

NEWMARK VALUATION & ADVISORY

# Multi-Family Development Site

3705 Haven Avenue  
Menlo Park, San Mateo County, CA 94025

Newmark Job No.: 22-0178132-1

## Appraisal Report Prepared For:

Emerald Xu  
Senior Project Manager  
March Capital Management  
2040 Webster Street  
San Francisco, CA 94115

## Prepared By:

**Newmark Valuation & Advisory**  
2950 S. Delaware Street, Suite 125  
San Mateo, CA 94403



**NEWMARK**

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**NEWMARK VALUATION & ADVISORY**

July 8, 2024

Emerald Xu  
*Senior Project Manager*  
March Capital Management  
2040 Webster Street  
San Francisco, CA 94115

RE: Appraisal of Land located at 3705 Haven Avenue, Menlo Park, San Mateo County, CA 94025, prepared by Newmark Valuation & Advisory, LLC (herein "Firm" or "Newmark")

Newmark Job No.: 22-0178132-1

Dear Ms. Xu:

The "Subject Property" is an approximately 0.661 acre / 28,808 square foot residential development site located along the northwest side of Haven Avenue. The site is zoned R-MU-B, Residential Mixed-Use Bonus. The site is currently improved with a 10,631 square foot single-story office/R&D building that is in average condition. Ownership plans to demolish this building and construct a 112 unit, 8-story, residential rental building with an approximately 146,372 square foot gross floor area (GFA). The proposed BMR unit matrix for the building is:

<b>Unit Type</b>	<b>BMR Category</b>	<b>Unit Number</b>	<b>Notes</b>
1 Bedroom	VL	201	BMR Program Unit
Studio	VL	202	BMR Program Unit
2 Bedroom	VL	204	Amenity Unit
2 Bedroom	VL	312	Amenity Unit
1 Bedroom	VL	314	BMR Program Unit
Studio	VL	315	BMR Program Unit
2 Bedroom	Mod	416	BMR Program Unit
1 Bedroom	VL	417	BMR Program Unit
Studio	VL	418	BMR Program Unit
1 Bedroom	VL	513	Amenity Unit
1 Bedroom	VL	517	BMR Program Unit
Studio	Mod	518	BMR Program Unit
1 Bedroom	Mod	617	SDBL Unit
Studio	Mod	618	BMR Program Unit

This report provides a value of the community amenities needed to satisfy the requirements for bonus level zoning for this site. The appraisal instructions for determining this value are included in the addenda of this report.

Based on the analysis contained in the following report, the opinions of value for the subject are:

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Land Value at the Bonus Level	Fee Simple	12/5/2022	\$7,800,000
Land Value at the Base Level	Fee Simple	12/5/2022	\$3,600,000
Value of the Additional GFA Proposed	Fee Simple	12/5/2022	\$4,200,000
Value of the Amenity	Fee Simple	12/5/2022	\$2,100,000

*Compiled by Newmark*

### 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

### 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. The bonus level land value conclusion does not consider the community amenities requirement per the City of Menlo Park Appraisal Instructions.
2. We are not giving consideration to the improvements on the site as per the City of Menlo Park Appraisal Instructions.
3. The value conclusions under each scenario are based on the hypothetical assumption that the project is fully entitled at the stated development density per the City of Menlo Park Appraisal Instructions.

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 City of Menlo Park'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.

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# 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 California.
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, John Walsh, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
12. John Walsh, MAI, MRICS 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 conflict of interest.
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. John Walsh, MAI, MRICS 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.



John Walsh, MAI, MRICS  
*Senior Vice President*  
Certified General Real Estate Appraiser  
California # AG003248  
Telephone: 650.358.5263  
Email: John.Walsh@nmrk.com

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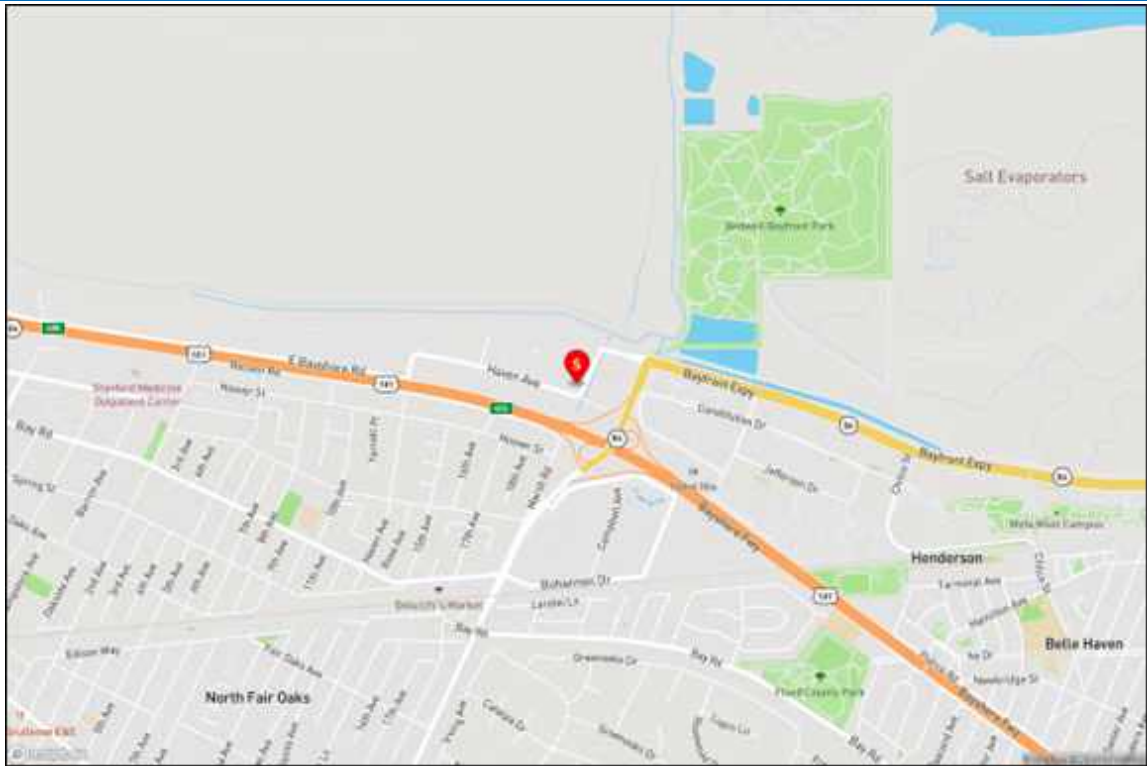
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**Addenda**  
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B. Legal Description  
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Aerial Photo



Location Map



Exterior



Exterior



Exterior



Street Scene



Street Scene



Street Scene





Street Scene

# Executive Summary

## Multi-Family Development Site

Property Type:	Land-MF Residential
Street Address:	3705 Haven Avenue
City, State & Zip:	Menlo Park, San Mateo County, CA 94025
Land Area:	0.661 acres; 28,808 SF
Zoning:	R-MU-B
Highest and Best Use - As Vacant:	A Multifamily Use
Highest and Best Use - As Improved:	Multifamily Use

## Analysis Details

Valuation Dates:	
Market Value "As Is"	December 5, 2022
Land Value at the Bonus Level	December 5, 2022
Land Value at the Base Level	December 5, 2022
Value of the Additional GFA Proposed	December 5, 2022
Value of the Amenity	December 5, 2022
Inspection Date and Date of Photos:	December 5, 2022
Report Date:	July 8, 2024
Report Type:	Appraisal Report
Client:	3705 Haven LLC
Intended Use:	Internal Business Decisions and Obtaining Development Approvals
Intended User:	3705 Haven LLC and the City of Menlo Park
Appraisal Premise:	Value of the Community Amenities Under Bonus Level Zoning
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.
Interest Appraised:	Fee Simple
Exposure Time (Marketing Period) Estimate:	6 Months (6 Months)

Compiled by Newmark

## Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Land Value at the Bonus Level	Fee Simple	12/5/2022	\$7,800,000
Land Value at the Base Level	Fee Simple	12/5/2022	\$3,600,000
Value of the Additional GFA Proposed	Fee Simple	12/5/2022	\$4,200,000
Value of the Amenity	Fee Simple	12/5/2022	\$2,100,000

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

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

1. The bonus level land value conclusion does not consider the community amenities requirement per the City of Menlo Park Appraisal Instructions.
2. We are not giving consideration to the improvements on the site as per the City of Menlo Park Appraisal Instructions.
3. The value conclusions under each scenario are based on the hypothetical assumption that the project is fully entitled at the stated development density per the City of Menlo Park Appraisal Instructions.

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

*Compiled by Newmark*

# Introduction

## OWNERSHIP HISTORY

The current owner is 3705 Haven LLC. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

### Ownership History

The following summarizes all transactions involving the subject within the prior three years.

Listing Status:	Not Listed For Sale
Current or Pending Contract:	None Reported
<b>Previous Sales</b>	
Date of Sale:	December 3, 2021
Most Recent Reported Sale:	December 3, 2021
Buyer:	3705 Haven LLC
Seller:	Integrus/Millennium Joint Venture, LLC
Purchase Price:	\$5,400,000

*Compiled by Newmark*

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.

The recent sale price is within the range of land values provided under base and bonus level densities.

## 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 for Internal Business Decisions related to obtaining development approvals with the City of Menlo Park and no other use is permitted.
- The client is March Capital Management.
- The intended user is March Capital Management and the City of Menlo Park and 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.<sup>1</sup>

- ◆ **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.

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<sup>1</sup> The Dictionary of Real Estate, 6<sup>th</sup> Edition, Appraisal Institute

## PURPOSE OF THE APPRAISAL

The primary purpose of the appraisal is to develop an opinion of the Value of the Community Amenities Under Bonus Level Zoning .

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Land Value at the Bonus Level	Fee Simple	12/5/2022
Land Value at the Base Level	Fee Simple	12/5/2022
Value of the Additional GFA Proposed	Fee Simple	12/5/2022
Value of the Amenity	Fee Simple	12/5/2022

*Compiled by Newmark*

## 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 December 5, 2022, as per the defined scope of work. John Walsh, MAI, MRICS 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.

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# Economic Analysis

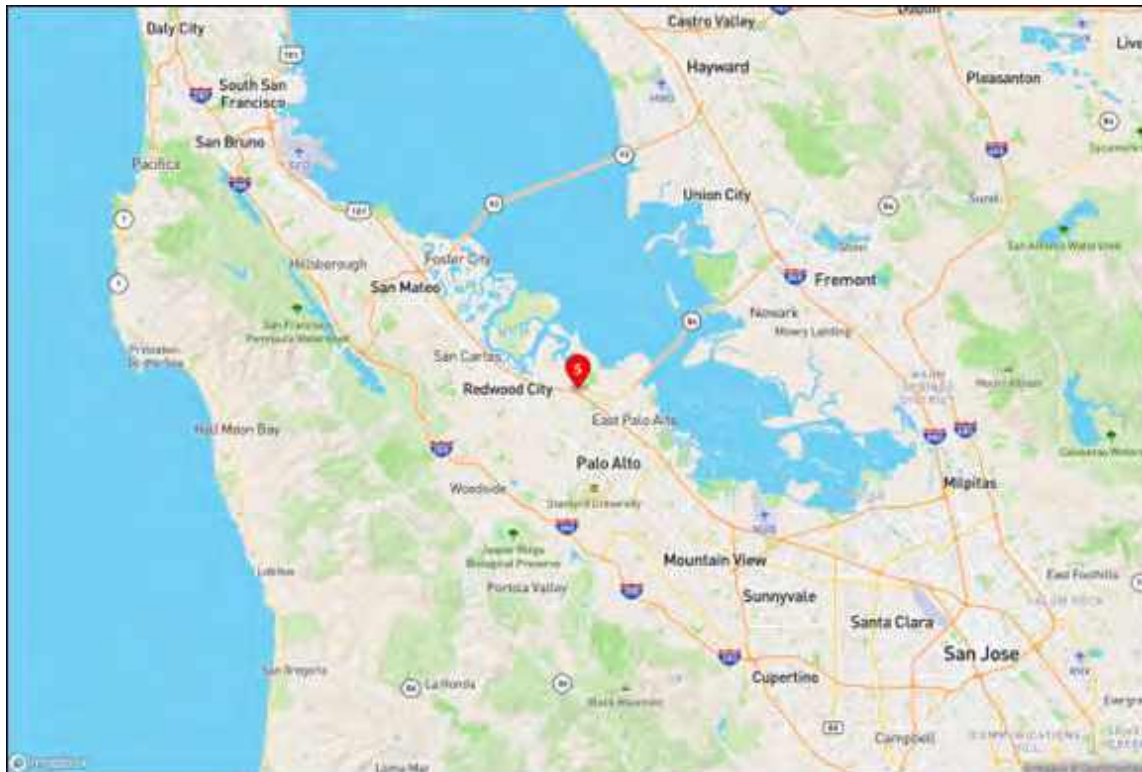
## NATIONAL TRENDS AND UNCERTAINTIES

National and Global economies have experienced record setting inflation. Influences of the COVID pandemic on the economy have reduced but some fallout effects continue. The Federal Reserve (Fed) originally considered the inflationary conditions to be temporary and short lived. However, it has become apparent that inflationary conditions are not subsiding, even as indicators of economic activity and employment have continued to strengthen.

In an effort to curtail inflation, The Fed has embarked on an aggressive strategy. The Fed began raising interest rates in March of 2022 followed by a larger 75 Basis Point increase in June 2022 with the expectation of additional increases. The effects of such a substantial increase in the cost of funds include increased mortgage rates. We are cognizant that such significant changes will likely have an effect on Commercial Capital Markets activity and changes in rent and expense growth.

We have considered, and will address, these issues throughout this appraisal and report including in our determinations of overall capitalization rates, discount rates and growth of rents and expenses where applicable.

AREA ANALYSIS



**Area Map**

The subject is located within Menlo Park in San Mateo County, California. It is part of the San Francisco-Redwood City-South San Francisco metro area (San Francisco MSA).

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

Moody's Analytics Précis® Metro Indicators: San Francisco MSA													
2016	2017	2018	2019	2020	2021	INDICATORS	2022	2023	2024	2025	2026	2027	
193.6	209.4	224.8	243.8	243.5	268.7	Gross metro product (C12\$ bil)	287.3	295.7	305.9	316.3	327.0	337.1	
6.7	8.2	7.3	8.5	-0.1	10.3	% change	6.9	2.9	3.4	3.4	3.4	3.1	
1,086.1	1,110.9	1,144.0	1,184.8	1,080.9	1,092.3	Total employment (ths)	1,166.0	1,188.0	1,208.0	1,222.8	1,230.4	1,236.8	
4.0	2.3	3.0	3.6	-8.8	1.1	% change	6.7	1.9	1.7	1.2	0.6	0.5	
3.2	2.9	2.4	2.2	7.6	4.9	Unemployment rate (%)	2.6	2.0	1.9	2.0	2.3	2.4	
6.6	7.9	8.2	4.1	6.6	7.0	Personal income growth (%)	4.4	7.8	8.0	7.1	6.4	6.1	
105.2	112.1	120.3	130.4	142.2	152.2	Median household income (\$ ths)	160.8	167.9	175.9	183.8	191.1	198.3	
1,639.4	1,646.9	1,649.4	1,648.1	1,656.2	1,666.5	Population (ths)	1,677.2	1,688.5	1,699.0	1,708.7	1,718.2	1,727.7	
0.7	0.5	0.1	-0.1	0.5	0.6	% change	0.6	0.7	0.6	0.6	0.6	0.6	
3.7	0.4	-3.7	-6.9	3.6	6.9	Net migration (ths)	5.7	6.2	5.7	5.1	5.1	5.3	
550	405	348	376	365	568	Single-family permits (#)	664	987	1,147	1,157	1,115	1,020	
5,512	5,211	5,946	4,176	2,713	3,847	Multifamily permits (#)	3,211	3,180	3,659	3,485	3,057	2,628	
388	406	442	440	427	432	FHFA house price (1995Q1=100)	481	520	580	645	714	784	

Source: Moody's Analytics Précis® US Metro



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

### Recent Performance

San Francisco MSA remains a laggard among large regional economies but is moving in the right direction. A full jobs recovery is still a ways off but nearly two-thirds of private sector industries are adding jobs, led by tech and leisure/hospitality. Unemployment has edged below the prerecession rate despite upward pressure from labor force additions. Year-over-year house price growth has slowed in step with the U.S. average but remains firmly in the double digits. Single-family permitting remains elevated relative to the end of the last business cycle, while the large multifamily segment has slowed steadily over the same time period.

### 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	
	2017	2022	2027	2017 - 2022	2022 - 2027	2017	2022	2027	2017 - 2022	2022 - 2027
Gross metro product (C12\$ bil)	193.6	268.7	327.0	6.8%	4.0%	18,079	19,947	22,665	2.0%	2.6%
Total employment (ths)	1,086.1	1,092.3	1,230.4	0.1%	2.4%	146,606	151,898	157,475	0.7%	0.7%
Unemployment rate (%)	3.2%	4.9%	2.3%			4.4%	3.5%	4.1%		
Personal income growth (%)	6.6%	7.0%	6.4%			4.7%	2.8%	4.4%		
Population (ths)	1,639.4	1,666.5	1,718.2	0.3%	0.6%	325,122	332,391	339,715	0.4%	0.4%
Single-family permits (#)	550	568	1,115	0.6%	14.4%	848,500	1,212,133	1,215,716	7.4%	0.1%
Multifamily permits (#)	5,512	3,847	3,057	-6.9%	-4.5%	356,167	559,907	363,034	9.5%	-8.3%
FHFA house price (1995Q1=100)	388	432	714	2.2%	10.6%	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.

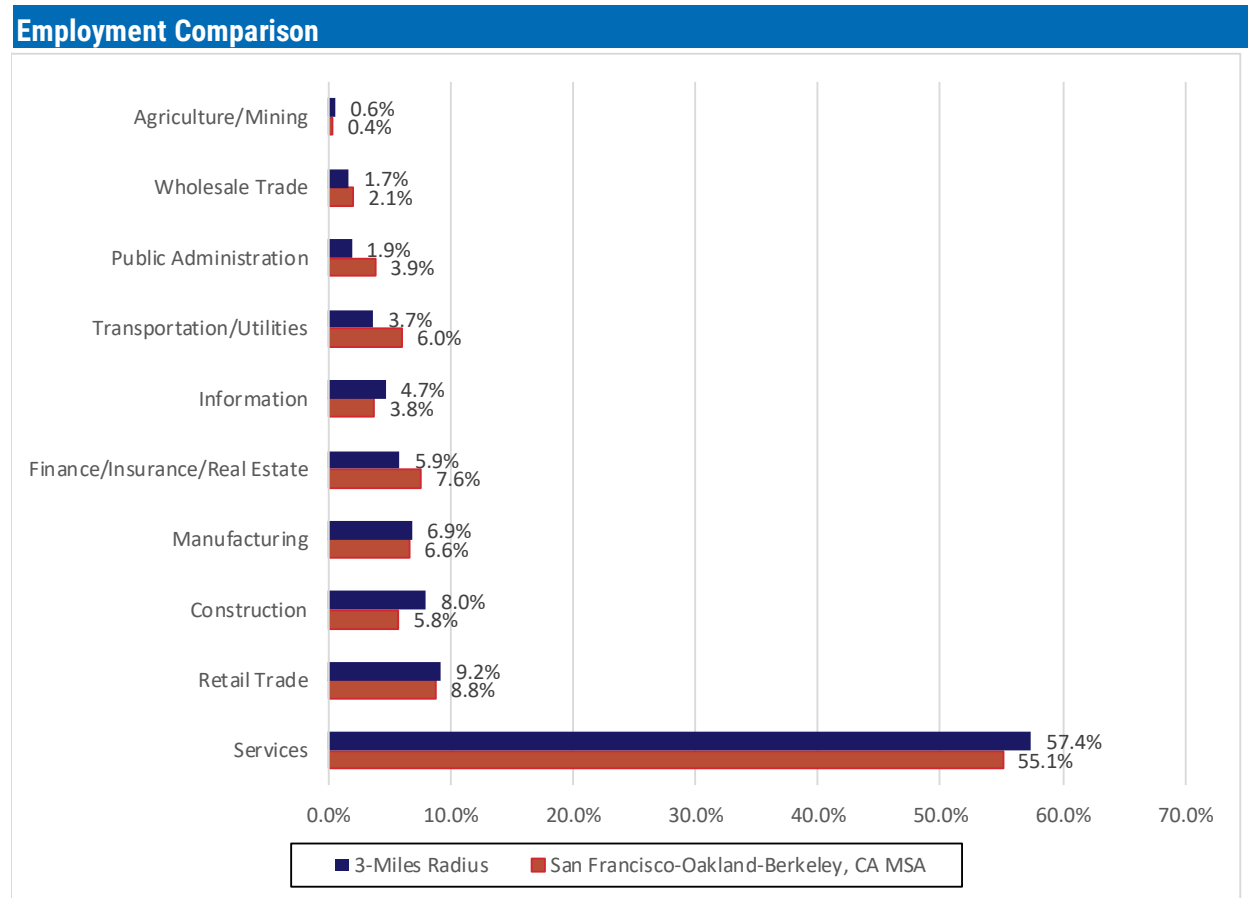
Current Employment by Occupation Sector										
Occupation Sector	94025		Menlo Park City		San Mateo County		San Francisco-Oakland-Berkeley, CA MSA		California	
<b>White Collar</b>	<b>18,826</b>	<b>82.6%</b>	<b>14,923</b>	<b>84.9%</b>	<b>295,624</b>	<b>71.7%</b>	<b>1,750,573</b>	<b>72.0%</b>	<b>11,697,357</b>	<b>62.7%</b>
Administrative Support	1,222	5.4%	850	4.8%	40,257	9.8%	226,838	9.3%	2,001,486	10.7%
Management/Business/Financial	6,425	28.2%	5,018	28.5%	97,827	23.7%	569,230	23.4%	3,355,292	18.0%
Professional	9,528	41.8%	7,811	44.4%	121,902	29.6%	748,931	30.8%	4,618,906	24.8%
Sales and Sales Related	1,651	7.2%	1,244	7.1%	35,638	8.6%	205,574	8.5%	1,721,673	9.2%
<b>Services</b>	<b>2,237</b>	<b>9.8%</b>	<b>1,582</b>	<b>9.0%</b>	<b>58,777</b>	<b>14.3%</b>	<b>339,990</b>	<b>14.0%</b>	<b>3,016,134</b>	<b>16.2%</b>
<b>Blue Collar</b>	<b>1,717</b>	<b>7.5%</b>	<b>1,074</b>	<b>6.1%</b>	<b>57,878</b>	<b>14.0%</b>	<b>341,298</b>	<b>14.0%</b>	<b>3,942,169</b>	<b>21.1%</b>
Construction/Extraction	798	3.5%	441	2.5%	15,738	3.8%	97,031	4.0%	951,126	5.1%
Farming/Fishing/Forestry	27	0.1%	16	0.1%	1,073	0.3%	4,523	0.2%	274,412	1.5%
Installation/Maintenance/Repair	158	0.7%	99	0.6%	7,482	1.8%	42,019	1.7%	457,800	2.5%
Production	268	1.2%	177	1.0%	10,097	2.4%	64,522	2.7%	813,178	4.4%
Transportation/Material Moving	466	2.0%	341	1.9%	23,488	5.7%	133,203	5.5%	1,445,653	7.7%
<b>Total Employees (16+ Occupation Base)</b>	<b>22,780</b>	<b>100.0%</b>	<b>17,579</b>	<b>100.0%</b>	<b>412,279</b>	<b>100.0%</b>	<b>2,431,861</b>	<b>100.0%</b>	<b>18,655,660</b>	<b>100.0%</b>

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	69	0.3%	39	0.2%	1,872	0.5%	8,918	0.4%	381,309	2.0%
Construction	993	4.4%	613	3.5%	22,947	5.6%	140,389	5.8%	1,281,181	6.9%
Manufacturing	1,698	7.5%	1,301	7.4%	27,734	6.7%	161,395	6.6%	1,565,063	8.4%
Wholesale Trade	332	1.5%	255	1.5%	8,370	2.0%	50,300	2.1%	495,757	2.7%
Retail Trade	1,305	5.7%	980	5.6%	37,253	9.0%	214,091	8.8%	1,882,391	10.1%
Transportation/Utilities	579	2.5%	438	2.5%	30,078	7.3%	146,796	6.0%	1,193,488	6.4%
Information	1,635	7.2%	1,369	7.8%	16,729	4.1%	92,219	3.8%	530,338	2.8%
Finance/Insurance/Real Estate	1,630	7.2%	1,290	7.3%	30,901	7.5%	184,661	7.6%	1,146,996	6.1%
Services	14,061	61.7%	10,937	62.2%	221,506	53.7%	1,339,451	55.1%	9,262,590	49.7%
Public Administration	475	2.1%	357	2.0%	14,889	3.6%	93,641	3.9%	916,547	4.9%
<b>Total Employees (16+ Occupation Base)</b>	<b>22,780</b>	<b>100.0%</b>	<b>17,579</b>	<b>100.0%</b>	<b>412,279</b>	<b>100.0%</b>	<b>2,431,861</b>	<b>100.0%</b>	<b>18,655,660</b>	<b>100.0%</b>

Source: ESRI; Compiled by Newmark

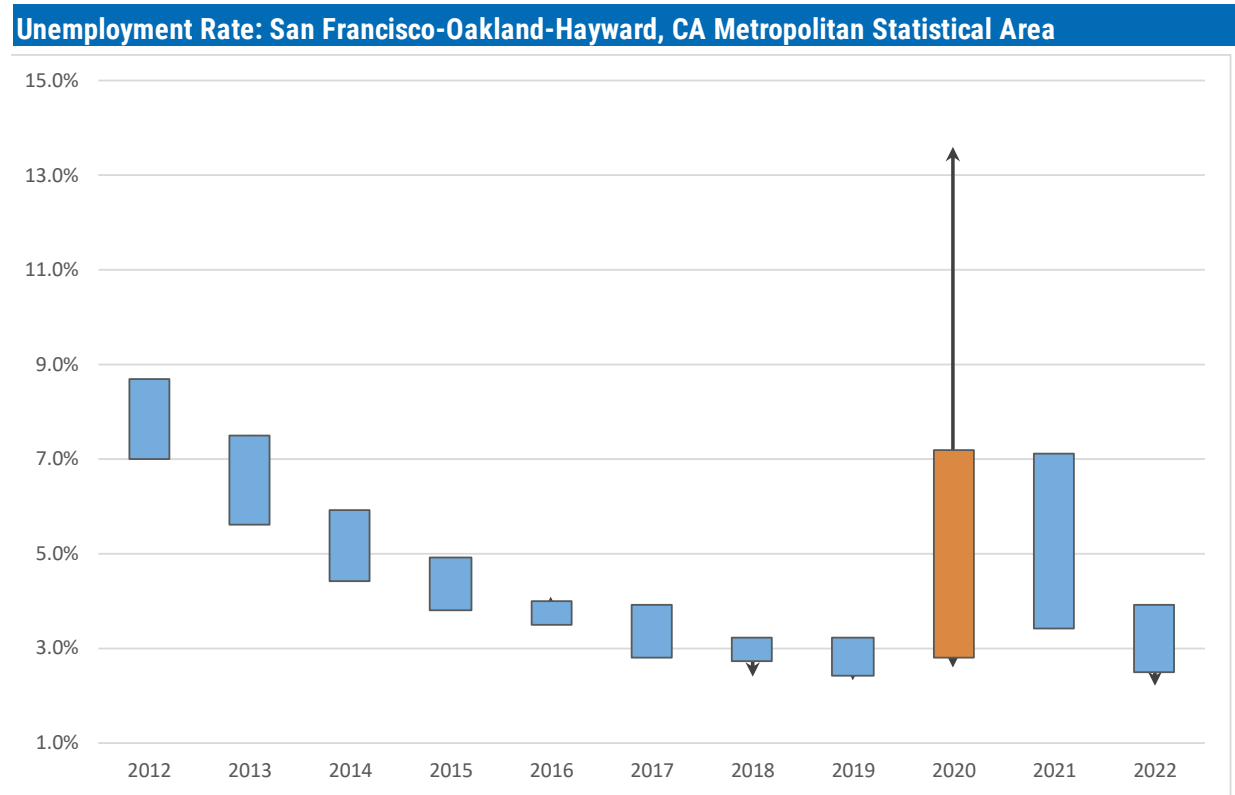
Comparing the industry sectors for the local market area (3-Miles Radius) to San Francisco-Oakland-Berkeley, CA MSA indicates the local market area is somewhat more heavily weighted toward the Services, Construction, Information, Retail Trade, Agriculture/Mining, and Manufacturing sectors. By contrast, 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, and Wholesale Trade sectors. The following graphic further illustrates this 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 2.5% (April 2022).



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:

### Tech

While tech will remain the pivotal long-term driver, headwinds are blowing. Higher interest rates and recession fears have decreased venture capital funding sharply. Long term, however, an increasingly digitized society assures demand for tech products and services and San Francisco remains the world's tech hub. Yet costs are a persistent concern and will deter some firms from expanding. While low costs are a clear appeal of emerging tech hubs, the advantages do not go much further than that. The quality of San Francisco's workforce, still-abundant venture capital, and an entrepreneurial culture will have lasting appeal to startups and titans alike. Most large tech firms will remain in the Bay Area.

**Spending**

U.S. consumer spending is set to cool, but San Francisco's consumer sector will weather the lull. The share of high-wage employment is well above average, and job growth and tight labor markets will push up wage rates-the most important driver of spending. Nationwide, financial conditions for households are less favorable than a year ago. Despite abundant job openings and wage growth, high inflation, the end of pandemic-related fiscal support, and rising interest rates have weighed on spending. Consumers are drawing down their excess saving as real incomes stagnate, and there is likely a limit on how much they will do so. However, inflation is markedly lower in San Francisco than nationally; the deep well of high-income residents were less reliant on fiscal supports, are less vulnerable to inflation, and have larger savings. This bodes well for local consumer industries, which still have a lot of ground to recover.

**Population**

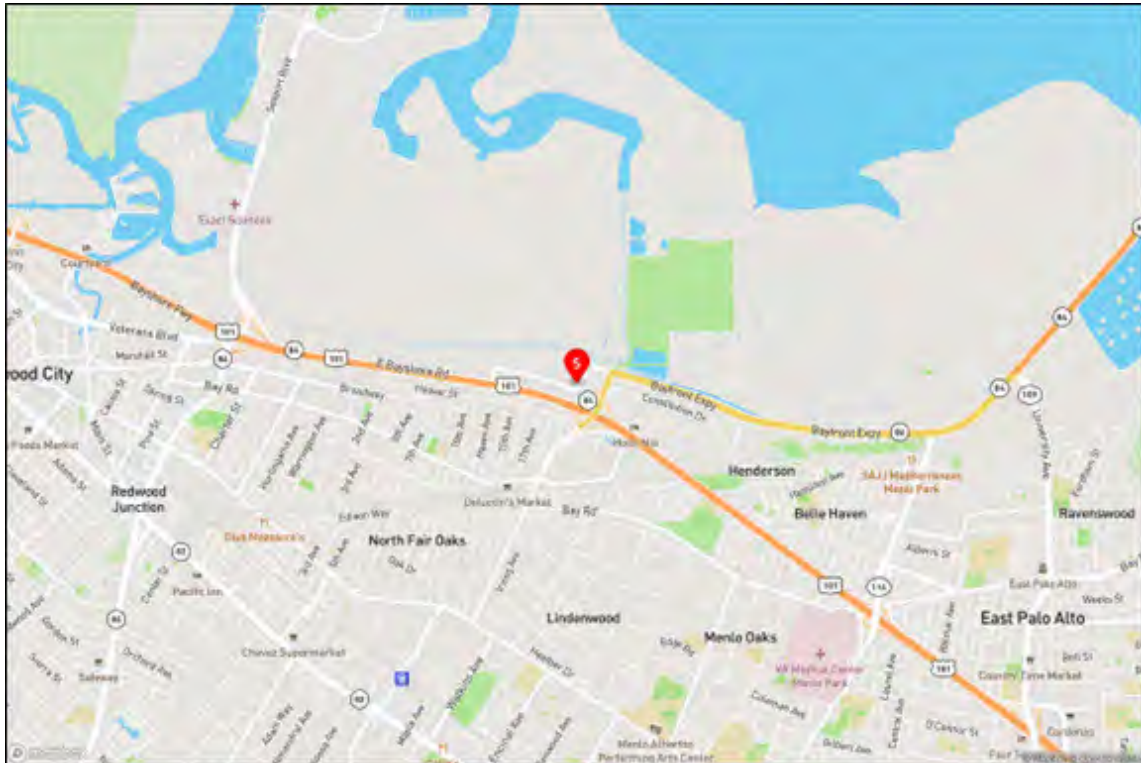
Out-migration casts a shadow on the near-term outlook, but it is not all gloom and doom. While the pandemic hastened the Bay Area exodus, Equifax migration data suggest that net out-migration is easing somewhat. As pandemic-related uncertainty fades further in the rearview mirror, businesses are looking to hire-and not all workers are disenchanted with urban living. Price growth is comparatively slow in San Francisco, which will keep the relative cost disadvantage in check. Fewer residents will in turn check cost pressures. Also, the population contracted in recent years due partly to weak immigration, which is expected to rebound as the current administration eases restrictive policies.

**Conclusion**

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

San Francisco MSA will make steady gains this year and next. 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



Neighborhood Map

### Boundaries and Area Description

Menlo Park is a city at the eastern edge of San Mateo County within the San Francisco Bay Area of California in the United States. It is bordered by San Francisco Bay on the north and east; East Palo Alto, Palo Alto, and Stanford to the south; and Atherton, North Fair Oaks, and Redwood City to the west. It is one of the most educated cities in California and the United States; nearly 70% of residents over 25 have earned a bachelor's degree or higher. It is an area of comparatively high property values and is a vital part of the region commonly referred to as the Silicon Valley. One of its noteworthy neighbors is Stanford University. Many venture capital firms are located in Menlo Park.

The City maintains a healthy balance of residential, commercial, and industrial uses. Residential home prices are still among the highest in the area, reflecting the desirability of living in the community. Home to the headquarters of social networking giant Facebook, other major companies that have facilities in Menlo Park include the Rosewood Hotel, Pacific Biosciences, and SRI International. Menlo Park is also home to major Veterans Affairs medical facility, and the U.S. Department of Energy-funded SLAC National Accelerator Laboratory.

### Access and Linkages

Menlo Park maintains a high degree of connectivity with the surrounding cities and with the region. U.S. Route 101, Highway 280 and El Camino Real (Route 82) are the major vehicular transportation corridors that run through the city north and south. As a grade separated transportation corridor, U.S. Route 101 bisects the city and disconnects the Menlo Park’s downtown from its waterfront. Highway 280 is on the western periphery and El Camino Real as the main arterial. The major east and west corridors are Willow Road and Santa Cruz Avenue.

The major transit providers in the city are CalTrain, VTA, and SamTrans. The CalTrain Atherton station is located approximately 1.65 miles southwest of the subject and serves commuters going north toward San Francisco and south toward San Jose.

### Major Employers

Principal Employers  
Current Fiscal Year and Ten Years Prior

City's Principal Employers	2020-2021		2011-2012		
	Rank	Total Employees	Percentage of Total City's Labor Force	Total Employees	Percentage of Total City's Labor Force
Facebook, Inc.	1	18,500	84%	2,200	13%
SRI International	2	784	4%	1,300	8%
Grail, Inc.	3	420	2%	n/a	n/a
Intersect, Inc.	4	345	2%	n/a	n/a
Pacific Biosciences of California, Inc.	5	320	1%	275	2%
United Parcel Service	6	277	1%	n/a	n/a
Exponent	7	238	1%	n/a	n/a
City of Menlo Park	8	230	1%	n/a	n/a
Personalis, Inc.	9	230	1%	n/a	n/a
Safeway Stores Inc.	10	228	1%	276	2%
<b>Top 10 Employers</b>		<b>21,572</b>	<b>98%</b>	<b>4,051</b>	<b>25%</b>
<b>Total Employment of the City's Labor Force</b>		<b>22,100</b>	<b>100%</b>	<b>16,300</b>	<b>100%</b>



Source:  
City of Menlo Park, Finance, Business License, calendar year, non-profit organizations' data is not available  
State of California, Employment Development Department, Labor Force Report, Unemployment Rates/Labor Force, updated May, 2020



**Distance from Key Locations**

The nearest airport to Menlo Park is San Jose (SJC) Airport which is 18.8 miles away. Other nearby airports include San Francisco (SFO) (18.6 miles), Oakland (OAK) (27.8 miles) and Sacramento (SMF) (120 miles).

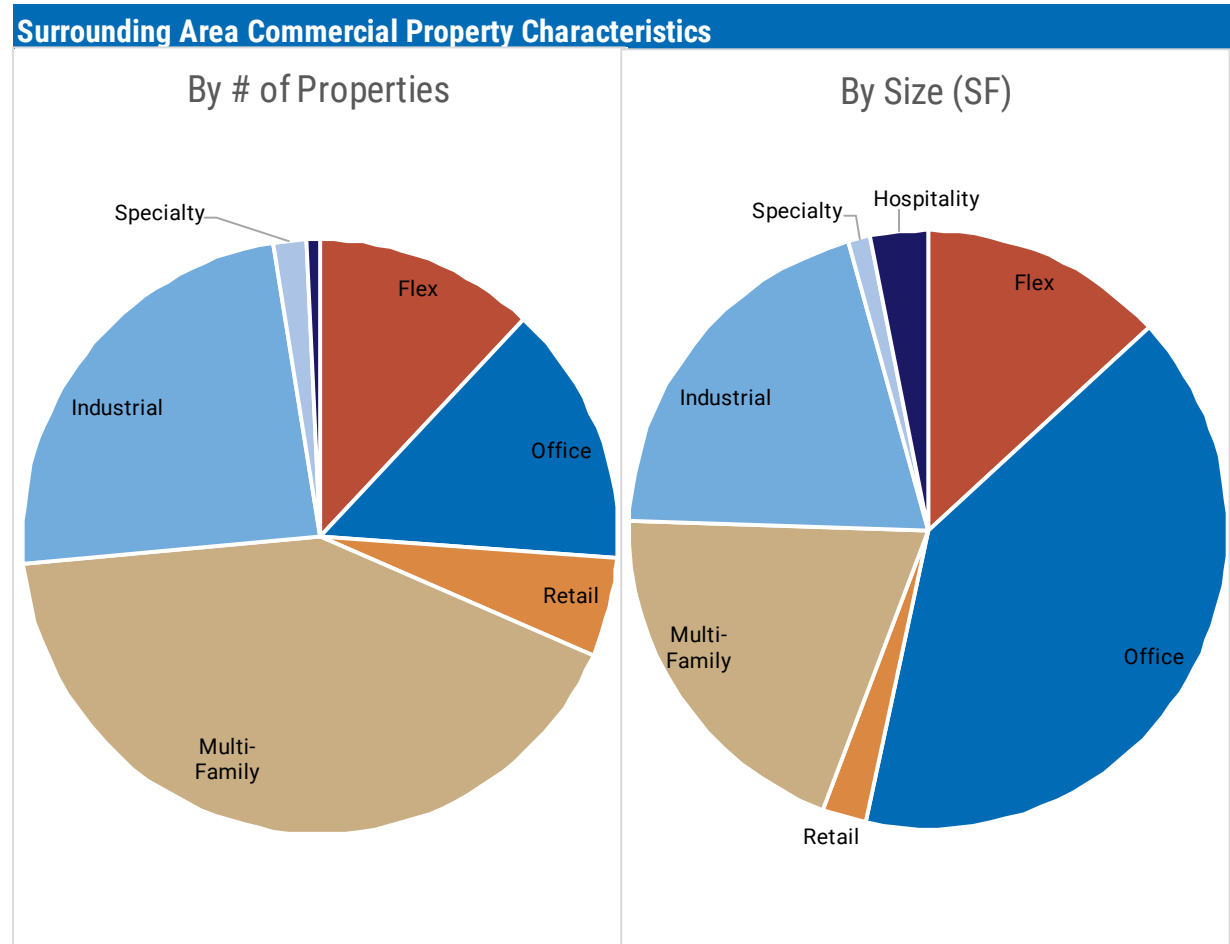
The following illustrates the 10-minute drive time from the subject.



**Drive Time Map**

Land Use

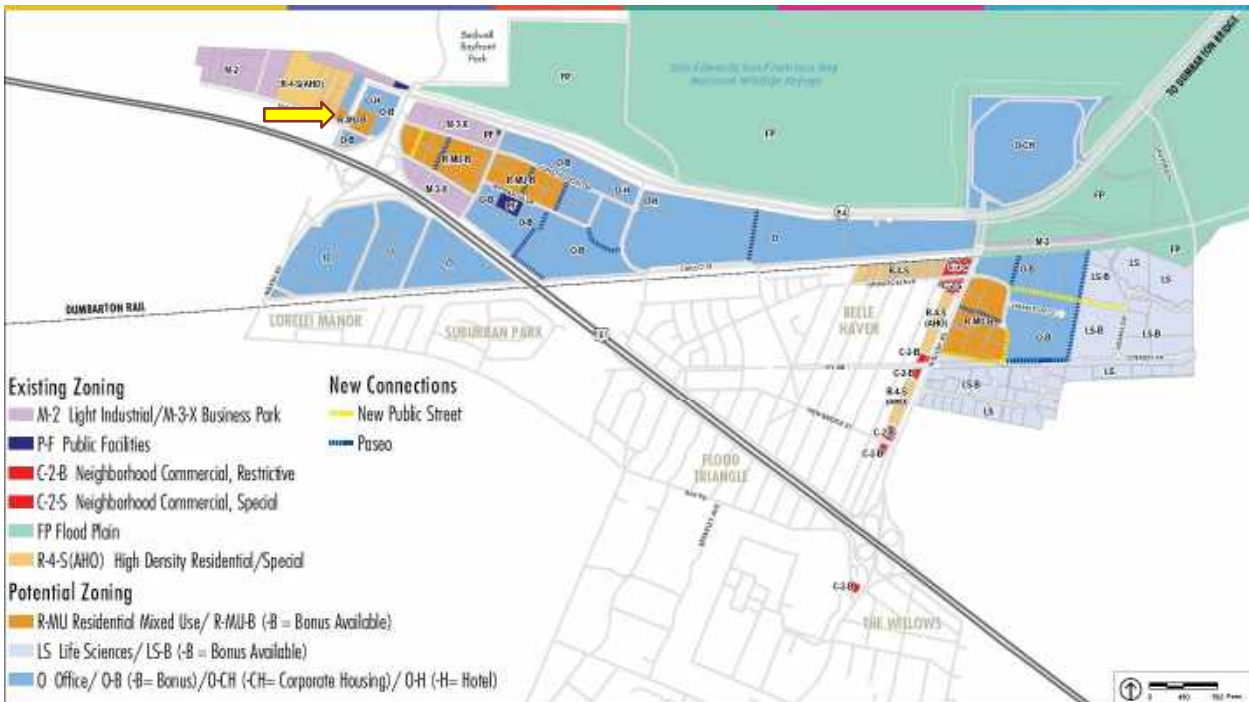
The following was developed from Costar data for the major property types in the surrounding 1.0 mile radius around the subject.



Source: Costar, Compiled by Newmark

Connect Menlo

With the adoption of the general plan in 2016, the City expanded development potential in the Bayfront Area and created three new zoning districts - office (O), life science (LS) and residential mixed use (R- MU.) As part of Connect Menlo, the City incorporated the concept of bonus level development, allowing greater floor area, density and height in exchange for the provision of community amenities. The list of amenities provided by developers utilizing bonus level development was adopted by City Council Resolution No. 6360 November 29, 2016.



## 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
<b>Population</b>								
2010 Total Population	10,530	108,559	236,632	41,807	31,884	718,478	4,335,391	37,253,956
2022 Total Population	12,308	116,917	260,156	45,018	34,569	769,689	4,804,901	39,770,476
2027 Total Population	11,865	114,213	253,618	44,307	34,156	747,295	4,728,257	39,648,278
Projected Annual Growth %	-0.7%	-0.5%	-0.5%	-0.3%	-0.2%	-0.6%	-0.3%	-0.1%
<b>Households</b>								
2010 Total Households	3,345	35,472	83,949	15,806	12,444	257,846	1,627,360	12,577,498
2022 Total Households	3,815	38,793	88,383	16,392	12,837	270,845	1,761,113	13,570,050
2027 Total Households	3,720	38,497	87,200	16,377	12,871	266,428	1,739,624	13,566,014
Projected Annual Growth %	-0.5%	-0.2%	-0.3%	0.0%	0.1%	-0.3%	-0.2%	0.0%
<b>Income</b>								
2022 Median Household Income	\$114,638	\$120,419	\$155,649	\$194,331	\$194,648	\$150,965	\$126,901	\$88,930
2022 Average Household Income	\$175,030	\$184,699	\$217,498	\$256,830	\$258,322	\$202,452	\$179,241	\$129,367
2022 Per Capita Income	\$53,313	\$61,579	\$74,321	\$93,444	\$95,606	\$71,302	\$65,806	\$44,265
<b>Housing</b>								
2022 Owner Occupied Housing Units	47.9%	38.9%	48.4%	53.7%	51.5%	56.3%	51.6%	52.2%
2022 Renter Occupied Housing Units	43.7%	52.9%	44.4%	38.6%	40.4%	38.2%	42.4%	41.2%
2022 Median Home Value	\$1,320,455	\$1,556,380	\$1,868,674	\$2,000,001	\$2,000,001	\$1,387,819	\$981,622	\$629,224
Median Year Structure Built	1958	1963	1963	1960	1960	1965	1967	1975
<b>Miscellaneous Data Items</b>								
2022 Bachelor's Degree	23.1%	22.8%	28.0%	29.6%	30.9%	32.1%	32.4%	24.0%
2022 Grad/Professional Degree	20.1%	24.8%	33.6%	40.6%	41.6%	23.4%	21.7%	13.8%
2022 College Graduate %	43.3%	47.6%	61.6%	70.2%	72.5%	55.4%	54.1%	37.8%
2022 Average Household Size	3.12	2.92	2.75	2.72	2.67	2.81	2.67	2.86
2022 Median Age	36.2	35.6	36.1	39.6	39.5	41.0	39.8	36.7

Source: ESRI; Compiled by Newmark

- The current population within a 3-mile drive distance of the subject is 116,917. Population in the area has grown since the 2010 and is projected to decline at -0.5% annually over the next five years.
- Median household income is \$120,419, slightly lower than the County and MSA but higher than the state.
- The 3-mile trade area boasts 53% renter occupied housing, supporting demand for residential.

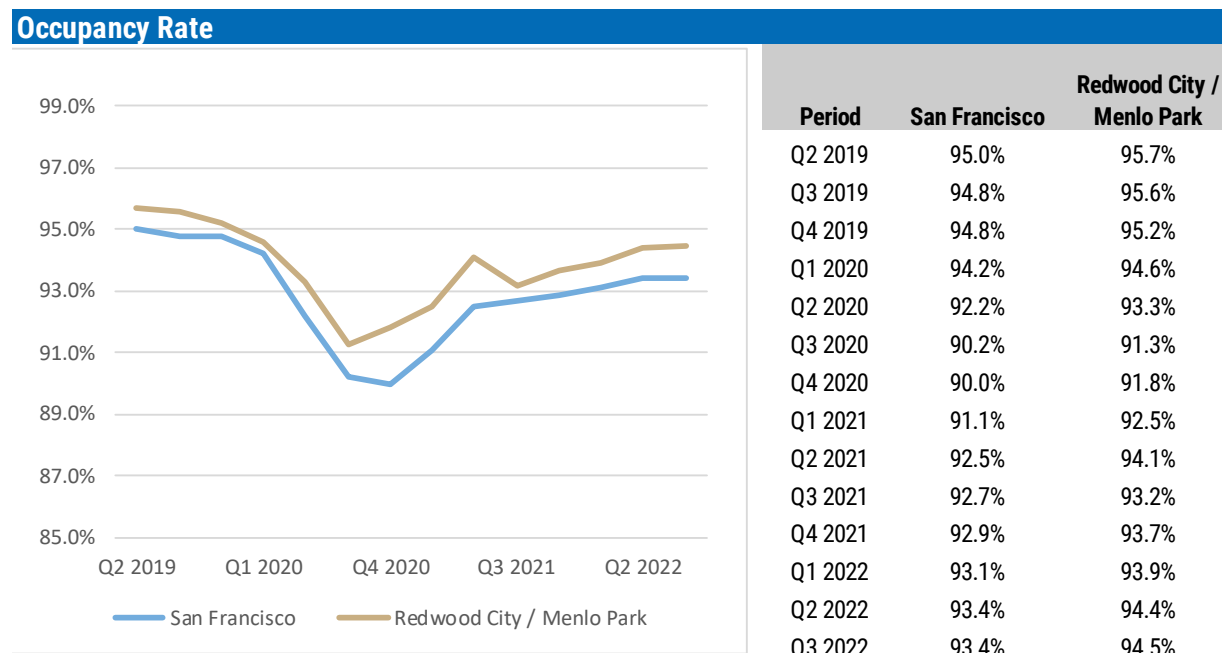
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## Conclusion

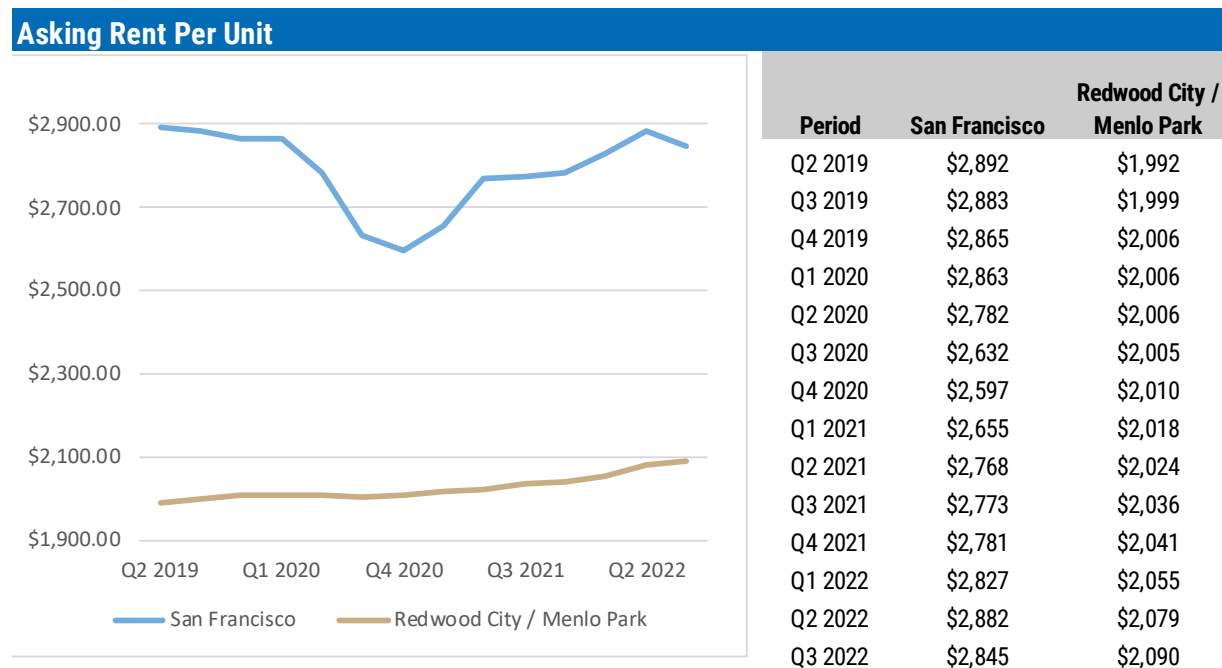
The subject area is in a redevelopment phase. The property is located in the Belle Haven Industrial area of Menlo Park, a high demand infill area of the city. Recent developments in Belle Haven include Anton Menlo and Elan Menlo Park, both large scale apartments which demonstrate the demand for housing to support local employers. Additionally, Sobrato, Bohannon Development, and Facebook are rapidly developing class A office to meet market demand. The local area offers good linkages to transportation and proximity to employment centers. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future in step with the San Francisco Bay Area.

### MULTIFAMILY MARKET ANALYSIS

The following discussion outlines overall market performance in the surrounding Multifamily market using Costar market metric data. Presented first are market statistics of the San Francisco area and the subject Redwood City / Menlo Park submarket overall.



Source: Costar; Compiled by Newmark Valuation & Advisory



Source: Costar; Compiled by Newmark Valuation & Advisory

<b>Multifamily Market Statistics</b>						
<b>Trailing Four Quarters Ended Q3 2022</b>						
Market / Submarket	Inventory (Unit)	Completions (Unit)	Vacancy (%)	Net Absorption (Unit)	Asking Rent Per Unit	Effective Rent Per Unit
San Francisco	233,730	2,893	6.60%	4,273	\$2,845	\$2,814
Redwood City / Menlo Park	1,621	0	5.50%	22	\$2,090	\$2,079

Source: Costar; Compiled by Newmark Valuation & Advisory

- The average vacancy rate for the subject submarket is lower than that of the overall market area (6.60%).

### Market and Submarket Trends

	<b>San Francisco</b>				<b>Redwood City / Menlo Park</b>			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q3 2020	226,943	956	9.8%	\$2,632	1,621	0	8.7%	\$2,005
Q4 2020	228,078	1,135	10.0%	\$2,597	1,621	0	8.2%	\$2,010
Q1 2021	228,216	138	8.9%	\$2,655	1,621	0	7.5%	\$2,018
Q2 2021	229,096	880	7.5%	\$2,768	1,621	0	5.9%	\$2,024
Q3 2021	230,957	1,861	7.3%	\$2,773	1,621	0	6.8%	\$2,036
Q4 2021	231,888	931	7.1%	\$2,781	1,621	0	6.3%	\$2,041
Q1 2022	232,590	702	6.9%	\$2,827	1,621	0	6.1%	\$2,055
Q2 2022	232,643	173	6.6%	\$2,882	1,621	0	5.6%	\$2,079
Q3 2022	233,730	1,087	6.6%	\$2,845	1,621	0	5.5%	\$2,090

\* Forecast

Source: Costar; Compiled by Newmark Valuation & Advisory

- The market and submarket have been increasing with respect to occupancy over the past year.
- Effective rental rates have increased within the submarket in the past 12 months.
- As shown above, the submarket is outperforming against the market overall in terms of rental rates.

## REDWOOD CITY / MENLO PARK MULTIFAMILY SUBMARKET ANALYSIS

### Long Term Redwood City / Menlo Park Submarket Metrics

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

Redwood City / Menlo Park Submarket Metrics						
Period	Inventory (Units)	Vacancy %	Net Absorption (Units)	Completions (Units)	Asking Rent Per Unit	Effective Rent Per Unit
Y 2002	1,656	7.0%	-66	0	\$1,476	\$1,468
Y 2003	1,609	4.5%	-4	0	\$1,348	\$1,341
Y 2004	1,610	4.1%	8	1	\$1,319	\$1,312
Y 2005	1,610	2.6%	25	0	\$1,354	\$1,348
Y 2006	1,610	2.5%	2	0	\$1,460	\$1,454
Y 2007	1,610	2.8%	-5	0	\$1,543	\$1,536
Y 2008	1,610	3.2%	-6	0	\$1,584	\$1,577
Y 2009	1,610	4.6%	-23	0	\$1,523	\$1,516
Y 2010	1,591	5.6%	-33	0	\$1,580	\$1,571
Y 2011	1,591	3.6%	30	0	\$1,591	\$1,584
Y 2012	1,621	3.8%	27	30	\$1,633	\$1,624
Y 2013	1,621	3.4%	7	0	\$1,689	\$1,681
Y 2014	1,621	3.0%	7	0	\$1,738	\$1,730
Y 2015	1,621	3.3%	-5	0	\$1,817	\$1,806
Y 2016	1,621	3.6%	-5	0	\$1,868	\$1,854
Y 2017	1,621	4.5%	-15	0	\$1,917	\$1,907
Y 2018	1,621	4.5%	0	0	\$1,971	\$1,960
Y 2019	1,621	4.8%	-5	0	\$2,006	\$1,996
Y 2020	1,621	8.2%	-56	0	\$2,010	\$1,996
Y 2021	1,621	6.3%	32	0	\$2,041	\$2,029
5 Year Average	1,621	5.7%	-9	0	\$1,989	\$1,978
10 Year Average	1,621	4.5%	-1	3	\$1,869	\$1,858
15 Year Average	1,615	4.3%	-3	2	\$1,767	\$1,758

Source: Costar; Compiled by Newmark Valuation & Advisory

### Construction

Downtown Redwood City developed rapidly over the past decade. An improving live/work/play environment and access to Caltrain bolstered demand for housing within walking distance of the station. With Box Inc, Facebook and others expanding nearby, developers have targeted a growing base of local tech employees, as well as renters who rely on quick public transportation access to offices in the SoMA area of San Francisco, where Caltrain terminates.



Two high-end apartment projects have been developed next to the Menlo Gateway office development, which was leased to Facebook and will effectively function as a western expansion of their headquarter campus. According to news outlets, Facebook was involved in the financing and planning of one of the highly amenitized apartment projects. The 394-unit Anton Menlo, and 146-unit Elan Menlo Park Luxury Apartments, both 5-Star mid-rise apartments were developed on Haven Ave. in 2017 and leased up briskly at premium rental rates.

Further East, just south of Facebook headquarters, Essex Property Trust also completed an apartment project in 2017, 777 Hamilton Ave., which contains 195 units.

While several housing projects have been developed around Facebook's campus on the Bayfront, the majority of recent multifamily development in the submarket has been clustered in Downtown Redwood City. With a 15-minute walk of Redwood City's Downtown Caltrain Station, a total of 11 housing projects have been developed over the past 10 years, adding 2,400 units to the city, most of which are market-rate. Greystar's 350-unit complex at 1409 El Camino Real, Highwater, completed in 21Q3 continues the trend.

Adjacent to the Menlo Park Caltrain Station in the submarket's southern end, Greenheart Land Company's mixed-use development Station 1300 includes a 183-unit apartment building that is under construction, in addition to two office properties totaling roughly 222,000 SF.

There are a total of three substantial projects remaining under construction currently, one in Redwood City and two in Menlo Park. Combined, these projects will add an additional 870 units to the submarkets total inventory stock, which represents a lofty 5.6% addition to its existing inventory. Following historical precedence, all properties in Redwood City/Menlo Park are either mid-rise or low-rise. This trend reflects city-imposed zoning restrictions, which in Redwood City, for example, limits high-density multifamily and mixed-use development to a few corridors in the city's downtown core, and limits building heights to a maximum of 12 floors / 136 feet.

### Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio
San Francisco	3,810	10,061	0.4	10,013	3,503	2.9	17,639	10,381	1.7
Redwood City / Menlo Park	0	32	0.0	0	-29	0.0	0	-44	0.0

Source: Costar, Compiled by Newmark Valuation & Advisory

## 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
<b>Costar</b>					
San Francisco	6.60%	7.10%	5.20%	4.90%	4.40%
Redwood City / Menlo Park	5.50%	6.30%	4.80%	4.50%	3.80%

Source: Costar, Newmark Valuation & Advisory

### Redwood City / Menlo Park Submarket Conclusion

Redwood City/Menlo Park is home to a plethora of noteworthy tech firms, with Google joining the fray in 2016. Facebook's continual expansion and development in the area has also fueled demand for housing and catalyzed an effort to enhance public transit options. In 2014, 2016, and 2018, Google and Facebook ran pilots for ferries out of Redwood City for employees, and the city initiated a study in 2019 to see if running a ferry service to the port would be feasible.

Demand for a wealth of new high-end apartments developed in the 2010s expansion cycle was adequate, but occupancy levels deteriorated in response to the coronavirus pandemic. Local tech workers left the area amid the pandemic to live in cheaper destinations, provided the opportunity to work remotely on a temporary and sometimes permanent basis.

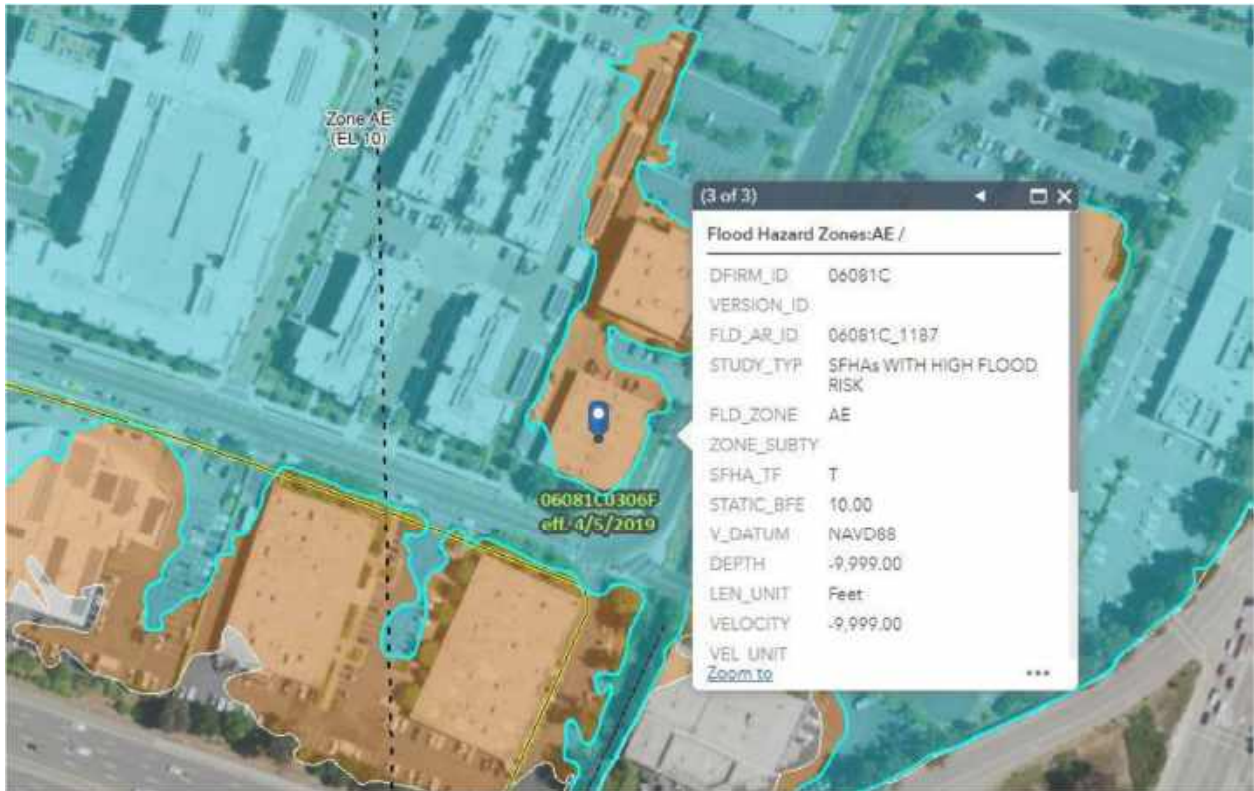
However, with billions of dollars on hand and dominant market share positions, the world's largest tech giants have navigated the pandemic extremely well, with revenues eventually soaring to new highs. As workers prepare for a return to offices, demand turned positive in 2021 and has remained on a solid trajectory in early 2022, starting to reclaim previous occupancy losses. Some weakness in the tech sector became apparent in late 2022 with several companies announcing layoffs.

Supply pressures have caused vacancy rate fluctuations in recent years. New construction activity is set to continue over the next several years, presenting another headwind for a full recovery to pre-pandemic occupancy rates.

# Land and Site Analysis



Site Plan



Flood Map

**Land Parcels**

Parcel Summary	Associated APN(s)	Classification	Land Area (SF)	Land Area (Acres)
Site 1	055-170-240	Primary Site 1	28,808	0.6613
Total Gross Land Area			28,808	0.6613
Total Usable Land Area			28,808	0.6613
Total Surplus Land Area			0	0.0000
Total Excess Land Area			0	0.0000

Compiled by Newmark

**Land Description**

Total Land Area	0.6613 Acres; 28,808 SF
Usable Land Area	0.6613 Acres; 28,808 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Planning Department

**Site Characteristics**

Primary Street Frontage	Haven Avenue
Traffic Flow	Moderate
Accessibility Rating	Above Average
Visibility Rating	Good
Shape	Irregular
Corner	Yes
Rail Access	No
Topography	Leveled to street grade
Site Vegetation	Trees and Shrubs
Other Site Characteristics	None noted
Easement/Encroachments	None Noted
Environmental Issue	None Noted

**Flood Zone Analysis**

Flood Area Panel Number	06081C0306F
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, sewer, water
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Compiled by Newmark

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## EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We were provided a preliminary title report prepared by Old Republic Title Company on February 8, 2022. Based upon a review of the title report, there are identified exceptions to title, which include various utility and access easements that are typical for a property of this type. There is also a 9-foot-wide non-buildable easement mentioned in the report which has been accounted for in the development plans for the site. This easement coincides with the required 10-foot building setback. Therefore, the impact of this easement is not material. The Environmental Covenant noted in the title report that restricts residential uses has been lifted.

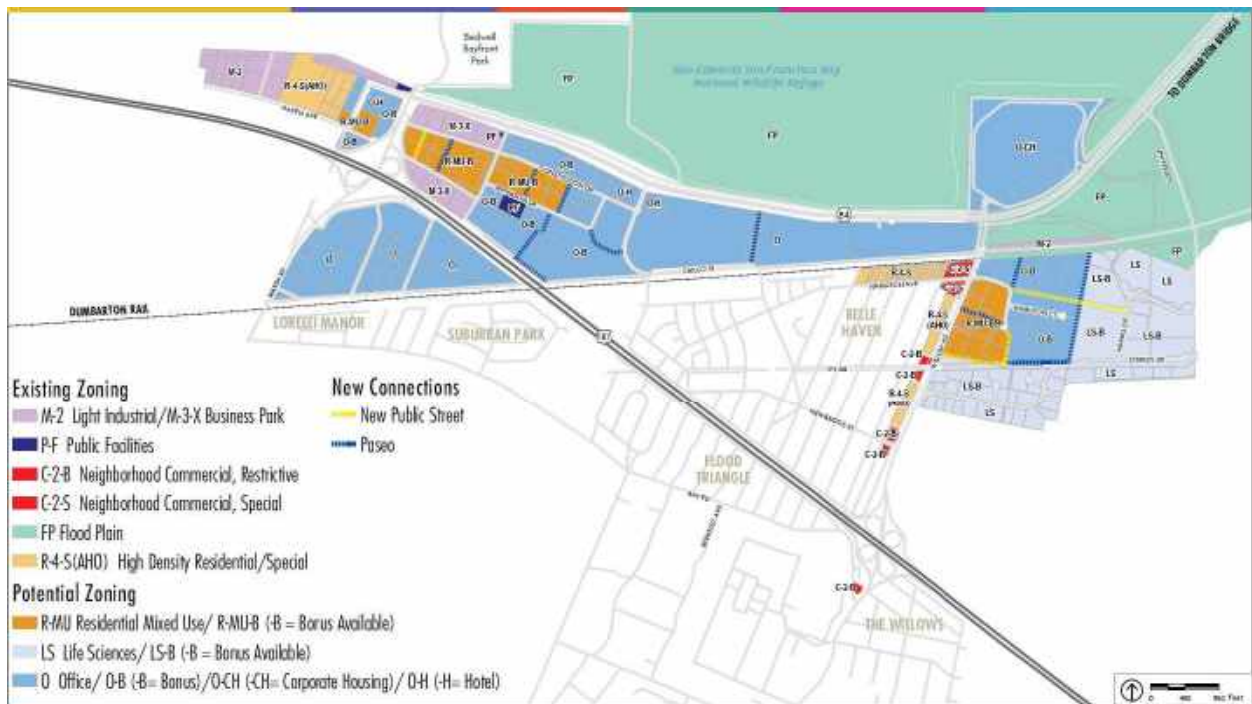
## ENVIRONMENTAL ISSUES

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.

## IMPROVEMENTS

The subject property is improved with a 10,361 square foot one-story R&D flex building that was constructed in 1963. The existing improvements do not currently meet the market's expectations for office or R&D development and appears to suffer from functional obsolescence as the interior is dated and built out into numerous micro-office/flex units, with only about 65% of the space designated as rentable. The property is mostly leased on a month-to-month basis and the ownership group can terminate leases within 30 days, providing flexibility for future redevelopment.

# Zoning and Legal Restrictions



M-2 AREA ZONING  
Adopted: December 6, 2016



Zoning Map

Zoning Summary	
Category	Description
Zoning Jurisdiction	City of Menlo Park
Zoning Designation	R-MU-B
Description	Residential Mixed-Use Bonus
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Multiple dwellings, which are a required component of any development in the RMU district, administrative and professional offices and accessory uses, banks and other financial institutions, retail establishments. Research and development uses are allowed subject to obtaining a conditional use permit (CUP).
Minimum Lot Area	Twenty-five thousand (25,000) square feet
Maximum Density	30 du/acre (base level) to 100 du/acre (bonus level)
Allowable Building Units	20 (base level) to 66 (bonus level)
Maximum Floor Area Ratio	90% (base level) to 225% (bonus level)
Allowable Building Area	25,927 SF (base level) to 64,818 (bonus level)
Minimum Setback Requirements (feet)	
Street	0
Interior Side	10
Rear	10
Building Height Restrictions	70 feet
Parking Requirement	Residential units require a minimum of 1 space per unit (per unit or 1,000 SF) and a maximum space of 1.5 per unit (per unit or 1,000 SF)

*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.



# Real Estate Taxes

Taxes and Assessments								
Tax Year 2022	Assessor's Market Value			Millage Rates		Taxes and Assessments		
Tax ID	Land	Improvements	Total	Assessment Ratio	Land & Improvements	Ad Valorem Taxes	Direct Assessments	Total
055-170-240	\$4,900,000	\$500,000	\$5,400,000	100.0%	1.08010	\$58,325	\$2,660	\$60,985
	\$4,900,000	\$500,000	\$5,400,000	100.0%	1.08010	\$58,325	\$2,660	\$60,985

Compiled by Newmark

The assessment process in California was substantially modified in 1978 by California Constitution Article XIII A, also known as Proposition 13. Proposition 13 established base year assessment values, limited annual real property assessment increases to no more than 2 percent, and limited property taxes to 1% of a property’s assessed value.

- Proposition 13 allows real property to be reappraised if:
- A change in ownership occurs; or
- New construction is completed; or
- New construction is unfinished on January 1st (also known as the “lien date”); or
- It is part of an annual review of properties having declining value; or
- It is part of land conservation contract (Williamson Act)

## Base Year Values

Once Proposition 13 passed, property assessments for the 1978-79 fiscal year were required to be “rolled back” to 1975-76 values, establishing the first base year values in California. Properties that have not sold or undergone new construction since February 1975 are said to have a 1975 base year value.

When a change in ownership occurs, whether full or partial, real property is re-assessed at its current market value as of the date of transfer. This establishes a new base year value for both the property’s land and improvements. If only a partial change in ownership occurs, the original base year value is retained for the part of ownership that does not change, and a new base year value is created for only the part of ownership that has changed.

When new construction occurs, it is re-assessed at current market value as of the date of completion. This establishes a new base year value for the property’s newly constructed improvements only. If construction is deemed new or substantially equivalent to new, the base

year value for improvements is established entirely on the date of construction completion. If construction is deemed an addition, the original base year value for improvements remains and a new base year value on the date of construction completion is added. The base year for land is unchanged by new construction.

### Rate of Increase Limits

The assessed value of a property is limited to an increase no greater than 2% each year unless a change in ownership or new construction occurs. The 2% increase is originally applied to the base year value and is thus referred to as the factored base year value. In the case of real property, the factored base year value is the upper limit for property tax purposes. The maximum 2% increase per year continues to be applied until a change in ownership or new construction occurs.

### Property Tax Limits

Under Proposition 13, property taxes are limited to one percent of the assessed value. Additional property taxes may be approved for schools or local projects, which can vary amongst communities and bring the tax rate higher than one percent. These additional property taxes change annually and are determined by voters in each tax rate area.

### Direct Charges

Annual tax bills may also include other items such as special assessments, special taxes, direct levies, delinquent county utility billings, weed and hazard abatement charges, and Mello-Roos Bonds. These items are commonly referred to as “direct / special assessments or charges”. None of these items are defined as property taxes under the law because they are not based upon the assessed value of the property. While the levying agencies’ revenues are collected via the County’s property tax bills, the County itself has no control over these levies or the agencies issuing them.

As previously discussed, properties in California are re-assessed upon sale to the Assessor’s opinion of market value, which is typically the sales price.

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# Highest and Best Use

## AS VACANT

### Legally Permissible

The site is zoned R-MU-B which allows for multiple dwellings, which are a required component of any development in the RMU district, administrative and professional offices and accessory uses, banks and other financial institutions, retail establishments. research and development uses are allowed subject to obtaining a conditional use permit (CUP).

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 28,808 square feet (0.661 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, only residential uses appear most probable based on observation of surrounding properties as well as the location. Given the underlying market conditions and activity, it appears that a multifamily 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 multifamily 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 multifamily use.

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**Most Probable Buyer**

The most likely buyer would be a developer.

**AS IMPROVED**

The subject site is improved with an older office/R&D building. We are not giving consideration to the improvements per the appraisal instructions.

# 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 appraisal.

*Compiled by Newmark*

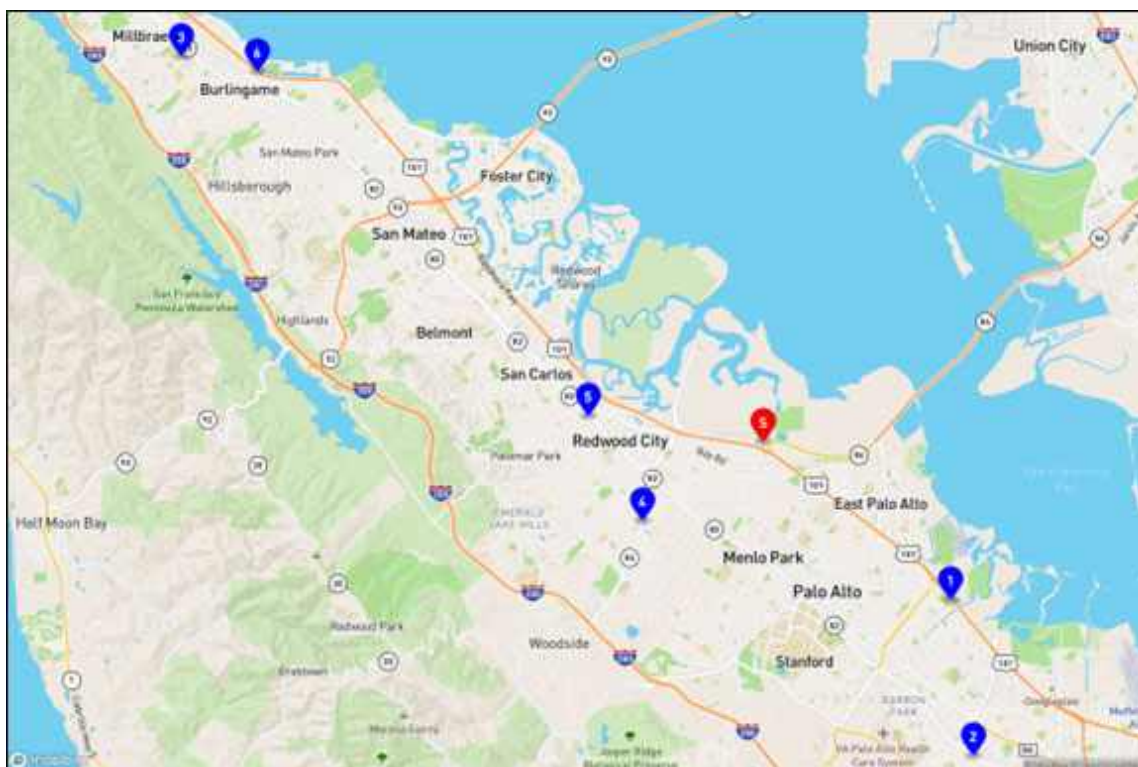
The subject property is being treated as a tract of vacant land. In the absence of ground leases, subdivision, or other income sources, the sales comparison approach is viewed as most applicable in the valuation of land parcels. It is also the only approach allowed under the Menlo Park Appraisal Instructions. 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							
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Address	3705 Haven Avenue	2850 West Bayshore Road	4898 West El Camino Real	1814-1820 Ogden Drive	955 Woodside Road	120 West El Camino Real	1095 Rollins Road
City, State	Menlo Park, CA	Palo Alto, CA	Los Altos, CA	Burlingame, CA	Redwood City, CA	Redwood City, CA	Burlingame, CA
Proposed Use	Multifamily	MF Residential	MF Residential	MF Residential	MF Residential	MF Residential	MF Residential
Gross Land SF	28,808 SF	101,786 SF	18,731 SF	33,336 SF	18,295 SF	19,194 SF	46,827 SF
Useable Acres	0.66 Acres	1.79 Acres	0.39 Acres	0.77 Acres	0.42 Acres	0.44 Acres	1.08 Acres
Useable Land SF	28,808 SF	78,035 SF	16,919 SF	33,336 SF	18,295 SF	19,194 SF	46,827 SF
Allowable Bldg Units	20 (base level) to 66 (bonus level)	48	28	90	8	12	150
Allowable Bldg Area	25,927 SF (base level) to 64,818 (bonus level)	117,054 SF	87,474 SF	124,677 SF	18,295 SF	28,023 SF	193,864 SF
FAR	0.9 (base level) to 225 (bonus level)	1.50	5.17	3.74	1.00	1.46	4.14
Approvals	Approved	Approved	Approved	Approved	Approved	Approved	Approved
BMR Requirements	15% (10 Units)	15% (7 Units)	21% (6 Units)	5% (5 Units)	0% (0 Units)	0% (0 Units)	10% (15 Units)
Zoning	R-MU-B	ROLM	CT	NBMU	CG-R WITH R-4	MU-N	R-4 - High Density
Transaction Type		Closed	Closed	Closed	Closed	Closed	Closed
Buyer		Summerhill West Bayshore LLC	ADL 15 LLC	Sierra Investments	Samir Sharma	Pinn Brothers Construction Co	Prometheus
Seller		C & J Office Buildings LLC	Los Caminos Altos LP	Patel Family Trust & Jerry Warren	Manoochehr Javaherian	Rebecca Yeh	Hanover
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple	Fee Simple
Transaction Date		Oct-22	Jul-22	Dec-21	Aug-21	Nov-20	Nov-20
Price		\$27,500,000	\$6,800,000	\$8,000,000	\$3,200,000	\$5,350,000	\$18,750,000
Adj. Sale Price		\$27,500,000	\$6,800,000	\$8,000,000	\$3,200,000	\$5,350,000	\$18,750,000
Price per Gross Land Acre		\$11,768,734	\$15,813,953	\$10,453,417	\$7,619,048	\$12,142,533	\$17,441,860
Price Per Gross Land SF		\$270.17	\$363.03	\$239.98	\$174.91	\$278.73	\$400.41
Price per Usable Land Acre		\$15,351,122	\$17,507,724	\$10,453,417	\$7,619,048	\$12,142,533	\$17,441,860
Price Per Usable Land SF		\$352.41	\$401.92	\$239.98	\$174.91	\$278.73	\$400.41
Price per Unit		\$572,917	\$242,857	\$88,889	\$400,000	\$445,833	\$125,000
Price per FAR		\$306.44	\$86.06	\$64.20	\$175.44	\$190.91	\$96.72

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## ANALYSIS OF LAND COMPARABLES

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

### Comparable One

Sale Comparable One represents the October 2022 sale of 2.337 acres of land located at 2850 West Bayshore Road, Palo Alto, California. This site sold with approvals to construct eight three-story buildings, each with six residential units. There will be 7 below market rate units with the developer providing in-lieu fees to meet the 15% affordable housing requirements.

No transaction adjustments were warranted.

A downward adjustment was applied for location due to its superior location in Palo Alto adjacent a large public park. An upward adjustment was applied for density (far) due to higher density planned development with higher construction costs plus longer development and absorption times. Like the subject, this property is located in a flood zone. Combining transaction and physical adjustments, an overall net downward adjustment is indicated resulting in a price per FAR indication of \$245.15.

### Comparable Two

Sale Comparable Two represents the July 2022 sale of 0.430 acres of land located at 4898 West El Camino Real, Los Altos, California. This is the sale of an entitled 28-unit condominium development site. The project will have 5-stories with two levels of underground parking. The units will range in size from 782 square feet to 1,886 square feet. The project was granted a density bonus by providing 2 moderate and 4 very low income BMR units (21%).

No transaction adjustments were warranted.

An upward adjustment was applied for density (far) due to higher density planned development with higher construction costs plus longer development and absorption times. An upward adjustment was applied for affordable requirement due to higher percentage of planned BMR units. A downward adjustment was applied for flood zone due to the subject's location in a flood zone with additional development costs compared to this property which is outside a flood zone. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$129.09.

### Comparable Three

Sale Comparable Three represents the December 2021 sale of 0.765 acres of land located at 1814-1820 Ogden Drive, Burlingame, California. This was a two-part assemblage of two adjacent sites. 1820 Ogden Drive was purchased by the buyer on April 14, 2020, for \$6,000,000, and 1814 Ogden Drive was purchased by the buyer on December 7, 2021, for \$2,000,000, bringing the total acquisition cost for the site to \$8,000,000. On September 27, 2021, the City of Burlingame Planning Commission approved an application for construction of a new six-story, 90-unit condominium building at 1814 - 1820 Ogden Drive, within the North Burlingame Mixed Use area. The site is currently comprised of two parcels with a one story and a three-story building containing office/medical uses. The lots would be merged, and the proposal is to construct a new six-story 90-unit condominium building. The units would be a mix of studio, one-bedroom and two-bedroom units. There would be 5% of the units offered as low-income BMR units. The Millbrae Caltrain station is located 0.45 miles east, across El Camino and the BART station (Millbrae multimodal station) is located just beyond the Caltrain station, just over a half a mile (0.60 miles) from the project site.

No transaction adjustments were warranted.

An upward adjustment was applied for location due to its inferior location in Burlingame with historically lower rental rates. An upward adjustment was applied for density (far) due to higher density planned development with higher construction costs plus longer development and absorption times. A downward adjustment was applied for affordable requirement due to lower percentage of planned BMR units. A downward adjustment was applied for flood zone due to the subject's location in a flood zone with additional development costs compared to this property which is outside a flood zone. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$86.67.

### Comparable Four

Sale Comparable Four represents the August 2021 sale of 0.420 acres of land located at 955 Woodside Road, Redwood City, California. The application for an Architectural Permit, Tentative



Map, and Condominium Permit to subdivide one parcel into 8 residential condominium parcels was approved for the site on September 7, 2021, approximately 2 weeks after the close of sale. The project will contain 8 for-sale attached condominium units within two three-story buildings with attached garages. No below market rate (BMR) units will be provided. The site is flat and located on Woodside Rd. between Horgan Ave. and Kentfield Avenue. It is 18,295 sq. ft. and 0.42 Acres. Currently, a single-story Animal Hospital is located near the rear of the site with parking fronting the building. The 278-bus route runs along Woodside Road with a 15 minute ride to the Redwood City CalTrain Station.

No transaction adjustments were warranted.

A downward adjustment was applied for affordable requirement due to lower percentage of planned BMR units. A downward adjustment was applied for flood zone due to the subject's location in a flood zone with additional development costs compared to this property which is outside a flood zone. Combining transaction and physical adjustments, an overall net downward adjustment is indicated resulting in a price per FAR indication of \$140.35.

#### Comparable Five

Sale Comparable Five represents the November 2020 sale of 0.441 acres of land located at 120 West El Camino Real, Redwood City, California. This parcel sold with a tentative map and approved plans for 12 tri-level Townhomes on a level Lot. The approved plans were for 8 units of 1,876 SF, 2 units of 2,074 SF, 1 unit of 1,889 SF & 1 unit of 1,418 SF, 24 Private parking spaces, 12 bike parking spaces and 1,614 SF of open space. No below market rate (BMR) units will be provided. Tentative Map Certificate Issued April 2019. The property previously traded in November 2018 for \$4,250,000.

No transaction adjustments were warranted.

An upward adjustment was applied for density (far) due to higher density planned development with higher construction costs plus longer development and absorption times. A downward adjustment was applied for affordable requirement due to lower percentage of planned BMR units. A downward adjustment was applied for flood zone due to the subject's location in a flood zone with additional development costs compared to this property which is outside a flood zone. Combining transaction and physical adjustments, an overall net downward adjustment is indicated resulting in a price per FAR indication of \$162.27.

#### Comparable Six

Sale Comparable Six represents the November 2020 sale of 1.075 acres of land located at 1095 Rollins Road, Burlingame, California. Prometheus Real Estate Group acquired this fully entitled multifamily development site located at 1095 Rollins Rd., in Burlingame, CA from Hanover

Company for \$18.75 million or about \$400 psf. The City of Burlingame has approved an application for the construction that includes merging two parcels to create a 46,827 square foot site, demolishing the existing structures and constructing a new 6-story, 150-unit apartment building. The project would include a subterranean garage containing surface, tandem and stacked parking for 195 off-street parking spaces, with approximately 175 of the spaces provided in stackers. The units would include studio, one-bedroom, two-bedroom and three-bedroom units, with 10% (15 units) designated affordable for moderate income households, and therefore the project includes a request to use the State Density Bonus, including waivers and incentives.

No transaction adjustments were warranted.

An upward adjustment was applied for location due to its inferior location in Burlingame with historically lower rental rates. An upward adjustment was applied for density (far) due to higher density planned development with higher construction costs plus longer development and absorption times. A downward adjustment was applied for affordable requirement due to lower percentage of planned BMR units. A downward adjustment was applied for flood zone due to the subject's location in a flood zone with additional development costs compared to this property which is outside a flood zone. Combining transaction and physical adjustments, an overall net upward adjustment is indicated resulting in a price per FAR indication of \$145.08.

### 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 - Base Level Density							
Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	
Address	3705 Haven Avenue	2850 West Bayshore Road	4898 West El Camino Real	1814-1820 Ogdin Drive	955 Woodside Road	120 West El Camino Real	1095 Rollins Road
City, State	Menlo Park, CA	Palo Alto, CA	Los Altos, CA	Burlingame, CA	Redwood City, CA	Redwood City, CA	Burlingame, CA
Gross Land SF	28,808 SF	101,786 SF	18,731 SF	33,336 SF	18,295 SF	19,194 SF	46,827 SF
Usable Land Area (Acres)	0.66 Acres	1.79 Acres	0.39 Acres	0.77 Acres	0.42 Acres	0.44 Acres	1.08 Acres
Usable Land Area (SF)	28,808 SF	78,035 SF	16,919 SF	33,336 SF	18,295 SF	19,194 SF	46,827 SF
Units	20 (base level) to 66 (bonus level)	48	28	90	8	12	150
Allowable Bldg Area	25,927 SF (base level) to 64,818 (bonus level)	117,054	87,474	124,677	18,295	28,023	193,864
FAR	0.9	1.50	5.17	3.74	1.00	1.46	4.14
Transaction Date	--	Oct-22	Jul-22	Dec-21	Aug-21	Nov-20	Nov-20
Price per FAR		\$306.44	\$86.06	\$64.20	\$175.44	\$190.91	\$96.72
<b>Transaction Adjustments</b>							
Property Rights	0%	0%	0%	0%	0%	0%	0%
Financing	0%	0%	0%	0%	0%	0%	0%
Conditions of Sale	0%	0%	0%	0%	0%	0%	0%
Market Conditions (Time)	0%	0%	0%	0%	0%	0%	0%
Subtotal (adjustments are multiplied)	0%	0%	0%	0%	0%	0%	0%
Transaction Adjusted Price per FAR		\$306.44	\$86.06	\$64.20	\$175.44	\$190.91	\$96.72
<b>Physical Adjustments</b>							
Location	-25%	0%	10%	0%	0%	0%	10%
Corner	0%	0%	0%	0%	0%	0%	0%
Frontage	0%	0%	0%	0%	0%	0%	0%
Size	0%	0%	0%	0%	0%	0%	0%
Shape	0%	0%	0%	0%	0%	0%	0%
Topography	0%	0%	0%	0%	0%	0%	0%
Utilities	0%	0%	0%	0%	0%	0%	0%
Zoning	0%	0%	0%	0%	0%	0%	0%
Density (FAR)	5%	50%	40%	0%	5%	50%	
Affordable Requirement	0%	5%	-10%	-15%	-15%	-5%	
Flood Zone	0%	-5%	-5%	-5%	-5%	-5%	
Subtotal (adjustments are summed)	-20%	50%	35%	-20%	-15%	50%	
Gross Adjustment	30%	60%	65%	20%	25%	70%	
Overall Adjustment	-20.0%	50.0%	35.0%	-20.0%	-15.0%	50.0%	
<b>Indicated Price per FAR</b>		<b>\$245.15</b>	<b>\$129.09</b>	<b>\$86.67</b>	<b>\$140.35</b>	<b>\$162.27</b>	<b>\$145.08</b>

Compiled by Newmark

## BASE LEVEL LAND VALUE CONCLUSION

- Prior to adjustments, the sales reflect a range of \$64.20 to \$306.44 per FAR.
- After adjustment, the range is narrowed to \$86.67 to \$245.15 per FAR, with an average of \$151.44 per FAR.
- Most weight was placed on Comparable Four which indicates an adjusted value of \$140.35 per square foot. The subject property is most similar to this comparable because of its FAR.

Land Value Conclusion		
Allowable Building Area (Base Level)		25,927
Comparable Sales Indications	Range	Average
Unadjusted Price per FAR	\$64.20 - \$306.44	\$153.30
Adjusted Price per FAR	\$86.67 - \$245.15	\$151.44
Reconciled Value per FAR		\$140.00
Total Indicated Value		\$3,629,780
	Rounded	\$3,600,000

*Compiled by Newmark*

## BONUS LEVEL LAND VALUE CONCLUSION

As stated earlier, higher density developments tend to sell for a lower price per FAR due to higher development costs plus longer development and absorption times. Comparable Sales 1, 4, and 5 with the lowest densities of 1.50, 1.00, and 1.46 sold for the highest prices per FAR of \$306.44, \$175.44 and \$190.91. Comparable Sales 2, 3, and 6 with the highest densities of 5.17, 3.74, and 4.14 sold for the lowest prices per FAR of \$86.06, \$64.20 and \$96.72.

While there are some fixed costs that remain relatively the same between the base and bonus level projects such as site work and soft costs, other costs such as hard costs for the building and garage will increase for the bonus project. The garage hard cost for the bonus level project will increase by approximately 25% due to the bonus project likely requiring a below grade parking structure. This estimate is based on Marshall Valuation Service (Section 14 Page 34) cost estimates of \$96.50/SF for above grade parking structures versus \$121.00/SF for underground parking structures.

Achievable prices per square foot tend to decline with increasing density. Consumers in this market generally prefer living in lower density environments. The bonus level development will have 46 units (230%) more units than the base level. The holding costs will be much higher due to a longer development and absorption time.

The density adjustments on the following worksheet are based on the factors discussed above. Comparables 1, and 5 with adjusted values of \$114.55 to \$168.54 are most similar to the subject

in density under the bonus scenario and are given greater weight in our reconciliation. The concluded value of \$120 per FAR is 14% less than the base value of \$140 per FAR. This conclusion is reasonable based on the higher construction costs plus substantially longer construction and absorption times under the bonus scenario.

### 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 Level Density							
Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	
Address	3705 Haven Avenue	2850 West Bayshore Road	4898 West El Camino Real	1814-1820 Ogden Drive	955 Woodside Road	120 West El Camino Real	1095 Rollins Road
City, State	Menlo Park, CA	Palo Alto, CA	Los Altos, CA	Burlingame, CA	Redwood City, CA	Redwood City, CA	Burlingame, CA
Gross Land SF	28,808 SF	101,786 SF	18,731 SF	33,336 SF	18,295 SF	19,194 SF	46,827 SF
Usable Land Area (Acres)	0.66 Acres	1.79 Acres	0.39 Acres	0.77 Acres	0.42 Acres	0.44 Acres	1.08 Acres
Usable Land Area (SF)	28,808 SF	78,035 SF	16,919 SF	33,336 SF	18,295 SF	19,194 SF	46,827 SF
Units	66	48	28	90	8	12	150
Allowable Bldg Area	64,818	117,054	87,474	124,677	18,295	28,023	193,864
FAR	2.25	1.50	5.17	3.74	1.00	1.46	4.14
Transaction Date	--	Oct-22	Jul-22	Dec-21	Aug-21	Nov-20	Nov-20
Price per FAR		\$306.44	\$86.06	\$64.20	\$175.44	\$190.91	\$96.72
<b>Transaction Adjustments</b>							
Property Rights		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Market Conditions (Time)		0%	0%	0%	0%	0%	0%
Subtotal (adjustments are multiplied)		0%	0%	0%	0%	0%	0%
Transaction Adjusted Price per FAR		\$306.44	\$86.06	\$64.20	\$175.44	\$190.91	\$96.72
<b>Physical Adjustments</b>							
Location/ Access		-25%	0%	10%	0%	0%	10%
Corner		0%	0%	0%	0%	0%	0%
Frontage		0%	0%	0%	0%	0%	0%
Size		0%	0%	0%	0%	0%	0%
Shape		0%	0%	0%	0%	0%	0%
Topography		0%	0%	0%	0%	0%	0%
Utilities		0%	0%	0%	0%	0%	0%
Zoning		0%	0%	0%	0%	0%	0%
Density (FAR)		-20%	30%	10%	20%	-20%	30%
Affordable Requirement		0%	5%	-10%	-15%	-15%	-5%
Flood Zone		0%	-5%	-5%	-5%	-5%	-5%
Subtotal (adjustments are summed)		-45%	30%	5%	0%	-40%	30%
Gross Adjustment		45%	40%	35%	40%	40%	50%
Overall Adjustment		-45.0%	30.0%	5.0%	0%	-40.0%	30.0%
<b>Indicated Price per FAR</b>		<b>\$168.54</b>	<b>\$111.88</b>	<b>\$67.41</b>	<b>\$175.44</b>	<b>\$114.55</b>	<b>\$125.74</b>

Compiled by Newmark

### Land Value Conclusion - Bonus Level Density

Allowable Bldg Area		64,818
<b>Comparable Sales Indications</b>	<b>Range</b>	<b>Average</b>
Unadjusted Price per FAR	\$64.20 - \$306.44	\$153.30
Adjusted Price per FAR	\$68.69 - \$178.95	\$129.30
Reconciled Value per FAR		\$120.00
Total Indicated Value		\$7,778,160
	Rounded	\$7,800,000

Compiled by Newmark

### Adjustments to Derive the Value of the Amenity

According to the appraisal instructions, the value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA

proposed at the Bonus Level. The “Value of the Amenity” is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level. Calculations are provided below:

### Land Value Conclusions

Land Value at the Bonus Level	64,818 SF	\$7,800,000
Land Value at the Base Level	25,927 SF	<u>\$3,600,000</u>
Value of the Additional GFA	(Bonus Level less Base)	\$4,200,000
50% Discount		<u>\$2,100,000</u>
Value of the Amenity		\$2,100,000

*Compiled by Newmark*

# Reconciliation of Value

The values indicated by our analyses are as follows:

Land Value Conclusions			
Land Value at the Bonus Level	64,818 SF		\$7,800,000
Land Value at the Base Level	25,927 SF		<u>\$3,600,000</u>
Value of the Additional GFA	(Bonus Level less Base)		\$4,200,000
50% Discount			<u>\$2,100,000</u>
Value of the Amenity			\$2,100,000

*Compiled by Newmark*

## 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
Land Value at the Bonus Level	Fee Simple	12/5/2022	\$7,800,000
Land Value at the Base Level	Fee Simple	12/5/2022	\$3,600,000
Value of the Additional GFA Proposed	Fee Simple	12/5/2022	\$4,200,000
Value of the Amenity	Fee Simple	12/5/2022	\$2,100,000

*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

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

1. The bonus level land value conclusion does not consider the community amenities requirement per the City of Menlo Park Appraisal Instructions.
2. We are not giving consideration to the improvements on the site as per the City of Menlo Park Appraisal Instructions.
3. The value conclusions under each scenario are based on the hypothetical assumption that the project is fully entitled at the stated development density per the City of Menlo Park Appraisal Instructions.

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.

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# 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

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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.

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- ◆ **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.<sup>2</sup>

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<sup>2</sup> 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

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- ◆ **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**  
**Legal Description**

## EXHIBIT A

The land referred to is situated in the County of San Mateo, City of Menlo Park, State of California, and is described as follows:

Parcel 1, as shown on that certain Map entitled, "Parcel Map being a re-subdivision of record of survey recorded in Volume 5, Page 89 of Licensed Land Surveyors Maps, being a portion of Lot 4 Sweeney Ranch, San Mateo County, California", filed in the office of the recorder of the County of San Mateo, State of California, on [December 15, 1972 in Book 18 of Parcel maps at page\(s\) 38](#).

APN: 055-170-240

JPN: 055-017-170-24a



275 Battery Street, Suite 1500  
San Francisco, CA 94111  
(415) 397-0500 Fax: (415) 397-0199

## PRELIMINARY REPORT

MARCH CAPITAL MANAGEMENT  
2040 Webster Street  
San Francisco, CA 94115

Attention: Eduard Sagues

SECOND AMENDED REPORT

Our Order Number 0227027166-RL

When Replying Please Contact:

Rita Lin  
rlin@ortc.com  
(415) 397-0500

Property Address:

3705 Haven Avenue, Menlo Park, CA 94025

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of February 8, 2022, at 7:30 AM

**OLD REPUBLIC TITLE COMPANY**  
For Exceptions Shown or Referred to, See Attached

Page 1 of 9 Pages

OLD REPUBLIC TITLE COMPANY  
ORDER NO. 0227027166-RL  
SECOND AMENDED REPORT

The form of policy of title insurance contemplated by this report is:

ALTA Loan Policy - 2006. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee

Title to said estate or interest at the date hereof is vested in:

3705 Haven LLC, a California limited liability company

The land referred to in this Report is situated in the County of San Mateo, City of Menlo Park, State of California, and is described as follows:

Parcel 1, as shown on that certain Map entitled, "Parcel Map being a re-subdivision of record of survey recorded in Volume 5, Page 89 of Licensed Land Surveyors Maps, being a portion of Lot 4 Sweeney Ranch, San Mateo County, California", filed in the office of the recorder of the County of San Mateo, State of California, on [December 15, 1972 in Book 18 of Parcel maps at page\(s\) 38](#).

APN: 055-170-240

JPN: 055-017-170-24a

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2022 - 2023, a lien, but not yet due or payable.

2. Taxes and assessments, general and special, for the fiscal year 2021 - 2022, as follows:

Assessor's Parcel No	:	055-170-240	
Code No.	:	08-091	
1st Installment	:	\$9,141.16	Marked Paid
2nd Installment	:	\$9,141.16	NOT Marked Paid
Land Value	:	\$738,361.00	
Imp. Value	:	\$606,293.00	

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

OLD REPUBLIC TITLE COMPANY  
ORDER NO. 0227027166-RL  
SECOND AMENDED REPORT

4. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Standard Grant of Right of Way  
Granted To : Pacific Gas and Electric Company, a corporation  
For : Electric Transmission Lines  
Recorded : August 30, 1924 in Book 127 of Official Records, Page 468  
Affects : Portion of said land

5. Covenants, Conditions and Restrictions which do not contain express provision for forfeiture or reversion of title in the event of violation, but omitting any covenants or restriction if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled : Grant Deed  
Executed by : David D. Bohannon Organization  
Recorded : [June 28, 1963 in Book 4491 of Official Records, Page 71 under Recorder's Serial Number 9895](#)

Amended and Restated Protective Restrictions and Covenants recorded [April 7, 1999 in Official Records under Recorder's Serial Number 99061388](#).

Said Covenants, Conditions and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

NOTE: "If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."



OLD REPUBLIC TITLE COMPANY  
ORDER NO. 0227027166-RL  
SECOND AMENDED REPORT

6. Covenants, Conditions and Restrictions which do not contain express provision for forfeiture or reversion of title in the event of violation, but omitting any covenants or restriction if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled : Grant Deed  
Executed by : David D. Bohannon Organization  
Recorded : [November 4, 1963 in Book 4584 of Official Records, Page 243](#)

Amended and Restated Protective Restrictions and Covenants recorded [April 7, 1999 in Official Records under Recorder's Serial Number 99061388](#).

Said Covenants, Conditions and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

NOTE: "If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

7. Covenants, Conditions and Restrictions which do not contain express provision for forfeiture or reversion of title in the event of violation, but omitting any covenants or restriction if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled : Grant Deed  
Executed by : David D. Bohannon Organization, a California corporation  
Recorded : [October 26, 1967 in Book 5383 of Official Records, Page 390](#)

Amended and Restated Protective Restrictions and Covenants recorded [April 7, 1999 in Official Records under Recorder's Serial Number 99061388](#).

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0227027166-RL

SECOND AMENDED REPORT

Said Covenants, Conditions and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

NOTE: "If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

8. Redevelopment Plan, as follows:

Entitled : Las Pulgas Community Development Project Area of the Menlo Park  
Community Development Agency  
Executed By : City of Menlo Park  
Recorded : December 21, 1981 in Official Records under Recorder's Serial  
Number 19388

Amended Redevelopment Plan, as follows:

Entitled : Ordinance No. 929, Redevelopment Plan Amendment  
By : The Community Development Agency of the City of Menlo Park  
Recorded : [April 28, 2004 in Official Records under Recorder's Serial  
Number 2004-083603](#)

9. Matters as contained or referred to in an instrument,

Entitled : Covenant and Environmental Restriction on Property  
Executed By : Integris/ Millenium Joint Venture LLC  
Dated : August 9, 1999  
Recorded : [August 9, 1999 in Official Records under Recorder's Serial Number  
1999-135815](#)

OLD REPUBLIC TITLE COMPANY  
ORDER NO. 0227027166-RL  
SECOND AMENDED REPORT

10. Agreement for : Option to Purchase Note Agreement  
Executed By : Mitsubishi Silicon America, a California corporation ("MSA")  
and Between : First Bank of California, a California banking corporation

On the terms, covenants and conditions contained therein,

Recorded : [August 9, 1999 in Official Records under Recorder's Serial Number 1999-135820](#)

11. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Easement Deed  
Granted To : BCMW, LLC  
For : A Non-Buildable Easement wherein Grantor agrees to refrain from building any habitable structure  
Dated : July 5, 2000  
Recorded : [July 14, 2000 in Official Records under Recorder's Serial Number 2000-085807](#)

12. Prior to the issuance of any policy of title insurance, the Company requires the following with respect to 3705 Haven LLC, a California Limited Liability Company:

1. A copy of any management or operating agreements and any amendments thereto, together with a current list of all members of said LLC.
2. A certified copy of its Articles of Organization (LLC-1), any Certificate of Correction (LLC-11), Certificate of Amendment (LLC-2), or Restatement of Articles of Organization (LLC-10).
3. Recording a Certified copy of said LLC-1 and any "amendments thereto".

13. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.

14. Any unrecorded and subsisting leases.

15. The requirement that the Company be provided with a copy of the "rent roll" and "tenant estoppel certificates" for its review.

The Company may have different and/or additional requirements after its review.

OLD REPUBLIC TITLE COMPANY  
ORDER NO. 0227027166-RL  
SECOND AMENDED REPORT

16. Rights of tenants in possession as tenants only under unrecorded leases.
17. The requirement that this Company be provided with an opportunity to inspect the land (the Company reserves the right to make additional exceptions and/or requirements upon completion of its inspection).
18. The requirement that this Company be provided with a suitable Owner's Declaration (form ORT 174). The Company reserves the right to make additional exceptions and/or requirements upon review of the Owner's Declaration.

----- **Informational Notes** -----

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 2.2.
- B. The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy:

NONE

NOTE: Our investigation has been completed and there is located on said land a commercial building known as 3705 Haven Avenue, Menlo Park, CA 94025.

The ALTA loan policy, when issued, will contain the CLTA 100 Endorsement and 116 series Endorsement.

Unless shown elsewhere in the body of this report, there appear of record no transfers or agreements to transfer the land described herein within the last three years prior to the date hereof, except as follows:

Grant Deed executed by Integris/Millennium Joint Venture, LLC, a California limited liability company to 3705 Haven LLC, a California limited liability company recorded [December 3, 2021 in Official Records under Recorder's Serial Number 2021-165778](#).

OLD REPUBLIC TITLE COMPANY

ORDER NO. 0227027166-RL

SECOND AMENDED REPORT

C. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument

Entitled : Grant Deed

By/From : Integris/Millennium Joint Venture, LLC, a California limited liability company

To : 3705 Haven LLC, a California limited liability company

Recorded : [December 3, 2021 in Official Records under Recorder's Serial Number 2021-165778](#)

D. March 4, 2022 The above First Updated Preliminary Report, has been modified for the following :

x Taxes

x Plant Date

x add RC 2021-167490

JMR/jmr



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## San Francisco Bay Regional Water Quality Control Board

July 30, 2021  
Cost Recovery ID 2020805  
GeoTracker ID: [SL18322742](#)

Integris/Millennium Joint Venture, LLC  
Attn.: Gary D. Williams  
2401 Waterman Blvd., Suite 4A-PMB#172  
Fairfield, CA 94534  
[gilliams@havenoffices.com](mailto:gilliams@havenoffices.com)

**Subject: Variance from Covenant and Environmental Restriction on 3705 Haven Avenue, Menlo Park, San Mateo County**

Dear Mr. Williams:

This letter grants a variance (Variance) from certain use restrictions contained in the [Covenant and Environmental Restriction on Property \(Covenant\)](#) recorded against the subject property, 3705 Haven Avenue in Menlo Park, California, in response to the August 12, 2020 request from Integris/Millennium Joint Venture, LLC (Integris). It is our understanding that Integris is the current owner of the subject property. More specifically, this Variance suspends the Covenant's restriction on residential development.

As set forth in more detail below, granting a variance from certain restrictions in the Covenant is appropriate as to the 3705 Haven Avenue parcel. This Variance reflects the following findings:

- A. The Covenant was recorded on two adjacent parcels on Haven Avenue (Burdened Property) on August 9, 1999, in the Official Records of San Mateo County, California, as Document No. 1999-135815. The Covenant restricted development on the two parcels to commercial and industrial uses because groundwater concentrations of chlorinated volatile organic compounds exceeded residential screening levels. After recordation of the Covenant, the Burdened Property was reparcelized into the following 3 parcels: (1) 3705 Haven Avenue, which is the subject of this Variance (APN 055-170-240), and is more particularly described in [Exhibit A](#) attached hereto ("**3705 Haven Property**"); (2) 3715 Haven Avenue, in the City of Menlo Park, County of San Mateo, State of California, with Assessor's Parcel Number 055-170-340, which is more particularly described in [Exhibit B](#) attached hereto ("**3715 Haven Property**"); and (3) 3723 Haven Avenue, in the City of Menlo Park, County of San Mateo, State of California, with Assessor's Parcel Number 055-170-350, which is

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JIM McGRATH, CHAIR | MICHAEL MONTGOMERY, EXECUTIVE OFFICER

more particularly described in Exhibit C attached hereto and (“**3723 Haven Property**”).

- B. Between January 31, 2020 and August 12, 2020, the Groundwater and Indoor Air Investigation Report and Soil Vapor Investigation Report were submitted demonstrating there is limited residual contamination on 3705 Haven Property compared to the rest of the site. The highest concentration of trichloroethene (TCE) in groundwater at the 3705 Haven Property is 23 micrograms per liter (µg/L). This is more than two orders of magnitude less than groundwater concentrations remaining on 3715 and 3723 Haven Ave. Soil vapor concentrations of TCE at the 3705 Haven Property are less than residential vapor intrusion-based screening levels.
- C. Integris submitted a request to the Water Board for a variance of the Covenant to allow residential land use on 3705 Haven Property. The Water Board concurs that residential land use is acceptable on 3705 Haven Property due to site conditions, including low soil and soil gas contaminant concentrations and risk management measures for groundwater contamination. Risk to residential receptors (including children and seniors) from residual groundwater contamination at 3705 Haven Property can be effectively managed with the Risk Management Plan (including any subsequent approved addenda) that is required by the Covenant. Specifically, the Risk Management Plan will be updated with an addendum to restrict the construction of subsurface structures that could create a vapor intrusion concern.

The Water Board grants to 3705 Haven Avenue a Variance from the following restrictions in Article III, Section 3.1 of the Covenant, provided that no subsurface structures are constructed on the property and the Risk Management Plan is updated as described in Finding C:

- a. Development of the Burdened Property shall be restricted to industrial commercial or office space;
- b. No residence for human habitation shall be permitted on the Burdened Property;
- e. No day care centers for children or day care centers for Senior Citizens shall be permitted on the Burdened Property.

Exhibit A of the Covenant is replaced with Exhibit A, Exhibit B, and Exhibit C attached to this Variance to distinguish the 3705 Haven Property parcel from the 3715 Haven Property and 3723 Haven Property parcels.

If you have any questions, please contact Nicole Fry of my staff at [Nicole.Fry@waterboards.ca.gov](mailto:Nicole.Fry@waterboards.ca.gov)

Sincerely,

Michael Montgomery

Executive Officer

Copy by email:

Richard A. Mielbye, FPG Development Group ([rmielbye@fpg-corp.com](mailto:rmielbye@fpg-corp.com))

Tyson Fulmer, AWR Corporation ([tfulmer@awrcorp.net](mailto:tfulmer@awrcorp.net))

Jacob Madden, San Mateo County, GPP ([JMadden@smcgov.org](mailto:JMadden@smcgov.org))

EXHIBIT A:

LEGAL DESCRIPTION OF 3705 Haven Property

APN: 055-170-240

THE LAND REFERRED TO HEREIN IS SITUATED IN THE CITY OF MENLO PARK, IN THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

Parcel 1, as shown on that certain map entitled "Parcel Map Being a Subdivision of Record of Survey Recorded in Volume 5, Page 89 of Licensed Land Surveyors Maps, Being a Portion of Lot 4 Sweeney Ranch, San Mateo County, California", filed in the Office of the Recorder of the County of San Mateo, State of California on December 15, 1972, in Book 18 of Parcel Maps, at Page 38.

JPN:055-017-170-24a



EXHIBIT B:  
LEGAL DESCRIPTION OF 3715 HAVEN PROPERTY.

APN: 055-170-340

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MENLO PARK, COUNTY OF SAN MATEO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Parcel A, as shown on that certain Map entitled, "PARCEL MAP 3715-3723 HAVEN AVENUE BEING A RESUBDIVISION OF PARCEL 2 AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP BEING A RESUBDIVISION OF RECORD OF SURVEY RECORDED IN VOLUME 5, PAGE 89 OF LICENSED LAND SURVEYORS MAPS, BEING A PORTION OF LOT 4 SWEENEY RANCH" WHICH MAP WAS RECORDED DECEMBER 15, 1972 IN BOOK 18 OF PARCEL MAPS AT PAGE 38, SAN MATEO COUNTY RECORDS, CITY OF MENLO PARK, SAN MATEO COUNTY, CALIFORNIA", filed in the office of the County Recorder of the County of San Mateo on February 17, 2000 in Book 72 of Parcel Maps at page 46.

JPN: 055-017-170-25.01a

EXHIBIT C:  
LEGAL DESCRIPTION OF 3723 HAVEN PROPERTY.

APN: 055-170-350

THE LAND REFERRED TO HEREIN IS SITUATED IN THE CITY OF MENLO PARK, IN THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel B, as shown on that certain map entitled "Parcel Map 3715-3723 Haven Avenue, Being a Resubdivision of Parcel 2 as Shown on that Certain Map Entitled "Parcel Map being a Resubdivision of Record of Survey Recorded in Volume 5, Page 89 of Licensed Land Surveyors Maps, Being a Portion of Lot 4 Sweeney Ranch", recorded December 15, 1972, in Book 18 of Parcel Maps, at Page 38, San Mateo County Records, City of Menlo Park, San Mateo County, California", filed in the Office of the Recorder of the County of San Mateo, State of California on February 17, 2000, in Book 72 of Parcel Maps, at Page 46.

JPN: 055-017-170-025A



RECORDING REQUESTED BY:

When Recorded Mail Document  
and Tax Statement To:  
Integris/Millennium Joint  
Venture LLC  
3723 Haven Ave.  
Menlo Park, CA 94025

APN: 055-170-240

EASEMENT DEED

SPACE ABOVE THIS LINE FOR RECORDER'S USE

28

The undersigned grantor(s) declare(s) none, consideration less than \$10.00  
Documentary transfer tax is \$ 0 City Transfer Tax is \$  
[ ] computed on full value of property conveyed, or  
[ ] computed on full value less value of liens or encumbrances remaining at time of sale,  
[ ] Unincorporated Area City of

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged.

Integris/Millennium Joint Venture LLC  
hereby GRANT(S) to

BCMW, LLC

the following described real property in the City of Menlo Park  
County of San Mateo, State of California:

~~SECTION WITH JONES AT TAX OFFICE HEREON AND MADE A PART HEREOF~~

A Non-Buildable Easement wherein Grantor agrees to refrain from building  
any habitable structure on that certain property described as follows:

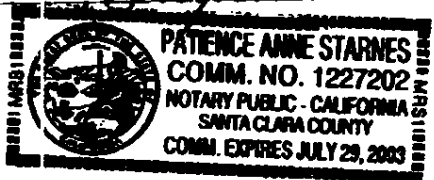
A strip of land nine (9') feet in width running parallel to and adjacent to  
the north easterly property line of Parcel 1, as shown on that certain Map  
entitled, "PARCEL MAP BEING A RESUBDIVISION OF RECORDS OF SURVEY RECORDED  
IN VOLUME 5, PAGE 39 OF LICENSED LAND SURVEYORS MAPS, BEING A PORTION OF  
LOT 4 SWEENEY RANCH, SAN MATEO COUNTY, CALIFORNIA", filed in the office of  
the recorder of the County of San Mateo, State of California, on December 15,  
STATE OF CALIFORNIA 1972 in Book 18 of Parcel Maps at page 38. \* SEE EXHIBIT ONE  
COUNTY OF Santa Clara ATTACHED HERETO

ON July 11, 2000 before me,  
Patience Anne Starnes personally appeared  
GARY D. WILLIAMS  
personally known to me (or proved to me on the basis  
of satisfactory evidence) to be the person(s) whose  
name(s) is/are subscribed to the within instrument and  
acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity(ies), and that  
by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the  
person(s) acted, executed the instrument.

Integris/Millennium Joint Venture LLC

By: Gary D. Williams  
Gary D. Williams - Member

Date: 7/15/2000



Witness my hand and official seal.

Signature Patience Anne Starnes

MAIL TAX STATEMENTS AS DIRECTED ABOVE

## EXHIBIT "ONE"

Said Non-Buildable easement described herein is appurtenant to, and for the benefit of the following described property, situated in the City of Menlo Park, County of San Mateo, State of California and is described as follows:

Parcel A, as shown on that certain Map entitled, "PARCEL MAP 3715-3723 HAVEN AVENUE BEING A RESUBDIVISION OF PARCEL 2 AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP BEING A RESUBDIVISION OF RECORD OF SURVEY RECORDED IN VOLUME 5, PAGE 89 OF LICENSED LAND SURVEYORS MAPS, BEING A PORTION OF LOT 4 SWEENEY RANCH" WHICH MAP WAS RECORDED DECEMBER 15, 1972 IN BOOK 18 OF PARCEL MAPS AT PAGE 38, SAN MATEO COUNTY RECORDS, CITY OF MENLO PARK, SAN MATEO COUNTY, CALIFORNIA", filed in the office of the County Recorder of the County of San Mateo on February 17, 2000 in Book 72 of Parcel Maps at page 46.

Joint Plant No: 055-017-170-25.01a

Assessor's Parcel No: 055-170-250(portion)



2000-055807  
07/14/2000 08:00A  
ES Page: 2 of 2

**Addendum C**  
**Property Information**

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

**I. Required Appraiser Qualifications**

1. California State Certified General Real Estate Appraiser.
2. Member of the Appraisal Institute (MAI) designation.
3. At least five years' experience appraising commercial and multi-family development land in the San Francisco Bay Area.

**II. Methodology for Life Science (LS) and Office (O) Districts**

**A. Base Level Value**

1. The subject of the appraisal is the parcel or parcels of land identified in the project application for the proposed project, which is also generally referred to as the project site. The subject of the appraisal is hereinafter referred to as the **"Subject Property."**
2. The City of Menlo Park shall determine the **"Base Level"** of development permitted on the Subject Property in accordance with the City's zoning and provide that information to the appraiser.
3. The Base Level of development permitted on the Subject Property shall be stated on a Gross Floor Area basis.
4. Gross Floor Area (**"GFA"**) is defined as the sum of the horizontal areas of all habitable floors including basements and mechanical areas within the surrounding exterior walls of a building covered by a roof measured to the outside surfaces of exterior walls or portions thereof on the Subject Property, excluding parking structures. For purposes of these instructions, City staff shall determine GFA based on this definition.
5. The appraiser shall determine the Market Value of the Subject Property, assuming it is fully entitled for the Base Level of development. **"Market Value"** is the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
6. For the Base Level, **"entitled"** means the Subject Property has all of the approvals necessary to immediately proceed with construction of the maximum GFA allowed by the zoning at the Base Level.
7. The **"GFA Per Square Foot Unit Value"** is defined as the sale price of the comparable divided by the GFA of the buildings proposed to be constructed on the property, or if there is no proposal, then the maximum GFA allowed by the zoning. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
8. The appraisal report shall include a **"Date of Value"** that is no more than 90 days from the date of the submission of the appraisal report to the City of Menlo Park.
9. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

10. The selected comparable sales used in valuing the Subject Property should be located in or as close to Menlo Park as reasonably available data allows.
11. The comparable sales should be as close to the Date of Value as reasonably available data allows.
12. The comparable sales should be as physically similar to the Subject Property as reasonably available data allows.
13. The intended use of the comparable sales by the buyer should be for mixed-use, commercial, office, life science or other similar non-residential uses.
14. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale's GFA Per Square Foot Unit Value.
15. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Base Level of development.
16. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
17. The resulting value conclusion for the Subject Property at the Base Level is the GFA Per Square Foot Unit Value times the maximum GFA allowed at the Base Level.
18. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ( $\$40,000,000 \div 200,000$ ). With respect to the Subject Property, the City of Menlo Park has determined that the Subject Property at the Base Level has an allowed maximum GFA of 100,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property GFA results in a Market Value of the Subject Property of \$20,000,000 ( $\$200 \times 100,000$ ).
19. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals, the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

**B. Bonus Level Value**

1. The Subject Property at the Bonus Level must be identical to the Subject Property at the Base Level. The Subject Property must remain identical.

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

2. The City of Menlo Park determines the “**Bonus Level**” of development permitted on the Subject Property in accordance with the City’s zoning and provides that information to the appraiser. The Bonus Level of development permitted on the Subject Property shall be stated on a GFA basis.
3. The appraiser shall determine the Market Value of the Subject Property assuming it is fully entitled for the Bonus Level of development.
4. For the Bonus Level, “**entitled**” means the Subject Property has all of the approvals necessary to immediately proceed with construction of the proposed project at the Bonus Level.
5. The Date of Value for the Bonus Level must be the same as the Date of Value for the Base Level.
6. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
7. The selected comparable sales used in valuing the Subject Property at the Bonus Level must be the same comparable sales previously used in valuing the Subject Property at the Base Level. Different comparable sales are not allowed. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
8. The appraiser shall not consider the community amenities requirement established under Menlo Park Municipal Code Section 16.43.070 or Section 16.44.070, as applicable, in determining the Market Value of the Subject Property under the Bonus Level of development.
9. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale’s GFA Per Square Foot Unit Value.
10. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Bonus Level of development.
11. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser’s conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
12. The resulting value conclusion for the Subject Property at the Bonus Level is the GFA Per Square Foot Unit Value times the GFA of the proposed project at the Bonus Level.
13. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ( $\$40,000,000 \div 200,000$ ). The proposed project on the Subject Property at the Bonus Level has a GFA of 150,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$30,000,000 ( $\$200 \times 150,000$ ).



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14. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

**C. Value of the Amenity Conclusion**

1. The Market Value of the additional GFA proposed at the Bonus Level of development is calculated based on the Subject Property values as determined through the process outlined above.
2. The value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA proposed at the Bonus Level. The “**Value of the Amenity**” is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level.
3. Using the above examples, the Value of Amenity calculation would be as follows:

Value conclusion at the Bonus Level	\$30,000,000
Value conclusion at the Base Level	<u>-\$20,000,000</u>
Value of the Additional GFA Proposed	\$10,000,000
<b>Value of the Amenity</b>	<b>\$5,000,000</b>

**III. Methodology for Residential Mixed-Use (R-MU) District**

**A. Base Level Value for a Residential Development or the Residential Component of a Mixed-Use Project**

1. The subject of the appraisal is the parcel or parcels of land identified in the project application for the proposed project, which is also generally referred to as the project site. The subject of the appraisal is hereinafter referred to as the “**Subject Property**.”
2. The appraiser identifies the proposed project as either a for sale condominium or a rental project or a combination thereof. This determination needs to be consistent with the application for the proposed project.
3. The City of Menlo Park shall determine the “**Base Level**” of development permitted on the Subject Property in accordance with the City’s zoning and provide that information to the appraiser. This determination will include identification of both

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the percentage and the number and the income level of required Below Market Rate (“**BMR**”) dwelling units required for the Subject Property at the Base Level pursuant to the City’s Below Market Rate Housing Program.

4. The Base Level of development permitted on the Subject Property shall be stated on a Gross Floor Area basis.
5. Gross Floor Area (“**GFA**”) is defined as the sum of the horizontal areas of all habitable floors including basements and mechanical areas within the surrounding exterior walls of a building covered by a roof measured to the outside surfaces of exterior walls or portions thereof on the Subject Property, excluding parking structures. For purposes of these instructions, City staff shall determine GFA based on this definition.
6. The appraiser shall determine the Market Value of the Subject Property, assuming it is fully entitled for the Base Level of development. “**Market Value**” is the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
7. For the Base Level, “**entitled**” means the Subject Property has all of the approvals necessary to immediately proceed with construction of the maximum GFA allowed by the zoning at the Base Level.
8. The “**GFA Per Square Foot Unit Value**” is defined as the sale price of the comparable divided by the GFA of the buildings proposed to be constructed on the property, or if there is no proposal, then the maximum GFA allowed by the zoning. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
9. The appraisal report shall include a “**Date of Value**” that is no more than 90 days from the date of the submission of the appraisal report to the City of Menlo Park.
10. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
11. The selected comparable sales used in valuing the Subject Property should be located in or as close to Menlo Park as reasonably available data allows.
12. The comparable sales should be as close to the Date of Value as reasonably available data allows.
13. The comparable land sales should be as physically similar as reasonably available data allows.
14. The intended use of the comparable sales by the buyer should be the same as the proposed project, for use as a multi-family residential development.
15. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale’s GFA Per Square Foot Unit Value.
16. Additional analysis of the comparable sales on a per dwelling unit basis is also acceptable. The final conclusion shall be stated on a GFA Per Square Foot Unit Value basis.
17. The BMR requirement at the Base Level for the Subject Property versus the comparable sales may be a basis for adjustment.

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18. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Base Level of development.
19. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
20. The resulting value conclusion for the Subject Property at the Base Level is the GFA Per Square Foot Unit Value times the maximum GFA allowed at the Base Level.
21. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square foot of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ( $\$40,000,000 \div 200,000$ ). With respect to the Subject Property, the City of Menlo Park has determined that the Subject Property at the Base Level has an allowed maximum GFA of 100,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$20,000,000 ( $\$200 \times 100,000$ ).
22. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate Subject Property GFA Per Square Foot Unit Value, provided the appraiser provides sufficient analysis and explanation of any adjustments.

**B. Bonus Level Value for a Residential Development or the Residential Component of a Mixed-Use Project**

1. The Subject Property at the Bonus Level must be identical to the Subject Property at the Base Level. The Subject Property must remain identical.
2. The City of Menlo Park shall determine the "**Bonus Level**" of development permitted on the Subject Property in accordance with the City's zoning and provide that information to the appraiser. The BMR requirement, stated in both percentage and number and income level, at the Bonus Level shall be determined pursuant to the City's Below Market Rate Housing Program.
3. The Bonus Level of development permitted on the Subject Property shall be stated on a GFA basis.
4. The appraiser shall determine the Market Value of the Subject Property assuming it is fully entitled for the Bonus Level of development.

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5. For the Bonus Level, “**entitled**” means the Subject Property has all of the approvals necessary to immediately proceed with construction of the proposed project at the Bonus Level.
6. The Date of Value for the Bonus Level is to be the same as the Date of Value for the Base Level.
7. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
8. The selected comparable sales used in valuing the Subject Property for the Bonus Level must be the same comparable sales previously used in valuing the Subject Property at the Base Level. Different comparable sales are not allowed. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
9. Additional analysis of the comparable sales on a per dwelling unit basis is also acceptable. The final conclusion shall be stated on a GFA Per Square Foot Unit Value basis.
10. The appraiser shall not consider the community amenities requirement established under Menlo Park Municipal Code Section 16.45.070 in determining the Market Value of the Subject Property at the Bonus Level of development.
11. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale’s GFA Per Square Foot Unit Value.
12. After reasonable adjustments for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for the proposed project at the Bonus Level, including the required percentage/number of BMR units pursuant to the to the City’s Below Market Rate Housing Program.
13. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser’s conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
14. The resulting value conclusion for the Subject Property under the Bonus Level is the GFA Per Square Foot Unit Value times the GFA of the proposed project at the Bonus Level.
15. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ( $\$40,000,000 \div 200,000$ ). The proposed project on the Subject Property at the Bonus Level has a GFA of 150,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$30,000,000 ( $\$200 \times 150,000$ ).
16. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals

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the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

**C. Value of Amenity Conclusion for a Residential Development or the Residential Component of a Mixed-Use Project**

1. The Market Value of the additional GFA proposed at the Bonus Level of development is calculated based on the Subject Property values as determined through the process outlined above.
2. The value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA proposed at the Bonus Level. The **“Value of the Amenity”** is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level.
3. Using the above examples, the Value of Amenity calculation would be as follows:

Value conclusion at the Bonus Level	\$30,000,000
Value conclusion at the Base Level	- <u>\$20,000,000</u>
Value of the Additional GFA Proposed	\$10,000,000
<b>Value of the Amenity</b>	<b>\$5,000,000</b>

**D. For Non-Residential Component of Mixed-Use Project**

1. This step is not applicable to Residential Developments.
2. For the non-residential portion of a mixed-use project in the R-MU District, the appraiser shall follow the methodology above for the Office (O) District in reaching a Value of the Amenity conclusion.

**E. Value of Amenity Conclusion R-MU District Combined Residential and Non-Residential Component of Mixed-Use Project**

1. The resulting Value of the Amenity conclusion for the non-residential component of a mixed-use project shall be added to the Value of the Amenity conclusion for the residential portion of the mixed-use project, without discount to either value conclusions, to determine the total Value of the Amenity to be provided.

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**IV. Methodology for Projects That Include Multiple Zoning Districts**

1. For master planned projects that include multiple zonings of R-MU, LS and/or O Districts the appraiser shall follow the methodology above for each separate component. The resulting value conclusions shall be added together without discount resulting in the defined Market Value for the entire Subject Property.

**Addendum D**  
**Comparable Data**

## **Land Sales**



# ADDENDA

## Land Sale Comparable 1

### Residential Development Site

#### Location Data

Location	2850 West Bayshore Road
City, State	Palo Alto, CA
Market	CA - San Jose/Silicon Valley
Submarket	Outside Metro Area
County	Santa Clara
APN	127-01-160



#### Physical Data

Property Type	Land (MF Residential)
Use at Sale	Planned
Proposed Use	MF Residential
Acres	2.34 Acres
Land SF	101,786 SF
Useable Acres	1.79 Acres
Useable Land SF	78,035 SF
Frontage	0
Visibility	Good
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	AE
Utilities	0
Offsite/Onsite Costs	0
Zoning	ROLM
Allowable Bldg Area	117,054 SF
Allowable Bldg Units	48
Verification	Confirmed-Other

#### Sale Data

Transaction Type	Closed
Date	October 20, 2022
Marketing Time	N/A
Grantor	C & J Office Buildings LLC
Grantee	Summerhill West Bayshore LLC
Document No.	25388797
Price	\$27,500,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$27,500,000

#### Analysis

Price per Acre	\$15,351,122
Price Per SF	\$352.41
Price per Unit	\$572,917
Price per FAR	\$306.44

#### Comments

This site sold with approvals to construct eight three-story buildings, each with six residential units. There will be 7 below market rate units with the developer providing in-lieu fees to meet the 15% affordable housing requirements.

# ADDENDA

## Land Sale Comparable 2

### Residential Development Site

#### Location Data

Location	4898 West El Camino Real
City, State	Los Altos, CA
Market	CA - San Jose/Silicon Valley
Submarket	Outside Metro Area
County	Santa Clara
APN	170-03-085



#### Physical Data

Property Type	Land (MF Residential)
Use at Sale	Planned
Proposed Use	MF Residential
Acres	0.43 Acres
Land SF	18,731 SF
Useable Acres	0.39 Acres
Useable Land SF	16,919 SF
Frontage	0
Visibility	Good
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	0
Offsite/Onsite Costs	0
Zoning	CT
Allowable Bldg Area	87,474 SF
Allowable Bldg Units	28
Verification	Confirmed-Buyer Broker

#### Sale Data

Transaction Type	Closed
Date	July 1, 2022
Marketing Time	N/A
Grantor	Los Caminos Altos LP
Grantee	ADL 15 LLC
Document No.	25330172
Price	\$6,800,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$6,800,000

#### Analysis

Price per Acre	\$17,507,724
Price Per SF	\$401.92
Price per Unit	\$242,857
Price per FAR	\$86.06

#### Comments

This is the sale of an entitled 28 unit condominium development site. The project will have 5-stories with two levels of underground parking. The units will range in size from 782 square feet to 1,886 square feet. The project was granted a density bonus by providing 2 moderate and 4 very low income BMR units (21%).

# ADDENDA

## Land Sale Comparable 3

1814-1820 Ogden Dr

### Location Data

Location	1814-1820 Ogden Drive
City, State	Burlingame, CA
Market	CA - San Mateo
Submarket	San Mateo Metro
County	San Mateo
APN	025-121-110 & 025-110-120



### Physical Data

Property Type	Land (MF Residential)
Use at Sale	Planned
Proposed Use	MF Residential
Acres	0.77 Acres
Land SF	33,336 SF
Useable Acres	0.77 Acres
Useable Land SF	33,336 SF
Frontage	0
Visibility	Good
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	0
Offsite/Onsite Costs	0
Zoning	NBMU
Allowable Bldg Area	124,677 SF
Allowable Bldg Units	90
Verification	Confirmed-Seller Broker

### Sale Data

Transaction Type	Closed
Date	December 7, 2021
Marketing Time	N/A
Grantor	Patel Family Trust & Jerry Warren
Grantee	Sierra Investments
Document No.	33530
Price	\$8,000,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$8,000,000

### Analysis

Price per Acre	\$10,453,417
Price Per SF	\$239.98
Price per Unit	\$88,889
Price per FAR	\$64.20

### Comments

This was a two-part assemblage of two adjacent sites. 1820 Ogden Drive was purchased by the buyer on April 14, 2020 for \$6,000,000, and 1814 Ogden Drive was purchased by the buyer on December 7, 2021 for \$2,000,000, bringing the total acquisition cost for the site to \$8,000,000. On September 27, 2021, the City of Burlingame Planning Commission approved an application for construction of a new six-story, 90-unit condominium building at 1814 - 1820 Ogden Drive, within the North Burlingame Mixed Use area. The site is currently comprised of two parcels with a one story and a three-story building containing office/medical uses. The lots would be merged and the proposal is to construct a new six-story 90-unit condominium building. The units would be a mix of studio, one-bedroom and two-bedroom units. There would be 5% of the units offered as low-income BMR units. The Millbrae Caltrain station is located 0.45 miles east, across El Camino and the BART station (Millbrae multimodal station) is located just beyond the Caltrain station, just over a half a mile (0.60 miles) from the project site.

# ADDENDA

## Land Sale Comparable 4

955 Woodside Rd

### Location Data

Location	955 Woodside Road
City, State	Redwood City, CA
Market	CA - San Mateo
Submarket	San Mateo Metro
County	San Mateo
APN	059-240-670



### Physical Data

Property Type	Land (MF Residential)
Use at Sale	Planned
Proposed Use	MF Residential
Acres	0.42 Acres
Land SF	18,295 SF
Useable Acres	0.42 Acres
Useable Land SF	18,295 SF
Frontage	0
Visibility	Good
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	0
Offsite/Onsite Costs	0
Zoning	CG-R WITH R-4
Allowable Bldg Area	18,295 SF
Allowable Bldg Units	8
Verification	Confirmed-Seller Broker

### Sale Data

Transaction Type	Closed
Date	August 18, 2021
Marketing Time	N/A
Grantor	Manoochehr Javaherian
Grantee	Samir Sharma
Document No.	120679
Price	\$3,200,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$3,200,000

### Analysis

Price per Acre	\$7,619,048
Price Per SF	\$174.91
Price per Unit	\$400,000
Price per FAR	\$175.44

### Comments

The application for an Architectural Permit, Tentative Map, and Condominium Permit to subdivide one parcel into 8 residential condominium parcels was approved for the site on September 7, 2021, approximately 2 weeks after the close of sale. The project will contain 8 for-sale attached condominium units within two three-story buildings with attached garages. No below market rate (BMR) units will be provided. The site is flat and located on Woodside Rd. between Horgan Ave. and Kentfield Avenue. It is 18,295 sq. ft. and 0.42 Acres. Currently, a single story Animal Hospital is located near the rear of the site with parking fronting the building. The 278 bus route runs along Woodside Road with a 15 minute ride to the Redwood City CalTrain Station.

# ADDENDA

## Land Sale Comparable 5

120 W El Camino Real

### Location Data

Location	120 West El Camino Real
City, State	Redwood City, CA
Market	CA - San Mateo
Submarket	San Mateo Metro
County	San Mateo
APN	052-064-160



### Physical Data

Property Type	Land (MF Residential)
Use at Sale	Proposed
Proposed Use	MF Residential
Acres	0.44 Acres
Land SF	19,194 SF
Useable Acres	0.44 Acres
Useable Land SF	19,194 SF
Frontage	0
Visibility	Good
Topography	Level
Shape	Rectangular
Corner/Interior Location	Corner
Flood Zone	X
Utilities	0
Offsite/Onsite Costs	0
Zoning	MU-N
Allowable Bldg Area	28,023 SF
Allowable Bldg Units	12
Verification	Confirmed-Seller Broker

### Sale Data

Transaction Type	Closed
Date	November 3, 2020
Marketing Time	N/A
Grantor	Rebecca Yeh
Grantee	Pinn Brothers Construction Co
Document No.	122221
Price	\$5,350,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$5,350,000

### Analysis

Price per Acre	\$12,142,533
Price Per SF	\$278.73
Price per Unit	\$445,833
Price per FAR	\$190.91

### Comments

This parcel sold with a tentative map and approved plans for 12 tri-level Townhomes on a level Lot. The approved plans were for 8 units of 1,876 SF, 2 units of 2,074 SF, 1 unit of 1,889 SF & 1 unit of 1,418 SF, 24 Private parking spaces, 12 bike parking spaces and 1,614 SF of open space. No below market rate (BMR) units will be provided. Tentative Map Certificate Issued April 2019. The property previously traded in November 2018 for \$4,250,000.

# ADDENDA

## Land Sale Comparable 6

### Proposed Apartment Complex

#### Location Data

Location	1095 Rollins Road
City, State	Burlingame, CA
Market	CA - San Mateo
Submarket	San Mateo Metro
County	San Mateo
APN	026-231-250



#### Physical Data

Property Type	Land (MF Residential)
Use at Sale	Proposed
Proposed Use	MF Residential
Acres	1.08 Acres
Land SF	46,827 SF
Useable Acres	1.08 Acres
Useable Land SF	46,827 SF
Frontage	0
Visibility	Good
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	0
Offsite/Onsite Costs	0
Zoning	R-4 - High Density Residential
Allowable Bldg Area	193,864 SF
Allowable Bldg Units	150
Verification	Confirmed-Buyer Broker

#### Sale Data

Transaction Type	Closed
Date	November 2, 2020
Marketing Time	N/A
Grantor	Hanover
Grantee	Prometheus
Document No.	122571
Price	\$18,750,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$18,750,000

#### Analysis

Price per Acre	\$17,441,860
Price Per SF	\$400.41
Price per Unit	\$125,000
Price per FAR	\$96.72

#### Comments

Prometheus Real Estate Group acquired this fully entitled multifamily development site located at 1095 Rollins Rd., in Burlingame, CA from Hanover Company for \$18.75 million or about \$400 psf. The City of Burlingame has approved an application for the construction that includes merging two parcels to create a 46,827 square foot site, demolishing the existing structures and constructing a new 6-story, 150-unit apartment building. The project would include a subterranean garage containing surface, tandem and stacked parking for 195 off-street parking spaces, with approximately 175 of the spaces provided in stackers. The units would include studio, one-bedroom, two-bedroom and three-bedroom units, with 10% (15 units) designated affordable for moderate income households, and therefore the project includes a request to use the State Density Bonus, including waivers and incentives.

## **Addendum E**

### **Appraiser Qualifications and Licenses**



# John P. Walsh

MAI, MRICS

Senior Vice President

CA Appraiser License #AG003248

t 650-358-5263

m 415-505-6388

john.walsh@nmrk.com

## YEARS OF EXPERIENCE

# 30+

## AREAS OF SPECIALTY

Valuation & Advisory

Industrial

Office

Multifamily

Life Science

Complex Mixed-Use Assets

John P. Walsh, MAI, MRICS, is a Senior Vice President at Newmark Valuation & Advisory in the San Mateo office. John brings to his position more than 30 years of experience valuing and advising on institutional and corporate real estate throughout Northern California.

Prior to joining Newmark in 2017, John worked for 10 years in the Cushman & Wakefield Valuation & Advisory Services Group, where he served in a variety of professional roles. Most recently, he was a Senior Director in the San Francisco office. In this role, he was responsible for appraisal and consulting services for most types of income-producing and commercial properties, including affordable housing, development land, educational facilities, hotels and motels, industrial, multifamily, mixed-use, office, residential subdivisions, retail, senior housing and special-use properties. The intended use of these assignments included mortgage lending, corporate advisory, disposition and acquisition, tax appeal, litigation and rent arbitration.

John has been appraising commercial real estate since 1988 and has valued over \$50 billion in real estate. He previously held professional and managerial positions with Hamilton, Ricci & Associates, Security Pacific Bank (acquired by Bank of America), First Deposit Bank (acquired by Wells Fargo) and The Pacific Bank (acquired by City National Bank).

### Partial List of Significant Assignments

- 23-acre urban mixed-use redevelopment site (San Francisco, CA)
- 1.25 million SF trophy office building (San Francisco, CA)
- 1.0 million SF trophy office building (San Francisco, CA)
- 750,000 SF trophy office building (San Francisco, CA)
- 656-unit high-rise condominium complex (San Francisco, CA)
- 250,000 SF urban retail center (San Francisco, CA)
- 85,000 SF urban retail center (San Francisco, CA)
- Proposed 800,000 SF office complex (Burlingame, CA)
- 320,000 SF adaptive reuse project (San Francisco, CA)
- 105,000 SF historic landmark (San Francisco, CA)

### Licenses and Designations

- Member, Appraisal Institute (MAI)
- Member, Royal Institution of Charter Surveyors (MRICS)
- Certified general real estate appraiser, state of California

### Education

John earned a Master of Business Administration degree in management from Golden Gate University and a Bachelor of Science degree in finance from Santa Clara University. He has also completed the requirements of the Appraisal Institute's continuing education program.





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

**John P. Walsh**

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 003248

Effective Date: October 17, 2022

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