
From: 714515@gmail.com
Sent: Monday, November 24, 2014 2:15 PM
To: Carroll, John (BOS)
Subject: 2853 Broderick -- BOS Hearing November 25th--Appellant response to Dwelling Unit Merger application and appraisals
Attachments: Irving text letter.pdf; ATT00001.txt; 1b.pdf; ATT00002.txt; 1e.pdf; ATT00003.txt; 1c.pdf; ATT00004.txt; 1d.pdf; ATT00005.txt
Categories: 141083

**RECEIVED AFTER THE ELEVEN-DAY
DEADLINE, BY NOON, PURSUANT TO ADMIN.
CODE, SECTION 31.16(b)(5)**
(Note: Pursuant to California Government Code, Section
65009(b)(2), information received at, or prior to, the public
hearing will be included as part of the official file.)

Dear Mr. Carroll:

Attached below is Appellant's response to 2853-2857 Broderick Dwelling Unit Merger application and Appraisals. Please distribute to the Board of Supervisors and others that need a copy.

Thank you,
Irving Zaretsky
Appellant's letter to Supervisor Farrell 11

Irving Zaretsky <iiz@pacbell.net>

November 23, 2014 4:39 PM

To: Mark Farrell <info@markfarrell.com>

Cc: Catherine Stefani <catherine.stefani@sfgov.org>, "Scott (CPC) Sanchez"

<scott.sanchez@sfgov.org>, "Patrick.O'Riordan@sfgov.org"

<Patrick.O'Riordan@sfgov.org>, "Daniel (DBI) Lowrey" <Daniel.L.Lowrey@SFGOV.ORG>,

"Thomas (DBI) Fessler" <Thomas.Fessler@sfgov.org>, Tina Tam <Tina.Tam@sfgov.org>,

"Shelley (CPC) Caltagirone" <Shelley.Caltagirone@sfgov.org>, Sarah Jones

<sarah.b.jones@sfgov.org>, "paulmaimai@yahoo.com" <paulmaimai@yahoo.com>,

"kbgoss@pacbell.net" <kbgoss@pacbell.net>, "michael@jaegermchugh.com"

<michael@jaegermchugh.com>, "maitesai@yahoo.com" <maitesai@yahoo.com>,

"annabrockway@yahoo.com" <annabrockway@yahoo.com>, "dorinetowle@me.com"

<dorinetowle@me.com>, Vince Hoenigman <vince@citymark.com>, Kate Kardos

<kdkmanagement@yahoo.com>, "cjones@forwardmgmt.com"

<cjones@forwardmgmt.com>, "rwgoss@pacbell.net Goss" <rwgoss@pacbell.net>, Povlitz

<rpovlitz@yahoo.com>, "timothy.arcuri@cowen.com" <timothy.arcuri@cowen.com>,

"amanda@hoenigman.com" <amanda@hoenigman.com>, "wmore@aol.com"

<wmore@aol.com>, "Will Morehead (" <letsbond@gmail.com>, nancy leavens nancy

<nancyp.leavens@gmail.com>, "dod.fraser@gmail.com" <dod.fraser@gmail.com>,

"ethurston@gmail.com" <ethurston@gmail.com>, "DXN2700@aol.com"

<DXN2700@aol.com>, Geoff Wood <ggwood2@gmail.com>, Brooke Sampson

<brookesampson@yahoo.com>, "elarkin@hill-co.com" <elarkin@hill-co.com>,

"lbrooke@lmi.net (lbrooke@lmi.net)" <lbrooke@lmi.net>, "Cynthia2ndemail@gmail.com"

<Cynthia2ndemail@gmail.com>, "Patriciavaughey@att.net Patricia"

<Patriciavaughey@att.net>, "info@cowhollowassociation.org"

<info@cowhollowassociation.org>, "IDick@fbm.com" <IDick@fbm.com>,

"joy.lamug@sfgov.org" <joy.lamug@sfgov.org>, "john.carroll@sfgov.org"

<john.carroll@sfgov.org>, "Angela.Calvillo@sfgov.org" <Angela.Calvillo@sfgov.org>

BOS HEARING NOV 25 --2853 BRODERICK DWELLING UNIT MERGER AND APPRAISALS

5 Attachments, 26.3 MB

Dear Supervisor Farrell:

Appellants response to 2853-57 Broderick: DWELLING UNIT MERGER AND APPRAISALS

Board of Supervisors Hearing November 25, 2014

Appellant objects to the approval of the Dwelling Unit Merger application submitted by the project sponsor of 2853-2857 Broderick street that is based on her appraisal packet.

Attached below is the permit application, and there are later versions as well, for the Unit

Merger. Attached below are also her two appraisal documents by Summit Real Estate and by Roger A. Ostrem.

Attached further is an appraisal conducted at the request of Appellant by Trisha Clark and Timothy Little.

It is argued by the project sponsor and her lawyer that the matter of the Dwelling Unit Merger is not within the jurisdiction of the Board of Supervisors, so it was argued at the at the Planning Commission, because the total value of this two flat rental building is over \$3,000,000 and each unit to be removed from the affordable housing stock of San Francisco is valued at over \$1,506,000. Consequently, they conclude, as did the Department of City Planning, that the matter is up to the discretion of the Zoning Administrator and not a proper subject matter for review by the Board of Supervisors.

The project sponsor further argues that the matter of the Dwelling Unit Merger is not a proper subject matter for a CEQA hearing and beyond its authorized scope.

Appellants disagree.

The appraisals submitted by the project sponsor attempt to value the building at 2853-57 Broderick as of December 2, 2013, two months prior to the suspension of all permits by the Zoning Administrator.

The first document by the Summit Real Estate Group, Inc. does not appear to be an appraisal at all. It is an office marketing valuation by a real estate agent, and signed as a real estate agent, to give a valuation of the proposed removal of a Dwelling unit. No explanation of methodology is presented because it is not a formal appraisal.

It is not credible because it attempts to establish value by using comparable sales of condominiums and stock cooperative units in size and condition and level of finishes much apart from the subject property without any adjustments. It is presented here purely for the purpose of inflating the value of the subject property so it can be taken out of review from the Board of Supervisors.

The second document is an appraisal by Roger Ostrem that suffers from similar defects. Mr. Ostrem uses for a comparable the added sale of two unit rental buildings and he splits the entire value of the building essentially in half and gives each unit a projected speculative value.

Neither of this methodology is correct and neither follows the requirements for the establishment of value for the removal of a dwelling unit.

The appropriate and accepted method of evaluation is to bring comparable of TIC (Tenancy in Common) units that have actually been sold and to compare and contrast them along certain parameters with the subject property and thereby provide a value for each unit based on actual realized sales of TIC's. The subject property is neither a condominium project nor a stock cooperative legal entity. It has always been a rental two unit building, owner occupied in one unit, and a second rental unit that has always been rented at affordable rents to single tenants, couples and roommates (up to March 2010, before the fire, 2853 Broderick rented for about \$3000 per month allowing two roommates to share the flat at \$1500 per month each, which is less than what each would have to pay to rent an individual studio apartment).

Appellant, in contrast, presents a valid appraisal showing the sale of TIC units as comparables. They do show the value of each unit to be less than those offered by the project sponsor.

However, both the project sponsor's appraisal and Appellant's appraisal suffer from the same challenge:

2853-2857 Broderick is a hollowed out shell, in raw state, and requires enormous amount of improvement to get it into the most minimal livable state and to bring it up to even the state it was in on March 10, 2010 when the fire occurred.

In order to have an accurate appraisal, we must know the contractor assessment of the cost for reconstruction, even to a lowest minimum level. Both the project sponsor and Appellant relied on the stated amount of \$320,000 given in Permit no. 201108031630. That amount was provided on August 3, 2011 (three and a half years ago) by Mrs. Conrad and it was based on the amount of her insurance proceeds that she thought she would get, and on a reconstruction plan that was very modest and depended on a very limited demolition of the structure's interiors, a much reduced demo than the over demolition that occurred and that forced her to sell her property.

Since the current project sponsor took over the property, she never submitted, in any permit application, the valuation of her actual construction, but has relied deceptively on the \$320,000 cost estimate of Mrs. Conrad in August of 2011.

For a proper appraisal of the value of the units for the purposes of unit removal, both her appraisers and ours have to be given an accurate cost basis of construction. That would lower the values claimed by both her appraisers and ours. Accurate construction costs have to be fed in to the comparison

of comparables TIC sales in order to get an accurate valuation for the removal of a dwelling unit.

APPELLANT'S APPRAISERS PROVIDE THESE CAVEATS IN THEIR ADDENDUM AND HONESTLY ADDRESS THE LACK OF SUFFICIENT INFORMATION TO COME UP WITH A CORRECT ACTUAL VALUATION OF EACH UNIT DESTINED FOR UNIT REMOVAL. WHEN COMPARED WITH THE COMPARABLES, the subject property cost of lifting the building, excavating the garage, and providing the structure with basic services and minimal living standards would require many multiples of \$320,000.

Similarly, the price paid by the project sponsor for the structure in May 2012 of \$1,800,000 could not have ever doubled in the year and a half leading to December 2, 2013 (the effective date of the appraisal) even if only \$320,000 in construction cost were put in. The project sponsor can argue that she bought the structure in an off market sale and did not pay to the seller fair market value, but that would get into a conversation of ill gotten gains which is an issue not before this appeal.

The Dwelling Unit Merger Application is also misleading in that the project sponsor claims that no additional construction is to be undertaken for the sake of the merger. This is precisely the point that the Appellants are making that the basic structural construction for the merger has already occurred under the wrongfully issued permits and that the Unit Merger application should have been presented to a 311 notification prior to the construction having been accomplished that would allow her to argue that no further construction is necessary for the merger itself.

Appellants argue that 2853-57 Broderick is an Historic Resource and as such the merger of there two units to turn it into a home is within the jurisdiction of the Board of Supervisors for approval.

BACK STORY:

There is a back story to the appraisals and valuation and it is the property located at 2821 Broderick, a two unit rental building sold in May 2012 for \$3,560,000 and located a few houses to the south of the subject property and on the same block..

That sale occurred at about the same time that the project sponsor bought the subject property, 2853 Broderick, for \$1,800,000. 2821 Broderick consists of two units built in 1909 with a total sq. footage for lot and house of 9,567; the lot is 4047 sq.ft and the house is 4,520 sq. ft. This property is much larger, with grand views, a pre-existing garage, and in much better move in condition than the subject property. The buyer proceeded to reconstruct the property as a two unit building but usable as a home. The developer

originally claimed to the neighborhood that he was building the structure for his own use, and once the remodel was finished it was sold, a few months ago, for \$11,100,000.

This is the building that is the role model for the project sponsor and for the Summit Group valuation and for Roger Ostrem's appraisal. When I was asked to meet with the project sponsor on March 6, 2013 her claim was that she no longer wants a two unit building but rather a home. She claimed that that was the real value of the property for development. Since that time, all her machinations with the permits and the valuations and the change of plans have to do with expanding, in all directions, this modest 1890 structure, the oldest building in our neighborhood, and to turn it into a mansion to yield an enormous flow of cash when it is sold. To accomplish this, the project sponsor, has to rid the structure of its 125 year old history and maximize every inch of available space, including building on the whole lot.

Her trampling on the permit Rules, the deception, the machinations with the plans, the constant changes of plans, the putting in permit applications and withdrawing them tactically and strategically, all have to do with profits at the end of the rainbow.

The appellants and neighbors who are appealing this project are all business oriented people. No one begrudges his neighbor a profit. All the neighbors believe that everyone has a right to remodel a home, to improve their environment, to add living amenities to their living space. No one is ideologically rooted in opposing building remodel and development. But we are opposed is violating the Rules, lying to your neighbors, deception in the conduct of construction and permitting, abusing your neighbors for the sake of a profit, and disrespecting the history and environment in which the development occurs. We don't condone breaking the Rules to justify the ends.

We do not subscribe to the notion of the project sponsor that "the last person to buy into a neighborhood is first in rights". These historic homes have been maintained by the neighbors for decades and everyone has placed boundaries on their development activities and homes remodel. The project sponsor wants to eliminate all boundaries and break out the envelope of responsible and accountable home improvement to the detriment of all her neighbors and to the neighborhood's environment and historic character.

As the saying goes in all cases of wrong doing and coverup: FOLLOW THE MONEY.

It is respectfully requested that the Board of Supervisors review this application for Dwelling Unit Merger.

Sincerely,

Irving Zaretsky
Appellant

Dwelling Unit Merger Application



2853 Brod... 9/13/14 MD

Project sponsor appraisals: Summit Group



2853 Brod... 13 (1.6 MB)

Roger Ostrem appraisal



2853 Brod... uem (8.4 MB)

Appellants appraisal by Trisha Clark and Timothy Little: 2853 Broderick



2853 Brod... 14 (7.4 MB)

2857 Broderick appraisal



2853 Brod... 14 (7.5 MB)

APPRAISAL OF

A RESIDENTIAL UNIT HELD IN TENANCY COMMON OWNERSHIP

LOCATED AT:

2857 BRODERICK STREET
SAN FRANCISCO, CA 94123

CLIENT:

IRVING ZARETSKY
2845-2847 BRODERICK STREET
SAN FRANCISCO, CA 94123

AS OF:

December 2, 2013

BY:

TIMOTHY A LITTLE

WALKUP CLARK & ASSOCIATES
Individual Condominium Unit Appraisal Report

RES
 File No. 14K007CTL

PURPOSE
 The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.
 Client Name IRVING ZARETSKY E-mail 714515@GMAIL.COM
 Client Address 2845-2847 BRODERICK STREET City SAN FRANCISCO State CA Zip 94117
 Additional Intended User(s) IRVING ZARETSKY'S DELEGATED ASSOCIATES.
 Intended Use ASSET EVALUATION OF HYPOTHETICAL TIC UNIT DIVISION.

SUBJECT
 Property Address 2857 BRODERICK STREET City SAN FRANCISCO State CA Zip 94123
 Owner of Public Record WHITEHEAD, PAMELA J FAMILY TRUST County SAN FRANCISCO
 Legal Description LOT 2, BLOCK 0947 (SEE PRELIMINARY TITLE REPORT FOR A FULL LEGAL DESCRIPTION) #2857
 Assessor's Parcel # 0947 - 002 (UNIT#2857) Tax Year 2013 R.E. Taxes \$ PROP 13
 Neighborhood Name COW HOLLOW Map Reference 647/F4 Census Tract 0128.00
 Property Rights Appraised Fee Simple Leasehold Other (describe) FEE SIMPLE W/PARTIAL INTEREST AS TENANCY IN COMMON
 My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
 Prior Sale/Transfer: Date Price Source(s) MLS/NDCDATA

SALES HISTORY
 Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) THE SUBJECT UNIT LAST SOLD AS A WHOLE FOR \$1,800,000 ON 05/30/2012 (DOC#0J42200809). NO OTHER SALES FOR THE SUBJECT UNIT WERE NOTED IN THE PAST 36 MONTHS. NO ADDITIONAL PRIOR TRANSFERS WERE NOTED FOR THE COMPARABLE SALES WITHIN THE PAST 12 MONTHS.
 Offerings, options and contracts as of the effective date of the appraisal

NEIGHBORHOOD

Neighborhood Characteristics				Condominium Unit Housing Trends			Condominium Housing		Present Land Use %		
Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	40 %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	25 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	220 Low	0	Multi-Family	20 %
Neighborhood Boundaries	LOMBARD TO THE NORTH, GREEN TO THE SOUTH, LYON TO THE WEST, AND VAN NESS TO THE EAST.						1,900 High	110	Commercial	12 %	
Neighborhood Description	SEE ATTACHED ADDENDUM.						750 Pred.	80	Other	3 %	

Market Conditions (including support for the above conclusions) SEE ATTACHED ADDENDUM.

PROJECT SITE
 Topography SLOPED Size 2757 SF Density 2 UNITS View NONE
 Specific Zoning Classification RH2 Zoning Description RESIDENTIAL; TWO FAMILY DWELLING
 Zoning Compliance Legal Legal Nonconforming No Zoning Illegal (describe)
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe.
 Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private
 Electricity Water Street ASPHALT
 Gas Sanitary Sewer Alley NONE
 Site Comments THE SUBJECT IS A TYPICAL INTERIOR SITE ON A RESIDENTIAL STREET STREET WITH LIGHT LEVELS OF TRAFFIC. THE SITE TOPOGRAPHY IS SLIGHTLY SLOPED. NO APPARENT ENCROACHMENTS, EASEMENTS OR ADVERSE SITE FACTORS NOTED.

PROJECT INFORMATION
 Data source(s) for project information MLS, REAL ESTATE AGENT
 Project Description Detached Row or Townhouse Garden Mid-Rise High-Rise Other (describe) LOW RISE

General Description	General Description	General Description	Project Info
# of Stories 3	Effective Age 10 YRS	Exterior Walls WD.SD/AVG+	Ratio (spaces/units) 1/1
# of Elevators 0	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Roof Surface TAR & GRVL	Type GARAGE
Year Built 1900	<input type="checkbox"/> Under Construction	Total # Parking 2	Guest Parking NONE
Describe the condition of the project and quality of construction. SEE ATTACHED ADDENDUM			# of Units 2
Describe the common elements and recreational facilities. GARAGE, & REAR YARD			# of Units Completed 2
			# of Units Rented 0

UNIT DESCRIPTION

GENERAL DESCRIPTION	INTERIOR	AMENITIES	APPLIANCES	CAR STORAGE
Floor # 3RD/4TH/TOP	Floors HDWD/AVG+	Fireplace(s) # 0	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> None
# of Levels 2	Walls SHTRK/AVG+	Woodstove(s) # 0	<input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Garage <input type="checkbox"/> Covered <input type="checkbox"/> Open
Heating Type FAU Fuel GAS	Trim/Finish WD/PNTD/AVG+	Deck/Patio 0	<input checked="" type="checkbox"/> Disp <input checked="" type="checkbox"/> Microwave	# of Cars 1
<input type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	Bath Wainscot TILE/AVG+	Porch/Balcony 0	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Assigned <input type="checkbox"/> Owned
<input checked="" type="checkbox"/> Other (describe) NONE	Doors HOLLOW CORE/AVG+	Other 0	<input checked="" type="checkbox"/> Washer/Dryer	Parking Space #
Finished area above grade contains: 7 Rooms 4 Bedrooms 3.0 Bath(s) 2,245 Square Feet of Gross Living Area Above Grade				
Comments on the improvements: THE SUBJECT UNIT IS THE 3RD/4TH/TOP FLOOR UNIT THAT IS TO BE FINISHED TO AN AVERAGE STANDARD CONTAINING 3 BEDROOMS, AND 2 BATHROOMS ON THE 4TH TOP FLOOR. THE 3RD MAIN LIVING FLOOR CONTAINS A DINING ROOM, BEDROOM, KITCHEN, LIVING ROOM AND 1 BATHROOM. THE UPPER FLOOR HAS VIEWS OF THE CITY AREA.				
THE UNIT WILL BE ELIGIBLE FOR STREAMLINED CONDOMINIUM CONVERSION AS A 2-UNIT BUILDING. THIS IS OF BENEFICIAL STATUS WITH REGARD TO TIC PROPERTY VALUE, BUT IS STILL CONSIDERED INFERIOR TO CONDOMINIUMS UNTIL THE SUBJECT IS OFFICIALLY CONVERTED TO CONDOMINIUM OWNERSHIP BY THE CITY.				

WALKUP CLARK & ASSOCIATES
Individual Condominium Unit Appraisal Report

RES
File No. 14K007CTL

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address and Unit #	2857 BRODERICK STREET SAN FRANCISCO	333 SPRUCE STREET SAN FRANCISCO		3226 OCTAVIA STREET SAN FRANCISCO		3132 SCOTT STREET SAN FRANCISCO	
Project Name and Phase 1	2853-2857 BRODERICK ST Phase 1	331-335 SPRUCE STREET 1		3224-3226 OCTAVIA STREET 1		3132 SCOTT STREET 1	
Proximity to Subject		0.82 MILES SW		0.86 MILES NE		0.23 MILES NE	
Sale Price		\$ 1,708,000		\$ 1,695,000		\$ 1,600,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 923.74 sq. ft.		\$ 1059.38 sq. ft.		\$ 677.97 sq. ft.	
Data Source(s)		SFMLS#410799 DOM:73		SFMLS#414595 DOM:14		SFMLS#416224 DOM:23	
Verification Source(s)		NDC/DOC#0J76500639		NDC/DOC#0J82200332		NDC/DOC#0J85500349	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	(+) \$ Adjustment	DESCRIPTION	(-) \$ Adjustment	DESCRIPTION	(-) \$ Adjustment
Sale of Financing Concessions		ARMLTH CONV:0		ARMLTH CONV:0		ARMLTH CONV:0	
Date of Sale/Time		10/02/2013 COE		01/08/2014 COE		03/24/2014 COE	
Location	GOOD	GOOD		GOOD		GOOD/NOISE	80,000
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE		FEE SIMPLE		FEE SIMPLE	
HOA No. Assessment	\$0	\$350		\$267		\$451	
Common Elements and Rec. Facilities	NONE YARD	NONE YARD		NONE YARD	5,000	ROOF DECK YARD	-20,000
Floor Location	3RD/4TH/TOP	2ND/MID	10,000	1ST/2ND/MID	10,000	1ST/2ND/MID	10,000
View	PRT.CITY/AREA	PRT.CITY/AREA		NONE	42,375	NONE	40,000
Design (Style)	TRADITIONAL	TRADITIONAL		TRADITIONAL		TRADITIONAL	
Quality of Construction	AVERAGE+	GOOD	-85,400	GOOD	-84,750	GOOD	-80,000
Actual Age	1900	1905		1923		1912	
Condition	AVERAGE	GOOD	-85,400	GOOD	-84,750	GOOD	-80,000
Above Grade	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Room Count	7 4 3	6 3 2.5	7,500	6 3 2	15,000	7 3 2.5	-7,500
Gross Living Area 175	2,245 sq. ft.	1,849 sq. ft.	69,300	1,600 sq. ft.	112,800	2,360 sq. ft.	-20,200
Basement & Finished Rooms Below Grade	NONE STORAGE	NONE STORAGE		NONE STORAGE		NONE STORAGE	
Functional Utility	AVERAGE/TIC	AVERAGE/TIC		AVERAGE/TIC		AVERAGE/TIC	
Heating/Cooling	FAU/NONE	FAU/NONE		FAU/NONE		FAU/NONE	
Energy Efficient Items	STANDARD	STANDARD		STANDARD		STANDARD	
Garage/Carport	1 CAR GARAGE	1 CAR GARAGE		1 CAR GARAGE		2 CAR GARAGE	-40,000
Porch/Patio/Deck	DECK	DECK		L.YARD	-5,000	NONE	10,000
KITCHEN/BATH	REMOD/AVG+	REMDLD/GOOD	-40,000	REMOD/GOOD	-40,000	REMOD/GOOD	-40,000
DENSITY/OC/PNT	2 UNIT/OWNER	3 UNIT/OWNER	85,400	2 UNIT/OWNER		5 UNIT/OWNER	80,000
Net Adjustment (Total)			\$ 38,600		\$ 29,325		\$ 67,700
Adjusted Sale Price of Comparables		Net Adj. -2.3%		Net Adj. -1.7%		Net Adj. -4.2%	
		Gross Adj. 22.4%	\$ 1,669,400	Gross Adj. 23.6%	\$ 1,665,675	Gross Adj. 31.7%	\$ 1,532,300
Summary of Sales Comparison Approach THE COMPARABLE SALES ARE THE MOST RECENT AND APPROPRIATE SALES AVAILABLE FROM CONVENTIONAL MARKET DATA SOURCES. THE DATA SOURCES CONSULTED WERE OFFICE FILES, THE MULTIPLE LISTING SERVICE, LOCAL REAL ESTATE AGENTS, NDCDATA AND EXTERIOR INSPECTION. THE GROSS LIVING AREA IS ADJUSTED AT \$175 PER SQUARE FOOT AND ROUNDED TO THE NEAREST HUNDRED, FOR DIFFERENCES OVER 100 SQUARE FEET. LOCATION, APPEAL AND CONDITION ADJUSTMENTS ARE MADE AS A PERCENTAGE OF RESPECTIVE SALES PRICE. DIFFERENCES IN ROOM COUNT ARE INCLUDED IN GROSS LIVING AREA ADJUSTMENTS. FULL BATHROOMS ARE ADJUSTED AT \$15,000 AND HALF BATHS ARE ADJUSTED AT \$7,500. ALL OTHER ADJUSTMENTS ARE MADE ON A LUMP SUM BASIS.							
A FOCUS WAS PLACED ON FINDING COMPARABLE TIC UNITS TO COMPARE TO THE SUBJECT AS OPPOSED TO SPLITTING THE VALUE OF A 2-UNIT APARTMENT BUILDING OR USING CONDOMINIUM COMPARABLES. THIS IS CONSIDERED TO BE CRUCIAL IN ACCURATELY REPRESENTING THE SUBJECT'S VALUE AND IS CONSIDERED HIGHEST AND BEST USE OF THE SUBJECT BUILDING.							
SEE ATTACHED ADDENDUM FOR ADDITIONAL COMMENTS.							
Indicated Value by Sales Comparison Approach \$ 1,620,000							
INCOME APPROACH TO VALUE							
Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach							
Summary of Income Approach (including support for market rent and GRM) THE INCOME APPROACH IS NOT USED AS SIMILAR PROPERTIES IN THE AREA ARE PRIMARILY OWNER OCCUPIED AND NOT UTILIZED FOR INCOME PRODUCTION. A CREDIBLE RESULT CAN BE OBTAINED WITHOUT THE USE OF THIS APPROACH TO VALUE.							
Indicated Value by Sales Comparison Approach \$ 1,620,000 Income Approach (if developed) \$ N/A							
THE SALES COMPARISON APPROACH IS THE MOST RELIABLE MARKET VALUE INDICATOR AS IT BEST REFLECTS BUYER AND SELLER ACTIONS. THE COST APPROACH IS NOT APPLICABLE FOR COMMON INTEREST OWNERSHIP DUE TO THE DIFFICULTY IN VALUING INDIVISIBLE INTERESTS. THE INCOME APPROACH IS NOT USED AS SIMILAR PROPERTIES IN THE AREA ARE PRIMARILY OWNER OCCUPIED AND NOT UTILIZED FOR INCOME PRODUCTION.							
This appraisal is made <input type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed <input checked="" type="checkbox"/> subject to the following:							
SEE ATTACHED ADDENDUM							
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is \$ 1,620,000 as of 12/02/2013, which is the effective date of this appraisal.							



WALKUP CLARK & ASSOCIATES
Individual Condominium Unit Appraisal Report

RES
File No. 14K007CTL

FEATURE		SUBJECT		COMPARABLE SALE NO. 4		COMPARABLE SALE NO. 5		COMPARABLE SALE NO. 6	
Address		2857 BRODERICK STREET and SAN FRANCISCO		3128 WASHINGTON STREET SAN FRANCISCO		436 LAUREL STREET SAN FRANCISCO			
Unit #		-		-		A			
Project Name and Phase		2853-2857 BRODERICK ST 1		3124 -3134 WASHINGTON ST 1		432-436A LAUREL STREET 1			
Proximity to Subject		0.44 MILES SW		0.74 MILES SW					
Sale Price		\$ 1,270,000		\$ 1,349,000					
Sale Price/Gross L.V. Area		\$ 0.00 sq. ft.		\$ 1,016.00 sq. ft.		\$ 1,226.36 sq. ft.		\$ sq. ft.	
Data Source(s)		SFMLS #407445 DOM 154		SFMLS#410719 DOM:27					
Verification Source(s)		NDC/DOC#0J76600444		NDC/DOC#0J73100421					
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION	
Sale or Financing Concessions		ARMLTH CONV:0		ARMLTH CONV:0					
Date of Sale/Time		10/04/2013 COE		08/16/2013 COE					
Location		GOOD		GOOD					
Lense/hokl/Fee Simple		FEE SIMPLE		FEE SIMPLE					
HOA Mo. Assessment		\$0		\$376		\$250.00			
Common Elements and Rec. Facilities		NONE YARD		NONE YARD 5,000		NONE YARD 10,000			
Floor Location		3RD/4TH/TOP		2ND/3RD/TOP		1ST/2ND/MID 33,725			
View		PRT.CITY/AREA		NONE		NONE			
Design (Style)		TRADITIONAL		TRADITIONAL		TRADITIONAL			
Quality of Construction		AVERAGE+		AVERAGE+		GOOD -67,450			
Actual Age		1900		1900		1900			
Condition		AVERAGE		AVERAGE		GOOD -67,450			
Above Grade		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count		7 4 3		6 3 2.0		15,000 7 3 3			
Gross Living Area 175		2,245 sq. ft.		1,250 sq. ft.		174,100 1,100 sq. ft.		200,300 sq. ft.	
Basement & Finished Rooms Below Grade		NONE STORAGE		NONE STORAGE		NONE STORAGE			
Functional Utility		AVERAGE/TIC		AVERAGE/TIC		AVERAGE/TIC			
Heating/Cooling		FAU/NONE		FAU/NONE		FAU/NONE			
Energy Efficient Items		STANDARD		NONE		NONE NOTED			
Garage/Carport		1 CAR GARAGE		1 CAR OFF ST 10,000		1 CAR GARAGE			
Porch/Patio/Deck		DECK		DECK		NONE 10,000			
KITCHEN/BATH		REMOD/AVG+		REMOD/GOOD -40,000		REMOD/GOOD -40,000			
DENSITY/OCPT		2 UNIT/OWNER		6 UNIT/TENANT 127,000		4 UNIT/OWNER 67,450			
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 291,100		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 146,575		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 0			
Adjusted Sale Price of Comparables		Net Adj. 22.9%		Net Adj. 10.9%		Net Adj. 0.0%			
		Gross Adj. 29.2% \$ 1,561,100		Gross Adj. 36.8% \$ 1,495,575		Gross Adj. 0.0% \$ 0			
Summary of Sales Comparison Approach SEE ATTACHED ADDENDUM.									

SALES COMPARISON APPROACH



Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.

3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.

4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.

5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.

6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.

7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.

8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.

10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.

11. The ACI General Purpose Appraisal Report (GPARR™) is not intended for use in transactions that require a Fannie Mae 1073/Freddie Mac 465 form, also known as the Individual Condominium Unit Appraisal Report (Condo).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's 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 the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:
10. I have performed NO other services, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

Additional Certifications:

Definition of Value: Market Value Other Value: _____


Source of Definition: USPAP 2012-2013

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.

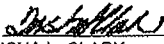
ADDRESS OF THE PROPERTY APPRAISED:

2857 BRODERICK STREET
SAN FRANCISCO, CA 94123
 EFFECTIVE DATE OF THE APPRAISAL: 12/02/2013
 APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 1,620,000

APPRAISER

Signature: 
 Name: TIMOTHY A LITTLE
 State Certification # AR044897
 or License # _____
 or Other (describe): _____ State #: CA
 State: CA
 Expiration Date of Certification or License: 10/19/2015
 Date of Signature and Report: 11/17/2014
 Date of Property Viewing: 11/12/2014
 Degree of property viewing:
 Interior and Exterior Exterior Only Did not personally view

SUPERVISORY APPRAISER

Signature: 
 Name: TRISHA L CLARK
 State Certification # AG028651
 or License # _____
 State: CA
 Expiration Date of Certification or License: 01/29/2016
 Date of Signature: 11/17/2014
 Date of Property Viewing: _____
 Degree of property viewing:
 Interior and Exterior Exterior Only Did not personally view



ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123

NOTE THAT THE APPRAISER WAS NOT PROVIDED WITH A LICENSE CONTRACTOR'S ESTIMATE OF THE CONSTRUCTION NEEDED TO BRING THE SUBJECT UP TO THE HABITABLE AND REFURBISHED CONDITION THAT IS BEING CONSIDERED IN THIS APPRAISAL. THE APPRAISER WAS NOT ABLE TO VIEW THE INTERIOR OF THE PROPERTY AT ANY TIME. SHOULD THE ACTUAL CONDITION AND CONSTRUCTION COST BE DIFFERENT THAT WHAT IS ASSUMED TYPICAL AND THUS USED IN THIS ANALYSIS, THEN THE APPRAISER WOULD NEED TO BE REHIRED TO DETERMINE ANY EFFECT ON THE VALUE CONCLUSIONS.

SCOPE OF WORK

THE FOLLOWING IS A DESCRIPTION OF THE WORK UNDERTAKEN IN THE COURSE OF COMPLETING THIS APPRAISAL:

STATE THE PROBLEM: AN APPRAISAL ASSIGNMENT WAS NEGOTIATED BETWEEN THE APPRAISER(S) AND THE CLIENT. THE ASSIGNMENT REQUIRED AGREEMENT BETWEEN THE PARTIES ON THE PURPOSE OF THE APPRAISAL, THE TYPE OF APPRAISAL AND THE TYPE OF REPORT THAT WOULD BE ADEQUATE FOR THE PURPOSE AS UNDERSTOOD BY THE APPRAISER(S), THE APPRAISER(S) COMPENSATION FOR COMPLETING THE ASSIGNMENT, AND THE PROJECTED DELIVERY DATE, AND DELIVERY PLACE FOR THE APPRAISAL REPORT. THE PURPOSE IS TO ESTIMATE MARKET VALUE OF THE FEE SIMPLE INTEREST OF THE SUBJECT DESCRIBED IN THIS REPORT FOR REAL ESTATE PLANNING DECISIONS ONLY. THIS APPRAISAL HAS BEEN COMPLETED AT THE REQUEST OF THE CLIENT AND IS INTENDED FOR THEIR SOLE USE. THIS IS A SUMMARY APPRAISAL REPORT, WITH ADDITIONAL INFORMATION IN THE APPRAISERS' FILE. THIS APPRAISAL REPORT HAS BEEN COMPLETED WITHIN USPAP GUIDELINES.

CONSIDER THE DATA NEEDED: A VARIETY OF DATA WAS NEEDED TO UNDERTAKE THE ASSIGNMENT INCLUDING GENERAL DATA ABOUT THE NATION, THE REGION, THE GOVERNING AUTHORITY AND THE MARKET AREA, AS WELL AS DATA ABOUT THE SUBJECT SITE AND IMPROVEMENTS. DATA RELEVANT TO EACH APPROACH TO VALUE WAS DEVELOPED FOR COSTS, SALES, INCOME, AND EXPENSES. DATA UTILIZED IN THIS REPORT WAS ASSEMBLED USING THE FOLLOWING SOURCES; PUBLIC RECORD, RECORDS MAINTAINED BY AND INTERVIEWS GRANTED BY MARKET PARTICIPANTS, RECORDS OF LOCAL BOARDS OF REALTY AND MULTIPLE LISTING SERVICES, DATA SITES MAINTAINED BY CITY, COUNTY, REGIONAL, AND STATE GOVERNMENT, DATA SITES MAINTAINED BY SERVICE AND BUSINESS GROUPS SEARCHED AT THIS TIME AND PREVIOUSLY. RESULTS WERE BOTH SELECTED AND EDITED AGAINST A STANDARD OF PROVIDING AN ADEQUATE LEVEL OF REPORTING TO SUPPORT THE ANALYSIS AND CONCLUSIONS DEVELOPED, WITH AN EYE ON THE AGREEMENTS MADE WITH THE CLIENT AND OUR RESPONSIBILITIES UNDER USPAP.

INSPECT THE PROPERTIES: THE APPRAISER CONDUCTED AN INSPECTION OF THE EXTERIOR OF THE SUBJECT PROPERTY ONLY, AND AN INSPECTION OF THE EXTERIOR OF THE COMPARABLE PROPERTIES. THE APPRAISER HAS PROVIDED A SKETCH IN THIS APPRAISAL REPORT TO SHOW THE APPROXIMATE DIMENSIONS OF THE SUBJECT IMPROVEMENTS WHICH WERE ESTABLISHED FROM UTILIZING CONSTRUCTION PLANS AND A PRIOR APPRAISAL REPORT BOTH OF WHICH WERE PROVIDED BY IRVING ZARETSKY. IT IS INCLUDED ONLY TO ASSIST THE READER IN VISUALIZING THE PROPERTY AND UNDERSTANDING THE APPRAISER'S DETERMINATION OF ITS SIZE. THE APPRAISER IS NOT AN EXPERT IN SURVEYING.

HYPOTHETICAL CONDITION/EXTRAORDINARY ASSUMPTIONS: THE SUBJECT, AT THE TIME OF THE INSPECTION, IS NOT IN A LIVABLE CONDITION AFTER PARTIAL CONSTRUCTION WORK HALTS MANDATED BY THE CITY ACCORDING TO THE NEIGHBOR, IRVING ZARETSKY. THE APPRAISED VALUE IS BASED ON THE HYPOTHETICAL CONDITION THAT THE UNIT HAS BEEN COMPLETED TO A MINIMAL LIVING STANDARD, IS VACANT AND IS A TIC UNIT WITHIN A 2-UNIT BUILDING. THE EVALUATION AS A 2-UNIT BUILDING IS CONSIDERED APPROPRIATE TO ANALYZE THE VALUE OF THE BUILDING'S UNITS SO THAT THE MARKET VALUE OF EACH UNIT CAN BE ESTIMATED FROM MARKET DATA.

SHOULD THE VALUE OF THE BUILDING REQUIRE TO BE ESTABLISHED AS A WHOLE 2-UNIT BUILDING OR SINGLE FAMILY HOME, OR THE TIC UNIT FEATURES BE DIFFERENT FROM THE SKETCHES PROVIDED BY IRVING ZARETSKY, THE APPRAISED VALUE WOULD BE AFFECTED AND THE APPRAISER WOULD NEED TO BE HIRED TO DETERMINE ANY CHANGE IN VALUE.

DETERMINE THE HIGHEST AND BEST USE: THE APPRAISERS IDENTIFIED THE PERTINENT FACTORS APPLICABLE TO THE SUBJECT PROPERTY "AS-IF" IT LACKED IMPROVEMENTS BUT WAS READY FOR DEVELOPMENT. THEY FORMED AN OPINION OF THE REASONABLE, PROBABLE, AND LEGAL USE OF IT AS VACANT LAND OR UNIMPROVED PROPERTY WITH THE INTENTION THAT THIS USE MUST MEET THE STANDARDS OF LEGAL PERMISSIBILITY, PHYSICAL POSSIBILITY, FINANCIAL FEASIBILITY AND MAXIMUM PRODUCTIVITY.

IN KEEPING WITH THE PURPOSE OF THIS APPRAISAL AND THE REQUIREMENTS OF THE CLIENT, THE BUILDING WAS ANALYSED AS 2 TIC UNITS & LIMITED DEGREE OF RESEARCH AND ANALYSIS WAS INVESTED IN THE "AS-IF" VACANT AND READY FOR DEVELOPMENT HIGHEST AND BEST USE. A MUCH HIGHER DEGREE OF RESEARCH AND ANALYSIS WOULD BE REQUIRED TO FIRST PREDICT THE CONSEQUENCES OF DEMOLISHING THE SUBJECT IMPROVEMENTS AND THEN TO VISUALIZE WHAT IMPROVEMENTS WOULD BE MOST LIKELY TO MEET THE "AS-IF" VACANT AND READY FOR DEVELOPMENT HIGHEST AND BEST USE CRITERIA. THAT STUDY WAS CONSIDERED BEYOND THE SCOPE OF THIS REPORT, HENCE A PRELIMINARY FINDING WAS OFFERED HERE FOR THE "AS-IF" VACANT AND READY FOR DEVELOPMENT HIGHEST AND BEST USE.

THE EXISTING IMPROVEMENTS UPON COMPLETION ARE CONSIDERED TO REPRESENT THE "AS IS" HIGHEST AND BEST USE FOR THE SUBJECT, AS IMPROVED. THE IMPROVEMENTS ARE QUITE FUNCTIONAL AND IN REASONABLE CONDITION, AND THE CURRENT USE CONFORMS TO THE SURROUNDING USES IN THE SUBJECT'S NEIGHBORHOOD.

ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123

DETERMINE THE APPROPRIATE APPROACHES TO VALUE: THE THREE APPROACHES TO VALUE WERE CONSIDERED: THE COST APPROACH, THE SALES COMPARISON APPROACH, AND THE INCOME APPROACH. THE APPROPRIATE APPROACHES TO VALUE WERE SELECTED AND DEVELOPED. WHEN AN APPROACH WAS OMITTED AN EXPLANATION WAS PRESENTED. UNLESS OTHERWISE SPECIFICALLY STATED, THE THREE APPROACHES TO VALUE WERE ALL FOUND TO BE APPROPRIATE.

ELECTRONIC SIGNATURE DISCLOSURE:IF THIS REPORT HAS BEEN SIGNED WITH A DIGITAL SIGNATURE THEN IT IS PASSWORD PROTECTED. THE SOFTWARE UTILIZED BY APPRAISER TO GENERATE THE APPRAISAL PROTECTS SECURITY BY MEANS OF A DIGITAL SIGNATURE SECURITY FEATURE FOR EACH APPRAISER SIGNING THE REPORT, AND EACH APPRAISER MAINTAINS CONTROL OF THEIR RELATED SIGNATURE THROUGH A PASSWORD, HARDWARE DEVICE, OR OTHER MEANS.

Tenancy in Common Introduction

FOR PURPOSES OF THIS APPRAISAL, TENANCY IN COMMON IS DEFINED AS THE CO-OWNERSHIP OF MULTI-UNIT PROPERTY BY CO-OWNERS WHO EACH WISH TO HAVE EXCLUSIVE USAGE RIGHTS TO A PARTICULAR AREA OF THE PROPERTY. TIC OWNERS OWN PERCENTAGES IN AN UNDIVIDED PROPERTY RATHER THAN PARTICULAR UNITS OR APARTMENTS, AND THEIR DEEDS SHOW ONLY THEIR OWNERSHIP PERCENTAGES. THE RIGHT OF A PARTICULAR TIC OWNER TO USE A PARTICULAR DWELLING COMES FROM A WRITTEN CONTRACT SIGNED BY ALL CO-OWNERS (OFTEN CALLED A "TENANCY IN COMMON AGREEMENT"), NOT FROM A DEED, MAP OR OTHER DOCUMENT RECORDED IN COUNTY RECORDS. THIS TYPE OF TENANCY IN COMMON CO-OWNERSHIP SHOULD NOT BE CONFUSED WITH THE LEGAL SUBDIVISIONS KNOWN AS THE "CONDOMINIUM" AND THE "STOCK COOPERATIVE".

THE TERM "TIC UNIT" WILL BE USED TO DEFINE A CO-OWNERSHIP OF A SINGLE RESIDENTIAL UNIT AS TENANCY IN COMMON.

THE CONDOMINIUM CONVERSION LOTTERY REFORM AND BYPASS LEGISLATION (NOW CALLED THE "EXPEDITED CONVERSION PROGRAM") HAS BEEN APPROVED, AND APPLICATIONS FOR CONVERSIONS UNDER THE PROGRAM WERE ACCEPTED BEGINNING JULY 29, 2013.

THE FOLLOWING EXCERPT IS FROM AN ARTICLE BY ANDY SIRKIN WRITTEN ON 07/20/2013.
ALL BUILDINGS THAT PARTICIPATED UNSUCCESSFULLY IN THE 2012 OR 2013 CONVERSION LOTTERY WILL BE ALLOWED TO CONVERT PROVIDED THEY SATISFY OWNER-OCCUPANCY REQUIREMENTS. CURRENT TIC BUILDINGS (MEANING THERE ARE MULTIPLE OWNERS WHO HAD A SIGNED TIC AGREEMENT IN PLACE BEFORE APRIL 15, 2013) THAT DID NOT PARTICIPATE IN THE 2012 OR 2013 LOTTERY, AND SOME BUILDINGS IN ESCROW TO BE SOLD AS TICS AS OF APRIL 15, 2013, WILL ALSO BE PERMITTED TO CONVERT IF THEY SATISFY OWNER OCCUPANCY REQUIREMENTS. AS UNDER CURRENT LAW, ALL CATEGORIES OF BUILDINGS MAY BE DISQUALIFIED BY PRIOR EVICTION HISTORY.

FOR 2-4 UNIT BUILDINGS, AT LEAST ONE UNIT MUST BE OCCUPIED CONTINUOUSLY FOR THE REQUIRED OWNER-OCCUPANCY PERIOD (SPECIFIED IN THE PRECEDING SECTION) BY AN OWNER OF RECORD THAT USES THE UNIT AS HIS/HER PRINCIPAL RESIDENCE. FOR 5-6 UNIT BUILDINGS, AT LEAST THREE UNITS MUST BE OCCUPIED CONTINUOUSLY FOR THE REQUIRED OWNER-OCCUPANCY PERIOD BY SEPARATE OWNERS OF RECORD, EACH OF WHOM USES HIS/HER UNIT AS HIS/HER PRINCIPAL RESIDENCE.

NO BUILDINGS WILL BE PERMITTED TO CONDO-CONVERT UNDER THE NEW PROGRAM IF ANY OF THE FOLLOWING WERE TRUE: (i) THERE WAS A "NO FAULT" EVICTION AFTER MARCH 31, 2013; (ii) THERE WAS A "NO FAULT" EVICTION OF A "PROTECTED TENANT" AFTER NOVEMBER 16, 2004; OR (iii) THERE WERE TWO OR MORE "NO FAULT" EVICTIONS AFTER MAY 1, 2005. WITH REGARD TO THE LAST SITUATION (TWO OR MORE "NO FAULT" EVICTIONS AFTER MAY 1, 2005), THE NO-CONVERSION RULE WILL NOT APPLY IF ALL UNITS WERE OWNER-OCCUPIED BY APRIL 4, 2006, OR IF 50% OF THE UNITS HAVE BEEN OWNER-OCCUPIED CONTINUOUSLY FOR 10 YEARS AT THE TIME OF APPLICATION. AN EVICTION IS "NO-FAULT" IF THE GROUNDS STATED IN THE EVICTION NOTICE WAS OWNER MOVE IN, RELATIVE TO MOVE IN, UNIT DEMOLITION, RENOVATION/REHABILITATION, OR REMOVAL FROM THE RENTAL MARKET (AN "ELLIS ACT EVICTION"). THERE ARE SOME EXCEPTIONS TO THESE DISQUALIFICATION RULES, AND READERS SHOULD REFERENCE THE WEBSITE BELOW BEFORE CONCLUDING THAT A BUILDING IS DISQUALIFIED UNDER THESE RULES.

THE NEW LAW WILL HAVE NO EFFECT ON THE EXISTING RULE ALLOWING TWO-UNIT BUILDINGS TO CONVERT WHEN BOTH UNITS HAVE BEEN OCCUPIED BY SEPARATE OWNERS FOR AT LEAST ONE YEAR, AND THESE BUILDINGS WILL NOT PAY ANY OF THE FEES IMPOSED BY THE NEW LAW.

THE CONDOMINIUM CONVERSION LOTTERY WILL BE SUSPENDED FOR 10-12 YEARS. THE EXACT LENGTH OF THE SUSPENSION WILL DEPEND ON HOW MANY BUILDINGS CONVERT UNDER THE BYPASS SYSTEM AND HOW MANY NEW UNITS ARE CONSTRUCTED WITH THE MONEY GENERATED THROUGH BYPASS FEES. WHEN THE LOTTERY RETURNS, IT WILL NO LONGER BE POSSIBLE FOR PROPERTIES WITH MORE THAN FOUR RESIDENTIAL UNITS TO CONVERT TO CONDOMINIUMS, EXCEPT FOR CERTAIN 5-6 UNIT THAT WERE PREVENTED FROM USING THE EXPEDITED CONVERSION PROGRAM DUE TO EVICTION HISTORY. THE OWNER-OCCUPANCY REQUIREMENTS FOR ENTERING THE CONDO LOTTERY WILL ALSO INCREASE: THREE-UNIT BUILDINGS WILL NEED AT LEAST TWO OWNER-OCCUPIED UNITS, AND FOUR-UNIT BUILDINGS WILL NEED AT LEAST THREE OWNER-OCCUPIED UNITS. EVEN ONE "NO-FAULT" EVICTION WILL PREVENT A BUILDING FROM ENTERING THE LOTTERY FOR AT LEAST SEVEN YEARS.

ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123

FOR BUILDINGS SUCH AS THE SUBJECT THAT HAVE BYPASSED THE PRIOR LOTTERY AND ENTERED THE NEW 'EXPEDITED CONVERSION PROGRAM' THERE ARE MANDATES FOR ACTIONS FOR TENANT OCCUPIED BUILDINGS SUCH AS THE SUBJECT. THE FOLLOWING IS A Q & A EXTRACTION FROM THE SAN FRANCISCO APARTMENT ASSOCIATION WEBSITE ON SUCH CONDITIONS.

Q. WHAT HAPPENS IF THERE ARE TENANTS IN THE BUILDING?

A. AS REQUIRED BY EXISTING LAW, OWNERS WILL HAVE TO OFFER EACH RENTAL TENANT THE RIGHT TO BUY HIS/HER UNIT (REGARDLESS OF WHETHER THE OWNER WISHES TO SELL). THE OWNER CAN SET THE PRICE AS HIGH AS HE/SHE WISHES, AND DOES NOT HAVE TO BASE IT ON THE MARKET VALUE OF THE APARTMENT. HOWEVER, IF THE TENANT DECIDES NOT TO BUY, HE/SHE MUST BE OFFERED A LIFETIME, RENT-CONTROLLED LEASE UNDER WHICH HE/SHE CANNOT BE EVICTED EXCEPT FOR NONPAYMENT OF RENT OR OTHER LEASE VIOLATIONS. (THIS MEANS NO OWNER MOVE-IN, RELATIVE MOVE-IN, RENOVATION, OR ELLIS ACT EVICTION OF THE LIFETIME LEASE TENANT BY THE CURRENT OWNERS OR SUBSEQUENT OWNERS). EVERY NONPURCHASING TENANT IS OFFERED A LIFETIME LEASE, REGARDLESS OF HIS/HER AGE OR DISABILITY STATUS. BUILDINGS THAT PARTICIPATED IN THE 2013 LOTTERY FOLLOWING SEVEN PRIOR LOTTERY LOSSES ARE NOT REQUIRED TO OFFER LIFETIME LEASES AS DESCRIBED IN THIS SECTION.

Q. WHAT IF THERE IS MORE THAN ONE RENTER LIVING IN AN APARTMENT? DOES EACH TENANT OR ROOMMATE GET A LIFETIME LEASE?

A. THE NEW CONDO CONVERSION LAW DOES NOT CONTAIN DETAILS ON HOW THE LIFETIME LEASE REQUIREMENT WILL APPLY WHEN THERE ARE MULTIPLE TENANTS OR ROOMMATES LIVING IN A UNIT, AND THE COURTS WILL ULTIMATELY HAVE TO RESOLVE THE ISSUE. THE MOST LIKELY INTERPRETATION IS THAT A LIFETIME LEASE MUST BE OFFERED TO ALL THE PEOPLE LIVING IN THE UNIT ON THE DATE OF CONVERSION APPLICATION EXCEPT FOR THOSE THAT WOULD NOT BE ENTITLED TO EVICTION CONTROL PROTECTIONS UNDER THE RENT CONTROL LAW.

MORE SPECIFICALLY, THE EXCLUDED GROUP WOULD CONSIST OF OCCUPANTS WHO MOVED IN AFTER THE TENANCY BEGAN WHO RECEIVED A TIMELY NOTICE FROM THE OWNER THAT THEY COULD BE EVICTED AFTER THE LAST OF THE ORIGINAL TENANTS VACATED. THE GROUP OF TENANTS ENTITLED TO LIFETIME TENANCY WOULD ALL BE NAMED COLLECTIVELY AS THE TENANT ON ONE SINGLE LIFETIME LEASE.

Q. COULD A LIFETIME LEASE TENANT ASSIGN OR SUBLEASE THE APARTMENT? COULD THE TENANT MOVE OUT AND STILL COLLECT RENT FROM THE APARTMENT?

A. THE NEW CONDO CONVERSION LAW DOES NOT CONTAIN DETAILS ON THE ABILITY OF A LIFETIME LEASE TENANT TO ASSIGN OR SUBLEASE HIS/HER APARTMENT, AND THE COURTS WILL ULTIMATELY HAVE TO RESOLVE THE ISSUE. THE MOST LIKELY INTERPRETATION IS THAT THE ASSIGNMENT/SUBLETTING RESTRICTIONS IN A PARTICULAR TENANT'S LIFETIME LEASE WILL BE THE SAME AS THOSE THAT APPLY TO HIS/HER EXISTING TENANCY. FOR EXAMPLE, IF THE TENANT'S EXISTING TENANCY IS SUBJECT TO A LEGALLY ENFORCEABLE ABSOLUTE BAN ON ASSIGNMENT/SUBLETTING, THAT BAN CAN ALSO BE PLACED IN HIS/HER LIFETIME LEASE. NOTE, HOWEVER, THAT SUCH BANS ARE ONLY ENFORCEABLE IF THEY MEET CERTAIN VERY SPECIFIC REQUIREMENTS IN THE SAN FRANCISCO RENT BOARD REGULATIONS, AND EVEN THEN DO NOT APPLY WHEN AN ORIGINAL TENANT IS REPLACING A DEPARTING CO-OCCUPANT WITH A NEW OCCUPANT. AS A PRACTICAL MATTER, THIS MEANS THAT LIFETIME LEASE TENANTS WILL BE ABLE TO ASSIGN/SUBLEASE SO LONG AS AT LEAST ONE OF THE TENANTS NAMED ON THE LIFETIME LEASE CONTINUES TO RESIDE IN THE UNIT.

MOREOVER, IT HAS BEEN VERY DIFFICULT FOR OWNERS TO SUCCESSFULLY EVICT OCCUPANTS BASED ON THE FACT THAT THE LAST "ORIGINAL TENANT" HAS VACATED, BECAUSE THE TENANT OFTEN CLAIMS THAT HE/SHE IS STILL LIVING IN THE UNIT OR IS JUST AWAY TEMPORARILY.

OWNERS SHOULD EXPECT THIS PROBLEM TO CONTINUE, OR EVEN WORSEN, IN THE CONTEXT OF A LIFETIME LEASE TENANT WHO IS LIVING ELSEWHERE WHILE STILL CLAIMING TO OCCUPY THE OWNER'S CONDOMINIUM.

A RELATED QUESTION IS WHETHER A LIFETIME LEASE TENANT CAN CONTINUE TO PAY HIS/HER LOW RENT TO THE CONDO OWNER WHILE CHARGING A HIGHER AMOUNT TO THE "SUBTENANTS" OR "ROOMMATES" LIVING IN THE LIFETIME LEASE UNIT. SAN FRANCISCO RENT CONTROL LAW PROHIBITS THIS BY REQUIRING RENT-CONTROL TENANTS TO CHARGE SUBTENANTS/ROOMMATES NO MORE THAN A PRO RATA SHARE OF WHAT THE TENANT IS PAYING TO THE OWNER. THIS SAME LIMITATION CAN PROBABLY BE INCLUDED IN THE LIFETIME LEASE; HOWEVER, IN PRACTICE, IT IS CLOSE TO IMPOSSIBLE FOR AN OWNER TO KNOW OR PROVE HOW MUCH THE SUBTENANT/ROOMMATE IS ACTUALLY PAYING THE ORIGINAL TENANT.

Neighborhood Description
THE SUBJECT IS LOCATED IN THE "COW HOLLOW" DISTRICT OF SAN FRANCISCO, AN URBAN RESIDENTIAL ENVIRONMENT COMPOSED OF ABOVE AVERAGE TO GOOD QUALITY SINGLE AND MULTI-FAMILY RESIDENCES AND NEIGHBORHOOD SERVING COMMERCIAL USES. THE PROPERTY MIX IS COMPATIBLE WITH THE NEIGHBORHOOD. ACCESS TO SHOPPING, TRANSPORTATION, SCHOOLS AND EMPLOYMENT IS CONSIDERED TO BE AVERAGE.

ACCESS TO INTERSTATE HIGHWAYS 1, 101, INTERSTATE 80 AND INTERSTATE 280 ARE ALL WITHIN 2 MILES OF THE SUBJECT. THESE FREEWAYS CONNECT TO THE GREATER BAY AREA AND BEYOND. THE SAN FRANCISCO FINANCIAL

ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
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CENTER IS WITHIN 2 MILES OF THE SUBJECT. THIS WAS ACCESSIBLE VIA MUNICIPAL TRANSIT LINES LOCATED NEAR THE SUBJECT'S BLOCK. ACCESS FOR THE SUBJECT IS RATED GOOD WHEN COMPARED TO OTHER COMPETING PROPERTIES IN THE MARKET AREA. THE SUBJECT'S LOCATION IS ASSIGNED AN AVERAGE OVERALL RATING FOR EXPOSURE FOR THE PROPERTY WHEN COMPARED TO OTHER COMPETING PROPERTIES IN THE MARKET AREA.

Neighborhood Market Conditions

OPEN MARKET SALES WITH CONVENTIONAL FINANCING AND NO SIGNIFICANT CONCESSIONS ARE THE NORM IN THIS MARKET. TYPICAL TERMS ARE 80% LOANS WITH ALL CASH TO SELLER. IN SOME INSTANCES, THE SELLER MAY CARRY BACK A SMALL SECOND LOAN. 2008 AND 2009 SAW A DECREASE IN MARKET VALUES THROUGHOUT THE BAY AREA AND THE NATION DUE TO INCREASING LOAN DEFAULTS. A GENERAL WEAKENING OF THE ECONOMY COUPLED WITH FALLING PRICES IN THE NATIONAL HOUSING MARKET HAVE ALSO TIGHTENED LENDING STANDARDS IN GENERAL, HOWEVER FINANCING IS STILL AVAILABLE FOR QUALIFIED BUYERS. SAN FRANCISCO, IN GENERAL, HAD FOLLOWED THIS DOWNWARD TREND THROUGH 2010 AND SHOWED EVIDENCE OF STABILIZATION IN MANY NEIGHBORHOODS THROUGHOUT 2011 AND INTO 2012. 2013 SAW A STABLE INCREASE IN PROPERTY VALUES THROUGHOUT THE BAY AREA WHICH CONTINUED INTO 2014 ALTHOUGH HAS STABILIZED IN THE LATER PORTION OF THE YEAR. THE SUBJECT'S DISTRICT IS BEST DESCRIBED AS INCREASING BETWEEN THE PERIOD OF 12/2012 AND 12/2013.

MARKET FLUCTUATIONS AND LIST PRICES MAY VARY SIGNIFICANTLY AND DO NOT SHOW A CONSISTENT PERCENTAGE OF LIST PRICE TO SALE PRICE. DUE TO THE MARKET CHALLENGES OF SELLING AN ENTIRE BUILDING OF TENANCY IN COMMON UNITS, OFFERS MAY COME IN AT PRICES HIGHER OR LOWER THAN PRIOR UNITS SOLD WITHIN THE PAST SIX MONTHS. THIS DOES NOT INDICATE A HIGHER MARKET AS VALUES ARE STILL FLUCTUATING.

IN ADDITION TO THE PRESSURE PRESENTED BY THE CURRENT ECONOMIC CONDITION TO THE OVERALL REAL ESTATE MARKET, THE TIC MARKET IS AFFECTED BY ITS OWN SPECIFIC SET OF CIRCUMSTANCES. TIC FINANCE OPTIONS ARE VERY LIMITED. DUE TO A LACK OF A SECONDARY MARKET FOR THESE PRODUCTS, TERMS FOR FRACTIONAL INTEREST LOANS ARE NOT CURRENTLY COMPETITIVE WITH CONVENTIONAL MORTGAGES PUTTING FURTHER PRESSURE ON TIC VALUES.

MARKET DATA IS CONSIDERED TO PROVIDE APPROPRIATE INDICATIONS OF THE CURRENT MARKET ENVIRONMENT; HOWEVER, THE APPRAISER NOTES THAT CURRENT AND RECENT SALE DATA PROVIDE NO INDICATIONS OF VALUE FOR THE SUBJECT IN THE FUTURE.

Condition of Project

THE PROJECT IS COMPRISED OF A FOUR-STORY BUILDING WITH PARTIAL GARAGE.

THE SUBJECT UNIT HAS BEEN IDENTIFIED AS THE UPPER 2 FLOORS OF THE BUILDING WITH A SINGLE GARAGE SPACE, THE 3RD FLOOR WILL CONSIST OF A LARGE LIVING ROOM, KITCHEN WITH BREAKFAST AREA, DINING ROOM, 1 BEDROOM, AND 1 BATHROOM. THE UPPER 4TH FLOOR CONTAINS 3 BEDROOMS AND 2 BATHROOMS AS APPROVED BY THE CITY PLANNING DEPARTMENT. THIS UPPER FLOOR HAS PARTIAL CITY AREA VIEWS.

Comments on Sales Comparison

DUE TO THE LACK OF RECENT SALES OF SIMILAR TIC UNITS IN THE SUBJECT'S DISTRICT THE SEARCH PARAMETERS WERE EXPANDED TO INCLUDE THE SIMILAR ADJACENT DISTRICTS WITHIN THE AREA. THE SUBJECT UNIT IS LOCATED IN A DESIRABLE AREA WITH LIGHT LEVELS OF TRAFFIC. THIS IS CONSIDERED SUPERIOR TO PROPERTIES IN THE SAME DESIRABLE AREAS, BUT LOCATED ON STREETS WITH GREATER LEVELS OF TRAFFIC AND NOISE. AN UPWARD ADJUSTMENT HAS BEEN MADE TO COMPARABLE 3 TO ACCOUNT FOR THIS ACCORDINGLY.

A TIME OF SALE ADJUSTMENT HAS NOT BEEN UTILIZED OR APPLIED TO THE SALES AS ALL HAVE CLOSED INSIDE A FINANCIAL QUARTER OF THE EFFECTIVE DATE OF THE REPORT AND ARE CONSIDERED TO REFLECT THE MARKET CONDITIONS OF THAT TIME.

ALL OF THE COMPARABLES SELECTED ARE TIC UNITS POSITIONED WITHIN SMALL BUILDINGS. HOWEVER, AN ADJUSTMENT IS WARRANTED TO ACCOUNT FOR THE LIKELIHOOD OF CONDO CONVERSION ELIGIBILITY OF 2 UNIT BUILDINGS, AS IS THE SUBJECT, CONSIDERED SUPERIOR TO BUILDINGS WITH 2+ UNITS. BUILDINGS THAT HAVE 5 OR MORE UNITS OR BUILDINGS WITH EVICTION HISTORY ARE NOT TYPICALLY VIABLE FOR CONDO CONVERSION AND UPWARD ADJUSTMENTS HAVE BEEN MADE ACCORDINGLY TO ACCOUNT FOR EACH BUILDING STATUS AND DENSITY.

THE CONDITION OF THE SUBJECT IS CONSIDERED TO BE AVERAGE REQUIRED TO BE HABITABLE. THE CONDITION OF THE KITCHEN AND BATHROOMS HAS BEEN SEPARATED FOR ADDITIONAL CLARITY. ADDITIONAL QUALITY AND CONDITION ADJUSTMENTS HAVE BEEN MADE FOR THE REFURBISHED UNITS THAT ARE IN 'AS NEW' CONDITION. RARELY DOES A TIC UNIT SELL ON THE MARKET WITHOUT HAVING BEEN REFURBISHED. NO UN-REFURBISHED COMPARABLES WERE FOUND WITHIN A REASONABLE TIME FRAME AND 1 MILE RADIUS OF THE SUBJECT.

THE ADJUSTMENTS FOR COMPARABLES 3, 4 AND 5 ARE LARGER THAN TYPICAL DUE TO DIFFERENCES IN SIZE, AND CONDITION PRIMARILY. THIS SALE HAS BEEN INCLUDED DUE TO A LACK OF MORE APPROPRIATE SALES. IN ADDITION, COMPARABLE 4 HAS A TENANT THAT WAS VACATING THE UNIT AND A TENANT IN ANOTHER UNIT IN THE BUILDING WHICH SIGNIFICANTLY AFFECTS THE CONDO CONVERSION PROCESS AND LESSENS THE APPEAL TO A TYPICAL BUYER IN COMPARISON TO THE SUBJECT'S 2-UNIT AND VACANT STATUS.

ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
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THE SUBJECT PROPERTY HAS BEEN BRACKETED ON VALUE AND SIZE BY FOR BOTH SUPERIOR AND INFERIOR FACTORS OF THE COMPARABLE SALES TO SUPPORT A FIRM POSITION FOR FINAL VALUE CONCLUSION.

GREATER WEIGHT HAS BEEN GIVEN TO COMPARABLES 1-3 DUE TO OVERALL SIMILARITY IN TERMS OF SIZE AND APPEAL.

Conditions of Appraisal

THIS APPRAISAL VALUE HAS BEEN MADE UNDER THE HYPOTHETICAL CONDITION THAT THE PROPERTY HAS BEEN COMPLETED TO A HABITABLE STANDARD ONLY. NO PERSONAL PROPERTY INCLUDED IN THE APPRAISED VALUE. A CURRENT PRELIMINARY TITLE REPORT WAS NOT REVIEWED. THE ESTIMATE OF VALUE IS MADE UPON THE CONDITION THAT TITLE TO THE SUBJECT PROPERTY IS MARKETABLE, AND FREE AND CLEAR OF ALL LIENS, ENCUMBRANCES, EASEMENT AND RESTRICTIONS EXCEPT THOSE SPECIFICALLY DISCUSSED IN THIS REPORT. ADDITIONALLY, THE ESTIMATE OF VALUE IS MADE UPON THE SUBJECT PROPERTY ONLY AS DESCRIBED IN THIS REPORT. THIS IS NOT A HOME INSPECTION AND SHOULD NOT BE RELIED UPON TO DISCLOSE CONDITIONS OF THE PROPERTY. ANY PHYSICAL OR LEGAL ASPECTS OF THE SUBJECT PROPERTY UNKNOWN TO THE APPRAISER AT THIS TIME MAY REQUIRE FURTHER ANALYSIS. THE APPRAISERS ARE NOT EXPERTS IN BUILDING CODES. THE APPRAISER SHOULD NOT BE RELIED UPON TO DISCOVER BUILDING CODE VIOLATIONS. THE APPRAISER DOES NOT HAVE THE SKILL OR EXPERTISE NEEDED TO MAKE SUCH DISCOVERIES. IT IS ASSUMED BY THE APPRAISERS THAT ALL BUILDING CONSTRUCTION CONFORMS TO CITY BUILDING CODES. THE APPRAISER ASSUMES NO RESPONSIBILITY FOR THESE ITEMS. THE APPRAISAL HAS BEEN COMPLETED TO ASSIST IN REAL ESTATE PLANNING DECISIONS ONLY, FOR THE SOLE USE OF THE CLIENT LISTED ON PAGE ONE.

FIRREA ADDENDUM/APPRaiser CERTIFICATION

I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF:

- THE STATEMENTS OF FACT CONTAINED IN THIS REPORT ARE TRUE AND CORRECT.
- THE REPORTED ANALYSES, OPINIONS AND CONCLUSIONS ARE LIMITED ONLY BY THE REPORTED ASSUMPTIONS AND LIMITING CONDITIONS, AND ARE MY PERSONAL, IMPARTIAL, AND UNBIASED PROFESSIONAL ANALYSES, OPINIONS, AND CONCLUSIONS.
- I HAVE NO PRESENT OR PROSPECTIVE INTEREST IN THE PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AND NO PERSONAL INTEREST WITH RESPECT TO THE PARTIES INVOLVED.
- I HAVE NO BIAS WITH RESPECT TO THE PROPERTY THAT IS THE SUBJECT OF THIS REPORT OR TO THE PARTIES INVOLVED WITH THIS ASSIGNMENT.
- MY ENGAGEMENT IN THIS ASSIGNMENT WAS NOT CONTINGENT UPON DEVELOPING OR REPORTING PREDETERMINED RESULTS.
- MY COMPENSATION FOR COMPLETING THIS ASSIGNMENT IS NOT CONTINGENT UPON THE REPORTING OF A PREDETERMINED VALUE OR DIRECTION IN VALUE THAT FAVORS THE CAUSE OF THE CLIENT, THE AMOUNT OF THE VALUE OPINION, THE ATTAINMENT OF A STIPULATED RESULT, OR THE OCCURRENCE OF A SUBSEQUENT EVENT DIRECTLY RELATED TO THE INTENDED USE OF THIS APPRAISAL.
- MY ANALYSES, OPINIONS AND CONCLUSIONS WERE DEVELOPED, AND THIS REPORT HAS BEEN PREPARED, IN CONFORMITY WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE.
- I HAVE MADE A PERSONAL INSPECTION OF THE PROPERTY THAT IS THE SUBJECT OF THIS REPORT.
- NO ONE PROVIDED SIGNIFICANT PROFESSIONAL ASSISTANCE TO THE PERSON SIGNING THIS REPORT UNLESS OTHERWISE STATED WITHIN THIS REPORT.

THIS REPORT INTENDS TO COMPLY WITH APPRAISAL STANDARDS OF THE OFFICE OF THRIFT SUPERVISION AND THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP) AS ADOPTED BY THE APPRAISAL STANDARDS BOARD OF THE APPRAISAL FOUNDATION.

THE APPRAISER HAS NOT RESEARCHED THE TITLE REPORT OR ANY EXISTING PERMITS. THE APPRAISER IS NOT QUALIFIED TO DETECT STRUCTURAL INSTABILITY, SOIL INSTABILITY, OR INFESTATION.

COMPETENCY OF THE APPRAISER: THE APPRAISER ATTESTS THAT HE OR SHE HAS THE APPROPRIATE KNOWLEDGE AND EXPERIENCE NECESSARY TO COMPLETE THIS ASSIGNMENT COMPETENTLY.

PURPOSE AND SCOPE OF WORK OF THE APPRAISAL: THIS APPRAISAL REPORT IS INTENDED FOR REAL ESTATE PLANNING DECISIONS ONLY. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE. THE SCOPE OF THE APPRAISAL INVOLVED AN INTERIOR AND EXTERIOR INSPECTION AND MEASUREMENT OF THE SUBJECT PROPERTY, A THOROUGH RESEARCHING OF ALL APPROPRIATE CONVENTIONAL DATA SOURCES, EXTERIOR INSPECTIONS OF COMPARABLE SALES USED, AND THE PREPARATION OF A FULLY DOCUMENTED APPRAISAL REPORT CONFORMING TO ALL APPLICABLE STANDARDS. IN DEVELOPING THIS APPRAISAL, THE APPRAISER(S) IS AWARE OF, UNDERSTANDS, AND HAS CORRECTLY EMPLOYED THOSE RECOGNIZED METHODS AND TECHNIQUES THAT ARE NECESSARY TO PRODUCE A CREDIBLE APPRAISAL; AND USPAP SPECIFIC APPRAISAL GUIDELINES FOR DEVELOPING AND REPORTING AN APPRAISAL HAVE BEEN FOLLOWED.

ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123

ENVIRONMENTAL CONDITIONS OBSERVED BY OR KNOWN TO THE APPRAISER: THE VALUE ESTIMATED IN THIS REPORT IS BASED ON THE ASSUMPTION THAT THE SUBJECT PROPERTY IS NOT NEGATIVELY AFFECTED BY THE EXISTENCE OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS. ROUTINE INSPECTION AND INQUIRIES ABOUT THE SUBJECT PROPERTY DID NOT REVEAL ANY INFORMATION WHICH WOULD INDICATE ANY APPARENT SIGNIFICANT HAZARDOUS SUBSTANCES OR DETRIMENTAL CONDITIONS WHICH WOULD NEGATIVELY AFFECT THE SUBJECT. THE APPRAISER IS NOT AN EXPERT IN THE IDENTIFICATION OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS.

EXPOSURE TIME FOR THE SUBJECT PROPERTY: THE ESTIMATED EXPOSURE TIME FOR THE SUBJECT PROPERTY UNDER CURRENT MARKET CONDITIONS IS APPROXIMATELY 1-3 MONTHS. THIS ESTIMATE IS BASED ON THE ANALYSIS OF CURRENT MARKET TRENDS IN THE GENERAL AREA, AND TAKES INTO CONSIDERATION THE SIZE, CONDITION, AND PRICE RANGE OF THE SUBJECT AND SURROUNDING PROPERTIES.

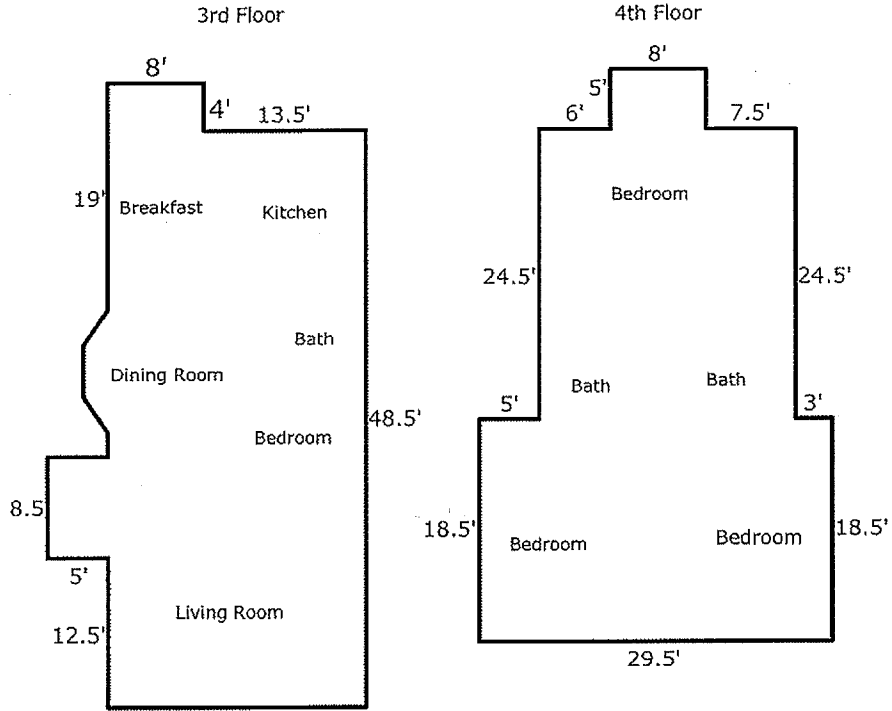
APPRAISAL DATE: THIS APPRAISAL IS BASED ON AN ANALYSIS OF THE SUBJECT PROPERTY AS OF THE DATE OF 12/02/2013 A DATE PRIOR TO THE DATE OF INSPECTION ON 11/12/2014. VALUATION IS BASED ON MARKET CONDITIONS AS OF THE EFFECTIVE DATE OF 12/02/2013 (WITHIN 6 MONTHS PRIOR AND 3 MONTHS POST). DATA AND CONCLUSIONS ARE BASED ON THIS BRACKET OF TIME UNDER THE ASSUMPTIONS AND CONDITION DISCLOSED IN THE REPORT AS OF THE DATE OF COMPLETION OF THIS REPORT ON 11/17/2014.

TRISHA CLARK
AG028651

TIMOTHY LITTLE
AR044897

FLOORPLAN SKETCH

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123



Sketch by: Apele/DeGus
Comments:

AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GLA3	Third Floor	1132.3	1132.3
GLA4	Fourth Floor	1112.5	1112.5

LIVING AREA BREAKDOWN

Breakdown		Subtotals
Third Floor		
8.0 x	4.0	32.0
21.5 x	18.0	387.0
12.5 x	21.5	268.8
8.5 x	26.5	225.3
5.0 x	21.5	107.5
4.5 x	23.5	105.8
0.5 x	3.0 x 2.0	3.0
0.5 x	2.0 x 3.0	3.0
Fourth Floor		
21.5 x	24.5	526.8
5.0 x	8.0	40.0
29.5 x	18.5	545.8

Net LIVABLE Area (rounded) 2245 11 Items (rounded) 2245

PLAT MAP

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123

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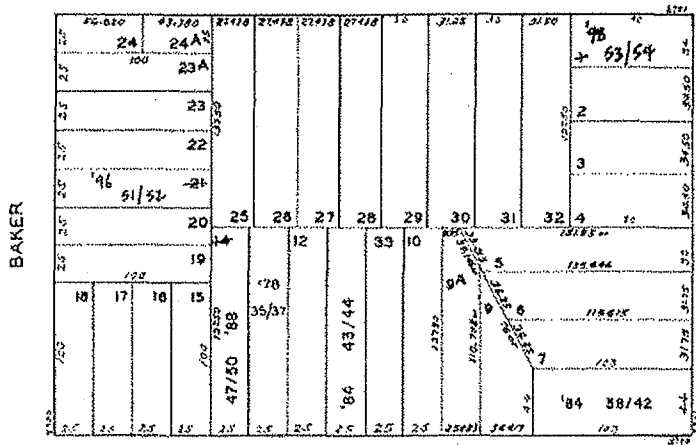
REVISED '73
" '78
" '85
" '88
" '96
" '98

2851-2857 BRODERICK ST
A CONDOMINIUM

LOT	UNIT	% COMMON AREA
53	2865	33
54	2869	68



FILBERT



Subject

UNION

2766 UNION STREET
A CONDOMINIUM

LOT NO.	UNIT NO.	% COMMON AREA
35	2762	20.125
36	2764	37.315
37	2768	42.560

2750-2752 UNION ST.
A CONDOMINIUM

LOT NO.	UNIT NO.	% COMMON AREA
43	2752	55.78
14	2750	44.22

2700-08 UNION ST.
A CONDOMINIUM

LOT NO.	UNIT NO.	% COMMON AREA
38	2700	26
39	2702	16
40	2704	20
41	2706	19
42	2708	17

2774 UNION ST
A CONDOMINIUM

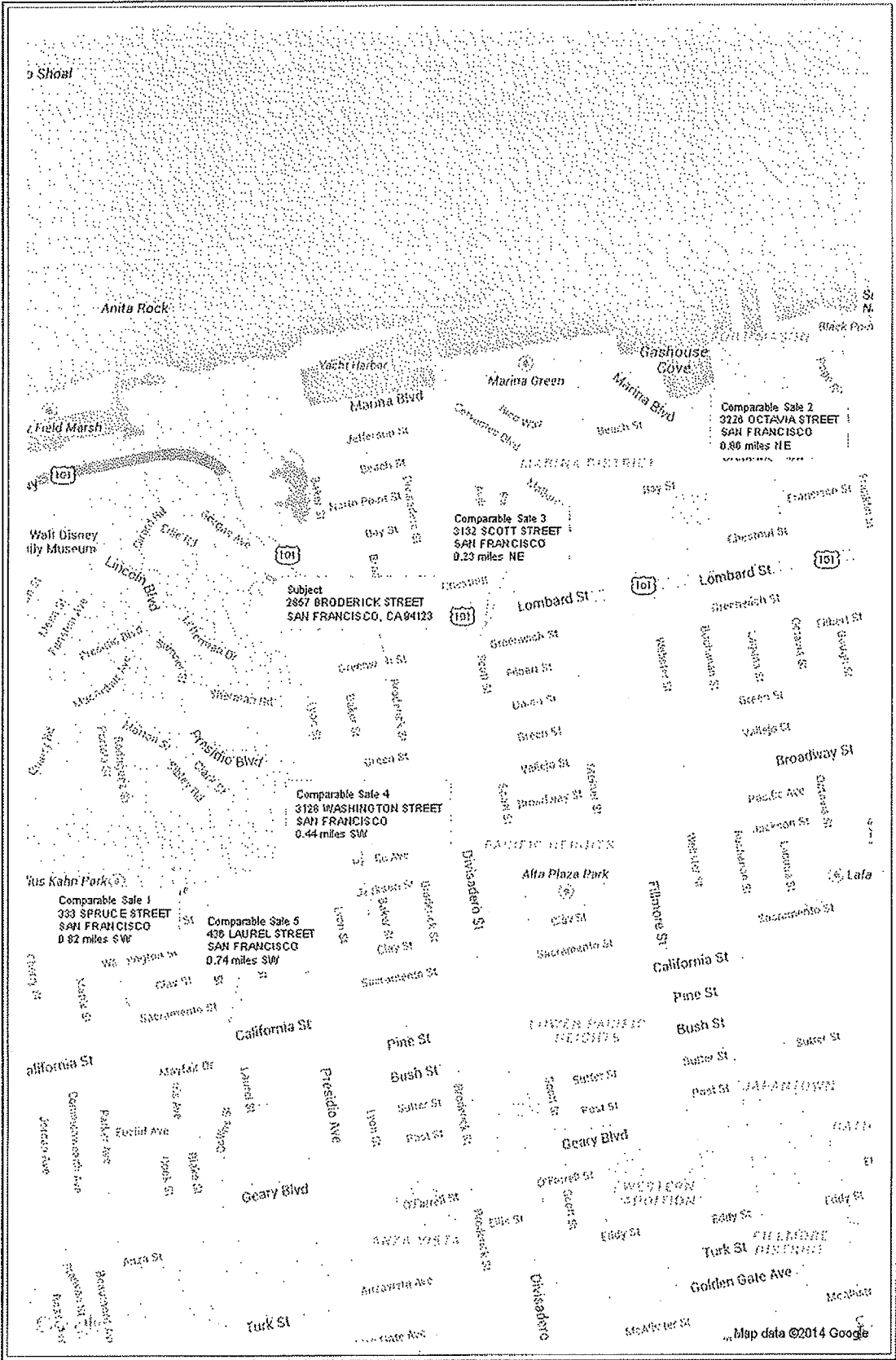
LOT	UNIT	% COMMON AREA
47	1	43.783
48	2	18.307
49	3	18.275
50	4	19.633

2841-2846 BAKER ST
A CONDOMINIUM

LOT	UNIT	% COMMON AREA
51	2734	45
52	2736	55

LOCATION MAP

Client: IRVING ZARETSKY	File No.: 14K007CFL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA
	Zip: 94123



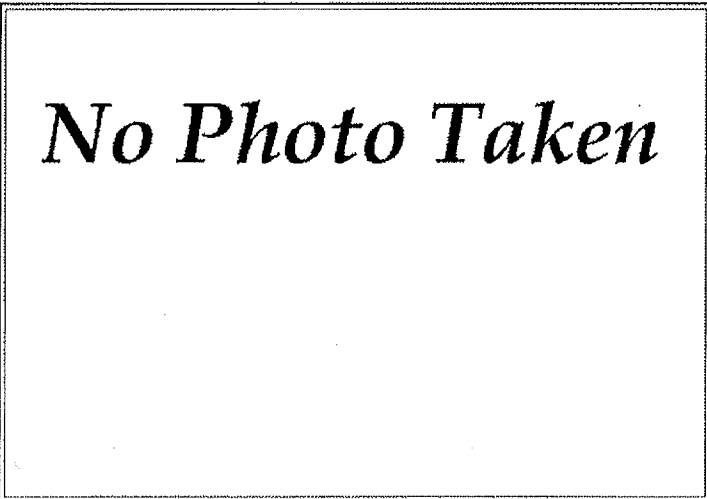
SUBJECT PROPERTY PHOTO ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123

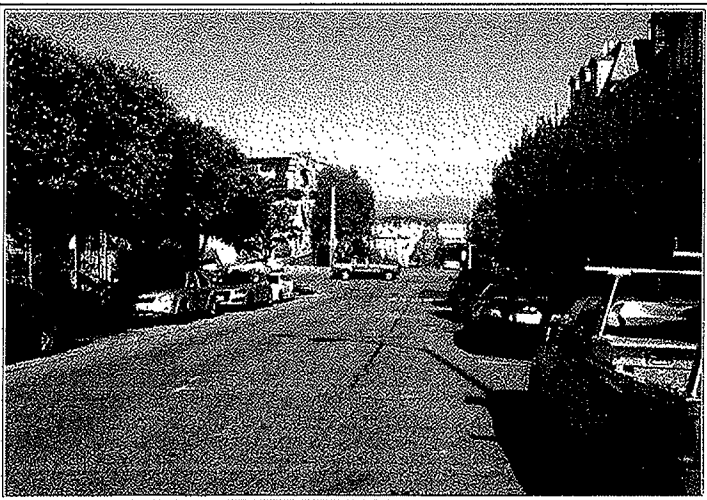


FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: December 2, 2014
Appraised Value: \$ 1,620,000



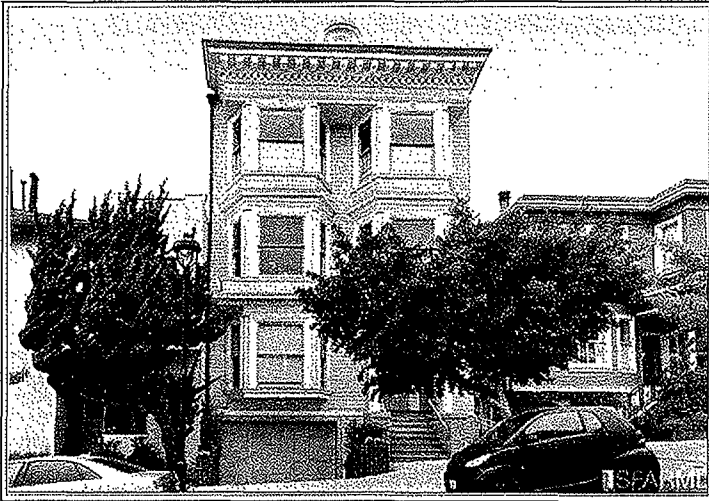
REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123



COMPARABLE SALE #1

333 SPRUCE STREET
-
Sale Date: 10/02/2013 COE
Sale Price: \$ 1,708,000



COMPARABLE SALE #2

3226 OCTAVIA STREET
-
Sale Date: 01/08/2014 COE
Sale Price: \$ 1,695,000



COMPARABLE SALE #3

3132 SCOTT STREET
-
Sale Date: 03/24/2014 COE
Sale Price: \$ 1,600,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K007CTL
Property Address: 2857 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA
	Zip: 94123



COMPARABLE SALE #4

3128 WASHINGTON STREET

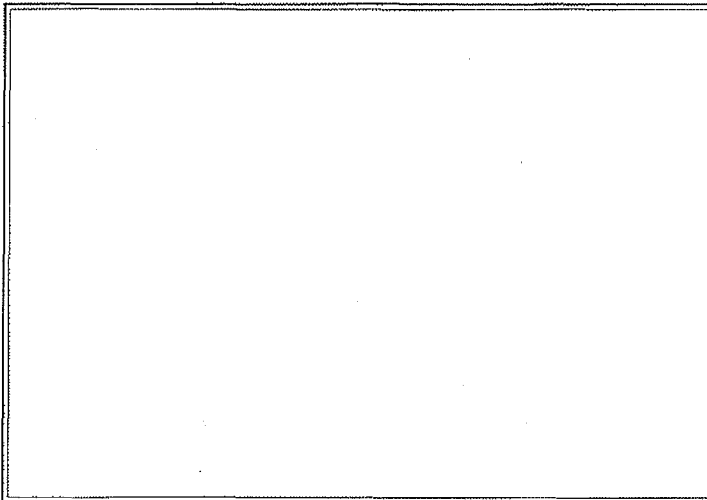
Sale Date: 10/04/2013 COE
Sale Price: \$ 1,270,000



COMPARABLE SALE #5

436 LAUREL STREET

A
Sale Date: 08/16/2013 COE
Sale Price: \$ 1,349,000



COMPARABLE SALE #6

Sale Date:
Sale Price: \$

APPLICATION FOR Dwelling Unit Removal Merger, Conversion, or Demolition

1. Owner/Applicant Information

PROPERTY OWNER'S NAME:
Pam Whitehead

PROPERTY OWNER'S ADDRESS:
2953 Broderick Street

SF, CA 94123

TELEPHONE:
(415) 250-4057

EMAIL:
whiteheadwest@msn.com

APPLICANT'S NAME:
Stephen Antonaros

APPLICANT'S ADDRESS:
2261 Market Street #324

SF, CA 94114

TELEPHONE:
(415) 864-2261

EMAIL:
santonaros@sbcglobal.net

Same as Above

CONTACT FOR PROJECT INFORMATION:

ADDRESS:

TELEPHONE:
()

EMAIL:

Same as Above

COMMUNITY LIAISON FOR PROJECT (PLEASE REPORT CHANGES TO THE ZONING ADMINISTRATOR):

ADDRESS:

TELEPHONE:
()

EMAIL:

Same as Above

2. Location and Classification

STREET ADDRESS OF PROJECT:
2853 - 2857 Broderick Street

ZIP CODE:

CROSS STREETS:
Filbert & Union Streets

ASSESSORS BLOCK/LOT: 0947 / 002	LOT DIMENSIONS: 34.5x80.0	LOT AREA (SQ FT): 2760	ZONING DISTRICT: RH-2	HEIGHT/BULK DISTRICT: 40X
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Loss of Dwelling Units Through Merger

(FORM B - COMPLETE IF APPLICABLE)

Pursuant to Planning Code Section 317(e), the merger of residential dwelling-units not otherwise subject to a Conditional Use Authorization shall be either subject to a Mandatory Discretionary Review hearing or will qualify for administrative approval. Administrative review criteria only apply to those Residential Units proposed for Merger that are (1) not affordable or financially accessible housing are exempt from Mandatory DR (valued by a credible appraisal within the past six months to be greater than 80% of combined land and structure value of single-family homes in San Francisco); or (2) meet a supermajority of the merger criteria listed below. Please see website under Publications for Loss of Dwelling Units Numerical Values.

Please state how the project meets or does not meet the following criteria:

1. Does the removal of the unit(s) eliminate only owner-occupied housing, and if so, for how long was the unit(s) proposed to be removed owner-occupied?

Yes, the existing two unit building is entirely occupied, and the unit to be merged or removed is owner occupied.

2. Is the removal of the unit(s) and the merger with another intended for owner occupancy?

Yes, the merger is intended to allow the owner to occupy the whole building with extended family.

3. Will the removal of the unit(s) bring the building closer into conformance with the prevailing density in its immediate area and in the same zoning district?

The removal of the one unit will not bring the building closer or farther from the prevailing since the surrounding buildings are a mix of 1 and 2 units buildings with some higher density nearby. But since 1-2 family dwellings are in themselves considered the same class of building the removal of one unit in this two family dwelling leaves the subject building in the same category as before.

4. Will the removal of the unit(s) bring the building closer into conformance with the prescribed zoning?

The removal of the unit will not affect the building's conformance with the prescribed zoning.

5. Is the removal of the unit(s) necessary to correct design or functional deficiencies that cannot be corrected through interior alterations?

The removal of the unit is not required to correct any design deficiencies.

Priority General Plan Policies – Planning Code Section 101.1
(APPLICABLE TO ALL PROJECTS SUBJECT TO THIS APPLICATION)

Proposition M was adopted by the voters on November 4, 1986. It requires that the City shall find that proposed alterations and demolitions are consistent with eight priority policies set forth in Section 101.1 of the Planning Code. These eight policies are listed below. Please state how the Project is consistent or inconsistent with each policy. Each statement should refer to specific circumstances or conditions applicable to the property. Each policy must have a response. If a given policy does not apply to your project, explain why it is not applicable.

Please respond to each policy. If not applicable, explain why.

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

This policy is not applicable since the subject property is not within a neighborhood serving retail zone and has no retail use currently.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The approval of this application will contribute to improvements in the building facade that will in turn contribute to improving and preserving neighborhood character so therefore approval of the permit is consistent with this priority policy

3. That the City's supply of affordable housing be preserved and enhanced;

Since this request for dwelling unit removal does not threaten an affordable unit but instead allows an extended family a housing option not available otherwise, this policy does not apply.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

This policy is not applicable since the subject property is not within a commercial zone and/or will not impact transportation services.

13 1433 D

Please respond to each policy. If it's not applicable explain why.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

This policy does not apply since the subject property is not in an industrial zone nor does it involve development that generates employment opportunities.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

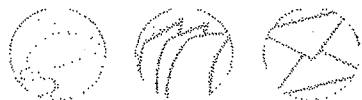
The removal of the dwelling unit will be part of a larger permit that brings the entire building up to current earthquake standards therefore this priority policy will be met

7. That landmarks and historic buildings be preserved; and

Removal of this dwelling unit is part of a larger alteration that will preserve and enhance the building's already acknowledged role as an historic resource and will contribute to improving the historic character of the surrounding neighborhood

8. That our parks and open space and their access to sunlight and vistas be protected from development.

This policy does not apply since the proposal does not involve light or shadow on public parks nor obstruction of vistas



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San Francisco Planning Department
Office of Analysis and Information Systems
PROPERTY INFORMATION REPORT

Block 0947 Lot 002 Census Tract 128 Census Block 2002
Site Address: 2853 - 2857 BRODERICK ST
Site Zip Code: 94123

OWNER

PAMELA J WHITEHEAD FAMILY T
PAMELA J WHITEHEAD, TRUSTEE
50 MAGDALENA COURT
MILL VALLEY CA 94941

PHYSICAL CHARACTERISTICS

Lot Frontage		Year Built	1900
Lot Depth		Stories	3
Lot Area	2757	Assessor Units	2
Lot Shape		Bedrooms	0
Building Sq.Ft.	2700	Rooms	13
Basement Sq.Ft.	0	Assessor Use	

PLANNING INFORMATION

Zoning RH-2
Height Limit 40-X
Planning District 2
SUD
SSD
Comments



SAN FRANCISCO PLANNING DEPARTMENT

RECEIPT

Printed 4/9/2013

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Transaction ID: T20130848

Date: 04/09/2013

Reception:
415.558.6378

Case Number: 2013.0433D 4/9/2013--2853 BRODERICK ST

Fax:
415.558.6409

Account No. 20131363

Planning
Information:
415.558.6377

Transaction

Type: Case Intake

Description: Dwelling Unit

Payer: Stephen A Antonaros

Check Number: 3527

Total Charge: \$3,587.00

Amount Paid: \$3,587.00

Balance: \$0.00

DOCKET COPY

For all cases other than Discretionary Review Requests filed by individuals, a Time & Materials fee will be charged if the cost of processing your case exceeds the initial fee.

Deposit Date:

SUMMIT

April 8, 2013

RE: VALUATION OF 2853 & 2857 BRODERICK STREET SAN FRANCISCO, CA

To Whom It May Concern:

My proposed pricing for these two units is as follows:

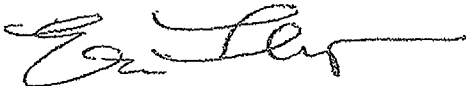
2853 Broderick: \$1,505,000

2857 Broderick: \$1,999,000

Enclosed you will find comparable sales that will support these values. Should you need anymore information please do not hesitate to contact me.

Best,

Erin Thompson



Summit Real Estate Group, Inc.

erinthompsonsf@gmail.com

(415) 531-9626

Lic #01777525

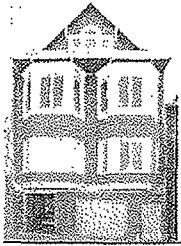
13.0433 0

Condo/Coop/TIC/Loft Client Brief w-Photo Report

Listings as of 04/08/13 at 3:49pm

Page 2

MLS#: 400993	Condominium	Sold	310 Spruce	Presidio Heights	\$ 1,795,000
D/S:7/C	Cross St:	Clay	City: San Francisco	Zip: 94118	OMD: 09/14/12
Block/Lot: 101174	Zoning:		~SqFt: 2214	Source: Per Appraiser	\$/SqFt: 790.42
BD: 4			BA: 2.50	Pkg: 1	N #Rms:
HOA Dues: 400.00			# Units: 2	Floor #:	
Occupant Type: Owner			Rent:	Type:	
DOM: 56			Probate: No	Crt Conf: No	
Brokers Tour:			Open:	Open:	



Marketing Remarks: Upper, two story, four bedroom, 2.5 bath house like condominium in charming Presidio Heights duplex. Large open dining/living room with hardwood floors, working gas fireplace and wall of bay windows. Remodeled kitchen with professional quality appliances and Carrera marble countertops. Bright family/play/hangout room. Main floor office. In-unit laundry. Two main floor bedrooms. Spacious master bedroom, remodeled bath, and office/family room are on the upper floor. South facing deck offering fantastic views. One car parking and shared storage.

Pending Date: 11/09/12 **Sold Date:** 11/27/12 **Sold Price:** \$ 1,750,000

MLS#: 403099	Condominium	Sold	3320 California St #3	Presidio Heights	\$ 1,826,000
D/S:7/C	Cross St:	Walnut	City: San Francisco	Zip: 94118	OMD: 11/23/12
Block/Lot: 1020063	Zoning: Rm-1		~SqFt: 2583	Source: Per Tax Records	\$/SqFt: 716.22
BD: 4			BA: 3	Pkg: 2	N #Rms: 11
HOA Dues: 585.00			# Units: 4	Floor #:	
Occupant Type: Vacant			Rent:	Type:	
DOM: 28			Probate: No	Crt Conf:	
Brokers Tour:			Open:	Open:	



Marketing Remarks: Four bedroom, three bathroom home with a deck, lovely Southern outlooks, two-car parking, and a WalkScore of 100! This recently-built beauty has soaring ceilings, radiant-heated floors, tons of light, and lovely finishes. Stunning great room with a fireplace and a beautifully-appointed kitchen. Convenient guest room or office on the main level, with a full bathroom. Three bedrooms, including the master suite, on the upper level. All of this only steps from Laurel Village!

Pending Date: 12/21/12 **Sold Date:** 01/08/13 **Sold Price:** \$ 1,850,000

MLS#: 402073	Condominium	Sold	2845 Baker St	Cow Hollow	\$ 1,550,000
D/S:7/D	Cross St:	Greenwich	City: San Francisco	Zip: 94123	OMD: 10/12/12
Block/Lot: 0941035	Zoning:		~SqFt: 1767	Source: Per Tax Records	\$/SqFt: 849.46
BD: 4			BA: 2	Pkg: 1	N #Rms:
HOA Dues: 287.00			# Units: 2	Floor #:	
Occupant Type: Vacant			Rent:	Type:	
DOM: 95			Probate: No	Crt Conf:	
Brokers Tour:			Open:	Open:	



Marketing Remarks: This townhouse condominium is well located in one of the finest parts of Cow Hollow with immediate access to the Presidio and the Golden Gate Bridge for excellent outdoor recreational opportunities. This is the lower unit in a two unit building and is graced by high ceilings, open plan living/dining and a large walkout deck off of the master suite and den. Direct access to the unit from the garage is convenient as is the elevator which accesses both levels. The living room is accented with hardwood floors and a wood burning fireplace. The kitchen is open to the dining area and has abundant counter space and storage. Two bedrooms and a full bath complete this level. The lower level consists off the master suite and a study. One car pkg.

Pending Date: 01/15/13 **Sold Date:** 01/22/13 **Sold Price:** \$ 1,501,000

Presented By: Erin Thompson (Lic: 01777525) / Summit Real Estate Group, Inc (Lic: 01249361)
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U.S. Patent 6,910,045

Equal Opportunity Housing * All information deemed reliable, but not guaranteed.

Condo/Coop/TIC/Loft Client Brief w-Photo Report

Listings as of 04/08/13 at 3:49pm

Page 1

MLS#: 402658	Condominium	Sold	2444 Clay	Pacific Heights	\$ 1,695,000
D/S:7/B	Cross St: Webster	City: San Francisco	Zip: 94115	OMD: 11/02/12	
Block/Lot: 0612037	Zoning: Rh2	~SqFt: 2600	Source: Per Owner	\$/SqFt: 692.31	Yr Built: 1900
BD: 4	BA: 2.50	# Units: 3	Pkg: 1	N #Rms: 8	
HOA Dues: 344.40	Occupant Type: Vacant	Rent:	Floor #:	Type:	
DOM: 8	Probate: No	Open:	Crt Conf:	Open:	
Brokers Tour:					



Marketing Remarks: Gorgeous house-like full floor flat w/ beautiful period details thruout. Features 4 bedrooms (4th bedrm, could also be used as home office with built-in desk), 2.5 bathrms, formal living room with bay windows & fireplace, dining room with fireplace & charming built-ins combined with a family room adjacent to kitchen, eat-in remodeled kitchen with Viking stove & Miele DW w/an adjacent finished room that c/b a 2nd family room or kids playroom with access to the stairs down to the deeded patio. Hardwood floors throughout, 1-car garage parking & extra storage. Perfectly located just steps to Fillmore Street's shops and restaurants & Alta Plaza Park. 1st Open is Sunday, Nov 4th - 2-4pm. Don't miss this incredible flat at incredible price!!

Pending Date: 11/10/12	Sold Date: 11/30/12	Sold Price: \$ 1,800,000			
MLS#: 405159	Condominium	Sold	2179 Pacific Ave	Pacific Heights	\$ 2,290,000
D/S:7/B	Cross St: Buchanan	City: San Francisco	Zip: 94115	OMD: 02/22/13	
Block/Lot: 0590027	Zoning: Rh2	~SqFt: 2740	Source: Per Appraiser	\$/SqFt: 835.77	Yr Built: 1902
BD: 4	BA: 2.50	# Units: 4	Pkg: 1	N #Rms: 8	
HOA Dues: 600.00	Occupant Type: Vacant	Rent:	Floor #:	Type:	
DOM: 4	Probate: No	Open:	Crt Conf:	Open:	
Brokers Tour:					



Marketing Remarks: Elegant, remodeled house-like condominium in handsome 4-unit Edwardian building. Situated in prime Pacific Heights location, this 2 level, TOP FLOOR unit showcases architectural details including beautiful inlaid hardwood floors, fireplaces, crown molding, wainscoting, built-in cabinetry in living and formal dining rooms, leaded glass, Balustrade railings, & skylights. Chef's kitchen w/breakfast nook & quality appliances, adjoining family area w/new deck. Open layout w/ large LR, FDR w/balcony, & gracious entryway - ideal for sophisticated city living. Master suite boasts fireplace, & stunning BAY VIEWS! 3 additional, spacious bedrooms. Remodeled baths w/Waterwork fixtures.

Pending Date: 02/26/13	Sold Date: 03/26/13	Sold Price: \$ 2,290,000			
MLS#: 404191	Stock Cooperative	Sold	2121 Broadway #6	Pacific Heights	\$ 2,200,000
D/S:7/B	Cross St: Webster	City: San Francisco	Zip: 94115	OMD: 01/18/13	
Block/Lot: 580306	Zoning:	~SqFt:	Source: Not Available	\$/SqFt:	Yr Built: 1931
BD: 4	BA: 4	# Units: 7	Pkg: 2	N #Rms:	
HOA Dues: 1500.00	Occupant Type: Vacant	Rent:	Floor #:	Type:	
DOM: 11	Probate: No	Open:	Crt Conf:	Open:	
Brokers Tour:					



Marketing Remarks: Just a few blocks to the shops and restaurants of upper Fillmore and within walking distance to two of the city's most exclusive private schools this cooperative residence offers the best of city living. This full floor apartment is flooded with natural light and has stunning views of the Bay and Alcatraz. Located on the 6th floor of a 7 floor bldg the floor plan is perfect for both entertaining and casual day to day living. The 4BRs are located at the rear of the building allowing for peace and quiet while the separate den has a lovely E view of downtown. The resident manager, additional storage and 2 car prkg make this a great urban retreat. OFFERS due Monday 1/28 by 2:00pm. Please allow at least 72 hours for non-resident seller response.

Pending Date: 01/29/13	Sold Date: 03/06/13	Sold Price: \$ 2,520,000
Presented By: Erin Thompson (Lic: 01777525) / Summit Real Estate Group, Inc (Lic: 01249361)		
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U.S. Patent 6,910,045		
Equal Opportunity Housing * All information deemed reliable, but not guaranteed.		

Project Information

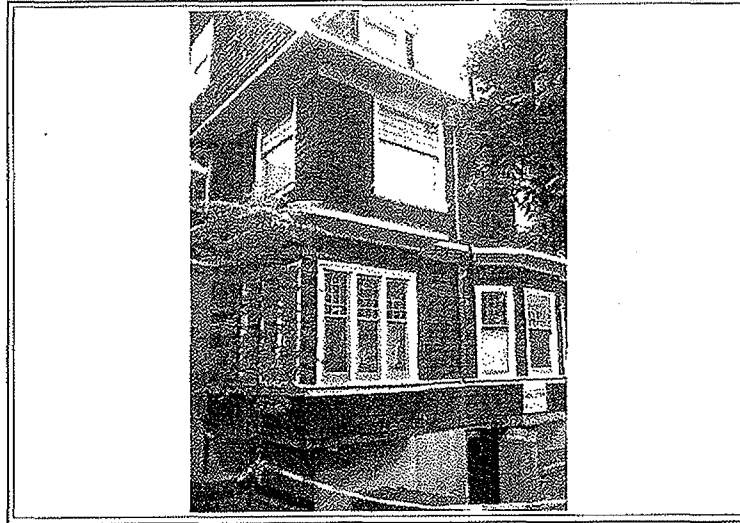
Case No. 2013.0433
Project Name 2853 BRODERICK ST
Cross Streets Filbert & Broderick Street
Sponsor Stephen Antonaros
santonaros@sbcglobal.net
Community Liaison
Description Removing a dwelling unit.

<u>Suffix</u>	<u>File Date</u>	<u>Case Information</u>		
D	04/09/2013	101.1 &317		
	<u>Planner</u>	<u>Supervisor</u>	<u>Docket Location</u>	
		DAVID LINDSAY	NORTHWEST	
	<u>Construction Cost</u>	<u>Initial Fee</u>	<u>Balance</u>	<u>Status</u>
	\$0.00	\$3,587.00	\$0.00	Active
	<u>Comments</u>			

Action Date Action

Motion Number

APPRAISAL OF



LOCATED AT:

2853-2857 Broderick Street
San Francisco, CA 94941

CLIENT:

Pam Whitehead
50 Magdalena Ct
Mill Valley, CA 94941

AS OF:

December 2, 2013

BY:

Roger A. Ostrem

To: Pam Whitehead

Regarding: 2853-2857 Broderick Street, San Francisco Appraisal

Date: 02/11/2014

Pam,

I recently appraised the property located 2853-2857 Broderick Street in San Francisco for you. The intended use of the appraisal was to assist in determining whether the 2-unit building could be converted to a single family house, per the City of San Francisco's Planning Department guidelines. The appraisal assignment asked for a separate valuation of each of the building's two units.

In March 2010 the interior of the house was burned in an arson fire and the interior was gutted as a result of the damage. My appraisal values the property as if it was rebuilt to its original use and then assigns a separate value to each of the two units. Since 2-unit buildings are not sold as individual units but rather as one building, the appropriate methodology for valuing each unit in the subject property is to analyze and assign values to similar 2-unit sales comps with each comp valued as one entire building rather than as two separate units, since the two units are not sold separately. The two units are then assumed to each add a contributory value to the total value of the building in an amount equal to the percentage of space occupied by that unit.

The value of 2853-2857 Broderick, when valued as a 2-unit building, is \$3,550,000 as of 12/02/2013 (refer to Reconciliation, page 2 of appraisal report). 2853-2857 Broderick consists of approximately 4,372 sf of space (refer to Appraisal Addendum entitled Quality and Condition of Property). 2853 Broderick occupies approximately 1,882 sf, or 43% of the entire building; 2857 Broderick occupies approximately 2,490 sf or 57% of the entire building. Each unit provides a contributory value to the entire building in direct proportion to its percentage of the entire building. Therefore, based on the percentage of space occupied by each unit, the value for each unit, if valued separately, is:

2853 Broderick: \$1,526,500

2857 Broderick: \$2,023,500

Using a similar methodology, each of the five comps in the appraisal report can be given a separate unit value based on their individual percentage of space occupied in the building. Following is a breakdown of individual unit values for each of the comps, which can then be compared to the subject's individual unit values:

2853 Broderick: \$1,526,500

Comp 1: \$1,480,417

Comp 2: \$1,538,500

Comp 3: \$2,221,111

Comp 4: \$1,977,083

Comp 5: \$1,501,250

2857 Broderick: \$2,023,500

Comp 1: \$2,072,583

Comp 2: \$1,538,500

Comp 3: \$1,776,889

Comp 4: \$2,767,917

Comp 5: \$2,101,750

It can be concluded that the individual values assigned to each unit in the subject property are well supported in the marketplace.

Roger Ostrem

Greenhill Appraisal

License #AR028299

December 5, 2013

Pam Whitehead
50 Magdalena Ct
Mill Valley, CA 94941

File Number: 20131127PW

In accordance with your request, I have appraised the real property at:

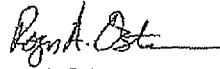
2853-2857 Broderick Street
San Francisco, CA 94941

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of December 2, 2013 is:

\$3,550,000
Three Million Five Hundred Fifty Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.



Roger A. Ostrem

Residential Appraisal Report

File No. 20131127PW

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User **Pam Whitehead** E-mail **whiteheadwest@msn.com**
 Client Address **50 Magdalena Ct** City **Milj Valley** State **CA** Zip **94941**
 Additional Intended User(s) **Client's designated associates**

PURPOSE
 Intended Use **Determine the contributory market value of each unit in a 2-unit house, with the intended purpose of consolidating the existing 2-unit property into a single family house.**

SUBJECT
 Property Address **2853-2857 Broderick Street** City **San Francisco** State **CA** Zip **94941**
 Owner of Public Record **2853 Broderick LLC** County **San Francisco**

Legal Description **Refer to preliminary title report**
 Assessor's Parcel # **0947-002** Tax Year **2012** R.E. Taxes \$ **2,131**
 Neighborhood Name **Cow Hollow** Map Reference **647-F4** Census Tract **128.00**
 Property Rights Appraised Fee Simple Leasehold Other (describe)

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
 Prior Sale/Transfer: Date **05/30/2012** Price **\$1,800,000** Source(s) **County Records**

SALES HISTORY
 Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) **Within the past 36 months the subject recorded a sale from the Inger M Conrad Trust to the PJ Whitehead Family Trust, with a sales price of \$1,800,000, recorded on 05/30/2012. The subject later recorded a transfer from the PJ Whitehead Family Trust to 2853 Broderick LLC on 05/09/2013 with no recorded transaction value. The comps have not recorded additional sales in the 12 months prior to the effective date of this appraisal.**

Offerings, options and contracts as of the effective date of the appraisal **None**

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	50 %		
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	20 %		
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	860 Low	5	Multi-Family	20 %		
Neighborhood Boundaries	Bounded on the north by Lombard Street, on the south by Green Street, on the east by Van Ness Avenue and on the west by Lyon Street.			5,300 High	150	Commercial	10 %		
Neighborhood Description	The subject's neighborhood is built out with a mixture of residential land uses including single family homes, condos, TICs and multi-unit residential buildings. The neighborhood is very well maintained and many properties in the area have been remodeled or upgraded. The neighborhood has retail districts that run along Union Street and Fillmore Street. The area is within walking distance to the Marina Green and the adjacent San Francisco Bay. All community services are available.			2,200 Pred.	85	Other	%		
Market Conditions (including support for the above conclusions)	A review of District 7 (Pacific Hts, Presidio Hts, Marina, Cow Hollow) market conditions for 2-unit houses reveals the following: Over the past 12 months there have been 25 sales; during the same time period median prices for 2-unit properties increased from \$2,000,000 to \$2,200,000; the number of days on the market decreased from 30 to 16. Currently there are 6 listings on the MLS with an average list price of \$2,530,000.								

Dimensions **34.5 x 80** Area **2,757 sf** Shape **Rectangular** View **City Streets**
 Specific Zoning Classification **RH-2** Zoning Description **Residential Housing District, 2 Units**

Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe **Highest and best use is conversion to a single family house as currently being proposed per plans and specs.**

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	Asphalt	<input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	None	<input type="checkbox"/>

Site Comments **Subject site is typical of the neighborhood.**

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials		INTERIOR materials	
Units	<input type="checkbox"/> One <input type="checkbox"/> One w/Acc. unit <input checked="" type="checkbox"/> 2	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawf Space	Foundation Walls	Concrete	Floors	Hardwood	
# of Stories	4	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Wood Shingle	Walls	Sheetrock	
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Ait. <input type="checkbox"/> S-Det/End Unit	Basement Area	0 sq. ft.	Roof Surface	Shingle	Trim/Finish	Wood/Paint
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish	0 %	Gutters & Downspouts	Galvanized	Bath Floor	Tile
Design (Style)	Traditional	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Single Pane	Bath Wainscot	Tile	
Year Built	circa 1900		Storm Sash/Insulated	None	Car Storage	None	
Effective Age (Yrs)	75		Screens	None	<input checked="" type="checkbox"/> Driveway # of Cars	0	
Attic	<input type="checkbox"/> None	Heating	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HW <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Wood Stove(s) #	Driveway Surface	Concrete
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs		<input type="checkbox"/> Other <input type="checkbox"/> Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 4	<input type="checkbox"/> Fence	<input checked="" type="checkbox"/> Garage # of Cars	2	
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle		Cooling	<input type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Deck	<input type="checkbox"/> Carport # of Cars	0	
<input type="checkbox"/> Finished <input type="checkbox"/> Heated		<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Other None	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input type="checkbox"/> Ait. <input type="checkbox"/> Det. <input checked="" type="checkbox"/> Built-in		

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)
 Finished area above grade contains: **12 Rooms 6 Bedrooms 5 Bath(s) 4,372 Square Feet of Gross Living Area Above Grade**
 Additional Features **2853 Broderick consists of 1,882 sf (43 % of total space) and has 5 rooms/2 bedrooms/2 baths. 2857 Broderick consists of 2,490 sf (57% of total space) and has 7 rooms/4bedrooms/3 baths.**

Comments on the Improvements **See Attached Addendum**



Residential Appraisal Report

File No. 20131127PW

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3					
2853-2857 Broderick Street Address San Francisco		2821-2823 Broderick Street San Francisco	2051-2053 Broadway San Francisco	2405 Washington Street San Francisco					
Proximity to Subject		0.03 miles S	0.75 miles ESE	0.71 miles ESE					
Sale Price	\$	\$ 3,560,000	\$ 3,150,000	\$ 3,750,000					
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ 788 sq. ft.	\$ 904 sq. ft.	\$ 962 sq. ft.					
Data Source(s)		San Francisco MLS# 396733	San Francisco MLS# 412369	San Francisco MLS# 401725					
Verification Source(s)		County Doc# J517977-00	County Doc# J763571-00	County Doc# J532533-00					
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION	
Sale or Financing		Trust Sale		No Concessions		No Concessions		No Concessions	
Concessions		Cash Sale		Conventional		Conventional		Conventional	
Date of Sale/Time		05/25/2012	350,000	09/27/2013		10/26/2012	375,000		
Location	Urban	Urban		Urban		Urban		Urban	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Site	2,757 sf	4,097 sf		3,436 sf		3,223 sf		3,223 sf	
View	City Streets	City Streets		City Streets		City Streets		City Streets	
Design (Style)	Traditional	Traditional		Traditional		Victorian		Victorian	
Quality of Construction	Good	Good		Good		Good		Good	
Actual Age	113+/-	104		65		113+/-		113+/-	
Condition	Fair	Average	-320,000	Average	-320,000	Average	-320,000	Average	-320,000
Above Grade	Total Bdrms: 12 Baths: 6	Total Bdrms: 12 Baths: 5		Total Bdrms: 10 Baths: 4	25,000	Total Bdrms: 9 Baths: 3	40,000	Total Bdrms: 9 Baths: 3	118,000
Room Count									
Gross Living Area	4,372 sq. ft.	4,520 sq. ft.	-37,000	3,485 sq. ft.	222,000	3,900 sq. ft.		3,900 sq. ft.	
Basement & Finished	None	None		None		None		None	
Rooms Below Grade	None	None		None		None		None	
Functional Utility	Average	Average		Average		Average		Average	
Heating/Cooling	FWA/None	FWA/None		FWA/None		FWA/None		FWA/None	
Energy Efficient Items	None	None		None		None		None	
Garage/Carpport	2 Car Garage	2 Car Garage		2+ Car Garage		1 Car Garage	35,000	1 Car Garage	35,000
Porch/Patio/Deck	Decks	Decks		Patio		Garden		Garden	
Unit 1	5 Rm/2 BR/2 BA	5 Rm/2 BR/2 BA		5 Rm/2 BR/2 BA		5 Rm/2 BR/1 BA		5 Rm/2 BR/1 BA	
Unit 2	7 Rm/4 BR/3 BA	7 Rm/4 BR/3 BA		5 Rm/2 BR/2 BA		4 Rm/4 BR/2.1 BA		4 Rm/4 BR/2.1 BA	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 7,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 73,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 248,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 248,000	
Adjusted Sale Price		Net Adj. -0.2%		Net Adj. -2.3%		Net Adj. 6.6%		Net Adj. 6.6%	
of Comparables		Gross Adj. 19.9%	\$ 3,553,000	Gross Adj. 18.0%	\$ 3,077,000	Gross Adj. 23.7%	\$ 3,998,000	Gross Adj. 23.7%	\$ 3,998,000

Summary of Sales Comparison Approach See Attached Addendum

COST APPROACH TO VALUE	
Site Value Comments: The area is built out and there are no recent land sales of vacant sites to support an estimate of site value using the sales comparison approach. Site value is determined by allocation using the county assessor's tax records as a basis for arriving at results. Per the county assessor, land values in the area are typically high, ranging from 60%-70% of total value. The subject's land value is estimated at the high end of the range.	
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 2,485,000
Source of cost data: Marshall & Swift, Local Contractors	Dwelling 4,372 Sq. Ft. @ \$ 475 = \$ 2,076,700
Quality rating from cost service: 6.0 Effective date of cost data: 12/02/2013	Sq. Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	
See Attached Addendum	
	Garage/Carpport 504 Sq. Ft. @ \$ 150 = \$ 75,600
	Total Estimate of Cost-New = \$ 2,152,300
	Less 150 Physical Functional External Depreciation 1,130,800 = \$ (1,130,800)
	Depreciated Cost of Improvements = \$ 1,021,500
	"As-is" Value of Site Improvements = \$ 50,000
	INDICATED VALUE BY COST APPROACH = \$ 3,556,500

INCOME APPROACH TO VALUE	
Estimated Monthly Market Rent \$	n/a X Gross Rent Multiplier n/a = \$ n/a Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM): Rent control is in effect in San Francisco. Rent control reduces the income potential of a property, which results in an artificially lower value for the property. Therefore, the income approach is not considered to be a reliable indicator of value and is not used in this appraisal assignment.	
Indicated Value by: Sales Comparison Approach	\$ 3,550,000
Cost Approach (if developed)	\$ 3,556,500
Income Approach (if developed)	\$ n/a
The reconciled value of the subject is \$3,550,000 as of the effective date of this appraisal. Individual contributory values have been assigned to each unit based on the percentage of square footage of each unit. The value for each unit is as follows:	
2853 Broderick: \$3,550,000 x 43% = \$1,526,500	
2857 Broderick: \$3,550,000 x 57% = \$2,023,500	
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed <input type="checkbox"/> subject to the following:	

Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is \$ 3,550,000 as of 12/02/2013, which is the effective date of this appraisal.



Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
 2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
 3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
 4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
 5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
 6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
 7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
 8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.
- This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.
- Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.
- Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.
9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
 10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.
 11. The ACI General Purpose Appraisal Report (GP^{AR}™) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

An on-site inspection of the land and improvements was conducted. The improvements were measured from approved architect's plans and a sketch of the floor plan was produced. The condition of the property was analyzed. The neighborhood was inspected. Regional, city and neighborhood demographic data was analyzed. The current zoning status of the site was verified with the applicable city/county planning department. The flood zone status of the property was investigated and reported. Recent, comparable sales transactions were selected from the subject's neighborhood and analyzed. Data sources include the multiple listing service, realtors, and county records accessed through the county assessor's office. Three approaches to value were used, or considered, to determine an opinion of value. The three approaches include the sales comparison approach, the cost approach and the income capitalization approach.

The appraiser did not review the title report and a title report was not made available to the appraiser.

The appraiser inspected visible and accessible areas only.

The appraiser is not a professional home inspector and this appraisal should not be relied upon to disclose possible building defects that may exist. The appraiser does not guarantee that the house is free of defects. The appraiser recommends the enlistment of a qualified home inspector if such an investigation is required.

The appraiser did not conduct an investigation to discover the presence of mold, asbestos, urea formaldehyde, radon or other potentially hazardous materials that may affect the property and its value. The appraiser is not qualified to determine the cause of mold, the type of mold that may be present or whether the mold might pose a risk to the property or its inhabitants. The appraiser is not an environmental inspector and is not an expert in the field of hazardous material investigation. The appraiser recommends the enlistment of a qualified expert in the field of hazardous material investigation if such an investigation is required.

The appraiser did not conduct research to uncover information about the location of possible adverse, external conditions in the neighborhood.

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's 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 the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

This appraisal is developed and reported in compliance with the Uniform Standards of Professional Appraisal Practice. I certify that, to the best of my knowledge and belief, I have not performed any additional services regarding the subject property, as an appraiser, or in any other capacity, within the 3 year time period immediately preceding acceptance of this appraisal assignment.

Definition of Value: [X] Market Value [] Other Value:

Source of Definition: Appraisal Institute Dictionary of Real Estate Appraisal

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. Inflict in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated,
(2) both parties are well informed and well advised and acting in what they consider their own best interest,
(3) a reasonable time is allowed for exposure in the open market,
(4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and
(5) the price represents the normal consideration of the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

ADDRESS OF THE PROPERTY APPRAISED:

2853-2857 Broderick Street
San Francisco, CA 94941

EFFECTIVE DATE OF THE APPRAISAL: 12/02/2013

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 3,550,000

APPRAISER

Signature: [Signature]
Name: Roger A. Ostrem
State Certification # AR028299
or License #
or Other (describe): State #:
State: CA
Expiration Date of Certification or License: 09/06/2015
Date of Signature and Report: 12/04/2013
Date of Property Viewing: 12/02/2013
Degree of property viewing:
[X] Interior and Exterior [] Exterior Only [] Did not personally view

SUPERVISORY APPRAISER

Signature:
Name:
State Certification #
or License #
State:
Expiration Date of Certification or License:
Date of Signature:
Date of Property Viewing:
Degree of property viewing:
[] Interior and Exterior [] Exterior Only [] Did not personally view



Client: Pam Whitehead	File No.: 20131127PW
Property Address: 2853-2857 Broderick Street	Case No.:
City: San Francisco	State: CA Zip: 94941

Quality and Condition of Property

The subject is a 2-unit house. The lower unit is 2853 Broderick and the upper unit is 2857 Broderick. In March 2010 the interior of the house was burned in an arson fire and the interior was gutted as a result of the damage. The previous owner submitted plans to restore the property to its original use. The plans were approved and a permit was issued to rebuild the interior with an approved budget of \$320,000.

The lower unit consists of the original 1st floor consisting on 1,170 sf plus an additional 712 sf of space on the garage floor, now referred to as the 1st floor. The additional 712 sf of space is included in this appraisal as part of the lower unit since it was part of the plans submitted by the previous owner that were approved and legally permitted. Additionally, a 2-car garage was included in the approved plans and is also included in this appraisal.

On 05/30/2012 the house was sold to the current owner who is attempting to reconfigure the house from its original 2-unit use into a single family house. However, the intent of this appraisal is to value the two units individually and attribute a contributory market value to each. The appraisal therefore relies on the original configuration of the house and not on the newly proposed single family configuration.

The original configuration of 2853 Broderick was a 2 bedroom/2bath unit with a kitchen, living room and dining room. The new 712 sf addition, previously approved, is simply referred to as living space in this appraisal. The total square footage is 1,882 sf.

The original configuration of 2857 Broderick was a 4 bedroom/3 bath unit with a kitchen, living room and dining room. The unit consisted of 1,395 sf on the lower level and 1,095 sf on the upper level for a total of 2,490 sf.

The condition of the house is rated fair and the neighborhood standard is rated average. The interior of the house is currently gutted and, as a result, the condition of the subject is currently below the neighborhood standard. The original construction quality of the house is rated good and is similar to the surrounding neighborhood standard.

Comments on Sales Comparison

The search for comps involved analyzing sales of 2-unit buildings located in District 7. District 7, as defined by the San Francisco Association of Realtors, includes Pacific Hts, Presidio Hts, the Marina and the subject's immediate neighborhood of Cow Hollow. A typical buyer interested in purchasing within the subject's neighborhood would typically search for properties throughout District 7. Comps 1-4 are closed sales transactions. Comp 5 is an active listing.

Single family house sales and condo sales dominate the neighborhood sales market and the volume of 2-unit building sales is low. As a result, it is necessary to extend the search back in time approximately 18 months in order to have a sufficient number of similar property sales to analyze to produce a credible result.

Comps 1, 3 & 4 are adjusted for time at the rate of price increase posted for 2-unit buildings over the past 12 months. The 6 month period prior to the most recent 12 months recorded less price appreciation for 2-unit buildings and no additional adjustment for time is made for that period.

The subject has a typical site for the local market, which is matched by all of the comps. Site sizes differ moderately but all of the comps have a narrow street frontage and all have back yards that add little additional utility. Therefore despite moderate site size differences, the effective utility of the sites are all considered similar to the subject.

The subject's current condition is rated fair and an across the board line item adjustment has been made in order to bring the condition of the property back to its pre-fire condition of average, and in line with neighborhood standard. The line item adjustment is a cost to cure based on the previous owner's approved plans and budget to restore the property's pre-fire condition. The previous owner's budget was \$320,000 to make the restoration.

All of the comp's condition ratings are as of their close of escrow date. Comps 4 & 5 have additional condition adjustments since their condition exceeds the neighborhood average to which the subject is assumed to be restored to. In addition to the \$320,000 across the board adjustment, Comps 4 and 5 are adjusted by an additional \$500,000 and \$250,000, respectively, based on budget estimates provided by real estate agents for each property.

Since this appraisal has the intent of determining the contributory value of each of the subject's 2- units, a breakdown of each of the comps 2-units has been displayed. The comps are generally similar in bedroom/bathroom count as the subject. Comp 1's room breakdown has been estimated due to a lack of available information in the published county records and in the MLS.

Comp adjustments are based on a combination of matched pair analysis from appraisals done in the subject's market area and by relying on the appraiser's data files, which contain market data collected over time.

Primary weight in the sales comparison approach is given to Comp 1 because it is similar to the subject and is located on the same street and block as the subject; it differs primarily with regard to time of sale. Comp 1 has an adjusted sale price of \$3,553,000. Comps 1, 2 & 3 are all closed sales transactions with acceptable amounts of adjustment, their average adjusted sales price is \$3,542,000. Comp 4 is given tertiary weight due to its large gross adjustment, which exceeds typical guidelines. Comp 5 is an active listing that has been added to demonstrate the current asking price for a similar property. It is given secondary weight since its final sales price is unknown. Placing equal emphasis on both Comp 1, and on the average of Comps 1-3, results in a reconciled value of approximately \$3,550,000 for the subject using the sales comparison approach to value.

Cost Approach Comments

Due to the very low amount of home construction in the area, published cost manuals such as Marshall & Swift, etc. are generally less reliable than in many other areas. Cost data from Marshall & Swift is utilized in this report but is augmented by cost data collected from local general contractors and from the appraiser's files.

The age/life method has been used to determine depreciation. Due to updates and good maintenance, the effective age of

ADDENDUM

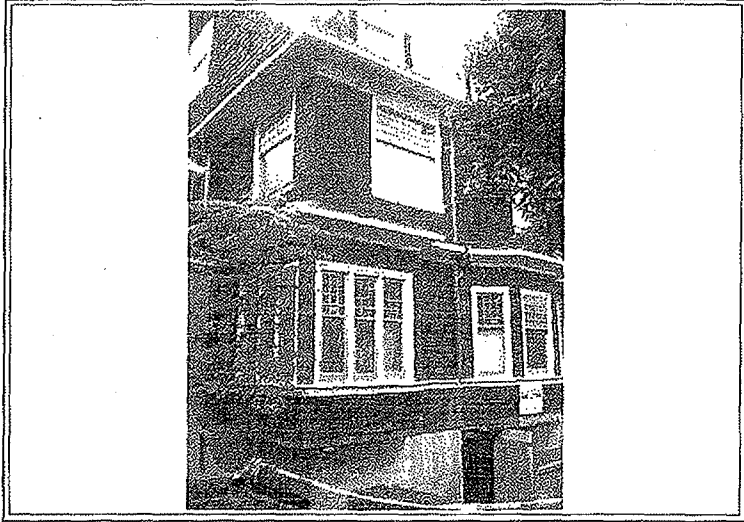
Client: Pam Whilehead	File No.: 20131127PW	
Property Address: 2853-2857 Broderick Street	Case No.:	
City: San Francisco	State: CA	Zip: 94941

the improvements has been lowered.

Any cost approach information contained in this report, including any information provided under the heading "Cost Approach to Value" has been provided at the request of the client/intended user of this report. The provision of such information does not change the intended use or the intended client/user of this report. It should not be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for any insurable value estimate or opinion that is inferred from this information and does not guarantee that any insurable value estimate or opinion inferred from this report will result in the subject property being fully insured for any loss that may be sustained. The appraiser recommends that an insurance professional be consulted to determine the appropriate amount and type of insurance to be placed on the subject premises.

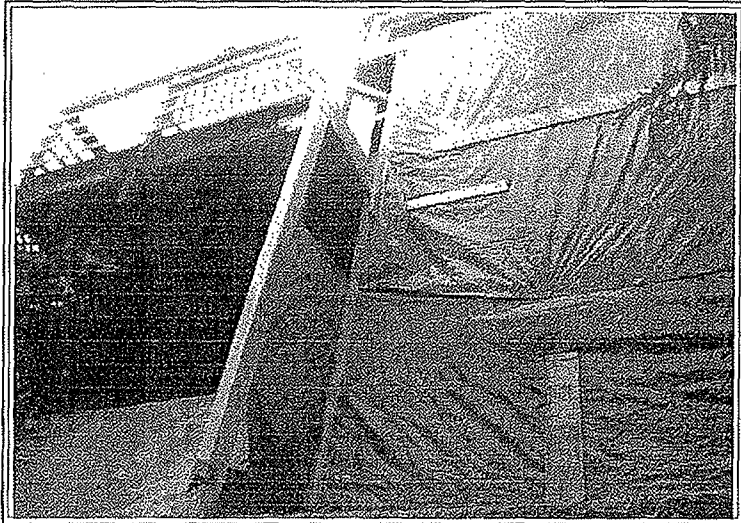
SUBJECT PROPERTY PHOTO ADDENDUM

Client: Pam Whitehead	File No.: 20131127PW
Property Address: 2853-2857 Broderick Street	Case No.:
City: San Francisco	State: CA Zip: 94941



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: December 2, 2013
Appraised Value: \$ 3,550,000



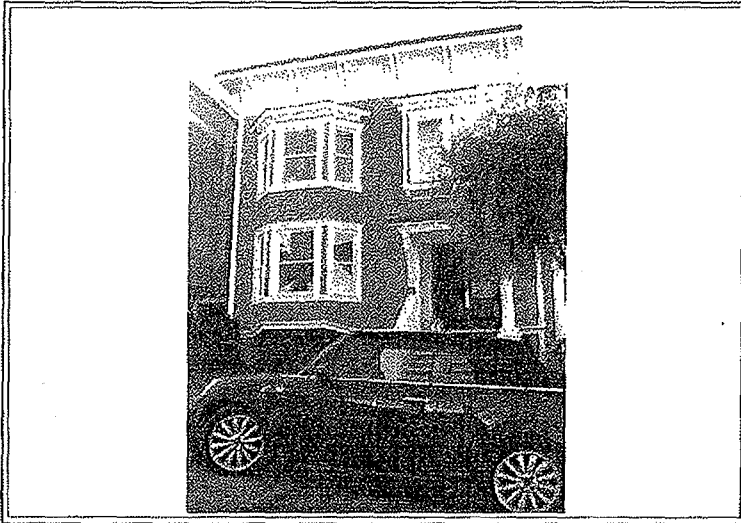
REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

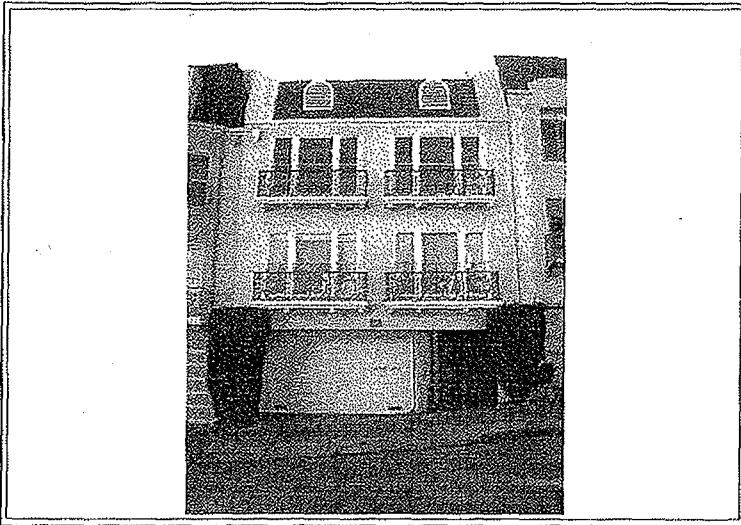
COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Pam Whitehead	File No.: 20131127PW
Property Address: 2853-2857 Broderick Street	Case No.:
City: San Francisco	State: CA Zip: 94941



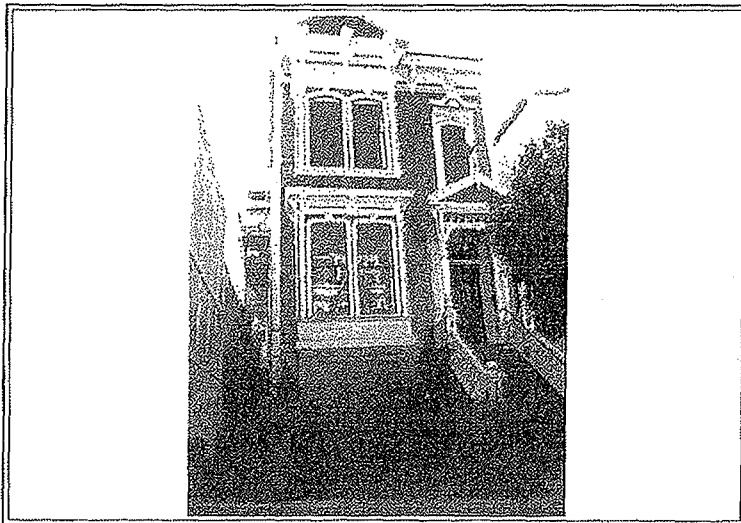
COMPARABLE SALE #1

2821-2823 Broderick Street
San Francisco
Sale Date: 05/25/2012
Sale Price: \$ 3,560,000



COMPARABLE SALE #2

2051-2053 Broadway
San Francisco
Sale Date: 09/27/2013
Sale Price: \$ 3,150,000

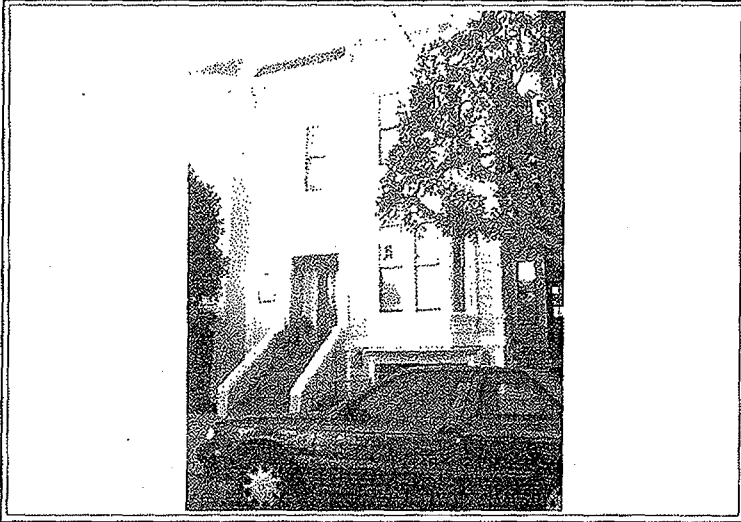


COMPARABLE SALE #3

2405 Washington Street
San Francisco
Sale Date: 10/26/2012
Sale Price: \$ 3,750,000

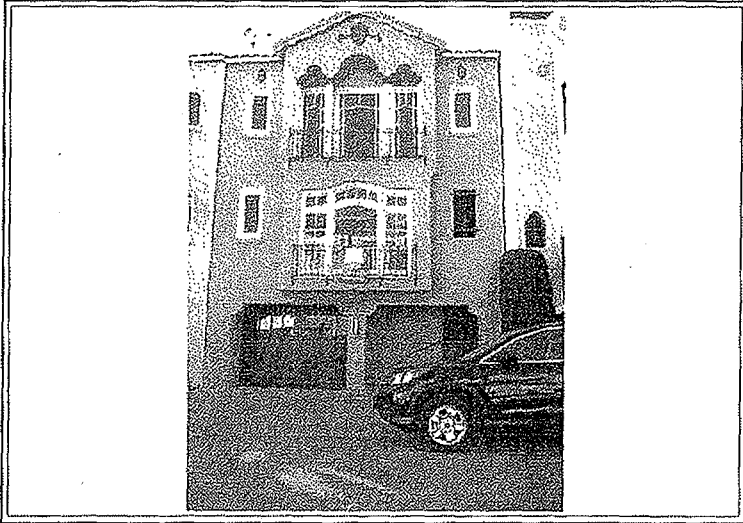
COMPARABLE PROPERTY PHOTO ADDENDUM

Client: Pam Whitehead	File No.: 20131127PW
Property Address: 2853-2857 Broderick Street	Case No.:
City: San Francisco	State: CA Zip: 94941



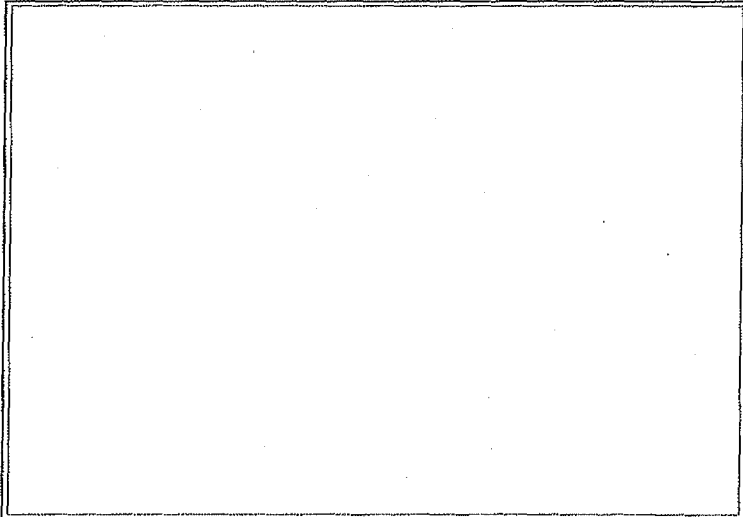
COMPARABLE SALE #4

2847-2849 Washington St
San Francisco
Sale Date: 05/21/2013
Sale Price: \$ 5,300,000



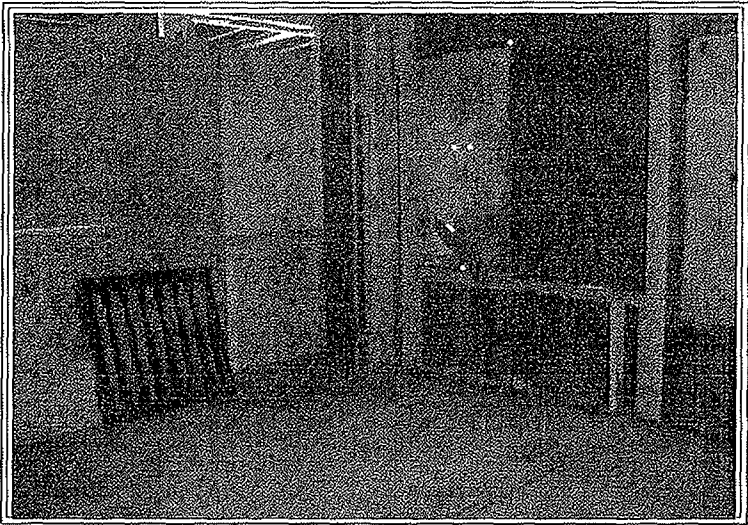
COMPARABLE SALE #5

1655-1657 Beach Street
San Francisco
Sale Date: 10/18/2013 List
Sale Price: \$ 4,100,000

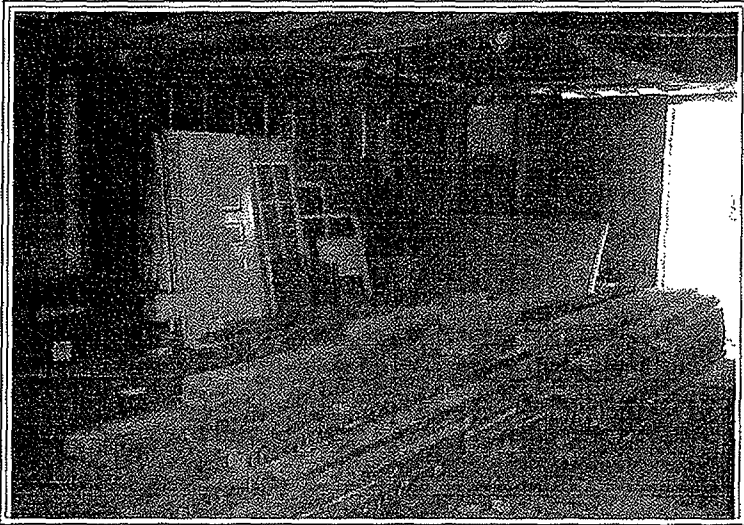


COMPARABLE SALE #6

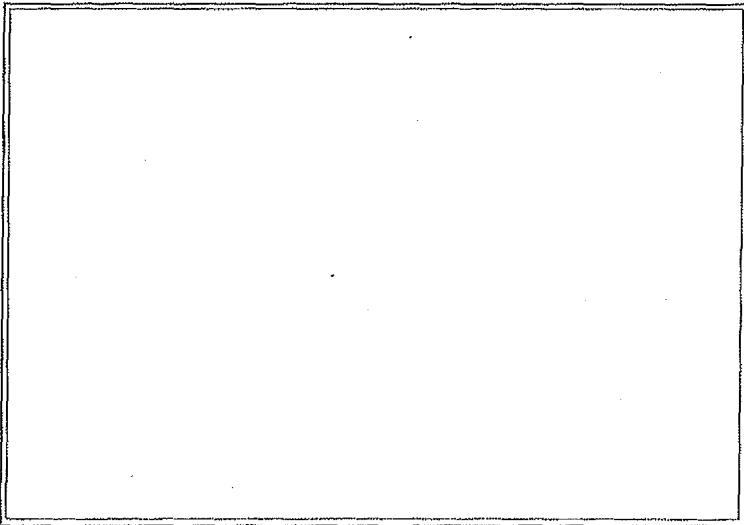
Sale Date:
Sale Price: \$

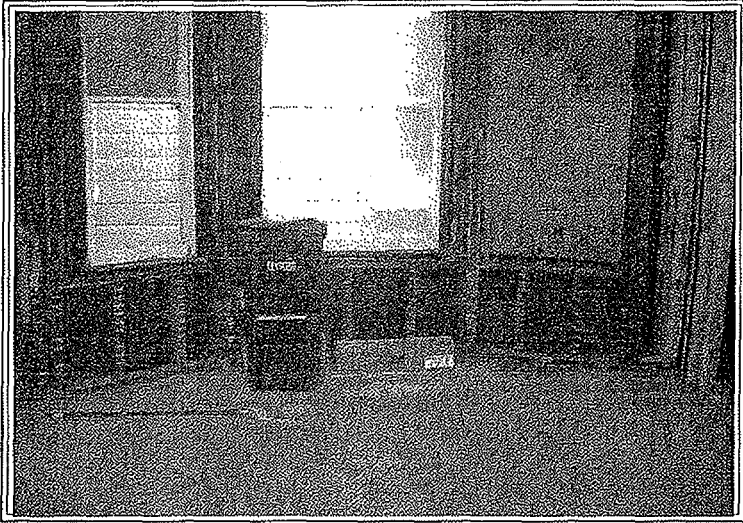


1st Floor Space
Living Area

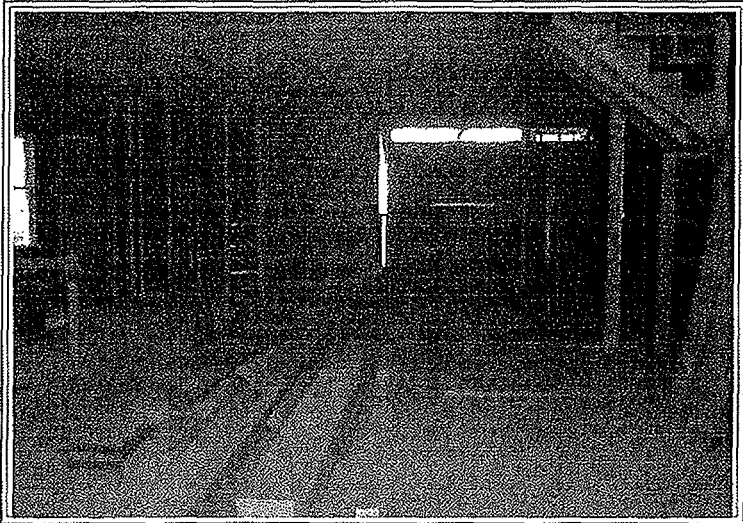


1st Floor Space
Garage

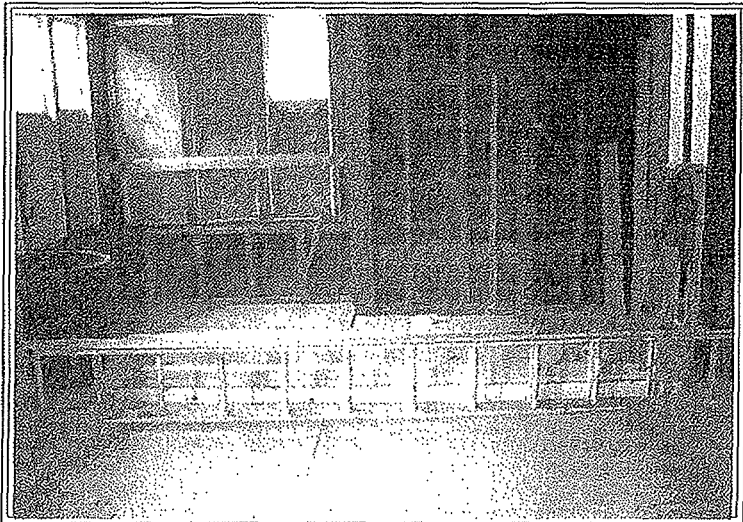




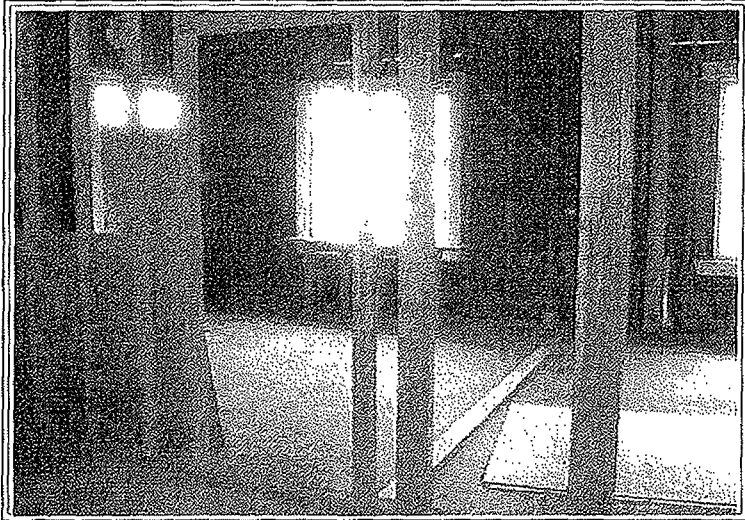
2nd Floor Space



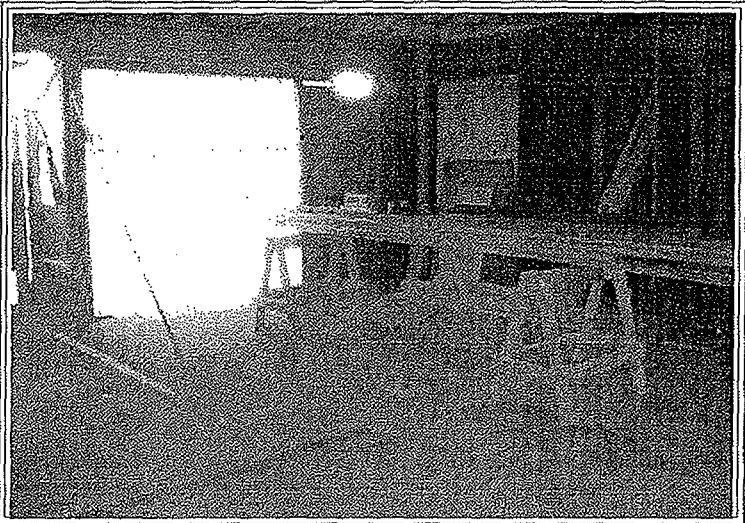
2nd Floor Space



2nd Floor Space



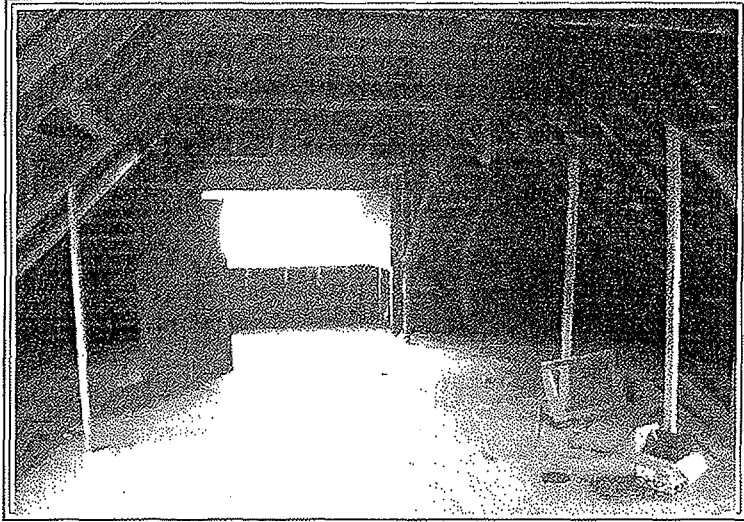
3rd Floor Space



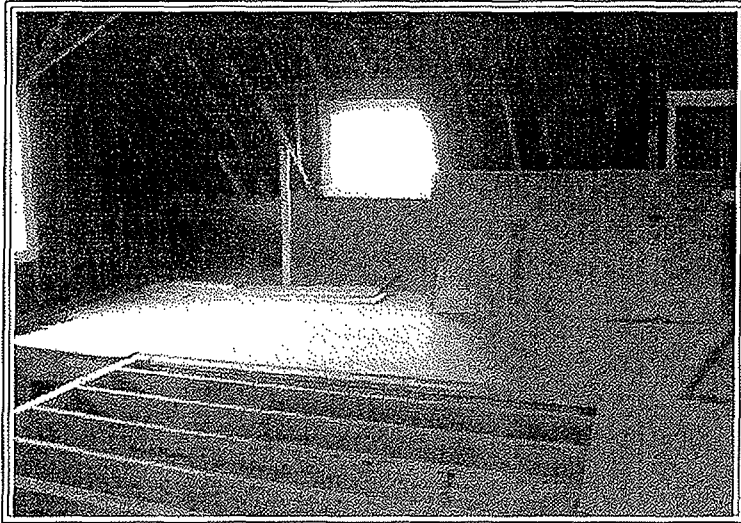
3rd Floor Space



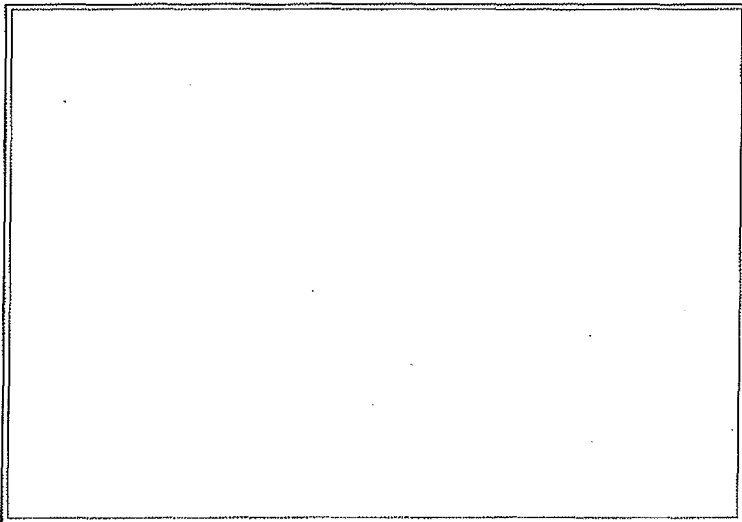
3rd Floor Space



4th Floor Space

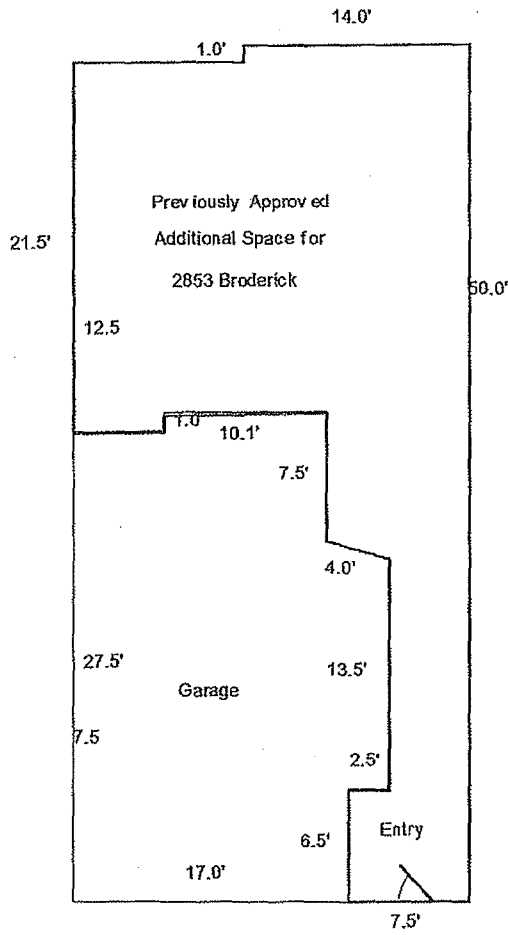


4th Floor Space

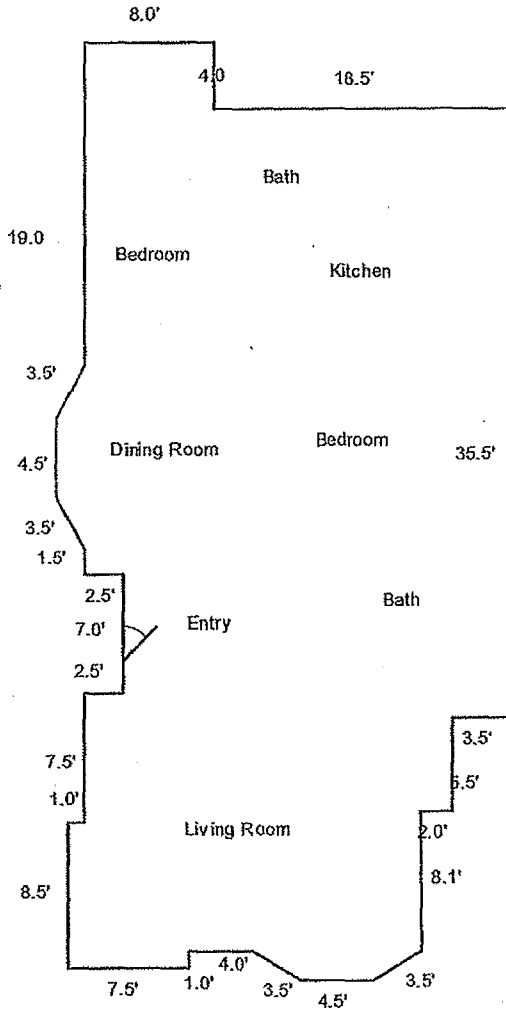


FLOORPLAN SKETCH

Client: Pam Whitehead	File No.: 20131127PW
Property Address: 2853-2857 Broderick Street	Case No.:
City: San Francisco	State: CA Zip: 94941



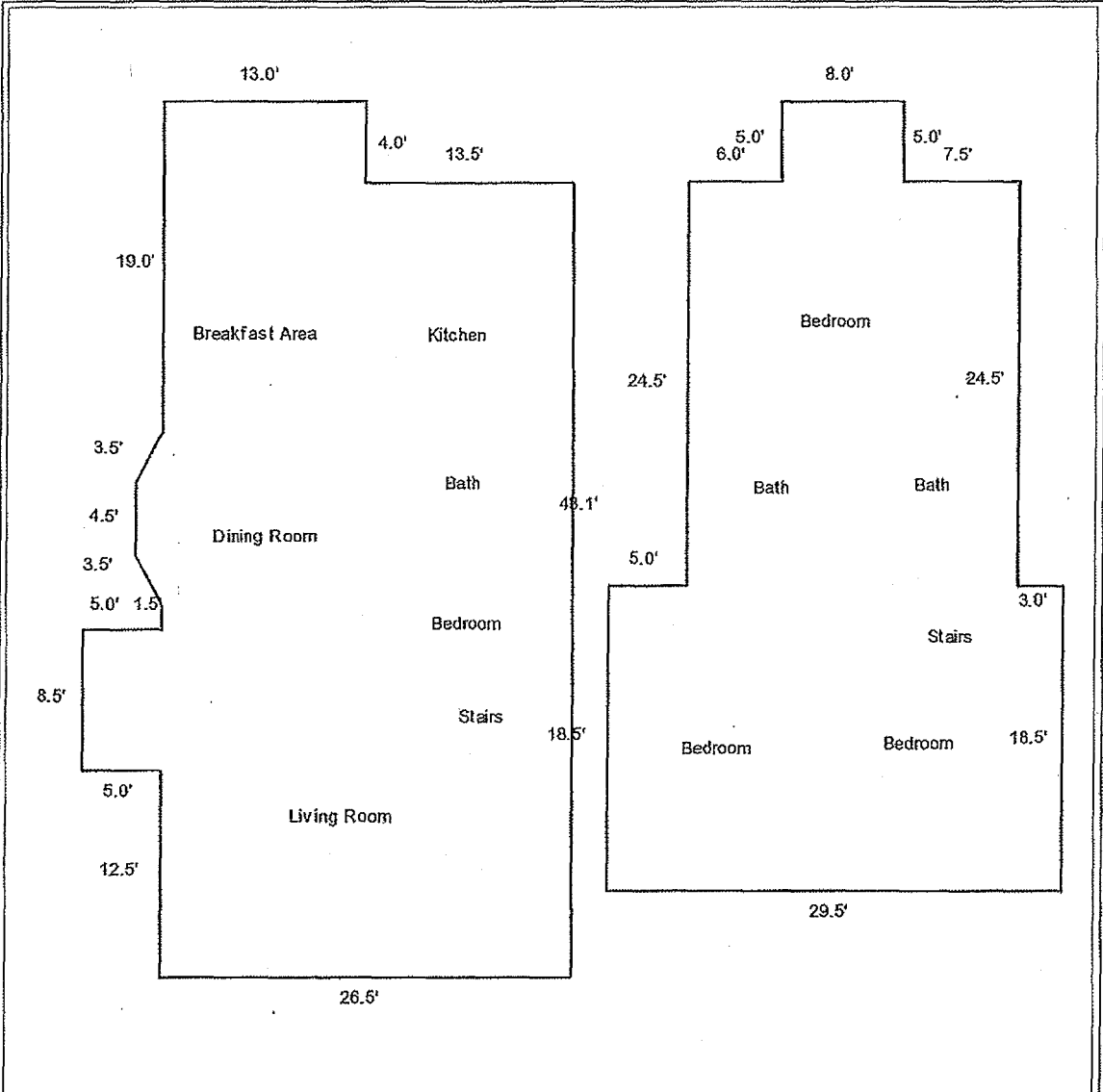
2853 Broderick First Floor



2853 Broderick Second Floor

FLOORPLAN SKETCH

Client: Pam Whitehead	File No.: 20131127PW
Property Address: 2853-2857 Broderick Street	Case No.:
City: San Francisco	State: CA Zip: 94941



2857 Broderick Third Floor

2857 Broderick Fourth Floor

SKETCH CALCULATIONS		Perimeter	Area
Living Area			
2853 Broderick First Floor			711.8
2853 Broderick Second Floor			1170.2
2857 Broderick Third Floor			1395.3
2857 Broderick Fourth Floor			1095.0
Total Living Area			4372.3
Garage Area			
Garage			503.7
Total Garage Area			503.7

PLAT MAP

Client: Pam Whitehead File No.: 20131127PW
 Property Address: 2853-2857 Broderick Street Case No.:
 City: San Francisco State: CA Zip: 94941

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lot 19 into lots 57 & 58 (see 2011 roll)

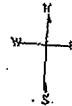
94.77

W A BLK 550

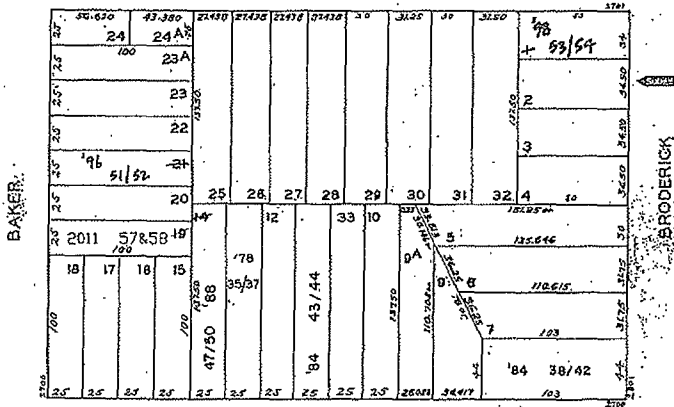
REVISED '73
 " '78
 " '84
 " '86
 " '98
 Revised 2011

2853-2857 BRODERICK ST.
 A CONDOMINIUM

LOT	UNIT	% COMM AREA
53	2865	32
54	2869	68



FILBERT



UNION

2768 UNION STREET
 A CONDOMINIUM

LOT NO.	UNIT NO.	% COMMON AREA
35	2782	20.125
36	2764	37.315
37	2766	42.560

2750-2752 UNION ST.
 A CONDOMINIUM

LOT NO.	UNIT NO.	% COMMON AREA
43	2752	55.78
44	2750	44.22

2700-08 UNION ST.
 A CONDOMINIUM

LOT NO.	UNIT NO.	% COMMON AREA
38	2700	28
39	2702	16
40	2704	20
41	2706	19
42	2708	17

2774 UNION ST
 A CONDOMINIUM

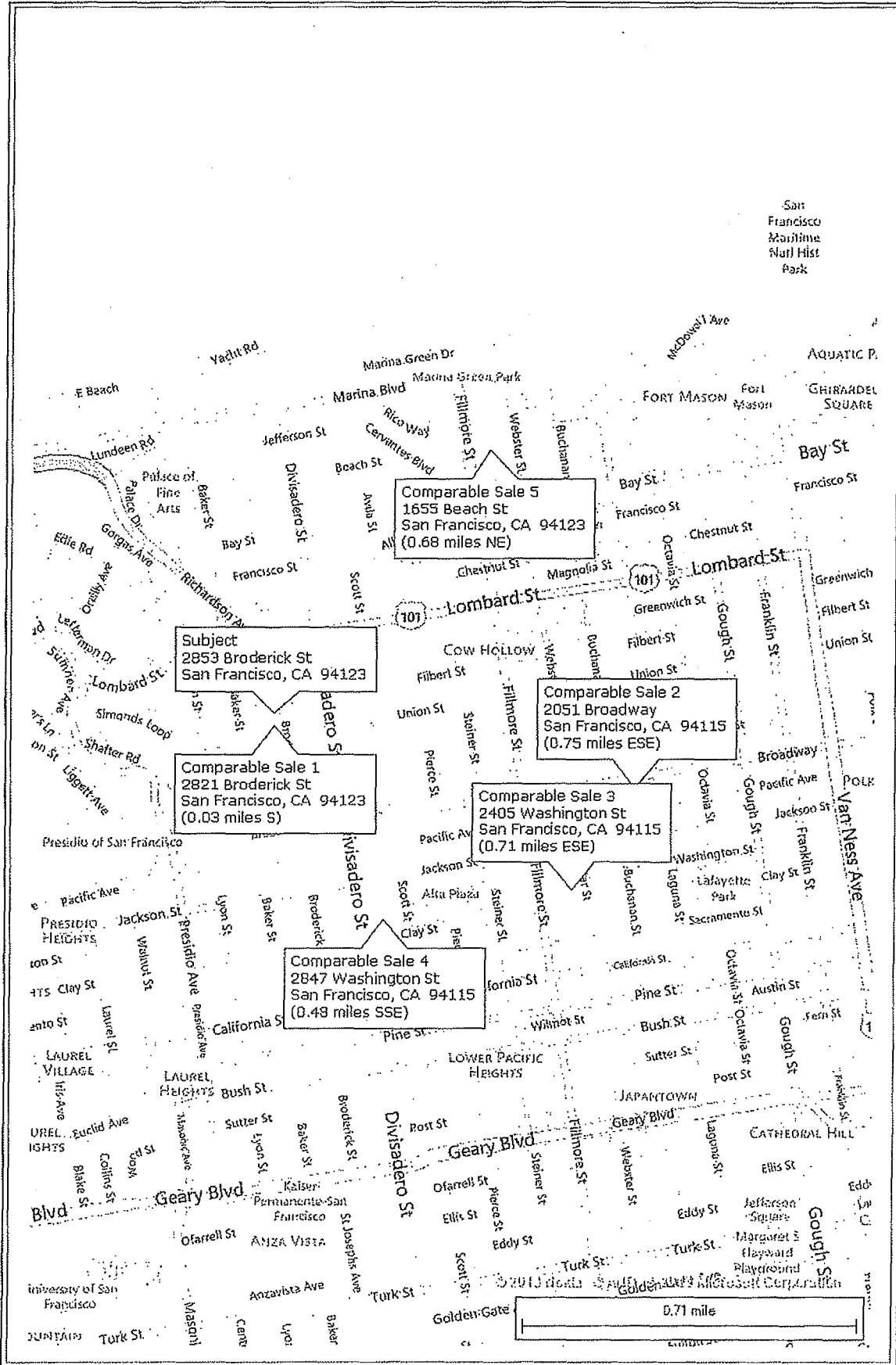
LOT	UNIT	% COMM AREA
47	1	43.785
48	2	18.307
49	3	18.275
50	4	19.633

2734-2736 BAKER ST.
 A CONDOMINIUM

LOT	UNIT	% COMM AREA
51	2734	45
52	2736	55

LOCATION MAP

Client: Pam Whitehead File No.: 20131127PW
Property Address: 2853-2857 Broderick Street Case No.:
City: San Francisco State: CA Zip: 94941



APPRAISAL OF

A RESIDENTIAL UNIT HELD IN TENANCY COMMON OWNERSHIP

LOCATED AT:

2853 BRODERICK STREET
SAN FRANCISCO, CA 94123

CLIENT:

IRVING ZARETSKY
2845-2847 BRODERICK STREET
SAN FRANCISCO, CA 94123

AS OF:

December 2, 2013

BY:

TIMOTHY A LITTLE

WALKUP CLARK & ASSOCIATES
Individual Condominium Unit Appraisal Report

RES
 File No. 14K006CTL

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

PURPOSE
 Client Name IRVING ZARETSKY E-mail 714515@GMAIL.COM
 Client Address 2845-2847 BRODERICK STREET City SAN FRANCISCO State CA Zip 94117
 Additional Intended User(s) IRVING ZARETSKY'S DELEGATED ASSOCIATES.
 Intended Use ASSET EVALUATION OF HYPOTHETICAL TIC UNIT DIVISION.

SUBJECT
 Property Address 2853 BRODERICK STREET City SAN FRANCISCO State CA Zip 94123
 Owner of Public Record WHITEHEAD, PAMELA J FAMILY TRUST County SAN FRANCISCO
 Legal Description LOT 2, BLOCK 0947 (SEE PRELIMINARY TITLE REPORT FOR A FULL LEGAL DESCRIPTION) #2853
 Assessor's Parcel # 0947 - 002 (UNIT#2853) Tax Year 2013 R.E. Taxes \$ PROP 13
 Neighborhood Name COW HOLLOW Map Reference 647/F4 Census Tract 0128.00
 Property Rights Appraised Fee Simple Leasehold Other (describe) FEE SIMPLE W/PARTIAL INTEREST AS TENANCY IN COMMON
 My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
 Prior Sale/Transfer: Date Price Source(s) MLS/INDC/DATA
 Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) THE SUBJECT UNIT LAST SOLD AS A WHOLE FOR \$1,800,000 ON 05/30/2012 (DOC#0J42200809). NO SALES FOR THE SUBJECT UNIT WERE NOTED IN THE PAST 36 MONTHS. NO ADDITIONAL PRIOR TRANSFERS WERE NOTED FOR THE COMPARABLE SALES WITHIN THE PAST 12 MONTHS.
 Offerings, options and contracts as of the effective date of the appraisal

SALES HISTORY

Neighborhood Characteristics				Condominium Unit Housing Trends			Condominium Housing		Present Land Use %		
Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	40 %
Build-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$/(\$000)	(yrs)	2-4 Unit	25 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	220 Low	0	Multi-Family	20 %
Neighborhood Boundaries LOMBARD TO THE NORTH, GREEN TO THE SOUTH, LYON TO THE WEST, AND VAN NESS TO THE EAST.								1,900 High	110	Commercial	12 %
Neighborhood Description SEE ATTACHED ADDENDUM.								750 Pred.	80	Other	3 %

Market Conditions (including support for the above conclusions) SEE ATTACHED ADDENDUM.

NEIGHBORHOOD

Topography SLOPED Size 2757 SF Density 2 UNITS View NONE
 Specific Zoning Classification RH2 Zoning Description RESIDENTIAL; TWO FAMILY DWELLING
 Zoning Compliance Legal Legal Nonconforming No Zoning Illegal (describe)
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe.

PROJECT SITE

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street ASPHALT	<input checked="" type="checkbox"/>	
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley NONE		

Site Comments THE SUBJECT IS A TYPICAL INTERIOR SITE ON A RESIDENTIAL STREET STREET WITH LIGHT LEVELS OF TRAFFIC. THE SITE TOPOGRAPHY IS SLIGHTLY SLOPED. NO APPARENT ENCROACHMENTS, EASEMENTS OR ADVERSE SITE FACTORS NOTED.

Data source(s) for project information MLS, REAL ESTATE AGENT

PROJECT INFORMATION

Project Description	General Description	General Description	General Description	Project Info
<input checked="" type="checkbox"/> Detached <input type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input checked="" type="checkbox"/> Other (describe) LOW RISE	# of Stories 3	Effective Age 10 YRS	Exterior Walls WD,SD/AVG+	Ratio (spaces/units) 1/1
	# of Elevators 0	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Roof Surface TAR & GRVL	Type GARAGE
	Year Built 1900	<input type="checkbox"/> Under Construction	Total # Parking 2	Guest Parking NONE
Describe the condition of the project and quality of construction. SEE ATTACHED ADDENDUM				
Describe the common elements and recreational facilities. GARAGE, & REAR YARD				

GENERAL DESCRIPTION	INTERIOR materials	AMENITIES	APPLIANCES	CAR STORAGE
Floor # 1ST/2ND/MID	Floors HDWD/AVG+	Fireplace(s) # 0	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> None
# of Levels 2	Walls SHTRK/AVG+	Woodstove(s) # 0	<input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Garage <input type="checkbox"/> Covered <input type="checkbox"/> Open
Heating Type FAU Fuel GAS	Trim/Finish WD/PNTD/AVG+	Deck/Patio 0	<input checked="" type="checkbox"/> Disp <input checked="" type="checkbox"/> Microwave	# of Cars 1
<input type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	Bath Wainscot TILE/AVG+	Porch/Balcony 0	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Assigned <input type="checkbox"/> Owned
<input checked="" type="checkbox"/> Other (describe) NONE	Doors HOLLOW CORE/AVG+	Other 0	<input checked="" type="checkbox"/> Washer/Dryer	Parking Space #

Finished area above grade contains: 5 Rooms 2 Bedrooms 2.0 Bath(s) 2,007 Square Feet of Gross Living Area Above Grade

Comments on the improvements: THE SUBJECT UNIT IS THE 1ST/2ND/MID FLOOR UNIT THAT IS TO BE FINISHED TO AN AVERAGE STANDARD CONTAINING 3 BEDROOMS, A DINING ROOM AND 2 BATHROOM WITH A LARGE RECREATION ROOM ON THE LOWER FLOOR.

THE UNIT WILL BE ELIGIBLE FOR STREAMLINED CONDOMINIUM CONVERSION AS A 2-UNIT BUILDING. THIS IS OF BENEFICIAL STATUS WITH REGARD TO TIC PROPERTY VALUE, BUT IS STILL CONSIDERED INFERIOR TO CONDOMINIUMS UNTIL THE SUBJECT IS OFFICIALLY CONVERTED TO CONDOMINIUM OWNERSHIP BY THE CITY.



WALKUP CLARK & ASSOCIATES
Individual Condominium Unit Appraisal Report

RES
File No. 14K006CTL

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Address	2853 BRODERICK STREET SAN FRANCISCO	333 SPRUCE STREET SAN FRANCISCO	3226 OCTAVIA STREET SAN FRANCISCO	3132 SCOTT STREET SAN FRANCISCO
Unit #	-	-	-	-
Project Name and Phase 1	2853-2857 BRODERICK ST	331-335 SPRUCE STREET 1	3224-3226 OCTAVIA STREET 1	3132 SCOTT STREET 1
Proximity to Subject		0.81 MILES SW	0.87 MILES NE	0.25 MILES NE
Sale Price	\$	\$ 1,708,000	\$ 1,695,000	\$ 1,600,000
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 923.74 sq. ft.	\$ 1059.38 sq. ft.	\$ 677.97 sq. ft.
Data Source(s)		SFMLS#410799 DOM:73	SFMLS#414595 DOM:14	SFMLS#416224 DOM:23
Verification Source(s)		NDC/DOC#0J76500639	NDC/DOC#0J82200332	NDC/DOC#0J85500349
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION (+) \$ Adjustment	DESCRIPTION (+) \$ Adjustment	DESCRIPTION (+) \$ Adjustment
Sale or Financing Concessions		ARMLTH CONV:0	ARMLTH CASH:0	ARMLTH CONV:0
Date of Sale/Time		10/02/2013 COE	01/08/2014 COE	03/24/2014 COE
Location	GOOD	GOOD	GOOD	GOOD/NOISE 80,000
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE
HOA Mo. Assessment	\$0	\$350	\$267	\$451
Common Elements and Rec. Facilities	NONE YARD	NONE YARD	NONE 5,000	ROOF DECK YARD -20,000
Floor Location	1ST/2ND/MID	2ND/MID	1ST/2ND/MID	1ST/2ND/MID
View	NONE	PRT.CITY/AREA -42,700	NONE	NONE
Design (Style)	TRADITIONAL	TRADITIONAL	TRADITIONAL	TRADITIONAL
Quality of Construction	AVERAGE+	GOOD -85,400	GOOD -84,750	GOOD -80,000
Actual Age	1900	1905	1923	1912
Condition	AVERAGE	GOOD -85,400	GOOD -84,750	GOOD -80,000
Above Grade Room Count	Total Bdrms Baths 6 2 2	Total Bdrms Baths 6 3 2.5	Total Bdrms Baths 6 3 2	Total Bdrms Baths 7 3 2.5
Gross Living Area 175	2,007 sq. ft.	1,849 sq. ft. 27,700	1,600 sq. ft. 71,300	2,360 sq. ft. -61,700
Basement & Finished Rooms Below Grade	NONE STORAGE	NONE STORAGE	NONE STORAGE	NONE STORAGE
Functional Utility	AVERAGE/TIC	AVERAGE/TIC	AVERAGE/TIC	AVERAGE/TIC
Heating/Cooling	FAU/NONE	FAU/NONE	FAU/NONE	FAU/NONE
Energy Efficient Items	STANDARD	STANDARD	STANDARD	STANDARD
Garage/Carport	1 CAR GARAGE	1 CAR GARAGE	1 CAR GARAGE	2 CAR GARAGE -40,000
Porcht/Patio/Deck	NONE	DECK -10,000	L.YARD -15,000	NONE
KITCHEN/BATH	REMOD/AVG+	REMDLD/GOOD -40,000	REMOD/GOOD -40,000	REMOD/GOOD -40,000
DENSITY/OCPNT	2 UNIT/OWNER	3 UNIT/OWNER 85,400	2 UNIT/OWNER	5 UNIT/OWNER 160,000
Net Adjustment (Total)		+ \$ 157,900	+ \$ 148,200	+ \$ 89,200
Adjusted Sale Price of Comparables		Net Adj. -9.2% Gross Adj. 22.5% \$ 1,550,100	Net Adj. -8.7% Gross Adj. 17.7% \$ 1,546,800	Net Adj. -5.6% Gross Adj. 35.6% \$ 1,510,800
Summary of Sales Comparison Approach	THE COMPARABLE SALES ARE THE MOST RECENT AND APPROPRIATE SALES AVAILABLE FROM CONVENTIONAL MARKET DATA SOURCES. THE DATA SOURCES CONSULTED WERE OFFICE FILES, THE MULTIPLE LISTING SERVICE, LOCAL REAL ESTATE AGENTS, NDCDATA AND EXTERIOR INSPECTION. THE GROSS LIVING AREA IS ADJUSTED AT \$175 PER SQUARE FOOT AND ROUNDED TO THE NEAREST HUNDRED, FOR DIFFERENCES OVER 100 SQUARE FEET. LOCATION, APPEAL AND CONDITION ADJUSTMENTS ARE MADE AS A PERCENTAGE OF RESPECTIVE SALES PRICE. DIFFERENCES IN ROOM COUNT ARE INCLUDED IN GROSS LIVING AREA ADJUSTMENTS. FULL BATHROOMS ARE ADJUSTED AT \$15,000 AND HALF BATHS ARE ADJUSTED AT \$7,500. ALL OTHER ADJUSTMENTS ARE MADE ON A LUMP SUM BASIS.			
A FOCUS WAS PLACED ON FINDING COMPARABLE TIC UNITS TO COMPARE TO THE SUBJECT AS OPPOSED TO SPLITTING THE VALUE OF A 2-UNIT APARTMENT BUILDING OR USING CONDOMINIUM COMPARABLES. THIS IS CONSIDERED TO BE CRUCIAL IN ACCURATELY REPRESENTING THE SUBJECT'S VALUE AND IS CONSIDERED HIGHEST AND BEST USE OF THE SUBJECT BUILDING.				
SEE ATTACHED ADDENDUM FOR ADDITIONAL COMMENTS.				
Indicated Value by Sales Comparison Approach \$ 1,500,000				
INCOME APPROACH TO VALUE				
Estimated Monthly Market Rent \$	N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach			
Summary of Income Approach (including support for market rent and GRM)	THE INCOME APPROACH IS NOT USED AS SIMILAR PROPERTIES IN THE AREA ARE PRIMARILY OWNER OCCUPIED AND NOT UTILIZED FOR INCOME PRODUCTION. A CREDIBLE RESULT CAN BE OBTAINED WITHOUT THE USE OF THIS APPROACH TO VALUE.			
Indicated Value by:	Sales Comparison Approach \$ 1,500,000 Income Approach (if developed) \$ N/A			
THE SALES COMPARISON APPROACH IS THE MOST RELIABLE MARKET VALUE INDICATOR AS IT BEST REFLECTS BUYER AND SELLER ACTIONS. THE COST APPROACH IS NOT APPLICABLE FOR COMMON INTEREST OWNERSHIP DUE TO THE DIFFICULTY IN VALUING INDIVISIBLE INTERESTS. THE INCOME APPROACH IS NOT USED AS SIMILAR PROPERTIES IN THE AREA ARE PRIMARILY OWNER OCCUPIED AND NOT UTILIZED FOR INCOME PRODUCTION.				
This appraisal is made <input type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed <input checked="" type="checkbox"/> subject to the following:				
SEE ATTACHED ADDENDUM				
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is \$ 1,500,000 as of 12/02/2013, which is the effective date of this appraisal.				



WALKUP CLARK & ASSOCIATES
Individual Condominium Unit Appraisal Report

RES
 File No. 14K006CTL

FEATURE	SUBJECT	COMPARABLE SALE NO. 4		COMPARABLE SALE NO. 5		COMPARABLE SALE NO. 6	
Address	2853 BRODERICK STREET and SAN FRANCISCO	3128 WASHINGTON STREET SAN FRANCISCO		436 LAUREL STREET SAN FRANCISCO			
Unit #	-	-		A			
Project Name and Phase 1	2853-2857 BRODERICK ST	3124-3134 WASHINGTON ST		432-436 LAUREL STREET			
Proximity to Subject		0.44 MILES SW		0.73 MILES SW			
Sale Price	\$	\$ 1,270,000		\$ 1,349,000		\$	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 738.37 sq. ft.		\$ 1,226.36 sq. ft.		\$ sq. ft.	
Data Source(s)		SFMLS#407455 DOM:154		SFMLS #410719 DOM:27			
Verification Source(s)		NDC/DOC#0J76600444		NDC/DOC#0J73100421			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	(+) \$ Adjustment	DESCRIPTION	(-) \$ Adjustment	DESCRIPTION	(-) \$ Adjustment
Sale or Financing Concessions		ARMLTH CONV:0		ARMLTH CONV:0			
Date of Sale/Time		10/04/2013 COE		08/16/13 COE			
Location	GOOD	GOOD		GOOD			
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE		FEE SIMPLE			
HOA Mo. Assessment	\$0	\$375		\$250.00			
Common Elements and Rec. Facilities	NONE YARD	NONE	5,000	NONE			
Floor Location	1ST/2ND/MID	2ND/TOP		1ST/2ND/BOT			
View	NONE	NONE		NONE			
Design (Style)	TRADITIONAL	TRADITIONAL		TRADITIONAL			
Quality of Construction	AVERAGE+	AVERAGE+		GOOD	-67,450		
Actual Age	1900	1900		1900			
Condition	AVERAGE	AVERAGE		GOOD	-67,450		
Above Grade Room Count	Total Bdrms Baths 6 2 2	Total Bdrms Baths 6 3 2		Total Bdrms Baths 6 3 3	-15,000	Total Bdrms Baths	
Gross Living Area	175 2,007 sq. ft.	1,720 sq. ft.	50,300	1,100 sq. ft.	158,800	sq. ft.	
Basement & Finished Rooms Below Grade	NONE STORAGE	NONE STORAGE		NONE STORAGE			
Functional Utility	AVERAGE/TIC	AVERAGE/TIC		AVERAGE/TIC			
Heating/Cooling	FAU/NONE	FAU/NONE		FAU/NONE			
Energy Efficient Items	STANDARD	STANDARD		STANDARD			
Garage/Carport	1 CAR GARAGE	1 CAR OFF ST	10,000	1 CAR GARAGE			
Porch/Patio/Deck	NONE	DECK	-10,000	GARDEN	-15,000		
KITCHEN/BATH	REMOD/AVG+	REMOD/GOOD	-40,000	REMOD/GOOD	-40,000		
DENSITY/OC/PNT	2 UNIT/OWNER	6 UNIT/VACANT	127,000	4 UNIT/OWNER	67,450		
Net Adjustment (Total)		(X) +	\$ 142,300	(X) +	\$ 21,350	(X) +	\$ 0
Adjusted Sale Price of Comparables		Net Adj. 11.2%	\$ 1,412,300	Net Adj. 1.6%	\$ 1,370,350	Net Adj. 0.0%	\$ 0
Summary of Sales Comparison Approach SEE ATTACHED ADDENDUM.							



Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.

8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.
11. The ACI General Purpose Appraisal Report (GPAR™) is not intended for use in transactions that require a Fannie Mae 1073/Freddie Mac 465 form, also known as the Individual Condominium Unit Appraisal Report (Condo).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's 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 the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:
10. I have performed NO other services, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

Additional Certifications:

Definition of Value: Market Value Other Value: _____


Source of Definition: USPAP 2012-2013

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.

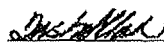
ADDRESS OF THE PROPERTY APPRAISED:

2853 BRODERICK STREET
SAN FRANCISCO, CA 94123
 EFFECTIVE DATE OF THE APPRAISAL: 12/02/2013
 APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 1,500,000

APPRAISER

Signature: 
 Name: TIMOTHY A LITTLE
 State Certification # AR044897
 or License # _____
 or Other (describe): _____ State #: CA
 State: CA
 Expiration Date of Certification or License: 10/19/2015
 Date of Signature and Report: 11/17/2014
 Date of Property Viewing: 11/12/2014
 Degree of property viewing:
 Interior and Exterior Exterior Only Did not personally view

SUPERVISORY APPRAISER

Signature: 
 Name: TRISHA L. CLARK
 State Certification # AG028651
 or License # _____
 State: CA
 Expiration Date of Certification or License: 01/29/2016
 Date of Signature: 11/17/2014
 Date of Property Viewing: _____
 Degree of property viewing:
 Interior and Exterior Exterior Only Did not personally view



ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K006CTL
Property Address: 2853 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123

NOTE THAT THE APPRAISER WAS NOT PROVIDED WITH A LICENSE CONTRACTOR'S ESTIMATE OF THE CONSTRUCTION NEEDED TO BRING THE SUBJECT UP TO THE HABITABLE AND REFURBISHED CONDITION THAT IS BEING CONSIDERED IN THIS APPRAISAL. THE APPRAISER WAS NOT ABLE TO VIEW THE INTERIOR OF THE PROPERTY AT ANY TIME. SHOULD THE ACTUAL CONDITION AND CONSTRUCTION COST BE DIFFERENT THAT WHAT IS ASSUMED TYPICAL AND THUS USED IN THIS ANALYSIS, THEN THE APPRAISER WOULD NEED TO BE REHIRED TO DETERMINE ANY EFFECT ON THE VALUE CONCLUSIONS.

SCOPE OF WORK

THE FOLLOWING IS A DESCRIPTION OF THE WORK UNDERTAKEN IN THE COURSE OF COMPLETING THIS APPRAISAL:

STATE THE PROBLEM: AN APPRAISAL ASSIGNMENT WAS NEGOTIATED BETWEEN THE APPRAISER(S) AND THE CLIENT. THE ASSIGNMENT REQUIRED AGREEMENT BETWEEN THE PARTIES ON THE PURPOSE OF THE APPRAISAL, THE TYPE OF APPRAISAL AND THE TYPE OF REPORT THAT WOULD BE ADEQUATE FOR THE PURPOSE AS UNDERSTOOD BY THE APPRAISER(S), THE APPRAISER(S) COMPENSATION FOR COMPLETING THE ASSIGNMENT, AND THE PROJECTED DELIVERY DATE, AND DELIVERY PLACE FOR THE APPRAISAL REPORT. THE PURPOSE IS TO ESTIMATE MARKET VALUE OF THE FEE SIMPLE INTEREST OF THE SUBJECT DESCRIBED IN THIS REPORT FOR REAL ESTATE PLANNING DECISIONS ONLY. THIS APPRAISAL HAS BEEN COMPLETED AT THE REQUEST OF THE CLIENT AND IS INTENDED FOR THEIR SOLE USE. THIS IS A SUMMARY APPRAISAL REPORT, WITH ADDITIONAL INFORMATION IN THE APPRAISERS' FILE. THIS APPRAISAL REPORT HAS BEEN COMPLETED WITHIN USPAP GUIDELINES.

CONSIDER THE DATA NEEDED: A VARIETY OF DATA WAS NEEDED TO UNDERTAKE THE ASSIGNMENT INCLUDING GENERAL DATA ABOUT THE NATION, THE REGION, THE GOVERNING AUTHORITY AND THE MARKET AREA, AS WELL AS DATA ABOUT THE SUBJECT SITE AND IMPROVEMENTS. DATA RELEVANT TO EACH APPROACH TO VALUE WAS DEVELOPED FOR COSTS, SALES, INCOME, AND EXPENSES.

DATA UTILIZED IN THIS REPORT WAS ASSEMBLED USING THE FOLLOWING SOURCES; PUBLIC RECORD, RECORDS MAINTAINED BY AND INTERVIEWS GRANTED BY MARKET PARTICIPANTS, RECORDS OF LOCAL BOARDS OF REALTY AND MULTIPLE LISTING SERVICES, DATA SITES MAINTAINED BY CITY, COUNTY, REGIONAL, AND STATE GOVERNMENT, DATA SITES MAINTAINED BY SERVICE AND BUSINESS GROUPS SEARCHED AT THIS TIME AND PREVIOUSLY. RESULTS WERE BOTH SELECTED AND EDITED AGAINST A STANDARD OF PROVIDING AN ADEQUATE LEVEL OF REPORTING TO SUPPORT THE ANALYSIS AND CONCLUSIONS DEVELOPED, WITH AN EYE ON THE AGREEMENTS MADE WITH THE CLIENT AND OUR RESPONSIBILITIES UNDER USPAP.

INSPECT THE PROPERTIES: THE APPRAISER CONDUCTED AN INSPECTION OF THE EXTERIOR OF THE SUBJECT PROPERTY ONLY, AND AN INSPECTION OF THE EXTERIOR OF THE COMPARABLE PROPERTIES. THE APPRAISER HAS PROVIDED A SKETCH IN THIS APPRAISAL REPORT TO SHOW THE APPROXIMATE DIMENSIONS OF THE SUBJECT IMPROVEMENTS WHICH WERE ESTABLISHED FROM UTILIZING CONSTRUCTION PLANS AND A PRIOR APPRAISAL REPORT BOTH OF WHICH WERE PROVIDED BY IRVING ZARETSKY. IT IS INCLUDED ONLY TO ASSIST THE READER IN VISUALIZING THE PROPERTY AND UNDERSTANDING THE APPRAISER'S DETERMINATION OF IT'S SIZE. THE APPRAISER IS NOT AN EXPERT IN SURVEYING.

HYPOTHETICAL CONDITION/EXTRAORDINARY ASSUMPTIONS: THE SUBJECT, AT THE TIME OF THE INSPECTION, IS NOT IN A LIVABLE CONDITION AFTER PARTIAL CONSTRUCTION WORK HALTS MANDATED BY THE CITY ACCORDING TO THE NEIGHBOR, IRVING ZARETSKY. THE APPRAISED VALUE IS BASED ON THE HYPOTHETICAL CONDITION THAT THE UNIT HAS BEEN COMPLETED TO A MINIMAL LIVING STANDARD, IS VACANT AND IS A TIC UNIT WITHIN A 2-UNIT BUILDING. THE EVALUATION AS A 2-UNIT BUILDING IS CONSIDERED APPROPRIATE TO ANALYZE THE VALUE OF THE BUILDING'S UNITS SO THAT THE MARKET VALUE OF EACH UNIT CAN BE ESTIMATED FROM MARKET DATA.

SHOULD THE VALUE OF THE BUILDING REQUIRE TO BE ESTABLISHED AS A WHOLE 2-UNIT BUILDING OR SINGLE FAMILY HOME, OR THE TIC UNIT FEATURES BE DIFFERENT FROM THE SKETCHES PROVIDED BY IRVING ZARETSKY, THE APPRAISED VALUE WOULD BE AFFECTED AND THE APPRAISER WOULD NEED TO BE HIRED TO DETERMINE ANY CHANGE IN VALUE.

DETERMINE THE HIGHEST AND BEST USE: THE APPRAISERS IDENTIFIED THE PERTINENT FACTORS APPLICABLE TO THE SUBJECT PROPERTY "AS-IF" IT LACKED IMPROVEMENTS BUT WAS READY FOR DEVELOPMENT. THEY FORMED AN OPINION OF THE REASONABLE, PROBABLE, AND LEGAL USE OF IT AS VACANT LAND OR UNIMPROVED PROPERTY WITH THE INTENTION THAT THIS USE MUST MEET THE STANDARDS OF LEGAL PERMISSIBILITY, PHYSICAL POSSIBILITY, FINANCIAL FEASIBILITY AND MAXIMUM PRODUCTIVITY.

IN KEEPING WITH THE PURPOSE OF THIS APPRAISAL AND THE REQUIREMENTS OF THE CLIENT, THE BUILDING WAS ANALYSED AS 2 TIC UNITS & LIMITED DEGREE OF RESEARCH AND ANALYSIS WAS INVESTED IN THE "AS-IF" VACANT AND READY FOR DEVELOPMENT HIGHEST AND BEST USE. A MUCH HIGHER DEGREE OF RESEARCH AND ANALYSIS WOULD BE REQUIRED TO FIRST PREDICT THE CONSEQUENCES OF DEMOLISHING THE SUBJECT IMPROVEMENTS AND THEN TO VISUALIZE WHAT IMPROVEMENTS WOULD BE MOST LIKELY TO MEET THE "AS-IF" VACANT AND READY FOR DEVELOPMENT HIGHEST AND BEST USE CRITERIA. THAT STUDY WAS CONSIDERED BEYOND THE SCOPE OF THIS REPORT, HENCE A PRELIMINARY FINDING WAS OFFERED HERE FOR THE "AS-IF" VACANT AND READY FOR DEVELOPMENT HIGHEST AND BEST USE.

THE EXISTING IMPROVEMENTS UPON COMPLETION ARE CONSIDERED TO REPRESENT THE "AS IS" HIGHEST AND BEST USE FOR THE SUBJECT, AS IMPROVED. THE IMPROVEMENTS ARE QUITE FUNCTIONAL AND IN REASONABLE CONDITION, AND THE CURRENT USE CONFORMS TO THE SURROUNDING USES IN THE SUBJECT'S NEIGHBORHOOD.

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DETERMINE THE APPROPRIATE APPROACHES TO VALUE: THE THREE APPROACHES TO VALUE WERE CONSIDERED: THE COST APPROACH, THE SALES COMPARISON APPROACH, AND THE INCOME APPROACH. THE APPROPRIATE APPROACHES TO VALUE WERE SELECTED AND DEVELOPED. WHEN AN APPROACH WAS OMITTED AN EXPLANATION WAS PRESENTED. UNLESS OTHERWISE SPECIFICALLY STATED, THE THREE APPROACHES TO VALUE WERE ALL FOUND TO BE APPROPRIATE.

ELECTRONIC SIGNATURE DISCLOSURE:IF THIS REPORT HAS BEEN SIGNED WITH A DIGITAL SIGNATURE THEN IT IS PASSWORD PROTECTED. THE SOFTWARE UTILIZED BY APPRAISER TO GENERATE THE APPRAISAL PROTECTS SECURITY BY MEANS OF A DIGITAL SIGNATURE SECURITY FEATURE FOR EACH APPRAISER SIGNING THE REPORT, AND EACH APPRAISER MAINTAINS CONTROL OF THEIR RELATED SIGNATURE THROUGH A PASSWORD, HARDWARE DEVICE, OR OTHER MEANS.

Tenancy in Common Introduction

FOR PURPOSES OF THIS APPRAISAL, TENANCY IN COMMON IS DEFINED AS THE CO-OWNERSHIP OF MULTI-UNIT PROPERTY BY CO-OWNERS WHO EACH WISH TO HAVE EXCLUSIVE USAGE RIGHTS TO A PARTICULAR AREA OF THE PROPERTY. TIC OWNERS OWN PERCENTAGES IN AN UNDIVIDED PROPERTY RATHER THAN PARTICULAR UNITS OR APARTMENTS, AND THEIR DEEDS SHOW ONLY THEIR OWNERSHIP PERCENTAGES. THE RIGHT OF A PARTICULAR TIC OWNER TO USE A PARTICULAR DWELLING COMES FROM A WRITTEN CONTRACT SIGNED BY ALL CO-OWNERS (OFTEN CALLED A "TENANCY IN COMMON AGREEMENT"), NOT FROM A DEED, MAP OR OTHER DOCUMENT RECORDED IN COUNTY RECORDS. THIS TYPE OF TENANCY IN COMMON CO-OWNERSHIP SHOULD NOT BE CONFUSED WITH THE LEGAL SUBDIVISIONS KNOWN AS THE "CONDOMINIUM" AND THE "STOCK COOPERATIVE".

THE TERM "TIC UNIT" WILL BE USED TO DEFINE A CO-OWNERSHIP OF A SINGLE RESIDENTIAL UNIT AS TENANCY IN COMMON.

THE CONDOMINIUM CONVERSION LOTTERY REFORM AND BYPASS LEGISLATION (NOW CALLED THE "EXPEDITED CONVERSION PROGRAM") HAS BEEN APPROVED, AND APPLICATIONS FOR CONVERSIONS UNDER THE PROGRAM WERE ACCEPTED BEGINNING JULY 29, 2013.

THE FOLLOWING EXCERPT IS FROM AN ARTICLE BY ANDY SIRKIN WRITTEN ON 07/20/2013.

ALL BUILDINGS THAT PARTICIPATED UNSUCCESSFULLY IN THE 2012 OR 2013 CONVERSION LOTTERY WILL BE ALLOWED TO CONVERT PROVIDED THEY SATISFY OWNER-OCCUPANCY REQUIREMENTS. CURRENT TIC BUILDINGS (MEANING THERE ARE MULTIPLE OWNERS WHO HAD A SIGNED TIC AGREEMENT IN PLACE BEFORE APRIL 15, 2013) THAT DID NOT PARTICIPATE IN THE 2012 OR 2013 LOTTERY, AND SOME BUILDINGS IN ESCROW TO BE SOLD AS TICS AS OF APRIL 15, 2013, WILL ALSO BE PERMITTED TO CONVERT IF THEY SATISFY OWNER OCCUPANCY REQUIREMENTS. AS UNDER CURRENT LAW, ALL CATEGORIES OF BUILDINGS MAY BE DISQUALIFIED BY PRIOR EVICTION HISTORY.

FOR 2-4 UNIT BUILDINGS, AT LEAST ONE UNIT MUST BE OCCUPIED CONTINUOUSLY FOR THE REQUIRED OWNER-OCCUPANCY PERIOD (SPECIFIED IN THE PRECEDING SECTION) BY AN OWNER OF RECORD THAT USES THE UNIT AS HIS/HER PRINCIPAL RESIDENCE. FOR 5-6 UNIT BUILDINGS, AT LEAST THREE UNITS MUST BE OCCUPIED CONTINUOUSLY FOR THE REQUIRED OWNER-OCCUPANCY PERIOD BY SEPARATE OWNERS OF RECORD, EACH OF WHOM USES HIS/HER UNIT AS HIS/HER PRINCIPAL RESIDENCE.

NO BUILDINGS WILL BE PERMITTED TO CONDO-CONVERT UNDER THE NEW PROGRAM IF ANY OF THE FOLLOWING WERE TRUE: (I) THERE WAS A "NO FAULT" EVICTION AFTER MARCH 31, 2013; (II) THERE WAS A "NO FAULT" EVICTION OF A "PROTECTED TENANT" AFTER NOVEMBER 16, 2004; OR (III) THERE WERE TWO OR MORE "NO FAULT" EVICTIONS AFTER MAY 1, 2005. WITH REGARD TO THE LAST SITUATION (TWO OR MORE "NO FAULT" EVICTIONS AFTER MAY 1, 2005), THE NO-CONVERSION RULE WILL NOT APPLY IF ALL UNITS WERE OWNER-OCCUPIED BY APRIL 4, 2006, OR IF 50% OF THE UNITS HAVE BEEN OWNER-OCCUPIED CONTINUOUSLY FOR 10 YEARS AT THE TIME OF APPLICATION. AN EVICTION IS "NO-FAULT" IF THE GROUNDS STATED IN THE EVICTION NOTICE WAS OWNER MOVE IN, RELATIVE TO MOVE IN, UNIT DEMOLITION, RENOVATION/REHABILITATION, OR REMOVAL FROM THE RENTAL MARKET (AN "ELLIS ACT EVICTION"). THERE ARE SOME EXCEPTIONS TO THESE DISQUALIFICATION RULES, AND READERS SHOULD REFERENCE THE WEBSITE BELOW BEFORE CONCLUDING THAT A BUILDING IS DISQUALIFIED UNDER THESE RULES.

THE NEW LAW WILL HAVE NO EFFECT ON THE EXISTING RULE ALLOWING TWO-UNIT BUILDINGS TO CONVERT WHEN BOTH UNITS HAVE BEEN OCCUPIED BY SEPARATE OWNERS FOR AT LEAST ONE YEAR, AND THESE BUILDINGS WILL NOT PAY ANY OF THE FEES IMPOSED BY THE NEW LAW.

THE CONDOMINIUM CONVERSION LOTTERY WILL BE SUSPENDED FOR 10-12 YEARS. THE EXACT LENGTH OF THE SUSPENSION WILL DEPEND ON HOW MANY BUILDINGS CONVERT UNDER THE BYPASS SYSTEM AND HOW MANY NEW UNITS ARE CONSTRUCTED WITH THE MONEY GENERATED THROUGH BYPASS FEES. WHEN THE LOTTERY RETURNS, IT WILL NO LONGER BE POSSIBLE FOR PROPERTIES WITH MORE THAN FOUR RESIDENTIAL UNITS TO CONVERT TO CONDOMINIUMS, EXCEPT FOR CERTAIN 5-6 UNIT THAT WERE PREVENTED FROM USING THE EXPEDITED CONVERSION PROGRAM DUE TO EVICTION HISTORY. THE OWNER-OCCUPANCY REQUIREMENTS FOR ENTERING THE CONDO LOTTERY WILL ALSO INCREASE: THREE-UNIT BUILDINGS WILL NEED AT LEAST TWO OWNER-OCCUPIED UNITS, AND FOUR-UNIT BUILDINGS WILL NEED AT LEAST THREE OWNER-OCCUPIED UNITS. EVEN ONE "NO-FAULT" EVICTION WILL PREVENT A BUILDING FROM ENTERING THE LOTTERY FOR AT LEAST SEVEN YEARS.

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FOR BUILDINGS SUCH AS THE SUBJECT THAT HAVE BYPASSED THE PRIOR LOTTERY AND ENTERED THE NEW 'EXPEDITED CONVERSION PROGRAM' THERE ARE MANDATES FOR ACTIONS FOR TENANT OCCUPIED BUILDINGS SUCH AS THE SUBJECT. THE FOLLOWING IS A Q & A EXTRACTION FROM THE SAN FRANCISCO APARTMENT ASSOCIATION WEBSITE ON SUCH CONDITIONS.

Q. WHAT HAPPENS IF THERE ARE TENANTS IN THE BUILDING?

A. AS REQUIRED BY EXISTING LAW, OWNERS WILL HAVE TO OFFER EACH RENTAL TENANT THE RIGHT TO BUY HIS/HER UNIT (REGARDLESS OF WHETHER THE OWNER WISHES TO SELL). THE OWNER CAN SET THE PRICE AS HIGH AS HE/SHE WISHES, AND DOES NOT HAVE TO BASE IT ON THE MARKET VALUE OF THE APARTMENT. HOWEVER, IF THE TENANT DECIDES NOT TO BUY, HE/SHE MUST BE OFFERED A LIFETIME, RENT-CONTROLLED LEASE UNDER WHICH HE/SHE CANNOT BE EVICTED EXCEPT FOR NONPAYMENT OF RENT OR OTHER LEASE VIOLATIONS. (THIS MEANS NO OWNER MOVE-IN, RELATIVE MOVE-IN, RENOVATION, OR ELLIS ACT EVICTION OF THE LIFETIME LEASE TENANT BY THE CURRENT OWNERS OR SUBSEQUENT OWNERS). EVERY NONPURCHASING TENANT IS OFFERED A LIFETIME LEASE, REGARDLESS OF HIS/HER AGE OR DISABILITY STATUS. BUILDINGS THAT PARTICIPATED IN THE 2013 LOTTERY FOLLOWING SEVEN PRIOR LOTTERY LOSSES ARE NOT REQUIRED TO OFFER LIFETIME LEASES AS DESCRIBED IN THIS SECTION.

Q. WHAT IF THERE IS MORE THAN ONE RENTER LIVING IN AN APARTMENT? DOES EACH TENANT OR ROOMMATE GET A LIFETIME LEASE?

A. THE NEW CONDO CONVERSION LAW DOES NOT CONTAIN DETAILS ON HOW THE LIFETIME LEASE REQUIREMENT WILL APPLY WHEN THERE ARE MULTIPLE TENANTS OR ROOMMATES LIVING IN A UNIT, AND THE COURTS WILL ULTIMATELY HAVE TO RESOLVE THE ISSUE. THE MOST LIKELY INTERPRETATION IS THAT A LIFETIME LEASE MUST BE OFFERED TO ALL THE PEOPLE LIVING IN THE UNIT ON THE DATE OF CONVERSION APPLICATION EXCEPT FOR THOSE THAT WOULD NOT BE ENTITLED TO EVICTION CONTROL PROTECTIONS UNDER THE RENT CONTROL LAW.

MORE SPECIFICALLY, THE EXCLUDED GROUP WOULD CONSIST OF OCCUPANTS WHO MOVED IN AFTER THE TENANCY BEGAN WHO RECEIVED A TIMELY NOTICE FROM THE OWNER THAT THEY COULD BE EVICTED AFTER THE LAST OF THE ORIGINAL TENANTS VACATED. THE GROUP OF TENANTS ENTITLED TO LIFETIME TENANCY WOULD ALL BE NAMED COLLECTIVELY AS THE TENANT ON ONE SINGLE LIFETIME LEASE.

Q. COULD A LIFETIME LEASE TENANT ASSIGN OR SUBLEASE THE APARTMENT? COULD THE TENANT MOVE OUT AND STILL COLLECT RENT FROM THE APARTMENT?

A. THE NEW CONDO CONVERSION LAW DOES NOT CONTAIN DETAILS ON THE ABILITY OF A LIFETIME LEASE TENANT TO ASSIGN OR SUBLEASE HIS/HER APARTMENT, AND THE COURTS WILL ULTIMATELY HAVE TO RESOLVE THE ISSUE. THE MOST LIKELY INTERPRETATION IS THAT THE ASSIGNMENT/SUBLETTING RESTRICTIONS IN A PARTICULAR TENANT'S LIFETIME LEASE WILL BE THE SAME AS THOSE THAT APPLY TO HIS/HER EXISTING TENANCY. FOR EXAMPLE, IF THE TENANT'S EXISTING TENANCY IS SUBJECT TO A LEGALLY ENFORCEABLE ABSOLUTE BAN ON ASSIGNMENT/SUBLETTING, THAT BAN CAN ALSO BE PLACED IN HIS/HER LIFETIME LEASE. NOTE, HOWEVER, THAT SUCH BANS ARE ONLY ENFORCEABLE IF THEY MEET CERTAIN VERY SPECIFIC REQUIREMENTS IN THE SAN FRANCISCO RENT BOARD REGULATIONS, AND EVEN THEN DO NOT APPLY WHEN AN ORIGINAL TENANT IS REPLACING A DEPARTING CO-OCCUPANT WITH A NEW OCCUPANT. AS A PRACTICAL MATTER, THIS MEANS THAT LIFETIME LEASE TENANTS WILL BE ABLE TO ASSIGN/SUBLEASE SO LONG AS AT LEAST ONE OF THE TENANTS NAMED ON THE LIFETIME LEASE CONTINUES TO RESIDE IN THE UNIT.

MOREOVER, IT HAS BEEN VERY DIFFICULT FOR OWNERS TO SUCCESSFULLY EVICT OCCUPANTS BASED ON THE FACT THAT THE LAST "ORIGINAL TENANT" HAS VACATED, BECAUSE THE TENANT OFTEN CLAIMS THAT HE/SHE IS STILL LIVING IN THE UNIT OR IS JUST AWAY TEMPORARILY.

OWNERS SHOULD EXPECT THIS PROBLEM TO CONTINUE, OR EVEN WORSEN, IN THE CONTEXT OF A LIFETIME LEASE TENANT WHO IS LIVING ELSEWHERE WHILE STILL CLAIMING TO OCCUPY THE OWNER'S CONDOMINIUM.

A RELATED QUESTION IS WHETHER A LIFETIME LEASE TENANT CAN CONTINUE TO PAY HIS/HER LOW RENT TO THE CONDO OWNER WHILE CHARGING A HIGHER AMOUNT TO THE "SUBTENANTS" OR "ROOMMATES" LIVING IN THE LIFETIME LEASE UNIT. SAN FRANCISCO RENT CONTROL LAW PROHIBITS THIS BY REQUIRING RENT-CONTROL TENANTS TO CHARGE SUBTENANTS/ROOMMATES NO MORE THAN A PRO RATA SHARE OF WHAT THE TENANT IS PAYING TO THE OWNER. THIS SAME LIMITATION CAN PROBABLY BE INCLUDED IN THE LIFETIME LEASE; HOWEVER, IN PRACTICE, IT IS CLOSE TO IMPOSSIBLE FOR AN OWNER TO KNOW OR PROVE HOW MUCH THE SUBTENANT/ROOMMATE IS ACTUALLY PAYING THE ORIGINAL TENANT.

Neighborhood Description

THE SUBJECT IS LOCATED IN THE "COW HOLLOW" DISTRICT OF SAN FRANCISCO, AN URBAN RESIDENTIAL ENVIRONMENT COMPOSED OF ABOVE AVERAGE TO GOOD QUALITY SINGLE AND MULTI-FAMILY RESIDENCES AND NEIGHBORHOOD SERVING COMMERCIAL USES. THE PROPERTY MIX IS COMPATIBLE WITH THE NEIGHBORHOOD. ACCESS TO SHOPPING, TRANSPORTATION, SCHOOLS AND EMPLOYMENT IS CONSIDERED TO BE AVERAGE.

ACCESS TO INTERSTATE HIGHWAYS 1, 101, INTERSTATE 80 AND INTERSTATE 280 ARE ALL WITHIN 2 MILES OF THE SUBJECT. THESE FREEWAYS CONNECT TO THE GREATER BAY AREA AND BEYOND. THE SAN FRANCISCO FINANCIAL

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CENTER IS WITHIN 2 MILES OF THE SUBJECT. THIS WAS ACCESSIBLE VIA MUNICIPAL TRANSIT LINES LOCATED NEAR THE SUBJECT'S BLOCK . ACCESS FOR THE SUBJECT IS RATED GOOD WHEN COMPARED TO OTHER COMPETING PROPERTIES IN THE MARKET AREA. THE SUBJECT'S LOCATION IS ASSIGNED AN AVERAGE OVERALL RATING FOR EXPOSURE FOR THE PROPERTY WHEN COMPARED TO OTHER COMPETING PROPERTIES IN THE MARKET AREA.

Neighborhood Market Conditions
OPEN MARKET SALES WITH CONVENTIONAL FINANCING AND NO SIGNIFICANT CONCESSIONS ARE THE NORM IN THIS MARKET. TYPICAL TERMS ARE 80% LOANS WITH ALL CASH TO SELLER. IN SOME INSTANCES, THE SELLER MAY CARRY BACK A SMALL SECOND LOAN. 2008 AND 2009 SAW A DECREASE IN MARKET VALUES THROUGHOUT THE BAY AREA AND THE NATION DUE TO INCREASING LOAN DEFAULTS. A GENERAL WEAKENING OF THE ECONOMY COUPLED WITH FALLING PRICES IN THE NATIONAL HOUSING MARKET HAVE ALSO TIGHTENED LENDING STANDARDS IN GENERAL, HOWEVER FINANCING IS STILL AVAILABLE FOR QUALIFIED BUYERS. SAN FRANCISCO, IN GENERAL, HAD FOLLOWED THIS DOWNWARD TREND THROUGH 2010 AND SHOWED EVIDENCE OF STABILIZATION IN MANY NEIGHBORHOODS THROUGHOUT 2011 AND INTO 2012. 2013 SAW A STABLE INCREASE IN PROPERTY VALUES THROUGHOUT THE BAY AREA WHICH CONTINUED INTO 2014 ALTHOUGH HAS STABILIZED IN THE LATER PORTION OF THE YEAR. THE SUBJECT'S DISTRICT IS BEST DESCRIBED AS INCREASING BETWEEN THE PERIOD OF 12/2012 AND 12/2013.

MARKET FLUCTUATIONS AND LIST PRICES MAY VARY SIGNIFICANTLY AND DO NOT SHOW A CONSISTENT PERCENTAGE OF LIST PRICE TO SALE PRICE. DUE TO THE MARKET CHALLENGES OF SELLING AN ENTIRE BUILDING OF TENANCY IN COMMON UNITS, OFFERS MAY COME IN AT PRICES HIGHER OR LOWER THAN PRIOR UNITS SOLD WITHIN THE PAST SIX MONTHS. THIS DOES NOT INDICATE A HIGHER MARKET AS VALUES ARE STILL FLUCTUATING.

IN ADDITION TO THE PRESSURE PRESENTED BY THE CURRENT ECONOMIC CONDITION TO THE OVERALL REAL ESTATE MARKET, THE TIC MARKET IS AFFECTED BY ITS OWN SPECIFIC SET OF CIRCUMSTANCES. TIC FINANCE OPTIONS ARE VERY LIMITED. DUE TO A LACK OF A SECONDARY MARKET FOR THESE PRODUCTS, TERMS FOR FRACTIONAL INTEREST LOANS ARE NOT CURRENTLY COMPETITIVE WITH CONVENTIONAL MORTGAGES PUTTING FURTHER PRESSURE ON TIC VALUES.

MARKET DATA IS CONSIDERED TO PROVIDE APPROPRIATE INDICATIONS OF THE CURRENT MARKET ENVIRONMENT; HOWEVER, THE APPRAISER NOTES THAT CURRENT AND RECENT SALE DATA PROVIDE NO INDICATIONS OF VALUE FOR THE SUBJECT IN THE FUTURE.

Condition of Project
THE PROJECT IS COMPRISED OF A FOUR-STORY BUILDING WITH PARTIAL GARAGE.

THE SUBJECT UNIT HAS BEEN IDENTIFIED AS THE LOWER 2 FLOORS OF THE BUILDING WITH A SINGLE GARAGE SPACE, THE GROUND FLOOR WILL CONSIST OF A LARGE RECREATION ROOM. THE UPPER FLOOR CONTAINS 3 BEDROOMS AND 2 BATHROOMS, A LIVING ROOM, DINING ROOM AND KITCHEN AS APPROVED BY THE CITY PLANNING DEPARTMENT.

Comments on Sales Comparison
DUE TO THE LACK OF RECENT SALES OF SIMILAR TIC UNITS IN THE SUBJECT'S DISTRICT THE SEARCH PARAMETERS WERE EXPANDED TO INCLUDE THE SIMILAR ADJACENT DISTRICTS WITHIN THE AREA. THE SUBJECT UNIT IS LOCATED IN A DESIRABLE AREA WITH LIGHT LEVELS OF TRAFFIC. THIS IS CONSIDERED SUPERIOR TO PROPERTIES IN THE SAME DESIRABLE AREAS, BUT LOCATED ON STREETS WITH GREATER LEVELS OF TRAFFIC AND NOISE. AN UPWARD ADJUSTMENT HAS BEEN MADE TO COMPARABLE 3 TO ACCOUNT FOR THIS ACCORDINGLY.

A TIME OF SALE ADJUSTMENT HAS NOT BEEN UTILIZED OR APPLIED TO THE SALES AS ALL HAVE CLOSED INSIDE A FINANCIAL QUARTER OF THE EFFECTIVE DATE OF THE REPORT AND ARE CONSIDERED TO REFLECT THE MARKET CONDITIONS OF THAT TIME.

ALL OF THE COMPARABLES SELECTED ARE TIC UNITS POSITIONED WITHIN SMALL BUILDINGS. HOWEVER, AN ADJUSTMENT IS WARRANTED TO ACCOUNT FOR THE LIKELIHOOD OF CONDO CONVERSION ELIGIBILITY OF 2 UNIT BUILDINGS, AS IS THE SUBJECT, CONSIDERED SUPERIOR TO BUILDINGS WITH 2+ UNITS. BUILDINGS THAT HAVE 5 OR MORE UNITS OR BUILDINGS WITH EVICTION HISTORY ARE NOT TYPICALLY VIABLE FOR CONDO CONVERSION AND UPWARD ADJUSTMENTS HAVE BEEN MADE ACCORDINGLY TO ACCOUNT FOR EACH BUILDING STATUS AND DENSITY.

THE CONDITION OF THE SUBJECT IS CONSIDERED TO BE AVERAGE REQUIRED TO BE HABITABLE. THE CONDITION OF THE KITCHEN AND BATHROOMS HAS BEEN SEPARATED FOR ADDITIONAL CLARITY. ADDITIONAL QUALITY AND CONDITION ADJUSTMENTS HAVE BEEN MADE FOR THE REFURBISHED UNITS THAT ARE IN 'AS NEW' CONDITION. RARELY DOES A TIC UNIT SELL ON THE MARKET WITHOUT HAVING BEEN REFURBISHED. NO UN-REFURBISHED COMPARABLES WERE FOUND WITHIN A REASONABLE TIME FRAME AND 1 MILE RADIUS OF THE SUBJECT.

THE ADJUSTMENTS FOR COMPARABLES 3, 4 AND 5 ARE LARGER THAN TYPICAL DUE TO DIFFERENCES IN SIZE, AND CONDITION PRIMARILY. THIS SALE HAS BEEN INCLUDED DUE TO A LACK OF MORE APPROPRIATE SALES. IN ADDITION, COMPARABLE 4 HAS A TENANT THAT WAS VACATING THE UNIT AND A TENANT IN ANOTHER UNIT IN THE BUILDING WHICH SIGNIFICANTLY AFFECTS THE CONDO CONVERSION PROCESS AND LESSENS THE APPEAL TO A TYPICAL BUYER IN COMPARISON TO THE SUBJECT'S 2-UNIT AND VACANT STATUS.

THE SUBJECT PROPERTY HAS BEEN BRACKETED ON VALUE AND SIZE BY FOR BOTH SUPERIOR AND INFERIOR FACTORS OF

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THE COMPARABLE SALES TO SUPPORT A FIRM POSITION FOR FINAL VALUE CONCLUSION.

GREATER WEIGHT HAS BEEN GIVEN TO COMPARABLES 1-3 DUE TO OVERALL SIMILARITY IN TERMS OF SIZE AND APPEAL.

Conditions of Appraisal

THIS APPRAISAL VALUE HAS BEEN MADE UNDER THE HYPOTHETICAL CONDITION THAT THE PROPERTY HAS BEEN COMPLETED TO A HABITABLE STANDARD ONLY. NO PERSONAL PROPERTY INCLUDED IN THE APPRAISED VALUE. A CURRENT PRELIMINARY TITLE REPORT WAS NOT REVIEWED. THE ESTIMATE OF VALUE IS MADE UPON THE CONDITION THAT TITLE TO THE SUBJECT PROPERTY IS MARKETABLE, AND FREE AND CLEAR OF ALL LIENS, ENCUMBRANCES, EASEMENT AND RESTRICTIONS EXCEPT THOSE SPECIFICALLY DISCUSSED IN THIS REPORT. ADDITIONALLY, THE ESTIMATE OF VALUE IS MADE UPON THE SUBJECT PROPERTY ONLY AS DESCRIBED IN THIS REPORT. THIS IS NOT A HOME INSPECTION AND SHOULD NOT BE RELIED UPON TO DISCLOSE CONDITIONS OF THE PROPERTY. ANY PHYSICAL OR LEGAL ASPECTS OF THE SUBJECT PROPERTY UNKNOWN TO THE APPRAISER AT THIS TIME MAY REQUIRE FURTHER ANALYSIS. THE APPRAISERS ARE NOT EXPERTS IN BUILDING CODES. THE APPRAISER SHOULD NOT BE RELIED UPON TO DISCOVER BUILDING CODE VIOLATIONS. THE APPRAISER DOES NOT HAVE THE SKILL OR EXPERTISE NEEDED TO MAKE SUCH DISCOVERIES. IT IS ASSUMED BY THE APPRAISERS THAT ALL BUILDING CONSTRUCTION CONFORMS TO CITY BUILDING CODES. THE APPRAISER ASSUMES NO RESPONSIBILITY FOR THESE ITEMS. THE APPRAISAL HAS BEEN COMPLETED TO ASSIST IN REAL ESTATE PLANNING DECISIONS ONLY, FOR THE SOLE USE OF THE CLIENT LISTED ON PAGE ONE.

FIRREA ADDENDUM/APPRaiser CERTIFICATION

I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF:

- THE STATEMENTS OF FACT CONTAINED IN THIS REPORT ARE TRUE AND CORRECT.
- THE REPORTED ANALYSES, OPINIONS AND CONCLUSIONS ARE LIMITED ONLY BY THE REPORTED ASSUMPTIONS AND LIMITING CONDITIONS, AND ARE MY PERSONAL, IMPARTIAL, AND UNBIASED PROFESSIONAL ANALYSES, OPINIONS, AND CONCLUSIONS.
- I HAVE NO PRESENT OR PROSPECTIVE INTEREST IN THE PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AND NO PERSONAL INTEREST WITH RESPECT TO THE PARTIES INVOLVED.
- I HAVE NO BIAS WITH RESPECT TO THE PROPERTY THAT IS THE SUBJECT OF THIS REPORT OR TO THE PARTIES INVOLVED WITH THIS ASSIGNMENT.
- MY ENGAGEMENT IN THIS ASSIGNMENT WAS NOT CONTINGENT UPON DEVELOPING OR REPORTING PREDETERMINED RESULTS.
- MY COMPENSATION FOR COMPLETING THIS ASSIGNMENT IS NOT CONTINGENT UPON THE REPORTING OF A PREDETERMINED VALUE OR DIRECTION IN VALUE THAT FAVORS THE CAUSE OF THE CLIENT, THE AMOUNT OF THE VALUE OPINION, THE ATTAINMENT OF A STIPULATED RESULT, OR THE OCCURRENCE OF A SUBSEQUENT EVENT DIRECTLY RELATED TO THE INTENDED USE OF THIS APPRAISAL.
- MY ANALYSES, OPINIONS AND CONCLUSIONS WERE DEVELOPED, AND THIS REPORT HAS BEEN PREPARED, IN CONFORMITY WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE.
- I HAVE MADE A PERSONAL INSPECTION OF THE PROPERTY THAT IS THE SUBJECT OF THIS REPORT.
- NO ONE PROVIDED SIGNIFICANT PROFESSIONAL ASSISTANCE TO THE PERSON SIGNING THIS REPORT UNLESS OTHERWISE STATED WITHIN THIS REPORT.

THIS REPORT INTENDS TO COMPLY WITH APPRAISAL STANDARDS OF THE OFFICE OF THRIFT SUPERVISION AND THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP) AS ADOPTED BY THE APPRAISAL STANDARDS BOARD OF THE APPRAISAL FOUNDATION.

THE APPRAISER HAS NOT RESEARCHED THE TITLE REPORT OR ANY EXISTING PERMITS. THE APPRAISER IS NOT QUALIFIED TO DETECT STRUCTURAL INSTABILITY, SOIL INSTABILITY, OR INFESTATION.

COMPETENCY OF THE APPRAISER: THE APPRAISER ATTESTS THAT HE OR SHE HAS THE APPROPRIATE KNOWLEDGE AND EXPERIENCE NECESSARY TO COMPLETE THIS ASSIGNMENT COMPETENTLY.

PURPOSE AND SCOPE OF WORK OF THE APPRAISAL: THIS APPRAISAL REPORT IS INTENDED FOR REAL ESTATE PLANNING DECISIONS ONLY. THIS REPORT IS NOT INTENDED FOR ANY OTHER USE. THE SCOPE OF THE APPRAISAL INVOLVED AN INTERIOR AND EXTERIOR INSPECTION AND MEASUREMENT OF THE SUBJECT PROPERTY, A THOROUGH RESEARCHING OF ALL APPROPRIATE CONVENTIONAL DATA SOURCES, EXTERIOR INSPECTIONS OF COMPARABLE SALES USED, AND THE PREPARATION OF A FULLY DOCUMENTED APPRAISAL REPORT CONFORMING TO ALL APPLICABLE STANDARDS. IN DEVELOPING THIS APPRAISAL, THE APPRAISER(S) IS AWARE OF, UNDERSTANDS, AND HAS CORRECTLY EMPLOYED THOSE RECOGNIZED METHODS AND TECHNIQUES THAT ARE NECESSARY TO PRODUCE A CREDIBLE APPRAISAL; AND USPAP SPECIFIC APPRAISAL GUIDELINES FOR DEVELOPING AND REPORTING AN APPRAISAL HAVE BEEN FOLLOWED.

ENVIRONMENTAL CONDITIONS OBSERVED BY OR KNOWN TO THE APPRAISER: THE VALUE ESTIMATED IN THIS REPORT IS

ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K006CTL
Property Address: 2853 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123

BASED ON THE ASSUMPTION THAT THE SUBJECT PROPERTY IS NOT NEGATIVELY AFFECTED BY THE EXISTENCE OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS. ROUTINE INSPECTION AND INQUIRIES ABOUT THE SUBJECT PROPERTY DID NOT REVEAL ANY INFORMATION WHICH WOULD INDICATE ANY APPARENT SIGNIFICANT HAZARDOUS SUBSTANCES OR DETRIMENTAL CONDITIONS WHICH WOULD NEGATIVELY AFFECT THE SUBJECT. THE APPRAISER IS NOT AN EXPERT IN THE IDENTIFICATION OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS.

EXPOSURE TIME FOR THE SUBJECT PROPERTY: THE ESTIMATED EXPOSURE TIME FOR THE SUBJECT PROPERTY UNDER CURRENT MARKET CONDITIONS IS APPROXIMATELY 1-3 MONTHS. THIS ESTIMATE IS BASED ON THE ANALYSIS OF CURRENT MARKET TRENDS IN THE GENERAL AREA, AND TAKES INTO CONSIDERATION THE SIZE, CONDITION, AND PRICE RANGE OF THE SUBJECT AND SURROUNDING PROPERTIES.

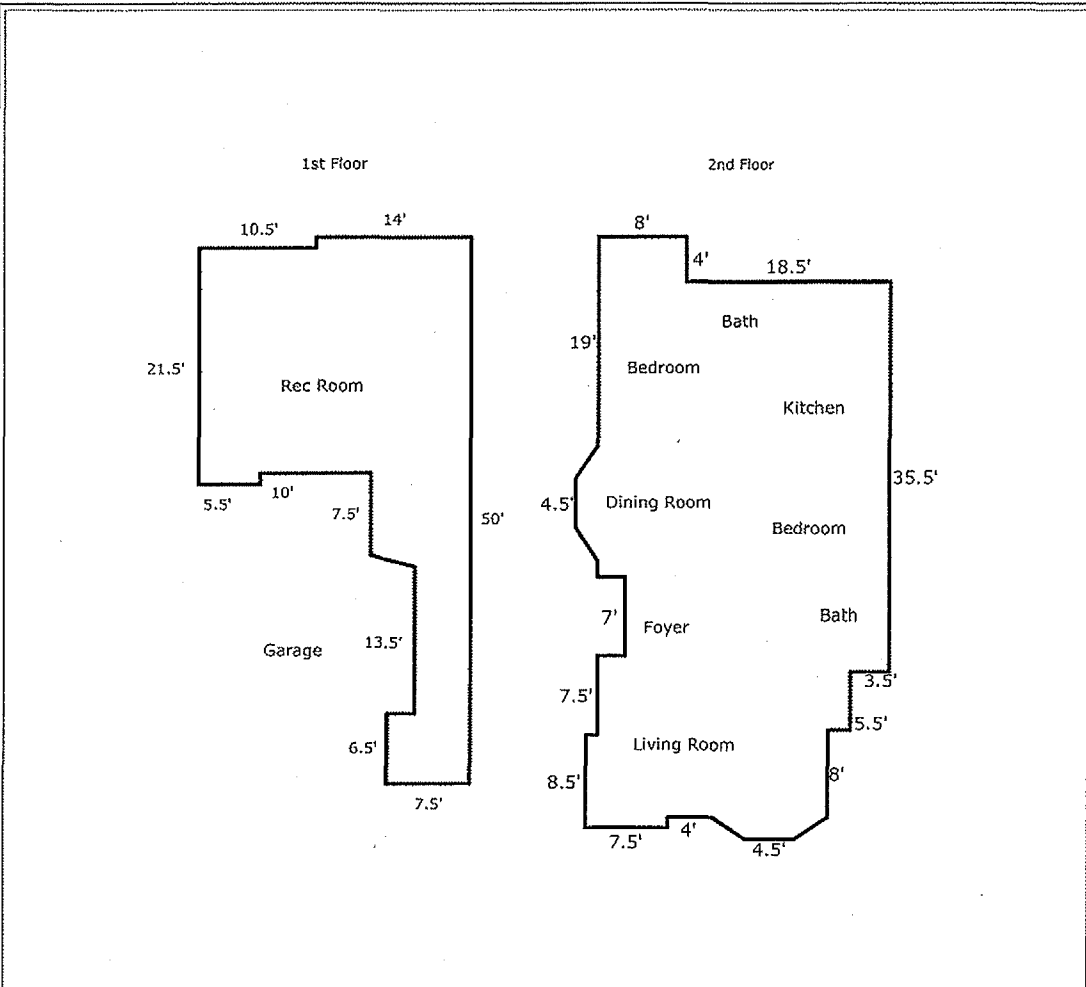
APPRAISAL DATE: THIS APPRAISAL IS BASED ON AN ANALYSIS OF THE SUBJECT PROPERTY AS OF THE DATE OF 12/02/2013 A DATE PRIOR TO THE DATE OF INSPECTION ON 11/12/2014. VALUATION IS BASED ON MARKET CONDITIONS AS OF THE EFFECTIVE DATE OF 12/02/2013 (WITHIN 6 MONTHS PRIOR AND 3 MONTHS POST). DATA AND CONCLUSIONS ARE BASED ON THIS BRACKET OF TIME UNDER THE ASSUMPTIONS AND CONDITION DISCLOSED IN THE REPORT AS OF THE DATE OF COMPLETION OF THIS REPORT ON 11/17/2014.

TRISHA CLARK
AG028651

TIMOTHY LITTLE
AR044897

FLOORPLAN SKETCH

Client: IRVING ZARETSKY	File No.: 14K006CTL
Property Address: 2853 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123



Sketch by Apex Modus™
Comments:

AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GLA1	First Floor	712.5	712.5
GLA2	Second Floor	1294.7	1294.7
Net LIVABLE Area		(rounded)	2007

LIVING AREA BREAKDOWN

Breakdown	Subtotals	
First Floor		
14.0 x 1.0	14.0	
6.5 x 7.5	48.8	
14.5 x 5.0	72.5	
7.5 x 9.0	67.5	
1.0 x 5.5	5.5	
20.5 x 24.5	502.3	
0.5 x 1.0	2.0	
Second Floor		
8.0 x 4.0	32.0	
26.5 x 18.0	477.0	
5.5 x 23.0	126.5	
1.5 x 26.5	39.8	
7.0 x 24.0	168.0	
4.5 x 26.5	119.3	
4.5 x 28.5	128.3	
0.5 x 21.0	10.5	
0.5 x 3.0	3.0	
0.5 x 2.0	3.0	
0.5 x 3.0	3.0	
1.0 x 7.5	7.5	
7.5 x 22.0	165.0	
4.5 x 2.0	9.0	
2.0 x 3.0*	3.0	
Net LIVABLE Area (rounded)		2007

22 Items (rounded)

PLAT MAP

Client: IRVING ZARETSKY	File No.: 14K006CTL
Property Address: 2853 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123

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W A BLK 550

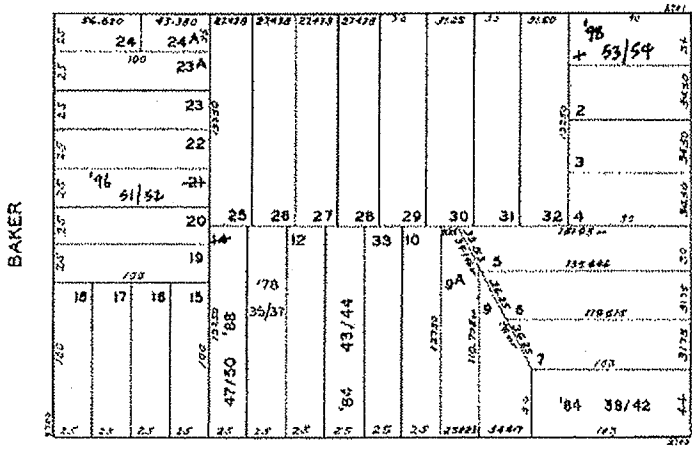
REVISED '73
" '78
" '88
" '96
" '98

2853-2869 BRODERICK ST.
A CONDOMINIUM

LOT	UNIT	% COMMON AREA
33	2865	33
34	2869	68



FILBERT



Subject

BAKER

BRODERICK

UNION

2768 UNION STREET
A CONDOMINIUM

LOT NO.	UNIT NO.	% COMMON AREA
35	2762	20.125
36	2764	37.315
37	2768	42.560

2780-2782 UNION ST.
A CONDOMINIUM

LOT NO.	UNIT NO.	% COMMON AREA
43	2752	85.78
44	2760	44.22

2700-08 UNION ST.
A CONDOMINIUM

LOT NO.	UNIT NO.	% COMMON AREA
38	2700	28
39	2702	16
40	2704	20
41	2706	19
42	2708	17

2774 UNION ST.
A CONDOMINIUM

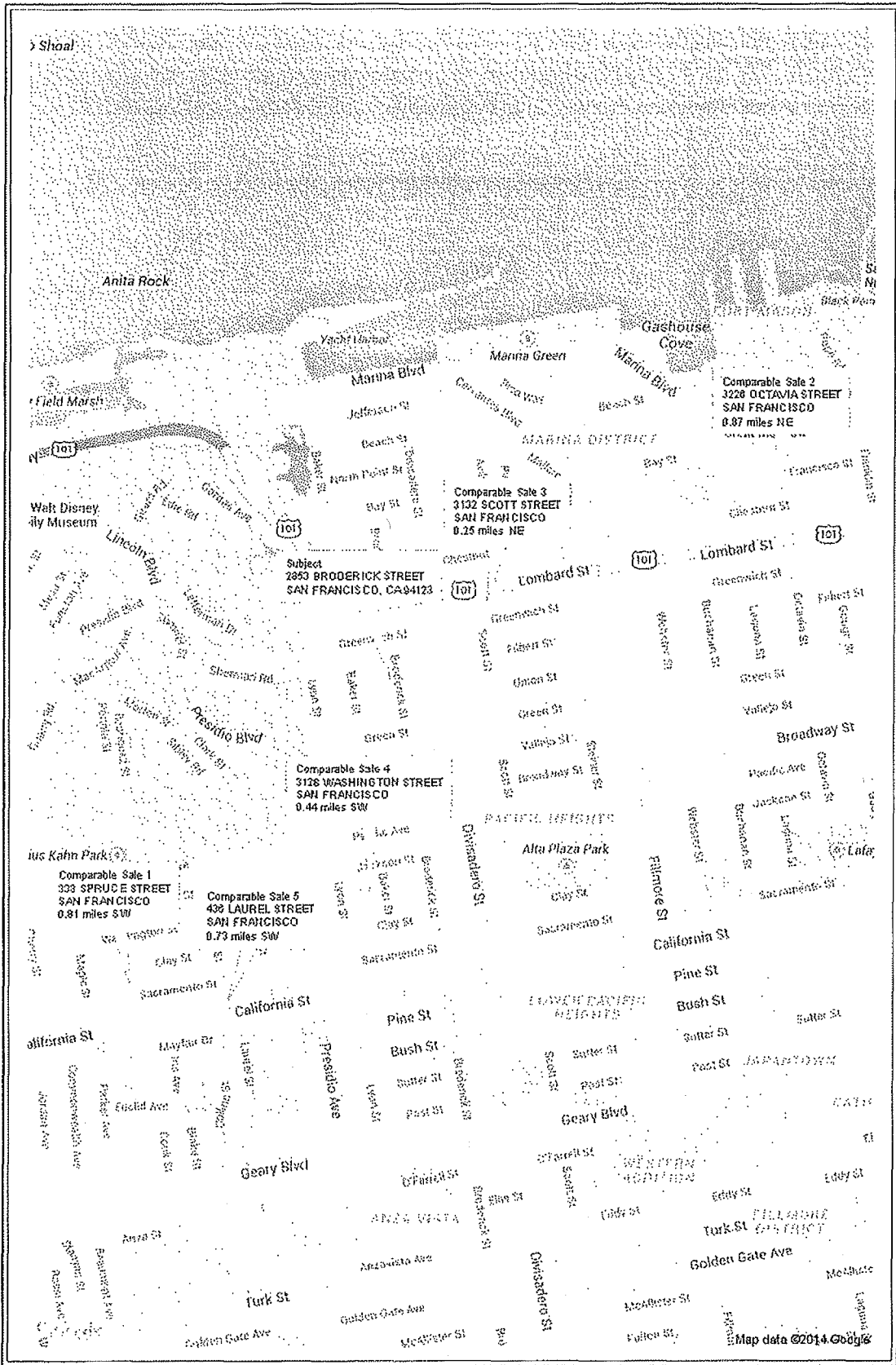
LOT	UNIT	% COMMON AREA
47	1	43.785
48	2	18.307
49	3	18.275
50	4	19.633

2784-2786 BAKER ST.
A CONDOMINIUM

LOT	UNIT	% COMMON AREA
51	2734	45
52	2736	55

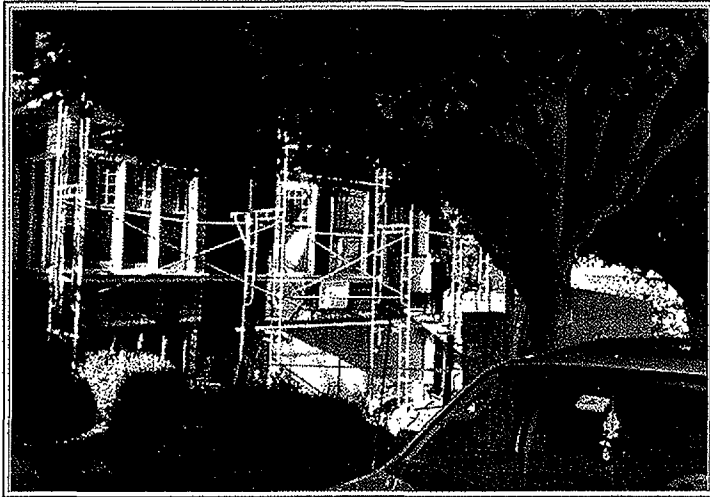
LOCATION MAP

Client: IRVING ZARETSKY	File No.: 14K006CTL
Property Address: 2853 BRODERICK STREET	Case No.: RES
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SUBJECT PROPERTY PHOTO ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K006CTL
Property Address: 2853 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA
	Zip: 94123

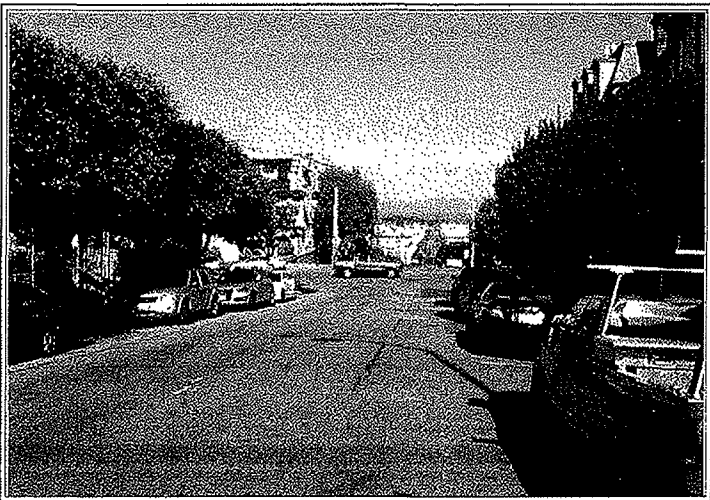


FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: December 2, 2013
Appraised Value: \$ 1,500,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

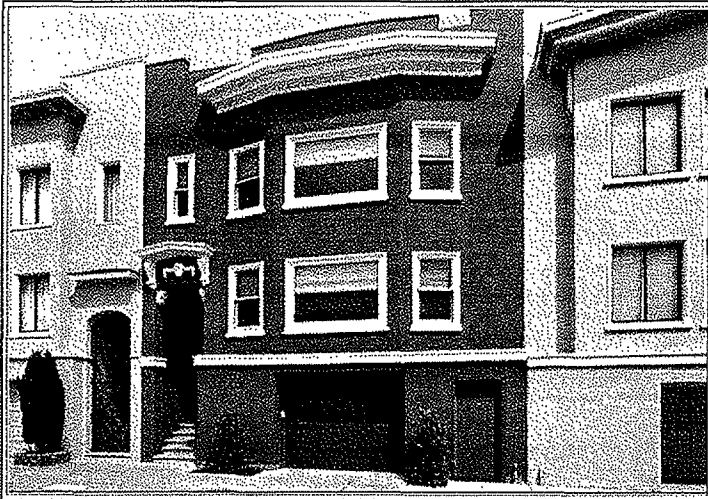
COMPARABLE PROPERTY PHOTO ADDENDUM

Client: IRVING ZARETSKY	File No.: 14K006CTL
Property Address: 2853 BRODERICK STREET	Case No.: RES
City: SAN FRANCISCO	State: CA Zip: 94123



COMPARABLE SALE #1

333 SPRUCE STREET
-
Sale Date: 10/02/2013 COE
Sale Price: \$ 1,708,000



COMPARABLE SALE #2

3226 OCTAVIA STREET
-
Sale Date: 01/09/2014 COE
Sale Price: \$ 1,695,000



COMPARABLE SALE #3

3132 SCOTT STREET
-
Sale Date: 03/24/2014 COE
Sale Price: \$ 1,600,000

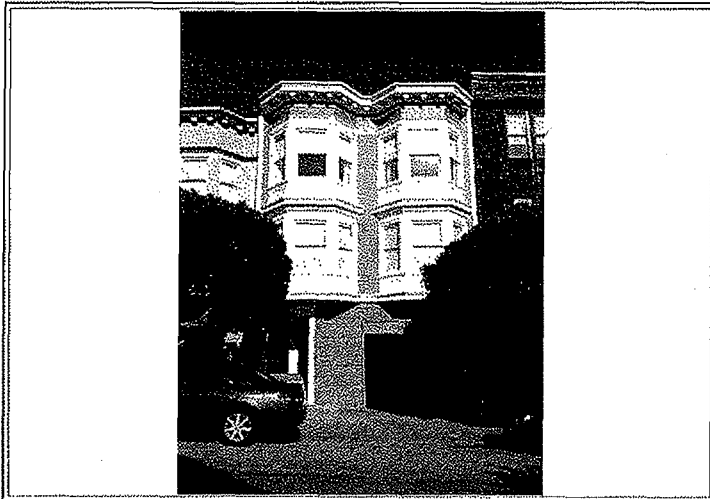
COMPARABLE PROPERTY PHOTO ADDENDUM

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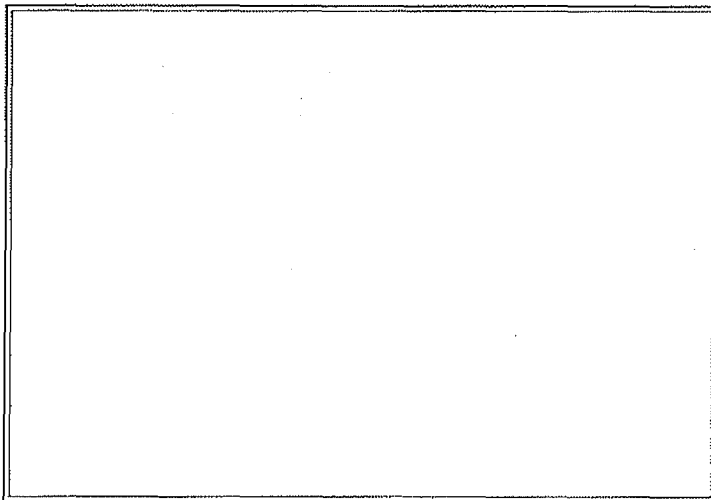
COMPARABLE SALE #4

3128 WASHINGTON STREET
SAN FRANCISCO
Sale Date: 10/04/2013 COE
Sale Price: \$ 1,270,000



COMPARABLE SALE #5

436 LAUREL STREET
SAN FRANCISCO
Sale Date: 08/16/13 COE
Sale Price: \$ 1,349,000



COMPARABLE SALE #6

Sale Date:
Sale Price: \$