

**APPRAISAL REPORT
1036 MISSION HOUSING
1036 MISSION STREET
SAN FRANCISCO, CALIFORNIA 94103**



JAMES G. PALMER
APPRAISALS INC.

**APPRAISAL REPORT
1036 MISSION HOUSING
1036 MISSION STREET
SAN FRANCISCO, CALIFORNIA 94103**

**PREPARED FOR
TENDERLOIN NEIGHBORHOOD
DEVELOPMENT CORPORATION
201 EDDY STREET
SAN FRANCISCO, CALIFORNIA 94102**

**PREPARED BY
GREGG J. PALMER, MAI
JAMES G. PALMER APPRAISALS, INC.**

**EFFECTIVE DATE OF VALUE
MARCH 10, 2016
EFFECTIVE DATE OF APPRAISAL
JUNE 15, 2016**



JAMES G. PALMER
APPRAISALS INC.

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June 15, 2016

Mr. Christopher Cummings
Tenderloin Neighborhood Development Corporation
201 Eddy Street
San Francisco, California 94102

Re: Market Valuation
1036 Mission Housing
1036 Mission Street
San Francisco, California 94103

Dear Mr. Cummings:

At your request and authorization, James G. Palmer Appraisals Inc. has completed an appraisal report on the above-mentioned real property, more particularly described in the enclosed appraisal report.

The appraisal report has been prepared to comply with the requirements of:

- Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA).
- The Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation.
- The Federal Deposit Insurance Corporation (FDIC) appraisal standards, which include compliance with USPAP.
- The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The 2014-2015 edition of USPAP states that under Standards Rules 2-2, 8-2 and 10-2, each written real property appraisal report must be prepared under one of the following two formats: Appraisal Report [Standards Rules 2-2(a), 8-2(a) and 10.2(a)] or Restricted Use Appraisal Report [Standards Rules 2-2(b), 8-2(b) and 10-2(b)]. In the case of this report, the appraisal is being communicated in an *Appraisal Report* format.

The property consists of a vacant lot located in the South of Market neighborhood in the City of San Francisco. The purpose of the appraisal was to arrive at an opinion of value the fee simple estate of the property. The value will be used for asset evaluation for submission of a tax credit application for development funding. The effective date of valuation is as of March 10, 2016.

The following value is subject to the value definitions and limiting conditions as set forth in this report. It is subject to hypothetical conditions as outlined in the report.

In the opinion of the undersigned, the value of the real property as of the date of value is as follows:

OPINION OF VALUE – AS IS

\$17,480,000.00

The undersigned hereby certify that they have no present or future intended interest in the property, and that neither the fee nor employment for this assignment was contingent upon the value reported herein and that there exists no identity of interest with the development partner(s), project sponsor, intended partner(s) or general contractor. It is also the opinion of the undersigned that the subject has no significant natural, cultural, recreational or historic value. This letter must remain attached to the report in order for the value opinion set forth to be considered valid.

This appraisal is only valid for the purpose for which it is intended. It is invalid for a third party use or to establish a sales price for limited partners or syndication. Unless prior arrangements have been made with the appraiser, the right to photocopy all or part of this appraisal is strictly prohibited.

Thank you for this opportunity of serving you.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregg J. Palmer", written over a horizontal line.

Gregg J. Palmer, MAI
Certified General Real Estate Appraiser
California License AG002880
Expiration: April 24, 2018

GP: 8654

Executive Summary

PROPERTY DESCRIPTION

Property Name	Vacant Multifamily Land
Address	1036 Mission Street
City, State, Zip	San Francisco, California 94103
County	San Francisco
MSA	San Francisco
Property Type	Vacant Multifamily

Site Description

Site Area	15,200 SF
Road Frontage (LF)	95' – WS Mission Street
Orientation	Interior
Shape	Rectangular
Zoning	C-3-G
Description	Downtown General Commercial
Flood Zone	Unprinted Map

Improvement Description

Building Area	N/A
Year Built	N/A
Quality	N/A
Condition	N/A
Market Class	N/A
Construction Type	N/A

Real Estate Tax Data

Assessor Parcel Number(s)	3703-162
Total Assessed Value	\$6,131,256.00
Real Estate Taxes	\$76,496.20

MARKET BOUNDARIES

North	South of Market Neighborhood
South	N/A
East	N/A
West	N/A

HIGHEST & BEST USE

Land as Vacant	Multifamily
Property as Improved	Continue Current Use

PROPERTY VALUATION

Valuation Type	Current
Sales Comparison Approach	\$17,480,000.00
Cost Approach	Not Applicable
Income Capitalization Approach	Not Applicable
Final Value Opinion	\$17,480,000.00

APPRAISAL DATES

Inspection Date	March 10, 2016
Report Date	June 15, 2016
Date of Valuation	March 10, 2016
Exposure Time	12 Months

APPRAISAL REPORT

I. Purpose of Appraisal:

The purpose of the appraisal is outlined in the covering letter. The definition of "market value" is:

Market Value:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:"

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale." (Federal Deposit Insurance Corporation (FDIC) Final Rules 12 CFR § 323.2)

II. Property Right Appraised:

The property right is the leasehold estate. The definitions are follows:

Fee Simple Estate:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." (The

III. Function of Appraisal:

The appraisal assignment is to provide a market valuation of a vacant lot located in San Francisco, California. The clients include Tenderloin Neighborhood Development Corporation. The intended user(s) include Tenderloin Neighborhood Development Corporation and or their duly appointed representatives and assignees. The intended use is to assist the client(s) in asset evaluation for the submission of a tax credit application for funding and development.

IV. Extraordinary Assumptions:

In the preparation of the report, various documents were used as obtained from the client, property owner and public records. The records used include but are not limited to site and building plans, legal descriptions, site sizes, assessment records, leases and building areas. While every effort is made to assure the accuracy of these documents, no guarantee is made as to their accuracy or correctness. It is assumed that these documents are accurate, true and correct as they are considered in the preparation of the report.

V. Hypothetical Conditions:

None

VI. Scope of Appraisal:

The scope of this report includes:

- 1) A physical inspection of the property.
- 2) Interviews with persons considered knowledgeable as to real estate values in the area.
- 3) Inquiry into and documentation of current data.

- 4) Analysis of the data obtained and correlation of the findings into final value estimates.

The data contained in this report was obtained from a variety of sources, is considered reliable, and has been utilized to document the valuation conclusions.

The appraisal assignment is to provide a market valuation of a vacant parcel of land located in San Francisco. The property is situated in the South of Market neighborhood and is more specifically situated along the west side of Mission Street in between 6th and 7th Streets. The property is vacant and undeveloped and is fully entitled for the development of a 9-story, 83-unit apartment complex.

In valuing the project, all three traditional approaches to value will be considered. These include the Sales Comparison, Cost, and Income Capitalization Approaches. In this instance, only the sales comparison approach is used. The sales comparison approach will be used in the valuation of the property as vacant.

In the Sales Comparison Approach, a value estimate will be provided through an analysis of similar properties that have been sold throughout similar areas. A total of five land sales were found that were used in the analysis. Sales were obtained from a variety of sources including brokerage firms, Loopnet, Costar and county assessor records. When possible, the sales were verified with the buyer or seller or individual knowledgeable with the sale transaction.

In summary, the appraisal assignment is to provide a market valuation of a vacant parcel of land located in the City of San Francisco in San Francisco County, California. The intended use is to assist the client in asset evaluation for the submission of a tax credit application for funding and development. The client and intended users are Tenderloin Neighborhood Development Corporation and or their duly authorized representatives or assignees. The following sections of this report will outline and describe in detail the area, site, building improvements, and methods of valuation used to provide an opinion of value of the property.

VII. Addresses:
1036 Mission Street, San Francisco California 94103

VIII. Assessor Parcel Numbers:
3703-162 (San Francisco County Assessor)

IX. Legal Description:
Beginning at a point on the northwesterly line of Mission Street (82 5' wide), distant thereon 255.00 feet southwesterly from the southwesterly line of 6th Street (82 5' wide), thence southwesterly along said northwesterly line of Mission Street 95.00; thence at a right angle northwesterly 160.00 feet to the southeasterly line of Jessie Street (40' wide); thence northeasterly along said southeasterly line of Jessie Street 95.00 feet; thence at a right angle southeasterly 160.00 feet to the northwesterly line of Mission Street and the point of beginning, as described pursuant to Certificate of Compliance recorded September 25, 2015 under Recorder's Serial Number 2015-K137764-00.

X. Ownership:
County Assessor records show title to be vested in the name(s) of the following:
1036 Mission Associates TNDC

XI. Map Designations:

Census Tract:	176.01
Flood Hazard Area:	No map printed

XII. Property History:
The property consists of a vacant parcel of land located in the South of Mission Neighborhood in San Francisco. The property contains a total of 15,200 SF. It originally consisted of two identical lots that were recently joined through a lot

line adjustment. The property has all offsite improvements and utilities. According to the client, the site is fully entitled for the development of a 9-story, 83-unit multifamily apartment complex. Upon completion, it will be operated as an affordable housing project subject to regulatory agreements and rental restrictions.

There have been no recorded transfers of the property over the past 5 years. According to public records, the last transfer of the property occurred in May of 2007. The seller was Skyline Associates and the buyer 1036 Mission Associates TNDC. The instrument number was 39500112. The total consideration paid was \$5,576,250.

XIII. Assessed Value:

In 1978, California voters passed Proposition 13, which was also known as the Jarvis-Gann Initiative. This proposition was predominantly designed to decrease the tax burden on individual property owners and to restrict the increase in property value assessments to a maximum of 2% per year. Beginning in 1981/82, all real property in the State of California was assessed at its full cash value. Full cash value is equal to the market value as determined by the appraisal staff of the County Assessor's office. Under Proposition 13, all assessments were rolled back to their 1975/76 levels and this became the new tax basis. Re-assessment is only allowed when a property is sold or substantially changed or modified. The predominant tax rate is based upon 1% of the assessed value, plus any local county, city, or special district bonds. The annual property taxes are calculated by applying the tax rate for the area to the total assessed value of the property, including land, improvements, and personal property items.

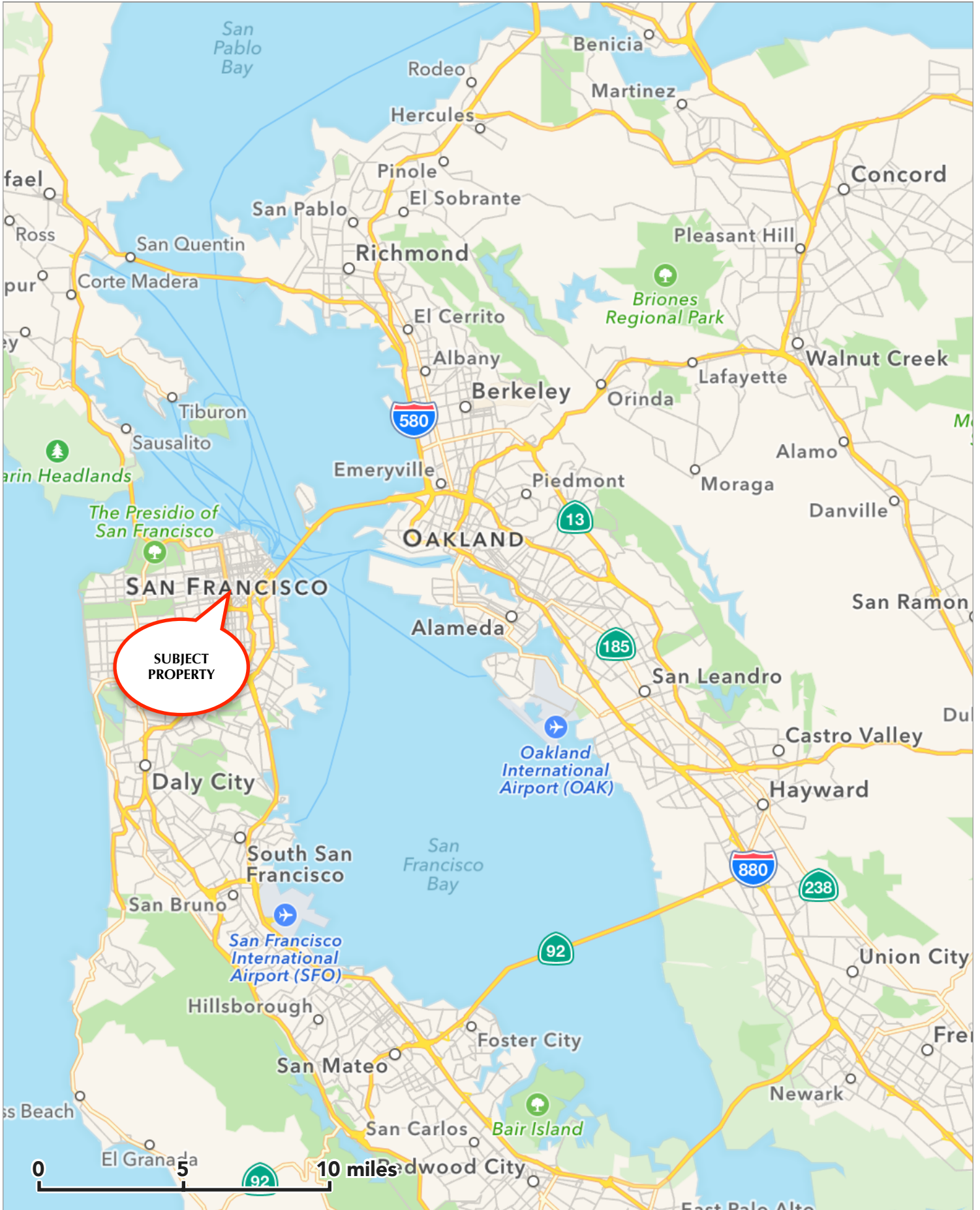
Proposition 13 was initially designed to protect elderly property owners who are on fixed incomes and assure them that their property would not be assessed at a rate which exceeded the ability to pay taxes. The following is a breakdown of the assessments for the property.

APN	Total	Improvements	Land	RE Taxes
3703-162	\$6,131,256.00	\$0.00	\$6,131,256.00	\$76,496.20

This type of unique tax system has caused a couple of interesting phenomenon in the California real estate market. In the first instance, since assessments are only allowed to increase by a maximum of 2% per year, actual market appreciation often exceeds the increase in the assessed value. When a property transfer does occur, it is reassessed and, therefore, a tremendous increase in property taxes typically occurs. This situation also leads to a second interesting phenomenon. Due to the fact that a full cash value assessment can only occur after a transfer of ownership, taxes can vary greatly from property-to-property in the same neighborhood and on similar property types. Thus, when appraising property in the State of California, it is important to be sensitive to the Proposition 13 restrictions and re-analyze the taxes assuming that a transfer of the property was to occur.

Since the property is developed as an affordable housing project, it is not subject to local real estate taxes. Under the welfare exemption program, the project enjoys tax-exempt status.

REGIONAL MAP



XIV. Regional Description:

San Francisco Bay Area

The San Francisco Bay Area consists of the nine counties including San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, Solano, Napa, Sonoma, and Marin, situated on the perimeter of San Francisco Bay and San Pablo Bay. San Francisco is in the geographical and cultural center of the region. It is surrounded by Marin, Napa, Sonoma and Solano Counties to the north; Alameda and Contra Costa Counties to the east; and San Mateo and Santa Clara Counties to the south. The large land area and highly diversified physical features of the Bay Area support a wide range of land uses. Land uses range from large agricultural areas to major urban centers, and environments range from mountain to marine.

The large land area and highly diversified physical features of the Bay Area compose one of the most varied environments in the United States, and support a wide range of land uses and living environments. The dominant influence of the area's climate is the San Francisco Bay, which moderates the temperatures in the coastal areas, while inland climates that are further removed from the Bay's influence experience a wide range of temperatures. Rainfall averages 25 inches per year and generally falls from November through March. January is the coldest month and the average daily high temperature is 55 degrees Fahrenheit; the average daily low temperature is 45 degrees Fahrenheit. September, one of the warmest months, averages a daily high of 68 degrees Fahrenheit.

The fault zones that lace the region exert the most powerful geographical influence. In 1989, the Loma Prieta earthquake caused heavy damage along the Bay Area Peninsula as well as the East Bay. This earthquake was the most serious one to occur since 1906. Most infrastructures damaged by the earthquake have been repaired. Other physical damage, including collapsed and unsafe buildings, has generally also been repaired. Despite the physical damage caused by the earthquake, the economy of the region suffered no significant long-term damage.

Population Trends

The mild climate of the Bay Area has played an important role in development, and contributes to a desirable living environment. The estimated population of the nine counties that make up the Bay Area is presented in the following table.

Population projections by county Nine county bay area region							
County	2000	2005	2010	2015	2020	2030	2000-2030 % Change
Alameda	1,443,741	1,505,300	1,549,800	1,626,100	1,705,900	1,787,300	19.2%
Contra Costa	948,816	1,023,400	1,090,300	1,130,700	1,177,400	1,225,500	29.2%
Marin	247,289	252,600	256,500	260,300	264,000	267,300	8.09%
Napa	124,279	133,700	138,800	142,300	144,600	146,300	17.7%
San Francisco	776,733	795,800	810,000	837,500	867,100	900,500	15.9%
San Mateo	707,163	721,900	733,300	766,900	801,300	832,400	17.7%
Santa Clara	1,682,585	1,763,000	1,822,000	1,945,300	2,063,100	2,185,800	29.9%
Solano	394,542	421,600	443,100	458,500	472,100	484,600	22.8%
Sonoma	458,614	479,200	497,900	509,900	522,500	535,200	16.7%
Total (all counties)	6,783,762	7,096,500	7,341,700	7,677,500	8,018,000	8,364,900	23.3%

Source: ABAG, Projections 2009

During the 1960s and 1970s, the regional population grew at an average annualized rate of 1.9%. During the 1980s, the population grew by approximately 1.4% per year. Population growth during the period from 2000 through 2010 was approximately 0.9% annually. The slowing in the rate of population growth reflects the diminishing supply of available land and the high cost of housing in the area. The highest rates of growth are projected in Contra Costa, Solano and Santa Clara counties. Santa Clara County is the Bay Area Center for the technology industry. While population growth is expected to be substantial, it has still occurred at a rate that is far slower than the growth in Southern California or many other portions of the state. The Bay Area has some of the highest housing costs in the nation. When the comparison is made between household incomes and housing costs, the Bay Area remains one of the least affordable areas in the nation.

Economic Overview

Overview: The San Francisco MSA, which encompasses the Counties of San Francisco, San Mateo, and Marin, is the nation's fourth largest metropolitan area. Historically, San Francisco has been the financial and business center of the western United States.

Beginning in late-1994 and early 1995, the strengthening high technology and computer related industries located in the southern Bay Area began to lead the state out of its deep recession. In the second half of the 1990s, the local economy was driven by the growth in technology, particularly Internet, software, and other computer related technology ventures. The technological advances during the mid to late-1990s, coupled with a strong stock market and nearly limitless availability of capital provided an environment for surging employment growth, real estate values, and overall prosperity in the region.

The explosion of the so-called dot.com industry, funded primarily from venture capital, fueled an economic boom in Bay Area in the late 1990's and early 2000 of unprecedented proportion. As a result, every aspect of the real estate market experienced huge gains. Commercial and industrial vacancy rates became almost nonexistent while lease rates doubled in some instances during this period. While sale prices never matched the increase in rents, there was significant appreciation of commercial and industrial property sales prices. Apartment availability also became extremely tight with rents climbing 30% to 40%. Home prices surged as well; appreciation was approximately 25% to 35% in this short time period. During this time a new market phenomenon also sprung out of the disparity between demand and supply of homes. Realtors began the practice of listing prices slightly below their market values to entice bidding wars. It thus became the accepted market practice to bid over the listing price, often substantially above the listing price.

In March 2001 the tech-heavy NASDAQ declined due to concerns of over-inflated stock prices as negative reports about company profitability and news about declining demand for computer related goods and services surfaced. The Dow Jones quickly followed and entire stock market, including non-tech blue-chip stocks, also tumbled. This trend continued further into 2001. As a result of the stock market tumble, both the national and local economies contracted. The stock market tumble was compounded by the September 11, 2001, terrorist attacks on the World Trade Center and the Pentagon. The risk of air piracy, attacks on large landmarks, bio-terrorism and other threats to public safety has raised the level of uncertainty in the markets. It has also severely

affected the travel and tourism business, which rely heavily on air travel.

Technology based companies were particularly affected by the stock market decline. The Bay Area, which is generally regarded as top-heavy in the technology sector, suffered considerably. Many of the newer and more financially sensitive companies went out of business, while the larger and more established companies, such as Cisco Systems, Hewlett-Packard and Oracle had significant layoffs in attempt to weather the storm. Unemployment rates have been on a declining trend since 2002. Recent information regarding national and local economic recoveries indicates that a recovery started to take place in 2004, and continued through 2006 and into 2007.

During 2007, the economic boom that had been experienced nationwide began to slow and by 2008, it became apparent that another economic downturn was well underway. During the latter part of 2008 and well into 2009, the stock market had declined in value by 50% and the housing industry had declined substantially. Real estate markets across all sectors have been affected and it is not expected that any significant recovery will begin until 2012.

Employment Growth:

Employment grew in all sectors during the economic boom experienced between 2004 and 2007. By 2008, employment began to decline in the area as with the rest of the State and Country. The following table summarizes historical and projected job data by industry for the region.

EMPLOYMENT projections BY INDUSTRY							
Nine County Bay Area Region							
Industry	2005	2010	2015	2020	2025	2030	2005-2030 % Change
Ag./Natural Resources	24,170	24,520	24,870	25,070	25,270	25,470	5.4%
Construction	218,350	213,930	230,970	250,750	278,150	302,180	38.4%
Manuf. /Wholesale	545,900	550,640	588,110	633,360	670,830	716,270	31.2%
Retail	367,180	347,400	370,880	399,950	453,870	491,310	33.8%
Transp. and Utilities	165,480	166,540	175,570	185,650	190,340	197,690	19.4%
Information	160,380	158,710	170,620	186,710	212,010	233,730	45.8%
Financial and Leasing	277,930	272,580	289,540	310,840	341,980	368,640	32.6%
Prof. & Manag. Serv.	502,330	494,280	534,650	582,710	648,860	707,900	40.9%
Health & Educ. Serv.	597,540	638,110	695,010	757,260	804,250	880,850	47.4%
Arts, Rec., Other Serv.	455,970	482,590	521,110	565,390	598,830	649,080	42.3%
Government	134,510	126,540	133,260	143,000	155,510	165,610	23.1%
Total (all industries)	3,449,740	3,475,840	3,734,590	4,040,690	4,379,900	4,738,730	37.4%

Source: ABAG, Projections 2009

Between 2000 and 2005, employment decreased due to the slowdown in the economy. Between 2005 and 2030 employment is projected to increase by 37.4%.

Spending, Income and Inflation

Income: The following table summarizes mean household incomes for the Bay Area counties.

BAY AREA MEAN HOUSEHOLD INCOME (IN CONSTANT 2000 DOLLARS)							
County	2005	2010	2015	2020	2025	2030	2005-2030 % Change
Alameda	88,800	91,200	96,300	101,600	107,200	113,100	27.3%
Contra Costa	98,400	102,000	107,500	113,500	119,700	126,200	28.2%
Marin	121,600	127,200	134,100	141,600	148,900	157,700	29.7%
Napa	85,900	89,500	94,500	99,800	105,300	111,100	29.3%
San Francisco	97,400	102,200	107,900	113,800	120,100	126,700	30.1%
San Mateo	121,700	123,300	130,200	137,300	144,800	152,700	25.5%
Santa Clara	97,900	108,700	114,600	120,900	127,600	134,600	37.4%
Solano	84,400	85,600	90,100	94,600	99,300	104,300	23.6%
Sonoma	82,600	84,300	89,000	93,900	99,100	104,600	26.6%
Bay Area	97,300	102,000	107,600	113,600	119,800	126,400	29.9%

Source: ABAG, Projections 2009

The region's mean household income in 2000 was \$92,500. In 2005 the estimated mean household income was \$89,100. There was a decline between 2000 and 2005 due to the slowdown in the economy. Mean household income for the region is projected to grow to \$126,400 by 2030. San Mateo and Marin Counties, as of 2010, have an estimated mean household income of \$123,300 and \$127,200, respectively, which are the highest figures of the nine counties noted in the prior chart. Sonoma County, as of 2010, has an estimate mean household income of \$84,300, which is the lowest of the nine counties noted in the prior chart.

Real Estate

Residential: Housing costs in the Bay Area are among the highest in the nation. The following table presents new and existing median home price trends in the nine-Bay Area Counties since 2009.

NEW & EXISTING MEDIAN HOME PRICES – SAN FRANCISCO BAY AREA						
County	June 2015	June 2014	June 2013	June 2012	June 2011	% Change 2011 – 2015
Alameda	\$665,000	\$596,000	\$521,000	\$417,000	\$409,000	62.59%
Contra Costa	\$500,000	\$413,442	\$391,000	\$319,000	\$318,000	57.23%
Marin	\$938,000	\$866,000	\$787,000	\$690,000	\$676,000	38.75%
Napa	\$509,000	\$475,000	\$414,000	\$313,442	\$362,000	40.61%
San Francisco	\$1,063,500	\$956,000	\$832,000	\$695,000	\$670,000	58.73%
San Mateo	\$990,000	\$856,000	\$771,000	\$649,000	\$622,000	59.16%
Santa Clara	\$904,000	\$808,000	\$723,000	\$600,000	\$566,000	59.72%
Solano	\$329,000	\$299,000	\$240,000	\$196,000	\$200,000	64.50%
Sonoma	\$511,000	\$474,000	\$403,000	\$344,000	\$333,000	53.45%
Bay Area	\$754,000	\$679,000	\$606,000	\$497,000	\$487,000	54.83%

Source: Zillow

As demonstrated by the above chart, home prices increased in the nine counties representing the San Francisco Bay Area between 2011 and 2015. Marin County showed the smallest increase at 38.75% while Alameda County experienced the greatest increase at 62.59%.

Governmental Forces

The Bay Area is comprised of nine separate counties. Each county has its own government, with incorporated cities within each county also having their own government. Between the city and county levels, interaction is limited. On a regional level, this concept is magnified, with limited inter-county planning. Local city and county governments within the region implement land use policies through the use of zoning laws and general plans. Support services, such as transportation, schools, health care, police, and fire protection are provided by local governments.

California's land use and growth controls are among the most stringent in the United States. These local land use controls include zoning, growth management systems, subdivision regulations, development fees and environmental restrictions. These policies raise the cost and reduce the volume of land development, especially in coastal metropolitan areas.

Education

Within the Bay Area there are over 80 public and private colleges and universities; among them are over 30 community colleges, four California State University campuses, and two University of California campuses.

Transportation

San Francisco has a highly diversified transportation system with excellent water, rail, trucking, and highway and air facilities. The Bay Area's transportation infrastructure includes 1,500 miles of highway, eight toll bridges, 17,000 miles of local streets, six public ports, five passenger ferries, and five commercial airports. Transportation in the Bay Area is diversified because of the trend toward decentralized work places. More and more people are commuting longer distances to work, putting a heavy burden on the region's transportation network.

Air transportation is available through a number of airports in the Bay Area. San Francisco International Airport, located in San Mateo County, is one of the most active commercial airports in the world and it is served by over 62 airlines. Furthermore, a two billion-dollar airport expansion was completed which expanded international travel capabilities. Additionally, Oakland International Airport in Alameda County, and Mineta San Jose International Airport in Santa Clara County offer facilities for international travel, air taxi, charter and cargo.

The Bay Area Rapid Transit system (BART), a high-speed rail system with over 75 miles of track, is a major commuter transportation system which links stations in Alameda, Contra Costa, San Mateo and San Francisco counties. BART has been extended to the San Francisco International Airport, which coincided with the aforementioned airport expansion. CalTrans operates commuter trains that travel from San Jose to San Francisco. There are freight rail lines in many Bay Area communities.

Historically, ongoing efforts to improve the roads and public transit systems in the Bay Area have lagged behind growth in the population. Traffic congestion, considered a major problem in the Bay Area, makes close in, conveniently accessed locations particularly desirable.

Cultural and Recreational Resources

San Francisco is the cultural center of the Bay Area. Cultural and entertainment

activities include nationally renowned live theaters, art museums, local symphonies, operas, and dance companies. In addition, local theaters, symphonies and ballet companies are found in Oakland, San Jose and other communities. The area supports six major professional sports teams, as well as college-level athletic programs of the University of California at Berkeley, Stanford University, and other regional colleges and universities.

Conclusion

The nine-county San Francisco Bay Area is one of the nation's most vital economic regions. While San Francisco remains the center of the region, the surrounding counties have developed economic centers of their own. Future projections by ABAG indicate increased growth in population and employment, albeit at a slower rate. Growth in employment shows signs of improvement however, it is unlikely there will be major improvements in California as a whole throughout the remainder of the year.

Locational advantages, outstanding higher educational facilities, and a skilled labor force benefit the Bay Area. However, structural problems including affordable housing, transportation capacity, and water and sewer capacity, along with local slow growth initiatives, could impair the region's competitive position. Coupled with difficult economic conditions, these conditions could impact the region significantly. However, the economic base is well diversified, and should provide for moderate future growth in the Bay Area.

The Bay Area's economy has shifted towards service orientation. Agriculture, construction, and manufacturing have become less dominant while trade, finance, government, and business, professional and other services have grown in prominence. The one notable exception to this trend has been the high technology sector, particularly computer-related, and manufacturing.

The long-term future of California is uncertain due to current economic conditions and financial difficulties experienced by the State. The short-term prognosis is stabilization and improvement. The projected outlook is continued improvements throughout 2015 and probably into 2016.

XV. Area Description:

SAN FRANCISCO

Geography

San Francisco County is located on the peninsula in the San Francisco Bay Area. San Francisco County is bordered by the San Francisco Bay to the east, Marin County to the north and San Mateo County to the south. San Francisco and San Mateo Counties are known colloquially as the peninsula.

San Francisco was founded on June 29, 1776 and was incorporated on April 16, 1850. It is the fourth most populous city in California and the only consolidated city-county in the State; a status it has held since 1856. It encompasses a total land area of 46.7 square miles and is the most densely populated city in the State and second most densely populated city in the country. The county is divided into eleven supervisor districts; with one supervisor elected from each district. The supervisors also act as the City Council.

Population Trends

The Association of Bay Area Governments (ABAG) predicts that the population in San Francisco County will increase from 810,000 to 837,500 between 2010 and 2015 indicating an annual growth rate of 0.67%. By 2030, it is expected to increase to 934,800. ABAG further predicts that the number of households in San Francisco County will increase from 346,680 to 359,170 between 2010 and 2015, and to 400,700 by 2030. The following table demonstrates the changes in population and households since 2005.

SAN FRANCISCO COUNTY DEMOGRAPHICS						
	2005	2010	2015	2020	2025	2030
Population	795,800	810,000	837,500	867,100	900,500	934,800
Average Change	-	14,200	27,500	29,600	33,400	34,300
Households	338,920	346,680	359,170	372,750	386,800	400,700
Average Change	-	7,760	12,490	13,630	14,050	13,900
Persons/ Hshld	2.29	2.28	2.27	2.27	2.27	2.28

Economic Forces

The following table illustrates employment growth projections by sector for San Francisco County between 2005 and 2030.

EMPLOYMENT BY INDUSTRY SAN FRANCISCO COUNTY							
Industry	2005	2010	2015	2020	2025	2030	% Change
Ag./Natural Resources	1,020	1,020	1,020	1,020	1,020	1,020	0.0%
Construction	27,010	27,060	29,390	31,810	35,540	39,020	44.47%
Manuf. /Wholesale	25,580	25,760	28,580	31,920	34,570	37,920	48.24%
Retail	47,210	45,000	47,890	51,080	58,470	63,070	33.59%
Transp. and Utilities	30,060	28,150	28,960	29,970	30,170	30,970	3.02%
Information	36,640	36,860	39,260	41,590	45,570	49,420	34.88%
Financial & Leasing	79,480	79,720	83,810	89,230	96,600	103,400	30.10%
Prof. & Manag. Serv.	100,740	101,960	108,970	118,060	129,400	139,799	38.76%
Health & Educ. Serv.	93,010	101,810	109,010	115,390	119,680	129,400	39.12%
Arts, Rec., Other Serv.	87,590	96,990	104,000	110,260	114,700	123,460	40.95%
Government	24,750	24,400	25,650	26,860	29,110	30,630	23.76%
Total (all industries)	553,090	568,730	606,540	647,190	694,830	748,100	35.26%

As demonstrated above, it is expected that manufacturing and wholesale, construction and arts, recreation and other services will experience the greatest growth while industries like agricultural and transportation and utilities will experience almost no growth due to the nature of the City and its fully built out condition.

Income

The following table presents mean household income statistics in 2005 dollars.

HOUSEHOLD INCOME PROJECTION						
	2005	2010	2015	2020	2025	2030
San Francisco Co.	\$97,400	\$102,200	\$107,900	\$113,800	\$120,100	\$126,700
Bay Area Region	\$97,300	\$102,000	\$107,600	\$113,600	\$119,800	\$126,400

Mean household income in San Francisco County is slightly higher than the average of the Bay Area region. The overall growth in the City is projected to mirror that of the overall area.

Real Estate

The average home price in San Francisco County, as of January 2015, was \$1,001,300 based on figures from Zillow. The January 2015 figure reflects an

11.26% increase from the 2014 figure of \$900,000, and a 30.03% increase from the 2013 figure of \$770,000.

Transportation

Highways 1 and 101 provide freeway access into San Francisco from the south and continue north over the Golden Gate Bridge up into northern California along the Pacific Coast. Both freeways extend south through the Silicon Valley region through the South bay and continue along the Pacific Coast to the Los Angeles basin. Interstate 80 is the major east/west freeway extending east from San Francisco over the Bay Bridge into Oakland and eventually ties into Highways 24, 580 and 880 in the East Bay. Interstate 580 provides freeway connection between the East Bay and Dublin, and intersects Interstate 680 at Pleasanton. The former connects Oakland to Tracy in San Joaquin County, serving the growing suburban areas and agricultural communities in the Central Valley. Commuter rail service is provided by the Bay Area Rapid Transit (BART) system and AC Transit provides bus service. San Francisco International Airport is situated in South San Francisco; an approximate 20 minute drive from San Francisco's City center.

PLAT MAP

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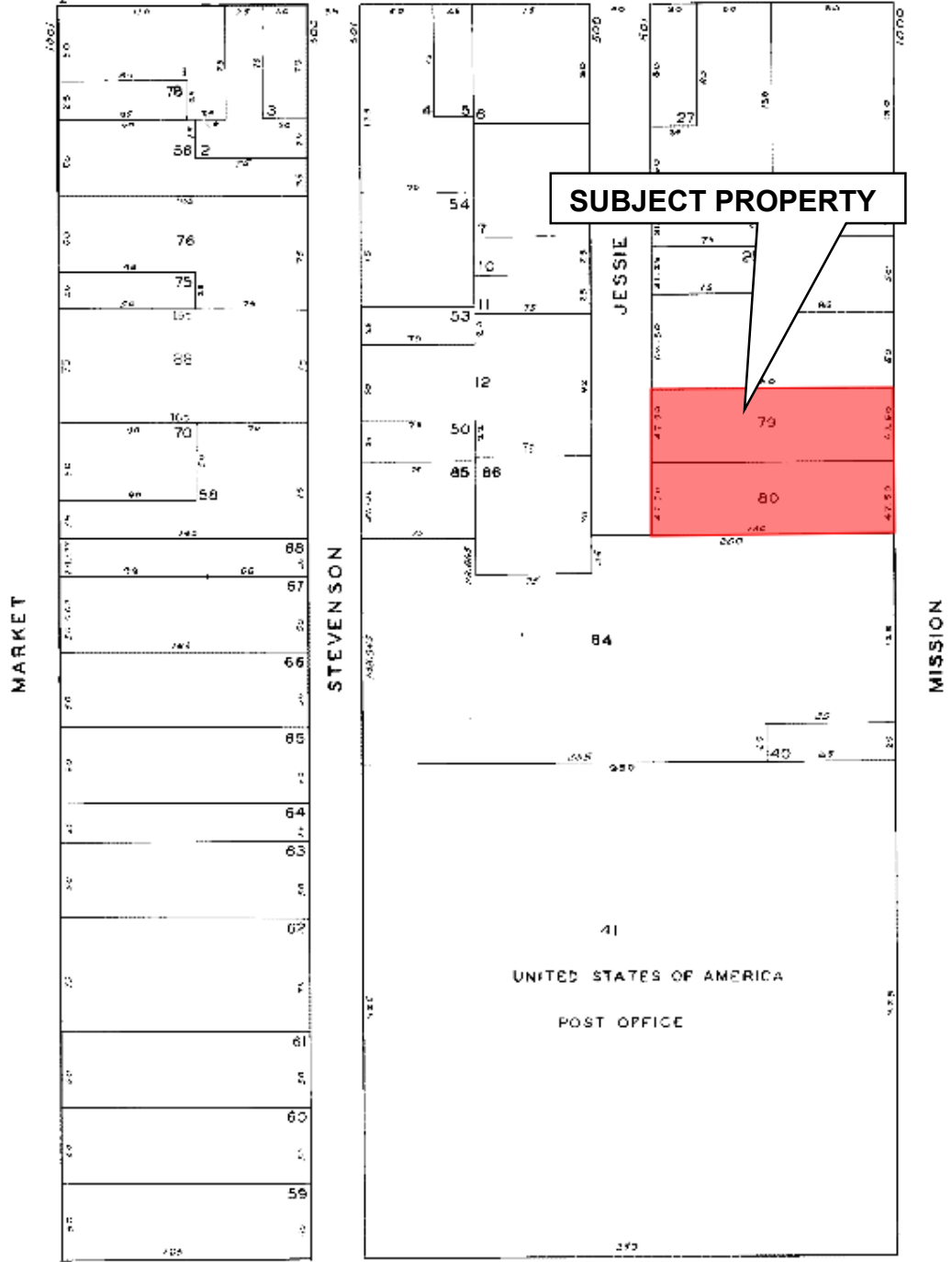
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REVISED '88
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 REVISED '81



6 TH



7 TH

XVI. Site Description:

The property is located in the City of San Francisco in the South of Market neighborhood. The property is vacant and undeveloped. The following is a discussion of the land included in the appraisal.

Location:

The parcel is situated in the South of Market neighborhood. The property is more specifically located along the west side of Mission Street in between 6th and 7th Streets.

Size & Shape:

The property consists of a single lot. The total site area is 0.35 acre or 15,200 SF. The parcel has 95' of frontage along the west side of Mission Street and a depth of 160'. The property is rectangular in shape.

Zoning:

The land is located within the Downtown General Commercial District or C-3-G by the City. This District covers the western portions of downtown and is composed of a variety of uses: Retail, offices, hotels, entertainment, clubs and institutions, and high-density residential. Many of these uses have a Citywide or regional function, although the intensity of development is lower here than in the downtown core area. As in the case of other downtown districts, no off-street parking is required for individual commercial buildings. In the vicinity of Market Street, the configuration of this District reflects easy accessibility by rapid transit.

The property is subject to lot development requirements under the zoning designation. The zoning requires a floor area ratio of 6.0:1. There is no residential density limit. Density is regulated by the permitted height and bulk and required setbacks, exposure and open space of each development lot. There are no onsite parking requirements. In its current configuration, the property adheres to the zoning standards.

According to the client, the property is fully entitled for the development of

a 9-story, 83-unit apartment complex. The project is expected to begin construction in mid-2016.

Utilities:

Since the property is fully developed, all of the usual public and municipal utilities and services are available to the property. These services and providers include the following:

Service	Provider
Electricity	Pacific Gas & Electric (PG&E)
Natural Gas	Pacific Gas & Electric (PG&E)
Water	San Francisco
Sewer	San Francisco
Police & Fire	San Francisco
Waste Mgmt./ Recycling	Recology
Telephone Service	AT&T, Comcast
Internet/ Broadband	AT&T, Comcast

Topography & Drainage:

The property is level and slightly above street grade. The site has been graded in such a way that water runs off onto the street alignment and into a storm drainage system.

Soils Conditions:

A soils study was unavailable as of the date of appraisal. Soils within the area are considered to be suitable for building purposes.

Easements:

A title report was provided at the time of appraisal and used in conjunction with the preparation of this appraisal. Old Republic Title prepared the report as of November 9, 2015. A review of the title report revealed that no easements exist on the property. It is therefore assumed that there are no extraordinary easements that adversely impact the property.

Streets:

The property has an interior orientation and has frontage along Mission Street. In addition, the property backs up to Jessie Street that terminates at the rear of the Subject.

Access and Exposure:

Access and exposure are considered good. The property has an interior orientation and frontage along a major thoroughfare. It also has frontage along Jessie Street along its western boundary.

Offsite Improvements:

All offsite improvements have been installed including asphalt streets, concrete curbs and gutters.

Environmental Conditions:

Toxic or Hazardous Waste:

A hazardous waste study was unavailable at the date of appraisal. As of the date of appraisal, the appraisers have no knowledge of hazardous materials on the property and are not to be considered experts in this field. Any further inquiries as to hazardous waste on the property should be directed to knowledgeable and experienced individuals. If any such materials are discovered, it may have a negative affect on the overall value as reported herein and, thus, the appraisers reserve the right to re-evaluate the property through the appraisal process.

Seismic Hazard:

The property is not within a special study zone as determined by the Alquist-Priolo Earthquake Fault Zoning Act. However, the entire San Francisco Bay Region is located within a seismic zone.

Flood Hazard:

The property is not located within a special flood hazard zone. No FEMA panels are printed or referenced for the area.

Wetlands:

The property is not within a designated wetlands area.

Summary:

In summary, the property consists of a single, irregular shaped parcel of land that is vacant and undeveloped with the dominant use in the neighborhood being mixed in nature. The site and development conform to the surrounding area and the site is similar in size, shape and zoning when compared to other comparable properties.

XVII. Highest and Best Use:

In the valuation of the subject property, consideration has been given to its highest and best use also known as the most probable use. The highest and best use analysis involved a study of the present use of the property, uses of surrounding properties, and zoning availability for the subject. "Highest and best use" may be defined as follows:

Highest and Best Use:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. (The Dictionary of Real Estate Appraisal, Fifth edition, pub. 2010)

Highest and Best Use of Land or a Site as Though Vacant:

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (The Dictionary of Real Estate Appraisal, Fifth edition, pub. 2010)

Highest and Best Use of Property as Improved:

The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (The Dictionary of Real Estate Appraisal, Fifth edition, pub. 2010)

In order to ascertain the highest and best use of a piece of property, including the land as if vacant and the property as improved; the use must meet four criteria. The criteria that must be met for the highest and best use include a use, which must be physically possible, legally permissible, maximally productive, and financially feasible.

A. Land As if Vacant:

Legal Permissibility:

The first factor considered is which type of development would be legally permissible on the site. The land is located within the Downtown General Commercial District or C-3-G by the City. This District covers the western portions of downtown and is composed of a variety of uses: Retail, offices, hotels, entertainment, clubs and institutions, and high-density residential. Many of these uses have a Citywide or regional function, although the intensity of development is lower here than in the downtown core area. As in the case of other downtown districts, no off-street parking is required for individual commercial buildings. In the vicinity of Market Street, the configuration of this District reflects easy accessibility by rapid transit.

In its current configuration, the site conforms to the basic zoning standards with respect to size, dimensions and configuration. A residential project is the most likely use under the current zoning. The zoning has no density limitations other than those opposed by height and setback requirements.

Physical Possibility:

The second factor given consideration is whether or not a development is physically possible on the property. The site consists of a single parcel containing approximately 15,200 SF. There are other properties in the immediate area that are similar in size, zoning configuration and use. When comparing the subject to other properties in the area, it is evident that it has the ability to be developed to residential uses similar to other properties in the neighborhood. The property is of sufficient size for medium to high-density residential development.

Financial Feasibility:

The third factor considered is one of financial feasibility. Unemployment rates in the Bay Area are below 5%. There is strong demand for additional residential uses in the Bay Area. While the property has an urban location, it has strong potential for residential use.

The best test of financial feasibility is typically through an analysis of the income

and expenses for a potential or given development.

Maximum Productivity:

The final factor considered is which type of development would be the maximum productive use of the site. The logical development for the property is to residential development. The site is of adequate size and shape to permit a multifamily residential development. There is a housing shortage within the bay area and high demand for additional units. It is likely that the property could be rezoned for higher density residential development.

Summary:

The highest and best use of the land as if vacant is for investment for future residential development.

XVIII. Property Valuation & Appraisal Premise:

In estimating the market value of the majority of real property, data is collected and analyzed from the market regarding recent sales of comparable properties, current building costs, and rental data and return on investment rates in the analysis of income. Three different approaches to value are traditionally evaluated using collected market data and analyzing trends in the local economy. These approaches are:

- **The Sales Comparison Approach**
- **The Cost Approach**
- **The Income Approach**

Depending upon the type of property being appraised, these methods have varying degrees of applicability, which the appraisers have selected after analysis.

In the Sales Comparison Approach, the appraisers derive a value indication by comparing the property being appraised to similar properties in competitive areas that have recently sold or been offered for sale. This procedure is accomplished by applying the appropriate units of comparison extracted from the market and then by applying adjustments to the sales prices of the comparable. This approach in the appraisal analysis is based upon the premise that an informed purchaser would pay no more for a property than a substitute property with equal utility.

The Cost Approach estimates the cost of replacing the improvements of the property. It involves the determination of the cost new of the improvements, less accrued physical deterioration and functional and/or economic obsolescence. To this remainder, the vacant land value is added to estimate a market value based on the Cost approach to value.

The Income Approach, in the analysis of properties, is used to derive a value indication by converting anticipated benefits from possible rental income into a value estimate. This approach takes into consideration possible risks of comparable properties and a rate of return or capitalization rate also derived from

income expectancies in the present market.

In the case of this appraisal, the sales comparison approach to value will be used.

A. Sales Comparison Approach:

The Sales Comparison Approach is based on the theory of substitution, which considers a property's value to be in relation with that of sales of property with similar desirability and utility over a reasonable period of time. In this approach, a value will be estimated through analysis and comparison of sales of substitute properties over time. Depending on availability of data, the Sales Comparison Approach is generally widely accepted as a reliable method of valuation by market participants.

The market determines how appraisers are to analyze sales and extract meaningful units of comparison from which to draw a valuation conclusion. Most typically, units of comparison extracted from the sales are items such as price per square foot, price per unit, or price per acre. Other units of comparison are determined through an analysis of the income and expenses the property produces or is capable of producing. Items such as gross income multiples, effective gross income multiples, overall capitalization rates, and expense ratios are used in both the Sales Comparison Approach and also in the Cost and Income Approaches to value.

After the appraisers have identified the units of comparison most widely accepted by the market for the specific property type being appraised, the sales are then analyzed and sometimes adjusted for differences between the sales and the subject property. Adjustments are typically made for items such as property rights conveyed, financing, motivation of the buyer or seller, changes in property values over time, or physical differences between the sales and the property being appraised. In the case of this appraisal, the property will be analyzed based upon a price per room and price per square foot as the component of comparison.

Comparable Land Sales

#	Location	Date Document	Grantor Grantee	Sales Price	Lot Size (Ac) Lot Size (sf)	Offsites Orientation	Zoning	\$/Acre \$/sf
1	923 Folsom Street San Francisco, California	Apr 1, 2015 41040	TUP Folsom, LLC 923 Folsom	\$20,000,000	0.56 24,375	Full Multiple	MUR Multifamily	\$35,714,286 \$820.51
2	2290 3rd Street San Francisco, California	Apr 1, 2015 42954	2290 Dog Patch, LLC DM 2290 3rd Street,	\$16,000,000	0.32 14,050	Full Corner	UMU Urban Mixed Use	\$49,535,604 \$1,138.79
3	1527 Pine Street San Francisco, California	Jan 22, 2015 10204	TUP Pine, LLC Pacific Pine, LLC	\$21,000,000	0.34 15,000	Full Multiple	RC-4 Residential Commercial	\$61,046,512 \$1,400.00
4	1401 Mission Street San Francisco, California	May 9, 2014 77190	1401 Mission Monogram Residential	\$12,800,000	0.26 11,326	Full Corner	C-3-G Downtown General	\$49,230,769 \$1,130.14
5	2655 Bush Street San Francisco, California	Dec 19, 2013 806962	AREA Property SF Bush Condos, LLC	\$38,000,000	0.76 33,522	Full Corner	NC-3 Neighborhood Commercial	\$50,000,000 \$1,133.58

1. Vacant Multifamily Land

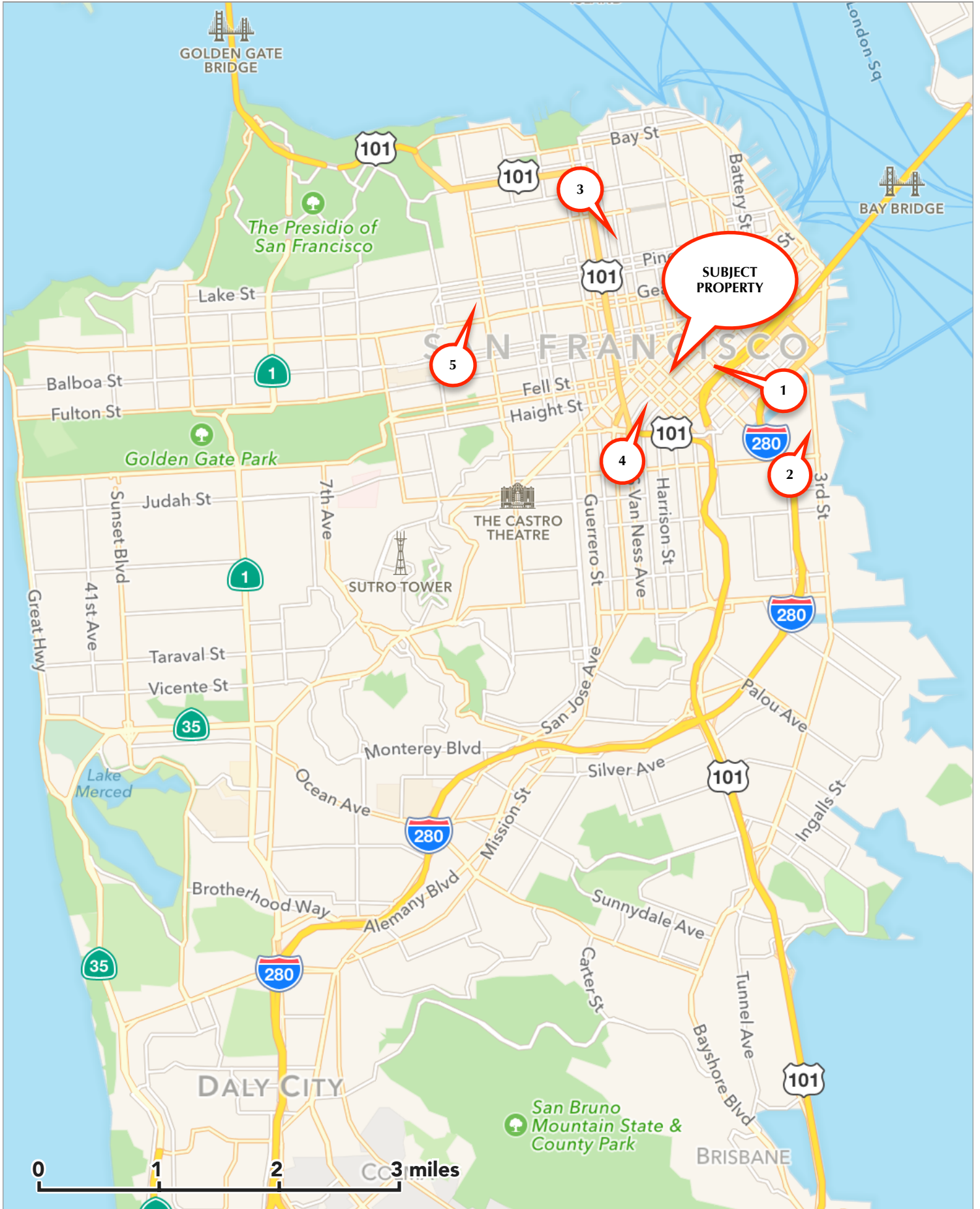
In the analysis, four vacant land sales are considered for a basis of comparison. All of the sales are situated in the City of San Francisco and are fully entitled for development. Some include improvements as interim uses. The sales occurred in 2013, 2014 & 2015. Unit prices vary from \$820.51/SF to \$1,400.00/SF. The following is a discussion of the sales included in the analysis.

Sale 1 is the most recent sale in the analysis occurring in April of 2015. The land was acquired on the basis of \$820.51/SF of site area. The property is located along Folsom Street in the Yerba Buena neighborhood and contains 24,375 SF. It was partially improved with a dilapidated industrial building. The site had all offsite improvements and was fully entitled for 114 units and 1,623 SF of ground level commercial. There will also be 48 onsite parking spaces.

Sale 2 occurred in April of 2015. It consists of a 14,050 SF parcel located at the corner of 3rd Street and 20th Street in the Portero Hill neighborhood. The site was improved with an older commercial building that was given no value in the sale. The property was purchased for development of a 71-unit apartment complex. The site was fully entitled at the date of value. Financing for the project was obtained with low-income housing tax credits. All utilities were in place at the time of sale. The sit was zoned UMU or urban mixed use by the City. Analysis of this sale indicates a basic purchase price of \$1,138.79/SF.

Sale 3 occurred in January of 2015. It consists of a 15,000 SF parcel located along Pine Street between Polk and Van Ness Streets in the Nob Hill neighborhood. The site was improved with an older commercial building that was given no value in the sale. The property was purchased for development of a 103-unit apartment complex. The site was fully entitled at the date of value. All utilities were in place at the time of sale. The sit was zoned RC-4 or Residential Commercial by the City. Analysis of this sale indicates a basic purchase price of \$1,400.00/SF.

COMPARABLE SALES MAP



Sale 4 occurred in May of 2014. It consists of an 11,326 SF parcel located at the corner of Mission and 10th Street in the South of Market neighborhood. The property was purchased for development of a 121-unit apartment complex. The site was fully entitled at the date of value. Financing for the project was obtained with low-income housing tax credits. All utilities were in place at the time of sale. The site was zoned C-3-G or Downtown General Commercial use by the City. Analysis of this sale indicates a basic purchase price of \$1,130.14/SF.

Sale 5 consists of a 33,522 SF parcel of land located in the Western Addition neighborhood. The property was acquired in December of 2013 for \$1,133.58/SF. The site was developed to an old vacant convalescent hospital at the time of sale. There was also a parking structure that formerly served the convalescent hospital. The parking structure was leased as an interim use at the time of sale. All offsite improvements were in place. The property was fully entitled for 83 units. It was reported that this sale exceeded the values for the area and set a new upper limit for entitled multifamily land.

2. Sales Adjustments

In valuing the property as improved, consideration is given to sales of similar properties that are used as a basis of comparison. The sales that were used include five sales from the region. Three of the sales are similar in size while two are significantly larger. While it is general knowledge that market conditions have improved in recent months, an actual adjustment for time was not quantified. However, older sales are generally given upward consideration in the reconciliation process.

In selecting an appropriate unit of comparison, consideration was given to all of the possible variables for the property. Consideration was first given to building size, which is a typical method of analyzing apartment properties. The sales yielded unit values ranging from a low of \$820.51/SF to \$1,400.00/SF. It is noted that all of the sales transactions were traditional sales.

The unit price per square foot is typical and widely used unit of comparison in the open market and is thus used in the valuation of the subject in the sales comparison approach. The sales are summarized in chart form on the facing page with detailed data sheets in the addenda section.

Before selecting an appropriate unit value, it was necessary to adjust the comparable sales. Adjustments were considered for various transactional and physical differences. Transactional differences included property rights, financing, conditions of sale, and market conditions.

After a complete analysis of the sales, it was concluded that there were no adjustments necessary for transactional differences. The following is a discussion of the adjustments considered in the report:

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 3
Price	\$20,000,000	\$16,000,000	\$21,000,000	\$12,800,000	\$38,000,000
Prop. Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	CEQ	CEQ	CEQ	CEQ	CEQ
Conditions	Typical	Typical	Typical	Typical	Typical
Time	4/2015	4/2015	1/2015	5/2014	12/2013
Adj. Value	\$20,000,000	\$16,000,000	\$21,000,000	\$12,800,000	\$38,000,000
\$/SF	\$820.51	\$1,138.79	\$1,400.00	\$1,130.14	\$1,133.58
Size	+10%	=	=	=	+10%
Location	=	=	-10%	=	=
Entitlements	=	=	=	=	=
Overall	+10%	=	-10%	=	+10%
Adj. \$/SF	\$902.56	\$1,138.79	\$1,260.00	\$1,130.14	\$1,246.94

Property Rights

All of the sales were fee simple transfers. No adjustments were necessary.

Financing

All of the sales were acquired on a cash or cash equivalent basis. After analysis, it was determined that no adjustments were necessary.

Conditions

All were typical arms-length transactions. No adjustments were necessary.

Time

The sales occurred during 2013, 2014 & 2015. It is noted that the market has continually improved since 2013 although an adjustment could not be quantified. This will be considered during the reconciliation of the value for the property.

Size

Sales 1 & 5 required adjustment. Both sales are considerably larger than the subject and required upward adjustments.

Location

Sale 3 has a superior location and required a downward adjustment.

Entitlements

All of the sales were fully entitled as is the subject. No adjustments were necessary.

In analyzing the sales, specific consideration is given to all of the factors as discussed above. After considering all of the differences, it was determined that one of the sales required downward adjustment and two upward adjustments. When analyzing the sales on a per square foot basis, they show the following trends:

Minimum	\$902.56
Maximum	\$1,260.00
Average	\$1,135.69
Median	\$1,138.79

The sales generally show a tight range of unit values before and after adjustment. Minimal adjustments were made to the sales. In this instance, a unit value of \$1,150.00/SF is selected. Hence, the following valuation:

Land = 15,200 SF @ \$1,150/SF =	\$17,480,000.00
ADJUSTED TO =	<u>\$17,480,000.00</u>

B. Cost Approach:

In the Cost Approach, the appraisers have considered the current costs of replacing the property or building improvements. When possible, the costs are obtained from a variety of sources that can include the Marshall Swift National Cost Index source, contractor's estimates, and the appraisers' own continuing cost files. These cost files consist of information on similar projects throughout the area, as well as existing projects in similar neighborhoods. The costs are then adjusted to comply with the immediate surrounding area.

The Cost Approach is typically most relevant when the property being appraised involves proposed or new construction or when it is a special use property and there is a lack of market data available. In addition, it is also useful in appraising very old properties where the remaining economic life on any building improvements is minimal.

The Cost Approach typically involves five steps, however, in some instances; one or more steps may be omitted. These steps include the following:

- **Estimate the land value**
- **Estimate the direct cost of the building and site improvements**
- **Estimate any indirect or soft costs**
- **Estimate a developer's or entrepreneurial profit**
- **Estimate and deduct any depreciation**
- **Combining the depreciated cost and land value**

The cost approach is purposely excluded from this appraisal. The valuation considers land only and no consideration is given to any improvements on

the property.

C. Income Approach:

The final method of valuation used in the appraisal is the Income Capitalization Approach. In the analysis of properties, the Income Approach is used to derive a value indication by converting the anticipated benefits from possible rental income into a value estimate. This approach takes into consideration the possible risks that are associated with comparable properties as well as a suitable rate of return or capitalization rate. The capitalization rate is derived from the comparable sales that were discussed in the Sales Comparison Approach. There are essentially four steps in valuing the property in the Income Capitalization Approach. These include the following:

- **Estimating anticipated income**
- **Estimating and deducting a suitable vacancy rate and collection loss,**
- **Estimating and deducting applicable expenses**
- **Selection of a suitable capitalization rate**

After all vacancy and expenses are deducted from the anticipated gross income, the resulting net income is capitalized into a value estimate. Each of these steps will be discussed in further detail as they pertain to the project.

The income approach is not considered in this appraisal.

D. <u>Final Value Opinion – As Is:</u>	
Sales Comparison Approach =	\$17,480,000.00
Cost Approach =	Not Included
Income Capitalization Approach =	Not Included
Final Value Opinion =	<u>\$17,480,000.00</u>

In the case of this appraisal, consideration is only given to the sales comparison approach. It is the most applicable method in the valuation of the property as improved.

XIX. Exposure Time:

Exposure time is always presumed to precede the effective date of appraisal, while marketing time is expected to follow the effective date of appraisal. Exposure time is defined as follows:

Exposure Time:

- "1. *The time a property remains on the market.*

2. *The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Market Value Estimates," October*

1992)."

An exposure time of 6 months is appropriate for the subject considering recent economic conditions.

CONFIDENTIALITY OF SOURCES
CERTIFICATION, QUALIFICATIONS

CONFIDENTIALITY OF SOURCES

The names of persons, who provide information as to sales, rents, marketing time, etc., have purposely been excluded from this document.

This is to protect our confidential sources of data for future assistance.

CERTIFICATION

I, Gregg J. Palmer, certify:

- That I have made a personal inspection of the property that is the subject of this report, and have considered all of the pertinent facts affecting the value thereof.
- That all market data pertaining to the final value opinion has been accumulated from various sources and, where possible, personally examined and verified as to details, motivation and validity.
- That as of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute. I am also a Certified General Appraiser, per the Office of Real Estate Appraisers, State of California, License No. AG002880.
- That the statements of fact contained in this report are true and correct.
- That the reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- That I have no present or prospective interest in the property or the transaction that is the subject of this report, and we have no personal interest with respect to the parties involved.
- That I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- That my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- That our compensation for completing the 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.

CERTIFICATION, CONTINUED

- That my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- That no one provided significant professional assistance to the person signing this report.
- That the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative(s).
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- That I have the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraisers' statement of qualifications in the Addenda.
- That the subject and the comparable sales relied upon in making said appraisal were as represented by the photographs contained in said appraisal.
- That such appraisal has been made in conformity with the appropriate State and City laws, Title VI of the 1964 Civil Rights Act, and regulations, policies and procedures applicable to appraisal of right of way for such purposes, and that to the best of my knowledge, no portion of the value assigned to such property consists of items which are noncompensable under the established law of such State and/or City.
- Unless otherwise noted in the scope of this report, I have provided no services regarding the subject property as an appraiser or in any other capacity within the three-year period immediately preceding acceptance of this assignment.



Gregg J. Palmer, MAI
AG002880 - Expires 4/24/2018

GREGG J. PALMER, MAI

QUALIFICATIONS SUMMARY

Comprehensive experience in the appraisal of complex commercial, industrial, residential, apartment, agricultural, and special purpose properties. Qualifications include MAI with the Appraisal Institute and candidacy as SR/WA with International Right of Way Association. Additionally, certified with the California Office of Real Estate Appraisers and holds a Bachelor of Arts Degree in English from Fresno State University.

CLIENT PROFILES

Performed a wide range of appraisal assignments for financial, legal, public, and private sector clients including:

Financial: Regency Bank, Western Bank, Great Western Bank, Fresno Bank of Commerce, San Joaquin Funding, Builders Mortgage, Cambridge Capital, Mercury Savings & Loan, Republic Savings & Loan, PV Financial, Central Bank, American National Bank, University Savings & Loan, Mitsubishi Bank, Bank of California, Pacific First Bank, Tokai Bank, Wells Fargo Bank, Mineral King Bank, Capital Bank, Imperial Thrift, United Security Bank, TOPA Thrift & Loan, Money Store Investment Corp., Banc One, Bank of the Sierra, WestAmerica Bank, Cypress Coast Bank, Stockton Savings Bank, Met-Life, Coopers & Lybrand, Truckee River Bank, CB Commercial, J.P. Morgan, GMAC, Washington Capital, Washington Mortgage, Banc One Capital Funding.

Industry: Wilbur Ellis Company, Hydro Conduit, Fruehauf, Pacific Choice Brands, Penniman-Thermo King, Southern Pacific Railroad, Southern California Edison.

Public: Cities of Fresno, Hanford, Sanger, Coalinga, Firebaugh, Madera, Clovis; Counties of Fresno, Kings, Madera, and Tulare; Redevelopment Agencies of Fresno, Clovis, Visalia, Sanger and Tulare; Federal Deposit Insurance Corporation (FDIC); Housing and Urban Development (HUD); California Housing Finance Agency (CHFA); Federal Aviation Administration (FAA); Resolution Trust Corporation (RTC); Department of Fish and Game.

Special Purpose: Convalescent hospitals, day care centers, churches, residential care facilities, senior citizen apartment projects, subdivisions, assessment districts, historic properties, hotels, railroad rights-of-way.

Oil Companies: Shell, Chevron, Unocal, Atlantic Richfield, Texaco.

Schools: Districts of Kerman and Hanford.

DESIGNATIONS, AFFILIATIONS

MAI Member Appraisal Institute Sacramento Sierra Chapter.
Fresno Chapter Newsletter Editor & Publisher (1992/1993).

SR/WA Candidate International Right-of-Way Association. Newsletter Editor & Publisher.
Chapter President 1996.

OREA Office of Real Estate Appraisers, State of California. Certified General Real Estate Appraiser (2/4/92).
Certification No. AG002880 (valid through April 24, 2018).

GREGG J. PALMER, MAI

Page Two

COURT

Superior Court of the State of California.

Qualified as an Expert Witness

TEACHING

California State University, Fresno

Principles of Real Estate

GEOGRAPHIC AREA

California: Counties of: Fresno, Madera, Merced, Stanislaus, Sacramento, Kings, Tulare, Kern, Inyo, San Joaquin, Santa Barbara, Mono, Los Angeles, San Diego, Del Norte, Tehema, and Imperial.

Other States: Oregon

EDUCATION, PROFESSIONAL DEVELOPMENT

California State University, Fresno

Bachelor of Arts Degree - English

American Institute of Real Estate Appraisers Real Estate Appraisal Principles, Basic Valuation Procedures, Standards of Professional Practice, Capitalization Theory & Techniques Parts A & B, Case Studies in Real Estate Valuation, Report Writing & Valuation Analysis



LIMITING CONDITIONS

In acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith, it has been assumed by these appraisers:

1) **Limit of Liability:**

The liability of James G. Palmer Appraisals Inc., and employees, is limited to the client only and to the fee actually received by Appraiser(s). Further, there is no accountability, obligation, or liability to any third party. If this report is disseminated to anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser(s) is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that if a legal action is initiated by any lender, partner, part owner in any form of ownership, tenant, or any other party, the client will hold the Appraiser completely harmless in any such action from any and all awards or settlements of any type, regardless of outcome.

2) **Copies, Publication, Distribution, Use of Report:**

Possession of this report or any copy thereof, does not carry with it the right to publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the Appraiser(s) for the use of the client, the fee being for the analytical services only. No right is given to copy all or part of this report.

Except, as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser. (See last item in following list for client agreement/consent.)

3) **Confidentiality:**

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser(s). The Appraiser(s) and firm shall have no responsibility if any such unauthorized change is made. The Appraiser(s) may not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of this report to anyone other than the client or his designee as specified in writing.

4) **Information Use:**

No responsibility is assumed for accuracy of information furnished by work of others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with James G. Palmer Appraisals Inc. and signing the report are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source though reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information.

5) **Testimony, Consultation, Completion, of Contract For Appraisal Service:**

The contract for appraisal, consultation, or analytical service is fulfilled and the total fee is payable upon completion of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with the client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required as a result of any subpoena, the client shall be responsible for any additional time, fees, and charges, regardless of issuing party.

6) **Exhibits:**

Any sketches, maps, and photographs in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Site plans are not surveyed unless shown from separate surveyor.

7) **Legal Engineering, Financial, Structural, or Mechanical Components; Soil Quality:**

No responsibility is assumed for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in the appraisal report.

The legal description is assumed to be correct as used in this report furnished by the client, his designee, or as derived by the Appraiser(s).

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, soils and potential for settlement on drainage, matters concerning liens, title status, and legal marketability, and similar matters. The client should seek assistance from qualified architectural, engineering, or legal professionals regarding such matters. The lender and owner should inspect the property before any disbursement of funds. Further, it is likely that the lender or owner may wish to require mechanical structural inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser(s) has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm; however, subsidence in the area is unknown. The Appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based upon there being no hidden, unapparent, or apparent conditions of the site, subsoil, or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by use as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for the subject property's age and type.

If the Appraiser(s) has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representations or warranties are made concerning the above mentioned items.

The Appraiser(s) assumes no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contracted to determine the actual need for Flood Hazard Insurance.

8) **Legality of Use:**

The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report, and that all applications zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report. It is further assumed that all required licenses, consents, permits, or other legislative or administrative approvals from all applicable local, state, federal and/or private authorities have been or can be obtained or renewed for any use considered in the value estimate.

9) **Component Values:**

The allocation of the total valuation in this report between land and improvements, if included in this report, applies only under the use of the property which is assumed in this report. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

10) **Auxiliary and Related Studies:**

No environmental or impact studies, special market study or analysis, special highest and best use study or feasibility study has been requested or made unless specified in an agreement for services or so stated in this report.

11) **Dollar Values, Purchasing Power:**

The market value estimate and the cost used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and value of the dollars as of the date of the value estimate.

12) **Value Change, Dynamic Market, Influences, Alteration of Estimate By Appraiser:**

The estimated market value, which is defined in the report, is subject to change with market changes over time. Value is highly related to exposure, time, promotional effort, terms, motivation, and conditions. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace as of the date of value.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and Appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value, and they are thus subject to change as the market changes.

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The appraisal report and value estimate are subject to change if the physical or legal entity or the terms of financing are different from what is set forth in this report.

- 13) **Inclusions:**
Except as specifically indicated and typically considered as a part of the real estate, furnishings, equipment, other personal property, or business operations have been disregarded with only the real estate being considered in the value estimate. In some property types, business and real estate interests and values are combined but only if so stated.
- 14) **Proposed Improvements, Conditioned Value:**
Improvements proposed, if any, onsite or offsite, as well as any repairs required are considered for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In case of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed, and operating at levels shown and projected, unless otherwise stated.
- 15) **Management of the Property:**
It is assumed that the property which is the subject of this report will be under typically prudent and competent management, neither inefficient nor superefficient.
- 16) **Fee:**
The fee for this appraisal or study is for the service rendered and not solely for the time spent on the physical report or the physical report itself.
- 17) **Insulation and Toxic Materials:**
Unless otherwise stated in this report, the Appraiser(s) signing this report have no knowledge concerning the presence or absence of toxic materials and/or unreaformaldehyde foam insulation in existing improvements. If such is present, the value of the property may be adversely affected.
- 18) **Change, Modifications:**
The Appraiser(s) reserve the right to alter statements, analyses, conclusions or any value estimate in the appraisal if there becomes known to them facts pertinent to the appraisal process which were unknown when the report was finished.
- 19) **Limiting Conditions:**
This report sets forth all of the limiting conditions affecting the analysis, opinions, and conclusions contained in this report.
- 20) **Acceptance:**
Acceptance and/or use of this appraisal report by the client or any third party constitutes acceptance of the above conditions. Appraiser liability extends only to the stated client and not to subsequent parties or users. And the liability is limited to the amount of fee received by the Appraiser(s).
- 21) **Americans with Disabilities Act:**
The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the property's market value. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in our market value estimates.
- 22) **Fair Housing Amendments Act:**
In accordance with the Fair Housing Amendments Act, it is illegal for an Appraiser(s) to discriminate against any person because of race, color, religion, sex, hardship, familial status, or national origin. This appraisal complies with all rules and regulations prohibiting discrimination on the basis of race, color, religion, sex, nation origin, and marital status.
- 23) **Year 2000 Compliance:**
Unless otherwise stated in this report, problems with year 2000 compliance were not investigated, nor called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. Problems with year 2000 compliance of embedded systems and the cost to correct them would affect the value of the property, but the appraiser is not qualified to recognize or estimate the cost. This appraisal is predicated on the assumption that no such year 2000 problems exist and no responsibility is assumed for any such problems, nor for any expertise or knowledge required to discover them.
- 24) **Unforeseeable Events:**
The appraiser cannot be held responsible for unforeseeable events that alter market conditions (that occur subsequent to the date of the preparation of the report, but) prior to the effective date of the appraisal.
- 25) **Prospective Valuation:**
In preparing appraisals that include prospective (future) valuations, the appraiser cannot be held responsible for the unforeseeable events that alter market conditions (those that occur subsequent to the date of preparation of the report but, prior to the effective date of appraisal).

ADDENDA

SUBJECT PHOTOGRAPHS



**SUBJECT
PROPERTY**



**SUBJECT
PROPERTY**



STREET VIEW



STREET VIEW



DETAIL REPORT

Property Address: 1036 MISSION ST SAN FRANCISCO CA 94103-2813

Ownership

Parcel# (APN): 3703 -162
Parcel Status:
Owner Name: 1036 MISSION ASSOCS LP
Mailing Addr: 201 EDDY ST SAN FRANCISCO CA 94109
Legal Description:

Assessment

Total Value: Use Code: VCI Use Type: VACANT
Land Value: Tax Rate Area: 001-000 Zoning: C3G
Impr Value: Year Assd: 2015 Census Tract: 176.01/2
Other Value: Property Tax: Price/SqFt:
% Improved: 0% Delinquent Yr:
Exempt Amt: HO Exempt: N

Sale History

Recording date: 09/25/2015
Recording Doc: K137764
IFields. Doc type:
Transfer Amount:
Seller (Grantor):
1st Trust Dd Amt:
2nd Trust Dd Amt:

Property Characteristics

Bedrooms: Fireplace: Units:
Baths (Full): A/C: Stories:
Baths (Half): Heating: Quality:
Total Rooms: Pool: Building Class:
Bldg/Liv Area: Park Type: Condition:
Lot Acres: 0.348 Spaces: Site influence:
Lot SqFt: 15,200 Garage SqFt: Timber Preserve:
Year Built: Bsmt SqFt: N/A Ag Preserve:
Effective Year:

SOIL REPORT

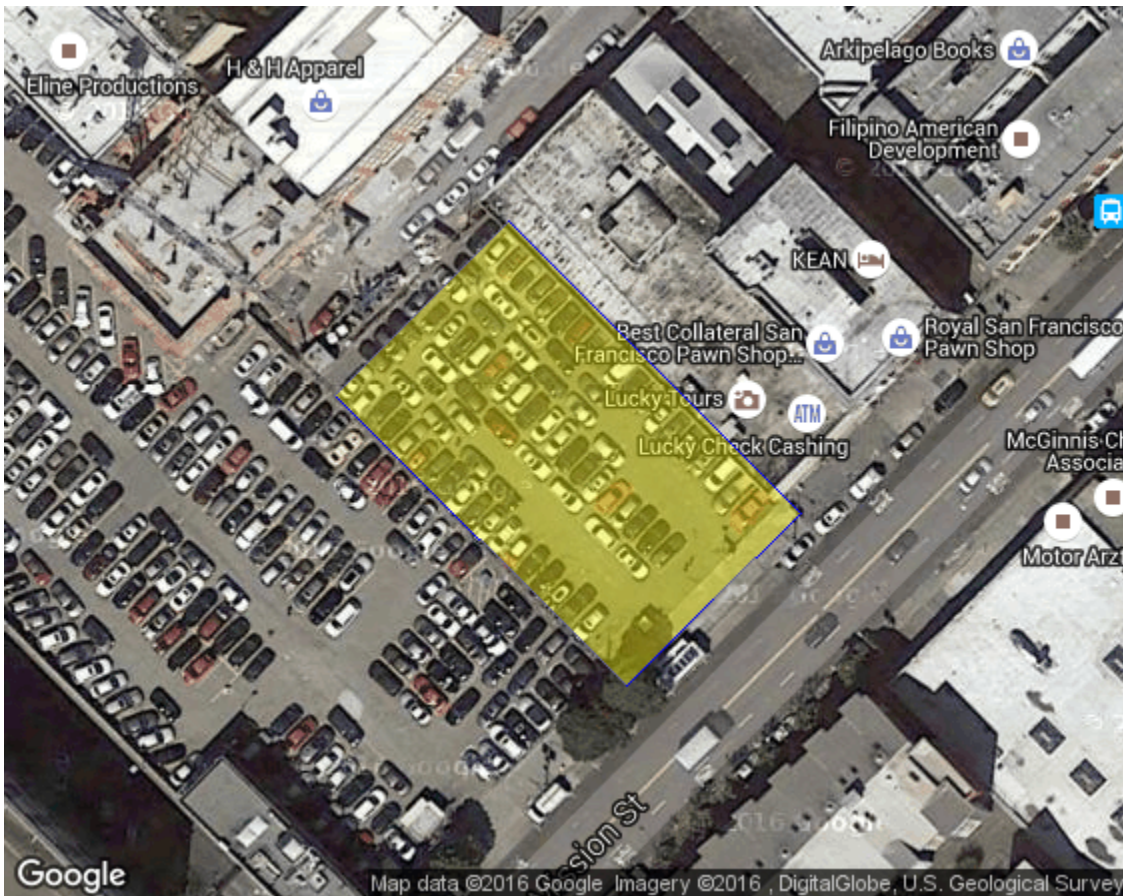
Property Address: **1036 MISSION ST SAN FRANCISCO CA 94103-2813**

Ownership

Parcel# (APN): **3703 -162**
 Parcel Status:
 Owner Name: **1036 MISSION ASSOCS LP**
 Mailing Addr: **201 EDDY ST SAN FRANCISCO CA 94109**
 Legal Description:

Assessment

Total Value:	Use Code:	VCI	Use Type:	VACANT
Land Value:	Tax Rate Area:	001-000	Zoning:	C3G
Impr Value:	Year Assd:	2015	Census Tract:	176.01/2
Other Value:	Property Tax:		Price/SqFt:	
% Improved:	Delinquent Yr:			
Exempt Amt:	HO Exempt:	N		



Symbol	Name	Grade Comp.	Irr Cap.	Non-Irr.	Storie	Acres	Parcel %
		Slope.	Class	Cap. Class	Index		
	131 Urban land	8		8		.347	100.00%
						.347	



SAN FRANCISCO PLANNING DEPARTMENT

Report for: 1036 MISSION STREET



Property Report: 1036 MISSION STREET

General information related to properties at this location.

PARCELS (Block/Lot):

3703/079

3703/162

PARCEL HISTORY:

3703/079 became 3703/162 on 10/8/2015

3703/080 became 3703/162 on 10/8/2015

ADDRESSES:

1036 MISSION ST, SAN FRANCISCO, CA 94103 (parcel 3703/079)

NEIGHBORHOOD:

South of Market

CURRENT PLANNING TEAM:

[NE Team](#)

PLANNING DISTRICT:

District 4: Downtown

SUPERVISOR DISTRICT:

[District 6 \(Jane Kim\)](#)

CENSUS TRACTS:

2010 Census Tract [017601](#)

TRAFFIC ANALYSIS ZONE:

Traffic Analysis Zone: 666

RECOMMENDED PLANTS:

Would you like to grow plants that create habitat and save water? Check out the plants that we would recommend for this property at [SF Plant Finder](#).

CITY PROPERTIES:

None

PORT FACILITIES:

None

ASSESSOR'S REPORT:

Address:	1036-1040 MISSION #000ST
Parcel:	3703162
Assessed Values:	
Land:	-
Structure:	-
Fixtures:	-
Personal Property:	-
Last Sale:	-
Last Sale Price:	-
Year Built:	-
Building Area:	-
Parcel Area:	15,200 sq ft
Parcel Shape:	Rectangular
Parcel Frontage:	-
Parcel Depth:	60 ft
Construction Type:	-
Use Type:	Vacant Lot Comm and Ind
Units:	-
Stories:	-
Rooms:	-

Bedrooms: -
Bathrooms: -
Basement: -

Zoning Report: 1036 MISSION STREET

Planning Department Zoning and other regulations.

ZONING DISTRICTS:

C-3-G - [DOWNTOWN-GENERAL](#)

HEIGHT & BULK DISTRICTS:

[120-X](#)

SPECIAL USE DISTRICTS:

[Within 1/4 Mile of the Fringe Financial Services RUD](#)
[Within 1/4 Mile of an Existing Fringe Financial Service](#)

SPECIAL SIGN DISTRICTS:

None

LEGISLATIVE SETBACKS:

None

COASTAL ZONE:

Not in the Coastal Zone

PORT:

Not under Port Jurisdiction

LIMITED AND NONCONFORMING USES:

None

NEIGHBORHOOD-SPECIFIC IMPACT FEE AREAS:

In addition to those impact fees that apply throughout the City, the following neighborhood-specific impact fees apply to this particular property:

[Downtown Park Fee](#)

An overview of Development Impact Fees can be found on the [Impact Fees](#) website.

REDEVELOPMENT AREAS:

None

OTHER INFORMATION:

Control: Seismic Hazard - Liquefaction
Description: CEQA Impact: an Environmental Evaluation Application may be required for some types of

development.
Additionally, any new construction is subject to a mandatory Interdepartmental Project Review.

Added: 3/20/2013

Control: PC Section 155(r)

Description: Curb Cut Restrictions (Sec. 155(r))

Added:

Control: Flood Notification

Description: This lot is in a block that has the potential to flood during storms. See the accompanying notice. Applicant to contact Cliff Wong at 554-8339.

Added: 2/25/2008

Control: Stormwater Management Ordinance

Description: Projects that disturb 5,000 square feet or more of the ground surface must comply with the Stormwater Design Guidelines and submit a Stormwater Control Plan to the SFPUC for review. To view the Guidelines and download instructions for preparing a Stormwater Control Plan, go to <http://stormwater.sfwater.org/> . Applicants may contact stormwaterreview@sfwater.org for assistance.

Added: 8/6/2010

Control: Fringe Financial Service RUD 1/4-mile buffer

Description: No new fringe financial services shall be permitted as a principal or accessory use in the Fringe Financial Service RUD. The controls of this Section 249.35 shall also apply within a ¼-mile of the Fringe Financial Service RUD

Added: 8/20/2012

Control: Fringe Financial Service 1/4-mile buffer

Description: No new fringe financial service shall be permitted as a principal or accessory use within ¼ mile of an existing fringe financial service

Added: 8/20/2012

Control: Health Code Article 38 Air Pollutant Exposure Zone

Description: Site is located in an area with elevated pollutant concentrations. Sensitive use buildings, as defined in the Applicability section of the Ordinance, must comply with Health Code Article 38.
CEQA Impact: An Environmental Evaluation Application may be required for projects that generate air pollutants.

Added: 12/7/2014

Control: Vision Zero Program

Description: The project is located on a 'high-injury corridor', identified through the City's [Vision Zero Program](#). The Sponsor is encouraged to incorporate pedestrian safety streetscape measures into the project. If the project is required to submit a streetscape plan per [Section 138.1](#) of the Planning Code, planners should refer the project to the Department's Streetscape Design Advisory Team for consideration of additional pedestrian safety streetscape measures

Added:

Control: Noise Regulations Near Places of Entertainment

Description: Projects within 300 feet of a Place of Entertainment may be subject to an Entertainment Commission outreach process if they:
(a) Are subject to the Planning Department's requirement for a Preliminary Project Assessment for residential use, pursuant to Planning Department policy;
(b) Are subject to the Planning Department's Pre-Application Meeting requirement for new construction, pursuant to Planning Department policy; or
(c) Are proposing a conversion of a structure from non-residential use to residential use.

Added: 5/5/2015

PLANNING AREAS:

Planning Area: [Downtown](#)

MAYOR'S INVEST IN NEIGHBORHOODS INITIATIVE AREA:

Within a Mayor's [Invest in Neighborhoods Initiative](#) Area

COMMUNITY BENEFIT DISTRICT:

Within a Community Benefit District: [Central Market](#)

SCHOOLS:

Within 1,000ft of: De Marillac Academy
Within 1,000ft of: Cross Cultural Family Center - Turk Street Center
Within 1,000ft of: Larkin Street Youth Services Academy
Within 1,000ft of: Kids By The Bay Preschool

NOTICE OF SPECIAL RESTRICTIONS:

NSR No.: J096004
Restriction: To allow construction of a new mixed use building containing approximately 100 affordable dwelling units, 1250 sq ft. Of a ground floor retail space, common community rooms and no off street parking space in a C-3-G.
Permit No: 20071464X
NSR Date: 12/8/2010
[View Notice of Special Restrictions](#)

NSR No.: J096005
Restriction: To allow construction of a new mixed use building containing approximately 100 all affordable dwelling units, 1250 sq ft. of the ground floor retail space, common community rooms.
Permit No: 20071464C
NSR Date: 12/8/2010
[View Notice of Special Restrictions](#)

NSR No.: J096006
Restriction: To construct a new 9 to 13 story mixed used building approximately 120 ft. in maximum height with 115,000 gsf of floor area on a current surface parking lot.
Permit No: 20071464V
NSR Date: 12/8/2010
[View Notice of Special Restrictions](#)

ZONING LETTERS OF DETERMINATION:

Planning App. No.: 11218ZAD
Planner: [Kate Conner](#) Tel: 415-575-6914
Record Type: Zoning Administrator Determination Letter (ZAD)
Opened: 6/24/2013
Name: 1036 Mission Street (3703/079 & 080); Letter of Determination
Description: 1036 Mission Street (3703/079 & 080); Letter of Determination
Status: Closed - Issued 10/9/2013
Parcel:
Further Information: [View](#)
Related Records: None

[Historic Preservation Report: 1036 MISSION STREET](#)

Historic preservation surveys and evaluations. The Historic Resource status shown on this page is tentative, to confirm the status of your property please speak to a Preservation Technical Specialist. Tel: 415-558-6377; Email: pic@sfgov.org

HISTORIC EVALUATION:

Parcel: 3703079
Building Name:
Address: 521 JESSIE ST
Planning Dept. Historic Resource Status: [B - Unknown / Age Eligible](#)

ARTICLE 10 DESIGNATED HISTORIC DISTRICTS AND LANDMARKS:

None

ARTICLE 11 PRESERVATION DESIGNATION:

None

NATIONAL REGISTER HISTORIC DISTRICTS:

None

CALIFORNIA REGISTER HISTORIC DISTRICTS:

None

HISTORIC RESOURCE EVALUATION RESPONSES:

None

HISTORIC SURVEYS:

None

[View DPR Survey Form for Parcel 3703079](#)

HISTORIC CONTEXT STATEMENTS:

None

ARCHITECTURE:

Unknown

[Planning Applications Report: 1036 MISSION STREET](#)

Permits are required in San Francisco to operate a businesses or to perform construction activity. The Planning Department reviews most applications for these permits in order to ensure that the projects comply with the [Planning Code](#). The 'Project' is the activity being proposed.

PLANNING APPLICATIONS:

2016-004050GPR

[Steve Wertheim](#) Tel: 415-558-6612

General Plan Referral (GPR) 1036 Mission St

The property is currently owned by Tenderloin Neighborhood Development Corp and will transfer to MOHCD in June. At that time, MOHCD will enter into a long term ground lease with TNDC in which TNDC will build 83 affordable units for families.

OPENED
3/29/2016

STATUS
Closed - Approved

ADDRESS

FURTHER INFO
[View](#)

RELATED RECORDS: None**2015-001457LLA**[Anne Brask](#) Tel: 415-575-9078**Lot Line Adjustments-REF (LLA)** 521 Jessie Street (aka 1036-1040 Mission Street)

Lot Line Adjustment - Merge two (2) lots into one (1).

OPENED	STATUS	ADDRESS	FURTHER INFO
2/10/2015	Closed - Approved 2/17/2015	521 JESSIE ST 94103	View

RELATED RECORDS: None**2014.0103V**[Kate Conner](#) Tel: 415-575-6914**Variance (VAR)** 1036-1040 Mission Street

A 9 story mid-rise residential building, housing 83 affordable units ranging from studios (junior one-bedrooms to three bedroom flats. The project also includes common rooms, management offices, laundry, lobby, circulation & supportive service spaces designed to serve the intended family population. The 963 sq. ft. ground floor retail space is intended for neighborhood-serving retail, or could be used for non-profit use. The proposed project would include new sidewalks, utility infrastructure & landscaping as well as common open space. No off-street parking is proposed, but the project includes the requisite 84 fully compliant bicycle parking spaces and an additional 60 non-compliant bicycle parking spaces.

OPENED	STATUS	ADDRESS	FURTHER INFO
1/16/2014	Closed - Approved 6/26/2014	1036 MISSION ST 94103	View

RELATED RECORDS: [2014.0103](#)
- [2014.0103V](#)**2014.0103**[Kate Conner](#) Tel: 415-575-6914**Project Profile (PRJ)** 1036-1040 Mission Street

A 9 story mid-rise residential building, housing 83 affordable units ranging from studios (junior one-bedrooms to three bedroom flats. The project also includes common rooms, management offices, laundry, lobby, circulation & supportive service spaces designed to serve the intended family population. The 963 sq. ft. ground floor retail space is intended for neighborhood-serving retail, or could be used for non-profit use. The proposed project would include new sidewalks, utility infrastructure & landscaping as well as common open space. No off-street parking is proposed, but the project includes the requisite 84 fully compliant bicycle parking spaces and an additional 60 non-compliant bicycle parking spaces.

OPENED	STATUS	ADDRESS	FURTHER INFO
1/16/2014	Closed	1036 MISSION ST 94103	View

RELATED RECORDS: [2014.0103](#)
- [2014.0103C](#)
- [2014.0103V](#)
- [2014.0103X](#)**RELATED BUILDING PERMITS:** [201406269523](#)**2014.0103X**[Kate Conner](#) Tel: 415-575-6914**Downtown Exception-309 (DNX)** 1036-1040 Mission Street

A 9 story mid-rise residential building, housing 83 affordable units ranging from studios (junior one-bedrooms to three bedroom flats. The project also includes common rooms, management offices, laundry, lobby, circulation & supportive service spaces designed to serve the intended family population. The 963 sq. ft. ground floor retail space is intended for neighborhood-serving retail, or could be used for non-profit use. The proposed project would include new sidewalks, utility infrastructure & landscaping as well as common open space. No off-street parking is proposed, but the project includes the requisite 84 fully compliant bicycle parking spaces and an additional 60 non-compliant bicycle parking spaces.

bicycle parking spaces and an additional 60 non-compliant bicycle parking spaces.

OPENED	STATUS	ADDRESS	FURTHER INFO
1/16/2014	Closed - Approved 5/1/2014	1036 MISSION ST 94103	View

RELATED RECORDS: [2014.0103](#)
- 2014.0103X

2014.0103C

[Kate Conner](#) Tel: 415-575-6914

Conditional Use Authorization (CUA) 1036-1040 Mission Street

A 9 story mid-rise residential building, housing 83 affordable units ranging from studios (junior one-bedrooms to three bedroom flats. The project also includes common rooms, management offices, laundry, lobby, circulation & supportive service spaces designed to serve the intended family population. The 963 sq. ft. ground floor retail space is intended for neighborhood-serving retail, or could be used for non-profit use. The proposed project would include new sidewalks, utility infrastructure & landscaping as well as common open space. No off-street parking is proposed, but the project includes the requisite 84 fully compliant bicycle parking spaces and an additional 60 non-compliant bicycle parking spaces.

OPENED	STATUS	ADDRESS	FURTHER INFO
1/16/2014	Closed - Approved 5/1/2014	1036 MISSION ST 94103	View

RELATED RECORDS: [2014.0103](#)
- 2014.0103C

2012.1513T

[Marlo Isaac](#) Tel: 415-575-6835

Plan Code Amendment-LEG (PCA) Mid Market Special Use District

Potential Mid-Market Special Use District and related Planning Code Amendments

OPENED	STATUS	ADDRESS	FURTHER INFO
12/12/2012	Closed - Withdrawn 7/8/2013	210 TAYLOR ST, SAN FRANCISCO, CA	View

RELATED RECORDS: [2012.1513](#)
- 2012.1513T

2012.1513

[Marlo Isaac](#) Tel: 415-575-6835

Project Profile (PRJ) Mid Market Special Use District

Potential Mid-Market Special Use District and related Planning Code Amendments

OPENED	STATUS	ADDRESS	FURTHER INFO
12/12/2012	Closed 11/10/2014	210 TAYLOR ST, SAN FRANCISCO, CA	View

RELATED RECORDS: 2012.1513
- [2012.1513T](#) **RELATED BUILDING PERMITS:** None

2010.1014R

[Joshua Switzky](#) Tel: 415-575-6815

General Plan Referral (GPR) Mid-Market Redelopment Plan

Mid-Market Redelopment Plan. Proposed Redevelopment Plan in an area generally bound by Market, Fifth, Mission and Tenth Streets. T-Case description: Potential Special Use District R- Case: Redevelopment Plan Review and Adoption

OPENED	STATUS	ADDRESS	FURTHER INFO
11/15/2010	Closed 12/12/2012	210 TAYLOR ST, SAN FRANCISCO, CA	View

RELATED RECORDS: [2010.1014](#)
- [2010.1014R](#)

2010.1014T

[Joshua Switzky](#) Tel: 415-575-6815

Plan Code Amendment-LEG (PCA) Mid-Market Redelopment Plan

Mid-Market Revelopment Plan. Proposed Redevelopment Plan in an area generally bound by Market, Fifth, Mission and Tenth Streets. T-Case description: Potential Special Use District R- Case: Redevelopment Plan Review and Adoption

OPENED	STATUS	ADDRESS	FURTHER INFO
11/15/2010	Closed 12/12/2012	210 TAYLOR ST, SAN FRANCISCO, CA	View

RELATED RECORDS: [2010.1014](#)
- [2010.1014T](#)

2010.1014E_3

[Planning Information Center](#) Tel: 558-6377

Environmental (ENV) Mid-Market Redelopment Plan

Mid-Market Revelopment Plan. Proposed Redevelopment Plan in an area generally bound by Market, Fifth, Mission and Tenth Streets. T-Case description: Potential Special Use District R- Case: Redevelopment Plan Review and Adoption

OPENED	STATUS	ADDRESS	FURTHER INFO
11/10/2010	Closed - Cancelled 5/7/2012	210 TAYLOR ST, SAN FRANCISCO, CA	View

RELATED RECORDS: None

2010.1014

[Planning Information Center](#) Tel: 558-6377

Project Profile (PRJ) Mid-Market Redelopment Plan

Mid-Market Revelopment Plan. Proposed Redevelopment Plan in an area generally bound by Market, Fifth, Mission and Tenth Streets. T-Case description: Potential Special Use District R- Case: Redevelopment Plan Review and Adoption

OPENED	STATUS	ADDRESS	FURTHER INFO
11/9/2010	Closed 5/9/2016	210 TAYLOR ST, SAN FRANCISCO, CA	View

RELATED RECORDS: [2010.1014](#)
- [2010.1014E](#)
- [2010.1014E-3](#)
- [2010.1014R](#)
- [2010.1014T](#)

RELATED BUILDING PERMITS: None

2010.1014E

[Planning Information Center](#) Tel: 558-6377

Environmental (ENV) Mid-Market Redelopment Plan

Mid-Market Revelopment Plan. Proposed Redevelopment Plan in an area generally bound by Market, Fifth, Mission and Tenth Streets. T-Case description: Potential Special Use District R- Case: Redevelopment Plan Review and Adoption

OPENED	STATUS	ADDRESS	FURTHER INFO
11/9/2010	Closed - Cancelled 5/7/2012	210 TAYLOR ST, SAN FRANCISCO, CA	View

RELATED RECORDS: [2010.1014](#)

2007.1464C

[AHOLLIST](#) Tel: 558-6377

Conditional Use Authorization (CUA) 1036-1040 MISSION ST

100% Affordable residential mid-rise, 106-du, with ground-floor retail, approx 116,055-gsf total, on two lots, in one structure with two bldg two masses-- one 13-story, one 8-story --and two City Carshare spaces, on existing surface parking lot. (As of 11-5-2008 -- "X" for construction of +/- 100 all-affordable d.u.'s in a 9- to 13-story bldg. w/ +/- 114,380 sq. ft., no off-street parking, & +/- 1,256 sq. ft. retail/non-profit space incl. request for exceptions for rear yard, building bulk & off-street loading -- "C" for additional floor area over base FAR (+/- 7.7:1) pursuant to Code Section 124(f) -- & "V" for usable open space (Code Section 135) & dwelling-unit exposure (Code Section 140).

OPENED	STATUS	ADDRESS	FURTHER INFO
11/5/2008	Closed - Approved 5/14/2009		View

RELATED RECORDS: [2007.1464](#)
- 2007.1464C

2007.1464V

[AHOLLIST](#) Tel: 558-6377

Variance (VAR) 1036-1040 MISSION ST

100% Affordable residential mid-rise, 106-du, with ground-floor retail, approx 116,055-gsf total, on two lots, in one structure with two bldg two masses-- one 13-story, one 8-story --and two City Carshare spaces, on existing surface parking lot. (As of 11-5-2008 -- "X" for construction of +/- 100 all-affordable d.u.'s in a 9- to 13-story bldg. w/ +/- 114,380 sq. ft., no off-street parking, & +/- 1,256 sq. ft. retail/non-profit space incl. request for exceptions for rear yard, building bulk & off-street loading -- "C" for additional floor area over base FAR (+/- 7.7:1) pursuant to Code Section 124(f) -- & "V" for usable open space (Code Section 135) & dwelling-unit exposure (Code Section 140).

OPENED	STATUS	ADDRESS	FURTHER INFO
11/5/2008	Closed - Approved 1/14/2010		View

RELATED RECORDS: [2007.1464](#)
- 2007.1464V

2007.1464X

[AHOLLIST](#) Tel: 558-6377

Downtown Exception-309 (DNX) 1036-1040 MISSION ST

100% Affordable residential mid-rise, 106-du, with ground-floor retail, approx 116,055-gsf total, on two lots, in one structure with two bldg two masses-- one 13-story, one 8-story --and two City Carshare spaces, on existing surface parking lot. (As of 11-5-2008 -- "X" for construction of +/- 100 all-affordable d.u.'s in a 9- to 13-story bldg. w/ +/- 114,380 sq. ft., no off-street parking, & +/- 1,256 sq. ft. retail/non-profit space incl. request for exceptions for rear yard, building bulk & off-street loading -- "C" for additional floor area over base FAR (+/- 7.7:1) pursuant to Code Section 124(f) -- & "V" for usable open space (Code Section 135) & dwelling-unit exposure (Code Section 140).

OPENED	STATUS	ADDRESS	FURTHER INFO
11/5/2008	Closed - Approved 5/14/2009		View

RELATED RECORDS: [2007.1464](#)
- 2007.1464X

7611PRV

[JMILLER](#) Tel: 558-6377

Project Review Meetings (PRV) 1036 Mission St - discuss massing revisions and shadow studies for construction of an affordable housing with 106 units.

1036 Mission St - discuss massing revisions and shadow studies for construction of an affordable housing with 106 units.

OPENED	STATUS	ADDRESS	FURTHER INFO
5/29/2008	Closed - Informational 6/3/2008		View

RELATED RECORDS: None

7349PRV [JMILLER](#) Tel: 558-6377

Project Review Meetings (PRV) 1036 Mission St. - Construction of an affordable housing with 106 units.

1036 Mission St. - Construction of an affordable housing with 106 units.

OPENED	STATUS	ADDRESS	FURTHER INFO
2/11/2008	Closed - Informational 2/26/2008		View

RELATED RECORDS: None

2007.1464E [ACONTRER](#) Tel: 558-6377

Environmental (ENV) 1036-1040 MISSION ST

100% Affordable residential mid-rise, 106-du, with ground-floor retail, approx 116,055-gsf total, on two lots, in one structure with two bldg two masses-- one 13-story, one 8-story --and two City Carshare spaces, on existing surface parking lot. (As of 11-5-2008 -- "X" for construction of +/- 100 all-affordable d.u.'s in a 9- to 13-story bldg. w/ +/- 114,380 sq. ft., no off-street parking, & +/- 1,256 sq. ft. retail/non-profit space incl. request for exceptions for rear yard, building bulk & off-street loading -- "C" for additional floor area over base FAR (+/- 7.7:1) pursuant to Code Section 124(f) -- & "V" for usable open space (Code Section 135) & dwelling-unit exposure (Code Section 140).

OPENED	STATUS	ADDRESS	FURTHER INFO
12/21/2007	Closed - CEQA Clearance Issued 4/22/2009		View

RELATED RECORDS: [2007.1464](#)
- 2007.1464E

2007.1464K [AHOLLIST](#) Tel: 558-6377

Shadow Study (SHD) 1036-1040 MISSION ST

100% Affordable residential mid-rise, 106-du, with ground-floor retail, approx 116,055-gsf total, on two lots, in one structure with two bldg two masses-- one 13-story, one 8-story --and two City Carshare spaces, on existing surface parking lot. (As of 11-5-2008 -- "X" for construction of +/- 100 all-affordable d.u.'s in a 9- to 13-story bldg. w/ +/- 114,380 sq. ft., no off-street parking, & +/- 1,256 sq. ft. retail/non-profit space incl. request for exceptions for rear yard, building bulk & off-street loading -- "C" for additional floor area over base FAR (+/- 7.7:1) pursuant to Code Section 124(f) -- & "V" for usable open space (Code Section 135) & dwelling-unit exposure (Code Section 140).

OPENED	STATUS	ADDRESS	FURTHER INFO
12/21/2007	Closed 6/25/2008		View

RELATED RECORDS: [2007.1464](#)
- 2007.1464K

2007.1464 [Planning Information Center](#) Tel: 558-6377

Project Profile (PRJ) 1036-1040 MISSION ST

100% Affordable residential mid-rise, 106-du, with ground-floor retail, approx 116,055-gsf total, on two lots, in one structure with two bldg two masses-- one 13-story, one 8-story --and two City Carshare spaces, on existing surface parking lot. (As of 11-5-

2008 -- "X" for construction of +/- 100 all-affordable d.u.'s in a 9- to 13-story bldg. w/ +/- 114,380 sq. ft., no off-street parking, & +/- 1,256 sq. ft. retail/non-profit space incl. request for exceptions for rear yard, building bulk & off-street loading -- "C" for additional floor area over base FAR (+/- 7.7:1) pursuant to Code Section 124(f) -- & "V" for usable open space (Code Section 135) & dwelling-unit exposure (Code Section 140).

OPENED	STATUS	ADDRESS	FURTHER INFO
12/21/2007	Closed		View

RELATED RECORDS: [2007.1464](#)
- [2007.1464C](#)
- [2007.1464E](#)
- [2007.1464K](#)
- [2007.1464V](#)
- [2007.1464X](#)

RELATED BUILDING PERMITS: None

1985.533T [BEB](#) Tel: 558-6377

Plan Code Amendment-LEG (PCA) CCSF, Market, Stevenson

Conversion Note: source filed date was so record opened date was set to January 1st of case number year - Change Height & Bulk districts, proposed 90' height limit generally allowed with selected CUs for additional height for below market-rate housing.

OPENED	STATUS	ADDRESS	FURTHER INFO
1/1/1985	Closed	45 MASON ST, SAN FRANCISCO, CA 94102	View

RELATED RECORDS: [1985.533](#)
- [1985.533T](#)

1985.220 [Planning Information Center](#) Tel: 558-6377

Project Profile (PRJ) Mid-Market St. Revitalization

Mid-Market St. Revitalization and Conservation District

OPENED	STATUS	ADDRESS	FURTHER INFO
1/1/1985	Closed	45 MASON ST, SAN FRANCISCO, CA 94102	View

RELATED RECORDS: [1985.220](#)
- [1985.220E](#)

RELATED BUILDING PERMITS: None

1985.220E [Planning Information Center](#) Tel: 558-6377

Environmental (ENV) Mid-Market St. Revitalization

Mid-Market St. Revitalization and Conservation District

OPENED	STATUS	ADDRESS	FURTHER INFO
1/1/1985	Closed	45 MASON ST, SAN FRANCISCO, CA 94102	View

RELATED RECORDS: [1985.220](#)
- [1985.220E](#)

1985.533Z [BEB](#) Tel: 558-6377

Zoning Map Amendment-LEG (MAP) CCSF, Market, Stevenson

Conversion Note: source filed date was so record opened date was set to January 1st of case number year - Change Height &

Bulk districts, proposed 90' height limit generally allowed with selected CUs for additional height for below market-rate housing.

OPENED	STATUS	ADDRESS	FURTHER INFO
1/1/1985	Closed	45 MASON ST, SAN FRANCISCO, CA 94102	View

RELATED RECORDS: [1985.533](#)
- [1985.533Z](#)

1985.533

[Planning Information Center](#) Tel: 558-6377

Project Profile (PRJ) CCSF, Market, Stevenson

Change Height & Bulk districts, proposed 90' height limit generally allowed with selected CUs for additional height for below market-rate housing.

OPENED	STATUS	ADDRESS	FURTHER INFO
1/1/1985	Closed	45 MASON ST, SAN FRANCISCO, CA 94102	View

RELATED RECORDS: [1985.533](#)
- [1985.533T](#)
- [1985.533Z](#)

RELATED BUILDING PERMITS: None

SHORT TERM RENTALS:

None

Building Permits Report: 1036 MISSION STREET

Applications for Building Permits submitted to the Department of Building Inspection.

BUILDING PERMITS:

Permit: [201406269523](#)
Form: 1 - New Construction
Filed: 6/26/2014
Address: 1036 MISSION ST
Parcel: 3703/079
Existing:
Proposed: APARTMENTS
Existing Units: 0
Proposed Units: 83
Status: ISSUED
Status Date: 9/11/2015 1:47:09 PM
Description: TO ERECT 9 STORIES, NO BASEMENT, 83 RESIDENTIAL APARTMENTS, RESIDENTIAL SUPPORT SPACES & RETAIL SPACES.
Cost: \$30,000,000.00

Permit: [201306119240](#)
Form: 8 - Alterations Without Plans
Filed: 6/11/2013
Address: 521 JESSIE ST
Parcel: 3703/079
Existing: PARKING LOT
Proposed: PARKING LOT

Existing Units: 0
Proposed Units: 0
Status: COMPLETE
Status Date: 11/1/2013 7:48:59 AM
Description: PERMANENT, VOLUNTARY REMOVAL OF NONCONFORMING BILLBOARD SIGN, 12FT X 25FT WIDE ON EAST CORNER, MISSION ST. SIGN STRUCTURE IS UNDER 35'-0" OVERALL HEIGHT.
Cost: \$1,000.00

Miscellaneous Permits Report: 1036 MISSION STREET

Depending on the activity being proposed a permit may need to be obtained from the Fire Department, Health Department, Police Department, Alcoholic Beverage Commission or other organization. The Planning Department reviews most applications for these permits in order to ensure compliance with the [Planning Code](#).

MISCELLANEOUS PERMITS REVIEWED BY THE PLANNING DEPT:

2015-001046MIS

[Nicholas Foster](#) Tel: 415-575-9167

Misc. Permits-REF (MIS) 1036 Mission Street

Mile Hi Valet Service, Inc.

OPENED	STATUS	ADDRESS	FURTHER INFO
1/30/2015	Closed - Approved 2/26/2015	1036 MISSION ST 94103	View

MB1301101

[Angie Beavis](#) Tel: 415-575-9021

Misc. Permits-REF (MIS) PRIORITY PARKING-CA,LLC

- See previous recommendation of approval for MB1201077 on 5/29/12. No changes to owner/operation no new review by DCP.

OPENED	STATUS	ADDRESS	FURTHER INFO
6/25/2013	Closed - Approved 9/23/2013	1086 MISSION ST, SAN FRANCISCO, CA	View

MB1201077

[Angie Beavis](#) Tel: 415-575-9021

Misc. Permits-REF (MIS) PRIORITY PARKING-CA, LLC

REVISED RECOMMENDATION: Recommend APPROVAL: continuation of existing non-conforming parking lot as previously approved by the SFFD, permitted to continue per P.C. Sec. 180. - Recommend disapproval. Parking lot is not permitted in C-3-G per P.C. Sec. 223 (l); however, P.C. Sec. 156 (n) allows temporary parking lots not to exceed 2 yrs. w/ CU authorization.

OPENED	STATUS	ADDRESS	FURTHER INFO
5/14/2012	Closed - Approved 5/29/2012	1036 MISSION ST, SAN FRANCISCO, CA	View

Complaints Report: 1036 MISSION STREET

The Planning Department and the Department of Building Inspection operate programs that ensure compliance with the San Francisco [Planning Code](#) and [Building Inspection Commission Codes](#) respectively. Additionally, they respond to customer complaints of potential code violations and initiate fair and unbiased enforcement action to correct those violations and educate property owners to maintain code compliance.

COMPLAINTS - PLANNING DEPT:

None

Appeals Report: 1036 MISSION STREET

Planning Projects, Building Permits and Zoning Determinations appealed to the San Francisco [Board of Appeals](#).

APPEALS:

None

Block Book Notifications Report: 1036 MISSION STREET

A [Block Book Notification](#) (BBN) is a request made by a member of the public to be notified of permits on any property that is subject to the San Francisco Planning Code.

You can also sign up to be emailed when new planning applications or building permits are filed in your neighborhood through our [Permits in Your Neighborhood](#) website.

BLOCK BOOK NOTIFICATIONS:

There is an active Block Book Notification on this property. For legal reasons we cannot display this information but you may contact the San Francisco Planning Department for more details: tel: 415-558-6377, email: pic@sfgov.org

The Disclaimer: The City and County of San Francisco (CCSF) does not guarantee the accuracy, adequacy, completeness or usefulness of any information. CCSF provides this information on an 'as is' basis without warranty of any kind, including but not limited to warranties of merchantability or fitness for a particular purpose, and assumes no responsibility for anyone's use of the information.

Location & Property Identification

Property Name: Yerba Buena Multifamily
Property Type: Transitional Multifamily
Address: 923 Folsom Street
City/ State/ Zip: San Francisco, California 94107
County: San Francisco
Submarket: Yerba Buena

Sale Information

Sale Price: \$20,000,000
CEq Price: \$20,000,000
Sale Date: April 1, 2015
Sale Status: Sale
Grantor: TUP Folsom, LLC
Grantee: 923 Folsom Acquisition, LLC
Property Rights: Fee Simple
Document: K041040
Data Source: Public Records/ CBRE

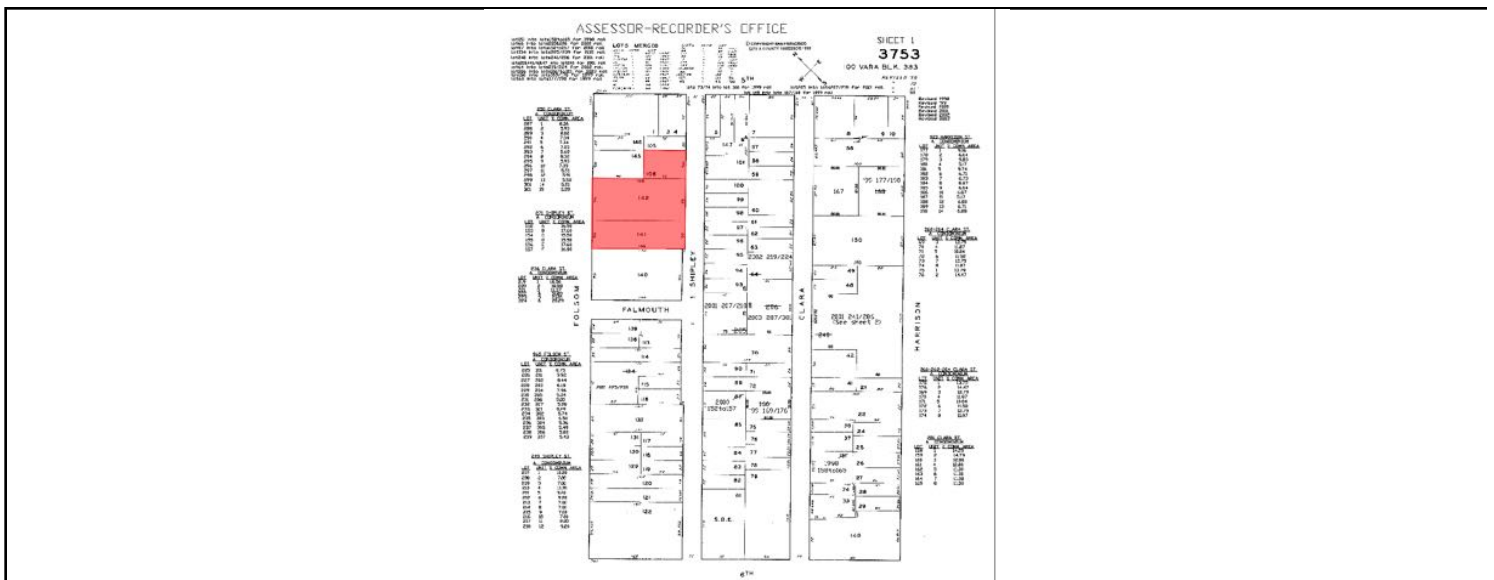
Comments

Acquisition of a partially improved industrial building that was vacant. The site was fully entitled for the development of a mid-rise multifamily development having 114 units and 48 parking spaces. It will also include 1,623 SF of ground level commercial.



Site Data & Economic Indicators

Legal/ Tax/ APN: 3753-106, 141 & 142
Acres (Gross): 0.56
Land - SF (Gross): 24,375
Zoning: MUR
Description: Multifamily
Orientation: Multiple
Offsites: Full
Price/SF - Land: \$820.51
Price/AC - Land: \$35,714,286
Net Operating Income:
Capitalization Rate:



Location & Property Identification

Property Name: 3rd Street Multifamily
Property Type: Transitional Multifamily
Address: 2290 3rd Street
City/ State/ Zip: San Francisco, California 94107
County: San Francisco
Submarket: Potrero Hill

Sale Information

Sale Price: \$16,000,000
CEq Price: \$16,000,000
Sale Date: April 1, 2015
Sale Status: Sale
Grantor: 2290 Dog Patch, LLC
Grantee: DM 2290 3rd Street, LLC
Property Rights: Fee Simple
Document: 42954
Data Source: Public Records, CBRE

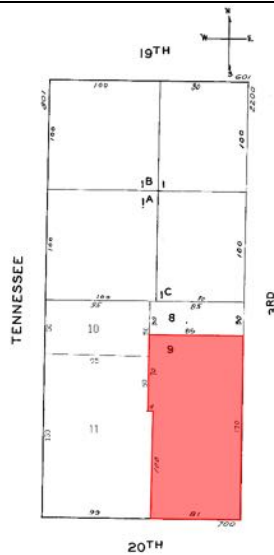
Comments

Vacant multifamily site located in the South of Market neighborhood. The property was fully entitled for 71 apartment units that were financed through low income housing tax credits. The property was improved with a commercial building having no value.



Site Data & Economic Indicators

Legal/ Tax/ APN: 4059-009
Acres (Gross): 0.32
Land - SF (Gross): 14,050
Zoning: UMU
Description: Urban Mixed Use
Orientation: Corner
Offsites: Full
Price/SF - Land: \$1,138.79
Price/AC - Land: \$49,535,604
Net Operating Income:
Capitalization Rate:



Location & Property Identification

Property Name: Pacifica Pine
Property Type: Transitional Multifamily
Address: 1527 Pine Street
City/ State/ Zip: San Francisco, California 94109
County: San Francisco
Submarket: Nobb Hill

Sale Information

Sale Price: \$21,000,000
CEq Price: \$21,000,000
Sale Date: January 22, 2015
Sale Status: Sale
Grantor: TUP Pine, LLC
Grantee: Pacific Pine, LLC
Property Rights: Fee Simple
Document: 10204
Data Source: Public Records, CBRE

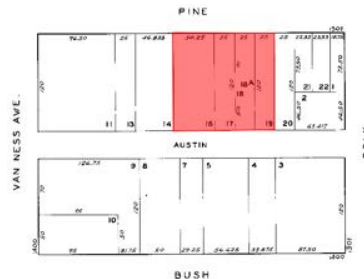
Comments

Vacant multifamily site located in the Nob Hill neighborhood. The property was fully entitled for 103 apartment units. There was an old dilapidated building on the property having no contributory value.



Site Data & Economic Indicators

Legal/ Tax/ APN: 0667-[016-019]
Acres (Gross): 0.34
Land - SF (Gross): 15,000
Zoning: RC-4
Description: Residential Commercial
Orientation: Multiple
Offsites: Full
Price/SF - Land: \$1,400.00
Price/AC - Land: \$61,046,512
Net Operating Income:
Capitalization Rate:



Location & Property Identification

Property Name: Monogram Residential
Property Type: Vacant Land
Address: 1401 Mission Street
City/ State/ Zip: San Francisco, California 94103
County: San Francisco
Submarket: South of Market

Sale Information

Sale Price: \$12,800,000
CEq Price: \$12,800,000
Sale Date: May 9, 2014
Sale Status: Sale
Grantor: 1401 Mission Affordable, LP
Grantee: Monogram Residential 1401 Mission
Property Rights: Fee Simple
Document: 77190
Data Source: Public Records, CBRE

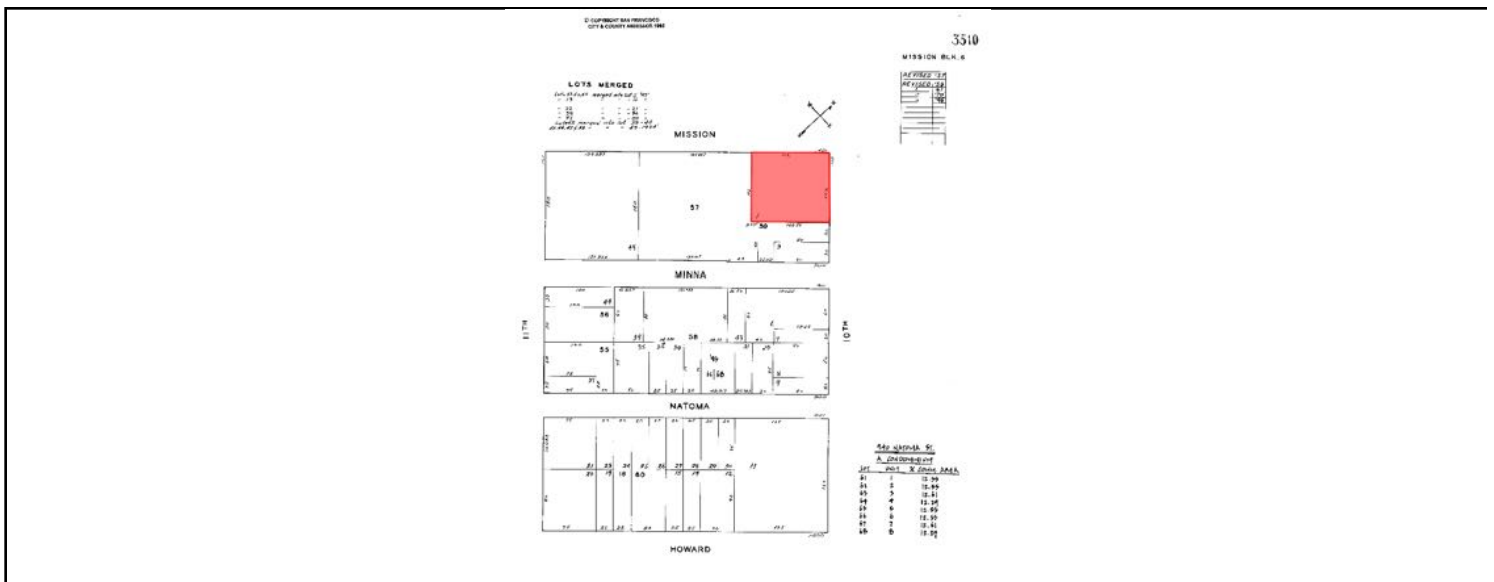
Comments

Vacant multifamily site located in the South of Market neighborhood. The property was fully entitled for 121 apartment units that were financed through low income housing tax credits. The basic purchase price was \$105,785 per unit.



Site Data & Economic Indicators

Legal/ Tax/ APN: 3510-001
Acres (Gross): 0.26
Land - SF (Gross): 11,326
Zoning: C-3-G
Description: Downtown General Commercial
Orientation: Corner
Offsites: Full
Price/SF - Land: \$1,130.14
Price/AC - Land: \$49,230,769
Net Operating Income:
Capitalization Rate:



Location & Property Identification

Property Name: SF Bush Condos
Property Type: Transitional Multifamily
Address: 2655 Bush Street
City/ State/ Zip: San Francisco, California 94115
County: San Francisco
Submarket: Western Addition

Sale Information

Sale Price: \$38,000,000
CEq Price: \$38,000,000
Sale Date: December 19, 2013
Sale Status: Sale
Grantor: AREA Property Partners
Grantee: SF Bush Condos, LLC
Property Rights: Fee Simple
Document: 806962
Data Source: Public Records, CBRE

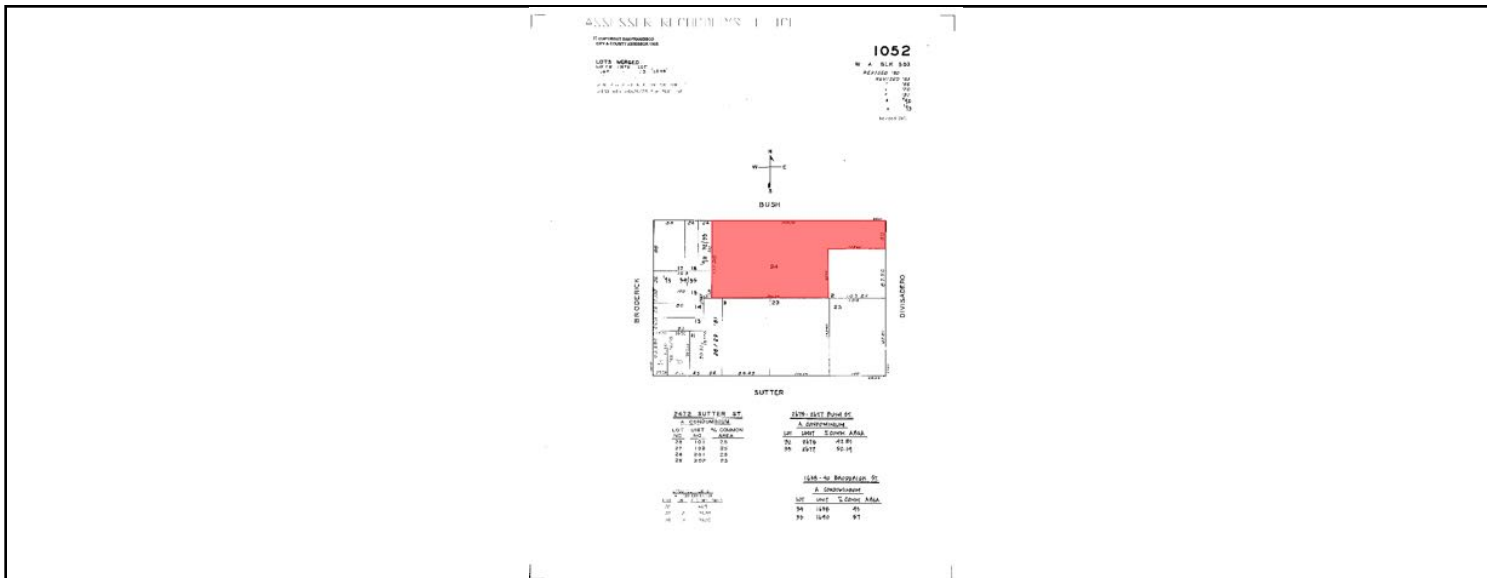
Comments

The property is improved with a vacant dilapidated convalescent hospital. The parking structure is leased and generates interim income. The property is fully entitled for 81 luxury units and parking garage.



Site Data & Economic Indicators

Legal/ Tax/ APN: 1052-024
Acres (Gross): 0.76
Land - SF (Gross): 33,522
Zoning: NC-3
Description: Neighborhood Commercial
Orientation: Corner
Offsites: Full
Price/SF - Land: \$1,133.58
Price/AC - Land: \$50,000,000
Net Operating Income:
Capitalization Rate:





OLD REPUBLIC
TITLE COMPANY

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

PRELIMINARY REPORT

UPDATED

TNDC (1036 MISSION FAMILY HOUSING)
201 EDDY STREET
SAN FRANCISCO, CA 94102

Our Order Number 0227007084-MN

Attention: Chris Cummings

When Replying Please Contact:

Martha Nakagawa
MNakagawa@ortc.com
(415) 397-0500

Property Address:

1036 Mission Street, San Francisco, CA 94103

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

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

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

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

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

Dated as of November 9, 2015, at 7:30 AM

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

Page 1 of 9 Pages

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0227007084-MN
UPDATED

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

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

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

Fee

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

1036 Mission Associates, L.P., a California limited partnership

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

Beginning at a point on the northwesterly line of Mission Street (82 5' wide), distant thereon 255.00 feet southwesterly from the southwesterly line of 6th Street (82 5' wide), thence southwesterly along said northwesterly line of Mission Street 95.00; thence at a right angle northwesterly 160.00 feet to the southeasterly line of Jessie Street (40' wide); thence northeasterly along said southeasterly line of Jessie Street 95.00 feet; thence at a right angle southeasterly 160.00 feet to the northwesterly line of Mission Street and the point of beginning, as described pursuant to Certificate of Compliance recorded September 25, 2015 under Recorder's Serial [Number 2015-K137764-00](#).

Being a portion of 100 Vara Block No. 393

Assessor's Lot 162 (formerly Lots 079 and 080); Block 3703

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

1. Taxes and assessments, general and special, for the fiscal year 2015 - 2016, as follows:

Assessor's Parcel No	:	LOT 079; BLOCK 3703	
Bill No.	:	123538	
1st Installment	:	\$19,124.05	Marked Paid
2nd Installment	:	\$19,124.05	Marked Paid
Land	:	\$3,065,628.00	

Affects a portion of said land.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0227007084-MN
UPDATED

2. Taxes and assessments, general and special, for the fiscal year 2015 - 2016, as follows:

Assessor's Parcel No	:	LOT 080; BLOCK 3703	
Bill No.	:	123539	
1st Installment	:	\$19,124.05	Marked Paid
2nd Installment	:	\$19,124.05	Marked Paid
Land	:	\$3,065,628.00	

Affects the remainder of said land.

3. Any special tax which is now a lien and that may be levied within the City of San Francisco Unified School District Community Facilities District No. 90-1, notice(s) for which having been recorded.

NOTE: Among other things, there are provisions in said notice(s) for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

NOTE: The current annual amount levied against this land is \$0.00.

NOTE: Further information on said assessment or special tax can be obtained by contacting:

Name : San Francisco Unified School District
Telephone No. : (415) 241-6480

4. Any special tax which is now a lien and that may be levied within the Central Market Community Benefit District, a notice of which was recorded as follows:

Instrument Entitled : Resolution
Recorded : August 12, 2013 in Reel K958 of Official Records, Image 242
under Recorder's Serial Number 2013-J728709-00

NOTE: Among other things, there are provisions in said Notice for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

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

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0227007084-MN
UPDATED

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

Entitled : Declaration of Restrictions
Executed by : 1036 Mission Associates, L.P., a California limited partnership
Dated : May 25, 2007
Recorded : [May 30, 2007 in Reel J401 of Official Records, Image 0165 under Recorder's Serial Number 2007-I395120-00](#)

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

7. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$5,700,000.00
Trustor/Borrower : 1036 Mission Associates, L.P., a California limited partnership
Trustee : Fidelity National Title Company
Beneficiary/Lender : City and County of San Francisco, a municipal corporation
Dated : May 30, 2007
Recorded : [May 30, 2007 in Reel J401 of Official Records, Image 0166 under Recorder's Serial Number 2007-I395121-00](#)

8. Covenants, Conditions and Restrictions, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled : Declaration of Restrictions
Executed by : 1036 Mission Associates, L.P., a California limited partnership, successor in interest to Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation
Dated : December 19, 2006
Recorded : [May 30, 2007 in Reel J401 of Official Records, Image 0167 under Recorder's Serial Number 2007-I395122-00](#)

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0227007084-MN
UPDATED

9. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,

Amount : \$100,000.00
Trustor/Borrower : 1036 Mission Associates, L.P., a California limited partnership, successor in interest to Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation
Trustee : Fidelity National Title Company, a California corporation
Beneficiary/Lender : Redevelopment Agency of the City and County of San Francisco, a public body corporate and politic
Dated : December 19, 2006
Recorded : [May 30, 2007 in Reel J401 of Official Records, Image 0168 under Recorder's Serial Number 2007-I395123-00](#)

10. An unrecorded lease upon the terms, covenants, and conditions contained or referred to therein,

Lessor : 1036 Mission Associates, L.P., a California limited partnership
Lessee : Priority Parking - CA, LLC
Disclosed by : Subordination, Nondisturbance and Attornment Agreement
Dated : May 22, 2007
Recorded : [June 22, 2007 in Reel J418 of Official Records, Image 0003 under Recorder's Serial Number 2007-I408512-00](#)

NOTE: Said Lease by the provisions of an agreement

Dated : June 22, 2007
Recorded : [June 22, 2007 in Official Records under Recorder's Serial Number 2007-I408512-00](#)
Executed By : 1036 Mission Associates, L.P., a California limited partnership c/o Tenderloin Neighborhood Development Corporation; Priority Parking - CA, LLC; and City and County of San Francisco, Mayor's Office of Housing

was made subordinate to the Deed of Trust referred to herein as Instrument No. 2007-I395121-00.

Matters as contained or referred to in an instrument,

Entitled : Subordination, Non-Disturbance and Attornment Agreement
Executed By : 1036 Mission Associates, L.P., a California limited partnership; and The City and County of San Francisco, a municipal corporation
Dated : May 22, 2007
Recorded : [June 22, 2007 in Reel J418 of Official Records, Image 0003 under Recorder's Serial Number 2007-I408512-00](#)

11. Conditions contained and/or referred to in an instrument,
- Entitled : Restrictions and Conditions
Recorded : [August 12, 2014 in Official Records under Recorder's Serial Number 2014-J926080](#)
- Which Among Other Things Provides : Conditional Use Authorization
12. Conditions contained and/or referred to in an instrument,
- Entitled : Restrictions and Conditions
Recorded : [August 12, 2014 in Official Records under Recorder's Serial Number 2014-J926081](#)
- Which Among Other Things Provides : Authorization to grant a Planning Code Section 309 Determination of Compliance.
13. Conditions contained and/or referred to in an instrument,
- Entitled : Restrictions and Conditions
Recorded : [August 12, 2014 in Official Records under Recorder's Serial Number 2014-J926082](#)
- Which Among Other Things Provides : Future physical expansion, even in the buildable area, shall be reviewed by the Zoning Administrator.
14. Deed of Trust to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof,
- Amount : \$3,936,426.00
Trustor/Borrower : 1036 Mission Associates, L.P., a California limited partnership
Trustee : Old Republic Title Company
Beneficiary/Lender : City and County of San Francisco, a municipal corporation
Dated : December 26, 2014
Recorded : [April 30, 2015 in Official Records under Recorder's Serial Number 2015-K054400-00](#)
Returned to : 1 South Van Ness Avenue, 5th Floor, San

15. NOTE: A Certificate or agreement of Limited Partnership for 1036 Mission Associates, L.P. and Tenderloin Neighborhood Development Co., was recorded [May 30, 2007 in Reel J401 of Official Records, Image 0158 under Recorder's Serial Number 2007-I395113-00](#) disclosing all the general partners as then being:

- A. 1036 Mission GP LLC
- B. Tenderloin Neighborhood Development Co.

All the general partners should sign on behalf of said partnership, or at least authorize or ratify in writing anything executed by less than all general partners.

16. The requirement that a copy of the partnership agreement for 1036 Mission Associates, L.P., a California limited partnership and any amendments thereto, together with a current list of all partners, be furnished to us for review.

The Company reserves the right to make additional exceptions and/or requirements upon examination of the foregoing.

17. Any unrecorded and subsisting leases.

18. The requirement that this Company be provided with an opportunity to inspect the land (the Company reserves the right to make additional exceptions and/or requirements upon completion of its inspection).

19. The requirement that this Company be provided with a suitable Owner's Affidavit (form ORT 174). The Company reserves the right to make additional exceptions and/or requirements upon review of the Owner's Affidavit.

20. Any claim of lien for services, labor or material arising from an improvement or work under construction or completed at the date hereof.

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

A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 2.2(B).

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0227007084-MN
UPDATED

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

Instrument

Entitled : Grant Deed
By/From : Skyline Investments, a General Partnership
To : 1036 Missiona Associates, L.P., a California limited partnership
Dated : May 23, 2007
Recorded : [May 30, 2007 in Reel J401 of Official Records, Image 0157 under Recorder's Serial Number 2007-I395112-00](#)

C. All transactions that close on or after March 1, 2015 will include a \$20.00 minimum recording service fee, plus actual charges required by the County Recorder.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0227007084-MN
UPDATED

If you anticipate having funds wired to Old Republic Title Company, our wiring information is as follows: City National Bank, One Centerpointe Drive., #160, La Palma, CA 90623, credit to the account of Old Republic Title Company, Account Number 013-358788, ABA Number 122016066.

When instructing the financial institution to wire funds, it is very important that you reference Old Republic Title's Order Number 0227007084.

**PLEASE CONTACT YOUR ESCROW OFFICER IF YOU RECEIVE NOTICE OF A
CHANGE TO THESE WIRE INSTRUCTIONS**

ON-LINE BANKING TRANSFERS ARE NOT THE SAME

"Electronic Funds Transfer" is a generic term for funds transfers, one of which is an ACH Transfer. On-line banking transfers are often completed through an ACH Transfer, not a Wire Transfer. Old Republic Title rejects all ACH Transfers and returns the funds to the sender (Government Entities/Agencies excluded.) Close of Escrow may be significantly delayed as a result of an ACH Transfer.

**OLD REPUBLIC TITLE DOES NOT AUTHORIZE FUNDS TO BE DEPOSITED DIRECTLY
INTO OUR ACCOUNT AT City National Bank LOCAL BRANCH LOCATIONS**

Funds deposited directly into an account of Old Republic Title Company at a City National Bank branch are subject to verification. Verification of unauthorized deposits is not immediate or automated following deposit. Delay in credit of funds to an escrow and delay in Close of Escrow may result.

If you want to transfer funds by Wire Transfer from a non-United States financial institution, or have questions with regard to acceptable funds, please contact your Escrow or Title Officer immediately.

**AMERICAN LAND TITLE ASSOCIATION
LOAN POLICY OF TITLE INSURANCE - 2006
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations.This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART 1, SECTION ONE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

OLD REPUBLIC TITLE COMPANY

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of OLD REPUBLIC TITLE COMPANY

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.

- Information about your transactions we secure from our files, or from [our affiliates or] others.

- Information we receive from a consumer reporting agency.

- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.

- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Disclosure to Consumer of Available Discounts

Section 2355.3 in Title 10 of the California Code of Regulation necessitates that Old Republic Title Company provide a disclosure of each discount available under the rates that it, or its underwriter Old Republic National Title Insurance Company, have filed with the California Department of Insurance that are applicable to transactions involving property improved with a one to four family residential dwelling.

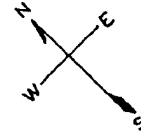
You may be entitled to a discount under Old Republic Title Company's escrow charges if you are an employee or retired employee of Old Republic Title Company including its subsidiary or affiliated companies or you are a member in the California Public Employees Retirement System "CalPERS" or the California State Teachers Retirement System "CalSTRS" and you are selling or purchasing your principal residence.

If you are an employee or retired employee of Old Republic National Title Insurance Company, or its subsidiary or affiliated companies, you may be entitled to a discounted title policy premium.

Please ask your escrow or title officer for the terms and conditions that apply to these discounts.

A complete copy of the Schedule of Escrow Fees and Service Fees for Old Republic Title Company and the Schedule of Fees and Charges for Old Republic National Title Insurance Company are available for your inspection at any Old Republic Title Company office.

REVISED '58
REVISED '63
REVISED '64
REVISED '74
REVISED '81



6 TH

LOTS MERGED			
Lot	Area	Year	Info
37	38	135	Merged
38	36	436	436
39	4	7	"
40	12	12	"
41	19	19	"
42	21	21	"
43	46	46	"
44	57	57	"
45	70	70	"

Merged Into Lot 58 "1943"			
Lot	Area	Year	Info
56	2.6	"	"
57	2.6	"	"

