Request for Production No. 1.

Produce each and every Document, including Communications, relating to, referring to, or constituting loans from Superpumper, Inc. to officers, directors, and shareholders of Superpumper, Inc. from January 2005 to December 2011.

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Request for Production No. 4:

Produce each and every Documents relating to, referring to, or constituting audited or unaudited financial statements prepared by You or under Your supervision, or in Your Possession, for Superpumper, Inc. from January 2005 to December 2011. Include in your response all drafts of such financial statements.

Request for Production No. 5:

Produce each and every Documents relating to, referring to, or constituting audited or unaudited financial statements prepared by You or under Your supervision, or in Your Possession, for Snowshoe Petroleum, Inc. from September 2010 to December 2015. Include in your response all drafts of such financial statements.

Request for Production No. 6:

Produce all Communications with any third parties regarding, relating to, or referring to audits performed by You, or under Your supervision, for Superpumper, Inc. from January 2005 to December 2011.

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Produce all Communications between You and Matrix Capital Markets Group, Inc., including Communications with Spencer Cavalier and/or Sean Dooley, regarding, relating to, or referring to Superpumper, Inc. between July 1, 2010 and December 31, 2010.

1 3980

2 GARMAN TURNER GORDON LLP

3 GERALD M. GORDON, ESQ.

4 Nevada Bar No. 229

5 E-mail: ggordon@gtg.legal

6 TERESA M. PILATOWICZ, ESQ.

7 Nevada Bar No. 9605

8 E-mail: tpilatowicz@gtg.legal

9 650 White Drive, Ste. 100

10 Las Vegas, Nevada 89119

11 Telephone 725-777-3000

12 *Attorneys to Trustee*

13 **IN THE SECOND JUDICIAL DISTRICT COURT OF**

14 **THE STATE OF NEVADA, IN AND FOR THE COUNTY OF WASHOE**

15 WILLIAM A. LEONARD, Trustee for the
16 Bankruptcy Estate of Paul Anthony
17 Morabito,

18 Plaintiff,

19 vs.

20 SUPERPUMPER, INC., an Arizona
21 corporation; EDWARD BAYUK,
22 individually and as Trustee of the EDWARD
23 WILLIAM BAYUK LIVING TRUST;
24 SALVATORE MORABITO, and individual;
25 and SNOWSHOE PETROLEUM, INC., a
26 New York corporation,

27 Defendants.

CASE NO.: CV13-02663

DEPT. NO.: 1

SUBPOENA - CIVIL

XX Regular XX Duces Tecum

28 **THE STATE OF NEVADA SENDS GREETINGS TO:**

Gursey Schneider LLP
1888 Century Park East, Suite 900
Los Angeles, CA 90067

YOU ARE HEREBY COMMANDED that all and singular, business and excuses set
aside, you (1) shall produce the documents requested below for inspection and copying¹ on or

¹ The documents may be delivered electronically to tpilatowicz@gtg.legal on or before March 1, 2016. If documents are provided electronically, no appearance to produce and permit inspection is necessary on March 1, 2016.

1 before March 1, 2016 at 10:00 a.m. and (2) shall appear and attend to present testimony on the
2 15th day of March, 2016 at 10:00 a.m.. The address where you are required to appear is Regus
3 Century Plaza Towers, 2029 Century Park East, Suite 1400, Los Angeles, California 90067.
4 Your attendance is required to give testimony and/or produce and permit inspection and copying
5 of designated books, documents or tangible things in your possession, custody or control, or to
6 permit inspection of premises. If you fail to attend, you may be deemed guilty of contempt of
7 Court and liable to pay all losses and damages caused by your failure to appear. Please see
8 Exhibit "A" attached hereto for information regarding the rights of the person subject to this
9 Subpoena.

10 Dated this 2nd day of February, 2016

11 GARMAN TURNER GORDON LLP

12
13 /s/ Teresa M. Pilatowicz
14 GERALD E. GORDON, ESQ.
15 TERESA M. PILATOWICZ, ESQ.
16 650 White Drive, Ste. 100
17 Las Vegas, Nevada 89119
18 Telephone 725-777-3000

19 *Attorneys for Trustee*

20 ITEMS TO BE PRODUCED

21 DEFINITIONS

22 I. "Communication" means any contact, oral or written, formal or informal, at any time or
23 any place under any circumstance whatsoever whereby any information of any nature was transmitted
24 or transferred, including but not limited to personal conversation, conferences, telephone
25 conversations, memoranda, letters, correspondence, electronic correspondence, texts, reports, and
26 publications.

1 2. "Document" shall be deemed to mean any printed, typewritten, handwritten,
2 electronic, or otherwise recorded matter of whatever character, whether original, master or copy
3 (whether still active, archived or transparent) and any copies or reproductions that are not identical to
4 the original, that is or has been in the possession, control or custody of you, your attorney and/or all
5 other person acting in your behalf or of which any of the aforementioned persons have knowledge,
6 other person acting in your behalf or of which any of the aforementioned persons have knowledge,
7 including, but not limited to, letters, e-mail (internal and external), communications, correspondence,
8 memoranda, confirmations, facsimile transmittal sheets, transmittal forms, telegrams, notes,
9 summaries, minutes, contracts, subcontracts, purchase orders, leases, amendments, change orders,
10 proposals, requests for proposal, bids, marketing documents, reports, studies, drawings, charts,
11 diagrams, sketches, estimates, specifications, addenda, schedules, directives, records of telephone
12 conversations, staffing projections, records of meetings and conferences, including lists of persons
13 attending meetings or conferences, summaries and records of personal conversations or interviews,
14 exhibits, transcripts, books, manuals, publications, diaries, logs, daily reports, status reports, minutes of
15 meetings, records, journals, entries in journals, charts, financial records and/or summaries of financial
16 records, work papers, bills, ledgers, financial statements, audit reports, financial data, status sheets,
17 contract status reports, tax returns, certificate of insurance, agreements of suretyship and/or
18 indemnification, insurance policies, calendars, summaries of investigations and/or surveys, statistical
19 compilations, audio or visual recordings, photographs, cpm schedules, spreadsheets, computer or
20 magnetic records, computer memory (including that of any "transparent" information, information
21 deleted from the personal computer or file but not from the system), hard drives, floppy discs, optical
22 discs, CD-ROM discs, Bernoulli discs and their equivalents, magnetic tape, disaster recovery back-up,
23 compact disks, computer generated reports or summaries, drafts of original or preliminary notes on and
24 marginal comments appearing on any documents, other reports and records, any other paper or
25 physical thing containing writing, photographic, imaged, or electronically recorded data, every copy of
26 such writing or records where the original is not in the possession, custody or control of the
27 aforementioned persons, and every copy of every such writing or record where such copy contains any
28 commentary or notation whatsoever that does not appear on the original.

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- 26 ...
- 27 ...
- 28 ...

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AFFIDAVIT OF SERVICE

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

_____, being duly sworn says: That at all times
herein affiant was over 18 years of age, not a party to nor interested in the proceeding in which
this affidavit is made. That affiant received the Subpoena on the __ day of _____, 2015,
and served the same on the _____ day of _____, 2015 by delivering a copy to
the witness at: _____

_____.

I declare under penalty of perjury under the law of the State of Nevada that the foregoing
is true and correct.

EXECUTED this ____ day of _____, 2016.

Signature of person making service

NEVADA RULES OF CIVIL PROCEDURE

Rule 45:

(c) Protection of Persons Subject to Subpoenas.

(1) A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction, which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2)(A) A person commanded to produce and permit inspection and copying of designated books, papers, documents or tangible things, or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

(B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and permit inspection and copying may, within 14 days after service of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection has been made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production. Such an order to compel production shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection and copying commanded.

(3)(A) On timely motion, the court by which a subpoena was issued shall quash or modify the subpoena if it

- (i) fails to allow reasonable time for compliance;
- (ii) requires a person who is not a party or an officer of a party to travel to a place more than 100 miles from the place where that person resides, is employed or regularly transacts business in person, except that, subject to the provisions of clause (c)(3)(B)(iii) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held, or
- (iii) requires disclosure of privileged or other protected material and no exception or waiver applies, or
- (iv) subjects a person to undue burden.

(B) If a subpoena

- (i) requires disclosure of a trade secret or other confidential research, development, or commercial information, or
- (ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party,

the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena, or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

1 **(d) Duties in Responding to Subpoena.**

2 (1) A person responding to a subpoena to produce documents shall produce them as
3 they are kept in the usual course of business or shall organize and label them to correspond with
4 the categories in the demand.

5 (2) When information subject to a subpoena is withheld on a claim that it is
6 privileged or subject to protection as trial preparation materials, the claim shall be made
7 expressly and shall be supported by a description of the nature of the documents,
8 communications, or things not produced that is sufficient to enable the demanding party to
9 contest the claim.
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JUSTMANN & ASSOCIATES, INC.

a Professional Corporation

Mark S. Justmann, MAI
760 Conestoga Lane
Nipomo, California 93444
805-343-9382

September 28, 2010

Ref:baruk570Glenlagun

Mark E. Lehman, Esq.
Law Offices of Mark E. Lehman
9200 Sunset Blvd., PH 2
West Hollywood, California 90069
Via email

Re: 570 Glenneyre Street
Laguna Beach, California 92651
Summary Appraisal Report

Dear Mr. Lehman:

At your request, we have completed a summary appraisal report of the real property located at 570 Glenneyre Street, Laguna Beach, California (Tax Parcel: 644-012-08). The date of value is September 25, 2010. The subject property consists of a 1 unit, 1-story, freestanding office building that includes 6,000 square feet of improvements (according to the owner, public records state 6,200 square feet), built in 1956, owner also stated that interior improvements were renovated over the past few years. The improvements are situated on a total land area of 11,100 gross square feet with approximately a total of 11 parking spaces (open surface - apx. 1.8/1,000 square foot parking ratio).

The purpose of this summary appraisal is to express our opinion regarding the value of the property for valuation purposes (related to court judgment proceedings), subject to the definition of value, Assumptions and Limiting Conditions, and Certification contained in the attached summary appraisal letter report.

It is our understanding that this appraisal report is to be used for settlement purposes only; its use for any other purpose or valuation date may invalidate the appraisal.

We have been requested to appraise the property and provide this summary appraisal report. The appraisal procedures followed included a Cost Approach, a Direct Sales Comparison Approach, and an Income Approach, with data summarized for this short letter report. This report cannot be understood properly without additional information found in the work file of this appraiser. As of the appraisal date above, the highest and best use of the property is deemed to be its current use as an interim use.

Based on the data and conclusions in our files, and, the attached summary report, it is our opinion that as of September 25, 2010, the As Is market value of the subject real property appraised is:

TWO MILLION FIVE HUNDRED THOUSAND DOLLARS
\$2,500,000

MORABITO (341).002402

Justmann & Associates, Inc. has performed the subject appraisal based on our understanding of the requirements and policies of the Financial Institutions Reform, Recovery, and Enforcement Act. It is our practice to adhere to the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

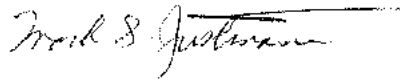
Descriptions of the property appraised, together with explanations of the appraisal procedures used, are contained in our files.

A copy of this report and the field data from which it was prepared will be retained in our files for a period of five years, and are available for review upon request.

We were furnished with a background, physical characteristics and other information from the client. A plat map and sales maps are included in the addenda for visualization purposes. No title report, surveys, environmental or geological reports for the properties were supplied.

Respectfully submitted,

JUSTMANN & ASSOCIATES, INC.

A handwritten signature in cursive script, appearing to read "Mark S. Justmann", written over a horizontal line.

Mark S. Justmann, MAI
Managing Director
State Certification No.: AG002802

MORABITO (341).002403

SUMMARY OF FACTS AND CONCLUSIONS

PROPERTY APPRAISED: 570 Glenneyre Street
Laguna Beach, California

CALIFORNIA THOMAS BROS. MAP #: Orange County, 950-Ge

CURRENT OWNER: Baruk Properties LLC

PROPERTY TYPE: 1 Unit, 1-story Freestanding Office Building

APPRAISAL DATE: September 25, 2010

ASSESSOR PARCEL NUMBER(S): 644-012-08

TOTAL GROSS LAND AREA: 11,100 +/- Gross Square Feet, as per tax roll. We were supplied with no plot plan.

TOTAL GROSS BUILDING AREA: 6,000 +/- Gross Square Feet, per owner, public records (Metroscan) states 6,200 Square Feet.

MARKETING TIME: Six to Nine Months

BUILDING(S) AGE: Constructed in 1956 according to public records, the owner stated interior improvements were renovated over the past few years.

ASSESSED VALUE (2009-2010):

<u>APN</u>	<u>Land</u>	<u>Improvements</u>	<u>Total</u>
644-012-08	\$2,246,046	\$230,780	\$2,476,826

VALUE CONCLUSION
As Is Market Value **\$2,500,000**

SUMMARY DATA

COST APPROACH

A Cost Approach utilizing land sales data, current cost manuals and depreciation estimates is not particularly relevant due to the difficulty in accurately estimating land value since there is a lack of recent truly comparable sales in the immediate area and also due to the older age of the property that has been renovated over the years. Therefore, a classic use of the cost approach whereby the improvements were basically estimated out new and depreciated was not felt necessary as this method is most meaningful for special use properties.

DIRECT SALES COMPARISON APPROACH

In this approach, we performed research of recent sale comparables with similar use, age, quality, condition and utility. In order to conduct this analysis, we have analyzed other improved sales of properties.

Back up data on the sales is found in our work file. A map of the subject and the comparables are found in the addenda. These sales are felt to be the most similar sales immediately available. We have used price per square foot as a valuation indicator. The sales analysis is on the following page:

Summary of Improved Sales Comparables

#	Address	City	Use	Bldg. SF	Land SF	Year Built	Date	Sale Price	\$/BS	Cap Rate	Distance/ Location	Total Parking	Parking Ratio/ SF	Comments
1	1285 Glenneyre	Laguna Beach	Office	1,491	3,751	1968	7/1/2010	\$1,000,000		\$871	0.8 Miles Southeast	4	2.0	Owner User
2	219 Corporate Plaza	Newport Beach	Office	12,236	47,916	1979	11/25/2006	\$7,356,000		\$601	7.1 Miles Northwest	85	5.3	Investment
3	27051 Moulton	Laguna Hills	Office	3,000	8,333	1989	4/10/2006	\$1,280,000		\$427	6.0 Miles Northeast		4.0	Owner User
4	2633 Laguna Canyon	Laguna Beach	Flex	3,021	7,100	1979	2/25/2006	\$1,025,000		\$336	1.6 Miles Northeast	8	3.3	Owner User
5	5479 Ocean	Laguna Beach	Office	3,103	3,230	1980	Current Asking	\$1,798,000		\$580	0.4 Miles Northwest	6	2.8	Owner User
	Average			4,571	14,988	1978		\$2,462,400		\$524			3.6	
	570 Glenneyre (Subject)	Laguna Beach	Office	6,000	11,100	1968	9/25/2010					11	1.8	

MORABITO (341).002406

ANALYSIS

A Direct Sales Comparison Approach was conducted, which utilized a total of five sale comparables within a 7.1 mile radius of the subject. These comparable sales took place within the past 19 months. The comparables ranged in size from 1,491 to 12,239 square feet of building.

The unadjusted sales range from approximately \$339 to \$671 per square foot of building area. The average for all sales is approximately \$524 per square foot. Sale 1 is the most recent July 2010 sale, most similar in location (along the Subject street and within city limits – in close proximity, 0.6 miles southeast) as an office use and year built (1956), requiring a -35% downward adjustment for substantially smaller size due to economies of scale, no adjustment was made for slightly superior parking (2.6/1,000 SF ratio) as city parking is directly across the street of the Subject, overall, a -35% downward adjustment was made. Sale 2 is a recent 4th quarter 2009 sale, similar in office use and superior in physical characteristics, considered in the upper range of values, requiring a +15% upward adjustment for size, -10% downward adjustment for superior age/quality/condition of improvements and -15% downward adjustment for superior parking ratio, overall, requiring a -10% downward adjustment. Sale 3 occurred in 1st Quarter 2009, similar as an office use, building size (3,000 SF) and land size. Since this was superior in year built (1989), a -10% downward adjustment was applied and a -5% downward adjustment was made for superior parking ratio (4.0/1,000 square feet), overall, a -15% downward adjustment was applied. Sale 4 is a 1st Quarter 2009 transaction, similar in location (1.6 miles northeast – within the Subject city), similar in building size (3,021 SF), land size (7,100 SF), considered inferior in quality/condition of improvements (+5% upward adjustment) and slightly superior in parking ratio (3.3/1,000 SF), requiring a -3% downward adjustment, overall, +2% upward adjustment was needed. Comparable 5 is a current sale listing that is closest in proximity (0.4 miles) within the Subject city that is similar in building size (3,103 SF), a -15% downward adjustment was applied for listing price negotiations, -15% for year built (1986), overall, requiring a -30% downward adjustment.

Based upon most weight assigned to Sale 1 which is the most recent, actual closed sale that occurred in 2010, located along the Subject street, within the Subject city, in close proximity (0.6 miles) that is considered most similar in physical characteristics and attributes, the concluded value per square foot of building is considered moderately above the adjusted mean (\$418/SF) or, \$436 (rounded) per square foot of building, on a conservative basis. The concluded value is therefore 6,000 square feet of building times \$436 per square foot, or \$2,616,000, or a rounded \$2,620,000. The concluded value for the Direct Sales Comparison Approach is: \$2,620,000.

INCOME APPROACH

The Income Approach was utilized to determine projected annual net operating income. The valuation indication of the property is developed by the stabilized capitalization method, as this type of property is normally purchased based upon a desired overall rate established within the market.

There are two methods of treating the income approach with most assets, the direct capitalization method assuming the property is vacant and available for lease and the second is the discounted cash flow method assuming the property is leased under contractual obligations. We will use only the capitalization method in this income approach as this method is most widely utilized.

The capitalization method of the income approach utilized market rents as the property is currently 100% vacant. Due to this, market rent was applied for valuation purposes. The assumption in the capitalization approach is that the value of the subject property is represented by the present worth of the stabilized net income. The stabilized net income stream includes an analysis of the quality, as well as the quantity and duration, of the income expectancy. This stabilized net income stream is then capitalized into an indication of value. Our selection of a capitalization rate has been derived from market data developed from the market sales of comparable properties.

Market Rent

As explained above, the Subject property does not have contract rents in place, we have utilized Market Rent. Below is a Reconstructed Rent Roll that summarizes estimated Market Rent.

RECONSTRUCTED RENT ROLL												
#	Unit	Tenant	Occupied Area (sf)	Vacant Area (sf)	Tenant's % of Bldg	Start Date	End Date	Contract Monthly Rent (\$)	Current Monthly Rent (\$)	Current Yearly Rent (\$)	Market Monthly Rent (\$)	Market Monthly Lease Type
1	570	Vacant		9,000	0.00%			\$0.00			\$12,900.00	T - Tenet, Lease/Rent, 5 Years, 6 Months
2												
Sub-Total			0	9,000				\$0.00			\$12,900.00	\$2.15

Re-Cap:	0	0.00%	% Occupied
	\$0.00	100.00%	% Vacant
	\$0.00	100.00%	Total NRE

Rent Comparables are shown in the table on the following page.

Market Rent Comparables									
#	Address	Date	Use	NNN Equivalent \$/SF	\$/SF NNN Equivalent After Adjustment for Listing Deduction	Apx. Unit SF	Year Built	Parking Ratio	Comments/Distance from Subject
1A	2825 Laguna Canyon, Unit 210, Laguna Beach	1st Qtr. 2010	Office	\$2.50	\$2.50	9,500	1970	5.0	Completed lease in 1st Quarter 2010 for office space utilized for classes (Laguna College of Art); 1.7 miles Northeast, 5 years with 2 (5 years); CPI (2-4%) increases, \$50 T/P's, 0 months free rent, free parking; 1 story, Freestanding office building.
2A	2825 Laguna Canyon, #A, Laguna Beach	1st Qtr. 2010	Office	\$2.50	\$2.50	6,793	2008	4.0	Completed lease in 1st Quarter 2010 for office space (The Winter Laboratory); 1.7 miles Northeast, 75 month lease, 3% increases. As Is, 3 months Free Rent, free parking; 1 story, 9,000 SF office building.
3	32356 S. Coast, Laguna Beach	2nd Qtr. 2009	Office	\$2.17	\$2.17	7,214	1981	5.0	Completed lease in 2nd Quarter 2009 for office space (Home Real Estate) within a 1-story, Freestanding building, 4.1 miles Southeast, 5 years, \$.08 conversion to NNN equivalent from MG, 3% increases, apx \$7 T/P's, no Free Rent, free parking.
4	481 Glenneyre, Laguna Beach	Asking	Office	\$2.50	\$2.13	4,960	1966	2.0	Current asking in 3rd Quarter 2010 for 1st floor office space, 1 block Northwest, apx \$.65 Cam's, negotiable terms, free parking; 2 story, 11,058 SF total office project. Currently 100% occupied.
5	850 Glenneyre, Laguna Beach	Asking	Office	\$2.39	\$1.99	2,500		2.0	Current asking in 3rd Quarter 2010 for 2nd floor office space, 3.5 blocks Southeast, Cam's unknown and not provided, negotiable terms, free parking; 2 story, 8,400 SF total office project. Currently 2,500 SF vacant.
	Average			\$2.39	\$2.25	6,193	1981	3.6	
	570 Glenneyre, Laguna Beach (Subject)		Office			6,000	1958	1.8	

Market Rent Conclusion: The 5 total lease comparables (3 completed & 2 asking rentals) within the table above are considered most similar and recent, the completed transactions occurred with the past 2 quarters, similar in location (within a 4.1 mile radius - in terms of specific location, Rentals 4 & 5 are most similar, located along the Subject street, 1.0 block & 3.5 blocks, respectively), unit size (2,500 to 9,500 SF) and physical characteristics, which average \$2.39/SF on an unadjusted NNN equivalent basis. After adjustments for differences in quality/condition of improvements and -15% deductions for current asking rent comparables, the adjusted average is \$1.99/SF NNN equivalent.

Additionally, several discussions were undertaken with local, active leasing brokers and property managers, in general their opinion is that office space for the Subject property should be in the \$1.75 to \$2.50/SF NNN equivalent rental range.

Based upon the subject's average to good location, a market derived Market Rent is estimated slightly above the adjusted average at \$2.15/SF, NNN on a conservative basis. Applied Market Rent can be seen in the Reconstructed Rent Roll on a prior page.

Vacancy & Collection Loss: The Subject Property consists of a Freestanding property that is currently 100% vacant.

Based upon several market participant interviews/opinion surveys, typical vacancies for competitive area properties range from 5% to 10%.

A stabilized 7.00% Vacancy & Collection Loss was applied.

The client did not provide us with Historical Income and Expenses as the property has been vacant for several years.

Operating Expenses & Cap Rate: Since we were not provided with historical expenses, we utilized industry standard operating expense estimates.

For purposes of our analysis, we have utilized the following typical market industry expenses: Property Taxes are based upon a current assessed rate of 1.0105% (\$0.30/square foot/month), Property Insurance at \$0.12/square foot/month, Utilities at \$0.05/square foot/month, no Janitorial expense, Repairs & Maintenance at \$0.08/square foot/month, 3.00% Management Fee of Effective Gross Income and 1.00% Reserves for Replacement Reserves of Effective Gross Income.

Cam Expense Reimbursements are \$39,342/year or \$.55/square foot/month for Property Taxes, Property Insurance, Utilities and Repairs & Maintenance as tenants are responsible for said expenses in a NNN lease.

On a following page is a summary of Capitalization Rates Sale Comparables.

Capitalization Rate Sale Comparables

#	Address	City	Use	Bldg SF	Land SF	Year Built	Date	Sale Price	\$/GS	Cap Rate	Distance/ Location	Total Parking	Parking Rate/ SF
1	170-00 Beach	Laguna Beach	Retail	1,121	3,894	1981	10/16/2009	\$1,200,000	\$1,079	5.00%	3.0 Blocks Northwest	7	6.2
2	629 Camino de los Marias	San Clemente	Office	23,352	47,045	1980	8/23/2009	\$4,800,000	\$208	7.50%	6.1 Miles Southeast		3.0
3	25571 Marguerite	Mission Viejo	Office/Retail	18,193	61,115	1972	8/18/2009	\$4,225,000	\$261	7.10%	7.6 Miles Northeast		4.8
4	1932-36 Harbor	Costa Mesa	Retail	2,733	8,486	1959	4/24/2009	\$1,100,000	\$402	7.15%	10.3 Miles Northwest	11	4.0
5	1510-20 Baker	Costa Mesa	Retail	7,350	25,285	1964	1/30/2009	\$1,750,000	\$239	7.50%	12.2 Miles Northwest	31	4.2
	Average			10,150	28,781	1967		\$2,815,000	\$438	6.85%			4.4
	570 Glenneyre (Subject)	Laguna Beach	Office	8,000	11,100	1956	9/25/2010					11	1.8

Capitalization Rate Conclusion: The 5 total comparables above are considered most similar in recent sale date (past 18 months), location (within a 12.2 mile radius), and physical characteristics, which average 6.85%.

Based upon the subject's average to good location and quality/condition of improvements, a market derived Capitalization Rate is estimated slightly below the average at 6.50%, on a conservative basis.

The Fee Simple Income & Expense Statement is on the following page.

PROPOSED RENTAL AND EXPENSE STATEMENT

Property:	570 Glenneyre, Laguna Beach
NRA:	6,000 sq ft.

				<u>\$/Sq. Ft.</u>	
				<u>Annually</u>	<u>Monthly</u>
INCOME:					
Rental Income:					
6,000 sq ft. x	\$2.15 /mo. x 12 mo. =		<u>\$154,800</u>	<u>\$25.80</u>	<u>\$2.15</u>
Additional Income:					
0 units x	\$0.00 /mo. x 12 mo. =		<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>
POTENTIAL GROSS INCOME:			\$154,800	\$25.80	\$2.15
Less Vac. and Collection Loss:	(7.0%)	<u>(10,836)</u>		<u>(\$1.81)</u>	<u>(\$0.15)</u>
Expense Reimbursements:		<u>\$0</u>		<u>\$0.00</u>	<u>\$0.00</u>
EFFECTIVE GROSS INCOME:			(100%) \$143,964	\$23.99	\$2.00

LESS OPERATING EXPENSES:					
Real Estate Taxes:	21,486	(14.9%)		\$3.58	\$0.30
Insurance:	8,496	(5.9%)		\$1.42	\$0.12
Utilities:	3,600	(2.5%)		\$0.60	\$0.05
Janitorial:	0	(0.0%)		\$0.00	\$0.00
Repairs & Maintenance:	5,760	(4.0%)		\$0.96	\$0.08
Management:	4,319	(3.0%)		\$0.72	\$0.06
Reserve for Repl.:	1,440	(1.0%)		\$0.24	\$0.02
TOTAL OPERATING EXPENSES:		(31.3%)	(\$45,100)	(\$7.52)	(\$0.63)
Plus: Expense Reimbursement:		(27.3%)	<u>39,342</u>	<u>\$6.56</u>	<u>\$0.55</u>
NET OPERATING INCOME:			(\$6.97%) \$139,264	\$23.43	\$1.92

O.A.R. -	\$2,126,238	\$354.37	
(R/O) -	\$2,130,000	\$355.00	6.50%
O.A.R. -	\$2,126,238	\$2,126,237.54	
(R/O) -	\$2,130,000	\$2,130,000.00	

Income Approach Value: A 6.50% Cap Rate was applied to \$138,205 Net Operating Income for the Subject Property (based upon assumptions), resulting in a rounded value of \$2,130,000 or \$355/square foot of building.

Summary of Values: Based upon our analysis, as of September 25, 2010, the Subject Property within a 6 to 9 month total Marketing Period would most likely sell for approximately:

Income Approach: \$2,130,000 (\$355/square foot of building)

Sales Comparison: \$2,620,000 (\$437/square foot of building)

RECONCILIATION

The Income Approach Value was given consideration since there was a sufficient quality/quantity of recent rent comparables. Most weight was assigned to the Sales Comparison Approach as there was a sufficient amount of similar use sales data and since the Subject Property is considered to be a full owner user type property, most likely not a partial owner user or straight investor driven investment. Both approaches are typically utilized for this type of investment to value for similar assets. The Cost Approach is given no consideration.

A conclusion between the two approaches at the mid to upper range appears reasonable as the Subject improvements are considered of average to good quality in average to good condition, directly across from a city parking lot for additional parking and a full owner user would pay a moderate premium to house their own business.

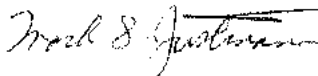
Therefore, as of September 25, 2010, the final concluded As Is value of the Subject Property is:

TWO MILLION FIVE HUNDRED THOUSAND DOLLARS
\$2,500,000

APPRAISER CERTIFICATION

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

- The statements of fact in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on the reporting of a predetermined value (loan amount) or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- To the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, the Code of Professional Ethics, and the Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made an exterior inspection of the property that is the subject of this report.
- Administrative assistance was provided by Tony Kim to the person signing this report.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.



Mark S. Justmann MAI
California General Certificate
#AG002802

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The analyses and opinions set forth in this report are subject to the following assumptions and limiting conditions appropriate to the appraisal of real property assets appraised herein (land, buildings and improvements).

The dollar amount of any value opinion herein rendered is based upon the purchasing power of the United States dollar existing at the date of value.

The subject assets appraised were inspected by Justmann & Associates, Inc. unless otherwise stated herein. When the date of inspection differs from the effective date of the appraised value, we have assumed no material change in the condition of the assets, unless otherwise noted in the report.

The assets have been appraised assuming that they are in operational condition and that they are regularly serviced and maintained by management. If the subject asset(s) are buildings, responsible ownership and competent property management is assumed.

The analyses and market value estimate may, in part, be based on estimates and assumptions which are inherently subject to uncertainty and variation, depending on evolving events. Some assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analyses may vary from our estimates, and the variations may be material.

This report may contain prospective financial estimates or opinions that represent expectations at a particular point in time. Such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted.

This appraisal is based on market conditions existing as of the date of this appraisal. We assume no hidden or unexpected conditions of the assets exist which would adversely affect value.

It is assumed that there is full compliance with all federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

The possession of this report, or copy thereof, does not carry with it the right of publication. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings (if supplied by request) must not be used in conjunction with any other appraisal, and are invalid if so used. Any value estimates provided in the report for buildings apply to the entire property, and any proration of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

Any reference to a stabilized market value is based on the assumption that the subject has achieved, or will achieve, a stabilized occupancy level. The costs associated with achieving a stabilized occupancy have not been deducted. These costs would include, but would not be limited to, marketing and/or advertising costs, interest reserves, operating capital, and income lost due to rate discounting and occupancy build-up.

When improvements are labeled proposed or where development type properties are concerned, the property has been appraised subject to certain assumptions as to the quality and nature of the completed buildings, tenant improvements, land improvements or infrastructure. The basis for these assumptions were provided by the client, his representative, or government officials. Any deviation from these specifications will render the conclusions, which are based on those assumptions, useless and void.

The property has been appraised assuming that all required licenses, certificates of occupancy, consents, or 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 estimate contained in this report is based, unless otherwise stated.

Justmann & Associates, Inc. assumes no responsibility for economic or physical factors which may affect the opinions herein stated which may occur at some date after the date of this appraisal report. Forecasts of future events which influence the valuation process are predicated on the continuation of historical and current trends in the market as identified in the report.

Justmann & Associates, Inc. reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

The subject assets or properties are appraised free and clear of any or all liens or encumbrances, unless otherwise stated.

No investigation of legal title was made and no responsibility is assumed for the legal description or for matters including legal or title considerations. No opinion of title is rendered and the property is appraised as though free of all liens, encumbrances, easements and restrictions; the title is assumed to be marketable; and we assume the property does not exist in violation of any applicable codes, ordinances, statutes, or other governmental regulations.

The subject assets or properties are appraised free and clear of any or all liens or encumbrances, unless otherwise stated.

We assume no responsibility for any financial reporting judgments which are appropriately those of management. Management accepts the responsibility for any related financial reporting with respect to the assets or properties encompassed by this appraisal.

No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.

Maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the appraisal. They should not be considered as surveys nor relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

Information contained in this appraisal has been gathered from sources which are believed to be reliable, and where feasible, have been verified. No responsibility is assumed for the accuracy of information supplied by others.

No soils report was uncovered in the investigation. For the purposes of this appraisal, it is assumed that the soil conditions will permit development of the property to the uses set forth; however, no representations are made as to these matters. Any purchaser of the site may uncover potential environmental problems associated with development which we have not considered in this analysis but may exist.

There are typically appliances and mechanical systems that are an integral part of the operation of the subject property and/or premises where the subject assets are located. This appraisal assumes that these appliances and mechanical systems are in working order.

No opinion is intended to be expressed on matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real or personal property appraisers.

Justmann & Associates, Inc. is not qualified to personally inspect the structural components of the improvements or beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

The property has been personally inspected by the appraiser so designated in the Certification and have found no obvious evidence of structural deficiencies except as stated in the report; however, no responsibility for hidden defects or conformity to specific governmental requirements such as fire, building and safety, earthquake, or occupancy codes can be assumed without provision of specific professional or governmental inspections.

No termite inspection report was made available to the appraiser. No obvious evidence of infestation or damage was observed; however, no responsibility for hidden defects can be assumed.

Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties, unless detailed geological reports are made available and referenced in the report.

No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, or whether the property is subject to surface entry for the exploration or removal of such materials, except as expressly stated.

No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.

Justmann & Associates, Inc. shall not be required, by reason of this appraisal, to give testimony or be in attendance in court or any governmental or other hearing with reference to the property without prior arrangements having first been made relative to such additional employment.

All appraisal services, pursuant to this report, shall be deemed to be contracted for and rendered in the county of Justmann & Associates, Inc.'s office contracted to perform the services, and any arbitration or judicial proceedings shall take place in that county.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. Furthermore, the appraiser is not qualified to detect such substances and expresses no opinion with regard to the possible impact on value. However, the presence of substances such as asbestos, urea-formaldehyde from insulation, or other potentially hazardous materials may affect the value of the property.

The value estimate is predicated on the assumption that there is no such hazardous material on or in the property that would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. If the client is aware or becomes aware of any such conditions, the appraiser should be consulted immediately to assess an impact, if any, upon the market value.

Except as hereinafter provided, the party for whom the appraisal report was prepared may not distribute copies of the appraisal report without the written consent of the signatory of this appraisal report.

Under the terms of the engagement authorizing this report, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, we will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

The appraisal was made in accordance with, and subject to, the requirements of the Code of Ethics under USPAP, and Standards of Professional Practice of the Appraisal Institute; however, no warranties, guarantees, or assurances of any kind are expressed or implied, and we assume no liability in connection with this assignment.

Information pertaining to maintenance policies and utilization obtained from management are assumed to be accurate.

Any plat maps, floor plans and equipment layouts which were supplied to us by management and which may be contained within this report are assumed to be accurate.

Information pertaining to service contracts, market share, competition, company history and plant data which may have been supplied to us by management are assumed to be accurate.

We assume that any information supplied to us during our inspection with respect to any leased computers, phone systems, or any other equipment is accurate. We have not conducted an inventory and did not include any assets identified as leased assets in our analysis. It is the clients' responsibility to differentiate all equipment which is leased and not owned.

The use of all or part of this report in connection with real estate tax shelters, syndication of interests in real estate, the offering of securities, shares or partnership interests in real estate or any other public or private offering without the specific written consent of the appraiser is not authorized. Neither the whole, nor any part of this report, nor any reference thereto may be included in any document, statement, appraisal or circular without the prior written approval from Justmann & Associates, Inc. as to of the form and context in which it is to appear. The appraiser is under no obligation to select the most appropriate premise of value for the circumstances. The value premises as defined herein have been requested by management and accepted as appropriate to their needs.

The Americans with Disabilities Act (ADA) became effective January 6, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property unless specifically mentioned in the report.

The liability of Justmann & Associates, Inc. and its employees and associates is limited to the client only and to the amount of the fee actually received by Justmann & Associates, Inc. There is no accountability, obligation, or liability to any third party. If the appraisal report or any part thereof is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor Justmann & Associates, Inc. is in any way responsible for any costs incurred to discover or correct any physical, financial, and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a law suit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will indemnify and hold the appraiser(s) and Justmann & Associates Inc. completely harmless in such action with respect to any and all awards or settlements of any type, such as fines, penalties, or financial losses resulting from actions taken by tax authorities, including but not limited to the Internal Revenue Service, when such fines, penalties, or losses are not due to fraud or gross negligence on the part of Justmann & Associates, Inc.

MARK S. JUSTMANN, MAI

REAL ESTATE QUALIFICATIONS

EDUCATION

University of Wisconsin-1973 undergraduate studies 1 year; Florida State University 1978
Business Administration / Real Estate Major with Bachelor of Science

During college I received two scholarships from the Florida Association of Realtors; through the Florida Real Estate Commissioner. During college I typically worked 35+ hours per week for Jerry D. Williamson an SRA. This job was coordinated through the Dean of Business (Dean Solomon) and the Chairman of the Real Estate Department (Dr. Lewis) at FSU. At this time, I generally did appraisal work on single family residences, some commercial and some feasibility analysis work. This almost succeeded in the location of a very large national brewery, Miller Brewery. My site was fourth under consideration for a \$100 million dollar brewery.

APPRAISAL AND SPECIAL COURSES APPRAISAL FOUNDATION I have received MAI membership. (Membership # 8468)

BUSINESS EXPERIENCE A Senior Appraiser in the Real Estate Valuation Group of the American Appraisal Company; the worlds largest at that time. Five years experience under (Fred George MAI), who once appraised the Pan Am Building in New York. My employment with this firm lasted eleven years until 1989. Recent employment has been with Marshall & Stevens (another national firm) for four years until 1992. I have been affiliated with the Mentor Group since late 1992.

VALUATION EXPERIENCE includes over thirty-four years of national real estate valuation engagements for commercial, industrial, multi-family, special purpose type facilities, and other types of properties for various clients in 45 states. A major emphasis was in the Western region, especially California, Nevada, Arizona, New Mexico, Utah, and Colorado. Specific properties appraised include all types of office buildings, warehouses, factories, medical facilities, restaurants, service stations, theaters, apartment complexes, ranches, plantations, gravel pits and quarries, nursing homes, truck terminals, banks and other special purpose facilities such as oil refineries, churches, mortuaries, cemeteries, recording studios, golf courses, casinos, business parks, oil tank farms, mini-malls, regional malls, parks, subdivisions, car washes, bowling alleys, convalescent care facilities, food processing plants, lumber yards, mini-warehouses, poultry ranches, schools and research and development facilities. Value ranges for a large majority of these properties ranged typically from \$1,000,000 to as high as \$100 million. I have been involved in five instances where projects regarding appraisals I have conducted have been either on the front page of the LA Times or in the Business Section. Three were on the national news.

PROFESSIONAL AFFILIATIONS MAI designation as well as a licensed real estate Broker in California, and a member of the Los Angeles Board of Realtors. I am currently a Certified General R.E. Appraiser in California, (AG002802). I have licenses in Nevada and California. I have had temporary licenses in several other states. I have extensive State and Federal court testimony experience. Testimony situations have entailed most LA superior courts at least 40 times and depositions at least 40 times. I have appraised in most counties in California over the past 31 years. I have conducted several consultation assignments and brokerage deals as well.

VARIOUS LENDING INSTITUTIONS AND INVESTMENT BANKER CLIENTS SERVED:

Bank of America	Home Savings & Loan
Wells Fargo Bank	Union Bank
Mellon Bank	Franklin Savings
Crocker Bank	Goldman Sachs
Shearson Lehman	W.R. Grace
Duetch Bank	Security Pacific Asian Bank
Cathay Bank	California Pacific Bank
TransAtlantic Capital Corp.	International Bank of California
Nomura Asset Capital Corp.	Kolberg, Kravis & Roberts

REGULATORY AGENCIES SERVED:

Federal Deposit Insurance Corp.	Resolution Trust Corporation
Internal Revenue Service	Federal National Mortgage Assn.
Federal Aviation Administration	Department of Labor
U. S. Treasury Department	U. S. Department of Justice

OTHER CLIENTS SERVED:

AT&T	Anhauser Busch
Amoco Oil	Bekins
Crown Zellerbach	Copley RE Advisors
Cannon Films	Coca-Cola
Campbell Foods	Fluor Corp
Goodyear	Howard Hughes Realty
Japan Airlines	Kraft Inc.
Metro Goldwyn Mayor	Mobil Oil
Mitsui Inc.	Max Factor
Nestles	Penn Central
Shell Oil	Intel
Summa Corp	Sears, Roebuch & Co.
20th Century Fox	U.S. Air
United Artists	Westinghouse
Wickes	The Vatican

LAW FIRMS SERVED:

Gibson, Dunn & Crutcher	Brobeck, Phleger & Harrison
Gill & Baldwin	Harrigan, Ruff, Ryder
Latham & Watkins	Buchalter, Memer, Fields & Younger
Kaplan, Kenegos & Kadin	O'Neill & Lysaught
Gray, Cary, Ames & Frye	Hendry, Serian, Alt & Jouanicot
Freeman, Freeman & Smiley	Hill, Farrer & Burrill
Revere, Rykoff & Wallace	Sayre, Moreno, Purcell & Bouch
Warner & Corbett	Leonard & Dicker
Paul, Hastings, Janofsky & Walker	Pettit & Martin
Bronson, Bronson & McKinnon	Girardi I Keese

CELEBRITY CLIENTS SERVED:

Robert Redford	Kelsey Grammar	Larry Flynt
Lyle Wagner	Julie Newmar	Marion (Suge) Knight
Jimmy Jams	David Lee Roth	Glenn Fry
Stacy Keach	Kim Basinger	David Geffen
Sam Zell	Kirk Kerkorian	Marvin Davis
Gary Winnick	Valarie Harper	Mary Grassell Radford
Donald Trump	Donald Sterling	Michael Jackson

ADDENDA

Subject Photos



Front



Front (Facing Northeast)

Subject Photos



Front (Facing Northwest)



Glennayre Street (Facing East)

Subject Photos



Glenneyre Street (Facing West)



Rear Alley (Facing East)

Subject Photos



Rear Alley (Facing West)

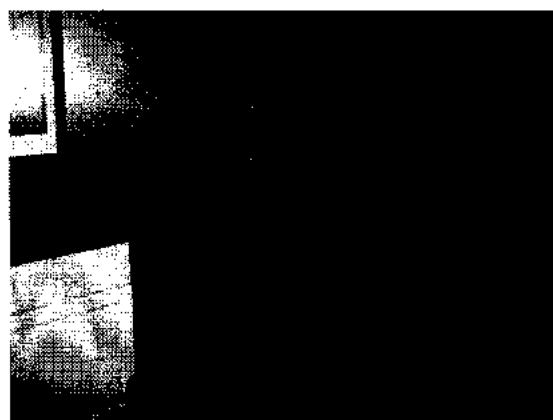


Rear (Facing South)

Subject Photos

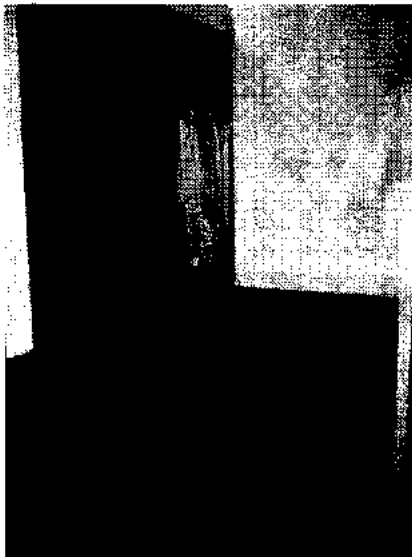


Rear (Facing Southeast)



Typical Restroom

Subject Photos



Shower in Restroom



Restrooms (Rear/Middle Portion)

Subject Photos



Interior (Facing East)



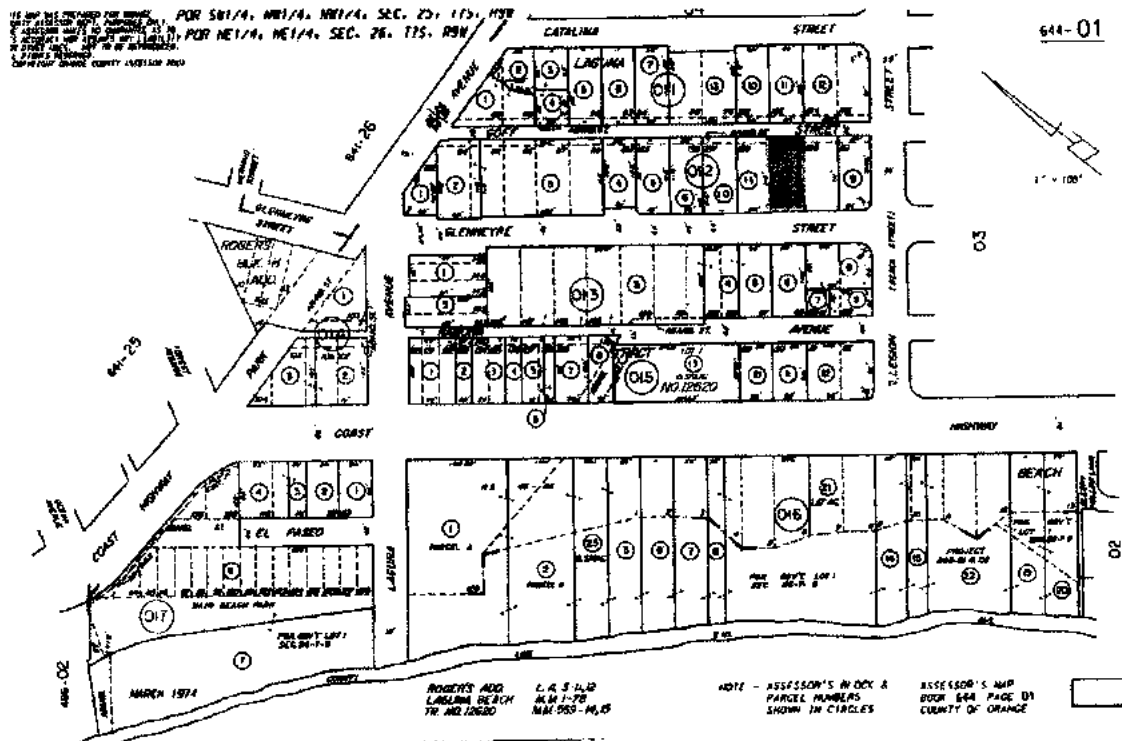
Interior of Front Entry (Facing Southeast)

Subject Photos



Interior (Facing West)

Subject Plat Map



A black and white map of California showing major highways and geographical features. A red dot is marked on the coast near Los Angeles, with a label '570 Glenview 92651' pointing to it. The map includes labels for 'CALIFORNIA', 'LOS ANGELES', 'SAN FRANCISCO', and 'SAN JOSE'.

JUSTMANN & ASSOCIATES, INC.

a Professional Corporation

Mark S. Justmann, MAI
760 Conestoga Lane
Nipomo, California 93444
805-343-9382

September 27, 2010

Ref:baruk1461laguna

Mark E. Lehman, Esq.
Law Offices of Mark E. Lehman
9200 Sunset Blvd., PH 2
West Hollywood, California 90069
Via email

Re: 1461 Glenneyre Street
Laguna Beach, California 92651
Summary Appraisal Report

Dear Mr. Lehman:

At your request, we have completed a summary appraisal report of the real property located at 1461 Glenneyre Street, Laguna Beach, California (Tax Parcel: 644-212-06). The date of value is September 25, 2010. The subject property consists of a 5 unit, 1 & 2-story, office project that includes 3,531 square feet of improvements, built in 1927 & 1960's according to the owner (public records state 1981 – according to the owner, public records is incorrect, interior improvements only were renovated over the past few years). The improvements are situated on a total land area of 10,000 gross square feet with approximately 7 parking spaces (3 surface, 3 garages & 1 tandem - apx. 2.0/1,000 square foot parking ratio).

The purpose of this summary appraisal is to express our opinion regarding the value of the property for valuation purposes (related to court judgment proceedings), subject to the definition of value, Assumptions and Limiting Conditions, and Certification contained in the attached summary appraisal letter report.

It is our understanding that this appraisal report is to be used for settlement purposes only; its use for any other purpose or valuation date may invalidate the appraisal.

We have been requested to appraise the property and provide this summary appraisal report. The appraisal procedures followed included a Cost Approach, a Direct Sales Comparison Approach, and an Income Approach, with data summarized for this short letter report. This report cannot be understood properly without additional information found in the work file of this appraiser. As of the appraisal date above, the highest and best use of the property is deemed to be its current use as an interim use.

Based on the data and conclusions in our files, and, the attached summary report, it is our opinion that as of September 25, 2010, the As Is market value of the subject real property appraised is:

ONE MILLION FOUR HUNDRED THOUSAND DOLLARS

\$1,400,000

MORABITO (341).006842

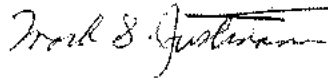
Justmann & Associates, Inc. has performed the subject appraisal based on our understanding of the requirements and policies of the Financial Institutions Reform, Recovery, and Enforcement Act. It is our practice to adhere to the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

Descriptions of the property appraised, together with explanations of the appraisal procedures used, are contained in our files.

A copy of this report and the field data from which it was prepared will be retained in our files for a period of five years, and are available for review upon request.

We were furnished with a background, physical characteristics and other information from the client. A plat map and sales maps are included in the addenda for visualization purposes. No title report, surveys, environmental or geological reports for the properties were supplied.

Respectfully submitted,



JUSTMANN & ASSOCIATES, INC.

Mark S. Justmann, MAI

Managing Director

State Certification No.: AG002802

MORABITO (341).006843

SUMMARY OF FACTS AND CONCLUSIONS

PROPERTY APPRAISED: 1461 Glenneyre Street
Laguna Beach, California

CALIFORNIA THOMAS BROS. MAP #: Orange County, 950-H4

CURRENT OWNER: Baruk Properties LLC

PROPERTY TYPE: 5 Unit, 1 & 2 Story Office

APPRAISAL DATE: September 25, 2010

ASSESSOR PARCEL NUMBER(S): 644-212-06

TOTAL GROSS LAND AREA: 10,000 +/- Gross Square Feet, as per tax roll. We were supplied with no plot plan.

TOTAL GROSS BUILDING AREA: 3,531 +/- Gross Square Feet, per public records (Metroscan).

MARKETING TIME: Six to Nine Months

BUILDING(S) AGE: Constructed in 1927 & 1960's according to the owner (public records state 1981 – according to the owner, public records is incorrect, interior improvements only were renovated over the past few years)

ASSESSED VALUE (2009-2010):

<u>APN</u>	<u>Land</u>	<u>Improvements</u>	<u>Total</u>
644-212-06	\$1,018,014	\$298,381	\$1,316,395

VALUE CONCLUSION

As Is Market Value **\$1,400,000**

SUMMARY DATA

COST APPROACH

A Cost Approach utilizing land sales data, current cost manuals and depreciation estimates is not particularly relevant due to the difficulty in accurately estimating land value since there is a lack of recent truly comparable sales in the immediate area and also due to portions of the properties built over time in 1927 and the 1960's. Therefore, a classic use of the cost approach whereby the improvements were basically estimated out new and depreciated was not felt necessary as this method is most meaningful for special use properties.

DIRECT SALES COMPARISON APPROACH

In this approach, we performed research of recent sale comparables with similar use, age, quality, condition and utility. In order to conduct this analysis, we have analyzed other improved sales of properties.

Back up data on the sales is found in our work file. A map of the subject and the comparables are found in the addenda. These sales are felt to be the most similar sales immediately available. We have used price per square foot as a valuation indicator. The sales analysis is on the following page:

Summary of Improved Sales Comparables

#	Address	City	Use	Bldg. SF	Land SF	Year Built	Date	Sale Price	\$/BS	Cap Rate	Distance/ Location	Total Parking	Parking Ratio/ SF	Comments
1	1295 Glenneyre	Laguna Beach	Office	1,491	3,751	1966	7/1/2010	\$1,000,000	\$671		1.5 Blocks Northwest	4	2.6	Owner User
2	216 Corporate Plaza	Newport Beach	Office	12,239	47,916	1979	11/25/2009	\$7,355,000	\$601		7.7 Miles Northwest	95	5.3	Investment
3	27051 Moulton	Laguna Hills	Office	3,000	8,333	1989	4/10/2009	\$1,280,000	\$427		4.8 Miles Northeast		4.0	Owner User
4	2633 Laguna Canyon	Laguna Beach	Flex	3,021	7,100	1979	2/25/2009	\$1,025,000	\$339		2.0 Miles North	8	3.3	Owner User
5	479 Ocean	Laguna Beach	Office	3,103	3,230	1985	Current Asking	\$1,709,000	\$550		1.0 Mile Northwest	8	2.6	Owner User
	Average			4,571	14,006	1978		\$2,492,400	\$524				3.6	
	1461 Glenneyre (Subject)	Laguna Beach	Office	3,531	10,000	1927/1990%	9/25/2010					7	2.0	

ANALYSIS

A Direct Sales Comparison Approach was conducted, which utilized a total of five sale comparables within a 7.7 mile radius of the subject. These comparable sales took place within the past 19 months. The comparables ranged in size from 1,491 to 12,239 square feet of building.

The unadjusted sales range from approximately \$339 to \$671 per square foot of building area. The average for all sales is approximately \$524 per square foot. Sale 1 is the most recent July 2010 sale, most similar in location (along the Subject street and within city limits – closest in proximity, 1.5 blocks northwest) as an office use and year built (1956), requiring a -30% downward adjustment for substantially smaller size due to economies of scale and -3% downward adjustment for slightly superior parking (2.4/1,000 SF ratio), overall, a -33% downward adjustment was made. Sale 2 is a recent 4th quarter 2009 sale, similar in office use and superior in physical characteristics, considered in the upper range of values, requiring a +20% upward adjustment for size, -15% downward adjustment for superior age/quality/condition of improvements and -15% downward adjustment for superior parking ratio, overall, requiring a -10% downward adjustment. Sale 3 occurred in 1st Quarter 2009, similar as an office use, building size (3,000 SF) and land size (8,333 SF). Since this was superior in year built (1989), a -10% downward adjustment was applied and a -5% downward adjustment was made for superior parking ratio (3.3/1,000 square feet), overall, a -10% downward adjustment was applied. Sale 4 is a 1st Quarter 2009 transaction, similar in location (2.0 miles north – in the Subject city), similar in building size (3,021 SF), land size (7,100 SF), considered inferior in quality/condition of improvements (+5% upward adjustment) and slightly superior in parking ratio (3.3/1,000 SF), requiring a -3 downward adjustment, overall, +10 upward adjustment was needed. Comparable 5 is a current sale listing that is close in proximity (1.0 mile) within the Subject city that is similar in building size (3,103 SF), a -15% downward adjustment was applied for listing price negotiations, -15% for year built (1986), overall, requiring a -23% downward adjustment.

Based upon most weight assigned to Sale 1 which is the most recent, actual closed sale that occurred in 2010, located along the Subject street, within the Subject city, in closest proximity (1.5 blocks) that is considered most similar in physical characteristics and attributes, the concluded value per square foot of building is considered moderately above the adjusted mean (\$420/SF) or, \$450 (rounded) per square foot of building, on a conservative basis. The concluded value is therefore 3,531 square feet of building times \$450 per square foot, or \$1,588,950, or a rounded \$1,590,000. The concluded value for the Direct Sales Comparison Approach is: \$1,590,000.

INCOME APPROACH

The Income Approach was utilized to determine projected annual net operating income. The valuation indication of the property is developed by the stabilized capitalization method, as this type of property is normally purchased based upon a desired overall rate established within the market.

There are two methods of treating the income approach with most assets, the direct capitalization method assuming the property is vacant and available for lease and the second is the discounted cash flow method assuming the property is leased under contractual obligations. We will use only the capitalization method in this income approach as this method is most widely utilized.

The capitalization method of the income approach utilized market rents as the project currently has two vacancies with month to month tenants, in addition to a unit that is owner occupied. Due to these factors, market rent was applied for valuation purposes. The assumption in the capitalization approach is that the value of the subject property is represented by the present worth of the stabilized net income. The stabilized net income stream includes an analysis of the quality, as well as the quantity and duration, of the income expectancy. This stabilized net income stream is then capitalized into an indication of value. Our selection of a capitalization rate has been derived from market data developed from the market sales of comparable properties.

Market Rent

As explained above, the Subject property is not considered to have contract rents in place, we have utilized Market Rent. Below is a Reconstructed Rent Roll that summarizes current tenancies. We were provided with Layouts (see Addenda) with dimensions from the owner, based upon this, total usable square feet is approximately 2,848.95 for the suites which we prorated and adjusted, relative to 3,531 SF shown on public records, therefore, pro rata unit sizes were applied.

Units B (partial 1st & partial 2nd Floor), C & D are ground floor offices. Units E & F (owner occupied) are 2nd Floor suites.

RECAPITULATED RENT ROLL

#	Unit	Tenant	Occupied Area (sq)	Vacant Area (sq)	Tenant's % of Bldg	Start Date	End Date	Current Monthly Rent (\$)	Current Monthly Rent (\$)	Current Yearly Rent (\$)	Market Monthly Rent (\$)	Market Monthly Rent (\$)	Lease Type
1	B 1st & 2nd Floor	Occupied	752.52		31.48%			\$2,650.00	\$3.42	\$41.92	\$1,664.61	\$2.73	T - Utilities & Interior Janitorial
2	C (1st Floor)	Vacant		691.28	0.00%			\$0.00			\$1,601.02	\$2.75	T - Utilities & Interior Janitorial
3	D (1st Floor)	Vacant		528.23	0.00%			\$0.00			\$1,455.36	\$2.75	T - Utilities & Interior Janitorial
4	E (2nd Floor)	Occupied	823.42		17.50%			\$1,300.00	\$2.69	\$26.02	\$1,670.77	\$2.68	T - Utilities & Interior Janitorial
5	F (2nd Floor - Ocean View)	Vacant - Owner Occupies		628.58	0.00%			\$0.00			\$2,470.26	\$2.67	T - Utilities & Interior Janitorial
Sub-Total			1,382	2,149				\$3,650.00	\$2.65	\$24.30	\$9,521.34	\$2.69	

Re-Cap	1,382	32.14%	% Occupied
	2,149	60.95%	% Vacant
	3,531	100.00%	Total BBLA

Rent Comparables are shown in the table below.

Market Rent Comparables									
#	Address	Date	Use	Modified Gross Equivalent \$/SF	\$/SF Modified Gross Equivalent After Adjustment for Listing Deduction	Apx. Unit SF	Year Built	Parking Ratio	Comments/Distance from Subject
1	312 Broadway, Laguna Beach	Pending	Office	\$1.85	\$1.85	1,100	1989	4.0	Pending lease (leases out for signature in 3rd Quarter 2010 for 1st floor office space, 1.0 mile Northwest, 5 years, \$.05 increases, As Is, 0 months free rent, free parking, 3 story, 18,000 SF total office/residential project. Currently 2,429 SF is vacant.
2	384 Forest #23B, Laguna Beach	3rd Qtr. 2010	Office	\$1.92	\$1.92	832	1988	4.0	Completed lease in 3rd Quarter 2010 for office space (Stillwell Law Offices), 1.0 mile Northwest, no increases, As Is, 0 months free rent, free parking, 2 story, 36,918 SF total office/retail project. Current overall 4% vacant.
3	1205 N. Coast, Laguna Beach	4th Qtr. 2009	Office	\$2.72	\$2.72	330	1988	2.0	Completed lease in 4th Quarter 2009 for office space (Wbless Nutrition), 1.8 miles Northwest, 3% increases, As Is, 2 months free rent, free parking, 2 story, 10,761 SF total office project.
4	401 Glenneyre, Laguna Beach	Asking	Office	\$3.25	\$2.78	420	1985	2.0	Current asking in 3rd Quarter 2010 for 2nd floor office space with partial ocean view, 0.8 miles Northwest, negotiable terms, free parking, 2 story, 11,058 SF total office project. Currently 100% occupied.
5	580 Broadway, Laguna Beach	Asking	Office	\$2.50	\$2.13	1,250	1975	2.0	Current asking in 3rd Quarter 2010 for 1st floor office space, 1.0 mile North, \$.50 conversion to MG from NNN, negotiable terms, free parking, 2 story, 18,000 SF total office project. Currently 3,000 SF vacant.
Average				\$2.45	\$2.28	786	1977	2.8	
1481 Glenneyre, Laguna Beach (Subject)						520 to 920	1927/1980's	2.0	

Market Rent Conclusion: The 5 total lease comparables (1 pending, 2 completed & 2 asking rentals) within the table above are considered most similar and recent, the pending & completed transactions occurred with the past 3 quarters, similar in location (within a 1.8 mile

radius - in terms of specific location, Rental 4 is most similar, located along the Subject street, 0.8 miles northwest), unit size (330 to 1,250 SF) and physical characteristics, which average \$2.45/SF on an unadjusted Modified Gross equivalent basis. After adjustments for differences in quality/condition of improvements and -15% deductions for current asking rent comparables, the adjusted average is \$2.23/SF Modified Gross equivalent.

Additionally, several discussions were undertaken with local, active leasing brokers and property managers, in general their opinion is that office space within the Subject project should be in the \$2.00 to \$2.75/SF Modified Gross equivalent rental range.

Based upon the subject's average to good location, a market derived Market Rent is estimated slightly above the adjusted average at \$2.67/SF, Modified Gross for 1st floor office suites in the 700 to 900 SF range on a conservative basis and minor appropriate -3% downward adjustments were made for smaller units in to 500 to 700 SF range and minor +3% upward adjustments for 2nd floor suites. Unit B current rent appears to be substantially above market and Unit E current rent appears to be substantially below market. Market rent was applied to Unit D which is owner occupied. Applied Market Rents and current rents in place can be seen in the Reconstructed Rent Roll on a prior page.

Vacancy & Collection Loss: The Subject Property consists of a multi-tenant project that is currently 60.1% vacant.

Based upon several market participant interviews/opinion surveys, typical vacancies for competitive area properties range from 5% to 10%.

A stabilized 7.00% Vacancy & Collection Loss was applied.

The client provided us 2009 & 2010 Historical Income and Expenses, summarized on the following page.

FINANCIAL STATEMENT SUMMARY

Property: 1481 Glenneyre, Laguna Beach, CA
Building Area: 3,531 sq. ft.

	2010			2009		
	\$/Sq. Ft.			\$/Sq. Ft.		
	Annually	Monthly		Annually	Monthly	
INCOME						
Rental Revenue	\$30,350	\$8.60	\$0.72	\$30,000	\$8.50	\$0.71
Laundry:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
CAM Fee:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
Tenant Reimbursements (Taxes, Insurance, Admin., Utilities):	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
Uncategorized:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
Total Income (including Tenant Reimbursements):	\$30,350	\$8.60	\$0.72	\$30,000	\$8.50	\$0.71
LESS: OPERATING EXPENSES						
1 Real Estate Taxes:	\$14,810	\$4.19	\$0.35	\$0	\$0.00	\$0.00
2 Other Taxes:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
3 Building Insurance:	\$4,900	\$1.41	\$0.12	\$0	\$0.00	\$0.00
4 Other Insurance:	\$0,129	\$2.59	\$0.22	\$0	\$0.00	\$0.00
5 Utilities:	\$7,540	\$2.14	\$0.18	\$0	\$0.00	\$0.00
6 Repairs & Maintenance:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
7 Licenses & Permits:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
8 Reserve for Replacement:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
9 Management:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
10 Tenant Improvements:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
11 Leasing/Professional Fees:	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0.00
TOTAL OPERATING EXPENSES:	\$36,477	\$10.33	\$0.86	\$0	\$0.00	\$0.00
Net Operating Income:	\$-3,127	\$-0.89	\$-0.14	\$-3,000	\$-0.85	\$-0.13

Operating Expenses & Cap Rate: In general, the above expenses were substantially higher on an overall basis, primarily due to Insurance & Utility expenses that are higher than typical, however, in general the other line items were typically similar to industry standards and were in line with our estimates.

For purposes of our analysis, we have utilized the following typical market industry expenses: Property Taxes are based upon a current assessed rate of 1.0112% (\$0.29/square foot/month), Property Insurance at \$0.12/square foot/month, Utilities at \$0.05/square foot/month, no Janitorial expense, Repairs & Maintenance at \$0.08/square foot/month, 4.00% Management Fee of Effective Gross Income and 1.00% Reserves for Replacement Reserves of Effective Gross Income.

Below is a summary of Capitalization Rates Sale Comparables.

Capitalization Rate Sale Comparables

#	Address	City	Use	Bldg. SF	Land SF	Year Built	Date	Sale Price	\$/BS	Cap Rate	Distance/ Location	Total Parking	Parking Ratio/ SF
1	170-80 Beach	Laguna Beach	Retail	1,121	3,894	1991	10/18/2009	\$1,200,000	\$1,078	5.00%	8 Miles Northwest	7	8.2
2	629 Camino de los Mares	San Clemente	Office	23,352	47,045	1980	9/23/2009	\$4,800,000	\$206	7.50%	8.8 Miles Southeast		3.0
3	25571 Marguerite	Mission Viejo	Office/Retail	16,193	61,115	1972	6/16/2009	\$4,225,000	\$261	7.10%	7.5 Miles Northeast		4.8
4	1932-38 Harbor	Costa Mesa	Retail	2,733	6,466	1959	4/24/2009	\$1,100,000	\$403	7.15%	11.0 Miles Northwest	11	4.0
5	1510-20 Baker	Costa Mesa	Retail	7,350	25,205	1964	1/30/2009	\$1,750,000	\$236	7.50%	12.3 Miles Northwest	31	4.2
	Average			10,150	28,761	1967		\$2,615,000	\$436	6.65%			4.4
	1481 Glenneyre (Subject)	Laguna Beach	Office	3,531	10,000	1927/1960's	9/25/2010					7	2.0

Capitalization Rate Conclusion: The 5 total comparables above are considered most similar in recent sale date (past 18 months), location (within a 12.3 mile radius), and physical characteristics, which average 6.85%.

Based upon the subject's average to location and average to good quality/condition of improvements, a market derived Capitalization Rate is estimated slightly below the average at 6.50%, on a conservative basis.

The Fee Simple Income & Expense Statement is on the following page.

PROPERTY INFORMATION AND SUMMARY OF FINANCIAL DATA

Property: 1461 Glenneyre, Laguna Beach
 NRA: 3,531 sq. ft.

				<u>\$/Sq. Ft.</u>	
				<u>Annually</u>	<u>Monthly</u>
Rental Income:					
3,531 sq. ft. x	\$2.69 /mo. x 12 mo. =	\$114,016		\$32.29	\$2.69
Additional Income:					
0 units x	\$0.00 /mo. x 12 mo. =	0		\$0.00	\$0.00
POTENTIAL GROSS INCOME:		\$114,016		\$32.29	\$2.69
Less Vac. and Collection Loss:	(7.0%)	(7,981)		(\$2.26)	(\$0.19)
Expense Reimbursements:		\$0		\$0.00	\$0.00
EFFECTIVE GROSS INCOME:	(100%)	\$106,035		\$30.03	\$2.50

LESS OPERATING EXPENSES

Real Estate Taxes:	12,147	(11.5%)	\$3.44	\$0.29
Insurance:	5,000	(4.7%)	\$1.42	\$0.12
Utilities:	2,119	(2.0%)	\$0.60	\$0.05
Janitorial:	0	(0.0%)	\$0.00	\$0.00
Repairs & Maintenance:	3,390	(3.2%)	\$0.96	\$0.08
Management:	4,241	(4.0%)	\$1.20	\$0.10
Reserve for Repl.:	1,060	(1.0%)	\$0.30	\$0.03
TOTAL OPERATING EXPENSES:	(26.4%)	(\$27,957)	(\$7.92)	(\$0.66)
Plus: Expense Reimbursement:	(0.0%)	0	\$0.00	\$0.00

NET OPERATING INCOME

O.A.R. -	\$1,201,198	\$340.19	
(R/O) -	\$1,200,000	\$339.85	6.50%
O.A.R. -	\$1,201,198	\$1,201,197.63	
(R/O) -	\$1,200,000	\$1,200,000.00	

Income Approach Value: A 6.50% Cap Rate was applied to \$78,078 Net Operating Income for the Subject Property (based upon assumptions), resulting in a rounded value of \$1,200,000 or \$340/square foot of building.

Summary of Values: Based upon our analysis, as of September 25, 2010, the Subject Property within a 6 to 9 month total Marketing Period would most likely sell for approximately:

Income Approach: \$1,200,000 (\$340/square foot of building)

Sales Comparison: \$1,590,000 (\$450/square foot of building)

RECONCILIATION

The Income Approach Value was given equal consideration and reliance since there was a sufficient quality/quantity of recent rent comparables. Most weight was also equally assigned to the Sales Comparison Approach as there was a sufficient amount of similar use sales data and since the Subject Property is considered to be a partial owner user type property not a straight investor driven investment. Both approaches are typically utilized for this type of investment to value for similar assets. The Cost Approach is given no consideration.

A conclusion between the two approaches appears reasonable as the Subject improvements are considered of average to good quality in average to good condition and a partial owner user would pay a slight premium to house their own business.

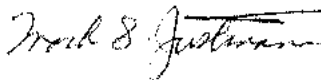
Therefore, as of September 25, 2010, the final concluded As Is value of the Subject Property is:

ONE MILLION FOUR HUNDRED THOUSAND DOLLARS
\$1,400,000

APPRAISER CERTIFICATION

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

- The statements of fact in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on the reporting of a predetermined value (loan amount) or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- To the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, the Code of Professional Ethics, and the Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made an exterior inspection of the property that is the subject of this report.
- Administrative assistance was provided by Tony Kim to the person signing this report.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.



Mark S. Justmann MAI
California General Certificate
#AG002802

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The analyses and opinions set forth in this report are subject to the following assumptions and limiting conditions appropriate to the appraisal of real property assets appraised herein (land, buildings and improvements).

The dollar amount of any value opinion herein rendered is based upon the purchasing power of the United States dollar existing at the date of value.

The subject assets appraised were inspected by Justmann & Associates, Inc. unless otherwise stated herein. When the date of inspection differs from the effective date of the appraised value, we have assumed no material change in the condition of the assets, unless otherwise noted in the report.

The assets have been appraised assuming that they are in operational condition and that they are regularly serviced and maintained by management. If the subject asset(s) are buildings, responsible ownership and competent property management is assumed.

The analyses and market value estimate may, in part, be based on estimates and assumptions which are inherently subject to uncertainty and variation, depending on evolving events. Some assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analyses may vary from our estimates, and the variations may be material.

This report may contain prospective financial estimates or opinions that represent expectations at a particular point in time. Such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted.

This appraisal is based on market conditions existing as of the date of this appraisal. We assume no hidden or unexpected conditions of the assets exist which would adversely affect value.

It is assumed that there is full compliance with all federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

The possession of this report, or copy thereof, does not carry with it the right of publication. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings (if supplied by request) must not be used in conjunction with any other appraisal, and are invalid if so used. Any value estimates provided in the report for buildings apply to the entire property, and any proration of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

Any reference to a stabilized market value is based on the assumption that the subject has achieved, or will achieve, a stabilized occupancy level. The costs associated with achieving a stabilized occupancy have not been deducted. These costs would include, but would not be limited to, marketing and/or advertising costs, interest reserves, operating capital, and income lost due to rate discounting and occupancy build-up.

When improvements are labeled proposed or where development type properties are concerned, the property has been appraised subject to certain assumptions as to the quality and nature of the completed buildings, tenant improvements, land improvements or infrastructure. The basis for these assumptions were provided by the client, his representative, or government officials. Any deviation from these specifications will render the conclusions, which are based on those assumptions, useless and void.

The property has been appraised assuming that all required licenses, certificates of occupancy, consents, or 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 estimate contained in this report is based, unless otherwise stated.

Justmann & Associates, Inc. assumes no responsibility for economic or physical factors which may affect the opinions herein stated which may occur at some date after the date of this appraisal report. Forecasts of future events which influence the valuation process are predicated on the continuation of historical and current trends in the market as identified in the report.

Justmann & Associates, Inc. reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

The subject assets or properties are appraised free and clear of any or all liens or encumbrances, unless otherwise stated.

No investigation of legal title was made and no responsibility is assumed for the legal description or for matters including legal or title considerations. No opinion of title is rendered and the property is appraised as though free of all liens, encumbrances, easements and restrictions; the title is assumed to be marketable; and we assume the property does not exist in violation of any applicable codes, ordinances, statutes, or other governmental regulations.

The subject assets or properties are appraised free and clear of any or all liens or encumbrances, unless otherwise stated.

We assume no responsibility for any financial reporting judgments which are appropriately those of management. Management accepts the responsibility for any related financial reporting with respect to the assets or properties encompassed by this appraisal.

No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.

Maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the appraisal. They should not be considered as surveys nor relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

Information contained in this appraisal has been gathered from sources which are believed to be reliable, and where feasible, have been verified. No responsibility is assumed for the accuracy of information supplied by others.

No soils report was uncovered in the investigation. For the purposes of this appraisal, it is assumed that the soil conditions will permit development of the property to the uses set forth; however, no representations are made as to these matters. Any purchaser of the site may uncover potential environmental problems associated with development which we have not considered in this analysis but may exist.

There are typically appliances and mechanical systems that are an integral part of the operation of the subject property and/or premises where the subject assets are located. This appraisal assumes that these appliances and mechanical systems are in working order.

No opinion is intended to be expressed on matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real or personal property appraisers.

Justmann & Associates, Inc. is not qualified to personally inspect the structural components of the improvements or beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

The property has been personally inspected by the appraiser so designated in the Certification and have found no obvious evidence of structural deficiencies except as stated in the report; however, no responsibility for hidden defects or conformity to specific governmental requirements such as fire, building and safety, earthquake, or occupancy codes can be assumed without provision of specific professional or governmental inspections.

No termite inspection report was made available to the appraiser. No obvious evidence of infestation or damage was observed; however, no responsibility for hidden defects can be assumed.

Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties, unless detailed geological reports are made available and referenced in the report.

No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, or whether the property is subject to surface entry for the exploration or removal of such materials, except as expressly stated.

No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.

Justmann & Associates, Inc. shall not be required, by reason of this appraisal, to give testimony or be in attendance in court or any governmental or other hearing with reference to the property without prior arrangements having first been made relative to such additional employment.

All appraisal services, pursuant to this report, shall be deemed to be contracted for and rendered in the county of Justmann & Associates, Inc.'s office contracted to perform the services, and any arbitration or judicial proceedings shall take place in that county.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. Furthermore, the appraiser is not qualified to detect such substances and expresses no opinion with regard to the possible impact on value. However, the presence of substances such as asbestos, urea-formaldehyde from insulation, or other potentially hazardous materials may affect the value of the property.

The value estimate is predicated on the assumption that there is no such hazardous material on or in the property that would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. If the client is aware or becomes aware of any such conditions, the appraiser should be consulted immediately to assess an impact, if any, upon the market value.

Except as hereinafter provided, the party for whom the appraisal report was prepared may not distribute copies of the appraisal report without the written consent of the signatory of this appraisal report.

Under the terms of the engagement authorizing this report, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, we will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

The appraisal was made in accordance with, and subject to, the requirements of the Code of Ethics under USPAP, and Standards of Professional Practice of the Appraisal Institute; however, no warranties, guarantees, or assurances of any kind are expressed or implied, and we assume no liability in connection with this assignment.

Information pertaining to maintenance policies and utilization obtained from management are assumed to be accurate.

Any plat maps, floor plans and equipment layouts which were supplied to us by management and which may be contained within this report are assumed to be accurate.

Information pertaining to service contracts, market share, competition, company history and plant data which may have been supplied to us by management are assumed to be accurate.

We assume that any information supplied to us during our inspection with respect to any leased computers, phone systems, or any other equipment is accurate. We have not conducted an inventory and did not include any assets identified as leased assets in our analysis. It is the clients' responsibility to differentiate all equipment which is leased and not owned.

The use of all or part of this report in connection with real estate tax shelters, syndication of interests in real estate, the offering of securities, shares or partnership interests in real estate or any other public or private offering without the specific written consent of the appraiser is not authorized. Neither the whole, nor any part of this report, nor any reference thereto may be included in any document, statement, appraisal or circular without the prior written approval from Justmann & Associates, Inc. as to of the form and context in which it is to appear. The appraiser is under no obligation to select the most appropriate premise of value for the circumstances. The value premises as defined herein have been requested by management and accepted as appropriate to their needs.

The Americans with Disabilities Act (ADA) became effective January 6, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property unless specifically mentioned in the report.

The liability of Justmann & Associates, Inc. and its employees and associates is limited to the client only and to the amount of the fee actually received by Justmann & Associates, Inc. There is no accountability, obligation, or liability to any third party. If the appraisal report or any part thereof is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor Justmann & Associates, Inc. is in any way responsible for any costs incurred to discover or correct any physical, financial, and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a law suit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will indemnify and hold the appraiser(s) and Justmann & Associates Inc. completely harmless in such action with respect to any and all awards or settlements of any type, such as fines, penalties, or financial losses resulting from actions taken by tax authorities, including but not limited to the Internal Revenue Service, when such fines, penalties, or losses are not due to fraud or gross negligence on the part of Justmann & Associates, Inc.

MARK S. JUSTMANN, MAI

REAL ESTATE QUALIFICATIONS

EDUCATION

University of Wisconsin-1973 undergraduate studies 1 year; Florida State University 1978
Business Administration / Real Estate Major with Bachelor of Science

During college I received two scholarships from the Florida Association of Realtors; through the Florida Real Estate Commissioner. During college I typically worked 35+ hours per week for Jerry D. Williamson an SRA. This job was coordinated through the Dean of Business (Dean Solomon) and the Chairman of the Real Estate Department (Dr. Lewis) at FSU. At this time, I generally did appraisal work on single family residences, some commercial and some feasibility analysis work. This almost succeeded in the location of a very large national brewery, Miller Brewery. My site was fourth under consideration for a \$100 million dollar brewery.

APPRAISAL AND SPECIAL COURSES APPRAISAL FOUNDATION I have received MAI membership. (Membership # 8468)

BUSINESS EXPERIENCE A Senior Appraiser in the Real Estate Valuation Group of the American Appraisal Company; the worlds largest at that time. Five years experience under (Fred George MAI), who once appraised the Pan Am Building in New York. My employment with this firm lasted eleven years until 1989. Recent employment has been with Marshall & Stevens (another national firm) for four years until 1992. I have been affiliated with the Mentor Group since late 1992.

VALUATION EXPERIENCE includes over thirty-four years of national real estate valuation engagements for commercial, industrial, multi-family, special purpose type facilities, and other types of properties for various clients in 45 states. A major emphasis was in the Western region, especially California, Nevada, Arizona, New Mexico, Utah, and Colorado. Specific properties appraised include all types of office buildings, warehouses, factories, medical facilities, restaurants, service stations, theaters, apartment complexes, ranches, plantations, gravel pits and quarries, nursing homes, truck terminals, banks and other special purpose facilities such as oil refineries, churches, mortuaries, cemeteries, recording studios, golf courses, casinos, business parks, oil tank farms, mini-malls, regional malls, parks, subdivisions, car washes, bowling alleys, convalescent care facilities, food processing plants, lumber yards, mini-warehouses, poultry ranches, schools and research and development facilities. Value ranges for a large majority of these properties ranged typically from \$1,000,000 to as high as \$100 million. I have been involved in five instances where projects regarding appraisals I have conducted have been either on the front page of the LA Times or in the Business Section. Three were on the national news.

PROFESSIONAL AFFILIATIONS MAI designation as well as a licensed real estate Broker in California, and a member of the Los Angeles Board of Realtors. I am currently a Certified General R.E. Appraiser in California, (AG002802). I have licenses in Nevada and California. I have had temporary licenses in several other states. I have extensive State and Federal court testimony experience. Testimony situations have entailed most LA superior courts at least 40 times and depositions at least 40 times. I have appraised in most counties in California over the past 31 years. I have conducted several consultation assignments and brokerage deals as well.

VARIOUS LENDING INSTITUTIONS AND INVESTMENT BANKER CLIENTS SERVED:

Bank of America
Wells Fargo Bank
Mellon Bank
Crocker Bank
Shearson Lehman
Duetch Bank
Cathay Bank
TransAtlantic Capital Corp.
Nomura Asset Capital Corp.

Home Savings & Loan
Union Bank
Franklin Savings
Goldman Sachs
W.R. Grace
Security Pacific Asian Bank
California Pacific Bank
International Bank of California
Kolberg, Kravis & Roberts

REGULATORY AGENCIES SERVED:

Federal Deposit Insurance Corp.
Internal Revenue Service
Federal Aviation Administration
U. S. Treasury Department

Resolution Trust Corporation
Federal National Mortgage Assn.
Department of Labor
U. S. Department of Justice

OTHER CLIENTS SERVED:

AT&T
Amoco Oil
Crown Zellerbach
Cannon Films
Campbell Foods
Goodyear
Japan Airlines
Metro Goldwyn Mayor
Mitsui Inc.
Nestles
Shell Oil
Summa Corp
20th Century Fox
United Artists
Wickes

Anhauser Busch
Bekins
Copley RE Advisors
Coca-Cola
Fluor Corp
Howard Hughes Realty
Kraft Inc.
Mobil Oil
Max Factor
Penn Central
Intel
Sears, Roebuch & Co.
U.S. Air
Westinghouse
The Vatican

LAW FIRMS SERVED:

Gibson, Dunn & Crutcher
Gill & Baldwin
Latham & Watkins
Kaplan, Kenegos & Kadin
Gray, Cary, Ames & Frye
Freeman, Freeman & Smiley
Revere, Rykoff & Wallace
Warner & Corbett
Paul, Hastings, Janofsky & Walker
Bronson, Bronson & McKinnon

Brobeck, Phleger & Harrison
Harrigan, Ruff, Ryder
Buchalter, Memer, Fields & Younger
O'Neill & Lysaught
Hendry, Serian, Alt & Jouanicot
Hill, Farrer & Burrill
Sayre, Moreno, Purcell & Bouch
Leonard & Dicker
Pettit & Martin
Girardi & Keese

CELEBRITY CLIENTS SERVED:

Robert Redford	Kelsey Grammar
Lyle Wagner	Julie Newmar
Jimmy Jams	David Lee Roth
Stacy Keach	Kim Basinger
Sam Zell	Kirk Kerkorian
Gary Winnick	Valarie Harper
Donald Trump	Donald Sterling

Larry Flynt
Marion (Suge) Knight
Glenn Fry
David Geffen
Marvin Davis
Mary Grassell Radford
Michael Jackson

ADDENDA

Subject Photos



Front



Front (Facing Southeast)

Subject Photos



Front (Facing Southwest)



Glenneyre Street (Facing West)

Subject Photos



Glenneyre Street (Facing East)

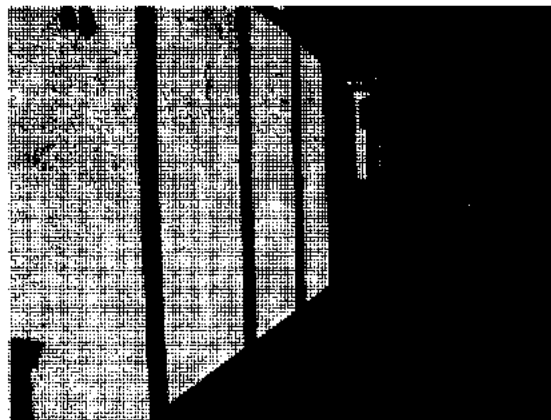


Eastside (Facing South)

Subject Photos

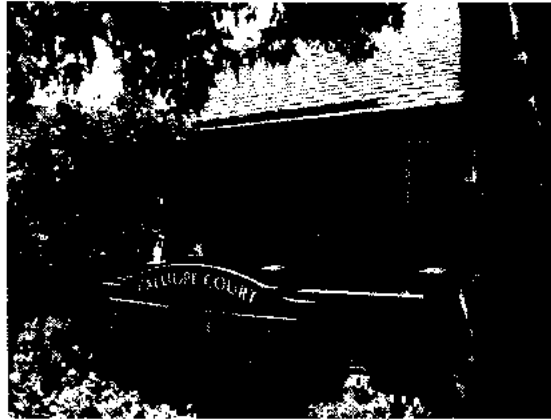


Central Courtyard (Facing Southwest)



Eastside (Facing North)

Subject Photos

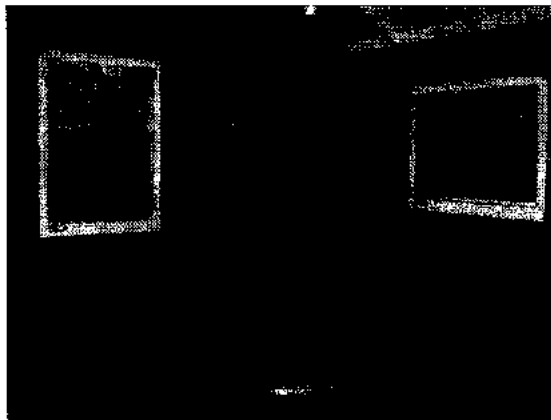


Front Entry (Unit C on 1st Floor)

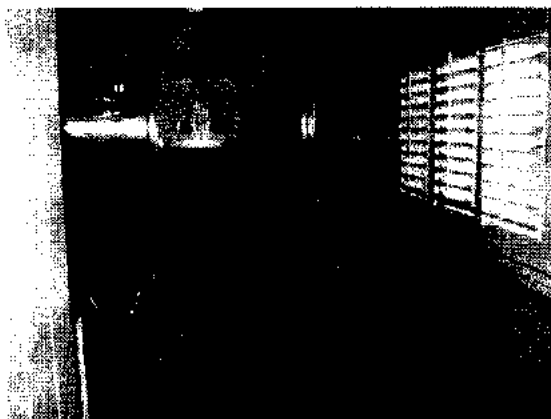


Front Entry (Unit B on 1st Floor)

Subject Photos

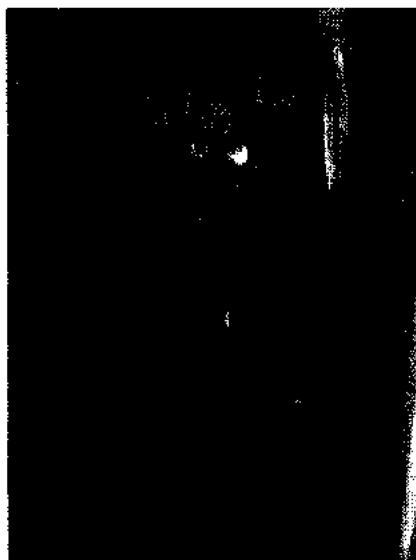


Conference Room (Unit B)

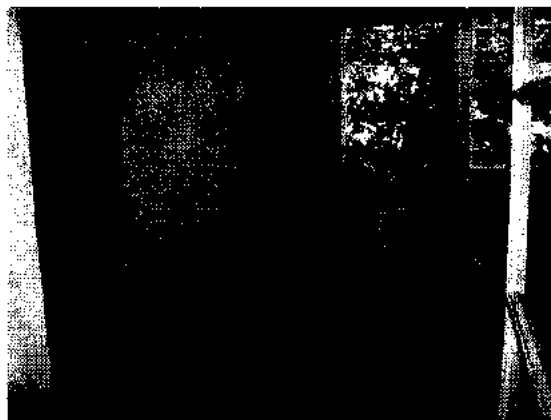


Kitchen (Unit B)

Subject Photos

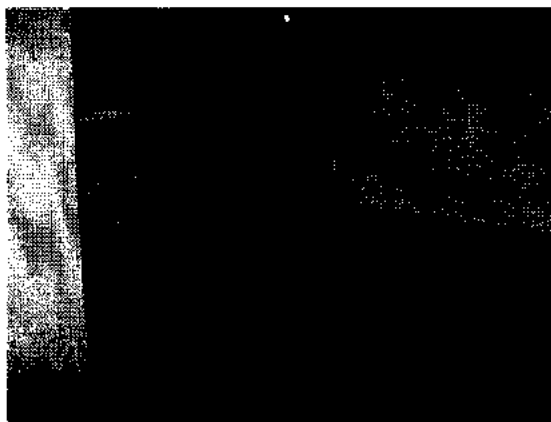


Restroom (Unit B)



Office (Unit B)

Subject Photos

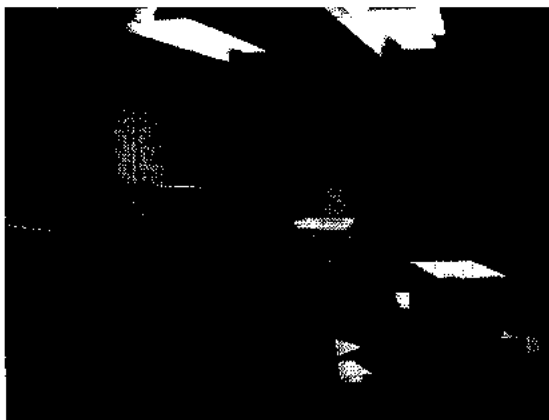


Typical Office (Unit C)



Front Entry (Unit D on 1st Floor – Middle Portion)

Subject Photos



Reception/Waiting Area (Unit D on 1st Floor)



Rear Exit (Unit C on 1st Floor – Middle Portion)

Subject Photos

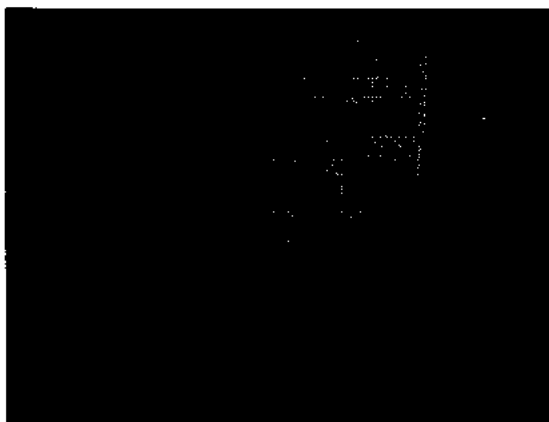


Central Courtyard Stairs (Leading to Units E & F on 2nd Floor)

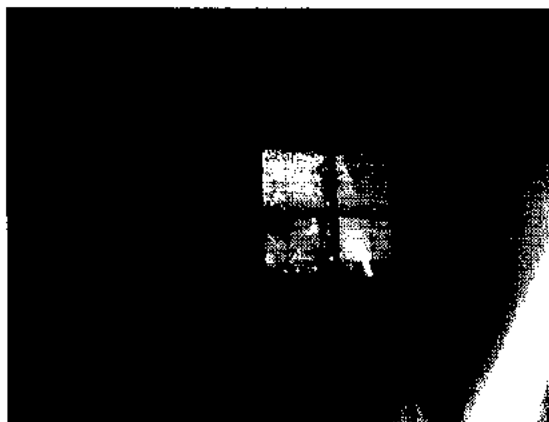


Central Courtyard (Facing East)

Subject Photos

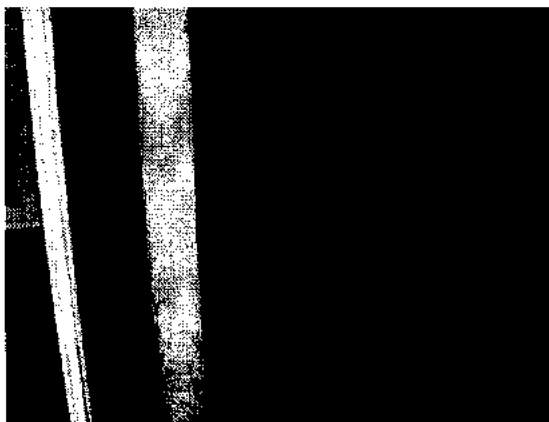


Typical Office (Unit E on 2nd Floor)

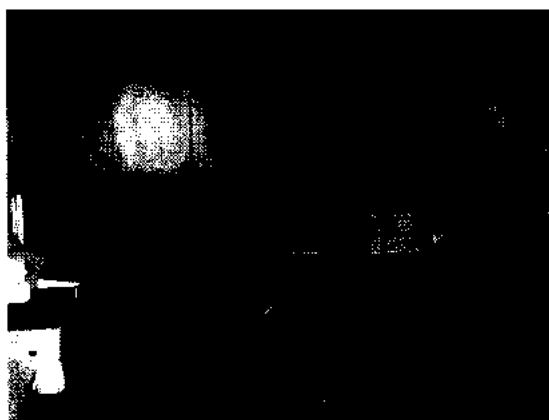


Front Entry (Unit E on 2nd Floor)

Subject Photos

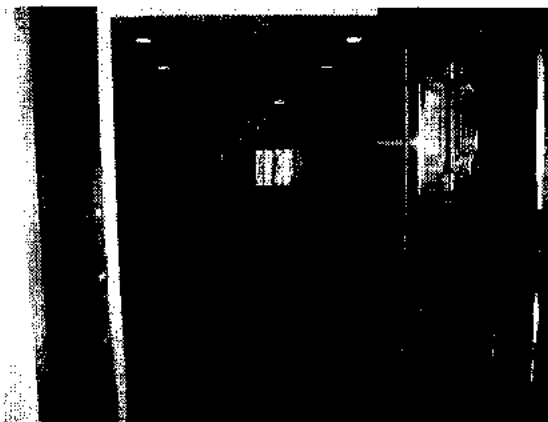


Front Entry (Unit F on 2nd Floor)

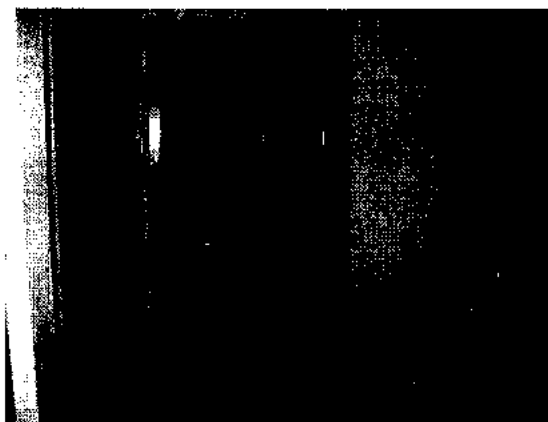


Office (Unit F on 2nd Floor)

Subject Photos

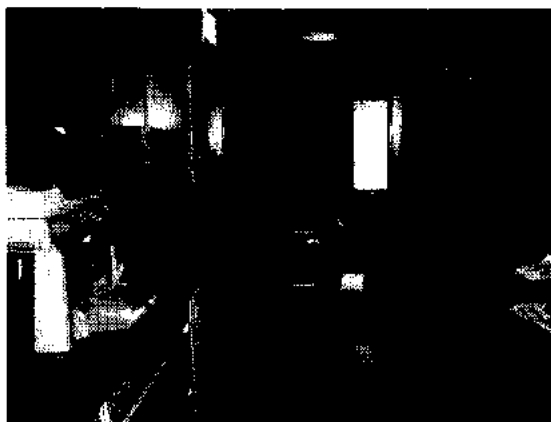


Kitchen Leading to Office (Unit F)



Copy Area Leading to Restroom (Unit F)

Subject Photos



Office (Unit F)



Typical Office (Unit F)

Subject Photos



Rear Eastside Parking (Facing North)

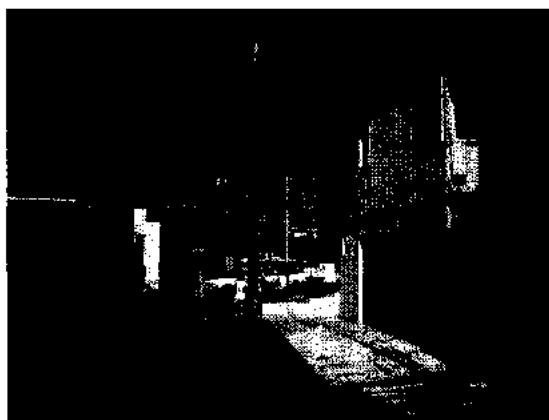


Rear Garages/Unit F on 2nd Floor (Facing Northwest)

Subject Photos



Rear Alley (Facing East)



Rear Alley (Facing West)

Subject Photos



Rear Surface & Garage Parking/Unit F on 2nd Floor (Facing North)



Rear (Facing Northeast)

Subject Photos

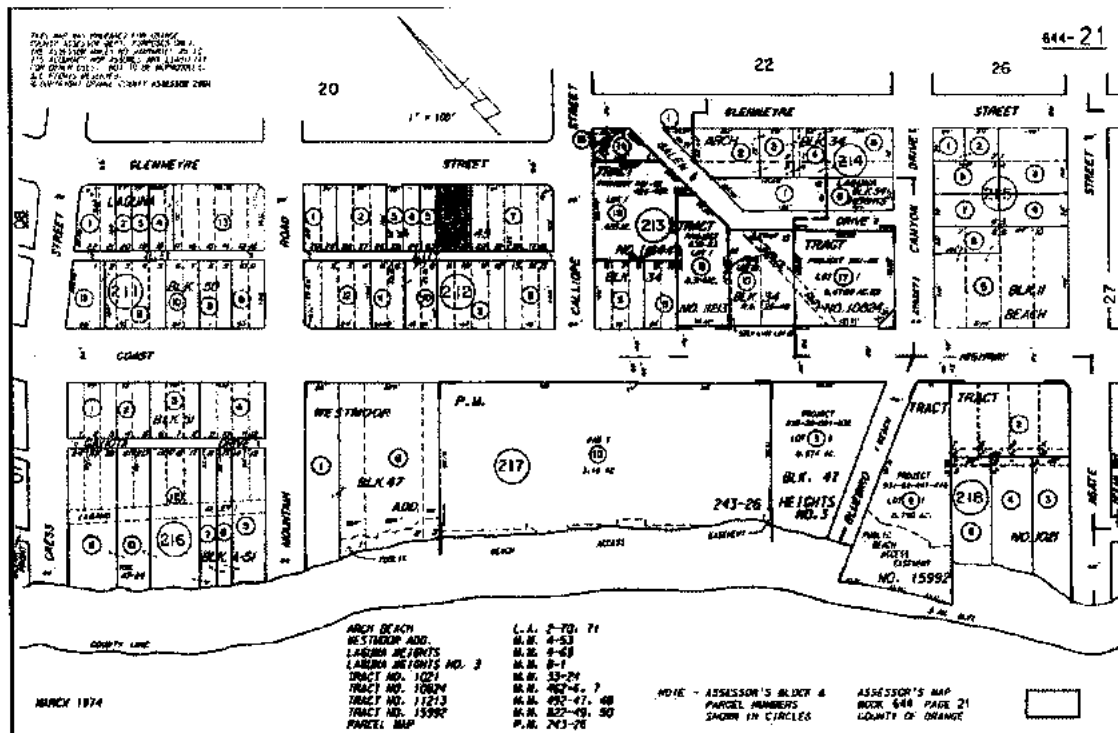


Front Westside Parking (Facing South)



Front Westside (Facing South)

Subject Plat Map



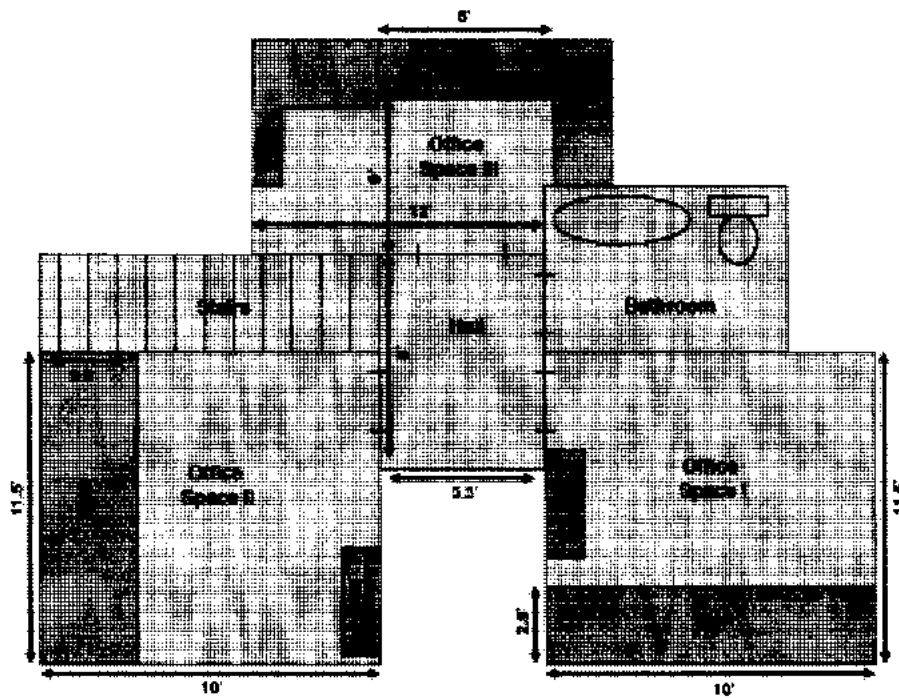
Case	Model	Method	Results	Comments
1	Linear	OLS	0.85	Good fit
2	Quadratic	OLS	0.92	Excellent fit
3	Cubic	OLS	0.95	Excellent fit
4	Quartic	OLS	0.97	Excellent fit
5	Quintic	OLS	0.98	Excellent fit
6	Spline	LS	0.99	Excellent fit
7	Polynomial	LS	0.99	Excellent fit
8	Exponential	LS	0.99	Excellent fit
9	Logarithmic	LS	0.99	Excellent fit
10	Power	LS	0.99	Excellent fit
11	Linear	LS	0.99	Excellent fit
12	Quadratic	LS	0.99	Excellent fit
13	Cubic	LS	0.99	Excellent fit
14	Quartic	LS	0.99	Excellent fit
15	Quintic	LS	0.99	Excellent fit
16	Spline	LS	0.99	Excellent fit
17	Polynomial	LS	0.99	Excellent fit
18	Exponential	LS	0.99	Excellent fit
19	Logarithmic	LS	0.99	Excellent fit
20	Power	LS	0.99	Excellent fit



Subject Layouts

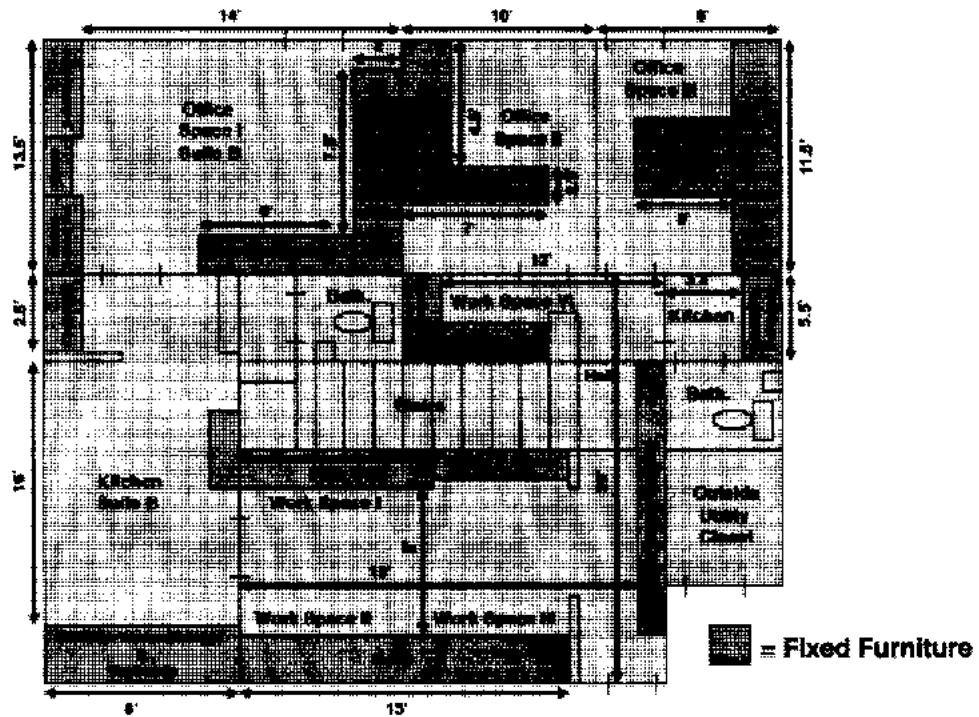
Suite "B" (Upstairs)

■ = Fixed Furniture



Subject Layouts

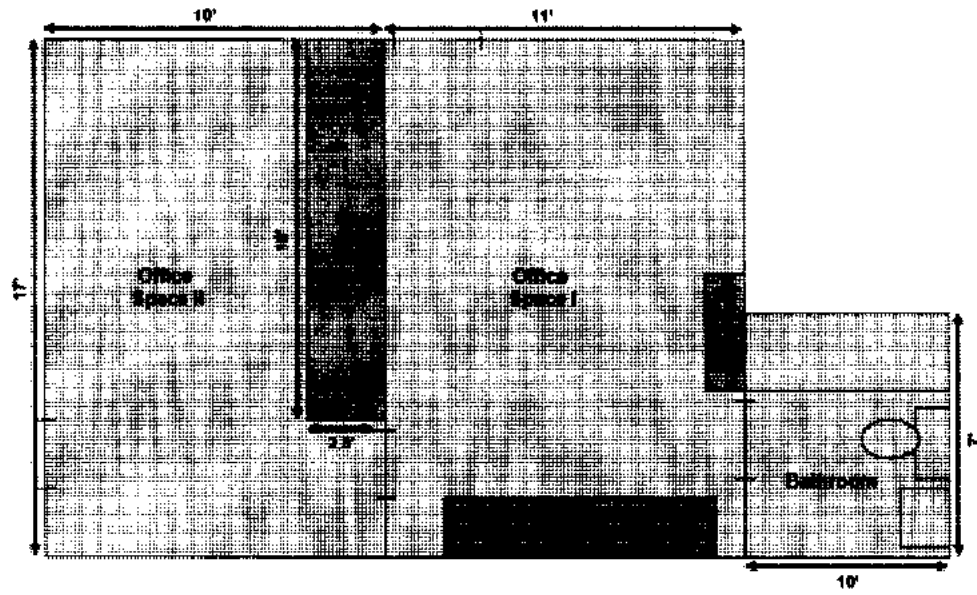
Suite "B" and Suite "C" (Downstairs)



Subject Layouts

Suite "D"

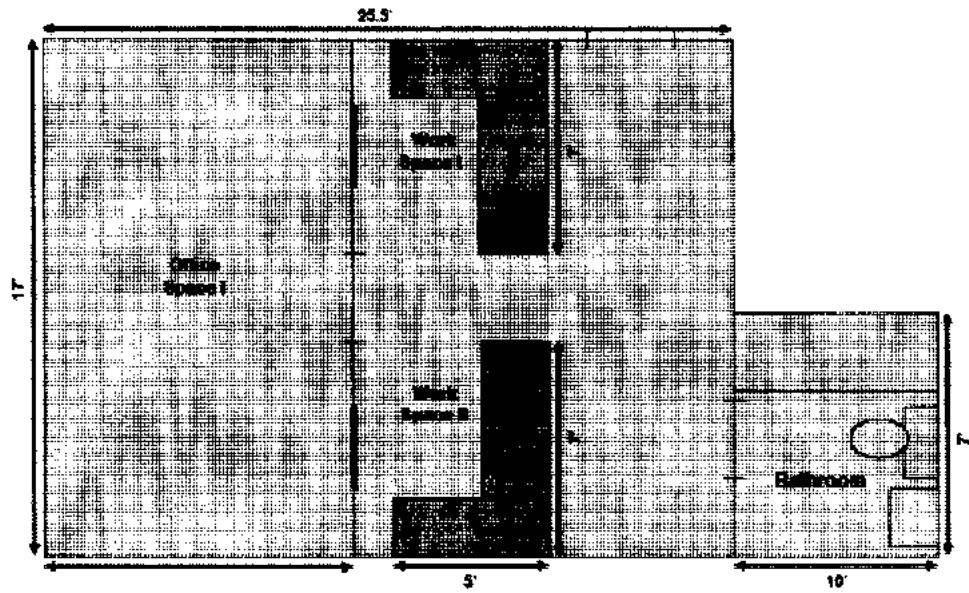
■ = Fixed Furniture



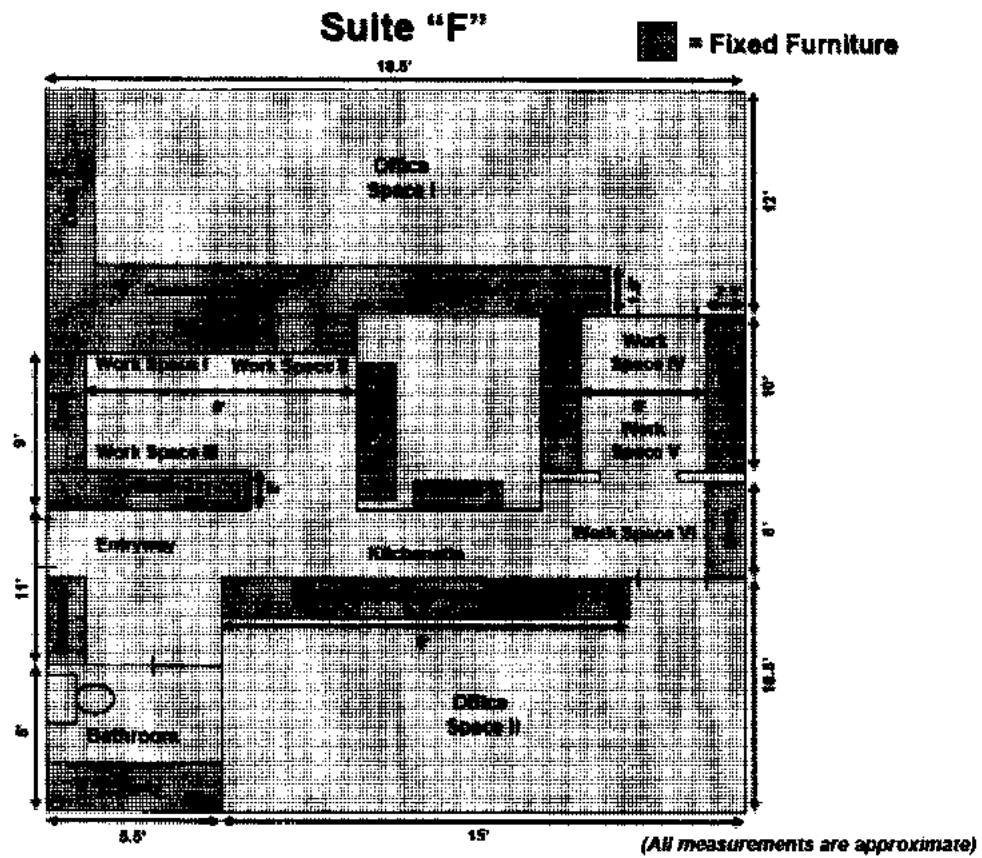
Subject Layouts

Suite "E"

■ = Fixed Furniture



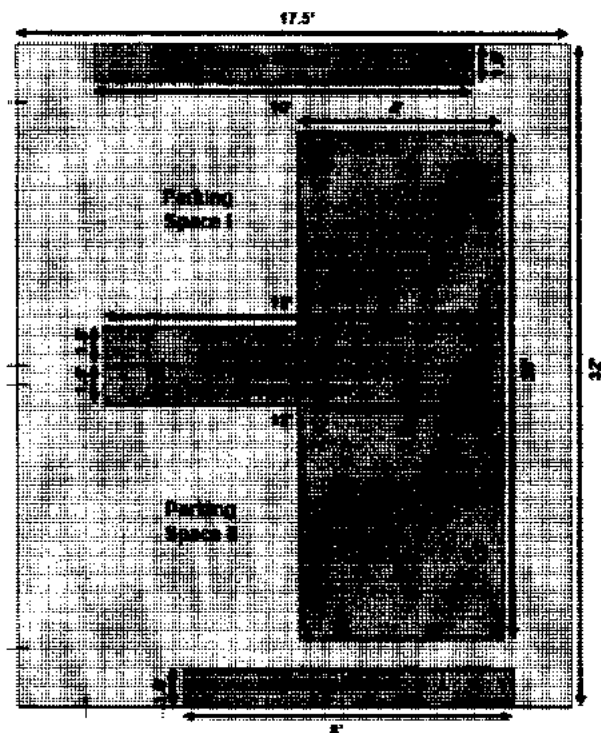
Subject Layouts



Subject Layouts

Garage

■ = Fixed Shelving



#FILE 10179

APPRAISAL OF REAL PROPERTY**LOCATED AT**

370 Los Olivos
Laguna Beach, CA 92651-2417
N Tract 870 Lot 17 MM 27-30.31, 32, 340-46

FOR

Arcadia Living Trust/Bayuk Edward
371 El Camino Del Mar
Laguna Beach, CA 92651

OPINION OF VALUE

1,900,000

AS OF

09/24/2010

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SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	370 Los Olivos
	Legal Description	N Tract 870 Lot 17 MM 27-30,31,32, 340-46
	City	Laguna Beach
	County	Orange
	State	CA
	Zip Code	92651-2417
	Census Tract	0626.05
	Map Reference	950G3
SALE DATA	Sale Price	\$ None
	Date of Sale	None
BORROWER/CLIENT	Borrower/Client	Not for lending purposes
	Lender	Arcadia Living Trust/Bayuk Edward
PROPERTY INFORMATION	Size (Square Feet)	1,716
	Price per Square Foot	\$
	Location	Good
	Age	75
	Condition	Good
	Total Rooms	6
	Bedrooms	2
	Baths	3
APPRAISER	Appraiser	Daniel M Christian
	Date of Appraised Value	09/24/2010
VALUE	Opinion of Value	\$ 1,900,000

File No.: 10179

GP RESIDENTIAL

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MORABITO (341).002464

RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 0179

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.

Date Source(s): FARES (First American Title - Real Quest) NDC (National Data Collective) MLS (Multiple Listing Service)

1st Prior Subject Sale/Transfer: Analysis of sale/transf history and/or any current agreement of sale/Listing: A three year sales history was conducted and according to the aforementioned sources no sale in last three years. The subject is not currently listed for sale and has not been listed for sale in the previous 12 months.

Date: N/A

Price: N/A

Source(s): FARES, NDC, MLS

2nd Prior Subject Sale/Transfer: Comparable #1 is a standard sale and has not sold in past 12 months.

Date: N/A

Price: N/A

Source(s): N/A

Comparable #2 is a standard sale and has not sold in past 12 months.

Comparable #3 is a standard sale and has not sold in past 12 months.

Comparable #4 is a pending standard sale and has not sold in 12 months.

Comparable #5 is a active standard listing and has not sold in 12 months.

The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address	370 Los Olivos Laguna Beach, CA 92651-2417	479 Oak Street Laguna Beach, CA 92651	939 Catalina Laguna Beach, CA 92651	655 Brooks Street Laguna Beach, CA 92651
Proximity to Subject	0.40 miles SE	0.26 miles SE	0.49 miles SE	
Sale Price	\$ None	\$ 1,950,000	\$ 1,900,000	\$ 1,800,000
Sale Price/GLA	\$ /sq.ft.	\$ 812.50/sq.ft.	\$ 863.64/sq.ft.	\$ 767.37/sq.ft.
Data Source(s)	Inspection	APN: 644-081-05	APN: 644-081-05	APN: 6444-193-02
Verification Source(s)	FARES,MLS	FARES,MLS,Doc.#21470	FARES,MLS,Doc.#175709	FARES,MLS,Doc.#104922
VALUE ADJUSTMENTS	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Sales or Financing	N/A	Conventional	Conventional	Conventional
Concessions	N/A	N/A	N/A	N/A
Date of Sale/Time	None	01/14/2010	04/14/2010	03/05/2010
Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Location	Good	Good	Good	Good
Site	6,206 Sq.Ft.	6,047 Sq.Ft.	3,000 Sq.Ft.	5,350 Sq.Ft.
View	None	None	None	None
Design (Style)	Traditional	Traditional	Traditional	Traditional
Quality of Construction	Good	Good	Good	Good
Age	75	79	82	61
Condition	Good	Good	Good	Good
Above Grade	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Room Count	6 2 3	7 3 2.5	7 3 3	7 3 2
Gross Living Area	1,716 sq.ft.	2,400 sq.ft.	2,200 sq.ft.	2,476 sq.ft.
Basement & Finished	None	None	None	None
Rooms Below Grade	N/A	N/A	N/A	N/A
Functional Utility	Good	Average	Average	Average
Heating/Cooling	FAU/CAC	FAU/CAC	FAU/CAC	FAU/CAC
Energy Efficient Items	None	None	None	None
Garage/Carport	2 Car Garage	2 Car Garage	2 Car Garage	1 Car Garage
Porch/Patio/Deck	Porch/Patio	Porch/Patio	Porch/Patio	Porch/Patio
Fencing/Pools/Amenities	Pool and Spa	None	None	None
Remodel/Upgrades/Et. Age	Upgrades	Upgrades	Upgrades	Upgrades
Additional Amenities	None	None	None	None
Guest House/Extra Build.	None	Guest House	None	None
Days On Market, DOM	None	167 Days	238 Days	190 Days
Net Adjustment (Total)		\$ -74,000	\$ 24,000	\$ -18,000
Adjusted Sale Price of Comparables		\$ 1,876,000	\$ 1,924,000	\$ 1,882,000

Summary of Sales Comparison Approach: Market adjustments were made accordingly and were rounded to the nearest 1000th. The sales used were among the best verifiable sales data available at time of appraisal was made and have characteristics that would appeal to a similar buyer. The supplied sales data provides a good correlation of value, with the final estimated value being well supported. Gross livable area adjustments were made at \$100 per square foot with bedroom and bathroom adjustments being absorbed when double adjustment would occur. Bedroom and bathroom adjustment were made at \$8,000 and half bathroom adjustments were made at \$4,000. Due to the lack of recent similar sized sales with pools across the board adjustments were made for pool and livable area. Functional obsolescence is noted in cost approach due to this market not recognizing full cost of new of pool. Guest house adjustments were made to comparable #1 due to detached guest house per MLS. Lot adjustment is made at \$10 per square foot on sales over 2,000 square foot differences. All five comparable sales have similar upgrading and remodeling therefore no adjustments were needed. All adjustment were made accordingly per exterior inspection and MLS. See attached for additional comparable sales.

Indicated Value by Sales Comparison Approach \$ 1,900,000

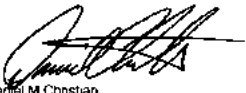
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MORABITO (341).002465

RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 10179

COST APPROACH TO VALUE (if developed) <input type="checkbox"/> The Cost Approach was not developed for this appraisal.	
Provide adequate information for replication of the following cost figures and calculations:	
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): Land value was derived by the extraction method due to lack of vacant land sales. Land to building value ratio is typical due to convenience to modern conveniences. Interviews with local builders reveal that the cost data service such as Marshall and Swift for this area do not reflect reasonable cost to build and are less than actual costs, therefore, the figures were derived from local builders and contractors, which include architectural, engineering, entrepreneur costs.	
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE
Source of cost data: Local builders and contractors.	DWELLING 1,716 Sq.Ft. @ \$ 450.00 = \$ 772,200
Quality rating from cost service: N/A Effective date of cost data: N/A	Sq.Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.):	Sq.Ft. @ \$ = \$
See attached sketch for gross living area calculations. Measurements were rounded to the nearest foot. The interior walls if noted are not to scale and supplied to aid the reader to visualize the floor plan.	Sq.Ft. @ \$ = \$
Functional obsolescence is noted in cost approach as this market does not recognize full cost new for pool.	Sq.Ft. @ \$ = \$
	Pool and Built-ins included in base. = \$
	Garage/Carport 462 Sq.Ft. @ \$ 90.00 = \$ 41,580
	Total Estimate of Cost-New = \$ 813,780
	Less Physical Functional External
	Depreciation 108,477 10,000 = \$ (118,477)
	Depreciated Cost of Improvements = \$ 695,303
	"As-is" Value of Site Improvements = \$ 10,000
	= \$
Estimated Remaining Economic Life (if required): 65 Years	INDICATED VALUE BY COST APPROACH = \$ 1,905,303
INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.	
Estimated Monthly Market Rent \$	X Gross Rent Multiplier = \$ Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM):	
PROJECT INFORMATION FOR PUDs (if applicable) <input type="checkbox"/> The Subject is part of a Planned Unit Development.	
Legal Name of Project:	
Describe common elements and recreational facilities:	
Indicated Value by: Sales Comparison Approach \$ 1,900,000 Cost Approach (if developed) \$ 1,905,303 Income Approach (if developed) \$	
Final Reconciliation Direct sales comparison was given the greatest consideration as it best reflects typical reactions between buyer and seller.	
cost approach is merely supportive, income approach is not used due to area being predominately owner occupied single family homes.	
Exterior inspection was made and appraiser has previous appraisal report.	
This appraisal is made <input type="checkbox"/> "as is", <input checked="" type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair:	
<input type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.	
Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 1,900,000 as of: 09/24/2010 which is the effective date of this appraisal.	
If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.	
A true and complete copy of this report contains 26 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.	
Attached Exhibits:	
<input type="checkbox"/> Scope of Work	<input checked="" type="checkbox"/> Limiting Cond./Certifications
<input checked="" type="checkbox"/> Map Addenda	<input type="checkbox"/> Narrative Addendum
<input type="checkbox"/> Hypothetical Conditions	<input type="checkbox"/> Cost Addendum
<input type="checkbox"/> Extraordinary Assumptions	<input checked="" type="checkbox"/> Resume
	<input checked="" type="checkbox"/> Photograph Addenda
	<input type="checkbox"/> Flood Addendum
	<input checked="" type="checkbox"/> State Certification
	<input checked="" type="checkbox"/> Sketch Addendum
	<input type="checkbox"/> Manual House Addendum
Client Contact: Edward Bayuk	Client Name: Arcadio Living Trust/Bayuk Edward
E-Mail: EBayuk@cowestco.com	Address: 371 El Camino Del Mar, Laguna Beach, CA 92657
APPRAISER	
	
Appraiser Name: Daniel M. Christian	
Company: Justmann & Associates, Inc.	
Phone: (310) 937-6151	Fax: (310) 937-6150
E-Mail: danielj@jasa.com	
Date of Report (Signature): 09/28/2010	
License or Certification #: AR007122	State: CA
Designation: N/A	
Expiration Date of License or Certification: 11/26/2010	
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None	
Date of Inspection: 09/24/2010	
SUPERVISORY APPRAISER (if required) or CD-APPRAISER (if applicable)	
Supervisory or Co-Appraiser Name: Mark S. Justmann	
Company: Justmann & Associates, Inc.	
Phone: 626-390-1134	Fax:
E-Mail: justmann@aol.com	
Date of Report (Signature): 09/28/2010	
License or Certification #: AG002802	State: CA
Designation: MAI	
Expiration Date of License or Certification: 02/25/2011	
Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input checked="" type="checkbox"/> None	
Date of Inspection: Desk Review	



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MORABITO (341).002466

ADDITIONAL COMPARABLE SALES

File No.: 10179

FEATURE		SUBJECT		COMPARABLE SALE #4		COMPARABLE SALE #5		COMPARABLE SALE #6	
Address		370 Los Olivos Laguna Beach, CA 92651-2417		542 Cress Street Laguna Beach, CA 92651		1365 Catalina Laguna Beach, CA 92651			
Proximity to Subject				0.48 miles SE		0.53 miles SE			
Sale Price		\$ None		\$ 1,849,000		\$ 1,995,000		\$	
Sale Price/GIA		\$ /sq.ft.		\$ 1,004.35/sq.ft.		\$ 937.94/sq.ft.		\$ /sq.ft.	
Date Source(s)		Inspection		APN: 644-192-30		APN: 644-201-07			
Verification Source(s)		FARIS,MLS		FARIS,MLS,Pending Sale		FARIS,MLS,Active Listing			
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION	
				+(-) \$ Adjust.		+(-) \$ Adjust.			
Sales or Financing Concessions		N/A		In Escrow		Active Listing			
Date of Sale/Time		None		08/14/2010 LD		08/29/2010 LD			
Rights Appraised		Fee Simple		Fee Simple		Fee Simple			
Location		Good		Good		Good			
Site		6,206 Sq.Ft.		6,432 Sq.Ft.		5,250 Sq.Ft.			
View		None		None		None			
Design (Style)		Traditional		Traditional		Traditional			
Quality of Construction		Good		Good		Good			
Age		75		76		58			
Condition		Good		Good		Good			
Above Grade		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count		6 2 3		7 3 3		7 4 3			
Gross Living Area		1,716 sq.ft.		1,841 sq.ft.		2,127 sq.ft.		sq.ft.	
Basement & Finished Rooms Below Grade		None		None		None			
Functional Utility		Good		Good		Average			
Heating/Cooling		FAU/CAC		FAU/CAC		FAU/CAC			
Energy Efficient Items		None		None		None			
Garage/Carport		2 Car Garage		1 Car Garage		2 Car Garage			
Porch/Patio/Deck		Porch/Patio		Porch/Patio		Porch/Patio			
Fencing/Pools/Amenities		Pool and Spa		None		None		+40,000	
Remodel/Upgrades/Ft. Age		Upgrades		Upgrades		Upgrades			
Additional Amenities		None		None		None			
Guest House/Extra Build		None		None		None			
Days On Market: DOM		None		41 Days		26 Days			
Net Adjustment (Total)				+ - \$ 37,000		+ - \$ -1,000		+ - \$	
Adjusted Sale Price of Comparables				\$ 1,886,000		\$ 1,994,000		\$	
Summary of Sales Comparison Approach Pending comparable #4 and active listing #5 were provided as additional supportive data and was adjusted in accordance to comparables #1 - #3. No adjustments were made for negotiations between buyer and seller. Market adjustments were made accordingly and were rounded to the nearest 1000th. The sales used were among the best verifiable sales data available at time of appraisal was made and have characteristics that would appeal to a similar buyer. The supplied sales data provides a good correlation of value, with the final estimated value being well supported.									



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MORABITO (341).002467

File No.: 10179

Property Address: 370 Los Olivos City: Laguna Beach State: CA Zip Code: 92651-2417
 Client: Arcadio L. Veng Trust/Bayuk Edward Address: 371 El Camino Del Mar, Laguna Beach, CA 92651
 Appraiser: Daniel M. Christian Address: 118 S. Catalina Avenue, Suite M, Redondo Beach, CA 90277

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— 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.

— If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.

— An appraisal of real property is not a "home inspection" and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

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MORABITO (341).002468

4784

Certifications

File No. 10179

Property Address: 370 Los Olivos		City: Laguna Beach		State: CA Zip Code: 92651-2417	
Client: Arcadia Living Trust/Bayuk Edward		Address: 371 El Camino Del Mar, Laguna Beach, CA 92651			
Appraiser: Daniel M Christian		Address: 118 S. Catalina Avenue, Suite M, Redondo Beach, CA 90277			

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of 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.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

DEFINITION OF MARKET VALUE *:

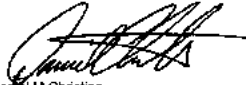
Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition 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 acting in what they consider their own 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.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: Edward Bayuk		Client Name: Arcadia Living Trust/Bayuk Edward	
E-Mail: EBayuk@cowestco.com		Address: 371 El Camino Del Mar, Laguna Beach, CA 92651	

APPRAISER



Appraiser Name: Daniel M Christian
 Company: Justmann & Associates, Inc.
 Phone: (310) 937-6151 Fax: (310) 937-6150
 E-Mail: daniel@asaprea.net
 Date Report Signed: 09/28/2010
 License or Certification #: AR007122 State: CA
 Designation: N/A
 Expiration Date of License or Certification: 11/26/2010
 Inspection of Subject: ☒ Interior & Exterior ☐ Exterior Only ☐ None
 Date of Inspection: 09/24/2010

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name: Mark S. Justmann
 Company: Justmann & Associates, Inc.
 Phone: 626-390-1134 Fax: _____
 E-Mail: just1mann@aol.com
 Date Report Signed: 09/28/2010
 License or Certification #: AG002802 State: CA
 Designation: MAI
 Expiration Date of License or Certification: 02/25/2011
 Inspection of Subject: ☐ Interior & Exterior ☐ Exterior Only ☒ None
 Date of Inspection: Desk Review

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MORABITO (341).002469

Bon/wei/Clerk Not for lending purposes		File No. 10179	
Property Address 370 Los Olivos			
City Laguna Beach	County Orange	State CA	Zip Code 92651-2417
Lender Arcadia Living Trust/Bayuk Edward			

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

- ☐ **Self Contained** (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☒ **Summary** (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☐ **Restricted Use** (A written report prepared under Standards Rule 2-2(c), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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

- The statements of fact contained in this report are true and correct.
- 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.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).
- Unless otherwise indicated, I have performed no services regarding the subject property within the prior three years, as an appraiser or in any other capacity.

Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any State mandated requirements:

— This is a complete summary appraisal report. This appraisal report is intended to comply with the guidelines set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) minimal appraisal standards. The purpose of this appraisal is to provide an opinion of an estimated market value of the subject property, as of the specific date provided within the report. The property rights appraised are fee simple, assuming no indebtedness or encumbrances against the property and a clear and marketable title. The appraiser has no liability or responsibility to any other person(s) or party(s) except to the client named within the appraisal report.

— The appraiser certifies under the competency rule of USPAP (Uniform Standards of Professional Appraisal Practice) that, I have the experience, education, and knowledge to complete this report competently. I have completed hundreds of appraisals of similar apartment buildings over the past twenty years.

— The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

— The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

— As of the date of this report, I have completed the continuing education program of the Appraisal Institute for Associate Members.

— As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

APPRAISER:Signature: 

Name: Daniel M. Christian

Designation: N/A

Date Signed: 09/28/2010

State Certification #: AR007122

or State License #:

State: CA

Expiration Date of Certification or License: 11/26/2010

Effective Date of Appraisal: 09/24/2010

SUPERVISORY APPRAISER (only if required):Signature: 

Name: Mark S. Justmann

Designation: MAI

Date Signed: 09/28/2010

State Certification #: AG002802

or State License #:

State: CA

Expiration Date of Certification or License: 02/25/2011

Supervisory Appraiser inspection of Subject Property:

☒ Did Not ☐ Exterior-only from street ☐ Interior and Exterior

Client	Arcadia Living Trust/Bayuk Edward	Client File #	
Subject Property	370 Los Olivos, Laguna Beach, CA 92651-2417	Appraisal File #	10179

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have 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 have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We 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 I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains 26 pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

VALUE DEFINITION
☒ Market Value Definition (below)

☐ Alternate Value Definition (attached)

MARKET VALUE is defined as 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 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 acting in what they consider their own 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: Appraisal Institute Dictionary of Real Estate Appraisal

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

AI Reports™ Form AI-900.01 Assumptions and Limiting Conditions/Certification © Appraisal Institute 2005, All Rights Reserved

11/08/2005

Form AI9001 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002471

4787

Client:	Arcadia Living Trust/Bayuk Edward	Appraiser:	
Subject Property:	370 Los Olivos, Laguna Beach, CA 92651-2417	Appraisal File #:	10179

APPRAISER CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- 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 use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☐ None ☐ Name(s) _____

As previously identified in the scope of work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

Appraiser ☐ None ☒ Interior ☐ ExteriorCo-Appraiser ☒ None ☐ Interior ☐ Exterior**ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS****Appraisal Institute Member Certify:**

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☐ have / ☐ have not completed the continuing education program of the Appraisal Institute.

Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☐ have / ☐ have not completed the continuing education program of the Appraisal Institute.

APPRAISER:

Signature _____

Name Daniel M Christian Report Date 09/28/2010State Certification # AR007122 ST CA

or License # _____ ST _____

Expiration Date 11/26/2010**CO-APPRAISER:**

Signature _____

Name Mark S. Justmann Report Date 09/28/2010State Certification # AG002802 ST _____or License # _____ ST CAExpiration Date 02/25/2011

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

AI Reports™ Form AI-900.01 Assumptions and Limiting Conditions/Certification © Appraisal Institute 2005. All Rights Reserved

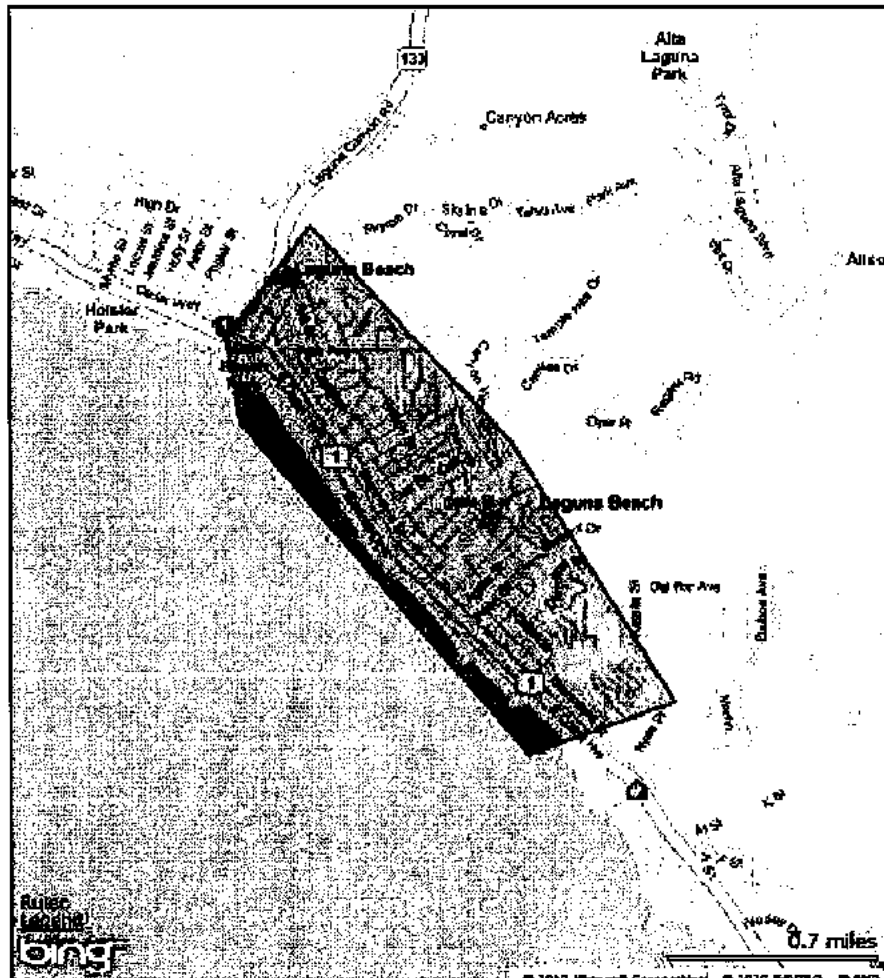
11/08/2005

Form AI9001 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002472

4788

Borrower/Client Not for lending purposes				
Property Address 379 Los Olivos				
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcad a Living Trust/Beyuk Edward			

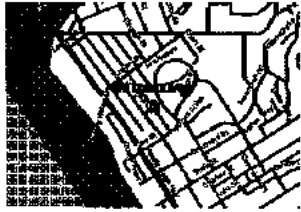


11

4789

Flood Map

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

Flood Map Report		CoreLogic RealQuest Professional	
For Property Located At 370 LOS OLIVOS, LAGUNA BEACH CA 92651-2425			
Report Date: 09/24/2010		County: ORANGE, CA	
Flood Zone Code	Flood Zone Panel	Panel Code	
X	063223-106172	10617208	
Special Flood Hazard Area (SFHA)	Within 200 ft. of navigable flood zones V	Community Name	
Dist	No	LAGUNA BEACH, CITY OF	
Flood Zone Description:			
X = An area that is determined to be within the 100- and 500-year flood zones.			
			
FloodMap Legend Flood Zones Areas inundated by 100-year flooding Areas inundated by the 500 and 100-year floodplains Areas inundated by 100-year flooding Areas inundated by 100-year flooding with velocity hazard Areas with velocity hazard Areas of undersewer that provide flood hazards Areas not mapped on any published FEMA			

Building Sketch

Borrower/Client	Not for lending purposes		
Property Address	370 Los Olivos		
City	Laguna Beach	County	Orange
		State	CA
		Zip Code	92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

20.00' Garage

22.00' 21.00' 14.00'

20.00' Bedroom Bath 8.00' 8.00' Stairs

24.00' Kitchen 8.00' 8.00' Stairs

8.00' Den 18.00' 13.00' 10.00' 24.00' Nook Kitchen 13.00' 15.00' 5.00' 22.00' Living Room 12.00'

35.00' Bath Bedroom

Pool Spa

20.00' 22.00'

20.00' 21.00' 14.00'

20.00' Bedroom Bath 8.00' 8.00' Stairs

24.00' Kitchen 8.00' 8.00' Stairs

8.00' Den 18.00' 13.00' 10.00' 24.00' Nook Kitchen 13.00' 15.00' 5.00' 22.00' Living Room 12.00'

35.00' Bath Bedroom

Pool Spa

20.00' 22.00'

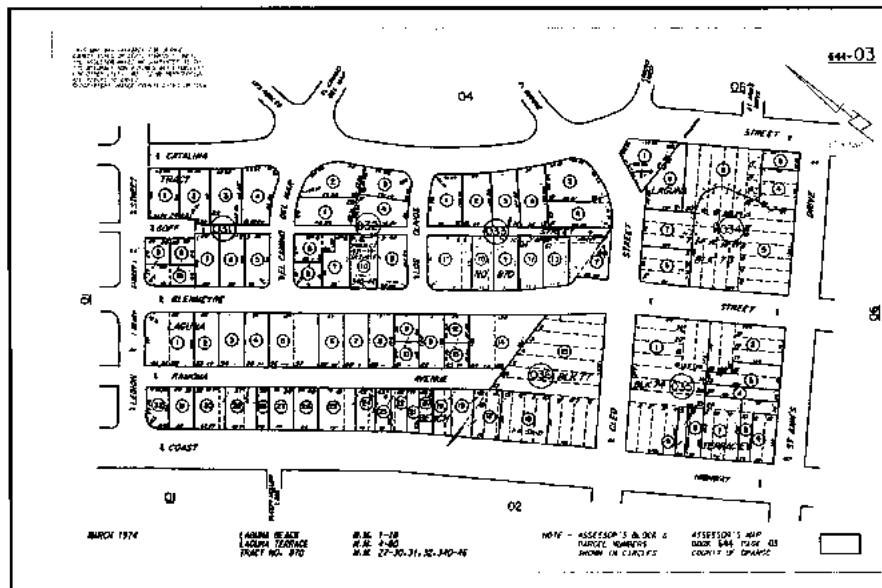
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	livable area	1364.00	1364.00
GLA2	livable area	352.00	352.00
GAR	Garage	462.00	462.00
Net LIVABLE Area		(Rounded)	1716

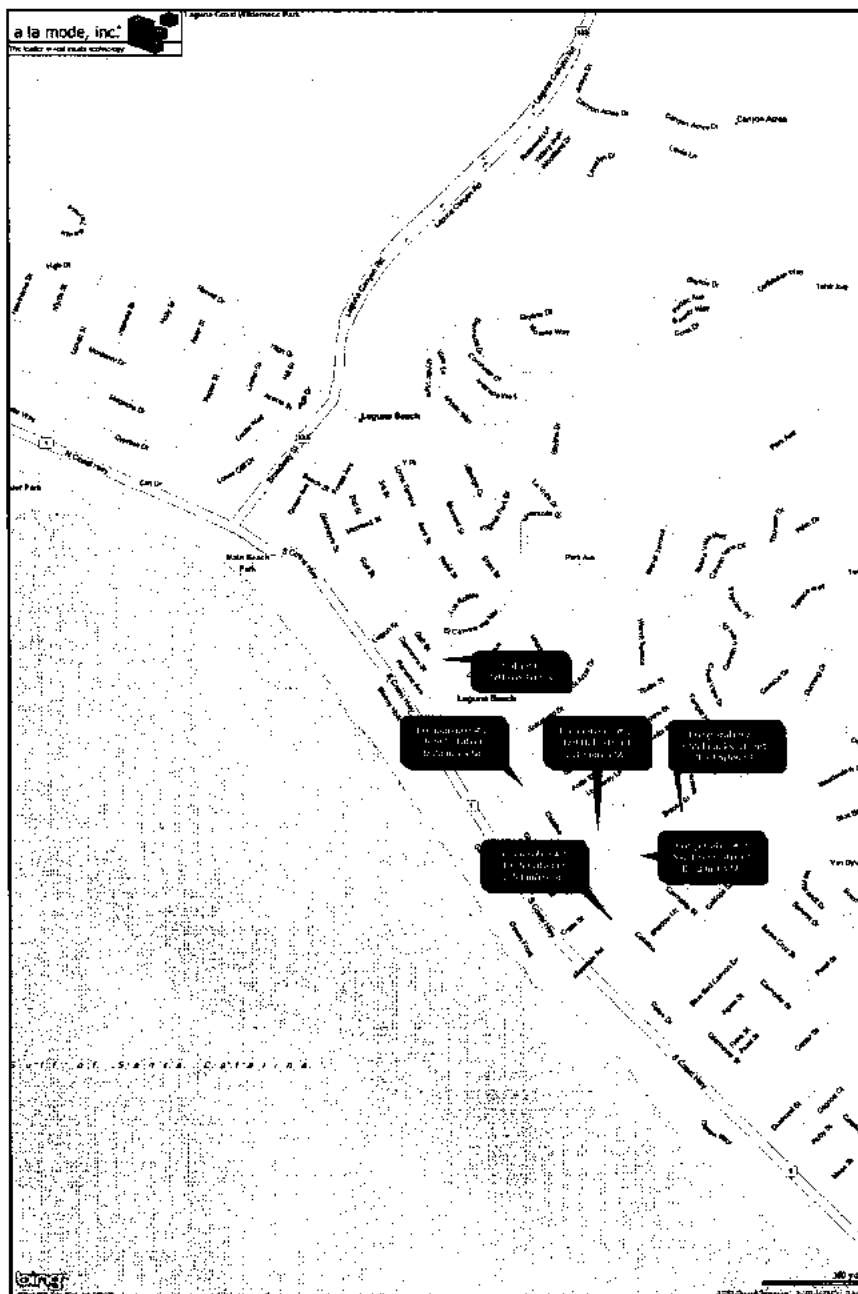
LIVING AREA BREAKDOWN		
Breakdown	Subtotal	
livable area		
14.00 x 20.00	280.00	
6.00 x 12.00	72.00	
12.00 x 35.00	420.00	
16.00 x 22.00	352.00	
10.00 x 24.00	240.00	
6.00 x 20.00	120.00	
6.00 x 20.00	120.00	
8.00 x 14.00	112.00	
8 Items	(Rounded) 1716	

Plat Map

Borrower/Client	Not for ending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcad a Living Trust/Bayrak, Edward				



Borrower/Clien	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				



Form NAP.LDC — "MinTOTAL" appraisal software by a la mode, inc. — 1-800-ALA-MODE

MORABITO (341).002477

Subject Photos

Borrower/Client	Not for lending purposes		
Property Address	370 Los Olivos		
City	Laguna Beach	County	Orange State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

**Subject Front**

370 Los Olivos

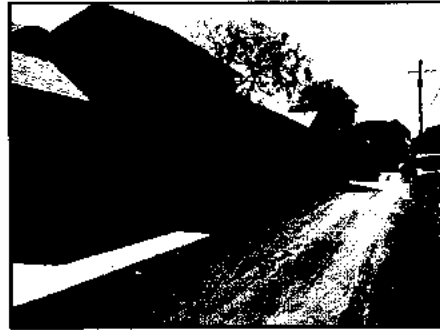
**Subject Rear****Subject Street**

Tom PIC3x5.TR — *WinTOTAL* appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002478

Photograph Addendum

Borrower/Clerk	Not for lending purposes			
Property Address	370 Los Olivos			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			

**Side****Side****Garage****Pool and Spa****Street****Alley**

Form PICS#2 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002479

Photograph Addendum

Borrower/Client	Not for lending purposes			
Property Address	370 Los Olivos			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Beyuk Edward			



Interior



Interior



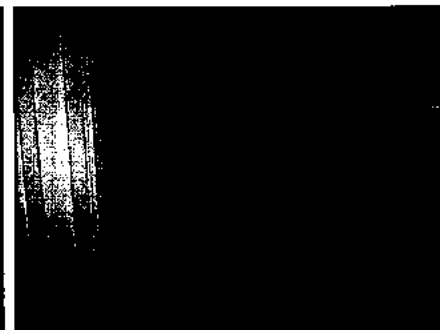
Interior 2nd Kitchen



Interior



Interior



Interior

Form PICS02 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002480

Photograph Addendum

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayak Edward				



Interior



Interior



Interior



Outside Bar



BBQ



Rear/Patio Area

Form PICS02 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002481

Comparable Photo Page

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Beyuk Edward				

**Comparable 1**

479 Oak Street

**Comparable 2**

939 Catalina

**Comparable 3**

655 Brooks Street

Comparable Photo Page

Borrower/Client	Not for lending purposes			
Property Address	370 Los Olivos			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			



Comparable 4

542 Cress Street
 Prox. to Subject 0.48 miles SE
 Sales Price 1,649,000
 Gross Living Area 1,641
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 3
 Location Good
 View None
 Site 6,432 Sq. Ft.
 Quality Good
 Age 76



Comparable 5

1365 Catalina
 Prox. to Subject 0.53 miles SE
 Sales Price 1,995,000
 Gross Living Area 2,127
 Total Rooms 7
 Total Bedrooms 4
 Total Bathrooms 3
 Location Good
 View None
 Site 5,250 Sq. Ft.
 Quality Good
 Age 58

Comparable 6

Prox. to Subject
 Sales Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location
 View
 Site
 Quality
 Age

Resume Daniel Christian

File No. 10179

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA
				Zip Code	92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

Daniel M. Christian**Qualifications****Objective**

To provide quality real estate appraisals, to a quality clientele base in a consistent and timely manner. To continually learn and grow as a real estate professional, and to share what I know to help others achieve success in the appraisal industry.

Experience1988–Present Owner – Supervisory Appraiser**ASAP Real Estate Appraisals Inc. of Southern California ®
Redondo Beach-Torrance, CA)**

- Founded appraisal office in 1988
- Appraisal of all residential property types and small commercial real estate
- Management, review appraisals and training of staff, associate fee appraisers, and mentor program for licensed trainees
- Distribution of appraisal assignments, appraisal review and quality control
- Maintenance of computer database, network and lender approval list
- Daily office operations, client relations, and marketing

1983–1988 Independent Fee Appraiser**California Preferred Appraisers, Torrance, CA**

- Appraisal apprentice in 1983, completed Internship in 1984
- Worked as full-time residential fee appraiser until 1988
- Preparation and completion of 1-4 unit residential Fannie Mae/Freddie Mac form reports and direct endorsement FHA – appraisal reports

1999–2003 R.E. Salesperson – Appraiser Consultant**Shoreline West Realty, Hawthorne, CA**

- Real estate sales on referral basis only
- Preparation and negotiation of real estate transactions, and contracts
- Broker's Price Opinions for court referees, banks and clients
- Management of MLS database for office listings

1995–1998 Realtor – Real Estate Agent**Coldwell Banker West Realty, Torrance, CA**

- Part time real estate sales when appraisal market was down
- Preparation and negotiation of real estate transactions, and contracts
- Analysis of real property for potential purchase or sale

Education/Proficiency 1986–1996 El Camino College

- Associated Science Degree, Real Estate Major
- State Certified Real Estate Appraiser, CA-AR007122
- State Licensed Real Estate Salesperson, CA-01195143
- Associate Member-Appraisal Institute
- HUD approved for FHA appraisals
- Testified as an expert witness in Superior Court.
- Clients include numerous banks, lenders, mortgage brokers, real estate agents and brokers, law firms, private parties, city and government agencies, appraisal firms and management companies.
- Well rounded real estate professional specializing in the appraisal of residential and investment real estate of any complexity for purposes such as sales, loans, FHA, REO, foreclosures, reverse mortgages, relocations, legal proceedings, taxes, trusts and estates.
- Knowledgeable in all aspects of real estate sales, loans and underwriting.

Form TADO — "WinTOTAL" appraisal software by a la mode, Inc. — 1-800-ALAMODE

MORABITO (341).002484

Resume Daniel Christian

File No. 10179

Borrower/Client	Not for lending purposes		
Property Address	370 Los Olivos		
City	Laguna Beach	County	Orange
		State	CA
		Zip Code	92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

Classes/Seminars**Real Estate Related Course Work**

- Appraisal Institute – Course 101 – An Introduction to Appraising Real Property – 1991
- Appraisal Institute – Course 102 – Applied Residential Property Valuation – 1992
- Appraisal Institute -- Course 400 & 410 (USPAP) – Standards of Professional Practice, Part A – 1991, 1996, 1998, 2004, 2006
- Appraisal Institute – Course 420 – (Institute) Standards of Professional Practice, Part B – 1995, 2004
- Appraisal Institute – Federal and State Laws and Regulations Workshop 1996, 1999
- Appraisal Institute – FHA and the Appraisal Process – 1999
- Appraisal Institute – Course 310 – Basic Income Capitalization – 2000
- Appraisal Institute – Course 510 – Advanced Income Capitalization 2000
- Appraisal Institute – Course 500 Advance Residential Form and Narrative Report Writing – 2003
- Appraisal Institute – Course 600 Income Valuation of Small, Mixed Use Properties – 2004
- Appraisal Institute – The Professional's Guide to URAR – 2005
- El Camino College – Real Estate 11 – Basic R. E. Principles – 1986
- El Camino College – Real Estate 12A – Legal Aspects of R. E. – 1992
- El Camino College – Real Estate 13 – Real Estate Practice – 1995
- El Camino College – Real Estate 14A – Real Estate Finance I -- 1991
- El Camino College – Real Estate 15A – Real Estate Appraisal I – 1988
- El Camino College – Real Estate 15B – Real Estate Appraisal II – 1989
- El Camino College – Real Estate 16 – Real Estate Economics – 1994
- El Camino College – Real Estate 19 – Property Management – 1995
- El Camino College – Real Estate 21 – Real Estate Investment – 1996
- Numerous appraisal seminars and real estate conferences

Resume Mark Justmann

File No. 10179

Borrower/Client	Not for lending purposes				
Property Address	370 Los Olivos				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

MARK S. JUSTMANN, MAI
REAL ESTATE QUALIFICATIONS

EDUCATION

University of Wisconsin-1973 undergraduate studies 1 year; Florida State University 1978;
 Business Administration / Real Estate Major with Bachelor of Science

During college I received two scholarships from the Florida Association of Realtors; through the Florida Real Estate Commissioner. During college I typically worked 35+ hours per week for Jerry D. Williamson an SRA. This job was coordinated through the Dean of Business (Dean Solomon) and the Chairman of the Real Estate Department (Dr. Lewis) at FSU. At this time, I generally did appraisal work on single family residences, some commercial and some feasibility analysis work. This almost succeeded in the location of a very large national brewery, Miller Brewery. My site was fourth under consideration for a \$100 million dollar brewery.

APPRAISAL AND SPECIAL COURSES APPRAISAL FOUNDATION I have received MAI membership. (Membership # 8468)

BUSINESS EXPERIENCE A Senior Appraiser in the Real Estate Valuation Group of the American Appraisal Company; the worlds largest at that time. Five years experience under (Fred George MAI), who once appraised the Pan Am Building in New York. My employment with this firm lasted eleven years until 1989. Recent employment has been with Marshall & Stevens (another national firm) for four years until 1992. I have been affiliated with the Mentor Group since late 1992.

VALUATION EXPERIENCE includes over thirty years of national real estate valuation engagements for commercial, industrial, multi-family, special purpose type facilities, and other types of properties for various clients in 45 states. A major emphasis was in the Western region, especially California, Nevada, Arizona, New Mexico, Utah, and Colorado. Specific properties appraised include all types of residences, office buildings, warehouses, factories, medical facilities, restaurants, service stations, theaters, apartment complexes, ranches, plantations, gravel pits and quarries, nursing homes, truck terminals, banks and other special purpose facilities such as oil refineries, churches, mortuaries, cemeteries, recording studios, golf courses, casinos, business parks, oil tank farms, mini-malls, regional malls, parks, subdivisions, car washes, bowling alleys, convalescent care facilities, food processing plants, lumber yards, mini-warehouses, poultry ranches, schools and research and development facilities. Value ranges for a large majority of these properties ranged typically from \$1,000,000 to as high as \$100 million. I have been involved in five instances where projects regarding appraisals I have conducted have been either on the front page of the LA Times or in the Business Section. Three were on the national news.

PROFESSIONAL AFFILIATIONS MAI designation as well as a licensed real estate Broker in California. I am currently a Certified General R.E. Appraiser in California, (AG002802) and Hawaii. I have had temporary licenses in Nevada, Arizona, New Mexico, Colorado. I have extensive State and Federal court testimony experience. Testimony situations have entailed most LA superior courts at least 35 times and depositions at least 35 times. I have appraised in most counties in California over the past 28 years. I have conducted several consultation assignments and brokerage deals as well.

VARIOUS LENDING INSTITUTIONS AND INVESTMENT BANKER CLIENTS SERVED:

Bank of America	Home Savings & Loan
Wells Fargo Bank	Union Bank
Mellon Bank	Franklin Savings
Crocker Bank	Goldman Sachs
Shearson Lehman	W.R. Grace
Duetch Bank	Security Pacific Asian Bank
Cathay Bank	California Pacific Bank
ransAtlantic Capital Corp.	International Bank of California
Nomura Asset Capital Corp.	Kolberg, Kravis & Roberts

REGULATORY AGENCIES SERVED:

Federal Deposit Insurance Corp.	Resolution Trust Corporation
Internal Revenue Service	Federal National Mortgage Assn.
Federal Aviation Administration	Department of Labor
U. S. Treasury Department	U. S. Department of Justice

Resume Mark Justmann

File No. 10179

Borrower/Clien	Not for lending purposes		
Property Address	370 Los Olivos		
City	Laguna Beach	County	Orange
		State	CA
		Zip Code	92651-2417
Lender	Arcade Living Trust/Bayuk Edward		

OTHER CLIENTS SERVED:

AT&T
Amoco Oil
Crown Zellerbach
Cannon Films
Campbell Foods
Goodyear
Japan Airlines
Metro Goldwyn Mayor
Mitsui Inc.
Nestles
Shell Oil
Summa Corp
20th Century Fox
United Artists
Wickes

Anhauser Busch
Bekins
Copley RE Advisors
Coca-Cola
Fluor Corp
Howard Hughes Realty
Kraft Inc.
Mobil Oil
Max Factor
Penn Central
Intel
Sears, Roebuch & Co.
U.S. Air
Westinghouse
The Vatican

LAW FIRMS SERVED:

Gibson, Dunn & Crutcher
Gill & Baldwin
Latham & Watkins
Kaplan, Kenegos & Kadin
Gray, Cary, Ames & Frye
Freeman, Freeman & Smiley
Revere, Rykoff & Wallace
Warner & Corbett
Paul, Hastings, Janofsky & Walker
Bronson, Bronson & McKinnon

Brobeck, Phleger & Harrison
Harrigan, Ruff, Ryder
Buchalter, Memer, Fields & Younger
O'Neill & Lysaught
Handry, Serian, Alt & Jouanicot
Hill, Farrer & Burrill
Sayre, Moreno, Purcell & Bouch
Leonard & Dicker
Pettit & Martin
Girardi I Keese

CELEBRITY CLIENTS SERVED:


Robert Redford
Ly'e Wagner
Jimmy Jams
Stacy Keach
Sam Zell
Gary Winnick
Donald Trump

Kelsey Grammar
Julie Newmar
David Lee Roth
Kim Bessinger
Kirk Kerkorian
Valerie Harper
Donald Sterling

Larry Flynt
Marlon (Suge) Knight
Glenn Fry
David Geffen
Marvin Davis
Mary Grassell Radford
Michael Jackson

Appraisal License Addendum

Borrower/Clien	Not for lending purposes		
Property Address	370 Los Olivos		
City	Laguna Beach	County	Orange
State	CA	Zip Code	92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

 <p>Business, Transportation & Housing Agency OFFICE OF REAL ESTATE APPRAISERS REAL ESTATE APPRAISER LICENSE</p>		<p>OREA APPRAISER IDENTIFICATION NUMBER AR007122</p> <p>DANIEL M. CHRISTIAN</p>
<p>has successfully met the requirements for a license as a residential real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified Residential Real Estate Appraiser".</p> <p>This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.</p>		
<p>OFFICE OF REAL ESTATE APPRAISERS</p> <p><i>Bob Clark</i></p> <p>Date Issued: November 27, 2008 Date Expires: November 26, 2010</p>		<p>Audit No. 114072</p>

THIS DOCUMENT CONTAINS A TRUE WARRANTY. MAKE UP TO GOVERNMENT, AND PERMIT.

10180

APPRAISAL OF REAL PROPERTY

LOCATED AT
 371 El Camino Del Mar
 Laguna Beach, CA 92651-2417
 N Tract 870 Lot 20 MM 27-30,31,32, 340-46

FOR
 Arcadia Living Trust/Bayuk Edward
 371 El Camino Del Mar
 Laguna Beach, CA 92651

OPINION OF VALUE
 1,950,000

AS OF
 09/24/2010

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SUMMARY OF SALIENT FEATURES

GENERAL INFORMATION	Subject Address	371 El Camino Del Mar
	Legal Description	N Tract 870 Lot 20 MM 27-30,31,32, 340-46
	City	Laguna Beach
	County	Orange
	State	CA
	Zip Code	92651-2417
	Census Tract	0826.05
	Map Reference	950G3
SALE PRICE	Sale Price	\$ None
	Date of Sale	None
CLIENT	Borrower/Client	Not for lending purposes
	Lender	Arcadia Living Trust/Bayuk Edward
SUBJECT INFORMATION	Size (Square Feet)	2,358
	Price per Square Foot	\$
	Location	Good
	Age	74
	Condition	Good
	Total Rooms	7
	Bedrooms	3
	Baths	3.5
APPRAISER	Appraiser	Daniel M Christian
	Date of Appraised Value	09/24/2010
OPINION	Opinion of Value	\$ 1,950,000

RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 10180

Property Address: 371 El Camino Del Mar		City: Laguna Beach		State: CA		Zip Code: 92651-2417	
County: Orange		Legal Description: N Tract 870 Lot 20 MM 27-30, 31, 32, 340-46					
Assessor's Parcel #: 844-032-01		Borrower (if applicable): Not for lending purposes					
Tax Year: 09/10		R.E. Taxes: \$ 18,169.36		Special Assessments: \$ N/A		Current Owner of Record: Morabito/Arcadia Living Trust	
Project Type: <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		Occupant: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing		HOA: \$ N/A		per year <input type="checkbox"/> per month	
Market Area Name: Laguna Village		Map Reference: 950G3		Census Tract: 0626.05			
The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)							
This report reflects the following value (if not current, see comments): <input checked="" type="checkbox"/> Current (the inspection date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective							
Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input checked="" type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)							
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)							
Intended Use: This report is intended for use by the client to determine current market value and estate purposes only and is not intended for any other use.							
Intended User(s) (by name or type): Arcadia Living Trust							
Client: Arcadia Living Trust/Bayuk Edward		Address: 371 El Camino Del Mar, Laguna Beach, CA 92651					
Appraiser: Daniel M. Christian		Address: 118 S. Catalina Avenue #M, Redondo Beach, CA 90277					
Location: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Predominant Occupancy: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (>5%)		One-Unit Housing PRICE: \$1000; AGE: (yrs) 570 Low 1		Present Land Use: One-Unit 50% 2-4 Unit 10% Multi-Unit 15% Comm'l 10% Open Space 15%	
Builtup: <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	
Marketing time: <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.							
Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Neighborhood consists of one and two story single family homes, condominiums, and multi-family residential units reflecting a variety of age, size and styles. The area trend is to raze or remodel older structures to custom homes. The inventory (supply) is stable over the last twelve months and is considered stable at time of inspection. Currently supply and demand appears to be in a transition period. Conventional loans at 3-6% +/- are prevalent. Properties listed with a reasonable market value are selling within 30-60 days. Properties that are at the upper end of market value are sitting on the market up to 6-9 months. Orange county has been effected by increasing competition among bank owned (REO) properties. There were foreclosures noted in the subject's neighborhood, and those that have sold where within a reasonable market price. Short sales have also occurred, although are priced and sold consistently with standard sales. Many REO properties are purchased at auction or at the trustee sale and then rehabbed listed under market value to create multiple offers.							
Dimensions: (See Plat Map)		Site Area: 6,785 Sq.Ft					
Zoning Classification: R1		Description: Single Family Residence					
Are CC&Rs applicable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown		Zoning Compliant: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning					
Highest & Best Use as Improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)		Use as appraised in this report: Single Family Residential					
Actual Use as of Effective Date: Single Family Residential		Summary of Highest & Best Use: Highest and best use is the current use as a single family residential.					
Utilities: Public <input checked="" type="checkbox"/> Other <input type="checkbox"/> Provider/Description		Off-site improvements: Type		Public Private		Topography Level Above Street Grade Lot	
Electricity <input checked="" type="checkbox"/> N/A		Street Macadam		<input checked="" type="checkbox"/>		Size Typical of Area	
Gas <input checked="" type="checkbox"/> N/A		Curb/Gutter Concrete		<input checked="" type="checkbox"/>		Shape Rectangular	
Water <input checked="" type="checkbox"/> N/A		Sidewalk Concrete		<input checked="" type="checkbox"/>		Drainage Appears Adequate	
Sanitary Sewer <input checked="" type="checkbox"/> N/A		Street Lights Incandescent		<input checked="" type="checkbox"/>		View None	
Storm Sewer <input checked="" type="checkbox"/> N/A		Alley Macadam		<input checked="" type="checkbox"/>			
Other site elements: <input type="checkbox"/> Inside Lot <input checked="" type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)		FEMA Map # 06059C0417J FEMA Map Date 12/3/2009					
FEMA Spec Flood Hazard Area: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Site Comments: Site is a corner level street grade lot that is typical in size for this area. The title report was not made available for review and I have not checked the land records for recorded easements and have reported only apparent easements, encroachments and other apparent adverse conditions. No apparent adverse easements were noted at time of inspection.					
General Description		Exterior Description		Foundation		Basement <input checked="" type="checkbox"/> None	
# of Units One <input type="checkbox"/> Acc. Unit		Foundation Concrete		Slab Yes		Area Sq. Ft. None	
# of Stories Two		Exterior Walls Stucco/Wood		Crawl Space Yes		% Finished N/A	
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att.		Roof Surface Concrete Tile		Basement None		Ceiling N/A	
Design (Style) Traditional		Gutters & Downsp. Yes/Yes		Sump Pump <input type="checkbox"/> None		Walls N/A	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und Cons.		Window Type Vinyl		Drypress <input type="checkbox"/> None		Floor N/A	
Actual Age (Yrs.) 74		Storm Screens No/Yes		Settlement None Noted		Outside Entry N/A	
Effective Age (Yrs.) 5-10				Inestation None Noted			
Interior Description		Appliances		Attic <input type="checkbox"/> None		Amenities	
Floors Hardwd./Tile/Good		Refrigerator <input checked="" type="checkbox"/>		Stairs <input checked="" type="checkbox"/>		Fireplace(s) # 2	
Walls Drywall/Good		Range/Oven <input checked="" type="checkbox"/>		Drop Stair <input type="checkbox"/>		Woodstove(s) #	
Trim/Finish Wood/Paint/Good-Exp		Disposal <input checked="" type="checkbox"/>		Scuttle <input checked="" type="checkbox"/>			
Bath Floor Tile/Good-Excellent		Dishwasher <input checked="" type="checkbox"/>		Doorway <input checked="" type="checkbox"/>			
Bath Wainsc. Tile/Good-Excellent		Fan/Hood <input checked="" type="checkbox"/>		Floor <input type="checkbox"/>			
Doors Wood/Good		Microwave <input checked="" type="checkbox"/>		Heated <input type="checkbox"/>			
		Washer/Dryer <input type="checkbox"/>		Finished <input type="checkbox"/>			
				Hot Tub Yes			
Finished area above grade contains: 7 Rooms 3 Bedrooms 3.5 Bath(s)						2,358 Square Feet of Gross Living Area Above Grade	
Additional features: Subject has court yard, brick patio, brick porch, brick work, perimeter wood fencing, granite counter tops, fireplace's, laundry room, recessed lighting, granite hearth, hot tub (spa), pool, fire pit, alarm system, kitchen built-ins and two car garage.							
Describe the condition of the property (including physical, functional and external obsolescence): Subject property reflects typical depreciation for its age due to ongoing maintenance and recent upgrades. Subject has been upgraded and remodeled throughout. The subject reflects good condition and appeal with no adverse conditions, inadequacies or repairs noted at time of inspection. Public records indicate the subject to be 1,471, however upon inspection subject is 2,358 square feet. Measured square feet is used in this report.							



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3/2007

MORABITO (341).002491

RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 10180

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): FARES (First American Title - Real Quest) NDC (National Data Collective) MLS (Multiple Listing Service)

1st Prior Subject Sale/Transfer: Analysis of sale/transfer history and/or any current agreement of sale/listing: A three year sales history was conducted and according to the aforementioned sources no sale in last three years. The subject is not currently listed for sale and has not been listed for sale in the previous 12 months.

Date: N/A

Price: N/A

Source(s): FARES, NDC, MLS

2nd Prior Subject Sale/Transfer: Comparable #1 is a standard sale and has not sold in past 12 months.

Date: N/A

Price: N/A

Source(s): N/A

Comparable #2 is a standard sale and has not sold in past 12 months.

Comparable #3 is a standard sale and has not sold in past 12 months.

Comparable #4 is a pending standard sale and has not sold in 12 months.

Comparable #5 is a active standard listing and has not sold in 12 months.

SALES COMPARISON APPROACH TO VALUE (if developed) ☐ The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address	371 El Camino Del Mar Laguna Beach, CA 92651-2417	479 Oak Street Laguna Beach, CA 92651	539 Catalina Laguna Beach, CA 92651	655 Brooks Street Laguna Beach, CA 92651
Proximity to Subject		0.43 miles SE	0.29 miles SE	0.52 miles SE
Sale Price	\$ None	\$ 1,950,000	\$ 1,800,000	\$ 1,900,000
Sale Price/OLA	\$ /sq.ft.	\$ 812.50/sq.ft.	\$ 963.64/sq.ft.	\$ 767.37/sq.ft.
Data Source(s)	Inspection	APN: 644-191-05	APN: 644-081-05	APN: 6444-193-02
Verification Source(s)	FARES,MLS	FARES,MLS,Doc.#21470	FARES,MLS,Doc.#175709	FARES,MLS,Doc.#104922
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing Concessions	N/A	Conventional	Conventional	Conventional
Date of Sale/Time	None	01/14/2010	04/14/2010	03/05/2010
Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Location	Good	Good	Good	Good
Site	6,785 Sq.Ft.	6,047 Sq.Ft.	3,000 Sq.Ft.	5,350 Sq.Ft.
View	None	None	None	None
Design (Style)	Traditional	Traditional	Traditional	Traditional
Quality of Construction	Good	Good	Good	Good
Age	74	79	82	61
Condition	Good	Good	Good	Good
Above Grade Room Count	Total Bdrms Baths 7 3 3.5	Total Bdrms Baths 7 3 2.5	Total Bdrms Baths 7 3 3	Total Bdrms Baths 7 3 2
Gross Living Area	2,358 sq.ft.	2,400 sq.ft.	2,200 sq.ft.	2,476 sq.ft.
Basement & Finished Rooms Below Grade	None	None	None	None
Functional Utility	Good	Average	Average	Average
Heating/Cooling	FAU/CAC	FAU/CAC	FAU/CAC	FAU/CAC
Energy Efficient Items	None	None	None	None
Garage/Carport	2 Car Garage	2 Car Garage	2 Car Garage	1 Car Garage
Porch/Patio/Dock	Porch/Patio	Porch/Patio	Porch/Patio	Porch/Patio
Fencing/Pools/Amenities	Pool and Spa	None	None	None
Remodel/Upgrades/Ext. Age	Upgrades	Upgrades	Upgrades	Upgrades
Additional Amenities	None	None	None	None
Guest House/Extra Build.	None	Guest House	None	None
Days On Market: DOM	None	167 Days	238 Days	190 Days
Net Adjustment (Total)		\$ -2,000	\$ 94,000	\$ 50,000
Adjusted Sale Price of Comparables		\$ 1,948,000	\$ 1,994,000	\$ 1,950,000

Summary of Sales Comparison Approach: Market adjustments were made accordingly and were rounded to the nearest 1000th. The sales used were among the best verifiable sales data available at time of appraisal was made and have characteristics that would appeal to a similar buyer. The supplied sales data provides a good correlation of value, with the final estimated value being well supported. Gross livable area adjustments were made at \$100 per square foot with bedroom and bathroom adjustments being absorbed when double adjustment would occur. Bedroom and bathroom adjustment were made at \$5,000 and half bathroom adjustments were made at \$4,000. Due to the lack of recent similar sized sales with pools across the board adjustments were made for pool. Functional obsolescence is noted in cost approach due to this market not recognizing full cost of new pool. Guest house adjustments were made to comparable #1 due to detached guest house pre MLS. Lot adjustment is made at \$10 per square foot on sales over 2,000 square foot differences. All five comparable sales have similar upgrading and remodeling therefore no adjustments were needed. All adjustment were made accordingly per exterior inspection and MLS. See attached for additional comparable sales.

Indicated Value by Sales Comparison Approach \$ 1,950,000



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MORABITO (341).002492

RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 10180

COST APPROACH TO VALUE (if developed)		The Cost Approach was not developed for this appraisal.	
Provide adequate information for replication of the following cost figures and calculations:			
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): Land value was derived by the extraction method due to lack of vacant land sales. Land to building value ratio is typical due to convenience to modern conveniences. Interviews with local builders reveal that the cost data service such as Marshall and Swift for this area do not reflect reasonable cost to build and are less than actual costs, therefore, the figures were derived from local builders and contractors, which include architectural, engineering, entrepreneur costs.			
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW		OPINION OF SITE VALUE	
Source of cost data: Local builders and contractors.		DWELLING 2,358 Sq.Ft. @ \$ 400.00 = \$ 943,200	
Quality rating from cost service: N/A Effective date of cost data: N/A		Sq.Ft. @ \$ = \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.):		Sq.Ft. @ \$ = \$	
See attached sketch for gross living area calculations. Measurements were rounded to the nearest foot. The interior walls if noted are not to scale and supplied to aid the reader to visualize the floor plan.		Sq.Ft. @ \$ = \$	
Functional obsolescence is noted in cost approach as this market does not recognize full cost new for pool.		Sq.Ft. @ \$ = \$	
		Pool and Built-ins included in base. = \$	
		Garage/Carport 384 Sq.Ft. @ \$ 90.00 = \$ 34,560	
		Total Estimate of Cost-New = \$ 977,760	
		Less Physical Functional External	
		Depreciation 225,867 10,000 = \$ 235,867	
		Depreciated Cost of Improvements = \$ 742,093	
		As-is Value of Site Improvements = \$ 10,000	
		= \$	
		= \$	
Estimated Remaining Economic Life (if required): 50 Years		INDICATED VALUE BY COST APPROACH = \$ 1,952,093	
INCOME APPROACH TO VALUE (if developed)		The Income Approach was not developed for this appraisal.	
Estimated Monthly Market Rent \$		X Gross Rent Multiplier = \$ Indicated Value by Income Approach	
Summary of Income Approach (including support for market rent and GRM):			
PROJECT INFORMATION FOR PUDE (if applicable) <input type="checkbox"/> The Subject is part of a Planned Unit Development.			
Legal Name of Project			
Describe common elements and recreational facilities:			
Indicated Value by Sales Comparison Approach \$ 1,950,000 Cost Approach (if developed) \$ 1,952,093 Income Approach (if developed) \$			
Final Reconciliation Direct sales comparison was given the greatest consideration as it best reflects typical reactions between buyer and seller.			
cost approach is merely supportive, income approach is not used due to area being predominately owner occupied single family homes.			
Exterior inspection was made and appraiser has previous appraisal report.			
This appraisal is made <input checked="" type="checkbox"/> "as is" <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: T			
<input type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.			
Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 1,950,000 as of: 09/24/2010, which is the effective date of this appraisal.			
If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.			
A true and complete copy of this report contains 24 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.			
Attached Exhibits:			
<input type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum			
<input checked="" type="checkbox"/> Map Addenda <input checked="" type="checkbox"/> Additional Sales <input type="checkbox"/> Cost Addendum <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Manual House Addendum			
<input type="checkbox"/> Hypothetical Conditions <input checked="" type="checkbox"/> Extraordinary Assumptions <input checked="" type="checkbox"/> Resume <input type="checkbox"/> State Certification <input type="checkbox"/>			
Client Contact: Edward Bayuk		Client Name: Arcadia Living Trust/Bayuk Edward	
E-Mail: EBayuk@cwwestco.com		Address: 371 El Camino Del Mar, Laguna Beach, CA 92651	
APPRAISER		SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)	
Appraiser Name: Daniel M. Christian		Supervisory or Co-Appraiser Name: Mark S. Justmann	
Company: Justmann & Associates, Inc.		Company: Justmann & Associates, Inc.	
Phone: (310) 937-6151 Fax: (310) 937-6150		Phone: 626-390-1134 Fax:	
E-Mail: daniel@jasaprea.net		E-Mail: justmann@aol.com	
Date of Report (Signature): 09/28/2010		Date of Report (Signature): 09/28/2010	
License or Certification #: AR007122 State: CA		License or Certification #: AG002802 State: CA	
Designation: N/A		Designation: MAI	
Expiration Date of License or Certification: 11/26/2010		Expiration Date of License or Certification: 02/25/2011	
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None		Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input checked="" type="checkbox"/> None	
Date of Inspection: 09/24/2010		Date of Inspection: Desk Review	

RESIDENTIAL

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MORABITO (341).002493

ADDITIONAL COMPARABLE SALES

File No.: 10180

FEATURE	SUBJECT	COMPARABLE SALE #4	COMPARABLE SALE #5	COMPARABLE SALE #6
Address	371 E Camino Del Mar Laguna Beach, CA 92651-2417	542 Cress Street Laguna Beach, CA 92651	1365 Catalina Laguna Beach, CA 92651	
Proximity to Subject		0.51 miles SE	0.56 miles SE	
Sale Price	\$ None	\$ 1,848,000	\$ 1,995,000	\$
Sale Price/GIA	\$ /sq.ft.	\$ 1,004.35/sq.ft.	\$ 937.94/sq.ft.	\$ /sq.ft.
Data Source(s)	Inspection	APN: 644-192-30	APN: 644-201-07	
Verification Source(s)	FARES,MLS	FARES,MLS,Pending Sale	FARES,MLS,Active Listing	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing	N/A	In Escrow	Active Listing	
Concessions	N/A	N/A	N/A	
Date of Sale/Time	None	08/14/2010 LD	08/29/2010 LD	
Rights Appraised	Fee Simple	Fee Simple	Fee Simple	
Location	Good	Good	Good	
Site	6,765 Sq.Ft.	6,432 Sq.Ft.	5,250 Sq.Ft.	
View	None	None	None	
Design (Style)	Traditional	Traditional	Traditional	
Quality of Construction	Good	Good	Good	
Age	74	76	58	
Condition	Good	Good	Good	
Above Grade	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Room Count	7 3 3.5	7 3 3	7 4 3	
Gross Living Area	2,356 sq.ft.	1,841 sq.ft.	2,127 sq.ft.	sq.ft.
Basement & Finished	None	None	None	
Rooms Below Grade	N/A	N/A	N/A	
Functional Utility	Good	Good	Average	
Heating/Cooling	FAU/CAC	FAU/CAC	FAU/CAC	
Energy Efficient Items	None	None	None	
Garage/Carport	2 Car Garage	1 Car Garage	2 Car Garage	
Porch/Patio/Deck	Porch/Patio	Porch/Patio	Porch/Patio	
Fencing/Pools/Amenities	Pool and Spa	None	None	
Remodel/Upgrades/Ext. Acc.	Upgrades	Upgrades	Upgrades	
Additional Amenities	None	None	None	
Guest House/Extra Build.	None	None	None	
Days On Market, DOM	None	41 Days	26 Days	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 102,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 63,000	<input type="checkbox"/> + <input type="checkbox"/> - \$
Adjusted Sale Price of Comparables		\$ 1,951,000	\$ 2,058,000	\$

Summary of Sales Comparison Approach: Pending comparable #4 and active listing #5 were provided as additional supportive data and was adjusted in accordance to comparables #1- #3. No adjustments were made for negotiations between buyer and seller. Market adjustments were made accordingly and were rounded to the nearest 1000th. The sales used were among the best verifiable sales data available at time of appraisal was made and have characteristics that would appeal to a similar buyer. The supplied sales data provides a good correlation of value, with the final estimated value being well supported.



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MORABITO (341).002494

File No.: 10180

Property Address: 371 El Camino Del Mar	City: Laguna Beach	State: CA	Zip Code: 92651-2417
Client: Arcadia Living Trust/Bayuk Edward	Address: 371 El Camino Del Mar, Laguna Beach, CA 92651		
Appraiser: Daniel M Christian	Address: 118 S. Catalina Avenue #M, Redondo Beach, CA 90277		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— 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.

— If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.

— An appraisal of real property is not a "home inspection" and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

GP RESIDENTIAL

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MORABITO (341).002495

4811

Certifications

Property Address: 371 El Camino Del Mar		City: Laguna Beach		File No.: 10180	
Client: Arcadia Living Trust/Bayuk Edward		Address: 371 El Camino Del Mar, Laguna Beach, CA 92651		State: CA Zip Code: 92651-2417	
Appraiser: Daniel M Christian		Address: 118 S. Catalina Avenue #M, Redondo Beach, CA 90277			

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of 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.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

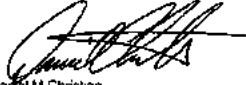
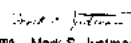
DEFINITION OF MARKET VALUE*:

Market value means 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 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 acting in what they consider their own 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.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: Edward Bayuk		Client Name: Arcadia Living Trust/Bayuk Edward	
E-Mail: EBayuk@cowestco.com		Address: 371 El Camino Del Mar, Laguna Beach, CA 92651	

APPRAISER		SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)	
 Appraiser Name: Daniel M Christian Company: Justmann & Associates, Inc. Phone: (310) 937-6151 Fax: (310) 937-6150 E-Mail: daniel@asapree.net Date Report Signed: 09/27/2010 License or Certification #: AR007122 State: CA Designation: N/A Expiration Date of License or Certification: 11/26/2010 Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 09/24/2010		 Supervisory or Co-Appraiser Name: Mark S. Justmann Company: Justmann & Associates, Inc. Phone: 626-390-1134 Fax: _____ E-Mail: just1mann@aol.com Date Report Signed: 09/28/2010 License or Certification #: AG002802 State: CA Designation: MAI Expiration Date of License or Certification: 02/25/2011 Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input checked="" type="checkbox"/> None Date of Inspection: Desk Review	

GPRESIDENTIAL

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MORABITO (341).002496

Client	Arcadia Living Trust/Bayuk Edward	Appraisal File No.	10180
Subject Property	371 El Camino Del Mar, Laguna Beach, CA 92651-2417	Appraisal Date	

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have 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 have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We 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 I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains 24 pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

VALUE DEFINITION

☒ **Market Value Definition (below)** ☐ **Alternate Value Definition (attached)**

MARKET VALUE is defined as 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 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 acting in what they consider their own 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: Appraisal Institute Dictionary of Real Estate Appraisal

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

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11/08/2005

Form AI9001 — "WinTOTAL" appraisal software by la moda, inc. — 1-800-ALAMODE

MORABITO (341).002497

Client:	Arcadia Living Trust/Bayuk Edward	Client File #:	
Subject Property:	371 El Camino Del Mar, Laguna Beach, CA 92651-2417	Appraisal File #:	10180

APPRAISER CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- 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 use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☐ None ☐ Name(s) _____

As previously identified in the scope of work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

Appraiser ☐ None ☒ Interior ☐ Exterior

Co-Appraiser ☒ None ☐ Interior ☐ Exterior

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS**Appraisal Institute Member Certify:**

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☒ have / ☐ have not completed the continuing education program of the Appraisal Institute.

Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☒ have / ☐ have not completed the continuing education program of the Appraisal Institute.

APPRAISER:

Signature _____

Name Daniel M Christian Report Date 09/28/2010

State Certification # AR007122 ST CA

or License # _____ ST _____

Expiration Date 11/26/2010

CO-APPRAISER:

Signature _____

Name Mark S. Justmann Report Date 09/28/2010

State Certification # _____ ST _____

or License # AG002802 ST CA

Expiration Date 02/25/2011

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

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11/08/2005

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MORABITO (341).002498

Borrower/Client	Not for lending purposes				File No. 10180
Property Address	371 El Camino Del Mar				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

APPRAISAL AND REPORT IDENTIFICATIONThis Appraisal Report is one of the following types:

- ☐ **Self Contained** (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☒ **Summary** (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☐ **Restricted Use** (A written report prepared under Standards Rule 2-2(c), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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

- The statements of fact contained in this report are true and correct.
- 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.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).
- Unless otherwise indicated, I have performed no services regarding the subject property within the prior three years, as an appraiser or in any other capacity.

Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any State mandated requirements:

— This is a complete summary appraisal report. This appraisal report is intended to comply with the guidelines set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) minimal appraisal standards. The purpose of this appraisal is to provide an opinion of an estimated market value of the subject property, as of the specific date provided within the report. The property rights appraised are fee simple, assuming no indebtedness or encumbrances against the property and a clear and marketable title. The appraiser has no liability or responsibility to any other person(s) or party(s) except to the client named within the appraisal report.

— The appraiser certifies under the competency rule of USPAP (Uniform Standards of Professional Appraisal Practice) that, I have the experience, education, and knowledge to complete this report competently. I have completed hundreds of appraisals of similar apartment buildings over the past twenty years.

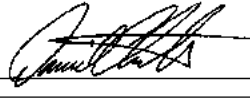
— The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

— The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

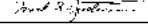
— As of the date of this report, I have completed the continuing education program of the Appraisal Institute for Associate Members.

— As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

APPRAISER:

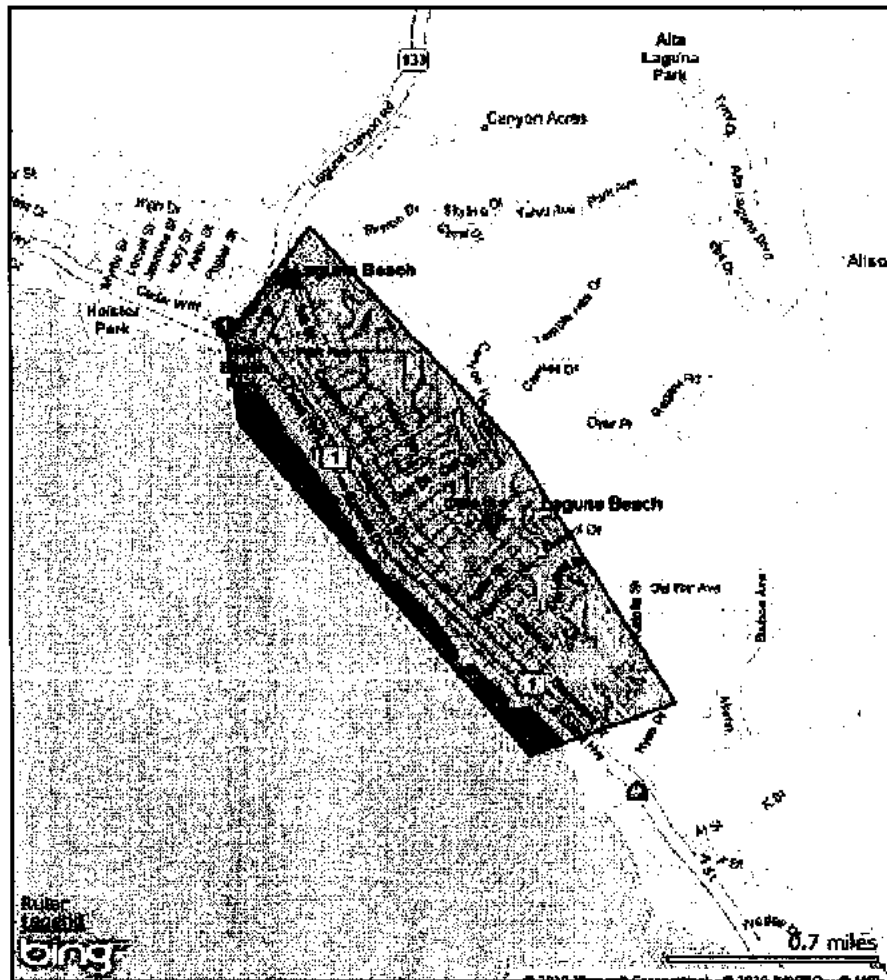
Signature: 
 Name: Daniel M. Christian
 Designation: N/A
 Date Signed: 09/28/2010
 State Certification #: AR007122
 or State License #: _____
 State: CA
 Expiration Date of Certification or License: 11/26/2010
 Effective Date of Appraisal: 09/24/2010

SUPERVISORY APPRAISER (only if required):

Signature: 
 Name: Mark S. Justmann
 Designation: MAI
 Date Signed: 09/28/2010
 State Certification #: _____
 or State License #: AG002802
 State: CA
 Expiration Date of Certification or License: 02/25/2011
 Supervisory Appraiser inspection of Subject Property:
☒ Old Not ☐ Exterior-only from street ☐ Interior and Exterior

Neighborhood Map/Boundaries

Borrower/Client	Not for lending purposes			
Property Address	371 El Camino Del Mar			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			



Form MAP Sale — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002500

Flood Map

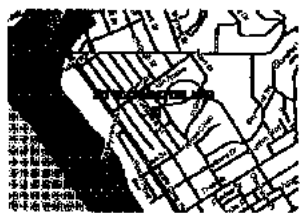
Borrower/Client	Not for lending purposes		
Property Address	371 El Camino Del Mar		
City	Laguna Beach	County	Orange
		State	CA
		Zip Code	92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

Flood Map Report
for Property Located at
371 EL CAMINO DEL MAR, LAGUNA BEACH CA 92651-2417

Report Date: 09/04/2019 County: ORANGE, CA

Flood Zone Code	Flood Zone Panel	Panel Code
X	062223 - 04172	12C FLOOD
SPECIAL FLOOD HAZARD AREA (SFHA)	WILSON 200 YR. OF OVERFLOW BOUNDARY	Community Name
Out	No	LAGUNA BEACH CITY OF

Flood Zone Description:
X. R. AP AND THAT IT CERTAIN FLOOD IS LOCATED WITH 100- and 500-year flood zones.



Flood Map Legend
Flood Zones

- Areas Insured by 100-year flooding
- Areas insured by 500 and 100-year flood zones
- Areas insured by 100-year flooding
- Areas insured by 100-year flooding with velocity hazard
- Floodway zones
- Floodway zones with velocity hazard
- Areas of undetermined but available flood hazards
- Areas not mapped on any published FIRM

Building Sketch

Borrower/Cient	Not for lending purposes			
Property Address	371 El Camino De Mar			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			

Sketch by Alex V™

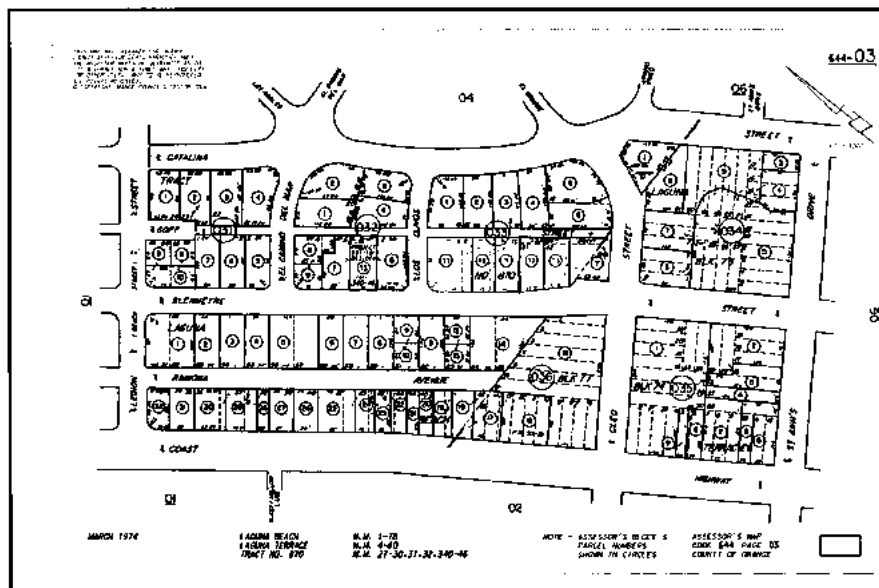
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	livable area	2149.00	2149.00
GLA2	livable area	209.00	209.00
GAR	Garage	384.00	384.00
Net LIVABLE Area		(Rounded)	2358

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
livable area		
97.00 x	43.00	1591.00
6.00 x	13.00	78.00
16.00 x	30.00	480.00
5.00 x	8.00	40.00
13.00 x	13.00	169.00
5 Items	(Rounded)	2358

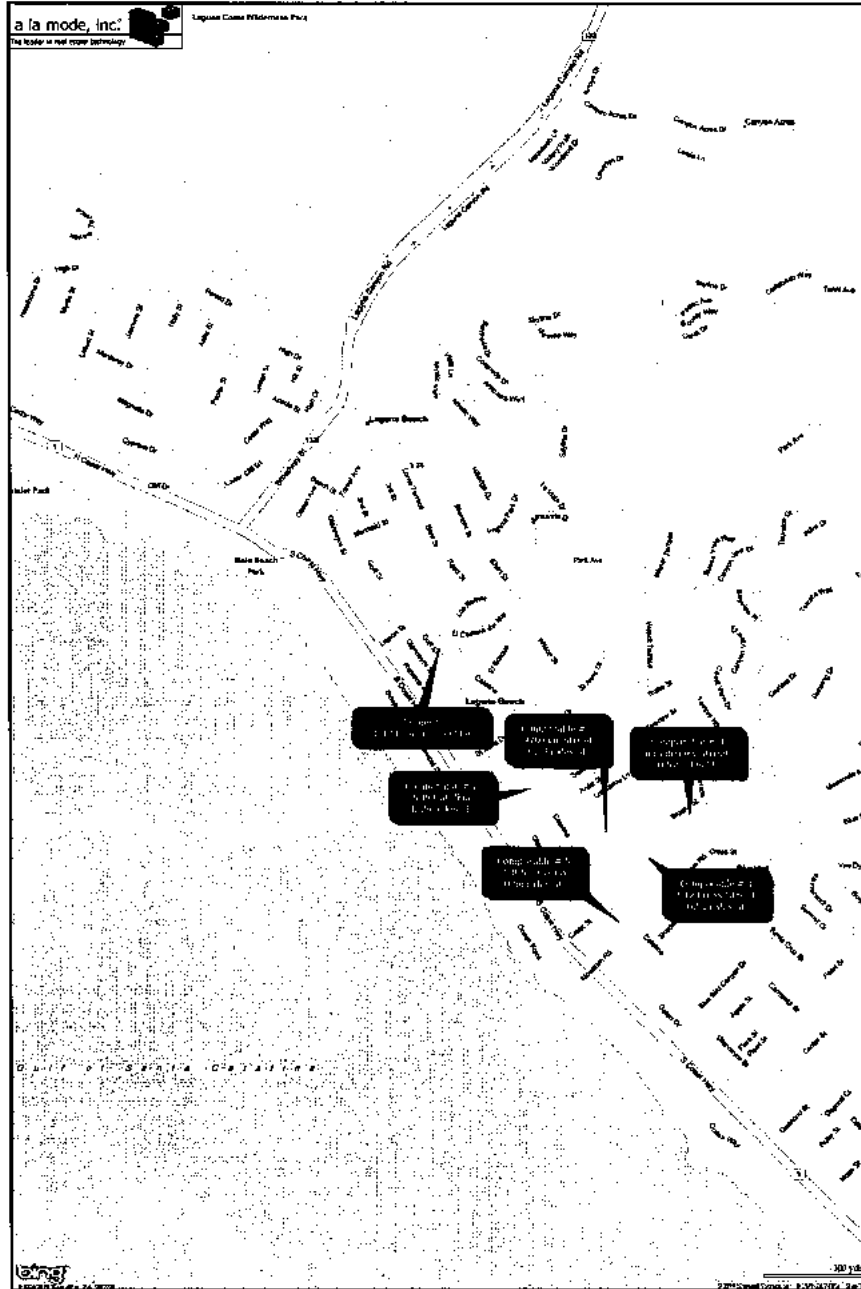
Plat Map

Borrower/Client	Not for lending purposes			
Property Address	371 El Camino Del Mar			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			



Location Map

Borrower/Client	Not for lending purposes				
Property Address	371 El Camino Del Mar				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				



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MORABITO (341).002504

Subject Photos

Borrower/Client	Not for lending purposes				
Property Address	371 El Camino Del Mar				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				



Subject Front
371 El Camino Del Mar



Subject Rear



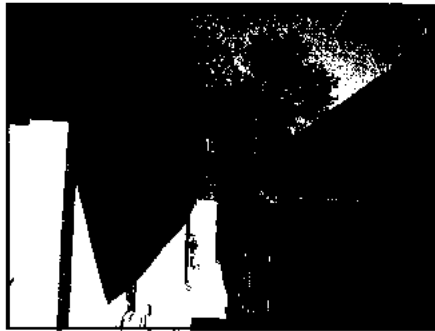
Subject Street

Form PIC345.TB — "WinTOTAL" appraisal software by a la mode, Inc. — 1-800-ALAMODE

MORABITO (341).002505

Photograph Addendum

Borrower/Client	Not for lending purposes			
Property Address	371 El Camino Del Mar			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk, Edward			



Side



Side



Garage



Pool and Spa



Street



Alley

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MORABITO (341).002506

Photograph Addendum

Borrower/Client	Not for lending purposes			
Property Address	371 El Camino Del Mar			
City	Laguna Beach	County	Orange	State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward			



Interior



Interior



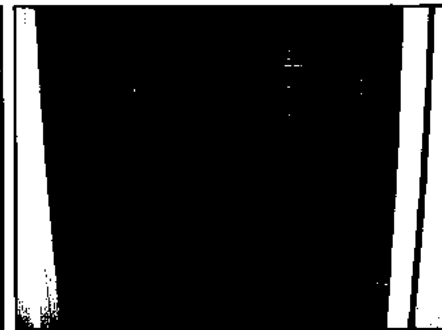
Interior



Interior



Interior



Interior

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MORABITO (341).002507

Comparable Photo Page

Borrower/Client	Not for lending purposes				
Property Address	371 El Camino Del Mar				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Beyuk Edward				

**Comparable 1**

479 Oak Street

**Comparable 2**

939 Catalina

**Comparable 3**

655 Brooks Street

Comparable Photo Page

Borrower/Client	Not for lending purposes				
Property Address	371 El Camino Del Mar				
City	Laguna Beach	County	Orange	State	CA
Zip Code	92651-2417				
Lender	Arcadia Living Trust/Bayuk Edward				

**Comparable 4**

542 Cress Street
 Prox. to Subject 0.51 miles SE
 Sales Price 1,849,000
 Gross Living Area 1,841
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 3
 Location Good
 View None
 Site 6,432 Sq.Ft.
 Quality Good
 Age 76

**Comparable 5**

1365 Catalina
 Prox. to Subject 0.56 miles SE
 Sales Price 1,995,000
 Gross Living Area 2,127
 Total Rooms 7
 Total Bedrooms 4
 Total Bathrooms 3
 Location Good
 View None
 Site 5,250 Sq. Ft.
 Quality Good
 Age 58

Comparable 6

Prox. to Subject
 Sales Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location
 View
 Site
 Quality
 Age

Resume Daniel Christian

File No 10180

Borrower/Client	Not for lending purposes		
Property Address	371 El Camino Del Mar		
City	Laguna Beach	County	Orange State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

Daniel M. Christian**Qualifications****Objective**

To provide quality real estate appraisals, to a quality clientele base in a consistent and timely manner. To continually learn and grow as a real estate professional, and to share what I know to help others achieve success in the appraisal industry.

Experience

1988-Present

Owner - Supervisory Appraiser**ASAP Real Estate Appraisals Inc. of Southern California ®
Redondo Beach-Torrance, CA)**

- Founded appraisal office in 1988
- Appraisal of all residential property types and small commercial real estate
- Management, review appraisals and training of staff, associate fee appraisers, and mentor program for licensed trainees
- Distribution of appraisal assignments, appraisal review and quality control
- Maintenance of computer database, network and lender approval list
- Daily office operations, client relations, and marketing

1983-1988

Independent Fee Appraiser**California Preferred Appraisers, Torrance, CA**

- Appraisal apprentice in 1983, completed internship in 1984
- Worked as full-time residential fee appraiser until 1988
- Preparation and completion of 1-4 unit residential Fannie Mae/Freddie Mac form reports and direct endorsement FHA appraisal reports

1999-2003

R.E. Salesperson - Appraiser Consultant**Shoreline West Realty, Hawthorne, CA**

- Real estate sales on referral basis only
- Preparation and negotiation of real estate transactions, and contracts
- Broker's Price Opinions for court referees, banks and clients
- Management of MLS database for office listings

1995-1998

Realtor - Real Estate Agent**Goldwell Banker West Realty, Torrance, CA**

- Part time real estate sales when appraisal market was down
- Preparation and negotiation of real estate transactions, and contracts
- Analysis of real property for potential purchase or sale

Education/Proficiency

1986-1996

El Camino College

- Associated Science Degree, Real Estate Major
- State Certified Real Estate Appraiser, CA-AR007122
- State Licensed Real Estate Salesperson, CA-01195143
- Associate Member-Appraisal Institute
- HUD approved for FHA appraisals
- Testified as an expert witness in Superior Court.
- Clients include numerous banks, lenders, mortgage brokers, real estate agents and brokers, law firms, private parties, city and government agencies, appraisal firms and management companies.
- Well rounded real estate professional specializing in the appraisal of residential and investment real estate of any complexity for purposes such as sales, loans, FHA, REO, foreclosures, reverse mortgages, relocations, legal proceedings, taxes, trusts and estates.
- Knowledgeable in all aspects of real estate sales, loans and underwriting.

Form TADO — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002510

Resume Daniel Christian

File No. 10180

Borrower/Client	Not for lending purposes		
Property Address	371 El Camino Del Mar		
City	Laguna Beach	County	Orange State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

Classes/Seminars**Real Estate Related Course Work**

- Appraisal Institute - Course 101 - An Introduction to Appraising Real Property - 1991
- Appraisal Institute - Course 102 - Applied Residential Property Valuation - 1992
- Appraisal Institute - Course 400 & 410 (USPAP) - Standards of Professional Practice, Part A - 1991, 1996, 1999, 2004, 2006
- Appraisal Institute - Course 420 - (Institute) Standards of Professional Practice, Part B - 1995, 2004
- Appraisal Institute - Federal and State Laws and Regulations Workshop 1996, 1999
- Appraisal Institute - FHA and the Appraisal Process - 1999
- Appraisal Institute - Course 310 - Basic Income Capitalization - 2000
- Appraisal Institute - Course 510 - Advanced Income Capitalization 2000
- Appraisal Institute - Course 500 Advance Residential Form and Narrative Report Writing - 2003
- Appraisal Institute - Course 600 Income Valuation of Small, Mixed Use Properties - 2004
- Appraisal Institute - The Professional's Guide to URAR - 2005
- El Camino College - Real Estate 11 - Basic R. E. Principles - 1986
- El Camino College - Real Estate 12A - Legal Aspects of R. E. - 1992
- El Camino College - Real Estate 13 - Real Estate Practice - 1995
- El Camino College - Real Estate 14A - Real Estate Finance I - 1991
- El Camino College - Real Estate 15A - Real Estate Appraisal I - 1988
- El Camino College - Real Estate 15 B - Real Estate Appraisal II - 1989
- El Camino College - Real Estate 16 - Real Estate Economics - 1994
- El Camino College - Real Estate 19 - Property Management - 1995
- El Camino College - Real Estate 21 - Real Estate Investment - 1996
- Numerous appraisal seminars and real estate conferences

Resume Mark Justmann

File No. 10180

Borrower/Client	Not for lending purposes		
Property Address	371 El Camino Del Mar		
City	Laguna Beach	County	Orange
		State	CA
		Zip Code	92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

MARK S. JUSTMANN, MAI

REAL ESTATE QUALIFICATIONS

EDUCATION

University of Wisconsin-1973 undergraduate studies 1 year; Florida State University 1978;
Business Administration / Real Estate Major with Bachelor of Science

During college I received two scholarships from the Florida Association of Realtors; through the Florida Real Estate Commissioner. During college I typically worked 35+ hours per week for Jerry D. Williamson an SRA. This job was coordinated through the Dean of Business (Dean Soloman) and the Chairman of the Real Estate Department (Dr. Lewis) at FSU. At this time, I generally did appraisal work on single family residences, some commercial and some feasibility analysis work. This almost succeeded in the location of a very large national brewery, Miller Brewery. My site was fourth under consideration for a \$100 million dollar brewery.

APPRAISAL AND SPECIAL COURSES APPRAISAL FOUNDATION I have received MAI membership. (Membership # 8468)

BUSINESS EXPERIENCE A Senior Appraiser in the Real Estate Valuation Group of the American Appraisal Company; the worlds largest at that time. Five years experience under (Fred George MAI), who once appraised the Pan Am Building in New York. My employment with this firm lasted eleven years until 1989. Recent employment has been with Marshall & Stevens (another national firm) for four years until 1992. I have been affiliated with the Mentor Group since late 1992.

VALUATION EXPERIENCE includes over thirty years of national real estate valuation engagements for commercial, industrial, multi-family, special purpose type facilities, and other types of properties for various clients in 45 states. A major emphasis was in the Western region, especially California, Nevada, Arizona, New Mexico, Utah, and Colorado. Specific properties appraised include all types of residences, office buildings, warehouses, factories, medical facilities, restaurants, service stations, theaters, apartment complexes, ranches, plantations, gravel pits and quarries, nursing homes, truck terminals, banks and other special purpose facilities such as oil refineries, churches, mortuaries, cemeteries, recording studios, golf courses, casinos, business parks, oil tank farms, mini-malls, regional malls, parks, subdivisions, car washes, bowling alleys, convalescent care facilities, food processing plants, lumber yards, mini-warehouses, poultry ranches, schools and research and development facilities. Value ranges for a large majority of these properties ranged typically from \$1,000,000 to as high as \$100 million. I have been involved in five instances where projects regarding appraisals I have conducted have been either on the front page of the LA Times or in the Business Section. Three were on the national news.

PROFESSIONAL AFFILIATIONS MAI designation as well as a licensed real estate Broker in California. I am currently a Certified General R.E. Appraiser in California, (AG002802) and Hawaii. I have had temporary licenses in Nevada, Arizona, New Mexico, Colorado. I have extensive State and Federal court testimony experience. Testimony situations have entailed most LA superior courts at least 35 times and depositions at least 35 times. I have appraised in most counties in California over the past 28 years. I have conducted several consultation assignments and brokerage deals as well.

VARIOUS LENDING INSTITUTIONS AND INVESTMENT BANKER CLIENTS SERVED:

Bank of America	Home Savings & Loan
Wells Fargo Bank	Union Bank
Mellon Bank	Franklin Savings
Crocker Bank	Goldman Sachs
Shearson Lehman	W.R. Grace
Duetch Bank	Security Pacific Asian Bank
Cathay Bank	California Pacific Bank
ransAtlantic Capital Corp.	International Bank of California
Nomura Asset Capital Corp.	Kolberg, Kravis & Roberts

REGULATORY AGENCIES SERVED:

Federal Deposit Insurance Corp.	Resolution Trust Corporation
Internal Revenue Service	Federal National Mortgage Assn.
Federal Aviation Administration	Department of Labor
U. S. Treasury Department	U. S. Department of Justice

Resume Mark Justmann

File No. 10180

Borrower/Client	Not for lending purposes				
Property Address	371 El Camino Del Mar				
City	Laguna Beach	County	Orange	State	CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward				

OTHER CLIENTS SERVED:

AT&T
Amoco Oil
Crown Zellerbach
Cannon Films
Campbell Foods
Goodyear
Japan Airlines
Metro Goldwyn Mayor
Mitsui Inc.
Nestles
Shell Oil
Summa Corp
20th Century Fox
United Artists
Wickes

Anhauser Busch
Bekins
Copley RE Advisors
Coca-Cola
Fluor Corp
Howard Hughes Realty
Kraft Inc.
Mobil Oil
Max Factor
Penn Central
Intel
Sears, Roebuch & Co.
U.S. Air
Westinghouse
The Vatican

LAW FIRMS SERVED:

Gibson, Dunn & Crutcher
Gill & Baldwin
Latham & Watkins
Kaplan, Kenagos & Kadlin
Gray, Cary, Ames & Frye
Freeman, Freeman & Smiley
Revere, Rykoff & Wallace
Warner & Corbett
Paul, Hastings, Janofsky & Walker
Bronson, Bronson & McKinnon

Brobeck, Phleger & Harrison
Harrigan, Ruff, Ryder
Buchalter, Memer, Fields & Younger
O'Neill & Lysaught
Hendry, Serian, Alt & Jouanicot
Hill, Farrer & Burrill
Sayre, Moreno, Purcell & Bouch
Leonard & Dicker
Pettit & Martin
Girardi & Keese

CELEBRITY CLIENTS SERVED:



Robert Redford
Lyle Wagner
Jimmy Jams
Stacy Keach
Sam Zell
Gary Winnick
Donald Trump

Kelsey Grammar
Julie Newmar
David Lee Roth
Kim Basinger
Kirk Kerkorian
Valarie Harper
Donald Sterling

Larry Flynt
Marion (Suge) Knight
Glenn Fry
David Geffen
Marvin Davis
Mary Grasseil Radford
Michael Jackson

Appraisal License Addendum

Borrower/Cient	Not for lending purposes		
Property Address	371 El Camino De Mar		
City	Laguna Beach	County	Orange State CA Zip Code 92651-2417
Lender	Arcadia Living Trust/Bayuk Edward		

		BUSINESS, TRANSPORTATION & HOUSING AGENCY OFFICE OF REAL ESTATE APPRAISERS REAL ESTATE APPRAISER LICENSE	
AREA APPRAISER IDENTIFICATION NUMBER AR007122		DANIEL M. CHRISTIAN	
has successfully met the requirements for a license as a residential real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified Residential Real Estate Appraiser".			
This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.			
Audit No. 114072		OFFICE OF REAL ESTATE APPRAISERS 	
Date Issued: November 27, 2008 Date Expires: November 26, 2010		THE DOCUMENT CONTAINS A TRUE AND CORRECT COPY OF THE LICENSEE'S STATE AND FEDERAL LICENSE.	

APPRAISAL OF REAL PROPERTY

AS OF 9/23/10



LOCATED AT

1254 Mary Fleming Circle
Palm Springs, Ca 92262
.35 Ac In lot 6Mb 284/012 Tr 29075

FOR

Bayuk Properties, LLC
Attn: Edward Bayuk
59 Damonte Ranch Parkway #B 335
Reno, NV 89521

AS OF

9/23/10

BY

Raymond L. Dozier, MAI
Dozier Appraisal Company
73-350 El Pasco, Suite 206
Palm Desert, Ca 92260
(760) 776-4200
Email: dozierappraisal@dc.rr.com
Website: www.dozierappraisal.com

Owner	Bayuk Properties, LLC			File No. SL10-59/Mary Fleming	
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Ca Zip Code 92262
Appraiser	Raymond L. Dozier, MAI				

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Dozier Appraisal Company
73-350 El Paseo, Suite 206
Palm Desert, Ca 92260
Email: dozierappraisal@dc.rr.com

September 23, 2010

Bayuk Properties, LLC
59 Damonte Ranch Parkway #B 335
Reno, NV 89521

Re: Property: 1254 Mary Fleming Circle
Palm Springs, Ca 92262
Owner: Bayuk Properties, LLC
File No.: SL10-59/Mary Fleming

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 "As Is" Market Value as of 9/23/10 of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. 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, page 26.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led to the conclusion that the "As Is" Market Value as of 9/23/10 is:

\$1,050,000 (\$341.02/SF)

ONE MILLION FIFTY THOUSAND DOLLARS

Sincerely,



Raymond L. Dozier, MAI
State Certified General Real Estate Appraiser
Ca. Cert. No. AG004590

MORABITO (341).002517

4833

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	1254 Mary Fleming Circle
	Legal Description	.35 Ac In lot 6Mb 284/012 Tr 29075
	City	Palm Springs
	County	Riverside
	State	Ca
	Zip Code	92262
	Census Tract	446.02
	Map Reference	756-F6
SALES PRICE	Sale Price	\$ N/A
	Date of Sale	N/A
CLIENT	Owner	Bayuk Properties, LLC
	Appraiser	Raymond L. Dozier, MAI
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	3,079
	Price per Square Foot	\$ 341.02
	Location	Good
	Age	10
	Condition	Good
	Total Rooms	7
	Bedrooms	3
	Baths	2.5
APPRAISER	Appraiser	Raymond L. Dozier, MAI
	Date of Appraised Value	9/23/10
VALUE	Opinion of Value	\$ 1,050,000

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MORABITO (341).002518

4834

Uniform Residential Appraisal Report

Dozier Appraisal Co.
File # SL10-59/Mary Fleming

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

Property Address: 1254 Mary Fleming Circle City: Palm Springs State: CA Zip Code: 92262
 Borrower: N/A Owner of Public Record: Bayuk Properties, LLC County: Riverside
 Legal Description: 35.46 In lot 6Mh 284/012 Tr 29075
 Assessor's Parcel #: 507-520-015 Tax Year: 2000 R.E. Taxes: \$ 7,110
 Neighborhood Name: Colony El Mirador Map Reference: 756-P-6 Census Tract: 446.02
 Occupant: ☒ Owner ☐ Tenant ☐ Vacant Special Assessments: \$ 0 ☒ PUD HOA \$ 140.00 ☐ per year ☒ per month
 Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe):
 Assignment Type: ☐ Purchase Transaction ☐ Refinance Transaction ☒ Other (describe):
 Lender/Client: Bayuk Properties, LLC Address: 59 diamonte Ranch Parkway #B375, Reno, NV 89521
 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 sources used, offering price(s), and date(s): N/A

SUBJECT

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: N/A

Contract Price: \$ N/A Date of Contract: N/A Is the property seller the owner of public record? ☐ Yes ☐ No Date Source(s):
 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

NEIGHBORHOOD

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

Neighborhood Characteristics		One-Unit Housing Trends		Present Land Use %			
Location	<input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining	PRICE	AGE		
Build-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply	\$(000)	(yrs)		
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	195	Low		
Neighborhood Boundaries	Subject property is within Colony El Mirador, which is surrounded by E. Chia Rd. to the North, N. Paseo de Anza to the East, E. Paseo El Mirador to the South, & N. Ave. Caballeros to the W.						
Neighborhood Description	Subject property is in a neighborhood comprised of average to good quality homes and is located within a private gated community comprised of good quality single family detached homes offering similar amenities as competing developments nearby. Subject is within 10-20 minutes of Shopping Centers, Restaurants, Hotels, Employment and School facilities. Public park within 2 miles. Freeway is within 2 miles North.						
Market Conditions (including support for the above conclusions)	The U.S. as well as several other developed countries have been in a recession since 12/07. In addition, there is a global capital crisis (credit crunch) that is expected to begin easing the 4th quarter of 2010. Current recession is expected to last another 12-24 months. Desert area MLS reports an average total of 150 days of marketing time for similar residences during the past 12 months.						
Directions	See attached plat map on page 22. Area: 15,246 Sq. Ft. Shape: Roughly Square View: Mtns.						
Specific Zoning Classification	Res. Single Family Residences						
Zoning Compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe):						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe:						
Utilities	Public	Other (describe)	Off-site Improvements - Type	Public	Private		
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/> S.C.E.	Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/> GAS CO.	Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone: X		FEMA Map #	06065C1559G			
Are the utilities and off-site improvements typical for the market area?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe:						
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe:						
Subject is a typical size lot with mountain views. Backyard faces East. No apparent adverse easements or encroachments noted at the time of inspection.							
General Description		Foundation		Exterior Description		Interior	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	<input checked="" type="checkbox"/> Concrete/Good	Floors	<input checked="" type="checkbox"/> Hardwood/Good	
# of Stories	1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	<input checked="" type="checkbox"/> Stucco/Good	Walls	<input checked="" type="checkbox"/> Drywall/Good	
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area	N/A sq. ft.	Roof Surface	<input checked="" type="checkbox"/> Concrete-Use/Good	Trim/Finish	<input checked="" type="checkbox"/> Wood/Good
Design (Style)	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish	N/A %	Gutters & Downspouts	<input checked="" type="checkbox"/> None	Bath Floor	<input checked="" type="checkbox"/> Tile/Good
Year Built	2000	Evidence of	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	<input checked="" type="checkbox"/> Dbl Pane/Good	Bath Wainscot	<input checked="" type="checkbox"/> Tile/Good
Effective Age (Yrs)	5	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Unknown	Storm Sash/Insulated	<input checked="" type="checkbox"/> Metal/Wood/Good	Car Storage	<input type="checkbox"/> None
Attc	<input checked="" type="checkbox"/> None	Heating	<input checked="" type="checkbox"/> FVFA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Screened	<input checked="" type="checkbox"/> Good	Driveway	<input checked="" type="checkbox"/> # of Cars: 3
	<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs		<input type="checkbox"/> Other	Fuel		Oneway Surface	<input checked="" type="checkbox"/> Concrete
	<input type="checkbox"/> Floor <input type="checkbox"/> Saddle	Cooling	<input checked="" type="checkbox"/> Central Air Conditioning	Fireplace(s) #	<input checked="" type="checkbox"/> 1	Fence	<input checked="" type="checkbox"/> Brick
	<input type="checkbox"/> Finished <input type="checkbox"/> Heated		<input type="checkbox"/> Individual <input type="checkbox"/> Other	Patio/Deck	<input checked="" type="checkbox"/> Covrd	Porch	<input checked="" type="checkbox"/> Covered
Appliances	<input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Washer/Dryer <input checked="" type="checkbox"/> Other (describe):			Pool & Spa	<input checked="" type="checkbox"/> Other	Fire Pit	<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Finished area above grade contains:		7 Rooms	3 Bedrooms	2.5 Bath(s)	3,079 Square Feet of Gross Living Area Above Grade		
Additional features (special energy efficient items, etc.):		See attached addenda, page 13.					
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) All improvement are in average condition. Overall condition is considered good when compared to its competition.							
Are there any physical deficiencies or adverse conditions that affect the usability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe:							
Does the property generally conform to the neighborhood functional utility, style, condition, use, construction, etc.? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe:							

Uniform Residential Appraisal Report

Dorner Appraisal Co.
File # SL 10-59/Mary Fleming

There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 0 to \$ 1,037,500	
There are 1 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 0 to \$ 999,500	
FEATURE	SUBJECT
Address	1254 Mary Fleming Circle Palm Springs, Ca 92262
Address	1380 P. Tacheva Drive Palm Springs, Ca 92262
Address	3133 Barona Road Palm Springs, Ca 92262
Address	1150 E. El Paseo El Mirador Palm Springs, Ca 92262
Proximity to Subject	0.18 miles S
Proximity to Subject	4.48 miles S
Proximity to Subject	0.16 miles W
Sale Price	\$ 900,000
Sale Price	\$ 950,000
Sale Price	\$ 1,000,000
Sale Price/Gross Liv. Area	\$ 316.23 sq.ft.
Sale Price/Gross Liv. Area	\$ 306.45 sq.ft.
Sale Price/Gross Liv. Area	\$ 352.86 sq.ft.
Data Source(s)	MLS# 41379609
Data Source(s)	MLS# 41392007
Data Source(s)	MLS# 41356112
Verification Source(s)	Doc# 195166
Verification Source(s)	Doc# 354103
Verification Source(s)	Doc# 386456
VALUE ADJUSTMENTS	DESCRIPTION DESCRIPTION +(-) \$ Adjustment
Sales or Financing	Cash Equiv.
Concessions	DOM: 256 days
Concessions	DOM: 101 days
Concessions	DOM: 170 days
Date of Sale/Time	4/28/10
Date of Sale/Time	7/30/10
Date of Sale/Time	7/24/09, -15%
Location	Good
Location	Similar
Location	Similar
Leasehold/Fee Simple	Fee Simple
Leasehold/Fee Simple	Similar
Leasehold/Fee Simple	Similar
Site	15,246 Sq. Ft.
Site	16,117 Sq. Ft.
Site	24,838 Sq. Ft.
View	Mins.
View	Similar
View	Similar
Design (Style)	Ranch
Design (Style)	Similar
Design (Style)	Similar
Quality of Construction	Good
Quality of Construction	Similar
Quality of Construction	Similar
Actual Age	10 / 5 Effective
Actual Age	6 / Similar
Actual Age	1 / 1 Effective
Condition	Good
Condition	Similar
Condition	Similar
Above Grade	Total Bdrms Baths
Above Grade	Total Bdrms Baths
Above Grade	Total Bdrms Baths
Room Count	7 3 2.5
Room Count	7 3 3.5
Room Count	7 3 2.5
Gross Living Area	3,079 sq.ft.
Gross Living Area	2,846 sq.ft.
Gross Living Area	3,100 sq.ft.
Basement & Finished	N/A
Basement & Finished	N/A
Basement & Finished	N/A
Rooms Below Grade	N/A
Rooms Below Grade	N/A
Rooms Below Grade	N/A
Functional Utility	Average/Typical
Functional Utility	Similar
Functional Utility	Similar
Heating/Cooling	HVAC
Heating/Cooling	Similar
Heating/Cooling	Similar
Energy Efficient Items	Average/Typical
Energy Efficient Items	Similar
Energy Efficient Items	Similar
Garage/Carport	3 - Attached
Garage/Carport	Similar
Garage/Carport	4 - Attached
Porch/Patio/Deck	Yes
Porch/Patio/Deck	Similar
Porch/Patio/Deck	Similar
Fireplaces	1 FP
Fireplaces	2 FP
Fireplaces	2 FP
Pool & Spa	Yes
Pool & Spa	Similar
Pool & Spa	Similar
Upgrades	Yes
Upgrades	No
Upgrades	No
Net Adjustment (Total)	\$ 169,450
Net Adjustment (Total)	\$ 70,850
Net Adjustment (Total)	\$ 31,250
Adjusted Sale Price of Comparables	\$ 1,069,450
Adjusted Sale Price of Comparables	\$ 1,020,850
Adjusted Sale Price of Comparables	\$ 1,031,250
<input checked="" type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain Desert Area MLS/County Records	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> 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) Desert Area MLS/County Records/Metroscan	
My research <input checked="" type="checkbox"/> did <input type="checkbox"/> 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) Desert Area MLS/County Records/Metroscan	
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
ITEM	COMPARABLE SALE #1
ITEM	COMPARABLE SALE #2
ITEM	COMPARABLE SALE #3
Date of Prior Sale/Transfer	No Prior Sales
Date of Prior Sale/Transfer	No Prior Sales
Date of Prior Sale/Transfer	No Prior Sales
Price of Prior Sale/Transfer	In The Last 3 Years
Price of Prior Sale/Transfer	In The Last 12 Months
Price of Prior Sale/Transfer	In The Last 12 Months
Data Source(s)	MLS/County Records
Data Source(s)	MLS/County Records
Data Source(s)	MLS/County Records
Effective Date of Data Source(s)	Current
Effective Date of Data Source(s)	Current
Effective Date of Data Source(s)	Current
Analysis of prior sale or transfer history of the subject property and comparable sales No prior sales or transfers were found for the subject in the past 3 years, or the comparable sales in the past 12 months.	
Summary of Sales Comparison Approach See comments on page 10.	
Indicated Value by Sales Comparison Approach \$ 1,050,000	
Indicated Value by: Sales Comparison Approach \$ 1,050,000 Cost Approach (if developed) \$ 1,055,282 Income Approach (if developed) \$ N/A	
Most weight is given to the Sales Comparison Approach as it is considered the most reliable in determining the estimated Market Value for the subject, supported by the Cost Approach. The Income Approach is not applicable as the subject is not an income property.	
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. This appraisal report is intended for use only by Bayak Properties, L.L.C. Use of this report by other is not intended by the appraiser. See additional comments in 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 \$ 1,050,000 as of 9/23/10, which is the date of inspection and the effective date of this appraisal.	

Uniform Residential Appraisal Report

Dexter Appraisal Co.
File # SL10-59/Mary Fleming

ADDITIONAL COMMENTS

*The scope of this assignment is specific to the needs of the lender, the client and only intended user. All other parties that choose to rely on the appraisal report should recognize that the assignment results were not developed or reported in a manner consistent with the needs or uses of parties other than those identified by the intended user.

*Replacement cost figures used in the cost approach are for valuation purposes only. No one, client or third party, should rely on these figures for insurance purposes. The definition of market value used on page four of this report is not a definition of insurable value, and must not be interchanged. Actual reproduction costs can possibly exceed the replacement cost figures used in this appraisal.

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) Similar Lot Sales:

1) 651 E. Paseo El Mirador, Palm Springs - 0.37 Acres SOLD 5/13/10 \$320,000

2) 644 N. High Road, Palm Springs - 0.37 Acres SOLD 6/23/10 \$355,000

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	385,000
Source of cost data: Marshall & Swift Residential Cost Handbook	DWELLING	3,079 Sq Ft @ \$	168.21 = \$ 517,919
Quality rating from cost service: Excellent Effective date of cost data: 9/2010		N/A Sq Ft @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.):	Appliances, FP, Outdoor Kitchenette, Pool & Spa	= \$	105,250
REPLACEMENT COST DATA FROM MARSHALL AND SWIFT COST HANDBOOK, MODIFIED FOR LOCAL REQUIREMENTS &	Garage/Carport	708 Sq Ft @ \$	40.48 = \$ 28,600
CONDITIONS, THE RATIO OF THE ESTIMATED SITE VALUE TO	Total Estimate of Cost-New	= \$	651,829
THE ESTIMATED MARKET VALUE FALLS WITHIN THE TYPICAL	Less: Physical Functional Externals	= \$	(54,297)
RANGE FOR COMPETING OR SUBSTITUTE PROPERTIES, SITE	Depreciation	54,297	= \$
VALUE IS ESTIMATED FROM SALES OF SIMILAR VACANT	Depreciated Cost of Improvements	= \$	597,532
RESIDENTIAL SITES IN THE SUBJECT NEIGHBORHOOD.	'As-is' Value of Site Improvements	= \$	58,250
Estimated Remaining Economic Life (HUD and VA only) 55 Years	Outdoor Fountain & Ficus	= \$	14,500
	INDICATED VALUE BY COST APPROACH	= \$	1,055,282

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier = \$ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☒ No Unit type(s) ☒ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

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

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

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversionDoes the project contain any multi-dwelling units? ☐ Yes ☐ No Data SourceAre the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completionAre the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities

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Uniform Residential Appraisal Report

Dozier Appraisal Co.
File # SL10-59/Mary Fleming

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.

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Uniform Residential Appraisal Report

Dozier Appraisal Co.
File # SL10-59/Mary Fleming**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.

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Uniform Residential Appraisal Report

Dozier Appraisal Co.
File # SL10-59/Mary Fleming

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

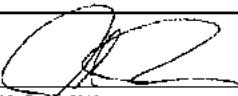
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

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

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
 Name Raymond L. Dozier, MAI
 Company Name Dozier Appraisal Company
 Company Address 73-350 El Paseo, Suite 206, Palm Desert, Ca
92260
 Telephone Number (760) 776-4200
 Email Address Email: dozierappraisal@att.net
 Date of Signature and Report September 29, 2010
 Effective Date of Appraisal 9/23/10
 State Certification # AC904590
 or State License # _____ State # _____
 or Other (describe) _____ State # _____
 State Ca
 Expiration Date of Certification or License 11/27/2010

ADDRESS OF PROPERTY APPRAISED

1254 Mary Fleming Circle
Palm Springs, Ca 92262
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 1,050,000

LENDER/CLIENT

Name Edward Bayuk
 Company Name Bayuk Properties, LLC
 Company Address 59 damonte Ranch Parkway #B335, Reno, NV
89521
 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 9/23/10
☐ 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 _____

MORABITO (341).002524

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Uniform Residential Appraisal Report

Dozier Appraisal Co.
File # SL10-59/Mary Fleming

FEATURE	SUBJECT	COMPARABLE SALE #4	COMPARABLE SALE #5	COMPARABLE SALE #6
Address	1254 Mary Fleming Circle Palm Springs, Ca 92262	1437 Culver Place Palm Springs, Ca 92262	3035 Arroyo Seco Palm Springs, Ca 92262	1065 Bella Palm Springs, Ca 92262
Proximity to Subject		0.11 miles W	4.27 miles S	4.25 miles S
Sale Price	\$ N/A	\$ 1,037,500	\$ 755,000	\$ 724,500
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 301.60 sq.ft.	\$ 225.31 sq.ft.	\$ 216.20 sq.ft.
Data Source(s)	MLS# 41360405	MLS# 21405012	MLS# 21395753	
Verification Source(s)	DOI# 576412	Doc# 426316	Doc# 248410	
VALUE ADJUSTMENTS	DESCRIPTION	+(-) \$ Adjustment	+(-) \$ Adjustment	+(-) \$ Adjustment
Sales or Financing Concessions	Cash Equiv. DOM: 31 days		Cash Equiv. REO Sale	Cash Equivalent REO Sale
Date of Sale/Time	4/17/09, -15%	-155,625	9/3/10	6/1/10
Location	Good	Similar	Similar	Similar
Leasehold/Free Simple	Fee Simple	Similar	Similar	Similar
Site	15,246 Sf.	16,998 Sf.	21,780 Sf.	20,473 Sf.
View	Mtns.	Similar	Similar	Similar
Design (Style)	Ranch	Similar	Similar	Similar
Quality of Construction	Good	Similar	Similar	Similar
Actual Age	10 / 5 Effective	10/ Similar	4/ 2 Effective	4/ 2 Effective
Condition	Good	Similar	Similar	Inferior
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count	7 3 2.5	7 3 3.5	8 4 3.5	7 3 3.5
Gross Living Area	3,079 sq.ft.	3,440 sq.ft.	3,351 sq.ft.	3,351 sq.ft.
Basement & Finished Rooms Below Grade	N/A	N/A	N/A	N/A
Functional Utility	Average/Typical	Similar	Similar	Similar
Heating/Cooling	HVAC	Similar	Similar	Similar
Energy Efficient Items	Average/Typical	Similar	Similar	Similar
Garage/Carport	3 - Attached	Similar	2 - Attached	Similar
Porch/Patio/Deck	Yes	Similar	Similar	Similar
Fireplaces	1 FP	3 FP	Similar	Similar
Pool & Spa	Yes	Similar	Similar	Similar
Upgrades	Yes	No	Similar	Similar
Net Adjustment (Total)		\$ -81,275	\$ 294,600	\$ 327,965
Adjusted Sale Price of Comparables		Net Adj. 7.8 % Gross Adj. 36.7 %	Net Adj. 39.0 % Gross Adj. 55.3 %	Net Adj. 45.3 % Gross Adj. 65.2 %
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 Sales	No Prior Sales In	3/8/10	3/30/10
Price of Prior Sale/Transfer	In The Last 3 Years	The Past 12 Months	\$811,588	\$722,500
Data Source(s)	MLS/County Records	MLS/County Records	MLS/County Records	MLS/County Records
Effective Date of Data Source(s)	Current	Current	Current	Current
Analysis of prior sale or transfer history of the subject property and comparable sales. The previous transaction for comparables sales #5 and #6 is in form of a foreclosure; not an actual sale.				
Analysis/Comments: The differences between the subject and the comparables are reflected in the adjustment grid above. All of the comparable sales are located within the subject's immediate neighborhood. They all are single family detached homes with similar gross living areas, amenities and features. Comparable sales #3 and #4 are older sales from Colony El Mirador that occurred in late 2009; the appraiser made a downward adjustment of 15% for the continued negative market conditions. Comparable sales #5 and #6 are both REO sales, an upward adjustment of \$200,000 was applied to both sales for selling under duress. The comparables price per square foot ranges from \$216.20 to \$352.46. (Gross living area adjustments are based on \$160.00 P.S.F.). The subject property has an effective age of 5 years, comparable sales #2 and #3 are newer than the subject therefore downward adjustments were made for the difference in "effective" age (adjustments based on 1% per year). Fireplaces were given \$6,000. Bathrooms were given \$9,500. Garages were given \$10,000 per full car garage. Subject property has been extensively upgraded throughout the years, consequently an upward adjustment of \$150,000 was applied to all the comparable sales. Verification of sales and upgrades were taken from MLS and Sales agents. All comparables utilized in this report were the most similar, recent, relevant comparables at the time of the inspection in the immediate market area and best reflect the subject and its value.				

Freddie Mac Form 70 March 2005

Fannie Mae Form 1004 March 2005

Form 1004 (AC) — "WinTOTAL" appraisal software by a la mode inc. — 1-800-ALAMODE

MORABITO (341).002525

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Additional Listings

Dozier Appraisal Co.
File # SL10-59/Mary Fleming

FEATURE		SUBJECT		LISTING # 1		LISTING # 2		LISTING # 3	
Address		1254 Mary Fleming Circle Palm Springs, Ca 92262		1302 Colony Way Palm Springs, Ca 92262		3059 Monte Azul Palm Springs, Ca 92264			
Proximity to Subject				0.07 miles NW		4.33 miles S			
List Price		\$ N/A		\$ 999,500		\$ 900,900		\$	
List Price/Gross Liv. Area		\$ sq.ft.		\$ 258.94 sq.ft.		\$ 287.46 sq.ft.		\$ sq.ft.	
Last Price Revision Date		N/A							
Data Source(s)		M1.S9 21388194		M1.S9 41392219					
Verification Source(s)		Doc# 1064642		Doc# 667674					
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) \$ Adjust.		DESCRIPTION	
Sales or Financing									
Concessions									
Days on Market				252 days		210 days			
Location		Good		Similar		Similar			
Leasehold/Fee Simple		Fee Simple		Similar		Similar			
Site		15,246 Sf.		15,246 Sf.		14,810 Sf.			
View		Mtns.		Similar		Similar			
Design (Style)		Ranch		Similar		Similar			
Quality of Construction		Good		Similar		Similar			
Actual Age		10 / 5 Effective		Similar		2 / 1 Effective		-27,027	
Condition		Good		Similar		Inferior		+75,000	
Above Grade		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
Room Count		7 3 2.5		8 3 3.5		8 4 4.5		-19,000	
Gross Living Area		3,079 sq.ft.		3,860 sq.ft.		3,134 sq.ft.		-8,860	
Basement & Finished		N/A		N/A		N/A			
Rooms Below Grade		N/A		N/A		N/A			
Functional Utility		Average/Typical		Similar		Similar			
Heating/Cooling		HVAC		Similar		Similar			
Energy Efficient Means		Average/Typical		Similar		Similar			
Garage/Carport		3 - Attached		2 - Attached		+10,000		+10,000	
Porch/Patio/Deck		Yes		Similar		Similar			
Pool & Spa		Yes		Similar		Similar			
Fireplaces		1 FP		Similar		Similar			
Upgrades		Yes		No		+150,000		+150,000	
Net Adjustment (Total)				+ 25,540		+ 180,173			
Adjusted List Price				Net: 2.6 %		Net: 20.0 %		Net: %	
of Comparables				Gross: 29.5 % \$ 1,025,040		Gross: 32.2 % \$ 1,081,073		Gross: % \$	
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		LISTING # 1		LISTING # 2		LISTING # 3	
Date of Prior Sale/Transfer		No Prior Sales		No Prior Sales		No prior sales			
Price of Prior Sale/Transfer		In The Last 3 Years		In The Past 12 Months		In the last 12 Months			
Data Source(s)		M1.S/County Records		M1.S/County Records		M1.S/County Records			
Effective Date of Data Source(s)		Current		Current		Current			
Comments: No prior sales or transfers were found for the above listings.									
Comparable listing #1 is within Colony El Mirador and is significantly bigger than the subject; downward adjustments were made for gross living area.									
Comparable #2 is within a competing development and is newer than the subject, downward adjustments were applied for the difference in age.									
Comparable listing #2 also has a few items unfinished (i.e. flooring & fixtures) and is being sold "as is", consequently the appraiser made an upward adjustment of \$75,000 for its inferior condition.									

March 2005

Form 1004(AL) — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002526

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Supplemental Addendum

File No. SL10-59/Mary Fleming

Owner	Bayuk Properties, LLC		
Property Address	1254 Mary Fleming Circle		
City	Palm Springs	County	Riverside
Appraiser	Raymond L. Dezier, MAI	State	Ca
		Zip Code	92262

DATE OF INSPECTION: 9/23/10

APPRAISAL DEVELOPMENT AND REPORTING PROCESS: SUMMARY APPRAISAL REPORT**PURPOSE, FUNCTION, AND SCOPE OF THE APPRAISAL:**

This is a Summary Appraisal Report intended for use by the lender/client and/or their assigns for a portfolio management only. This report is not intended for any other use. This Summary Appraisal Report is intended to comply with reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). As such it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation that is not provided with the report concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of the discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. The appraiser is not responsible for unauthorized use of this report.

The appraiser's investigation and field analysis of the area and neighborhood trends which include a sufficient number of pertinent comparable sales, active listings and any land sales, enabled the appraiser to establish and estimate the market value of the subject property.

The scope of this assignment does not include any attempt at discovery (or reporting) of potentially adverse neighborhood influences such as, but not limited to: nearby criminal activity, registered sex offenders, or interim rehabilitative facilities for felonious offenders.

This appraisal is not a home inspection and the appraiser is not acting as a home inspector when preparing the report. The borrower has the right to have the home inspected by a professional home inspector. When performing the inspection of this property, the appraiser visually observed areas that were readily accessible. The appraiser is not required to disturb or move anything that obstructs access or visibility. The inspection does not offer warranties or guarantees of any kind.

Any additions are assumed to be legally permitted and the appraiser reserves the right to amend the final value if found otherwise.

Attics and crawlspaces are not part of the appraiser's complete visual inspection. Consequently, the appraisal does not address quality or condition issues related to attic or crawlspace areas.

The data for the comparables utilized in this appraisal report was verified with two or more of the following sources: MLS-Multiple Listing Service, Title Co., Experian, MetroScan, local Real Estate Brokers, Title Companies and the buyers, sellers and/or agents for the buyers and sellers. Some comparables photos were taken from MLS.

REASONABLE EXPOSURE TIME FOR SUBJECT PROPERTY:

Reasonable Exposure time is the estimated length of time a property being appraised would have been offered on the market prior to the hypothetical consummation of a sale, at market value, on the effective date of the appraisal. It is a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Per a review of sales and listing data information, including, but not limited to, the local Multiple Listing Service, the reasonable estimated exposure time for subject property as of the valuation is four to six months, if priced competitively.

Also, the reader will note the appraiser estimated a marketing time to sell this property after the date of this appraisal at 10 to 12 months. Consequently, due to the current negative economic conditions, if the property must be sold prior to this 10 to 12 month exposure period after the date of this appraisal, the sales price would be considered a liquidation value which could be significantly less than the appraisal market value.

SITE VALUE:

Typically, there are three recognized approaches to land or site valuation: Sales Comparison, Extractions, and ground rent capitalization where applicable. There are variations on these basic approaches. For residential site valuation, the direct sales comparison, allocation or extraction are typically the most applicable approaches. The most recent, vacant sites within the subject neighborhood were analyzed and shown below. Site/view/location adjustments are based upon the differences between the estimated market value of the subject lot (as if vacant and available for use) and the estimated market value of the comparable sales (as if vacant and available for use).

Site Value for the subject was determined by the Extraction Method and similar vacant lot sales within similar neighborhoods in Palm Springs and estimated at \$385,000.

While no adverse site conditions or external factors were observed, many site-related issues are beyond the scope of this assignment and the expertise of the appraiser. Unless otherwise noted, standard utility and right-of-way easements are insignificant to value. However, a current locational or boundary survey, which was unavailable to the appraiser, may reveal encroachments, easements, zoning violations, or other matters of interest that could warrant modification of the appraiser's analysis and opinions. This appraisal is not an environmental assessment of the subject property and should not be relied on as such.

Supplemental Addendum

File No. SL10-59/Mary Fleming

Owner	Bayuk Properties, LLC		
Property Address	1254 Mary Fleming Circle		
City	Palm Springs	County	Riverside
Appraiser	Raymond L. Dozier, MAI	State	Ca
		Zip Code	92262

IMPROVEMENTS (Additional Features):

Double door entry, solid wood doors, 12" ceilings, recessed lighting, ceiling lights and fans, arched hallways, custom blinds throughout. Kitchen with stainless steel appliances and custom cabinetry, granite counter tops, Miele oven, Thermador stove, Fisher & Paykel double dish washer, Sub Zero fridge, double bread warmer and an island with sink. Fireplace has a granite mantle with custom built-in's. Formal dining room with built-in's, wet bar in living room. Custom built-in entertainment center in family room and custom shelves and desk in office room. Covered patio with outdoor kitchenette.

FINAL RECONCILIATION:

The comparison approach is based on the principle of substitution, which essentially states that a willing buyer will pay no more for a property than the cost of acquiring a similar property of equal functionality. Six closed sales are profiled on the attached URAR form report, as well as two active listings within the subject's immediate neighborhood. All comparable sales used in this report are from within the subject's immediate and competing neighborhoods and are representative of the most recent and comparable sales available. The sales used are adjusted where indicated for salient differences. Information regarding specifics of each comparable sale was taken from MLS-Multiple Listing Service, verified through principals involved where necessary. The sales used are considered reliable indicators of subject's estimated market value as of the date of inspection.

The adjusted range of value in the Sales Comparison Approach is from \$956,225 to \$1,069,450. All sales were analyzed to arrive at estimated market value for subject. The indicated Market Value by the Sales Comparison Approach is \$1,050,000 supported by the Cost Approach at \$1,055,282. The Income Approach was not utilized, as subject is a single family residence and not utilized for income purposes.

Most weight was given to the Sales Comparison Approach, since it is the approach which recognizes the amount of contributory value that the market will pay for the Subject's design features, upgrades and location.

The Estimated "As Is" Market value of the Fee Simple Interest as of the date of 9/23/10 is:

\$1,050,000 (\$341.02/SF)

ONE MILLION FIFTY THOUSAND DOLLARS
(REASONABLE EXPOSURE TIME 6-8 MONTHS)

SUPPLEMENTAL CERTIFICATIONS:

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

In addition, I certify that, to the best of my knowledge and belief, the reported analysis, opinions and conclusions were developed, and this report was prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

As of the date of this report, Raymond L. Dozier, MAI has completed the requirements of the continuing education program of the Appraisal Institute.

Subject Photos

Owner	Bayak Properties, LLC				
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Ca Zip Code 92262
Appraiser	Raymond L. Dozier, MAI				

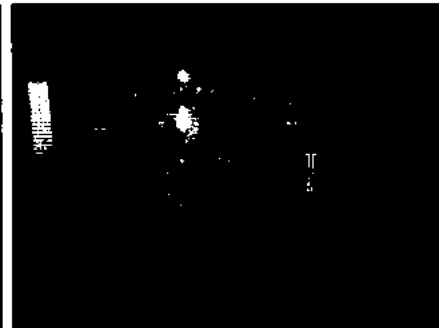
**Subject Front**

Sales Price
 Gross Living Area 3,079
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location
 View
 Site 15,246 Sq.
 Quality Good
 Age 10 / 5 Effective

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

Subject Photos

Owner	Bavuk Properties, LLC				
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Ca Zip Code 92262
Appraiser	Raymond L. Dozer, MAI				



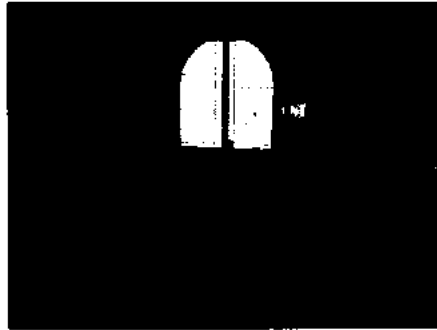
Form PICSIX2 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002530

4846

Subject Photos

Owner	Bayak Properties, L.L.C.		
Property Address	1254 Mary Fleming Circle		
City	Palm Springs	County	Riverside
		State	Ca
Appraiser	Raymond L. Dozier, MAI	Zip Code	92262



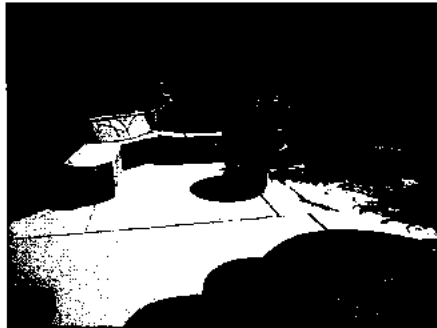
Form PICS002 — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002531

4847

Subject Photos

Owner	Bayak Properties, LLC		
Property Address	1254 Mary Fleming Circle		
City	Palm Springs	County	Riverside
Appraiser	Raymond L. Dozier, MAI	State	Ca
		Zip Code	92262



Form PICSD2 — "WinTOTAL" appraisal software by a la mode, Inc. — 1-800-ALAMODE

MORABITO (341).002532

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Comparable Photo Page

Owner	Bayak Properties, LLC				
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Ca
Appraiser	Raymond L. Dodier, MAI				
				Zip Code	92262

**Comparable 1**

1380 E. Tacheva Drive
 Prox. to Subject 0.18 miles S
 Sales Price 900,000
 Gross Living Area 2,846
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 3.5
 Location Similar
 View Similar
 Site 16,117 SF.
 Quality Similar
 Age 6/ Similar

**Comparable 2**

3133 Barons Road
 Prox. to Subject 4.48 miles S
 Sales Price 950,000
 Gross Living Area 3,100
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location Similar
 View Similar
 Site 24,828 SF.
 Quality Similar
 Age 1/ 4 Effective

**Comparable 3**

1150 E. El Paseo El Mirador
 Prox. to Subject 0.16 miles W
 Sales Price 1,000,000
 Gross Living Area 2,834
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 3.5
 Location Similar
 View Similar
 Site 20,037 SF.
 Quality Similar
 Age 11/ Similar

Comparable Photo Page

Owner	Bayak Properties, L.L.C.				
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Ca
				Zip Code	92262
Appraiser	Raymond L. Dozier, MAI				



Comparable 4

1437 Culver Place
 Prox. to Subject 0.11 miles W
 Sales Price 1,037,500
 Gross Living Area 3,440
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 3.5
 Location Similar
 View Similar
 Site 16,998 S.F.
 Quality Similar
 Age 10y Similar



Comparable 5

3035 Arroyo Seco
 Prox. to Subject 4.27 miles S
 Sales Price 755,000
 Gross Living Area 3,351
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 3.5
 Location Similar
 View Similar
 Site 21,780 S.F.
 Quality Similar
 Age 4/2 Effective



Comparable 6

1065 Bella
 Prox. to Subject 4.25 miles S
 Sales Price 724,500
 Gross Living Area 3,351
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 3.5
 Location Similar
 View Similar
 Site 20,473 S.F.
 Quality Similar
 Age 4/2 Effective

Listing Photo Page

Owner	Bayuk Properties, LLC				
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Ca Zip Code 92262
Appraiser	Raymond L. Dozier, MAI				



Listing 1

1302 Colony Way
 Proximity to Subject 0.07 miles NW
 List Price 999,500
 Days on Market 252 days
 Gross Living Area 3,860
 Total Rooms 8
 Total Bedrooms 5
 Total Bathrooms 3.5
 Age Similar



Listing 2

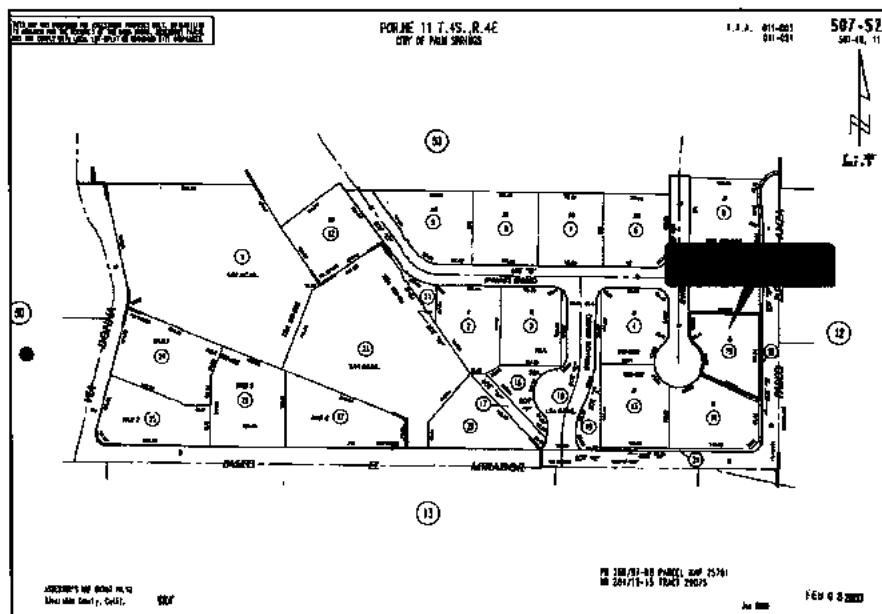
3059 Monte Azul
 Proximity to Subject 4.33 miles S
 List Price 900,900
 Days on Market 210 days
 Gross Living Area 3,134
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 4.5
 Age 2/1 Effective

Listing 3

Proximity to Subject
 List Price
 Days on Market
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Age

Plat Map

Owner	Bayuk Properties, LLC				
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Ca Zip Code 92262
Appraiser	Raymond L. Dozier, MAI				



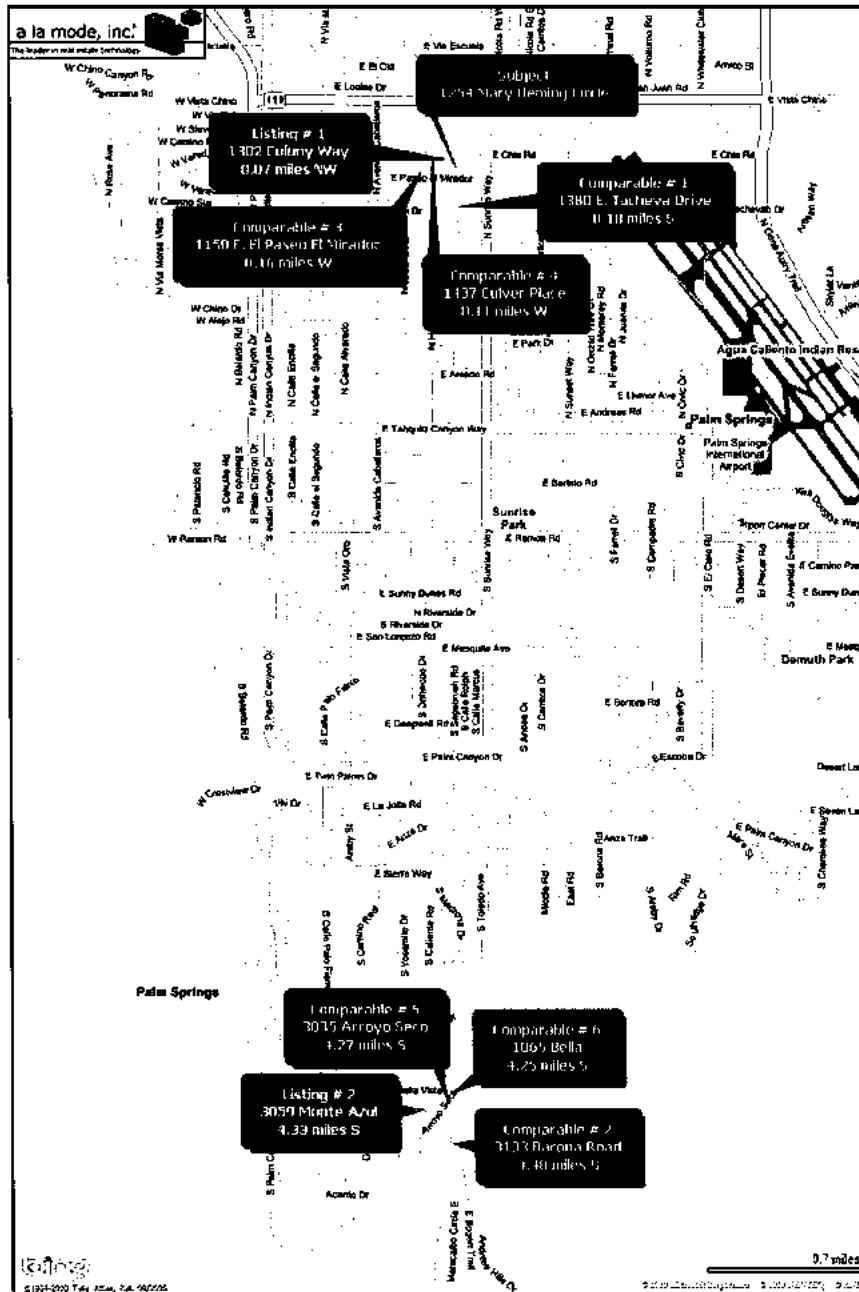
Form MAP10C — "WinTOTAL" appraisal software by a la made, Inc. — 1-800-ALAMODE

MORABITO (341).002536

4852

Location Map

Owner	Bayak Properties, LLC		
Property Address	1254 Mary Fleming Circle		
City	Palm Springs	County	Riverside
State	Ca	Zip Code	92262
Appraiser	Raymond L. Dodier, MAI		



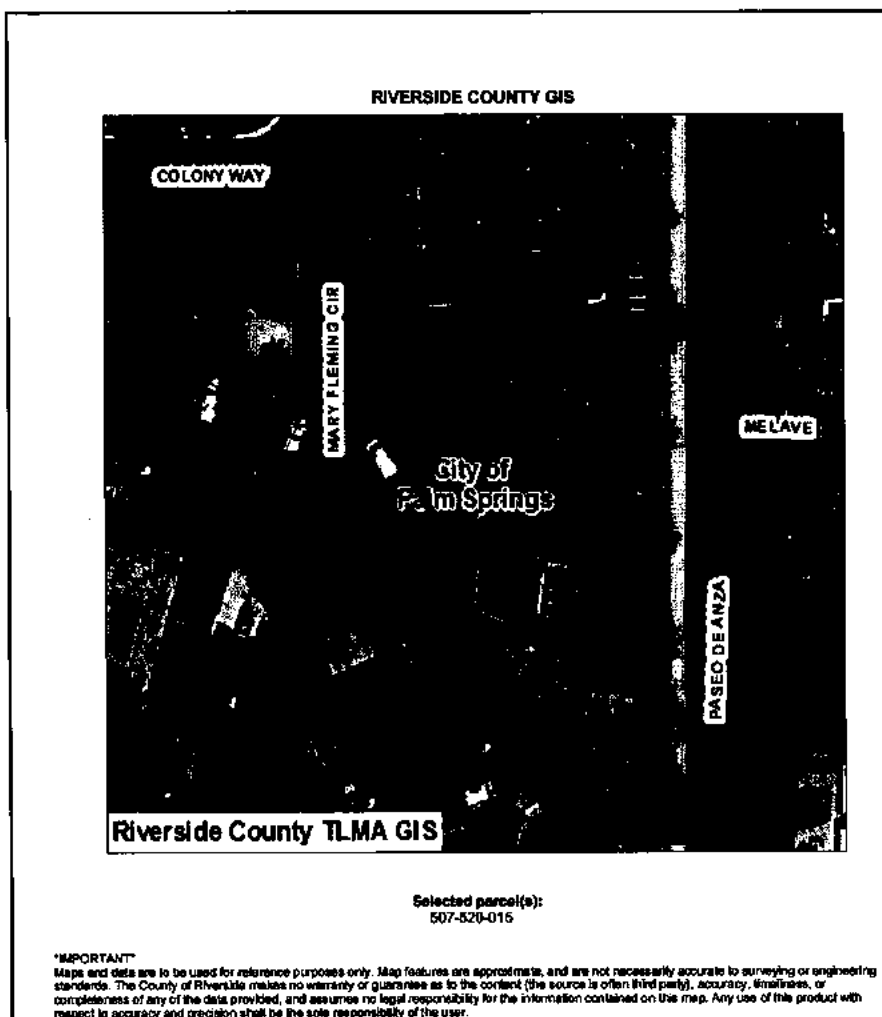
Form MAPLOC — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

MORABITO (341).002537

4853

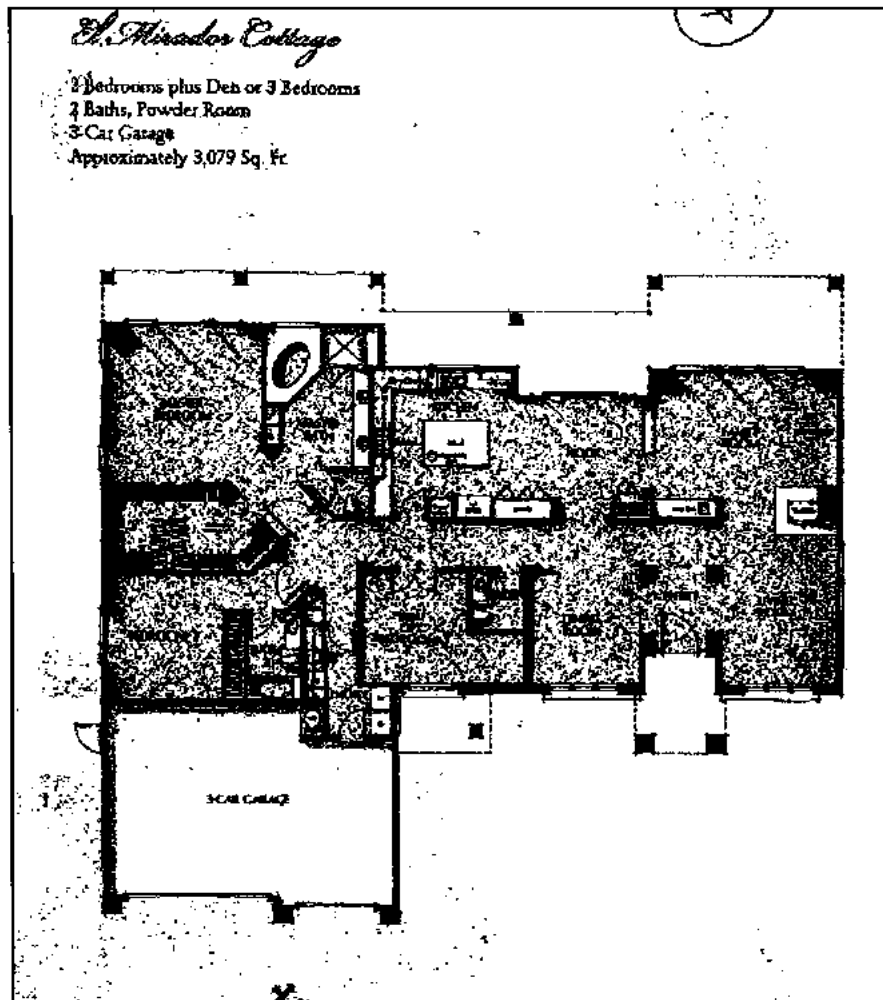
Aerial Map

Owner	Bayuk Properties, LLC		
Property Address	1254 Mary Fleming Circle		
City	Palm Springs	County	Riverside
State	Ca	Zip Code	92262
Appraiser	Raymond L. Dozier, MAI		



Building Sketch

Owner	Bayuk Properties, LLC				
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Ca Zip Code 92262
Appraiser	Raymond J. Dozier, MAI				



Form MAPLOC — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

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Flood Map

Owner	Bayuk Properties, LLC				
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Cu
Appraiser	Raymond L. Dozier, MAI		Zip Code	92262	



Flood Insights test results for:

1254 MARY FLEMING CIR, PALM SPRINGS, CA 92262
 Geocoding Accuracy: 33 - Matched to Street Address (Best)

Flood Zone Determinations

Test Description

SFHA (Flood Zone) Within 250 feet of multiple flood zones?
 Out No

Zone	Community	Community Name	Panel	Panel Date	Cobra Map Number
X	060257	PALM SPRINGS, CITY OF	1559G	August 28, 2008	OUT 06065C1559G
FIPS Code		Census Tract			
06065		0446.02			

Copyright 2000, First American Flood Data Services. All rights reserved.

Zoom In // Zoom Out // Manual Placement *What's This?* // Distance // R Zoom Level (Miles)

FloodMap Legend
 Flood Zones
 Areas translated by 100-year flooding
 Areas outside of the 100- and 500-year floodplains
 Areas translated by 100-year flooding
 Areas translated by 100-year flooding with velocity hazards
 Floodway areas
 Floodway areas with velocity hazards
 Areas of undetermined but possible flood hazards
 Areas not mapped on any published FIRM
 Copyright 2008, CDB Business Mapping. All rights reserved.

Display Layer On/Off
 Flood Zone Determinations F
 Redraw Map

Note: Some map information may not appear as zoom level changes.

This Report is for the sole benefit of the Customer that ordered and paid for the Report and is based on the property information provided by that Customer. That Customer's use of this Report is subject to the terms and conditions of the license agreement for this product. No third party is authorized to use or rely on this Report for any purpose. NEITHER FIRST AMERICAN FLOOD DATA SERVICES NOR THE SELLER OF THIS REPORT MAKES ANY REPRESENTATIONS OR WARRANTIES TO ANY PARTY CONCERNING THE CONTENT, ACCURACY OR COMPLETENESS OF THIS REPORT, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Neither FIRM nor the seller of this Report shall have any liability to any third party for any use or misuse of this Report.

Form MAP LT.LOC — "WinTOTAL" appraisal software by La mode, Inc. — 1-800-ALANODE

MORABITO (341).002540

4856

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia, except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

MORABITO (341).002541

4857


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

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

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

ADDRESS OF PROPERTY APPRAISED: 1254 Mary Fleming Circle, Palm Springs, Ca 92262

APPRAISER:

Signature: 
 Name: Raymond L. Doherty, MAI
 Date Signed: September 29, 2010
 State Certification #: AG004599
 or State License #: _____
 State: Ca
 Expiration Date of Certification or License: 11/27/2010

SUPERVISORY APPRAISER (only if required):

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



☐ Did ☐ Did Not Inspect Property

MORABITO (341).002542

4858

Real Estate Appraisers License

Owner	Baynk Properties, LLC				
Property Address	1254 Mary Fleming Circle				
City	Palm Springs	County	Riverside	State	Ca Zip Code 92262
Appraiser	Raymond L. Dozier, MAI				

	
Business, Transportation & Housing Agency OFFICE OF REAL ESTATE APPRAISERS REAL ESTATE APPRAISER LICENSE	
OREA APPRAISER IDENTIFICATION NUMBER	AG004590
RAYMOND L. DOZIER	
has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".	
This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.	
Audit No. 112673	
OFFICE OF REAL ESTATE APPRAISERS 	
Date Issued: November 28, 2008 Date Expires: November 27, 2010	



Loan Number:
Statement Period: 01/2006

Property Address:
8355 PANCHAMA DR
RENO, NV 88511

This tax was received by CFI Paymaker tax server. For more information, visit <http://www.cfi.com>

Transaction Date	Description	Total Payment	PMT/Mo	Principal Balance	Interest	Escrow Balance	Optional	Buydown	Late Charges	Unapplied Total
11/01/2005	REGULAR PAYMENT	6,683.72	11/2005	1,364.22	5,328.50	.00	.00	.00	.00	.00
12/01/2005	REGULAR PAYMENT	6,683.72	12/2005	1,361.13	5,322.59	.00	.00	.00	.00	.00
12/31/2005	REGULAR PAYMENT	6,683.72	01/2010	1,041,451.40	5,315.64	.00	.00	.00	.00	.00
02/01/2010	REGULAR PAYMENT	6,683.72	02/2010	1,040,063.32	5,309.66	.00	.00	.00	.00	.00
03/01/2010	REGULAR PAYMENT	6,683.72	03/2010	1,038,688.26	5,303.68	.00	.00	.00	.00	.00
04/01/2010	REGULAR PAYMENT	6,683.72	04/2010	1,037,306.18	5,297.49	.00	.00	.00	.00	.00
05/01/2010	REGULAR PAYMENT	6,683.72	05/2010	1,035,917.04	5,291.34	.00	.00	.00	.00	.00
06/01/2010	REGULAR PAYMENT	6,683.72	06/2010	1,034,520.01	5,285.00	.00	.00	.00	.00	.00
07/01/2010	REGULAR PAYMENT	6,683.72	07/2010	1,033,117.46	5,278.80	.00	.00	.00	.00	.00
08/01/2010	REGULAR PAYMENT	6,683.72	08/2010	1,031,706.04	5,272.50	.00	.00	.00	.00	.00
09/01/2010	REGULAR PAYMENT	6,683.72	09/2010	1,030,289.42	5,266.00	.00	.00	.00	.00	.00
10/01/2010	REGULAR PAYMENT	6,683.72	10/2010	1,028,869.27	5,259.77	.00	.00	.00	.00	.00
11/01/2010	REGULAR PAYMENT	6,683.72	11/2010	1,027,432.04	5,253.49	.00	.00	.00	.00	.00
12/01/2010	REGULAR PAYMENT	6,683.72	12/2010	1,025,982.50	5,246.86	.00	.00	.00	.00	.00
12/31/2010	REGULAR PAYMENT	6,683.72	01/2011	1,024,546.62	5,239.45	.00	.00	.00	.00	.00
01/01/2011	REGULAR PAYMENT	6,683.72	02/2011	1,023,097.35	5,232.03	.00	.00	.00	.00	.00
02/01/2011	REGULAR PAYMENT	6,683.72	03/2011	1,021,629.63	5,224.57	.00	.00	.00	.00	.00
03/01/2011	REGULAR PAYMENT	6,683.72	04/2011	1,020,150.51	5,217.07	.00	.00	.00	.00	.00
04/01/2011	REGULAR PAYMENT	6,683.72		1,018,662.18		.00	.00	.00	.00	.00

Superpumper 001353

Loan Number: 09/2009
Statement Period:

Property Address:
371 EL CAMINO DEL MAR
LAGUNA BEACH, CA 92651

Page 4

Transaction Date	Description	Total Payment	PMT/Mo	Principal Balance	Interest	Escrow Balance	Optional	Buydown	Late Charges	Unapplied Total
Beginning Balance				883,000.00	.00	.00				.00
09/17/2009	REGULAR PAYMENT	5,080.26	09/2009	883,000.00	4,135.26	.00	.00	.00	.00	.00
10/01/2009	REGULAR PAYMENT	5,080.26	10/2009	882,085.12	4,130.86	.00	.00	.00	.00	.00
11/02/2009	REGULAR PAYMENT	5,080.26	11/2009	881,165.82	4,126.51	.00	.00	.00	.00	.00
12/01/2009	REGULAR PAYMENT	5,080.26	12/2009	880,162.07	4,122.05	.00	.00	.00	.00	.00
12/31/2009	REGULAR PAYMENT	5,080.26	01/2010	879,183.06	4,117.56	.00	.00	.00	.00	.00
02/03/2010	REGULAR PAYMENT	5,080.26	02/2010	878,231.46	4,113.05	.00	.00	.00	.00	.00
03/01/2010	REGULAR PAYMENT	5,080.26	03/2010	877,298.95	4,108.52	.00	.00	.00	.00	.00
04/06/2010	REGULAR PAYMENT	5,080.26	04/2010	876,382.21	4,104.00	.00	.00	.00	.00	.00
04/09/2010	MISC. POSTING	6.00	04/2010	876,388.21	.00	.00	.00	.00	.00	.00
04/20/2010	REGULAR PAYMENT	5,080.26	05/2010	875,308.59	4,099.47	.00	.00	.00	.00	.00
06/03/2010	REGULAR PAYMENT	5,080.26	06/2010	874,229.01	4,094.92	.00	.00	.00	.00	.00
07/01/2010	REGULAR PAYMENT	5,080.26	07/2010	873,143.52	4,090.36	.00	.00	.00	.00	.00
08/03/2010	REGULAR PAYMENT	5,080.26	08/2010	872,053.42	4,085.82	.00	.00	.00	.00	.00
09/03/2010	REGULAR PAYMENT	5,080.26	09/2010	870,958.88	4,081.26	.00	.00	.00	.00	.00
10/04/2010	REGULAR PAYMENT	5,080.26	10/2010	869,859.29	4,076.71	.00	.00	.00	.00	.00
11/01/2010	REGULAR PAYMENT	5,080.26	11/2010	868,755.20	4,072.15	.00	.00	.00	.00	.00

This tax was received by CFI FaxMaker tax server. For more information visit: <http://www.cfi.com>



Loan Number:
Statement Period: 09/2009 - 09/2011

Property Address:
370 LOS OLIVOS
LAGUNA BEACH, CA 92651

Transaction Date	Description	Total Payment	PMT/Mo	Principal Balance	Interest	Escrow Balance	Optional	Buydown	Late Charges Total	Unapplied Total
09/17/2009	REGULAR PAYMENT	878.36	09/2009	1,059,000.00	878.36	.00	.00	.00	.00	.00
10/17/2009	REGULAR PAYMENT	6,092.85	10/2009	1,139.21	4,953.65	.00	.00	.00	.00	.00
11/16/2009	REGULAR PAYMENT	6,092.85	11/2009	1,057,885.79	4,954.34	.00	.00	.00	.00	.00
12/16/2009	REGULAR PAYMENT	6,092.85	12/2009	1,138.52	4,954.34	.00	.00	.00	.00	.00
01/14/2010	REGULAR PAYMENT	6,092.85	01/2010	1,056,728.27	4,912.55	.00	.00	.00	.00	.00
02/12/2010	REGULAR PAYMENT	6,092.85	02/2010	1,143.89	4,912.55	.00	.00	.00	.00	.00
03/12/2010	REGULAR PAYMENT	6,092.85	03/2010	1,054,485.21	4,938.27	.00	.00	.00	.00	.00
04/09/2010	REGULAR PAYMENT	6,092.85	04/2010	1,053,280.82	4,937.43	.00	.00	.00	.00	.00
05/08/2010	REGULAR PAYMENT	6,092.85	05/2010	1,169.00	4,921.97	.00	.00	.00	.00	.00
06/07/2010	REGULAR PAYMENT	6,092.85	06/2010	1,050,985.18	4,918.40	.00	.00	.00	.00	.00
07/07/2010	REGULAR PAYMENT	6,092.85	07/2010	1,175.37	4,905.45	.00	.00	.00	.00	.00
08/05/2010	REGULAR PAYMENT	6,092.85	08/2010	1,049,807.93	4,898.89	.00	.00	.00	.00	.00
09/03/2010	REGULAR PAYMENT	6,092.85	09/2010	1,187.83	4,895.06	.00	.00	.00	.00	.00
10/03/2010	REGULAR PAYMENT	6,092.85	10/2010	1,065,228.64	4,884.30	.00	.00	.00	.00	.00
11/01/2010	REGULAR PAYMENT	6,092.85	11/2010	1,192.98	4,883.69	.00	.00	.00	.00	.00
12/01/2010	REGULAR PAYMENT	6,092.85	12/2010	1,061,987.10	4,883.04	.00	.00	.00	.00	.00

This tax was received by GT TaxMaker tax server. For more information, visit: <http://www.gtll.com>

Bank Customer Number Invoice Number Due Date Payment Due BI Mail Code 3

16 0080304222 1010215196 10-01-10 12,570.89

Principal Due: 5,784.73
Interest Due: 6,786.16

1010215196
BANK OF AMERICA NA

PO BOX 45144
FLS-100-04-24 BUILDING 100 4TH FLOOR
JACKSONVILLE FL 32252-9925
Payment Due Date: 10-01-10

BARUK PROPERTIES LLC
59 DANONTE BANCH PKWY B335
RENO NV 89521-1104

*If full payment is not made promptly,
a late fee will be assessed in
accordance with the terms of your note.

Amount Enclosed:

SERV UNIT 20000 PRIVATE BANK - ST LOUIS
Obligation Number(s): 000000026

YOUR CHECKING ACCOUNT WILL BE DEBITED FOR THE TOTAL OF THIS INVOICE ON OCTOBER 1, 2010.

BARUK PROPERTIES LLC			Customer Number 00-0030422-2	Invoice Date 09-17-10	Page 1 of 1
Obligation Number	Eff. Dates On/From	Account Activity Description	At % rate of	Principal Balance	Amount Due
26	09-01-10	Principal Due Interest Thru 09-30-10 Total Principal Due Total Interest Due	5.965	1,365,194.62	5,784.73 6,786.16 5,784.73 6,786.16
Adjustment Codes:				Total Due This Invoice	12,570.89
(M) - An adjustment has been made to your loan (P) - An adjustment was caused by a backdated principal transaction (R) - An adjustment was caused by a backdated rate change (B) - An adjustment was caused by both a backdated principal transaction and backdated rate change				Date Due	10-01-10

BANK OF AMERICA NA
PO BOX 45144
FLS-100-04-24 BUILDING 100 4TH FLOOR
JACKSONVILLE FL 32252-9925

Superpumper 001354

4863



Page 1 of 3

Loan Number:	10754
Statement Date:	10/09/10
Payment Due Date:	10/09/10
Property Address:	1754 State Flower Circle Buckey, GA 30602

[illegible]

Visit our website at chase.com to learn about offers for Chase mortgage customers.

Activity Since Your Last Statement							
TRANSACTION DESCRIPTION	TRANSACTION DATE	TOTAL DEPOSIT	PRINCIPAL	INTEREST	ESROW	OPTIONAL PRODUCTS	miscellaneous or fees
PAYMENT	10/26/94	\$2,308.04	\$1,486.85	\$825.19			

Scheduled payments received 15 or more days after the Scheduled Due Date are subject to a late charge of \$15.70

Helpful Information: For questions about your form please review the enclosed insert and keep it on hand for future reference. Contacting the right department can get you answers faster.

Please be advised, when you provide your telephone contact information, including cell phone numbers, the bank will assume your expressed consent to contact you at this number, including but not limited to, automated calls and leaving pre-recorded messages. If you do not wish to be contacted at a certain number, please contact us to advise, and will rotate your account only to call you manually, via a live representative or, at your request, remove that number from our system.

For additional information about your payment options, please see the reverse side of the statement.

DO NOT rely on the actual balance as a payoff quote. Additional amounts may be due for interest, late charges, service advances, or other related costs. You may request a payoff, just by calling us at 1-800-848-9126.

PLEASE PRINT and return the bottom portion of this statement with your payment using the enclosed envelope.

Please write in your payment amount, explain the Total Estimated Due amount of the Addressed Payment System, and indicate how long you will pay and how much of the total. If you include additional information, do not indicate how to apply them. We will apply them first to the applicable addresses, then to any fees due, and then principal.

☐ If you check this box, you agree to publish all responses received to your survey on this site. You cannot edit or delete any responses.

CHASE
PG BOX 78148
PHOENIX AZ 85082-8148

Loan Number: 10754
PAOLINO CRABITO

Payment Due Date:	December 31, 2010
Current Payment:	\$2,337.95
Total Minimum Due (Less Charge):	\$1,460.95
Late Fees may apply if received after December 15, 2010	
Total Minimum Due:	\$2,337.95

Payment Amount	
Late Charge	
Amortized Principal	
(Additional) Interest	
Total Amount Enclosed	

15000050261 00000579107510

Superpumper 001350

4864

**WEST COAST
ESCROW**

West Coast Escrow
9000 Sunset Blvd., #100 Los Angeles CA 90069
Phone: (310) 859-3860
Fax: (310) 859-5515
Escrow Officer: Anthony J. Leonard



SS-26776

Final Settlement Statement

Property: 771 E. Camino Del Mar
Laguna Beach, CA 92653

Closed Date: 12/01/2010

Seller: Paul A. Morabito, Trustee of Arcadia Living Trust

Escrow Number: SS 26776

Buyer: Edward William Bayuk, Trustee of Edward William Bayuk Living Trust

	<u>Buyer's Side</u>		<u>Seller's Side</u>	
	<u>Debits</u>	<u>Credits</u>	<u>Debits</u>	<u>Credits</u>
Purchase Price				
Contract Sales Price	\$1,462,500.00		\$1,462,500.00	
Receipts				
Deposit or earnest money		\$7,512.75		
Prorations				
Transfer on Closing Costs	\$6,026.75			\$6,026.75
Transfer of Ownership		\$1,462,500.00	\$1,462,500.00	
Escrow Fees				
Escrow Fee	\$1,462.00			
Escrow Fee			\$1,462.00	
Notary Fee			\$10.00	
Recording Fees				
Grant Deed (Recording)	\$6.00			
Documentary Transfer Tax - County			\$1,605.75	
Title Charges				
Owners Coverage to FIRST AMERICAN TITLE COMPANY			\$2,940.00	
Proceeds or Balance Due				
Borrower Refund	\$24.00			
Balance Due		\$0.00		\$0.00
Balance Due				
Totals:	\$1,470,012.75	\$1,470,012.75	\$1,468,526.75	\$1,468,526.75

Save this Statement for Income Tax purposes.

MORABITO (341).006962

4865

SS-26777 As of 10/5/2010 3:59:21 PM

**WEST COAST
ESCROW**

West Coast Escrow
9000 Sunset Blvd., #100 Los Angeles CA 90069
Phone: (310) 859-5860
Fax: (310) 859-5915
Escrow Officer: Anthony J Leonard



SS-26777

Final Settlement Statement

Property Address: Oceanside, CA 92051
Closed Date: 10/01/2010
Seller: Tom A. Morabito, Trustee of Arcadia Living Trust
Escrow Number: SS-26777
Buyer: Edward William Bayuk, Trustee of Edward William Bayuk Living Trust

	<u>Buyer's Side</u>		<u>Seller's Side</u>	
	<u>Debits</u>	<u>Credits</u>	<u>Debits</u>	<u>Credits</u>
Purchase Price				
Contract Sales Price	\$950,000.00		\$950,000.00	
Receipts		\$5,222.00		
Deposit of earnest money				
Prorations				
Transfer of closing costs	\$4,242.00		\$4,242.00	
Transfer of Ownership		\$950,000.00	\$950,000.00	
Escrow Fees				
Escrow Fee	\$950.00			
Escrow Fee			\$950.00	
Notary Fee			510.00	
Recording Fees				
Grant Deed (Recording)	56.00			
Documentary Transfer Tax - County			\$5,000.00	
Title Charges				
Owner's Charge to FIRST AMERICAN TITLE COMPANY			\$2,227.00	
Proceeds or Balance Due				
Buyer's Payment	\$24.00			
Balance Due		\$5.00		\$0.00
Balance Due				\$0.00
Totals:	\$955,222.00	\$955,222.00	\$954,242.00	\$954,242.00

Save this Statement for Income Tax purposes.

MORABITO (341).006961

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)

- a) 040-620-09
b) _____
c) _____
d) _____

2. Type of Property

- a) ☐ Vacant Land b) ☒ Single Fam. Res.
c) ☐ Condo/Twnhse d) ☐ 2-4 Plex
e) ☐ Apt. Bldg. f) ☐ Comm'l/Ind'l
g) ☐ Agricultural h) ☐ Mobile Home
i) ☐ Other _____

FOR RECORDERS OPTIONAL USE

Book _____ Page: _____

Date of Recording: _____

Notes: _____

3. a) Total Value/Sales Price of Property: \$981,341.00
b) Deed in Lieu of Foreclosure Only (value of (\$))
c) Transfer Tax Value: \$981,341.00
d) Real Property Transfer Tax Due \$4,024.15

4. If Exemption Claimed:

- a. Transfer Tax Exemption, per 375.090, Section: _____
b. Explain reason for exemption: _____

5. Partial Interest: Percentage being transferred: _____ %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature: [Signature] Capacity: Buyer
Signature: [Signature] Capacity: Seller

**SELLER (GRANTOR) INFORMATION
(REQUIRED)**

Print Name: Edward Bayuk
Address: 668 North Pacific Coast Hwy.,
City: Laguna Beach
State: CA Zip: 92651

**BUYER (GRANTEE) INFORMATION
(REQUIRED)**

Print Name: ARCADIA LIVING TRUST
Address: 8581 Santa Monica Blvd.,
City: West Hollywood
State: CA Zip: 90089

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)

First American Title Insurance
Print Name: Company File Number: 121-2401499 KLB/KLB
Address: 5310 Kietzke Lane, Suite 100
City: Reno State: NV Zip: 89511-2043

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED)

MORABITO (341).006932

CONDITIONS, COVENANTS AND RESTRICTIONS (CCRS)


Escrow No.: 121-2401499

Subject Property Address: 8355 Panorama Drive. Reno, NV 89511

Enclosed are the CC&R'S as disclosed in the Commitment for Title Insurance covering the above described property. First American Title Insurance Company provides these documents for your review and approval. Please review these documents and acknowledge below.

Thank you.

Received, Read and Approved By:


Paul Morabito

Dated: 10/1/10

MORABITO (341).006933

Bank of America

CONFIDENTIAL[Back to Home Page](#)**Conventional Jumbo - 1419**
#355 PANDORA DR**Payment Summary**

03/21/2011 Next payment due

\$5,563.72 Payment amount due

03/16/2011 Late charge date

Pay Now >

Payment breakdown as of 03/20/11

\$5,603.72 Principal and interest

\$5,643.72 Total monthly payment

How can I access my year end statement for information?

You can view these documents online and print them for the 2010 tax filing year. Select the Statements tab and find the Year End Statements section. Select the link for the year's statement. To print these documents, select the Print tab page link on the Year End Statement screen. You may also access up to 2 years' worth of Year End Statement information.

Home Affordable Modification Trial Period Monthly Payments

If you are currently participating in a Home Affordable Modification Trial period plan, please review your Home Affordable Modification Trial period documents for your Trial Period monthly payment amount. Online banking will continue to show the payment amount based on your original loan agreement as your original loan remains in effect and unchanged during the trial period. You will be notified once we have determined your eligibility for a permanent loan modification.

If you have a Bank of America Key Bank account and would like to make a Trial Period monthly payment in Online Banking, please use the Transfer tab in the top navigation bar.

Account Overview as of 02/28/2011**Scheduled Payments**

You do not have any payments scheduled.

Loan type and term: 30 Year Conventional Jumbo

Original principal balance: \$1,106,000.00

Contractual remaining term: 24 years, 10 months

Interest rate: 6.125%

Current principal balance: \$1,021,525.66

Account numbers**Year-to-date Summary**

Interest paid: \$5,222.03

Secure Area
[Accounts](#) | [Bill Pay](#) | [Transfers](#) | [Statements](#) | [History](#) | [Customer Service](#)
[My Alerts & Settings](#) | [Log Out](#) | [Forgot ID](#) | [Forgot PW](#) | [Sign Out](#)

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CONFIDENTIAL<https://www8.bankofamerica.com/myloans/accounts/account-...> 2/28/2011

MORABITO (341).006969

4869

CONFIDENTIAL

ACCOUNT # [REDACTED]

[Return to Account Details](#)

Transaction History 09/01/2009 to 01/01/2013

*Transaction history is displayed up to the past 12 months. If you require transaction history beyond 12 months, please visit our Message Center to place your request.

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CONFIDENTIAL

<https://www8.bankofamerica.com/myloans/accounts/account-...> 2/28/2011

MORABITO (341).006970

4870



Compass

P. O. Box 10566
Birmingham, Alabama 35296

AFFIDAVIT

VERIFICATION OF AUTHENTICITY OF BBVA COMPASS RECORDS

BEFORE ME, the undersigned authority personally appeared Shanta Tate
who being duly sworn, deposes and says:

My name is Shanta Tate I am over the age of 18 and
qualified to make this affidavit. I am employed by BBVA Compass as a
Item Processor and also serve as the Custodian of Records or otherwise for
BBVA Compass. I have been employed by BBVA Compass since December 20, 2010
Attached to this affidavit are true and correct copies of BBVA Compass records.

I do hereby certify that these records were made at or near the time of the
occurrence of the activity reflected herein, by a person with knowledge of those matters or
from information transmitted by a person with knowledge. The attached copies of records
are maintained by BBVA Compass in the course regularly conducted business activity.
These records were made as regular practice by BBVA Compass during the course of said
business activity.

Shanta Tate

Signature of affiant

12.21.16

Date

The foregoing affidavit was sworn to and subscribed before me on this 21st day of
December 2016.

Nameta Sue Henderson

Notary Public

**My Commission Expires
9/20/2020**

EXHIBIT 1

EXHIBIT 1

1 **BARRY L. BRESLOW, ESQ. – NSB #3023**
2 bbreslow@rbsllaw.com
3 **FRANK C. GILMORE, ESQ. - NSB #10052**
4 krobison@rbsllaw.com
5 **Robison, Belaustegui, Sharp & Low**
6 A Professional Corporation
7 71 Washington Street
8 Reno, Nevada 89503
9 Telephone: (775) 329-3151
10 Facsimile: (775) 329-7169
11 Attorneys for Defendant Snowshoe Petroleum, Inc.

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IN THE SECOND JUDICIAL DISTRICT FOR THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

JH, INC., a Nevada corporation; JERRY
HERBST, an individual; and BERRY-
HINCKLEY INDUSTRIES, a Nevada
corporation

CASE NO.: CV13-02663

DEPT. NO.: B1

Plaintiffs,

vs.

PAUL MORABITO, individually and as
Trustee of the ARCADIA LIVING TRUST;
SUPERPUMPER, INC., an Arizona
corporation; EDWARD BAYUK, individually
and as Trustee of the EDWARD WILLIAM
BAYUK LIVING TRUST; and SNOWSHOE
PETROLEUM, INC., a New York
corporation,

Defendants.

**DECLARATION OF SALVATORE MORABITO IN SUPPORT OF SNOWSHOE
PETROLEUM'S REPLY IN SUPPORT OF MOTION TO DISMISS FOR LACK OF
PERSONAL JURISDICTION**

I, SALVATORE MORABITO, being first duly sworn under penalty of perjury,
deposes and says:

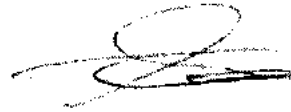
1. I am an individual above the age of 18 and make the following statements
on my own personal knowledge, except where stated to be on my information and belief.

1 2. I have read the factual allegations contained in the Reply referenced above.
2 All the factual allegations attributed to me are true and based on my personal knowledge
3 and belief.

4 3. Snowshoe Petroleum, Inc. ("SPI") was incorporated in the State of New
5 York on or about September 29, 2010. It was incorporated at my direction.

6 4. In September 2010, Consolidated Western Corporation ("CWC") held all the
7 shares of an Arizona corporation called Superpumper. Superpumper owned gas stations
8 and convenience stores only in Arizona. In 2010, Superpumper merged with its parent
9 company CWC. Throughout this entire process, there was never a Nevada asset that
10 was acquired by Superpumper or by SPI when it acquired the shares of Superpumper
11 through the alleged "transfer."
12

13 Dated this 5th day of June, 2014.

14
15 

16
17 SALVATORE MORABITO
18
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26
27
28

EXHIBIT 1

EXHIBIT 1

1 **BARRY L. BRESLOW, ESQ. – NSB #3023**
bbreslow@rbsllaw.com
2 **FRANK C. GILMORE, ESQ. - NSB #10052**
krobison@rbsllaw.com
3 **Robison, Belaustegui, Sharp & Low**
A Professional Corporation
4 71 Washington Street
Reno, Nevada 89503
5 Telephone: (775) 329-3151
Facsimile: (775) 329-7169
6 Attorneys for Defendant Snowshoe Petroleum, Inc.

7
8
9 **IN THE SECOND JUDICIAL DISTRICT FOR THE STATE OF NEVADA**
10 **IN AND FOR THE COUNTY OF WASHOE**

11 JH, INC., a Nevada corporation; JERRY
12 HERBST, an individual; and BERRY-
HINCKLEY INDUSTRIES, a Nevada
13 corporation

CASE NO.: CV13-02663

DEPT. NO.: B1

14 Plaintiffs,

15 vs.

16 PAUL MORABITO, individually and as
Trustee of the ARCADIA LIVING TRUST;
17 SUPERPUMPER, INC., an Arizona
corporation; EDWARD BAYUK, individually
and as Trustee of the EDWARD WILLIAM
18 BAYUK LIVING TRUST; and SNOWSHOE
PETROLEUM, INC., a New York
19 corporation,

20 Defendants.

21
22 **DECLARATION OF SALVATORE MORABITO IN SUPPORT OF SUPERPUMPER,**
INC.'S MOTION TO DISMISS FOR LACK OF PERSONAL JURISDICTION

23
24 I, SALVATORE MORABITO, being first duly sworn under penalty of perjury,
25 deposes and says:

- 26 1. I am an individual above the age of 18 and make the following statements
27 on my own personal knowledge, except where stated to be on my information and belief.
28 2. Superpumper, Inc., was incorporated in the State of Arizona in 1982.

1 3. Its current shareholders are myself and Edward Bayuk, a California
2 resident.

3 4. I am a dual Canadian/American citizen and presently a resident of the State
4 of Arizona

5 5. I am the Vice-President and Secretary of Superpumper.

6 6. Superpumper's principal office is located in Maricopa County, Arizona, and
7 it owns gas stations and convenience stores throughout Arizona.

8 7. Consolidated Western Corporation ("CWC") formerly owned all the shares
9 of Superpumper. CWC was merged into Superpumper in 2010 as a parent/subsidiary
10 merger. Superpumper acquired no other assets of value in the merger. Superpumper
11 has never held or owned any Nevada assets of any value.

12 8. Superpumper was never the "recipient of certain fraudulent transfers"
13 because Superpumper never received anything of value in any of the alleged
14 transactions. Superpumper has always owned and maintained Arizona gas stations and
15 convenience stores and acquired nothing from any of the alleged transactions other than
16 to merge with its parent company CWC.

17 9. Superpumper has never transacted business in Nevada.

18 10. Superpumper has never sold products or offered services in Nevada.

19 11. Since its formation, Superpumper has never had any significant contacts
20 with the State of Nevada.

21 12. Superpumper has never had a physical, business, or economic presence in
22 Nevada.

23 Dated this 18th day of June, 2014.

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SALVATORE MORABITO

EXHIBIT 22

EXHIBIT 22

DECLARATION OF SALVATORE MORABITO

I, SALVATORE MORABITO, being first duly sworn under penalty of perjury, depose and say:

1. I am an individual above the age of 18 and make the following statements on my own personal knowledge, except where stated to be on my information and belief.

2. Snowshoe Petroleum, Inc. ("SPI") was incorporated in the State of New York on or about September 29, 2010. It was incorporated at my direction.

3. The wire transfer represented payment on the note, plus interest accrued and fees associated with the transaction.

4. At that point, Bayuk and I had paid off the Note owed by Snowshoe to Paul, and Paul had no further involvement in the company other than his maintained guaranty, which the lender required.

5. Plaintiff contends that the Superpumper sale was a sham and that Paul Morabito has maintained control of Superpumper notwithstanding the sale. We hotly contest this accusation.

6. Contrary to Plaintiff's contentions, Paul has neither contributed a dime to the company since the sale, nor has he had any role in its operation.

7. Any communications that Paul might have had related to Snowshoe or Superpumper after the sale were "whiteboard" discussions about involving Snowshoe or Superpumper in one of Paul's many contemplated deals, none of which came to pass.

8. From the time of the property exchange until this lawsuit was filed, I was not in the practice of supporting Paul's lifestyle.

9. Bayuk and I solely operated Snowshoe after the transfer. I maintained the daily operation of Snowshoe, and vehemently deny that Paul had any involvement.

Dated this 21 day of September, 2017.


SALVATORE MORABITO

William G. Kimmel
Real Estate Appraiser & Consultant

Airport Center
1281 Terminal Way, Suite 205
Reno, Nevada 89502
775.323.6400 ~ william.kimmel@att.net

January 21, 2016

Teresa Pilatowicz
Attorney at Law
Garman Turner Gordon LLP
650 White Drive, Suite 100
Las Vegas, Nevada 89119

Dear Ms. Pilatowicz,

Pursuant to your request I did look at the sales in the Alves report relating to the residential property at 8355 Panorama Drive Reno, Nevada.

His Sale 1 was on Juniper Hill Road and this is in my judgment an area superior to the subject property. It is in a closer location to commercial areas and is in my judgment one of the most desirable sections of Reno. The property sits up on a hillside area overlooking the City of Reno and is a home that was built in 2002 with additions such as the pool built in 2004. From the records, these properties in this area do not require a well, as they are served by municipal water system but they do require septic similar to the subject. This property, primarily because of its locational amenities, is superior. In addition, the sale was actually \$2,825,000. The additional amount of \$325,000 reported by Alves was for personal property and 10± acre feet of water right. The water rights for Panorama Drive were sold before Avansino bought it in 2012, but I have assumed in the case of the subject that they were in existence as of October 2010. However, Mr. Alves did not discuss the fact that the sale on Juniper Hill Road did include

15-064

Kimmel000081

personal property as well as the water right. 10± acre feet of water right in 2010 which was the date of this sale, would not have been at \$32,000 per acre foot and was probably closer to \$15,000.

The second property that Mr. Alves used is the same one that I used, and that is 8000 Lakeside Drive. From my inspection it is a better quality building, also it has a pond area as well as a swimming pool and is a somewhat newer home plus the fact that in my judgment there must have been deferred maintenance in the Panorama property for it to have declined so poorly by the time Avansino bought it.

The next sale that Mr. Alves used, Sale 3 Willow Bend Lane, is a parcel in Washoe Valley adjoining the golf course community Lighting W (now Thunder Canyon). Although it doesn't directly abut the golf course it is next to portions of it on its westerly side. This is a considerably larger house than the subject with lots of stone veneer and has a water system provided but it on septic. It also has a very large garage of 3,140± square feet but does not have a swimming pool. It is a completely different location than the subject in Washoe Valley and in my judgment would not be helpful.

Mr. Alves's next sale, number 4, is a much larger home and it has 7,847± square feet plus 2,501± square feet of finished basement. Mr. Alves has 5,957± square feet shown as the sale but according to the assessor's records, that is not correct as the first and second floor together have 7,331± square feet but there is also the basement area of 2,501± square feet that certainly has additional value that is not accounted for or discussed in his appraisal. This does make a difference in the value estimate as the total of 7,847± square feet is on the first and second floor. As a result this is a much larger improved parcel and does have excellent views but not pasture land.

His last sale on Boulder Glen Way which again somewhat misrepresented in that he shows the square footage as 4,367± square feet and that is correct but there is also 3,378± square feet of basement. It is noted that basement areas do not contribute as much, even if they are fully finished, than ground floor and second floor areas but they certainly must be considered as they were part of the purchase price.

This significantly changes the fact that this property has quite a bit more usable area. It is located in a good development but smaller sized land areas as part of the Pacetti Ranch. I should also note that sales 3, 4, and 5 were in 2009 and certainly in the recessionary period but particularly sale 4 and 5 were in the first half of the year and the total effect was not as great as towards the latter part of the year and early 2010.

Finally the listings were simply asking prices and did not sell. It is important to me to look at the total value of Mr. Alves's was \$4,300,000. There were no sales in the Reno area that were that high. The sale on Juniper Hill Road at \$3,150,000 as indicated did include personal property which could have been quite substantial and is in an area that I believe is quite superior to the subject.

Sale 2 is the same sale that I used but in my judgment would have been in better condition and also has a pond area plus the swimming pool. Sale 3 is outside of the area in Washoe Valley within a golf course community therefore not directly comparable. Even with his listings which were not sales, at \$4,300,000 he is way above any sale that ever occurred during that timeframe in Reno and Sparks. Obviously too, from his appraisal report there is no discussion as to how the sales relate to the property. It appears to me that his primary indication was from a cost approach which he showed at \$4,360,000 but he does not have any depreciation applied

to the property from any cause and that is just not reasonable as almost every property has some depreciation or loss in value based upon cost. Another factor is the cost approach without any type of depreciation did not take into consideration the economic factors that drove the residential market downwards from 2009 into 2010 and even into 2011.

I hope this quick analysis is of assistance and if you have any questions please don't hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'William G. Kimmel', is centered below the word 'Sincerely,'.

William G. Kimmel, MAI, SREA
Certified General Appraiser
State of Nevada
Certification No. A.0000004-CG

WGK/mm

15-064

Kimmel000084

4883

Message

From: Yalamanchili, Sujata [SYalaman@hodgsonruss.com]
Sent: 9/20/2010 9:27:18 PM
To: 'Paul Morabito' [pmorabito@cowestco.com]
Subject: RE: Attorney Client Privileged Communication

Thanks. Sorry the call earlier got testy. Hopefully, Garry has called you to clear the air.

Sujata Yalamanchili
Partner
Hodgson Russ LLP
tel: 716.848.1657 | fax: 716.819.4620
syalaman@hodgsonruss.com
vCard | Biography | hodgsonruss.com



The Guaranty Building, 140 Pearl Street, Suite 100, Buffalo, New York 14202

From: Paul Morabito [mailto:pmorabito@cowestco.com]
Sent: Monday, September 20, 2010 9:26 PM
To: Yalamanchili, Sujata; dvacco@lippes.com; Mlehmanesq@aol.com; Graber, Garry
Subject: Attorney Client Privileged Communication

I'm sorry for eating into everyone's evening.

Please find attached what the estimate of the four escrows would look like, and the final 5th reconciliation amount.

Thanks.

CONFIDENTIAL

HR0000358
4884

Gary Krausz, CPA/CFF

From: Naz Afshar, CPA
Sent: Thursday, March 24, 2011 3:32 PM
To: Darren Takemoto, CPA; Gary Krausz, CPA/CFF
Subject: FW: Re telephone call today regarding CWC

EXHIBIT 15
REPORTER Mayberry
DEPONENT Bernstein CPA
DATE 5/17/11

Naz Afshar, CPA
Partner
Tax
Gursey | Schneider LLP
1888 Century Park East, Suite 900
Los Angeles, CA 90067
<http://www.gursey.com>
phone: 310-552-0960
fax: 310-557-3468

Please consider the environment before printing this e-mail.

From: Stan Bernstein [mailto:stan@bernstein-cpabiz.com]
Sent: Thursday, March 24, 2011 3:20 PM
To: Naz Afshar, CPA
Cc: stan@bernstein-cpabiz.com; 'Dennis Vacco'
Subject: Re telephone call today regarding CWC

Naz,

(15)

This email is to memorial the conversation we had today regarding Superpumper Inc's. financial statement as of 12/31/2010.

1. There is a note receivable from Paul Morabito in the amount of \$1,611,139, that was removed from the books and should remain. You should receive a copy of this note.
2. The amount from Big Wheel Hospitality of \$689,107, is a viable receivable on the books of Superpumper Inc. and should remain on the books.
3. Edward Bayuk's note receivable should be increased from \$ 2,215,500 to \$2,580,500, with the increase in the note as additional paid in capital. You should receive a copy of this note.
4. Salvatore Morabito's note receivable should be increased from \$2,198,542 to \$2,563,542, with the increase in the note as additional paid in capital. You should receive a copy of this note.

EXHIBIT 22
REPORTER Mayberry
DEPONENT Krausz CPA
DATE 5/16/11

Stanton R. Bernstein An Accountancy Corporation

Mailing address: 6320 Canoga Ave., 15th Floor, Woodland Hills, CA 91367

phone: (818) 596-2139 & fax: (818) 222-5180

* e-mail: stan@bernstein-cpabiz.com

website: bernstein-cpabiz.com

To ensure compliance with the requirements imposed by the Treasury Department Regulations (Internal Revenue Service), Stanton R. Bernstein, An Accountancy Corporation, informs you that any tax advice in this written or electronic communication was not intended or written to be used, and it cannot be used, by a client or any other person or entity for the purpose of avoiding penalties that may be imposed on any taxpayer.

This email contains information that may be privileged and confidential. The information is intended for the use of the addressee(s) only. If you are not an addressee, note that any disclosure, copying, distribution, or use of the contents of this e-mail is prohibited. If you have received this e-mail in error, please contact my office at

(818) 596-2139.



BORROWER: Paul Morabito, individually and as Trustee of The Arcadia Living Trust

GUARANTOR: Snowshoe Properties, LLC

LIMITED GUARANTY

To: Bank of America, N.A.

1. The Guaranty. For valuable consideration, the undersigned ("Guarantor") hereby unconditionally guarantees and promises to pay promptly to Bank of America, N.A., its subsidiaries and affiliates (collectively, "Bank"), or order, in lawful money of the United States, any and all Indebtedness of Paul Morabito, individually and as Trustee of The Arcadia Living Trust ("Borrower"), to Bank when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, subject to such limitations on Guarantor's liability as are set forth below. This Guaranty is cumulative and does not supersede any other outstanding guaranties, and the liability of Guarantor under this Guaranty is exclusive of Guarantor's liability under any other guaranties signed by Guarantor.

The liability of Guarantor under this Guaranty for the principal amount of the Indebtedness shall not exceed at any one time Eight Hundred Seventy-Six Thousand Seven Hundred Fifty-Two and 01/100 Dollars (\$876,752.01). Guarantor shall also be liable for all interest, fees, indemnities, and other costs and expenses relating to or arising out of the Indebtedness guaranteed hereunder by Guarantor. The liability of Guarantor is continuing and relates to any Indebtedness, including that arising under successive transactions which shall either continue the Indebtedness or from time to time renew it after it has been satisfied.

2. Definitions.

(a) "Borrower" shall mean the individual or the entity named in Paragraph 1 of this Guaranty and, if more than one, then any one or more of them.

(b) "Guarantor" shall mean the entity signing this Guaranty.

(c) "Indebtedness" shall mean any and all debts, liabilities, and obligations of Borrower to Bank arising out of the Settlement Agreement, now or hereafter existing, whether voluntary or involuntary, whether direct or indirect or acquired by Bank by assignment, succession, or otherwise, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, held or to be held by Bank for its own account or as agent for another or others, whether Borrower may be liable individually or jointly with others, whether recovery upon such debts, liabilities, and obligations may be or hereafter become barred by any statute of limitations, and whether such debts, liabilities, and obligations may be or hereafter become otherwise unenforceable. Indebtedness includes, without limitation, any and all obligations of Borrower to Bank for attorneys' fees and all other costs and expenses incurred by Bank (i) in the collection or enforcement of any debts, liabilities, and obligations of Borrower to Bank under the Settlement Agreement, or (ii) in the preservation, protection, or enforcement of any rights of Bank in any case commenced by or against Borrower under the Bankruptcy Code (Title 11, United States Code) or any similar or successor statute.

(d) "Settlement Agreement" shall mean that certain Settlement Agreement, Loan Agreement Modification & Release dated as of September ____, 2012, between Borrower and Bank, as now in effect and as hereafter amended, restated, renewed, or superseded.

3. Obligations Independent. The obligations hereunder are independent of the obligations of Borrower or any other guarantor, and a separate action or actions may be brought and prosecuted against Guarantor whether action is brought against Borrower or any other guarantor or whether Borrower or any other guarantor be joined in any such action or actions. Anyone executing this Guaranty shall be bound by its terms without regard to execution by anyone else.

4. Rights of Bank: Guarantor authorizes Bank, without notice or demand and without affecting its liability hereunder, from time to time to:

(a) renew, compromise, extend, accelerate, or otherwise change the time for payment, or otherwise change the terms, of the Indebtedness or any part thereof, including increase or decrease of the rate of interest thereon, or otherwise change the terms of the Settlement Agreement;

(b) receive and hold security for the payment of this Guaranty or any Indebtedness and exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any such security;

(c) apply such security and direct the order or manner of sale thereof as Bank in its discretion may determine;

(d) release or substitute any Guarantor or any one or more of any endorsers or other guarantors of any of the Indebtedness; and

(e) permit the Indebtedness to exceed Guarantor's liability under this Guaranty, and Guarantor agrees that any amounts received by Bank from any source other than Guarantor shall be deemed to be applied first to any portion of the Indebtedness not guaranteed by Guarantor.

5. Guaranty to be Absolute. Guarantor agrees that until the Indebtedness has been paid in full and any commitments of Bank or facilities provided by Bank with respect to the Indebtedness have been terminated, Guarantor shall not be released by or because of the taking, or failure to take, any action that might in any manner or to any extent vary the risks of Guarantor under this Guaranty or that, but for this paragraph, might discharge or otherwise reduce, limit, or modify Guarantor's obligations under this Guaranty. Guarantor waives and surrenders any defense to any liability under this Guaranty based upon any such action, including but not limited to any action of Bank described in the immediately preceding paragraph of this Guaranty. It is the express intent of Guarantor that Guarantor's obligations under this Guaranty are and shall be absolute and unconditional.

6. Guarantor's Waivers of Certain Rights and Certain Defenses. Guarantor waives:

(a) any right to require Bank to proceed against Borrower, proceed against or exhaust any security for the Indebtedness, or pursue any other remedy in Bank's power whatsoever;

(b) any defense arising by reason of any disability or other defense of Borrower, or the cessation from any cause whatsoever of the liability of Borrower;

(c) any defense based on any claim that Guarantor's obligations exceed or are more burdensome than those of Borrower; and

(d) the benefit of any statute of limitations affecting Guarantor's liability hereunder.

No provision or waiver in this Guaranty shall be construed as limiting the generality of any other waiver contained in this Guaranty.

7. Waiver of Subrogation. Until the Indebtedness has been paid in full and any commitments of Bank or facilities provided by Bank with respect to the Indebtedness have been terminated, even though the Indebtedness may be in excess of Guarantor's liability hereunder, Guarantor waives to the extent permitted by applicable law any right of subrogation, reimbursement, indemnification, and contribution (contractual, statutory, or otherwise) including, without limitation, any claim or right of subrogation under the Bankruptcy Code (Title 11, United States Code) or any successor statute, arising from the existence or performance of this Guaranty, and Guarantor waives to the extent permitted by applicable law any right to enforce any remedy that Bank now has or may hereafter have against Borrower, and waives any benefit of, and any right to participate in, any security now or hereafter held by Bank.

8. Waiver of Notices. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of intent to accelerate, notices of acceleration, notices of any suit or any other action against Borrower or any other person, any other notices to any party liable on the Settlement Agreement, notices of acceptance of this Guaranty, notices of the existence, creation, or incurring of new or additional Indebtedness to which this Guaranty applies or any other Indebtedness of Borrower to Bank, and notices of any fact that might increase Guarantor's risk.

9. General Partner Liability and Waivers of Other Rights and Defenses.

(a) If Borrower is a partnership and Guarantor is a general partner of that partnership, then Guarantor shall not be liable under this Guaranty for any portion of the Indebtedness that is secured by real property; provided, however, that Guarantor shall remain liable under partnership law for all the Indebtedness.

(b) Guarantor waives any rights and defenses that are or may become available to Guarantor by reason of Sections 2787 to 2855, inclusive, of the California Civil Code.

(c) Guarantor waives all rights and defenses that Guarantor may have because any of the Indebtedness is secured by real property. This means, among other things:

(i) Bank may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower; and

(ii) If Bank forecloses on any real property collateral pledged by Borrower: (1) the amount of the Indebtedness may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (2) Bank may collect from Guarantor even if Bank, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Borrower; and

(iii) If Bank consents to a sale of the real property for less than the remaining amount of the Indebtedness due at the time of sale, the amount of Guarantor's obligation for Indebtedness guaranteed hereunder shall be reduced only by the amount of sales proceeds applied against the Indebtedness, even if such consent destroyed rights Guarantor may have to collect from Borrower, and notwithstanding Section 580e of the California Code of Civil Procedure or any other statute.

This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have

because any of the indebtedness is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, 580e or 726 of the California Code of Civil Procedure.

(d) Guarantor waives any right or defense it may have at law or equity, including California Code of Civil Procedure Section 580a, to a fair market value hearing or action to determine a deficiency judgment after a foreclosure.

10. Security. Guarantor's obligations hereunder shall be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing of even date herewith encumbering the property commonly known as 570 Glenneyre Street, Laguna Beach, California 92651.

11. Subordination. Any obligations of Borrower to Guarantor, now or hereafter existing, including but not limited to any obligations to Guarantor as subrogee of Bank or resulting from Guarantor's performance under this Guaranty, are hereby subordinated to the indebtedness. In addition to Guarantor's waiver of any right of subrogation as set forth in this Guaranty with respect to any obligations of Borrower to Guarantor as subrogee of Bank, Guarantor agrees that, if Bank so requests, Guarantor shall not demand, take, or receive from Borrower, by setoff or in any other manner, payment of any other obligations of Borrower to Guarantor until the indebtedness has been paid in full and any commitments of Bank or facilities provided by Bank with respect to the indebtedness have been terminated. If any payments are received by Guarantor in violation of such waiver or agreement, such payments shall be received by Guarantor as trustee for Bank and shall be paid over to Bank on account of the indebtedness, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty. Any security interest, lien, or other encumbrance that Guarantor may now or hereafter have on any property of Borrower is hereby subordinated to any security interest, lien, or other encumbrance that Bank may have on any such property.

12. Revocation of Guaranty.

(a) This Guaranty may be revoked at any time by Guarantor in respect to future transactions. Such revocation shall be effective upon actual receipt by Bank, at the address shown below or at such other address as may have been provided to Guarantor by Bank, of written notice of revocation. Revocation shall not affect any of Guarantor's obligations or Bank's rights with respect to transactions committed or entered into prior to Bank's receipt of such notice, nor shall it affect Guarantor's obligations with respect to any indemnities, including indemnities regarding hazardous wastes, executed prior to Bank's receipt of such notice; regardless of whether or not the indebtedness related to such transactions, before or after revocation, has been incurred, renewed, compromised, extended, accelerated, or otherwise changed as to any of its terms, including time for payment or increase or decrease of the rate of interest thereon, and regardless of any other act or omission of Bank authorized hereunder. Revocation by Guarantor shall not affect any obligations of any other guarantor.

(b) In the event of the death of a Guarantor, the liability of the estate of the deceased Guarantor shall continue in full force and effect as to (i) the indebtedness existing at the date of death, and any renewals or extensions thereof, and (ii) loans or advances made to or for the account of Borrower after the date of the death of the deceased Guarantor pursuant to a commitment made by Bank to Borrower prior to the date of such death. As to all surviving Guarantors, this Guaranty shall continue in full force and effect after the death of a Guarantor, not only as to the indebtedness existing at that time, but also as to the indebtedness thereafter incurred by Borrower to Bank.

(c) Guarantor acknowledges and agrees that this Guaranty may be revoked only in accordance with the foregoing provisions of this paragraph and shall not be revoked simply as a result of any change in name, location, or composition or structure of Borrower, the dissolution of Borrower, or the termination, increase, decrease, or other change of any personnel or owners of Borrower.

13. Reinstatement of Guaranty. If this Guaranty is revoked, returned, or canceled, and subsequently any payment or transfer of any interest in property by Borrower to Bank is rescinded or must be returned by Bank to Borrower, this Guaranty shall be reinstated with respect to any such payment or transfer, regardless of any such prior revocation, return, or cancellation; and any guaranty of any indemnities, including indemnities regarding hazardous wastes, shall survive any termination of this Guaranty.

14. Stay of Acceleration. In the event that acceleration of the time for payment of any of the indebtedness is stayed upon the insolvency, bankruptcy, or reorganization of Borrower or otherwise, all such indebtedness guaranteed by Guarantor shall nonetheless be payable by Guarantor immediately if requested by Bank.

15. No Setoff or Deductions; Taxes.

(a) Guarantor represents and warrants that it is organized and resident in the United States of America. All payments by Guarantor hereunder shall be paid in full, without setoff or counterclaim or any deduction or withholding whatsoever, including, without limitation, for any and all present and future taxes. If Guarantor must make a payment under this Guaranty, Guarantor represents and warrants that it will make the payment from one of its U.S. resident offices to Bank so that no withholding tax is imposed on the payment. Notwithstanding the foregoing, if Guarantor makes a payment under this Guaranty to which withholding tax applies or if any taxes (other than taxes on net income (i) imposed by the country or any subdivision of the country in which Bank's principal office or actual lending office is located and (ii) measured by the United States taxable income Bank would have received if all payments under or in respect of this Guaranty were exempt from taxes levied by Guarantor's country) are at any time imposed on any payments under or in respect of this Guaranty including, but not limited to, payments made pursuant to this paragraph, Guarantor shall pay all such taxes to the relevant authority in accordance with applicable law such that Bank receives the sum it would have received had no such deduction or withholding been made (or, if Guarantor cannot legally comply with the foregoing, Guarantor shall pay to Bank such additional amounts as will result in Bank receiving the sum it would have received had no such deduction or withholding been made). Further, Guarantor shall also pay to Bank, on demand, all additional amounts that Bank specifies as necessary to preserve the after-tax yield Bank would have received if such taxes had not been imposed.

(b) Guarantor shall promptly provide Bank with an original receipt or certified copy issued by the relevant authority evidencing the payment of any such amount required to be deducted or withheld.

16. Information Relating to Borrower. Guarantor acknowledges and agrees that it has made such independent examination, review, and investigation of the Settlement Agreement as Guarantor deems necessary and appropriate, including, without limitation, any covenants pertaining to Guarantor contained therein, and shall have sole responsibility to obtain from Borrower any information required by Guarantor about any modifications thereto. Guarantor further acknowledges and agrees that it shall have the sole responsibility for, and has adequate means of, obtaining from Borrower such information concerning Borrower's financial condition or business operations as Guarantor may require, and that Bank has no duty, and Guarantor is not relying on Bank, at any time to disclose to Guarantor any information relating to the business operations or financial condition of Borrower.

17. Borrower's Authorization. Where Borrower is a corporation, partnership, or limited liability company, it is not necessary for Bank to inquire into the powers of Borrower or of the officers, directors, partners, members, managers, or agents acting or purporting to act on its behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder, subject to any limitations on Guarantor's liability set forth herein.

18. Guarantor Information; Reporting to Credit Bureaus. Guarantor authorizes Bank to verify or check any information given by Guarantor to Bank, check Guarantor's credit references, verify employment, and obtain credit reports. Guarantor shall provide such financial statements and other financial information about Guarantor as Bank may request from time to time. Guarantor agrees that Bank shall have the right at all times to disclose and report to credit reporting agencies and credit rating agencies such information pertaining to the indebtedness and/or Guarantor as is consistent with Bank's policies and practices from time to time in effect. Guarantor acknowledges and agrees that the authorizations provided in this paragraph apply to any individual general partner of Guarantor and to Guarantor's spouse and any such general partner's spouse if Guarantor or such general partner is married and lives in a community property state.

19. Change of Status. Any Guarantor that is a business entity shall not enter into any consolidation, merger, or other combination unless Guarantor is the surviving business entity. Further, Guarantor shall not change its legal structure unless (a) Guarantor obtains the prior written consent of Bank and (b) all Guarantor's obligations under this Guaranty are assumed by the new business entity.

20. Remedies. If Guarantor fails to fulfill its duty to pay all indebtedness guaranteed hereunder, Bank shall have all of the remedies of a creditor and, to the extent applicable, of a secured party, under all applicable law. Without limiting the foregoing to the extent permitted by law, Bank may, at its option and without notice or demand:

(a) declare any indebtedness due and payable at once and take possession of any collateral pledged by Borrower or Guarantor, wherever located, and sell, resell, assign, transfer, and deliver all or any part of the collateral at any public or private sale or otherwise dispose of any or all of the collateral in its then condition, for cash or on credit or for future delivery; and in connection therewith Bank may impose reasonable conditions upon any such sale. Further, Bank, unless prohibited by law the provisions of which cannot be waived, may purchase all or any part of the collateral to be sold, free from and discharged of all trusts, claims, rights of redemption and equities of Borrower or Guarantor whatsoever. Guarantor acknowledges and agrees that the sale of any collateral through any nationally recognized broker-dealer, investment banker, or any other method common in the securities industry shall be deemed a commercially reasonable sale under the Uniform Commercial Code or any other equivalent statute or federal law, and expressly waives notice thereof except as provided herein; and

(b) set off and apply any and all Deposits of Guarantor held by Bank or its affiliates against any and all obligations of Guarantor owing to Bank. The set-off may be made irrespective of whether or not Bank shall have made demand under this Guaranty, and although such obligations may be contingent or unmatured or denominated in a currency different from that of the applicable Deposits and without regard for the availability or adequacy of other collateral. If exercised by Bank, Bank shall be deemed to have exercised such right of setoff and to have made a charge against any such money immediately upon the occurrence of such default although made or entered on the books subsequent thereto. Any Deposits may be converted, sold or otherwise liquidated at prevailing market prices in order to effect such set-off. For the purposes of this paragraph, "Deposits" means any deposits (general or special, time or demand, provisional or final, individual or joint) as well as any money, instruments, securities, credits, claims, demands, income or other property, rights or interests owned by Guarantor which come into the possession or custody or under the control of Bank or its affiliates.

21. Notices. All notices required under this Guaranty shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Guaranty, or sent by facsimile to the fax numbers listed on the signature page, or to such other addresses as Bank and Guarantor may specify from time to time in writing. Notices sent by (a) first class mail shall be deemed delivered on the earlier of actual receipt or on the fourth business day after deposit in the U.S. mail, postage prepaid, (b) overnight courier shall be deemed delivered on the next business day, and (c) telecopy shall be deemed delivered when transmitted.

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Bank of America/Mortgage Limited Guaranty (8-30-12)

22. Successors and Assigns. This Guaranty (a) binds Guarantor and Guarantor's executors, administrators, successors, and assigns, provided that Guarantor may not assign its rights or obligations under this Guaranty without the prior written consent of Bank, and (b) inures to the benefit of Bank and Bank's indorsees, successors, and assigns. Bank may, without notice to Guarantor and without affecting Guarantor's obligations hereunder, sell, assign, grant participations in, or otherwise transfer to any other person, firm, or corporation the indebtedness and this Guaranty, in whole or in part. Guarantor agrees that Bank may disclose to any assignee or purchaser, or any prospective assignee or purchaser, of all or part of the indebtedness and all information in Bank's possession concerning Guarantor, this Guaranty, and any security for this Guaranty.

23. Amendments, Waivers, and Severability. No provision of this Guaranty may be amended or waived except in writing. No failure by Bank to exercise, and no delay in exercising, any of its rights, remedies, or powers shall operate as a waiver thereof, and no single or partial exercise of any such right, remedy, or power shall preclude any other or further exercise thereof or the exercise of any other right, remedy, or power. The unenforceability or invalidity of any provision of this Guaranty shall not affect the enforceability or validity of any other provision of this Guaranty.

24. Costs and Expenses. Guarantor agrees to pay all reasonable attorneys' fees, including allocated costs of Bank's in-house counsel to the extent permitted by applicable law, and all other costs and expenses that may be incurred by Bank (a) in the enforcement of this Guaranty or (b) in the preservation, protection, or enforcement of any rights of Bank in any case commenced by or against Guarantor under the Bankruptcy Code (Title 11, United States Code) or any similar or successor statute.

25. Representations and Warranties. When Guarantor signs this Guaranty, and until the indebtedness is repaid in full and any commitments or facilities provided by Bank with respect to the indebtedness have been terminated, Guarantor makes the following representations and warranties:

(a) If Guarantor is anything other than a natural person, it is duly formed and existing under the laws of the state or other jurisdiction where organized.

(b) This Guaranty, and any instrument or agreement required hereunder, are within Guarantor's powers, have been duly authorized, and do not conflict with any of its organizational papers.

(c) In each state in which Guarantor does business, it is properly licensed, in good standing, and, where required, in compliance with fictitious name statutes.

(d) All financial and other information that has been or will be supplied to Bank is sufficiently complete to give Bank accurate knowledge of Guarantor's financial condition, including all material contingent liabilities. Since the date of the most recent financial statement provided to Bank, there has been no material adverse change in the business condition (financial or otherwise), operations, properties or prospects of Guarantor. If Guarantor is comprised of the trustees of a trust, the foregoing representations shall also pertain to the trustor(s) of the trust.

(e) There is no lawsuit, tax claim or other dispute pending or threatened against Guarantor which, if lost, would impair Guarantor's financial condition or ability to repay the indebtedness, except as have been disclosed in writing to Bank.

(f) Guarantor is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation, except as have been disclosed in writing to Bank.

(g) Guarantor has no knowledge of any pending assessments or adjustments of its income tax for any year and all taxes due have been paid, except as have been disclosed in writing to Bank.

(h) There is no event which is, or with notice or lapse of time or both would be, a default by Guarantor under this Guaranty or under any other instrument or agreement executed in connection with the Indebtedness or this Guaranty.

(i) Guarantor will not be rendered insolvent by the execution, delivery, and performance of its obligations under this Guaranty.

(j) Guarantor, if a natural person, has obtained any spousal or other consents or waivers which may be required by applicable law.

(k) All collateral pledged by Guarantor to secure the Indebtedness or this Guaranty is owned by Guarantor free of any title defects or any liens or interests of others, except those which have been approved by Bank in writing.

26. Governing Law and Jurisdiction. This Guaranty is governed by and shall be interpreted according to federal law and the laws of California. If state or local law and federal law are inconsistent, or if state or local law is preempted by federal law, federal law governs. If Bank has greater rights or remedies under federal law, whether as a national bank or otherwise, this paragraph shall not be deemed to deprive Bank of such rights and remedies as may be available under federal law. Jurisdiction and venue for any action or proceeding to enforce this Guaranty shall be the forum appropriate for such action or proceeding against Borrower, to which jurisdiction Guarantor irrevocably submits and to which venue Guarantor waives to the fullest extent permitted by law any defense asserting an inconvenient forum in connection therewith. It is provided, however, that if Guarantor owns property in another state, notwithstanding that the forum for enforcement action is elsewhere, Bank may commence a collection proceeding in any state in which Guarantor owns property for the purpose of enforcing provisional remedies against such property. Service of process by Bank in connection with such action or proceeding shall be binding on Guarantor if sent to Guarantor by registered or certified mail at its address specified below.

27. Dispute Resolution Provision. This paragraph, including the subparagraphs below, is referred to as the "Dispute Resolution Provision." This Dispute Resolution Provision is a material inducement for the parties entering into this agreement.

(a) This Dispute Resolution Provision concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, including but not limited to controversies or claims that arise out of or relate to: (i) this agreement (including any renewals, extensions or modifications); or (ii) any document related to this agreement (collectively a "Claim"). For the purposes of this Dispute Resolution Provision only, the term "parties" shall include any parent corporation, subsidiary or affiliate of the Bank involved in the servicing, management or administration of any obligation described or evidenced by this agreement.

(b) At the request of any party to this agreement, any Claim shall be resolved by binding arbitration in accordance with the Federal Arbitration Act (Title 9, U.S. Code) (the "Act"). The Act will apply even though this agreement provides that it is governed by the law of a specified state.

(c) Arbitration proceedings will be determined in accordance with the Act, the then-current rules and procedures for the arbitration of financial services disputes of the American Arbitration Association or any successor thereof ("AAA"), and the terms of this Dispute Resolution Provision. In the event of any inconsistency, the terms of this Dispute Resolution Provision shall control. If AAA is unwilling or unable to (i) serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, the Bank may designate another arbitration organization with similar procedures to serve as the provider of arbitration.

(d) The arbitration shall be administered by AAA and conducted, unless otherwise required by law, in any U.S. state where real or tangible personal property collateral for this credit is located or if there is no such collateral, in the state specified in the governing law section of this agreement. All Claims shall be determined by one arbitrator; however, if Claims exceed Five Million Dollars (\$5,000,000), upon the request of any party, the Claims shall be decided by three arbitrators. All arbitration hearings shall commence within ninety (90) days of the demand for arbitration and close within ninety (90) days of commencement and the award of the arbitrator(s) shall be issued within thirty (30) days of the close of the hearing. However, the arbitrator(s), upon a showing of good cause, may extend the commencement of the hearing for up to an additional sixty (60) days. The arbitrator(s) shall provide a concise written statement of reasons for the award. The arbitration award may be submitted to any court having jurisdiction to be confirmed and have judgment entered and enforced.

(e) Except as waived by Guarantor in this Guaranty, the arbitrator(s) will give effect to statutes of limitation in determining any Claim and shall dismiss the arbitration if the Claim is barred under the applicable statutes of limitation. For purposes of the application of any statutes of limitation, the service on AAA under applicable AAA rules of a notice of Claim is the equivalent of the filing of a lawsuit. Any dispute concerning this arbitration provision or whether a Claim is arbitrable shall be determined by the arbitrator(s), except as set forth at subparagraph (j) of this Dispute Resolution Provision. The arbitrator(s) shall have the power to award legal fees pursuant to the terms of this agreement.

(f) The procedure described above will not apply if the Claim, at the time of the proposed submission to arbitration, arises from or relates to an obligation to the Bank secured by real property. In this case, all of the parties to this agreement must consent to submission of the Claim to arbitration.

(g) To the extent any Claims are not arbitrated, to the extent permitted by law the Claims shall be resolved in court by a judge without a jury, except any Claims which are brought in California state court shall be determined by judicial reference as described below.

(h) Any Claim which is not arbitrated and which is brought in California state court will be resolved by a general reference to a referee (or a panel of referees) as provided in California Code of Civil Procedure Section 638. The referee (or presiding referee of the panel) shall be a retired Judge or Justice. The referee (or panel of referees) shall be selected by mutual written agreement of the parties. If the parties do not agree, the referee shall be selected by the Presiding Judge of the Court (or his or her representative) as provided in California Code of Civil Procedure Section 638 and the following related sections. The referee shall determine all issues, whether of fact or law, in accordance with existing California law and the California rules of evidence and civil procedure. The referee shall be empowered to enter equitable as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a trial, including without limitation motions for summary judgment or summary adjudication. The award that results from the decision of the referee(s) will be entered as a judgment in the court that appointed the referee, in accordance with the provisions of California Code of Civil Procedure Sections 644(a) and 645. The parties reserve the right to seek appellate review of any judgment or order, including but not limited to, orders pertaining to class certification, to the same extent permitted in a court of law.

(i) This Dispute Resolution Provision does not limit the right of any party to: (i) exercise self-help remedies, such as but not limited to, setoff; (ii) initiate judicial or non-judicial foreclosure against any real or personal property collateral; (iii) exercise any judicial or power of sale rights, or (iv) act in a court of law to obtain an interim remedy, such as but not limited to, injunctive relief, writ of possession or appointment of a receiver, or additional or supplementary remedies. The filing of a court action is not intended to constitute a waiver of the right of any party, including the suing party, thereafter to require submittal of the Claim to arbitration or judicial reference.

(j) Any arbitration or court trial (whether before a judge or jury or pursuant to judicial reference) of any Claim will take place on an individual basis without resort to any form of class or representative action (the "Class Action Waiver"). The Class Action Waiver precludes any party from participating in or being represented in any class or representative action regarding a Claim. Regardless of anything else in this Dispute Resolution Provision, the validity and effect of the Class Action Waiver may be determined only by a court or referee and not by an arbitrator. The parties to this agreement acknowledge that the Class Action Waiver is material and essential to the arbitration of any disputes between the parties and is nonseverable from the agreement to arbitrate Claims. If the Class Action Waiver is limited, voided or found unenforceable, then the parties' agreement to arbitrate shall be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver. The Parties acknowledge and agree that under no circumstances will a class action be arbitrated.

(k) By agreeing to binding arbitration or judicial reference, the parties irrevocably and voluntarily waive any right they may have to a trial by jury as permitted by law in respect of any Claim. Furthermore, without intending in any way to limit this Dispute Resolution Provision, to the extent any Claim is not arbitrated or submitted to judicial reference, the parties irrevocably and voluntarily waive any right they may have to a trial by jury to the extent permitted by law in respect of such Claim. This waiver of jury trial shall remain in effect even if the Class Action Waiver is limited, voided or found unenforceable. **WHETHER THE CLAIM IS DECIDED BY ARBITRATION, BY JUDICIAL REFERENCE, OR BY TRIAL BY A JUDGE, THE PARTIES AGREE AND UNDERSTAND THAT THE EFFECT OF THIS AGREEMENT IS THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW.**

28. Limitation on Liability: Guarantor shall not be personally liable for amounts due under this Guaranty; provided, however, the foregoing shall not be deemed to be a waiver of any right which Bank may have under Sections 506(a), 506(b), 1111(b) or any other provision of the United States Bankruptcy Code, as such sections may be amended, or corresponding or superseding sections of the Bankruptcy Amendments and Federal Judgeship Act of 1984, to file a claim for the full amount due to Bank under the Settlement Agreement or to require that all collateral shall continue to secure the amounts due under the Settlement Agreement.

29. FINAL AGREEMENT. BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THIS DOCUMENT REPRESENTS THE FINAL AGREEMENT BETWEEN PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF, (B) THIS DOCUMENT SUPERSEDES ANY COMMITMENT LETTER, TERM SHEET, OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS RELATING TO THE SUBJECT MATTER HEREOF, UNLESS SUCH COMMITMENT LETTER, TERM SHEET, OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS EXPRESSLY PROVIDES TO THE CONTRARY, (C) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (D) THIS DOCUMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

Executed as of September 5, 2012.

SNOWSHOE PROPERTIES, LLC,
a California limited liability company

By: 

Name: Edward Bayrak
Title: Manager

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Bank of America/Morabito Limited Guaranty (8-30-12)

Address for notices to Bank:
Bank of America, N.A.
201 East Washington Street, 20th Floor
Collier Center
AZ1-200-20-30
Phoenix, Arizona 85004
Attn: David P. Maiorella

Address for notices to Guarantor:
Snowshoe Properties, LLC
668 North Pacific Coast Highway, Suite 517
Laguna Beach, California 92651

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