

APPRAISAL REPORT
SINGLE FAMILY RESIDENTIAL PROPERTY
21851 ALMADEN AVENUE
CUPERTINO, CA 95014
ASSESSOR'S PARCEL NUMBER
357-15-016

SINGLE FAMILY RESIDENTIAL PROPERTY



21851 Almaden Avenue, Cupertino, CA 95014

CARLSON APPRAISAL

Real Estate Appraisal

1159 Madison Avenue

Santa Clara, CA 95050

Stanley G. Carlson
California Certified General Appraiser
License # AG021675

Office/ Cell: 408/309-1842
E-mail: stan@carlson-appraisal.com

June 7, 2022

Matthew L. Klein

21851 Almaden Avenue
Cupertino, CA 95014
trialmatt@aol.com

Re: Appraisal Report
Single Family Residential Property
Matthew & Aaron Klein
21851 Almaden Avenue
Cupertino, CA, 95014
APN: 357-15-016

Dear Mr. Klein:

Per your request an appraisal of the real property referenced above has been performed with the reporting format that is an Appraisal Report. The appraisal analysis considers the Fee Simple Market Value of the vacant land identified as Assessor's Parcel Number's 357-15-016 which is specifically located at 21851 Almaden Avenue, Cupertino, California. It is located within the North Monta Vista area of Cupertino and under the jurisdiction of the Cupertino Planning and Building Departments. The neighborhood is a pocket of the city that was formerly unincorporated county land annexed in 2004 where former orchards were developed as average quality residential in the 1940s. Over the past 20± years the neighborhood has gentrified with the infill development of newer homes that fully utilize lot potential and often include accessory dwelling units. Original homes of similar size and quality as the subject have become a rarity. The Cupertino General Plan designates the subject as single family residential. Actual zoning is R1-7.5 Single Family Residential which mandates a minimum of 7,500 SF and a lot width of 60.0 feet. The subject is grandfathered as being legal-conforming due to not meeting the lot width requirement.

The property presently consists of one site comprised of a single parcel located on the north side of Almaden Avenue. The site contains approximately 9,936± net usable square feet per plottage of the parcel map with public record incorrectly reporting 9,431± SF. Cupertino Planning Department record notes the subject has being 9,685± in Gross Lot area. The lot has 50.075± lineal feet of frontage along the north side of Almaden Avenue and a depth of 198.42± lineal feet. The terrain of the lot is mostly level with drainage appearing adequate. The subject is not located with a FEMA designated flood zone.

The subject site is currently improved with the original single family residence reportedly dating to 1942. The original structure was subsequently expanded and currently measures 1,293± SF in total Gross Living Area per on-site measurements taken according to ANSI-BOMA standards. The existing floorplan has a total of six rooms, two bedrooms and one full bathroom. The structure has a combination of both concrete slab and perimeter foundations, painted stucco and wood plank siding, mixed newer double pane and original single pane windows and heavy composition shingle roof. The interior has been remodeled from original yet considered dated for today's market. Flooring includes hardwood laminate, ceramic tile and carpet. There is a living room fireplace, wall gas fired heaters and newer water heater with metal supporting straps to code. Overall the improvements are rated as fair to average in quality and condition yet considered as interim for any potential buyer.

At the front of the main house is an enclosed walkway measuring 271± SF in size. This structure runs the length of the front of the house yet is not permitted as nor included as part of the GLA. There are sliding glass doors at both the east and west ends as well as a single hinged door for access. This area houses the laundry room and has a second water heater installed to code. Attached at the south end of the original home/walkway structure is both the original garage structure which rebuilt by non-permitted conversion and expansion for a separate living unit measuring 632± SF. This included a full bathroom, living areas and bedrooms. Included was the exterior front façade finished with wood shingle siding popular in the 1970s. At the time of the inspection the interior of this structure was mostly demolished and not functional despite its non-permitted status. For the purposes of this appraisal this structure is not afforded any contributory value as either a living area or garage.

The main house is located towards the rear of the parcel with a fenced yard area to its rear. There are also a covered patio and open brick patio areas at the perimeter of the home. The site has extensive concrete, brick and stone flatwork with both walkways and patio areas in front as well as landscaping beds. There are approximately four concrete paved, off-street parking spaces at the front of the property or south side of the structures. There are many mature trees on the property.

The subject property was purchased by the present owner dating back to February 1986 and had not transferred ownership in the three years prior to the effective date of this appraisal. As of the effective date of the appraisal the subject property was not listed on the open market and has not listed on the open market in the three years prior to the effective date of this appraisal.

A summary of the data and conclusions upon which the value opinion is based is presented on the following pages. The field data from which this report was prepared is retained in the appraisal file. The appraisal is based, in part, on reports and findings by others as disclosed in the Scope of Work description that follows in this report. The opinion of value expressed in this report is contingent upon the attached Assumptions and Limiting Conditions Market Value is defined elsewhere in this report. This appraisal report is prepared for Matthew Klein and Aaron Klein, who are the intended users of this report. No other intended users are identified.

The report is intended for the use by Matthew Klein and Aaron Klein to arrive at a current estimated property value for personal use and the establish a fair marketing price. It is not intended for any other use. The appraiser's analysis, opinion and conclusions were developed and the report has been prepared in conformity with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation.

The appraiser was not supplied with soils, geologic, environmental site assessment, building structural reports or a current preliminary title report. It is assumed that there are no adverse soils, geologic and/or environmental conditions that would negatively impact the value of the subject property or its usability. Appraisal field observations did not reveal any apparent necessity for specialty reports except for an ADA barrier assessment prepared by a California State Certified Access Specialist, (CAsp), which is recommended. It is assumed that there are no adverse conditions or adverse easements with none observed on-site. There does not appear to be any deed restrictions or clouds on title.

Based upon personal inspection, investigation, judgment and experience, the opinion of the "As-Is" Fee Simple Market Value of the subject property land and partial improvements as of May 12, 2022, based upon an estimated market exposure time of 1-60 days, is concluded to be \$3,325,000.

<u>VALUE CONCLUSION</u>	
"As Is" FEE SIMPLE MARKET VALUE:	\$3,325,000
ESTIMATED MARKET EXPOSURE OF 1 TO 60 DAYS	

Respectfully submitted,



Stanley G. Carlson, Principal Appraiser
Calif. State Cert. General Appraiser #AG021675

"THIS LETTER MUST REMAIN ATTACHED TO THE REPORT, WHICH CONTAINS 43 PAGES PLUS RELATED ADDENDA MATERIAL, (PAGES 44-72), IN ORDER FOR THE VALUE OPINION SET FORTH TO BE CONSIDERED VALID."

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Letter of Transmittal, June 7, 2022

21851 Almaden Avenue, Cupertino, CA 95014

Note: As of the effective date of this appraisal the nation was in the 27th month of the global outbreak of a "novel coronavirus" known as COVID-19, which was officially declared a pandemic by the World Health Organization (WHO) in March of 2020. As of the effective date of this report the residential land market sector in Cupertino had not been negatively impacted by the ongoing pandemic per available market stats as well as input from brokers active in the market. This is supported by market data where sales prices increased and marketing time rates remaining mostly stable.

File #S22-0509

APPRAISAL REPORT
SINGLE FAMILY RESIDENTIAL PROPERTY

ASSESSOR'S PARCEL NUMBER:

357-15-016

21851 ALMADEN AVENUE

CUPERTINO, CALIFORNIA 95014

ORDERED BY & PREPARED FOR

MATTHEW KLEIN

21851 ALMADEN AVENUE

CUPERTINO, CALIFORNIA 95014

PREPARED BY:

STANLEY G. CARLSON

CARLSON APPRAISAL

CERTIFIED GENERAL REAL ESTATE APPRAISER

CALIFORNIA STATE LICENSE #AG021675

EFFECTIVE VALUATION DATE: MAY 12, 2022

REPORT DATE: JUNE 7, 2022

PROPERTY SUMMARY

SUBJECT ADDRESS:	Single Family Residential Property 21851 Almaden Avenue Cupertino, CA 95014
MAP REFERENCE:	Thomas Bros: 852-B1
LATITUDE / LONGITUDE:	37.31957 / -122.056779
ASSESSOR'S PARCEL NUMBER:	357-15-016
SITE AREA:	9,936± SF or 0.228± Acres Plotted 9,685± SF or 0.222± Acres per Cupertino
GENERAL PLAN:	R1-7.5: 0-4.4 DU/Acre: Single Family Residential, Minimum 7,500 SF lot
ZONING:	R1-7.5: 0-4.4 DU/Acre: Single Family Residential, Minimum 7,500 SF lot
PRESENT USE:	1,293± SF SFR 271± SF Enclosed Walkway Converted Garage w/non-permitted, unfinished ADU
LEGALITY OF USE:	Main House: Legal-Conforming Use Converted Garage/ADU: Non-permitted use
HIGHEST AND BEST USE AS IF VACANT:	Single Family Residential with ADU
HIGHEST AND BEST USE AS IMPROVED:	Land w/Interim SFR Improvements
PROPERTY RIGHTS APPRAISED:	Fee Simple
APPRAISAL PURPOSE / FUNCTION:	Estimate Fair Market Value for Planning/Sale
CENSUS TRACT:	5077.01
FLOOD HAZARD AREA:	No, Zone X: 060337-06085C0208H

SPECIAL STUDIES ZONE:	No
EARTHQUAKE ZONE:	Not Within Recognized Fault
EASEMENTS:	Typical Public Utility, No Existing Detrimental Easements Noted/Known
ENCROACHMENTS/DEED RESTRICTIONS:	None Noted
ENVIRONMENTAL SITE ASSESSMENT:	None Known
ASSESSED VALUES (2021-2022) :	Land: \$ 183,963
LOT #016	Improvements: <u>68,044</u>
	Total: \$ 252,007
TAXES PER ASSESSMENT (2021-2022):	2021-22 Taxes \$ 2,971.75
Tax Rate: 1.17926	Special Assessments <u>1,225.77</u>
	Total Taxes \$4,197.52
	No Delinquent Taxes
ESTIMATED MARKETING TIME:	1-60 Days
REASONABLE EXPOSURE PERIOD:	1-60 Days
TYPE APPRAISAL REPORT:	Appraisal Report, Summary Format
OWNER OF RECORD:	Matthew & Aaron Klein
TYPE APPRAISAL REPORT:	Appraisal Report Format
DATE OF VALUE:	May 12, 2022
DATE OF INSPECTION:	May 12, 2022
DATE OF REPORT:	June 7, 2022
CLIENT & SOLE INTENDED USERS:	Matthew & Aaron Klein

VALUE CONCLUSION

“As Is” FEE SIMPLE RESIDENTIAL LAND MARKET VALUE:

\$3,325,000

This value opinion is based on exposure time of 1-to-60 days

Appraisal Report

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

CLIENT/INTENDED USERS: **Matthew L. Klein**
Aaron Klein
21851 Almaden Avenue
Cupertino, CA 95014
trialmatt@aol.com

APPRAISER: Carlson Appraisal
Stanley G. Carlson, Principal Appraiser
CA Certified General #AG021675
1159 Madison Street
Santa Clara, CA 95050

SUBJECT: Single Family Residential Property
Matthew & Aaron Klein
21851 Almaden Avenue
Cupertino, CA, 95014
APN: 357-15-016

INTRODUCTION:

SCOPE OF WORK: This is the amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following: 1) The degree to which the property is inspected or identified; 2) The extent of research into physical or economic factors that could affect the property; 3) The extent of data research; and 4) The type and extent of analysis applied to arrive at opinions or conclusions. In preparing this appraisal, the following scope of work applies:

- The appraiser's analysis, opinion and conclusions were developed and the report has been prepared in conformity with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Uniform Standards of Professional Appraisal

Practice (USPAP) of the Appraisal Foundation. This appraisal also meets the standards of the Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC). It also complies with the Appraisal Institute Code of Ethics;

- This is an “Appraisal Report” format;
- Inspection of the subject property – a non-technical appraisal type field inspection of the subject property was made;
- Materials provided by the property owner, client and public records were examined;
- Research, report and analysis of market data – market data was verified through public sources, CoStar, First American Real Estate Data, Pro MRMLS-Multiple Listing Service, other published materials, or other sources considered to be reliable, or with direct participants in the transaction where such cooperation was made available;
- Personal property, business enterprise value and other intangible values, if any, are excluded from the scope of work;
- A limited amount of engineering, planning, geotechnical and environmental information was provided and thus the opinion of value is subject to revision if more detailed analysis were to be made available;
- For the purposes of this appraisal, delinquent taxes, local improvement district bonds, SIDS, Mello-Roos bonds, (if any), are considered as liens on the property, and are excluded from the analysis of market value. However, special assessments with identifiable principal balances will be deducted from the nominal property value estimate for mortgage lending purposes in order to achieve a “net of assessment” value;
- The subject property consists of an urban residential zoned site that is residential land with dated improvements that add only nominal value, in the Monta Vista area of Cupertino. The sales comparison approach to value can be utilized for the estimated value of the vacant land with Marshall Valuation Services utilized for construction cost estimates;
- The scope of work is subject to change - The inspection may reveal conditions not represented by the public record and/or by the client, borrower or owner, etc.

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser’s best estimate of the market value of the subject real property as of the effective date. *Market Value* is defined by the federal financial institutions regulatory agencies as follows:

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

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;

- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [g].)

Intended Use/Intended User of the Report: The intended use of this appraisal is to develop an opinion of the “fair market value” for use by Matthew Klein and Aaron Klein for personal use and the establish a fair marketing price. It is not intended for any other use.

DEFINITIONS: For this report and for the benefit of the reader, there are particular appraisal terminology definitions that should be understood so that the report conclusions are properly put in context. Source: The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, Chicago, IL, 2015, pp. 13, 27, 80-81, 90, 102, 119, 128, 227-228, and 245.

“As Is” Market Value: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Allocation: The division of the value of a property between land and improvements being the appraisal method in which the land value is found by deducting the value of the improvements from the overall sales price. Allocation is most frequently used in appraisals of vacant lots in which comparable sales of vacant lots cannot be found and improved sites must be used as comparables. Used most often in urban areas where few vacant lots exist. Also called abstraction or extraction method.

Excess Land: Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately.

Extraordinary Assumption: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-21 edition)

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Hypothetical Condition: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical

conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-21 edition).

Leased Fee Interest: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Surplus Land: Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Value in Exchange: A type of value that reflects the amount that can be obtained for an asset if exchanged between parties. Examples include market value, fair value, liquidation value, and disposition value.

Value in Use: The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually.

INTEREST VALUED: Fee Simple Interest

EFFECTIVE DATE OF VALUE: May 12, 2022

DATE OF REPORT: June 7, 2022

Competency Statement: The appraiser certifies that his education, experience and knowledge provide sufficient competency to appraise the type of property being valued. In particular, the client's specific appraisal requirements have been adhered to as well.

The appraiser's analyses, opinions and conclusions were developed and the report has been prepared in conformity with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. This appraisal also meets the standards of the Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC).

APPRAISAL DEVELOPMENT AND REPORTING PROCESS: In preparing this appraisal, the appraiser:

- The appraisal development and reporting process is based upon the stated scope of work;
- inspected the subject site with partial SFR building improvements on-site;
- Reviewed building plans and cost estimates submitted by the client;

- Reviewed Preliminary Title Report and Grant Deed;
- The following documents were examined and relied upon in the completion of this report: General Plan & zoning ordinances by the City of Cupertino; County of Santa Clara Tax Recorder and Assessor's Office records; City of Cupertino building permit records;
- gathered information on land sales and improved sales that were abstracted in connection with the determination of the land value;
- applied the sales comparison approach to arrive at a land value range which is reconciled into a final value estimate. In the sales comparison approach, the appraiser used the sales price per square foot unit of comparison;
- prepared an Appraisal Report and delivered that report to the client and intended user, Matthew & Aaron Klein, at which point, the appraisal assignment was completed.

Non Discrimination Statement: The appraisal was completed without regard to race, color, religion, national origin, sex, gender, marital status or any other prohibited basis, and does not contain references which could be regarded or interpreted as discriminatory.

Previous Appraisal: The appraiser has not previously appraised nor performed any services on the subject property in the three years prior to the effective date of this appraisal report.

This Appraisal Report is a brief recapitulation of the appraiser's data, analyses and conclusions. Supporting documentation is retained in the appraiser's file.

DESCRIPTION OF REAL ESTATE APPRAISED:

REGIONAL LOCATION: The region consists of the South San Francisco Bay Area or the Santa Clara Valley. Santa Clara County is made up of 15 incorporated cities with a total estimated 2018 population of 1,938,153, up about 8.08% from the 1,781,641 reported in 2012. There are some 665,010 households which equates to 2.95 persons per household. The average annual growth trend has historically been about 2.0%. Projections over the next five-to-ten years suggest an annual growth rate of slightly greater than 3.0%. The Santa Clara-San Jose-Fremont areas are commonly known as "Silicon Valley" being the world center for computer industry R&D. This area provides a good employment base although housing costs are among the highest in the nation. The area's primary appeal features are the Mediterranean climate, employment & education opportunities and near-by recreational activities.

Santa Clara County is the fourth largest county in the state following Los Angeles, San Diego and Orange Counties. Located at the southern end of the San Francisco Bay, Santa Clara is the largest county in the San Francisco Bay Area measuring approximately 1,312 square miles. The fertile Santa Clara Valley runs the entire length of the county from north to south, ringed by the rolling hills of the Diablo Mountain Range to the east and the Santa Cruz Mountains to the west. Salt marshes and wetlands lie in the northwestern part of the county, adjacent to the waters of the San Francisco Bay. The Mediterranean climate in the region

remains temperate due to the area's geography and its proximity to the Pacific Ocean. The area is warm and dry much of the year.

Santa Clara became one of the state's original 28 counties in 1850. For the next 100 years, agricultural food processing flourished and much of the county was comprised of fruit orchards. The county has always attracted its share of waves of new people from Dust Bowl emigrants of the 1930's, postwar veterans who received their discharge papers in California and choose to stay, to the present influx of high-tech workers from around the world. Gradually, ideas came to be the areas lifeblood as aerospace and electronic manufacturing replaced orchards and food processing plants. Today Santa Clara County is known as "Silicon Valley", the birthplace of the technological revolution. This notoriety continues more so today on the strength of companies such as Google, Apple Computers, Facebook, Linked In, Intuit and other fortune 500 companies who make their headquarters here.

There are 15 cities and various unincorporated areas in the county ranging from Palo Alto to the north, to Gilroy to the south. The population is currently estimated at 1.7 million residents. While a significant portion of the County's land area is unincorporated ranch and forest land, 92% of the population lives in the cities. San Jose is the largest city in the county with a population of nearly 982,785, and is the administrative home of the County Government and labeled the Capital of Silicon Valley.

CITY OF CUPERTINO: The incorporated City of Cupertino is located in northwest Santa Clara County between Sunnyvale and Los Altos to the north, Saratoga to the south, and the cities of San Jose and Santa Clara to the east. The population of Cupertino is currently 59,276, an increase from the 58,302 reported during the 2010 Census with the current median household annual income about \$163,954. Forbes rates Cupertino as one of the most highly educated small towns in the nation.

The village of Cupertino sprung up at the crossroads of De Anza Boulevard and Stevens Creek Road in the late 1800s centered around orchards that flourished in the valley at that time. In the late 1940's Cupertino was swept up in the post-World War II boom as orchards began to make way for new housing development tracts. In 1955 Cupertino incorporated becoming Santa Clara County's 13th city at the time. It is noted that some sections of the city remained unincorporated until annexed in the 2000s. The two main sections are first the Rancho Rinconada area located southwest of the Stevens Creek Boulevard/Lawrence Expressway intersection, and the subject's Monta Vista area located southwest of the Highway 85/Stevens Creek Boulevard intersection. In the mid-1960s Cupertino grew tremendously with the construction of De Anza College and Vallco Industrial Park. During the 1970s the city became home to many high tech companies the most notable being Apple Computers whose main campus is located on De Anza Boulevard.

Today Cupertino still has a prominent role in Silicon Valley activity. High tech electronics and computer corporations drive the local economy. Although virtually no manufacturing takes place in Cupertino today due to the high cost of land, most companies enjoy an advantage by location in Cupertino due to the abundance of skilled high-tech workers residing

nearby. By and large, the area is mostly built out and most new construction would be redevelopment of previously built-on property.

Apple Computers continues to be the central driving force for the Cupertino economy. The worldwide headquarters for Apple Inc. was originally located on Infinite Loop one half mile to the west. In late 2018 the new headquarters named Apple Park opened. This is a 150-acre campus also located in Cupertino about a mile northwest from the subject between Interstate 280, N Wolfe Rd, E Homestead Rd and along Tantau Ave. Other notable companies headquartered in Cupertino include Trend Micro, Cloud.com, Lab126, Packeteer, Chordiant, and Seagate Technology. Over 60 high-tech companies have offices there, including IBM, Olivetti and Oracle. Most of these high-tech companies are located on De Anza Boulevard, Cali Mill Plaza, and Bubb Road.

The city has experienced large amounts of office and research & development along De Anza Boulevard and Stevens Creek Boulevard. Interspersed among a predominance of retail and office uses along Stevens Creek Boulevard are several bank buildings, auto dealerships and restaurants. The balance of the area within the city is primarily residential with high quality custom homes, condominiums and residential tracts of various densities.

Economic Trends: The population and housing statistics briefly described above provide a graphic indication of the social changes which are taking place within the Cupertino area. The four major influences of the local high tech community are the Google campus in the Shoreline Park of north Mountain View (known as Google-plex), the new Apple Computers “Apple Park” campus in northeast Cupertino, Facebook campus (although in San Mateo County to the north still a major employer) and the Levi’s Stadium with surrounding residential development in north Santa Clara. This along with a bevy of smaller high-tech companies are the apex of this current growth. The rapid current influx of high-tech workers to supply the exploding local job demand (3-high tech jobs to 1-employee available) growth has dramatically impacted housing prices and availability.

The average Cupertino single family home price as of May 2022 is \$3,475,000, which indicates an increase of approximately 35% since January of 2020, when the average was \$2,261,000. Most of the increase actually occurred during the Covid-19 period. The median price was \$2,471,000 in January of 2021 which indicates an increase of approximately 29% in the subsequent 17 months. The median price for a single family home in Cupertino as of January 2022 was \$2,965,000 indicating only a 15.0% increase as of May 2022 to the present \$3,475,000.



Long term demand for homes in the Cupertino market is expected to remain high due to its proximity to notable high-tech employment and other amenities. Current demand for homes appears to exceed supply despite the slowing overall county wide market.

Neighborhood/Local Market Area: “Monta Vista Village”



The subject is located within the “Monta Vista Village Special Area” of Cupertino which is bordered by “North Monta Vista” as designated by the planning department. The area is envisioned to be retained as a small town, pedestrian-oriented, mixed use area. The general neighborhood boundaries are Stevens Creek Boulevard to the north, Highway 85 to the east, McClellan Road to the south and Foothill Boulevard to the west. Stevens Creek Boulevard is a major east west arterial strip of retail and office uses surrounded by both single and multi-residential uses.

In close proximity are De Anza College just to the east side of Highway 85, Blackberry Farm Golf Course just to the west, Monta Vista High School just to the south as well as Lincoln Elementary School. Both schools are highly rated which adds to market appeal. The subject is located within a two by seven square block area of mostly single family residential use dating to the 1940s. Over the past 30 years the neighborhood has gentrified with many of the original homes razed to accommodate redevelopment that fully realizes potential per zoning. Most newer homes are two story designs in the 2,000 to 3,000 SF range, many recent homes including accessory dwelling units (ADU). The area has many original, mature trees which enhances appeal.

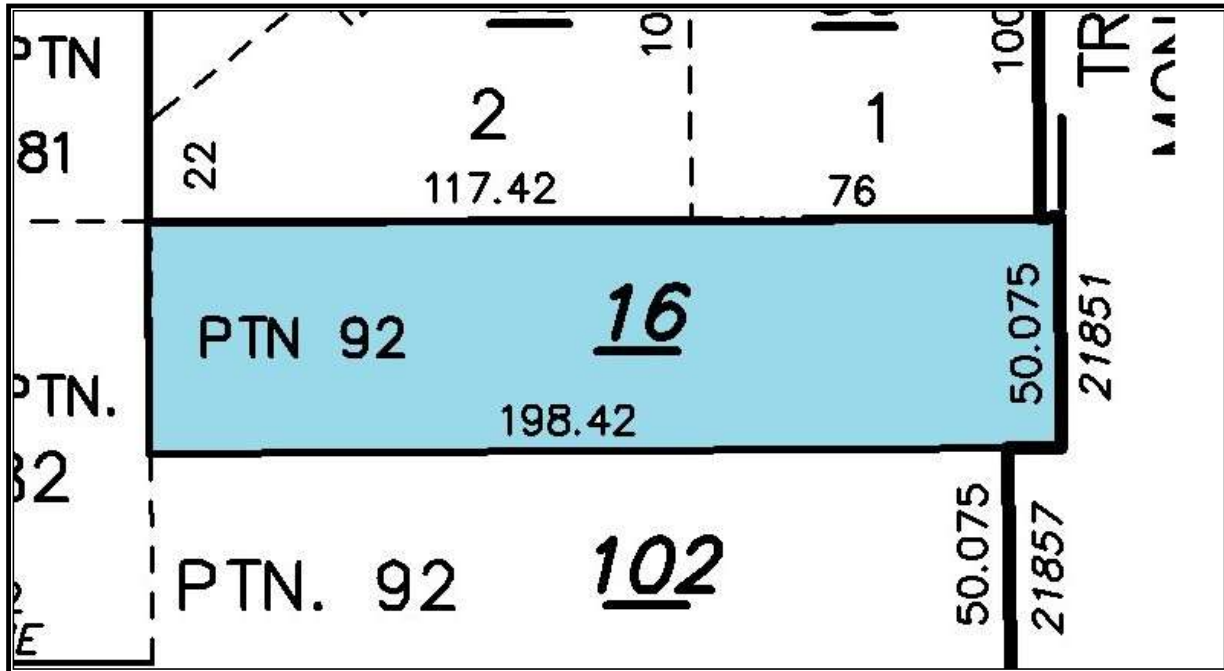
An example of infill development is the five homes bordering the subject on the east. This development dates to 1985 with all of the five homes being two story designs about 2,000± SF in size on lots averaging 7,600± SF. The most recent sale from this development dates back almost two years to June 2020 when 21835 Almaden Avenue sold for \$2,300,000.

Summary: The subject is located in an area with very high demand for residential lots similar to the subject. There is essentially no land left for development with the exception of

dated or antiquated properties not meeting highest and best use that are candidates for razing. There is strong demand relative to available space. The subject is well located within an established area with convenient access. In considering the above information, it is opinioned that the subject neighborhood will continue to demonstrate a high demand for either vacant lots or lots with original single family homes remaining with potential interim use during redevelopment planning similar to the subject property.

PROPERTY DESCRIPTION:

21851 Almaden Avenue, Cupertino, CA 95014



Subject Site APN 357-15-016: The following table briefly describes the subject site characteristics which is comprised of one parcel:

Address:	21851 Almaden Avenue Cupertino, CA 95014
Site Size:	9,936± SF or 0.228± Acres Plotted 9,685± SF or 0.222± Acres per Cupertino record
Assessor's Parcel Numbers:	357-15-016
Thomas Bros. Map Page: Grid Number:	852-B1
Street Frontage:	50.075± LF north side of Almaden Avenue
Census Tract Number:	5077.01
Earthquake Zone:	Not within a special studies zone

FEMA Flood Zone:	No: D
FEMA Map Number:	060337-06085C0208H
FEMA Map Date:	May 18, 2009
Flood Insurance Required:	No
General Plan:	Monta Vista Village Special Area
Zoning:	R1-7.5: Single Family Residential 0-4.4 DU/AC
Topography:	Level at street grade
Shape:	Rectangular

Site Comments: The subject is a corner lot site, comprised of one parcel, #357-15-016 (see Assessor's Parcel Map) located on the north side of Almaden Avenue. The site contains approximately 9,936± net usable square feet per plottage of the parcel map with public record incorrectly reporting 9,431± SF. Cupertino Planning Department record notes the subject has being 9,685± in Gross Lot area. The lot has 50.075± lineal feet of frontage along the north side of Almaden Avenue and a depth of 198.42± lineal feet. The terrain of the lot is mostly level with drainage appearing adequate. The subject is not located with a FEMA designated flood zone.

The site sides on the west to five successive lots that have all been redeveloped as newer homes dating from 1993 to 1996. Backing to the subject is another home that was infill development from 1998. As previously mentioned bordering the subject on the east is a five home development from 1985. There are very few original homes on both the subject's street and Monta Vista Village neighborhood. The street is a fully improved two lane interior street with no median divider. Traffic patterns are low most of hours of the day and night. The asphalt paved street is city maintained and has concrete gutters. Overhead lighting fixtures are present near-by to the subject property as well as overhead electrical utility lines. There is a fire hydrant nearby at street side.

Typical public utility easements are assumed in place and not considered detrimental. No encroachments were observed while on-site. The subject site is improved with all off-sites and has typical urban utilities available in the street or overhead in the case of electricity, telephone and cable TV services. The terrain of the subject parcel is essentially level with drainage appearing adequate.

Zoning : The Cupertino General Plan designates the subject as Single Family Residential. Actual zoning is R1-7.5 Single Family Residential with a 0-4.4 DU/AC Dwelling Unit per acre. Cupertino Planning Department states:

19.28.010 Purposes.

R1-7.5 single-family residence districts are intended to create, preserve and enhance areas suitable for detached dwellings in order to:

- A. Enhance the identity of residential neighborhoods;
- B. Ensure provision of light, air and a reasonable level of privacy to individual residential parcels;
- C. Ensure a reasonable level of compatibility in scale of structures within residential neighborhoods; and
- D. Reinforce the predominantly low-intensity setting in the community.

(Ord. 2085, § 2 (part), 2011; Ord. 2079, (part), 2011; Ord. 2039, (part), 2009; Ord. 1964, (part), 2005; Ord. 1868, (part), 2001; Ord. 1860, § 1 (part), 2000; Ord. 1834, (part), 1999; Ord. 1601, Exh A (part), 1992)

Table 19.28.060 sets forth the rules and regulations for site development in the Single-Family Residential District.

Table 19.28.060 Site Development Regulations			
	R1-5	R1-5, 7.5, 8, 10, 20, etc., and R1-5e	R1-a
A. Minimum net lot area ¹	i. 5,000 square feet	ii. the number multiplied by 1,000 square feet	iii. 10,000 square feet
	iv. For lots created under the provisions of Government Code Section 64411.7, the resulting lots shall be 40-60% of the lot being subdivided with no lots less than 1,200 square feet.		
B. Minimum lot width (at the front setback line)	i. 50 feet	ii. 60 feet	iii. 75 feet
	iv. For lots created pursuant to the provisions of Government Code Section 64411.7: <ul style="list-style-type: none"> a. No more than two new property lines may be added to create a new lot. b. Existing interior lots or pie shaped lots with 60 feet or more street frontage: resulting lots shall have a street frontage that is between 40-60% of the lot width of the lot being subdivided. c. Existing interior lots or pie shaped lots with less than 60 feet of street frontage: one of the resulting lots shall be a flag lot with access to the street. d. Existing flag lot subdivision: resulting lots must be subdivided in the same orientation as the existing lot (i.e. the existing front lot line must be the front lot line of the future lots and the existing rear lot line shall be the rear lot line of the future lots) and shall be between 40-60% of the lot width of the lot being subdivided. e. Corner lots: Shall be subdivided in a manner that the existing street side property line shall be split to create at least one front lot line on that frontage. 		

The subject's R1-7.5 allows single family residential development including an ADU. This results in high market appeal for development of the subject lot. The subject does not meet the current requirement of 60 feet minimum width as is similar with most of the other lots on the street. It is grandfathered as a legal, non-conforming use. The maximum floor area ratio (FAR) allowed for development is 45%.

Legal Description: A Grant Deed prepared by Ticor Title Company #PY-523095, dated February 11, 1986 was provided for this appraisal report. The subject is identified as APN#357-15-016 and the street address of 21851 Almaden Avenue. The Legal Description is as follows:

The Easterly 1/2 of Section 92 as shown upon that certain Map entitled "Map of Subdivision "A" Of Monta Vista", which Map was filed for Record in the Office of the County of Santa Clara, State of California, on April 11, 1917 in Book P of Maps, at page 20.

No adverse easements were noted in the report. No adverse conditions were observed while on site in a non-technical manner and none are noted in the Assessor's Parcel Map. There were no readily apparent encroachments noted during the on-site inspection of the property. It is reasonably assumed that there are no present clouds on title.

The property not located within a flood zone as determined by FEMA map #060337-06085C0208H, dated 05/18/2009, Zone D

Environmental Site Assessment: No environmental site assessment report was available for review for this appraisal. If any future report, such as a Phase I or a Phase II Environmental Assessment Report were to conclude that toxic remediation was required for the subject property as of our valuation date, this would represent an appropriate deduction to our valuation and a revision of the report will be necessary. As real estate appraisers, we are not qualified to detect such problems. We have therefore, appraised the subject property as if clean. No clean-up costs have been considered or deducted. A search of available site contamination sources from the State of California Geo-Tracker guide was conducted and

found that the subject property is not listed as a current or former ground water contamination site. There was no unconfined debris noted on the site.

Summary: In summary, the subject site consists of a 9,936± SF or 0.228 lot that is zoned for residential use. The subject site is well suited for prospective development as single family residential. The subject lot is located on an interior street with minimal traffic influence. All utilities and off-sites are to the site. The site is at street grade topography that appears to allow for proper sheet flow drainage to the street. Access to shopping, schools, parks, services, main access streets and nearby freeways is convenient and the overall local market area is rated as very high demand for single family properties similar to what could potentially be developed on the subject lot.

Subject Improvements:



The following table briefly describes the subject property's improvement characteristics:

Single Residential Property: Size Of Gross Building Area	1,293± SF SFR (original structure dating to 1942 expanded and remodeled
	271± SF Enclosed Walkway
	632± SF Converted Garage and ADU, non-permitted and unfinished
Room Count	6-Rooms, 2-Bedrooms, 1-Bathroom
Age	Constructed in 1942± 80 years old

Effective Age/Remaining Economic Life	40 Years / 20 Years
Construction Type/Quality	Class D Wood Frame, Average Quality
Foundation	Concrete Perimeter & Slab
Exterior Walls	Painted Stucco & Wood
Roof Cover	Composition Shingle
Roof Support System	Wood Frame
Windows	Original Alum Slider & Newer Dual Pane
Fire Sprinklers	None
Heating	Gas Wall Heaters
Central Air Conditioning	None
Interior Ceilings	Painted Drywall & Plaster
Interior Walls	Painted Drywall & Plaster
Interior Floor Coverings	Hardwood & Carpet, Tile Flooring In Bathrooms
Lighting	Average Quality Incandescent Fixtures
Bathroom	Average Quality Fixtures
Parking Amenities	4 Total: Off-street spaces, concrete and brick paving

SUBJECT IMPROVEMENT COMMENTS: The subject site is currently improved with the original single family residence reportedly dating to 1942. The original structure was subsequently expanded and currently measures 1,293± SF in total Gross Living Area per on-site measurements taken according to ANSI-BOMA standards. The existing floorplan has a total of six rooms, two bedrooms and one full bathroom. The structure has a combination of both concrete slab and perimeter foundations, painted stucco and wood plank siding, mixed newer double pane and original single pane windows and heavy composition shingle roof. The interior has been remodeled from original yet considered dated for today's market. Flooring includes hardwood laminate, ceramic tile and carpet. There is a living room fireplace, wall gas fired heaters and newer water heater with metal supporting straps to code. Overall the improvements are rated as fair to average in quality and condition.

At the front of the main house is an enclosed walkway measuring 271± SF in size. This structure runs the length of the front of the house yet is not permitted as nor included as part of the GLA. There are sliding glass doors at both the east and west ends as well as a single hinged door for access. This area houses the laundry room and has a second water heater installed to code. Attached at the south end of the original home/walkway structure is both the original garage structure which rebuilt by non-permitted conversion and expansion for a separate living unit measuring 632± SF. This included a full bathroom, living areas and bedrooms. Included was the exterior front façade finished with wood shingle siding popular in the 1970s. At the time of the inspection the interior of this structure was mostly demolished and not functional despite its non-permitted status. For the purposes of this appraisal this structure is not afforded any contributory value as either a living area or garage.

The main house is located towards the rear of the parcel with a fenced yard area to its rear. There are also a covered patio and open brick patio areas at the perimeter of the home. The

site has extensive concrete, brick and stone flatwork with both walkways and patio areas in front as well as landscaping beds. There are approximately four concrete paved, off-street parking spaces at the front of the property or south side of the structures. There are many mature trees on the property.

Effective Age-Remaining Economic Life: Overall, the subject SFR has an estimated useful life of about $60 \pm$ years. The subject building is $80 \pm$ years old with some retrospective updating/expanding of the original structure. It has experienced substantial depreciation. The overall effective age estimated to be 40-years and the remaining economic life is estimated to be $20 \pm$ years based upon observed condition and MVS Guidelines.

Ownership / Sales-Listing History: The subject property was purchased by the present owner dating back to February 1986 and had not transferred ownership in the three years prior to the effective date of this appraisal. As of the effective date of the appraisal the subject property was not listed on the open market and has not listed on the open market in the three years prior to the effective date of this appraisal.

Purchase Agreement: The subject property is not currently under agreement for purchase.

Occupancy and Use of the Subject: The subject property is currently owner occupied. Accordingly, the subject will be appraised as Fee Simple ownership.

Highest and Best Use:

Comments on Highest and Best Use: *The Dictionary of Real Estate Appraisal* published by the Appraisal Institute, defines Highest and Best Use as:

1. The reasonable and probable use that supports the highest present value for vacant land or improved property, as defined, as of the date of the appraisal.
2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in highest present land value.
3. The most profitable use.

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats and the like.

Highest and Best Use of the Land as if Vacant: The subject site does not have any physical limitations for development. It is an interior lot within a residential neighborhood with typical visibility. The lot is considered narrow due to only being $50.075 \pm$ feet wide. It is noted that

most other lots on the subject's north side of Almaden Avenue share similar width. Bordering the subject on the west are three lots that were redeveloped from original with freestanding single family homes. Utilities and other services are available and to the site.

Legally Permissible: As detailed previously in the report the subject is under the jurisdiction of the City of Cupertino Planning Department. The General Plan for the City of Cupertino View designates the subject as R1-7.5: Single Family Residential with a 7,500± SF minimum lot size. It is also designated as 0-4.4 DU/AC (Dwelling Unit per Acre). The subject's 9,936± SF lot is 0.2281 Acres. This would calculate as $4.4 \text{ SF} \times 0.2281 \text{ Acres} = 1.00364$ number of dwellings. Although the subject's zoning would allow for only one dwelling unit, local municipalities were overridden by the recently passed ministerial California Bill SB9 that allows for two units on established lots. It is described as follows:

California SB9 Bill: SB9, also known as the California Housing Opportunity and More Efficiency (HOME) Act, is a state bill that requires cities to allow one additional residential unit onto parcels zoned for single-dwelling units. This law will allow up to a total of two residential units in single-dwelling unit zones, excluding any accessory dwelling units (ADUs). The law, which passed in September 2021, went into effect across California on January 1, 2022. Once active, SB9 will only apply to property owners in the R1 (Single-Unit Residential).

Although the new state law allows for division of the subject lot, its width and size would make this cumbersome for any potential buyer/developer. Considering bordering properties as well as other developments in the neighborhood, the most likely scenario for redevelopment of the subject lot is as a main house with a detached or attached ADU unit.

Physically Possible: The subject site has no physical or external factors that would limit physical construction of a single family residence to maximize lot potential as allowed by zoning.

Financially Feasible: The investment of constructing a single family home with an accessory dwelling unit would have a feasible cost that would result in maximum return on its present value.

The Highest and Best Use as if vacant is concluded to be development of a single family home and ADU to fully maximize lot potential. This would be legally permitted, physically possible, appropriately supported, financially feasible, and therefore considered the highest and best use of the land value as if vacant.

Highest and Best Use As Improved: The subject property is currently improved with the original main house measuring 1,293± SF. Attached to the house is a 271± SF enclosed walkway with laundry area. At the front of the house is the original garage which was expanded and converted to an ADU without permit approval. The main house and walkway are the only viable structures and are legal-conforming to current zoning.

Although the site is a candidate for future redevelopment, it is important to consider the time, costs and risk associated with this process. The subject site does not have any approvals or entitlements in place for a new project. This process can take up to two years, with time added in recent months due to the slowing impacts of COVID-19. The time and risk associated with redevelopment impacts the as-is value of the subject, as a potential buyer is incurring a certain amount of risk.

A primary function of the highest and best use as improved analysis is to determine whether a site's existing improvements are providing a return to the underlying land, or whether the property should be redeveloped to accommodate an alternate use. Specifically, if the subject property's fee simple site value exceeds the market value of the property, as improved, by a margin which is greater than the cost of demolition (and there are no legal or contractual restrictions to site redevelopment), then the highest and best use of the property is indicated to be for redevelopment. The existing SFR property use is consistent with the highest and best use of the land as if vacant as determined above. At this point in time, the subject site is not fully developed. The existing property use as single family residential represents the land's highest and best interim use until future redevelopment as a newer, single family structure along with an ADU unit that maximizes potential.

SUMMARY OF ANALYSIS AND VALUATION:

THE APPRAISAL PROCESS: The valuation of real estate is a logical and orderly process consisting of: identifying and defining the appraisal problem, planning the appraisal steps and preliminary survey, collecting data and analyzing that data, applying the three approaches to value and reconciling the value indications into a final value estimate (in some instances, data may be insufficient to apply all three approaches to value, or certain approaches may be deemed inappropriate to the particular appraisal problem). The three traditional approaches to value are: the Cost Approach, Sales Comparison Approach, and the Income Approach.

The subject is vacant residential land that is fee simple ownership with interim structural improvements, with no ground lease in place. The Sales Comparison Approach is relevant and applicable to arrive at a land value estimate for the subject and will be applied in this analysis.

LAND VALUE-SALES COMPARISON APPROACH: The Sales Comparison Approach (also called the Market Data or Direct Sales Approach) is a method of estimating market value by comparing the subject property to information obtained from the marketplace. Such information ideally results from confirmed sales transactions of properties similar in type and market location to the subject property, though volatile markets or limited sales information might require the use of properties in escrow and listings along with asking and offering price data.

The application of this approach is determined on an understanding of the supply and demand of similar properties within the market place. The "*Principle of Substitution*" is axiomatic to

this approach. It states that when several commodities or services with substantially the same utility are available, the one with the lowest price attracts the greatest demand.

The Sales Comparison Approach is most applicable to properties for which there exists an active and balanced market, similarity among properties, and economic stability in the market place. To the degree these features are absent, adjustments are made to the comparable sales to reconcile the differences. The following steps are taken in applying this approach. (1.) Research the market and select the sales and listings of properties most comparable to subject. (2.) Collect and verify information on selected sales and listing prices, dates of transaction, physical and locational characteristics. (3.) Analyze and compare each sales with the subject as to time of sale, location, physical characteristics and conditions of sale. (4.) Adjust the sales, or listing price, of each comparable for dissimilarities between it and subject. Adjust the comparable upward for inferior conditions and downward for superior conditions. (5.) Reconcile the multiple value indications into a single opinion of value for the subject property.

Subject Site Valuation:

Site valuation is accomplished by comparing the subject site to recent sales of undeveloped or underdeveloped sites similar to the subject and making adjustments to the comparable sales for time, financing, size, location, potential use, and site preparation requirements, etc. In an almost fully developed market, site sales are sometimes very hard to find and when sales are found, they may require more adjustments. In this market, comparable site sales with dated homes of similar scope and condition were rare yet some were discovered to add to the analysis. Along with these sales comparable fully improved sales with similar potential land utility were abstracted to arrive at a market value for the subject's residential land.

Search Criteria: The entire Cupertino market was searched for comparable sales with an emphasis on the subject's immediate Monta Vista Village/Monta Vista neighborhood. Emphasis was also placed on the market area west of Blaney Avenue. The lot size search was from 8,500 to 15,000± SF with an emphasis on properties that were similar candidates for redevelopment. From the search a total of eight comparables were selected for analysis with all but one of the comparables located within the Monta Vista High School District. Four comparables with smaller/dated interim single family houses were selected as well as one vacant land sale. Three pertinent sales/listings of fully improved properties were also selected for the analysis and abstracted to arrive at a current land value estimate. The sales presented represent the most recent and best confirmed sales available, at this time, from which to interpolate a value estimate for the subject site based on the sales comparison approach.

Deduction of Contributory Value of Existing Improvements: Estimates of the depreciated contributory value of the existing SFR improvements for improved Sales Comparables #5, #6 & #8 utilized are based upon Marshall Valuation Services guidelines from Section 12 for Single Family Residences. Both of the improved comparables are Class D wood frame designs with Comp #5 being dated due to original construction in 1954. Comps #6 & #8 are new construction of higher quality that has not experienced depreciation.

The Abstraction or Allocation method to arrive at a land value is defined as follows.

Allocation: The division of the value of a property between land and improvements being the appraisal method in which the land value is found by deducting the value of the improvements from the overall sales price. Allocation is most frequently used in appraisals of vacant lots in which comparable sales of vacant lots cannot be found and improved sites must be used as comparables. Used most often in urban areas where few vacant lots exist. Also called abstraction or extraction method.

In order to arrive at a land value the Allocation and/or Abstraction method was applied. This is the method of subtracting the estimated depreciated cost of the improvements from the sales price of comparable sales to arrive at a land value. This includes not only the building improvements but site improvements also including a factor for entrepreneurial profit. The comparables had viable residential building improvements of varying quality and condition at the time of sale. The improvement costs that were deducted by calculating as follows:

- *Building Costs Using Marshall Valuation Services Guidelines/Calculation Method;
- *Applying Local and Cost Multipliers;
- *Calculating Estimated Contributing Site Improvements;
- *Applying Entrepreneurial Profit and Additional Soft Costs;
- *Deducting Estimated Depreciation Based Upon An Age/Life Method

**None of the comparables reportedly had any entitlements in place as part of the sale. This would include plans and or permits for redevelopment.

** Similar to the subject, Sales Comparables #1, #2, #3 & #4 had older homes that were dated and candidates for redevelopment to realize full potential as allowed by zoning. The nominal value of these existing structures is similar to the subject in that any contribution is “interim” in that any short term benefit realized from inhabiting/renting is negated by the cost to demolish for new construction as well as holding costs. Accordingly none of these existing homes is afforded contributory value in the analysis.

The sales comparables selected for analysis are summarized in the following grids:

Re: 21851 Almaden Avenue, Cupertino, CA 95014

June 2022

SELECTED COMPARABLE ABSTRACTED RESIDENTIAL SALES

Item	Subject Property	Comparable Sale No. 1	Comparable Sale No. 2	Comparable Sale No. 3	Comparable Sale No. 4
Location	21851 Almaden Avenue, Cupertino, CA 95014	21841 Alcazar Avenue, Cupertino, CA 95014	20082 Forest Avenue, Cupertino, CA 95014	21743 Alcazar Avenue, Cupertino, CA 95014	10467 Glencoe Avenue, Cupertino, CA 95014
Proximity to Subj.	N/A	2-Blocks S	1.75 Miles NE	2-Blocks S	1.0 Miles NE
APN	357-15-016	357-15-083	357-15-083	357-19-110	326-30-106
Map Reference	TB: 852-B1	TB: 852-B1	TB: 832-E7	TB: 852-B1	TB: 832-D7
Deed Reference	N/A	Doc #24403350	Doc Not Available	Doc #25256072	Doc #25231223
COE	N/A	02/13/2020 COE	06/01/2022 COE	03/09/2022 COE	02/02/2022 COE
Data Source	Inspection/Owner Public Record	Pub. Rec./RRequest MLS#ML8172525	Pub. Rec./RRequest MLS#SF422639439	Pub. Rec./RRequest MLS#ML81879264	Pub. Rec./RRequest MLS#ML81874574
Listing Price	N/A	\$2,000,000 List	\$2,100,000 List	\$1,700,000 List	\$1,900,000 List
Total Sale Price		\$2,100,000 Sale	\$3,002,000 Sale	\$2,300,000 Sale	\$2,900,000 Sale
SFR Build. Area/ Land Area	Interim 1,293± SFR 9,936± SF	Interim 1,192± SFR 9,692± SF	Interim 1,187± SFR 10,235± SF	Interim 1,539± SFR 8,526± SF	None Vacant 9,375± SF
Zoning	R1-7.5, 0-4.4 DU Acre	R1-7.5, 0-4.4 DU Acre	R1-10, 1-5 DU Acre	R1-10, 1-5 DU Acre	R1-10, 1-5 DU Acre
Property Use	Single Family Res.	SFR	SFR	SFR	SFR
Est. Improvement Cont. Value	Nominal Interim Tear Down	Nominal Interim Tear Down	Nominal Interim Tear Down	Nominal Interim Tear Down	Vacant
Est. Land Value	n/a	\$2,100,000 / \$217±/SF	\$3,002,000 / \$293±/SF	\$2,300,000 / \$270±/SF	\$2,900,000 / \$309±/SF
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple

COMPARABLE RESIDENTIAL SITE SALE ADJUSTMENT GRID

Abstracted Sale Price/SF Land	N/A	\$2,100,000 \$217/SF	\$3,002,000 \$293/SF	\$2,300,000 \$270/SF	\$2,900,000 \$309/SF
Finance/Time	-0- / Current	-0- / +35%	-0- / -0-	-0- / -0-	-0- / -0-
Conditions of Sale	N/A	+5%	-0-	-0-	-0-
Location / Zoning	Good / R1-7.5	-0- / -0-	+10% / -0-	-0- / -0-	+10% / -0-
Lot Size	9,936± SF	-0-	-0-	-0-	-0-
Lot Shape/Utility	Rectangular/Average	-0-	-5%	+20%	-2% No Teardown
Access	Average	-0-	-0-	-0-	-0-
Total Adj.	N/A	+40%	+5%	+20%	+8%
Indicated Land Value / \$/SF	\$3,329,000± \$335/SF±	\$2,940,000 \$303/SF	\$3,152,000 \$308/SF	\$2,760,000 \$324/SF	\$3,132,000 \$334/SF

Re: 21851 Almaden Avenue, Cupertino, CA 95014

June 2022

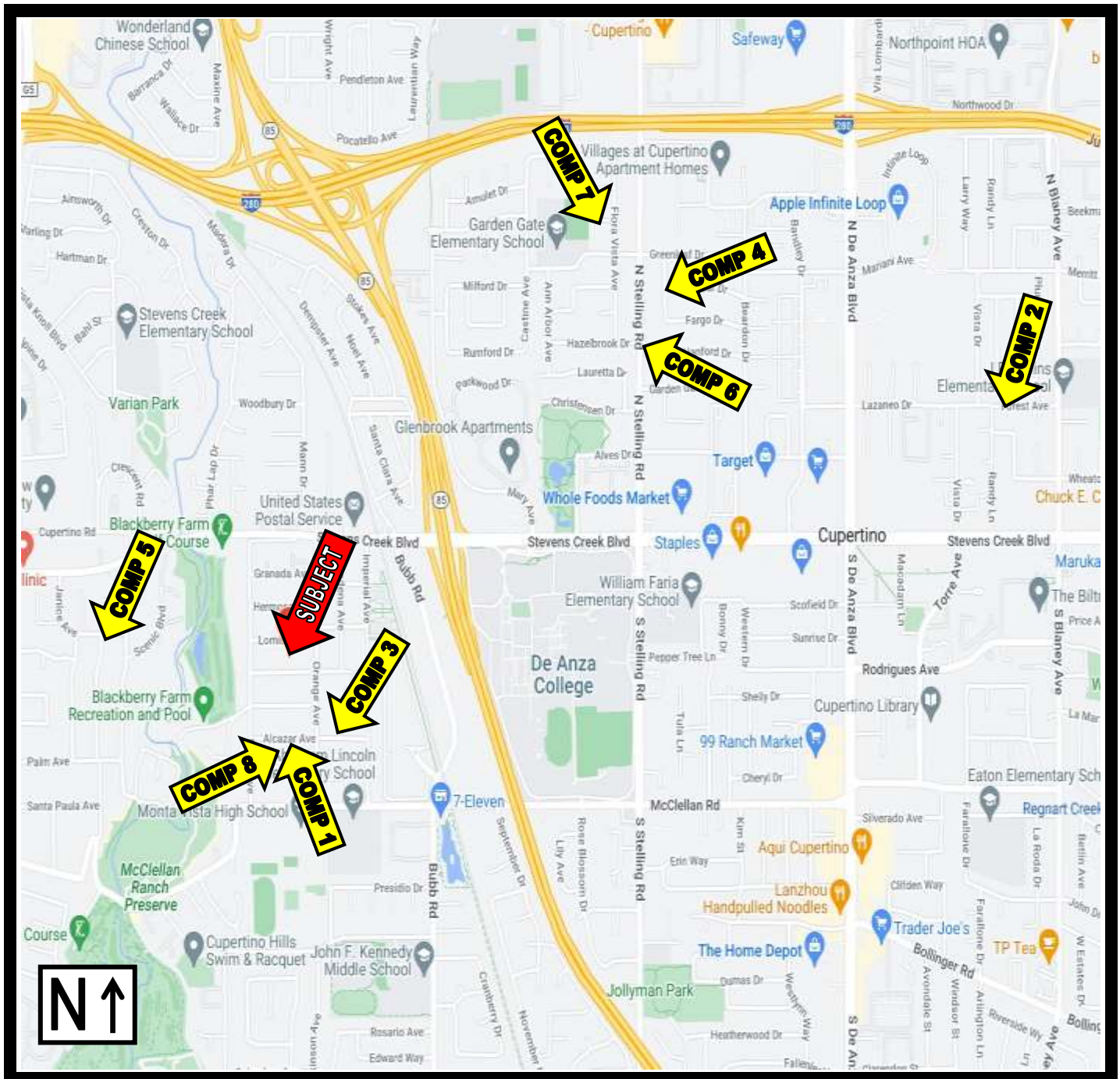
SELECTED COMPARABLE RESIDENTIAL SALES

Item	Subject Property	Comparable Sale No. 5	Comparable Sale No. 6	Comparable Listing No. 7	Comparable Listing No. 8
Location	21851 Almaden Avenue, Cupertino, CA 95014	10218 Mira Vista Road, Cupertino, CA 95014	10410 N Stelling Road, Cupertino, CA 95014	21102 Lavina Court, Cupertino, CA 95014	21841 Alcazar Avenue, Cupertino, CA 95014
Proximity to Subj.	N/A	0.5 Miles W	1.0 Mile E	1.0 Mile NE	2-Blocks S
APN	357-15-016	357-02-030	326-30-094	326-08-025	357-15-083
Map Reference	TB: 852-B1	TB: 852-A1	TB: 832-C6	TB: 832-C6	TB: 852-B1
Deed Reference	N/A	Doc #25272850	Doc #25283057	N/A	N/A
COE	N/A	03/01/2022 COE	04/13/2022 COE	LISTING 4-DOM	Listing 87-DOM
Data Source	Inspection/Owner Public Record	Pub. Rec./RRequest MLS#ML81879348	Pub. Rec./RRequest MLS#ML81862365	Pub. Rec./RRequest MLS#ML81894471	Pub. Rec./RRequest MLS#ML81874307
Listing Price	N/A	\$2,688,000 List	\$4,198,000 List	Listing \$2,698,000	Listing \$5,350,000
Total Sale Price		\$3,950,000 Sale	\$4,600,000 Sale		
SFR Build. Area/ Land Area	Interim 1,293± SFR 9,936± SF	2,071± SF SFR/Garage 10,334± SF	New 3,769± SFR 9,000± SF	Interim 891± SFR 11,364± SF	New 3,896± SFR 9,692± SF
Zoning	R1-7.5, 0-4.4 DU Acre	R1-10, 1-5 DU Acre	R1-10, 1-5 DU Acre	R1-10, 1-5 DU Acre	R1-7.5, 0-4.4 DU Acre
Property Use	Single Family Res.	SFR	SFR	SFR	SFR
Est. Improvement Depreciated Value	Nominal Tear Down	Viable SFR: Const.1954 Estimated-\$350,000	New High Quality 2021 Estimated -\$1,915,000	Nominal Interim Tear Down	New High Quality 2022 Estimated -\$2,100,000
Est. Land Value	n/a	\$3,600,000 / \$349±/SF	\$2,685,000 / \$298±/SF	\$2,698,000 / \$237±/SF	\$3,250,000 / \$335±/SF
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple

COMPARABLE RESIDENTIAL SITE SALE ADJUSTMENT GRID

Abstracted Sale Price/SF Land	N/A	\$3,600,000 \$349/SF	\$2,685,000 \$298/SF	\$2,698,000 \$237/SF	\$3,250,000 \$335/SF
Finance/Time	-0- / Current	-0- / -0-	-0- / -0-	-0- / -0-	-0- / -0-
Conditions of Sale	N/A	-0-	-0-	Listing + 5%	-0-
Location / Zoning	Good / R1-7.5	+5% / -0-	+25% / -0-	+10% / -0-	-0- / -0-
Lot Size	9,936± SF	-0-	-0-	-0-	-0-
Lot Shape/Utility	Rectangular/Average	+5%	-0-	+10%	-0-
Access	Average	-0-	-0-	-0-	-0-
Total Adj.	N/A	+10%	+25%	+25%	-0-
Indicated Land Value / \$/SF	\$3,329,000± \$335/SF±	\$3,960,000 \$383/SF	\$3,356,000 \$373/SF	\$3,373,000 \$297/SF	\$3,250,000 \$335/SF

COMPARABLE SALES LOCATION MAP



COMPARABLE SALE PHOTOGRAPHS



COMPARABLE SALE 1

21841 Alcazar Avenue
Cupertino, CA 95014

Sale: \$2,100,000
COE: 02/13/2020

9,692± SF Land
\$2,940,000
Adjusted Land Value
\$303/SF Land



COMPARABLE SALE 2

20082 Forest Avenue
Cupertino, CA 95014

Sale: \$3,002,000
COE: 06/01/2022

10,235± SF Land
\$3,152,000
Adjusted Land Value
\$308/SF Land



COMPARABLE SALE 3

21743 Alcazar Avenue
Cupertino, CA 95014

Sale: \$2,300,000
COE: 03/09/2022

7,560± SF Land
\$2,530,000
Adjusted Land Value
\$297/SF Land

COMPARABLE SALE PHOTOGRAPHS



COMPARABLE SALE 4

10467 Glencoe Drive
Cupertino, CA 95014

Sale: \$2,900,000
COE: 02/02/2022

9,375± SF Land
\$3,132,000
Adjusted Land Value
\$334/SF Land



COMPARABLE SALE 5

10218 Mira Vista Road
Cupertino, CA 95014

Sale: \$3,950,000
COE: 03/30/2022

10,334± SF Land
\$3,960,000
Adjusted Land Value
\$383/SF Land



COMPARABLE SALE 6

10410 N. Stelling Road
Cupertino, CA 95014

Sale: \$4,600,000
COE: 04/13/2022

9,000± SF Land
\$3,356,000
Adjusted Land Value
\$373/SF Land

COMPARABLE SALE PHOTOGRAPHS



COMPARABLE LISTING 7

21102 Lavina Court
Cupertino, CA 95014

Listing: \$2,698,000
DOM: 4

11,364± SF Land
\$3,373,000
Adjusted Land Value
\$297/SF Land



COMPARABLE LISTING 8

21841 Alcazar Avenue
Cupertino, CA 95014

Listing: \$5,350,000
DOM: 87

9,692± SF Land
\$3,250,000
Adjusted Land Value
\$335/SF Land

RECAP OF COMPARABLE SALES

Sale No.	Sale Date	Sales Price	Sales Price SF/Land	Adjusted Sales Price	Adjusted Sales Price/SF Land
1	02/13/2020 COE	\$2,100,000	\$217	\$2,940,000	\$303
2	06/01/2022 COE	\$3,002,000	\$293	\$3,152,000	\$308
3	03/09/2022 COE	\$2,300,000	\$270	\$2,530,000	\$297
4	02/02/2022 COE	\$2,900,000	\$309	\$3,132,000	\$334
5	03/01/2022 COE	\$3,950,000	\$349*	\$3,960,000*	\$383*
6	04/13/2022 COE	\$4,600,000	\$298*	\$3,356,000*	\$373*
7	Listing	\$2,698,000	\$237	\$3,373,000	\$297
8	Listing	\$3,250,000	\$335*	\$3,250,000*	\$335*

*Abstracted Land Value

Adjustment Grid Summary

	<u>Unadjusted</u>	<u>Adjusted</u>
Land Value/SF Range:	\$237 to \$349	\$297 to \$383
Land Value/SF Mean:	\$290 / SF	\$329 / SF
Adjusted Land Value/Site:	\$2,530,000 to \$3,960,000	
Abstracted Adjusted Land Value/Mean:	\$3,212,000	

Comparable Sales Discussion

Comparable Sale #1: is located within the subject's immediate Monta Vista neighborhood just two blocks to the south. Despite dating back over two years to February 2020 this sale is very pertinent due to nearly replicating the subject property in scope. This is a 9,692± SF lot with similar R1-7.5, 0-4.4DU Zoning. The lot dimensions nearly mirror the subject with 50.11 lineal feet of frontage/lot width and a depth of 193.42 lineal feet. The property sold for \$2,100,000 after reportedly listing for \$2,000,000 with a preemptive offer received and no brokers/agent utilized by the buyer which reportedly saved about 5%± on the purchase price. No plans or entitlements were included as part of the purchase. At the time of sale the property had an 1,192± SF, 3-BR/1-BA home that dated to 1922 that had been updated and remodeled from original over time. Similar to the subject the home was viable at the time yet considered an interim use. The property was subsequently redeveloped with a 3,896± SF custom design two story home with a 5-BR/5.1-BA floorplan. It is noted that the FAR allowed by zoning is inclusive within the single home versus having a slightly smaller home and detached ADU. This new home is currently listed on the market for 87 days starting at \$5,580,000 and lowered during the course to the present offering of \$5,350,000 (see Listing Comp #8). According to MLS statistics market values increased about 35% over the

subsequent 29 months. Following adjustment for time and commissions saved the current market value indicated for the subject's land is \$2,940,000 or \$303±/SF. This is considered supportive yet understating of the subject's current market value and a viable example of the development potential of the subject.

Comparable Sale #2: is located on Forest Avenue about 1.75 miles to the northeast of the subject in the Blaney Avenue corridor. Analysis of past sales indicates that this area is inferior in market appeal by approximately 10% on average to the subject's prime Monta Vista neighborhood. This is the sale of a 10,235± SF lot with a home measuring 1,187± SF, 3-BR/2-BA dating to 1953. The lot is nearly square and has R1-10, 1-5 DU Zoning which mandates a minimum of 10,000 SF. The lot has approximately 100 lineal feet of frontage which is superior in appeal to the subject. The property sold for \$3,002,000 in June of 2022, nearly one million dollars over the listing price of \$2,100,000 after 32 days on the market. No plans or entitlements were included as part of the purchase. Similar to the subject the home was viable at the time yet considered an interim use with no contributory value. Following adjustment for location and lot shape/utility the current market value indicated for the subject's land is \$3,152,000 or \$308±/SF. This is considered supportive yet understating of the subject's current market value and a viable example of the development potential of the subject.

Comparable Sale #3: is located within the subject's immediate Monta Vista neighborhood just two blocks to the south. This is a 8,526± SF lot with similar R1-7.5, 0-4.4DU Zoning. The lot is inferior in appeal due to being a flag lot that shares access with two other lots bordering on the north and south. This along with street identity warrants substantial adjustment for lot shape and utility. At the time of sale there was a 1,539± SF, 3-BR/2-BA home dating to 1965. Similar to the subject the home was viable at the time yet considered an interim use with any contributory value offset by demolition costs. The property sold for \$2,300,000 in March of 2022, which was \$600K over the listing price after 4 days on the market. No plans or entitlements were included as part of the purchase. Following adjustment for lot shape/utility the current market value indicated for the subject's land is \$2,760,000 or \$324±/SF. This is considered supportive of the subject's market value per square foot yet understating. It is a viable example of the development potential of the subject.

Comparable Sale #4: is located on Glencoe Drive about a mile to the northeast of the subject in the Stelling Road corridor. Analysis of past sales indicates that this area is inferior in market appeal by approximately 10% on average to the subject's prime Monta Vista neighborhood. This is the sale of a 9,375± SF lot that was vacant with the past mid-century home demolished and removed. The lot is rectangular and has R1-10, 1-5 DU Zoning which mandates a minimum of 10,000 SF with this lot being grandfathered as legal, non-conforming. The lot has approximately 75 lineal feet of frontage which is similar in appeal to the subject when zoning is considered. The property sold for \$2,900,000, one million dollars over the listing price of \$1,900,000 after just 3 days on the market with all cash paid. No plans or entitlements were included as part of the purchase. Following adjustment for location and tear down costs the current market value indicated for the subject's land is \$3,132,000 or \$334±/SF. This is considered supportive of the subject's current market value and a viable example of the development potential of the subject.

Comparable Sale #5: is located on Mira Vista Road about a half mile to the west of the subject. This is an older established area west of the Blackberry Farm Golf Course that is considered as part of the foothills market. Analysis of past sales indicates that this area is inferior in market appeal by approximately 5% on average to the subject's prime Monta Vista neighborhood due mainly to walkability to the high school. This is the sale of a 10,334± SF lot that was improved with a 2,071± SF, 4-BR/2.1-BA home constructed in 1954 and updated/remodeled over the years. This is a corner lot that is nearly rectangular and has R1-10, 1-5 DU Zoning which mandates a minimum of 10,000 SF. The utility of the lot is inferior to the subject due to setback requirements on two sides of the corner lot. The property sold for \$3,950,000 in March of 2022, about 1.25M dollars over the listing price of \$2,688,000 after just 7 days on the market. The contributing value of the depreciated existing improvements including the main house, detached garage and landscaping were calculated to be \$350,000 with a higher rate of depreciation considering the age and condition of the home. This indicates an abstracted market value for the land of \$3,600,000 or \$349/SF. Following adjustment for location and lot utility the current market value indicated for the subject's land is \$3,960,000 or \$383±/SF. This is considered supportive yet overstating of the subject's current market value in light of other market data presented.

Comparable Sale #6: is located on N. Stelling Road about a mile to the northeast of the subject. This property fronts Stelling Road which is a very busy access street. This factor along with the subject's superior Monta Vista area warrants a detriment of about 25% per group analysis of past sales. This is the sale of a 9,000± SF lot that was improved with a new two story home of high quality measuring 3,769± SF with a 5-BR/5.0-BA floorplan. The lot has R1-10, 1-5 DU Zoning which mandates a minimum of 10,000 SF. The utility of the lot is similar to the subject. The property sold for \$4,600,000 in April of 2022, about \$400K dollars over the listing price of \$4,198,000 after just one day on the market. The contributing value of the depreciated existing improvements including the new house, attached garage and landscaping were calculated to be \$1,915,000 with no accrued depreciation considering the new construction. This indicates an abstracted market value for the land of \$2,685,000 or \$298/SF. Following adjustment for location the current market value indicated for the subject's land is \$3,356,000 or \$373±/SF. This is considered supportive yet overstating of the subject's current market value in light of other market data presented.

Comparable Listing #7: is an active listing located on Lavina Court about one mile to the northeast of the subject in the Stelling Road corridor. Despite being located on a cul-de-sac analysis of past sales indicates that this area is inferior in market appeal by approximately 10% on average to the subject's prime Monta Vista neighborhood. This is the sale of a 11,364± SF lot with a home measuring 891± SF, 2-BR/1-BA dating to 1950. Similar to the subject the home was viable at the time yet considered an interim use with no contributory value. The lot is triangular which limits overall utility per zoning setback requirements under its R1-10, 1-5 DU Zoning. The property is listed for \$2,698,000 and has been on the market just four day. No plans or entitlements were included as part of the offering. The offering appears low for the market and is adjusted upward by 5.0% for appraisal comparison. Following further adjustment for location and lot shape/utility the current market value indicated for the subject's land is \$3,373,000 or \$297±/SF. This is considered supportive yet

of the subject's current market value and a viable example of the development potential of the subject.

Comparable Listing #8: is the listing of the aforementioned redevelopment of Comparable Sale #1 of this report. It is located within the subject's North Monta Vista neighborhood and similar in overall location appeal. This is a 9,692± SF lot with similar R1-7.5, 0-4.4DU Zoning. The lot dimensions nearly mirror the subject with 50.11 lineal feet of frontage/lot width and a depth of 193.42 lineal feet. It is improved with a new two story home of high quality measuring 3,896± SF with a 5-BR/5.1-BA floorplan as well as full site improvements. It is noted that the FAR allowed by zoning is inclusive within the single home versus having a slightly smaller home and detached ADU. The listing has been on the market for 87 days, originally at \$5,580,000 and lowered to the current \$5,350,000. The contributing value of the depreciated existing improvements including the new house, attached garage and landscaping were calculated to be \$2,100,000 with no accrued depreciation considering the new construction. This indicates an abstracted market value for the land of \$3,250,000 or \$335/SF. No adjustments are warranted with the current market value indicated for the subject's land of \$3,250,000 or \$335±/SF. This is considered very supportive of the subject's current market value due to its lot being very similar in size, shape and location.

Correlation of Site Sales Data:

Indicators for site sales are normally expressed in terms of sales price per site as well as square foot of net usable site area. The analysis of these site sales considered such items as; time of sale, location, parcel size, off-site improvements, and utilities. After analysis and comparison to the subject, the adjusted sales price of the site value of the comparable sales ranges from \$2,530,000 to \$3,960,000 for the site with a mean of \$3,212,000. Land Sale #3 appears to understate the market and when not included the adjusted mean value indicated is \$3,309,000. Considering all factors and market data the subject's buildable site value is concluded to be \$3,310,000

Subject Site: Concluded Value Per Site = \$3,310,000

The adjusted square footage values range between \$297.00 to \$383.00 with a mean of \$329/SF. Comp #1 is an older sale that appears to understate the current market despite time adjustment to reflect the increasing market. When this sale is not included the adjusted mean price indicated is \$333.00±.

After considering most all factors which affect value, market price per square foot for the subject site is estimated to be most reasonably \$335.00/SF. The Fee Simple site value for the subject site by the sales comparison approach via the concluded square foot calculation is as follows: 9,936± SF x \$335.00/SF = \$3,328,560 rounded to \$3,330,000.

Subject Site/SF: 9,936 SF x \$335.00/SF = \$3,328,560, rounded to \$3,330,000

RECONCILIATION AND VALUE CONCLUSION:

The subject consists of a single lot that is zoned as single family residential. Only the Sales Comparison Approach to value utilizing sales of similar lots/land in the competing Cupertino market area are utilized. As discussed both the cost and income approaches to value are not applicable. Using the Sales Comparison Approach, the following As Is Fee Simple value estimates for the subject residential land were obtained:

Indicated Site Value by the Sales Comparison Approach: \$3,310,000

Indicated Land Value per SF by the Sales Comparison Approach: \$3,330,000

The value sought in this appraisal is that which is termed market value. The process of reconciliation involves the scrutinization of each value estimate in view of the probable actions of the typical buyer or investor for a buildable residential lot. The subject is located in the prime Monta Vista residential area near notable high tech employment with demand high. Most properties that are prospects for redevelopment sell in less than 30 days on the market.

As detailed in the report there is a single family home in place as well as a non-permitted garage conversion and partial ADU. These improvements would be considered as interim by any potential buyer of the property with their temporary use value offset by future demolition and holding costs. Although the new California State Ministerial California Bill SB9 would allow subdivision of the subject lot the most likely potential buyer would develop the lot to fully utilize potential as a main house and detached/attached ADU. This has been the historical trend in this market.

SUMMARY

The sales comparison approach to land value is best supported with the cost and income approaches not considered applicable. The sales comparison approach is the most reliable with strong comparable sales sited. Based upon personal inspection, investigation, judgment and experience, the opinion of the "As-Is" Fee Simple Market Value of the subject property as of the effective date of May 12, 2022, based upon an estimated market exposure time of 1-30 days, is concluded to be \$3,325,000.

VALUE CONCLUSION

FEE SIMPLE LAND MARKET VALUE

\$3,325,000

This value opinion is based on exposure time of 1-to-60 days

As of the effective date of this appraisal the nation was in the 25th month of the global outbreak of a "novel coronavirus" known as COVID-19, which was officially declared a pandemic by the World Health Organization (WHO) in March of 2020. *As of the effective date of this report the residential building market sector in Santa Clara County had not been negatively impacted by the ongoing pandemic per available market stats as well as input from agents/brokers active in the market.* The reader is cautioned, and reminded, that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The analyses and value opinion in the appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

Estimated Marketing Time/Reasonable Exposure Period:

Estimated Marketing Time: The estimated marketing time is defined as an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of the appraisal. **The estimated marketing time for the subject property is approximately 1-60 days.** This opinion is based mostly upon the marketing times reported for Sales Comparables in the Sales Comparison Approach section of this report. The subject is vacant lot with high potential for future development. There would be a high level of demand for this property if offered on the market by both owner-users and potential investors due to lack of highly similar properties on the market.

Reasonable Exposure Period: Reasonable exposure period is defined as the estimated length of time the property interest being appraised would have been offered on the open market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. The difference between marketing time and exposure period is that marketing time represents the time after the date of the appraisal and the exposure period represents the time prior to the date of the appraisal.

The appraiser's estimate of value is based on a reasonable exposure period for the subject property, under current market conditions, of approximately 1-60 days. This estimate is based on interviews with local agents/brokers, analysis of current market trends in the general area and neighborhood, and takes into account the size, quality and location, etc. of the subject property and the competing properties. Also considered were broker opinions as to what an estimated marketing time and a reasonable marketing time would be for the subject property.

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS:

1. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it might not include complete discussions of the data, reasoning, and analyses that were used in the

appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser(s) are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility. A barrier assessment prepared by a California State Certified Access Specialist (CASP) is recommended.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser(s) and, in any event, only with proper written qualification and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser(s), or the firm with which the appraiser(s) are connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser(s).

SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraiser was not supplied with an environmental site assessment study(s). It is assumed that there are no adverse toxic or other environmental hazards associated with the subject property. There was no unconfined debris noted on the site.
 2. The appraiser was not supplied with a geologic or soils investigation report. It is assumed that there are no adverse geologic conditions which would negatively impact the value of the subject property.
 3. The following documents were examined for this report: General Plan & Zoning Ordinances by the City of Cupertino; City of Cupertino building permit records, County of Santa Clara building permit records and Grant Deed.
-

Certification:

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. I have made a personal inspection of the property that is the subject of this report.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, we have completed the requirements of the continuing education program of the Office of Real Estate Appraisers of the State of California. All Licenses and/or Certifications are in valid and in good standing.
13. The appraisers' analysis, opinion and conclusions were developed and the report has been prepared in conformity with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation.
14. I have not previously appraised nor provided any other services related to the subject property in the three years prior to this report.



Stanley G. Carlson, Principal Appraiser
Calif. State Cert. Appraiser #AG021675

ADDENDA

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 1

Front view of the
subject property



SUBJECT PHOTO 2

Additional front view



SUBJECT PHOTO 3

Front view of main driveway
entrance at street side

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 4

Concrete driveway area at south end of lot in front of home



SUBJECT PHOTO 5

Front view of existing improvements



SUBJECT PHOTO 6

Front or south end of garage conversion ADU

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 7

East side viewed front to rear



SUBJECT PHOTO 8

West side view of front ADU
addition



SUBJECT PHOTO 9

West side of garage conversion
with entrance to enclosed
walkway

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 10

Typical room in ADU conversion



SUBJECT PHOTO 11

ADU conversion showing
bathroom construction in progress



SUBJECT PHOTO 12

Enclosed walkway and
laundry room

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 13

Main House

West side viewed front to rear



SUBJECT PHOTO 14

Main House

West side viewed rear to front



SUBJECT PHOTO 15

Main House

Rear view

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 16

Main House

Rear view of west end



SUBJECT PHOTO 17

Main House

Covered patio at rear of west side



SUBJECT PHOTO 18

Main House

East side viewed rear to front

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 19

Rear yard viewed northerly
from east side



SUBJECT PHOTO 20

Rear yard viewed westerly



SUBJECT PHOTO 21

Rear yard middle area viewed
northerly

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 22

Main House Interior

Living Room



SUBJECT PHOTO 23

Main House Interior

Living Room ceiling detail



SUBJECT PHOTO 24

Main House Interior

Dining Room

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 25

Main House Interior

Kitchen



SUBJECT PHOTO 26

Main House Interior

Hallway



SUBJECT PHOTO 27

Main House Interior

Bedroom

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 28

Main House Interior

Main Bedroom



SUBJECT PHOTO 29

Main House Interior

Bathroom



SUBJECT PHOTO 30

Main House Interior

Water Heater

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 31

Laundry Room



SUBJECT PHOTO 32

Laundry Room

Secondary water heater



SUBJECT PHOTO 33

Public utility electric meter

SUBJECT PHOTOGRAPHS



SUBJECT PHOTO 34

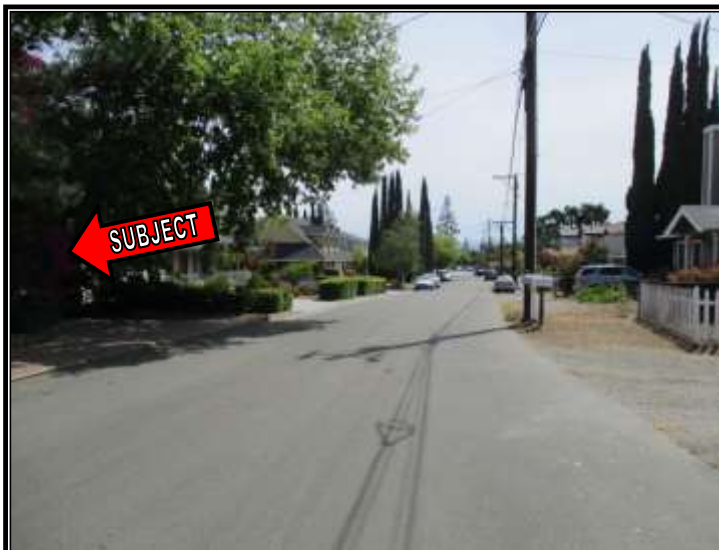
Public utility gas meter



SUBJECT PHOTO 35

STREET SCENE

Almaden Avenue viewed westerly
with subject property on the right
side of photo

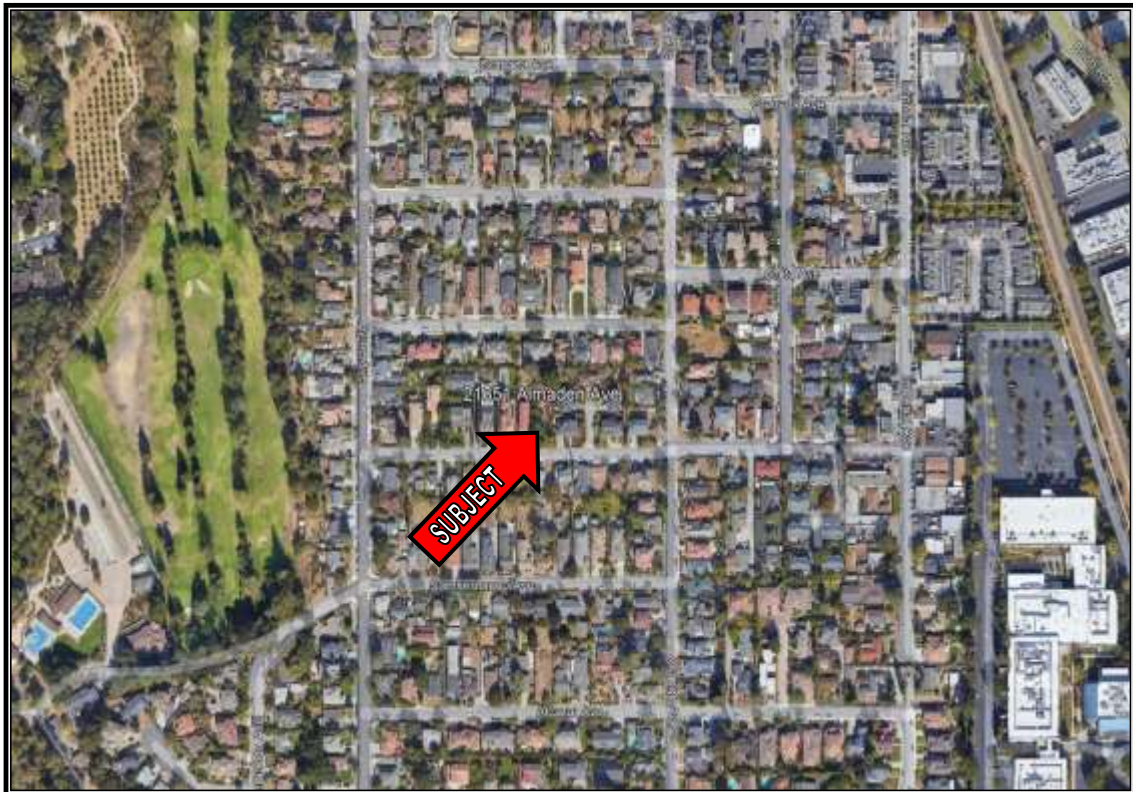


SUBJECT PHOTO 36

STREET SCENE

Almaden Avenue viewed easterly
with subject property on the left
side of photo

SATELLITE SITE & AREA PHOTOGRAPHS



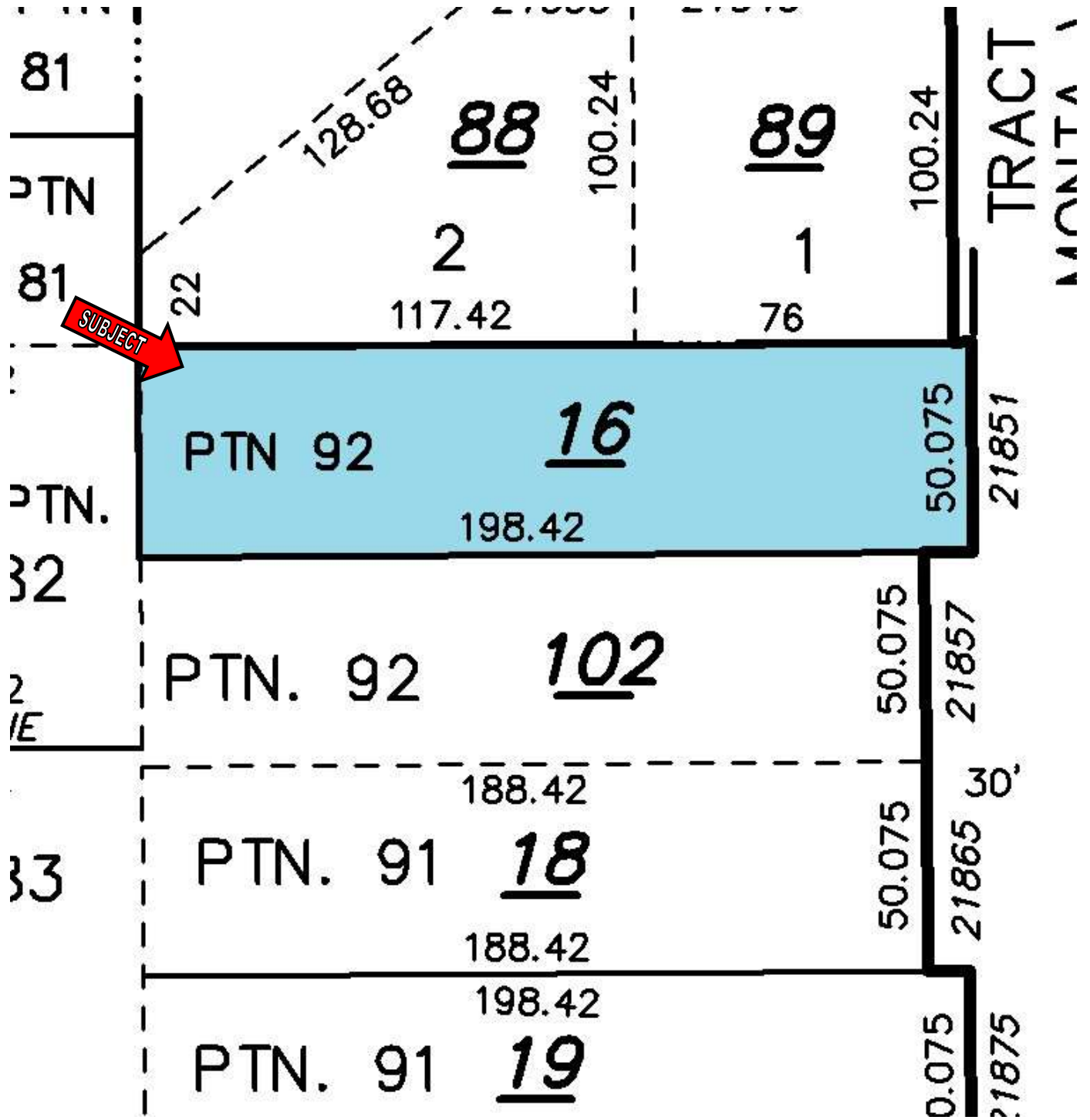
GRANT DEED-LEGAL DESCRIPTION

RECORDING REQUESTED BY TICOR TITLE INSURANCE COMPANY #PY 523095													
AND WHEN RECORDED MAIL TO		J600 PAGE 1266 8685587 Recorded at the request of TICOR Title Insurance Company of California FEB 11 1986 8:00 A.M. Laurie Kane, Recorder SANTA CLARA COUNTY, OFFICIAL RECORDS											
Name	Matthew Lowell Klein	<table border="1" style="margin: auto;"> <tr><td>REC FEE</td><td>3</td></tr> <tr><td>RNF</td><td>1</td></tr> <tr><td>MISC</td><td>1</td></tr> <tr><td>LIEN SVT</td><td></td></tr> <tr><td>SRPF</td><td>16</td></tr> </table>	REC FEE	3	RNF	1	MISC	1	LIEN SVT		SRPF	16	
REC FEE	3												
RNF	1												
MISC	1												
LIEN SVT													
SRPF	16												
Street Address	1440 Rose Garden Lane Cupertino, CA 95014												
City & State													
MAIL TAX STATEMENTS TO													
Name	SAME AS ABOVE												
Street Address													
City & State													
SPACE ABOVE THIS LINE FOR RECORDER'S USE													
CAT. NO. KH00882 TO 1923 CA (2-63)		Individual Grant Deed <small>THIS FORM FURNISHED BY TICOR TITLE INSURERS</small>											
ALL PTN 910-51 357-15-016	The undersigned grantor(s) declare(s): Documentary transfer tax is \$ <u>150.70</u> (<input checked="" type="checkbox"/>) computed on full value of property conveyed, or () computed on full value less value of liens and encumbrances remaining at time of sale. () Unincorporated area: () City of <u>Cupertino</u> , and												
	FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, EUGENE A. ELLIOTT AND JOEN MARIE LACEE ELLIOTT, husband and wife												
	hereby GRANT(S) to MATTHEW LOWELL KLEIN, a single man as to an undivided 1/2 interest and AARON KLEIN, a single man as to an undivided 1/2 interest, as tenants in common the following described real property in the County of <u>Santa Clara</u> , State of California:												
	The Easterly 1/2 of Section 92 as shown upon that certain Map entitled "Map of Subdivision "A" Of Monta Vista", which Map was filed for Record in the Office of the County of Santa Clara, State of California, on April 11, 1917 in Book P of Maps, at page 20.												
	APN: #357-15-016												
	Dated: <u>February 3, 1986</u>												
	STATE OF <u>CALIFORNIA</u> COUNTY OF <u>SAN JOAQUIN</u> } ss.												
	On <u>6 Feb 1986</u> before me, the undersigned, a Notary Public in and for said State, personally appeared <u>Eugene A. Elliott</u> <u>Joan Marie Lacey Elliott</u> personally known to me or proved to me on the basis of sat- isfactory evidence to be the person(s) whose names subscribed to the within instrument and acknowledged that <u>they</u> executed the same. WITNESS my hand and official seal.												
	Signature: <u>Eugene A. Elliott</u> <u>Joan Marie Lacey Elliott</u> <u>71-21-1200-1201-1986</u>												
	(This area for official notarial seal)												
Title Order No. _____		Escrow or Loan No. _____											
MAIL TAX STATEMENTS AS DIRECTED ABOVE													

ASSESSOR'S PARCEL MAP



ASSESSOR'S PARCEL MAP



EXISTING IMPROVEMENTS SKETCH

SKETCH/AREA TABLE ADDENDUM

Case No n/a

File No S22-0509

Property Address 21851 Almaden Avenue

City Cupertino

County Santa Clara

State CA

Zip 95014

Borrower

Lender/Client Matthew Klein

L/C Address Cupertino, CA 95014

Appraiser Name Carlson Appraisal

Appr Address Santa Clara, CA 95050

SUBJECT

IMPROVEMENTS SKETCH



Scale: 1" = 14'

CARLSON APPRAISAL

APEX SOFTWARE 800-858-8858

Page 1 of 3

Apx7206-vi Apex v6

EXISTING IMPROVEMENTS CALCULATIONS

CALCULATIONS ADDENDUM

Case No n/a

File No S22-0509

SUBJECT

Property Address 21851 Almaden Avenue

City Cupertino

County Santa Clara

State CA

Zip 95014

Borrower

Lender/Client Matthew Klein

L/C Address Cupertino, CA 95014

Appraiser Name Carlson Appraisal

Appr Address Santa Clara, CA 95050

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GLA1	First Floor	1292.6900	1292.6900
GAR	Garage/Non Perm. ADU	632.3400	632.3400
OTH	Enc.Walkway/Laundry	270.5600	270.5600

Net LIVABLE Area (rounded) 1293

LIVING AREA BREAKDOWN

Breakdown	Subtotals
First Floor	
0.5 x 2.00 x 6.60	6.6000
8.20 x 37.00	303.4000
30.40 x 19.40	589.7600
5.00 x 19.30	96.5000
8.20 x 24.30	199.2600
3.00 x 17.70	53.1000
3.90 x 11.30	44.0700

7 Items (rounded) 1293

INDIVIDUAL AREA - BREAKDOWN CALCULATIONS

First Floor	GLA1
0.5 x 2.00 x 6.60 =	6.6000
8.20 x 37.00 =	303.4000
30.40 x 19.40 =	589.7600
5.00 x 19.30 =	96.5000
8.20 x 24.30 =	199.2600
3.00 x 17.70 =	53.1000
3.90 x 11.30 =	44.0700

Area total (rounded) = 1293

Enc.Walkway/Laundry	OTH
8.90 x 30.40 =	270.5600

Area total (rounded) = 271

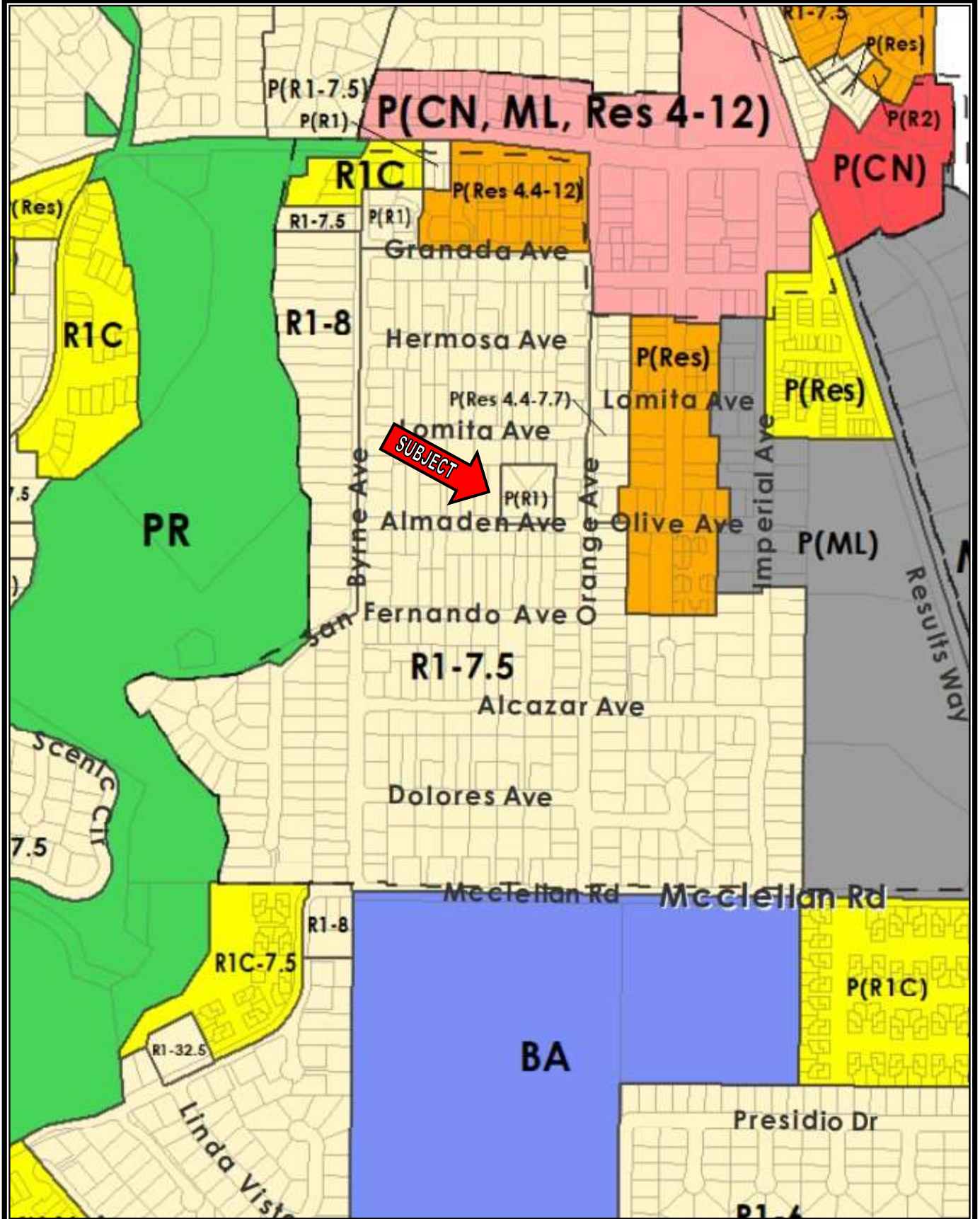
GENERAL PLAN MAP CITY OF CUPERTINO



Monta Vista Land Use Designations

- Residential (0-4.4 DU/Ac.)
- Residential (4.4-7.7 DU/Ac.)
- Residential (4.4-12 DU/Ac.)
- Residential (10-15 DU/Ac.)
- Neighborhood Commercial / Residential

ZONING MAP CITY OF CUPERTINO



CUPERTINO PROPERTY INFORMATION



CITY OF CUPERTINO Property Information

a City of Cupertino GIS Application

1 Address On Property

[Clear](#)

[Zoom to](#)

...

PROPERTY REPORT

Address 21851 ALMADEN AVE
City CUPERTINO
Parcel Number 357 15 016
Land Use Residential (0-4.4 DU/Ac.)
Zoning R1-7.5
Tax Rate Area 13009
Annex Date 2/16/2004

Assessor Information

Latest Transfer Date 2/10/1986
Improved Value 68,044
Land Value 183,963
Parcel in Acres 0.22
Total Units
Number of Buildings 1
Number of Floors 1
Year Built 1942

Metroscan® Data*

Lot Square Feet 9,431
Lot Dimensions 50X198
Baths 1.00
Bedrooms 4
Total Rooms 7
Building Sqft 1,109
Garage Sqft 0
Additional Sqft
Useable Sqft
High School District FREMONT UNION
Elementary School District CUPERTINO UNION

Utilities and Services

Water Service SAN JOSE
408-279-7900
[Link](#)
Sanitary District CUPERTINO
408-253-7071
[Link](#)
Street Sweeping Schedule 2ND & 4TH TUESDAY
Garbage Schedule Wednesday
Reporting Zone 1
Sheriff Beat C7

Other Information

Gross Lot Area 9,685 sqft**
Average Slope Percent 2.44***
Special Center Monta Vista
Master Plan
Home Owner Association N



CUPERTINO PROPERTY INFORMATION

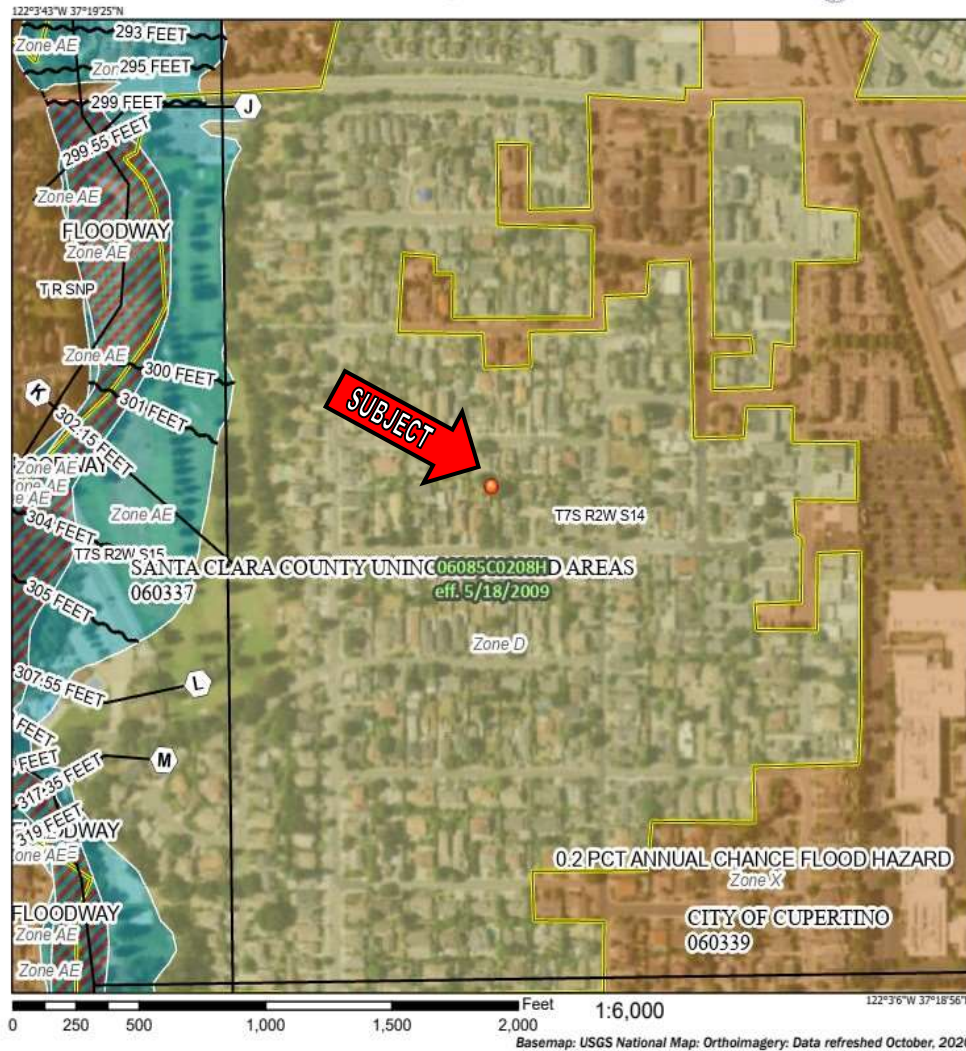
National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, AH, AR
	With BFE or Depth Zone AE, AO, AH, VE, AR
	Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
	Future Conditions 1% Annual Chance Flood Hazard Zone X
	Area with Reduced Flood Risk due to Levee. See Notes, Zone X
	Area with Flood Risk due to Levee Zone D
OTHER AREAS	NO SCREEN Area of Minimal Flood Hazard Zone X
	Effective LOMRs
	Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall
OTHER FEATURES	29.2 17.5 Cross Sections with 1% Annual Chance Water Surface Elevation
	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
	Coastal Transect Baseline
	Profile Baseline
MAP PANELS	Hydrographic Feature
	Digital Data Available
	No Digital Data Available
MAP PANELS	Unmapped
	The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

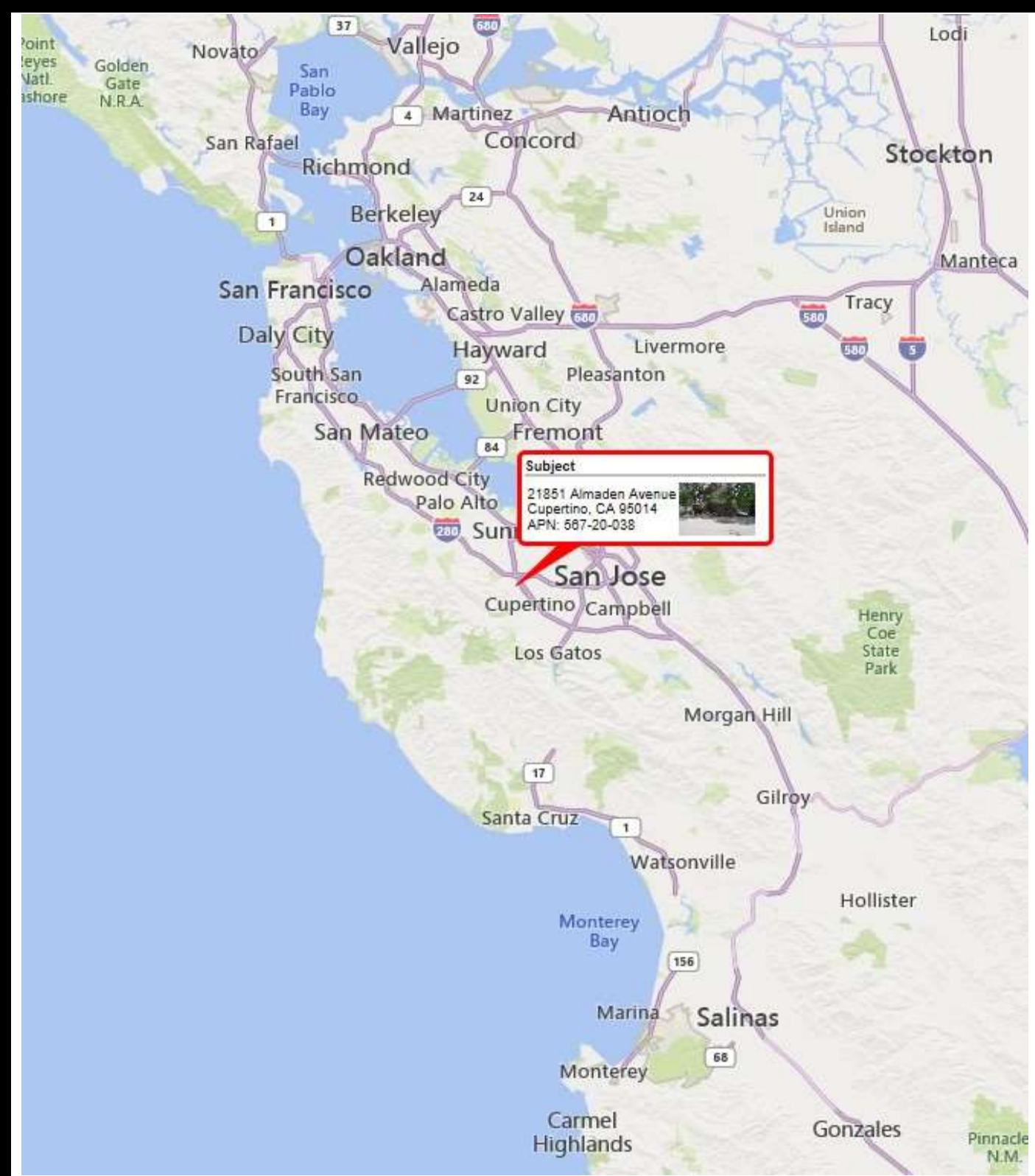


This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

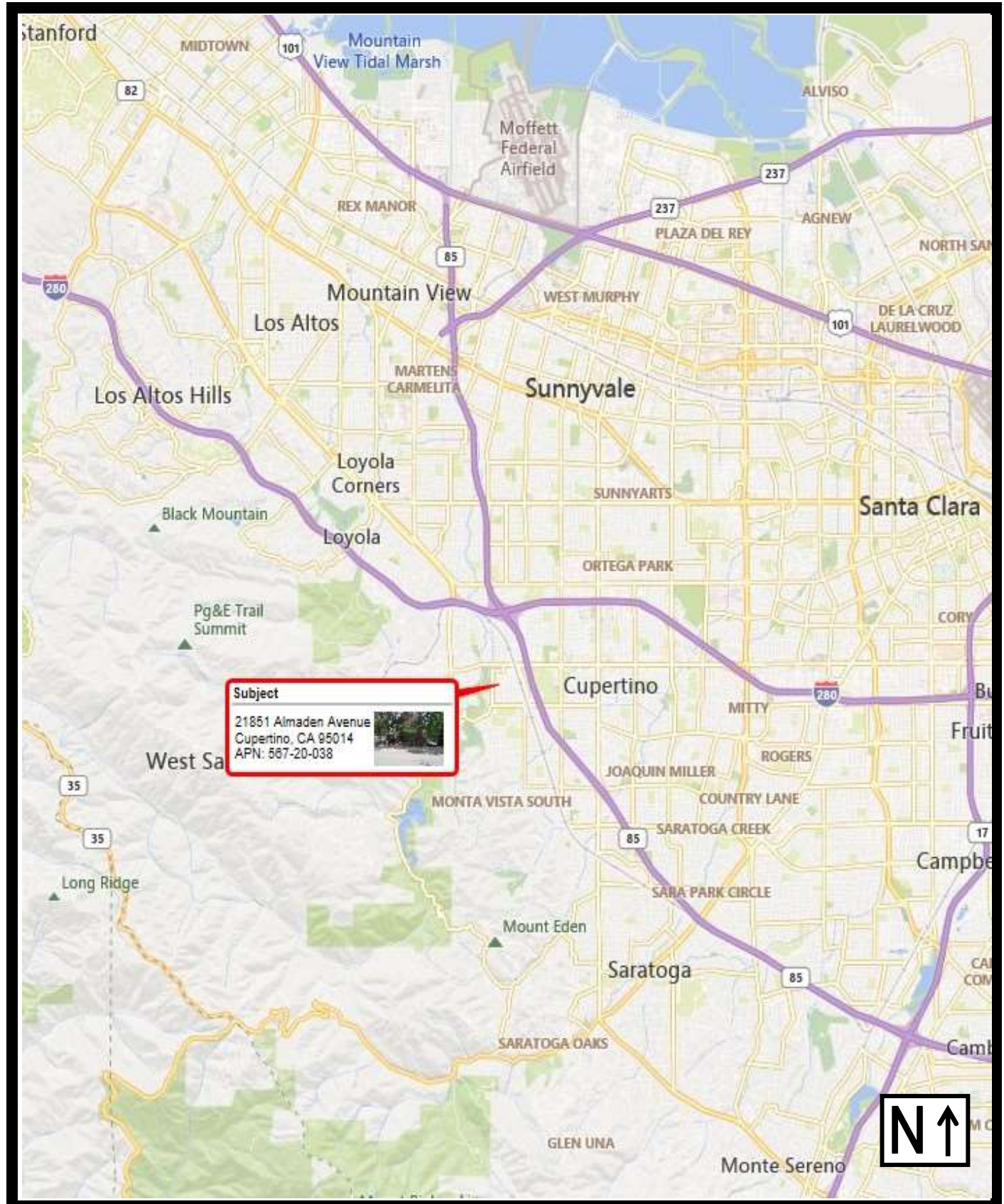
The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 5/28/2022 at 2:57 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

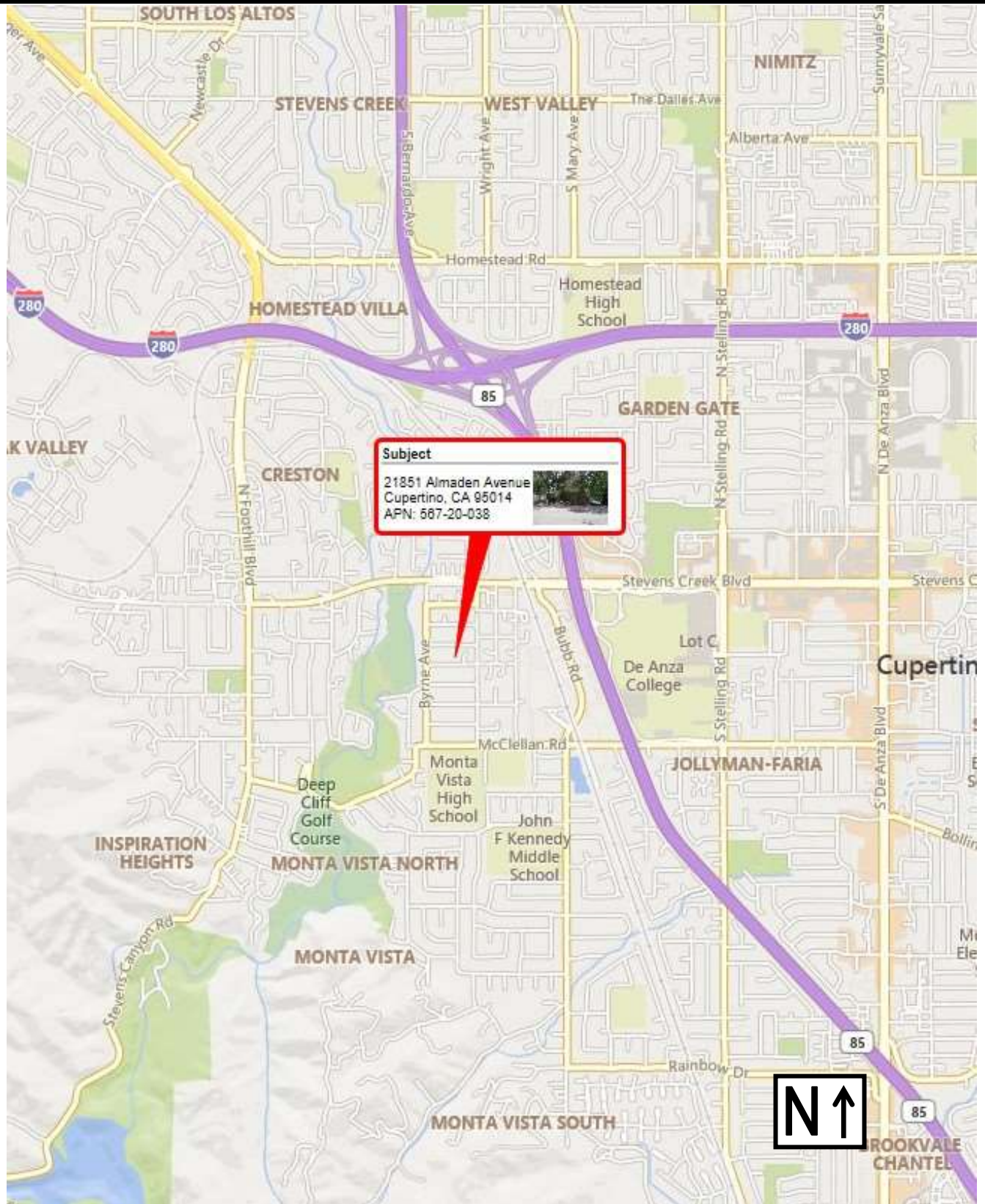
REGIONAL LOCATION MAP



LOCATION MAP



NEIGHBORHOOD MAP



QUALIFICATIONS OF STANLEY G. CARLSON

CERTIFIED GENERAL REAL ESTATE APPRAISER

CALIFORNIA OREA APPRAISER IDENTIFICATION NUMBER - AG02165 Expiration Date 10/01/2022

PROFESSIONAL AFFILIATIONS:

Member National Association of Appraisers- NAA
Affiliate of Santa Clara County Real Estate Board

EDUCATION:

Foothill College: Real Estate Practices (10/94)

Real Estate Principals (3/95)

Chamberlin R.E. School: Real Estate Appraisal (8/93)

Real Estate Practices

Real Estate Principals

Real Estate Law

Economic Principles of Appraisal

Capitalization Theory & Techniques

Appraisal Standards & Ethics

Appraisal Institute:

Appraisal of High Value & Historic Homes (10/98)

Appraising Manufactured Housing (6/04)

USPAP Update (02/09)

USPAP Update (07/10)

Retail Market Update (10/15)

WATER-Not Just Agricultural Issue (10/15)

Technology: Tools, Tips & Tricks (10/15)

Litigation Involving Appraisers (10/15)

Expert Witness (10/15)

Special Purpose Property (10/17)

Understanding Legal Parcels & Descriptions (10/17)

Commercial Market Update (10/17)

Bay Area Housing and Traffic Crisis (10/17)

USPAP 2018-19 (01/18)

Complex Issues in Valuation (08/18)

Through the Eyes of a Reviewer (08/18)

Lessons from the Field (08-18)

2-4 Units Understanding How, Rent Surveys (08/18)

Residential Appraisals for Casualty Loss (08/18)

Business Practices & Ethics (01/19)

USPAP 2018-2019 15-Hour Class

USPAP 2020-2021 (06/20)

Partial-Fractional Interest Valuation (02/22)

SB9 California Zoning Reform (02/22)

Fannie Mae Residential Policy Update (02/22)

Classes & Seminars:

- State Laws & Regulations (5/96)
- Independent Contractor Issues (5/96)
- Appraisal Adjustments (5/98)
- California Real Estate Trends (5/98)
- Report Writing (5/99)
- Property Inspection & Geological Red Flags (5/99)
- Mold Issues (5/03)
- California Real Estate Trends (05/05)
- Revised Residential Form Report Seminar (05/05)
- Log Home Appraisal (12/05)
- HVCC & 1004MC Form (02/09)
- REO & Foreclosures (07/10)
- Risky Business Practices (07/10)
- Rabo Bank Real Estate Appraisal Review (12/13)
- Laws & Regulations (04/14)
- USPAP Update 2014-15 (01-14)
- Altera Real Estate Appraisal (01/14)
- Appraising Green Technology (05/15)
- Montarey Bay Appraisal Seminar (Annually 1994 to 2016)
- Altera Valuation Expo Orlando (03/17)
- Altera Valuation Expo Las Vegas (10/18)

AIRES R.E. School: Examination & Inspection of Real Estate (1/98)

Allied Business School: Income Property Appraisal (12/00)
Advanced Income Property Appraisal (1/01)


McKissock School: Construction Details & Trends (1/05)
Advanced Capitalization Techniques (02/05)
Appraiser Liability (06/06)
Residential Appraisal Review (06/06)
Appraising Historic Properties (03/07)
National USPAP Update (06/12)
REO & Short Sales Appraisals (11/12)
FHA SFR Handbook 4001 Appraisal Requirements (04/18)
Laws & Regulations for California Appraisers (06/18)

Acheson School: FNMA 1004MC Form Class (2/09)
Appraiser Independence Regulations/HVCC (02/09)

EXPERIENCE:

Stanley Carlson, Owner Carlson Appraisal, 1993-Present
Appraisal Group, 1993-2015
Paul D. Miller MAI, SRA, ASA & Associates, 1994-Present
Appraisal Group of the Central Coast, 2005-Present

APPRAISER'S LICENSE

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

Stanley G. Carlson


has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 021675

Effective Date: October 2, 2020
Date Expires: October 1, 2022


Loretta Dillon, Deputy Bureau Chief, BREA

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CIBIA LWA"

