

# City of Las Cruces®

PEOPLE HELPING PEOPLE

## Council Action and Executive Summary

Item # 5 Ordinance/Resolution# 10-227 Council District: 3

For Meeting of March 15, 2010

(Adoption Date)

**TITLE:** A RESOLUTION APPROVING AN EXCEPTION TO THE HOME REHABILITATION PROGRAM TO PAYOFF A NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA) DEFERRED PAYMENT LOAN FOR A TOTAL OF \$2,000; AND TO PAYOFF HOUSING AUTHORITY OF THE CITY OF LAS CRUCES DEFERRED PAYMENT LOAN FOR A TOTAL OF \$7,250 FOR HOME REHABILITATION PROGRAM APPLICANT, MRS. CELIA CHAVEZ, OF 1820 NEW MEXICO AVENUE.

**PURPOSE(S) OF ACTION:** The approval for the payment of the two deferred payment loans will allow Mrs. Celia Chavez of 1820 New Mexico Avenue to participate in the Home Rehabilitation Program.

<b>Name of Drafter:</b> Maria Fahrenkrog <i>MF</i>		<b>Department:</b> Community Development <i>DD</i>		<b>Phone:</b> 528-3177	
<b>Department</b>	<b>Signature</b>	<b>Phone</b>	<b>Department</b>	<b>Signature</b>	<b>Phone</b>
Community Development	<i>DW</i>	528-3066	Budget	<i>Richard [unclear]</i>	541-2300
			Assistant City Manager	<i>[Signature]</i>	541-2271
Legal	<i>[Signature]</i>	541-2128	City Manager	<i>[Signature]</i>	541-2076

**BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:** The Home Rehabilitation Staff processed the application for Home Rehabilitation for Mrs. Celia Chavez, who resides at 1820 New Mexico Avenue. The house is inhabited by Mrs. Chavez, 2 adult children and a foster child. The household annual income is \$25,090.10. For the purpose of the program, only Mrs. Chavez's annual income was taken into consideration, which is \$15,090.10. Mrs. Chavez qualifies for a Grant for up to \$17,000.00 and a Deferred Payment Loan (DPL) for up to \$40,000.00, per current Home Rehabilitation Handbook guidelines.

Mrs. Chavez purchased her house in 2002. In order to make her monthly installments affordable, Mrs. Chavez made a down payment of \$9,250.00 with deferred payment loans offered by the City's Housing Authority and MFA. These loans occupy 2<sup>nd</sup> and 3<sup>rd</sup> positions in the mortgage order. Per Home Program Rehabilitation by-laws: Chapter VI – Section D: "The City of Las Cruces will not issue any mortgage or subordinate its mortgage to another mortgagor for the same property with an applicant and/or homeowner where the City's mortgage would be beyond second lien position." The property has a first mortgage with Dovenmuehle Mortgage, Inc. of Illinois with a balance of \$52,982.31.

Home Rehabilitation Staff prepared a work-write-up for the Chavez residence, which includes: roofing work, insulation, updates in the heating and cooling system, some new windows,

(Continued on Page 2)

electrical work, plumbing, interior finish, some interior doors, and a refrigerator.

Staff is requesting that the City Council authorize Home Rehabilitation funding in the amount of \$9,250.00 to payoff Mrs. Chavez's 2<sup>nd</sup> and 3<sup>rd</sup> mortgages. This balance will be added to Mrs. Chavez's deferred payment loan (DPL) with the City of Las Cruces.

Staff estimates that the total cost of the project will be \$37,841, which includes the payoff of the two loans. The appraised value of the house after rehabilitation is \$106,000.00, which provides sufficient equity to protect the City's investment.

By approving the proposed request, the City Council is contributing positively to City's efforts and HUD's philosophy in assisting low income families in preserving their homes as follows:

- Helping a low-income family improve their home and making it energy efficient; and
- Contribute to a positive image within the neighborhood and promote pride and community values, reducing the potential for neighborhood blight.

#### **SUPPORT INFORMATION:**

<b>Fund Name / Account Number</b>	<b>Amount of Expenditure</b>	<b>Budget Amount</b>
Community Development Fund / Fund 2000		
20184160-722195-10207	\$0.64	\$0.64
20184200-722195-10208	\$37,840.33	\$37,840.36

1. Resolution
2. Attachment "A" – Work Write Up
3. Attachment "B" – New Mexico Mortgage Finance Authority Mortgage
4. Attachment "C" – Housing Authority of the City of Las Cruces Mortgage
5. Attachment "D" – Appraisal after Rehabilitation
6. Attachment "E" – Pictures of the Home

#### **OPTIONS / ALTERNATIVES:**

1. Vote YES and approve the Resolution. Such action would approve funding to payoff Mrs. Chavez's 2<sup>nd</sup> and 3<sup>rd</sup> mortgages with New Mexico Mortgage Finance Authority (MFA) and the Housing Authority of the City of Las Cruces so Mrs. Chavez can participate in the Home Rehabilitation Program to make her home safe and energy efficient and will contribute to a positive image within the neighborhood and promote pride and community values, reducing the potential for neighborhood blight.
2. Vote NO and deny the Resolution. Such action would not approve funding to payoff Mrs. Chavez's 2<sup>nd</sup> and 3<sup>rd</sup> mortgages with New Mexico Mortgage Finance Authority (MFA) and the Housing Authority of the City of Las Cruces; and Mrs. Chavez would not be able to participate in the Home Rehabilitation Program to make her home safe and energy efficient and would not contribute to a positive image within the neighborhood,

(Continued on Page 3)

nor promote pride and community values, reducing the potential for neighborhood blight.

3. Modify the Resolution and vote YES to approve the modified Resolution.
4. Table/Postpone the Resolution and direct staff accordingly.

**RESOLUTION NO. 10-227**

**A RESOLUTION APPROVING AN EXCEPTION TO THE HOME REHABILITATION PROGRAM TO PAYOFF A NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA) DEFERRED PAYMENT LOAN FOR A TOTAL OF \$2,000; AND TO PAYOFF HOUSING AUTHORITY OF THE CITY OF LAS CRUCES DEFERRED PAYMENT LOAN FOR A TOTAL OF \$7,250 FOR HOME REHABILITATION PROGRAM APPLICANT, MRS. CELIA CHAVEZ, OF 1820 NEW MEXICO AVENUE.**

The City Council is informed that:

**WHEREAS**, the Home Rehabilitation Staff has processed the application for a home rehabilitation project for Mrs. Celia Chavez, whose house is located at 1820 New Mexico Avenue; and

**WHEREAS**, the homeowner is a single person who lives with her two adult children and a foster child and has an annual income of \$15,090.10; and

**WHEREAS**, Mrs. Chavez purchased her home in 2002 and has a first loan with Dovenmuehle Mortgage, Inc. of Illinois with a balance of \$52,982.31; and

**WHEREAS**, to make her monthly installments affordable, Mrs. Chavez made a down payment of \$9,250.00 using deferred payment loans from New Mexico Mortgage Finance Authority and from the Housing Authority of the City of Las Cruces; and

**WHEREAS**, such deferred payment loans occupy 2<sup>nd</sup> and 3<sup>rd</sup> lien positions; and

**WHEREAS**, staff is requesting home rehabilitation funds in the approximate amount of \$9,250.00 to payoff the 2<sup>nd</sup> and 3<sup>rd</sup> mortgages on the house and release existing liens so the City's mortgage can take 2<sup>nd</sup> position per the Home Rehabilitation Program guidelines; and

**WHEREAS**, this project needs roofing work, insulation, update in the heating and cooling system, some insulated windows, electrical work, plumbing, interior doors and a refrigerator and soft cost expenses for an approximate cost of \$28,591.00; and

**WHEREAS**, the approximate funding needed for this project is \$37,841; which includes the payoff of the two loans; and

**WHEREAS**, the appraised value of the property after rehabilitation is \$106,000.00, which provides sufficient equity to protect the City's investment; and

**WHEREAS**, the City Council has the authority to authorize Home Rehabilitation Program funding to payoff Mrs. Chavez's deferred payment loans so she can qualify to participate in the Home Rehabilitation Program.

**NOW, THEREFORE**, Be it resolved by the governing body of the City of Las Cruces:

**(I)**

**THAT** the Home Rehabilitation Program is authorized to payoff Mrs. Chavez's 2<sup>nd</sup> and 3<sup>rd</sup> deferred payment loans with New Mexico Mortgage Finance Authority and the Housing Authority of the City of Las Cruces for a total of \$9,250.00 so that the City of Las Cruces can take second lien position. This will allow Mrs. Chavez to receive a grant and a deferred payment loan under the Home Rehabilitation Program guidelines.

**(II)**

**THAT** City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

**DONE AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

APPROVED:

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

VOTE:

\_\_\_\_\_  
City Clerk

Mayor Miyagishima: \_\_\_\_\_

Councillor Silva: \_\_\_\_\_

Councillor Connor: \_\_\_\_\_

Councillor Pedroza: \_\_\_\_\_

Councillor Small: \_\_\_\_\_

Councillor Sorg: \_\_\_\_\_

Councillor Thomas: \_\_\_\_\_

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

**ATTACHMENT "A"**



# City of Las Cruces

Owner: Celia Chavez Date : 1-12-2010  
 Address: 1820 New Mexico Ave. Application #: 1433  
 Home Rehab. Coordinator: Ray Sartin  
 Date of walk- thru: \_\_\_\_\_ Phone #'s Home: 571-3720

**TO ALL CONTRACTORS:**

All work shall be accomplished in a workmanlike manner and must conform to the general specifications of all Building Codes, and Zoning Laws. **All required permits** in accordance with the Building Code and Municipal Code of the City of Las Cruces must be secured prior to the start of any demolition or construction on this project.

**LEAD BASED PAINT WARNING: A Lead-based Paint Inspection/Risk Assessment was performed on this property. *The Inspection has determined that there is no lead-based paint in the property at concentration at or above 1.0 mg/cm2.***

**WORKMANSHIP:** All work shall be neatly done in a workmanlike manner and shall be uniform in appearance. All work and materials must conform to all applicable codes and the Construction Standards of the Home Rehab Handbook.

Contractors shall verify work write-up at the job site and shall be responsible for any work that does not meet Home Rehab Standards. The Contractor will provide all material unless otherwise specified. Changes in material and/or work requirements will not be accepted for payment unless given prior approval in writing by Rehab Coordinator, Homeowner, and Supervisors. No work is to be performed before receiving such approval.

At the time of Final Inspection all warranties and guarantees for any new appliances that have been installed shall be filled out and dated to include name, address, and dealer where appliances were purchased. All inspection permits shall be delivered and all building debris and trash must be removed from the job site before final inspection. The Contractor, Home Rehab. Coordinator and Homeowner shall be present at final inspection.

Accepted by Home Owner: \_\_\_\_\_ Date: \_\_\_\_\_

**Work Write-up**

**\*Contractor to verify all information at job site. All measurements and / or estimations are for staff use only. Bidding contractors are responsible for taking their own measurements for the purpose of calculating their bids. Failure to do so will result in disqualification.**

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## Roofing:

Seal all roof penetrations, remove all short attic vent jacks and replace with new jacks that have at least a 6" clearance above the roof. Replace the furnace vent, roof jack with one sized for the vent. Re-cap the masonry on the top of the chimney, using water resistant masonry. Provide all material and labor to ensure no water will penetrate the roof at any location.

TOTAL: \$ \_\_\_\_\_

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## Windows & Exterior Doors:

Replace the hall bathroom window with a new Low-E, vinyl, Energy Star® Rated, window with screen. Window will be open-able for ventilation, glazed with safety glass as required, and obscured.

Replace the broken glazing in the glass patio door.

All necessary adjustments and repairs on interior and exterior walls will be finished to meet home rehab standards, and painted to match the existing as close as possible. Windows to be Jeld-Wen®, American Craftsman®, Better Built®, or pre-approved equal. Repair finish, paint to match as close as possible.

TOTAL: \$ \_\_\_\_\_

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## Insulation:

*Seal all open penetrations in the existing ceiling, fixture boxes, duct penetrations, attic access, etc., air tight prior to insulation*

1) Install blown fiberglass insulation over existing in attic space, to yield an R-value of R-30 or better. Ensure complete coverage and yield by installing \*depth markers. Complete as new installation. Installation must meet the code requirements of the IRC. Inspection by the Building Inspector or a Certificate of Installation, as preferred by the Inspector, is required as well as visual inspection by the Rehab Coordinator.

TOTAL: \$ \_\_\_\_\_

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\* Insulation installed in the attic without depth markers will not be accepted.

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## HVAC:

**Furnace:** Up-date the furnace venting system and combustion air duct to meet code requirements. Install a PROGRAMMABLE/DIGITAL wall thermostat. Install a new furnace filter at the end of construction for the final inspection

**Duct Systems:** 1) Seal the interior of the return air plenum; ensure the plenum does not have any openings into wall cavities or voids. 2) Install new duct runs, designed and sized by contractor, to meet code requirements and to ensure adequate conditioned air to the new bathroom and the following rooms: dining room, den, and the remolded bedroom. No flex runs longer than 15 ft. 3) Seal all duct boxes and ceiling penetrations, throughout the dwelling, are sealed air tight, replace if necessary. 4) Replace all registers with new adjustable registers.

**Ventilation:** Install two (2) 4" ducts, in the bathrooms, to the outside of the building and terminate with a new approved cap and connect to new exhaust fans. Provide a dryer vent through the wall at the new dryer location.

**General for new work:** Provide any hardware, or materials required to complete as a new installation, meeting all minimum code requirements. The equipment and systems installations are to meet or exceed the manufactures installation requirements and the Code. Replace or repair any elements of the structure affected by the installation of new work.

**No work may be concealed without the inspection approval of the Mechanical Inspector.**

**TOTAL:**     \$ \_\_\_\_\_

**Electrical:**

**1)** Replace existing smoke detectors with new, and install any new smoke detectors required to meet new code minimums, install one carbon monoxide detector, with new wiring as needed.

**2)** Ensure all fixtures, receptacles, switches and appliance connectors are operational and safe. Replace, or repair as needed. Install GFCI receptacles as needed to meet current code.

**3)** Wire the bathroom/laundry to meet the requirements for new construction, see the plan for equipment and fixture locations. Remove or relocate any wiring to allow for the appliances and fixtures.

**4)** Replace lighting fixtures as needed, due to condition, and as requested by the owner. Fixture Allowance is \$350. All fixtures are to be selected by owner.

**5)** Provide and install two (2) new, **ENERGY STAR** rated, bathroom exhaust fans. Provide documentation of Energy Star rating for fans. Switch fans to come on with the lights.

**General for new work:** Provide any labor, hardware, or materials required to complete as a new installation. The equipment and systems installations are to meet or exceed the manufactures installation requirements and the code. Replace or repair any elements of the structure affected by the installation of new work. Connect all equipment to electrical system. All existing low voltage wiring removed during construction, phone, cable, security etc. must be replaced to the original location.

**No work may be concealed without the inspection approval of the Electrical Inspector.**

**TOTAL:**     \$ \_\_\_\_\_

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## Interior Finish:

**Hall bath:** 1) Remove the bathtub, the tub surround and all sheetrock in the tub area and replace with 1/2" cement board, including the ceiling. Ensure all damaged sheet rock is removed and replaced. Prepare for tile around the tub/shower area and finish remainder of the bathroom walls to Home Rehab Standards, to be painted. Inspect all studs, insulation, etc. after removing old wall finish, replace or repair defects. 2) Install a ceramic tile enclosure around the tub, to a minimum height of 2" above showerhead, in no case less than 6 feet above the floor, soap dish, and complete enclosure. Tile pattern and color is to be selected by owner.

**Bath/laundry:** Build a shower in the bath/laundry room the interior dimensions are to be 36"x30". Remove all sheetrock in shower area and replace with 1/2" cement board, including the ceiling. Install a vinyl shower pan liner with ceramic tile floor, and ceramic tile enclosure, to a minimum height of 2" above showerhead, in no case less than 6 feet above the floor, soap dish, and complete enclosure. The threshold and entry to the shower will be the full width of the enclosure. Tile as noted above. Remove and replace sheetrock or any building elements needed to remodel the laundry and add plumbing as shown on the plan.

**Bedroom Closet:** Enclose the south end of the west bedroom to build a closet. Approximately two feet deep and the full width of the room. Frame in for two 48"x72" doors. Include one shelf and cloths rod. Finish to Home Rehab Standards.

**General:** Existing walls and ceilings, in the home shall be free from defects. All defects shall be repaired to meet Home Rehab Standards. In areas when gypsum board is to be installed or replaced, install 1/2" sheetrock on wall and ceiling areas. All repaired gypsum is to be cut back to expose half of the stud on each side of repair. All new work and sheetrock is to be taped, bedded, and feathered, to conceal all joints and fasteners, finished with a brocade texture, or match existing, and painted with primer to prepare for paint.

TOTAL: \$ \_\_\_\_\_

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## Interior Paint:

Paint the trim and baseboards throughout the building. Paint the ceilings in bedrooms. Paint the bathrooms. The bathrooms are to receive semi-gloss latex enamel. Paint all woodwork including trim, doors, doorframes, baseboard, etc., with high-gloss latex enamel, the same color as the remainder of the interior. Owner to select color.

All paint will be Wellborn®, Hanly®, or pre-approved equal. All surfaces being painted are to be prepared and finished to meet the Home Rehab Handbook Standards, and will be closely evaluated.

TOTAL: \$ \_\_\_\_\_

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**Plumbing:**

**Hall Bathroom:** Remove the bathtub, the tub surround, and faucet. Replace with a new, fiberglass bathtub, single handle tub/shower faucet, and new drain. Move the toilet and lavatory away from the bathtub far enough to meet the fixture clearance requirements as required by code.

**Bath/Laundry:**

**1) Water Distribution.** Install a one inch, schedule-40 PVC pipe from the water meter to the dwelling; reconnect to the existing building water supply at the entrance to the building. Provide a shut off valve at the meter. Install a ¾" branch, cold water line from the main to separately feed the new bath/laundry room. Provide hot water from the water heater to new plumbing fixtures. Install rough-in, and top-out for the water distribution system to the new bathroom fixtures. Connect cold and hot water lines to all plumbing fixtures, and appliances as needed. Replace hose bibs with new anti-siphon hose bibs.

**Drain, Waste, and Vent Systems:** Connect to the existing building sewer and extend sewer piping to the remodeled area. Install schedule 40 PVC pipes for drains, vents, drain cleanouts, and provide drains to all new and relocated fixtures, as needed. Connect waste pipes to all plumbing fixtures with new material.

**Faucets and Fixtures:** Install a new pedestal lavatory, with faucet, complete with new angle stops, supplies, P-trap, pop-up drain, and all necessary piping to complete as new installation. Install one new single lever shower valve. Install one new, white, round, toilet, complete with matching new plastic seats, bowl wax rings, bolts, angle stops and all necessary piping to complete as new installation. The toilet is to be Kohler®, American Standard®, or pre approved equal.

**Water Heater:** Remove existing water heater and install a new, indoor, tank-less, direct-vent, natural gas, water heater, new water flexes, full-way ball valve, and temp/press relief valve. The water heater is to be sized for 2 bathrooms to supply at least 5 GPM at 50° temperature rise, with a minimum, 12yr warranty. Provide and install the manufactures, through the wall, direct-vent kit.

**Gas:** Cap equipment outlets and air test system prior to adding to the system to ensure the system is leak free, call Rehab Coordinator to verify test. Replace gas stops and flexible gas connectors on all gas appliances. Up-date the gas meter loop to current City of Las Cruces standards. Remove the existing gas line to the water heater and cap off at the wall behind the dryer. Run a new gas line from the meter to the new water heater, sized by the Contractor to provide 200,000 BTU. Pressure test the completed system for the Mechanical Inspector at final inspection. Relight all appliances.

**General:** Install vacuum breakers on all home-bibs. All new faucets are to be "Delta", "Moen" or pre-approved equal and all new faucets will be the same brand and model throughout the house. Provide any hardware, or materials required to complete as a new installation, meeting minimum code requirements. The equipment and systems installations are to meet or exceed the manufactures installation requirements and the Code. Replace or repair any elements of the structure affected by the installation of new work.

**No work may be concealed without the inspection approval of the Mechanical Inspector.**

**TOTAL: \$ \_\_\_\_\_**

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**Interior doors:**

1) Add a door between the kitchen and room being used as a bedroom. Replace the door to front bedroom, doors are to be, 1-3/8" thick, hollow core, pre-hung Masonite doors or approved equal. Adjust the closet door in same bedroom.

Replace the door knob to new bath/laundry room. Install two, 60"x72", bi-fold, closet doors in new bedroom.

All molding and trim around doors are to be installed and painted to Home Rehab standards. All units are to be hung plum, true and square with equal margins. Install new doorknobs and privacy lock sets on new bedroom and bathroom doors.

**TOTAL:**     \$ \_\_\_\_\_

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**Flooring:**

Replace any flooring affected by rehab with new material. Install no-wax, vinyl tile in the addition. New covering is to be Vinyl Composition Tile (VCT) meeting FHA specifications for residential use. Vinyl tile will be selected by the owner with a maximum allowance of \$16.00 per square yard installed. Ensure smooth, finished, professional transitions at doorways and changes in flooring material.

**TOTAL:**     \$ \_\_\_\_\_

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**Appliances:**

Supply and install an 18.1 cubic ft. or larger frost free, Energy Star rated, refrigerator. The home owner is to select the refrigerator within a \$850.00 allowance.

The contractor will remove and dispose of existing appliances. Appliances are to be Kenmore®, Maytag®, Whirlpool®, or pre approved equal.

**TOTAL:**     \$ \_\_\_\_\_

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**Clean up:**

Clean exterior and interior of all windowpanes and frames. Clean all plumbing fixtures. Vacuum all carpeting, clean all vinyl, and leave all porches and walks in a broom clean condition. Remove all paint spills, drywall mud, plaster, etc., from all surfaces.

**\* Include Performance Bond of 3% in Total**

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ROOFING	\$ _____
WINDOWS/EXT. DOORS	\$ _____
INSULATION	\$ _____
HVAC	\$ _____
ELECTRICAL	\$ _____
INTERIOR FINISH	\$ _____
INTERIOR PAINT	\$ _____
PLUMBING	\$ _____
INTERIOR DOORS	\$ _____
FLOORING	\$ _____
APPLIANCES	\$ _____

Sub Total: \$ \_\_\_\_\_  
Tax: @ 7.4375% \$ 1 \_\_\_\_\_  
Total: \$ \_\_\_\_\_

\_\_\_\_\_  
Construction Company

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

This bid price guaranteed for 45 days after the bid closing date.

**ATTACHMENT "B"**

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4333

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Dona ana Title Co., Inc.  
GF#214741/ JPM

**Resale/Recapture Requirements****HOMEBUYER MORTGAGE  
FOURTH POSITION**

**THIS MORTGAGE** is made this 4<sup>th</sup> day of February 4, 2002, between the Mortgagor, CELIA T. CHAVEZ (herein "Borrower"), and the Mortgagee The New Mexico Mortgage Finance Authority a public body created by NMSA 1978, Section 58-18-2 (1995) whose address is 344 Fourth Street SW, Albuquerque, New Mexico 87102 (herein "Lender").

**WHEREAS**, Borrower is indebted to Lender in the principal sum of U.S. Two Thousand and 00/100 Dollars (\$ 2,000.00) which indebtedness is evidenced by Borrower's note dated February 4, 2002 (herein "Note"), providing for a no interest, no payments, loan, with the total amount of the indebtedness, if not sooner paid, due and payable only upon refinance, sale or transfer of title to the property described in this Mortgage;

In addition to the loan, the Borrower obtained a mortgage loan (the "First Mortgage Loan") from WELLS FARGO HOME MORTGAGE (the "Senior Lien Holder"), which loan is secured by a first mortgage lien on the Property (the "First Mortgage").

**TO SECURE** to Lender the repayment of the indebtedness evidenced by the Note; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained; Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Dona Ana, State of New Mexico:

**LOT 55, BLOCK N OF MONTECITO HEIGHTS, CITY OF LAS CRUCES, DOÑA ANA COUNTY, NEW MEXICO**

which has the address of 1820 NEW MEXICO, Las Cruces, New Mexico (herein "Property Address"), with mortgage covenants and upon the statutory mortgage condition for the breach of which it is subject to foreclosure as provided by law;

**TOGETHER** with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and have the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for encumbrances approved by Lender or of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

**UNIFORM COVENANTS.** Borrower and Lender covenant and agree as follows:

1. Payment of Principal Due on Sale. Borrower shall promptly pay the entire principal and other indebtedness evidenced by the Note if at any time Borrower refinances or sells, transfers, or in any manner conveys title to the Property, as provided in the Note.

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2. Funds for Taxes and Insurance. Subject to applicable law or a written waiver by Lender, Borrower shall pay or shall make arrangements to pay, until the Note is paid in full, the following funds ("Funds"): all of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Mortgage and ground rents on the Property, if any, plus all applicable premium installments for hazard insurance, plus all applicable premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid; Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on future installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to the principal of the Note.

4. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

5. Hazard Insurance, Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the terms "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any Mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender, Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this mortgage.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lenders interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lenders interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

\*In the event the mortgagor is in default of foreclosure under the terms of the first mortgage, the mortgagor grants to the New Mexico Mortgage Finance Authority the right to first refusal to cure default. In the event such right of first refusal is exercised by notifying mortgagor in writing as per section 12 here to, the New Mexico Mortgage Finance Authority shall have the

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right to assume control and ownership of the subject property and mortgagor agrees to execute any and all documents necessary to effectuate the same".

8. Inspection, Lender may make or cause to be made reasonable entries upon and inspections of the Property provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

9. Condemnation, The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

10. Borrower Not Release Forbearance by Lender a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to Borrower or any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

12. Notice, Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

13. Governing Law, Severability. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include a sums to the extent

not prohibited by applicable law or limited herein.

14. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

15. **Rehabilitation Loan Agreement.** Borrower shall fulfill an of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

16. **Refinance or Transfer of the Property or a Beneficial Interest in Borrower.** Due on Sale. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person), Borrower covenants and agrees to pay immediately to Lender all sum secured by this Mortgage. If the Property or any obligation of Borrower which is secured by a lien on the Property which has a priority over this Mortgage is refinanced in whole or in part, Borrower agrees to pay immediately to lender all sums secured by this Mortgage. If Borrower fails to pay these sums upon refinance or sale of the Property, Lender may invoke any remedies permitted by law or this Mortgage without further notice or demand on Borrower.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

17. **Acceleration; Remedies.** Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender shall give notice to Borrower as provided in paragraph 12 hereof specifying:

(1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to foreclosure. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sum secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including & but not limited to, reasonable attorneys' fees, and costs of documentary evidence, abstracts and title reports. All restrictions on transferability related to the preservation of the property as affordable housing and contained in this, mortgage are automatically and permanently terminated upon foreclosure, deed in lieu of foreclosure, or assignment of the FHA insured First Mortgage the Secretary of the United States Department of Housing and Urban Development, except as provided for under 24 CFR part 92.

Lender will give the Senior Lien Holder written notice of default and prior written notice of acceleration under the subordinate mortgage.

Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu

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of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice.

18. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if (a) Borrower cures all breaches of any covenants or agreements of Borrower contained in this Mortgage; (b) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in paragraph 17 hereof, including but not limited to, reasonable attorneys' fees; and (c) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligations secured by this Mortgage shall continue unimpaired. Upon such cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

19. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, if any, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

20. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

21. Redemption Period. If this Mortgage is foreclosed, the redemption period after judicial sale shall be one month in lieu of nine months.

22. Subordination. Lender and Borrower acknowledge and agree that this Mortgage is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage including all sums advanced for the purpose of (a) protecting or further securing the lien of the First Mortgage, curing defaults by the Mortgagor under the First Mortgage or for any other purpose expressly permitted by the First Mortgage Property. The terms and provisions of the First Mortgage are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the First Mortgage, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no effect on subsequent owners or purchasers of the Property. Any person, including his successors or assigns (other than the Borrower or a related entity of the Borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Mortgage shall receive title to the Property free and clear from such restrictions.

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Further, if the Senior Lien Holder acquires title to the property pursuant to a deed in lieu of foreclosure, the lien of this Mortgage shall automatically terminate upon the Senior Lien Holder's acquisition of title, provided that (i) the lender has been given written notice of a default under the First Mortgage and (ii) the Lender shall not have cured the default under the First Mortgage, or diligently pursued curing the default as determined by the Senior Lien Holder, within the 60-day period provided in such notice sent to the Lender.

**REQUEST FOR NOTICE OF DEFAULT FORECLOSURE UNDER SUPERIOR - I MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under to superior encumbrance and of any sale or other foreclosure action.

IN WITNESS WHEREOF, Borrower has executed this Mortgage

Celia T. Chavez 02/04/02  
Borrower Date

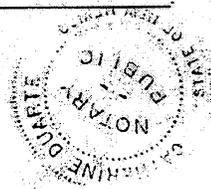
\_\_\_\_\_  
Borrower Date

STATE OF NEW MEXICO)  
DOÑA ANA COUNTY )ss:  
)

The foregoing instrument was acknowledged before me on February 4, 2002,  
by Celia T. Chavez, A Single Person

My Commission expires: 05/08/04

Catherine Duarte  
Notary Public  
Catherine Duarte



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**ATTACHMENT "C"**

DONA ANA TITLE CO. INC.  
OFF # 214747 RMB

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Resale/Recapture Requirements

HOMEBUYER MORTGAGE  
THIRD POSITION

**THIS MORTGAGE** is made this 4th day of February 2002, between the Mortgagor Celia T. Chavez (herein "Borrower"), and the Mortgagee, Housing Authority of the City of Las Cruces, a local government entity organized and existing under the laws of New Mexico, whose address is 926 S. San Pedro, Las Cruces, New Mexico (herein "Lender").

**WHEREAS**, Borrower is indebted to Lender in the principal sum of U.S. Seven Thousand Two Hundred Fifty Dollars and NO/100 Cents (\$7,250.00) which indebtedness is evidenced by Borrower's note dated February 4, 2002 (herein "Note"), providing for a no interest, no payments, loan, with the total amount of the indebtedness, if not sooner paid, due and payable only upon refinance, sale or transfer of title to the property described in this Mortgage;

In addition to the loan, the Borrower obtained a mortgage loan (the "First Mortgage Loan") from Wells Fargo Bank (the "Senior Lien Holder"), which loan is secured by a first mortgage lien on the Property (the "First Mortgage").

**TO SECURE** to Lender the repayment of the indebtedness evidenced by the Note; the payment of all other sums, with interest thereon, advanced in a accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained; Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Dona Ana, State of New Mexico:

**Lot 55, Block N, of Montecito Heights, located in the City of Las Cruces, Doña Ana County, State of New Mexico, as shown on the plat thereof filed for record in the office of the County Clerk of said county on September 23, 1957 and recorded in Book 8 at Page 3 of the Plat Records.**

Which has the address of 1820 New Mexico Las Cruces, New Mexico (herein "Property Address"), with mortgage covenants and upon the statutory mortgage condition for the breach of which it is subject to foreclosure as provided by law;

**TOGETHER** with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property". Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and have the right to mortgage, grant, and convey the Property, and that the Property is unencumbered, except for encumbrances approved by Lender or of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

**UNIFORM COVENANTS.** Borrower and Leader covenant and agree as follows:

1. **Payment of Principal Due on Sale.** Borrower shall promptly pay the entire principal and other indebtedness evidenced by the Note if at any time Borrower refinances or sells, transfers, or in any manner conveys title to the Property, as provided in the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or a written waiver by Lender, Borrower shall pay or shall make arrangements to pay, until the Note is paid in full, the following funds ("Funds"): all of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Mortgage and ground rents on the Property, if any, plus all applicable premium installments for hazard insurance, plus all applicable premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums, and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid; Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on future installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of a sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to the principal of the Note.

4. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the terms 'extended

coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any Mortgage, deed of trust, or other security agreement with a lien, which has priority over this Mortgage.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender, Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this mortgage.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lenders interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lenders interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

10. **Borrower Not Release; Forbearance by Lender a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to Borrower or any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

11. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

12. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in ft Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

13. **Governing Law; Severability.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located; the foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include a sums to the extent not prohibited by applicable law or limited herein.

14. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

15. **Rehabilitation Loan Agreement.** Borrower shall fulfill an of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

16. **Refinance or Transfer of the Property or a Beneficial Interest in Borrower, Due on Sale.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person), Borrower covenants and agrees to pay immediately to Lender all sum secured by this Mortgage. If the Property or any

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obligation of Borrower, which is secured by a lien on the Property, which has a priority over this Mortgage, is refinanced in whole or in part, Borrower agrees to pay immediately to lender all sums secured by this Mortgage. If Borrower fails to pay these sums upon refinance or sale of the Property, Lender may invoke any remedies permitted by law or this Mortgage without further notice or demand on Borrower.

However, in the event that the homeowner(s) wishes to sell or transfer said property, individual(s) receiving property may be eligible to retain the property if they meet the following criteria: (1) Member of the Household on the original application, (2) Meets current Federal Income Eligibility Criteria and is earning less than 80% of the median income, (3) Is a "permanent resident" at said property in accordance with 24 CFR §203.18(f)(1).

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

17. Acceleration; Remedies. Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender shall give notice to Borrower as provided in paragraph 12 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to foreclosure, if the breach is not cured on or before the date specified in the notice. Lender, at Lender's option, may declare all of the sum secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including & but not limited to, reasonable attorneys' fees, and costs of documentary evidence, abstracts and title reports. All restrictions on transferability related to the preservation of the property as affordable housing and contained in this mortgage are automatically and permanently terminated upon foreclosure, deed in lieu of foreclosure, or assignment of the FHA insured First Mortgage the Secretary of the United States Department of Housing and Urban Development, except as provided for under 24 CFR part 92.

Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice.

18. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if (a) Borrower cures all breaches of any covenants or agreements of Borrower contained in this Mortgage; (b) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in paragraph 17 hereof, including but not limited to, reasonable attorneys' fees; and (c) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligations secured by this Mortgage shall continue unimpaired. Upon such cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

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19. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, if any, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

20. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

21. Redemption Period. If this Mortgage is foreclosed, the redemption period after judicial sale shall be one month in lieu of nine months.

22. Subordination. Lender and Borrower acknowledge and agree that this Mortgage is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage including all sums advanced for the purpose of (a) protecting or further securing the lien of the First Mortgage, curing defaults by the Mortgagor under the First Mortgage or for any other purpose expressly permitted by the First Mortgage Property. The terms and provisions of the First Mortgage are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the First Mortgage, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no effect on subsequent owners or purchasers of the Property. Any person, including his successors or assigns (other than the Borrower or a related entity of the Borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Mortgage shall receive title to the Property free and clear from such restrictions.

Further, if the Senior Lien Holder acquires title to the property pursuant to a deed in lieu of foreclosure, the lien of this Mortgage shall automatically terminate upon the Senior Lien Holder's acquisition of title, provided that (i) the lender has been given written notice of a default under the First Mortgage and (ii) the Lender shall not have cured the default under the First Mortgage, or diligently pursued curing the default as determined by the Senior Lien Holder, within the 60-day period provided in such notice sent to the Lender.

100

6

4332

**REQUEST FOR NOTICE OF DEFAULT FORECLOSURE UNDER SUPERIOR - 1 MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under to superior encumbrance and of any sale or other foreclosure action.

IN WITNESS WHEREOF, Borrower has executed this Mortgage

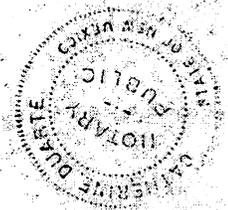
Celia T. Chavez 2/4/02  
Borrower Date

\_\_\_\_\_  
Borrower Date

STATE OF NEW MEXICO )  
DOÑA ANA COUNTY ) ss )

The foregoing instrument was acknowledged before me on February 4, 2002  
by Celia T Chavez

My Commission expires: 5/8/04  
Catherina [Signature]  
Notary Public



APPROVED AS TO FORM:

\_\_\_\_\_  
LEGAL DEPARTMENT DATE

4332  
FEB 6  
8:57  
318 95-101  
[Signature]  
7  
101

**ATTACHMENT "D"**

Ray Sartin  
City of Las Cruces  
575 S Alameda, Rms 150 & 151  
Las Cruces, NM 88005

File Number: 20100101

Dear Sir or Madam,

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

1820 New Mexico Avenue  
Las Cruces, NM 88001

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

In my opinion, the market value of the property as of January 22, 2010 is:

**\$106,000**  
One Hundred Six Thousand Dollars

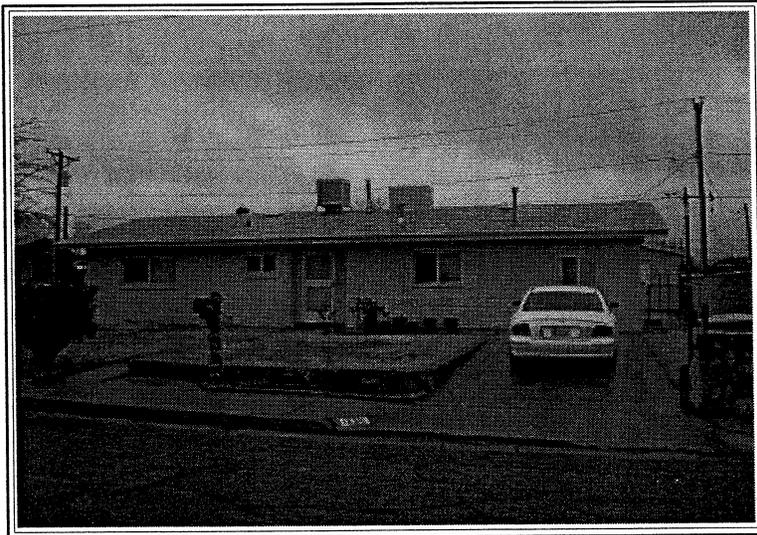
The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

Respectfully Submitted,



Jodi L Bell

APPRAISAL OF



Lot 55, Block N, Montecito Heights

LOCATED AT:

1820 New Mexico Avenue  
Las Cruces, NM 88001

FOR:

City of Las Cruces  
575 S Alameda, Rms 150 & 151  
Las Cruces, NM 88005

BORROWER:

Celia Chavez

AS OF:

January 22, 2010

BY:

Jodi L Bell

Uniform Residential Appraisal Report

File No. 20100101

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.

Property Address 1820 New Mexico Avenue, City Las Cruces, State NM, Zip Code 88001. Borrower Celia Chavez, Owner of Public Record Celia T Chavez, County Dona Ana. Legal Description Lot 55, Block N, Montecito Heights. Assessor's Parcel # 02-10965, Tax Year 2009, R.E. Taxes \$ 614.34. Neighborhood Name Bellamah, Map Reference 4008135339333, Census Tract 35013/7.00. Occupant [X] Owner [ ] Tenant [ ] Vacant. Special Assessments \$ None. Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe). Assignment Type [ ] Purchase Transaction [ ] Refinance Transaction [X] Other (describe) Rehabilitation. Lender/Client City of Las Cruces, Address 575 S Alameda, Rms 150 & 151, Las Cruces, NM 88005. 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, offering price(s), and date(s). Multiple Listing Service and Homeowner.

I [ ] did [X] 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. N/A

Contract Price \$ Date of Contract N/A Is the property seller the owner of public record? [X] Yes [ ] No Data Source(s) County Records. 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 [X] No. If Yes, report the total dollar amount and describe the items to be paid. \$ N/A

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

Table with columns: Neighborhood Characteristics, One-Unit Housing Trends, One-Unit Housing, Present Land Use %. Location [X] Urban [ ] Suburban [ ] Rural. Property Values [ ] Increasing [X] Stable [ ] Declining. PRICE AGE One-Unit 80 %. Built-Up [X] Over 75% [ ] 25-75% [ ] Under 25%. Demand/Supply [ ] Shortage [X] In Balance [ ] Over Supply. \$(000) (yrs) 2.4 Unit 5 %. Growth [ ] Rapid [X] Stable [ ] Slow. Marketing Time [X] Under 3 mths [ ] 3-6 mths [ ] Over 6 mths. 60 Low New Multi-Family 5 %. Neighborhood Boundaries North - Lohman Avenue; East - Triviz Drive; South - Missouri Avenue; West - Solano Drive; Nearest Major Intersection - Walnut Street and Lohman Avenue, 0.35 miles Northeast. 130 High 65 Commercial 0 %. Neighborhood Description See Attached Addendum. 100 Pred. 40 Other Vacant 10 %.

Market Conditions (including support for the above conclusions) The market conditions are stable and in balance at this time. The Multiple Listing Service indicates a "list to sell" ratio of 87% and typical marketing times of 77 days. Sellers are not typically required to offer sales or financing concessions. Financing is readily available from a variety of sources.

Dimensions Pending Survey Area 0.158 Acres/Avg Per CH Shape Rectangular View Residential Neighborhood. Specific Zoning Classification R-1a Zoning Description Single Family Medium Density. Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe). Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe. See Attached.

Addendum - SCOPE OF WORK COMMENTS. Utilities Public [ ] Other (describe). Public [ ] Other (describe). Off-site Improvements—Type Public Private. Electricity [X] [ ] Water [X] [ ] Street Paved Asphalt [X] [ ]. Gas [X] [ ] Sanitary Sewer [X] [ ] Alley None [ ] [ ]. FEMA Special Flood Hazard Area [ ] Yes [X] No FEMA Flood Zone X FEMA Map # 35013C0632 F FEMA Map Date 09/06/95. Are the utilities and 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. Subject site conforms to the neighborhood. No apparent adverse easements or encroachments.

Table with columns: GENERAL DESCRIPTION, FOUNDATION, EXTERIOR DESCRIPTION materials/condition, INTERIOR materials/condition. Units [X] One [ ] One with Accessory Unit. [X] Concrete Slab [ ] Craw Space. Foundation Walls Concrete. Floors Cpt,VT/Good. # of Stories One. [ ] Full Basement [ ] Partial Basement. Exterior Walls Stu,Fr&CB/Good. Walls SR,Text/Good. Type [X] Det. [ ] Att. [ ] S-Det./End Unit. Basement Area 0.0000 sq. ft. Roof Surface Composition/Good. Trim/Finish Wood,Paint/Good. [X] Existing [ ] Proposed [ ] Under Const. Basement Finish N/A. Gutters & Downspouts Overhang/Good. Bath Floor VT/New. Design (Style) Ranch. [ ] Outside Entry/Exit [ ] Sump Pump. Window Type Sld,Met,DbIpn/Good. Bath Wainscot CT/New. Year Built 1958. Evidence of [ ] Infestation. Storm Sash/Insulated Yes/Good. Car Storage [X] None. Effective Age (Yrs) 8 Years. [ ] Dampness [ ] Settlement. Screens Yes/Good. [X] Driveway # of Cars 1. 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 ChnLnk. [ ] Garage # of Cars. [ ] Floor [X] Scuttle. Cooling [X] Central Air Conditioning. [X] Patio/Deck Conc [X] Porch Concrete. [ ] Carport # of Cars. [ ] Finished [ ] Heated. [ ] Individual [ ] Other. [ ] Pool [ ] Other. [ ] Att. [ ] Det. [ ] Built-in.

Appliances [ ] Refrigerator [X] Range/Oven [ ] Dishwasher [ ] Disposal [ ] Microwave [ ] Washer/Dryer [X] Other (describe) Fan/Hood. Finished area above grade contains: 7 Rooms 4 Bedrooms 2.0 Bath(s) 1,650 Square Feet of Gross Living Area Above Grade. Additional features (special energy efficient items, etc.) Average quality single family residence. Ceiling fans installed in living room, dining room and two bedrooms. There is a fireplace located in the dining room. Attached to the home is a covered porch and an open patio. Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject has no deferred maintenance. Physical depreciation is less than normal for the subject's age. No functional depreciation nor external inadequacies are noted or considered applicable. Overall condition is good.

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.

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

File No. 20100101

There are <b>4</b> comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ <b>89,999</b> to \$ <b>139,000</b>				
There are <b>5</b> comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ <b>90,000</b> to \$ <b>128,000</b>				
FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
1820 New Mexico Avenue Address Las Cruces	1309 Boston Drive Las Cruces, NM 88001	1808 Calle De Suenos Las Cruces, NM 88001	720 Mimbrres Street Las Cruces, NM 88001	
Proximity to Subject	0.55 miles SE	0.48 miles SSE	0.20 miles W	
Sale Price	\$ 98,000	\$ 128,000	\$ 109,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 60.49 sq. ft.	\$ 74.38 sq. ft.	\$ 71.71 sq. ft.
Data Source(s)	Inspect 01/22/2010	MLS #807966 Inspect 524-8788	MLS #809031 Inspect 522-3698	MLS #808753 Inspect 524-8788
Verification Source(s)	County Records	DOM - 106	DOM - 45	DOM - 31
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	Other	FHA	FHA	FHA
Concessions	None	None	None	Seller Concession
Date of Sale/Time	N/A	10/01/2009	09/28/2009	09/02/2009
Location	Date Bellamah/Avg	Date Bellamah Annex/EC	Date Bellamah Annex/EC	Montecito/EQ
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	0.158 Acres/Avg	0.150 Acres/Avg	0.140 Acres/Avg	0.180 Acres/Avg
View	Average	Average	Average	Average
Design (Style)	Ranch/Avg	Ranch/Avg	Southwest/Avg	Ranch/Avg
Quality of Construction	Stu,Fr&CB/Avg	Brk,CB/Avg	Painted CB/Avg	Stu,CB/Avg
Actual Age	1958, A-52, E-8	1954, A-56, E-15	1954, A-56, E-5	1953, A-57, E-5
Condition	Average-Updated	Average	Good-Remodeled	Good-Remodeled
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count	7 4 2.0	7 4 2.0	8 4 2.0	6 4 2.0
Gross Living Area	40 1,650 sq. ft.	1,620 sq. ft.	1,721 sq. ft.	1,520 sq. ft.
Basement & Finished	None	None	None	None
Rooms Below Grade	N/A	N/A	N/A	N/A
Functional Utility	Average	Equal	Equal	Equal
Heating/Cooling	GFA/Evap Air	GFA/Evap Air	GFA/Refrig	GFA/Evap Air
Energy Efficient Items	Standard Package	Standard Package	Standard Package	Standard Package
Garage/Carport	None	None	1 Carport	1 Carport
Porch/Patio/Deck	Cvd Porch, Patio	Porch	Cvd Porch,Patio	Cvd Porch,Patio
Fireplace(s), etc.	1 F/P	None	None	1 F/P
Fence, Pool, etc.	Fence,Lndscp	Fence,Lndscp	Fence,Lndscp	Fence,Lndscp
Kitchen Equipment	KitchenEquipment	KitchenEquipment	KitchenEquipment	KitchenEquipment
Net Adjustment (Total)		\$ 8,800	\$ 17,800	\$ 8,500
Adjusted Sale Price of Comparables		Net Adj. 9.0% Gross Adj. 9.0%	Net Adj. -13.9% Gross Adj. 15.5%	Net Adj. -7.8% Gross Adj. 17.3%

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) **County Records & Multiple Listing Service**  
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 & Multiple Listing Service**  
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 NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	02/2002	07/2004	05/2008	04/2008
Price of Prior Sale/Transfer	Unknown	\$85,000	TODD	\$95,000
Data Source(s)	Cty Receipt #024329	MLS #764913	Cty Receipt #0816012	MLS #783801
Effective Date of Data Source(s)	04/02/2002	07/16/2004	10/07/2009	05/03/2008

Analysis of prior sale or transfer history of the subject property and comparable sales **Ms. Chavez purchased the subject property in February of 2002, (County Reception #024329). To the best of the appraiser's knowledge, the subject property has not been listed for sale or sold in the last three years.**

Summary of Sales Comparison Approach. **The comparables chosen are believed to be the best representative sales available, being the most similar in appeal, age and quality of location. Building adjustments are made at \$40.00 per square foot. Land adjustments are not necessary, they are approximately equal in value. Effective age adjustments are calculated using the comparables' sales price minus its site value. The adjusted value in the Sales Comparison Approach demonstrate a range of \$9,700 or 9.7% of the lowest valued comparable. Comparable 1 is believed to be the most representative comparable and is given the most weight in determining the estimate of value based on the Sales Comparison Approach.**

Indicated Value by Sales Comparison Approach \$ **106,000**  
Indicated Value by: Sales Comparison Approach \$ **106,000** Cost Approach (if developed) \$ **N/A** Income Approach (if developed) \$ **N/A**

**The Final Estimate of Value is derived from the Sales Comparison Approach. The Cost Approach is not relevant due to the age of the subject property, therefore it is not used. In addition, the subject property is not income producing; therefore, the Income Approach is not utilized.**

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: **See Attached Addendum**

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 \$ **106,000** as of **Jan 22 2010**, which is the date of inspection and the effective date of this appraisal.

Jodi L. Bell

Uniform Residential Appraisal Report <sup>140</sup>

All adjustments are rounded to the nearest one hundred dollars.

**SITE AREA:** All of the sites are residential lots and no adjustment is necessary. They are approximately equal in value.

**DESIGN:** Although the comparable sales used are not of the same design as the subject, they are similar in utility and therefore comparable. Where the market recognizes a difference in design, an adjustment has been made. This does not adversely affect the estimate of value. It is not unusual for the appraiser to compare differing styles in the Las Cruces area.

**AGE/CONDITION ADJUSTMENTS:** Adjustments for effective age and condition are based on data made available through the MLS and exterior inspection of the comparables. The adjustment applied is based on a straight line depreciation formula, i.e., the comparables' sales price less its site value, which is then multiplied by a predetermined depreciation rate of 1% per year. In addition, Comparables 2 and 3 were completely remodeled and renovated, therefore an additional downward adjustment of \$5.00 per square foot was to each comparable.

**TOTAL ROOM AND BEDROOM COUNT COMMENTS:** The room count, number of bedrooms and gross living area are dependent variables, the necessary adjustments for rooms and bedrooms are reflected in the gross living area. There is no functional obsolescence associated with the subject property. The subject's room count and bedroom count does not affect value or marketability.

**GROSS LIVING AREA:** No adjustments are made for differences in gross living area that are less than fifty square feet of the subject.

**GROSS LIVING AREA AND FNMA GUIDELINES:** All other line adjustments, net and gross adjustments meet FNMA guidelines. Due to the lack of comparable sales, three in last quarter, in the subject's neighborhood, it is necessary to use these comparables. Therefore, Comparables are appropriate and representative of the subject.

**GROSS LIVING AREA ADJUSTMENTS:** These adjustments are based on data derived from previous paired set analysis of similar homes in the subject's neighborhood.

The balance of adjustments are self explanatory. Adjustments for additional amenities, i.e., car storage, porches/patios, fireplaces, site improvements and kitchen equipment are based on the existence or lack of the amenities. The amount of the adjustment is based the market response of the typical purchaser to these items as reflected through paired sales analysis.

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**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) **The subject is located in a well established neighborhood. Sales data for comparable vacant sites is not available; therefore the Allocation Method to value is utilized. The Allocation Method is derived from developed residential areas. A land to improvement ratio of 20% to 30%, depending on site amenities, is typical of this markets' ratios. Through this method to value, it is my opinion that the site value is \$30,000.**

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE .....	\$30,000 = \$
Source of cost data <i>N/A</i>	Dwelling 1,650 Sq. Ft. @ \$	..... = \$
Quality rating from cost service <i>N/A</i> Effective date of cost data <i>N/A</i>	Bsmt. 0 Sq. Ft. @ \$	..... = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Garage/Carport 0 Sq. Ft. @ \$	..... = \$
<b>Due to the age of the subject property the Cost Approach is not relevant; therefore not utilized. The Economic Life of the subject property is determined by using the Depreciation Section of the Marshall and Swift Residential Cost Handbook. The Economic Life of the subject property is determined to be 60 years.</b>	Total Estimate of Cost-New	..... = \$
	Less 0 Physical Functional External	Depreciation = \$ ( )
	Depreciated Cost of Improvements .....	= \$
	"As-is" Value of Site Improvements .....	= \$

**ESTIMATED REMAINING ECONOMIC LIFE IS 52 YEARS**

Estimated Remaining Economic Life (HUD and VA only) 52 Years INDICATED VALUE BY COST APPROACH ..... = \$ **N/A**

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

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

Summary of Income Approach (including support for market rent and GRM) *N/A*

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

Is the developer/builder in control of the Homeowners' 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 *N/A*

Total number of phases <i>N/A</i>	Total number of units <i>N/A</i>	Total number of units sold <i>N/A</i>
Total number of units rented <i>N/A</i>	Total number of units for sale <i>N/A</i>	Data source(s) <i>N/A</i>

Was the project created by the conversion of an existing building(s) into a PUD?  Yes  No If Yes, date of conversion. *N/A*

Does the project contain any multi-dwelling units?  Yes  No Data source(s) *N/A*

Are the units, common elements, and recreation facilities complete?  Yes  No If No, describe the status of completion. *N/A*

Are the common elements leased to or by the Homeowners' Association?  Yes  No If Yes, describe the rental terms and options. *N/A*

Describe common elements and recreational facilities. *N/A*

## Uniform Residential Appraisal Report

File No. 20100101

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

File No. 20100101

**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 No. 20100101

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 Jodi L Bell  
 Name Jodi L Bell  
 Company Name Tillman Appraisals, LLC  
 Company Address PO Box 103, Las Cruces, NM 88004  
 Telephone Number (575)382-2066  
 Email Address jodibell@zianet.com  
 Date of Signature and Report Jan 26 2010  
 Effective Date of Appraisal Jan 22 2010  
 State Certification # 02634R  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State NM  
 Expiration Date of Certification or License 04/30/2010

**ADDRESS OF PROPERTY APPRAISED**  
1820 New Mexico Avenue  
Las Cruces, NM 88001

APPRAISED VALUE OF SUBJECT PROPERTY \$ 106,000

**LENDER/CLIENT**  
 Name Ray Sartin  
 Company Name City of Las Cruces  
 Company Address 575 S Alameda, Rms 150 & 151  
Las Cruces, NM 88005  
 Email Address \_\_\_\_\_

**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 \_\_\_\_\_

**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 \_\_\_\_\_

ADDENDUM

Borrower: Celia Chavez	144	File No.: 20100101
Property Address: 1820 New Mexico Avenue		Case No.:
City: Las Cruces	State: NM	Zip: 88001
Lender: City of Las Cruces		

**MARKET VALUE DEFINITION:** The definition of market value used for this appraisal assignment is provided by FNMA on page 4 of the Uniform Residential Appraisal Report.

**INTENDED USER:** The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form and the Definition of Market Value. No additional Intended Users are identified by the appraiser.

**SCOPE OF WORK COMMENTS**

**HIGHEST AND BEST USE**

The highest and best use of the subject site, as improved, is determined to be residential. The zoning for the subject property is R-1a; Single Family Medium Density. This zoning district allows for site built homes and manufactured homes, to include patio homes and townhouses. The maximum density allowed is eight dwelling units per acre. The subject's neighborhood comprises of detached, site built and manufactured homes. Therefore, the current use, as improved, of the subject site is determined to be the highest and best use.

**CONDITIONS OF THE APPRAISAL**

The Summary Appraisal Report was performed under the hypothetical condition that the following conditions have been met as of the effective date of the appraisal. In actuality, none of the hypothetical conditions have occurred and the appraisal is subject to the following hypothetical conditions being met.

1. ALL ROOF PENETRATIONS ARE TO BE SEALED. ALL SHORT ATTIC VENT JACKS REMOVED AND REPLACED WITH NEW JACKS. USING A WATER RESISTANT MASONRY, THE TOP OF THE CHIMNEY IS TO BE RE-CAPPED.
2. REPLACE HALL BATHROOM WINDOW TO SPECIFICATIONS SET FORTH IN WORK WRITE -UP. REPLACE BROKEN GLAZING IN PATIO DOOR GLASS.
3. INSTALL BLOWN FIBERGLASS INSULATION OVER EXISTING ATTIC INSULATION TO YIELD R-30 VALUE OR BETTER.
4. UPDATE GAS FORCED AIR FURNACE TO MEET CURRENT CODE REQUIREMENTS AND INSTALL PROGRAMMABLE/DIGITAL WALL THERMOSTAT.
5. SEAL ALL INTERIOR RETURN AIR PLENUM. INSTALL NEW DUCT RUNS TO NEW BATH, DINING ROOM, FAMILY ROOM AND REMODELED BEDROOM. SEAL ALL DUCT BOXES AND CEILING PENETRATIONS OR REPLACE AS NECESSARY. REPLACE ALL REGISTERS WITH NEW ADJUSTABLE REGISTERS.
6. INSTALL TWO 4" DUCTS IN BATHROOMS, TO CONNECT TO OUTSIDE AND CONNECT TO NEW EXHAUST FANS. INSTALL DRYER VENT THROUGH WALL TO OUTSIDE.
7. REPLACE AND INSTALL, WHERE NEEDED, SMOKE DETECTORS. INSTALL GFCI RECEPTACLES AS NEEDED OT MEET CURRENT CODES. ENSURE ALL FIXTURES, RECEPTACLES, SWITCHES AND APPLIANCE CONNECTORS ARE OPERATIONAL AND SAFE. REPLACE OR REPAIR AS NECESSARY. WIRE NEW BATHROOM/UTILITY TO MEET CURRENT CODE. REPLACE LIGHTING FIXTURES AS NECESSARY. INSTALL NEW EXHAUST FANS IN BOTH BATHROOMS.
8. REMOVE BATHTUB AND TUB SURROUND IN HALL BATH AND REPLACE WITH 1/2" CEMENT BOARD INCLUDING CEILING. INSTALL NEW FIBERGLASS TUB, SINGLE HANDLE FAUCET AND DRAIN. PREPARE FOR AND INSTALL CERAMIC TILE AROUND TUB/SHOWER AREA WITH THE REMAINDER OF THE BATHROOM WALLS PAINTED .
9. BUILD A SHOWER ENCLOSURE IN BATHROOM/UTILITY WITH 1/2" CEMENT BOARD INCLUDING THE CEILING. PREPARE FOR AND INSTALL CERAMIC TILE FLOORING AND WALL ENCLOSURE. INSTALL PIPING FROM WATER METER TO HOME AND RECONNECT TO EXISTING WATER SUPPLY AT THE ENTRANCE OF THE HOME. INSTALL WATER LINES FOR HOT AND COLD TO NEW BATHROOM. CONNECT NEW BATHROOM TO EXISTING SEWER LINES. INSTALL NEW LAVATORY AND TOILET IN NEW BATHROOM/UTILITY AREA.
10. INSTALL NEW WATER HEATER.
11. ENCLOSE AREA IN THE WEST BEDROOM AT THE SOUTH END TO MAKE A CLOSET, INCLUDING A SHELF AND CLOTHING ROD.
12. PAINT ALL TRIM AND BASEBOARDS, BEDROOM CEILINGS AND BATHROOMS.
13. REPLACE GAS STOPS AND FLEXIBLE CONNECTORS ON ALL GAS APPLIANCES, CAP EQUIPMENT OUTLETS AND AIR TEST SYSTEM PRIOR TO ANY REPAIRS OR REPLACEMENTS. REMOVE EXISTING GAS LINE TO WATER HEATER AND CAP OFF AT WALL. INSTALL NEW GAS LINE TO WATER HEATER FROM GAS METER.
14. INSTALL VACUUM BREAKERS ON ALL HOME-BIBS.
15. INSTALL NEW DOOR COMPLETE WITH FRAME BETWEEN KITCHEN AND WEST BEDROOM. REPLACE DOOR TO FRONT BEDROOM. REPLACE DOOR KNOB TO BATHROOM/UTILITY AREA. INSTALL TWO NEW DOUBLE

**ADDENDUM**

Borrower: Celia Chavez	145	File No.: 20100101
Property Address: 1820 New Mexico Avenue		Case No.:
City: Las Cruces	State: NM	Zip: 88001
Lender: City of Las Cruces		

**BI-FOLD DOORS ON NEW CLOSET IN WEST BEDROOM.**

**16. INSTALL NEW VINYL TILE IN ADDITION. REPLACE ANY FLOORING AFFECTED BY REHABILITATION.**

**17. INSTALL NEW 18.1 CUBIC FOOT REFRIGERATOR.**

**18. CLEAN EXTERIOR AND INTERIOR OF HOME TO MOVE IN CONDITION.**

**ADDITIONAL COMMENTS**

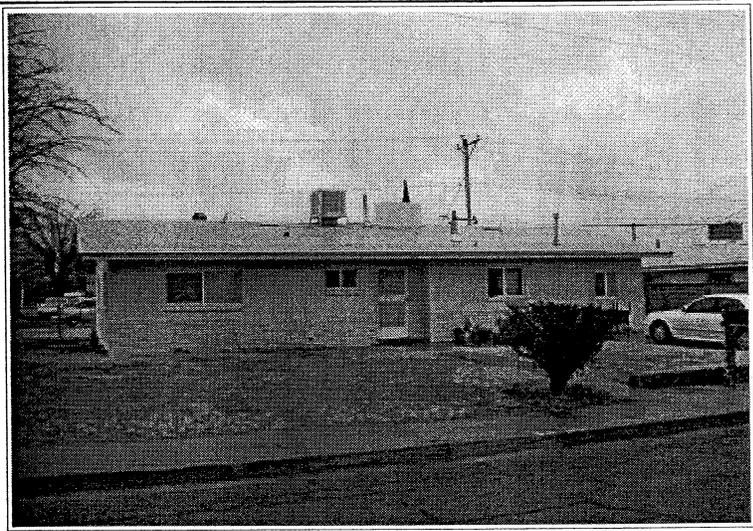
**NEIGHBORHOOD DESCRIPTION**

The subject is located in the south central part of the city limits of Las Cruces in an established neighborhood of predominantly single family homes. This is a homogeneous neighborhood. It shares similar features such as building type and style, population characteristics, economic profile of occupants and zoning regulations that affect land value. The City of Las Cruces population was estimated, in 2005, to be 82,700. Las Cruces is the county seat of Dona Ana County and the economic hub of southern New Mexico. The 2000 census shows there are almost 175,000 people living in Dona Ana County. The population in Dona Ana County grew 28.9% during the ten years between 1990 and 2000. Las Cruces is located in the Rio Grande River Valley about 45 miles north of El Paso, TX and Juarez, Mexico. It is located 225 miles south of Albuquerque, NM. The main employment activities include agriculture, manufacturing and government related activities. The area's largest employers are the Federal and State Government, including New Mexico State University, NASA and White Sands Missile Range. These activities provide about 60% of the area employment. The remaining 40% includes service employment activities. The prospects for continued economic growth in the area are good due to the stability of government, the established agricultural sector and the expanding retail/commercial trade areas.

SUBJECT PROPERTY PHOTO ADDENDUM

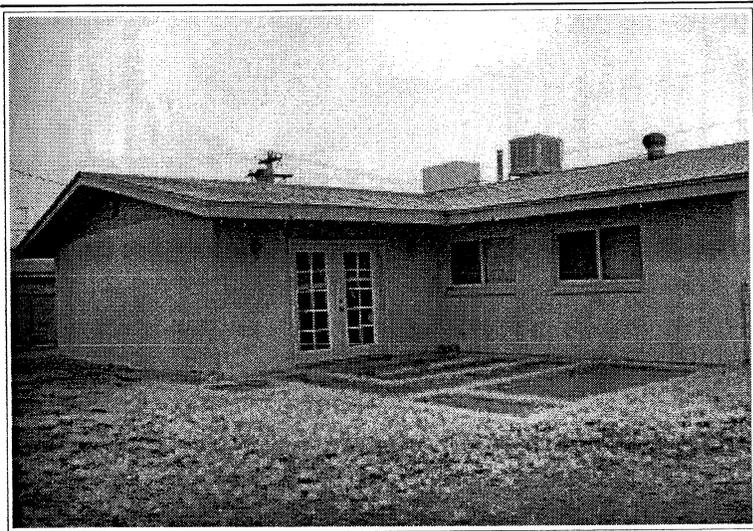
Borrower: Celia Chavez	File No.: 20100101	
Property Address: 1820 New Mexico Avenue	Case No.:	
City: Las Cruces	State: NM	Zip: 88001
Lender: City of Las Cruces		

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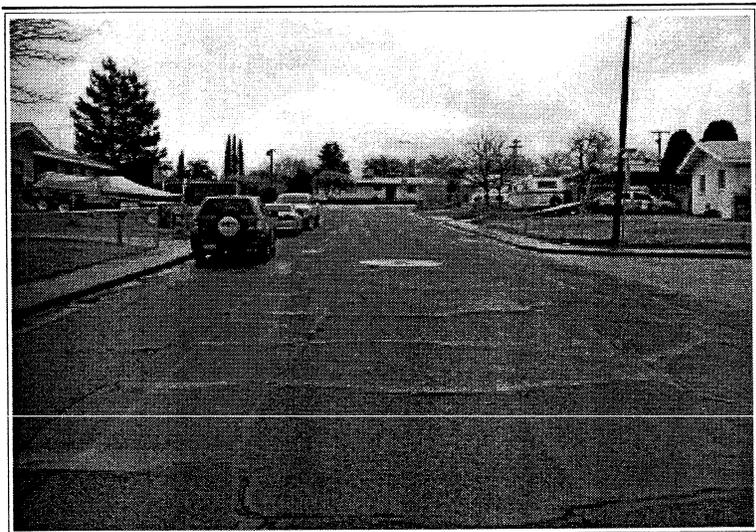


FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: January 22, 2010  
Appraised Value: \$ 106,000



REAR VIEW OF  
SUBJECT PROPERTY

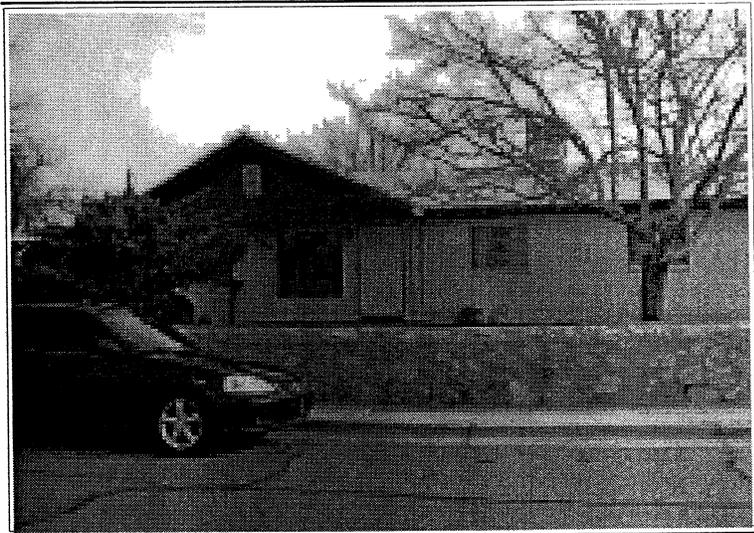


STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

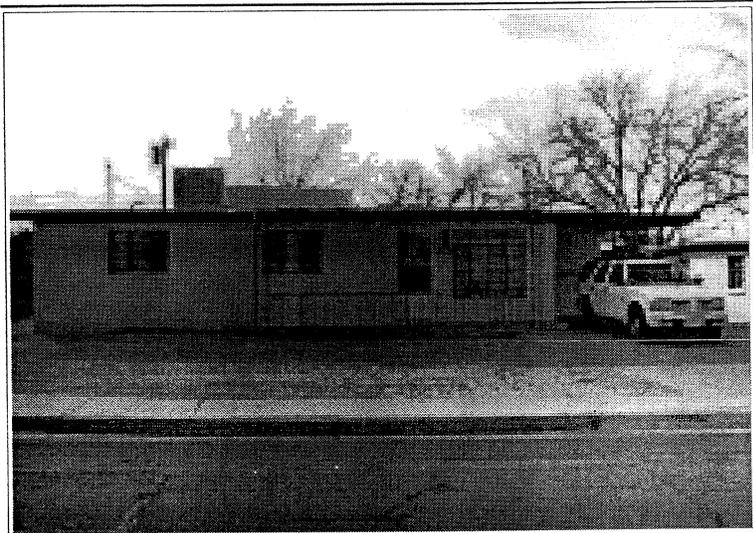
Borrower: Celia Chavez	File No.: 20100101	
Property Address: 1820 New Mexico Avenue	Case No.:	
City: Las Cruces	State: NM	Zip: 88001
Lender: City of Las Cruces		

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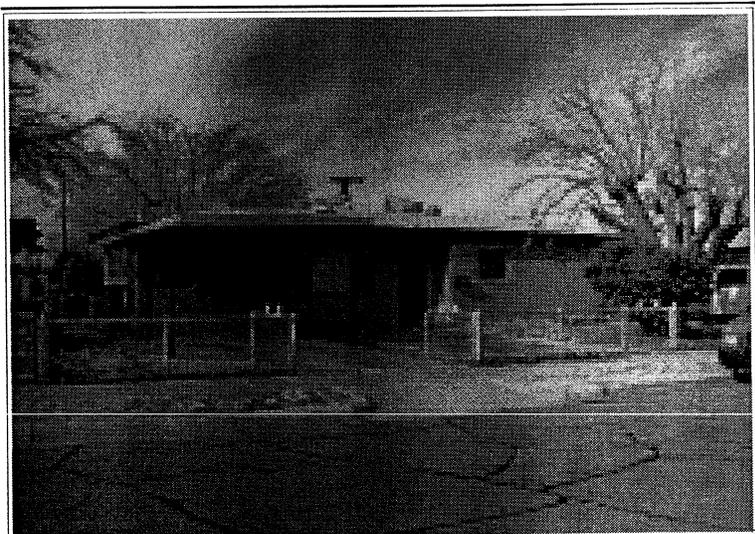
COMPARABLE SALE #1

1309 Boston Drive  
Las Cruces, NM 88001  
Sale Date: 10/01/2009  
Sale Price: \$ 98,000



COMPARABLE SALE #2

1808 Calle De Suenos  
Las Cruces, NM 88001  
Sale Date: 09/28/2009  
Sale Price: \$ 128,000



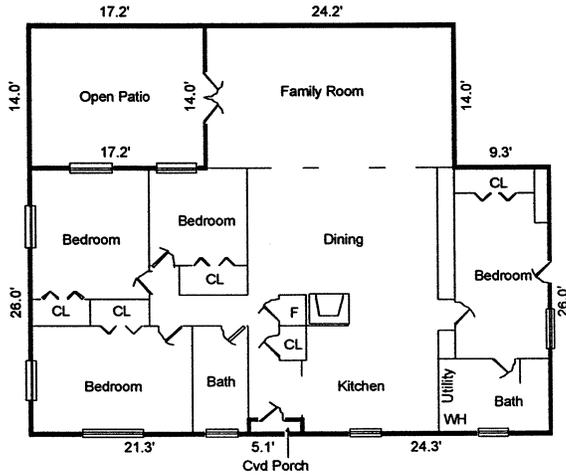
COMPARABLE SALE #3

720 Mimbres Street  
Las Cruces, NM 88001  
Sale Date: 09/02/2009  
Sale Price: \$ 109,000

FLOORPLAN

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Borrower: Celia Chavez File No.: 20100101  
 Property Address: 1820 New Mexico Avenue Case No.:  
 City: Las Cruces State: NM Zip: 88001  
 Lender: City of Las Cruces



Seth by Apex, Inc.

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1650.4	1650.4
P/P	Covered Porch	6.6	
	Open Patio	240.8	247.4
Net LIVABLE Area		(Rounded)	1650

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
14.0	x 24.2	338.8
24.7	x 50.7	1252.3
1.3	x 21.3	27.7
1.3	x 24.3	31.6
4 Items	(Rounded)	1650

LOCATION MAP

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Borrower: Celia Chavez

File No.: 20100101

Property Address: 1820 New Mexico Avenue

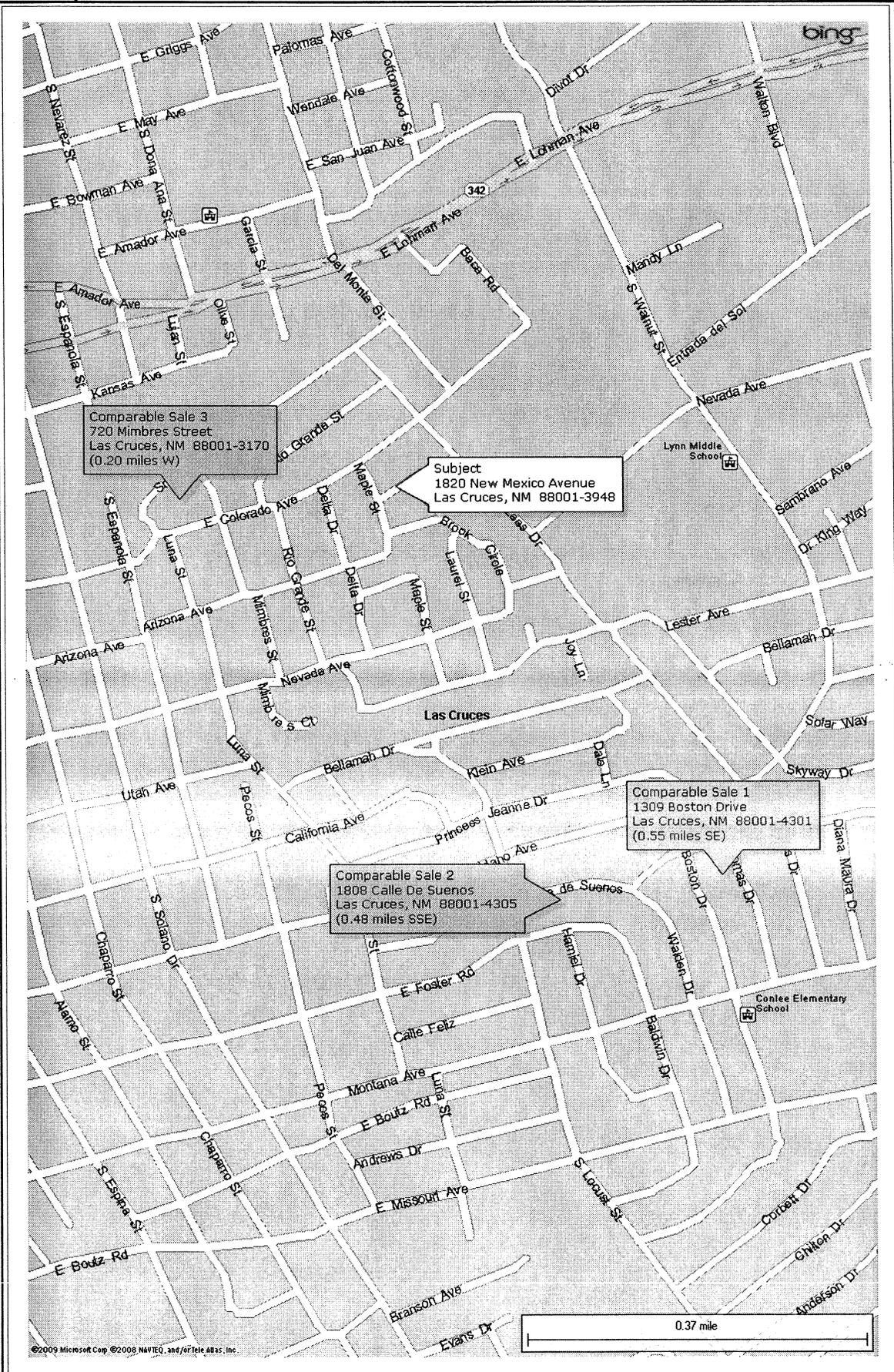
Case No.:

City: Las Cruces

State: NM

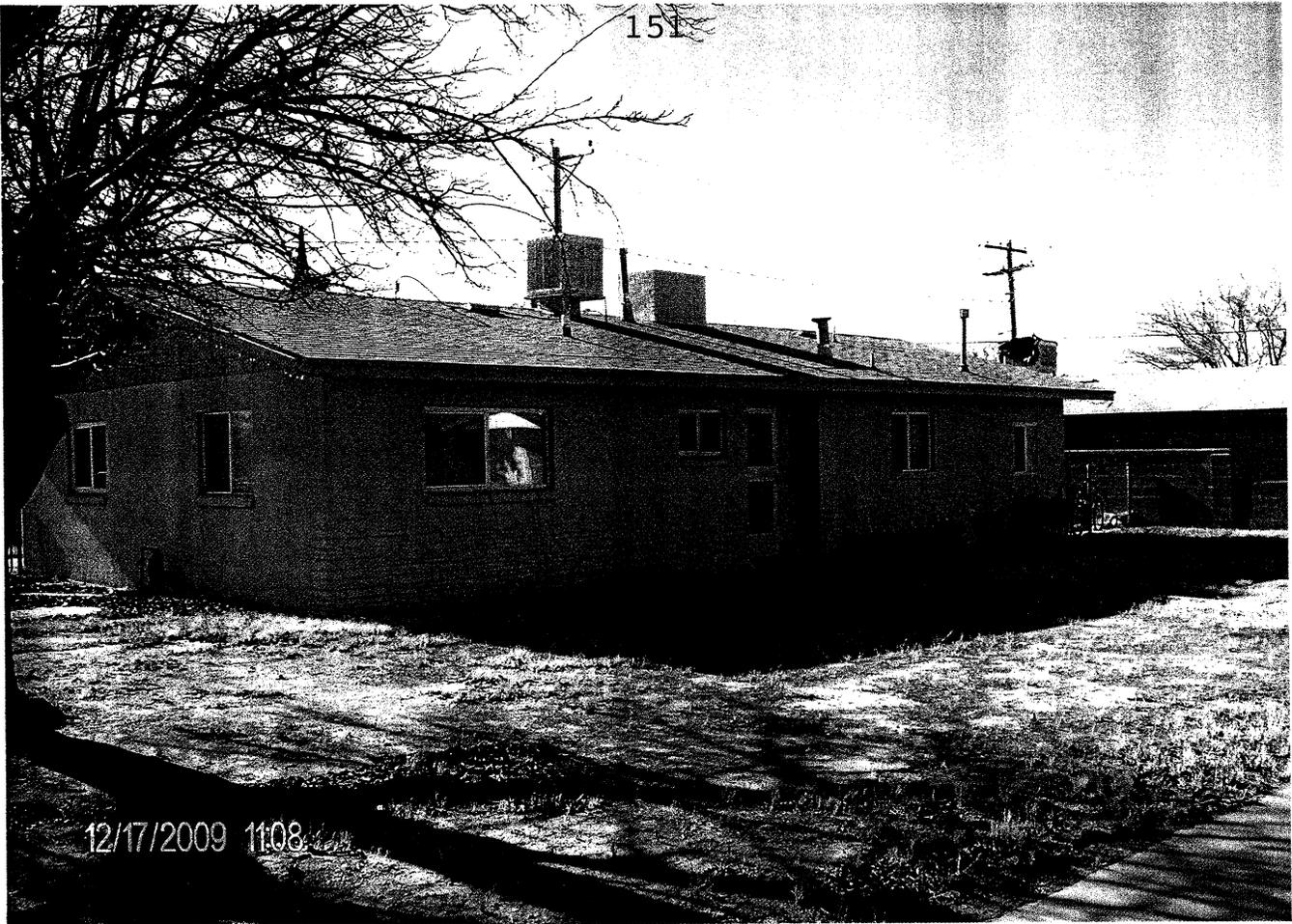
Zip: 88001

Lender: City of Las Cruces

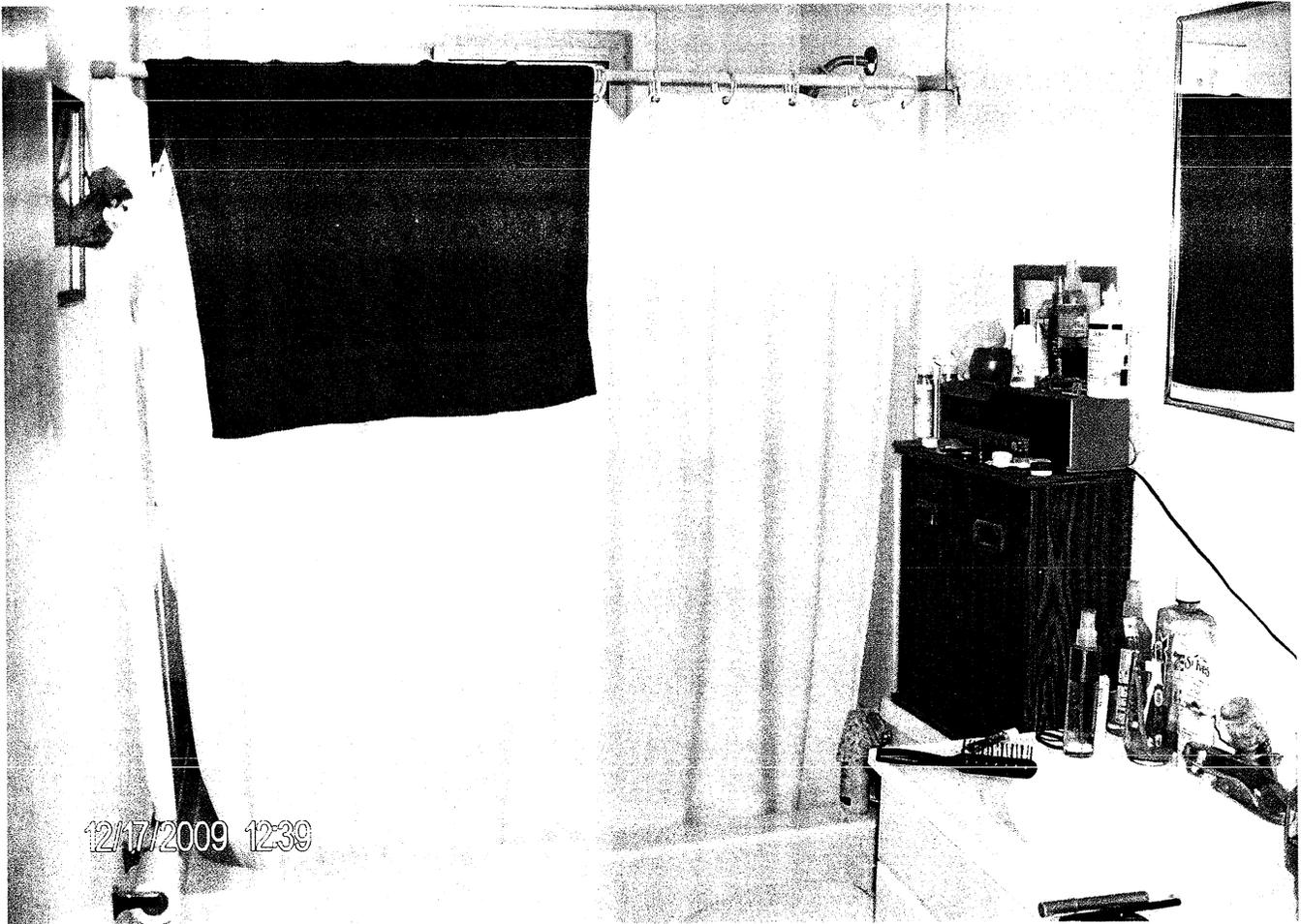


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**ATTACHMENT "E"**



12/17/2009 11:08



12/17/2009 12:39



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12/17/2009 12:37



12/17/2009 12:40