

08/13/2018

Craig Scott  
Scott Family Trust 01-04-00

File Number: 13468js

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

102-081-03-00 Harris Truck Trail  
Fallbrook, CA 92028

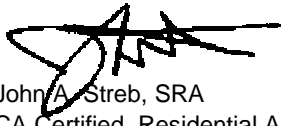
The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of July 18, 2018 is:

**\$155,000**

One Hundred Fifty-Five 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.



John A. Streb, SRA  
CA Certified, Residential Appraiser  
#AR006943

**APPRAISAL OF**



**LOCATED AT:**

102-081-03-00 Harris Truck Trail  
Fallbrook, CA 92028

**FOR:**

Scott Family Trust 01-04-00

**BORROWER:**

Craig Scott

**AS OF:**

July 18, 2018

**BY:**

John A. Streb, SRA  
CA Certified, Residential Appraiser

**J. Streb Appraisals, Inc.**

File No. 13468js

\*\*\*\*\* INVOICE \*\*\*\*\*

File Number: 13468js

08/13/2018

Craig Scott

Borrower : Craig Scott

Invoice # : 13468js  
Order Date : 06/28/2018  
Reference/Case # :  
PO Number :

Gpar Appraisal Report

102-081-03-00 Harris Truck Trail  
Fallbrook, CA 92028

Gpar Appraisal Report	\$	1,000.00
	\$	-----
Invoice Total	\$	1,000.00
State Sales Tax @	\$	0.00
Deposit	(\$	1,000.00 )
Deposit	(\$	)
	-----	
Amount Due	\$	0.00

Terms: Paid in advance, Thank you!

Please Make Check Payable To:

J. Streb Appraisals, Inc.  
P.O. Box 22202  
San Diego, CA 92192

Fed. I.D. #: 82-0750546

THANK YOU FOR YOUR BUSINESS!



# Summary Appraisal Report • Land

Appraisal Company: J. Streb Appraisals, Inc.

Address: PO Box 22202, San Diego, CA 92921

Phone: 619-276-8734

Fax: N/A

Website: jstrebappraisals@aol.com

Appraiser: John A. Streb, SRA

Co-Appraiser:

AI Membership (if any):  SRA  MAI  SRPAAI Membership (if any):  SRA  MAI  SRPAAI Affiliation (if any):  Candidate for Designation  Practicing AffiliateAI Affiliation (if any):  Candidate for Designation  Practicing Affiliate

Other Professional Affiliation: Licensed Realtor, Cal BRE#01003791

Other Professional Affiliation:

E-mail: jstrebappraisals@aol.com

E-mail:

Client: Craig Scott

Contact: Craig Scott

Address:

Phone:

Fax: N/A

E-mail:

## SUBJECT PROPERTY IDENTIFICATION

Address: 102-081-03-00 Harris Truck Trail

City: Fallbrook

County: San Diego

State: CA

Zip: 92028

Legal Description: PM06977 Parcel 3

Tax Parcel #: 321-030-74-00

RE Taxes: 5,094.92

Tax Year: 2017

Use of the Real Estate As of the Date of Value: Vacant, unimproved, raw land

Use of the Real Estate Reflected in the Appraisal: Vacant, unimproved, raw land

Opinion of highest and best use (if required): As improved with an estate residence

## SUBJECT PROPERTY HISTORY

Owner of Record: Scott Family Trust 01-04-00 Scott Roderick J

Description and analysis of sales within 3 years (minimum) prior to effective date of value: The subject has not transferred within the prior three years. Further, there are no prior recorded sales of the subject available to the appraiser, however, a title report has NOT been reviewed or provided to the appraiser.

Description and analysis of agreements of sale (contracts), listings, and options: The subject is currently offered for sale per Sandicor MLS #180041877 for \$250,000. There are no known agreements of sale or options at present.

## RECONCILIATIONS AND CONCLUSIONS

Indication of Value by Sales Comparison Approach

\$ 155,000

Indication of Value by Cost Approach

\$ N/A

Indication of Value by Income Approach

\$ N/A

Final Reconciliation of the Methods and Approaches to Value: All three traditional approaches to value are considered in this analysis. As the subject property is vacant land, only the sales comparison approach is use in this report. Neither the cost or income approach are applicable.

Opinion of Value as of: 07/18/2018

\$ 155,000

Exposure Time: 6-18 months

The above opinion is subject to:  Hypothetical Conditions and/or  Extraordinary Assumptions cited on the following page.

\* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute makes no representations, warranties or guarantees as to, and assumes no responsibility for, the data, analysis or work product provided by the individual appraiser(s) in the specific contents of the AI Reports®.

Client:	Craig Scott	Client File #:	
Subject Property:	102-081-03-00 Harris Truck Trail	Appraisal File #:	13468js

**ASSIGNMENT PARAMETERS**

Intended User(s): Craig Scott, Scott Family Trust and/or assigns

Intended Use: Estimate current market value as of effective appraisal date for the client.

***This report is not intended by the appraiser for any other use or by any other user.***

Type of Value: Current market value as raw land Effective Date of Value: 01/06/2018

Interest Appraised:  Fee Simple  Leasehold  Other:

**Hypothetical Conditions:** (A hypothetical condition is that which is contrary to what exists, but is asserted by the appraiser for the purpose of analysis. Any hypothetical condition may affect the assignment results.) The report is based on the hypothetical condition that property can be readily accessed via a vehicle. As such, all easement roads must be re graded and the current drive gate/security gate, which appear to have been illegally installed must be removed. See attached pictures.

**Extraordinary Assumptions:** (An extraordinary assumption is directly related to a specific assignment and presumes uncertain information to be factual. If found to be false this assumption could alter the appraiser's opinions or conclusions. Any extraordinary assumption may affect the assignment results.) This report is based on the Extraordinary Assumption that the subject can be developed with an estate residence. The report based on the extraordinary assumption that the subject can not be sub divided. Further, as an additional extraordinary assumption, it is assumed the subject can be readily accessed via existing easement roads. See the hypothetical assumption above.

In accordance with Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP), this is a summary appraisal report.

**SCOPE OF WORK**

Definition: The scope of work is the type and extent of research and analysis in an assignment. Scope of work includes the extent to which the property is identified, the extent to which tangible property is inspected, the type and extent of data research, and the type and extent of analysis applied to arrive at credible opinions or conclusions. The specific scope of work for this assignment is identified below and throughout this report.

Scope of Subject Property Inspection / Data Sources Utilized	Approaches to Value Developed
<b>Appraiser:</b> Property Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Date of Inspection: 07/18/2018 Describe Scope of Property Inspection, Source of Area Calculations and Data Sources Consulted: Public Records, CRS Data, Planning Departments, Sandicor MLS and area Realtors	<b>Cost Approach:</b> <input type="checkbox"/> Is necessary for credible results and is developed in this analysis <input checked="" type="checkbox"/> Is not necessary for credible results; not developed in this analysis <input type="checkbox"/> Is not necessary for credible results but is developed in this analysis
<b>Co-Appraiser:</b> Property Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No Date of Inspection: Describe Scope of Property Inspection, Source of Area Calculations and Data Sources Consulted:	<b>Sales Comparison Approach:</b> <input checked="" type="checkbox"/> Is necessary for credible results and is developed in this analysis <input type="checkbox"/> Is not necessary for credible results; not developed in this analysis <input type="checkbox"/> Is not necessary for credible results but is developed in this analysis
	<b>Income Approach:</b> <input type="checkbox"/> Is necessary for credible results and is developed in this analysis <input checked="" type="checkbox"/> Is not necessary for credible results; not developed in this analysis <input type="checkbox"/> Is not necessary for credible results but is developed in this analysis

Additional Scope of Work Comments: See Attached Addendum

Significant Real Property Appraisal Assistance:  None  Disclose Name(s) and contribution:

Client:	Craig Scott	Client File #:	
Subject Property:	102-081-03-00 Harris Truck Trail	Appraisal File #:	13468js

### MARKET AREA ANALYSIS

<b>Location</b> <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	<b>Built Up</b> <input checked="" type="checkbox"/> Under 25% <input type="checkbox"/> 25-75% <input type="checkbox"/> Over 75%	<b>Growth</b> <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	<b>Supply &amp; Demand</b> <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply	<b>Value Trend</b> <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Decreasing	<b>Typical Marketing Time</b> <input type="checkbox"/> Under 3 Months <input type="checkbox"/> 3-6 Months <input checked="" type="checkbox"/> Over 6 Months																																
<b>Neighborhood Single Family Profile</b> <table border="1"> <tr> <td>Price</td> <td>Age</td> </tr> <tr> <td>280</td> <td>Low</td> </tr> <tr> <td>1,600</td> <td>High</td> </tr> <tr> <td>570</td> <td>Predominant</td> </tr> <tr> <td></td> <td>0</td> </tr> <tr> <td></td> <td>75</td> </tr> <tr> <td></td> <td>40</td> </tr> </table>		Price	Age	280	Low	1,600	High	570	Predominant		0		75		40	<b>Neighborhood Land Use</b> <table border="1"> <tr> <td>1 Family</td> <td>55</td> <td>%</td> <td>Commercial</td> <td>5</td> <td>%</td> </tr> <tr> <td>Condo</td> <td>5</td> <td>%</td> <td>Vacant</td> <td>28</td> <td>%</td> </tr> <tr> <td>Multifamily</td> <td>5</td> <td>%</td> <td>Industrial</td> <td>2</td> <td>%</td> </tr> </table>		1 Family	55	%	Commercial	5	%	Condo	5	%	Vacant	28	%	Multifamily	5	%	Industrial	2	%	<b>Neighborhood Name:</b> Fallbrook <hr/> PUD <input type="checkbox"/> Condo <input type="checkbox"/> HOA: \$ _____ / Amenities: _____ <hr/>	
Price	Age																																				
280	Low																																				
1,600	High																																				
570	Predominant																																				
	0																																				
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1 Family	55	%	Commercial	5	%																																
Condo	5	%	Vacant	28	%																																
Multifamily	5	%	Industrial	2	%																																

Market area description and characteristics: Fallbrook is an unincorporated community in northern San Diego County, California. Fallbrook had a population of 30,534 at the 2010 census, up from 29,100 at the 2000 census. Fallbrook's downtown is not on any major highway route. It is 5.5 miles (8.9 km) west of Interstate 15 or 6 miles (9.7 km) north of State Route 76. Fallbrook is situated immediately east of the U.S. Marine Corps' Camp Pendleton. It once housed a stagecoach stop for the stage that ran from Temecula to San Diego. Fallbrook is known for its avocado groves and claims the title "Avocado Capital of the World." It is often called or known as "The Friendly Village." The Avocado Festival is held in the downtown strip annually and frequently draws large crowds. Native evergreen oak trees are common in the Fallbrook area, and in places form continuous woods (e.g. Live Oak Park area). Chaparral brushland is the other common vegetation type in the area. Avocados and Eucalyptus are the most common introduced tree species in the area. Fallbrook has an average year-round temperature of 61 degrees. Due to the prevailing ocean breezes, the humidity is relatively low and constant. The average daytime high in Fallbrook is 76 degrees, although in the summer, temperatures sometimes exceed 90 degrees. Most of the area is frost-free; during the coldest periods the average nighttime temperature is about 42 degrees. Due to its proximity to the ocean, days often start with early morning fog; afternoons can be breezy. Annual rainfall is roughly 10 inches (25 cm) and comes mostly between November and April. Rainfall is higher in the surrounding hills, up to 20 inches (51 cm). The area is ideal for avocados, strawberries, tomatoes and many other sub-tropical fruits, vegetables, and flowers. Many properties are in use as income producing agricultural properties with uses ranging from avocado groves to wineries. There are over sixty wholesale and retail nurseries in the community. The area is composed primarily of single family homes typically situated on sites of over 1/2 acre in size. The area is semi rural in nature but does have a significant downtown commercial center with associated supporting facilities, shopping, professional centers and health care facilities. There were no adverse factors noted or disclosed.

### SITE ANALYSIS

Dimensions: Please see plat map. View: Panoramic Mountain/area Views Drainage: Steep to gentle slope, appears adequate	Area: 19.97 Acres Shape: Irregular, See Plat Utility: Heavily sloped
<b>Site Similarity/Conformity To Neighborhood</b> Size: <input type="checkbox"/> Smaller than Typical <input type="checkbox"/> Typical <input checked="" type="checkbox"/> Larger than Typical View: <input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Typical <input type="checkbox"/> Less than Favorable	<b>Zoning/Deed Restriction</b> Zoning: A70 <input checked="" type="checkbox"/> Legal <input type="checkbox"/> No zoning <input type="checkbox"/> Legal, non-conforming <input type="checkbox"/> Illegal Covenants, Condition & Restrictions: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown Documents Reviewed <input type="checkbox"/> Yes <input type="checkbox"/> No Ground Rent: \$ _____ /
<b>Utilities</b> Electric <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other Observed near site Gas <input type="checkbox"/> Public <input type="checkbox"/> Other Propane available Water <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other Available Sewer <input type="checkbox"/> Public <input type="checkbox"/> Other Septic available	<b>Off Site Improvements</b> Street <input type="checkbox"/> Public <input checked="" type="checkbox"/> Private Dirt/Asphalt Alley <input type="checkbox"/> Public <input type="checkbox"/> Private None Sidewalk <input type="checkbox"/> Public <input type="checkbox"/> Private None Street Lights <input type="checkbox"/> Public <input type="checkbox"/> Private None

Site description and characteristics: No adverse easements, encroachments, environmental conditions or soils conditions were noted or disclosed. The site is a hillside, irregularly shaped, unimproved parcel having panoramic area to mountain, westerly views. There are numerous rock out choppings, several, older dirt road access points and a small seasonal stream area. The site has some oak trees, however, is primarily in dense chaparral brushland. There appears to be electrical service in close proximity to the site, however, there are no known water meters, other improvements or entitlements at this time. Access is restricted to old dirt easement drives with the main access currently blocked by an illegal security gate which appears to have installed to protect a cannabis grow which does not appear to be permitted based on the amount waste and debris surrounding the buildings.

### HIGHEST AND BEST USE ANALYSIS

Present Use  Proposed Use  Other To be as improved with single family residence and/or agricultural use.

Summary of highest and best use analysis: A70 allows for Limited Agriculture. Intended for crop or animal agriculture. Number of animals allowed are specified by neighborhood regulations. Typically, this zoning is believed to allow for the development of a single family residence.

Client:	Craig Scott	Client File #:	
Subject Property:	102-081-03-00 Harris Truck Trail	Appraisal File #:	13468js

**SITE VALUATION**

**Site Valuation Methodology**

- Sales Comparison Approach:** A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available.
- Market Extraction:** A method of estimating land value in which the depreciated cost of the improvements on the improved property is estimated and deducted from the total sale price to arrive at an estimated sale price for the land; most effective when the improvements contribute little to the total sale price of the property.
- Alternative Method:** (Describe methodology and rationale)

**Site Valuation**

ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3	
Address	102-081-03-00 Harris Truck Trail Fallbrook, CA 92028	39848 Jones Road Fallbrook, CA 92028		102-381-02-00 Aspen Road Fallbrook, CA 92028		101-290-11-00 Daily Road Fallbrook, CA 92028	
Proximity to Subject		2.61 miles NW		5.04 miles NE		1.90 miles NW	
Data Source/ Verification		MLS/CRS Data/Agent Document #0095173		MLS/CRS Data/Agent Document #0502890		MLS/CRS Data/Agent Document #0281836	
Sales Price			\$415,000		\$153,000		\$145,000
Price / Acres	\$0.00		\$17,629.57		\$13,315.93		\$11,807.82
Sale Date		03/28/2018		08/15/2017		06/22/2017	
Location	Fallbrook	Fallbrook		Fallbrook		Fallbrook	
Site Size	19.97 Acres	23.54 Acres		11.49 Acres		12.28 Acres	
Site View	Pano Mntn/Area	Pano Mntn/Area		Pano Mntn/Area		Limited Mntn/Area	
Site Improvements	No Improvements	No Improvements		No Improvements		No Improvements	
Development Potential	SFR and/or Ag Use	Estate SFR		Estate SFR		Estate SFR	
Entitlements	None	Approved Plans		None		None	
Topography	Raw Lnd/Stp Slope	Two Finished Pads		Old Pad/Slope		Raw Lnd/Stp Slope	
Utilities	Electric Near Site	Septic/H20Mtr/Ele		H20 at St/Ele Near		H20 at St/Ele Near	
Access/Sewer	Dirt Easement Rds	Paved Road		Paved Road		Paved Road	
Net Adjustment		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	
Indicated Value		Net Adj. -52.5 % Gross Adj. 52.5 %		Net Adj. -11.5 % Gross Adj. 66.9 %		Net Adj. 5.5 % Gross Adj. 81.4 %	
Prior Transfer History	No Prior Sales History	03/01/2007 \$325,000		08/14/2017 \$153,000		No recent prior sales Recorded.	

Site Valuation Comments: All six comparable sales are closed and confirmed. All sales have high net and gross adjustments due to the lack of site improvements to the subject property. Despite this factor these are considered as the best value indicators currently available for the subject property. Sale #2, #3 and #5 were given the most weight having the least net and gross adjustments while also having the least improvements.

Site Valuation Reconciliation: Site valuation indicators are as follows:  
 Median adjusted site value: \$155,400  
 Average adjusted site value: \$162,800  
 Valuation via weighted sales: \$155,000

Valuation via plotted site of \$0.31 p/sf or \$269,666 appears skewed high and is given the least weight. The three site value indicators above are given primary consideration.

**Opinion of Site Value** **\$ 155,000**

Client:	Craig Scott	Client File #:	
Subject Property:	102-081-03-00 Harris Truck Trail	Appraisal File #:	13468js

**SITE VALUATION**

ITEM	SUBJECT	COMPARISON 4		COMPARISON 5		COMPARISON 6	
Address	102-081-03-00 Harris Truck Trail Fallbrook, CA 92028	39501 Daily Road Fallbrook, CA 92028		110-280-01-00 Rainbow Drive Fallbrook, CA 92028		2694 Doville Ranch Road Fallbrook, CA 92028	
Proximity to Subject		2.46 miles NW		8.25 miles SE		2.57 miles NE	
Data Source/ Verification		MLS/CRS/Agent Document #0270334		MLS/CRS/Agent Document #0203871		MLS/CRS/Agent Document #0388703	
Sales Price			\$215,000		\$190,000		\$250,000
Price / Acres	\$0.00		\$13,337.47		\$14,168.53		\$18,601.19
Sale Date		03/14/2016		05/05/2017		08/24/2017	
Location	Fallbrook	Fallbrook		Fallbrook		Fallbrook	
Site Size	19.97 Acres	16.12 Acres 19,300		13.41 Acres 32,800		13.44 Acres 32,700	
Site View	Pano Mntn/Area	Surrounding Hills 21,500		Pano Mntn/Area		Pano Mntn/Area	
Site Improvements	No Improvements	No Improvements		Large Avo Grove -25,000		6 Acre Avo Grv -25,000	
Development Potential	SFR and/or Ag Use	SFR and/or Ag Use		SFR and/or Ag Use		SFR and/or Ag Use	
Entitlements	None	None		None		Septic Pln/H2O Tnk -35,000	
Topography	Raw Lnd/Stp Slope	Lg Level Pad -25,000		Rolling to steep -10,000		Old Pad/Stp/Grv -10,000	
Utilities	Electric Near Site	H2OMeter/Irrgation -30,000		H2OMeter/Irrgation -30,000		H2OMeter/Irrgation -30,000	
Access/Sewer	Dirt Easement Rds	Paved Road -50,000		Dirt Roads		Dirt Roads	
Net Adjustment		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$64,200		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$32,200		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$67,300	
Indicated Value		Net Adj. -29.9 % Gross Adj. 67.8 % \$150,800		Net Adj. -16.9 % Gross Adj. 51.5 % \$157,800		Net Adj. -26.9 % Gross Adj. 53.1 % \$182,700	
Prior Transfer History	No Prior Sales History	No recent prior sales Recorded.		No recent prior sales Recorded.		12/20/2004 \$235,000	

Site Valuation Comments: Please refer to the main body of the report and the attached addendum.

ITEM	SUBJECT	COMPARISON 7		COMPARISON 8		COMPARISON 9	
Address	102-081-03-00 Harris Truck Trail Fallbrook, CA 92028						
Proximity to Subject							
Data Source/ Verification							
Sales Price							
Price / Acres	\$0.00			\$0.00		\$0.00	
Sale Date							
Location	Fallbrook						
Site Size	19.97 Acres						
Site View	Pano Mntn/Area						
Site Improvements	No Improvements						
Development Potential	SFR and/or Ag Use						
Entitlements	None						
Topography	Raw Lnd/Stp Slope						
Utilities	Electric Near Site						
Access/Sewer	Dirt Easement Rds						
Net Adjustment		<input type="checkbox"/> + <input type="checkbox"/> - \$0		<input type="checkbox"/> + <input type="checkbox"/> - \$0		<input type="checkbox"/> + <input type="checkbox"/> - \$0	
Indicated Value		Net Adj. 0.0 % Gross Adj. 0.0 % \$0		Net Adj. 0.0 % Gross Adj. 0.0 % \$0		Net Adj. 0.0 % Gross Adj. 0.0 % \$0	
Prior Transfer History	No Prior Sales History						

Site Valuation Comments:



## ADDENDUM

Borrower: Craig Scott

File No.: 13468js

Property Address: 102-081-03-00 Harris Truck Trail

Case No.:

City: Fallbrook

State: CA

Zip: 92028

Lender: Craig Scott

### SCOPE OF THE APPRAISAL

The appraisal process used in this appraisal included: a physical inspection of the subject (interior and exterior); data collection and analyses regarding the property, the market, comparative data, and highest and best use; analyses of the sales comparison approach (including exterior inspections of the comparables) and the cost approach; and a reconciliation of the above approaches.

#### Purpose and Use of the Appraisal:

The purpose of this appraisal is to estimate the market value of the subject property, as of the date of the appraisal. It was not prepared as a negotiating or marketing tool. The appraisal is intended only for use by the client and (if appropriate) the mortgagee, or its successors and assigns, and mortgage insurers for lending and/or other financial purposes. The client is the person/firm that ordered the appraisal.

Please be advised that it is not appropriate to use this appraisal for any purpose/use other than the one for which it was intended (as identified above), as doing so may invalidate its conclusions.

#### Data Sources:

Various sources were used for this report including, but not limited to: multiple listing service, First American Data, Realist.com, assessor's web sites, cost estimation services, Thomas Brothers maps, newspapers, realtors, planning/zoning departments, appraiser files, and the Chamber of Commerce.

The appraiser has NOT completed any prior appraisal services involving the subject property within the previous three years. The appraiser has no prior or anticipated interest in the subject property.

#### Additional Scope of Work Comments

Historical information:

#### Site Valuation Comments:

The sales used in this report are the result of an extensive market search that included all of the 92028 zip code. The sales presented include a wide variety of raw land, partially improved sites and sites in use for agricultural production. In this report a range of value indicators are addressed. The comparables presented in the sales comparison are also included in the land sales chart and unadjusted, plotted land value chart presented as addendums #3 and #4. Adjustments to the comparables are derived and applied via the following methodology:

-The sales presented are all from the 92028 zip code and all but sale #1 occurred prior to the effective appraisal date. If it appears market appreciation is a factor it will be addressed in the narrative below concerning each individual sale.

-Locational differences are applied based on paired sales as noted all sales are from the 92028 zip code. As such, adjustment are based on access and proximity to supporting facilities.

-Gross site area and potential upside development potential are offset on the site size line being adjusted at approximately \$5,000 per acre based on both paired sales and the plotted site value chart. Which reflects diminishing returns.

*"In economics, diminishing returns is the decrease in the marginal (incremental) output of a production process as the amount of a single factor of production is incrementally increased, while the amounts of all other factors of production stay constant.*

*The law of diminishing returns states that in all productive processes, adding more of one factor of production, while holding all others constant ("ceteris paribus"), will at some point yield lower incremental per-unit returns.[1] The law of diminishing returns does not imply that adding more of a factor will decrease the total production, a condition known as negative returns, though in fact this is common."*

-Views are also offset by adjustments determined via paired sales these adjustments are applied at 1% to 10% of the unadjusted sales price of each sale.

-As noted, all sales are either vacant, raw land, partially improved properties or agricultural use properties. No properties

## ADDENDUM

Borrower: Craig Scott

File No.: 13468js

Property Address: 102-081-03-00 Harris Truck Trail

Case No.:

City: Fallbrook

State: CA

Zip: 92028

Lender: Craig Scott

having significant structural improvements were used in the report. However, existing agricultural improvements are adjusted for on the improvements line.

-Given the abundant of vacant land and partially improved lots, no value or consideration was given sub division potential in this report. No sales were considered that had entitlements relating to potential sub division were used in the report. The most similarly sized sites were used in the report.

-Approved building plans were adjusted at lump sum rates based on agent estimated costs and paired sales.

-Water meters and septic systems were adjusted at known approximate cost or \$25,000 per.

-Existing utilities, access to paved roads and existing septic or sewer connections were considered on the final two lines of the grid. The adjustments are based on estimated costs known to the appraiser and paired sales. Direct access via a paved road was adjusted at a lump sum of \$50,000 based paired sales.

**Sale #1** is a sale having closed after the effective appraisal date that was listed on 09/28/2017 and was in escrow as of 01/08/2018 very close to the effective appraisal date. The site came with approved, architectural plans for a 5,000 sq ft custom residence, a new septic system, full electrical hook ups and a water meter were installed. The site also has two older, but fully graded pads. The site brackets the subject in gross lot size and has similar views. The property is directly accessed via a paved road. Per agent, the seller had spent \$120,000 on the improvements noted which do not include the paved road access.

Original listed price: \$420,000, sold in 103 days for \$415,000. Listing agent: Joshua Otten @ 858-717-6619

**Sale #2** is a far smaller lot with generally equal views. The road has an old pad graded numerous years ago that appears to be now overgrown. There is water at the street but no meter noted or any other significant improvements. Access is via a paved street. This property transferred twice on the same day to different buyers.

Original listed price: \$206,000, reduced to \$165,000, sold in 349 days for \$153,000. Listing agent: Terri Parker @ 951-377-4111

**Sale #3** is smaller, unimproved site with a water line at the street. The site appears to have much more limited views (10%) but does have direct paved road access. The listing agent noted that the buyer paid \$10,000 in sellers costs.

Original listed price: \$195,000, reduced to \$190,000, sold in 445 days for \$145,000. Paul Cauthen listing agent @ 760-717-5264.

**Sale #4** is a smaller lot having a large, roughed pad with more usable level areas. The views are primarily of surrounding hills (10%), access appears to be from paved roads. The site has a water meter installed and irrigation system. The property was recently sold again at \$260,000 on 05/25/2018.

Original listed price: \$249,000, reduced to \$229,000, sold in 105 days for \$215,000. Jeff Alan listing agent @ 760-515-7653

**Sale #5** is a smaller lot being improved with a large avocado grove, water meter and irrigation. The site has lower elevation rolling terrain to a steep avocado grove which has a hilltop, potential location for an SFR which would have panoramic views. The site is accessed via dirt roads based on aerial pictures.

Listed price: \$250,000, sold in 190 days for \$190,000. Rod Hughes @ 760-521-7678

Sale #6 is a smaller, largely hillside site improved with a 6 acre avocado grove, irrigation and a water meter. Access is via dirt roads only. There are panoramic views from an elevated, old pad area and an approved septic system for a three bedroom home. The site also has a large, newer water storage tank with an estimated cost of \$25,000.

Listed price: \$275,000, sold in 190 days for \$250,000. Ralph Foster @ 760-802-4272

See the main body of the report for site valuation reconciliation.

## ADDENDUM

Borrower: Craig Scott

File No.: 13468js

Property Address: 102-081-03-00 Harris Truck Trail

Case No.:

City: Fallbrook

State: CA

Zip: 92028

Lender: Craig Scott

### Extra Comments

This appraisal report is intended to be a self-contained document including all information necessary to enable the reader to understand the appraiser's opinion. Any third party studies, reports, letters of opinion referred to, such as pest control, home inspection and appliances, heating and cooling systems, hazardous materials or waste, electro-magnetic emissions, mechanical, electrical, plumbing, geological, structural, building and planning/zoning compliance are deemed reliable. However, no warranty is made as to the accuracy of the third party report, study, opinion or the competency of the author. The appraiser is not a home or environmental inspector. The appraiser provides an opinion of value and a description of the property. The appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. Mold may be present in areas the appraiser cannot see. A professional home inspection or environmental inspection is recommended if client desires more detail in these areas. This appraisal is NOT an inspection report and should not be relied upon to report the condition of the property being appraised.

#### Additional Certifications:

##### a. Appraiser Competency:

The appraiser has the appropriate knowledge and experience required to complete the assignment competently.

##### b. Appraisal Standards:

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and the report has been prepared, in conformity with the requirements of the code of professional ethics and the uniform standards of professional appraisal practice of the appraisal institute / appraisal foundation.

I certify that the use of this appraisal report is subject to the requirements of the appraisal institute relating to review by its duly authorized representatives.



**Addendum #2: Plotted, Unadjusted Site Value**

Borrower: Craig Scott

File No.: 13468js

Property Address: 102-081-03-00 Harris Truck Trail

Case No.:

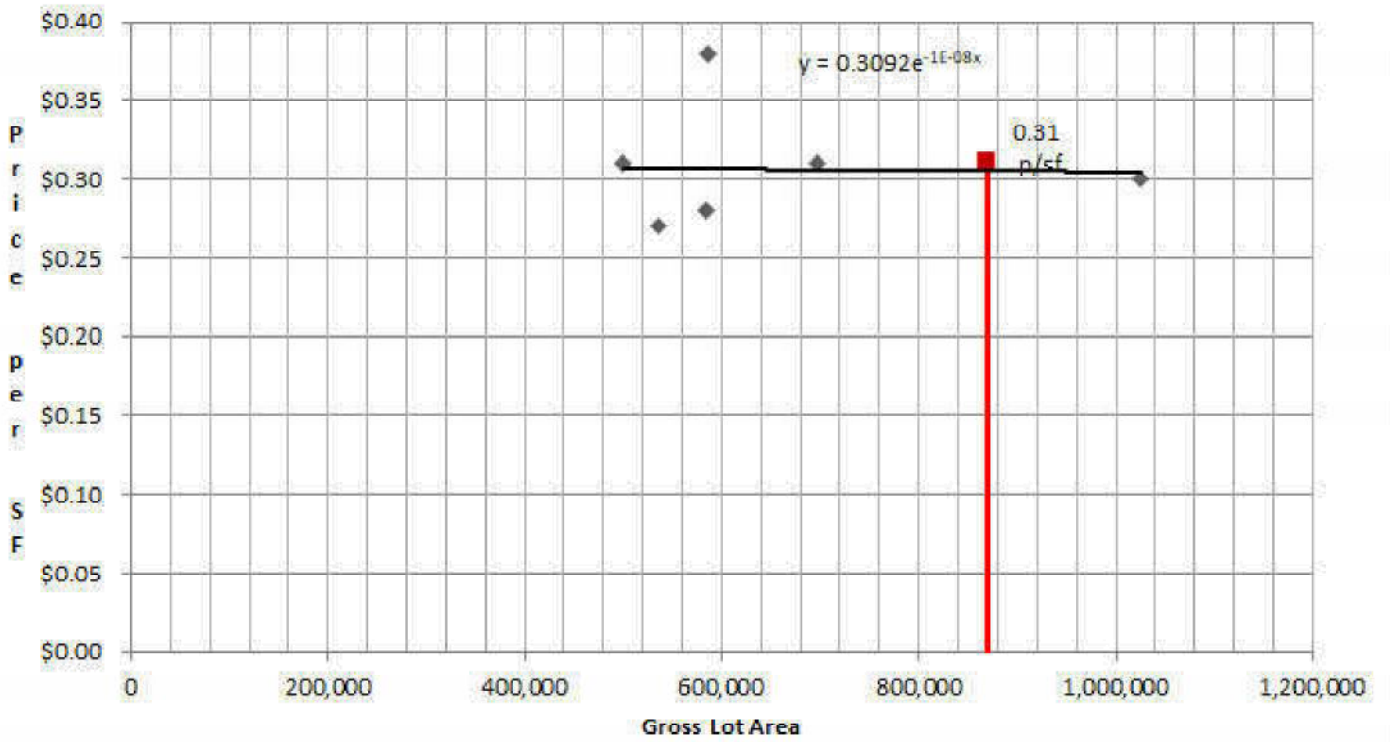
City: Fallbrook

State: CA

Zip: 92028

Lender: Craig Scott

**Harris Truck Trail; Plotted Site Value**



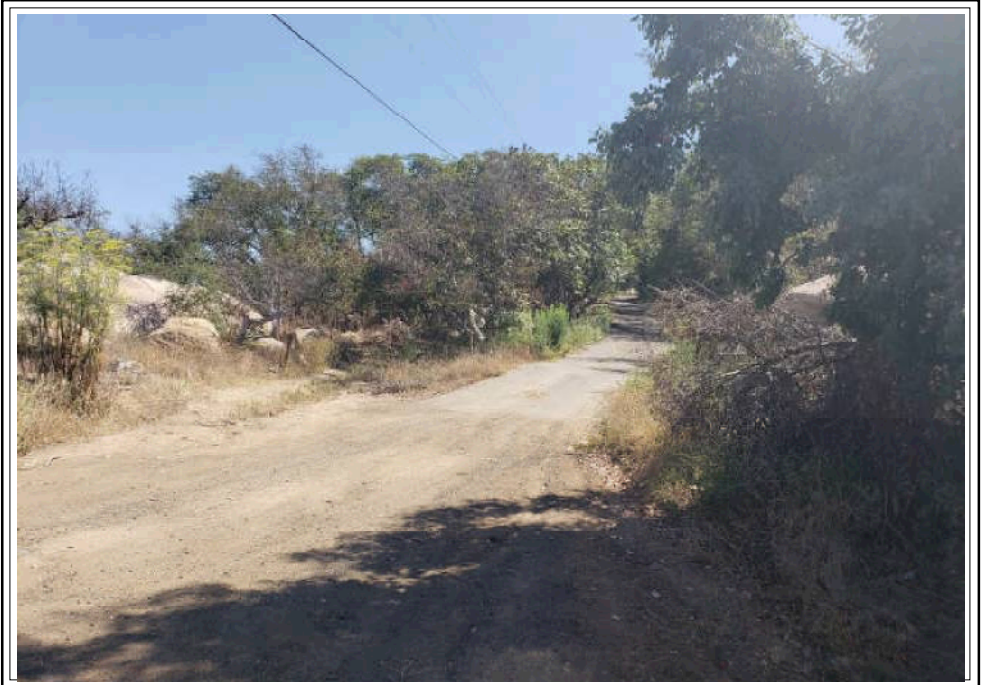
SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Craig Scott	File No.: 13468js	
Property Address: 102-081-03-00 Harris Truck Trail	Case No.:	
City: Fallbrook	State: CA	Zip: 92028
Lender: Craig Scott		

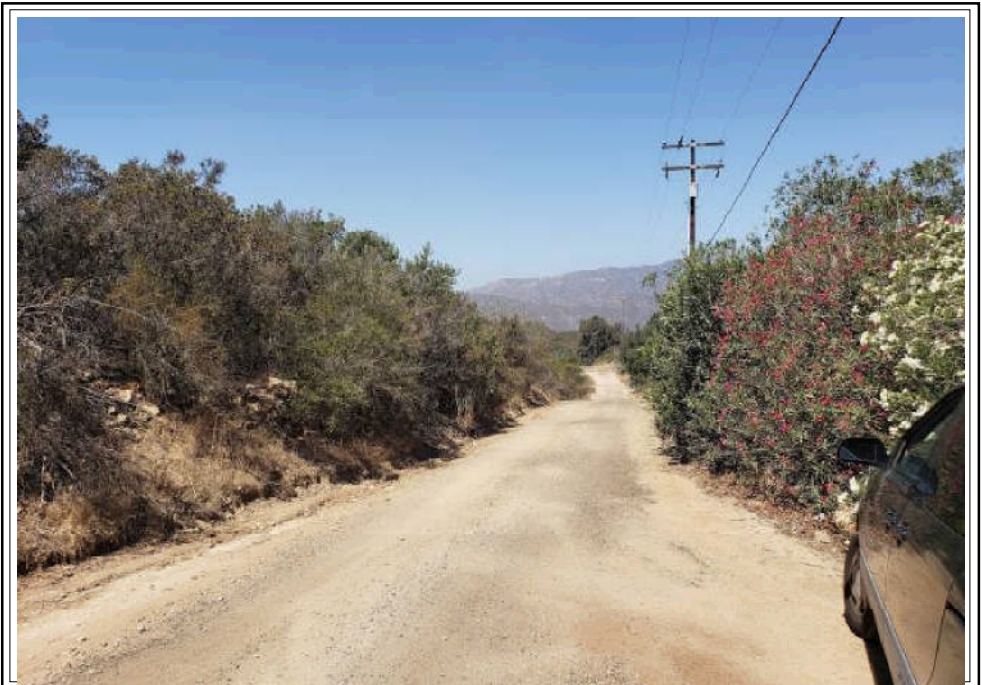


**FRONT VIEW OF  
SUBJECT PROPERTY**

Appraised Date: July 18, 2018  
Appraised Value: \$ 155,000



**STREET SCENE**



**STREET SCENE**



Easement road to subject



Easement road from bottom



Security fencing currently blocking access to the subject  
 Note: As a hypothetical assumption this gate must be removed



Partial subject site



Old graded turn around



Usable portion of site

Borrower: Craig Scott  
Property Address: 102-081-03-00 Harris Truck Trail  
City: Fallbrook  
Lender: Craig Scott

File No.: 13468js  
Case No.:  
State: CA Zip: 92028



Partial subject lot to views



Partial subject lot to views



Views and subject lot



Views and subject lot



Views from site high point



Looking up from lower area





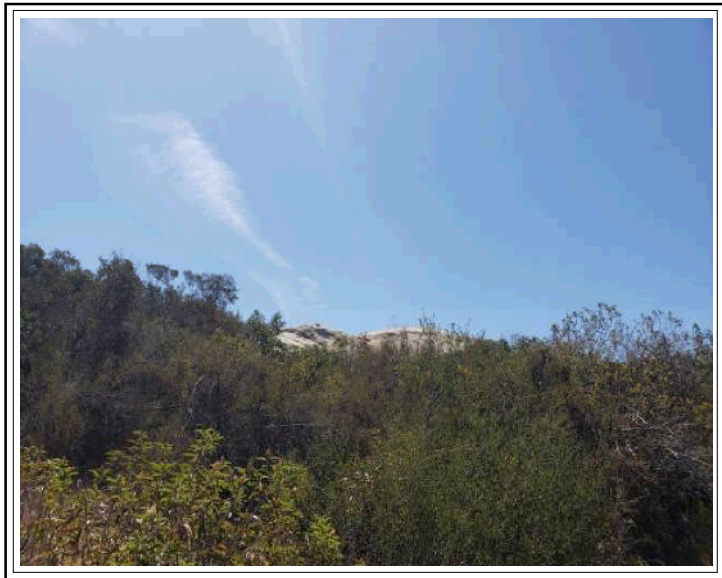
Partial subject lot



Partial subject lot



Partial subject lot



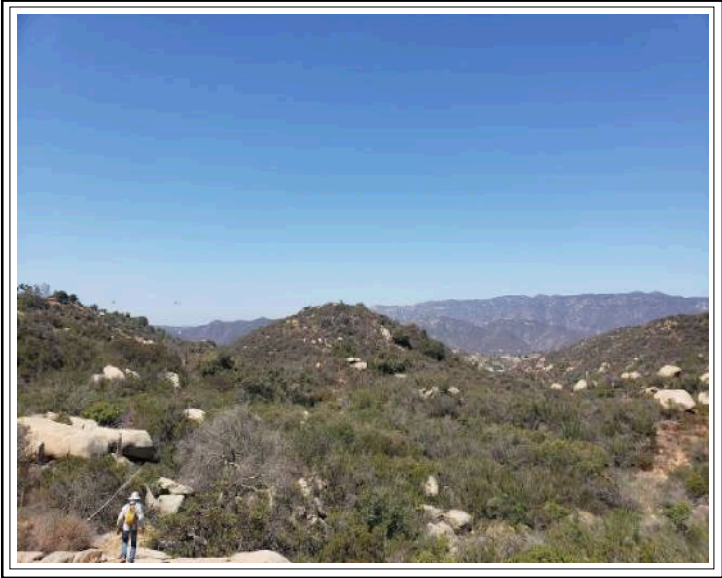
Sunset rock



Partial site view



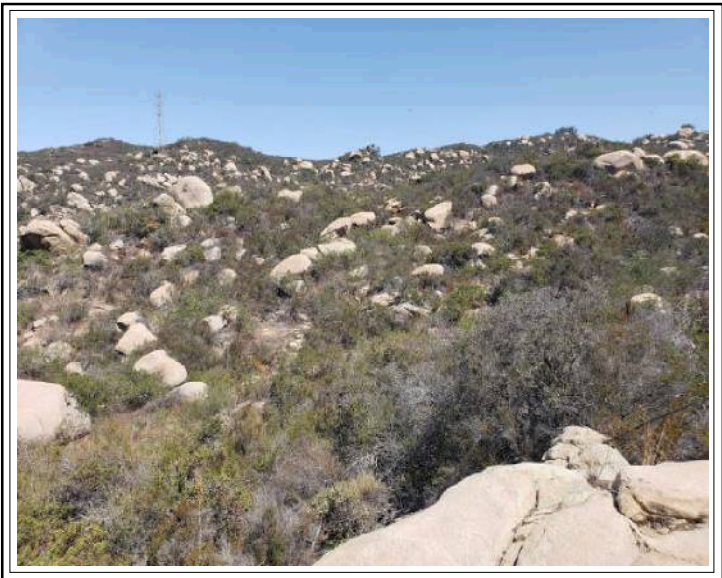
Partial site view



Views



Views



Partial site



Seasonal stream on site



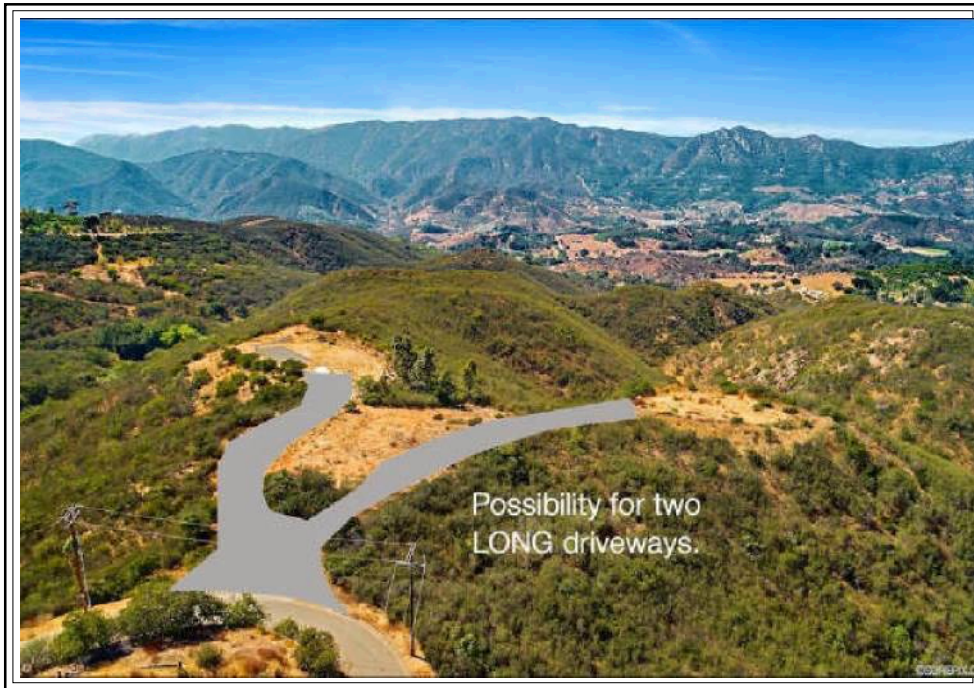
Old drive easement



Cannabis grow facility adjacent to subject lot

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Craig Scott	File No.: 13468js	
Property Address: 102-081-03-00 Harris Truck Trail	Case No.:	
City: Fallbrook	State: CA	Zip: 92028
Lender: Craig Scott		



COMPARABLE SALE #1

39848 Jones Road  
Fallbrook, CA 92028  
Sale Date: C;1/18-S;3/18  
Sale Price: \$ 415,000



COMPARABLE SALE #2

102-381-02-00 Aspen Road  
Fallbrook, CA 92028  
Sale Date: C;6/17-S;8/17  
Sale Price: \$ 153,700

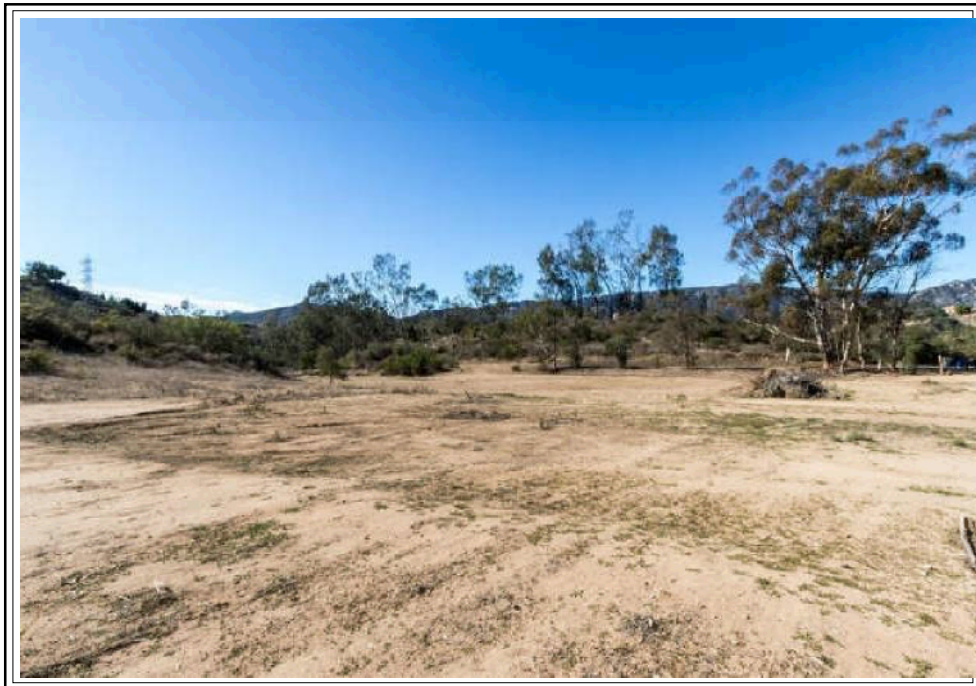


COMPARABLE SALE #3

101-290-11-00 Daily Road  
Fallbrook, CA 92028  
Sale Date: C;5/17-S;6/17  
Sale Price: \$ 145,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Craig Scott	File No.: 13468js	
Property Address: 102-081-03-00 Harris Truck Trail	Case No.:	
City: Fallbrook	State: CA	Zip: 92028
Lender: Craig Scott		



COMPARABLE SALE #4

39501 Daily Road  
Fallbrook, CA 92028  
Sale Date: C;06/17-S;06/17  
Sale Price: \$ 215,000



COMPARABLE SALE #5

0 Marker Rd  
Poway, CA 92064  
Sale Date: C;01/17-S;03/17  
Sale Price: \$ 390,000



COMPARABLE SALE #6

2694 Doville Ranch Road  
Fallbrook, CA 92028  
Sale Date: C;7/17-S;08/17  
Sale Price: \$ 250,000



AERIAL MAP

Borrower: Craig Scott

File No.: 13468js

Property Address: 102-081-03-00 Harris Truck Trail

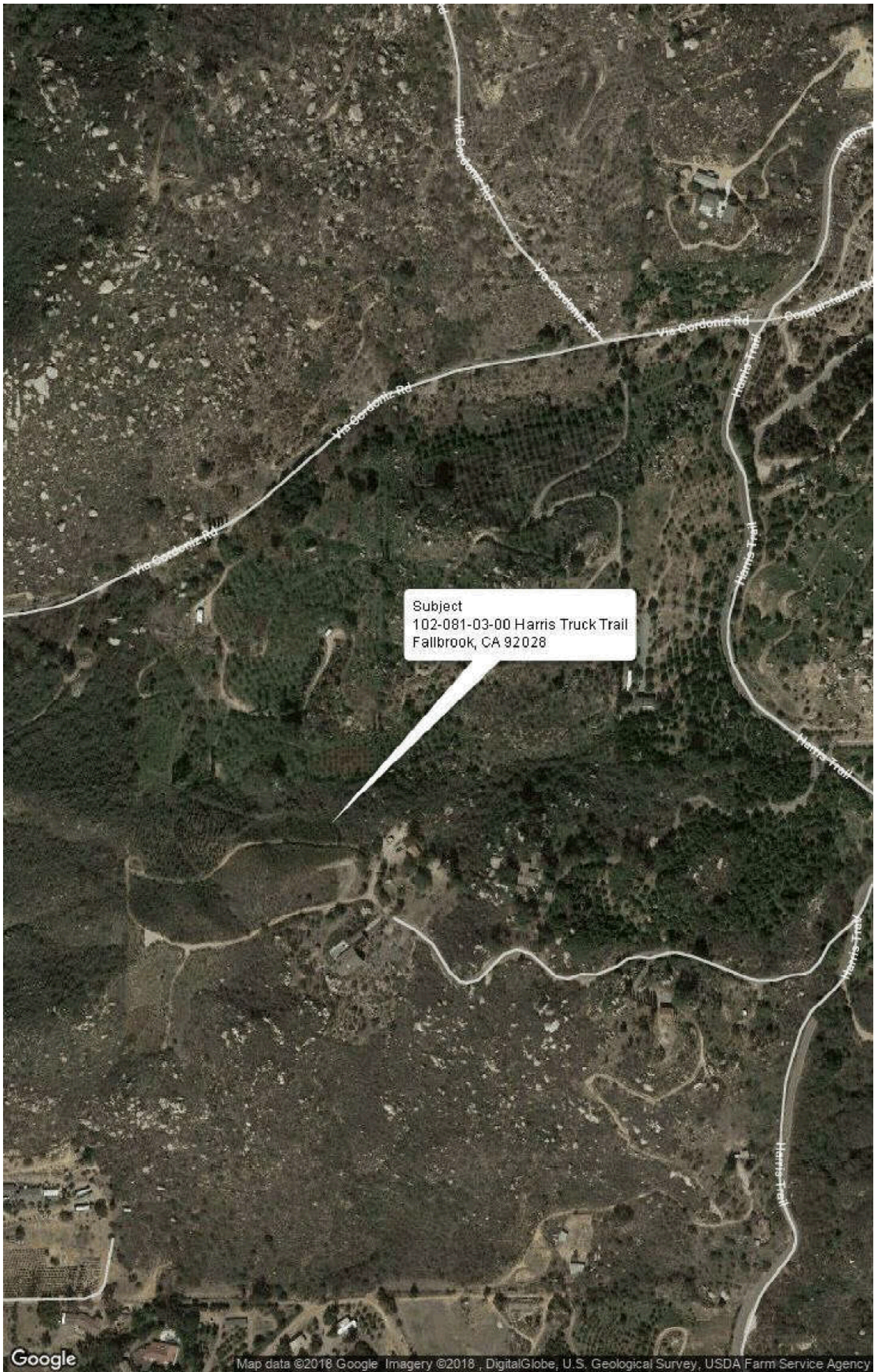
Case No.:

City: Fallbrook

State: CA

Zip: 92028

Lender: Craig Scott



Google

Map data ©2018 Google Imagery ©2018, DigitalGlobe, U.S. Geological Survey, USDA Farm Service Agency

LOCATION MAP

Borrower: Craig Scott

File No.: 13468js

Property Address: 102-081-03-00 Harris Truck Trail

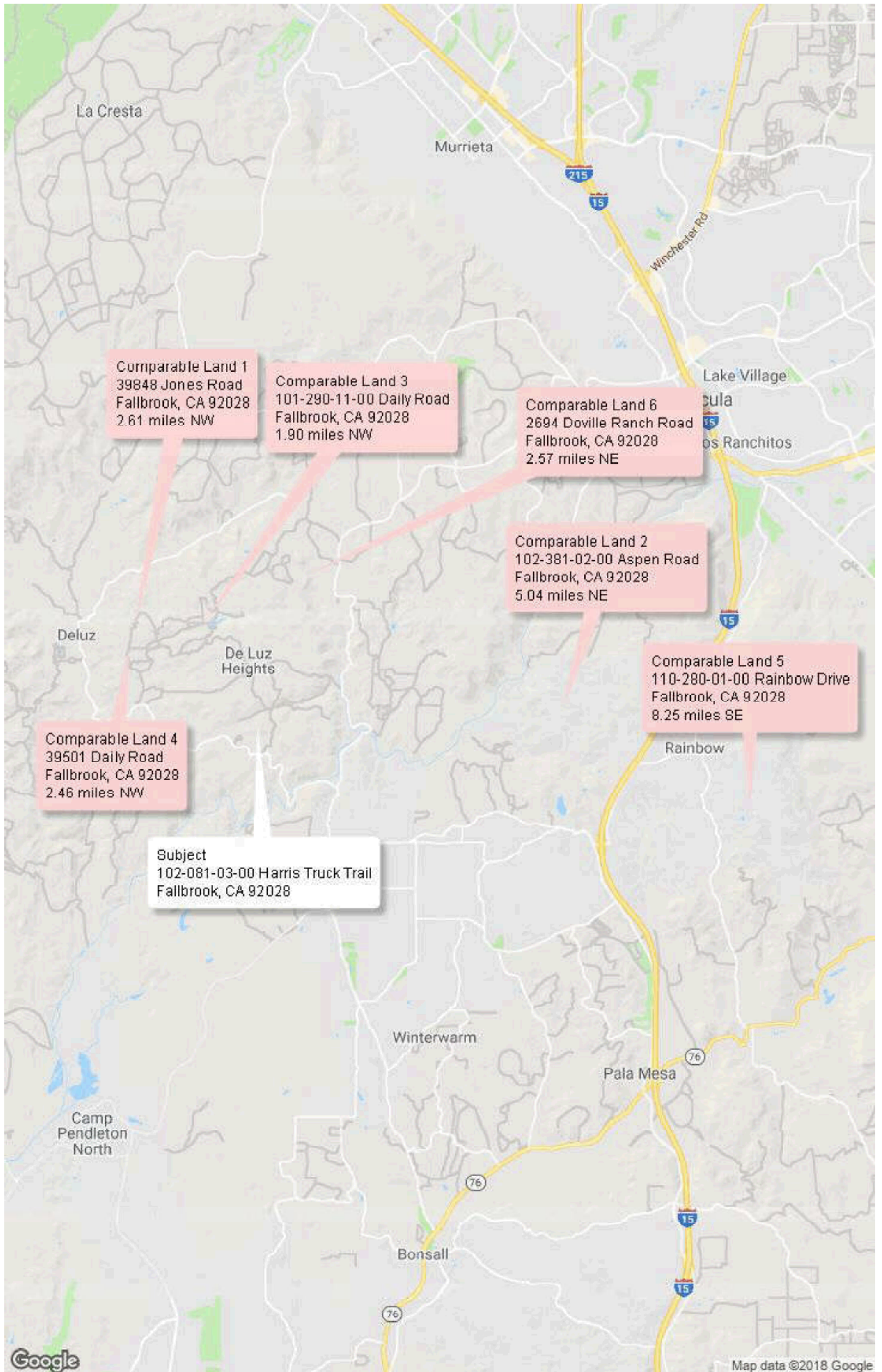
Case No.:

City: Fallbrook

State: CA

Zip: 92028

Lender: Craig Scott



Client:	Craig Scott	Client File #:	
Subject Property:	102-081-03-00 Harris Truck Trail	Appraisal File #:	13468js

## STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have 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 have assumed that there are no such conditions and make no guarantees or warranties, express or implied. I 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 I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraisers written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains \_\_\_\_\_ pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

## VALUE DEFINITION

**Market Value Definition (below)**       **Alternate Value Definition (attached)**

MARKET VALUE is defined as 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 and 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 acting in what they consider their own best interests;
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.

Source: *The Dictionary of Real Estate Appraisal*, 4th ed., Appraisal Institute

\* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).



Client:	Craig Scott	Client File #:	
Subject Property:	102-081-03-00 Harris Truck Trail	Appraisal File #:	13468js

### APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the use of this appraisal.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

None       Name(s)

As previously identified in the Scope of Work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

Property Inspected by Appraiser       Yes       No  
Property Inspected by Co-Appraiser       Yes       No

### ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS

#### Appraisal Institute Member Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

#### Designated Appraisal Institute Member Certify:

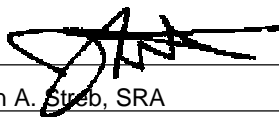
- As of the date of this report, I  have /  have not completed the continuing education program of the Appraisal Institute.

#### Designated Appraisal Institute Member Certify:

- As of the date of this report, I  have /  have not completed the continuing education program of the Appraisal Institute.

#### APPRAISER:

Signature



Name John A. Streb, SRA Report Date 08/09/2018

Trainee    Licensed    Certified Residential    Certified General

License # AR006943 State CA

Expiration Date 07/29/2020

#### CO-APPRAISER:

Signature \_\_\_\_\_

Name \_\_\_\_\_ Report Date \_\_\_\_\_

Trainee    Licensed    Certified Residential    Certified General

License # \_\_\_\_\_ State \_\_\_\_\_

Expiration Date \_\_\_\_\_

\* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

Borrower: Craig Scott

File No.: 13468js

Property Address: 102-081-03-00 Harris Truck Trail

Case No.:

City: Fallbrook

State: CA

Zip: 92028

Lender: Craig Scott



Business, Consumer Services & Housing Agency  
BUREAU OF REAL ESTATE APPRAISERS  
REAL ESTATE APPRAISER LICENSE

**John A. Streb**

has successfully met the requirements for a license as a residential real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified Residential Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER:

AR 006943

Effective Date:

July 30, 2018

Date Expires:

July 29, 2020

3041560

*David S. Martin*  
Jim Martin, Bureau Chief, BREA

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

Borrower: Craig Scott	File No.: 13468js
Property Address: 102-081-03-00 Harris Truck Trail	Case No.:
City: Fallbrook	State: CA Zip: 92028
Lender: Craig Scott	



**John A. Streb, SRA**

Residential Appraiser

## Resume of Qualifications/ Curriculum Vitae Of John A. Streb, SRA

Following is a list of my experience for your files:

- \*SRA Designated Member of the Appraisal Institute
- \*Approved State of California Certified Residential Appraiser, License AR006943
- \*Have met all Educational and Work Experience requirements for appraising all Residential Appraisal Assignments
- \*Appraisals for Corporate Relocation Purposes
- \*Appraisals for Dissolution of Marriage
- \*Appraisals for Estate and Trust Purposes
- \*Appraisals for Property Disputes
- \*Appraisals for Real Estate Financing and Market Valuation Purposes
- \*Testified as Expert Witness in Tax Assessment Appeals, Marriage Dissolution and Specific Performance Matters

### Education

B.S. Towson University, MD

**May 1981**

### Appraisal Experience

**J. Streb Residential Appraisals, Inc.**

**June 1995 - Present**

Owner of the company and working as an independent fee appraiser performing all types of residential appraisals throughout San Diego County specializing in high value, custom home, vacant land and other complex residential appraisals.

**Senior Appraiser/Reviewer Pacific West Appraisals.**

**July 1989 - June 1995**

As senior associate of a large appraisal company, led company in production as well as marketing.

**Intern Appraiser Security Pacific National Bank.**

**January 1989 - July 1989**

Responsible for preparing first and second trust deed appraisals on most types of residential properties throughout San Diego County.

### Appraisal Education Courses Completed (Partial List):

- Real Estate Principles, Mesa College, 1988
- Real Estate Finance, Mesa College, 1990
- Appraisal Institute Course 1-A, Real Estate Principles, 1988
- Appraisal Institute Course 1-B, Basic Valuation, 1988
- Appraisal Institute Course I310, Basic Income Capitalization, 2007
- Appraisal Institute Course 301R, Advanced Residential Applications and Case studies I & II, 2008
- Appraisal Institute Course, Residential Market Analysis/Highest and Best Use, 2008
- Appraisal Institute, USPAP 2008
- Appraisal Institute Course 201R, Residential Site Valuation and Cost approach, 2008
- Appraisal Institute Course 700GRE, Expert Witness Preparation and Testimony, 2009
- Appraisal Institute Course 300GR, Real Estate Finance Statistics and Valuation Modeling, 2009
- Appraisal Institute Course 202R, Residential Sales Comparison and Income Approaches, 2009
- Appraisal Institute Course OL-420N Business Practices and Ethics, 2010