

**APPRAISAL OF**

**San Mateo County Office Building  
Single-Tenant Office Property  
455 County Center  
Redwood City, California**



**PREPARED FOR**

**Ms. Alycia Moulton  
County of San Mateo  
Redwood City, California**

**Date of Value: March 3, 2014  
Date of Report: March 7, 2014**

**PREPARED BY**

**Joseph I. Napoliello, MAI  
San Bruno, California**

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# Joseph I. Napolliello, MAI

*Commercial – Industrial – Residential – Real Estate Appraisal and Consultation*

131 Darby Place #1, San Bruno, California

650-875-1459

March 7, 2014

Ms. Alycia Moulton  
County of San Mateo  
455 County Center, 4th Floor  
Redwood City, California 94063

Re: Appraisal of  
San Mateo County Office Building  
Single-Tenant Office Property  
455 County Center  
Redwood City, California  
Our Job # 2014143

Dear Ms. Moulton:

In accordance with your recent request and authorization, we have inspected and appraised the single-tenant office property known as the San Mateo County Office Building at 455 County Center in the City of Redwood City, County of San Mateo, California. The appraisal was made for the purpose of providing you with an independent opinion of replacement value and rental value in the undivided fee simple interest in the property as of March 3, 2014, the date of our physical visit to the property.

The accompanying report has been prepared for your use, as our client, for bonding purposes and may not be used by or distributed to any other parties without our written consent.

The report, which has been prepared to the standards addressed in the Uniform Standards of Professional Appraisal Practice (USPAP), describes in summary fashion the area, neighborhood, site, improvements, highest and best use, and our method of appraisal. It contains the pertinent data considered in reaching our valuation conclusions. Please note in particular, the Statement of Limiting Conditions and Assumptions found in the report.

The property was inspected and appraised by Joseph I. Napolliello, MAI, without significant professional assistance from any other persons. We performed an appraisal

process using data and analyses considered necessary to produce a credible value conclusion(s) and prepared a summary report as described in USPAP.

Based on our visual inspection of the site and improvements, investigation, and analyses undertaken, we have formed the opinion that as of March 3, 2014, and subject to the definition of value, assumptions and limiting conditions, and certification contained in the report, the property had an undivided fee simple replacement value and rental value, as is, of

<b>Office Structure</b>	<b>\$48,032,000</b>
<b>Parking Structure</b>	<b>\$32,242,000</b>
<b>Total</b>	<b>\$80,274,000</b>

**Reconciled Rental Value     \$6,800,000**

This letter of transmittal is not intended to be a report of our data and conclusions. The report, which follows, must be read in its entirety to allow the user to fully comprehend the market data we relied on, our value conclusions, assumptions, and limiting conditions. The above value opinions do not include any personal property, fixtures, or intangibles.

Respectfully submitted,



Joseph I. Napolliello, MAI  
Certified General Real Estate Appraiser  
CA #AG003794

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## Addenda

Qualifications of Appraiser

## SUMMARY APPRAISAL

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### **BASIC PROPERTY DATA**

<b>PROPERTY ADDRESS:</b>	455 County Center Redwood City California 94063
<b>APN:</b>	052-341-240 and 052-337-020 (portions)
<b>OWNER:</b>	County of San Mateo
<b>SUBJECT USE:</b>	Single-Tenant Office Property
<b>ZONING:</b>	P, Planned Community District, under the jurisdiction of the City of Redwood City
<b>PRESENT USE:</b>	Single-tenant office property
<b>HIGHEST AND BEST USE:</b>	Continuation of the current use
<b>LAND AREA:</b>	The land area is not highly pertinent to developing an estimation of replacement value in this instance. The buildings sit on separate parcels that also house other buildings so we used a typical FAR to establish a probable land area of 116,000 square feet to facilitate estimating site/yard improvement costs only.
<b>PROPERTY DESCRIPTION:</b>	The site is improved with a single-tenant office property constructed in the 1950s. The design is conventional and is typical for the neighborhood. The five-story, concrete-frame building is of average to good quality and average condition and it has been renovated over time. It has gross building area of approximately 97,838 square feet. There is a separate parking garage on-site with 904 parking spaces.
<b>PROPERTY RIGHTS TO BE VALUED:</b>	Fee simple
<b>DATE OF VALUATION:</b>	March 3, 2014
<b>DATE OF REPORT:</b>	March 7, 2014

<b>CLIENT:</b>	Ms. Alycia Moulton County of San Mateo 455 County Center, 4th Floor Redwood City, California 94063 County of San Mateo						
<b>INTENDED USE OF REPORT:</b>	This appraisal is intended to assist our client with obtaining bond financing on the property.						
<b>OTHER INTENDED USERS OF THE REPORT:</b>	None						
<b>VALUATION CONCLUSIONS:</b>	<table> <tr> <td>Office Structure</td><td>\$48,032,000</td></tr> <tr> <td>Parking Structure</td><td>\$32,242,000</td></tr> <tr> <td>Total</td><td>\$80,274,000</td></tr> </table> Reconciled Rental Value      \$6,800,000  Above figures are as of the date of valuation and subject to the stated limiting conditions, assumptions and certification	Office Structure	\$48,032,000	Parking Structure	\$32,242,000	Total	\$80,274,000
Office Structure	\$48,032,000						
Parking Structure	\$32,242,000						
Total	\$80,274,000						

## Views of Subject



**Front View**



**Parking Garage**

## **SCOPE OF WORK**

In preparing this appraisal, the appraiser:

1. Inspected the subject site and the improvements,
2. collected and analyzed neighborhood data,
3. collected and analyzed pertinent data on the physical and legal characteristics of the site and improvements including environmental issues, zoning data and other related matters,
4. collected, verified, and analyzed comparable cost and rental data,
5. analyzed the highest and best use of the property,
6. developed an independent opinion of replacement value and rental value using the cost approach.

Market data was developed from a number of data services and contacts with real estate brokers and other appraisers.

The property was inspected by Joseph Napoliello, MAI. No other persons provided significant professional assistance in the valuation of the property or the writing of the report to the appraiser.

The comparables selected for analysis of the value of the property have been confirmed with at least one of the principals to the transactions or their employees or brokers or agents involved or through two separate, independent sources. The appraiser also relied on public data from the assessor's and recorder's offices and the planning department to supplement direct contacts. These findings are presented in a summary narrative report format and the type of data and analyses necessary to produce a credible appraisal of the property have been applied.

The appraisal process and development of the report were intended to meet the standards outlined in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Ethics of the Appraisal Institute.

## **DESCRIPTION OF PROPERTY UNDER APPRAISAL**

### **Market Area:**

The subject is located in the city of Redwood City. Located in the central portion of the San Francisco Peninsula, the City of Redwood City was incorporated in 1867. It is a city of approximately nineteen square miles in size. The January 2013 population was 79,074. The population has grown very slowly over the past five years.

Redwood City is divided between a bay plain and hills to the west of El Camino Real, a major north/south corridor connecting San Francisco and San Jose. The city has a mix of residential, commercial and government uses. There is still significant land available for development along the bay and there is an active deepwater port, as well. There is significant commercial office development along the U.S. Highway 101 corridor and



there is also a significant government center near the old downtown along Broadway. Major employers including Oracle Corporation and Electronic Arts are found in the city.

The city has an elected city council with seven members and there is a professional city manager. There are no colleges in the city, but the Redwood City School District provides K-12 education. Shopping districts include the Central Business District along Broadway and El Camino Real, Woodside Road and Middlefield Road.

Overall, Redwood City is a medium-sized city that has a mix of commercial, residential and governmental land uses. The city offers a central location and there is some potential for new development along the bay. The city will likely remain a desirable location for residents and businesses into the foreseeable future.

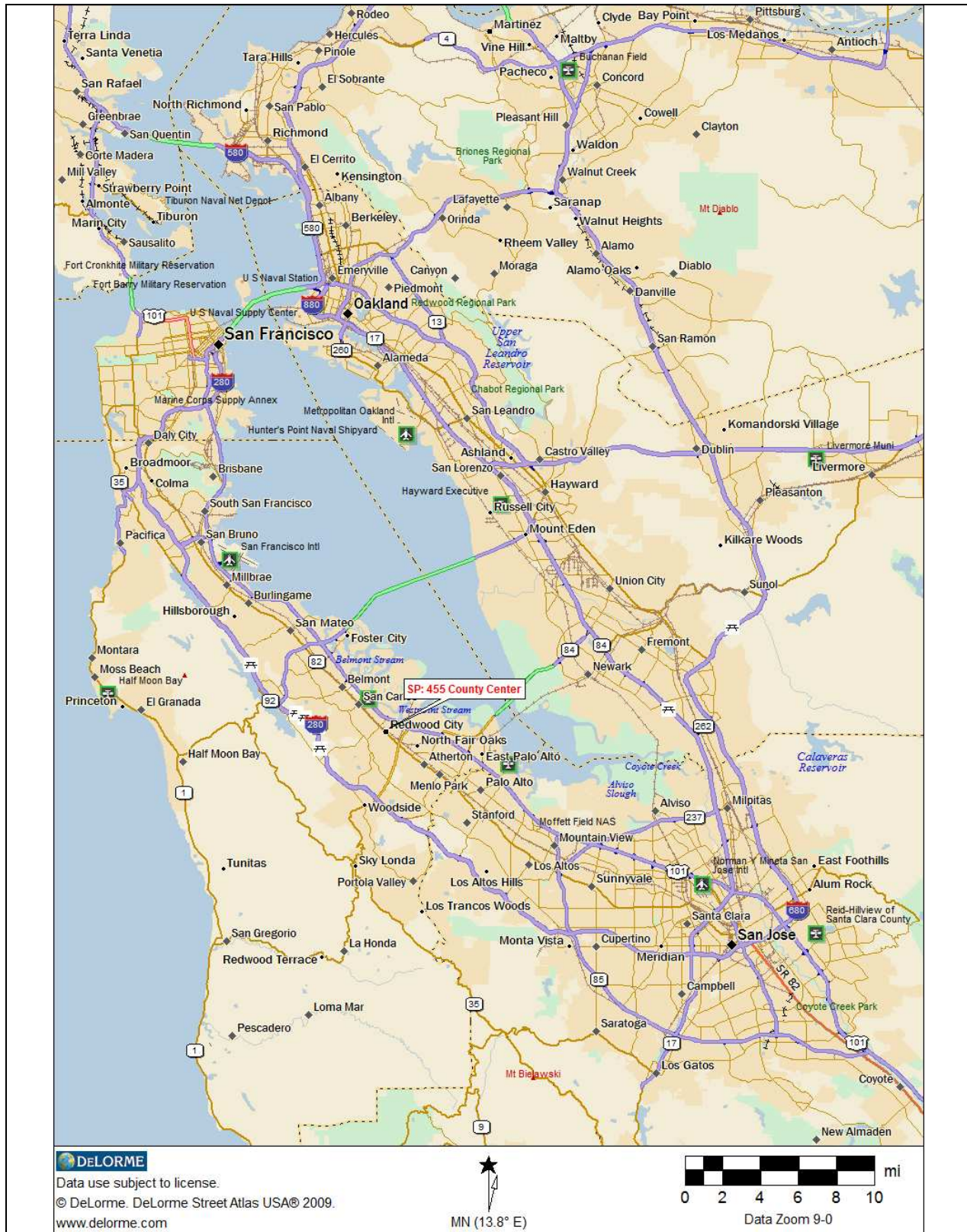
The subject is located in the northern portion of Redwood City northeast of downtown at the edge of a residential neighborhood in the San Mateo County Civic Center. The general boundaries of the neighborhood are Whipple Avenue on the northwest, Veterans Boulevard on the northeast, Brewster and Winslow on the east and El Camino Real on the south.

The subject is in the core of the San Mateo County Government Center. The County Center takes up most of the two blocks west of Middlefield Road between Veterans Boulevard and Marshall Street. The broad market area surrounding the County Center consists of a mix of low to medium density office, retail and residential properties that typically vary from one to six stories in height.

The older Central Business District of Redwood City is set along Broadway, approximately three blocks south of the subject, and the Redwood City city hall is roughly five blocks southeast of the subject. The City of Redwood City undertook a redevelopment project along Broadway and there is a modern multiplex cinema and retail complex at Broadway and Middlefield Road. The City has also developed a new civic plaza in front of the old county courthouse as an adjunct. The City has a downtown precise plan to further focus development in the immediate market area. The proximity of the Caltrain station is also creating interest in higher-density residential development.

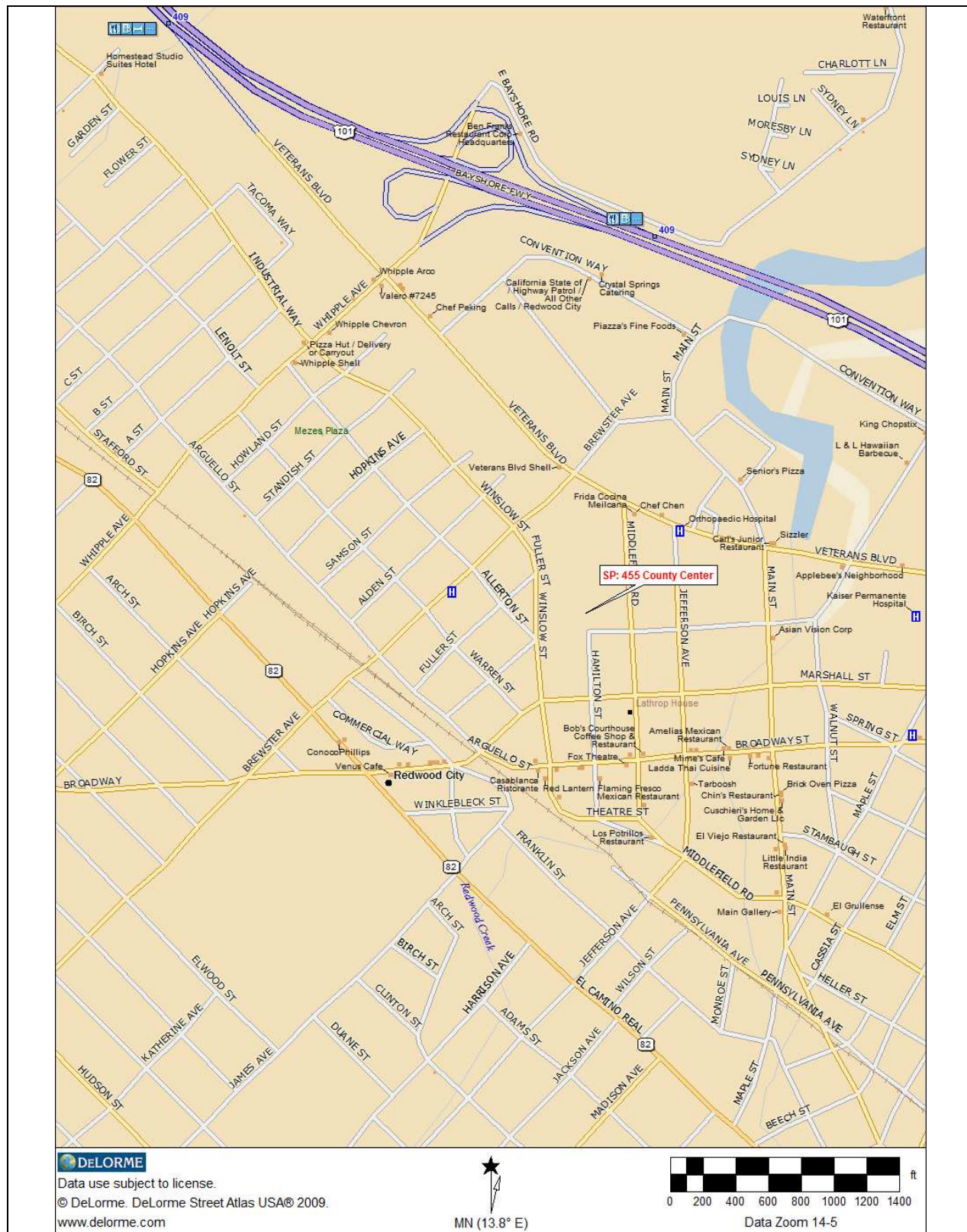
The immediate block on which the subject is located has a mix of uses including a Shell service station, multi-family residential, offices and the County Center. Examples of uses found nearby include law offices, various professional offices, small to medium-scale apartment properties, single-family residences, and various city and county government offices. While the nearby county courts building is eight stories in height, most nearby properties are one to six stories in height and generally 20 to 70 years in age. Most newer buildings are of masonry or steel frame construction and older buildings are typically wood-frame. This market attracts mostly smaller-scale tenants as it is a secondary office area although the new cinema/retail development should enhance appeal for both retail and residential uses. Quality and condition are generally average to good and overall appeal of the market area is above average.

**Figure 1 - Area Location Map**





**Figure 2 – Neighborhood Location Map**



### **Real Estate Under Appraisal:**

The subject site has a common street address of 455 County Center, Redwood City, California 94063

It is identified by the San Mateo County assessor as parcel 052-341-240 and 052-337-020 (portions).

The land area is not highly pertinent to developing an estimation of replacement value in this instance. The buildings sit on separate parcels that also house other buildings so we used a typical FAR to establish a probable land area of 116,000 square feet to facilitate estimating site/yard improvement costs only. The parcel is mostly level and at grade with adjacent lands and street fronts. Soils conditions appear adequate but this is an active earthquake region.

The subject is not located in a special flood zone (Zone X, Map06081C0301E, Effective October 16, 2012) nor is the appraiser aware of any other detrimental conditions on the site.

All utilities are available to the site and sufficient in capacity for the current use or any possible higher and better use.

The parcel is zoned P, Planned Community District, under the jurisdiction of the City of Redwood City. The general plan land use designation is MU-D, Mixed-Use, Downtown.

The property is currently improved as a single-tenant office property. The existing improvements were constructed in 1950s. Exterior style is conventional. Construction is Class B but we used a Class A property as the most likely replacement in keeping with modern standards and the type of construction used for the most recent county building. Foundation is poured concrete. Windows are operable metal frames. Exterior doors are aluminum-framed window walls with typical metal and glass pedestrian doors or metal sliders. Quality is average-to-good overall and condition is average for a building of it age. Parking is provided in a modern 904-space parking garage with basement space and five floors of above grade space. Yard improvements are typically concrete walkways and the property is well landscaped. Amenities are minimal in the building. There are some specialized computer rooms and conference rooms with typical improvements. The building has average function with a mix of open office space, private offices and specialized rooms. The building would have above average marketability given its combination of space and parking.

Public records do not indicate any sales of the property during the past three years nor has a recent listing of the property been found.

## **HIGHEST AND BEST USE AND METHODOLOGY**

### **Highest and Best Use:**

As this is a replacement cost analysis the current use is assumed to be the highest and best use. It is a typical use in the market area although most nearby office properties are multi-tenant buildings.

### **Methodology:**

The focus of this assignment is replacement value so we have not applied the sales or income approaches.

## **REPLACEMENT VALUE ANALYSIS**

The replacement value analysis is based on the existing improvements. Land value is by extraction and used only for estimate of related yard/site costs. The indicated land value is NOT a reliable estimate for any purpose beside the limited use herein.

Base cost inputs are based on an analysis of standardized cost factors from the Marshall Valuation Manual in combination with local data. It is summarized as follows:

Address:	455 County Center
City:	Redwood City
County	San Mateo
APN:	052-341-240 and 052-337-020 (portions)
Lot Area:	116,000 sq. ft. (Estimate)
Land by Extraction/Sq. Ft.:	\$125.00 /sq. ft.
Total Land by Extraction:	\$14,500,000
Use:	Office/Parking
Age:	60+- years +-
Useful Life:	55 years +-
Eff. Age	25 years +-
Bldg. Area:	97,838 sq. ft.
Sub. Area:	87,244 Upper Floors
Sub. Area:	10,594 Basement
Sub. Area:	330,600 Parking Structure
1stFloor	83,900 Approximate
Net Land Area	32,100 Approximate

### **Figure 3 - Basic Cost Inputs**

Base cost factors were adjusted for sprinklers and perimeter characteristics. The base cost estimate follows:

## Base Cost Estimate

Use:	Office (Above Grade)	Basement	Parking
<b>Class:</b>	A	A	B
<b>Quality:</b>	Average to good	Average to good	Average to good
<b>Base Cost:</b>	\$408.12	\$172.96	\$69.79
<b>HVAC Adj.:</b>	\$0.00	\$0.00	\$0.00
<b>Multi-Story Adj.:</b>	\$0.00	\$0.00	\$0.00
<b>Sprinklers:</b>	\$1.50	\$1.50	\$1.50
<b>Sub-Total</b>	\$409.62	\$174.46	\$71.29
<b>Perim. Adj.:</b>	0.975	0.975	1.050
<b>Elevator</b>	1.00	1.00	1.00
<b>Adj. Cost:</b>	\$399.38	\$170.10	\$74.85
<b>Bldg. Area:</b>	87,244	10,594	330,600
<b>Cost/Use:</b>	\$399.38	\$170.10	\$74.85
<b>Total Base Cost:</b>	\$34,843,509	\$1,802,039	\$24,745,410
<b>Total:</b>	\$61,390,958		
<b>By Use:</b>	\$36,645,548	Office	
	\$24,745,410	Parking	

**Figure 4 - Base Cost Estimates**

As noted, base costs are Class A replacement figures for a good quality building and a good Class B parking structure. These figures are in line with the type of construction used by the County in its most recent buildings. We would expect a significant amount of expense for developers overhead associated with a new government project of such size. In addition, labor costs would be based on union rates and we would further expect the building to have state of the art connectivity and maximal "green" features, as well. These elements would add significantly to the cost of any new replacement structure.

Base costs are adjusted for site improvements, yard improvements, soft costs and the probable costs of developer's overhead. These costs are not included in the base Marshall figures. We have not included a profit allowance or any allowances for taxes or marketing costs. Total base costs, as new, are estimated at \$61,390,958. After allowing for further adjustments, as noted, total replacement costs are \$80,274,000.

Separate replacement cost summaries are included for the office building and the parking structure on the pages that follow.

**Replacement Value Estimate - Office Structure****455 County Center****Cost New Estimate****Hard Costs**

		<b>Totals</b>	<b>/Sq. Ft.</b>
Base Cost New		\$36,645,548	\$374.55
Site Improvements	10%	\$3,664,555	\$37.46
Yard Improvements	\$7.50	\$240,750	\$2.46
FF&E		\$0	0
Total Hard Costs		\$40,550,853	\$414.47

**Soft Costs**

Financing Fees and Services	3%	\$1,216,526	
Property Taxes	0.000%	\$0	
Marketing	0%	\$0	
Total Soft Costs		\$1,216,526	\$12.43
Total Hard and Soft Costs		\$41,767,379	\$426.90

**Developer's Overhead (% of Total)**15% \$6,265,107 \$64.04**Replacement Cost New**

\$48,032,486 \$490.94  
Rounded to \$48,032,000

**Replacement Value Estimate - Parking Garage****455 County Center****Cost New Estimate****Hard Costs**

		<b>Totals</b>	<b>/Sq. Ft.</b>
Base Cost New		\$24,745,410	\$252.92
Site Improvements	10%	\$2,474,541	\$25.29
Yard Improvements	\$0.00	\$0	\$0.00
FF&E		\$0	0
Total Hard Costs		\$27,219,951	\$278.21

**Soft Costs**

Financing Fees and Services	3%	\$816,599		
Property Taxes	0.000%	\$0		
Marketing	0%	\$0		
Total Soft Costs		\$816,599	\$8.35	
Total Hard and Soft Costs		\$28,036,550	\$286.56	

<b>Developer's Overhead/Profit (% of Total)</b>	15%	\$4,205,483	\$42.98
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**Replacement Cost New**

	\$32,242,033	\$329.55
Rounded to	\$32,242,000	



## Replacement Cost Summary

Office Structure	\$48,032,000
Parking Structure	\$32,242,000
Total	\$80,274,000

Total replacement costs, as of the date of value and subject to the stated limiting conditions and assumptions, was

**Total Replacement Cost - \$80,274,000**

In addition to the replace cost we were asked to provide an estimate of market rent for the replacement structures. The estimate is based on replacement cost new and a reasonable market-based rental rate for the two buildings. Many office buildings in the area have open parking or a combination of open and low-rise structured parking. The existing garage provides 10.36 parking spaces per 1000 square feet of rentable area which is more than 3 times the norm in this area. To provide an estimate of rent for both structures we used a simple analysis of market rates of return. To the overall rate we added a small inflation factor to represent the most appropriate rental rate. This is similar to the process employed to establish market rent for ground leases.

Market data supports an overall capitalization rate of from 6.5% to 7.5%. Sales like 801 Gateway Boulevard, South San Francisco in October 2012 at 6.4%, 1885 Lundy Avenue in San Jose in September 2013 at 7.3%, 4600 Patrick Henry Drive, Santa Clara in May 2013 at 7% and the listing of 1 Adrian Court, Burlingame at 7.5% (lab and office), provide local examples of market rates. On a nationwide basis, the Korpacz Investors Survey put average overall rates at 6.59% for CBD office properties with the average IRR at 8.09% for a residual growth factor of 1.5% which is in keeping with the most recent annual rate of inflation (1.55% Jan. 2014 vs. Jan. 2013 for U.S. and 1.28% for San Francisco Bay Area Dec. 2013 vs. Dec. 2012). With a benchmark figure of around 7% and a 1.5% growth factor, the probable rental rate for the subject is 8.5% on a gross basis. A probable rental range is as follows.

Total Cost	\$80,274,000
Probable Rental Rate	
8.25%	\$6,622,605
8.50%	\$6,823,290
8.75%	\$7,023,975
Reconciled Rental Value	\$6,800,000

The most probable value, as of the date of value and subject to the stated limiting conditions and assumptions, was

**Total Annual Rental - \$6,800,000**

## **Definitions, Assumptions, Limiting Conditions and Certification**

The following definitions, as applicable, are used in this appraisal. They are taken from the Dictionary of Real Estate Appraisal, Third Edition, unless otherwise noted.

### **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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

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

(Source: 12<sup>th</sup> Edition of the Appraisal of Real Estate)

### **"As-Is" Market Value Estimate**

*The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.*

### **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.*

### **Leased Fee Estate**

*An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.*

### **Leasehold Estate**

*The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.*

## **Easement**

*An Interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right-of-way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.*

## **Market Rent**

*The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:*

- 1. lessee and lessor are typically motivated.*
- 2. Both parties are well informed or well advised, and acting in what they consider their best interests.*
- 3. A reasonable time is allowed for exposure in the open market.*
- 4. The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.*
- 5. The rental amount represents the normal consideration for the property least unaffected by special fees or concessions granted by anyone associated with the transaction.*

## **STATEMENT OF LIMITING CONDITIONS AND ASSUMPTIONS**

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy. We have not attempted to independently verify any rental, income, or expense data provided to us.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. It is assumed that the property has been adequately exposed for a reasonable time in advance of the effective date of this report. In a market value appraisal there is the assumption of hypothetical sale as of the date of value. It is further assumed that the exposure or marketing effort was commensurate with the type of real property interest, the use of the property, its market value, and the likely buyer.
12. Unless otherwise stated in this report, the existence of hazardous materials which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The opinion of value is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any

expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general limiting conditions:

13. Any allocation of the total opinion of value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
14. Possession of this report, or a copy thereof, does not carry with it the right of publication.
15. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or be in attendance in court with reference to the property in question unless arrangements have been previously made.
16. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
17. This report has been prepared specifically for the stated use and benefit of the client, as named in the introduction, and may not be used by any other party without prior written consent and approval of the appraiser.

## **CERTIFICATION**

I certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent on developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. My value conclusion(s), as well as other opinions expressed herein, are not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of the report, I have completed the requirements of the continuing education program of the Appraisal Institute.
- I, the undersigned, have made a personal inspection of the property that is the subject of this report.
- No other persons provided significant professional assistance to the person(s) signing this report.



Joseph I. Napoliello, MAI  
Certified General Real Estate Appraiser  
CA Certificate #AG003794

## **Descriptive Property Data**



**Figure 7 - Views of Subject**



**Front View**



**Rear View**

## Views of Subject



Interior View



Interior View

## Views of Subject



Interior View



Interior View



## Views of Subject



Interior View



Interior View

## Views of Subject



**Parking Garage**



**Parking Garage**

## Views of Subject



Parking Garage



Parking Garage

# Joseph I. Napoliello, MAI

*Commercial – Industrial – Residential – Real Estate Appraisal and Consultation*

131 Darby Place, #1, San Bruno, California 94066 (650) 875-1459

## QUALIFICATIONS

### Joseph I. Napoliello, MAI

**GENERAL** Bay Area resident since 1982; born and raised in southern New Jersey

**EDUCATION** Boston University, Boston, MA  
M.S.B.A. Business, 1978  
Loyola University, New Orleans, LA  
B.B.A. Finance, 1976

Recent professional coursework and exams:  
Real Estate Appraisal Principles (AI)  
Basic Valuation Procedures (AI)  
Capitalization Theory - Part A (AI)  
Capitalization Theory - Part B (AI)  
Standards of Professional Practice (AI)  
Case Studies in R.E. Valuation (AI)  
Report Writing and Valuation Analysis (AI)  
Highest and Best Use and Market Analysis (AI)  
Highest and Best Use and Feasibility Analysis - Non-Residential (Seminar)  
Rates, Ratios and Reasonableness (Seminar)  
Easement Valuation (Seminar)  
Valuation of Detrimental Conditions (Seminar)

**PROFESSIONAL AFFILIATIONS** State Certified General Appraiser - California - #AG003794  
MAI Member, Appraisal Institute, #11786

**COURT TESTIMONY** Qualified as an expert witness in Superior Court - Counties of San Francisco and San Mateo



**Joseph I. Napolliello, MAI**

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**EMPLOYMENT**

Owner and Senior Appraiser (since August 1989 formerly Haley Appraisal Company, Inc.), San Francisco, CA. - independent fee appraisers and consultants specializing in commercial, industrial, and multi-family residential properties.

August 1987 to August 1989:

Vice President, General Manager and Associate Appraiser, Haley, O'Brien and O'Brien, San Francisco, CA. - Independent fee appraisers specializing in commercial and industrial properties.

August 1986 to July 1987:

Staff Appraiser, Class II, Sears Mortgage Corporation, South San Francisco, CA. - residential appraisals of single family, condo, PUD, and 2-4 unit properties.

August 1985 to August 1986:

Residential Loan Representative, Sears Mortgage Corporation, Daly City, CA.

January 1981 to August 1985:

Sales and Marketing Positions, Dean Witter Reynolds Inc., Monterey, CA and San Francisco, CA - major securities dealer.

May 1976 to January 1981:

Finance and Accounting Officer, U.S. Army, various duty stations.

**PROPERTY TYPES APPRAISED**

Office buildings	Warehouses
Industrial buildings	Mixed-use buildings
Residential and industrial subdivisions	Vacant land
Shopping Centers	Leased Land
Apartment complexes	Retail buildings
Condominium projects	Single Family Residences
Medical office buildings	Condo & PUD Units
Hotels	Special Purpose Buildings
Easements and partial takings	Appraisal reviews