

**APPRAISAL REPORT  
OF**



11870 MendeHall Loop Road  
Juneau, AK 99801

**PREPARED FOR**

Mercury Network  
Cornerstone Home Lending, Inc.  
9105 Mendenhall Mall Road Suite 142  
Juneau, AK 99801

**AS OF**

03/15/2021

**PREPARED BY**

Coastal Appraisals, LLC  
PO Box 33514  
Juneau, AK 99803

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## Small Residential Income Property Appraisal Report

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 11870 Mendenhall Loop Road City Juneau State AK Zip Code 99801																																																																																																																																																																																																																	
Borrower Thomas Emerson Owner of Public Record Mark A. Petz and Connie J. Petz County City And Borough of Juneau																																																																																																																																																																																																																	
Legal Description Lot 2, Lake Creek																																																																																																																																																																																																																	
Assessor's Parcel No. 4B2701030022 Tax Year 2021 R.E. Taxes \$ 6,922.00																																																																																																																																																																																																																	
Neighborhood Name Back Loop Map Reference Plat 91-69 Census Tract 0001.00																																																																																																																																																																																																																	
Occupant <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Special Assessments \$ 0 PUD HOA \$ 0 per year per month																																																																																																																																																																																																																	
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Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																																																																																																																																																																																																																	
Report data source(s) used, offerings price(s), and date(s). Per the sellers, the original asking price was the contract price. The subject sold word of mouth to a friend of a friend. It was not exposed to the open real estate market.																																																																																																																																																																																																																	
I <input checked="" type="checkbox"/> did <input type="checkbox"/> 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; No unusual items were noted.																																																																																																																																																																																																																	
Contract Price \$ 665,700 Date of Contract 02/23/2021 Is the property seller the owner of public record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s) Public Recorder																																																																																																																																																																																																																	
Is there any financial assistance (loan charges, sale concessions, gift or down payment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																																																																																																																																																																																																																	
If Yes, report the total dollar amount and describe the items to be paid. Per the purchase agreement the seller agrees to pay for Owners Title Insurance. The buyer agrees to pay for all other closing cost listed in the purchase agreement.																																																																																																																																																																																																																	
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Built-in</td> </tr> <tr> <td># of Appliances</td> <td>Refrigerator 2</td> <td>Range/Oven 2</td> <td>Dishwasher 2</td> <td>Disposal 1</td> <td>Microwave</td> <td>Washer/Dryer</td> <td colspan="3">Other (describe)</td> </tr> <tr> <td>Unit #1 contains:</td> <td>5 Rooms</td> <td>2 Bedroom(s)</td> <td>2.0 Bath(s)</td> <td>1,444</td> <td colspan="5">Square feet of Gross Living Area</td> </tr> <tr> <td>Unit #2 contains:</td> <td>4 Rooms</td> <td>2 Bedroom(s)</td> <td>1.0 Bath(s)</td> <td>864</td> <td colspan="5">Square feet of Gross Living Area</td> </tr> <tr> <td>Unit #3 contains:</td> <td>Rooms</td> <td>Bedroom(s)</td> <td>Bath(s)</td> <td colspan="6">Square feet of Gross Living Area</td> </tr> <tr> <td>Unit #4 contains:</td> <td>Rooms</td> <td>Bedroom(s)</td> <td>Bath(s)</td> <td colspan="6">Square feet of Gross Living Area</td> </tr> <tr> <td colspan="10">Additional features (special energy efficient items, etc.) The main dwelling is a single story with primarily custom and upgraded finishes including vaulted ceilings throughout, primarily wood flooring, wood trim and solid core interior doors. The dwelling is heated with wood and oil fueled in-floor radiant heat. The detached shop has 12' ceiling heights and a large garage door. It is heated with an oil stove. The accessory unit above has 9' ceiling heights. The accessory unit is heated with propane fueled in-floor radiant heat.</td> </tr> <tr> <td colspan="10">Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject unit #1 is about 15 years old. Per public permits, the shop and accessory unit was finished in 2007. The subject property has been very well maintained. 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General Description				Foundation		Exterior Description materials/condition		Interior materials/condition																																																																																																																																																																																																									
Units	<input type="checkbox"/> Two	<input type="checkbox"/> Three	<input type="checkbox"/> Four	<input checked="" type="checkbox"/> Concrete Slab	<input type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Average	Floors	Wood, Lmnt, Crpt/Good																																																																																																																																																																																																								
<input checked="" type="checkbox"/> Accessory Unit (describe below)				<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Fiber Cement/Good	Walls	Drywall/Good																																																																																																																																																																																																								
# of Stories	2			Basement Area	0 sq. ft.	Roof Surface	Asphalt Shingles/Ave	Trim/Finish	Wood/Good																																																																																																																																																																																																								
Type	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Alt.	<input type="checkbox"/> S-Det./End Unit	Basement Finish	0 %	Gutters & Downspouts	Metal/Good	Bath Floor	Vinyl/Good																																																																																																																																																																																																								
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed	<input type="checkbox"/> Under Const.	<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump		Window Type	Vinyl/Good	Bath Wainscot	Fiberglass/Ave+																																																																																																																																																																																																								
Design (Style)	Ranch&Shop/Apt			Evidence of	Infestation	Storm Sash/Insulated	Insulated/Good	Car Storage																																																																																																																																																																																																									
Year Built	2006			Dampness	Settlement	Screens	Some/Good	Car Storage	None																																																																																																																																																																																																								
Effective Age (Yrs)	10			Heating/Cooling		Amenities		<input checked="" type="checkbox"/> Driveway	# of Cars 8																																																																																																																																																																																																								
Attic	<input type="checkbox"/> None			<input type="checkbox"/> FWA	<input checked="" type="checkbox"/> HWBB	<input checked="" type="checkbox"/> Radiant	<input checked="" type="checkbox"/> Fireplace(s) # 1	Woodstove(s) # 0	Driveway Surface																																																																																																																																																																																																								
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs			<input type="checkbox"/> Other	Fuel Oil/Wood		<input checked="" type="checkbox"/> Patio/Deck 2	Fence	None																																																																																																																																																																																																								
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Scuttle			Cooling	Central Air Conditioning	Pool	None	<input checked="" type="checkbox"/> Porch	Cvd																																																																																																																																																																																																								
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated			Individual	Other	None	<input checked="" type="checkbox"/> Other Ext Cvd Stg	<input checked="" type="checkbox"/> Alt.	Det. Built-in																																																																																																																																																																																																								
# of Appliances	Refrigerator 2	Range/Oven 2	Dishwasher 2	Disposal 1	Microwave	Washer/Dryer	Other (describe)																																																																																																																																																																																																										
Unit #1 contains:	5 Rooms	2 Bedroom(s)	2.0 Bath(s)	1,444	Square feet of Gross Living Area																																																																																																																																																																																																												
Unit #2 contains:	4 Rooms	2 Bedroom(s)	1.0 Bath(s)	864	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.) The main dwelling is a single story with primarily custom and upgraded finishes including vaulted ceilings throughout, primarily wood flooring, wood trim and solid core interior doors. The dwelling is heated with wood and oil fueled in-floor radiant heat. The detached shop has 12' ceiling heights and a large garage door. It is heated with an oil stove. The accessory unit above has 9' ceiling heights. The accessory unit is heated with propane fueled in-floor radiant heat.																																																																																																																																																																																																																	
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject unit #1 is about 15 years old. Per public permits, the shop and accessory unit was finished in 2007. The subject property has been very well maintained. Per the seller's property disclosure, the propane fueled boiler for the accessory unit was new about a year ago.																																																																																																																																																																																																																	



## Small Residential Income Property Appraisal Report

IMPROVEMENTS	Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe																			
	No apparent physical deficiencies or adverse conditions were noted.																			
COMPARABLE RENTAL DATA	Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe The subject conforms well in design and appeal with other dwellings in the subject's neighborhood.																			
	Is the property subject to rent control? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 subject property.																			
	FEATURE	SUBJECT		COMPARABLE RENTAL # 1		COMPARABLE RENTAL # 2		COMPARABLE RENTAL # 3												
	Address	11870 Mende Hall Loop Road Juneau, AK 99801		3835 Lee Court Juneau, AK 99801-8606		16432 Ocean View Drive Juneau, AK 99801		1200 Fritz Cove Road Juneau, AK 99801												
	Proximity to subject	0.36 miles W		4.42 miles W		2.98 miles S														
	Current Monthly Rent	\$ 1,300		\$ 4,650		\$ 1,800		\$ 1,800												
	Rent/Gross Bldg. Area	\$ 1.50 sq. ft.		\$ 1.57 sq. ft.		\$ 1.67 sq. ft.		\$ 2.46 sq. ft.												
	Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												
	Data Source(s)	Lease Agreement		Owner		Owner		Owner												
	Date of Lease(s)	Month-to-Month		Various		Month-to-Month		Month-to-Month												
	Location	Suburban/Ave		Suburban/Ave		Suburban/Ave+		Suburban/SloughFr												
	Actual Age	15 yrs		23 yrs		13 yrs		43 yrs												
	Condition	Ave+ to Good		Average+		Average+		Average												
	Gross Building Area	2,308		2,960		3,824		2,707												
	Unit Breakdown	Rm Count	Size Sq. Ft.	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent								
		Tot	Br	Ba	Tot	Br	Ba	Tot	Br	Ba	Tot	Br	Ba							
	Unit #1	5	2	2.0	1,444	4	2	1.0	792	\$ 1,550	8	4	2.5	2,749	\$ Owner Occupied	6	3	2.0	1,976	\$ Owner Occupied
	Unit #2	4	2	1.0	864	4	2	2.0	960	\$ 1,550	4	2	1.0	1,075	\$ 1,800	4	2	1.0	731	\$ 1,800
	Unit #3					4	2	2.0	909	\$ 1,550								0.0	\$	
	Unit #4									\$								0.0	\$	
	Utilities Included	Water & Sewer		Water, Sewer, Trash, Heat		Water, Sewer, Trash, Elec./Heat		Water, Septic, Trash, Elec., Heat												
	View	Woods/Residential		Residential		Woods/Residential		View of Tidal Slough												
	Other Item(s)	Lrg Cvd Deck for Rental		Each unit has a 1 Car Gar		The Rental Unit has a 1 Car Gar		Cvd Deck, Shared Storage Room												
	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.) Juneau historically has had a very strong rental market with a vacancy factor of 3-4%. Recently, local property managers indicate rental rates have declined, inventory has increased, and some properties are taking longer to rent. Improvements and/or updating to many units have been made to make them more appealing, which has had a positive result in keeping the inventory full. The fall and winter months are slower than the spring and summer, which is a normal trend.																			
	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.																		
		Leases			Actual Rent			Opinion Of Market Rent												
Lease Date			Per Unit			Total			Per Unit											
Unit No.		Begin	End	Unfurnished	Furnished	Total Rent	Unfurnished	Furnished	Total Rent											
1		Owner Occupied	Owner Occupied	\$ 0	\$ 0	\$ 0	\$ 2,400	\$ 0	\$ 2,600											
2		03/08/2015	Month-to-Month	\$ 1,300	\$ 0	\$ 1,300	\$ 1,600	\$ 0	\$ 1,600											
3				\$	\$	\$	\$	\$	\$											
4				\$	\$	\$	\$	\$	\$											
Comment on lease data The original lease was signed 10/20/2011 and the rent was increased 03/08/2015.			Total Actual Monthly Rent			Total Gross Monthly Rent														
			Other Monthly Income (Itemize)			Other Monthly Income (Itemize)														
			Total Actual Monthly Income			Total Estimated Monthly Income														
Utilities included in estimated rents			Electric <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Cable <input type="checkbox"/> Trash collection <input checked="" type="checkbox"/> Other Snow Removal (Parking)																	
Comments on actual or estimated rents and other monthly income (including personal property) Comparable rental #1 is a triplex in the Back Loop Road.																				
Comparable rentals #2 and #3 are single family with accessory units in nearby competing neighborhoods. The comparable sales include the utilities. Comparable rental #3 was rented for \$1,600 last year, which did not include utilities. Most weight was given to rentals #1 and #2. Partial weight was given to rental #3. Subject unit #1 would typically be owner occupied. The comparable rental are used to support the market rent for subject unit #2.																				
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																				
PRIOR SALE HISTORY	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) Public Recorder's Office, SEAMLS, and/or Assessor Data																			
	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) Public Recorder's Office, Appraiser SEAMLS, and/or Assessor Data																			
	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 4).																			
	ITEM	SUBJECT		COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3												
	Date of Prior Sale/Transfer	05/31/2005		04/10/2009		06/15/2015		12/01/2009												
	Price of Prior Sale/Transfer																			
	Data Source(s)	Public Recorder's		Public Recorder's		Public Recorder's		Appraiser												
	Effective Date of Data Source(s)	03/27/2021		07/20/2020		02/11/2021		12/23/2020												
Analysis of prior sale or transfer history of the subject property and comparable sales The subject property has not transferred ownership within the past three years prior to the effective date of this appraisal. None of the comparable sales have sold within the year prior to the date of sale of the comparable sale. Alaska is a non-disclosure state, thus prior sale price information is not always readily available.																				



## Small Residential Income Property Appraisal Report

Case No.

There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 649,900 to \$ 649,900		There are 30 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 529,600 to \$ 847,000			
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	11870 Mendenhall Loop Road Juneau, AK 99801	11880 Mendenhall Loop Road Juneau, AK 99801	1630 Mendenhall Peninsula Road Juneau, AK 99801	8011 Poppy Court Juneau, AK 99801	
Proximity to Subject		0.05 miles SW	2.64 miles S	1.79 miles E	
Sale Price	\$ 665,700	\$ 600,000	\$ 847,000	\$ 645,000	
Sale Price/Gross Bldg. Area	\$ 288.43 sq. ft.	\$ 288.46 sq. ft.	\$ 252.16 sq. ft.	\$ 245.71 sq. ft.	
Gross Monthly Rent	\$ 4,200	\$ 2,800	\$ 4,400	\$ 2,800	
Gross Rent Multiplier	158.50	214.29	192.50	230.36	
Price Per Unit	\$ 332,850	\$ 600,000	\$ 423,500	\$ 645,000	
Price Per Room	\$ 73,967	\$ 85,714	\$ 84,700	\$ 129,000	
Price Per Bedroom	\$ 166,425	\$ 150,000	\$ 211,750	\$ 215,000	
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Data Source(s)	FSBO;DOM 0	FSBO;DOM 0	SEAMLS#20594;DOM 35	SEAMLS#20892;DOM 46	
Verification Source(s)	Inspected, EMA	Inspected, Public Recorder's	Listing Agent, Assessor	Appraiser & Listing Agent	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment
Sale or Financing	ArmLth	ArmLth		ArmLth	
Concessions	Conv;0	Conv;0		Cash;0	
Date of Sale/Time	Pending	s07/20;c05/20	+15,000	s08/20;c07/20	+16,940
Location	Suburban/Ave	Suburban/Ave		Suburban/Ave	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	1.07 ac	1.62 ac	-20,000	1.16 ac	
View	Residential;Woods	Residential;Woods		Mtn;Wetlands	-15,000
Design (Style)	Ranch&Shop/Apt	1.5 Country		Conventional	
Quality of Construction	Ave+ to Good	Average+	+30,000	Good	-30,000
Actual Age	15 yrs	41 yrs		11 yrs	
Condition	Ave+ to Good	Average+	+30,000	Good	-5,000
Gross Building Area	2,308 sq. ft.	2,080 sq. ft.	+11,400	3,359 sq. ft.	-52,550
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths	
Unit # 1	5 2 2.0	7 4 2.0	-10,000	7 3 2.0	-10,000
Unit # 2	4 2 1.0		+15,000	3 1 1.0	
Unit # 3					
Unit # 4					
Basement Description	0 sf	0sf		0sf	
Basement Finished Rooms	0	0		0	
Functional Utility	Average	Average		Average	
Heating/Cooling	Oil/Wood In-FirRdnt	Elec.FWA/BB & OS	+2,000	In-flr Rdnt, H. Pump	-5,000
Energy Efficient Items	Average	Average		6 Star (HRV)	
Parking On/Off Site	2 Car Gar, 870sf	2 CG 768sf; 1Crpt	-1,470	2 CG 796sf; 1Crpt	-1,890
Porch/Patio/Deck	CP, Dk, CvdDk, GH	CP,Dk,Balc,Shd,Fnc		Cvd Pch, Dks	0
Fireplaces	Gas Frpl, Loft	Wd Stv, Loft, ST	+500	Wd Stv, JT	+1,500
Other Item(s)	864 sf Shop, 1/2 Bath	450 sf Barn	+30,670	1,400 sf Shop	-27,580
Other Item(s)	Out Bldg, Ext Cvd Stg	2Boatprts, 144sfCSig	+1,000	Exten. Paving	+2,500
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 104,100	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ -126,080
Adjusted Sale Price of Comparables		Net Adj. : 17%		Net Adj. : -15%	
		Gross Adj. : 28%	\$ 704,100	Gross Adj. : 20%	\$ 720,920
Adj. Price Per Unit (Adj. SP Compl# of Comp Units)			\$ 704,100		\$ 360,460
Adj. Price Per Room (Adj. SP Compl# of Comp Rooms)			\$ 100,586		\$ 72,092
Adj. Price Per Bdrm. (Adj. SP Compl# of Comp Bedrooms)			\$ 176,025		\$ 180,230
Value Per Unit	\$ 350,000 X 2 Units =	\$ 700,000		Value Per GBA	\$ 285 X 2,308 GBA =
Value Per Rm.	\$ 75,000 X 9 Rooms =	\$ 675,000		Value Per Bdrms.	\$ 175,000 X 4 Bdrms. =
Summary of Sales Comparison Approach including reconciliation of the above indicators of value. The valuation per unit, room, GBA, and per bedroom indicate a value range of \$657,780 to \$700,000 for the subject. Both large owner occupied properties and single family dwellings with an accessory unit compete in the Juneau-Douglas real estate market; both property types were used as comparable sales on the grid. After warranted adjustments, the five comparable sales indicate a value range from \$672,703 to \$720,920 for the subject property. Sale 1 is a panhandle site that shares a boundary line with the subject. Most weight was given to this sale. Sale 3 is in the Back Loop neighborhood, like the subject. Sales 2 and 5 are in nearby competing neighborhoods. Sale 2 has a large detached shop, similar to the subject. Although the farthest distance from the subject of the comparable sales on the grid, sale 4 is from a competing neighborhood; furthermore, sale 4 has a two bedroom accessory unit, like the subject. Partial weight was given to sales 2, 3, 4 and 5. See the 'Additional Sales Comparison Analysis' addendum for more information.					
<b>Indicated Value by: Sales Comparison Analysis \$ 704,000</b>					
Total gross monthly rent \$ 4,200 X gross rent multiplier (GRM) 160.00 = \$ 672,000 Indicated value by Income Approach					
Comments on income approach including reconciliation of the GRM The gross rent for one or both units for sales 1 through 5 were estimated based upon local rent comparables. For the units that were not rented at the time of the sale, forecasted rents were provided. The sales have indicated a GRM range from 149.44 to 230.36 for the subject property. Most weight was given sale 4, which is most similar to the subject with respect to rental units.					
<b>Indicated Value by: Sales Comparison Analysis \$ 704,000 Income Approach \$ 672,000 Cost Approach (if developed) \$ 0</b>					
Both the sales comparison approach and income approaches to value are considered to be good indicators of market value for multi-family properties. However, most of the comparables were either vacant or owner occupied at the time of the sale; thus, primarily forecasted rather than actual rents were provided on the grid. The sales comparison approach is the most reliable approach to value in this case, thus was given most weight. Little consideration was given to the income approach as the larger units are typically owner occupied. The cost approach is not considered a good indicator of market value for older properties like the subject, thus the cost approach was not developed in this appraisal report.					
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 \$ 704,000, as of 03/15/2021, which is the date of inspection and the effective date of this appraisal.					



## Small Residential Income Property Appraisal Report

Top of form 1025 Page 3:

The comparable listing and comparable sale data shown on the top of page 3 is for properties considered comparable to the subject, located within the subject's neighborhood and competing neighborhoods within the City and Borough of Juneau. Due to the Juneau-Douglas area being a small community with a population of about 32,000 people and a large land mass, Juneau has a limited market often resulting in comparable sales in excess of 1 mile distant, thus the use of comparable sales from competing neighborhoods is appropriate. Every effort was made to find comparable sales of properties similar in gross living area, age, quality, design and condition on similar sites/locations. (This data is primarily derived from the Southeast Alaska Multiple Listing Service and does not reflect for sale by owner properties). See Comment Addendum.

## Inspection:

I have examined the property herein exclusively for the purposes of identification and description of the real estate. The objective of my walk-through inspection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. This "walk-through" inspection is for developing an understanding of the current use, general condition and functional utility of the improvements; it is not the equivalent of inspection by a home inspector, qualified engineer or any other appropriately qualified professional. Any obvious deficiencies or adverse conditions noted during my "walk through", or discovered by other means during the appraisal process of the subject, have been disclosed in this appraisal report. A home inspection and/or engineer inspection is always a recommendation. Should an inspection be done by a qualified engineer or other qualified inspection professional, an extra ordinary assumption is made that all health, safety, sanitary, mechanical, environmental or structural repairs are completed as recommended prior to closing of this transaction.

The appraiser is NOT an environmental expert. The final value opinion is predicated on the extra ordinary assumption no potentially hazardous materials or conditions exist. Refer to the Statement of Assumptions and Limiting Conditions.

## Intended User and Use:

The Intended User of this appraisal report is solely the Lender/Client named in this appraisal report. Unless specifically stated within the report, there are no additional Intended Users. Obtaining a copy of this appraisal report does not establish you as an intended user. 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 report, reporting requirements of this appraisal report form, and Definition of Market Value as defined in the report. Any other use is strictly prohibited. This appraisal report and all information contained in this appraisal report shall not be used or relied upon for any purpose by any person or entity other than the client. Using this appraisal report for any appraisal contingency or purchase decision is not an intended use. The appraiser has not identified any borrower, seller, or real estate agents as intended users of this appraisal report. These parties should not use or rely on this appraisal report for any purpose. Such parties are advised to obtain their own appraisal report from an appraiser of their choice if they require an appraisal for their own use.

ADDITIONAL COMMENTS

## COST APPROACH TO VALUE (not required by Fannie Mae.)

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

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

COST APPROACH

ESTIMATED	REPRODUCTION OR	REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$
Source of cost data			Dwelling 0 Sq. Ft. @ \$	= \$
Quality rating from cost service	Effective date of cost data		Sq. Ft. @ \$	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				
			Garage/Carport 870 Sq. Ft. @ \$	= \$
			Total Estimate of Cost-new	= \$
			Less Physical 18.18 Functional External	
			Depreciation 0	= \$ ( 0 )
			Depreciated Cost of Improvements	= \$ 0
			"As-is" Value of Site Improvements	= \$
Estimated Remaining Economic Life (HUD and VA only)	45	Years	Indicated Value By Cost Approach	= \$ 0

## PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowner's 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

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

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source.

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 Homeowner's Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

PUD INFORMATION



Coastal Appraisals, LLC  
EXTRA COMPARABLES 4-5-6

File No. 8394  
Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801

FEATURE		SUBJECT		COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Address 11870 Mendenhall Loop Road Juneau, AK 99801		4025 North Douglas Highway Juneau , AK 99801-9466		1770 Mendenhall Peninsula Road Juneau, AK 99801					
Proximity to Subject		9.32 miles SE		2.48 miles S					
Sale Price		\$ 665,700		\$ 656,000		\$ 549,000		\$	
Sale Price/Gross Bldg. Area		\$ 288.43		\$ 206.74		\$ 288.34		\$	
Gross Monthly Rent		\$ 4,200		\$ 4,200		\$ 2,400		\$	
Gross Rent Multiplier		158.50		156.19		228.75			
Price Per Unit		\$ 332,850		\$ 328,000		\$ 274,500		\$	
Price Per Room		\$ 73,967		\$ 65,600		\$ 54,900		\$	
Price Per Bedroom		\$ 166,425		\$ 131,200		\$ 137,250		\$	
Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Data Source(s)		FSBO;DOM 0		SEAMLS#20521;DOM 3		SEAMLS#20553;DOM 2			
Verification Source(s)		Inspected, EMA		Inspected, Listing Agent		Listing Agent, Assessor			
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION	
Sale or Financing		ArmLth		ArmLth		ArmLth			
Concessions		Conv;0		Conv;0		Conv;0			
Date of Sale/Time		Pending		s07/20;c05/20		s07/20;c05/20		+12,353	
Location		Suburban/Ave		Suburban/Ave		Suburban/Ave			
Leasehold/Fee Simple		Fee Simple		Fee Simple		Fee Simple			
Site		1.07 ac		28,867 sf		1.06 ac			
View		Residential;Woods		Pocket Water		Filt.Wetlands;		-10,000	
Design (Style)		Ranch&Shop/Apt		SF w/ Apt		Conventional			
Quality of Construction		Ave+ to Good		Ave+ to Good		Average		+50,000	
Actual Age		15 yrs		35 yrs		36 yrs			
Condition		Ave+ to Good		Average +		Average		+70,000	
Gross Building Area		2,308 sq. ft.		3,173 sq. ft.		1,904 sq. ft.		+20,200 sq. ft.	
Unit Breakdown		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Unit # 1		5 2 2.0		6 3 2.0		7 3 2.0		-10,000	
Unit # 2		4 2 1.0		4 2 1.0		3 1 1.0			
Unit # 3									
Unit # 4									
Basement Description		0 sf		49 sf Unfinished		0sf			
Basement Finished Rooms		0		0		0			
Functional Utility		Average		Average		Average			
Heating/Cooling		Oil/Wood In-FirRdnt		OHWWB		EBB & OS		+2,000	
Energy Efficient Items		Above Average		Average		Average			
Parking On/Off Site		2 Car Gar, 870sf		2 Car Gar, 576 sf		1 Carport		+16,050	
Porch/Patio/Deck		CP, Dk, CvdDk, GH		CP,Dk,Pto,Fnc,CStairs		CP, Deck, Stg		+1,000	
Fireplaces		Gas Frpl, Loft		2 WdSlvs, Altic Stg		Wd St, 466sf Guest		-21,140	
Other Item(s)		864 sf Shop, 1/2 Bath		None		1,156 sf Gar/Shop		-9,260	
Other Item(s)		Out Bldg, Ext Cvd Stg		Concrete Pad		Lrg Paved Parking		+2,500	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 54,605		<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 123,703	
Adjusted Sale Price of Comparables		Net Adj. : 8%		Gross Adj. : 27%		Net Adj. : 23%		Gross Adj. : 41%	
Adj. Price Per Unit (Adj. SP Comp/# of Comp Units)		\$ 355,303				\$ 336,352		\$	
Adj. Price Per Room (Adj. SP Comp/# of Comp Rooms)		\$ 71,061				\$ 67,270		\$	
Adj. Price Per Bdrm. (Adj. SP Comp/# of Comp Bedrooms)		\$ 142,121				\$ 168,176		\$	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales									
ITEM		SUBJECT		COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Date of Prior Sale/Transfer		05/31/2005		06/01/2011		12/10/1984			
Price of Prior Sale/Transfer				\$495,230					
Data Source(s)		Public Recorder's		Public Recorder's, SEAMLS		Public Recorder's			
Effective Date of Data Source(s)		03/27/2021		07/30/2020		08/17/2020			
Summary of Sales Comparison Approach including reconciliation of the above indicators of value.									

Coastal Appraisals, LLC  
**COMMENT ADDENDUM**

File No. 8394

Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801

**The following is general information about each of the comparables used on the grid:**

**Comparable sale 1:** This property shares a boundary line with the subject, and the site panhandled, like the subject. It appears to have surplus land. The property has extensive outbuildings and amenities, as follows: detached garage, carport, two boatports (high ceiling heights), barn, covered storage, large shed, chicken fence, horse fence and horse corral. The barn is a unique feature for the Juneau area; it was valued similar to enclosed storage at \$15 per square foot. Quality features/finishes include: Some wood and tile flooring, cedar siding, beam exposure and some T&G ceilings, upgraded kitchen cabinets, solid surface counter tops in the kitchen and utility room, propane range/oven, and soaking tub. The age of the roof surface is unknown; however, it is not original, per the owner. There was an addition to the structure; the exact date of the addition is unknown although the owner believes it may have been done in the early to mid 90's. The majority of the windows are wood and appear original. Per the owner, the kitchen was remodeled in 2008; the kitchen has upgraded soft close cabinets, and island and solid surface counter tops. Since 2014, the utility/laundry room was remodeled and the deck was replaced. The utility room has cabinetry, solid surface counter tops and a sink. In addition, the carpet in the bedrooms were recently replaced. One of the two balconies on the upper level is unfinished and blocked off from use.

**Comparable sale 2:** This dwelling is located in a neighborhood with a mixture of newer and older construction, average to custom quality of construction, and view and non-view sites. It was provided as another comparable sale with a large shop. This property has some vaulted T&G wood ceilings, upgraded window package, upgraded decking, custom upgraded kitchen (cherry cabinets), solid surface counter tops, upgraded flooring (some Brazilian hardwood and tile), dual-head walk-in tile shower and separate jet tub in the main bathroom, solid core wood doorstiles, built ins and tile hearth around woodstove. The dwelling was built to a very high energy rating and has an HRV. The lower level is set up as a guest suite or accessory unit with a small kitchen. The small second kitchen was valued at \$5,000. The 1,400 sq.ft. shop has 18' ceilings and a large shop door. The shop was valued at \$40 per sq. ft. plus \$9,000 for the shop door, for a total of \$65,000. The property also has a 796 square foot double car garage and a carport. The double car garage and carport were valued at \$20,940.

**Comparable sale 3:** Is a recent sale in the Back Loop neighborhood. Quality features include upgraded cabinetry, solid surface counter tops throughout, 12' ceiling above living room and 9' ceilings in other areas. This property also had an upgraded window package and was ADA compliant. The double car garage is 890 square feet.

**Comparable sale 4:** Although accessed off a busy road, the improvements are set back from the highway. The buyers agreed to pay \$2,000 more than the appraised value up to \$656,000. Per the seller's property disclosure, the roof leaked into the attic in 2019, which has been fixed. A hose bib broke and leaked into the apartment and flooded the floor. Since then, the sellers opened the walls, removed the flooring and checked for mold. In addition, the hose bib was replaced, flooring was replaced and the walls were fixed and fresh paint was applied. The sellers reported the septic was decommissioned.

Per the seller's property disclosure, improvements include:

- In 2013, installed new counter tops, painted the cabinets, and updated the kitchen appliances, and installed new flooring in the loft.
- In 2014, installed a new roof surface, gutters and flashing, remodeled the apartment bathroom, and remodeled the kitchen in the main unit. The kitchen remodeling includes, new cabinetry, solid surface counter tops, appliances, back splash, and built-ins. In addition, the owners installed new railing in the loft.
- In 2015, installed new carpet in a bedroom and installed a French drain behind the driveway and house.
- In 2017, repainted trim and soffits.
- In 2018, installed a new deck.
- In 2019, installed new flooring in the apartment, remodeled the master bathroom (tile flooring, new vanity, and tile shower), remodeled a bedroom closet, installed a French drain.
- In 2020, installed new carpet on the stairs, master bedroom, and main floor bedroom.

The windows are wood and appear primarily original. Although older than the subject in actual age, the improvements are superior to the subject in effective age, warranting an adjustment.

Quality features/finishes include: cedar siding, vaulted ceilings on the upper level and in the den, beam exposure in the living room, open to below area, tile finishes in the master bathroom, double sinks in two bathrooms, and some tile and wood floor coverings. The main unit's kitchen has upgraded cabinetry, stainless steel appliances, solid surface counter tops, tile back splash, extended built-ins and built in kegerator and mini bar.

**Comparable sale 5:** This is a very recent sale of a dwelling with three bedrooms and two bathrooms plus a 466 square foot guest area (detached with no kitchen). The guest area was valued at \$40 per square foot plus \$5,000 for an additional bathroom. Average quality and no recent updates noted by the appraiser. However, per city building permits, the roof was replaced and finalized in 2017, apartment approved in 2020 amongst other older information such as addition of a two story 320 sf sunroom and second story bedroom expansion in 2006, arctic entry constructed in 2008. Exterior paint appears to be in above average condition. The interior is very average and the kitchen is dated. The three car garage is 1156 square feet with 12' ceilings, which was valued at \$30 per square foot plus \$12,000 for the garage doors/stalls. In addition there is a carport.



Coastal Appraisals, LLC  
**COMMENT ADDENDUM**

File No. 8394

Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801

**Roadways and Natural Boundaries**

All of the comparables used on the grid for direct comparison are located in competing neighborhoods within the Juneau-Douglas market area. Buyers would likely consider all of the neighborhoods when in search for a property like the subject. If any location adjustments are warranted, they are made on the grid. The roadways and natural boundaries dividing the subject from the comparables do not pose a market division or regional barrier. The subject and all of the comparable sales are located in the City and Borough of Juneau.

**Data Sources**

I have made an examination of publicly available information about the subject property and comparable sales by researching the City and Borough of Juneau Assessor records, online information provided by both the Alaska Department of Natural Resources Recorder's Office and the City and Borough of Juneau, information shared by local appraisers, my own files, other real estate professionals, and SEAMLS (Southeast Alaska Multiple Listing Service).

Appraisers in the Juneau-Douglas area typically share data for sale transactions, which includes the most recent measurement of gross living area, current information regarding the sale, recent updating, remodeling, quality features, and other pertinent information about the site and improvements. Personal inspections and data from other appraisers is more reliable than SEAMLS and assessor data. The assessor is not always aware of additions, remodeling, finished basements, etc. SEAMLS derives most of their data from the Assessor data base. Inconsistent information of comparable sales used in prior appraisal reports is most likely because SEAMLS or assessor data was used to provide an active listing or pending sale on the grid; this information may be all that was available at that time. The most recent information received from an appraiser is used on the grid. All the photos of the subject and the comparable sales are originals from my own files and/or office.

Coastal Appraisals, LLC  
**ADJUSTMENTS ON THE GRID ADDENDUM**

File No. 8394  
Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801

Due to the small size and complexity of the Juneau-Douglas market, traditional methods of supporting adjustments are not always possible by using match pairs or regression analysis. The local market area has a very wide diversity of properties throughout community neighborhoods or subdivisions. Hence, properties without inconsistencies for match pair analysis are very limited. Whenever possible, paired data analysis is used to extract and support adjustments, but most properties in our limited real estate market have several inconsistencies. Local real estate professionals are often consulted for market data or market reaction to variables to help support adjustments. The adjustments on the grid described below are derived from market reaction.

**Location & Time:** Due to the Juneau-Douglas market area being a small community with a population of approximately 32,000 people and a large land mass, Juneau has a limited market often resulting in comparable sales in excess of 1 mile distant and sales that have closed in excess of 90 days. If a location adjustment is warranted, comments are made within the Additional Sales Comparison Analysis Addendum.

**Site:** Site adjustments are based on estimated site value. Consideration is given to differences in site size, topography, soils, physical characteristics, shape, utility, access, available utilities, and zoning.

**View:** No adjustments are made for a residential view. Unless otherwise stated, mountain or wooded views are typically not adjusted for; this is because it is very common for properties in the Juneau-Douglas area to have some form of a mountain and/or wooded view. Many factors are taken into consideration when adjusting for a view amenity, such as: water (river, pond, lake, channel or more open ocean views), clarity, distance, elevation, filters (like trees and buildings), seasonally and tidally affected views.

**Design (Style):** Adjustments are not typically made for most variations in design (style). However, properties with excessive stairs (two flights or more) are adjusted for. Custom designs (styles) are considered in the quality of construction adjustment.

**Quality of Construction Features:** Adjustments may be warranted for differences in properties that have similar quality ratings but may not fit into the next level of ratings. This is due to variations in quality of construction features and craftsmanship. See the Additional Sales Comparison Analysis Addendum for more information about the comparable sales used on the grid.

**Actual Age/Effective Age/Condition:** Adjustments for actual age are not made on the grid. Both the estimated effective age and condition of improvements the subject and the comparable sales are taken into consideration when making condition adjustments. Both long-lived and short-lived components are taken into consideration in the condition of improvements. Adjustments may be warranted for differences in properties that have a similar condition rating but falls between two ratings. This is due to variations in levels of updating, maintenance and remodeling. See the Additional Sales Comparison Analysis Addendum for more information about the comparable sales used on the grid.

**Room Count:** The Juneau-Douglas real estate market indicates adjustments are warranted for properties with less than three bedrooms (such as two bedroom properties); otherwise, no adjustments are warranted for differences in the number of bedrooms. Adjustments are made for the total number of bedrooms including basement bedrooms. Adjustments are made for differences in bathroom count at \$5,000 per full bathroom and \$2,500 per ½ bathroom; and warranted bedroom count adjustments are made at \$10,000.

**Gross Living Area:** After extracting data from the very limited match pairs of properties in either the subject's neighborhood or competing neighborhoods considered similar to the subject in age, condition, and quality, the market reaction appears to support gross living area adjustments of \$50 per square foot. Adjustments aren't made for differences in gross living area of 50 square feet or less.

**Basement & Finished:** Finished basement areas are adjusted at \$50 per square foot if finished similarly to the upper level and \$15 per square foot for unfinished areas (unless otherwise stated).

**Rooms Below Grade:** Typically, differences in the number of bathrooms are adjusted on this line.

**Functional Utility:** When adjustments are warranted for comparable sales, comments are made within the Additional Sales Comparison Analysis Addendum. The improvements section on URAR page 1 addresses the subject's functional utility.

**Heating/Cooling:** Electric baseboard heat is common in the Juneau-Douglas area; it is a permanent heat source that does not require ventilation. Oil stoves are common secondary heat sources and do require to be ventilated. The combination of electric baseboard heat and an oil stove is considered similar to oil hot water baseboard in value. In-floor radiant heat and heat pumps are considered upgraded heat sources.

**Energy Efficient Items:** The highest available energy rating is 6 stars. HRV systems are an upgrade and are adjusted for. Slight differences in energy ratings are not adjusted for separately; high energy ratings are considered in the overall quality of construction.

**Garage/Carport:** Garage adjustments are made at \$3,000 per stall plus \$15 per square foot for differences of 50 square feet or more. A carport is typically adjusted at \$3,000 per stall. The shop has above standard ceiling heights and a half bathroom. It was adjusted at \$30 per square foot plus \$9,000 for the garage door and \$2,500 for the half bathroom, for a total value of \$34,920.

**Porch/Patio/Deck:** The overall size, quality, quantity and condition of exterior amenities are taken into consideration when adjustments are made for a deck, patio, porch, balcony, shed, covered area, storage area, landscaping, etc.

**Other Items:** Extra amenities may include a jet tub, built-in or hardwired hot tub, attic area, storage area, second kitchen, wet bar, and workshop. No value is given to non-realty items such as washers, dryers and refrigerators.



## APPRAISAL COMPLIANCE ADDENDUM

File No. 8394

Case No.

Borrower/Client <u>Thomas Emerson</u>		Unit No.
Address <u>11870 Mendeall Loop Road</u>		
City <u>Juneau</u>	County <u>City And Borough of Juneau</u>	State <u>AK</u> Zip Code <u>99801</u>
Lender/Client <u>Cornerstone Home Lending, Inc.</u>		

This Appraisal Compliance Addendum is included to ensure this appraisal report meets all USPAP 2014 requirements.

## APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

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

## ADDITIONAL CERTIFICATIONS

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

- \* The statements of fact contained in this report are true and correct.
- \* The reported analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- \* Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to parties involved.
- \* Unless otherwise indicated, 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 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).
- \* This report has been prepared in accordance with Title XI of FIRREA as amended, and any implementing regulations.

## PRIOR SERVICES

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

## PROPERTY INSPECTION

- \* ☒ HAVE made a personal inspection of the property that is the subject of this report.
- \* ☐ have NOT made a personal inspection of the property that is the subject of this report.

## APPRAISAL ASSISTANCE

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

## ADDITIONAL COMMENTS

Additional USPAP related issues requiring disclosure and/or any state mandated requirements: Under the hypothetical condition that the subject is being sold, a reasonable exposure time is approximately 15-90 days, in the subject market, for the property to sell at appraised value. Exposure time is defined by USPAP as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

The highest and best use of the subject's improvements is the current use. An alternate use is unlikely due to the existing use and zoning.

## MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

- \* ☒ A reasonable marketing time for the subject property is 15-90 day(s) utilizing market conditions pertinent to the appraisal assignment.
- \* ☒ A reasonable exposure time for the subject property is 15-90 day(s).

## APPRAISER

## SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature <u>Deborah Reid</u>	Signature _____
Name <u>Deborah J. Reid</u>	Name _____
Date of Signature <u>03/29/2021</u>	Date of Signature _____
State Certification # <u>132740</u>	State Certification # _____
or State License # _____	or State License # _____
State <u>AK</u>	State _____
Expiration Date of Certification or License <u>06/30/2021</u>	Expiration Date of Certification or License _____
Effective Date of Appraisal <u>03/15/2021</u>	Supervisory Appraiser Inspection of Subject Property:
	<input type="checkbox"/> Did Not <input type="checkbox"/> Exterior Only from street <input type="checkbox"/> Interior and Exterior

**Small Residential Income Property Appraisal Report**

Case No.

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.



**Small Residential Income Property Appraisal Report**

Case No.

**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 and income approaches 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 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.

## Small Residential Income Property Appraisal Report

Case No.

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 Deborah J. Reid  
 Name Deborah J. Reid  
 Company Name Coastal Appraisals, LLC  
 Company Address PO Box 33514  
Juneau, AK 99803  
 Telephone Number 907-500-9010  
 Email Address deborahreid907@gmail.com  
 Date of Signature and Report 03/29/2021  
 Effective Date of Appraisal 03/15/2021  
 State Certification # 132740  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State AK  
 Expiration Date of Certification or License 06/30/2021

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

**ADDRESS OF PROPERTY APPRAISED**

11870 Mendenhall Loop Road  
Juneau, AK 99801

APPRAISED VALUE OF SUBJECT PROPERTY \$ 704,000  
 LENDER/CLIENT

Name Mercury Network  
 Company Name Cornerstone Home Lending, Inc.  
 Company Address 9105 Mendenhall Mall Road Suite 142  
Juneau, AK 99801  
 Email Address \_\_\_\_\_

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

Coastal Appraisals, LLC  
**SUBJECT PHOTO ADDENDUM**

File No. 8394  
Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



**FRONT OF  
SUBJECT PROPERTY**  
11870 Mendenhall Loop Road  
Juneau, AK 99801



**REAR OF  
SUBJECT PROPERTY**



**STREET SCENE**



Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



Additional Street Scene



Driveway



Parking



Front View



Trellis



Covered Porch



Side View



Green House



Another Angle of the Green House



Rear/Side View



Covered Storage and Out Building



Coastal Appraisals, LLC  
Subject Photos

File No. 8394  
Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau

County

City And Borough of Juneau

State

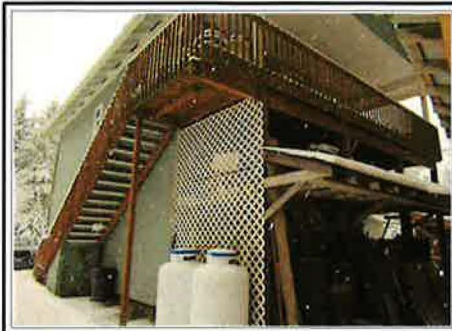
AK

Zip Code

99801

Lender/Client Cornerstone Home Lending, Inc.

Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



Rear/Side View of Shop and Accessory Unit



Side View of Shop and Accessory Unit



Wood Storage



Wood Storage



Living Room



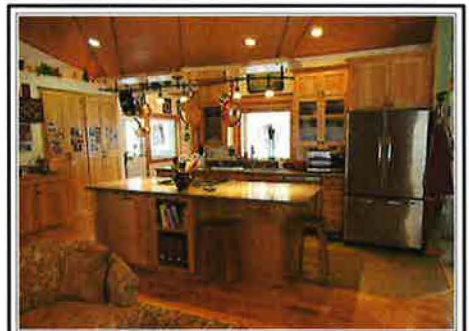
Entry



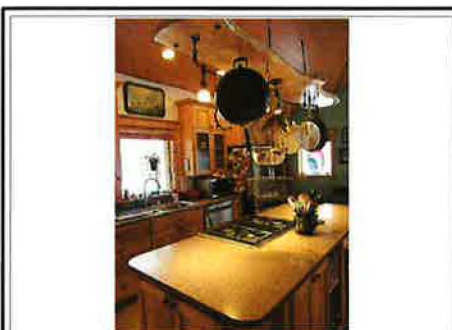
Another Angle of the Living Room



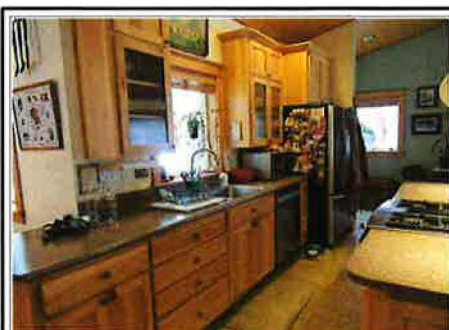
Propane Fireplace



Kitchen



Another Angle of the Kitchen



Another Angle of the Kitchen



Island



Coastal Appraisals, LLC  
Subject Photos

File No. 8394  
Case No.

Borrower Thomas Emerson

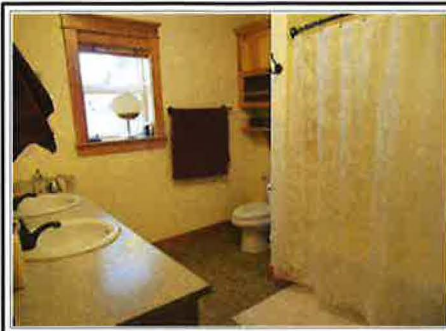
Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



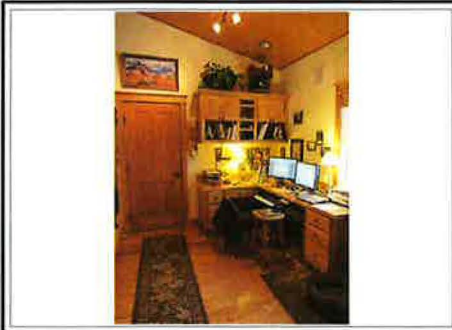
Bedroom



Full Bathroom



Dining Area



Office or Den



Office or Den



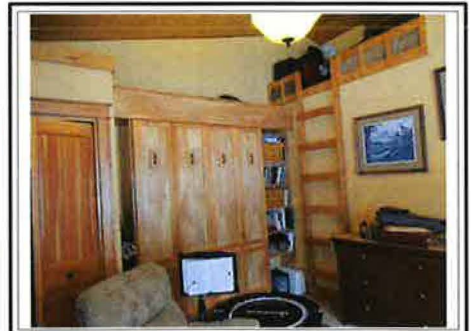
Full Bathroom



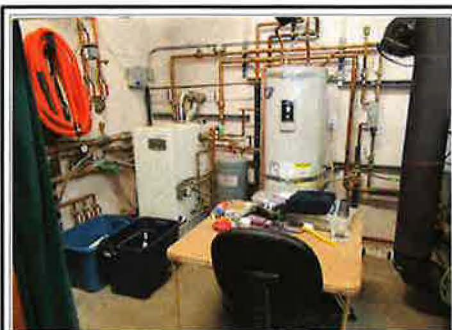
Another Angle of the Full Bathroom



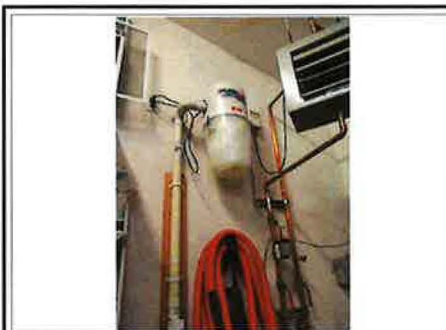
Bedroom



Another Angle of the Bedroom



Mechanical/Utilities



Central Vacuum



Wood and Oil Fired Boiler



Coastal Appraisals, LLC  
Subject Photos

File No. 8394  
Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



Garage



Another Angle of the Garage



Interior of the Out Building



Shop



Another Angle of the Shop



Another Angle of the Shop



1/2 Bathroom in the Shop



Boiler for the Accessory Unit



Accessory Unit - Living Room



Accessory Unit - Dining Area



Accessory Unit - Bedroom



Accessory Unit - Bedroom



Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

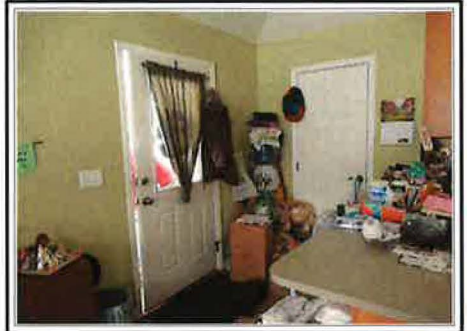
Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



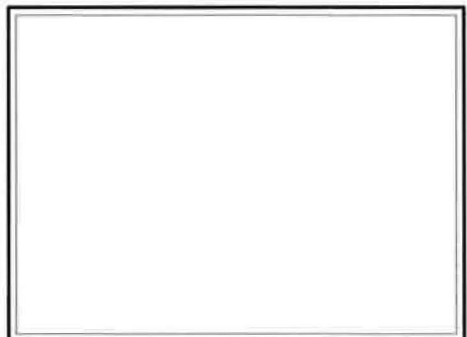
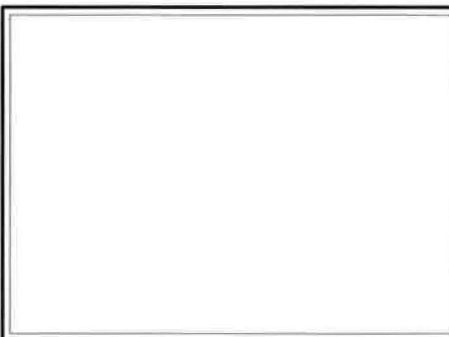
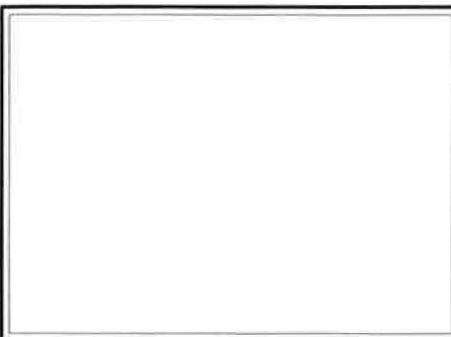
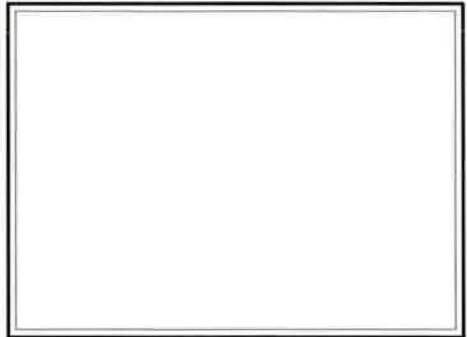
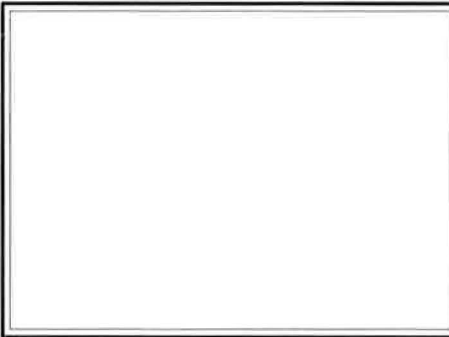
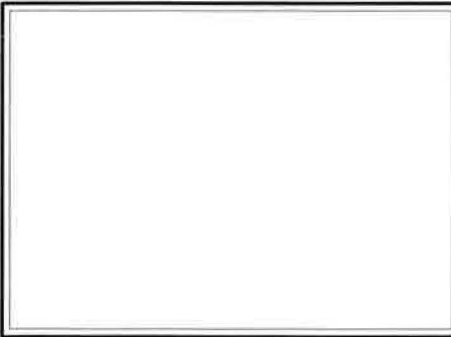
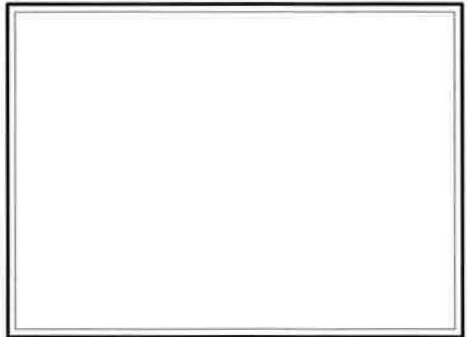
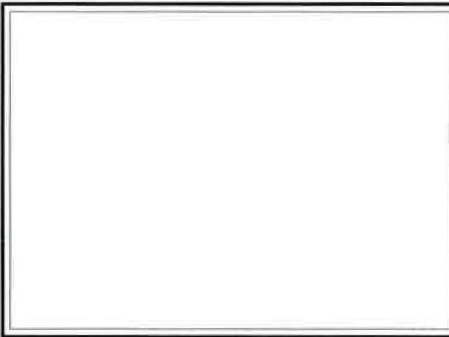
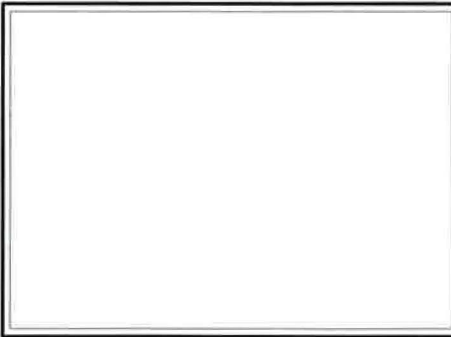
Accessory Unit - Full Bathroom



Accessory Unit - Kitchen



Accessory Unit - Entry



Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



**COMPARABLE SALE # 1**  
11880 Mendenhall Loop Road  
Juneau, AK 99801



**COMPARABLE SALE # 2**  
1630 Mendenhall Peninsula Road  
Juneau, AK 99801



**COMPARABLE SALE # 3**  
8011 Poppy Court  
Juneau, AK 99801



Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

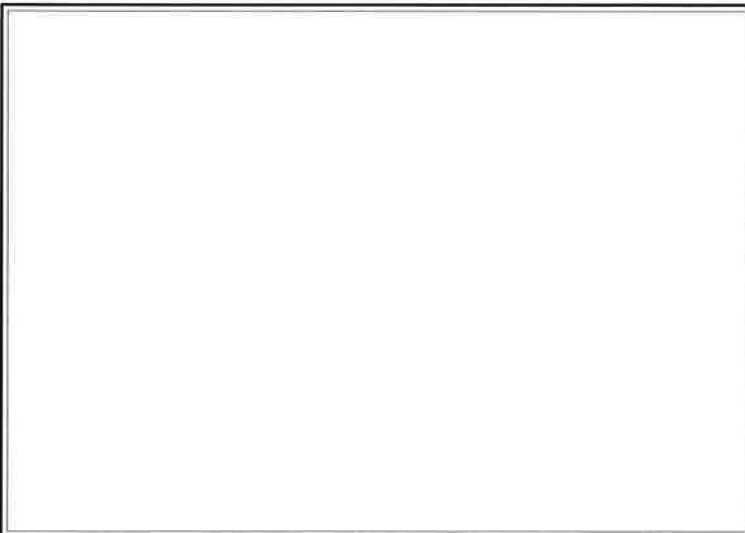
Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



**COMPARABLE SALE #** 4  
4025 North Douglas Highway  
Juneau , AK 99801-9466



**COMPARABLE SALE #** 5  
1770 Mendenhall Peninsula Road  
Juneau, AK 99801



**COMPARABLE SALE #** 6

Coastal Appraisals, LLC  
**LOCATION MAP ADDENDUM**

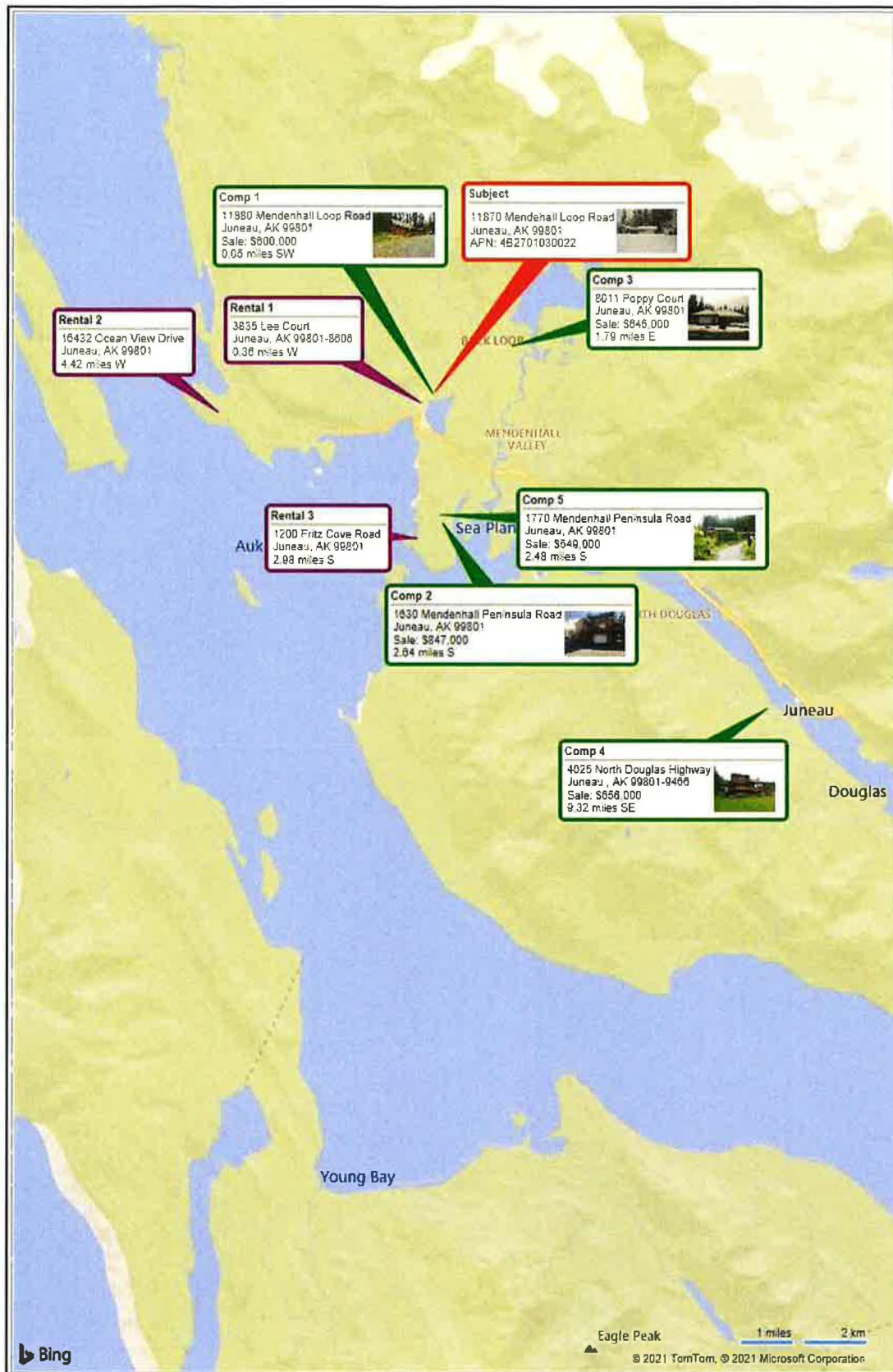
File No. 8394  
Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801





Coastal Appraisals, LLC  
**SKETCH ADDENDUM**

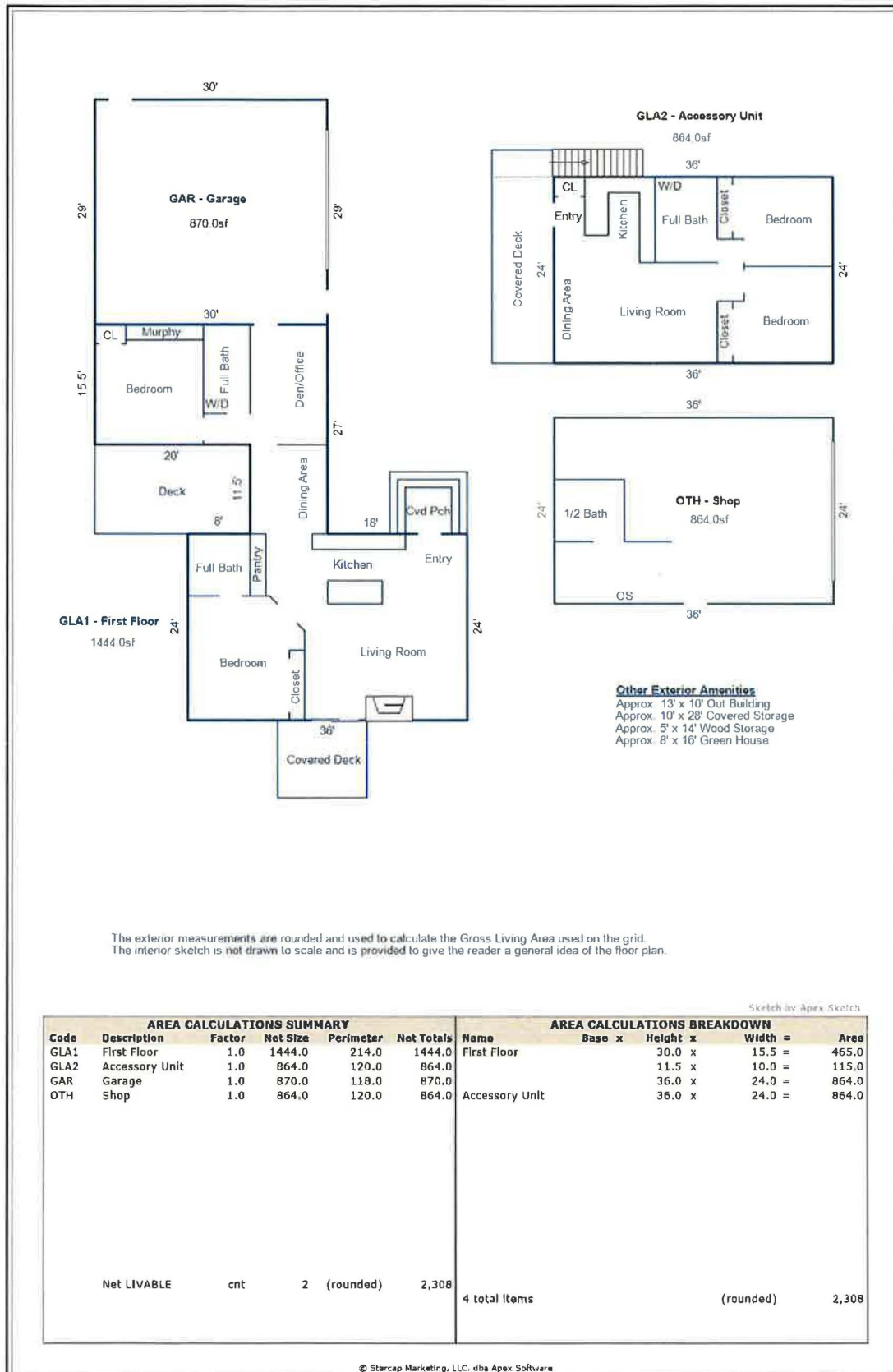
File No. 8394  
Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau

County

City And Borough of Juneau

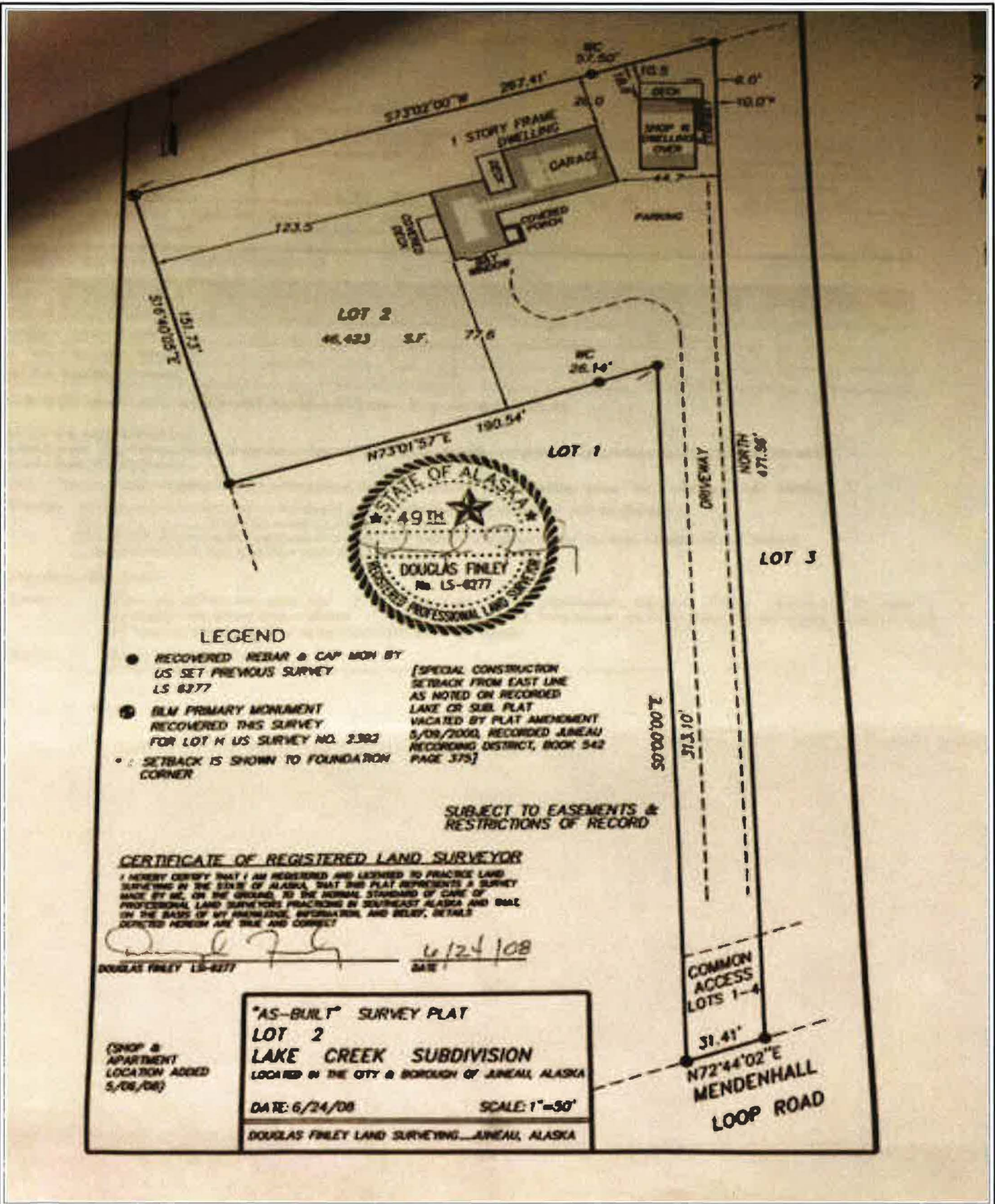
State AK

Zip Code

99801

Lender/Client Cornerstone Home Lending, Inc.

Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801





Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Cliant Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



## Market Conditions Addendum to the Appraisal Report

Case No.

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 **11870 Mendenhall Loop Road** City **Juneau** State **AK** ZIP Code **99801**

Borrower **Thomas Emerson**

**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 that data in the analysis. If data sources provide all 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)	20	9	1	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining	
Absorption Rate (Total Sales/Months)	3.33	3.00	0.33	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining	
Total # of Comparable Active Listings	4	1	1	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing	
Months of Housing Supply (Total Listings/Ab. Rate)	1.20	0.33	3.03	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing	
Median Sales & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend			
Median Comparable Sales Price	\$587,450	\$645,000	\$619,900	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	
Median Comparable Sales Days on Market	5	18	2	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing	
Median Comparable List Price	\$649,000	\$649,900	\$649,900	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	
Median Comparable Listings Days on Market	18	41	4	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing	
Median Sale Price as % of List Price	99.63%	99.35%	100.00%	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	
Seller-(developer, builder, etc.) paid financial assistance prevalent?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing	

Explain in detail 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.)

See the Market Trend Addendum.

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.

The grid above is a product of SEAMLS.

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

The search parameters for the above information included sales in the Back Loop neighborhood and competing neighborhoods including the Mendenhall Valley, Auke Bay, Out the Road, and North Douglas. Search parameters were also limited to dwellings larger than 1,800 square feet and sites larger than 10,000 square feet. The most comparable properties were selected. It does not include for sale by owner transactions that are not reported in SEAMLS.

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 foreclosures 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 <i>Deborah Reid</i>	Signature
Appraiser Name <b>Deborah J. Reid</b>	Supervisor Name
Company Name <b>Coastal Appraisals, LLC</b>	Company Name
Company Address <b>PO Box 33514, Juneau, AK 99803</b>	Company Address
State License/Certification # <b>132740</b> State <b>AK</b>	State License/Certification # State
Email Address <b>deborahreid907@gmail.com</b>	Email Address



Coastal Appraisals, LLC  
**MARKET TREND ADDENDUM**

File No. 8394

Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801

**Language provided by LIA Administrators and Insurance Services:**

"The global outbreak of a novel coronavirus known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal."

**Language Provided by Christensen Law Firm, Legal Services for Valuation on 3/24/2020:**

"This appraisal was performed following public awareness that COVID-19 was affecting residents in the United States. At the time of the appraisal, COVID-19 was beginning to have widespread health and economic impacts. The effects of COVID-19 on the real estate market in the area of the subject property were not yet measurable based on reliable data. The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value."

**Market Data**

Market data over the past few years indicates the Juneau-Douglas real estate market has seen a modest increase in residential real estate values. See the Market Analysis Chart on the following page for the median sale price for single family, attached properties, and condominiums over the past six years. Factors contributing to this trend includes low interest rates, low inventory for many property types, short marketing periods, and very few foreclosures. Additionally, it is not uncommon in the current market for more than one offer to be received on a property in some segments. Some purchase agreements have competing offers with escalation clauses, and it is not uncommon for some properties to sell by word of mouth.

Although the Juneau-Douglas residential real estate market has been strong the past few years, there is concern with it's economy. Alaska receives the majority of it's state revenue from oil taxes. Oil prices have declined significantly, and the state has faced a multi billion dollar deficit. Although the State of Alaska has a sizeable savings account, a potential risk to Juneau-Douglas real estate property values still exists. Juneau's state jobs and population have experienced declines over the past few years. While State government is a large part of our employment base, Juneau has a diverse economy which includes mining, tourism, commercial fishing, and federal employment. However, the tourism industry is experiencing a current decline due to COVID-19.

**Sales Concessions**

Over the past few years, seller paid loan charges vary greatly, generally less than 2% of the sale price. The trend is leaning towards the following closing costs to be paid by the seller: 1/2 recording fee, 1/2 escrow fee, owners title insurance and as built survey (if required). Anything over 2% is considered a sales concession. There has not been an apparent increase in seller contributions in the current market. If applicable, sales concessions and/or seller paid loan charges for the subject property are disclosed on page 1 of the appraisal report. Every effort has been made by the appraiser to determine sales or financing concessions for each comparable sale provided on the grid. Alaska is a non-disclosure State and lenders do not typically disclose the amount of closing costs or fees paid by the seller. Local appraisers will usually note whether closing costs paid by the seller were excessive, otherwise the actual amount is typically not provided when appraisal information is shared. If closing costs or fees paid by the seller are determined to have affected the sale price of the comparable sale, an adjustment is made.

Coastal Appraisals, LLC  
**MARKET ANALYSIS CHARTS**

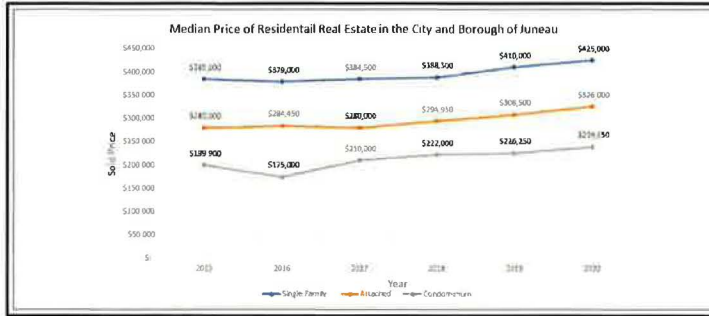
File No. 8394  
Case No.

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801



This exhibit includes data reported in SEAMLS and does not include some for sale by owner transactions. The graph shows the median sale price for detached single family properties, attached properties, and condominiums over the past six years (2015 through 2020).



## Operating Income Statement

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

**Property Address**

11870 Mendehall Loop Road  
Street

Juneau  
CityAK  
State

99801  
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 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"/>				
Unit No. 2	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>				
Unit No. 3	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>				
Unit No. 4	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>				
<b>Total</b>								


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 those 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**

<b>Income</b> <i>(Do not include income for owner-occupied units)</i>	By Applicant/Appraiser	Adjustments by Lender's Underwriter
Gross Annual Rental (from unit(s) to be rented)	\$ 15,600	\$
Other Income (include sources)	+	+
Total	\$ 15,600	\$
Less Vacancy/Rent Loss	- 468 ( 3 %)	- ( %)
Effective Gross Income	\$ 15,132	\$

**Expenses** (Do not include expenses for owner-occupied units)

Electricity _____	_____	_____
Gas _____	_____	_____
Fuel Oil _____	_____	_____
Fuel _____ (Type - <u>Propane</u> )	_____	_____
Water/Sewer _____	1,020	_____
Trash Removal _____	_____	_____
Pest Control _____	_____	_____
Other Taxes or Licenses _____	2,589	_____
Casual Labor _____	700	_____
This includes the cost for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services.		
Interior Paint/Decorating _____	50	_____
This includes the costs of contract labor and materials that are required to maintain the interiors of the living units.		
General Repairs/Maintenance _____	200	_____
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 customary expenses that a professional management company would charge to manage the property.		
Supplies _____	50	_____
This includes the costs of items like light bulbs, janitorial supplies, etc.		
Total Replacement Reserves - See Schedule on Pg. 2	1,865	_____
Miscellaneous _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total Operating Expenses</b>	<b>\$ 6,474</b>	<b>\$ _____</b>

**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 @ \$	700	ea. / 5 Yrs. x	1 Units = \$ 140	\$
Refrigerators @ \$		ea. / Yrs. x	Units = \$	\$
Dishwashers @ \$	600	ea. / 5 Yrs. x	1 Units = \$ 120	\$
A/C Units @ \$		ea. / Yrs. x	Units = \$	\$
C. Washer/Dryers @ \$		ea. / Yrs. x	Units = \$	\$
HW Heaters @ \$		ea. / Yrs. x	Units = \$	\$
Furnace(s) @ \$		ea. / Yrs. x	Units = \$	\$
(Other) @ \$	2,500	ea. / 20 Yrs. x	1 Units = \$ 125	\$
Roof @ \$	15,000	/ 15 Yrs. x One Bldg. =	\$ 1,000	\$

**Carpeting (Wall to Wall)**

	Remaining Life	
(Units) 96 Total Sq. Yds. @ \$ 50.00	Per Sq. Yd. / 10 Yrs. =	\$ 480
(Public Areas) Total Sq. Yds. @ \$	Per Sq. Yd. / Yrs. =	\$

**Total Replacement Reserves. (Enter on Pg.1)**

\$ 1,865 \$

**Operating Income Reconciliation**

\$ 15,132	- \$ 6,474	= \$ 8,658	/ 12 = \$ 722
Effective Gross Income	Total Operating Expenses	Operating Income	Monthly Operating Income
\$ 722	- \$	= \$ 722	
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)**

Expenses were based upon actual expenses reported in the seller's property disclosure and actual expenses from similar properties. The expenses do not include the borrower's mortgage interest. The appraiser assumes electricity, trash, and propane will be paid by the tenant(s). The operation income is for the accessory unit. The main unit would likely be owner occupied.

Deborah J. Reid  
Appraiser Name

*Deborah Reid*  
Appraiser Signature

03/29/2021  
Date

**Underwriter's Comments and Rationale for Adjustments**

Underwriter Name

Underwriter Signature

Date



City	Juneau	County	City And Borough of Juneau	State	AK	Zip Code	99801
Lender/Cient	Cornerstone Home Lending, Inc.		Address	9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801			

Page of

Borrower Thomas Emerson

Property Address 11870 Mendenhall Loop Road

City Juneau County City And Borough of Juneau State AK Zip Code 99801

Lender/Client Cornerstone Home Lending, Inc. Address 9105 Mendenhall Mall Road Suite 142, Juneau, AK 99801

License #: 132740

Effective: 05/13/2019

Expires: 06/30/2021

**STATE OF ALASKA**

Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing

**Board of Certified Real Estate Appraisers**Licensee: **Deborah Jane Reid**License Type: **Certified Residential Real Estate Appraiser**Status: **Active**

Commissioner: Julie Anderson

**Relationships**

RelationType	License #	LicenseType	Owners/Entities	Names/DBA
No relationships found.				

**Designations**

Type	Group
No designations found.	

## Wallet Card

## State of Alaska

Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing

Board of Certified Real Estate Appraisers

Deborah Jane Reid

As

Certified Residential Real Estate Appraiser

Deborah Jane Reid  
14050 GLACIER HIGHWAY  
JUNEAU, AK 99801

License	Effective	Expires
132740	05/13/2019	06/30/2021