

**APPRAISAL OF**



**LOCATED AT:**

38750 Pala Temecula Road  
Pala, CA 92059-1703

**CLIENT:**

Chris Covany  
38750 Pala Temecula Road  
Pala, CA 92059-1703

**AS OF:**

May 20, 2010

**APPRAISED VALUE:**

\$95,000

**BY:**

Debbie Meyer / Electronic Signature  
License# AR037463

Chris Covany  
38750 Pala Temecula Road  
Pala, CA 92059-1703

File Number: 051006

In accordance with your request, I have appraised the real property at:

38750 Pala Temecula Road  
Pala, CA 92059-1703

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as vacant. The property rights appraised are the fee simple interest in the site.

In my opinion, the defined value of the property as of May 20, 2010 is:

\$95,000  
Ninety-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.



Debbie Meyer / Electronic Signature  
License# AR037463  
Certified Residential Appraiser

Am Ex Appraisal 1232 Kendi Lane, Fallbrook, CA 92028

Phone 760-728-8038 Fax 760-728-9784

**Summary  
Land Appraisal Report**

File No. 051006

|  |  |                  |                 |                       |
|--|--|------------------|-----------------|-----------------------|
| <b>PURPOSE</b>                                     | The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal. |                  |                 |                       |
|  | Client Name/Intended User <b>Chris Covany</b>  | E-mail           |                 |                       |
|  | Client Address <b>38750 Pala Temecula Road</b>   | City <b>Pala</b> | State <b>CA</b> | Zip <b>92059-1703</b> |
|  | Additional Intended User(s) <b>market value</b>  |                  |                 |                       |
| Intended Use <b>Determination of market value.</b> |  |                  |                 |                       |

|   |   |                             |                               |                       |
|---|---|-----------------------------|-------------------------------|-----------------------|
| <b>SUBJECT</b>  | Property Address <b>38750 Pala Temecula Road</b>            | City <b>Pala</b>            | State <b>CA</b>               | Zip <b>92059-1703</b> |
|   | Owner of Public Record <b>SD Coastline Lp</b>               | County <b>San Diego</b>     |                               |                       |
|   | Legal Description <b>Por Se 1/4 Of Se 1/4 Of Sec 4-9-2w</b> |                             |                               |                       |
|   | Assessor's Parcel # <b>109-280-18-00</b>                    | Tax Year <b>2009</b>        | R.E. Taxes \$ <b>4,559.00</b> |                       |
|   | Neighborhood Name <b>Pala</b>                               | Map Reference <b>999-G4</b> | Census Tract <b>191.01</b>    |                       |
| Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe) |   |                             |                               |                       |

|                      |   |                           |  |  |
|----------------------|---|---------------------------|--|--|
| <b>SALES HISTORY</b> | My research <input checked="" type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal. |                           |  |  |
|                      | Prior Sale/Transfer: Date <b>05/10/2010</b>   | Price <b>Not Reported</b> | Source(s) <b>Public Records/Realist - Trustee Deed</b> |  |
|                      | Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) <b>Only Full Value and Trustee Deed sales are reported with respect to the comparables.</b>                |                           |  |  |
|                      | Offerings, options and contracts as of the effective date of the appraisal <b>Per the client, the subject is in escrow for \$65,000.</b>  |                           |  |  |

| <b>NEIGHBORHOOD</b>  | Neighborhood Characteristics  |   | One-Unit Housing Trends |   |            | One-Unit Housing |           | Present Land Use % |             |
|--|---|---|-------------------------|---|------------|------------------|-----------|--------------------|-------------|
|  | Location  | <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural      | Property Values         | <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining       | PRICE      | AGE              | One-Unit  | <b>45 %</b>        |             |
|  | Built-Up  | <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% | Demand/Supply           | <input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply   | \$(000)    | (yrs)            | 2-4 Unit  | <b>2 %</b>         |             |
|  | Growth  | <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Slow         | Marketing Time          | <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths | <b>400</b> | <b>Low</b>       | <b>2</b>  | Multi-Family       | <b>5 %</b>  |
|  | Neighborhood Boundaries <b>The subject is bordered by the 92059 zip code.</b> |   |                         |   | <b>575</b> | <b>High</b>      | <b>40</b> | Commercial         | <b>5 %</b>  |
|  |   |   |                         |   | <b>498</b> | <b>Pred.</b>     | <b>4</b>  | Other              | <b>43 %</b> |
| Neighborhood Description <b>See Attached Addendum</b>  |   |   |                         |   |            |                  |           |                    |             |
| Market Conditions (including support for the above conclusions) <b>See Attached Addendum</b> |   |   |                         |   |            |                  |           |                    |             |

|  |   |   |                     |                               |  |                            |                                     |                          |
|--|---|---|---------------------|-------------------------------|--|----------------------------|-------------------------------------|--------------------------|
| <b>SITE</b>                                | Dimensions <b>See Attached Plat Map</b>   | Area <b>4.64 Acres</b>  | Shape <b>Square</b> | View <b>Mtns/Valley/Small</b> |  |                            |                                     |                          |
|  | Specific Zoning Classification <b>A70</b>   | Zoning Description <b>Single-Family Residential - limited agriculture</b> |                     |                               |  |                            |                                     |                          |
|  | Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe) |   |                     |                               |  |                            |                                     |                          |
|  | Highest and best use of the subject property <b>The subject's highest and best use is residential based on the topography and surrounding property uses.</b>  |   |                     |                               |  |                            |                                     |                          |
|  | Utilities   | Public  | Other (describe)    | Public                        | Other (describe)                                     | Off-site Improvements—Type | Public                              | Private                  |
| Electricity                                | <input checked="" type="checkbox"/>   | <input type="checkbox"/>  | Water               | <input type="checkbox"/>      | <input checked="" type="checkbox"/> Well/Typical     | Street <b>Asphalt</b>      | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Gas  | <input type="checkbox"/>  | <input checked="" type="checkbox"/> Propane/Typical                       | Sanitary Sewer      | <input type="checkbox"/>      | <input checked="" type="checkbox"/> Septic / Typical | Alley                      | <input type="checkbox"/>            | <input type="checkbox"/> |
| Site Comments <b>See Attached Addendum</b> |   |   |                     |                               |  |                            |                                     |                          |

| ITEM  | SUBJECT                              | COMPARABLE NO. 1   |                   | COMPARABLE NO. 2   |                   | COMPARABLE NO. 3   |                   |
|---|--------------------------------------|--|-------------------|--|-------------------|--|-------------------|
| Address   | <b>38750 Pala Temecula Road Pala</b> | <b>Magee Road Pala, CA 92059</b>                                 |                   | <b>Rainbow Heights Fallbrook, CA 92028</b>                       |                   | <b>Rainbow Heights Pala, CA 92059</b>                            |                   |
| Proximity to subject  |                                      | <b>1.22 miles E</b>  |                   | <b>2.42 miles WSW</b>  |                   | <b>2.51 miles WSW</b>  |                   |
| Sales Price   | \$                                   |  | \$ <b>118,000</b> |  | \$ <b>200,000</b> |  | \$ <b>150,000</b> |
| Price \$ /  |                                      |  | <b>118,000</b>    |  | <b>200,000</b>    |  | <b>150,000</b>    |
| Data Source   | <b>Inspection</b>                    | <b>Public Records/Doc#227710</b>                                 |                   | <b>Public Records/Doc#708617</b>                                 |                   | <b>Public Records/Doc#434043</b>                                 |                   |
| Date of Sale and Time Adjustment                                  | DESCRIPTION                          | DESCRIPTION  | +(-) Adjust.      | DESCRIPTION  | +(-) Adjust.      | DESCRIPTION  | +(-) Adjust.      |
| Location  | <b>None</b>                          | <b>04/15/2008 coe</b>  | <b>-36,101</b>    | <b>05/14/2010 coe</b>  | <b>0</b>          | <b>08/05/2009 coe</b>  | <b>-24,993</b>    |
| Site/View   | <b>Traffic</b>                       | <b>Average</b>   | <b>-5,000</b>     | <b>Average</b>   | <b>-5,000</b>     | <b>Average/REO</b>   | <b>-20,000</b>    |
| View  | <b>4.64 Acres</b>                    | <b>5.92 Acres</b>  |                   | <b>4.86 Acres</b>  |                   | <b>8.50 Acres</b>  | <b>-20,000</b>    |
| Utilities   | <b>Mtns/Small</b>                    | <b>Mtns/Small</b>  |                   | <b>Mtns/Panoramic</b>  | <b>-20,000</b>    | <b>Mtns/Small</b>  |                   |
| Amenities   | <b>Well/Septic/Elec</b>              | <b>Available</b>   | <b>+13,000</b>    | <b>Meter/Elec</b>  | <b>+5,000</b>     | <b>Well/Septic/Elec</b>  | <b>-10,000</b>    |
| APN   | <b>None</b>                          | <b>Gated Commty</b>  | <b>-5,000</b>     | <b>Avo Grove</b>   | <b>-20,000</b>    | <b>None</b>  |                   |
| Sales or Financing Concessions                                    | <b>109-280-18-00</b>                 | <b>109-402-20-00</b>   |                   | <b>109-233-13-00</b>   |                   | <b>109-021-12-00</b>   |                   |
| Net Adj. (Total)  |                                      | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ <b>33,101</b>  | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ <b>40,000</b>  | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ <b>54,993</b>  |
| Indicated Value of Subject  |                                      | Net Adj. <b>-28.1%</b>   |                   | Net Adj. <b>-20.0%</b>   |                   | Net Adj. <b>-36.7%</b>   |                   |
|   |                                      | Gross Adj. <b>50.1%</b>  | \$ <b>84,899</b>  | Gross Adj. <b>25.0%</b>  | \$ <b>160,000</b> | Gross Adj. <b>36.7%</b>  | \$ <b>95,007</b>  |
| Summary of Sales Comparison Approach <b>See Attached Addendum</b> |                                      |  |                   |  |                   |  |                   |

|                       |  |  |
|-----------------------|--|--|
| <b>RECONCILIATION</b> | This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to the following: <b>The subject property is vacant land with local chaparral landscape. There are no conditions of the appraisal.</b>  |  |
|                       | Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is \$ <b>95,000</b> as of <b>05/20/2010</b> , which is the effective date of this appraisal. |  |

Summary  
Land Appraisal Report

File No. 051006

MARKET DATA ANALYSIS

| ITEM                                | SUBJECT                          | COMPARABLE NO. 4   |                         | COMPARABLE NO. 5   |                         | COMPARABLE NO. 6                                      |              |
|-------------------------------------|----------------------------------|--|-------------------------|--|-------------------------|---|--------------|
| Address                             | 38750 Pala Temecula Road<br>Pala | Pala Temecula Road<br>Pala, CA 92059                             |                         | Lost Horizon Road<br>Pala, CA 92059                              |                         |   |              |
| Proximity to subject                |                                  | 0.31 miles N   |                         | 1.24 miles ESE   |                         |   |              |
| Sales Price                         | \$                               |  | \$ 197,500              |  | \$ 125,000              |   | \$           |
| Price \$ /                          |                                  |  | 197500                  |  | 125000                  |   |              |
| Data Source                         | Inspection                       | MLS#100014811 LD 03/11/10  |                         | MLS#100029953 LD 05/18/10  |                         |   |              |
| Date of Sale and<br>Time Adjustment | DESCRIPTION<br>None              | DESCRIPTION<br>Active  | +(-) Adjust.<br>-19,750 | DESCRIPTION<br>Active  | +(-) Adjust.<br>-12,500 | DESCRIPTION   | +(-) Adjust. |
| Location                            | Traffic                          | Traffic  |                         | Average  |                         |   |              |
| Site/View                           | 4.64 Acres                       | 3.36 Acres   |                         | 4.13 Acres   |                         |   |              |
| View                                | Mtns/Small                       | Mtns/Small   |                         | Mtns/Panoramic   |                         | -20,000   |              |
| Utilities                           | Well/Septic/Elec                 | Available  |                         | Available  |                         | +13,000   |              |
| Amenities                           | None                             | None   |                         | Gated Commtly  |                         | -5,000  |              |
| APN                                 | 109-280-18-00                    | 109-392-28-00  |                         | 109-360-18-00  |                         |   |              |
| Sales or Financing<br>Concessions   |                                  |  |                         |  |                         |   |              |
| Net Adj. (Total)                    |                                  | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ 6,750                | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ 29,500               | <input type="checkbox"/> + <input type="checkbox"/> - | \$           |
| Indicated Value<br>of Subject       |                                  | Net Adj.   | -3.4%                   | Net Adj.   | -23.6%                  | Net Adj.  | %            |
|                                     |                                  | Gross Adj.   | 16.6%                   | Gross Adj.   | 44.4%                   | Gross Adj.  | %            |
|                                     |                                  |  | \$ 190,750              |  | \$ 95,500               |   | \$           |

Summary of Sales Comparison Approach The appraiser has prepared this appraisal in full compliance with the Home valuation Code of Conduct and has not performed, participated in, or been associated with any activity in violation of the Code.

MARKET DATA ANALYSIS

| ITEM                                | SUBJECT                          | COMPARABLE NO. 7                                      |              | COMPARABLE NO. 8                                      |              | COMPARABLE NO. 9                                      |              |
|-------------------------------------|----------------------------------|---|--------------|---|--------------|---|--------------|
| Address                             | 38750 Pala Temecula Road<br>Pala |   |              |   |              |   |              |
| Proximity to subject                |                                  |   |              |   |              |   |              |
| Sales Price                         | \$                               |   | \$           |   | \$           |   | \$           |
| Price \$ /                          |                                  |   |              |   |              |   |              |
| Data Source                         | Inspection                       |   |              |   |              |   |              |
| Date of Sale and<br>Time Adjustment | DESCRIPTION<br>None              | DESCRIPTION   | +(-) Adjust. | DESCRIPTION   | +(-) Adjust. | DESCRIPTION   | +(-) Adjust. |
| Location                            | Traffic                          |   |              |   |              |   |              |
| Site/View                           | 4.64 Acres                       |   |              |   |              |   |              |
| View                                | Mtns/Small                       |   |              |   |              |   |              |
| Utilities                           | Well/Septic/Elec                 |   |              |   |              |   |              |
| Amenities                           | None                             |   |              |   |              |   |              |
| APN                                 | 109-280-18-00                    |   |              |   |              |   |              |
| Sales or Financing<br>Concessions   |                                  |   |              |   |              |   |              |
| Net Adj. (Total)                    |                                  | <input type="checkbox"/> + <input type="checkbox"/> - | \$           | <input type="checkbox"/> + <input type="checkbox"/> - | \$           | <input type="checkbox"/> + <input type="checkbox"/> - | \$           |
| Indicated Value<br>of Subject       |                                  | Net Adj.  | %            | Net Adj.  | %            | Net Adj.  | %            |
|                                     |                                  | Gross Adj.  | %            | Gross Adj.  | %            | Gross Adj.  | %            |

Summary of Sales Comparison Approach \_\_\_\_\_

**ADDENDUM**

Client: Chris Covany

File No.: 051006

Property Address: 38750 Pala Temecula Road

Case No.:

City: Pala

State: CA

Zip: 92059-1703

**Neighborhood Description**

The subject is located in the central northern portion of San Diego County within two miles of the Riverside border near Temecula, California. Temecula is a large suburban area. The subject area consists of primarily custom single-family homes on acreage west of the Pala Indian Reservation. The properties are of average quality with average to good maintenance, comformity and appeal. All in close proximity to supporting facilities such as schools, shopping, recreation, freeways and employment.

**Neighborhood Market Conditions**

The one-unity housing data was based on all homes sold in the 92059 zip code in the past 12 months. The market has remained stable based on MLS statistical data. There are currently 3 active; zero pending; and 6 sold properties in the past 12 months. 1 or 100% active and 5 or 83% sold are REO single-family home transactions. This is an REO market.

Land values have declined at a rate of \$2,777 per month over the past 36 months.

**Site Comments**

Other than typical utility easements, there are no apparent easements, encroachments, slide areas, special assessments or non-conforming zoning use known at this time. The topography of the subject is gentle to steep sloping with terraced areas. There are 2-3 level areas within the terraced landscape of approximately 1,500-3,000sf. The area closest to the road is the most level and features a non-permanent mobile home. The property is located on a very busy thoroughfare (street). The first terraced area features remnants of a permanent structure. Per the MLS#031038491, the single-family structure was 1,038sf, built in 1953 and featuring 2bed/1bath.

The property is heavily wooded with a small view of the surrounding mountains from the level terraced areas.

**Comments on Sales Comparison**

Due to limited sales available with in a 1 mile radius of subject, it was necessary to expand the search beyond 1 mile and extend the time to beyond six months, while staying within the subject's market area. After a thorough search, the comparable sales used are deemed the best available. The sales comparison was used in this report. The income approach was not used.

Single-Family Residential Data: located within the 92059 zip code

05/20/2009-05/20/2010 12 months There were 6 sales with a median sales price of \$498,400 and 3,934sf located primarily in the gated Rancho Heights community. The Rancho Heights community is located near the subject property in Pala.

05/20/2008-05/19/2009 previous 12 months There were only 3 sales with a median sales price of \$449,000 and 1,778sf.

Due to the lack of a statistically significant sales sample, it was necessary to determine a time adjustment based on the following paired sales analysis:

MLS#090044557 3,379sf 3bed/3ba 2.62 acres view sold 02/24/2010 \$532,000 REO \$12,000 concessions  
MLS#090017591 3,884sf 4bed/3.5ba 7.80 acres view sold 08/25/2009 \$575,000 short sale solar panel/guest house  
half bath - 3,000 sf - \$50/sf (3,884 - 3,379 = 505 x 50 =25,250) guest house - (1000sf x 50 = 50,000)  
solar panels - 5,000 6 months  
575,000 - 50,000(gh) - 25,250sf - 3,000(ba) - 20,000(acres) = \$521,750  
532,000 - 521,750 = \$10,250 or less then 2% increase in value.

Thus, the market appears to be stable for single-family homes in the past six months.

The MLS#090044557 originally sold at \$1,040,000 in July, 2006.

The area has been significantly impacted by the declining market and REO properties in the area in the past 24 months.

Land Values: Located within the 92059 zip code

05/20/2007-05/19/2008 6 sales with a median sales price of \$94,000 and 3.8 acres and 88 day market time  
05/20/2008-05/19/2009 1 sale with a sales price of \$118,000 and 5.92 acres and 171 day market time  
05/20/2009-05/20/2010 0 sales

Due to the lack of a significant statistical sample it was necessary to include all land sales located on map page 999 including the 92028 (Fallbrook) zip code. This area is considered to be similar to the subject in terms of location and land use.

05/20/2007-05/19/2008 5 sales with a median sales price of \$275,000 and 8.22 acres with a 131 day market time  
05/20/2008-05/19/2009 2 sales with a median sales price of \$369,000 and 15.80 acres with a 296 day market time  
05/20/2009-05/20/2010 4 sales with a median sales price of \$175,000 and 4.86 acres with a 77 day market time.

The median sales price from 05/20/2007-05/2010 declined \$100,000 in 36 months or 2,777/month decline.

**Time Adjustments:**

Comparable 1 13 months x 2,777 = 36,101  
Comparable 2 no adjustment  
Comparable 3 9 months x 2,777 = 24,993

**List Price/Sales Price Adjustment:**

The median LP/SP from 05/20/2007 - 05/19/2008 was 94%  
The median LP/SP from 05/20/2008-05/19/2009 was 89%  
The median LP/SP from 05/20/2009-05/20/2010 was 87%

## ADDENDUM

|  |                  |                 |
|--|------------------|-----------------|
| Client: Chris Covany                       | File No.: 051006 |                 |
| Property Address: 38750 Pala Temecula Road | Case No.:        |                 |
| City: Pala                                 | State: CA        | Zip: 92059-1703 |

The median LP/SP over the past 36 months was 90%.  
Thus, a 10% concession adjustment was applied to the listings.

Single-family market is stable.  
Land values have declined in the past 36 months.

Comparable 1 is raw land with no improvements. Well adjustment (\$5,000); septic adjustment (\$8,000) applied. The property is located in the gated community of Rancho Heights. The area consists of newer high-end homes on acreage.  
Comparable 2 is located in the neighboring Fallbrook community. The property features a panoramic view (20,000) of the surrounding mountains and valley. The property features a 285 tree avocado grove (20,000), water meter installed and septic plan approved (5,000).  
Comparable 3 is located in the neighboring Fallbrook community. The property features two parcels for Trustee sale with a barn (5,000), water, septic installed, two working wells (5,000).  
Comparable 4 is an active listing located very close to the subject with no improvements. Well adjustment (5,000), septic (8,000) applied. This parcel appears to be over-priced for the market.  
Comparable 5 is located in the gated Rancho Heights community with no improvements. (Well adjustment (5,000); septic (8,000) applied.

An adjustment for view, traffic and gated community location was applied. The subject is located on a busy street with reduced lot utility due to the terraced topography. There is also a previous structure to remove from the property.

No value was given to the mobile home.

Most emphasis was placed on Comparables 1 and 3 due to the similar amenities. Less emphasis was placed on Comparable 2 due to the grove and superior view and lack of adequate statistical data for adjustments. The subject is also an REO property similar to Comparable 3.

## Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as " the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
8. This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.
9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.

## Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

**Appraiser's Certification**

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

**Additional Certifications:**

Definition of Value:  Market Value  Other Value: \_\_\_\_\_

Source of Definition: \_\_\_\_\_

## ADDRESS OF THE PROPERTY APPRAISED:

38750 Pala Temecula Road

Pala, CA 92059-1703

EFFECTIVE DATE OF THE APPRAISAL: 05/20/2010

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 95,000

**APPRAISER**

Signature: Debbie Meyer

Name: Debbie Meyer / Electronic Signature

State Certification # AR037463

or License # \_\_\_\_\_

or Other (describe): \_\_\_\_\_ State #: \_\_\_\_\_

State: CA

Expiration Date of Certification or License: 06/14/2011

Date of Signature and Report: 05/21/2010

Date of Property Viewing: 05/20/2010

Degree of property viewing:

Did personally view  Did not personally view

**SUPERVISORY APPRAISER**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

State Certification # \_\_\_\_\_

or License # \_\_\_\_\_

State: \_\_\_\_\_

Expiration Date of Certification or License: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

Date of Property Viewing: \_\_\_\_\_

Degree of property viewing:

Did personally view  Did not personally view

PLAT MAP

Client: Chris Covany

File No.: 051006

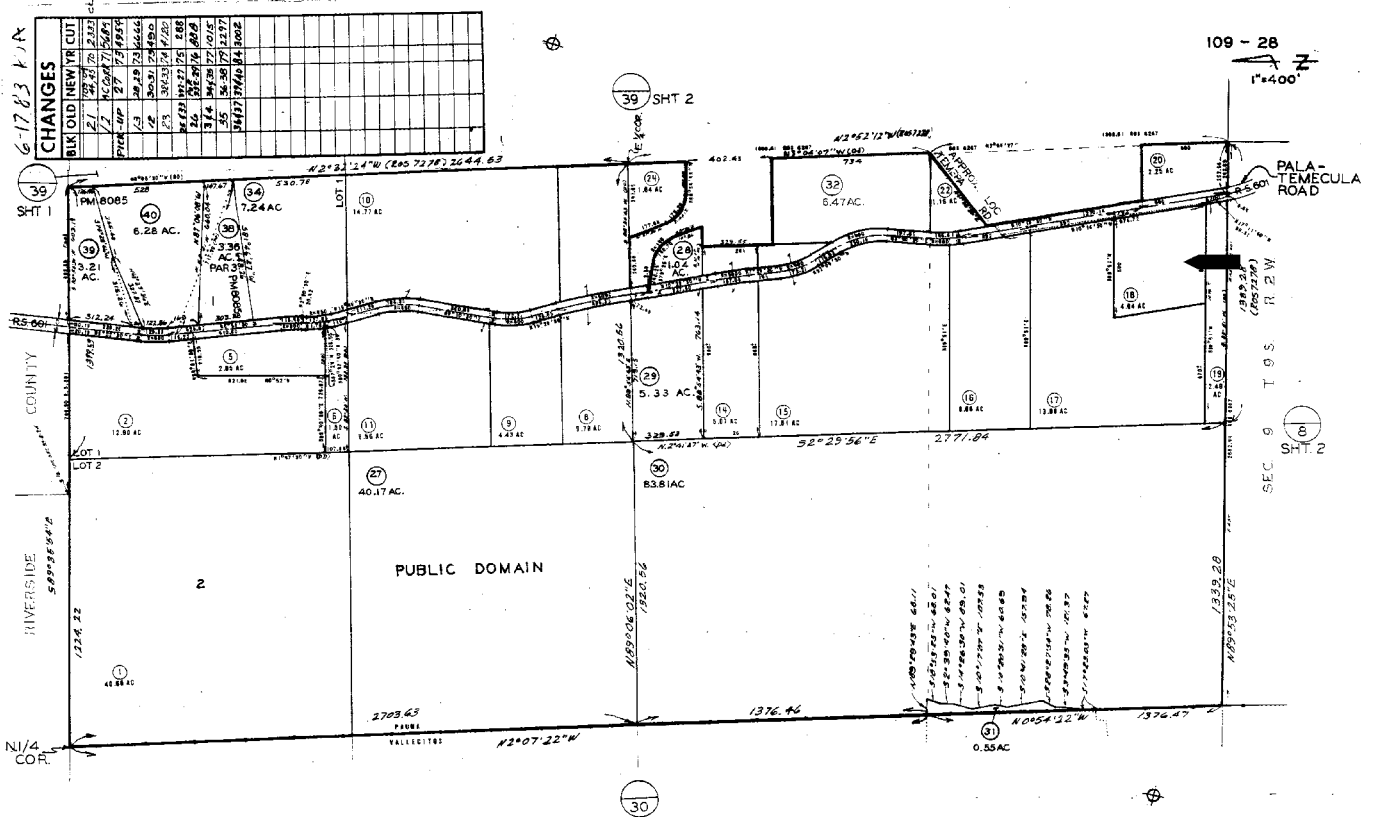
Property Address: 38750 Pala Temecula Road

Case No.:

City: Pala

State: CA

Zip: 92059-1703



104-28884

6-17-83 P/A

109 - 28  
1"=400'

RIVERSIDE COUNTY  
SAN DIEGO COUNTY  
N1/4 COR.

PALA-TEMECULA ROAD  
SEC 9 T9S R2W  
SHT. 2

UP 10-10-88  
SAN DIEGO COUNTY ASSESSOR'S MAP BK 109 PG 28 MAPPED FOR ASSESSMENT PURPOSES ONLY

SEC 4 - T9S-R2W - E 1/2 - R0S 6267 7278

LOCATION MAP

Client: Chris Covany

File No.: 051006

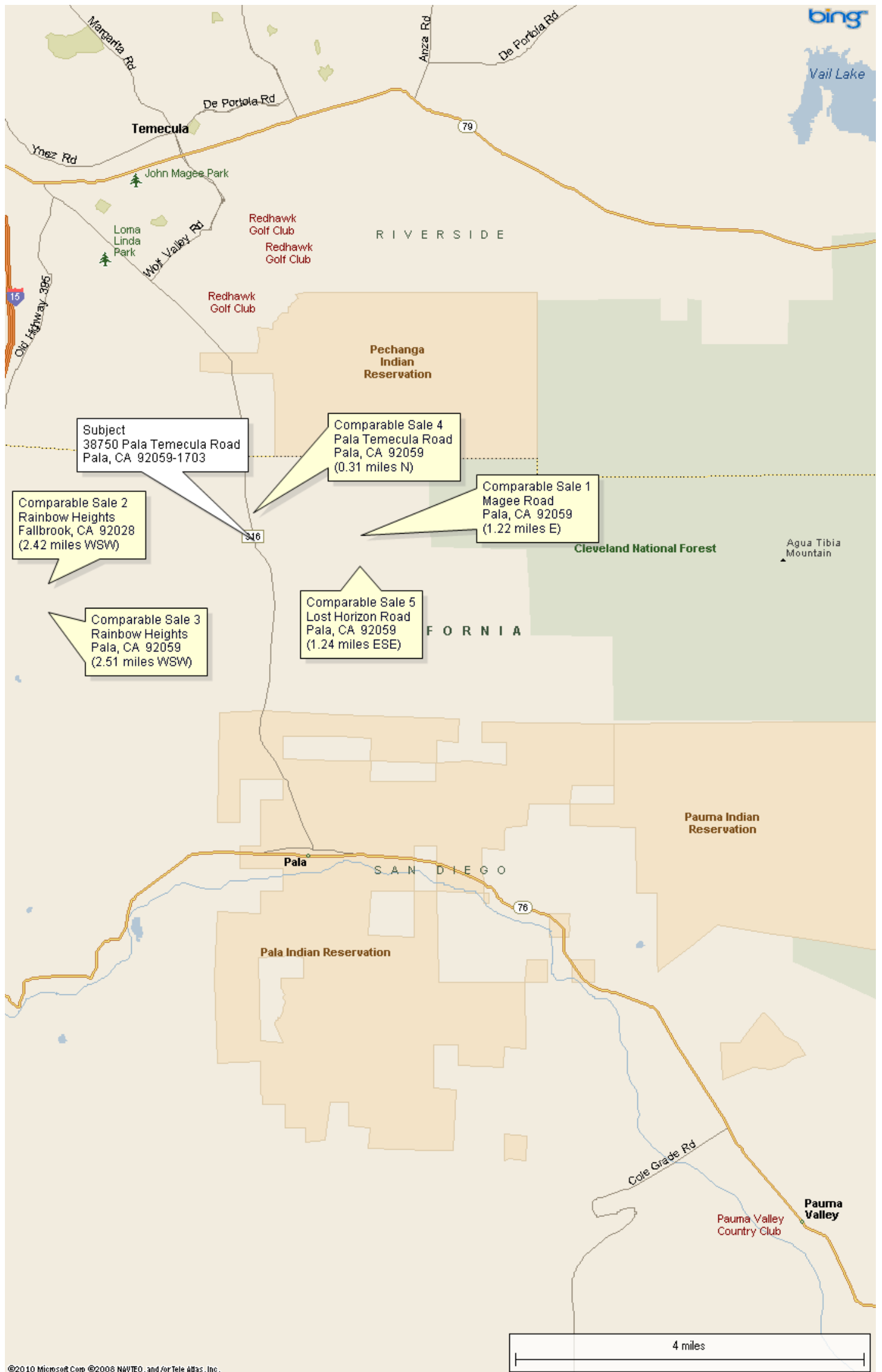
Property Address: 38750 Pala Temecula Road

Case No.:

City: Pala

State: CA

Zip: 92059-1703



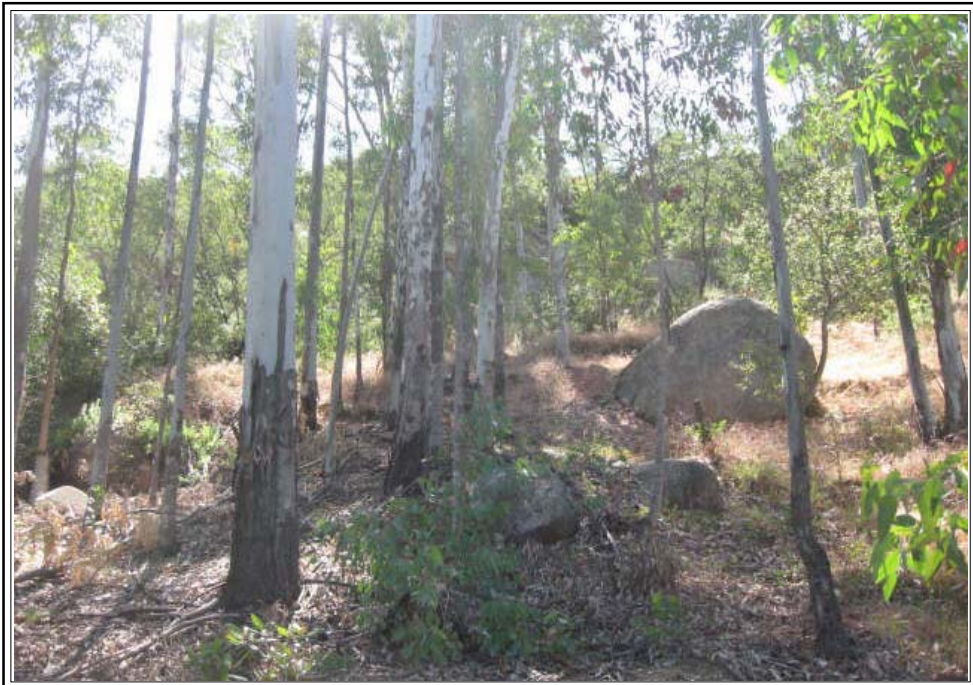
**SUBJECT PROPERTY PHOTO ADDENDUM**

|  |                           |
|--|---------------------------|
| Client: Chris Covany                       | File No.: 051006          |
| Property Address: 38750 Pala Temecula Road | Case No.:                 |
| City: Pala                                 | State: CA Zip: 92059-1703 |



**FRONT VIEW OF  
SUBJECT PROPERTY**

Appraised Date: May 20, 2010  
Appraised Value: \$ 95,000



**REAR VIEW OF  
SUBJECT PROPERTY**



**STREET SCENE**



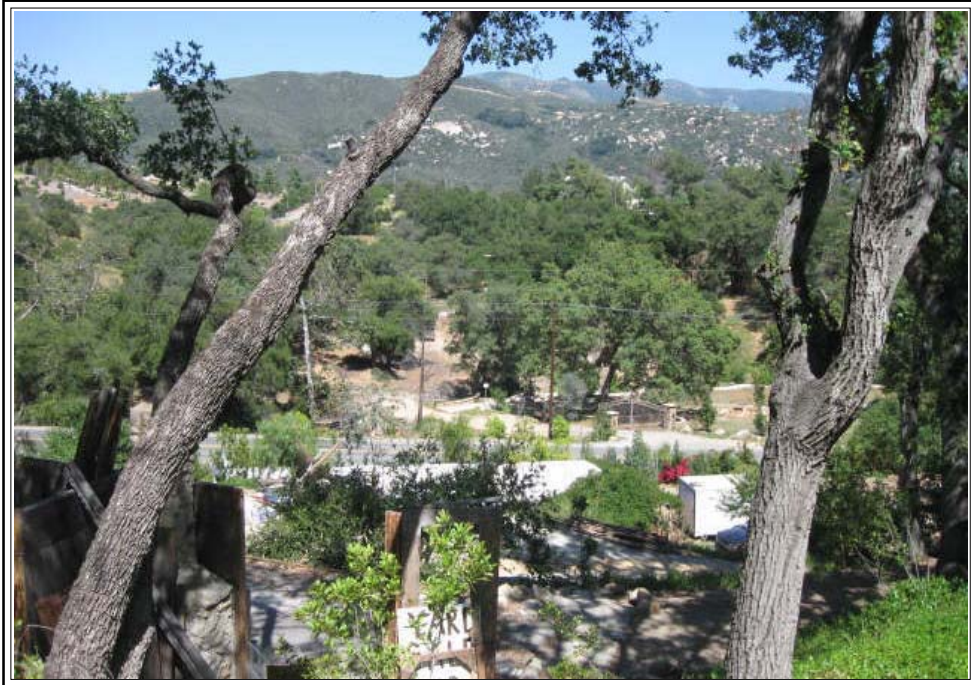
Destroyed Previous Structure



Previous Structure/Level Pad



Terraced Level Pad



View from the Terraced Pad



Driveway to previous structure



Mobile Home

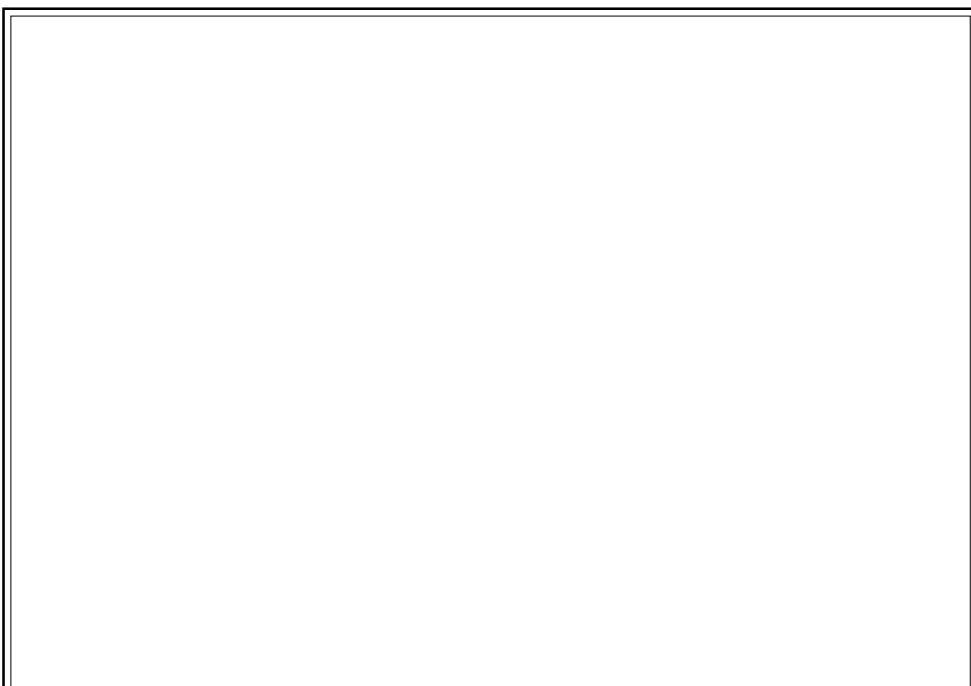


Mobile Home Crawl Space

Not on permanent foundation



Secondary Planned Driveway



COMPARABLE PROPERTY PHOTO ADDENDUM

|  |                           |
|--|---------------------------|
| Client: Chris Covany                       | File No.: 051006          |
| Property Address: 38750 Pala Temecula Road | Case No.:                 |
| City: Pala                                 | State: CA Zip: 92059-1703 |



**COMPARABLE SALE #1**

Magee Road  
Pala, CA 92059  
Sale Date: 04/15/2008 coe  
Sale Price: \$ 118,000



**COMPARABLE SALE #2**

Rainbow Heights  
Fallbrook, CA 92028  
Sale Date: 05/14/2010 coe  
Sale Price: \$ 200,000



**COMPARABLE SALE #3**

Rainbow Heights  
Pala, CA 92059  
Sale Date: 08/05/2009 coe  
Sale Price: \$ 150,000

COMPARABLE PROPERTY PHOTO ADDENDUM

|  |                           |
|--|---------------------------|
| Client: Chris Covany                       | File No.: 051006          |
| Property Address: 38750 Pala Temecula Road | Case No.:                 |
| City: Pala                                 | State: CA Zip: 92059-1703 |



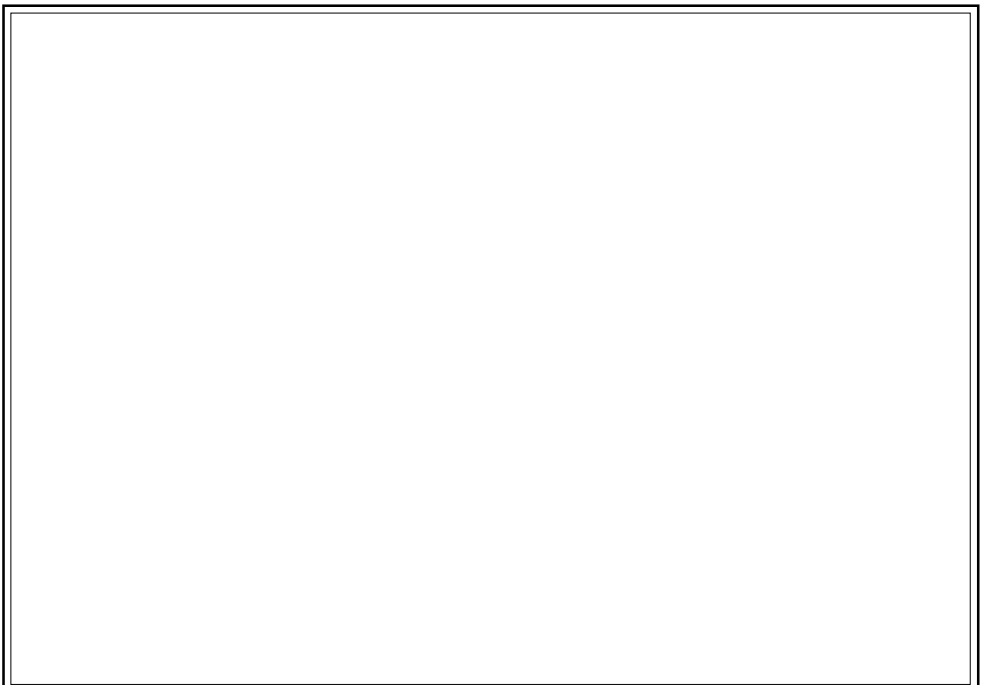
**COMPARABLE SALE #4**

Pala Temecula Road  
Pala, CA 92059  
Sale Date: Active  
Sale Price: \$ 197,500



**COMPARABLE SALE #5**

Lost Horizon Road  
Pala, CA 92059  
Sale Date: Active  
Sale Price: \$ 125,000



**COMPARABLE SALE #6**

Sale Date:  
Sale Price: \$

Client: Chris Covany

File No.: 051006

Property Address: 38750 Pala Temecula Road

Case No.:

City: Pala

State: CA

Zip: 92059-1703



Business, Transportation & Housing Agency  
OFFICE OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

**DEBBIE R. MEYER**

has successfully met the requirements for a license as a residential real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified Residential Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OREA APPRAISER IDENTIFICATION NUMBER

AR037463

Date Issued: March 17, 2010

Date Expires: June 14, 2011

Director, OREA

Audit No. **128565**

THIS DOCUMENT CONTAINS A TRADE SECRET. HOLD UP TO LIGHT TO SEE INK AND WATER MARK.