

APPRAISAL OF REAL PROPERTY



LOCATED AT

5407 2nd Ave
Los Angeles, CA 90043
TRACT # 900 LOT 152 AND LOT 153

FOR

Neighborhood National Bank
780 Bay Blvd., Suite 205
Chula Vista, CA 91910

OPINION OF VALUE

\$1,049,000

AS OF

02/28/2020

BY

John D. Landry
John Landry Appraisals
353 W. Sweetbay Ct, Unit A
Anaheim, CA 92804
(562) 221-7257
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Supplemental Addendum

File No. 5407WATK

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					

March 19, 2020

To whom it may concern;

1. As per above mentioned property the appraiser utilized all three traditional appraisal approaches. In doing so the cost approach is strictly an approach for Fee Simple Interest. This is the only way to gain the site value and to ascertain GBA. In doing so the Appraiser utilized a Hypothetical Condition that the leases are no longer in effect so as to ascertain Market Value for the date of the appraisal. Due to the fact leases are short term (month to month) for the market Approach to Value. And the Income Approach to value is a valuation of Leased Fee. Appraiser has corrected this in the OR.
2. Appraiser has corrected the typographical error in the Supplemental addendum "Inspection date". Rvisions have been made in **bold** print in the report for clarity.

As per USPAP the new date of signature is March 19, 2020.

Signature

Name **John D. Landry**Date Signed **03/19/2020**State Certification # **AR027103**

Or State License #

State **CA**

State

Signature

Name

Date Signed

State Certification #

Or State License #

State

State

Small Residential Income Property Appraisal Report

File # 5407WATK

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.										
SUBJECT	Property Address 5407 2nd Ave				City Los Angeles		State CA		Zip Code 90043	
	Borrower Andy Watkins				Owner of Public Record DogTown Investments LLC		County Los Angeles			
	Legal Description TRACT # 900 LOT 152 AND LOT 153									
	Assessor's Parcel # 4340-027-014				Tax Year 2019		R.E. Taxes \$ 9,644			
	Neighborhood Name Park Hills Heights				Map Reference 31084		Census Tract 2346.00			
	Occupant <input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant				Special Assessments \$ None		<input type="checkbox"/> PUD HOA \$ 0		<input type="checkbox"/> per year <input type="checkbox"/> per month	
	Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input checked="" type="checkbox"/> Other (describe) See									
	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) Borrowers request for market value for collateral on new commercial Real Estate Loan									
	Lender/Client Neighborhood National Bank				Address 780 Bay Blvd., Suite 205, Chula Vista, CA 91910					
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No									
Report data source(s) used, offering price(s), and date(s). MLS, NDCdata.com and Public Records.										
CONTRACT	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.									
	Contract Price \$ n/a Date of Contract _____ Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s) _____									
	Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No									
	If Yes, report the total dollar amount and describe the items to be paid.									
NEIGHBORHOOD	Note: Race and the racial composition of the neighborhood are not appraisal factors.									
	Neighborhood Characteristics				2-4 Unit Housing Trends			2-4 Unit Housing		Present Land Use %
	Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural				Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining			PRICE AGE		One-Unit 45 %
	Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%				Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply			\$ (000) (yrs)		2-4 Unit 25 %
	Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow				Marketing Time <input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths			800 Low 55		Multi-Family 10 %
	Neighborhood Boundaries are the Santa Monica (10) Freeway to the north, Century Blvd. to the south, Harbor (110) Freeway to the east and Crenshaw Blvd. to the west.				3,000 High 104			Commercial 20 %		
	Neighborhood Description The subject property is located in a mixed neighborhood that consists of commercial, 2-4 units, multi-units and one and two story single family dwellings with ages ranging from the Mid 1910' to the Mid 1960' with a few newer and a median at the low 1930' that consists of similar quality, design and style. Proximity to most amenities including shopping,schools,recreation,public transportation,entertainment and local employment is typical for most suburban areas.				950 Pred. 90			Other 0 %		
	Market Conditions (including support for the above conclusions) See attached addenda.									
SITE	Dimensions 50 x 123				Area 6,150 sf		Shape Mostly rectangular		View N;Res	
	Specific Zoning Classification C2				Zoning Description Commercial Zone					
	Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)				Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe					
	Utilities Public Other (describe)				Public Other (describe)		Off-site Improvements - Type		Public Private	
	Electricity <input checked="" type="checkbox"/> <input type="checkbox"/> Water <input checked="" type="checkbox"/> <input type="checkbox"/>				Street Asphalt		<input checked="" type="checkbox"/> <input type="checkbox"/>			
	Gas <input checked="" type="checkbox"/> <input type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/> <input type="checkbox"/>				Alley Concrete		<input checked="" type="checkbox"/> <input type="checkbox"/>			
	FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone X500				FEMA Map # 06037C1777G		FEMA Map Date 12/21/2018			
	Are the utilities and/or off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe									
	Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe									
	The subject property is located on a fully serviced interior lot with typical utility. There are no signs of adverse easements, encroachments, special assessments or slide areas noted at the time of inspection.									
IMPROVEMENTS	General Description		Foundation		Exterior Description		materials/condition		Interior materials/condition	
	Units <input type="checkbox"/> Two <input type="checkbox"/> Three <input checked="" type="checkbox"/> Four		<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space		Foundation Walls		Concrete / Avg.		Floors T1.-Car-Wd./ Avg	
	<input type="checkbox"/> Accessory Unit (describe below)		<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls		Stucco/ Avg.		Walls Drywall / Avg	
	# of Stories 2 # of bldgs. 1		Basement Area sq.ft.		Roof Surface		Asphalt		Trim/Finish Wood / Avg.	
	Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit		Basement Finish %		Gutters & Downspouts		Yes / Yes		Bath Floor Ti / Avg.	
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type		Alum./ Avg		Bath Wainscot tile / Avg.	
	Design (Style) Contemp.		Evidence of <input type="checkbox"/> Infestation None		Storm Sash/Insulated		Insulated		Car Storage	
	Year Built 1922		<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens		Screens / Avg		<input type="checkbox"/> None	
	Effective Age (Yrs) 45		Heating/Cooling		Amenities		<input checked="" type="checkbox"/> Driveway # of Cars 4			
	Attic <input type="checkbox"/> None		<input type="checkbox"/> FWA <input type="checkbox"/> HWB <input type="checkbox"/> Radiant		<input type="checkbox"/> Fireplace(s) # <input type="checkbox"/> Woodstove(s) #		Driveway Surface Concrete			
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs		<input checked="" type="checkbox"/> Other Wall Fuel Gas		<input type="checkbox"/> Patio/Deck		<input checked="" type="checkbox"/> Fence Wrt Iron		<input checked="" type="checkbox"/> Garage # of Cars 4		
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle		Cooling <input type="checkbox"/> Central Air Conditioning		<input type="checkbox"/> Pool		<input checked="" type="checkbox"/> Porch Cov.		<input type="checkbox"/> Carport # of Cars		
<input type="checkbox"/> Finished <input type="checkbox"/> Heated		<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Other None		<input type="checkbox"/> Other		<input type="checkbox"/> Att. <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in				
# of Appliances		Refrigerator 4	Range/Oven 4	Dishwasher 0	Disposal 4	Microwave 0	Washer/Dryer 0	Other (describe) None		
Unit # 1 contains:		4 Rooms	2 Bedrooms	2 Bath(s)	988 Square Feet of Gross Living Area					
Unit # 2 contains:		4 Rooms	2 Bedrooms	2 Bath(s)	988 Square Feet of Gross Living Area					
Unit # 3 contains:		4 Rooms	2 Bedrooms	2 Bath(s)	988 Square Feet of Gross Living Area					
Unit # 4 contains:		4 Rooms	2 Bedrooms	2 Bath(s)	988 Square Feet of Gross Living Area					
Additional features (special energy efficient items, etc.). No special energy efficient items noted at the time of inspection.										
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C3;Kitchen-updated-one to five years ago;Bathrooms-updated-one to five years ago;Subject improvements are in average physical condition. There are no signs of differed maintenance on the interior or exterior of the dwelling. No functional obsolescence observed. The subject conforms to the neighborhood standards.										

Small Residential Income Property Appraisal Report

File # 5407WATK

IMPROVEMENTS	Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.															
	Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.															
COMPARABLE RENTAL DATA	Is the property subject to rent control? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe General Adjustment in rent is based on 75% of the consumer Price Index for the area. The amount of the adjustment will be announced annually by 07/01 covering the period of 9/1 through 08/13 of the following year.															
	The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.															
	FEATURE		SUBJECT		COMPARABLE RENTAL # 1				COMPARABLE RENTAL # 2				COMPARABLE RENTAL # 3			
	Address		5407 2nd Ave Los Angeles, CA 90043		2614 W 48th St Los Angeles, CA 90043				2221 S Budlong Ave Los Angeles, CA 90007				9066 S Normandie Ave Los Angeles, CA 90044			
	Proximity to Subject				0.51 miles N				3.24 miles NE				2.89 miles SE			
	Current Monthly Rent		\$ 4,829		\$ 4,614				\$ 3,950				\$ 6,686			
	Rent/Gross Bldg. Area		\$ 1.04 sq.ft.		\$ 1.07 sq.ft.				\$ 0.98 sq.ft.				\$ 1.35 sq.ft.			
	Rent Control		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
	Data Source(s)		Field Insp/Owner		Field Inspection / MLS				Field Inspection / MLS				Field Inspection / MLS			
	Date of Lease(s)		Mo to Mo.		Mo to Mo.				Mo to Mo.				Mo to Mo.			
Location		A;Comm		N;Res;				N;Res;				A;BsyRd				
Actual Age		98		87				98				82				
Condition		C3		C3				C3				C3				
Gross Building Area		4,648		4,330				4,032				4,954				
Unit Breakdown		Rm Count Size Sq. Ft.		Rm Count Size Sq. Ft.		Monthly Rent		Rm Count Size Sq. Ft.		Monthly Rent		Rm Count Size Sq. Ft.		Monthly Rent		
		Tot Br Ba 3,952		Tot Br Ba 4,330		4,614		Tot Br Ba 4,032		3,950		Tot Br Ba 4,954		6,686		
Unit # 1		4 2 2 988		4 2 1 1,150		\$ 1,370		4 2 1 1,008		\$ 900		6 4 2 1,280		\$ 1,895		
Unit # 2		4 2 2 988		4 2 1 1,150		\$ 1,140		4 2 1 1,008		\$ 850		6 4 2 1,280		\$ 1,797		
Unit # 3		4 2 2 988		3 1 1 1,015		\$ 1,074		4 2 1 1,008		\$ 1,100		5 3 2 1,197		\$ 1,575		
Unit # 4		4 2 2 988		3 1 1 1,015		\$ 1,030		4 2 2 1,008		\$ 1,100		5 3 2 1,197		\$ 1,419		
Utilities Included		Trash, water		Trash, water				Trash, Water				Trash, water				
Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) Rental comparable data was compiled by using MLS, NDC and a field inspection. All comparables are from the subject's rental market area and are similar in condition, quality and appeal. Rental levels run between \$0.98 to \$1.35 rent per sq.ft. with a median at \$1.05. The subject's rent per sq.ft. is at \$1.04. This is at the median of market rent. No concessions are noted and the rental market is strong due to the lack of qualified buyers in the housing market.																
SUBJECT RENT SCHEDULE	Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.															
	Leases		Actual Rents				Opinion of Market Rent									
	Lease Date		Per Unit		Total Rents		Per Unit		Total Rents							
	Begin Date End Date		Unfurnished Furnished				Unfurnished Furnished									
	1 Mo. to Mo Mo. to Mo		\$ 993.20 \$		\$ 993.2		\$ 2,000 \$		\$ 1,330							
	2 Mo. to Mo Mo. to Mo		1,047.28		1,047.28		2,000		1,330							
	3 Mo. to Mo Mo. to Mo		1,995		1,995		2,000		1,330							
	4 Mo. to Mo Mo. to Mo		793.52		793.52		2,000		1,330							
	Comment on lease data See Addendum		Total Actual Monthly Rent				\$ 4,829		Total Gross Monthly Rent				\$ 5,320			
			Other Monthly Income (Itemize)				\$		Other Monthly Income (Itemize)				\$ 0			
		Total Actual Monthly Income				\$ 4,829		Total Estimated Monthly Income				\$ 5,320				
Utilities included in estimated rents <input type="checkbox"/> Electric <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input checked="" type="checkbox"/> Trash collection <input type="checkbox"/> Cable <input type="checkbox"/> Other																
Comments on actual or estimated rents and other monthly income (including personal property) Actual rents were warranted due to the subject properties average and typical condition. Two bath units are rare and in demand which would support the higher end of the subject's market rent. All four units are long term established rents (long term tenants).																
PRIOR SALE HISTORY	I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain There are 7 transfers in the last 36 months for the subject property. See remarks below for sales transfers of comparables utilized in this report.															
	My research <input checked="" type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.															
	Data Source(s) ParcelQuest															
	My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.															
	Data Source(s) ParcelQuest															
	Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).															
	ITEM		SUBJECT		COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3							
	Date of Prior Sale/Transfer		09/20/2018													
	Price of Prior Sale/Transfer		\$786,000													
	Data Source(s)		ParcelQuest		ParcelQuest		ParcelQuest		ParcelQuest							
Effective Date of Data Source(s)		02/28/2020		02/28/2020		02/28/2020		02/28/2020								
Analysis of prior sale or transfer history of the subject property and comparable sales There is a recent sales transfers in the last 36 months for the subject property. 09/20/2018 doc.#967184 for \$786,000. Sense the subject prior sale the subject's market area has experienced increasing market trends and 3 of the 4 units have been rehabilitated. This accounts for the difference in Market Price for the subject property. There are 7 quit claim deeds noted in the last 36 months. No transfers of the comparables with in the prior 12 months from the most recent sales transfer.																

Small Residential Income Property Appraisal Report

File # 5407WATK

There are 4 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 999,900 to \$ 1,459,000	
There are 8 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 815,000 to \$ 2,300,000	
FEATURE	SUBJECT
Address	2614 W 48th St Los Angeles, CA 90043
Proximity to Subject	0.51 miles N
Sale Price	\$ n/a
Sale Price/Gross Bldg. Area	\$ 234.36 sq.ft.
Gross Monthly Rent	\$ 5,320
Gross Rent Multiplier	219.98
Price per Unit	\$ 253,750
Price per Room	\$ 72,500
Price per Bedroom	\$ 169,167
Rent Control	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Data Source(s)	CRMLS#OC19205722;DOM14
Verification Source(s)	Doc#1199828
VALUE ADJUSTMENTS	DESCRIPTION
Sale or Financing	ArmLth
Concessions	Conv;0
Date of Sale/Time	s09/19;c11/19
Location	A;Comm
Leasehold/Fee Simple	See
Site	6,150 sf
View	N;Res
Design (Style)	Contemp.
Quality of Construction	Q4
Actual Age	90
Condition	C3
Gross Building Area	4,648
Unit Breakdown	Total Bdrms Baths
Unit # 1	4 2 2
Unit # 2	4 2 2
Unit # 3	4 2 2
Unit # 4	4 2 2
Basement Description	0sf
Basement Finished Rooms	None
Functional Utility	Average
Heating/Cooling	Wall / None
Energy Efficient Items	Insulation
Parking On/Off Site	4-Gar. 4-O/S
Porch/Patio/Deck	Patio Area
Net Adjustment (Total)	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 43,000
Adjusted Sale Price of Comparables	Net Adj. 4.2 % Gross Adj. 4.2 % \$ 1,058,000
Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units)	\$ 264,500
Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms)	\$ 75,571
Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms)	\$ 176,333
Value per Unit	\$ 262,437 X 4 Units = \$ 1,049,748
Value per Rm.	\$ 65,600 X 16 Rooms = \$ 1,049,600
Summary of Sales Comparison Approach including reconciliation of the above indicators of value.	
Indicated Value by Sales Comparison Approach \$ 1,049,000	
Total gross monthly rent \$	5,320 X gross rent multiplier (GRM) 197.00 = \$ 1,048,040
Comments on income approach including reconciliation of the GRM	
The Income Approach to Value analysis is one of the strongest benchmarks for value for this kind of property due to the typical buyer of these properties is interested in the cash flow this kind of investment will create.	
Indicated Value by:	
Sales Comparison Approach \$	1,049,000
Income Approach \$	1,048,040
Cost Approach (if developed) \$	1,053,339
Sales comparison approach carry's a great amount of weight in the final reconciliation as it best reflects the actions of the buyers and sellers in the market place. Combined with the Income Approach which has equal influence due to the fact buyers and sellers actions toward these kinds of properties are generated by the investment cash flow generated with these properties. The Cost Approach was considered with little to no weight as mentioned in the comments on Cost Approach. Appraiser utilized a Hypothetical Condition that the leases are no longer in effect so as to ascertain Market Value for the date of the appraisal in both the Market Approach and the Cost Approach to value.	
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: No contingencies noted.	
Subject is appraised "as is". This report was done as per USPAP 2-2 Guidelines.	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 1,049,000 , as of 02/28/2020 , which is the date of inspection and the effective date of this appraisal.	

NEIGHBORHOOD DESCRIPTION:

The subject property is located in a mixed neighborhood that consists of commercial, 2-4 units, multi-units and one and two story single family dwellings with ages ranging from the low 1910' to the Mid 1960' with a few newer and a median at the low 1930' that consists of similar quality, design and style. Proximity to most amenities including shopping, schools, recreation, public transportation, entertainment and local employment is typical for most suburban areas. Subject front a commercial lot that is utilized by the LA DOT (bus yard). Match pair analysis supports no negative effects on Market Value for exterior obsolescence on multi unit properties.

IMPROVEMENT COMMENT :

Subject was found in average+ condition at the time of the inspection, 3 of 4 units are in average+ condition with updating completed in the last 5 years with new tile, wood and carpet flooring, free standing ovens, exhaust fans and decorative tile counter tops. All new bathrooms with decorative tile countertops and new plumbing fixtures. Subject property taped at 3,952 sq.ft. GLA and 4,648 GBA, MLS and public records indicate the Assessors notes 4,704 sq.ft. Appraiser utilized his physical inspection for GBA on the subject property.

COMMENTS ON SALES COMPARISON ANALYSIS:

Comparable #1 is similar in condition to the subject property and inferior in GBA and bathroom utility.

Comparable #2 is similar in condition to the subject property and inferior in GBA and bathroom utility. Although over 3 miles from the subject, comparable is from the a competitive market area.

Comparable #3 is inferior in condition to the subject property adjusted at 13% per matched pair analysis. Inferior in GBA and inferior in bathroom utility. Although just over 1.5 miles from the subject, comparable is from the a competitive market area.

*** Condition analysis noted a 13% effect on market value.

*** Site sq.ft. adjustment on +/- 1,000 sq ft at \$2.00 per sf.

*** GBA adjusted at \$60 per sq.ft. +/- 100 sf.

***Differences's in bathroom utility adjusted at \$3,000 for full.

***Differences in bedroom count adjusted at \$6,000.

***Differences in Heating/Cooling adjusted at 5,000 per unit.

***Differences in off street/Garage parking adjusted at \$10,000 per unit.

*** Market did not support a monetary adjustment on differences in age.

*** Market did not differentiate between carport and open off street parking.

*** Appraiser was not able to ascertain a comparable with view amenity. No monetary value support.

***Appraiser had to expand his search parameters to over 3 miles, 12 months and greater than 20% +/- GLA differences due to the lack of recent closed sales transfer with in the subject's market area.

There is a very limited inventory of recent sales with similar GLA, condition, bedroom/bathroom count and lot utility in the subject's market area. Due to the lack of sales, it was necessary to exceed 20% GLA and to utilized comparables over 90 days. Due to this net and gross adjustments exceed the typical guidelines, this is unavoidable due to the varying differences in dwellings GLA and bedroom bathroom count, and condition.

COST APPROACH TO VALUE (not required by Fannie Mae)

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

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

The estimated value was derived by using the 2020

National Building Cost Manual on line application (www.building-cost.net), to obtain a site value by using the extraction method. Land value exceeds 71% of the final estimated value. This is typical for this type of area due to the lack of available vacant land appropriately zoned for new construction. **Appraiser utilized a Hypothetical Condition that the leases are no longer in effect so as to ascertain Market Value for the date of the appraisal.**

ESTIMATED	<input type="checkbox"/> REPRODUCTION OR	<input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE		= \$	750,000
Source of cost data	www.building-cost.net , 2020		DWELLING	4,648 Sq.Ft. @ \$	120.00	= \$ 557,760
Quality rating from cost service	AVG.	Effective date of cost data	02/2020	Sq.Ft. @ \$		= \$
Comments on Cost Approach (gross building area calculations, depreciation, etc.)						= \$
Subjects actual age is 98 years old. Subjects effective age is 45 years old. Remaining economic life of the Improvement is 40 years. The cost approach was given very little weight in the final reconciliation of value due to the lack of vacant land sales available to the appraiser in the subject's market area. Combined with the age of the subject's improvements and the amount of depreciation effects the reliability of method.			Garage/Carport	648 Sq.Ft. @ \$	52.00	= \$ 33,696
Estimated Remaining Economic Life (HUD and VA only)			Total Estimate of Cost-New			= \$ 591,456
			Less	Physical	Functional	External
			Depreciation	313,117		= \$(313,117)
			Depreciated Cost of Improvements			= \$ 278,339
			"As-is" Value of Site Improvements			= \$ 25,000
40 Years			INDICATED VALUE BY COST APPROACH		= \$	1,053,339

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases

Total number of units

Total number of units sold

Total number of units rented

Total number of units for sale

Data source(s)

Was the project created by the conversion of existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data Source

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

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

Describe common elements and recreational facilities.

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report

File # 5407WATK

APPRAISER'S CERTIFICATION:

The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Small Residential Income Property Appraisal Report

File # 5407WATK

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION:

The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

John D. Landry

Signature

Name John D. Landry

Company Name John Landry Appraisals

Company Address 353 W. Sweetbay Ct, Unit A, Anaheim, CA 92804

Telephone Number (562) 221-7257

Email Address johnlandry30@gmail.com

Date of Signature and Report 03/19/2020

Effective Date of Appraisal 02/28/2020

State Certification # AR027103

or State License #

or Other (describe) State #

State CA

Expiration Date of Certification or License 08/31/2021

ADDRESS OF PROPERTY APPRAISED

5407 2nd Ave

Los Angeles, CA 90043

APPRAISED VALUE OF SUBJECT PROPERTY \$ \$1,049,000

LENDER/CLIENT

Name

Company Name Neighborhood National Bank

Company Address 780 Bay Blvd., Suite 205, Chula Vista, CA

91910

Email Address

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature

Name

Company Name

Company Address

Telephone Number

Email Address

Date of Signature

State Certification #

or State License #

State

Expiration Date of Certification or License

SUBJECT PROPERTY

☐ Did not inspect subject property

☐ Did inspect exterior of subject property from street

Date of Inspection

☐ Did inspect interior and exterior of subject property

Date of Inspection

COMPARABLE SALES

☐ Did not inspect exterior of comparable sales from street

☐ Did inspect exterior of comparable sales from street

Date of Inspection

File # 5407WATK

Form 1025.(AC) - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

The improvements have been recently constructed and have not been previously occupied. The entire structure and all components are new and the dwelling features no physical depreciation.

Note: Newly constructed improvements that feature recycled or previously used materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100 percent new foundation and the recycled materials and the recycled components have been rehabilitated/remanufactured into like-new condition. Improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (that is, newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category are either almost new or have been recently completely renovated and are similar in condition to new construction.

Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.

C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.

C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.

C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.

C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Quality Ratings and Definitions (continued)

Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of) square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

Example:

3.2 indicates three full baths and two half baths.

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

[illegible]

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

Other Appraiser-Defined Abbreviations (continued)

[illegible]

Supplemental Addendum

File No. 5407WATK

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					

NOTE: THE APPRAISER'S ANALYSIS, OPINIONS AND CONCLUSIONS WERE DEVELOPED AND THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP) STANDARDS 1-3, FNMA GUIDELINES, THE OFFICE OF THRIFT SUPERVISION (OTS), AND THE OFFICE OF THE COMPTROLLER OF THE CURRENCY'S (OCC) MINIMUM APPRAISAL STANDARDS. THE APPRAISAL WAS PREPARED IN ACCORDANCE WITH FIRREA TITLE XI. THIS REPORT IS AN APPRAISAL REPORT PER THE 2014 USPAP.

This appraisal assignment has been completed utilizing digital transfer of information including digitally transferred signatures and photographs. The digitally transferred ink signature is protected and controlled by the appraiser through electronic password.

Neighborhood Comments:

The subject is located in the city of Los Angeles.

The subject's immediate neighborhood boundaries are indicated on page 1 of the form 1025.

The subject's general market area extends throughout the subject's zip code. This area has similar public support services, and contains properties similar in quality, condition, and market appeal.

The neighborhood consists predominantly of average to average + quality single family residences. Many neighborhood properties have undergone some degree of remodeling, and/or additions.

The subject is in close proximity to most consumer and recreational needs.

Scope of Work :

The scope of the Appraisal is to acquire all the intended data of the subject property and for each assessor's legal description, plat map and any other pertinent data from area / City Building Department for legal addition purpose and proper building. Additional data in the form of similar size comparables was utilized to find the most similar and best data to be used in the sales analysis data. The Appraiser will use His best analysis, estimation and reconciliation of all the pertinent facts. The three sources of Appraisal Approaches to value, which are the Cost Approach, Income Approach and the Market Value Approach. Final estimate of value and the reconciliation of the report will be addressed.

The Scope of Work of this appraisal assignment does not include analyzing the reproduction or replacement cost of the subject improvements for insurance purposes.

Intended Use / Intended Users :

The intended user of this appraisal report is the Client. The intended use is to evaluate the property that is the subject of this appraisal for a fair market valuation, subject to the stated scope of work, purpose of the appraisal reporting requirements of this appraisal report form and the definition of market Value. No additional Intended Users are identified by the appraiser.

Summary of Highest & Best Use:

Per Los Angeles City Hall Zoning per city web site, the subject property is zoned C2 making the subject property Legal.

The present use of the subject property is considered to be it's highest and best use. The remaining economic life of the improvements on the subject property combined with the zoning classification concludes the subjects present use as the logical highest and best use in the subject's market area.

The subject is situated on a 6,152 sf. mostly level lot above street grade. The landscaping of the subject is average and typical in this neighborhood. There are no apparent easements, encroachments, special assessment or slide

Supplemental Addendum

File No. 5407WATK

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					

areas. No opinion is expressed herein as to the value, if any, of the subsurface oil, gas, mineral deposits and/or rights. The property is assumed not to be subject to surface entry for the exploration or removal of such material except as expressly stated.

Residential: Neighborhood - Market Conditions

After neighborhood research and talking to area Broker/Realtor. The typical market time for this type of property is 1 to 3 months on the open market with some taking a little longer. Typical market value of Multi family dwellings in the subjects immediate neighborhood and the Southern California Metropolitan basin appears to still be increasing as a whole due to the low interest rates that continue to be offered. As per MLS and NDCdata analysis the Appraiser notes a Stable Market in property values in the subject's market area for similar properties over the past 12 months. There were limited active listings with in the subject's market area at the time of appraisal and this trend appears normal and stable through out the last 12 months. In support of a strong market, single family properties in the subject market area for the month of January have also shown growth as per the latest report released by dqnews.com. For the subjects market area as per zip code to have been a 12.5% increase in of value compared to the same month in 2019. This was an analysis on 24 single family dwellings with a median sales price at \$643,000. December's sales for 2019 notes sale for the subjects market area as per zip code to have been a 35.0% increase of value compared to the same month in 2018. This was an analysis on 32 single family dwellings with a median sales price at \$777,000. Novembers for 2019 notes sale for the subjects market area to have been a 18.2% increase of value compared to the same month in 2018. This was an analysis on 25 single family dwellings with a median sales price at \$650,000. The Appraiser notes this data supports a well established and stable neighborhood with Stable property values and a positive influence on housing trends.

The neighborhood trend for the subject's general market area appears to be slightly increasing, strong and conforming. No signs of adverse or detrimental conditions noted by the Appraiser at the time of inspection.

Small Income: Sales Comparison - Summary

MLS data relied upon for interior descriptions and features of Comparable Properties. Sales used in this report were deemed most reliable at time of inspection. All sales are from immediate surrounding area which have similar location, quality and market appeal, except as noted.

All sales are considered good indicators of value, however, sale #1 was given most weight in the final estimate of value due to being the most recent sales transfer and similar bedroom/bathroom count.

All sales were selected and weighted based on their varying similarities to the subject property, and adjusted for differences. The comparables bracket the major characteristics of the subject property.

Differences in living area over 100 square feet were adjusted at \$60 per square foot.
Differences in site area over 1,000 square feet were adjusted at \$2 per square foot.
Differences in bedroom amenity adjusted at \$6,000.
Differences in bathroom count at \$3,000.
Differences in heating/cooling at \$5,000.
Differences in garage parking at \$10,000 per unit, market did not recognize a difference in car port or open parking.
Differences in effective age are reflected in the "condition" section of the market grid.

Condition Ratings of the comparables were based on field observations and information supplied by the data sources reviewed; RealQuest, NDCData, and MLS; adjustments for condition ratings where applicable, are based on effective ages of each property and the degree of improvements and/or refurbishing and upon the appraisers knowledge of the local market as well as discussions with local area real estate agents.

The Construction Ratings in the market section of this report, reflect an overall rating of building materials used in construction for each property. The extent to which various materials are utilized in the construction of a given property such as hardwood, oak, ceramic, marble, granite, brick, copper, brass and so on, are a few of the characteristics of the general quality of construction. The construction ratings are based on exterior inspection of each comparable and information supplied by the data sources utilized.

All comparables were consideration in determining the final estimate of value.

Comparables used represents the best data in the subjects market area and is conclusive in researching a final

Supplemental Addendum

File No. 5407WATK

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					

estimate of value.

Comparables #1 through #4 are documented closed sales, comparable #5 is an active listing at the time of assignment. All were verified through ParcelQuest, MLS and public records.

All closed sale comparables used in this report are deemed cash equivalent.

This is an appraisal report given the greatest consideration by the appraiser and it is done in compliance with the USPAP and the requirements of Title XI (FIRREA).

RECONCILIATION:

The Market Approach and Income Approach to value are considered to be the best indicator of value for this type of property and were given the greatest weight in the final reconciliation of market value on the subject property. The Cost Approach, also considered, was not given the same weight due to the fact it is not always reliable in properties that are not new or recent construction.

Inspection date of this report was **02/28/2020**.

Date of appraised value 02/28/2020.

USPAP Compliance Addendum

Loan #

File # 5407WATK

Borrower	Andy Watkins		
Property Address	5407 2nd Ave		
City	Los Angeles	County	Los Angeles
		State	CA
		Zip Code	90043
Lender/Client	Neighborhood National Bank		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

- ☒ Appraisal Report This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).
- ☐ Restricted Appraisal Report This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

ADDITIONAL CERTIFICATIONS

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

- The statements of fact contained in this report are true and correct.
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) 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 the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the 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.
- This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

- ☒ I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ☐ I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

- ☐ I have NOT made a personal inspection of the property that is the subject of this report.
- ☒ I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

No assistance provided.

ADDITIONAL COMMENTS

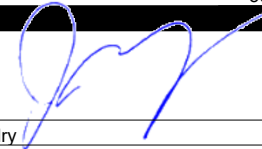
Additional USPAP related issues requiring disclosure and/or any state mandated requirements:

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

- ☒ A reasonable marketing time for the subject property is 30-90 day(s) utilizing market conditions pertinent to the appraisal assignment.
- ☒ A reasonable exposure time for the subject property is 30-90 day(s).

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature 

Name John D. Landry

Date of Signature 03/19/2020

State Certification # AR027103

or State License # _____

State CA

Expiration Date of Certification or License 08/31/2021

Signature _____

Name _____

Date of Signature _____

State Certification # _____

or State License # _____

State _____

Expiration Date of Certification or License _____

Effective Date of Appraisal 02/28/2020

Supervisory Appraiser Inspection of Subject Property

☐ Did Not ☐ Exterior-only from Street ☐ Interior and Exterior

Property Location

Address: 5407 2ND AVE	City: LOS ANGELES	Zip: 90043-2653
APN#: 5005-002-034	Use Code: Apartments	County: Los Angeles
Tract: 900	Census Tract: 2346.00	Zone: LARD1.5
Map Page/Grid: 673/ G5	Legal Desc: TRACT # 900 LOTS 152 AND LOT 153	
Total Assessed Value: 768,000	Tax Amount: 9,644.15	
Percent Improvement: 29.00	Tax Year / Assessor Year: 2019 / 2019	

Current Owner Information

Current Owner: DOGTOWN INVESTMENTS LLC	Owner Address: PO BOX 661888
City, State, Zip: LOS ANGELES, CA, 90066-8888	Owner Occupied: No
Last Transaction: 09/20/2018	Deed Type: grant deed/deed of trust
Amount: 768,000	Document: 0000967184

Last Sale Information

Transferred From: 5407 2ND AVENUE TRUST	Seller Address:
Recording / Sale Date: 09/20/2018 / 07/17/2018	Prior Recording / Sale Date: 12/28/1990 /
Most Recent Sale Price: 768,000	Prior Sale Price: 269,000
Document Number: 0000967184	Prior Document No.: 0002136823
Document Type: grant deed/deed of trust	Prior Document Type:

Lender Information

Lender:	Full/Partial: F
Loan Amount / 2nd Trust Deed: 0 / 0	Loan Type: conventional

Physical Information

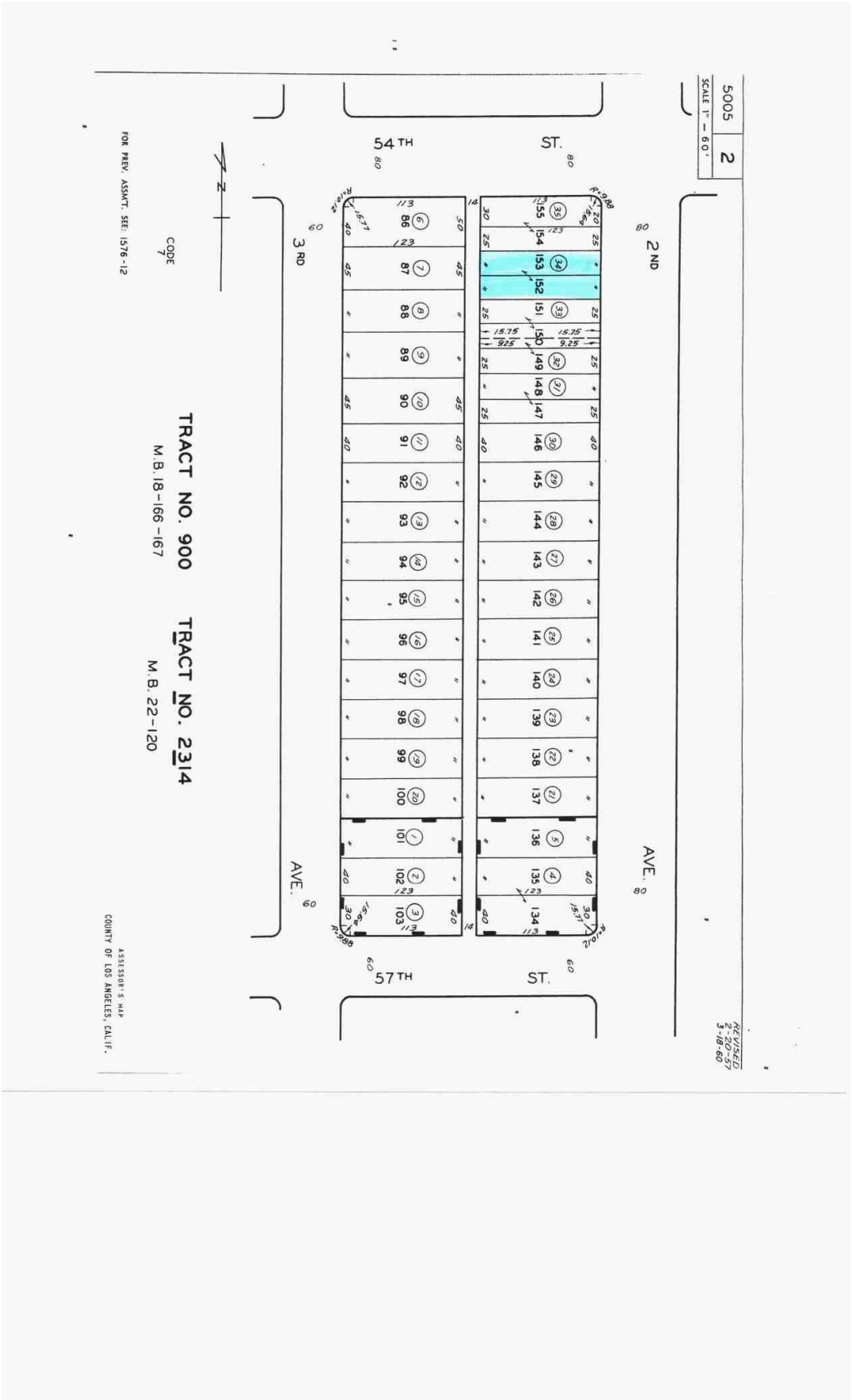
Building Area: 4,704	# of Bedrooms: 8	Lot Size Sqft / Acreage: 6,152 / 0.14
Additional: 0	# of Bathrooms: 8.00	Year Built / Effective: 1922 / 1922
Garage: 0	# of Stories: 0	Heating:
First Floor: 0	Total Rooms: 0	Cooling: yes
Second Floor: 0	# of Units: 0	Roof Type:
Third Floor: 0	Garage/Carport:	Construction/Quality: Primary Material Unlisted / 0
Basement Finished: 0	Fireplaces: 0	Building Shape:
Basement Unfinished: 0	Pool/Spa: No	View:

Deed History

Sale	Transaction	Date	Document	Amount	Loan	From	To	Type
*	RESALE	09/20/2018	0000967183	0	0	SANCHEZ,VICENTE D & SANDRA I	AVENUE 2ND 5407 TRUST	
*	resale	09/20/2018	0000967180	0	0	BASULTO,GLORIA	BASULTO,GLORIA LIVING TRUST	
*	RESALE	09/20/2018	0000967184	768,000	0	5407 2ND AVENUE TRUST	DOGTOWN INVESTMENTS LLC	grant deed / deed of trust
*	resale	09/20/2018	0000967182	0	0	SANCHEZ,SANDRA I	AVENUE 2ND 5407 TRUST	
*	resale	09/20/2018	0000967181	0	0	BASULTO GLORIA LIVING TRUST	SANCHEZ,SANDRA I	
*	RESALE	05/04/2018	0000438815	0	0	SANCHEZ,SANDRA I	5407 2ND AVENUE TRUST	quitclaim / deed of trust
*	RESALE	05/04/2018	0000438815	0	0	SANCHEZ,SANDRA I	5407 2ND AVENUE TRUST	quitclaim / deed of trust
*	RESALE	04/11/2018	0000350958	0	0	BASULTO,LUIS	SANCHEZ,SANDRA I	quitclaim / deed of trust
*	RESALE	08/08/2006	0001757296	0	0	BASULTO,GLORIA	BASULTO GLORIA LIVING TRUST	quitclaim / deed of trust
	REFI	02/17/2004	0000346367	0	265,000	BASULTO,GLORIA	BASULTO,GLORIA	quitclaim / deed of trust
*	RESALE	05/17/2001	0000843513	0	0	BASULTO,G	BASULTO,GLORIA	quitclaim / deed of trust
	refi	05/17/2001	0000843514	0	220,000		BASULTO,GLORIA	deed of trust
	refi	05/04/2000	0000680671	0	155,000		BASULTO,GLORIA	deed of trust
*	RESALE	04/18/2000	0000582847	0	0	BASULTO,G	BASULTO,GLORIA	quitclaim / deed of trust
*	RESALE	04/18/2000	0000582846	0	0	BASULTO,M	BASULTO,LUIS	quitclaim / deed of trust
*	resale	12/28/1990	0002136823	269,000	215,200	IZQUIERDO FERNAN	BASULTO,GLORIA	
*	RESALE	10/10/1989	0001622990	200,000	175,000	CAPER	BARRIGA JAIME	grant deed / deed of trust
*	resale	10/10/1989	0001622989	0	0	BARRI	BARRIGA JAIME	

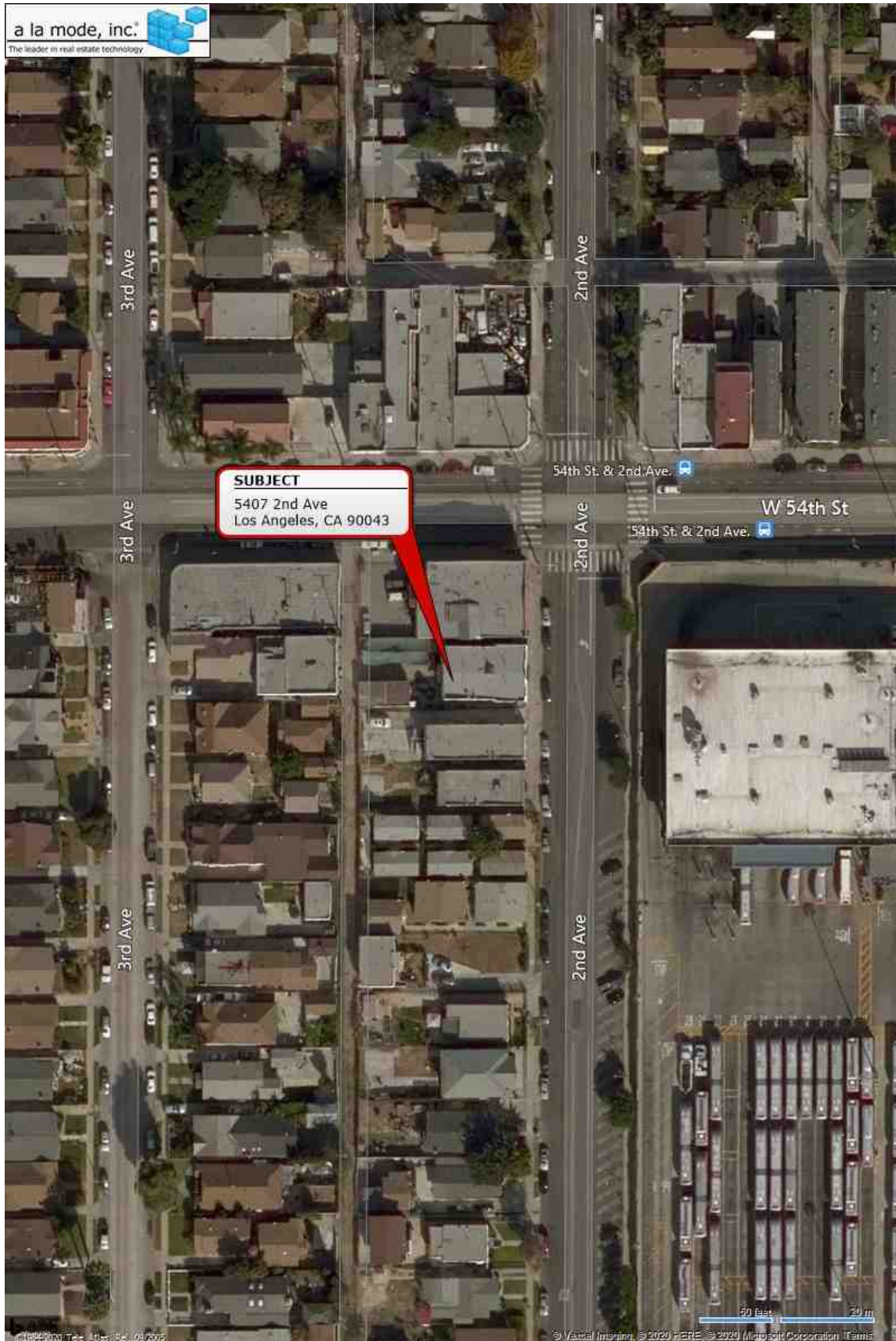
Plat Map

Borrower	Andy Watkins				
Property Address	5407 2nd Ave				
City	Los Angeles	County	Los Angeles	State	CA Zip Code 90043
Lender/Client	Neighborhood National Bank				



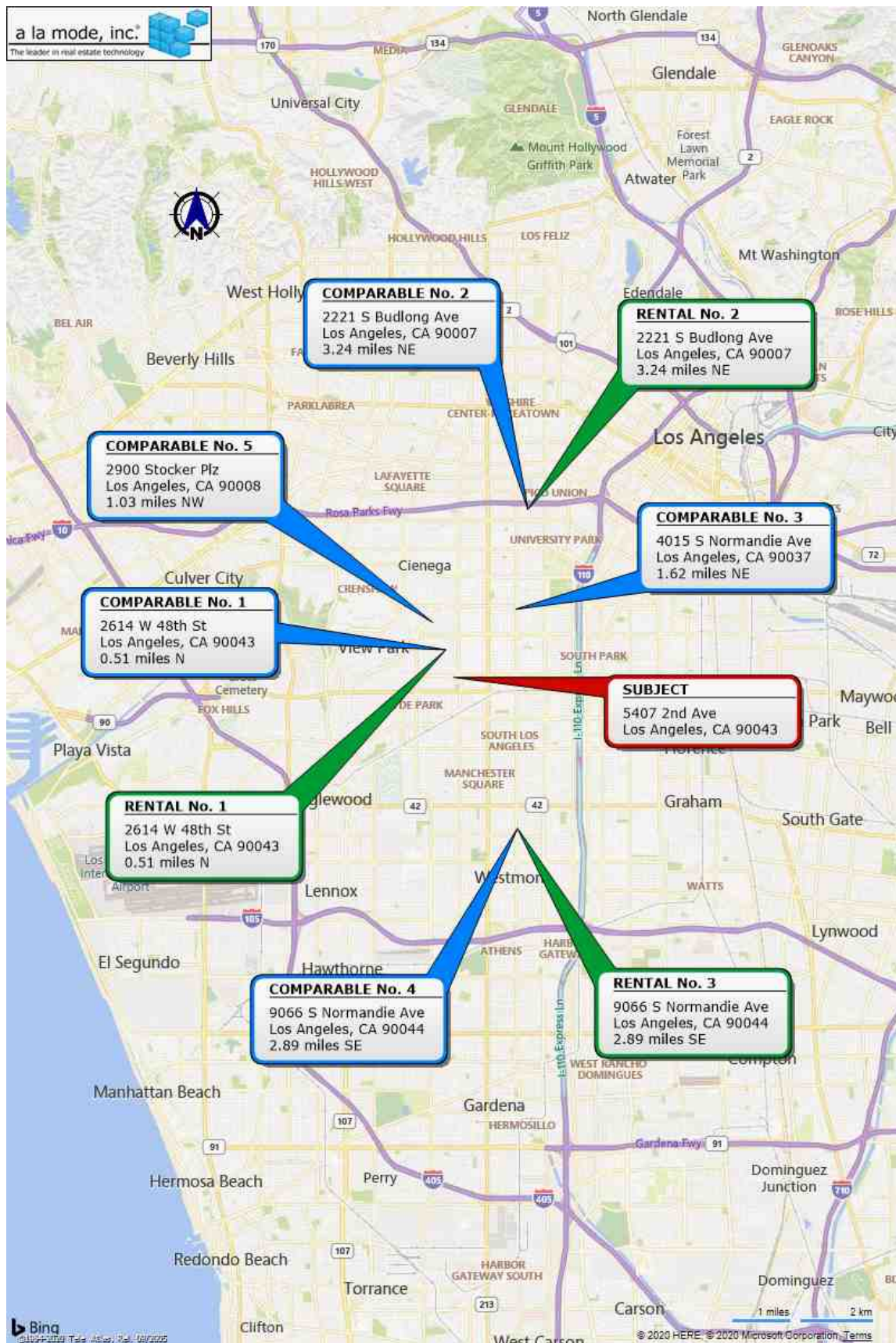
Aerial Map

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



Location Map

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



Subject Photo Page

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



Subject Front

5407 2nd Ave

Sales Price: n/a

GBA: 4,648

Age: 90



Subject Rear



Subject Street

Interior Photos

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



**Unit #1
Kitchen**



Bathroom



Bathroom



Bedroom



Bedroom



Quick release on barred windows

Interior Photos

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



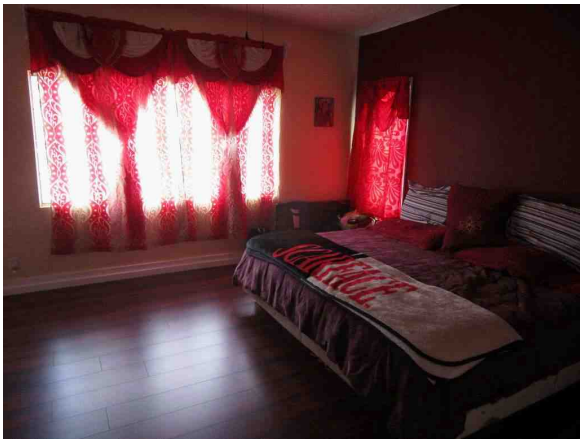
**Unit #2
Kitchen**



Bathroom



Bathroom



Bedroom



Bedroom



Quick release on barred windows

Interior Photos

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



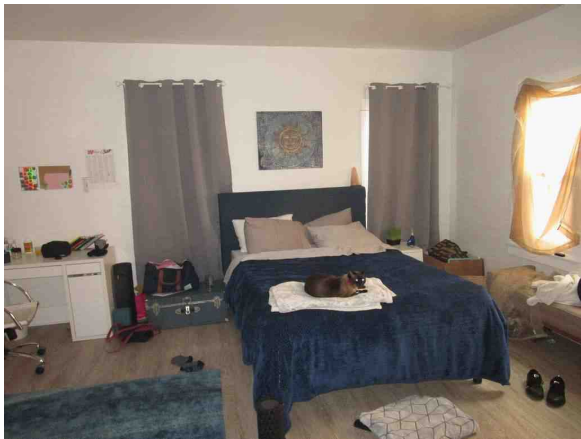
Unit #4
Kitchen



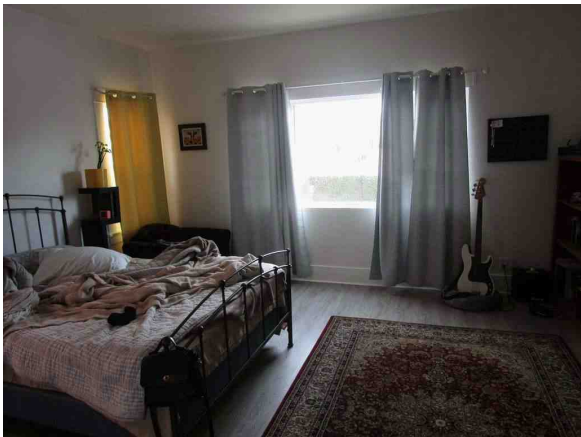
Bathroom



Bathroom



Bedroom



Bedroom



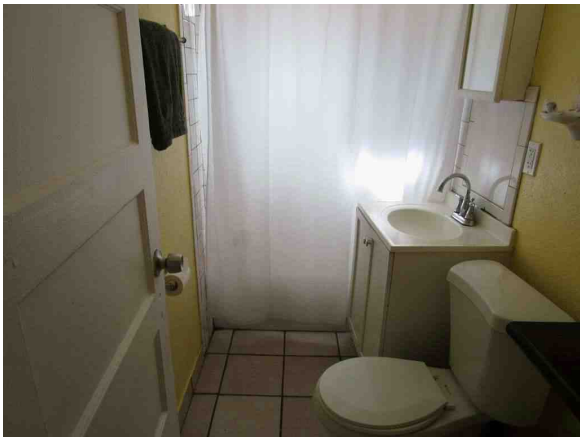
Living Room

Interior Photos

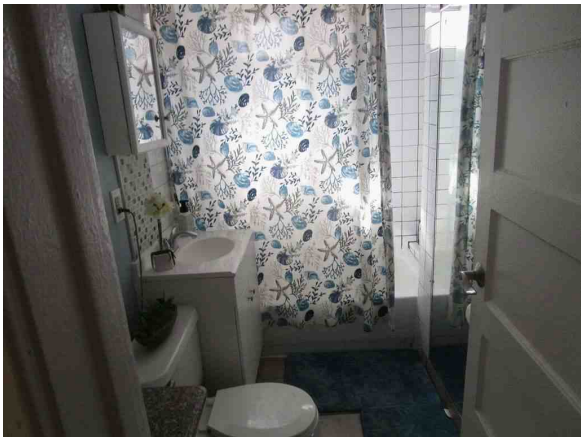
Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



**Unit #3
Kitchen**



Bathroom



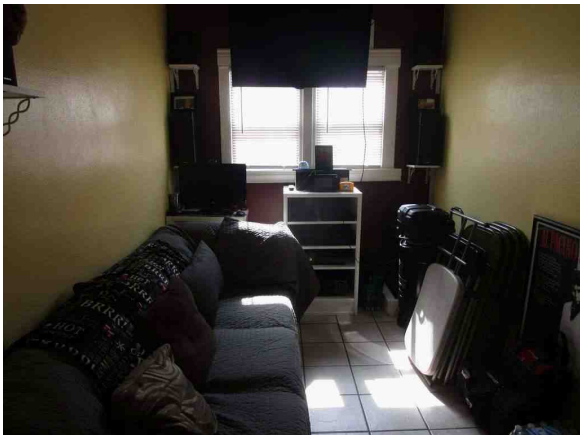
Bathroom



Bedroom



Bedroom



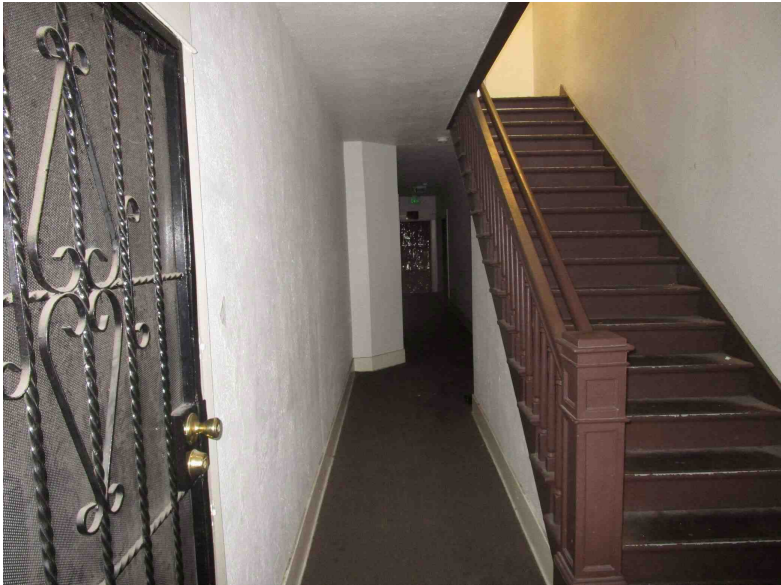
Living room

Photograph Addendum

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



Subject's Common Hallway



Subject's Common Hallway



Subject's 4 - 1 car garages

COMPARABLE RENTAL 1-2-3 PHOTOGRAPH ADDENDUM

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



6414 W 48th St
Los Angeles, CA 90043



2221 Budlong Ave S
Los Angeles, CA 90007



9066 S Normandie Ave
Los Angeles, CA 90044

Comparable Photo Page

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



Comparable 1

2614 W 48th St

Sales Price: 1,015,000

GBA: 4,331

Age: 87



Comparable 2

2221 S Budlong Ave

Sales Price: 1,040,000

GBA: 4,032

Age: 98



Comparable 3

4015 S Normandie Ave

Sales Price: 857,000

GBA: 4,160

Age: 104

Comparable Photo Page

Borrower	Andy Watkins					
Property Address	5407 2nd Ave					
City	Los Angeles	County	Los Angeles	State	CA	Zip Code 90043
Lender/Client	Neighborhood National Bank					



Comparable 4

9066 S Normandie Ave
Sales Price 1,050,000
G.B.A. 4,954
Age/Yr. Blt. 82



Comparable5

2900 Stocker Plz
Sales Price 1,199,000
GBA 3,636
Age 73



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

John D. Landry

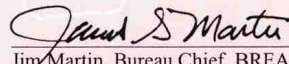
has successfully met the requirements for a license as a residential real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified Residential Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AR 027103

Effective Date: September 1, 2019
Date Expires: August 31, 2021


Jim Martin, Bureau Chief, BREA

3048396

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



General Star National Insurance Company
P.O. Box 10360 (Attn: GSN)
Stamford, Connecticut 06904

REAL ESTATE APPRAISERS ERRORS & OMISSIONS INSURANCE POLICY

DECLARATIONS PAGE

This is a claims made and reported policy. Please read this policy and all endorsements and attachments carefully.

Policy Number: NJA362483A

Renewal of Number: NJA362483

1. **NAMED INSURED:** John D Landry

STREET ADDRESS: 3530 West Sweetbay Court, Anaheim, California 92804

2. **POLICY PERIOD:** Inception Date: 12/01/2019

Expiration Date: 12/01/2020

Effective 12:01 a.m. Standard Time at the address of the Named Insured.

3. **LIMITS OF LIABILITY:**

Each Claim: \$1,000,000

Aggregate: \$1,000,000

Claim Expenses have a separate Limit of Liability:

Each Claim: \$1,000,000

Aggregate: \$1,000,000

4. **DEDUCTIBLE:** Each Claim: \$0 Aggregate: \$0

5. **RETROACTIVE DATE:** 12/01/2014

If a date is indicated, this policy will not provide coverage for any **Claim** arising out of any act, error, omission or personal injury which occurred before such date.

6. **ANNUAL PREMIUM:** \$ 697

7. **ENDORSEMENTS:**

This policy is made and accepted subject to the printed policy form together with the following form(s) or endorsement(s).

AP 10 0001 06 11, SGN 90 0001 07 10, AP 00 0001 06 11, AP 04 0001 06 11, AP 20 0001 06 11, AP 21 0002 06 11, AP 27 0004 06 11, AP 01 0004CA 06 11, AP 08 0005CA 06 11

8. **PRODUCER NAME:** Norman-Spencer Agency, Inc.

STREET ADDRESS: 8075 Washington Village Dr., Dayton OH 45458

Authorized Representative

Producer Code: 26480
Date: 11/13/2019

Class Code: 73128

AP 10 0001 06 11

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Page 1 of 1

Building Sketch

Borrower	Andy Watkins				
Property Address	5407 2nd Ave				
City	Los Angeles	County	Los Angeles	State	CA
				Zip Code	90043
Lender/Client	Neighborhood National Bank				

