



SANTA CLARA VALLEY WATER DISTRICT

NON-AGENDA

September 23, 2022

Board Policy EL-7 Communication and Support to the Board
The BAOs shall inform and support the Board in its work.

Page		<u>CEO BULLETIN & NEWSLETTERS</u>
4		CEO Bulletin: Weeks of September 9 – September 22, 2022
		<u>BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS</u>
		BMR/IBMR Weekly Reports: None.
7		Memo from Bhavani Yerrapotu, DOO, to Rick Callender, CEO, dated 09/16/22, regarding Supplemental Information Regarding Residential Real Estate Acquisitions for the Coyote Creek Flood Management Measures Project, Part of the Federal Energy Regulatory Commission Order Compliance Report.
		<u>INCOMING BOARD CORRESPONDENCE</u>
109		Board Correspondence Weekly Report: 09/22/22
110		Appreciation Email from John Schultz, to Director Varela, dated 09/14/22, regarding Water Supply (C-22-0162).
113		Appreciation Letter from Justyne Schnupp, to Director Kremen, dated 09/15/22, regarding Valley Water's Sponsorship to the Green's Foothill's 19 th Annual Celebration (C-22-0163)
115		Email from Patty Lippe, to Director Keegan, dated 09/18/22, regarding Article on Tree's (C-22-0164).
116		09/19/22, COB Hotline Call from Santoro Salerno, regarding Water and Energy (C-22-0165).
119		Email from Kathy Hall, to the Board of Directors, dated 09/20/21, regarding Homeless Activity along Stevens Creek Trail (C-22-0165)
120		Email from Bob Fanjoy, to the Board of Directors, dated 09/20/22, regarding Homeless Activity along Saratoga Creek (C-22-0166)
		<u>OUTGOING BOARD CORRESPONDENCE</u>
124		Email from Chair Pro Tem Varela, to John Schultz, dated 09/14/22, regarding Water Supply (C-22-0149).
126		Email from Director Hsueh, to Peggy Griffin, dated 09/15/22, regarding Water Bills in Santa Clara County (C-22-0145).
128		Email from Director Santos, to James Cooper, dated 09/15/22, regarding Pond A4 Access (C-22-0152).
129		Email from Director Keegan, to Brian McCormick, dated 09/15/22, regarding Homeless Activity along the Creeks (C-22-0154)

135		Email from Director Hsueh, to Bob Fanjoy, dated 09/16/22, regarding Homeless Activity along Saratoga Creek (C-22-0155).
137		Email from Chair Pro Tem Varela, to Hamed Hakimelahi, dated 09/19/22, regarding Valley Water's Small Business/ Local Business Contracting Requirements (C-22-0156).

Board correspondence has been removed from the online posting of the Non-Agenda to protect personal contact information. Lengthy reports/attachments may also be removed due to file size limitations. Copies of board correspondence and/or reports/attachments are available by submitting a public records request to publicrecords@valleywater.org.

CEO BULLETIN

CEO BULLETIN



To: Board of Directors
From: Rick L. Callender, CEO

Weeks of September 9 – September 22, 2022

Board Executive Limitation Policy EL-7:

The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

Item	IN THIS ISSUE
<u>1</u>	Third Cohort of Valley Water Emerging Leaders Graduate
<u>2</u>	Valley Water hosts regulatory agency site visits of environmental restoration projects
<u>3</u>	Valley Water to Participate in Phase 1 Microplastics Monitoring

1. Third Cohort of Valley Water Emerging Leaders Graduate

Valley Water's third cohort of 21 Emerging Leaders graduated from the certificate program on September 8, 2022. The Emerging Leaders Certificate Program (ELCP) is a rigorous, year-long program that takes at least 200 hours to complete. The curriculum includes classroom training, outside project work, mentoring and/or supervision, panel presentations, and e-learning, and is designed for employees striving to be Supervisors or Unit Managers but with fewer than two (2) years of supervisory experience.

The graduation ceremony was held Thursday, September 8, 2022. CEO Rick Callender opened the ceremony with a warm welcome and opening remarks. Five teams of emerging leader participants then presented their capstone projects to a mock "Board of Directors" which was comprised of our executive management team. The capstone projects allow the teams to work on real issues or problems and come up with recommendations and solutions. The five capstone projects were 1) Benefits Service Support 2) Pipeline Emergency Action Plan 3) Right of Way Use Policy 4) Standardized Infrastructure Data, and 5) Outgoing/Incoming Communication Channel Alignment.

Since 2017, including the 2022 class, 68 participants have graduated from this program. To date, almost two-thirds of graduates have been promoted and are supervisors; six are Unit Managers.

For further information, please contact Ingrid Bella at (408) 630-3171.

2. Valley Water hosts regulatory agency site visits of environmental restoration projects

On September 14, 2022, Valley Water hosted several regulatory agencies on a site tour of three watershed project sites. Staff from National Marine Fisheries Service (NMFS), California Department of Fish and Wildlife (CDFW), and San Francisco Bay Regional Water Quality Control Board (SFWQB) visited these sites along with Valley Water operations and maintenance staff, engineers, environmental planners and biologists.

Sites visited include a fish ladder project at Evelyn Avenue on Stevens Creek, which is currently under design, Upper Guadalupe gravel augmentation site, which completed construction in 2021, and Coyote Percolation Ponds flashboard dam replacement, which is currently under design. All three sites have fish ladder/habitat improvement elements that the resource agencies were interested in understanding site conditions, assess effectiveness as well as give feedback on design features being considered.

Valley Water presented the design elements and current status of each project and resource agencies were well engaged in understanding the design features and gave initial feedback. Evelyn fish ladder is at 30% design completion and Valley Water will continue working with the resource agencies in refining the design with the understanding that the project will be constructed under the current Stream Maintenance Permit (SMP). Coyote Percolation Ponds Dam replacement is at 90% design completion with pre-purchase of the bladder dam completed, and construction of the civil work anticipated to start in January 2023. NMFS is currently reviewing the 90% design drawings for the Coyote Percolation Ponds Dam and Valley Water anticipates receiving comments in the coming weeks.

For further information, please contact Rechelle Blank at (408) 630-2615.

3. Valley Water to Participate in Phase 1 Microplastics Monitoring

On September 28, 2018, Senate Bill No. 1422 was signed into law requiring the California State Water Resources Control Board (State Board) to define microplastics in drinking water and adopt a standard methodology for microplastics testing and reporting, including public disclosure of those results. Currently, the toxicity and health effects to humans from microplastics exposure in drinking water are inconclusive.

On September 7, 2022, the State Board's Division of Drinking Water (DDW) adopted the "Policy Handbook Establishing a Standard Method of Testing and Reporting of Microplastics in Drinking Water." Per the definition adopted by the State Board on June 16, 2020, microplastics in drinking water are unregulated emerging contaminants defined as solid polymeric particles, ranging from one nanometer to five millimeters in size.

A total of thirty California public water systems of various types and sizes were selected by DDW to participate in Phase 1 monitoring. Valley Water has been listed as one of the public water systems subject to the Phase 1 requirement of monitoring and testing for microplastics in a source water. The goal of Phase 1 is to determine the relative contribution of rain, stormwater, and atmospheric deposition to the presence of microplastics in source waters. Phase 2, which is anticipated to occur in about 3 years, will expand the monitoring and testing requirement to treated water. Prior to issuing monitoring orders, DDW will hold a public workshop to address any concerns and determine the appropriate sampling locations.

Valley Water will continue to proactively track the rapidly evolving scientific developments around microplastics, and work with regulatory bodies and partner agencies (such as American Water Works Association, Association of California Water Agencies, Zone 7 Water Agency, and the Alameda County Water District) to provide input for regulatory developments, to develop monitoring and testing plans, and to better understand the presence and potential sources of microplastics in our source water supplies.

For any questions, please contact Sam Bogale at (408) 630-3505.

BOARD MEMBER REQUESTS and Informational Items



MEMORANDUM

FC 14 (08-21-19)

TO: Rick L. Callender, Esq.
Chief Executive Officer

FROM: Bhavani Yerrapotu
Deputy Operating Officer

SUBJECT: Supplemental Information Regarding
Residential Real Estate Acquisitions for
the Coyote Creek Flood Management
Measures Project, Part of the Federal
Energy Regulatory Commission Order
Compliance Project

DATE: September 16, 2022

On September 27, 2022, the Board of Directors will be asked to consider and approve the purchase of a residential parcel for the Coyote Creek Flood Management Measures Project (CCFMMP), part of the Federal Energy Regulatory Commission Order Compliance Project.

Santa Clara Valley Water District (Valley Water) is undertaking the Anderson Dam Federal Energy Regulatory Commission (FERC) Order Compliance Project (FOCP) as a result of the February 20, 2020, directive from FERC to implement interim risk reduction measures at Anderson Dam to protect the public from risk of dam failure due to seismic activity. The approved FOCP includes four categories of actions including reservoir drawdown, construction of the Anderson Dam Tunnel Project (ADTP)(anticipated to be completed in 2024), operation and maintenance following ADTP construction, and avoidance and minimization measures (AMMs) necessary to reduce environmental and water supply impacts during implementation of FOCP. To address the higher flows from operation of the tunnel after its completion, flood management measures, identified and to be implemented under the Coyote Creek Flood Management Measures Project (CCFMMP), were included in the FOCP to reduce flood risks within urbanized areas of San José. Specifically, the FOCP's flood management measures include possibly acquisition of properties, elevation of structures, or construction of floodwall or levees. The construction of CCFMMP is also anticipated to be completed in 2024. The overall flood risk reduction objective of CCFMMP is protecting areas of Coyote Creek against a flood event approximately equivalent to the February 2017 flood event. This goal will be met by the completion of CCFMMP.

During the planning process, the flood reduction alternatives for certain low-lying residential parcels along Coyote Creek were considered. Nine residential parcels within the CCFMMP were identified for possible acquisition. Each identified low-lying property is being evaluated further during the design phase, while also soliciting the owner's preference, to determine the most suitable alternative disposition for each property.

The property to be considered for acquisition by the Board on September 27, 2022, is located at 150 Arroyo Way, San Jose and is owned by Edward and Elizabeth Ruder. After receiving an appraisal from Associated Right of Way Services (Attachment 1), on March 17, 2022, Valley Water made an offer to Mr. and Mrs. Ruder in the amount of the appraisal (\$1,430,000) which is deemed to be the fair market value and represents just compensation. On August 4, 2022, Mr. and Mrs. Ruder were provided with a Conditional Entitlement Letter (CEL) (Attachment 2) outlining the relocation benefits to which they, as displaced owner/residents,

are entitled. One of these benefits is a price differential payment based on the anticipated cost of a decent, safe, and sanitary comparable replacement dwelling. The amount of the price differential payment is determined to be \$412,750, as set forth in section B. Option 2. Settlement Agreement under Housing of Last Resort, in the CEL.

The final sale price of \$1,842,750, represents a final settlement for acquisition of the real property at the appraised value and settlement of the price differential payment element of the Relocation Plan.

For the remaining potential residential parcel acquisitions, staff anticipates potential costs to include notable price differential payments and will continue to bring such applicable acquisitions to the Board of Directors for approval.

DocuSigned by:

844CB8FDE3DC4E8

Bhavani Yerrapotu, P.E.
Deputy Operating Officer
Watersheds Design and Construction

Attachments: Attachment 1 (Appraisal for 150 Arroyo Way, San Jose CA)
Attachment 2 (Conditional Entitlement Letter, dated August 4, 2022)

ec: M. Richardson, R. Blank, K. Bradley, Julianne O'Brien, B. Magleby

bm:rc



ASSOCIATED
RIGHT OF WAY
SERVICES, INC.



No. 21094

Appraisal Report

for

Santa Clara Valley Water District Coyote Creek Flood Management Measures Project

Ruder Property

150 Arroyo Way
San Jose, CA
APN: 467-29-026

Prepared by:

Brian C. Drake, R/W-AC
Appraiser

March 2022

Associated Right of Way Services, Inc.

2300 Contra Costa Blvd., Suite 525
Pleasant Hill, CA 94523
925.691.8500

March 4, 2022

Bill Magleby, SR/WA
Real Estate Services Unit Manager
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Re: Coyote Creek Flood Management Measures Project
District File No.: 4021-287
Owner: Ruder
Property Address: 150 Arroyo Way, San Jose, CA
APN: 467-29-026

Dear Mr. Magleby:

In accordance with our contract with the Santa Clara Valley Water District (Valley Water), an appraisal has been made of the fair market value of the above referenced property as requested for the Coyote Creek Flood Management Measures Project. The proposed property interest to be acquired includes a full fee simple acquisition of the property that is the subject of this appraisal.

This Appraisal Report is prepared in conformance with the Uniform Standards of Professional Appraisal Practice, Standard Rule 2-2(a). This report contains a description of the subject property, the property interests to be acquired, and a valuation conclusion for the property to be acquired. I have completed an inspection of the subject, gathered pertinent information, sales and other data relevant to the valuation and analyzed the data to reach my conclusions.

The property owner was sent a Notice of Decision to Appraise letter dated January 12, 2022. I visited the property appraised on January 25, 2022, the date of value. Property owners Edward and Elizabeth Ruder were present at the time of the inspection.

The opinion of the fair market value of the property interests considered for acquisition for the project is as shown in the following Summary of Salient Facts and Conclusions, which is made a part of this transmittal letter and appraisal report, and is subject to the Assumptions and Limiting Conditions included herein. The accompanying report is submitted for your review and approval for acquisition purposes.

Sincerely,



Brian C. Drake, R/W-AC
State Certified General Appraiser
CA License No. AG031568

Summary of Salient Facts and Conclusions

Fee Simple Interest
\$1,430,000

Date of Valuation:	January 25, 2022 (date of site visit)
Assessor's Parcel Number:	467-29-026
Property Location/Address:	150 Arroyo Way, San Jose, CA 95112
Owner:	Edward and Elizabeth Ruder
Owner's Address:	150 Arroyo Way, San Jose, CA 95112
Owned Since:	April 2, 2018
Occupied By:	Property owner
Principal Improvements:	1,258 square foot single-family residence originally constructed in 1939 and renovated in the 2016/2017 timeframe, with 1 bedroom and 1.5 bathrooms, 634 square foot lower level with outside access only (529 square feet of livable space), 17 feet by 20 feet attached garage (interior dimensions)
Site Area:	17,877 square feet or approximately 0.41 acre (per 2016 site plan on file with the City of San Jose), roughly one-third of which is located in the riparian area along Coyote Creek
Zoning:	R-1-8 – Single-Family Residence District
General Plan:	Residential Neighborhood and Open Space, Parklands, and Habitat (portion in Coyote Creek)
Highest and Best Use:	
As If Vacant	Development of a single-family residence
As Improved	Continue the current single-family residential use
Flood Hazard Information:	Flood Zone AE, Map No. 06085C0253H, dated May 18, 2009
Earthquake Information:	Not located in an Earthquake Fault Zone

Valley Water

Coyote Creek Flood Management Measures Project

APN: 467-29-026 – Ruder

**Environmental Assessment:**

None provided. This appraisal assumes that no environmental remediation would be required regarding the subject property.

**Real Estate Taxes &
Assessment Data:**

Total taxes for the 2021/2022 tax year amount to \$14,569.74, including direct assessments of \$1,404.78. The tax rate is 1.17226%.

The intent of this appraisal assignment is to conduct an investigation approximating the thoroughness that a typical buyer would conduct when considering similar property on the open market in the subject's neighborhood and competing markets, and in conformance with the necessary policies and techniques used by appraisers in developing an estimate of fair market value.

The sales comparison approach is the most commonly-accepted method to value improved single-family residential properties and has been applied in the valuation of the subject property. In the sales comparison approach, searches of public records, real estate listings and sales services were employed to obtain data. Relevant property sales were researched and confirmed to the extent possible. The conclusion of value for the sales comparison approach is determined following appropriate adjustments to properties that have sold and are similar to the subject. The income approach is not considered applicable to this assignment, since this approach does not typically apply to the valuation of improved single-family residential properties. The cost approach has not been applied either, given the age of the subject improvements, and the difficulty in estimating depreciation of older buildings.

Subject Location Map

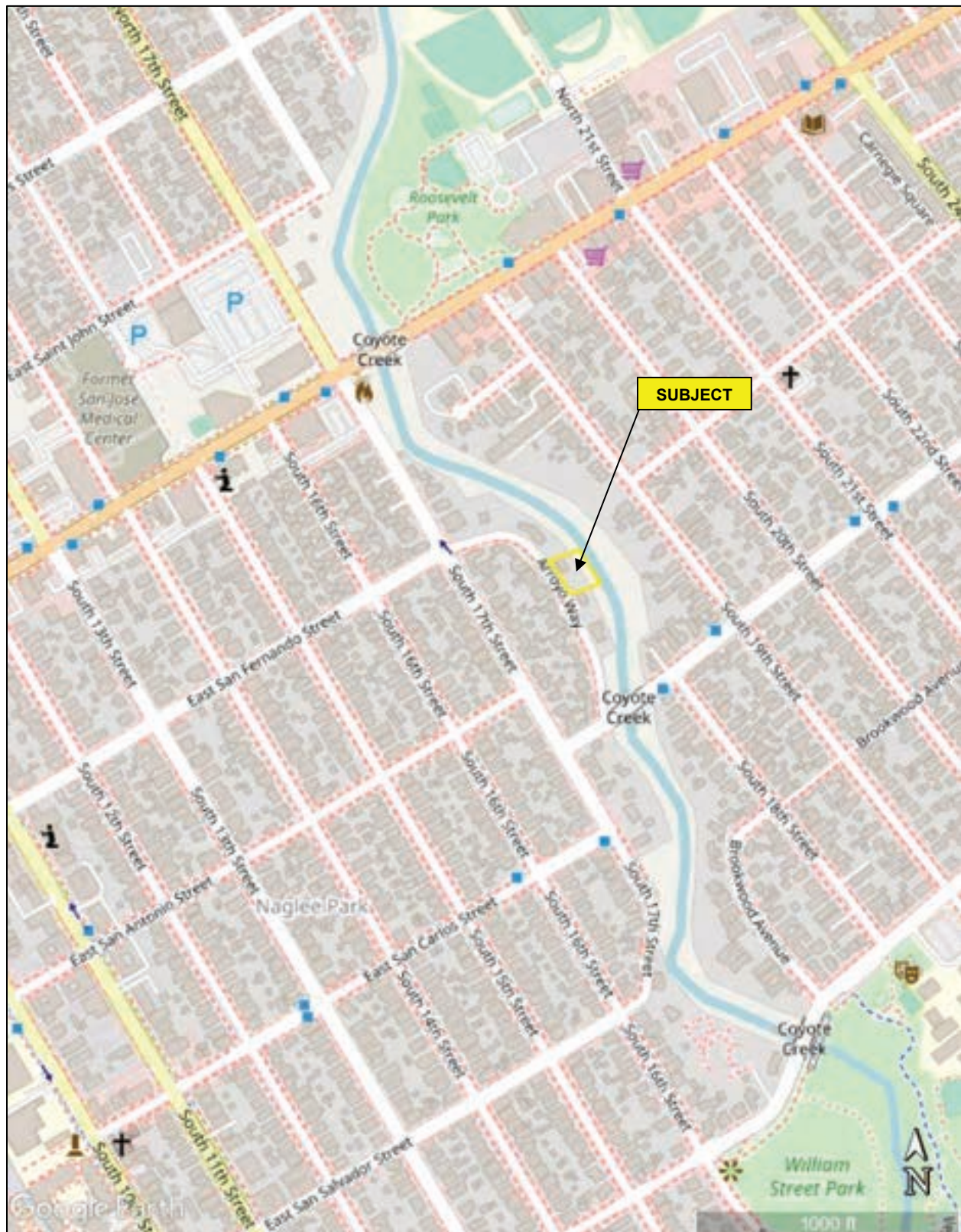


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ADDENDA

COMPARABLE SALES PARCEL MAPS
NOTICE OF DECISION TO APPRAISE
PRELIMINARY TITLE REPORT
SITE PLAN
APPRAISER QUALIFICATIONS

Introduction

Purpose of the Appraisal

The purpose of this appraisal is to furnish an opinion of the fair market value of a full fee simple acquisition of the property that is the subject of this appraisal for the Coyote Creek Flood Management Measures Project.

Scope of Assignment

I inspected the subject to determine the size, condition, and utility of the land and any improvements. Descriptive data about the subject was gathered from online data resources, such as public record summary, Assessor's parcel map, aerial map, and flood map, in addition to any data provided by the Client. The City of San Jose's website was utilized to obtain data about land use ordinances as they apply to the subject. Macro and micro-economic information was gathered from the internet and various news publications. Market participants were interviewed. Analysis of market conditions was completed, both general and specific to the market. Searches of public records, real estate listings and sales services were employed to obtain comparable data. Relevant property sales were researched and confirmed to the extent possible. The data and conclusions are set out in the Valuation section of this report.

The Appraisal Report conforms to Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. The information contained in this report is specific to the needs of the Client and for the intended use stated in this report. I am not responsible for unauthorized use of this report. The intent of this report is to provide sufficient data and analysis so as to have no misleading information and a conclusion of value of high reliability.

Intended Use of the Appraisal

The intended use of the appraisal and report is to provide Valley Water with a basis for determining just compensation to be offered and payable to the property owner for the proposed full acquisition of the subject property. The appraisal report is subject to administrative review by the Client.

Client and Intended User of the Appraisal

The Client and the intended user of this appraisal report is Valley Water.

Date of Valuation

The property in this report has been valued as of January 25, 2022. The date of value is the date of the site inspection.

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Property Interest Appraised

This appraisal addresses the fee simple estate in the subject property. The fee simple estate is defined as follows:

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

(The Dictionary of Real Estate Appraisal, Sixth Edition, published by the Appraisal Institute)

Market Value Defined

(California Code of Civil Procedure, Section 1263.320)

- “(a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- (b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.”

Valley Water

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**Certification of Appraiser**

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

I have personally inspected the property that is the subject of this report.

The statements of fact contained in the appraisal report are true and correct, and the information upon which the opinions expressed therein are based is correct; subject to the Limiting Conditions therein set forth.

I understand that such appraisal may be used in connection with the proposed acquisition of the entire subject property to be acquired by Valley Water and that to the best of my knowledge, no portion of the value assigned to such property consists of items which are non-compensable under the established law of the State of California.

Neither my employment nor my compensation for completing this assignment is in any way contingent upon the values reported herein. My compensation is not contingent upon the developing or reporting of predetermined values or direction in value that favors the cause of the Client, the amounts of the value opinions, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.

I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the acquiring agency and I will not do so until so authorized by said officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

The owner or representative for the owner has been given an opportunity to accompany me during the inspection of the subject property.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report, within a three-year period immediately preceding the acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

The reported analyses, opinions, and conclusions are limited only by the reported Assumptions and Limiting Conditions, and are my own personal, impartial, unbiased professional analyses, opinions, and conclusions.

Any decrease or increase in the fair market value of the subject real property prior to the date of valuation caused by the project or improvements for which the subject property is acquired, or by the likelihood that the property would be acquired for such project or improvements, other than

Valley Water

Coyote Creek Flood Management Measures Project

APN: 467-29-026 – Ruder



due to physical deterioration within the reasonable control of the owner, has been disregarded in appraising the subject property.

The reported analyses, opinions, and conclusions were developed, and this report, to the best of my knowledge and belief, has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).

The opinion of fair market value for the proposed acquisition of the entire subject property as of the date of valuation is set forth in the Summary of Salient Facts and Conclusions and is based upon my independent appraisal and the exercise of professional judgment.

Daniel Gando aided with the confirmation of comparable data. No one else provided significant real property assistance to the person signing this certification.

I hereby certify that my opinion of the market value of the property appraised as described in this report is included herein and that my opinions and conclusions were made subject to the Assumptions and Limiting Conditions in this report and without collusion, coercion or direction from anyone as to value.

March 4, 2022

Date

A handwritten signature in blue ink, appearing to read "Brian C. Drake", is written over a horizontal line.

Brian C. Drake, R/W-AC
State Certified General Appraiser
CA License No. AG031568

Assumptions and Limiting Conditions

The following Assumptions and Limiting Conditions have been relied upon and used in making this appraisal and estimating the respective values required by the purpose of the appraisal and its intended use.

- No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable, unless otherwise stated in this report.
- The property is appraised free and clear of any or all liens and encumbrances, unless otherwise stated in this report.
- Responsible ownership and competent property management are assumed, unless otherwise stated in this report.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- Sketches, plat maps, or photographs contained in this report are included to assist the reader in visualizing the subject and I have made no survey of the property.
- No responsibility is assumed for discovery of hidden or non-apparent conditions of the property, subsoil, or the structures that render it more or less valuable. Encroachment of real property improvements is assumed to not exist. No responsibility is assumed for arranging for engineering studies or a survey, which may be required to discover these conditions.
- It is assumed that the subject is in full compliance with all applicable Federal, State, and local environmental regulations and laws, unless otherwise stated in this report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this report.
- It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been, or can be, obtained or renewed for any use on which the value conclusions contained in this report are based.
- I am not a soil expert. The existing soil and substructure have been assumed adequate for existing or proposed uses unless contrary information is provided and contained in this report. It is advisable to have a soil analysis and report completed by a qualified soil engineer, or other qualified expert, so that any interested party will become knowledgeable as to the important soil information including seismic data, soil contaminants, type of fill, if any, or other relevant matters.

Valley Water

Coyote Creek Flood Management Measures Project

APN: 467-29-026 – Ruder



- Unless otherwise stated in this report, it is assumed that there are no hazardous or toxic substances in the soil comprising the subject land.
- Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature and would restrict access by disabled individuals may adversely affect the property's values, marketability, or utility.
- 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 improvements must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without my written prior consent, and in any event, only with proper written qualification and only in its entirety.
- The delivery and/or possession of this report does not require that I attend or give testimony at any meeting, public hearing, pretrial conference, deposition or court trial unless there is a written agreement between myself and the party possessing or relying on this report or requesting such services.
- Neither all nor any part of the contents of this report (*especially any conclusions as to value, my identity, or the firm with which I am affiliated*) shall be disseminated to the public through advertising, public relations, news sales, or other media.

Project Assumptions and Limiting Conditions

- A preliminary title report for the subject property was reviewed and is displayed in the Addenda. I relied on information contained in the report including the ownership, legal description of the subject property, and title exceptions.
- I relied on public records, assessor's parcel maps, and/or exhibits provided by the Client to determine the location, size, and shape of the subject property. Property boundaries were not staked by survey.
- The Jurisdictional Exception Rule of the Uniform Standards of Professional Appraisal Practice (*USPAP*) is invoked where the USPAP requirements conflict with federal or state laws relating to appraisals for the acquisition of real property by public agencies. The exceptions include the disregard of the proposed public project, which is included as a hypothetical condition within this report. Disregarding the proposed public project as required by California Code of Civil Procedure Section 1263.330 is contrary to Standards Rule 1-2(e) because the effects of the public project on the subject's property value are

being ignored. In addition, Evidence Code Section 822 excludes using comparable data involving acquisitions by public agencies having the power of eminent domain, listings and offers, assessed values and appraising any property or property interest other than that being valued. This may conflict with Standards Rule 1-4, which requires the appraiser to collect, verify and analyze all information necessary for credible assignment results and further specifies that the appraiser analyze such comparable sales data as are available to indicate a value conclusion.

Hypothetical Conditions

Uniform Standards of Professional Appraisal Practice (USPAP 2020/2021 edition*: Definitions) defines hypothetical condition as follows:

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

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

The following hypothetical condition(s) is used for this appraisal and may affect the assignment results:

The analysis of the subject of this appraisal is made under the hypothetical condition that the project and steps leading up to the project do not exist.

**USPAP’s 2020-21 edition is effective through December 31, 2022.*

Extraordinary Assumptions

Uniform Standards of Professional Appraisal Practice (USPAP 2020/2021 edition*: Definitions) defines extraordinary assumptions as follows:

“EXTRAORDINARY ASSUMPTION: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

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Coyote Creek Flood Management Measures Project

APN: 467-29-026 – Ruder



The following extraordinary assumption(s) is used for this appraisal and may affect the assignment results:

None

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General Information

Region, City and Neighborhood Data



The subject is located in the City of San Jose, in Santa Clara County, which is included as one of the nine counties that comprise the San Francisco Bay Area. The counties which border Santa Clara County are Alameda County, Stanislaus, Merced, San Benito, Santa Cruz, and San Mateo. Santa Clara County is situated at the southern end of the San Francisco Bay, in between the Diablo Range to the east and the Santa Cruz Mountains to the west, encompassing 1,304 square miles. Steep slopes, active earthquake faults, and areas of geologic instability are prevalent in both mountain ranges. One of the other major topographical features of Santa Clara County is the Santa Clara Valley, ringed by rolling hills that run its entire length from north to south. The northwestern part of the county, adjacent

to the waters of the San Francisco Bay, consists mostly of vast salt evaporation ponds and remnant areas of salt marsh and wetlands. The Mediterranean climate of the region is temperate year-round due to the area's geography and its proximity to the Pacific Ocean, remaining warm and dry through most of late spring, summer, and early fall. The northern portion of Santa Clara County is extensively urbanized, housing approximately 90% of the County's residents, while the southern part remains predominantly rural. According to the California Department of Finance, the County had a population of 1,934,171, as of January 2021, which is a decrease of 0.6% over the population estimate the year prior.

Santa Clara County is at the center of an area known as "Silicon Valley," so named because this is the birthplace of the computer chip and the resulting high-tech employment sector. Silicon Valley is a region in the southern part of the Bay Area that serves as a global center for high technology, innovation, venture capital, and social media. It corresponds roughly to the geographical Santa Clara Valley. San Jose is Silicon Valley's largest city, and with its strategic central location within this technology industry, it has been nicknamed the capital of Silicon Valley.

Many of the world's largest high-tech corporations are headquartered in Silicon Valley, including more than 30 businesses in the Fortune 1000, according to an online publication. The Bay Area has the largest concentration of high-tech companies in the United States, with about 387,000 high-tech jobs, of which nearly 60% are in Silicon Valley. It also has the highest concentration of high-tech workers of any metropolitan area, as reported by the same web source. In addition, the region has the highest average high-tech salary in the United States, at about \$144,800. Silicon Valley also accounts for one-third of all of the venture capital investment in the United States,

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which has helped it to become a leading hub and startup ecosystem for high-tech innovation and scientific development. The region has also established itself as a leader in bioscience, one of the larger industries in the state, with nearly 430,000 Californians employed in the life sciences. There are more than 1,300 life science establishments in Santa Clara County, which is the largest number in the Bay Area and has contributed to more than 38,000 high-paying jobs.

There are 15 incorporated cities and towns in Santa Clara County, including San Jose. The city covers about 181 square miles located in the northeasterly portion of Santa Clara County, at the south end of the San Francisco Bay. With a current population estimate of 1,029,782, San Jose is the largest city in the Bay Area by a wide margin. The City's population comprises over 53% of the total population in Santa Clara County. The next largest city is Sunnyvale, with 153,827 people.

San Jose was the first incorporated city in California and the site of the first state capital. Once largely an agrarian community up through the 1960s, in recent decades, San Jose has earned a global reputation as the high-tech sector with the largest concentration of high technology engineering, computer, and microprocessor companies. With its strategic central location within this technology industry, San Jose has been nicknamed the capital of Silicon Valley. According to the City's website, San Jose is home to more than 6,600 technology companies that drive the City's economy, employing nearly half of the current workforce of 541,800 (Employment Development Department). Commercial, retail, professional, high-tech manufacturing, electronic assembly, and service businesses all have a presence in San Jose. The table displayed below lists the principal employers in San Jose, according to their 2020 Comprehensive Annual Financial Report.

CITY OF SAN JOSE PRINCIPAL EMPLOYERS Company or Organization	2020		
	Number of Employees	Rank	Percent of Total Employment
County of Santa Clara	18,873	1	3.49%
Cisco Systems	9,393	2	1.74%
City of San José	7,575 ⁽¹⁾	3	1.40%
IBM	3,872	4	0.72%
San José State University	3,607	5	0.67%
Paypal, Inc.	3,600	6	0.67%
eBay	3,500	7	0.65%
Adobe Systems Inc.	3,400	8	0.63%
Kaiser Permanente	3,035	9	0.56%
Western Digital	2,712	10	0.50%
Good Samaritan Health System	2,241	11	0.41%
Super Micro Computer	2,219	12	0.41%
Cadence Design Systems	1,900	13	0.35%
Intel	1,800	14	0.33%
Regional Medical Center	1,625	15	0.30%

San Jose is one of the wealthiest major cities in the United States, and has the third highest GDP per capita in the world (after Zürich, Switzerland and Oslo, Norway), according to the Brookings Institution. The U.S. Census Bureau reports that the median household income within the city limits is \$109,593 (2019 dollars), and approximately 84.6% of San Jose's residents over the age of 25 have at least some college experience, with 43.7% having a bachelor's degree or higher.

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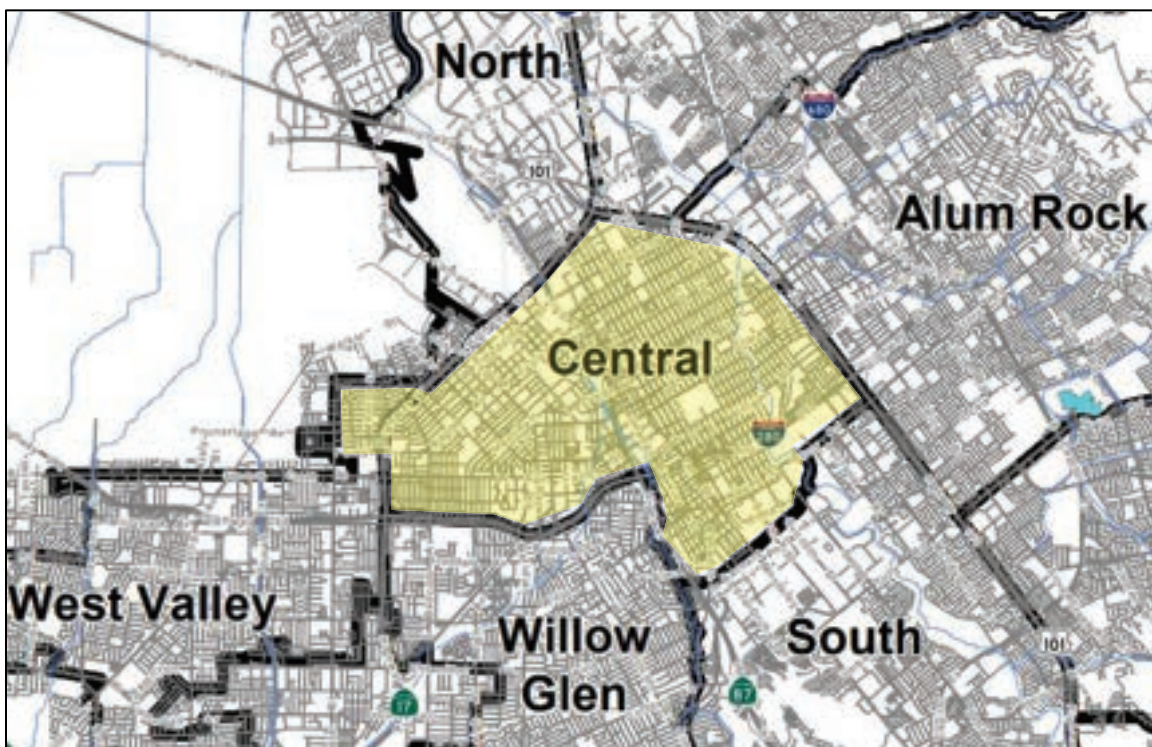
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San Jose benefits from a number of freeways, arterials, and expressways that provide access to most areas of the region, including three interstate highways, I-280, I-880, and I-680, in addition to several federal and state highways, US-101, CA-85, CA-87, CA-17, and CA-237. Santa Clara Valley Transportation Authority (VTA) light rail and bus services provide mass transit for San Jose. San Jose is also serviced by Bay Area Rapid Transit (BART), offering a connection to the rest of the San Francisco Bay Area with the Silicon Valley BART extension that began construction in 2019. In addition to the new Milpitas Station, Berryessa/North San Jose opened for service in June 2020. The extension to downtown San Jose is targeted for completion in 2030 (see Project Description). Located two miles north of the downtown is the Norman Y. Mineta San Jose International Airport.

The subject is located in San Jose's Central Planning Area, one of fifteen subareas of the city, as defined by the General Plan, which divides its sphere of influence into several neighborhood-oriented areas. The Central Planning Area is roughly bounded by US 101 to the north and east, I-880 / Highway 17 to the north and west, and to the south, I-280 to the west of Highway 87 and Story Road and Barnard Avenue to the east of it.



The Central Planning Area is urban in nature and encompasses the City's downtown core and several distinct residential neighborhoods that feather out from it. The subject is included in Naglee Park, a historic single-family residential neighborhood built-out in the early 1900s that is located to the east of the downtown area and San Jose State University. The subject is adjacent to Coyote Creek, which defines the eastern boundary of the neighborhood, and it reaches as far north as East Santa Clara Street and I-280 to the south. In the late 1960s, with the growth of the college, SJSU students were allowed to live off campus, and many of the larger homes were converted into apartments as the result of zoning changes that allowed for multifamily

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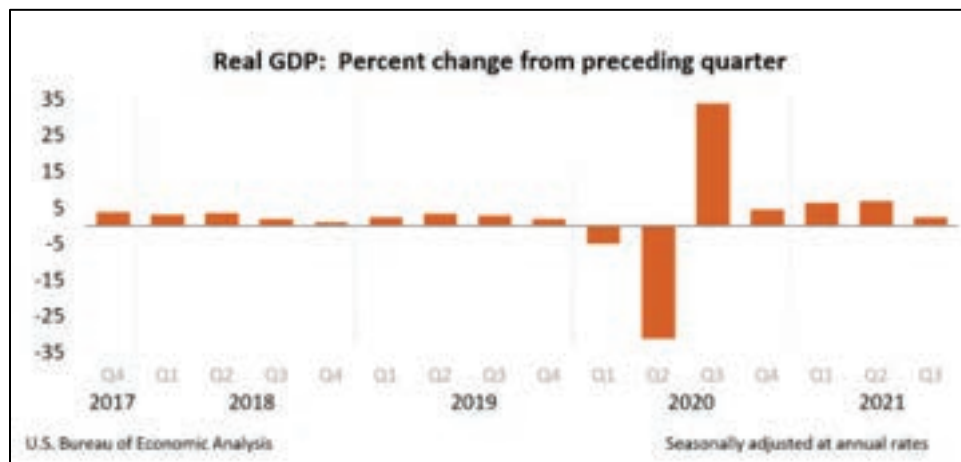
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development. This also attracted board and care facilities for mentally disabled people that moved into the area. However, the zoning was switched back at the request of neighborhood residents, and during the 1990s and 2000s, many of the converted homes were renovated and returned to the single-family dwellings they once had been. The schools that service Naglee Park are Horace Mann Elementary, Muwekma Ohlone Middle School, and San Jose High.

Real Estate Market Conditions

Since March 2020, the world has been dealing with the spread of the coronavirus, COVID-19, a global pandemic. In the initial goings of the outbreak the economy experienced a significant downturn, with most major markets declining by as much as 20%. At that time, one could only speculate on the impact this would have on the real estate market not knowing the duration of the pandemic, and as a result, demand in certain market segments was then and has been limited. Most COVID-19 related restrictions were lifted in mid-2021 throughout the state, with approximately half of Californians vaccinated at that time. The progression of COVID-19 continues with a reemergence through multiple variants, but scientists are predicting that COVID-19 will likely shift from a pandemic to an endemic. The local economy has shown its resilience and the forecast over the long-term is considered to be favorable, according to market participants.



COVID-19's toll on the nation's economy became emphatically clearer with the Bureau of Economic Analysis's (BEA) estimate of real gross domestic product (GDP) for the second quarter 2020, which decreased at an annual rate of 31.4%, after a decline of 5.0% in the first quarter 2020. Real gross domestic product (GDP) is a comprehensive measure of economic activity and the most popular indicator of the nation's overall economic health. The most devastating three-month collapse on record in the second quarter 2020 almost wiped away nearly five years of growth as consumers cut back spending, businesses pared investments, and global trade dried up the Commerce Department said, and it would have been even more severe without trillions of dollars in government aid to households and businesses. The attempt to freeze the economy and defeat the virus had not produced the rapid rebound that many envisioned, and a surge in coronavirus cases and deaths across the country in the second quarter 2020 led to a renewed pullback in economic activity, reflecting consumer unease and renewed shutdowns.

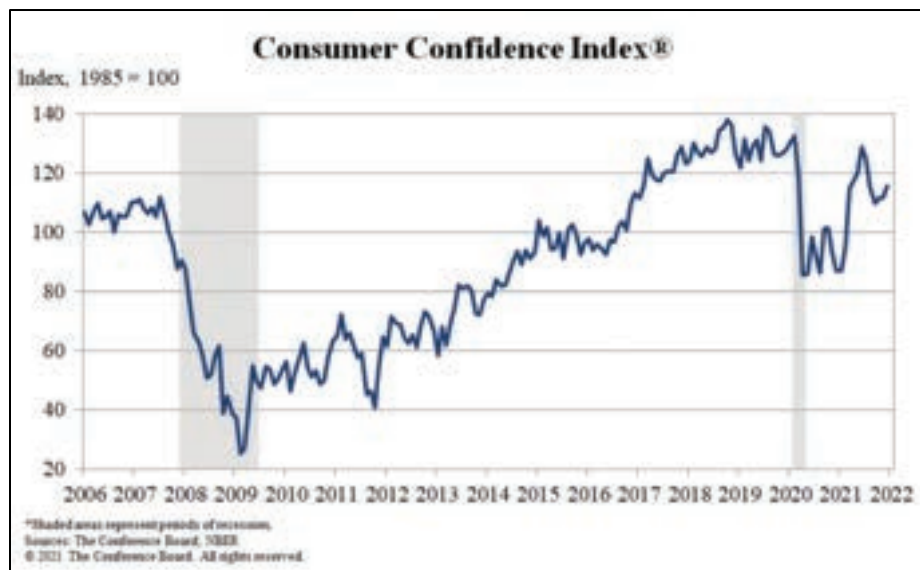
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Fortunately, though, a recovery started in the following quarter, as third-quarter (Q3) 2020 GDP increased at an annual rate of 33.4%, according to BEA's third estimate, the largest single quarter of economic growth on record, which recovered two-thirds of the economic output lost due to the pandemic during the first half of the year and bringing the economy back to only 3.5 percentage points below its pre-pandemic level (see graph presented previously). First-quarter GDP for 2021 increased at a 6.3% rate, marking the second-fastest pace for growth since the second quarter of 2003 and was exceeded only by the reopening-fueled burst in Q3 2020, until Q2 2021, when it was followed by an increase in the GDP of 6.7%. GDP increased at an annual rate of 2.3% in the Q3 2021.

Economic activity boomed to start 2021, as widespread vaccinations and government spending helped get the U.S. closer to where it was before the COVID-19 pandemic struck, the Commerce Department reported. While the increase in GDP in the first half of 2021 reflects the continued economic recovery, reopening of establishments, and the unending government response related to the COVID-19 pandemic, the lower increase in Q3 2021 GDP reflected the continued economic impact of the COVID-19 pandemic with a resurgence of COVID-19 cases. The increase in real GDP in the third quarter reflected increases in private inventory investment, PCE, state and local government spending, and nonresidential fixed investment that were partly offset by decreases in exports, residential fixed investment, and federal government spending. Imports, which are a subtraction in the calculation of GDP, increased.



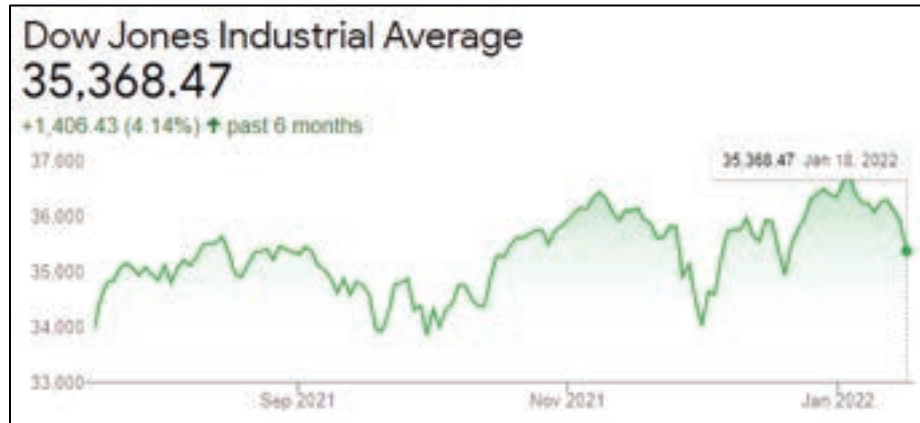
The Conference Board Consumer Confidence Index (CCI) is a barometer of the health of the U.S. economy from the perspective of the consumer. The index is based on consumer's perceptions of current business and employment conditions, as well as their expectations for six months regarding business conditions, employment conditions, and income. The CCI increased for December 2021, after an upward revision from November at 111.9; the Index now stands at 115.8, whereas 100 is the benchmark. Consumers' assessment of current conditions and their short-term outlook improved significantly in the first part of 2021, as renewed optimism boosted purchasing intentions for big-ticket items; however, consumers' short-term optimism retreated in the third quarter, prompted by concerns about inflation and the emergence of the Omicron variant,

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but according to the Conference Board, expectations about short-term growth prospects improved to close out 2021, setting the stage for continued growth in early 2022.



Global stock markets initially suffered dramatic falls due to the COVID-19 pandemic, and the Dow Jones Industrial Average (DJIA), one of the most closely watched U.S. benchmark indices tracking targeted stock market activity, reported its largest-ever single day decline of almost 3,000 points on March 16, 2020, beating its previous record of 2,300 points that was set only four days earlier. It had increased steadily since the end of the “Great Recession” to record-high levels but fell sharply in the later part of February 2020 after mounting coronavirus fears. The Dow Jones has been hovering around 35,000 near to the date of value, recovering the losses seen in the initial stages of the pandemic and setting numerous all-time highs since the later part of 2020. By comparison, the index was below 7,000 for a portion of 2009, at the time of the Great Recession.

The unemployment rate is the most frequently cited indicator of labor market health, and data from the job market gives the picture of an economy that is continually recovering from the effects of COVID-19 (see graphic displayed on the following page). It declined by 0.3 percentage point to 3.9% in December 2021, while nonfarm payroll employment rose by 199,000 jobs, according to the U.S. Bureau of Labor Statistics (BLS). The national unemployment rate has generally been on a downward trajectory after having spiked to 14.7%, when 870,000 jobs were lost in March 2020, followed by a record 20.5 million in April 2020, when much of the U.S. in self-imposed shutdown mode to prevent the spread of Covid-19. The job losses in those two months were by far the largest decline since the government began tracking the data in 1939, and amount to layoffs so severe, they more than double the 8.7 million jobs lost during the Great Recession and nearly wiped out the 22.8 million jobs gained over 10 years since the 2008 financial crisis. The unemployment rate in April 2020 was the highest level since the BLS started recording the monthly rate in 1948. The last time American joblessness was that severe was the Great Depression, when the unemployment rate peaked at 24.9% in 1933, according to historical annual estimates from the BLS.

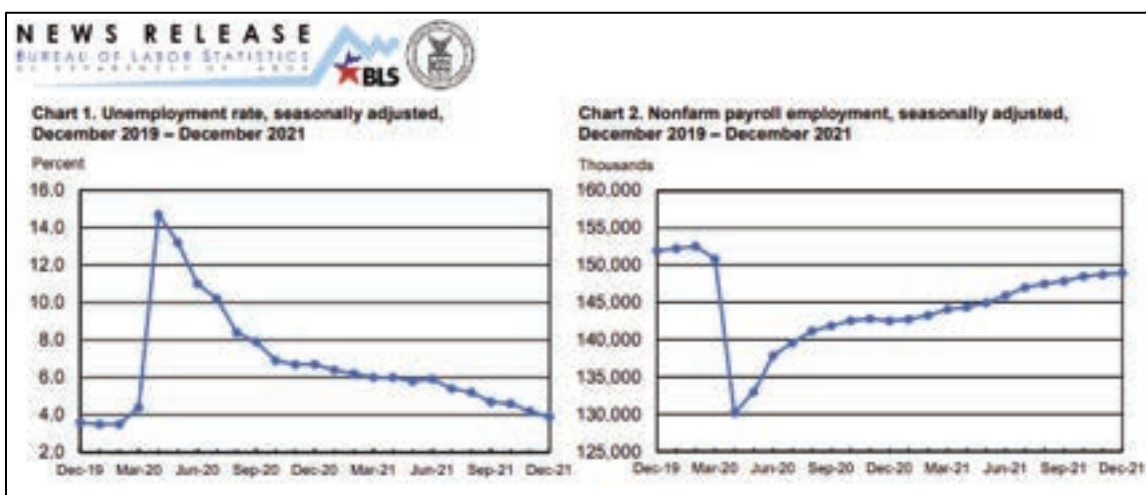
The improvements in the labor market starting in May 2020 reflect the continued resumption of economic activity that had been curtailed in March and April due to COVID-19 and efforts to contain it. For December 2021, notable job gains occurred in leisure and hospitality, in professional and business services, in manufacturing, in construction, and in transportation and warehousing. Both the U.S. unemployment rate, at 3.9%, and the number of unemployed persons

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nationally, at 6.3 million, declined from previous months and nearing their levels prior to COVID-19 (3.5% and 5.7 million, respectively, in February 2020). The unemployment rate in Santa Clara County was 2.9% (not seasonally adjusted) for December 2021, which compares with an unemployment rate of 6.5% for California for the same period (most recent figures reported by EDD).



Generally, housing is seen as one of the sectors to rise or fall as economic conditions improve or degrade. The California housing market ended 2020 on a high note, with the statewide median home price reaching record highs. That same momentum was carried forward in 2021, and in April, the median home price throughout the state reached above the \$800,000 mark for the first time, according to the data released by the California Association of Realtors. While median home prices are an imperfect measure of the current value of any individual home, they do provide important information regarding the overall health of residential real estate markets. For December 2021, the median sales price of existing single-family homes statewide was \$796,570, up 1.8% from November and up 11.0% from a year earlier. Sales of existing homes declined 5.4% and 15.7%, respectively, for all of California over the same time period. Just like the national housing market trends, the tight inventory and low mortgage rates are fueling the rise in California home prices.

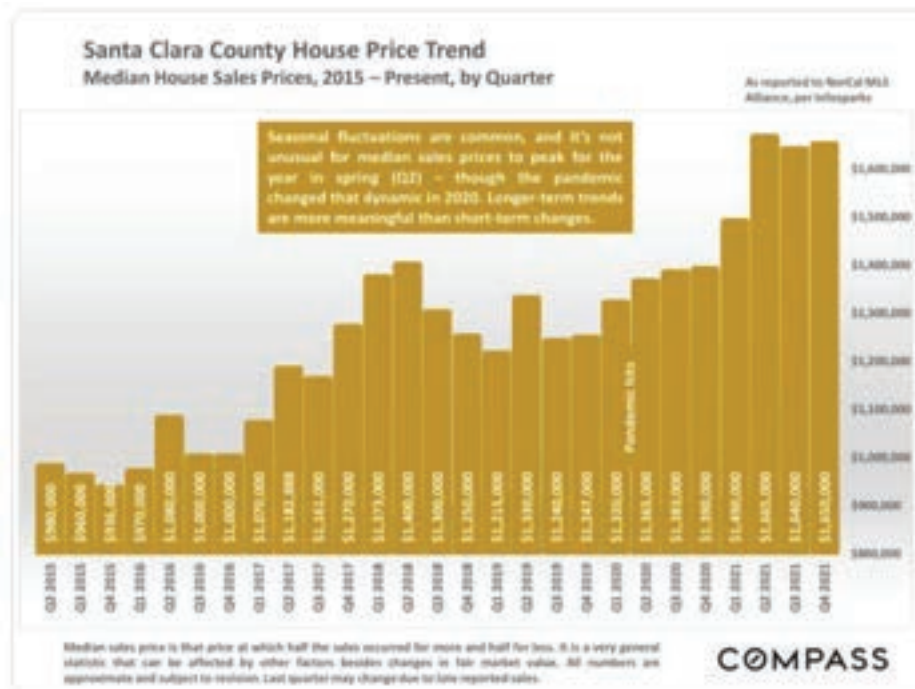
Sales of single-family, re-sale homes were down 19.8% year-over-year in December 2021 in Santa Clara County, where 690 homes were sold, according to MLSListings source data. Comparatively, the monthly average since 2000 is 987. April marked the fourth month in a row that home sales were lower than the year before.

At \$1,750,000, the median sales price for single-family, re-sale homes in Santa Clara County in December 2021 rose 27.7% compared to last year. That is the twenty-sixth month in a row the median sales price has been higher than the year before. The graphic displayed on the following page shows the trend for median home sales prices in Santa Clara County over the last five years (by quarter) through the fourth quarter 2021.

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There were 205 homes for sale in Santa Clara County, as of January 5th, while the average since 2000 is 2,703. December is the twenty-eighth month in a row that inventory of single-family, re-sale homes has been lower than the year before in Santa Clara County; for December 2021, it was down 52% in a year-over-year comparison. Low inventory has had an impact on how long it would take to sell all homes listed for sale in the county, which at the current rate of sales, is estimated to be 9 days, while the average since 2003 is 89.

The graphic below shows the median sales price for single-family, re-sale homes in Central San Jose and other relevant data about the local residential real estate market.

December 2021 Report
Single Family Homes in Santa Clara County, San Jose, Central San Jose

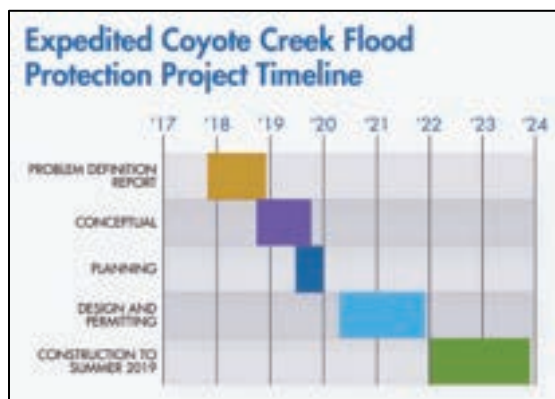
Trends At a Glance	Dec 2021	Previous Month	Year-over-Year
Median Price	\$1,250,000 (-0.9%)	\$1,261,000	\$1,072,500 (+18.8%)
Average Price	\$1,343,790 (+2.5%)	\$1,311,190	\$1,116,480 (+20.4%)
No. of Sales	35 (-35.2%)	54	40 (-12.5%)
Pending	52 (-23.5%)	68	36 (+44.4%)
Active	19 (-34.5%)	29	38 (-50.0%)
Sale vs. List Price	110.0% (+2.3%)	107.5%	102.6% (+7.2%)
Days on Market	17 (-20.8%)	21	22 (-23.6%)
Days of Inventory	16 (+4.6%)	16	29 (-42.9%)

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Project Description



The Coyote Creek Watershed consists of a 322 square mile area with six major tributary creeks and is the largest watershed in Santa Clara County. It extends from the urbanized valley floor upward to the vast natural areas of the Diablo range. Coyote Creek, its main waterway, is the longest creek in the county.

Flooding has occurred repeatedly within the Coyote Creek Watershed, including along portions of Coyote Creek, most recently in February 2017. The worst flooding since the construction of the

Anderson Dam in 1950 occurred during the 2017 flood event. Coyote Creek overtopped its banks at several locations between Montague Expressway and Tully Road. Businesses and hundreds of homes were inundated by creek waters, some by up to six feet of water. Highway 101 near Watson Park and various local streets were closed due to the flooding, and thousands of residents were evacuated and sheltered.

Soon after the 2017 flood, Valley Water, the flood protection agency for Santa Clara County Valley, acted on a series of immediate flood risk reduction efforts, the largest of which was the construction of a flood barrier and levee in the Rock Springs, Nordale, and Bevin Brook neighborhoods of San Jose. The primary goal of the Coyote Creek Flood Protection Project is to reduce the risk of flooding to homes, schools, businesses, and highways from a flood event equivalent to the one experienced in February of 2017. The project reach is located in the central section of the Coyote Watershed on the mid-section of Coyote Creek, extending approximately nine miles between Montague Expressway and Tully Road, all within the city limits of San Jose (see following exhibit).

Coyote Creek is an active riparian corridor serving as habitat for wildlife. Urban growth has drastically reduced and altered the natural habitat surrounding Coyote Creek. The riparian corridor has become narrow and discontinuous because of adjacent land use. Creek ownership varies from public entities to private owners, creating challenges for consistent and comprehensive maintenance. Non-native and invasive plants have also decreased the value of riparian habitat for native wildlife along the creek. Project objectives will include enhancing and restoring stream habitat, while improving upon water quality within the project limits, and to minimize the need for future operations and maintenance activities to create a self-sustaining natural system. Wherever feasible, the use of non-structural and/or minimal hardscape features will be included for creek improvements.

The Coyote Creek Flood Management Measures Project was originally funded by the countywide Clean, Safe Creeks and Natural Flood Protection Plan parcel tax passed by voters in November 2000. In November 2012, the project was transitioned to the Safe, Clean Water and Natural Flood Protection Program.

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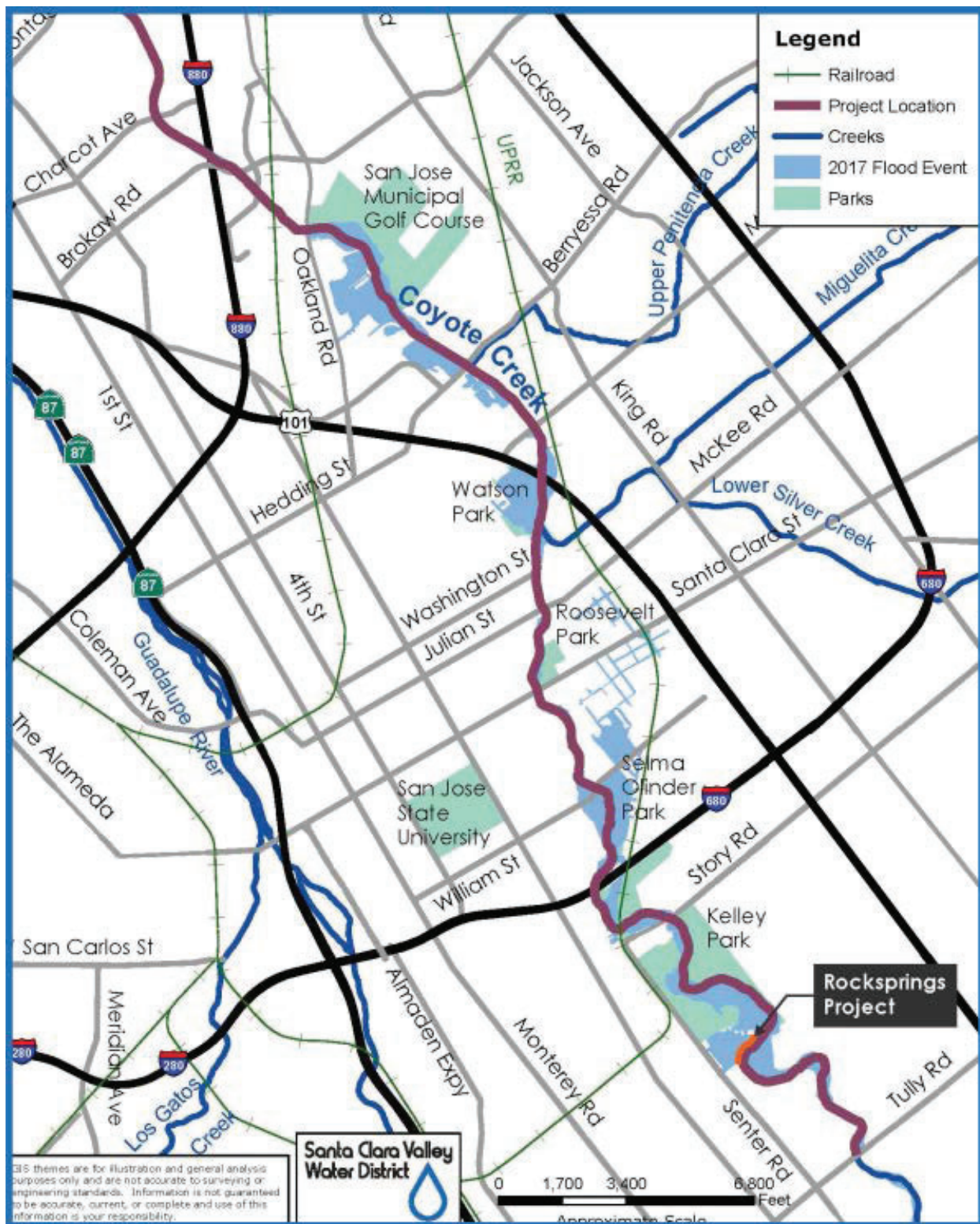
In an effort to implement the Coyote Creek Flood Protection Project, Valley Water is proposing to acquire certain properties within the project limits that are located in FEMA flood mapped areas, which includes the subject. Alternatives to owners selling their properties are to elevate existing structures above the flood level or to construct a flood wall as another protective measure.

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Project Exhibit



Subject Parcel Information

Subject Property Data Summary

Assessor's Parcel Number:	467-29-026
Property Location/Address:	150 Arroyo Way, San Jose, CA
Owner:	Edward and Elizabeth Ruder
Owner's Address:	150 Arroyo Way, San Jose, CA 95112
Owned Since:	April 2, 2018
Occupied By:	Property owner
Principal Improvements:	1,258 square foot single-family residence originally constructed in 1939 and renovated in the 2016/2017 timeframe, with 1 bedroom and 1.5 bathrooms, 634 square foot lower level with outside access only (529 square feet of livable space), 17 feet by 20 feet attached garage (interior dimensions)
Site Area:	17,877 square feet or approximately 0.41 acre (per 2016 site plan on file with the City of San Jose), roughly one-third of which is located in the riparian area along Coyote Creek
Flood Hazard Information:	Flood Zone AE, Map No. 06085C0253H, dated May 18, 2009
Earthquake Information:	Not located in an Earthquake Fault Zone
Environmental Assessment:	None provided. This appraisal assumes that no environmental remediation would be required regarding the subject property.
Real Estate Taxes & Assessment Data:	Total taxes for the 2021/2022 tax year amount to \$14,569.74, including direct assessments of \$1,404.78. The tax rate is 1.17226%.
Zoning:	R-1-8 – Single-Family Residence District
General Plan:	Residential Neighborhood and Open Space, Parklands, and Habitat (portion in Coyote Creek)

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Highest and Best Use:

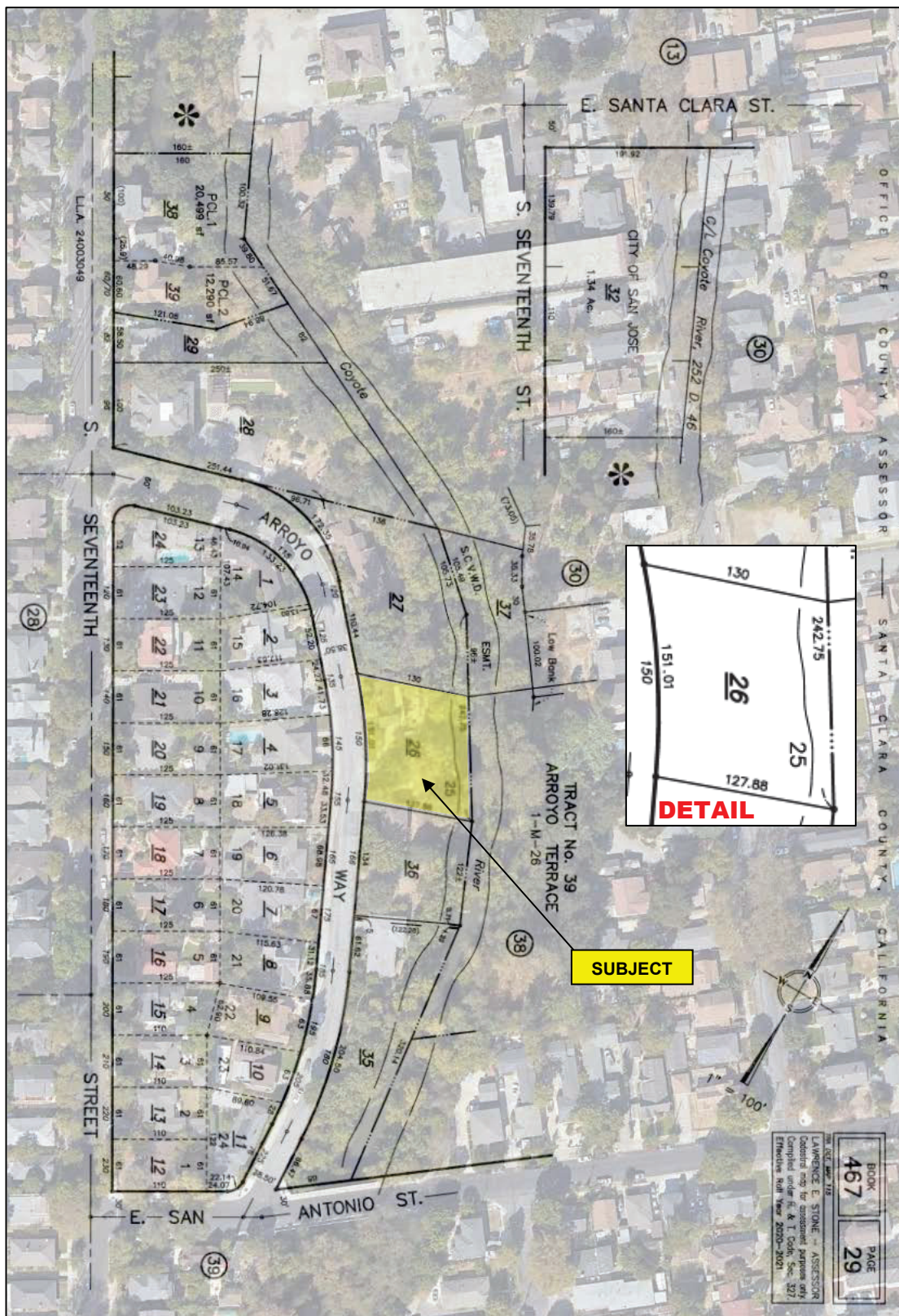
As If Vacant

Development of a single-family residence

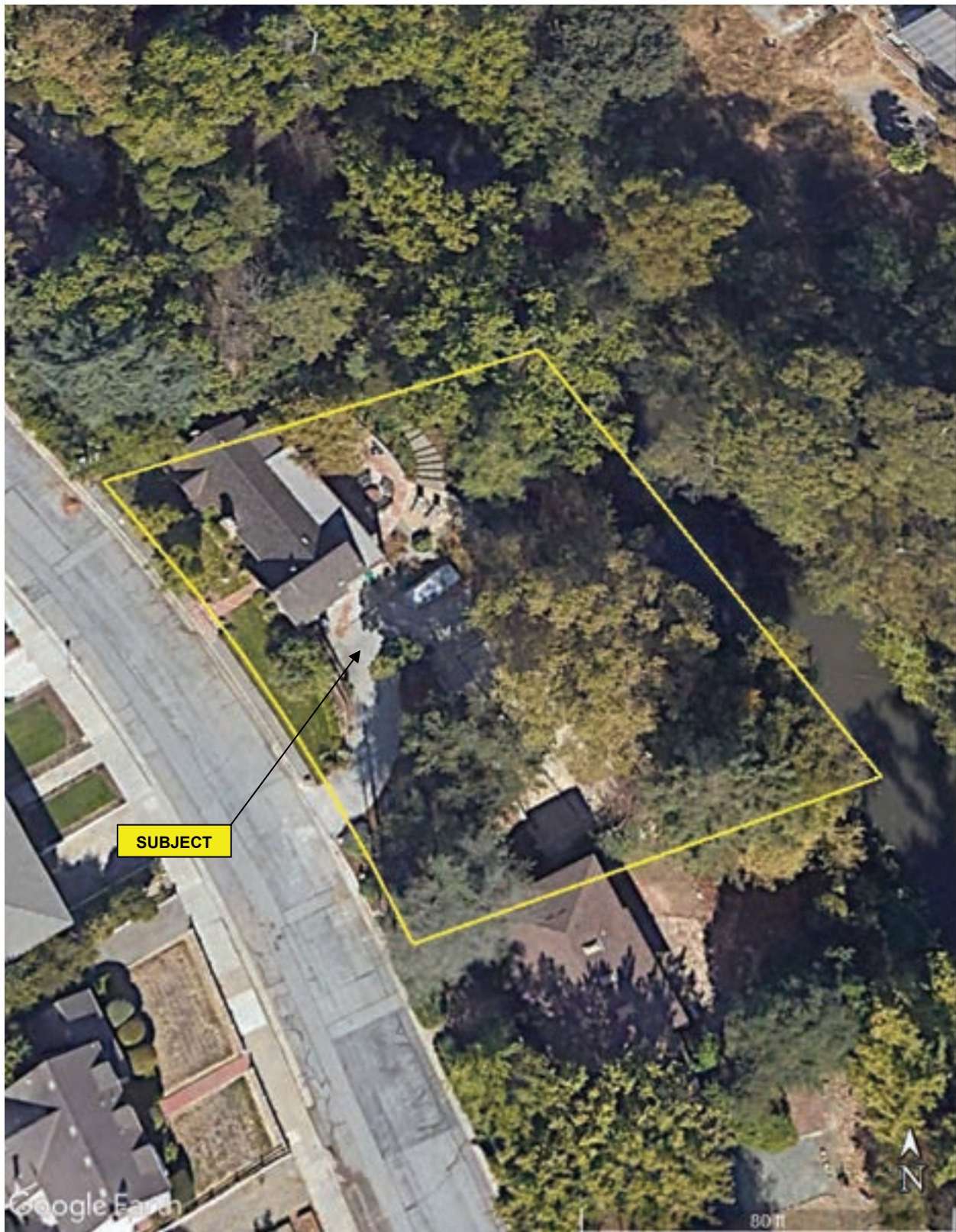
As Improved

Continue the current single-family residential use

Assessor's Parcel Map



Subject Aerial Photograph



Subject Property Photographs



View of the front elevation of the house, as seen from Arroyo Way



View of the driveway leading to the garage and uncovered parking area from Arroyo Way

Subject Property Photographs



View of the northern and rear elevations of the house, as seen from the rear yard space



View of the southern elevation of the house, as seen from the neighboring property

Subject Property Photographs



View of the living room, as seen from the dining room



View of the dining room, as seen from the living room

Subject Property Photographs



View of the kitchen, as seen from the hallway



View of the bedroom, as seen from the hallway

Subject Property Photographs



View of the full-size bathroom



View of the lower-level livable space

Subject Property Photographs



View of the garage interior



View of the second-floor balcony and stairs that are used to access the rear yard

Subject Property Photographs



View from the second-floor balcony looking towards Coyote Creek



View of the rear yard space, as seen from the subject's southern boundary facing north

Subject Property Photographs



View of Arroyo Way, as seen from in front in front of the subject property facing southeast



View of Arroyo Way, as seen from in front in front of the subject property facing northwest

Property Description

Site Description

The subject property is located on the east side of Arroyo Way, north of East San Antonio Street and east of South 17th Street. There is a barricade located where Arroyo Way meets S. 17th Street that restricts vehicular traffic. The street address for the subject is 150 Arroyo Way. Arroyo Way is a relatively short, interior residential street comprised of two lanes, one in each direction, and travels generally north-south in the Naglee Park neighborhood of the San Jose. Curbs and gutters line both sides of the street, and there is a sidewalk on the west side. The subject is in an area of predominately single-family residential uses with improvements that were mostly built prior to the 1950s. Single-family residential properties are located directly to the north and south, across Coyote Creek to the east, and across Arroyo Way to the west. William Street Park is located within walking distance and offers the potential for recreational activities. Commercial services available to neighborhood residents are concentrated along Santa Clara Street where South 17th Street transitions to North 17th Street. From this location, Santa Clara Street leads to the downtown area heading west. The light rail line runs along Santa Clara Street, and a station is nearby. Highway 101 is the closest freeway access, which is located roughly one mile to the east via Santa Clara Street.

The subject site, identified as APN 467-29-026 on the assessor's parcel map, is a generally rectangular shaped parcel with approximately 151 feet of frontage along Arroyo Way. Public records indicate a lot area of 19,328 square feet, which extends to the center of Coyote Creek. However, this area seems to be overstated, and a site plan prepared in 2016, included in the Addenda, indicates 17,877 square feet for the area of the lot, which has been used for this assignment. The parcel is terraced, sloping down from street grade before it meets the west bank of Coyote Creek, which occupies roughly one-third of the site.

Improvement Description

A single-family residence of wood framed construction is located on the parcel towards the northern portion of the site. The structure was originally built in 1939. It has a single-story front at grade with Arroyo Way and two stories in the rear that face Coyote Creek. The second (main) floor of the house measures 1,258 square feet. It has 1 bedroom and 1.5 bathrooms. Additional rooms on this level include a living room, dining room, and kitchen. The ground floor consists of 634 square feet that is only accessible from the exterior, with 529 square feet of livable space in one open area, while the balance houses the mechanical systems and an unfinished storage area. A 363-square foot garage, with interior dimensions of 17 feet by 20 feet, rounds out the lower level. Floor plans are displayed after this report section.

The house is a Storybook variant of the Tudor Revival style that resembles the architecture in the Cotswolds of south-central England. With no sidewalk, a loosely-placed brick walkway leads from the front curb to a small porch that is tucked under the larger of two front facing gabled wings. The brick walkway passes through a shallow front yard with landscaping beds planted with complementary shrubbery that are located behind a narrow strip of lawn shaded by medium-sized trees (the landscaping includes an automatic irrigation system, with a combination of pop-up sprinklers and drip tubing). Recessed within the entry alcove is a handcrafted wooden door with

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battered hinges and matching lockset flanked by thin sidelights. The center of the front facade is set back between the two outside wings, and an ornate, three-stepped brick chimney is the centerpiece. The front elevation is asymmetrical with rough-troweled stucco walls, clinker-style brick cladding, false half-timbering, and windows with leaded glass diamond lights. There is a steeply-pitched, cross-gabled roof covered with wood shakes and exposed beam rafters.

The site drops steeply to expose the lower level of the house, and a cobblestone driveway curves down from Arroyo Way on the right (southern) side, widening out to meet a garage and uncovered parking area. Brickwork that wraps around from the front facade onto the other elevations merges into a loosely-placed brick-terraced planter that flanks the west side of the driveway, as well as a brick retaining wall with inset steps to the north of the house.

While similar finish materials carry over to the other elevations from the front of the house, board-and-batten cladded walls complete the rear facade on the second floor. A ribbon of steel multi-light casement windows along the rear elevation looks out onto a covered, stepped balcony supported by large wooden posts with brick-clad bases that extends almost the entire width of the upper story of the house. French doors open out onto the balcony from the upper floor, and an exterior wooden staircase leads up from ground level, where a similar set of French doors are used to access the first-floor space (there are no interior stairs that connect the two levels).

The balcony partially covers a combination flagstone and brick patio that extends out into the landscaped rear yard space. A decorative stone veneer low lying wall and fencing consisting of wire mesh set in a wooden frame attached to wooden posts, so as not to block the view of Coyote Creek, defines the yard space from the riparian area, but a set of steps also leads down to a lower level next to the creek that has been graded and covered with pea gravel. A bocce ball court is located in the yard space west of the driveway.

The front entry door opens into a small foyer with a coat closet that can access the kitchen through a doorway to the right, and it opens up into the living room to the left that has a vaulted ceiling following the roof contour with wide plank boards (painted) and exposed rough cut wood beams, which have been used as a decorative element throughout the house. The floor in the foyer is a Terra Cotta tile set in a random pattern that steps down into the living room and transitions to natural hardwood, which is used in the rest of the house, excluding the full-sized bathroom, where there is a tile floor. A flagstone fireplace is a focal point in the living room that is flanked by leaded glass windows with Terra Cotta tile stools. The walls of the living room have a rough plaster finish that has also been used on the walls and ceilings of other rooms in the house where there are not the wide plank boards. From the living room, French doors open up onto the covered balcony, with a view of Coyote Creek and the landscaped/hardscaped rear yard, as previously described. In addition to the natural light that floods in from the extensive fenestration, recessed LED lights help supplement the original wall sconces that were the only light fixtures originally used to illuminate the space.

The dining room, which opens up into the living room similar to the foyer and is accessed from the same set of Terra Cotta tile steps, also has a bank of windows that looks out onto the balcony, and a storage bench seat is located beneath. The dining room features a built-in China cabinet, accent wood wall panels, and chandelier.

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In addition to the foyer, the kitchen can be accessed from the dining room, which also leads to a small hallway that connects to a small half bath with a toilet and a sink, as well as a door to the balcony (this is the only area of the house that seems to have been slightly modified from the original 1939 plans that were reviewed, and it is not known when this alteration occurred). Painted wood cabinets in the kitchen are located above and below tiled countertops, which included decorative tile accents shared with the bathrooms, and a sink is placed in front of a bay window that looks out over the landscaped front yard and street. A mosaic tile backsplash is set behind a built-in gas range and matching hood. Other appliances include a dishwasher and free-standing refrigerator. There is a small eat-in dining area with a built-in bench.

On the north side of the house, a small hallway with a door and a built-in cabinet that faces out into the living room connects to the bedroom and full-sized bathroom. The bedroom includes a walk-in closet, in addition to a reach-in closet. The bathroom features a shower-over-tub design, small mirror and wall sconces over a cabinet with a single sink, and there is a toilet. Tile used in the shower carries over onto the walls of the bathroom.

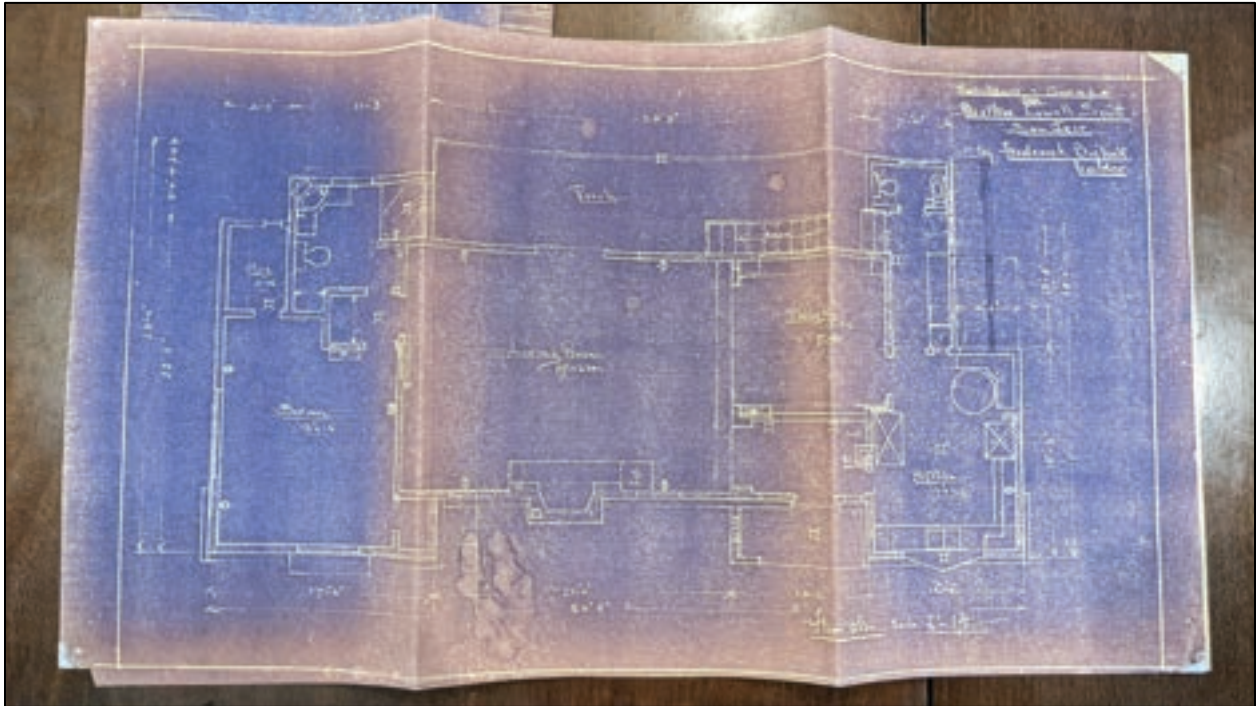
Renovations occurred in the 2016/2017 timeframe, at about the time the lower seven feet of the structure were inundated with water from when Coyote Creek had overflowed its banks, according to city permit information. The mechanical systems were replaced to include central heating and air conditioning, and instant hot water heaters were installed. This is also when the lower level, excluding the garage, was added as livable space, with a minimalist interior finish that has exposed ducting and concrete retaining wall (painted) visible on one side, but where the other walls and ceiling have been finished and engineered flooring laid over the concrete foundation. Recessed canned lights illuminate the space. Laundry hook-ups are on the lower level. An electric car charging station was recently installed in the garage.

The main part of the house was also updated within the last five years but in keeping with the original details. A new roof was installed in 2006. Slight cupping was noted on some of the wood shingles, and the owner indicated that there were some minor repairs that were made recently, but that the roof was watertight on the date of value. There were no visible signs of any prior leaks. The old piping has been replaced with copper, which could be seen in the garage and was evident from where the second floor over hangs the first at the location of the full-sized bathroom. Overall, the subject improvements are judged to be in above average condition, and the house, relative to its chronological age (83 years), has an estimated effective age of 25 years.

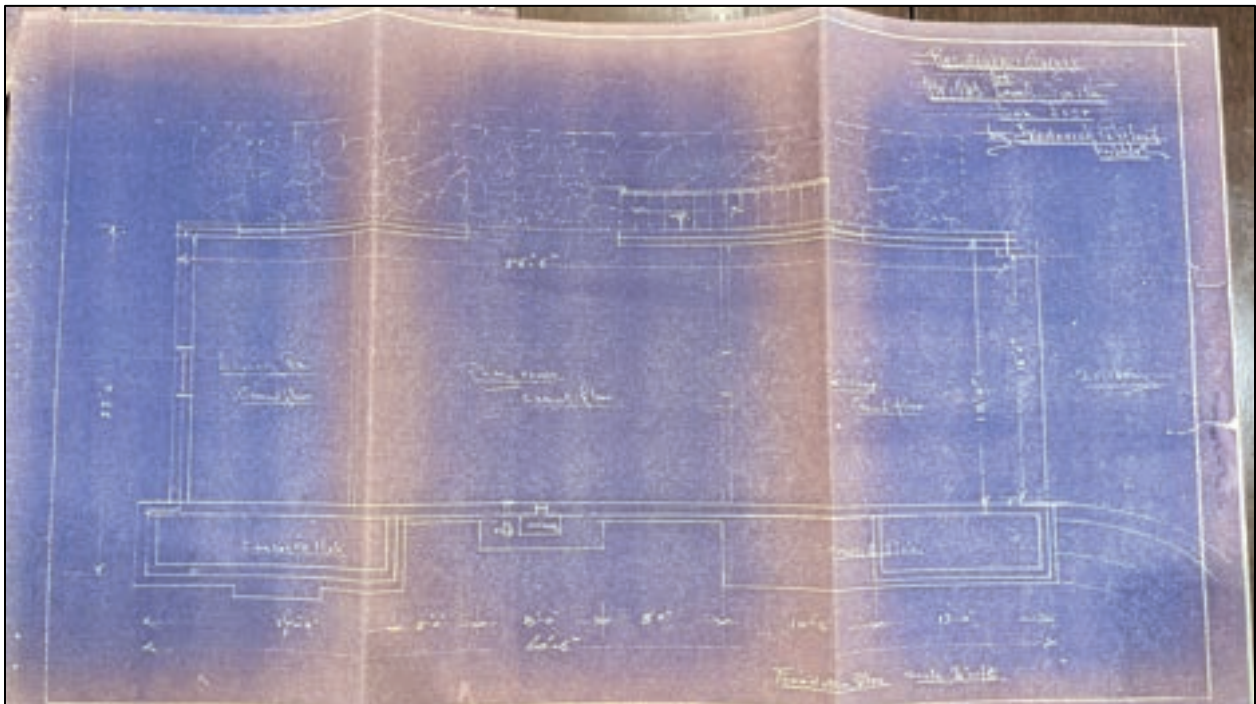
Personal Property Description

The current owner occupies the property. A detailed inventory of personal property was not taken at the time of inspection but is considered to be typical of a single-family residence similar to the subject improvements.

Floor Plans



Note: The original plans do not reflect the exact location of the half bath. The balcony has been extended at the southeast corner of the house where the half bath is shown, extending to the pen markings, and the half bath has been shifted adjacent to the hallway where the southeast corner has been bumped out and cantilevered over the lower floor. There is a doorway at the end of the hall that can be used to access the balcony at this location.



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Title and Property History

A preliminary title report for the subject property was provided for use in this assignment, and is included in the Addenda. The title report was prepared by Old Republic Title Company and dated October 2, 2020. According to the title report reviewed, the subject's fee ownership is vested in:

Edward G Ruder and Elizabeth M Ruder, husband and wife as community property with right of survivorship

The most recent sale of the subject was recorded on April 02, 2018 for \$1,075,000, according to the most recent recorded deed conveying title. The seller was Antonio L. Montojo and Patricia C. Montojo. A conventional loan was obtained to purchase the property, less a down payment of \$395,350. The sale occurred after being openly marketed for only a matter of days, as was shown on MLS. The sale price was for more than the list price of \$979,000. The previous owner had purchased the property on July 19, 2017 for \$930,000, according to a transaction history disclosed on a summary of the public records reviewed for the property. Both sales appear to be representative of market transactions. The subject is currently not being offered for sale or lease, and I am not aware of any offers to purchase the subject property, other than that being proposed by the Client.

The subject lot was created as part of the Arroyo Terrace subdivision, a sub-neighborhood of the Naglee Park Conservation Area, in the early 1900s. Naglee Park is an approximately 140-acre neighborhood that was once the estate of General Henry Morris Naglee. Arroyo Terrace remained mostly vacant until the late 1930s, originally slated for use as a public park with other adjacent lots. A house was improved on the site in 1939 that was designed and built by noted Storybook Carmel designer and master builder Frederick Bigland. The house is known as the Dorothy Berner House, named after one of the original owners who lived in the house for 40 years until she passed away in 1983. The subject property is listed in the San Jose Historic Inventory as an Identified Structure within the Naglee Park Conservation Area.

Existing Easements

The title report reviewed identifies the following recorded easements encumbering the subject property:

5. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument	:	Grant Deed
Granted To	:	City of San Jose, a municipal corporation
For	:	Sewer
Dated	:	May 20, 1939
Recorded	:	May 27, 1939 in Book 937 of Official Records, Page 99
Affects	:	The Southwesterly 5 feet of said land

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

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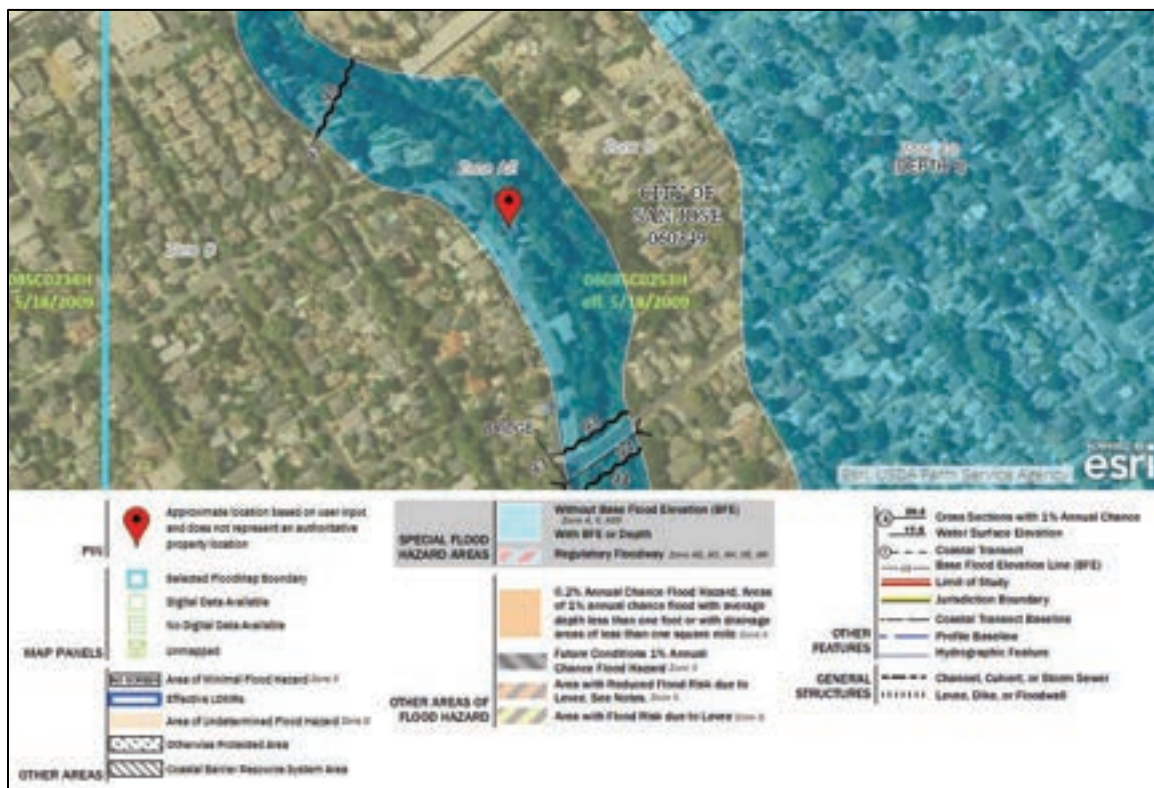
6. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Grant of Right of Way
Granted To : Pacific Gas and Electric Company, a California corporation
For : Transmission and distribution of electrical energy
Dated : July 27, 1939
Recorded : September 1, 1939 in Book 943 of Official Records, Page 364
Affects : A portion of said land. Reference is hereby made to said document for full particulars.

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

Flood Hazard Information

The subject property is in a mapped area designated to be in Flood Zone AE by the Federal Emergency Management Agency (FEMA). Flood Zone “AE” is defined as the base floodplain where base flood elevations are provided on the FEMA Flood Insurance Rate Map. The FEMA Flood Zone Map Panel is 06085C0253H and the effective date is May 18, 2009. A copy of the Flood Insurance Rate Map is included below.



Earthquake Information

All properties in California are subject to some degree of seismic risk. The Alquist-Priolo special Studies Zone Act of 1972 was enacted by the State of California to regulate development near active earthquake faults. The Act required the State Geologist to delineate “special studies zones” along known active faults in California. Cities and counties affected by the identified zones must limit certain development projects within the zones unless geologic investigation demonstrates that the sites are not threatened by surface displacement from future faulting.

According to the California Department of Conservation, California Geological Survey, the subject property is not located in an Earthquake Fault Zone as designated under the Alquist-Priolo Earthquake Fault Zoning Act. Related development limitations, therefore, do not apply.

Environmental Assessment

An environmental assessment regarding the subject property has not been provided, and this appraisal assumes that no environmental remediation would be required.

Real Estate Taxes and Assessment Data

California law permits maximum annual property assessment increases of 2% unless a property has been sold. In practice, the maximum 2% increase is nearly universally imposed. Property is reassessed at the time of sale, typically for an amount approximated by the selling price. Taxes are typically estimated by California appraisers to be equal to the imputed tax rate, derived by dividing the net tax (total tax minus assessment bonds and direct assessments) by the assessed value, times the appraised value. If assessment district bonds encumber a property, they are itemized separately.

The current real estate taxes assessed for the subject property were reviewed. Total taxes for the 2021/2022 tax year amount to \$14,569.74, including direct assessments of \$1,404.78. The tax rate is 1.17226%.

Zoning and General Plan of the Subject Property

Zoning	General Plan	Current Use
R-1-8 – Single-Family Residence District	Mix of Residential Neighborhood & Open Space, Parklands, and Habitat (portion in Coyote Creek)	Single-Family Residential

Utilization of the subject real property is regulated by the City of San Jose Code of Ordinances. The laws that govern the use of the land are the Zoning Ordinance and the Envision San Jose 2040 General Plan.

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The zoning category for the subject is R-1-8 – Single-Family Residence District, synonymous with Single-Family Residential (Up to 8 Dwelling Units per Acre), as indicated on the zoning map, a section of which is displayed following this report section. The purpose of this district is to reserve land for the construction, use and occupancy of single-family subdivisions, with an allowable density range of one to eight dwelling units per acre. The following table depicts some of the significant development standards that must be adhered within the zoning district.

Building and Site Standards	R-1-8 District
Minimum Lot Size	5,445
Maximum Building Height / Stories:	35 feet / 2.5
<u>Yard Setbacks (Minimums)*</u>	
Front:	20 feet
Side (Interior Lots):	5 feet
Rear:	20 feet

San Jose has more than 30 streams that form approximately 136 miles of riparian corridors. The City has policies and requirements for the protection of riparian resources, habitat, flood safety, and bird-safe design in the General Plan, the Habitat Plan, the San Jose Municipal Code, and other City Council Policies. The Riparian Corridor Policy Study, revised in 1999, analyzed numerous streams and riparian corridors found within San Jose and provided detailed policy recommendations on how various types of development should be designed to protect and preserve the City's riparian corridors. The General Plan incorporates by reference the policy recommendations in the Policy Study for protecting riparian corridors. The General Plan goals, policies, and implementing actions further riparian protection, including establishment of a standard *100-foot riparian corridor setback, with an exception for projects where no significant environmental impact will occur.

The General Plan land use designation for the developable portion of the subject property is Residential Neighborhood. It is stated in the General Plan that this designation is applied broadly throughout the City to encompass most of the established, single-family residential neighborhoods, including both the suburban and traditional residential neighborhood areas which comprise the majority of its developed land. The intent of this designation is to preserve the existing character of these neighborhoods and to strictly limit new development to infill projects which closely conform to the prevailing existing neighborhood character as defined by density, lot size and shape, massing and neighborhood form and pattern. The portion of the subject property located in the confines of Coyote Creek has been designated Open Space, Parklands, and Habitat by the General Plan. A section of the General Plan map, delineating the land use designations in the vicinity of the subject, is included following the zoning map.

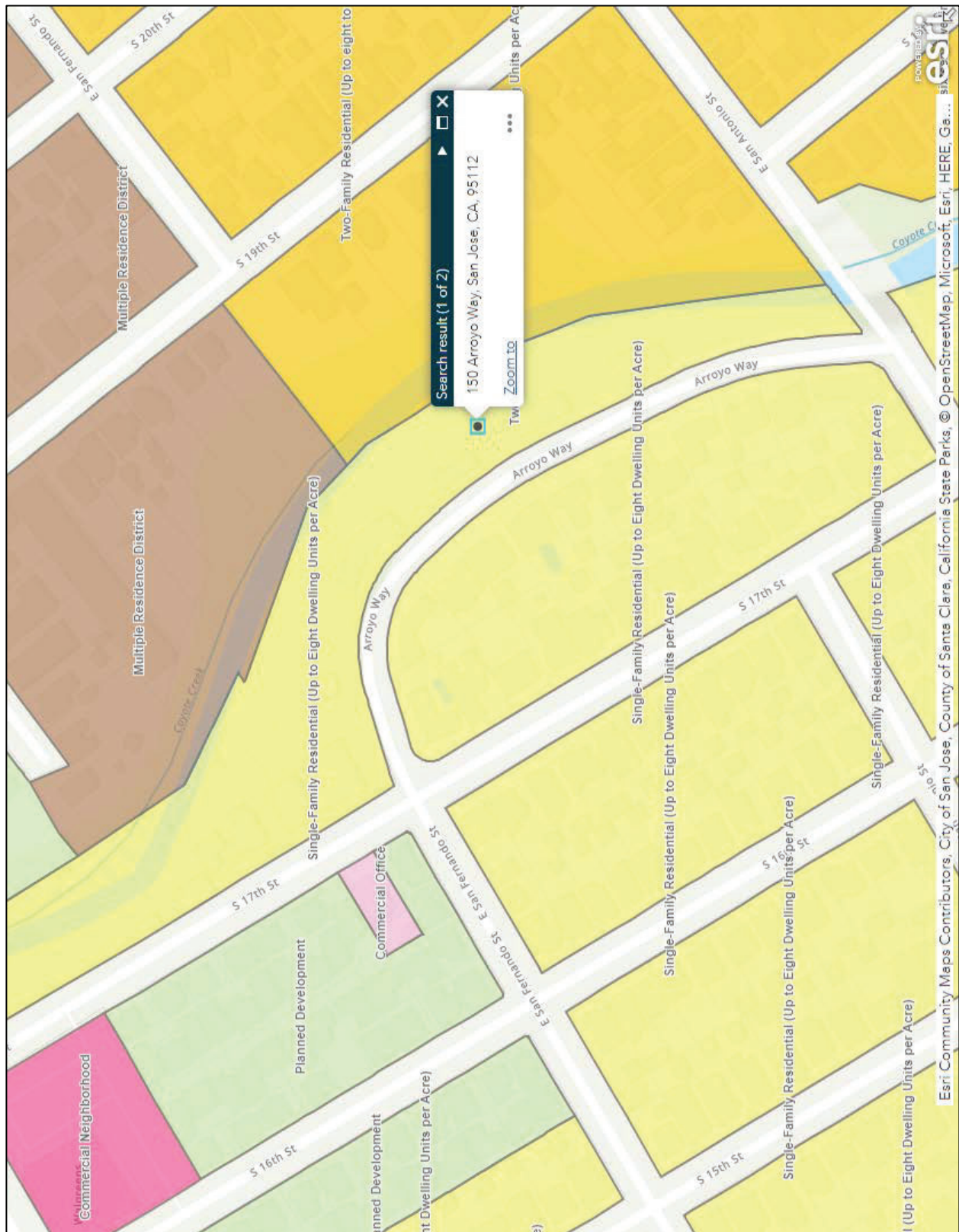
The subject property does not meet all of the minimum building setbacks, and seems to be legal non-conforming in this regard, but otherwise appears to conform to the other applicable land use ordinance requirements.

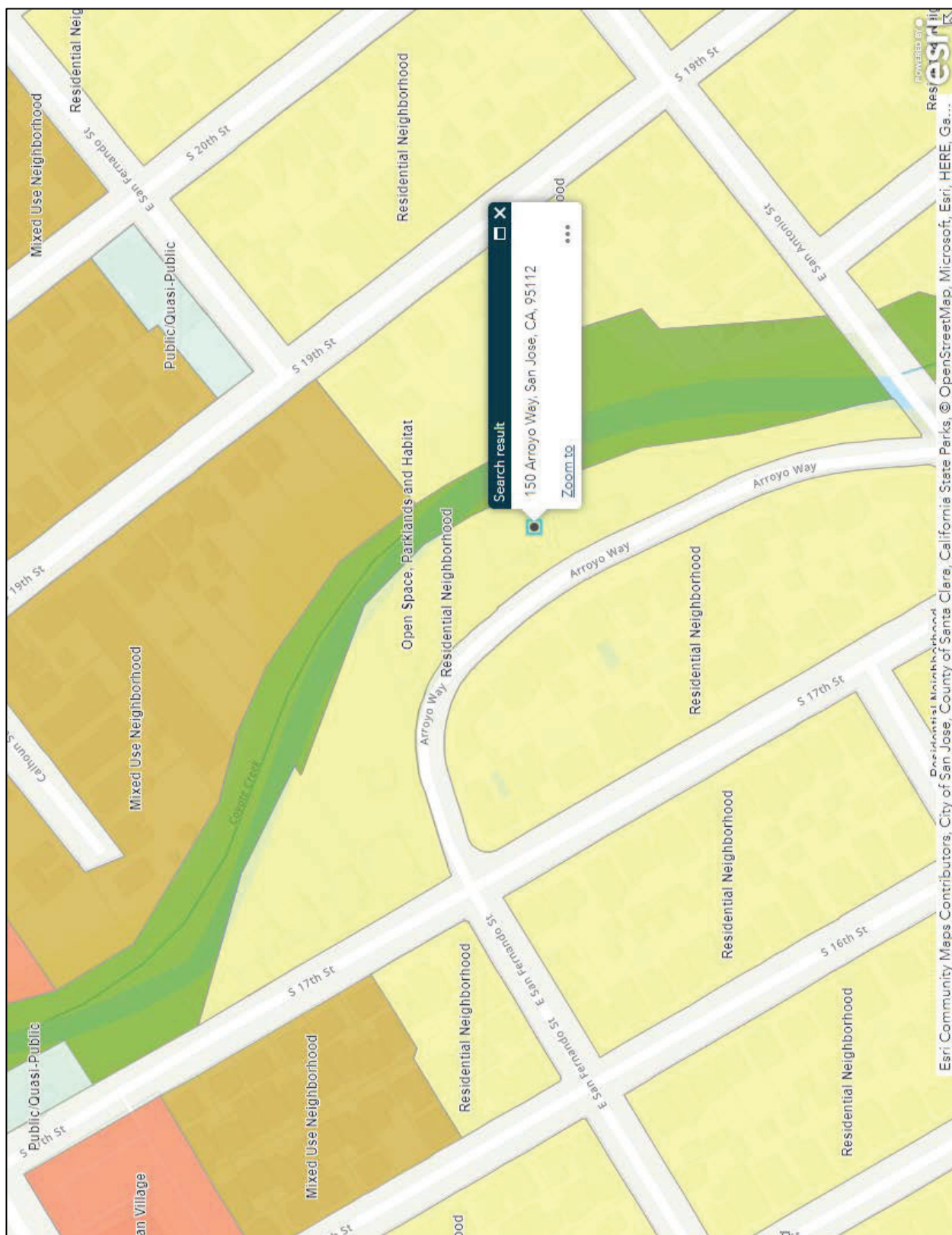
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Zoning Map





Highest and Best Use Analysis

The following definition of the term “Highest and Best Use” provides a reasonable basis for analyzing the subject property:

The reasonable, probable and legal use of vacant land or improved properties which is physically possible, appropriately supported, financially feasible, and results in the highest value.

Inherent in this definition are the following four criteria:

- | | |
|------------------------------|--|
| Legally Permissible: | What uses are permitted, given existing deed and lease restrictions, zoning, building codes, historic controls, and environmental regulations? |
| Physically Possible: | What uses of the site are possible, given the physical characteristics as revealed in the site analysis? |
| Financially Feasible: | Which possible and permissible uses will produce positive net income from the development of the site after paying operating expenses and other financial obligations? |
| Maximally Productive: | Which financially feasible use will provide the highest value or rate of return on investment? |

The primary purpose of the highest and best use analysis is to identify the most productive, competitive use to which the property can be put. This analysis is done in two parts. The first part considers the possible uses of the site as if vacant. The second part evaluates the improvements to determine if they represent the highest and best use or if they should be modified.

Another purpose of the highest and best use analysis is to assist in defining the scope of the appraisal. In investigating the highest and best use, items that affect value such as accrued depreciation and functional and external obsolescence are identified. Also, by defining the highest and best use the selection of the comparable sales is narrowed, as they typically have the same or similar highest and best use.

Based on the four tests of legally permissible, physically possible, financially feasible, and maximally productive, the highest and best use of the subject as if vacant and as improved has been analyzed.

As If Vacant

Single-family housing is the principal use type allowed under the subject zoning. The subject is a 17,877 square foot lot and the zoning allows for a minimum lot size of 5,445 square feet. However, considering the subject’s other physical characteristics, including roughly one third of the site being located in the confines of Coyote Creek and located in the flood plain, as well as its downward slope, subdivision of the lot is unlikely. This is additionally supported by the fact that the subject and adjacent lots located along the creek, being of similar size, have never been split since they were created in the early 1900s. The subject parcel can accommodate a single-family

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residential use, as it is currently improved; there is a standard 100-foot riparian corridor setback, but the City's Habitat Plan provides a number of options for minimum required setbacks, including an allowance for reduction of the otherwise required minimum setback based on the extent to which meeting the required setback would result in demonstrable hardship (i.e. denies an owner any economically viable use of the land or adversely affects recognized real property interest). Market data gathered during the valuation process (see Real Estate Market Conditions) suggests that a single-family residential use is financially feasible. It has been concluded that the maximumly productive use and the highest and best use of the subject (as if vacant) is to improve the property with a single-family residence.

As Improved

The subject's current use is consistent with the highest and best use conclusion of the subject (as if vacant). The house located on the property was occupied at the time of inspection, and based on the quality and condition of the subject improvements, could endure under the current utilization for many years, without the possibility of expansion, since the property is located in a flood plain. It has been concluded that the highest and best use of the subject (as improved) is the continued use of the improvements located on the property.

Valuation

Valuation Methodology

There are three generally recognized approaches considered in the valuation of real property. These are the cost approach, sales comparison approach, and income approach. The type and age of the property and the quantity and quality of the available data affect the applicability of each approach in a specific appraisal situation.

The **Cost Approach** estimates, through support sources, the cost of constructing the subject improvements. Accrued depreciation from all causes is estimated and deducted from the estimates of cost new of the improvements. The market value of the land is added to this depreciated cost estimate to indicate the value of the subject property by the cost approach. The **Land Value Estimate** in the valuation process is usually a separate step, which is generally accomplished through the application of the sales comparison approach. The land value conclusion is then incorporated into the cost approach.

The **Sales Comparison Approach** involves a search for recent sales of properties similar to the subject. The prices paid for these properties provide the basis for estimating the value of the subject by comparison. Adjustments are made for the differences in the properties as they compare to the subject. A correlation of the data provides a value estimate for the subject. This is the most used, and considered the most reliable, approach to estimating the value of land.

The **Income Approach** looks at the relationship between a property's income producing ability and the value buyers and sellers assign to the income. An estimate is made of the market rent to indicate an annual gross income. Estimated fixed and variable operating expenses are deducted from the annual gross income to provide an annual net operating income. An indicated value of the subject is derived through direct capitalization of the indicated net income by a market derived overall rate or through the use of the discounted cash flow technique.

Reconciliation involves consideration of the relevance and influence of each approach in relation to the actions of typical users and investors of properties and particularly the subject property. The three indications of value are discussed and reconciled into a final conclusion of market value.

Valley Water has requested an appraisal of the current fair market value of the proposed full acquisition of the subject property.

The fair market value of the improved subject property has been estimated by applying the sales comparison approach. The cost and income approaches did not offer substantial insight into this estimate of market value. Sellers, buyers, and my appraisal peers in this market rarely rely on the cost and income approaches when offering, purchasing, or valuing properties similar to the subject. Therefore, the income and cost approaches were not utilized.

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Sales Comparison Approach

A search was made for improved single-family residential properties that transacted over the past several months in the Naglee Park neighborhood of San Jose, with emphasis on one-bedroom houses on large lots that are located next to a natural watercourse and in the flood plain, like the subject. A limited number of recent sales were uncovered that met these criteria, so the timeline and other criteria were expanded. The following table displays a summary of the selected sales reflecting the actions of buyers and sellers in the marketplace and judged to be the most representative of an indicator of value for the property under analysis. The comparable sales were researched, inspected, and verified to the extent possible. A location map and comparable data sheets, including photographs for each comparable sale, are presented on the following pages, and assessor's parcel maps are included in the Addenda.

Sales Data Summary

No.	Address City, State APN	Sales Contract Date COE	Sq. Ft. (Building) Improvements Parcel Size (Sq. Ft.)	Bedrooms/ Bathrooms Year Built	Sales Price \$/Sq. Ft. (Building)
SFR-01	746 E. San Carlos Street San Jose, CA 467-39-063	30-Day Escrow 02/14/22	1,581 SFR w/Enclosed Porch, Unfinished Basement & One Car Detached Garage 6,656	2/2 1920 (Updated)	\$1,580,000 \$999.37
SFR-02	991 Ramona Court San Jose, CA 264-53-009	30-Day Escrow 01/04/22	940 SFR w/Storage Attic & Basement, Ancillary Structure; No Garage 11,154 (Approx 15% in Creek)	2/1 1929	\$1,430,000 \$1,521.28
SFR-03	550 S. 15th Street San Jose, CA 472-31-030	30-Day Escrow 07/30/21	1,420 SFR w/Unfinished Basement & One Car Detached Garage 6,000	2/1 1915	\$1,200,000 \$845.07
SFR-04	721 E William Street San Jose, CA 467-50-052	30-Day Escrow 05/13/21	1,084 SFR w/Partial Unfinished Basement & One Car Detached Garage 3,000	2/1 1930 (Updated)	\$990,000 \$913.28
SFR-05	616 S. 14th Street San Jose, CA 472-30-077	30-Day Escrow 05/06/21	1,565 SFR w/Finished Basement, Bonus Room, & One-Car Detached Garage 6,302	2/2 1922 (Updated)	\$1,400,000 \$894.57
Subject	150 Arroyo Way San Jose, CA 467-29-026	DOV 01/25/22	1,258 SFR w/634 Sq. Ft. Bonus Room/Storage & 17' by 20' Garage 17,877 (Approx One-Third in Coyote Creek)	1/1.5 1939 (Updated)	

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Comparable Sale Location Map



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**Comparable Sale Data Sheet****SFR-01**

Property Type Single Family Res. - Improved
Type of Transaction Sale
COE 02/14/22
Sales Contract Date 30-Day Escrow
Sales Price \$1,580,000
\$/Sq. Ft. (Building) \$999.37

Address 746 E. San Carlos Street
City, State San Jose, CA
Zip 95112
APN 467-39-063



Buyer Chi-Chu Tschang and Wan Yee Wendy Lim
Seller Scott L. Strickland and Elizabeth A. Breen Strickland
Document # 25240556
Terms Cash to Seller; Conventional Loan, 67.60% Down Payment

Parcel Size (Sq. Ft.) 6,656
Improvements SFR w/Enclosed Porch, Unfinished Basement & One Car Detached Garage
Sq. Ft. (Building) 1,581
Bedrooms/Bathrooms 2/2
Year Built 1920 (Updated)

Zoning R-1-8
General Plan Residential Neighborhood

Verified By Matt Taylor - Listing Agent

Comments This property is improved with a Craftsman style home located on a corner lot in Naglee Park. From MLS: "The home has been remodeled from top to bottom with only the finest materials and period details. It features a large living room with period sconces, custom tiles, gas fireplace, and high coved ceilings. A private and cozy den is ideal for an office, play room, guest room, or media lounge. The redesign of this home has a modern open floor plan, with classic open beam ceilings and oak floors. The extra-large kitchen is a gourmet's paradise with a 48 Viking 6-burner stove top w/griddle and dual oven range, professional hood, two center islands (one with a prep sink) granite counters and solid wood cabinetry. Stunning light fixtures from the dining room to the rear door. All newer electrical, plumbing, HVAC, and roof. There is a large basement with inside access that is ideal for storage. Outside there is a spacious flagstone and paver patio with beautiful shade trees and raised garden bed. There are automatic sprinklers front and back." Public records indicates 1,326 square feet for the size of the house, but the size used to market the property, 1,581 square feet, includes a porch that has been enclosed, according to the listing agent. The property was listed for about one week, and it sold for more than the list price of \$1,399,000 after multiple offers were received. The seller requested a 59 day rent back at \$4,000 per month.

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Comparable Sale Data Sheet**SFR-02**

Property Type	Single Family Res. - Improved
Type of Transaction	Sale
COE	01/04/22
Sales Contract Date	30-Day Escrow
Sales Price	\$1,430,000
\$/Sq. Ft. (Building)	\$1,521.28
Address	991 Ramona Court
City, State	San Jose, CA
Zip	95125
APN	264-53-009
Buyer	Ming M. Chang
Seller	Heidi Oyres
Document #	25211215
Terms	Cash to Seller; Conventional Loan, 32.11% Down Payment
Parcel Size (Sq. Ft.)	11,154
Improvements	SFR w/Storage Attic & Basement, Ancillary Structure; No Garage
Sq. Ft. (Building)	940
Bedrooms/Bathrooms	2/1
Year Built	1929
Zoning	R-1-8
General Plan	Residential Neighborhood
Verified By	Caroline Hobbs - Listing Agent



Comments	The property is located on a cul-de-sac in the northern part of Willow Glen, just one block from Lincoln Avenue. The site backs to Los Gatos Creek. The property extends into the creek and 9,400 square feet is the net useable area. This portion of the property is outside of the flood plain. The condition of the improvements rate average. The house includes an unfinished basement and storage attic. There is no cooling. There is a detached structure that may have been used as a garage at one time. The property was listed for about a week and it sold for well above the list price of \$998,000. It sold as part of an estate.
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Comparable Sale Data Sheet**SFR-03**

Property Type	Single Family Res. - Improved
Type of Transaction	Sale
COE	07/30/21
Sales Contract Date	30-Day Escrow
Sales Price	\$1,200,000
\$/Sq. Ft. (Building)	\$845.07
Address	550 S. 15th Street
City, State	San Jose, CA
Zip	95112
APN	472-31-030
Buyer	Lisa and Brian Darrow
Seller	Randolph A. Elder
Document #	25049124
Terms	Cash to Seller; Conventional Loan, 45.83% Down Payment
Parcel Size (Sq. Ft.)	6,000
Improvements	SFR w/Unfinished Basement & One Car Detached Garage
Sq. Ft. (Building)	1,420
Bedrooms/Bathrooms	2/1
Year Built	1915
Zoning	R-1-8
General Plan	Residential Neighborhood
Verified By	Nathan Norberg - Listing Agent



Comments From MLS: "Craftsman style bungalow in Naglee Park with refinished hardwood floors and vintage character. Living and dining rooms have built-in cabinets and French doors. The kitchen is updated with natural wood cabinets and seamless Corian countertops. There is an old fashion mud-room with storage space, laundry, and inside access to an unfinished basement. There is a wood burning fireplace and central heat but no air conditioning. Large backyard and a newer garage. The property is located one block from William Street Park and walking distance to SJSU and downtown San Jose." The property was listed for a little over one week and it sold for more than the list price of \$1,050,000. The property was sold as part of an estate.

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**Comparable Sale Data Sheet****SFR-04**

Property Type	Single Family Res. - Improved
Type of Transaction	Sale
COE	05/13/21
Sales Contract Date	30-Day Escrow
Sales Price	\$990,000
\$/Sq. Ft. (Building)	\$913.28
Address	721 E William Street
City, State	San Jose, CA
Zip	95112
APN	467-50-052
Buyer	Elizabeth Holt
Seller	Christopher Thomas Szrom Campbell and Alisa Lyn Campbell
Document #	24959543
Terms	Cash to Seller; Conventional Loan, 20% Down Payment
Parcel Size (Sq. Ft.)	3,000
Improvements	SFR w/Partial Unfinished Basement & One Car Detached Garage
Sq. Ft. (Building)	1,084
Bedrooms/Bathrooms	2/1
Year Built	1930 (Updated)
Zoning	R-1-8
General Plan	Residential Neighborhood
Verified By	Al Moridi - Listing Agent
Comments	<p>From MLS: "1930s light-filled and move in ready two bedroom, one bath home in historic Naglee Park neighborhood near Williams Street Park. The house offers modern amenities and retro decor with its original hardwood floors, tile & brick fireplace, glass door handles, private Spanish-style courtyard, spacious kitchen, laundry room, partial basement, low maintenance & drought resistant landscaping, and detached garage equipped for EV charging. An open kitchen which offers bar seating, widespread natural light, stainless steel appliances, and abundant cabinet space. Upgrades include Nest smoke and carbon monoxide detectors, Nest security cameras, new copper piping, new water heater and new built-in storage and workbench in the garage. There is central heating and cooling." The property was listed for a little over one week and it sold for more than the list price of \$899,950. The property had previously sold in April 2019 for \$930,000.</p>



Valley Water

Coyote Creek Flood Management Measures Project

APN: 467-29-026 – Ruder

**Comparable Sale Data Sheet****SFR-05**

Property Type Single Family Res. - Improved
Type of Transaction Sale
COE 05/06/21
Sales Contract Date 30-Day Escrow
Sales Price \$1,400,000
\$/Sq. Ft. (Building) \$894.57

Address 616 S. 14th Street
City, State San Jose, CA
Zip 95112
APN 472-30-077



Buyer Pradyumna Singh and Indu Chakravarthy
Seller Brian Gerkey
Document # 24951526
Terms Cash to Seller; Conventional Loan, 20.86% Down Payment

Parcel Size (Sq. Ft.) 6,302
Improvements SFR w/Finished Basement, Bonus Room, & One-Car Detached Garage
Sq. Ft. (Building) 1,565
Bedrooms/Bathrooms 2/2
Year Built 1922 (Updated)

Zoning R-1-8
General Plan Residential Neighborhood

Verified By Sandra Zib - Buyer's Agent

Comments From MLS: "A 1920s Spanish style house in historic Naglee Park. At the front of the house is a terracotta tile patio amid a front garden. Out back there are various fruit trees, raised planter box, compost bin, and flagstone patio. An arched front door invites you into the spacious living room with floor-to-ceiling picture window and hardwood floors that carry through to the dining room. The eat-in kitchen is equipped with stainless steel appliances, 6 burner gas stove, granite countertops, built-in wine rack and 3 garden windows for lots of light. Primary bedroom has hardwood floors, attached bathroom, and walk-in closet with plenty of storage. Second bedroom has hardwood floors and walk-in closet. An additional back room provides space for a home office. The basement is finished. Bonus room, walk-in closet, and ensuite bathroom are not included in the square footage. A detached garage & long driveway allows for plenty of parking." The property was marketed for less than a week and it sold for more than the list price of \$1,236,000.

Sales Data Analysis

Adjustments are made to the comparable sale prices for the differences in the properties as they compare to the subject. A number of adjustments have been considered for the analysis of the comparable data in relation to the subject property. The comparable data has been adjusted for inferior and superior characteristics. For Example: where a comparable had an inferior characteristic, a positive (+) adjustment to the comparable was made. Where the comparable had a superior characteristic, a negative (-) adjustment was made to the comparable. Adjustments were made sequentially for property rights conveyed, financing terms, conditions of sale, expenditures incurred by the buyer immediately after the sale, and market conditions at the time of sale. Adjustments for location characteristics, physical characteristics, use and non-realty components of value are subsequently added and applied. None of the comparables used are known to have included non-realty components of value.

A summary of the adjustments made to the comparable sales for the various factors affecting value, as compared to the subject, is included in the table below, followed by a discussion that expands upon the adjustments made in greater detail. Bold and/or larger font reflects a more significant adjustment.

Comparable	SFR-01	SFR-02	SFR-03	SFR-04	SFR-05
Address	746 E. San Carlos St	991 Ramona Court	550 S. 15th Street	721 E William Street	616 S. 14th Street
City, State	San Jose, CA	San Jose, CA	San Jose, CA	San Jose, CA	San Jose, CA
Sale Date	Feb-22	Jan-22	Jul-21	May-21	May-21
Sales Price	\$1,580,000	\$1,430,000	\$1,200,000	\$990,000	\$1,400,000
Sq. Ft. (Building)	1,581	940	1,420	1,084	1,565
Property Rights Conveyed	Ø	Ø	Ø	Ø	Ø
Financing Terms	Ø	Ø	Ø	Ø	Ø
Conditions of Sale	Ø	Ø	Ø	Ø	Ø
Expenditures After Purchase	Ø	Ø	Ø	Ø	Ø
Market Conditions (Time)	Ø	Ø	Positive	Positive	Positive
Location	Negative	Negative	Negative	Ø	Negative
Building Size / # of Beds/Baths	Negative	Positive	Ø	Positive	Negative
Age / Condition / Quality of Improv.	Negative	Positive	Positive	Ø	Ø
Amenities / Features	Ø	Positive	Positive	Ø	Positive
Lot Size	Positive	Ø	Positive	Positive	Positive
Net Adjustment	Negative	Similar	Positive	Positive	Positive

The comparables sold in a housing market with property values that are trending upward and with the exception of SFR-01 and SFR-02, which sold around the date of value, positive adjustments have been applied to the other comparables for changing market conditions, supported by data displayed in a previous report section.

No additional adjustments were determined to be warranted for the other transactional elements of comparison.

The subject is located in the Naglee Park neighborhood of San Jose, backing to Coyote Creek and located in a FEMA flood mapped area. Flooding has occurred along Coyote Creek, most recently in February 2017, as previously discussed in prior report sections. None of the comparables are in areas subject to flood hazards, including the net useable portion of SFR-02, which backs to Los Gatos Creek (a portion of the site extends into the riparian area, similar to the

Valley Water

Coyote Creek Flood Management Measures Project

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subject). With the exception of SFR-02, the comparables are also in Naglee Park, but while the subject is located on a relatively short dead-end street that is only used by destination traffic, these comparables are located on through streets, with SFR-04 fronting on a minor arterial that connects several residential neighborhoods in this central area of San Jose. Adjustments for differences in location between the subject and SFR-04 were concluded to be offsetting, resulting in no adjustment, but overall negative adjustments were determined to be warranted for SFR-01, SFR-03, and SFR-05 for this factor when considering that they are outside of the flood plain. SFR-02 is situated on a cul-de-sac in Willow Glen, with a similar creek side view backing to Los Gatos Creek, and one block from the commercial pedestrian corridor along Lincoln Avenue, rating superior locational appeal, based on market perception, warranting a more significant downward adjustment for this element of comparison.

The subject has 1,258 square feet of livable space on the main floor, with one bedroom and one and a half bathrooms (see Improvement Description). Part of the ground floor area connected to the garage (portion of the house that had been inundated with flood waters) is also livable space (529 square feet), but with outside access only from the second-floor balcony stairs that connect to the rear yard space. This ground floor area of the subject is considered to function similar to basement space, although slightly superior having three walls exposed to the outside. All of the comparables have two bedrooms. All of the comparables have basements. SFR-05's basement is finished and has access from the interior. SFR-01, SFR-03, and SFR-05 have more main living area compared to the subject and SFR-01 and SFR-05 have two full bathrooms. SFR-01 and SFR-05 were judged to rate superior to the subject for this element of comparison, necessitating downward adjustments to varying degrees, but no adjustment has been applied to SFR-03 for this factor when considering that it has only has one bathroom and the basement space is unfinished. Upward adjustments were determined to be warranted for SFR-02 and SFR-04 for having less livable area, only one bathroom, and unfinished basements, but factoring in that SFR-02 has a partially finished attic.

The house located on the subject property was built in 1939 and updated in the last five years (see Improvement Description). SFR-01, SFR-04, and SFR-05 were also renovated more recently (see Comparable Sale Data Sheets), but while SFR-04 and SFR-05 were judged to rate similar to the subject for this element of comparison, SFR-01 is considered to have superior upgrades necessitating a negative adjustment. Although SFR-02 and SFR-03 have some desirable period details from the pre-1950s era, they have had little to no updating and positive adjustments have been applied to these comparables for this factor.

In addition to the second-floor balcony that extends almost the entire backside of the house, the subject site has an extensive amount of landscaping and hardscaping (including a bocce ball court), especially to the rear of the property to take advantage of the view and serenity of the creek. There is also an extension of the driveway used to access the garage (includes an EV charger) to allow for additional parking (garage is not really wide enough to accommodate two modern vehicles). Air conditioning has been added to the central heating system, and there are instant hot water heaters. SFR-01 and SFR-04 were judged to rate similar to the subject for this factor, while the other comparables were either lacking these amenities and features entirely or had them to a lesser extent (see Comparable Sale Data Sheets), warranting upward adjustments.

Valley Water

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The subject's lot size is 17,877 square feet, which includes approximately one-third of the parcel located in the riparian area along Coyote Creek. Market data suggests that larger single-family residential sites are more desirable to buyers in this market, and therefore upward adjustments have been applied to SFR-01, SFR-03, SFR-04, and SFR-05 for their smaller lot sizes. SFR-02 is also a larger lot that extends into a creek, and although the net useable area is less, it has superior topography when considering the subject's down sloping terraced lot, and an adjustment did not appear warranted.

Sales Comparison Approach Value Conclusion

The unadjusted selling prices of the comparable sales range from \$990,000 to \$1,580,000. After adjustments, the comparable sales indicate a value for the subject property similar to that of SFR-02, with no overall net adjustment. Based on the prior analysis and discussion, the estimated fair market value for the subject property, utilizing the sales comparison approach, is concluded to be \$1,430,000. This conclusion is also supported by the previous sale of the subject that was recorded on April 02, 2018 for \$1,075,000, where in addition to the upgrades made to the improvements subsequent to the sale, there has been shown to be a significant positive change in market conditions from the time the property sold through the date of value.

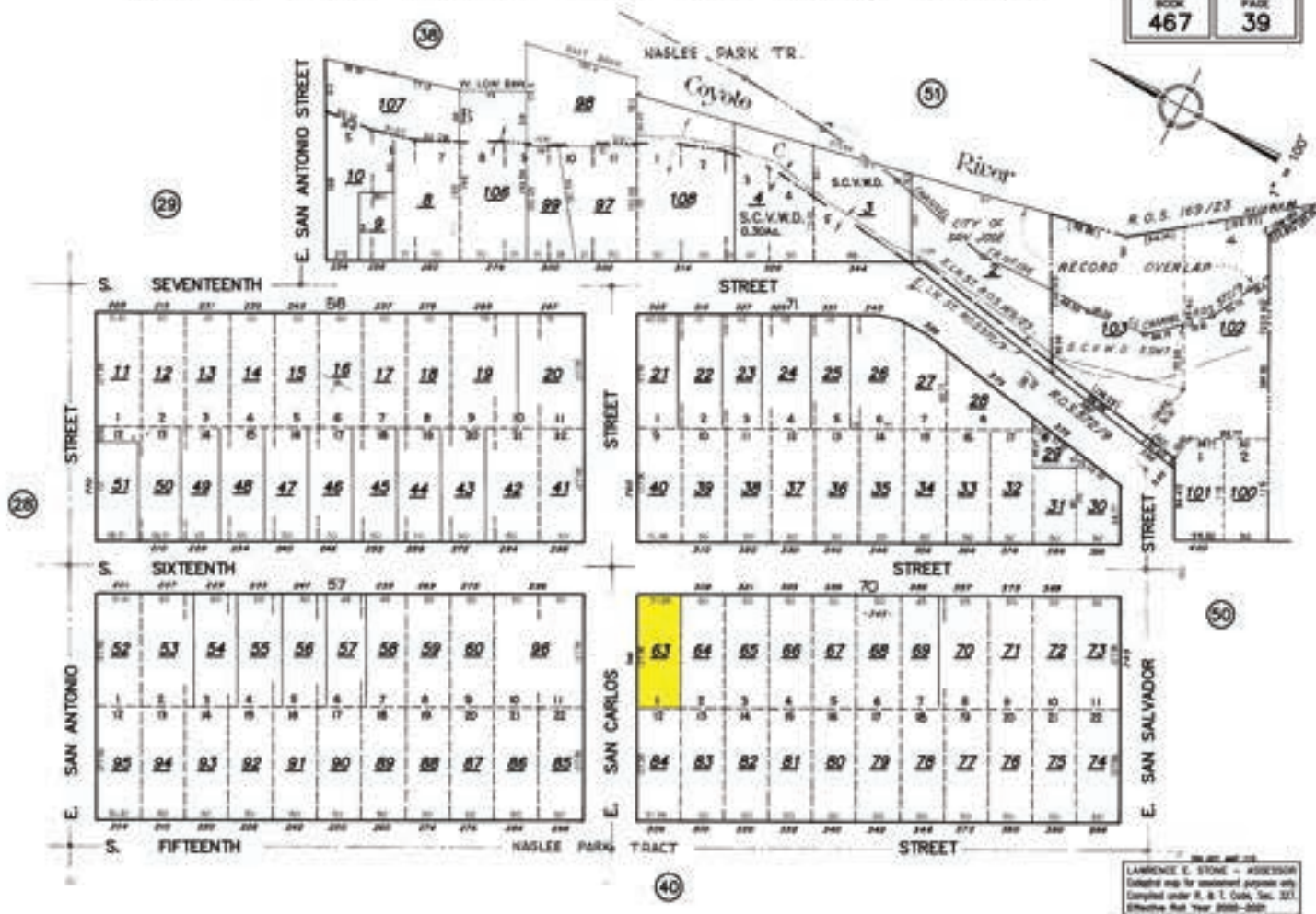
Estimated Fair Market Value Conclusion

Based on the forgoing data and analysis, my opinion of the fair market value of the fee simple interest in the subject property, to be used as a basis for determining just compensation, is as follows:

Estimated Fair Market Value: \$1,430,000

ADDENDA

COMPARABLE SALES PARCEL MAPS



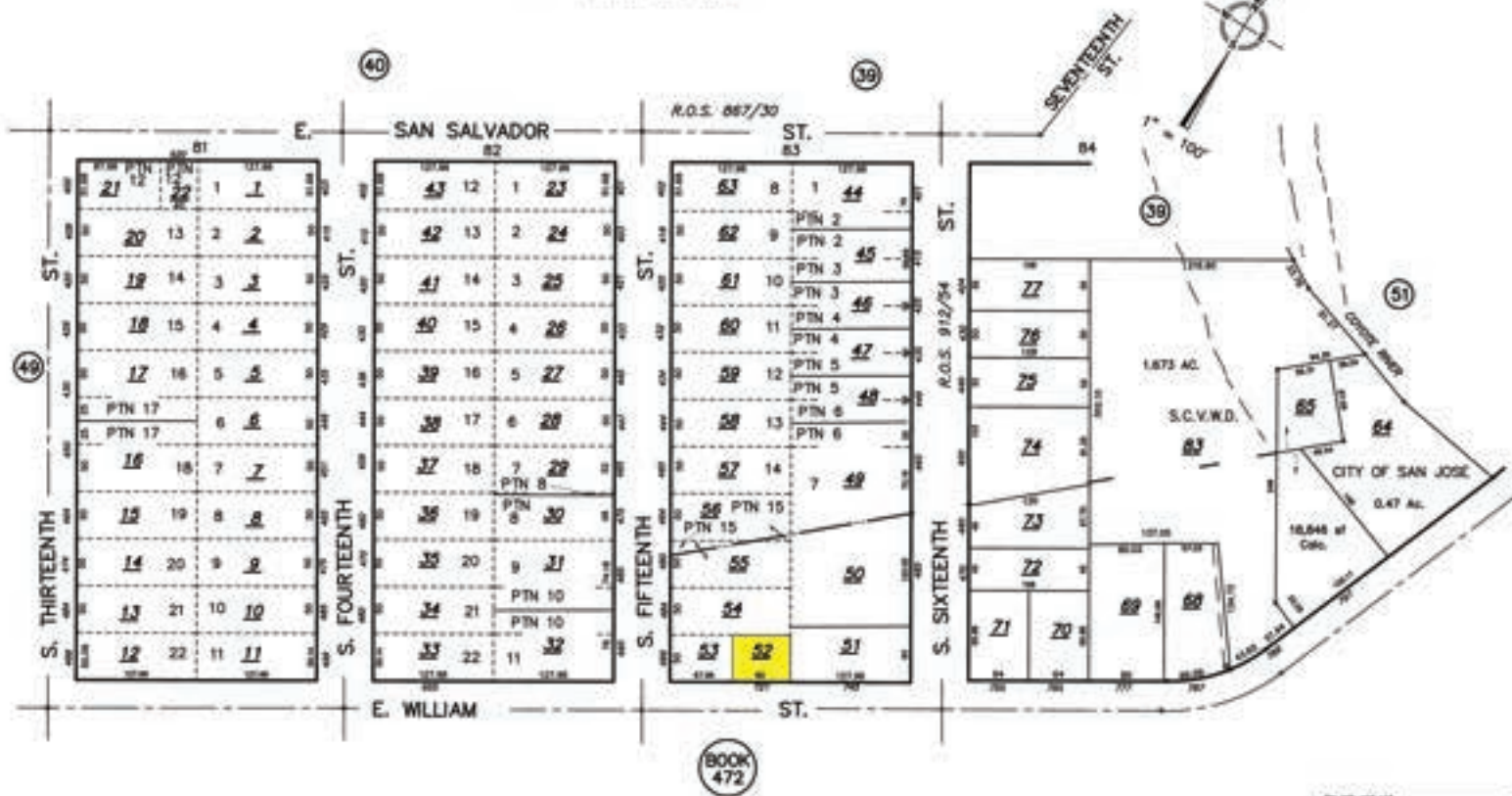
LAWRENCE E. STONE - ASSESSOR
 Computer map for assessment purposes only
 Compiled under R. & T. Code, Sec. 321
 Effective Roll Year 2000-2001



NO. 264, MAP 124
LAWRENCE E. STONE - ASSESSOR
Detailed map for assessment purposes only
Compiled under S. & T. Code, Sec. 327
Effective Roll Year 2020-2021

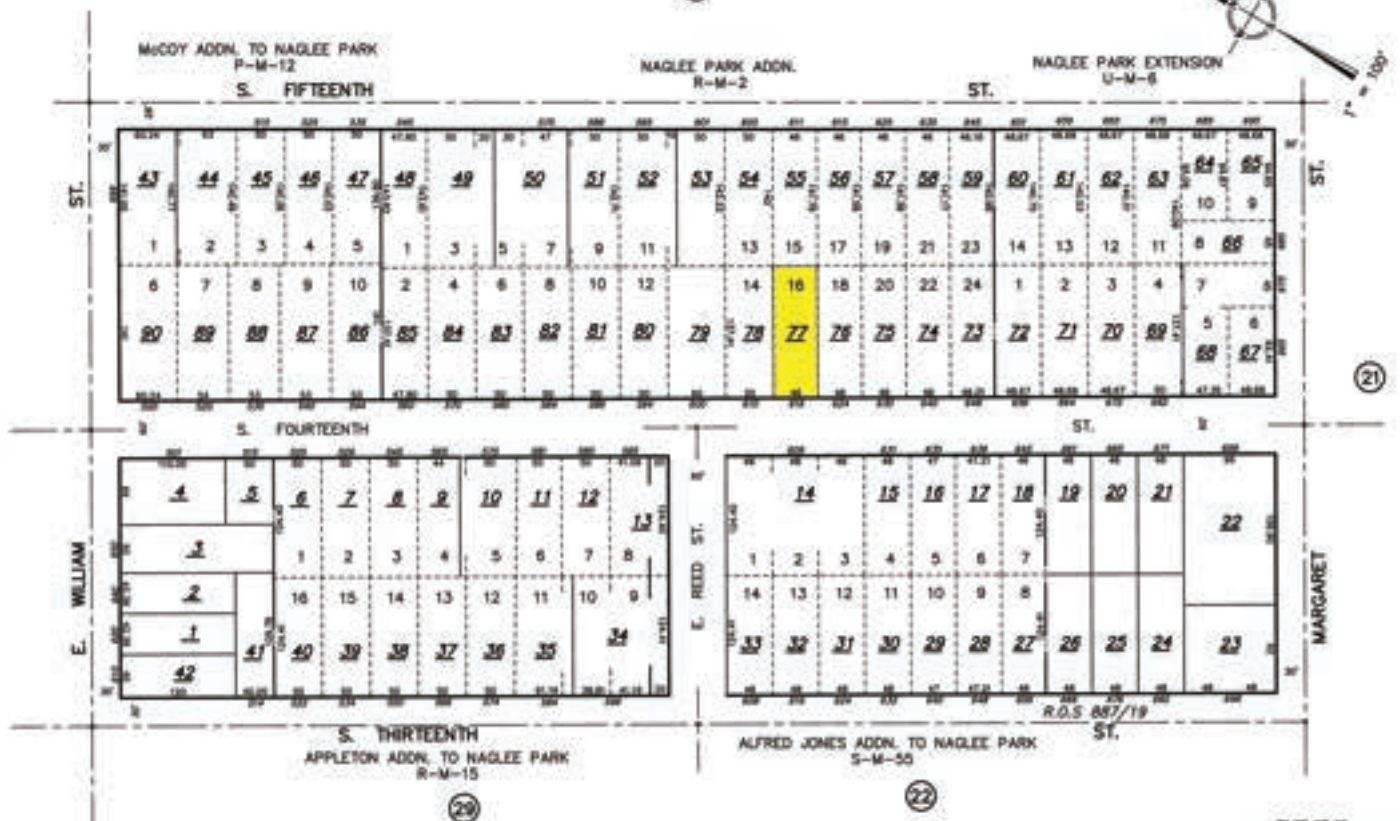


NAGLEE PARK TRACT SURVEY NO. 4
BOOK L PAGE 100



BY: JAMES E. STONE, JR. - ASSESSOR
Subdivided map for assessment purposes only
Compiled under R. & T. Code, Sec. 521
Effective Roll Year 2020-2021

(31)



PREPARED BY
LAWRENCE E. STONE - ASSessor
(subject map for assessment purposes only)
Compiled under S. & T. Code, Sec. 327
Effective Roll Year 2020-2021

NOTICE OF DECISION TO APPRAISE

January 12, 2022

Notice of Decision to Appraise

Edward and Elizabeth Ruder
150 Arroyo Way
San Jose, CA 95112

Project: Coyote Creek Flood Management Measures Project
District File No.: 4021-287
Property Address: 150 Arroyo Way, San Jose, CA 95112
APN: 467-29-026

Subject: Notice of Decision to Appraise (Invitation to Accompany the Appraiser)

Dear Mr. and Ms. Ruder:

As I believe you are aware, the Santa Clara Valley Water District (Valley Water) is considering the potential acquisition of your property referenced above for the Coyote Creek Flood Management Measures Project.

Associated Right of Way Services, Inc. (AR/WS) will be making a fair market value appraisal of your property to assist Valley Water in its determination of the amount of probable compensation for your property for the project. I would like to contact you for the purposes of conducting an inspection of your property. You have a right to accompany me on this site visit or any representative you designate. You can reach me by phone at 925-315-5065 (mobile) or email bdrake@arws.com to arrange a mutually convenient time to visit or discuss your property. This will give you an opportunity to advise me of facts that may bear on determining fair market value.

If Valley Water is still contemplating acquiring your property after completion of the appraisal, then one of Valley Water's representatives will contact you to make an offer to purchase in an amount determined to be just compensation, and in no event less than the value reported in the approved appraisal.

This is not a notice to vacate your property and does not establish eligibility for relocation payments or other relocation assistance.

Sincerely,



Brian Drake, R/W-AC
State Certified General Appraiser
CA License No. 031568

cc: Bill Magleby, SR/WA, Senior Real Estate Agent – Valley Water
Julianne O'Brien, Associate Engineer – Valley Water
Marc Ceccarelli, Right of Way Consultant – AR/WS

PRELIMINARY TITLE REPORT



OLD REPUBLIC
TITLE COMPANY

226 Airport Parkway, Suite 200
San Jose, CA 95110
(408) 557-8400 Fax: (408) 249-2314

PRELIMINARY REPORT

Our Order Number 0616019386-IM

SANTA CLARA VALLEY WATER DISTRICT
5750 Almaden Expy
San Jose, CA 95118

Attention: BLISS QUILATAN

When Replying Please Contact:

Ida Maciel
imaciel@ortc.com
(408) 557-8400

Property Address:

150 Arroyo Way, San Jose, CA 95112

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

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

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

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

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

Dated as of October 2, 2020, at 7:30 AM

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

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616019386-IM

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

Homeowners Policy of Title Insurance - 2013; AND ALTA Loan Policy - 2006. A specific request should be made if another form or additional coverage is desired.

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

Fee

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

Edward G Ruder and Elizabeth M Ruder, husband and wife as community property with right of survivorship

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

Beginning at a stake marked BC standing in the Northeasterly line of Arroyo Way, and at the most Southerly corner of that corner of that certain parcel of land described in the deed from Charles C. Derby and Mary C. Derby, to E. H. Renzel, Jr. dated July 24, 1936, and recorded August 12, 1936, in Book 765 of Official Records, Page 165, Santa Clara County Records, running thence along said line of Arroyo Way on a curve to the left from a tangent bearing N. 25° 48' W. with a radius of 538.50 feet thru an arc distance of 151.50 feet to a stake marked E. C. thence leaving said line of Arroyo Way and running parallel with the Southeasterly line of land so conveyed to Renzel, N. 69° 48' E. 130 feet, more or less, to the Northeasterly line of Lot 25, as shown on the map of Tract No. 39, Arroyo Terrace, of record in [Book 1 \(One\) of Maps, Pages 26 and 27](#), Santa Clara County Records, California, thence along the Northeasterly line of said Lot 25 and center line of Coyote Creek as shown on said map, S. 32° 28' E. 147 feet, more or less, to a corner of land so conveyed to Renzel; thence leaving said center line, and running S. 69° 48' W. 127.88 feet to the point of beginning, being a part of Lot 25, of said Tract No. 39 Arroyo Terrace, as shown on said map recorded as aforesaid. Courses true, Var. 18 10' E. Compiled July 20, 1936, by F.A. Herrmann of Herrmann Bros., Surveyors & C. E.'s San Jose, California.

APN: 467-29-026

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

1. Taxes and assessments, general and special, for the fiscal year 2020 - 2021, as follows:

Assessor's Parcel No	:	467-29-026	
Code No.	:	017-194	
1st Installment	:	\$7,127.72	NOT Marked Paid
2nd Installment	:	\$7,127.72	NOT Marked Paid
Land Value	:	\$811,512.00	
Imp. Value	:	\$306,918.00	
Exemption	:	\$7,000.00	Homeowner's

OLD REPUBLIC TITLE COMPANY
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2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.
3. Any easement for water course over that portion of said land lying within the banks of Coyote Creek and any changes in the boundary lines of said land that have occurred or may hereafter occur from natural causes.
4. Covenants, Conditions and Restrictions which do not contain express provision for forfeiture or reversion of title in the event of violation, but omitting any covenants or restriction if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled : Declaration of Restrictions Affecting Arroyo Terrace
Executed by : Charles C. Derby and Mary C. Derby
Recorded : [April 9, 1936 in Book 763 of Official Records, Page 547](#)

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

5. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Grant Deed
Granted To : City of San Jose, a municipal corporation
For : Sewer
Dated : May 20, 1939
Recorded : [May 27, 1939 in Book 937 of Official Records, Page 99](#)
Affects : The Southwesterly 5 feet of said land

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

OLD REPUBLIC TITLE COMPANY
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6. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Grant of Right of Way
Granted To : Pacific Gas and Electric Company, a California corporation
For : Transmission and distribution of electrical energy
Dated : July 27, 1939
Recorded : [September 1, 1939 in Book 943 of Official Records, Page 364](#)
Affects : A portion of said land. Reference is hereby made to said document for full particulars.

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

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

Amount : \$666,000.00
Trustor/Borrower : Edward G Ruder and Elizabeth M Ruder, husband and wife as community property with right of survivorship
Trustee : John D. Duncan, Esq.
Beneficiary/Lender : United Wholesale Mortgage
Dated : December 30, 2019
Recorded : [January 7, 2020 in Official Records under Recorder's Serial Number 24374294](#)
"MIN" : 100032412194600208

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

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

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 1.1 and 2.1.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616019386-IM

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

NONE

NOTE: Our investigation has been completed and there is located on said land a single family residence known as 150 Arroyo Way, San Jose, CA 95112.

The ALTA loan policy, when issued, will contain the CLTA 100 Endorsement and 116 series Endorsement.

Unless shown elsewhere in the body of this report, there appear of record no transfers or agreements to transfer the land described herein within the last three years prior to the date hereof, except as follows:

Grant Deed executed by Antonio L. Montojo and Patricia C. Montojo, husband and wife as community property with right of survivorship to Edward G Ruder and Elizabeth M Ruder, husband and wife as community property with right of survivorship recorded [April 2, 2018 in Official Records under Recorder's Serial Number 23900512](#).

- C. Upon sale or transfer, this property will be subject to the City of San Jose Conveyance Tax.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12/02/13)
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.

8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.

9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

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

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

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

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 18:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY OF TITLE INSURANCE (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

SCHEDULE B - PART I

Except as provided in Schedule B - Part II, 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 unless such lien is shown by the Public Records at Date of Policy.



FACTS

WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

Go to www.oldrepublictitle.com (Contact Us)

Who we are	
Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do	
How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit https://www.oldrepublictitle.com/privacy-policy
How does Old Republic Title collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> • Give us your contact information or show your driver's license • Show your government-issued ID or provide your mortgage information • Make a wire transfer <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes - information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See the State Privacy Rights section location at https://www.oldrepublictitle.com/privacy-policy for your rights under state law.</p>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.</i>
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> • <i>Old Republic Title does not share with non-affiliates so they can market to you</i>
Joint marketing	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • <i>Old Republic Title doesn't jointly market.</i>

Affiliates Who May be Delivering This Notice				
American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc.	Kansas City Management Group, LLC	L.T. Service Corp.
Lenders Inspection Company	Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic National Ancillary Services, Inc.
Old Republic National Commercial Title Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company	Old Republic Title Company	Old Republic Title Companies, Inc.
Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon
Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.	Old Republic Title, Ltd.
RamQuest Software, Inc.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	Surety Title Agency, Inc.	The Title Company of North Carolina
Trident Land Transfer Company, LLC				

Updated: January 1, 2020

Privacy Notice for California Consumers

This Privacy Notice for California Consumers supplements the information contained in the Master Privacy Notice for Old Republic Title and applies to consumers that reside in the State of California. The terms used in this Privacy Notice have the same meaning as the terms defined in the California Consumer Privacy Act (“CCPA”).

What Personal Information We Collect

In accordance with the CCPA, personal information is information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Personal information does not include:

Information outside the scope of the CCPA such as:

- Health or medical information covered by the Health Insurance Portability Act of 1996 (HIPAA) and the California Confidentiality of Medical Information Act (CMIA).
- Personal Information covered by the Gramm-Leach-Bliley Act (GLBA), the Fair Credit Reporting Act (FCRA), the California Financial Information Privacy Act (FIPA), and the Driver’s Privacy Protection Act of 1994,
- Publicly available information that is available from federal, state, or local government records, and
- De-identified or aggregated consumer information.

Please see the chart below to learn what categories of personal information we may have collected about California consumers within the preceding twelve months, the sources of and business purposes for that collection and the third parties with whom the information is shared, if any.

Category	Examples	Collected	Sources	Business Purpose for Collection	Categories of Third Parties with Whom Information is Shared
Identifiers	Real name, alias, postal address, unique personal identifier, online identifier, Internet protocol address, email address, account name, social security number, driver’s license number, passport number or other similar identifiers	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious,	Service providers associated with the transaction for a business purpose

				deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e))	Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Characteristics of protected classifications under California or federal law	Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose

	medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information).				
Internet or other electronic network activity	Browsing history, search history, information about a consumer's interaction with a website, application, or advertisement.	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Not Disclosed
Geolocation data	Geographic tracking data, physical location and movements	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Other audit or operational purposes.	Not Disclosed

What Personal Information We Share and Why We Share It

The CCPA requires us to tell you what categories of personal information we “sell” or “disclose.” We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, including the personal information of persons under 16 years of age, as that term is defined by the CCPA. When it is necessary for a business purpose, we share or disclose your personal information with a service provider, and we enter a contract with the service provider that limits how the information may be used and requires the service provider to protect the confidentiality of the information.

In the preceding twelve months, we have disclosed the following categories of personal information for the following business purposes. Where the personal information is shared with third parties, as that term is defined in the CCPA, the category of the third party is indicated.

Category	Examples	Business Purpose for Disclosure	Categories of Third Parties with Whom Information is Shared
Identifiers	Real name, alias, postal address, unique personal identifier, online identifier, internet protocol address, email address, account name, social security number, driver’s license number, passport number or other similar identifiers	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e))	Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver’s license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. “Personal information” does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose

Characteristics of protected classifications under California or federal law	Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information).	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Internet or other electronic network activity	Browsing history, search history, information about a consumer's interaction with a website, application, or advertisement.	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Not Disclosed
Geolocation data	Geographic tracking data, physical location and movements	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Other audit or operational purposes.	Not Disclosed

We may also transfer to a third party the personal information of a consumer as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the business.

Your Rights and Choices

The CCPA provides California consumers with certain rights regarding their personal information. This chart describes those rights and certain limitations to those rights.

Right	What This Means
Notice	At or before the time your personal information is collected, you will be given written notice of the categories of personal information to be collected and the purposes for which the categories of personal information will be used.
Access	At your verifiable request, but no more than twice in a twelve month period, we shall disclose to you: 1) the categories of personal information we have collected about you, 2) the

	<p>categories of sources for the personal information we collected about you, 3) our business and commercial purpose for collecting or selling your personal information, 4) the categories of third parties with whom we share your personal information, 5) The specific pieces of information we have collected about you, 6) the categories of personal information disclosed for a business purpose, and</p> <p>7) If we sold personal information, the categories of personal information sold and the categories of third parties to whom it was sold.</p>
Deletion	<p>You have the right to request that we delete any of your personal information that we collected from you, subject to certain exceptions. Once we receive and verify your request, we will delete (and direct our service providers to delete) your personal information from our records unless an exception applies. We may deny your request if retention of the information is necessary for us or our service providers to:</p> <ul style="list-style-type: none"> • Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you. • Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities. • Debug products to identify and repair errors that impair existing intended functionality. • Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law. • Comply with the California Electronic Communications Privacy Act (Cal. Penal Code §1546 et seq.) • Engage in public or peer reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent. • Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us. • Comply with a legal obligation. • Make other internal and lawful uses of that information that are compatible with the context in which you provided it. • Or if it is the type of personal information that falls outside the scope of the CCPA, (HIPAA, CIMA, GLBA, or publicly available information)
Opt-Out of Sale	<p>With some limitations, you may direct a business that sells personal information to third parties not to sell the personal information to these third parties.</p> <p>A business may not sell the personal information of persons less than sixteen years of age without their affirmative consent, and in the case of those less than thirteen years of age, the consent must come from a parent.</p>
Opt-In to Sale	
Non-Discrimination	<p>We will not discriminate against you for exercising your rights under the CCPA. Unless otherwise permitted by the CCPA we will not:</p> <ul style="list-style-type: none"> • Deny you goods or service • Charge you different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties • Provide a different level or quality of goods or services • Suggest that you will receive a different price or rate for goods or services or a different level or quality of goods or services

To Exercise Your Rights

To Opt-out of the Sale of Your Personal Information

The CCPA gives consumers the right to direct a business that sells personal information about the consumer to third parties not to sell the consumer's personal information. We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, as that term is defined by the CCPA.

To Request Access to or Deletion of Your Personal Information

To exercise your access or deletion rights described above, please submit a verifiable consumer request to us by either: Calling us at 1-855-557-8437 or contacting us through our website [CCPA Consumer Request](#).

Only you or your representative that you authorize to act on your behalf (Authorized Agent) can make a verifiable consumer request for your personal information. You may also make a request for your minor child. The verifiable request must provide enough information that allows us to reasonably verify you are the person about whom we collected personal information. We cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and to confirm the personal information relates to you.

We work to respond to a verifiable consumer request within 45 days of its receipt. If we require additional time, we will inform you of the extension period (up to an additional 45 days), and the reason for the extension in writing. If you have an account with us, we will deliver our response to that account. If you do not have an account with us, we will deliver our response by mail or electronically, depending on your preference. The response we provide will also explain any reasons why we cannot comply with a request.

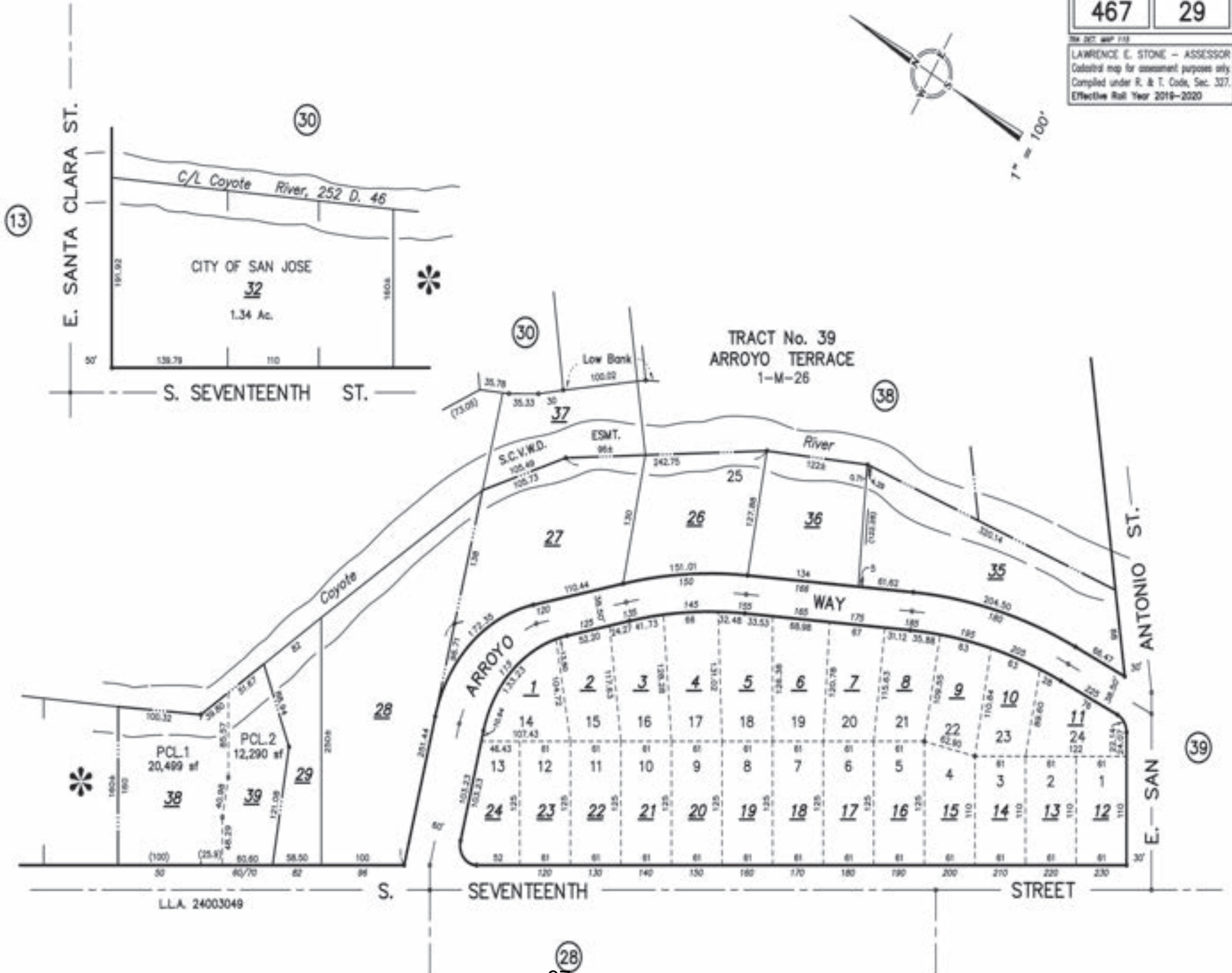
You may only make a consumer request for access twice within a twelve-month period. Any disclosures we provide will apply to the twelve-month period preceding the consumer request's receipt.

Contact Us

If you have any questions regarding our Privacy Notice or practices, please contact us via phone at 1-855-557-8437 or send your written request to: CCPA@oldrepublictitle.com, or Old Republic Title c/o CCPA Consumer Request Group, 275 Battery Street, Suite 1500, San Francisco, CA 94111-3334.

Sta. 2071.44P 115

LAWRENCE E. STONE — ASSESSOR
Colored map for assessment purposes only.
Compiled under R. & T. Code, Sec. 337.
Effective Roll Year 2019-2020



SITE PLAN

APPRAISER QUALIFICATIONS

Current Responsibilities

Brian C. Drake joined **Associated Right of Way Services, Inc.**, in 2011, with 7 years professional appraisal and valuation experience, and currently serves as **Real Estate Appraiser**. The scope of Mr. Drake's work includes complex appraisals on improved and unimproved properties for public improvement projects, as well as valuations for full and partial acquisitions of residential, commercial, industrial, and agricultural properties for transportation and utility improvement projects. Mr. Drake's work is performed in conformance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act, Uniform Standards of Professional Appraisal Practice, Caltrans standards, and state and federal guidelines.

Prior Experience

Prior to joining the AR/WS team, Mr. Drake was a Real Estate Appraiser at **The Schmidt-Prescott Group** (San Jose, CA), where he appraised proposed and existing commercial, industrial, agricultural, and residential property. His experience includes appraising offices, medical offices, surgery centers, self-storage facilities, warehouses, R&D facilities, retail strip and shopping centers, auto dealerships, restaurants, fast food restaurants, commercial condominiums, apartment complexes, and single-family and multi-family dwellings. Mr. Drake prepared appraisal reports for commercial, retail, industrial and residential properties throughout the greater Bay Area and Central Valley. His assignments also included the preparation of rent surveys for commercial, retail and industrial properties. Mr. Drake gained knowledge in various agricultural specific markets in the counties of Alameda, Contra Costa, Merced, Santa Clara, San Benito, San Joaquin and Stanislaus during his career as an appraiser. Valuation of property rights included fee simple, leased fee, leasehold, and ground rent. His clients included lenders, attorneys, accountants, corporations, municipalities, and individuals for eminent domain, estate planning, mortgage lending, litigation support, partnership disputes, taxation, gifting, investment, purchase, and sale.

Education

San Francisco State University, BA, Broadcast Communications

Mr. Drake has taken several courses in matters of real property appraisal through the Appraisal Institute and IRWA to broaden his scope of knowledge and provide higher levels of service.

State of California Certified General Real Estate Appraiser No. AG031568

Member, International Right of Way Association (IRWA)

R/W-AC, Appraisal Certified, International Right of Way Association

Related Course Work:**The Appraisal Institute**

Effective Appraisal Writing; Appraisal Principals; Basic Appraisal Procedures; Uniform Standards of Professional Appraisal Practice; Basic Income Capitalization; General Applications; Report Writing and Valuation Analysis; Business Practices & Ethics; Advanced Income Capitalization; Condemnation Appraising: Principals and Applications; Supervisory Appraiser/Trainee Appraiser Course; Eminent Domain and Condemnation; and USPAP Continuing Education

International Right of Way Association (IRWA)

Ethics and the Right of Way Profession; The Valuation of Partial Acquisitions; Easement Valuation; Principals of Real Estate Engineering; Property Descriptions; Standards of Practice for the Right of Way Professional; Environmental Due Diligence and Liability; Non-Residential Relocation Assistance; Principles of Real Estate Negotiation; and Reviewing Appraisals in Eminent Domain

National Highway Institute (US Department of Transportation)

Real Estate Acquisition Under the Uniform Act

Other

Real Estate Principles; Real Estate Practice; Legal Aspects of Real Estate

August 4 2022

Edward Ruder and Elizabeth Ruder
150 Arroyo Way
San Jose, CA 95112

Re: Conditional Entitlement Letter
Santa Clara Valley Water District – Coyote Creek Flood Management Measures Project
Affected Property: 150 Arroyo Way, San Jose, CA
APN: 467-29-026

Dear Mr. And Mrs. Ruder:

Previously, the Santa Clara Valley Water District (Valley Water) notified you of its efforts to acquire the property that you own and occupy at 150 Arroyo Way in San Jose, California. Valley Water also notified you of your eligibility to receive relocation assistance under its Relocation Assistance Program. Valley Water has developed its Relocation Assistance Program to ensure that uniform, fair, and equitable treatment is afforded to all persons displaced from their homes as a result of its actions so that no person shall suffer disproportionate injury as a result of a project created to benefit the public as a whole.

Based upon the information provided to Valley Water and its relocation consultant, Associated Right of Way Services, Inc., it has been determined that you have been an occupant of the property noted above for 90 consecutive days or more immediately preceding the date Valley Water initiated negotiations with you. Therefore, you are eligible to receive assistance in accordance with the following laws and regulations governing relocation assistance:

Law: California Government Code §7260 et seq.
Regulations: California Code of Regulations, Title 25, Chapter 6

Your Relocation Advisor, Ms. Emily Plurkowski of Associated Right of Way Services, Inc., is available to explain these benefits to you if you have any questions. A more detailed description of this assistance is available in the enclosed Relocation Assistance Handbook. In general, these benefits include the following:

- I. **Relocation Advisory Services.** Your Relocation Advisor, Ms. Plurkowski, will help you find comparable replacement housing in the area. She will also help you file claims for payment with Valley Water and will deliver all necessary notices.

Your Relocation Advisor will identify comparable replacement dwellings within your financial means that are available to you and will provide assistance in obtaining comparable housing of your choice, including assistance in the referral of complaints of discrimination to the appropriate Federal, State, or local fair housing enforcement agency. Please continue to

communicate with Ms. Plurkowski and provide her with information as requested so that she can provide you with assistance as needed.

All services will be provided to you in such a way as to ensure that the relocation process does not result in different or separate treatment on account of race, color, religion, national origin, sex, marital status, familial status, or any basis protected by state and federal anti-discrimination laws, or any other arbitrary circumstances.

- II. **Payment for Moving Expenses.** You may choose one of the following options to cover costs related to moving your personal property to a replacement site;
- (A) pay a professional moving company to move your personal property and be reimbursed by Valley Water upon completion,
 - (B) receive a fixed moving expense and dislocation allowance of \$2,690 to move eight (8) rooms worth of items if you choose to move your own personal property, or
 - (C) choose a combination of the two moving options, depending upon your circumstances.

You may also be eligible for certain storage costs for up to 12 months. More detail on what is covered under Moving Expenses can be found in the enclosed Relocation Assistance Handbook.

- III. **Replacement Housing Payment.** Since you have occupied the property as your primary residence for at least 90 days immediately prior to the initiation of negotiations, you are eligible to receive a replacement housing payment to help you rent or purchase a replacement dwelling. The payment will be based on the cost of a comparable replacement dwelling that has been determined, as well as the actual cost you pay to acquire a new permanent dwelling.

Valley Water has determined that you are eligible to receive assistance under the Last Resort Housing Program so that the cost to purchase a comparable house is affordable to you. Valley Water recently approved a Last Resort Housing Plan to support your household's effort to relocate. Under this Plan, you may choose one of two options for your Replacement Housing Payment. It is important that you understand the options presented here. Please meet with your Relocation Advisor and your attorney to ensure that you have an opportunity to understand the Relocation Assistance Program and the options presented to you before making any decisions.

A. Option 1: Traditional Price Differential Payment

Comparable Replacement Dwelling. Valley Water will assist you with purchasing a comparable home that is Decent, Safe, and Sanitary¹. Valley Water has determined that a comparable replacement dwelling would be \$1,625,000. This determination was based upon a review of comparable replacement housing in the community including the property listed at 1021 Curtner Avenue in San Jose. This property is a 1,261 square foot single family residence with 3 bedrooms and 2 bathrooms situated on an 8,280 square foot lot. Given the current housing

¹ State regulations define Decent, Safe, and Sanitary as housing that is sound, weather tight condition, and in good repair. It is housing that meets local occupancy codes, safe electrical wiring system for lighting and other devices; contain a heating system capable of sustaining a healthful temperature (of approximately 70 degrees). Please speak with your Relocation Advisor.

market, this property may no longer be available for sale. However, Valley Water will continue to provide referrals to you for similar properties for sale at \$1,625,000 or less and will adjust its determination of the cost of most comparable replacement dwelling if such an adjustment is warranted.

Valley Water has offered to purchase your property for \$1,430,000. In order to receive the maximum Price Differential Payment of \$195,000, you would need to purchase a home for \$1,625,000 or greater. Your maximum Price Differential Payment under this option is shown below.

Option 1: Traditional Price Differential Payment	
List Price of Most Comparable Replacement Property	\$1,625,000
Minus Valley Water's Offer to Purchase Current Home	<u>(\$1,430,000)</u>
Maximum Price Differential Payment	\$195,000

Under Option 1, you could claim payment for the following under the Relocation Assistance Program if you purchase and occupy a replacement property within 12 months of the date you receive just compensation for your current property or the date you vacate your current home (whichever is later).

- Valley Water would deposit a Price Differential Payment into the escrow for your replacement home based on the calculations shown in the above Traditional Price Differential Payment. If you purchase a replacement property that costs less than \$1,625,000 or if Valley Water pays more than \$1,430,000 for your current home, your Price Differential Payment would be adjusted to reflect the difference between the cost of your replacement property and the amount Valley Water pays you for your current property.
- Valley Water would reimburse you for non-recurring closing costs to support your purchase of a comparable replacement property valued at \$1,625,000 or less.
- Valley Water would assess increased mortgage costs owed to you for a reasonable replacement loan.

You would need to fully document your claims. This includes submitting documentation related to your replacement home purchase, certified copies of your closing statement, a copy of a professional Home Inspection Report, and cooperation with Valley Water to allow an inspection of your replacement property to ensure it meets Decent, Safe, and Sanitary standards. Your Relocation Advisor will work with you to help secure the necessary documentation to support your claims.

B. Option 2: Settlement Agreement under Housing of Last Resort

Comparable Replacement Dwelling. Valley Water has considered the current housing market and the fact that homes are selling for above list price. As a result, Valley Water proposes to adjust its determination of the cost of a comparable, Decent, Safe, and Sanitary replacement home. Under this option, Valley Water would adjust the cost of a comparable by 113.4%.

Under this option, Valley Water would adjust the list price of the most comparable property at 1021 Curtner Avenue in San Jose by 113.4% resulting in an anticipated sale price of \$1,842,750. This property is a 1,261 square foot single family residence with 3 bedrooms and 2 bathrooms situated on an 8,280 square foot lot. Given the current housing market, this property may no longer be available for sale. Valley Water can provide referrals to other comparable properties listed for \$1,842,750 or less upon request.

Under this option, Valley Water would enter into a settlement agreement with you for \$1,842,750. This settlement would include the following:

- The purchase of your current property
- Any Price Differential Payment you would receive under the Relocation Assistance Program

The settlement would not include the following, and therefore, you could claim these costs under the Relocation Assistance Program if you purchase and occupy a replacement property within 12 months of the date you receive just compensation for your current property.

- Reimbursement for non-recurring closing costs to support your purchase of a comparable replacement property valued at \$1,842,750 or less.
- Payment of increased mortgage costs for a reasonable replacement loan.

You would need to fully document your request for non-recurring closing costs and increased mortgage costs. This includes submitting documentation related to your replacement home purchase, certified copies of your closing statement, a copy of a professional Home Inspection Report, and cooperation with Valley Water to allow an inspection of your replacement property to ensure it meets Decent, Safe, and Sanitary standards.

Payment of Claims. You must move into a replacement rental dwelling within one year of the date you vacate the home acquired by Valley Water. You must file all claims for payment within 18 months of the date you vacate. Your Relocation Advisor can help you to prepare all claims under the Relocation Program. You should submit all signed and documented claims to your Relocation Advisor for processing. Please note that it typically takes three weeks to receive payment for a claim once all documentation has been submitted and approved.

IV. **Your Right to Appeal.** If you do not agree with a decision made by Valley Water related to the Relocation Assistance Program, you may appeal the decision. All appeals must be submitted within 18 months following the date you move from the property you currently occupy. Information on the Appeal Process is available upon request. Please speak with your Relocation Advisor for additional information on the appeal process.

V. **Relocation Payments are Not Considered Income.** 42 U.S.C. 4636 states that payments are not to be considered as income for revenue purposes or for eligibility for assistance under Social Security Act or other Federal Law. No payment received under 49 CFR 24 shall be considered as income for the purposes of title 26, U.S. Code; or for the purposes of determining the eligibility or the extent of eligibility of any person for assistance under the Social Security Act [42 U.S.C. 301 et seq.] or any other Federal law (except for any Federal law providing low-income housing assistance).

- VI. This is not a notice to vacate. Valley Water intends to continue negotiating with you in good faith. You have at least 90 days from the date of this notice before you would be required to vacate.
- VII. Renting from Valley Water. If you continue to live on the property after Valley Water takes possession, you are required to pay rent. Failure to pay rent can result in eviction. If you receive a Notice to Vacate from Valley Water and it is required to take legal action to move you from the property, Valley Water will seek rent and damages.

Please refer to the enclosed Relocation Assistance Handbook. It explains your rights and some things you must do to obtain relocation payments. Therefore, do not commit yourself to rent or buy a replacement dwelling until you arrange to have the home inspected by your Relocation Advisor. Your Relocation Advisor will be available to assist you in the relocation process and will explain your rights and help you obtain the relocation payments and other assistance for which you are eligible. If you have any questions, please contact your Relocation Advisor, Ms. Plurkowski by phone at (925) 691-2863 or via electronic mail at EPlurkowski@arws.com.

We appreciate your cooperation in this process as Valley Water continues its efforts to improve our community.



Sincerely,

Bill Magleby

Bill Magleby, SR/WA
Senior Real Estate Agent

Enclosures

Cc: Gerry Houlihan, Matteoni O'Laughlin & Hechtman
Emily Plurkowski, AR/WS, Inc.

Certification of Delivery	
This Notice and enclosures were sent to the business owner via USPS First Class and Certified Mail Return Receipt Requested.	
 Signature	 Date