

APPRAISAL REPORT OF:

**A COMMERCIAL ZONED PARKING LOT
1142 Coombs Street
Napa, California**

AT THE REQUEST OF:

**Mr. Andrew Mazotti
ZAPOLSKI REAL ESTATE
1339 Pearl Street
Napa, California 94559**

AS OF

May 7, 2020

PREPARED BY

**DAVID J. VARGAS - REAL ESTATE APPRAISALS
4416 Moffitt Drive
Napa, CA 94558**

DAVID J. VARGAS - REAL ESTATE APPRAISALS

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May 11, 2020

Mr. Andrew Mazotti
Zapolski Real Estate
1338 Pearl Street
Napa, California 94558

Re: A COMMERCIAL ZONED PARKING LOT
1142 Coombs Street
Napa, California

Dear Mr. Mazotti:

As requested, the subject property located at 1142 Coombs Street in the City of Napa, California was appraised. The subject is an improved parking lot which is primarily used by Kohl's Department store for customer parking. The property comprises approximately 31,857 square feet. The property is located within the central business district at the northerly end. The neighborhood is well established and anchored near the subject by the Andaz Hotel, Napa Square, First Street Napa (retail shops), and the Archer Hotel.

The subject property is encumbered by a license agreement for use as a parking lot by the adjacent property owner. The license runs to July 31, 2041. The license requires no rental payment and requires the continued use of the adjacent property for commercial use.

The purpose of the appraisal is to estimate the market value of the leased fee interest in the subject property "as is". The function of this appraisal is for potential acquisition of the property by the client and the intended user is the client.

In the course of our investigation, we have inspected the subject property and researched numerous sales within the subject market. In our valuation analysis we have utilized the Sales Comparison Approach to value. The report constitutes an appraisal made in conformance to USPAP. The date of valuation is also the property inspection date – May 7, 2020.

Based on our investigation and analysis, it is our opinion that the **"as is" market value** of the subject's leased fee interest as of May 7, 2020, subject to its improvements be on a proposed separate parcel, is in the following amount:

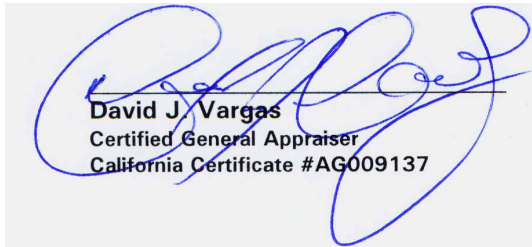
EIGHT HUNDRED SEVENTY THOUSAND DOLLARS

\$870,000

Mr. Andrew Mazotti
May 11, 2020
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The report which follows contains a summary of our investigation and analysis. The conclusions contained herein are subject to the limiting conditions attached. This report has been produced in conformity with the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation, and is subject to the requirements of the Code of Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. This report conforms to the requirements of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA).

Respectfully submitted,



David J. Vargas
Certified General Appraiser
California Certificate #AG009137

David J. Vargas, MAI

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STATEMENT OF LIMITING CONDITIONS

1. Date and definitions of value, together with other definitions and assumptions on which our analysis are based, are set forth in appropriate sections of this report. These are to be considered part of these limiting conditions as if included here in their entirety.
2. The conclusions stated herein, including values which are expressed in terms of the U.S. Dollar, apply only as of the date of value and are based on prevailing physical and economic conditions and available information at that time. No representation is made as to the effect of subsequent events.
3. Title to the property is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
4. All facts and data set forth in this report are true and accurate to the best of the appraiser's knowledge and belief. The appraisal is based upon the assumption that data which is of public record or which has been secured through interviews with owners, agents or other informed persons is true and correct. The appraisers reserve the right to make appropriate revisions in the event of discovery of additional or more accurate data.
5. The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
6. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.
7. The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.
8. The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.
9. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.
10. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.
11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The 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. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

12. Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties, unless detailed geologic reports are made available.
13. This appraisal covers only the real property described herein. Unless specifically stated to the contrary, it does not include consideration of mineral rights or related right of entry, nor personal property or the removal thereof. Values reported herein are not intended to be valid in any other context, nor are any conclusions as to unit values applicable to any other property or utilization than that specifically identified herein.
14. By reason of this assignment, testimony or attendance in court or at any government or other hearing with reference to the property is not required without prior arrangements having been made relative to such additional employment.
15. No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
16. Maps, plats and exhibits included in this part are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.
17. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
18. 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.
19. Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially the conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication, without prior written consent and approval of the authors.
20. The liability of David J. Vargas, the owners and staff is limited to the Client only and to the amount of the fee actually paid for the services rendered, as liquidated damages, if any related dispute arises. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the Client, the Client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any cost incurred to discover or correct any deficiencies of any type present in the property, physically, financially and/or legally. The Client also agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenancy or any other party), Client will hold appraisers completely harmless from and against any liability, loss, cost or expense incurred or suffered by appraiser in such action, regardless of its outcome.

SPECIAL LIMITING CONDITIONS AND CRITICAL ASSUMPTIONS

1. A preliminary title report issued by First American Title Company issued as of April 24, 2020. Items 6 and 7 refer to a bus transfer facility which is no longer in use and its abandonment is an extraordinary assumption of this appraisal. Item 8 refers to a parking license which is assumed to be in full force throughout its remaining term. Otherwise, title to the property is assumed to be marketable, and free and clear of all liens, encumbrances, easements and restrictions which would impact the subject use, except those specifically discussed in the report.
2. Unless otherwise stated in this report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value stated herein. Failure to comply with the requirements of the ADA may negatively impact the value of the property. The appraisers recommend that an expert in the field be retained should there be any concerns regarding the subject property and compliance with ADA.
3. A copy of an environmental assessment was not available for review. We recommend the interested parties investigate this matter to their own satisfaction.

The appraisers are not qualified to make any judgements regarding hazardous materials or assess the impact of hazardous substances and toxics in regard to the subject property. The 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. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field if further information is required.

EXECUTIVE SUMMARY

Property:	A parking lot
Location:	1142 Coombs Street Napa, Ca
Census Tract & Zip Code:	2002.02 / 94559
Assessor's Parcel Nos.:	003-166-008, 011
Land Area:	31,857 s.f. total; 1,568 s.f., 30,289 s.f., respectively
Zoning:	DMU - Downtown Mixed Use PE - parking exempt
Total Building Area:	n/a
Flood Zones:	The subject is located within a zone designated X; areas determined to be outside the 100 and 500 year flood plain according to FIRM Map Panel #06055C 0516F, dated 9/29/10.
Earthquake Zones:	The subject property is not in an Alquist-Priolo Special Studies zone.
Highest & Best Use:	
Vacant:	Retail / offices
As Improved:	Current use
Right Appraised:	Leased fee (license)
Date of Inspection:	May 7, 2020
Date of Appraised Value:	May 7, 2020
Marketing Time:	Six to twelve months

VALUATION SUMMARY

Sales Comparison Approach:	\$ 870,000
LEASED FEE VALUE ESTIMATE "As is":	\$ 870,000

INTRODUCTION

Identification

The subject of this appraisal is the property located at 1142 Coombs Street in the City of Napa, California. The subject is an improved parking lot which is primarily used by Kohl's Department store for customer parking. The land area comprises approximately 31,857 square feet and the property is a corner lot which is the easterly corner of Coombs Street and Pearl Street. It is located within the central business district at the northerly end. The neighborhood is well established and anchored near the subject by the Andaz Hotel, Napa Square, First Street Napa (retail shops), and the Archer Hotel.

The subject property is encumbered by a license agreement for use as a parking lot by the adjacent property owner. The license runs to July 31, 2041. The license requires no rental payment and requires the continued use of the adjacent property for commercial use. The appraisal reflects the impact of the license on the subject's market value as of the appraisal date.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the market value of the leased fee interest in the subject property "as is".

Function of the Appraisal

The function of this appraisal is for potential acquisition of the property by the client and the intended user is the client.

Property Rights Appraised

The property right appraised constitutes the leased fee interest of the subject property. Property rights are defined in the definitions section of this report.

Dates of Inspection

The property was inspected on May 7, 2020.

Date of Appraised Value

The date of valuation is May 7, 2020.

Competency

David Vargas has extensive experience in the appraisal of commercial, office, industrial and special purpose commercial properties within the subject and surrounding markets; no steps to competency are required.

Property Sales History

The subject property has been held by the current owners for many years and its prior sale is not relevant to this appraisal. There is no purchase option, purchase contract, listing for sale, or similar items affecting the subject property, except for the aforementioned license for use as a parking lot.

Scope of the Appraisal

Market value was estimated by use of the Sales Comparison Approach. The Cost Approach and Income Approach are not processed as they are typically not relevant in the valuation of "effectively" vacant land. In the course of our investigation, we reviewed County records and talked with brokers, appraisers, buyers and sellers, leasing agents and property managers to find comparable land sales. We utilized local market sales and reviewed published data, when available. All comparables were confirmed with principal(s) and/or participatory agent(s), and/or sources deemed reliable. This is an appraisal made in conformance to USPAP.

Exposure Time

Exposure times for the comparable sales surveyed in the Sales Comparison Approach indicate a relatively brief period ranging from 2 to 3 months for Sales 2 and 3. Exposure times were not available for Sales 1, 4 and 5. Demand for quality properties such as the subject has remained strong, except that the subject license is likely to impact its exposure time. An exposure time of 6 to 12 months is estimated for the subject property.

DEFINITIONS

Market Value

"Market value" means the most probable price which a property should bring in a competitive an 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 interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."¹

Fee Simple Interest

The term "fee simple interest" is defined:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations of eminent domain, escheat, police power, and taxation."²

Leased Fee Interest

The term "leased fee interest" is defined:

"An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of the lease"³

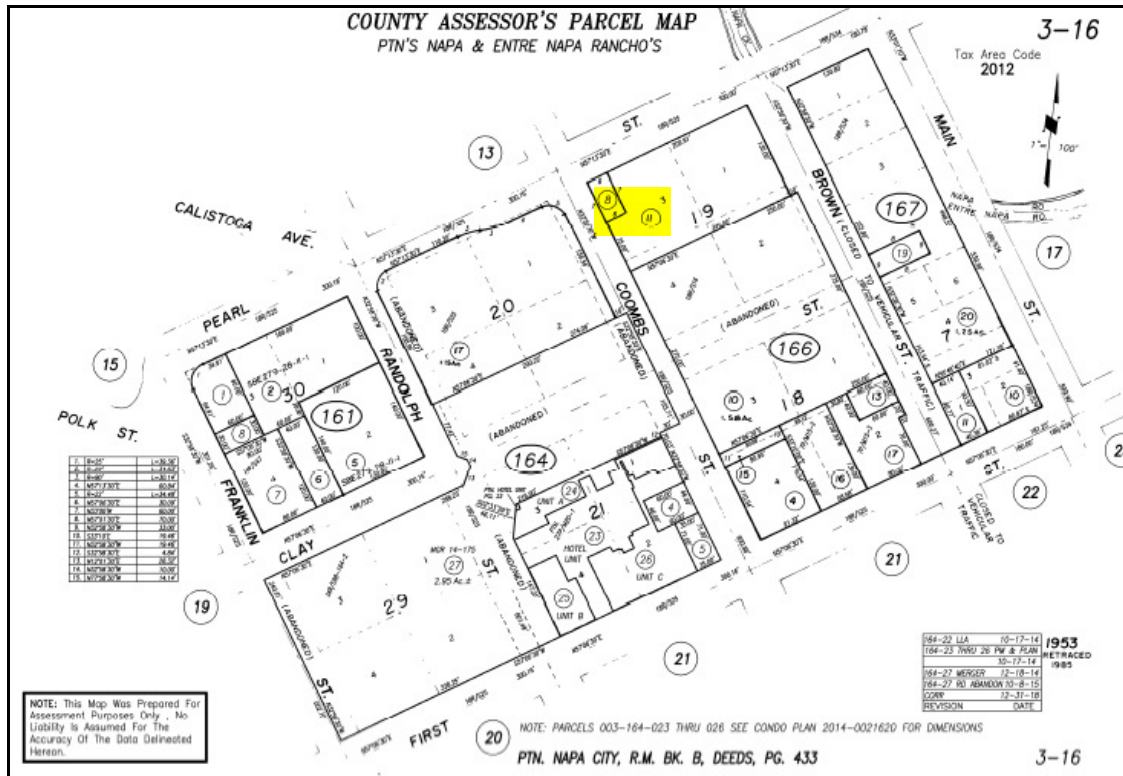
¹ Office of the Comptroller of the Currency under 12 CFR, part 34, Subpart C-Appraisals, 34.42 Definitions {f}.

² American Institute of Real Estate Appraisers, The Dictionary of Real Estate Appraisal, Chicago: American Institute of Real Estate Appraisers, 1984, Page 123.

³ American Institute of real Estate Appraisers, The Dictionary of Real Estate Appraisal. Chicago: American Institute of Real Estate Appraisers, 1984, page 179.

LEGAL DATA

Ownership of Record:	City of Napa, a municipal corporation
Assessor's Parcel No.:	003-166-008, 011
Zoning:	DMU - Downtown Mixed Use; PE - Parking Exempt
Legal Description:	Please refer to the complete legal description appearing in the Addendum to this report.
Easements, Title:	A preliminary title report issued by First American Title Company issued as of April 24, 2020. Items 6 and 7 refer to a bus transfer facility which is no longer in use and its abandonment is an extraordinary assumption of this appraisal. Item 8 refers to a parking license which is assumed to be in full force throughout its remaining term. Otherwise, title to the property is assumed to be marketable, and free and clear of all liens, encumbrances, easements and restrictions which would impact the subject use, except those specifically discussed in the report.
Wildlife Habitat:	There are no designated wetlands or wildlife habitat on the subject property.
Tenancy:	The building is currently vacant and not fit for occupancy as of the date of inspection.
Planning:	The subject zoning and city planning agenda are compatible with established uses and expected future development. They provide for conformity to the surrounding market and sustain existing uses which are complementary and which serve the neighborhood and community.



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ASSESSMENT DATA

The subject property consists of several Assessor's Parcels with assessment for the fiscal year 2019/20 as follows (APN: 003-166-008, 011, respectively):

ASSESSMENT & TAX	
Tax Year	Total Tax
2017	\$20
2018	\$21
2019	\$21
Special Assessment	
Mosquito Abatement(553-9610 Sp	
Total Of Special Assessments	

ASSESSMENT & TAX	
Tax Year	Total Tax
2017	\$2,130
2018	\$2,194
2019	\$2,260
Special Assessment	
Dwntwn Napa Prp/Bus Imprv	
Total Of Special Assessments	

The subject's tax rate is comprised of 1.000% for general property tax and various rates reflecting local assessments and sewer fee. Under State Proposition 13, real property assessments can only be increased a maximum of 2% per year. Reassessment is permitted only upon change of ownership or completion of new construction. In addition to assessed taxes, sewer use is paid through the annual tax bill which results in a composite tax rate which is higher than the base tax rate (Note: The sewer use fee is typically passed through to tenants).

COUNTY OF NAPA

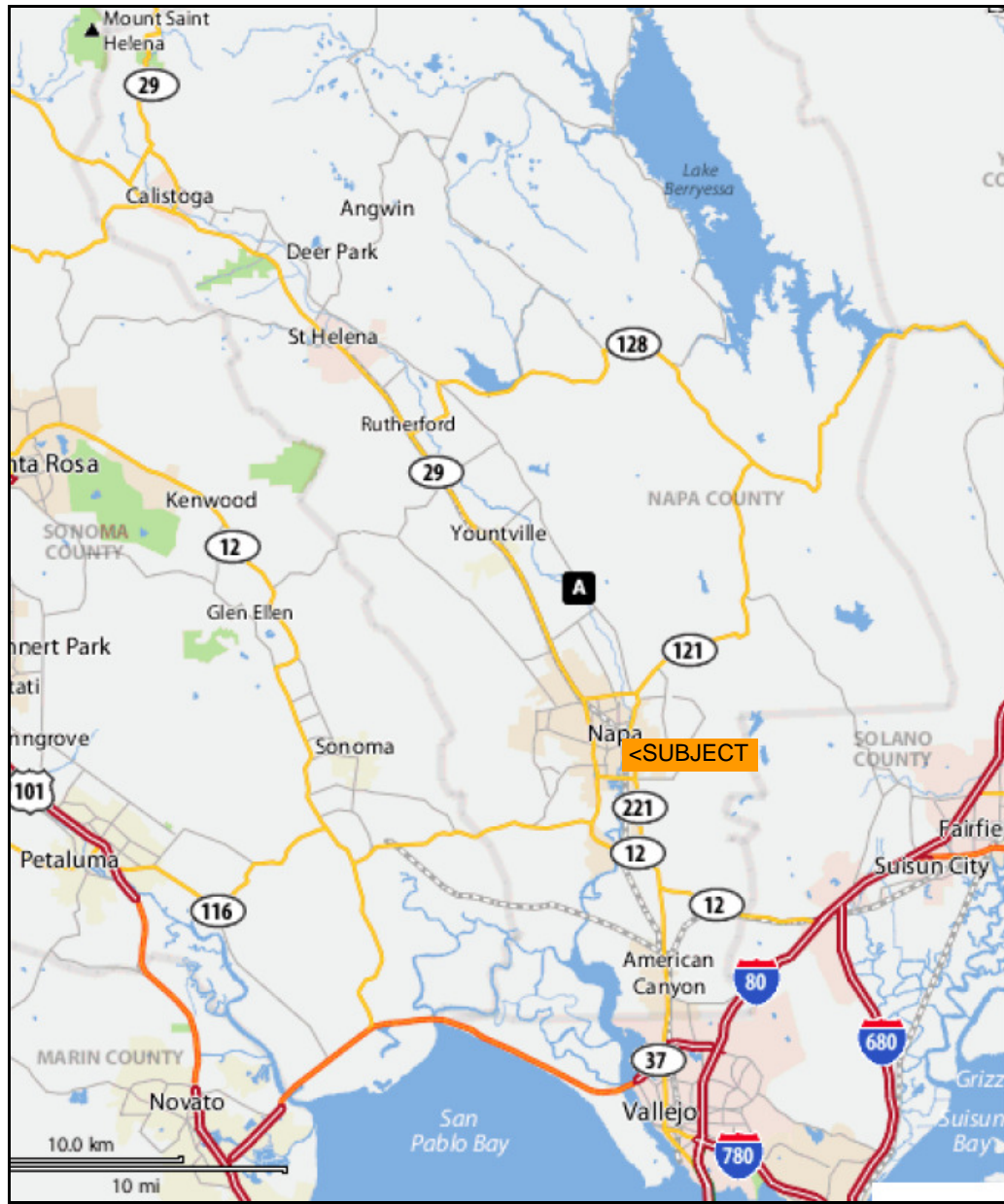
Napa County lies at the north end of San Pablo Bay with Sonoma County to the west, Lake County to the north, Yolo and Solano Counties to the east and Solano County to the south. San Pablo Bay is the northerly body of water located to the north of San Francisco Bay and forms the northerly waterline/boundary of the San Francisco Bay region. Due to the shape of San Pablo Bay, it is a natural barrier which limits the efficiency of direct transportation linkages from Napa County to the major transportation hubs of the Bay Area, but it is efficiently linked via highway connector/feeders.

Napa County's major highways are Highways 12 and 29 which serve as secondary transportation linkages for the San Francisco North Bay region, linking State Highway 101 to Interstate 80 via State Highway 12. A major physical feature which defines the Napa County environment is a series of mountain ranges along its west, north and east boundaries which limit access into the County. Primary linkages to the San Francisco Bay area are in the southern portion of the County which is comprised of lowlands on which linking transportation corridors are developed and it is this area which is developed with major business and industrial parks serving Napa County as well as surrounding communities.

In general, the County is separated into two distinct areas -- the Napa Valley and the Chiles/Pope Valley. The Napa Valley has a narrow shape which runs longitudinally. Primary highway transportation throughout the Napa Valley is via Highway 29 and Silverado Trail which run parallel from north to south. Highway 29 is most prominent, linking the cities of Napa, St. Helena and Calistoga, and being the most efficient highway transportation corridor. Silverado Trail is a scenic route which is also utilized for commercial transportation. Chiles/Pope Valley is located on the east side of the County and it is accessed from the Napa Valley by Highways 128 and 121 which are local serving, rural highways. This portion of the County is primarily agricultural with a few small enclaves of homes. Lake Berryessa is in this area and it provides recreational uses and water for the

region. The water supply of Lake Berryessa is controlled by Solano County.

COUNTY MAP



1142 Coombs Street, Napa, Ca
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Napa County is approximately 35 miles north of the City of San Francisco and 15 miles north of the primary urban sprawl of the San Francisco Bay area. The County has retained an agricultural character separating it from the more heavily populated areas of the San Francisco North Bay region and it generally has a rural character. Additionally, its agricultural lands are highly distinguished for their premium wine grape vineyards and they are a critical environmental factor which contribute greatly to the local economy and character of the area, and are preserved by County land use regulations.

A map which indicates the subject property's location with respect to the region can be found on the preceding page.

ECONOMIC

The Napa County economy is diverse in its industry, yet retains an agricultural base and unique character. It has experienced moderate expansion within recent years.

Population:

According to the U.S. Census, the population of Napa County rose to 136,484 persons in 2010 and it is expected to grow at a modest 1.0% per annum for the next 20 years based on ABAG estimates. This is lower than the Bay Area expectations of 1.2% per annum. Previous population growth from 1990 to 2000 was 12.2% and from 2000 to 2010 it was 9.8%, therefore, expected growth is near historic rates.

As noted in the table on the following page, there are five incorporated cities in Napa County. The City of Napa is at the south end of the Napa Valley and it is the largest city. The cities of Yountville (township), St. Helena, and Calistoga are considered the "up-valley" area and their populations tend to be static due to boundary restrictions and limited developable land within the city limits.

The majority of past population increases in the county occurred within the Cities of Napa

and American Canyon. The county grew by approximately 12,205 persons during the period from 2000 to 2010. Historic growth reflected expanding the city limits, however, buffer zones have been established to protect the agricultural sector from encroachment by cities of Napa County.

The cities of St Helena and Calistoga also saw a small decline in population according to US Census data, but some of this may be due to shifts in the categorization of Census Designated places such as Angwin, Oakville, Rutherford, Deer Park, and Silverado Resort.

The City of American Canyon was incorporated in 1992. This represented a shift in population of over 7,700 residents from Napa County to the then, newly formed city. Since that date, housing development has raised the population to approximately 20,470 persons with a capacity of over 22,000 persons. American Canyon is located at the south border of the county adjacent to Solano County and it is not in the Napa Valley. It is comprised of several residential subdivisions and industrial land, and much of the expected residential and industrial growth will continue to be in this area.

The median age of the population is 33.7 years compared to the state's median age of 29.9 years.

TOTAL POPULATION OF NAPA COUNTY AND INCORPORATED CITIES

	1990	2000	2010	2017
Napa County	110,765	118,246	136,484	140,973
American Canyon		7,706	19,454	20,247
Calistoga	4,468	4,550	5,155	5,273
Napa	61,842	66,265	76,915	79,774
St. Helena	4,990	5,100	5,814	6,196
Yountville	3,259	2,916	2,933	2,924

2010/13 US Census;
 2014 Ca. State Statistics
 *2017 Estimates

Transportation:

In addition to the major highways traversing the county, transportation systems include the Southern Pacific Railroad which operates daily rail service, however, freight service is limited to south county areas only. The Napa County Airport is a general aviation facility and the bulk of its use is comprised of 50% recreational and 33% business use and the remainder is miscellaneous. It is an FAA facility having a control tower and three runways. The airport is located in the south county area near the intersection of Highways 12 and 29 and major industrial parks.

There are several contract carriers servicing Napa and providing overnight deliveries to and from Southern California, Nevada and Southern Oregon. The City Bus Service - *THE VINE* - provides daily service throughout Napa County from Calistoga to the north to American Canyon and Vallejo. The Vine bus service provides daily service to Napa and other county areas as well as Vallejo. Although limited in its commercial capacity, barge service is available on the Napa River.

Economy/Industry/Jobs Outlook:

The economic base of the county is diversified to include agriculture, wineries, steel fabrication, building materials, clothing manufacturing and leather products. The largest employer in the county is the State Department of Mental Health which operates the Napa State Hospital. The largest employers include various retailers, the County offices and

numerous wineries. The largest non-manufacturing companies include the Napa State Hospital, Napa Valley Schools, Pacific Union College and Veterans Home of California. The County has a diversified employment base and this diversification has shielded the County from strong downturns that occur on a national level.

The current unemployment rate in the County is 3.6% (EDD: 6/17) as compared against the State average of 4.8%. Napa County has a labor force of only 74,400 persons, approximately one third of the Solano County labor force and one fourth of the Sonoma County labor force. The County unemployment rate is similar to Solano County and Sonoma County, but higher than the San Francisco Bay Area in general. Median Household Income is \$75,513 per annum (Census-ACS: 2015 Napa Metro).

Much of the job growth in the County is projected to occur in the City of Napa and City of American Canyon as well as un-incorporated areas of south Napa County (industrial growth). The increase in job creation is expected to result in increased demand for housing which will be primarily in Napa and American Canyon. Approximately 40% of the new jobs are expected to come from employers in service industries. Tourist-related businesses, such as hotels, inns, and restaurants as well as the retail sector are expected to significantly contribute to job growth.

Tourism continues to spur many jobs in the retail segment. First Street Napa is a major project under construction which includes the, now completed, 183 room Archer Hotel and over 40 shops and restaurants. Other downtown projects expected include a four-story retail and office building on First and Main (Bounty Hunter), a multi-story mixed use project at the former Napa Register site on Second Street, a three story project on Main and Clinton, and several renovations. Other growth in the tourist sector includes the expansion of the Meritage Hotel (165 rooms), the Culinary Institute, planned expansion of the Napa Mill project, and stabilized occupancies of projects such as Riverfront, Napa Square, and Oxbow Market. The City of Napa is experiencing the largest portion of tourist growth in the County. Community shopping and neighborhood shopping has also continued to develop in

Napa with over 40,000 s.f. of new shopping in the South Napa Crossing project, the development of a 12 screen theater, a Hampton Inn, a health club, and planned development of 70,000 s.f. of community shopping in the Gasser project.

Health care and related services will also be among the strongest continuing contributors to job growth. Queen of the Valley Hospital continues to expand its buildings and services, while Kaiser Hospital has also continued to expand in the past ten years. General merchandise and food stores are expected to create new employment opportunities through the development of shopping centers in north and south Napa. Local wineries are a major employer and will continue to make a significant contribution to the county's economic base, with estimated industry revenues of over \$10 billion annually.

Labor:

The Employment Development Department for the county reports that the labor force in Napa County will continue to grow in step with an anticipated low population growth (i.e. employment will maintain a low rate of expansion). Long-term growth projections by the Association of Bay Area Governments (ABAG) indicate that Napa's greatest growth over the next 15 years will be in manufacturing and the wholesale trade due primarily to the continuing development of the business parks located in the south county region. State and local government sectors are expected to remain stable over the next few years with a gradual uptrend to meet the needs of an expanding population.

Housing:

Steady demand and affordable mortgage rates had strongly supported new housing construction with high volumes of building activity in both the residential and commercial sectors during the early 2000's. During the sub-prime mortgage collapse of Fall 2008, the market price of housing had declined sharply, but recent trends in the past two years indicate rapidly increasing value with a median home price of \$623,000 as of June 2017. Area residential rents have also increased within the past two years and they are expected to remain stable with an upward trend in the next two years.

At present, there is an adequate, but limited supply of vacant land for new housing demand within the City of Napa. Most projects are "infill" parcels, but some are large enough to add significantly to supply (primarily multi-family type). Projects being proposed are primarily apartment projects and there are some condominium projects and single family residential being constructed.

Relative to the up-valley areas, residential growth opportunities are limited due to lack of vacant land. A project of mixed uses comprising of single family and duplexes was constructed in St. Helena and this is the first to be constructed since 2008. It is comprised of 44 units with 28 SFR's, 6 granny units, and 10 affordable apartments. No new projects, other than a few residences were noted for Calistoga and Yountville. The cities of the up-valley area continue to hold their niche for tourism and there are hotels being approved and/or under construction which bolster the supply in the St. Helena and Calistoga areas.

The south county region of south Napa and the City of American Canyon continues to experience industrial growth in response to increased demand from the wine industry. Infrastructure improvements such as the Devlin Road extension will improve traffic patterns and bring an expanded area of industrial land into the market. Housing in American Canyon continues to be developed. Community shopping and other services are growing to reflect population growth and customer spending patterns are achieving a scale which attracts credit tenant retailers.

Overall, Napa County is a stable market with consistent patterns of population and economic growth. It is becoming a premiere destination for tourists on a national and international level and the tourist sector is wide ranging to provide for mid-range to luxury class services. The county has maintained its agricultural character and most of the majority of intensive retail, commercial, and industrial growth has little to no effect on agricultural regions, except for traffic concerns.

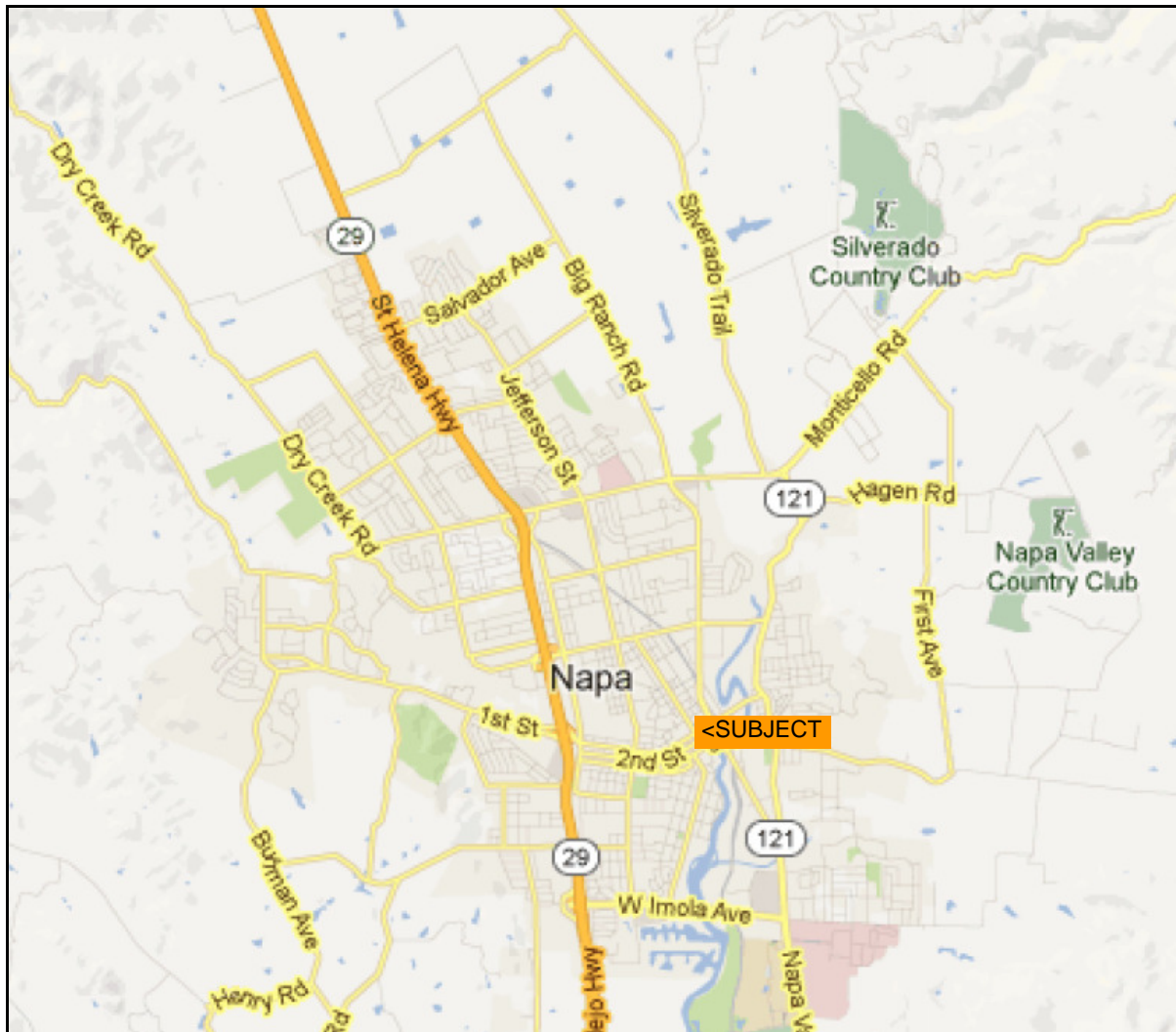
CITY DATA

The City of Napa is the county seat of Napa County and is located 52 miles northeast of San Francisco, 47 miles north of Oakland, and 50 miles southwest of Sacramento, the State Capital. Its location, within commutable distance from major centers of commerce, greatly benefits the city, but its location between the US 101 and Interstate 80 is less convenient than competitive cities nearby. This has allowed the city to maintain a buffer between it and more intensively developed Bay Area communities and retain its unique character and highly desirable "small town" community. This is further enhanced by the grape growing regions to the north of the city which attract a high level of tourism and upper income residents.

The natural flow of air into the valley provides a smog-free, moderate climate. Representative temperatures range from 37 to 57 degrees in the winter and 52 to 82 degrees in the summer with annual rainfall at 24 inches per annum. The climate supports the development of the Napa Valley wine industry which is foremost in the Nation.

The City of Napa is by far the largest city in the county with 2010 population of 76,915 and current estimate of 80,011 persons. Much of the county's population growth has occurred in the City of Napa. This growth is primarily a result of continued migration from the Bay Area due to the overall desirability of Napa as a quaint, semi- rural and economically growing community as well as the growth in the tourist and service sectors.

Downtown - The City Hall and County buildings are located within the downtown area. In the past, growth and development in the downtown has been difficult due to flood prone areas along the Napa River. The downtown was built in the river's flood plain and has been subject to occasional but serious flooding. In 1998, Measure A passed allowing the County to increase the sales tax one-half percent for the funding of flood protection, drainage improvements, dam safety and watershed management.

CITY MAP

The Napa River Flood Protection Project, a \$170 million project, represents two-thirds of the funding from Measure A and it focuses on a seven mile long, channel-widening project along the Napa River. This stretch runs from Highway 29 north to Trancas Street and includes substantial flood improvements to the downtown area. In addition, flood control improvements include two-thirds of a mile of Napa Creek from its connection to the Napa River, near First Street. Most of the flood project has been completed, including the recent By-pass which is intended to greatly reduce or eliminate flood risk in the downtown area.

Along with the flood control project, a recreational plan was created. This plan includes a 5.3 mile long paved joint-use project maintenance road and pedestrian/bicycle trail constructed intermittently along both banks of the river. The trails will connect into existing and proposed city recreation trails and include rest stops, staging areas, drinking fountains, benches, trash containers, shade trees and river access.

The flood control improvements in downtown Napa have made major re-development possible and projects such as the Riverfront, Oxbow Market, Andaz Hotel, Archer Hotel, Westin Hotel, Culinary Institute of America (formerly Copia), and others have been developed with the expectation that flood risk will eventually be fully mitigated. Much of the growth in the tourist sector has been captured by downtown Napa due to new hotels, restaurants, and retail. The remodeling of the downtown mall as The downtown has become a significant contributor to economic growth and jobs for the City of Napa.

The CBD is an area of gentrification and development to more intensive commercial uses on Main Street, along the Napa River, and on First Street. Major development of the recent past include the Napa Opera House, Kohl's department store, various smaller buildings, and the river walk project. Current projects which have enhanced the downtown include the Andaz Hotel, Archer Hotel, Westin Hotel, Riverfront retail/offices, Napa Square, and First Street Napa. Various smaller projects also include several buildings on Main Street within four blocks of the subject. Other projects further away include the Culinary Institute, Borreo building, Fireman's Museum, and the well established Oxbow Public Market and Annex.

Current characteristics of the CBD are a large daytime work force during the weekdays with local residents and tourists who patronize the many restaurants and shops during evenings and weekends.

Commercial Development:

Other commercial growth in community shopping includes the expansion of the South Marketplace (Target, Raley's, Office Depot), the renovation of Bel-Aire Plaza (Whole

Foods, Trader Joe's, Cost Plus), the development of a new 12 screen movie theater, the development of Napa Crossing North and South (30,000+ s.f.; 70,000s.f. of community shopping). These projects are primarily in the northern and southern sectors of Napa. The northerly commercial district of Napa commercial is effectively built-out.

There is significant developable land, however, in the former flood areas of south Napa and continued development is planned. The largest project is the Gasser Development.

Gasser Development:

The Gasser Development is a proposed mixed use development on a largely vacant 80-acre site. Development is proposed on both the southern and northern portions of the site, known as Gasser South and Gasser North, respectively. Development completed for Gasser South includes a Commercial and Entertainment Village and the Community Serving Facilities. The Commercial and Entertainment Village includes a 12-screen, 2,500-seat Century theater; a Hampton Inn hotel, 7,000 square feet of restaurant development, and 40,000 square feet of retail development (not yet constructed). There are also "community serving facilities" which include a 60-bed homeless shelter, a 24 unit single room occupancy transitional housing complex, and a 30,000 square feet non-profit office building (not yet built).

Development on Gasser North area will include three developments: Tulocay Village, a mixed-density residential neighborhood, Tulocay Square, a small mixed-use village, and Creekside Commercial, a retail/commercial area. Tulocay Village will have attached units at a density of 25 dwelling units per acre and include a 7,500 square-foot Community Center. Tulocay Square is proposed to include 80,000 square feet of retail/commercial space. Creekside Commercial is proposed to include 40,000 square feet of retail/commercial space on the eastern parcel and 30,000 square feet of retail/ commercial space on the western parcel.

Each of the projects will provide parking on site. Additionally, the Gasser Master Plan

proposes several roadway improvements. An extension of Gasser Drive is to be completed, while the construction of a bridge over Tulocay Creek; the construction of a roadway to connect Oil Company Road with the Gasser Drive extension have been completed. The Master Plan also includes a set of Property Development Regulations and Design Guidelines.

The Property Development Regulations address floor area ratios, building heights and setbacks, site development, parking, and signage. The Design Guidelines are intended to guide the physical quality and character of projects within the project area, addressing both architecture and design standards. The Gasser project is the most extensive development in Napa and will provide significant new housing and commercial development to the city.

The project will include the preservation of 24 acres of wetlands.

Oxbow District:

The Oxbow District is located on the east end of the First Street downtown corridor and it is bounded by the Napa River on its northerly, easterly, and southerly sides with Soscol Avenue setting its westerly boundary. Its existing primary projects are Oxbow Public Market, Westin Verasa Hotel, and Culinary Institute of American (formerly Copia; new owners and focus). The lands near CIA are expected to be developed with a mixed use plan and the Napa County Corporation Yard along Water Street will be redeveloped.

The area is planned to be developed with commercial, hotel, exhibits, and potentially residential (high density) uses and the net developable area is approximately 15 acres. Additionally, there is another 7+ acres to be developed with a hotel (formerly Ritz-Carlton project). This property is directly to the east of the Oxbow District between the Napa River and Silverado Trail and the razing of old structures has commenced.

General:

The County has a prominent agricultural base due to its world renown vineyards and

wineries and these provide a large supply of jobs on a county wide basis and to the City of Napa. Many of the jobs in the County/City are unionized, however, these are concentrated in winery production and grocery stores and, overall, there is a minimal union presence. Wage rates are commonly below much of the interior of the Bay Area and comparable with neighboring Sonoma and Solano Counties.

Continued expected growth into the industrial, light manufacturing, distribution, and FIRE job sectors is anticipated to increase average wages for the area. The current median household income for the city is \$70,925 per annum according to U.S. Bureau of Labor Statistics, which is slightly below the \$74,123 Napa County average.

Current trends in employment are growth in services, retail and manufacturing, primarily. Much of this growth will be due to small businesses, hotels, and other leisure activities serving the tourist trade, and health care and business services.

EMPLOYMENT

Manufacturing Employment:

Wineries	1,560	Wine, brandy, champagne
Syar Industries	284	Pipe and block

Non-manufacturing Employment:

Napa State Hospital	1,758	Mental hospital
N.U.S.D.	1,500	School district
Napa County	1,007	Government
Veterans Home	885	Hospital/home
Queen of the Valley	785	Hospital
Grocery Stores	635	Groceries
Silverado Country Club	600	Golf and tennis resort
City of Napa	412	Government
Furniture clothing	395	Retail goods
Napa Valley College	300	College

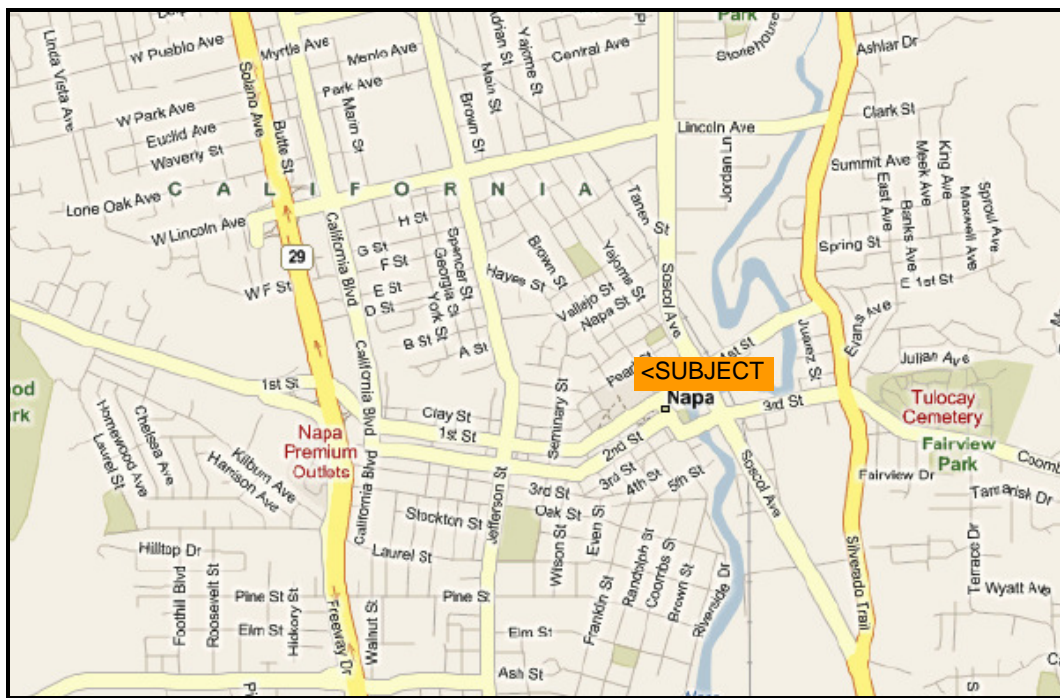
Overall the City of Napa has a diverse local employment base which serves the population well. Due to its good linkages to the inner Bay Area, many jobs are located out of the city. These jobs represent a stable source for Napa residents in the professions and trades

which require larger populations to achieve full career opportunities.

The infrastructure of the city adequately provides for the present needs of the community as well as projected future growth. Sewer, water, and other utilities are adequate. There is adequate vacant land for additional industrial, commercial, office and residential growth and the city continues to be a highly desirable place to live.

NEIGHBORHOOD DESCRIPTION

The subject property is in the northerly portion of the central business district of the City of Napa on Coombs Street which is a secondary connector to Main Street and Soscol Avenue to the east and Jefferson Street to the west. The property is in an area of good appeal, as it is within the heart of the CBD, and the dominant uses nearby are commercial uses, including Andaz hotel, Archer hotel, Napa Square, and other prominent commercial properties. There are residential uses in the outlying areas. However, the subject fronts an area of Coombs Street which has limited commercial exposure and it is in an area of secondary appeal near residential uses.



The CBD is an area of recent gentrification and development to more intensive commercial uses on Main Street, along the Napa River, and on First Street. Major development of the recent past include the Napa Opera House, Kohl's department store, various smaller buildings, and the river walk project. Current projects which have enhanced the downtown include the Andaz Hotel, Archer Hotel, Westin Hotel, Riverfront retail/offices, Napa Square,

and First Street Napa. Various smaller projects also include several buildings on Main Street within four blocks of the subject. Other projects further away include the Culinary Institute, Borreo building, Fireman's Museum, and the well established Oxbow Public Market and Annex. Current characteristics of the CBD are a large daytime work force during the weekdays with local residents and tourists who patronize the many restaurants and shops during evenings and weekends.

Specific Plan:

The Downtown Napa Specific Plan was adopted in May of 2012 and it places the subject adjacent to the specific plan area which provides for continued uses consistent with the current zoning and enhanced development potential relative to densities, entertainment, etc. (see Excerpt in the Addendum). The Specific Plan is intended to expedite the re-development of downtown Napa and its various sub-districts. It is a detailed and comprehensive plan with several use overlays which support re-development and new projects with hotel and retail components. The district is generally bounded by Third / Fourth Streets to the south, Clinton Street to the north, Jefferson Street to the west, and Silverado Trail to the east. The subject's frontage on the southeast corner of Clay and Seminary Streets and it is well linked to the major thoroughfares of Jefferson Street, Soscol Avenue and Silverado Trail which provide major vehicular circulation for the district at moderate to heavy traffic levels. The subject site is well linked to Highway 29 to the west and Highway 221 (Silverado Trail) to the east.

Immediate Neighborhood: The subject property is in the westerly portion of the CBD in an area of hotels, offices, and retail uses. The location of the subject property is at the westerly edge of the core of the CBD. The immediate neighborhood is bounded by Jefferson Street to the west, Main Street to the east, Clinton Street to the north, and Third Street to the south. The immediate neighborhood is primarily an area of local serving offices and tourist serving uses. Demand for commercial uses has increased over the past four years due to the end of the recession and continual growth in the CBD which pushes

downtown tenants to the surrounding area and draws other tenants into the heart of the CBD. The tourist segment of downtown Napa has continued to grow rapidly and ancillary services as well as local services in the immediate neighborhood of the subject property serve the downtown.

Specific Plan:

The Downtown Napa Specific Plan was adopted in May of 2012 and it places the subject adjacent to the specific plan area which provides for continued uses consistent with the current zoning and enhanced development potential relative to densities, entertainment, etc. (see Excerpt in the Addendum). The Specific Plan is intended to expedite the re-development of downtown Napa and its various sub-districts. It is a detailed and comprehensive plan with several use overlays which support re-development and new projects with hotel and retail components. The district is generally bounded by Third / Fourth Streets to the south, Clinton Street to the north, Jefferson Street to the west, and Silverado Trail to the east. The subject is in the north central area of the CBD and it is well linked to Jefferson Street, Main Street, Soscol Avenue and Silverado Trail which provide major vehicular circulation for the district at moderate to heavy traffic levels. The subject site is well linked to Highway 29 to the west and Highway 221 (Silverado Trail) to the east.

Market Trends:

Retail rents are stable at rates from \$3.00 to over \$4.00 per s.f. on a NNN basis, office rents tend to be in the range of \$2.50 to \$3.50 per s.f. on a gross basis. Vacancy tends to be low for retail uses in the CBD, being in the range of 2% to 5%, except that the addition of retail space in the First Street Napa center and a new project on Clinton and Main Streets are in their absorption stage and these add to the overall vacancy of downtown. Buildings which front the primary commercial roads of the CBD tend to have very low vacancy. Offices tend to have vacancy in the 5% to 7% range when all offices are considered in the analysis; again, with new projects being in an absorption phase which adds to current vacancy.

Conclusion

The subject immediate neighborhood is at the edge of major changes and expansion of the CBD (past ten years). Major tourist oriented uses are found within one block. The subject property is at the westerly edge of the core of the CBD in an area of primary appeal.

The central business district is continuing on a path toward improving opportunities for developers as well as broadening its base to the community. There is adequate demand for residential uses within the CBD due to a growing population and highly increased tourism. The neighborhood is viable well into the foreseeable future.

PROPERTY DESCRIPTION

Site Data

Location:

The subject property is located at the northerly edge of the CBD at 1142 Coombs Street. It is at the easterly corner of Coombs and Pearl Street (the latter provides the site's commercial frontage) which is a signalized intersection. It is signalized to expedite traffic into the parking areas served by Coombs Street.

Size and Shape:

The subject site is rectangular in shape and conforming in utility, and it contains approximately 31,857 square feet (according to county records); .4419 acres. There are two parcels which comprise the subject as follows:

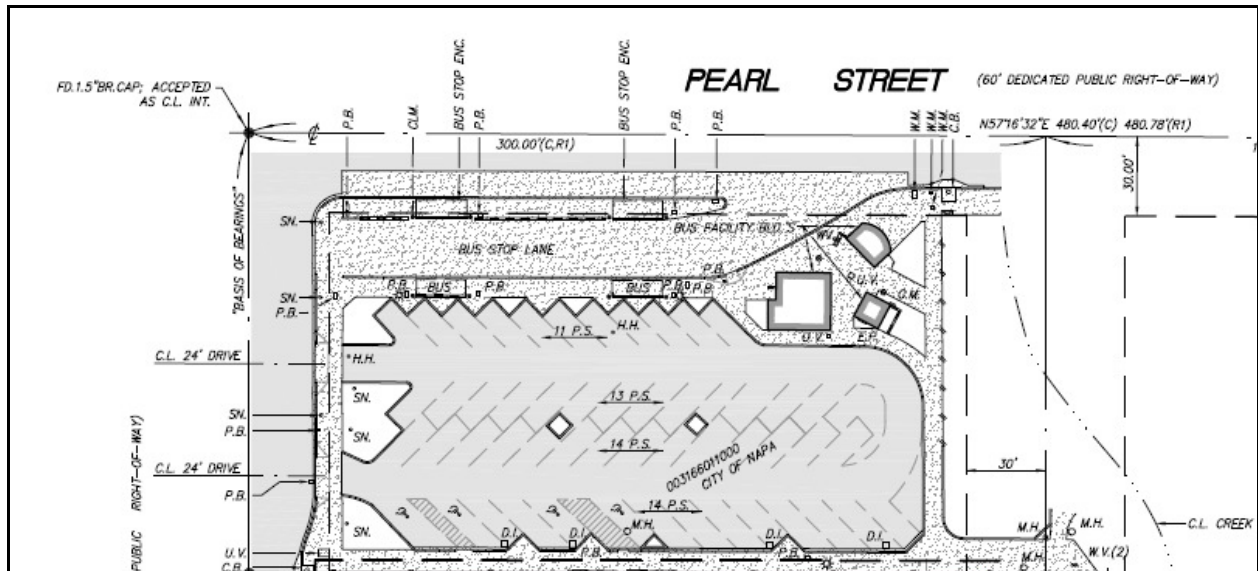
APN: 003-166-008 1,568 s.f.

APN: 003-166-011 30,289 s.f.

The parcel has approximately 243 feet of frontage on Pearl Street and 133 feet of frontage on Coombs Street.

Streets:

Coombs Street and Pearl Street are asphalt paved and improved with concrete curbs and gutters. Pearl Street is also improved with sidewalks and it has adequate width to accommodate two lanes of traffic and parallel parking on both sides of the roadway. It is 60 feet wide. Coombs Street is an inlet into a municipal garage and the subject municipal parking lot. It provides ingress/egress to the parking lot and parking garage and it is 46 feet wide.



Utilities:

All utilities are available and connected. Water and sewer are provided by the local districts, gas and electricity by Pacific Gas and Electric, and telephone by Pacific Bell or Comcast.

Parking:

The subject is a parking lot owned by the City of Napa. It is a municipal lot under license to the adjacent property owner for its shopping center. There are 51 parking spaces, including 4 handi-cap spaces. The parking lot is paved with asphalt, striped, and landscaped. There is an area of the property which is improved with a bus lane and several small structures which are no longer in use. Parking is permitted in this area. The parking lot is maintained in average to good condition.

Landscape:

The subject has limited areas of landscaping throughout the parking lot and its perimeter.

Topography:

The site is level and at grade with surrounding streets.

Soils:

No soils report has been made available. It is assumed that the soils are capable of sustaining the current improvements.

Access:

Access is directly from its street frontages.

Toxic Contamination:

At present, no evidence of toxic contamination or misuse of hazardous materials was observed during our on-site inspection. However, the appraisers are not qualified to detect and advise on such matters and offer no warranty or opinion. ***This appraisal assumes there is no toxic contamination.***

Flood Zones:

The subject is located within a zone designated X; areas determined to be outside the 100 and 500 year flood plain according to FIRM Map Panel #06055C 0516F, dated 9/29/10.



Earthquake Zones:

The subject property is not located in an Alquist-Priolo Special Study Zone.

ZONING

Designation:	DMU - Downtown Mixed-use; PE - Parking Exempt;
Allowable Uses:	In general, business support services, professional, administrative or business offices, multi-family residential, Mixed use residential and other allowable uses, food service and general retail. In addition, a variety of conditional uses are allowed.
Height Limit:	40 feet
Commercial FAR:	3.0
Residential Density:	10-25 units per acre
Parking:	Depending on uses; typically approximately 4.0 spaces per 1,000 s.f. or 1.75 spaces per each two bedroom unit.
Conclusion:	Based on discussions with the City of Napa, the existing zoning supports similar uses to those which are established in the neighborhood.

Improvements

There are three small structures and a canopy structure on the site formerly used by the local bus service. They are no longer in use and are not adaptable to commercial uses. There are also structural bus stops on the property which are not efficient for continued use for benches. All of the structures are fully depreciated and dysfunctional and add no value. The cost of razing these structures is considered negligible in comparison to the scope of site development costs to construct new improvements. No demolition costs are estimated.

HIGHEST AND BEST USE

Highest and Best Use is defined as

"That reasonable and probable use that will supply the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, highest and best use is:

The use, from among reasonable, probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value."

Highest and Best use is determined by:

1. Assuming the site is vacant and available for development and improvement;
2. Defining what improvements could and should be made to existing improvements, if any, to provide the maximum return to the property; and
3. Evaluating which use, among those that are feasible, results in the highest land value. Feasibility requires fit with legal/political constraints (zoning and planning requirements, as well as the political environment), technical constraints (soils, topography, design), linkage constraints (streets, sewers, services, etc.), market constraints (supply, demand, competitive standards), and financial constraints (cost-benefit relationships).

Highest and Best Use as if Vacant

Physically Possible:

The subject site is level and at grade with surrounding streets. The subject has adequate access with no known physical characteristics which would preclude development. The site is adequately served by paved and legal streets, and all the necessary utilities and public services are available. It has good access to highways and general services. Therefore, the subject appears physically capable of accommodating most of the legally permissible uses.

Legally Permissible:

In general, a variety of commercial uses are legally permissible with several conditional uses also permitted (see Zoning excerpt in the Addendum).

Financially Feasible / Maximally Productive:

In our analysis of the local market, it was found that there is steady and stable demand for retail, office and hospitality uses, as evidenced by the steady increase in rents over the past three years and continuing in the current market. Typically, retail uses are located on the ground level, while offices are on upper floors and hotels are multi-story. The site has adequate locational characteristics to potentially attract retail uses on its ground floor and offices on its upper floors. These are feasible uses. The property is likely too small to support a hotel and/or residential condominium uses due to on-site parking requirements.

Ground floor retail uses tend to achieve higher rental levels for typically less improvement costs than offices and, therefore, ground floor retail uses are maximally productive as a component. Upper floor offices are an efficient use for upper floors and this is a maximally productive component, subject to supply/demand factors and construction costs in the current market. Based on a cursory analysis, ground floor retail with second floor offices is considered the maximally productive mix of uses, and development to such uses is the highest and best use of the site as if vacant.

Highest and Best Use as Improved

The subject is improved with depreciated structures and a parking lot. Based on these factors, the highest and best use of the subject property is to demolish the existing improvements and build a new structure. The current license agreement precludes such uses from being developed as of the appraisal date.

VALUATION METHODOLOGY

The value of real property is estimated through one or more of three approaches to value. These are the Cost Approach, the Sales Comparison Approach and the Income Approach. The Cost Approach incorporates the depreciated cost of improvements, land value as vacant and available for its highest and best use, and an entrepreneurial profit. It is based on the premise that the value of a property would not be greater than the cost of constructing a building of similar utility on a comparable site.

The Sales Comparison Approach incorporates an analysis of sales of similar properties, with adjustments for differences in location, quality, size, tenancy, age, and other characteristics. This approach is based on the principle of substitution, which states that a buyer would not pay more for one property than for another that was equally desirable.

The Income Approach is based on the income generating capabilities of a property. Depending on the actions of the market, a capitalization rate may be applied to net income, or projected net income (including property reversion) over a holding period may be discounted to a present value. This approach is based on the principle of anticipation, which means that the value is created by the expectation of benefits to be derived in the future.

We have processed the Sales Comparison Approach to value as it is the most relevant in the valuation of the subject market. There is adequate data available from which to process this approach. The Cost Approach and Income Approach are not processed due to the high level of depreciation of the subject improvements.

SALES COMPARISON APPROACH

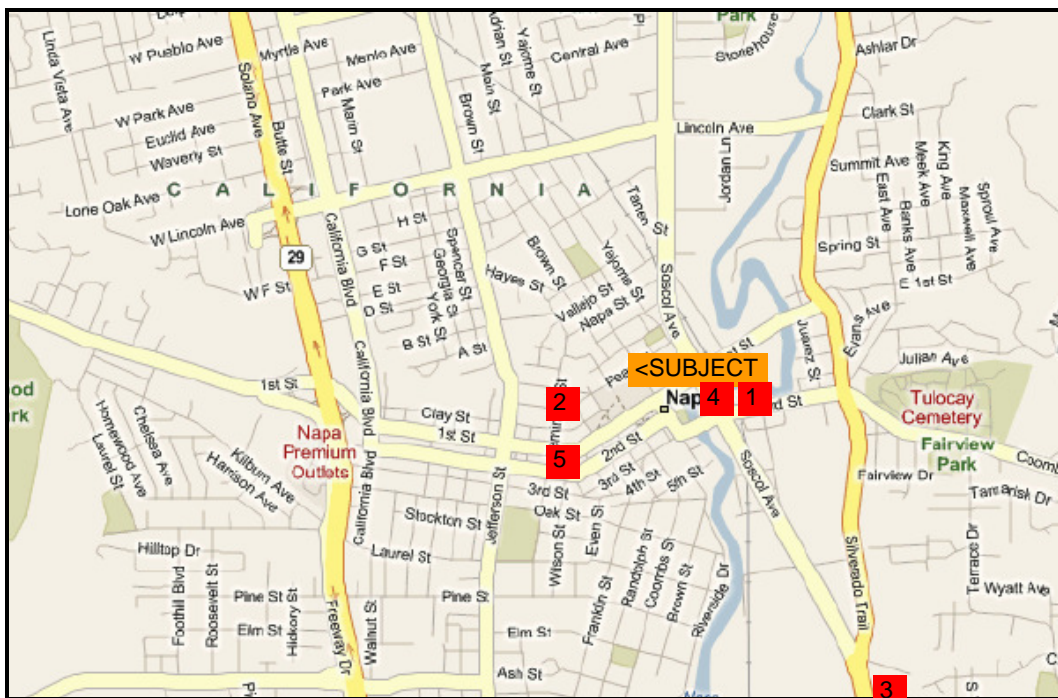
The Sales Comparison Approach is an estimate of market value based on an analysis of recent sales and current listings of similar properties. This approach is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute property. The Sales Comparison Approach is most reliable when an active market produces a sufficient number of comparable sales.

The subject property is zoned DMU - Downtown Mixed-use and it is within the PE - Parking Exempt overlay. Commercial land sales have been researched in the subject market area and those which are comparable are analyzed to estimate the market value of the subject commercial land.

For the subject land valuation, the most relevant unit of comparison is price per square foot. Five sales of commercial properties were selected for this analysis. Each sale is within the tourist sector of the Napa Valley market and reflect potential uses which are similar to the subject property.

The sales are summarized in the table on the next page with a location map following. Sales comparable photographs can be found in the *Addendum*.

COMPARABLE LAND SALES								
No.	Location APN Document #	Sales Date/ Marketing Time (a.)	Sales Price	Financing Conditions Bonds	SIZE: Gross SF Gross Ac./ Net SF Net Ac.	SITE: Zoning Location Shape Topography Offsites	\$/SF (b.)	Buyer Seller Confirmation
1.	933 Water Street Napa, Ca 003-242-003 18-004385	3/18	\$5,302,500	Conventional Arm's Length None	71,003 1.630 71,003 1.630	CT Interior Irregular Level Complete	\$74.68	933 Water LLC Napa County Costar, buyer, broker
2.	Polk/Clay/Seminary Napa, Ca 003-197-001, 002, 011, 012, 013 18-002855	2/18	\$3,700,000	Conventional Arm's Length None	23,958 0.550 23,958 0.550	DMU:PE Corner; dual Sl. irregular Level Complete	\$154.44	Blue Oak School Imrie Family Trust Costar, broker
3.	320 Soscol Avenue Napa, Ca 046-160-080 17-014881	6/17	\$5,250,000	Conventional Arm's Length None	108,464 2.490 74,923 1.720	CT:FP:SC:TI Interior Sl. irregular Level Complete	\$70.07	Stratus Development LLC Altamura Family trust Comps Inc., county records
4.	825 First Street W. Napa, Ca 003-235-003 16-19512	8/16	\$1,650,000	Conventional Arm's Length None	15,053 0.346 15,053 0.346 n/a	OBC Corner Rectangular Level To site	\$109.61	Foxbow Development LLC James Jensen COMPS, Inc., MLS, file data
5.	1615 Second Street Napa, Ca 003-251-015 003-253-007, 008, 009 15-22503	9/15	\$5,400,000	Conventional Arm's Length None	67,082 1.540 67,082 1.540 n/a	DN Corner Rectangular Level To site	\$80.50	Third Street Napa Development LLC Napa Valley Publishing Co.; Lee Ent. COMPS, Inc., MLS, file data



Sales Analysis and Adjustments

We have an adequate number of sales within the subject market and the properties reflect the general locational characteristics of the subject as well as its potential commercial uses.

The comparable sales have been analyzed and adjustments have been made based on factors including property rights transferred, financing, conditions of sale, market conditions, location, size, site factors, and development factors. They range in size from .346 acres to 2.49 acres and range in price per s.f. from \$70.07 to \$154.44. The upper end of the range is a property which is parking exempt in downtown Napa and the property has three street frontages (two corners) these factors push its value upward significantly in comparison to other land sales.

Property Rights Transferred:

Each of the sales is a fee simple transaction and no adjustments were made.

Financing:

Each of the sales was financed utilizing conventional means or cash, and no adjustments were made for this factor.

Conditions of Sale:

All of the sales are arm's length market transactions with no conditions of sale and no adjustments are required for this factor.

Market Conditions:

All of the sales occurred within a period of general market stability which the current market generally reflects. Older sales follow a stabilized value trend supported by market data. Sales 1 and 2 are relatively recent and no adjustments are made to these sales for this factor. Sales 3, 4 and 5 are somewhat older and each is adjusted to reflect its respective date of sale.

Property Factors

Land Sale 1 - This is the sale of a property with fully depreciated improvements and it is located along the Napa River in the Oxbow District of the downtown area. The property is a former county yard and it is effectively vacant land to be developed with commercial uses. The property has good river views and it is near anchor uses of the Oxbow District. The land was recently mapped to the current size (sloping area was formed to be a separate parcel). There is extensive frontage and the property requires on-site parking. CIA and Oxbow Public Market and Annex are within one short block and this property ties into the core anchors/uses of the district (potentially), including river view and hotels.

The location of the property is generally similar to the subject, being in an area of intensive tourist and commercial uses. The property is larger than the subject, but within the same general category of scale and no adjustment is made for this factor. The property has extensive frontage and river views and it is overall slightly superior to the subject property, as the subject has moderate frontage, but slightly superior market exposure. The shape and overall utility of the sale property is similar to the subject, as is its topography. The sale property requires upgrading of street frontages and it is similar to the subject for this factor, however, a flood wall is required at the river edge and this cost supports an adjustment for this factor (anecdotal estimates are in the \$1,000,000 range, however, these improvements will likely be worked into the site hardscape and should be an amenity, therefore a moderate adjustment is made). The zoning of this property is designed to accommodate tourist oriented uses and it is generally similar to the subject. However, the property is inferior to the subject because of the subject's PE overlay which does not require on-site parking and would typically result in a higher project density.

Land Sale 2 - This is the sale of an assemblage of parcels held by a single entity and sold to a single entity. The property includes an office building of average quality and condition, but it is likely that it will be razed for a new project because the it is a single story, older structure and the land is zoned PE: Parking Exempt and can accommodate a much larger

structure of multiple stories. The zoning of this property adds significantly to the value of the land. The property has three street frontages; two corners. It has a full block of frontage on Seminary Street and the property is across from a municipal parking lot and near a parking garage. Its location is at the northerly edge of the CBD near city offices and First Street.

The location of the property is generally similar to the subject, being in the CBD which is an area of intensive tourist uses. The property is similar in size to the subject and no adjustment is made for this factor. The property has extensive frontage (three street frontages) which is superior to the subject. Its visibility is superior and its commercial exposure is similar. Overall, a significant downward adjustment is made to this sale for these factors. The shape and overall utility of the sale property is similar to the subject, as is its topography. The sale property requires upgrading of street frontages, when developed, and it is similar to the subject for this factor. The zoning of this property is designed to accommodate tourist oriented and downtown commercial uses and it is similar to the subject. The property is zoned PE: Parking exempt and this is similar to the subject.

Land Sale 3 - This is the sale of a vacant commercial property which is approved for a 90 room hotel project. It is located on a major arterial boulevard traversing Napa through the downtown district and there is community shopping nearby. The property has an average to good location for a hotel and/or commercial project (neighborhood retail). The site includes a creek at its southerly boundary and the net developable area is the estimated area net of the creek and setbacks. It is a level site which was built-up (improved) by the seller to be out of the flood zone.

The location of the property is inferior to the subject, being in an area of neighborhood commercial uses and with minimal relation to the CBD. The property is larger than the subject, but within the same category, and no adjustment is made for this factor. The property has extensive frontage which is similar to the subject. Its visibility is similar to the subject. The shape and overall utility of the sale property is similar to the subject, as is its

topography. The sale property requires upgrading of street frontages, when developed, and it is similar to the subject for this factor. The zoning of this property is designed to accommodate commercial uses and it sold with approvals to construct a hotel. The PE overlay of the subject is a superior factor which more than offset the approvals of the sale and a slight upward adjustment is made.

Land Sale 4 - This is a group of small land parcels which effectively for a single lot. Other parcels nearby have been acquired or are controlled for a proposed hotel project, but no approvals are complete and the site is difficult to develop and provide access due to its relatively small frontages and below grade topography. It is a good site, however, for conforming tourist commercial uses. The property potentially has a good river view. The property is in an area which requires on-site parking and it is a highly visible corner in the Oxbow District. Nearby properties support commercial development, but a high density project is considered problematic because of parking requirements and a relatively small land area. A moderate density project is more likely. The property is bordered by rail tracks on its east side and it is parcels on the other side of the rail which have reportedly been assembled.

The location of the property is generally similar to the subject and no adjustment is made for this factor. The property is smaller in size to the subject and it is adjusted to reflect its anticipated "small scale" project which appeals to owner/users and small investors. The property has good frontages, being a key corner site, and its visibility is superior. The sale is adjusted to reflect these factors. The shape and overall utility of the sale property is similar to the subject's as is its topography. The sale property requires upgrading of street frontages, when developed, and it is similar to the subject for this factor. The zoning of this property is designed to accommodate tourist oriented uses. It is inferior because it is not within the PE overlay.

Land Sale 5 - This is the sale of a group of land parcels which form a city block and includes a parcel across the street. The property is the Napa Valley Register building which

is to be razed for a high density mixed use project. The property is at the westerly edge of the CBD in an area of mixed uses, but less intensive commercial use than to the east. This is a prime assemblage and an additional lot was later acquired adjacent to the detached parcel. The project was acquired with the goal of developing 172 condos and a ground floor commercial component.

The location of the property is generally superior to the subject because it is in the heart of the CBD. The property is larger than the subject, but within the same size category (medium scale project) and no adjustment is made for this factor. The property has good frontages, being an entire block with four street frontages, and its visibility is very good. These factors are generally superior to the subject's and it is adjusted for this factor. The shape and overall utility of the sale property is similar to the subject's. Its topography is similar. The sale property requires upgrading of street frontages, when developed, and it is similar to the subject for this factor. The zoning of this property is designed to accommodate downtown and high density, but with on-site parking required. It sold with no approvals and it is inferior to the subject because it is not parking exempt.

A summary of the adjustments made to each sale is summarized in the table on the following page.

COMPARABLE LAND SALES ADJUSTMENT GRID						
	<i>Subject Parking Lot Property Napa, Ca</i>	<i>No. 1 933 Water Street Napa, Ca</i>	<i>No. 2 Polk/Clay/Seminary Napa, Ca</i>	<i>No. 3 320 Soscol Avenue Napa, Ca</i>	<i>No. 4 825 First Street W. Napa, Ca</i>	<i>No. 5 1615 Second Street Napa, Ca</i>
Site Size (Net SF):	31,857	71,003	23,958	74,923	15,053	67,082
Site Size (Net Ac.):	0.73	1.63	0.55	1.72	0.35	1.54
Sales Price:		\$5,302,500	\$3,700,000	\$5,250,000	\$1,650,000	\$5,400,000
Pre-development/Bonds:		0	0	0	0	0
Adjusted Sales Price:		\$5,302,500	\$3,700,000	\$5,250,000	\$1,650,000	\$5,400,000
Sales Price/SF		\$74.68	\$154.44	\$70.07	\$109.61	\$80.50
Prop. Rights Transferred:	<i>Fee simple</i>	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment:		0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price:		\$5,302,500	\$3,700,000	\$5,250,000	\$1,650,000	\$5,400,000
Financing Terms:	<i>Conventional</i>	Conventional	Conventional	Conventional	Conventional	Conventional
Adjustment:		0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price:		\$5,302,500	\$3,700,000	\$5,250,000	\$1,650,000	\$5,400,000
Condition of Sale:	<i>Arms Length</i>	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Adjustment:		0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price:		\$5,302,500	\$3,700,000	\$5,250,000	\$1,650,000	\$5,400,000
Market Conditions:	<i>Current</i>	3/18	2/18	6/17	8/16	9/15
Adjustment:		0.0%	0.0%	5.0%	10.0%	10.0%
Adjusted Price:		\$5,302,500	\$3,700,000	\$5,512,500	\$1,815,000	\$5,940,000
Adjusted Price/SF		\$74.68	\$154.44	\$73.58	\$120.57	\$88.55
Location:	<i>CBD</i>	Similar	Similar	Inferior+	Similar	Superior
Adjustment:		0.0%	0.0%	15.0%	0.0%	-10.0%
Size SF:	31,857	71,003	23,958	74,923	15,053	67,082
Adjustment:		0.0%	0.0%	0.0%	-10.0%	0.0%
Frontage/Access/Visibility:	<i>Average to good</i>	Sl. sup.	Superior; 3 streets	Similar	Key corner	Multi-corner
Adjustment:		-5.0%	-30.0%	0.0%	-25.0%	-25.0%
Shape / Utility:	<i>Rectangular</i>	Similar utility	Overall similar	Similar utility	Similar utility	Similar
Adjustment:		0.0%	0.0%	0.0%	0.0%	0.0%
Topography:	<i>Level</i>	Similar	Similar	Similar	Similar	Similar
Adjustment:		0.0%	0.0%	0.0%	0.0%	0.0%
Infrastructure:	<i>Paved street</i>	Flood wall	Similar	Similar	Similar	Similar
Adjustment:		10.0%	0.0%	0.0%	0.0%	0.0%
Improvements: / Zoning:	<i>Utilities, paved parking</i>	No PE zoning	PE zoning	Approvals / No PE	No PE	No PE
Adjustment:		25.0%	0.0%	10.0%	25.0%	25.0%
Total Adjustment:		30.0%	-30.0%	25.0%	-10.0%	-10.0%
Adjusted Range:		\$97.08	\$108.11	\$91.97	\$108.52	\$79.69

Summary & Conclusion

Sales 1, 2, 4, and 5 are most relevant to this analysis, as they reflect land which is most similar to the subject relative to locational characteristics and market segment. Sale 2 is within the PE overlay. The remaining sale provides good secondary support.

Based on the analysis of the sale data, a unit value of \$100.00 per square foot is concluded to complete the Sales Comparison Approach as follows:

$$31,857 \text{ s.f.} \times \$100.00 \text{ per s.f.} = \$3,185,700$$

Rounded: \$3,185,000

"As Is" Value of the subject property / License Agreement (summary)

The subject property is encumbered by a license agreement which licenses the property for parking to the adjacent property owner. The lease commenced on July 31, 2016 with its first term expiring on July 31, 2016. There are 5, 5-year extensions provided by the license and the end term of these extensions expires on July 31, 2041. As of the appraisal date, the first extension has been exercised and the remaining extensions are expected to be exercised. The total remaining term of the license as of the appraisal date is 21 years.

The license is contingent on the continued use of the adjacent property as a "first class shopping center" and there are a number of restrictions which prevent the city from negatively impacting the use of the property for a parking lot, except for temporary situations. The city is responsible for all maintenance of the parking areas to be in good condition and repair, including general site maintenance, striping, pavement, and lighting. The property owner may reasonably assign the license to a new owner as long as the terms of the license are met.

Based on the general terms of the license agreement, it is reasonable to assume that the subject property cannot be developed until the expiration of the license. Primarily because the existing Kohl's store strongly relies on the subject parking lot to adequately serve its customers.

Therefore, the market value of the subject property functions as a residual value to any current owner who intends to develop the property, as it cannot be developed until the license expires. The number of years remaining on the license is 21 years at which time it is ostensibly available for development.

Discount Rate (Yield Rate):

The following table indicates discount rates, overall cap rates, and residual cap rates from a survey for Q4 2019. The columns that are most relevant to this analysis are those pertaining to Regional Mall and CBD Office. These depict a wide range, but their average rates are useful in selecting a discount rate applicable to the subject. Typically, non-income earning investments tend to place upward pressure on yield rates and cap rates. Offsetting this factor is the local market rates for commercial real estate. Investment capitalization rates in the downtown area tend to range from 4.5% to 6.0%.

Economic Indicators PwC Real Estate Investor Survey, Q4 2019								
	Regional Mall		CBD Office		Warehouse		Apartment	
	Q4 2019	Q3 2019	Q4 2019	Q3 2019	Q4 2019	Q3 2019	Q4 2019	Q3 2019
Discount Rate (IRR)^a								
Range (%)	5.00 – 10.00	5.00 – 10.00	5.50 – 10.00	5.25 – 10.00	5.25 – 8.00	5.25 – 8.00	5.50 – 10.00	5.50 – 10.00
Average (%)	7.23	7.23	6.88	6.86	6.16	6.13	7.10	7.09
Change (bps)		0		+2		+3		+1
Overall Cap Rate (OAR)^a								
Range (%)	4.00 – 9.00	4.00 – 9.00	3.75 – 7.50	3.75 – 7.50	3.75 – 6.40	3.75 – 6.40	3.50 – 7.00	3.75 – 7.00
Average (%)	6.18	6.18	5.52	5.52	4.87	4.83	5.15	5.10
Change (bps)		0		0		+4		+5
Residual Cap Rate								
Range (%)	4.25 – 12.00	4.25 – 10.00	5.00 – 7.50	5.00 – 7.50	4.50 – 6.75	4.50 – 6.75	4.00 – 7.00	4.00 – 7.00
Average (%)	7.05	6.85	5.91	5.91	5.47	5.46	5.49	5.50
Change (bps)		+20		0		+1		-1

^aRate on unleveraged, all-cash transactions. Definitions: bps — basis points. Discount Rate (IRR) — internal rate of return in an all-cash transaction, based on annual year-end compounding. Overall Cap Rate (OAR) — initial rate of return in an all-cash transaction. Residual Cap Rate — overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast. Survey involves institutional-grade properties. Source: PwC Real Estate Investor Survey; personal survey conducted by PwC during October 2019. For subscription information, please email us-pwcsurvey@pwc.com.

Based on a direct comparison to the rates in the table, it is evident that there is a difference of approximately 100 basis points to 150 basis points for average yield rates compared to average capitalization rates. Given this spread and applying it to the market cap rates of 4.5% to 6.0%, the expected yield rates applicable to the subject market ranges from 6.0% to 7.5%. Additional consideration is made to reflect the non-income characteristics of the subject (no income or income growth over the holding period) and annual property taxes

due as well as the sole basis of the reversion value being future market growth with no guaranteed reversion value. In essence, there are holding costs (taxes) over the term and all of the investment return is reliant on the reversion only. These factors heighten investment risk (in comparison to typical properties with positive cash flows plus reversion).

In essence, there is no income or growth in income for the next 21 years, there is growth in property taxes for the next 21 years, and the sole positive cash flow is the reversion value of the property which is subject to market risk. The risk of the subject property is higher than properties which pay income or land which is readily developable. Based on the preceding discussion, a discount (yield) rate of 8% is estimated for the subject valuation.

Reversion Value:

As of the date of the appraisal, the estimated expected growth rate in land values for downtown Napa is 2.5% per annum which reflects the current market high of land values and potential volatility in coming years (e.g. - in lieu parking fees, escalating construction costs). These factors tend to hold land values steady until market demand supports continued market growth.

Aggregate Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Market Value																							\$3,185,000
FV - 2.5%	1.6796																						\$5,349,468
Cash Flow -		(9,790)	(9,986)	(10,186)	(10,389)	(10,597)	(10,809)	(11,025)	(11,246)	(11,471)	(11,700)	(11,934)	(12,173)	(12,416)	(12,665)	(12,918)	(13,176)	(13,440)	(13,709)	(13,983)	(14,262)	(14,548)	\$5,349,468
Taxes, reversion																							
Present	5%																						\$1,679,917
Value:	6%																						\$1,348,873
	7%																						\$1,083,317
	8%																						\$869,945
	9%																						\$698,234
	10%																						\$559,849

The preceding table summarizes the cash flows and reversion of the subject property. There is no rent and the reversion is the current market value of the property with growth over the remaining license period at 2.5% per annum. The reversion discounted at 8% per annum indicates a present value of \$869,945; **Rounded to: \$870,000.**

The other reversion values indicate a wide range of values for display purposes only. The values indicated by the lowest discount rates are considered not supported by current market factors as discussed in the discount rate analysis. The values at the highest discount rates reflect the range of risk aversion which can vary from investor to investor.

The concluded value at the 8% rate is supported by the appraiser's analysis and discussions with other professionals and it is the estimated market value of the subject property "as is" as follows: **\$870,000**

FINAL VALUE RECONCILIATION

The Sales Comparison Approach is the sole approach processed to estimate the market value of the subject land unencumbered "as is". This is typical of properties similar to the subject for which its highest and best use is to be redeveloped. There is an adequate numbers of sales to support the analysis and conclusions. The present value analysis is supported by market cap rates, surveyed yield rates, and an analysis of the impact of the license on the property as well as the anticipated cash flows of the property. The present value analysis provides good support to estimate the "as is" value of the subject.

Based on the valuation process, the estimated market value of the subject property "as is" as of May 7, 2020 is the following:

EIGHT HUNDRED SEVENTY THOUSAND DOLLARS

\$870,000

- ADDENDUM -

PHOTOGRAPHS—SUBJECT PROPERTY



Front of the subject property from Pearl Street



Coombs Street frontage - bus lane



Parking lot - Kohl's on right side of frame



Coombs Street frontage



Pearl Street - easterly



Pearl Street - westerly

PHOTOGRAPHS—COMPARABLE LAND SALES



Comparable Land Sale 1



Comparable Land Sale 2



Comparable Land Sale 3



Comparable Land Sale 4



Comparable Land Sale 5

	Beds N/A	Bldg Sq Ft N/A	Lot Sq Ft 1,568	Sale Price N/A
	Baths N/A	Yr Built N/A	Type PUBLIC-NEC	Sale Date N/A

OWNER INFORMATION			
Owner Name	Napa City Of	Tax Billing Zip	94559
Tax Billing Address	Po Box 660	Tax Billing Zip+4	0660
Tax Billing City & State	Napa, CA		

LOCATION INFORMATION			
Census Tract	2002.02	Subdivision	Napa City
Zoning	CD	Block	19

TAX INFORMATION			
Tax ID	003-166-008-000	Lot	3
Tax Area	002012	Block	19

ASSESSMENT & TAX			
Tax Year	Total Tax	Change (\$)	Change (%)
2017	\$20		
2018	\$21	\$2	7.69%
2019	\$21	\$0	0%
Special Assessment		Tax Amount	
Mosquito Abatement(553-9610 Sp		\$21.00	
Total Of Special Assessments		\$21.00	

CHARACTERISTICS			
Approx Lot SqFt	1,568	Land Use - County	Impr Land-Non-Taxed
Lot Acres	0.036	Land Use - Universal	Public (NEC)

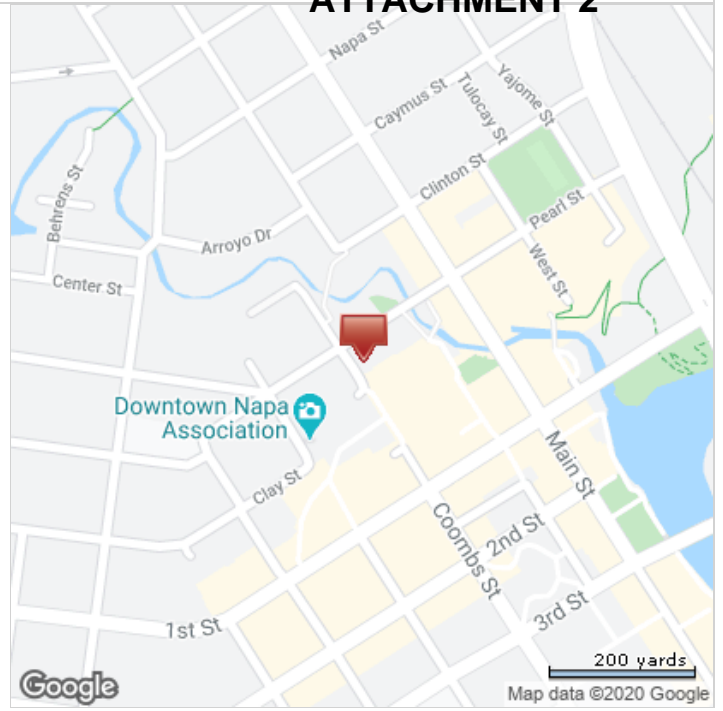
ESTIMATED VALUE			
Value As Of	05/05/2020		

LAST MARKET SALE & SALES HISTORY			
Owner Name	Napa City Of		

Recording Date	09/08/2014	03/24/2011
Nominal	Y	Y
Buyer Name	Napa Community Redev Agency	City Of Napa
Seller Name	City Of Napa	Napa Community Redev Agcy
Document Number	18347	7031
Document Type	Grant Deed	Grant Deed



*Lot Dimensions are Estimated



	Beds N/A	Bldg Sq Ft N/A	Lot Sq Ft 30,289	Sale Price N/A
	Baths N/A	Yr Built N/A	Type VCNT LND-NEC	Sale Date N/A

OWNER INFORMATION			
Owner Name	Napa City Of	Tax Billing Zip	94559
Tax Billing Address	Po Box 660	Tax Billing Zip+4	0660
Tax Billing City & State	Napa, CA		

LOCATION INFORMATION			
Census Tract	2002.02	Subdivision	Napa City
Zoning	CD	Block	19

TAX INFORMATION			
Tax ID	003-166-011-000	Lot	1-4
Tax Area	002012	Block	19

ASSESSMENT & TAX			
Tax Year	Total Tax	Change (\$)	Change (%)
2017	\$2,130		
2018	\$2,194	\$64	3%
2019	\$2,260	\$66	3.01%
Special Assessment		Tax Amount	
Dwntwn Napa Prp/Bus Imprv		\$2,260.00	
Total Of Special Assessments		\$2,260.00	

CHARACTERISTICS			
Approx Lot SqFt	30,289	Land Use - County	Vac Land Non-Taxable
Lot Acres	0.6953	Land Use - Universal	Vacant Land (NEC)

ESTIMATED VALUE			
Value As Of	05/05/2020		

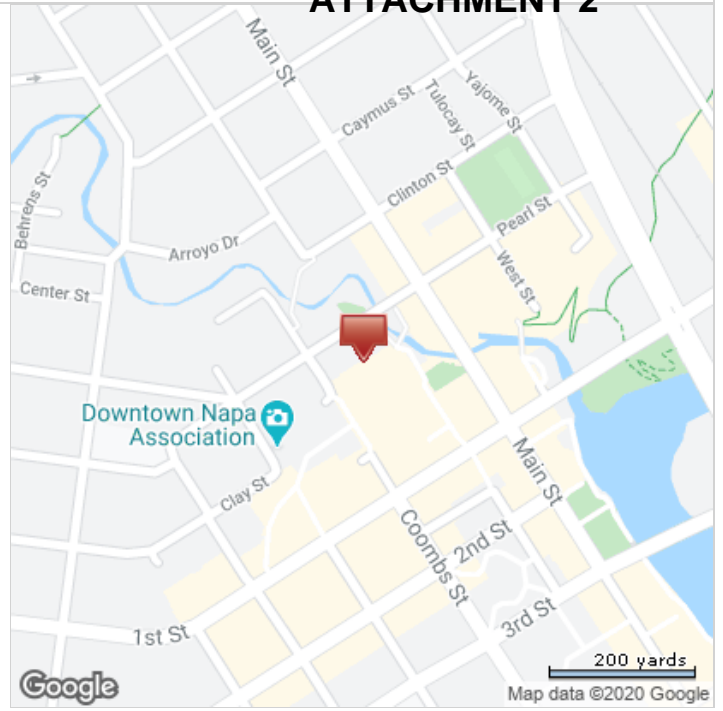
LAST MARKET SALE & SALES HISTORY			
Owner Name	Napa City Of		

Recording Date	09/08/2014	04/04/2011
Nominal	Y	Y
Buyer Name	Napa Community Redev Agency	City Of Napa
Seller Name	City Of Napa	Napa Community Redev Agency
Document Number	18347	7886
Document Type	Grant Deed	Grant Deed



*Lot Dimensions are Estimated

ATTACHMENT 2





FIRST AMERICAN TITLE COMPANY OF NAPA

FIRST LOOK CHECKLIST

Will any of the following situation potentially affect your transaction:

- ☐ Will the principals be using a **POWER OF ATTORNEY**?
- ☐ Are any of the parties in title **INCAPACITATED OR DECEASED**?
- ☐ Has a **CHANGE IN MARITAL STATUS** occurred for any of the principals?
- ☐ Will the property be transferred to a **NEW TRUST, PARTNERSHIP OR CORPORATION**?
- ☐ Do the sellers of the property **RESIDE OUTSIDE OF CALIFORNIA OR THE UNITED STATES**?
- ☐ Have any of the principals **RECENTLY FILED BANKRUPTCY**?
- ☐ Are the principals involved in an **EXCHANGE WITH THIS PROPERTY**?
- ☐ Has there been a **WORK OF IMPROVEMENT, CONSTRUCTION, OR ANY REMODELING** of the subject property in the last 90 days?

If you answered YES to any of these questions, please contact your escrow officer right away, so we can assure a smooth closing.

Remember, all parties signing documents must have a valid photo I.D. or driver's license for a notarial acknowledgment.

Thank you for helping First American Title Company of Napa serve you better.

1700 Second Street, Napa, CA 94559 (707) 254-4500
1361 Main Street, St. Helena, CA 94574 (707) 963-7151



**First American Title
Company of Napa**

ATTACHMENT 2

ORDER NO: 00144604-CR1

PRELIMINARY REPORT

First American Title Insurance Company

First American Title Company of Napa

California Department of Insurance License No. 2553-6

1700 Second Street, Suite 120, P.O. Box 388, Napa, CA 94559

Tel: (707) 254-4500 - Fax: (707) 226-9346

Property Address:

No Situs
Napa, CA 94559

Assessor's Parcel Number:

003-166-011

Buyer/Borrower:

Seller/Owner:

City of Napa

Direct Escrow Inquiries to Escrow Officer:

Connie Rendon
Email: crendon@firstamnapa.com

Direct Title Inquiries to:

Kevin Dornbush
Email: KDornbush@FirstAmNapa.com

Reference Number:

In response to the application for a policy of title insurance referenced herein, First American Title Insurance Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

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

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

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

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

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

Dated as of April 24, 2020 at 7:30 A.M.

By:

Authorized Signatory



ATTACHMENT 2

ORDER NO: 00144604-CR1

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

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

And

ALTA Loan Policy (6/17/06) (Extended Coverage)

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

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

CITY OF NAPA, A MUNICIPAL CORPORATION

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

A FEE

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

See Exhibit A attached hereto and made a part hereof.

**EXHIBIT A****LEGAL DESCRIPTION**

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

A portion of Lots 1,2,3 and 4 in Block 19, as shown on the map entitled, "Plan of Napa City", filed November 28, 1853 in [Book B of Deeds, at page 433](#), Napa County Records, described as follows:

Commencing at the intersection of the southwesterly line of Brown Street with the southeasterly line of Pearl Street; thence along the southwesterly line of said Brown Street southeasterly 135.00 feet to the northwesterly line of the parcel of land described in the deed to Nichandros Associates recorded September 27, 1972 in [Book 889, at page 845](#), Napa County Official Records; thence leaving the southwesterly line of Brown Street and running South 57° 06' 30" West 240.00 feet along said northwesterly line to the northeasterly line of Coombs Street; thence northwesterly along said northeasterly line 75.00 feet to the most southerly corner of the parcel of land described in the deed to City of Napa, a municipal corporation of the State of California, recorded March 24, 2011 as Instrument No. [2011-0007031](#); thence leaving the northeasterly line of Coombs Street and running northeasterly 30.09 feet along the southeasterly line of said City of Napa parcel to the most easterly corner thereof; thence along the northeasterly line of said City of Napa parcel northwesterly 60.00 feet to the herein above mentioned southeasterly line of Pearl Street; thence along said southeasterly line of Pearl Street northeasterly 209.91 feet to the point of commencement.

APN 003-166-011



NOTICE

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

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

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



***First American Title
Company of Napa***

ATTACHMENT 2

ORDER NO: 00144604-CR1

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

1. General and special taxes and assessments for the fiscal year 2020-2021, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. The herein described property lies within the area of the Parkway Plaza Redevelopment Project, and is subject to the following:
 - a. Provisions of the Urban Redevelopment Plan, attached to Ordinance recorded December 30, 1969 as [Book 820 at page 313](#) of Official Records.
 - b. Covenants, Conditions and Restrictions in the Declaration recorded April 5, 1971 as [Book 847 at page 238](#) of Official Records.
Amendment recorded August 10, 1971 as [Book 857 at page 81](#) of Official Records.
 - c. Agreement for Disposition of Land for Private Redevelopment recorded July 15, 1971 as [Book 855 at page 20](#) of Official Records.
Supplemental Agreement for Disposition for Private Redevelopment recorded June 25, 1973 as [Book 912 at page 488](#) of Official Records.
 - d. Resolution of the Napa Community Redevelopment Agency Amending Declaration of Restrictions recorded December 17, 1973 in [Book 925 at page 470](#) of Official Records.
 - e. Ordinance No. 094-030 Adopting an Amendment to the Parkway Plaza Redevelopment Project recorded October 27, 1994 as Series Number [1994-0032287](#) of Official Records.
 - f. Amendment recorded March 24, 2006 as Series Number [2006-0010304](#) of Official Records.
 - g. Amendment recorded March 24, 2006 as Series Number [2006-0010305](#) of Official Records.
4. The fact that the land lies within the boundaries of Downtown Napa Property & Business Improvement District, as disclosed by the document recorded October 21, 2005 as Series Number [2005-0043254](#) of Official Records.
5. An easement for incidents to building and incidental purposes, recorded September 27, 1972 as [Book 889 at page 845](#) of Official Records.
In Favor of : NICHANDROS ASSOCIATES, a California partnership

 Terms and provisions contained in the above document.
6. Terms and Conditions as contained in Resolution No. 87-111 of the City Council of the City of Napa Granting Use Permit to Bus Transfer Facility, a certified copy of which recorded June 2, 1987 as Book 1519 at page 781, Series Number [87-16033](#) of Official Records.
7. Terms and Conditions as contained in Resolution No. 87-112 of the City Council of the City of Napa Granting Use Permit to Bus Transfer Facility, a certified copy of which recorded June 2, 1987 as Book 1519 at page 786, Series Number [87-16034](#) of Official Records.
8. The terms and provisions contained in the document entitled "Memorandum of License Agreement" recorded June 26, 2008 as Series Number [2008-0016336](#) of Official Records.



***First American Title
Company of Napa***

ATTACHMENT 2

ORDER NO: **00144604-CR1**

9. Covenants, conditions, restrictions and easements in the document recorded April 4, 2011 as Series Number [2011-0007886](#) of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Document(s) declaring amendment(s) thereof recorded October 24, 2014 as Series Number [2014-0022043](#) of Official Records.

10. The merger and consolidation of underlying lots, parcels or portions thereof, pursuant to Section 1093 of the California Civil Code, as contained in the Lot-line Adjustment deed recorded April 4, 2011 as Series Number [2011-0007886](#) of Official Records.
11. The effect of a map purporting to show the land and other property, filed March 3, 2020 as [Book 48 at pages 93 - 94](#) of Record of Surveys.
12. Rights of parties in possession.
13. Prior to closing, the company must have information whether the real property recording office for the county in which the Land is located is closed due to the COVID-19 emergency. If recording has been restricted, specific underwriting approval is required; and, additional requirements may be made.

-END OF EXCEPTIONS-



**First American Title
Company of Napa**

ATTACHMENT 2

ORDER NO: 00144604-CR1

Information Notes:

- a. The following taxes are shown for proration purposes only:

General and special taxes and assessments for the fiscal year 2019-2020

First Installment	:	\$1,130.00 Paid
Second Installment	:	\$1,130.00 Paid
Tax Rate Area	:	2012
A. P. No.	:	003-166-011

- b. If requested, we are prepared to issue a CLTA 116.7 (Subdivision Map Act) Endorsement in conjunction with the Policy of Title Insurance contemplated by this Preliminary Report regarding the land described herein.
- c. The Assessor's Parcel Number(s), if any, contained in the legal description herein, are for quick identification purposes only, and are not a part of the actual legal descriptions.
- d. Any statement regarding the acreage of the herein described land contained within the legal description in this report is derived from the public record and is for recorded deed purposes only. The Policy of Title Insurance contemplated by this report provides no insurance with respect to acreage and no acreage statement will appear within the legal description of such policy.
- e. The County Recorder may charge an additional \$20.00 recording fee, if not provided with a "Preliminary Change of Ownership Report" Form, for each Deed to be recorded. The purchaser is responsible for completing and signing this form.
- f. Before an escrow can close, or funds placed in a Savings Account, the Seller must furnish a Taxpayer Identification Number to us so that we can file an IRS Form 1099S or its equivalent, with the Internal Revenue Service. This procedure is required by Section 6045 of the Internal Revenue Code.
- g. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company of the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

Lenders Supplemental Report:

- h. According to the public records, there has been no conveyance of the land within a period of two years prior to the date of this report, except as follows:

NONE

exn

04/30/2020

David Little/sc



***First American Title
Company of Napa***

ATTACHMENT 2

ORDER NO: **00144604-CR1**

WARNING:

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

[CLICK HERE FOR MAP](#)



PRIVACY POLICY

We are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record of from another person on entity. First American has also adopted guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Type of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested for us, or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

ATTACHMENT ONE (Revised 06-03-11)**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990****EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE****EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

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

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

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

		Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:		1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:		1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:		1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:		1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5000.00

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- * land use
- * improvements on the land
- * land division
- * environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:

- * a notice of exercising the right appears in the public records
- * on the Policy Date
- * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:

- * that are created, allowed, or agreed to by you
- * that are known to you, but not to us, on the Policy Date – unless they appeared in the public records
- * that result in no loss to you
- * that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- * to any land outside the area specifically described and referred to in Item 3 of Schedule A

OR

* in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

**2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

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

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

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

EXCEPTIONS FROM COVERAGE

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

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

**2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
- 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- 5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

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

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

EXCLUSIONS FROM COVERAGE

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

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.

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6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

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Automatic teller machines	P**	P**	P**	***No drive-through only
Beekeeping	PS	PS	PS	See standards Ch. 17.52
Zoning Districts	CL	CT	CC	Added Use Regulations
Cottage food operations	PS	PS	PS	See standards Ch. 17.52
Fences and hedges	PS	PS	PS	
Outdoor display or sales	PS	PS	PS	
Outdoor storage (up to 5% of site)			PS	
Recycling facility, small	PS	PS	PS	
Recycling/solid waste areas	PS	PS	PS	
Satellite dishes	PS	PS	PS	
Signs	PS	PS	PS	See Title 15
G. Other Uses				
Conversion of grocery stores, supermarkets and convenience stores to other uses	C	C	C	
Conversions of residential rental units to nonresidential uses	CS	P/CS*	CS	For CS, see standards Ch. 17.52 *CS only when CT is applied in mixed use General Plan category
Nonresidential condominiums	CS	CS	CS	See standards Ch. 17.52
Other similar permitted or conditional uses found consistent with the General Plan and applicable district pursuant to Chapter 17.04	P/C	P/C	P/C	Whether use is permitted or conditional depends on requirements for similar use
Temporary uses	PS/CS	PS/CS	PS/CS	See standards Ch. 17.52

Table B—Downtown Specific Plan Area

P=Permitted C = Conditional S = Specific Standards Apply Blank = Not Allowed

	DCC		DMU		DN		OBC		Specific Standards Apply
	ground level	upper levels	ground level	upper levels	ground level	upper levels	ground level	upper levels	
A. Retail									
Appliance, including repair			PS						C if open after 10 p.m. or if > 5,000 sf
Art galleries	PS	PS	PS	PS			PS	PS	C if open after 10 p.m. or > 5,000 sf
Beer and wine, liquor stores	PS		PS	C			C	C	C if open after 10 p.m. or if > 5,000 sf
Convenience markets			PS						C if > 5,000 sf
Department stores	PS	PS							C if > 5,000 sf
Grocery stores and supermarkets	C	C	PS	PS					C if open after 10 p.m. or if > 5,000 sf

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Gun shop			PS	PS					C if open after 10 p.m. or if > 1,500 sf
Medical equipment and supplies			PS	PS	C*				C if open after 10 p.m. or if > 5,000 sf C* only within buildings constructed for nonresidential use and existing as of May 1, 2012
Retail, Downtown (see Glossary)	PS	PS	PS	C	C*		PS	PS	C if more than 10% of the floor area is dedicated to the production of goods on the site or if > 5,000 sf or if open later than 10 p.m. C* only within buildings constructed for nonresidential use and existing as of May 1, 2012
Consignment, secondhand, pawn shops and thrift stores			PS	PS					C if open after 10 p.m. or if > 5,000 sf, or if includes on-site outdoor drop-off area
Sporting goods, including rentals	PS	PS	PS	PS			PS	PS	C if open after 10 p.m. or if > 5,000 sf
Video sales and rentals			PS	PS					C if open after 10 p.m. or if > 5,000 sf

B. Services									
ATM, stand alone	C	PS	C	PS	PS	PS	C	PS	C when not located within a fixed business
Bail bonds			C	C					
Banks, savings and loans, credit unions and other financial institutions, with or without ATM	CS	CS	PS	PS			CS	CS	Prohibited within 100 feet of another bank
Business support services, Downtown		P	P	P	P	P			

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Catering		C	C	C			C	C	
Check cashing									
Fitness centers/health clubs		PS	PS	PS	C*				C if > 5,000 sf C* only within buildings constructed for nonresidential use and existing as of May 1, 2012
Funeral services					PS	PS			C if > 5,000 sf
Health services including chiropractic, acupuncture, reiki, physical therapy, occupational therapy		P	PS	P	PS	P	PS	PS	C if > 5,000 sf
Instructional services including performing arts, art, martial arts, sports, vocational and business trade schools		C	C	C	C	C	C	C	
Laundry, dry cleaning			PS						C if > 5,000 sf
Medical services		PS	PS	PS	PS	PS			C if > 5,000 sf
Palm readers and psychics		P	PS	P	PS	P	PS	PS	C if > 5,000 sf
Parking lots, private									
Multi-level			C	C	C	C	C	C	
Surface			CS		CS		CS		Underground parking conditionally permitted, including in Downtown Core Commercial
Parking lots, public			P	P	P	P	P	P	
Personal services, Downtown	PS	P	PS	P	PS	P	PS	PS	C if > 5,000 sf
Pet grooming		P	PS	P	PS	P	PS	PS	C if > 5,000 sf
Professional, administrative or business offices		P	P	P	P	P	P	P	Includes city, special district, public utility. County facilities, while also included, are not regulated by the city
Recycling, small collection facility			C		C				
Repair and tailoring, including shoes		P	PS	P	PS	P	PS	PS	C if > 5,000 sf
Repair of small electronics and appliances		P	PS	P	PS	P	PS	PS	C if > 5,000 sf

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Specialty transportation retail, touring services	PS		PS	PS			PS	PS	C if storage exceeds 50% of the floor area
Vehicle services			CS		CS				Entirely indoors
Wine tasting facility, with or without associated retail sales	PS	PS	PS	PS	C*		PS	PS	C if retail area exceeds 5,000 sf C* only within buildings constructed for nonresidential use and existing as of May 1, 2012

C. Visitor Accommodations

Bed and breakfast inns			CS	CS	CS	CS			See Section 17.52.060 Bed and breakfast inns
Conference and convention facilities							CS	CS	Stand-alone facilities
Hotel	CS	CS	CS	CS			CS	CS	For condo hotels see Municipal Code Section 17.52.095
Vacation rentals			CS	CS	CS	CS			See standards Ch. 17.52
Visitor information centers	P		P				P		

D. Entertainment Uses

1. Inside Entertainment District

Primary entertainment use (i.e., performance theater, dance club)	C	C							
Entertainment as joint use (i.e., restaurant with live music and dancing)	PS	PS							See Entertainment District standards
Entertainment as incidental use	PS	PS							
Outdoor entertainment	CS	CS							

2. Outside Entertainment District

Primary entertainment use (i.e., performance theater, dance club)	CS	CS	CS	CS			CS		See Entertainment District standards
Entertainment as joint use (i.e., restaurant with live music and dancing)	CS	CS	CS	CS			CS	CS	
Entertainment as incidental use	PS	PS	PS	PS			PS	PS	
Outdoor entertainment	CS	CS	CS	CS			CS	CS	See Entertainment District standards
Movie theaters	C	C	C	C			C	C	

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Miscellaneous entertainment/recreation	CS	CS	CS	CS			CS	CS	See Section 17.52.070 Cocktail lounges, bars and commercial recreation facilities
E. Food Service and Drinking Establishments									
Cocktail lounges, bars, nightclubs	CS	CS	CS	CS			CS	CS	See Section 17.52.070 Cocktail lounges, bars and commercial recreation facilities
Food service	PS	PS	PS	PS			PS	PS	With outdoor dining, if in public right-of-way, site license agreement required per Section 17.52.340 Outdoor dining P with incidental takeout and/or catering C with takeout and no seating With or without beer and wine or alcohol sales C if beer and wine/bar area exceeds 20% of customer floor area and/or if open after 11 p.m.
Restaurants with drive-through									
F. Food and Beverage Production									
Bakeries, wholesale (with accessory retail sales)	PS	PS	PS	PS			PS	PS	Retail component must be located in the street frontage. C if 50% or less of the space is retail
									Retail component must be located in the street frontage. C if 50% or less

ATTACHMENT 2

Boutique and specialty food and beverage service, with or without production, limited	PS	PS	PS	PS	C*		PS	PS	of the space is retail. C* only within buildings constructed for nonresidential use and existing as of May 1, 2012
G. Public and Quasi-Public Uses									
Assembly halls, clubs and lodges, including for youth		C	C	C	C	C	C	C	
Parks, open space and recreation facilities, including docks, piers	C		C		C		C		Subject to design review
Cultural, educational, religious and related facilities, including schools, libraries, museums	PS	PS	PS	PS	C	C	PS	C	C if schools, churches or other educational facilities
Train depot							P		
Public utility and safety facilities, including corporation or storage yards, pump stations, telecommunication facilities, utility substations, storm drainage ponds, water tanks, utility distribution facilities, police, fire or paramedic	C	C	C	C			C	C	
H. Residential and Related Uses									
Single-family, detached			C		P				
Single-family, attached		CS	CS	CS	PS	PS	CS	CS	See Section 17.52.090 Condominium standards
Multifamily, residential		P	P	P	P	P	C	C	
Mixed-use developments, residential and other uses allowed in district	PS*	PS	PS	PS	P	P	PS	PS	See Section 17.52.280 Mixed use development objectives Permitted if all proposed non-residential uses are permitted and no density bonus or conversion of residential, otherwise C * As long as ground level is retail/service

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Group residential, including SROs			CS	CS					See Section 17.52.460 Single room occupancies
Live/work developments		CS		CS	PS*	CS*	PS	PS	* only where structure is adding residential component - not converting residential to live/work
Residential care facilities		C	C	C	C	C	C	C	
Day care facility, child or adult (up to 14 children or 8 adults)		P	P	C	P	C			
Day care center (15 or more children or 9 or more adults) or community care facilities		C	C	C	C	C			
Accessory structures and uses customarily accessory to a permitted or conditional use and contained on the same site			PS		PS		PS		Accessory uses for residential are as described for the residential districts
I. Accessory Structures and Uses									
Cottage food operations	PS	PS	PS	PS	PS	PS	PS	PS	See standards Ch. 17.52
Outdoor display or sales	PS		PS				PS		See Section 17.52.330 Outdoor display or sale of merchandise, accessory use
J. Other Uses									
Conversions of residential structures from nonresidential uses to residential uses		P	P	P	P	P	P	P	
Conversion of grocery stores, supermarkets and convenience stores to other uses			C						
Conversion of rental unit to condominium		CS	CS	CS	CS	CS	CS	CS	See standards Chapter 17.52
Fences and hedges	PS	PS	PS	PS	PS	PS	PS	PS	
Nonresidential condos	CS	CS	CS	CS	CS	CS	CS	CS	
Satellite dishes	PS	PS	PS	PS	PS	PS	PS	PS	
Signs	PS	PS	PS	PS	PS	PS	PS	PS	
Temporary uses	PS/CS	PS/CS	PS/CS	PS/CS	PS/CS	PS/CS	PS/CS	PS/CS	

(O2012 4, 5/15/12; O2013-1, 3/19/13; O2013-3, 5/21/13; O2014-3, 3/4/14; O2015-13, 11/3/15)

17.10.030 Commercial districts—Property development standards.

NA = Not Applicable

Property Development Standards	CL	CT	CC	Additional Standards
Floor area ratios (FARs) and densities	See General Plan for FARs and densities applicable to property			See Ch. 17.52 for calculation of FARs and densities
Height (in feet)	30	40	40	
Minimum lot area (sq. ft)	5,000	10,000	10,000	
Lot width (feet) at front setback line	50	70	70	
Lot frontage (feet) at front property line	50	50	50	(1)
Front setback (feet)				
Arterial or collector	30	30	30	(2)
Local street	15	15	15	
Side setback (feet)				
Arterial or collector	30	30	30	(2)
Local street	15	15	15	
Side yard (feet)	NA	NA	NA	(3)
Rear yard (feet)	NA	NA	NA	(3)

(1) In the CL, CT and CC Districts, lot frontage may be reduced to 40 feet for lots with divergent lot lines, such as those that front on the bulb of a cul-de-sac or a sharply curved street.

(2) In the CL, CT and CC Districts, front and side setbacks may be reduced to 15 feet with design review when the reduction improves the overall site design, design of the building or better integrates the building with its site and surroundings.

(3) Commercial district development proposed on land that abuts a residential district is subject to transitional standards described in Section 17.10.040.

Note: See Chapter 17.52 (Site and Use Regulations) for additional regulations pertaining to agricultural buffers, creeks and watercourses, historic preservation, noise, outdoor storage, recycling areas, wetlands, and other site development standards.

(O2012 4, 5/15/12)

17.10.040 Other development standards and requirements applicable to commercial districts.

- A. Design Guidelines. Design guidelines shall be referred to where applicable.
- B. Parking and Loading. On-site parking and loading shall be provided in accord with provisions of Chapter 17.54.
- C. Accessory Structures. Accessory structures shall meet the same standards as for principal buildings. Walks or similar types of surfaced areas constructed at grade, parking (See subsection G of this section), fences (See Chapter 17.52, Site and Use Regulations) and signs (See Ch. 15.56, Signs) may be located in setback areas.
- D. Properties located within the boundaries of the Downtown Specific Plan shall comply with the requirements set forth in Section 4.7 (Property Development Standards) of the Downtown Specific Plan.
- E. Transitional Standards. Where development is proposed on land which abuts residential RS, RI, or RT District lands, the standards below shall be observed:
 - 1. Front and side setbacks shall be those required in the adjacent residential district, except when properties abut along rear lot lines.
 - 2. Design review shall identify potential impacts of the proposed project on the residential use (e.g., noise,

privacy, visual) and utilize landscaped buffers consisting of a mix of trees and shrubs, solid masonry walls designed compatible with the project, building setbacks/stepbacks and/or other effective techniques to address such impacts.

- F. Screening of Trash, Outdoor Storage. See Chapter 17.52 for outdoor storage screening requirements.
- G. Rooftop Equipment. Rooftop equipment shall be screened and integrated into the building architecture. Screens shall not disproportionately increase the mass of the building.
- H. Landscaping. All planting strips, yards, setbacks and other required open space areas shall be landscaped in accord with a landscape plan addressing city standards, approved by the decision-making body as part of the design review or other discretionary permit. Parking may be located in the front setback provided a minimum of 15 feet is landscaped. All landscaping shall be maintained in a healthy, weed-free condition. Landscape maintenance agreements with the city may be required on sensitive sites.
- I. Street Trees. Street trees in rights-of-way may be required to be installed by the Community Resources Director in accordance with city standards.
- J. Public Works Improvements. Curb, gutter, sidewalk, street, drainage, utility undergrounding and similar improvements may be required to be installed by the Public Works Director in accordance with Policy Resolution 27 or Public Works Department standard specifications.
- K. Lighting. Exterior lighting shall be directed or shielded so as to prevent glare onto public streets and abutting residential properties.
- L. Noise. See Section 17.52.310, Noise Standards. (O2003 12; O2012 4, 5/15/12)

17.10.050 Design review required.

New nonresidential or mixed use structures, additions and exterior remodels, or the subdivision of any lot shall require design review as described in Chapter 17.62 (Design Review Permits). The painting of walls with murals, wall graphics or unusual paint colors incompatible with their context also requires design review. Residential development is also subject to design review in accordance with Chapter 17.62. Signs require review in accordance with Title 15. (O2003 12)

Chapter 17.12 RESIDENTIAL OFFICE AND OFFICE DISTRICTS (RO, OC, OM)

17.12.010 Specific purposes.

In addition to the general purposes listed in Chapter 17.02, the specific purposes of the residential-office and office districts include the following:

- A. Residential Office (RO). The residential office district implements the residential office land use category of the General Plan. It applies to existing mixed residential and office areas primarily along arterials and collectors. This district is meant to retain and encourage residential uses; office conversions of existing residential uses are discouraged and shall be evaluated. Uses include residential uses, offices oriented to provision of business and professional services, live/work, residential/office mixed use developments, bed and breakfast inns and public and quasi-public uses. Design is to be compatible with design characteristics of the surrounding neighborhood.
- B. Commercial Office (OC). The commercial office district implements the business professional land use category of the General Plan. It is meant to encourage concentrations of administrative, professional and business offices, public and quasi-public uses and similar compatible uses, such as retail commercial uses oriented to the needs of nearby businesses. Intensive residential uses may also be allowed at appropriate locations. Conversions of residential rental units to nonresidential uses require review.
- C. Medical Office (OM). The medical office district also implements the business professional land use category of the General Plan. It is intended to assure an adequate supply of land near the Queen of the Valley for supporting medical/dental offices, medical laboratories, pharmacies and similar related uses. It provides for general office uses on a temporary basis if it can be demonstrated that demand for medical office space is satisfied. (O2003 12)

QUALIFICATIONS OF DAVID J. VARGAS, MAI
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Summary of Experience

Two years appraising 1 to 4 unit residential properties on a URAR format to typical mortgage underwriting standards.

Twenty-six years appraising various income properties and complex residential properties, including residential subdivisions, retail, office and industrial uses, luxury residences, and special-use commercial properties for construction lending and typical refinance/sales purposes. Feasibility analysis.

Primary area of expertise is the north San Francisco Bay area including Napa, Sonoma, Solano, Contra Costa and Alameda Counties.

Education

California State University - Hayward:
Bachelor of Science - Business Administration, Finance Option (1/84 - 12/87)

Chabot College - Hayward:
Associate of Arts - General Education (9/81 - 12/83)

Real Estate Courses

- * A.I.R.E.A. Principles of Appraisal
- * Appraisal Institute - Capitalization Theory - Parts A and B
- * Appraisal Institute - SPP Parts A, B and C
- * Appraisal Institute - Course 510 - Highest and Best Use
- * Appraisal Institute - Course 530 - Advanced Sales Comparison and Cost Approach
- * Appraisal Institute - Course 540 - Report Writing and Valuation Analysis
- * Appraisal Institute - Course 550 - Advanced Applications
- * Appraisal Institute - Course 833 - Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
- * Appraisal Institute - Course 797 - Valuation of Conservation Easements
- * Courses required for General Certified Appraiser
- * Principles of Real Estate - C.S.U.H.
- * Real Estate Investment Analysis - C.S.U.H.
- * Advanced Topics in Real Estate - C.S.U.H.
- * Appraisal Institute - General Demonstration Report - Capstone Program

Licenses

General Certified Appraiser / AG009137 - 9/22/16-9/21/18; State of California
Real Estate Broker - State of California

Employment History

David J. Vargas (self-employed), Napa, CA. Owner. Commercial real estate appraisal. December 2001 to present.

Hamilton, Ricci & Associates, Inc., San Francisco, CA. Associate appraiser. Commercial real estate. April 1992 to December 2001

Napa Valley Development, Napa, CA. Appraiser - Staff appraiser. Commercial real estate. April 1988 to May 1992.

Dawson & Jones, SRA, San Ramon, CA. Staff appraiser - Residential/commercial properties. February 1986 to March 1988.

Rosenbusch & Associates, MAI, Oakland, CA. Appraiser Trainee - Income property valuation. September 1985 to February 1986.

CERTIFICATION

I certify to the best of my knowledge and belief, ...

- * the statements of fact contained in this appraisal report are true and correct.
- * the reported appraisal analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- * I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- * my compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- * the appraisal assignment was not based on a requested minimum valuation or specific valuation or approval of a loan. Employment of the appraiser was not conditioned upon the appraisal producing a specific value or a value within a given range.
- * my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- * The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- * I have made a personal inspection of the property that is the subject of this report.
- * no one provided significant professional assistance to the person(s) signing this report.
- * The subject property has not been appraised nor has there been any services rendered by the appraiser relative to the subject property within the past three years.


Date: May 11, 2020
David J. Vargas
Certified General Appraiser
California Certificate #AG009137