

# **APPRAISAL REPORT**

**of**

Single Family Residence at

2390 Cochrane Rd

Morgan Hill, CA 95037

**As Of:**

04/26/2018

**Prepared For:**

Santa Clara Valley Water District

5750 Almaden Expressway

San Jose, CA 95118

**Prepared By:**

Kurt J. Power

Kurt Power & Associates

1580 Mission Avenida

Morgan Hill, CA 95037

## Residential Appraisal Report

The purpose of this appraisal report is to provide the client with an accurate, and adequately supported, opinion of the market value of the subject property.														
SUBJECT	Property Address		2390 Cochrane Rd		City		Morgan Hill		State		CA	Zip Code	95037	
	Owner		Coyle, Frances J		Intended User		Santa Clara Valley Water District		County		Santa Clara			
	Legal Description NA (The Legal Description was not provided for review at the time of the appraisal inspection.)													
	Assessor's Parcel #		728-34-011		Tax Year		2017		R.E. Taxes \$		618.00			
	Neighborhood Name		South County		Map Reference		37.164438/-121.631099		Census Tract		5123.08			
	Occupant	<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input checked="" type="checkbox"/> Vacant	Special Assessments \$		0		PUD	HOA \$	0	per year	per month.	
	Property Rights Appraised		<input checked="" type="checkbox"/> Fee Simple		<input type="checkbox"/> Leasehold		<input type="checkbox"/> Other (describe)							
	Intended Use Determine Current Fair Market Value													
	Client		Santa Clara Valley Water District		Address		5750 Almaden Expressway, San Jose, CA 95118							
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
Report data source(s) used, offerings price(s), and date(s). MLS														
CONTRACT	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.													
	Contract Price \$				Date of Contract				Is the property seller the owner of public record?		<input type="checkbox"/> Yes <input type="checkbox"/> No		Data Source(s)	
	Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the purchaser? <input type="checkbox"/> Yes <input type="checkbox"/> No													
	If Yes, report the total dollar amount and describe the items to be paid.													
Note: Race and the racial composition of the neighborhood are not appraisal factors.														
NEIGHBORHOOD	Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %			
	Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	60 %		
	Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	%		
	Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	600	Low	0	Multi-Family %		
	Neighborhood Boundaries The "neighborhood" (market area) is comprised of the unincorporated Santa Clara County				2,900 High				125	Commercial	20 %			
	area surrounding the City of Morgan Hill (+/- four mile radius from downtown Morgan Hill).				1,150 Pred.				45	Other Vacant	20 %			
	Neighborhood Description The neighborhood is comprised of single family residences interspersed with commercial use properties and vacant land and the subject is compatible with other homes in the area in terms of design and appeal. Proximity to public services, shopping and recreational facilities and major roadways is good. Proximity to employment centers is average.													
	Market Conditions (including support for the above conclusions) MLS records for the subject market area indicate the median price of a single family residential property during the past 90 days was \$1,200,000. The median price during the same time period one year ago was \$1,100,000 which calculates out to a net increase of 9%. Financing is readily available to qualified borrowers.													
	Dimensions		See Attached Plat Map		Area		43,560 SF		Shape		Irregular		View	Neighborhood
	Specific Zoning Classification		A-20a		Zoning Description		Mixed Use Agricultural/Residential							
Zoning Compliance		<input checked="" type="checkbox"/> Legal		<input type="checkbox"/> Legal Nonconforming (Grandfathered Use)		<input type="checkbox"/> No Zoning		<input type="checkbox"/> Illegal (describe)						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.														
SITE	Utilities Public Other (describe)				Public Other (describe)				Off-site Improvements--Type		Public Private			
	Electricity	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	Shared Well	Street	Asphalt	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	
	Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	Shared PG&E	Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/> X	<input type="checkbox"/>	Septic	Alley	None	<input type="checkbox"/>	<input type="checkbox"/>	
	FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				FEMA Flood Zone				D		FEMA Map # 060337/06085C/0442H FEMA Map Date 05/18/2009			
	Are the utilities and/or off-site improvements typical for the market area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No, describe. See attached Comment Addendum.													
	Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe.													
	See attached Comment Addendum.													
IMPROVEMENTS	General Description				Foundation		Exterior Description		materials/condition		Interior		materials/condition	
	Units	<input checked="" type="checkbox"/> One	<input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/>	Concrete Slab	<input type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Average	Floors	WWC, Vinyl/Avg				
	# of Stories	1.0			Full Basement	<input checked="" type="checkbox"/> Partial Basement	Exterior Walls	Wood/Average	Walls	Drywall/Average				
	Type	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Att.	<input type="checkbox"/> S-Det/End Unit	Basement Area	371 sq. ft.	Roof Surface	Comp Shngl/Average	Trim/Finish	Paint/Average				
	<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed	<input type="checkbox"/> Under Const.	Basement Finish	100 %	Gutters & Downspouts	Plastic/Average	Bath Floor	Vinyl/Average					
	Design (Style) Ranch				<input checked="" type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	Traverse Alum./Avg	Bath Wainscot	Wallboard/Avg				
	Year Built 1951				Evidence of	Infestation	Storm Sash/Insulated	No/No	Car Storage	None				
	Effective Age (Yrs) 45				Dampness	Settlement	Screens	Metal Framed/Avg	<input checked="" type="checkbox"/> X Driveway	# of Cars	2+			
	Attic				Heating	FWA	HWB	Radiant	Amenities	Woodstove(s) #	0	Driveway Surface	Gravel	
	<input type="checkbox"/> Drop Stair				<input checked="" type="checkbox"/> X Other Wall	Fuel	Gas	Fireplace(s) #	<input checked="" type="checkbox"/> X Fence	Wood	Garage	# of Cars		
<input type="checkbox"/> Floor				<input checked="" type="checkbox"/> X Scuttle	Cooling	Central Air Conditioning	<input checked="" type="checkbox"/> X Patio/Deck Cncrt	<input checked="" type="checkbox"/> X Porch	Concrete	Carport	# of Cars			
<input type="checkbox"/> Finished				<input type="checkbox"/> Heated	Individual	Other	Pool	Other	Att.	Det.	Built-in			
Appliances				Refrigerator	<input checked="" type="checkbox"/> X Range/Oven	Dishwasher	Disposal	Microwave	Washer/Dryer	Other (describe)				
Finished area above grade contains:				5	Rooms	2	Bedrooms	2.0	Bath(s)	1,556	Square Feet of Gross Living Area Above Grade			
Additional features (special energy efficient items, etc.) There is a finished basement with interior and exterior access.														
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The original residence has been expanded. The existence of permits for the work is unknown and the current floor plan suffers some functional obsolescence due to having to access one bedroom via another. (It is an extraordinary assumption of this report that the current improvements, as described, may be legally rebuilt if destroyed.) The improvements also exhibit signs of deferred maintenance (exterior peeling paint) which has been factored into the overall condition cited.														
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No If Yes, describe														
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> X Yes <input type="checkbox"/> No If No, describe														

## Residential Appraisal Report

There are 0 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 0 to \$ 0	
There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 750,000 to \$ 1,220,000	
FEATURE	SUBJECT
Address	2390 Cochran Rd Morgan Hill, CA 95037
Proximity to Subject	1.80 miles S
Sale Price	\$ 1,220,000
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.
Data Source(s)	MLS#ML81695763
Verification Source(s)	Realist/Doc#23907122
VALUE ADJUSTMENTS	DESCRIPTION
Sale or Financing	None Disclosed
Concessions	DOM 13
Date of Sale/Time	COE 04/11/2018
Location	Suburban/Avg
Leasehold/Fee Simple	Fee Simple
Site	43,560 SF
View	Neighborhood
Design (Style)	Ranch
Quality of Construction	Average
Actual Age	67 yrs
Condition	Average
Above Grade	Total Bdrms Baths
Room Count	5 2 2.0
Gross Living Area	1,556 sq. ft.
Basement & Finished Rooms Below Grade	Partial Basement
Functional Utility	Average
Heating/Cooling	Wall/None
Energy Efficient Items	None
Garage/Carport	None
Porch/Patio/Deck	Porch/Patio
Well/Septic	Well/Septic
Net Adjustment (Total)	\$ -406,000
Adjusted Sale Price of Comparables	\$ 814,000
I <input checked="" type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain	
My research <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data source(s) Realist Records	
My research <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.	
Data source(s) Realist Records	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	04/14/2017
Price of Prior Sale/Transfer	0
Data Source(s)	Realist Records
Effective Date of Data Source(s)	04/19/2018
Analysis of prior sale or transfer history of the subject property and comparable sales The prior transfer cited for comparable #2 was an Affidavit Deed.	
Summary of Sales Comparison Approach Time adjustments are based on MLS statistics (0.75% per month average) and calculated from the COE date on differences greater than one month. Comparable #1 is located proximate to a six lane freeway, #2 is located adjacent a two lane arterial street and #3 is located between two commercial use properties. Site adjustments were calculated at \$5 per SF on differences greater than 5,000 SF. Comparable #1 had superior appointments and features (5%) and was recently renovated throughout (10%). Room Count adjustments were calculated at \$25,000 per bathroom. Gross Living Area adjustments were calculated at \$85 per SF on differences greater than 50 SF. All adjustments reflect the "market reaction" to differences, are supported by conversations with local Realtors and are rounded to the nearest \$500.	
Indicated Value by Sales Comparison Approach \$ 814,000	
Indicated Value by: Sales Comparison Approach \$ 814,000 Cost Approach (if developed) \$ NA Income Approach (if developed) \$ NA	
The comparables cited create a weighted average of \$814,609. (Additional Comments on next page.)	
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:	
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 814,000 as of 04/26/2018	

## Residential Appraisal Report

ADDITIONAL COMMENTS	This report is designed to meet the requirements for an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice (USPAP).																																																																																											
	The primary data services utilized were MLSListings, Inc. (MLS) and CoreLogic, Inc. (Realist). Local MLS records do not note "contract" dates. They do indicate when the status of a listing is changed to one of two levels of "pending sale", however, one of them is "continue to show" and the other does not reflect the time period of any negotiations prior to an executable contract. Accordingly, the market data cited (trends in value) and any Time adjustments are based on COE dates.																																																																																											
	The Client and Intended User of this appraisal report are cited on page one. The Intended Use is to evaluate the property that is the subject of this appraisal is to determine its fair market value, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form and Definition of Market Value. No additional Intended Users are identified by the appraiser. The appraiser will have no legal liability to any third party who claims to have relied upon the report, in whole or in part, for any purpose, whatsoever, unless such reliance was agreed to, in advance, by the appraiser, in writing.																																																																																											
	A physical inspection of the subject property was conducted, observations of physical condition and sources of functional and external obsolescence were made, photographs were taken and a floor plan sketch of the subject improvements was prepared. However, the appraiser is not a home inspector and the appraisal report is not a home inspection. The appraisal report cannot be relied upon to disclose hidden defects that are not apparent from a visual observation of the surfaces of the subject property. The visual observation was conducted from standing height of the unobstructed, exposed, and accessible perimeter of the residential improvements along with the accessible areas and unobstructed, exposed surfaces of the living area without removal of personal possessions. The visual observation excludes any attic or crawl spaces.																																																																																											
	The testing of systems (structural, electrical, mechanical, heating, cooling, plumbing) and components (such as appliances, fixtures, doors, windows, etc.) also lies outside of the scope of this appraisal assignment. This report is not intended for the purpose of identifying any adverse conditions in the subject's systems and components which might be revealed by any inspections by licensed professionals in any relevant field.																																																																																											
	This appraisal does not guarantee that the subject property is free of undetected problems, possible defects or environmental hazards that could exist.																																																																																											
	An appraisal of the subject was performed on 06/10/2014. At that time a physical inspection (interior/exterior) of the subject property was conducted, observations of physical condition and sources of functional and external obsolescence were made, photographs were taken (see attached) and a floor plan sketch of the subject improvements was prepared. (The report was updated on 08/23/2016.)																																																																																											
	An "exterior" inspection was conducted on 04/26/2018. (New exterior photos were taken and are attached.) It is an extraordinary assumption of this report that the condition of any "unseen" areas of the home has not changed significantly enough since the original inspection/report to effect the value and/or marketability of the property.																																																																																											
	The appraiser has not performed any other prior services regarding the subject property within the three-year period immediately preceding acceptance of this assignment.																																																																																											
	The direct sales comparison approach to value was employed in the analysis leading to the final value conclusion. The cost approach and income approach to value were not employed consistent with the scope of the assignment. Personal property was specifically excluded from the value conclusion of this report. The final opinion of value shown is for real estate only.																																																																																											
Exposure Time is defined as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. The exposure time that the value conclusion of this report is based upon is the same as the marketing time cited on page one.																																																																																												
COST APPROACH	<b>COST APPROACH TO VALUE (if applicable)</b>																																																																																											
	Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) NA																																																																																											
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">ESTIMATED</td> <td style="width: 15%;">REPRODUCTION OR</td> <td style="width: 15%;">REPLACEMENT COST NEW</td> <td colspan="4">OPINION OF SITE VALUE</td> <td style="width: 10%; text-align: right;">=\$</td> </tr> <tr> <td>Source of cost data</td> <td></td> <td></td> <td>Dwelling</td> <td style="text-align: right;">1,556</td> <td style="text-align: right;">Sq. Ft. @ \$</td> <td></td> <td style="text-align: right;">=\$</td> </tr> <tr> <td>Quality rating from cost service</td> <td></td> <td>Effective date of cost data</td> <td>Bsmnt</td> <td style="text-align: right;">371</td> <td style="text-align: right;">Sq. Ft. @ \$</td> <td></td> <td style="text-align: right;">=\$</td> </tr> <tr> <td colspan="8">Comments on Cost Approach (gross living area calculations, depreciation, etc.)</td> </tr> <tr> <td colspan="3"></td> <td>Garage/Carport</td> <td style="text-align: right;">Sq. Ft. @ \$</td> <td></td> <td style="text-align: right;">=\$</td> </tr> <tr> <td colspan="3"></td> <td colspan="2">Total Estimate of Cost-new</td> <td></td> <td style="text-align: right;">=\$</td> </tr> <tr> <td colspan="3"></td> <td>Less Physical</td> <td>Functional</td> <td>External</td> <td></td> </tr> <tr> <td colspan="3"></td> <td colspan="2">Depreciation</td> <td></td> <td style="text-align: right;">=\$ ( )</td> </tr> <tr> <td colspan="3"></td> <td colspan="2">Depreciated Cost of Improvements</td> <td></td> <td style="text-align: right;">=\$</td> </tr> <tr> <td colspan="3"></td> <td colspan="2">"As-is" Value of Site Improvements</td> <td></td> <td style="text-align: right;">=\$</td> </tr> <tr> <td colspan="3"></td> <td colspan="2">Estimated Remaining Economic Life (HUD and VA only)</td> <td>Years</td> <td>Indicated Value By Cost Approach</td> <td style="text-align: right;">=\$</td> </tr> </table>										ESTIMATED	REPRODUCTION OR	REPLACEMENT COST NEW	OPINION OF SITE VALUE				=\$	Source of cost data			Dwelling	1,556	Sq. Ft. @ \$		=\$	Quality rating from cost service		Effective date of cost data	Bsmnt	371	Sq. Ft. @ \$		=\$	Comments on Cost Approach (gross living area calculations, depreciation, etc.)											Garage/Carport	Sq. Ft. @ \$		=\$				Total Estimate of Cost-new			=\$				Less Physical	Functional	External					Depreciation			=\$ ( )				Depreciated Cost of Improvements			=\$				"As-is" Value of Site Improvements			=\$				Estimated Remaining Economic Life (HUD and VA only)		Years	Indicated Value By Cost Approach	=\$
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	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Estimated Monthly Market Rent \$</td> <td style="width: 10%; text-align: right;">0</td> <td style="width: 10%;">X Gross Multiplier</td> <td style="width: 10%; text-align: right;">0</td> <td style="width: 10%; text-align: right;">=\$</td> <td style="width: 10%; text-align: right;">0</td> <td colspan="4">Indicated Value by Income Approach</td> </tr> <tr> <td colspan="10">Summary of Income Approach (including support for market rent and GRM) NA</td> </tr> </table>										Estimated Monthly Market Rent \$	0	X Gross Multiplier	0	=\$	0	Indicated Value by Income Approach				Summary of Income Approach (including support for market rent and GRM) NA																																																																							
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PUD INFORMATION	<b>PROJECT INFORMATION FOR PUDs (if applicable)</b>																																																																																											
	Is the developer/builder in control of the Homeowner's Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s) <input type="checkbox"/> Detached <input type="checkbox"/> Attached																																																																																											
	Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.																																																																																											
	Legal Name of Project																																																																																											
	Total number of phases		Total number of units		Total number of units sold																																																																																							
	Total number of units rented		Total number of units for sale		Data source(s)																																																																																							
	Was the project created by the conversion of existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion.																																																																																											
	Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data source.																																																																																											
	Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.																																																																																											
	Are the common elements leased to or by the Homeowner's Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.																																																																																											
Describe common elements and recreational facilities.																																																																																												

This appraisal report is subject to the scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. The Appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**DEFINITION OF MARKET VALUE:** As per Fannie Mae the definition of market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event.
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.


21. I am aware that any disclosure or distribution of this appraisal report by me or the client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

22. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**APPRAISER**

Signature   
 Name Kurt J. Power  
 Company Name Kurt Power & Associates  
 Company Address 1580 Mission Avenida  
Morgan Hill, CA 95037  
 Telephone Number 408-482-7979  
 Email Address kjpower@charter.net  
 Date of Signature and Report 04/28/2018  
 Effective Date of Appraisal 04/26/2018  
 State Certification # AR022573  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State CA  
 Expiration Date of Certification or License 04/03/2020

**ADDRESS OF PROPERTY APPRAISED**

2390 Cochrane Rd  
Morgan Hill, CA 95037

APPRAISED VALUE OF SUBJECT PROPERTY \$ 814,000

**CLIENT**

Name Rahn Springer  
 Company Name Santa Clara Valley Water District  
 Company Address 5750 Almaden Expressway  
San Jose, CA 95118  
 Email Address rspringer@valleywater.org

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

**SUBJECT PROPERTY**

- ☐ Did not inspect subject property  
☐ Did inspect exterior of subject property from street  
 Date of Inspection \_\_\_\_\_  
☐ Did inspect interior and exterior of subject property  
 Date of Inspection \_\_\_\_\_

**COMPARABLE SALES**

- ☐ Did not inspect exterior of comparable sales from street  
☐ Did inspect exterior of comparable sales from street  
 Date of Inspection \_\_\_\_\_



Kurt Power & Associates  
**COMMENT ADDENDUM**

File No. 1180049  
P.O. No. GEN-0000031724

Borrower	NA						
Property Address	2390 Cochrane Rd						
City	Morgan Hill	County	Santa Clara	State	CA	Zip Code	95037
Lender/Client	Santa Clara Valley Water District	Address	5750 Almaden Expressway, San Jose, CA 95118				

**SITE:**

The site size cited was obtained from the parcel map (one acre). The site characteristics are as follows:

The site is irregular in shape which reduces it's overall utility. Currently vehicle access is via a shared driveway, however, the site is adjacent a public street which allows direct access from the road if necessary.

Public electricity is available at the lot line and the subject has it's own electric service (PG&E). However, gas is currently obtained from an adjacent site with public (PG&E) gas. The ability to access to PG&E gas directly is unknown, however, gas is easily (and commonly) obtained in the area via on-site propane.

The subject also obtains water from a shared well on an adjacent site. Accordingly, it is an extraordinary assumption of this report that there is permanent, legal access to water that is adequate for all current uses.

The subject is located within a Geologic Hazard Area designated "Dr" (as shown on Barclay Santa Clara County Locaide Maps) which designates areas which have a "high potential for ground displacement along fault traces". There is no evidence to indicate that this has an adverse effect on property values in this market area. However, the appraiser assumes no responsibility for the possible effect on the subject property of soils activity.

The subject is also located within the boundaries of a Fault Rupture Hazard (Earthquake) Zone known as the Coyote Fault (as shown on Barclay Santa Clara County Locaide Maps). There is also no evidence to indicate that this has an adverse effect on property values in this market area. However, the appraiser assumes no responsibility for the possible effect on the subject property of seismic activity and/or earthquakes.

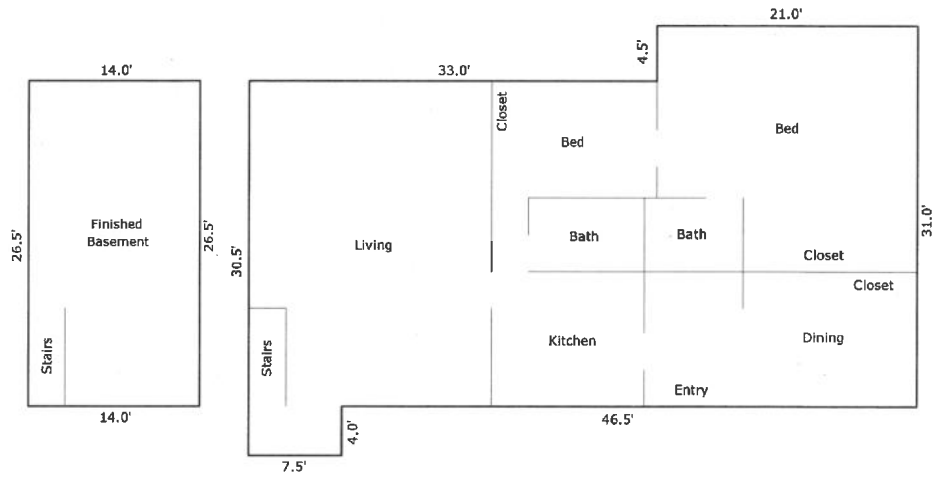
The site faces a two lane arterial street which exposes the subject to moderate amounts of additional traffic and traffic noise. It is also across the street from a county park (enhances value) and the Anderson Lake dam (reduces value).



Kurt Power & Associates  
**SKETCH ADDENDUM**

File No. 1180049  
P.O. No. GEN-0000031724

Borrower NA  
Property Address 2390 Cochrane Rd  
City Morgan Hill County Santa Clara State CA Zip Code 95037  
Lender/Client Santa Clara Valley Water District Address 5750 Almaden Expressway, San Jose, CA 95118



Sketch by Apex Medina™  
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1555.5	1555.5
BSMT	Finished Basement	371.0	371.0
Net LIVABLE Area		(rounded)	1556

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
54.0	x	26.5	1431.0
4.5	x	21.0	94.5
4.0	x	7.5	30.0
3 Items			(rounded) 1556

## PLAT MAP

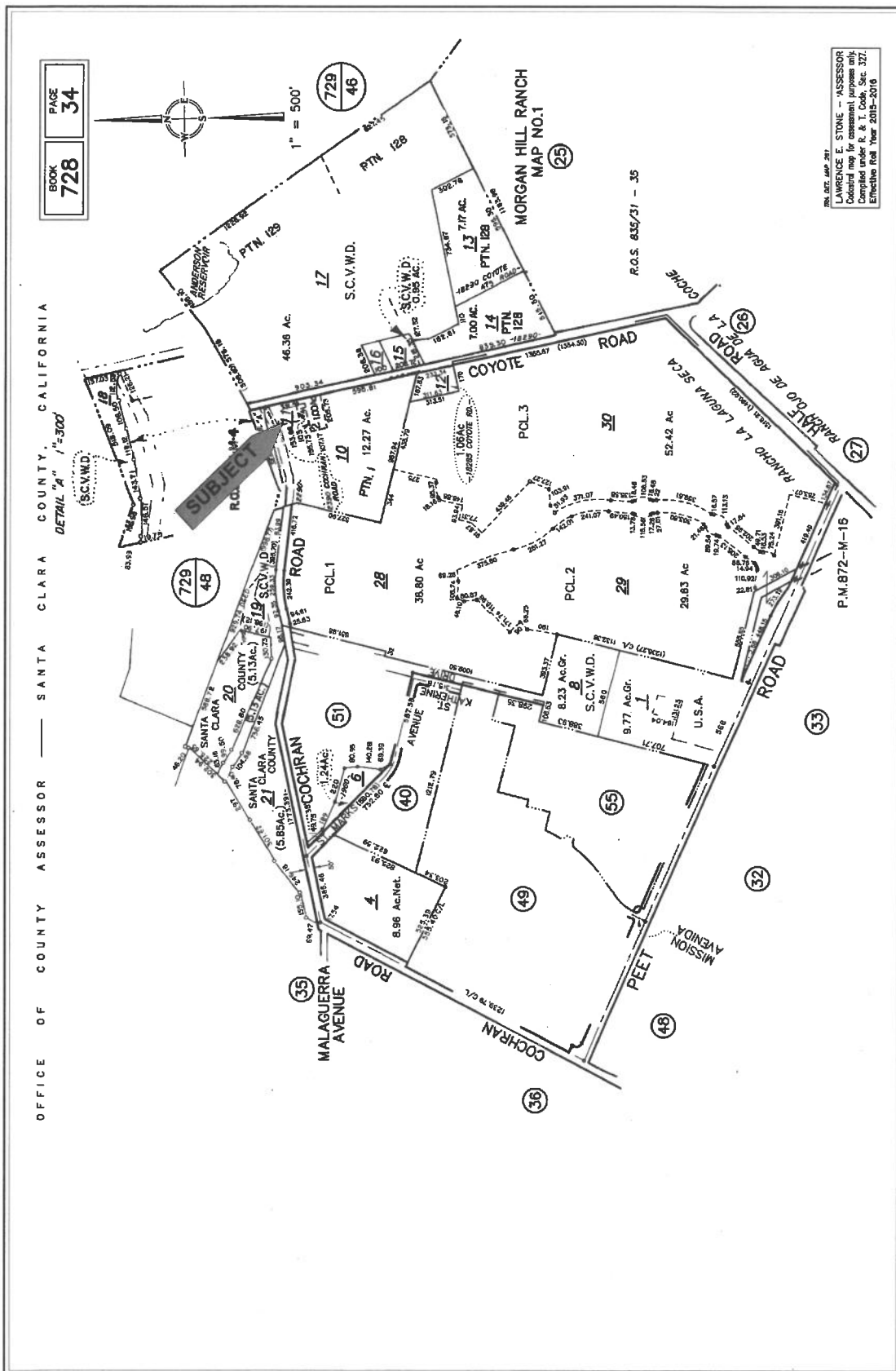
File No. 1180049  
P.O. No. GEN-0000031724

Borrower NA

Property Address	2390 Cochrane Rd
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City	Morgan Hill	County	Santa Clara	State	CA	Zip Code	95037
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Lender/Client	Santa Clara Valley Water District	Address	5750 Almaden Expressway, San Jose, CA 95118
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Kurt Power & Associates  
**AERIAL MAP ADDENDUM**

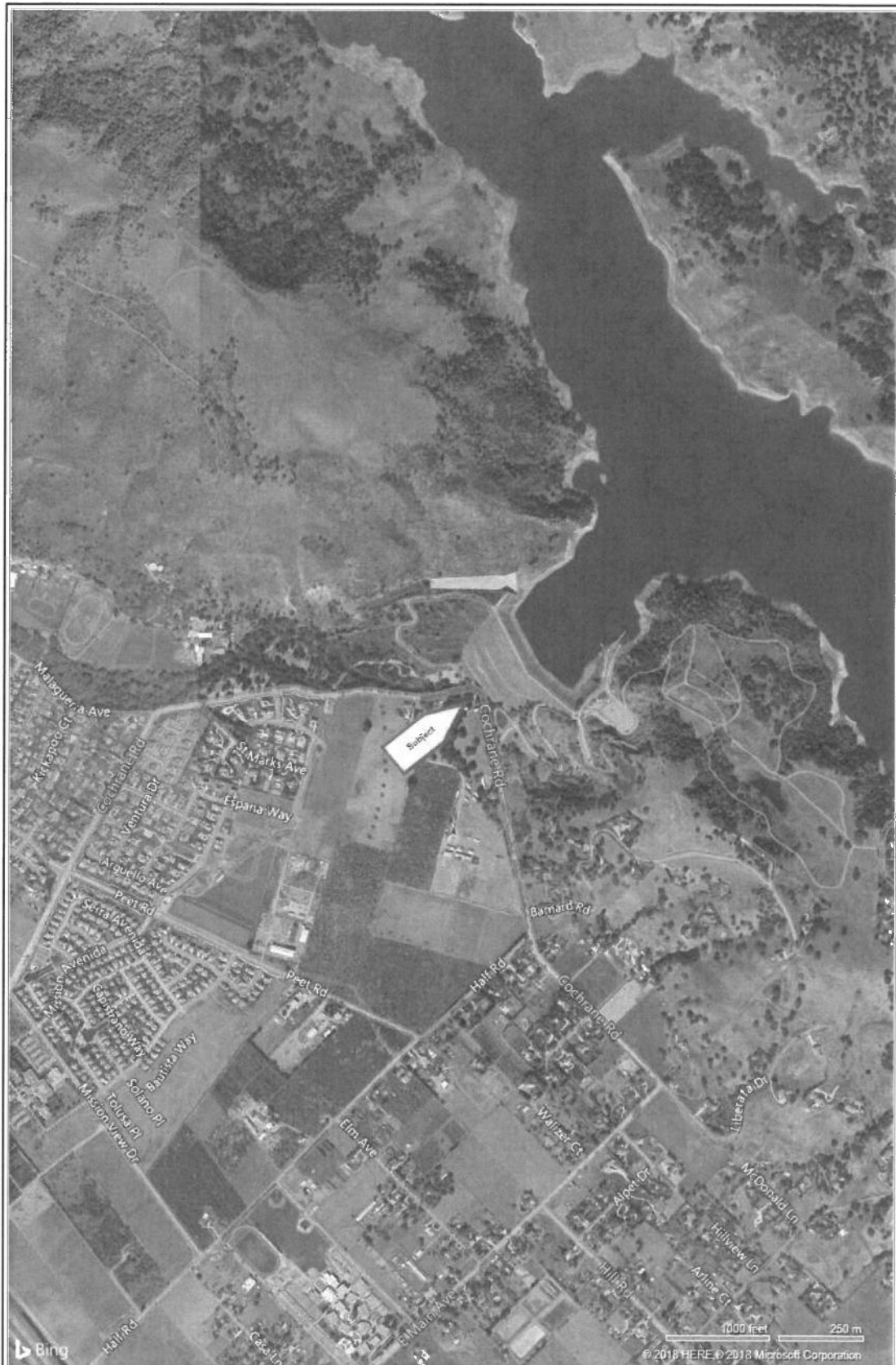
File No. 1180049  
P.O. No. GEN-0000031724

Borrower

Property Address 2390 Cochrane Rd

City Morgan Hill County Santa Clara State CA Zip Code 95037

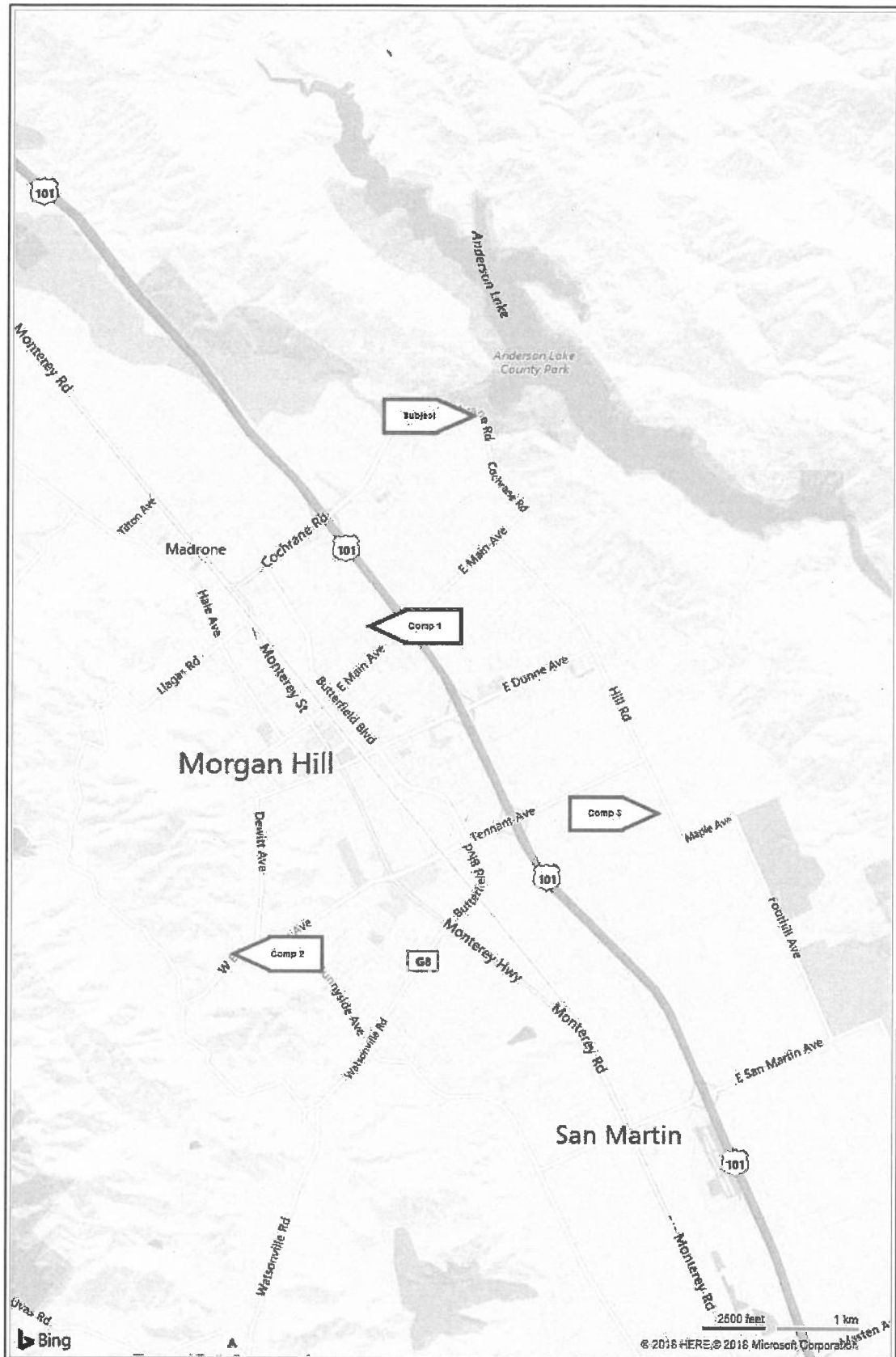
Lender/Client Santa Clara Valley Water District Address 5750 Almaden Expressway, San Jose, CA 95118



Kurt Power & Associates  
**LOCATION MAP ADDENDUM**

File No. 1180049  
P.O. No. GEN-0000031724

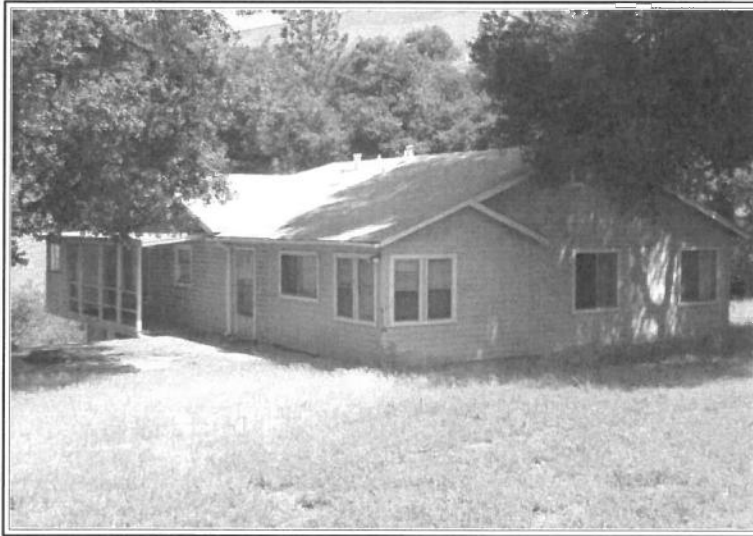
Borrower	NA						
Property Address	2390 Cochrane Rd						
City	Morgan Hill	County	Santa Clara	State	CA	Zip Code	95037
Lender/Client	Santa Clara Valley Water District		Address	5750 Almaden Expressway, San Jose, CA 95118			



Kurt Power & Associates  
**SUBJECT PHOTO ADDENDUM**

File No. 1180049  
P.O. No. GEN-0000031724

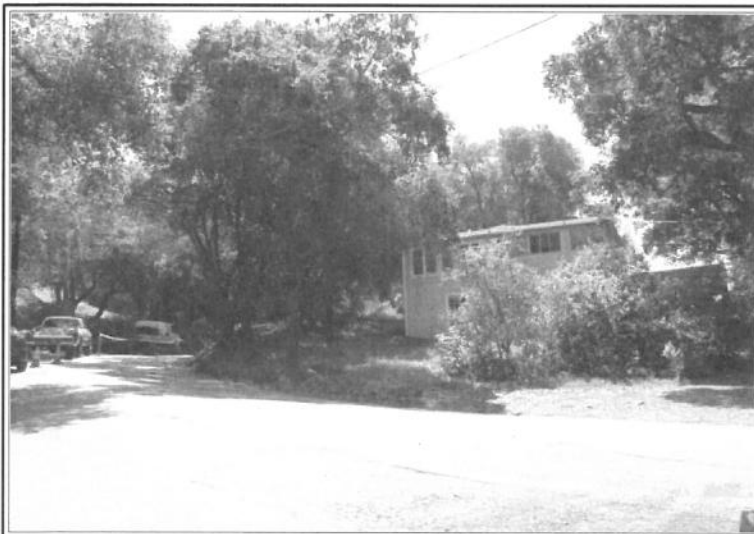
Borrower	NA						
Property Address	2390 Cochrane Rd						
City	Morgan Hill	County	Santa Clara	State	CA	Zip Code	95037
Lender/Client	Santa Clara Valley Water District	Address	5750 Almaden Expressway, San Jose, CA 95118				



**FRONT OF  
SUBJECT PROPERTY**  
2390 Cochrane Rd  
Morgan Hill, CA 95037



**REAR OF  
SUBJECT PROPERTY**



**STREET SCENE**

Kurt Power & Associates  
**SUBJECT PHOTO ADDENDUM**

File No. 1180049  
P.O. No. GEN-0000031724

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FRONT



SIDE



REAR OF SITE



Kurt Power & Associates  
**SUBJECT PHOTO ADDENDUM**

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ACROSS STREET



STREET & SHARED DRIVEWAY



LIVING ROOM  
(06/10/2014)



Kurt Power & Associates  
**SUBJECT PHOTO ADDENDUM**

File No. 1180049  
P.O. No. GEN-0000031724

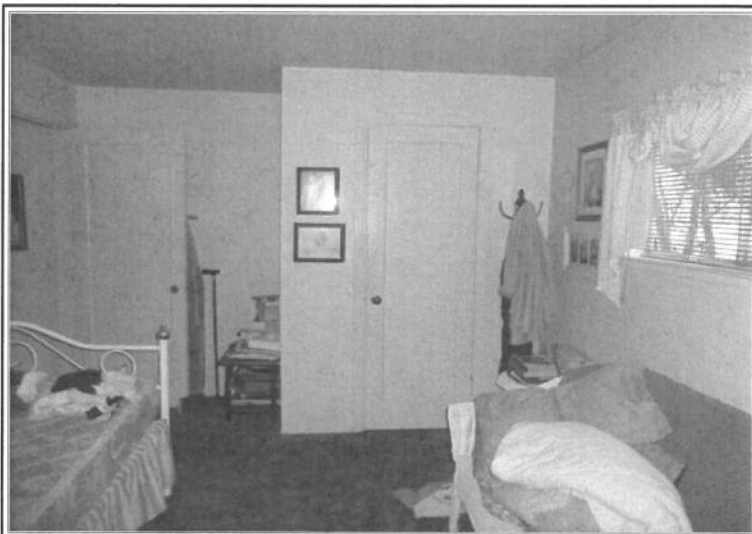
Borrower	NA						
Property Address	2390 Cochrane Rd						
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Lender/Client	Santa Clara Valley Water District	Address	5750 Almaden Expressway, San Jose, CA 95118				



DINING ROOM  
(06/10/2014)



KITCHEN  
(06/10/2014)

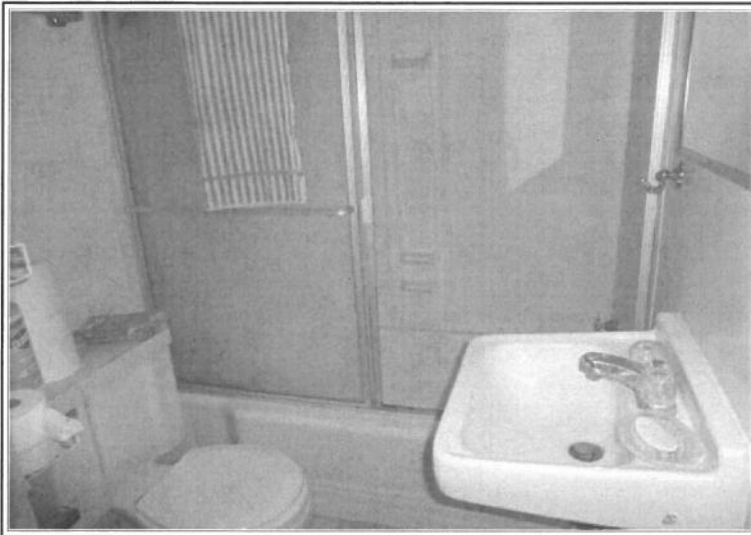


BEDROOM  
(06/10/2014)

Kurt Power & Associates  
**SUBJECT PHOTO ADDENDUM**

File No. 1180049  
P.O. No. GEN-0000031724

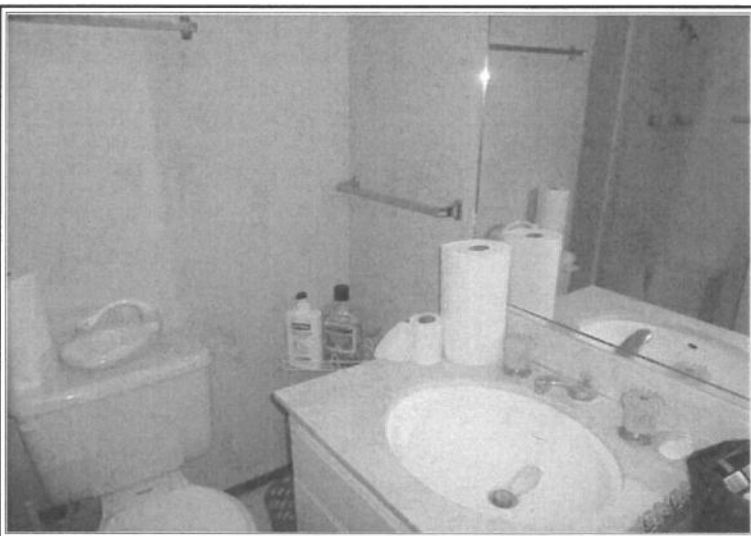
Borrower	NA						
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City	Morgan Hill	County	Santa Clara	State	CA	Zip Code	95037
Lender/Client	Santa Clara Valley Water District			Address	5750 Almaden Expressway, San Jose, CA 95118		



BATHROOM  
(06/10/2014)



MASTER BEDROOM  
(06/10/2014)

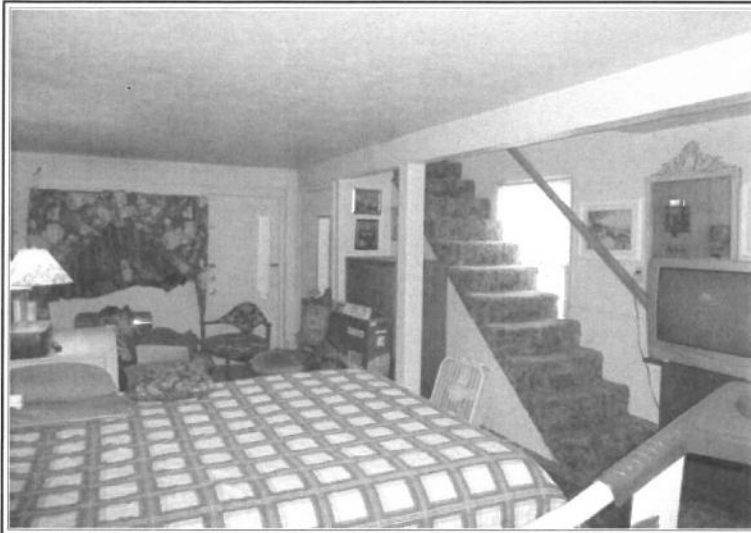


MASTER BATH  
(06/10/2014)

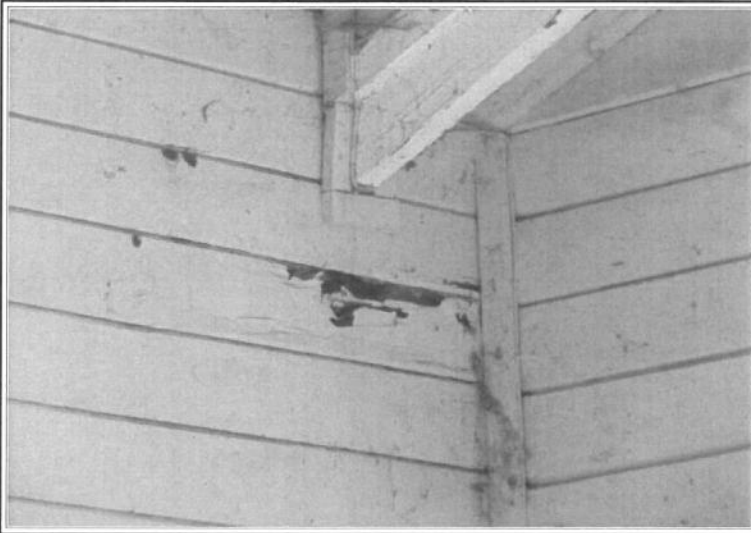
Kurt Power & Associates  
**SUBJECT PHOTO ADDENDUM**

File No. 1180049  
P.O. No. GEN-0000031724

Borrower	NA						
Property Address	2390 Cochrane Rd						
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Lender/Client	Santa Clara Valley Water District		Address	5750 Almaden Expressway, San Jose, CA 95118			



BASEMENT  
(06/10/2014)



DEFERRED MAINTENANCE



DEFERRED MAINTENANCE

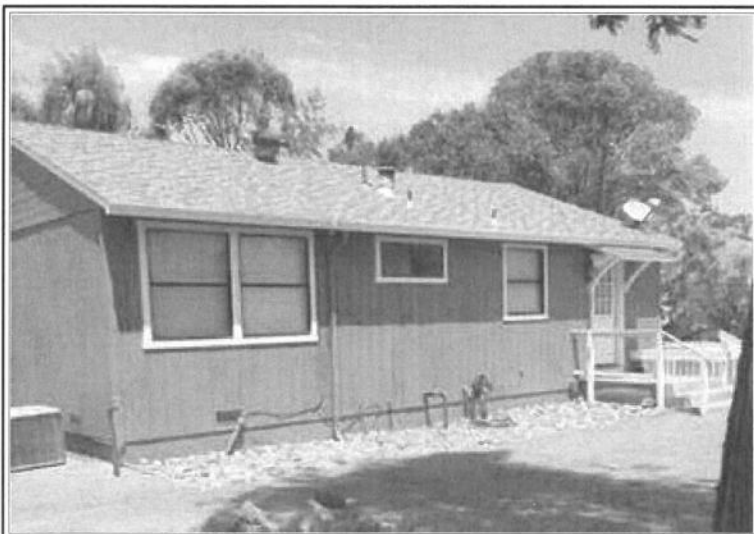
Borrower	NA						
Property Address	2390 Cochrane Rd						
City	Morgan Hill	County	Santa Clara	State	CA	Zip Code	95037
Lender/Client	Santa Clara Valley Water District	Address	5750 Almaden Expressway, San Jose, CA 95118				



**COMPARABLE SALE # 1**  
17680 Serene Dr  
Morgan Hill, CA 95037



**COMPARABLE SALE # 2**  
1385 W Edmundson Ave  
Morgan Hill, CA 95037



**COMPARABLE SALE # 3**  
15585 Hill Rd  
Morgan Hill, CA 95037

Borrower NA

Property Address 2390 Cochrane Rd

City Morgan Hill County Santa Clara State CA Zip Code 95037

Lender/Client Santa Clara Valley Water District Address 5750 Almaden Expressway, San Jose, CA 95118

