Uniform Residential Appraisal Report

JP1400
File No. #JP1400

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 1400 Santa Fe Dr | City Encinitas | State CA | Zip Code 92024
Borrower ROBERT ARTHUR & CHRISTINA L FAR | Owner of Public Record ROBERT ARTHUR & CHRISTINA | County FARROWSan Diego
Legal Description (EX DOC86-0299057) PAR 3 TR 2136
Assessor's Parcel # 259-261-46-00 | Tax Year 2020 | R.E. Taxes $ 6,060
Neighborhood Name Encinitas | Map Reference 41740 | Census Tract 0174.03
Occupant [ ] Owner [ ] Tenant [X] Vacant | Special Assessments $ 0 [ ] PUD HOA $ 0 [ ] per year [ ] per month
Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)
Assignment Type [ ] Purchase Transaction [X] Refinance Transaction [ ] Other (describe)
Lender/Client JP Morgan Private Bank | Address 1111 Polaris Parkway, Columbus, OH 43240
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 6;Subject property MLS#NDP2111012 was listed on 07/19/2021 for 6 days for $1,599,000 and is closed escrow on 10/14/2021 for $1,850,000. The subject is currently not listed for sale.

CONTRACT

I [ ] did [ ] did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price $ | Date of Contract | Is the property seller the owner of public record? [ ] Yes [ ] No | Data Source(s)
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? [ ] Yes [ ] No
If Yes, report the total dollar amount and describe the items to be paid.

NEIGHBORHOOD

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

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing			Present Land Use %	
Location	[ ] Urban	[X] Suburban	[ ] Rural	Property Values	[X] Increasing	[ ] Stable	[ ] Declining	PRICE	AGE		One-Unit	90 %
Built-Up	[X] Over 75%	[ ] 25-75%	[ ] Under 25%	Demand/Supply	[ ] Shortage	[X] In Balance	[ ] Over Supply	$(000)	(yrs)		2-4 Unit	5 %
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[X] Under 3 mths	[ ] 3-6 mths	[ ] Over 6 mths	1,210 Low		0	Multi-Family	%
Neighborhood Boundaries	Subject neighborhood boundaries are, Ahiirch Ave to the north, Santa Fe Dr to the south, Delage Dr to the east, Crest Dr to the west.							2,500 High		89	Commercial	5 %
								1,789 Pred.		46	Other	%

Neighborhood Description Neighborhood consists of one and two story single family homes, showing similar age and quality. Neighborhood is located in the city limits, near all services, including employment centers, reflecting average condition and appeal. There were no adversities noted.
Market Conditions (including support for the above conclusions) Marketing conditions within subject's area appear to be strong. Loan concessions do not appear to be prevelant. Marketing time within subject's area is approximately 1-3 months. MLS was utilized as the source in determining market conditions and conclusions.

SITE

Dimensions See attached map | Area 16117 sf | Shape Irregular | View B;Hills;
Specific Zoning Classification R1 | Zoning Description 1 FAMILY RESIDENCE (111)
Zoning Compliance [X] Legal [ ] Legal Nonconforming (Grandfathered Use) [ ] 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. Current and present use of subject property is considered to be the highest and best use.

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 X | FEMA Map # 06073C1042H | FEMA Map Date 12/20/2019
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. The appraiser is not an expert in adverse hazardous waste or environmental influences. Please note that at time of inspection there were no apparent adverse site conditions or adverse external factors that effected the subject property.

IMPROVEMENTS

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials/condition	INTERIOR materials/condition
Units [X] One [ ] One with Accessory Unit	[X] Concrete Slab [ ] Crawl Space	Foundation Walls Concrete/Average	Floors Wd/Tile/Cpt/Avg
# of Stories 2	[ ] Full Basement [ ] Partial Basement	Exterior Walls Stco/Wood/Avg	Walls Drywall/Average
Type [X] Det. [ ] Att. [ ] S-Det./End Unit	Basement Area 0 sq. ft.	Roof Surface Composition/Avg	Trim/Finish Wood/Average
[X] Existing [ ] Proposed [ ] Under Const.	Basement Finish 0 %	Gutters & Downspouts Metal/Average	Bath Floor Tile/Average
Design (Style) Contemp	[ ] Outside Entry/Exit [ ] Sump Pump	Window Type Vinyl/Average	Bath Wainscot Tile/Average
Year Built 1985	Evidence of [ ] Infestation	Storm Sash/Insulated Yes/Average	Car Storage [ ] None
Effective Age (Yrs) 15	[ ] Dampness [ ] Settlement	Screens Yes/Average	[X] Driveway # of Cars 2
Attic [ ] None	Heating [X] FWA [ ] HWBB [ ] Radiant	Amenities [ ] WoodStove(s) # 0	Driveway Surface Concrete
[ ] Drop Stair [ ] Stairs	[ ] Other Fuel Gas	[X] Fireplace(s) # 1 [X] Fence Wood	[X] Garage # of Cars 2
[ ] Floor [X] Scuttle	Cooling [ ] Central Air Conditioning	[X] Patio/Deck Patio [X] Porch Porch	[ ] Carport # of Cars 0
[ ] Finished [ ] Heated	[ ] Individual [X] Other None	[ ] Pool None [ ] Other None	[X] Att. [ ] Det. [ ] Built-in

Appliances [X] Refrigerator [X] Range/Oven [X] Dishwasher [X] Disposal [X] Microwave [ ] Washer/Dryer [ ] Other (describe)
Finished area above grade contains: 7 Rooms | 3 Bedrooms | 3.0 Bath(s) | 2,284 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.). Subject has typical energy efficient items which includes insulation. Subject enjoys the use of a concrete slab patio in the rear yard and a covered entry porch.
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C3;Kitchen-updated-timeframe unknown;Bathrooms-updated-timeframe unknown;The subject is in average condition and the effective age reflects the subject's overall condition. Smoke and carbon monoxide detectors were present at the time of physical inspection and all utilities and mechanical systems were in working order. The water heater was double strapped.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [ ] Yes [X] No If Yes, describe. Subject property does not suffer from any adverse conditions. Please note that subject does reflect typical physical depreciation which has been reflected in the cost approach.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] Yes [ ] No If No, describe. Subject property appears to conform to the surrounding area and is considered typical. Utility and condition of subject is considered to be typical as well.

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There are 4 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 1,210,000 to $ 2,500,000 .

There are 11 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 1,225,000 to $ 2,495,000 .

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address	1400 Santa Fe Dr Encinitas, CA 92024	1351 Diamond Head Dr Encinitas, CA 92024		812 Crest Dr Encinitas, CA 92024		1129 Bonita Dr Encinitas, CA 92024	
Proximity to Subject		0.13 miles SE		0.31 miles N		0.58 miles W	
Sale Price	$		$ 2,040,000		$ 1,900,000		$ 1,750,000
Sale Price/Gross Liv. Area	$ sq. ft.	$ 748.62 sq. ft.		$ 770.79 sq. ft.		$ 998.86 sq. ft.	
Data Source(s)		MLS#NDP2105072;DOM 5		MLS#NDP2105249;DOM 12		MLS#NDP2105144;DOM 27	
Verification Source(s)		Document#524969		Document#491879		Document#498856	
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		s07/21;c05/21	+61,500	s07/21;c05/21	+57,000	s07/21;c06/21	+39,500
Location	N;Res;	N;Res;		N;Res;		A;Adj to school;	+25,000
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	16117 sf	20909 sf	-24,000	11800 sf	+22,000	15300 sf	0
View	B;Hills;	B;Hills Sup;	-50,000	B;Hills;		B;Partial Water;	-50,000
Design (Style)	DT2;Contemp	DT2;Contemp		DT1;Contemp	0	DT1;Ranch	0
Quality of Construction	Q3	Q3		Q3		Q3	
Actual Age	36	40	0	47	0	66	0
Condition	C3	C3		C3		C3	
Above Grade Room Count (Total / Bdrms. / Baths)	7 / 3 / 3.0	7 / 3 / 2.1	+5,000	8 / 4 / 3.1	-5,000	7 / 3 / 3.0	
Gross Living Area	2,284 sq. ft.	2,725 sq. ft.	-42,000	2,465 sq. ft.	-17,500	1,752 sq. ft.	+51,000
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FAU/None	FAU/AC	-5,000	FAU/AC	-5,000	FAU/None	
Energy Efficient Items	None noted	Solar Owned	-20,000	None noted		Solar Owned	-20,000
Garage/Carport	2ga2dw	2ga2dw		2ga2dw		1dw	+20,000
Porch/Patio/Deck	Patio/Porch	Patio/Porch		Patio/Porch		Patio/Porch	
Pool/Spa	None	Pool/Spa	-50,000	Pool/None	-40,000	None	
ADU	None	None		ADU	-50,000	None	
Net Adjustment (Total)		[ ] + [X] -	$ -124,500	[ ] + [X] -	$ -38,500	[X] + [ ] -	$ 65,500
Adjusted Sale Price of Comparables		Net Adj. 6.1% Gross Adj. 12.6%	$ 1,915,500	Net Adj. 2.0% Gross Adj. 10.3%	$ 1,861,500	Net Adj. 3.7% Gross Adj. 11.7%	$ 1,815,500

I [X] did [ ] did not research the sale or transfer history of the subject property and comparable sales. If not, explain MLS and or Public Records were utilized in researching the sale or transfer history of subject and all comparables.

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

Data source(s) MLS and or Public Records were utilized in researching the sale or transfer history of subject and all comparables.

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

Data source(s) MLS and or Public Records were utilized in researching the sale or transfer history of subject and all comparables.

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	10/14/2021			
Price of Prior Sale/Transfer	1,850,000			
Data Source(s)	Title Company/Realquest	Title Company/Realquest	Title Company/Realquest	Title Company/Realquest
Effective Date of Data Source(s)	10/18/2021	10/18/2021	10/18/2021	10/18/2021

Analysis of prior sale or transfer history of the subject property and comparable sales Other than listed above subject have not transferred in the past 36 months. Sales history of subject and comparables does not adversely effect the subject's final value estimate. Subject transfer on 10/14/2021 was an arms length sale.

Summary of Sales Comparison Approach. See attached addenda.

Indicated Value by Sales Comparison Approach $ 1,850,000

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 1,850,000 Cost Approach (if developed) $ 1,850,437 Income Approach (if developed) $

Greatest weight has been given to the sales comparison approach as it best reflects current market trends and values. Cost and income approach is given little consideration.

This appraisal is made [X] "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: Appraisal has been completed "as is" with no conditions applied.

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 $ 1,850,000 as of 10/18/2021 , which is the date of inspection and the effective date of this appraisal.

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ADDITIONAL COMMENTS

A multitude of comparables were researched when preparing this report and omitted for a variety of reasons including market area, GLA ,upgrades, condition and date of sale. This appraisal has a password protected secured digital electronic signature and can be edited only by the signatory appraiser. The intended use of this appraisal does not include issues of property insurance coverage. Reproduction or Replacement Cost cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is not consistent with the definition of Insurable Value for property insurance coverage. For these reasons, the cost approach is not considered valid as a basis for determining insurance coverage, and is null and void if so utilized. For the purposes of this report, an indication of "None or 0" with regard to the financing concessions of the comparables utilized in the sales comparison approach, may mean that they were not present, or their qualification or quantification was not possible. An estimate of a reasonable time for exposure in the open market is a condition in the definition of market value. The exposure time associated with the estimate of market value for the subject property is consistent with the marketing time noted in the Neighborhood section of this report. The marketing period concluded for the subject property at the estimated market value is also consistent with the marketing time noted in the Neighborhood section. If a purchase transaction, personal property which may have been included in the sale received no value for the purposes of this report. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for the purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested. This appraisal report should not be used to disclose the condition at the property as it relates to the presence/absence of defects. The clients are invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected. Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order. Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl spaces were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property. It is not considered unusual for the gross living area of the improvements as observed and measured by the appraiser at the time of inspection to differ from those noted by the assessor, title records, or other profile sources. Although the probability of discrepancies tends to be directly proportional to the age of the improvements as the general quality of record keeping decreases over time, discrepancies may also occur in newer construction when plan variations occur without assessor notification by responsible building departments or agencies. The extraordinary assumption is made that areas considered to be living area are legally such. The value may change should this be not true , and the appraiser reserves the right to change the appraisal. If this appraisal was performed for HUD/FHA, a "head & shoulders" inspection of the attic (if any) and inspection of the crawl space (if any) from its exterior access point were performed, and unless otherwise noted the utilities are turned on and in proper working condition. Second or third party defect or improvement disclosures, if incorporated into this report, were done so as extraordinary assumptions. If performed for a conventional loan, the appraiser has complied with the Home Valuation Code of Conduct in the preparation of this report. Unless otherwise noted, no services regarding the subject property have been performed by the appraiser with the three year period immediately preceding the acceptance of this assignment, as an appraiser or in any other capacity. If performed for a conventional loan, adequate utilities were available and in service at the time of inspection, unless otherwise noted. The distances between the subject property and comparables are approximate , and although comparable sale proximities were shown to two decimal to comply with UAD formatting requirements, they were in fact rounded to one decimal place.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

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

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The site value is based on the extraction method.

Due to the difficulty in determining the physical depreciation, the cost approach is not considered the most reliable approach to value. Land to value ratio is typical for the area.

ESTIMATED ☐ REPRODUCTION OR ☒ REPLACEMENT COST NEW

Source of cost data Marshall & Swift

Quality rating from cost service Good Effective date of cost data 04/01/2021

Comments on Cost Approach (gross living area calculations, depreciation, etc.)

The cost information was supplied by The Marshall & Swift Cost Handbook. The physical depreciation was derived by the AgeLife method which is calculated by dividing the effective age by total economic life (75 years.) Due to the limited availability of land sales that are similar to subject. The site value is based on the extraction method. Due to the difficulty in determining the physical depreciation, the cost approach is not considered the most reliable

Estimated Remaining Economic Life (HUD and VA only) 45 Years

OPINION OF SITE VALUE			= $	1,100,000
Dwelling	2,284 Sq. Ft. @ $	310	= $	708,040
0	Sq. Ft. @ $		= $	
Patio/Porch				100,000
Garage/Carport	382 Sq. Ft. @ $	155	= $	59,210
Total Estimate of Cost-New			= $	867,250
Less Depreciation	Physical 216,813	Functional	External	= $ (216,813)
Depreciated Cost of Improvements			= $	650,437
"As-is" Value of Site Improvements			= $	100,000
INDICATED VALUE BY COST APPROACH			= $	1,850,437

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

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

Summary of Income Approach (including support for market rent and GRM) The income approach was not considered in the final analysis.

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

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

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

Legal name of project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

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

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s)

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

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

Describe common elements and recreational facilities.

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

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

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

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

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

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

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

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

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

2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. 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 Mark Sato
Company Name Interstate Appraisal Group
Company Address 603 Seagaze Drive, 532
Oceanside, CA 92054
Telephone Number 831-325-5536
Email Address markgsato@gmail.com
Date of Signature and Report 10/26/2021
Effective Date of Appraisal 10/18/2021
State Certification # AR044649
or State License # _____
or Other (describe) _____ State # _____
State CA
Expiration Date of Certification or License 09/20/2022

ADDRESS OF PROPERTY APPRAISED
1400 Santa Fe Dr
Encinitas, CA 92024

APPRAISED VALUE OF SUBJECT PROPERTY $ 1,850,000

LENDER/CLIENT
Name International Valuation Group LLC
Company Name JP Morgan Private Bank
Company Address 1111 Polaris Parkway
Columbus, OH 43240
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 _____

Uniform Residential Appraisal Report

JP1400
File No. #JP1400

FEATURE	SUBJECT	COMPARABLE SALE NO. 4		COMPARABLE SALE NO. 5		COMPARABLE SALE NO. 6	
Address	1400 Santa Fe Dr Encinitas, CA 92024	1002 Guildford Ct Encinitas, CA 92024		536 Saxony Rd Encinitas, CA 92024		220 Seeman Dr Encinitas, CA 92024	
Proximity to Subject		2.21 miles NW		1.97 miles NW		0.79 miles NW	
Sale Price	$		$ 1,810,000		$ 2,200,000		$ 2,000,000
Sale Price/Gross Liv. Area	$ sq. ft.	$ 985.84 sq. ft.		$ 989.21 sq. ft.		$ 1,120.4 sq. ft.	
Data Source(s)		MLS#210025169;DOM 0		MLS/Title Company;DOM 68		MLS/Title Company;DOM 19	
Verification Source(s)		Document#676827		Active/MLS#210022823		Pending/MLS#NDP2110707	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sale or Financing Concessions		ArmLth Cash;0		Listing Conv;0		Listing Conv;0	
Date of Sale/Time		s09/21;c09/21		Active	-44,000	c10/21	
Location	N;Res;	A;Bks Bsy St;	+25,000	N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	16117 sf	13500 sf	+13,500	14105 sf	0	28314 sf	-61,000
View	B;Hills;	B;Partial Water;	-50,000	B;Hills;		B;Partial Water;	-50,000
Design (Style)	DT2;Contemp	DT1;Ranch	0	DT2;Contemp		DT2;Contemp	
Quality of Construction	Q3	Q3		Q3		Q3	
Actual Age	36	46	0	56	0	43	0
Condition	C3	C3		C3		C3	
Above Grade Room Count (Total / Bdrms. / Baths)	7 / 3 / 3.0	7 / 3 / 2.0	+10,000	8 / 4 / 3.0	0	7 / 3 / 2.0	+10,000
Gross Living Area	2,284 sq. ft.	1,836 sq. ft.	+43,000	2,224 sq. ft.	0	1,785 sq. ft.	+47,500
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FAU/None	FAU/None		FAU/None		FAU/None	
Energy Efficient Items	None noted	None noted		None noted		None noted	
Garage/Carport	2ga2dw	2ga2dw		2ga2dw		2ga2dw	
Porch/Patio/Deck	Patio/Porch	Patio/Porch		Patio/Porch		Patio/Porch	
Pool/Spa	None	None		Pool/None	-40,000	None	
ADU	None	None		None		Studio	-50,000
Net Adjustment (Total)		[X] + [ ] -	$ 41,500	[ ] + [X] -	$ -84,000	[ ] + [X] -	$ -103,500
Adjusted Sale Price of Comparables		Net Adj. 2.3% Gross Adj. 7.8%	$ 1,851,500	Net Adj. 3.8% Gross Adj. 3.8%	$ 2,116,000	Net Adj. 5.2% Gross Adj. 10.9%	$ 1,896,500

SALES COMPARISON APPROACH

ITEM	SUBJECT	COMPARABLE SALE NO. 4	COMPARABLE SALE NO. 5	COMPARABLE SALE NO. 6
Date of Prior Sale/Transfer	10/14/2021	05/05/2021		
Price of Prior Sale/Transfer	1,850,000	2,030,000		
Data Source(s)	Title Company/Realquest	Title Company/Realquest	Title Company/Realquest	Title Company/Realquest
Effective Date of Data Source(s)	10/18/2021	10/18/2021	10/18/2021	10/18/2021

Summary of Sales Comparison Approach

Uniform Appraisal Dataset Definitions

JP1400
File No. #JP1400

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

JP1400
File No. #JP1400

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: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		

DISCLOSURE OF PRIOR APPRAISAL AND/OR OTHER SERVICES:
I Certify that, (I) have NOT performed any prior appraisal services for the subject property within the previous three year period immediately preceding acceptance of this appraisal assignment.

Exposure time is estimated at 90-120 days and it is a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is a "retrospective" opinion, looking back (from the effective date) to the beginning of the "hypothetical" process of selling the asset, so that the sale would have been consummated on the "effective date" of appraisal.

This appraisal was completed in compliance with AIR and the Dodd Frank Act.

Ã'ÆÃÂ¢Ã'Â¢Ã¢â¬Â¡ÃÂ¬Ã'â¬aÃÂ¢ URAR: Sales Comparison Analysis - Summary of Sales Comparison Approach
Sales chosen and provided in this report were taken from subject's immediate area and are considered to be the best available at time of inspection. Subject and all comparables are considered similar overall and best represent the current market. The comparables chosen represent the most recent relevant sales activity in the subject's immediate market location that are similar to the subject in size,age,design,quality of construction and overall market appeal. In determining the calculation of adjustments, paired sale analysis was applied. Adjustments were calculated at; $95 per sq. ft. for GLA and applied for a difference of 100 sq. ft. or greater, $10,000 per bathroom, $5,000 per AC unit, $20,000 per owned solar, $40,000 per pool, $10,000 per spa, $50,000 per ADU. Bedroom adjustments were included in the overall GLA adjustments. Lot size adjustments were calculated at $5 per sq ft applied to a difference of 2,500 sq ft or greater. Due to the lack of recent comparable sales similar in GLA, lot size and overall condition the appraiser was forced to extend his search beyond 3 months, over 1 mile and expand his GLA range. No location adjustments were made, as all comps are located in similar and competing market neighborhoods. Time adjustments were warranted for comps 1,2 and 3 as the market area has experienced over 9% appreciation year over year. Most weight was placed on ont the mid range of comps 1,2 and 3.

QC Revision 10/26/21
1. Per MLS, the subjects main home is 1,752 sq ft and there is a detached studio that is 483 sq ft. Per a phone conversation with the listing agent of comp 3 on 10/19/21 (Rick Mcgrath 760-846-0522), the detached studio was not permitted and the listing agent believed it to be a garage conversion. Given the listing agent of comp 3 says there are no permits for the detached studio, no value was given.

Market Conditions Addendum to the Appraisal Report

JP1400
File No. JP1400

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 1400 Santa Fe Dr City Encinitas State CA Zip Code 92024

Borrower ROBERT ARTHUR & CHRISTINA L FARROW

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)	4	4	3	☐ Increasing	☒ Stable	☐ Declining
Absorption Rate (Total Sales/Months)	0.67	1.33	1.00	☐ Increasing	☒ Stable	☐ Declining
Total # of Comparable Active Listings	7	6	4	☒ Declining	☐ Stable	☐ Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	10.40	4.50	4.00	☒ 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	1,701,000	1,751,000	1,789,000	☒ Increasing	☐ Stable	☐ Declining
Median Comparable Sales Days on Market	24	11	22	☐ Declining	☒ Stable	☐ Increasing
Median Comparable List Price	1,734,000	1,763,000	1,808,000	☒ Increasing	☐ Stable	☐ Declining
Median Comparable Listings Days on Market	22	9	20	☐ Declining	☒ Stable	☐ Increasing
Median Sale Price as % of List Price	98.00%	99.00%	98.00%	☐ Increasing	☒ Stable	☐ Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent? ☐ Yes ☒ No				☐ Declining	☒ 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.).

Concessions are not common in the subjects immediate market neighborhood.

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

Cite data sources for above information. MLS, Public Records.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The appraiser opinion the overall trend of the number of months of unit supply is declining is based on data in the neighborhood that is required by the Fannie Mae Scope of Work to be restricted to "properties that compete with the subject property". There were no known anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

CONDO / CO-OP PROJECTS

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

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

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

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

APPRAISER

APPRAISER	SUPERVISORY APPRAISER (ONLY IF REQUIRED)
Signature	Signature
Name Mark Sato	Name
Company Name Interstate Appraisal Group	Company Name
Company Address 603 Seagaze Drive, 532 Oceanside, CA 92054	Company Address
State License/Certification # AR044649 State CA	State License/Certification # State
Email Address markgsato@gmail.com	Email Address

JP1400

USPAP ADDENDUM

File No. JP1400

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW
Property Address: 1400 Santa Fe Dr
City: Encinitas County: San Diego State: CA Zip Code: 92024
Lender: JP Morgan Private Bank

APPRAISAL AND REPORT IDENTIFICATION

This report was prepared under the following USPAP reporting option:

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

Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 90-120 days

Exposure time is estimated at 90-120 days and it is a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is a "retrospective" opinion, looking back (from the effective date) to the beginning of the "hypothetical" process of selling the asset, so that the sale would have been consummated on the "effective date" of appraisal.

Additional Certifications

- [X] I have performed NO services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- [ ] I HAVE performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

â€” The statements of fact contained in this report are true and correct.
â€” The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
â€” 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 the parties involved.
â€” I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment. â€” My engagement in this assignment was not contingent upon developing or reporting predetermined results.
â€” 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. â€” 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.
â€” Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.

Additional Comments

APPRAISER:	SUPERVISORY APPRAISER (only if required):
Signature:	Signature:
Name: Mark Sato	Name:
Date Signed: 10/26/2021	Date Signed:
State Certification #: AR044649	State Certification #:
or State License #:	or State License #:
or Other (describe): State #:	State:
State: CA	Expiration Date of Certification or License:
Expiration Date of Certification or License: 09/20/2022	Supervisory Appraiser inspection of Subject Property:
Effective Date of Appraisal: 10/18/2021	[ ] Did Not [ ] Exterior-only from street [ ] Interior and Exterior

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date:
Appraised Value: $



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

Photograph Addendum

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		



Living Room



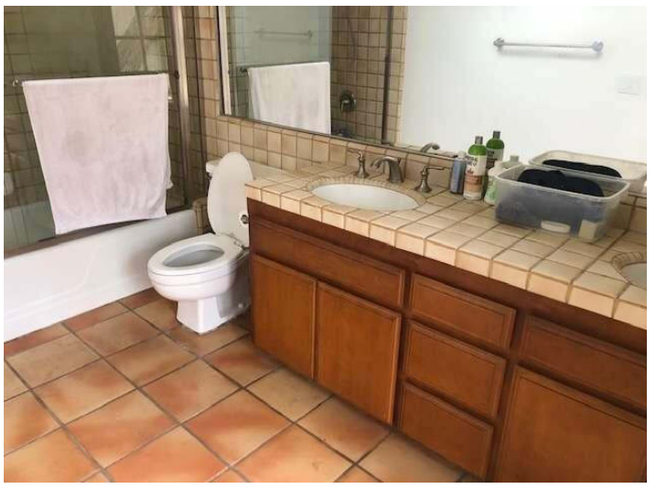
Kitchen



Dining Area



Bathroom



Bathroom



Bathroom

Photograph Addendum

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		



Bedroom



Bedroom



Bedroom



Loft



Smoke Detector



Carbon Monoxide Detector

Photograph Addendum

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		



Water Heater



BBQ Area



Firepit



View

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		



COMPARABLE SALE #1

1351 Diamond Head Dr

Sale Date:
Sale Price: $



COMPARABLE SALE #2

812 Crest Dr

Sale Date:
Sale Price: $



COMPARABLE SALE #3

1129 Bonita Dr

Sale Date:
Sale Price: $

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		



COMPARABLE SALE #4

1002 Guildford Ct

Sale Date:
Sale Price: $



COMPARABLE SALE #5

536 Saxony Rd

Sale Date:
Sale Price: $



COMPARABLE SALE #6

220 Seeman Dr

Sale Date:
Sale Price: $

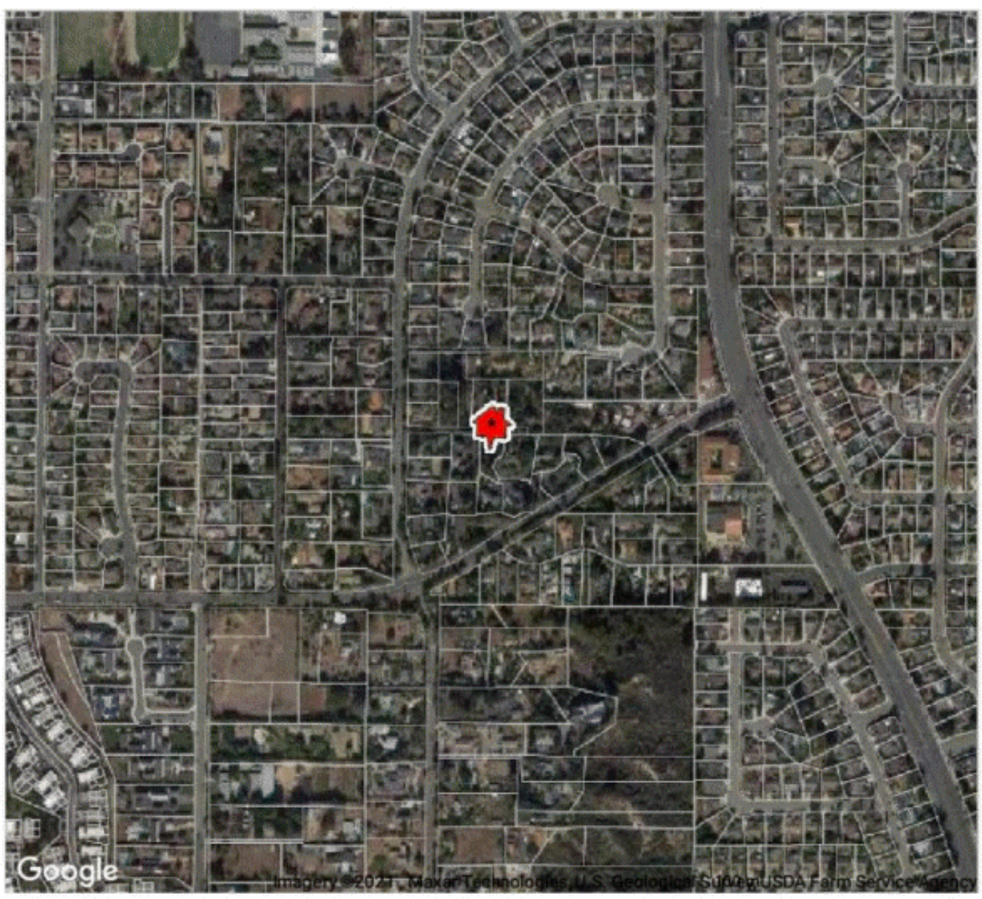
Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		

Street Map Plus Report

For Property Located At

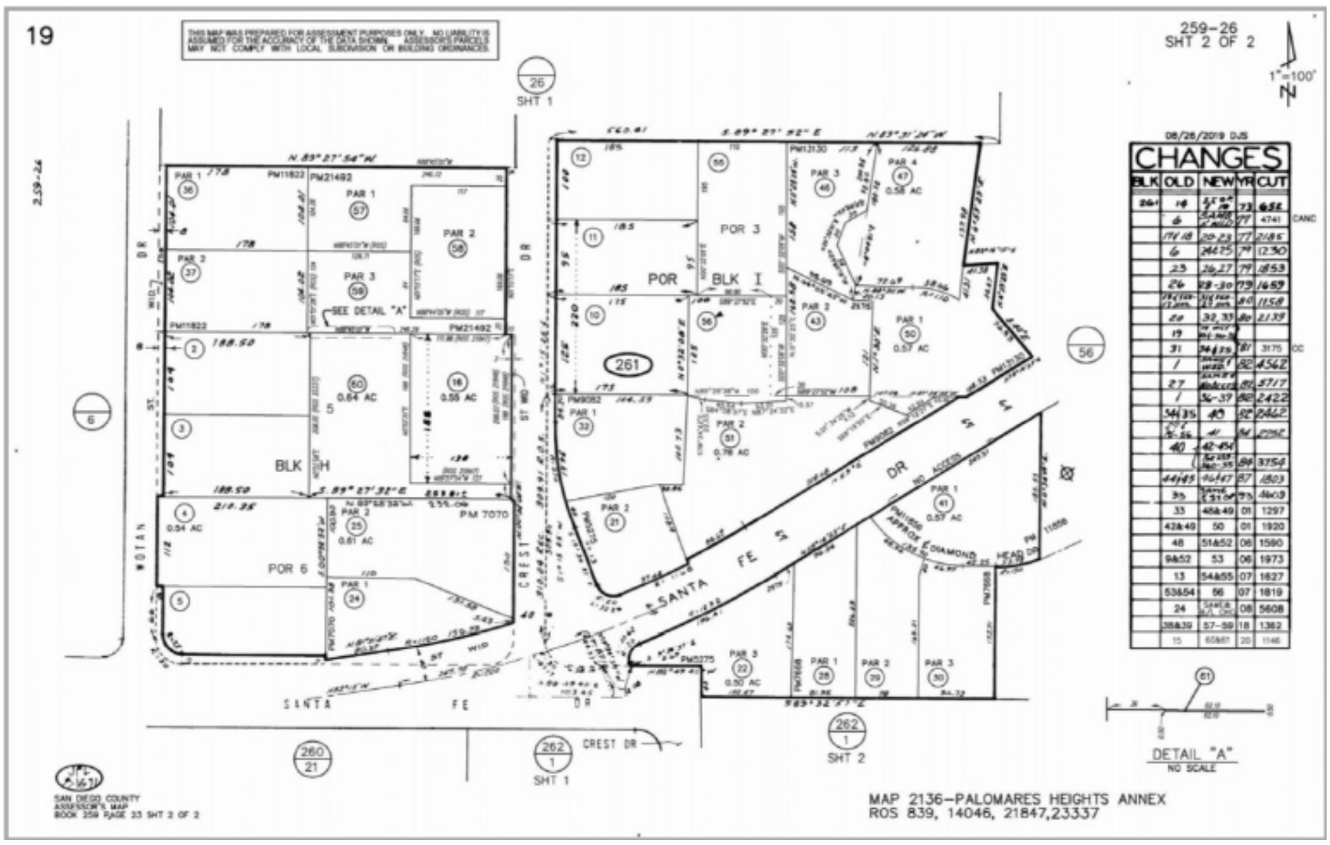
CoreLogic RealQuest Professional

1400 SANTA FE DR, ENCINITAS, CA 92024-4063



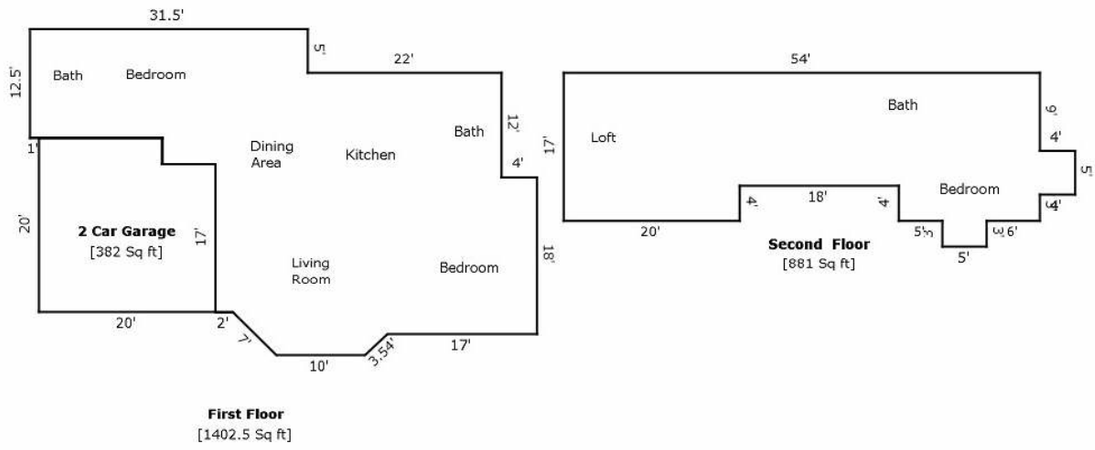
PLAT MAP

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		



FLOORPLAN SKETCH

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		



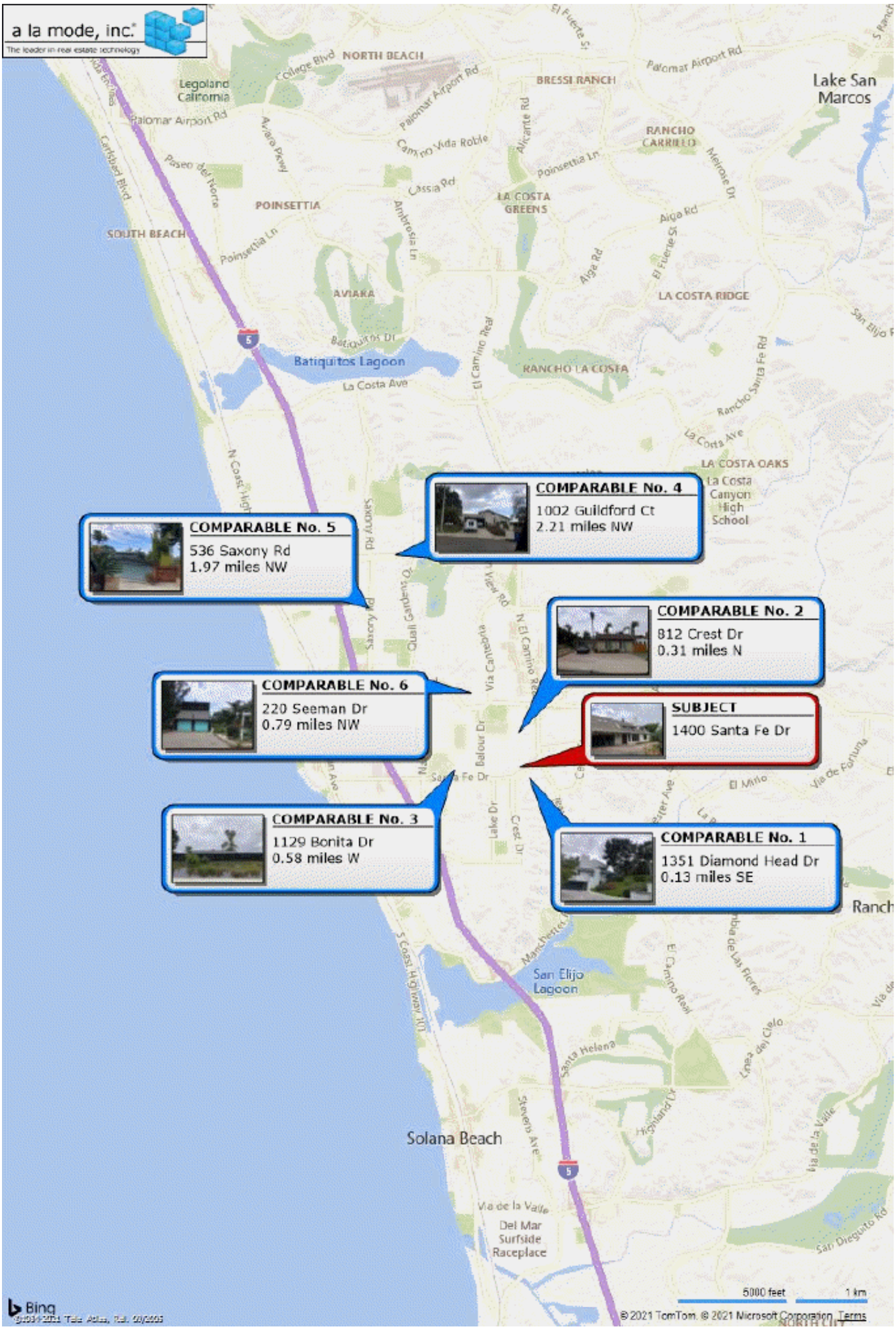
TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		**Calculation Details**		
First Floor	1402.5 Sq ft	12.5 × 15	=	187.5
		15.5 × 6	=	93
		10.5 × 5	=	52.5
		32.5 × 12	=	390
		18 × 17	=	306
		19.5 × 15.5	=	302.25
		2.5 × 2.55	=	6.38
		0.5 × 2.45 × 2.55	=	3.12
		4.95 × 10	=	49.5
		0.5 × 4.95 × 4.95	=	12.25
Second Floor	881 Sq ft	5 × 4	=	20
		5 × 3	=	15
		54 × 13	=	702
		16 × 4	=	64
		20 × 4	=	80
Total Living Area (Rounded):	**2284 Sq ft**			
Non-living Area				
2 Car Garage	382 Sq ft	20 × 17	=	340
		14 × 3	=	42

LOCATION MAP

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		



Main File No. JP1400 Page License

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW | File No.: #JP1400
Property Address: 1400 Santa Fe Dr | Case No.: JP1400
City: Encinitas | State: CA | Zip: 92024
Lender: JP Morgan Private Bank



Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Mark G. Sato

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 044649

Effective Date: September 21, 2020
Date Expires: September 20, 2022

Loretta Dillon

Loretta Dillon, Deputy Bureau Chief, BREA

3054133

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

Borrower: ROBERT ARTHUR & CHRISTINA L FARROW		File No.: #JP1400
Property Address: 1400 Santa Fe Dr		Case No.: JP1400
City: Encinitas	State: CA	Zip: 92024
Lender: JP Morgan Private Bank		

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/16/2020

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

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

PRODUCER RIVERTON INSURANCE AGENCY CORP PO Box 236 605 Main St., Suite 102 Riverton NJ 08077	CONTACT NAME: Kelly Stewart PHONE (A/C, No, Ext): (800) 882-4410 FAX (A/C, No): (858) 273-8026 E-MAIL ADDRESS: KellyS@aliains.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Stratford Insurance Company	40436
INSURED Mark G Sato dba Interstate Appraisal Group 603 Seagaze Dr #532 Oceanside CA 92054	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** CL20121606547 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Errors & Omissions Retroactive Date: 01/04/2012			REO0014387	01/04/2021	01/04/2022	Each Claim Aggregate	$1,000,000 $2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ACORD 25 (2016/03)

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Rating: Pass

Review Master: PAR Logic Review

Warnings - These items may be incorrect and require your review.

- 1004_05UAD - SUBJECT - Borrower Name - is not the same as Owner of Public Record and Assignment Type is Refinance. Verify the loan purpose and the owner of public record.
- CRX - 1004_05UAD - SUBJECT - Legal Description - on report ((EX DOC86-0299057) PAR 3 TR 2136), differs from PUBLIC RECORDS (PAR 3 (EX DOC86-0299057) TR PM13130).
- 1004_05UAD - SALES COMPARISON APPROACH - Actual Age - Subject Property's Actual Age is not bracketed by Actual Age values found in Sales Comparables.
- CRX - 1004_05UAD - SALES COMPARISON APPROACH - Subject - Age (36; Year Built: 1985) differs from PUBLIC RECORDS (40; Year Built: 1985).
- 1004_05UAD - SALES COMPARABLE(S) #3, 5 - Actual Age - differs by more than 14 years from the subject property and no adjustment has been entered.
- CRX - 1004_05UAD - SALES COMPARABLE NO. 3 - Gross Living Area (1752) differs from PUBLIC RECORDS (2235).
- CRX - 1004_05UAD - SALES COMPARISON APPROACH - Subject - Price of Prior Sale/Transfer (1850000) differs from PUBLIC RECORDS (365000.0).
- GSE - RECONCILIATION - Effective Date - is older than 1 year (365 days) from the current date. (ref. FNM0079)
- CRX - 1004_05UAD - SALES COMPARABLE NO. 5 - Site Area (14105 sf) differs from PUBLIC RECORDS (12189 sf).

Information - These items typically require comment.

- UAD - SALES COMPARABLE(S) #1, 2, 3, 4, 5, 6 - Data Source(s) - MLS is not in the correct format. MLS should be reported as the abbreviated MLS name, # and Listing identifier. (Ex. XYZMLS #123)