

Borrower/Client	No Borrower	File No. Fether(2)2017		
Property Address	1059 14th St			
City	Hermosa Beach	County	Los Angeles	State CA Zip Code 90254
Lender	No Lender			

TABLE OF CONTENTS



Summary of Salient Features	1
Engagement Letter	2
GP Residential	3
Additional Comparables 4-6	6
Additional Comparables 7-9	7
General Text Addendum	8
Subject Photos	10
Photograph Addendum	11
Photograph Addendum	12
Photograph Addendum	13
Photograph Addendum	14
Photograph Addendum	15
Comparable Photos 1-3	16
Comparable Photos 4-6	17
Comparable Photos 7-9	18
Building Sketch (Page - 1)	19
Location Map	20
Aerial Map	21
Plat	22
GP Restricted Use Certifications Addendum	23

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	1059 14th St
	Legal Description	Byerly Tract Lot 18
	City	Hermosa Beach
	County	Los Angeles
	State	CA
	Zip Code	90254
	Census Tract	6210.01
	Map Reference	792/J2
PRICE & DATE		\$ 0
	Date of Contract	
PARTIES	Borrower/Client	No Borrower
	Lender	No Lender
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	1,407
	Price per Square Foot	\$
	Location	North End
	Age	63
	Condition	Below Average
	Total Rooms	6
	Bedrooms	3
	Baths	2.0
APPRAISER	Appraiser	Patricia Kimzey
	Effective Date of Appraisal	03/15/2017
VALUE	Opinion of Value	\$ 1,200,000

ENGAGEMENT LETTER

Date 03/15/2017
Client The Ferne Fether Trust
Address 1059 14th St, Hermosa Beach, CA 90254

RE: Appraisal of 1059 14th St

Dear The Ferne Fether Trust,

Pursuant to your request, we are happy to submit a proposal for the appraisal of the property located at 1059 14th St, Hermosa Beach, CA 90254.

The appraisal shall be prepared for The Ferne Fether Trust and is for the sole and exclusive use of The Ferne Fether Trust. We request that you seek our written authorization before releasing the report to any other party.

The assignment will be to formulate an opinion of market value for the property. The legal property appraised would be the Fee Simple interest. The property will be valued as of 03/15/2017.

The appraisal will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice. Attached to this letter you will find a copy of our Statement of Limiting Conditions and Appraiser`s Certification which are attached to all appraisals prepared by this office. Please review and initial each attached page and return the executed copy to us indicating your acceptance and approval of our Limiting Conditions and Appraiser`s Certification.

The estimated completion date of the appraisal is 03/27/2017.

We can only complete the appraisal by this date if we receive from you in a timely manner any relevant information needed for the preparation of the report. In order to complete this appraisal, the following information will be needed:

We will furnish you with 1 electronic copies of the appraisal report. Our fee for this appraisal will be \$ 250.00. This fee does does not include the cost of certain expenses that may be incurred in the preparation of the report. If expenses are not included, a bill for these expenses will be provided to you upon completion of the report.

- A retainer in the amount of \$ 250.00 must be paid to this office before we can commence the preparation of this report.
- A bill for the \$ _____ appraisal fee will be presented and immediate payment will be requested at the time the report is completed.
- A bill for the appraisal fee of \$ _____ along with any other expenses incurred will be presented to you along with the completed report.

We will proceed with the preparation of this appraisal upon receipt of a signed copy of this letter and an initialed copy of the Statement of Limiting Conditions and Appraiser`s Certification. If you have any questions about anything contained in this letter or in any of the attachments, please give us a call.

Sincerely,

Patricia Kimzey License#AR008068

Engagement Letter Accepted:

Mark Fether 03/15/17
(client signature) (date)

RESIDENTIAL APPRAISAL REPORT

File No.: Fether(2)2017

Property Address: 1059 14th St	City: Hermosa Beach	State: CA	Zip Code: 90254
County: Los Angeles		Legal Description: Byerly Tract Lot 18	
Assessor's Parcel #: 4185-010-014			
Tax Year: 2016	R.E. Taxes: \$ 1,054	Special Assessments: \$ 0	Borrower (if applicable): No Borrower
Current Owner of Record: Ferne L Fether		Occupant: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing	
Project Type: <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		HOA: \$ 0 <input type="checkbox"/> per year <input type="checkbox"/> per month	
Market Area Name: Hermosa Hills		Map Reference: 792/J2 Census Tract: 6210.01	

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 type="checkbox"/> Current (the Inspection Date is the Effective Date) <input checked="" 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: The intended use of this report is for personal use of client. There are no other intended use. See attached Assumptions, Limiting Conditions and Scope of Work Addendum.			
Intended User(s) (by name or type): Client			
Client: The Ferne Fether Trust		Address: 1059 14th St, Hermosa Beach, CA 90254	
Appraiser: Patricia Kimzey		Address: 1820 W Carson St, 202-282, Torrance, CA 90501	

Location: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Predominant Occupancy	One-Unit Housing	Present Land Use	Change in Land Use
Built up: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	<input checked="" type="checkbox"/> Owner 60 <input checked="" type="checkbox"/> Tenant 35 <input checked="" type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (>5%)	PRICE \$ (000) AGE (yrs) 750 Low 1 2,200 High 90 1,250 Pred 60	One-Unit 65 % 2-4 Unit 25 % Multi-Unit 5 % Comm'l 5 % %	<input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely * <input type="checkbox"/> In Process *
Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow				
Property values: <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining				
Demand/supply: <input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply				
Marketing time: <input checked="" type="checkbox"/> Under 3 Mos. <input 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): are: Pacific Coast Hwy West/ Flagler (city limits) East/ Anita St South / Artesia Blvd North.				

Market conditions appear to be increasing with limited inventory. Typical marketing times are 1 to 2 months.
 The 90 day period preceding the effective date of value there is "0" inventory. The 3 months preceding the effective date of value there were 10 sales total ranging in price from \$872,000 to \$2,170,000 with a median price of \$1,250,000. This a significantly wide range of pricing which is reflective of location, condition, GLA, site size, and views.

See attached commentary.

Dimensions: 50 x 74.5	Site Area: 3,725 Sq.Ft.
Zoning Classification: HBR1	Description: Residential Single Family
Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning	
Are CC&Rs applicable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown Have the documents been reviewed? <input type="checkbox"/> Yes <input type="checkbox"/> No Ground Rent (if applicable) \$ /	
Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)	
Actual Use as of Effective Date: Single Family Residence Use as appraised in this report: Single Family Residential	
Summary of Highest & Best Use: The highest and best use is as a single family as it is legally permissible, financially feasible and physically possible.	

<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Utilities</th> <th>Public</th> <th>Other</th> <th>Provider/Description</th> </tr> <tr> <td>Electricity</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>SCE</td> </tr> <tr> <td>Gas</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>So Cal</td> </tr> <tr> <td>Water</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>City</td> </tr> <tr> <td>Sanitary Sewer</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>City</td> </tr> <tr> <td>Storm Sewer</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>City</td> </tr> </table>	Utilities	Public	Other	Provider/Description	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SCE	Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	So Cal	Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	City	Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	City	Storm Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	City	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Off-site Improvements</th> <th>Type</th> <th>Public</th> <th>Private</th> </tr> <tr> <td>Street</td> <td>Asphalt Paved</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Curb/Gutter</td> <td>Concrete</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Sidewalk</td> <td>None</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Street Lights</td> <td>Electric</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Alley</td> <td>None</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Off-site Improvements	Type	Public	Private	Street	Asphalt Paved	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Curb/Gutter	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sidewalk	None	<input type="checkbox"/>	<input type="checkbox"/>	Street Lights	Electric	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Alley	None	<input type="checkbox"/>	<input type="checkbox"/>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>Topography</td> <td>Flat Pad with slope to west</td> </tr> <tr> <td>Size</td> <td>Typical for area</td> </tr> <tr> <td>Shape</td> <td>Rectangle</td> </tr> <tr> <td>Drainage</td> <td>Appears Adequate</td> </tr> <tr> <td>View</td> <td>None</td> </tr> </table>	Topography	Flat Pad with slope to west	Size	Typical for area	Shape	Rectangle	Drainage	Appears Adequate	View	None
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Other site elements: <input checked="" type="checkbox"/> Inside Lot <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)																																																												
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone X FEMA Map # 060124/06037C1907F FEMA Map Date 09/26/2008																																																												
Site Comments: No apparent easements or encroachments were evident at time of inspection.																																																												

General Description # of Units: 1 <input type="checkbox"/> Acc. Unit # of Stories: 1 Type: <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> Design (Style): Ranch <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und. Cons. Actual Age (Yrs.): 65 Effective Age (Yrs.): 60	Exterior Description Foundation: Concrete Exterior Walls: Stucco Roof Surface: Comp Shingle Gutters & Dwnspts: Alum Window Type: Alum Slide Storm/Screen: Aluminum	Foundation Slab: Partial Crawl Space: Partial Basement: None Sump Pump: <input type="checkbox"/> None Dampness: <input checked="" type="checkbox"/> Yes Settlement: Yes Infestation: None	Basement <input checked="" type="checkbox"/> None Area Sq. Ft.: 0 % Finished: N/A Ceiling: N/A Walls: N/A Floor: N/A Outside Entry: N/A	Heating Wall Type: None Fuel: Gas Cooling Central: - Other: -
Interior Description Floors: Carpet/Lino-Average Walls: Plaster/Average Trim/Finish: Wood/Average Bath Floor: Tile/Average Bath Wainscot: Tile/Average Doors: Wood/Avg	Appliances Refrigerator: <input type="checkbox"/> Range/Oven: <input type="checkbox"/> Dishwasher: <input checked="" type="checkbox"/> Fan/Hood: <input type="checkbox"/> Microwave: <input type="checkbox"/> Washer/Dryer: <input type="checkbox"/>	Attic <input type="checkbox"/> None Stairs: <input type="checkbox"/> Drop Stair <input checked="" type="checkbox"/> Scuttle Doorway: <input type="checkbox"/> Floor: <input type="checkbox"/> Heated: <input type="checkbox"/> Finished: <input type="checkbox"/>	Amenities Fireplace(s) #: 1 Woodstove(s) #: 0 Patio: None <input checked="" type="checkbox"/> Deck Porch: Concrete Fence: Wood Pool: None	Car Storage <input checked="" type="checkbox"/> None Garage # of cars (1 Tot.): Attach: 1 Detach: 0 Blt-In: 0 Carport: 0 Driveway: 0 Surface: Concrete
Finished area above grade contains: 6 Rooms 3 Bedrooms 2.0 Bath(s) 1,407 Square Feet of Gross Living Area Above Grade				
Additional features: No energy items				

Describe the condition of the property (including physical, functional and external obsolescence): See Attached addendum.

Deferred maintenance present: Cosmetic issues include disturbed paint on exterior eaves; wood fencing has reached its useful life; disturbed paint on ceiling of bathrooms. Significant settlement cracks throughout, cause unknown (see commentary for details).



RESIDENTIAL APPRAISAL REPORT

File No.: Fether(2)2017

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): NDC/Public Records

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: <u>None</u>
Date: <u>None</u>	
Price: <u>None</u>	
Source(s): CoreLogic	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s): Public Records	

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	1059 14th St Hermosa Beach, CA 90254	906 3rd St Hermosa Beach, CA 90254			1239 9th St Hermosa Beach, CA 90254			1845 Hillcrest Dr Hermosa Beach, CA 90254											
Proximity to Subject		0.60 miles S			0.27 miles SE			0.30 miles NW											
Sale Price	\$ 0	\$ 1,149,000			\$ 1,175,000			\$ 1,215,000											
Sale Price/GLA	\$ 601.09 /sq.ft.	\$ 656.57 /sq.ft.			\$ 967.87 /sq.ft.			\$ 916.29 /sq.ft.											
Data Source(s)	Inspection	CRMLS#SB16181241;DOM 9			CRMLS#SB16743674;DOM 11			CRMLS#SB16124731;DOM 39											
Verification Source(s)	NDC	Doc#1401863 11/09/2016			Doc#1656298 12/29/2016			Doc#1159323 09/23/2016											
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+	(-) \$ Adjust.	DESCRIPTION	+	(-) \$ Adjust.	DESCRIPTION	+	(-) \$ Adjust.									
Sales or Financing Concessions	N/A	Conv			Conv			Cash											
	0	0			0			3000											
Date of Sale/Time	03/15/2017	s11/16;c08/16			s12/16;c11/16			s09/16;c08/16											
Rights Appraised	Fee Simple	Fee Simple			Fee Simple			Fee Simple											
Location	N of Aviation	S of Aviation			S of Aviation			N of Aviation											
Site	3,725 Sq.Ft.	2255 sf			3754 sf			3475 sf											
View	None	None			None			None											
Design (Style)	Ranch	Traditional			Traditional			Ranch											
Quality of Construction	Average	Average			Average			Average											
Age	63	95			62			65											
Condition	Below Average	Good			Good			Below Average											
Above Grade Room Count	Total Bdrms Baths	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths											
	6 3 2.0	5 2 2.1		0	5 3 1.1		+10,000	6 4 2.0		0									
Gross Living Area	1,407 sq.ft.	1,750 sq.ft.			-43,000			1,214 sq.ft.			+24,000			1,326 sq.ft.			+10,000		
Basement & Finished Rooms Below Grade	0sf	0sf			0sf			0sf											
Functional Utility	Average	Average			Average			Average											
Heating/Cooling	Wall/None	FAU/None			FAU/None			Wall/None											
Energy Efficient Items	None	None			None			None											
Garage/Carport	1 Car Garage	None			+10,000			2 Car Garage			-10,000			2 Car Garage			-10,000		
Porch/Patio/Deck	Porch	Patio/Porch/Deck			Deck			Patio/Deck											
Fireplace	1 Fireplace	None			None			None											
Amenity	None	1 Fireplace			0			1 Fireplace			0			None					
List Price	0	1149000			1188000			1299000											
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 29,000			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 49,000			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 6,000											
Adjusted Sale Price of Comparables		Net 2.5 % Gross 18.7 % \$ 1,178,000			Net 4.2 % Gross 14.4 % \$ 1,224,000			Net 0.5 % Gross 2.1 % \$ 1,221,000											

Summary of Sales Comparison Approach See attached addenda for comments on comparables.

Indicated Value by Sales Comparison Approach \$ 1,200,000

RESIDENTIAL APPRAISAL REPORT

File No.: Fether(2)2017

COST APPROACH	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):	Site value is determined by abstraction method. No vacant land sales in this builtup neighborhood.
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 1,050,000
	Source of cost data: Builders Cost Book	DWELLING 1,407 Sq.Ft. @ \$ 205.00 = \$ 288,435
	Quality rating from cost service: Average Effective date of cost data: 2017	0 Sq.Ft. @ \$ = \$
	Comments on Cost Approach (gross living area calculations, depreciation, etc.):	Sq.Ft. @ \$ = \$
	Cost figures are taken from builders data cost handbook. Physical depreciation is estimated at 60% based on current condition level. The site value is 88% which is common for the area.	Sq.Ft. @ \$ = \$
Garage/Carport 267 Sq.Ft. @ \$ 95.00 = \$ 25,365		
Total Estimate of Cost-New = \$ 313,800		
Less Physical	Functional External	
Depreciation 190,194 = \$(190,194)	
Depreciated Cost of Improvements = \$ 123,606	
"As-is" Value of Site Improvements = \$ 25,000	
Estimated Remaining Economic Life (if required): 39 Years	INDICATED VALUE BY COST APPROACH = \$ 1,198,606	

INCOME APPROACH	INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.	
	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): The income approach is not a good indicator of value for the subject property based on the high rate of owner occupancy within the market area. The typical buyer within this market is not motivated by potential income stream. Therefore the Income Approach to value is not used as it is considered an unreliable approach to value.	

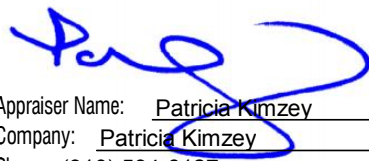
PUD	PROJECT INFORMATION FOR PUDs (if applicable) <input type="checkbox"/> The Subject is part of a Planned Unit Development.
	Legal Name of Project: Describe common elements and recreational facilities:

RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 1,200,000 Cost Approach (if developed) \$ 1,198,606 Income Approach (if developed) \$
	Final Reconciliation The sales comparison approach to value is the most reliable approach as buyers and sellers in the open market place best represent current market trends. The cost approach is omitted from the report as it is unreliable. The Income Approach does not apply and is omitted due to primary owner occupancy within the market area.
	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:

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: \$ 1,200,000, as of: 03/15/2017, 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.

ATTACHMENTS	A true and complete copy of this report contains 23 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 checked="" type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input checked="" 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"/> Manuf. House Addendum <input checked="" type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

SIGNATURES	Client Contact: <u>Mark Fether</u> Client Name: <u>The Ferne Fether Trust</u>
	E-Mail: <u>mdfether@gmail.com</u> Address: <u>1059 14th St, Hermosa Beach, CA 90254</u>
	APPRAISER
	
	Appraiser Name: <u>Patricia Kimzey</u>
	Company: <u>Patricia Kimzey</u>
	Phone: <u>(310) 594-6127</u> Fax: <u>(866) 435-1517</u>
	E-Mail: <u>kimzeyp@earthlink.net</u>
	Date of Report (Signature): <u>03/27/2017</u>
	License or Certification #: <u>AR008068</u> State: <u>CA</u>
Designation: <u>Certified Residential Real Estate Appraiser</u>	
Expiration Date of License or Certification: <u>08/01/2017</u>	
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None	
Date of Inspection: <u>03/15/2017</u>	
SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)	
Supervisory or Co-Appraiser Name: _____	
Company: _____	
Phone: _____ Fax: _____	
E-Mail: _____	
Date of Report (Signature): _____	
License or Certification #: _____ State: _____	
Designation: _____	
Expiration Date of License or Certification: _____	
Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None	
Date of Inspection: _____	

ADDITIONAL COMPARABLE SALES

File No.: Fether(2)2017

FEATURE	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6											
Address	1059 14th St Hermosa Beach, CA 90254			1315 Bonnie Brae St Hermosa Beach, CA 90254			1216 2nd St Hermosa Beach, CA 90254			1430 Bonnie Brae St Hermosa Beach, CA 90254											
Proximity to Subject				0.08 miles SW			0.62 miles SE			0.06 miles W											
Sale Price	\$ 0			\$ 1,249,000			\$ 1,150,000			\$ 1,295,000											
Sale Price/GLA	\$ 601.09 /sq.ft.			\$ 701.69 /sq.ft.			\$ 729.23 /sq.ft.			\$ 1,221.70 /sq.ft.											
Data Source(s)	Inspection			CRMLS#N16167397;DOM 2			CRMLS#SB17025493;DOM 22			CRMLS#17213342;DOM 3											
Verification Source(s)	NDC			Doc#1144954 09/21/2016			Doc#245053 03/02/2017			Realist											
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION			+(-) \$ Adjust.			DESCRIPTION			+(-) \$ Adjust.								
Sales or Financing Concessions	N/A 0			Conv 0			Cash 4000			N/A											
Date of Sale/Time	03/15/2017			s09/16;c07/16			s03/17;c02/17			Active											
Rights Appraised	Fee Simple			Fee Simple			Fee Simple			Fee Simple											
Location	N of Aviation			N of Aviation			S of Aviation			+75,000 N of Aviation											
Site	3,725 Sq.Ft.			2255 sf			+37,000 2246 sf			+37,000 3795 sf			0								
View	None			Ocean View			-25,000 Ocean View			-25,000 None											
Design (Style)	Ranch			Traditional			Traditional			Traditional											
Quality of Construction	Average			Average			Average			Average											
Age	63			95			49			70											
Condition	Below Average			Below Average			Good			-50,000 Average			-25,000								
Above Grade	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths									
Room Count	6	3	2.0	5	2	2.1	0	5	3	2.0	4	2	2.0	+10,000							
Gross Living Area	1,407 sq.ft.			1,780 sq.ft.			-47,000			1,577 sq.ft.			-21,000			1,060 sq.ft.			+43,000		
Basement & Finished Rooms Below Grade	0sf			0sf			0sf			0sf											
Functional Utility	Average			Average			Average			Average											
Heating/Cooling	Wall/None			None/CAC			FAU/None			None/None											
Energy Efficient Items	None			None			None			None											
Garage/Carport	1 Car Garage			None			+10,000			2 Car Garage			-10,000			2 Car Garage			-10,000		
Porch/Patio/Deck	Porch			Patio/Porch/Deck			Patio/Porch/Deck			Deck											
Fireplace	1 Fireplace			None			None			None											
Amenity	None			1 Fireplace			1 Fireplace			1br/1ba unit			-50,000								
List Price	0			1249000			1085000			1295000											
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> -			\$ -25,000			<input checked="" type="checkbox"/> + <input type="checkbox"/> -			\$ 6,000			<input type="checkbox"/> + <input checked="" type="checkbox"/> -			\$ -32,000		
Adjusted Sale Price of Comparables				Net 2.0 %						Net 0.5 %						Net 2.5 %					
				Gross 9.5 %			\$ 1,224,000			Gross 19.0 %			\$ 1,156,000			Gross 10.7 %			\$ 1,263,000		
Summary of Sales Comparison Approach																					

SALES COMPARISON APPROACH

Additional Comparables 7-9

File No.: Fether(2)2017

FEATURE	SUBJECT			COMPARABLE SALE #7			COMPARABLE SALE #8			COMPARABLE SALE #9											
Address	1059 14th St Hermosa Beach, CA 90254			1401 Corona St Hermosa Beach, CA 90254			1201 20th Pl Hermosa Beach, CA 90254														
Proximity to Subject				0.01 miles E			0.39 miles NW														
Sale Price	\$ 0			\$ 1,200,000			\$ 998,000			\$											
Sale Price/GLA	\$ 601.09 /sq.ft.			\$ 847.46 /sq.ft.			\$ 1,100.33 /sq.ft.			\$ /sq.ft.											
Data Source(s)	Inspection			CRMLS#SB17054139;DOM 8			CRMLS#SB17049022;DOM 3														
Verification Source(s)	NDC			Realist			Realist														
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION			+(-) \$ Adjust.			DESCRIPTION			+(-) \$ Adjust.								
Sales or Financing Concessions	N/A 0			N/A						N/A											
Date of Sale/Time	03/15/2017			Active						Pending 3/10/17											
Rights Appraised	Fee Simple			Fee Simple						Fee Simple											
Location	N of Aviation			N of Aviation/Trrfic			+50,000			N of Avia/E of Pros			+50,000								
Site	3,725 Sq.Ft.			3960 sf			-6,000			2497 sf			+31,000								
View	None			None						None											
Design (Style)	Ranch			Bungalow						Bungalow											
Quality of Construction	Average			Average						Average											
Age	63			78						61											
Condition	Below Average			Average			-25,000			Average			-25,000			-50,000					
Above Grade	Total	Bdrms	Baths	Total	Bdrms	Baths				Total	Bdrms	Baths									
Room Count	6	3	2.0	4	2	1.0	+20,000			4	2	1.0	+20,000			0					
Gross Living Area	1,407 sq.ft.			1,416 sq.ft.			0			907 sq.ft.			+63,000			sq.ft.					
Basement & Finished Rooms Below Grade	0sf			100sf			0			0sf											
Functional Utility	Average			Average						Average											
Heating/Cooling	Wall/None			None/None						Wall/None											
Energy Efficient Items	None			None						None											
Garage/Carport	1 Car Garage			1 Car Garage						1 Car Garage											
Porch/Patio/Deck	Porch			Patio						Patio/Deck											
Fireplace	1 Fireplace			None						None											
Amenity	None			None						None											
List Price	0			1200000						998000											
Net Adjustment (Total)				<input checked="" type="checkbox"/> + <input type="checkbox"/> -			\$ 39,000			<input checked="" type="checkbox"/> + <input type="checkbox"/> -			\$ 139,000			<input type="checkbox"/> + <input checked="" type="checkbox"/> -			\$ -50,000		
Adjusted Sale Price of Comparables				Net 3.3 %						Net 13.9 %						Net %					
				Gross 8.4 %			\$ 1,239,000			Gross 18.9 %			\$ 1,137,000			Gross %			\$ -50,000		

SALES COMPARISON APPROACH

Summary of Sales Comparison Approach

Supplemental Addendum

File No. Fether(2)2017

Borrower/Client	No Borrower				
Property Address	1059 14th St				
City	Hermosa Beach	County	Los Angeles	State	CA Zip Code 90254
Lender	No Lender				

Intended Use: The intended use of this appraisal is to estimate the fair market value of the subject property for private purposes of The Client and their assigns. There is no other intended use of this report.

This report is not intended for use in a financial transaction related to a mortgage or real estate related sale and may not be used for such purpose.

Intended User(s): The intended user of this appraisal report is The Client and their assignee/s. There are no other Intended Users. This report is made subject to the attached Definitions and Scope of Work, Assumptions & Limiting Conditions and Appraisers Certification. This report is null and void apart from these attachments.

Scope of work: The subject property was identified using sources including public records/tax assessors data (National Data Collective). The subject property identification is included in the report. The subject property was inspected on the exterior only no interior inspection was made. A curbside observation was completed. Data research included search of multiple listing service, public tax records and interviews with local realtors and interview with client.

The analysis is reported in a written appraisal report format using the Alamo GPRE2, a General Purpose form.

The sales comparison approach is applied to arrive at opinion of fair market value. The cost approach is included. The Income Approach is not included in this report as they are deemed to be unreliable for intended use.

HYPOTHETICAL CONDITION: A hypothetical condition is made in preparing this report, that the subject property does not have settlement issues. Hypothetical conditions are contrary to what exists, but the conditions are asserted by the appraiser for the purpose of analysis.

NEIGHBORHOOD / MARKET AREA:

The subject property is located in MLS subarea 150, known in the market as "Hermosa Hills" or "East Hermosa", located approximately 3/4 mile to local beaches/ocean. This neighborhood is located east of Pacific Coast Highway (PCH) which is a major boundary. Property values tend to escalate going west based on accessibility to the beach. The neighborhood borders to the city of Redondo Beach on the east and south sides and to the city of Manhattan Beach to the north. Hermosa Hills is mainly single family residences with limited small income property and condominium. Site sizes range from 1500 to 6000 square feet. The topography is hilly as the name implies with opportunity for ocean views due to the sloping streets. North/South running streets which face west have better views or view potential (these street are typically 'name' streets), the 'number' streets run east/west and face north/south with typically less desirable views. The area has been trending, over the past 30 years, toward development of 2 story spec homes which are replacing the older homes. Due to the development potential, land value leads the market. Premiums are paid for the larger sites with ocean views (or potential views).

SITE: The subject site is located on a residential street in proximity of similar residential type property. The site borders to similar type SFR use property. Per plat map the site is approximately 3,725 square feet (see attached plat map). The site is common and typical in size, shape and utility for the market area. Site location is west of Prospect Avenue and north of Aviation (see comments on neighborhood below).

PHYSICAL IMPROVEMENTS: Improvements/gross living area: According to the county tax assessor records the subject property is 1,392 square feet of gross living area (GLA) with 4 bedroom and 2 baths. The appraiser physically measured the improvements at 1,407 square feet of living space. The variance between assessors data and appraisers measurement is considered insignificant (within 0.99%). The inspection of improvements revealed 3 bedrooms and 2 baths, with an office (no closet).

Improvements/Condition: The subject property was originally built in 1952 per public records. The property has had some maintenance since construction with little to no remodeling present. The kitchen, baths and main components and services are original to the structure. The family room is an addition and features open beamed ceiling and brick fireplace.

Deferred maintenance is present in the form of disturbed paint on exterior eaves and wood windows, peeling paint on interior bathroom ceilings, extensive settlement cracks on interior walls near door ways (see hypothetical condition statement), wood fencing has limited effective life, vegetation and trees are overgrown and in need of maintenance.

Please note that this appraisal is not a home inspection and the appraiser is not acting as a home inspector. While observing the subject property, the appraiser visually observed areas that were readily accessible. The appraiser is not required to disturb or move obstruction to visibility. The inspection is not technically exhaustive. A formal home inspection for the subject property was not provided to the appraiser. The appraisal report should not be relied upon to disclose any conditions present in the subject property. The appraiser does not guarantee that the property is free from additional defects. A professional home inspection is recommended to determine physical stability of the property.

PRIOR SERVICE COMMENT

I performed an appraisal service on the subject property on 03/22/2017 (a separate report with EDV of 11/21/15). I have not performed any other service on the subject property in the 3 years prior to the effective date of value of this report.

EXPOSURE TIME

The estimated market value of the subject is based on an exposure time of 1 to 3 months. The opinion of exposure time is based on statistical data of days on market; information gathered through sale verification.

FIRREA STATEMENT

The appraiser certifies and agrees this appraisal was prepared in accordance with the requirements of the Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989, as amended (12 USC 3331 et seq.), and any applicable implementing regulations in effect at the time the appraiser signs the appraisal certification.

HIGHEST AND BEST USE The relevant legal, physical, and economic factors were analyzed to the extent necessary and resulted in a conclusion that the current use of the subject property is the highest and best use [USPAP – Standards Rule 2-2(b)(x)].

Supplemental Addendum

File No. Fether(2)2017

Borrower/Client	No Borrower				
Property Address	1059 14th St				
City	Hermosa Beach	County	Los Angeles	State	CA Zip Code 90254
Lender	No Lender				

SALES COMPARISON ANALYSIS AND SUPPORT FOR VALUE CONCLUSION

Comparable selection criteria - In searching for comparable the appraiser has emphasized subdivision sales, recent sales, location, lot size, gross living area, utility, design, age and condition. In most cases comparables over 6 months have been eliminated from consideration. In case where the appraiser could not locate recent sales within the subdivision, a representative sample of homes from within the subdivision and from competing subdivisions was utilized in an effort to accurately portray market value for the subject. It should be noted that research of the subject marketing area/neighborhood indicates a wide range of value for homes that appear to be similar in terms of physical characteristics. It should be noted that homes of this nature are typically similar style homes that vary significantly in terms of renovation, upgrades and condition. Consequently sales prices can vary significantly. It should be noted that by utilizing listing services the appraiser can determine (with some degree of accuracy) the circumstances surrounding the transaction. When possible utilize only comparables that were given proper exposure to the market via a traditional listing service. By applying the aforementioned criteria that appraiser is attempting to insure that comparables utilized support the opinion of value, that buyers and sellers were typically motivated and acting in their own interest: well informed or well advised parties: reasonable and customary market exposure: and a price representing normal consideration unaffected by special or creative financing or sales concessions

In the research phase of the assignment the appraiser looked at sales with compatible gross living area, similar site size and similar location were specifically researched. The sales included in the report are considered to be the most reliable indicators of value.

NEIGHBORHOOD / MARKET AREA:

The subject property is located in MLS subarea 150, known in the market as "Hermosa Hills" or "East Hermosa", located approximately 3/4 mile to local beaches/ocean. This neighborhood is located east of Pacific Coast Highway (PCH) which is a major boundary. Property values tend to escalate going west based on accessibility to the beach. The neighborhood borders to the city of Redondo Beach on the east and south sides and to the city of Manhattan Beach to the north. Hermosa Hills is mainly single family residences with limited small income property and condominium. Site sizes range from 1500 to 6000 square feet. The topography is hilly as the name implies with opportunity for ocean views due to the sloping streets. North/South running streets which face west have better views or view potential (these street are typically 'name' streets), the 'number' streets run east/west and face north/south with typically less desirable views.

The area has been trending, over the past 30 years, toward development of 2 story spec homes which take advantage of ocean views to the west, these new homes are replacing the older homes. Due to the development potential, land value leads the market. Premiums are paid for the larger sites with ocean views (or potential views). The neighborhood is dissected by Aviation Blvd which runs east/west, and Prospect Avenue which runs north/south. Historically, market data indicates a premium for property north of Aviation as sites tend to be larger and density lower in this section of Hermosa Hills. Also a premium for property west of Prospect as these sites tend to have better views (east of Prospect tends to be flat sites).

ADJUSTMENTS ON THE MARKET GRID

The variances between the subject property and the comparable sales are adjusted to reflect the markets reaction to the particular feature:

Location:	\$50,000 to \$75,000
Site:	\$25 per square foot
View	\$25,000
Condition:	adjustments are based on the level of remodeling/upgrading of each comparable sale
Room:	\$10,000 per bedroom/bath
Gross living area:	\$125 per square foot

Comparable 1: Inferior in location, south of Aviation. Inferior site and superior condition with remodeling throughout.

Comparable 2: Inferior in location, south of Aviation. Very similar site size and superior condition with remodeling throughout.

Comparable 3: Overall this property is very similar to the subject with very compatible site size and condition level at time of sale.

Comparable 4: Similar location with inferior site and superior ocean views (looking west). Overall compatible in condition, listed as a "fixer".

Comparable 5: Inferior in location, south of Aviation. Inferior site and superior condition with remodeling throughout. Superior limited ocean view.

Comparable 6 is a current active listing. Slightly superior condition level with high maintenance (some updating).

Comparable 7 is a current active listing. Located in close proximity to the subject, inferior location facing to traffic on Prospect Avenue. Slightly superior condition level with high maintenance (some updating).

Comparable 8 is a pending sale (under contract). Located north of Aviation but further east of Prospect. This property is significantly inferior in GLA and room count.

RECONCILIATION OF VALUE:

The estimated fair market value of the subject property as of 03/15/2017 is determined to be \$1,200,000. The adjusted sale price range is \$1,156,000 to \$1,224,000, the value of \$1,200,000 is at the midpoint of the range and considered well supported.

In coming to this conclusion the appraiser has analyzed the sales individually and determined Comparables 3 and 4 are most similar overall in terms of bracketing the subjects condition level. Active and pending listing tend to support the higher end of the range but are not closed yet.

Subject Photo Page

Borrower/Client	No Borrower				
Property Address	1059 14th St				
City	Hermosa Beach	County	Los Angeles	State	CA Zip Code 90254
Lender	No Lender				

**Subject Front**

1059 14th St
 Sales Price 0
 Gross Living Area 1,407
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location N of Aviation
 View None
 Site 3,725 Sq.Ft.
 Quality Average
 Age 63

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

Photograph Addendum

Borrower/Client	No Borrower				
Property Address	1059 14th St				
City	Hermosa Beach	County	Los Angeles	State	CA Zip Code 90254
Lender	No Lender				



Living room



Kitchen w/laundry in background



Kitchen



Bath

Photograph Addendum

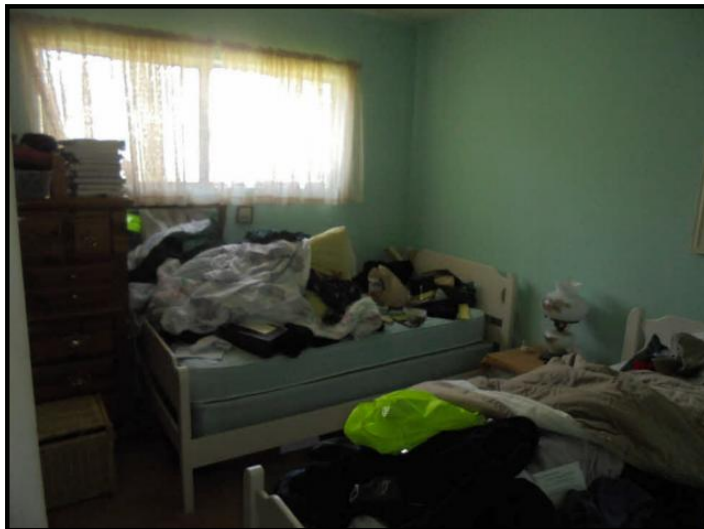
Borrower/Client	No Borrower				
Property Address	1059 14th St				
City	Hermosa Beach	County	Los Angeles	State	CA Zip Code 90254
Lender	No Lender				



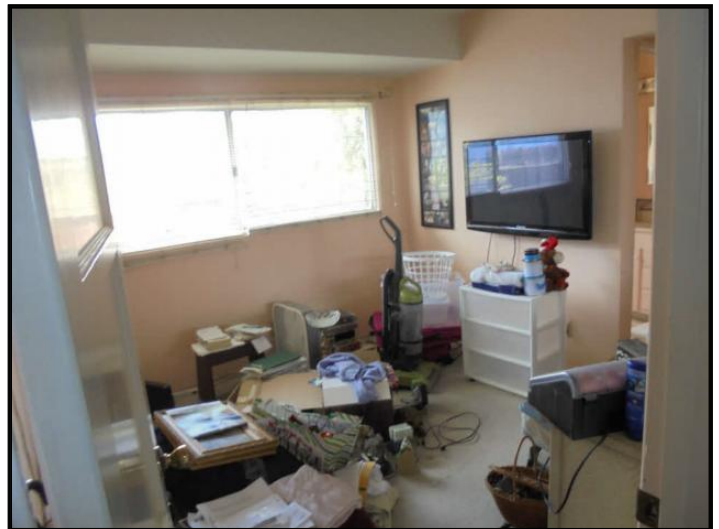
3/4 Bath



Family room



Bedroom



Bedroom

Photograph Addendum

Borrower/Client	No Borrower				
Property Address	1059 14th St				
City	Hermosa Beach	County	Los Angeles	State	CA Zip Code 90254
Lender	No Lender				



Office



Peeling paint on interior walls



Peeling paint on bathroom ceiling



Peeling paint on exterior window trim

Photograph Addendum

Borrower/Client	No Borrower				
Property Address	1059 14th St				
City	Hermosa Beach	County	Los Angeles	State	CA Zip Code 90254
Lender	No Lender				



Overgrown vegetation



Peeling paint on exterior window trim



Peeling paint on exterior door



Peeling paint on exterior eaves

Photograph Addendum

Borrower/Client	No Borrower				
Property Address	1059 14th St				
City	Hermosa Beach	County	Los Angeles	State	CA Zip Code 90254
Lender	No Lender				



Back wood fencing

Comments:



Interior settlement cracks

Comments:



Interior settlement cracks

Comments:



Interior settlement cracks

Comments:

Comparable Photo Page

Borrower/Client	No Borrower			
Property Address	1059 14th St			
City	Hermosa Beach	County Los Angeles	State CA	Zip Code 90254
Lender	No Lender			



Comparable 1

906 3rd St	
Prox. to Subject	0.60 miles S
Sales Price	\$1,149,000
Gross Living Area	1,750
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	2.1
Location	S of Aviation
View	None
Site	2255 sf
Quality	Average
Age	95



Comparable 2

1239 9th St	
Prox. to Subject	0.27 miles SE
Sales Price	1,175,000
Gross Living Area	1,214
Total Rooms	5
Total Bedrooms	3
Total Bathrooms	1.1
Location	S of Aviation
View	None
Site	3754 sf
Quality	Average
Age	62



Comparable 3

1845 Hillcrest Dr	
Prox. to Subject	0.30 miles NW
Sales Price	1,215,000
Gross Living Area	1,326
Total Rooms	6
Total Bedrooms	4
Total Bathrooms	2.0
Location	N of Aviation
View	None
Site	3475 sf
Quality	Average
Age	65

Comparable Photo Page

Borrower/Client	No Borrower			
Property Address	1059 14th St			
City	Hermosa Beach	County	Los Angeles	State CA Zip Code 90254
Lender	No Lender			



Comparable 4

1315 Bonnie Brae St	
Prox. to Subject	0.08 miles SW
Sales Price	1,249,000
Gross Living Area	1,780
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	2.1
Location	N of Aviation
View	Ocean View
Site	2255 sf
Quality	Average
Age	95



Comparable 5

1216 2nd St	
Prox. to Subject	0.62 miles SE
Sales Price	\$1,150,000
Gross Living Area	1,577
Total Rooms	5
Total Bedrooms	3
Total Bathrooms	2.0
Location	S of Aviation
View	Ocean View
Site	2246 sf
Quality	Average
Age	49



Comparable 6

1430 Bonnie Brae St	
Prox. to Subject	0.06 miles W
Sales Price	\$1,295,000
Gross Living Area	1,060
Total Rooms	4
Total Bedrooms	2
Total Bathrooms	2.0
Location	N of Aviation
View	None
Site	3795 sf
Quality	Average
Age	70

Comparable Photo Page

Borrower/Client	No Borrower			
Property Address	1059 14th St			
City	Hermosa Beach	County	Los Angeles	State CA Zip Code 90254
Lender	No Lender			



Comparable 7

1401 Corona St	
Prox. to Subject	0.01 miles E
Sales Price	\$1,200,000
Gross Living Area	1,416
Total Rooms	4
Total Bedrooms	2
Total Bathrooms	1.0
Location	N of Aviation/Trffic
View	None
Site	3960 sf
Quality	Average
Age	78



Comparable 8

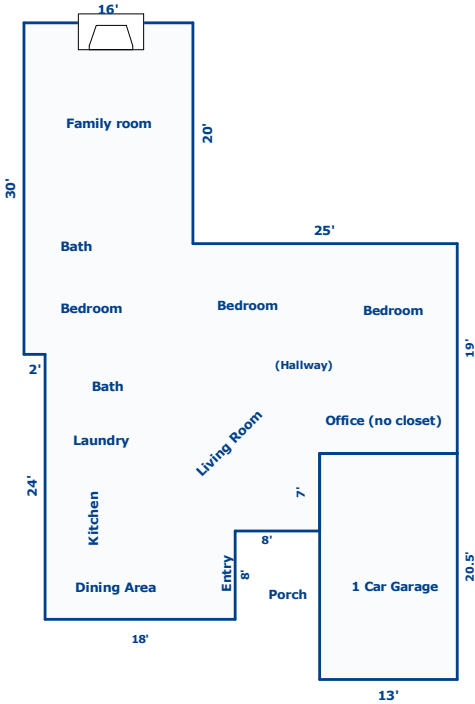
1201 20th PI	
Prox. to Subject	0.39 miles NW
Sales Price	\$998,000
Gross Living Area	907
Total Rooms	4
Total Bedrooms	2
Total Bathrooms	1.0
Location	N of Avia/E of Pros
View	None
Site	2497 sf
Quality	Average
Age	61

Comparable 9

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

Building Sketch

Borrower/Client	No Borrower			
Property Address	1059 14th St			
City	Hermosa Beach	County Los Angeles	State CA	Zip Code 90254
Lender	No Lender			



Sketch by Apex Sketch v5 Standard™

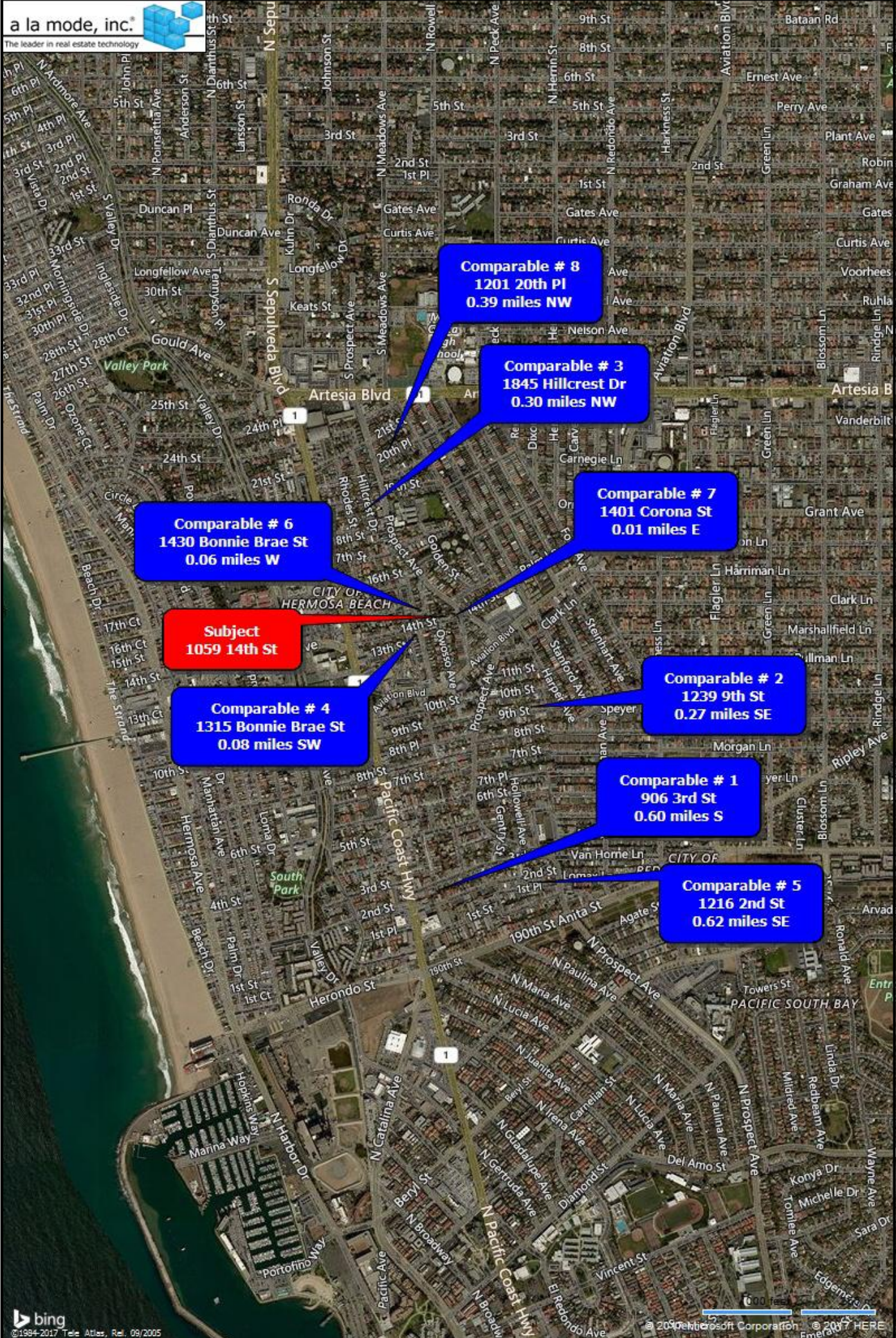
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1407.00	1407.00
GAR	Garage	266.50	266.50
Net LIVABLE Area		(rounded)	1407

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
	26.0 x	7.0	182.00
	8.0 x	18.0	144.00
0.5 x	10.0 x	0.0	0.00
	9.0 x	39.0	351.00
0.5 x	0.0 x	18.0	0.00
	20.0 x	16.0	320.00
	41.0 x	10.0	410.00
0.5 x	9.0 x	0.0	0.00
8 Items			(rounded)
			1407

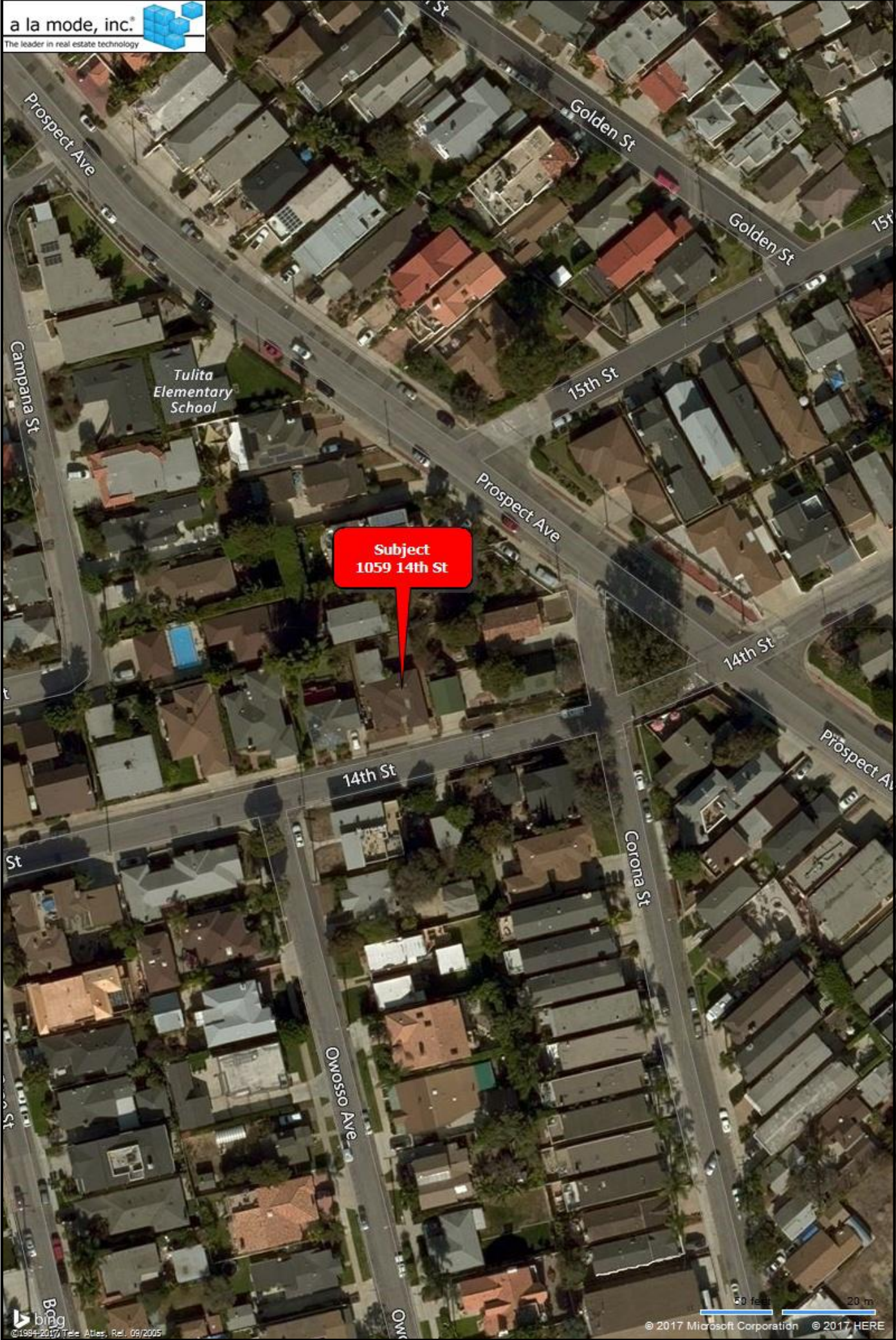
Location Map

Borrower/Client	No Borrower			
Property Address	1059 14th St			
City	Hermosa Beach	County	Los Angeles	State CA Zip Code 90254
Lender	No Lender			

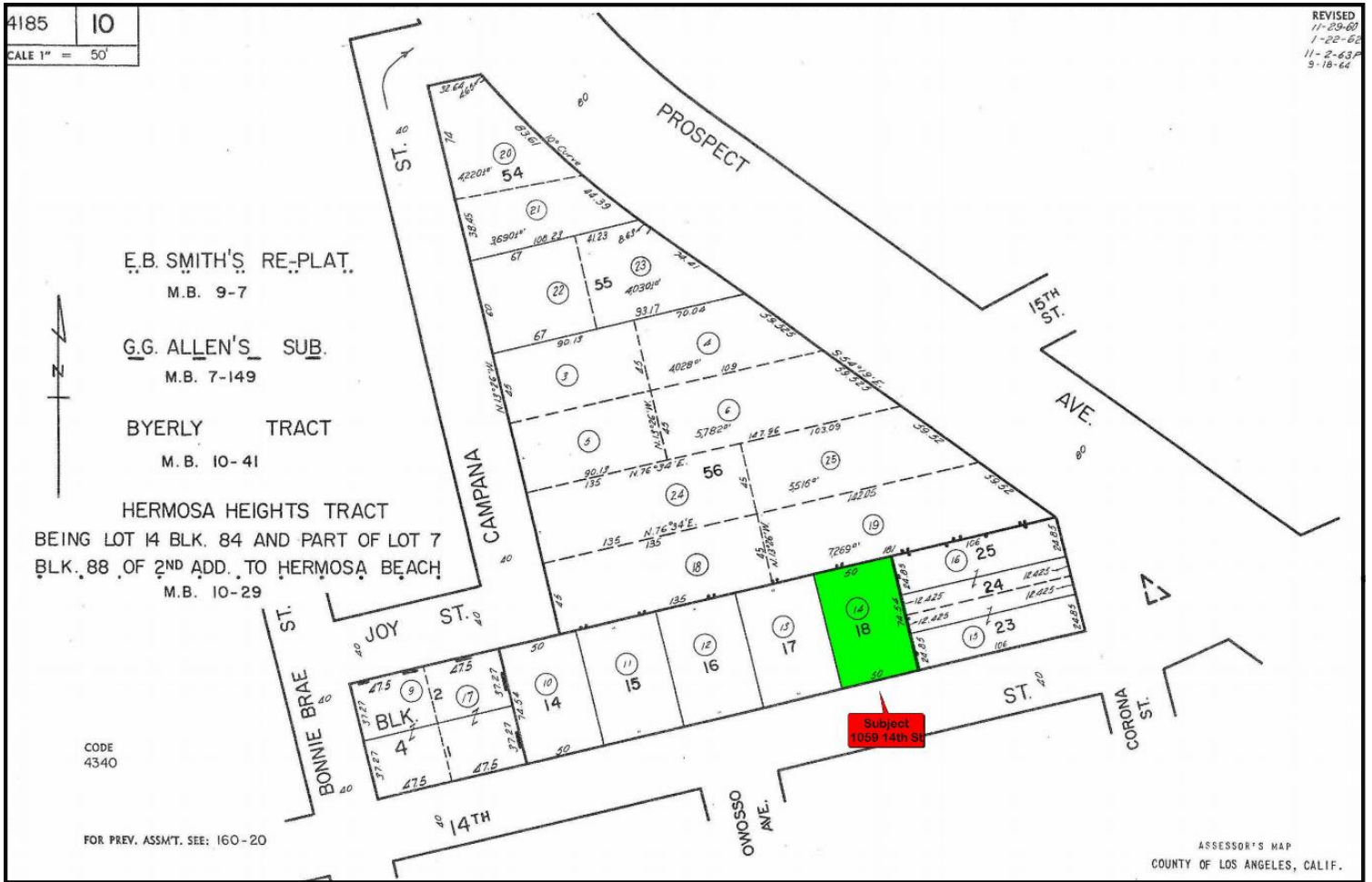


Aerial Map

Borrower/Client	No Borrower			
Property Address	1059 14th St			
City	Hermosa Beach	County	Los Angeles	State CA Zip Code 90254
Lender	No Lender			



Plat



Assumptions & Limiting Conditions

File No.: Fether(2)2017

Property Address: 1059 14th St City: Hermosa Beach State: CA Zip Code: 90254

Client: The Ferne Fether Trust Address: 1059 14th St, Hermosa Beach, CA 90254

Appraiser: Patricia Kimzey Address: 1820 W Carson St, 202-282, Torrance, CA 90501

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.

Definitions & Scope of Work

File No.: Fether(2)2017

Property Address: 1059 14th St	City: Hermosa Beach	State: CA	Zip Code: 90254
Client: The Ferne Fether Trust	Address: 1059 14th St, Hermosa Beach, CA 90254		
Appraiser: Patricia Kimzey	Address: 1820 W Carson St, 202-282, Torrance, CA 90501		

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.

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.

Under USPAP Standards Rule 2-2(c), this is a Restricted Use Appraisal Report, and is intended only for the sole use of the named client. There are no other intended users. The client must clearly understand that the appraiser's opinions and conclusions may not be understood properly without additional information in the appraiser's work file.

In developing this appraisal, the appraiser has incorporated only the Sales Comparison Approach. The appraiser has excluded the Cost and Income Approaches to Value, due to being inapplicable given the limited scope of the appraisal. The appraiser has determined that this appraisal process is not so limited that the results of the assignment are no longer credible, and the client agrees that the limited scope of analysis is appropriate given the intended use.

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

Certifications

File No.: Fether(2)2017

Property Address: 1059 14th St	City: Hermosa Beach	State: CA	Zip Code: 90254
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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.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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:

PRIOR SERVICE COMMENT

I have not performed any prior service on the subject property within a three year period preceding acceptance of this assignment.

EXPOSURE TIME

The estimated market value of the subject is based on an exposure time of 1 to 3 months. The opinion of exposure time is based on statistical data of days on market; information gathered through sale verification.

FIRREA STATEMENT

The appraiser certifies and agrees this appraisal was prepared in accordance with the requirements of the Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989, as amended (12 USC 3331 et seq.), and any applicable implementing regulations in effect at the time the appraiser signs the appraisal certification.

Client Contact: Mark Fether	Client Name: The Ferne Fether Trust
E-Mail: mdfether@gmail.com	Address: 1059 14th St, Hermosa Beach, CA 90254

APPRAISER

Appraiser Name: Patricia Kimzey
 Company: Patricia Kimzey
 Phone: (310) 594-6127 Fax: (866) 435-1517
 E-Mail: kimzeyp@earthlink.net
 Date Report Signed: 03/27/2017
 License or Certification #: AR008068 State: CA
 Designation: Certified Residential Real Estate Appraiser
 Expiration Date of License or Certification: 08/01/2017
 Inspection of Subject: Interior & Exterior Exterior Only None
 Date of Inspection: 03/15/2017

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

Supervisory or
Co-Appraiser Name: _____
 Company: _____
 Phone: _____ Fax: _____
 E-Mail: _____
 Date Report Signed: _____
 License or Certification #: _____ State: _____
 Designation: _____
 Expiration Date of License or Certification: _____
 Inspection of Subject: Interior & Exterior Exterior Only None
 Date of Inspection: _____

SIGNATURES

