Individual Condominium Unit Appraisal Report

N/A
File No. 91857146Xu

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 13188 Sepulveda Circle | Unit # - | City Los Gatos | State CA | Zip Code 95032
Borrower Yue Xu/Zheyuan Ding | Owner of Public Record Summerhill N40 LLC | County Santa Clara
Legal Description TRACT 10441 BOOK 918 PAGE 4 PAGE 18
Assessor's Parcel # 424-55-035 | Tax Year 2023 | R.E. Taxes $ 3,166
Project Name Belterra | Phase # 28 | Map Reference 060343 | Census Tract 5068.01
Occupant [ ] Owner [ ] Tenant [X] Vacant | Special Assessments $ 0 | HOA $ 325 [ ] per year [X] per month
Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)
Assignment Type [X] Purchase Transaction [ ] Refinance Transaction [ ] Other (describe)
Lender/Client BMO Bank N.A. | Address 1200 E. Warrenville Road, Naperville, IL 60563
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? [X] Yes [ ] No
Report data source(s) used, offering price(s), and date(s). DOM Unk;DOM Unk;Subject property was listed for sale by owner.;Latest Price $1,846,090;Latest Date 04/18/2024;Original Price $1,846,090;Original Date 04/08/2024;MLSL#Builder Data

CONTRACT

I [X] 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.
Arms length sale;Arms length sale;I did analyze the contract for sale for the subject purchase transaction.

Contract Price $ 1,846,090 | Date of Contract 04/08/2024 | Is the property seller the owner of public record? [X] Yes [ ] No | Data Source(s) REALIST/MLS
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 [X] No
If Yes, report the total dollar amount and describe the items to be paid. $0;;$0;;There is no financial assistance on behalf of the borrower.

NEIGHBORHOOD

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

Neighborhood Characteristics				Condominium Unit Housing Trends				Condominium Housing		Present Land Use %	
Location	[ ] Urban	[X] Suburban	[ ] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE	AGE	One-Unit	70 %
Built-Up	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	Demand/Supply	[ ] Shortage	[X] In Balance	[ ] Over Supply	$(000)	(yrs)	2-4 Unit	10 %
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[X] Under 3 mths	[ ] 3-6 mths	[ ] Over 6 mths	1,540 Low	1	Multi-Family	10 %
Neighborhood Boundaries	The subject neighborhood is bounded by Hwy 85 to the North, by Los							2,470 High	165	Commercial	10 %
Gatos Almaden Rd to the South, by National Ave to the East, and by Hwy 17 to the West.								1,850 Pred.	5	Other	%

Neighborhood Description The subject neighborhood consists of similar sized homes, which are noted to be Q2 to Q4 in quality and C2 to C4 in condition compared to the surrounding neighborhoods. The typical landscaping throughout the neighborhood. Most properties within the subject market are single family residences, but there are some condominium developments, apartments and commercial properties
Market Conditions (including support for the above conclusions) There are an average amount of listings in the subject's market area.Market conditions are average with stable property values.There is an average supply with an average demand.Marketing and exposure time appear to be at an average rate of 90 days if listed at market price.Appears to be typical conventional and FHA financing available in the market area

PROJECT SITE

Topography Level | Size 1.00 ac | Density Average | View N;Res;
Specific Zoning Classification R184 | Zoning Description Medium Density Residential
Zoning Compliance [X] Legal [ ] Legal Nonconforming - Do the zoning regulations permit rebuilding to current density? [ ] Yes [ ] No
[ ] No Zoning [ ] Illegal (describe)
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe.

Utilities	Public	Other (describe)		Public	Other (describe)	Off-site Improvements? Type	Public	Private
Electricity	[X]	[ ]	Water	[X]	[ ]	Street Asphalt	[X]	[ ]
Gas	[X]	[ ]	Sanitary Sewer	[X]	[ ]	Alley None	[ ]	[ ]

FEMA Special Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X500 | FEMA Map # 06085C0377H | FEMA Map Date 05/18/2009
Are the utilities and off-site improvements typical for the market area? [X] Yes [ ] No If No, describe.
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [ ] Yes [X] No If Yes, describe.

PROJECT INFORMATION

Data source(s) for project information Inspection/HOA/Managment Company/Realist/MLS
Project Description [ ] Detached [ ] Row or Townhouse [X] Garden [ ] Mid-Rise [ ] High-Rise [ ] Other(describe) Contemporary

General Description	General Description	Subject Phase		If Project Completed		If Project Incomplete	
# of Stories 3	Exterior Walls Stc/Hrdibrd/	# of Units	20	# of Phases		# of Planned Phases	34
# of Elevators 0	Roof Surface TPO/New	# of Units Completed	0	# of Units		# of Planned Units	253
[ ] Existing [ ] Proposed	Total # Parking 506	# of Units For Sale	20	# of Units for Sale		# of Units for Sale	31
[X] Under Construction	Ratio (spaces/units) 2.00	# of Units Sold	0	# of Units Sold		# of Units Sold	219
Year Built 2024	Type Garage	# of Units Rented	0	# of Units Rented		# of Units Rented	0
Effective Age 0	Guest Parking 50	# of Owner Occupied Units	0	# of Owner Occupied Units		# of Owner Occupied Units	219

Project Primary Occupancy [X] Principal Residence [ ] Second Home or Recreational [ ] Tenant
Is the developer/builder in control of the Homeowners' Association (HOA)? [ ] Yes [X] No
Management Group - [ ] Homeowners' Association [ ] Developer [X] Management Agent - Provide name of management company. Vierra Moore - 916-925-9000
Project noted to be under construction, with Management Co. in control of the existing closed sales.
Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? [X] Yes [ ] No If Yes, describe
Noted the builder ownes more than 10% of the remainder of properties left.
Was the project created by the conversion of an existing building(s) into a condominium? [ ] Yes [X] No If Yes, describe the original use and the date of conversion.
Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? [X] Yes [ ] No If No, describe
Is there any commercial space in the project? [ ] Yes [X] No If Yes, describe and indicate the overall percentage of the commercial space.

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PROJECT INFORMATION

Describe the condition of the project and quality of construction. Average for the Area

Describe the common elements and recreational facilities. Maintenance, Parking and Greenbelts. All common elements are in average condition. Amenities for subject and comparables are similar to competing developments. There was no Pending Litigation noted by the management company for the subject project.

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

Is the project subject to a ground rent? ☐ Yes ☒ No If Yes, $ _____ per year (describe terms and conditions)

Are the parking facilities adequate for the project size and type? ☒ Yes ☐ No If No, describe and comment on the effect on value and marketability.

PROJECT ANALYSIS

I ☐ did ☒ did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed. Not provided to appraiser.

Are there any other fees (other than regular HOA charges) for the use of the project facilities? ☐ Yes ☒ No If Yes, report the monthly facility charges and describe.

Compared to other competitive projects of similar quality and design, the subject unit charge appears ☐ High ☒ Average ☐ Low If High or Low, describe.

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser?
☐ Yes ☒ No If Yes, describe and explain the effect on value and marketability.

UNIT DESCRIPTION

Unit Charge $ 325.00 per month X 12 = $ 3,900 per year Annual assessment charge per year per square feet of gross living area = $ 2.40

Utilities included in the unit monthly assessment ☐ None ☐ Heat ☐ Air Conditioning ☐ Electricity ☐ Gas ☐ Water ☐ Sewer ☐ Cable ☒ Other (describe)
Trash

GENERAL DESCRIPTION	INTERIOR materials/condition	AMENITIES	Appliances	CAR STORAGE
Floor # 1 & 2 & 3	Floors N/A/N/A	☐ Fireplace(s) # 0	☐ Refrigerator	☐ None
# of Levels 3	Walls Drywall/New	☐ Woodstove(s) # 0	☐ Range/Oven	☒ Garage ☐ Covered ☐ Open
Heating Type FWA Fuel Gas	Trim/Finish Wood/New	☒ Deck/Patio Conc.	☐ Disp ☐ Microwave	# of Cars 2
☒ Central AC ☐ Individual AC	Bath Wainscot N/A/N/A	☒ Porch/Balcony Concrete	☐ Dishwasher	☐ Assigned ☒ Owned
☐ Other (describe)	Doors Ext-Solid/Int-Hollow/Av	☐ Other None	☐ Washer/Dryer	Parking Space # 0

Finished area above grade contains: 7 Rooms 2 Bedrooms 2.1 Bath(s) 1,626 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? ☒ Yes ☐ No If No, describe and comment on compatibility to other projects in the market area.

Additional features (special energy efficient items, etc.). There are typical energy efficient items noted (insulation,windows, heating and/or cooling systems etc.). See addendum for additional improvement information.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C1;No updates in the prior 15 years;There is no Functional or External obsolescence unless otherwise indicated herein. Physical depreciation is calculated in the cost approach by the Age Life Method. There are no repairs needed at the time of inspection and the quality of construction is average. No kitchen or bath remodels or updating in the prior year, due to the subject being under construction.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe
No functional or physical inadequacies noted. There are no apparent adverse environmental conditions indicated. The appraiser is not an expert in the field of environmental analysis and/or inspection. There was no environmental report provided to the appraiser.

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

PRIOR SALE HISTORY

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) REALIST/MLSL#
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) REALIST/MLSL#

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				
Price of Prior Sale/Transfer				
Data Source(s)	Black Knight	Black Knight	Black Knight	Black Knight
Effective Date of Data Source(s)	05/29/2024	05/29/2024	05/29/2024	05/29/2024

Analysis of prior sale or transfer history of the subject property and comparable sales The subject has not been sold or listed with MLS within the past 3 years. Comparables 1-3 do not have a sale or transfer within the prior 12 months. No effect.

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There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 1,847,412 to $ 1,847,412 .
There are 10 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 1,050,000 to $ 2,399,000 .

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address and Unit #	13188 Sepulveda Circle -, Los Gatos, CA 95032	13194 Sepulveda Circle -, Los Gatos, CA 95032		16301 Hamsher Ct -, Los Gatos, CA 95032		13190 Sepulveda Circle -, Los Gatos, CA 95032	
Project Name and Phase	Belterra 28	Bellaterra 1		Bellaterra 1		Bellaterra 1	
Proximity to Subject		0.01 miles NW		0.14 miles N		0.01 miles W	
Sale Price	$ 1,846,090		$ 2,080,000		$ 1,955,000		$ 1,800,000
Sale Price/Gross Liv. Area	$ 1,135.36 sq. ft.	$ 1,053.7 sq. ft.		$ 958.33 sq. ft.		$ 1,107.0 sq. ft.	
Data Source(s)		MLSListings#ML81933503;DO		MLSListings#ML81933503;DO		MLSL#Builderdata;DOM 1	
Verification Source(s)		Doc#25523100		Doc#25523100		Doc# 25575734	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sale or Financing Concessions		ArmLth Conv;0		ArmLth Conv;0		ArmLth Conv;0	
Date of Sale/Time		s04/24;c03/24	0	s08/23;c07/23	0	s03/24;c03/24	0
Location	A;Res;BsyRd	A;Res;BsyRd		A;Res;BsyRd		A;Res;BsyRd	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
HOA Mo. Assessment	$325	$345	0	$375	0	$325	
Common Elements and Rec. Facilities	Greenbelts Maintenance	Greenbelts Maintenance		Greenbelts Maintenance		Greenbelts Maintenance	
Floor Location	1 & 2 & 3	1 & 2 & 3		1 & 2 & 3		1 & 2 & 3	
View	N;Res;	N;Res;		N;Res;		N;Res;	
Design (Style)	GR3L;Contempor	GR3L;Contempo		GR3L;Contempo		GR3L;Contempo	
Quality of Construction	Q4	Q4		Q4		Q4	
Actual Age	0	0		1	0	0	
Condition	C1	C1		C2	50,000	C1	
Above Grade Room Count (Total / Bdrms. / Baths)	7 / 2 / 2.1	5 / 3 / 3.1	-10,000	6 / 3 / 3.1	-10,000	7 / 2 / 2.1	
Above Grade			-20,000		-20,000		
Gross Living Area	1,626 sq. ft.	1,974 sq. ft.	-68,000	2,040 sq. ft.	-80,500	1,626 sq. ft.	
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA/Central AC	FWA/Central AC		FWA/Central AC		FWA/Central AC	
Energy Efficient Items	None	None		None		None	
Garage/Carport	2g;2ow	2g;2ow		2g;2ow		2g;2ow	
Porch/Patio/Deck	Patio/Porch	Patio/Porch		Patio/Porch		Patio/Porch	
Fireplaces	No Fireplace	No Fireplace		No Fireplace		No Fireplace	
Pool	No Pool	No Pool		No Pool		No Pool	
Options	$94,610	$111,353	0	$0	0	$92,212	0
Net Adjustment (Total)		☐ + ☒ -	$ -98,000	☐ + ☒ -	$ -60,500	☒ + ☐ -	$ 0
Adjusted Sale Price of Comparables		Net Adj. -5.0% Gross Adj. 5.0%	$ 1,982,000	Net Adj. -3.0% Gross Adj. 8.0%	$ 1,894,500	Net Adj. 0.0% Gross Adj. 0.0%	$ 1,800,000

SALES COMPARISON APPROACH

Summary of Sales Comparison Approach See Addendum. Comparables 4 - 6 do not have a sale or transfer within the prior 12 months. Comp 4 is a pending sale. No effect. Comparable 7 does not have a sale or transfer within the prior 12 months. No effect.

Indicated Value by Sales Comparison Approach $ 1,847,000

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent $ 0 X Gross Rent Multiplier 0 = $ 0 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) The income approach is not applicable as the neighborhood is predominantly an owner occupied area.

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 1,847,000 Income Approach (if developed) $ 0

The market approach provides the most reliable indicator for determining the subject's market value. The cost approach and income approach are not considered viable indicators for individual condominium units.

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: This appraisal report is subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed. Noted, no flooring or

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is $ 1,847,000 as of 05/29/2024 , which is the date of inspection and the effective date of this appraisal.

This report form is designed to report an appraisal of a unit in a condominium project or a condominium 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 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 complete visual inspection of the interior and exterior areas of the subject unit, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

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

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

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

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

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

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.

2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.

3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.

5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.

6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.

2. I performed a complete visual inspection of the interior and exterior areas of the subject property. 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).

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 Michael A. Yaklin
Company Name Michael Yaklin
Company Address PO Box 311
Redwood Estates, CA 95044
Telephone Number 4086659686
Email Address yaklinconsulting@gmail.com
Date of Signature and Report 06/07/2024
Effective Date of Appraisal 05/29/2024
State Certification # AR038712
or State License # _____
or Other (describe) _____ State # _____
State CA
Expiration Date of Certification or License 10/27/2025

ADDRESS OF PROPERTY APPRAISED
13188 Sepulveda Circle Unit # -
-, Los Gatos, CA 95032

APPRAISED VALUE OF SUBJECT PROPERTY $ 1,847,000

LENDER/CLIENT
Name First American Mortgage Solutions
Company Name BMO Bank N.A.
Company Address 1200 E. Warrenville Road
Naperville, IL 60563
Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____

Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY
☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES
☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Individual Condominium Unit Appraisal Report

N/A
File No. 91857146Xu

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 4		COMPARABLE SALE NO. 5		COMPARABLE SALE NO. 6	
Address and Unit #	13188 Sepulveda Circle -, Los Gatos, CA 95032	13180 Sepulveda Circle -, Los Gatos, CA 95032		13198 Sepulveda Cir -, Los Gatos, CA 95032		13209 Sepulveda Cir. -, Los Gatos, CA 95032	
Project Name and Phase	Belterra 28	Belterra 1		Bellaterra 1		Bellaterra 1	
Proximity to Subject		0.02 miles SE		0.01 miles NW		0.02 miles NW	
Sale Price	$ 1,846,090		$ 1,847,412		$ 1,800,000		$ 1,748,000
Sale Price/Gross Liv. Area	$ 1,135.36 sq. ft.	$ 1,136.1 sq. ft.		$ 1,107.0 sq. ft.		$ 1,075.0 sq. ft.	
Data Source(s)		MLSL#Builderdata;DOM Unk		MLSL#Builderdata;DOM 1		MLSL#Builderdata;DOM 1	
Verification Source(s)		REALIST		Doc# To Be Assigned		Doc# 25611917	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sale or Financing Concessions		Listing None;0	0 0	ArmLth Conv;0		ArmLth Conv;0	
Date of Sale/Time		c04/24	0	s12/23;c11/23	0	s03/24;c03/24	0
Location	A;Res;BsyRd	A;Res;BsyRd		A;Res;BsyRd		A;Res;BsyRd	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
HOA Mo. Assessment	$325	$325		$325		$325	
Common Elements and Rec. Facilities	Greenbelts Maintenance	Greenbelts Maintenance		Greenbelts Maintenance		Greenbelts Maintenance	
Floor Location	1 & 2 & 3	1 & 2 & 3		1 & 2 & 3		1 & 2 & 3	
View	N;Res;	N;Res;		N;Res;		N;Res;	
Design (Style)	GR3L;Contempor	GR3L;Contempo		GR3L;Contempo		GR3L;Contempo	
Quality of Construction	Q4	Q4		Q4		Q4	
Actual Age	0	0		0		0	
Condition	C1	C1		C1		C1	
Above Grade Room Count (Total / Bdrms. / Baths)	7 / 2 / 2.1	7 / 2 / 2.1		7 / 2 / 2.1		7 / 2 / 2.1	
Gross Living Area	1,626 sq. ft.	1,626 sq. ft.		1,626 sq. ft.		1,626 sq. ft.	
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA/Central AC	FWA/Central AC		FWA/Central AC		FWA/Central AC	
Energy Efficient Items	None	None		None		None	
Garage/Carport	2g;2ow	2g;2ow		2g;2ow		2g;2ow	
Porch/Patio/Deck	Patio/Porch	Patio/Porch		Patio/Porch		Patio/Porch	
Fireplaces	No Fireplace	No Fireplace		No Fireplace		No Fireplace	
Pool	No Pool	No Pool		No Pool		No Pool	
Options	$94,610	$91,202	0	$86,846	0	$0	0
Net Adjustment (Total)		[X] + [ ] -	$ 0	[X] + [ ] -	$ 0	[X] + [ ] -	$ 0
Adjusted Sale Price of Comparables		Net Adj. 0.0% Gross Adj. 0.0%	$ 1,847,412	Net Adj. 0.0% Gross Adj. 0.0%	$ 1,800,000	Net Adj. 0.0% Gross Adj. 0.0%	$ 1,748,000

ITEM	SUBJECT	COMPARABLE SALE NO. 4	COMPARABLE SALE NO. 5	COMPARABLE SALE NO. 6
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	Black Knight	Black Knight	Black Knight	Black Knight
Effective Date of Data Source(s)	05/29/2024	05/29/2024	05/29/2024	05/29/2024

Summary of Sales Comparison Approach: Comparables 4 - 6 do not have a sale or transfer within the prior 12 months. Comp 4 is a pending sale. No effect.

Individual Condominium Unit Appraisal Report

N/A
File No. 91857146Xu

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 7		COMPARABLE SALE NO. 8		COMPARABLE SALE NO. 9	
Address and Unit #	13188 Sepulveda Circle -, Los Gatos, CA 95032	831 Mist Flower Terrace 1, Sunnyvale, CA 94086					
Project Name and Phase	Belterra 28	Lavender 1					
Proximity to Subject		8.22 miles NW					
Sale Price	$ 1,846,090		$ 1,900,000		$		$
Sale Price/Gross Liv. Area	$ 1,135.36 sq. ft.	$ 1,077.7 sq. ft.		$ sq. ft.		$ sq. ft.	
Data Source(s)		MLSL#ML81960202;DOM 1					
Verification Source(s)		Doc# 25634459					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sale or Financing Concessions		ArmLth Conv;0					
Date of Sale/Time		s05/24;c04/24	0				
Location	A;Res;BsyRd	N;Res;	50,000				
Leasehold/Fee Simple	Fee Simple	Fee Simple					
HOA Mo. Assessment	$325	$360	0				
Common Elements and Rec. Facilities	Greenbelts Maintenance	Greenbelts Maintenance					
Floor Location	1 & 2 & 3	1 & 2	-50,000				
View	N;Res;	N;Res;					
Design (Style)	GR3L;Contempor	GR2L;Contempo	0				
Quality of Construction	Q4	Q4					
Actual Age	0	1	0				
Condition	C1	C2	50,000				
Above Grade Room Count (Total / Bdrms. / Baths)	7 / 2 / 2.1	7 / 4 / 2.1	-40,000	/ /		/ /	
Gross Living Area	1,626 sq. ft.	1,763 sq. ft.	-26,500	sq. ft.		sq. ft.	
Basement & Finished Rooms Below Grade	0sf	0sf					
Functional Utility	Average	Average					
Heating/Cooling	FWA/Central AC	FWA/Central AC					
Energy Efficient Items	None	None					
Garage/Carport	2g;2ow	2g;2ow					
Porch/Patio/Deck	Patio/Porch	Patio/Porch					
Fireplaces	No Fireplace	No Fireplace					
Pool	No Pool	No Pool					
Options	$94,610	$0	0				
Net Adjustment (Total)		☐ + ☒ -	$ -16,500	☐ + ☐ -	$	☐ + ☐ -	$
Adjusted Sale Price of Comparables		Net Adj. -1.0% Gross Adj. 11.0%	$ 1,883,500	Net Adj. 0% Gross Adj. 0%	$	Net Adj. 0% Gross Adj. 0%	$

ITEM	SUBJECT	COMPARABLE SALE NO. 7	COMPARABLE SALE NO. 8	COMPARABLE SALE NO. 9
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	Black Knight	Black Knight		
Effective Date of Data Source(s)	05/29/2024	05/29/2024		

Summary of Sales Comparison Approach: Comparable 7 does not have a sale or transfer within the prior 12 months. No effect.

Uniform Appraisal Dataset Definitions

N/A
File No. 91857146Xu

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.

Uniform Appraisal Dataset Definitions

N/A
File No. 91857146Xu

Abbreviations Used in Data Standardization Text

Abbrev.	Full Name	Appropriate Fields
ac	Acres	Area, Site
AdjPrk	Adjacent to Park	Location
AdjPwr	Adjacent to Power Lines	Location
A	Adverse	Location & View
ArmLth	Arms Length Sale	Sale or Financing Concessions
AT	Attached Structure	Design(Style)
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
B	Beneficial	Location & View
BsyRd	Busy Road	Location
cp	Carport	Garage/Carport
Cash	Cash	Sale or Financing Concessions
CtySky	City View Skyline View	View
CtyStr	City Street View	View
Comm	Commercial Influence	Location
c	Contracted Date	Date of Sale/Time
Conv	Conventional	Sale or Financing Concessions
cv	Covered	Garage/Carport
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
DOM	Days On Market	Data Sources
DT	Detached Structure	Design(Style)
dw	Driveway	Garage/Carport
Estate	Estate Sale	Sale or Financing Concessions
e	Expiration Date	Date of Sale/Time
FHA	Federal Housing Authority	Sale or Financing Concessions
g	Garage	Garage/Carport
ga	Garage - Attached	Garage/Carport
gbi	Garage - Built-in	Garage/Carport
gd	Garage - Detached	Garage/Carport
GR	Garden Structure	Design(Style)
GlfCse	Golf Course	Location
Glfvw	Golf Course View	View
HR	High Rise Structure	Design(Style)
Ind	Industrial	Location & View
in	Interior Only Stairs	Basement & Finished Rooms Below Grade
Lndfl	Landfill	Location
LtdSght	Limited Sight	View
Listing	Listing	Sale or Financing Concessions
MR	Mid-Rise Structure	Design(Style)
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
op	Open	Garage/Carport
o	Other	Basement & Finished Rooms Below Grade
O	Other	Design(Style)
Prk	Park View	View
Pstrl	Pastoral View	View
PwrLn	Power Lines	View
PubTrn	Public Transportation	Location
rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RT	Row or Townhouse	Design(Style)
RH	Rural Housing - USDA	Sale or Financing Concessions
SD	Semi-detached Structure	Design(Style)
s	Settlement Date	Date of Sale/Time
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
sqm	Square Meters	Area, Site, Basement
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
wu	Walk Up Basement	Basement & Finished Rooms Below Grade
WtrFr	Water Frontage	Location
Wtr	Water View	View
w	Withdrawn Date	Date of Sale/Time
Woods	Woods View	View

Other Appraiser-Defined Abbreviations

Abbrev.	Full Name	Appropriate Fields	Abbrev.	Full Name	Appropriate Fields

ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		

NEIGHBORHOOD DESCRIPTION

The subject is located in an attached condominium development known as Belterra in the city of Los Gatos.

DESCRIPTION OF IMPROVEMENTS FOR THE SUBJECT RESIDENCE

The residence is a single family, three story condominium. The floor plan is typical for the neighborhood. There are no functional inadequacies unless otherwise indicated herein.

The Subject's Condominium project, associated grounds, and building do not appear to have any features characteristic of a hotel or motel. However, the Lender is strongly encouraged to review all of the Condo project documents in order to verify the Subject's eligibility for secondary market financing.

The subject's utilities were NOT on and operational at the time of inspection. CO/Smoke detectors are installed at all locations required by CA Law were on and operational at the time of inspection. It was noted at the time of inspection that the tankless water heater was attached as it is required per lender instructions.

COST APPROACH

The Cost Approach is not applicable to this appraisal.

DESCRIPTION OF IMPROVEMENTS FOR THE SUBJECT RESIDENCE

Additional Features
The subject features contemporary architectural styling and construction composed of average quality materials, workmanship and detailing. The subject property features a gourmet style kitchen with average quality appliances and the features, wood and stone work, and built-ins commensurate with average quality construction.

Subject exterior has stucco/Hardiboard/Wood siding, TPO roof, concrete porch, and a two car garage. Main living room has unknown flooring. The baths have unknown flooring, shower, and unknown counters and tub/shower combo. The kitchen features unknown flooring, unknown counters, gas stove/oven, disposal, dishwasher and cabinets. The bedrooms have unknown flooring and closets.

Condition of the Property
The subject property is not affected by functional or external obsolescence. The condition rating of the subject property is judged to be "new" with No typical wear of short lived items such as carpeting, drywall, doors, and other replaceable items, due to being new construction. No physical deficiencies were noted at the time of original inspection. Subject was noted to be conforming to the market area.

Physical Deficiencies or Conditions
Unless specifically noted, this appraisal is based on the special assumption that the subject does not have any structural or mechanical defects. It is assumed that all mechanical equipment and appliances are in satisfactory working condition, unless otherwise noted, and that the electrical/plumbing systems are also adequate, unless otherwise noted. The appraisers are not experts in these areas (not licensed or qualified home inspectors) and have not tested the subject to ensure that all of the above is in working condition. The pest control report (or termite report) and home inspection report, if any, were not provided to the appraisers. The appraisers are not experts in these fields and have not tested the subject in these regards.

The subject value indication is based on the assumption that there are no unapparent environmental problems, no soil structure problems or unapparent or unstated externalities adversely affecting the subject property. The appraiser is not trained to detect or identify environmental or soil problems. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions including mold which would affect the property negatively unless otherwise stated in this report. It is possible that a qualified expert(s) would detect such conditions and that if such conditions were detected, they could adversely affect the value indication of the subject property.

Site Comments
No adverse site conditions were noted during the inspection of the subject property. See the preliminary title report for any adverse conditions, easements or other site factors of public record. The preliminary title report was not reviewed as a part of this appraisal.

FEMA FLOOD DATA: Readers and users of this appraisal must note that the FEMA flood hazard information noted herein (in regards to the subject) cannot be guaranteed by the appraisers. The appraisers are not qualified experts in the determination of flood hazards and make no representation as to the FEMA flood zones or the necessity of flood insurance for the subject. The reader/user is advised to obtain a separate independent Flood Certification for the subject, if so desired.

MARKET APPROACH
Comments on Sales Comparison
The sales comparison approach is based on the principle of substitution which is defined by the Appraisal Institute as follows: "The principle of substitution as applied in the sales comparison approach holds that thevalue of a property that is replaceable in the market tends to be set by the cost of acquiring an equally substitute property." This principle is applied using accepted methods of paired sales analysis, when possible,and by applying adjustments to generally accepted units of comparison.
NO ADJUSTMENT WAS MADE FOR AGE OR TOTAL ROOM COUNT. AGE OR TOTAL ROOM COUNT, PER SE, ARE NOT FACTORS CONSIDERED IN THE NEGOTIATION OF THE SALES PRICE. RATHER THE EXTENT OF REMODELING, QUALITY OF FINISH, AND GROSS LIVING AREA ARE THE PREDOMINATE FACTORS. FURTHER ADJUSTMENTS WERE MADE AS NEEDED.

QUALITY OF CONSTRUCTION:
Comparables were not given adjustments due to being similar in quality of construction to the subject property. It was indicated to the appraiser through market analysis, matched pair study, a review of available MLS information and the external viewing of the comparables that properties having a lower improvement price per square foot are inferior in quality of construction compared to properties having a higher improvement price per square foot (everything else being equal). Based on this information the appraiser made the appropriate adjustments.

CONDITION:
Comparables 2 and 7 were given a positive adjustment due to their inferior condition and/or upgrades. It was indicated to the appraiser through market analysis, matched pair study, a review of MLS information, interviews with local real estate brokers and the external viewing of each comparable that properties having a lower improvement price per square foot are inferior in condition and/or upgrades in comparison to properties having a higher improvement price per square foot (everything else being equal). Adjustments based on research conducted.

It was noted that comps# 1 and 2 are over 20% larger in GLA than the subject. Comps are within the subjects market area.

A methodical twelve month search of the subject's market area was performed for recent comparable sales that have occurred. This data is then analyzed to determine which of the properties are deemed to be the most similar to the subject in terms of location, age, GLA, lot size, amenities and room configuration. The search produced a sufficient amount of data to provide for a reasonable analysis and determination of a value indication that can be applied to the subject property.

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		

Due to the lack of comps it was necessary to use comparable sales from a competing Condo project. It was noted there was minimal differences exist between the Subject competing project and the competing project. The differences do not affect marketability of the subject.

Due to the lack of comparables, Parameters used for the sales comparison was within the prior 12 months from the effective date, within a 8.25 mile radius for comps 1-7 within 20% GLA difference for comp with similar style and utility. (See comments above) Comparables in report were best and most comparable properties with least amount of adjustments available at time of effective date of appraisal, any other more recent comparable properties available at time of appraisal would have been included in report. Noted there are no resale comparables from the subject project.

SALES FINAL RECONCILIATION: Comp 1 is given the most weight with a similar GLA, location and similar lot size, with Comp 4 listing providing further support to value showing current market conditions as of the effective date. All the comps are considered the best available and most similar to the subject. All the comps support final reconciled value well. There is a very limited number of similar properties as the subject which have sold within the previous 6 months in the subject's neighborhood. Comps included in the appraisal are the most similar and best available properties at the time of the report.

Comp 1 is noted to be similar location, similar quality and condition, noted to have superior bath count and superior GLA. No Improvements or remodeling noted as the property is new construction, comparable noted to be similar to the subject from front exterior inspection. Comp was noted as having minimal amount of NET ADJUSTMENTS. Comparable was given the most weight.

Comp 2 was noted to be similar quality and inferior condition as noted per MLS photos with superior bath count and superior GLA. Improvements noted per MLS "kitchen with textured cabinetry and Bosch appliances, large quartz slab island with wine cooler, three primary bedrooms, luxurious baths, and Oak hardwood floors." Comp is given less weight due to having superior characteristics, comparable used to bracket the subject.

Comp 3 was noted to be similar quality and condition as noted per MLS photos noted the property to have similar GLA. No Improvements or remodeling noted as the property is new construction, comparable noted to be similar to the subject from front exterior inspection. Comp is given less weight due to having inferior charecteristics, comparable used to bracket the subject.

Comp 5 was noted to be similar quality and condition as noted per MLS photos noted the property to have similar GLA. No Improvements or remodeling noted as the property is new construction, comparable noted to be similar to the subject from front exterior inspection. Comp is given less weight due to having inferior improvements/charecteristics, comparable used to bracket the subject.

Comp 6 was noted to be similar quality and condition as noted per MLS photos noted the property to have similar GLA. No Improvements or remodeling noted as the property is new construction, comparable noted to be similar to the subject from front exterior inspection. Comp is given less weight due to having inferior improvements/charecteristics , comparable used to bracket the subject.

Comp 7 was noted to be inferior location with similar quality and inferior condition as noted per MLS photos noted the property to have inferior design, superior bedroom count and superior GLA. Per MLS it was noted upgrades including countertops, shower Enclosures at master bathroom, luxury vinyl plank. New installed window blinds, owner owned solar panels. Comp is given less weight due to having inferior charecteristics, comparable used to bracket the subject.

Salient market factors most important to the typical buyer in purchasing were lot size, GLA, and condition and was the most considered factors in the final determination of value.
The comparables are adjusted as follows:
LOCATION:
Comparable 5 was given a positive adjustment due to its slightly inferior location. It was indicated to the appraiser through market analysis and matched pair study, as well as interviews with local real estate brokers that properties located adjacent to or in close proximity to schools, siding or backing busy neighborhood thoroughfares or freeways or RR Tracks, or backing commercial properties suffer from external obsolescence due to increased traffic noise and demand lower prices on the open market. Based on this information the appraiser made the appropriate adjustment.

DESIGN:
Comparable 7 is given a negative adjustment due to being a two story superior style properties. It was indicated to the appraiser through a market analysis, that two townhouse style properties demand slightly higher prices on the open market in comparison to four story properties.

ROOM #:
The appraiser has taken variances in total room count and bedroom count into consideration in the SIZE section of this report. The appraiser has done so as to not make duplicate adjustments when determining additional size value. (Bedrooms = $20,000, Bath = $10,000, 1/2 Bath = $5,000)

SIZE:
Adjustments based on $195.00 per additional square foot of gross living area determined by market analysis and matched pair study. (Adjustments rounded to the nearest $500).

LISTING RATIO:
Comparable 4 was given no adjustment due to the sales to listing ratio being 100%. Adjustment based on 1004MC, market analysis and matched pair study which included interviews with local real estate brokers to determine the difference in median sales price as a percentage of listing price.

OTHER ADJUSTMENTS:
All other improvement adjustments are based on Market Analysis. All sales verified through public records, First American Real Estate Solutions, Fidelity National Title, NDC Data and/or MLS as per USPAP requirements. This is considered a complete appraisal report.

Other amenities/features adjustments were applied as appropriate and are self-evident; such as pool amenities and levels of updating/remodeling. These adjustments are based on paired sales analysis whenever possible.

Note: Adjustments are not applied for inconsequential items that do not have a significant impact on value. In the subject's value range, these minor items are inconsequential as the buyer typically is interested in the size and utility of the parcel, the living area and utility of the improvements, the location and the amenities. Items such as patios or decks are a matter of personal preference and are not given an adjustment in this appraisal.

The appraisal analysis of the subject property was performed after the date of the physical inspection as stated on page three of Form 1073. This Appraisal conforms to all of the Uniform Standards of Professional Appraisal Practice (USPAP) as required by the Appraisal Foundation and the California State Office of Real Estate Appraisers.

The indicated value of the subject property may be above or below the predominant value for the area. The subject's market area has a wide range of sizes, designs and qualities of properties, which produces a wide range of prices. The subject property is neither an under-improvement nor an over-improvement unless specifically noted on the first page of this report as not generally conforming to the neighborhood. The subject property being below or above the predominant value of its market area has no affect on its appeal, marketability or value.

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

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		

Additional Information and Conditions of the Appraisal:
All sales are confirmed closed by at least two of the following sources: the Multiple Listing Service for the subject area, Realist or title companies serving the subject county.

HIGHEST AND BEST USE ANALYSIS: THE EXISTING USE SUPPORTS THE FOUR FUNCTIONS OF HIGHEST AND BEST USE BOTH AS VACANT AND AS IMPROVED. THE CURRENT USE IS PHYSICALLY POSSIBLE, LEGALLY PERMISSIBLE, FINANCIALLY FEASIBLE AND IS THE MOST PRODUCTIVE USE OF THE SITE.

The Multiple Listing Service is the primary source for information for the comparable sales. Sales prices that are not in increments of $500 are not displayed correctly in public records as the amount shown is based in tax stamps, which is rounded up to the nearest $500. Property information is frequently incorrect in public records, and some counties do not update county records to reflect the current size and configuration of a property, irregardless of whether a permit was obtained. Due to a well documented unreliability of public records in determining the true configuration of the comparable sales, the Multiple Listing Service is used as the primary source for bedroom and bathroom counts, in addition to gross living area. Due to the potential liability faced by Realtors for incorrectly stating the particulars of a property, the Multiple Listing Service was deemed the most reliable source.

COMPETENCY STATEMENT: The appraisers and Real Property Valuation Services have analyzed and appraised the subject's property type before. The appraisers and Real Property Valuation Services possess the necessary knowledge and experience to complete this report in conformity with the competency provision of USPAP. The appraisers and Real Property Valuation Services accept full and complete responsibility for the appraisal report.
SELF CONTAINMENT:
This report is a Appraisal report containing the information necessary to enable the reader to understand the appraiser opinion. Any third party studies referred to, such as pest, hazardous materials or structural reports have been verified by the appraiser to the extent of the assumptions and conclusions used.

PERSONAL PROPERTY:
Any personal property involved in the transaction, such as but not limited to refrigerator and washer and dryer, has been excluded from the valuation of the real property and no value given. Should a transaction, which includes personal property of sufficient value to affect the market value of the real property, be evident, a separate assessment of the personal property fixtures or intangible items will be identified and included with the report as a separate valuation.

DIGITAL SIGNATURE:
This appraisal is digitally signed. This digital signature requires a security password known only by me, Michael A. Yaklin. No changes can be made to any portion of the appraisal once it has been digitally signed. The digital signature used on this appraisal is an accurate representation of my signature. The full and complete appraisal was delivered electronically, in digital form. It is deemed a legal document as recognized by OREA.

Per the 2021-2022: When exposure time is a component of the definition for the value opinion being developed, the appraiser must also develop an opinion of reasonable exposure time linked to that value oponion. The definition of Market Value on the form, provided by Fannie Mae includes reference to reasonable exposure time. Standards Rule 2-2 (a)(v),2-2 (b)(v) and 2-2 (c)(v) has added the language requiring that the opinion of exposure time, when developed in compliance with Standards Rule 1-2(c), be stated in the report.

Measurements were obtained using the ANSI method. Finished square footage calculations for this house were made based on exterior measured dimensions only. The subject property was measured by the appraiser at the time of inspection. The county's assessors' records may show the same, a larger, or a smaller improvement size, however the actual measured size was utilized for the purposes of this appraisal. Public records often maintain outdated data or, in the case of new construction, non-finalized, pre-construction estimated improvement sizes.

LIMITING CONDITIONS
I am not a licensed building contractor or professional building inspector. I am not qualified to survey or analyze physical items that are not readily visible. If any of the parties in this transaction have questions or concerns regarding any mechanical or structural physical problems, conditions, infestation, contamination, mold, or other issues regarding the subject property, an expert in that field or specialty should be consulted.

RECONCILIATION
The income approach was not necessary and has not been developed. The cost approach was not developed at the request of the client. The appraiser does not consider the cost approach to be a meaningful methodology in a residential market value assignment but the resulting indications do tend to corroborate the results of the sales comparison method.

PURPOSE and FUNCTION (INTENDED USE) OF REPORT: The purpose of this report is to determine an opinion of market value of the subject property. 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 a mortgage finance transaction, 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.

REAL PROPERTY INTEREST DEFINED: A Fee Simple interest is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." [The Dictionary of Real Estate Appraisal,3rd Ed.]

I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

A fee of $400 was charged in order to undertake this appraisal assignment.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to theparties involved. My compensation is not contingent on an action or event resulting from the analysis, opinion or conclusions in, or the use of, this review report. My analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

No employee, director, officer or agent of the lender, or any other third party acting as a joint venture partner, independent contractor, appraisalmanagement company, or partner in behalf of the lender has influenced or attempted to influence the development, reporting, result or review of this assignment through coercion extortion, collusion, compensation, instruction, inducement, intimidation, bribery or in any other manner. I have not been contacted by anyone other than the intended user (lender/client as identified on the first page of the report), borrower or designated contact to make an appointment to enter the property. I agree to immediately report any unauthorized contacts either personally byphone or electronically to vendor management.
Market Analysis Comments
IN SUPPORT OF THE ANALYSIS OF THE OVERALL SUBJECT NEIGHBORHOOD OR MARKETING AREA PRESENTED IN THE NEIGHBORHOOD SECTION OF THE ATTACHED APPRAISAL REPORT, THE APPRAISER HAS ANALYZED DATA RELEVANT TO PROPERTIES DETERMINED TO BE COMPARABLE TO, OR COMPETING WITH, THE SUBJECT PROPERTY. THIS ANALYSIS INCLUDES CLOSED SALES, PENDING SALES, AND LISTINGS.

SUCH FINDINGS ARE CONSISTENT WITH A STABLE CORRECTING MARKET.

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
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THE APPRAISER NOTES THAT SEVERAL FACTORS APPEAR TO SIGNIFICANTLY REDUCE THE RELIABILITY OF THE STATISTICAL DATA PRESENTED IN THIS ADDENDUM. FIRST, THE SUBJECT'S MARKET CONSISTS OF A HETEROGENEOUS MIX OF RESIDENTIAL PROPERTIES THAT VARY WIDELY IN AGE, UPDATING, VIEW AMENITIES, SITE UTILITY, OFFSTREET PARKING AND OTHER KEY AMENITY FACTORS TYPICALLY NOT CRITICAL IN MANY MORE UNIFORM MARKETS. THUS, THE RELATIVELY LIMITED NUMBER OF SALES AND LISTINGS AVAILABLE FOR THIS ANALYSIS, IN COMBINATION WITH THE HIGHLY HETEROGENEOUS NATURE OF THIS RESIDENTIAL MARKET, APPEAR TO SIGNIFICANLY REDUCE STATISTICAL RELIABILITY.

SECOND, THE REQUIREMENT TO SELECT ONLY THOSE LISTINGS AND SALES THAT ARE DETERMINED TO BE COMPARABLE TO, OR COMPETITIVE WITH, THE SUBJECT PROPERTY FURTHER REDUCES THE NUMBER OF DATA POINTS AVAILABLE FOR ANALYSIS. IN ADDITION, IT IS NOT POSSIBLE TO PROGRAM LOCAL MLS SEARCHES TO ACCURATELY ACCOUNT FOR SOME OF THE KEY AMENITY FACTORS NOTED ABOVE, SUCH AS UPDATING AND SITE UTILITY. EVEN SOME OF THE MOST CRITICAL CRITERIA NECESSARY FOR BRACKETING COMPARABLE PROPERTIES, SUCH AS GROSS LIVING AREA, ARE NOT AVAILABLE FOR A LARGE PERCENTAGE OF THE MLS LISTINGS IN SOME MARKETS, REQUIRING A BRACKETING BY PRICE TO
APPROXIMATE ANY SORT OF COMPARABLE RANGE.

THUS, ALTHOUGH THE STATISTICAL DATA IN THIS ADDENDUM IS CONSIDERED IN THE APPRAISER'S ANALYSIS OF THE SUBJECT'S NEIGHBORHOOD OR MARKETING AREA, ITS REDUCED STATISTICAL RELIABILITY RELEGATES ITS USE TO SUPPLEMENTAL SUPPORT FOR THE DATA AND CONCLUSIONS PRESENTED UNDER "MARKET CONDITIONS" IN THE NEIGHBORHOOD SECTION OF THIS REPORT.
06/07/2024

Revision Request:

1. Provide one condo sale from outside of the subjects condo project or provide a resale from within the condo project. - Added new comp#7.

2. Comps #1 and 3 closed within the prior 90-days, most similar in condition and GLA to subject with comp #3 having no adjustments. Request further comments on why comp #2, a dated sale at 10-months, interior in condition and superior in GLA was given the most weight. Re-analyze final reconciliation comments. - Revised comments page 11.

3. Subject and comp #3 are two-bedroom floors plans. Appears the market (from secondary market sources), recognizes an adjustment between two-bedroom and three-bedroom floor plans. Please provide additional commentary. - Revised comps for differences in bedroom count.

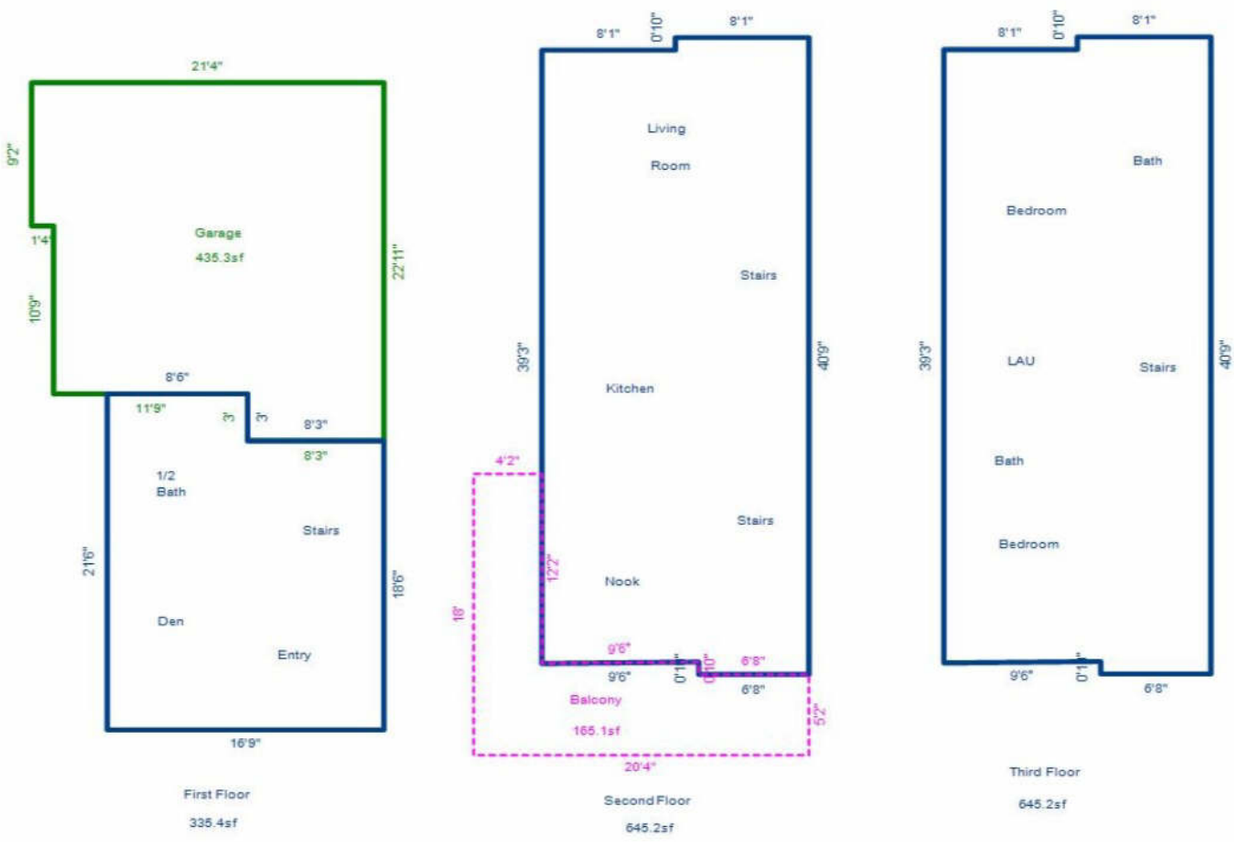
4. Page 3 of 1073 states utilities are not on, however the Text Addendum states they were on an operational. Correction needed. - Revised comments page 10.

5. Request revision to Text Addendum comments under headings Condition of Property as they do not all pertain to subjects new condo construction. (condition rating of average, effective age less than its actual age, etc.) - Revised comments page 10.

6. Additional two-bedroom sales for consideration: 13198 Sepulveda Cir. COE 12/31/2023 and 13209 Sepulveda Cir. COE 3/31/2024.- Added to OA report comps 5 and 6.

FLOORPLAN SKETCH

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
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Sketch by ApexSketch

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GLA1	First Floor	1.0	335.4	76.5	335.4
GLA2	Second Floor	1.0	645.2	113.9	645.2
GLA3	Third Floor	1.0	645.2	113.9	645.2
GAR	Garage	1.0	435.3	88.5	435.3
P/P	Balcony	1.0	165.1	76.7	165.1
	Net LIVABLE	cnt	3	(rounded)	1,626

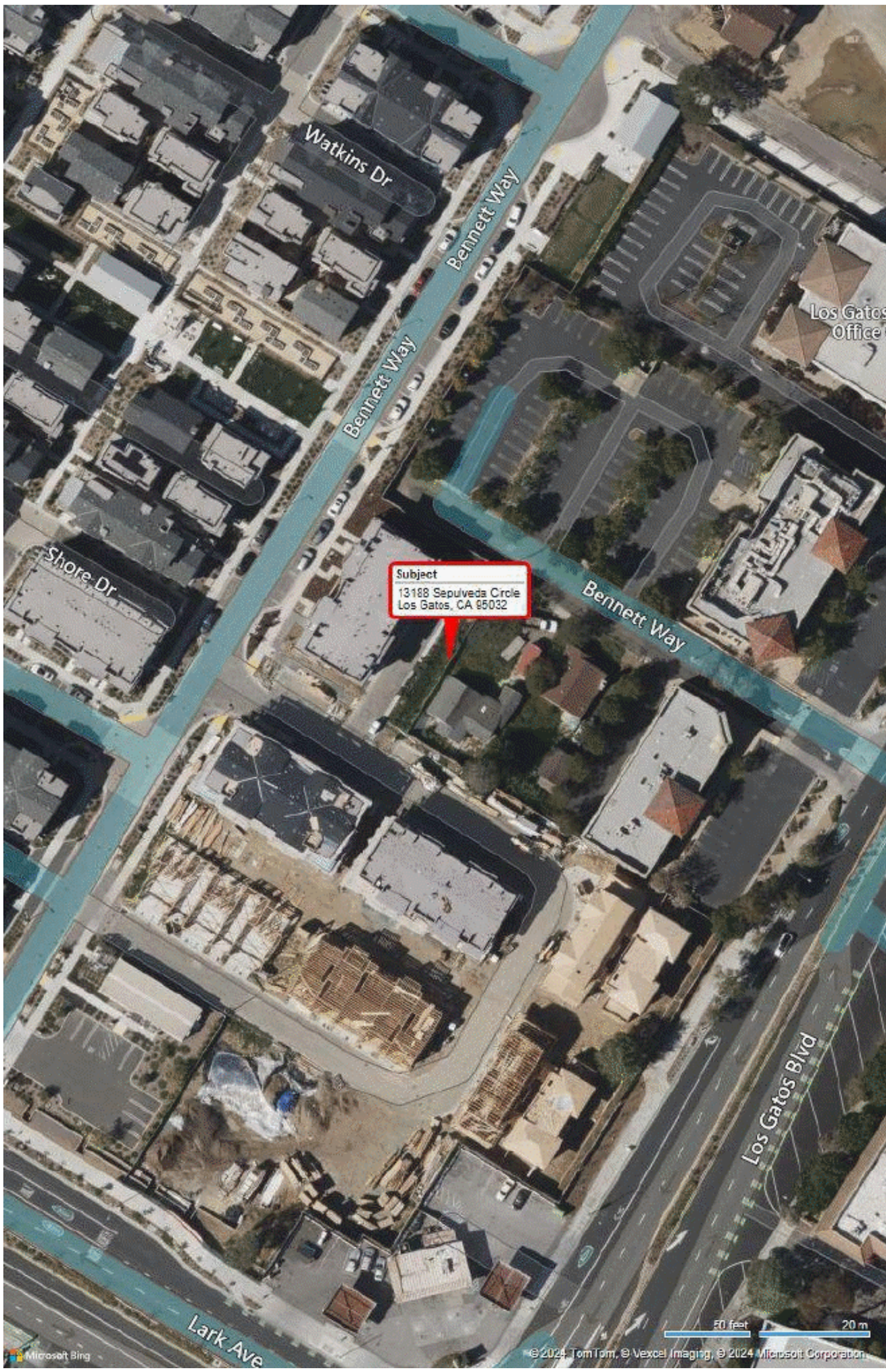
AREA CALCULATIONS BREAKDOWN

Name	Base	x	Height	x	Width	=	Area
First Floor			18.5	x	16.8	=	309.9
			8.5	x	3.0	=	25.5
Second Floor			8.1	x	0.8	=	6.5
			39.2	x	16.2	=	632.9
	0.5	x	9.5	x	0.1	=	0.5
			6.7	x	0.8	=	5.3
Third Floor			8.1	x	0.8	=	6.5
			39.2	x	16.2	=	632.9
	0.5	x	9.5	x	0.1	=	0.5
			6.7	x	0.8	=	5.3
10 total items					(rounded)		1,626

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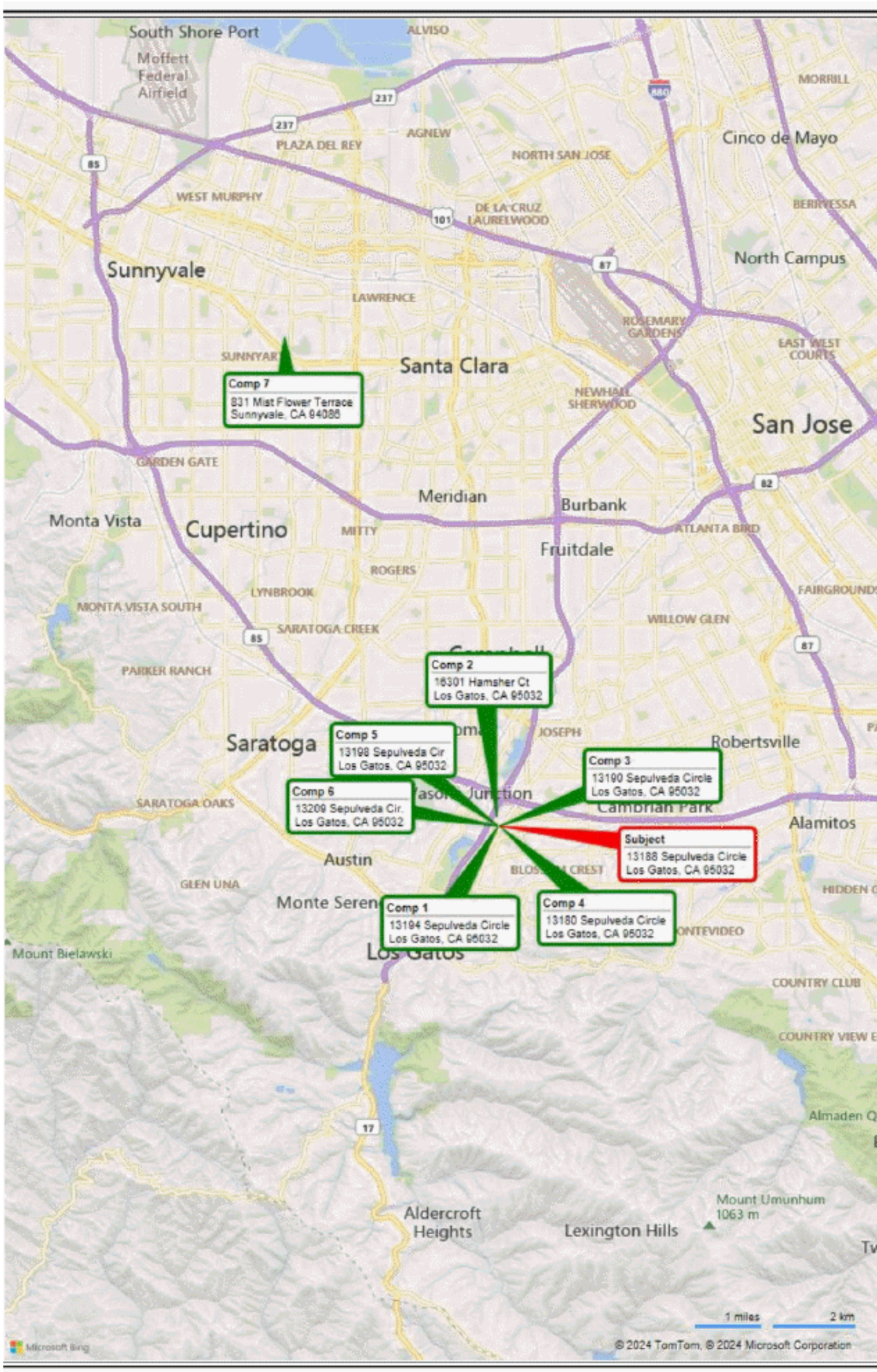
AERIAL MAP

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
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LOCATION MAP

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
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PLAT MAP

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FLOOD MAP

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
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Lender: BMO Bank N.A.		



Flood Map Legends

Flood Zones

- Areas inundated by 100-year flooding
- Areas inundated by 500-year flooding
- Areas of undetermined but possible flood hazards
- Floodway areas with velocity hazard
- Floodway areas
- COBRA zone

Flood Zone Determination

In Special Flood Hazard Area (Flood Zone):	Out
Within 250 ft. of multiple flood zones?	Not within 250 feet
Community:	060343
Community Name:	LOS GATOS, TOWN OF
Map Number:	06085C0377H
Zone: X500	Panel: 0377H Panel Date: 05/18/2009
FIPS Code: 06085	Census Tract: 5068.01

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Michael Yaklin

Market Conditions Addendum to the Appraisal Report

N/A

File No. 91857146Xu

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 13188 Sepulveda Circle City Los Gatos State CA Zip Code 95032

Borrower Yue Xu/Zheyuan Ding

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.

MARKET RESEARCH & ANALYSIS

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend
Total # of Comparable Sales (Settled)	8	1	1	[ ] Increasing [ ] Stable [X] Declining
Absorption Rate (Total Sales/Months)	1.33	0.33	0.33	[ ] Increasing [X] Stable [ ] Declining
Total # of Comparable Active Listings	1	1	1	[ ] Declining [X] Stable [ ] Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.75	3.03	3.03	[X] Declining [ ] Stable [ ] 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	1,833,000	1,841,000	1,856,000	[ ] Increasing [X] Stable [ ] Declining
Median Comparable Sales Days on Market	23	40	59	[X] Declining [ ] Stable [ ] Increasing
Median Comparable List Price	1,839,000	1,846,000	1,862,000	[ ] Increasing [X] Stable [ ] Declining
Median Comparable Listings Days on Market	17	46	19	[ ] Declining [X] Stable [ ] Increasing
Median Sale Price as % of List Price	100.00%	100.00%	100.00%	[ ] Increasing [X] Stable [ ] Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent? [X] Yes [ ] No				[ ] Declining [X] Stable [ ] 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.).

Seller concession trends in the past 12 months are 1% to 3% of the buyers closing costs. This is typical for the area and does not affect the market value.

Are foreclosure sales (REO sales) a factor in the market? [ ] Yes [X] No If yes, explain (including the trends in listings and sales of foreclosed properties).

Foreclosures have an adverse affect on values. Aggressively priced REOs are selling at or above their list prices. Foreclosures do not have an adverse affect on marketability beyond their adverse impact on values in general. No exact figures are available through the Multiple Listing Service.

Cite data sources for above information. Data Sources: MLS ID = 76, State = California, MLS Board = ProMLS - Matrix

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.

There were a total of 10 Comparable Settled Sales in the past 12 months. The Median Sales Price for the prior 7-12 months was $1,833,000 and for the current to prior 3 months is $1,856,000. The Months Supply for the prior 7-12 months was 0.75 and 12.12 for the current to prior 3 month period. The Median Days on Market for the prior 7-12 months was 22.5 and 59 for the current to prior 3 month period. The statistics above were generated from an exported MLS market search. Details regarding the calculations and process can be found online at http://www.bradfordsoftware.com/1004mc/calc.shtml

CONDO / CO-OP PROJECTS

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

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend
Total # of Comparable Sales (Settled)	7	1	1	[ ] Increasing [ ] Stable [X] Declining
Absorption Rate (Total Sales/Months)	1.17	0.33	0.33	[ ] Increasing [ ] Stable [X] Declining
Total # of Active Comparable Listings	1	1	4	[ ] Declining [ ] Stable [X] Increasing
Months of Unit Supply (Total Listings/Ab. Rate)	0.85	3.03	12.12	[ ] Declining [ ] Stable [X] Increasing

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

Foreclosures have an adverse affect on values. Aggressively priced REOs are selling at or above their list prices. Foreclosures do not have an adverse affect on marketability beyond their adverse impact on values in general. Foreclosures generally consist of 0-10% of the market. No exact figures are available through the Multiple Listing Service.

Summarize the above trends and address the impact on the subject unit and project. Detailed analysis of MLS data was performed to determine the above conclusions including perusal of a significant number of individual MLS property summaries. Current market data suggests that based on the most recent closed sales, the market appears to be at the bottom of this price correction cycle with signs of price stabilization and some retracement of price declines. Some fluctuations in various indicators on the above grid are due to one, two or a small amount of sales that skew the data and are not representative of the overall market, but rather indicative of the results of analyzing a limited data set. Seasonal factors have impacted the current quarter's lower sales rate. The available data sources are not able to provide historical active listings. The only report available is the number of current active listings. To be accurate, any historical listing information would

APPRAISER

APPRAISER

Signature _____

Name Michael A. Yaklin

Company Name Michael Yaklin

Company Address PO Box 311

Redwood Estates, CA 95044

State License/Certification # AR038712 State CA

Email Address yaklinconsulting@gmail.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____

Name _____

Company Name _____

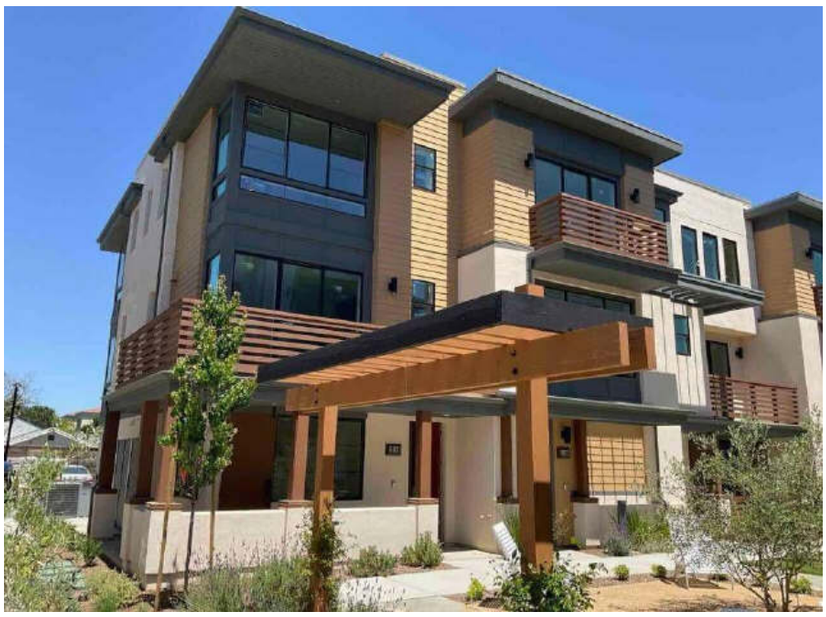
Company Address _____

State License/Certification # _____ State _____

Email Address _____

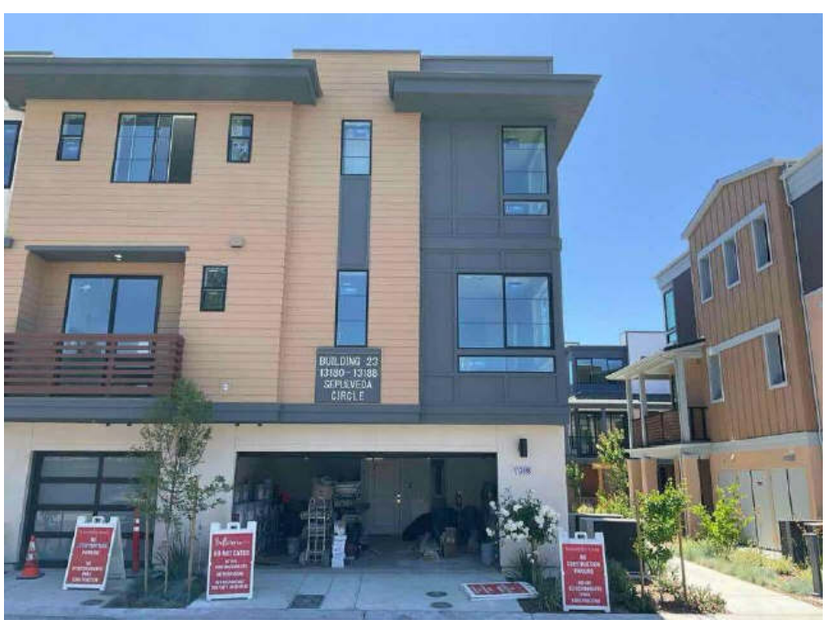
SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
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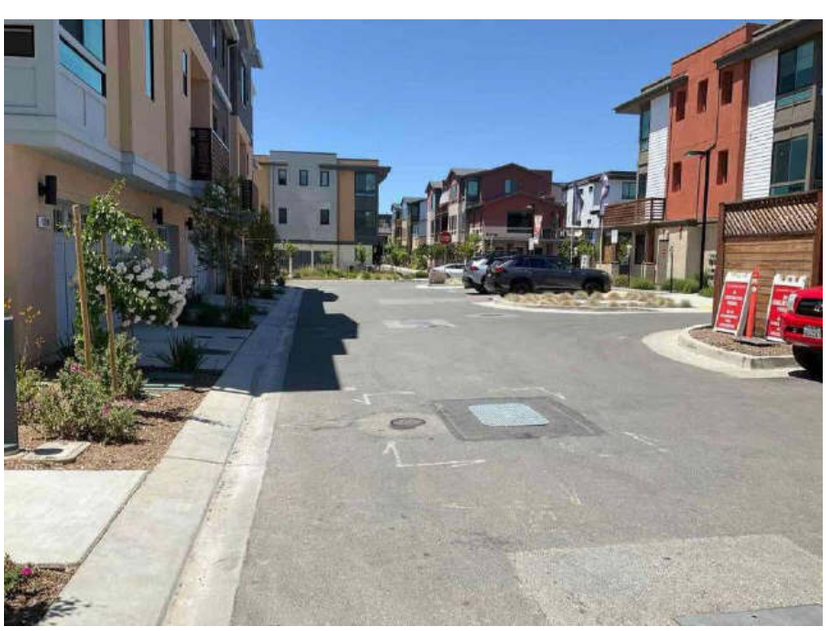


FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date:
Appraised Value: $



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

SUBJECT PHOTO ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
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Subject Address



Front Photo



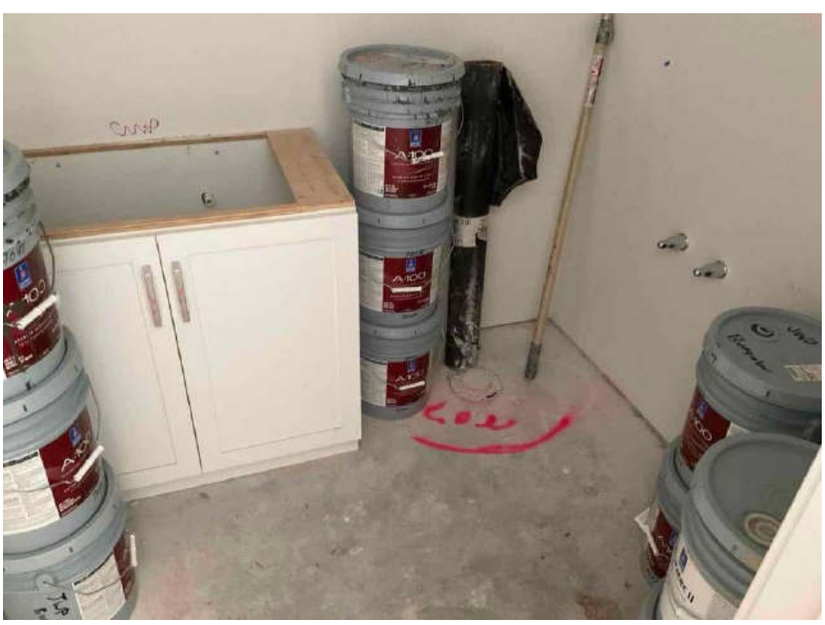
Garage Interior

SUBJECT PHOTO ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
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Tankless W/Heater



1/2 Bath



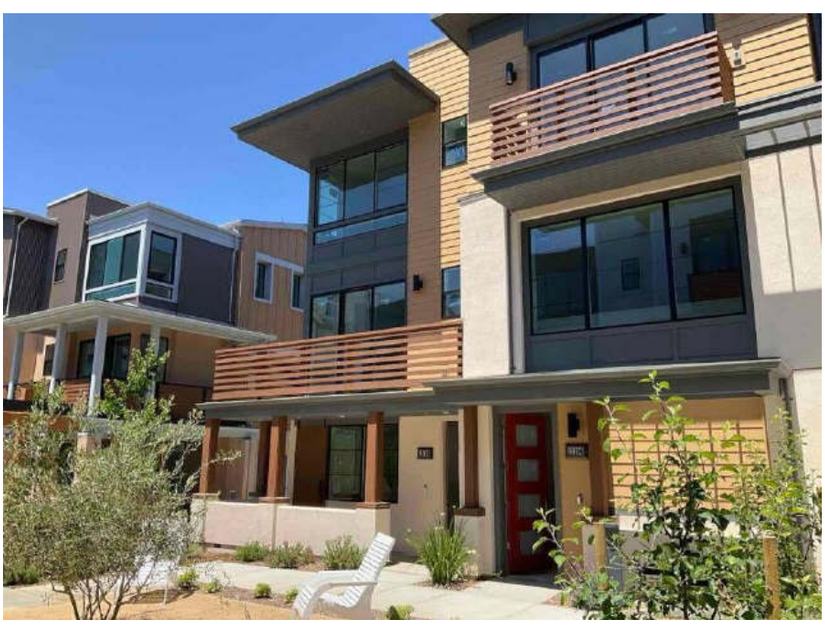
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SUBJECT PHOTO ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		



CO/Smoke Detector



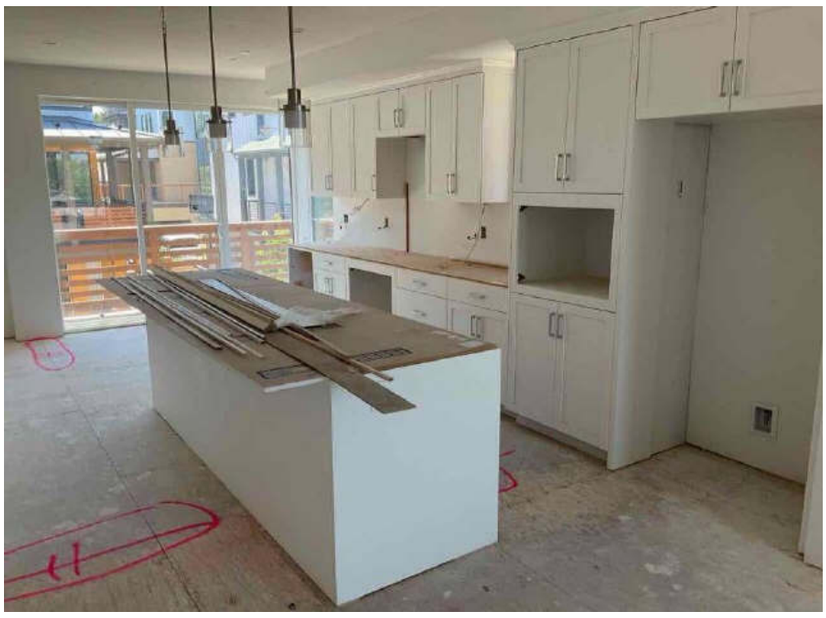
Right Side



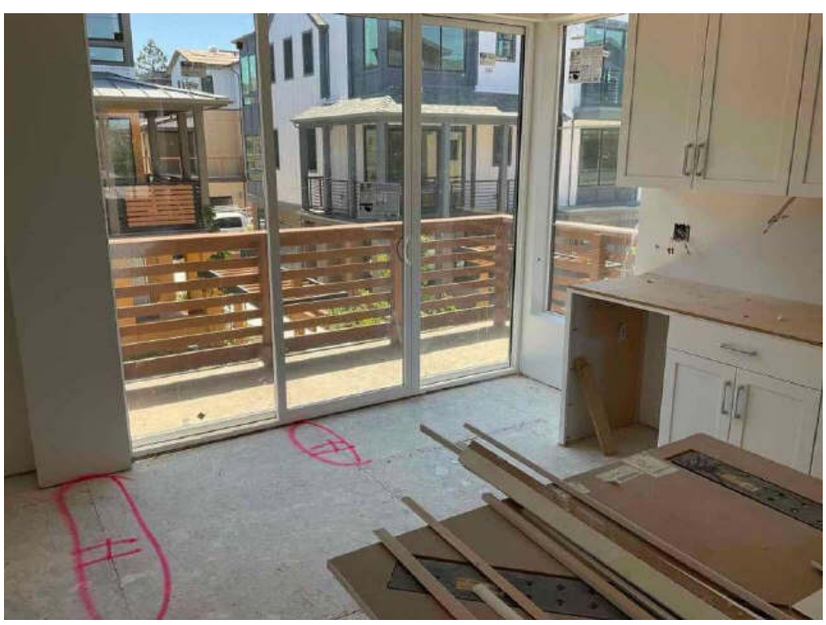
Living Room

SUBJECT PHOTO ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		



Kitchen



Nook



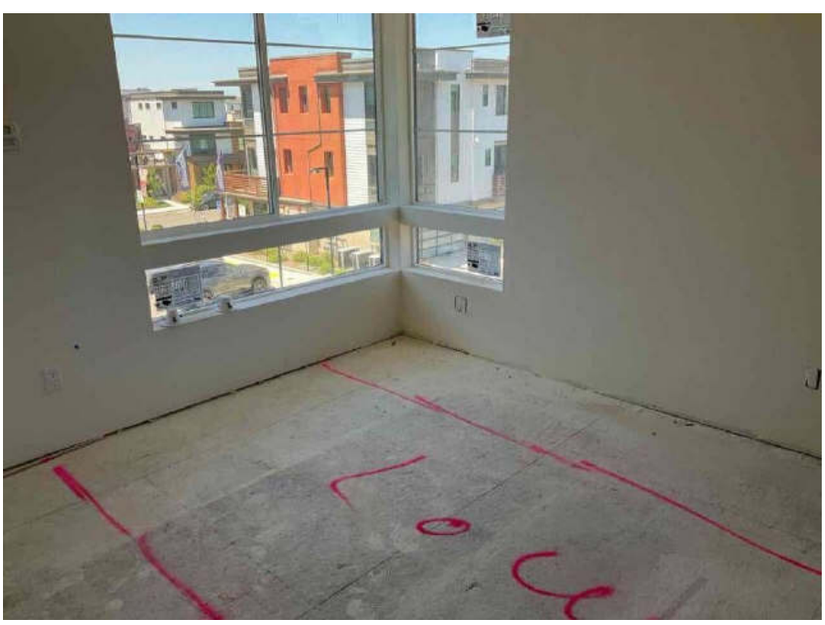
Additional Living Room Photo

SUBJECT PHOTO ADDENDUM

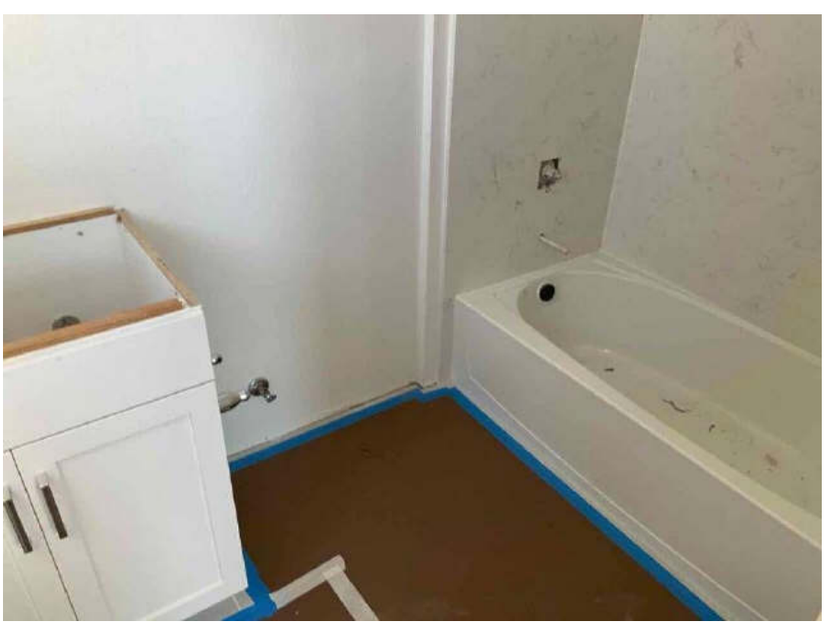
Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		



CO/Smoke Detector



Bedroom



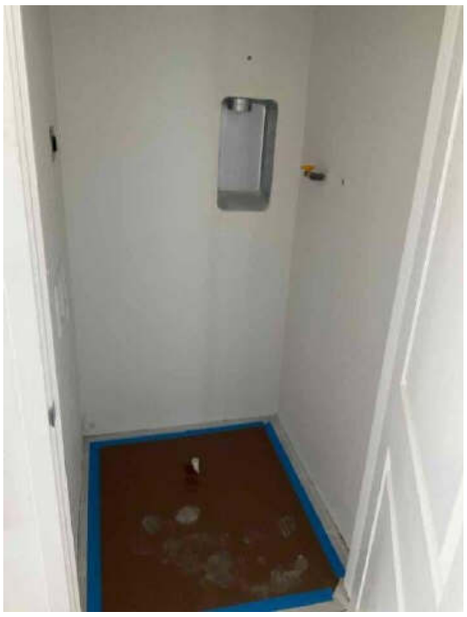
Bathroom

SUBJECT PHOTO ADDENDUM

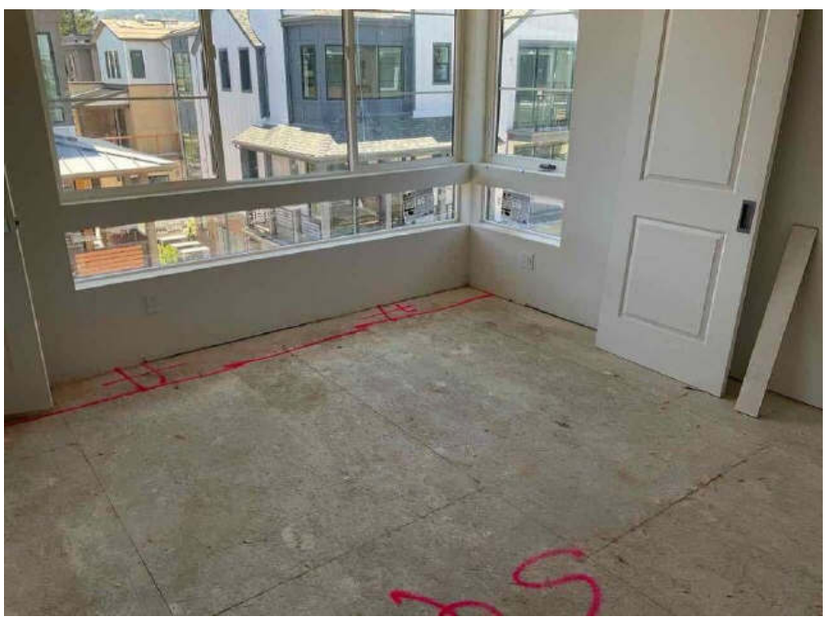
Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		



CO/Smoke Detector



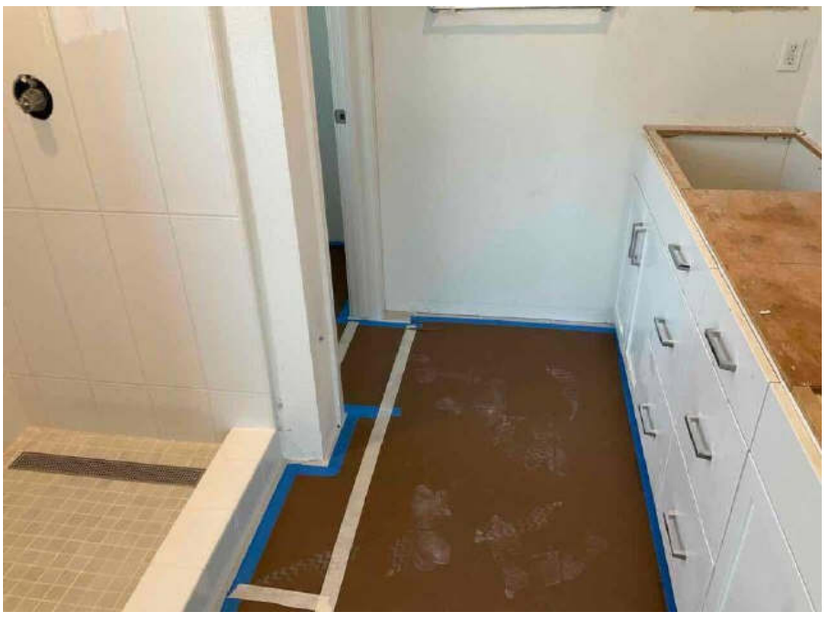
Laundry



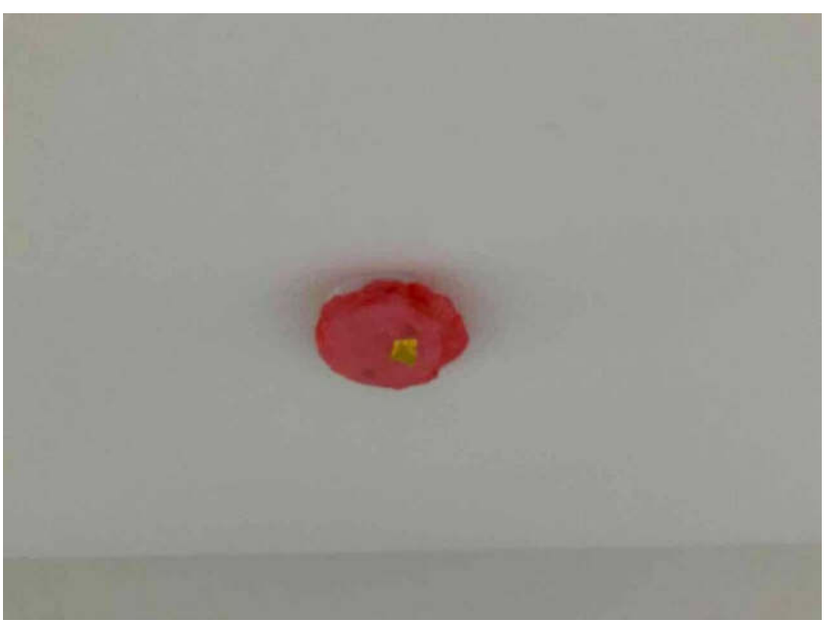
Bedroom

SUBJECT PHOTO ADDENDUM

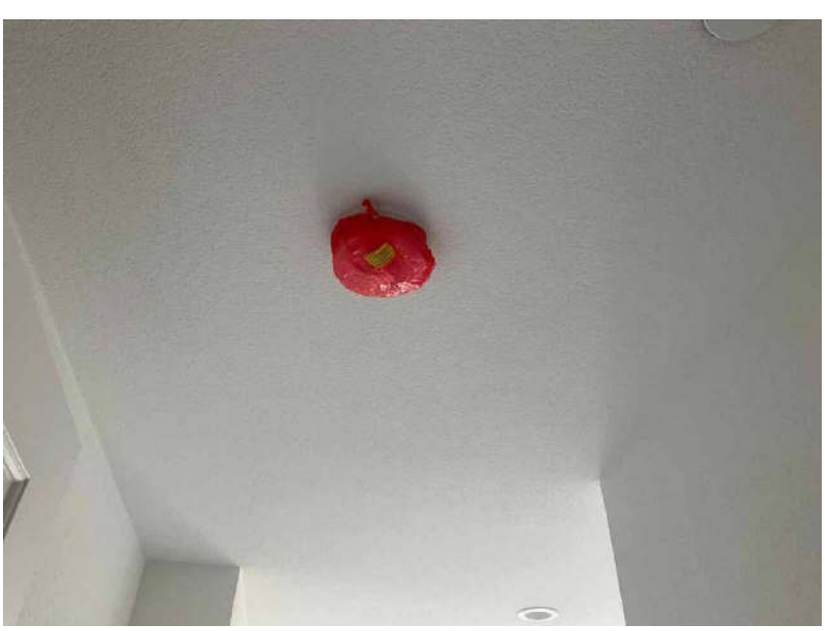
Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		



Bathroom



Carbon Monoxide Detector



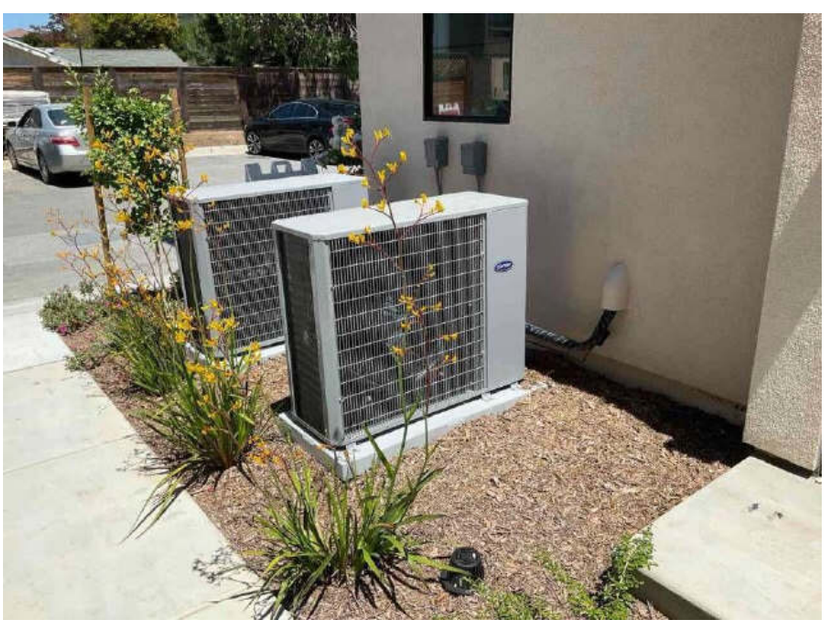
Carbon Monoxide Detector

SUBJECT PHOTO ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		



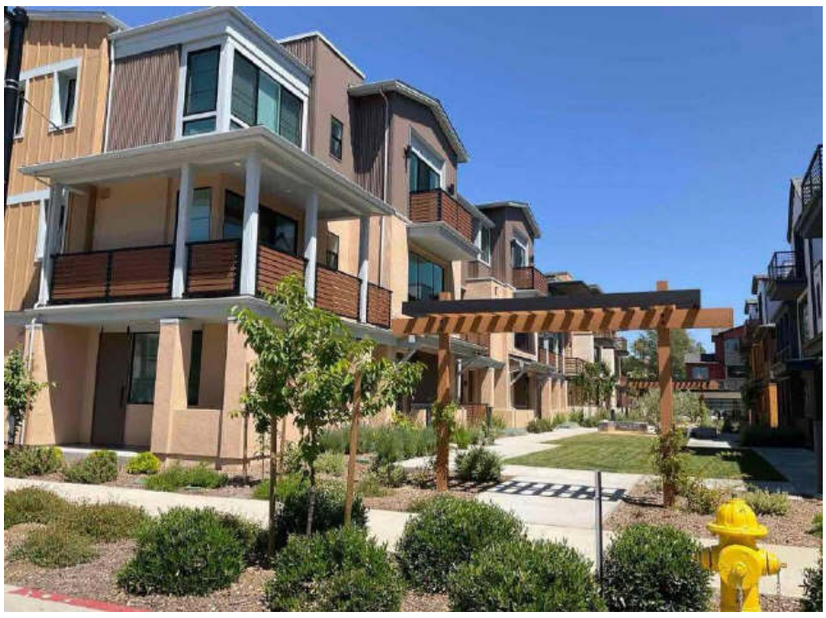
Left Side



Central A/C

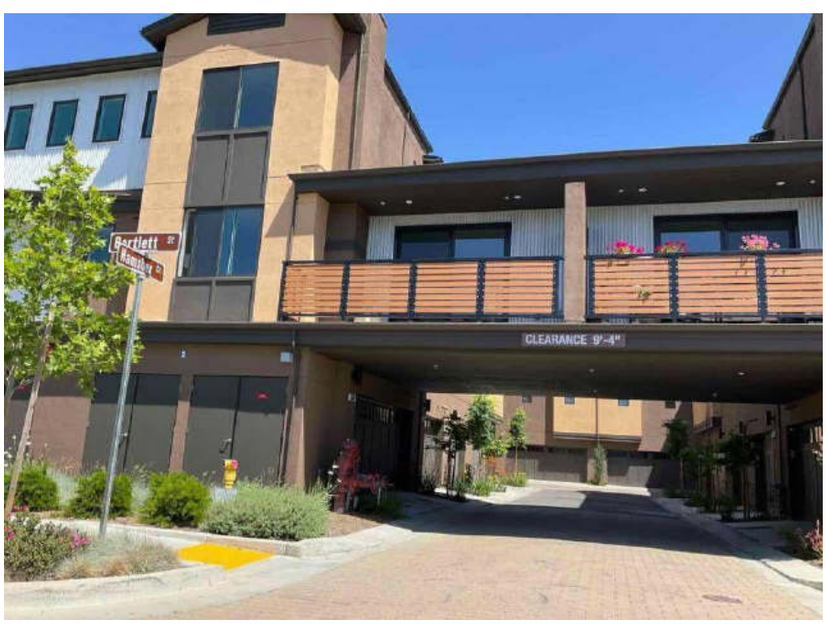
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		



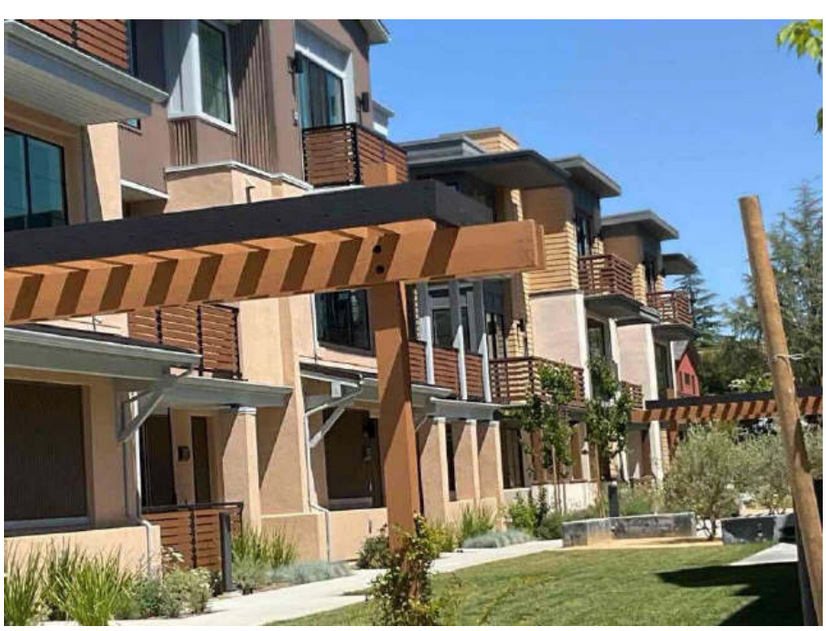
COMPARABLE SALE #1

13194 Sepulveda Circle
-, Los Gatos, CA 95032
Sale Date:
Sale Price: $



COMPARABLE SALE #2

16301 Hamsher Ct
-, Los Gatos, CA 95032
Sale Date:
Sale Price: $



COMPARABLE SALE #3

13190 Sepulveda Circle
-, Los Gatos, CA 95032
Sale Date:
Sale Price: $

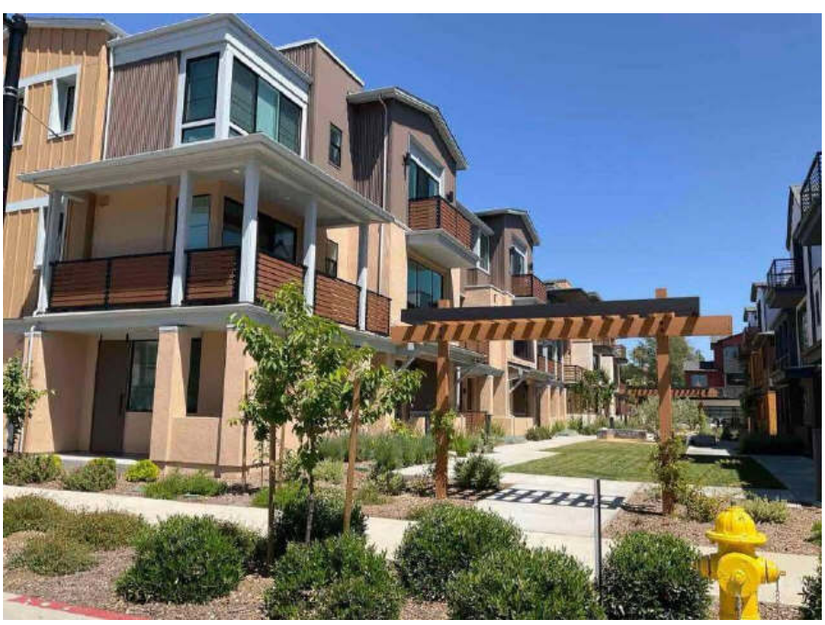
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		



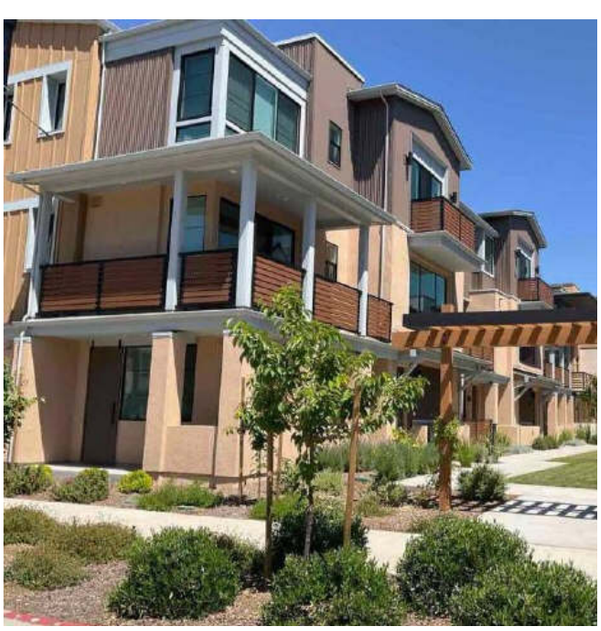
COMPARABLE SALE #4

13180 Sepulveda Circle
-, Los Gatos, CA 95032
Sale Date:
Sale Price: $



COMPARABLE SALE #5

13198 Sepulveda Cir
-, Los Gatos, CA 95032
Sale Date:
Sale Price: $



COMPARABLE SALE #6

13209 Sepulveda Cir.
-, Los Gatos, CA 95032
Sale Date:
Sale Price: $

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		



COMPARABLE SALE #7

831 Mist Flower Terrace
1, Sunnyvale, CA 94086
Sale Date:
Sale Price: $

COMPARABLE SALE #8

Sale Date:
Sale Price: $

COMPARABLE SALE #9

Sale Date:
Sale Price: $

Borrower: Yue Xu/Zheyuan Ding		File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle		Case No.: N/A
City: Los Gatos	State: CA	Zip: 95032
Lender: BMO Bank N.A.		

Accelerant National Insurance Company
(A Stock Company)
400 Northridge Road, Suite 800
Sandy Springs, GA 30350

REAL ESTATE APPRAISERS 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 EXTENDED REPORTING PERIOD.

PLEASE READ YOUR POLICY CAREFULLY.

Policy Number: NAX40PL107836-00 **Renewal of: New**

1. **Named Insured: Michael A Yaklin**

2. **Address:** PO Box 311
Redwood Estates, CA 95044

3. **Policy Period:** **From: January 22, 2024** **To: January 22, 2025**
12:01 A.M. Standard Time at the address of the **Named Insured** as stated in item **2.** Above.

4. **Limit of Liability:**

	Each **Claim**	Policy Aggregate
Damages Limit of Liability	**4A. $ 1,000,000**	**4C. $ 1,000,000**
Claim Expenses Limit of Liability	**4B. $ 1,000,000**	**4D. $ 1,000,000**

5. **Deductible** (Inclusive of **Claims Expenses**):

Each **Claim**	Aggregate
5A. $500	**5B. $1,000**

6. **Policy Premium: $ 680**

7. **Retroactive Date: January 22, 2009**

8. **Notice to Company:** Notice of a **Claim** or Potential **Claim** should be sent to:
OREP Insurance Services: info@orep.org
6353 El Cajon Blvd, Suite 124-605
San Diego, CA 92115

9. **Program Administrator:** OREP Insurance Services, LLC – appraisers@orep.org

10. **Forms and Endorsements Attached at Policy Inception:** See Schedule of Forms

If required by state law, this policy will be countersigned by an authorized representative of the Company.

Date: January 16, 2024 By: Isaac Peck
Authorized Representative

Borrower: Yue Xu/Zheyuan Ding File No.: 91857146Xu
Property Address: 13188 Sepulveda Circle Case No.: N/A
City: Los Gatos State: CA Zip: 95032
Lender: BMO Bank N.A.

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Michael A. Yaklin

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

"Certified Residential Real Estate Appraiser"

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

BREA APPRAISER IDENTIFICATION NUMBER: AR 038712

Effective Date: October 28, 2023
Date Expires: October 27, 2025

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3073244

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

Michael Yaklin Appraiser License Certificate

Michael Yaklin

File No. 91857146Xu
Case No. N/A

Appraisal Independence Certification

Subject Property Address:
13188 Sepulveda Circle
Los Gatos, CA 95032

Legal Description:
TRACT 10441 BOOK 918 PAGE 4 PAGE 18

Effective Date of Appraisal: 05/29/2024

The undersigned appraiser(s) certifies that the ordering and delivery of the above referenced appraisal report, the ("REPORT"), was completed using the proprietary workflow and policies of an acceptable appraisal management platform. The following specific features were used from this order.

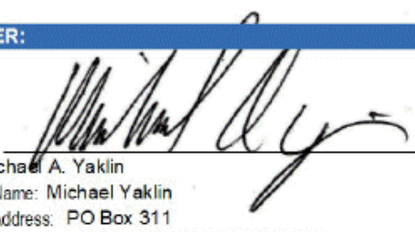
[X] An Appraiser Selection System was used to automatically select the appraiser from an appraisal management system with the ordering Broker having no ability to select the appraiser.

[ ] Double-Blind communication was used which restricts free-form communication between the appraiser and person placing the order. All status messages are restricted to pre-written, system supplied text. The identity of the appraiser was concealed until the appraisal is delivered.

The appraiser(s) responsible for preparing the above referenced appraisal report hereby certify that the report was completed and the opinion of value developed in accordance with USPAP standards; And, at no time did any employee, director, officer, or agent of the broker, or any other third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company, or partner on behalf of the broker, influence or attempt to influence the development, reporting, result, or review of the REPORT

The appraiser(s) further certify that at no time were they provided with or informed of any estimate regarding the Subject Property's value including but not limited to a borrower estimate of value, proposed loan amount, or loan to value ratio (LTV), except in case of purchase transactions where according to USPAP Standards Rule 1-5(a) the appraiser is required to analyze all agreements of sale, options, and listings of the subject property as of the effective date of the appraisal.

This form may not be reproduced or modified without written consent from Bradford Technologies, Inc. Bradford Technologies Inc. is not a party to this agreement and does not have any obligations with respect to the certifications made by the appraiser(s).

APPRAISER:	SUPERVISORY APPRAISER (ONLY IF REQUIRED):
Signature: 	Signature:
Name: Michael A. Yaklin	Name:
Company Name: Michael Yaklin	Company Name:
Company Address: PO Box 311 Redwood Estates, CA 95044	Company Address:
Date of Report/Signature: 06/07/2024	Date of Report/Signature:
State Certification #: AR038712	State Certification #:
or State License #:	or State License #:
State: CA	State:
Expiration Date of Certification or License: 10/27/2025	Expiration Date of Certification or License:

Michael Yaklin

APPRAISAL COMPLIANCE

File No. 91857146Xu
Case No. N/A

Owner Summerhill N40 LLC
Address 13188 Sepulveda Circle Unit No. -
City Los Gatos County Santa Clara State CA Zip Code 95032
Client BMO Bank N.A.

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

[X] Appraisal Report — This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

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

ADDITIONAL CERTIFICATIONS

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to parties involved
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

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

PROPERTY INSPECTION

- I [X] **HAVE** made a personal inspection of the property that is the subject of this report.
- I [ ] have **NOT** made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

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

It was noted that, Cynthia Fike, assisted in the completion of the appraisal process. Cynthia's assistance included data analysis and market research. The data analysis encompassed all the information included in the appraisal report and used in the appraisal process. The market research included compiling some of the data necessary in the appraisal process. Cynthia is experienced and proficient in all these aspects of the appraisal process and well qualified to complete these tasks. The appraiser has compiled and/or reviewed all the data, analyses and conclusions indicated herein.

ADDITIONAL COMMENTS

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

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

[X] A reasonable marketing time for the subject property is 90 day(s) utilizing market conditions pertinent to the appraisal assignment.
[X] A reasonable exposure time for the subject property is 90 day(s).

APPRAISER	SUPERVISORY APPRAISER (ONLY IF REQUIRED)
Signature	Signature
Name Michael A. Yaklin	Name
Date of Signature 06/07/2024	Date of Signature
State Certification # AR038712	State Certification #
or State License #	or State License #
State CA	State
Expiration Date of Certification or License 10/27/2025	Expiration Date of Certification or License
Effective Date of Appraisal 05/29/2024	Supervisory Appraiser Inspection of Subject Property: [ ] Did Not [ ] Exterior Only from street [ ] Interior and Exterior