

APPRAISAL OF REAL PROPERTY



LOCATED AT

409 E Edgewater Ave
Newport Beach, CA 92661
Balboa Bayside Tr lot 10 BLK 2 all-inc bet same & high tide lane- tr 95

FOR

Jab Properties LLC

OPINION OF VALUE

9,980,000

AS OF

04/08/2026

BY

Steven A Strom
Appraisals 2-Day
8603 Shadow Lane
Fountain Valley, CA 92708
714-499-6409
33strom@gmail.com

RESIDENTIAL APPRAISAL REPORT

File No.: A2D41026

Property Address: **409 E Edgewater Ave** City: **Newport Beach** State: **CA** Zip Code: **92661**
 County: **Orange** Legal Description: **Balboa Bayside Tr lot 10 BLK 2 all-inc bet same & high tide lane- tr 95**
 Assessor's Parcel #: **048-111-02**
 Tax Year: **2025** R.E. Taxes: \$ **2,995** Special Assessments: \$ **0** Borrower (if applicable): **----**
 Current Owner of Record: **Jab Properties LLC** Occupant: Owner Tenant Vacant Manufactured Housing
 Project Type: PUD Condominium Cooperative Other (describe) HOA: \$ **0** per year per month
 Market Area Name: **Balboa Peninsula** Map Reference: **11244** Census Tract: **0628.00**

The purpose of this appraisal is to develop an opinion of: Market Value (as defined), or other type of value (describe)
 This report reflects the following value (if not Current, see comments): Current (the Inspection Date is the Effective Date) Retrospective Prospective
 Approaches developed for this appraisal: Sales Comparison Approach Cost Approach Income Approach (See Reconciliation Comments and Scope of Work)
 Property Rights Appraised: Fee Simple Leasehold Leased Fee Other (describe)
 Intended Use: **The intended use of this appraisal report is for the client for private use only.**
 Intended User(s) (by name or type): **The intended user of this appraisal report is the Client only. No other intended users are identified.**
 Client: **Jab Properties LLC** Address: **409 E Edgewater Ave, Newport Beach CA 92661**
 Appraiser: **Steven A Strom** Address: **8603 Shadow Lane, Fountain Valley, CA 92708**

| | | | | | | | | | | |
|------------------|--|--|--------------------------------------|-----------------------|------------------|------------|------------------|------|--|-----------------------------------|
| Location: | <input type="checkbox"/> Urban | <input checked="" type="checkbox"/> Suburban | <input type="checkbox"/> Rural | Predominant Occupancy | One-Unit Housing | | Present Land Use | | Change in Land Use | |
| Built up: | <input checked="" type="checkbox"/> Over 75% | <input type="checkbox"/> 25-75% | <input type="checkbox"/> Under 25% | | PRICE | AGE | One-Unit | 85 % | <input checked="" type="checkbox"/> Not Likely | <input type="checkbox"/> Likely * |
| Growth rate: | <input type="checkbox"/> Rapid | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Slow | Owner | 75 | 2-4 Unit | 5 % | | | |
| Property values: | <input type="checkbox"/> Increasing | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining | Tenant | 25 | Multi-Unit | 5 % | | | |
| Demand/supply: | <input type="checkbox"/> Shortage | <input checked="" type="checkbox"/> In Balance | <input type="checkbox"/> Over Supply | Vacant (0-5%) | | Comm'l | 5 % | | | |
| Marketing time: | <input checked="" type="checkbox"/> Under 3 Mos. | <input type="checkbox"/> 3-6 Mos. | <input type="checkbox"/> Over 6 Mos. | Vacant (>5%) | | | | | | |

Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): **City Limits to the North, Pacific Coast Highway to the East, City Limits to the South, Pacific Ocean to the West. Market conditions appear average, with marketing time being 1-3 months. Conventional, Private, FHA financing is evident.**

Dimensions: **See Plat Map** Site Area: **3,237 sf**
 Zoning Classification: **R1** Description: **Single Family Residence**
 Zoning Compliance: Legal Legal nonconforming (grandfathered) Illegal No zoning
 Are CC&Rs applicable? Yes No Unknown Have the documents been reviewed? Yes No Ground Rent (if applicable) \$ **/**
 Highest & Best Use as improved: Present use, or Other use (explain) **The highest and best use is As-is.**
 Actual Use as of Effective Date: **Single Family Residence** Use as appraised in this report: **Single Family Residence**
 Summary of Highest & Best Use: **The highest and best use of this property as improved, or vacant, is the existing use.**

| Utilities | Public | Other | Provider/Description | Off-site Improvements | Type | Public | Private | Topography | Level |
|----------------|-------------------------------------|--------------------------|----------------------|-----------------------|--------------|-------------------------------------|--------------------------|------------|-----------------|
| Electricity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public | Street | Asphalt | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Size | Typical |
| Gas | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public | Curb/Gutter | Concrete | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Shape | Rectangular |
| Water | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public | Sidewalk | Concrete | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Drainage | Appears Average |
| Sanitary Sewer | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public | Street Lights | Incandescent | <input checked="" type="checkbox"/> | <input type="checkbox"/> | View | B, Harbor |
| Storm Sewer | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public | Alley | None | <input type="checkbox"/> | <input type="checkbox"/> | | |

Other site elements: Inside Lot Corner Lot Cul de Sac Underground Utilities Other (describe)
 FEMA Spec'l Flood Hazard Area Yes No FEMA Flood Zone **AO** FEMA Map # **06059C0382K** FEMA Map Date **03/21/2019**
 Site Comments: **The subject has level lot with 100% utility. No easements or encroachments noted. There were NO adverse conditions noted. Subject is located on Balboa Peninsula.**

| | | | | |
|---|---|---|-------------------------|--|
| General Description | Exterior Description | Foundation | Basement | Heating |
| # of Units: 1 <input type="checkbox"/> Acc. Unit | Foundation: Concrete/Average | Slab: Concrete | Area Sq. Ft.: 0 | Type: FAU |
| # of Stories: 2 | Exterior Walls: Wood/Average | Crawl Space: None | % Finished: 0 | Fuel: Gas |
| Type: <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> | Roof Surface: Comp/Average | Basement: None | Ceiling: 0 | Cooling |
| Design (Style): DT2:Conv | Gutters & Dwnspts.: Alum/Average | Sump Pump: <input type="checkbox"/> | Walls: 0 | Central: CAC |
| <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons. | Window Type: Vinyl/Average | Dampness: <input type="checkbox"/> | Floor: 0 | Other: 0 |
| Actual Age (Yrs.): 109 | Storm/Screens: Yes/Average | Settlement: None | Outside Entry: 0 | |
| Effective Age (Yrs.): 20 | | Infestation: None | | |
| Interior Description | Appliances | Attic <input type="checkbox"/> None | Amenities | Car Storage <input type="checkbox"/> None |
| Floors: Wood/Tile/New | Refrigerator: <input type="checkbox"/> | Stairs: <input type="checkbox"/> | Fireplace(s) # 0 | Garage # of cars: (4 Tot.) |
| Walls: Drywall/New | Range/Oven: <input checked="" type="checkbox"/> | Drop Stair: <input checked="" type="checkbox"/> | Woodstove(s) # 0 | Attach: 2 |
| Trim/Finish: Wood/New | Disposal: <input checked="" type="checkbox"/> | Scuttle: <input checked="" type="checkbox"/> | Patio: Slab | Detach: 0 |
| Bath Floor: Tile/New | Dishwasher: <input checked="" type="checkbox"/> | Doorway: <input type="checkbox"/> | Deck: None | Bit-In: 0 |
| Bath Wainscot: Tile/New | Fan/Hood: <input checked="" type="checkbox"/> | Floor: <input type="checkbox"/> | Porch: Concrete | Carport: 0 |
| Doors: Wood/New | Microwave: <input checked="" type="checkbox"/> | Heated: <input type="checkbox"/> | Fence: Fenced | Driveway: 2 |
| | Washer/Dryer: <input type="checkbox"/> | Finished: <input type="checkbox"/> | Pool: None | Surface: Concrete |

Finished area above grade contains: **7** Rooms **4** Bedrooms **2.1** Bath(s) **2,733** Square Feet of Gross Living Area Above Grade
 Additional features: **None noted.**
 Describe the condition of the property (including physical, functional and external obsolescence): **The subject recently underwent a complete remodel, per owner over \$685,000 spent on rehab/remodel. Subject features granite countertops, recessed lighting, wood shutters, wood & tile flooring, rooftop deck, boat dock, central air, 2 car garage, cabana on boat dock. At the time of inspection all utilities were working. Cabinets are built-in, considered real property.**



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

| | | | | |
|------------------|------------------------------------|------------|--|--|
| TRANSFER HISTORY | Data Source(s): Realist/MLS | | Analysis of sale/transfer history and/or any current agreement of sale/listing: Subject recently sold on 04/07/2025 for | |
| | 1st Prior Subject Sale/Transfer | | Date: 04/07/2025 | |
| | Date: 04/07/2025 | | Price: 5,741,500 | |
| | Price: 5,741,500 | | Source(s): Realist | |
| | Source(s): Realist | | 2nd Prior Subject Sale/Transfer | |
| | Date: | | Price: | |
| Price: | | Source(s): | | |

SALES COMPARISON APPROACH TO VALUE (if developed) The Sales Comparison Approach was not developed for this appraisal.

| FEATURE | SUBJECT | COMPARABLE SALE # 1 | | COMPARABLE SALE # 2 | | COMPARABLE SALE # 3 | |
|------------------------------------|--|---|-----------------|--|-----------------|--|-----------------|
| Address | 409 E Edgewater Ave Newport Beach, CA 92661 | 209 E Bay Ave Frnt Newport Beach, CA 92661 | | 1344 W Bay Ave Newport Beach, CA 92661 | | 930 E Balboa Blvd Newport Beach, CA 92661 | |
| Proximity to Subject | | 0.87 miles E | | 1.00 miles W | | 0.32 miles SE | |
| Sale Price | \$ | \$ 8,500,000 | | \$ 10,500,000 | | \$ 12,900,000 | |
| Sale Price/GLA | \$ /sq.ft. | \$ 3,671.71 /sq.ft. | | \$ 3,593.43 /sq.ft. | | \$ 3,877.37 /sq.ft. | |
| Data Source(s) | Realist/MLS | MLS#NP25062013;DOM 94 | | MLS#NP26003179 ; DOM 53 | | MLS#NP24238652;DOM 386 | |
| Verification Source(s) | Inspection | Doc# 208100 | | Doc# 81122 | | Doc# 169599 | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +(-) \$ Adjust. | DESCRIPTION | +(-) \$ Adjust. | DESCRIPTION | +(-) \$ Adjust. |
| Sales or Financing | | ArmLth | | ArmLth | | ArmLth | |
| Concessions | | Conv;0 | | Conv;0 | | Conv;0 | |
| Date of Sale/Time | | s07/25;c07/25 | | s03/26;c02/26 | | s06/25;c06/25 | |
| Rights Appraised | Fee Simple | Fee Simple | | Fee Simple | | Fee Simple | |
| Location | B;Balboa Peninsula | B;Balboa Island | | B;Balboa Peninsula | | B;Balboa Peninsula | |
| Site | 3,237 sf | 2,677 sf | | 3,300 sf | | 4,182 sf | |
| View | B;Harbor | B;Harbor | | B;Harbor | | B;Harbor | |
| Design (Style) | DT2;Conv | DT2;Conv | | DT2;Conv | | DT2;Conv | |
| Quality of Construction | Average | Average | | Average | | Superior | |
| Age | 109 | 43 | | 78 | | 10 | |
| Condition | Remodeled | Remodeled | | Remodeled | | Remodeled | |
| Above Grade | Total Bdrms Baths | Total Bdrms Baths | | Total Bdrms Baths | | Total Bdrms Baths | |
| Room Count | 7 4 2.1 | 7 4 3.1 | | 8 4 4.0 | | 6 3 4.1 | |
| Gross Living Area | 2,733 sq.ft. | 2,315 sq.ft. | | 2,922 sq.ft. | | 3,327 sq.ft. | |
| Basement & Finished | 0sf | 0sf | | 0sf | | 0sf | |
| Rooms Below Grade | | | | | | | |
| Functional Utility | Average | Average | | Average | | Average | |
| Heating/Cooling | FAU/CAC | FAU/CAC | | FAU/CAC | | FAU/CAC | |
| Energy Efficient Items | None | None | | None | | None | |
| Garage/Carport | 2 Car Garage | 2 Car Garage | | 1 Car Garage | | 2 Car Garage | |
| Porch/Patio/Deck | Porch/Patio | Porch/Patio | | Porch/Patio | | Porch/Patio | |
| Fireplace | Fireplace | Fireplace | | Fireplace | | Fireplace | |
| Pool/Spa | None | None | | None | | None | |
| Rooftop Deck | Rooftop Deck | Rooftop Deck | | Rooftop Deck | | Rooftop Deck | |
| Boat Dock | Boat Dock | Boat Dock | | Boat Dock | | Boat Dock | |
| Net Adjustment (Total) | | <input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 1,345,500 | | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -435,250 | | <input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -2,674,250 | |
| Adjusted Sale Price of Comparables | | \$ 9,845,500 | | \$ 10,064,750 | | \$ 10,225,750 | |

Summary of Sales Comparison Approach **All comparables are located in the same market area. Adjustments are based on current market data/paired sales study analysis. Adjustments made for condition/features are applied per exterior inspection and MLS description.**

Comparables used are all similar in amenities, market location, design/appeal, effective age, lot utility. Subject value is bracketed and placed in the value range.

Comparable 1 located on balboa Island, utilized to support subject condition, lot size, living area, harborfront location & views. Comparable 2 is most similar to subject in location, condition, living area & lot size, most recent sale in subject market, most weight was given to comparable 2. Comparable 3 superior to subject in lot size, superior to subject in age & quality of construction, living area. Comparable 4 was utilized for additional support, inferior to subject in living area & average/original condition. Comparable 5 located on Edgewater, superior to subject in quality of construction & condition, living area, located on a smaller lot. Comparables 6 & 7 are active listings in subject market.

Lot adjustments made at \$750 per square foot rounded; living area adjustments made at \$2,250 per square foot rounded. Comparable 2 sold on 03/26/2025 for \$7,750,000; rehabbed & resold; most similar to subject.

Exposure time is estimated at 50 days.

Unless otherwise noted, 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. The intended user of this appraisal report is the client, this report is for private use only, it is not intended for any other use or any other user, subject to the stated scope of work, purpose of the appraisal, reporting requirements of this appraisal form, definition of market value, no additional intended users are identified by the appraiser.

Cost Approach Comment: This appraisal report, in part or whole, is not intended to be utilized by any party for insurance purposes.

Water heater is properly double strapped, subject is equipped with smoke detectors, and carbon monoxide detectors.


The Effects of Covid in subject market are unknown.

Indicated Value by Sales Comparison Approach \$ **9,980,000**



RESIDENTIAL APPRAISAL REPORT

File No.: A2D41026

| | | |
|--|--|---|
| COST APPROACH | COST APPROACH TO VALUE (if developed) <input type="checkbox"/> The Cost Approach was not developed for this appraisal. | |
| | Provide adequate information for replication of the following cost figures and calculations. | |
| | Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): The site value is based on the extraction method. The physical depreciation can be derived by the Age-Life method which is calculated by dividing the effective age by total economic life (100 years.) Due to the difficulty in determining the physical depreciation the cost approach is NOT considered the most reliable approach to value. | |
| | ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW | OPINION OF SITE VALUE -----=\$ 9,175,000 |
| | Source of cost data: Marshall & Swift/Building-cost.net | DWELLING 2,733 Sq.Ft. @ \$ 300.00 ---=\$ 819,900 |
| | Quality rating from cost service: Good Effective date of cost data: Current | 0 Sq.Ft. @ \$ ---=\$ |
| | Comments on Cost Approach (gross living area calculations, depreciation, etc.): Due to the difficulty in determining the physical depreciation, and the limited availability of land sales that are similar to subject, the cost approach is NOT considered the most reliable approach to value. The site value is greater than 30% of the indicated value of the cost approach but this is typical for this area. | Sq.Ft. @ \$ ---=\$ Sq.Ft. @ \$ ---=\$ Sq.Ft. @ \$ ---=\$ |
| | | Porch/Patio/RooftopDeck -----=\$ 75,000 Garage/Carport 380 Sq.Ft. @ \$ 50.00 ---=\$ 19,000 Total Estimate of Cost-New -----=\$ 913,900 |
| | | Less Physical Functional External Depreciation 182,780 -----=\$ (182,780) Depreciated Cost of Improvements -----=\$ 731,120 "As-is" Value of Site Improvements -----=\$ 75,000 -----=\$ -----=\$ |
| | Estimated Remaining Economic Life (if required): 80 Years | INDICATED VALUE BY COST APPROACH -----=\$ 9,981,120 |
| INCOME APPROACH | INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal. | |
| | Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ | Indicated Value by Income Approach |
| | Summary of Income Approach (including support for market rent and GRM): | |
| PUD | PROJECT INFORMATION FOR PUDs (if applicable) <input type="checkbox"/> The Subject is part of a Planned Unit Development. | |
| | Legal Name of Project: | |
| | Describe common elements and recreational facilities: | |
| RECONCILIATION | Indicated Value by: Sales Comparison Approach \$ 9,980,000 Cost Approach (if developed) \$ 9,981,120 Income Approach (if developed) \$ | |
| | Final Reconciliation In the final analysis most consideration was given to the market data approach as it best represents the actions of buyers and sellers in an open market. The cost approach was given consideration ONLY as a supportive factor. The income approach was NOT considered in the final analysis. | |
| | 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, <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: | |
| | <input type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda. | |
| | Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 9,980,000, as of: 04/08/2026, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda. | |
| ATTACHMENTS | A true and complete copy of this report contains <u>24</u> pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report. | |
| | Attached Exhibits: | |
| | <input checked="" type="checkbox"/> Scope of Work <input type="checkbox"/> Limiting Cond./Certifications <input type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum <input checked="" type="checkbox"/> Map Addenda <input checked="" type="checkbox"/> Additional Sales <input checked="" type="checkbox"/> Cost Addendum <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Manuf. House Addendum <input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/> | |
| SIGNATURES | Client Contact: _____ Client Name: Job Properties LLC | |
| | E-Mail: _____ Address: 409 E Edgewater Ave, Newport Beach CA 92661 | |
| | APPRAISER _____ SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable) | |
| | Appraiser Name: Steven A Strom  | |
| | Company: Appraisals 2-Day | |
| Supervisory or Co-Appraiser Name: _____ Company: _____ Phone: _____ Fax: _____ E-Mail: _____ Date of Report (Signature): _____ License or Certification #: _____ State: _____ Designation: _____ Expiration Date of License or Certification: _____ Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input checked="" type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 04/08/2026 | | |



ADDITIONAL COMPARABLE SALES

File No.: A2D41026

| FEATURE | SUBJECT | COMPARABLE SALE # 4 | | | COMPARABLE SALE # 5 | | | COMPARABLE SALE # 6 | | |
|---------------------------------------|--|--|--|-----------------|--|--|-----------------|--|--|-----------------|
| Address | 409 E Edgewater Ave Newport Beach, CA 92661 | 1340 W Bay Ave Newport Beach, CA 92661 | | | 505 W Edgewater Ave Newport Beach, CA 92661 | | | 339 Via Lido Soud Newport Beach, CA 92663 | | |
| Proximity to Subject | | 0.96 miles W | | | 0.29 miles NW | | | 1.32 miles NW | | |
| Sale Price | \$ | \$ 7,675,000 | | | \$ 12,750,000 | | | \$ 10,395,000 | | |
| Sale Price/GLA | \$ /sq.ft. | \$ 3,738.43 /sq.ft. | | | \$ 3,974.44 /sq.ft. | | | \$ 3,628.27 /sq.ft. | | |
| Data Source(s) | Realist/MLS | MLS# LG25193348; DOM 70 | | | MLS# LG25126227; DOM 53 | | | MLS#NP26070281;DOM 327 | | |
| Verification Source(s) | Inspection | Doc#88457 | | | Doc#263258 | | | Active Listing | | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | | +(-) \$ Adjust. | DESCRIPTION | | +(-) \$ Adjust. | DESCRIPTION | | +(-) \$ Adjust. |
| Sales or Financing Concessions | | ArmLth Conv;0 | | | ArmLth Conv;270,000 | | -270,000 | Listing | | |
| Date of Sale/Time | | s11/25;c11/25 | | | s09/25;c08/25 | | | Active | | -250,000 |
| Rights Appraised | Fee Simple | Fee Simple | | | Fee Simple | | | Fee Simple | | |
| Location | B;Balboa Peninsula | B;Balboa Peninsula | | | B;Balboa Peninsula | | | B;Lido Isle | | 0 |
| Site | 3,237 sf | 3,778 sf | | -405,750 | 2,800 sf | | +327,750 | 3,060 sf | | |
| View | B;Harbor | B;Harbor | | | B;Harbor | | | B;Harbor | | |
| Design (Style) | DT2;Conv | DT2;Conv | | | DT2;Conv | | | DT2;Conv | | |
| Quality of Construction | Average | Average | | | Superior | | -750,000 | Average | | |
| Age | 109 | 74 | | 0 23 | 23 | | -86,000 | 36 | | 0 |
| Condition | Remodeled | Below Average/Original | | +1,000,000 | Superior | | -750,000 | Updated/Inferior | | +250,000 |
| Above Grade | Total Bdrms Baths | Total Bdrms Baths | | 0 | Total Bdrms Baths | | 0 | Total Bdrms Baths | | 0 |
| Room Count | 7 4 2.1 | 8 4 2.1 | | 0 | 7 4 4.1 | | -30,000 | 8 4 4.0 | | -20,000 |
| Gross Living Area | 2,733 sq.ft. | 2,053 sq.ft. | | +1,530,000 | 3,208 sq.ft. | | -1,068,750 | 2,865 sq.ft. | | -297,000 |
| Basement & Finished Rooms Below Grade | 0sf | 0sf | | | 0sf | | | 0sf | | |
| Functional Utility | Average | Average | | | Average | | | Average | | |
| Heating/Cooling | FAU/CAC | FAU/None | | +5,000 | FAU/CAC | | | FAU/None | | +5,000 |
| Energy Efficient Items | None | None | | | None | | | None | | |
| Garage/Carport | 2 Car Garage | 2 Car Garage | | | 2 Car Garage | | | 2 Car Garage | | |
| Porch/Patio/Deck | Porch/Patio | Porch/Patio | | | Porch/Patio | | | Porch/Patio | | |
| Fireplace | Fireplace | Fireplace | | | Fireplace | | | Fireplace | | |
| Pool/Spa | None | None | | | None | | | None | | |
| Rooftop Deck | Rooftop Deck | None | | +50,000 | None | | +50,000 | None | | +50,000 |
| Boat Dock | Boat Dock | Boat Dock | | | Boat Dock | | | Boat Dock | | |
| Net Adjustment (Total) | | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | | \$ 2,179,250 | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | | \$ -2,577,000 | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | | \$ -262,000 |
| Adjusted Sale Price of Comparables | | | | \$ 9,854,250 | | | \$ 10,173,000 | | | \$ 10,133,000 |

SALES COMPARISON APPROACH

Summary of Sales Comparison Approach

Subject Photo Page

| | | | | | |
|------------------|---------------------|--------|--------|-------|-------------------|
| Borrower | ----- | | | | |
| Property Address | 409 E Edgewater Ave | | | | |
| City | Newport Beach | County | Orange | State | CA Zip Code 92661 |
| Lender/Client | Jab Properties LLC | | | | |



Subject Front

409 E Edgewater Ave
Sales Price
G.B.A.
Age/Yr.Blt. 109



Subject Rear



Subject Side

Subject Photo Page

| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
| Borrower | ----- | | | | | | |
| Property Address | 409 E Edgewater Ave | | | | | | |
| City | Newport Beach | County | Orange | State | CA | Zip Code | 92661 |
| Lender/Client | Jab Properties LLC | | | | | | |



Opposite Side
409 E Edgewater Ave

2,733
7
4
2.1
B;Balboa Peninsula
B;Harbor
3,237 sf
Average
109



Street



Alternate Street

Photo Addendum

| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
| Borrower | ----- | | | | | | |
| Property Address | 409 E Edgewater Ave | | | | | | |
| City | Newport Beach | County | Orange | State | CA | Zip Code | 92661 |
| Lender/Client | Jab Properties LLC | | | | | | |



Kitchen



Living Room



Living Room



Dining Room



1/2 Bathroom



Bedroom

Photo Addendum

| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
| Borrower | ----- | | | | | | |
| Property Address | 409 E Edgewater Ave | | | | | | |
| City | Newport Beach | County | Orange | State | CA | Zip Code | 92661 |
| Lender/Client | Jab Properties LLC | | | | | | |



Laundry



Bedroom



Bathroom



Bedroom



Bathroom



Bedroom

Interior Photos

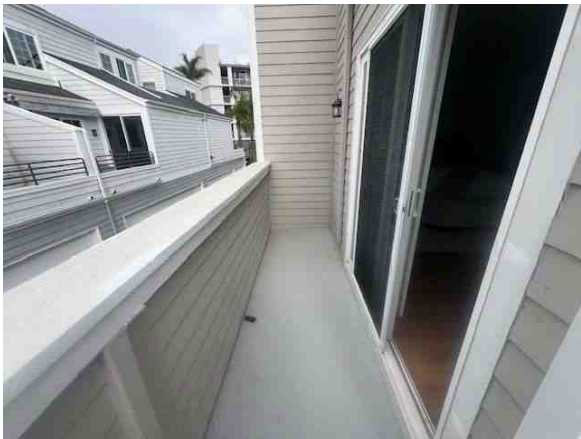
| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
| Borrower | ----- | | | | | | |
| Property Address | 409 E Edgewater Ave | | | | | | |
| City | Newport Beach | County | Orange | State | CA | Zip Code | 92661 |
| Lender/Client | Jab Properties LLC | | | | | | |



Bedroom



Stairs



Balcony



Landing



Rooftop Deck



View

Interior Photos

| | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------------|
| Borrower | ----- | | | | | |
| Property Address | 409 E Edgewater Ave | | | | | |
| City | Newport Beach | County | Orange | State | CA | Zip Code 92661 |
| Lender/Client | Jab Properties LLC | | | | | |



Rooftop Deck



View



Tankless Water Heater



Smoke/Carbon Monoxide Detector



Garage



Subject

Interior Photos

| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
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| Lender/Client | Jab Properties LLC | | | | | | |



Boat Dock



Harborfront Location



Boat Dock



Boat Dock



Patio



Sand / Harbor

Photograph Addendum

| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
| Borrower | ----- | | | | | | |
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| Lender/Client | Jab Properties LLC | | | | | | |



Boat Dock



Boat Dock



Boat Dock



Boat Dock



Sidewalk



Sidewalk

Comparable Photo Page

| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
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Comparable 1

209 E Bay Ave Frnt
Sales Price 8,500,000
G.B.A.
Age/Yr.Bl. 43



Comparable 2

1344 W Bay Ave
Sales Price 10,500,000
G.B.A.
Age/Yr.Bl. 78



Comparable 3

930 E Balboa Blvd
Sales Price 12,900,000
G.B.A.
Age/Yr.Bl. 10

Comparable Photo Page

| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
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Comparable 4

1340 W Bay Ave
Sales Price 7,675,000
G.B.A.
Age/Yr.Bl. 74



Comparable 5

505 W Edgewater Ave
Sales Price 12,750,000
G.B.A.
Age/Yr.Bl. 23



Comparable 6

339 Via Lido Soud
Sales Price 10,395,000
G.B.A.
Age/Yr.Bl. 36

Comparable Photo Page

| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
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Comparable 7

118 Via Lido Nord
Proximity 1.50 miles NW
Sale Price 10,895,000
GLA 2,753
Total Rooms 8
Total Bedrms 4
Total Bathrms 3.1
Location B;Lido Isle
View N;Res;
Site 2,700 sf
Quality Superior
Age 22

Comparable 8

Proximity
Sale Price
GLA
Total Rooms
Total Bedrms
Total Bathrms
Location
View
Site
Quality
Age

Comparable 9

Proximity
Sale Price
GLA
Total Rooms
Total Bedrms
Total Bathrms
Location
View
Site
Quality
Age



HANOVER
Miscellaneous Advantage
Professional Liability Insurance

RPG Policy Declarations Page

NOTICE: THIS POLICY IS A CLAIMS-MADE POLICY. PLEASE READ THE POLICY CAREFULLY.

RISK PURCHASING GROUP NOTICE

This Miscellaneous Professional Liability Risk Purchasing Group Policy is not protected by an insurance insolvency guaranty fund in this state, and the insurer or Risk Purchasing Group may not be subject to all the insurance laws and rules of this state.

IMPORTANT NOTICE REGARDING RISK PURCHASING GROUPS

Disclosure Pursuant to Federal Law Regarding Purchasing Groups [15 U.S.C. SEC. 3901, et seq] the Norman Spencer Real Estate Risk Purchasing Group, Inc is a "Purchasing Group", as defined under Federal law, formed to purchase liability insurance on a group basis for its Members to cover the similar or related liability exposure(s) to which the Members of the Purchasing Group are exposed by virtue of their related, similar, or common businesses or services. Members do not share limits and each member is provided with its own policy and/or evidence of insurance.

Policy Number

LHD-M252798-00

THE HANOVER INSURANCE COMPANY

440 Lincoln Street
Worcester, MA 01653

(A Stock Insurance Company, herein called the **Insurer**)

Issue Date 01/08/2026

Item 1. NAMED INSURED AND ADDRESS

Steven A Strom dba Appraisals 2-Day
8603 SHADOW LN
FOUNTAIN VLY, CA 92708

Item 2. POLICY PERIOD

Inception Date: 02/04/2026 Expiration Date: 02/04/2027
(12:01 AM standard time at the address shown in Item 1.)

Item 3. LIMIT OF LIABILITY

- a. \$1,000,000 for each **Claim**; not to exceed
- b. \$2,000,000 for all **Claims** in the Aggregate

Item 4. SUBLIMITS OF LIABILITY

- Privacy and Security a. \$1,000,000 for each **Claim**; not to exceed
- Liability Coverage b. \$1,000,000 for all **Claims** in the Aggregate

License



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

Steven A. Strom

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

“Certified Residential Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AR 027644

Effective Date: May 24, 2024
Date Expires: May 23, 2026


Angela Jemmot, Bureau Chief, BREA

3075103

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

Supplemental Addendum

File No. A2D41026

| | | | | | | | |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
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Supplemental Addendum

- Information on subject and comparable sale data which was used in this report was provided by financial institutions, government agencies, sales agents, real estate firms, and tax records which were available at time of inspection. As tax records are only periodically updated and sometimes incomplete, it is therefore, sometimes necessary to supplement some sales data with real estate firms and their information services and also have field estimates of square footage. This information is assumed to be true, correct and reliable. No responsibility for the accuracy of such information is assumed by the appraiser. The exterior dimensions and gross living areas of the subject property and the comparables, reported throughout this report, are often estimated due to the existence of various items which may impede direct measurement of exterior walls.

- Appraiser is not qualified to detect adverse environmental conditions or the existence of potentially hazardous material used in the construction or maintenance of the improvements such as the presence of urea-formaldehyde insulation and/ or the existence of toxic waste radon which may or may not be present on the property; none of which was observed the appraiser; nor does the appraiser have knowledge of the existence of such materials on or in the property. The appraiser is not qualified to detect the existence of above stated potentially hazardous materials. It is recommended to retain a qualified expert in the field, is so desired.

- Mold: The appraiser is not qualified to detect mold, its cause, nor whether the mold might pose any risk to the property or its inhabitants. The appraiser is not a home or environmental inspector; the appraiser provides an opinion of value. The appraiser does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. Mold may be present in areas that the appraiser cannot see and possibly even visible areas. A professional home inspection or environmental inspection is recommended if deemed necessary by any parties involved in this transaction.

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. The appraiser has at a minimum: (1) performed a complete visual inspection of the interior & 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 analysis, opinions, and conclusions in this appraisal report.

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.

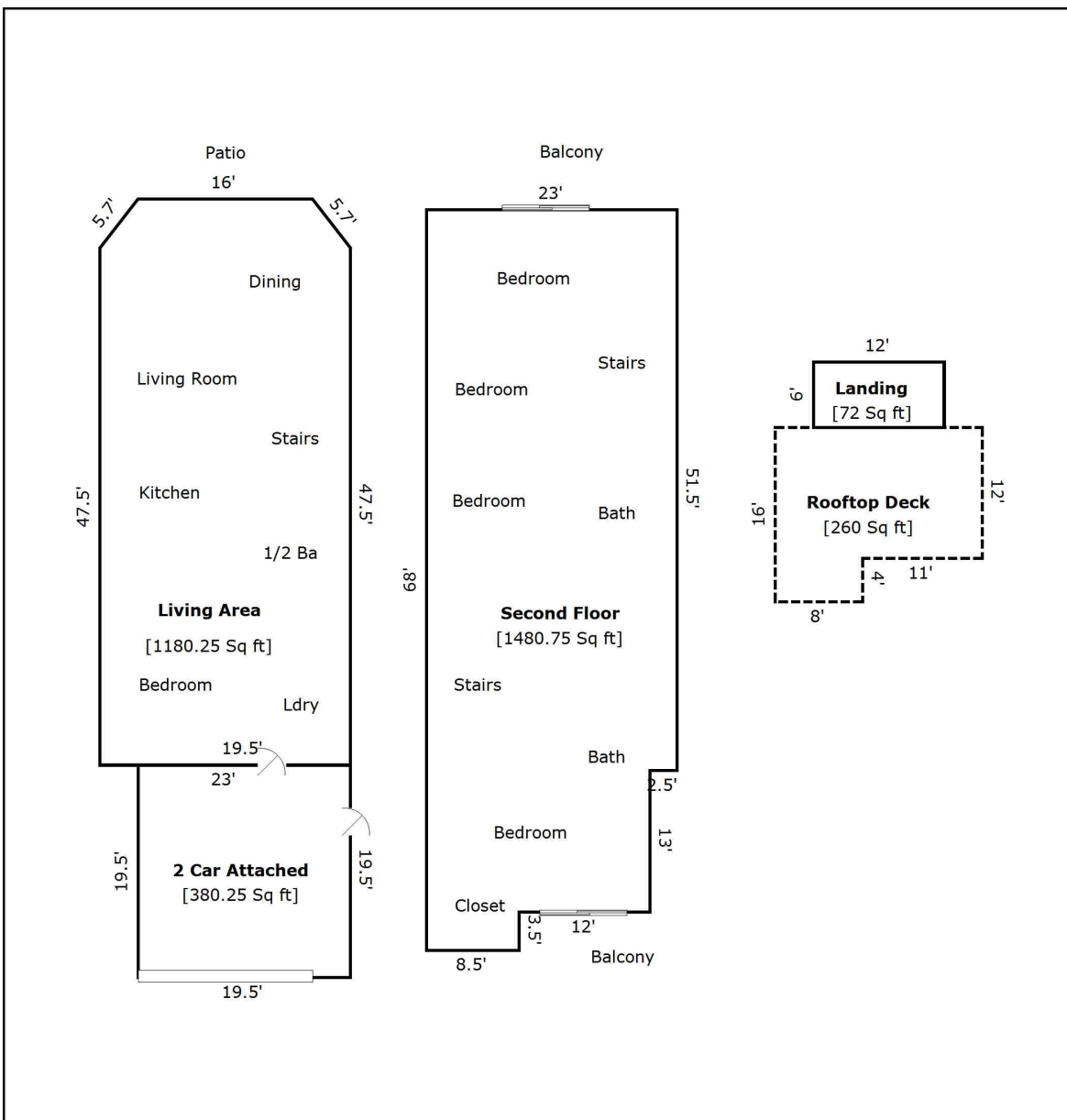
Aerial Map

| | | | | | |
|------------------|---------------------|--------|--------|-------|-------------------|
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Building Sketch

| | | | | | |
|------------------|---------------------|--------|--------|-------|----|
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| Area Calculations Summary | | | |
|-------------------------------------|---------------------|-----------------------------|----------|
| Living Area | Calculation Details | | |
| Living Area | 1180.25 Sq ft | 23×47.5 | = 1092.5 |
| | | 16×4.5 | = 72 |
| | | $0.5 \times 3.5 \times 4.5$ | = 7.88 |
| | | $0.5 \times 4.5 \times 3.5$ | = 7.88 |
| Second Floor | 1480.75 Sq ft | 23×51.5 | = 1184.5 |
| | | 13×12 | = 156 |
| | | 8.5×16.5 | = 140.25 |
| Landing | 72 Sq ft | 12×6 | = 72 |
| Total Living Area (Rounded): | 2733 Sq ft | | |
| Non-living Area | | | |
| 2 Car Attached | 380.25 Sq ft | 19.5×19.5 | = 380.25 |
| Rooftop Deck | 260 Sq ft | 12×11 | = 132 |
| | | 8×16 | = 128 |

Location Map

| | | | | | |
|------------------|---------------------|----------|--------|-------|----|
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