

102
City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 7 Ordinance/Resolution# 10-029 Council District: 1

For Meeting of July 20, 2009

(Adoption Date)

TITLE: A RESOLUTION APPROVING EXCEPTIONS TO THE HOME REHABILITATION HANDBOOK, INCLUDING PAYING OFF A SECOND MORTGAGE, FOR A HOME REHABILITATION PROJECT ON A RESIDENCE LOCATED AT 1400 PAXTON.

PURPOSE(S) OF ACTION: Approve one of the options set forth below to provide the owner of the home at 1400 Paxton with a safe heating and cooling system and a lead-free home.

Name of Drafter: Maria Fahrenkrog		Department: Community Development		Phone: 528-3177	
Department	Signature	Phone	Department	Signature	Phone
Community Development	<i>MF</i>	528-3066	Budget	<i>[Signature]</i>	541-2107
	<i>[Signature]</i>		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 a Home Rehabilitation project for Ms. Sandra Valenzuela, whose residence is located at 1400 Paxton. The house is inhabited by the homeowner and her two minor children, ages 10 and 7. Ms. Valenzuela is employed and earns \$24,585 a year. Ms. Valenzuela's home does not have serious code violations; however, her home needs 3 windows; a new heating and cooling system, including the building of a new closet to house the furnace; and replacement of soffit and fascia board along the roof line due to the presence of lead-based paint. The windows and the heating and cooling system are eligible for a Weatherization Grant and the staff's estimate for these items is approximately \$10,000. The roof's soffit and fascia board are eligible for a rehabilitation loan and staff's estimate is \$2,134. Her soft cost expenses are approximately \$2,000.

Ms. Sandra Valenzuela purchased her house approximately 3 years ago. She has a first mortgage with Charter Bank with a balance of \$91,088. She also has a second mortgage with New Mexico Mortgage Finance Authority (MFA) with an approximate balance of \$3,000. Per our Home Rehabilitation Handbook guidelines, the City's program does not allow for the City to be in third lien position. Staff is requesting that the City Council authorize home rehabilitation funds in the amount of \$3,000 to pay MFA off to get a release of lien.

Staff estimates the total cost of this project to be approximately \$17,134, which includes the pay off of the MFA loan.

Per current Home Rehabilitation Handbook guidelines, Ms. Valenzuela qualifies for a Weatherization/Soft Cost Grant for up to \$12,000 and a Loan at 1% interest for up to \$40,000. Her loan;

(Continued on Page 2)

however, would be approximately \$5,134 to cover the replacement of the roof's soffit and fascia board due to lead-based paint, and the pay off of the MFA loan. The recent appraisal requested by staff shows that Ms. Valenzuela's home is worth \$107,000 and the balance of her first mortgage is \$91,088.00; which doesn't leave enough equity to secure the City's investment.

Ms. Valenzuela's housing expense to income ratio is 33% (3 points above the 30% accepted by the Home Rehab. Regulations), and her debt to income ratio is 58% (16 points above the 42% accepted by Home Rehab. regulations). These ratios automatically disqualify this applicant for a loan; however, if Council authorizes that the \$5,134 be given to Ms. Valenzuela as a grant, these ratios won't apply.

Besides the request to authorize home rehabilitation funds in the amount of \$3,000 to pay off the MFA mortgage, staff is requesting that the City Council authorize the following exceptions to be able to install 3 energy efficient windows and a heating and cooling system, to make the dwelling lead-free, and to cover soft cost expenses.

1. An exception to Chapter VI, Part C-2 – Loan-to-Value Ratio of the Home Rehabilitation Handbook, which reads: "The loan-to-value ratio for any property shall not be greater than 95% for a grant or grant made in combination with a loan or deferred payment loan." By granting this exception, the City will be able to grant Ms. Valenzuela the necessary funding to cover soft cost, to install windows and a heating and cooling system without sufficient equity to back the City's investment.
2. An exception to Chapter VIII, Part B-2 – Minimum/Maximum Loan Amounts of the Home Rehabilitation Handbook, which reads: "There will be an exception made for residences requiring lead-based paint control measures as mandated by federal law, when such measures cause the total amount expended to exceed these limits. Additionally, the first \$2,000 of all lead-based paint removal or abatement procedures shall be applied to the loan amount for the home/property owner; however, all other expenses in excess of \$2,000 for lead-based paint will be given in the form of a grant to the home/property owner. Any expenses for lead based paint removal/abatement in excess of \$2,000 shall not count toward the maximum limits established herein." Staff is requesting that the approximate amount of \$2,000 for the removal of lead-based paint in the home be given to Ms. Valenzuela in the form of a grant instead of a loan.

By approving these exceptions, 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 make their home energy efficient and safe.
- Helping a low-income family make their home lead free.
- Contributing to a positive image within the neighborhood and promote pride and community values, thus reducing the potential for neighborhood blight.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
Community Development Block Grant (Fund 2000) 20184160-722190-10107	\$17,134	\$17,134

(Continued on Page 3)

1. Resolution
2. Attachment "A" - Work Write Up and Staff Estimate
3. Attachment "B" – Appraisals for after rehabilitation
4. Attachment "C" - Pictures of the home

OPTIONS / ALTERNATIVES:

1. Vote "YES" on the Resolution. Such action would approve funding to pay off Ms. Valenzuela's second mortgage with MFA; approve a grant to weatherize Ms. Valenzuela's dwelling in need of insulated windows and a heating and cooling system; and a grant to make Ms. Valenzuela's home lead free and would contribute to a positive image within the neighborhood and promote pride and community values, reducing the potential for neighborhood blight.
2. Vote "NO" on the Resolution. Such action would not approve funding to pay off Ms. Valenzuela's second mortgage with MFA; would not approve a grant to weatherize Ms. Valenzuela's dwelling in need of insulated windows and a heating and cooling system; and would not grant Ms. Valenzuela the funding to make her home lead free, and would not contribute to a positive image within the neighborhood nor promote pride and community values, and will not reduce the potential for neighborhood blight.
3. Modify the Resolution at the Council's discretion, then vote "YES" on the modified Resolution.
4. Table/Postpone the Resolution and provide direction to staff.

RESOLUTION NO. 10-029**A RESOLUTION APPROVING EXCEPTIONS TO THE HOME REHABILITATION HANDBOOK, INCLUDING PAYING OFF A SECOND MORTGAGE, FOR A HOME REHABILITATION PROJECT ON A RESIDENCE LOCATED AT 1400 PAXTON**

The City Council is informed that:

WHEREAS, the Home Rehabilitation Staff has processed the application for a home rehabilitation project for Ms. Sandra Valenzuela, whose house is located at 1400 Paxton; and

WHEREAS, the homeowner is a single person who lives with her two minor children and has an annual income of \$24,585; and

WHEREAS, this project needs insulated windows, heating and cooling system, the removal of lead-based paint and soft cost expenses for an approximate cost of \$14,134; and

WHEREAS, staff is requesting home rehabilitation funds in the approximate amount of \$3,000 to pay off a second mortgage on the house and get a release of lien so the City's mortgage can take second position per the Home Rehabilitation Program guidelines; and

WHEREAS, the approximate funding needed for this project is \$17,134; and

WHEREAS, the appraisal of the property after rehabilitation is \$107,000; and

WHEREAS, under the Home Rehabilitation Handbook guidelines, because of the lack of equity in the dwelling, the homeowner does not qualify for all of the requirements of the Home Rehabilitation Program without review and approval of certain exceptions being granted by the City Council; and

WHEREAS, the City Council has the authority to grant exceptions to the Home Rehabilitation Program guidelines.

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

(I)

THAT the Home Rehabilitation Project for Ms. Sandra Valenzuela at 1400 Paxton is hereby granted the following Home Rehabilitation Handbook exceptions, which will

allow Ms. Valenzuela to receive a grant under the Home Rehabilitation guidelines for the following activities, dollar amounts, and program exceptions:

- a) Home Rehabilitation funding to payoff MFA second loan on her property in the amount of \$3,000. No exception needed.
- b) Windows, heating and cooling system and soft cost expenses in the amount of \$12,000. Exception needed: Chapter VI, Part C-2 – Loan to Value Ratio of the Home Rehabilitation Handbook in excess of 95%.
- c) Lead-based paint removal in the amount of \$2,134. Exception needed: Chapter VIII, Part B-2 – Minimum/Maximum Loan Amounts of the Home Rehabilitation Program due to the fact that this section states that the first \$2,000 of all lead-based paint removal or abatement procedures shall be applied to the loan amount for the home/property owner.

For a total amount of \$17,134.

(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 _____ 2009.

APPROVED:

(SEAL)

Mayor

ATTEST:

City Clerk

VOTE:

Mayor Miyagishima: _____

Councillor Silva: _____

Councillor Connor: _____

Councillor Archuleta: _____

Councillor Small: _____

Councillor Jones: _____

Councillor Thomas: _____

Moved by: _____

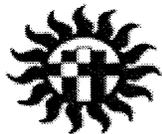
Seconded by: _____

APPROVED AS TO FORM:



City Attorney

Attachment "A"



City of Las Cruces

Owner: Sandra Valenzuela Date : 3/24/09
 Address: 1400 Paxton Application # 1419
 Home Rehab. Coordinator: Ray Sartin
 Date of walk- thru: _____ Phone #'s Home: 805-7876 Cell: _____

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.

WARNING: Due to the presence of **LEAD BASED PAINT** in this project, the Home Rehabilitation staff shall provide a copy of the Lead Paint Inspection Report to the contractor awarded the bid. Contractors are required to use Lead Safe Work Practices and pass a clearance after the removal of the items listed on the report and before continuing demolition. The program pays for the first clearance, subsequent test required due to failure are the responsibility of the contractor.

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. (Home Rehab Handbooks are available from City Staff.)

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.**

HVAC:

Furnace: Install a new 75,000-80,000 BTU furnace Rheem®, Coleman®, or pre-approved equal with a minimum 80%E efficiency rating, complete with manual damper and PROGRAMMABLE/DIGITAL wall thermostat. (See the plan) Vent the furnace through the roof and provide a single combustion air opening through the outside wall.

Air conditioner: Replace the existing A/C with a new, down draft, evaporative air conditioner. Include a new stand, roof jack, and flashing. A/C is to be Champion®, Arvin®, or pre-approved equal, 5,000 cfm, with a ½ horse power, two-speed motor and new THERMOSTATIC switch. Run a new ¼" copper water line to the A/C from the water supply with a new valve.

Duct Systems: Remove the existing duct work. Install a new, central, galvanized duct system, designed and sized by contractor to meet code requirements. Inter-connect the A/C supply duct and the furnace supply duct, with dampers to allow switching between winter and summer use. Ensure duct extends to all occupied rooms including bath by running it in the duct chase provided. (See the plan) Install new adjustable air supply registers, and return air duct to hallway, with register. Insulate the entire system with R-5 minimum.

Gas: Replace gas system from the meter to the new furnace location and the range outlet. Size the gas system to meet IRC gas code minimums and connect to the range and furnace. Include all pipe, gas stops, gas connectors, and fittings to complete as new. Run the gas piping concealed in the duct chase to the range and cut the wall in the kitchen to insert the piping behind the sheet rock. Remove all existing gas stub outs and cap piping in the walls.

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 IRC. Provide one seasonal start up of the new furnace and one for the new A/C, one at the final of the Rehab project for the current season, the other at the next seasonal change, when requested by the owner. Install a new filter at the end of construction for the final inspection.

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

TOTAL: \$5,000

Windows:

Replace the living room window, and the bath room window with new Low-E, vinyl, Energy Star® Rated, windows with screens. Both windows will be open able for ventilation, glazed with safety glass and the bathroom window will be obscured. The sizes and locations of these windows will be as existing. Install a new window in the north bedroom wall, this window must meet Emergency Escape and Rescue requirements, per. the IRC. The style and color of the new windows shall match the existing windows. The home owner will provide the approximate location for the new bedroom window. Replace any broken glazing in the remaining windows found at the time of the walkthrough.

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: \$1,200

Electrical:

Replace all detectors with new, add new detectors and relocate if necessary to meet required code minimums. Include one carbon monoxide detector. Ensure all are interconnected and hard wire. Replace the bathroom exhaust fan with a new fan, replace any wiring or duct as necessary.

Ensure the circuits, receptacle outlets, and equipment connections, at the following locations are compliant: The new furnace, A/C, and smoke detectors.

General for New Work: Provide any hardware, or materials required to complete the work listed above and ensure applicable code compliance. The equipment and systems installations are to meet or exceed the manufactures installation requirements and the NEC/NMEC. 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.

All new work must comply with applicable codes, and inspection approvals by the Electrical Inspector.

TOTAL: \$1,500

Interior:

Interior: Remove two (2) old wall heaters and gas vents from the house. Patch all openings and holes at wall heater locations after removal. Patch the openings in the roof left after the vents are removed. Remove old thermostat a/c switch and unused wiring. Sheetrock, tape, texture, and paint to match existing surrounding walls, as close as possible.

Renovate the closet in the SW bedroom into a furnace closet by; walling off the interior of the closet, installing a door in the hall, and providing a platform for the furnace. Construct a new closet in the bedroom as shown on the plan. Reuse the shelving and hangar rod if possible, replace with new if necessary. Sheetrock, tape, texture, and paint to match existing surrounding walls, as close as possible.

Build a duct chase below the hall ceiling and in the living room, across the entry to the kitchen, ending in the north bedroom, as shown on the plan. Ensure the duct is covered and can reach all occupied spaces. Keep the chase as small as possible while providing for the duct. Patch any openings in the ceiling above the duct chase. Sheetrock, tape, texture, and paint to match existing surrounding walls, as close as possible.

TOTAL: \$1,600

Exterior:

Remove and replace all soffit and fascia on the structure. Remove and dispose of the materials listed above using Lead Safe Working Practices, with certified personnel. **Clearance approval is required at completion.** Install strip type soffit vents the full length of building under the front and back eaves and install metal corners on fascia and "H" molding at joints. All soffit and fascia will be wood grain Masonite® or pre-approved equal material. No wafer board fascia or soffit will be accepted.

Replace or repair any elements of the structure affected by the installation of new work and removal of existing elements. All necessary adjustments and repairs to walls will be finished to meet home rehab standards, and painted to match the existing as close as possible.

TOTAL: \$2,000

Clean up:

Clean exterior and interior of all new windowpanes and frames. In work areas; vacuum all carpeting, clean all vinyl, and leave all porches and walks in a broom clean condition. Remove all paint spills, overspray, drywall mud, plaster, etc., from all surfaces.

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

HVAC	\$5,000
WINDOWS	\$1,200
ELECTRICAL	\$1,500
INTERIOR	\$1,600
EXTERIOR	\$2,000
Sub Total:	\$ 11,300.00
Tax: @7.375%	\$ 833.37
Total:	\$12,133.37

Construction Company

Contractor

Telephone Number

Signature

Date



Ray Sartin
City of Las Cruces
575 S Alameda Boulevard, Rms 151& 1
Las Cruces, NM 88005

File Number: 20090301

Dear Sir or Madam,

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

1400 Paxton Street
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 March 31, 2009 is:

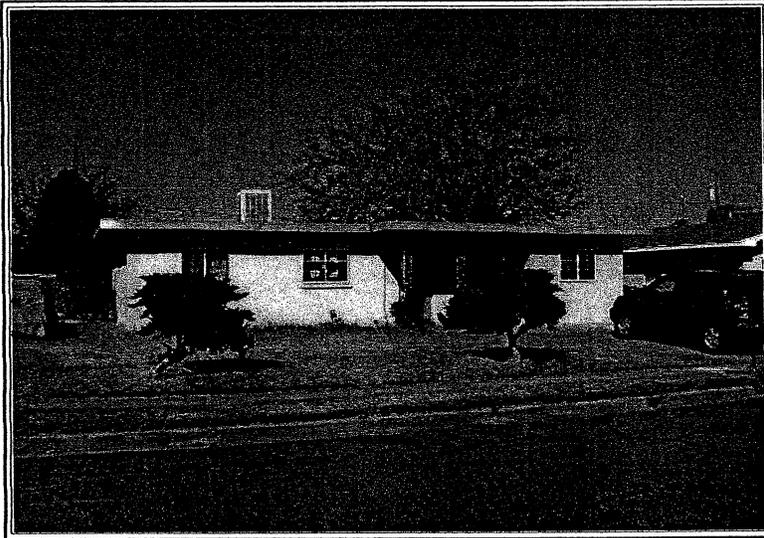
\$107,000
One Hundred Seven Thousand Dollars

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 7, Block M, Washington Heights

LOCATED AT:

1400 Paxton Street
Las Cruces, NM 88001

FOR:

City of Las Cruces
575 S Alameda Boulevard, Rms 151& 1
Las Cruces, NM 88005

BORROWER:

Sandra Valenzuela

AS OF:

March 31, 2009

BY:

Jodi L Bell

Uniform Residential Appraisal Report

File No. 20090301

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 1400 Paxton Street, City Las Cruces, State NM, Zip Code 88001. Borrower Sandra Valenzuela, Owner of Public Record Sandra N Valenzuela, County Dona Ana. Legal Description Lot 7, Block M, Washington Heights. Assessor's Parcel # 02-05292, Tax Year 2008, R.E. Taxes \$ 621.52. Neighborhood Name Loma Heights, Map Reference 4007134460293, Census Tract 35013/4.02. Occupant [X] Owner, [] Tenant, [] Vacant. Special Assessments \$ [] PUD, HOA \$ [] per year, [] per month. 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 Boulevard, Rms 151& 1, 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.

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 \$ N/A, 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, [] 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 %. Includes data for Location (Urban), Property Values (Stable), PRICE, AGE, One-Unit (80%), Built-Up (Over 75%), Demand/Supply (In Balance), \$(000), (yrs), 2-4 Unit (5%), Growth (Stable), Marketing Time (3-6 mths), Over 6 mths, 70 Low New Multi-Family (5%), Neighborhood Boundaries, 150 High 60 Commercial (5%), Solano Drive; Nearest Major Intersection - Solano Drive & Spruce Avenue; 0.13 Miles Southwest. 115 Pred. 25 Other Vacant (5%). Neighborhood Description See Attached Addendum.

Market Conditions (including support for the above conclusions) The market conditions appear to be stable and in balance at this time. The Multiple Listing Service indicates a narrow "list to sell" ratio of 92% and typical market times of, excluding presales, are 143 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 0.138 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 Dirt [X]. FEMA Special Flood Hazard Area [] Yes, [X] No. FEMA Flood Zone 35013C0518 F FEMA Map # X FEMA Map Date 09/06/1995. 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.

GENERAL DESCRIPTION, FOUNDATION, EXTERIOR DESCRIPTION, INTERIOR. Units [X] One, [] One with Accessory Unit. # of Stories One. Type [X] Det., [] Alt., [] S-Det./End Unit. Design (Style) Southwest. Year Built 1958. Effective Age (Yrs) 10 Years. Heating [X] FWA, [] HWBB, [] Radiant. Amenities [] Woodstove(s) #. Fireplaces(s) [X]. Fence Rock. Carport # of Cars. Appliances [X] Refrigerator, [X] Range/Oven, [] Dishwasher, [] Disposal, [] Microwave, [] Washer/Dryer, [] Other (describe). Finished area above grade contains: 6 Rooms, 4 Bedrooms, 1.0 Bath(s), 1,145 Square Feet of Gross Living Area Above Grade. Additional features (special energy efficient items, etc.). There is a ceiling fan installed in bedroom 1.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). See Attached Addendum. 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.)? [] Yes, [X] No. If No, describe.

SUMMARY APPRAISAL REPORT
Uniform Residential Appraisal Report

File No. 20090301

There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 127,000 to \$					
There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 98,000 to \$ 125,000					
FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3	
1400 Paxton Street Address Las Cruces	1120 E Encino Avenue Las Cruces, NM 88001	940 E Juniper Avenue Las Cruces, NM 88001	1805 Juniper Avenue Las Cruces, NM 88001		
Proximity to Subject	0.10 miles NE	0.14 miles NW	0.46 miles NE		
Sale Price	\$ N/A	\$ 105,000	\$ 125,000	\$ 125,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 87.50 sq. ft.	\$ 95.71 sq. ft.	\$ 115.42 sq. ft.	
Data Source(s)	Inspect-03/31/2009	MLS #803857 Inspect 521-1000	MLS #802888 Inspect 526-4999	MLS #784488 Inspect 522-3698	
Verification Source(s)	County Records	DOM - 164	DOM - 176	DOM - 209	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing	N/A	FHA	0	FHA	0
Concessions	None	None	0	None	0
Date of Sale/Time	N/A	01/22/2009	0	11/26/2008	0
Location	Washington Heights/Avg	Washington Heights/EQ	0	Mesa Heights/EQ	0
Leasehold/Fee Simple	Fee Simple	Fee Simple	0	Fee Simple	0
Site	0.138 Acres/Avg	0.140 Acres/Avg	0	0.210 Acres/Avg	-5,000
View	Average	Average	0	Average	0
Design (Style)	Southwest/Avg	Southwest/Avg	0	Ranch/Avg	0
Quality of Construction	Stu,CB&Fr/Avg	Stu,CB&Fr/Avg	0	Stu&Brk,CB/Avg	0
Actual Age	1958, A-51, E-10	1960, A-49, E-10	0	1964, A-45, E-10	0
Condition	Average	Avg-Updated	0	Avg-Updated	0
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	0	Total Bdrms. Baths	0
Room Count	6 4 1.0	6 4 1.0	0	7 4 2.0	-5,000
Gross Living Area	40 1,145 sq. ft.	1,200 sq. ft.	-2,200	1,306 sq. ft.	-6,400
Basement & Finished	None	None	0	None	0
Rooms Below Grade	N/A	N/A	0	N/A	0
Functional Utility	Average	Equal	0	Equal	0
Heating/Cooling	GFA/Evap	Panel/Evap Air	+2,500	GFA/Evap Air	0
Energy Efficient Items	Standard Package	Standard Package	0	Standard Package	0
Garage/Carport	None	None	0	None	0
Porch/Patio/Deck	Cvd Porch, Deck	Cvd Porch, Patio	0	Cvd Porch, Patio	0
Fireplace(s), etc.	None	None	0	None	0
Fence, Pool, etc.	Fence, Lndscp	Fence, Lndscp	0	Fence, Lndscp	0
Kitchen Equipment	KitchenEquipment	KitchenEquipment	0	KitchenEquipment	0
Net Adjustment (Total)		X +	\$ 300	X -	\$ 16,400
Adjusted Sale Price of Comparables		Net Adj. 0.3%		Net Adj. -13.1%	
		Gross Adj. 4.5%	\$ 105,300	Gross Adj. 13.1%	\$ 108,600
				Gross Adj. 13.2%	\$ 113,500

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 Courthouse and 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 Courthouse and 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	04/2006	04/2004	11/2003	08/1992
Price of Prior Sale/Transfer	\$96,500	\$73,000	Unknown	Unknown
Data Source(s)	MLS #773050	MLS #712254	Cty Receipt #0341396	Cty Receipt #9216238
Effective Date of Data Source(s)	04/29/2006	04/27/2006	01/16/2009	01/29/2009

Analysis of prior sale or transfer history of the subject property and comparable sales **The subject property was purchased by the current owner in April of 2006, (MLS #773050), for \$96,500. The deed transfer is verified with the Dona Ana County Clerk's office, County Reception #0615274. Prior to this, the previous owners filed a Joint Tenants Deed in October of 2005, (County Reception #0541660), deeding the subject property to both Mr. and Ms. Renteria.**

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 based on incremental value differences only. Effective age adjustments are calculated using the comparables' sales price minus its site value. The adjusted value in the Sales Comparison Approach demonstrates a range of \$9,700 or 9.3% of the lowest valued comparable. Comparables 1 and 2 are believed to be the most representative comparables and given the most weight in the Sales Comparison Approach.**

Indicated Value by Sales Comparison Approach **\$ 107,000**

Indicated Value by: **Sales Comparison Approach \$ 107,000** 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, the Cost Approach is not utilized. 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 **\$ 107,000** as of **Mar 31 2009**, which is the date of inspection and the effective date of this appraisal.

SALES COMPARISON APPROACH

RECONCILIATION

SUMMARY APPRAISAL REPORT
Uniform Residential Appraisal Report

File No. 20090301

ADDITIONAL COMMENTS

All adjustments are rounded to the nearest one hundred dollars.

DATE OF SALE: Comparables 2 and 3 exceed the six month date of sale guideline. The Las Cruces area economy is stable and the appraiser found no reliable market data to support any significant increases or decreases in market values over the last twelve months. Therefore, the Comparables are representative of the subject and are appropriate.

SITE AREA: The sites for all of the Comparables are primary residential sites. The site for Comparables 2, 3 and 4 are adjusted for their larger size.

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 ADJUSTMENTS: A factor of one half percent per year was used to adjust the comparables for effective age difference of the long-lived items of the improvements.

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: The gross living area of Comparable 2 is 14.1% greater than the gross living area of the subject improvement. All line adjustments, net and gross adjustments meet FNMA guidelines. Due to the lack of comparable sales in the subject's neighborhood, four in the last 12 months, it is necessary to use these comparables. Therefore, the 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.

It is noted that the price per gross living area for Sales Comparable 3 varies by more than \$10.00 per square foot, when compared to the subject. This calculation does not take into consideration the amenities, features and site area offered in each sale, which can result in a variance of more than \$10.00 per square foot. All other measures are bracketed.

COST APPROACH

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 N/A	Dwelling 1,145	Sq. Ft. @ \$ = \$
Quality rating from cost service Average Effective date of cost data 03/2009	Bsmt. 0	Sq. Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Garage/Carport 0	Sq. Ft. @ \$ = \$
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.	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 50 YEARS

Estimated Remaining Economic Life (HUD and VA only) 50 Years INDICATED VALUE BY COST APPROACH..... = \$ N/A

INCOME

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

PUD INFORMATION

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 N/A Total number of units N/A Total number of units sold N/A

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

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 Report¹¹⁷

File No. 20090301

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 Report¹¹⁸

File No. 20090301

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. 20090301

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 Apr 2 2009
 Effective Date of Appraisal Mar 31 2009
 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

1400 Paxton Street
Las Cruces, NM 88001

APPRAISED VALUE OF SUBJECT PROPERTY \$ 107,000

LENDER/CLIENT

Name Ray Sartin
 Company Name City of Las Cruces
 Company Address 575 S Alameda Boulevard, Rms 151& 1
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 _____

Borrower: Sandra Valenzuela

File No.: 20090301

Property Address: 1400 Paxton Street

121 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 zoning for the subject property is R-1a; Single Family Medium Density. This zoning district is intended to accommodate single-family site built/manufactured dwelling units, including patio homes and townhouses, and to maintain and protect a medium density residential character development. This district is also intended to serve as a transition between the single-family high and single-family low density residential development. The maximum density of this district is eight (8) dwelling units per acre. The subject's neighborhood is comprised of detached, site built homes, manufactured homes and townhomes. Given the above definition, it is this appraiser's opinion that the highest and best use of the subject property, as improved, is residential.

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. INSTALL NEW 75,000-80,000 BTU FORCED AIR FURNACE WITH A MINIMUM 80%e EFFICIENCY RATING, COMPLETE WITH A MANUAL DAMPER AND PROGRAMMABLE, DIGITAL WALL MOUNTED THERMOSTAT.
2. REPLACE EVAPORATIVE AIR CONDITIONER WITH NEW DOWN DRAFT UNIT. INSTALL NEW STAND, ROOF JACK, FLASHING, 1/4" COPPER WATER LINE, NEW VALVE AT WATER SUPPLY AND THERMOSTATIC SWITCH.
3. REMOVE EXISTING DUCT WORK. INSTALL NEW, CENTRAL, GALVANIZED DUCT SYSTEM EXTENDING TO ALL ROOMS IN THE HOME TO INCLUDE CONVERTED ROOM ON NORTH END, BATHROOM AND UTILITY. INSTALL NEW ADJUSTABLE REGISTERS AND RETURN AIR DUCT TO HALLWAY. INSULATE DUCTWORK WITH MINIMUM R-5.
4. REPLACE GAS SYSTEM FROM METER TO NEW FURNACE LOCATION AND RANGE OUTLET IN KITCHEN. CONNECT NEW LINE TO APPLIANCES. REMOVE ALL EXISTING GAS STUB OUTS AND CAP PIPING IN WALLS.
5. REPLACE AND RELOCATE, AS NECESSARY, EXISTING SMOKE DETECTORS. INSTALL NEW CARBON MONOXIDE DETECTOR. UPDATE, IF NECESSARY, THE CIRCUITS AND RECEPTACLE OUTLETS AT THE NEW FURNACE LOCATION, A/C AND SMOKE DETECTORS.
6. REMOVE EXISTING GAS PANEL HEATERS AND VENTS FROM THE HOME. PATCH ALL OPENINGS AND HOLES AFTER REMOVAL. FINISH WITH SHEETROCK, TAPE, TEXTURE AND PAINT TO MATCH EXISTING SURROUNDING WALLS. PATCH ROOF OPENINGS LEFT AFTER THE VENTS ARE REMOVED.
7. CONVERT CLOSET IN SOUTHWEST BEDROOM TO FURNACE CLOSET BY CLOSING OFF THE DOOR WAY IN THE BEDROOM AND INSTALLING DOORWAY IN THE HALL AND PROVIDING PLATFORM FOR FURNACE. BUILD NEW CLOSET IN BEDROOM PER PLANS SUBMITTED.
8. CUT OUT NEW WINDOW OPENING AND INSTALL NEW WINDOW IN NORTH WALL OF NORTH BEDROOM. REPLACE WINDOWS IN LIVING ROOM AND BATHROOM WITH NEW LOW-E, VINYL, ENERGY STAR RATED WINDOWS WITH SCREENS.
9. MAKE ANY NECESSARY REPAIRS TO AREAS AFFECTED BY REHABILITATION. CLEAN HOME TO MOVE IN CONDITION.

ADDITIONAL COMMENTS

NEIGHBORHOOD DESCRIPTION

The subject is located in the north 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.

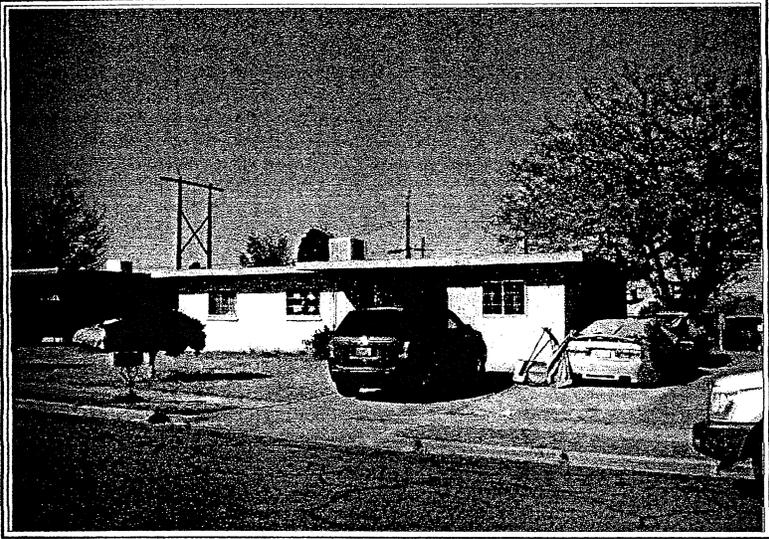
ADDENDUM

Borrower: Sandra Valenzuela	File No.: 20090301
Property Address: 1400 Paxton Street	Case No.: 122
City: Las Cruces	State: NM Zip: 88001
Lender: City of Las Cruces	

CONDITION OF THE PROPERTY

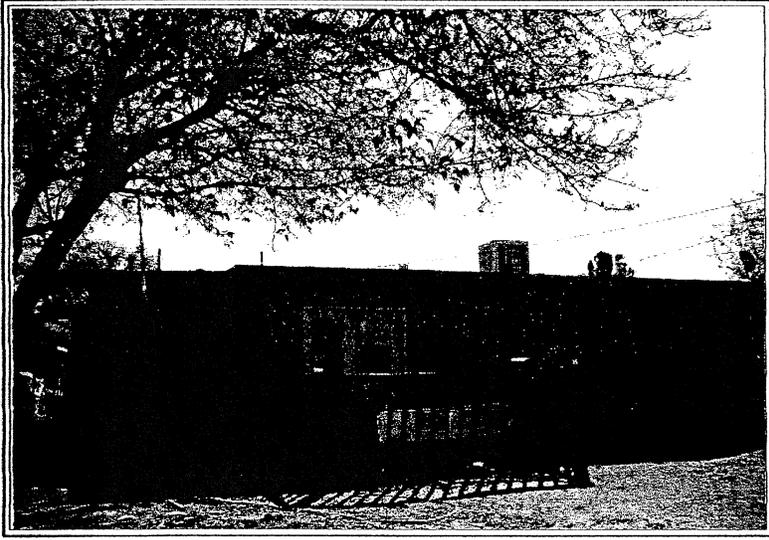
The subject has slight deferred maintenance noted that the closet walls in bedroom 1 is sheetrock that has been taped, however, it has not been textured and painted. The estimated Cost to Cure is approximately \$200.00. It is this appraiser's opinion that this amount of monies is so insignificant that it does not affect the Final Estimate of Value. Prior to purchasing the home, the roof had been replaced, the carport had been converted into a bedroom, the kitchen and bathroom had been updated, the flooring throughout the home was replaced with ceramic tile except for one bedroom, all interior doors replaced and the interior had been repainted. In addition, the home owner constructed a closet in bedroom 1 and installed the french doors in the kitchen to the exterior of the home. Overall physical depreciation is less than normal for the subject's age. There is no functional nor external obsolescence observed or considered applicable to the subject property.

Borrower: Sandra Valenzuela **No.:** 20090301
Property Address: 1400 Paxton Street **Case No.:**
City: Las Cruces **State:** NM **Zip:** 88001
Lender: City of Las Cruces 123

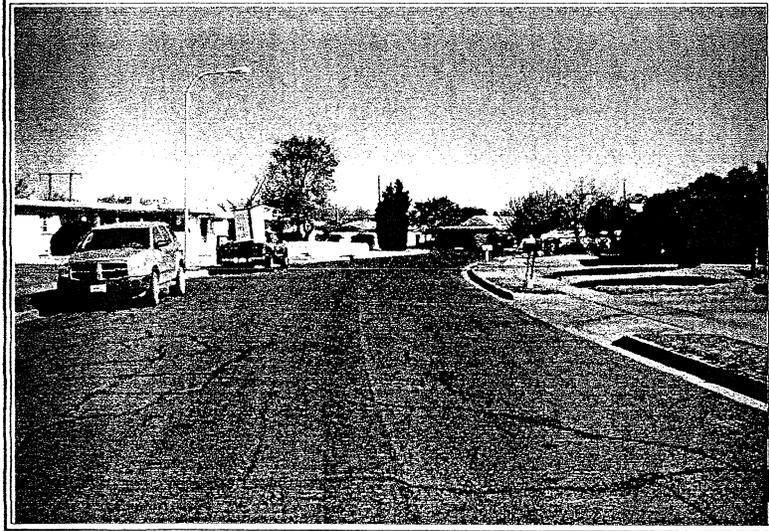


**FRONT VIEW OF
SUBJECT PROPERTY**

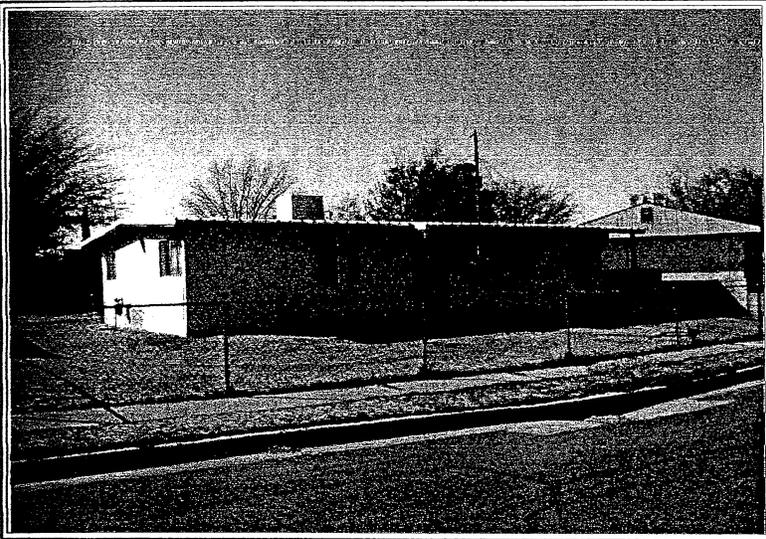
Appraised Date: March 31, 2009
Appraised Value: \$ 107,000



**REAR VIEW OF
SUBJECT PROPERTY**

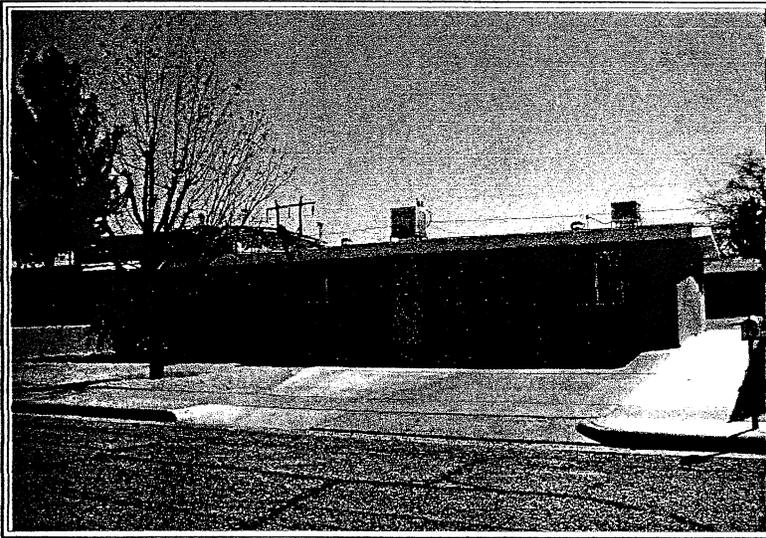


STREET SCENE



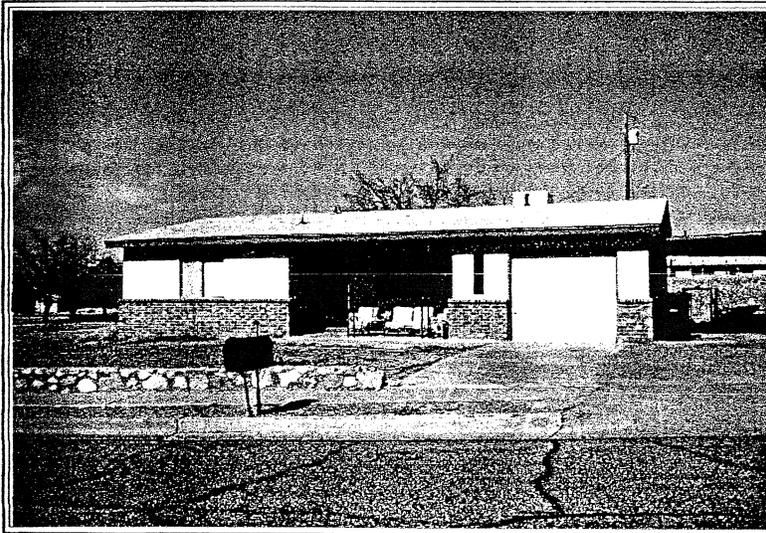
COMPARABLE SALE #1

1120 E Encino Avenue
Las Cruces, NM 88001
Sale Date: 01/22/2009
Sale Price: \$ 105,000



COMPARABLE SALE #2

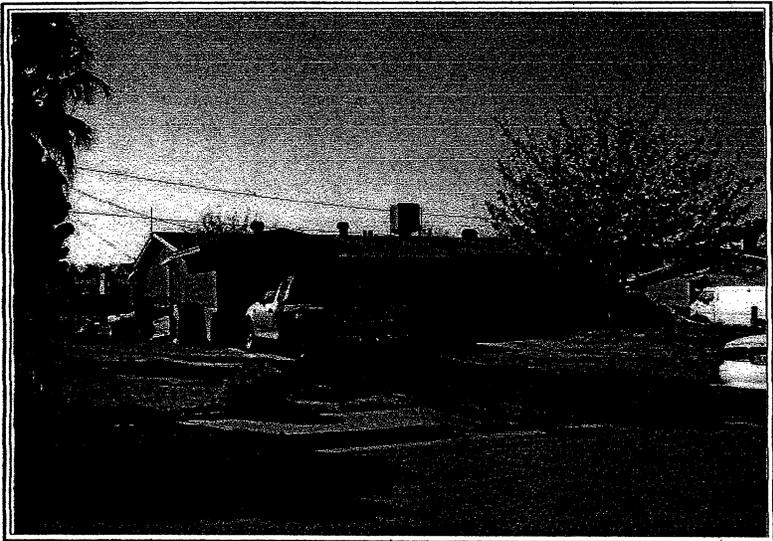
940 E Juniper Avenue
Las Cruces, NM 88001
Sale Date: 11/26/2008
Sale Price: \$ 125,000



COMPARABLE SALE #3

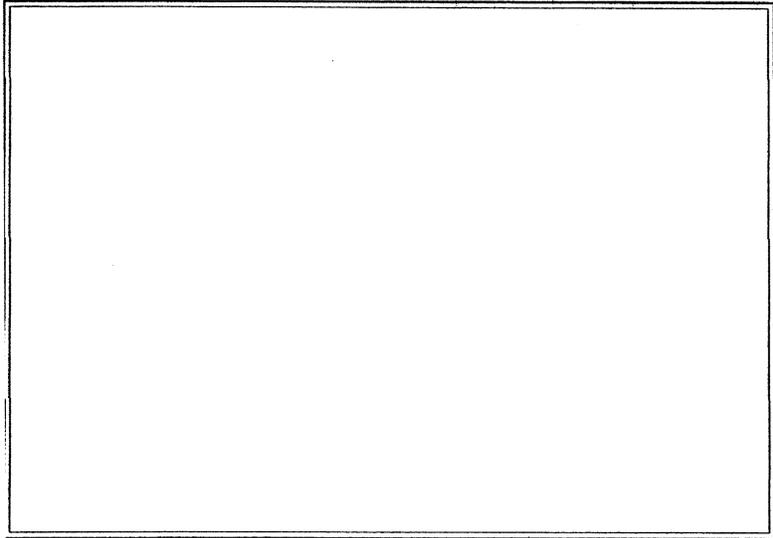
1805 Juniper Avenue
Las Cruces, NM 88001
Sale Date: 06/17/2008
Sale Price: \$ 125,000

Borrower: Sandra Valenzuela	No.: 20090301	
Property Address: 1400 Paxton Street	Case No.:	
City: Las Cruces	State: NM 125	Zip: 88001
Lender: City of Las Cruces		



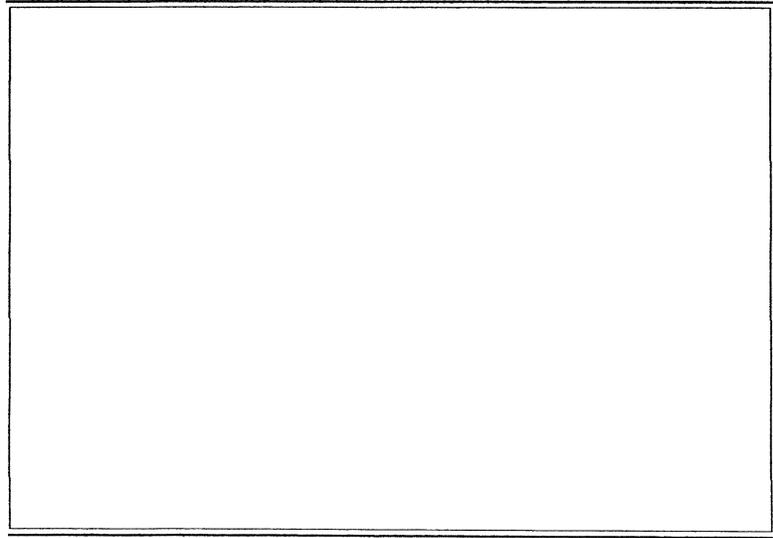
COMPARABLE SALE #4

1938 Redwood Street
Las Cruces, NM 88001
Sale Date: 08/29/2008
Sale Price: \$ 115,000



COMPARABLE SALE #5

Sale Date:
Sale Price: \$



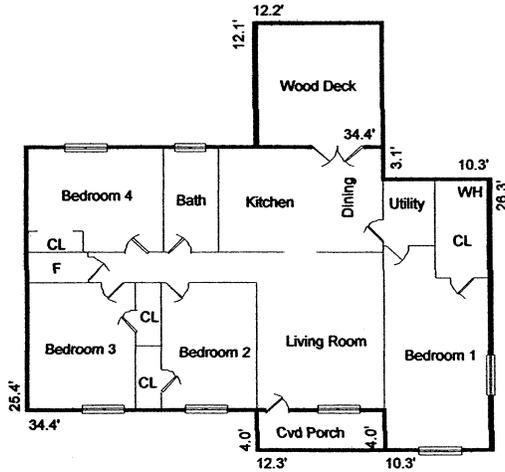
COMPARABLE SALE #6

Sale Date:
Sale Price: \$

FLOORPLAN

Borrower: Sandra Valenzuela
 Property Address: 1400 Paxton Street
 City: Las Cruces
 Lender: City of Las Cruces

126 File No.: 20090301
 Case No.:
 State: NM Zip: 88001

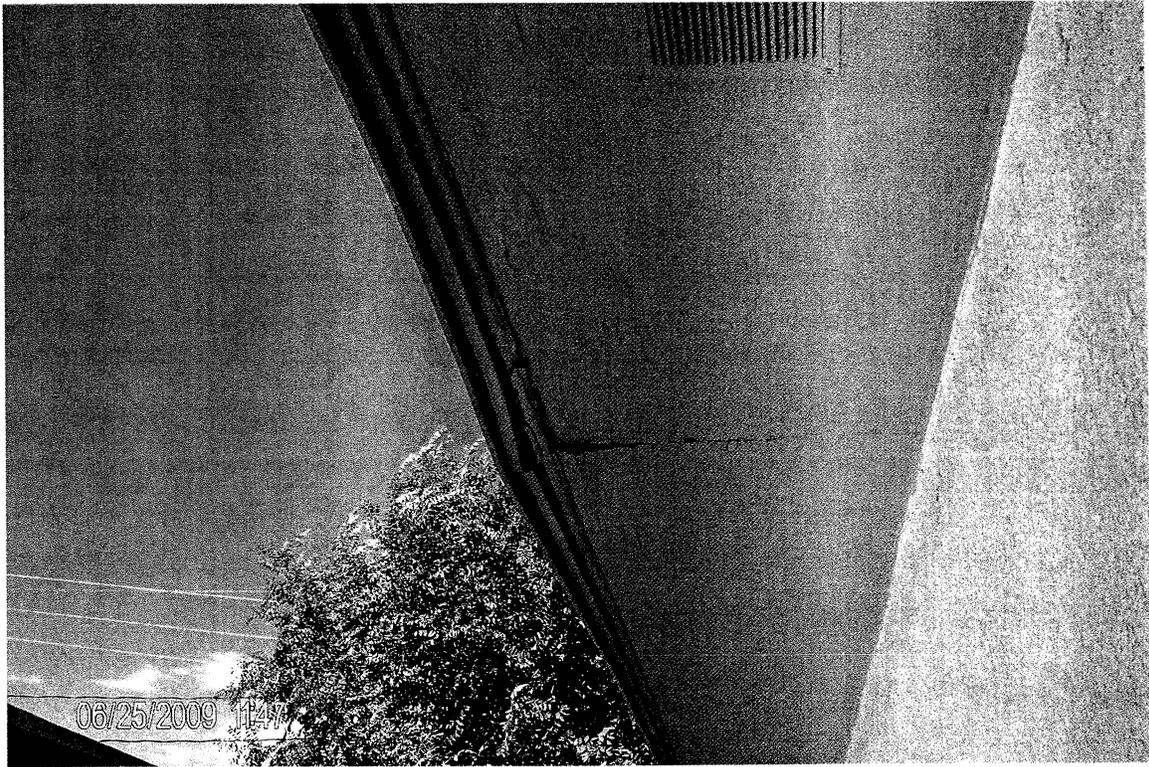


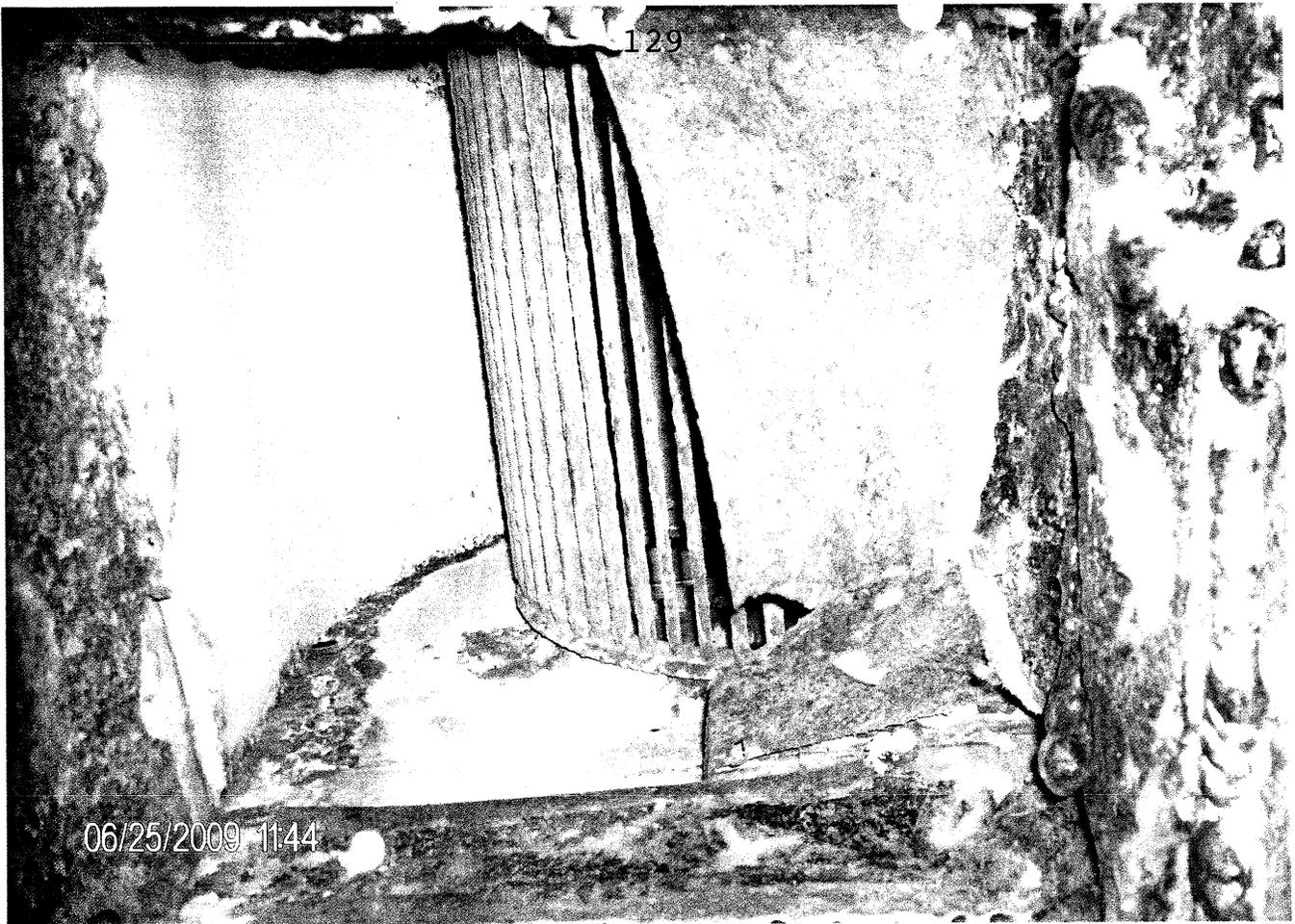
Sketch by Apex IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1144.6	1144.6
P/P	Covered Porch	49.2	
	Wood Deck	147.6	196.8
Net LIVABLE Area		(Rounded)	1145

LIVING AREA BREAKDOWN		
	Breakdown	Subtotals
First Floor		
	10.3 x 26.3	270.9
	25.4 x 34.4	873.8
2 Items	(Rounded)	1145

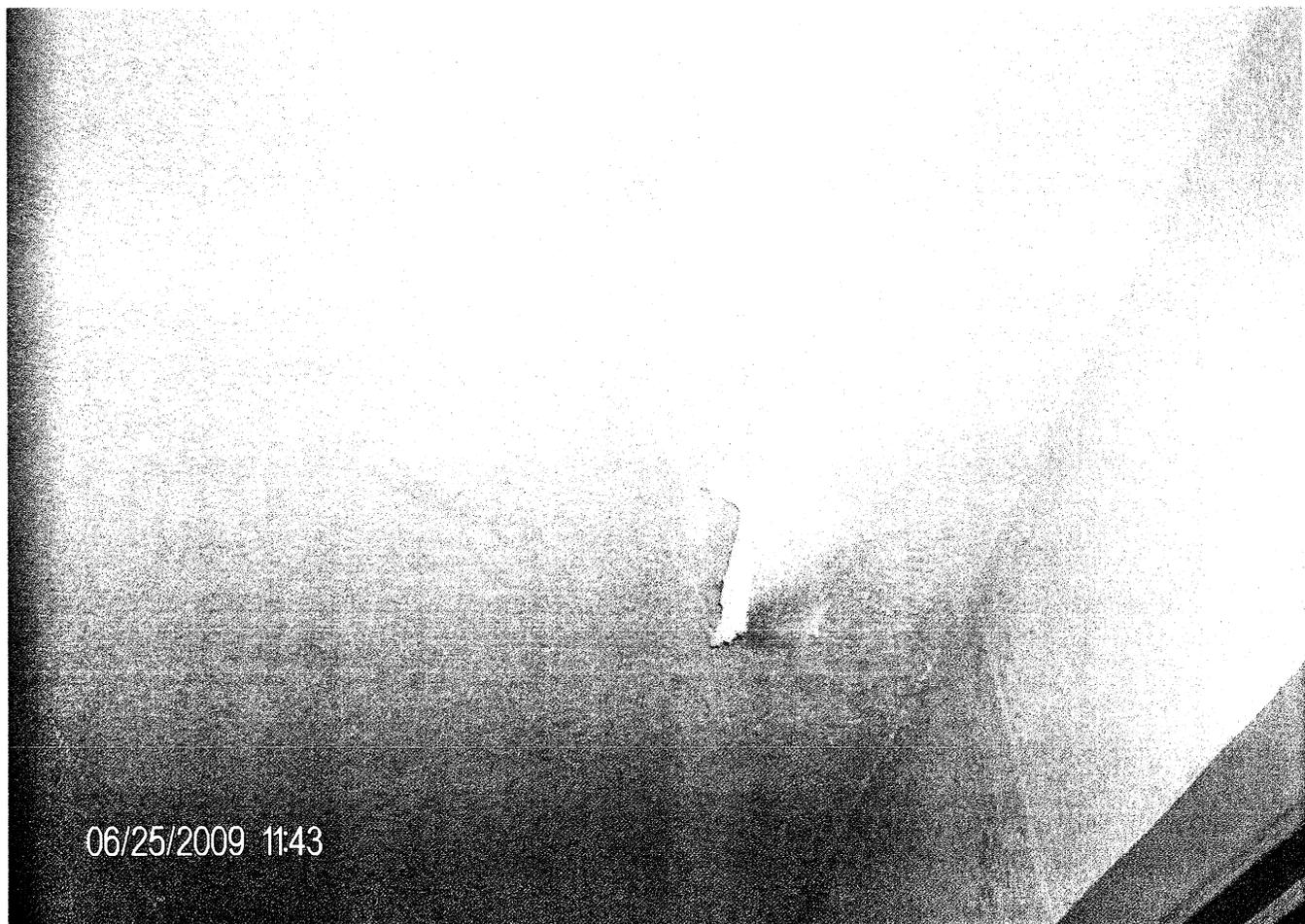




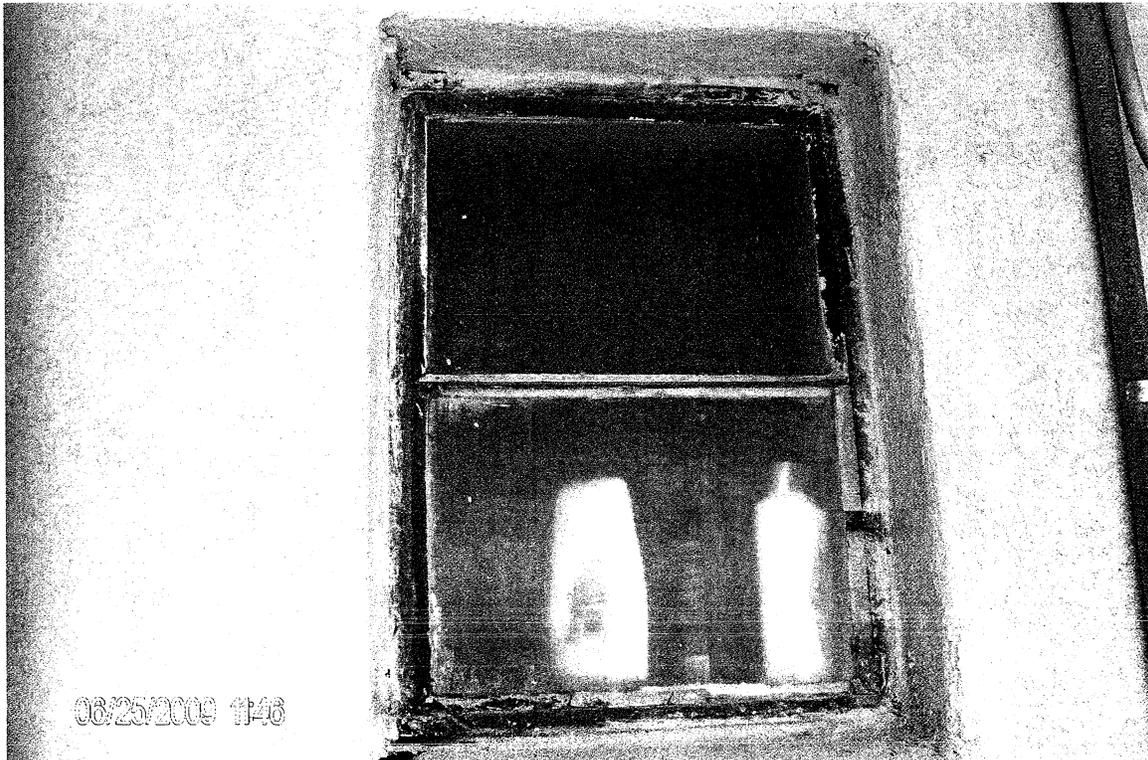
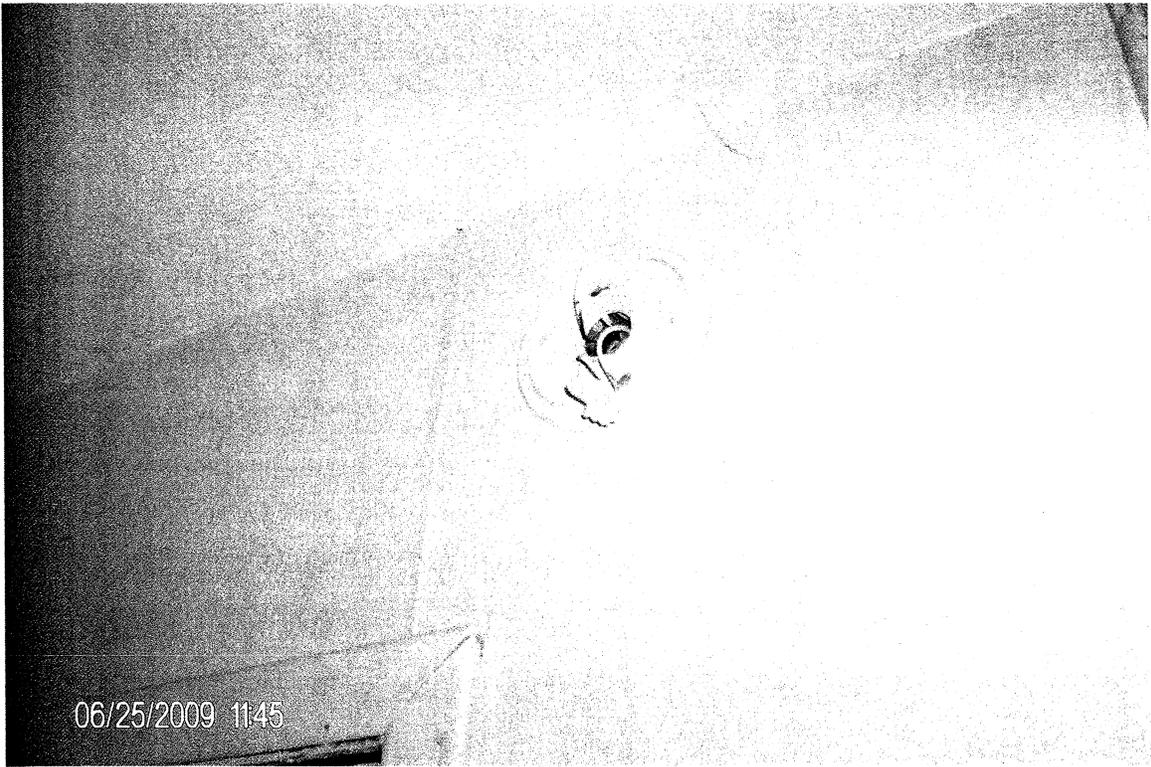


130

06/25/2009 11:43

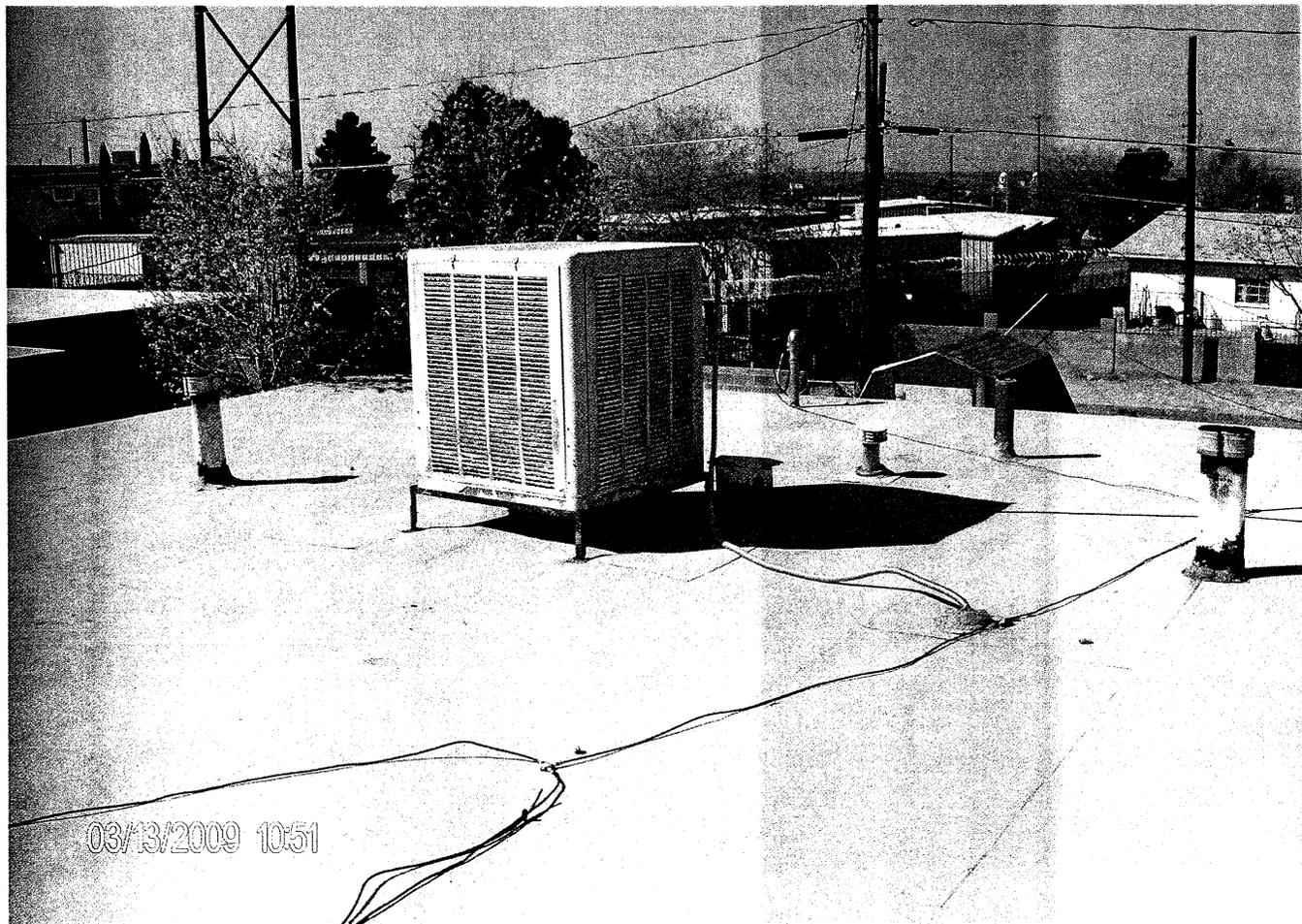


06/25/2009 11:43





06/25/2009 11:43



03/13/2009 10:51