

APPRAISAL OF REAL PROPERTY

LOCATED AT:

Lot 1, Bryan Canyon Road (AKA Q Ponderosa Pt)
Lot 1, DLM 213
Carson City, NV 89704

FOR:

Heritage Bank of Nevada
1401 S. Virginia Street
Reno, NV 89509

AS OF:

02/14/2009

BY:

Ransford M. McDonald
8945 Chipshot Trail, Reno, NV 89523

LAND APPRAISAL REPORT

File No. I22021009

Borrower Grant Weise Census Tract 0032.01 Map Reference 39900
 Property Address Lot 1, Bryan Canyon Road
 City Carson City County Washoe State NV Zip Code 89704
 Legal Description Lot 1, DLM 213
 Sale Price \$ _____ Date of Sale _____ Loan Term _____ yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ 3,465.98 (yr) Loan charges to be paid by seller \$ N/A Other sales concessions _____
 Lender/Client Heritage Bank of Nevada Address 1401 S. Virginia Street, Reno, NV 89509
 Occupant Vacant Appraiser Ransford M. McDonald Instructions to Appraiser Current Fair Market Value

Location Urban Suburban Rural
 Built Up Over 75% 25% to 75% Under 25%
 Growth Rate Fully Dev. Rapid Steady Slow
 Property Values Increasing Stable Declining
 Demand/Supply Shortage In Balance Oversupply
 Marketing Time Under 3 Mos. 4-6 Mos. Over 6 Mos.
 Present Land Use 84% 1 Family 0% 2-4 Family 0% Apts. 0% Condo 0% Commercial
0% Industrial 16% Vacant 0%
 Change in Present Land Use Not Likely Likely (*) Taking Place (*)
 (*) From _____ To _____
 Predominant Occupancy Owner Tenant 0% Vacant
 Single Family Price Range \$ 550,000 to \$ 4,500,000 Predominant Value \$ 1,500,000
 Single Family Age New yrs. to 60 yrs. Predominant Age 18 yrs.

Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection from Detrimental Conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Appearance of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Subject dwelling is located in a marketable area of Carson City in what is known as West Washoe Valley. The area is a single family residential area with luxury and custom built dwellings built of various quality built on estate sized lots. Employment centers, shopping centers, and all of the conveniences are in Carson City or Reno.

Dimensions SEE ATTACHED PLAT MAP = 40.65 Sq. Ft. or Acres Corner Lot
 Zoning classification GR-1 Dwelling per Site Present Improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) _____
 Elec. Public Other (Describe) _____
 Gas _____
 Water Needs Well Maintenance Public Private
 San. Sewer Needs Septic Storm Sewer Curb/Gutter Street Lights
 Underground Elect. & Tel. Sidewalk
 Topo Sloping with Street Grade
 Size Ave. for immediate area
 Shape Irregular
 View Mountains & Valley
 Drainage Appears Adequate
 Is the property located in a HUD Identified Special Flood Hazard Area? No Yes
 Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): There are the usual public utility easements.
 Site is located at the end of a cul-de-sac on the hillside above the southern end of Washoe Valley.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Lot 1, Bryan Canyon Road Carson City, NV 89704	40 Will Sauer Road Carson City, NV 89704	7515 Old US HWY 395 Carson City, NV 89704	0 Gildesgard Road Reno, NV 89521
Proximity to Subject		3.34 miles NW	0.57 miles NE	9.83 miles NE
Sales Price	\$ _____	\$ 560,000	\$ 520,000	\$ 275,000
Price Per Sq. Ft.	\$ _____	\$ 2.57	\$.48	\$ 1.00
Data Source	Inspection	MLS/County Rec# 3668075	MLS/County Rec# 3625929	MLS/County Rec# 3612087
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION +(-) \$ Adjust.	DESCRIPTION +(-) \$ Adjust.	DESCRIPTION +(-) \$ Adjust.
		7/10/2008 DOM323	2/29/2008 DOM130	1/16/2008 DOM602
Location	W Washoe Valley	W Washoe Valley	W Washoe Valley	Pleasant Valley +50,000
Site/View	40.65 acres/Mt&Vall	5.00 acres/Mountain +50,000	24.81ac/Mountain +20,000	6.33acres/Mountain +50,000
Topography	Sloping	Level -20,000	Level -20,000	Sloping
Trees	None	Trees&Creek/Super -15,000	None	None
Site Improvements	Elec/Tele/Gas	Elec/Tele/Gas	Elec/Tele/Well	Elec/Tele
Sales or Financing Concessions		Cash	Cash	Cash
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 15,000	<input type="checkbox"/> + <input type="checkbox"/> - \$ _____	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 100,000
Indicated Value of Subject		\$ 575,000	\$ 520,000	\$ 375,000

Comments on Market Data: Subject and the comparables are from the same competing market area. Subject has a superior location to comp#3. Subject has a smaller site than comp#5 and larger than comps#1,2,3&4. Subject has inferior topography to comps#1,2&4. Subject has inferior tree coverage and no creek as do comps#1,5.&6.

Comments and Conditions of Appraisal: The above comps are the nearest most recent closed escrows of similar parcels in the area. This appraisal report is intended for use in a mortgage finance transaction only. This report is not intended for any other use.

Final Reconciliation: Analysis of the Cost Data and the Market Data as well as what is currently being offered in the subject market area reveals the Market Data is the most indicative of the Market Value. Most consideration was given to comp#2. This value is supported by the adjusted values of the comparables.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 02/14/2009 to be \$ 500,000

Ransford M. McDonald
 Ransford M. McDonald Did Did Not Physically Inspect Property
 Appraiser(s) Review Appraiser (if applicable)

[Y2K]

