



# ***PEGASUS*** **APPRAISALS**



## **APPRAISAL OF REAL PROPERTY**

**LOCATED AT:**

**FOR:**

**AS OF:**

**BY:**

# Uniform Residential Appraisal Report

File # 1302002YC

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

SUBJECT

Property Address \_\_\_\_\_ City **San Marcos** State **CA** Zip Code **92078**  
 Borrower \_\_\_\_\_ Owner of Public Record County **San Diego**  
 Legal Description **LOT 8**  
 Assessor's Parcel # \_\_\_\_\_ Tax Year **2011** R.E. Taxes \$ **7,947**  
 Neighborhood Name **San Elijo Hills** Map Reference **1128-C6** Census Tract **200.10**  
 Occupant  Owner  Tenant  Vacant Special Assessments \$ **230**  PUD HOA \$ **82**  per year  per month  
 Property Rights Appraised  Fee Simple  Leasehold  Other (describe) \_\_\_\_\_  
 Assignment Type  Purchase Transaction  Refinance Transaction  Other (describe) \_\_\_\_\_  
 Lender/Client \_\_\_\_\_ Address \_\_\_\_\_  
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?  Yes  No  
 Report data source(s) used, offering price(s), and date(s). **DOM 66;NDC, MLS. Subject is currently pending sale, was listed at \$590,000 on 12/05/2012 and is now in escrow for \$585,000.**

CONTRACT

I  did  did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. **Arms length sale; Offer to purchase was made for \$570,000 on 2/6/2013, countered & accepted for \$585,000 on 02/09/2013. Contract is typical & provides for seller to pay up to \$550 for a home warranty, which is typical in this market. Mello-Roos monthly fee of \$230.**  
 Contract Price \$ **585,000** Date of Contract **02/09/2013** Is the property seller the owner of public record?  Yes  No Data Source(s) **NDC, MLS**  
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?  Yes  No  
 If Yes, report the total dollar amount and describe the items to be paid. **\$0;**

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

NEIGHBORHOOD

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 checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	70 %			
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	2 %			
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	425	Low 9	Multi-Family	3 %			
Neighborhood Boundaries <b>La Plaza Drive to the north, San Elijo Rd to the south, Attebury Drive to the east, Rancho Santa Fe Rd to the west</b>		895	High 11	Commercial	5 %			
		584	Pred. 11	Other	20 %			

Neighborhood Description **The neighborhood consists primarily of SFR's. Shopping, schools, and recreation facilities are all within reasonable distances of subject. The (5) Freeway is 4.5 miles to the west, the (78) Freeway is 3 miles to the northeast, San Elijo Park is 6 blocks to the northeast, Lake San Marcos Country Club is 1 mile to the northeast, Lake San Marcos is 1/2 mile to the north.**  
 Market Conditions (including support for the above conclusions) **Sales volume has declined & stabilized, absorption rate has slowed, the number of active listings declined during the prior 6-12 months, & has now stabilized & increased slightly, months of housing supply has increased. Median sales & list prices have steadily increased, DOM has declined, median sale to list price has increased, sales concessions are uncommon currently.**

SITE

Dimensions **6.19x50.74x99.82x40x12.91x111.21** Area **7,430 sf** Shape **Irregular** View **B;Mtn;**  
 Specific Zoning Classification **R1** Zoning Description **Single Family Residence**  
 Zoning Compliance  Legal  Legal Nonconforming (Grandfathered Use)  No Zoning  Illegal (describe) \_\_\_\_\_  
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?  Yes  No If No, describe \_\_\_\_\_  

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>

 FEMA Special Flood Hazard Area  Yes  No FEMA Flood Zone **X** FEMA Map # **060296/06073C/1052G** FEMA Map Date **05/16/2012**  
 Are the utilities and off-site improvements typical for the market area?  Yes  No If No, describe \_\_\_\_\_  
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?  Yes  No If Yes, describe \_\_\_\_\_  
**Noted no adverse easements, encroachments, or slide areas affecting the marketability of the subject.**

IMPROVEMENTS

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Good	Floors	Tile/Carpet/Good
# of Stories <b>2</b>	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Stucco/Good	Walls	Drywall/Good
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area <b>0 sq.ft.</b>	Roof Surface	Tile/Good	Trim/Finish	Wood/Good
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish <b>0 %</b>	Gutters & Downspouts	Overhang/Good	Bath Floor	Tile/Good
Design (Style) <b>Mediterranean</b>	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Dual Pane/Good	Bath Wainscot	Tile/Good
Year Built <b>2002</b>	Evidence of <input type="checkbox"/> Infestation <b>None</b>	Storm Sash/Insulated	Yes/Good	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) <b>7</b>	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Screens/Good	<input checked="" type="checkbox"/> Driveway	# of Cars <b>2</b>
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) # <b>0</b>	Driveway Surface	Concrete
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other <input type="checkbox"/> Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # <b>1</b>	<input checked="" type="checkbox"/> Fence <b>Iron, wood</b>	<input checked="" type="checkbox"/> Garage	# of Cars <b>3</b>
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck <b>both</b>	<input checked="" type="checkbox"/> Porch <b>Covered</b>	<input type="checkbox"/> Carport	# of Cars <b>0</b>
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <b>None</b>	<input checked="" type="checkbox"/> Other <b>Firepit</b>	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in

Appliances  Refrigerator  Range/Oven  Dishwasher  Disposal  Microwave  Washer/Dryer  Other (describe) \_\_\_\_\_  
 Finished area above grade contains: **9 Rooms 4 Bedrooms 3.0 Bath(s) 2,965 Square Feet of Gross Living Area Above Grade**  
 Additional features (special energy efficient items, etc.). **Plantation shutters.**

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). **C2;Kitchen-updated-one to five years ago;Bathrooms-updated-one to five years ago;Noted no physical, functional or locational inadequacies that would affect the marketability of the subject property. Outdoor kitchen with BBQ & refrigerator. Hardwood floors in kitchen, center island, tiled counters, pantry, separate laundry room, fireplace. 3-car tandem garage. Inground spa is not functional.**

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?  Yes  No If Yes, describe \_\_\_\_\_

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?  Yes  No If No, describe \_\_\_\_\_

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Table with columns: FEATURE, SUBJECT, COMPARABLE SALE # 1, COMPARABLE SALE # 2, COMPARABLE SALE # 3. Rows include: Address, Proximity to Subject, Sale Price, Sale Price/Gross Liv. Area, Data Source(s), Verification Source(s), VALUE ADJUSTMENTS, Sales or Financing Concessions, Date of Sale/Time, Location, Leasehold/Fee Simple, Site, View, Design (Style), Quality of Construction, Actual Age, Condition, Room Count, Gross Living Area, Basement & Finished Rooms Below Grade, Functional Utility, Heating/Cooling, Energy Efficient Items, Garage/Carport, Porch/Patio/Deck, Fireplace, Pool/Spa, Roof, Sales price to List price, Net Adjustment (Total), Adjusted Sale Price of Comparables.

SALES COMPARISON APPROACH

I  did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain

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, MLS

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) NDC, MLS

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

Table with columns: ITEM, SUBJECT, COMPARABLE SALE #1, COMPARABLE SALE #2, COMPARABLE SALE #3. Rows include: Date of Prior Sale/Transfer, Price of Prior Sale/Transfer, Data Source(s), Effective Date of Data Source(s).

Analysis of prior sale or transfer history of the subject property and comparable sales The subject has not had a prior listing nor sale within the last 3 years.

The comparables have not had a prior sale in the past 12 months.

Summary of Sales Comparison Approach All sales were verified through MLS in addition to NDC. All comparables are the most recent similar sales currently available and were given equal consideration in arriving at an estimated value. Comp #1 is on a smaller lot with no mountain view. Comp #2 has no mountain view. Comp #3 is on a smaller lot. Comp #4 is on a smaller lot. Comp #5 is on a smaller lot, is a short sale listing with a pending sale, and has been adjusted to 99% of list per MC report. Comp #6 is an active listing, and has been adjusted to 99% of list per MC report.

Indicated Value by Sales Comparison Approach \$ 585,000

Indicated Value by: Sales Comparison Approach \$ 585,000 Cost Approach (if developed) \$ 586,201 Income Approach (if developed) \$

The sales comparison approach was given the most consideration as it most typically reflects the buyers and sellers in this market. The cost approach was given supportive weight. Due to a lack of appropriate relevant data, the income approach was not considered.

RECONCILIATION

This appraisal is made  "as is",  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. There are no conditions to this appraisal. This appraisal is for loan purposes only and is a complete summary report.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is

\$ 585,000, as of 02/14/2013, which is the date of inspection and the effective date of this appraisal.

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FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6			
Address		1451 Golden Sunset Dr San Marcos, CA 92078			1438 Dolphin Ct San Marcos, CA 92078			1434 Rivercrest Rd San Marcos, CA 92078			
Proximity to Subject		0.38 miles SE			0.37 miles E			0.10 miles SE			
Sale Price		\$ 585,000			\$ 630,000			\$ 609,000			
Sale Price/Gross Liv. Area		\$ 197.30 sq.ft.			\$ 225.00 sq.ft.			\$ 211.76 sq.ft.			
Data Source(s)		MLS#120042438;DOM 19			MLS#120007897;DOM 370			MLS#130006702;DOM 6			
Verification Source(s)		AP#223-490-46-00 Inspection			AP#223-590-05-00 Inspection			AP#223-560-23-00 Inspection			
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION		+(-) \$ Adjustment	
Sales or Financing Concessions		ArmLth VA;10000		Listing Short;0				Listing			
Date of Sale/Time		s10/12;c09/12		c02/13				Active			
Location		N;Res;		N;Res;				N;Res;			
Leasehold/Fee Simple		Fee Simple		Fee Simple				Fee Simple			
Site		7,430 sf		5,171 sf		+4,518		5,802 sf		+3,256	
View		B;Mtn;		B;Mtn;				B;Mtn;			
Design (Style)		Mediterranean		Mediterranean				Mediterranean			
Quality of Construction		Q2		Q2				Q2			
Actual Age		11		11				11			
Condition		C2		C2				C2			
Above Grade		Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	
Room Count		9	4	3.0	8	4	3.0	9	5	3.1	0
Gross Living Area		2,965 sq.ft.		2,600 sq.ft.		+29,200		2,975 sq.ft.		0	
Basement & Finished Rooms Below Grade		Osf		Osf				Osf			
Functional Utility		Average		Average				Average			
Heating/Cooling		FAU/Central		FAU/Central				FAU/Central			
Energy Efficient Items		None		None				None			
Garage/Carport		3 Car garage		2 Car garage		+4,000		2 Car garage		+4,000	
Porch/Patio/Deck		Patio, deck		Patio, deck				Patio, deck			
Fireplace, Pool/Spa		1 Fireplace		1 Fireplace				1 Fireplace			
Roof		Tile		Tile				Tile			
Sales price to List price		99.2% of list		99.3% of list		0		99% of list		-6,300	
Net Adjustment (Total)				<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 37,718				<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -6,544		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -6,090	
Adjusted Sale Price of Comparables				Net Adj. 6.4% Gross Adj. 6.4% \$ 622,718				Net Adj. 1.0% Gross Adj. 3.3% \$ 623,456		Net Adj. 1.0% Gross Adj. 1.0% \$ 602,910	

SALES COMPARISON APPROACH

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Date of Prior Sale/Transfer										
Price of Prior Sale/Transfer										
Data Source(s)	NDC, MLS	NDC, MLS			NDC, MLS			NDC, MLS		
Effective Date of Data Source(s)	02/14/2013	02/14/2013			02/14/2013			02/14/2013		

SALE HISTORY

Analysis of prior sale or transfer history of the subject property and comparable sales

Analysis/Comments

ANALYSIS / COMMENTS

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Comments and Conditions of Appraisal

This appraisal is a complete summary report. This summary appraisal report is intended for use by the lender/client for a mortgage finance transaction only. This report is not intended for any other use. The title policy was not reviewed by the appraiser.

Additional Comments Regarding the Digital Signature

This appraisal was signed electronically. My electronic signature is the same as my live signature.

Additional Comments Regarding Appraisal Fee

\$425.00 is to be paid to the appraiser who performed this real estate appraisal.

Comments Regarding Top of Page Two In This Report

The 1004MC form has the purpose of determining market trends & activity. In order to accomplish this, the sampling must be large enough to show those trends; a small sampling of comparables in the subject's immediate neighborhood is insufficient to show an accurate trend & the resulting statistics would be misleading. The 1004MC sampling typically consists of similar sized properties in the general neighborhood, & may be delimited by zip code, GLA, age, or by map coordinates, & relies on MLS statistics. The comps information at top of page 2 are not all similar enough to be used as the best appraisal comparables, but provides the basis from which the comparables used in the appraisal were taken.

Additional Comments Regarding Disaster Areas

Although FEMA has designated certain portions of California as having flood, mudslide or drought disaster areas, the marketability of the subject has not been adversely affected by any FEMA Designated Disaster Area.

Additional Comments Regarding Appraisals

Appraisals are no guarantee that the property is free from defects. The appraisal only establishes the value of the property for mortgage insurance purposes. This appraiser is not a qualified Home Inspector. Buyers need to secure their own home inspections through the services of a qualified inspector and satisfy themselves about the condition of the property.

Conditions Observed During Appraisal Inspection

A head and shoulders inspection of the attic scuttle was made. There are smoke detectors for each bedroom. There is a CO detector on the wall. Water heater, furnace, plumbing & electric were tested, and are functional.

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) No comparable land sales were used in determining the site value. Land sales value was determined by abstraction method only.

Table with columns for cost approach details: ESTIMATED, REPRODUCTION OR, REPLACEMENT COST NEW, OPINION OF SITE VALUE, DWELLING, Sq.Ft. @ \$, etc. Total value: 586,201.

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach. Summary of Income Approach (including support for market rent and GRM)

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? [ ] Yes [X] No Unit type(s) [X] Detached [ ] Attached. Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

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

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

Was the project created by the conversion of existing building(s) into a PUD? [ ] Yes [ ] No If Yes, date of conversion.

Does the project contain any multi-dwelling units? [ ] Yes [ ] No Data Source

Are the units, common elements, and recreation facilities complete? [ ] Yes [ ] No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? [ ] Yes [ ] No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

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

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

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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File # 1302002YC

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

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

# Uniform Residential Appraisal Report

File # 1302002YC

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

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

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

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

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

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

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

**APPRAISER**

Signature *Sandra Koutsopoulos*  
 Name Sandra Y. Koutsopoulos  
 Company Name PEGASUS APPRAISALS  
 Company Address 401 N Brookhurst St, Suite 104  
Anaheim, CA 92806  
 Telephone Number (714) 394-6809  
 Email Address pegasus2005@juno.com  
 Date of Signature and Report 02/16/2013  
 Effective Date of Appraisal 02/14/2013  
 State Certification # AR036135  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State CA  
 Expiration Date of Certification or License 01/11/2015

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

**ADDRESS OF PROPERTY APPRAISED**

APPRAISED VALUE OF SUBJECT PROPERTY \$ 585,000

**LENDER/CLIENT**

Name Coast2Coast Appraisal Inc  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 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 \_\_\_\_\_



**HVCC Addendum**

File No. 1302002YC

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			

**HVCC Certification**

No employee, director, officer or agent of the lender, or any other third party acting as a joint venture partner, independent contractor, appraisal management company, or partner on behalf of the lender has influenced or attempted to influence the development, reporting, result or review of this assignment through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery or in any other manner.

**JSPAP Certification re: Prior Services**

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.

**Definition of Client**

The party or parties who engage by employment or contract, an appraiser in a specific assignment.

**Comment:** The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly or through an agent

**Exposure Time Definition:** Estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

**Comment:** Exposure Time is a retrospective opinion based on an analysis of past events assuming a competitive & open market.

**Regarding Exposure Time**

The reasonable exposure time likely required to successfully obtain a buyer on the subject property is estimated to be the median days on market per the 1004MC Market Condition Report.

**Marketing Time**

The time required going forward to find a buyer for the subject is estimated to be 40 days.

Market Conditions Addendum to the Appraisal Report

File No. 1302002YC

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address City San Marcos State CA ZIP Code 92078

Borrower

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Table with columns: Inventory Analysis, Prior 7-12 Months, Prior 4-6 Months, Current - 3 Months, Overall Trend. Rows include Total # of Comparable Sales (Settled), Absorption Rate, Total # of Comparable Active Listings, Months of Housing Supply, Median Sale & List Price, etc.

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Sales concessions are not typical at this time.

Are foreclosure sales (REO sales) a factor in the market? [X] Yes [ ] No If yes, explain (including the trends in listings and sales of foreclosed properties).

REOs currently account for 16% of property transfers, REO re-sales make up 16% of property transfers, and 68% are short sales and standard sales.

Cite data sources for above information. CRMLS, Mercado, TEMPO, MLS, NDC, Realist, Local Realtors

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

During the past 12 months sales volume has declined and stabilized, absorption rate has slowed, the number of active listings declined during the prior 6-12 month, and has since stabilized and increased somewhat, months of housing supply has increased recently. Median sales and list prices have steadily increased, days on market have declined and median sale to list price has increased.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Table with columns: Subject Project Data, Prior 7-12 Months, Prior 4-6 Months, Current - 3 Months, Overall Trend. Rows include Total # of Comparable Sales (Settled), Absorption Rate, Total # of Active Comparable Listings, Months of Unit Supply.

Are foreclosure sales (REO sales) a factor in the project? [ ] Yes [ ] No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature Sandra Y. Koutsopoulos
Appraiser Name Sandra Y. Koutsopoulos
Company Name PEGASUS APPRAISALS
Company Address 401 N Brookhurst St, #104, Anaheim, CA 92806
State License/Certification # AR036135 State CA
Email Address pegasus2005@juno.com

Signature
Supervisory Appraiser Name
Company Name
Company Address
State License/Certification #
State
Email Address

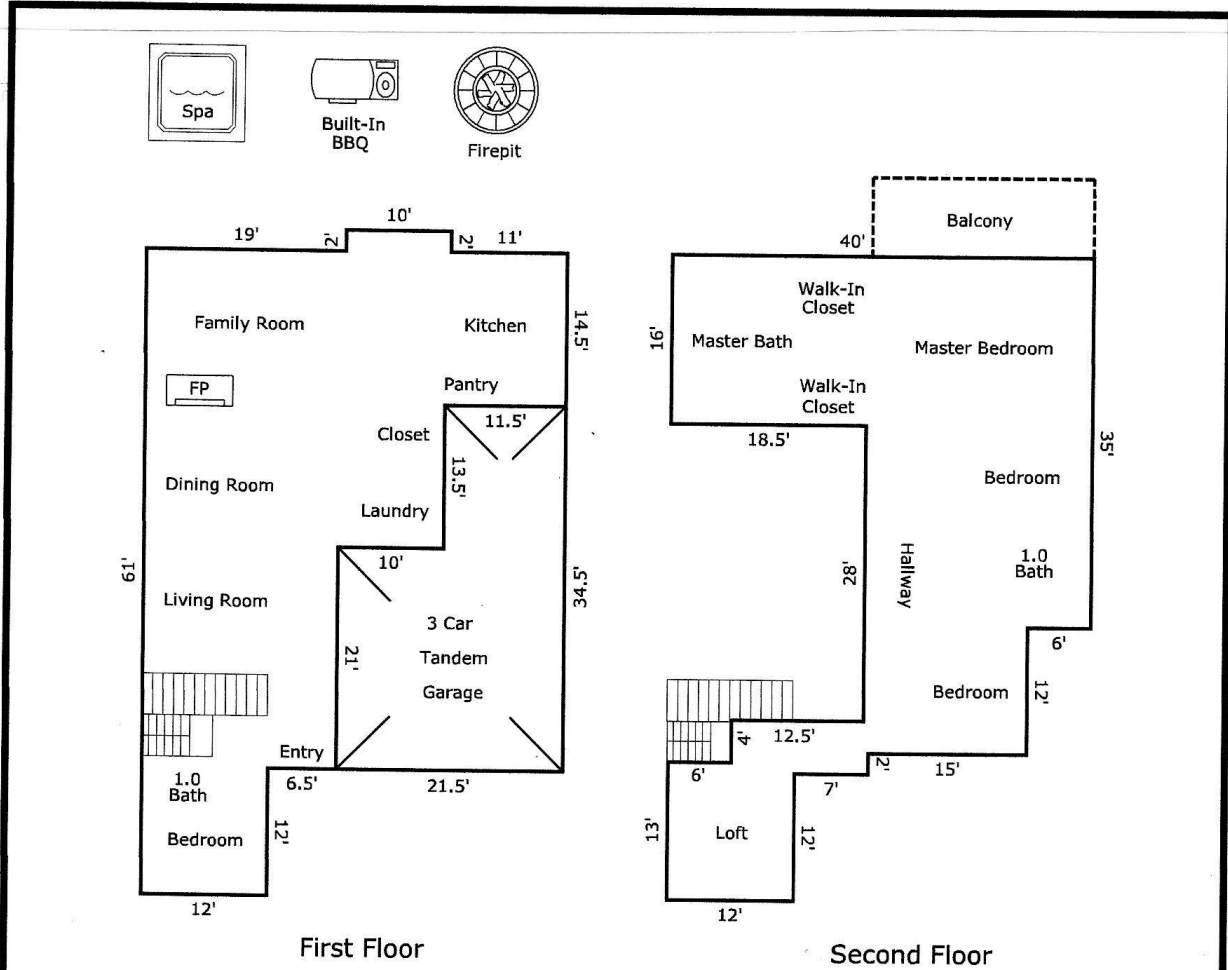
MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

### Building Sketch

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



TOTAL Sketch by a la mode, inc.

#### Area Calculations Summary

Living Area		Calculation Details	
First Floor	1517.3 Sq ft	10 × 2 = 20	
		12 × 12 = 144	
		18.5 × 21 = 388.5	
		28 × 28.5 = 798	
		14.5 × 11.5 = 166.8	
Second Floor	1448 Sq ft	12 × 12 = 144	
		40 × 16 = 640	
		21.5 × 19 = 408.5	
		12 × 15 = 180	
		1 × 6 = 6	
		5 × 12.5 = 62.5	
		14 × 0.5 = 7	
<b>Total Living Area (Rounded):</b>	<b>2965 Sq ft</b>		
<b>Non-living Area</b>			
3 Car Tandem Garage	606.8 Sq ft	21.5 × 21 = 451.5	
		13.5 × 11.5 = 155.2	
Balcony	157.5 Sq ft	21 × 7.5 = 157.5	

TOTAL Sketch software by a la mode, inc. 1-800-alamode



## Legal Description Map

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			

Property Detail Printout

Page 1 of 1

NDCdata.com

Last Updated: 02/11/2013

### Property Location

Address:	City: SAN MARCOS	Zip: 92078-7995
APN#:	Use Code: Single Family Residence	County: San Diego
Tract: 14176	Census Tract: 200.10	Zone: R1
Map Page/Grid: /	Legal Desc: LOT 8	
Total Assessed Value: 496,338	Tax Amount: 7,946.66	
Percent Improvement: 65.64	Tax Year: 2011	

### Current Owner Information

Current Owner:	Owner Address: 910 PACIFIC ST
City, State:	Zip: 92054-1947
Last Transaction: 09/08/2011	Deed Type: quitclaim/deed of trust
Amount: 0	Document: 0000464488

### Last sale Information

Transferred From: WESTERN PACIFIC HOUSING	Seller Address:
Sale Date: 01/28/2002	Prior Sale Date:
Most Recent Sale Price: 422,500	Prior Sale Price:
Document Number: 0000071352	Prior Document No.:
Document Type: grant deed/deed of trust	Prior Document Type:

### Lender Information

Lender: EQUITY 1 LENDERS GROUP	Full/Partial: F
Loan Amount / 2nd Trust Deed: 337,600 / 84,400	Loan Type: conventional variable

### Physical Information

Building Area: 2,950	# of Bedrooms: 4	Lot Size: 0
Additional: 0	# of Bathrooms: 3.00	Year Built / Effective: 2002 / 2002
Garage: 0	# of Stories: 0	Heating:
First Floor: 0	Total Rooms: 0	Cooling:
Second Floor: 0	# of Units: 1	Roof Type:
Third Floor: 0	Garage/Carport: yes /	Construction/Quality: / 0
Basement Finished: 0	Fireplaces: 0	Building Shape:
Basement Unfinished: 0	Pool/Spa:	View:

### Flood Data

Panel Date: 5/16/2012	Comm/Panel Number: 060296/06073C/1052 G	Flood Zone: X
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### Neighborhood Map

Borrower/Client				
Property Address				
City	County San Diego	State CA	Zip Code 92078	
Lender				



### Subject Photos

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



**Subject Front**



**Subject Rear**



**Subject Street**

### Subject Photos

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



**Subject Kitchen**



**Subject Family Room**



**Subject Dining Room**



**PHOTOGRAPH ADDENDUM**

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



Bedroom



Bedroom



Bedroom

### PHOTOGRAPH ADDENDUM

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



Bedroom



Living Room



CO & smoke detector

### Photograph Addendum

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



Bathroom



Master Bathroom



Bathroom

### Photograph Addendum

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



View



View



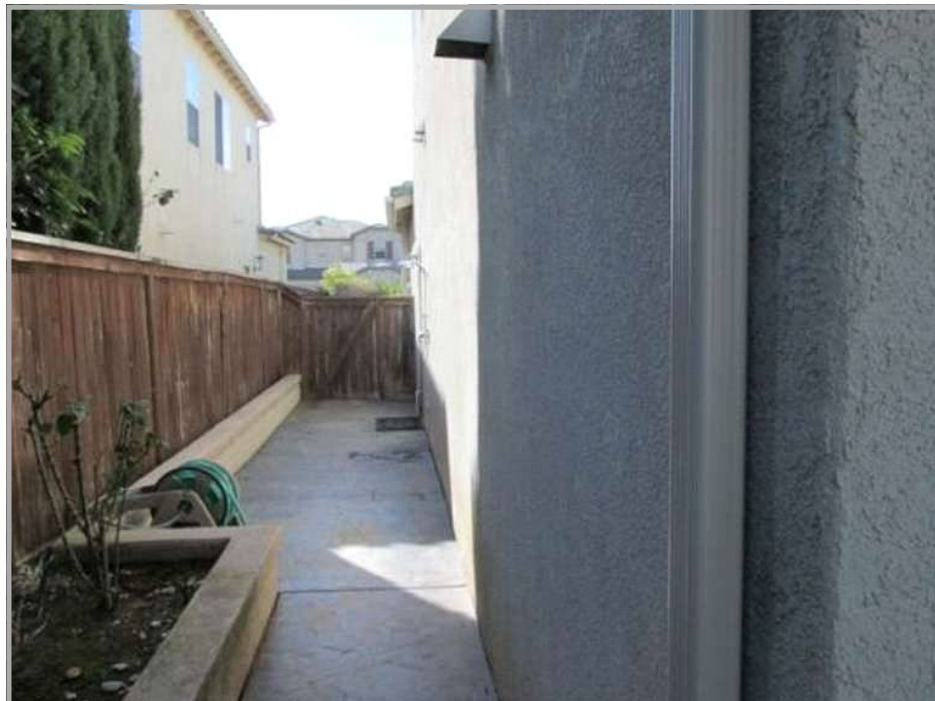
Laundry room

### Photograph Addendum

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



Side



Side



Outdoor shower

### Photograph Addendum

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



Electric main



Strapped water heater



Outdoor kitchen

### Photograph Addendum

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



Firepit



Spa (not working)



Spa

### Comparable Photo Page

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



#### Comparable 1

1641 Sagewood Way



#### Comparable 2

1470 Rivercrest Rd



#### Comparable 3

1421 Dolphin Ct



### Comparable Photo Page

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



#### Comparable 4

1451 Golden Sunset Dr



1438 Dolphin Ct



1434 Rivercrest Rd

**License**

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			



Business, Transportation & Housing Agency  
**OFFICE OF REAL ESTATE APPRAISERS**  
**REAL ESTATE APPRAISER LICENSE**

Sandra Y. Koutsopoulos

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: AR 036135

Effective Date: January 12, 2013  
 Date Expires: January 11, 2015

*Jim Martin*  
 Jim Martin, Director, OREA

3004240

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

**E & O Insurance**

Borrower/Client			
Property Address			
City	County San Diego	State CA	Zip Code 92078
Lender			

**COVER NOTE****INSURED: Sandra Y Koutsopoulos**MAILING ADDRESS: 10374 Shoshone Avenue  
Riverside, CA 92503*This is to certify that the undersigned has procured insurance coverage as hereafter specified from certain companies and/or underwriters***EFFECTIVE: 06/28/2012    EXPIRATION: 06/28/2013    RETROACTIVE: 06/28/2005****COVERAGE: FREA Errors & Omissions Professional Liability Policy**Profession: Real Estate Appraiser  
Claims Made Form: 90395 (3/06)  
Limits: Per Occurrence: \$1,000,000    Annual Aggregate: \$1,000,000  
\$1,000 Retention each wrongful act**CONDITIONS:**Real Estate Agent/ Broker Referral Indemnity  
Known wrongful act exclusion  
Pending/prior litigation exclusion  
Defense within policy limit**COMPANIES PARTICIPATING:**

National Union Fire Insurance Company of Pittsburgh, PA

**COVER NOTE # Z FREA 05-6979****CUSTOMER # 0030120**Issued at: 4907 Morena Blvd., Suite 1415  
San Diego, CA 92117**DATE: 06/29/2012**

By:

Insurance, when effected shall be subject to all terms and conditions of policy(ies) which will be issued, and in the event of any inconsistency herewith, the terms and provisions of the policy prevail.