

**APPRAISAL OF**



**LOCATED AT:**

1815 Sommerfeld St  
Santa Cruz, CA 95062

**FOR:**

Wedgewood Inc  
2015 Manhattan Beach Blvd Suite 100  
Redondo Beach, CA, 90278

**BORROWER:**

Redwood Holdings LLC

**AS OF:**

May 26, 2022

**BY:**

Zachary Silva

ClearCapital.com, Inc, CA Registration #1256  
Wedgewood Inc  
2015 Manhattan Beach Blvd Suite 100  
Redondo Beach, CA, 90278

File Number: 522110a

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


1815 Sommerfeld St  
Santa Cruz, CA 95062

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

In my opinion, the market value of the property as of May 26, 2022 is:

\$1,245,000  
One Million Two Hundred Forty-Five Thousand Dollars

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

  
Zachary Silva

# Exterior-Only Inspection Residential Appraisal Report

32805135  
File No. 522110a

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address <b>1815 Sommerfeld St</b>	City <b>Santa Cruz</b>	State <b>CA</b> Zip Code <b>95062</b>
Borrower <b>Redwood Holdings LLC</b>	Owner of Public Record <b>Redwood Holdings LLC</b>	County <b>Santa Cruz</b>
Legal Description <b>Tract 310 Lot 8</b>	Assessor's Parcel # <b>031-082-05</b>	Tax Year <b>2021</b> R.E. Taxes \$ <b>3,597</b>
Neighborhood Name <b>Live Oak</b>	Map Reference <b>31-08</b>	Census Tract <b>1217.02</b>
Occupant <input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$ <b>0</b>	<input type="checkbox"/> PUD HOA \$ <b>0</b> <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) <b>Servicing</b>	
Lender/Client <b>Wedgewood Inc</b>	Address <b>2015 Manhattan Beach Blvd Suite 100, Redondo Beach, CA 90278</b>	
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). <b>Per MLSlistings. Subject sold twice in 2022. One sale was reported on MLS after close of escrow, but the property was not marketed on the MLS. See analysis in prior sale section of report.</b>		

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 \$ _____ 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. _____

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

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE _____ AGE _____	One-Unit <b>80 %</b>
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000) _____ (yrs) _____	2-4 Unit <b>5 %</b>
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	<b>600</b> Low <b>0</b>	Multi-Family <b>5 %</b>
Neighborhood Boundaries <b>The neighborhood is bordered by Arana Gulch-west, Portola Dr-south, Hwy 1-north, and 41st Ave-east.</b>		<b>2,500</b> High <b>120</b>	Commercial <b>10 %</b>
Neighborhood Description <b>See Attached Addendum.</b>		<b>1,400</b> Pred. <b>50</b>	Other _____ %

Market Conditions (including support for the above conclusions) **See Attached Addendum.**

Dimensions <b>60x120x60x120</b>	Area <b>7318 sf</b>	Shape <b>Rectangular</b> View <b>N;Res;</b>
Specific Zoning Classification <b>R-1-6</b>	Zoning Description <b>Single-Family Residence</b>	
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 the 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. <b>The existing use as a single family residence contributes to the value of the site. Conversion to any other use would not be legal.</b>	
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 <b>Asphalt</b> <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 <b>None</b> <input type="checkbox"/> <input type="checkbox"/>
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone <b>X</b>	FEMA Map # <b>06087C0351E</b> FEMA Map Date <b>05/16/2012</b>
Are the utilities and 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. <b>Front yard is minimally landscaped and adequately maintained. Subject's street is called Sommerfeld Ave on plat map. However, Sommerfeld Street is correct per USPS.</b>		

Source(s) Used for Physical Characteristics of Property <input type="checkbox"/> Appraisal Files <input checked="" type="checkbox"/> MLS <input checked="" type="checkbox"/> Assessment and Tax Records <input type="checkbox"/> Prior Inspection <input type="checkbox"/> Property Owner				
<input checked="" type="checkbox"/> Other (describe) <b>listing agent, buyer/flipper</b> Data Source(s) for Gross Living Area <b>tax assessor</b>				
GENERAL DESCRIPTION	GENERAL DESCRIPTION	Heating / Cooling	Amenities	Car Storage
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB	<input checked="" type="checkbox"/> Fireplace(s) # <b>1</b>	<input type="checkbox"/> None
# of Stories <b>1</b>	<input type="checkbox"/> Full Basement <input type="checkbox"/> Finished	<input type="checkbox"/> Radiant	<input type="checkbox"/> WoodStove(s) # <b>0</b>	<input checked="" type="checkbox"/> Driveway # of Cars <b>2</b>
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	<input type="checkbox"/> Partial Basement <input type="checkbox"/> Finished	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Patio/Deck <b>conc</b>	Driveway Surface <b>concrete</b>
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Exterior Walls <b>Wood/Stucco/Av</b>	Fuel <b>gas</b>	<input checked="" type="checkbox"/> Porch <b>conc</b>	<input checked="" type="checkbox"/> Garage # of Cars <b>2</b>
Design (Style) <b>Traditional</b>	Roof Surface <b>Comp/Poor</b>	<input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool <b>none</b>	<input type="checkbox"/> Carport # of Cars <b>0</b>
Year Built <b>1964</b>	Gutters & Downspouts <b>None/None</b>	<input type="checkbox"/> Individual	<input checked="" type="checkbox"/> Fence <b>wood</b>	<input checked="" type="checkbox"/> Attached <input type="checkbox"/> Detached
Effective Age (Yrs) <b>40</b>	Window Type <b>Alum/Avg</b>	<input checked="" type="checkbox"/> Other <b>none</b>	<input type="checkbox"/> Other <b>none</b>	<input type="checkbox"/> Built-in
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)				
Finished area above grade contains: <b>7</b> Rooms <b>3</b> Bedrooms <b>2.0</b> Bath(s) <b>1,334</b> Square Feet of Gross Living Area Above Grade				
Additional features (special energy efficient items, etc.) <b>None noted.</b>				

Describe the condition of the property and data source(s) (including apparent needed repairs, deterioration, renovations, remodeling, etc.). <b>C4;No interior photos on MLS from May 2022 sale. Appraiser spoke to the listing agent and the recent buyer/flipper of the property. Subject is occupied by hoarders and there is a rat problem in the home which significantly affected subject's marketability. There is no known significant damage to the home, but it needs significant cleaning, updating, and a new roof. Listing agent believes that the kitchen and master bathroom were updated in past 15 years. Subject is improved with conc porch, covered conc patio, fireplace, and 2/C garage. Appraisal is based on the extraordinary assumptions that subject's interior condition is as described by listing agent and &lt; continued in addendum &gt;</b>
Are there any apparent 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. <b>None noted from exterior inspection from street. Home needs a new roof per recent buyer/flipper. Appraiser is using the extraordinary assumption that the home has no significant physical deficiencies or adverse conditions besides those discussed in prior section. If this assumption is found to be inaccurate, it could affect assignment results.</b>
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. _____

# Exterior-Only Inspection Residential Appraisal Report

32805135  
File No. 522110a

There are **2** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **1,199,000** to \$ **1,350,000**.  
There are **29** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **1,050,000** to \$ **1,775,000**.

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
1815 Sommerfeld St Address Santa Cruz, CA 95062		3342 Malibu Dr Santa Cruz, CA 95062		1500 Dougmar Dr Santa Cruz, CA 95062		2304 Mattison Ln Santa Cruz, CA 95062	
Proximity to Subject		0.12 miles NW		0.85 miles SW		0.50 miles NW	
Sale Price	\$	\$ 1,395,000		\$ 1,375,000		\$ 1,350,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 990.06 sq. ft.		\$ 883.11 sq. ft.		\$ 997.05 sq. ft.	
Data Source(s)		MLS#ML81883348;DOM 7		MLS#ML81886512;DOM 8		MLS#ML81884496;DOM 5	
Verification Source(s)		MLS/Realist Doc#12898		MLS/Realist Doc#15236		MLS/Realist Doc#11953	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions		ArmLth Conv;0		ArmLth Conv;0		ArmLth Cash;0	
Date of Sale/Time		s04/22;c03/22		s05/22;c04/22		s04/22;c04/22	
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	7318 sf	6447 sf	8,700	6795 sf	5,200	6273 sf	10,500
View	N;Res;	N;Res;		N;Res;		N;Res;	
Design (Style)	DT1;Traditional	DT1;Traditional		DT1;Traditional		DT1;Traditional	
Quality of Construction	Q3	Q3		Q3		Q3	
Actual Age	58	57	0	58		54	0
Condition	C4	C4	-139,500	C4	-137,500	C4	-135,000
Above Grade Room Count	Total Bdrms Baths 7 3 2.0	Total Bdrms Baths 8 4 2.0	0	Total Bdrms Baths 7 4 2.0	0	Total Bdrms Baths 6 3 2.0	0
Gross Living Area 175	1,334 sq. ft.	1,409 sq. ft.	-13,100	1,557 sq. ft.	-39,000	1,354 sq. ft.	0
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Good	Good		Good		Good	
Heating/Cooling	FWA/None	FWA/None		FWA/None		Wall/None	5,000
Energy Efficient Items	None	None		None		None	
Garage/Carport	2ga	2ga		2ga		2ga	
Porch/Patio/Deck	Patio	Patio		Deck	0	Patio/Deck	0
Fireplace	1 Fireplace	1 Fireplace		1 Fireplace		1 Fireplace	
Additional	None	None		None		None	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 143,900	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 171,300	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 119,500
Adjusted Sale Price of Comparables		Net Adj. -10.3% Gross Adj. 11.6%	\$ 1,251,100	Net Adj. -12.5% Gross Adj. 13.2%	\$ 1,203,700	Net Adj. -8.9% Gross Adj. 11.1%	\$ 1,230,500

SALES COMPARISON APPROACH

I  did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain \_\_\_\_\_

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) **County records, MLSlistings**

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) **County records, MLSlistings**

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Date of Prior Sale/Transfer	05/25/2022						
Price of Prior Sale/Transfer	\$1,150,000						
Data Source(s)	CoreLogic	CoreLogic		CoreLogic		CoreLogic	
Effective Date of Data Source(s)	05/31/2022	05/31/2022		05/31/2022		05/31/2022	

Analysis of prior sale or transfer history of the subject property and comparable sales **Subject sold for \$950,000 on 5/23/2022 per MLS#81893069. The sale was reported on MLS, but the property was not marketed on MLS. Per listing agent, several investors were told about the listing and 2 made cash offers. The home was not marketed on MLS due to the interior condition. The buyer was a local Realtor who flipped the property to another investor during escrow. The sale price was \$1,150,000, sale date was 5/18/2022, and close of escrow date was 05/25/2022. The prior owners of the house are now tenants and will be living in the home for approx 60 more days.**

Summary of Sales Comparison Approach. **\$175 per sq ft living area adjustment, \$10 per sf site size adjustment. Comp #1 is from subject's immediate neighborhood. Comp #1 has some minor updating, but is mostly outdated and appears to be in superior condition compared to subject. Subject's need for a new roof, hoarder situation, and rat situation significantly affect marketability. 10% condition adjustment warranted. Comp #2 is the most recent sale, larger home in superior condition compared to subject. Comp #3 is a recent sale that is very similar to subject in GLA. Comp #3 was appraised by this appraiser in the past, GLA is as measured by appraiser. See comps #4-#5.**

Indicated Value by Sales Comparison Approach \$ **1,245,000**

Indicated Value by: Sales Comparison Approach \$ **1,245,000** Cost Approach (if developed) \$ \_\_\_\_\_ Income Approach (if developed) \$ \_\_\_\_\_

**See Attached Addendum.**

RECONCILIATION

This appraisal is made  "as is,"  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: \_\_\_\_\_

Based on a visual inspection of the exterior areas of the subject property from at least the street, 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 \$ **1,245,000** as of **05/26/2022**, which is the date of inspection and the effective date of this appraisal.

# Exterior-Only Inspection Residential Appraisal Report

32805135  
File No. 522110a

FEATURE	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
1815 Sommerfeld St Address Santa Cruz, CA 95062		2510 Begonia Pl Santa Cruz, CA 95062			2521 Mattison Ln Santa Cruz, CA 95062					
Proximity to Subject		0.37 miles SW			0.42 miles NW					
Sale Price	\$	\$ 1,550,000			\$ 1,000,000			\$		
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 1,223.36 sq. ft.			\$ 1,101.32 sq. ft.			\$ sq. ft.		
Data Source(s)		MLSL#ML81874808;DOM 9			MLSL#ML81864138;DOM 9					
Verification Source(s)		MLS/Realist Doc#5791			MLS/Realist Doc#3864					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION		+( ) \$ Adjustment	DESCRIPTION		+( ) \$ Adjustment	DESCRIPTION		+( ) \$ Adjustment
Sale or Financing Concessions		ArmLth Conv;0			ArmLth Conv;0					
Date of Sale/Time		s02/22;c01/22			s02/22;c01/22					
Location	N;Res;	N;Res;			N;Res;					
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple					
Site	7318 sf	7754 sf		-4,400	10846 sf		-35,300			
View	N;Res;	N;Res;			N;Res;					
Design (Style)	DT1;Traditional	DT1;Traditional			DT1;Traditional					
Quality of Construction	Q3	Q3			Q3					
Actual Age	58	60		0	108		0			
Condition	C4	C4		-155,000	C5		100,000			
Above Grade Room Count	Total Bdrms Baths 7 3 2.0	Total Bdrms Baths 6 3 2.0		0	Total Bdrms Baths 5 3 1.0		30,000	Total Bdrms Baths		
Gross Living Area 175	1,334 sq. ft.	1,267 sq. ft.		11,700	908 sq. ft.		74,600	sq. ft.		
Basement & Finished Rooms Below Grade	0sf	0sf			0sf					
Functional Utility	Good	Good			Good					
Heating/Cooling	FWA/None	FWA/None			Wall/None		5,000			
Energy Efficient Items	None	None			None					
Garage/Carport	2ga	2ga			1cp		35,000			
Porch/Patio/Deck	Patio	Patio			Patio					
Fireplace	1 Fireplace	1 Fireplace			0 Fireplace		5,000			
Additional	None	Shed		-3,000	None					
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 150,700	<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 214,300	<input type="checkbox"/> + <input type="checkbox"/> -		\$
Adjusted Sale Price of Comparables		Net Adj. -9.7%		\$ 1,399,300	Net Adj. 21.4%		\$ 1,214,300	Net Adj. %		\$
		Gross Adj. 11.2%		\$ 1,399,300	Gross Adj. 28.5%		\$ 1,214,300	Gross Adj. %		\$
ITEM	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
Date of Prior Sale/Transfer	05/25/2022									
Price of Prior Sale/Transfer	\$1,150,000									
Data Source(s)	CoreLogic	CoreLogic			CoreLogic					
Effective Date of Data Source(s)	05/31/2022	05/31/2022			05/31/2022					
Summary of Sales Comparison Approach <b>Comp #4</b> is a slightly older sale that is used for similar GLA and close proximity to subject. <b>Comp #5</b> is listed as a major fixer and is used for condition bracketing, 10% positive condition adjustment warranted. <b>Comp #5</b> is a much smaller home on a much smaller site.										
Comps #1-#3 are given highest weight. Comps #4-#5 are older sales and are given secondary weight.										
Adjustments were derived from sensitivity analyses. No market condition adjustments warranted since all comps have 2022 contract dates. Subject is below predominant area value due to small size and condition.										

# Exterior-Only Inspection Residential Appraisal Report

32805135  
File No. 522110a

NA

ADDITIONAL COMMENTS

### 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) \_\_\_\_\_

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW Source of cost data _____ Quality rating from cost service _____ Effective date of cost data _____ Comments on Cost Approach (gross living area calculations, depreciation, etc.) _____	OPINION OF SITE VALUE ..... = \$ _____ Dwelling Sq. Ft. @ \$ ..... = \$ _____ Sq. Ft. @ \$ ..... = \$ _____ Garage/Carport Sq. Ft. @ \$ ..... = \$ _____ Total Estimate of Cost-New ..... = \$ _____ Less Physical Functional External Depreciation ..... = \$ ( 0 ) Depreciated Cost of Improvements ..... = \$ 0 "As-is" Value of Site Improvements ..... = \$ _____ Estimated Remaining Economic Life (HUD and VA only) _____ Years INDICATED VALUE BY COST APPROACH ..... = \$ _____
---	--

INCOME

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

Estimated Monthly Market Rent \$ \_\_\_\_\_ X Gross Rent Multiplier \_\_\_\_\_ = \$ \_\_\_\_\_ Indicated Value by Income Approach  
 Summary of Income Approach (including support for market rent and GRM) \_\_\_\_\_

PUD INFORMATION

### PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)?  Yes  No Unit type(s)  Detached  Attached  
 Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.  
 Legal name of project \_\_\_\_\_  
 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 an 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(s) \_\_\_\_\_  
 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. \_\_\_\_\_

# Exterior-Only Inspection Residential Appraisal Report

32805135  
File No. 522110a

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

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

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property from at least the street, (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.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

**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 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.
3. 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.
4. 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.
5. 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.

# Exterior-Only Inspection Residential Appraisal Report

32805135  
File No. 522110a

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



# Exterior-Only Inspection Residential Appraisal Report

32805135  
File No. 522110a

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

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

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

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

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**APPRAISER**

Signature   
 Name Zachary Silva  
 Company Name Zachary Silva, Appraiser  
 Company Address PO Box 242  
Capitola, CA 95010  
 Telephone Number 831-818-0688  
 Email Address zsappraiser@gmail.com  
 Date of Signature and Report 06/01/2022  
 Effective Date of Appraisal 05/26/2022  
 State Certification # AR034233  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State CA  
 Expiration Date of Certification or License 06/01/2022

ADDRESS OF PROPERTY APPRAISED  
1815 Sommerfeld St  
Santa Cruz, CA 95062

APPRAISED VALUE OF SUBJECT PROPERTY \$ 1,245,000

LENDER/CLIENT  
 Name ClearCapital.com, Inc, CA Registration #1256  
 Company Name Wedgewood Inc  
 Company Address 2015 Manhattan Beach Blvd Suite 100  
Redondo Beach, CA 90278  
 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 exterior subject property  
 Did inspect exterior of subject property from street  
 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 \_\_\_\_\_

**Condition Ratings and Definitions**

**C1** The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.\*

*\*Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., 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 either are 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 residences 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.

**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**

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



**ADDENDUM**

Borrower: Redwood Holdings LLC	File No.: 522110a	
Property Address: 1815 Sommerfeld St	Case No.: 32805135	
City: Santa Cruz	State: CA	Zip: 95062
Lender: Wedgewood Inc		

**Original report submitted on 5/31/2022. On 6/1/2022, client asked for the following revisions:  
-MLS photos of comps #2 and #5 were added to report.**

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for servicing purposes, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

**Neighborhood Description**

The subject is located in a neighborhood of average and good quality custom and tract houses, condos, PUDs, multi-res, and commercial properties. Shopping and schools are located close by within 1-2 miles. Walking distance to Capitola Mall. Major electronics employers located within commuting distance in Silicon Valley. Subject is within approx 5-10 minutes from recreational beaches. Subject is in close proximity Hwy 1 access.

**Neighborhood Market Conditions**

Single family home median values in county had significant increases in April and May 2021. 2021 values peaked in May, August, and again in November. 2021 single family home values in county were 23% higher than 2020 values. February and March 2022 values are the highest on record in the county. Although interest rates are rising, inventory is extremely low which is leading to an increase in prices. Spring is typically the season with the highest values in the county. 2022 values are currently 10.2% higher than 2021 values in county.

**Condition of the Property**

Continued from Condition of the Property: buyer/flipper, GLA is 1334sf, and all mechanical systems are typically functioning. If these assumptions are found to be inaccurate, it could affect assignment results.

**Final Reconciliation**

Primary consideration was given to the market comparison approach since it best reflects current market conditions and is the most reliable indicator of market values in this area. The income approach was not used due to a lack of available rental data to establish a reliable gross rent multiplier. The cost approach was not used due to extreme lack of vacant land sales.

USPAP ADDENDUM

32805135  
File No. 522110a

Borrower: Redwood Holdings LLC  
Property Address: 1815 Sommerfeld St  
City: Santa Cruz County: Santa Cruz State: CA Zip Code: 95062  
Lender: Wedgewood Inc

APPRAISAL AND REPORT IDENTIFICATION

This report was prepared under the following USPAP reporting option:

- Appraisal Report A written report prepared under Standards Rule 2-2(a).
- Restricted Appraisal Report A written report prepared under Standards Rule 2-2(b).

Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 1-30 days

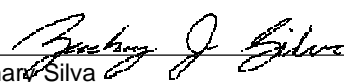
EXPOSURE TIME: estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Additional Certifications

- I have performed **NO** 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.

Additional Comments

APPRAISER:

Signature:   
Name: Zachary Silva  
Date Signed: 06/01/2022  
State Certification #: AR034233  
or State License #: \_\_\_\_\_  
or Other (describe): \_\_\_\_\_ State #: \_\_\_\_\_  
State: CA  
Expiration Date of Certification or License: 06/01/2022  
Effective Date of Appraisal: 05/26/2022

SUPERVISORY APPRAISER (only if required):

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date Signed: \_\_\_\_\_  
State Certification #: \_\_\_\_\_  
or State License #: \_\_\_\_\_  
State: \_\_\_\_\_  
Expiration Date of Certification or License: \_\_\_\_\_  
Supervisory Appraiser inspection of Subject Property:  
 Did Not  Exterior-only from street  Interior and Exterior

# Market Conditions Addendum to the Appraisal Report

32805135  
File No. 522110a

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **1815 Sommerfeld St** City **Santa Cruz** State **CA** Zip Code **95062**

Borrower **Redwood Holdings LLC**

**Instructions:** The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	14	4	11	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	2.33	1.33	3.67	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	0	0	2	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.00	0.00	0.55	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	\$1,305,000	\$1,245,000	\$1,400,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	9	9	6	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	0	0	\$1,274,500	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	0	0	34	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	113.10%	113.46%	114.68%	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).  
**The data used in the grid above does not indicate there were any concessions associated with the reported transactions. However, this is not a mandatory reporting field for agents and there may be some transactions that do include concessions, but have not been reported. It is beyond the scope of this assignment to confirm each sale used in the Market Conditions Report.**

Are foreclosure sales (REO sales) a factor in the market?  Yes  No If yes, explain (including the trends in listings and sales of foreclosed properties).  
**The MLSListings MLS indicates there were 29 closed sales during the past 12 months and 1 of those sales were either foreclosures or short sales which is 3% of the total transactions in this market area. Prior Months 7-12: 14 Sales; 1 foreclosures or short sales; 7% of sales for this period. 4-6: 4 Sales; 0 foreclosures or short sales; 0% of sales for this period. 0-3: 11 Sales; 0 foreclosures or short sales; 0% of sales for this period.**

Cite data sources for above information. **The MLSListings MLS was the data source used to complete the Market Conditions Addendum. Effective Date: Tuesday, May 31, 2022**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.  
**Above figures are based on a very small sample size of SFRs from subject's market area. Values have increased significantly in past year. See neighborhood market conditions section of addendum.**


**If the subject is a unit in a condominium or cooperative project, complete the following:** Project Name: \_\_\_\_\_

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project?  Yes  No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

**APPRAISER**

Signature   
 Name Zachary Silva  
 Company Name Zachary Silva, Appraiser  
 Company Address PO Box 242  
Capitola, CA 95010  
 State License/Certification # AR034233 State CA  
 Email Address zsappraiser@gmail.com

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 State License/Certification # \_\_\_\_\_ State \_\_\_\_\_  
 Email Address \_\_\_\_\_

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Redwood Holdings LLC	File No.: 522110a	
Property Address: 1815 Sommerfeld St	Case No.: 32805135	
City: Santa Cruz	State: CA	Zip: 95062
Lender: Wedgewood Inc		



**FRONT VIEW OF  
SUBJECT PROPERTY**

Appraised Date: May 26, 2022  
Appraised Value: \$ 1,245,000



**REAR VIEW OF  
SUBJECT PROPERTY**



**STREET SCENE**

Borrower: Redwood Holdings LLC  
Property Address: 1815 Sommerfeld St  
City: Santa Cruz  
Lender: Wedgewood Inc

File No.: 522110a  
Case No.: 32805135  
State: CA  
Zip: 95062



side view



side view



MLS photo of comp #2

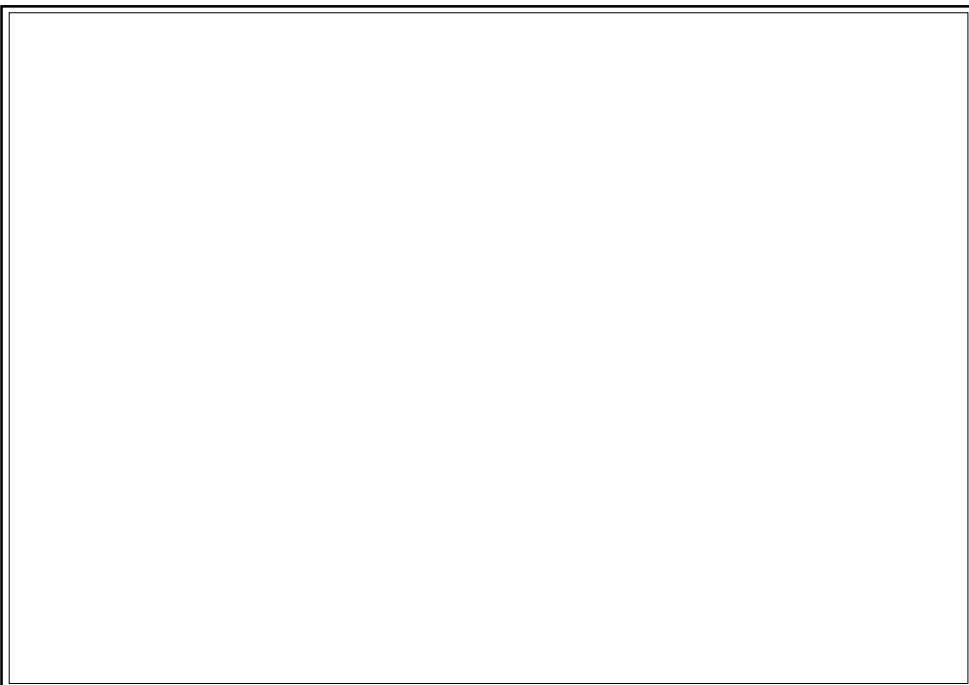


Borrower: Redwood Holdings LLC  
Property Address: 1815 Sommerfeld St  
City: Santa Cruz  
Lender: Wedgewood Inc

File No.: 522110a  
Case No.: 32805135  
State: CA  
Zip: 95062



MLS photo of comp #5



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Redwood Holdings LLC	File No.: 522110a	
Property Address: 1815 Sommerfeld St	Case No.: 32805135	
City: Santa Cruz	State: CA	Zip: 95062
Lender: Wedgewood Inc		



COMPARABLE SALE #1

3342 Malibu Dr  
Santa Cruz, CA 95062  
Sale Date: s04/22;c03/22  
Sale Price: \$ 1,395,000



COMPARABLE SALE #2

1500 Dougmar Dr  
Santa Cruz, CA 95062  
Sale Date: s05/22;c04/22  
Sale Price: \$ 1,375,000



COMPARABLE SALE #3

2304 Mattison Ln  
Santa Cruz, CA 95062  
Sale Date: s04/22;c04/22  
Sale Price: \$ 1,350,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Redwood Holdings LLC	File No.: 522110a	
Property Address: 1815 Sommerfeld St	Case No.: 32805135	
City: Santa Cruz	State: CA	Zip: 95062
Lender: Wedgewood Inc		



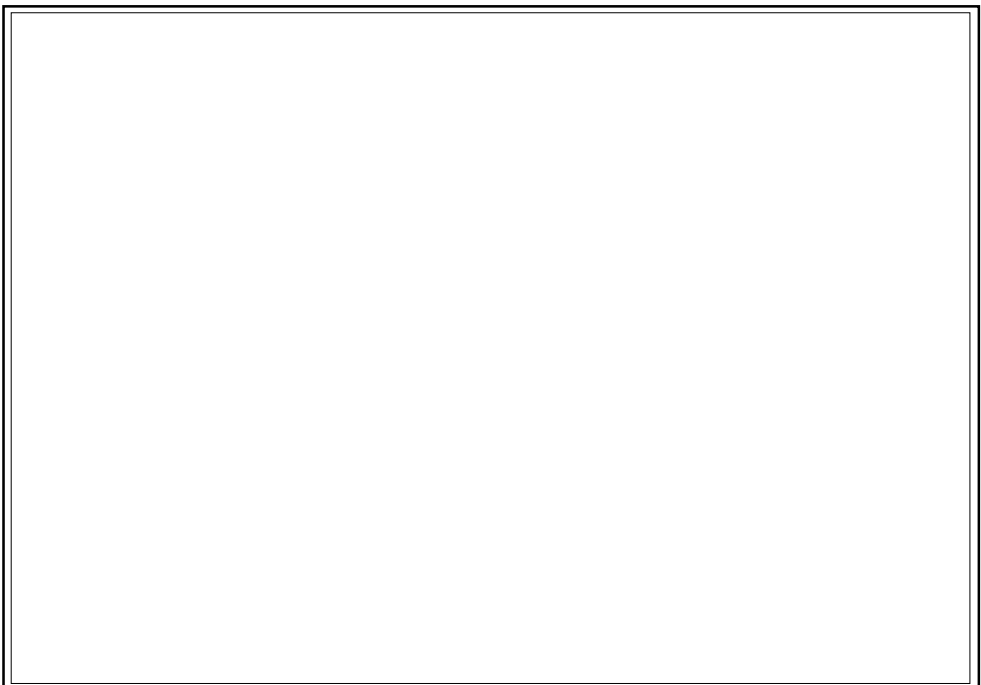
COMPARABLE SALE #4

2510 Begonia Pl  
Santa Cruz, CA 95062  
Sale Date: s02/22;c01/22  
Sale Price: \$ 1,550,000



COMPARABLE SALE #5

2521 Mattison Ln  
Santa Cruz, CA 95062  
Sale Date: s02/22;c01/22  
Sale Price: \$ 1,000,000



COMPARABLE SALE #6

Sale Date:  
Sale Price: \$

PLAT MAP

Borrower: Redwood Holdings LLC  
Property Address: 1815 Sommerfeld St  
City: Santa Cruz  
Lender: Wedgewood Inc

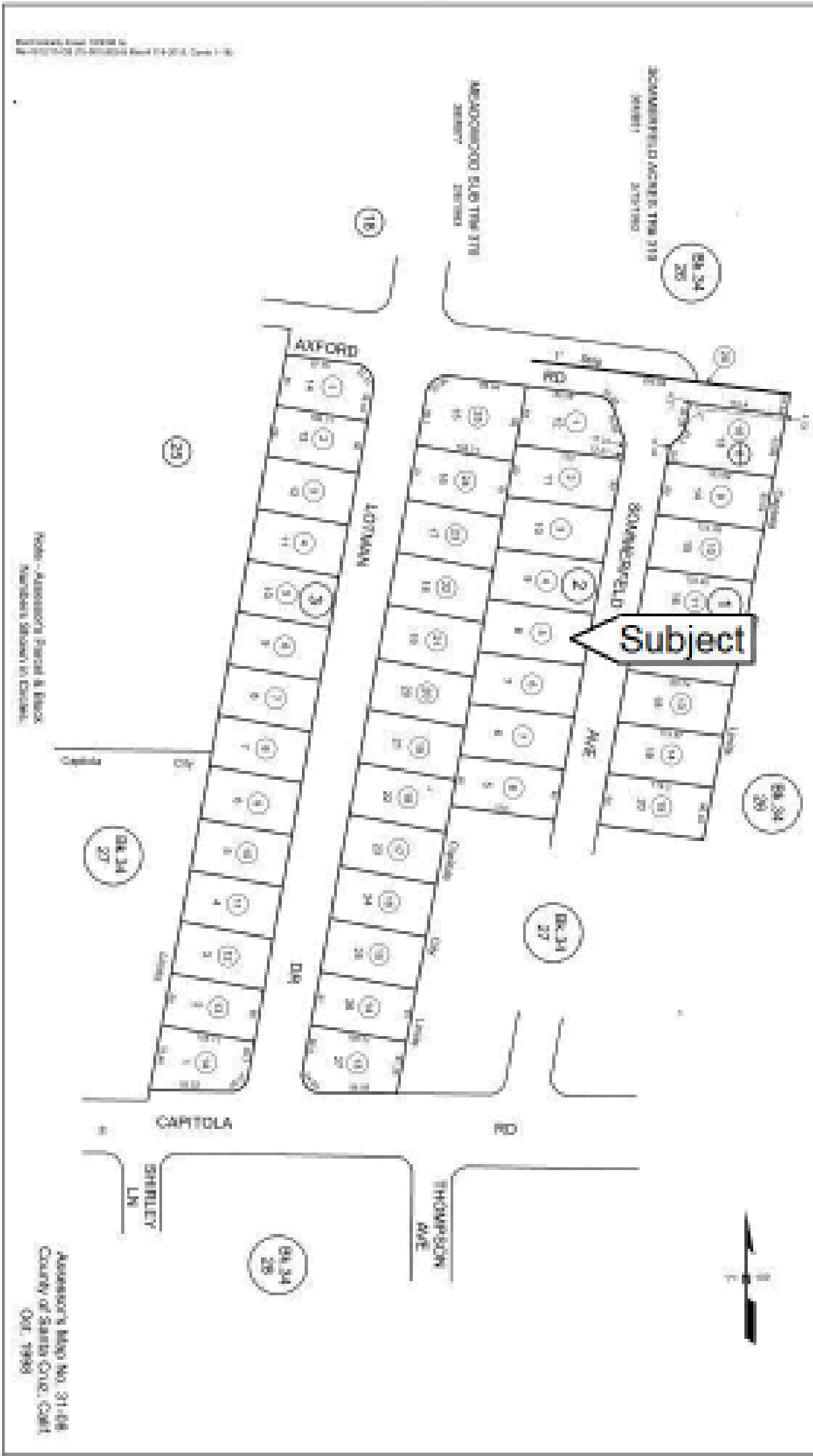
File No.: 522110a  
Case No.: 32805135  
State: CA  
Zip: 95062

FOR TAX PURPOSES ONLY  
THIS MAP IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFICIAL RECORD OF THE COUNTY OF SANTA CRUZ.

FOR RANCHO ARROYO DEL RODEO  
N.E. 1/4 SEC. 36, T.11S., R.1W., M.D.R. 8.M.

Tax Area Code  
E3-040

31-08



RECORDED: 2008 03 04  
RECORDING: 2008 03 04 10:04:00 AM

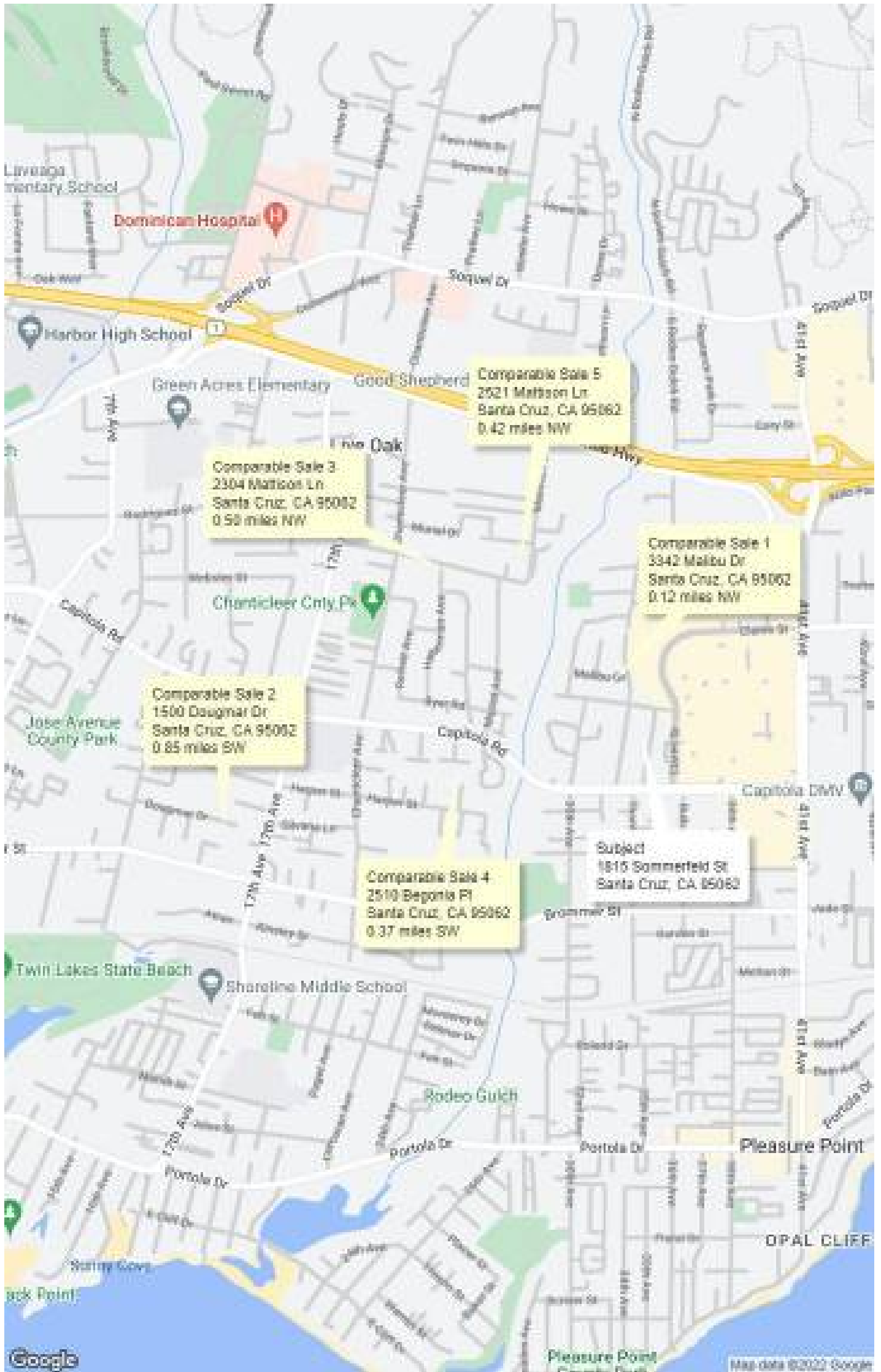
Note: Assessor's Parcel & Block Numbers Shown in Green.

Assessor's Map No. 31-08  
County of Santa Cruz, Calif.  
Oct. 1998

LOCATION MAP

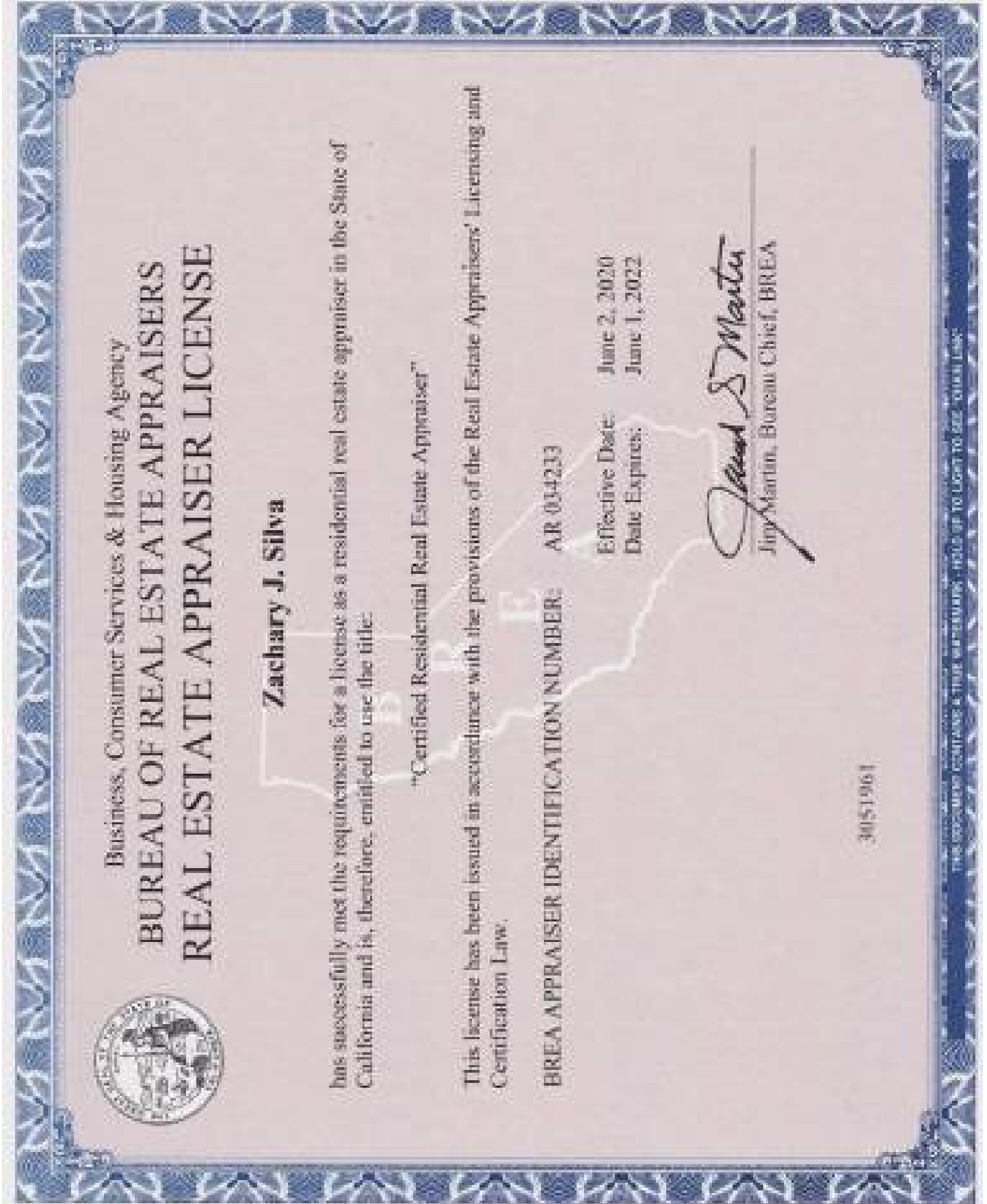
Borrower: Redwood Holdings LLC  
Property Address: 1815 Sommerfeld St  
City: Santa Cruz  
Lender: Wedgewood Inc

File No.: 522110a  
Case No.: 32805135  
State: CA  
Zip: 95062



Borrower: Redwood Holdings LLC  
Property Address: 1815 Sommerfeld St  
City: Santa Cruz  
Lender: Wedgewood Inc

File No.: 522110a  
Case No.: 32805135  
State: CA  
Zip: 95062



Borrower: Redwood Holdings LLC  
Property Address: 1815 Sommerfeld St  
City: Santa Cruz  
Lender: Wedgewood Inc

File No.: 522110a  
Case No.: 32805135  
State: CA  
Zip: 95062

**HUDSON INSURANCE COMPANY**  
100 William Street, 5<sup>th</sup> Floor  
New York, NY 10038



**REAL ESTATE PROFESSIONAL ERRORS AND OMISSIONS INSURANCE POLICY  
DECLARATIONS**

**NOTICE: THIS IS A "CLAIMS MADE AND REPORTED" POLICY. THIS POLICY REQUIRES THAT A CLAIM BE MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR AUTOMATIC EXTENDED REPORTING PERIOD.**

**THIS POLICY MAY CONTAIN PROVISIONS WHICH LIMIT THE AMOUNT OF CLAIM EXPENSES THE INSURER IS RESPONSIBLE TO PAY IN CONNECTION WITH CLAIMS. CLAIM EXPENSES SHALL BE SUBJECT TO ANY DEDUCTIBLE AMOUNT. THE PAYMENT OF CLAIM EXPENSES WILL REDUCE THE LIMITS OF LIABILITY STATED IN ITEM 4. OF THE DECLARATIONS. PLEASE READ YOUR POLICY CAREFULLY.**

**PLEASE READ THIS POLICY CAREFULLY.**

**Policy Number:** PRA-2RE-1000616 **Renewal of:**

- 1. Named Insured:** Zachary Silva  
(including Predecessor Entities and DBA's)
- 2. Address:** P O Box 242  
Capitola, CA 95010
- 3. Policy Period:** From: October 1, 2021 To: October 1, 2022  
12:01 A.M. Standard Time at the address of the **Named Insured** as stated in Number 2 above
- 4. Limit of Liability**  
A. Per Claim: \$500,000 B. Aggregate: \$1,000,000
- 5. Deductible:** \$5,000 Each Claim
- 6. Policy Premium:** \$990.00 State Taxes / Surcharges: \$0
- 7. Retroactive Date:** Full Prior Acts
- 8. Notice to Company:** Notice of a Claim or Potential Claim should be sent to:  
Hudson Insurance Group  
100 William Street, 5<sup>th</sup> Floor  
New York, NY 10038  
Fax: 646-216-3786  
Email: [HUDSONCLAIMS300@HUDSONIAGROUP.COM](mailto:HUDSONCLAIMS300@HUDSONIAGROUP.COM)  
On weekends or holidays: 866-546-3981 (Toll Free)
- 9. A. Program Administrator:** Riverton Insurance Agency Corp.  
**B. Agent/Broker:** OREP

*IN WITNESS WHEREOF, We have caused this policy to be executed by our President and our Corporate Secretary at New York, New York*

President

Secretary

AERIAL MAP

Borrower: Redwood Holdings LLC  
Property Address: 1815 Sommerfeld St  
City: Santa Cruz  
Lender: Wedgewood Inc

File No.: 522110a  
Case No.: 32805135  
State: CA  
Zip: 95062

