

NEWMARK VALUATION & ADVISORY

1125 O'Brien Drive (Supplemental Report)

1125 O'Brien Drive
Menlo Park, San Mateo County, CA 94025

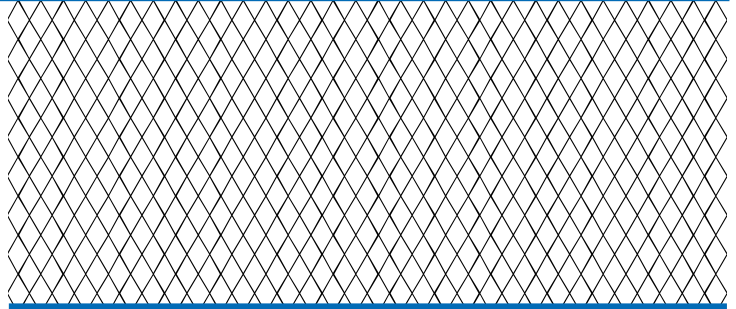
Newmark Job No.: 22-0160855-2

Appraisal Report Prepared For:

Mr. John Tarlton
O'Brien Drive Portfolio II, LLC
1530 O'Brien Drive, Suite C
Menlo Park, CA 94025

Prepared By:

Newmark Valuation & Advisory
3055 Olin Avenue, Suite 2200
San Jose, CA 95128



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NEWMARK VALUATION & ADVISORY

March 13, 2023

Mr. John Tarlton
O'Brien Drive Portfolio II, LLC
1530 O'Brien Drive, Suite C
Menlo Park, CA 94025

RE: Appraisal of Land located at 1125 O'Brien Drive, Menlo Park, San Mateo County, CA 94025, prepared by Newmark Valuation & Advisory, LLC (herein "Firm" or "Newmark")

Newmark Job No.: 22-0160855-2

Dear Mr. Tarlton:

The purpose of this appraisal is to help determine the value of the community amenities, Amenity Value, under the bonus level zoning. The subject site is zoned LS-B which reflects the Life Science zoning and the B representing the bonus in obtaining higher FAR, (Floor Area Ratio) for the subject site.

Under the current zoning the FAR is 55% (Base Level). In other words a site with 100,000 square feet could legally support a building with 55,000 "gross floor area" square feet. Under the bonus level zoning the permitted FAR is up to 125% (Bonus Level). Therefore, in the above example, under the Bonus Level, the site would be eligible for a building area of up to 125,000 "gross floor area" square feet.

In the above examples, the Bonus Level is 70,000 square feet. Typically, developers will pay a premium for sites that provide a higher FAR or "gross floor area". It is this premium which are to determine in the following appraisal report. Following the conclusion of the Bonus Level Value, per the city appraisal instructions, Bonus Level Value will then be reduced by 50% to reach the Value of the Amenity.

The City of Menlo Park has specific instructions for the appraiser when determining the value of the bonus FAR. The formula which they have dictated in their instructions is based solely on the sales comparison approach. They have eliminated the use of the land residual approach.

Land sales are most commonly compared on a price per square foot of useable land area or on the price per square foot of permitted building area or "Gross Floor Area". Their instructions are specific in describing the use of the price per building area or price per "Gross Floor Area".

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We will employ this methodology in the following report.

Tarlton Properties (Project Sponsor) is proposing to construct an approximately 129,166-square-foot (sf) building for research and development (R&D) uses and surface parking on two parcels as part of the 1125 O'Brien Drive Project (Project). The Project building will be located on a building site which consists of three separate legal lots (1105, 1135, and 1165 O'Brien Drive, and an adjacent drainage ditch) which will be merged into one lot (Parcel 1 or the Development Lot). Parcel 1 is 2.44 acres and is part of the Menlo Park Labs Campus (Campus).

Parcel 1 (1105, 1135, and 1165 O'Brien Drive) is currently developed with three single-story buildings totaling approximately 38,900 sf.

The Proposed Sponsor would demolish the existing buildings and construct a new 129,166 square foot five-story building that would include R&D uses, office uses associated with the primary R&D use, and ground-floor commercial space. The roof of the building would have a 3,600-square foot paved roof deck area with seating areas, and 3,000 sf of landscaping. The exterior of the Development Lot would feature an entry plaza, a shuttle stop, bioretention areas, and two driveways from O'Brien Drive.

The Project would provide a total of 249 parking stalls, with approximately 89 stalls in a surface accessory parking lot west of the building and an additional 160 parking stalls serving the building on the property at the adjacent lot at 1 Casey Court (Parcel 2 or Accessory Parking Lot).

One Casey Court or Parcel 2 was recently acquired in March of 2022. Parcel 2 is 1.68 acres and currently developed with a single-story building of approximately 20,955 sf which would be demolished as part of the Project.

The total Project Site has a total of 4.12 acres or 179,493 square feet and includes the Development Lot (Parcel 1) and the Accessory Parking Lot (Parcel 2).

Key Value Considerations

Given the above, the subject site which comprises a total of 4.12 acres or 179,493 square feet has the base level capacity of 98,721 gross floor area (179,493 X 55%). The project sponsor is proposing 129,166 square feet of Gross Floor Area which reflects an FAR of approximately 72% coverage and is well within the Bonus Level permitted FAR of 125%.

The following report has been revised based on comments from a review appraiser, Mr. Ronald Blum, MAI on behalf of the City of Menlo Park. The date of the original report was July 2, 2022. The date of this supplemental report is March 13, 2023. The effective date of value is unchanged from the original report of May 26, 2022.

Based on the analysis contained in the following report, the opinion of value for the subject is:

| Value Conclusions | | | |
|---|--------------------|---------------|------------------|
| Appraisal Premise | Interest Appraised | Date of Value | Value Conclusion |
| Site Value of Proposed LS/Office Floor Area | Fee Simple | 5/26/2022 | \$31,000,000 |
| Site Value of Base Gross Floor Area (55%) | Fee Simple | 5/26/2022 | \$24,700,000 |
| Value of Bonus Floor Area | Fee Simple | 5/26/2022 | \$6,300,000 |
| Less: 50% Deduction | Fee Simple | 5/26/2022 | \$3,150,000 |
| Value of the Amenity | Fee Simple | 5/26/2022 | \$3,150,000 |

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Extraordinary Assumptions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

The use of this extraordinary assumption might have affected assignment results.

Hypothetical Conditions

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. Some of the buildings on the subject site are still leased. We have used the Hypothetical Condition that no leases currently exist and that the subject site can be appraised as a fee simple ownership. We have further used the hypothetical condition that the subject site is vacant of any structures.
2. The City of Menlo Park's instructions to the appraiser indicate that the appraiser must assume that the subject is fully entitled for the subject development under both the base level and the bonus level scenarios. Since the subject is not fully entitled, this is considered to be a hypothetical condition of this appraisal.
3. The City of Menlo Park's instructions to the appraiser further indicate that the appraiser must not, under the bonus development density, consider the value of the amenity in concluding the unit value. In order to comply with the City's instructions to the appraiser, this has been added as a hypothetical condition.

The use of these hypothetical conditions might have affected assignment results.

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our 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.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Kenneth Matlin, MAI, AI-GRS, SRA, ASA has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Kenneth Matlin, MAI, AI-GRS, SRA, ASA made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without
15. Within this report, "Newmark", "Newmark Valuation & Advisory", "Newmark, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.
16. Kenneth Matlin, MAI, AI-GRS, SRA, ASA has not performed any 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 the agreement to perform this assignment.



Kenneth Matlin, MAI, AI-GRS, SRA, ASA
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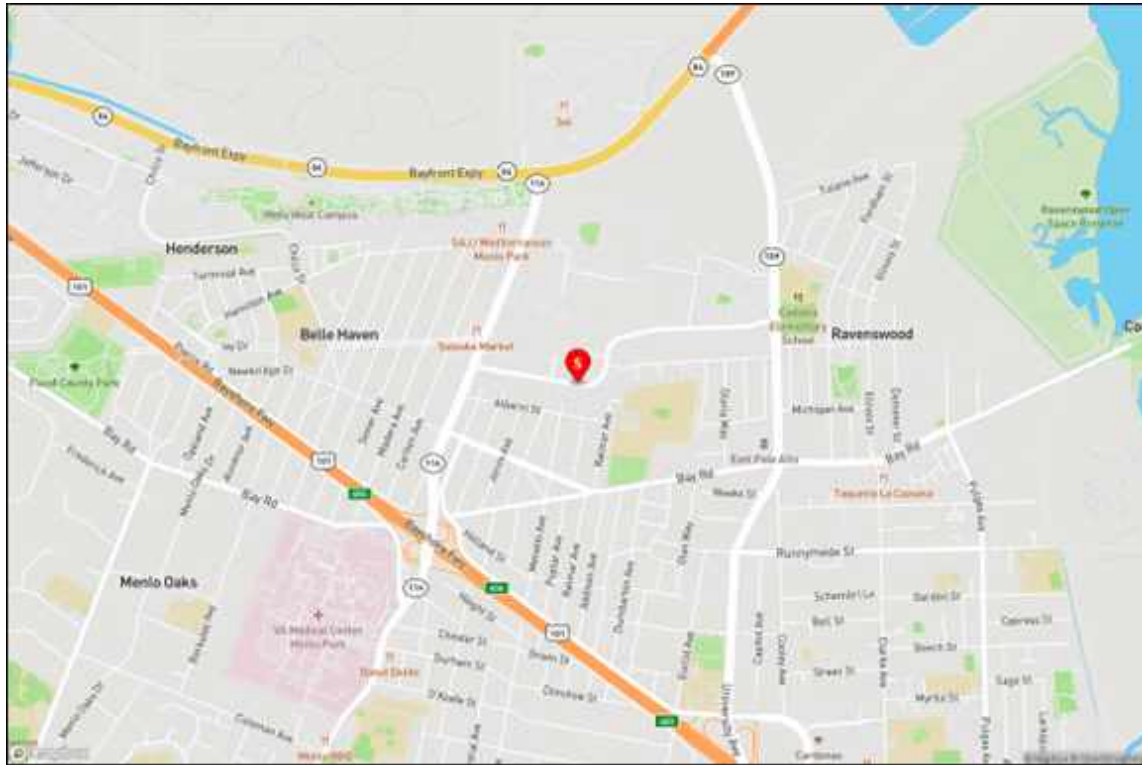
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Addenda

- A. Glossary of Terms
- B. Legal Descriptions



Aerial Photo



Location Map



Front Elevation of 1155 O'Brien Drive



Side Elevation of 1155 O'Brien Drive



Front Elevation of 1125 O'Brien Drive



Rear Elevation of 1125 O'Brien Drive



Front Elevation of 1105 O'Brien Drive



Rear Elevation of 1105 O'Brien Drive



View of Drainage Channel (Parcel 35)



Looking Westerly Along O'Brien Drive



Looking Easterly Along O'Brien Drive

Executive Summary

1125 O'Brien Drive (Supplemental Report)

| | |
|-------------------------------------|--|
| Property Type: | Land-Industrial |
| Street Address: | 1125 O'Brien Drive |
| City, State & Zip: | Menlo Park, San Mateo County, CA 94025 |
| Gross Building LS/Office Area (SF): | 129,166 |
| Net Rentable LS/Office Area (SF): | 129,166 |
| Year Built: | 2022 |
| Land Area: | 4.121 acres; 179,493 SF |
| Zoning: | LS-B (Life Science Bonus) |
| Highest and Best Use - As Vacant: | A Land Use |
| Highest and Best Use - As Improved: | Land Use |

Analysis Details

| | |
|--|--|
| Valuation Date: | May 26, 2022 |
| Inspection Date and Date of Photos: | May 26, 2022 |
| Report Date: | March 13, 2023 |
| Report Type: | Appraisal Report |
| Client: | O'Brien Drive Portfolio II, LLP |
| Intended Use: | To Assist in the Valuation of the Community Amenity |
| Intended User: | Monchamp Meldrum LLP, O'Brien Drive Portfolio, LLC & the City of Menlo Park |
| Appraisal Premise: | Value of the Community Amenity |
| Intended Use and User: | The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its |
| Interest Appraised: | Fee Simple |
| Exposure Time (Marketing Period) Estimate: | 6 Months (6 Months) |

Value Conclusions

| Appraisal Premise | Interest Appraised | Date of Value | Value Conclusion |
|---|--------------------|---------------|------------------|
| Site Value of Proposed LS/Office Floor Area | Fee Simple | 5/26/2022 | \$31,000,000 |
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| Value of the Amenity | Fee Simple | 5/26/2022 | \$3,150,000 |

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The use of these hypothetical conditions might have affected assignment results.

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Introduction

OWNERSHIP HISTORY

The current owner is O'Brien Drive Portfolio, LLC. The subject property now encompasses four assessor parcel numbers, 055-433-180, 320, 330, and 350.

Parcels 055-433-320 and 330, have been owned by the O'Brien Drive Portfolio since at least 2007. However, parcel 055-433-350 was acquired by the O'Brien Drive Portfolio in February of 2021. This site is a narrow strip of land which was once an easement. The price was \$901,000 or approximately \$87.00 per square foot. TPI Investors 14, LLC sold to the O'Brien Drive Portfolio so this was not an arm's length transfer. TPI Investors 14, LLC acquired the strip of land from the Kavanaugh Trust in January of 2019 at a price of \$750,000.

Parcel 055-433-180 is the March 2022 sale of 1.676 acres of land located at 1 Casey Court, Menlo Park, California. The sale price is \$8,712,500. However, there is an adjustment for tenant buy-out of \$3,000,000 and demolition of \$100,000 for a total acquisition price of \$11,812,500. The sale's contract dates to July of 2021. The previous owner collected the rents, if any, until the transaction closed.

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

INTENDED USE AND USER

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is to assist in the Valuation of the Community Amenity and no other use is permitted.
- The client is O'Brien Drive Portfolio, LLC.
- The intended users are Monchamp Meldrum LLP, O'Brien Drive Portfolio II, LLC and the City of Menlo Park, no other user is permitted by any other party for any other purpose.

DEFINITION OF VALUE

Market value is defined as:

“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 and 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

INTEREST APPRAISED

The appraisal is of the Fee Simple interest.¹

- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

APPRAISAL REPORT

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

PURPOSE OF THE APPRAISAL

The primary purpose of the appraisal is to develop an opinion of the Value of the Community Amenity of the Fee Simple interest in the property.

¹ The Dictionary of Real Estate, 6th Edition, Appraisal Institute

Purpose of the Appraisal

| Appraisal Premise | Interest Appraised | Date of Value |
|--------------------------------|--------------------|---------------|
| Value of the Community Amenity | Fee Simple | 5/26/2022 |

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SCOPE OF WORK

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

Extent to Which the Property is Inspected

Newmark inspected the subject property on May 26, 2022 as per the defined scope of work. Kenneth Matlin, MAI, AI-GRS, SRA, ASA made a personal inspection of the property that is the subject of this report.

Type and Extent of the Data Researched

- Exposure and marketing time;
- Neighborhood and land use trends;
- Demographic trends;
- Market trends relative to the subject property type;
- Physical characteristics of the site and applicable improvements;
- Flood zone status;
- Zoning requirements and compliance;
- Real estate tax data;
- Relevant applicable comparable data; and
- Investment rates

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.

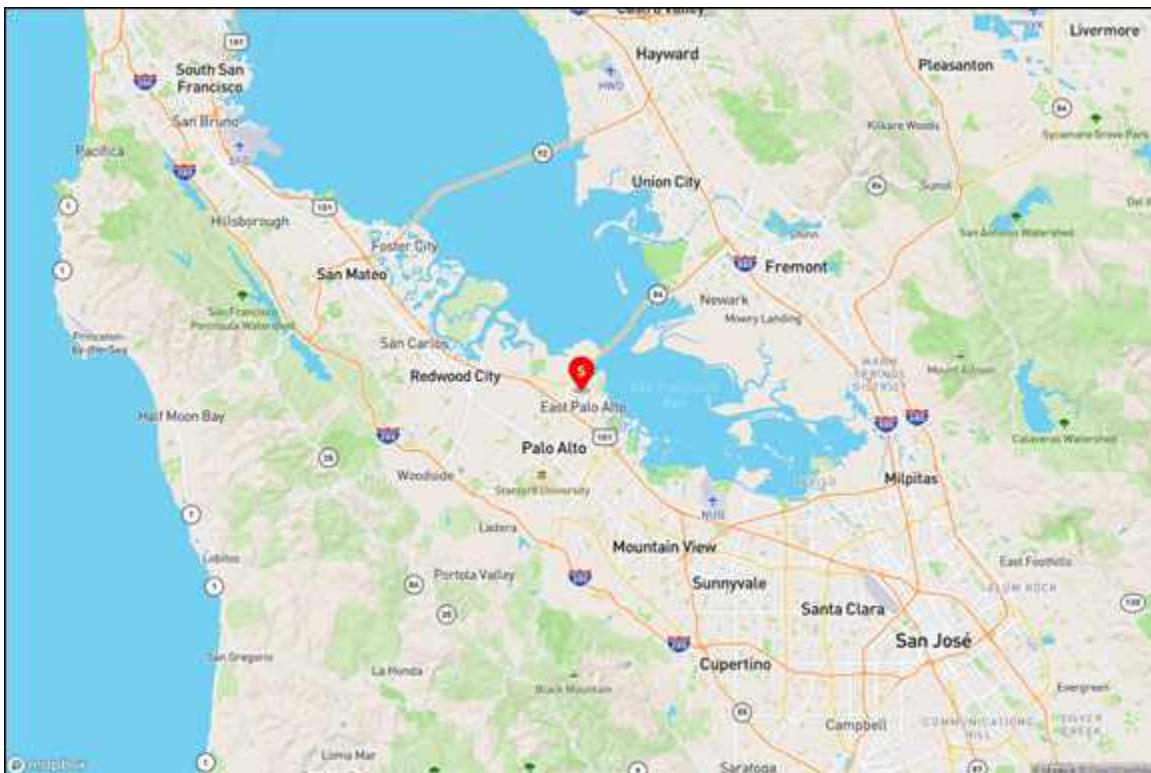
Economic Analysis

THE IMPACT OF COVID-19

It is well known that the past several months have been volatile. Real estate market volatility has resulted from the COVID-19 pandemic as well as other events such as oil price changes. Every day, there is greater clarity about the effects and expectations as evidenced by transaction activity, various data sources, and market participants. We have continuously reached out to brokers and other market participants to understand how the market is reacting.

Most of our major data sources, such as Moody's economy.com, include both COVID-19 pandemic period data and projections inclusive of its effects. This data is included within this section as well as throughout this report and is a central foundation of our analysis. There are an increasing number of transactions occurring and these are providing indications of trends.

AREA ANALYSIS



Area Map

The subject is located within Menlo Park and San Mateo County, California. It is part of the San Francisco metro area (San Francisco MSA).

Moody's Analytics' Economy.com provides the following economic summary for the San Francisco MSA as of February, 2022.

| Moody's Analytics Précis® Metro Indicators: San Francisco MSA | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|----------------------------------|---------|---------|---------|---------|---------|---------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | INDICATORS | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| 180.9 | 192.9 | 208.5 | 223.6 | 242.6 | 242.7 | Gross metro product (C12\$ bil) | 264.0 | 278.2 | 289.3 | 299.6 | 309.1 | 317.7 |
| 7.2 | 6.6 | 8.1 | 7.3 | 8.5 | 0.1 | % change | 8.8 | 5.4 | 4.0 | 3.6 | 3.2 | 2.8 |
| 1,038.5 | 1,080.2 | 1,104.4 | 1,136.8 | 1,177.8 | 1,072.7 | Total employment (ths) | 1,083.9 | 1,148.7 | 1,172.5 | 1,190.5 | 1,203.5 | 1,210.4 |
| 4.8 | 4.0 | 2.2 | 2.9 | 3.6 | -8.9 | % change | 1.0 | 6.0 | 2.1 | 1.5 | 1.1 | 0.6 |
| 3.6 | 3.2 | 2.9 | 2.4 | 2.2 | 7.5 | Unemployment rate (%) | 4.9 | 2.7 | 1.5 | 1.5 | 1.7 | 2.0 |
| 10.0 | 6.6 | 7.9 | 8.2 | 4.1 | 6.6 | Personal income growth (%) | 7.2 | 6.0 | 7.4 | 7.3 | 6.6 | 6.1 |
| 98.3 | 105.2 | 112.1 | 120.3 | 130.4 | 129.1 | Median household income (\$ ths) | 132.5 | 137.2 | 142.6 | 148.5 | 154.4 | 160.2 |
| 1,628.1 | 1,639.4 | 1,646.9 | 1,649.4 | 1,648.1 | 1,656.2 | Population (ths) | 1,666.5 | 1,677.2 | 1,688.4 | 1,698.9 | 1,708.6 | 1,718.1 |
| 1.3 | 0.7 | 0.5 | 0.1 | -0.1 | 0.5 | % change | 0.6 | 0.6 | 0.7 | 0.6 | 0.6 | 0.6 |
| 12.3 | 3.7 | 0.4 | -3.7 | -6.9 | 3.6 | Net migration (ths) | 6.9 | 5.6 | 6.2 | 5.7 | 5.1 | 5.1 |
| 626 | 550 | 405 | 348 | 376 | 365 | Single-family permits (#) | 544 | 877 | 1,255 | 1,383 | 1,288 | 1,168 |
| 4,659 | 5,512 | 5,211 | 5,946 | 4,176 | 2,713 | Multifamily permits (#) | 3,798 | 3,232 | 3,857 | 4,197 | 3,799 | 3,210 |
| 356 | 388 | 406 | 442 | 439 | 427 | FHFA house price (1995Q1=100) | 429 | 465 | 515 | 586 | 667 | 746 |

Source: Moody's Analytics Précis® US Metro

Moody's summarizes the area's economic performance in recent months as follows:

Recent Performance

The recovery in San Francisco MSA-Redwood City-South San Francisco MSA is uninspiring. The share of jobs recouped pales compared with the U.S. average and most other large urban economies. More than half of the private sector is adding jobs but not fast enough to close the gap with the U.S., though tech continues to outperform. The public sector is still shedding jobs despite a near-complete recovery in state government payrolls. Permit issuance has finally returned to its pre-pandemic pace.

Market Comparison

The following table illustrates key economic indicators and a comparison of the San Francisco MSA to the regional grouping as a whole. As indicated, San Francisco is projected to outperform the National Region Metros in seven of eight performance categories shown over the next five years.

| Comparison of Key Economic Indicators - San Francisco MSA Metro to National Region | | | | | | | | | | | |
|--|-------------------|---------|---------|---------------|-------------|----------|-----------|-----------|---------------|-------------|--|
| Indicator | San Francisco MSA | | | Annual Growth | | National | | | Annual Growth | | |
| | 2015 | 2020 | 2025 | 2015 - 2020 | 2020 - 2025 | 2015 | 2020 | 2025 | 2015 - 2020 | 2020 - 2025 | |
| Gross metro product (C12\$ bil) | 180.9 | 242.7 | 309.1 | 6.1% | 5.0% | 17,390 | 18,385 | 21,880 | 1.1% | 3.5% | |
| Total employment (ths) | 1,038.5 | 1,072.7 | 1,203.5 | 0.6% | 2.3% | 141,804 | 142,252 | 156,087 | 0.1% | 1.9% | |
| Unemployment rate (%) | 3.6% | 7.5% | 1.7% | | | 5.3% | 8.1% | 4.0% | | | |
| Personal income growth (%) | 10.0% | 6.6% | 6.6% | | | 4.7% | 6.5% | 4.6% | | | |
| Population (ths) | 1,628.1 | 1,656.2 | 1,708.6 | 0.3% | 0.6% | 320,739 | 329,484 | 337,256 | 0.5% | 0.5% | |
| Single-family permits (#) | 626 | 365 | 1,288 | -10.2% | 28.7% | 712,250 | 1,003,750 | 1,333,642 | 7.1% | 5.8% | |
| Multifamily permits (#) | 4,659 | 2,713 | 3,799 | -10.3% | 7.0% | 394,500 | 392,833 | 476,081 | -0.1% | 3.9% | |
| FHFA house price (1995Q1=100) | 356 | 427 | 667 | 3.7% | 9.3% | N/A | N/A | N/A | N/A | N/A | |
| San Francisco MSA outperforming National Region Metros | | | | | | | | | | | |
| San Francisco MSA underperforming National Region Metros | | | | | | | | | | | |

Source: Moody's Analytics Précis® US Metro; Compiled by Newmark

Employment Sectors and Trends

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

| Current Employment by Occupation Sector | | | | | | | | | | |
|--|---------------------|---------------|-----------------|---------------|------------------|----------------|--|------------------|-------------------|-------------------|
| Occupation Sector | 94025 | | Menlo Park City | | San Mateo County | | San Francisco-Oakland-Berkeley, CA MSA | | California | |
| | White Collar | 18,810 | 82.7% | 15,071 | 84.1% | 297,855 | 72.9% | 1,758,920 | 73.1% | 11,580,421 |
| Administrative Support | 1,269 | 5.6% | 920 | 5.1% | 40,057 | 9.8% | 225,260 | 9.4% | 1,955,983 | 10.8% |
| Management/Business/Financial | 6,311 | 27.8% | 4,963 | 27.7% | 98,245 | 24.0% | 569,889 | 23.7% | 3,318,432 | 18.3% |
| Professional | 9,532 | 41.9% | 7,870 | 43.9% | 123,887 | 30.3% | 758,471 | 31.5% | 4,611,876 | 25.5% |
| Sales and Sales Related | 1,698 | 7.5% | 1,318 | 7.4% | 35,666 | 8.7% | 205,300 | 8.5% | 1,694,130 | 9.4% |
| Services | 2,184 | 9.6% | 1,658 | 9.3% | 54,704 | 13.4% | 316,086 | 13.1% | 2,768,509 | 15.3% |
| Blue Collar | 1,741 | 7.7% | 1,194 | 6.7% | 56,039 | 13.7% | 329,972 | 13.7% | 3,746,712 | 20.7% |
| Construction/Extraction | 826 | 3.6% | 505 | 2.8% | 15,218 | 3.7% | 93,582 | 3.9% | 901,454 | 5.0% |
| Farming/Fishing/Forestry | 17 | 0.1% | 13 | 0.1% | 1,072 | 0.3% | 4,505 | 0.2% | 266,802 | 1.5% |
| Installation/Maintenance/Repair | 148 | 0.7% | 106 | 0.6% | 7,274 | 1.8% | 40,815 | 1.7% | 437,054 | 2.4% |
| Production | 270 | 1.2% | 190 | 1.1% | 9,727 | 2.4% | 62,106 | 2.6% | 768,621 | 4.2% |
| Transportation/Material Moving | 480 | 2.1% | 380 | 2.1% | 22,748 | 5.6% | 128,964 | 5.4% | 1,372,781 | 7.6% |
| Total Employees (16+ Occupation Base) | 22,735 | 100.0% | 17,923 | 100.0% | 408,598 | 100.0% | 2,404,978 | 100.0% | 18,095,642 | 100.0% |

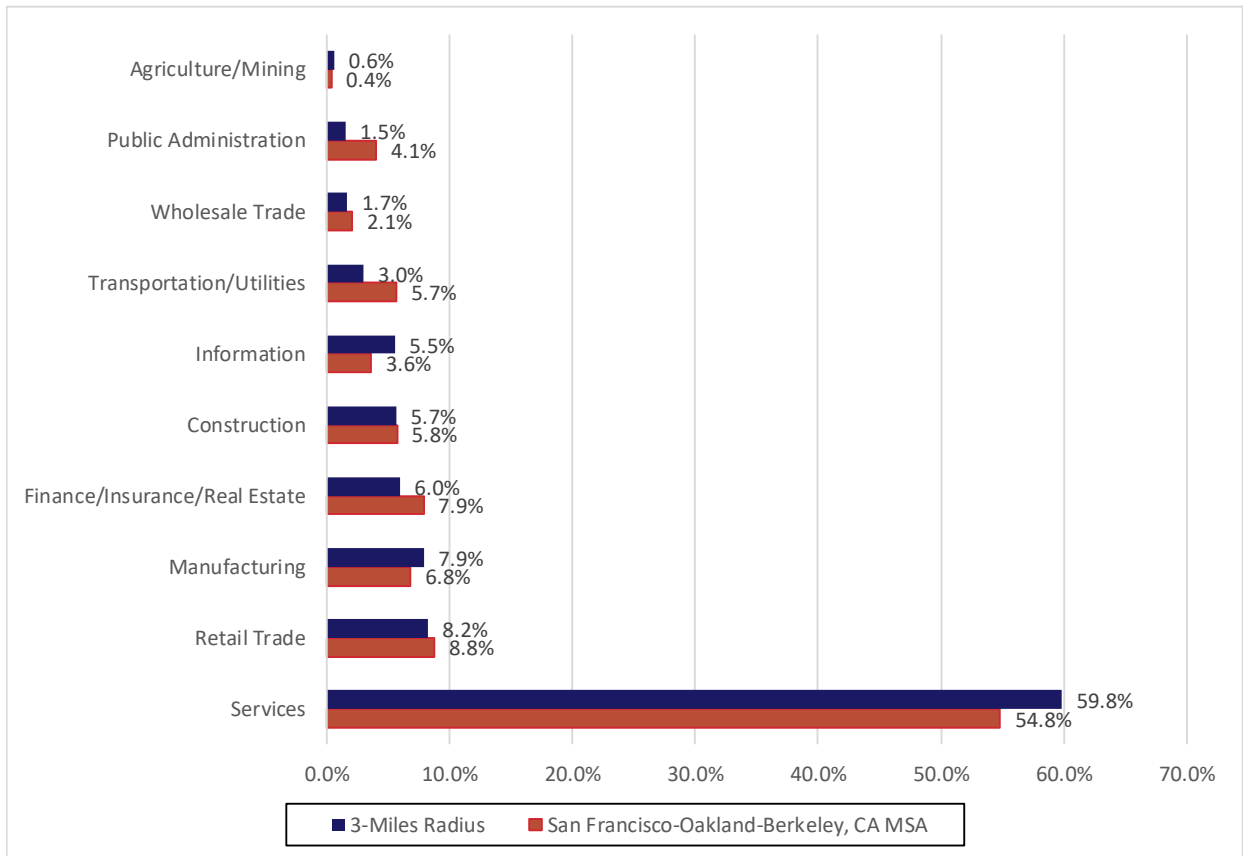
Source: ESRI; Compiled by Newmark

| Current Employment by Industry Sector | | | | | | | | | | |
|--|--------------------|---------------|-----------------|---------------|------------------|---------------|--|---------------|-------------------|---------------|
| Industry Sector | 94025 | | Menlo Park City | | San Mateo County | | San Francisco-Oakland-Berkeley, CA MSA | | California | |
| | Agriculture/Mining | 57 | 0.3% | 39 | 0.2% | 2,052 | 0.5% | 9,885 | 0.4% | 402,905 |
| Construction | 1,038 | 4.6% | 689 | 3.8% | 22,692 | 5.6% | 138,300 | 5.8% | 1,236,406 | 6.8% |
| Manufacturing | 1,706 | 7.5% | 1,323 | 7.4% | 28,371 | 6.9% | 164,545 | 6.8% | 1,567,303 | 8.7% |
| Wholesale Trade | 351 | 1.5% | 281 | 1.6% | 8,443 | 2.1% | 50,494 | 2.1% | 487,645 | 2.7% |
| Retail Trade | 1,365 | 6.0% | 1,072 | 6.0% | 36,835 | 9.0% | 210,847 | 8.8% | 1,818,261 | 10.0% |
| Transportation/Utilities | 578 | 2.5% | 455 | 2.5% | 28,088 | 6.9% | 137,473 | 5.7% | 1,093,654 | 6.0% |
| Information | 1,552 | 6.8% | 1,315 | 7.3% | 15,983 | 3.9% | 87,751 | 3.6% | 495,228 | 2.7% |
| Finance/Insurance/Real Estate | 1,667 | 7.3% | 1,342 | 7.5% | 31,908 | 7.8% | 190,040 | 7.9% | 1,155,716 | 6.4% |
| Services | 13,919 | 61.2% | 11,024 | 61.5% | 218,646 | 53.5% | 1,318,051 | 54.8% | 8,900,763 | 49.2% |
| Public Administration | 502 | 2.2% | 384 | 2.1% | 15,580 | 3.8% | 97,592 | 4.1% | 937,761 | 5.2% |
| Total Employees (16+ Occupation Base) | 22,735 | 100.0% | 17,923 | 100.0% | 408,598 | 100.0% | 2,404,978 | 100.0% | 18,095,642 | 100.0% |

Source: ESRI; Compiled by Newmark

Comparing the industry sectors for the local market area (3-Miles Radius) to San Francisco-Oakland-Berkeley, CA MSA indicates the local market area is somewhat more heavily weighted toward the Services, Information, Manufacturing, and Agriculture/Mining sectors. By contrast, the industry employment totals for San Francisco-Oakland-Berkeley, CA MSA indicate somewhat higher proportions within the Transportation/Utilities, Public Administration, Finance/Insurance/Real Estate, Retail Trade, Wholesale Trade, and Construction sectors. The following graphic further illustrates this comparison.

Employment Comparison

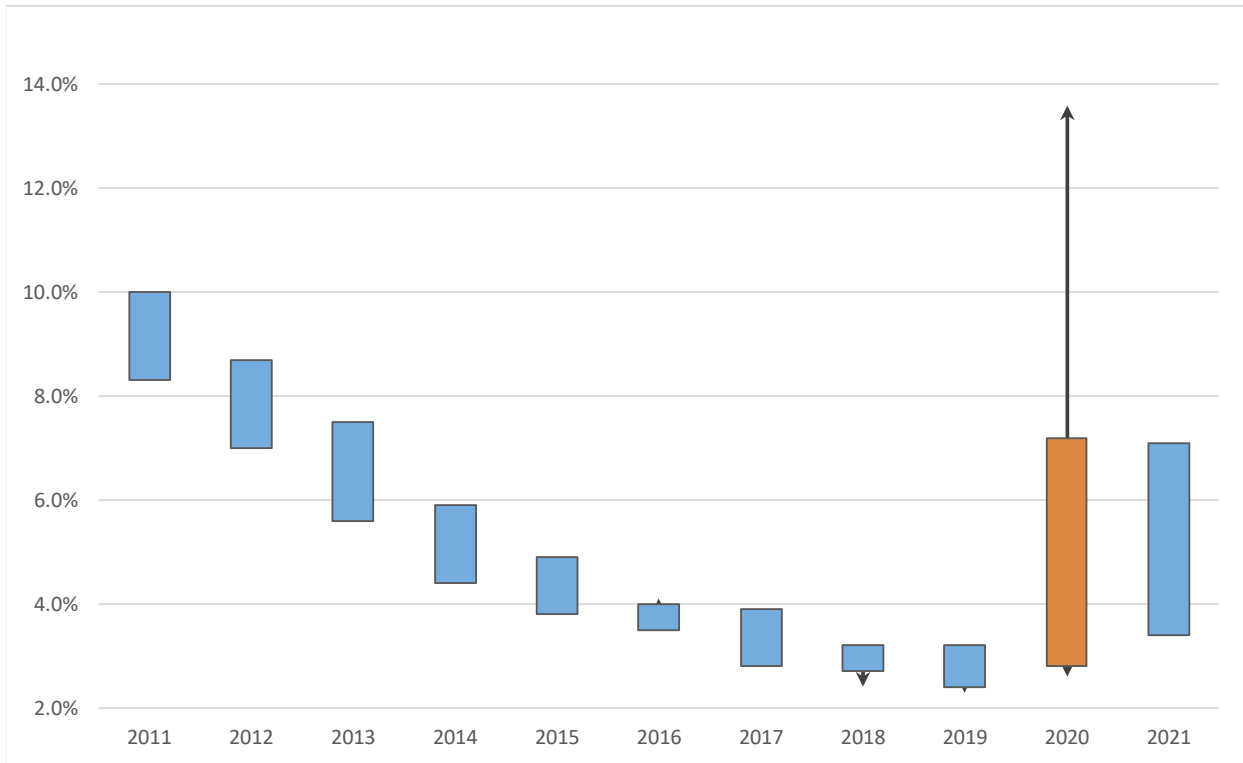


Source: ESRI; Compiled by Newmark

Unemployment

The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics. The most recent reported unemployment rate for the San Francisco-Oakland-Hayward, CA Metropolitan Statistical Area is 3.4% (December 2021).

Unemployment Rate: San Francisco-Oakland-Hayward, CA Metropolitan Statistical Area



Bars represent beginning to end range of unemployment rates in each year
 Orange bars denote increasing unemployment from beginning to end of year
 Blue bars are declining unemployment from beginning to end of year
 Arrows are extent of unemployment rates over the year

Compiled by Newmark

Major Employers

The following table lists a number of major employers with the San Francisco MSA as reported by Moody’s. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.

Selected Major Employers: San Francisco MSA

| Rank | Employer | Employees |
|------|---|-------------|
| 1 | University of California, San Francisco | 34,690 |
| 2 | Salesforce.com Inc. | 9,100 |
| 3 | Wells Fargo | 7,296 |
| 4 | Kaiser Permanente | 6,659 |
| 5 | United Airlines | 6,153 |
| 6 | Sutter Health | 6,134 |
| 7 | Uber Technologies Inc. | 5,500 |
| 8 | Oracle Corp. | 5,000-9,999 |
| 9 | Lucile Packard Health Care System | 5,000-9,999 |
| 10 | Gap Inc. | 4,000 |
| 11 | PG&E Corp. | 3,800 |
| 12 | Gilead Sciences Inc. | 1,000-4,999 |
| 13 | Facebook Inc. | 1,000-4,999 |
| 14 | Williams-Sonoma Inc. | 1,000-4,999 |
| 15 | Visa USA | 1,000-4,999 |
| 16 | California Pacific Medical Center | 1,000-4,999 |
| 17 | Genentech Inc. | 1,000-4,999 |
| 18 | SS&C Advent | 1,000-4,999 |
| 19 | Ernst & Young LLP | 1,000-4,999 |
| 20 | San Francisco Marriott | 1,000-4,999 |

Source: Moody's Analytics Précis® US Metro

Analysis

Further economic analysis from Moody's is detailed as follows:

Recovery

San Francisco MSA will struggle to achieve a full employment recovery while leisure/hospitality struggles. Though this industry is generally low-paying, it has still left a hole in the labor market. Nationwide, leisure/hospitality took a hit at the onset of the pandemic, but losses were particularly severe in San Francisco MSA, falling by nearly 60% compared with 50% nationally. Before the pandemic, the industry accounted for an above-average share of total employment in San Francisco MSA, but now it is below average. While payrolls are rebounding, considerable headwinds persist. Business travel is down and has likely taken a permanent hit given the rise of teleconferencing. Leisure travel is more sanguine, but lingering caution around densely populated areas remains, so San Francisco MSA will struggle to attract as many vacationers as less-urban attractions. Finally, out-migration of high-wage tech workers has cut into support for consumer services. While the exodus has slowed since the pandemic began, San Francisco MSA is still losing residents at a faster pace than pre-2020.

Tech

Tech employment growth will slow this year but will remain the key driver. The industry has already fully recovered, so some slowdown is inevitable. However, high costs will limit employment gains as firms increasingly look to lower-cost venues. The Bay Area's deep talent pool and innovative culture will keep some relocations within the broader region, however. California is a clear national leader in venture capital funding, both in terms of deals and dollars, and many firms are still willing to pay a premium to be in the world's tech capital. Also, while some firms are relocating entirely, others are merely downsizing their office space and allowing flexible working arrangements. Many employees taking advantage of this option are staying in the Bay Area—just not in San Francisco MSA's urban core.

Costs

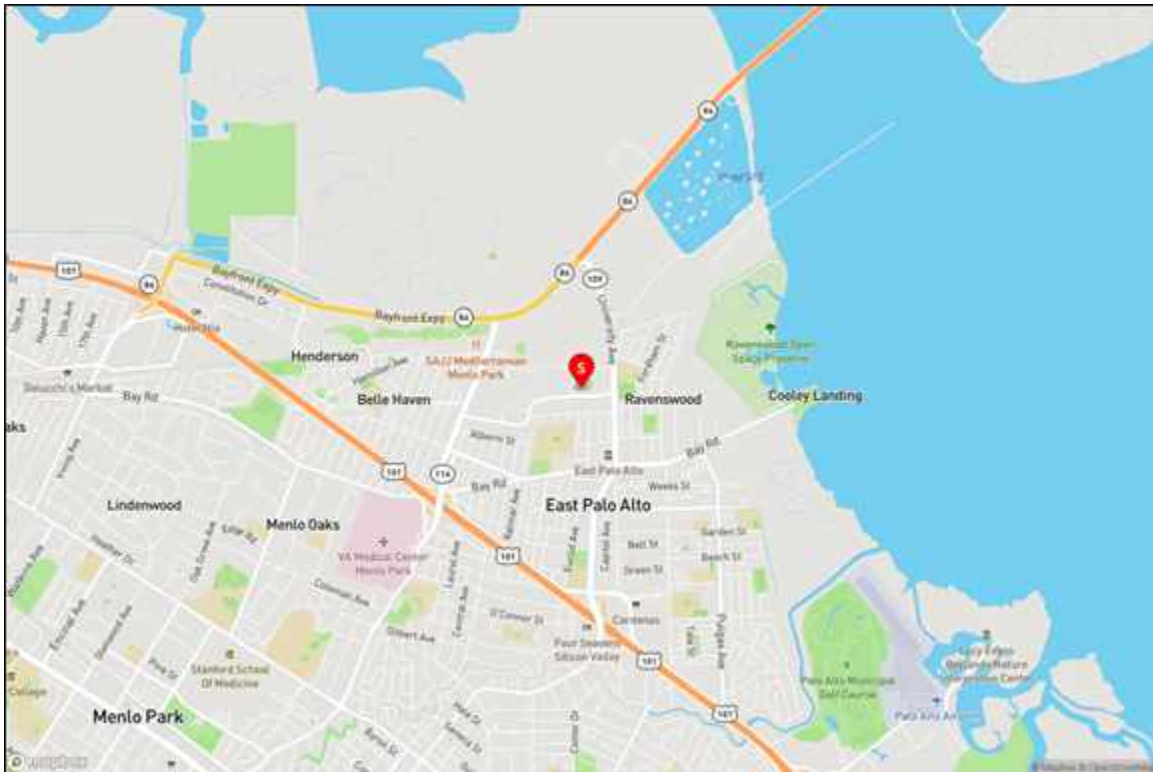
The impact of rising prices presents a glimmer of hope for the Bay Area's troubling population trends. High costs have long driven residents out of San Francisco MSA and deterred potential newcomers. While inflation is unusually high nationwide, CPI growth in San Francisco MSA has not accelerated in step with the U.S. average and is on par with the last business cycle. This will at least check the long-standing acute cost disadvantage and prevent it from intensifying while inflation is already costing the average U.S. household a few hundred dollars a month. Inflation will moderate in the year ahead but prices in San Francisco MSA will nonetheless remain high. Departures will continue in the near term, but long term, fewer residents will continue to check cost pressures. As the relative cost disparity eases, out-migration should moderate.

Conclusion

| Positive Attributes | Negative Attributes |
|--|---|
| <ul style="list-style-type: none"> – Highly educated and skilled workforce. – Very high incomes. – Robust cluster of internet and other tech-service companies. | <ul style="list-style-type: none"> – High costs, including housing, office rents and energy. – Land constraints and regulations limit construction. |

Recovery in San Francisco MSA-Redwood City-South San Francisco MSA will lag the U.S. The Bay Area will endure as the world's tech capital but job growth will moderate as lower-cost tech hubs in other states gain prominence. Slow population growth will persist through the medium term. However, a legacy of entrepreneurship and tech agglomeration will support at least average long-term job growth.

NEIGHBORHOOD ANALYSIS



Area Map

Boundaries

The subject is located in the suburban area of Menlo Park city. This area is part of the Menlo Park submarket as defined by Costar and is generally delineated as follows:

| | |
|-------|-------------------|
| North | State Highway 84 |
| South | State Highway 82 |
| East | State Highway 109 |
| West | US Highway 101 |

Surrounding Area of Influence Trends

Description

The subject’s surrounding area is viewed as suburban with commercial and residential developments. The immediate area around the subject can be primarily described as commercial.

Characteristics

- Good access to the US Highway 101, State Highway 82, and State Highway 84.
- The subject property is surrounded by many residential and commercial developments in the neighborhood.
- Subject is in office use dominant area and proximate to Meta Headquarters.

Fundamental Real Estate Cycle

The surrounding area is considered to be within the expansion stage of its real estate cycle.

New Development

- Harbor View Office (Building 4) will be a two-story building with a rentable area of 40,833 SF, it is located at 340 Blomquist Street, 5 miles to the southwest of the subject. This project is under construction and is expected to be completed by 2024.
- A new office property is proposed at 2020 Bay Road, East Palo Alto, CA 94303. It will be eight-story office building with rentable building area of 1,400,000 SF located at 1.2 miles to the east of the subject. This project is under construction and is expected to be completed by 2025.

Access

Primary Access

State Highway 82, US Highway 101, and State Highway 84.

Major Thoroughfares

State Route 84 (SR 84, State Highway 84) is a state highway in the U.S. state of California that consists of two unconnected segments, one in the San Francisco Bay Area and the other primarily in the Sacramento–San Joaquin River Delta area. The first section is an east–west arterial road running from SR 1 in San Gregorio to Menlo Park, across the Dumbarton Bridge through Fremont and Newark and ending at I-580 in Livermore. The segment between Marsh Road and the Dumbarton Bridge has been upgraded to an expressway and is known as the Bayfront Expressway. The segment from the eastern end of the Dumbarton Bridge to the interchange with I-880 has been upgraded to a freeway.

U.S. Highway 101 (US 101) is a major north–south United States Numbered Highway, stretching from Los Angeles, California to Tumwater, Washington. US 101 crosses the Pajaro River into Santa Clara County as a four-lane highway, with an interchange at SR 25 a few miles later. Upon reaching Gilroy, it becomes the South Valley Freeway, from San Jose to San Francisco, US 101 is known as the Bayshore Freeway as it passes through Palo Alto and the other major communities along the San Francisco Peninsula.

Transportation

The City of Menlo Park offers free shuttle service for local community destinations and for commuters working in business parks. SamTrans provides bus service throughout San Mateo County and into parts of San Francisco and Palo Alto. The nearest bus stop is 1505 O'Brien, it is located right at the entrance of the subject.

Distance from Key Locations

The commute to the Downtown Menlo Park is about eleven minutes and the drive to San Francisco International Airport is about 20 minutes, depending upon the traffic conditions.

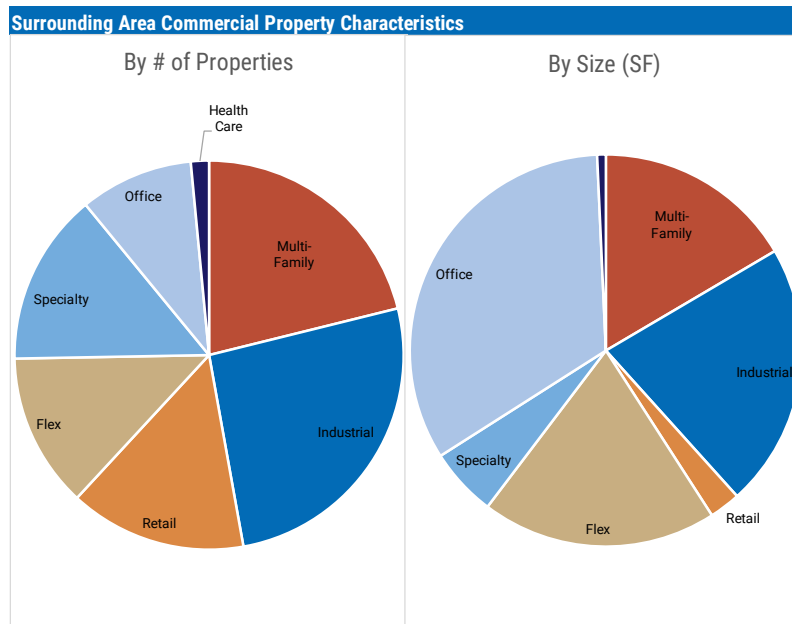
The following illustrates the 10-minute drive time from the subject.



Drive Time Map

Land Use

The following was developed from Costar data for the major property types in the surrounding 1.0 mile radius around the subject.



Source: Costar; Compiled by Newmark

Within the immediate area of the subject, property uses include the following:

- The subject’s immediate area is a mix of property types including office, industrial, flex, multifamily, specialty, and retail developments. Within the vicinity of the subject there are a total of 265 commercial properties. Based on square footage and the number of properties, the area is majorly occupied by office, industrial, flex, multifamily properties.
- There are 25 office properties occupying a total area of 2,439,681 SF within a mile radius from the subject.

Demographics

A demographic summary for the defined area is illustrated as follows:

| Demographic Analysis | | | | | | | | |
|------------------------------------|---------------|----------------|----------------|-------------|-----------------|------------------|--|------------|
| | 1-Mile Radius | 3-Miles Radius | 5-Miles Radius | 94025 | Menlo Park City | San Mateo County | San Francisco-Oakland-Berkeley, CA MSA | California |
| Population | | | | | | | | |
| 2010 Total Population | 19,966 | 84,092 | 202,706 | 41,489 | 32,038 | 718,451 | 4,335,391 | 37,253,956 |
| 2021 Total Population | 21,332 | 87,963 | 213,691 | 43,844 | 34,431 | 741,360 | 4,641,032 | 39,476,705 |
| 2026 Total Population | 21,787 | 89,256 | 218,587 | 44,598 | 35,192 | 753,560 | 4,789,448 | 40,507,842 |
| Projected Annual Growth % | 0.4% | 0.3% | 0.5% | 0.3% | 0.4% | 0.3% | 0.6% | 0.5% |
| Households | | | | | | | | |
| 2010 Total Households | 4,361 | 28,283 | 70,507 | 15,698 | 12,352 | 257,837 | 1,627,360 | 12,577,498 |
| 2021 Total Households | 4,733 | 29,442 | 74,446 | 16,367 | 13,053 | 265,976 | 1,735,591 | 13,283,432 |
| 2026 Total Households | 4,841 | 29,884 | 76,131 | 16,630 | 13,320 | 270,343 | 1,790,031 | 13,615,954 |
| Projected Annual Growth % | 0.5% | 0.3% | 0.4% | 0.3% | 0.4% | 0.3% | 0.6% | 0.5% |
| Income | | | | | | | | |
| 2021 Median Household Income | \$69,547 | \$139,538 | \$133,066 | \$176,845 | \$176,453 | \$132,440 | \$112,557 | \$80,044 |
| 2021 Average Household Income | \$105,891 | \$201,464 | \$195,160 | \$231,810 | \$232,235 | \$177,991 | \$158,125 | \$113,468 |
| 2021 Per Capita Income | \$23,732 | \$67,490 | \$68,229 | \$86,583 | \$88,787 | \$63,900 | \$59,204 | \$38,272 |
| Housing | | | | | | | | |
| 2021 Owner Occupied Housing Units | 47.6% | 47.6% | 44.4% | 53.3% | 50.6% | 55.8% | 51.5% | 51.3% |
| 2021 Renter Occupied Housing Units | 47.8% | 45.4% | 49.5% | 40.4% | 43.5% | 38.9% | 42.6% | 40.8% |
| 2021 Median Home Value | \$976,716 | \$1,873,950 | \$1,967,066 | \$2,000,001 | \$2,000,001 | \$1,260,277 | \$952,431 | \$625,650 |
| Median Year Structure Built | 1957 | 1959 | 1963 | 1959 | 1959 | 1965 | 1966 | 1975 |
| Miscellaneous Data Items | | | | | | | | |
| 2021 Bachelor's Degree | 11.1% | 22.8% | 24.8% | 27.7% | 28.9% | 30.2% | 30.5% | 22.3% |
| 2021 Grad/Professional Degree | 6.6% | 33.6% | 36.8% | 41.0% | 41.9% | 23.0% | 21.3% | 13.4% |
| 2021 College Graduate % | 17.6% | 56.4% | 61.6% | 68.6% | 70.7% | 53.1% | 51.8% | 35.6% |
| 2021 Average Household Size | 4.48 | 2.94 | 2.74 | 2.62 | 2.60 | 2.75 | 2.62 | 2.91 |
| 2021 Median Age | 30.2 | 36.5 | 36.0 | 39.5 | 39.2 | 41.0 | 39.8 | 36.6 |

Source: ESRI; Compiled by Newmark

- As shown above, the current population within a 3-mile drive distance of the subject is 87,963 and the average household size is 2.94. Population in the area has increased since the 2010 census, and this trend is projected to continue over the next five years.
- Median household income within 3-mile radius is \$139,538. Residents within a 3-mile drive distance have a higher level of educational attainment than those of San Mateo County. Also, the median home values are higher in the 3-mile radius.
- There are 13,053 households in the city with an average household size of 2.60 persons. 43.5% of households in Menlo Park are renters.
- Population growth in the surrounding area has been good with income levels increasing. This trend is projected to continue into the foreseeable future

Demand Generators

Downtown, Menlo Park, is located 3.9 a miles southwest of the subject. Downtown Menlo Park is the major retail destination for the city featuring unique and upscale retail shops and restaurants surrounded by tree lined streets.

Meta Platforms, Inc. doing business as Meta and formerly known as Facebook, Inc., and The Facebook, Inc., is an American multinational technology conglomerate based in Menlo Park, California. The company is the parent organization of Facebook, Instagram, and WhatsApp,

among other subsidiaries. It is located 1.5-mile northwest of the subject. According to the city's 2020 Comprehensive Annual Financial Report, Meta is the city's top employer.

Stanford University is located 3.3 miles from the subject, the university offers undergraduate and graduate studies. The university enrolled 6,996 undergraduate and 10,253 graduate students as of the 2019–2020 school year.

Major employers include University of California, San Francisco, Salesforce.com Inc, Wells Fargo, Kaiser Permanente, United Airlines, and Sutter Health.

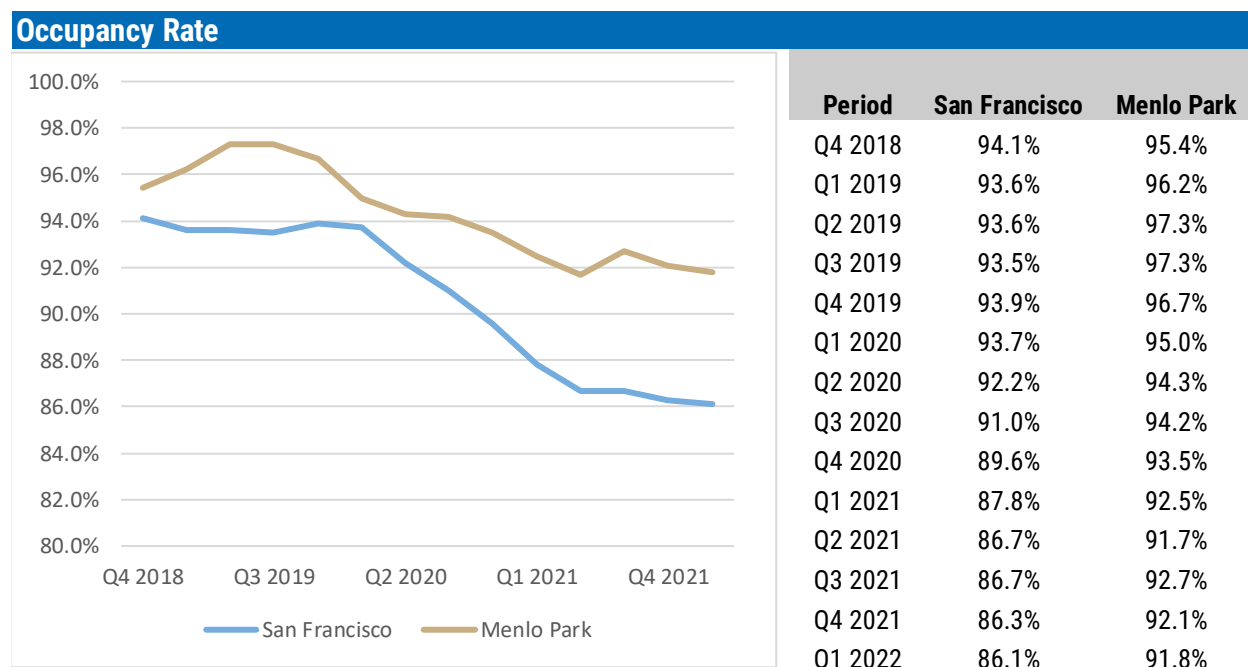
OFFICE MARKET ANALYSIS

Classification

The subject is in the Menlo Park submarket of the San Francisco market. The property is considered a Class B Low Rise Office Building in this market.

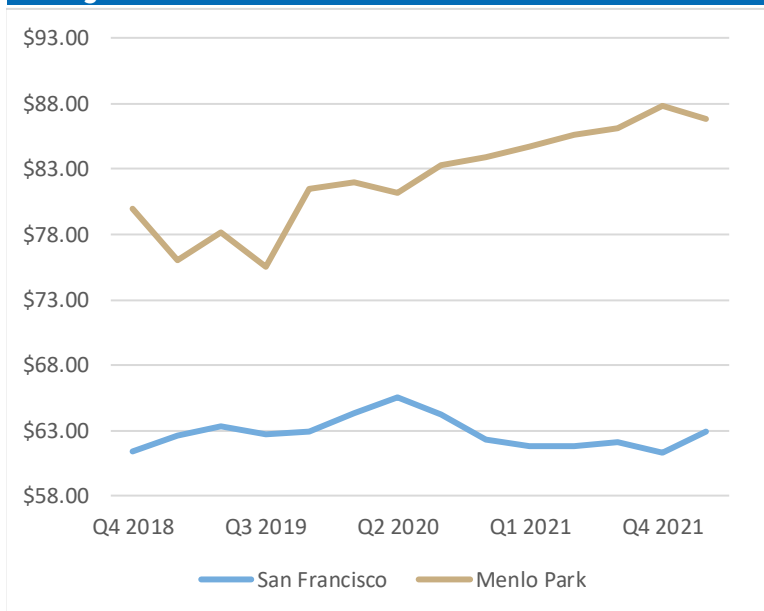
Office Market Overview

The following discussion outlines overall market performance in the surrounding Office market using Costar market metric data. Presented first are market statistics of the San Francisco area and the subject Menlo Park submarket overall. The analysis is then further refined to focus on demand for the subject and the properties considered to be primary competition.



Source: Costar; Compiled by Newmark Valuation & Advisory

Asking Rent Per SF



| Period | San Francisco | Menlo Park |
|---------|---------------|------------|
| Q4 2018 | \$61.40 | \$79.96 |
| Q1 2019 | \$62.60 | \$76.00 |
| Q2 2019 | \$63.28 | \$78.10 |
| Q3 2019 | \$62.76 | \$75.51 |
| Q4 2019 | \$62.91 | \$81.44 |
| Q1 2020 | \$64.37 | \$81.94 |
| Q2 2020 | \$65.57 | \$81.13 |
| Q3 2020 | \$64.22 | \$83.28 |
| Q4 2020 | \$62.27 | \$83.87 |
| Q1 2021 | \$61.81 | \$84.69 |
| Q2 2021 | \$61.82 | \$85.60 |
| Q3 2021 | \$62.14 | \$86.08 |
| Q4 2021 | \$61.35 | \$87.79 |
| Q1 2022 | \$62.92 | \$86.77 |

Source: Costar; Compiled by Newmark Valuation & Advisory

Office Market Statistics

Trailing Four Quarters Ended Q1 2022

| Market / Submarket | Inventory (SF) | Completions (SF) | Vacancy (%) | Net Absorption (SF) | Rent Overall / SF | Office Base Rent Overall / SF |
|--------------------|----------------|------------------|-------------|---------------------|-------------------|-------------------------------|
| San Francisco | 187,460,440 | 4,713,396 | 13.90% | 803,815 | \$62.92 | \$57.72 |
| Menlo Park | 10,551,700 | 1,206,525 | 8.20% | 1,035,680 | \$86.77 | \$77.87 |

Source: Costar; Compiled by Newmark Valuation & Advisory

- The average vacancy rate for the subject submarket is lower than that of the overall market area.
- The average rental rate for the submarket is higher than the overall San Francisco market.
- The overall San Francisco office market and Menlo Park submarket contains 187,460,440 SF and 10,551,700 SF of inventory as of Q1 2021 respectively.

Market and Submarket Trends

| Office Market Trends | | | | | | | | |
|----------------------|----------------|------------------|-----------|--------------------------------|----------------|------------------|-----------|--------------------------------|
| | San Francisco | | | | Menlo Park | | | |
| | Inventory (SF) | Completions (SF) | Vacancy % | Office Gross Rent Overall / SF | Inventory (SF) | Completions (SF) | Vacancy % | Office Gross Rent Overall / SF |
| Q1 2020 | 182,451,046 | 134,273 | 6.3% | \$64.37 | 9,274,119 | 0 | 5.0% | \$81.94 |
| Q2 2020 | 182,502,046 | 58,000 | 7.8% | \$65.57 | 9,329,119 | 55,000 | 5.7% | \$81.13 |
| Q3 2020 | 182,700,622 | 481,658 | 9.0% | \$64.22 | 9,329,119 | 0 | 5.8% | \$83.28 |
| Q4 2020 | 182,777,514 | 99,561 | 10.4% | \$62.27 | 9,338,770 | 9,651 | 6.5% | \$83.87 |
| Q1 2021 | 182,981,657 | 208,554 | 12.2% | \$61.81 | 9,356,226 | 20,956 | 7.5% | \$84.69 |
| Q2 2021 | 185,699,815 | 2,718,158 | 13.3% | \$61.82 | 9,985,901 | 629,675 | 8.3% | \$85.60 |
| Q3 2021 | 186,356,747 | 875,545 | 13.3% | \$62.14 | 10,424,350 | 449,500 | 7.3% | \$86.08 |
| Q4 2021 | 187,460,440 | 1,119,693 | 13.7% | \$61.35 | 10,551,700 | 127,350 | 7.9% | \$87.79 |
| Q1 2022 | 187,460,440 | 0 | 13.9% | \$62.92 | 10,551,700 | 0 | 8.2% | \$86.77 |

* Forecast

Source: Costar; Compiled by Newmark Valuation & Advisory

- The overall market and submarket area have been declining with respect to occupancy over the past year.
- Over the past several years, effective rental rates have been following a fluctuating trend in the overall market and submarket area.

Long Term San Francisco Market Metrics

The following provides a longer-term view of the market.

| San Francisco Market Metrics | | | | | | |
|------------------------------|----------------|-----------|---------------------|------------------|---------------------------|--------------------------|
| Period | Inventory (SF) | Vacancy % | Net Absorption (SF) | Completions (SF) | Office Gross Rent Overall | Office Base Rent Overall |
| Q3 2019 | 181,999,211 | 6.5% | 1,630,726 | 1,969,087 | \$62.76 | \$59.37 |
| Q4 2019 | 182,506,143 | 6.1% | 1,126,086 | 476,514 | \$62.91 | \$61.49 |
| Q1 2020 | 182,451,046 | 6.3% | -399,925 | 134,273 | \$64.37 | \$62.15 |
| Q2 2020 | 182,502,046 | 7.8% | -2,656,060 | 58,000 | \$65.57 | \$62.32 |
| Q3 2020 | 182,700,622 | 9.0% | -1,951,675 | 481,658 | \$64.22 | \$61.13 |
| Q4 2020 | 182,777,514 | 10.4% | -2,459,574 | 99,561 | \$62.27 | \$59.44 |
| Q1 2021 | 182,981,657 | 12.2% | -3,169,179 | 208,554 | \$61.81 | \$58.55 |
| Q2 2021 | 185,699,815 | 13.3% | 354,162 | 2,718,158 | \$61.82 | \$57.87 |
| Q3 2021 | 186,356,747 | 13.3% | 514,590 | 875,545 | \$62.14 | \$57.69 |
| Q4 2021 | 187,460,440 | 13.7% | 191,461 | 1,119,693 | \$61.35 | \$57.06 |
| Q1 2022 | 187,460,440 | 13.9% | -256,398 | 0 | \$62.92 | \$57.72 |
| Y 2002 | 164,108,024 | 15.0% | 178,350 | 3,907,591 | \$26.03 | \$24.14 |
| Y 2003 | 166,456,596 | 15.8% | 788,926 | 2,576,444 | \$23.25 | \$21.51 |
| Y 2004 | 166,744,299 | 13.9% | 3,350,193 | 341,551 | \$23.24 | \$21.40 |
| Y 2005 | 167,329,527 | 11.9% | 3,844,571 | 920,027 | \$24.58 | \$22.83 |
| Y 2006 | 167,501,017 | 10.5% | 2,453,355 | 363,754 | \$28.53 | \$26.09 |
| Y 2007 | 168,100,560 | 9.0% | 3,162,469 | 681,695 | \$35.12 | \$32.18 |
| Y 2008 | 170,000,697 | 9.8% | 224,432 | 2,513,017 | \$34.07 | \$31.81 |
| Y 2009 | 170,214,990 | 12.7% | -4,595,609 | 489,134 | \$28.23 | \$26.27 |
| Y 2010 | 170,338,490 | 13.1% | -569,518 | 486,576 | \$28.73 | \$26.28 |
| Y 2011 | 169,719,514 | 11.0% | 3,043,266 | 155,505 | \$33.65 | \$31.24 |
| Y 2012 | 170,006,723 | 10.3% | 1,349,210 | 646,153 | \$38.55 | \$36.16 |
| Y 2013 | 169,425,125 | 8.7% | 2,185,181 | 509,526 | \$42.15 | \$39.65 |
| Y 2014 | 169,587,016 | 6.7% | 3,491,969 | 695,179 | \$46.00 | \$43.40 |
| Y 2015 | 171,606,102 | 6.1% | 2,938,322 | 2,204,557 | \$52.02 | \$48.89 |
| Y 2016 | 174,079,387 | 6.3% | 1,949,381 | 2,734,417 | \$56.20 | \$53.48 |
| Y 2017 | 174,691,929 | 6.5% | 213,911 | 898,598 | \$58.34 | \$55.37 |
| Y 2018 | 178,556,306 | 5.9% | 4,697,797 | 4,387,576 | \$61.40 | \$58.35 |
| Y 2019 | 182,506,143 | 6.1% | 3,296,426 | 4,098,989 | \$62.91 | \$61.49 |
| Y 2020 | 182,777,514 | 10.4% | -7,467,234 | 773,492 | \$62.27 | \$59.44 |
| Y 2021 | 187,460,440 | 13.7% | -2,108,966 | 4,921,950 | \$61.35 | \$57.06 |
| 5 Year Average | 181,198,466 | 8.5% | -273,613 | 3,016,121 | \$61.25 | \$58.34 |
| 10 Year Average | 176,069,669 | 8.1% | 1,054,600 | 2,187,044 | \$54.12 | \$51.33 |
| 15 Year Average | 173,938,062 | 9.1% | 787,402 | 1,746,424 | \$46.73 | \$44.07 |

Source: Costar; Compiled by Newmark Valuation & Advisory

Supply & Demand

Demand Generators

- The subject Menlo Park submarket is within one of the expanding segments of the San Francisco area.

Construction Versus Absorption

| Construction/Absorption Change | | | | | | | | | |
|--------------------------------|------------------------------|-------------|---------------------|--------------------------|-------------|---------------------|-------------------------|-------------|---------------------|
| Market / Submarket | Prior Calendar Years History | | | | | | | | |
| | Prior Calendar Year History | | | Prior Three Year History | | | Prior Five Year History | | |
| | SF Built | SF Absorbed | Const. / Abs. Ratio | SF Built | SF Absorbed | Const. / Abs. Ratio | SF Built | SF Absorbed | Const. / Abs. Ratio |
| San Francisco | 4,921,950 | -2,108,966 | -2.3 | 9,794,431 | -6,279,774 | -1.6 | 15,080,605 | -1,368,066 | -11.0 |
| Menlo Park | 1,227,481 | 990,947 | 1.2 | 1,292,132 | 728,213 | 1.8 | 2,092,183 | 1,718,666 | 1.2 |

Source: Costar; Compiled by Newmark Valuation & Advisory

- Absorption in the Menlo Park submarket has fallen behind construction over the past three years.

Trends and Projections

Subject and Market Historical and Forecast Trends

| Market Vacancy Rate Indicators | | | | | |
|--------------------------------|---------|-----------------------|-----------------|-----------------|------------------|
| | Current | Most Recent Full Year | Trailing 3-Year | Trailing 5-Year | Trailing 10-Year |
| Costar | | | | | |
| San Francisco | 13.90% | 13.70% | 6.10% | 6.50% | 10.30% |
| Menlo Park | 8.20% | 7.90% | 3.30% | 3.50% | 7.40% |
| Subject | | | | | |
| Subject | N/A | | | | |
| Concluded Subject Vacancy Rate | 8.00% | | | | |

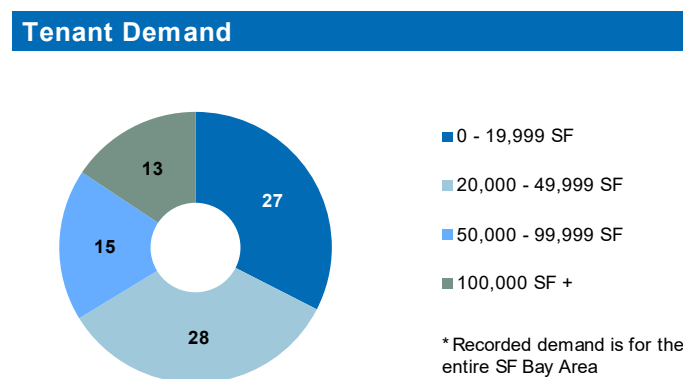
Source: Costar, Newmark Valuation & Advisory

SAN FRANCISCO BAY AREA LIFE SCIENCE MARKET ANALYSIS

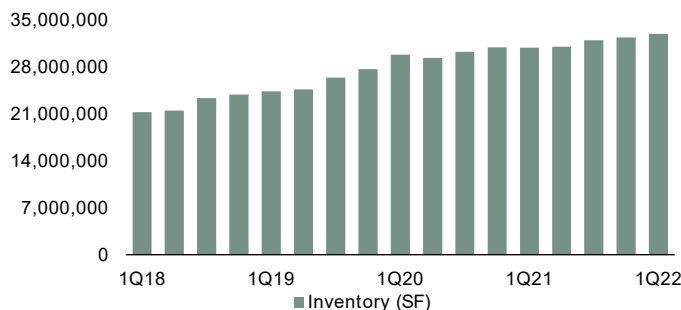
The San Francisco Bay Area continues to establish itself as one of the most important life science markets globally and a primary destination for capital. Demand held steady at 4.4 million square feet this quarter, compared to 4.5 million in the previous quarter and 4.3 million one year ago. Market-wide vacancy increased to 5.7% this quarter, up from 4.9% in the previous quarter, while availability increased to 6.6%, up from 5.9% in the previous quarter. After recording positive absorption in the prior six quarters, the Bay Area life science market took a step backwards, closing at negative 225,718 square feet. The swing in absorption is no cause for alarm and is relative to the 229,639-square-foot life science facility at 150 Industrial Road in San Carlos and 110,000-square-foot Theravance sublease at 901 Gateway Boulevard in South San Francisco becoming available this quarter. Omitting these new availabilities from the numbers would have resulted in 113,921 square feet of positive absorption for the quarter.

| Market Summary | | | | |
|----------------------|-----------------|---------------|-----------------|-------------------|
| | Current Quarter | Prior Quarter | Year Ago Period | 12-Month Forecast |
| Total Inventory (SF) | 33.0M | 32.4M | 30.9M | ↑ |
| Availability Rate | 6.6% | 5.9% | 7.1% | ↓ |
| Qtr Net Abs (SF) | -225K | 500k | 688K | ↑ |
| Under Const (SF) | 3.4M | 3.4M | 2.9M | ↑ |

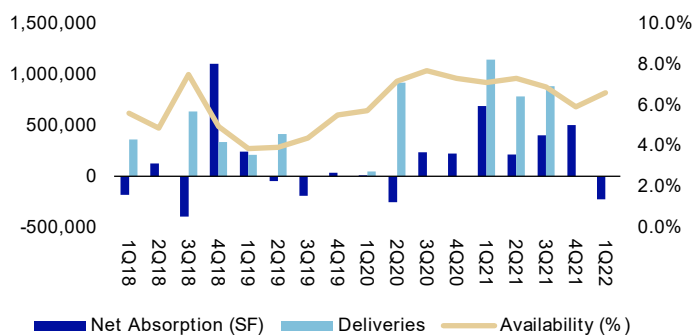
There were a total of five leases greater than 20,000 square feet executed this quarter, compared with 22 in the previous quarter and 20 one year ago. All five leases greater than 20,000 square feet were new leases or expansions, which demonstrated tenants' confidence in the current market environment, instead of staying stagnant. The decline in larger deals recorded is no cause for alarm and is likely attributable to seasonal impact after a blowout year where 76 deals greater than 20,000 square feet were recorded and 47 the year before that, as tenants pause to assess the life science market landscape. Pharmaceutical company Azzur Group completed the largest deal of the quarter, leasing a total of 76,300 square feet in Buildings E and F at 2065 and 1055 North Loop in Alameda.



INVENTORY



NET ABSORPTION V NEW CONSTRUCTION & AVAILABILITY RATE



Construction Pipeline

More than 3.4 million square feet of life science inventory was under construction in the first quarter of 2022, with 27.8% already pre-leased or currently in negotiations to be leased. Over 32.5 million square feet of potential ground-up construction and conversion is probable over the next 5 years, however, not all future developments will ultimately be allocated towards life science. Healthpeak’s Vantage development located at 494 Forbes Boulevard in South San Francisco broke ground this quarter and will feature a two-building campus totaling 342,000 square feet of mixed-use life science lab and office. The project is scheduled for tenant improvements by the fourth quarter of 2022, with occupancy likely in early 2024. Rising tenant and investor demand continues to spur new construction projects throughout the Bay Area, many of which are already pre-leased by companies who are eager to establish or expand their current footprint. Investment groups continued to take advantage of the demand for new life science space with their purchases of existing fully leased properties for conversion as the costs of development in the markets continue to rise due to inflationary pressures on construction costs caused by supply chain disruptions. In the current environment, shortages in building materials and labor may act as constraints on timely deliverable product to the life science supply pipeline, further intensifying

space scarcity and competition amongst tenants, which in turn will continue to drive up rents in many markets.

Asking Rents

North Peninsula asking rates for existing product remained firm in the \$6.50/SF and \$7.25/SF triple-net range, while deals for new construction were executed in the \$7.40/SF and \$7.60/SF range.

Mid- to South Peninsula rates increased and currently stand in the \$5.65/SF and \$7.38/SF range.

Asking rates in the Northern part of the East Bay held steady in the \$4.50/SF and \$6.75/SF range, while rates in the Southern East Bay submarkets increased to the \$4.00/SF and \$4.95/SF range.

Peninsula Select Lease/User Transactions

| Tenant | Building(s) | Submarket | Type | Square Feet |
|-----------------------|----------------------------------|---------------------|-----------------|-------------|
| The EVERY Company | 2001 Junipero Serra Blvd | Daly City | Direct Lease | 48,497 |
| TenSixteen Bio | 700 Gateway Blvd (GOP Phase III) | South San Francisco | Direct Lease | 20,633 |
| Horizon Therapeutics | 2 Tower Pl | South San Francisco | Lease Expansion | 19,715 |
| LevitasBio | 1505 Adams Dr | Menlo Park | Direct Lease | 17,195 |
| Gordian Biotechnology | 486 Cabot Rd | South San Francisco | Direct Lease | 16,008 |

East Bay Select Lease/User Transactions

| Tenant | Building(s) | Submarket | Type | Square Feet |
|---------------------|---------------------------|-----------|--------------|-------------|
| Azzur Group | 1955 & 2065 North Loop Rd | Alameda | Direct Lease | 76,300 |
| Science Corporation | 1010 Atlantic Ave | Alameda | Direct Lease | 22,220 |
| Bonneville Labs | 25801 Industrial Rd | Hayward | Direct Lease | 16,000 |
| AQTUAL | 31145 San Antonio St | Hayward | Direct Lease | 12,480 |
| IQ Biosciences | 1640 South Loop Rd | Alameda | Direct Lease | 12,235 |

Peninsula & East Bay Select Investment Sale Transactions

| Building(s) | Submarket | Sale Price | \$/SF | Square Feet |
|-------------------------|------------|---------------|-------|-------------|
| 120-150 Industrial Rd | San Carlos | \$190,000,000 | \$827 | 229,640 |
| 1951 Harbor Bay Parkway | Alameda | \$158,900,000 | \$720 | 220,710 |

| Overall Submarket Statistics | | | | | | |
|------------------------------|----------------------|------------------------|------------------------|-----------------------------|-----------------------------|-------------------------|
| | Total Inventory (SF) | Total Lab Vacancy (SF) | Total Lab Vacancy Rate | Total Lab Availability (SF) | Total Lab Availability Rate | Qtr Net Absorption (SF) |
| San Francisco | 1,410,484 | 0 | 0.00% | 0 | 0.00% | 0 |
| North Peninsula | 12,739,131 | 575,970 | 4.52% | 810,935 | 6.37% | (156,021) |
| Daly City | 383,123 | 5,000 | 1.31% | 201,000 | 52.46% | 43,497 |
| Brisbane | 997,793 | 71,678 | 7.18% | 71,678 | 7.18% | 0 |
| So. San Francisco | 11,358,215 | 499,292 | 4.40% | 538,257 | 4.74% | (199,518) |
| Mid-Peninsula | 4,833,383 | 246,417 | 5.10% | 278,501 | 5.76% | (179,523) |
| Burlingame | 127,661 | 0 | 0.00% | 19,915 | 15.60% | 0 |
| San Mateo | 113,285 | 0 | 0.00% | 0 | 0.00% | 0 |
| Foster City | 1,827,173 | 0 | 0.00% | 0 | 0.00% | 0 |
| San Carlos | 1,204,008 | 229,639 | 19.07% | 229,639 | 19.07% | (222,393) |
| Redwood City | 1,561,256 | 16,778 | 1.07% | 28,947 | 1.85% | 42,870 |
| South Peninsula | 3,669,119 | 361,999 | 9.87% | 361,999 | 9.87% | 77,379 |
| Menlo Park | 954,197 | 2,500 | 0.26% | 2,500 | 0.26% | 0 |
| Palo Alto | 2,089,814 | 325,520 | 15.58% | 325,520 | 15.58% | 12,204 |
| Mountain View | 625,108 | 33,979 | 5.44% | 33,979 | 5.44% | 65,175 |
| East Bay North | 5,277,306 | 139,304 | 2.64% | 139,304 | 2.64% | 25,435 |
| Richmond | 562,008 | 0 | 0.00% | 0 | 0.00% | 0 |
| Berkeley | 975,498 | 30,995 | 3.18% | 30,995 | 3.18% | 0 |
| Emeryville | 2,073,580 | 40,364 | 1.95% | 40,364 | 1.95% | (36,696) |
| Alameda | 1,666,220 | 67,945 | 4.08% | 67,945 | 4.08% | 62,131 |
| East Bay South | 5,019,129 | 543,335 | 10.83% | 571,435 | 11.39% | 7,012 |
| San Leandro | 589,893 | 45,053 | 7.64% | 73,153 | 12.40% | 3,273 |
| Hayward | 1,378,042 | 354,362 | 25.71% | 354,362 | 25.71% | 66,239 |
| Union City | 195,000 | 0 | 0.00% | 0 | 0.00% | 0 |
| Newark | 813,789 | 0 | 0.00% | 0 | 0.00% | 0 |
| Ardenwood | 1,091,538 | 118,088 | 10.82% | 118,088 | 10.82% | (62,500) |
| Central/South Fremont | 950,867 | 25,832 | 2.72% | 25,832 | 2.72% | 0 |
| SF BAY AREA | 32,948,552 | 1,867,025 | 5.67% | 2,162,174 | 6.56% | (225,718) |

VC Funding

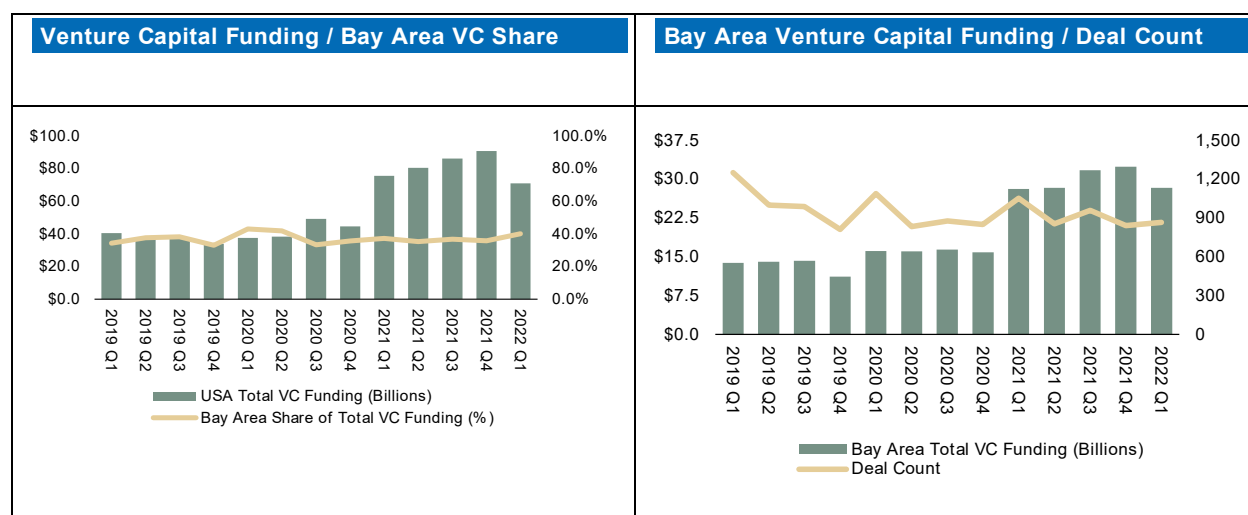
Bay Area Captures More Than 58.0% of Nationwide Biotech VC Funding and Private Investment

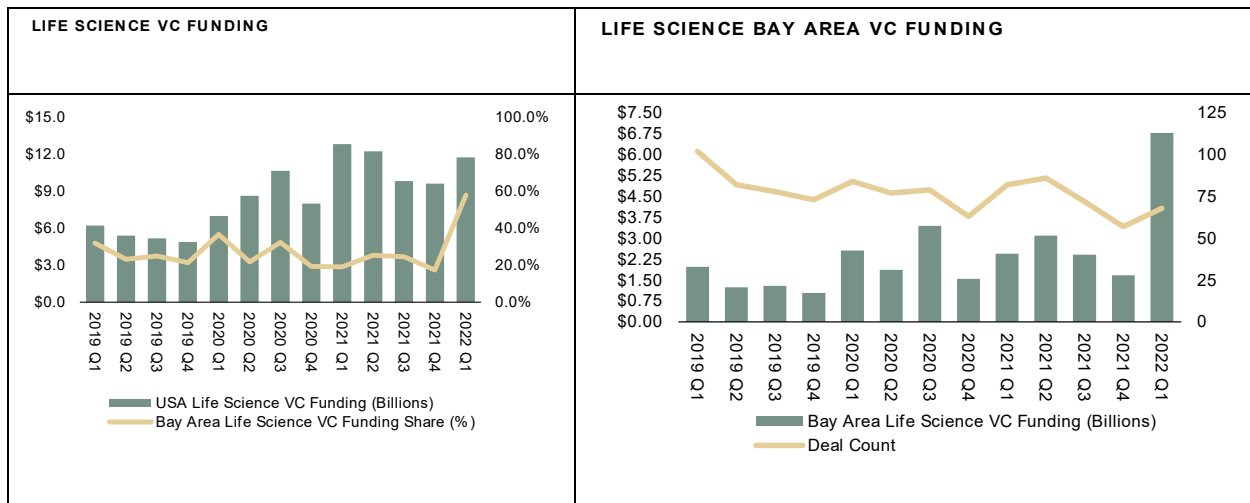
Overall venture capital investment remained steady in the first quarter of 2022; over \$70.8 billion was invested throughout the country. The Bay Area accounted for 40.0% of that total; or \$28.3 billion. This follows the previous quarter in which more than \$90.7 billion was raised; the Bay Area captured 35.7% of that total, or \$31.7 billion.

Nationwide, the life sciences sector accounted for 16.6%, or \$11.7 billion, of all U.S. investment in the first quarter versus \$9.6 billion and 10.6% respectively in the previous quarter. After setting a record level \$9.1 billion in biotech venture capital funding and private investment for the entire 2021 year, the Bay Area life science market showed no signs of ebbing in the first quarter of 2022, capturing 58.1% of the nationwide VC funding allocated towards life science, recorded at \$6.8 billion, which is up from \$1.7 billion in the previous quarter alone.

Nationwide, there was a total of 346 completed life science deals completed this quarter, compared to 391 in the previous quarter. Bay Area-wide, there was a total of 80 completed life science deals, compared to 57 in the previous quarter.

The unprecedented surge in demand for lab space throughout the country and Bay Area region will continue to command further venture capital raises not just from major pharmaceutical companies but smaller corporations as well.





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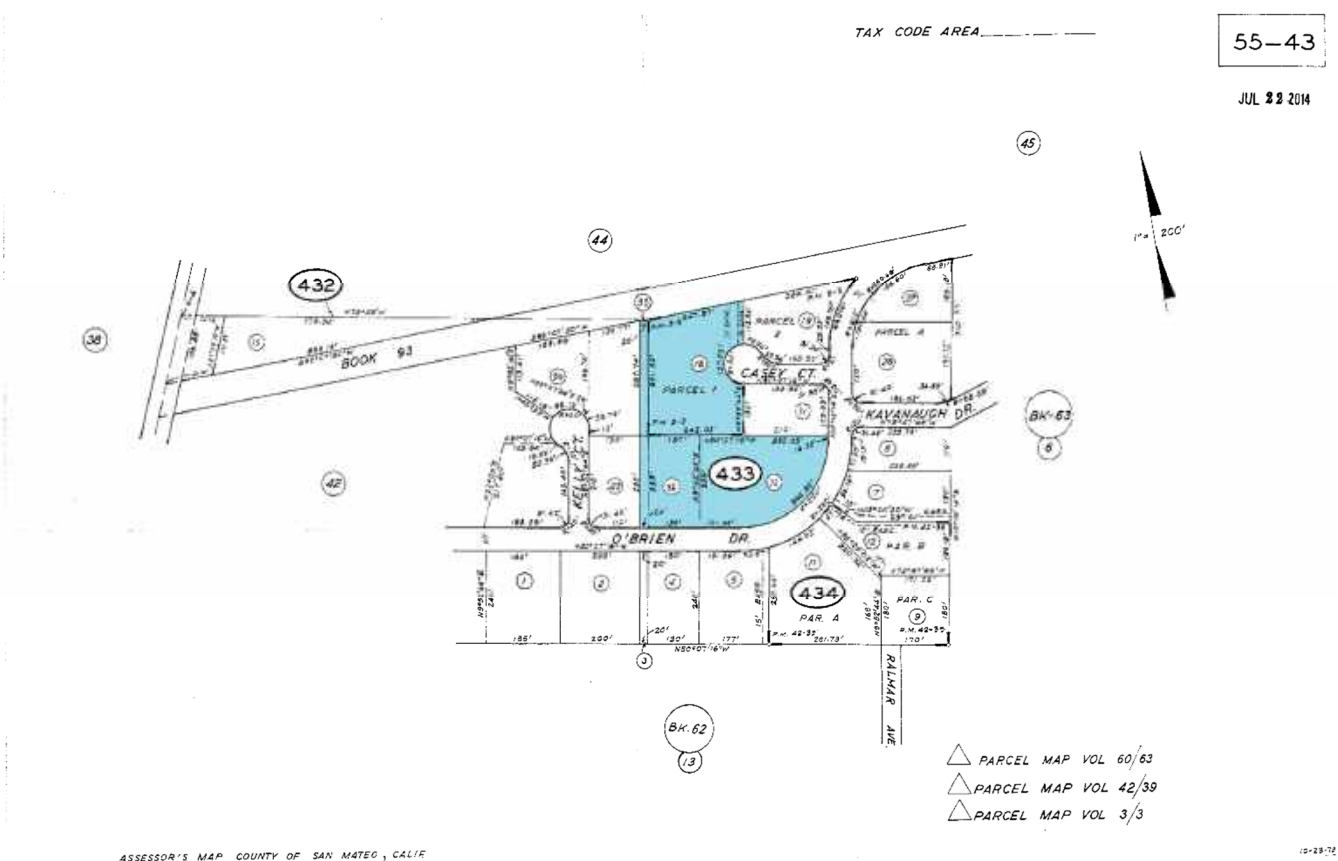
Land and Site Analysis

The subject site comprises 4.1206 acres of land and has frontage on O'Brien Drive and on Casey Court. The site is level and on street grade. The site includes 1105, 1135, 1165 O'Brien Drive, 1 Casey Court and the former flood control channel.

The subject project site is near a school site which will require noise mitigation during construction which will cause more construction costs for the developer.

| Land Parcels | | | |
|-------------------------|----------------------------|----------------|-------------------|
| Parcel Summary | Associated APN(s) | Land Area (SF) | Land Area (Acres) |
| Proposed Site | 055-433-180, 320, 330, 350 | 179,493 | 4.1206 |
| Total Gross Land Area | | 179,493 | 4.1206 |
| Total Usable Land Area | | 179,493 | 4.1206 |
| Total Surplus Land Area | | 0 | 0.0000 |
| Total Excess Land Area | | 0 | 0.0000 |

Compiled by Newmark



Land Description

| | |
|---------------------|--------------------------|
| Total Land Area | 4.1206 Acres; 179,493 SF |
| Usable Land Area | 4.1206 Acres; 179,493 SF |
| Excess Land Area | None |
| Surplus Land Area | None |
| Source of Land Area | Public Records |

Site Characteristics

| | |
|----------------------------|------------|
| Traffic Control at Entry | Stop sign |
| Traffic Flow | Moderate |
| Accessibility Rating | Average |
| Visibility Rating | Average |
| Shape | Irregular |
| Corner | Yes |
| Rail Access | No |
| Topography | Level |
| Site Vegetation | None |
| Other Site Characteristics | None noted |
| Easement/Encroachments | None Noted |
| Environmental Issue | None Noted |

Flood Zone Analysis

| | |
|-------------------------|---|
| Flood Area Panel Number | 06081C0307F |
| Date | 4/5/2019 |
| Zone | Zone AE |
| Description | Special Flood Hazard Area where base flood elevations are provided. |
| Insurance Required? | Yes |

Utilities

| | |
|------------------|---|
| Utility Services | Electricity, gas, sewer, telephone, water |
|------------------|---|

Compiled by Newmark

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We were not provided a current title report to review. There are usually identified exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

ENVIRONMENTAL ISSUES

No environmental issues were observed or reported. Newmark is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence

of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

SEISMIC HAZARDS

All properties in California are subject to some degree of seismic risk. The Alquist-Priolo Special Studies Zone Act of 1972 was enacted by the State of California to regulate development near active earthquake faults. The Act required the State Geologist to delineate “special studies zones” along known active faults in California. Cities and Counties affected by the identified zones must limit certain development projects within the zones unless geologic investigation demonstrates that the sites are not threatened by surface displacement from future faulting. According to “Fault-Rupture Hazard Zones in California” published in 1992 by the California Department of Conservation, Department of Mines and Geology, the subject is not located within an Alquist-Priolo Special Studies Zone Boundary. While most properties on the Peninsula have some level of seismic risk, related development limitations do not apply as it is not located within an Alquist-Priolo Special Studies Zone Boundary.

IMPROVEMENTS

While not formerly addressed in this appraisal of the value of community benefits which is the subject of this appraisal, the current improvements comprise two single story research and development buildings which were constructed in 1962 and 1979. We understand that these buildings will be demolished for a proposed five-story building that will include a structures parking garage. The proposed building will have 129,166 square feet of gross floor area.

CONCLUSION

- The subject site is functional for the current and future uses as a research and development site.
- As the site is near Highway 101, Highway 84 and has access on to three roadways the subject site is deemed to possess good access.

Zoning and Legal Restrictions

Zoning Summary

| Category | Description |
|-----------------------|--|
| Zoning Jurisdiction | City of Menlo Park |
| Zoning Designation | LS-B (Life Science Bonus) |
| Description | Life Science with Density Bonus |
| Legally Conforming? | Yes |
| Zoning Change Likely? | Unlikely |
| Permitted Uses | Office, Research & Development, Life Science and supporting retail |
| Other | None noted |

Compiled by Newmark



We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.

According to the current Menlo Park zoning, the purpose and intent of the life sciences district is to:

- Attract research and development and light industrial uses, particularly those that support bioscience and biomedical product development and manufacturing and/or are potentially revenue generating businesses;
- Allow administrative and professional office uses and other services that support light industrial and research and development sites nearby;

- Provide opportunities for quality employment and development of emerging technology, entrepreneurship, and innovation;
- Facilitate the creation of a thriving business environment with goods and services that support adjacent neighborhoods as well as the employment base.

Permitted uses in the life science district are as follows:

- Light industrial and research and development and accessory uses, except when requiring hazardous material review;
- Administrative and professional offices in buildings, twenty thousand (20,000) or less square feet of gross floor area;
- Retail sales establishments, excluding the sale of beer, wine and alcohol;
- Eating establishments, excluding the sale of beer, wine, and alcohol or live entertainment, and/or establishments that are portable. For the purpose of this chapter, an eating establishment is primarily engaged in serving prepared food for consumption on or off the premises;
- Personal services, excluding tattooing, piercing, palm-reading, or similar services;
- Recreational facilities privately operated, twenty thousand (20,000) or less square feet of gross floor area;
- Community education/training center that provides free or low-cost educational and vocational programs to help prepare local youth and adults for entry into college and/or the local job market.
- Conditional uses allowed in the life sciences district, subject to obtaining a use permit.
- Administrative and professional offices and accessory uses, greater than twenty thousand (20,000) square feet of gross floor area;
- Eating establishments, including alcohol, and/or establishments that are portable;
- Drinking establishments, including beer, wine and alcohol. For purposes of this chapter, a drinking establishment is a business serving beverages for consumption on the premises as a primary use;
- Retail sales establishments, including the sale of beer, wine and alcohol;
- Recreational facilities, privately operated, greater than twenty thousand (20,000) square feet of gross floor area;

-
- Special uses, in accordance with Chapter 16.78
 - Uses identified in Sections 16.44.020 and 16.44.030 and this section proposing bonus level development, in accordance with Section 16.44.060;
 - Public utilities

Real Estate Taxes

Under the provisions of Article XIII A of the California Tax and Revenue Code (Proposition 13), properties are assessed their market value as of March 1, 1975, the base year lien date, or a later date, such as when a property was last sold or substantial renovation/construction occurred. Under Proposition 13 the base tax rate is limited to 1.0 percent plus any additional increase subject to a two-thirds voter approval (55% approval in the case of educational districts). Because of the required voter approval ratio, the tax rate is usually stable.

The assessed value may be increased for inflation a maximum of 2.0 percent per year until the property is again sold, substantial new construction occurs, or the property's use changes significantly. In no event should a property be assessed above its current market value.

Reassessment due to new construction is usually based on the additional construction costs. Should the property sell, it would be reassessed according to the Assessor's opinion of market value. Generally, market value for reassessment after transfer of ownership is based on the sale price.

Thus, assessed value typically only relates to market value as of a particular sale date. As a result, comparison of assessed value with other properties in the market is not material to this analysis. Therefore, tax comparables are not pertinent and not included herein.

This analysis assumes taxes are current to the date of value. The tax amount used in the analysis assumes taxes based on a market sale as of the appraisal date (assessed at the estimated market value of the property and based on the current tax rate) plus any special assessments.

Real estate taxes and assessments for the current tax year are shown in the following table.

| Taxes and Assessments | | | | | | | | |
|-----------------------|-------------------------|--------------|-------------|------------|---------------------|------------------|-----------------------|----------|
| Tax Year 2022 | Assessor's Market Value | | | Assessment | Tax Rates | | Taxes and Assessments | |
| Tax ID | Land | Improvements | Total | Ratio | Land & Improvements | Ad Valorem Taxes | Direct Assessments | Total |
| 055-433-180 | \$190,120 | \$602,202 | \$792,322 | 100.0% | 1.0938% | \$8,666 | \$2,193 | \$10,859 |
| 055-433-320 | \$1,065,160 | \$781,513 | \$1,846,673 | 100.0% | 1.0938% | \$20,199 | \$5,025 | \$25,224 |
| 055-433-330 | \$2,326,537 | \$1,693,546 | \$4,020,083 | 100.0% | 1.0938% | \$43,972 | \$332 | \$44,304 |
| 055-433-350 | \$772,925 | \$0 | \$772,925 | 100.0% | 1.0938% | \$8,454 | \$0 | \$8,454 |
| | \$4,354,742 | \$3,077,261 | \$7,432,003 | 100.0% | 1.0938% | \$81,291 | \$7,550 | \$88,841 |

Compiled by Newmark

Highest and Best Use

AS VACANT

Legally Permissible

The site is zoned LS-B (Life Science Bonus) which allows for office, research & development, life science and supporting retail. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification. Further information and analysis about the legal restrictions to the subject property is included in the Site Analysis and Zoning and Legal Restrictions sections of this report.

Physically Possible

The subject site contains 179,493 square feet (4.12 acres), has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

Financially Feasible

Of the legally permissible and physically possible uses, research and development and life science uses appear most probable based on observation of surrounding properties as well as the location. These uses are more fully analyzed for their financial feasibility.

The following are relevant points related to the subject's market segment:

- The subject submarket has high occupancy and rents are increasing at a pace faster than inflation.
- Market metrics indicate that concessions are basically nonexistent.

Given the underlying market conditions and activity, it appears that a research and development or life science development would have a sufficient degree of feasibility.

Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider. In this case, the maximally productive use is a land development. The associated risk is typical and market conditions appear to be supportive.

Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the development of a research and development or life science complex.

Most Probable Buyer

The most likely buyer would be a developer.

AS IMPROVED

We are addressing the value of the community amenities under the bonus level value so the highest and best use as improved is not relevant.

Appraisal Methodology

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

| Application of Approaches to Value | |
|------------------------------------|--|
| Approach | Comments |
| Cost Approach | The Cost Approach is not applicable and is not utilized in this appraisal. |
| Sales Comparison Approach | The Sales Comparison Approach is applicable and is utilized in this appraisal. |
| Income Capitalization Approach | The Income Capitalization Approach is not applicable and is not utilized in this |

Compiled by Newmark

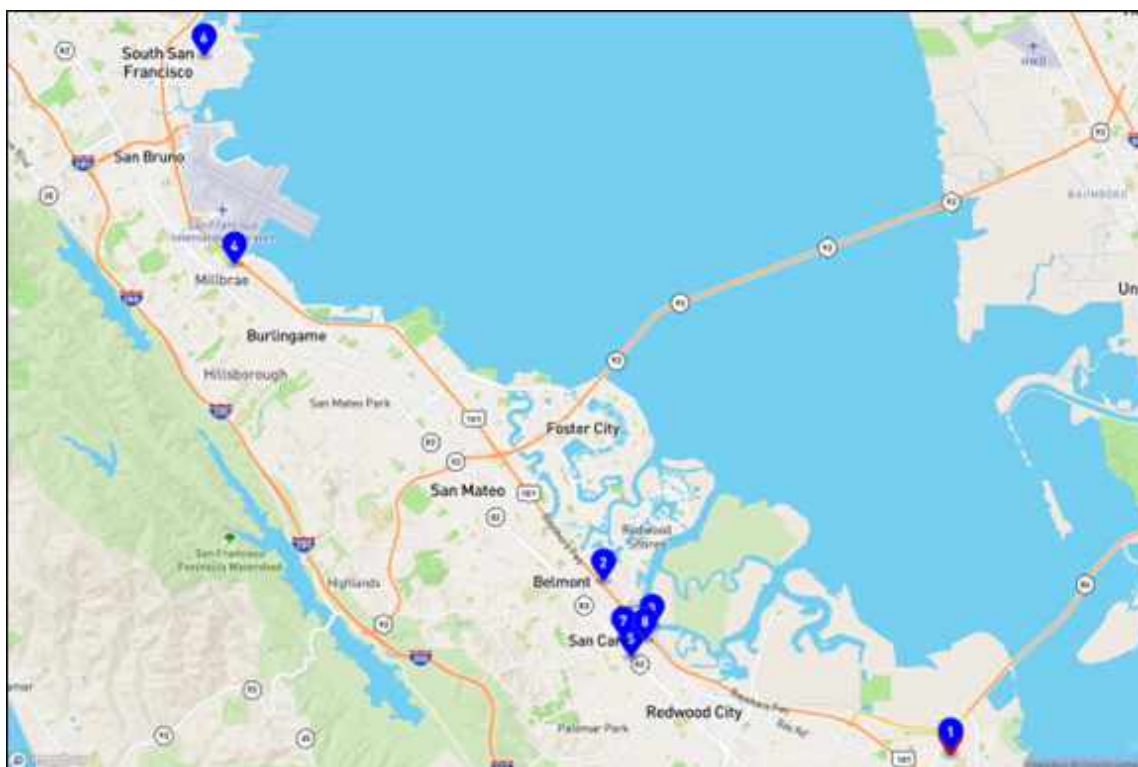
The subject property is a tract of vacant land. In the absence of ground leases, subdivision, or other income sources, the sales comparison approach is viewed as most applicable in the valuation of land parcels. Therefore, the sales comparison approach is the sole approach to value utilized in this appraisal. The exclusion of the other two approaches does not impact the reliability of the appraisal.

Sales Comparison Approach

Land value can be developed from a number of different methodologies. In this case, we have employed the sales comparison as sufficient comparable data exists from which to derive a reliable indication of value. Sales comparison includes the following steps.

- Research and verify information on properties in the market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value indication.

Based on a review of market activity, the appropriate unit of comparison is price per far.



Land Comparables Map

| Comparable Land Sales Summary (Bonus 72% FAR) | | | | | | | | | |
|---|---------------------|------------------------------|------------------------|-------------------------|---------------------|-----------------------|-------------------------|----------------------------------|--------------------------|
| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 | Sale 6 | Sale 7 | Sale 8 |
| Address | 1125 O'Brien Drive | 1 Casey Court | 240 Twin Dolphin Drive | 1030 Brittan Ave. | 210 Adrian Road | 1360 Bayport Avenue | 440 Forbes Boulevard | 803, 833 and 841 Old County Road | 1091 Industrial Road |
| City, State | Menlo Park, CA | Menlo Park, CA | Redwood City, CA | San Carlos, CA | Millbrae, CA | San Carlos, CA | South San Francisco, CA | San Carlos, CA | San Carlos, CA |
| Use at Sale | Vacant | Proposed | Planned | Proposed | Planned | Planned | Planned | Proposed | Proposed |
| Proposed Use | Land | Industrial | Office Commercial | Office Commercial | Office Commercial | Office Commercial | Office Commercial | Industrial | Office Commercial |
| Gross Land SF | 179,493 SF | 73,007 SF | 207,685 SF | 87,991 SF | 89,951 SF | 94,961 SF | 225,654 SF | 151,687 SF | 68,331 SF |
| Useable Acres | 4.12 Acres | 1.68 Acres | 4.77 Acres | 2.02 Acres | 2.06 Acres | 2.18 Acres | 5.18 Acres | 3.48 Acres | 1.57 Acres |
| Useable Land SF | 179,493 SF | 73,007 SF | 207,685 SF | 87,991 SF | 89,951 SF | 94,961 SF | 225,654 SF | 151,687 SF | 68,331 SF |
| Allowable Bldg Area | 129,166 SF | 52,565 SF | 205,608 SF | 95,910 SF | 262,657 SF | 189,922 SF | 500,000 SF | 320,060 SF | 138,712 SF |
| Shape/Topography | Irregular/Level | Irregular/Level | Irregular/Level | Rectangular/Level | Rectangular/Level | Rectangular/Level | Rectangular /Level | Irregular/Level | Irregular Site/Generally |
| Flood Zone | AE - Yes | Zone AE - Yes | Zone X - No | Zone AE - Yes | Zone X - No | Zone X - No | Zone X - No | Zone X - No | Zone D - No |
| Utilities Available | All Urban Utilities | All Urban Utilities | All Urban Utilities | All Urban Utilities | All Urban Utilities | All Urban Utilities | All Urban Utilities | All Urban Utilities | All Urban Utilities |
| Zoning | LS-B (Life Science) | LS-B (Life Science) | CP | GCI | ML | GCI | MH00M2 | IH (Heavy Industrial) | GCI |
| Density | 72.00% | 72.00% | 99.00% | 109.00% | 292.00% | 200.00% | 221.58% | 211.00% | 203.00% |
| Buyer | | Tarlton Properties | 200-240 Twin Dolphin | MBC Bio Labs 1030 | Longfellow | 1021 Howard Owner LLC | | SI 74 LLC | Premia Capital |
| Seller | | Clayton Patterson/Grek Trust | SHP Westshore LLC | Robert Williamson Trust | Finn Capital | Hamilton Investors | Jem Capital | 1031 EP4 Inc., Patricia Renn | Swenson |
| Interest Conveyed | Fee Simple | Leased Fee | Fee Simple | Fee Simple | Fee Simple | Leased Fee | Leased Fee | Fee Simple | Fee Simple |
| Transaction Date | | Jul-20 | Jan-22 | Dec-21 | Oct-21 | Jul-21 | Apr-21 | Aug-20 | Jun-19 |
| Price | | \$8,712,500 | \$6,4875,000 | \$20,000,000 | \$80,000,000 | \$33,000,000 | \$60,506,000 | \$26,900,000 | \$15,000,000 |
| Adj. Sale Price | | \$11,812,500 | \$6,4875,000 | \$20,000,000 | \$80,427,500 | \$33,230,000 | \$61,346,000 | \$27,400,000 | \$15,200,000 |
| Parking Structure Adjustment (Cost) | | \$0 | \$11,040,000 | \$4,288,000 | \$7,344,000 | \$7,296,000 | \$12,032,000 | \$11,968,000 | \$4,160,000 |
| Adj. Price Including Parking Structure | | \$11,812,500 | \$75,915,000 | \$24,288,000 | \$87,771,500 | \$40,526,000 | \$73,378,000 | \$39,368,000 | \$19,360,000 |
| Price per Usable Land Acre | | \$7,047,989 | \$15,922,466 | \$12,023,790 | \$42,504,548 | \$18,589,869 | \$14,164,809 | \$11,305,320 | \$12,341,713 |
| Price per Usable Land SF | | \$161.80 | \$312.37 | \$227.30 | \$894.13 | \$349.93 | \$271.86 | \$180.64 | \$222.45 |
| Price per FAR | | \$224.72 | \$369.22 | \$253.24 | \$334.17 | \$213.38 | \$146.76 | \$123.00 | \$139.57 |

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ANALYSIS OF LAND COMPARABLES

The following paragraphs analyze the most relevant comparable data against the subject property.

Parking Structure Adjustment

The comparable sales include a range of Floor Area Ratios from 72% to 292%. While much of the adjustment for this variable is accounted for by using the Price per FAR foot rather than the price per land foot, there are other adjustments required. There are additional costs associated with obtaining the higher FAR densities. These additional include the cost of providing structured parking as well as other associated costs, where necessary, for the larger and denser projects. The premise for this adjustment is that the developers who purchased the land comparables will need to factor in the cost of the structured parking into their acquisition decisions. Thus, if there was no requirement, for parking garages to be developed, they would have paid more for the sites on price per FAR foot. Since the subject at 72% FAR does not require structured parking those sales that require structured parking must be adjusted.

In the course of the research we interviewed development managers from three firms in the Bay Area. On the promise of anonymity, all agreed to provide their opinions.

The responses were surprisingly mixed. The first development manager indicated that they would be happy to pay the additional cost of a parking structure as it meant obtaining a dense project on a smaller site and gaining a major single tenant and a foothold in the market. They even suggested that no adjustment to the FAR foot was necessary.

The second LS developer agreed with the logic that the cost of providing structured parking should be added to the price per FAR foot. He likened it to “making land”. He did soften his statement in that after calculating all development costs, the cost of the structured parking would not be on a dollar-for-dollar basis but would likely be less.

The final developer to offer his opinion took a position that the costs of a parking structure must be acknowledged. Again, the cost of providing parking is a relatively small cost in terms of the overall development cost of a life science development. The ability to obtain LS space rents that are at \$7.00 to \$8.00 per month on a Net basis far outweigh these costs.

We have found that the land sales propose solving the parking dilemma ranges from subterranean parking, parking within first several floors the proposed buildings, to separate parking structures. Naturally, actual costs are not available. The three developer interviews indicated that these costs would vary considerably based on construction type used.

Marshall Valuation Service costs for a parkade structure is \$74.50 per square foot for a average Class A parkade. Adding \$3.50 per square foot for sprinklers and adjusting for inflation and the local area brings the unit value to \$116.68 or \$117.00 (rounded) per square foot.

As noted above, we interviewed three Life Science developers who are active in the Bay Area. Their responses to the questions regarding whether a structured parking adjustment is warranted are below:

Developer 1 – Actively developing a site in San Carlos – There should be no adjustment for the structured parking as the ability to obtain the higher density and house the tenant(s) in a larger building more than offsets the additional cost of providing structured parking.

Developer 2 – Active in the Menlo Park Market – Some adjustment for the additional cost of the structured parking and other costs associated with obtaining a higher density is justified. However, this would be on a case-by-case basis and definitely not on a dollar for dollar basis.

Developer 3 – Dominant Life Science in the East Bay – Yes, the cost of obtaining the added FAR needs to be considered in the land cost. However, the rents for providing structured and secure parking may be partially recaptured in the higher rents form Life Science tenants.

In an effort to reflect the opinions of actual developers we will only recognize about 50% of the estimated additional structured parking costs.

We have made percentage adjustments to the sales for this variable. Our adjustments are based on the proposed projects' requirements for parking to be housed in the parking structures. The amount of required parking for each sale was ascertained the cost directly from the developer, and the city's websites.

The table below illustrates the number of structured parking spaces required for each sale and the adjustment for the related cost to obtain the higher density for each of the sales.

| | Purchase Price | Density | Required Structured Parking | Estimated Garage Area @ 350 SF/Space | Unit Cost | Estimated Total Costs | Less 50% | Estimated Applicable Costs | Percentage Adjustment |
|-----------------------------------|----------------|---------|-----------------------------|--------------------------------------|-----------|-----------------------|--------------|----------------------------|-----------------------|
| Sale One 1 Casey Ct. | \$11,812,500 | 72% | 0 | 0 | \$117 | \$0 | \$0 | \$0 | 0% |
| Sale Two 240 Twin Dolphin Dr. | \$64,875,000 | 99% | 690 | 241,500 | \$117 | \$28,255,500 | \$14,127,750 | \$7,063,875 | 11% |
| Sale Three 1030 Brittan Ave. | \$20,000,000 | 109% | 268 | 93,800 | \$117 | \$10,974,600 | \$5,487,300 | \$2,743,650 | 14% |
| Sale Four 210 Adrian Rd. | \$80,427,500 | 292% | 459 | 160,650 | \$117 | \$18,796,050 | \$9,398,025 | \$4,699,013 | 6% |
| Sale Five 1360 Bayport Ave | \$33,230,000 | 200% | 456 | 159,600 | \$117 | \$18,673,200 | \$9,336,600 | \$4,668,300 | 14% |
| Sale Six 440 Forbes Blvd. | \$62,436,000 | 100% | 752 | 263,200 | \$117 | \$30,794,400 | \$15,397,200 | \$7,698,600 | 12% |
| Sale Seven 803-841 Old County Rd. | \$27,400,000 | 211% | 748 | 261,800 | \$117 | \$30,630,600 | \$15,315,300 | \$7,657,650 | 28% |
| Sale Eight 1091 Industrial Rd. | \$15,200,000 | 203% | 260 | 91,000 | \$117 | \$10,647,000 | \$5,323,500 | \$2,661,750 | 18% |

Comparable One

Sale Comparable One represents the March 2022 sale of 1.676 acres of land located at 1 Casey Court, Menlo Park, California. The sale price is \$8,712,500. However, there is an adjustment for tenant buy-out of \$3,000,000 and demolition of \$100,000 for a total purchase price of \$11,812,500. The sale closed between June of 2021 and October of 2022. The current owner collected the rents, until the transaction closed.

This comparable is the last piece of the subject development site. The transaction closed in March of 2022 but the contract dates to July of 2020 which is the reason we used this date in the adjustment chart. Since the overall subject development has an FAR of 72%, we used 72% for this comparable as well.

Conditions of Sale

A downward adjustment of 10% was applied for conditions of sale (assemblage). The site is located adjacent to the Grantee's other developments. Therefore, this is viewed as an assemblage purchase.

Market Conditions Adjustment

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 5.0% is applicable.

Location

No location is required since the comparable is literally a part of the subject development.

Flood Zone

The comparable is located in a flood zone as is the subject. Therefore, no adjustment is required.

Size

After interviewing the market participants and developers, a size adjustment is not warranted.

Shape

No adjustment for shape was required.

Utilities

All of the typical and usual utilities are provided to the site which is similar to the subject. Therefore, no adjustment for utilities was made.

Entitlements

We have made an upward adjustment for the lack of entitlements which is a required adjustment according to the city's requirements under the valuation of Amenity Value. This adjustment tends to be subjective as each municipality has different requirements to obtain entitlements. Further, it is necessary to view the entitlement process as a timeline rather than a yes or no. Many properties were in the entitlement process before the sales contract and closing. Some sales were close to receiving entitlements and some were at the very beginning the process. In the case of this sale, the buyer had begun the process as of the contract date.

Community Benefits

The base level density in the Menlo Park LS-B zoning district is 55% FAR. As the comparable will have 72% FAR, the developer must provide Community Benefits or pay a fee in-lieu of the community benefits. The instructions from the City prohibit the appraiser from considering the in-lieu of fee for the subject but Sale L-1, while a part of the subject property, is used as a comparable as well.

We have calculated the in-lieu fee using the same methodology as used in valuing the subject property itself. Based on our calculations, the in lieu of fee would equal an approximate 11% downward deduction.

Conclusion of Sale One

Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$242.50.

Comparable Two

Sale Comparable Two represents the January 2022 sale of 4.768 acres of land located at 240 Twin Dolphin Drive, Redwood City, California. This is the sale of an entitled building site overlooking the Redwood Shores Lagoon.

Conditions of Sale

No adjustment was required for conditions of sale for Sale L-2.

Market Conditions Adjustment

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 5.0% is applicable.

Location

We found that this comparable is on the shores of Redwood Shores and afford tenants views of the Bay and lagoon. Therefore, we adjusted this sale down by 10% for this amenity.

Flood Zone

Comparable L-2 is not in an identified flood hazard area. An adjustment is required as it is more expensive to build in a flood hazard area as the foundation must be above the flood level as determined by the city engineers. We adjusted this comparable down by 10% to reflect this variable.

Size

After interviewing the market participants and developers, a size adjustment is not warranted.

Shape

No adjustment for shape was required.

Utilities

All of the typical and usual utilities are provided to the site which is similar to the subject. Therefore, no adjustment for utilities was made.

Entitlements

We have made an upward adjustment for the lack of entitlements which is a required adjustment according to the city's requirements under the valuation of Amenity Value. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$153.75.

Conclusion of Sale Two

Combining transaction and physical adjustments, an overall net downward adjustment is indicated resulting in a price per FAR indication of \$292.87.

Comparable Three

Sale Comparable Three represents the December 2021 sale of 2.020 acres of land located at 1030 Brittan Ave., San Carlos, California. This surface parking lot sold with entitlements to construct a 96,175 square foot life-science building.

Conditions of Sale

No adjustment was required for conditions of sale for Sale L-3.

Market Conditions Adjustment

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 5.0% is applicable.

Location

No location is required since the comparable is in nearby San Carlos which has a similar rent structure as Menlo Park.

Flood Zone

The comparable is located in a flood zone as is the subject. Therefore, no adjustment is required.

Size

After interviewing the market participants and developers, a size adjustment is not warranted.

Shape

No adjustment for shape was required.

Utilities

All of the typical and usual utilities are provided to the site which is similar to the subject. Therefore, no adjustment for utilities was made.

Entitlements

Since this was an entitled site when sold, no adjustments are necessary for the entitlement process.

Conclusion of Sale Three

Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$242.48.

Comparable Four

Sale Comparable Four represents the October 2021 sale of 2.065 acres of land located at 210 Adrian Road, Millbrae, California. The buyer plans to demolish the self-storage facility on this site and construct a 263,042 square foot, 5-story, life-science facility with below and above grade parking. The building will be designed to support a future research lab or office tenant improvement build-out. The project required a Conditional Use Permit to allow a bioscience use within the Transit-Oriented Development (TOD) zone of the Millbrae Station Area Specific Plan (MSASP). According to our sources, the site was fully entitled for the proposed development. Demolition costs were estimated at \$5 per square foot.

Conditions of Sale

No adjustment was required for conditions of sale for Sale L-4.

Market Conditions Adjustment

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 5.0% is applicable.

Location

This comparable is located in the Northern Peninsula. Based on the average LS rents shown in the foregoing LS Market Report, the Northern Peninsula cities are about 15% higher than the southern Peninsula cities. We have made a 15% downward adjustment for this variable.

Flood Zone

Comparable L-4 is not in an identified flood hazard area. An adjustment is required as it is more expensive to build in a flood hazard area as the foundation must be above the flood level as determined by the city engineers. We adjusted this comparable down by 10% to reflect this variable.

Size

After interviewing the market participants and developers, a size adjustment is not warranted.

Shape

No adjustment for shape was required.

Utilities

All of the typical and usual utilities are provided to the site which is similar to the subject. Therefore, no adjustment for utilities was made.

Entitlements

Since the site was reportedly entitled at the time the sale closed, no adjustment is needed for the entitlement process.

Conclusion of Sale Four

Combining transaction and physical adjustments, an overall net downward adjustment is indicated resulting in a price per FAR indication of \$255.47.

Comparable Five

Sale Comparable Five represents the July 2021 sale of 2.180 acres of land located at 1360 Bayport Avenue, San Carlos, California. This is the sale of three adjacent properties (1021-1045 Howard, 1360-1370 Bayport, and 1390 Bayport). The buyer of this property has submitted plans to develop a three-story building with 190,000 square feet of space for life science. It would also include 13,000 square feet of public open space, including a plaza and an interior courtyard, as

well as two levels of underground parking. Demolition costs for the 45,800 square feet of industrial buildings on the site estimated at \$5 per square foot or \$230,000.

Conditions of Sale

No adjustment was required for conditions of sale for Sale L-5.

Market Conditions Adjustment

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 5.0% is applicable.

Location

No location is required since the comparable is in nearby San Carlos which has a similar rent structure as Menlo Park.

Flood Zone

Comparable L-5 is not in an identified flood hazard area. An adjustment is required as it is more expensive to build in a flood hazard area as the foundation must be above the flood level as determined by the city engineers. We adjusted this comparable down by 10% to reflect this variable.

Size

After interviewing the market participants and developers, a size adjustment is not warranted.

Shape

No adjustment for shape was required.

Utilities

All of the typical and usual utilities are provided to the site which is similar to the subject.. Therefore, no adjustment for utilities was made.

Entitlements

We have made an upward adjustment for the lack of entitlements which is a required adjustment according to the city's requirements under the valuation of Amenity Value.

Conclusion of Sale Five

Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$225.64.

Comparable Six

Sale Comparable Six represents the April 2021 sale of 5.180 acres of land located at 440 Forbes Boulevard, South San Francisco, California. This property sold with a short-term lease in place to a beverage distributor. Demolition costs for the 105,000 square foot warehouse estimated at

\$8 per square foot. Immediate development plans for this site are not available but according to our reports, will range from 500,000 SF to 1,000,000 SF. This would reflect FAR land price between approximately \$128 to \$256 per FAR foot. Buyer is currently developing other life-science properties in South San Francisco. We have used 500,000 SF or the low end of the potential development size for our estimate of the calculation of the price per FAR foot.

Conditions of Sale

No adjustment was required for conditions of sale for Sale L-6

Market Conditions Adjustment

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 5.0% is applicable.

Location

This comparable is located in the Northern Peninsula. Based on the average LS rents shown in the foregoing LS Market Report, the Northern Peninsula cities are about 15% higher than the southern Peninsula cities. We have made a 15% downward adjustment for this variable.

Flood Zone

Comparable L-6 is not in an identified flood hazard area. An adjustment is required as it is more expensive to build in a flood hazard area as the foundation must be above the flood level as determined by the city engineers. We adjusted this comparable down by 10% to reflect this variable.

Size

After interviewing the market participants and developers, a size adjustment is not warranted.

Shape

No adjustment for shape was required.

Utilities

All of the typical and usual utilities are provided to the site which is similar to the subject.. Therefore, no adjustment for utilities was made.

Entitlements

We have made an upward adjustment for the lack of entitlements which is a required adjustment according to the city's requirements under the valuation of Amenity Value.

Conclusion of Sale Six

Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$305.43.

Comparable Seven

Sale Comparable Seven represents the August 2020 sale of 3.482 acres of land located at 803, 833 and 841 Old County Road, San Carlos, California. The sale site is located along the east side of Old County Road between Commercial Street and Bransten Road in San Carlos. The site comprises 10 assessor parcels including an abandoned rail spur. The site is zoned for heavy industrial but was acquired for the development of life science or Class A office space. The grantee, Sobrato, is looking to develop 320,000 SF of space which is an FAR of 2.11. At the time of the sale the site was developed with a mixture of industrial buildings including a dog boarding facility and a garden supply store with yard storage. The previous owners have leased the property back. The leases range from month to month to a longer term which expires in October of 2022. The interim rent is \$432,000 per year. The demolition has been estimated at \$500,000. SI 74 LLC acquired the site from 1031 EP4 Inc for a total consideration of \$27,400,000 or \$86 per FAR.

Conditions of Sale

No adjustment was required for conditions of sale for Sale L-7.

Market Conditions Adjustment

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 5.0% is applicable.

Location

No location is required since the comparable is in nearby San Carlos which has a similar rent structure as Menlo Park.

Flood Zone

Comparable L-7 is not in an identified flood hazard area. An adjustment is required as it is more expensive to build in a flood hazard area as the foundation must be above the flood level as determined by the city engineers. We adjusted this comparable down by 10% to reflect this variable.

Size

After interviewing the market participants and developers, a size adjustment is not warranted.

Shape

No adjustment for shape was required.

Utilities

All of the typical and usual utilities are provided to the site which is similar to the subject.. Therefore, no adjustment for utilities was made.

Entitlements

We have made an upward adjustment for the lack of entitlements which is a required adjustment according to the city's requirements under the valuation of Amenity Value.

Conclusion of Sale Seven

Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$138.11.

Comparable Eight

Sale Comparable Eight represents the June 2019 sale of 1.569 acres of land located at 1091 Industrial Road, San Carlos, California. A joint venture with Swenson Development had plans to develop this land into a hotel before selling the asset to Premia Capital for \$15,000,000 or \$219.52 per square foot of land or \$109 per FAR. The City Council had approved zoning for the hotel, but the developer decided not to proceed with the project and sold the 1091 Industrial Road property, a city staff report said. Planning commissioners in March 2020 rezoned the site back to general commercial and industrial at the request of the new property owner. Premia Capital is currently going through the entitlement process to redevelop the property into a three-story life science building that would total 139,200 square feet. Currently, the development is under review with the city. There will be two levels parking below the building. The site currently has improvements totaling 40,067 net rentable square feet.

Conditions of Sale

No adjustment was required for conditions of sale for Sale L-8.

Market Conditions Adjustment

An upward adjustment was applied for market conditions (time) due to increasing value trends in the local market. Recent listing and closed transaction data indicates an annualized rate of 5.0% is applicable.

Location

No location is required since the comparable is in nearby San Carlos which has a similar rent structure as Menlo Park.

Flood Zone

Comparable L-8 is not in an identified flood hazard area. An adjustment is required as it is more expensive to build in a flood hazard area as the foundation must be above the flood level as determined by the city engineers. We adjusted this comparable down by 10% to reflect this variable.

Size

After interviewing the market participants and developers, a size adjustment is not warranted.

Shape

No adjustment for shape was required.

Utilities

All of the typical and usual utilities are provided to the site which is similar to the subject.. Therefore, no adjustment for utilities was made.

Entitlements

We have made an upward adjustment for the lack of entitlements which is a required adjustment according to the city's requirements under the valuation of Amenity Value.

Conclusion of Sale Eight

Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$175.42.

Summary of Adjustments / Adjustment Grid

Based on our comparative analysis, the following table summarizes the adjustments warranted to each land sale.

| Comparable Land Sales Adjustment Grid - Bonus Density | | | | | | | | | |
|---|--------------------|-----------------|------------------------|-------------------|-----------------|---------------------|-------------------------|----------------------------------|----------------------|
| | Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 | Sale 6 | Sale 7 | Sale 8 |
| Address | 1125 O'Brien Drive | 1 Casey Court | 240 Twin Dolphin Drive | 1030 Brittan Ave. | 210 Adrian Road | 1360 Bayport Avenue | 440 Forbes Boulevard | 803, 833 and 841 Old County Road | 1091 Industrial Road |
| City, State | Menlo Park, CA | Menlo Park, CA | Redwood City, CA | San Carlos, CA | Millbrae, CA | San Carlos, CA | South San Francisco, CA | San Carlos, CA | San Carlos, CA |
| Gross Land SF | 179,493 SF | 73,007 SF | 207,685 SF | 87,991 SF | 89,951 SF | 94,961 SF | 225,654 SF | 151,687 SF | 68,331 SF |
| Usable Land Area (Acres) | 4.12 Acres | 1.68 Acres | 4.77 Acres | 2.02 Acres | 2.06 Acres | 2.18 Acres | 5.18 Acres | 3.48 Acres | 1.57 Acres |
| Usable Land Area (SF) | 179,493 SF | 73,007 SF | 207,685 SF | 87,991 SF | 89,951 SF | 94,961 SF | 225,654 SF | 151,687 SF | 68,331 SF |
| Allowable Bldg Area | 131,284 | 52,565 | 205,608 | 95,910 | 262,657 | 189,922 | 225,654 | 320,060 | 138,712 |
| Transaction Type | -- | Closed | Closed | Closed | Closed | Closed | Closed | Closed | Closed |
| Transaction Date | -- | Jul-20 | Jan-22 | Dec-21 | Oct-21 | Jul-21 | Apr-21 | Aug-20 | Jun-19 |
| Price per FAR | | \$224.72 | \$315.53 | \$208.53 | \$306.21 | \$174.97 | \$271.86 | \$85.61 | \$109.58 |
| Transaction Adjustments | | | | | | | | | |
| Property Rights | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Financing | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Conditions of Sale (Assemblage) | | -10% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Market Conditions (Time) | | 10% | 2% | 2% | 3% | 4% | 5% | 9% | 16% |
| Subtotal (adjustments are multiplied) | | -1.0% | 2.0% | 2.0% | 3.0% | 4.0% | 5.0% | 9.0% | 16.0% |
| Transaction Adjusted Price per FAR | | \$222.47 | \$321.84 | \$212.70 | \$315.40 | \$181.97 | \$285.45 | \$93.31 | \$127.11 |
| Physical Adjustments | | | | | | | | | |
| Location | | 0% | -10% | 0% | -15% | 0% | -15% | 0% | 0% |
| Flood Zone | | 0% | -10% | 0% | -10% | -10% | -10% | -10% | -10% |
| Structured Parking Adjustment | | 0% | 11% | 14% | 6% | 14% | 12% | 28% | 18% |
| Community Benefit Cost | | -11% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Size | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Shape | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Utilities | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Entitlements | | 20% | 0% | 0% | 0% | 20% | 20% | 30% | 30% |
| Subtotal (adjustments are summed) | | 9% | -9% | 14% | -19% | 24% | 7% | 48% | 38% |
| Gross Adjustment | | 51% | 22% | 2% | 28% | 34% | 50% | 49% | 56% |
| Overall Adjustment | | 7.91% | -7.18% | 16.28% | -16.57% | 28.96% | 12.35% | 61.32% | 60.08% |
| Indicated Price per FAR | | \$242.50 | \$292.87 | \$242.48 | \$255.47 | \$225.64 | \$305.43 | \$138.11 | \$175.42 |

Compiled by Newmark

LAND VALUE CONCLUSION (BONUS DENSITY)

- Market participants have indicated land value trends have been on an upward trend because of continuing demand for land that would be appropriate for the development of life science properties.
- Prior to adjustments, the sales reflect a range of \$85.61 to \$315.53 per square foot of FAR.

- After adjustment, the range is narrowed to \$138.11 to \$305.43 per square foot of FAR, with an average of \$234.74.
- The adjusted range of unit values remains very wide with two outliers, Sale L-7 at \$138.11 per FAR foot and Sale L-6 at \$305.43 per FAR foot. If we discount the outliers, the range tightens considerable from Sale L-8 at \$175.42 to Sale L-2 at \$292.87. The adjusted average of the remaining sale is \$239.06 per FAR foot.
- The most pertinent sale I L-1 at \$242.50 per FAR foot.
- Based on sale L-1 and the adjusted average of the six remaining sales we have concluded to a unit value of \$240.00 per FAR foot.

| Adjustments Needed? --> No | | |
|---------------------------------------|---------------------|--------------|
| Land Value Conclusion - Bonus Density | | |
| Allowable Bldg Area | | 129,166 |
| Comparable Sales Indications | Range | Average |
| Unadjusted Price per FAR | \$85.61 - \$315.53 | \$212.13 |
| Adjusted Price per FAR | \$138.11 - \$305.43 | \$234.74 |
| Reconciled Value per FAR | | \$240.00 |
| Total Indicated Value | | \$30,999,840 |
| | Rounded | \$31,000,000 |

Compiled by Newmark

LAND VALUE CONCLUSION (BASE DENSITY 55%)

The above analysis is for the Bonus Density of up to 72% which is what is actually planned for the project site. As part of the analysis to estimate the Community Benefits, we must also provide a value for the FAR Base Value of 55%. There is insufficient empirical data to make adjustments to this level of detail.

We have provided an additional adjustment chart below to reflect the value of the site given the Base Value at a 55% FAR. Please note that this is essentially the same chart as used for the 72% or bonus level density.

| Comparable Land Sales Adjustment Grid - Base Level Density | | | | | | | | | | |
|--|--------------------|----------------|------------------------|-------------------|-----------------|---------------------|-------------------------|----------------------------------|----------------------|--|
| Subject | Sale 1 | Sale 2 | Sale 3 | Sale 4 | Sale 5 | Sale 6 | Sale 7 | Sale 8 | | |
| Address | 1125 O'Brien Drive | 1 Casey Court | 240 Twin Dolphin Drive | 1030 Brittan Ave. | 210 Adrian Road | 1360 Bayport Avenue | 440 Forbes Boulevard | 803, 833 and 841 Old County Road | 1091 Industrial Road | |
| City, State | Menlo Park, CA | Menlo Park, CA | Redwood City, CA | San Carlos, CA | Millbrae, CA | San Carlos, CA | South San Francisco, CA | San Carlos, CA | San Carlos, CA | |
| Gross Land SF | 179,493 SF | 73,007 SF | 207,685 SF | 87,991 SF | 89,951 SF | 94,961 SF | 225,654 SF | 151,687 SF | 68,331 SF | |
| Usable Land Area (Acres) | 4.12 Acres | 1.68 Acres | 4.77 Acres | 2.02 Acres | 2.06 Acres | 2.18 Acres | 5.18 Acres | 3.48 Acres | 1.57 Acres | |
| Usable Land Area (SF) | 179,493 SF | 73,007 SF | 207,685 SF | 87,991 SF | 89,951 SF | 94,961 SF | 225,654 SF | 151,687 SF | 68,331 SF | |
| Allowable Bldg Area | 131,284 | 52,565 | 205,608 | 95,910 | 262,657 | 189,922 | 225,654 | 320,060 | 138,712 | |
| Transaction Type | -- | Closed | Closed | Closed | Closed | Closed | Closed | Closed | Closed | |
| Transaction Date | -- | Jul-20 | Jan-22 | Dec-21 | Oct-21 | Jul-21 | Apr-21 | Aug-20 | Jun-19 | |
| Price per FAR | -- | \$224.72 | \$315.53 | \$208.53 | \$306.21 | \$174.97 | \$271.86 | \$85.61 | \$109.58 | |
| Transaction Adjustments | | | | | | | | | | |
| Property Rights | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | |
| Financing | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | |
| Conditions of Sale (Assemblage) | | -10% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | |
| Market Conditions (Time) | | 10% | 2% | 2% | 3% | 4% | 5% | 9% | 16% | |
| Subtotal (adjustments are multiplied) | | -1.0% | 2.0% | 2.0% | 3.0% | 4.0% | 5.0% | 9.0% | 16.0% | |
| Transaction Adjusted Price per FAR | | \$222.47 | \$321.84 | \$212.70 | \$315.40 | \$181.97 | \$285.45 | \$93.31 | \$127.11 | |
| Physical Adjustments | | | | | | | | | | |
| Location | | 0% | -10% | 0% | -15% | 0% | -15% | 0% | 0% | |
| Flood Zone | | 0% | -10% | 0% | -10% | -10% | -10% | -10% | -10% | |
| Structured Parking Adjustment | | 0% | 11% | 14% | 6% | 14% | 12% | 28% | 18% | |
| Community Benefit Cost | | -11% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | |
| Size | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | |
| Shape | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | |
| Utilities | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | |
| Entitlements | | 20% | 0% | 0% | 0% | 20% | 20% | 30% | 30% | |
| Subtotal (adjustments are summed) | | 9% | -9% | 14% | -19% | 24% | 7% | 48% | 38% | |
| Gross Adjustment | | 51% | 22% | 2% | 28% | 34% | 50% | 49% | 56% | |
| Overall Adjustment | | 7.91% | -7.18% | 16.28% | -16.57% | 28.96% | 12.35% | 61.32% | 60.08% | |
| Indicated Price per FAR | | \$242.50 | \$292.87 | \$242.48 | \$255.47 | \$225.64 | \$305.43 | \$138.11 | \$175.42 | |

Compiled by Newmark

There is little evidence to adjust for the difference between the two densities. Therefore, we turned to our recent interviews with the market participants. They all indicated that the since both the Base Value at 55% and the Bonus Value density at 72% will not require parking structures, there will likely be little difference in the value per FAR foot between the two densities of 72% and 55%. However, they did indicate that there would be a minor difference between the value of the FAR foot between 55% and 72% FAR with the 55% Base Density being slightly higher. For this reason, we have concluded to a value of \$250.00 per FAR foot for the Base Level Density.

We have provided an additional adjustment chart below to reflect the value of the site given the Base Value at a 55% FAR.

It needs to be noted that after interviewing the market participants, they indicated that the since both the Base Value at 55% and the Bonus Value density at 72% will not require parking structures, there will likely be no difference in the value per FAR foot between the two densities. For this reason, we have concluded to the same unit value for the Base Value as the Bonus Value.

Land Value Conclusion - Base Level Density

| | | |
|-------------------------------------|---------------------|----------------|
| Allowable Bldg Area | | 98,721 |
| Comparable Sales Indications | Range | Average |
| Unadjusted Price per FAR | \$85.61 - \$315.53 | \$212.13 |
| Adjusted Price per FAR | \$138.11 - \$305.43 | \$234.74 |
| Reconciled Value per FAR | | \$250.00 |
| Total Indicated Value | | \$24,680,250 |
| | Rounded | \$24,700,000 |

Compiled by Newmark

CALCULATION & CONCLUSION OF AMENITY VALUE

Per the instructions provided by the city of Menlo Park, the value of the amenity is calculated by subtracting the value conclusion of the Base Level from the value conclusion of the Bonus Level. The final value is based on 50% of the market value of the additional gross floor area proposed at the Bonus Level. The calculations are shown below:

| | | |
|----------------------|-----|----------------------------------|
| Useable Land Area SF | FAR | Proposed LS/Office Bldg. Area SF |
| 179,493 | 72% | 129,166 |

| | | |
|----------------------------------|-----------|------------------------|
| Proposed LS/Office Bldg. Area SF | Value/FAR | Bonus Level Land Value |
| 129,166 | \$240.00 | \$30,999,840 |
| | Rounded: | \$31,000,000 |

| | | |
|----------------------|----------|------------------------------|
| Useable Land Area SF | Base FAR | Base LS/Office Bldg. Area SF |
| 179,493 | 55.00% | 98,721 |

| | | |
|------------------------------|-----------|-----------------------|
| Base LS/Office Bldg. Area SF | Value/FAR | Base Level Land Value |
| 98,721 | \$250.00 | \$24,680,288 |
| | Rounded: | \$24,700,000 |

| | |
|--|--------------------|
| Value Conclusion at Bonus Level | \$31,000,000 |
| Less: Value Conclusion at Base Level | \$24,700,000 |
| Value of Additional Gross Floor Area: | \$6,300,000 |
| Less: 50% of the Value of Additional Floor Area: | \$3,150,000 |
| Value of the Amenity: | \$3,150,000 |

ALTERNATE DATE OF VALUE – MARCH 18, 2018

There appears to be an inconsistency between the City's Community Amenity Ordinance (Section 16.44.070) and the City's Appraisal Instructions regarding the applicable date of value. While the Instructions state that the appraisal must use a date of value no more than 90 days from the date of submission of the report, the Community Amenity ordinance states that the appraisal must be within 90 days of the application date, which places the date of value at the date of application or March 18, 2018. Due to land value trends discussed above would produce a lower value conclusion than the effective date of this appraisal which is May 26, 2022. Per direction of City staff this appraisal follows the City's published instructions to the appraiser.

Reconciliation of Value

Cost Approach

As previously discussed, the Cost Approach was not utilized for valuation of the subject property as it is land.

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. In the absence of ground leases, subdivision, or other income sources, the sales comparison approach is viewed as most applicable in the valuation of land parcels. Therefore, the sales comparison approach is the sole approach to value utilized in this appraisal.

Income Capitalization Approach

As the subject property is a tract of land and is not leased (or has any other reasonable income source), the Income Capitalization Approach was not applicable and not utilized.

| Value Conclusions | | | |
|---|--------------------|---------------|------------------|
| Appraisal Premise | Interest Appraised | Date of Value | Value Conclusion |
| Site Value of Proposed LS/Office Floor Area | Fee Simple | 5/26/2022 | \$31,000,000 |
| Site Value of Base Gross Floor Area (55%) | Fee Simple | 5/26/2022 | \$24,700,000 |
| Value of Bonus Floor Area | Fee Simple | 5/26/2022 | \$6,300,000 |
| Less: 50% Deduction | Fee Simple | 5/26/2022 | \$3,150,000 |
| Value of the Amenity | Fee Simple | 5/26/2022 | \$3,150,000 |

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

The use of this extraordinary assumption might have affected assignment results.

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. Some of the buildings on the subject site are still leased. We have used the Hypothetical Condition that no leases currently exist and that the subject site can be appraised as a fee simple ownership. We have further used the hypothetical condition that the subject site is vacant of any structures.
2. The City of Menlo Park's instructions to the appraiser indicate that the appraiser must assume that the subject is fully entitled for the subject development under both the base level and the bonus level scenarios. Since the subject is not fully entitled, this is considered to be a hypothetical condition of this appraisal.
3. The City of Menlo Park's instructions to the appraiser further indicate that the appraiser must not, under the bonus development density, consider the value of the amenity in concluding the unit value. In order to comply with the City's instructions to the appraiser, this has been added as a hypothetical condition.

The use of these hypothetical conditions might have affected assignment results.

Compiled by Newmark

EXPOSURE TIME

Exposure time is the estimated length of time the subject property 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. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Recent sales transaction data for similar properties, supply and demand characteristics for the local land market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value / values stated previously is 6 months.

MARKETING TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 months.

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.

4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.
5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes

in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.
12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

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14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A
Glossary of Terms

ADDENDA

The following definitions are derived from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.

- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also *surplus land*.
- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) [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.
- ◆ **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also *hypothetical condition*.
- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service Lease:** See *gross lease*.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold

in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.

- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. See also **extraordinary assumption**.
- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

ADDENDA

- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.²

² The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.

- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also **gross lease; modified gross lease.**
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.
- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied.
2) The ratio of occupied space to total rentable space in a building.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also **excess land**.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.
- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ◆ **Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.

ADDENDA

- ◆ **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.
- ◆ **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.

Addendum B
Engagement Letter

CONSULTING SERVICES CONTRACT

This **CONSULTING SERVICES CONTRACT** (“**Agreement**”) is entered into by and among O'Brien Drive Portfolio, LLC (“**Client**”), Monchamp Meldrum LLP (“**Counsel**”) as legal counsel for Client, and Newmark Knight Frank Valuation & Advisory, LLC (“**Consultant**”).

WHEREAS, Counsel requires the assistance of a property valuation and assessment consultant in connection with entitlement of the project commonly referred to as 1105 to 1165 O'Brien Drive, Menlo Park California (“**Project**”).

WHEREAS, Counsel has been authorized by Client to retain services of a property valuation and assessment consulting firm to assist Counsel;

WHEREAS, Consultant is in the business of providing property valuation and assessment consulting.

NOW, THEREFORE, upon the terms and conditions set forth herein, and for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged by each party, it is agreed as follows:

1. Services. Consultant shall prepare for Counsel and Client a property appraisal consistent with the requirements of the City of Menlo Park's Appraisal Instructions to Determine the Value of Community Amenities under Bonus Level Zoning, as adopted by the City of Menlo Park in October of 2019 (hereinafter the “**Services**”), as further specified and described in the Scope of Work and Budget attached to this Agreement as Exhibit A, attached hereto and made a part hereof, as may be amended from time to time through mutual agreement of the Parties (“**Scope of Work**”). In the performance of the Services Consultant shall comply with all laws, regulations, codes, governmental directives, all matters of record governing the Project and directions of the manager of the Project.

2. Contract Term. The term of this Agreement shall commence as of July 2, 2020 (“**Effective Date**”) and shall continue until the City of Menlo Park takes final action on approval of the Project, or longer in the reasonable business discretion of Counsel and Client, or upon termination in accordance with the provisions set forth herein. Consultant agrees that time is of the essence in performance and completion of the Services and shall properly staff the Services to complete the Services in a timely fashion as provided in the Scope of Work.

3. Compensation. For satisfactory performance of the Services, Client shall pay Consultant for the Services. The rates will be as described in the Scope of Work attached as Exhibit A. Consultant agrees to complete all Services as requested. Consultant shall provide a monthly detailed statement of the Services provided and expenses incurred to Counsel. Counsel shall provide Consultant bill to Client within thirty (30) days. Client agrees to pay the amount of any Consultant invoice within thirty (30) days after receipt of such invoice.

Consultant shall invoice at the end of each billing period. Consultant must receive payment in full of an invoice within the time periods specified in this Section 3. If Client fails to

submit full payment of an invoice within the time periods specified in this Section 3, Consultant may suspend or terminate this Agreement at Consultant's sole discretion provided that Consultant must first provide to Client written notice of such election at least ten (10) days' prior to the effective date of such suspension or termination and any such payment remains outstanding upon such effective date.

Subject to the foregoing notice requirement, Consultant, without any liability to Client, reserves the right to withhold any services and work products pending payment of Client's outstanding indebtedness. The Services performed by Consultant shall be deemed approved and accepted by Client as and when invoiced unless Client objects within thirty (30) days of receipt of invoice by specifically stating the details in which Client believes such work is incomplete or defective, and the invoice amount(s) in dispute. Client shall pay undisputed amounts as specified herein.

All Consultant invoices shall be addressed as follows and emailed to:

Monchamp Meldrum LLP
50 Francisco Street, Suite 450
San Francisco, CA 94133
rtaboada@mlandlaw.com
Attn: Rob Taboada

Client and Counsel reserve the right to audit Consultant's records relating to the Services for a period of three (3) years following the expiration or termination of this Agreement, during which time Consultant shall maintain, and require its employees and agents, or others for whom the Consultant is legally liable under this Agreement, to maintain accurate, complete, and detailed records of all its Services and personnel hours expended during the course of such Services. Such financial records shall be kept in accordance with generally accepted accounting principles and shall be promptly made available to Client and Counsel and its authorized representatives for purposes of audit after receipt of written notice from Client or Counsel.

4. Representations. Consultant represents that it shall perform the Services in accordance with all applicable legal requirements and professional standards, and with that standard of care, skill, and diligence normally provided by a professional person or firm in the performance of similar services. At its sole expense, Consultant shall promptly correct any portion of the Services which fails to meet the above requirements, provided Consultant is notified by Counsel in writing of such defective Services within thirty (30) days after completion of any such portion of the Services. Consultant is hereby given notice and acknowledges that Counsel and Client will be relying on the accuracy, expertise, competence, and completeness of Services and upon Consultant's lawful performance hereunder.

5. Subcontracts. Consultant shall not subcontract for any part of the Services or obligations hereunder without the prior written consent of Counsel and Client, except for incidental services required for Consultant to perform the Services, as may be modified from time to time.

6. Reports to Counsel. Consultant shall report to and consult with Counsel with respect to all matters covered by this Agreement, and Consultant shall make itself available at reasonable times and places to report to and consult with Counsel in connection with the Services. Reports, invoices, and correspondence shall be sent to Counsel at the address noted in Section 3.

7. Confidentiality. Consultant acknowledges that its retention by Counsel, and all communications, documents, results, and any other information acquired from Counsel or Client or developed by or on behalf of Consultant (the “**Service Information**”) in the course of performing Services hereunder is information being provided or developed to enable Client to obtain legal advice from Counsel and/or in anticipation of and in connection with potential litigation, and is confidential and covered by in the attorney-client privilege and/or the attorney work product doctrine. Consultant shall treat Service Information as confidential and Consultant shall ensure that it and those performing on its behalf maintain strict security over all Service Information and shall not, without Counsel’s or Client’s prior written consent, divulge any Service Information, directly or indirectly, to any person, corporation, or other entity, including governmental agencies or representatives, other than to the authorized representatives of Counsel and Client. Consultant shall be responsible for any breach of this confidentiality provision by its agents, representatives, employees, or subcontractors. In addition to and without limiting the foregoing, Consultant agrees that:

- A. All documents, including letters and reports, generated by Consultant shall be prominently marked as “PRIVILEGED AND CONFIDENTIAL,” and Consultant shall keep all writings and other materials received or generated under this Agreement in separate files marked “PRIVILEGED AND CONFIDENTIAL.”
- B. All written reports shall be submitted to Counsel in draft form before submission in final form on instructions of Counsel. All draft reports shall, in addition to being marked by Consultant as “PRIVILEGED AND CONFIDENTIAL,” shall also be prominently marked by Consultant as “DRAFT – FOR DISCUSSION PURPOSES ONLY.”
- C. Consultant agrees that it will not disclose to any third party any information which Consultant acquired from or about Client (or any of its affiliates) or its plans and operations, as a result of the confidential relationship created herein.

Consultant’s obligation of confidentiality shall not apply to Service Information which at the time of disclosure is in the public domain, or after disclosure by others becomes, through no act or fault of Consultant or its employees, part of the public domain; was developed by Consultant or was in Consultant’s possession prior to the receipt of same from Client; or is furnished to Consultant by others as a matter of right without restriction on disclosure. Consultant’s obligation also shall not apply to disclosures compelled by law, an order of a court of competent jurisdiction or a valid and enforceable subpoena, provided, Consultant shall immediately notify Counsel of the circumstances under which such disclosure is sought, and refrain from such disclosure for the maximum period of time allowed by law so that Counsel may move to quash or modify the subpoena, procure a protective order or take other actions to protect the confidentiality of the information. The obligations of confidentiality set forth in this Paragraph shall survive the expiration or termination of this Agreement. In the event that

Consultant is requested to disclose any confidential information under the above conditions, Consultant will contact Client to provide an opportunity for Client's defense of any confidentiality claim at Client's expense.

8. Non-Disclosure Obligation: Consultant and its representatives shall not disclose to third parties any non-public, confidential, or proprietary information (“**Confidential Information**”) regarding Client's operational status, business affairs, finances, technology, processes, plans, installations, marketing information, know-how or other information, without the express written consent of the Client, which consent shall be in the sole and absolute discretion of Client. Consultant and representatives shall protect the Confidential Information of Client from unauthorized use or disclosure by using at least the same degree of care, but no less than a reasonable degree of care, used to protect its own Confidential Information. Consultant agrees to limit access to Confidential Information of Client to those of its representatives and agents who have a need to know such Confidential Information. Each party shall notify the other party immediately upon discovery of any unauthorized use or disclosure of Confidential Information of the other party, and will cooperate with the other party to regain possession of the applicable Confidential Information and prevent its further unauthorized use or disclosure. Upon termination of this Agreement, each party shall promptly return to the other party, upon request, any Confidential Information of the other party supplied in documentary form. Consultant shall have no obligation to return or destroy instances of the Confidential Information and Service Information automatically saved to Consultant's electronic archives pursuant to its standard data retention practices. The appraisal and/or that portion of the Confidential Information and Service Information relied upon in forming the valuation opinion or the work product is required to be retained in Consultant's files by the Appraisal Institute's *Standards of Professional Appraisal Practice* and the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Standards Board of the Appraisal Foundation.

9. Counsel Property. All Service Information shall be and remain the confidential and proprietary property of Counsel in accordance with Section 7 above and shall be delivered to Counsel upon written request, and a copy of all Service Information shall be turned over to Counsel at the termination of this Agreement. Upon request, Consultant shall execute or secure execution of any documents that may be requested by Counsel for the purpose of prosecuting, enforcing or affirming its ownership rights. To the extent Counsel, or Client through Counsel, does not otherwise specifically request delivery of records or results, Consultant agrees to retain all records and results of Services performed under this Agreement for a period of not less than two years from the date the Services are accepted by Client. At the written request of Counsel, or Client through Counsel, Consultant will promptly deliver to Client a copy of any or all original field notes, investigative notes, tests, photographs, records, calculations, summaries, reports, and records produced and collected in the course of the Services performed under this Agreement.

Counsel and Client agree that the Services, writings, and any work products generated as a result of this Agreement are intended for the sole use and benefit only of Counsel and Client and may not be relied on or used by any other party or entity without the express written consent of Consultant and subject to execution of an agreement between such third party and Consultant in form and content approved at the sole discretion of Consultant defining the terms, provisions, and limitations of the use of such writings or work product of Consultant.

The obligations set forth in this Section shall survive the expiration or termination of this Agreement.

10. Insurance. During the term of this Agreement, Consultant shall, at its own expense, maintain adequate insurance to cover liability for the acts of its employees and/or company, and shall provide a copy of said insurance upon written request from Client or Counsel.

11. Limitation of Liability. Consultant, to the fullest extent permitted by law, shall be responsible for and shall defend, indemnify and save Counsel and Client harmless from and against damages to the extent resulting directly from Consultant's negligence or willful misconduct in the performance of its professional services. Consultant assumes no liability to defend, indemnify, or hold harmless Counsel or Client for acts or omissions of Counsel or Client. The obligations set forth in this Section shall survive the expiration or termination of this Agreement.

Counsel and Client agree that they will be the only intended users of the appraisal or associated work product. Therefore, Counsel and Client agree that no other party may rely on the appraisal or work product.

In no event shall the total liability of Consultant or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by Consultant) arising from or relating to this Agreement or the appraisal, whether based on tort, contract, or any other legal theory, exceed five times (5x) the amount of fees paid to Consultant for the appraisal and the services described herein.

12. Independent Contractor. In performing the Services, Consultant shall operate as and have the status of an independent contractor and shall not act as or be deemed an agent, employee, partner, or joint venturer of Counsel or Client. Unless prior written authorization is provided to Consultant, Consultant shall have no power or authority to enter into any agreement or obligation on behalf of Counsel or Client, it being understood that Counsel's and Client's liability is only that expressed in this Agreement. Where Consultant enters into contracts it shall do so as principal. As an independent contractor, Consultant will be solely responsible for determining the means, manner, and method for performing the Services, and all payroll taxes, unemployment taxes, income taxes, disability taxes, unemployment insurance, workers' compensation insurance, and the like, for Consultant, its employees, agents, independent contractors, and subcontractors, shall be the sole and exclusive responsibility of Consultant. Consultant is not entitled to workers' compensation or other benefits from Client or Counsel, and Consultant is obligated to pay federal and state income taxes on any monies earned pursuant to the contract relationship.

13. Conflicts of Interest. Consultant warrants that, to the best of its knowledge, it is not a party to any other existing or previous agreement that would prevent Consultant from entering into this Agreement or which would adversely affect Consultant's ability to perform the Services. During the term of this Agreement, Consultant will provide notice to Counsel and Client, and the parties will endeavor to resolve any potential conflict of interest, in the event that Consultant identifies a situation in which Consultant's services are reasonably likely to lead to a

conflict of interest with respect to Consultant's obligations under this Agreement. Consultant will not undertake work for third parties that will lead to a conflict of interest.

14. Assignment. Rights and obligations of the parties under this Agreement may not be transferred or assigned without the prior mutual written consent of the parties, and any attempted assignment in violation of this provision shall be void and of no effect. This Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

15. Advertising and Publicity. Consultant shall not use the name of Counsel or Client or any related companies in any advertising or promotional releases, literature, or the like without the express written permission of the entity affected.

16. Waiver. No change in, addition to, or waiver of any of the provisions of this Agreement shall be binding upon either party unless in writing signed by an authorized representative of each party. No waiver by either party of any breach by the other party of any of the provisions of this Agreement shall be construed as a waiver of any subsequent breach, whether of the same or of a different provision in this Agreement.

17. Severability. In the event that any of the provisions, or portions or applications thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, Client, Consultant and Counsel shall negotiate an equitable adjustment in the provisions of this Agreement with a view toward effecting the purpose of this Agreement and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby.

18. Injunctive Relief. Consultant acknowledges that the breach of its confidentiality obligations may cause Client and Counsel to suffer irreparable harm, and agrees that legal damages may not be a sufficient remedy for any breach of the confidentiality obligations by Consultant, its agents, representatives or employees. Accordingly, Consultant consents to injunctive or other appropriate equitable relief, including specific performance, upon the finding of Consultant's legal liability following institution of legal proceedings by Client or Counsel.

19. Force Majeure. Any delay or default in the performance of any obligation of Consultant under this Agreement resulting from unseasonable weather conditions, fire, unusual delay in deliveries, unavoidable casualties or other unforeseeable cause(s) beyond Consultant's reasonable control shall not be deemed a breach of this Agreement. The occurrence of any such event shall suspend the obligations of Consultant as long as performance is delayed or prevented thereby; provided however, Consultant shall make reasonable efforts to continue elements of its performance not affected by the delay. In order to claim delay for such conditions, Consultant shall promptly notify Client and Counsel of such delay with a detailed statement of the cause of the delay, estimate of the delay to cease, efforts to resume work, and a revised schedule for completion of Consultant's work. Such notice shall be delivered to Client and Counsel no later than five (5) business days after commencement of the delay. Consultant shall deliver a second notice with updates of the foregoing information, if information materially changes, within two business days after cessation of the delay.

20. Governing Law. This Agreement shall be governed and construed in accordance with the internal laws of the State of California.

21. Termination. Notwithstanding any other provisions of this Agreement, each party shall have the right, at its sole option, without cause, and without incurring liability for damages, to terminate this Agreement by giving the other parties fifteen (15) days advance written notice. In the event any party exercises said option, Consultant shall be paid the consulting fee earned and reimbursable expenses incurred as of the date of such termination of this Agreement. The provisions of Section 7 (Confidentiality), Section 9 (Counsel Property) and Section 18 (Injunctive Relief) shall survive any termination of this Agreement.


22. Entire Agreement. This Agreement represents the entire agreement between the parties hereto and supersedes any oral or written understandings heretofore entered into by or on account of the parties.

23. Notices. All notices relating to this Agreement shall be sent to the Parties at the addresses stated on the signature page(s) of this Agreement, by registered or certified mail or nationwide recognized overnight courier. Any Party hereto may specify in writing to the other Party a different address for the giving of notices.

[Signatures provided on following page]

IN WITNESS WHEREOF, the parties hereto have entered into the Agreement effective as of the date first above written.

Newmark Knight Frank Valuation
& Advisory, LLC [Consultant]

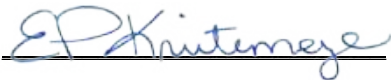
By: 

Name: Kenneth E. Matlin, MAI
Title: Senior Vice President

Date: July 6, 2020

Address:
3055 Olin Avenue, Suite 2200
San Jose, CA 95128

O'Brien Drive Portfolio, LLC [Client]

By: 

Name: Elizabeth Krietemeyer

Title: Senior Vice President

Date: July 6, 2020

Address: 1530 O'Brien Drive, Suite C
Menlo Park, California 94025

Monchamp Meldrum LLP [Counsel]

By: 

Name: Rob Taboada
Title: Partner

Date: July 6, 2020

Address: 50 Francisco St. #450
San Francisco, CA 94133

EXHIBIT A
Scope of Work

Intended Use:

To assist the client in negotiating with the City of Menlo Park over the “Community Benefits” to offset the bonus development for the proposed project which will include approximately 132,220-square-foot (sf) building for research and development (R&D) uses as part of the 1105 O’Brien Drive Project (Project). The Project site at 1105, 1135, and 1165 O’Brien Drive, part of the Menlo Park Labs Campus (Campus), includes three single-story buildings totaling approximately 38,900 sf. Tarlton Properties (Project Sponsor) would merge the existing properties into one lot at 1105 O’Brien Drive and construct a new five-story building that would include R&D uses, office uses, a fitness center, lounge areas, and ground-floor commercial space. In addition, approximately 309 covered stalls would be provided in a new five-tier parking garage. The roof of the parking garage would have a 12,997 sf roof deck area with seating areas, landscaping, and sports courts. The exterior of the Project site would feature an entry plaza, a shuttle stop, bioretention areas, and two driveways from O’Brien Drive. The proposed building is within the "life sciences" zoning category that came out of the city's "ConnectMenlo" general plan update.

The intended use of the appraisals is to assist in obtaining bonus density for the proposed project (“Intended Use”) and no other use.

Intended User:

Intended users of the appraisal includes only the following:

(i) (Client) Monchamp Meldrum, LLP, (ii) The Tarleton Properties Organization

(“Intended Users”), and no other party is permitted to use or rely on the appraisal. The identification of Intended Users of the appraisals is to determine the type and extent of research, analysis and reporting appropriate for the assignment.

Scope of Work:

The analyses, opinions and conclusions are to be developed based on, and the appraisal will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation.

The appraiser will use and properly apply all applicable and appropriate approaches to produce credible assignment results. The scope of the analysis will be appropriate for the appraisal problem.

Our work will meet our understanding of the requirements as outlined in the city of Menlo Park’s “Appraisal Instructions to Determine the Value of Community Amenities Under Bonus Level Zoning”

We will first produce unsigned Draft Reports. The Draft Report will contain the language that

the report or the contents of the reports and all communication between the client (Monchamp Meldrum, LLP) are confidential and subject to Attorney/Client privilege.

Assumptions and Limiting Conditions

The appraisal will be subject to Firm's standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal reports. In addition, the appraisal may be subject to, and the appraisal report may contain, Extraordinary Assumptions and Hypothetical Conditions.

Compensation

\$7,500.00 for the appraisal report

The fees are inclusive of expenses. We will look to Tarlton Properties Organization for payment of our fees.

Should additional consulting time be required in addition to the preparation of the appraisal report including conference calls, meetings, travel time to meetings, deposition, court time and preparation for meetings, deposition or court time be required, it will be billed at \$500.00/hour plus expenses.

Payment

O'Brien Drive Portfolio, LLC will be invoiced the appraisal fee (and any expenses) which will be earned in full upon initial delivery of the appraisal report (draft or final), with such appraisal fee (and expenses) payable within 30 days of invoicing.

Payment of the fees is not contingent upon any predetermined value or on an action or event resulting from the analysis, opinions, conclusions or use of the appraisal.

TERMS AND CONDITIONS

1. These Terms and Conditions are attached to and incorporated into the above referenced Agreement as though fully set forth in full therein. Capitalized terms if not defined herein shall have the same meaning as defined in the Agreement. In the event of conflict between these Terms and Conditions and the Agreement, the provisions of the Agreement shall control.
2. With respect to any appraisal report, use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by the Firm, constitutes acceptance of these Terms and Conditions as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the Agreement and appraisal report.
3. It is assumed that there are no matters affecting the Property that would require the expertise of other professionals, such as engineers or an environmental consultant, for Firm to provide

the appraisal. If such additional expertise is required, it shall be provided by other parties retained by Client at Client's sole cost and expense.

4. Client acknowledges that the Firm is being retained as an independent contractor to provide the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Firm and Client, including but not limited to an agency relationship. The parties neither intend nor have any expectation that any such relationship will arise as a matter of law or as a result of this Agreement. This assignment shall be deemed concluded and the services hereunder completed upon delivery of the appraisal described herein to Client.
5. All statements of fact contained in the appraisal report as a basis of the appraiser's analyses, opinions, and conclusions will be true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to, and shall rely upon the accuracy of information and material furnished to the Firm by Client. Appraiser is also entitled to, and shall, rely on information provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by members of that profession without independent verification.
6. The Firm and the appraiser shall have no responsibility for legal matters, or questions or issues involving survey or title, soil or subsoil conditions, engineering, zoning, buildability, environmental contamination, structural matters, construction defects, material or methodology, or other similar technical matters with regarding the Property. Furthermore, the appraisal will not constitute a survey of the Property.
7. The appraisal and the data and information gathered in its preparation (other than the confidential data and information provided by Client) is and will remain, the property of the Firm. The Firm shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished by Client to the Firm. Notwithstanding the foregoing, the Firm and the appraiser are authorized by Client to disclose all or any portion of the appraisal and appraisal report and the related data and information, including confidential data and information provided by Client, to appropriate representatives of the Appraisal Institute if such disclosure is required to comply with the Standards, Bylaws and Regulations of the Appraisal Institute, as well as, such disclosure as required by law and regulations, including compliance with a subpoena and licensing authority regulatory inquiries. The Firm is also authorized to include both confidential and non-confidential data assembled in the course of preparing the appraisal and which may be incorporated into the appraisal report in a database controlled by the Firm for the aggregation of such data and information to produce analytics and other metrics or products.

8. Unless specifically noted in the appraisal report, the appraisal will not take into consideration the possibility or probability of the existence of asbestos, PCB transformers, other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material) at on or in the Property, or the cost of encapsulation, removal or remediation thereof.
9. In preparing the appraisal, it is possible that the appraiser will discover conflicting information. In that event, appraiser will utilize information and data considered to be the most authoritative and for critical information will document the source. Information and data referred to may include, but is not limited to, legal descriptions; physical street addresses; assessor parcel numbers; property history; dimensions and areas of the site/land; dimensions and areas of the building improvements; physical unit counts; rent rolls; leases; lease abstracts; income and expense data; and any other related data. Any material discrepancy and/or error in any of the above data could have a substantial impact on the conclusions reported, and the Firm therefore reserves the right to amend conclusions reported if the Firm is made aware of any such discrepancy and/or error.
10. With the exception of the Intended Use, the appraisal may not be used, included or referenced, in whole or in part, in any offering or other materials without the prior written consent of the Firm, which consent may be conditioned upon the receipt by the Firm of an indemnity agreement, in form and content, satisfactory to Firm and provided by an indemnitor satisfactory to Firm. Client agrees to pay the fees of the Firm's legal counsel for review of any materials which is the subject of the requested consent. Except as agreed by the Firm expressly in writing, the Firm disclaims liability to any party other than Client.
11. With the exception of the Intended Use, the Firm shall not provide a copy of the appraisal to, or disclose the results of the appraisal to, any party other than Client, unless Client authorizes same, except as provided in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) or as otherwise required by law or regulations.
12. Client and any other identified Intended User should consider the appraisal as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors.
13. Unless otherwise stated in this Agreement, Client agrees that the services pursuant to this Agreement shall not include participation in or preparation for, or attendance at, any legal, judicial, administrative, or arbitration proceeding relating to this assignment. In the event the Firm or any Firm Party is required, whether through the service of a subpoena or otherwise,

to produce documents or participate in or prepare for any discovery, testimony or attendance, relating to the appraisal or this assignment, where the Firm or Firm Party is not a party to the action or proceedings involved, Client agrees to reimburse expenses incurred by the Firm or Firm Party, including attorney's fees, in responding to such subpoena or other legal process and compensate the Firm therefor based upon the appraiser's prevailing hourly or daily rate for providing services as an expert consultant or witness.

14. Except as expressly provided herein, Firm makes no representations or warranties to Client or to any other person or entity with respect to the appraisal and the services to be provided by Firm under this Agreement. To the maximum extent permitted under applicable law, in no event will the Firm or any Firm Party be liable to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) for any indirect, special, exemplary, incidental, or consequential damages (including loss of profits) arising from or relating to this Agreement or the appraisal, even if such party knew or should have known of the possibility of, or could reasonably have prevented, such damages. In no event shall the total liability of the Firm or any Firm Party to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) arising from or relating to this Agreement or the appraisal, whether based on tort, contract, or any other legal theory, exceed the amount of fees paid to the Firm for the appraisal and the services described herein. Legal claims or causes of action relating to the appraisal are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.
15. Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. In view of that requirement, the appraisal may not be accepted by a federally regulated financial institution.
16. To the extent permitted under applicable law, any legal action or lawsuit or other proceeding by Client or any Intended User of the appraisal against Firm or a Firm Party whether based in contract, tort, warranty, indemnity or otherwise, relating to the appraisal shall be commenced within two (2) years from the date of delivery of the appraisal to the claimant in such action or proceeding, unless the applicable law provides for a shorter period, and any such claimant waives the right to a jury in any such legal action or lawsuit or other proceeding. Notwithstanding the state of domicile or residency of either party to this Agreement, this Agreement shall be governed and construed under the laws of the state in

which the Property is located, and venue for any action or proceeding arising out of this Agreement shall be deemed proper only in the court of competent jurisdiction located in the state in which the Property is located.

17. Throughout the performance of services under this Agreement, the Firm shall maintain at its sole cost and expense the following insurance:
 - (a) Workers' Compensation, so as to provide statutory benefits as required by the laws of each state within the United States in which the Firm's services are being provided, and Employer's Liability insurance with limits of liability of \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit covering all employees of the Firm engaged in the performance of such services.
 - (b) Fidelity insurance or bond with a limit of \$1,000,000 to insure the Firm against loss of its or Client's assets caused from the dishonest acts of the Firm's employees.
 - (c) Professional Liability insurance with a limit of liability of \$1,000,000 each claim and \$1,000,000 aggregate, which limits may be provided by a combination of primary and excess policies.
 - (d) Commercial General Liability insurance providing coverage against damages due to bodily injury (including death), property damage and personal and advertising injury arising in connection with the Firm's services provided under this Agreement, which insurance coverage shall: (i) be occurrence-based; (ii) provide limits of liability in an amount of \$1,000,000 each occurrence and \$1,000,000 aggregate (including excess and/or umbrella limits), (iii) include at least those coverages generally included in the most current ISO Commercial General Liability insurance policy form (or its equivalent); and (iv) include Client, and such other persons or entities as Client has identified in writing, as additional insureds solely with regard to claims arising out of this Agreement.
 - (e) Commercial automobile liability for owned, hired and non-owned motor vehicles, with a \$1,000,000 combined single limit.

Addendum C
Legal Description

APN 055-433-350

Real property in the City of Menlo Park, County of San Mateo, State of California, described as follows:

ALL THAT CERTAIN STRIP OF LAND BEING APPROXIMATELY 20' WIDE X 524' IN LENGTH, AND DESIGNATED AS "LANDS OF KAVANAUGH" AS SHOWN ON THAT CERTAIN MAP ENTITLED, "PARCEL MAP SUBDIVISION OF A PORTION OF THE LANDS OF KAVANAUGH (BOOK 2721 O.R. 180) MENLO PARK, SAN MATEO COUNTY, CALIFORNIA", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON MAY 24, 1967 IN BOOK 3 OF PARCEL MAPS, PAGE 3, SAID STRIP OF LAND ALSO IDENTIFIED THEREON AS "20' STRIP FOR DRAINAGE CANAL" LYING ADJACENT TO AND WESTERLY OF, "PARCEL 1" ON SAID PARCEL MAP AND THE LANDS IDENTIFIED AS "RECORD OF SURVEY (VOL. 5 OF L.L.S. MAPS, PAGE 12)" ON SAID PARCEL MAP.

APN 055-430-320 & 330

PARCEL I:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF O'BRIEN DRIVE, AS SAID DRIVE WAS CONVEYED TO THE CITY OF MENLO PARK, BY DEED DATED OCTOBER 15, 1959 AND RECORDED NOVEMBER 5, 1959 IN BOOK 3701, PAGE 731, OFFICIAL RECORDS, DISTANT THEREON SOUTH 80° 07' 16" EAST 538.38 FEET FROM THE SOUTHEASTERLY CORNER OF LOT 7, AS SAID LOT 7 IS SHOWN ON THE MAP ENTITLED, "KAVANAUGH INDUSTRIAL PARK UNIT NO. 1, MENLO PARK, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON NOVEMBER 11, 1959 IN BOOK 50 OF MAPS AT PAGES 4 AND 5; THENCE FROM SAID POINT OF BEGINNING LEAVING SAID O'BRIEN DRIVE, NORTH 9° 52' 44" EAST 235 FEET; THENCE SOUTH 80° 07' 16" EAST 322.05 FEET TO THE WESTERLY LINE OF O'BRIEN DRIVE AS CONVEYED TO THE CITY OF MENLO PARK, BY DEED RECORDED JANUARY 26, 1961 IN BOOK 3925 AT PAGE 464, OFFICIAL RECORDS; THENCE ALONG SAID DRIVE, SOUTH 10° 12' 14" WEST 16.25 FEET; THENCE SOUTHERLY AND WESTERLY ON THE ARC OF A CURVE TO THE RIGHT, TANGENT TO THE PRECEDING COURSE, WITH A RADIUS OF 220 FEET A CENTRAL ANGLE OF 89° 40' 30" A DISTANCE OF 344.33 FEET; THENCE TANGENT TO THE PRECEDING CURVE NORTH 80° 07' 16" WEST 101.96 FEET TO THE POINT OF BEGINNING, AND SHOWN AS PARCEL A, RECORDS OF SURVEY RECORDED JUNE 19, 1962 IN BOOK 5 OF LICENSED LAND SURVEYOR'S MAP AT PAGE 25.

BEGINNING AT A POINT ON THE NORTHERLY LINE OF O'BRIEN DRIVE AS CONVEYED TO THE CITY OF MENLO PARK, BY DEED DATED OCTOBER 15, 1959 AND RECORDED NOVEMBER 5, 1959 IN BOOK 3701, AT PAGE 731, OFFICIAL RECORDS, SAID POINT OF BEGINNING BEING DISTANT THEREON SOUTH 80° 07' 16" EAST 408.38 FEET FROM THE MOST SOUTHEASTERLY CORNER OF LOT 7, AS SHOWN ON THE MAP ENTITLED "KAVANAUGH INDUSTRIAL PARK UNIT NO. 1, MENLO PARK, CALIFORNIA", RECORDED IN VOLUME 50 OF MAPS AT PAGE 5, SAN MATEO COUNTY RECORDS; THENCE FROM SAID POINT OF BEGINNING AND RUNNING ALONG SAID NORTHERLY LINE OF O'BRIEN DRIVE, SOUTH 80° 07' 16" EAST 130.00 FEET; THENCE LEAVING SAID DRIVE AT RIGHT ANGLES NORTH 9° 52' 44" EAST 235.00 FEET; THENCE AT RIGHT ANGLES NORTH 80° 07' 16" WEST 130.00 FEET; THENCE AT RIGHT ANGLES SOUTH 9° 52' 44" WEST 235.00 FEET TO THE NORTHERLY LINE OF O'BRIEN DRIVE AND THE POINT OF BEGINNING, AND AS SHOWN ON RECORD OF SURVEY RECORDED APRIL 6, 1962, IN BOOK 5 OF LICENSED LAND SURVEYOR'S MAP, AT PAGE 12.

Exhibit A

Legal Description of Property

Real property in the City of Menlo Park, County of San Mateo, State of California, described as follows:

PARCEL 1 AS DESIGNATED ON THAT CERTAIN PARCEL MAP ENTITLED "PARCEL MAP SUBDIVISION OF A PORTION OF THE LANDS OF KAVANAUGH (BOOK 2721, OFFICIAL RECORDS, PAGE 180) SAN MATEO COUNTY, CALIFORNIA", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON MAY 24, 1967, IN BOOK 3 OF PARCEL MAPS AT PAGE 3.

APN: 055-433-180 JPN: 055-43-433-18A

Addendum D
Financials and Property Information

Property Detail Report

For Property Located At :
1105 OBRIEN DR, MENLO PARK, CA 94025-1410



Owner Information

Owner Name: OBRIEN DRIVE PORTFOLIO LLC
Mailing Address: 1530 OBRIEN DR #C, MENLO PARK CA 94025-1454 C051
Vesting Codes: // CO

Location Information

Legal Description: 0.70 AC MOL HAV 130 FT FRONT ON O BRIEN DR COM SELY 408.98 FT FR SELY COR OF LOT 7
KAVANAUGH INDUST PARK
County: SAN MATEO, CA APN: 055-433-320
Census Tract / Block: 6118.00 / 1 Alternate APN:
Township-Range-Sect: Subdivision:
Legal Book/Page: Map Reference: 38-B3 /
Legal Lot: 7 Tract #:
Legal Block: School District: SEQUOIA UN
Market Area: 310 School District Name: SEQUOIA UN
Neighbor Code: Munic/Township:

Owner Transfer Information

Recording/Sale Date: 01/10/2007 / 01/03/2007 Deed Type: GRANT DEED
Sale Price: 1st Mtg Document #:
Document #: 3963

Last Market Sale Information

Recording/Sale Date: 08/09/1994 / 1st Mtg Amount/Type: \$960,000 / CONV
Sale Price: \$1,200,000 1st Mtg Int. Rate/Type: / ADJ
Sale Type: FULL 1st Mtg Document #:
Document #: 131689 2nd Mtg Amount/Type: /
Deed Type: CORPORATION GRANT DEED 2nd Mtg Int. Rate/Type: /
Transfer Document #: Price Per SqFt: \$100.00
New Construction: Multi/Split Sale:
Title Company: OLD REPUBLIC TITLE
Lender: AMERICAN SVGS BK
Seller Name: AMERICAN SAVINGS BANK F A

Prior Sale Information

Prior Rec/Sale Date: 10/18/1993 / Prior Lender:
Prior Sale Price: \$1,215,000 Prior 1st Mtg Amt/Type: /
Prior Doc Number: 176130 Prior 1st Mtg Rate/Type: /
Prior Deed Type: TRUSTEE DEED

Property Characteristics

Year Built / Eff: 1962 / Total Rooms/Offices
Gross Area: 12,000 Total Restrooms:
Building Area: 12,000 Roof Type:
Tot Adj Area: Roof Material:
Above Grade: Construction:
of Stories: Foundation:
Other Improvements: Building Permit Exterior wall:
Basement Area:

Garage Area:
Garage Capacity:
Parking Spaces:
Heat Type:
Air Cond:
Pool:
Quality:
Condition:

Site Information

Zoning: M20000 Acres: 0.70 County Use: LIGHT MANUFACTURING (31)
Lot Area: 30,492 Lot Width/Depth: x State Use:
Land Use: LIGHT INDUSTRIAL Commercial Units:
Site Influence: Sewer Type: Building Class:

Tax Information

Total Value: \$1,846,673 Assessed Year: 2021 Property Tax: \$21,375.88
Land Value: \$1,065,160 Improved %: 42% Tax Area: 008039
Improvement Value: \$781,513 Tax Year: 2021 Tax Exemption:
Total Taxable Value: \$1,846,673

Property Detail Report

For Property Located At :
1155-1165 OBRIEN DR, MENLO PARK, CA 94025



Owner Information

Owner Name: OBRIEN DRIVE PORTFOLIO LLC
Mailing Address: 1530 OBRIEN DR #C, MENLO PARK CA 94025-1454 C051
Vesting Codes: //

Location Information

Legal Description: 1.53 AC MOL HAV 462.54 FT FRONT ON O BRIEN DR ACREAGE CITY OF MENLO PARK
County: SAN MATEO, CA APN: 055-433-330
Census Tract / Block: 6118.00 / 1 Alternate APN:
Township-Range-Sect: Subdivision:
Legal Book/Page: Map Reference: /
Legal Lot: Tract #:
Legal Block: School District: SEQUOIA UN
Market Area: 310 School District Name: SEQUOIA UN
Neighbor Code: Munic/Township:

Owner Transfer Information

Recording/Sale Date: / Deed Type:
Sale Price: 1st Mtg Document #:
Document #:

Last Market Sale Information

Recording/Sale Date: / 1st Mtg Amount/Type: /
Sale Price: 1st Mtg Int. Rate/Type: /
Sale Type: 1st Mtg Document #:
Document #: 2nd Mtg Amount/Type: /
Deed Type: 2nd Mtg Int. Rate/Type: /
Transfer Document #: Price Per SqFt:
New Construction: Multi/Split Sale:
Title Company:
Lender:
Seller Name:

Prior Sale Information

Prior Rec/Sale Date: / Prior Lender:
Prior Sale Price: Prior 1st Mtg Amt/Type: /
Prior Doc Number: Prior 1st Mtg Rate/Type: /
Prior Deed Type:

Property Characteristics

Year Built / Eff: 1971 / Total Rooms/Offices
Gross Area: 27,495 Total Restrooms:
Building Area: 27,495 Roof Type: Garage Area:
Tot Adj Area: Roof Material: Garage Capacity:
Above Grade: Construction: Parking Spaces:
of Stories: Foundation: Air Cond:
Other Improvements: Building Permit Exterior wall: Pool:
Basement Area: Quality:
Condition:

Site Information

Zoning: Acres: 1.53 County Use: PACKING PLANT (34)
Lot Area: 66,647 Lot Width/Depth: x State Use:
Land Use: PACKING Commercial Units: Water Type:
Site Influence: Sewer Type: Building Class:

Tax Information

Total Value: \$4,020,283 Assessed Year: 2021 Property Tax: \$48,998.52
Land Value: \$2,326,537 Improved %: 42% Tax Area: 008039
Improvement Value: \$1,693,746 Tax Year: 2021 Tax Exemption:
Total Taxable Value: \$4,020,283

Property Detail Report

For Property Located At :
, MENLO PARK, CA



Owner Information

Owner Name: OBRIEN DRIVE PORTFOLIO LLC
Mailing Address: 1530 OBRIEN DR #C, MENLO PARK CA 94025-1454 C051
Vesting Codes: // CO

Location Information

Legal Description: 20'X 524' STRIP OF LAND ELY ADJ TO PAR 1 OF PARCEL MAP VOL 3/3
County: SAN MATEO, CA APN: 055-433-350
Census Tract / Block: 6118.00 / 1 Alternate APN:
Township-Range-Sect: Subdivision: KAVANAUGH
Legal Book/Page: Map Reference: /
Legal Lot: Tract #:
Legal Block: School District:
Market Area: School District Name:
Neighbor Code: Munic/Township:

Owner Transfer Information

Recording/Sale Date: / Deed Type:
Sale Price: 1st Mtg Document #:
Document #:

Last Market Sale Information

Recording/Sale Date: 02/10/2021 / 02/09/2021 1st Mtg Amount/Type: /
Sale Price: \$901,000 1st Mtg Int. Rate/Type: /
Sale Type: FULL 1st Mtg Document #: /
Document #: 22593 2nd Mtg Amount/Type: /
Deed Type: GRANT DEED 2nd Mtg Int. Rate/Type: /
Transfer Document #: Price Per SqFt:
New Construction: Multi/Split Sale:
Title Company:
Lender:
Seller Name: TPI INVESTORS 14 LLC

Prior Sale Information

Prior Rec/Sale Date: 01/04/2019 / 01/04/2019 Prior Lender:
Prior Sale Price: \$750,000 Prior 1st Mtg Amt/Type: /
Prior Doc Number: 875 Prior 1st Mtg Rate/Type: /
Prior Deed Type: GRANT DEED

Property Characteristics

Year Built / Eff: / Total Rooms/Offices
Gross Area: Total Restrooms: Garage Area:
Building Area: Roof Type: Garage Capacity:
Tot Adj Area: Roof Material: Parking Spaces:
Above Grade: Construction: Heat Type:
of Stories: Foundation: Air Cond:
Other Improvements: Building Permit Exterior wall: Pool:
Basement Area: Condition:

Site Information

Zoning: Acres: 0.24 County Use: VACANT LAND (00)
Lot Area: 10,391 Lot Width/Depth: x State Use:
Land Use: VACANT LAND (NEC) Commercial Units: Water Type:
Site Influence: Sewer Type: Building Class:

Tax Information

Total Value: \$772,925 Assessed Year: 2021 Property Tax: \$8,786.28
Land Value: \$772,925 Improved %: Tax Area: 008039
Improvement Value: Tax Year: 2021 Tax Exemption:
Total Taxable Value: \$772,925

Property Detail Report

For Property Located At :

1 CASEY CT, MENLO PARK, CA 94025-1405



Owner Information

Owner Name: **O BRIEN DRIVE PORTFOLIO LLC**
Mailing Address: **1530 OBRIEN DR #C, MENLO PARK CA 94025-1454 C051 C/O TARLTON PROPERTIES**
Vesting Codes: **// CO**

Location Information

Legal Description: **PARCEL 1 PARCEL MAP VOL 3/3**
County: **SAN MATEO, CA** APN: **055-433-180**
Census Tract / Block: **6118.00 / 1** Alternate APN:
Township-Range-Sect: Subdivision:
Legal Book/Page: **38-B3 /** Map Reference:
Legal Lot: **Tract #:**
Legal Block: **School District: SEQUOIA UN**
Market Area: **310** School District Name: **SEQUOIA UN**
Neighbor Code: **Munic/Township:**

Owner Transfer Information

Recording/Sale Date: **/** Deed Type:
Sale Price: **1st Mtg Document #:**
Document #:

Last Market Sale Information

Recording/Sale Date: **03/29/2022 / 03/21/2022** 1st Mtg Amount/Type: **/**
Sale Price: **\$8,712,500** 1st Mtg Int. Rate/Type: **/**
Sale Type: **FULL** 1st Mtg Document #: **/**
Document #: **26942** 2nd Mtg Amount/Type: **/**
Deed Type: **GRANT DEED** 2nd Mtg Int. Rate/Type: **/**
Transfer Document #: **Price Per SqFt: \$545.90**
New Construction: **Multi/Split Sale:**
Title Company: **FIRST AMERICAN TITLE**
Lender:
Seller Name: **DECEDENTS GREK TRUST**

Prior Sale Information

Prior Rec/Sale Date: **07/12/1978 /** Prior Lender:
Prior Sale Price: **\$91,500** Prior 1st Mtg Amt/Type: **/**
Prior Doc Number: **AM90350** Prior 1st Mtg Rate/Type: **/**
Prior Deed Type: **DEED (REG)**

Property Characteristics

Year Built / Eff: **1978 /** Total Rooms/Offices
Gross Area: **15,960** Total Restrooms:
Building Area: **15,960** Roof Type:
Tot Adj Area: Roof Material:
Above Grade: Construction:
of Stories: **1** Foundation:
Other Improvements: **Building Permit** Exterior wall:
Basement Area:
Garage Area:
Garage Capacity:
Parking Spaces:
Heat Type:
Air Cond:
Pool:
Quality: **AVERAGE**
Condition:

Site Information

Zoning: **MH00M2** Acres: **1.81** County Use: **LIGHT MANUFACTURING (31)**
Lot Area: **78,815** Lot Width/Depth: **x** State Use:
Land Use: **LIGHT INDUSTRIAL** Res/Comm Units: **/** Water Type:
Site Influence: Sewer Type:

Tax Information

Total Value: **\$793,122** Assessed Year: **2021** Property Tax: **\$10,868.52**
Land Value: **\$190,920** Improved %: **76%** Tax Area: **008039**
Improvement Value: **\$602,202** Tax Year: **2021** Tax Exemption:
Total Taxable Value: **\$793,122**

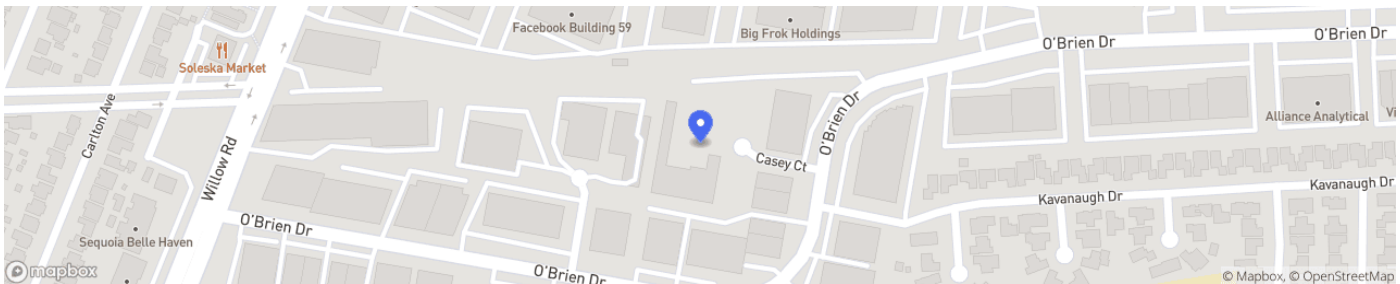
Addendum E
Comparable Data

Land Sales

Land Sale

1 Casey Court

1 Casey Court



Location & Property Info

| | |
|---------------------|-------------------------------------|
| Property Name | 1 Casey Court |
| Property Type | Land |
| Sub Type | Industrial |
| Major Market | CA - San Mateo |
| Sub Market | San Mateo Metro |
| Address | 1 Casey Court, Menlo Park, CA 94025 |
| County | San Mateo |
| Country | USA |
| Latitude | 37.47569300 |
| Longitude | -122.14841700 |
| Legal/Tax/Parcel ID | 055-433-180 |
| Market Orientation | Industrial Park |
| Verification Type | Confirmed-Buyer |
| Verification Source | Buyer |
| Event ID | 520542 |



Site Details

| | |
|----------------------------------|---|
| Source Of Land Info | Public Records |
| Gross Land Area SF | 73,007 |
| Gross Land Area Acres | 1.6760 |
| Usable/Gross Ratio | 1.00 |
| Usable Land Area SF | 73,007 |
| Usable Land Area Acres | 1.6760 |
| Zoning Designation | LS-B (Life Science Bonus) |
| Potential Bldg To Land Ratio FAR | 1.25 |
| Site Shape | Irregular |
| Site Topography | Level |
| Flood Zone Designation | X |
| Vegetation | None |
| Traffic Control At Entry | Stop Sign |
| Traffic Flow | Low |
| Utilities | Electricity, Gas, Sewer, Telephone, Water |
| Corner Lot | No |
| Accessibility Rating | Above Average |
| Visibility Rating | Average |

Improvement Details

| | |
|----------------------------|--------------|
| Rentable Area SF | 91,259 |
| Gross Building Area | 91,259 |
| Demised Unit Of Comparison | Approved FAR |
| Construction Status | Proposed |
| Construction Purpose | Speculative |
| Land To Building Ratio | 0.80 |

Sale Information

| | |
|----------------------------|------------------------------|
| Sale Status | Closed |
| Sale Date | 03/29/2022 |
| Sale Price | \$8,712,500 |
| Grantor (Seller) | Clayton Patterson/Grek Trust |
| Grantee (Buyer) | Tarlton Properties |
| Contract Date | 07/07/2020 |
| Property Rights | Leased Fee |
| Document Type | Grant deed |
| Recording Number | 026942 |
| Financing Type | Cash to seller |
| Other Adjustment | \$3,100,000 |
| Effective Sales Price | \$11,812,500.00 |
| Price Per SF GBA | \$129.44 |
| Price Per SF NRA | \$129.44 |
| Price Per Potential FAR | \$129.44 |
| Price Per Land SF (Gross) | \$161.80 |
| Price Per Acre (Gross) | \$7,048,031.03 |
| Price Per Land SF (Usable) | \$161.80 |
| Price Per Acre (Usable) | \$7,048,031.03 |

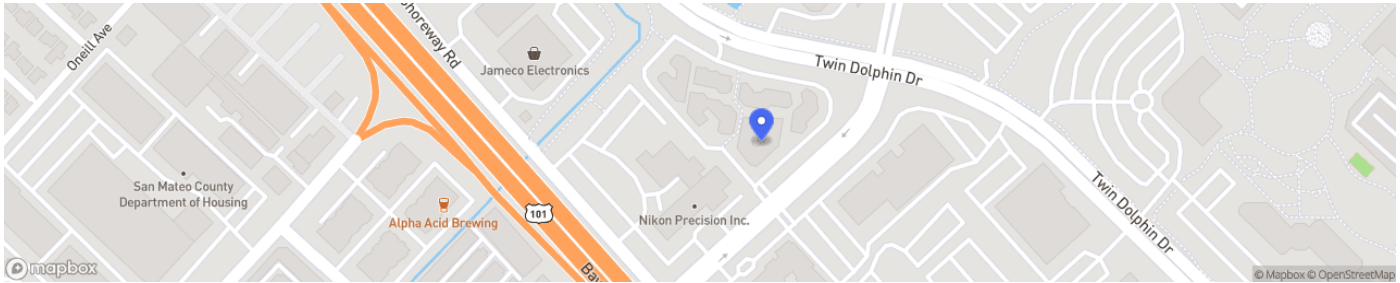
Comments

Tarlton Properties purchased the site as it is adjacent to their other Life Science proposed developments. Therefore, the land is subject to assemblage as it is more valuable to Tarlton Properties than other developers. The underlying zoning is LS-B or Life Science-Bonus. The bonus entitles the owner to develop up to 125% FAR if they meet the requirements of the city of Menlo Park's for this FAR. It requires the developer to pay a percentage of the excess development rights to the city in exchange for permission to exceed the current FAR of 55%. The cost will be determined by appraisal. The cost will be 50% of the difference in value between the 55% currently legal FAR and the proposed FAR up to 125%. The site is at the end the cul-de-sac and backs to a flood control channel. However, this parcel will be added to the proposed development at 1125 O'Brien Drive. In total the proposed project, which includes 1 Casey Court, will feature 131,284 square feet of Life Science building area. Based on the overall development, the proposed FAR would be .73. Therefore, using the .73 FAR the prorata building area for 1 Casey Court would be 53,422 square feet of building area. The site is improved with a 15,500 SF metal clad industrial building that adds no value to the land.

The sale price is \$8,712,500. However, there is an adjustment for tenant buy-out of \$3,000,000 and demolition of \$100,000 for a total purchase price of \$11,812,500. The sale is to close between June of 2021 and October of 2022. The current owner will collect the rents, if any, until the transaction closes.

Land Sale

240 Twin Dolphin Drive
Life Science Development Site



Location & Property Info

| | |
|---------------------|--|
| Property Name | Life Science Development Site |
| Property Type | Land |
| Sub Type | Office Commercial |
| Major Market | CA - San Mateo |
| Sub Market | San Mateo Metro |
| Address | 240 Twin Dolphin Drive, Redwood City, CA 94065 |
| County | San Mateo |
| Country | USA |
| Latitude | 37.52177000 |
| Longitude | -122.26200900 |
| Legal/Tax/Parcel ID | 111-910-010 |
| Market Orientation | Suburban |
| Verification Type | Confirmed-Other |
| Verification Source | Broker/Public Records |
| Event ID | 736984 |



Site Details

| | |
|----------------------------------|---------------------|
| Source Of Land Info | Public Records |
| Gross Land Area SF | 207,685 |
| Gross Land Area Acres | 4.7678 |
| Usable/Gross Ratio | 1.00 |
| Usable Land Area SF | 207,685 |
| Usable Land Area Acres | 4.7678 |
| Zoning Designation | CP |
| Zoning Description | Office Professional |
| Potential Bldg To Land Ratio FAR | 0.98 |
| Site Shape | Irregular |
| Site Topography | Level |
| Corner Lot | Yes |
| Accessibility Rating | Above Average |
| Visibility Rating | Good |

Improvement Details

| | |
|----------------------------|--------------|
| Rentable Area SF | 202,010 |
| Gross Building Area | 202,010 |
| Demised Unit Of Comparison | Approved FAR |
| Construction Status | Planned |
| Construction Purpose | Speculative |
| Number Of Stories/Floors | 5.00 |
| Parking Description | Structured |
| Total Parking Spaces | 680 |
| Spaces/1,000 SF NRA Ratio | 3.37 |
| Land To Building Ratio | 1.03 |

Sale Information

| | |
|-----------------------|--------------------------|
| Sale Status | Closed |
| Sale Date | 01/22/2022 |
| Sale Price | \$64,875,000 |
| Grantor (Seller) | SHP Westshore LLC |
| Grantee (Buyer) | 200-240 Twin Dolphin LLC |
| Property Rights | Fee Simple |
| Document Type | Grant deed |
| Recording Number | 3113 |
| Effective Sales Price | \$64,875,000.00 |

| | |
|----------------------------|-----------------|
| Price Per SF GBA | \$321.15 |
| Price Per SF NRA | \$321.15 |
| Price Per Potential FAR | \$318.75 |
| Price Per Land SF (Gross) | \$312.37 |
| Price Per Acre (Gross) | \$13,606,904.65 |
| Price Per Land SF (Usable) | \$312.37 |
| Price Per Acre (Usable) | \$13,606,904.65 |

Comments

The is the sale of an entitled building site overlooking the Redwood Shores Lagoon. The site sold for \$64,875,000 (\$321.15 PSF and \$321 per FAR).

Land Sale

1030 Brittan Ave. Development Site

Location & Property Info

| | |
|---------------------|--|
| Property Name | Development Site |
| Property Type | Land |
| Sub Type | Office Commercial |
| Major Market | CA - San Mateo |
| Sub Market | San Mateo Metro |
| Address | 1030 Brittan Ave. , San Carlos, CA 94070 |
| County | San Mateo |
| Country | USA |
| Latitude | 37.50297000 |
| Longitude | -122.25027000 |
| MSA | San Francisco-Oakland-Hayward, CA |
| Legal/Tax/Parcel ID | 046-162-060, 070 |
| Market Orientation | Suburban |
| Verification Type | Confirmed-Buyer Broker |
| Event ID | 741199 |



Site Details

| | |
|----------------------------------|--------------------------------|
| Source Of Land Info | Public Records |
| Gross Land Area SF | 87,991 |
| Gross Land Area Acres | 2.0200 |
| Usable/Gross Ratio | 1.00 |
| Usable Land Area SF | 87,991 |
| Usable Land Area Acres | 2.0200 |
| Zoning Designation | GCI |
| Zoning Description | General Commercial Industrial |
| Flood Map | 06081C0188F |
| Flood Map Date | 04/05/2019 |
| Flood Insurance Required | Yes |
| Potential Bldg To Land Ratio FAR | 1.09 |
| Site Shape | Rectangular |
| Site Topography | Level |
| Flood Zone Designation | AE |
| Traffic Flow | Moderate |
| Utilities | Electricity, Gas, Sewer, Water |
| Accessibility Rating | Above Average |
| Visibility Rating | Good |

Improvement Details

| | |
|------------------------|-------------|
| Rentable Area SF | 96,175 |
| Gross Building Area | 96,175 |
| Construction Status | Proposed |
| Construction Purpose | Speculative |
| Land To Building Ratio | 0.91 |

Unit Mix

| UNIT DESCRIPTION | BR | BA | UNITS | UNIT SF | TOTAL SF | % OF UNITS | VACANT UNITS | BASE RENT | TOTAL RENT | BASE RENT PER SF | COMMENTS |
|------------------|----|----|-------|---------|----------|------------|--------------|-----------|------------|------------------|----------|
| | | | 1.00 | | | | | | | | |

| UNIT DESCRIPTION | BR | BA | UNITS | UNIT SF | TOTAL SF | % OF UNITS | VACANT UNITS | BASE RENT | TOTAL RENT | BASE RENT PER SF | COMMENTS |
|----------------------|----|----|-------------|---------|-------------|--------------|--------------|-----------|---------------|------------------|----------|
| Total/Average | | | 1.00 | | 0.00 | 100 % | 0.00 | | \$0.00 | | |

Sale Information

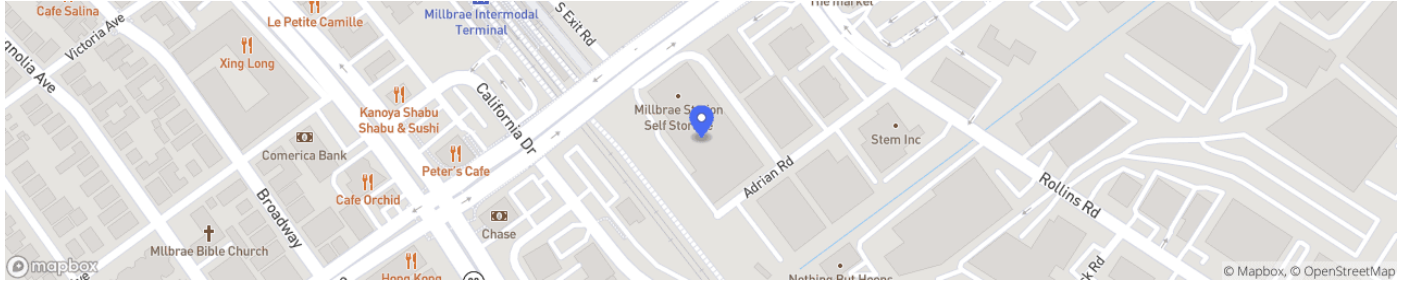
| | |
|----------------------------|-------------------------|
| Sale Status | Closed |
| Sale Date | 12/21/2021 |
| Sale Price | \$20,000,000 |
| Grantor (Seller) | Robert Williamson Trust |
| Grantee (Buyer) | MBC Bio Labs 1030 |
| Property Rights | Fee Simple |
| Document Type | Grant deed |
| Recording Number | 8508 |
| Effective Sales Price | \$20,000,000.00 |
| Price Per SF GBA | \$207.95 |
| Price Per SF NRA | \$207.95 |
| Price Per Potential FAR | \$208.53 |
| Price Per Land SF (Gross) | \$227.30 |
| Price Per Acre (Gross) | \$9,900,990.10 |
| Price Per Land SF (Usable) | \$227.30 |
| Price Per Acre (Usable) | \$9,900,990.10 |

Comments

This surface parking lot sold with approvals to construct a 96,175 square foot life-science building.

Land Sale

210 Adrian Road
Life-Science Development Site



Location & Property Info

| | |
|---------------------|-------------------------------------|
| Property Name | Life-Science Development Site |
| Property Type | Land |
| Sub Type | Office Commercial |
| Major Market | CA - San Mateo |
| Sub Market | San Mateo Metro |
| Address | 210 Adrian Road, Millbrae, CA 94030 |
| County | San Mateo |
| Country | USA |
| Latitude | 37.59899100 |
| Longitude | -122.38484200 |
| MSA | San Francisco-Oakland-Hayward, CA |
| Legal/Tax/Parcel ID | 024-353-180 |
| Market Orientation | Suburban |
| Verification Type | Confirmed-Seller Broker |
| Verification Source | Broker |
| Event ID | 667836 |



VIEW FROM MILLBRAE AVE. LOOKING SOUTHEAST

Site Details

| | |
|----------------------------------|---------------|
| Source Of Land Info | Broker |
| Gross Land Area SF | 89,951 |
| Gross Land Area Acres | 2.0650 |
| Usable/Gross Ratio | 1.00 |
| Usable Land Area SF | 89,951 |
| Usable Land Area Acres | 2.0650 |
| Zoning Designation | ML |
| Potential Bldg To Land Ratio FAR | 2.92 |
| Site Shape | Rectangular |
| Site Topography | Level |
| Corner Lot | Yes |
| Accessibility Rating | Above Average |
| Visibility Rating | Good |

Improvement Details

| | |
|----------------------------|---------------|
| Rentable Area SF | 263,042 |
| Demised Unit Of Comparison | Potential FAR |
| Number Of Demised Units | 263,042 |
| Average Unit Size (SF) | 1 |
| Construction Status | Planned |
| Construction Purpose | Speculative |
| Year Built | 2023 |
| Density | 127,382 |

Sale Information

| | |
|------------------|--------------|
| Sale Status | Closed |
| Sale Date | 10/04/2021 |
| Sale Price | \$80,000,000 |
| Grantor (Seller) | Finn Capital |
| Grantee (Buyer) | Longfellow |
| Property Rights | Fee Simple |
| Document Type | Grant deed |

| | |
|----------------------------|-----------------|
| Recording Number | 140980 |
| Other Adjustment | \$427,500 |
| Effective Sales Price | \$80,427,500.00 |
| Price Per SF NRA | \$305.76 |
| Effective Price Per Unit | \$305.76 |
| Price Per Potential FAR | \$306.21 |
| Price Per Land SF (Gross) | \$894.13 |
| Price Per Acre (Gross) | \$38,947,941.89 |
| Price Per Land SF (Usable) | \$894.13 |
| Price Per Acre (Usable) | \$38,947,941.89 |

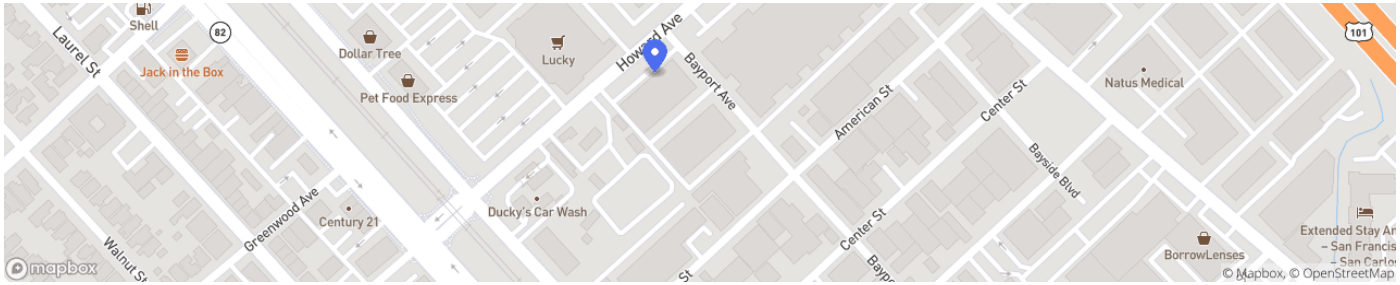
Comments

The buyer proposes to demolish all existing structures and construct a new five-story, 263,042 square foot life sciences building with below and above grade parking. The project entitlement applications include a Design Review Permit, Conditional Use Permit, Parcel Map, Site Development Plan, and Minor Modification to the MSASP. The Conditional Use Permit would allow a biosafety level 2 use within the Transit-Oriented Development (TOD) zone of the Millbrae Station Area Specific Plan (MSASP).

The buyer plans to demolish the self storage facility on this site and construct a 263,042 square foot, 5-story, life-science facility with below and above grade parking. The building will be designed to support a future research lab or office tenant improvement build-out. The project requires a Conditional Use Permit to allow a bioscience use within the Transit-Oriented Development (TOD) zone of the Millbrae Station Area Specific Plan (MSASP) and is under review by the city. Demolition costs estimated at \$5 per square foot.

Land Sale

1360 Bayport Avenue
1021 Howard Development Site



Location & Property Info

| | |
|---------------------|---|
| Property Name | 1021 Howard Development Site |
| Property Type | Land |
| Sub Type | Office Commercial |
| Major Market | CA - San Mateo |
| Sub Market | San Mateo Metro |
| Address | 1360 Bayport Avenue, San Carlos, CA 94070 |
| County | San Mateo |
| Country | USA |
| Latitude | 37.50005470 |
| Longitude | -122.24791420 |
| Market Orientation | Suburban |
| Verification Type | Confirmed-Buyer |
| Verification Source | Broker |
| Event ID | 680088 |



Site Details

| | |
|----------------------------------|--|
| Source Of Land Info | Public Records |
| Gross Land Area SF | 94,961 |
| Gross Land Area Acres | 2.1800 |
| Usable/Gross Ratio | 1.00 |
| Usable Land Area SF | 94,961 |
| Usable Land Area Acres | 2.1800 |
| Zoning Designation | GCI |
| Potential Bldg To Land Ratio FAR | 1.99 |
| Site Shape | Rectangular |
| Site Topography | Level |
| Traffic Flow | Moderate |
| Utilities | Cable TV, Electricity, Gas, Sewer, Water |
| Corner Lot | Yes |
| Accessibility Rating | Above Average |
| Visibility Rating | Good |

Improvement Details

| | |
|----------------------------|---------------|
| Rentable Area SF | 190,000 |
| Demised Unit Of Comparison | Potential FAR |
| Construction Status | Planned |
| Construction Purpose | Speculative |

Sale Information

| | |
|------------------|-----------------------|
| Sale Status | Closed |
| Sale Date | 07/20/2021 |
| Sale Price | \$33,000,000 |
| Grantor (Seller) | Hamilton Investors |
| Grantee (Buyer) | 1021 Howard Owner LLC |

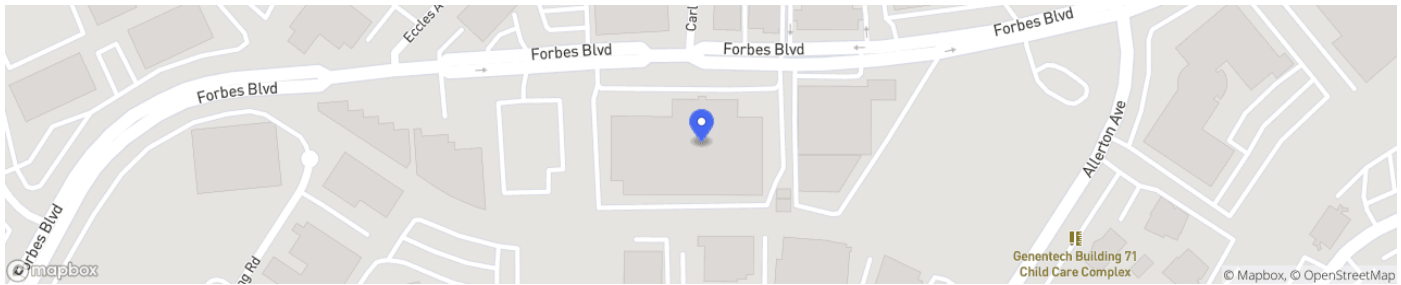
| | |
|----------------------------|-----------------|
| Property Rights | Leased Fee |
| Document Type | Grant deed |
| Recording Number | 107662 |
| Other Adjustment | \$230,000 |
| Effective Sales Price | \$33,230,000.00 |
| Price Per SF NRA | \$174.89 |
| Price Per Potential FAR | \$176.20 |
| Price Per Land SF (Gross) | \$349.93 |
| Price Per Acre (Gross) | \$15,243,119.27 |
| Price Per Land SF (Usable) | \$349.93 |
| Price Per Acre (Usable) | \$15,243,119.27 |

Comments

This is the sale of three adjacent properties (1021-1045 Howard, 1360-1370 Bayport, and 1390 Bayport). The buyer of this property has submitted plans to develop a three story building with 190,000 square feet of space for life science. It would also include 13,000 square feet of public open space, including a plaza and an interior courtyard, as well as two levels of underground parking. Demolition costs for the 45,800 square feet of industrial buildings on the site estimated at \$5 per square foot or \$230,000.

Land Sale

440 Forbes Boulevard Healthpeak Development Site



Location & Property Info

| | |
|---------------------|---|
| Property Name | Healthpeak Development Site |
| Property Type | Land |
| Sub Type | Office Commercial |
| Major Market | CA - San Mateo |
| Sub Market | San Mateo Metro |
| Address | 440 Forbes Boulevard, South San Francisco, CA 94080 |
| County | San Mateo |
| Country | USA |
| Latitude | 37.65601400 |
| Longitude | -122.39291100 |
| MSA | San Francisco |
| Legal/Tax/Parcel ID | 015-050-230 |
| Market Orientation | Suburban |
| Verification Type | Confirmed-Other |
| Event ID | 628576 |



Site Details

| | |
|----------------------------------|----------------|
| Source Of Land Info | Public Records |
| Gross Land Area SF | 225,654 |
| Gross Land Area Acres | 5.1803 |
| Usable/Gross Ratio | 1.00 |
| Usable Land Area SF | 225,654 |
| Usable Land Area Acres | 5.1803 |
| Zoning Designation | MH00M2 |
| Potential Bldg To Land Ratio FAR | 1.00 |
| Site Shape | Rectangular |
| Site Topography | Level |
| Vegetation | Typical |
| Traffic Control At Entry | None |
| Traffic Flow | Moderate |
| Corner Lot | No |
| Accessibility Rating | Above Average |
| Visibility Rating | Good |

Improvement Details

| | |
|------------------------|---------|
| Rentable Area SF | 500,000 |
| Gross Building Area | 500,000 |
| Construction Status | Planned |
| Land To Building Ratio | 0.45 |

Sale Information

| | |
|------------------|--------------|
| Sale Status | Closed |
| Sale Date | 04/30/2021 |
| Sale Price | \$60,506,000 |
| Grantor (Seller) | Jem Capital |

| | |
|----------------------------|-----------------|
| Grantee (Buyer) | Ls Forbes |
| Property Rights | Leased Fee |
| Document Type | Grant deed |
| Recording Number | 069127 |
| Other Adjustment | \$840,000 |
| Effective Sales Price | \$61,346,000.00 |
| Price Per SF GBA | \$122.69 |
| Price Per SF NRA | \$122.69 |
| Price Per Potential FAR | \$271.86 |
| Price Per Land SF (Gross) | \$271.86 |
| Price Per Acre (Gross) | \$11,842,171.30 |
| Price Per Land SF (Usable) | \$271.86 |
| Price Per Acre (Usable) | \$11,842,171.30 |

Operations at Date of Sale

| | |
|------------------------|-----------------------|
| Operations Status Type | Stabilized Operations |
| Actuals Occupancy | 100.00 % |

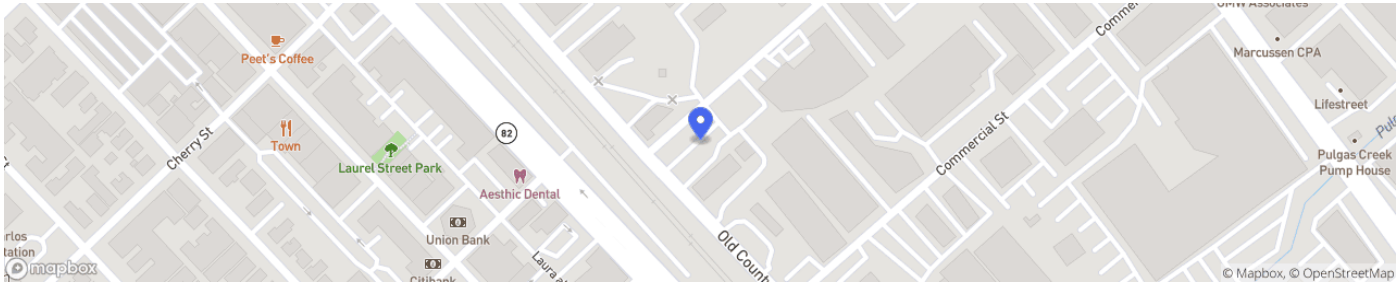
Comments

Further information was now available from our interview with EastDil Secured who had a part in the sale. According to our interview, the developer is proposing between 500,000 and 1,000,000 square feet. The nearby parcel is being developed by Healthpeak Properties. We have used the low end of the estimate for this sale.

This property sold with a short term lease in place to a beverage distributor. Demolition costs for the 105,000 square foot warehouse estimated at \$8 per square foot. Immediate development plans for this site are not available. Buyer is currently developing life-science properties in South San Francisco.

Land Sale

803, 833 and 841 Old County Road
Old County Road



Location & Property Info

| | |
|---------------------|--|
| Property Name | Old County Road |
| Property Type | Land |
| Sub Type | Industrial |
| Major Market | CA - San Mateo |
| Sub Market | San Mateo Metro |
| Address | 803, 833 and 841 Old County Road, San Carlos, CA 94070 |
| County | San Mateo |
| Country | USA |
| Latitude | 37.50468000 |
| Longitude | -122.25545400 |
| Legal/Tax/Parcel ID | 046-133-160, 046-134-050, 046-134-060, 046-135-010, 046-135-020, 046-135-030, 046-135-040, 046-182-100, 046-182-110, 046-182-150 |
| Event ID | 539877 |



Site Details

| | |
|----------------------------------|---|
| Source Of Land Info | ALTA |
| Gross Land Area SF | 151,687 |
| Gross Land Area Acres | 3.4823 |
| Usable/Gross Ratio | 1.00 |
| Usable Land Area SF | 151,687 |
| Usable Land Area Acres | 3.4823 |
| Zoning Designation | IH (Heavy Industrial) |
| Potential Bldg To Land Ratio FAR | 2.11 |
| Site Shape | Irregular |
| Site Topography | Level |
| Flood Zone Designation | X |
| Vegetation | None |
| Traffic Control At Entry | Stop Sign |
| Traffic Flow | Moderate |
| Utilities | Electricity, Gas, Sewer, Telephone, Water |
| Corner Lot | Yes |
| Accessibility Rating | Average |
| Visibility Rating | Average |

Improvement Details

| | |
|------------------------|----------|
| Rentable Area SF | 320,000 |
| Gross Building Area | 320,000 |
| Construction Status | Proposed |
| Land To Building Ratio | 0.47 |

Sale Information

| | |
|----------------------------|------------------------------|
| Specialty Sale Type | Assemblage Transaction |
| Sale Status | Closed |
| Sale Date | 08/21/2020 |
| Sale Price | \$26,900,000 |
| Grantor (Seller) | 1031 EP4 Inc., Patricia Renn |
| Grantee (Buyer) | SI 74 LLC |
| Recording Date | 08/21/2020 |
| Property Rights | Fee Simple |
| Document Type | Deed |
| Recording Number | 38385, 39263 |
| Financing Type | Cash to seller |
| Other Adjustment | \$500,000 |
| Effective Sales Price | \$27,400,000.00 |
| Price Per SF GBA | \$85.63 |
| Price Per SF NRA | \$85.63 |
| Price Per Potential FAR | \$85.61 |
| Price Per Land SF (Gross) | \$180.64 |
| Price Per Acre (Gross) | \$7,868,465.90 |
| Price Per Land SF (Usable) | \$180.64 |
| Price Per Acre (Usable) | \$7,868,465.90 |

Comments

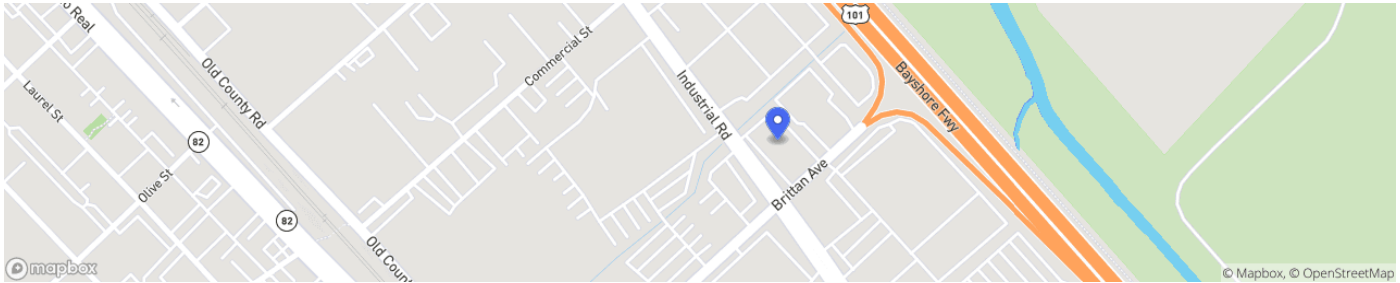
The sale site is located along the east side of Old County Road between Commercial Street and Bransten Road in San Carlos. The site comprises 10 assessor parcels including an abandoned rail spur. The site is zoned for heavy industrial but was acquired for the development of life science or Class A office space. The grantee, Sobrato, is looking to develop 320,000 SF of space which is an FAR of 2.11. At the the time of the sale the site was developed with a mixture of industrial buildings including a dog boarding facility and a garden supply store with yard storage.

The sale site is located along the east side of Old County Road between Commercial Street and Bransten Road in San Carlos. The site comprises 10 assessor parcels including an abandoned rail spur. The site is zoned for heavy industrial but was acquired for the development of life science or Class A office space. The grantee, Sobrato, is looking to develop 320,000 SF of space which is an FAR of 2.11. At the the time of the sale the site was developed with a mixture of industrial buildings including a dog boarding facility and a garden supply store with yard storage. The previous owners have leased the property back. The leases range from month to month to a longer term which expires in October of 2022. The interim rent is \$432,000 per year. The demolition has been estimated at \$500,000. SI 74 LLC acquired the site from 1031 EP4 Inc for a total consideration of \$27,400,000 or \$86 per FAR.

Land Sale

1091 Industrial Road

1091 Industrial Rd



Location & Property Info

| | |
|---------------------|--|
| Property Name | 1091 Industrial Rd |
| Property Type | Land |
| Sub Type | Office Commercial |
| Major Market | CA - San Francisco |
| Sub Market | Outside Metro Area |
| Address | 1091 Industrial Road, San Carlos, CA 94070 |
| County | San Mateo |
| Country | USA |
| Latitude | 37.50442900 |
| Longitude | -122.24839000 |
| MSA | San Francisco MSA |
| Legal/Tax/Parcel ID | 046-151-060 |
| Event ID | 340666 |



Site Details

| | |
|----------------------------------|---|
| Source Of Land Info | Public Record |
| Gross Land Area SF | 68,331 |
| Gross Land Area Acres | 1.5687 |
| Usable/Gross Ratio | 1.00 |
| Usable Land Area SF | 68,331 |
| Usable Land Area Acres | 1.5687 |
| Zoning Designation | GCI |
| Potential Bldg To Land Ratio FAR | 2.03 |
| Site Shape | Irregular Site |
| Site Topography | Generally level |
| Vegetation | None |
| Traffic Control At Entry | Traffic Light |
| Traffic Flow | Moderate |
| Utilities | Electricity, Gas, Sewer, Telephone, Water |
| Corner Lot | Yes |
| Accessibility Rating | Above Average |
| Visibility Rating | Good |

Improvement Details

| | |
|----------------------------|---------------|
| Rentable Area SF | 139,200 |
| Gross Building Area | 139,200 |
| Demised Unit Of Comparison | Potential FAR |
| Construction Status | Proposed |
| Construction Purpose | Speculative |
| Investment Class | Class A |

Sale Information

| | |
|------------------|----------------|
| Sale Status | Closed |
| Sale Date | 06/05/2019 |
| Sale Price | \$15,000,000 |
| Grantor (Seller) | Swenson |
| Grantee (Buyer) | Premia Capital |

Land To Building Ratio 0.49

Combined Datasheets

| | |
|----------------------------|-----------------|
| Property Rights | Fee Simple |
| Other Adjustment | \$200,000 |
| Effective Sales Price | \$15,200,000.00 |
| Price Per SF GBA | \$109.20 |
| Price Per SF NRA | \$109.20 |
| Price Per Potential FAR | \$109.58 |
| Price Per Land SF (Gross) | \$222.45 |
| Price Per Acre (Gross) | \$9,689,774.85 |
| Price Per Land SF (Usable) | \$222.45 |
| Price Per Acre (Usable) | \$9,689,774.85 |

Comments

A joint venture with Swenson Development had plans to develop this land into a hotel before selling the asset to Premia Capital for \$15,000,000 or \$219.52 per square foot of land or \$109 per FAR. The City Council had approved zoning for the hotel but the developer decided not to proceed with the project and sold the 1091 Industrial Road property, a city staff report said. Planning commissioners in March 2020 rezoned the site back to general commercial and industrial at the request of the new property owner. Premia Capital is currently going through the entitlement process to redevelop the property into a three story life science building that would total 139,200 square feet. Currently, the development is under review with the city. There will be two levels parking below the building. The site currently has improvements totaling 40,067 net rentable square feet.

Appraiser Qualifications and Licenses



Kenneth E. Matlin

MAI, AI-GRS, ASA,
SRA

Senior Vice President

CA Appraiser License #AG002022

t 408-982-8419

kenneth.matlin@ngkf.com

YEARS OF EXPERIENCE

46+

AREAS OF SPECIALTY

Litigation Support

Tenant Representation

Landlord Representation

Office Appraisals

Industrial Appraisals

Land Appraisals

Kenneth E. Matlin, MAI, ASA, SRA, serves as a senior vice president in the San Jose office of Newmark Valuation & Advisory. Kenneth joined NKF in 2017, after founding his own appraisal firm, Kenneth E. Matlin & Associates.

As an appraiser, Kenneth has successfully completed assignments involving a range of property types, including vacant land, office buildings, industrial properties and residential housing. These assignments have been used for mortgage lending, corporate advisory, off-balance sheet financing, disposition, acquisition, assessment districts, tax appeals, litigation and rent arbitration.

Kenneth founded his appraisal firm and joined Newmark after serving as an appraiser and manager at Cushman & Wakefield for 33 years. As a senior director of Valuation & Advisory in the San Jose office, Kenneth was responsible for completing appraisals for clients ranging from private investors to local and international banks and pension fund advisors. Kenneth was also responsible for client relationships and managing the appraisal of portfolios of properties.

Prior to returning to appraising in 1999, Kenneth managed Cushman & Wakefield's Valuation & Advisory offices in San Francisco and Walnut Creek as well as San Jose. In this role, he was responsible for interfacing with clients, directing personnel, maintaining quality control and providing litigation support.

Licenses and Designations

- Accredited Senior Appraiser, American Society of Appraisers
- MAI designation, Appraisal Institute
- SRA designation, Appraisal Institute
- Certified general real estate appraiser, state of California

In addition, Kenneth has qualified as an expert before the U.S. Bankruptcy Court in San Jose, San Francisco Los Angeles, Las Vegas and Santa Rosa; and before the Superior Court of California in Santa Clara and San Mateo counties.

Education

Kenneth earned a Bachelor of Science degree in real estate from San Diego State University. He has also met the requirements for the continuing education programs of the Appraisal Institute, American Society of Appraisers and he has met the continuing education requirements for the State of California.



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

Kenneth E. Matlin

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

“Certified General 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: AG 002022

Effective Date: March 15, 2022

Date Expires: March 14, 2024

Loretta Dillon, Deputy Bureau Chief, BRE

3061049