

Application Checklist

A. Application Forms

1. A Completed Application Checklist
2. Completed Application, signed by authorized personnel of the applicant
3. Completed Application Excel Spreadsheet including each of the following tabs:
 - a. Rent Roll (if applicable)
 - b. Performance Schedule
 - c. Acquisition Sources and Uses
 - d. Permanent Sources and Uses
 - e. Completed 1-Year Operating Budget and (template provided) 20-Year Cash Flow.

B. Organizational Attachments (as applicable)

Applicant Co-Applicant

- | | | | |
|--------------------------|--------------------------|----|--|
| <input type="checkbox"/> | <input type="checkbox"/> | 1. | Current year's operating budget |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. | Financial statements for last three fiscal years (audited preferred) |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. | Names and Addresses of Board of Directors |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. | IRS Tax Exemption letter |

C. Required Attachments

The following attachments must be submitted with your application.

1. Documentation of site control (e.g. Purchase Contract, Option to Purchase, Grant Deed)
2. Board Resolution that authorizes site acquisition and application for MCHTF funds (if entity's governing body is a board)
3. Affirmative Marketing Plan (County template available)
4. Memorandum of Understanding between co-applicants or borrower and development consultant (if applicable)

D. Supplemental Attachments (as applicable):

The following additional attachments may be requested after the Application has been submitted.

1. Appraisal (including Fair Market Value and Value with Regard to Restrictions)
2. Preliminary Title Report
3. Capital Needs Assessment
4. Architectural Drawings
5. Property Inspection Reports
6. Survey and Analysis of Building Systems
7. Phase I Environmental Site Assessment
8. Phase II Environmental Site Assessment
9. Copies of applications for other funding and commitment letters
10. Tenant Income Certification Forms for no less than 50% of the existing residents
11. Proposed Temporary Relocation Plan



February 17, 2022

Marin County Community Development Agency
3501 Civic Center Drive, Suite 308
San Rafael, CA 94903

Attn: Leelee Thomas, Deputy Director of Housing and Federal Grants

**RE: Marin County Affordable Housing Fund
3301 Kerner Blvd., San Rafael, CA 94901**

Dear Ms. Thomas,

Eden Housing is pleased to submit this application for funding from the Marin County Affordable Housing Fund for the 3301 Kerner project. This project is an adaptive reuse development of a three-story office building to provide permanent supportive housing. Located in the Canal neighborhood of San Rafael, this project will provide critically needed permanent supportive housing and supportive services for homeless or formerly homeless households with mental illness.

The redesign within the current building includes 40 studio and one-bedroom units, plus a two-bedroom manager's unit, a courtyard, community room, conference room, offices for case managers and property manager, and a laundry facility on the second floor. The building is in an ideal location within walking distance to public transportation, grocery stores, retail services, recreation, and the Marin Health and Wellness Campus / Behavioral Health Clinic. Additionally, this project is not subject to Land Use Approvals nor the California Environmental Quality Act (CEQA) and thus would be "shovel-ready" once financing is supported.

Funding from the Marin County Affordable Housing Fund will help fulfill the financial support needed for this project to move forward into the construction stage. Currently, this project's committed financing sources include: (1) a No Place Like Home (NPLH) Award in the amount of \$7,657,998 for both capital and operating support; and (2) donation of the land and existing office building by the County of Marin by way of a Project Homekey award. We also hope to secure low-income housing tax credit and bond funding and plan to leverage the acquisition tax credits from the donated value of the building. If Eden is awarded the \$1,025,000 requested from the Marin County Affordable Housing Fund, this project will be in a better position to start construction in the Spring of 2023.

Thank you for your consideration of this application.

Sincerely,

[Andrea Osgood \(Feb 17, 2022 14:15 PST\)](#)

Andrea Osgood
Senior Vice President, Real Estate Development



Applicant Information

Organization _____

Contact Name _____ Title _____

Address _____
 City _____ State _____ Zip _____

Phone _____ Email _____

Co-applicant Information (if applicable)

Organization _____

Contact Name _____ Title _____

Address _____
 City _____ State _____ Zip _____

Phone _____ Email _____

Development Information

Development Name _____

Development Address _____

APN (provide site map if applicable) _____

Number of anticipated units by income level and bedroom count

	Very-low	Low	Moderate	Market	Total
Studio					
1					
2					
3					
4					
Total					



**3301 Kerner
3301 Kerner Blvd., San Rafael, CA 94901
Marin County Affordable Housing Funds**

1. Summary

Briefly summarize the request, including property description, proposed use of funds (and number of units involved).

The site is located at 3301 Kerner Boulevard in San Rafael. This project is an adaptive reuse development of a three-story office building to provide permanent supportive housing. Located in the Canal neighborhood of San Rafael, this project will provide critically needed permanent supportive housing and supportive services for homeless or formerly homeless households with mental illness.

The redesign within the current building includes 40 studio and one-bedroom units, plus a two-bedroom manager's unit, a courtyard, community room, conference room, and offices for case managers and property manager. The residential floors include a laundry facility on the second floor and trash chutes on every floor.

Our request is \$1,025,000 from the Marin County Affordable Housing Fund as gap financing for the project. The funds will ultimately be used to help bring the redesign into fruition and build housing to support people who experience homelessness and mental illness.

2. Background/Applicant Experience

2.1 Property History. Please provide the property's history leading up to this request. Include when the sponsor acquired/will acquire the property, any previous requests for County funding, attempts to secure other financing, etc.

Marin County received a Project Homekey award from the State of California to purchase an office building located on a 2-acre site at 3301 Kerner Boulevard in San Rafael. Project Homekey is a State program using Federal CARES Act funding to purchase existing properties – intended in large part to target hotels, but also allows for creative re-use of other property types, including office buildings as proposed for Kerner.

Marin County closed escrow on the building in December 2020 and is working with Homeward Bound to run a temporary homeless shelter at the site. (Eden is not involved in the temporary housing shelter phase of this project.) The property, as currently constructed, is a three-story office building totaling 24,018 square feet and includes a structured parking garage and surface parking lot totaling approximately 86 parking spaces. Marin County would like to convert the office building into a 100% permanent supportive housing.

On January 12, 2021, Eden Housing and Marin County entered into an Exclusive Negotiating Rights Agreements (ENRA) to negotiate the terms of a Disposition and Development Agreement (DDA) to convert the office building into 100% permanent supportive housing. It is stipulated in the ENRA for Marin County to convey the property to Eden Housing prior to the commencement of construction. The ENRA, as well as a letter authorizing a six-month extension, are both enclosed in the application.

The financing strategy is to leverage tax credits, particularly acquisition tax credits leveraging the



donated value of the building (approximately \$7 million), along with State-level and local funds as described below. The appraisal report is included with this application.

On June 23, 2021, Eden Housing and the Marin County were awarded a No Place Like Home (NPLH) Program, Competitive Allocation, Round 3, award in the total amount of \$7,657,998, \$4,981,492 in capital and \$2,676,506 in the form of a Capitalized Operating Subsidy Reserve (COSR).

2.2 Applicant Profile. Please provide a profile of the applicant (and of the co-applicant, if applicable). Include a description of the organization, including its mission, how long it has been in existence, experience of staff, and characteristics of its Board of Directors. Describe any recent expansion or cutbacks in activities and/or budget, as well as the organization's standing with licensing or other "accreditation" authorities, if applicable.

Eden Housing is a non-profit affordable housing development and management company. The mission of Eden Housing is to create and sustain high-quality affordable housing communities that advance equity and opportunity for all. The organization has been around for 53 years, having gotten its start in 1968. The organization has steadily grown since its inception and currently the organization is comprised of more than 420 employees, providing a range of functions in property management, development, resident services, accounting, and asset management. Eden Housing's development department is comprised of approximately 30 affordable housing development professionals experienced in developing affordable housing, particularly in the Bay Area. The Board of Directors is comprised of 15 volunteers with experience in real estate, finance, and social services who oversee the vision and operation of the organization. Eden has a healthy pipeline of development projects that are a mix of new construction and rehabilitation, and the company's operations are planned for continued steady expansion. Eden Housing is consistently recognized as one of the largest affordable housing developers and management companies in the country.

2.3 Project Manager. Describe staff assigned to the proposed property, their experience with acquiring/owning/rehabilitating similar sites, their current availability, and what percentage of time they expect to work on the subject project. Indicate similar projects each staff member has successfully completed.

Cory Hiraga, Project Developer, is leading the project management of this project and oversees the day-to-day responsibilities across all stages including entitlements, design, financing, and construction. Cory has experience providing project management, planning, and construction management for affordable housing new construction and acquisition/rehab projects.

Kate Blessing-Kawamura, Senior Project Developer, is supervising this project and has managed new construction and preservation projects at various stages of development. Since joining Eden, she financed and begun construction of a 62-unit family project in San Leandro, CA; planned the substantial rehabilitation of a 200-unit, 10-acre project in Santa Rosa, CA; worked on community engagement and entitlements for a 50-unit mixed use development in Palo Alto; and worked on the financing and entitlements for a 176-unit family project in Hayward, CA.

Susie Criscimagna, Director of Development, is also supervising this project and is experienced with managing affordable housing projects in all stages of development. She supervises project management staff, providing training and guidance on affordable housing development. She has worked on the development of several other affordable housing projects with Eden Housing as a project manager or supervising staff, including a 66-unit development in Dublin, 130-unit development in Alameda, and 62-unit project in San Leandro.

2.4 Property Manager. Please provide the name of the property management company that will be hired to manage the property (if applicable). Include the number of buildings and number of units



the company currently manages that are affordable housing sites.

Eden Housing has a property management company under its umbrella, Eden Housing Management Inc. (EHMI), that will be managing this property. EHMI is highly experienced in managing affordable housing developments. It currently manages 9,800 units across 144 properties in California.

3. Site

3.1 Site Control. Please describe the type of site control that the applicant has for the proposed property and submit documentation in accordance with the Application Checklist. If this request includes funds for acquisition, summarize the acquisition terms, price, contingencies, conditions, and deadlines. When available, please submit a copy of an appraisal of the property and of a Board Resolution that authorizes your organization to acquire the site.

Eden Housing and Marin County entered into an Exclusive Negotiating Rights Agreement (ENRA) on January 12, 2021. The ENRA includes a negotiating period where both Eden and Marin County can negotiate and determine the viability of the proposed project. The negotiation period allows Eden Housing and Marin County to negotiate the terms of a more binding agreement (a Disposition and Development Agreement or DDA). The ENRA stipulates the intention of Marin County to convey the Site to Eden Housing or a related Development Entity prior to the beginning of construction. This document, as well as a letter authorizing a six-month extension, are provided.

3.2 Unusual Characteristics. Please describe any unusual characteristics of the site (e.g., slope, rock formations, etc.) and any easements or encroachments granted to or caused by adjacent parcels and improvements.

There are no unusual characteristics of the site.

3.3 Existing developments - Building Inspection Report. Please describe any significant findings of building inspection reports and submit copies of any building inspection reports and surveys/analyses of any building systems, in accordance with the Application Checklist.

No Building Inspection Reports are available. As built drawings were not available for the building.

3.4 Adjacent Uses. Indicate land uses of other parcels within the immediate vicinity of the project.

Conservation Corps North Bay is located adjacent to the North of the site. A multifamily residential building is located adjacent East of the building along Kerner Boulevard. A restaurant and tire shop are located adjacent to the South of the site along Bellam Boulevard. Non-profit Alcohol Justice and Bellam Market are located adjacent to the West of the Site along Belvedere Street.

3.5 Neighborhood Amenities. Describe any nearby amenities, such as parks, public transportation, grocery stores, health care facilities, schools, childcare, libraries, parks/open space, etc., that residents of the project are/would be able to use.

The building is in an ideal location within walking distance to public transportation, grocery stores, retail services, and recreation. The site has close connections to the Marin Transit bus transportation, and is within 0.5 miles of Cardenas Market, Pickleweed Park, and the Marin Health and Wellness Campus / Behavioral Health Clinic. The site's proximity to the Marin Health and Wellness Campus / Behavioral Health Clinic will allow residents housed under the NPLH program close access to supportive services.

The Marin Transit bus stop is a short 14 min ride to the San Rafael Transit Center which provides train



and bus access to several destinations within Marin and Sonoma County as well as the larger Bay Area. The station is a major transfer point for Sonoma-Marín Area Rail Transit (SMART) and bus routes in the North Bay, with connections to San Francisco, the East Bay, as well as airports. In addition to SMART, the station is also served by several regional and intercity bus operators which include Golden Gate Transit, Greyhound, Marin Transit, Sonoma County Transit, and Sonoma County Airport Express.

3.6 Environmental Issues/Site Suitability. Please explain the relevant environmental issues of the proposed project. Include any of the following items that are known.

- Flood Zone
- Phase I/II Site Assessment Results
- Potential Hazards
- Environmentally sensitive area or species
- Cultural resources

If applicable and when available, submit a copy of the Phase I and Phase II Environmental Site Assessments.

- The building is located within a Flood Zone, Zone AE, defined as an area that will be inundated by a flood event having a 1-percent chance of being equaled or exceeded in any given year.
- A Phase I Site Assessment was performed in October 2020. No evidence of Recognized Environmental Conditions were found in connections with the site. The Phase I report is provided with this application.
- There are no other known potential hazards or environmentally sensitive areas, or species associated with the site.

3.7 State/Federal Environmental. Please describe how you plan to comply with state and federal requirements for environmental reviews, if any, including Section 106 review for historic preservation.

No entitlements are needed for this project as the project is not subject to Land Use Approvals nor the California Environmental Quality Act (CEQA) or National Environmental policy Act (NEPA) so long as we do not alter the footprint of the existing structure.

4. Development/Rehabilitation Plan

4.1 Proposed New Construction - Entitlements. For new construction, please describe in detail the permits that will be required, for example Design Review, Master Plan, Zone Change, General Plan Change, Coastal Permits, etc.

No entitlements are needed for this project as the project is not subject to Land Use Approvals nor the California Environmental Quality Act (CEQA) so long as we do not alter the footprint of the existing structure. The State of California specifically created carve outs for Homekey developments, and we have confirmed with the San Rafael Community Development Director, Alicia Giudice, that they will sign off on the project as being approved/exempt.

4.2 Proposed New Construction- Local Planning contact. Please describe any contact with the local planning staff and any specific feedback provided.

We have worked with the San Rafael Community Development Director, Alicia Giudice, for City approval of CEQA and NEPA exemptions as noted above.

4.3 Proposed New Construction Population to be served. Describe the type of housing, family, senior, individuals with disabilities, etc.



As an adaptive reuse project, Kerner is considered new construction by the California Tax Credit Allocation Committee (CTCAC) and will provide permanent supportive housing and services for homeless or formerly homeless households with mental illness. However, as the project involves acquiring an existing building, we have included responses to the questions below.

4.4 Proposed Rehabilitation or Acquisition Scope. Describe the scope of the rehabilitation that is proposed for the property and how it will address specific conditions, i.e., replacement needs, deferred maintenance, existing building violations, required seismic upgrades, building or health codes problems. Please describe any other existing rehabilitation needs that are not included in the proposed scope of work and explain their exclusion. Explain how the rehabilitation will be staged to minimize risk and inconvenience to the residents. If certain systems or parts of residents' units will be temporarily inoperable or unusable (e.g., kitchen or bathroom) during construction, state the estimated duration of such interruptions and what mitigations will be provided. If applicable, submit a capital needs assessment and any corresponding architectural drawings, in accordance with the Application Checklist.

Eden is working with the architectural firm Van Meter Williams Pollack on the design of this project. The redesign includes utility upgrades and site improvements including accessible parking and paths of travel and localized grading and drainage as deemed necessary. The patio courtyard will be redeveloped and a portion of the landscape will be replaced or new planting designed and coordinated with existing irrigation. A portion of the top level of the parking garage will be designed as an outdoor open space and gardening area.

The redesign will also include structural upgrades to the building and new construction to the extent required by the City of San Rafael. The mechanical, electrical, and plumbing (MEP) systems will be redesigned for the new residential building program to residential type V- 1hr codes and sprinkler and Emergency Systems Specifications. The MEP system required upgrades will be integrated into the existing building systems.

The current operator, Homeward Bound, intends to move their residents prior to the start of construction into their newly constructed Mill Street Center shelter and permanent supportive housing building, which is scheduled to be completed in the Fall of 2022.

Adaptive reuse projects are not required to have a capital needs assessment per TCAC regulations. Architectural drawings can be provided upon request.

4.5 Proposed Rehabilitation or Acquisition Population to Be Served. Describe the demographics of the current tenants in the building.

This is an adaptive reuse project that is focused on providing permanent supportive housing and services for homeless or formerly homeless households with mental illness. The following populations are expected to be served:

- Homeless / Marin County Contract with Homeward Bound / Carmel Center Clients (26 units) – Homeward Bound currently operates a homeless shelter in Downtown San Rafael called Voyager Carmel Center at 830 B Street. A portion of this facility provides 26 permanent housing units to adults with mental illness (“Carmel Center Clients”). Marin County would like to move all clients at this location to the newly completed units at the Kerner Building. Marin County uses Behavioral Health funding to support these households, and we understand that the plan would be to commit these funds to the ongoing operation and service provision of the housing development. The plan would be to move all residents of the Carmel program to this site and then close the Carmel Center.



- Homeless NPLH units / Coordinated Entry System (14 units) – Under the NPLH program, we must commit to serving persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness. We must also pull tenants from the Coordinated Entry System. NPLH also requires that Marin County fund and provide supportive services for all NPLH units.

[4.6 Relocation.](#) If applicable, describe in detail any temporary relocation of existing tenants at the site that will be necessitated by the proposed rehab scope. Include an explanation of the need for relocation, estimated duration, number of tenants that will be impacted, and which laws (local, state, federal) must be followed in carrying out the relocation.

The site is currently being used as a temporary homeless shelter by Homeward Bound. Homeward Bound, intends to move their residents prior to the start of construction into their newly constructed Mill Street Center shelter and permanent supportive housing building, which is scheduled to be completed in the Fall of 2022.

[4.7 Accessibility.](#) Please identify all applicable laws and the specific accessibility requirements that must be met in the design of the proposed project. If existing, please describe the accessibility of the building and the extent to which that accessibility will be upgraded.

As noted above, adaptive reuse projects are considered new construction projects. The project will be subject to requirements from the California Tax Credit Allocation Committee (TCAC), as follows:

All new construction projects shall adhere to the provisions of California Building Code (CBC) Chapter 11(B) regarding accessibility to privately owned housing made available for public use in all respects except as follows: instead of the minimum requirements established in 11B 233.3.1.1 and 11B 233.3.1.3, all new construction projects must provide a minimum of fifteen percent (15%) of the Low-Income Units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and a minimum of ten percent (10%) of the Low-Income Units with communications features, as defined in CBC 11B 809.5. These units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project consistent with 24 CFR Section 8.26.

All projects with elevators must comply with CBC Chapter 11(B) accessibility requirements for elevators. These units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project consistent with 24 CFR Section 8.26.

The project will also be subject to the following federal requirements:

Design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205 and the accessibility requirements under section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23

[4.8 Community Support.](#) Describe community engagement activities that have taken place and future plans that will take place.

In July 2021 a mural was unveiled by the Canal Arts Initiative on the 3301 Kerner building as a welcome sign to the Canal neighborhood of San Rafael. Eden intends to preserve the mural and engage with the Canal Art Initiative on the possibility of commissioning another mural on the building. It is our hope that the Kerner building not only provides permanent supportive housing but also supports the community in which the building is placed.



Eden also intends to hold multiple community meetings with neighbors, community organizations, and the business community throughout the planning and design of the project through the completion of construction and management of the property. We have already engaged with community organizations such as Resilient Shore and the Canal Alliance. Eden is invested in this project and in the Canal neighborhood of San Rafael and its many stakeholders

5. Financing Plan (Sources and Uses)

5.1 Existing Financing. In the chart below, list any financing (loans and grants) previously received from all public and private sources for this building.

SOURCES OF FUNDS	STATUS	TOTAL
NPLH	Committed	4,981,492
San Rafael/Marin County/Land-Building Donation	Committed	7,250,000
Deferred Developer Fee	Committed	300,000
TOTAL SOURCES		\$12,531,492

5.2 Proposed Financing: Sources & Uses Table. In the Excel file (“Excel Application.xls”) that was provided separately with this application, please enter the proposed sources and uses of funds for the project. Include both committed and anticipated sources. Provide a complete Sources and Uses Table for acquisition and for permanent sources.

The following tables show the permanent sources and uses. Please note that there is no separate acquisition loan or acquisition closing so a table for acquisition is not applicable and therefore not shown.

SOURCES

SOURCES OF FUNDS	STATUS	TOTAL
NPLH	Committed	4,981,492
San Rafael/Marin County/Land-Building Donation	Committed	7,250,000
Deferred Developer Fee	Committed	300,000
Marin County Affordable Housing Fund - Gap Loan	Anticipated	1,025,000
Capital Contributions General Partner (Developer Fee)	Anticipated	1,673,649
Capital Contributions Limited Partners	Anticipated	13,802,788
TOTAL SOURCES		29,032,929

USES

ACQUISITION COSTS		
<i>Total Purchase Price - Real Estate:</i>	7,250,000	
	Land - Kerner St	1,450,000
	Building - Kerner St	5,800,000
	Title/Recording/Escrow - Acquisition	30,000
	Legal - Acquisition	20,000
	Transfer Tax	16,494



<u>HARD COSTS</u>		
-		
	Total Construction Contract:	
	10,173,568	
	REHAB	
	Hard Costs-Unit Construction	7,445,117
	GC - General Conditions	427,523
	GC - Overhead & Profit	455,686
	GC - Insurance	74,451
	GC - Bond Premium	75,196
	Contingency - Escalation	1,695,595
	Contingency - Owner's Construction	1,017,357
<u>SOFT COSTS</u>		
	Architecture - Design	850,000
	Design/Engineering - MEP	250,000
	Geotech/Soils Report	15,000
	Phase I/II/Toxics Report	17,500
	Special Inspections/Testing	65,000
	Owner's Rep / Construction Supervision	300,000
	Local Development Impact Fees	537,017
	Local Permits/Fees	729,250
	Real Estate Taxes During Const	16,516
	Insurance During Const	153,143
	Appraisal	10,000
	Market/Rent Comp Study	5,500
	Soft Cost Contingency	228,377
	Predev. Loan Interest/Fees	44,261
	Construction Loan Interest	571,900
	Title/Recording/Escrow - Construction	40,000
	Title/Recording/Escrow - Permanent	15,000
	Title/Recording/Escrow - Syndication	0
	Legal (Owner): Construction Closing	40,000
	Permanent Closing	10,000
	Organization of Ptnshp	6,000
	Syndication - GP	56,000
	Syndication Consulting	75,000
	Audit/Cost Certification	20,000
	TCAC Application/Res/Monitoring Fee	65,188
	Marketing	56,000



	Furnishings Not in Contract	440,000
	Start-up /Lease-up Expenses	27,569
	Capitalized Operating Reserve (6 mos.)	456,965
	Capitalized HCD Subsidy Transition Reserve	737,327
	Capitalized Services Reserve (12 mos.)	1,131,137
	Developer Fee	3,173,649
	<u>COSTS OF ISSUANCE/FINANCING FEES</u>	
	Bond Counsel	75,000
	Borrower Counsel	20,000
	Issuer Financial Advisor	7,500
	Issuer Application Fee	2,500
	Issuer Fee - Upfront	22,820
	Issuer Fee - Annual During Const.	27,008
	Construction Lender Origination Fee	101,281
	Construction Lender Expenses	40,000
	Construction Lender Counsel	60,000
	Trustee Fee During Construction	8,000
	CDLAC Fee	4,726
	CDIAC Fee	3,376
	COI Contingency	10,000
	<i>Subtotal - Financing/Costs of Issuance</i>	<i>382,212</i>
	TOTAL DEVELOPMENT COSTS	29,032,929

5.3 Proposed Sources Narrative. For the sources shown in item 5.2, Sources & Uses Table, please indicate the following:

- the status of all proposed funding sources as of the date of this application
- the timing and likelihood for obtaining commitments of anticipated funding sources
- the alternatives that will be pursued in the event that any funding sources are not obtained or are committed at lower levels than requested

Source	Amount	Description
Donated Land / Building	~ \$7 million	To be donated as per a Purchase and Sale Agreement to be negotiated with Marin County (as noted above, we have an ENRA already in place with the County). Under the tax credit program, we plan to leverage acquisition credits for the value of the building improvements. Marin County has already completed the purchase of the site with State Homekey funding and local City funding.
NPLH (State HCD)	~ \$7.6 million	On June 23, 2021, Eden Housing, Inc., and Marin County were awarded a No Place Like Home (NPLH)



	(capital and COSR)	Program, Competitive Allocation, Round 3, award in the amount of \$7,657,998 of which \$4,981,492 is capital and \$2,676,506 is in the form of a Capitalized Operating Subsidy Reserve (COSR).
Marin County Funds	TBD	Marin County indicated that they would commit current annual Behavioral Health contracts in place for the Carmel Center to provide ongoing operational subsidy to the project.
City of San Rafael Funds	TBD	The City of San Rafael Housing Affordable Housing Trust Fund released a Notice of Funding Availability of up to \$2.5 million
Marin Community Foundation Grants	TBD	Marin Community Foundation has committed to providing a grant for the project
Marin County Community Development Agency Affordable Housing Funds	\$1,025,000	An award from the Marin County Affordable Housing Fund would provide gap financing for the project.
California Housing Accelerator program (State HCD)	TBD	If we are unable to secure low-income housing tax credit funding, this program would help fill any funding gaps that result from the inability to obtain tax credits and/or bonds. The Kerner project is listed on the Tier 2 HCD Multifamily Pipeline Tracker for funding.

The following sources are already committed:

- Donated Land Building
- No Place Like Home – State HCD

The following sources are anticipated but not yet committed:

- Marin County Affordable Housing Fund (2022)

[5.4 Proposed Uses Narrative.](#) For the uses shown in item 5.2, Sources & Uses Table, please explain how the budgeted amount was derived for each of the uses that are applicable to the proposed project. State whether costs are estimated or bid and provide any other relevant information which justifies the budgeted expense, such as cost per square foot, percentage of other costs (e.g., contingency), estimated number of work hours.

The development costs are derived largely from Eden’s experience developing similar types of buildings. Eden has several similar buildings currently under construction or recently completed. In addition, a general contractor provided an estimate for the construction hard cost which is included in the Uses Table. Additionally, the project budget includes a 10% construction contingency for cost changes during the construction period which is required by the construction loan lender. The construction period is estimated to be 12 months. Resident Services and operational budgets are also estimated from Eden’s experience providing similar services in past projects. Supportive services were derived from Homeward Bound Marin.

6. Project Operations

[6.1 Annual Operating Budget.](#) Using the Excel file provided, produce an operating budget. Include notes that explain how the budgeted costs were determined and other relevant information that justifies the budgeted expenses.

The operating budget is provided. The budget is based on comparable operating properties in the Bay Area and Eden Housing Management Inc.’s experience.



6.2 20-Year Cash Flow. Using the Excel file provided, produce a 20-year cash flow budget. In the space below, provide a narrative of any notable occurrences during the 20-year period.

The 20-year cash flow is provided. The only notable occurrence is that at year 15, the tax credit investor will exit the partnership since that is the end of the compliance period for the Low-Income Housing Tax Credit program. Additionally, we are capitalizing a reserve to fund the operating deficit caused by the project's extremely deep affordability targeting.

6.3 Section 8 Voucher Compliance. Please confirm that the property will be registered with the Marin Housing Authority as a site that will accept Section 8 vouchers.

The site is located in an area of concentrated poverty in Marin so is not eligible for project-based vouchers from the Marin Housing Authority. The County of Marin has earmarked both operating and rental subsidy to support the project.

**3301 Kerner - 41 Units - 4% LIHTC
Performance Schedule**

February-22	Marin County CDA Affordable Housing Funds - Application
July-22	TCAC/CDLAC application
September-22	TCAC/CDLAC award
March-23	Closing Date / Start of Construction
March-24	Temporary Certificate of Occupancy
May-24	Qualified Occupancy (95%/100%)

Sources of Funds - Permanent

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS			
					<i>Total Permanent Debt:</i>			
NPLH	4,981,492	3.000%	1.903%	55.0		-		<i>Per Unit: 121,500</i>
Marin County Affordable Housing Fund	1,025,000	0.000%	0.000%	55.0		25,625		<i>Per Unit: 25,000</i>
San Rafael/Marin County/Land-Building Donation	7,250,000							
Deferred Developer Fee	300,000	0.000%	0.000%					
Capital Contributions								
General Partner (Developer Fee)	1,673,649							
Limited Partners	13,802,788				<i>Fed LIHTC:</i>	<i>\$0.90</i>	<i>State LIHTC:</i>	<i>\$0.80</i>
TOTAL SOURCES	29,032,928							
<i>Surplus/(Shortfall)</i>	<i>(0)</i>							
					Investor:			
PERMANENT LOAN INTEREST RATE	TRANCHE A	TRANCHE B			INVESTOR EQUITY STACK		OTHER ASSUMPTIONS	
Base Rate	3.800%	4.830%						
Cushion	1.000%	0.000%			LIHTC Equity (Federal+State)	13,802,788	Current AFR:	1.91%
MIP	0.000%	0.000%			Historic Tax Credit	0	AFR Month:	1/1/2022
GNMA/Servicing	0.000%	0.000%			Investment Tax Credit (Solar PV)	0	AFR Cushion:	0.75%
Issuer	0.050%	0.050%	4,000	<i>Issuer min/yr</i>	Subtotal LP Equity	13,802,788	Total U/W AFR:	2.66%
Trustee	0.000%	0.000%	0	<i>per annum</i>				
Rating	0.000%	0.000%	0	<i>per annum</i>	CA Certificated Credit Sale	0		
Remarketing	0.000%	0.000%	0	<i>per annum</i>	Total Investor Equity	13,802,788		
Rebate Analyst	0.000%	0.000%	0	<i>per annum</i>				
Total	4.850%	4.880%						

Sources of Funds - Construction

	AMOUNT	INTEREST RATE	TERM (Mos.)	COMMENTS			
Tax-Exempt Construction Loan	13,504,123	3.850%	18				
Marin County Affordable Housing Fund	1,025,000						
San Rafael/Marin County/Land-Building Donation	7,250,000						
Costs Deferred Until Conversion	3,209,739				<i>See page 2 - right column</i>		
Deferred Developer Fee	300,000						
Capital Contributions							
General Partner (Developer Fee)	1,673,649						
Limited Partners*	2,070,418				Total Equity During Const.	2,070,418	15.00%
TOTAL SOURCES	29,032,929						
<i>Surplus/(Shortfall)</i>	<i>0</i>						
Sources Less Deferred To Conversion:	25,823,190						
CONSTRUCTION LOAN INTEREST RATE		CONSTRUCTION LOAN VALUATION		TAX-EXEMPT BOND DATA			
Index Type:	SOFR	Restricted NOI		106,905	50% Test (see Page 7):		53.05%
Current Index:	0.50%	OAR		5.00%	Issuer Inducement:		TBD

Spread:	1.85%	FMV per NOI		2,138,098	CDLAC Allocation:	TBD
Base Interest Rate (not including cushion):	2.35%	Agg. Credit Value @	0.87	13,802,788	Percent of CDLAC Allocation U	0.00%
Cushion - Total	1.50%	Perm-Only Soft Debt		<u>4,981,492</u>	Const-only portion:	13,504,123
Interest Rate (All-In)	3.85%	Total Value		20,922,378		
		LTV:		100.00%	CDLAC Per-Unit Limit	21,592,500
		Max. Const. Loan Amount		20,922,378	CDLAC 55% Limit	13,999,312
		Commitment Amount		TBD		

Uses of Funds

				Res Cost:	100.00%	COST ALLOCATIONS				LIHTC ELIGIBLE BASIS		OTHER BASIS & COST ALLOCATIONS			
				Res Sq Foot:	100.00%	Assuming 266 Election?			Yes				Deferred to		
						Depreciable							Completion	Land/Basis	
						Total	Total Non-	Non-					or	for	
		TOTAL	Per Unit	Residential	Residential	Depreciable	Residential	Non-Resid.	Expensed	Amortized	Constr./	Rehab	Acquisition	Perm Conv.	50% Test
ACQUISITION COSTS															
<i>Total Purchase Price - Real Estate:</i>															
	7,250,000														
Land - Kerner St	1,450,000	35,366	1,450,000	0	1,450,000									0	1,450,000
Building - Kerner St	5,800,000	141,463	5,800,000	0		5,800,000	0				5,800,000			0	5,800,000
Title/Recording/Escrow - Acquisition	30,000	732	30,000	0	6,000	24,000	0				24,000			0	30,000
Legal - Acquisition	20,000	488	20,000	0	4,000	16,000	0				16,000			0	20,000
Transfer Tax	16,494	402	16,494	0	3,299	13,195	0				13,195			0	16,494
HARD COSTS															
REHAB															
Hard Costs-Unit Construction	7,445,117	181,588	7,445,117	0	7,445,117		0			7,445,117				0	7,445,117
GC - General Conditions	427,523	10,427	427,523	0	427,523		0			427,523				0	427,523
GC - Overhead & Profit	455,686	11,114	455,686	0	455,686		0			455,686				0	455,686
GC - Insurance	74,451	1,816	74,451	0	74,451		0			74,451				0	74,451
GC - Bond Premium	75,196	1,834	75,196	0	75,196		0			75,196				0	75,196
Contingency - Escalation	1,695,595	41,356	1,695,595	0	1,695,595		0			1,695,595				0	1,695,595
Contingency - Design & Estimating	0	-	0	0	0		0			0				0	0
Contingency - Owner's Construction	1,017,357	24,814	1,017,357	0	1,017,357		0			1,017,357				0	1,017,357
SOFT COSTS															
Architecture - Design	850,000	20,732	850,000	0	850,000		0			850,000				0	850,000
Design/Engineering - MEP	250,000	6,098	250,000	0	250,000		0			250,000				0	250,000
Geotech/Soils Report	15,000	366	15,000	0	15,000		0			15,000				0	15,000
Phase I/II/Toxics Report	17,500	427	17,500	0	17,500		0			17,500				0	17,500
Special Inspections/Testing	65,000	1,585	65,000	0	65,000		0			65,000				0	65,000
Owner's Rep / Construction Supervision	300,000	7,317	300,000	0	300,000		0			300,000				0	300,000
Local Development Impact Fees	537,017	13,098	537,017	0	537,017		0			537,017				0	537,017
Local Permits/Fees	729,250	17,787	729,250	0	729,250		0			729,250				0	729,250
Real Estate Taxes During Const	16,516	403	16,516	0	16,516		0	0		16,516				0	16,516
Insurance During Const	153,143	3,735	153,143	0	153,143		0			153,143				0	153,143
Appraisal	10,000	244	10,000	0	10,000		0			10,000				0	10,000
Market/Rent Comp Study	5,500	134	5,500	0						5,500	0			0	0
Soft Cost Contingency	228,377	5,570	228,377	0	228,377		0			228,377				0	228,377
Predev. Loan Interest/Fees	44,261	1,080	44,261	0	0			44,261		0	0			0	0
Construction Loan Interest	571,900	13,949	571,900	0	311,945		0	259,954		311,945				0	311,945
Title/Recording/Escrow - Construction	40,000	976	40,000	0	40,000		0			40,000				0	40,000
Title/Recording/Escrow - Permanent	15,000	366	15,000	0						15,000				15,000	
Title/Recording/Escrow - Syndication	0	-	0	0										0	
Legal (Owner): Construction Closing	40,000	976	40,000	0	40,000		0			40,000				0	40,000
Permanent Closing	10,000	244	10,000	0						10,000				10,000	
Organization of Ptnshp	6,000	146	6,000	0						6,000				0	
Syndication - GP	56,000	1,366	56,000	0	56,000									0	
Syndication Consulting	75,000	1,829	75,000	0	75,000									2,500	
Audit/Cost Certification	20,000	488	20,000	0				20,000						0	
TCAC Application/Res/Monitoring Fee	65,188	1,590	65,188	0						65,188				16,810	
Marketing	56,000	1,366	56,000	0				56,000						0	
Furnishings Not in Contract	440,000	10,732	440,000	0	440,000		0			440,000				0	
Start-up /Lease-up Expenses	27,569	672	27,569	0				27,569						0	
Capitalized Operating Reserve (6 mos.)	456,965	11,145	456,965	0	456,965									456,965	
Capitalized HCD Subsidy Transition Reserve	737,327	17,984	737,327	0	737,327									737,327	

Unit Mix & Rental Income

Version: Feasibility

				UTILITY ALLOWANCES						
				0BR	1BR	2BR	3BR	4BR	5BR	
AVERAGE AFFORDABILITY FOR LIHTC UNITS (% of Median)				Kerner St						
26.50%				0	-	-	-	-	-	
				0	-	-	-	-	-	
9% TCAC INCOME TARGETING PTS:				0	-	-	-	-	-	
				0	-	-	-	-	-	
RENT LIMITS AS OF YEAR:				2020						

Residential Income

LIHTC - Tier 1														
Kerner St				TCAC		20% AMI		% of Units: 35.00%			NOT SUBSIDIZED			
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	8	450	6.6%	200	609	200	1,600	19,200	0	0	0	0	0	19,200
1BR	6	650	6.1%	200	652	200	1,200	14,400	0	0	0	0	0	14,400
2BR	0	800	20.0%	783	783	783	0	0	0	0	0	0	0	0
3BR	0	1,300	20.0%	905	905	905	0	0	0	0	0	0	0	0
4BR	0	1,600	20.0%	1,009	1,009	1,009	0	0	0	0	0	0	0	0
5BR	0	2,000	20.0%	1,114	1,114	1,114	0	0	0	0	0	0	0	0
TOTAL	14						2,800	33,600	0			0	0	33,600

LIHTC - Tier 2														
Kerner St				TCAC		30% AMI		% of Units: 65.00%			Marin County Carmel Units SUBSIDIZED			
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	26	450	14.8%	450	913	450	11,700	140,400	26	1,000	550	14,300	171,600	312,000
1BR	0	650	30.0%	979	979	979	0	0	0	1,000	21	0	0	0
2BR	0	800	30.0%	1,174	1,174	1,174	0	0	0	0	0	0	0	0
3BR	0	1,300	30.0%	1,357	1,357	1,357	0	0	0	0	0	0	0	0
4BR	0	1,600	30.0%	1,514	1,514	1,514	0	0	0	0	0	0	0	0
5BR	0	2,000	30.0%	1,670	1,670	1,670	0	0	0	0	0	0	0	0
TOTAL	26						11,700	140,400	26			14,300	171,600	312,000

Staff Units - Site 1														
Kerner St				TCAC		30% AMI		% of Units: 65.00%			Marin County Carmel Units SUBSIDIZED			
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	0	450	0.0%	0	0	0	0	0	0	0	0	0	0	0
1BR	0	650	0.0%	0	0	0	0	0	0	0	0	0	0	0
2BR	1	800	0.0%	0	0	0	0	0	0	0	0	0	0	0
3BR	0	1,300	0.0%	0	0	0	0	0	0	0	0	0	0	0
4BR	0	1,600	0.0%	0	0	0	0	0	0	0	0	0	0	0
5BR	0	2,000	0.0%	0	0	0	0	0	0	0	0	0	0	0
TOTAL	1						0	0	0			0	0	0

TOTAL RESIDENTIAL INCOME															
			Number	Total Monthly Net Rent	Total Annual Net Rent	Monthly Section 8 Income	Annual Section 8 Income	Monthly Marin County Carmel Units Income	Annual Marin County Carmel Units Income	Monthly Test C Income	Annual Test C Income	Monthly Test D Income	Annual Test D Income	Grand Total Income	Total Floor Area
LIHTC			40	14,500	174,000	0	0	14,300	171,600	0	0	0	0	345,600	19,200
Non-LIHTC			0	0	0	0	0	0	0	0	0	0	0	0	0
Staff Units			1	0	0	0	0	0	0	0	0	0	0	0	800
TOTAL			41	14,500	174,000	0	0	14,300	171,600	0	0	0	0	345,600	20,000

MISCELLANEOUS INCOME					
		Per Unit Per Month	Monthly Total	Annual Total	
Laundry / Vending		17.40	713	8,561	
Marin County OpEx subsidy		1,151.76	47,222	566,667	
Parking		0.00	0	0	
TOTAL		1,169.16	47,936	575,228	

SUBSIDIZED UNIT MIX SUMMARY						
Unit Type	Units With Section 8	Units With Marin County Carmel Units	Units With Test C	Units With Test D	Units Without Subsidy	Total Units
0BR	0	26	0	0	8	34
1BR	0	0	0	0	6	6
2BR	0	0	0	0	1	1
3BR	0	0	0	0	0	0
4BR	0	0	0	0	0	0
5BR	0	0	0	0	0	0
TOTAL	0	26	0	0	15	41

Base Year Income & Expense	Version: Feasibility	
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INCOME			
	Scheduled Gross Income - Residential		174,000
	Total Gross Rental Subsidy Income - Marin County Carmel Units		171,600
	Total Operating Subsidy Income - Marin County OpEx subsidy		566,667
	Total Operating Subsidy Income - NPLH COSR		133,825
	Other (Laundry Income)		8,561
	Vacancy Loss - Residential	10.0%	(17,400)
	Vacancy Loss - Marin County Carmel Units	5.0%	(8,580)
	Vacancy Loss - Other (Laundry Income)	5.0%	(428)
	Vacancy Loss - Total Operating Subsidy Income - Marin County OpEx subsidy	5.0%	(28,333)
	EFFECTIVE GROSS INCOME		999,912
EXPENSES - RESIDENTIAL			
<i>Administrative</i>			
	Advertising	500	
	Legal	3,300	
	Accounting/Audit	14,999	
	Security	85,240	
	Other: Misc. Admin	27,411	
	Total Administrative		131,450
<i>Management Fee</i>			36,900
<i>Utilities</i>			
	Fuel	0	
	Gas	8,200	
	Electricity	16,500	
	Water/Sewer	55,801	
	Resident Utility Reimbursement	0	
	Total Utilities		80,501
<i>Payroll/Payroll Taxes</i>			

	On-Site Manager/Office Admin		65,083	
	Maintenance Payroll		54,510	
	Manager Unit Expense/(Credit)		0	
	Payroll Taxes/Benefits		38,653	
	Total Payroll/Payroll Taxes			158,246
Insurance				24,361
Maintenance				
	Painting		1,700	
	Repairs		14,800	
	Trash Removal		19,000	
	Exterminating		4,500	
	Grounds		15,000	
	Elevator		8,000	
	janitorial contract/supplies		33,290	
	Total Maintenance			96,290
Other				
	Special Assesments		0	
	Misc. Tax/License		2,850	
	SPONSOR OPEX INFLATOR TO COMPLETION		0	
	Total Other			2,850
Resident Services				
	Tenant Services		0	
	Tenant Activities		62,552	
	Services Staff		278,357	
	Total Resident Services			340,909
Replacement Reserve				20,500
Real Estate Taxes				1,000
	TOTAL EXPENSES - RESIDENTIAL			893,007
	<i>Per Unit Per Annum (incl. Reserves)</i>		21,781	
	<i>Per Unit Per Annum (w/o taxes/res/svc)</i>		12,941	
	<i>TCAC Minimum (w/o taxes/res/svc)</i>		5,500	

	TOTAL EXPENSES - COMMERCIAL			0
	NET AVAILABLE INCOME			106,905
	Less: Mandatory Annual HCD Payment (Grossed Up for DSCR Factor)		1.00	(20,922)
	Less: Ground Lease - Minimum Payment			0
	Less: Local Compliance Fee			0
	Operating Subsidy Income - NPLH COSR			0
	Plus: Sponsor Capitalized Services Reserve Draw			<u>56,557</u>
	ADJUSTED NET AVAILABLE INCOME: TOTAL			142,539
	ADJUSTED NET OF COMMERCIAL:			142,539
	ADJUSTED NET AVAILABLE INCOME: NET OF OP SUBSIDY			(748,768)
	Debt Service Coverage Ratio			1.00
	AVAILABLE FOR DEBT SERVICE (NET OF OP SUBSIDY)			(748,768)
	AVAILABLE FOR DEBT SERVICE (OP SUBSIDY OVERHANG)			891,308
	NET AVAILABLE INCOME AFTER SENIOR DEBT SERVICE			142,539



Base Scenario			
	<i>Units Managed</i> 9,729	<i>Units Added</i> 10,061	<i>Units Added</i> 10,386
EDEN HOUSING 2022 CORPORATE BUDGET CASH BASIS	2022 Budget	2023 Projections	2024 Projections
Developer Fee	18,130,899	14,819,810	16,593,511
Property Management & Services Fee	11,769,096	12,038,331	12,592,226
Service Program Fees	5,701,932	5,872,989	6,049,179
Asset Management Fees	2,044,865	1,750,000	1,750,000
Affiliate Loans-Notes Receivables	3,328,267	4,289,256	4,526,811
Distributable Cash From Properties	3,580,395	3,500,000	3,750,000
Portfolio Distributions	8,953,527	9,539,256	10,026,811
Grants & Contributions	1,062,637	1,062,637	1,062,637
Dividend & Interest Income	462,008	462,000	462,000
Investment Gains (Losses)	-	-	-
Other Income	1,524,645	1,524,637	1,524,637
Total Cash Revenue	\$ 46,080,098	\$ 43,795,023	\$ 46,786,365
Payroll Expense	26,578,910	28,259,936	30,091,734
Operating Expenses	6,154,737	6,339,379	6,529,561
Service Program Expenses	5,757,504	5,872,989	6,049,179
Office Improvements	24,900	-	-
Debt Service	262,631	173,506	137,500
MGP Expenses	218,950	218,950	218,950
Other Expenses	506,481	392,456	356,450
Total Expenses	38,997,632	40,864,761	43,026,924
Net Cash Income	- 7,082,466	\$ 2,930,262	\$ 3,759,441



Board Members Names and Addresses

NAME & ADDRESS	PHONE & EMAIL	TITLE	TERM
Jim Kennedy 532 Eagle Nest Drive Martinez, CA 94553	Hm:925-228-4253 Cell: 925-788-8856 kennedyjim222@gmail.com	Chair	Officer Term: 2020-2022 Director's Term: 2021-2025 Elected: January 2013
Rudy Johnson, III 5660 Copley Drive San Diego, CA 92111	Cell: 619-253-5278 Wk: 858-244-8241 rudyjohnson@neighborhoodhouse.org	Vice Chair	Officer Term: 2020-2022 Director's Term: 2018-2022 Elected: January 2018
Annette Billingsley 2821 Pine Street San Francisco, CA 94115	Cell: 415-606-0057 Ab94115@gmail.com	Treasurer	Officer Term: 2020-2022 Director's Term: 2020-2024 Elected: June 2016
Cheryl O'Connor 1350 Treat Blvd., Suite 140 Walnut Creek, Ca. 94597	Wk: (925) 768-0234 coconnor@homeaidnc.org	Secretary	Officer Term: 2020-2022 Director's Term: 2019-2023 Elected: January 2019
Kathleen Hamm 1006 Woodbury Road #201 Lafayette, CA 94549	Hm: 925-283-1745 Cell: 925-282-0521 Kkhamm@aol.com	Assistant Secretary	Officer Term: 2021-2022 Director's Term: 2020-2024 Elected: May 2002
Nicholas J. Randall 2100 Burnside Road Sebastopol, CA 95472	Hm: 707-829-1460 Cell 707-508-6326 sebastopolnick@gmail.com	Director	Director's Term: 2020-2024 Elected: March 1990, Feb. 1999





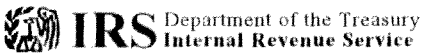
NAME & ADDRESS	PHONE & EMAIL	TITLE	TERM
John Gaffney 410 Los Pajaros Ct Los Altos, CA 94024	Hm: 650-917-9071 Cell: 650-248-7881 Jfpgaffney@yahoo.com jgaffney@gmail.com John.Gaffney@arris.com	Director	Director's Term: 2020-2024 Elected: October 2002
Grace Li Mailing Address: 1333 Bush St. San Francisco, CA 94109 1709 19th Avenue San Francisco, CA 94122	Wk: 415-292-8883 Fax: 415-292-8745 Cell: 415-290-7549 Hm: 415-504-6844 graceli@onlok.org	Director	Director's Term: 2019-2023 Elected: January 2015
Joe Postigo 1351 Line St. Hollister, CA. 95023	831-902-5969 Joe@JMPconstruction.net	Director	Director's Term: 2018-2022 Elected: December 2013
Doug Kuerschner 265 Nicholson Dr. Hollister, CA 95023	Cell: 831-801-2192 dougkjr@aol.com	Director	Director's Term: 2018-2022 Elected: December 2013
Timothy Reilly 264 Viento Drive Fremont, CA 94536	Hm: 510 796-4834 Wk: 510 494-5792 Cell: 510-468-4010 Fax: 510 790-6516 Timothyreilly12@gmail.com	Director	Director's Term: 2019-2023 Elected: June 2000
Calvin Whitaker 27693 La Porte Avenue Hayward, CA 94545	Cell: 510-512-0130. Cmwhitaker@yahoo.com	Assistant Secretary	Officer Term 2021-2022 Director's Term: 2020-2024 Elected: September 1995
Sean Callum One Front Street, 2nd Fl. San Francisco, CA 94111	Wk: (415) 288-7587 scallum@firstrepublic.com	Director	Director's Term: 2019-2023 Elected: January 2019



NAME & ADDRESS	PHONE & EMAIL	TITLE	TERM
Amy Neches 10065 Broadway Terrace Oakland, CA 94611	Cell: 415-608-2135 amy.neches@comcast.net	Director	Term: 2020-2024 Elected: January 2020
Sheila Burks 27312 Dobbel Avenue Hayward, CA 94542	Hm: 510-390-6555 Cell: sburks@accfb.org	Director	Term: 2020-2024 Elected: January 2020

As of: January 2021

Term Legend: **1st Term** **2nd Term** **3rd Term** *indicates a special term



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248323016
May 14, 2009 LTR 4168C E0
23-1716750 000000 00 000
00018272
BODC: TE

EDEN HOUSING INC
22645 GRAND ST
HAYWARD CA 94541-5031



017492

Employer Identification Number: 23-1716750
Person to Contact: Yvette Davis
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of May 05, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in August 1986, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

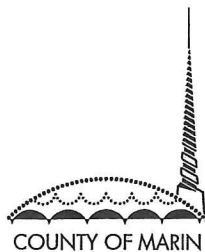
Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

A handwritten signature in cursive script that reads "Michele M. Sullivan".

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I



COMMUNITY DEVELOPMENT AGENCY

January 12, 2021

Brian C. Crawford
DIRECTOR

Board of Supervisors
County of Marin
3501 Civic Center Drive
San Rafael, California 94903



Marin County Civic Center
3501 Civic Center Drive
Suite 308
San Rafael, CA 94903
415 473 6269 T
415 473 7880 F
415 473 2255 TTY

SUBJECT: Exclusive Negotiating Agreement with Eden Housing for the property located at 3301 Kerner Boulevard in San Rafael.

Dear Board Members:

RECOMMENDATION: Approve Exclusive Negotiating Agreement with Eden Housing for the Homekey Project located at 3301 Kerner Boulevard in San Rafael.

SUMMARY: On August 11, 2020 your Board approved the submission of an Homekey Program competitive grant funding application to the California Department of Housing and Community Development (HCD). Homekey was an opportunity for local public agencies to purchase a broad range of property in order to increase their community's capacity to respond to homelessness and the current COVID-19 pandemic. Eden Housing was a partner in the application and their experience and expertise in owning and managing affordable housing was part of the criteria HCD used in evaluating the application.

On November 10 your Board approved the purchase of the property located at 3301 Kerner Boulevard in San Rafael. The property includes a 24,018 square foot commercial building with 44 offices and 74 parking spaces. The property is currently being leased to Homeward Bound and being used as interim housing while their shelter at Mill Street is being rebuilt. In 2022 when Homeward Bound's Mill Street project is complete, 3301 Kerner Boulevard will be converted to permanent housing.

DISCUSSION: The attached Exclusive Negotiating Agreement with Eden Housing for the property located at 3301 Kerner Boulevard in San Rafael formalizes the intent for the County to negotiate transfer of the property for service to Eden Housing. This will permit Eden Housing to begin fund raising and site evaluation to prepare for the construction and conversion to permanent housing. The conversion will include adding kitchens, bathrooms, accessibility improvements and landscaping.

FISCAL/STAFFING IMPACT: The recommended actions do not impact the General Fund net county costs.

REVIEWED BY:

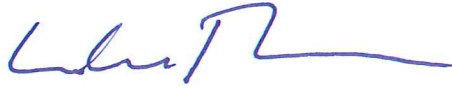
- | | |
|---|---|
| <input checked="" type="checkbox"/> County Administrator's Office | <input type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Counsel | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Department of Finance | <input checked="" type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> N/A |

- Building and Safety
- Environmental Health Services
- Planning
- Environmental Review
- Housing
- Sustainability
- Code Enforcement
- GIS
- Federal Grants

www.marincounty.org/cda

CS2a

Respectfully Submitted,



Leelee Thomas
Planning Manager

Attachment: Exclusive Negotiating Agreement with Eden Housing

**EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT
(3301 KERNER BLVD., SAN RAFAEL, CA 94901)**

This Exclusive Negotiating Rights Agreement (this "Agreement") is entered into as of this 12 day of January, 2021 (the "Effective Date") by and among the County of Marin, a political subdivision of the State of California (the "County") and Eden Housing (the "Developer") with reference to the following facts:

RECITALS

A. The County is owner of one parcel of real property totaling approximately 2.0 acres and located at 3301 Kerner Boulevard in San Rafael (the "Site").

B. The Site is improved with one (1) three-story office building totaling 24,018 square feet. The site also includes a structured parking garage and surface parking totaling approximately 74 parking spaces.

C. The Site was purchased by the County of Marin on November 10, 2020 using funds awarded from the California Department of Housing & Community Development's (HCD) Project Homekey program. As a condition of the Project Homekey Standard Agreement entered into on November 24, 2020, the Site is currently used as an interim shelter location and operated by Homeward Bound of Marin. Based and conditioned on plans for the interim shelter will be transferred to its new facility in 2022, the Site will be delivered to the Developer vacant prior to its conversion to permanent housing.

D. The development of the Project will further the County's goals of providing affordable housing for San Rafael and the larger community of Marin County and will fulfill the obligations of the Project Homekey Standard Agreement to provide housing for vulnerable populations including individuals and families who are experiencing homelessness or who are at risk of homelessness.

E. The purpose of this Agreement is to establish procedures and standards for the negotiation by the County and the Developer of a Disposition and Development Agreement (the "DDA") pursuant to which the County will either sell or lease the Site to the Developer for the purpose of affordable housing (the "Project") and the Developer will develop the Project. As more fully set forth in Section 3.1, the Developer acknowledges and agrees that this Agreement in itself does not grant the Developer the right to develop the Project, nor does it obligate the Developer to any activities or costs to develop the Project, except for the preliminary analysis and negotiations contemplated by this Agreement.

F. Subject to the DDA, the County intends to transfer the Site for service to the Developer based on its demonstrated significant technical expertise and experience in development and management of affordable housing and pursuant to and in accordance with applicable law, including applicable provisions of Government Code Section 26227, which authorizes the Board of Supervisors to expend County funds to support programs deemed by the Board of Supervisors to be necessary to meet the social needs of the population of the County,

including, but not limited to, the areas of health, welfare and the needs of physically, mentally, and financially handicapped persons; and/or Government Code section 25539.4, which authorizes the Board of Supervisors to determine that it is in the best interest of the County to convey its property for affordable housing under whatever terms and conditions the County deems best suited to provide affordable housing.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the County and the Developer (collectively referred to herein as the "Parties") mutually agree as follows:

Article I. EXCLUSIVE NEGOTIATIONS RIGHT

Section 1.1 Good Faith Negotiations. The County and the Developer shall negotiate diligently and in good faith, during the Negotiating Period described in Section 1.2, the terms of a DDA for the development of the Project on the Site. During the Negotiating Period, the Parties shall use good faith efforts to accomplish the respective tasks outlined in Article 2 to facilitate the negotiation of a mutually satisfactory DDA.

Among the issues to be addressed in the negotiations will be (i) the final land price to buy or lease the Site; (ii) physical and land title conditions of the Site and any required remediation of any adverse conditions; (iii) the schedule for the development of the Project; (iv) the proposed financing of the Project; (v) the design and aesthetic considerations of the Project; (vi) the provision of public improvements related to the Project; (vii) the marketing and management of the Project and (viii) County commitment to social services and/or operating subsidies.

Section 1.2 Negotiating Period. The negotiating period (the "Negotiating Period") under this Agreement shall commence on the Effective Date and shall expire on at 5:00 p.m. (Pacific Time) on December 31, 2021 subject to extension as provided below. If, in the judgement of the County Administrator, negotiations with the Developer have progressed sufficiently to indicate that the Parties can satisfy all the terms of this Agreement and present a DDA for County Board of Supervisors approval within an additional sixty (60) days, the County Administrator, on behalf of the County, may extend the Negotiating Period for up to an additional six (6) months with the consent of the Developer. In addition, the Negotiating Period may be extended or modified by formal amendment of this Agreement executed by the County and the Developer.

If a DDA has not been executed by the County and the Developer (or a related entity approved by the County) by the expiration of the Negotiating Period (as the Negotiating Period may be extended by operation of the preceding paragraph), then this Agreement shall terminate and neither party shall have any further rights or obligations under this Agreement. If a DDA is executed by the County and the Developer (or a related entity approved by the County) then, upon such execution, this Agreement shall terminate, and all rights and obligations of the Parties shall be as set forth in the executed DDA.

Section 1.3 Exclusive Negotiations. During the Negotiating Period (as such Negotiating Period may be extended by operation of Section 1.2), the County shall not negotiate with any entity, other than the Developer, regarding development of the Site, or solicit or entertain bids or proposals to do so.

Section 1.4 Identification of Developer Representative. The Developer's representative to negotiate the DDA with the County are Andrea Osgood and Ellen Morris.

Section 1.5 Creation of Development Entity. The County acknowledges that the Developer may desire to create a single purpose entity to develop the Project. Such development entity shall require the approval of the County which shall not be unreasonably withheld.

Article II. NEGOTIATION TASKS

Section 2.1 Overview. To facilitate negotiation of the DDA, the Parties shall use good faith efforts to accomplish the tasks set forth in this Article 2 in a timeframe that will support negotiation and execution of a mutually acceptable DDA prior to the expiration of the Negotiating Period.

Section 2.2 Due Diligence. During the Negotiating Period the Developer shall conduct the following due diligence activities:

- a) Site Adequacy Determination. Within 180 days following the Effective Date of this Agreement, the Developer shall determine whether the Site is suitable for development of the Project, taking into account the existing construction of the Site and other factors that the Developer deems relevant. If, in the Developer's judgement based on such investigations, the Site is not suitable for development, Developer may so notify the County in writing prior to the expiration of the Negotiating Period. Upon such timely notification by the Developer, this Agreement shall be terminated without further action of either party, and thereafter neither party shall have any further duties, obligations, rights, or liabilities under this Agreement.
- b) Hazardous Materials Investigation. Within one hundred twenty (120) days following the Effective Date of this Agreement, the Developer shall determine that the Site is suitable for development of the Project, taking into account the presence or absence of toxic or other hazardous materials. If, in the Developer's judgement based on such tests and investigations, the Site is not suitable for development, Developer may so notify the County in writing prior to the expiration of the Negotiating Period. Upon such timely notification by the Developer, this Agreement shall be terminated without further action of either party, and thereafter neither party shall have any further duties, obligations, rights, or liabilities under this Agreement.
- c) Objections to Title. Upon execution of this Agreement, the County shall cause _____ Title Company to issue a Preliminary Title Report (the "Report") on the Site to the Developer. If the Developer objects to any exception appearing on the

Report or should any title exception arise after the date of the Report, the Developer may object to such exception, provided such objection is made to the County in writing on or before 5 o'clock P.M. on the thirtieth (30th) day following the date of issuance of the Report. If the Developer objects to any exception to title, the County, within fifteen (15) days of receipt of Developer's objection shall notify Developer in writing whether County elects to (i) cause the exception to be removed of record, (ii) obtain a commitment from Title Company for an appropriate endorsement to the policy of title insurance to be issued to the Developer, insuring against the objectionable exception, or (iii) terminate this Agreement unless the Developer elects to take title subject to such exception. If either party elects to terminate this Agreement pursuant to this subsection (c), the Deposit shall be immediately refunded to the Developer and neither party shall thereafter have any obligations to or rights against the other hereunder. If the Developer fails to provide any notification to the County regarding this matter prior to expiration of the time period set forth herein, the condition set forth in this Section 2.5 shall be deemed satisfied and this Agreement shall continue in effect.

Section 2.3 Reports. The Developer shall provide the County with copies of all reports, studies, analyses, correspondence and similar documents, but excluding confidential or proprietary information, prepared or commissioned by the Developer with respect to this Agreement and the Project, promptly upon their completion. The County shall provide the Developer with copies of all reports, studies, analyses, correspondence and similar documents (collectively, "documents") prepared or commissioned by the County with respect to this Agreement and the Project, promptly following execution of this Agreement with respect to documents then in its possession or under its reasonable control, and promptly upon their completion with respect to any subsequently prepared documents.

While desiring to preserve its rights with respect to treatment of certain information on a confidential or proprietary basis, the Developer acknowledges that the County will need sufficient, detailed information about the proposed Project (including, without limitation the financial information described in Section 2.9) to make informed decisions about the content and approval of the DDA. The County will work with the Developer to maintain the confidentiality of proprietary information subject to the requirements imposed on the County by the Public Records Act (Government Code Section 6253 et seq.). The Developer acknowledges that the County may share information provided by the Developer of a financial and potential proprietary nature with third party consultants and County Board members as part of the negotiation and decision-making process.

Section 2.4 Scope of Project and Site Plan. The Developer has proposed to develop affordable housing on the Site in accordance with the Project Homekey Standard Agreement referenced in Paragraph C above. Within one hundred eighty (180) days following the Effective Date of this Agreement, the Parties shall agree on a scope of development specifying in sufficient detail each component of the proposed Project and a proposed site plan identifying the location of the Project improvements to be constructed. The Developer and the County agree to negotiate a refined scope of the Project regarding the uses to be included in the Project. The Parties shall negotiate the number of units to be included in the Project and the level of affordability to be included in the Project.

Section 2.5 Planning Approvals. The Developer and County acknowledge that the Project is not subject to Land Use Approvals pursuant to Health and Safety Code Section 50675.1.1 so long as the Developer does not propose alterations to the footprint of the existing structure.

Section 2.6 Environmental Review. The Developer and County acknowledge that the Project is not subject to the California Environmental Quality Act (CEQA) pursuant to Health and Safety Code Section 50674.1.2 so long as the Developer does not propose alterations to the footprint of the existing structure.

Section 2.7 Method of Conveyance. Parties intend that the Site will be conveyed to the Developer or a related Development Entity prior to the beginning of construction.

Section 2.8 Schedule of Performance. Within one hundred eighty (180) days following the Effective Date of this Agreement, the Developer shall provide the County with a detailed schedule of performance for the Project which shall include but not be limited to: the estimated date for close of escrow on the Site, the date for the commencement of construction of the Project and the date for completion of construction and the opening of the Project.

Section 2.9 Financial Proforma Analysis. Within one hundred eight (180) days following the Effective Date of this Agreement, the Developer shall provide the County with a detailed financial proforma for the Project containing, among other matters typically contained in such proformas, a detailed development cost budget and a detailed operating income and expense estimate (excluding confidential or proprietary information). The financial proforma will be used to evidence the financial feasibility of the Project and to assist in the negotiation of terms regarding payment of costs of land and development.

Section 2.10 Progress Reports. From time to time as reasonably agreed upon by the Parties, each party shall make oral or written progress reports advising the other party on studies being made and matters being evaluated by the reporting party with respect to this Agreement and the Project.

Article III. GENERAL PROVISIONS

Section 3.1 Limitation on Effect of Agreement. This Agreement shall not obligate either the County or the Developer to enter into a DDA or to enter into any particular DDA. By execution of this Agreement, the County is not committing itself to or agreeing to undertake acquisition, disposition, or exercise of control over any Site. Execution of this Agreement by the County is merely an agreement to conduct a period of exclusive negotiations in accordance with the terms hereof, reserving for subsequent County and Board of Supervisors action the final discretion and approval regarding the execution of a DDA and all proceedings and decisions in connection therewith. Any DDA resulting from negotiations pursuant to this Agreement shall become effective only if and after such DDA has been considered and approved by the County and, if required by law, the Board of Supervisors of the County of Marin, following conduct of all legally required procedures.

Section 3.2 Notices. Formal notices, demands and communications between the County and the Developer shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery or overnight courier service, to the office of the Parties shown as follows, or such other address as the Parties may designate in writing from time to time:

County: County of Marin
Marin County Civic Center
3501 Civic Center Drive
San Rafael, CA 94903
Attn: Leelee Thomas

Developer: Eden Housing, Inc.
22645 Grand Street
Hayward, CA 94591
Attn: Ellen Morris

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 3.3 Costs and Expenses. Each party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this Agreement, and the performance of each party's obligations under this Agreement.

Section 3.4 Defaults and Remedies.

(a) Default. Failure by either party to negotiate in good faith as provided in this Agreement shall constitute an event of default hereunder. The non-defaulting party shall give written notice of a default to the defaulting party, specifying the nature of the default and the required action to cure the default. If a default remains uncured ten (10) days after receipt by the defaulting party of such notice, the non-defaulting party may exercise the remedies set forth in subsection (b).

(b) Remedies. In the event of an uncured default by either the County or the Developer, the non-defaulting party's sole remedy shall be to terminate this Agreement, upon which termination neither party shall have any further right, remedy or obligation under this Agreement.

Except as expressly provided above, neither party shall have any liability to the other for damages or otherwise for any default, nor shall either party have any other claims with respect to performance under this Agreement. Each party specifically waives and releases any such rights or claims they may otherwise have at law or in equity.

Section 3.5 Attorneys' Fees. The prevailing party in any action to enforce this Agreement shall be entitled to recover attorneys' fees and costs from the other party.

Section 3.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 3.7 Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the subject matters of this Agreement.

Section 3.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, this Agreement has been executed, by the Parties on the date first above written.

DEVELOPER:

Eden Housing, Inc.

By: 

Its: Andre Madeira, Sr. Vice President of Real Estate

COUNTY:

County of Marin

By: _____

Its: _____

APPROVED AS TO FORM:

By: 

County Counsel

IN WITNESS WHEREOF, this Agreement has been executed, by the Parties on the date first above written.

DEVELOPER:

Eden Housing, Inc.

By: 

Its: Andre Madeira, Sr. Vice President of Real Estate

COUNTY:

County of Marin

By: 

Dennis Rodoni, President
Marin County Board of Supervisors

APPROVED AS TO FORM:

By: _____
County Counsel

EXHIBIT A

LEGAL DESCRIPTION

PARCEL ONE:

Parcel 2, as shown upon that certain Parcel Map entitled "Parcel Map Lands of Pansini as described in Book 2230 Official Records at Page 607 and Book 2503 Official Records at Page 236, San Rafael, Marin County, California", filed for record December 30, 1980 in Book 18 of Parcel Maps at Page 82, Marin County Records.

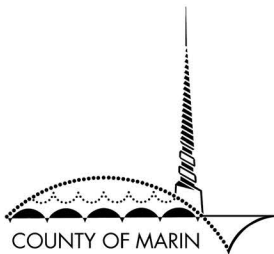
EXCEPTING THEREFROM that portion as conveyed to the City of San Rafael in the Deed recorded December 22, 2009 as Series Number 2009-0070487, Marin County Records and re-recorded February 22, 2010 as Series Number 2010-0008378, Marin County Records.

APN: 008-082-52 PARCEL TWO:

An Easement for ingress and egress described as follows:

BEGINNING at the most Southerly corner of that parcel of land described in said Deed recorded June 9, 1978 in Book 3386 of Official Records at Page 278, Marin County Records; said point being on the Northerly line of Belvedere Street and at the most Westerly corner of Parcel 2, as shown upon that certain Parcel Map entitled "Parcel Map Lands of Pansini as described in Book 2230 Official Records at Page 607 and Book 2503 Official Records at Page 236, San Rafael, Marin County, California", filed for record December 30, 1980 in Book 18 of Parcel Maps at Page 82, Marin County Records; thence Northerly along the Easterly line of said lands of Lucey and the Westerly line of said Parcel 2, North 20° 28' 00" East 7.30 feet; thence leaving said Easterly line of Lucey, and said Westerly line of Parcel 2, North 69° 24' 00" West 8.00 feet; thence Southerly along a line parallel to and 8.00 feet Westerly of said Easterly line of Lucey, South 20° 28' 00" West 2.49 feet to the Northerly line of Belvedere Street; said point being on a curve concave to the Southwest and having a radius of 222.50 feet and to which point a radial line bears North 50° 26' 54" East; thence Southeasterly 9.35 feet along said curve through a central angle of 2° 24' 30" to the point of beginning.

Said Easement is for the benefit of and appurtenant to Parcel 2, as shown upon the Parcel Map above referred to.



OFFICE OF THE
COUNTY ADMINISTRATOR

December 29, 2021

Matthew H. Hymel
COUNTY ADMINISTRATOR

Daniel Eilerman
ASSISTANT COUNTY
ADMINISTRATOR

Angela Nicholson
ASSISTANT COUNTY
ADMINISTRATOR

Andrea Osgood
Senior Vice President of Development
Eden Housing, Inc.
22645 Grand St.
Hayward, CA 94591

RE: Exclusive Negotiating Rights Agreement extension with Eden Housing, Inc.
for the property transfer at 3301 Kerner Boulevard in San Rafael, California

Dear Andre:

Marin County Civic Center
3501 Civic Center Drive
Suite 325
San Rafael, CA 94903
415 473 6358 T
415 473 4104 F
CRS Dial 711
www.marincounty.org/cao

On November 10, 2020, the County of Marin purchased 3301 Kerner Boulevard, San Rafael, California (Property) as part of the Homekey Program. Eden Housing was a partner in the grant funding application to the California Department of Housing and Community Development (HCD). On January 12, 2021, Eden Housing, Inc. and the County of Marin entered into an Exclusive Negotiating Rights Agreement (ENA) to negotiate a Disposition and Development Agreement (DDA) for transfer the Property to Eden Housing, Inc.

The ENA is set to expire on December 31, 2021. Pursuant to ENA Section 1.2, the County Administrator has the option to extend the Negotiating Period for up to six months to continue our good faith efforts to negotiate the terms of the DDA with the goal to present the final DDA to the Board of Supervisors within the next sixty (60) days of the extension period.

The County is requesting a six-month extension of the ENA in order to complete the DDA. Please sign below indicating your consent to the six-month extension to June 30, 2022.

Sincerely,

Daniel Eilerman
Assistant County Administrator

Agreed: Andrea Osgood Date: Dec 22, 2021
Andrea Osgood, Senior Vice President of Development

**EDEN HOUSING, INC.
AUTHORIZING RESOLUTION
RE: 3301 KERNER BLVD**

At a duly constituted meeting of the Executive Committee of the Board of Directors of Eden Housing, Inc., a California nonprofit public benefit corporation (the “Corporation”) held on February 11, 2022, the following resolutions were adopted:

WHEREAS, the Corporation desires to develop an affordable housing project in the City of San Rafael located at 3301 Kerner Boulevard (the “Project”);

WHEREAS, the Executive Committee of the Board of Directors of the Corporation deems it to be in the best interests of the Corporation to submit an application for County of Marin (“County”) funds in an amount not to exceed \$1,127,763 (the “County Funds”) to be used in the development of the Project (“County Application”);

WHEREAS, the Executive Committee of the Board of Directors of the Corporation, deems it to be in the best interests of the Corporation to submit the County Application and, if the County Application is approved, to obtain the County Funds for the Project in the form of a loan from the County (the “County Loan”) and to enter into any and all documents required in connection with the County Loan, including but not limited to a loan agreement, a promissory note, a deed of trust, a regulatory agreement, an assignment of plans and specifications and any other documents necessary to consummate the County Loan;

NOW, THEREFORE, BE IT RESOLVED: That the Corporation shall submit the County Application;

FURTHER RESOLVED: That if the County Application is approved, then the Corporation shall borrow the County Loan and shall enter into any and all documents required in connection with the County Loan, including but not limited to a loan agreement, a promissory note, a deed of trust, a regulatory agreement, an assignment of plans and specifications and any other documents necessary to consummate the County Loan;

FURTHER RESOLVED: That all actions taken in connection with the Project by any officer of the Corporation, acting on behalf of the Corporation, to the date of this Resolution are hereby approved and ratified;

FURTHER RESOLVED: That That the Secretary or any assistant or Linda Mandolini, the President & CEO, or Andrea Osgood, the Senior Vice President of Real Estate Development, or Lisa Rydholm, the Senior Vice President of Human Resources and Talent Development, or Tatiana Blank, the Chief Financial Officer, or Kasey Archey, the Senior Vice President of Property Operations, or Meg-Monique Roe, the Chief of Strategy and Capability, or Kevin Leichner, the Vice President of Real Estate Development, or any other officer of the Corporation, shall be authorized and directed to execute to enter into any and all agreements necessary, including but not limited to a loan agreement, a promissory note, a deed of trust, a

regulatory agreement, an assignment of plans and specifications, and any other agreements and shall take any and all further actions necessary to consummate the activities described in this Resolution and Granting of Authority, provided such actions are consistent with the Board action;

FURTHER RESOLVED: That the Secretary or any assistant or Linda Mandolini, the President & CEO, or Andrea Osgood, the Senior Vice President of Real Estate Development, or Lisa Rydholm, the Senior Vice President of Human Resources and Talent Development, or Tatiana Blank, the Chief Financial Officer, or Kasey Archey, the Senior Vice President of Property Operations, or Meg-Monique Roe, the Chief of Strategy and Capability, or Kevin Leichner, the Vice President of Real Estate Development, or any other officer of the Corporation is authorized to execute and certify any form of resolution required by any lender, regulator or other third party involved in the transaction, so long as the President and counsel to the Corporation determine that the substance of such resolutions does not materially conflict with the substance of this Resolution.

CERTIFICATION

I, Cheryl O'Connor, Secretary of Eden Housing, Inc., a California nonprofit public benefit corporation (the "Corporation"), do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution duly passed and adopted by the Executive Committee of the Board of Directors of the Corporation at a meeting of the Executive Committee of the Board of Directors of the Corporation duly and regularly called, noticed and held on February 11, 2022; that said resolutions are now in full force and effect; that there is no provision in the Articles of Incorporation or the Bylaws of the Corporation limiting the powers of the Executive Committee of the Board of Directors of the Corporation to pass the foregoing resolutions and that such resolutions are in conformity with the provisions of the Articles of Incorporation and the Bylaws of the Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand as of February 11, 2022.

Cheryl O'Connor

Cheryl O'Connor, Secretary

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

**U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity**

OMB Approval No. 2529-0013
(exp.1/31/2021)

1a. Project Name & Address (including City, County, State & Zip Code)	1b. Project Contract Number	1c. No. of Units
	1d. Census Tract	
	1e. Housing/Expanded Housing Market Area	

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

1h. Entity Responsible for Marketing (check all that apply)

Owner Agent Other (specify)

Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

2a. Affirmative Fair Housing Marketing Plan

Plan Type

Date of the First Approved AFHMP:

Reason(s) for current update:

2b. HUD-Approved Occupancy of the Project (check all that apply)

Elderly

Family

Mixed (Elderly/Disabled)

Disabled

2c. Date of Initial Occupancy

2d. Advertising Start Date

Advertising must begin *at least* 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin

For existing projects, select below the reason advertising will be used:

To fill existing unit vacancies	
To place applicants on a waiting list	(which currently has _____ individuals)
To reopen a closed waiting list	(which currently has _____ individuals)

3a. Demographics of Project and Housing Market Area

Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

White	American Indian or Alaska Native	Asian	Black or African American
Native Hawaiian or Other Pacific Islander		Hispanic or Latino	Persons with Disabilities
Families with Children	Other ethnic group, religion, etc. (specify)		

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.

If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as identified in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office Real Estate Office Model Unit Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office Real Estate Office Model Unit Other (specify)

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

Rental Office Real Estate Office Model Unit Entrance to Project Other (specify)

The size of the Project Site Sign will be x
The Equal Housing Opportunity logo or slogan or statement will be x

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP?
 - (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)?
 - (3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

 - (4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act?
 - (5) If yes, how and how often?
-

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?

 - (2) What staff positions are/will be responsible for tenant selection?
-

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only	For HUD-Office of Fair Housing and Equal Opportunity Use Only	
Reviewing Official:	Approval	Disapproval
Signature & Date (mm/dd/yyyy)	Signature & Date (mm/dd/yyyy)	
Name (type or print)	Name (type or print)	
Title	Title	

Public reporting burden for this collection of information is estimated to average six (6) hours per initial response, and four (4) hours for updated plans, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Purpose of Form: All applicants for participation in FHA subsidized and unsubsidized multifamily housing programs with five or more units (see 24 CFR 200.615) must complete this Affirmative Fair Housing Marketing Plan (AFHMP) form as specified in 24 CFR 200.625, and in accordance with the requirements in 24 CFR 200.620. The purpose of this AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

An AFHM program, as specified in this Plan, shall be in effect for each multifamily project throughout the life of the mortgage (24 CFR 200.620(a)). The AFHMP, once approved by HUD, must be made available for public inspection at the sales or rental offices of the respondent (24 CFR 200.625) and may not be revised without HUD approval. This form contains no questions of a confidential nature.

Applicability: The form and worksheets must be completed and submitted by all FHA subsidized and unsubsidized multifamily housing program applicants.

INSTRUCTIONS:

Send completed form and worksheets to your local HUD Office, Attention: Director, Office of Housing

Part 1: Applicant/Respondent and Project

Identification. Blocks 1a, 1b, 1c, 1g, 1h, and 1i are self-explanatory.

Block 1d- Respondents may obtain the Census tract number from the U.S. Census Bureau (<http://factfinder2.census.gov/main.html>) when completing Worksheet One.

Block 1e- Respondents should identify both the housing market area and the expanded housing market area for their multifamily housing projects. Use abbreviations if necessary. A **housing market area** is the area from which a multifamily housing project owner/agent may reasonably expect to draw a substantial number of its tenants. This could be a county or Metropolitan Division. The U.S. Census Bureau provides a range of levels to draw from.

An **expanded housing market area** is a larger geographic area, such as a Metropolitan Division or a Metropolitan Statistical Area, which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.

Block 1f- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

Part 2: Type of AFHMP

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

Part 3 Demographics and Marketing Area.

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office. Please indicate the source of your data in Part 8 of this form.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply.

Part 4 - Marketing Program and Residency Preference (if any).

Block 4a - A residency preference is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). Respondents should indicate whether a residency preference is being utilized, and if so, respondents should specify if it is new, revised, or continuing. If a respondent wishes to utilize a residency preference, it must state the preference area (and provide a map delineating the precise area) and state the reason for having such a preference. The respondent must ensure that the preference is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a) (see 24 CFR 5.655(c)(1)).

Respondents should use Worksheet 2 to show how the percentage of the eligible population living or working in the residency preference area compares to that of residents of the project, project applicant data, census tract, housing market area, and expanded housing market area. The percentages would be the same as shown on completed Worksheet 1.

Block 4b - Using Worksheet 3, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4c - Using Worksheet 4, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described.

Please attach a copy of the advertising or marketing material.

Part 5 – Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5b -The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Block 5c -The Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

Part 6 - Evaluation of Marketing Activities.

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

Part 7- Marketing Staff and Training.

Block 7a - Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act.

Please indicate who provides the training and how frequently. In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

Block 7d - Respondents should include copies of any written materials related to staff training, and identify the dates of past and anticipated training.

Part 8 - Additional Considerations.

Respondents should describe their efforts not previously mentioned that were/are planned to attract those individuals least likely to apply for the subject housing.

Part 9 - Review and Update.

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. HUD may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. HUD may review this documentation.

Notification of Intent to Begin Marketing.

No later than 90 days prior to the initiation of rental marketing activities, the respondent must submit notification of intent to begin marketing. The notification is required by the AFHMP Compliance Regulations (24 CFR 108.15). The Notification is submitted to the Office of Housing in the HUD Office servicing the locality in which the proposed housing will be located. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office will review any previously approved plan and may schedule a pre-occupancy conference. Such conference will be held prior to initiation of sales/rental marketing activities. At this conference, the previously approved AFHMP will be reviewed with the applicant to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the AFHM regulation and the plan.

OMB approval of the AFHMP includes approval of this notification procedure as part of the AFHMP. The burden hours for such notification are included in the total designated for this AFHMP form.

**Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities
(See AFHMP, Block 3b)**

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.**

Demographic Characteristics	Project's Residents	Project's Applicant Data	Census Tract	Housing Market Area	Expanded Housing Market Area
% White					
% Black or African American					
% Hispanic or Latino					
% Asian					
% American Indian or Alaskan Native					
% Native Hawaiian or Pacific Islander					
% Persons with Disabilities					
% Families with Children under the age of 18					
Other (specify)					

Worksheet 2: Establishing a Residency Preference Area (See AFHMP, Block 4a)

Complete this Worksheet if you wish to continue, revise, or add a residency preference, which is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). If a residency preference is utilized, the preference must be in accordance with the non-discrimination and equal opportunity requirements contained in 24 CFR 5.105(a). This Worksheet will help show how the percentage of the population in the residency preference area compares to the demographics of the project's residents, applicant data, census tract, housing market area, and expanded housing market area. **Please attach a map clearly delineating the residency preference geographical area.**

Demographic Characteristics	Project's Residents (as determined in Worksheet 1)	Project's Applicant Data (as determined in Worksheet 1)	Census Tract (as determined in Worksheet 1)	Housing Market Area (as determined in Worksheet 1)	Expanded Housing Market Area (as determined in Worksheet 1)	Residency Preference Area (if applicable)
% White						
% Black or African American						
% Hispanic or Latino						
% Asian						
% American Indian or Alaskan Native						
% Native Hawaiian or Pacific Islander						
% Persons with Disabilities						
% Families with Children under the age of 18						
Other (specify)						

Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

Targeted Population(s)	Community Contact(s), including required information noted above.

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

Targeted Population(s)→ Methods of Advertising ↓	Targeted Population:	Targeted Population:	Targeted Population:
Newspaper(s)			
Radio Station(s)			
TV Station(s)			
Electronic Media			
Bulletin Boards			
Brochures, Notices, Flyers			
Other (specify)			



PLHA Application Attachment

Demographic information about Eden Staff and Boards, as well as tenants in properties operated in Marin County

Eden Housing Board Demographics:

Member	Gender	Ethnicity
Jim Kennedy	male	White
Rudy Johnson	male	Black
Annette Billingsley	female	White
Cheryl O'Connor	female	White
Kathleen Hamm	female	white
Calvin Whitacker	male	Black
Nicholas Randall	male	White
John Gaffney	male	White
Doug Kuerschner	male	White
Grace Li	female	Asian
Joe Postigo	male	White
Tim Reilly	male	White
Ed Forest	male	White
Sean Callum	male	Black
Sheila Burks	female	Black
Amy Neches	female	White

Eden Staff that Resides in Marin County:

Employee Gender	Ethnicity	Employee Registered Disabled
F	Hispanic or Latino	DECLINE
M	Black or African American (not Hispanic or Latino)	DECLINE
F	Black or African American (not Hispanic or Latino)	DECLINE
F	White (not Hispanic or Latino)	DECLINE

Eden Tenants of Properties in Marin County:

Elderly and Families	
Elderly	91
Families	17
Total	108

Tenants with Disabilities	13
----------------------------------	-----------

Head of Household	
Male	47
Female	61
Total	108

Race/Ethnicity	
White	77
Latinx	8
Black	8
API	15
Total	108

APPRAISAL

OF

**3301 KERNER BOULEVARD
SAN RAFAEL, CA**

FOR

MR. BRIAN WASHINGTON, COUNTY COUNSEL
COUNTY OF MARIN
MARIN CIVIC CENTER
3501 CIVIC CENTER DRIVE, RM 275
SAN RAFAEL, CA 94903

AS OF

SEPTEMBER 28, 2020

SEMPLÉ APPRAISALS, INC.
55 PROFESSIONAL CENTER PKWY, #E
SAN RAFAEL, CA 94903

Siobhan Semple Stoddard, MAI
Mary Patricia Semple, SRA
Sheila Semple Mone'

Charles P. Semple, MAI (1932-2006)

January 5, 2021

Mr. Brian Washington, County Counsel
County of Marin - Marin Civic Center
3501 Civic Center Drive, Rm 275
San Rafael, CA 94903

File #20081SR2021

Re: Appraisal of: 3301 Kerner Boulevard, San Rafael, CA

Dear Mr. Washington:

At the request of Ms. Christy Voyles, Marin County Real Estate Department, I have appraised the property at 3301 Kerner Boulevard, San Rafael, CA, in order to develop an opinion of the current fair market value.

The property was visited on September 28, and all necessary investigation and analyses were made to prepare the enclosed appraisal report. My opinion of the fair market value of the fee simple interest in the property, Marin County Assessor's Parcel #008-082-52, as of September 28, 2020, is **\$7,250,000**, subject to the enclosed assumptions and limiting conditions. This letter must remain attached to the report, in order for the value opinion set forth to be considered valid.

This appraisal is made with the following Specific Limiting Condition:

The property is vacant, but a one year interim lease was signed with a non-profit agency. This is valuation of the fee simple interest in the property, as vacant, without consideration of the one year lease.

This appraisal is being prepared for the exclusive use of our client, the County of Marin, for a potential purchase of the property, and conversion to affordable housing. The County of Marin and Eden Housing are the intended users of this report. The appraisal may not be used or relied upon by anyone other than the client for any purpose whatsoever, without the express written consent of the appraiser. This report is not intended for any other use.

Mr. Brian Washington, County Counsel
County of Marin - Marin Civic Center
January 5, 2021

I, the undersigned, do hereby certify that to the best of my knowledge and belief, the statements and opinions contained in this appraisal are correct, subject to the aforementioned Limiting Conditions. We also certify that this appraisal has been made in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Practice, which include the Uniform Standards of Professional Appraisal Practice.

Yours truly,



Siobhan Semple Stoddard, MAI
#AG006355

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SALIENT DATA

ADDRESS: 3301 Kerner Boulevard
San Rafael, CA

MARIN COUNTY ASSESSOR'S PARCEL #: 008-082-52

OWNER: Gilardi Charitable Unitrust et al

LAND AREA: 39,758 s.f.

ZONING: CCI/O Core Canal
Industrial/Office

BUILDING AREA: 24,018 s.f. rentable

PRESENT USE: Office building
HIGHEST AND BEST USE: Office building

MAP PAGE: 10B-E2
CENSUS TRACT: 1122.02
FLOOD ZONE: AE, area of 100 year flood
Panel #06041C 0459F, 3/16/16

PROPERTY RIGHTS: Fee Simple
DATE OF VALUE: September 28, 2020

VALUATION

Cost Approach \$7,400,000
Land: \$1,780,000
Improvements: \$5,620,000

Sales Comparison Approach
Building area 24,018 s.f. x \$300 per s.f. = \$7,205,400

Income Approach
Net Income \$402,780 divided by 5.5% OAR = \$7,323,273

FINAL OPINION OF VALUE: \$7,250,000

PREMISES OF THE APPRAISAL

This is an appraisal of a 39,758 square foot parcel in east San Rafael. The site is improved with a 24,018 rentable s.f. office building built in 1984, leased to a single tenant.

Identification of the Real Estate

The property is 3301 Kerner Boulevard, San Rafael, CA, Marin County Assessor's parcel #008-082-52. Prior to 2009 the Assessor's parcel # was 008-082-46.

Identification of the Property Rights to be Valued

This is an appraisal of the fee simple interest in the subject property. Fee simple interest is defined in the 4th edition of The Dictionary of Real Estate Appraisal, published by the Appraisal Institute as:

“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.”

Use of the Appraisal

This appraisal is being prepared for our client, the County of Marin, for a potential purchase of the property, and conversion to affordable housing.

Date of the Value Estimate

This appraisal is being prepared as of September 28, 2020, the date of my most recent visit to the property.

Scope of the Assignment

The property was previously appraised as of 3/19/20, 1/18/19, 9/7/18, 1/30/18, and in 2005 for another client and use. For this assignment, the property was visited on September 28, 2020, and additional information was collected from the listing agent. Sales and leases of similar properties in Marin County were researched over the past two years through public records accessed through ParcelQuest Appraise, Loopnet and COSTAR Data service. Sales data was verified with parties to each transaction as needed. The property was valued using the Cost approach, Sale Comparison and Income approaches.

Sales and Listings of Subject

The property was listed for sale on Loopnet on 7/24/20 for \$7,200,000. The listing agent, Matt Storms of Keegan & Coppin Realtors reports that Marin County made an offer within a week of the listing. The property was purchased by the present owner on May 10, 2005. at \$5,500,000. There have been no sales, nor to our knowledge other listings for sale, in the past three years.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to render an opinion of the Market Value of the property herein described.

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 the 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.

(12 C.F.R. Part 34.42(g) Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202 April 9, 1992, 59 Federal Register 29499, June 7, 1994, from pg. 178 4th Edition Dictionary of Real Estate Appraisal pub. 2002)

EXPOSURE TIME

Estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

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 productivity.

The Dictionary of Real Estate Appraisal, 4th ed.

ASSUMPTIONS AND LIMITING CONDITIONS

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.
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 apparent 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 conforms to 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 estimate 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. Unless otherwise stated in this report, the existence of hazardous material, 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 value estimated 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 client is urged to retain an expert in this field, if desired.

ASSUMPTIONS AND LIMITING CONDITIONS, (cont.)

This appraisal report has been made with the following general Limiting Conditions:

1. Any allocation of the total 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.
2. Possession of this report or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or MAI designation. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.
5. The purpose of this report, and the replacement cost estimate if used, is to estimate the market value of the subject property for the use under the section "Use of the Appraisal", and may not be used for other purposes.

The appraisal includes the following Specific Limiting Conditions:

-The property is vacant, but a one year interim lease was signed with a non-profit agency. This is valuation of the fee simple interest in the property, as vacant, without consideration of the one year lease.

-The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization on 3/11/20. An attempt will be made to measure the impact of the pandemic on the current real estate market, but due to the lack of data and continually changing situation, this opinion of value may be less reliable.

CERTIFICATION

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.

- this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

- 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.

- my compensation is not contingent on an action or event resulting from the analyses, opinion, or conclusions in, or the use of, this report.

- the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Practice, which include the Uniform Standards of Professional Appraisal Practice.

- 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 this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

- I have made a personal inspection of the property that is the subject of this report.

- no one provided significant professional assistance to the person signing this report.

- I appraised this property as of 3/19/20, 1/18/19, 9/7/18, 1/30/18 and 2005. I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

I certify that my opinion of the market value of the property at 3301 Kerner Boulevard, San Rafael, CA as of September 28, 2020, is \$7,250,000



1/5/21

SIOBHAN SEMPLE STODDARD, MAI
#AG006355

DATE

COUNTY OF MARIN

Marin County is located immediately north of the City and County of San Francisco. Access to the county is across the San Francisco Bay on the Golden Gate Bridge. It is one of the 9 counties that comprise the San Francisco Bay Area, which include: San Francisco County, San Mateo County, Santa Clara County, Alameda County, Contra Costa County, Solano County, Sonoma County, Napa County and Marin County.

The North Bay is the only part of the Bay Area that had not been served by a commuter rail service, however in 2017, the Sonoma-Marín Area Rail Transit (SMART) train began service through Sonoma and Marin Counties. The lack of transportation services is mainly due to the lower population mass in the North Bay, and the fact that it is separated completely from the rest of the Bay Area by water.

Marin County is bound on three sides by water; to the south and east by San Francisco Bay and on the west by the Pacific Ocean. The topography is steep and hilly with limited level areas except for North Marin, near the city of Novato. This topography has discouraged intense development, due to the cost of grading and preparing sites. Marin County has been saved from the mass development of the surrounding San Francisco Bay counties. Highway 101 is the main north/south highway from San Francisco through Marin County and north through the state.

Development in Marin County has been centered in the eastern portion, surrounding Highway 101, and adjacent to San Francisco Bay. There are 11 incorporated cities in Marin County which

COUNTY OF MARIN

include, Sausalito, Belvedere, Tiburon, Mill Valley, Corte Madera, Larkspur, Ross, San Anselmo, Fairfax, San Rafael, and Novato. The county also has many communities that are unincorporated and within the jurisdiction of the county.

West Marin County is mainly agricultural, with some rural residential homesites. The western coast of Marin has been preserved as part of the Point Reyes National Seashore, and the Golden Gate National Recreation area. In addition, many private farms are protected by Marin Agricultural Land Trust (MALT).



The county seat of Marin County is San Rafael, located in the center of the county, approximately 17 miles from San Francisco. It was incorporated as Marin County's first city in 1874. San Rafael is named for the Mission San Raphael Archangel founded in 1817, the 20th of

COUNTY OF MARIN

California's 21 missions developed by the Franciscan Fathers. The county government offices are located in the architecturally significant Frank Lloyd Wright designed Marin County Civic Center.

Demographics

The population of Marin County according to the 2010 census was 252,409, in a 519.8 square mile area. The population grows slowly, increasing only 2% since the 2000 census, and has a median age of 44.5 years. The home ownership rate in Marin County for 2009-2013 is 62.8%, higher than the state average of 55.3%.

Marin County has one of the highest incomes in the nation and the highest in the state, due to the considerable number of professionals located in Marin. The median household income was reported in 2009-2013 at \$90,839 per year, much higher than the state of California median household income at \$61,094.

Open Space

Since development has been gradual, residents, learning from their neighboring counties' intense congestion, have strongly advocated, and financially supported open space reserves. Marin, originally an agricultural community, has readily accepted this open space concept.

Approximately 85% of the land has been preserved as parks, open space, tidelands and protected agricultural land, according to the county planners. The dedication of the Golden Gate National Recreation area, immediate to the Golden Gate Bridge extending north along Marin's coastline, the state parks, and smaller county parks along the east bay boundary of the county, all contribute to make this a very picturesque and desirable residential community.

COUNTY OF MARIN

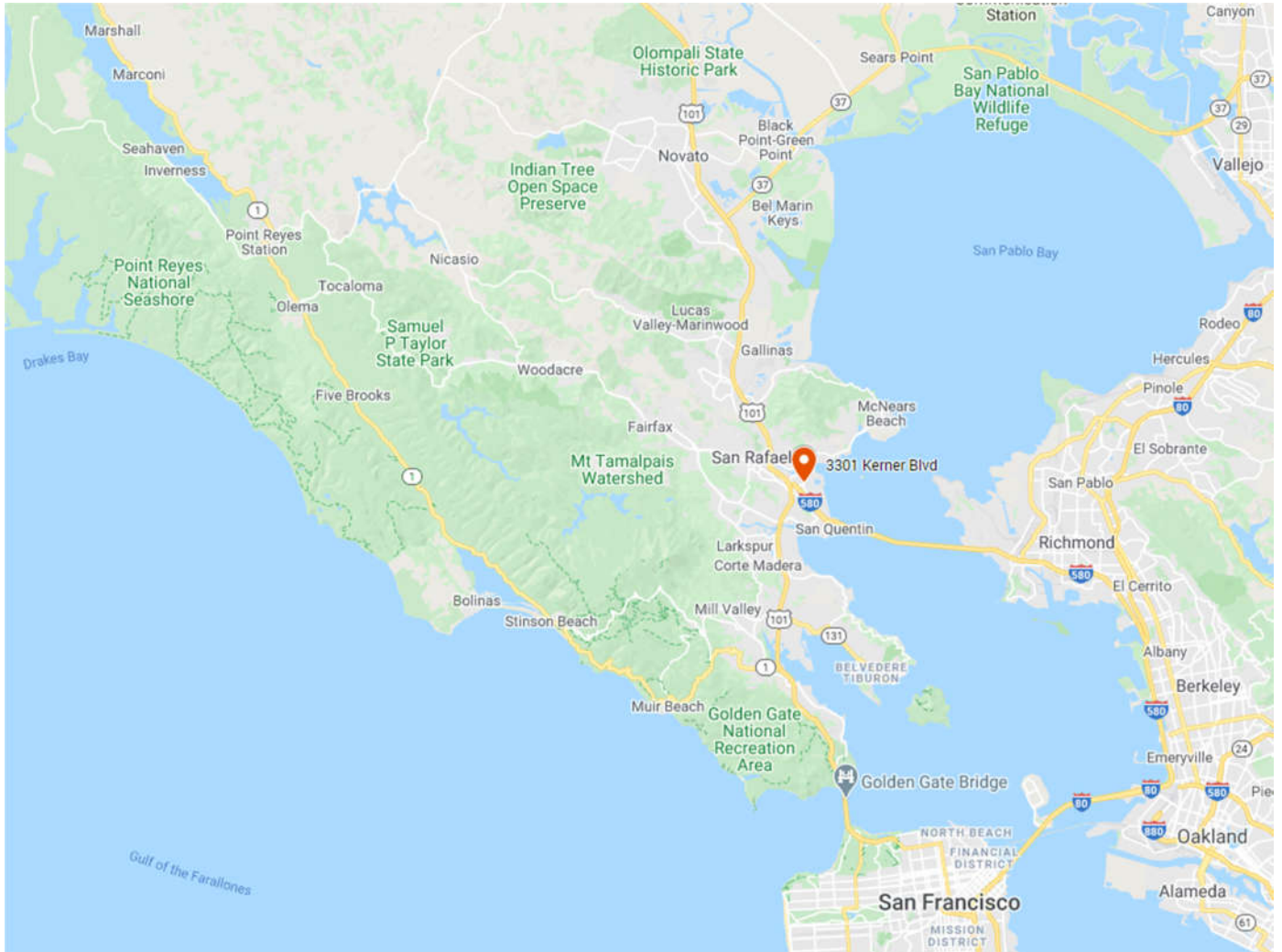
Economics

Marin's economic base has been its proximity to San Francisco, a major metropolitan city. The east/west highways, 580 & 37, link the county to its more commercialized East Bay neighbors, affording residents of the county sufficient and varied employment. In the past few decades, the County has developed local businesses that are providing a larger, local economic base. Many technology-oriented businesses are providing local jobs, and also drawing employees from surrounding counties, mostly from the north where housing is less expensive. Marin County's largest private employers were reported by the Northbay Business Journal in 2018, as:

	<u>Employer</u>	<u>Business</u>	<u># of employees</u>
1	Kaiser Permanente San Rafael	Health care	2,092
2	Marin General Hospital	Health care	1,602
3	Glass Door	Job Information	750
4	Dominican University	Education	319
5	Community Action Marin	Non-profit	300
6	W. Bradley Electric	Electric design	240
7	Bradley Real Estate	Real estate	236
8	Hospice by the Bay	Non-profit	225
9	Brayton Purcell	Legal	220
10	Guide Dogs for the Blind	Non-profit	200

Marin County is a suburb of San Francisco, and has historically been a wealthy bedroom community for that city. It continues to provide housing for residents who commute to San Francisco, and is a desirable residential location. In addition, businesses are locating in Marin County, taking advantage of the proximity to San Francisco, and the educated workforce.

Local Area Map



CITY OF SAN RAFAEL

San Rafael was incorporated as Marin County's first city in 1874. It was named for the Mission San Rafael Archangel founded in 1817, the 20th of California's 21 missions developed by the Franciscan Fathers. Its temperate, warm weather, plus its location on San Pablo Bay, the northern extension of San Francisco Bay, made its harbor an excellent shipping outlet. Located in the center of the county, approximately 17 miles from San Francisco, it became the county seat of Marin County.

San Rafael is an incorporated city, governed by a city manager, city council/mayor form of government. It provides a full range of services: fire, police and administrative. Utilities are provided by Pacific Gas & Electric Company and the Marin Municipal Water District. Bus service is available to San Francisco, San Francisco International Airport, the East Bay and within the county. Golden Gate Transit bus service connects with the ferry system to San Francisco, at Larkspur and Sausalito.

San Rafael is organized into three major commercial centers: the downtown area representing the older commercial area, the eastern part of the city a newer commercial/industrial area adjacent to Highway 580, leading to the San Rafael/Richmond Bridge, and the Civic Center/Northgate area, lying north between Puerto Suelo Hill and the Lucas Valley interchange on U.S. 101.

The population of San Rafael has remained stable, with some growth, as shown by the 2010 census:

CITY OF SAN RAFAEL (cont.)

<u>Year</u>	<u>Population</u>
1980	44,700
1990	48,404
2000	56,063
2010	57,713

The median household income reported by the U.S. Census for San Rafael for 2009-2013, was \$73,953, higher than the California median for the same period of \$61,094.

In a Chamber of Commerce survey, businesses reported that San Rafael is a desirable business location because it is the county seat, its proximity to major centers of commerce and transit and its easy access.

3301 KERNER BOULEVARD, SAN RAFAEL

The property at 3301 Kerner Boulevard, San Rafael, CA is Marin County Assessor's parcel #008-082-52.

Neighborhood

The property is located in east San Rafael, with access off East Francisco Boulevard and Bellam Boulevard. East Francisco Boulevard is one way to the east and Kerner Boulevard is one way to the west in this area. Bellam Boulevard is a two way street, with two lanes in each direction. The subject property is located just east of what is known as "the loop". Traffic flow on the loop is one way southeast on East Francisco Boulevard and one way northwest on Kerner Boulevard. The loop was created to relieve congestion in the area. Roadways in the area are at a very high traffic capacity. Francisco Blvd., east of the Loop, is one lane each direction and terminates at the Richmond-San Rafael Bridge.

Ingress and egress are very good with the Highway 101 and Interstate 580 interchange at the entrance to the neighborhood. The central circulators through the neighborhood are East Francisco Blvd., Kerner and Bellam Boulevards which link the neighborhood with an older industrial area on the east side of Highway 101.

The property is located adjacent to commercial/retail uses on either side and across the street. The commercial uses in this area include industrial uses, with several automotive service centers.

3301 KERNER BOULEVARD, SAN RAFAEL

The subject property is on the northwest corner of Bellam and Kerner Boulevards. On the southeast corner of these streets is a five building office complex with a mix of office, R&D and light manufacturing uses.

Directly to the rear of the subject is another office building, with residential use to the north and east. This is the “Canal” area of the city with dense multi-residential buildings located between Bellam Boulevard and the San Rafael Canal.

Site

This is an irregularly shaped corner parcel with approximately 227 feet of frontage on Kerner Boulevard, and smaller frontage on Bellam Boulevard and Belvedere Street. It is level and at grade with these streets which are improved with curbs, gutters and sidewalks. The total property area is 39,758 square feet (s.f.) or 0.91 acres.

Prior to 2009, the size of the site was 40,408 square feet. The City purchased 650 s.f. for a public right-of-way in 2009. The reduction in land area did not reduce the number of parking spaces existing on the site, but reduced the depth of one (closest to Bellam Blvd.) on-site parking space by approximately 1 foot to 17 feet in depth, where current standards require 19 feet of depth.

From the site there are views over Highway 101 to Mt. Tamalpais and the hills to the south, views to the east of the bay and the San Rafael-Richmond Bridge, and to the north of hills over San Rafael. The property is served by all urban utilities, including electric, gas, sewer and water.

3301 KERNER BOULEVARD, SAN RAFAEL

The property is in flood hazard zone AE, an area of 100 year flood on panel #06041C 0459F, dated 3/16/16, of the National Flood Insurance Rate Map. This is a designated flood hazard zone that typically requires flood insurance for loan underwriting purposes.

The property is zoned CCI/O (Core Canal Industrial/Office District), described as:

“The Core Canal Industrial/Office District provides sites for light industrial, automotive service, and small-scale office uses. Specialty retail uses consistent with industrial uses may be allowed provided the proposed use complies with FAR requirements and trip allocation standards.....”

Many office and industrial uses are allowed in this zoning. General office use is allowed with a Conditional Use Permit. Development restrictions include a minimum lot area of 6,000 s.f., minimum lot width of 60’, maximum height of 36’, minimum landscaping of 10% and administrative/business/professional office parking of one space per 250 s.f. of gross building area.

The City of San Rafael General Plan outlines the current allowed floor area ratios (FAR) for sites in the city. This is part of the East San Rafael plan, High Impact area that has a current maximum allowed FAR of 0.22 for office use, which would allow a maximum 8,746 s.f. building area. The maximum FAR for other uses varies from 0.18 for retail uses to 0.33 for light industrial uses.

3301 KERNER BOULEVARD, SAN RAFAEL

The City of San Rafael Planning file shows approved plans for a 24,630 s.f. three story office building with 74 on-site parking spaces. At the time of construction this building met the zoning and parking requirements. The current parking requirement would require 98 spaces (24,630 s.f./250).

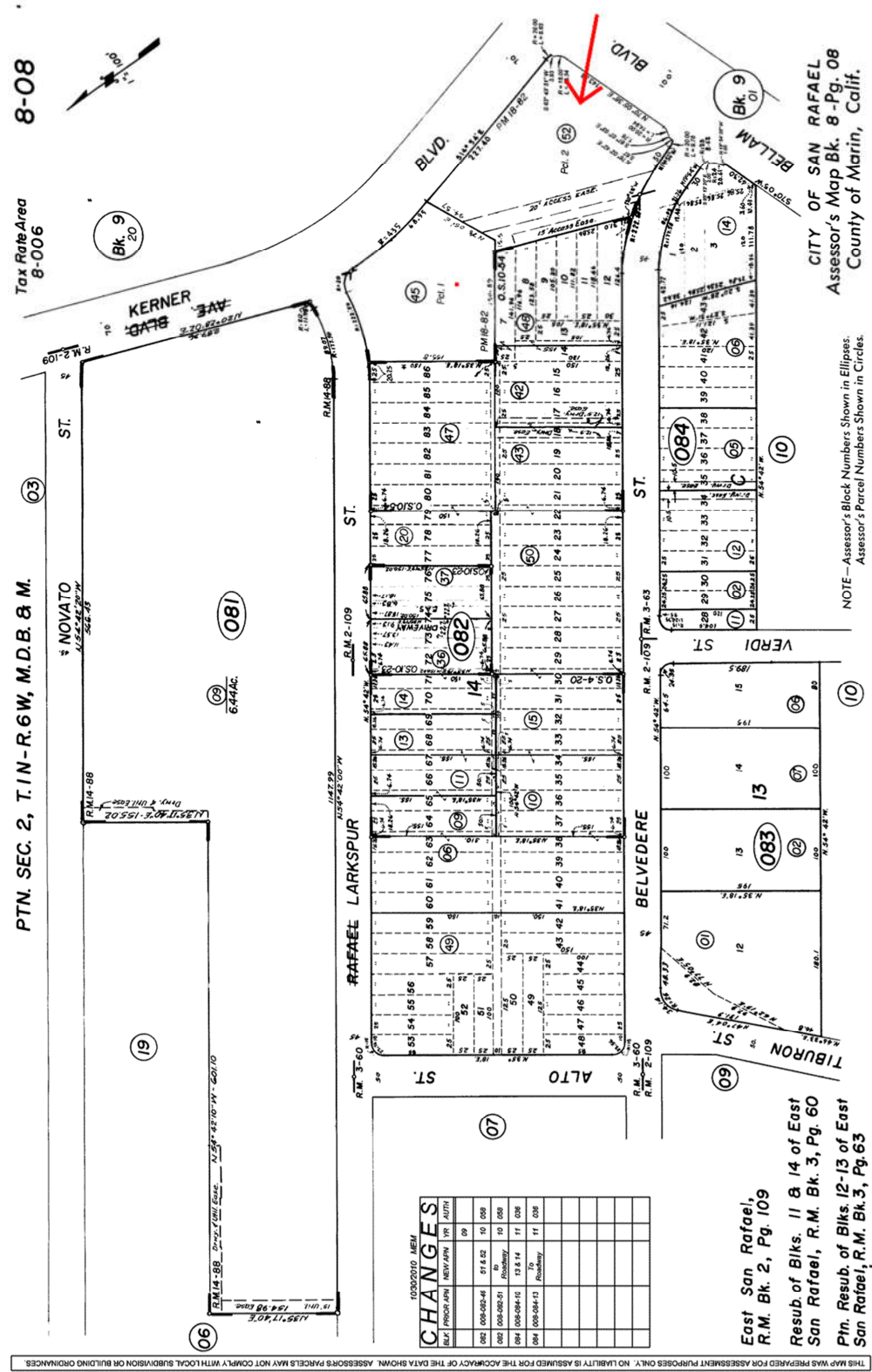
Due to the FAR and parking, the subject is a legal, nonconforming use.

A copy of a Preliminary title report dated September 11, 2020, is included in the Addenda. The legal description includes the subject parcel as PARCEL ONE, and an Easement for ingress and egress as PARCEL TWO. Some exceptions are summarized as:

- Private easements for ingress, egress and public utility purposes on that portion shown as West Railroad Avenue – 1910
Also shown as “existing 45’ ROW on Map of Bellam Subdivision No. 1-1965
- Private easements for ingress, egress and public utility purposes on that portion shown as West Railroad Avenue, on Map of East San Rafael, Marin Co. and Arthur C. Duncan’s Resubdivision of Blocks 11 & 14 EAST SAN RAFAEL- 1910
- easement for San Rafael Sanitation District Sewer -1957
- easements for ingress and egress- 1973, 1978.
- easement for San Rafael Sanitation District sewer purposes -1981
- easement for Access, public utility, sewer and incidental purposes
- easement for ingress and egress- 1982
- easement for PG&E to construct, install, inspect, maintain, replace, remove, use facilities and incidental purposes- 1983
- Unrecorded lease dated 10/17/95

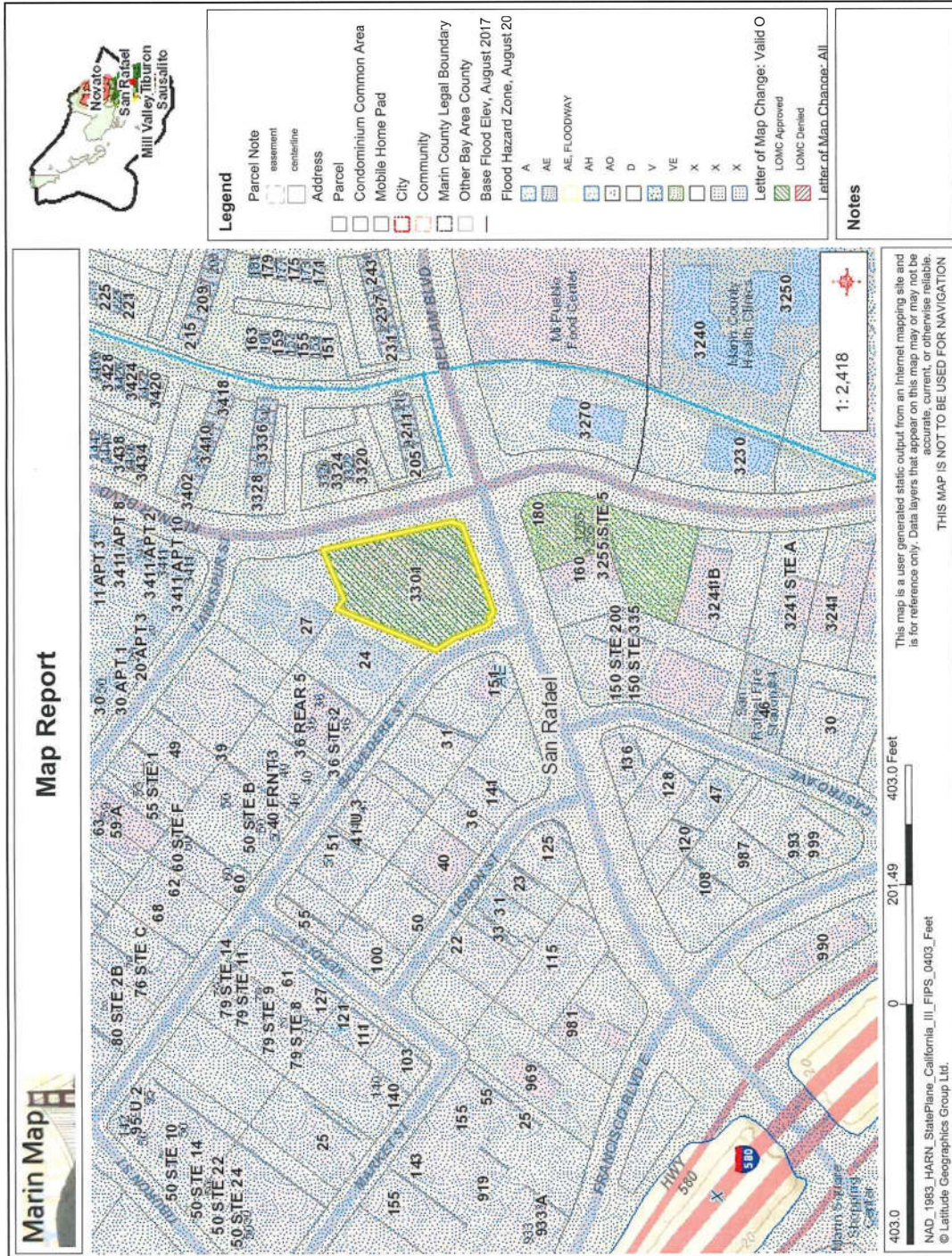
3301 KERNER BOULEVARD, SAN RAFAEL

Assessor's Plat Map



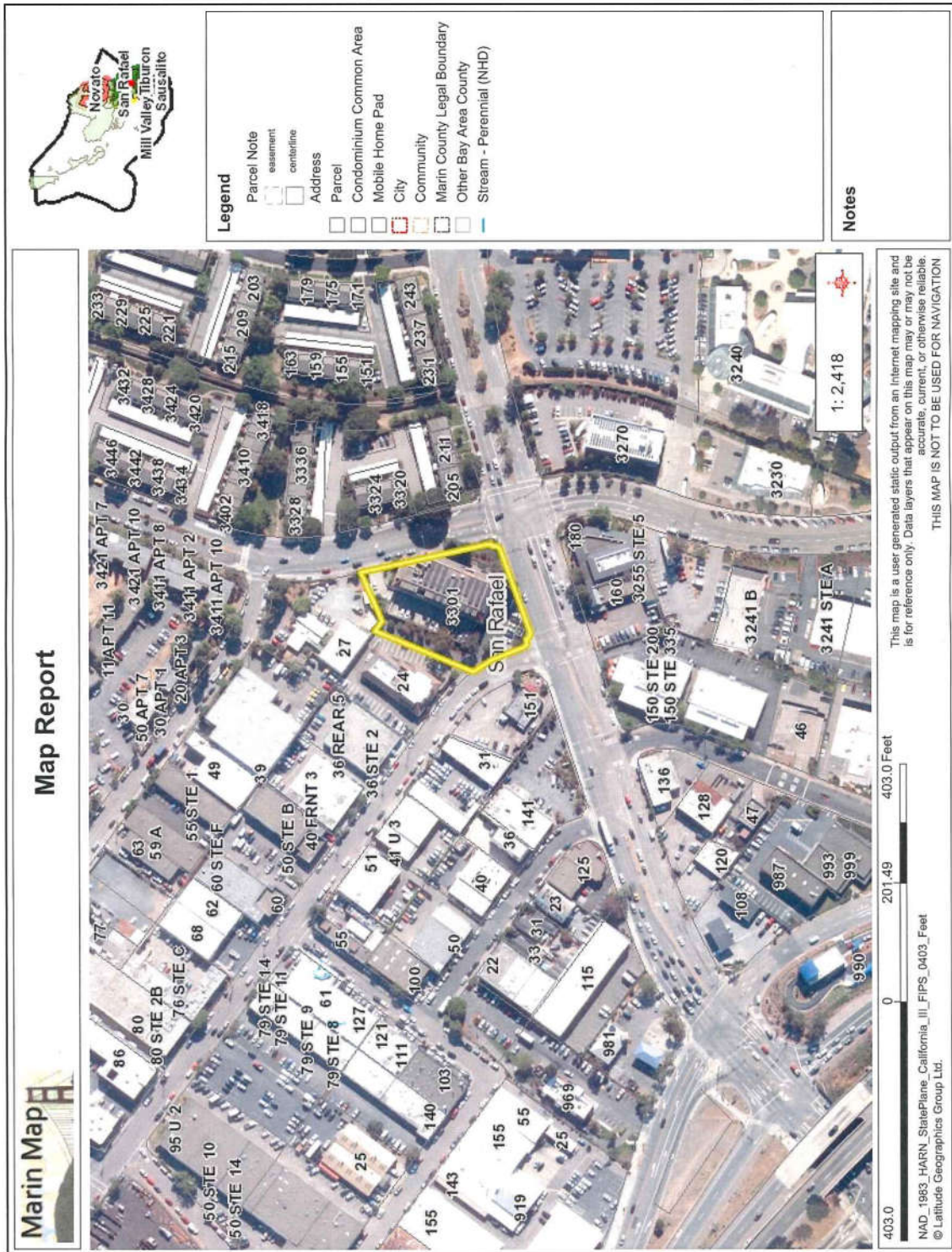
3301 KERNER BOULEVARD, SAN RAFAEL

Marin Maps Topographic Map- flood zone



3301 KERNER BOULEVARD, SAN RAFAEL

Marin Maps Aerial Map



3301 KERNER BOULEVARD, SAN RAFAEL

Some of these easements are shown on the enclosed Assessor's plat map. The Assessor's plat map shows access easements on the westerly portion of the property which provide access to the subject property and the neighboring office building from Belvedere Street.

The easements summarized from the title report reduce the utility of those portions of the property, but they are typical for a commercially zoned property in a developed area. Any development of the property, if vacant, would be restricted by the maximum allowed FAR and the zoning and parking requirements more than by the easements. The access easements from Belvedere Street also benefit the property by providing additional access to the site.

Improvements

The property is improved with a three story office building built in 1984. Additional improvements include a parking garage and landscaping. The building was purchased for owner-user purposes in 2005, and the entire interior was rebuilt after acquisition. For the 2005 renovation, the existing three story, multi-tenant building was converted to a single tenant use building. It is a wood frame building with stucco exterior.

The gross building area is reported in Assessor's records as 25,195 s.f. with rentable area of 23,298 s.f. The City of San Rafael Planning files have older plans showing a gross building area of 24,630 s.f. with 22,515 s.f. of office area and 3,015 s.f. of common area. The more recent building plans state a rentable building area of 24,018 s.f. for the single tenant building. Plans were prepared by Pacific Design Group Architecture and are dated 9/14/05. The most recent figure of 24,018 s.f. is deemed more reliable and will be used for the purposes of this appraisal.

3301 KERNER BOULEVARD, SAN RAFAEL

The project description from the cover page of the building plans states the following:

“The scope of work consists of transforming an existing 3 story multi-tenant office building to a single tenant use. Interior walls will be removed and new walls will be constructed. There will be no structural modification. The existing suspended ceiling will be removed and a new ceiling installed. Lighting fixtures will be rearranged. Supply and return air ducts will be relocated. Existing heating units will remain. There will be no change to either lighting or heating/cooling loads. Fire sprinkler heads will be relocated to accommodate new room arrangements. Painting will be throughout the building interior and new floor finishes will be installed.”

The building was leased to a single tenant for service transactions including storage of records, accounts and data processing, until August 2020. The building is now vacant.

Building features are summarized as:

Exterior: wood frame construction with stucco exterior, tile mansard,
flat tar & gravel roof cover with solar panels (installed in 2005/2006)
double pane windows in metal frames

Interior:

two elevators
two sets of interior stairs with skylights and wood trims
fire sprinklers (2010), security system, two roof mounted HVAC systems with
cooling tower, new electrical (2005)
interior carpeted, sheetrock walls, suspended acoustical tile ceiling with
fluorescent lighting

Main lobby tiled floor, two entry doors

1st floor - lobby, open office area with cubicles, storage/mechanical/utility rooms,
two restrooms (each has tiled floor/wainscoting, single stall appears to be ADA
compliant, ceramic sink, fiberglass shower)

2nd floor - lobby, open office area with cubicles, private perimeter offices (with
glass walls), conference room,
Lunch room (tile floor, formica cabinets/counter, two refrigerators, sink)
electrical room, two restrooms (each has tiled floor/wainscoting, two stalls with
one that appears to be ADA compliant, tile counter with two sinks)

3301 KERNER BOULEVARD, SAN RAFAEL

Interior (cont.):

3rd floor - lobby, open office area with cubicles, private perimeter offices (with glass walls), two conference rooms, three restrooms (two double stall & 1 single stall that appear to be ADA compliant, each has tiled floor/wainscoting, tile counter with two sinks), two decks

Parking and site improvements:

Attached parking garage with two levels
open parking for a total of 74 parking spaces- 12 additional open spaces on the 1st level -Total of 86 parking spaces indicating a parking ratio of 1 space per 279 s.f.
Security gate and ramp from Kerner Bl.
Chain link fence around garbage enclosure
Covered parking area has assigned spaces. Ingress/egress to parking is provided on both north and south sides
Landscaping with irrigation at street frontages, level lawn
Front aggregate concrete patio with benches and lighting
Exterior stairs and ADA ramp to front entry

Permits from the City of San Rafael include the following:

7/05	Demo building interior prior to tenant improvement
9/05	Solar panels - \$100,000
8/10	Fire alarm system
3/15	Replace furnace

Overall, the quality and condition of the building improvements are good. The building was mostly re-built with new finishes and fixtures in 2005. New landscaping, irrigation and a photovoltaic solar system were also installed when the building was remodeled in 2005.

The only items of deferred maintenance noted were some peeling paint on exterior wood trim, and stains on the carpet in some walkways.

3301 KERNER BOULEVARD, SAN RAFAEL

Leases

The property is now vacant.

It was leased to Kurzman Carlsen Consultants, aka KCC LLC, on a 5 year lease that terminated on 8/26/20. The lease included a 3-year option at market rent, which the tenant did not take.

The rental rate at termination was \$66,191.13/month or \$2.76/sf/month, on a gross basis.

On 9/11/2020 the building was leased to a non-profit for one year. A copy of the lease is retained in our files and summarized as:

Lessor: Gilardi Charitable Remainder Unitrust
Lessee: Homeward Bound of Marin
Term: 10/1/20 to 9/30/21
Rent: \$65,000/month or \$2.71/sf/month
Option: one 6 month option and the same rent
Lessor pays: building insurance, taxes, driveway/grounds landscaping and maintenance
Repair and maintenance of roof, photovoltaic system, elevator,
Building systems including plumbing, HVAC, electric, fire and safety
Maintenance of exterior landscaping
Not more than \$50,000 in total expense during lease term
Lessee pays: utilities, sewer, garbage, telephone, general repair and maintenance of
leasehold improvements made by Lessee, janitorial, internet
Lessee takes space "as is"

This is a temporary lease for a homeless shelter at \$2.71/sf/month, gross, for one year. Marin County, who is now considering purchase of this building, is noted as a recipient of any changes to this lease.

This appraisal is made with the following Specific Limiting Condition:

The property is vacant, but a one year interim lease was signed with a non-profit agency. This is valuation of the fee simple interest in the property, as vacant, without consideration of the one year lease.

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Property Tax and Assessments

Since the passage of Proposition 13, in 1978, real property in California has been assessed at its 1976 value, increased at a maximum of 2% annually, unless there is a transfer of ownership or new construction. When either of these occur, the property is reassessed at full market value. Annual taxes are limited to 1% of the assessed value, plus any bonds.

Since the definition of market value assumes a sale, real estate taxes estimated in the income approach, if applicable, will be estimated by applying the current tax rate, to the estimated market value for the property.

The current property taxes and assessed values for the subject property are:

	<u>Assessed Value 2020</u>	<u>Property Tax 2020</u>
AP# 008-082-52	Land: \$2,006,509	
	Imps <u>\$5,957,483</u>	
	\$7,963,992	\$104,269.14

The taxes are 1.1761% of the assessed value, which is \$93,664 in base tax, and \$10,605 in assessments. Taxes are current.

San Rafael Office Market

The most recent real estate survey by Cushman & Wakefield, as of the 2nd Quarter of 2020, reflects the first signs of the impact of the Covid19 Pandemic and Shelter-in-Place. The national economy and the real estate market in Marin County have been impacted by this worldwide pandemic. At the end of 2019, the unemployment rate for the San Francisco North Bay (Marin and Sonoma Counties) was reported at 2.5%. For the 2nd Quarter of 2020, the unemployment rate has risen to 12.8%. The pandemic Shelter-in-Place shut down most businesses, and halted

3301 KERNER BOULEVARD, SAN RAFAEL

the real estate market from mid-March 2020 through April 2020. At the beginning of May 2020, some real estate transactions were allowed, and there have been some, limited business openings. Most office workers were allowed to “work from home”, with many large companies continuing this work arrangement, and some reporting that this may be permanent, restricting the need for office space. The full effect of the pandemic on the real estate market is not yet known.

Cushman & Wakefield Realtors report office vacancy rates and Average asking full service (FS) rental rates, as of the 2nd Quarter of 2020 at:

Office-2nd Qtr. 2020

	<u>Northbay</u>	<u>Marin County</u>	<u>San Rafael</u>
Vacancy Rate	10.4%	12.4%	12.0%
Average Asking FS rental rate	\$2.66	\$3.42	\$3.22

The Marin County vacancy rate is higher than the North Bay overall, and it increased from 10.8% in the 4th Quarter of 2019. The San Rafael vacancy rate at 12.0% is one of the higher rates in the county.

The Marin County average asking rental rate is much higher than Sonoma County’s. The average asking rental rate for Marin County office is similar or slightly higher than it was at the end of 2019. As of the 2nd Quarter of 2020, property owners had not started reducing asking rental rates.

Cushman & Wakefield reports future anticipated increases in vacancy rates and reductions in rental rates.

3301 KERNER BOULEVARD, SAN RAFAEL

Newmark Knight Frank reports that the Marin County office vacancy rate increased from 15.0% in the 1st Quarter of 2020 to 16.3% in the 2nd Quarter 2020. They allocate this vacancy as 12.7% for southern and central Marin, 9.9% in central San Rafael, and higher vacancy rates of 18.8% and 21.0% in north San Rafael and Novato. The total Average asking FS rental rate is reported at \$3.32/sf in Central San Rafael, and \$3.42/sf for all of Marin County.

Newmark Knight Frank reports the future for Marin County office space has many “unknowns”, including the duration of the shutdown , the availability of government funding to help businesses, and whether suburban office space may benefit from tenant leaving the denser city office market.

Both real estate companies report that investment purchases in 2020 have been minimal, as buyers wait to see what is happening in the market. There has been only one larger office investment purchase in 2020.

In Marin County the pandemic has decreased investments and leasing activity. All parties are being cautious, because the pandemic restrictions are changing and the effect on the office market is not known.

Highest and Best Use

The highest and best use can be analyzed for the property as if vacant and as improved using the definition provided earlier in this report as the use that is physically possible, legally permissible, financially feasible and maximally productive.

3301 KERNER BOULEVARD, SAN RAFAEL

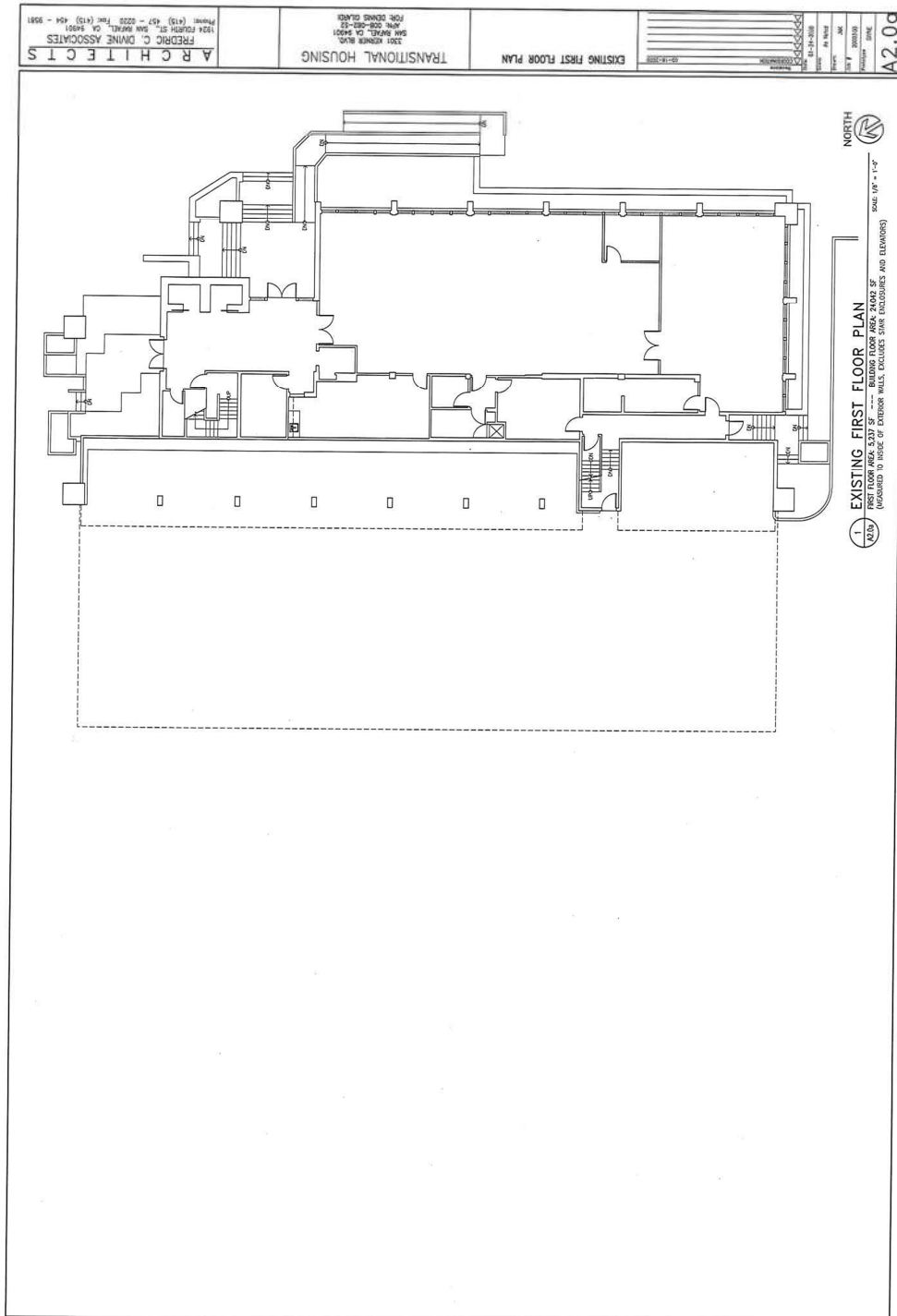
If vacant, the property is a level site, zoned for light industrial/office use, in a mixed use area. The City of San Rafael General Plan allows development in this area for Light Industrial/Office and Industrial use to a maximum 0.33 floor area ratio (FAR). This would allow a maximum 13,120 s.f. building on this site. If the property were vacant, any new construction might also be limited by restrictions on traffic generating development. As a commercial building site, this restriction on size and the necessity to meet current parking requirements are important factors. As less development is allowed, builders want to construct buildings with higher rental rates, office or retail uses. This is offset by higher required parking ratios for these types of uses.

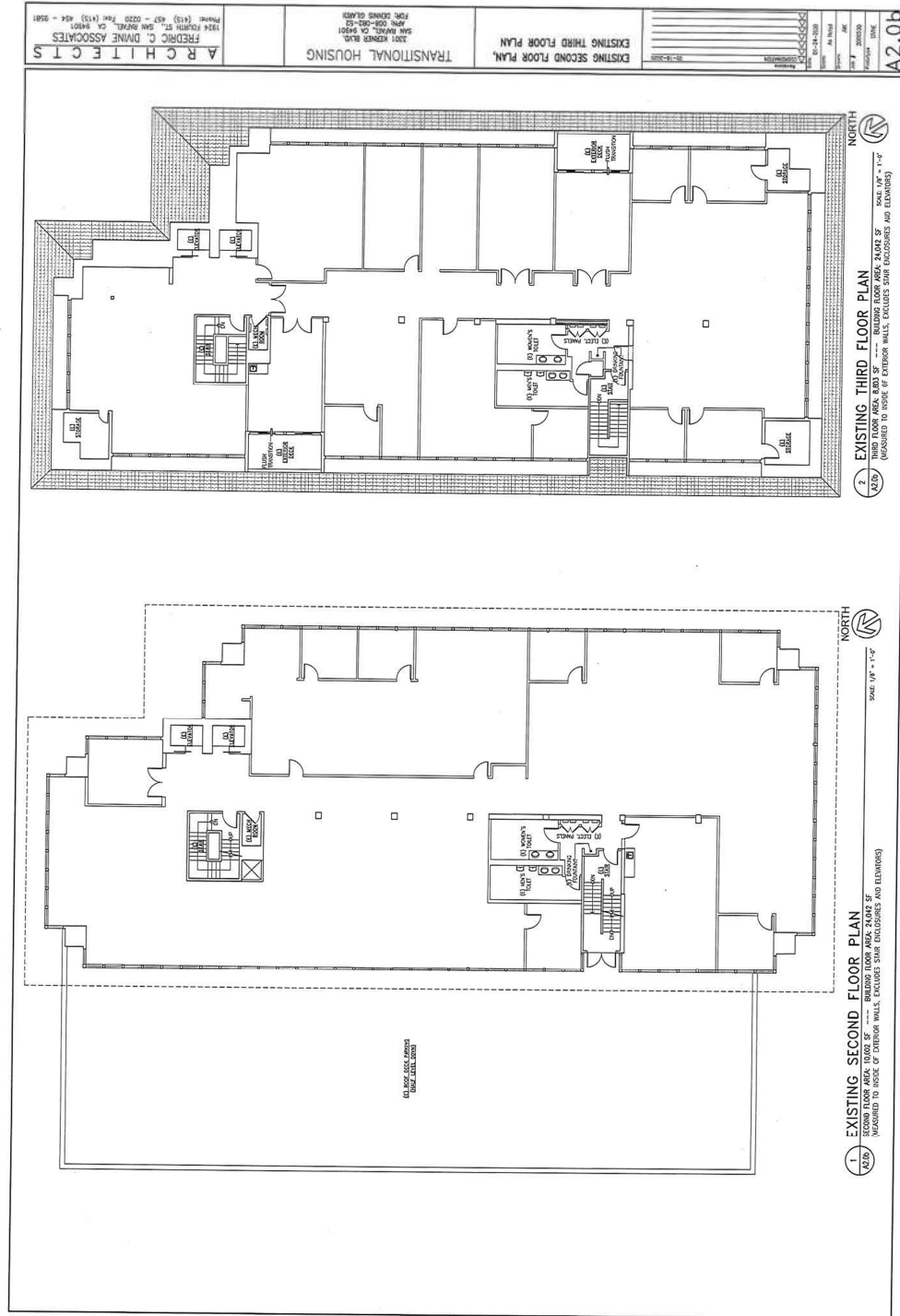
The property is located on a busy commercial street, but backing to multi-residential uses. In the current pandemic environment, a potential buyer for the property if vacant, might hold it for future investment value, or try for a conversion to multi-residential use. The highest and best use of the property, if vacant, is as a commercial building site to be developed as allowed in the zoning.

The existing improvements are at a 0.60 FAR, much higher than would be allowed under the current zoning and General Plan restrictions. The higher FAR and lower than required parking are legally permissible due the existing building on this site. The building has been updated, and well maintained. This property benefits from on-site parking and a central location, with ready access to Highways 101 and 580. It is in good condition and was converted to single-tenant use from multi-tenant use. The existing improvements add value to the property, and are the highest and best use as improved.

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Floorplans





ARCHITECTS
 FREDERIC C. DIVINE ASSOCIATES
 1204 KERNER BLVD.
 SAN RAFAEL, CA 94901
 PHONE: (415) 437-0220 FAX: (415) 434-5281

TRANSITIONAL HOUSING

EXISTING SECOND FLOOR PLAN

EXISTING THIRD FLOOR PLAN

DATE: 08-24-2009
 DRAWN BY: [REDACTED]
 CHECKED BY: [REDACTED]
 PROJECT NO: [REDACTED]

A2.00

SUBJECT PROPERTY PHOTOGRAPHS



3301 Kerner Boulevard, San Rafael



Southwest side of the building facing Belvedere Street

3301 KERNER BOULEVARD, SAN RAFAEL



Shared driveway from Belvedere Street to open parking area, and access to parking garage



3301 KERNER BOULEVARD, SAN RAFAEL



Southwest side of building – entrance



Ramp from Kerner Boulevard to parking area

3301 KERNER BOULEVARD, SAN RAFAEL



Main entrance on Kerner Boulevard with stairs and ADA ramp



3301 KERNER BOULEVARD, SAN RAFAEL



Rear view of the building



Property frontage on Belvedere Street- view south to Bellam Blvd.

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View southwest at Bellam Boulevard property frontage



View northeast on Bellam Boulevard

3301 KERNER BOULEVARD, SAN RAFAEL



View southwest on Kerner Boulevard frontage



Northeast side of building

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Parking garage – 2nd level open parking- ramp from Kerner Blvd.



Parking garage – 1st level- security gate access from Belvedere Street

3301 KERNER BOULEVARD, SAN RAFAEL



First floor- view to the southwest entry door- electric room



1st floor open office space

3301 KERNER BOULEVARD, SAN RAFAEL



1st floor Main entry lobby off Kerner Blvd, - 2 elevators and stairs to upper levels



3301 KERNER BOULEVARD, SAN RAFAEL



1st floor restroom- interior stairs to 2nd floor



2nd floor open office space

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Views from 2nd floor over parking garage and to Mt. Tamalpais



2nd floor office – with some private offices built-in



2nd floor lunchroom with eating area



3301 KERNER BOULEVARD, SAN RAFAEL



3rd floor- offices



3rd floor- views to hills over San Rafael

3301 KERNER BOULEVARD, SAN RAFAEL



3rd floor Conference room with sliding door to deck and built-in sink/counter



3301 KERNER BOULEVARD, SAN RAFAEL



3rd floor- another Conference room with views to the bay and San Rafael-Richmond Bridge



3301 KERNER BOULEVARD, SAN RAFAEL



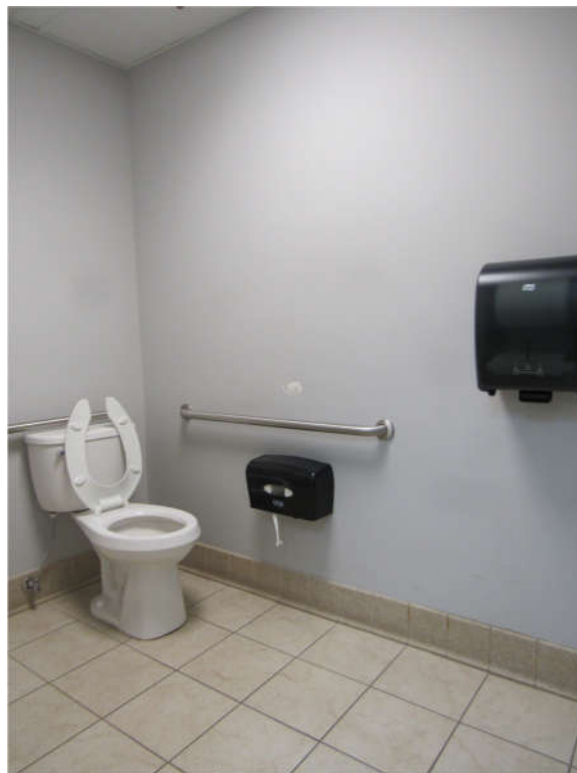
3rd floor views to Mt. Tamalpais



3rd floor offices



3rd floor lobby – elevators and restroom



3rd floor restroom

3301 KERNER BOULEVARD, SAN RAFAEL

VALUATION

The property at 3301 Kerner Boulevard, San Rafael will be valued using the Cost, Sales Comparison, and Income approaches.

Cost Approach

In the cost approach, the land is valued as a vacant site, and to that is added the depreciated replacement or reproduction cost of the improvements. In order to form an opinion of the land value for the subject property, sales of vacant commercial land were researched over the past 5 years in central Marin County. The opinion of land value will be formed by comparison with these sales, using a unit of comparison from the market. The typical unit of comparison for commercial land in this market is a price per square foot of land area.

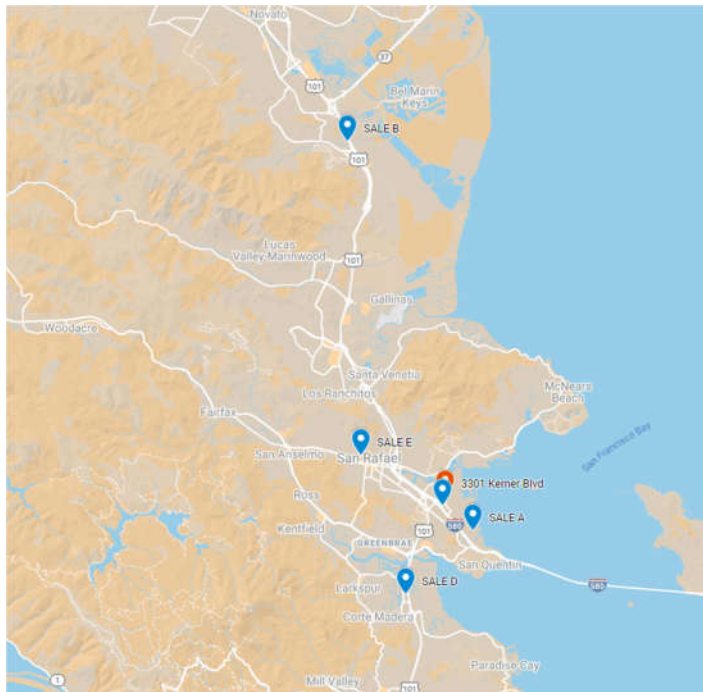
Sales found comparable for valuation of the land only at 3301 Kerner Boulevard, San Rafael are summarized below, with Comparable Sale Data Sheets included in the Addenda of this report:

3301 KERNER BOULEVARD, SAN RAFAEL

Comparable Land Sale Summary

	<u>Address</u>	<u>Sale Date</u> <u>Sale Price</u>	<u>Land Area</u>	<u>Price/sf</u>	<u>Use</u>
A	2 Shoreline Pkwy. San Rafael	1/17 \$4,500,000	177,289 s.f. 4.07 acres	\$25	Zoned PD Gen Plan – LI/O Used for parking
B	399 Entrada Dr. Novato	5/16 \$700,000	19,860 s.f. 0.46 acres	\$35	Zoned CG Automotive planned use
C	1075 E. Francisco Blvd., San Rafael	11/18 \$6,700,000	152,710 s.f. 3.51 acres	\$44	Zoned CG Hotel planned use No approvals
D	41 Tamal Vista Bl. Corte Madera	12/15 \$5,150,000	91,912 s.f. 2.11 acres	\$56	Zoned C-3 Movie theater, redevelopment No approvals
E	1530 4 th St. San Rafael	3/16 \$700,000	10,500 s.f. 0.24 acres	\$67	Zoned WEV Purchased to provide additional parking

Comparable Land Sale Map



3301 KERNER BOULEVARD, SAN RAFAEL

Comparable land sales in central and northern Marin County sold within a range of \$25 to \$67 per square foot.

Sale A is a larger 4+ acre parcel purchased for parking. Sale B is a parcel in southern Novato, with freeway visibility purchased for automotive use. Sale A is more remotely located than the subject, and Sale B is in Novato, an area of lower property values, both inferior in location to the subject.

Sale C is land in East San Rafael located 1-2 blocks from the subject, a former auto dealership that had the buildings removed. It was purchased as a hotel site, but it had no approvals at the time of sale. In May 2020, this property was approved for construction of a 185-room Hilton Hotel.

Sale D is in Corte Madera, with freeway frontage and zoned C-3, like the subject. It is improved with a movie theater, which is planned for removal from the site for redevelopment. It had no approvals at the time of sale.

Sale E is a small property on the main street in downtown San Rafael, purchased for a parking lot.

3301 KERNER BOULEVARD, SAN RAFAEL

Generally, a smaller property will sell for a higher price per square foot than a comparable larger property. The subject property has 39,758 s.f., which is larger than Sales B and E, but smaller than the other sales.

Sale D is superior to the subject in Corte Madera location and freeway visibility. Sale E is superior to the subject in downtown San Rafael location and smaller size. A value for the subject is bracketed between Sales B and D at \$35 to \$56 per square foot. Most similar to the subject in location is Sale C. A value for the subject, land only, is similar to Sale C and bracketed by the other sales at \$45 per square foot applied as:

$$\begin{array}{r} 39,578 \text{ s.f. Land area} \times \$45 \text{ per square foot} = \$1,781,010 \\ \text{Rounded to} \qquad \qquad \qquad \$1,780,000 \end{array}$$

In my opinion, the market value of the land only at 3301 Kerner Boulevard, San Rafael, is \$1,780,000.

For an estimate of the replacement cost of the improvements, Corelogic Marshall & Swift, a national cost estimating service was consulted. The photovoltaic solar system will be included at the reported cost of \$100,000. To the replacement cost is added a 20% developer's overhead and profit on the land and building expense, for the risk and time of development. Built in 1984, the building is 36 years old, but it was extensively remodeled in 2005, and has had additional upgrades since then. It is estimated to have a 15-year effective age of a 60-year life, or 25% depreciation for physical depreciation and functional obsolescence.

3301 KERNER BOULEVARD, SAN RAFAEL

Marshall & Swift

Office building, Section 15, pg. 17, Class D, Good	\$158.00/sf
Fire sprinklers \$3.64-\$4.27, say	<u>\$ 4.00</u>
	\$162.00
Current multiplier	x 1.02
Local area multiplier	<u>x 1.40</u>
	\$231.34/sf

24,018 s.f. building x \$231.34 per s.f. =	\$5,556,324
1,794 s.f. garage x \$102.82 per s.f. =	\$ 184,459
Photovoltaic Solar	<u>\$ 100,000</u>
	\$5,840,783
Developer's overhead and profit	
20% of project cost land & bldg	<u>\$1,524,157</u>
Replacement cost new	\$7,364,940
Depreciation 25%	<u>\$1,841,235</u>
Depreciated replacement cost	\$5,523,705
Site Improvements-paving, landscp	\$ 100,000
Land Value	<u>\$1,780,000</u>
	\$7,403,705

The Cost Approach supports a value of approximately \$7,400,000.

3301 KERNER BOULEVARD, SAN RAFAEL

Sales Comparison Approach

In the sales comparison approach the property is compared to sales of similar properties in the area around the date of value, using a unit of comparison from the market. The typical unit of comparison for commercial buildings in this area is a price per square foot of rentable building area. There were four sales of much larger multi-tenant office buildings in Marin County during 2019, summarized as:

	<u>Address</u>	<u>Sale Date</u> <u>Sale Price</u>	<u>Building Area</u>	<u>Price/sf</u>	<u>OAR</u>
	Hamilton Landing Novato	11/19 \$115,000,000	406,468 s.f.	\$283	6.95%
	4040 Civic Center Dr. San Rafael	6/19 \$52,900,000	135,849 s.f.	\$389	n/a 92% occupied
	1-3 Harbor Drive Sausalito	6/19 \$52,650,000	114,314 s.f.	\$461	5.90%
	1-2 Belvedere Pl. Mill Valley	8/19 \$72,000,000	104,544 s.f.	\$689	4.01%

These properties are all significantly larger than the subject property in rentable building area, and they vary in location and age/quality of the improvements, so they are not directly comparable to the subject on a price per square foot basis. These sales provide a market overview, and a demonstration of demand for office properties in Marin County in 2019.

Sales of medium sized office buildings in Marin County, more similar to the subject, were researched over the past two years. Those found comparable are summarized as:

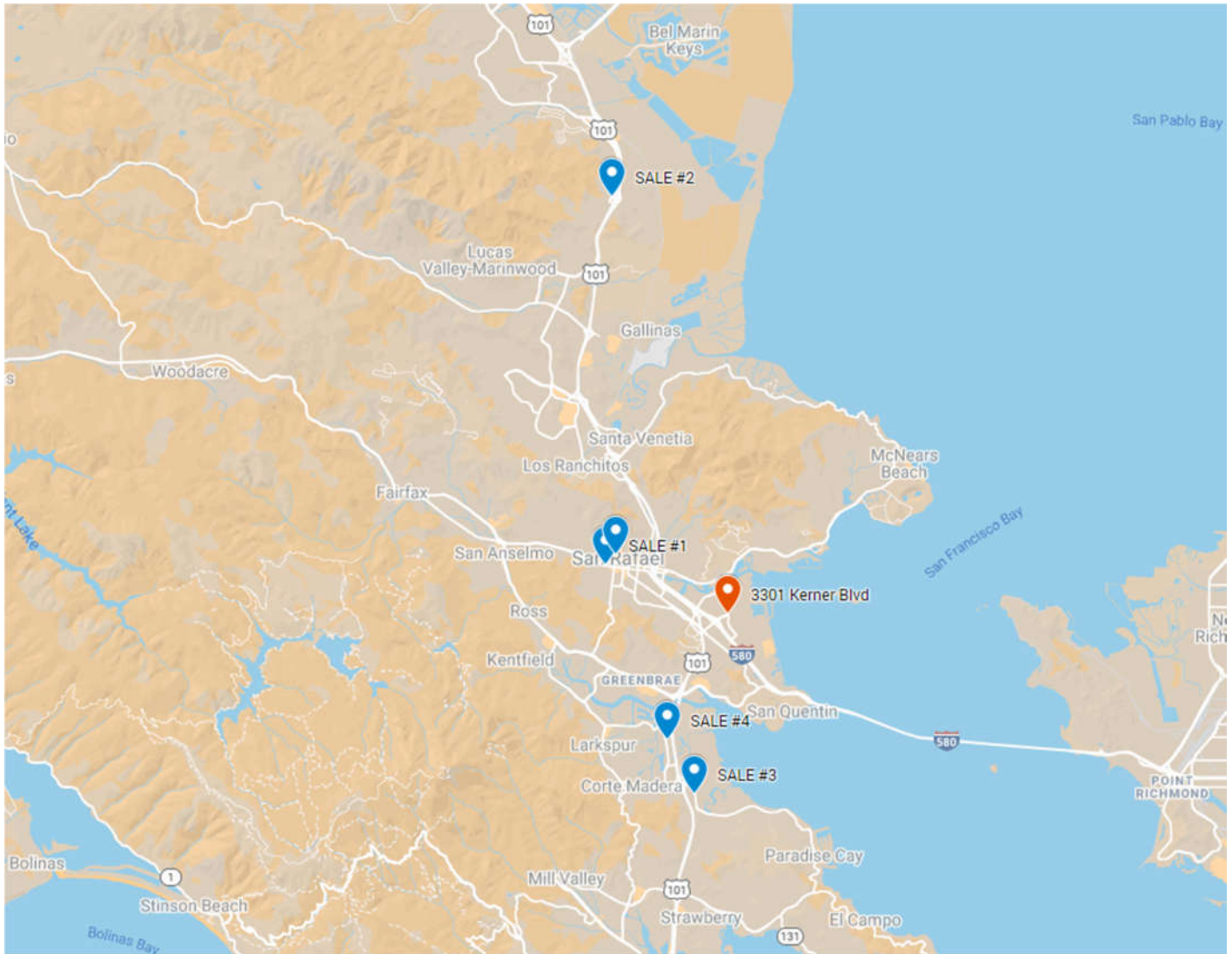
3301 KERNER BOULEVARD, SAN RAFAEL

Comparable Sale Summary

	<u>Address</u>	<u>Sale Date</u> <u>Sale Price</u>	<u>Building</u> <u>Area</u>	<u>Price/sf</u>	<u>OAR/</u> <u>Type</u>
1	55 Shaver St. San Rafael	7/19 \$3,275,000	12,519 s.f.	\$262	8.12% pro forma Sold 50% vacant Multi-tenant
2	201 Alameda del Prado Novato	8/19 \$8,700,000	32,353 s.f.	\$269	6.34% Multi-tenant office 100% occ
3	45 San Clemente Dr. Corte Madera	5/20 \$5,433,000	14,750 s.f.	\$368	n/a multi-tenant office
4	240 Tamal Plaza Corte Madera	10/19 \$9,550,000	23,777 s.f.	\$402	5.57% Multi-tenant office
5	1099 D Street San Rafael	8/19 \$11,000,000	26,950 s.f.	\$408	4.81% Multi-tenant office
	SUBJECT	9/20 Date of Value	24,018 s.f.		

3301 KERNER BOULEVARD, SAN RAFAEL

Comparable Sale Map



Comparable Sale Data Pages

Improved Sale No. 1



Property Identification

Record ID	2101
Property Type	244, Office building
Address	55 Shaver Street, San Rafael, Marin County
Tax ID	011-244-10

Sale Data

Grantor	Kolatch, Joel & Nicky Trust
Grantee	55 Shaver-Croner LLC
Sale Date	July 08, 2019
Deed Book/Page	19-0023718

Sale Price	\$3,275,000
Cash Equivalent	\$3,275,000

Land Data

Land Size	0.200 Acres or 8,712 SF
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General Physical Data

Building Type	Multi Tenant
SF	12,519

Year Built	1985
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Income Analysis

Effective Gross Income	\$382,924
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3301 KERNER BOULEVARD, SAN RAFAEL

Improved Sale No. 1 (Cont.)

Expenses	\$116,854
Net Operating Income	\$266,070

Indicators

Sale Price/ SF	\$261.60
Eff. Gross Income	8.55
Multiplier	
Expenses/Sq. Ft.	\$9.33
Overall or Cap Rate	8.12%
Net Operating Income/Sq. Ft.	\$21.25

Remarks

3-story multi-tenant office building in West San Rafael, built in 1985
8,712 s.f. triangular lot between 2nd and 3rd Streets
Spanish style with open walkways and private decks, elevator
can be divided to 10 suites, 4 common restrooms, 2 suites have private restrooms
Zoned 2/3 MUW- 2nd/3rd Mixed Use District West - medical allowed
500 year flood zone
36 covered parking spaces
Suite 200/230- 4,637 s.f. rented at \$2.03/sf/month to 9/30/20- but offered for sublease
Suite 330 - 1,613 s.f. rented at \$2.54/sf/month mo-to-mo basis
Three suites total 6,269 s.f. are vacant- 50% vacancy
Pro forma income/expense included at \$2.55/sf/mo for all spaces
Property has deferred maintenance

Property listed at \$3,995,000 and sold after 222 days on the market
Buyer will occupy the top floor
As of 1/20-3/20, 5,376 s.f. for lease in the building- recently renovated - for \$3.00/sf/mo, gross

3301 KERNER BOULEVARD, SAN RAFAEL

Improved Sale No. 2



Property Identification

Record ID 2102
Property Type 244, Office building
Address 201 Alameda del Prado, Novato, Marin County
Tax ID 160-480-20

Sale Data

Grantor 201 ADP Investors LLC
Grantee Willard, GE & DL Family Trust
Sale Date August 22, 2019
Deed Book/Page 19-0030213

Sale Price \$8,700,000
Cash Equivalent \$8,700,000

Land Data

Land Size 2.170 Acres or 94,525 SF

General Physical Data

Building Type Single Tenant
SF 32,353

Year Built 1985

Income Analysis

Net Operating Income \$551,505

3301 KERNER BOULEVARD, SAN RAFAEL

Improved Sale No. 2 (Cont.)

Indicators

Sale Price/ SF	\$268.91
Overall or Cap Rate	6.34%
Net Operating Income/Sq. Ft.	\$17.05

Remarks

Multi-tenant office building in Novato- at the entrance to Pacheco Valley
2.17 acre level to upsloping site - Novato zoning P-C
100% occupied with 8 tenants, 3 stories, 86 parking space
Suites are 1,600 sf to 6,700 sf

Property was recently remodeled with new lobby and common area upgrades, HVAC improvements, a new key-card access system, landscaping and restroom upgrades
Leases reported at \$2.20/sf to \$2.45/sf on a full service basis

Improved Sale No. 3



Property Identification

Record ID 2185
Property Type 244, Office building
Address 45 San Clemente Drive, Corte Madera, Marin County
Tax ID 024-171-33

Sale Data

Grantor Sunhill Entrps. LP
Grantee 4Bach LP/HB Bona LLC
Sale Date May 19, 2020
Deed Book/Page 20-00019777

Sale Price \$5,433,000
Cash Equivalent \$5,433,000

Land Data

Land Size 0.972 Acres or 42,336 SF

General Physical Data

Building Type Multi Tenant
SF 14,750

Indicators

Sale Price/ SF \$368.34

3301 KERNER BOULEVARD, SAN RAFAEL

Improved Sale No. 3 (Cont.)

Remarks

Multi-tenant office building in Corte Madera

On a 0.97 acre level site, built in 1983, 58 on-site parking space

Two story building, exterior corridors, no elevator

Reported 100% occupied- mostly medical tenants

No financial information available

Off-market sale

3301 KERNER BOULEVARD, SAN RAFAEL

Improved Sale No. 4



Property Identification

Record ID 2104
Property Type 244, Office building
Address 240 Tamal Vista Boulevard, Corte Madera, Marin County
Tax ID 024-011-66

Sale Data

Grantor JP Hunt Investments
Grantee Professional Financial Investors 47 LLC
Sale Date October 29, 2019
Deed Book/Page 19-0040348
Verification Purchase Agreement- Appraisal #19087

Sale Price \$9,550,000
Cash Equivalent \$9,550,000

Land Data

Land Size 1.479 Acres or 64,425 SF

General Physical Data

Building Type Multi Tenant
SF 23,777

Year Built 1975

3301 KERNER BOULEVARD, SAN RAFAEL

Improved Sale No. 4 (Cont.)

Income Analysis

Potential Gross Income	\$936,061
Vacancy	\$43,596 5% vacancy
Effective Gross Income	\$892,465
Expenses	\$360,155 40% expense
Net Operating Income	\$532,310

Indicators

Sale Price/ SF	\$401.65
Gross Income Multiplier	10.20
Eff. Gross Income Multiplier	10.70
Expenses/Sq. Ft.	\$15.15
Overall or Cap Rate	5.57%
Net Operating Income/Sq. Ft.	\$22.39

Remarks

Hunt Plaza office building in Corte Madera
1.48 acre parcel at Tamal Vista Drive and Lucky Drive- just west of Highway 101
Built in 1975 with 25,071 sf gross building area and 23,777 sf rentable area
Located in 100 year flood zone
95% occupancy at the time of sale
NOI of \$532,310 calculated from the appraisal in September 2019 with new RE taxes
-5.57% OAR
Property marketed with \$491,400 NOI for 5.15% OAR

Property listed for \$9,450,000 on 7/30/19, and the listing broker reports 4 offers in 3 weeks
Buyer, PFI Purchase Agreement offer 8/21/19
Property sold after 30 days on the market.

Improved Sale No. 5



Property Identification

Record ID 2105
Property Type 244, Office building
Address 1099 D Street, San Rafael, Marin County
Tax ID 011-204-20

Sale Data

Grantor 1099 D Street LLC
Grantee Professional Financial Investors 45 LLC
Sale Date August 30, 2019
Deed Book/Page 19-0031350
Verification Purchase Agreement-Appraisal #19058

Sale Price \$11,000,000
Cash Equivalent \$11,000,000

Land Data

Land Size 0.538 Acres or 23,420 SF

General Physical Data

Building Type Multi Tenant
SF 26,950

Year Built 1981

3301 KERNER BOULEVARD, SAN RAFAEL

Improved Sale No. 5 (Cont.)

Income Analysis

Potential Gross Income	\$1,026,307
Vacancy	\$82,105 8% vacancy
Effective Gross Income	\$944,202
Expenses	\$415,355 44% expense
Net Operating Income	\$528,847

Indicators

Sale Price/ SF	\$408.16
Gross Income Multiplier	10.72
Eff. Gross Income Multiplier	11.65
Expenses/Sq. Ft.	\$15.41
Overall or Cap Rate	4.81%
Net Operating Income/Sq. Ft.	\$19.62

Remarks

American Building- 3 story office building on the corner of 5th Ave. and D Street
Downtown San Rafael- across the street from city offices, police
95% occupied with 15 tenants

Zoned 5/M-R/O - Fifth/Mission Residential/Office District

The lobbies/hallways, restrooms, 3rd floor deck, exterior paint were recently updated.

The hallways have energy efficient lighting.

Leased at \$2.50/sf to \$3.33/sf, FS with a 15% load factor

Appraisal NOI \$528,847 with new RE taxes- OAR 4.81%

Marketed with NOI \$551,508, OAR 5.01%, COSTAR report 5.20% OAR

Listed for sale 5/15/19 for \$10,500,000- listing agent Nathan Ballard of Keegan & Coppin reported 6 offers by the end of May with 2 of those offers over list price.

Property sold within 30 days

After the sale 876 s.f. offered for lease at \$3.25/sf, FS

3301 KERNER BOULEVARD, SAN RAFAEL

Comparable office properties sold within the last 14 months for \$3,275,000 to \$11,000,000, improved with buildings with 12,519 s.f. to 32,353 s.f. with price per square foot indicators ranging from \$262 to \$408.

These are all multi-tenant office buildings, in central and north Marin County, similar in age and building style to the subject, built between 1975 and 1985.

Sale #1 sold with only 50% occupancy and it had deferred maintenance at the time of sale, overall inferior to the subject.

Generally properties in southern Marin County have higher property values than properties in North Marin . Sale #2 is inferior in north Marin location to the subject.

Sales #3 and #4 are located south of the subject, superior in location.

Sales #4 and #5 were purchased by the same buyer, Professional Financial Investors, a real estate investment trust that owns many properties in Marin County. During 2020 this company has been investigated by the U.S. Securities and Exchange Commission, and in July 2020, they filed for bankruptcy, so these properties may be back on the market in the future.

Sales #2, #3, #4 and #5 can be compared to the subject as:

3301 KERNER BOULEVARD, SAN RAFAEL

	SUBJECT	#2	#3	#4	#5
Price/sf		\$269	\$368	\$402	\$408
Sale Date	9/20 DOV	8/19	5/20	10/19	8/19
Building Area	24,018 s.f.	32,353 s.f.	14,750 s.f. Superior	23,777 s.f.	26,950 s.f.
Location	San Rafael	Novato Inferior	Corte Madera Superior	Corte Madera Superior	Downtown San Rafael Superior
Yr. built/Condition	1984/good	1985/good	1983/good	1975/good	1981/vgood Superior
Land Area/ FAR Parking Ratio	39,758 sf 0.60 FAR 1 per 279 sf	94,572 s.f. 0.34 FAR 1 per 386 sf	42,336 s.f. 0.35 FAR 1 per 254 sf Superior	64,425 sf 0.36 FAR 1 per 317 sf Superior	23,420 sf 1.15 FAR 1 per 302 sf Inferior
Avg. Rent/sf	\$2.76/sf/mo Prior	\$2.20-\$2.45 Inferior	n/a	\$3.28/sf/mo Superior	\$3.17/sf/mo Superior
Overall		Inferior	Superior	Superior	Superior

Building Area: Generally smaller buildings sell for a higher price per square foot than comparable larger buildings. Sale #3 is smaller in size, needing a downward adjustment for this factor. Sales #2, #4 and #5 are similar in size to the subject.

Location: Southern Marin County has higher property values and rental rates than northern Marin. Sale #2 is located in Novato, inferior to the subject. Sales #3 and #4 are in southern Marin, superior to the subject. Sale #5 is superior in downtown location.

Land Area/FAR/Parking: Sale #2 is superior in FAR to the subject, but inferior in parking ratio, considered offsetting factors. Sales #3 and #4 have a lower FAR, and are superior or similar to the subject in parking, both superior in this factor. Sale #5 has a higher FAR, inferior in this factor.

Avg. Rent/sf: The subject property had been rented at \$2.76/sf/mo until 8/20. Sale #2 is inferior in average rent, while Sales #4 and #5 are superior.

From this analysis, Sale #2 is overall inferior to the subject, and Sales #3, #4 and #5 are superior, bracketing a value between \$269 and \$368 per square foot.

3301 KERNER BOULEVARD, SAN RAFAEL

As a check on the current market, listings of comparable office properties were researched.

There are few properties now on the market that are comparable to the subject. I found:

<u>Address</u>		<u>List Price/sf</u>
145 N. Redwood Dr, San Rafael	List Price \$2,950,000, 11,700 s.f.	\$252
155 N. Redwood Dr., San Rafael	List Price \$2,750,000, 11,263 s.f.	\$244
1595 Grant Ave, Novato	List Price \$4,780,000, 16,424 .f.	\$291

The properties at 145 and 155 North Redwood Dr. are part of north San Rafael Executive Park, a condominium office building ownership. Each building has monthly dues of \$1,500-\$2,000 per month which pays for common area parking and landscaping. Historically these properties have sold for less than office properties with full ownership of the land and building. They are also inferior in location to the subject, in north San Rafael. 155 N. Redwood has been on the market for more than 2 years and 145 N. Redwood has been listed for 114 days.

The property at 1595 Grant Ave, Novato is a former Chase Bank building, which has been on the market for 99 days. It is inferior in location to the subject.

These listings, offered at \$244 to \$291 per square foot are overall inferior to the subject.

The subject property was listed for sale on Loopnet on 7/24/20 for \$7,200,000. The listing agent, Matt Storms of Keegan & Coppin Realtors reports that Marin County made an offer within a week of the listing, so the market reaction is difficult to measure.

After a review of the comparable sale and listing data, a value for the subject is estimated, within the range of Sales #2 and #3 at \$300 per square foot as:

$$\text{Building area } 24,018 \text{ s.f.} \times \$300 \text{ per s.f.} = \$7,205,400$$

3301 KERNER BOULEVARD, SAN RAFAEL

Income Approach

In the income approach the property is compared to sales of similar properties using a capitalization or overall rate (OAR). The OAR is a rate derived from the net income and selling price of the comparable properties. This rate is applied to the net income of the subject property for a value estimate.

A copy of the property owner income/expenses are retained in our file, with 2018 summarized as:

	<u>2018</u>
Rental Income	\$756,185
Expenses	
Insurance	\$ 10,500
Maintenance	\$ 67,034
Property Taxes	\$ 98,738
Legal	<u>\$ 1,270</u>
	\$177,542
Net Income	\$578,643

The expenses are 23% of the rental income. The property insurance from the listing agent is now reported at \$14,500/year.

For an estimate of market rent for the property, leases and asking rents were investigated in the area and the following San Rafael and Novato office properties found comparable:

3301 KERNER BOULEVARD, SAN RAFAEL

Comparable Office Lease Summary

	<u>Address Tenant</u>	<u>Lease Date</u>	<u>Rentable Area (sf)</u>	<u>Monthly Rent/sf</u>	<u>Terms</u>
L1	201 Alameda del Prado, Novato Buckelew Programs	2/20	5,043 s.f.	\$2.20 = \$1.85	FS – sublease Gross Leased 12/17 at \$2.45/sf
L2	2591 Kerner Bl. San Rafael Koniku	7/19	28,689 s.f.	\$1.45 = \$1.95	NNN at \$0.50/sf Gross - Office/flex Now for lease at \$1.95/sf NNN
L3	240 Tamal Vista Bl. Corte Madera	8/19	8,008 s.f.	\$2.87 = \$2.52	FS – renewal, 5 yr. Gross 4% ann inc
L4	101 Glacier Point San Rafael	Listed	7,210 sf to 19,200 sf	\$1.95	Gross Bay views
L5	25 Bellam Blvd. San Rafael	Listed	Up to 23,532 s.f.	\$2.50- \$2.75	Mod. Gross Remodeled office
L6	2350 Kerner Bl. San Rafael	Listed	13,065 s.f.	\$4.00 \$3.65	FS Gross

G = Gross – tenant pays utilities and janitorial

FS = Full Service – landlord pays all operating expenses including utilities, janitorial

NNN – Triple Net, all expenses paid by the tenant, including taxes and insurance

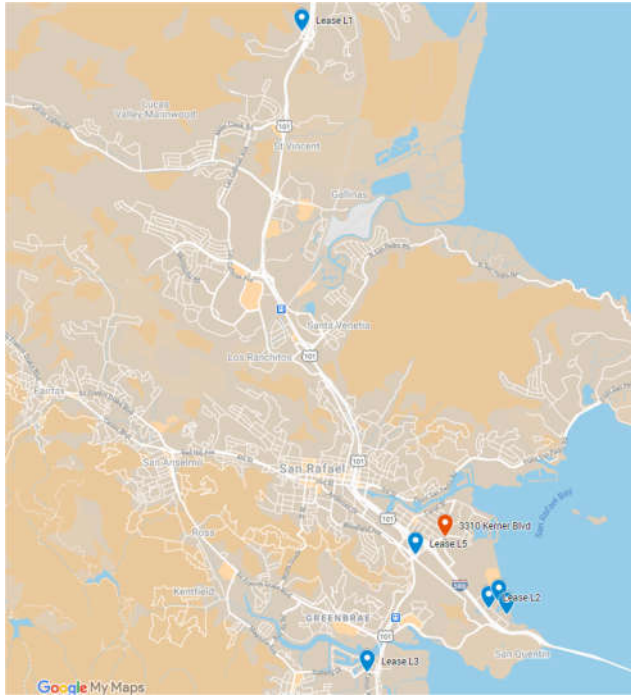
When converted to gross lease terms from full service, an adjustment estimated at

\$0.35/sf/month, or from NNN at \$0.50/sf, the leases, L1, L2 and L3, range from \$1.85/sf to

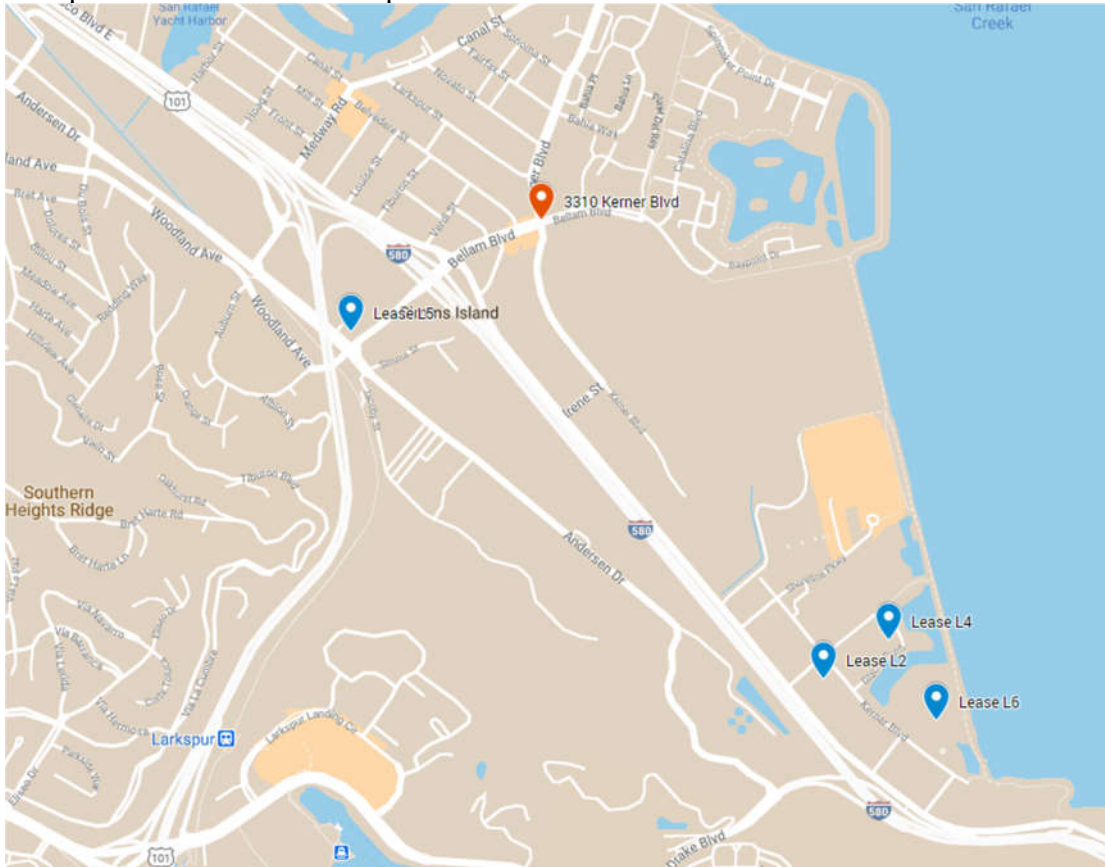
\$2.52/sf. Asking rents are at \$1.95/sf and \$3.65/sf when converted to a gross basis.

3301 KERNER BOULEVARD, SAN RAFAEL

Comparable Office Lease Map



Comparable Office Lease Map – San Rafael



3301 KERNER BOULEVARD, SAN RAFAEL

The subject property had been rented at \$2.76/sf for the whole building on a gross basis, to a long term tenant. In discussions with local brokers, they report that the leasing market is now very slow, with few tenants relocating. For the Comparable lease L2, the broker, Matt Brown of Meridian Commercial reports that he leased the space in July 2019, but the tenant had some business declines, and is now offering the space in a sub-lease. The only interest in the space now has been from potential buyers, not from tenants to lease the space.

The leasing agent for L4 and L5, Samuel Ko of Meridian Commercial reports that the office leasing market has been slow. Lease L4 is for space in a mixed office/warehouse building, offered for 1 to 2 years. Lease L5 is for office space in the newly refurbished Marin Square Shopping Center. The office space had been offered for lease by another broker for 8 months at \$3.00/sf NNN, with no leases completed. Sam Ko has listed this office space for about 2 weeks at a “negotiable” rental rate, that he estimates would be \$2.50-\$2.75/sf on a modified gross basis. No space has yet been leased in this remodeled office building, located a few blocks from the subject.

Market rent for the subject is higher than lease L1 in Novato, and higher than lease L2, which is flex space, not all finished office, but less than lease L3 in southern Marin County. Within that range market rent is estimated at \$2.25/sf gross, which is gross potential income of:

$$24,018 \text{ s.f.} \times \$2.25/\text{sf} = \$54,040.50 \times 12 = \$648,486$$

3301 KERNER BOULEVARD, SAN RAFAEL

Expenses are estimated as:

Vacancy and Collection: The subject property is now vacant, after a long term tenancy. Real Estate surveys report a 12% and 16% vacancy rate for Marin County, with approximately 12% vacancy in San Rafael. For this building, with an estimate of market rent lower than the historic rent, a 7% vacancy and collection allowance will be used.

Property Tax: Real estate property tax, based on a sale of the property at the Sales Comparison Approach value of \$7,205,400 with a tax rate of 1.1761% is \$84,743, plus \$10,605 in assessments for a total of \$95,348.

Insurance: The insurance expense is reported for 2019, at \$14,500, which will be used for this analysis.

Management: Outside property management is typically within a range from 2% to 6% of gross income. A 5% management fee will be used.

Repairs and maintenance: For a pro forma statement, repairs and maintenance are estimated at 10% of effective gross income. This expense item would also include elevator, landscaping, and HVAC.

For a gross lease, utilities, janitorial and security would be paid by the tenant.

The pro forma income/expense statement is:

Gross Potential Income	24,018 s.f. x \$2.25/sf = \$50,040.50 x 12 =	\$648,486
	Vacancy and collection 7%	<u>\$ 45,394</u>
	Effective Gross Income	\$603,092

Expenses

Property Tax	\$ 95,348	
Insurance	\$ 14,500	
Mgmt 5%	\$ 30,155	
Repair & main 10%	<u>\$ 60,309</u>	
	\$200,312	<u>\$200,312</u>
	Net Income	\$402,780

The expenses are 33% of the effective gross income, and are considered reasonable. As a check on this expense ratio, and to choose an OAR, the sales report:

3301 KERNER BOULEVARD, SAN RAFAEL

	<u>Address</u>	<u>Sale Date</u> <u>Sale Price</u>	<u>Net Income</u>	<u>Expenses</u>	<u>OAR/</u>
1	55 Shaver St. San Rafael	7/19 \$3,275,000	\$266,070	31%	8.12% pro forma Sold 50% vacant
2	201 Alameda del Prado Novato	8/19 \$8,700,000	\$551,505	n/a	6.34%
4	240 Tamal Plaza Corte Madera	10/19 \$9,550,000	\$532,310	5% vacancy 40% expense	5.57%
5	1099 D Street San Rafael	8/19 \$11,000,000	\$528,847	8% vacancy 44% expense	4.81%

The OARs from the sales range from 4.81% to 6.34%. Sale #1 is much higher at 8.12%, but that is for 50% occupancy, with the remainder pro form rents, a less reliable indicator.

Expenses are reported at 40% to 44%. For the subject property with 7% vacancy and 33% expenses, an OAR within the range is chosen at 5.5%, applied as:

Net Income \$402,780 divided by 5.5% OAR = \$7,323,273

Reconciliation and Final Opinion of Value

Values have been estimated for the property at 3301 Kerner Boulevard, San Rafael, as:

Cost Approach \$7,400,000
 Land: \$1,780,000
 Improvements: \$5,620,000

Sales Comparison Approach
 Building area 24,018 s.f. x \$300 per s.f. = \$7,205,400

Income Approach
 Net Income \$402,780 divided by 5.5% OAR = \$7,323,273

3301 KERNER BOULEVARD, SAN RAFAEL

Values have been estimated for the property within a range of approximately \$7,200,000 to \$7,400,000. The cost approach, at the higher end of the range, does not reflect the recent 2020 real estate market changes.

The sales comparison and income approaches are within a range of \$7,200,000 to \$7,325,000. Both methods of valuation are based on market indicators from sales of similar properties in the area, and an analysis of the current office market in Marin County.

The subject property was offered for sale on the open market at \$7,200,000, and now has an offer. The list price of \$7,200,000 is well supported by the Sales Comparison approach. The income approach is slightly higher at \$7,325,000, but leasing of the property will include some additional expenses for lease commission and possible sharing of tenant improvement costs. A value of \$7,250,000 is well-supported by the Sales Comparison and Income approaches.

In my opinion, the market value of the fee simple interest in the property at 3301 Kerner Boulevard, San Rafael, CA, as of September 28, 2020 is \$7,250,000.

After a review of marketing periods for the sales, the subject, and the market overall, an exposure period for the property at \$7,250,000 is estimated as 90 to 180 days.

ADDENDA

Qualifications - Siobhan Semple Stoddard, MAI

Parcel Diary

Preliminary Title Report

Comparable Land Sale Data Pages

QUALIFICATIONS

SIOBHAN SEMPLE STODDARD, MAI

EDUCATION

B.A. degree, Dominican College (cum laude)	1979
Appraisal Institute Courses for MAI	1988-1992
Continuing Education – Appraisal Institute	current

AFFILIATIONS

Member, Appraisal Institute, MAI designation	1995 – present
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Certified General Real Estate Appraiser with the State of California #AG006355	1993 – present
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Licensed Real Estate Salesperson	1992 - present
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Northern Calif. Chapter Appraisal Institute – Board of Directors	2001-2003
Chair North Branch of the Northern Calif. Chapter AI	2000

President Marin County Appraisers Association	1998
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Member San Rafael Chamber of Commerce Affordable Housing Committee	1996-2000
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Competent Toastmaster, Toastmasters International	1999
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EXPERIENCE

Semple Appraisals, Inc. - Appraiser	1988 - present
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Financial Institutions -	
Amex Life Assurance Co.- Manager/Cashier	1980 - 1988
Bank of Marin (Westamerica) - teller	1979

REAL ESTATE APPRAISAL CLIENTS:

City of Mill Valley	City of Tiburon	National Park Service
County of Marin	City of Novato	Bank of Marin
America California Bank	The Mechanics Bank	City National Bank
First American Title	Fidelity National Title	Dominican University
Novato Sanitary District	Sanitary Dist. No. 1	Kendall Jackson
SMART	Attorneys	Property Owners

COURT TESTIMONY

Expert Witness: Bankruptcy Court Santa Rosa

3301 KERNER BOULEVARD, SAN RAFAEL

Parcel Diary

- 9/23/20: Called property owner's agent, Matt Storms, Keegan & Coppin, 415-461-1010
- 9/24/20: Matt Storms called back. We set an appointment so I can see the building on Monday 9/28 at 11 am
He says the list price was set after a discussion with the owner. The building would be vacant and he wanted to get it sold, so priced at \$300/sf.
Priced considering likely buyer an owner/user
Some agents in his office thought it was underpriced.
Covid19 Pandemic had only a "tiny impact" on the price
Within 5-6 days they had a prospective buyer- Marin County
He has done several property tours to other prospective buyers
He just signed a one year lease with Homeward Bound at \$65,000/month
- 9/28/20: Visited the property with Matt Storms, Keegan & Coppin



ORDER NO: 00502071-DJ

PRELIMINARY REPORT

First American Title Insurance Company

Cal Land Title Company

California Department of Insurance License No. 2553-6

300A Drakes Landing Road, Suite 100, Greenbrae, CA 94904

Tel: (415) 569-4800 - Fax: (415) 785-3976

Property Address:

3301 Kerner Blvd.
San Rafael, CA

Assessor's Parcel Number:

008-082-52

Buyer/Borrower:

Marin County DPW

Seller/Owner:

Dennis Gilardi
Susan Gilardi

Direct Escrow Inquiries to Escrow Officer:

Dean'a Jerejian
Email: djerejian@cal-land.com

Direct Title Inquiries to:

Bill Curry
Email: bcurry@cal-land.com

Reference Number:

In response to the application for a policy of title insurance referenced herein, First American 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions 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 Attachment One. 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 CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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.

The policy(s) of title insurance to be issued hereunder will be policy(s) of First American Title Insurance Company.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One 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.

Dated as of September 11, 2020 at 7:30 A.M.

By: 
Authorized Signatory



ORDER NO: 00502071-DJ

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

ALTA Owner's Policy (6/17/06) with Regional Exceptions (Standard Coverage)
And
ALTA Loan Policy (6/17/06) (Extended Coverage)

A specific request should be made if another form or additional coverage is desired.

TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

**DENNIS GILARDI AND SUSAN GILARDI,
TRUSTEES OF THE GILARDI CHARITABLE REMAINDER UNITRUST
DATED SEPTEMBER 7, 2018**

THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A fee as to Parcel(s) One, an easement as to Parcel(s) Two

THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.



ORDER NO: 00502071-DJ

EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL ONE:

Parcel 2, as shown upon that certain Parcel Map entitled "Parcel Map Lands of Pansini as described in Book 2230 Official Records at Page 607 and [Book 2503 Official Records at Page 236](#), San Rafael, Marin County, California", filed for record December 30, 1980 in [Book 18 of Parcel Maps at Page 82](#), Marin County Records.

EXCEPTING THEREFROM that portion as conveyed to the City of San Rafael in the Deed recorded December 22, 2009 as Series Number [2009-0070487](#), Marin County Records and re-recorded February 22, 2010 as Series Number [2010-0008378](#), Marin County Records.

APN: 008-082-52

PARCEL TWO:

An Easement for ingress and egress described as follows:

BEGINNING at the most Southerly corner of that parcel of land described in said Deed recorded June 9, 1978 in [Book 3386 of Official Records at Page 278](#), Marin County Records; said point being on the Northerly line of Belvedere Street and at the most Westerly corner of Parcel 2, as shown upon that certain Parcel Map entitled "Parcel Map Lands of Pansini as described in [Book 2230 Official Records at Page 607](#) and [Book 2503 Official Records at Page 236](#), San Rafael, Marin County, California", filed for record December 30, 1980 in [Book 18 of Parcel Maps at Page 82](#), Marin County Records; thence Northerly along the Easterly line of said lands of Lucey and the Westerly line of said Parcel 2, North 20° 28' 00" East 7.30 feet; thence leaving said Easterly line of Lucey, and said Westerly line of Parcel 2, North 69° 24' 00" West 8.00 feet; thence Southerly along a line parallel to and 8.00 feet Westerly of said Easterly line of Lucey, South 20° 28' 00" West 2.49 feet to the Northerly line of Belvedere Street; said point being on a curve concave to the Southwest and having a radius of 222.50 feet and to which point a radial line bears North 50° 26' 54" East; thence Southeasterly 9.35 feet along said curve through a central angle of 2° 24' 30" to the point of beginning.

Said Easement is for the benefit of and appurtenant to Parcel 2, as shown upon the Parcel Map above referred to.



ORDER NO: 00502071-DJ

NOTICE

Attached is the document you (or someone on your behalf) requested. As required by Section 12956.1(b)(1) of the California Government Code, please take note of the following:

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

If this cover page is a copy which has been transmitted to you by facsimile, email or other form of electronic transmission, please note that the notice above appears in the original cover page in 14-point bold face type.



ORDER NO: 00502071-DJ

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. General and special taxes and assessments for the fiscal year 2020-2021, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. Assessments, if any, for Community Facility Districts affecting said land which may exist by virtue of assessment maps or notices filed by said districts. Said assessments are collected with the County Taxes.
4. Any claim that any portion of the land is or was formerly tidelands or submerged lands.
5. Private easements for ingress, egress and public utility purposes over that portion of the herein described property shown as West Railroad Ave., upon those certain maps entitled, "Map of East San Rafael, Marin Co., Cal., 1907", filed for record January 21, 1908 in [Book 2 of Maps at Page 109](#), Marin County Records and "Arthur G. Duncan's Resubdivision of Blocks 11 & 14 East San Rafael, Marin Co., Cal.", filed for record August 23, 1910 in [Book 3 of Maps at Page 60](#), Marin County Records.

Said avenue is also shown as an "Existing 45' Right-of-Way", upon that certain Map entitled, "Map of Bellam Subdivision No. 1", filed for record March 5, 1965 in [Book 13 of Maps at Page 3](#), Marin County Records.

6. Private easements for ingress, egress and public utility purposes over that portion of the herein described property shown as East Railroad Ave., upon those certain maps entitled, "Map of East San Rafael, Marin Co., Cal., 1907", filed for record January 21, 1908 in [Book 2 of Maps at Page 109](#), Marin County Records and "Arthur G. Duncan's Resubdivision of Blocks 11 & 14 East San Rafael, Marin Co., Cal.", filed for record August 23, 1910 in [Book 3 of Maps at Page 60](#), Marin County Records.
7. An easement for sewer and incidental purposes, recorded July 18, 1957 as [Book 1128 at Page 467](#) of Official Records.
In Favor of : San Rafael Sanitation District
8. An easement for ingress, egress, and incidental purposes in the document recorded June 22, 1973 as [Book 2698 at Page 666](#) of Official Records.
9. An easement for ingress, egress, and incidental purposes in the document recorded March 2, 1978 in Book 3338 of Official Records at Page 566, Marin County Records.
10. An easement for public sanitary sewer and incidental purposes, recorded January 7, 1981 as Series Number [1981-0000659](#) of Official Records.
In Favor of : San Rafael Sanitation District

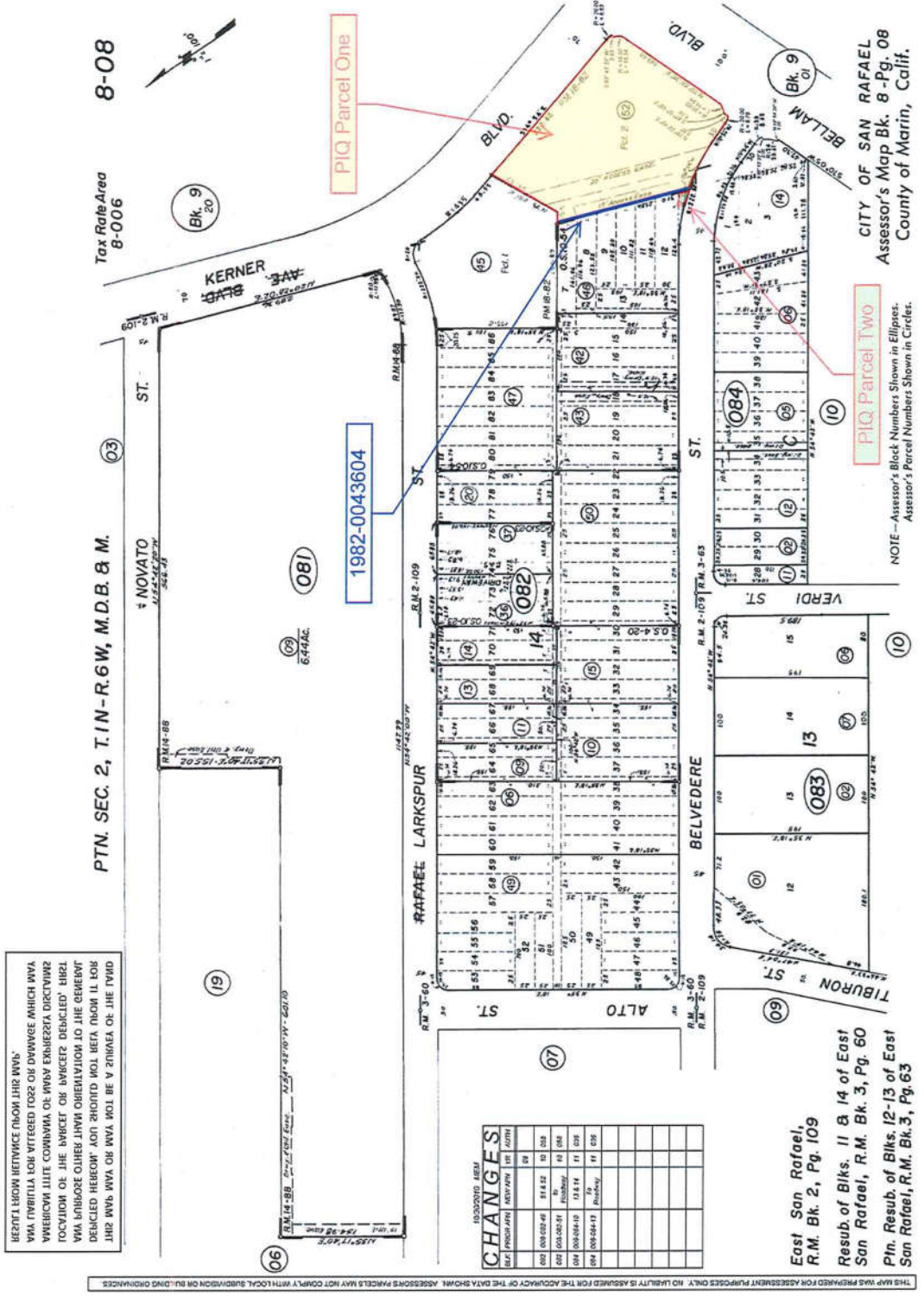


ORDER NO: 00502071-DJ

11. An easement shown or dedicated on the Map as referred to in the legal description
 - For : Access and incidental purposes.
 - For : Public utility and incidental purposes.
 - For : Sewer and incidental purposes.
 - For : Public utility and incidental purposes.
12. An easement for ingress, egress and incidental purposes in the document recorded October 19, 1982 as Series Number [1982-0043604](#) of Official Records.
13. An easement for the right to construct, install, inspect, maintain, replace, remove, use facilities, and incidental purposes, recorded June 20, 1983 as Series Number [1983-0028924](#) of Official Records.
In Favor of : Pacific Gas and Electric Company, a California corporation
14. An unrecorded lease dated October 17, 1995, executed by Joseph J. Giraudo, Beverly J. Giraudo, Stephen L. Pasquan and Pamela Pasquan, subsequently assigned to Abolfath Hosseinioun and Shahdeh Shoostary as lessor and County of Marin as lessee, as disclosed by the document recorded December 21, 1995 as Series Number [1995-0061820](#) of Official Records.
15. Rights of parties in possession.
16. The terms, covenants and provisions of the trust referred to in the vesting herein and all supplements, amendments or modifications thereto, and the effect of any failure to comply with such terms, covenants and provisions.

-END OF EXCEPTIONS-

3301 KERNER BOULEVARD, SAN RAFAEL



3301 KERNER BOULEVARD, SAN RAFAEL

Land Sale A



Property Identification

Record ID 725
Property Type 420, Commercial lot
Address 2 Shoreline Parkway, San Rafael, Marin County
Tax ID 009-320-49

Sale Data

Grantor Cal Pox Inc.
Grantee Sojitz Automotive Real Estate
Sale Date January 31, 2017
Deed Book/Page 17-004298

Sale Price \$4,500,000
Cash Equivalent \$4,500,000

Land Size Information

Gross Land Size 4.070 Acres or 177,289 SF

Indicators

Sale Price/Gross Acre \$1,105,651
Sale Price/Gross SF \$25.38

3301 KERNER BOULEVARD, SAN RAFAEL

Land Sale A

Remarks

Level, rectangular lot in east San Rafael with access to Highway 101 and Interstate 580

Property is paved and leased to tenants to park vehicles

Zoning: PD 1895, Planned Development- General Plan is LI/O, Light Industrial/office

Purchased for investment purposes

No approvals at the time of sale

Land Sale B



Property Identification

Record ID 627
Property Type 415, Commercial lot
Address 399 Entrada Drive, Novato, Marin County
Tax ID 160-202-04

Sale Data

Grantor Madison Trust
Grantee Dagovitz 2005 Trust
Sale Date May 12, 2016
Deed Book/Page 16-0020807

Sale Price \$700,000
Cash Equivalent \$700,000

Land Size Information

Gross Land Size 0.456 Acres or 19,860 SF

Indicators

Sale Price/Gross Acre \$1,535,347
Sale Price/Gross SF \$35.25

3301 KERNER BOULEVARD, SAN RAFAEL

Land Sale B

Remarks

Vacant parcel in the Ignacio area of Novato, adjacent to the freeway, Highway 101

Improved with an older 1,200 sf nursery building

Former service station site. - visible from the freeway

Level, paved lot

Offered for sale on Loopnet starting 3/15 for \$799,000, changed to \$850,000

Sold for \$700,000 after 300+ days on the market.

Property offered as a ground lease, or build-to-suit starting 5/16.

As a potential 6,000 sf building at \$3.50/sf, NNN, starting 5/17

Plans to construct an auto repair facility.

3301 KERNER BOULEVARD, SAN RAFAEL

Land Sale C



Property Identification

Record ID 726
Property Type 415, Commercial lot
Address 1075 East Francisco Boulevard, San Rafael, Marin County
Tax ID 009-191-02, 03, 04, 09, 10

Sale Data

Grantor Chrysler Group Realty Co LLC
Grantee Marin Hospitality LLC
Sale Date November 28, 2018
Deed Book/Page 18-0040640
Verification Mia Stewart, Exec. Admin to Tom Price, Seller, Bay Automotive Properties LLC; 415-464-8800, January 16, 2019

Sale Price \$6,700,000
Cash Equivalent \$6,700,000

Land Size Information

Gross Land Size 3.506 Acres or 152,721 SF

Indicators

Sale Price/Gross Acre \$1,911,010
Sale Price/Gross SF \$43.87

3301 KERNER BOULEVARD, SAN RAFAEL

Land Sale C

Remarks

5 parcels on the corner of E. Francisco Blvd and Castro Avenue in East San Rafael with immediate access to Highway 101 and Interstate 580

Former Dodge/Chrysler Auto Dealership- Visible from Interstate 580

Level, triangular shape, 3.51 acres, vacant

Zoned CG- General Commercial , flood zone AE- 100 year flood

Former dealership buildings demolished 2005,

Plans for a new dealership approved in 2008, expired in 2012.

No approvals at the time of sale

The buyer submitted a pre-application for a proposed hotel- 4-5 story with approximately 107,487 sf with a Hampton Inn & Suites by Hilton brand.

Plans are being reviewed

Prior sale 3/14 for \$3,500,000 or \$23/sf - indicating an increase of 91% over 4+ years

For this sale the listing agent, Don LeBuhn of CBRE said he had a lot of interest, but the sellers didn't want to negotiate

3301 KERNER BOULEVARD, SAN RAFAEL

Land Sale D



Property Identification

Record ID 612
Property Type 415, Commercial lot
Address 41 Tamal Vista Boulevard, Corte Madera, Marin County
Tax ID 024-031-25

Sale Data

Grantor Corte Madera Theaters LLC
Grantee Tam Vista LLC
Sale Date December 30, 2015
Deed Book/Page 15-0060324
Verification Dean Copans, Retail West agent; 415-292-2699, March 23, 2016

Sale Price \$5,150,000
Cash Equivalent \$5,150,000

Land Size Information

Gross Land Size 2.110 Acres or 91,912 SF

Indicators

Sale Price/Gross Acre \$2,440,748
Sale Price/Gross SF \$56.03

3301 KERNER BOULEVARD, SAN RAFAEL

Land Sale D

Remarks

2.11 acre parcel between Tamal Vista Bl. and Highway 101 -improved as Cinema One.

Free-standing movie theater building, built in 1969 with 11,621 s.f.

At the time of sale still operated as a movie theater- the only single screen theater in the county. The operator decided it wasn't profitable and listed the property for sale.

Property is level 1% slope- in a designated flood zone AE- area of 100 year flood.

Purchased by a buyer who plans to redevelop the property, purchased for land only.

There are no approvals at the time of sale, and what might be allowed by the

Town of Corte Madera is not known.

Zoned C-3, Commercial by Corte Madera

Land Sale E



Property Identification

Record ID 626
Property Type 415, Commercial lot
Address 1530 4th Street, San Rafael, Marin County
Tax ID 011-202-13

Sale Data

Grantor McInnis, Susan E
Grantee MJ Smith Family Properties LLC
Sale Date March 24, 2016
Deed Book/Page 16-00012329
Verification Paula Saling, appraiser

Sale Price \$700,000
Upward Adjustment \$44,680
Adjusted Price \$744,680

Land Size Information

Gross Land Size 0.241 Acres or 10,500 SF

Indicators

Sale Price/Gross Acre \$2,904,000
Sale Price/Gross SF \$66.67

3301 KERNER BOULEVARD, SAN RAFAEL

Land Sale E

Remarks

Vacant commercial lot on 4th Street in San Rafael

Paved and fenced - used for vehicle storage

The lot was purchased by a nearby owner, to provide additional parking for their tenant, Bordenave's bakery.

Purchased without brokers for \$700,000. If 6% real estate commission were included total would be \$744,680 for 10,500 s.f. is \$71/sf



21060 Redwood Road, Suite 110
Castro Valley, CA 94546
Office Phone: 510-537-8300
Office Fax: 510-537-0928
Email: ssmith@nat.com

North American Title Company, Inc.
21060 Redwood Road, Suite 110
Castro Valley, CA 94546
Attn: Suzanne Smith

Your Ref:
Our Order No.: 54605-21-02106
Property Address: 3301 Kerner Boulevard, San
Rafael, CA 94901

Preliminary Report Dated as of January 12, 2021 at 12:00 AM.

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE,

North American 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 A 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 CLTA and ALTA Homeowner's Policies of Title Insurance which establish a deductible amount and a maximum dollar limit of liability for certain coverages are also set forth in Exhibit A. 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 A 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.

The form of Policy of title insurance contemplated by this report is:
CLTA Standard Coverage Policy

Please note that the America First Homeowner's Policy (CLTA/ ALTA Homeowner's Policy) can only be issued on transactions involving individuals as purchasers and residential 1-4 properties. Any indication that the America First Homeowner's Policy (CLTA/ ALTA Homeowner's Policy) will be issued in a transaction that does not meet these criteria is hereby revised to state that the policy contemplated is a Standard Coverage Policy.

Gary Roseen, Title Officer I

SCHEDULE A

1. The estate or interest in the land herein after described or referred to covered by this report is:
A Fee as to Parcel(s) One, an Easement as to Parcel(s) Two.
2. Title to said estate or interest at the date hereof is vested in:
County of Marin, a Political Subdivision of the State of California
3. Real Property in the City of San Rafael, County of Marin, State of California, described as follows:

See attached Legal Description

LEGAL DESCRIPTION

Real Property in the City of San Rafael, County of Marin, State of California, described as follows:

PARCEL ONE:

PARCEL 2, AS SHOWN UPON THAT CERTAIN PARCEL MAP ENTITLED "PARCEL MAP LANDS OF PANSINI AS DESCRIBED IN BOOK 2230 OFFICIAL RECORDS AT PAGE 607 AND BOOK 2503 OFFICIAL RECORDS AT PAGE 236, SAN RAFAEL, MARIN COUNTY, CALIFORNIA", FILED FOR RECORD DECEMBER 30, 1980 IN BOOK 18 OF PARCEL MAPS AT PAGE 82, MARIN COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION AS CONVEYED TO THE CITY OF SAN RAFAEL IN THE DEED RECORDED DECEMBER 22, 2009 AS SERIES NUMBER 2009-0070487, MARIN COUNTY RECORDS AND RE-RECORDED FEBRUARY 22, 2010 AS SERIES NUMBER 2010-0008378, MARIN COUNTY RECORDS.

PARCEL TWO:

AN EASEMENT FOR INGRESS AND EGRESS DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN SAID DEED RECORDED JUNE 9, 1978 IN BOOK 3386 OF OFFICIAL RECORDS AT PAGE 278, MARIN COUNTY RECORDS; SAID POINT BEING ON THE NORTHERLY LINE OF BELVEDERE STREET AND AT THE MOST WESTERLY CORNER OF PARCEL 2, AS SHOWN UPON THAT CERTAIN PARCEL MAP ENTITLED "PARCEL MAP LANDS OF PANSINI AS DESCRIBED IN BOOK 2230 OFFICIAL RECORDS AT PAGE 607 AND BOOK 2503 OFFICIAL RECORDS AT PAGE 236 SAN RAFAEL, MARIN COUNTY, CALIFORNIA", FILED FOR RECORD DECEMBER 30, 1980 IN BOOK 18 OF PARCEL MAPS AT PAGE 82 MARIN COUNTY RECORDS; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LANDS OF LUCEY AND THE WESTERLY LINE OF SAID PARCEL 2, NORTH 20° 28' 00" EAST 7.30 FEET; THENCE LEAVING SAID EASTERLY LINE OF LUCEY, AND SAID WESTERLY LINE OF PARCEL 2, NORTH 69° 24' 00" WEST 8.00 FEET; THENCE SOUTHERLY ALONG A LINE PARALLEL TO AND 8.00 FEET WESTERLY OF SAID EASTERLY LINE OF LUCEY, SOUTH 20° 28' 00" WEST 2.49 FEET TO THE NORTHERLY LINE OF BELVEDERE STREET; SAID POINT BEING ON A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 222.50 FEET AND TO WHICH POINT A RADIAL LINE BEARS NORTH 50° 26' 54" EAST; THENCE SOUTHEASTERLY 9.35 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 2° 24' 30" TO THE POINT OF BEGINNING.

SAID EASEMENT IS FOR THE BENEFIT OF AND APPURTENANT TO PARCEL 2, AS SHOWN UPON THE PARCEL MAP ABOVE REFERRED TO.

APN: 008-082-52

SCHEDULE B

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions in the policy form designated on the face page of this report would be as follows:

1. General and special taxes and assessments for the fiscal year 2021-2022, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2020-2021 .

First Installment: \$52,134.57 PAID
Penalty: \$
Second Installment: \$52,134.57 OPEN (Due By: April 10, 2021)
Penalty: \$
Tax Rate Area: 008-006
A.P. No.: 008-082-52
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Any claim that any portion of the land is or was formerly tidelands or submerged lands.
5. Private easements for ingress, egress and public utility purposes over that portion of the herein described property shown as West Railroad Ave., upon those certain maps entitled, "Map of East San Rafael, Marin Co., Cal., 1907", filed for record January 21, 1908 in Book 2 of Maps at Page 109, Marin County Records and "Arthur G. Duncan's Resubdivision of Blocks 11 & 14 East San Rafael, Marin Co., Cal.", filed for record August 23, 1910 in Book 3 of Maps at Page 60, Marin County Records.

Said avenue is also shown as an "Existing 45' Right-of-Way", upon that certain Map entitled, "Map of Bellam Subdivision No. 1", filed for record March 5, 1965 in Book 13 of Maps at Page 3, Marin County Records.
6. Private easements for ingress, egress and public utility purposes over that portion of the herein described property shown as East Railroad Ave., upon those certain maps entitled, "Map of East San Rafael, Marin Co., Cal., 1907", filed for record January 21, 1908 in Book 2 of Maps at Page 109, Marin County Records and "Arthur G. Duncan's Resubdivision of Blocks 11 & 14 East San Rafael, Mann Co., Cal ", filed for record August 23, 1910 in Book 3 of Maps at Page 60, Marin County Records.
7. An easement for sewer and incidental purposes, recorded July 18, 1957 as Book 1128 at Page 467 of Official Records.
In Favor of: San Rafael Sanitation District
8. An easement for ingress, egress, and incidental purposes in the document recorded June 22, 1973 as Book 2698 at Page 666 of Official Records.
9. An easement for ingress, egress, and incidental purposes in the document recorded March 2, 1978 in Book 3338, Page 566 of Official Records
10. An easement for Public Sanitary Sewer and incidental purposes, recorded January 7, 1981 as/in Instrument No. 1981-0000659, Official Records.

In Favor of: San Rafael Sanitation District
Affects: A Portion of said land
11. An easement shown or dedicated on the Map as referred to in the legal description
For: Access and incidental purposes.
For: Public utility and incidental purposes.
For: Sewer and incidental purposes.

12. An easement for ingress, egress and incidental purposes in the document recorded October 19, 1982 as Series Number 1982-0043604 of Official Records.

13. An easement for The right to construct, install, inspect, maintain, replace, remove, use facilities and incidental purposes, recorded June 20, 1983 as/in Instrument No. 1983-0028924, Official Records.

In Favor of: Pacific Gas and Electric Company, a California Corporation

Affects: A Portion of said land

14. We find no open deeds of trust, and will require the Open Loans Affidavit form to be submitted for review prior to close.

15. With respect to County of Marin, a Political Subdivision of the State of California, a corporation:
a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
b. A certified copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

Notice: If an ALTA Extended Lender's Policy is to be issued, the following exceptions will appear:

16. Any rights, interests, or claims of parties in possession of the land not shown by the public records.

*****END OF REPORT*****

A. NOTICE OF RECORDING PROCEDURE

Pursuant to Cal. Revenue & Tax Code §480.3, all Deeds and other Documents that reflect a change in ownership must be accompanied by a Preliminary Change of Ownership Report to be completed by the transferee. If this special report is not presented at the time of recording, an additional recording fee of \$20.00, as required by law, will be charged. Preliminary Change in Ownership forms, instructions on how to complete them, and a nonexclusive list of documents that are affected by this change, are available from the County Recorder's Office or the Office of the County Assessor.

Effective January 1, 2018, Cal. Government Code §27388.1 imposes an additional fee of \$75.00 to be paid at the time of recording for every real estate instrument, paper, or notice required or permitted by law to record, except those expressly exempted from payment.

B. GOOD FUNDS LAW

Under Section 12413.1 of the California Insurance Code, North American Title Company, Inc. may only make funds available for disbursement in accordance with the following rules:

Same day availability. Disbursement on the date of deposit is allowed only when funds are deposited to North American Title Company, Inc. by Cash or Electronic Transfer (Wire). Cash will be accepted only under special circumstances and upon approval by management.

Next business day availability. If funds are deposited to North American Title Company, Inc. by cashier's checks, certified checks or teller's checks, disbursement may be on the next business day following deposit. A "teller's check" is one drawn by an insured financial institution against another insured financial institution (e.g., a savings and loan funding with a check drawn against a FDIC insured bank).

Second business day availability. If the deposit is made by checks other than those described in paragraphs 1 and 2 above, disbursement may occur on the day when funds must be made available to depositors under Federal Reserve Regulation CC. In most cases, these checks will be available on the second business day following deposit. (For further details, consult California Insurance Code Section 12413, et seq. and Regulation CC).

These are the minimum periods before funds will be made available. North American Title Company, Inc. is not obligated to disburse funds at the expiration of the time periods above, and expressly reserves the right to require additional time before disbursing on deposited funds. Close of escrow and final disbursement will not be made based on deposits in the form of personal checks, corporate checks, credit union checks, money market checks, travelers checks and official checks until confirmation of final clearance of the funds.

North American Title Company, Inc. will not be responsible for accruals of interest or other charges resulting from compliance with the disbursement restrictions imposed by state law.

North American Title Company, Inc. charges for recording the transaction documents include charges for services performed by North American Title Company, Inc., in addition to an estimate of payments to be made to governmental agencies.

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable 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. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

- C. The map attached, if any, may or may not be a survey of the land depicted hereon. North American Title Company, Inc. expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

Referring Party: North American Title Company, North American Title Company, Inc., North American Title Company of Colorado, North American Title, LLC, North American Title Agency, Inc., or North American Title Company, LLC, as applicable ("NAT")

This is to give notice that NAT has a business relationship with North American Title Insurance Company ("NATIC"). NAT and NATIC, directly or indirectly, are wholly owned subsidiaries of States Title Holding, Inc. Because of this relationship, this referral of services may provide NAT a financial or other benefit.

Set forth below are the estimated charges or range of charges for the settlement services provided by NATIC. You are NOT required to use NATIC as a condition for closing your transaction.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Title Insurance Fees

NAT provides closing services and title insurance through numerous title insurance underwriters, one of which is NATIC. If NATIC is selected as the title insurer, the following fees apply:

10% - 40% of costs for lender's and/or owner's title insurance, as applicable, depending on the property state, and as shown on the Loan Estimate and/or Closing Disclosure provided by your lender.

Contact your local NAT representative for a more detailed title insurance quote based on your specific transaction.

ACKNOWLEDGMENT

I/we have read this disclosure form, and understand that NAT is referring me/us to purchase the above-described settlement service and may receive a financial or other benefit as the result of this referral.

Buyer/Borrower:

Date: _____

Seller:

Date: _____

NORTH AMERICAN TITLE COMPANY, INC.

21060 Redwood Road, Suite 110, Castro Valley, CA 94546

Office Phone: 510-537-8300 Office Fax: 510-537-0928 Email: ssmith@nat.com

Closing Protection Letters can be ordered directly by emailing cacpl@nat.com with your title order number and property address.

Attention:

Your Ref:

Our Order No.: 54605-21-02106

LENDERS SUPPLEMENTAL REPORT

Dated as of January 12, 2021 at 12:00 AM.

Title Officer: Gary Roseen

The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented in order to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy of Title Insurance:

Our ALTA Loan Policy, when issued, will contain Endorsement Nos. 100 and 116.

There is located on said land a Commercial
Known as: 3301 Kerner Boulevard, San Rafael, CA 94901
City of San Rafael
County of Marin
State of California.

According to the public records, there has been no conveyance of the land within a period of 120 months prior to the date of this report, except as follows:

A document recorded December 27, 2017 as Instrument No. 2017-0051594 of Official Records.

From: Dennis A. Gilardi and Susan Johann Gilardi, Trustees, Gilardi 2006 Trust dated April 10, 2006

To: Anka LLC, a California Limited Liability Company

A document recorded September 19, 2018 as Instrument No. 2018-0033088 of Official Records.

From: Anka LLC, a California Limited Liability Company

To: Dennis A. Gilardi and Susan Johann Gilardi, husband and wife, as community property with right of survivorship

A document recorded September 19, 2018 as Instrument No. 2018-0033089 of Official Records.

From: Dennis A. Gilardi and Susan Johann Gilardi, husband and wife, as community property with right of survivorship

To: Dennis Gilardi and Susan Gilardi, Trustees of the Gilardi Charitable Remainder Unitrust dated

September 7, 2018

A document recorded December 8, 2020 as Instrument No. 2020-0062725 of Official Records.

From: Dennis Gilardi and Susan Gilardi, Trustees of the Gilardi Charitable Remainder Unitrust dated September 7, 2018

To: County of Marin, a Political Subdivision of the State of California

Privacy Policy

Rev. 09/21/2020

The States Title Family of Companies

FACTS		WHAT DOES THE STATES TITLE FAMILY OF COMPANIES DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> • Social Security number and income • Transaction history and payment history • Purchase history and account balances 		
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons the States Title Family of Companies ("ST") chooses to share, and whether you can limit this sharing.		
Reasons we can share your personal information		Does ST share?	Can you limit this sharing?
For our everyday business purposes Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes To offer our products and services to you		Yes	No
For joint marketing with other financial companies		No	We don't share
For our affiliates' everyday business purposes Information about your transactions and experiences		Yes	No
For our affiliates' everyday business purposes Information about your creditworthiness		No	We don't share
For our affiliates to market to you		No	We don't share
For nonaffiliates to market to you		No	We don't share
Questions?	Call 1 (650) 419-3827		

Other important information

*California Residents – Effective January 1, 2020, the California Consumer Privacy Act allows California residents, upon a verifiable consumer request, to request that a business that collects consumers' personal information give consumers access, in a portable and (if technically feasible) readily usable form, to the specific pieces and categories of personal information that the business has collected about the consumer, the categories of sources for that information, the business or commercial purposes for collecting the information, and the categories of third parties with which the information was shared. California residents also have the right to submit a request for deletion of information under certain circumstances. If a business does not produce the information or delete the consumer's personal information as requested, it must provide an explanation in terms of the exemptions and exceptions provided under the CCPA. To contact us with questions about our compliance with the CCPA, call 1 (650) 419-3827 or email info@statestitle.com.

Who we are	
Who is providing this notice?	The States Title Family of Companies (identified below), which offers title insurance and settlement services.
What we do	
How does ST protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secure files and buildings.
How does ST collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • Apply for insurance; • Apply for financing; • Give us your contact information • Provide your mortgage information • Show your government-issued ID <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account – unless you tell us otherwise.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • Nonaffiliates we share with can include collection agencies, IT service providers, companies that perform marketing services on our behalf, and consumer reporting agencies.
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • ST doesn't jointly market.

The States Title Family of Companies consists of the following entities:

States Title Holding, Inc.

States Title, Inc.

States Title Insurance Company

States Title Insurance Company of California

States Title Agency, Inc.

Spear Agency Acquisition Inc.

Title Agency Holdco, LLC.

States Settlement Services, Inc.

North American Title Company

North American Title Company, Inc.

North American Title Company of Colorado

North American Title Insurance Company

North American Services, LLC

North American Title Agency, Inc.

North American Title, LLC

North American Title Company, LLC

NASSA LLC

North American Asset Development, LLC

CLTA Preliminary Report Form - Exhibit A (Rev. 05-06-16)

CLTA STANDARD COVERAGE POLICY - 1990
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 which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but 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; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which 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, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

1. Taxes or assessments which 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.
Proceedings by a public agency which 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 which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are 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.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:

- a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
 6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$5,000

2006 ALTA LOAN POLICY (06-17-06)

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).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t[or T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

[PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

2006 ALTA OWNER'S POLICY (06-17-06) 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.
1. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
2. 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 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
3. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
4. 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 deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

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:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

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 in 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 that are 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.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. [Variable exceptions such as taxes, easements, CC&R's, etc. shown here.]

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15)
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 which 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, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
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, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); 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. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. 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 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

OWNER'S DECLARATION

The undersigned Owner(s) of legal age, being duly sworn, deposes and states under penalty of perjury under the laws of the State of California.

1. That certain real property (the "Property") as described in that certain Commitment of Title Insurance/Preliminary Report No. 54605-21-02106 dated as of ("Commitment/Report") issued by or on behalf of North American Title Company, Inc. is improved by the following (check all that apply)

- Single family residences
- Apartment building
- Commercial building
- Industrial building
- Other: _____
- One-to-four family residences
- Office building
- Combination office/commercial building
- Vacant Land

2. WORK OF IMPROVEMENT: Please respond to A, B and C below:

A. For the period of 90-days prior to the date of this Affidavit, no repairs or work of improvement has been conducted on, nor any materials supplied to, the Property except as follows:

(Enter "None" if such is true.)

If you have described any work of improvement above, please complete the following:

- Started on _____, 20____.
- Completed on _____, 20____.
- Will be completed on _____, 20____.

B. Cessation of Labor (Please place an "X" by 1 or 2 below):

1. There has been a cessation of labor where a work of Improvement was discontinued before completion within 150 days of the date of this Affidavit.
PLEASE DESCRIBE THE NATURE OF THE WORK THAT DISCONTINUED:

2. There has not been a cessation of labor where a work of improvement was discontinued before completion within 150 days of the date of this Affidavit.

C. There are no unpaid bills for labor or material because of any improvements made to the Property except:

(Enter "None" if such is true.)

3. No one is in possession of, or has any right to possession of, the Property except:

- Declarant as owner.

- Tenants based only on month-to-month rental agreements.
- Tenants based upon existing leases as listed on the Rent Roll attached hereto as **Exhibit A** and incorporated herein by reference.
- Other: _____

4. No person(s) or entitles, have (i) any options to purchase or rights of first refusal, including but not limited to lessees under any leases referred to in Paragraph 3 above, and/or (ii) easements, licenses, agreements or other rights allowing them to use, encroach on, or access to the Property except (i) as shown in the Commitment/Report, and (ii)

(Enter "None" if such is true.)

5. Those certain lease(s) shown as exception number(s) _____ in the Commitment/Report have either: (a) expired by their own terms, or (b) if they have not expired, the lessee(s) have vacated the Property and Declarant has been notified of the vacation of the Property either by correspondence from the lessee or by physical inspection of the property.

6. To the best of Declarant's knowledge, there are no unrecorded real property taxes or assessments against the Property.

The undersigned is not aware of any release reports or commitment statements which have been issued pertaining to any environmental issues or liens.

7. This Affidavit is given for the purpose of inducing North American Title Company, Inc. and its agents to issue policy(ies) of title insurance which may provide coverage with respect to all matters set forth herein. If North American Title Company, Inc. elects, in its discretion, to (a) accept this Affidavit, and (b) issue title insurance policy(ies) to third parties, North American Title Company, Inc. will do so in material reliance on this Affidavit and the representation and covenants in this Affidavit.

8. Declarant acknowledges that he/she has read this Affidavit, that all the statements made in this Affidavit are true and correct of his/her own actual knowledge, and fully understands the legal aspects of any misrepresentations or untrue statements made in this Affidavit. Declarant, both personally and on behalf of Owner, covenants and agrees to defend, indemnify, and hold North American Title Company, Inc. harmless from and against any and all claims, actions, suits (including arbitration), liabilities, losses, damages, costs, charges, attorney's fees and other expenses of every nature and character as a result of its reliance on this Affidavit.

Executed on _____, 20____, at _____, _____
 (City) (State)

"Declarant"

 Owner

 Owner

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA) SS
COUNTY OF _____)

On _____, before me, _____,

Notary Public, personally appeared _____

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

This area for official notarial seal

OWNER'S CERTIFICATE

The undersigned are the only persons having any record title interest in the lands divided and shown hereon exclusive of streets already dedicated and do hereby consent to the preparation and resubdivision of this map.

Signed Andrew L. Pansini, Jane L. Pansini
Andrew L. Pansini, Jane L. Pansini

OWNER'S ACKNOWLEDGEMENT

State of California } s.s.
 County of Marin }

On this 19th day of December, 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Andrew L. Pansini, known to me to be the persons whose names are subscribed to the within and foregoing instrument and they acknowledged to me that they executed the same as Owners.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Marin the day and year in this certificate first above written.

My commission expires 5-18-, 1981.

Signed Kathleen A. McGinnis
 Notary Public in and for said County and State

SURVEYOR'S CERTIFICATE

This map was prepared by me or under my direction and is based upon a field survey in conformance with the requirements of the Subdivision Map Act at the request of

Andrew L. Pansini
 on 12/15, 1980

I hereby state that the parcel map procedures of the local agency have been complied with and that this parcel map conforms to the approved tentative map and the conditions of approval thereof which were required to be fulfilled prior to the filing of the parcel map.

Signed John L. Riley, L.L.S.

CITY ENGINEER'S CERTIFICATE

This map conforms with the requirements of the Subdivision Map Act and local ordinance.

Dated Dec 22, 1980

Signed David M. Bernardi
 Active City Engineer

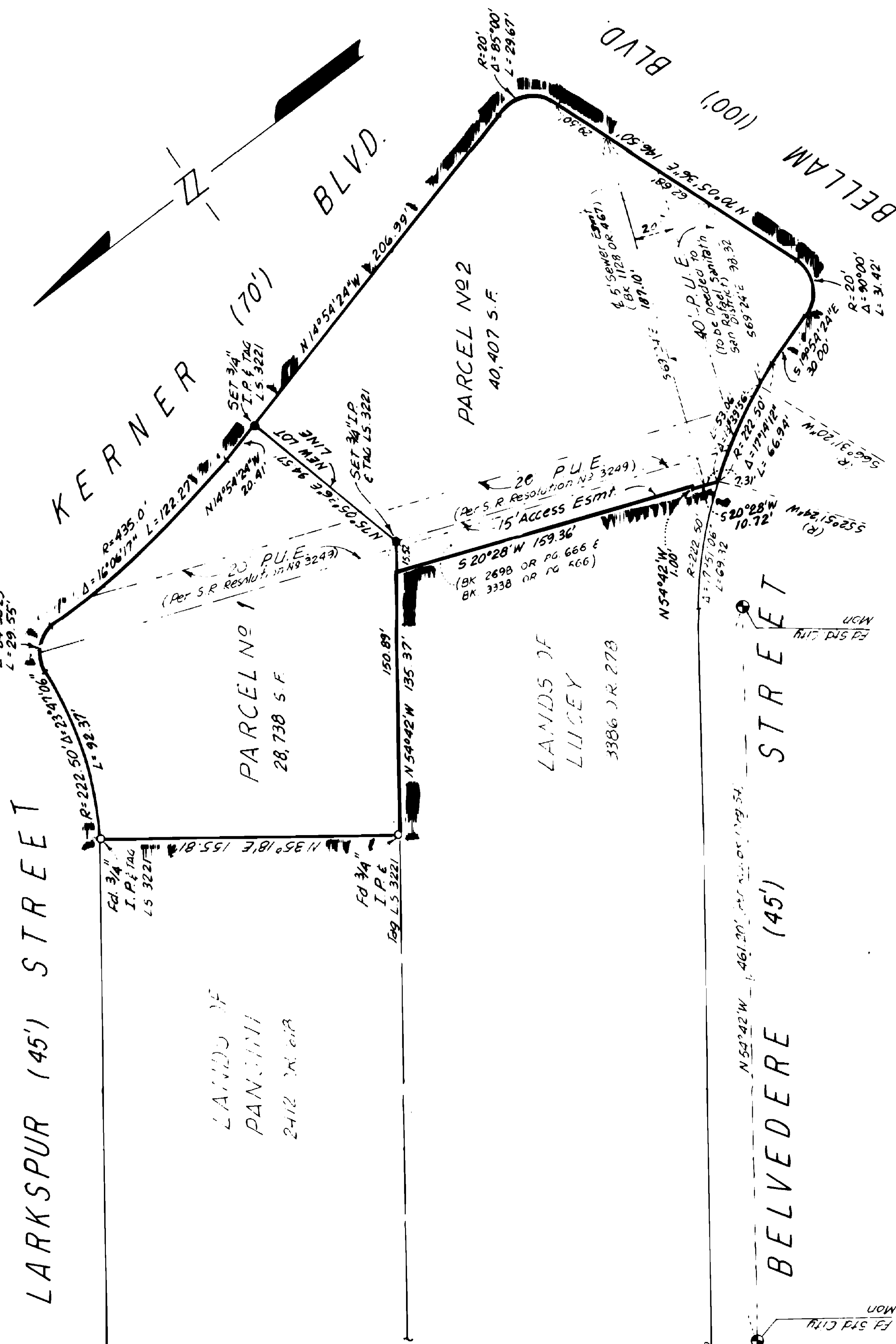
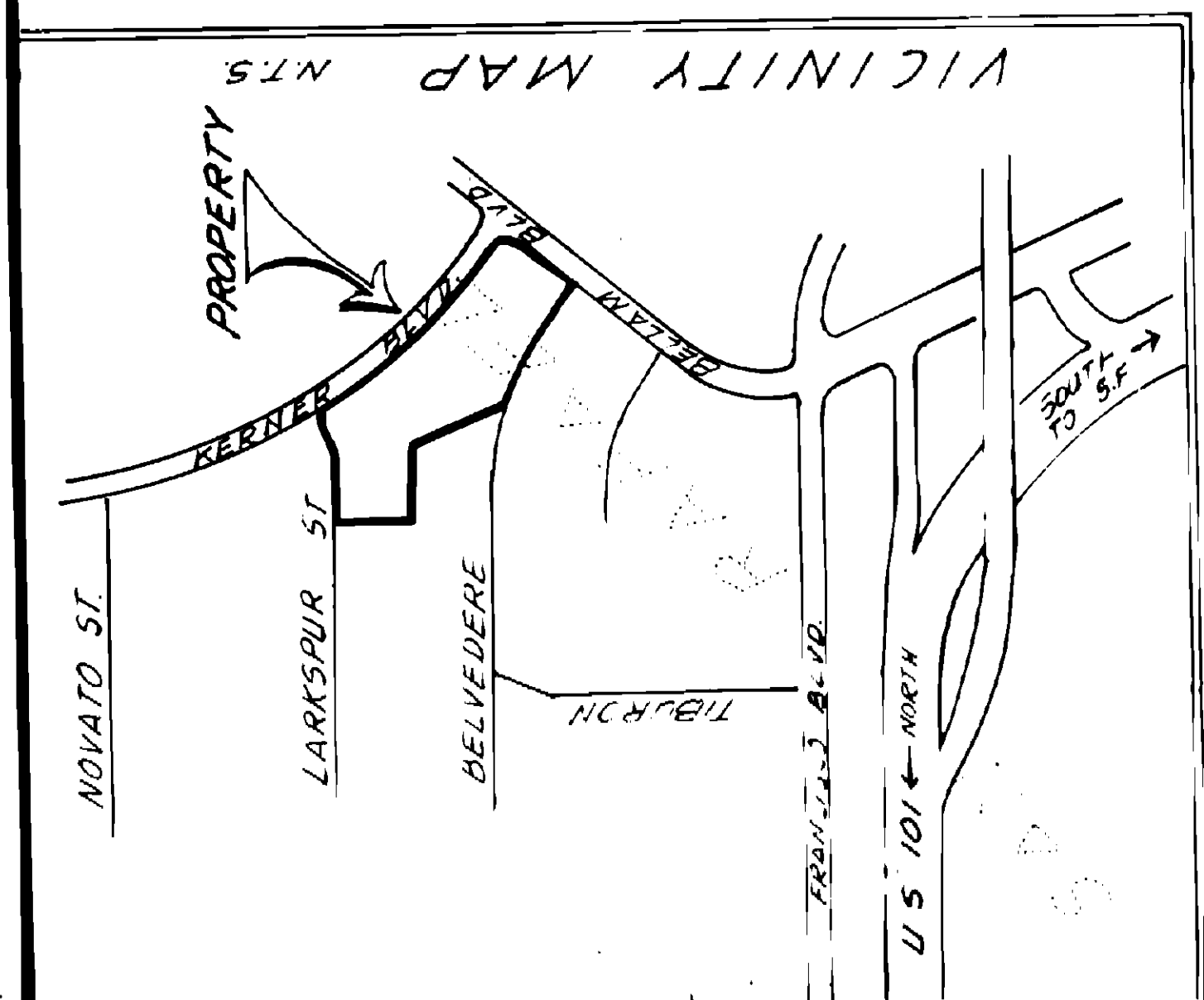
COUNTY RECORDER'S CERTIFICATE

Filed this 30th day of Dec, 1980, at 2:40 P.M. in Book 18 of Parcel Maps at Page 82, Serial No. 57233 Fee 600, at the request of the Department of Public Works.

W. Bruce W. Hoffer
 Marin County Recorder
Alfred Lake
 Deputy Recorder

PARCEL MAP
LANDS OF PANSINI
 AS DESCRIBED IN
 BOOK 2230 OFFICIAL RECORDS AT PAGE 607
 AND
 BOOK 2503 OFFICIAL RECORDS AT PAGE 236

SAN RAFAEL - MARIN COUNTY - CALIFORNIA
 DEC. 1980 SCALE: 1"=50'
HOFFMAN & ALBRITTON
 CIVIL & STRUCTURAL ENGINEERS
 SAN RAFAEL - CALIFORNIA



BASIS OF BEARING: N 54° 42' W
 between the found Standard City Monuments on Bellvedere Street per Record of Survey Book 10 of Surveys Page 54.

CERT CORR. #
 84-57307

B-082-12, 23, 40
 PACIFIC EAST TITLE