

# Exterior-Only Inspection Residential Appraisal Report

File # Loan #51187

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   | 309 Otono Ct  | City                   | San Jose  | State  | CA          | Zip Code  | 95111 |
| Borrower   | Redwood Holdings LLC  | Owner of Public Record | Nishan N Dodagoudar and *                                     | County   | Santa Clara |   |       |
| Legal Description  | Tract 6130 Monteverde Book 406 Page 39 Page 40 Lot 21   |                        |   |  |             |   |       |
| Assessor's Parcel #  | 684-59-016  | Tax Year               | 2022  | R.E. Taxes \$                                  | 11,971      |   |       |
| Neighborhood Name  | Monte Verde   | Map Reference          | 68-B5   | Census Tract                                   | 5120.56     |   |       |
| Occupant   | <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant   | Special Assessments \$ | 0   | <input checked="" type="checkbox"/> PUD HOA \$ | 180         | <input type="checkbox"/> per year <input checked="" 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) Servicing |                        |   |  |             |   |       |
| Lender/Client  | Wedgewood Inc   | Address                | 2015 Manhattan Beach Blvd, Suite 100, Rodendo Beach, CA 90278 |  |             |   |       |
| 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). Per MLS, subject has not been listed for the past 12 months.   |   |                        |   |  |             |   |       |

CONTRACT

I  did  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?  Yes  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?  Yes  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 |   |                 | 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 type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining       | PRICE    | AGE      | One-Unit         | 100 % |  |                    |  |
| 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         | %     |  |                    |  |
| 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 | 900      | Low 5    | Multi-Family     | %     |  |                    |  |
| Neighborhood Boundaries      | Neighborhood bounded by Coyote Rd. north, Blossom Hill Rd. south, Highway 101 east and Monterey Rd. west.       |                 |   | 1,700    | High 65  | Commercial       | %     |  |                    |  |
|                              |   |                 |   | 1,200    | Pred. 45 | Other            | %     |  |                    |  |

Neighborhood Description Subject property is within 10 miles of major employment areas and is convenient to shopping, schools, public transportation, recreation facilities and utilities. The property's compatibility, general appearance, and appeal to the market is good. Protection from detrimental conditions, police and fire protection is adequate.

Market Conditions (including support for the above conclusions) The current market conditions for the subject's neighborhood have been declining over the past year based on the data from the market condition addendum.

SITE

Dimensions 39x20x29x32x68x59 Area 3200 sf Shape Irregular View N;Res;

Specific Zoning Classification R1-8P Zoning Description Single Family Residence

Zoning Compliance  Legal  Legal Nonconforming (Grandfathered Use)  No Zoning  Illegal (describe)

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?  Yes  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"/> | Street Asphalt               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Gas         | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Sanitary Sewer | <input checked="" type="checkbox"/> | Alley None                   | <input type="checkbox"/>            | <input type="checkbox"/> |

FEMA Special Flood Hazard Area  Yes  No FEMA Flood Zone D FEMA Map # 06085C0264H FEMA Map Date 05/18/2009

Are the utilities and off-site improvements typical for the market area?  Yes  No If No, describe \_\_\_\_\_

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?  Yes  No If Yes, describe \_\_\_\_\_

No adverse site conditions noted. No unusual functional or external obsolescence were noted. The appraiser observed nothing in this neighborhood that might reduce the value of the subject property.

IMPROVEMENTS

Source(s) Used for Physical Characteristics of Property  Appraisal Files  MLS  Assessment and Tax Records  Prior Inspection  Property Owner  Other (describe) \_\_\_\_\_

Data Source for Gross Living Area Realist

| General Description  | General Description  | Heating/Cooling   | Amenities  | Car Storage   |
|--|--|---|--|---|
| Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit                       | <input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space | <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB | <input checked="" type="checkbox"/> Fireplace(s) # 1 | <input type="checkbox"/> None                                       |
| # of Stories 2   | <input type="checkbox"/> Full Basement <input type="checkbox"/> Finished               | <input type="checkbox"/> Radiant                                      | <input type="checkbox"/> Woodstove(s) # 0            | <input checked="" type="checkbox"/> Driveway # of Cars 2            |
| 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 Conc. | Driveway Surface Concrete   |
| <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const. | Exterior Walls Stucco  | Fuel Gas  | <input type="checkbox"/> Porch None                  | <input checked="" type="checkbox"/> Garage # of Cars 2              |
| Design (Style) Contemp   | Roof Surface Tile  | <input checked="" type="checkbox"/> Central Air Conditioning          | <input type="checkbox"/> Pool None                   | <input type="checkbox"/> Carport # of Cars 0                        |
| Year Built 1977  | Gutters & Downspouts Aluminum  | <input type="checkbox"/> Individual                                   | <input checked="" type="checkbox"/> Fence Wood       | <input type="checkbox"/> Attached <input type="checkbox"/> Detached |
| Effective Age (Yrs) 25   | Window Type Dual Pane  | <input type="checkbox"/> Other  | <input type="checkbox"/> Other None                  | <input checked="" type="checkbox"/> Built-in                        |

Appliances  Refrigerator  Range/Oven  Dishwasher  Disposal  Microwave  Washer/Dryer  Other (describe) \_\_\_\_\_

Finished area above grade contains: 6 Rooms 3 Bedrooms 2.1 Bath(s) 1,641 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.) The home has dual pane energy efficient windows.

Describe the condition of the property and data source(s) (including apparent needed repairs, deterioration, renovations, remodeling, etc.). C3; Good condition observed from the street.

Are there any apparent physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?  Yes  No

If Yes, describe.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?  Yes  No If No, describe.

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| There are 4 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 899,888 to \$ 1,299,800 |                                    | There are 23 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 925,000 to \$ 1,655,000 |   |   |                    |
|---|------------------------------------|---|---|---|--------------------|
| FEATURE   | SUBJECT                            | COMPARABLE SALE # 1   | COMPARABLE SALE # 2   | COMPARABLE SALE # 3   |                    |
| Address   | 309 Otono Ct<br>San Jose, CA 95111 | 382 Via Primavera Dr<br>San Jose, CA 95111  | 131 Brice Ct<br>San Jose, CA 95111  | 377 Whirlaway Dr<br>San Jose, CA 95111                                      |                    |
| Proximity to Subject  |                                    | 0.08 miles NE   | 0.36 miles S  | 0.72 miles SE   |                    |
| Sale Price  | \$                                 | \$ 1,278,000  | \$ 1,150,000  | \$ 1,150,000  |                    |
| Sale Price/Gross Liv. Area  | \$ sq.ft.                          | \$ 801.76 sq.ft.  | \$ 674.88 sq.ft.  | \$ 678.47 sq.ft.  |                    |
| Data Source(s)  |                                    | MLS#ML81895797;DOM 51   | MLS#ML81897111;DOM 15   | MLS#ML81901661;DOM 0  |                    |
| Verification Source(s)  |                                    | Doc #25334427/Realist/MLS   | Doc #25357094/Realist/MLS   | Doc #25340901/Realist/MLS   |                    |
| VALUE ADJUSTMENTS   | DESCRIPTION                        | DESCRIPTION   | +(-) \$ Adjustment  | DESCRIPTION   | +(-) \$ Adjustment |
| Sales or Financing Concessions  |                                    | ArmLth Conv;0   |   | ArmLth Conv;0   |                    |
| Date of Sale/Time   |                                    | s07/22;c06/22   |   | s08/22;c07/22   |                    |
| Location  | N;Res;                             | N;Res;  |   | N;Res;  |                    |
| Leasehold/Fee Simple  | Fee Simple                         | Fee Simple  |   | Fee Simple  |                    |
| Site  | 3200 sf                            | 2625 sf   | 0   | 5465 sf   | -11,000            |
| View  | N;Res;                             | N;Res;  |   | N;Res;  |                    |
| Design (Style)  | DT2;Contemp                        | DT2;Contemp   |   | DT2;Contemp   |                    |
| Quality of Construction   | Q4                                 | Q4  |   | Q4  |                    |
| Actual Age  | 45                                 | 43  | 0   | 57  | 0                  |
| Condition   | C3                                 | C3  |   | C3  |                    |
| Above Grade   | Total Bdrms. Baths                 | Total Bdrms. Baths  |   | Total Bdrms. Baths  |                    |
| Room Count  | 6 3 2.1                            | 6 3 2.1   |   | 6 4 3.0   | -20,000            |
| Gross Living Area   | 1,641 sq.ft.                       | 1,594 sq.ft.  | 0   | 1,704 sq.ft.  | 0                  |
| Basement & Finished Rooms Below Grade   | Osf                                | Osf   |   | Osf   |                    |
| Functional Utility  | Average                            | Average   |   | Average   |                    |
| Heating/Cooling   | FAU/CAC                            | FAU/CAC   |   | FAU/CAC   |                    |
| Energy Efficient Items  | Dual Pane Wdw                      | Dual Pane Wdw   |   | Dual Pane Wdw   |                    |
| Garage/Carport  | 2gbi2dw                            | 2gbi2dw   |   | 2gbi2dw   | 0                  |
| Porch/Patio/Deck  | Average                            | Average   |   | Average   |                    |
| COE Date  | Not Apply                          | 07/12/2022  | 0   | 08/12/2022  | 0                  |
| Net Adjustment (Total)  |                                    | <input type="checkbox"/> + <input type="checkbox"/> - \$ 0  | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -11,000 | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -32,000 |                    |
| Adjusted Sale Price of Comparables  |                                    | Net Adj. 0.0 %<br>Gross Adj. 0.0 % \$ 1,278,000   | Net Adj. 1.0 %<br>Gross Adj. 1.0 % \$ 1,139,000                             | Net Adj. 2.8 %<br>Gross Adj. 2.8 % \$ 1,118,000                             |                    |

SALES COMPARISON APPROACH

I  did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain MLS data and recorded documents available to the appraiser were researched and reviewed.

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) MLS records and recorded documents available to the appraiser.

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) MLS records and recorded documents available to the appraiser.

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      |             |                    | 06/15/2022         |                    |
| Price of Prior Sale/Transfer     |             |                    | \$930,000          |                    |
| Data Source(s)                   | Realist/MLS | Realist/MLS        | Realist/MLS        | Realist/MLS        |
| Effective Date of Data Source(s) | 09/14/2022  | 09/14/2022         | 09/14/2022         | 09/14/2022         |

Analysis of prior sale or transfer history of the subject property and comparable sales The only prior sale of the comparables in the past 12 months is Comp #2. It is a regular sale on 06/15/2022 for \$930,000. The condition is C3 based on the MLS photos. It was listed on the market for \$1,299,000.

Summary of Sales Comparison Approach See Addendum.

Indicated Value by Sales Comparison Approach \$ 1,200,000

Indicated Value by: Sales Comparison Approach \$ 1,200,000 Cost Approach (if developed) \$ Income Approach (if developed) \$

The Sales Comparison Approach is considered the most reliable indicator because of the direct reporting of the actions of buyers and sellers in this market and it is given all the weight in this appraisal. The Cost and Income Approaches were considered but not appropriate for this assignment.

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 \$ 1,200,000 , as of 09/14/2022 , which is the date of inspection and the effective date of this appraisal.

RECONCILIATION

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**FIRREA Certification Statement:**

The appraiser certifies and agrees that this appraisal was prepared in accordance with the requirements of Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act (FIRREA) of 1989, as amended (12 U.S.C. 3331 et seq.), and any applicable implementing regulations in effect at the time the appraiser signs the appraisal certification.

**AMC STATE REGISTRATION NUMBER:**

AMC Registration # for ClearCapital.com, Inc: California # 1256

**Fee Disclosure:**

The appraiser signing this report is a staff appraiser and is paid hourly opposed to being paid on a per assignment bases.

**The Corona Virus (COVID-19) outbreak has had a significant impact on local, national and global economies. Financial markets worldwide are experiencing unprecedented volatility. In some areas of the United States, there are current Shelter-in-Place orders and other restrictions on daily activities. These events are likely to impact real estate values in the short term but, as of the date of this appraisal, there is not enough data to substantiate that position. I have researched all available local sources and, as of this date, I have not found any data suggesting that significant changes in local real estate market have occurred. The market data presented in this appraisal report is considered the most recent and relevant available and the resulting analysis best reflects market conditions as of the effective date of appraisal.**

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

**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)

INCOME

**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(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.

PUD INFORMATION

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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.

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**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.

# Exterior-Only Inspection Residential Appraisal Report

File # Loan #51187

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).

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 Simon C. Shao  
 Company Name Clario Appraisal Network  
 Company Address 300 East 2nd Street #1405  
Reno, NV 89501  
 Telephone Number 530-550-2565  
 Email Address simon.shao@clarioappraisal.com  
 Date of Signature and Report 09/14/2022  
 Effective Date of Appraisal 09/14/2022  
 State Certification # AR029484  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State CA  
 Expiration Date of Certification or License 10/03/2022

**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 \_\_\_\_\_

**ADDRESS OF PROPERTY APPRAISED**

309 Otono Ct  
San Jose, CA 95111  
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 1,200,000

**LENDER/CLIENT**

Name Clear Capital  
 Company Name Wedgewood Inc  
 Company Address 2015 Manhattan Beach Blvd, Suite 100,  
Rodendo Beach, CA 90278  
 Email Address N/A

**SUBJECT PROPERTY**

Did not inspect exterior of 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 \_\_\_\_\_

# Exterior-Only Inspection Residential Appraisal Report

File # Loan #51187

| SALES COMPARISON APPROACH             | FEATURE       | SUBJECT                            | COMPARABLE SALE # 4  |   |                    | COMPARABLE SALE # 5                                   |        |   | COMPARABLE SALE # 6 |        |                    |       |
|---------------------------------------|---------------|------------------------------------|--|---|--------------------|---|--------|---|---------------------|--------|--------------------|-------|
|                                       | Address       | 309 Otono Ct<br>San Jose, CA 95111 |  | 774 River View Dr<br>San Jose, CA 95111 |                    |   |        |   |                     |        |                    |       |
| Proximity to Subject                  |               |                                    | 0.44 miles NE  |   |                    |   |        |   |                     |        |                    |       |
| Sale Price                            | \$            |                                    | \$ 1,295,000   |   |                    | \$  |        |   | \$                  |        |                    |       |
| Sale Price/Gross Liv. Area            | \$            | sq.ft.                             | \$ 817.55  | sq.ft.                                  |                    | \$  | sq.ft. |   | \$                  | sq.ft. |                    |       |
| Data Source(s)                        |               |                                    | MLS#ML81903929;DOM 30  |   |                    |   |        |   |                     |        |                    |       |
| Verification Source(s)                |               |                                    | Realist/MLS  |   |                    |   |        |   |                     |        |                    |       |
| VALUE ADJUSTMENTS                     | DESCRIPTION   |                                    | DESCRIPTION  |   | +(-) \$ Adjustment | DESCRIPTION   |        | +(-) \$ Adjustment                                    | DESCRIPTION         |        | +(-) \$ Adjustment |       |
| Sales or Financing Concessions        |               |                                    | Listing  |   |                    |   |        |   |                     |        |                    |       |
| Date of Sale/Time                     |               |                                    | Active   |   |                    |   |        |   |                     |        |                    |       |
| Location                              | N;Res;        |                                    | N;Res;   |   |                    |   |        |   |                     |        |                    |       |
| Leasehold/Fee Simple                  | Fee Simple    |                                    | Fee Simple   |   |                    |   |        |   |                     |        |                    |       |
| Site                                  | 3200 sf       |                                    | 12739 sf   |   | -48,000            |   |        |   |                     |        |                    |       |
| View                                  | N;Res;        |                                    | N;Res;   |   |                    |   |        |   |                     |        |                    |       |
| Design (Style)                        | DT2;Contemp   |                                    | DT2;Contemp  |   |                    |   |        |   |                     |        |                    |       |
| Quality of Construction               | Q4            |                                    | Q4   |   |                    |   |        |   |                     |        |                    |       |
| Actual Age                            | 45            |                                    | 46   |   | 0                  |   |        |   |                     |        |                    |       |
| Condition                             | C3            |                                    | C3   |   |                    |   |        |   |                     |        |                    |       |
| Above Grade                           | Total         | Bdrms.                             | Baths  | Total                                   | Bdrms.             | Baths   | Total  | Bdrms.  | Baths               | Total  | Bdrms.             | Baths |
| Room Count                            | 6             | 3                                  | 2.1  | 7                                       | 4                  | 3.0   |        |   |                     |        |                    |       |
| Gross Living Area                     | 1,641 sq.ft.  |                                    | 1,584 sq.ft.   |   | 0                  | sq.ft.  |        | sq.ft.  |                     | sq.ft. |                    |       |
| Basement & Finished Rooms Below Grade | 0sf           |                                    | 0sf  |   |                    |   |        |   |                     |        |                    |       |
| Functional Utility                    | Average       |                                    | Average  |   |                    |   |        |   |                     |        |                    |       |
| Heating/Cooling                       | FAU/CAC       |                                    | FAU/CAC  |   |                    |   |        |   |                     |        |                    |       |
| Energy Efficient Items                | Dual Pane Wdw |                                    | Dual Pane Wdw  |   |                    |   |        |   |                     |        |                    |       |
| Garage/Carport                        | 2qbi2dw       |                                    | 2qbi2dw  |   |                    |   |        |   |                     |        |                    |       |
| Porch/Patio/Deck                      | Average       |                                    | Average  |   |                    |   |        |   |                     |        |                    |       |
| COE Date                              | Not Apply     |                                    | Not Apply  |   |                    |   |        |   |                     |        |                    |       |
| Net Adjustment (Total)                |               |                                    | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$                                      | -68,000            | <input type="checkbox"/> + <input type="checkbox"/> - | \$     | <input type="checkbox"/> + <input type="checkbox"/> - | \$                  |        |                    |       |
| Adjusted Sale Price of Comparables    |               |                                    | Net Adj.   | 5.3 %                                   |                    | Net Adj.  | %      |   | Net Adj.            | %      |                    |       |
|                                       |               |                                    | Gross Adj.   | 5.3 %                                   | \$ 1,227,000       | Gross Adj.  | %      | \$  | Gross Adj.          | %      | \$                 |       |

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 # 4 | COMPARABLE SALE # 5 | COMPARABLE SALE # 6 |
|----------------------------------|-------------|---------------------|---------------------|---------------------|
| Date of Prior Sale/Transfer      |             |                     |                     |                     |
| Price of Prior Sale/Transfer     |             |                     |                     |                     |
| Data Source(s)                   | Realist/MLS | Realist             |                     |                     |
| Effective Date of Data Source(s) | 09/14/2022  | 09/14/2022          |                     |                     |

Analysis of prior sale or transfer history of the subject property and comparable sales

Analysis/Comments

Analysis/Comments

# Market Conditions Addendum to the Appraisal Report

File No. Loan #51187

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 309 Otono Ct City San Jose State CA ZIP Code 95111

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)                                 | 10  | 8                | 5                  | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable            | <input checked="" type="checkbox"/> Declining  |
| Absorption Rate (Total Sales/Months)                                  | 1.67  | 2.67             | 1.67               | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable            | <input checked="" type="checkbox"/> Declining  |
| Total # of Comparable Active Listings                                 | No Statistics   | No Statistics    | 4                  | <input type="checkbox"/> Declining  | <input type="checkbox"/> Stable            | <input type="checkbox"/> Increasing            |
| Months of Housing Supply (Total Listings/Ab.Rate)                     | No Statistics   | No Statistics    | 2.4                | <input type="checkbox"/> Declining  | <input type="checkbox"/> Stable            | <input 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  | 1,139,100   | 1,416,000        | 1,090,600          | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable            | <input checked="" type="checkbox"/> Declining  |
| Median Comparable Sales Days on Market                                | 12  | 15               | 29                 | <input type="checkbox"/> Declining  | <input type="checkbox"/> Stable            | <input checked="" type="checkbox"/> Increasing |
| Median Comparable List Price  | No Statistics   | No Statistics    | 1,106,172          | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable            | <input type="checkbox"/> Declining             |
| Median Comparable Listings Days on Market                             | No Statistics   | No Statistics    | 26                 | <input type="checkbox"/> Declining  | <input type="checkbox"/> Stable            | <input type="checkbox"/> Increasing            |
| Median Sale Price as % of List Price                                  | 111   | 111              | 104                | <input type="checkbox"/> Increasing | <input checked="" 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.

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).

Cite data sources for above information. Above information are based on local MLS, appraisals done in the area personally, and sales contracts read.

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.

The MLS does not have statistics for previous "Total # of Comparable Active Listings", "Median Comparable List Price", and "Median Comparable Listings Days on Market". The fields are entered as "No Statistics".

Based on available information from above, number of sales have been stable, sales prices have decreased compared with 0-3 months to 4-6 months ago. Sellers are motivated and are more willing to negotiate and pay for some of buyer's closing costs. Properties priced competitively are selling within 3 months. The properties with higher prices in this neighborhood tend to take longer to sell.

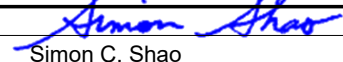
If the subject is a unit in a condominium or cooperative project, complete the following:

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.

Signature 

Appraiser Name Simon C. Shao

Company Name Clario Appraisal Network

Company Address 300 East 2nd Street #1405, Reno, NV 89501

State License/Certification # AR029484 State CA

Email Address simon.shao@clarioappraisal.com

Signature

Supervisory Appraiser Name

Company Name

Company Address

State License/Certification # State

Email Address

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER





**Supplemental Addendum**

File No. Loan #51187

|                  |                      |        |             |       |                   |
|------------------|----------------------|--------|-------------|-------|-------------------|
| Borrower         | Redwood Holdings LLC |        |             |       |                   |
| Property Address | 309 Otono Ct         |        |             |       |                   |
| City             | San Jose             | County | Santa Clara | State | CA Zip Code 95111 |
| Lender/Client    | Wedgewood Inc        |        |             |       |                   |

**Subject Description:**

The subject property is a 2 story home with 3 bedrooms and 2 1/2 baths located in South San Jose. From the street, the subject is showing good condition with stucco wall, tile roof, dual pane windows, and 2 cars garage.

**Sales Comparison Comments:**

The appraiser's comparable search parameters with an MLS search for single family homes sold within the prior three months, located within 1 mile from the subject property, built between 1960 to 1990, between 1,500 to 1,800 sf of living area. The closed sales and listing(s) selected for analysis are considered to be the best indicators of value bearing similarity to the subject in age, design, appeal, and amenity features.

\* The owners' names are too long to fit on 1st page of owner name space. The owners' names are "Nishan N Dodagoudar and Siddappa Priyanka".

Time Adjustment - The comparables used are sold very recent, within the last 3 months. No time adjustments.

This is an exterior appraisal. From the street, subject and all comparables are very similar. However, greatest weight is given to sales Comp #1 because it is the most similar to the subject.

This appraisal is based on an exterior inspection from the street. No interior inspection was made. An extraordinary assumption was made that the subject has been adequately maintained with no significant deferred maintenance or renovations made unless otherwise noted. This assumption may affect assignment results.

## 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.



### Supplemental Addendum

File No. Loan #51187

|                  |                      |        |             |       |                   |
|------------------|----------------------|--------|-------------|-------|-------------------|
| Borrower         | Redwood Holdings LLC |        |             |       |                   |
| Property Address | 309 Otono Ct         |        |             |       |                   |
| City             | San Jose             | County | Santa Clara | State | CA Zip Code 95111 |
| Lender/Client    | Wedgewood Inc        |        |             |       |                   |

#### General Text Addendum:

Comments on the site: The subject property is situated on a residential site typical of the neighborhood in site size and views. Access to the site is by paved street and adequate utilities are available. No adverse easements were noted at the time of inspection; however, title documents should be reviewed by a professional party familiar with their form and content prior to the transfer of any real estate interest. A professional survey may also be prudent. A cursory viewing of the subject property indicates that the utility of the site is such that it meets the basic requirements for residential use. It is recommended that a flood zone certification be obtained due to the inexact nature of flood maps available to the appraiser and their frequent amendments. It is the appraisers assumption that if there is a numbered flood map for the site that the community participates.

Highest and Best Use: (Vacant), Although the appraiser has not been provided with a soil or geological survey of the site. It appears to be adequate for residential use (based on the appraiser's inspection). Site size, location, and offsite infra-structure also appear adequate. Based on a review of zoning regulation, residential usage is the legal permitted use. Residential use is also considered to be economically feasible given current market conditions and will return the maximum productivity to the site in the current market. Therefore, the current single family residential use is considered to be the "highest and best use" of this site. (Improved) The subject improvements were designed with residential usage as the primary intended use. Said use is currently legally permitted and under current market conditions represents a financially feasible use which will return the maximum productivity to the improved property. Therefore, and in consideration of the above analysis, the "highest and best use" of the subject "as improved" is the current residential use.

Comments on the Income Approach: This approach to value, using comparable rental properties, is considered but not always applied if (1) there a shortage of directly comparable rental properties in the subject's immediate area, (2) if the subject market area contains enough recent sales comparables of similar homes to render an Income Approach to value unnecessary or unwarranted.

Comments on Hypothetical Conditions for Proposed Improvements: Development of the value opinion for a subject property with proposed improvements involves the use of a hypothetical condition wherein the described improvements have been completed as of the effective date when in fact, they have not yet been completed.

Electronic Signatures: All electronic signatures on this report have a security feature maintained by individual passwords for each signing appraiser. No person can alter the appraisal with the exception of the original signing appraiser(s).

#### Market Analysis Addendum

THE GRID ADJUSTMENTS ARE MADE BY MARKET EXTRACTIONS, LOCAL BUILDERS COST ESTIMATES OR COST MANUALS. COST DOES NOT ALWAYS EQUAL VALUE.

APPRAISED VALUE: The sold prices of the comparables will bracket the subject's reconciled value whenever possible. More weight may be placed on the income or cost approach values depending upon applicability.

CONCESSIONS: Although not common, some typical concessions consists of sellers paying buyer's non-recurring closing costs. Adjustments to financing concessions are done when concessions information are available and concessions are atypical..

DATE/TIME: Adjustments reflect the influence of market growth, stability, or loss. The adjustment factor used in this report is detailed in the General Text and is derived from the local MLS provided statistics.

SITE. Site value is derived by similar land sales whenever possible. If no directly comparable sales exist, contributory value is determined by market extraction. Site size adjustments are determined by applying the market derived site adjustment factor to the differences in size between the subject and the comparables in the report.

**Supplemental Addendum**

File No. Loan #51187

|                  |                      |        |             |       |    |          |       |
|------------------|----------------------|--------|-------------|-------|----|----------|-------|
| Borrower         | Redwood Holdings LLC |        |             |       |    |          |       |
| Property Address | 309 Otono Ct         |        |             |       |    |          |       |
| City             | San Jose             | County | Santa Clara | State | CA | Zip Code | 95111 |
| Lender/Client    | Wedgewood Inc        |        |             |       |    |          |       |

**VIEW/LOCATION:** Adjustments are based on the measurable contribution to site value that can be demonstrated via matched pair analysis.

**PHYSICAL/EFFECTIVE AGE:** Age adjustments are based on the calculated depreciation value for the subject. Adjustments are calculated by applying the market derived annual depreciation to the subjects physical (or effective age) to obtain a factor that is then applied to differences in physical age, (or effective age) of the comparables (whichever is most appropriate).

**CONDITION:** Condition adjustments are typically reserved for instances when comparing remodeled homes to original homes. Adjustments are based upon market reaction to stated remodeling improvements via depreciation analysis. Depreciation differences due to condition are typically resolved in effective age adjustments stated above. In instances where the subject is in below market average condition is due to a specific item, a "cost to cure" value may be determined and applied to superior condition comparables.

**GROSS LIVING AREA:** An adjustment for the differences between the above grade areas of the comparable sales and the subject is based on market reaction to square footage that can be demonstrated with matched pair analysis. Typically, the factor is derived from the comparables used in the specific report.

**BASEMENT AREA/FINISHED ROOMS:** Basement area calculations are based upon market reaction to basements that can be measured via matched pair analysis. Adjustments for unfinished areas are based upon cost to cure values that are dependant upon the quality assessment of the subject.

**HEATING/COOLING:** Presence of central heating and cooling systems is typical in the subject market area due to extreme climate variation. Absence of a HVAC system is adjusted according to the cost to cure.

**GARAGE/CARPORTS:** Adjustments are based on the differences in size and quality of the improvements and their contribution to value that can be measured via matched pair analysis or depreciated cost extraction.

**PORCHES, PATIO, OUTBUILDINGS, POOLS, FIREPLACES, HOT TUBS** Adjustments are based on the differences in size and quality of the various site improvements and their contribution to value that can be measured via matched pair analysis or depreciated cost extraction. Personal items are typically excluded from the final valuation.

**SPECIAL ENERGY EFFICIENT ITEMS:** Utility company energy programs are not widely recognized by the local market participants. Adjustments for items such as; passive and active solar systems, hot water/heat pump systems, radiant flooring, etc.; are based upon their contribution to value that can be measured via matched pair analysis or depreciated cost extraction.

**NOTE:** In addition, all adjustments can vary from these guidelines depending on the size, condition, quality, and functional utility of the item being adjusted

**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 specified in this Engagement Letter.

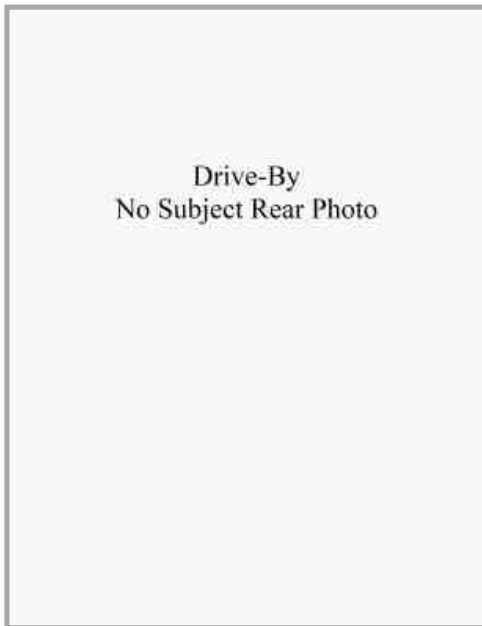
### Subject Photo Page

|                  |                      |        |             |       |    |          |       |
|------------------|----------------------|--------|-------------|-------|----|----------|-------|
| Borrower         | Redwood Holdings LLC |        |             |       |    |          |       |
| Property Address | 309 Otono Ct         |        |             |       |    |          |       |
| City             | San Jose             | County | Santa Clara | State | CA | Zip Code | 95111 |
| Lender/Client    | Wedgewood Inc        |        |             |       |    |          |       |



#### Subject Front

309 Otono Ct  
Sales Price  
Gross Living Area 1,641  
Total Rooms 6  
Total Bedrooms 3  
Total Bathrooms 2.1  
Location N;Res;  
View N;Res;  
Site 3200 sf  
Quality Q4  
Age 45



#### Drive-By - No Subject Rear



#### Subject Street



## Comparable Photo Page

|                  |                      |        |             |          |       |
|------------------|----------------------|--------|-------------|----------|-------|
| Borrower         | Redwood Holdings LLC |        |             |          |       |
| Property Address | 309 Otono Ct         |        |             |          |       |
| City             | San Jose             | County | Santa Clara | State    | CA    |
| Lender/Client    | Wedgewood Inc        |        |             |          |       |
|                  |                      |        |             | Zip Code | 95111 |



### Comparable 1

|                      |               |
|----------------------|---------------|
| 382 Via Primavera Dr |               |
| Prox. to Subject     | 0.08 miles NE |
| Sales Price          | 1,278,000     |
| Gross Living Area    | 1,594         |
| Total Rooms          | 6             |
| Total Bedrooms       | 3             |
| Total Bathrooms      | 2.1           |
| Location             | N;Res;        |
| View                 | N;Res;        |
| Site                 | 2625 sf       |
| Quality              | Q4            |
| Age                  | 43            |



### Comparable 2

|                   |              |
|-------------------|--------------|
| 131 Brice Ct      |              |
| Prox. to Subject  | 0.36 miles S |
| Sales Price       | 1,150,000    |
| Gross Living Area | 1,704        |
| Total Rooms       | 6            |
| Total Bedrooms    | 3            |
| Total Bathrooms   | 2.1          |
| Location          | N;Res;       |
| View              | N;Res;       |
| Site              | 5465 sf      |
| Quality           | Q4           |
| Age               | 57           |



### Comparable 3

|                   |               |
|-------------------|---------------|
| 377 Whirlaway Dr  |               |
| Prox. to Subject  | 0.72 miles SE |
| Sales Price       | 1,150,000     |
| Gross Living Area | 1,695         |
| Total Rooms       | 6             |
| Total Bedrooms    | 4             |
| Total Bathrooms   | 3.0           |
| Location          | N;Res;        |
| View              | N;Res;        |
| Site              | 5608 sf       |
| Quality           | Q4            |
| Age               | 58            |

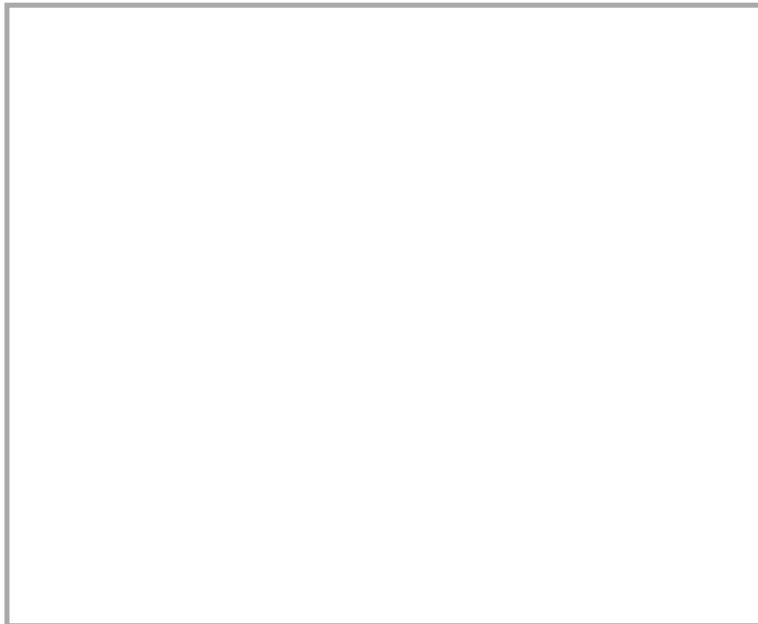
### Comparable Photo Page

|                  |                      |        |             |          |       |
|------------------|----------------------|--------|-------------|----------|-------|
| Borrower         | Redwood Holdings LLC |        |             |          |       |
| Property Address | 309 Otono Ct         |        |             |          |       |
| City             | San Jose             | County | Santa Clara | State    | CA    |
| Lender/Client    | Wedgewood Inc        |        |             |          |       |
|                  |                      |        |             | Zip Code | 95111 |



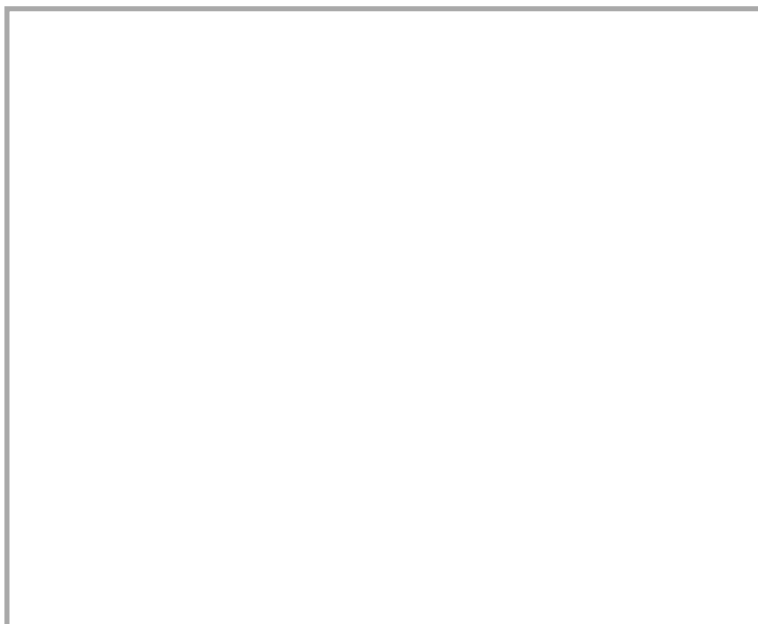
#### Comparable 4

774 River View Dr  
 Prox. to Subject 0.44 miles NE  
 Sale Price 1,295,000  
 Gross Living Area 1,584  
 Total Rooms 7  
 Total Bedrooms 4  
 Total Bathrooms 3.0  
 Location N;Res;  
 View N;Res;  
 Site 12739 sf  
 Quality Q4  
 Age 46



#### No Comparable 5

Prox. to Subject  
 Sale Price  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location  
 View  
 Site  
 Quality  
 Age



#### No Comparable 6

Prox. to Subject  
 Sale Price  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location  
 View  
 Site  
 Quality  
 Age



### Location Map

|                  |                      |        |             |       |    |
|------------------|----------------------|--------|-------------|-------|----|
| Borrower         | Redwood Holdings LLC |        |             |       |    |
| Property Address | 309 Otono Ct         |        |             |       |    |
| City             | San Jose             | County | Santa Clara | State | CA |
| Lender/Client    | Wedgewood Inc        |        |             |       |    |





### Appraiser License

|                  |                      |        |             |       |                   |
|------------------|----------------------|--------|-------------|-------|-------------------|
| Borrower         | Redwood Holdings LLC |        |             |       |                   |
| Property Address | 309 Otono Ct         |        |             |       |                   |
| City             | San Jose             | County | Santa Clara | State | CA Zip Code 95111 |
| Lender/Client    | Wedgewood Inc        |        |             |       |                   |



# E & O Insurance

|                  |                      |        |             |       |                   |
|------------------|----------------------|--------|-------------|-------|-------------------|
| Borrower         | Redwood Holdings LLC |        |             |       |                   |
| Property Address | 309 Otono Ct         |        |             |       |                   |
| City             | San Jose             | County | Santa Clara | State | CA Zip Code 95111 |
| Lender/Client    | Wedgewood Inc        |        |             |       |                   |



## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/11/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


|   |  |
|---|--|
| <b>PRODUCER</b><br>Assurance, a Marsh & McLennan Agency LLC company<br>20 N Martingale Road<br>Suite 100<br>Schaumburg IL 60173 | <b>CONTACT NAME:</b> Fiona Chen<br><b>PHONE (A/C, No, Ext):</b> 312-625-5592<br><b>FAX (A/C, No):</b> (847) 440-9123<br><b>E-MAIL ADDRESS:</b> fchen@assuranceagency.com |
| <b>INSURED</b><br>ClearCapital.com, Inc.<br>ClearCapital Holdings, Inc.<br>300 E 2nd Street<br>Suite 1405<br>Reno NV 89501      | <b>INSURER(S) AFFORDING COVERAGE</b><br>INSURER A : AXA Insurance Company NAIC# 31127<br>INSURER B :<br>INSURER C :<br>INSURER D :<br>INSURER E :<br>INSURER F :         |

**COVERAGES** CERTIFICATE NUMBER: 667417962 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE  | ADD'L SUBR INSD WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS  |
|----------|--|---------------------|---------------|-------------------------|-------------------------|---|
|          | <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR<br><br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC<br>OTHER: |                     |               |                         |                         | EACH OCCURRENCE \$<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$<br>MED EXP (Any one person) \$<br>PERSONAL & ADV INJURY \$<br>GENERAL AGGREGATE \$<br>PRODUCTS - COMPI/OP AGG \$ |
|          | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY                |                     |               |                         |                         | COMBINED SINGLE LIMIT (Ea accident) \$<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$                                     |
|          | <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR<br><b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED RETENTION \$   |                     |               |                         |                         | EACH OCCURRENCE \$<br>AGGREGATE \$  |
|          | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>Y/N <input type="checkbox"/> N/A<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                |                     |               |                         |                         | PER STATUTE OTH-ER<br>E.L. EACH ACCIDENT \$<br>E.L. DISEASE - EA EMPLOYEE \$<br>E.L. DISEASE - POLICY LIMIT \$  |
| A        | Professional Liability   |                     | MPP9044163    | 10/18/2021              | 10/18/2022              | Claim/Aggregate \$5,000,000   |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
RE: PROOF OF INSURANCE  
It is agreed that the following is an Additional Insured, when required by written contract, on the Professional Liability policy.

|   |  |
|---|--|
| <b>CERTIFICATE HOLDER</b><br><br>Clario Appraisal Network, Inc.<br>PROOF OF INSURANCE | <b>CANCELLATION</b><br><br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br>AUTHORIZED REPRESENTATIVE<br> |
|---|--|