

Uniform Residential Appraisal Report

1127704
File # 802007144725

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

Property Address 10324 Ring Ave City Rancho Cucamonga State CA Zip Code 91737
Borrower Kathleen Haywood Owner of Public Record Amy J W Culler County San Bernardino
Legal Description Tract 15531 Lot 22 Book 266 Page 92
Assessor's Parcel # 1076141670000 Tax Year 2019 R.E. Taxes \$ 3,589
Neighborhood Name Rancho Cucamonga Map Reference Thomas Guide Census Tract 0020.25
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 Angel Oak Mortgage Solutions LLC Address 980 Hammond Drive, Suite 850, Atlanta, GA 30328
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 57; Subject property was offered for sale.; Latest Price \$589,000; Latest Date 05/20/2020; Original Price \$589,000; Original Date 05/13/2020; CRMLS# CV20091488

SUBJECT

I [X] did [] did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. Arms length sale; The purchase price is \$589,000 and contract date is 05/29/2020. No personal property is included in the contract or in this appraisal.
Contract Price \$ 589,000 Date of Contract 05/29/2020 Is the property seller the owner of public record? [X] Yes [] No Data Source(s) NDC
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;;

CONTRACT

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 [] Increasing [X] Stable [] Declining PRICE AGE One-Unit 85 %
Built-Up [X] Over 75% [] 25-75% [] Under 25% Demand/Supply [X] Shortage [] 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 212 Low 1 Multi-Family 5 %
Neighborhood Boundaries 210 Freeway to the North, Foothill Blvd to the South 1,815 High 106 Commercial 5 %
Archibald Ave to the West and 15 Freeway to the east. 505 Pred. 36 Other %
Neighborhood Description This subject is within the City of Rancho Cucamonga and has the 210 Freeway to the north which provides transportation to other freeways and employment centers. Homes reflect average care and maintenance; Neighborhood reflects average marketability; Neighborhood is within close proximity of conveniences and employment centers.
Market Conditions (including support for the above conclusions) The current market is stable in value with continued signs of improvement due to a shortage of listings and low interest rates. Conventional and FHA financing is typical for the area. All data sources including CRMLS show stable values in the last 6 months for similar properties.

NEIGHBORHOOD

Dimensions See attached Plat map Area 7244 sf Shape Irregular View N; Res;
Specific Zoning Classification RL Zoning Description Residential Low (2.0 - 4.0 du/ac)
Zoning Compliance [X] Legal [] Legal Nonconforming (Grandfathered Use) [] No Zoning [] Illegal (describe)
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [] No If No, describe Subject is in a residential neighborhood with similar homes, Current use is highest and best use and complies with zoning.
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 # 06071C7890J FEMA Map Date 09/02/2016
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 subject is near to schools and freeway(not adjacent), however noise was not heard from subject, therefore is not close enough to have an effect on value or marketability.

SITE

General Description Foundation Exterior Description materials/condition Interior materials/condition
Units [X] One [] One with Accessory Unit [X] Concrete Slab [] Crawl Space Foundation Walls Treated wood/Avg Floors Wood Carpet/Avg
of Stories 1 [] Full Basement [] Partial Basement Exterior Walls Stucco/Avg Walls Drywall/Average
Type [X] Det. [] Att. [] S-Det./End Unit Basement Area 0 sq.ft. Roof Surface Tile/Avg Trim/Finish Wood/Average
[X] Existing [] Proposed [] Under Const. Basement Finish 0 % Gutters & Downspouts Adeq over hang/Avg Bath Floor Tile/Average
Design (Style) neo eccentric [] Outside Entry/Exit [] Sump Pump Window Type Aluminum/Avg Bath Wainscot Fiberglass/Average
Year Built 1998 Evidence of [] Infestation Storm Sash/Insulated N/A Car Storage [] None
Effective Age (Yrs) 20 [] Dampness [] Settlement Screens Mesh/Average [X] Driveway # of Cars 3
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 Blk, Vinyl [X] Garage # of Cars 3
[] Floor [X] Scuttle Cooling [X] Central Air Conditioning [X] Patio/Deck cover [X] Porch Covered [] Carport # of Cars 0
[] Finished [X] Heated [] Individual [] Other [] Pool None [] Other None [] Att. [] Det. [] Built-in

IMPROVEMENTS

Appliances [] Refrigerator [X] Range/Oven [X] Dishwasher [X] Disposal [] Microwave [] Washer/Dryer [] Other (describe)
Finished area above grade contains: 8 Rooms 4 Bedrooms 3.0 Bath(s) 2,313 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.) None noted at time of inspection, which exceed the typical or average home in the area.
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) C4; No updates in the prior 15 years; The subject is considered to be in average condition due to being well maintained and updated. Subject has Smoke/CO detector. Water Heater is double strapped. Utilities were on at time of inspection. Kitchen and bathrooms are original however well maintained.
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
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] Yes [] No If No, describe

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There are 3 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 625,000 to \$ 659,900															
There are 41 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 479,900 to \$ 705,000															
FEATURE		SUBJECT		COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3					
Address		10324 Ring Ave Rancho Cucamonga, CA 91737			10988 San Mateo Pl Rancho Cucamonga, CA 91701			7025 Palm Dr Rancho Cucamonga, CA 91701			10699 La Vine St Rancho Cucamonga, CA 91701				
Proximity to Subject		0.87 miles E			0.60 miles SE			0.71 miles SE							
Sale Price		\$ 589,000			\$ 585,000			\$ 550,000			\$ 618,000				
Sale Price/Gross Liv. Area		\$ 254.65 sq.ft.			\$ 248.94 sq.ft.			\$ 282.20 sq.ft.			\$ 312.91 sq.ft.				
Data Source(s)		CRMLS#CV19233067;DOM 107			CRMLS#CV20030331;DOM 3			CRMLS#CV20094554;DOM 3							
Verification Source(s)		Doc#50350			Doc#108069			No Doc Found							
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION		+(-) \$ Adjustment	
Sales or Financing Concessions		ArmLth Conv;0		ArmLth Conv;0				ArmLth Conv;0				ArmLth Conv;0			
Date of Sale/Time		s02/20;c01/20			s03/20;c02/20			s06/20;c05/20							
Location		N;Res;			N;Res;			N;Res;			N;Res;				
Leasehold/Fee Simple		Fee Simple			Fee Simple			Fee Simple			Fee Simple				
Site		7244 sf			6244 sf			8610 sf			8000 sf				
View		N;Res;			N;Res;			N;Res;			N;Res;				
Design (Style)		DT1;NeoEccentr			DT2;NeoEccentr			DT1;NeoEccentr			DT2;NeoEccentr				
Quality of Construction		Q4			Q4			Q4			Q4				
Actual Age		22			25			40			31				
Condition		C4			C4			C4			C3				
Above Grade		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths			
Room Count		8 4 3.0			8 4 3.0			8 4 2.0			+5,000 8 4 3.0				
Gross Living Area		2,313 sq.ft.			2,350 sq.ft.			1,949 sq.ft.			+25,480 1,975 sq.ft.				
Basement & Finished Rooms Below Grade		0sf			0sf			0sf			0sf				
Functional Utility		Conforms Yes			Conforms Yes			Conforms Yes			Conforms Yes				
Heating/Cooling		Fau/Cac			Fau/Cac			Fau/Cac			Fau/Cac				
Energy Efficient Items		None			None			None			None				
Garage/Carport		3ga3dw			3ga3dw			2ga2dw			+10,000 3ga3dw				
Porch/Patio/Deck		Porch/Patio			Porch/Patio			Porch/Patio			Porch/Patio				
Pool		None			None			None			None				
Net Adjustment (Total)					+ - \$ 0			+ - \$ 40,480			+ - \$ -11,340				
Adjusted Sale Price of Comparables		Net Adj. 0.0% Gross Adj. 0.0%			Net Adj. 0.0% Gross Adj. 0.0%			Net Adj. 7.4% Gross Adj. 7.4%			Net Adj. 1.8% Gross Adj. 9.5%				
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain															
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> 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) NDC/CRMLS															
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> 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) NDC/CRMLS															
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).															
ITEM		SUBJECT		COMPARABLE SALE #1			COMPARABLE SALE #2			COMPARABLE SALE #3					
Date of Prior Sale/Transfer															
Price of Prior Sale/Transfer															
Data Source(s)		NDC/CRMLS			NDC/CRMLS			NDC/CRMLS			NDC/CRMLS				
Effective Date of Data Source(s)		07/09/2020			07/09/2020			07/09/2020			07/09/2020				
Analysis of prior sale or transfer history of the subject property and comparable sales															
The subject has no prior sales in the last three years. Comparable sales															
1-3 have no prior sales in the last 12 months.															
Summary of Sales Comparison Approach															
Comp #1 is a standard sale and is similar in GLA and in most other aspects. It requires the least adjustments, therefore given the most weight. Comp #2 is a standard sale and is inferior in GLA and most aspects. It requires minimal adjustments, therefore a close second in weight. Comparable #3 is a standard sale and is inferior in GLA and superior in condition with new kitchen and bathrooms, however it is a very recent sale. It requires the most adjustments therefore given the least weight. All comparables are what a typical buyer would consider a suitable substitute. Due to subject being larger than most in the area the final value exceeds the predominate value for the area however not considered an over improvement and does not have an effect on marketability.															
Indicated Value by Sales Comparison Approach \$ 590,000															
Indicated Value by: Sales Comparison Approach \$ 590,000 Cost Approach (if developed) \$ 590,943 Income Approach (if developed) \$															
Most weight is given to the Sales comparison approach to value with the cost approach lending support. Most weight is given to comp 1 due to requiring the least adjustments, with comp 2 a close second with minimal adjustments. Comp 3 requires the most adjustments therefore given the least weight. The income approach was not utilized since this is a single family residence therefore not appropriate and not found to be a good indicator of value.															
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> 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															
\$ 590,000 , as of 07/10/2020 , which is the date of inspection and the effective date of this appraisal.															

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ADDITIONAL COMMENTS	Intended Use/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. The appraiser was asked to provide the current market value for the subject property.	
	The function of this appraisal report is to provide the lender with a Appraisal Report. The intended use of this appraisal is to assist the lender in analyzing a new loan for the subject property. The intended use of this appraisal is to assist the lender and/or its designated representatives. The report may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser and the appraiser specifically disclaims any liability to such unauthorized third parties	
	Scope of Work:	
	The subject property was inspected as of the day of the appraisal report. The subject property was physically inspected by the appraiser, and included measuring the interior perimeter of the property in order to determine the approximate Gross Living Area. The following databases were utilized to confirm subject property data, and comparable data: NDC/MLS. Comparables were chosen to reflect the subject property's characteristics. Characteristics such as gross livable area, number of bedrooms, number of bathrooms, year built, lot size, etc. were examined. The existing market conditions were also researched to determine marketing exposure (see Marketing Conditions). Supply and demand factors as well as neighborhood influences, were observed and reported on page one of the 1004 form. The final value conclusion is a function of the aforementioned research, and a reconciliation of the cost approach, and sales comparison approach. Marshal and Swift Data was utilized in deriving the cost approach.	
	Assumptions and Limiting Conditions:	
	This appraisal is not a home inspection and the appraiser is not acting as a home inspector when preparing the report. The borrower has the right to have the home inspected by a professional home inspector. When performing the inspection of this property, the appraiser visually observed areas that were readily accessible. The appraiser is not required to disturb or move anything that obstructs access or visibility.	
	When completing the appraisal, a visual inspection was done in accordance with conventional guidelines. The inspection is not technically exhaustive. The inspection does not offer warranties or guarantees of any kind. The appraiser did not perform an examination of the title of the subject property. The appraiser is not an authority in the research of title records.	
	I am not a licensed building contractor or professional inspector. I am not qualified to survey or analyze physical items that are not readily visible. If any of the parties in this transaction have questions or concerns regarding any mechanical or physical problems, conditions, infestations, contamination, or other issues regarding the subject property, an expert in that field of specialty should be consulted.	
	The Appraiser is not a home or environmental inspector. The appraiser provides an opinion of value. The appraiser does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. Mold may be present in areas the appraiser cannot see. A professional home inspection or environmental inspection is recommended.	
I have no current or prospective interest in the subject property or the parties involved; and no services were performed by the appraiser within the 3 year period immediately preceding acceptance of this assignment, as an appraiser or in any capacity.		
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 determined by the extraction method. Land to Value ratio exceeds 30% which is typical in this area due to the scarcity of building sites and the high demand for homes in this area. Therefore the land to value ratio for the subject is typical and is not inhibiting to normal marketability as demonstrated by the sales of the comparables used in the grid that also have very high site value/value ratios.
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE ----- =\$ 370,000
	Source of cost data Marshall & Swift Estimator	DWELLING 2,313 Sq.Ft. @ \$ 113.03 ----- =\$ 261,438
	Quality rating from cost service Average Effective date of cost data JUL 2020	0 Sq.Ft. @ \$ ----- =\$
	Comments on Cost Approach (gross living area calculations, depreciation, etc.)	----- =\$
	See Data Entry Report for details.	Garage/Carport 620 Sq.Ft. @ \$ 32.06 ----- =\$ 19,877
		Total Estimate of Cost-New ----- =\$ 281,315
		Less Physical Functional External
		Depreciation 80,372 ----- =\$(80,372)
		Depreciated Cost of Improvements ----- =\$ 200,943
		"As-is" Value of Site Improvements ----- =\$ 20,000
	Estimated Remaining Economic Life (HUD and VA only) 50 Years	Site Improvement figures are Lump Sum
		INDICATED VALUE BY COST APPROACH ----- =\$ 590,943
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 utilized, since the subject property is owner occupied and most in this area are owner occupied, therefore not appropriate and not found to be a good indicator of value.	
PUD INFORMATION	PROJECT INFORMATION FOR PUDS (if applicable)	
	Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s) <input type="checkbox"/> Detached <input type="checkbox"/> 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 rented	Total number of units for sale
	Data source(s)	
	Was the project created by the conversion of existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion.	
	Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source	
	Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.	
Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.		
Describe common elements and recreational facilities.		

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

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

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

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

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

Uniform Residential Appraisal Report

1127704
File # 802007144725

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.

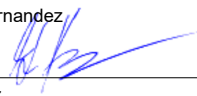
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one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

- 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.
- 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.
- 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.
- 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.
- 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 George Hernandez
 Signature 
 Name George A Hernandez
 Company Name Performance Appraisal
 Company Address 2611 W Windhaven Dr
Rialto, CA 92377-3699
 Telephone Number (909) 838-0266
 Email Address hernandez.george@gmail.com
 Date of Signature and Report 07/14/2020
 Effective Date of Appraisal 07/10/2020
 State Certification # AR038128
 or State License # _____
 or Other (describe) _____ State # _____
 State CA
 Expiration Date of Certification or License 08/25/2021

ADDRESS OF PROPERTY APPRAISED
10324 Ring Ave
Rancho Cucamonga, CA 91737
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 590,000

LENDER/CLIENT
 Name Class Valuation
 Company Name Angel Oak Mortgage Solutions LLC
 Company Address 980 Hammond Drive, Suite 850, Atlanta, GA
30328
 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

1127704
File # 802007144725

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	10324 Ring Ave Rancho Cucamonga, CA 91737	6889 Mendocino Pl Rancho Cucamonga, CA 91701			10477 Pepper St Rancho Cucamonga, CA 91730			6720 Elmhurst Ave Alta Loma, CA 91701		
Proximity to Subject		0.61 miles SE			0.88 miles S			0.33 miles W		
Sale Price	\$ 589,000	\$ 585,000			\$ 570,000			\$ 570,000		
Sale Price/Gross Liv. Area	\$ 254.65 sq.ft.	\$ 303.58 sq.ft.			\$ 299.53 sq.ft.			\$ 348.62 sq.ft.		
Data Source(s)		CRMLS#EV20071098;DOM 45			CRMLS#523530;DOM 97			CRMLS#CV20037230;DOM 25		
Verification Source(s)		Doc#210096			No Doc Found			No Doc Found		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION		+(-) \$ Adjustment	DESCRIPTION		+(-) \$ Adjustment	DESCRIPTION		+(-) \$ Adjustment
Sales or Financing Concessions		ArmLth Conv;0			Listing			Listing		
Date of Sale/Time		s06/20;c05/20			Active			c06/20		
Location	N;Res;	N;Res;			N;Res;			A;Adj Traffic; +15,000		
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Site	7244 sf	8060 sf			8712 sf			10101 sf		
View	N;Res;	N;Res;			N;Res;			N;Res;		
Design (Style)	DT1;NeoEccentr	DT1;NeoEccentr			DT1;NeoEccentr			DT1;NeoEccentr		
Quality of Construction	Q4	Q4			Q4			Q4		
Actual Age	22	33			42			42		
Condition	C4	C3			C4			C3		
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
Room Count	8 4 3.0	8 4 2.0			+5,000			8 4 3.0		
Gross Living Area	2,313 sq.ft.	1,927 sq.ft.			+27,020			1,903 sq.ft.		
Basement & Finished Rooms Below Grade	0sf	0sf			0sf			0sf		
Functional Utility	Conforms Yes	Conforms Yes			Conforms Yes			Conforms Yes		
Heating/Cooling	Fau/Cac	Fau/Cac			Fau/Cac			Fau/Cac		
Energy Efficient Items	None	None			None			None		
Garage/Carport	3ga3dw	2ga2dw +10,000			2ga2dw +10,000			3ga3dw		
Porch/Patio/Deck	Porch/Patio	Porch/Patio			Porch/Patio			Porch/Patio		
Pool	None	None			None			Pool -20,000		
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 7,020			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 38,700			<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 22,460		
Adjusted Sale Price of Comparables		Net Adj. 1.2% Gross Adj. 13.2% \$ 592,020			Net Adj. 6.8% Gross Adj. 6.8% \$ 608,700			Net Adj. 3.9% Gross Adj. 23.2% \$ 592,460		
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).										
ITEM	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Date of Prior Sale/Transfer								03/19/2019		
Price of Prior Sale/Transfer								\$150,000		
Data Source(s)	NDC/CRMLS	NDC/CRMLS			NDC/CRMLS			NDC/CRMLS		
Effective Date of Data Source(s)	07/09/2020	07/09/2020			07/09/2020			07/09/2020		
Analysis of prior sale or transfer history of the subject property and comparable sales										
Analysis/Comments										
Comparable 4 is an additional sold comparable and is inferior in GLA however superior in condition with newer kitchen and bathrooms. It is a very recent sale. Comparable 5 is an active listing and is inferior in GLA and most aspects. Comparable 6 is a pending sale and is inferior in GLA by more than 20% however is used due to a lack of listings in this area. It does back to a busy street therefore inferior in location. List to sale price ratios are not typical in this market.										

Market Conditions Addendum to the Appraisal Report

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 **10324 Ring Ave** City **Rancho Cucamonga** State **CA** ZIP Code **91737**

Borrower **Kathleen Haywood**

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

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	22	10	9	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	3.67	3.33	3	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	3	2	3	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.82	0.6	1	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	\$587,500	\$620,000	\$625,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	12	5.5	30	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	\$618,000	\$628,500	\$627,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	100	22	99	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	100	100	99.24	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?				<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).

The CRMLS MLS indicates there were 41 closed sales during the past 12 months and 7 of those sales contained seller concessions which is 17% of the total transactions in this market area. Prior Months 7-12: 22 Sales; 6 with concessions; 27% of sales for this period. 4-6: 10 Sales; 1 with concessions; 10% of sales for this period. 0-3: 9 Sales; 0 with concessions; 0% of sales for this period. The concessions ranged between \$1,200 and \$5,600. The median concession amount is \$2,500.

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

The CRMLS MLS indicates there were 41 closed sales during the past 12 months and 1 of those sales were either foreclosures or short sales which is 2% of the total transactions in this market area. Prior Months 7-12: 22 Sales; 0 foreclosures or short sales; 0% of sales for this period. 4-6: 10 Sales; 0 foreclosures or short sales; 0% of sales for this period. 0-3: 9 Sales; 1 foreclosures or short sales; 11% of sales for this period.

Cite data sources for above information. The CRMLS MLS was the data source used to complete the Market Conditions Addendum. Effective Date: Thursday, July 9, 2020

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.

As seen above the market trend has been relatively stable in the last year which may be due to lower prices, low interest rates and a shortage of listings. Local MLS is used to provide this information. All appraiser data supports a stable market in the last 6 months. Trends above are considered stable if change from 4-6 months to current is between 90% & 110%, considered declining if less than 90% and increasing if greater than 110%. Shortage of listings is Supported with current MLS data.


Due to a lack of comparable sales in the area the above statistics are not reliable. The stable market is supported with local MLS and most other data sources including Data Quick. This area with a larger sample size(not comparables but sales in the area)does support a stable market

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

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

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

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

Signature 
 Appraiser Name **George A Hernandez**
 Company Name **Performance Appraisal**
 Company Address **2611 W Windhaven Dr, Rialto, CA 92377-3699**
 State License/Certification # **AR038128** State **CA**
 Email Address **hernandez.george@gmail.com**

Signature
 Supervisory Appraiser Name
 Company Name
 Company Address
 State License/Certification # State

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

Borrower	Kathleen Haywood		
Property Address	10324 Ring Ave		
City	Rancho Cucamonga	County	San Bernardino
		State	CA
		Zip Code	91737
Lender	Angel Oak Mortgage Solutions LLC		

This report was prepared under the following USPAP reporting option:

Appraisal Report This report was prepared in accordance with USPAP Standards Rule 2-2(a).

Restricted Appraisal Report This report was prepared in accordance with USPAP 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: 5-90 Days

The final opinion of value is determined using the exposure time of 5-90 days. Exposure time is determined using information gathered through sales verification and statistical information about days on market. The comparable sale with a DOM longer than normal is due to it was listed higher than market value.

Additional Certifications

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

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


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.

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Additional Comments

I have not performed an appraisal or any other service regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

APPRAISER:

Signature: 

Name: George A Hernandez

Date Signed: 07/14/2020

State Certification #: AR038128

or State License #: _____

State: CA

Expiration Date of Certification or License: 08/25/2021

Effective Date of Appraisal: 07/10/2020

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

Supplemental Addendum

File No. 802007144725

Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA Zip Code 91737
Lender/Client	Angel Oak Mortgage Solutions LLC				

Neighborhood:

Market Conditions: According to CRMLS data, values in the subject's City have stable within over the last year. This market may be due to, a shortage of listings and low interest rates. Time adjustment deemed necessary for comparables within 6 months. Normal market activity is noted, as more sellers take advantage of the shortage more listings become available and marketing times increase, however they are currently still lower than 90 days.

Sales Comparison Approach:

GLA is adjusted at \$75 per sq ft. Amenities, such as room count, heating and cooling, fireplace, garage/carport are based on what a typical buyer would pay in this market. All adjustments(or lack of) are extracted from the market using a paired sales sensitivity analysis with the comparable sales in this report and are considered typical for this market area. Gross living area adjustments are only made if the comparable is +/- 100 Sq. Ft. of the subject's gross living area. Lot is only adjusted if difference it +/-3,000 sq ft. Age adjustments are not made since all comparable sales are similar in effective age. Since no adjustment is warranted for age it is considered bracketed.

Comparables search and result:

Sales from comparables were examined and all are within close proximity of subject property. The search parameters used for the subject were within 1 miles of subject, 20% of the subjects GLA, this resulted in 19 comparable sales, with GLA and bed count being the major factor in price range. Of these comparable sales the appraiser chose comparables which were close in terms of GLA, bedroom count and which were recent. Comparable properties utilized are the most recent available at the time of inspection and closest in terms of distance and are in similar condition to the subject. Comparables were chosen because the properties characteristics such as Gross Livable Area, Bedroom count, Bathroom count, Lot Size, year built, etc....closely matched that of the subject property. All homes reflect average care and maintenance.

The appraiser relied on the information from these reliable sources(NDC and/or MLS) and if found to be incorrect, may affect the market value.


Fema: The subject has not been effected by the recent wildfires, flooding, mudflows, and debris flows. It is far away from any of the effected areas.

All comparable sales are within the subjects market regardless of major streets crossed.

Airports near by are not considered to be adverse and do not effect value or marketability. It is a small planes airport and not heavy use airport. Subject is not near enough to airport to have any effect. All comparable sales are similar distance.

Subject Market area remains stable despite the current Covid 19 pandemic. No signs of declining market are showing. DOM are still well under 90 days and listings are not being removed. This area is under "stay at home orders" however most homeowners and buyers are still working as most jobs are considered "essential" by the state of California. Currently this pandemic has not had any negative impact on local real estate market.

Class Valuation AMC Registration Number - AMC-1441

Signature _____		Signature _____	_____
Name <u>George A Hernandez</u>	_____	Name _____	_____
Date Signed <u>07/14/2020</u>	_____	Date Signed _____	_____
State Certification # <u>AR038128</u>	State <u>CA</u>	State Certification # _____	State _____
Or State License # _____	State _____	Or State License # _____	State _____

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

The improvements have been 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.

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.

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.

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.

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.

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

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.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Quality Ratings and Definitions (continued)

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

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

Example:

3.2 indicates three full baths and two half baths.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Abbreviations Used in Data Standardization Text

Abbreviation	Full Name	Fields Where This Abbreviation May Appear
ac	Acres	Area, Site
AdjPrk	Adjacent to Park	Location
AdjPwr	Adjacent to Power Lines	Location
A	Adverse	Location & View
ArmlLth	Arms Length Sale	Sale or Financing Concessions
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
B	Beneficial	Location & View
Cash	Cash	Sale or Financing Concessions
CitySky	City View Skyline View	View
CityStr	City Street View	View
Comm	Commercial Influence	Location
c	Contracted Date	Date of Sale/Time
Conv	Conventional	Sale or Financing Concessions
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
DOM	Days On Market	Data Sources
e	Expiration Date	Date of Sale/Time
Estate	Estate Sale	Sale or Financing Concessions
FHA	Federal Housing Authority	Sale or Financing Concessions
GfCse	Golf Course	Location
GfVw	Golf Course View	View
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
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
BsyRd	Busy Road	Location
o	Other	Basement & Finished Rooms Below Grade
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
RH	USDA - Rural Housing	Sale or Financing Concessions
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
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
w	Withdrawn Date	Date of Sale/Time
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
Woods	Woods View	View

Other Appraiser-Defined Abbreviations

Abbreviation	Full Name	Fields Where This Abbreviation May Appear

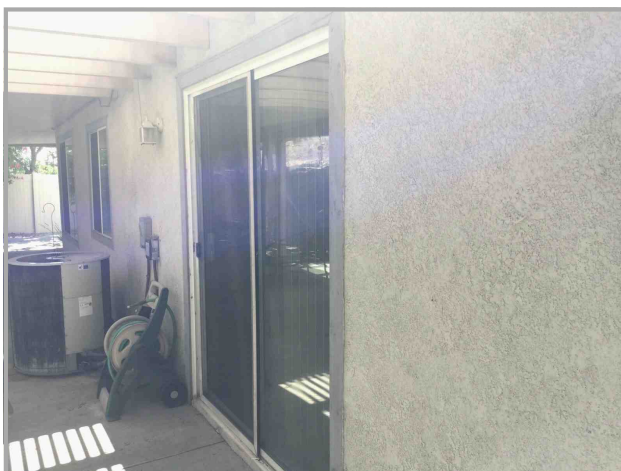
Subject Photo Page

Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA Zip Code 91737
Lender/Client	Angel Oak Mortgage Solutions LLC				



Subject Front

10324 Ring Ave
 Sales Price 589,000
 Gross Living Area 2,313
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 3.0
 Location N;Res;
 View N;Res;
 Site 7244 sf
 Quality Q4
 Age 22



Subject Rear



Subject Street

Interior Photos

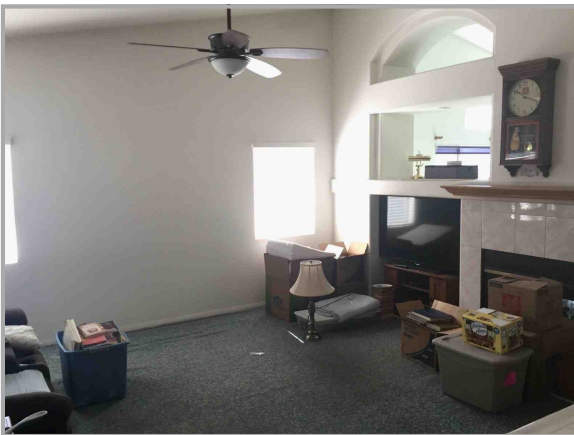
Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA Zip Code 91737
Lender/Client	Angel Oak Mortgage Solutions LLC				



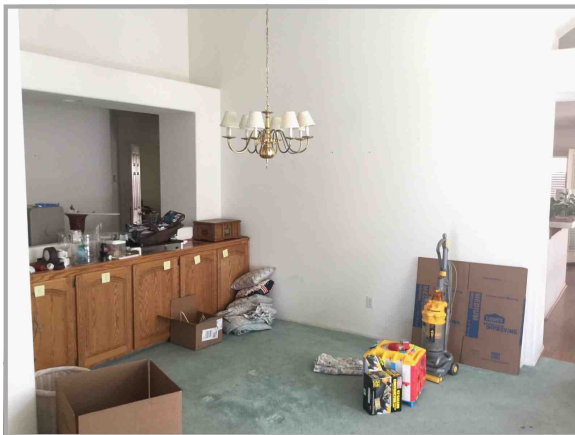
Kitchen



Living



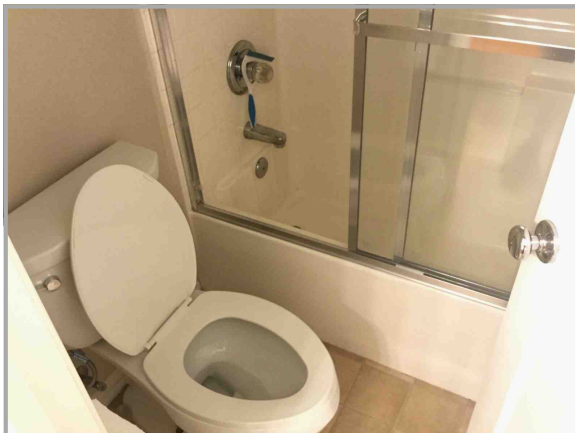
Family



Dining



Bath



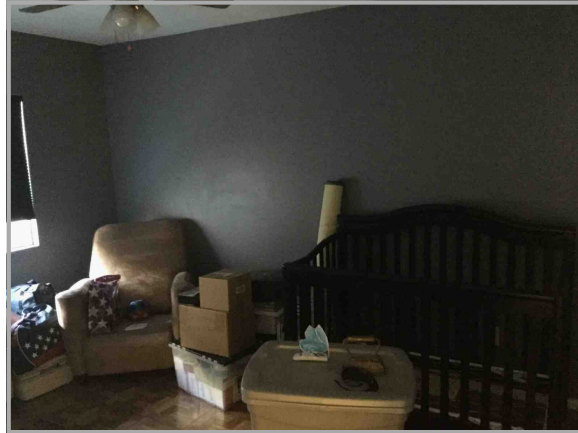
Bath

Interior Photos

Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA Zip Code 91737
Lender/Client	Angel Oak Mortgage Solutions LLC				



Bath



Bedroom



Bedroom



Bedroom



Bedroom



Laundry

Photograph Addendum

Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA Zip Code 91737
Lender/Client	Angel Oak Mortgage Solutions LLC				



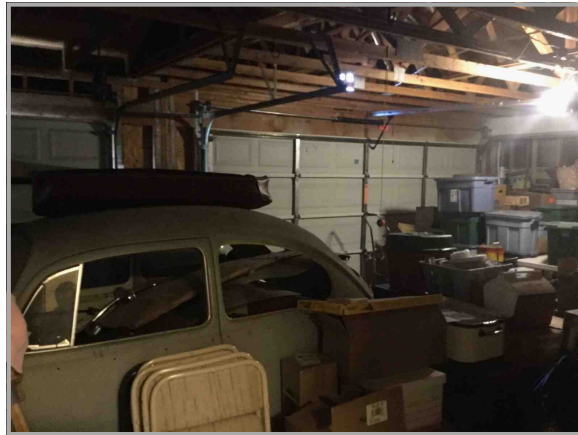
Street



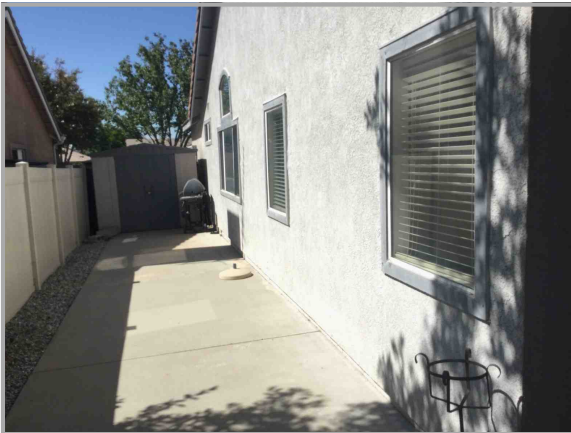
Address



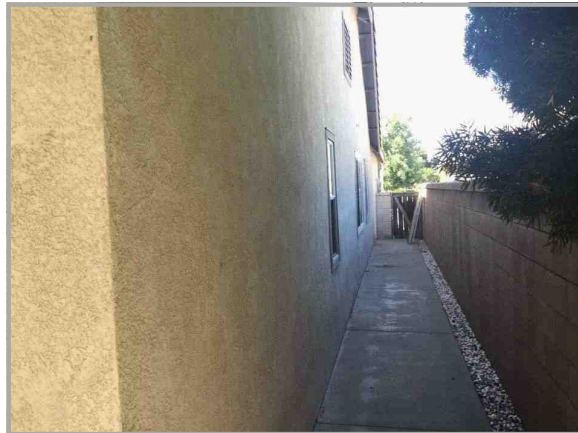
Water Heater



Garage



Side



Side

Interior Photos

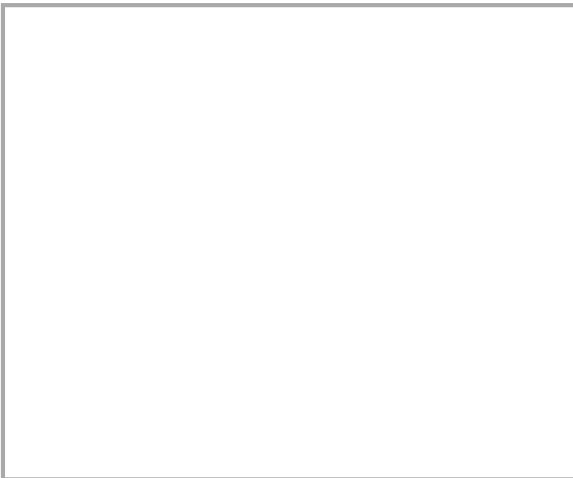
Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA Zip Code 91737
Lender/Client	Angel Oak Mortgage Solutions LLC				



CO Detector



Smoke Detector



Comparable Photo Page

Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA Zip Code 91737
Lender/Client	Angel Oak Mortgage Solutions LLC				

**Comparable 1**

10988 San Mateo Pl	
Prox. to Subject	0.87 miles E
Sales Price	585,000
Gross Living Area	2,350
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	3.0
Location	N;Res;
View	N;Res;
Site	6244 sf
Quality	Q4
Age	25

**Comparable 2**

7025 Palm Dr	
Prox. to Subject	0.60 miles SE
Sales Price	550,000
Gross Living Area	1,949
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	2.0
Location	N;Res;
View	N;Res;
Site	8610 sf
Quality	Q4
Age	40

**Comparable 3**

10699 La Vine St	
Prox. to Subject	0.71 miles SE
Sales Price	618,000
Gross Living Area	1,975
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	3.0
Location	N;Res;
View	N;Res;
Site	8000 sf
Quality	Q4
Age	31

Comparable Photo Page

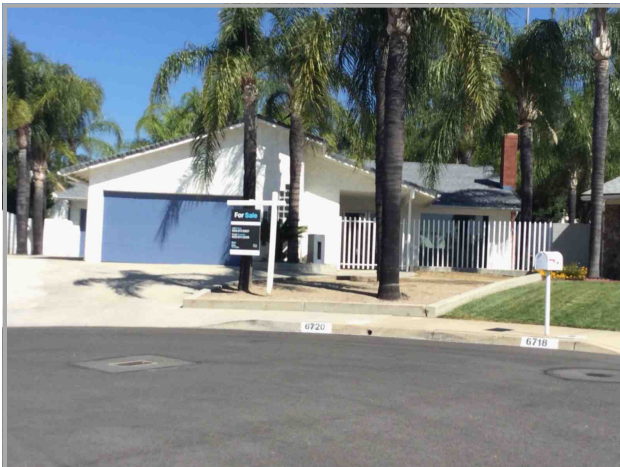
Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA Zip Code 91737
Lender/Client	Angel Oak Mortgage Solutions LLC				

**Comparable4**

6889 Mendocino Pl	
Prox. to Subject	0.61 miles SE
Sale Price	585,000
Gross Living Area	1,927
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	2.0
Location	N;Res;
View	N;Res;
Site	8060 sf
Quality	Q4
Age	33

**Comparable5**

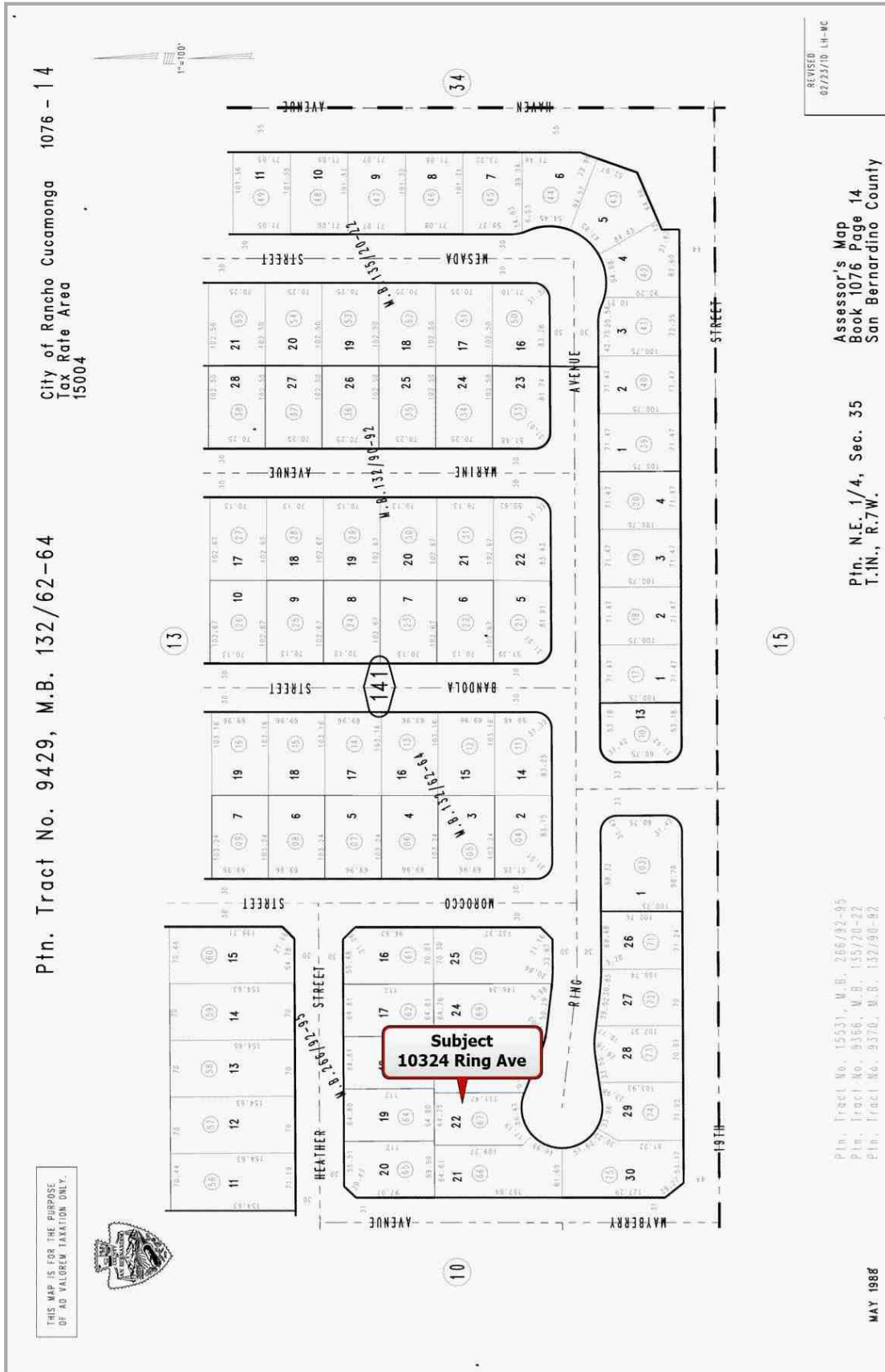
10477 Pepper St	
Prox. to Subject	0.88 miles S
Sale Price	570,000
Gross Living Area	1,903
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	3.0
Location	N;Res;
View	N;Res;
Site	8712 sf
Quality	Q4
Age	42

**Comparable6**

6720 Elmhurst Ave	
Prox. to Subject	0.33 miles W
Sale Price	570,000
Gross Living Area	1,635
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.0
Location	A;Adj Traffic;
View	N;Res;
Site	10101 sf
Quality	Q4
Age	42

Plat Map

Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA
Zip Code	91737				
Lender/Client	Angel Oak Mortgage Solutions LLC				



Location Map

Borrower	Kathleen Haywood						
Property Address	10324 Ring Ave						
City	Rancho Cucamonga	County	San Bernardino	State	CA	Zip Code	91737
Lender/Client	Angel Oak Mortgage Solutions LLC						



License



Business, Consumer Services & Housing Agency BUREAU OF REAL ESTATE APPRAISERS REAL ESTATE APPRAISER LICENSE

George A. Hernandez

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 038128

Effective Date: August 26, 2019

Date Expires: August 25, 2021


Jim Martin, Bureau Chief, BREA

3047712

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

E&O

STOCK COMPANY	PRO GUARD PLATINUM POLICY DECLARATIONS
VALIDUS SPECIALTY <small>An company</small>	
POLICY NUMBER: <u>REO0004929</u> Prior Policy Number: <u>NEW</u>	
<input type="checkbox"/> WESTERN WORLD INSURANCE COMPANY <input type="checkbox"/> TUDOR INSURANCE COMPANY <input checked="" type="checkbox"/> STRATFORD INSURANCE COMPANY	

Named Insured and Mailing Address:
 George A. Hernandez
 DBA Performance Real Estate Appraisal
 2611 W. Windhaven Drive
 RIALTO, CA 92377

Agent/Broker #33601
Premium: \$ 680.00

Producer:
 Professionals' Best
 6760 University Avenue
 Suite 250
 San Diego, CA 92115

Policy Period: (Mo./Day/Yr.)
 From: 12/14/2019 To: 12/14/2020 12:01 AM, standard time at your mailing address shown above.

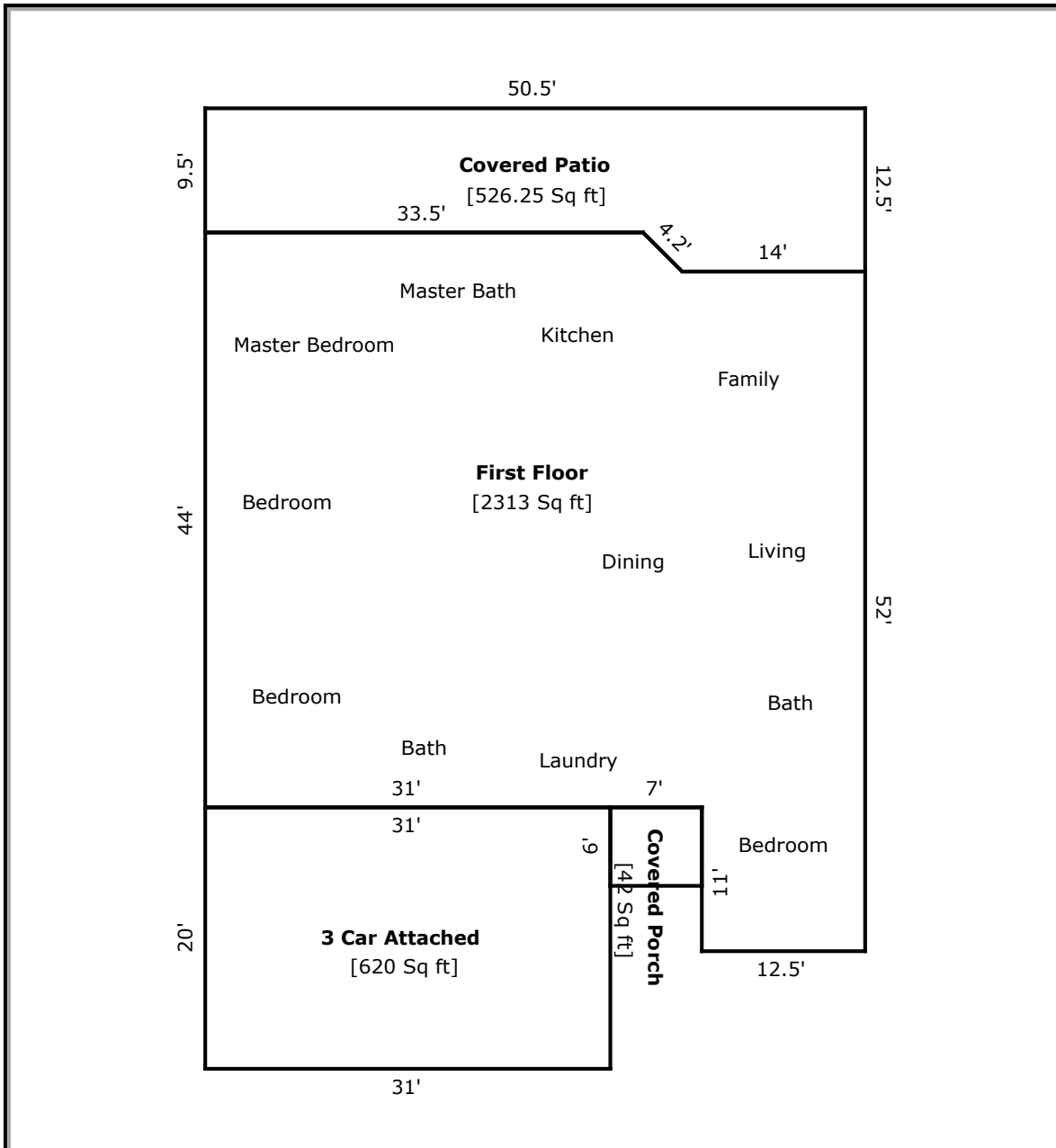
EXCEPT AS MAY OTHERWISE BE PROVIDED IN THE FOLLOWED POLICY, THIS POLICY MAY APPLY ONLY TO CLAIMS FIRST MADE IN ACCORDANCE WITH THE TERMS, CONDITIONS AND REQUIREMENTS OF THE FOLLOWED POLICY; AND THE LIMIT OF LIABILITY IS REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DEFENSE COSTS OR CLAIMS FEES AND EXPENSES. PLEASE READ THE FOLLOWED POLICY AND THIS POLICY CAREFULLY.

ITEM 1. PROFESSIONAL SERVICES:
 Real Estate Appraisers

ERRORS AND OMISSIONS LIABILITY INSURANCE		
ITEM 2. LIMIT OF INSURANCE	Each Claim Limit \$ <u>1,000,000</u>	Aggregate Limit \$ <u>1,000,000</u>
ITEM 3. DEDUCTIBLE	Each Claim \$ <u>500</u>	Aggregate \$ <u>1,000</u>
ITEM 4. RETROACTIVE DATE	<u>12/14/2005</u>	
ITEM 5. PREMIUM	\$ <u>680.00</u>	

Building Sketch

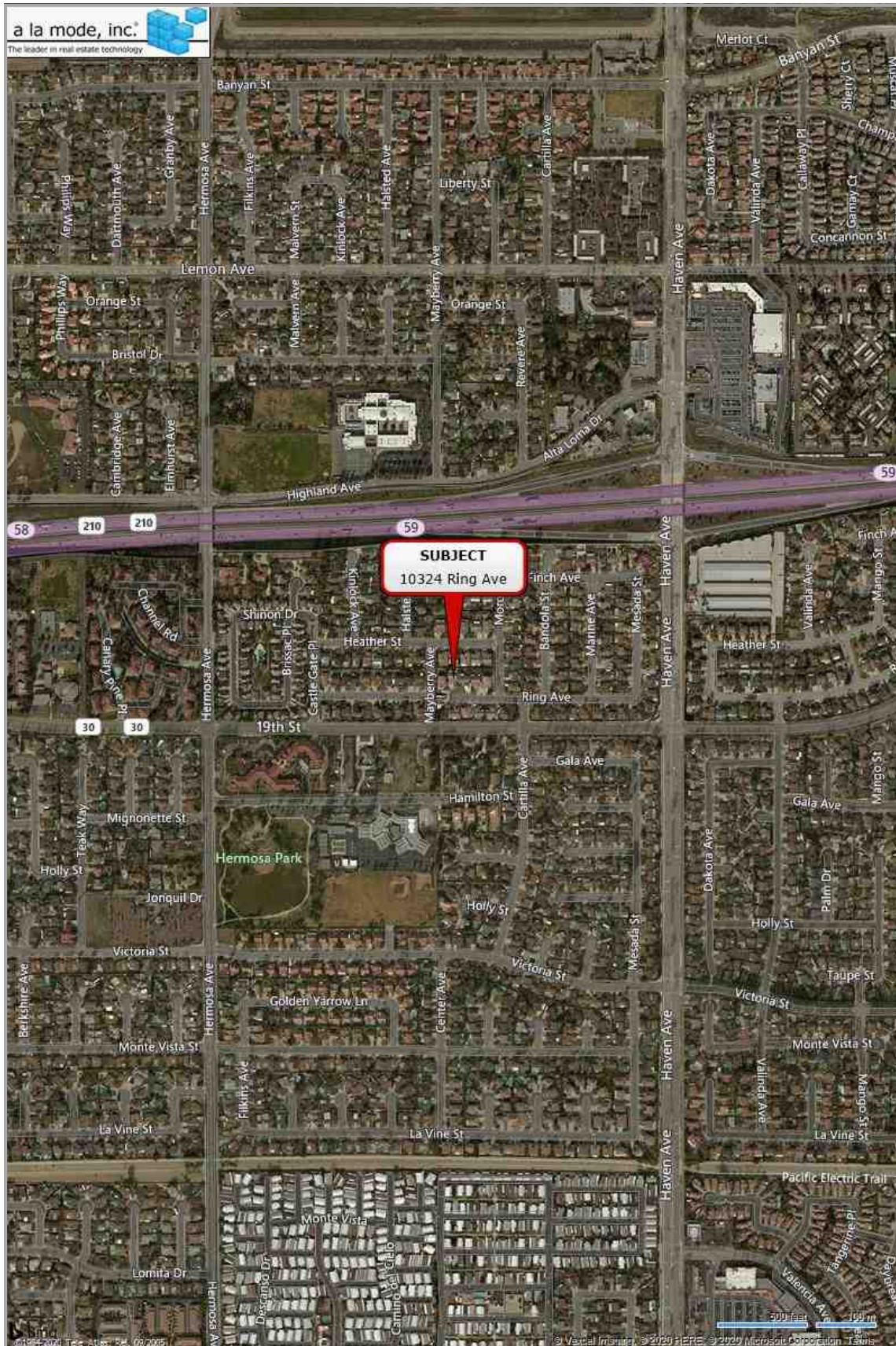
Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA
Zip Code	91737				
Lender/Client	Angel Oak Mortgage Solutions LLC				



TOTAL Sketch by a la mode, inc.			
Area Calculations Summary			
Living Area	Calculation Details		
First Floor	2313 Sq ft	$12.5 \times 11 =$	137.5
		$50.5 \times 41 =$	2070.5
		$3 \times 33.5 =$	100.5
		$0.5 \times 3 \times 3 =$	4.5
Total Living Area (Rounded):	2313 Sq ft		
Non-living Area			
Covered Porch	42 Sq ft	$6 \times 7 =$	42
Covered Patio	526.3 Sq ft	$50.5 \times 9.5 =$	479.8
		$0.5 \times 3 \times 3 =$	4.5
		$14 \times 3 =$	42
3 Car Attached	620 Sq ft	$20 \times 31 =$	620


Aerial Photo

Borrower	Kathleen Haywood				
Property Address	10324 Ring Ave				
City	Rancho Cucamonga	County	San Bernardino	State	CA
Lender/Client	Angel Oak Mortgage Solutions LLC	Zip Code	91737		



Data Entry Report

Borrower	Kathleen Haywood						
Property Address	10324 Ring Ave						
City	Rancho Cucamonga	County	San Bernardino	State	CA	Zip Code	91737
Lender/Client	Angel Oak Mortgage Solutions LLC						

		Data Entry Report		Marshall & Swift SwiftEstimator	
<u>Property Address</u> 10324 Ring Ave, Rancho Cucamonga, CA - 91737				Reference # 597154	
<u>Building Characteristics</u>					
#. of Stories	One Story 100 %	Total Floor Area	2313 sq. ft.	M&S Quality	3.0 (Average)
<u>Improvements</u>					
<u>Foundation*</u>		<u>Exterior*</u>		<u>Baths*</u>	
Concrete Slab	100 %	Exterior Walls	Frame, Stucco 100 %	Full Baths	3 count
		Roofing	Clay Tile or Concrete Tile 100 %		
<u>HVAC</u>		<u>Garages / Carport</u>			
Warmed & Cooled Air	100 %	Attached Garage	620 sq. ft.		
<u>Building Depreciation</u>					
Age/Life (Straight Line)	Effective Age 20 years	Typical Life 70 years			
<u>Adjustments</u>					
Local Multiplier	1.170 (Default)	Energy Adjustment	Mild (Default)	Seismic Adjustment	Zone4 (Default)
Architects Fee %	1.30 (Default)	Foundation Adjustment	Mild (Default)	Wind Adjustment	No Adjustment (Default)
Report Date	07/2020	Hillside Adjustment	Flat (Default)	Story Height	8 ft (Default)
Marshall & Swift's indicated value by cost approach can be verified at https://alamode.swiftestimator.com/AlamodeTotal/verify					
Verification Code : 11L00CSRM					
This report has been produced utilizing current cost data and is in compliance with the Marshall & Swift Licensed User Certificate.					

SINGLE FAMILY COMPARABLE RENT SCHEDULE

This form is intended to provide the appraiser with a familiar format to estimate the market rent of the subject property. Adjustments should be made only for items of significant difference between the comparables and the subject property.

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	10324 Ring Ave Rancho Cucamonga, CA 91737	10982 San Mateo PI Rancho Cucamonga, CA 91701		6561 Mango St Alta Loma, CA 91737		10344 Mignonette St Rancho Cucamonga, CA 91701	
Proximity to Subject							
Date Lease Begins	NA	11/15/2019		11/09/2019		08/07/2019	
Date Lease Expires	NA						
Monthly Rental	If Currently Rented: \$	\$ 2,900		\$ 2,650		\$ 2,875	
Less: Utilities Furniture	\$	\$		\$		\$	
Adjusted Monthly Rent	\$	\$ 2,900		\$ 2,650		\$ 2,875	
Data Source	NDC Int. Inspection	CRMLS#TR19258760;DOM 8 No Doc Found		CRMLS#CV19244933;DOM 22 No Doc Found		CRMLS#IV19117654;DOM 50 No Doc Found	
RENT ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Rent		2900		2650		2875	
Concessions		None Given		None Given		None Given	
Location/View	N;Res; N;Res;	N;Res; N;Res;		N;Res; N;Res;		N;Res; N;Res;	
Design and Appeal	DT1;NeoEccentric	DT2;NeoEccent		DT1;NeoEccentric		DT2;NeoEccentri	
Age/Condition	22 C4	25 C4		41 C4		43 C4	
Above Grade Room Count	Total Bdrms Baths 8 4 3.0	Total Bdrms Baths 8 4 3.0		Total Bdrms Baths 8 4 2.0	+50	Total Bdrms Baths 8 4 2.1	0
Gross Living Area	2,313 Sq. Ft.	2,350 Sq. Ft.		1,874 Sq. Ft.	+200	2,040 Sq. Ft.	+150
Other (e.g., basement, etc.)	Osf	Osf		Osf		Osf	
Other:							
Net Adj. (total)		<input type="checkbox"/> + <input type="checkbox"/> - \$		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	250	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	150
Indicated Monthly Market Rent		\$ 2,900		\$ 2,900		\$ 3,025	

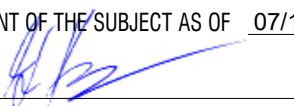
Comments on market data, including the range of rents for single family properties, an estimate of vacancy for single family rental properties, the general trend of rents and vacancy, and support for the above adjustments. (Rent concessions should be adjusted to the market, not to the subject property.) The Rentals are taken from the local MLS and are what a typical tenant would consider suitable substitutes. They are most similar to subject and are close in terms of distance. Rents in this area range from \$1.10 to \$1.50 per sq. ft. with GLA being the major factor. Comps provided are the closest in terms of distance, most recent and are similar in size. The subject's market rent is \$2900.

GLA is adjusted at \$50 per 100 sq ft. and bedroom at \$50.

Final Reconciliation of Market Rent: Rents found within the Subjects neighborhood and are the nearest to the subject in terms of bedroom count, GLA and distance. They are obtained from MLS and are the most recently leased properties in the subject immediate area. After analyzing the adjusted rents in the neighborhood the estimate monthly market rent appears to be \$2900.

Subject is not currently rented therefore that is NA.

I (WE) ESTIMATE THE MONTHLY MARKET RENT OF THE SUBJECT AS OF 07/10/2020 20 TO BE \$ 2,900

Appraiser(s) SIGNATURE 
NAME George A Hernandez

Review Appraiser SIGNATURE _____
(If applicable) NAME _____

Operating Income Statement

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

Property Address

10324 Ring Ave
Street

Rancho Cucamonga
City

CA
State

91737
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	Utility Expense	Paid By Owner	Paid By Tenant
Unit No. 1	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		\$ _____	\$ <u>2,900</u>	Electricity	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 2	Yes <input type="checkbox"/> No <input type="checkbox"/>		\$ _____	\$ _____	Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 3	Yes <input type="checkbox"/> No <input type="checkbox"/>		\$ _____	\$ _____	Fuel Oil	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unit No. 4	Yes <input type="checkbox"/> No <input type="checkbox"/>		\$ _____	\$ _____	Fuel (Other)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total			\$ _____	\$ <u>2,900</u>	Water/Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>
					Trash Removal	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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 any 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 288/300). 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 the 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

	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Income (Do not include income for owner-occupied units)		
Gross Annual Rental (from unit(s) to be rented)	(Market) \$ <u>34,800</u>	\$ _____
Other Income (include sources)	+	+
Total	\$ <u>34,800</u>	\$ _____
Less Vacancy/Rent Loss	- <u>1,044</u> (3%)	- _____ (%)
Effective Gross Income	\$ <u>33,756</u>	\$ _____
Expenses (Do not include expenses for owner-occupied units)		
Electricity	_____	_____
Gas	_____	_____
Fuel Oil	_____	_____
Fuel _____ (Type - _____)	_____	_____
Water/Sewer	_____	_____
Trash Removal	_____	_____
Pest Control	_____	_____
Other Taxes or Licenses	_____	_____
Casual Labor	<u>500</u>	_____
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	<u>500</u>	_____
This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit.		
General Repairs/Maintenance	_____	_____
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	_____	_____
These are the customer expenses that a professional management company would charge to manage the property.		
Supplies	_____	_____
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	<u>1,301</u>	_____
Miscellaneous	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Operating Expenses	\$ <u>2,301</u>	\$ _____

Replacement Reserve Schedule

Adequate replacement reserves must be calculated 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	@ \$ 500 ea.	+ 10 Yrs. x	1 Units = \$ 50	\$
Refrigerators	@ \$ ea.	+ Yrs. x	Units = \$	\$
Dishwashers	@ \$ 500 ea.	+ 10 Yrs. x	1 Units = \$ 50	\$
A/C Units	@ \$ 5,000 ea.	+ 15 Yrs. x	1 Units = \$ 333	\$
C. Washer/Dryers	@ \$ ea.	+ Yrs. x	Units = \$	\$
HW Heaters	@ \$ 500 ea.	+ 10 Yrs. x	1 Units = \$ 50	\$
Furnace(s)	@ \$ 1,000 ea.	+ 15 Yrs. x	1 Units = \$ 67	\$
(Other)	@ \$ ea.	+ Yrs. x	Units = \$	\$
Roof	@ \$ 10,000	+ 20 Yrs. x One Bldg. =	\$ 500	\$
Carpeting (Wall to Wall)		Remaining Life		
(Units)	251 Total Sq. Yds. @ \$ 10	Per Sq. Yd. + 10 Yrs. =	\$ 251	\$
(Public Areas)	Total Sq. Yds. @ \$	Per Sq. Yd. + Yrs. =	\$	\$
Total Replacement Reserves. (Enter on Pg. 1)			\$ 1,301	\$

Operating Income Reconciliation

\$ 33,756	-	\$ 2,301	=	\$ 31,455	+ 12 =	\$ 2,621
Effective Gross Income		Total Operating Expenses		Operating Income		Monthly Operating Income
\$ 2,621	-	\$	=	\$		
Monthly Operating Income		Monthly Housing Expense		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)

Data sources used are local CRMLS and NDC for comparable information. Expenses used are typical for the area and are what most landlords expect to pay. Market rent is used since the subject is not rented. Because the monthly housing expense includes the mortgage payment and insurance payment, this is typically completed by the underwriter who has this information. Due to the varying interest rates due to varying credit scores the appraiser is unable to estimate a mortgage payment. Thus a total net cast flow could not be completed.

George A Hernandez
Appraiser Name


Appraiser Signature

07/14/2020
Date

Underwriter's Comments and Rationale for Adjustments

Underwriter Name Underwriter Signature Date