

1 DAVID R. ZARO (BAR NO. 124334)
TED FATES (BAR NO. 227809)
2 ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
3 501 West Broadway, 15th Floor
San Diego, California 92101-3541
4 Phone: (619) 233-1155
Fax: (619) 233-1158
5 E-Mail: dzaro@allenmatkins.com
tfates@allenmatkins.com

6 Attorneys for Receiver
7 THOMAS C. HEBRANK

8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10
11 SECURITIES AND EXCHANGE
COMMISSION,

12 Plaintiff,

13 v.

14 LOUIS V. SCHOOLER and FIRST
15 FINANCIAL PLANNING
CORPORATION d/b/a WESTERN
16 FINANCIAL PLANNING
CORPORATION,

17 Defendants.
18

Case No. 3:12-cv-02164-GPC-JMA

**RECEIVER'S REPORT AND
RECOMMENDATIONS
REGARDING VALUATION OF
REAL ESTATE ASSETS OF
RECEIVERSHIP ENTITIES**

Ctrm.: 2D
Judge: Hon. Gonzalo P. Curiel

1 Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First
 2 Financial Planning Corporation d/b/a Western Financial Planning Corporation
 3 ("Western"), and other specifically listed entities (collectively, "Receivership
 4 Entities"), submits this Report and Recommendations Regarding Valuation of Real
 5 Estate Assets of Receivership Entities. This report should be read in conjunction
 6 with the Receiver's Forensic Accounting Report: Part One, Docket No. 182. This
 7 report focuses on the Receiver's valuation of real estate assets of the Receivership
 8 Entities. The valuation of real estate assets was authorized and conducted pursuant
 9 to the Court's Order Re Receiver's Second Report and Proposal ("Order on
 10 Proposal"). Docket No. 59.

11 I. EXECUTIVE SUMMARY

12 Pursuant to the Order on Proposal, the Receiver engaged licensed appraisers
 13 to provide appraisals of the 23 properties¹ owned by the General Partnerships
 14 ("GPs"). These appraisals, along with the amount each GP paid for its property
 15 interest, the amount owed on outstanding mortgages on each property, and the
 16 anticipated costs of sale for each property are listed on Exhibit A hereto.

17 As summarized below, GP investors made a net investment of \$152,982,250
 18 in the 23 active properties. Collectively, the net appraised value of these properties
 19 (appraised value less outstanding balances of all mortgages) is only \$12,860,661, or
 20 8.41% of their original net investment amount. If the properties were all sold today
 21 (which the Receiver is not proposing), based upon the current appraised values and
 22 the GP cash on hand, the average GP investor would suffer an 88.40% loss on their
 23 investment and only recover 11.60% of their original investment.

24

25

26

27 ¹ The Receiver initially believed there were 22 active properties, which is what
 28 certain Western records indicated. However, one of the properties, Las Vegas 1,
 was sold in 2006 with seller financing. The borrower defaulted and the
 applicable GPs took the property back via foreclosure.

GP Equity in Land

Amount Invested	157,969,067
GP Notes Receivable	(4,986,817)
Net Investment	152,982,250

Land Value Analysis

Appraised Value	16,328,000
Mortgages	(3,467,339)
Net Value	12,860,661
Over/Under Value	(140,121,588)
% Value	8.41%

Liquidation Analysis

Land Net Value	12,860,661
Past Due Property Taxes	(121,086)
Est. Closing Costs	(1,142,960)
Cash on Hand	6,151,590
Total GP Value	17,748,205
Loss on Investment	(88.40%)
Recovery on Investment	11.60%

The Receiver anticipates that investor opinions on whether to sell or retain properties will vary. The Receiver sees no reason why a group of GPs that collectively own a property, if all GPs with an ownership interest in the property vote to retain their interests, should not be able to retain the property and take sole responsibility for all mortgages and expenses associated with the property. The Receiver, therefore, recommends that investors be given the opportunity to vote pursuant to the General Partnership Agreements and Co-Tenancy Agreements to have their GPs retain their property interests. Details of the proposed voting process are discussed below. The proposed voting process gives investors the choice of either (a) selling the property thereby cutting their losses² by liquidating their investment, or (b) having their GP, if the other GPs that own an interest in the

² In the case of the property known as Las Vegas 1, if the property is sold, investors are likely to receive a positive net return.

same property vote in kind, retain its property interests and take sole responsibility for all mortgages and costs associated with the property. If, however, there are insufficient votes to retain property interests, the Receiver recommends that properties be sold or surrendered to the lender depending on whether the valuation analysis indicates a sale will produce a net recovery.

II. REAL ESTATE VALUATIONS

Exhibit A is a detailed schedule listing each property, the GPs that own interests in it, the GP equity interest in the property, its appraised value, the amount owed on outstanding mortgages on the property, the estimated costs of sale for each property, and the cash on hand for each GP (if any). Additionally, summaries of the appraisals themselves are attached as Exhibit B.

The table below summarizes the information from Exhibit A and adds information about projected investor recoveries based on the appraised property values. Included is (1) "Net GP Investment" (the amounts invested by the GP investors, less any outstanding GP notes receivable), (2) "Net Appraised Value" (the appraised value, less any outstanding notes or mortgages on the property), (3) "Over/Under Value" amount, (4) "Total GP Investment Recovery" (the Net Appraised Value, less any past due property taxes and estimated sale closing costs, plus the GPs cash on hand), and (5) "% Recovery on Investment" (Total GP Value divided by Net GP Investment).

	Net GP Investment	Net Appraised Value	Over/Under Value	Total GP Investment Recovery	% Recovery on Investment
<u>Fernley I</u>					
Crystal Clearwater Partners (2011) ³	1,547,342	115,000	(1,432,342)	206,599	13.35%
High Desert Partners (2011)	1,514,265	115,000	(1,399,265)	207,613	13.71%
	3,061,607	230,000	(2,831,607)	414,212	13.53%

³ The year in parenthesis for each GP is the year escrow closed for that GP and the GP acquired its interest in the property.

	Net GP Investment	Net Appraised Value	Over/Under Value	Total GP Investment Recovery	% Recovery on Investment
<u>Silver Springs North</u>					
North Springs (2007)	1,842,015	4,060	(1,837,955)	83,024	4.51%
Rawhide (2007)	1,893,966	4,060	(1,889,906)	86,403	4.56%
Highway 50 (2008)	1,880,990	4,060	(1,876,930)	85,155	4.53%
Orange Vista (2008)	2,016,125	4,060	(2,012,065)	105,039	5.21%
	7,633,096	16,240	(7,616,856)	359,622	4.71%
<u>Silver Springs South</u>					
Rail Road Partners (2006)	2,717,216	4,696	(2,712,520)	120,963	4.45%
Spruce Heights Partners (2007)	2,813,773	4,696	(2,809,077)	133,143	4.73%
Vista Del Sur (2007)	2,799,057	4,696	(2,794,361)	117,391	4.19%
Lahontan (2007)	2,892,907	4,696	(2,888,211)	131,215	4.54%
	11,222,953	18,784	(11,204,169)	502,712	4.48%
<u>Washoe 3</u>					
Spanish Springs Partners (2003)	1,911,000	175,000	(1,736,000)	187,907	9.83%
Antelope Spring Partners (2004)	1,946,275	175,000	(1,771,275)	177,914	9.14%
Wild Horse Partners (2004)	1,995,316	125,000	(1,870,316)	140,249	7.03%
Big Ranch Partners (2004)	2,058,535	125,000	(1,933,535)	134,835	6.55%
	7,911,126	600,000	(7,311,126)	640,905	8.10%
<u>Washoe 5</u>					
Pyramid Highway 177 (2010)	1,371,178	12,944	(1,358,234)	62,023	4.52%
Frontage 177 (2010)	1,353,908	12,944	(1,340,964)	76,747	5.67%
	2,725,086	25,888	(2,699,198)	138,769	5.09%
<u>Dayton I</u>					
Dayton View Partners (1999)	1,636,000	50,000	(1,586,000)	91,706	5.61%
Fairway Partners (2000)	1,685,100	50,000	(1,635,100)	98,948	5.87%
Green View Partners (2000)	1,735,700	50,000	(1,685,700)	102,393	5.90%
Par Four Partners (2001)	1,787,800	50,000	(1,737,800)	101,630	5.68%
	6,844,600	200,000	(6,644,600)	394,676	5.77%

	Net GP Investment	Net Appraised Value	Over/Under Value	Total GP Investment Recovery	% Recovery on Investment
<u>Dayton II</u>					
Storey County Partners (2005)	2,137,748	9,092	(2,128,656)	53,513	2.50%
Comstock Partners (2005)	2,169,733	9,092	(2,160,641)	49,214	2.27%
Silver City Partners (2005)	2,214,812	9,092	(2,205,720)	43,011	1.94%
Nevada View Partners (2005)	2,239,490	9,092	(2,230,398)	49,309	2.20%
	8,761,783	36,368	(8,725,415)	195,047	2.23%
<u>Dayton III⁴</u>					
Gold Ridge Partners (2005)	2,483,760	12,500	(2,471,260)	203,491	8.19%
Sky View Partners (2005)	2,558,300	12,500	(2,545,800)	245,305	9.59%
Grand View Partners (2005)	2,635,100	12,500	(2,622,600)	231,728	8.79%
Rolling Hills Partners (2006)	2,714,200	12,500	(2,701,700)	234,563	8.64%
	10,391,360	50,000	(10,341,360)	915,087	8.81%
<u>Dayton IV</u>					
Eagle View Partners (2008)	5,131,542	(237,480)	(5,369,022)	47,705	0.93%
Falon Heights Partners (2008)	5,330,569	(237,480)	(5,568,049)	51,939	0.97%
Night Hawk Partners (2009)	5,565,264	(237,480)	(5,802,744)	92,757	1.67%
Osprey Partners (2010)	5,769,018	(237,480)	(6,006,498)	116,883	2.03%
	21,796,393	(949,920)	(22,746,313)	309,284	1.42%
<u>Minden</u>					
Carson Valley Partners (1998)	1,182,300	250,000	(932,300)	241,266	20.41%
Heavenly View Partners (1998)	1,217,800	250,000	(967,800)	239,669	19.68%
Sierra View Partners (1999)	1,254,300	250,000	(1,004,300)	253,248	20.19%
Pine View Partners (1999)	1,291,900	250,000	(1,041,900)	245,200	18.98%
	4,946,300	1,000,000	(3,946,300)	979,382	19.80%

⁴ GPs in the Dayton III land investment collectively received \$4,384,581 from a condemnation judgment in March 2008. The majority of this amount was then distributed to investors.

	Net GP Investment	Net Appraised Value	Over/Under Value	Total GP Investment Recovery	% Recovery on Investment
<u>Washoe 1⁵</u>					
Reno View (1981)	712,451	50,000	(662,451)	48,307	6.78%
Reno Vista (1981)	430,137	50,000	(380,137)	47,509	11.05%
Reno Partners (1982)	771,750	50,000	(721,750)	48,293	6.26%
	1,914,338	150,000	(1,764,338)	144,109	7.53%
<u>Washoe 4</u>					
Rose Vista (2006)	1,688,367	36,479	(1,651,888)	131,282	7.78%
Steam Boat Partners (2006)	1,769,886	36,479	(1,733,407)	127,392	7.20%
Galena Ranch Partners (2006)	1,828,455	36,479	(1,791,976)	154,018	8.42%
Redfield Heights Partners (2006)	1,876,274	36,479	(1,839,795)	154,747	8.25%
	7,162,982	145,916	(7,017,066)	567,439	7.92%
<u>Stead</u>					
P-39 Aircobra Partners (2012)	2,343,576	98,750	(2,244,826)	261,877	11.17%
P-40 Warhawk Partners (2012)	2,413,063	98,750	(2,314,313)	273,180	11.32%
P-51 LLC (2012)	924,838	197,500	(727,338)	249,791	27.01%
	5,681,477	395,000	(5,286,477)	784,848	13.81%
<u>Bratton Valley</u>					
Valley Vista (1987)	740,000	68,667	(671,333)	70,923	9.58%
Bratton View (1987)	755,400	68,667	(686,733)	64,304	8.51%
Honey Springs (1988)	841,000	68,667	(772,333)	74,347	8.84%
	2,336,400	206,000	(2,130,400)	209,574	8.97%
<u>Jamul Valley</u>					
Jamul Meadows (1988)	734,400	131,667	(602,733)	125,406	17.08%
Lyons Valley (1988)	748,545	131,667	(616,878)	121,625	16.25%
Hidden Hills (1988)	778,267	131,667	(646,600)	121,151	15.57%
	2,261,212	395,000	(1,866,212)	368,182	16.28%

⁵ The Washoe 1 appraised value is an estimate subject to further revision from the appraiser. The final appraised amount will be sent to investors in Washoe 1 with their ballots and other information.

	Net GP Investment	Net Appraised Value	Over/Under Value	Total GP Investment Recovery	% Recovery on Investment
<u>Tecate</u>					
ABL (1992)	1,433,000	111,000	(1,322,000)	130,869	9.13%
Borderland (1993)	1,173,500	107,500	(1,066,000)	108,341	9.23%
Prosperity (1994)	1,197,000	107,500	(1,089,500)	102,544	8.57%
Freetrade (1991)	1,050,000	105,667	(944,333)	102,602	9.77%
Suntec (1991)	815,668	105,667	(710,001)	107,064	13.13%
Via 188 (1990)	780,500	105,667	(674,833)	103,193	13.22%
International (1990)	691,118	77,000	(614,118)	71,638	10.37%
Mex-Tec (1993)	1,576,300	111,000	(1,465,300)	146,533	9.30%
Tecate South (1989)	969,600	104,000	(865,600)	93,956	9.69%
Twin Plant (1989)	1,090,000	125,000	(965,000)	114,237	10.48%
Vista Tecate (1990)	940,000	96,000	(844,000)	87,085	9.26%
	11,716,686	1,156,000	(10,560,686)	1,168,062	9.97%
<u>Yuma I</u>					
Gila View (2006)	1,392,210	49,728	(1,342,482)	73,737	5.30%
Painted Desert (2006)	1,443,319	49,728	(1,393,591)	73,824	5.11%
Snow Bird (2006)	1,483,826	49,728	(1,434,098)	93,164	6.28%
	4,319,355	149,185	(4,170,170)	240,725	5.57%
<u>Yuma II</u>					
Desert View (2006)	1,528,273	50,165	(1,478,109)	117,511	7.69%
Sonora View (2007)	1,604,730	50,165	(1,554,566)	157,365	9.81%
Mesa View (2007)	1,598,726	50,165	(1,548,562)	159,052	9.95%
Road Runner (2007)	1,745,756	50,165	(1,695,592)	164,470	9.42%
	6,477,485	200,658	(6,276,827)	598,398	9.24%
<u>Yuma III</u>					
Mountain View (2008)	1,600,603	(77,519)	(1,678,122)	(24,471)	-1.53%
Ocotillo (2008)	1,678,277	(77,519)	(1,755,796)	(1,415)	-0.08%
Cactus Ridge (2008)	1,691,993	(77,519)	(1,769,512)	(14,256)	-0.84%
Mohawk Mountain Partners (2008)	1,681,904	(77,519)	(1,759,423)	9,346	0.56%
	6,652,777	(310,077)	(6,962,854)	(30,796)	-0.46%
<u>Las Vegas 1</u>					
Park Vegas Partners (2011)	300,000	665,000	365,000	620,501	206.83%
Production Partners (2010)	1,050,000	2,700,000	1,650,000	2,521,530	240.15%

	Net GP Investment	Net Appraised Value	Over/Under Value	Total GP Investment Recovery	% Recovery on Investment
Silver State Partners (2010)	430,000	740,000	310,000	701,809	163.21%
	1,780,000	4,105,000	2,325,000	3,843,840	215.95%
<u>Las Vegas 2</u>					
Rainbow Partners (1994)	715,250	472,500	(242,750)	451,366	63.11%
Horizon Partners (1994)	740,532	472,500	(268,032)	447,346	60.41%
	1,455,782	945,000	(510,782)	898,712	61.73%
<u>LV Kade Property</u>					
Hollywood Partners (1996)	1,850,000	1,027,500	(822,500)	938,433	50.73%
BLA Partners (1997)	1,887,000	1,027,500	(859,500)	951,490	50.42%
Checkered Flag Partners (1997)	1,957,000	1,027,500	(929,500)	944,860	48.28%
Victory Lap Partners (1998)	2,321,000	1,027,500	(1,293,500)	946,411	40.78%
	8,015,000	4,110,000	(3,905,000)	3,781,194	47.18%
<u>Santa Fe</u>					
Santa Fe View (2008)	2,487,633	(4,794)	(2,492,427)	78,220	3.14%
Pueblo (2009)	2,653,721	(4,794)	(2,658,515)	105,296	3.97%
Pecos (2011)	2,773,098	(4,794)	(2,777,892)	140,706	5.07%
	7,914,452	(14,381)	(7,928,833)	324,222	4.10%
Grand Totals	152,982,250	2,860,661	(140,121,588)	17,748,205	11.60%

As indicated above, the GPs have a net investment of \$152,982,250 in the 23 properties, which only have a net appraised value of \$12,860,661. This equates to only 8 cents on the dollar of remaining value for their investment. As reflected in the Investment Performance Summary attached as Exhibit C, after accounting for past due property taxes, estimated closing costs, and the GP cash on hand, the average GP investor can expect a loss of 88.4% on their investment or only an 11.6% total return over the life of their investment.

Although in most cases, the appraisers gave a single value for the real estate being valued, in some instances, the appraiser gave two values – a bulk sale value and a per acre sale value. A summary of these properties can be found in

1 Exhibit D. In some of these instances, portions of the considered acreage were
2 significantly different from others (i.e., certain acres were inopportunately sloped or
3 graded compared with the remainder of the parcels, or certain parcels were more
4 highly valued than others). In these situations, significant differences between the
5 value of the properties could exist depending on whether the property could be
6 liquidated in a bulk sale versus per acre basis. A per acre liquidation does not
7 necessarily result in a greater overall value; however, since some of the remaining
8 more undesirable parcels could remain unsold for a significant period of time and
9 for a substantially reduced value when the property is not sold in bulk. The
10 Receiver used the bulk sales appraisal amounts in his analysis; however, investors
11 will be provided with both amounts in order to make an informed evaluation and
12 decision as to the disposition or retention of their investments.

13 **III. RECOMMENDATIONS FOR VOTING PROCESS**

14 Before getting to the Receiver's recommendations, it is important to note that
15 Western and its employees have historically handled issues that arise with respect
16 to GPs, including, but not limited to, financing investor purchases of ownership
17 units, collecting on investor notes, and making loans to GPs when there were
18 shortfalls in investor billings. The voting process discussed herein proposes that
19 GPs have the opportunity to vote to separate from Western (i.e. the receivership
20 estate) entirely under certain terms and conditions. This is a significant change for
21 GPs who vote to separate in that Western will no longer have any stake in the GPs,
22 will no longer financially support the GPs, and will no longer participate or advise
23 on issues relating to the properties. If the Receiver's recommendations are
24 approved, investors should consider their options and the effect of their vote
25 carefully before submitting their ballots to the Receiver.

26 In consideration of the General Partnership and Co-Tenancy Agreements, the
27 Receiver recommends the following with respect to the process by which investors
28 may vote for their GPs to retain their property interests:

1 **Voting Requirements.** Each property is owned by multiple GPs, the
2 majority of which each own an undivided interest in the property. Because the
3 interests are undivided, it is not possible to sell part of a property and pay the net
4 proceeds to the selling GPs. Therefore, all GPs that own interests in these
5 undivided interest properties must vote to retain their interests or the property
6 should be sold or surrendered to the lender. This follows the Co-Tenancy
7 Agreements signed by the GPs, which require a unanimous vote of the GPs.

8 Investor votes should be taken pursuant to the General Partnership
9 Agreement for each GP. The General Partnership Agreements require the vote of a
10 majority of capital contributed to the GP to make decisions. The voting
11 requirements will be included with the ballots and other information mailed to
12 investors.

13 **Cost Projections.** Before voting, investors should know the projected costs
14 of their GP retaining its property interest. The GP (and therefore the investors)
15 should be solely responsible for its share of these costs, which include the GP's
16 share of amounts owed on outstanding mortgages, administrative fees, property
17 taxes and insurance, and costs of preparing tax returns. Investors should also be
18 warned that in the event a GP does not have sufficient amounts in its account or
19 does not collect sufficient amounts from its investors to make mortgage payments,
20 pay property taxes or pay other expenses, the GP will default on these obligations.
21 By voting to retain its property interest, each GP is taking sole responsibility for its
22 share of the mortgage obligations and other expenses associated with the property.

23 A group of GPs that collectively retain a property ("Separating GPs") will separate
24 from the receivership entirely. Western's assets will not be used to cover any
25 shortfall. Accordingly, retaining property interests comes with the risk that the
26 property will be lost via foreclosure if mortgages or property taxes are not paid.

27 Investors should also be advised that it may be necessary for Separating GPs
28 to hire a new administrator at some time in the future and that the expenses of a

1 new administrator may be considerably greater than current administration
2 expenses. Currently, there are two independent contractors who administer the GPs
3 (under the Receiver's supervision) from the Western offices located in Sorrento
4 Valley. Each GP pays a monthly fee of approximately \$400 for these services.

5 **Effect of Voting to Retain Property.** Separating GPs should no longer be
6 part of the receivership estate and no longer subject to the Court's Preliminary
7 Injunction Order. The effect of voting to retain their property interests is that GPs
8 separate from Western entirely. However, as a condition to this separation, GPs
9 will be required to repay all amounts they owe Western, including amounts
10 Western loaned such GPs to cover GP operating expenses. The amount each GP
11 owes Western should be included in the information that is mailed to investors with
12 ballots.

13 In addition, Western's percentage share of cash in Separating GP accounts
14 (according to its ownership units) should be retained by Western in full satisfaction
15 of its equity interest in such Separating GPs (as reduced per authorization from the
16 Court). In other words, Western's remaining equity stake in Separating GPs should
17 be fully and finally liquidated via a cash payment in the amount of Western's
18 percentage share of cash in Separating GPs accounts as of the date control of each
19 Separating GP is officially transferred to its investors. This should apply even if
20 Separating GPs have a zero cash balance so that it is clear that Western has no
21 further obligation to contribute to mortgage payments, taxes, insurance or any other
22 expenses of Separating GPs.

23 A Separating GP, and the property in which it owns an interest, should not be
24 allowed to separate from the receivership until all amounts it owes Western have
25 been repaid. These amounts will remain in the receivership estate for the benefit of
26 investors in GPs who do not separate from the receivership and therefore preserve
27 their claims against the receivership estate.

28

1 Finally, investors in GPs that retain their property interests should be deemed
2 to have relinquished all claims and rights to receive distributions from the
3 receivership estate, including any funds that may be available for distribution from
4 the assets of Western or Real Asset Locators, Inc., and any amounts obtained from
5 Mr. Schooler by the Securities and Exchange Commission and transferred to the
6 receivership estate for distribution. Investors are effectively choosing to take their
7 beneficial interest in their GP and the property interest it owns as full compensation
8 for their claims against the receivership estate.

9 **Effect of Voting to Sell Property (or Insufficient Votes to Retain**
10 **Property).** In the event the requisite number of investors and GPs do not vote to
11 retain the properties, the Receiver recommends that the properties from which some
12 equity can be recovered be sold and the properties from which no equity can be
13 recovered be surrendered to the lenders. Exhibit A reflects which of these two
14 categories each property falls into. If the "Proceeds from Land Sale" is a positive
15 number, the Receiver recommends the property be sold and the net sale proceeds
16 deposited into the applicable GP accounts according to their interests in the
17 property. If, on the other hand, the "Proceeds from Land Sale" is a negative
18 number, the Receiver recommends that the property be surrendered to the lender
19 via foreclosure, deed in lieu of foreclosure, or other resolution negotiated with the
20 lender to satisfy the debt. In these latter instances, the Receiver will attempt to
21 reach resolutions with the lenders that preserve the cash in GP accounts and will
22 seek Court approval of the proposed resolutions and give notice to investors in the
23 applicable GPs.

24 For those properties that are sold, the sale proceeds (after payment of
25 mortgages, taxes and costs of sale) will go directly to the GPs that own an interest
26 in the property according to their respective ownership interests in the property.
27 The Receiver will then seek Court authority to have each GP make distributions to
28 investors according to their GP ownership units.

1 **Investor Contact Information.** Under the General Partnership Agreements
2 and Co-Tenancy Agreements, investors have the right to obtain contact information
3 for other investors in their GP and the GPs that own interests in the same property
4 as their GP. Investors should be permitted to communicate with other investors
5 about the vote. Accordingly, a list of investors in all GPs with an interest in a
6 property, organized by GP and including the contact information for each investor,
7 should be provided with the ballots and other information.

8 **Costs of the Voting Process.** The voting process directly benefits the GPs
9 and their investors. Accordingly, the costs associated with creating, copying and
10 mailing ballots, GP cost projections and other information should be borne by the
11 GPs. The Receiver recommends that these fees and costs be allocated as evenly as
12 possible among the GPs and paid from their accounts.

13 **Deadline to Submit Votes.** It is critical that decisions on the dispositions of
14 properties be made promptly. As the Receiver has warned would occur in prior
15 reports and motions, Western has essentially run out of cash. Western was unable
16 to make one large loan payment in May and will be unable to make other loan
17 payments coming due in the near future. The Court's Preliminary Injunction Order
18 prohibits lenders from commencing legal proceedings against the GPs, but lenders
19 may seek relief from the injunction if the voting is not completed promptly.
20 Accordingly, the Receiver recommends the Court set a deadline of 60 days for
21 investors to submit ballots to the Receiver. The Receiver will tally the ballots and
22 file a report stating the results of the voting. At that time, the Receiver will also
23 seek authority to proceed to sell certain properties, surrender other properties to the
24 applicable lenders, and, in the event sufficient votes are received, allow other GPs
25 to retain their property interests and separate from the receivership on the terms and
26 conditions described above.

27
28

IV. INVESTOR BILLINGS AND NOTES

As discussed in Part One of the Receiver's Forensic Accounting Report, when each GP acquired its property interest, a contingency balance was left in the GP bank account and the remainder of the funds raised from investors was transferred to Western. Some of the GPs have exhausted their contingency balances, and therefore periodically bill their investors to collect amounts necessary to pay property taxes, insurance premiums, and other expenses.

In light of the appraised values of the 23 properties and the bleak outlook for investors, the Receiver recently suspended sending these bills to investors. The unfortunate reality is that some investors stand to receive nothing and others stand to receive a fraction of what they invested. Under these circumstances, the Receiver believes it is generally inequitable to continue to bill investors until such time as the disposition of each property has been determined. For Separating GPs, once they have separated from the receivership, they can resume billing and collecting from their investors in order to pay GP expenses. Until that time, however, investor losses should not be exacerbated by continued billings.

The Receiver also recommends that collections on investor notes be suspended. These notes are for amounts borrowed from the GPs and Western by investors who financed their purchases of GP ownership units. In light of the Commission's allegations of fraud, some investors have ceased making note payments due to the uncertainty of the situation. Under these circumstances, and considering the bleak outlook for most investors, the Receiver believes it is generally inequitable to continue collecting note payments from investors until such time as the disposition of each property has been determined.⁶ Collections on

⁶ Although the investor loan documents indicate that investors will forfeit their GP ownership units if they fail to make note payments, under the present circumstances, the Receiver recommends that there be no forfeiture of GP ownership units for failure to make note payments. This is consistent with Western's pre-receivership practices which were not to enforce forfeiture provisions when investors did not make note payments.

1 investor notes can resume if and when a group of GPs collectively vote to retain a
2 property and separate from the receivership on the terms and conditions described
3 above.

4 As a result of suspending investor billings and collections on investor notes,
5 some mortgage payments and property taxes that otherwise would have been paid
6 (assuming sufficient amounts were collected from investors) will not be paid.
7 However, this is for a short period of time and the GPs are protected from actions
8 by creditors as long as they remain in the receivership. Some Separating GPs may
9 need to promptly bill and collect from their investors once they separate from the
10 receivership in order to cure mortgage and property tax defaults. All insurance
11 premiums, on the other hand, should be paid current such that coverage remains in
12 effect at all times. The need for cash to make these payments is addressed below.

13 **V. WESTERN EXPENSES**

14 As previously reported, Western's sole source of revenue at this time is
15 investor note payments. If, as recommended, collections on investor notes cease,
16 Western will very quickly be completely out of cash. The Receiver recommends
17 and requests authorization to liquidate Western's equity in the GPs (as previously
18 authorized in connection with Court approval of receivership fees and costs) in
19 order to pay Western's basic operating expenses as well as critical payments
20 (*i.e.*, insurance premiums) for GPs that do not have sufficient cash in their
21 accounts. As he has throughout the case, the Receiver will exhaust all other
22 sources of Western cash before liquidating Western's equity in the GPs, will spread
23 the liquidation across as many GPs as possible such that GPs are treated as fairly
24 and evenly as possible, and will only liquidate as necessary to pay critical expenses.
25 As GPs in which Western has an equity interest sell their properties, GPs separate
26 from the receivership, and amounts are collected from Western's other assets,
27 Western will receive cash which should minimize, or hopefully eliminate
28 altogether, the need to reduce Western's equity interests in GPs to cash.

VI. CONCLUSION

For the foregoing reasons, the Receiver requests entry of an order approving this report and the recommendations contained herein.

Dated: June 20, 2013

By: Thomas C Hebrank
THOMAS C. HEBRANK,
Permanent Receiver

Dated: June 20, 2013

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

By: /s/ Ted Fates
TED FATES
Attorneys for Receiver
THOMAS C. HEBRANK

EXHIBIT A

EXHIBIT A

WFP GP VALUATION ANALYSIS

	GP Equity in Land			Land Value Analysis					Liquidation Analysis					
	Amount	GP Notes	Net	Appraised		Net	Over/Under		Land	Past Due	Estimated	from	Cash	Total
	Invested	Receivable	Investment	Value	Mortgages	Value	Value	% Value	Net Value	Prop Taxes	Closing Costs	Land Sale	on Hand	GP Value
<u>Fernley I</u>														
Crystal Clearwater Partners (2011)	1,620,000	(72,658)	1,547,342	115,000	-	115,000	(1,432,342)	7.43%	115,000	-	(8,050)	106,950	99,649	206,599
High Desert Partners (2011)	1,650,500	(136,235)	1,514,265	115,000	-	115,000	(1,399,265)	7.59%	115,000	-	(8,050)	106,950	100,663	207,613
	3,270,500	(208,893)	3,061,607	230,000	-	230,000	(2,831,607)	7.51%	230,000	-	(16,100)	213,900	200,312	414,212
<u>Silver Springs North</u>														
North Springs (2007)	1,920,000	(77,985)	1,842,015	90,000	(85,940)	4,060	(1,837,955)	0.22%	4,060	-	(6,300)	(2,240)	85,264	83,024
Rawhide (2007)	1,977,500	(83,534)	1,893,966	90,000	(85,940)	4,060	(1,889,906)	0.21%	4,060	-	(6,300)	(2,240)	88,643	86,403
Highway 50 (2008)	2,036,800	(155,810)	1,880,990	90,000	(85,940)	4,060	(1,876,930)	0.22%	4,060	-	(6,300)	(2,240)	87,395	85,155
Orange Vista (2008)	2,097,900	(81,775)	2,016,125	90,000	(85,940)	4,060	(2,012,065)	0.20%	4,060	-	(6,300)	(2,240)	107,279	105,039
	8,032,200	(399,104)	7,633,096	360,000	(343,760)	16,240	(7,616,856)	0.21%	16,240	-	(25,200)	(8,960)	368,582	359,622
<u>Silver Springs South</u>														
Rail Road Partners (2006)	2,758,600	(41,384)	2,717,216	75,000	(70,304)	4,696	(2,712,520)	0.17%	4,696	-	(5,250)	(554)	121,517	120,963
Spruce Heights Partners (2007)	2,841,400	(27,627)	2,813,773	75,000	(70,304)	4,696	(2,809,077)	0.17%	4,696	-	(5,250)	(554)	133,697	133,143
Vista Del Sur (2007)	2,926,650	(127,593)	2,799,057	75,000	(70,304)	4,696	(2,794,361)	0.17%	4,696	-	(5,250)	(554)	117,945	117,391
Lahontan (2007)	3,014,450	(121,543)	2,892,907	75,000	(70,304)	4,696	(2,888,211)	0.16%	4,696	-	(5,250)	(554)	131,769	131,215
	11,541,100	(318,147)	11,222,953	300,000	(281,216)	18,784	(11,204,169)	0.17%	18,784	-	(21,000)	(2,216)	504,928	502,712
<u>Washoe 3</u>														
Spanish Springs Partners (2003)	1,911,000	-	1,911,000	175,000	-	175,000	(1,736,000)	9.16%	175,000	-	(12,250)	162,750	25,157	187,907
Antelope Spring Partners (2004)	1,968,450	(22,175)	1,946,275	175,000	-	175,000	(1,771,275)	8.99%	175,000	-	(12,250)	162,750	15,164	177,914
Wild Horse Partners (2004)	2,027,504	(32,188)	1,995,316	125,000	-	125,000	(1,870,316)	6.26%	125,000	-	(8,750)	116,250	23,999	140,249
Big Ranch Partners (2004)	2,088,450	(29,915)	2,058,535	125,000	-	125,000	(1,933,535)	6.07%	125,000	-	(8,750)	116,250	18,585	134,835
	7,995,404	(84,278)	7,911,126	600,000	-	600,000	(7,311,126)	7.58%	600,000	-	(42,000)	558,000	82,905	640,905
<u>Washoe 5</u>														
Pyramid Highway 177 (2010)	1,422,200	(51,022)	1,371,178	90,000	(77,056)	12,944	(1,358,234)	0.94%	12,944	-	(6,300)	6,644	55,379	62,023
Frontage 177 (2010)	1,464,800	(110,892)	1,353,908	90,000	(77,056)	12,944	(1,340,964)	0.96%	12,944	-	(6,300)	6,644	70,103	76,747
	2,887,000	(161,914)	2,725,086	180,000	(154,112)	25,888	(2,699,198)	0.95%	25,888	-	(12,600)	13,288	125,481	138,769
<u>Dayton I</u>														
Dayton View Partners (1999)	1,636,000	-	1,636,000	50,000	-	50,000	(1,586,000)	3.06%	50,000	-	(3,500)	46,500	45,206	91,706
Fairway Partners (2000)	1,685,100	-	1,685,100	50,000	-	50,000	(1,635,100)	2.97%	50,000	-	(3,500)	46,500	52,448	98,948
Green View Partners (2000)	1,735,700	-	1,735,700	50,000	-	50,000	(1,685,700)	2.88%	50,000	-	(3,500)	46,500	55,893	102,393
Par Four Partners (2001)	1,787,800	-	1,787,800	50,000	-	50,000	(1,737,800)	2.80%	50,000	-	(3,500)	46,500	55,130	101,630
	6,844,600	-	6,844,600	200,000	-	200,000	(6,644,600)	2.92%	200,000	-	(14,000)	186,000	208,676	394,676
<u>Dayton II</u>														
Storey County Partners (2005)	2,150,000	(12,252)	2,137,748	25,000	(15,908)	9,092	(2,128,656)	0.43%	9,092	-	(1,750)	7,342	46,171	53,513
Comstock Partners (2005)	2,214,500	(44,767)	2,169,733	25,000	(15,908)	9,092	(2,160,641)	0.42%	9,092	-	(1,750)	7,342	41,872	49,214
Silver City Partners (2005)	2,280,900	(66,088)	2,214,812	25,000	(15,908)	9,092	(2,205,720)	0.41%	9,092	-	(1,750)	7,342	35,669	43,011
Nevada View Partners (2005)	2,349,400	(109,910)	2,239,490	25,000	(15,908)	9,092	(2,230,398)	0.41%	9,092	-	(1,750)	7,342	41,967	49,309
	8,994,800	(233,017)	8,761,783	100,000	(63,632)	36,368	(8,725,415)	0.42%	36,368	-	(7,000)	29,368	165,679	195,047
<u>Dayton III</u>														
Gold Ridge Partners (2005)	2,483,760	-	2,483,760	12,500	-	12,500	(2,471,260)	0.50%	12,500	-	(875)	11,625	191,866	203,491
Sky View Partners (2005)	2,558,300	-	2,558,300	12,500	-	12,500	(2,545,800)	0.49%	12,500	-	(875)	11,625	233,680	245,305
Grand View Partners (2005)	2,635,100	-	2,635,100	12,500	-	12,500	(2,622,600)	0.47%	12,500	-	(875)	11,625	220,103	231,728
Rolling Hills Partners (2006)	2,714,200	-	2,714,200	12,500	-	12,500	(2,701,700)	0.46%	12,500	-	(875)	11,625	222,938	234,563
(Note 1)	10,391,360	-	10,391,360	50,000	-	50,000	(10,341,360)	0.48%	50,000	-	(3,500)	46,500	868,587	915,087
<u>Dayton IV</u>														
Eagle View Partners (2008)	5,547,100	(415,558)	5,131,542	40,000	(277,480)	(237,480)	(5,369,022)	-4.63%	(237,480)	-	(2,800)	(240,280)	287,985	47,705
Falcon Heights Partners (2008)	5,713,500	(382,931)	5,330,569	40,000	(277,480)	(237,480)	(5,568,049)	-4.46%	(237,480)	-	(2,800)	(240,280)	292,219	51,939
Night Hawk Partners (2009)	5,884,900	(319,636)	5,565,264	40,000	(277,480)	(237,480)	(5,802,744)	-4.27%	(237,480)	-	(2,800)	(240,280)	333,037	92,757
Osprey Partners (2010)	6,061,500	(292,482)	5,769,018	40,000	(277,480)	(237,480)	(6,006,498)	-4.12%	(237,480)	-	(2,800)	(240,280)	357,163	116,883
	23,207,000	(1,410,607)	21,796,393	160,000	(1,109,920)	(949,920)	(22,746,313)	-4.36%	(949,920)	-	(11,200)	(961,120)	1,270,403	309,284

	GP Equity in Land			Land Value Analysis					Liquidation Analysis					
	Amount	GP Notes	Net	Appraised	Mortgages	Net	Over/Under	% Value	Land	Past Due	Estimated	from	Cash	Total
	Invested	Receivable	Investment	Value		Value	Value		Net Value	Prop Taxes	Closing Costs	Land Sale	on Hand	GP Value
<u>Minden</u>														
Carson Valley Partners (1998)	1,182,300	-	1,182,300	250,000	-	250,000	(932,300)	21.15%	250,000	-	(17,500)	232,500	8,766	241,266
Heavenly View Partners (1998)	1,217,800	-	1,217,800	250,000	-	250,000	(967,800)	20.53%	250,000	-	(17,500)	232,500	7,169	239,669
Sierra View Partners (1999)	1,254,300	-	1,254,300	250,000	-	250,000	(1,004,300)	19.93%	250,000	-	(17,500)	232,500	20,748	253,248
Pine View Partners (1999)	1,291,900	-	1,291,900	250,000	-	250,000	(1,041,900)	19.35%	250,000	-	(17,500)	232,500	12,700	245,200
	4,946,300	-	4,946,300	1,000,000	-	1,000,000	(3,946,300)	20.22%	1,000,000	-	(70,000)	930,000	49,382	979,382
<u>Washoe 1</u>														
Reno View (1981)	756,000	(43,549)	712,451	50,000	-	50,000	(662,451)	7.02%	50,000	-	(3,500)	46,500	1,807	48,307
Reno Vista (1981)	441,000	(10,863)	430,137	50,000	-	50,000	(380,137)	11.62%	50,000	-	(3,500)	46,500	1,009	47,509
Reno Partners (1982)	771,750	-	771,750	50,000	-	50,000	(721,750)	6.48%	50,000	-	(3,500)	46,500	1,793	48,293
(Note 3)	1,968,750	(54,412)	1,914,338	150,000	-	150,000	(1,764,338)	7.84%	150,000	-	(10,500)	139,500	4,609	144,109
<u>Washoe 4</u>														
Rose Vista (2006)	1,763,000	(74,633)	1,688,367	93,750	(57,271)	36,479	(1,651,888)	2.16%	36,479	-	(6,563)	29,917	101,365	131,282
Steam Boat Partners (2006)	1,815,890	(46,004)	1,769,886	93,750	(57,271)	36,479	(1,733,407)	2.06%	36,479	-	(6,563)	29,917	97,475	127,392
Galena Ranch Partners (2006)	1,870,470	(42,015)	1,828,455	93,750	(57,271)	36,479	(1,791,976)	2.00%	36,479	-	(6,563)	29,917	124,102	154,018
Redfield Heights Partners (2006)	1,926,590	(50,316)	1,876,274	93,750	(57,271)	36,479	(1,839,795)	1.94%	36,479	-	(6,563)	29,917	124,831	154,747
	7,375,950	(212,968)	7,162,982	375,000	(229,084)	145,916	(7,017,066)	2.04%	145,916	-	(26,250)	119,666	447,773	567,439
<u>Stead</u>														
P-39 Aircobra Partners (2012)	2,504,300	(160,724)	2,343,576	98,750	-	98,750	(2,244,826)	4.21%	98,750	-	(6,913)	91,838	170,039	261,877
P-40 Warhawk Partners (2012)	2,579,400	(166,337)	2,413,063	98,750	-	98,750	(2,314,313)	4.09%	98,750	-	(6,913)	91,838	181,342	273,180
P-51 LLC (2012)	966,238	(41,400)	924,838	197,500	-	197,500	(727,338)	21.36%	197,500	-	(13,825)	183,675	66,116	249,791
	6,049,938	(368,461)	5,681,477	395,000	-	395,000	(5,286,477)	6.95%	395,000	-	(27,650)	367,350	417,498	784,848
<u>Bratton Valley</u>														
Valley Vista (1987)	740,000	-	740,000	68,667	-	68,667	(671,333)	9.28%	68,667	-	(4,807)	63,860	7,063	70,923
Bratton View (1987)	755,400	-	755,400	68,667	-	68,667	(686,733)	9.09%	68,667	-	(4,807)	63,860	444	64,304
Honey Springs (1988)	841,000	-	841,000	68,667	-	68,667	(772,333)	8.16%	68,667	-	(4,807)	63,860	10,487	74,347
	2,336,400	-	2,336,400	206,000	-	206,000	(2,130,400)	8.82%	206,000	-	(14,420)	191,580	17,994	209,574
<u>Jamul Valley</u>														
Jamul Meadows (1988)	734,400	-	734,400	131,667	-	131,667	(602,733)	17.93%	131,667	(5,490)	(9,217)	116,960	8,446	125,406
Lyons Valley (1988)	771,100	(22,555)	748,545	131,667	-	131,667	(616,878)	17.59%	131,667	(5,490)	(9,217)	116,960	4,665	121,625
Hidden Hills (1988)	809,700	(31,433)	778,267	131,667	-	131,667	(646,600)	16.92%	131,667	(5,490)	(9,217)	116,960	4,191	121,151
	2,315,200	(53,988)	2,261,212	395,000	-	395,000	(1,866,212)	17.47%	395,000	(16,470)	(27,650)	350,880	17,302	368,182
<u>Tecate</u>														
ABL (1992)	1,433,000	-	1,433,000	111,000	-	111,000	(1,322,000)	7.75%	111,000	-	(7,770)	103,230	27,639	130,869
Borderland (1993)	1,173,500	-	1,173,500	107,500	-	107,500	(1,066,000)	9.16%	107,500	-	(7,525)	99,975	8,366	108,341
Prosperity (1994)	1,197,000	-	1,197,000	107,500	-	107,500	(1,089,500)	8.98%	107,500	-	(7,525)	99,975	2,569	102,544
Freetrade (1991)	1,050,000	-	1,050,000	105,667	-	105,667	(944,333)	10.06%	105,667	-	(7,397)	98,270	4,332	102,602
Suntec (1991)	875,000	(59,332)	815,668	105,667	-	105,667	(710,001)	12.95%	105,667	-	(7,397)	98,270	8,794	107,064
Via 188 (1990)	780,500	-	780,500	105,667	-	105,667	(674,833)	13.54%	105,667	-	(7,397)	98,270	4,923	103,193
International (1990)	704,000	(12,882)	691,118	77,000	-	77,000	(614,118)	11.14%	77,000	(8,879)	(5,390)	62,731	8,907	71,638
Mex-Tec (1993)	1,576,300	-	1,576,300	111,000	-	111,000	(1,465,300)	7.04%	111,000	-	(7,770)	103,230	43,303	146,533
Tecate South (1989)	969,600	-	969,600	104,000	-	104,000	(865,600)	10.73%	104,000	(3,555)	(7,280)	93,165	791	93,956
Twin Plant (1989)	1,090,000	-	1,090,000	125,000	-	125,000	(965,000)	11.47%	125,000	(17,721)	(8,750)	98,529	15,708	114,237
Vista Tecate (1990)	940,000	-	940,000	96,000	-	96,000	(844,000)	10.21%	96,000	(2,975)	(6,720)	86,305	780	87,085
	11,788,900	(72,214)	11,716,686	1,156,000	-	1,156,000	(10,560,686)	9.87%	1,156,000	(33,130)	(80,920)	1,041,950	126,112	1,168,062
<u>Yuma I</u>														
Gila View (2006)	1,470,500	(78,290)	1,392,210	88,333	(38,605)	49,728	(1,342,482)	3.57%	49,728	-	(6,183)	43,545	30,192	73,737
Painted Desert (2006)	1,514,615	(71,296)	1,443,319	88,333	(38,605)	49,728	(1,393,591)	3.45%	49,728	-	(6,183)	43,545	30,279	73,824
Snow Bird (2006)	1,560,100	(76,274)	1,483,826	88,333	(38,605)	49,728	(1,434,098)	3.35%	49,728	-	(6,183)	43,545	49,619	93,164
	4,545,215	(225,860)	4,319,355	265,000	(115,815)	149,185	(4,170,170)	3.45%	149,185	-	(18,550)	130,635	110,090	240,725
<u>Yuma II</u>														
Desert View (2006)	1,642,000	(113,727)	1,528,273	68,750	(18,586)	50,165	(1,478,109)	3.28%	50,165	-	(4,813)	45,352	72,159	117,511
Sonora View (2007)	1,689,800	(85,070)	1,604,730	68,750	(18,586)	50,165	(1,554,566)	3.13%	50,165	-	(4,813)	45,352	112,013	157,365
Mesa View (2007)	1,739,000	(140,274)	1,598,726	68,750	(18,586)	50,165	(1,548,562)	3.14%	50,165	-	(4,813)	45,352	113,700	159,052
Road Runner (2007)	1,789,700	(43,944)	1,745,756	68,750	(18,586)	50,165	(1,695,592)	2.87%	50,165	-	(4,813)	45,352	119,118	164,470
	6,860,500	(383,015)	6,477,485	275,000	(74,342)	200,658	(6,276,827)	3.10%	200,658	-	(19,250)	181,408	416,990	598,398

	GP Equity in Land			Land Value Analysis					Liquidation Analysis					
	Amount	GP Notes	Net	Appraised		Net	Over/Under		Land	Past Due	Estimated	from	Cash	Total
	Invested	Receivable	Investment	Value	Mortgages	Value	Value	% Value	Net Value	Prop Taxes	Closing Costs	Land Sale	on Hand	GP Value
Yuma III														
Mountain View (2008)	1,683,600	(82,997)	1,600,603	35,250	(112,769)	(77,519)	(1,678,122)	-4.84%	(77,519)	-	(2,468)	(79,987)	55,516	(24,471)
Ocotillo (2008)	1,734,100	(55,823)	1,678,277	35,250	(112,769)	(77,519)	(1,755,796)	-4.62%	(77,519)	-	(2,468)	(79,987)	78,572	(1,415)
Cactus Ridge (2008)	1,786,100	(94,107)	1,691,993	35,250	(112,769)	(77,519)	(1,769,512)	-4.58%	(77,519)	-	(2,468)	(79,987)	65,731	(14,256)
Mohawk Mountain Partners (2008)	1,839,700	(157,796)	1,681,904	35,250	(112,769)	(77,519)	(1,759,423)	-4.61%	(77,519)	-	(2,468)	(79,987)	89,333	9,346
	7,043,500	(390,723)	6,652,777	141,000	(451,077)	(310,077)	(6,962,854)	-4.66%	(310,077)	-	(9,870)	(319,947)	289,151	(30,796)
Las Vegas 1														
Park Vegas Partners (2011)	300,000	-	300,000	665,000	-	665,000	365,000	221.67%	665,000	-	(46,550)	618,450	2,051	620,501
Production Partners (2010)	1,050,000	-	1,050,000	2,700,000	-	2,700,000	1,650,000	257.14%	2,700,000	-	(189,000)	2,511,000	10,530	2,521,530
Silver State Partners (2010)	430,000	-	430,000	740,000	-	740,000	310,000	172.09%	740,000	-	(51,800)	688,200	13,609	701,809
(Note 4)	1,780,000	-	1,780,000	4,105,000	-	4,105,000	2,325,000	230.62%	4,105,000	-	(287,350)	3,817,650	26,190	3,843,840
Las Vegas 2														
Rainbow Partners (1994)	715,250		715,250	472,500	-	472,500	(242,750)	66.06%	472,500	-	(33,075)	439,425	11,941	451,366
Horizon Partners (1994)	756,500	(15,968)	740,532	472,500	-	472,500	(268,032)	63.81%	472,500	-	(33,075)	439,425	7,921	447,346
	1,471,750	(15,968)	1,455,782	945,000	-	945,000	(510,782)	64.91%	945,000	-	(66,150)	878,850	19,862	898,712
LV Kade Property														
Hollywood Partners (1996)	1,850,000	-	1,850,000	1,027,500	-	1,027,500	(822,500)	55.54%	1,027,500	(17,871)	(71,925)	937,704	730	938,433
BLA Partners (1997)	1,887,000	-	1,887,000	1,027,500	-	1,027,500	(859,500)	54.45%	1,027,500	(17,871)	(71,925)	937,704	13,786	951,490
Checkered Flag Partners (1997)	1,957,000	-	1,957,000	1,027,500	-	1,027,500	(929,500)	52.50%	1,027,500	(17,871)	(71,925)	937,704	7,156	944,860
Victory Lap Partners (1998)	2,321,000	-	2,321,000	1,027,500	-	1,027,500	(1,293,500)	44.27%	1,027,500	(17,871)	(71,925)	937,704	8,708	946,411
	8,015,000	-	8,015,000	4,110,000	-	4,110,000	(3,905,000)	51.28%	4,110,000	(71,485)	(287,700)	3,750,815	30,380	3,781,194
Santa Fe														
Santa Fe View (2008)	2,687,800	(200,167)	2,487,633	210,000	(214,794)	(4,794)	(2,492,427)	-0.19%	(4,794)	-	(14,700)	(19,494)	97,714	78,220
Pueblo (2009)	2,768,400	(114,679)	2,653,721	210,000	(214,794)	(4,794)	(2,658,515)	-0.18%	(4,794)	-	(14,700)	(19,494)	124,790	105,296
Pecos (2011)	2,851,500	(78,402)	2,773,098	210,000	(214,794)	(4,794)	(2,777,892)	-0.17%	(4,794)	-	(14,700)	(19,494)	160,200	140,706
	8,307,700	(393,248)	7,914,452	630,000	(644,381)	(14,381)	(7,928,833)	-0.18%	(14,381)	-	(44,100)	(58,481)	382,703	324,222
Grand Totals	157,969,067	(4,986,817)	152,982,250	16,328,000	(3,467,339)	12,860,661	(140,121,588)	8.41%	12,860,661	(121,086)	(1,142,960)	11,596,615	6,151,590	17,748,205

Note 1: GPs in the Dayton III land investment received \$4,384,581 distribution relating to a eminent domain sale in March 2008.

Note 2: Cash on hand is as of April 22, 2013

Note 3: Washoe 1 appraised value is an estimate subject to further revision from the appraiser.

Note 4: The Las Vegas 1 property was initially sold in 2005 with seller financing. Upon default by the buyer, the properties were taken back.

Note 5: GP Dates represent the escrow closed date for that GP.

EXHIBIT B

EXHIBIT B

Fernley 1

- Crystal Clearwater Partners
- High Desert Partners

An Appraisal of
Fernley 1
Lyon County
APN 21-301-46: 78.84±ac.

Located
At the Southern Terminus of Clearwater Parkway, on the South
Side of the T.C.I.C Canal in East Fernley, NV

Owned by
Clearwater Bridge LLC et al.

Prepared For
Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
April 9, 2012

Date of Report
April 12, 2013

Submitted By
Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

April 12, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Fernley I (Clearwater Bridge LLC et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the property referenced above. The purpose of my appraisal is to develop an opinion of market value for the property as of the April 9, 2013 effective date of value in it's as is condition.

The subject involves a 78.84±ac. parcel located on the south side of the Truckee Canal Irrigation District (TCID) canal in the eastern portion of the city of Fernley, Lyon County Nevada. The subject is accessed on Clearwater Parkway from Farm District Road. The Lyon County Assessor has identified the subject as APN 21-301-46, containing a gross land area of 78.84±ac. The Truckee Canal occupies a 12.45±ac. easement on the north side of the property resulting in a net useable land area of 66.39±ac.

Title to the property appears to be vested as follows.

Clearwater Bridge LLC, a Nevada limited liability company (an undivided ½ interest),
High Desert Shadow LLC, a Nevada limited liability company (an undivided ½ interest)

The parcel is vacant, having never been developed.

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

Value Conclusion

The market for raw land parcels in nonagricultural areas in Lyon County is very thinly traded. My analysis of the subject and the available sales leads me to the following market value conclusion.

Value Conclusion

\$230,000

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,



Robert E. Schiffmacher, MAI

WARREN & SCHIFFMACHER, LLC
13-024 / E3 ADVISORS

Silver Springs North

- North Springs
- Rawhide
- Highway 50
- Orange Vista

An Appraisal of
Silver Springs North
Lyon County
APN 15-262-02 and,
APN 15-262-09

Located
In South Central Silver Springs, Lyon County, NV

Owned by
Rawhide Partners, a California General Partnership et al.

Prepared For
Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
March 22, 2013

Date of Report
March 28, 2013

Submitted By
Robert E. Schiffmacher, MAI

WARREN & SCHIFFMACHER, LLC
13-029 / E3 ADVISORS

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

March 28, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Silver Springs North (Rawhide Partners et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the properties as of the March 22, 2013 effective date of value in their as is condition.

The subject involves two adjoining parcels on the northern fringe of the Silver Springs community in a small industrial district fronting US Highway 50 and the Union Pacific Rail Road tracks as they pass through the Silver Springs area. The parcels are identified by the Lyon County Assessor as follows:

APN 15-262-02	40.48±ac.	M1 zoning
APN 15-262-09	50.37±ac.	M1 zoning

Although APN 15-262-02 has nearly 500 feet of frontage on US 50, its access comes from its frontage on Orange Lane. Orange Lane is a well maintained gravel road that serves as the primary entrance to the surrounding industrial park.

Title to the properties appears to be vested as follows.

North Springs Partners (an undivided ¼ interest),
Rawhide Partners (an undivided ¼ interest)
Highway 50 Partners (an undivided ¼ interest) and,
Orange Vista Partners (an undivided ¼ interest)

The parcels are vacant, having never been developed.

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

My research and analysis of the market and the subjects has led me to the following market value opinions:

Market Value Conclusions.

APN 15-262-02	40.48±ac. @ \$4,000/ac = \$161,920	<u>\$160,000 (rd)</u>
APN 15-262-09	50.37±ac. @ \$4,000/ac = \$201,480	<u>\$200,000 (rd)</u>
Total	90.85±ac.	<u>\$360,000 (rd)</u>

Respectfully Submitted,



Robert E. Schiffmacher, MAI

Silver Springs South

- Rail Road Partners
- Spruce Heights Partners
- Vista Del Sur
- Lahontan

An Appraisal of
Silver Springs South
30 Parcels Ranging From 1.85±ac. to 8.03±ac.
Identified on Lyon County Assessor's Parcel Map
Pages 18-42 and 18-43

Located
In South Central Silver Springs, Lyon County, Nv

Owned by
Lahontan Partners, a California General Partnership et al.

Prepared For
Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriquez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
March 22, 2013

Date of Report
March 28, 2013

Submitted By
Robert E. Schiffmacher, MAI

WARREN & SCHIFFMACHER, LLC
13-030 / E3 ADVISORS

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

March 28, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Silver Springs South (Lahontan Partners et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the properties as of the March 22, 2013 effective date of value in their as is condition.

The subject involves 30 parcels in the south central Silver Springs industrial district. The parcels range in size from 1.85±ac. to 8.03±ac. and are clustered in two groups, separated by a rail line. The western portion of the ownership is on the Silver Springs side of the rail road tracks and is accessed from US 95A by several surface streets. US 95A is paved and several of the surface streets are well maintained gravel, but the interior streets fronting the subjects are gravel or unmaintained dirt tracks. Access to the eastern group requires crossing the rail road on Fir Avenue approximately 1.5 miles south and then traveling north on Lemon Street. Fir Avenue is paved from US 95 and Lemon Street is a maintained gravel road.

Title to the properties appears to be vested as follows.

Rail Road Partners (an undivided ¼ interest),
Spruce Heights Partners (an undivided ¼ interest)
Vista Del Sur Partners (an undivided ¼ interest) and,
Lahontan Partners (an undivided ¼ interest)

A list of the subject parcels, as identified by the Lyon County Assessor follows has identified the subjects as follows:

Western Group				Eastern Group			
Parcel #	Property Location	Acreage	Zoning	Parcel #	Property Location	Acreage	Zoning
018-421-04	3690 RAWHIDE ST	4.13	M1	018-431-01	3000 LEMON ST	1.85	M1
018-421-05	3810 RAWHIDE ST	4.13	M1	018-431-02	3085 LEMON ST	2.39	M1
018-421-06	3930 RAWHIDE ST	4.46	M1	018-431-03	3145 LEMON ST	2.82	M1
018-423-01	3925 RAWHIDE ST	4.89	M1	018-431-04	3215 LEMON ST	3.26	M1
018-423-02	3805 RAWHIDE ST	4.13	M1	018-431-05	3255 LEMON ST	3.69	M1
018-426-03	3685 RAWHIDE ST	4.13	M1	018-431-06	3315 LEMON ST	4.13	M1
018-436-02	3130 TOIYABE ST	4.13	M1	018-431-07	3385 LEMON ST	4.56	M1
018-436-03	3260 TOIYABE ST	4.13	M1	018-431-08	3455 LEMON ST	4.99	M1
018-438-01	3255 TOIYABE ST	4.13	M1	018-431-09	3515 LEMON ST	5.43	M1
018-439-01	3945 TOIYABE ST	4.03	M1	018-431-10	3575 LEMON ST	5.86	M1
018-439-02	3825 TOIYABE ST	4.13	M1	018-431-11	3645 LEMON ST	6.29	M1
018-439-03	3705 TOIYABE ST	4.13	M1	018-431-12	3715 LEMON ST	6.73	M1
018-439-04	3625 TOIYABE ST	4.13	M1	018-431-13	3775 LEMON ST	7.16	M1
018-439-05	3485 TOIYABE ST	4.13	M1	018-431-14	3835 LEMON ST	7.59	M1
018-439-06	3365 TOIYABE ST	4.13	M1	018-431-15	3915 LEMON ST	8.03	M1

The parcels are vacant, having never been developed.

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

My research and analysis of the market and the subjects has led me to the following market value opinions:

Mr. Hebrank

3

March 28, 2013

Market Value Conclusions.

Western Group			
Parcel #	Property Location	Acreage	Value at \$5,000/ac
018-421-04	3690 RAWHIDE ST	4.13	\$20,650
018-421-05	3810 RAWHIDE ST	4.13	\$20,650
018-421-06	3930 RAWHIDE ST	4.46	\$22,300
018-423-01	3925 RAWHIDE ST	4.89	\$24,450
018-423-02	3805 RAWHIDE ST	4.13	\$20,650
018-426-03	3685 RAWHIDE ST	4.13	\$20,650
018-436-02	3130 TOIYABE ST	4.13	\$20,650
018-436-03	3260 TOIYABE ST	4.13	\$20,650
018-438-01	3255 TOIYABE ST	4.13	\$20,650
018-439-01	3945 TOIYABE ST	4.03	\$20,150
018-439-02	3825 TOIYABE ST	4.13	\$20,650
018-439-03	3705 TOIYABE ST	4.13	\$20,650
018-439-04	3625 TOIYABE ST	4.13	\$20,650
018-439-05	3485 TOIYABE ST	4.13	\$20,650
018-439-06	3365 TOIYABE ST	4.13	\$20,650

Eastern Group			
Parcel #	Property Location	Acreage	Value at \$4,000/ac
018-431-01	3000 LEMON ST	1.85	\$7,400
018-431-02	3085 LEMON ST	2.39	\$9,560
018-431-03	3145 LEMON ST	2.82	\$11,280
018-431-04	3215 LEMON ST	3.26	\$13,040
018-431-05	3255 LEMON ST	3.69	\$14,760
018-431-06	3315 LEMON ST	4.13	\$16,520
018-431-07	3385 LEMON ST	4.56	\$18,240
018-431-08	3455 LEMON ST	4.99	\$19,960
018-431-09	3515 LEMON ST	5.43	\$21,720
018-431-10	3575 LEMON ST	5.86	\$23,440
018-431-11	3645 LEMON ST	6.29	\$25,160
018-431-12	3715 LEMON ST	6.73	\$26,920
018-431-13	3775 LEMON ST	7.16	\$28,640
018-431-14	3835 LEMON ST	7.59	\$30,360
018-431-15	3915 LEMON ST	8.03	\$32,120

Retail Sale Potential

Western Group

\$314,700

Eastern Group

\$299,120

As Is Value, Assuming a Sale in a Single Transaction

\$300,000

Respectfully Submitted,



Robert E. Schiffmacher, MAI

Washoe 3

- Spanish Springs Partners
- Antelope Spring Partners
- Wild Horse Partners
- Big Ranch Partners

An Appraisal of
Washoe 3 (Southern Portion)
20; 40±ac. Parcels Identified on Assessor's Parcel
Map Page 76-89

Located
Approximately 5 Miles East of Pyramid Lake Highway , North of
Pyrenees Drive, Spanish Springs, NV

Owned by
Spanish Springs Partners et al.

Prepared For
Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriquez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
January 18, 2013

Date of Report
March 4, 2013

Submitted By
Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

March 4, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Southern Portion of Washoe 3 (Spanish Springs View Partners et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the properties as of the January 18, 2013 effective date of value in their as is condition.

On the inventory of properties that Mr. Rodriguez provided, Washoe 3 identified two groups of properties, separated by ownership. This appraisal addresses the southern properties, under the ownership of Spanish Spring Partners and Antelope Spring Partners. The balance of the Washoe 3 properties are under the ownership of Wild Horse Partners and Big Rock Partners are addressed in a separate appraisal.

The subject involves 20 adjoining or clustered 40±ac. Parcels located in the hills on the north east side of Spanish Springs. The parcels are accessed from Pyramid Lake Highway by a network of paved surface streets, maintained and unmaintained dirt roads. The Washoe County Assessor has identified the subjects as follows:

APN	Address	Land Area	Zoning
076-890-03	Navarra Dr	40.017 ±ac.	GR
076-890-04	Navarra Dr	40.027 ±ac.	GR
076-890-05	Navarra Dr	40.038 ±ac.	GR
076-890-06	Navarra Dr	40.007 ±ac.	GR
076-890-07	Navarra Dr	40.01 ±ac.	GR
076-890-09	Lesaka Rd	40.099 ±ac.	GR
076-890-11	Pitarra Ct	40.02 ±ac.	GR
076-890-12	Euskera Ct	40.01 ±ac.	GR
076-890-13	Euskera Ct	40.04 ±ac.	GR
076-890-14	Ispaster Ct	40.016 ±ac.	GR
076-890-21	Euskera Ct	40.01 ±ac.	GR
076-890-22	Euskera Dr	40.009 ±ac.	GR
076-890-24	Lesaka Rd	40.042 ±ac.	GR
076-890-25	Euskera Rd	40.054 ±ac.	GR
076-890-28	Euskera Rd	40 ±ac.	GR
076-890-31	Euskera Dr	40.057 ±ac.	GR
076-890-34	Ispaster Dr	40.009 ±ac.	GR
076-890-35	Ispaster Rd	40.008 ±ac.	GR
076-890-37	Ispaster Rd	40.012 ±ac.	GR
076-890-38	205 Ispaster Ct	40.007 ±ac.	GR

Title to the properties appears to be vested as follows.

Spanish Springs View Partners (an undivided ½ interest) and,
Antelope Spring Partners (an undivided ½ interest)

The parcels are vacant, having never been developed.

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

My research and analysis of the market and the subjects has led me to the following market value opinion:

Value Conclusion

The market for the individual subject parcels is very thinly traded. In my interviews with buyers and real estate agents with an interest in the market, they indicate a variety of buyer motivations that would result in a range of potential values for each of the parcels. My analysis of the subjects and the market has led me to conclude that the market value of the individual parcels would fall between \$40,000 and \$60,000 per parcel. Using an average value of \$50,000 this would result in a total retail sale potential of \$1,000,000.

TOTAL RETAIL SALE POTENTIAL
(Average \$50,000/parcel)

\$1,000,000

If the group of 20, 40 acre parcels were marketed as a single holding, it would be necessary to discount the retail sale potential significantly. I have estimated the current market value of the entire holding to be \$350,000, which represents a discount from the total retail sale potential of 65%.

MARKET VALUE
(Entire Holding 20, 40±ac. parcels)

\$350,000

The values of the individual parcels, the retail sale potential and the as-is market value of the entire holding assumes that the special assessment obligation on each of the subject parcels would be discharged by the seller. As of the effective date of value, the total outstanding special assessment balance owing against the subjects is \$416,984.

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,



Robert E. Schiffmacher, MAI

An Appraisal of
Washoe 3 (Northern Portion)
20; 40±ac. Parcels Identified on Assessor's Parcel
Map Pages 76-87 and 76-88

Located
Approximately 5 Miles East of Pyramid Lake Highway and 1 to 2
Miles North of Pyrenees Drive, Spanish Springs, NV.

Owned by
Wild Horse Partners et al.

Prepared For
Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
January 18, 2013

Date of Report
March 4, 2013

Submitted By
Robert E. Schiffmacher, MAI

WARREN & SCHIFFMACHER, LLC
13-020 / E3 ADVISORS

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

March 4, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
The Northern portion of Washoe 3 (Wild Horse Partners et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the properties as of the January 18, 2013 effective date of value in their as is condition.

On the inventory of properties that Mr. Rodriguez provided, Washoe 3 identified two groups of properties, separated by ownership. This appraisal addresses the northern properties, under the ownership of Wild Horse Partners and Big Rock Partners. The balance of the Washoe 3 properties are under the ownership of Spanish Spring Partners and Antelope Spring Partners are addressed in a separate appraisal.

The subject involves 20 adjoining or clustered 40±ac. parcels located in the hills on the north east side of Spanish Springs. The parcels are accessed from Pyramid Lake Highway by a network of paved surface streets, maintained gravel surface streets and unmaintained dirt tracks. The Washoe County Assessor has identified the subjects as follows:

APN	Address	Land Area	Zoning
076-870-06	IRATI RD	40.468 ±ac.	GR
076-870-07	IRATI RD	55.822 ±ac.	GR
076-870-08	IRATI RD	54.073 ±ac.	GR
076-870-09	LESAKA RD	50.253 ±ac.	GR
076-870-10	LESAKA RD	51.499 ±ac.	GR
076-870-11	BIDARRY DR	43.263 ±ac.	GR
076-870-12	IRATI RD	53.081 ±ac.	GR
076-870-13	IRATI RD	40.952 ±ac.	GR
076-870-14	IRATI RD	42.857 ±ac.	GR
076-880-01	LESAKA RD	40.014 ±ac.	GR
076-880-05	LESAKA RD	40.02 ±ac.	GR
076-880-06	LESAKA RD	40.032 ±ac.	GR
076-880-07	LESAKA CT	40.022 ±ac.	GR
076-880-09	HUESKA CT	40.023 ±ac.	GR
076-880-10	HUESKA CT	40.043 ±ac.	GR
076-880-11	LESAKA CT	40.026 ±ac.	GR
076-880-13	NAVARRA DR	40.074 ±ac.	GR
076-880-14	NAVARRA DR	40.074 ±ac.	GR
076-880-15	HUESKA CT	40.023 ±ac.	GR
076-880-16	LESAKA RD	40.003 ±ac.	GR

Title to the properties appears to be vested as follows.

Wild Horse Partners (an undivided $\frac{1}{2}$ interest) and,
Big Rock Partners (an undivided $\frac{1}{2}$ interest)

The parcels are vacant, having never been developed.

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

My research and analysis of the market and the subjects has led me to the following market value opinion:

Value Conclusion

The market for the individual subject parcels is very thinly traded. In my interviews with buyers and real estate agents with an interest in the market, they indicate a variety of buyer motivations that would result in a range of potential values for each of the parcels. My analysis of the subjects and the market has led me to conclude that the market value of the individual parcels would fall between \$20,000 and \$50,000 per parcel. The lower end of the range is applicable to the northern most parcels in the holding. These are more remote sites with more challenging access. The parcels at southern end of the holding would fall in the upper end of the range. They are somewhat less remote and have better access. The total retail sale potential of the 20 parcel holding is estimated at \$765,000.

TOTAL RETAIL SALE POTENTIAL	<u>\$765,000</u>
(20, 40±ac. parcels, sold individually)	

If the group of 20, 40 acre parcels were marketed as a single holding, it would be necessary to discount the retail sale potential significantly. I have estimated the current market value of the holding to be \$250,000 which represents a discount of 67% from the Total Retail Sale Potential.

MARKET VALUE	<u>\$250,000</u>
(Entire Holding 20, 40±ac. parcels sold in a single transaction)	

The values of the individual parcels, the retail sale potential and the as-is market value of the entire holding assumes that the special assessment obligation on each of the subject parcels would be discharged by the seller. As of the effective date of value, the total outstanding special assessment balance owing against the subjects is \$416,984.

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,



Robert E. Schiffmacher, MAI

Washoe 5

- Pyramid Highway 177
- Frontage 177

An Appraisal of

Washoe 5

Assessor's Parcel Numbers
076-172-03 and 076-172-06

Located

On the west side of Pyramid Lake Highway,
13 Miles north of I 80, Spanish Springs, NV

Owned by

Pyramid Highway 177, LLC
Frontage 177, LLC

Prepared For

Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of

Providing an Opinion of Market Value

As of

January 18, 2013

Date of Report

March 4, 2013

Submitted By

Robert E. Schiffmacher, MAI

WARREN & SCHIFFMACHER, LLC
13-021 / E3 ADVISORS

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

March 4, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Washoe 5

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the properties as of the January 18, 2013 effective date of value in their as is condition.

The subject involves two adjoining vacant parcels:

APN 076-172-03 containing	95.58±ac. and
APN 076-172-06 containing	<u>81.871±ac.</u>
Total	177.451±ac.

The properties appear to be owned by
Pyramid Highway 177, LLC (an undivided ½ interest) and
Frontage 177, LLC (an undivided ½ interest).

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

My research and analysis of the market and the subjects has led me to the following market value opinion:

Value Conclusion

APN 76-172-03	<u>\$90,000</u>
APN 76-172-06	<u>\$90,000</u>

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,



Robert E. Schiffmacher, MAI

Dayton I

- Dayton View Partners
- Fairway Partners
- Green View Partners
- Par Four Partners

An Appraisal of

Dayton I - Two Parcels:
16-291-05: 640.00±ac.
16-291-07: 157.50±ac.

Located
South of Dayton Valley Rd, East of the Southern extension of
Bullion Rd.
Dayton, Lyon County, NV

Owned by
Dayton View Partners et al.

Prepared For
Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
January 18, 2013

Date of Report
March 4, 2013

Submitted By
Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

March 4, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Dayton I (Dayton View Partners et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the properties as of the January 18, 2013 effective date of value in their as is condition.

The subject involves two large parcels located south of the town of Dayton in Lyon County Nevada. The parcels are accessed from US Highway 50 by Dayton Valley Road. The Lyon County Assessor has identified the subjects as follows:

APN	Land Area	Zoning
16-291-05	640.00±ac.	RR5
16-291-07	157.50±ac.	RR5

Title to the properties appears to be vested as follows.

Dayton View Partners (an undivided ¼ interest),
Fairway Partners (an undivided ¼ interest)
Green View Partners (an undivided ¼ interest) and,
Par Four Partners (an undivided ¼ interest)

The parcels are vacant, having never been developed.

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

Value Conclusion

The market for the raw land parcels in non agricultural areas in Lyon County is very thinly traded. Based on my analysis of a very limited number of sales, my analysis of the market leads me to the following market value conclusions.

Value Conclusion 16-291-05 (650±ac.) \$160,000

Value Conclusion 16-291-07 (157.11±ac.) \$100,000

If the two parcels were sold as a package, I would anticipate a value of \$200,000 or \$250/ acre for the entire holding.

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert Schiffmacher". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert E. Schiffmacher, MAI

Dayton II

- Storey County Partners
- Comstock Partners
- Silver City Partners
- Nevada View Partners

An Appraisal of

Dayton II - Two Parcels:
004-291-15: 630.00±ac. (Storey Cty.)
16-011-03: 10.80±ac. (Lyon Cty.)

Located
In the Area of the Mark Twain Estates East of the Town of Dayton
Storey County, NV

Owned by
Nevada View Partners et al.

Prepared For
Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriquez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
January 18, 2013

Date of Report
March 4, 2013

Submitted By
Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
 Reno, Nevada 89503
 Phone (775)686-2622
 Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

March 4, 2013

Mr. Thomas C. Hebrank CPA CIRA
 Principal
 E3 Advisors
 C/O Mr. Geno Rodriguez
 Director
 501 W. Broadway, Suite 800
 San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
 Dayton II (Nevada View Partners et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the properties as of the January 18, 2013 effective date of value in their as is condition.

The subject involves section 15, T17N, R22E and contains 640.80±ac. The section is divided into two parcels, the largest of which is located in Storey County and the smaller in Lyon County. The site is located ½ mile north of US Highway 50 about 8 miles east of Dayton. It has legal access but, no developed access. The Assessors have identified the subjects as follows:

	APN	Land Area	Zoning
Storey County	04-291-15	630.00±ac.	E
Lyon County	16-011-05	10.80±ac.	RR5

Title to the properties appears to be vested as follows.

Storey County Properties (an undivided ¼ interest),
 Comstock Partners (an undivided ¼ interest)
 Silver City Partners (an undivided ¼ interest) and,
 Nevada View Partners (an undivided ¼ interest)

The parcels are vacant, having never been developed.

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

Value Conclusion

The market for the raw land parcels in non-agricultural areas in both Storey County and Lyon County is very thinly traded. Based on my analysis of a very limited number of sales, my analysis of the market leads me to the following market value conclusions.

Value Conclusion 04-291-15 (630±ac. in Storey County)	<u>\$94,500</u>
Value Conclusion 16-011-03 (10.80±ac. in Lyon County)	<u>\$10,000</u>

If the two parcels were sold as a package, I would anticipate a value of \$100,000 \$156/acre for the entire holding.

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert Schiffmacher". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Robert E. Schiffmacher, MAI

WARREN & SCHIFFMACHER, LLC
13-026 / E3 ADVISORS

Dayton III

- Gold Ridge Partners
- Sky View Partners
- Grand View Partners
- Rolling Hills Partners

An Appraisal of
Dayton III
004-291-57: 140.00±ac. (Storey County)

Located
In the Area of Stagecoach East of the Town of Dayton
Storey County, NV

Owned by
Rolling Hills Partners et al.

Prepared For
Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
January 18, 2013

Date of Report
March 4, 2013

Submitted By
Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

March 4, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Dayton III (Rolling Hills Partners et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the property referenced above. The purpose of my appraisal is to develop an opinion of market value for the property as of the January 18, 2013 effective date of value in its as is condition.

The subject involves a 140±ac. portion of Section 11, T17N, R22E. The subject is located in Storey County. The site is located between ½ and ¾ mile north of US Highway 50 about 9 miles east of Dayton. It has no developed access or access to utilities. The Storey County Assessor has identified the subject as follows:

	APN	Land Area	Zoning
Storey County	04-291-57	140.00±ac.	E

Title to the subject appears to be vested as follows.

Gold Ridge Partners (an undivided ¼ interest),
Sky View Partners (an undivided ¼ interest)
Grand View Partners (an undivided ¼ interest) and,
Rolling Hills Partners (an undivided ¼ interest)

The subject is vacant, having never been developed.

The intended use of the appraisal is to identify and value subject for asset monitoring and possible sale.

Value Conclusion

The market for the raw land parcels in non agricultural areas in both Storey County and Lyon County is very thinly traded. Based on my analysis of a very limited number of sales, my analysis of the market leads me to the following market value conclusion.

Value Conclusion 04-291-57 (140±ac. in Storey County) \$50,000

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the

Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert Schiffmacher". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert E. Schiffmacher, MAI

Dayton IV

- Eagle View Partners
- Falon Heights Partners
- Night Hawk Partners
- Osprey Partners

An Appraisal of

**Dayton IV - Two Parcels:
04-291-18: 440.05±ac. (Storey County)
16-021-20: 192.63±ac. (Lyon County)**

Located

In the Area of the Mark Twain Estates East of the Town of Dayton
Storey County, NV

Owned by

Osprey Pescador, LLC et al.

Prepared For

Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of

Providing an Opinion of Market Value

As of

January 18, 2013

Date of Report

March 4, 2013

Submitted By

Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

March 4, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Dayton IV (Osprey Pescador LLC et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the property referenced above. The purpose of my appraisal is to develop an opinion of market value for the property as of the January 18, 2013 effective date of value in its as is condition.

The subject is Section 21, T17N, R22E M.D.B & M. The section straddles the Storey County/Lyon County Line with 440.05±ac. falling in Storey County and the remaining 192.63±ac. in Lyon County. The site is located ½ mile north of US Highway 50 about 7 miles east of Dayton. Pinenut Road which provides access to an adjoining aggregate mine crosses the subject and would provide access. The Assessors have identified the subject as follows:

	APN	Land Area	Zoning
Storey County	04-291-18	440.05±ac.	Forestry
Lyon County	16-021-20	192.63±ac.	RR2

Title to the subject appears to be vested as follows.

Eagle View Partners LLC (an undivided ¼ interest),
Falcon Heights Partners LLC (an undivided ¼ interest)
Night Hawk Partners LLC (an undivided ¼ interest) and,
Osprey Pescador LLC (an undivided ¼ interest)

The subject is vacant, having never been developed.

The intended use of the appraisal is to identify and value subject for asset monitoring and possible sale.

Mr. Hebrank

2

March 4, 2013

Value Conclusion

The market for the raw land parcels in non-agricultural areas in both Storey County and Lyon County is very thinly traded. Based on my analysis of a very limited number of sales, my analysis of the market leads me to conclude the following market values for the two components of the subject.

Value Conclusion 04-291-18 (440.05±ac. in Storey County) \$110,000

Value Conclusion 016-021-20 (192.63±ac. in Lyon County) \$95,000

If the subject were marketed as a single holding, I believe the market would value the entire holding at the \$250 per acre value or \$160,000.

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,



Robert E. Schiffmacher, MAI

WARREN & SCHIFFMACHER, LLC
13-028 / E3 ADVISORS

Minden

- Carson Valley Partners
- Heavenly View Partners
- Sierra View Partners
- Pine View Partners

An Appraisal of
“Minden”
Douglas County, NV
APN 1220-11-001-004: 83.13±ac.

Located
Three Miles South of Gardnerville, ½ Mile East of US 395 on the
North Side of Pinenut Dr.
Douglas County, NV

Owned by
Carson Valley Partners et al.

Prepared For
Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriquez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
April 23, 2013

Date of Report
April 25, 2013

Submitted By
Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

April 25, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Minden (Carson Valley Partners et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the property referenced above. The purpose of my appraisal is to develop an opinion of market value for the property as of the April 23, 2013 effective date of value in it's as is condition.

The subject involves an 83.13±ac. parcel located at the northwest corner of Pinenut Drive and Sawmill Road. It is about 3 miles south of Gardnerville and ½ mile east of US 395. The subject is accessed on Pinenut Drive from US 395. The Douglas County Assessor has identified the subject as APN 1220-11-001-004.

Title to the property appears to be vested as follows.

Pine View Partners (an undivided ¼ interest),
Sierra View Partners (an undivided ¼ interest),
Heavenly View Partners (an undivided ¼ interest),
Carson Valley Partners (an undivided ¼ interest),

The parcel is vacant, having never been developed.

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

Value Conclusion

The market for raw land with industrial zoning is very thinly traded. My analysis of the subject and the available sales leads me to the following market value conclusion.

Value Conclusion

\$1,000,000

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert Schiffmacher". The signature is fluid and cursive, with the first name "Robert" and last name "Schiffmacher" clearly distinguishable.

Robert E. Schiffmacher, MAI

WARREN & SCHIFFMACHER, LLC
13-031 / E3 ADVISORS

Washoe 1

- Reno View
- Reno Vista
- Reno Partners

An Appraisal of

Washoe 1

Assessor's Parcel Numbers
016-764-14, 15 and 016-763-02

Located

On State Route 341; Geiger Grade, Approximately 5.5 miles east
of South Virginia Street
Reno, NV

Owned by

Reno Vista Partners

Prepared For

Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of

May 8, 2013

Date of Report

May 10, 2013

Submitted By

Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

May 10, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Washoe 1, Reno Vista Partners

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the property as of the May 8, 2013 effective date of value in it's as is condition.

The subject involves two adjoining parcels on the east side of State Route 341 and one that is separated from the others by the highway. The parcels are located about 5.5 miles east of South Virginia Street. The Washoe County Assessor identifies the subject as follows:

APN 016-763-02 containing	4.67±ac.	Zoned GR
APN 016-764-14 containing	33.546±ac. and	Zoned GR
APN 016-764-15 containing	16.314±ac.	Zoned GR

The properties appear to be owned by

Reno Vista Partners

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

My research and analysis of the market and the subjects has led me to the following market value opinion:

Value Conclusion

\$50,000

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,



Robert E. Schiffmacher, MAI

An Appraisal of

Washoe 1

Assessor's Parcel Numbers
016-762-28 and 016-762-29

Located

On the West Side of State Route 341; Geiger Grade,
Approximately 5.5 miles east of South Virginia Street
Reno, NV

Owned by

Reno Partners

Prepared For

Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of

May 8, 2013

Date of Report

May 10, 2013

Submitted By

Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

May 10, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Washoe 1, Reno Partners

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the property as of the May 8, 2013 effective date of value in it's as is condition.

The subject involves two adjoining parcels on the west side of State Route 341 about 5.5 miles east of South Virginia Street. The Washoe County Assessor identifies the subject as follows:

APN 016-762-28 containing	40.00±ac.	Zoned GR
APN 016-762-29 containing	16.141±ac.	Zoned GR

The properties appear to be owned by

Reno Partners

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

My research and analysis of the market and the subjects has led me to the following market value opinion:

Value Conclusion

\$50,000

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,



Robert E. Schiffmacher, MAI

Washoe 4

- Rose Vista
- Steam Boat Partners
- Galena Ranch Partners
- Redfield Heights Partners

An Appraisal of

Washoe 4

Assessor's Parcel Number
049-450-53

Located

On the West Side of Old US395, Approximately 1.75 miles south
of State Route 431; the Mount Rose Highway
Reno, NV

Owned by

Rose Vista Partners et al.

Prepared For

Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors

For the Purpose of
Providing an Opinion of Market Value

As of
May 14, 2013

Date of Report
May 23, 2013

Submitted By
Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

May 23, 2013

Mr. Thomas C. Hebrank CPA CIRA, Principal
E3 Advisors
C/O Mr. Geno Rodriguez, Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Washoe 4, Rose Vista Partners et al.

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the property referenced above. The purpose of my appraisal is to develop an opinion of market value for the property as of the May 14, 2013 effective date of value in it's as is condition.

The subject involves a 116.43±ac. parcel on the west side of Old US395, approximately 1.75 miles south of State Route 431; the Mount Rose Highway. The Washoe County Assessor identifies the subject as follows:

APN 049-450-53 containing 116.43±ac. Zoned GR

The property appears to be owned by

Rose Vista Partners as to an undivided ¼ interest;
Steamboat Partners as to an undivided ¼ interest;
Galena Ranch Partners as to an undivided ¼ interest and,
Redfield Heights Partners as to an undivided ¼ interest

The intended use of the appraisal is to identify and value properties controlled by Western Financial et al. for asset monitoring and possible sale.

My research and analysis of the market and the subjects has led me to the following market value opinion:

Value Conclusion **\$375,000**

The following is a complete appraisal, reported in a summary format. It has been prepared in conformance with the reporting requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP). My conclusions and the data and analysis upon which they are based are summarized in the attached appraisal.

Respectfully Submitted,



Robert E. Schiffmacher, MAI

Stead

- P-39 Aircobra Partners
- P-40 Warhawk Partners
- P-51 LLC

An Appraisal of

Stead 1

**12 Parcels Ranging From 0.364±ac. to 63.88±ac.
Identified on Washoe County Assessor's Parcel Map
Pages 81-02 and 81-03**

Located

**On the South Side of US395, South of the Red Rock Road US395
Interchange in Stead, Washoe County, Nevada**

Owned by

P51 LLC, a Nevada Limited Liability Company et al.

Prepared For

**Mr. Thomas C. Hebrank CPA CIRA
C/O Geno Rodriguez
E3 Advisors**

For the Purpose of

Providing an Opinion of Market Value

As of

June 3, 2013

Date of Report

June 12, 2013

Submitted By

Robert E. Schiffmacher, MAI

Warren & Schiffmacher LLC
REAL PROPERTY CONSULTANTS

MARK WARREN, MAI
markwarren.ws@gmail.com

85 Keystone Avenue, Suite C
Reno, Nevada 89503
Phone (775)686-2622
Fax (775)688-4681

ROBERT SCHIFFMACHER, MAI
rschiffmacher.ws@gmail.com

June 12, 2013

Mr. Thomas C. Hebrank CPA CIRA
Principal
E3 Advisors
C/O Mr. Geno Rodriguez
Director
501 W. Broadway, Suite 800
San Diego, CA 92101

RE: SEC v Louis V. Schooler, Receivership
Stead 1 (P51 LLC et al.)

Dear Mr. Hebrank,

At your request, I have completed an appraisal of and prepared the following report for the properties referenced above. The purpose of my appraisal is to develop an opinion of market value for the properties as of the June 3, 2013 effective date of value in their as is condition.

The subject involves 12 parcels south of the Red Rock/US395 interchange in Stead Nevada. The parcels range in size from .364±ac. to 63.88±ac. and are clustered in two groups. The Northern Group involves 10 parcels that are located just south of the freeway and east of Copperfield Drive. All 10 of these parcels are zoned HDR and are located in an unincorporated island of county controlled land surrounded by land either in the City of Reno or in its Sphere of Influence. These parcels range in size from 0.364±ac. to 13.079±ac. The two remaining parcels are separated from the balance by an intervening 158.75±ac. parcel under an unrelated ownership. This group consists of a 63.88±ac. parcel zoned GR and a 1.767±ac. parcel zoned HDR, separated by the Union Pacific Rail Road tracks. These parcels are also in the County, but are in the City of Reno's Sphere of Influence.

Title to the properties appears to be vested as follows.

**P51 LLC (an undivided ½ Interest),
P39 Aircobra LLC (an undivided ¼ interest)
P40 Warhawk LLC (an undivided ¼ interest)**

A list of the subject parcels, as identified by the Washoe County Assessor's Office follows:

Northern Group

Subject Parcels	Address	Land Area in acres	Land Area in SF	Jursdiction	Zoning
081-031-27	10408 Trail Dr.	13.079	569,721	Washoe County	HDR
081-031-28	317 Lenco Ave	5.390	234,788	Washoe County	HDR
081-031-29	700 Lenco Ave.	2.000	87,120	Washoe County	HDR
081-031-30	204 Lenco Ave.	2.940	128,066	Washoe County	HDR
081-031-31	202 Lenco Ave.	0.364	15,871	Washoe County	HDR
081-031-32	200 Susan Court	6.300	274,428	Washoe County	HDR
081-031-33	300 Trail Drive	2.000	87,120	Washoe County	HDR
081-031-34	201 Copperfield Dr.	1.701	74,085	Washoe County	HDR
081-031-35	208 Copperfield Dr.	0.828	36,067	Washoe County	HDR
081-031-49	10727 Trail Drive	5.250	228,690	Washoe County	HDR

Southern Group

081-031-40	Longview Lane	1.744	75,966	Washoe County	HDR
081-024-07	220 Mer Mac St	63.880	2,782,613	Washoe County	GR

Prior to their acquisition by Real Property Locators and subsequent transfer to P51 et al. most of the parcels in the Northern Group were improved with older, but functional homes. In late 2009 or early 2010, all of the residences were removed, and the sites are currently vacant.

According to the Washoe County Assessor's records, APN 081-024-07 in the Southern Group is improved with an old, 1,428±sf. home, a 25,000 gallon water tank that was part of the infrastructure associated with the 3-T Water System that had served the homes on the Northern Group and associated site improvements. The property is prominently posted with no trespassing signs and the property and improvements were viewed from a distance but not inspected.

The intended use of the appraisal is to identify and value the properties controlled by Western Financial et al. for asset monitoring and possible sale.

My research and analysis of the market and the subjects has led me to the following market value opinions:

Market Value Conclusions**NORTHERN GROUP**

Six, 2.00±ac. parcels	\$50,000 each	
Total Retail Sale Potential		\$300,000
Four, 5.00±ac. to 6.00±ac. parcels	\$65,000 each	
Total Retail Sale Potential		\$260,000

Value Assuming a Sale in a Single Transaction **\$280,000**

SOUTHERN GROUP

Market Value Conclusion, Sold Together **\$115,000**

Respectfully Submitted,



Robert E. Schiffmacher, MAI

Bratton Valley

- Valley Vista
- Bratton Valley
- Honey Springs

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11510 Page #1
HONEY SPRINGS PTR
File No. 13-11510

Borrower HONEY SPRINGS PARTNERS Census Tract 0213.02 Map Reference SD/1294/D6
Property Address 0 HONEY SPRINGS ROAD
City JAMUL County SAN DIEGO State CA Zip Code 91935
Legal Description (EX RD) PAR B DOC 86-338786 IN NEQ OF SEC 22 & IN NWQ SEC 23-17-2E
Sale Price \$ 0 Date of Sale 0 Loan Term 0 yrs. Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD
Actual Real Estate Taxes \$ 12.061 (yr) Loan charges to be paid by seller \$ 0 Other sales concessions 0
Lender/Client E3 ADVISORS Address NOT AVAILABLE
Occupant VACANT Appraiser MARK R. MARSELLA Instructions to Appraiser PHYSICAL INSPECTION OF RAW VACANT LAND

SUBJECT

NEIGHBORHOOD

Location ☐ Urban ☒ Suburban ☐ Rural
Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25%
Growth Rate ☐ Rapid ☐ Steady ☒ Slow
Property Values ☐ Increasing ☒ Stable ☐ Declining
Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply
Marketing Time ☐ Under 3 Mos. ☒ 4-6 Mos. ☐ Over 6 Mos.
Present 60 % One-Unit 3 % 2-4 Unit 1 % Apts. 2 % Condo 3 % Commercial
Land Use 1 % Industrial 30 % Vacant %
Change in Present ☐ Not Likely ☒ Likely (*) ☐ Taking Place (*)
Land Use (*) From VACANT To RESIDENTIAL
Predominant Occupancy ☒ Owner ☐ Tenant 3 % Vacant
One-Unit Price Range \$ 152 to \$ 1,347 Predominant Value \$ 550
One-Unit Age Range 1 yrs. to 80 yrs. Predominant Age 30 yrs.
Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) THE SUBJECT IS LOCATED IN JAMUL IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS OF SINGLE FAMILY RESIDENCES, A SMALL AMOUNT OF GOOD QUALITY MIXED STYLE CONDOMINIUMS VARYING IN AGE AND SIZE, AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES. FREEWAY ACCESS IS ADEQUATE.

SITE

Dimensions SEE PLAT MAP = 46.21 ACRES ☐ Corner Lot
Zoning Classification A72 Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations
Highest and Best Use ☒ Present Use ☐ Other (specify)
Public Other (Describe)
Elec. ☐ NONE
Gas ☐ NONE
Water ☐ NONE
San. Sewer ☐ NONE
☐ Underground Elect. & Tel.
OFF SITE IMPROVEMENTS
Street Access ☒ Public ☐ Private
Surface ASPHALT
Maintenance ☒ Public ☐ Private
☐ Storm Sewer ☐ Curb/Gutter
☐ Sidewalk ☐ Street Lights
Topo LEVEL TO SLOPING
Size LARGER THAN TYPICAL FOR THE AREA
Shape IRREGULAR
View SURROUNDING MOUNTAIN
Drainage ADEQUATE
Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.

MARKET DATA ANALYSIS

The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	0 HONEY SPRINGS ROAD JAMUL, CA 91935	HONEY SPRINGS ROAD JAMUL, CA 91935	21181 DEERHORN VALLEY ROAD JAMUL, CA 91935	SKYLINE TRUCK TRAIL JAMUL, CA 91935
Proximity to Subject		3.18 miles N	0.67 miles SE	1.19 miles NE
Sales Price	\$ 0	\$ 49,000	\$ 63,000	\$ 75,000
Price \$/Sq.Ft.		\$ 0.20	\$ 0.08	\$ 0.04
Data Source(s)	MLS/REALIST	MLS/REALIST	MLS/REALIST	MLS/REALIST
ITEM	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Date of Sale/Time Adj.	0	COE 07/17/2012	COE 03/22/2013	COE 10/14/2011
Location	SUBURBAN	SUBURBAN	SUBURBAN	SUBURBAN
Site/View	46.21 ACRES	5.61 ACRES	17.93 ACRES	41.33 ACRES
		+177,000	+123,000	+21,500
Zoning	A72	A72	A72	A72
APN	600-041-09-00	599-240-12-00	602-190-04-00	522-130-16-00
Site Improvements	NONE	NONE	NONE	NONE
Sales or Financing	0	ARMS LENGTH	ARMS LENGTH	ARMS LENGTH
Concessions	0	COV:0	COV:0	COV:0
Net Adj. (Total)		☒ + ☐ - \$ 177,000	☒ + ☐ - \$ 123,000	☒ + ☐ - \$ 21,500
Indicated Value of Subject		\$ 226,000	\$ 186,000	\$ 96,500

Comments on Market Data PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. EQUAL WEIGHT IS GIVEN TO ALL THREE COMPETING SALES IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT. SITE WAS CALCULATED AT \$.10 PER SQUARE FOOT

Comments and Conditions of Appraisal A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.

Final Reconciliation IN DETERMINING THE FINAL OPINION OF VALUE, MOST WEIGHT IS GIVEN TO COMPARABLE SALES 1 AND 2 BECAUSE THEY HAVE MAIN STREET ACCESS WITH UTILITIES LOCATED IN CLOSE PROXIMITY.

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF 04/16/2013 TO BE \$ 206,000

Appraiser MARK R. MARSELLA Supervisory Appraiser (if applicable)
Date of Signature and Report 04/19/2013 Date of Signature
Title CERTIFIED RESIDENTIAL APPRAISER Title
State Certification # AR027428 ST CA State Certification # ST
Or State License # ST Or State License # ST
Expiration Date of State Certification or License 01/11/2014 Expiration Date of State Certification or License
Date of Inspection (if applicable) 04/16/2013 ☐ Did ☐ Did Not Inspect Property Date of Inspection

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

Jamul Valley

- Jamul Meadows
- Lyons Valley
- Hidden Hills

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11508 Page #1
LYONS VALLEY PTR
File No. 13-11508

SUBJECT	Borrower LYONS VALLEY PARTNERS		Census Tract 0213.03		Map Reference SD/1272J6	
	Property Address					
	City JAMUL		County SAN DIEGO		State CA Zip Code 91935	
	Legal Description POR SEC 34-16-1E					
NEIGHBORHOOD	Sale Price \$ 0		Date of Sale 0		Loan Term 0 yrs.	
	Actual Real Estate Taxes \$ 4,693		(yr)		Loan charges to be paid by seller \$ 0	
	Lender/Client E3 ADVISORS		Address NOT AVAILABLE			
	Occupant VACANT		Appraiser MARK R. MARSELLA			
	Location		☐ Urban ☒ Suburban ☐ Rural		Instructions to Appraiser PHYSICAL INSPECTION OF RAW VACANT LAND	
	Built Up		☐ Over 75% ☒ 25% to 75% ☐ Under 25%		Good Avg. Fair Poor	
	Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☐ Slow		☐ Increasing ☒ Stable ☐ Declining		Employment Stability ☐ ☒ ☐ ☐	
	Property Values		☐ Shortage ☒ In Balance ☐ Oversupply		Convenience to Employment ☐ ☒ ☐ ☐	
	Demand/Supply		☐ Under 3 Mos. ☐ 4-6 Mos. ☒ Over 6 Mos.		Convenience to Shopping ☐ ☒ ☐ ☐	
	Marketing Time				Convenience to Schools ☐ ☒ ☐ ☐	
SITE	Present 60 % One-Unit 3 % 2-4 Unit 1 % Apts. 2 % Condo 3 % Commercial				Adequacy of Public Transportation ☐ ☒ ☐ ☐	
	Land Use 1 % Industrial 30 % Vacant				Recreational Facilities ☐ ☒ ☐ ☐	
	Change in Present Land Use ☐ Not Likely ☒ Likely (*)				Adequacy of Utilities ☐ ☒ ☐ ☐	
	Land Use (*) From VACANT To RESIDENTIAL				Property Compatibility ☐ ☒ ☐ ☐	
	Predominant Occupancy ☒ Owner ☐ Tenant 3 % Vacant				Protection from Detrimental Conditions ☐ ☒ ☐ ☐	
	One-Unit Price Range \$ 152 to \$ 1,347				Police and Fire Protection ☐ ☒ ☐ ☐	
	One-Unit Age Range 1 yrs. to 80 yrs. Predominant Age 30 yrs.				General Appearance of Properties ☐ ☒ ☐ ☐	
					Appeal to Market ☐ ☒ ☐ ☐	
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) THE SUBJECT IS LOCATED IN JAMUL IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS OF SINGLE FAMILY RESIDENCES, A SMALL AMOUNT OF GOOD QUALITY MIXED STYLE CONDOMINIUMS VARYING IN AGE AND SIZE, AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES. FREEWAY ACCESS IS ADEQUATE.					
	MARKET DATA ANALYSIS	Dimensions SEE PLAT MAP		= 40.21 ACRES		☐ Corner Lot
Zoning Classification A72		Present Improvements ☒ Do ☐ Do Not		Conform to Zoning Regulations		
Highest and Best Use ☒ Present Use ☐ Other (specify)						
Public Other (Describe)		OFF SITE IMPROVEMENTS				
Elec. ☐ NONE		Street Access ☒ Public ☐ Private				
Gas ☐ NONE		Surface COMPACT				
Water ☐ NONE		Maintenance ☒ Public ☐ Private				
San. Sewer ☐ NONE		☐ Storm Sewer ☐ Curb/Gutter				
☐ Underground Elect. & Tel.		☐ Sidewalk ☐ Street Lights				
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.						
RECONCILIATION	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.					
	ITEM		SUBJECT PROPERTY		COMPARABLE NO. 1	
	Address		JAMUL, CA 91935		0 SKYLINE TRUCK TRAIL JAMUL, CA 91935	
	Proximity to Subject		5.64 miles E		7.99 miles SE	
	Sales Price		\$ 0		\$ 75,000	
	Price \$/Sq.Ft.		\$ 0		\$ 0.04	
	Data Source(s)		MLS/REALIST		MLS/REALIST	
	ITEM		DESCRIPTION		DESCRIPTION	
	Date of Sale/Time Adj.		0		COE 03/22/2013	
	Location		SUBURBAN		SUBURBAN	
Site/View		40.21 ACRES		41.33 ACRES		
Zoning		A72		A72		
APN		519-150-05-00		522-130-16-00		
Site Improvements		NONE		NONE		
Sales or Financing Concessions		0		ARMS LENGTH COV:0		
Net Adj. (Total)				☒ + ☐ - \$ 77,500		
Indicated Value of Subject				\$ 75,000		
Comments on Market Data PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. EQUAL WEIGHT IS GIVEN TO ALL THREE COMPETING SALES IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT. SITE WAS CALCULATED AT \$.08 PER SQUARE FOOT						
Comments and Conditions of Appraisal A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.						
Final Reconciliation IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.						
I (WE) ESTIMATE THE MARKET VALUE, AS DETERMINED, OF THE SUBJECT PROPERTY AS OF 04/16/2013 TO BE \$ 125,000						
Appraiser MARK R. MARSELLA						
Date of Signature and Report 04/19/2013						
Title CERTIFIED RESIDENTIAL APPRAISER						
State Certification # AR027428 ST CA						
Or State License # ST						
Expiration Date of State Certification or License 01/11/2014						
Date of Inspection (if applicable) 04/16/2013						
Supervisory Appraiser (if applicable)						
Date of Signature						
Title						
State Certification # ST						
Or State License # ST						
Expiration Date of State Certification or License						
☐ Did ☐ Did Not Inspect Property Date of Inspection						

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE 08/11

LAND APPRAISAL REPORT

LYONS VALLEY PTR

File No. 13-11509

Borrower LYONS VALLEY PARTNERS		Census Tract 0213-03		File No. 13-T1509																												
Property Address																																
City JAMUL		County SAN DIEGO		State CA Zip Code 91935																												
SUBJECT Legal Description LOTS 9 & 10 / N 1/2 OF SE 1/4 / IN SEC 34-16-1E Sale Price \$ 0 Date of Sale 0 Loan Term 0 yrs. Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD Actual Real Estate Taxes \$ 10,068 (yr) Loan charges to be paid by seller \$ 0 Other sales concessions 0 Lender/Clien E3 ADVISORS Address NOT AVAILABLE																																
NEIGHBORHOOD Occupant VACANT Appraiser MARK R. MARSELLA Instructions to Appraiser PHYSICAL INSPECTION OF RAW VACANT LAND Location ☐ Urban ☒ Suburban ☐ Rural Good Avg. Fair Poor Built Up ☐ Over 75% ☒ 25% to 75% Under 25% Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☒ Slow Property Values ☐ Increasing ☒ Stable ☐ Declining Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply Marketing Time ☐ Under 3 Mos. ☐ 4-6 Mos. ☒ Over 6 Mos. Present 60 % One-Unit 3 % 2-4 Unit 1 % Apts. 2 % Condo 3 % Commercial Land Use 1 % Industrial 30 % Vacant % Change in Present ☐ Not Likely ☒ Likely (*) ☐ Taking Place (*) Land Use (*) From VACANT To RESIDENTIAL Predominant Occupancy ☒ Owner ☐ Tenant 3 % Vacant One-Unit Price Range \$ 152 to \$ 1,347 Predominant Value \$ 550 One-Unit Age Range 1 yrs. to 80 yrs. Predominant Age 30 yrs. Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) THE SUBJECT IS LOCATED IN JAMUL IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS OF SINGLE FAMILY RESIDENCES, A SMALL AMOUNT OF GOOD QUALITY MIXED STYLE CONDOMINIUMS VARYING IN AGE AND SIZE, AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES. FREEWAY ACCESS IS ADEQUATE																																
SITE Dimensions SEE PLAT MAP = 82.48 ACRES ☐ Corner Lot Zoning Classification A72 Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations Highest and Best Use ☒ Present Use ☐ Other (specify) <table border="1" style="width:100%;"> <tr> <th>Public</th> <th>Other (Describe)</th> <th>OFF SITE IMPROVEMENTS</th> <th>Topo</th> </tr> <tr> <td>Elec. ☐</td> <td>NONE</td> <td>Street Access ☒ Public ☐ Private</td> <td>LEVEL TO SLOPING</td> </tr> <tr> <td>Gas ☐</td> <td>NONE</td> <td>Surface COMPACT</td> <td>Size LARGER THAN TYPICAL FOR THE AREA</td> </tr> <tr> <td>Water ☐</td> <td>NONE</td> <td>Maintenance ☒ Public ☐ Private</td> <td>Shape IRREGULAR</td> </tr> <tr> <td>San. Sewer ☐</td> <td>NONE</td> <td>☐ Storm Sewer ☐ Curb/Gutter</td> <td>View SURROUNDING MOUNTAIN</td> </tr> <tr> <td></td> <td></td> <td>☐ Sidewalk ☐ Street Lights</td> <td>Drainage ADEQUATE</td> </tr> <tr> <td colspan="3"></td> <td>Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No</td> </tr> </table> Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.					Public	Other (Describe)	OFF SITE IMPROVEMENTS	Topo	Elec. ☐	NONE	Street Access ☒ Public ☐ Private	LEVEL TO SLOPING	Gas ☐	NONE	Surface COMPACT	Size LARGER THAN TYPICAL FOR THE AREA	Water ☐	NONE	Maintenance ☒ Public ☐ Private	Shape IRREGULAR	San. Sewer ☐	NONE	☐ Storm Sewer ☐ Curb/Gutter	View SURROUNDING MOUNTAIN			☐ Sidewalk ☐ Street Lights	Drainage ADEQUATE				Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No
Public	Other (Describe)	OFF SITE IMPROVEMENTS	Topo																													
Elec. ☐	NONE	Street Access ☒ Public ☐ Private	LEVEL TO SLOPING																													
Gas ☐	NONE	Surface COMPACT	Size LARGER THAN TYPICAL FOR THE AREA																													
Water ☐	NONE	Maintenance ☒ Public ☐ Private	Shape IRREGULAR																													
San. Sewer ☐	NONE	☐ Storm Sewer ☐ Curb/Gutter	View SURROUNDING MOUNTAIN																													
		☐ Sidewalk ☐ Street Lights	Drainage ADEQUATE																													
			Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No																													
MARKET DATA ANALYSIS The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.																																
ITEM		SUBJECT PROPERTY		COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3																								
Address		JAMUL, CA 91935		0 SKYLINE TRUCK TRAIL JAMUL, CA 91935		21181 DEERHORN VALLEY ROAD JAMUL, CA 91935		1 LAWSON VALLEY ROAD JAMUL, CA 91935																								
Proximity to Subject				5.24 miles E		7.47 miles SE		4.13 miles E																								
Sales Price		\$ 0		\$ 75,000		\$ 63,000		\$ 47,500																								
Price /Sq.Ft.				\$ 0.04		\$ 0.08		\$ 0.13																								
Data Source(s)		MLS/REALIST		MLS/REALIST		MLS/REALIST		MLS/REALIST																								
ITEM		DESCRIPTION		+(-)\$ Adjust.		DESCRIPTION		+(-)\$ Adjust.																								
Date of Sale/Time Adj.		0				COE 03/22/2013																										
Location		SUBURBAN				SUBURBAN																										
Site/View		82.48 ACRES		+143,500		17.93 ACRES		+225,000																								
Zoning		A72				A72																										
APN		519-221-01-00				602-190-04-00																										
Site Improvements		NONE				NONE																										
Sales or Financing		0				ARMS LENGTH																										
Concessions		0				COV:0																										
Net Adj. (Total)				\$ 143,500		\$ 225,000		\$ 257,500																								
Indicated Value of Subject				\$ 218,500		\$ 288,000		\$ 305,000																								
Comments on Market Data PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. EQUAL WEIGHT IS GIVEN TO ALL THREE. COMPETING SALES IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT. SITE WAS CALCULATED AT \$.08 PER SQUARE FOOT																																
Comments and Conditions of Appraisal A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.																																
Final Reconciliation IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.																																
RECONCILIATION I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF 04/16/2013 TO BE \$ 270,000 Appraiser MARK R. MARSELLA Supervisory Appraiser (if applicable) Date of Signature and Report 04/19/2013 Date of Signature Title CERTIFIED RESIDENTIAL APPRAISER Title State Certification # AR027428 ST CA State Certification # ST Or State License # ST Or State License # ST Expiration Date of State Certification or License 01/11/2014 Expiration Date of State Certification or License Date of Inspection (if applicable) 04/16/2013 ☐ Did ☐ Did Not Inspect Property Date of Inspection																																

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

08/11

Tecate

- ABL
- Borderland
- Prosperity
- Freetrade
- Suntec
- Via 188
- International
- Mex-Tec
- Tecate South
- Twin Plant
- Vista Tecate

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11512 Page #1
SUNTEC PARTNERS
File No. 13-11512

SUBJECT	Borrower <u>SUNTEC PARTNERS</u>		Census Tract <u>0211.00</u>		Map Reference <u>SD/1335/J3</u>					
	Property Address <u>TECATE ROAD</u>									
	City <u>TECATE</u>		County <u>SAN DIEGO</u>		State <u>CA</u> Zip Code <u>91980</u>					
	Legal Description <u>(EX ST) PAR 3</u>									
NEIGHBORHOOD	Sale Price \$ <u>0</u>		Date of Sale <u>0</u>		Loan Term <u>0</u> yrs.					
	Actual Real Estate Taxes \$ <u>5,418</u>		(yr) <u>0</u>		Loan charges to be paid by seller \$ <u>0</u>					
	Lender/Client <u>E3 ADVISORS</u>		Address <u>NOT AVAILABLE</u>							
	Occupant <u>VACANT</u>		Appraiser <u>MARK R. MARSELLA</u>		Instructions to Appraiser <u>PHYSICAL INSPECTION OF RAW VACANT LAND</u>					
	Location ☐ Urban ☐ Suburban ☒ Rural		Employment Stability ☐ Good ☒ Avg. ☐ Fair ☐ Poor							
	Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25%		Convenience to Employment ☐ ☒ ☐ ☐							
	Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☒ Slow		Convenience to Shopping ☐ ☒ ☐ ☐							
	Property Values ☐ Increasing ☒ Stable ☐ Declining		Convenience to Schools ☐ ☒ ☐ ☐							
	Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply		Adequacy of Public Transportation ☐ ☒ ☐ ☐							
	Marketing Time ☐ Under 3 Mos. ☒ 4-6 Mos. ☐ Over 6 Mos.		Recreational Facilities ☐ ☒ ☐ ☐							
SITE	Present <u>5</u> % One-Unit <u>0</u> % 2-4 Unit <u>0</u> % Apts. <u>0</u> % Condo <u>10</u> % Commercial		Adequacy of Utilities ☐ ☒ ☐ ☐							
	Land Use <u>20</u> % Industrial <u>65</u> % Vacant <u>15</u> %		Property Compatibility ☐ ☒ ☐ ☐							
	Change in Present Land Use ☒ Not Likely ☐ Likely (*)		Protection from Detrimental Conditions ☐ ☒ ☐ ☐							
	Predominant Occupancy ☐ Owner ☒ Tenant <u>3</u> % Vacant		Police and Fire Protection ☐ ☒ ☐ ☐							
	One-Unit Price Range \$ <u>50</u> to \$ <u>450</u>		General Appearance of Properties ☐ ☒ ☐ ☐							
	One-Unit Age Range <u>1</u> yrs. to <u>80</u> yrs.		Appeal to Market ☐ ☒ ☐ ☐							
	Predominant Age <u>50</u> yrs.									
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.</u>									
	Dimensions <u>SEE PLAT MAP</u> = <u>59.58</u> ACRES ☐ Corner Lot									
	Zoning Classification <u>S92</u> Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations									
MARKET DATA ANALYSIS	Highest and Best Use ☒ Present Use ☐ Other (specify) _____		Topo <u>LEVEL TO SLOPING</u>							
	Public ☐ Other (Describe) _____		Size <u>LARGER THAN TYPICAL FOR THE AREA</u>							
	Elec. ☐ NONE		Shape <u>IRREGULAR</u>							
	Gas ☐ NONE		View <u>SURROUNDING MOUNTAIN</u>							
	Water ☐ NONE		Drainage <u>ADEQUATE</u>							
	San. Sewer ☐ NONE		Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No							
	☐ Underground Elect. & Tel.		Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.</u>							
	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.									
	ITEM		SUBJECT PROPERTY		COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
	Address <u>TECATE ROAD</u>		<u>0 DELONGE LANE</u>		<u>0 TECATE TRUCK TRAIL</u>		<u>0 TECATE ROAD</u>		<u>0 TECATE ROAD</u>	
<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>		
Proximity to Subject		<u>0.55 miles SE</u>		<u>1.31 miles SE</u>		<u>0.96 miles SE</u>		<u>0.96 miles SE</u>		
Sales Price		\$ <u>0</u>		\$ <u>40,000</u>		\$ <u>25,000</u>		\$ <u>40,000</u>		
Price \$/Sq.Ft.		\$ <u>0.06</u>		\$ <u>0.06</u>		\$ <u>0.18</u>		\$ <u>0.18</u>		
Data Source(s)		<u>MLS/REALIST</u>		<u>MLS/REALIST</u>		<u>MLS/REALIST</u>		<u>MLS/REALIST</u>		
ITEM		DESCRIPTION		+(-)\$ Adjust.		DESCRIPTION		+(-)\$ Adjust.		
Date of Sale/Time Adj.		<u>0</u>		<u>COE 07/20/2012</u>		<u>COE 09/14/2012</u>		<u>COE 11/02/2012</u>		
Location		<u>RURAL</u>		<u>RURAL</u>		<u>RURAL</u>		<u>RURAL</u>		
Site/View		<u>59.58 ACRES</u>		<u>16.00 ACRES</u>		<u>3.21 ACRES</u>		<u>5.00 ACRES</u>		
Zoning		<u>S92</u>		<u>S87</u>		<u>RR5</u>		<u>RR5</u>		
APN		<u>652-110-06-00</u>		<u>652-120-47-00</u>		<u>652-160-14-00</u>		<u>652-120-16-00</u>		
Site Improvements		<u>NONE</u>		<u>NONE</u>		<u>SURVEYED</u>		<u>NONE</u>		
Sales or Financing		<u>0</u>		<u>ARMS LENGTH</u>		<u>ARMS LENGTH</u>		<u>ARMS LENGTH</u>		
Concessions		<u>0</u>		<u>COV:0</u>		<u>COV:0</u>		<u>COV:0</u>		
Net Adj. (Total)		☒ + ☐ - \$ <u>114,000</u>		☒ + ☐ - \$ <u>147,500</u>		☒ + ☐ - \$ <u>142,500</u>		☒ + ☐ - \$ <u>142,500</u>		
Indicated Value of Subject		\$ <u>154,000</u>		\$ <u>172,500</u>		\$ <u>182,500</u>		\$ <u>182,500</u>		
Comments on Market Data <u>PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. MOST WEIGHT IS GIVEN TO COMPETING SALE 1 IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT DUE TO ITS SIMILAR ZONING AS THE SUBJECT. SITE WAS CALCULATED AT \$.06/SQ.FT. RESEARCH ALSO SHOWED THAT IN 2010, 2,142 ACRES WERE PURCHASED BY SDG&E FOR \$5,410,500 OR \$.06/SQ.FT.</u>										
Comments and Conditions of Appraisal <u>A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.</u>										
Final Reconciliation <u>IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.</u>										
RECONCILIATION	I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>04/16/2013</u> TO BE \$ <u>170,000</u>									
	Appraiser <u>MARK R. MARSELLA</u>				Supervisory Appraiser (if applicable) _____					
	Date of Signature and Report <u>04/19/2013</u>				Date of Signature _____					
	Title <u>CERTIFIED RESIDENTIAL APPRAISER</u>				Title _____					
	State Certification # <u>AR027428</u> ST <u>CA</u>				State Certification # _____ ST _____					
Or State License # _____ ST _____				Or State License # _____ ST _____						
Expiration Date of State Certification or License <u>01/11/2014</u>				Expiration Date of State Certification or License _____						
Date of Inspection (if applicable) <u>04/16/2013</u>				Date of Inspection _____						

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE 08/11

Mark Marsella

Main File No. 13-11513 Page #1

LAND APPRAISAL REPORT

SUNTEC PARTNERS

File No. 13-11513

SUBJECT	Borrower	SUNTEC PARTNERS		Census Tract	0211.00		Map Reference	SD/1335/J3	
	Property Address	TECATE ROAD							
	City	TECATE		County	SAN DIEGO		State	CA Zip Code 91980	
	Legal Description	DOC 82-51388 IN SWO OF NEQ SEC 23-18-3E							
NEIGHBORHOOD	Sale Price \$	0		Date of Sale	0		Loan Term	0 yrs.	
	Actual Real Estate Taxes \$	297		(yr)	0		Loan charges to be paid by seller \$	0	
	Lender/Client	E3 ADVISORS							
	Occupant	VACANT		Appraiser	MARK R. MARSELLA		Instructions to Appraiser	PHYSICAL INSPECTION OF RAW VACANT LAND	
	Location	☐ Urban ☐ Suburban ☒ Rural				Good Avg. Fair Poor			
	Built Up	☐ Over 75% ☒ 25% to 75% ☐ Under 25%				Employment Stability ☐ ☒ ☐ ☐			
	Growth Rate	☐ Fully Dev. ☐ Rapid ☐ Steady ☒ Slow				Convenience to Employment ☐ ☒ ☐ ☐			
	Property Values	☐ Increasing ☒ Stable ☐ Declining				Convenience to Shopping ☐ ☒ ☐ ☐			
	Demand/Supply	☐ Shortage ☒ In Balance ☐ Oversupply				Convenience to Schools ☐ ☒ ☐ ☐			
	Marketing Time	☐ Under 3 Mos. ☐ 4-6 Mos. ☒ Over 6 Mos.				Adequacy of Public Transportation ☐ ☒ ☐ ☐			
SITE	Present	5 % One-Unit 0 % 2-4 Unit 0 % Apts. 0 % Condo 10 % Commercial				Recreational Facilities ☐ ☒ ☐ ☐			
	Land Use	20 % Industrial 65 % Vacant				Adequacy of Utilities ☐ ☒ ☐ ☐			
	Change in Present Land Use	☒ Not Likely ☐ Likely (*) ☐ Taking Place (*)				Property Compatibility ☐ ☒ ☐ ☐			
	Predominant Occupancy	☐ Owner ☒ Tenant 3 % Vacant				Protection from Detrimental Conditions ☐ ☒ ☐ ☐			
	One-Unit Price Range	\$ 50 to \$ 450				Police and Fire Protection ☐ ☒ ☐ ☐			
	One-Unit Age Range	1 yrs. to 80 yrs.				General Appearance of Properties ☐ ☒ ☐ ☐			
	Predominant Age	50 yrs.				Appeal to Market ☐ ☒ ☐ ☐			
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.								
	Dimensions	SEE PLAT MAP				5.07 ACRES ☐ Corner Lot			
	Zoning Classification	S92				Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations			
MARKET DATA ANALYSIS	Highest and Best Use	☒ Present Use ☐ Other (specify)							
	Public	☐ NONE ☐ OFF SITE IMPROVEMENTS							
	Elec.	☐ NONE ☒ Street Access ☒ Public ☐ Private				Topo LEVEL TO SLOPING			
	Gas	☐ NONE ☐ Surface ASPHALT				Size LARGER THAN TYPICAL FOR THE AREA			
	Water	☐ NONE ☒ Maintenance ☒ Public ☐ Private				Shape IRREGULAR			
	San. Sewer	☐ NONE ☐ Storm Sewer ☐ Curb/Cutler				View SURROUNDING MOUNTAIN			
		☐ Underground Elect. & Tel. ☐ Sidewalk ☐ Street Lights				Drainage ADEQUATE			
	Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No								
	Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.								
	RECONCILIATION	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.							
ITEM		SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3				
Address		TECATE ROAD TECATE, CA 91980	0 DELONGE LANE TECATE, CA 91980	0 TECATE TRUCK TRAIL TECATE, CA 91980	0 TECATE ROAD TECATE, CA 91980				
Proximity to Subject			0.49 miles SE	1.24 miles SE	0.90 miles SE				
Sales Price		\$ 0	\$ 40,000	\$ 25,000	\$ 40,000				
Price \$/Sq. Ft.		\$	\$ 0.06	\$ 0.18	\$ 0.18				
Data Source(s)		MLS/REALIST	MLS/REALIST	MLS/REALIST	MLS/REALIST				
ITEM		DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	
Date of Sale/Time Adj.		0	COE 07/20/2012	COE 09/14/2012	COE 11/02/2012				
Location		RURAL	RURAL	RURAL	RURAL				
Site/View	5.07 ACRES	16.00 ACRES	-28,500	3 21 ACRES	+5,000	5.00 ACRES	0		
Zoning	S92	S92		S67		RR5			
APN	652-110-09-00	652-120-47-00		652-160-14-00		652-120-16-00			
Site Improvements	NONE	NONE		SURVEYED		NONE			
Sales or Financing Concessions	0	ARMS LENGTH COV:0		ARMS LENGTH COV:0		ARMS LENGTH COV:0			
Net Adj. (Total)		☐ + ☒ - \$ -28,500	☒ + ☐ - \$ 5,000	☐ + ☐ - \$					
Indicated Value of Subject		\$ 11,500	\$ 30,000	\$ 40,000					
Comments on Market Data PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. MOST WEIGHT IS GIVEN TO COMPETING SALE 1 IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT DUE TO ITS SIMILAR ZONING AS THE SUBJECT. SITE WAS CALCULATED AT \$.06/SQ.FT. RESEARCH ALSO SHOWED THAT IN 2010, 2,142 ACRES WERE PURCHASED BY SDG&E FOR \$5,410,500 OR \$0.66/SQ.FT.									
Comments and Conditions of Appraisal A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.									
Final Reconciliation IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.									
I (WE) ESTIMATE THE MARKET VALUE, AS DETERMINED, OF THE SUBJECT PROPERTY AS OF 04/16/2013 TO BE \$ 27,000									
Appraiser MARK R. MARSELLA Supervisory Appraiser (if applicable)									
Date of Signature and Report 04/19/2013 Date of Signature									
Title CERTIFIED RESIDENTIAL APPRAISER Title									
State Certification # AR027428 ST CA State Certification # ST									
Or State License # ST Or State License # ST									
Expiration Date of State Certification or License 01/11/2014 Expiration Date of State Certification or License									
Date of Inspection (if applicable) 04/16/2013 ☐ Did ☐ Did Not Inspect Property Date of Inspection									

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMOOE

08/11

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11514 Page #1
SUNTEC PARTNERS
File No. 13-11514

SUBJECT	Borrower <u>SUNTEC PARTNERS</u> Census Tract <u>0211.00</u> Map Reference <u>SD/1335/J3</u>																																																																																	
	Property Address <u>TECATE ROAD</u>																																																																																	
	City <u>TECATE</u> County <u>SAN DIEGO</u> State <u>CA</u> Zip Code <u>91980</u>																																																																																	
	Legal Description (EX DOC 82-51388 & 84-111362) SWQ OF NEQ SEC 23-18-3E																																																																																	
NEIGHBORHOOD	Sale Price \$ <u>0</u> Date of Sale <u>0</u> Loan Term <u>0</u> yrs. Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD																																																																																	
	Actual Real Estate Taxes \$ <u>2,032</u> (yr) Loan charges to be paid by seller \$ <u>0</u> Other sales concessions <u>0</u>																																																																																	
	Lender/Client <u>E3 ADVISORS</u> Address <u>NOT AVAILABLE</u>																																																																																	
	Occupant <u>VACANT</u> Appraiser <u>MARK R. MARSELLA</u> Instructions to Appraiser <u>PHYSICAL INSPECTION OF RAW VACANT LAND</u>																																																																																	
	Location ☐ Urban ☐ Suburban ☒ Rural Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25% Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☐ Slow Property Values ☐ Increasing ☒ Stable ☐ Declining Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply Marketing Time ☐ Under 3 Mos. ☒ 4-6 Mos. ☐ Over 6 Mos. Present <u>5</u> % One-Unit <u>0</u> % 2-4 Unit <u>0</u> % Apts. <u>0</u> % Condo <u>10</u> % Commercial Land Use <u>20</u> % Industrial <u>65</u> % Vacant <u>15</u> % Change in Present Land Use ☒ Not Likely ☐ Likely (*) ☐ Taking Place (*) Predominant Occupancy ☐ Owner ☒ Tenant <u>3</u> % Vacant One-Unit Price Range \$ <u>50</u> to \$ <u>450</u> Predominant Value \$ <u>200</u> One-Unit Age Range <u>1</u> yrs. to <u>80</u> yrs. Predominant Age <u>50</u> yrs. Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.</u>																																																																																	
	Dimensions <u>SEE PLAT MAP</u> = <u>31.93 ACRES</u> ☐ Corner Lot Zoning Classification <u>S92</u> Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations Highest and Best Use ☒ Present Use ☐ Other (specify) _____ Elec. ☐ NONE OFF SITE IMPROVEMENTS Gas ☐ NONE Street Access ☒ Public ☐ Private Water ☐ NONE Surface <u>ASPHALT</u> San. Sewer ☐ NONE Maintenance ☒ Public ☐ Private ☐ Underground Elect. & Tel. ☐ Storm Sewer ☐ Curb/Gutter ☐ Sidewalk ☐ Street Lights Topo <u>LEVEL TO SLOPING</u> Size <u>LARGER THAN TYPICAL FOR THE AREA</u> Shape <u>IRREGULAR</u> View <u>SURROUNDING MOUNTAIN</u> Drainage <u>ADEQUATE</u> Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.</u>																																																																																	
	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.																																																																																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>ITEM</th> <th>SUBJECT PROPERTY</th> <th>COMPARABLE NO. 1</th> <th>COMPARABLE NO. 2</th> <th>COMPARABLE NO. 3</th> </tr> </thead> <tbody> <tr> <td>Address</td> <td>TECATE ROAD TECATE, CA 91980</td> <td>0 DELONGE LANE TECATE, CA 91980</td> <td>0 TECATE TRUCK TRAIL TECATE, CA 91980</td> <td>0 TECATE ROAD TECATE, CA 91980</td> </tr> <tr> <td>Proximity to Subject</td> <td></td> <td>0.53 miles SE</td> <td>1.26 miles SE</td> <td>0.93 miles SE</td> </tr> <tr> <td>Sales Price</td> <td>\$ <u>0</u></td> <td>\$ <u>40,000</u></td> <td>\$ <u>25,000</u></td> <td>\$ <u>40,000</u></td> </tr> <tr> <td>Price \$/Sq.Ft.</td> <td>\$ <u>0</u></td> <td>\$ <u>0.06</u></td> <td>\$ <u>0.18</u></td> <td>\$ <u>0.18</u></td> </tr> <tr> <td>Data Source(s)</td> <td>MLS/REALIST</td> <td>MLS/REALIST</td> <td>MLS/REALIST</td> <td>MLS/REALIST</td> </tr> <tr> <td>ITEM</td> <td>DESCRIPTION</td> <td>DESCRIPTION</td> <td>DESCRIPTION</td> <td>DESCRIPTION</td> </tr> <tr> <td>Date of Sale/Time Adj.</td> <td><u>0</u></td> <td>COE 07/20/2012</td> <td>COE 09/14/2012</td> <td>COE 11/02/2012</td> </tr> <tr> <td>Location</td> <td>RURAL</td> <td>RURAL</td> <td>RURAL</td> <td>RURAL</td> </tr> <tr> <td>Site/View</td> <td>31.93 ACRES</td> <td>16.00 ACRES</td> <td>3.21 ACRES</td> <td>5.00 ACRES</td> </tr> <tr> <td>Zoning</td> <td>S92</td> <td>S92</td> <td>S87</td> <td>RR5</td> </tr> <tr> <td>APN</td> <td>652-110-10-00</td> <td>652-120-47-00</td> <td>652-160-14-00</td> <td>652-120-16-00</td> </tr> <tr> <td>Site Improvements</td> <td>NONE</td> <td>NONE</td> <td>SURVEYED</td> <td>NONE</td> </tr> <tr> <td>Sales or Financing Concessions</td> <td><u>0</u></td> <td>ARMS LENGTH COV.0</td> <td>ARMS LENGTH COV.0</td> <td>ARMS LENGTH COV.0</td> </tr> <tr> <td>Net Adj. (Total)</td> <td></td> <td>☒ + ☐ - \$ <u>41,500</u></td> <td>☒ + ☐ - \$ <u>75,000</u></td> <td>☒ + ☐ - \$ <u>70,500</u></td> </tr> <tr> <td>Indicated Value of Subject</td> <td></td> <td>\$ <u>81,500</u></td> <td>\$ <u>100,000</u></td> <td>\$ <u>110,500</u></td> </tr> </tbody> </table>		ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	Address	TECATE ROAD TECATE, CA 91980	0 DELONGE LANE TECATE, CA 91980	0 TECATE TRUCK TRAIL TECATE, CA 91980	0 TECATE ROAD TECATE, CA 91980	Proximity to Subject		0.53 miles SE	1.26 miles SE	0.93 miles SE	Sales Price	\$ <u>0</u>	\$ <u>40,000</u>	\$ <u>25,000</u>	\$ <u>40,000</u>	Price \$/Sq.Ft.	\$ <u>0</u>	\$ <u>0.06</u>	\$ <u>0.18</u>	\$ <u>0.18</u>	Data Source(s)	MLS/REALIST	MLS/REALIST	MLS/REALIST	MLS/REALIST	ITEM	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	Date of Sale/Time Adj.	<u>0</u>	COE 07/20/2012	COE 09/14/2012	COE 11/02/2012	Location	RURAL	RURAL	RURAL	RURAL	Site/View	31.93 ACRES	16.00 ACRES	3.21 ACRES	5.00 ACRES	Zoning	S92	S92	S87	RR5	APN	652-110-10-00	652-120-47-00	652-160-14-00	652-120-16-00	Site Improvements	NONE	NONE	SURVEYED	NONE	Sales or Financing Concessions	<u>0</u>	ARMS LENGTH COV.0	ARMS LENGTH COV.0	ARMS LENGTH COV.0	Net Adj. (Total)		☒ + ☐ - \$ <u>41,500</u>	☒ + ☐ - \$ <u>75,000</u>	☒ + ☐ - \$ <u>70,500</u>	Indicated Value of Subject		\$ <u>81,500</u>	\$ <u>100,000</u>	\$ <u>110,500</u>
	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3																																																																													
	Address	TECATE ROAD TECATE, CA 91980	0 DELONGE LANE TECATE, CA 91980	0 TECATE TRUCK TRAIL TECATE, CA 91980	0 TECATE ROAD TECATE, CA 91980																																																																													
Proximity to Subject		0.53 miles SE	1.26 miles SE	0.93 miles SE																																																																														
Sales Price	\$ <u>0</u>	\$ <u>40,000</u>	\$ <u>25,000</u>	\$ <u>40,000</u>																																																																														
Price \$/Sq.Ft.	\$ <u>0</u>	\$ <u>0.06</u>	\$ <u>0.18</u>	\$ <u>0.18</u>																																																																														
Data Source(s)	MLS/REALIST	MLS/REALIST	MLS/REALIST	MLS/REALIST																																																																														
ITEM	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION																																																																														
Date of Sale/Time Adj.	<u>0</u>	COE 07/20/2012	COE 09/14/2012	COE 11/02/2012																																																																														
Location	RURAL	RURAL	RURAL	RURAL																																																																														
Site/View	31.93 ACRES	16.00 ACRES	3.21 ACRES	5.00 ACRES																																																																														
Zoning	S92	S92	S87	RR5																																																																														
APN	652-110-10-00	652-120-47-00	652-160-14-00	652-120-16-00																																																																														
Site Improvements	NONE	NONE	SURVEYED	NONE																																																																														
Sales or Financing Concessions	<u>0</u>	ARMS LENGTH COV.0	ARMS LENGTH COV.0	ARMS LENGTH COV.0																																																																														
Net Adj. (Total)		☒ + ☐ - \$ <u>41,500</u>	☒ + ☐ - \$ <u>75,000</u>	☒ + ☐ - \$ <u>70,500</u>																																																																														
Indicated Value of Subject		\$ <u>81,500</u>	\$ <u>100,000</u>	\$ <u>110,500</u>																																																																														
Comments on Market Data <u>PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. MOST WEIGHT IS GIVEN TO COMPETING SALE 1 IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT DUE TO ITS SIMILAR ZONING AS THE SUBJECT. SITE WAS CALCULATED AT \$.06/SQ.FT. RESEARCH ALSO SHOWED THAT IN 2010, 2,142 ACRES WERE PURCHASED BY SDG&E FOR \$5,410,500 OR \$.06/SQ.FT.</u>																																																																																		
Comments and Conditions of Appraisal <u>A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.</u>																																																																																		
Final Reconciliation <u>IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.</u>																																																																																		
RECONCILIATION	I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>04/16/2013</u> TO BE \$ <u>98,000</u>																																																																																	
	Appraiser <u>MARK R. MARSELLA</u> Supervisory Appraiser (if applicable) _____																																																																																	
	Date of Signature and Report <u>04/19/2013</u> Date of Signature _____																																																																																	
	Title <u>CERTIFIED RESIDENTIAL APPRAISER</u> Title _____																																																																																	
	State Certification # <u>AR027428</u> ST CA State Certification # _____ ST _____																																																																																	
	Or State License # _____ ST _____ Or State License # _____ ST _____																																																																																	
Expiration Date of State Certification or License <u>01/11/2014</u> Expiration Date of State Certification or License _____																																																																																		
Date of Inspection (if applicable) <u>04/16/2013</u> ☐ Did ☐ Did Not Inspect Property Date of Inspection _____																																																																																		

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE 08/11

Mark Marsella

Main File No. 13-11515 Page #1

LAND APPRAISAL REPORT

SUNTEC PARTNERS

File No. 13-11515

SUBJECT	Borrower SUNTEC PARTNERS		Census Tract 0211.00		Map Reference SD/1335/J3	
	Property Address TECATE ROAD					
	City TECATE		County SAN DIEGO		State CA Zip Code 91980	
	Legal Description DOC 84-111362 IN SWQ OF NEQ SEC 23-18-3E					
NEIGHBORHOOD	Sale Price \$ 0		Date of Sale 0		Loan Term 0 yrs.	
	Actual Real Estate Taxes \$ 215		(yr) Loan charges to be paid by seller \$ 0		Other sales concessions 0	
	Lender/Client E3 ADVISORS		Address NOT AVAILABLE			
	Occupant VACANT		Appraiser MARK R. MARSELLA		Instructions to Appraiser PHYSICAL INSPECTION OF RAW VACANT LAND	
	Location ☐ Urban ☐ Suburban ☒ Rural		Good Avg. Fair Poor			
	Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25%		Employment Stability ☐ ☒ ☐ ☐			
	Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☒ Slow		Convenience to Employment ☐ ☒ ☐ ☐			
	Property Values ☐ Increasing ☒ Stable ☐ Declining		Convenience to Shopping ☐ ☒ ☐ ☐			
	Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply		Convenience to Schools ☐ ☒ ☐ ☐			
	Marketing Time ☐ Under 3 Mos. ☒ 4-6 Mos. ☐ Over 6 Mos.		Adequacy of Public Transportation ☐ ☒ ☐ ☐			
SITE	Present 5 % One-Unit 0 % 2-4 Unit 0 % Apts. 0 % Condo 10 % Commercial		Recreational Facilities ☐ ☒ ☐ ☐			
	Land Use 20 % Industrial 65 % Vacant %		Adequacy of Utilities ☐ ☒ ☐ ☐			
	Change in Present ☒ Not Likely ☐ Likely (*) ☐ Taking Place (*)		Property Compatibility ☐ ☒ ☐ ☐			
	Land Use (*) From To		Protection from Detrimental Conditions ☐ ☒ ☐ ☐			
	Predominant Occupancy ☐ Owner ☒ Tenant 3 % Vacant		Police and Fire Protection ☐ ☒ ☐ ☐			
	One-Unit Price Range \$ 50 to \$ 450		Predominant Value \$ 200			
	One-Unit Age Range 1 yrs. to 60 yrs.		Predominant Age 50 yrs.			
	Appeal to Market ☐ ☒ ☐ ☐					
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.					
	MARKET DATA ANALYSIS	Dimensions SEE PLAT MAP = 3.00 ACRES		Present Improvements ☒ Do ☐ Do Not		Corner Lot ☐
Highest and Best Use ☒ Present Use ☐ Other (specify)		Conform to Zoning Regulations				
Elec. ☐ NONE		OFF SITE IMPROVEMENTS		Topo LEVEL TO SLOPING		
Gas ☐ NONE		Street Access ☒ Public ☐ Private		Size LARGER THAN TYPICAL FOR THE AREA		
Water ☐ NONE		Surface ASPHALT		Shape IRREGULAR		
San. Sewer ☐ NONE		Maintenance ☒ Public ☐ Private		View SURROUNDING MOUNTAIN		
☐ Underground Elec. & Tel.		☐ Storm Sewer ☐ Curb/Gutter		Drainage ADEQUATE		
☐ Sidewalk ☐ Street Lights		Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No				
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.						
RECONCILIATION		The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.				
	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	
	Address	TECATE ROAD TECATE, CA 91980	0 DELONGE LANE TECATE, CA 91980	0 TECATE TRUCK TRAIL TECATE, CA 91980	0 TECATE ROAD TECATE, CA 91980	
	Proximity to Subject		0.48 miles SE	1.21 miles SE	0.87 miles SE	
	Sales Price	\$ 0	\$ 40,000	\$ 25,000	\$ 40,000	
	Price \$/Sq.Ft.		\$ 0.06	\$ 0.18	\$ 0.18	
	Data Source(s)	MLS/REALIST	MLS/REALIST	MLS/REALIST	MLS/REALIST	
	ITEM	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	
	Date of Sale/Time Adj.	0	COE 07/20/2012	COE 09/14/2012	COE 11/02/2012	
	Location	RURAL	RURAL	RURAL	RURAL	
Site/View	3.00 ACRES	16.00 ACRES	3.21 ACRES	5.00 ACRES		
Zoning	S92	S92	S87	RR5		
APN	652-110-11-00	652-120-47-00	652-160-14-00	652-120-16-00		
Site Improvements	NONE	NONE	SURVEYED	NONE		
Sales or Financing Concessions	0	ARMS LENGTH COV:0	ARMS LENGTH COV:0	ARMS LENGTH COV:0		
Net Adj. (Total)		☐ + ☒ - \$ -34,000	☐ + ☒ - \$ -500	☐ + ☒ - \$ -5,000		
Indicated Value of Subject		\$ 6,000	\$ 24,500	\$ 35,000		
Comments on Market Data PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. MOST WEIGHT IS GIVEN TO COMPETING SALE 1 IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT DUE TO ITS SIMILAR ZONING AS THE SUBJECT. SITE WAS CALCULATED AT \$.06/SQ.FT. RESEARCH ALSO SHOWED THAT IN 2010, 2,142 ACRES WERE PURCHASED BY SDG&E FOR \$5,410,500 OR \$.06/SQ.FT.						
Comments and Conditions of Appraisal A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.						
Final Reconciliation IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.						
I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF 04/16/2013 TO BE \$ 22,000						
Appraiser MARK R. MARSELLA			Supervisory Appraiser (if applicable)			
Date of Signature and Report 04/19/2013			Date of Signature			
Title CERTIFIED RESIDENTIAL APPRAISER			Title			
State Certification # AR027428 ST CA			State Certification # ST			
Or State License # ST			Or State License # ST			
Expiration Date of State Certification or License 01/11/2014			Expiration Date of State Certification or License			
Date of Inspection (if applicable) 04/16/2013			Did ☐ Did Not ☐ Inspect Property Date of Inspection			

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

08/11

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11520 Page #1
BORDERLAND PTNRS
File No. 13-11520

SUBJECT	Borrower <u>BORDERLAND PARTNERS</u> Census Tract <u>0211.00</u> Map Reference <u>SD/1335/J3</u>																																																																																											
	Property Address <u>TECATE ROAD</u>																																																																																											
	City <u>TECATE</u> County <u>SAN DIEGO</u> State <u>CA</u> Zip Code <u>91980</u>																																																																																											
	Legal Description <u>NW 1/4 OF SW 1/4 / EXC RS 506 / IN SEC 26-18-3E</u>																																																																																											
NEIGHBORHOOD	Sale Price \$ <u>0</u> Date of Sale <u>0</u> Loan Term <u>0</u> yrs. Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD Actual Real Estate Taxes \$ <u>5,568</u> (yr) Loan charges to be paid by seller \$ <u>0</u> Other sales concessions <u>0</u> Lender/Client <u>E3 ADVISORS</u> Address <u>NOT AVAILABLE</u> Occupant <u>VACANT</u> Appraiser <u>MARK R. MARSELLA</u> Instructions to Appraiser <u>PHYSICAL INSPECTION OF RAW VACANT LAND</u>																																																																																											
	Location ☐ Urban ☐ Suburban ☒ Rural Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25% Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☐ Slow Property Values ☐ Increasing ☒ Stable ☐ Declining Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply Marketing Time ☐ Under 3 Mos. ☐ 4-6 Mos. ☒ Over 6 Mos. Present <u>5</u> % One-Unit <u>0</u> % 2-4 Unit <u>0</u> % Apts. <u>0</u> % Condo <u>10</u> % Commercial Land Use <u>20</u> % Industrial <u>65</u> % Vacant <u>15</u> % Change in Present Land Use ☒ Not Likely ☐ Likely (*) To <u>3</u> % Vacant Predominant Occupancy ☐ Owner ☒ Tenant <u>3</u> % Vacant One-Unit Price Range \$ <u>50</u> to \$ <u>450</u> Predominant Value \$ <u>200</u> One-Unit Age Range <u>1</u> yrs. to <u>80</u> yrs. Predominant Age <u>50</u> yrs. Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.</u>																																																																																											
	Dimensions <u>SEE PLAT MAP</u> = <u>37.64</u> ACRES ☐ Corner Lot Zoning Classification <u>RR5</u> Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations Highest and Best Use ☒ Present Use ☐ Other (specify) _____ Public ☐ Other (Describe) _____ Elec. ☐ NONE OFF SITE IMPROVEMENTS Gas ☐ NONE Street Access ☒ Public ☐ Private Water ☐ NONE Surface <u>ASPHALT</u> San. Sewer ☐ NONE Maintenance ☒ Public ☐ Private ☐ Underground Elect. & Tel. ☐ Storm Sewer ☐ Curb/Gutter ☐ Sidewalk ☐ Street Lights Topo <u>LEVEL TO SLOPING</u> Size <u>LARGER THAN TYPICAL FOR THE AREA</u> Shape <u>IRREGULAR</u> View <u>SURROUNDING MOUNTAIN</u> Drainage <u>ADEQUATE</u> Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.</u>																																																																																											
	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.																																																																																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>ITEM</th> <th>SUBJECT PROPERTY</th> <th>COMPARABLE NO. 1</th> <th>COMPARABLE NO. 2</th> <th>COMPARABLE NO. 3</th> </tr> </thead> <tbody> <tr> <td>Address</td> <td>TECATE ROAD</td> <td>0 DELONGE LANE</td> <td>0 TECATE TRUCK TRAIL</td> <td>0 TECATE ROAD</td> </tr> <tr> <td></td> <td>TECATE, CA 91980</td> <td>TECATE, CA 91980</td> <td>TECATE, CA 91980</td> <td>TECATE, CA 91980</td> </tr> <tr> <td>Proximity to Subject</td> <td></td> <td>0.12 miles N</td> <td>0.71 miles S</td> <td>0.34 miles S</td> </tr> <tr> <td>Sales Price</td> <td>\$ <u>0</u></td> <td>\$ <u>40,000</u></td> <td>\$ <u>25,000</u></td> <td>\$ <u>40,000</u></td> </tr> <tr> <td>Price \$/Sq.Ft.</td> <td>\$ <u>0</u></td> <td>\$ <u>0.06</u></td> <td>\$ <u>0.18</u></td> <td>\$ <u>0.18</u></td> </tr> <tr> <td>Data Source(s)</td> <td>MLS/REALIST</td> <td>MLS/REALIST</td> <td>MLS/REALIST</td> <td>MLS/REALIST</td> </tr> <tr> <td>ITEM</td> <td>DESCRIPTION</td> <td>DESCRIPTION</td> <td>DESCRIPTION</td> <td>DESCRIPTION</td> </tr> <tr> <td>Date of Sale/Time Adj.</td> <td><u>0</u></td> <td>COE 07/20/2012</td> <td>COE 09/14/2012</td> <td>COE 11/02/2012</td> </tr> <tr> <td>Location</td> <td>RURAL</td> <td>RURAL</td> <td>RURAL</td> <td>RURAL</td> </tr> <tr> <td>Site/View</td> <td>37.64 ACRES</td> <td>16.00 ACRES</td> <td>3.21 ACRES</td> <td>5.00 ACRES</td> </tr> <tr> <td></td> <td></td> <td>+132,000</td> <td>+210,000</td> <td>+199,000</td> </tr> <tr> <td>Zoning</td> <td>RR5</td> <td>S92</td> <td>S87</td> <td>RR5</td> </tr> <tr> <td>APN</td> <td>652-120-09-00</td> <td>652-120-47-00</td> <td>652-160-14-00</td> <td>652-120-16-00</td> </tr> <tr> <td>Site Improvements</td> <td>NONE</td> <td>NONE</td> <td>SURVEYED</td> <td>NONE</td> </tr> <tr> <td>Sales or Financing Concessions</td> <td><u>0</u></td> <td>ARMS LENGTH COV:0</td> <td>ARMS LENGTH COV:0</td> <td>ARMS LENGTH COV:0</td> </tr> <tr> <td>Net Adj. (Total)</td> <td></td> <td>☒ + ☐ - \$ <u>132,000</u></td> <td>☒ + ☐ - \$ <u>210,000</u></td> <td>☒ + ☐ - \$ <u>199,000</u></td> </tr> <tr> <td>Indicated Value of Subject</td> <td></td> <td>\$ <u>172,000</u></td> <td>\$ <u>235,000</u></td> <td>\$ <u>239,000</u></td> </tr> </tbody> </table>		ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	Address	TECATE ROAD	0 DELONGE LANE	0 TECATE TRUCK TRAIL	0 TECATE ROAD		TECATE, CA 91980	TECATE, CA 91980	TECATE, CA 91980	TECATE, CA 91980	Proximity to Subject		0.12 miles N	0.71 miles S	0.34 miles S	Sales Price	\$ <u>0</u>	\$ <u>40,000</u>	\$ <u>25,000</u>	\$ <u>40,000</u>	Price \$/Sq.Ft.	\$ <u>0</u>	\$ <u>0.06</u>	\$ <u>0.18</u>	\$ <u>0.18</u>	Data Source(s)	MLS/REALIST	MLS/REALIST	MLS/REALIST	MLS/REALIST	ITEM	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	Date of Sale/Time Adj.	<u>0</u>	COE 07/20/2012	COE 09/14/2012	COE 11/02/2012	Location	RURAL	RURAL	RURAL	RURAL	Site/View	37.64 ACRES	16.00 ACRES	3.21 ACRES	5.00 ACRES			+132,000	+210,000	+199,000	Zoning	RR5	S92	S87	RR5	APN	652-120-09-00	652-120-47-00	652-160-14-00	652-120-16-00	Site Improvements	NONE	NONE	SURVEYED	NONE	Sales or Financing Concessions	<u>0</u>	ARMS LENGTH COV:0	ARMS LENGTH COV:0	ARMS LENGTH COV:0	Net Adj. (Total)		☒ + ☐ - \$ <u>132,000</u>	☒ + ☐ - \$ <u>210,000</u>	☒ + ☐ - \$ <u>199,000</u>	Indicated Value of Subject		\$ <u>172,000</u>	\$ <u>235,000</u>	\$ <u>239,000</u>
	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3																																																																																							
	Address	TECATE ROAD	0 DELONGE LANE	0 TECATE TRUCK TRAIL	0 TECATE ROAD																																																																																							
		TECATE, CA 91980	TECATE, CA 91980	TECATE, CA 91980	TECATE, CA 91980																																																																																							
	Proximity to Subject		0.12 miles N	0.71 miles S	0.34 miles S																																																																																							
	Sales Price	\$ <u>0</u>	\$ <u>40,000</u>	\$ <u>25,000</u>	\$ <u>40,000</u>																																																																																							
Price \$/Sq.Ft.	\$ <u>0</u>	\$ <u>0.06</u>	\$ <u>0.18</u>	\$ <u>0.18</u>																																																																																								
Data Source(s)	MLS/REALIST	MLS/REALIST	MLS/REALIST	MLS/REALIST																																																																																								
ITEM	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION																																																																																								
Date of Sale/Time Adj.	<u>0</u>	COE 07/20/2012	COE 09/14/2012	COE 11/02/2012																																																																																								
Location	RURAL	RURAL	RURAL	RURAL																																																																																								
Site/View	37.64 ACRES	16.00 ACRES	3.21 ACRES	5.00 ACRES																																																																																								
		+132,000	+210,000	+199,000																																																																																								
Zoning	RR5	S92	S87	RR5																																																																																								
APN	652-120-09-00	652-120-47-00	652-160-14-00	652-120-16-00																																																																																								
Site Improvements	NONE	NONE	SURVEYED	NONE																																																																																								
Sales or Financing Concessions	<u>0</u>	ARMS LENGTH COV:0	ARMS LENGTH COV:0	ARMS LENGTH COV:0																																																																																								
Net Adj. (Total)		☒ + ☐ - \$ <u>132,000</u>	☒ + ☐ - \$ <u>210,000</u>	☒ + ☐ - \$ <u>199,000</u>																																																																																								
Indicated Value of Subject		\$ <u>172,000</u>	\$ <u>235,000</u>	\$ <u>239,000</u>																																																																																								
Comments on Market Data <u>PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. EQUAL WEIGHT IS GIVEN TO ALL THREE COMPETING SALES IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT. SITE WAS CALCULATED AT \$.14/SQ.FT.</u>																																																																																												
Comments and Conditions of Appraisal <u>A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.</u>																																																																																												
Final Reconciliation <u>IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.</u>																																																																																												
RECONCILIATION	I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>04/16/2013</u> TO BE \$ <u>215,000</u>																																																																																											
	Appraiser <u>MARK R. MARSELLA</u> Supervisory Appraiser (if applicable) _____ Date of Signature and Report <u>04/19/2013</u> Date of Signature _____ Title <u>CERTIFIED RESIDENTIAL APPRAISER</u> Title _____ State Certification # <u>ARC27428</u> ST <u>CA</u> State Certification # _____ ST _____ Or State License # _____ ST _____ Or State License # _____ ST _____ Expiration Date of State Certification or License <u>01/11/2014</u> Expiration Date of State Certification or License _____ Date of Inspection (if applicable) <u>04/16/2013</u> ☐ Did ☐ Did Not Inspect Property Date of Inspection _____																																																																																											

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE 08/11

Mark Marsella

Main File No. 13-11517 Page #1

LAND APPRAISAL REPORT

INTNL PARTNERS
File No. 13-11517

SUBJECT	Borrower INTERNATIONAL PARTNERS		Census Tract 0211.00		Map Reference SD/1335/J3					
	Property Address TECATE TRUCK TRAIL									
	City TECATE		County SAN DIEGO		State CA Zip Code 91980					
	Legal Description LOT 7 IN SEC 26-18-3E									
NEIGHBORHOOD	Sale Price \$ 0		Date of Sale 0		Loan Term 0 yrs.					
	Actual Real Estate Taxes \$ 4,697		(yr)		Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD					
	Lender/Client E3 ADVISORS		Address NOT AVAILABLE							
	Occupant VACANT		Appraiser MARK R. MARSELLA							
	Location ☐ Urban ☐ Suburban ☒ Rural		Instructions to Appraiser PHYSICAL INSPECTION OF RAW VACANT LAND							
	Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25%		Employment Stability ☐ Good ☒ Avg. ☐ Fair ☐ Poor							
	Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☒ Slow		Convenience to Employment ☐ ☒ ☐ ☐							
	Property Values ☐ Increasing ☒ Stable ☐ Declining		Convenience to Shopping ☐ ☒ ☐ ☐							
	Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply		Convenience to Schools ☐ ☒ ☐ ☐							
	Marketing Time ☐ Under 3 Mos. ☒ 4-6 Mos. ☒ Over 6 Mos.		Adequacy of Public Transportation ☐ ☒ ☐ ☐							
SITE	Present 5 % One-Unit 0 % 2-4 Unit 0 % Apts. 0 % Condo 10 % Commercial		Recreational Facilities ☐ ☒ ☐ ☐							
	Land Use 20 % Industrial 65 % Vacant		Adequacy of Utilities ☐ ☒ ☐ ☐							
	Change in Present Land Use ☒ Not Likely ☐ Likely (*) ☐ Taking Place (*)		Property Compatibility ☐ ☒ ☐ ☐							
	Predominant Occupancy ☐ Owner ☒ Tenant 3 % Vacant		Protection from Detrimental Conditions ☐ ☒ ☐ ☐							
	One-Unit Price Range \$ 50 to \$ 450		Police and Fire Protection ☐ ☒ ☐ ☐							
	Predominant Value \$ 200		General Appearance of Properties ☐ ☒ ☐ ☐							
	One-Unit Age Range 1 yrs. to 80 yrs.		Appeal to Market ☐ ☒ ☐ ☐							
	Predominant Age 50 yrs.									
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.									
	Dimensions SEE PLAT MAP = 16.11 ACRES ☐ Corner Lot									
MARKET DATA ANALYSIS	Zoning Classification S92		Present Improvements ☒ 00 ☐ Do Not Conform to Zoning Regulations							
	Highest and Best Use ☒ Present Use ☐ Other (specify)									
	Public ☐ Other (Describe)		OFF SITE IMPROVEMENTS							
	Elec. ☐ NONE		Street Access ☒ Public ☐ Private							
	Gas ☐ NONE		Surface COMPACT							
	Water ☐ NONE		Maintenance ☒ Public ☐ Private							
	San. Sewer ☐ NONE		Storm Sewer ☐ Curb/Gutter							
	☐ Underground Elect. & Tel.		Sidewalk ☐ Street Lights							
			Topo LEVEL TO SLOPING							
			Size LARGER THAN TYPICAL FOR THE AREA							
RECONCILIATION			Shape IRREGULAR							
			View SURROUNDING MOUNTAIN							
			Drainage ADEQUATE							
			Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No							
	Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.									
	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.									
	ITEM		SUBJECT PROPERTY		COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
	Address TECATE TRUCK TRAIL TECATE, CA 91980		0 DELONGE LANE TECATE, CA 91980		0 TECATE TRUCK TRAIL TECATE, CA 91980		0 TECATE ROAD TECATE, CA 91980			
	Proximity to Subject		0.86 miles N		0.14 miles E		0.43 miles N			
	Sales Price		\$ 0		\$ 40,000		\$ 25,000		\$ 40,000	
Price \$/Sq.Ft.		\$		\$ 0.06		\$ 0.18		\$ 0.18		
Data Source(s)		MLS/REALIST		MLS/REALIST		MLS/REALIST		MLS/REALIST		
ITEM		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION		
Date of Sale/Time Adj.		0		COE 07/20/2012		COE 09/14/2012		COE 11/02/2012		
Location		RURAL		RURAL		RURAL		RURAL		
Site/View		16.11 ACRES		16.00 ACRES		0.321 ACRES		5.00 ACRES		
Zoning		S92		S92		S87		RR5		
APN		652-160-08-00		652-120-47-00		652-160-14-00		652-120-16-00		
Site Improvements		NONE		NONE		SURVEYED		NONE		
Sales or Financing		0		ARMS LENGTH		ARMS LENGTH		ARMS LENGTH		
Concessions		0		COV:0		COV:0		COV:0		
Net Adj. (Total)		☐ + ☐ - \$		☒ + ☐ - \$		☒ + ☐ - \$		☒ + ☐ - \$		
Indicated Value of Subject		\$ 40,000		\$ 58,500		\$ 69,000				
Comments on Market Data PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. MOST WEIGHT IS GIVEN TO COMPETING SALE 1 IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT DUE TO ITS SIMILAR ZONING AS THE SUBJECT. SITE WAS CALCULATED AT \$.06/SQ.FT. RESEARCH ALSO SHOWED THAT IN 2010, 2,142 ACRES WERE PURCHASED BY SDG&E FOR \$5,410,500 OR \$0.06/SQ.FT.										
Comments and Conditions of Appraisal A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.										
Final Reconciliation IN DETERMINING THE FINAL OPINION OF VALUE, MOST WEIGHT IS GIVEN TO COMPARABLE SALE 1 DUE TO ITS PROXIMITY TO THE US/MEXICO BORDER.										
I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF 04/16/2013 TO BE \$ 40,000										
Appraiser MARK R. MARSELLA					Supervisory Appraiser (if applicable)					
Date of Signature and Report 04/19/2013					Date of Signature					
Title CERTIFIED RESIDENTIAL APPRAISER					Title					
State Certification # AR027428 ST CA					State Certification # ST					
Or State License # ST					Or State License # ST					
Expiration Date of State Certification or License 01/11/2014					Expiration Date of State Certification or License					
Date of Inspection (if applicable) 04/16/2013					☐ Old ☐ Did Not Inspect Property Date of Inspection					

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

08/11

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11516 Page #1

INTNL PARTNERS

File No. 13-11516

SUBJECT	Borrower INTERNATIONAL PARTNERS		Census Tract 0211.00		Map Reference SD/1335/J3	
	Property Address TECATE TRUCK TRAIL					
	City TECATE		County SAN DIEGO		State CA Zip Code 91980	
	Legal Description LOT 8 IN SEC 26-18-3E					
NEIGHBORHOOD	Sale Price \$ 0		Date of Sale 0		Loan Term 0 yrs.	
	Actual Real Estate Taxes \$ 3,209		(yr) Loan charges to be paid by seller \$ 0		Other sales concessions 0	
	Lender/Client E3 ADVISORS		Address NOT AVAILABLE			
	Occupant VACANT		Appraiser MARK R. MARSELLA		Instructions to Appraiser PHYSICAL INSPECTION OF RAW VACANT LAND	
	Location ☐ Urban ☐ Suburban ☒ Rural		Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25%		Employment Stability ☐ Good ☒ Avg. ☐ Fair ☐ Poor	
	Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☐ Slow		Property Values ☐ Increasing ☒ Stable ☐ Declining		Convenience to Employment ☐ ☒ ☐ ☐	
	Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply		Marketing Time ☐ Under 3 Mos. ☐ 4-6 Mos. ☒ Over 6 Mos.		Convenience to Shopping ☐ ☒ ☐ ☐	
	Present 5 % One-Unit 0 % 2-4 Unit 0 % Apts. 0 % Condo 10 % Commercial		Recreational Facilities ☐ ☒ ☐ ☐		Convenience to Schools ☐ ☒ ☐ ☐	
	Land Use 20 % Industrial 65 % Vacant		Adequacy of Public Transportation ☐ ☒ ☐ ☐		Adequacy of Utilities ☐ ☒ ☐ ☐	
	Change in Present ☒ Not Likely ☐ Likely (*)		Taking Place (*)		Property Compatibility ☐ ☒ ☐ ☐	
SITE	Predominant Occupancy ☐ Owner ☒ Tenant 3 % Vacant		Protection from Detrimental Conditions ☐ ☒ ☐ ☐		Police and Fire Protection ☐ ☒ ☐ ☐	
	One-Unit Price Range \$ 50 to \$ 450		Predominant Value \$ 200		General Appearance of Properties ☐ ☒ ☐ ☐	
	One-Unit Age Range 1 yrs. to 80 yrs.		Predominant Age 50 yrs.		Appeal to Market ☐ ☒ ☐ ☐	
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.					
	Dimensions SEE PLAT MAP = 14.58 ACRES		☐ Corner Lot		Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations	
	Zoning Classification S92		Highest and Best Use ☒ Present Use ☐ Other (specify)		Elec. ☐ NONE	
	Public ☐ Other (Describe)		OFF SITE IMPROVEMENTS		Topo LEVEL TO SLOPING	
	Gas ☐ NONE		Street Access ☒ Public ☐ Private		Size LARGER THAN TYPICAL FOR THE AREA	
	Water ☐ NONE		Surface COMPACT		Shape IRREGULAR	
	San. Sewer ☐ NONE		Maintenance ☒ Public ☐ Private		View SURROUNDING MOUNTAIN	
MARKET DATA ANALYSIS	Storm Sewer ☐ Curb/Gutter ☐ Sidewalk ☐ Street Lights ☐		Drainage ADEQUATE		Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No	
	Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.					
	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.					
	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	
	Address	TECATE TRUCK TRAIL TECATE, CA 91980	0 DELONGE LANE TECATE, CA 91980	0 TECATE TRUCK TRAIL TECATE, CA 91980	0 TECATE ROAD TECATE, CA 91980	
	Proximity to Subject		0.88 miles N	0.23 miles E	0.47 miles NE	
	Sales Price	\$ 0	\$ 40,000	\$ 25,000	\$ 40,000	
	Price \$/Sq.Ft.	\$ 0	\$ 0.06	\$ 0.18	\$ 0.18	
	Data Source(s)	MLS/REALIST	MLS/REALIST	MLS/REALIST	MLS/REALIST	
	ITEM	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Date of Sale/Time Adj.	0	COE 07/20/2012		COE 09/14/2012		
Location	RURAL	RURAL		RURAL		
Site/View	14.58 ACRES	16.00 ACRES	-3,500	3.21 ACRES	+29,500	
Zoning	S92	S92		SB7		
APN	652-160-04-00	652-120-47-00		652-160-14-00		
Site Improvements	NONE	NONE		SURVEYED		
Sales or Financing Concessions	0	ARMS LENGTH COV:0		ARMS LENGTH COV:0		
Net Adj. (Total)		☐ + ☒ - \$ -3,500	☒ + ☐ - \$ 29,500	☒ + ☐ - \$ 25,000		
Indicated Value of Subject		\$ 36,500	\$ 54,500	\$ 65,000		
Comments on Market Data PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. MOST WEIGHT IS GIVEN TO COMPETING SALE 1 IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT DUE TO ITS SIMILAR ZONING AS THE SUBJECT. SITE WAS CALCULATED AT \$.06/SQ.FT. RESEARCH ALSO SHOWED THAT IN 2010, 2,142 ACRES WERE PURCHASED BY SDG&E FOR \$5,410,500 OR \$.06/SQ.FT.						
Comments and Conditions of Appraisal A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.						
Final Reconciliation IN DETERMINING THE FINAL OPINION OF VALUE, MOST WEIGHT IS GIVEN TO COMPARABLE SALE 1 DUE TO IT PROXIMITY TO THE US/MEXICO BORDER.						
RECONCILIATION	I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF 04/16/2013 TO BE \$ 37,000					
	Appraiser MARK R. MARSELLA		Supervisory Appraiser (if applicable)			
	Date of Signature and Report 04/19/2013		Date of Signature			
	Title CERTIFIED RESIDENTIAL APPRAISER		Title			
	State Certification # ARO27428 ST CA		State Certification # ST			
Or State License # ST		Or State License # ST				
Expiration Date of State Certification or License 01/11/2014		Expiration Date of State Certification or License				
Date of Inspection (if applicable) 04/16/2013		Did ☐ Did Not ☐ Inspect Property Date of Inspection				

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

08/11

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11511 Page #1
MEX-TEC PARTNERS
File No. 13-11511

SUBJECT	Borrower <u>MEX-TEC PARTNERS</u>		Census Tract <u>0211.00</u>		Map Reference <u>SD/1335/J3</u>	
	Property Address <u>TECATE ROAD</u>					
	City <u>TECATE</u>		County <u>SAN DIEGO</u>		State <u>CA</u> Zip Code <u>91980</u>	
	Legal Description <u>N 1/2 OF SE 1/4 /EXC RS 506/ IN SEC 23-18-3E</u>					
NEIGHBORHOOD	Sale Price \$ <u>0</u>		Date of Sale <u>0</u>		Loan Term <u>0</u> yrs.	
	Actual Real Estate Taxes \$ <u>2,953</u>		(yr) Loan charges to be paid by seller \$ <u>0</u>		Other sales concessions <u>0</u>	
	Lender/Client <u>E3 ADVISORS</u>		Address <u>NOT AVAILABLE</u>			
	Occupant <u>VACANT</u>		Appraiser <u>MARK R. MARSELLA</u>		Instructions to Appraiser <u>PHYSICAL INSPECTION OF RAW VACANT LAND</u>	
	Location ☐ Urban ☐ Suburban ☒ Rural		Good Avg. Fair Poor			
	Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25%		Employment Stability ☐ ☒ ☐ ☐			
	Growth Rate ☐ Rapid ☐ Steady ☒ Slow		Convenience to Employment ☐ ☒ ☐ ☐			
	Property Values ☐ Increasing ☒ Stable ☐ Declining		Convenience to Shopping ☐ ☒ ☐ ☐			
	Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply		Convenience to Schools ☐ ☒ ☐ ☐			
	Marketing Time ☐ Under 3 Mos. ☒ 4-6 Mos. ☐ Over 6 Mos.		Adequacy of Public Transportation ☐ ☒ ☐ ☐			
SITE	Present <u>5</u> % One-Unit <u>0</u> % 2-4 Unit <u>0</u> % Apts. <u>0</u> % Condo <u>10</u> % Commercial		Recreational Facilities ☐ ☒ ☐ ☐			
	Land Use <u>20</u> % Industrial <u>65</u> % Vacant <u></u> %		Adequacy of Utilities ☐ ☒ ☐ ☐			
	Change in Present ☒ Not Likely ☐ Likely (*)		Property Compatibility ☐ ☒ ☐ ☐			
	Land Use (*) From <u></u> To <u></u>		Protection from Detrimental Conditions ☐ ☒ ☐ ☐			
	Predominant Occupancy ☐ Owner ☒ Tenant <u>3</u> % Vacant		Police and Fire Protection ☐ ☒ ☐ ☐			
	One-Unit Price Range \$ <u>50</u> to \$ <u>450</u>		General Appearance of Properties ☐ ☒ ☐ ☐			
	One-Unit Age Range <u>1</u> yrs. to <u>80</u> yrs.		Appeal to Market ☐ ☒ ☐ ☐			
	Predominant Value \$ <u>200</u>					
	Predominant Age <u>30</u> yrs.					
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.</u>					
MARKET DATA ANALYSIS	Dimensions <u>SEE PLAT MAP</u>		<u>79.45</u> ACRES		☐ Corner Lot	
	Zoning Classification <u>S92</u>		Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations			
	Highest and Best Use ☒ Present Use ☐ Other (specify) <u></u>					
	Public ☐ Other (Describe) <u></u>					
	Elec. ☐ NONE		Topo <u>LEVEL TO SLOPING</u>			
	Gas ☐ NONE		Size <u>LARGER THAN TYPICAL FOR THE AREA</u>			
	Water ☐ NONE		Shape <u>IRREGULAR</u>			
	San. Sewer ☐ NONE		View <u>SURROUNDING MOUNTAIN</u>			
	☐ Underground Elect. & Tel.		Drainage <u>ADEQUATE</u>			
	☐ Sidewalk ☐ Street Lights		Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No			
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.</u>						
RECONCILIATION	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.					
	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	
	Address	TECATE ROAD TECATE, CA 91980	0 DELONGE LANE TECATE, CA 91980	0 TECATE TRUCK TRAIL TECATE, CA 91980	0 TECATE ROAD TECATE, CA 91980	
	Proximity to Subject		0.30 miles SE	1.05 miles SE	0.71 miles SE	
	Sales Price	\$ <u>0</u>	\$ <u>40,000</u>	\$ <u>25,000</u>	\$ <u>40,000</u>	
	Price \$/Sq.Ft.		\$ <u>0.06</u>	\$ <u>0.18</u>	\$ <u>0.18</u>	
	Data Source(s)	MLS/REALIST	MLS/REALIST	MLS/REALIST	MLS/REALIST	
	ITEM	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	
	Date of Sale/Time Adj.	0	COE 07/20/2012	COE 09/14/2012	COE 11/02/2012	
	Location	RURAL	RURAL	RURAL	RURAL	
Site/View	79.45 ACRES	16.00 ACRES	3.21 ACRES	5.00 ACRES		
Zoning	S92	S92	S87	RR5		
APN	652-110-04-00	652-120-47-00	652-160-14-00	652-120-16-00		
Site Improvements	NONE	NONE	SURVEYED	NONE		
Sales or Financing Concessions	0	ARMS LENGTH COV:0	ARMS LENGTH COV:0	ARMS LENGTH COV:0		
Net Adj. (Total)		☒ + ☐ - \$ <u>166,000</u>	☒ + ☐ - \$ <u>199,500</u>	☒ + ☐ - \$ <u>194,500</u>		
Indicated Value of Subject		\$ <u>206,000</u>	\$ <u>224,500</u>	\$ <u>234,500</u>		
Comments on Market Data <u>PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. MOST WEIGHT IS GIVEN TO COMPETING SALE 1 IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT DUE TO ITS SIMILAR ZONING AS THE SUBJECT. SITE WAS CALCULATED AT \$.06/SQ.FT. RESEARCH ALSO SHOWED THAT IN 2010, 2.142 ACRES WERE PURCHASED BY SDG&E FOR \$5,410,500 OR \$.06/SQ.FT.</u>						
Comments and Conditions of Appraisal <u>A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.</u>						
Final Reconciliation <u>IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.</u>						
I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>04/16/2013</u> TO BE \$ <u>222,000</u>						
Appraiser <u>MARK R. MARSELLA</u>			Supervisory Appraiser (if applicable)			
Date of Signature and Report <u>04/19/2013</u>			Date of Signature			
Title <u>CERTIFIED RESIDENTIAL APPRAISER</u>			Title			
State Certification # <u>AR027428</u> ST <u>CA</u>			State Certification # ST			
Or State License # ST			Or State License # ST			
Expiration Date of State Certification or License <u>01/11/2014</u>			Expiration Date of State Certification or License			
Date of Inspection (if applicable) <u>04/16/2013</u>			☐ Did ☐ Did Not Inspect Property Date of Inspection			

Form LAND --- "WinTOTAL" appraisal software by a la mode, inc. --- 1-800-ALAMODE 08/11

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11519 Page #1
TECATE SOUTH PTNRS
File No. 13-11519

SUBJECT	Borrower <u>TECATE SOUTH PARTNERS</u>		Census Tract <u>0211.00</u>	Map Reference <u>SD1335J3</u>		
	Property Address <u>TECATE ROAD</u>					
	City <u>TECATE</u>	County <u>SAN DIEGO</u>	State <u>CA</u>	Zip Code <u>91980</u>		
	Legal Description <u>PAR 4 PER PM 5143 IN LOT 4 & IN LOT 3 SEC 26-18-3E</u>					
NEIGHBORHOOD	Sale Price \$ <u>0</u>		Date of Sale <u>0</u>	Loan Term <u>0</u> yrs.		
	Actual Real Estate Taxes \$ <u>3,164</u>		(yr) Loan charges to be paid by seller \$ <u>0</u>	Other sales concessions <u>0</u>		
	Lender/Client <u>E3 ADVISORS</u>		Address <u>NOT AVAILABLE</u>			
	Occupant <u>VACANT</u>		Appraiser <u>MARK R. MARSELLA</u>			
	Instructions to Appraiser <u>PHYSICAL INSPECTION OF RAW VACANT LAND</u>					
	Location	☐ Urban	☐ Suburban	☒ Rural	Good Avg. Fair Poor	
	Built Up	☐ Over 75%	☒ 25% to 75%	☐ Under 25%	Employment Stability	
	Growth Rate	☐ Fully Dev.	☐ Rapid	☒ Steady	☐ Slow	Convenience to Employment
	Property Values	☐ Increasing	☒ Stable	☐ Declining	Convenience to Shopping	
	Demand/Supply	☐ Shortage	☒ In Balance	☐ Oversupply	Convenience to Schools	
Marketing Time	☐ Under 3 Mos.	☐ 4-6 Mos.	☒ Over 6 Mos.	Adequacy of Public Transportation		
Present	<u>5</u> % One-Unit	<u>0</u> % 2-4 Unit	<u>0</u> % Apts.	<u>0</u> % Condo	<u>10</u> % Commercial	
Land Use	<u>20</u> % Industrial	<u>65</u> % Vacant				
Change in Present Land Use	☒ Not Likely ☐ Likely (*) ☐ Taking Place (*)					
Predominant Occupancy	☐ Owner	☒ Tenant	<u>3</u> % Vacant			
One-Unit Price Range	\$ <u>50</u> to \$ <u>450</u>	Predominant Value \$ <u>200</u>				
One-Unit Age Range	<u>1</u> yrs. to <u>80</u> yrs.	Predominant Age <u>50</u> yrs.				
Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.</u>						

SITE	Dimensions <u>SEE PLAT MAP</u>		=	<u>34.45</u> ACRES	☐ Corner Lot
	Zoning Classification <u>S92</u>		Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations		
	Highest and Best Use ☒ Present Use ☐ Other (specify)				
	Public Other (Describe)				
	Elec. ☐ NONE		OFF SITE IMPROVEMENTS		
	Gas ☐ NONE		Street Access ☒ Public ☐ Private		
	Water ☐ NONE		Surface <u>COMPACT</u>		
	San. Sewer ☐ NONE		Maintenance ☒ Public ☐ Private		
	☐ Underground Elect. & Tel.		☐ Storm Sewer ☐ Curb/Gutter		
			☐ Sidewalk ☐ Street Lights		
Topo		<u>LEVEL TO SLOPING</u>			
Size		<u>LARGER THAN TYPICAL FOR THE AREA</u>			
Shape		<u>IRREGULAR</u>			
View		<u>SURROUNDING MOUNTAIN</u>			
Drainage		<u>ADEQUATE</u>			
Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No					
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.</u>					

The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	<u>TECATE ROAD</u>	<u>0 DELONGE LANE</u>	<u>0 TECATE TRUCK TRAIL</u>	<u>0 TECATE ROAD</u>
	<u>TECATE, CA 91980</u>	<u>TECATE, CA 91980</u>	<u>TECATE, CA 91980</u>	<u>TECATE, CA 91980</u>
Proximity to Subject		<u>0.81 miles N</u>	<u>0.04 miles E</u>	<u>0.36 miles N</u>
Sales Price	\$ <u>0</u>	\$ <u>40,000</u>	\$ <u>25,000</u>	\$ <u>40,000</u>
Price \$/Sq.Ft.		\$ <u>0.06</u>	\$ <u>0.18</u>	\$ <u>0.18</u>
Data Source(s)	<u>MLS/REALIST</u>	<u>MLS/REALIST</u>	<u>MLS/REALIST</u>	<u>MLS/REALIST</u>
ITEM	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Date of Sale/Time Adj.	<u>0</u>	<u>COE 07/20/2012</u>	<u>COE 09/14/2012</u>	<u>COE 11/02/2012</u>
Location	<u>RURAL</u>	<u>RURAL</u>	<u>RURAL</u>	<u>RURAL</u>
Site/View	<u>34.45 ACRES</u>	<u>16.00 ACRES</u>	<u>3.21 ACRES</u>	<u>5.00 ACRES</u>
		<u>+48,000</u>	<u>+81,500</u>	<u>+77,000</u>
Zoning	<u>S92</u>	<u>S92</u>	<u>S87</u>	<u>RR5</u>
APN	<u>652-160-12-00</u>	<u>652-120-47-00</u>	<u>652-160-14-00</u>	<u>652-120-16-00</u>
Site Improvements	<u>NONE</u>	<u>NONE</u>	<u>SURVEYED</u>	<u>NONE</u>
Sales or Financing	<u>0</u>	<u>ARMS LENGTH</u>	<u>ARMS LENGTH</u>	<u>ARMS LENGTH</u>
Concessions	<u>0</u>	<u>COV:0</u>	<u>COV:0</u>	<u>COV:0</u>
Net Adj. (Total)		☒ + ☐ - \$ <u>48,000</u>	☒ + ☐ - \$ <u>81,500</u>	☒ + ☐ - \$ <u>77,000</u>
Indicated Value of Subject		\$ <u>88,000</u>	\$ <u>106,500</u>	\$ <u>117,000</u>

Comments on Market Data PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. MOST WEIGHT IS GIVEN TO COMPETING SALE 1 IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT DUE TO ITS SIMILAR ZONING AS THE SUBJECT. SITE WAS CALCULATED AT \$.06/SQ. FT. RESEARCH ALSO SHOWED THAT IN 2010, 2,142 ACRES WERE PURCHASED BY SDG&E FOR \$5,410,500 OR \$.06/SQ. FT.

Comments and Conditions of Appraisal A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.

Final Reconciliation IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.

RECONCILIATION	I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>04/16/2013</u> TO BE \$ <u>104,000</u>	
	Appraiser <u>MARK R. MARSELLA</u>	Supervisory Appraiser (if applicable)
	Date of Signature and Report <u>04/19/2013</u>	Date of Signature
	Title <u>CERTIFIED RESIDENTIAL APPRAISER</u>	Title
	State Certification # <u>AR027428</u> ST <u>CA</u>	State Certification # ST
	Or State License # ST	Or State License # ST
Expiration Date of State Certification or License <u>01/11/2014</u>	Expiration Date of State Certification or License	
Date of Inspection (if applicable) <u>04/16/2013</u>	☐ Did ☐ Did Not Inspect Property Date of Inspection	

Form LAND --- "WinTOTAL" appraisal software by a la mode, inc. --- 1-800-ALAMODE 08/11

Mark Marsella

Main File No. 13-11521 Page #1

LAND APPRAISAL REPORT

TWIN PLANT PTNRS
File No. 13-11521

SUBJECT	Borrower TWIN PLANT PARTNERS		Census Tract 0211.00		Map Reference SD/1335/J3	
	Property Address TECATE ROAD					
	City TECATE		County SAN DIEGO		State CA Zip Code 91980	
	Legal Description PAR 1					
NEIGHBORHOOD	Sale Price \$ 0		Date of Sale 0		Loan Term 0 yrs.	
	Actual Real Estate Taxes \$ 13,811		(yr)		Loan charges to be paid by seller \$ 0	
	Lender/Client E3 ADVISORS		Address NOT AVAILABLE			
	Occupant VACANT		Appraiser MARK R. MARSELLA		Instructions to Appraiser PHYSICAL INSPECTION OF RAW VACANT LAND	
	Location ☐ Urban ☐ Suburban ☒ Rural Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25% Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☒ Slow Property Values ☐ Increasing ☒ Stable ☐ Declining Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply Marketing Time ☐ Under 3 Mos. ☒ 4-6 Mos. ☒ Over 6 Mos.		Employment Stability ☐ Good ☒ Avg. ☐ Fair ☐ Poor Convenience to Employment ☐ ☒ ☐ ☐ Convenience to Shopping ☐ ☒ ☐ ☐ Convenience to Schools ☐ ☒ ☐ ☐ Adequacy of Public Transportation ☐ ☒ ☐ ☐ Recreational Facilities ☐ ☒ ☐ ☐ Adequacy of Utilities ☐ ☒ ☐ ☐ Property Compatibility ☐ ☒ ☐ ☐ Protection from Detrimental Conditions ☐ ☒ ☐ ☐ Police and Fire Protection ☐ ☒ ☐ ☐ General Appearance of Properties ☐ ☒ ☐ ☐ Appeal to Market ☐ ☒ ☐ ☐			
	Present 5 % One-Unit 0 % 2-4 Unit 0 % Apts. 0 % Condo 10 % Commercial Land Use 20 % Industrial 65 % Vacant % Change in Present Land Use ☒ Not Likely ☐ Likely (*) ☐ Taking Place (*)		Predominant Occupancy ☐ Owner ☒ Tenant 3 % Vacant One-Unit Price Range \$ 50 to \$ 450 Predominant Value \$ 200 One-Unit Age Range 1 yrs. to 80 yrs. Predominant Age 50 yrs.		Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.	
	Dimensions SEE PLAT MAP = 22.81 ACRES ☐ Corner Lot Zoning Classification RR5 Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations Highest and Best Use ☒ Present Use ☐ Other (specify)					
	Elec. ☐ NONE Gas ☐ NONE Water ☐ NONE San. Sewer ☐ NONE ☐ Underground Elect. & Tel.		OFF SITE IMPROVEMENTS Street Access ☒ Public ☐ Private Surface COMPACT Maintenance ☒ Public ☐ Private ☐ Storm Sewer ☐ Curb/Gutter ☐ Sidewalk ☐ Street Lights		Topo LEVEL TO SLOPING Size LARGER THAN TYPICAL FOR THE AREA Shape IRREGULAR View SURROUNDING MOUNTAIN Drainage ADEQUATE Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No	
	Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.					

MARKET DATA ANALYSIS	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.									
	ITEM		SUBJECT PROPERTY		COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
	Address TECATE ROAD		0 DELONGE LANE		0 TECATE TRUCK TRAIL		0 TECATE ROAD			
	TECATE, CA 91980		TECATE, CA 91980		TECATE, CA 91980		TECATE, CA 91980			
	Proximity to Subject		0.61 miles N		0.22 miles S		0.16 miles N			
	Sales Price		\$ 0		\$ 40,000		\$ 25,000		\$ 40,000	
	Price \$/Sq.Ft.		\$ 0.06		\$ 0.18		\$ 0.18			
	Data Source(s)		MLS/REALIST		MLS/REALIST		MLS/REALIST		MLS/REALIST	
	ITEM		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION	
	Date of Sale/Time Adj.		0		COE 07/20/2012		COE 09/14/2012		COE 11/02/2012	
Location		RURAL		RURAL		RURAL		RURAL		
Site/View		22.81 ACRES		16.00 ACRES		3.21 ACRES		5.00 ACRES		
Zoning		RR5		S92		S87		RR5		
APN		652-170-43-00		652-120-47-00		652-160-14-00		652-120-16-00		
Site Improvements		NONE		NONE		SURVEYED		NONE		
Sales or Financing		0		ARMS LENGTH		ARMS LENGTH		ARMS LENGTH		
Concessions		0		COV:0		COV:0		COV:0		
Net Adj. (Total)				☒ + ☐ - \$ 41,500		☒ + ☐ - \$ 119,500		☒ + ☐ - \$ 108,500		
Indicated Value of Subject				\$ 81,500		\$ 144,500		\$ 148,500		
Comments on Market Data PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. EQUAL WEIGHT IS GIVEN TO ALL THREE COMPETING SALES IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT. SITE WAS CALCULATED AT \$.14/SQ.FT.										
Comments and Conditions of Appraisal A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.										
Final Reconciliation IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.										

RECONCILIATION	I (WE) ESTIMATE THE MARKET VALUE, AS DETERMINED, OF THE SUBJECT PROPERTY AS OF 04/16/2013 TO BE \$ 125,000	
	Appraiser MARK R. MARSELLA Supervisory Appraiser (if applicable)	
	Date of Signature and Report 04/19/2013 Date of Signature	
	Title CERTIFIED RESIDENTIAL APPRAISER Title	
	State Certification # AR027428 ST CA State Certification # ST	
	Or State License # ST Or State License # ST	
Expiration Date of State Certification or License 01/11/2014 Expiration Date of State Certification or License		
Date of Inspection (if applicable) 04/16/2013 ☐ Did ☐ Did Not Inspect Property Date of Inspection		

Form LAND — "WinTOTAL" appraisal software by la mode, inc. — 1-800-ALAMODE 08/11

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11522 Page #1

VISTA TECATE PTNRS

File No. 13-11522

SUBJECT	Borrower <u>VISTA TECATE PARTNERS</u>		Census Tract <u>0211.00</u>	Map Reference <u>SD/1335/J3</u>						
	Property Address <u>TECATE ROAD</u>									
	City <u>TECATE</u>	County <u>SAN DIEGO</u>	State <u>CA</u>	Zip Code <u>91980</u>						
	Legal Description <u>THAT POR OF PAR 3 PER PM 5143 IN LOT 1 SEC 25-18-3E</u>									
NEIGHBORHOOD	Sale Price \$ _____ Date of Sale _____ Loan Term <u>0</u> yrs.		Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD							
	Actual Real Estate Taxes \$ <u>1,959</u> (yr)		Loan charges to be paid by seller \$ <u>0</u> Other sales concessions <u>0</u>							
	Lender/Client <u>E3 ADVISORS</u>		Address <u>NOT AVAILABLE</u>							
	Occupant <u>VACANT</u>		Appraiser <u>MARK R. MARSELLA</u>							
	Location ☐ Urban ☐ Suburban ☒ Rural		Instructions to Appraiser <u>PHYSICAL INSPECTION OF RAW VACANT LAND</u>							
	Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25%		Employment Stability ☐ Good ☒ Avg. ☐ Fair ☐ Poor							
	Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☐ Slow		Convenience to Employment ☐ ☒ ☐ ☐							
	Property Values ☐ Increasing ☒ Stable ☐ Declining		Convenience to Shopping ☐ ☒ ☐ ☐							
	Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply		Convenience to Schools ☐ ☒ ☐ ☐							
	Marketing Time ☐ Under 3 Mos. ☐ 4-6 Mos. ☒ Over 6 Mos.		Adequacy of Public Transportation ☐ ☒ ☐ ☐							
SITE	Present <u>5</u> % One-Unit <u>0</u> % 2-4 Unit <u>0</u> % Apts. <u>0</u> % Condo <u>10</u> % Commercial		Recreational Facilities ☐ ☒ ☐ ☐							
	Land Use <u>20</u> % Industrial <u>65</u> % Vacant <u>15</u> %		Adequacy of Utilities ☐ ☒ ☐ ☐							
	Change in Present Land Use ☒ Not Likely ☐ Likely (*) ☐ Taking Place (*)		Property Compatibility ☐ ☒ ☐ ☐							
	Predominant Occupancy ☐ Owner ☒ Tenant <u>3</u> % Vacant		Protection from Detrimental Conditions ☐ ☒ ☐ ☐							
	One-Unit Price Range \$ <u>50</u> to \$ <u>450</u> Predominant Value \$ <u>200</u>		Police and Fire Protection ☐ ☒ ☐ ☐							
	One-Unit Age Range <u>1</u> yrs. to <u>80</u> yrs. Predominant Age <u>50</u> yrs.		General Appearance of Properties ☐ ☒ ☐ ☐							
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>THE SUBJECT IS LOCATED IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.</u>		Appeal to Market ☐ ☒ ☐ ☐							
	Dimensions <u>SEE PLAT MAP</u> = <u>12.66</u> ACRES ☐ Corner Lot									
	Zoning Classification <u>RR5</u> Present Improvements ☒ Do ☐ Do Not Conform to Zoning Regulations									
	MARKET DATA ANALYSIS	Highest and Best Use ☒ Present Use ☐ Other (specify) _____		Topo <u>LEVEL TO SLOPING</u>						
Public ☐ Other (Describe) _____		Size <u>LARGER THAN TYPICAL FOR THE AREA</u>								
Elec. ☐ NONE OFF SITE IMPROVEMENTS ☒ Public ☐ Private		Shape <u>IRREGULAR</u>								
Gas ☐ NONE Street Access ☒ Public ☐ Private		View <u>SURROUNDING MOUNTAIN</u>								
Water ☐ NONE Surface <u>COMPACT</u>		Drainage <u>ADEQUATE</u>								
San. Sewer ☐ NONE Maintenance ☒ Public ☐ Private		Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No								
☐ Storm Sewer ☐ Curb/Gutter										
☐ Sidewalk ☐ Street Lights										
☐ Underground Elect. & Tel.										
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.</u>										
RECONCILIATION	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.									
	ITEM		SUBJECT PROPERTY		COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
	Address <u>TECATE ROAD</u>		<u>0 DELONGE LANE</u>		<u>0 TECATE TRUCK TRAIL</u>		<u>0 TECATE ROAD</u>		<u>0 TECATE ROAD</u>	
	<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>	
	Proximity to Subject		<u>0.71 miles N</u>		<u>0.11 miles S</u>		<u>0.27 miles N</u>			
	Sales Price		\$ _____		\$ <u>40,000</u>		\$ <u>25,000</u>		\$ <u>40,000</u>	
	Price \$/Sq.Ft.		\$ _____		\$ <u>0.06</u>		\$ <u>0.18</u>		\$ <u>0.18</u>	
	Data Source(s)		<u>MLS/REALIST</u>		<u>MLS/REALIST</u>		<u>MLS/REALIST</u>		<u>MLS/REALIST</u>	
	ITEM		DESCRIPTION		+(-) \$ Adjust.		DESCRIPTION		+(-) \$ Adjust.	
	Date of Sale/Time Adj.		<u>COE 07/20/2012</u>				<u>COE 09/14/2012</u>		<u>COE 11/02/2012</u>	
Location		<u>RURAL</u>				<u>RURAL</u>		<u>RURAL</u>		
Site/View		<u>12.66 ACRES</u>		<u>-20,500</u>		<u>3.21 ACRES</u>		<u>+57,500</u>		
Zoning		<u>RR5</u>				<u>S87</u>		<u>RR5</u>		
APN		<u>652-170-45-00</u>		<u>652-120-47-00</u>		<u>652-160-14-00</u>		<u>652-120-16-00</u>		
Site Improvements		<u>NONE</u>				<u>SURVEYED</u>		<u>NONE</u>		
Sales or Financing		<u>0</u>		<u>ARMS LENGTH</u>		<u>ARMS LENGTH</u>		<u>ARMS LENGTH</u>		
Concessions		<u>0</u>		<u>COV:0</u>		<u>COV:0</u>		<u>COV:0</u>		
Net Adj. (Total)		☐ + ☒ - \$ <u>-20,500</u>		☒ + ☐ - \$ <u>57,500</u>		☒ + ☐ - \$ <u>46,500</u>				
Indicated Value of Subject		\$ <u>19,500</u>		\$ <u>82,500</u>		\$ <u>86,500</u>				
Comments on Market Data <u>PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. EQUAL WEIGHT IS GIVEN TO ALL THREE COMPETING SALES IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT. SITE WAS CALCULATED AT \$.14/SQ.FT.</u>										
Comments and Conditions of Appraisal <u>A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.</u>										
Final Reconciliation <u>IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.</u>										
I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>04/16/2013</u> TO BE \$ <u>63,000</u>										
Appraiser <u>MARK R. MARSELLA</u>					Supervisory Appraiser (if applicable) _____					
Date of Signature and Report <u>04/19/2013</u>					Date of Signature _____					
Title <u>CERTIFIED RESIDENTIAL APPRAISER</u>					Title _____					
State Certification # <u>AR027428</u> ST <u>CA</u>					State Certification # _____ ST _____					
Dr State License # _____ ST _____					Or State License # _____ ST _____					
Expiration Date of State Certification or License <u>01/11/2014</u>					Expiration Date of State Certification or License _____					
Date of Inspection (if applicable) <u>04/16/2013</u>					☐ Did ☐ Did Not Inspect Property Date of Inspection _____					

Form LAND — "WinTOTAL" appraisal software by a la mode, Inc. — 1-800-ALAMODE

08/11

Mark Marsella
LAND APPRAISAL REPORT

Main File No. 13-11518 Page #1

VISTA TECATE PTNRS

File No. 13-11518

SUBJECT	Borrower <u>VISTA TECATE PARTNERS</u>		Census Tract <u>0211.00</u>		Map Reference <u>SD71335/J3</u>	
	Property Address <u>TECATE ROAD</u>					
	City <u>TECATE</u>		County <u>SAN DIEGO</u>		State <u>CA</u> Zip Code <u>91980</u>	
	Legal Description <u>THAT POR OF PAR 5 PER PM 5143 IN LOT 4 SEC 26-18-3E</u>					
NEIGHBORHOOD	Sale Price \$ <u>0</u>		Date of Sale <u>0</u>		Loan Term <u>0</u> yrs.	
	Actual Real Estate Taxes \$ <u>679</u>		(yr) Loan charges to be paid by seller \$ <u>0</u>		Other sales concessions <u>0</u>	
	Lender/Client <u>E3 ADVISORS</u>		Address <u>NOT AVAILABLE</u>		Instructions to Appraiser <u>PHYSICAL INSPECTION OF RAW VACANT LAND</u>	
	Occupant <u>VACANT</u>		Appraiser <u>MARK R. MARSELLA</u>			
	Location ☐ Urban ☐ Suburban ☒ Rural				Good Avg. Fair Poor	
	Built Up ☐ Over 75% ☒ 25% to 75% ☐ Under 25%				Employment Stability ☐ ☒ ☐ ☐	
	Growth Rate ☐ Fully Dev. ☐ Rapid ☐ Steady ☒ Slow				Convenience to Employment ☐ ☒ ☐ ☐	
	Property Values ☐ Increasing ☒ Stable ☐ Declining				Convenience to Shopping ☐ ☒ ☐ ☐	
	Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply				Convenience to Schools ☐ ☒ ☐ ☐	
	Marketing Time ☐ Under 3 Mos. ☐ 4-6 Mos. ☒ Over 6 Mos.				Adequacy of Public Transportation ☐ ☒ ☐ ☐	
SITE	Present <u>5</u> % One-Unit <u>0</u> % 2-4 Unit <u>0</u> % Apts. <u>0</u> % Condo <u>10</u> % Commercial				Recreational Facilities ☐ ☒ ☐ ☐	
	Land Use <u>20</u> % Industrial <u>65</u> % Vacant				Adequacy of Utilities ☐ ☒ ☐ ☐	
	Change in Present Land Use ☒ Not Likely ☐ Likely (*)				Property Compatibility ☐ ☒ ☐ ☐	
	Land Use (*) From <u> </u> To <u> </u>				Protection from Detrimental Conditions ☐ ☒ ☐ ☐	
	Predominant Occupancy ☐ Owner ☒ Tenant <u>3</u> % Vacant				Police and Fire Protection ☐ ☒ ☐ ☐	
	One-Unit Price Range \$ <u>50</u> to \$ <u>450</u>		Predominant Value \$ <u>200</u>		General Appearance of Properties ☐ ☒ ☐ ☐	
	One-Unit Age Range <u>1</u> yrs. to <u>80</u> yrs.		Predominant Age <u>50</u> yrs.		Appeal to Market ☐ ☒ ☐ ☐	
	Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>THE SUBJECT IS LOCATED IN TECATE IN AN UNINCORPORATED AREA OF SAN DIEGO COUNTY. THE SUBJECT'S NEIGHBORHOOD CONSISTS PREDOMINANTLY OF COMMERCIAL PROPERTIES AND VACANT LAND. LOCATED NEARBY ARE SCHOOLS, SHOPPING AND PUBLIC SERVICES.</u>					
	MARKET DATA ANALYSIS	Dimensions <u>SEE PLAT MAP</u>		= <u>7.26</u> ACRES		☐ Corner Lot
Zoning Classification <u>S92</u>		Present Improvements ☒ Do ☐ Do Not		Conform to Zoning Regulations		
Highest and Best Use ☒ Present Use ☐ Other (specify) <u> </u>						
Public ☐ Other (Describe) <u> </u>		OFF SITE IMPROVEMENTS				
Elec. ☐ NONE		Street Access ☒ Public ☐ Private		Topo <u>LEVEL TO SLOPING</u>		
Gas ☐ NONE		Surface <u>COMPACT</u>		Size <u>LARGER THAN TYPICAL FOR THE AREA</u>		
Water ☐ NONE		Maintenance ☒ Public ☐ Private		Shape <u>IRREGULAR</u>		
San. Sewer ☐ NONE		☐ Storm Sewer ☐ Curb/Gutter		View <u>SURROUNDING MOUNTAIN</u>		
☐ Underground Elect. & Tel.		☐ Sidewalk ☐ Street Lights		Drainage <u>ADEQUATE</u>		
Is the property located in a FEMA Special Flood Hazard Area? ☐ Yes ☒ No						
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>SITE IS LARGER THAN TYPICAL FOR THE AREA. NO ADVERSE EASEMENTS OR ENCROACHMENTS WERE NOTED. TITLE AND SOIL REPORTS WERE NOT REVIEWED BY THIS APPRAISER.</u>						
RECONCILIATION	The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.					
	ITEM		SUBJECT PROPERTY		COMPARABLE NO. 1	
	Address <u>TECATE ROAD</u>		<u>0 DELONGE LANE</u>		<u>0 TECATE TRUCK TRAIL</u>	
	<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>		<u>TECATE, CA 91980</u>	
	Proximity to Subject		<u>0.81 miles N</u>		<u>0.07 miles SW</u>	
	Sales Price		\$ <u>0</u>		\$ <u>25,000</u>	
	Price \$/Sq.Ft.		\$ <u>0.06</u>		\$ <u>0.18</u>	
	Data Source(s)		<u>MLS/REALIST</u>		<u>MLS/REALIST</u>	
	ITEM		DESCRIPTION		DESCRIPTION	
	Date of Sale/Time Adj.		<u>0</u>		<u>COE 09/14/2012</u>	
Location		<u>RURAL</u>		<u>RURAL</u>		
Site/View		<u>7.26 ACRES</u>		<u>3.21 ACRES</u>		
Zoning		<u>S92</u>		<u>S87</u>		
APN		<u>652-160-11-00</u>		<u>652-160-14-00</u>		
Site Improvements		<u>NONE</u>		<u>SURVEYED</u>		
Sales or Financing		<u>0</u>		<u>ARMS LENGTH</u>		
Concessions		<u>0</u>		<u>COV:0</u>		
Net Adj. (Total)		☐ + ☒ - \$ <u>-23,000</u>		☒ + ☐ - \$ <u>10,500</u>		
Indicated Value of Subject		\$ <u>17,000</u>		\$ <u>35,500</u>		
Comments on Market Data <u>PRICE OF VACANT LAND VARIES BASED ON TOPOGRAPHY AND USABLE LAND. MOST WEIGHT IS GIVEN TO COMPETING SALE 1 IN ORDER TO DETERMINE A \$ ADJUSTMENT PER SQUARE FOOT DUE TO ITS SIMILAR ZONING AS THE SUBJECT. SITE WAS CALCULATED AT \$.06/SQ.FT. RESEARCH ALSO SHOWED THAT IN 2010, 2,142 ACRES WERE PURCHASED BY SDG&E FOR \$5,410,500 OR \$.06/SQ.FT.</u>						
Comments and Conditions of Appraisal <u>A THOROUGH SEARCH OF PUBLIC RECORDS WAS MADE AND THE COMPARABLE SALES USED WERE CONSIDERED TO BE THE BEST AND MOST RECENT SALES FOUND, AND ARE CONSIDERED TO BE THE MOST INDICATIVE OF VALUE. THE THREE COMPETING SALES USED IN THIS REPORT WERE THE ONLY SALES OF VACANT LAND OVER THE PAST THREE YEARS. THIS APPRAISAL REPORT IS INTENDED TO DETERMINE A FAIR MARKET VALUE FOR THE SUBJECT. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE.</u>						
Final Reconciliation <u>IN DETERMINING THE FINAL OPINION OF VALUE, EQUAL WEIGHT IS GIVEN TO ALL THREE COMPARABLE SALES.</u>						
I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF <u>04/16/2013</u> TO BE \$ <u>33,000</u>						
Appraiser <u>MARK R. MARSELLA</u>		Supervisory Appraiser (if applicable)				
Date of Signature and Report <u>04/19/2013</u>		Date of Signature				
Title <u>CERTIFIED RESIDENTIAL APPRAISER</u>		Title				
State Certification # <u>AR027428</u>		State Certification #				
Or State License #		Or State License #				
Expiration Date of State Certification or License <u>01/11/2014</u>		Expiration Date of State Certification or License				
Date of Inspection (if applicable) <u>04/16/2013</u>		☐ Did ☐ Did Not Inspect Property Date of Inspection				

Form LAND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

06/11

Yuma I

- Gila View
- Painted Desert
- Snow Bird

A SUMMARY APPRAISAL REPORT OF

SNOWBIRD PARTNERS

131.71 Acres of Raw Land
Southeast Corner of Interstate 8 Freeway and Avenue 40E
Tacna, Yuma County, Arizona 85347
Yuma County Assessor Parcel Nos.: 188-31-001, 2, 3, 4, 6, 7, 9 and 10

PREPARED FOR

Mr. Geno Rodriguez, Director
E3 Advisors
501 West Broadway, Suite 800
San Diego, California 92101

PREPARED BY

Mr. Mark A. Nelson, MAI
Landmark Valuation Services Inc.
P.O. Box 651
Gilbert, Arizona 85299
(Telephone 480-892-2166)
(Email: AZRealestate2@cox.net)

EFFECTIVE DATE OF VALUATION

As Is Value
131.71 Acres of Raw Land
Fee Simple Estate
May 5, 2013

DATE OF REPORT

May 15, 2013

Client File No.: NA
Landmark Valuation Services File No: 2013-131

LANDMARK VALUATION SERVICES INC.

Mark A. Nelson, MAI ♦ P.O. Box 651 ♦ Gilbert, Arizona 85299

Telephone 480-892-2166

Email AZREALESTATE2@COX.NET

May 15, 2013

Mr. Geno Rodriguez, Director
E3 Advisors
501 West Broadway, Suite 800
San Diego, California 92101

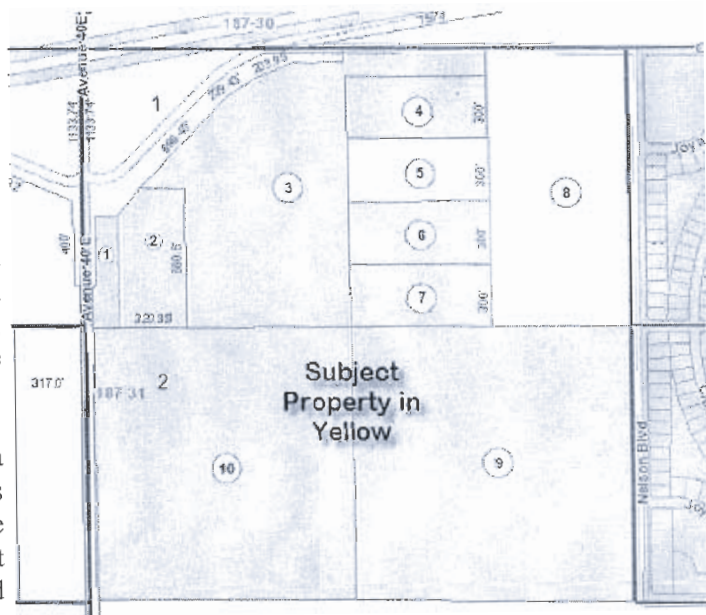
RE: A summary appraisal report of 131.71 acres of raw land on the southeast corner of the Interstate 8 Freeway and Avenue 40E, Tacna, Yuma County, Arizona 85347.
Yuma County Assessor Parcel No.: 188-31-001, 2, 3, 4, 6, 7, 9 and 10

Dear Mr. Rodriguez:

Attached is a summary appraisal report of 131.71 acres of raw land on the southeast corner of the Interstate 8 Freeway and Avenue 40E, Tacna, Arizona. The purpose of this appraisal is to estimate the subject's "as is" value as of the date of this appraisal, a value estimated using only the sales comparison approach. Being vacant land, neither the cost nor income approaches are applicable.

Central to the subject valuation is a determination of the subject's highest and best use, answering the question - what is the subject's most profitable use, given its zoning and physical characteristics. Options for the subject, however, are few, leaving the subject as being highly speculative land with no development potential for at least 10 years, if not more. Potential options for the subject include commercial/industrial and residential development.

Commercial/industrial development would be an improbable use as Tacna has a very small residential base of 550 residents, a population base that is unlikely to increase the next 10 or 20 years. The only practical commercial use for the subject area would be a mini-mart, however, that would not be a probable use as a mini-mart was built in 2004 on the northwest corner of the Interstate 8 Freeway and Avenue 40E. Being a small town, Tacna does not have an adequate population to support two mini-marts, judging from what appears to be a marginal level of business at the existing mini-mart.



Mr. Geno Rodriguez, Director

E3 Advisors

May 15, 2013

Page No. 2

Residential would be a possible option for the subject, albeit an option that would not be highly likely, given performance of surrounding developments. Potential residential would include a traditional residential subdivision, an air-lot subdivision, a mobile home subdivision, and an RV/mobile home park.

The subject could not be developed with a traditional subdivision of 6,000 SF to 10,000 SF lots fronting asphalt covered streets as the cost of on-site construction would be far more than the bulk wholesale value of the finished lots upon completion of construction. Upon completion of construction, the bulk wholesale value of the finished lots would be \$2,000 to \$3,000 per lot, while the cost of construction would be more than \$15,000 per lot, indicating a loss of \$12,000 to \$13,000 for every lot built. Traditional subdivision development today, nor in the next 10 years would be feasible given that Tacna does not have a viable economic base of jobs to support new, residential development. The nearest employment center is in Yuma, which is ± 35 miles west of Tacna. Given affordable homes available in Yuma, no residents of Yuma would find Tacna a suitable location for a new home.

The subject could be improved with an acreage lot subdivision. Though possible, it would not be profitable nor needed. Potential performance of an acreage lot subdivision can be gauged by Citrus City Estates, a ± 250 lot acreage subdivision one mile west of the subject. Opened in 1969, (44 years ago) fewer than 10 home sites have been developed with homes. Lots which front gravel streets with electric to the property line presently sell for \$2,500 per lot. With more than 200 vacant acreage lots in this subdivision and likely with many willing sellers, demand for additional acreage lots would be limited.

The subject could be improved with a mobile home subdivision. Though possible, it would not be profitable nor needed. Potential performance of a mobile home subdivision can be gauged by Citrus Park, a ± 650 lot mobile home subdivision adjacent to the east of the subject that opened in 1973, 40 years ago. Of the 650 lots, fewer than 20 are improved with a mobile home, leaving ± 630 vacant lots, likely owned by many willing sellers. Given an inventory of 630 vacant lots for mobile homes adjacent to the east of the subject, lots that, if they sell, command \$2,000 to \$3,000, construction of new lots on the subject would meet a market with little demand and low prices.

The subject could be improved with an RV/mobile home park. Though possible, it would not be highly probable, given the ownership of 216 acres immediately west of the subject. Immediately west of the subject is Copper Mountain, a 204-space RV park that opened in 2011. It was built by Mr. Hank Steinly, a local developer that has built $\pm 15 - 20$ RV parks in Yuma County.

Mr. Steinly also owns 216 acres surrounding Copper Mountain, land he purchased years ago at a very low basis, i.e., likely less than \$1,000 per acre. When Copper Mountain reaches stabilized occupancy in 5 to 6 years, the next park built in this area will likely be on 216 acres owned by Mr. Steinly. It is unlikely that another developer could be found to pay a substantial amount for vacant land anticipating future RV development given:

- that it will be another 5 to 6 years before demand would dictate the need for another RV park. Demand for another park will not materialize until Copper Mountain reaches stabilized occupancy.

Mr. Geno Rodriguez, Director
E3 Advisors
 May 15, 2013
 Page No. 3

- that few developers would choose Tacna as a market to enter as it is not a high demand market for winter visitors, as evidenced by Tacna being home to only one RV park. Not being a high-demand market, future entrants to the market, if there are any, would be a local developer, not a national or regional developer.
- that few local developers could effectively compete with a seasoned developer who has a land basis less than \$1,000 per acre. Given this developer's low land basis, he could substantially underprice competitors entering the market who would pay markedly more for their land. Given this obvious risk, few developers would likely enter the market.

Given the findings in the highest and best use section, the subject has no practical use today - it could not feasibly be developed with commercial, industrial or residential. Therefore, the subject is no more than speculative land with no immediate use and likely no practical use for 10 to 20 years, barring some unforeseen economic event.

This appraisal has been prepared in accordance with the Current Uniform Standards of Professional Appraisal Practice.

Final Value Estimate:

Based on information in this report, it is my opinion that the subject's value, in terms of cash or equivalent financing, is:

Value Conclusions	
Subject Location	SEC Interstate 8 Freeway and Avenue 40E
City/Town	Tacna
Subject Zoning	RA-40/MHS

Certification

The undersigned does hereby certify, except as otherwise noted in this appraisal report, that:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

Net Land Area				
No.	APN	Owner	SF	Acres
1	187-31-001	Snowbird Partners	35,284	0.81
2	187-31-002	Snowbird Partners	196,020	4.50
3	187-31-003	Snowbird Partners	1,516,759	34.82
4	187-31-004	Snowbird Partners	197,762	4.54
5	187-31-006	Snowbird Partners	197,762	4.54
6	187-31-007	Snowbird Partners	197,762	4.54
7	187-31-009	Snowbird Partners	1,742,400	40.00
8	187-31-010	Snowbird Partners	1,653,538	37.96
Totals			5,737,287	131.71

Value Conclusion		
Date of Valuation	May 5, 2013	
Date of Report	May 15, 2013	
Property Right Valued	Fee Simple Estate	
Method of Valuation	\$ Acre	\$ Total
Cost Approach	Not Estimated	
Sales Comparison	\$2,000	\$265,000
Income Approach	Not Estimated	
Concluded Value	\$2,000	\$265,000

Mr. Geno Rodriguez, Director

E3 Advisors

May 15, 2013

Page No. 4

- My engagement in this assignment was not contingent upon developing or reporting predetermined result.
- 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 analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Mark A. Nelson, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- The undersigned hereby acknowledges that he has the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraiser's Professional Qualifications in the Addenda.
- I have not appraised the subject property in the last three years.

I appreciate the opportunity to be of service to you and thank you for the business.

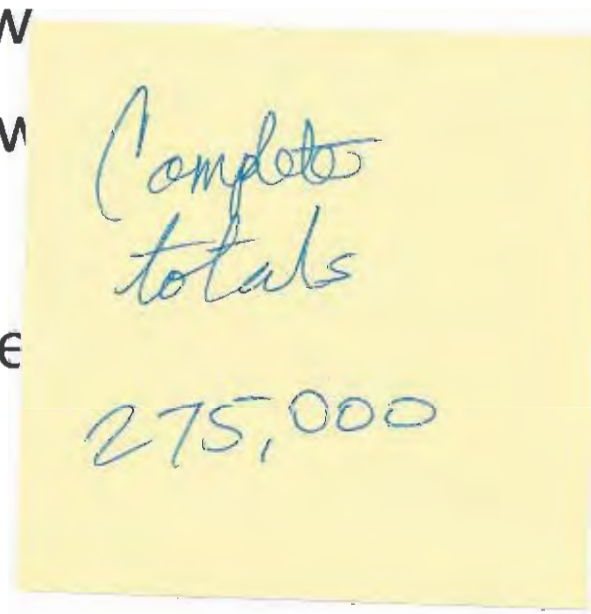
Respectfully submitted,



Mark A. Nelson, MAI
Certified General Real Estate Appraiser
Arizona Certificate No. 30695
Expires September 30, 2013

Yuma II

- Desert View
- Sonora View
- Mesa View
- Road Runne



A SUMMARY APPRAISAL REPORT OF

MESA VIEW PARTNERS

788.67 Acres of Raw Land
South Side of Interstate 8 Freeway at Avenue 49E
Tacna, Yuma County, Arizona 85347
Yuma County Assessor Parcel Nos.:
188-22-010; 188-23-009; 188-26-007, 8, 11, 12; and 188-27-002, 3, 4, 5, and 8

PREPARED FOR

Mr. Geno Rodriguez, Director
E3 Advisors
501 West Broadway, Suite 800
San Diego, California 92101

PREPARED BY

Mr. Mark A. Nelson, MAI
Landmark Valuation Services Inc.
P.O. Box 651
Gilbert, Arizona 85299
(Telephone 480-892-2166)
(Email: AZRealestate2@cox.net)

EFFECTIVE DATE OF VALUATION

As Is Value
788.67 Acres of Raw Land
Fee Simple Estate
May 5, 2013

DATE OF REPORT

May 15, 2013

Client File No.: NA
Landmark Valuation Services File No: 2013-129

LANDMARK VALUATION SERVICES INC.

Mark A. Nelson, MAI ♦ P.O. Box 651 ♦ Gilbert, Arizona 85299

Telephone 480-892-2166

Email AZREALESTATE2@COX.NET

May 15, 2013

Mr. Geno Rodriguez, Director
E3 Advisors
501 West Broadway, Suite 800
San Diego, California 92101

RE: A summary appraisal report of 788.67 acres of raw land on the south side of the Interstate 8 Freeway at Avenue 49E, Tacna, Yuma County, Arizona 85347.
Yuma County Assessor Parcel No.: 188-22-010; 188-23-009; 188-26-007, 8, 11, 12; and 188-27-002, 3, 4, 5, and 8.

Dear Mr. Rodriguez:

Attached is a summary appraisal report of 788.67 acres of raw land on the south side of the Interstate 8 Freeway at Avenue 49E, Tacna, Arizona. The purpose of this appraisal is to estimate the subject's "as is" value as of the date of this appraisal, a value estimated using only the sales comparison approach. Being vacant land, neither the cost nor income approaches are applicable.

Central to the subject valuation is a determination of the subject's highest and best use. As cited in the highest and best use section, the subject has substantial limitations to being a viable economic parcel. Limitations include its remote access ± 10 miles from the nearest access road, limited utilities and no population base in the immediate area. Given these factors, the subject is highly speculative land with no development potential for decades. Highly speculative land, as cited in the sales comparison approach, currently sells for \$100 to \$500 per acre, with little distinguishable difference between land that sells for \$100 per acre and land that sells for \$500 per acre. The difference in price between the two appears to be random based on who was in the market at that time.

This appraisal has been prepared in accordance with the Current Uniform Standards of Professional Appraisal Practice.

Mr. Geno Rodriguez, Director

E3 Advisors

May 15, 2013

Page No. 2

Final Value Estimate:

Based on information in this report, it is my opinion that the subject's value, in terms of cash or equivalent financing, is:

Value Conclusions	
Subject Location	South side Interstate 8 Freeway at Avenue 49E
City/Town	Taena
Subject Zoning	RA-40

Certification

The undersigned does hereby certify, except as otherwise noted in this appraisal report, that:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

Net Land Area				
No.	APN	Owner	SF	Acres
1	188-22-010	Mesa View Partners	3,950,021	90.68
2	188-23-009	Mesa View Partners	5,161,860	118.50
3	188-26-007	Mesa View Partners	6,969,600	160.00
4	188-26-008	Mesa View Partners	43,560	1.00
5	188-26-011	Mesa View Partners	833,738	19.14
6	188-26-012	Mesa View Partners	1,839,974	42.24
7	188-27-002	Mesa View Partners	3,566,693	81.88
8	188-27-003	Mesa View Partners	1,742,400	40.00
9	188-27-004	Mesa View Partners	1,839,974	42.24
10	188-27-005	Mesa View Partners	5,212,390	119.66
11	188-27-008	Mesa View Partners	3,194,255	73.33
Totals			34,354,465	788.67

Value Conclusion	
Date of Valuation	May 5, 2013
Date of Report	May 15, 2013
Property Right Valued	Fee Simple Estate

- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the 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 developing or reporting predetermined result.
- 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 analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Mark A.

Method of Valuation	\$ Acre	\$ Total
Cost Approach		Not Estimated
Sales Comparison	\$350	\$275,000
Income Approach		Not Estimated
Concluded Value	\$350	\$275,000

Mr. Geno Rodriguez, Director

E3 Advisors

May 15, 2013

Page No. 3

Nelson, MAI has completed the requirements of the continuing education program of the Appraisal Institute.

- The undersigned hereby acknowledges that he has the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraiser's Professional Qualifications in the Addenda.
- I have not appraised the subject property in the last three years.

I appreciate the opportunity to be of service to you and thank you for the business.

Respectfully submitted,



Mark A. Nelson, MAI
Certified General Real Estate Appraiser
Arizona Certificate No. 30695
Expires September 30, 2013

Yuma III

- Mountain View
- Ocotillo
- Cactus Ridge
- Mohawk Mountain Partners

A SUMMARY APPRAISAL REPORT OF

MOUNTAIN VIEW PARTNERS

319.24 Acres of Raw Land Consisting of Two Parcels

Parcel No. 1: 293.14 Acres - North Side of Highway 80 at Avenue 50E, Tacna, AZ
Yuma County Assessor Parcel Nos.: 188-14-001, 4, and 5

Parcel No. 2: 26.10 Acres - Southwest Corner of Highway 80 and Avenue 24E, Wellton, AZ
Yuma County Assessor Parcel No.: 200-08-009

PREPARED FOR

Mr. Geno Rodriguez, Director
E3 Advisors
501 West Broadway, Suite 800
San Diego, California 92101

PREPARED BY

Mr. Mark A. Nelson, MAI
Landmark Valuation Services Inc.
P.O. Box 651
Gilbert, Arizona 85299
(Telephone 480-892-2166)
(Email: AZRealestate2@cox.net)

EFFECTIVE DATE OF VALUATION

As Is Value
319.24 Acres of Raw Land in Two Parcels
Fee Simple Estate
May 5, 2013

DATE OF REPORT

May 15, 2013

Client File No.: NA
Landmark Valuation Services File No: 2013-130

LANDMARK VALUATION SERVICES INC.

Mark A. Nelson, MAI ♦ P.O. Box 651 ♦ Gilbert, Arizona 85299

Telephone 480-892-2166

Email AZREALESTATE2@COX.NET

May 15, 2013

Mr. Geno Rodriguez, Director
E3 Advisors
501 West Broadway, Suite 800
San Diego, California 92101

RE: A summary appraisal report of 319.24 acres of raw land in two parcels, labeled Parcel Nos. 1 and 2 in this report. Parcel No. 1 is 293.14 acres on the north side of Highway 80 at Avenue 50E in Tacna, Yuma County, Arizona, while Parcel No. 2 is 26.10 acres on the southwest corner of Highway 80 and Avenue 24E in Wellton, Yuma County, Arizona.
Parcel No. 1 - Yuma County Assessor Parcel Nos.: 188-14-001, 4, and 5
Parcel No. 2 - Yuma County Assessor Parcel No: 200-08-009

Dear Mr. Rodriguez:

Attached is a summary appraisal report of 319.24 acres of raw land, which for purposes of this appraisal is divided into two parcels, labeled Parcel Nos. 1 and 2. Parcel No. 1 is 293.14 acres of raw desert on the north side of Highway 80 at Avenue 50E, which is 10 miles east of Tacna, Arizona, while Parcel No. 2 is 26.10 acres of raw desert on the southwest corner of Highway 80 and Avenue 24E, which is ±4.50 miles west of Wellton, Arizona.

The purpose of this appraisal is to estimate the subject's "as is" value as of the date of this appraisal, a value estimated using only the sales comparison approach. Being vacant land, neither the cost nor income approaches are applicable.

Central to the subject valuation is a determination of the subject's highest and best use. Parcel No. 1 is 293.14 acres of raw desert in an area filled with tens of thousands of acres of raw desert that has no practical use. Being in an area with virtually no population, no prospects of substantial population growth in the future, its only practical use is for speculation. Given limited prospects for this area, a speculator could pay no more than a couple hundred dollars per acre for this land.

Parcel No. 2, comparatively, is 26.10 acres on the southwest corner of Highway 80 and Avenue 24E, placing it 4.50 miles west of downtown Wellton. Its limitations include that it has no legal access, is adjacent to the south of the Union Pacific Railroad track, and is in the opposite direction of growth in Wellton. To gain legal access to Parcel No. 2, a road would need to be built either crossing the railroad track, a questionable possibility, given the subject's small size, the high volume of traffic on this railroad track, and the cost of the crossing relative to the subject's value; or a road would need to be built leading west from Avenue 25E, a road that would need to cross a water canal. Given substantial costs to gain legal access to the subject, it has no prospects of being developed with a higher density use, i.e., mobile home/RV park or residential subdivision, given that many parcels without these limitations are available in Wellton.

Mr. Geno Rodriguez, Director

E3 Advisors

May 15, 2013

Page No. 2

This appraisal has been prepared in accordance with the Current Uniform Standards of Professional Appraisal Practice.

Final Value Estimate:

Based on information in this report, it is my opinion that the subject's value, in terms of cash or equivalent financing, is:

Value Conclusions				
Subject Location				
Parcel No. 1		SWC of Highway 80 and Avenue 24E, Wellton North side of Highway 80 and Avenue 50E, Tacna		
Parcel No. 2				
Subject Zoning				
Parcel No. 1		RA-40		
Parcel No. 2		RA-40		
Net Land Area				
APN	Owner		SF	Acres
Parcel No. 1				
188-14-001	Mesa View Partners		3,656,862	83.95
188-14-004	Mesa View Partners		4,737,586	108.76
188-14-005	Mesa View Partners		4,374,731	100.43
Subtotal			12,769,179	293.14
Parcel No. 2				
200-08-009	Mesa View Partners		1,136,916	26.10
Total Parcel No. 1 and 2			13,906,095	319.24

Certification

The undersigned does hereby certify, except as otherwise noted in this appraisal report, that:

Value Conclusion						
Date of Valuation			May 5, 2013			
Date of Report			May 15, 2013			
Property Right Valued			Fee Simple Value			
Method of Valuation	Parcel No. 1		Parcel No. 2		Total Parcel No. 1 & 2	
	\$ Acre	\$ Total	\$ Acre	\$ Total	\$ Acre	\$ Total
Cost Approach		Not Estimated		Not Estimated		Not Estimated
Sales Comparisou	\$400	\$115,000	\$1,000	\$26,000	\$442	\$141,000
Income Approach		Not Estimated		Not Estimated		Not Estimated
Concluded Value	\$400	\$115,000	\$1,000	\$26,000	\$442	\$141,000

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the 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 developing or reporting predetermined result.
- 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.

Mr. Geno Rodriguez, Director

E3 Advisors

May 15, 2013

Page No. 3

- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Mark A. Nelson, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- The undersigned hereby acknowledges that he has the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraiser's Professional Qualifications in the Addenda.
- I have not appraised the subject property in the last three years.

I appreciate the opportunity to be of service to you and thank you for the business.

Respectfully submitted,



Mark A. Nelson, MAI
Certified General Real Estate Appraiser
Arizona Certificate No. 30695
Expires September 30, 2013

Las Vegas 1

- Park Vegas Partners
- Production Partners
- Silver State Partners



Valbridge
PROPERTY ADVISORS

Summary Appraisal Report

8.04 Acres of Vacant Land
SEC of Tropical Parkway and Beesley Drive
North Las Vegas, Clark County, Nevada 89115



FOR
Park Vegas Partners
Thomas C. Hebrank
c/o E3 Advisors
501 West Broadway, Suite 800
San Diego, CA, 92101

**Valbridge Property Advisors |
Lubawy and Associates, Inc.**

3034 S. Durango Drive, Suite 100
Las Vegas, Nevada 89117
702.242.9369
702.242.6391 fax

valbridge.com

Valbridge Job No.:
NV01-13-0135-000



3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702-242-9369 phone
702-242-6391 fax
valbridge.com

May 15, 2013

Mr. Thomas C. Hebrank
Park Vegas Partners
c/o E3 Advisors
501 West Broadway, Suite 800
San Diego, CA, 92101

RE: Summary Appraisal Report of
8.04 Acres of Vacant Land
SEC of Tropical Parkway and Beesley Drive
North Las Vegas, Clark County, Nevada, 89115

Dear Mr. Hebrank:

In accordance with your request, we have prepared a real property appraisal of the above-referenced property, presented in a summary appraisal report format. This appraisal report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to our value opinion.

The property is a vacant land parcel located at the southeast corner of the intersection of Tropical Parkway and Beesley Drive in North Las Vegas, Clark County, Nevada, 89115. The subject is further identified as Assessor's Parcel Numbers (APNs) 123-27-301-002 and 003. The site measures approximately 8.040 net acres or 350,222 net square feet.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client.

The purpose of the appraisal is to form an opinion of the 'as-is' market value of the land. Park Vegas Partners is the client for this assignment. The intended user of this report is Park Vegas Partners and Thomas C. Hebrank, Receiver and no others. The intended use is for management of the receivership assets under the authority of the United States District Court, Southern District of California, in Case No. 12CV2164-LAB. The value opinion reported herein is subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions:

Extraordinary Assumptions:

There are no extraordinary assumptions used in this appraisal assignment.

Hypothetical Conditions:

There are no hypothetical conditions used in this appraisal assignment.



Thomas C. Hebrank, Receiver
Park Vegas Partners
May 15, 2013
Page 2

Based on the analysis contained in the following report, our value conclusion involving the subject property is summarized as follows:

	As Is
Date of Value	5/3/2013
Market Value Conclusion	\$665,000

This letter of transmittal is not considered valid if separated from this report, and must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors
Lubawy and Associates, Inc.

A handwritten signature in blue ink that reads "Kendal Stewart".

Kendal Stewart
Senior Appraiser
Nevada License #A.0002588-CG
License Expires April 30, 2015
kstewart@valbridge.com

A handwritten signature in blue ink that reads "Matthew Lubawy".

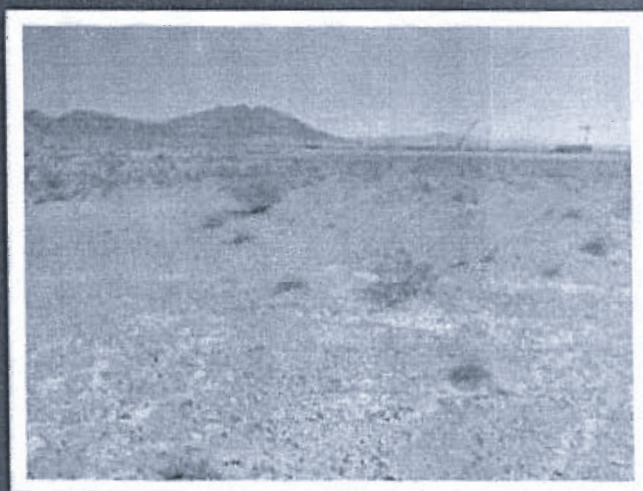
Matthew Lubawy, MAI
Senior Managing Director
Nevada License #A.0000044-CG
License Expires April 30, 2015
mlubawy@valbridge.com



Valbridge
PROPERTY ADVISORS

Summary Appraisal Report

36.45 Acres of Vacant Land
NEC of Ann Road and Mt. Hood Street
North Las Vegas, Clark County, Nevada 89115



FOR
Production Partners

Thomas C. Hebrank
c/o E3 Advisors

501 West Broadway, Suite 800
San Diego, CA, 92101

Valbridge Property Advisors |
Lubawy and Associates, Inc.

3034 S. Durango Drive, Suite 100
Las Vegas, Nevada 89117
702.242.9369
702.242.6391 fax

valbridge.com

Valbridge Job No.:
NV01-13-0133-000



3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702-242-0389 phone
702-242-6391 fax
valbridge.com

May 15, 2013

Mr. Thomas C. Hebrank
Production Partners
c/o E3 Advisors
501 West Broadway, Suite 800
San Diego, CA, 92101

RE: Summary Appraisal Report of
36.45 Acres of Vacant Land
NEC of Ann Road and Mt. Hood Street
North Las Vegas, Clark County, Nevada, 89115

Dear Mr. Hebrank:

In accordance with your request, we have prepared a real property appraisal of the above-referenced property, presented in a summary appraisal report format. This appraisal report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to our value opinion.

The property is a vacant land parcel located at the northeast corner of Ann Road and the Mt. Hood Street alignment in North Las Vegas, Clark County, Nevada, 89115. The subject is further identified as Assessor's Parcel Number (APN) 123-27-801-001. The site measures approximately 36.450 net acres or 1,587,762 net square feet.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client.

The purpose of the appraisal is to form an opinion of the 'as-is' market value of the land. Production Partners is the client for this assignment. The intended user of this report is Production Partners and Thomas C. Hebrank, Receiver and no others. The intended use is for management of the receivership assets under the authority of the United States District Court, Southern District of California, in Case No. 12CV2164-LAB. The value opinion reported herein is subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions:

Extraordinary Assumptions:

There are no extraordinary assumptions used in this appraisal assignment.

Hypothetical Conditions:

There are no hypothetical conditions used in this appraisal assignment.



Thomas C. Hebrank, Receiver
Production Partners
May 15, 2013
Page 2

Based on the analysis contained in the following report, our value conclusion involving the subject property is summarized as follows:

	As Is
Date of Value	5/3/2013
Market Value Conclusion	\$2,700,000

This letter of transmittal is not considered valid if separated from this report, and must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors
Lubawy and Associates, Inc.

A handwritten signature in blue ink that reads "Kendal Stewart".

Kendal Stewart
Senior Appraiser
Nevada License #A.0002588-CG
License Expires April 30, 2015
kstewart@valbridge.com

A handwritten signature in blue ink that reads "Matthew Lubawy".

Matthew Lubawy, MAI
Senior Managing Director
Nevada License #A.0000044-CG
License Expires April 30, 2015
mlubawy@valbridge.com



Valbridge
PROPERTY ADVISORS

Summary Appraisal Report

8.97 Acres of Vacant Land
SEC of Tropical Parkway and Mt. Hood Street
North Las Vegas, Clark County, Nevada 89115



FOR
Silver State Partners
Thomas C. Hebrank
c/o E3 Advisors
501 West Broadway, Suite 800
San Diego, CA, 92101

Valbridge Property Advisors |
Lubawy and Associates, Inc.

3034 S. Durango Drive, Suite 100
Las Vegas, Nevada 89117
702.242.9369
702.242.6391 fax

valbridge.com

Valbridge Job No.:
NV01-13-0134-000



3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702-242-9389 phone
702-242-6391 fax
valbridge.com

May 15, 2013

Mr. Thomas C. Hebrank
Silver State Partners
c/o E3 Advisors
501 West Broadway, Suite 800
San Diego, CA, 92101

RE: Summary Appraisal Report of
8.97 Acres of Vacant Land
SEC of Tropical Parkway and Mt. Hood Street
North Las Vegas, Clark County, Nevada, 89115

Dear Mr. Hebrank:

In accordance with your request, we have prepared a real property appraisal of the above-referenced property, presented in a summary appraisal report format. This appraisal report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to our value opinion.

The property is a vacant land parcel located at the southeast corner of the intersection of Tropical Parkway and Mt. Hood Street in North Las Vegas, Clark County, Nevada, 89115. The subject is further identified as Assessor's Parcel Number (APN) 123-27-701-001. The site measures approximately 8.970 net acres or 390,733 net square feet.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client.

The purpose of the appraisal is to form an opinion of the 'as-is' market value of the land. Silver State Partners is the client for this assignment. The intended user of this report is Silver State Partners and Thomas C. Hebrank, Receiver and no others. The intended use is for management of the receivership assets under the authority of the United States District Court, Southern District of California, in Case No. 12CV2164-LAB. The value opinion reported herein is subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions:

Extraordinary Assumptions:

There are no extraordinary assumptions used in this appraisal assignment.

Hypothetical Conditions:

There are no hypothetical conditions used in this appraisal assignment.



Thomas C. Hebrank, Receiver
Silver State Partners
May 15, 2013
Page 2

Based on the analysis contained in the following report, our value conclusion involving the subject property is summarized as follows:

	As Is
Date of Value	5/3/2013
Market Value Conclusion	\$740,000

This letter of transmittal is not considered valid if separated from this report, and must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors
Lubawy and Associates, Inc.

Kendal Stewart
Senior Appraiser
Nevada License #A.0002588-CG
License Expires April 30, 2015
kstewart@valbridge.com

Matthew Lubawy, MAI
Senior Managing Director
Nevada License #A.0000044-CG
License Expires April 30, 2015
mlubawy@valbridge.com

Las Vegas 2

- Rainbow Partners
- Horizon Partners



Valbridge
PROPERTY ADVISORS

Summary Appraisal Report

4.62 Acres of Vacant Land

East side of Rainbow Boulevard, North of Vegas Drive
Las Vegas, Clark County, Nevada 89108



FOR
Rainbow Partners, et al
Thomas C. Hebrank
c/o E3 Advisors
501 West Broadway, Suite 800
San Diego, CA, 92101

**Valbridge Property Advisors |
Lubawy and Associates, Inc.**

3034 S. Durango Drive, Suite 100
Las Vegas, Nevada 89117
702.242.9369
702.242.6391 fax

valbridge.com

Valbridge Job No.:
NV01-13-0123-000



April 26, 2013

Mr. Thomas C. Hebrank
c/o E3 Advisors
Rainbow Partners, et al
501 West Broadway, Suite 800
San Diego, CA, 92101

RE: Summary Appraisal Report of
4.62 Acres of Vacant Land on the
East side of Rainbow Boulevard, North of Vegas Drive
Las Vegas, Clark County, Nevada, 89108

Dear Mr. Hebrank:

In accordance with your request, we have prepared a real property appraisal of the above-referenced property, presented in a summary appraisal report format. This appraisal report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to our value opinion.

The property is a vacant land parcel located on the east side of Rainbow Boulevard, approximately 295 feet north of Vegas Drive in Las Vegas, Clark County, Nevada, 89108. The subject is further identified as Assessor's Parcel Number (APN) 138-23-401-001. The site measures approximately 4.620 net acres, or 201,247 net square feet.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client.

The purpose of the appraisal is to form an opinion of the 'as-is' market value. Rainbow Partners, et al is the client for this assignment. The intended user of this report is Rainbow Partners and Horizon Partners, Thomas C. Hebrank, Receiver and no others. The intended use is for management of the receivership assets under the authority of the United States District of California, in Case No. 12CV2164-LAB. The value opinion reported herein is subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions:

Extraordinary Assumptions:

There are no extraordinary assumptions used in this appraisal assignment.

Hypothetical Conditions:

There are no hypothetical conditions used in this appraisal assignment.



Mr. Thomas C. Hebrank, Receiver
Rainbow Partners, et al
April 26, 2013
Page 2

Based on the analysis contained in the following report, our value conclusion involving the subject property is summarized as follows:

	As Is
Date of Value	4/17/2013
Market Value Conclusion	\$945,000

This letter of transmittal is not considered valid if separated from this report, and must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors
Lubawy and Associates, Inc.

A handwritten signature in blue ink, appearing to read 'Kendal Stewart'.

Kendal Stewart
Senior Appraiser
Nevada License #A.0002588-CG
License Expires April 30, 2013
kstewart@valbridge.com

A handwritten signature in blue ink, appearing to read 'Matthew Lubawy'.

Matthew Lubawy, MAI
Senior Managing Director
Nevada License #A.0000044-CG
License Expires April 30, 2015
mlubawy@valbridge.com

LV Kade Property

- Hollywood Partners
- BLA Partners
- Checkered Flag Partners
- Victory Lap Partners



Valbridge
PROPERTY ADVISORS

Summary Appraisal Report

57.00 Acres of Vacant Land

West Side of Intersection of Las Vegas Boulevard and Hollywood Boulevard
Las Vegas, Clark County, Nevada 89115



FOR
Victory Lap Partners, et al
Thomas C. Hebrank
c/o E3 Advisors
501 West Broadway, Suite 800
San Diego, CA, 92101

**Valbridge Property Advisors |
Lubawy and Associates, Inc.**

3034 S. Durango Drive, Suite 100
Las Vegas, Nevada 89117
702.242.9369
702.242.6391 fax

valbridge.com

Valbridge Job No.:
NV01-13-0122-000



3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702-242-9369 phone
702-242-6391 fax
valbridge.com

April 26, 2013

Mr. Thomas C. Hebrank
Victory Lap Partners, et al
c/o E3 Advisors
501 West Broadway, Suite 800
San Diego, CA, 92101

RE: Summary Appraisal Report of
57.00 Acres of Vacant Land
West Side of Intersection of Las Vegas Boulevard and Hollywood Boulevard
Las Vegas, Clark County, Nevada, 89115

Dear Mr. Hebrank:

In accordance with your request, we have prepared a real property appraisal of the above-referenced property, presented in a summary appraisal report format. This appraisal report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to our value opinion.

The property is a vacant land parcel located on the west side of the intersection of Las Vegas Boulevard and Hollywood Boulevard in Las Vegas, Clark County, Nevada, 89115. The subject is further identified as Assessor's Parcel Number (APN) 123-34-601-001. The site measures approximately 53.940 net acres 2,349,626 net square feet.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client.

The purpose of the appraisal is to form an opinion of the 'as-is' market value of the land. Victory Lap Partners, et al is the client for this assignment. The intended user of this report is Victory Lap Partners, et al, Thomas C. Hebrank, Receiver and no others. The intended use is for management of the receivership assets under the authority of the United States District Court, Southern District of California, in Case No. 12CV2164-LAB. The value opinion reported herein is subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions:

Extraordinary Assumptions:

There are no extraordinary assumptions used in this appraisal assignment.

Hypothetical Conditions:

There are no hypothetical conditions used in this appraisal assignment.



Thomas C. Hebrank, Receiver
Victory Lap Partners, et al
April 26, 2013
Page 2

Based on the analysis contained in the following report, our value conclusion involving the subject property is summarized as follows:

	As Is
Date of Value	4/17/2013
Market Value Conclusion	\$4,110,000

This letter of transmittal is not considered valid if separated from this report, and must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors
Lubawy and Associates, Inc.

A handwritten signature in blue ink that reads "Kendal Stewart".

Kendal Stewart
Senior Appraiser
Nevada License #A.0002588-CG
License Expires April 30, 2013
kstewart@valbridge.com

A handwritten signature in blue ink that reads "Matthew Lubawy".

Matthew Lubawy, MAI
Senior Managing Director
Nevada License #A.0000044-CG
License Expires April 30, 2015
mlubawy@valbridge.com

Santa Fe

- Santa Fe View
- Pueblo
- Peco

***SUMMARY
APPRAISAL REPORT
of the
Santa Fe Venture, LLC/Pecos Partnership, LLC
Properties in Receivership in Santa Fe County, New Mexico***

Date of Report:

May 8, 2013

Effective Date of Value:

May 6, 2013

Prepared For:

***E3 Advisors
501 W. Broadway, Suite 800
San Diego, CA 92101 USA***

Prepared By:

***R. Howard Sears, MAI, SRA
Market Data Research, Inc.
Real Estate Appraisers and Consultants
Santa Fe, New Mexico***



R. Howard Sears, MAI, SRA

May 8, 2013

Geno Rodriguez, Director
E3 Advisors
501 W. Broadway, Suite 800
San Diego, CA 92101 USA

Re: Summary Appraisal Report
Properties in Receivership in Santa Fe County
The Pecos Partnership, LLC/Santa Fe Venture, LLC

Dear Mr. Rodriguez,

Pursuant to your Request for Proposals (RFP) and acceptance of my proposal dated April 8, 2013, I have completed an appraisal of the above referenced property. The properties to be appraised are located in a rural area south of Santa Fe, New Mexico, west of the Cerrillos/Madrid area and east of the I-25/Cochiti Exit 264 via SR 16 within the Red Rock Road lower Waldo area of Santa Fe County.

The three (3) properties appraised are identified as follows:

PROPERTY ADDRESS: RED ROCK RD, TR 2, T14N R 7E S17 209.871 AC
Assessor Account # 980000642 - Red Rock Road
PROPERTY ADDRESS: BAJA WALDO RD, TR 3, T14N R 7E S 8 206.3855 AC
Assessor Account # 980000645 - Baja Waldo Road
PROPERTY ADDRESS: RED ROCK RD, TR 4, T14N R 7E S5 & 8 213.4575 AC
Assessor Account # 980000646 - Red Rock Road

In accordance with the RFP and instructions contained therein, as well as the subsequent letter of authorization and/or engagement/contract dated April 8, 2013, the purpose of the appraisal is to estimate the "market value" of the subject property in "fee simple" title subject to all easements of record.

As you have further instructed, the subject property is to be appraised in an "as-is" condition as of the date of my most recent inspection, which was May 6, 2013. It is understood that the intent of the client, E3 Advisors, is to determine the present "market value" of the assets currently in Receivership, San Diego, California.

The accompanying appraisal has been prepared to meet the specific requirements as outlined above, as well as to fully comply with current Appraisal Institute (AI) reporting guidelines and to meet the requirements of the New Mexico Real Estate Appraisal Board (NMREAB).

Market Data Research, Inc. Real Estate Appraisers and Consultants
P. O. Box 9852 Santa Fe, NM 87504-9852 (505) 988-9604
Fax (505) 988-9605 e-mail: rhsears@marketdataresearch.net

Geno Rodriguez, Director
 Santa Fe Venture, LLC/Pecos Partnership, LLC

Page 2

May 8, 2013

You requested a "Summary Appraisal Report" format which is intended to comply with the reporting requirements set forth under Standards Rules 2-2(b) (vii), 8-2(b) (vii) of the Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by the Appraisal Standards Board of the Appraisal Foundation, Washington, D.C.

My investigation, analyses, conclusions, opinions and reconciliation of values are subject to the definitions, certification, assumptions and limiting conditions as set forth in the accompanying "Summary Appraisal Report", an abbreviated report format. As such, it presents summaries of the most pertinent sales data, as well as the reasoning and analyses that were used in the appraisal process to develop my opinion of value. Additional supporting documentation is retained in my office file pertaining to this appraisal. All material (evaluation) contents of this report, the analytical findings and summary conclusions are considered confidential and privileged information for the exclusive use of the client for the purpose and intent of the appraisal as detailed herein.

No one other than the above named client and client's authorized users of the appraisal may obtain a copy of this report or any part of the report, except as specified in writing, or as may be requested and/or required by the Appraisal Institute in confidence for possible professional ethics enforcement, or by a court of law or government body having power of subpoena.

No part of this report and addenda is to be used without referencing the entire report. No change of any item in the report shall be made by anyone other than the undersigned; and the appraiser/analyst and/or firm shall have no responsibility if any such unauthorized change is made. It is recommended that anyone privy to this report read it in its entirety.

Based on my investigations and final analyses to date, and as supported by additional data maintained in my office files, it is my opinion that the estimated "market value" of the three individual properties, as of May 6, 2013, as well as the sum total of the three parcels was:

Parcel 1: 209.871 acres @ \$1,000 per acre = \$209,871 (Rounded to) \$210,000

Parcel 2: 206.3855 acres @ \$1,150 per acre = \$237,343 (Rounded to) \$240,000

Parcel 3: 213.4575 acres @ \$850 per acre = \$181,439 (Rounded to) \$180,000

Total Estimate of Property Value (Tracts 1, 2 & 3): \$630,000

SIX HUNDRED THIRTY THOUSAND DOLLARS (\$630,000)

*Market Data Research, Inc. Real Estate Appraisers and Consultants
 P. O. Box 9852 Santa Fe, NM 87504-9852 (505) 988-9604
 Fax (505) 988-9605 e-mail: rhsears@marketdataresearch.net*

Geno Rodriguez, Director
Santa Fe Venture, LLC/Pecos Partnership, LLC

Page 3

May 8, 2013

I respectfully refer you to the accompanying "Summary Appraisal Report" and Addenda upon which the above value conclusion was based and derived. Thank you for the opportunity to serve you in this assignment. If you have any questions in regard to this appraisal, or any other matter, please do not hesitate to call our office at your earliest convenience.

Respectfully submitted,

Market Data Research, Inc.

By:



R. Howard Sears, MAI, SRA

Attachment: Summary Appraisal Report and Addenda

Market Data Research, Inc. Real Estate Appraisers and Consultants
P. O. Box 9852 Santa Fe, NM 87504-9852 (505) 988-9604
Fax (505) 988-9605 e-mail: rhsears@marketdataresearch.net

EXHIBIT C

EXHIBIT C

WFP INVESTMENT PERFORMANCE SUMMARY

	Total GP Net Investment	Total GP Value	GP Gain/(Loss) on Investment	% Gain/(Loss) on Investment	% Recovery on Investment
<u>Fernley I</u>					
Crystal Clearwater Partners (2011)	1,547,342	206,599	(1,340,743)	(86.65%)	13.35%
High Desert Partners (2011)	1,514,265	207,613	(1,306,652)	(86.29%)	13.71%
	3,061,607	414,212	(2,647,395)	(86.47%)	13.53%
<u>Silver Springs North</u>					
North Springs (2007)	1,842,015	83,024	(1,758,991)	(95.49%)	4.51%
Rawhide (2007)	1,893,966	86,403	(1,807,563)	(95.44%)	4.56%
Highway 50 (2008)	1,880,990	85,155	(1,795,835)	(95.47%)	4.53%
Orange Vista (2008)	2,016,125	105,039	(1,911,086)	(94.79%)	5.21%
	7,633,096	359,622	(7,273,474)	(95.29%)	4.71%
<u>Silver Springs South</u>					
Rail Road Partners (2006)	2,717,216	120,963	(2,596,253)	(95.55%)	4.45%
Spruce Heights Partners (2007)	2,813,773	133,143	(2,680,630)	(95.27%)	4.73%
Vista Del Sur (2007)	2,799,057	117,391	(2,681,666)	(95.81%)	4.19%
Lahontan (2007)	2,892,907	131,215	(2,761,692)	(95.46%)	4.54%
	11,222,953	502,712	(10,720,241)	(95.52%)	4.48%
<u>Washoe 3</u>					
Spanish Springs Partners (2003)	1,911,000	187,907	(1,723,093)	(90.17%)	9.83%
Antelope Spring Partners (2004)	1,946,275	177,914	(1,768,361)	(90.86%)	9.14%
Wild Horse Partners (2004)	1,995,316	140,249	(1,855,066)	(92.97%)	7.03%
Big Ranch Partners (2004)	2,058,535	134,835	(1,923,700)	(93.45%)	6.55%
	7,911,126	640,905	(7,270,220)	(91.90%)	8.10%
<u>Washoe 5</u>					
Pyramid Highway 177 (2010)	1,371,178	62,023	(1,309,155)	(95.48%)	4.52%
Frontage 177 (2010)	1,353,908	76,747	(1,277,161)	(94.33%)	5.67%
	2,725,086	138,769	(2,586,317)	(94.91%)	5.09%
<u>Dayton I</u>					
Dayton View Partners (1999)	1,636,000	91,706	(1,544,294)	(94.39%)	5.61%
Fairway Partners (2000)	1,685,100	98,948	(1,586,152)	(94.13%)	5.87%
Green View Partners (2000)	1,735,700	102,393	(1,633,307)	(94.10%)	5.90%
Par Four Partners (2001)	1,787,800	101,630	(1,686,170)	(94.32%)	5.68%
	6,844,600	394,676	(6,449,924)	(94.23%)	5.77%
<u>Dayton II</u>					
Storey County Partners (2005)	2,137,748	53,513	(2,084,236)	(97.50%)	2.50%
Comstock Partners (2005)	2,169,733	49,214	(2,120,519)	(97.73%)	2.27%
Silver City Partners (2005)	2,214,812	43,011	(2,171,801)	(98.06%)	1.94%
Nevada View Partners (2005)	2,239,490	49,309	(2,190,181)	(97.80%)	2.20%

	8,761,783	195,047	(8,566,736)	(97.77%)	2.23%
<u>Dayton III</u>					
Gold Ridge Partners (2005)	2,483,760	203,491	(2,280,269)	(91.81%)	8.19%
Sky View Partners (2005)	2,558,300	245,305	(2,312,995)	(90.41%)	9.59%
Grand View Partners (2005)	2,635,100	231,728	(2,403,372)	(91.21%)	8.79%
Rolling Hills Partners (2006)	2,714,200	234,563	(2,479,637)	(91.36%)	8.64%
(Note 1)	10,391,360	915,087	(9,476,273)	(91.19%)	8.81%
<u>Dayton IV</u>					
Eagle View Partners (2008)	5,131,542	47,705	(5,083,837)	(99.07%)	0.93%
Falcon Heights Partners (2008)	5,330,569	51,939	(5,278,630)	(99.03%)	0.97%
Night Hawk Partners (2009)	5,565,264	92,757	(5,472,507)	(98.33%)	1.67%
Osprey Partners (2010)	5,769,018	116,883	(5,652,135)	(97.97%)	2.03%
	21,796,393	309,284	(21,487,109)	(98.58%)	1.42%
<u>Minden</u>					
Carson Valley Partners (1998)	1,182,300	241,266	(941,034)	(79.59%)	20.41%
Heavenly View Partners (1998)	1,217,800	239,669	(978,131)	(80.32%)	19.68%
Sierra View Partners (1999)	1,254,300	253,248	(1,001,052)	(79.81%)	20.19%
Pine View Partners (1999)	1,291,900	245,200	(1,046,700)	(81.02%)	18.98%
	4,946,300	979,382	(3,966,918)	(80.20%)	19.80%
<u>Washoe 1</u>					
Reno View (1981)	712,451	48,307	(664,144)	(93.22%)	6.78%
Reno Vista (1981)	430,137	47,509	(382,628)	(88.95%)	11.05%
Reno Partners (1982)	771,750	48,293	(723,457)	(93.74%)	6.26%
	1,914,338	144,109	(1,770,229)	(92.47%)	7.53%
<u>Washoe 4</u>					
Rose Vista (2006)	1,688,367	131,282	(1,557,085)	(92.22%)	7.78%
Steam Boat Partners (2006)	1,769,886	127,392	(1,642,494)	(92.80%)	7.20%
Galena Ranch Partners (2006)	1,828,455	154,018	(1,674,437)	(91.58%)	8.42%
Redfield Heights Partners (2006)	1,876,274	154,747	(1,721,527)	(91.75%)	8.25%
	7,162,982	567,439	(6,595,543)	(92.08%)	7.92%
<u>Stead</u>					
P-39 Aircobra Partners (2012)	2,343,576	261,877	(2,081,699)	(88.83%)	11.17%
P-40 Warhawk Partners (2012)	2,413,063	273,180	(2,139,883)	(88.68%)	11.32%
P-51 LLC (2012)	924,838	249,791	(675,047)	(72.99%)	27.01%
	5,681,477	784,848	(4,896,630)	(86.19%)	13.81%
<u>Bratton Valley</u>					
Valley Vista (1987)	740,000	70,923	(669,077)	(90.42%)	9.58%
Bratton View (1987)	755,400	64,304	(691,096)	(91.49%)	8.51%
Honey Springs (1988)	841,000	74,347	(766,653)	(91.16%)	8.84%
	2,336,400	209,574	(2,126,826)	(91.03%)	8.97%
<u>Jamul Valley</u>					
Jamul Meadows (1988)	734,400	125,406	(608,994)	(82.92%)	17.08%
Lyons Valley (1988)	748,545	121,625	(626,920)	(83.75%)	16.25%
Hidden Hills (1988)	778,267	121,151	(657,116)	(84.43%)	15.57%

	2,261,212	368,182	(1,893,030)	(83.72%)	16.28%
<u>Tecate</u>					
ABL (1992)	1,433,000	130,869	(1,302,131)	(90.87%)	9.13%
Borderland (1993)	1,173,500	108,341	(1,065,159)	(90.77%)	9.23%
Prosperity (1994)	1,197,000	102,544	(1,094,456)	(91.43%)	8.57%
Freetrade (1991)	1,050,000	102,602	(947,398)	(90.23%)	9.77%
Suntec (1991)	815,668	107,064	(708,604)	(86.87%)	13.13%
Via 188 (1990)	780,500	103,193	(677,307)	(86.78%)	13.22%
International (1990)	691,118	71,638	(619,480)	(89.63%)	10.37%
Mex-Tec (1993)	1,576,300	146,533	(1,429,767)	(90.70%)	9.30%
Tecate South (1989)	969,600	93,956	(875,644)	(90.31%)	9.69%
Twin Plant (1989)	1,090,000	114,237	(975,763)	(89.52%)	10.48%
Vista Tecate (1990)	940,000	87,085	(852,915)	(90.74%)	9.26%
	11,716,686	1,168,062	(10,548,624)	(90.03%)	9.97%
<u>Yuma I</u>					
Gila View (2006)	1,392,210	73,737	(1,318,473)	(94.70%)	5.30%
Painted Desert (2006)	1,443,319	73,824	(1,369,495)	(94.89%)	5.11%
Snow Bird (2006)	1,483,826	93,164	(1,390,662)	(93.72%)	6.28%
	4,319,355	240,725	(4,078,630)	(94.43%)	5.57%
<u>Yuma II</u>					
Desert View (2006)	1,528,273	117,511	(1,410,762)	(92.31%)	7.69%
Sonora View (2007)	1,604,730	157,365	(1,447,365)	(90.19%)	9.81%
Mesa View (2007)	1,598,726	159,052	(1,439,674)	(90.05%)	9.95%
Road Runner (2007)	1,745,756	164,470	(1,581,286)	(90.58%)	9.42%
	6,477,485	598,398	(5,879,087)	(90.76%)	9.24%
<u>Yuma III</u>					
Mountain View (2008)	1,600,603	(24,471)	(1,625,074)	(101.53%)	-1.53%
Ocotillo (2008)	1,678,277	(1,415)	(1,679,692)	(100.08%)	-0.08%
Cactus Ridge (2008)	1,691,993	(14,256)	(1,706,249)	(100.84%)	-0.84%
Mohawk Mountain Partners (2008)	1,681,904	9,346	(1,672,558)	(99.44%)	0.56%
	6,652,777	(30,796)	(6,683,573)	(100.46%)	-0.46%
<u>Las Vegas 1</u>					
Park Vegas Partners (2011)	300,000	620,501	320,501	106.83%	206.83%
Production Partners (2010)	1,050,000	2,521,530	1,471,530	140.15%	240.15%
Silver State Partners (2010)	430,000	701,809	271,809	63.21%	163.21%
	1,780,000	3,843,840	2,063,840	115.95%	215.95%
<u>Las Vegas 2</u>					
Rainbow Partners (1994)	715,250	451,366	(263,884)	(36.89%)	63.11%
Horizon Partners (1994)	740,532	447,346	(293,186)	(39.59%)	60.41%
	1,455,782	898,712	(557,070)	(38.27%)	61.73%
<u>LV Kade Property</u>					
Hollywood Partners (1996)	1,850,000	938,433	(911,567)	(49.27%)	50.73%
BLA Partners (1997)	1,887,000	951,490	(935,510)	(49.58%)	50.42%
Checkered Flag Partners (1997)	1,957,000	944,860	(1,012,140)	(51.72%)	48.28%
Victory Lap Partners (1998)	2,321,000	946,411	(1,374,589)	(59.22%)	40.78%

	8,015,000	3,781,194	(4,233,806)	(52.82%)	47.18%
<u>Santa Fe</u>					
Santa Fe View (2008)	2,487,633	78,220	(2,409,413)	(96.86%)	3.14%
Pueblo (2009)	2,653,721	105,296	(2,548,425)	(96.03%)	3.97%
Pecos (2011)	2,773,098	140,706	(2,632,392)	(94.93%)	5.07%
	7,914,452	324,222	(7,590,230)	(95.90%)	4.10%
Grand Totals	152,982,250	17,748,205	(135,234,044)	(88.40%)	11.60%

Note: GP Value represents net land value after estimated sale closing costs, plus cash on hand.

EXHIBIT D

EXHIBIT D

WFP Bulk Sale vs Per Acre Sale

Appraisal Scenarios				
	Bulk Sale Estimate	Price Per Acre Estimate	\$ Difference	% Difference
<u>Silver Springs South</u>				
Rail Road Partners	75,000	153,455	78,455	51%
Spruce Heights Partners	75,000	153,455	78,455	51%
Vista Del Sur	75,000	153,455	78,455	51%
Lahontan	75,000	153,455	78,455	51%
	300,000	613,820	313,820	51%
<u>Washoe 3</u>				
Spanish Springs Partners	175,000	500,000	325,000	65%
Antelope Spring Partners	175,000	500,000	325,000	65%
Wild Horse Partners	125,000	382,500	257,500	67%
Big Ranch Partners	125,000	382,500	257,500	67%
	600,000	1,765,000	1,165,000	66%
<u>Dayton I</u>				
Dayton View Partners	50,000	65,000	15,000	23%
Fairway Partners	50,000	65,000	15,000	23%
Green View Partners	50,000	65,000	15,000	23%
Par Four Partners	50,000	65,000	15,000	23%
	200,000	260,000	60,000	23%
<u>Dayton II</u>				
Storey County Partners	25,000	26,125	1,125	4%
Comstock Partners	25,000	26,125	1,125	4%
Silver City Partners	25,000	26,125	1,125	4%
Nevada View Partners	25,000	26,125	1,125	4%
	100,000	104,500	4,500	4%
<u>Dayton IV</u>				
Eagle View Partners	40,000	51,250	11,250	22%
Falon Heights Partners	40,000	51,250	11,250	22%
Night Hawk Partners	40,000	51,250	11,250	22%
Osprey Partners	40,000	51,250	11,250	22%
	160,000	205,000	45,000	22%
<u>Stead</u>				
P-39 Aircobra Partners	98,750	168,750	70,000	41%
P-40 Warhawk Partners	98,750	168,750	70,000	41%
P-51 LLC	197,500	337,500	140,000	41%
	395,000	675,000	280,000	41%