Small Residential Income Property Appraisal Report

File No. 20230342

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 989 Cedar Point Rd | City La Grange | State KY | Zip Code 40031

Borrower TONYA LUCAS | Owner of Public Record STEWART JERRY | County Oldham

Legal Description DUPLEX, DET GARAGE & 1.001 AC

Assessor's Parcel # 30-00-00-1E | Tax Year 2022 | R.E. Taxes $ 3,073.61

Neighborhood Name La Grange | Map Reference Oldham County | Census Tract 0302.00

Occupant [X] Owner [ ] Tenant [ ] Vacant | Special Assessments $ 0 [ ] PUD HOA $ 0 [ ] per year [ ] per month

Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)

Assignment Type [X] Purchase Transaction [ ] Refinance Transaction [ ] Other (describe)

Lender/Client FIFTH THIRD BANK, N.A. | Address 5001 KINGSLEY DR., CINCINNATI, OH, 45227

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? [ ] Yes [X] No

Report data source(s) used, offering price(s), and date(s). DOM Unk;The subject property is not listed with the GLAR MLS, however it is for sale by owner and under a pending contract.

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.

Non-arms length sale;The appraiser analyzed the sales contract. A purchase contract was executed between the buyer and seller on 06/15/2023 for $310,600. The buyer and seller are related.

Contract Price $ 310,600 | Date of Contract 06/15/2023 | Is the property seller the owner of public record? [X] Yes [ ] No | Data Source(s) PVA

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;;No financial assistance provided.

NEIGHBORHOOD

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

Neighborhood Characteristics				2-4 Unit Housing Trends				2-4 Unit Housing		Present Land Use %	
Location	[ ] Urban	[ ] Suburban	[X] Rural	Property Values	[ ] Increasing	[X] Stable	[ ] Declining	PRICE	AGE	One-Unit	62 %
Built-Up	[ ] Over 75%	[X] 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	85 Low	3	Multi-Family	5 %
Neighborhood Boundaries	North: W HWY 42; South: HW-146; East: HW-53; West: HW-393							567 High	73	Commercial	3 %
								293 Pred.	51	Other VacLand	25 %

Neighborhood Description The subject property is located in Oldham County approximately 6 miles from the La Grange CBD. Value adding amenities such as shopping, schools, recreation and highway access are within close proximity.

Market Conditions (including support for the above conclusions) See Attached Addendum and MC 1004

SITE

Dimensions No survey provided | Area 1 ac | Shape Rectangular | View N;Res;

Specific Zoning Classification R | Zoning Description Residential

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.

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] Septic	Alley None	[ ]	[ ]

FEMA Special Flood Hazard Area [ ] Yes [X] No | FEMA Flood Zone X | FEMA Map # 21185C0115D | FEMA Map Date 03/23/2021

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. See Attached Addendum

IMPROVEMENTS

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials/condition	INTERIOR materials/condition
Units [X] Two [ ] Three [ ] Four	[ ] Concrete Slab [X] Crawl Space	Foundation Walls Concrete/Gd	Floors HW/Lam/Car/Gd
[ ] Accessory Unit (describe below)	[ ] Full Basement [X] Partial Basement	Exterior Walls BV/Vinyl/Gd	Walls Drywall/Gd
# of Stories 2 # of bldgs. 1	Basement Area 847 sq. ft.	Roof Surface Compshing/Gd	Trim/Finish Wood/Gd
Type [X] Det. [ ] Att. [ ] S-Det./End Unit	Basement Finish 37 %	Gutters & Downspouts Aluminum/Gd	Bath Floor Tile/Lam/Gd
[X] Existing [ ] Proposed [ ] Under Const.	[X] Outside Entry/Exit [ ] Sump Pump	Window Type Vinyl/Gd	Bath Wainscot Tile/FG/Gd
Design (Style) Duplex	Evidence of [ ] Infestation	Storm Sash/Insulated Insulated/Gd	Car Storage
Year Built 1971	[ ] Dampness [ ] Settlement	Screens Alum/Gd	[ ] None
Effective Age (Yrs) 20	Heating/Cooling	Amenities	[X] Driveway # of Cars 2
Attic [ ] None	[X] FWA [ ] HWBB [ ] Radiant	[X] Fireplace(s) # 1 [ ] WoodStove(s) # 0	Driveway Surface Asphalt
[ ] Drop Stair [ ] Stairs	[ ] Other Fuel Gas	[X] Patio/Deck Deck [ ] Fence None	[X] Garage # of Cars 2
[ ] Floor [X] Scuttle	[X] Central Air Conditioning	[ ] Pool None [X] Porch Covered	[X] Carport # of Cars 1
[ ] Finished [ ] Heated	[ ] Individual [ ] Other	[ ] Other None	[ ] Att. [X] Det. [ ] Built-in

# of Appliances	Refrigerator 2	Range/Oven 2	Dishwasher 2	Disposal	Microwave 2	Washer/Dryer 2	Other (describe)

Unit # 1 contains:	5 Rooms	2 Bedroom(s)	2 Bath(s)	1,214	Square feet of Gross Living Area
Unit # 2 contains:	4 Rooms	2 Bedroom(s)	1 Bath(s)	855	Square feet of Gross Living Area
Unit # 3 contains:	Rooms	Bedroom(s)	Bath(s)		Square feet of Gross Living Area
Unit # 4 contains:	Rooms	Bedroom(s)	Bath(s)		Square feet of Gross Living Area

Additional features (special energy efficient items, etc.). Special features include but not limited to: 2 covered porches, uncovered deck.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject property is in overall good condition and above average for the neighborhood. Utilities were on and operational at the time of inspection. No repairs noted. Unit 1 has extensive updates. The kitchen was renovated, updated bathrooms, hardwood floors appear to have been refinished, vinyl replacement windows.

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IMPROVEMENTS

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

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

Is the property subject to rent control? ☐ Yes ☒ No If Yes, describe

COMPARABLE RENTAL DATA

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL NO. 1	COMPARABLE RENTAL NO. 2	COMPARABLE RENTAL NO. 3
Address	989 Cedar Point Rd La Grange, KY 40031	202 W Madison St La Grange, KY 40031	1210 Woodcreek Dr La Grange, KY 40031	42 Gray Hawk 36 38 40 Dr Shelbyville, KY 40065
Proximity to Subject		4.24 miles SE	4.48 miles NE	20.12 miles SE
Current Monthly Rent	$ 800	$ 2,015	$ 1,400	$ 3,980
Rent/Gross Bldg. Area	$ 0.39 sq. ft.	$ 1.06 sq. ft.	$ 1.35 sq. ft.	$ 0.79 sq. ft.
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No	☐ Yes ☒ No
Data Source(s)	MLS/PVA	MLS/PVA	MLS/PVA	MLS/PVA
Date of Lease(s)	01/01/2023	Unknown	M/M	M/M
Location	Rural	Rural	Rural	Rural
Actual Age	52	30	42	17
Condition	Good	Good	Good	Good
Gross Building Area	2069 sq.ft.	1,904	1,040	5,032

Unit Breakdown	Rm Count Tot	Br	Ba	Size Sq. Ft.	Monthly Rent
SUBJECT					
Unit # 1	5	2	2	1,214	
Unit # 2	4	2	1	855	
Unit # 3					
Unit # 4					
Utilities Included	Water & sewer				
COMPARABLE RENTAL NO. 1					
Unit # 1	4	2	1.1	952	$ 700
Unit # 2	4	2	1.1	952	$ 665
Unit # 3	4	2	1.1	952	$ 650
Unit # 4					$
Utilities Included	Water & sewer				
COMPARABLE RENTAL NO. 2					
Unit # 1	5	3	1	1,040	$ 1,400
Unit # 2					$
Unit # 3					$
Unit # 4					$
Utilities Included	Water & sewer				
COMPARABLE RENTAL NO. 3					
Unit # 1	5	3	2	1,258	$ 995
Unit # 2	5	3	2	1,258	$ 995
Unit # 3	5	3	2	1,258	$ 995
Unit # 4	5	3	2	1,258	$ 995
Utilities Included	Water & sewer				

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.)

There were very limited comparables in the subjects market area. Comparables 1 and 3 were multi-family properties and comparable 2 was a single family home with similar size, appeal, and marketability to the subjects unit 1.

SUBJECT RENT SCHEDULE

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Unit #	Leases: Lease Date Begin Date	Lease Date End Date	Actual Rents: Per Unit Unfurnished	Per Unit Furnished	Total Rents	Opinion Of Market Rent: Per Unit Unfurnished	Per Unit Furnished	Total Rents
1	Owner Occupied		$ X	$	$ X	$ 1,400	$	$ 1,400
2	01/01/2023		800		800	800		800
3								
4								

Comment on lease data	Total Actual Monthly Rent	$ 800	Total Gross Monthly Rent $ 2,200
	Other Monthly Income (itemize)	$	Other Monthly Income (itemize) $
	Total Actual Monthly Income	$ 800	Total Estimated Monthly Income $ 2,200

Utilities included in estimated rents ☐ Electric ☒ Water ☒ Sewer ☐ Gas ☐ Oil ☐ Cable ☐ Trash collection ☐ Other (describe)

Comments on actual or estimated rents and other monthly income (including personal property) Unit 1 is owner occupied and not currently rented. Comparable 2 is rented for $800/month with water and sewer included per the current owner. Comparable rental 2 was given the most weight for unit 1. Comparable 2 was the most similar in terms of size, condition, and appeal/marketability for unit 1.

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) PVA

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) PVA

Report the results of the research and analysis of the prior sale history of the subject property and comparable sales (report additional prior sales on page 4).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	11/18/2022	07/08/2022		
Price of Prior Sale/Transfer	$1	$210,000		
Data Source(s)	PVA	PVA	PVA	PVA
Effective Date of Data Source(s)	07/13/2023	07/13/2023	07/13/2023	07/13/2023

Analysis of prior sale history for the subject property and comparable sales My research did reveal prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal. The prior sale/transfer was noted as a "Close Relative Sale" on the county assessors website for only a $1 consideration of value. This was not a market sale. My research also revealed prior sales or transfers of the comparables for the year prior to the date of the comparable sale. Comparable 1 was extensively renovated after the prior sale/transfer.

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There are 2 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 340,000 to $ 599,900 .

There are 14 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 85,000 to $ 566,250 .

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address	989 Cedar Point Rd La Grange, KY 40031	1516 Bailey Ave Shelbyville, KY 40065		153 Meadowlark Ln Shepherdsville, KY 40165		202 W Madison St La Grange, KY 40031	
Proximity to Subject		18.64 miles SE		28.99 miles SW		4.24 miles SE	
Sale Price	$ 310,600		$ 400,000		$ 285,500		$ 276,000
Sale Price/Gross Bldg. Area	$ 150.12 sq. ft	$ 142.86 sq. ft		$ 148.70 sq. ft		$ 144.96 sq. ft	
Gross Monthly Rent	$ 800	$ 0		$		$ 2,015	
Gross Rent Multiplier	388.25	0.00		0.00		136.97	
Price Per Unit	$ 155,300	$ 200,000		$ 142,750		$ 92,000	
Price Per Room	$ 34,511	$ 40,000		$ 31,722		$ 23,000	
Price Per Bedroom	$ 77,650	$ 66,667		$ 71,375		$ 46,000	
Rent Control	☐ Yes ☒ No	☐ Yes ☒ No		☐ Yes ☒ No		☐ Yes ☒ No	
Data Source(s)		GLAR #1630090;DOM 19		GLAR #1602844;DOM 1		GLAR #1595200;DOM 1	
Verification Source(s)		MLS/PVA		MLS/PVA		MLS/PVA	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing Concessions	0	ArmLth Conv;0		ArmLth FHA;0		ArmLth Cash;0	
Date of Sale/Time	06/15/2023	03/17/2023		01/31/2022		10/01/2021	
Location	Rural	Rural		Rural		Rural	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	1 ac	.40 ac	0	30732 sf	0	.39 ac	0
View	Woods	Woods		Woods		Woods	
Design (Style)	Duplex	Duplex		Duplex		Triplex	0
Quality of Construction	Q4	Q4		Q4		Q4	
Actual Age	52	51	0	26	0	30	0
Condition	Good	Like New	-20,000	Average	20,000	Average	20,000
Gross Building Area 80.00	2069 sq.ft.	2,800	-58,500	1,920	11,900	1,904	13,200
Unit Breakdown	Total / Bdrms. / Baths	Total / Bdrms. / Baths		Total / Bdrms. / Baths		Total / Bdrms. / Baths	
Unit # 1	5 / 2 / 2	5 / 3 / 1.1	-5,000	5 / 2 / 1.1	0	4 / 2 / 1.1	0
Unit # 2	4 / 2 / 1	5 / 3 / 1.1	-5,000	4 / 2 / 1	0	4 / 2 / 1.1	0
Unit # 3						4 / 2 / 1.1	0
Unit # 4							
Basement Description	Part./847 Sq.Ft.	None	5,900	None	5,900	Part./952 Sq.Ft.	-700
Basement Finished Rooms	37% Finished	None	2,200	None	2,200	100% Finished	-4,500
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA C/Air Gas	FWA C/Air Gas		FWA C/Air Gas		FWA C/Air Gas	
Energy Efficient Items	Average	Average		Average		Average	
Parking On/Off Site	2 Car Garage	None	20,000	2 Car Garage		None	20,000
Porch/Patio/Deck	2 Porches;Deck	Porch;Patio;Deck	0	Patio;Deck	0	Porch	0
Net Adjustment (Total)		☐ + ☒ -	$ 60,400	☒ + ☐ -	$ 40,000	☒ + ☐ -	$ 48,000
Adjusted Sale Price of Comparables		Net Adj. -15.1 % Gross Adj. 29.1 %	$ 339,600	Net Adj. 14.0 % Gross Adj. 14.0 %	$ 325,500	Net Adj. 17.4 % Gross Adj. 21.2 %	$ 324,000
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)		$ 169,800		$ 162,750		$ 108,000	
Adj. Price Per Room ((Adj. SP Comp / # of Comp Rooms)		$ 33,960		$ 36,167		$ 27,000	
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)		$ 56,600		$ 81,375		$ 54,000	
Value Per Unit	$ 163,000 X	2 Units	= $ 326,000	Value Per GBA	$ 145.00 X	2069 sq.ft. GBA	= $ 300,005
Value Per Rm.	$ 34,000 X	9 Rooms	= $ 306,000	Value Per Bdrms.	$ 81,000 X	4 Bdrms.	= $ 324,000

Summary of Sales Comparison Approach including reconciliation of the above indicators of value. See Attached Addendum

Indicated Value by Sales Comparison Approach $ 325,000

INCOME

Total gross monthly rent $ 2,200 X gross rent multiplier (GRM) 137.00 = $ 301,400 Indicated value by the Income Approach

Comments on income approach including reconciliation of the GRM There were very few confirmed comparables to assist in the development of the GRM. The GRM was derived for a variety of multi family listings and sales that were not considered above in the direct sales comparison approach. The estimated GRM supports the appraisers opinion of value in the direct sales comparison analysis/approach. NOTE estimated rent of the vacant units were used to develope the Income Approach

RECONCILIATION

Indicated Value by: Sales Comparison Analysis $ 325,000 Income Approach $ 301,400 Cost Approach (if developed) $

The appraiser considered Direct Sales Comparison Approach and the Income Approach to value. Primary emphasis was placed on the Direct Sales Comparison Approach due to that it best reflects what a typical buyer is willing to pay in this market. The Income approach supports the direct sales comparison approach. The Cost approach was not developed due to the subjects age.

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

Based on a 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 $ 325,000 as of 06/28/2023 , which is the date of inspection and the effective date of this appraisal.

ADDITIONAL COMMENTS

Clarification of Intended Use and Intended User:

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. This appraisal, including attachments, is intended for the noted intended user(s). The information in this report is confidential. Unauthorized disclosure, copying or use of this information is prohibited. Anyone possessing or using this report other than the intended user(s) could be subject to legal ramifications.

The highway/freeway dividing the subject from the comparables does not pose any sort of market division or barrier within the region.

The subject and comparables are located within similar and competing neighborhoods.

A typical buyer would observe all neighborhoods equally when making a purchasing decision.

No personal property considered in final value estimate.

There were no observed items of insect infestation noted. Appraiser assumes no responsibility as a professional pest inspector.

The appraisal value is the most probable sales price. The most probably sales price is defined as “That price at which a property would most probably sell if exposed to the market for a reasonable time, under market conditions prevailing as of the date of the appraisal” per Boyce, Real Estate Appraisal Terminology, 145. Note the value standard (“most probably”) and the only condition imposed on the market (exposure for “a reasonable time”), which otherwise assumes prevailing conditions.

Property has been measured per the ANSI Z765-2021 Standard. This is how the finished square footage was calculated.

SEPTIC SYSTEMS ARE TYPICAL WITHIN THE SUBJECT'S MARKET AREA AND DOES NOT AFFECT THE MARKETABILITY OF THE SUBJECT. PUBLIC SEWERS WERE NOT AVAILABLE.

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) Site value were estimated from land sales in the subject area.

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW

Source of cost data

Quality rating from cost service Effective date of cost data

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

Due to the subject's advanced age the Cost Approach is not considered to be a reliable indicator of value. Therefore, the Cost Approach was not developed in this report.

OPINION OF SITE VALUE			= $ 52,000
Dwelling	0 Sq. Ft. @ $		= $ 0
	Sq. Ft. @ $		= $ 0
Garage/Carport	Sq. Ft. @ $		= $ 0
Total Estimate of Cost-New			= $ 0
Less 80 Physical	Functional	External	
Depreciation			= $ (0)
Depreciated Cost of Improvements			= $ 0
"As-is" Value of Site Improvements			= $
INDICATED VALUE BY COST APPROACH			= $

Estimated Remaining Economic Life (HUD and VA only) 60 Years

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.

3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.

5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.

6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.

7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.

8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.

9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.

10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.

11. I have knowledge and experience in appraising this type of property in this market area.

12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.

14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.

15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.

16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.

17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.

18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).

19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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 Jonathan M. Walker
Name Jonathan Walker
Company Name Walker Appraisals LLC
Company Address PO Box 453
Harrods Creek, KY 40027
Telephone Number 502-550-4085
Email Address walkerappraisals502@gmail.com
Date of Signature and Report 07/13/2023
Effective Date of Appraisal 06/28/2023
State Certification # 5180
or State License #
or Other (describe) State #
State KY
Expiration Date of Certification or License 07/01/2024

ADDRESS OF PROPERTY APPRAISED
989 Cedar Point Rd
La Grange, KY 40031

APPRAISED VALUE OF SUBJECT PROPERTY $ 325,000

LENDER/CLIENT
Name Accurate Group
Company Name FIFTH THIRD BANK, N.A.
Company Address 5001 KINGSLEY DR.
CINCINNATI, OH 45227
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

ADDENDUM

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
City: La Grange	State: KY	Zip: 40031
Lender: FIFTH THIRD BANK, N.A.		

IMPORTANT: Please read the following very carefully. This appraisal is for no purpose other than property valuation as limited by the scope of the assignment as stated in this report. The appraisers are neither qualified, nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.

APPRAISAL IS NOT A SURVEY: It is assumed that the utilization of the land and improvements is within the boundaries of the property lines, and that said property lines of the property described herein are correct and that there are no encroachments or trespass unless noted in the report. The appraiser's have made no survey of the property and no responsibility is assumed in connection with such matters. Any maps, plats, legal descriptions or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships or giving a general idea of the property description. The reliability of information contained in any such map, plat, description or drawing is assumed by the appraiser's and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern regarding boundaries, setbacks, encroachments, legal description or other survey matters.

No value to non-realty items. The appraiser reserves the right to re-evaluate the value estimate of this report based on the results of any inspections, surveys or other pertinent reports regarding the subject property which reveal significant differences than that which was obvious to the appraiser. Reliability of data has been considered in concluding value.

APPRAISAL IS NOT A LEGAL OPINION: Title and Boundaries - No responsibility is assumed for matters of a legal nature that affect the title to the property nor is an opinion of title rendered. The value is given without regard to questions of title, boundaries, encumbrances or encroachments. Appraiser is not usually provided with information regarding the title or legal description, and in such case, no detailed examination was made, nor was any legal opinion given regarding said title or legal description.

APPRAISAL IS NOT AN ENGINEERING OR PROPERTY INSPECTION REPORT: Structural Problems May Be Present - The reader of this appraisal should understand that purchasing a home entails a certain amount of risk. Properties may have latent problems that are not detectable at the time of sale or at the time it is appraised. Many properties have hidden problems or may develop structural problems after the sale. The appraisal should not be considered a report on the physical items that are part of this property.

RADON: Radon is a cancer causing radioactive gas. It occurs naturally and may seep into houses via the basement. Abnormally high concentrations of Radon in a house may affect the marketability of the house. High levels of radon concentration may cause sickness or even cancer. The appraiser is not a professional at radon detection. Your appraiser, therefore, recommends each home appraised receive a simple commercial test to measure radon levels. The responsibility for detection or mitigation of radon lies with the property owner.

SIGNATURES: Signatures are computer generated digital signatures and securely locked with a password. This signature holds the same level of authenticity and responsibility as an appraisal report with an ink signature.

This appraisal report was emailed and a digital signature was utilized.

NEIGHBORHOOD MARKET CONDITIONS REPORT

See 1004MC report.

CONDITIONS OF APPRAISAL

The depth of the discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report. The appraiser is NOT a home inspector or engineer and observed the property for valuation purposes only. Consultation with professional regarding specific technical or mechanical concerns is recommended.
The intended use of the appraisal is to assist the client and any other intended users in the underwriting, approval and funding of the mortgage loan.

No value to non-realty items. The appraiser reserves the right to re-evaluate the value estimate of this report based on the results of any inspections, surveys or other pertinent reports regarding the subject property which reveals significant differences than that which was obvious to the appraiser. Reliability of data has been considered in concluding value.

The Intended User of this appraisal report is 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 the definition of market value. No other use or user is intended without the expressed written consent of the appraiser. No additional intended users are identified by the appraiser. Due to federal regulations the borrower can receive a copy of this report, however, is not the intended user. The appraiser took the subject photos.

An appraisal inspection done in accordance with USPAP guidelines is visual and not technically exhaustive. This inspection does not offer warranties or guarantees of any kind as to the condition of the property or its components.

The appraiser is not a home or environmental inspector. The appraiser provides an opinion of value. The appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. A professional home and/or environmental inspections are recommended.

The appraiser is not a licensed home inspector, general contractor, licensed plumber, electrician or HVAC technician and does not warrant any of the systems or sub-systems of the subject. If a deficiency were to be found in any of the systems or sub-systems of the home, it could impact the value and marketability of the subject. The subject is not warranted from any defects or non-functioning elements.

Highest and Best Use

Highest and Best Use is defined by the Dictionary of Real Estate Appraisal, published by the American Institute of Real Estate Appraisers, as the 'most profitable likely use to which a property can be put.' The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future

1. The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined as the date of the appraisal.
2. The reasonably probable and legal use of land or sites as though vacancy, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.
3. The most profitable use.

Implied in these definitions is that the determination of highest and best use take into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situation the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats, and the like.

To estimate the highest and best use of a property, the appraiser utilizes four tests. The subject use must meet all four of these tests.

1. Legally permitted.
2. Physically possible.
3. Economically feasible.
4. Maximally productive.

An additional implication of these definitions is that the determination of highest and best use results from the appraiser’s judgment and analytical skill; that is, that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

The above definition applies specifically or the highest and best use of the land. In many cases where a site has existing improvements, highest and best use may be determined to be a different use from the existing use. The existing use will, however, continue until the land value exceeds the total value of the property in its existing use.

Considering the subject property as improved, the highest and best use of the subject property is its present residential usage. No alternative uses exist which meet the four tests. If the subject property were vacant, the present zoning classification still dictates the highest and best use as residential, although other uses may be found which would meet the other three teats. Due to the location of the property, land uses and present zoning classifications in the neighborhood, the most profitable likely use to which the property can be put it its present residential use.

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.

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
City: La Grange	State: KY	Zip: 40031
Lender: FIFTH THIRD BANK, N.A.		

Site Comments
This site is typical for the neighborhood in terms of size and appeal with no readily apparent adverse easements or encroachments. There are no known or apparent adverse easements or encroachments, special assignments, and illegal or legal non conforming zoning or use which would negatively impact the value of the property.

Comments on Sales Comparison
The appraiser's comparable search parameters : similar GLA, style, properties that sold within the past 24 months, and within a 30 mile search radius. Due to the rural area, and the subjects features and style, the appraiser had to expand the search radius well over a mile and go back to sales within the past 2 years. There were very few multi-family properties in the market area. The appraiser expanded the search radius 30 miles but excluded Jefferson County properties due to that county primarily not being a rural area and not sharing similar marketability to the subjects market area. The appraiser considered 14 sales within the subject's market area. The comparables chosen were considered to be the best available.

The subject is a 1 story duplex style home with a 2 car detached garage. The subject is located in Oldham County and comparable 3 is located in Oldham County and comparable 1 was located in adjacent Shelby County. Comparable 2 was located in Bullitt County and was utlized to bracket the subjects garage. Comparable 2 was considered the best multi-family comparable to bracket the subjects garage.

Adjustments were made for GBA, condition, bedroom count, and other amenities. No age adjustments are applied to the comparables as differences in age related physical depreciation are considered in the condition ratings. The subject was considered to be in good condition due to having several recent updates. Comparables 2 and 3 appeared to have inferior conditoin and warranted positive conditoin adjustments. These properties did not appear to have recent updates. Comparable 1 was extensively updated throughout and warranted a negative condition adjustment. This property was in superior condition to the subject property. The appraiser determined condition and quality ratings by reviewing the MLS photos and listing descriptions. All comparables appeared to share similar quality of construction and no quality adjustments were warranted. No time adjustments were warranted based on market data showing a stable market.

Adjustment amounts were derived from a historical market reaction to each element of comparison. Market reaction adjustments are either developed from the appraiser's market experience, MLS data, and/or matched pair analysis. Sold comps were given most weight because they showcase what the typical market participant is willing to pay for a similar property to the subject. Comparable 3 specifically was given the most weight due to its close proximity and location in the subjects county, as well as the lack of adjustments required.

The comparables used are felt to be the best available and after adjustments, reasonably support the subjects market value. All sales utilized in connection with this appraisal assignment are located in the same general marketing environment as the subject property. The subject has been appraised above the predominant values in the area; however, it is within the range of values in the subject's market area. This is primarily due to the subjects basement, garage, and condition.

Income Approach Comments
There were very few confirmed comparables to assist in the development of the GRM. The GRM was derived for a variety of multi family listings and sales that were not considered above in the direct sales comparison approach. The estimated GRM supports the appraisers opinion of value in the direct sales comparison analysis/approach. NOTE estimated rent of the vacant units were used to develope the Income Approach

Operating Income Statement

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property 20230342

Property Address
989 Cedar Point Rd | La Grange | KY | 40031
Street | City | State | Zip Code

General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.

	Currently Rented	Expiration Date	Current Rent Per Month	Market Rent Per Month
Unit No. 1	Yes ___ No X		$ 0	$ 1,400
Unit No. 2	Yes X No ___		$ 800	$ 800
Unit No. 3	Yes ___ No ___		$	$
Unit No. 4	Yes ___ No ___		$	$
Total			$ 800	$ 2,200

Utility Expense	Paid By Owner	Paid By Tenant
Electricity	☐	☒
Gas	☐	☒
Fuel Oil	☐	☐
Fuel (Other)	☐	☐
Water/Sewer	☒	☐
Trash Removal	☒	☐

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (for new properties the applicant's projected income and expenses must be provided). This Operating Income Statement and previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (e.g., Applicant/Appraiser 288/310). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item.) Income should be based on current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

Income (Do not include income for owner-occupied units)	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (from unit(s) to be rented)	$ 26,400	$
Other Income (include sources)	+	+
Total	$ 26,400	$ 0
Less Vacancy/Rent Loss	- 792.00 (3%)	- (%)
Effective Gross Income	$ 25,608	$ 0

Expenses (Do not include expenses for owner-occupied units)	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Electricity		
Gas		
Fuel Oil		
Fuel (Type- Gas)		
Water/Sewer		
Trash Removal		
Pest Control		
Other Taxes or Licenses		
Casual Labor		
This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating	500	
This includes the costs of contract labor and materials that are required to maintain the interiors of the living units.		
General Repairs/Maintenance	1,000	
This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc.		
Management Expenses 7%	1,848	
These are the customary expenses that a professional management company would charge to manage the property.		
Supplies	500	
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	3,433	
Miscellaneous		
Total Operating Expenses	$ 7,281	$

Replacement Reserve Schedule

Adequate replacement reserves must be calculate regardless of whether actual reserves are provided for on the owner's operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year-such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc.-should be expensed on a replacement cost basis.

Equipment	Replacement Cost		Remaining Life				By Applicant/ Appraiser	Lender Adjustments
Stoves/Ranges	@$ 700.00	ea. ÷	12	Yrs. x	2	Units =$	116.67	$
Refrigerators	@$ 900.00	ea. ÷	12	Yrs. x	2	Units =$	150.00	$
Dishwashers	@$ 600.00	ea. ÷	12	Yrs. x	2	Units =$	100.00	$
A/C Units	@$ 3,000.00	ea. ÷	20	Yrs. x	2	Units =$	300.00	$
C. Washer/Dryers	@$ 10,000.00	ea. ÷	10	Yrs. x	2	Units =$	2,000.00	$
HW Heaters	@$ 800.00	ea. ÷	15	Yrs. x	2	Units =$	106.67	$
Furnace(s)	@$ 3,000.00	ea. ÷	20	Yrs. x	2	Units =$	300.00	$
(Other)	@$	ea. ÷		Yrs. x		Units =$		$
Roof	@$ 9,000.00	÷	25	Yrs. x One Bldg. =			$ 360.00	$

Carpeting (Wall to Wall) — Remaining Life

(Units)	Total Sq. Yds. @ $	Per Sq. Yd. ÷	Yrs. =	$	$	
(Public Areas)	Total Sq. Yds. @ $	Per Sq. Yd. ÷	Yrs. =	$	$	

Total Replacement Reserves. (Enter on Pg. 1) $ 3,433.34 $

Operating Income Reconciliation

$ 25,608.00 Effective gross Income	- $	7,281.00 Total Operating Expenses	=$	18,327.00 Operating Income	÷12=	$	1,527.25 Monthly Operating Income
$ 1,527.25 Monthly Operating Income	- $	Monthly Housing Expenses	=$	1,527.25 Net Cash Flow			

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter's instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the subject property to the borrower's stable monthly income.

Underwriter's instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower's primary residence to the borrower's stable monthly income.

Appraiser's Comments (including sources for data and rationale for the projections)

*Taxes are $256 per month. The new principle, interest, and insurance is not known and should be added to the taxes to determine the net cash flow and monthly housing expenses.

Jonathan Walker	Jonathan M. Walker	07/13/2023
Appraiser Name	Appraiser Signature	Date

Underwriter's Comments and Rationale for Adjustments

Underwriter Name	Underwriter Signature	Date

Market Conditions Addendum to the Appraisal Report

File No. 20230342

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 989 Cedar Point Rd City La Grange State KY Zip Code 40031

Borrower TONYA LUCAS

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)	9	2	3	☐ Increasing	☒ Stable	☐ Declining
Absorption Rate (Total Sales/Months)	1.50	0.67	1.00	☐ Increasing	☒ Stable	☐ Declining
Total # of Comparable Active Listings	1	2	2	☐ Declining	☐ Stable	☒ Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.67	2.99	2.00	☐ 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	200,000	482,500	316,200	☐ Increasing	☒ Stable	☐ Declining
Median Comparable Sales Days on Market	33	61	1	☐ Declining	☒ Stable	☐ Increasing
Median Comparable List Price	600,000	459,750	469,950	☐ Increasing	☒ Stable	☐ Declining
Median Comparable Listings Days on Market	102	77	75	☒ Declining	☐ Stable	☐ Increasing
Median Sale Price as % of List Price	96.37%	94.14%	97.71%	☐ 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.).

It is typical in this market for the seller to pay some of the buyers closing cost (typically $1,500 to $3,500), with no effect on value and no adjustment necessary in the sales concession section of the Sales Comparison Analysis. MLS data indicated properties typically sell at 94% - 98% of list price. Sales and financing concessions of up to 4%, including interest rate buy downs, non-realty items, or closing costs are common in this area with no value impact.

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. GLAR MLS

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.

Over the past 12 months, values have appeared to be remain stable. Selling DOM appears to have also remained stable. This appraiser does not project any future overall trends based on this limited data. The data collection method is unscientific and is only accurate within the parameters used to collect the data sample. This appraiser is not an economist and this is not an economic forecast and therefore should not be used as such . This information is provided from the MLS/PVA. Results are based on information that is considered reliable, however, appraiser cannot guarantee the accuracy of the information obtained.

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

Signature Jonathan M. Walker
Name Jonathan Walker
Company Name Walker Appraisals LLC
Company Address PO Box 453
Harrods Creek, KY 40027
State License/Certification # 5180 State KY
Email Address walkerappraisals502@gmail.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

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

USPAP ADDENDUM

File No. 20230342

Borrower: TONYA LUCAS
Property Address: 989 Cedar Point Rd
City: La Grange County: Oldham State: KY Zip Code: 40031
Lender: FIFTH THIRD BANK, N.A.

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: 1-60 days

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.

Additional Comments

Clarification of Intended Use and Intended User:

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.

APPRAISER:

Signature: Jonathan M. Walker
Name: Jonathan Walker
Date Signed: 07/13/2023
State Certification #: 5180
or State License #:
or Other (describe): State #:
State: KY
Expiration Date of Certification or License: 07/01/2024
Effective Date of Appraisal: June 28, 2023

SUPERVISORY APPRAISER (only if required):

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

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
City: La Grange	State: KY	Zip: 40031
Lender: FIFTH THIRD BANK, N.A.		



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: June 28, 2023
Appraised Value: $ 325,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
City: La Grange	State: KY	Zip: 40031
Lender: FIFTH THIRD BANK, N.A.		



Side



Side



Street



Den
Unit 1



Living Room
Unit 1



Kitchen
Unit 1

Borrower: TONYA LUCAS		File No.:	20230342
Property Address: 989 Cedar Point Rd		Case No.:	
City: La Grange	State: KY	Zip:	40031
Lender: FIFTH THIRD BANK, N.A.			



Bath
Unit 1



Bedroom
Unit 1



Bath
Unit 1



Bedroom
Unit 1



Family Room-Basement
Unit 1



Interior-1 Car Built-in Garage
Basement

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
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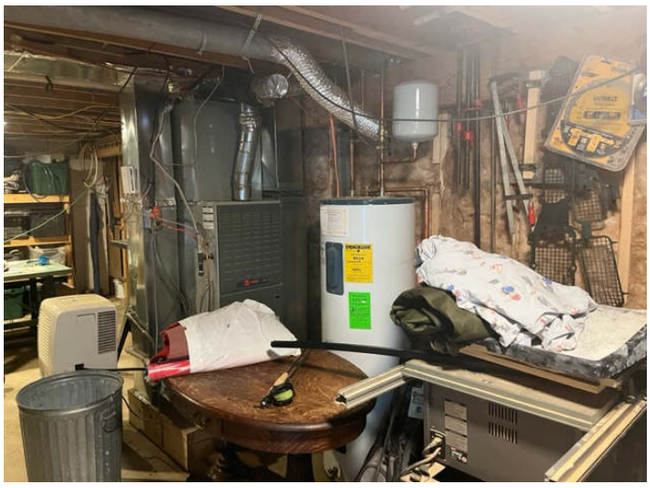

Unfinished Area
Basement



1 Car Carport



2 Car Detached Garage



Interior-2 Car Garage



Lean-to



2 Gas Meters and AC Units

Borrower: TONYA LUCAS		File No.: 20230342
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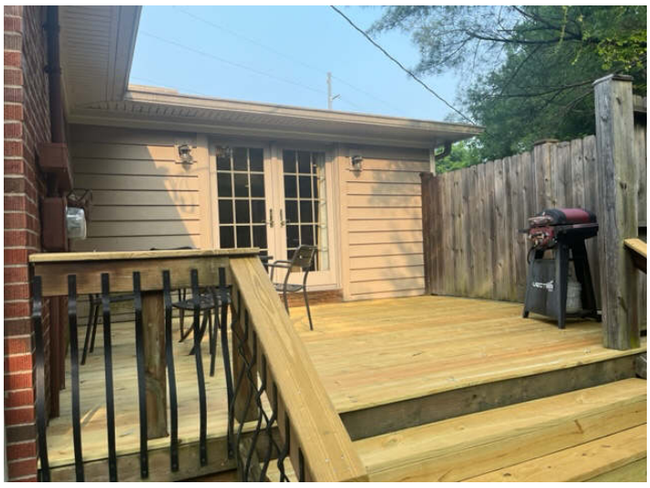


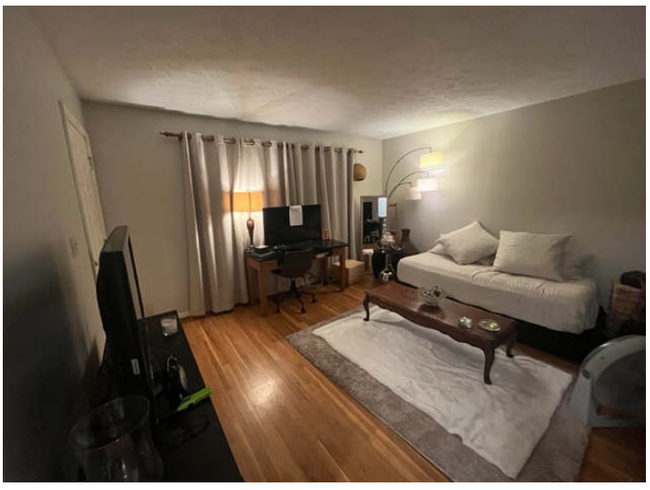
Uncovered Deck



Laundry
Unit 2



Kitchen
Unit 2



Living Room
Unit 2



Bath
Unit 2



Bedroom
Unit 2

Borrower: TONYA LUCAS		File No.:	20230342
Property Address: 989 Cedar Point Rd		Case No.:	
City: La Grange	State: KY	Zip:	40031
Lender: FIFTH THIRD BANK, N.A.			



Bedroom
Unit 2



Vinyl Replacement Windows

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
City: La Grange	State: KY	Zip: 40031
Lender: FIFTH THIRD BANK, N.A.		



COMPARABLE SALE #1

1516 Bailey Ave
Shelbyville, KY 40065
Sale Date: 03/17/2023
Sale Price: $ 400,000



COMPARABLE SALE #2

153 Meadowlark Ln
Shepherdsville, KY 40165
Sale Date: 01/31/2022
Sale Price: $ 285,500



COMPARABLE SALE #3

202 W Madison St
La Grange, KY 40031
Sale Date: 10/01/2021
Sale Price: $ 276,000

COMPARABLE RENTALS PHOTO ADDENDUM

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
City: La Grange	State: KY	Zip: 40031
Lender: FIFTH THIRD BANK, N.A.		



COMPARABLE RENTAL #1

202 W Madison St
La Grange, KY 40031



COMPARABLE RENTAL #2

1210 Woodcreek Dr
La Grange, KY 40031



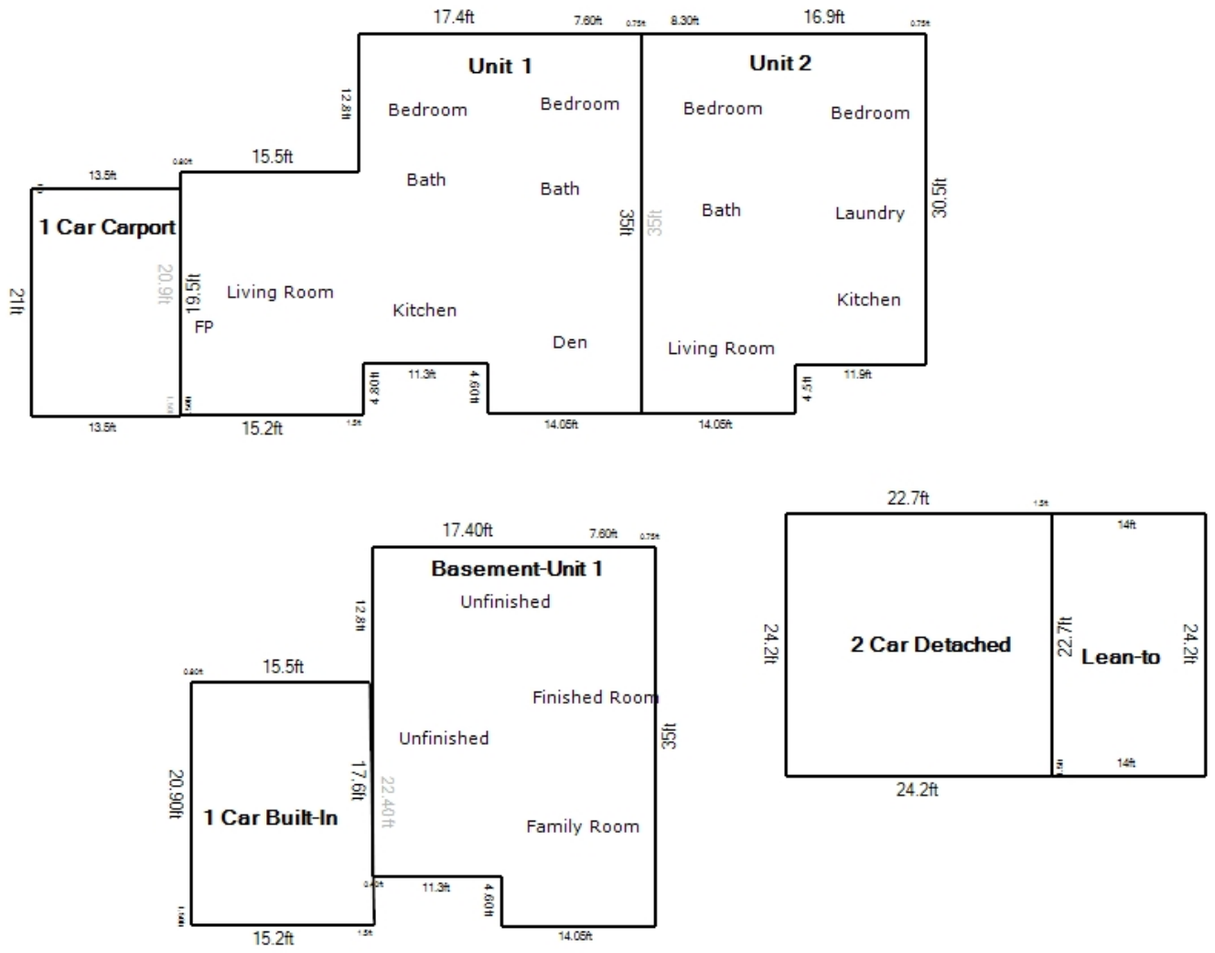
COMPARABLE RENTAL #3

42 Gray Hawk 36 38 40 Dr
Shelbyville, KY 40065

FLOORPLAN SKETCH

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
City: La Grange	State: KY	Zip: 40031
Lender: FIFTH THIRD BANK, N.A.		

Sketch

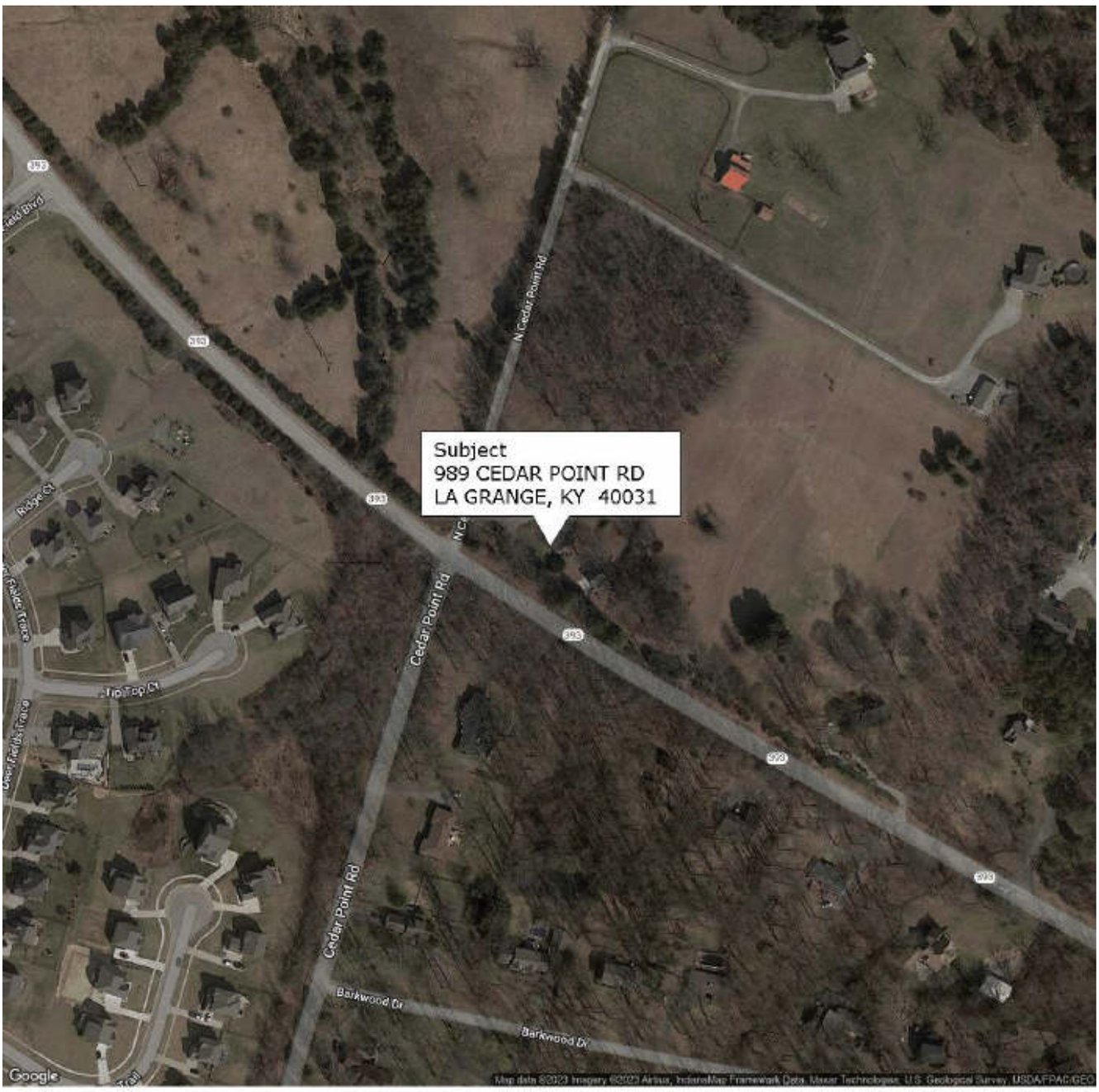


14 ft

Living Area		Nonliving Area	
Unit 1	1214.47 ft²	1 Car Built-In	369.6 ft²
Unit 2	854.70 ft²	Basement-Unit 1	847.43 ft²
		2 Car Detached	585.64 ft²
		Lean-to	338.80 ft²
		1 Car Carport	283.50 ft²
Total Living Area (rounded):	**2069 ft²**	**Total Non-Living Area (rounded):**	**2425 ft²**

FLOOD MAP

Borrower: TONYA LUCAS		File No.:	20230342
Property Address: 989 Cedar Point Rd		Case No.:	
City: La Grange	State: KY	Zip:	40031
Lender: FIFTH THIRD BANK, N.A.			



FLOOD INFORMATION

Community: Oldham County
Property is NOT in a FEMA Special Flood Hazard Area
Map Number: 21185C0115D
Panel: 21185C0115
Zone: X
Map Date: 03-23-2021
FIPS: 21185
Source: FEMA DFIRM

LEGEND

= FEMA Special Flood Hazard Area – High Risk

= Moderate and Minimal Risk Areas

Road View:

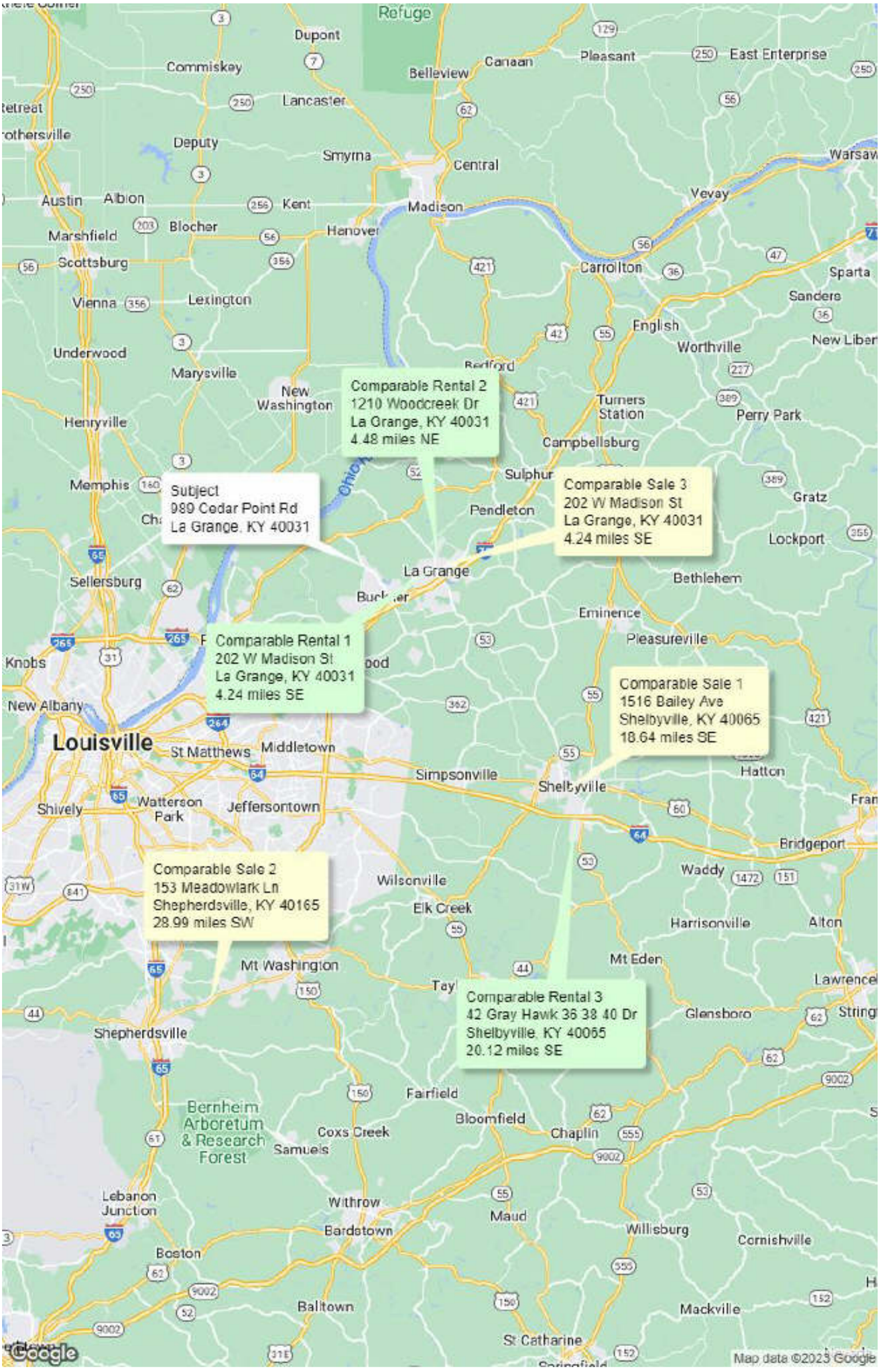
= Forest = Water

Sky Flood™

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

LOCATION MAP

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
City: La Grange	State: KY	Zip: 40031
Lender: FIFTH THIRD BANK, N.A.		



Borrower: TONYA LUCAS		File No.: 20230342	
Property Address: 989 Cedar Point Rd		Case No.:	
City: La Grange	State: KY	Zip: 40031	
Lender: FIFTH THIRD BANK, N.A.			

In the name and by the Authority of the

Commonwealth of Kentucky

Kentucky Real Estate Appraisers Board

Hereby grants a/an Certified Residential Real Property Appraiser

To Jonathan M Walker
PO Box 453 Harrods Creek KY 40027

who has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN WITNESS WHEREOF, we have caused the official seal to be fixed and attested for the year shown below.

/s William Jeffrey Fultz

Chair

/s John C. Brewer

Vice Chair

License Number: 5180
Issue Date: November 28, 2016
Expire Date: July 1, 2024

HUDSON INSURANCE COMPANY
100 William Street, 5th Floor
New York, NY 10038

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 AUTOMATIC EXTENDED REPORTING PERIOD.

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

PLEASE READ THIS POLICY CAREFULLY.

Policy Number: PRA-2AX-1012750 **Renewal of:** PRA-2AX-1004915

1. **Named Insured:** Jonathan Walker

3. **Policy Period:** **From:** November 30, 2022 **To:** November 30, 2023

12:01 A.M. Standard Time at the address of the **Named Insured** as stated in Number 2 above

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

5. **Deductible** (Inclusive of **Claims Expenses**):
   5A. $ 500 Each **Claim** **5B.** $ 1,000 Aggregate
6. **Policy Premium:** $563.00 **State Taxes/Surcharges:** $38.28
7. **Retroactive Date:** November 30, 2016
8. **Notice to Company:** Notice of a **Claim** or Potential **Claim** should be sent to:
   Hudson Insurance Group
   100 William Street, 5th Floor
   New York, NY 10038
   Fax: 646-216-3786
   Email: hudsonclaims300@hudsoninsgroup.com
9. **A. Program Administrator:** Riverton Insurance Agency Corp.
   B. Agent/Broker: OREP Insurance Services, LLC
   (888) 347-5273

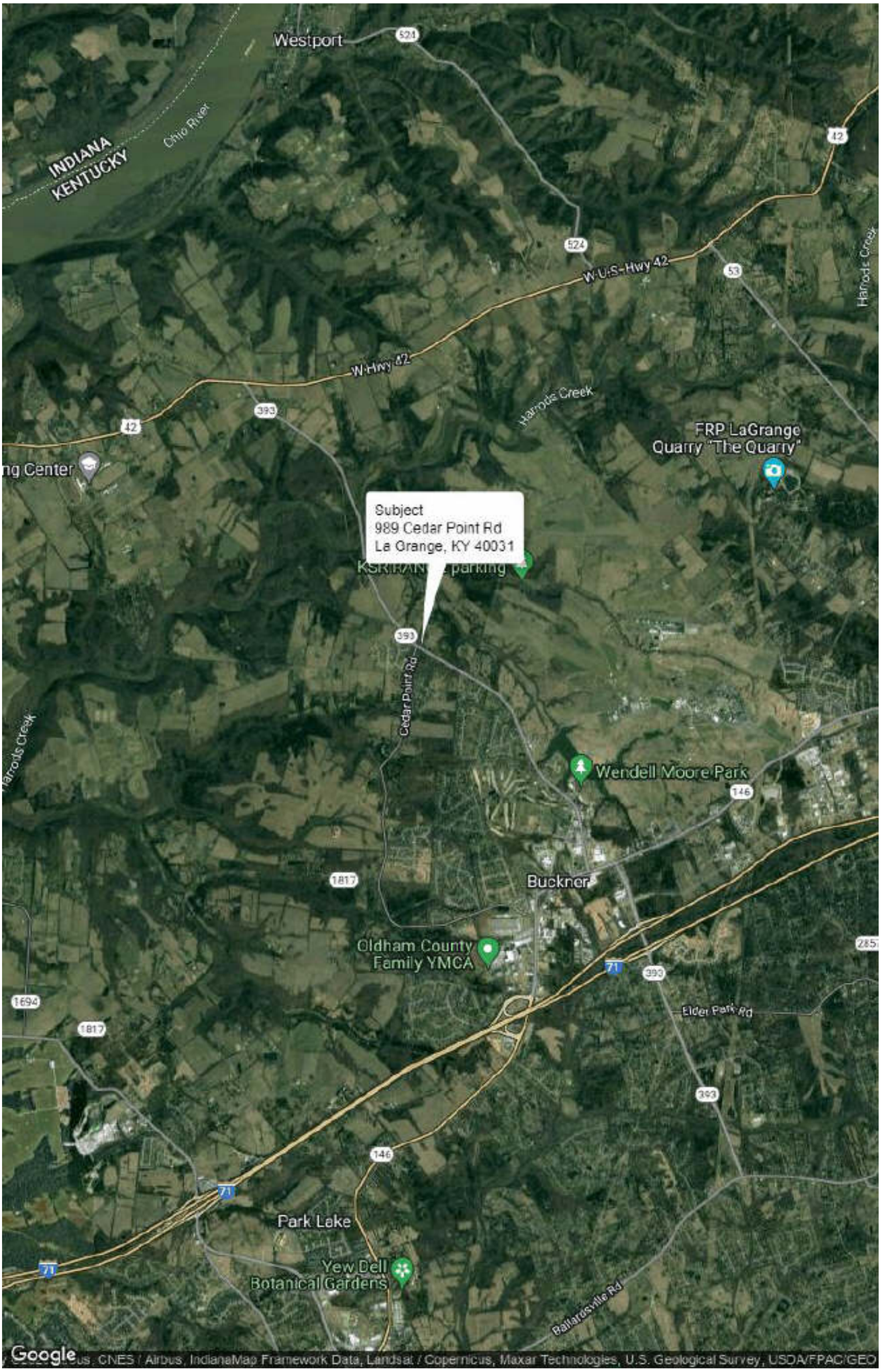
IN WITNESS WHEREOF, We have caused this policy to be executed by our President and our Corporate Secretary at New York, New York

President

Secretary

AERIAL MAP

Borrower: TONYA LUCAS		File No.: 20230342
Property Address: 989 Cedar Point Rd		Case No.:
City: La Grange	State: KY	Zip: 40031
Lender: FIFTH THIRD BANK, N.A.		



Rating: Pass

Review Master: PAR Logic Review

File No. 20230342

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

- REQ - SUBJECT - Borrower Name - Borrower Name on report "TONYA LUCAS" does not contain Co-Borrower Name as ordered "JERRY STEWART".
- 1025_05 - IMPROVEMENTS - Fireplace - indicated for Subject. Validate that it is included in the Sales Comparison Approach.
- 1025_05 - RENTAL COMPARABLE NO. 1 - Date of Lease(s) - contains UNKNOWN.
- 1025_05 - SALES COMPARISON APPROACH - High Price range of Comparable Properties Currently Offered for Sale above the Sales Grid - is outside the housing range in the neighborhood section on page 1. Please reconcile.
- 1025_05 - SALES COMPARISON APPROACH - Site Size - is not bracketed by the comparables.
- 1025_05 - SALES COMPARISON APPROACH - Actual Age - Subject Property's Actual Age is not bracketed by Actual Age values found in Sales Comparables.
- 1025_05 - SALES COMPARABLE(S) #1, 3 - Gross Adjustment Percentage - exceeds 15% of Sales Price.
- 1025_05 - SALES COMPARABLE(S) #2, 3 - Date of Sale - precedes Effective Date of the appraisal by more than 12 months.
- 1025_05 - SALES COMPARABLE(S) #2, 3 - Actual Age - differs by more than 21 years from the subject property and no adjustment has been entered.
- REQ - APPRAISER - State Certification or License # - on report "5180" does not match the State Certification or License # "CR61600028" of the assigned appraiser on the order.
- 216 - UTILITIES - Paid by Owner - on the 216 form (Water/Sewer, Trash Removal) differs from the utilities included in the estimated rents on the 1025 form (Water/Sewer). Please reconcile.