

# APPRAISAL REPORT

OF



113 WARREN DRIVE  
SAN FRANCISCO, CA 94131

## PREPARED FOR

WARNOCK  
113 WARREN DRIVE  
SAN FRANCISCO, CA 94131

AS OF

2/23/10

## PREPARED BY

CHRISTIAN W. KOENIG  
952 FOOTHILL DRIVE  
DALY CITY, CA 94015

Uniform Residential Appraisal Report

Property Address 113 WARREN DRIVE City SAN FRANCISCO State CA Zip Code 94131
Borrower WARNOCK Owner of Public Record WARNOCK County SAN FRANCISCO
Legal Description LOT 004 BLOCK 2681
Assessor's Parcel # 2681-004 Tax Year 2009 R.E. Taxes \$ 10,000.76
Neighborhood Name FOREST KNOLLS Map Reference 667-D3 Census Tract 0301.02
Occupant [X] Owner [ ] Tenant [ ] Vacant Special Assessments \$ NONE [ ] PUD HOA \$ [ ] per year [ ] per month
Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)
Assignment Type [ ] Purchase Transaction [ ] Refinance Transaction [X] Other (describe) INDEPENDENT OPINION OF VALUE
Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131
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 [X] No
Report data source(s) used, offerings price(s), and date(s). LOCAL MULTIPLE LISTING SERVICE, COUNTY RECORDS.

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.
Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? [ ] Yes [ ] No Data Source(s)
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.

NEIGHBORHOOD
Note: Race and the racial composition of the neighborhood are not appraisal factors.
Neighborhood Characteristics
Location [X] Urban [ ] Suburban [ ] Rural
Property Values [ ] Increasing [X] Stable [ ] Declining
Demand/Supply [ ] Shortage [X] In Balance [ ] Over Supply
Marketing Time [ ] Under 3mths [X] 3-6 mths [ ] Over 6mths
One-Unit Housing Trends
PRICE AGE One-Unit Present Land Use %
500 Low 45 Multi-Family 5 %
700 Pred. 50 Other %
Neighborhood Boundaries WARREN DRIVE IS THE SOUTHERN AND WESTERN BORDER, MOUNT SUTRO IS THE NORTHERN BORDER AND THE MIDTOWN TERRACE NEIGHBORHOOD IS TO THE EAST.
Neighborhood Description THE SUBJECT IS LOCATED IN THE FOREST KNOLLS NEIGHBORHOOD IN S.F. THE NEIGHBORHOOD IS GENERALLY COMPOSED OF AVERAGE QUALITY & CONDITION, DETACHED SINGLE FAMILY DWELLINGS WITH SOME 2-4 UNIT BUILDINGS, APARTMENTS AND COMMERCIAL USES SCATTERED THROUGHOUT. LOCAL SUPPORT FACILITIES AND EMPLOYMENT CENTERS ARE LOCATED WITHIN 3 MILES.
Market Conditions (including support for the above conclusions) PROPERTY VALUES HAVE MOSTLY STABILIZED AFTER AN 18-24 MONTH PERIOD OF STEADY DECLINES. INTEREST RATES REMAIN COMPETITIVE. TYPICAL MARKETING TIMES APPEAR TO BE 3-6 MONTHS. TYPICAL FINANCING APPEARS TO BE NEW CONVENTIONAL LOANS WITH SOME FHA LOANS AND NO SPECIAL CONCESSIONS NOTED.

SITE
Dimensions SEE SITE MAP FOR AREA CALCULATION Area APPX: 3,179 SQ.FT. Shape IRREGULAR View NEIGHBORHOOD
Specific Zoning Classification RH-1(D) Zoning Description HOUSE, ONE-FAMILY DISTRICT (DETACHED DWELLING) 4,000 SQ.FT. MIN
Zoning Compliance [ ] Legal [X] 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? [X] Yes [ ] No If No, describe.
Utilities Public Other (describe) Public Other (describe) Off-site Improvements--Type Public Private
Electricity [X] [ ] [ ] Water [X] [ ] Street MACADAM [X] [ ]
Gas [X] [ ] [ ] Sanitary Sewer [X] [ ] Alley NONE/TYPICAL [ ] [ ]
FEMA Special Flood Hazard Area [ ] Yes [X] No FEMA Flood Zone N/A FEMA Map # NON-PARTICIPATING FEMA Map Date NO MAP
Are the utilities and/or off-site improvements typical for the market area? [X] Yes [ ] No If No, describe.
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [ ] Yes [X] No If Yes, describe.
THE SITE IS AN IRREGULAR SHAPED INTERIOR LOT THAT SUFFERS FROM A SLIGHT ADVERSE NOISE CONDITION DUE TO ITS LOCATION ON A SMALL TRAFFIC FEEDER STREET. SETBACKS ARE TYPICAL FOR THE AREA. THE SITE IS MOSTLY LEVEL WITH THE REAR OF THE SITE DOWNWARD SLOPING WITH AVERAGE OVERALL UTILITY. NO OTHER ADVERSE EASEMENTS, ENCROACHMENTS OR OTHER CONDITIONS NOTED.

IMPROVEMENTS
General Description Foundation Exterior Description materials/condition Interior materials/condition
Units [X] One [ ] One with Accessory Unit [X] Concrete Slab [ ] Crawl Space Foundation Walls CONCRETE/AVERAGE Floors WD/VINYL/AVERAGE
# of Stories 1+GARAGE [ ] Full Basement [X] Partial Basement Exterior Walls STUC/WD/BCK/AVG. Walls DRYWALL/AVERAGE
Type [X] Det. [ ] Att. [ ] S-Det./End Unit Basement Area 592 sq. ft. Roof Surface COMPO/AVERAGE Trim/Finish WOOD/AVERAGE
[X] Existing [ ] Proposed [ ] Under Const. Basement Finish 0 % Gutters & Downspouts ALUMINUM/AVG. Bath Floor TILE/AVERAGE
Design (Style) TRADITIONAL [X] Outside Entry/Exit [ ] Sump Pump Window Type ALUM/DUAL/AVERAGE Bath Wainscot TILE/AVERAGE
Year Built 1959 Evidence of [ ] Infestation Storm Sash/Insulated NO/UNK. Car Storage [ ] None
Effective Age (Yrs) 20-25 [ ] Dampness [ ] Settlement Screens YES [ ] Driveway # of Cars
Attic [ ] None Heating [X] FWA [ ] HWBB [ ] Radiant Amenities [ ] Woodstove(s) # Driveway Surface CONCRETE
[ ] Drop Stair [ ] Stairs [ ] Other Fuel GAS [X] Fireplace(s) # 1 [X] Fence [X] Garage # of Cars 2
[ ] Floor [X] Scuttle Cooling [ ] Central Air Conditioning [X] Patio/Deck [ ] Porch [ ] Carport # of Cars
[ ] Finished [ ] Heated [ ] Individual [X] Other NONE [ ] Pool [ ] Other [ ] Att. [ ] Det. [X] Built-in
Appliances [ ] Refrigerator [X] Range/Oven [ ] Dishwasher [X] Disposal [ ] Microwave [ ] Washer/Dryer [ ] Other (describe)
Finished area above grade contains: 6 Rooms 3 Bedrooms 2.00 Bath(s) 1,415 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.) BRICK FIREPLACE IN THE LIVING ROOM, HARDWOOD FLOORS, RECESSED LIGHTING, ORIGINAL KITCHEN WITH TILE COUNTERS, ORIGINAL BATHROOMS WITH TILE FINISHES, REAR WOOD DECK, REAR CONCRETE PATIO AND A WOOD FENCE.
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). IN ADDITION, THERE IS A 592 SQ.FT. UNFINISHED BASEMENT THAT IS USED AS STORAGE. THE SUBJECT IS IN AVERAGE OVERALL CONDITION. NO FUNCTIONAL INADEQUACIES WERE NOTED. INTERIOR & EXTERIOR IMPROVEMENTS ARE TYPICAL FOR THE AREA. APPLIANCES AND FIXTURES ARE OF AVERAGE QUALITY. THE FOLLOWING DEFERRED MAINTENANCE WAS NOTED AT THE OF INSPECTION: SEVERAL RAIN GUTTERS WERE MISSING AND BROKEN, THE COMPOSITION SHINGLE ROOF IS NEARING THE END OF ITS USEFUL LIFE, THE REAR FIRST LEVEL WALL OF THE HOME IS MISSING SOME STUCCO DUE TO A
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [ ] Yes [X] No If Yes, describe
RECENTLY REPLACED DUAL PANE WINDOW AND THE APPRAISER NOTED SOME MOLD IN A FEW AREAS OF THE HOME. THIS WILL BE TAKEN INTO ACCOUNT WHEN ASSIGNING THE SUBJECT'S AVERAGE OVERALL CONDITION.
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] Yes [ ] No If No, describe

### Uniform Residential Appraisal Report

There are 0 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ N/A to \$ N/A		There are 16 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 575,000 to \$ 820,000					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address	113 WARREN DRIVE SAN FRANCISCO, CA 94131	217 WARREN DRIVE SAN FRANCISCO	591 OAK PARK DRIVE SAN FRANCISCO	71 WARREN DRIVE SAN FRANCISCO			
Proximity to Subject		0.16 MILES W	0.28 MILES NW	0.06 MILES NE			
Sale Price	\$ N/A	\$ 575,000	\$ 580,000	\$ 705,000			
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 464.08 sq. ft.	\$ 465.86 sq. ft.	\$ 557.31 sq. ft.			
Data Source(s)		MLS	MLS	MLS			
Verification Source(s)		COUNTY RECORDS	COUNTY RECORDS	COUNTY RECORDS			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing		CONVENT.		CONVENT.		CONVENT.	
Concessions		DOC#873078		DOC#878036		DOC#816268	
Date of Sale/Time		COE 11/16/09	N/A	COE 11/24/09	N/A	COE 8/14/09	N/A
Location	SLT. TRAFFIC ST.	EQUAL		SUPERIOR	-25,000	EQUAL	
Leasehold/Fee Simple	FEE SIMPLE	EQUAL		EQUAL		EQUAL	
Site	3,179 SQ.FT.	4,046 S.F.	-8,500	3,889 S.F.	-7,000	3,105 S.F.	N/A
View	NEIGHBORHOOD	EQUAL		EQUAL		SUPERIOR	-25,000
Design (Style)	TRADITIONAL	SIMILAR		SIMILAR		SIMILAR	
Quality of Construction	AVERAGE	EQUAL		EQUAL		EQUAL	
Actual Age	51+-	51+-	N/A	47+-	N/A	51+-	N/A
Condition	AVERAGE	EQUAL		INFERIOR	+25,000	SUPERIOR	-25,000
Above Grade Room Count	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
	6 3 2.00	5 2 2.00	+10,000	5 2 2.00	+10,000	5 3 2.00	
Gross Living Area	1,415 sq. ft.	1,239 sq. ft.	+9,000	1,245 sq. ft.	+8,500	1,265 sq. ft.	+7,500
Basement & Finished Rooms Below Grade	UNFINISHED BASEMENT	UNFINISHED BASEMENT		UNFINISHED BASEMENT		FINISHED BASEMENT	-25,000
Functional Utility	AVERAGE	EQUAL		EQUAL		EQUAL	
Heating/Cooling	FWA/NONE	SIMILAR		SIMILAR		SIMILAR	
Energy Efficient Items	NONE NOTED	EQUAL		EQUAL		EQUAL	
Garage/Carport	2 CAR GAR. BLT-IN	EQUAL		EQUAL		EQUAL	
Porch/Patio/Deck	DECK, PATIO	SIMILAR		SIMILAR		SIMILAR	
FIREPLACES	1 FIREPLACE	EQUAL		EQUAL		EQUAL	
UPDATING	ORIGINAL KITCHEN AND BATHROOMS	SIMILAR UPDATING	N/A	SIMILAR UPDATING	N/A	SUPERIOR UPDATING	-25,000
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 10,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 11,500	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -92,500
Adjusted Sale Price of Comparables		Net Adj: 2% Gross Adj: 5%	\$ 585,500	Net Adj: 2% Gross Adj: 13%	\$ 591,500	Net Adj: -13% Gross Adj: 15%	\$ 612,500

SALES COMPARISON ANALYSIS

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) COUNTY RECORDS

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) COUNTY RECORDS

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 # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	NONE	NONE	NONE	NONE
Price of Prior Sale/Transfer	N/A	N/A	N/A	N/A
Data Source(s)	COUNTY RECORDS	COUNTY RECORDS	COUNTY RECORDS	COUNTY RECORDS
Effective Date of Data Source(s)	2/10	LP: \$749,900 DOM: 125	LP: \$549,000 DOM: 72	LP: \$708,000 DOM: 11

Analysis of prior sale or transfer history of the subject property and comparable sales THE SUBJECT HAS NOT SOLD OR BEEN LISTED FOR SALE DURING THE PAST 3 YEARS. NO COMPARABLES HAVE SOLD OR TRANSFERRED IN THE YEAR PRIOR TO THEIR CLOSE OF ESCROW DATE.

Summary of Sales Comparison Approach COMPARABLES #1 - #4 ARE CLOSED AND VERIFIED. VIEW ADJUSTMENTS WERE BASED ON THE OVERALL VIEW AMENITY. A \$25,000 LOCATION ADJUSTMENT WAS MADE TO REFLECT THE SUBJECT'S LOCATION ON A SMALL TRAFFIC FEEDER STREET. LOT SIZE ADJUSTMENTS WERE MADE AT APPROX. \$10/SQ.FT. IMPROVEMENT SIZE ADJUSTMENTS WERE MADE AT APPROX. \$50/SQ.FT. FINISHED BASEMENTS WERE ADJUSTED AT \$25,000 EACH. SEVERAL CONDITION AND UPDATING ADJUSTMENTS WERE MADE TO REFLECT THE SUBJECT'S AVERAGE CONDITION WITH SOME DEFERRED MAINTENANCE AND ITS ORIGINAL KITCHEN AND BATHROOMS. IN ADDITION, A \$25,000 UPWARD CONDITION ADJUSTMENT WAS MADE TO COMPARABLE #2 AS THE MLS SHEET STATED THAT IT HAD A SIGNIFICANT FOUNDATION ISSUE THAT NEEDS REPAIR. THE MARKET APPROACH IS THE BEST VALUE INDICATOR WITH SUPPORT FROM THE COST APPROACH. THE INCOME APPROACH WAS NOT UTILIZED IN THIS ANALYSIS AS MOST HOMES IN THIS AREA ARE OWNER-OCCUPIED.

Indicated Value by Sales Comparison Approach \$ 600,000

Indicated Value by: Sales Comparison Approach \$ 600,000 Cost Approach (if developed) \$ 608,595 Income Approach (if developed) \$ N/A

THIS APPRAISAL REPORT IS INTENDED FOR VALUATION PURPOSES ONLY. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE. THE ELECTRONIC SIGNATURE IN THIS REPORT IS PASSWORD PROTECTED.

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: NO COMMENTS OR CONDITIONS. THE ESTIMATED VALUE IN THIS REPORT IS THE RESULT OF A COMPLETE APPRAISAL, 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 \$ 600,000, as of 2/23/10, which is the date of inspection and the effective date of this appraisal.

### Uniform Residential Appraisal Report

THE SUBJECT IS LEGAL NON-CONFORMING AS THE MINIMUM LOT SIZE FOR RH-1(D) ZONING IN SAN FRANCISCO IS 4,000 S.F. PER THE CITY PLANNING DEPARTMENT, IF THE SUBJECT IMPROVEMENTS ARE DESTROYED, THEY MAY BE REBUILT AS LONG AS CONSTRUCTION COMMENCES WITHIN 1 YEAR FROM THE DATE OF DESTRUCTION.

NEIGHBORHOOD DESCRIPTION:

FOREST KNOLLS IS DIFFERENT FROM ANY OTHER AREA IN THE CITY. HOMES DON'T APPEAR TO HAVE BEEN BUILT BEFORE 1950, THERE ARE DUPLEXES, MULTI-UNIT, SINGLE FAMILY, TOWN HOMES, AND CONDOS. THEY ARE VERY "BOXY" AND HAVE THAT MID-CENTURY LOOK. VIEWS OF SUTRO TOWER CAN BE HAD FROM JUST ABOUT ANY STREET, CRESTMONT TO THE NORTH, CHRISTOPHER TO THE SOUTH, AND A LOT OF THE HOMES ARE HELD UP BY LONG SKINNY CONCRETE COLUMNS. ONE OF THE MOST DESIRABLE ELEMENTARY SCHOOLS, CLARENDON, IS LOCATED IN THIS DISTRICT.

ADDITIONAL COMMENTS

**COST APPROACH TO VALUE (not required by Fannie Mae.)**

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

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) LAND VALUE WAS CALCULATED BY ABSTRACTION DUE TO THE LACK OF RECENT VACANT LAND SALES IN THIS AREA.

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE			= \$	375,000
Source of cost data LOCAL BUILDING CONTRACTORS	Dwelling	1,415	Sq. Ft. @ \$ 150	= \$	212,250
Quality rating from cost service N/A Effective date of cost data N/A	UFN. BSMT.	592	Sq. Ft. @ \$ 100	= \$	59,200
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	DECK, PATIO, FENCE.				25,000
LAND VALUE TO IMPROVEMENT VALUE IS TYPICAL FOR THE AREA. NO FUNCTIONAL DEPRECIATION NOTED. \$25,000 IN EXTERNAL	Garage/Carport	696	Sq. Ft. @ \$ 75	= \$	52,200
DEPRECIATION REFLECTS THE SUBJECT'S LOCATION ON A SMALL TRAFFIC FEEDER STREET. COST ESTIMATES WERE CALCULATED WITH ASSISTANCE FROM LOCAL BUILDING CONTRACTORS.	Total Estimate of Cost-new			= \$	348,650
REMAINING ECONOMIC LIFE ESTIMATED AT 35-40 YEARS.	Less Physical	33	Functional	External	11
Estimated Remaining Economic Life (HUD and VA only) 35-40 Years	Depreciation	115,055	0	25,000	= \$ ( 140,055 )
	Depreciated Cost of Improvements			= \$	208,595
	"As-is" Value of Site Improvements			= \$	25,000
	Indicated Value By Cost Approach			= \$	608,595

**INCOME APPROACH TO VALUE (not required by Fannie Mae.)**

Estimated Monthly Market Rent \$ N/A X Gross Multiplier N/A = \$ N/A Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) THE INCOME APPROACH WAS NOT UTILIZED IN THIS ANALYSIS AS MOST HOMES IN THIS AREA ARE OWNER-OCCUPIED.

INCOME

**PROJECT INFORMATION FOR PUDs (if applicable)**

Is the developer/builder in control of the Homeowner's Association (HOA)?  Yes  No Unit type(s)  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 Homeowner's Association?  Yes  No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

PUD INFORMATION



KOENIG APPRAISAL  
EXTRA COMPARABLES 4-5-6

File No. 7006  
Case No.

Borrower WARNOCK  
Property Address 113 WARREN DRIVE  
City SAN FRANCISCO County SAN FRANCISCO State CA Zip Code 94131  
Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131

SALES COMPARISON ANALYSIS

FEATURE	SUBJECT			COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6											
Address	113 WARREN DRIVE SAN FRANCISCO, CA 94131			227 CHRISTOPHER DRIVE SAN FRANCISCO																	
Proximity to Subject				0.12 MILES N																	
Sale Price	\$	N/A		\$	735,000		\$			\$											
Sale Price/Gross Liv. Area	\$	0.00	sq. ft.	\$	468.15	sq. ft.	\$		sq. ft.	\$		sq. ft.									
Data Source(s)				MLS																	
Verification Source(s)				COUNTY RECORDS																	
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION			+(-) \$ Adjustment			DESCRIPTION			+(-) \$ Adjustment								
Sale or Financing				CONVENT.																	
Concessions				DOC#897995																	
Date of Sale/Time				COE 12/29/09			N/A														
Location	SLT. TRAFFIC ST.			SUPERIOR			-25,000														
Leasehold/Fee Simple	FEE SIMPLE			EQUAL																	
Site	3,179 SQ.FT.			5,209 S.F.			-20,000														
View	NEIGHBORHOOD			SUPERIOR			-25,000														
Design (Style)	TRADITIONAL			SIMILAR																	
Quality of Construction	AVERAGE			EQUAL																	
Actual Age	51+-			50+-			N/A														
Condition	AVERAGE			SUPERIOR			-25,000														
Above Grade	Total	Bdms.	Baths	Total	Bdms.	Baths	+10,000			Total	Bdms.	Baths	Total	Bdms.	Baths						
Room Count	6	3	2.00	5	2	2.00															
Gross Living Area	1,415		sq. ft.	1,570		sq. ft.	-7,500			sq. ft.		sq. ft.									
Basement & Finished Rooms Below Grade	UNFINISHED BASEMENT			FINISHED BASEMENT			-25,000														
Functional Utility	AVERAGE			EQUAL																	
Heating/Cooling	FWA/NONE			SIMILAR																	
Energy Efficient Items	NONE NOTED			EQUAL																	
Garage/Carport	2 CAR GAR. BLT-IN			EQUAL																	
Porch/Patio/Deck	DECK, PATIO			SIMILAR																	
FIREPLACES	1 FIREPLACE			EQUAL																	
UPDATING	ORIGINAL KITCHEN AND BATHROOMS			SIMILAR UPDATING			N/A														
Net Adjustment (Total)				<input type="checkbox"/>	+	<input checked="" type="checkbox"/>	-	\$	-117,500	<input type="checkbox"/>	+	<input type="checkbox"/>	-	\$	0	<input type="checkbox"/>	+	<input type="checkbox"/>	-	\$	0
Adjusted Sale Price of Comparables				Net Adj: -16%			\$ -117,500			Net Adj: 0%			\$ 0			Net Adj: 0%			\$ 0		
			Gross Adj : 19%			\$ 617,500			Gross Adj: 0%			\$ 0			Gross Adj: 0%			\$ 0			

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales

ITEM	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Date of Prior Sale/Transfer	NONE	NONE		
Price of Prior Sale/Transfer	N/A	N/A		
Data Source(s)	COUNTY RECORDS	COUNTY RECORDS		
Effective Date of Data Source(s)	2/10	LP: \$759,000 DOM: 103		

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

Summary of Sales Comparison Approach

**Uniform Residential Appraisal Report**

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 this 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.

**Uniform Residential Appraisal Report****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**

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   
 Name CHRISTIAN W. KOENIG  
 Company Name KOENIG APPRAISAL  
 Company Address 952 FOOTHILL DRIVE  
DALY CITY, CA 94015  
 Telephone Number 415-254-4528  
 Email Address CWKOENIG@GMAIL.COM  
 Date of Signature and Report 2/25/10  
 Effective Date of Appraisal 2/23/10  
 State Certification # AR032983  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State CA  
 Expiration Date of Certification or License 1/29/10

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

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

**ADDRESS OF PROPERTY APPRAISED**

113 WARREN DRIVE  
SAN FRANCISCO, CA 94131

APPRAISED VALUE OF SUBJECT PROPERTY \$ 600,000

**LENDER/CLIENT**

Name \_\_\_\_\_  
 Company Name WARNOCK  
 Company Address 113 WARREN DRIVE  
SAN FRANCISCO, CA 94131  
 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 \_\_\_\_\_



KOENIG APPRAISAL  
LOCATION MAP ADDENDUM

File No. 7006

Case No.

Borrower WARNOCK

Property Address 113 WARREN DRIVE

City SAN FRANCISCO County SAN FRANCISCO State CA Zip Code 94131

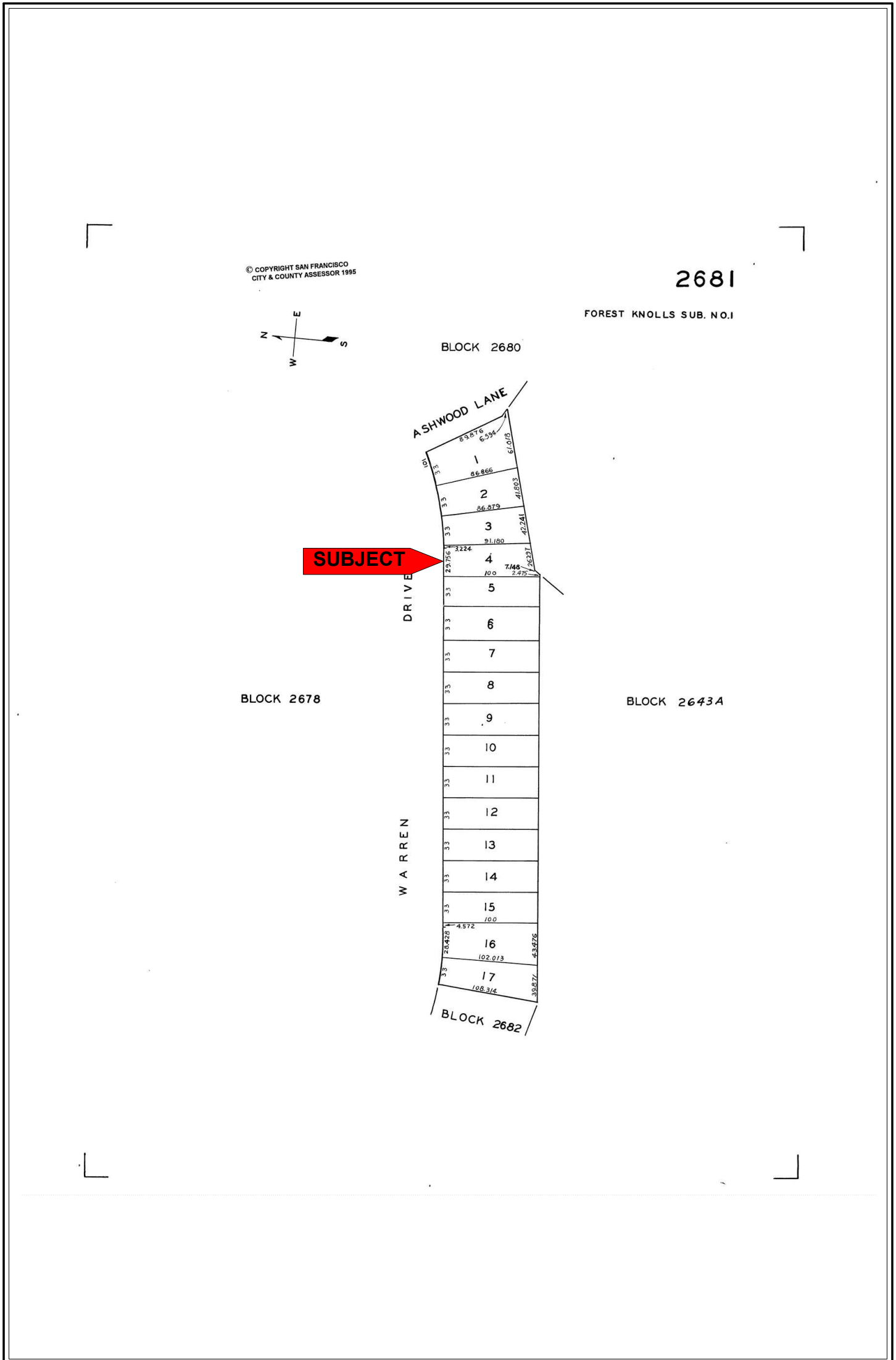
Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131



KOENIG APPRAISAL  
**PLAT MAP**

File No. 7006  
Case No.

Borrower WARNOCK  
Property Address 113 WARREN DRIVE  
City SAN FRANCISCO County SAN FRANCISCO State CA Zip Code 94131  
Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131



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CITY & COUNTY ASSESSOR 1995

2681

FOREST KNOLLS SUB. NO.1

BLOCK 2680

ASHWOOD LANE

**SUBJECT**

DRIVE

WARREN

BLOCK 2678

BLOCK 26434

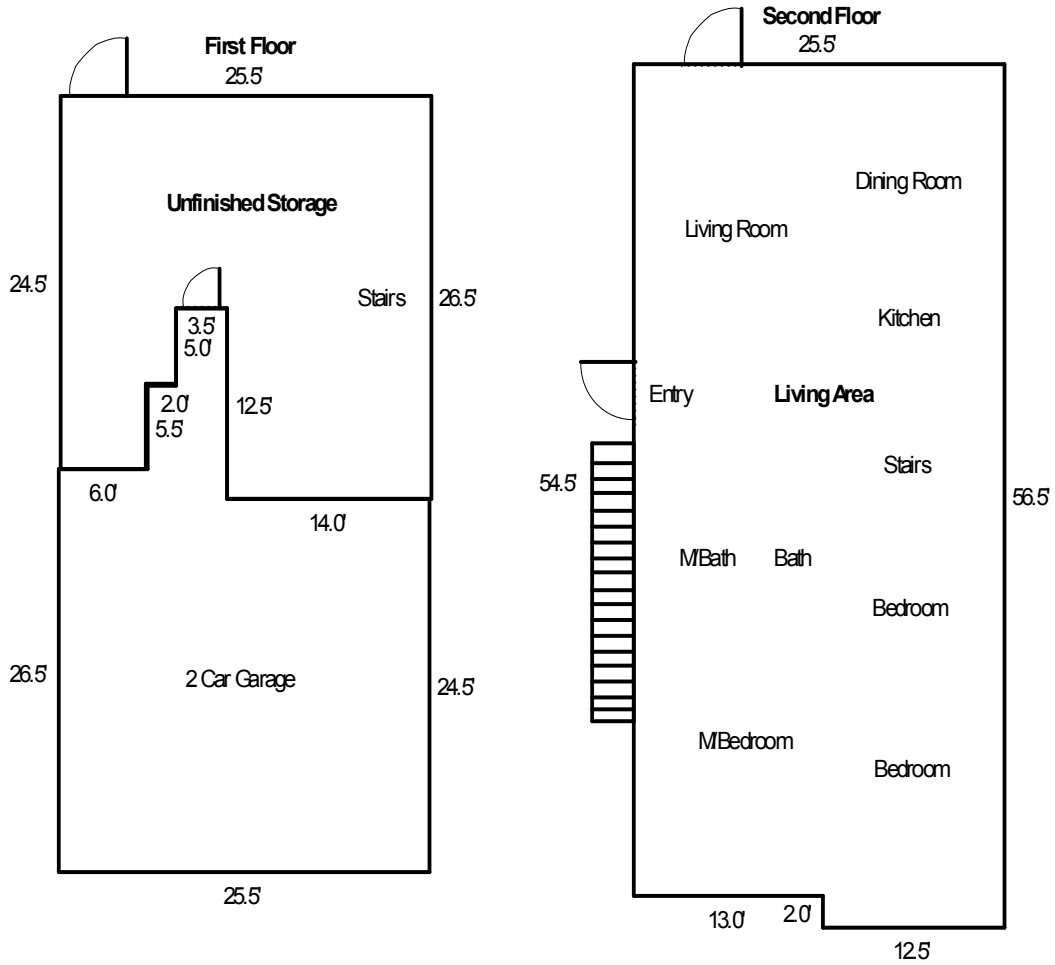
BLOCK 2682



KOENIG APPRAISAL  
**SKETCH ADDENDUM**

File No. 7006  
 Case No.

Borrower WARNOCK  
 Property Address 113 WARREN DRIVE  
 City SAN FRANCISCO County SAN FRANCISCO State CA Zip Code 94131  
 Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131



SKETCH CALCULATIONS		Perimeter	Area
<b>Misc. Area</b>			
<b>Storage</b>			
A1 : 8.0 x 5.0 =			40.0
A2 : 6.0 x 5.5 =			33.0
A3 : 25.0 x 14.0 =			350.0
A4 : 13.5 x 12.5 =			168.8
			<b>591.8</b>
<b>Total Misc. Area</b>			<b>591.8</b>
<b>Living Area</b>			
<b>First Floor</b>			
A5 : 25.5 x 54.5 =			1389.8
A6 : 12.5 x 2.0 =			25.0
			<b>1414.8</b>
<b>Total Living Area</b>			<b>1414.8</b>
<b>Garage Area</b>			
<b>Attached Garage</b>			
A7 : 3.5 x 5.0 =			17.5
A8 : 5.5 x 5.5 =			30.3
A9 : 11.5 x 2.0 =			23.0
A10 : 25.0 x 24.5 =			612.5
			<b>683.3</b>
<b>Total Garage Area</b>			<b>683.3</b>

Borrower WARNOCK

Property Address 113 WARREN DRIVE

City SAN FRANCISCO County SAN FRANCISCO State CA Zip Code 94131

Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131



**FRONT OF  
SUBJECT PROPERTY**  
113 WARREN DRIVE  
SAN FRANCISCO, CA 94131



**REAR OF  
SUBJECT PROPERTY**



**STREET SCENE**



Borrower WARNOCK

Property Address 113 WARREN DRIVE

City SAN FRANCISCO County SAN FRANCISCO State CA Zip Code 94131

Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131



LIVING ROOM



DINING ROOM



KITCHEN

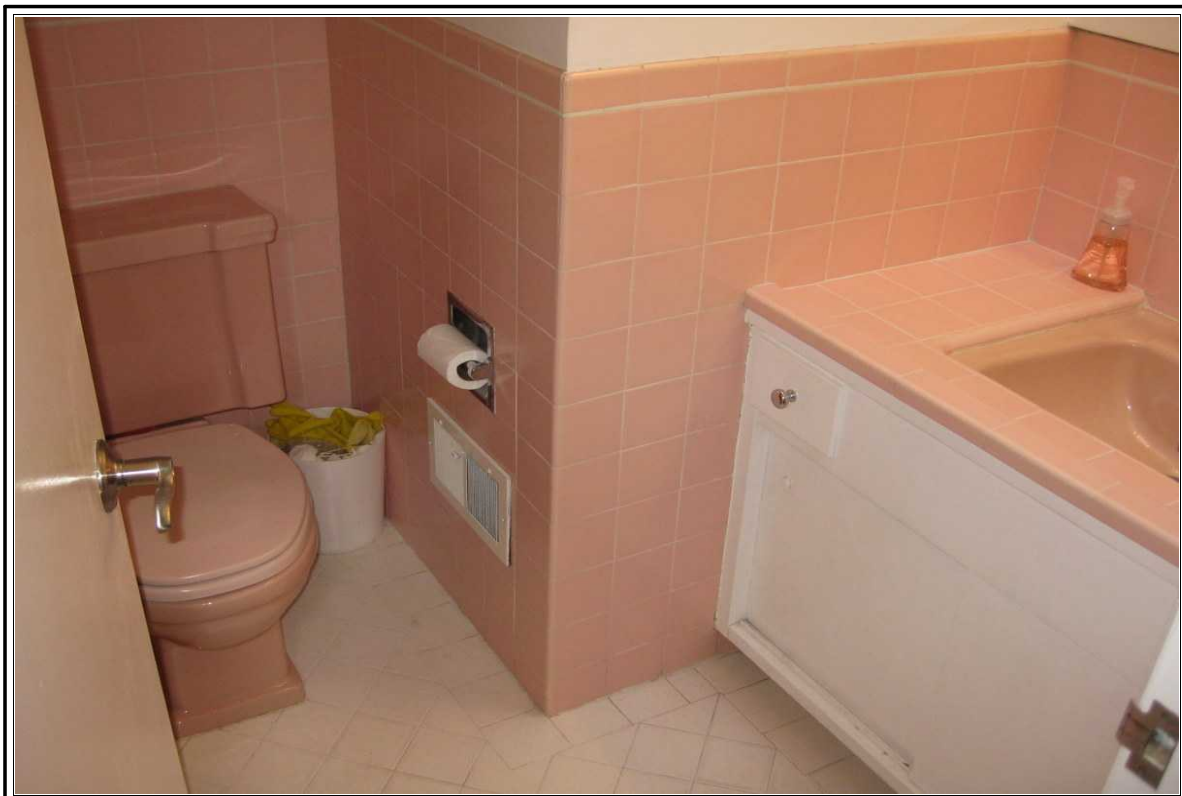


Borrower WARNOCK

Property Address 113 WARREN DRIVE

City SAN FRANCISCO County SAN FRANCISCO State CA Zip Code 94131

Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131



BATHROOM



BATHROOM



REAR PATIO



Borrower WARNOCK

Property Address 113 WARREN DRIVE

City SAN FRANCISCO County SAN FRANCISCO State CA Zip Code 94131

Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131



**COMPARABLE # 1**  
217 WARREN DRIVE  
SAN FRANCISCO



**COMPARABLE # 2**  
591 OAK PARK DRIVE  
SAN FRANCISCO



**COMPARABLE # 3**  
71 WARREN DRIVE  
SAN FRANCISCO

Borrower WARNOCK

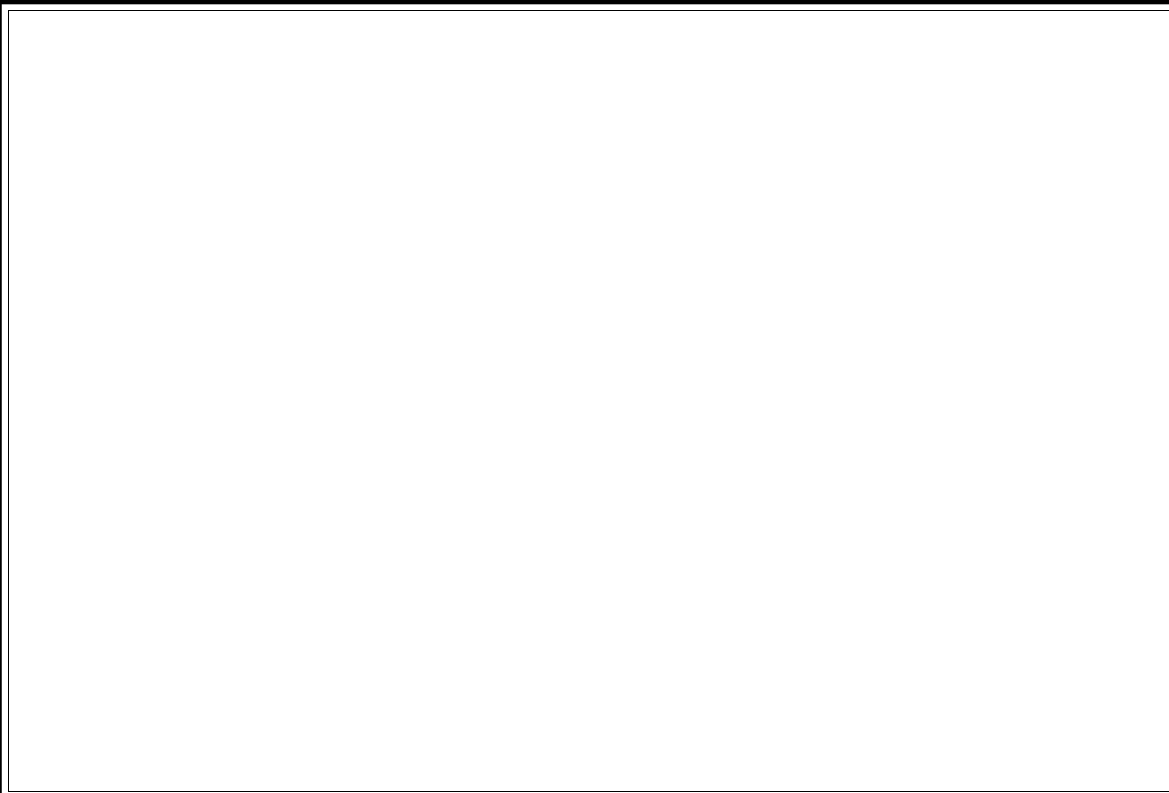
Property Address 113 WARREN DRIVE

City SAN FRANCISCO County SAN FRANCISCO State CA Zip Code 94131

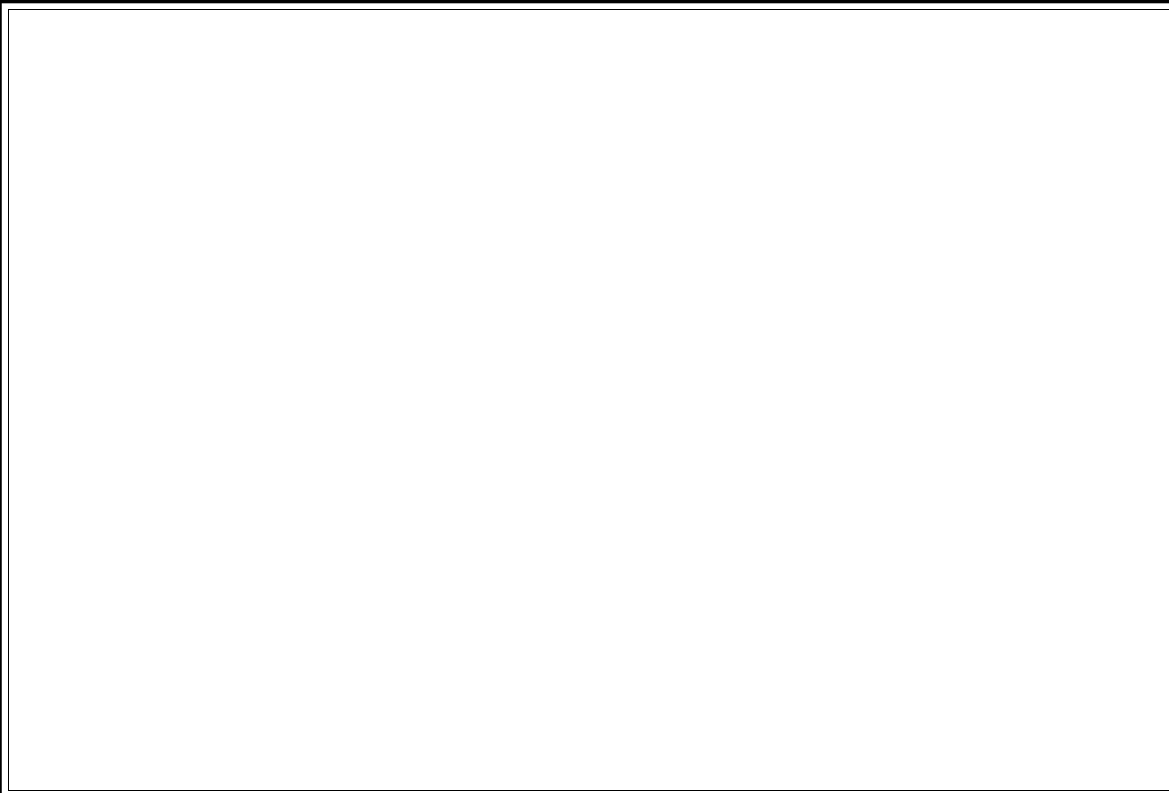
Lender/Client WARNOCK Address 113 WARREN DRIVE, SAN FRANCISCO, CA 94131



**COMPARABLE # 4**  
227 CHRISTOPHER DRIVE  
SAN FRANCISCO



**COMPARABLE # 5**



**COMPARABLE # 6**



# Appraiser License Certificate



Business, Transportation & Housing Agency

## OFFICE OF REAL ESTATE APPRAISERS

### REAL ESTATE APPRAISER LICENSE

OREA APPRAISER IDENTIFICATION NUMBER

AR032983

**CHRISTIAN W. KOENIG**

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.

OFFICE OF REAL ESTATE APPRAISERS

Date Issued: January 30, 2010

Date Expires: January 29, 2012

Audit No. **124832**

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "SAFE" AND "VERIFY FIRST"

# INVOICE

Date: 2/25/10

File No. 7006

Case No.

Prepared for:

WARNOCK  
113 WARREN DRIVE  
SAN FRANCISCO, CA 94131

Property Appraised:

WARNOCK  
113 WARREN DRIVE  
SAN FRANCISCO, CA 94131

Work Performed:

APPRAISAL 2/23/10	\$	400.00
	\$	
PAID IN FULL (THANK YOU)	\$	-400.00
	\$	
	\$	
	\$	
	\$	
Total Amount Due:		\$ 0.00

Please make checks payable to:

CHRISTIAN W. KOENIG  
952 FOOTHILL DRIVE  
DALY CITY, CA 94015