

LAND APPRAISAL REPORT

IDENTIFICATION

Owner Hector & Avisac Morales Census Tract 0100.05 Map Reference 1350-G3
 Property Address Not Issued APN: 638-060-40 and 34
 City San Diego County San Diego State CA Zip Code 92173
 Legal Description Not Available
 Sale Price \$ N/A Date of Sale N/A Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ 818 (yr) Loan Charges to be paid by seller \$ N/A Other Sales Concessions N/A
 Client Federal Home Loans Corp. Address 5540 Ruffin Road, San Diego, CA 92123
 Occupant N/A Appraiser Ronald E. Tebbetts, CREA Instructions to Appraiser Appraisal purpose is for market value
 Intended User Federal Home Loans Corp. Intended Use Market value for lending purposes

NEIGHBORHOOD

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Good	Avg.	Fair	Poor
Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining	Convenience to Shopping	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	Convenience to Schools	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 4-6 Mos.	<input checked="" type="checkbox"/> Over 6 Mos.	Adequacy of Public Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Present Land Use	<u>90</u> %1 Family	<u>0</u> %2-4 Family	<u>5</u> % Apts	Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<u>0</u> %Industrial	<u>0</u> % Vacant	<u>0</u> % Commercial	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Change In Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely(*)	<input type="checkbox"/> Taking Place (*)	Property of Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	(*) From _____ To _____			Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Predominate Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<u>5</u> % Vacant	Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Single Family Price Range	\$ <u>150,000</u> to \$ <u>250,000</u>	Predominant Value \$ <u>200,000</u>		General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Single Family Age	<u>20</u> yrs to <u>40</u> yrs.	Predominant Age <u>30</u> yrs		Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): The property is located in an established residential neighborhood. The property is vacant residential land. The property is identified as Assessor No. 638-060-34 and 40.

SITE

Dimensions Triangular = 20,944 Corner Lot
 Zoning Classification RS-1-7 Residential allowing for 7 units per acre. Present Improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) hold for future development
 Elec. Public Other (Describe) _____ OFF SITE IMPROVEMENTS
 Gas _____ Street Access Public Private
 Water _____ Surface Asphalt
 San. Sewer _____ Maintenance Public Private
 Underground Elect. & Tel. Sidewalk Street Lights
 Topo Rolling Size Larger than average
 Shape Triangular View Tijuana city lights
 Drainage Assumed 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): The site is located adjacent to and above Interstate 805 freeway with some traffic noise.

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.
 For the Market Data Analysis See grid below See narrative attachment

	SUBJECT PROPERTY	COMPARABLE NO.1		COMPARABLE NO.2		COMPARABLE NO.3	
Address	APN: 638-060-40 and 34 San Diego, CA 92173	APN 645-076-11 San Diego, CA 92154		APN 645-076-17 San Diego, CA 92154		APN 645-073-07 San Diego, CA 92154	
Proximity to Subject		1.5 miles east		1.5 miles east		1.5 miles east	
Sales Price	\$ N/A	\$ 110,000		\$ 100,000		\$ 105,000	
Price / acre	\$ N/A	\$		\$		\$	
Data Source	Per inspection	MLS #090029972 Public Record		MLS #080067501 Public Record		MLS #088033877, Public Record	
Date of Sale and Time Adjustment	DESCRIPTION N/A	DESCRIPTION 7/7/09	+(-)\$ Adjustment	DESCRIPTION 6/16/09	+(-)\$ Adjustment	DESCRIPTION 7/13/09	+(-)\$ Adjustment
Location	Average	Inferior	+25,000	Inferior	+25,000	Inferior	+25,000
Site/View	20,944	39,640		39,640		36,590	
corner	no	no		no		yes	-5,000
Offsites	existing	inferior	+50,000	inferior	+50,000	inferior	+50,000
topography	rolling	similar		similar		similar	
Zoning	RS-1-7	AR-1-1	+50,000	AR-1-1	+50,000	AR-1-1	+50,000
Sales or Financing Concessions	N/A	conventional		conventional		conventional	
Net Adj.(Total)		<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus	\$ 125,000	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus	\$ 125,000	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus	\$ 120,000
Indicated Value of Subject		Net=114%	\$ 235,000	Net=125%	\$ 225,000	Net=114%	\$ 225,000
		Gross=114%		Gross=125%		Gross=124%	

Comments on Market Data There have been no recent sales of residential land in the immediate neighborhood due to the built-out nature. I looked at the zip codes of 92173 and 92154 for sales and discovered only those shown above which are current.

RECONCILIATION

Comments and Conditions of Appraisal: None

Final Reconciliation: See comment addenda

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF August 3, 2009 to be \$ 230,000

Borrower Hector & Avisac Morales

Property Address Not Issued APN: 638-060-40 and 34

City San Diego County San Diego State CA Zip Code 92173

Lender/Client Federal Home Loans Corp. Address 5540 Ruffin Road, San Diego, CA 92123

Sales Comparison Approach

There have been no good comparable lot sales that could be used that took place since January 1, 2008. The sales used in the grid above reflect lot sales in a development that has not yet had infrastructure placed. In order to add support to the estimated value, I have looked at single family home sales in the neighborhood and used a land multiplier from the assessor records. Four recent home sales in the subject neighborhood were used as shown below to calculate the percentage of land to the total assessed value. The estimated percentage was then applied to the current sale price to estimated a value for the lot.

Address	Total Assessed Value	Assessed Land Value	Percentage	Current Sale Price	Estimated Lot Value
1776 Blando Ln.	\$300,000	\$120,000	40%	\$206,000	\$82,400
149 Elivo Ct.	\$297,819	\$128,067	43%	\$209,000	\$89,870
160 Ave De La Madrid	\$110,315	\$ 37,976	34%	\$237,000	\$80,580
128 Ave De La Madrid	\$310,000	\$102,096	33%	\$193,000	\$63,690

From the above, I estimated that a typical lot in the neighborhood is worth \$85,000. The average lot size is approximately 5,325 SF. The subject has a land area that is 20,944 SF. The property can be developed with up to 7 units per acre. However, the subject has a triangular shape making the splitting difficult. I estimate that the subject could be split into three lots. Assuming a typical lot value of \$85,000 would result in a value for the three lots of (\$85,000 x 3) \$255,000. The property owner would need to have a lot split take place in order to develop three lots on the subject. I estimate a cost of \$25,000 to accomplish this split leaving a value of \$230,000 for the subject.

This appraisal report is subject to the scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment.

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 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.

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 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.
3. 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.
4. The appraiser has noted in this appraisal report any adverse conditions (such as 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 this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent deficiencies or adverse conditions of the property (such as, but not limited to, 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.

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

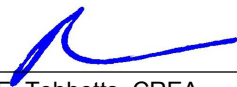
1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the subject property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards 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 reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
9. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale of the subject property.
10. I have knowledge and experience in appraising this type of property in this market area.
11. 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.
12. 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.
13. 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, 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.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. I identified the client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
20. I am aware that any disclosure or distribution of this appraisal report by me or the 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.

21. 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.

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 Ronald E. Tebbetts, CREA

Company Name Tebbetts Appraisal Service, Inc.

Company Address 7097 Heron Circle
Carlsbad, CA 92011

Telephone Number _____

Email Address _____

Date of Signature and Report August 4, 2009

Effective Date of Appraisal August 3, 2009

State Certification # AG002672

or State License # _____

or Other (describe) _____ State # _____

State CA

Expiration Date of Certification or License 1/26/10

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____

Name _____

Company Name _____

Company Address _____

Telephone Number _____

Email Address _____

Date of Signature _____

State Certification # _____

or State License # _____

State CA

Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED

Not Issued APN: 638-060-40 and 34

San Diego, CA 92173

APPRAISED VALUE OF SUBJECT PROPERTY \$ 230,000

CLIENT

Name _____

Company Name Federal Home Loans Corp.

Company Address 5540 Ruffin Road
San Diego, CA 92123

Email Address _____

SUBJECT PROPERTY

- Did not inspect subject property
- Did inspect exterior of subject property from street
Date of Inspection _____
- Did inspect interior and exterior of subject property
Date of Inspection _____

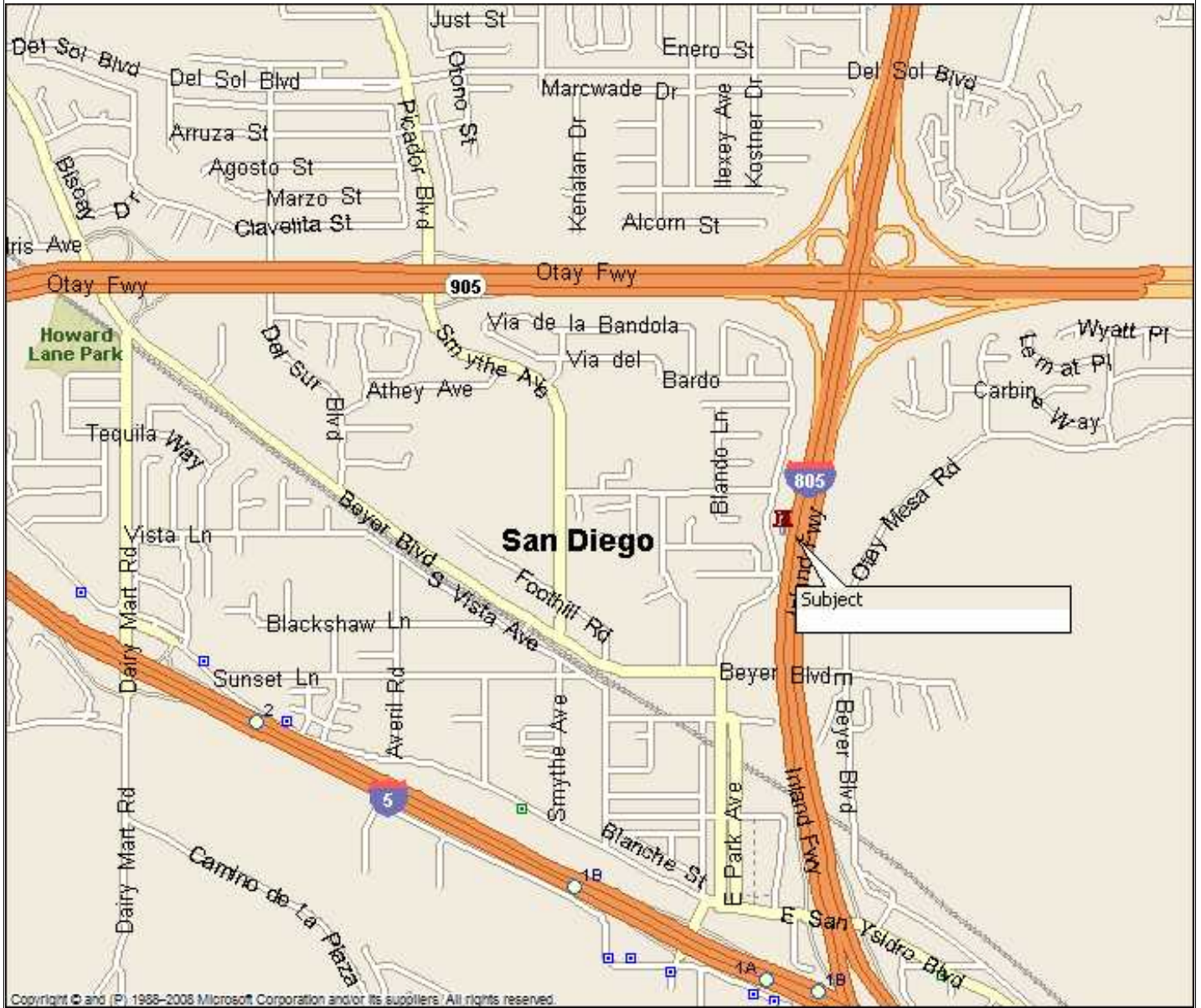
COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
- Did inspect exterior of comparable sales from street
Date of Inspection _____

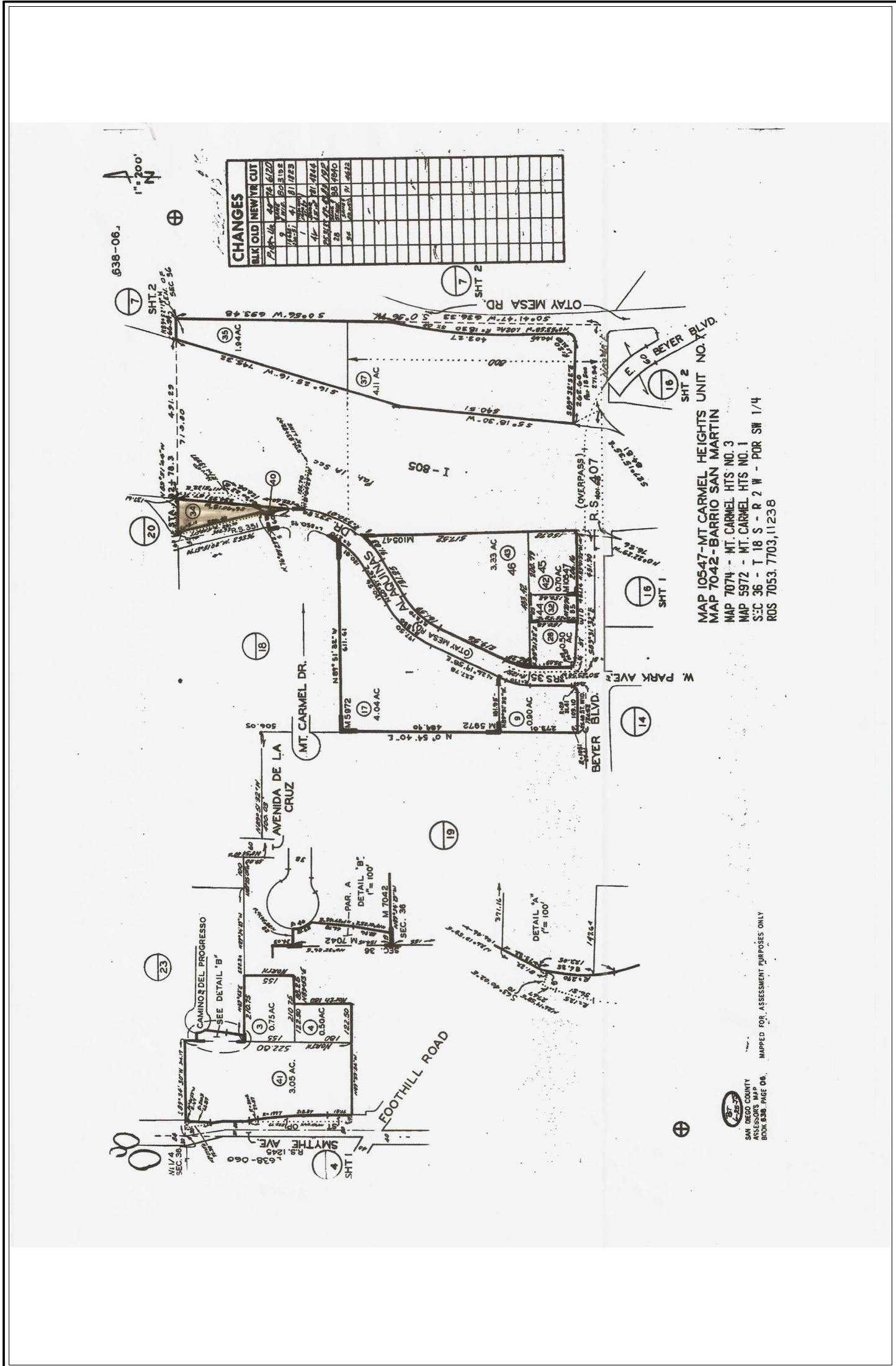
Tebbetts Appraisal Service, Inc.
LOCATION MAP ADDENDUM

File No. 090074
Case No.

Borrower Hector & Avisac Morales
Property Address Not Issued APN: 638-060-40 and 34
City San Diego County San Diego State CA Zip Code 92173
Lender/Client Federal Home Loans Corp. Address 5540 Ruffin Road, San Diego, CA 92123



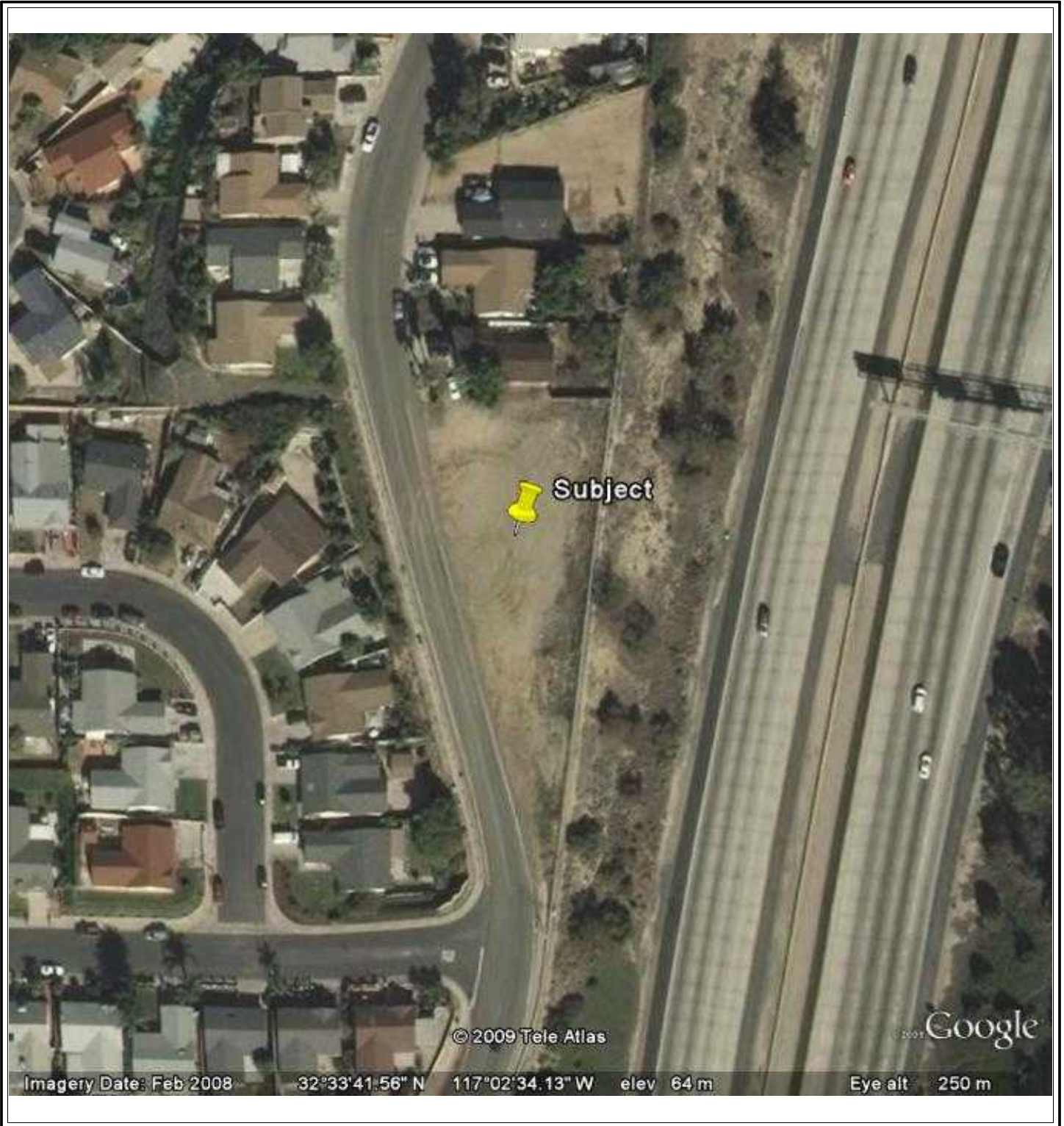
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MAP 10547 - MT CARMEL HEIGHTS UNIT NO. 1
 MAP 7042 - BARRIO SAN MARTIN
 MAP 7074 - MT. CARMEL HTS NO. 3
 MAP 5972 - MT. CARMEL HTS NO. 1
 SEC 36 - T 18 S - R 2 W - POR SW 1/4
 ROS 7053, 7703, 11238

SAH DIEGO COUNTY
 ASSESSOR'S MAP
 BOOK 838, PAGE 06,
 MAPPED FOR ASSESSMENT PURPOSES ONLY

Borrower	Hector & Avisac Morales						
Property Address	Not Issued APN: 638-060-40 and 34						
City	San Diego	County	San Diego	State	CA	Zip Code	92173
Lender/Client	Federal Home Loans Corp.			Address 5540 Ruffin Road, San Diego, CA 92123			



Tebbetts Appraisal Service, Inc.
SUBJECT PHOTO ADDENDUM

File No. 090074

Case No.

Borrower **Hector & Avisac Morales**

Property Address **Not Issued** APN: 638-060-40 and 34

City **San Diego** County **San Diego** State **CA** Zip Code **92173**

Lender/Client **Federal Home Loans Corp.** Address **5540 Ruffin Road, San Diego, CA 92123**



**FRONT OF
SUBJECT PROPERTY**

APN: 638-060-40 and 34
San Diego, CA 92173



**REAR OF
SUBJECT PROPERTY**



STREET SCENE

Tebbetts Appraisal Service, Inc.
SUBJECT PHOTO ADDENDUM

File No. 090074
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Borrower Hector & Avisac Morales

Property Address Not Issued APN: 638-060-40 and 34

City San Diego County San Diego State CA Zip Code 92173

Lender/Client Federal Home Loans Corp. Address 5540 Ruffin Road, San Diego, CA 92123



view of freeway

