

EMPLOYEE HOUSING FEASIBILITY REPORT

Presented to

BURLINGAME SCHOOL DISTRICT

September 2022

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EXECUTIVE SUMMARY

At DCG Strategies, Inc., our role is to provide district staff and the Board of Education with options and market data to make informed decisions surrounding your real estate. In an effort to determine the feasibility of providing employee housing within district boundaries, the District engaged DCG Strategies (“DCG”) to analyze the development potential of three previously identified sites.

1. **District Administrative Office:** 1825 Trousdale Drive, Burlingame, CA
2. **Land between Burlingame Intermediate & Franklin Elementary:** Quesada Way, Burlingame, CA
3. **Hoover Elementary School (undeveloped hillside):** 2220 Summit Drive, Burlingame, CA

DCG’s scope of work included two phases. The first phase entailed an initial review of the development capacity of each of the three properties, followed by a second phase which assessed project demand and financial feasibility. DCG’s property analysis and valuation process included, but was not necessarily limited to, site visits for each property, research of local zoning code and ordinances, general commercial and residential market research, local sales comparable research, a review of contextual influences within each neighborhood, the creation of an online district employee survey, and a preliminary analysis of estimated development costs and potential funding sources.

With an Area Median Income of \$166,000 (San Mateo County based on a household of 4), and average asking rent of \$3,000 per unit (for the San Mateo/Burlingame submarket), Burlingame is one of the most expensive cities in the state and across the nation.

Based on a review of current employee salaries provided by District Human Resources, approximately 36% of current employee salaries (based solely on individual income) are considered “Lower Income”, while another 36% of salaries are considered “Very Low Income” (the State of California defines family income groups of 50 to 80% of county median income as lower income and income groups of 30 to 50% as very low income).

In review of the current market rate rental housing compared to district employee annual salaries, the rental housing market in the San Mateo/Burlingame submarket is either cost burdening or unaffordable for approximately 45% of district staff.

PRELIMINARY DEVELOPMENT FEASIBILITY ANALYSIS

Based on the study of land use regulations governing the development of each property and local market conditions, we have concluded two of the three sites are preliminarily suitable for the development of employee housing, one allowing for low-density residential with the other allowing for high-density residential. The primary factors informing this conclusion are the specific conditions and capacity of each site, the surrounding location of each site, local land use regulations, and informal conversations with planning staff. The following chart includes a brief summary of DCG’s overarching findings and data relating to each site.

| PROPERTY | FINDINGS |
|--|--|
| District Administrative Office 1825 Trousdale Drive | Based on a study of the land use regulations governing development, local market conditions, and input received from conversations with city planning, the site is approximately 0.3 acres in size and can preliminarily support a maximum capacity of approximately 22 units. |

| | |
|---|--|
| | <p>The primary factors informing this conclusion are the site's relatively small developable acreage, allowable uses and densities per the zoning ordinance, and applicable site constraints. As referenced in the preliminary title report, the property contains a water pipeline easement that covers approximately 35% of the site and restricts development to the areas outside of the easement.</p> <p>Based on a capacity study completed by Dreiling Terrones Architecture, Inc. (DTA), the contemplated site design includes a six-story residential apartment building featuring a mix of studios, one-bedrooms and two-bedrooms, along with a ground floor community room and underground parking structure. Based on the contemplated site design, the current estimated land development and construction costs are approximately \$811,636 per unit with a total development cost of approximately \$17,856,000.</p> |
| Land between Burlingame Intermediate & Franklin Elementary Quesada Way | <p>Based on a study of the land use regulations governing development, local market conditions, and input received from conversations with City planning, the study area is approximately 2.8 acres in size and is preliminarily feasible for residential development. While the study area's current zoning and land use designation does not allow for housing, the City is preliminarily open to further conversations relating to the study area and, potentially, a rezone allowing for single-family attached units. With this zone change and a general plan amendment, in matching the surrounding zoning from a density perspective, the study area can preliminarily support low-density housing with a maximum unit capacity of approximately 22 units.</p> <p>The primary factors informing this conclusion are the study area's developable acreage, surrounding uses per neighboring zoning, and applicable constraints based on the surrounding zoning. Conversations with planning staff confirmed the importance of staying within the context of the surrounding R-1 low density as well as the Hillside Area overlay parameters, which limits development to eight units per acre, along with protecting neighboring views.</p> <p>To maximize site efficiency and reduce cost, the contemplated site design includes two separate development areas consisting of two unit types. The first development area features 12 two-story townhomes, while the second includes one two-story building comprised of 10 flats. Based on this site design, the current estimated land development and construction costs are approximately \$683,772 per unit with a total development cost of approximately \$15,043,000.</p> |
| Hoover Elementary School (undeveloped hillside) 2220 Summit Drive | <p>Due to its topography and location, preliminary analysis has determined the approximate 4.5-acre study area is infeasible for a successful small- to medium-sized District lead redevelopment. The most feasible options are likely to be centered around measures that limit the District's liability and cost of maintaining large areas of unusable land, with the most likely outcome for disposition being a sale of the property.</p> |

Based on the analysis, the District is presented with three primary options for consideration: Option A is to develop 22 units at the district administrative office; Option B is to develop 22 units on the vacant land between Burlingame Intermediate and Franklin Elementary Schools; and, Option C is to develop both sites.

| | Option A: <i>Develop at DO</i> | Option B: <i>Develop at BIS/FES</i> | Option C: <i>Develop at both sites</i> |
|--------------------------|--|---|--|
| Number of Units | 22 | 22 | 44 |
| Approx. Development Cost | \$17,856,000 | \$15,043,000 | \$32,899,000 |
| Approx. Cost Per Unit | \$811,636 | \$683,772 | \$747,704 |

DISTRICT EMPLOYEE SURVEY

In an effort to assess demand for housing and receive feedback from employees, a District-wide employee survey was created and made available between June 6, 2022 and June 17, 2022. 88 responses were

received, representing a sample size of approximately 31% of employees. Of the total respondents, 73% (or 64) were certificated, 18% (or 16) were classified, and 7% (or 6) were administration/management. The remaining 2% of respondents were part-time certificated and substitute.

The respondents consisted of employees of varying employment lengths, with the largest response from those employed less than one year (18.2%). In total, 49% of respondents have been employed with the District for 6 years or less and 17% of respondents have been employed for more than 15 years. Key findings include review of three data sets: the entire respondent group (88), the certificated respondent group (64), and the classified respondent group (16) as detailed below.

| | All (88 respondents) | Certificated (64 respondents) | Classified (16 respondents) |
|---|-------------------------|----------------------------------|--------------------------------|
| What percentage of respondents currently live in San Mateo County? | 74% (64) | 78% (50) | 62% (10) |
| What percentage of respondents have moved while working at the District due to increased housing costs? | 43% (38) | 53% (34) | 37% (6) |
| What percentage of respondents are considered low income, per 2022 county Area Median Income (AMI) limits, based on their respective household size? (<i>low income is defined as 80% of AMI</i>) | 45% (40) | 41% (26) | 69% (11) |
| What percentage of respondents do not own their residence and currently rent their residence or live with family/parents? | 66% (58) | 61% (39) | 88% (14) |
| Of the respondents who currently do not own their residence, what percentage of respondents devote more than 30% of their total household income to rent? | 65% (38) | 54% (21) | 64% (9) |
| Of the respondents who currently do not own their residence, what percentage prefer to live closer to work? | 69% (40) | 64% (25) | 79% (11) |
| Of the respondents who currently do not own their residence and prefer to live closer to work, what percentage do not live closer to work due to high housing costs? | 88% (35) | 88% (22) | 82% (9) |
| Of the respondents who currently do not own their residence, what percentage have an interest in employee rental housing? | 74% (43) | 72% (28) | 79% (11) |
| What percentage of respondents have a generally positive impression of district-provided employee rental housing? | 65% (57) | 58% (37) | 88% (14) |

Overwhelmingly, respondents who do not own their residence and prefer to live closer to work are not able to, due to the high cost of housing (88%). Furthermore, the responses indicate a strong interest in employee housing, specifically amongst those who do not own their residence (74%), with a majority of respondents having a generally positive impression (65%). Overall, the survey responses and above results support general demand for district-provided employee rental housing, and, assuming the sample size is representative of the employee population, there appears to be a high level of support for this type of project amongst employees.

While the final number of units developed is based on a number of factors, including allowable capacity, zoning, available funding sources, development costs and employee demand, based on the results from the employee survey, there is reason to assume adequate demand for 22 units, as well as 44 units, should

both sites be developed. At 44 units, this represents housing for approximately 15% of current employees.

PRELIMINARY RENTAL RATES

While each district employee housing project must be evaluated based on its unique site characteristics and is informed by a district's housing affordability objectives, there are a few general parameters for employee housing projects. Generally, districts try to keep rental rates anywhere between 50 and 80% of market rate without income restrictions for tenants.

Financial advisors recommend individuals spend no more than 30% of their gross monthly income on housing costs. For the purposes of this analysis, it is assumed that rental rates will be based on a percentage of income and unit type. While this model helps to ensure true affordability, it leaves room for fluctuations in rental rates and lacks predictability of rental revenue as the rental rate would vary from unit to unit.

Districts could also choose to peg rents to market rates. In this second model, rents would be set at a specific percentage of market rate, typically 50 to 70%. This model leaves room for the potential of rental rates to either not cover costs or become out of reach for target employees due to potential market rate increases.

The below table represents the number of employees at or below each AMI level based on a one-person household and the current salary schedule received from Human Resources.

Current Salary Levels of BSD Employees

| % of AMI* | # of employees | % of employees | % of AMI | # of employees | % of employees |
|-----------|----------------|----------------|----------|----------------|----------------|
| 100%+ | 14 | 5.3% | 50% | 23 | 8.6% |
| 100% | 58 | 21.8% | 45% | 14 | 5.3% |
| 80% | 45 | 16.9% | 40% | 3 | 1.1% |
| 70% | 29 | 10.9% | 35% | 6 | 2.3% |
| 60% | 4 | 1.5% | 30% | 29 | 10.9% |
| 55% | 19 | 7.1% | 20% | 22 | 8.3% |

**Based on a one-person household*

As illustrated in the prior table, of the 266 salaries provided, approximately 49% of employees earn 60 to 100% of the Area Median Income based on a one-person household. While establishing rental rates is a programming item and would be part of a more in-depth process, for example purposes, a table of potential rental rates is included below.

Preliminary Rental Rates

| Unit Type | Submarket Rental Rate* | 40% AMI (CTAC) | 45% AMI (CTAC) | 50% AMI (CTAC) | 55% AMI (CTAC) | 60% AMI (CTAC) | 70% AMI (CTAC) | 80% AMI (CTAC) | 100% AMI (CTAC) |
|-----------|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Studio | ~\$2,300 | \$1,305 | \$1,468 | \$1,631 | \$1,794 | \$1,957 | \$2,283 | \$2,610 | \$3,262 |
| 1 Bed | ~\$2,800 | \$1,398 | \$1,573 | \$1,748 | \$1,922 | \$2,097 | \$2,447 | \$2,797 | \$3,496 |
| 2 Bed | ~\$3,400 | \$1,678 | \$1,887 | \$2,097 | \$2,307 | \$2,517 | \$2,936 | \$3,356 | \$4,194 |

**The market rental rate is based on total samplings of the San Mateo/Burlingame submarket and gives equal weight to properties in the 1- and 2-star category which are generally considered less than desirable. As a result, it lowers the rental range average for the submarket. Based on market review, for a new/recently renovated property, the anticipated market rental rate is estimated to be approximately \$700 to \$1,500*

higher for each category.

For the purposes of this analysis, as all educator incomes will vary based off of what median income level they qualify under, placing rents at levels between 45 to 70% of the Area Median Income rent levels, as determined by the State of California, provides an accurate level of projected annual rental revenue income, should the property be fully occupied. This assumes there could be some employees that qualify for lower rents, and others that qualify for a higher rent, based on their applicable AMI.

For example, per the Burlingame School District 2022-2023 Salary Schedule, a new teacher earns approximately \$55,000 to \$65,000 in gross annual salary, which falls between 40 percent and 50 percent AMI. Applying 30 percent of income equates to a studio rental rate of approximately \$1,468 to \$1,631. A comparable market rate studio unit currently averages approximately \$2,600 to \$2,800 per month, constituting a monthly savings between \$969 and \$1,332, or a 40 to 50% reduction. The estimated savings per district employee is likely to increase based on the increase in number of bedrooms.

OPTIONS ANALYSIS

To evaluate the financial implications of each of the three options, several financial scenarios were considered. The primary conclusion of our review is that the full cost of either of the three options cannot be completely amortized by the rental revenue of the units, thus, supplemental sources of financing will be required to fund the development project(s). As such, it was assumed the District would allocate the approximate \$10,000,000 of budgeted funds (Tranche 3) to the project. In addition, assuming first position financing is procured, subordinate financing serviced by surplus cash could also be supported by the project. These funds are referred to as government debt, either from city funds or the state.

| | Option A: <i>Develop at DO</i> | Option B: <i>Develop at BIS/FES</i> | Option C: <i>Develop at both sites</i> |
|---|--|---|--|
| Number of Units | 22 | 22 | 44 |
| Approx. Development Cost | \$17,856,000 | \$15,043,000 | \$32,899,000 |
| Approx. Cost Per Unit | \$811,636 | \$683,772 | \$747,704 |
| <i>Potential Funding Source</i> Tranche 3 Funds | \$10,000,000 | \$10,000,000 | \$10,000,000 |
| Financing Gap | \$7,856,000 | \$5,043,000 | \$22,899,000 |
| Annual revenue from units | \$591,569 | \$578,620 | \$1,170,189 |
| Supportable first position financing based on NOI | \$4,080,000 | \$3,950,000 | \$8,030,000 |
| Subordinate local government financing serviced by surplus cash | \$857,143 | \$714,286 | \$1,571,429 |
| Excess / shortfall in financing | (\$2,918,857) | \$378,714 | (\$13,297,57) |

OPTION A: DEVELOPMENT AT DISTRICT ADMINISTRATIVE OFFICE

With a preliminary development budget of \$17,856,000, Option A is the more expensive development between the two sites. After applying the \$10,000,000 in budgeted funds, the project is left with a funding gap of approximately \$7,856,000. As detailed in the Overview of Project Financing section of this report, this financing gap can be covered with a combination of multiple financing strategies. The gap can either be fully funded with General Obligation Bond Funds or a portion of it can be funded through Certificates of Participation (COPs).

Based on rental rates set between 45 and 70% of AMI, the project is estimated to have an annual revenue of \$591,569. Assuming an approximate 30% operating expense ratio of \$176,000 and a debt coverage ratio

of 1.20x, the annual net operating income can preliminary support \$4,080,000 in debt; this is assumed to be funded through COPs with a 30-year term and a conservative annual interest rate of 6.75%.

With the use of debt, a shortfall of approximately \$3,000,000 still remains; thus, additional capital is required to fully fund the project. This capital could be sourced from the sale of properties, affordable housing tax credits (which may impact the number of teachers that can rent in the project due to income restrictions), or some other form.

Assuming a fully funded project, the net operating income allows for repayment of the COPs throughout the 30-year term. Following COP repayment of approximately \$9,500,000 (including interest) and government debt of approximately \$900,000, totaling \$10,400,000 over 30 years, the project retains a surplus cashflow of approximately \$4,700,000 over 30 years. Should the District decide to not assume debt on the project (either from COPs or government), and elect to fund the project via General Obligation Bonds or some other form, the project is estimated to retain a surplus cashflow of approximately \$15,000,000 over 30 years, recouping the District's initial \$10,000,000 investment in roughly 20 years.

| | | no. | unit type | size | rent (TTP) | util allow | HAP | total/mo | total/yr |
|-----|------|-----|-----------|--------|------------|------------|-------|----------|----------|
| AMI | | | | | | | | | |
| 70% | 9.1% | 2 | eff | 401 | 2,283 | | | 4,567 | 54,802 |
| 60% | | 1 | eff | 401 | 1,957 | | | 1,957 | 23,486 |
| 50% | | 1 | eff | 401 | 1,631 | | | 1,631 | 19,572 |
| 45% | 4.5% | 1 | eff | 401 | 1,468 | 120 | 1,745 | 1,468 | 17,615 |
| 70% | | 5 | 1BR | 852 | 2,447 | | | 12,236 | 146,832 |
| 60% | | 3 | 1BR | 852 | 2,098 | | | 6,293 | 75,514 |
| 50% | 4.5% | 1 | 1BR | 852 | 1,748 | | | 1,748 | 20,976 |
| 45% | 4.5% | 1 | 1BR | 852 | 1,573 | 140 | 1,860 | 1,573 | 18,878 |
| 70% | | 3 | 2BR | 1,207 | 2,936 | | | 8,807 | 105,689 |
| 60% | | 2 | 2BR | 1,207 | 2,516 | | | 5,033 | 60,394 |
| 50% | 4.5% | 1 | 2BR | 1,207 | 2,097 | | | 2,097 | 25,164 |
| 45% | 4.5% | 1 | 2BR | 1,207 | 1,887 | 195 | 2,205 | 1,887 | 22,648 |
| | | 22 | | | | | | 49,297 | 591,569 |
| | | | | 18,974 | | | | | |

debt assumptions
Interest Rate 6.75%
term 180
Amortization 360
DSCR 1.20
Supportable Mortgage 4,080,000
govt debt 1.5%
857,143
est value .04 cap 9,519,799
Costs 100% 15,260,700
LTV 85% 8,106,795
Maximum Loan 4,080,000

BENEFITS/CONSTRAINTS

- As the site is currently owned by the District, the development budget excludes land acquisition, which, oftentimes, can be a significant expense.
- The site permits high density housing which allows for a higher number of units on a small portion of land.
- While the allowable density is high, the site contains a water pipeline easement that reduces the developable land and thus the number of allowable units.
- The project requires Tier 3 development to qualify for 22 units. This requires three community benefits that will need to be determined in collaboration with the City.
- The contemplated design plan requires podium construction and underground parking which is expensive and adds significant construction costs, at a high cost per unit.
- Additional funding sources are likely to be needed, in addition to debt, given the estimated \$2,918,857 financing shortfall.

OPTION B: DEVELOPMENT AT LAND BETWEEN BURLINGAME INTERMEDIATE AND FRANKLIN ELEMENTARY

With a preliminary development budget of \$15,043,000, Option B is the least expensive development between the two sites. After applying the \$10,000,000 in budgeted funds, the project is left with a funding

gap of approximately \$5,043,000. While this gap can be funded with COPs, Option B is unique in that it allows for an additional revenue source; that being the sales proceeds of the current district administrative offices.

Based on rental rates set between 45 and 70% of AMI, the project is estimated to have an annual revenue of \$578,620. Should the District elect to not sell the administrative offices, and/or use those funds for another purpose, assuming an approximate 30% operating expense ratio and a debt coverage ratio of 1.20x, the annual net operating income can preliminary support \$3,950,000 in debt; this is assumed to be funded through COPs with a 30-year term and a conservative annual interest rate of 6.75%.

The net operating income of the project allows for repayment of the COPs throughout the 30-year term. Following COP repayment of approximately \$9,200,000 (including interest) and government debt of approximately \$750,000, totaling \$9,950,000 over 30 years, the project retains a surplus cashflow of approximately \$4,500,000 over 30 years. Should the District decide to not assume debt on the project (either from COPs or government), and elect to fund the project via some other form, the project is estimated to retain a surplus cashflow of approximately \$14,450,000 over 30 years, recouping the District's initial \$10,000,000 investment in roughly 20 years.

| | | no. | unit type | size | rent (TTP) | util allow | HAP | total/mo | total/yr | |
|-----|------|-----|-----------|-------|------------|------------|-----|----------|----------|--|
| AMI | | | | | | | | | | |
| 70% | 4.5% | 1 | eff | 467 | 2,283 | | | 2,283 | 27,401 | |
| 60% | 4.5% | 1 | eff | 467 | 1,957 | | | 1,957 | 23,486 | |
| 45% | 4.5% | 1 | eff | 467 | 1,468 | | | 1,468 | 17,615 | |
| 70% | 9.1% | 2 | 1BR | 825 | 2,447 | | | 4,894 | 58,733 | |
| 60% | 9.1% | 2 | 1BR | 825 | 2,098 | | | 4,195 | 50,342 | |
| 45% | 4.5% | 1 | 1BR | 825 | 1,573 | | | 1,573 | 18,878 | |
| 70% | 4.5% | 1 | 2BR | 1,224 | 2,936 | | | 2,936 | 35,230 | |
| 60% | 4.5% | 1 | 2BR | 1,224 | 2,516 | | | 2,516 | 30,197 | |
| 70% | | 6 | townhs | 963 | 2,447 | | | 14,683 | 176,198 | |
| 60% | | 4 | townhs | 963 | 2,098 | | | 8,390 | 100,685 | |
| 50% | | 1 | townhs | 963 | 1,748 | | | 1,748 | 20,976 | |
| 45% | | 1 | townhs | 963 | 1,573 | | | 1,573 | 18,878 | |
| | | 22 | | | 19,530 | | | 48,218 | 578,620 | |

debt assumptions
Interest Rate 6.75%
Term 180
Amortization 360
DSCR 1.20
Supportable Mortgage **3,950,000**
govt debt 3.5%
714,386
est value 04 cap 9,212,236
Costs 100% 11,515,000
LTV 85% 7,847,383
Maximum Loan 3,950,000

BENEFITS/CONSTRAINTS

- As the site is currently owned by the District, the development budget excludes land acquisition, which, oftentimes, can be a significant expense.
- The contemplated building typology and related costs are conducive for the study area based on the surrounding uses.
- The contemplated design plan allows for a project that can fit within the context of the neighborhood while protecting views of neighboring homes.
- Project provides utility to an underutilized portion of property.
- The location of the study area, being so closely located to active schools, may reduce interest from a certain segment of employees that would otherwise be interested in employee housing.
- Zoning and land use designation do not currently allow for residential development; thus, a general plan amendment is needed. This adds additional time and costs to the project.
- This option allows for the potential sale of the district administrative offices to help further fund the financing gap.

OPTION C: DEVELOPMENT AT BOTH SITES

This scenario contains the largest funding gap and requires approximately \$13,000,000 of additional capital, should COPs be used, or just under \$23,000,000 should debt not be used. This capital could be sourced from the sale of properties, affordable housing tax credits (which may impact the number of teachers that can rent in the project due to income restrictions), or some other form.

While this option has the greatest cost between the three options, this option also presents the greatest returns with the ability to retain an estimated surplus cashflow of approximately \$30,000,000 over 30 years should outside funding be made available.

BENEFITS/CONSTRAINTS

- As both sites are currently owned by the District, the development budget excludes land acquisition, which, oftentimes, can be a significant expense.
- Based on the results of the employee survey, there is potential demand for all 44 units.
- Developing both sites may be cost prohibitive.
- While the projects could potentially allow for certain economies of scale, they will likely require separate contractors based on the difference in construction type and specialty required.
- Developing both projects provides for a large annual revenue source once all debt is repaid.

PARTNERSHIP WITH OTHER PUBLIC AGENCIES

As part of our due diligence, DCG met with the City of Burlingame's City Manager, Lisa Goldman, and Community Development Director, Kevin Gardiner, to discuss the potential for collaboration and cooperation between the City and District. The City shared they are in the very beginning stages of exploring whether they would like to pursue the development of housing for their employees, and noted no formal decisions have been made to date.

As has been DCG's experience working with planning staff, the City reiterated their support of the District's efforts to provide housing for district employees and are open to future conversations regarding potential cooperation. It was noted Burlingame currently has approximately \$8,700,000 in affordable housing funds available for development projects across the city.

The report which follows lays out our market assessment of the Burlingame development landscape, the individual analysis and review of each site, as well as our findings for consideration by Burlingame School District leadership.

DCG'S APPROACH

To examine each site identified by the District from a development standpoint to inform current property values, development potential and strategic next steps.



Upon request from Burlingame School District, DCG Strategies, Inc. (“DCG”) has completed a strategic real estate analysis on the following district owned properties.

1. **District Administrative Office:** 1825 Trousdale Drive, Burlingame, CA
2. **Land between Burlingame Intermediate & Franklin Elementary:** Quesada Way, Burlingame, CA
3. **Hoover Elementary School** (*undeveloped hillside*): 2220 Summit Drive, Burlingame, CA

Burlingame School District identified three sites as potential surplus properties for study for either employee housing development, or sale to help fund the development of employee housing. DCG has completed a real estate analysis to inform decisions regarding the development potential of each property along with their respective property values. Our hope is that this analysis will aid in informing the greater strategic discussions surrounding the development of employee housing and the District can effectively utilize each site to advance outcomes on behalf of Burlingame students and families.

DCG’s analysis for each property is driven by a strategic approach designed to aid the District in successfully managing its real estate properties. For each of the three properties, our team analyzed the development potential to determine whether the property could support housing, which would have the potential to substantially increase the value of the site, both from a financial standpoint, as well as providing much needed housing for district employees.

DCG’s analysis and valuation process included, but was not necessarily limited to, site visits for each property, research of local city zoning code and ordinances, general commercial and residential market research, local sales comparable research, and a review of contextual influences within each neighborhood.

Additionally, our analysis included informal conversations with city planning staff regarding recent development patterns and the city’s stance on development and rezoning. As each of the three sites analyzed are owned by the District, two are designated P/I for Public/Institutional, which are designations reserved for parcels owned by public agencies. Any change in use of these two properties away from public service or change in owner away from a public agency will require review and approval from the city via a zone change and General Plan Amendment.

BURLINGAME ZONING & GENERAL PLAN

In local governments, the General Plan sets forth long-term policies that guide future development and the Zoning Ordinance implements general plan policies via detailed development regulations, such as specific use types and building standards. To illustrate its importance, all subdivisions, public works projects, and zoning decisions must be consistent with the general plan. As such, a general plan serves as a city's "blueprint" for future development.

The General Plan, other city plans, and the Zoning Ordinance all differ in the level of detail they include. The General Plan has a long-term outlook. It identifies the types of development that will be allowed, the spatial relationships among land uses, and the general pattern of future development. The City of Burlingame Zoning Ordinances, and other city plans, implement General Plan policies through more detailed development regulations, such as specific use types and building standards or infrastructure improvements and financing. Any future development must not only meet the specific requirements of adopted city plans and the Zoning Ordinance, but must also be found to be consistent with the broader policies set forth in the General Plan.

The analyzed sites each have general plan designations reserved for public agencies and residential mixed-use. As detailed in the individual sites analysis, one of the sites deemed feasible for development will require a General Plan Amendment should residential housing be pursued. The major hurdles of any entitlement process is the change of General Plan designation which requires approval from City Council.

Due to the likely General Plan designation change needed, depending on the site(s) selected for development, the project would not necessarily be exempt from California Environmental Quality Act (CEQA), and may require an Environmental Impact Report (EIR). State law limits general plan amendments to four per year, but each amendment can include multiple changes. As such, any General Plan Amendment application would be weighed against other pending pipeline amendments.

BURLINGAME GENERAL PLAN 2040

Burlingame's preparation for the current Burlingame General Plan 2040 began in 2015, and the document was adopted by City Council in January 2019. As the main policy document, the plan seeks to preserve and enhance Burlingame's charm and protect the natural resources that make Burlingame beautiful, while accommodating growth that is well-served by public transit and provides affordable housing in higher density areas. The Burlingame General Plan utilizes the following guiding principles to achieve these goals.

- **Balanced and Smart Growth:** Recognizing the need to grow in a manner that supports inclusivity and access while protecting established neighborhoods and community assets.
- **Community Character:** Ensuring that Burlingame's cherished tree groves and urban forest, distinct neighborhoods, business districts, and historic structures and resources are respected and enhanced.
- **Connectivity:** Providing a well-defined multimodal transportation network that accommodates a range of travel choices, allowing residents and visitors to access the full range of services and amenities the City offers.
- **Economic Diversity and Vitality:** Recognizing the importance of a diverse economic base to provide sustainable, reliable revenue to the City and access to economic opportunity for residents.
- **Healthy People and Healthy Places:** Planning for community resilience, and the physical and social

BURLINGAME ZONING & GENERAL PLAN

health of the community.

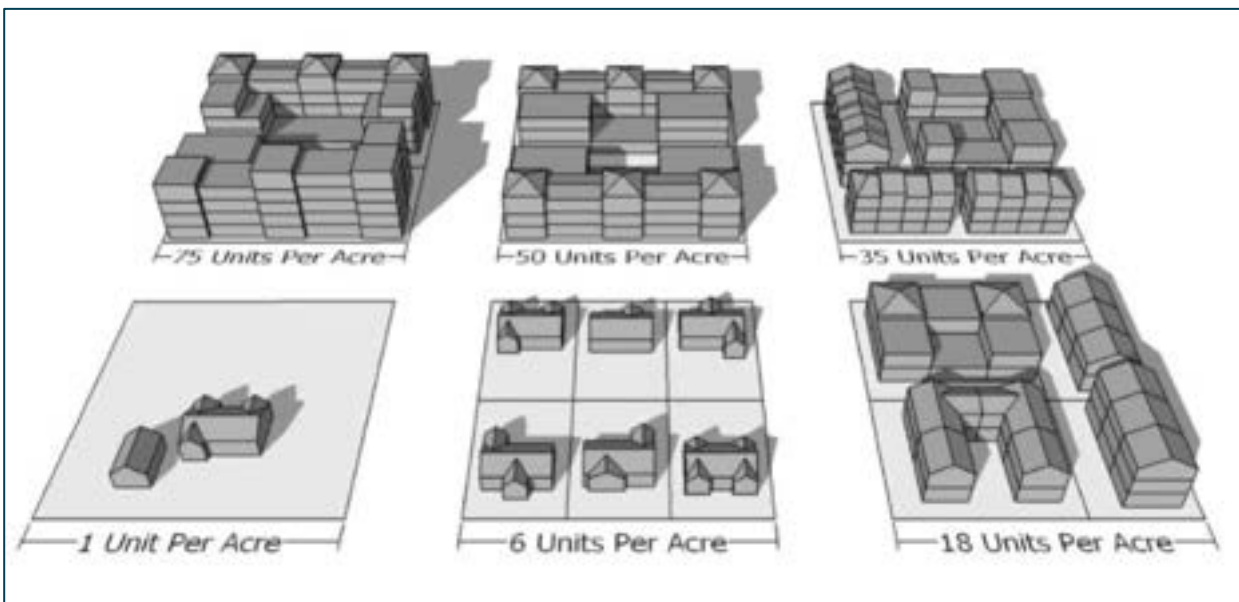
- **Great Schools and Life-long Learning:** Fostering educational opportunity for all residents.
- **Civic Engagement:** A commitment to healthy civic dialogue for all issues of public interest.¹

As is customary, a general plan guides future development, thus Burlingame General Plan 2040 primarily focuses on new growth in Burlingame being directed to areas allowing for higher density that will decrease dependency on the automobile and allow more people to walk, bike, or take transit. An applicant may apply to amend the City General Plan map or policies. As Burlingame may only amend the general plan four times a year, amendment requests will be processed with other general plan amendments on a schedule established by the City.

DEVELOPMENT DENSITY

Residential development is regulated by zoning code, which includes certain development standards and residential zoning districts including an allowable density range (minimum and maximum) measured in “housing units per acre.” Density is calculated by dividing the number of housings units on a site (excluding second units on single-family lots) by the net acreage of the site. Net acreage excludes land required for circulation, including public and private streets, parks, and other public facilities.

The diagram below shows prototypical examples of various residential densities for a one-acre property.



The City of Burlingame has broken its residential general plan designations into four categories from least to most dense. Recently, the trend in Burlingame has been toward higher density residential solutions, specifically in the north end of the City.

LOW DENSITY RESIDENTIAL (1.0 TO 8.0 UNITS/ACRE)

The Low Density Residential designation permits detached housing units on individual lots with private yards and private parking. This designation also allows accessory dwelling units and ancillary structures.

MEDIUM DENSITY RESIDENTIAL (8.1 – 20.0 UNITS/ACRE)

This designation permits detached and attached housing units. Ancillary structures are also permitted.

BURLINGAME ZONING & GENERAL PLAN

MEDIUM/HIGH DENSITY RESIDENTIAL (20.1 – 50.0 UNITS/ACRE)

The Medium/High Density Residential designation permits a mix of multi-family housing types and ancillary structures. Preferred locations for Medium/High Density Residential uses are along or with immediate access to arterial streets and/or near major activity centers. Development types may include row houses, townhouses, condominiums, and apartments.

HIGH DENSITY RESIDENTIAL (50.1 – 80.0 UNITS/ACRE)

The High Density Residential designation permits a mix of high density multi-family housing types in targeted locations near transit or with immediate access to arterial streets and/or near major activity centers. Development types are characterized by multi-story structures.

BURLINGAME MARKET ANALYSIS

Located in San Mateo County, the City of Burlingame is a suburban city with a significant shoreline on the San Francisco Bay. Known for its high residential quality of life, the City has a current estimated population of 30,106, per the United States Census Bureau, up 4.51 percent from 28,806 in 2010ⁱⁱ.

Demographically, Burlingame is a family-oriented city; its largest age demographic consists of persons 18-65 (62 percent), with 23 percent of its residents being under the age of 18. The median household income is \$138,344 and 96 percent of residents have a high-school or higher education level.

Burlingame is accessible from the East Bay Area via Highway 101 by way of the San Mateo-Hayward Bridge and from San Francisco via Highway 101 by way of the Interstate 80 San Francisco-Oakland Bay Bridge. The city is accessible via BART train, Caltrain, a rail line which runs from San Francisco to Gilroy, and SamTrans bus which services San Mateo County and provides connection to San Francisco. The Millbrae Transit Center is one block from city limits, while Burlingame Station, a Caltrain commuter rail station, is located in downtown Burlingame. San Francisco International Airport lies just north, less than 10 minutes by car or public transit from Burlingame city limits.

Neighborhoods in Burlingame are well developed, with large amounts of single-family developments west of El Camino Real into the Burlingame hills. These well-established residential neighborhoods have relatively little space for infill, and contain many historic or otherwise protected features. The El Camino Real Corridor runs north to south throughout the city and is almost entirely surrounded by residential development. 52% of the housing in Burlingame consists of multi-family homes, many of which are located along El Camino Real.



Most of the City's housing was developed between the 1910's and 1960's, following the opening of the Burlingame train station in 1894. Later development was spurred by the San Francisco International Airport, with residential development occurring in the Mills Estates neighborhood in northwest Burlingame and business and industry developing along the Bayfront.ⁱⁱⁱ Current development focuses on the North Burlingame area, North Rollins Road, and Downtown, providing public transit-oriented development catering to a mix of high-density residential and commercial needs.

Over the last several years, Burlingame has seen a varied mix of residential and commercial projects proposed and approved. There appears to be a concerted effort by the City to attract various commercial enterprises and investment through the approval of several large-scale office/research & development and office/life sciences projects. Allowing the approval of these projects has the potential to support the likelihood of an increased population as workforces are generally interested in living close to their workplace, if possible. Burlingame has undertaken a strategic vision to allow growth with both residential and commercial projects in various areas around the City. Specifically, there are seven focus areas.



- **North Burlingame:** This transit-oriented development node will provide housing for all income levels, connect with surrounding commercial and institutional uses with improved pedestrian accommodations, and welcome visitors to Burlingame with distinguishing and historically sensitive gateway features.
- **Rollins Road:** Traditional light industrial uses and auto service businesses provide vital services and jobs within the community, and allowing a cluster of creative and design industry activities to flourish will create synergies and a regional destination for wholesalers and consumers. A North Rollins Road Specific Plan will be meant to accommodate increased housing density walking distance to Millbrae BART and Caltrans stations.
- **Bayfront:** Enhanced parks, natural open spaces, and recreational amenities will offer places that residents and visitors can enjoy, with enhanced access for pedestrians, cyclists, and watercraft, including commercial ferry service.
- **California Drive:** An eclectic mix of uses reflective of long-established use patterns, a pedestrian scale, locally owned retail and service commercial businesses, and upper-story residential units will continue.
- **Broadway:** Increasing foot traffic, creating gathering places, and improving the facades will strengthen Broadway as a neighborhood district and preserve its distinct character.
- **El Camino Real:** El Camino Real will continue to be an iconic roadway through Burlingame. Development along the densely tree-lined boulevard will consist of distinctive multi-family housing, with some limited commercial development and a focus on a pedestrian friendly El Camino Real.
- **Downtown:** An economically, socially, and culturally vibrant local and regional destination, with a diverse and balanced mix of activities, pedestrian-friendly streets, historical buildings, and inviting gathering places, including a public square.^{iv}

Below is a short list of current development projects in Burlingame. This small sample size provides initial insight into the various residential development programs and densities currently being approved and

constructed in Burlingame.

| Address | Project Type | Project Details | Status |
|-----------------------|-----------------------|--|---------------------------|
| 567 Airport Boulevard | Office/R&D | 8-story, 241,679 SF | Building Permit Submitted |
| 220 Park Road | Office/Retail | 6-story, 140,000 SF office, 15,915 SF retail | Under Construction |
| 620 Airport Boulevard | Office/R&D | Two 9-story buildings, 483,380 SF | Plans Under Review |
| 777 Airport Boulevard | Office/R&D | 13-story, 403,400 SF | CEQA |
| 1200 Bayshore Highway | Office/R&D | Three 11-story buildings, 1,455,000 SF | Plans Under Review |
| 1669 Bayshore Highway | Office/R&D | 8-story, 457,790 SF | CEQA |
| 601 California Drive | Multi-Family | 5-story, 25-unit live/work | Building Permit Submitted |
| 619 California Drive | Multi-Family | 5-story, 44-unit live/work | Planning Approval |
| 1418 Bellevue Avenue | Multi-Family | 6-story, 15-unit condominium | Planning Approval |
| 1 Adrian Court | Mixed Use Residential | 7-story, 265-unit residential | Under Construction |
| 1766 El Camino Real | Multi-Family | 8-story, 311-unit residential | Planning Approval |
| 1870 El Camino Real | Multi-Family | 7-story, 169-unit residential | Planning Approval |
| 1814 Oden Drive | Multi-Family | 6-story, 90-unit condominium | Planning Approval |
| 1868 Ogden Drive | Multi-Family | 6-story, 120-unit condominium | Building Permit Submitted |
| 1855 Rollins Road | Multi-Family | 5-story, 405-unit | CEQA |

SAN MATEO/BURLINGAME MULTI-FAMILY SUBMARKET

The Burlingame multi-family market is a small subsection of the larger San Francisco market. Specifically, Burlingame multi-family market is clustered with San Mateo, Belmont, San Carlos, Hillsborough, and Hillsdale. Together, this grouping is considered the San Mateo/Burlingame submarket.

The San Mateo/Burlingame submarket offers a central Bay Area location that is equidistant to San Francisco and San Jose, with travel to the east Bay only slightly longer. Residents have quick access to an abundance of retailers in downtown San Mateo and at the Hillsdale Mall. While the submarket lacks much of the unique cultural attractions and urban ambiance that draws many young renters to the city of San Francisco, the submarket compensates through its overall affordability compared to San Francisco; a combination of market forces and public policies which have made San Francisco exceedingly expensive.

The San Mateo/Burlingame submarket has become increasingly attractive for businesses and renters again as the pandemic subsides and local offices reopen. Historically, incoming technology companies have supported growth and continual demand for housing in the San Mateo/Burlingame submarket. Facebook opened a new campus for their Oculus division at Burlingame Point in 2021 that is large enough to accommodate approximately 3,000 square feet of workers. These firms join an office-tenant roster that includes SurveyMonkey and GoPro and may add an influx of younger residents who are not very prevalent in the area historically.

Moderate occupancy losses seen during 2020 are recovering and more robust than in San Francisco. The shift to remote-based work initially prompted a renter outflow, but remote working may be benefiting the more suburban areas like this submarket.

Investment activity has been mixed since the onset of the pandemic. Total volume has persisted with large transaction driving overall sales volume. But the number of transactions taking place in the multi-family property class has declined significantly over the past two years as uncertainty in the market economically and politically has led to caution from seasoned investors.

DCG STRATEGIES | BURLINGAME MARKET ANALYSIS

Rent

Due to its dominating 75% of the apartment inventory rating of only 1 or 2 stars, asking rents in the submarket average around \$3,000 per unit. Lower quality stock drags the submarket average down, but the area packs a premium as its 1- and 2-star apartment rent average is approximately \$2,600 per unit, above the metro's average of roughly \$2,400 per unit for comparable lower-end housing.

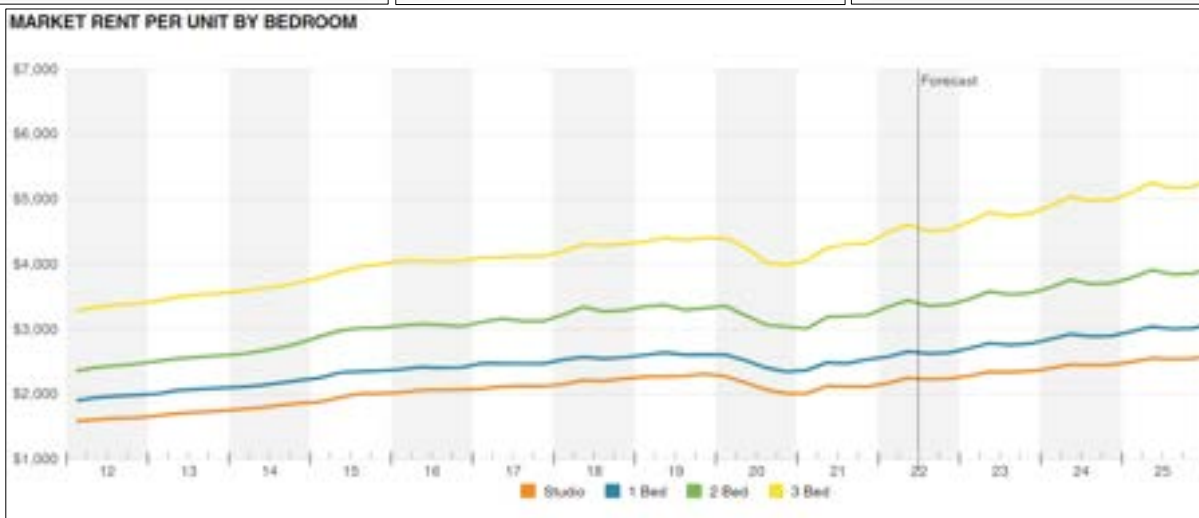
The submarket's aged inventory is typically in high demand from cost-sensitive renters feeling the crunch of extreme housing costs and the area's growing workforce, although recent job losses and pay cuts from the pandemic led to a temporary occupancy outflow and a downturn in rents in 2020. Rents turned sharply positive in 2021, and landlords are recovering from the previous year's pandemic rental discounts being offered to keep renters in place. With demand flowing back into the market, year-over-year growth measures at about 7% and is expected to rise further.

Construction

Development activity in the submarket ramped back up recently, yet remains measured. Few units have been delivered over the last year, with almost 1,000 units under construction. New properties boast amenities and features to attract high-income renters, who may consider these luxury units a deal when compared to new apartments in Mission Bay and SoMa in San Francisco.

Notable recent completions include Station Park Green in San Mateo, which features amenities such as quartz countertops, stainless steel appliances, walk-in closets, a community pool, fitness center, and dog wash. Station Park Green's final phase delivered in March 2020, bringing the complex to a total of 492 units. Anson, a new 268-unit complex developed by SummerHill Homes and D.R. Horton on Carolan Avenue just over a block from Broadway Station in Burlingame, delivered in November 2020. 1 Adrian Court in Burlingame is scheduled for construction and will deliver a new seven-story, 265-unit mixed-use development. Approximately 14% of the residential units will be designated low-income households along with almost 3,800 square feet of ground floor commercial/office space.

| AVAILABILITY | SUBMARKET | MARKET | INVENTORY | SUBMARKET | MARKET | SALES | SUBMARKET | MARKET |
|----------------------------|-----------|-----------|---------------------------------|-----------|-----------|---------------------------------|-----------|-----------|
| Working Rate | 5.1% ↓ | 7.4% ↓ | Inventory Units | 20,658 ↓ | 175,482 ↓ | Market Sale Price/Unit | \$698K ↓ | \$679K ↓ |
| Vacant Units | 1.1K ↓ | 12K ↓ | Existing Buildings | 1,167 ↓ | 5,435 ↓ | 12 Mo Asking Sale Price/Unit | \$3,68K ↓ | \$3,99K ↓ |
| Market Asking Rent/Unit | \$2,988 ↓ | \$3,288 ↓ | Avg Units Per Bldg | 18 ↓ | 19 ↓ | 12 Mo Sale to Asking Price Diff | -5.9% ↓ | -3.1% ↓ |
| Market Effective Rent/Unit | \$2,964 ↓ | \$3,071 ↓ | 12 Mo Demolished Units | 0 ↓ | 59 ↓ | Market Cap Rate | 3.4% ↓ | 3.3% ↓ |
| Conversion Rate | 0.8% ↓ | 0.8% ↓ | 12 Mo Disposition % At Delivery | 100% ↓ | 95.8% ↓ | 12 Mo Sales Volume | \$294M ↓ | \$1.4B ↓ |
| Studio Asking Rent | \$2,201 ↓ | \$2,241 ↓ | Under Construction Units | 894 ↓ | 5,069 ↓ | 12 Mo Transactions | 35 ↓ | 231 ↓ |
| 1 Bedroom Asking Rent | \$2,656 ↓ | \$2,791 ↓ | 12 Mo Construction Starts Units | 313 ↓ | 2,111 ↓ | Months To Sale Post Year | 5.5 ↓ | 5.9 ↓ |
| 2 Bedroom Asking Rent | \$3,414 ↓ | \$3,746 ↓ | 12 Mo Delivered Units | 19 ↓ | 5,338 ↓ | For Sale Listings | 16 ↓ | 116 ↓ |
| 3 Bedroom Asking Rent | \$4,032 ↓ | \$4,290 ↓ | 12 Mo Avg Delivered Units | 11 ↓ | 198 ↓ | For Sale Units | 204 ↓ | 1,022 ↓ |



REGIONAL HOUSING NEEDS ALLOCATION

As required by state law, the Association of Bay Area Governments (ABAG) conducts the Housing Element and Regional Housing Needs Allocation (RHNA) every eight years. As part of RHNA, the California Department of Housing and Community Development (HCD) determines the total number of new homes the Bay Area needs to build—and how affordable those homes need to be—in order to meet the housing needs of people at all income levels.

ABAG, working with the Housing Methodology Committee (HMC), then distributes a share of the region's housing need to each city, town and county in the region. Each local government must then update the Housing Element of its general plan to show the locations where housing can be built and the policies and strategies necessary to meet the community's housing needs.

As this process is completed every eight years, the most recent cycle is nearing completion, from 2015 to 2023. In preparation for the next cycle, the allocations for 2023 to 2031 were approved by HCD January 2022. In ABAG's RHNA Plan, HCD required the Bay Area to plan for and revise local zoning to accommodate 441,176 additional housing units during the 2023-2031 period. Below is a chart from the final plan that includes the allocations for San Mateo County.

| Jurisdiction | VERY LOW INCOME (<50% of Area Median Income) | LOW INCOME (50-80% of Area Median Income) | MODERATE INCOME (80-120% of Area Median Income) | ABOVE MODERATE INCOME (>120% of Area Median Income) | TOTAL |
|--------------------------|--|---|---|--|-------|
| SAN MATEO COUNTY | | | | | |
| Atherton | 94 | 54 | 56 | 144 | 348 |
| Belmont | 488 | 281 | 283 | 733 | 1,785 |
| Brisbane | 317 | 183 | 303 | 785 | 1,588 |
| Burlingame | 863 | 497 | 529 | 1,368 | 3,257 |
| Colma | 44 | 25 | 37 | 96 | 202 |
| Daly City | 1,336 | 769 | 762 | 1,971 | 4,838 |
| East Palo Alto | 165 | 95 | 159 | 410 | 829 |
| Foster City | 520 | 299 | 300 | 777 | 1,896 |
| Half Moon Bay | 181 | 104 | 54 | 141 | 480 |
| Hillsborough | 155 | 89 | 87 | 223 | 554 |
| Menlo Park | 740 | 426 | 496 | 1,284 | 2,946 |
| Millbrae | 575 | 331 | 361 | 932 | 2,199 |
| Pacifica | 538 | 310 | 291 | 753 | 1,892 |
| Portola Valley | 73 | 42 | 39 | 99 | 253 |
| Redwood City | 1,115 | 643 | 789 | 2,041 | 4,588 |
| San Bruno | 704 | 405 | 573 | 1,483 | 3,165 |
| San Carlos | 739 | 425 | 438 | 1,133 | 2,735 |
| San Mateo | 1,777 | 1,023 | 1,175 | 3,040 | 7,015 |
| South San Francisco | 871 | 502 | 720 | 1,863 | 3,956 |
| Unincorporated San Mateo | 811 | 468 | 433 | 1,121 | 2,833 |
| Woodside | 90 | 52 | 52 | 134 | 328 |

v

As noted above, the City of Burlingame is allocated 3,257 housing units to be built in the 2023-2031 cycle. This represents a 26% growth rate in Burlingame from 2020 households.

RHNA is met based on housing capacity from allowable zoning densities and is a combination of existing

capacity and new capacity created via zone changes. Under no circumstance does rezoning require a property owner to build housing. Each local government is required, by state law, to allow for their allocated units to be built, however, cannot force a property owner to build said housing. Local governments will be in “compliance” with the state mandate by completing the rezoning process via an update to its housing element.

As the plan was recently approved, the next step involves each local government updating their Housing Element, of which the revised version is due to HCD by January 31, 2023. As such, all jurisdictions, including the City of Burlingame, are currently undertaking this effort.

CITY OF BURLINGAME HOUSING ELEMENT

Based on its requirement to allow for 3,257 new units, the City of Burlingame held two online workshops on March 23, 2022 and April 6, 2022 to review the housing element process and the potential sites that would be included in the housing element. As a part of the process, the City reviewed development projects currently in the development pipeline. This includes projects that are either approved, under construction or currently under review. As of the April 6, 2022 meeting, there were 2,299 units within the development pipeline, many of which are concentrated along the north end in North Burlingame and Rollins Road.

In addition, the City reviewed underutilized sites that could support housing units. Based on this review, the City estimated an additional 965 units could be built. With the units in the current development pipeline along with the potential units on the list of opportunity sites, the City is able to meet its RHNA requirements and, thus, is not currently considering rezoning any properties.

SAN MATEO COUNTY MAXIMUM INCOME LEVELS, AREA MEDIAN INCOME

The below tables illustrate the San Mateo County maximum income and rent levels for projects receiving state or federal subsidies placed in service on or after 4/18/2022. The income and rent levels are systematically published by the California Tax Credit Allocation Committee (CTCAC) and the U.S. Department of Housing and Urban Development (HUD). This is included as a point of reference for county affordability levels when discussing affordable income and rent levels.

| Maximum Income Levels (CTCAC & HUD) | | | | | | |
|---|----------------------|----------------------|------------------------|-----------------------|-----------------------|----------------------|
| Based on MTSP 2022 Income Limits For Projects Placed in Service on or after 4/18/2022 | | | | | | |
| % of AMI | One Person Household | Two Person Household | Three Person Household | Four Person Household | Five Person Household | Six Person Household |
| 100% | \$130,500 | \$149,200 | \$167,800 | \$186,400 | \$201,400 | \$216,300 |
| 80% | \$104,400 | \$119,360 | \$134,240 | \$149,120 | \$161,120 | \$173,040 |
| 70% | \$91,350 | \$104,440 | \$117,460 | \$130,480 | \$140,980 | \$151,410 |
| 60% | \$78,300 | \$89,520 | \$100,680 | \$111,840 | \$120,840 | \$129,780 |
| 55% | \$71,775 | \$82,060 | \$92,290 | \$102,520 | \$110,770 | \$118,965 |
| 50% | \$65,250 | \$74,600 | \$83,900 | \$93,200 | \$100,700 | \$108,150 |
| 45% | \$58,725 | \$67,140 | \$75,510 | \$83,880 | \$90,630 | \$97,335 |
| 40% | \$52,200 | \$59,680 | \$67,120 | \$74,560 | \$80,560 | \$86,520 |
| 35% | \$45,675 | \$52,220 | \$58,730 | \$65,240 | \$70,490 | \$75,705 |
| 30% | \$39,150 | \$44,760 | \$50,340 | \$55,920 | \$60,420 | \$64,890 |
| 20% | \$26,100 | \$29,840 | \$33,560 | \$37,280 | \$40,280 | \$43,260 |
| San Mateo County 2022 Area Median Income (AMI) 4-Person: | | | | \$166,000 | | |
| California State 2022 AMI: | | | | \$101,600 | | |
| Metropolitan county 2022 median income: | | | | \$102,100 | | |

| Maximum Rent Levels (CTCAC & HUD) | | | | | | |
|---|------------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|--------------------------------|
| Based on MTSP 2022 Rent Limits For Projects Placed in Service on or after 4/18/2022 | | | | | | |
| % of AMI | Studio 1 person HH | 1 Bdrm 1.5 person HH | 2 Bdrm 3 person HH | 3 Bdrm 4.5 person HH | 4 Bdrm 6 person HH | 5 Bdrm 7.5 person HH |
| 100% | \$3,262 | \$3,496 | \$4,194 | \$4,846 | \$5,406 | \$5,966 |
| 80% | \$2,610 | \$2,797 | \$3,356 | \$3,878 | \$4,326 | \$4,773 |
| 70% | \$2,283 | \$2,447 | \$2,936 | \$3,393 | \$3,785 | \$4,176 |
| 60% | \$1,957 | \$2,097 | \$2,517 | \$2,908 | \$3,244 | \$3,579 |
| 55% | \$1,794 | \$1,922 | \$2,307 | \$2,666 | \$2,974 | \$3,281 |
| 50% | \$1,631 | \$1,748 | \$2,097 | \$2,423 | \$2,703 | \$2,983 |
| 45% | \$1,468 | \$1,573 | \$1,887 | \$2,181 | \$2,433 | \$2,684 |
| 40% | \$1,305 | \$1,398 | \$1,678 | \$1,939 | \$2,163 | \$2,386 |
| 35% | \$1,141 | \$1,223 | \$1,468 | \$1,696 | \$1,892 | \$2,088 |
| 30% | \$978 | \$1,048 | \$1,258 | \$1,454 | \$1,622 | \$1,789 |
| 20% | \$652 | \$699 | \$839 | \$969 | \$1,081 | \$1,193 |

The state of California defines family income groups as follows:

- “Extremely Low Income” is up to 30% of county median income
- “Very Low Income” is defined as 30 to 50% of county median income
- “Lower Income” is defined as 50 to 80% of county median income
- “Moderate Income” is defined as 80 to 120% of county median income

As shown in the prior table, a one-person household in San Mateo County would be considered extremely low-income (30%) making \$39,150 or less per year, very low-income (50% AMI) making \$65,250 or less per year, and would be considered lower income (80% AMI) making \$104,400 or less per year.

Per HUD, the state defined Area Median Income for San Mateo County is \$166,000 (based on a household of 4). It should be noted that San Mateo County's median income is one of the highest county median incomes in the nation.

Relating to housing affordability, the federal standard for whether housing is affordable is directly related to a household's gross income. The below standards apply as it relates to the cost of rent.

- Affordable is up to 30% of a household's gross income
- Cost Burdened is between 30.1% and 50% of a household's gross income
- Unaffordable is more than 50% of a household's gross income^{vi}

EMPLOYEE SALARY SCHEDULE

The table on the following page lists the approved 2022-2023 Employee Salary Schedules for full-time certificated employees at each step/column as provided by Burlingame School District Human Resources. Based on federal standards for affordability set at 30% of income, the table includes the affordable monthly rental rates for each annual salary and the corresponding Area Median Income the salary qualifies for as determined by HUD and State of California.

DCG STRATEGIES | BURLINGAME MARKET ANALYSIS

| Step / Class | Annual Salary '22-'23 | Max. Rent/mth (30% salary) | AMI Level | Step / Class | Annual Salary '22-'23 | Max. Rent/mth (30% salary) | AMI Level |
|--------------|-----------------------|----------------------------|-----------|--------------|-----------------------|----------------------------|-----------|
| 1 NC | \$55,010 | \$1,375 | 40% | 1 III | \$61,665 | \$1,542 | 45% |
| 2 NC | \$58,336 | \$1,458 | 40% | 2 III | \$64,997 | \$1,625 | 45% |
| 3 NC | \$61,665 | \$1,542 | 45% | 3 III | \$68,328 | \$1,708 | 50% |
| 4 NC | \$64,996 | \$1,625 | 45% | 4 III | \$71,658 | \$1,791 | 50% |
| 5 NC | \$68,327 | \$1,708 | 50% | 5 III | \$74,988 | \$1,875 | 55% |
| 6 NC | \$71,657 | \$1,791 | 50% | 6 III | \$78,320 | \$1,958 | 60% |
| 7 NC | \$74,987 | \$1,875 | 55% | 7 III | \$81,646 | \$2,041 | 60% |
| 8 NC | \$78,317 | \$1,958 | 60% | 8 III | \$84,977 | \$2,124 | 60% |
| 9 NC | \$81,645 | \$2,041 | 60% | 9 III | \$88,305 | \$2,208 | 60% |
| 10 NC | \$84,976 | \$2,124 | 60% | 10 III | \$91,635 | \$2,291 | 70% |
| 1 I | \$59,564 | \$1,489 | 45% | 11 III | \$94,968 | \$2,374 | 70% |
| 2 I | \$60,116 | \$1,503 | 45% | 12 III | \$98,296 | \$2,457 | 70% |
| 3 I | \$61,665 | \$1,542 | 45% | 1 IV | \$64,997 | \$1,625 | 45% |
| 4 I | \$64,997 | \$1,625 | 45% | 2 IV | \$68,328 | \$1,708 | 50% |
| 5 I | \$68,328 | \$1,708 | 50% | 3 IV | \$71,658 | \$1,791 | 50% |
| 6 I | \$71,658 | \$1,791 | 50% | 4 IV | \$74,988 | \$1,875 | 55% |
| 7 I | \$74,988 | \$1,875 | 55% | 5 IV | \$78,320 | \$1,958 | 60% |
| 8 I | \$78,320 | \$1,958 | 60% | 6 IV | \$81,646 | \$2,041 | 60% |
| 9 I | \$81,646 | \$2,041 | 60% | 7 IV | \$84,977 | \$2,124 | 60% |
| 10 I | \$84,977 | \$2,124 | 60% | 8 IV | \$88,305 | \$2,208 | 60% |
| 1 II | \$60,116 | \$1,503 | 45% | 9 IV | \$91,635 | \$2,291 | 70% |
| 2 II | \$61,665 | \$1,542 | 45% | 10 IV | \$94,968 | \$2,374 | 70% |
| 3 II | \$64,997 | \$1,625 | 45% | 11 IV | \$98,296 | \$2,457 | 70% |
| 4 II | \$68,328 | \$1,708 | 50% | 12 IV | \$101,627 | \$2,541 | 70% |
| 5 II | \$71,658 | \$1,791 | 50% | 13 IV | \$91,635 | \$2,291 | 70% |
| 6 II | \$74,988 | \$1,875 | 55% | 14 IV | \$94,968 | \$2,374 | 70% |
| 7 II | \$78,287 | \$1,957 | 55% | 15 IV | \$98,296 | \$2,457 | 70% |
| 8 II | \$81,646 | \$2,041 | 60% | 16 IV | \$101,627 | \$2,541 | 80% |
| 9 II | \$84,977 | \$2,124 | 60% | 17 IV | \$105,850 | \$2,646 | 80% |
| 10 II | \$88,305 | \$2,208 | 60% | 18 IV | \$107,961 | \$2,699 | 80% |
| 11 II | \$91,635 | \$2,291 | 70% | 19 IV | \$107,961 | \$2,699 | 80% |
| 12 II | \$94,968 | \$2,374 | 70% | 20 IV | \$110,073 | \$2,752 | 80% |

DISTRICT EMPLOYEE SURVEY

In an effort to assess demand for housing and receive feedback from employees, a District-wide employee survey was created and made available between June 6, 2022 and June 17, 2022. 88 responses were received, representing a sample size of approximately 31% of employees. Of the total respondents, 73% (or 64) were certificated, 18% (or 16) were classified, and 7% (or 6) were administration/management. The remaining 2% of respondents were part-time certificated and substitute.

The respondents consisted of employees of varying employment lengths, with the largest response from those employed less than one year (18.2%). In total, 49% of respondents have been employed with the District for 6 years or less and 17% of respondents have been employed for more than 15 years. Key findings include review of three data sets: the entire respondent group (88), the certificated respondent group (64), and the classified respondent group (16) as detailed below.

| | All (88 respondents) | Certificated (64 respondents) | Classified (16 respondents) |
|---|-------------------------|----------------------------------|--------------------------------|
| What percentage of respondents currently live in San Mateo County? | 74% (64) | 78% (50) | 62% (10) |
| What percentage of respondents have moved while working at the District due to increased housing costs? | 43% (38) | 53% (34) | 37% (6) |
| What percentage of respondents are considered low income, per 2022 county Area Median Income (AMI) limits, based on their respective household size? (<i>low income is defined as 80% of AMI</i>) | 45% (40) | 41% (26) | 69% (11) |
| What percentage of respondents do not own their residence and currently rent their residence or live with family/parents? | 66% (58) | 61% (39) | 88% (14) |
| Of the respondents who currently do not own their residence, what percentage of respondents devote more than 30% of their total household income to rent? | 65% (38) | 54% (21) | 64% (9) |
| Of the respondents who currently do not own their residence, what percentage prefer to live closer to work? | 69% (40) | 64% (25) | 79% (11) |
| Of the respondents who currently do not own their residence and prefer to live closer to work, what percentage do not live closer to work due to high housing costs? | 88% (35) | 88% (22) | 82% (9) |
| Of the respondents who currently do not own their residence, what percentage have an interest in employee rental housing? | 74% (43) | 72% (28) | 79% (11) |
| What percentage of respondents have a generally positive impression of district-provided employee rental housing? | 65% (57) | 58% (37) | 88% (14) |

Overwhelmingly, respondents who do not own their residence and prefer to live closer to work are not able to, due to the high cost of housing (88%). Furthermore, the responses indicate a strong interest in employee housing, specifically amongst those who do not own their residence (74%), with a majority of respondents having a generally positive impression (65%). Overall, the survey responses and above results support general demand for district-provided employee rental housing, and, assuming the sample size is representative of the employee population, there appears to be a high level of support for this type of project amongst employees.

While the final number of units developed is based on a number of factors, including allowable capacity,

zoning, available funding sources, development costs and employee demand, based on the results from the employee survey, there is reason to assume adequate demand for 22 units, as well as 44 units, should both sites be developed. At 44 units, this represents housing for approximately 15% of current employees.

A full copy of the survey results can be found in the Exhibits.

PRELIMINARY RENTAL RATES

While each district employee housing project must be evaluated based on its unique site characteristics and is informed by a district's housing affordability objectives, there are a few general parameters for employee housing projects. Generally, districts try to keep rental rates anywhere between 50 and 80% of market rate without income restrictions for tenants.

Financial advisors recommend individuals spend no more than 30% of their gross monthly income on housing costs, which is consistent with the income and rent levels published by CTCAC and HUD. For the purposes of this analysis, it is assumed that rental rates will be based on a percentage of income and unit type. While this model helps to ensure true affordability, it leaves room for fluctuations in rental rates and lacks predictability of rental revenue as the rental rate would vary from unit to unit.

Districts could also choose to peg rents to market rates. In this second model, rents would be set at a specific percentage of market rate, typically 50 to 70%. This model leaves room for the potential of rental rates to either not cover costs or become out of reach for target employees due to potential market rate increases.

The below table represents the number of employees at or below each AMI level based on a one-person household and the current salary schedule received from Human Resources.

Current Salary Levels of BSD Employees

| % of AMI* | # of employees | % of employees | % of AMI | # of employees | % of employees |
|-----------|----------------|----------------|----------|----------------|----------------|
| 100%+ | 14 | 5.3% | 50% | 23 | 8.6% |
| 100% | 58 | 21.8% | 45% | 14 | 5.3% |
| 80% | 45 | 16.9% | 40% | 3 | 1.1% |
| 70% | 29 | 10.9% | 35% | 6 | 2.3% |
| 60% | 4 | 1.5% | 30% | 29 | 10.9% |
| 55% | 19 | 7.1% | 20% | 22 | 8.3% |

**Based on a one-person household*

As illustrated in the prior table, of the 266 salaries provided, approximately 49% of employees earn 60 to 100% of the Area Median Income based on a one-person household. While establishing rental rates is a programming item and would be part of a more in-depth process, for example purposes, a table of potential rental rates is included below.

Preliminary Rental Rates

| Unit Type | Submarket Rental Rate* | 40% AMI (CTAC) | 45% AMI (CTAC) | 50% AMI (CTAC) | 55% AMI (CTAC) | 60% AMI (CTAC) | 70% AMI (CTAC) | 80% AMI (CTAC) | 100% AMI (CTAC) |
|-----------|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Studio | ~\$2,300 | \$1,305 | \$1,468 | \$1,631 | \$1,794 | \$1,957 | \$2,283 | \$2,610 | \$3,262 |
| 1 Bed | ~\$2,800 | \$1,398 | \$1,573 | \$1,748 | \$1,922 | \$2,097 | \$2,447 | \$2,797 | \$3,496 |
| 2 Bed | ~\$3,400 | \$1,678 | \$1,887 | \$2,097 | \$2,307 | \$2,517 | \$2,936 | \$3,356 | \$4,194 |

**The market rental rate is based on total samplings of the San Mateo/Burlingame submarket and gives equal weight to properties in the 1- and 2-star category which are generally considered less than desirable. As a*

result, it lowers the rental range average for the submarket. Based on market review, for a new/recently renovated property, the expected market rental rate is estimated to be approximately \$700 to \$1,500 higher for each category.

For the purposes of this analysis, as all educator incomes will vary based off of what median income level they qualify under, placing rents at levels between 45 to 70% of the Area Median Income rent levels, as determined by the State of California, provides an accurate level of projected annual rental revenue income, should the property be fully occupied. This assumes there could be some employees that qualify for lower rents, and others that qualify for a higher rent, based on their applicable AMI.

For example, per the Burlingame School District 2022-2023 Salary Schedule, a new teacher earns approximately \$55,000 to \$65,000 in gross annual salary, which falls between 40 percent and 50 percent AMI. Applying 30 percent of income equates to a studio rental rate of approximately \$1,468 to \$1,631. A comparable market rate studio unit currently averages approximately \$2,600 to \$2,800 per month, constituting a monthly savings between \$969 and \$1,332, or a 40 to 50% reduction. The estimated savings per district employee is likely to increase based on the increase in number of bedrooms.

OVERVIEW OF PROJECT FINANCING

FINANCIAL OPTIONS AND STRATEGIES

Below are some financing opportunities to meet potential funding gaps and lower financing costs to the District. All of the strategies and options outlined herein have been successfully used by other school districts and public agencies to develop properties and provides a potential template for employee housing developments.

In addition, the options and strategies are not individually exclusive. Based on the determined scale of the project, it is likely that two or more strategies and options may be used with the goal to provide little or no direct cost to the district's General Fund.

CERTIFICATES OF PARTICIPATION

Districts have the option to issue Certificates of Participation (COPs) to fund the costs of employee housing. COPs are similar to tax free bonds in that the COPs are offered by the District to investors on a long term basis (i.e. 20 to 30 years) with annual debt payments made by the borrower, or in this case the District. This funding vehicle has several features that may be of interest. First, COPs can be issued by approval of the Board of Trustees and do not require a District wide vote. Second, the COP issuance can be sized to address the costs of the housing project alone. Four Bay Area workforce projects for San Mateo Community College District and Santa Clara Unified School District have been funded using COPs. In each of these projects, the residents pay a below market rent that is intended to cover the annual debt obligations, property management costs and maintenance reserves.

CONVENTIONAL DEBT

Conventional Construction lending and permanent or "take out" funding from major lending institutions may be available depending on the project ownership structure and whether the District wants to pledge other real estate assets if necessary. For example, construction debt, which offers very competitive interest rates, could be used initially then paid off by other funding sources such as COPs, Tax Credit Financing and Permanent Financing. These funds have been usually used in tandem with Tax Credit Financing. This formula of using Tax Credits and conventional debt has been used to develop three classified employee housing projects for Los Angeles Unified School District.

GENERAL OBLIGATION BOND FUNDS

Districts that have approved bond measures and have provisions for the funding of workforce housing development can apply funds for that purpose. Should there be no bond funds currently available, the District has the option to organize another voter approved measure to fund the development of employee housing should it determine there is a need and voter support. Jefferson Union High School District and Soledad Unified School District both recently passed bonds to fund the development of employee housing.

TAX CREDIT FINANCING

The State of California manages a national tax program which provides Tax Credits for projects meeting certain affordable and design criteria. The awarded Tax Credits can be sold to investors looking to shelter income from Federal income Taxes. The two major programs are commonly referred to as 4% and 9% programs and represent the percentage of a project's total cost that will receive tax credits. The 9% program, which offers the highest amount, targets very low, low and extremely low incomes and has requirements regarding bedroom counts, qualifying incomes for rental homes and allows the State to

regulate rent increases. The 9% program, has been used by Los Angeles Unified School District to provide housing for classified employees. The 4% program offers tax credits for projects that set aside 20% of the project's units for very low Income. Tax credits are typically not a viable option to fund the majority of housing intended for district employees due to their associated income restrictions, however.

SALE OF SURPLUS PROPERTY

Should the District not have a need for a property (or portions of a property), the sale of underutilized property can help cover a financing gap. Utilization of these funds for employee housing is an allowable use under recent education code additions. Depending on the site(s) selected for development, this could serve as a potential option for the District to consider.

LOCAL GOVERNMENT

Local county and city governments potentially offer funds for workforce housing that ranges from extremely low income to moderate Income households. It is also common for jurisdictions to require any workforce units set aside for low to moderate Income levels to be reserved for 55-year terms and/or include income restrictions in exchange for tapping local funding. Per a recent meeting with the City, the City of Burlingame is estimated to have approximately \$8,700,000 in affordable housing funds available for Burlingame development projects.

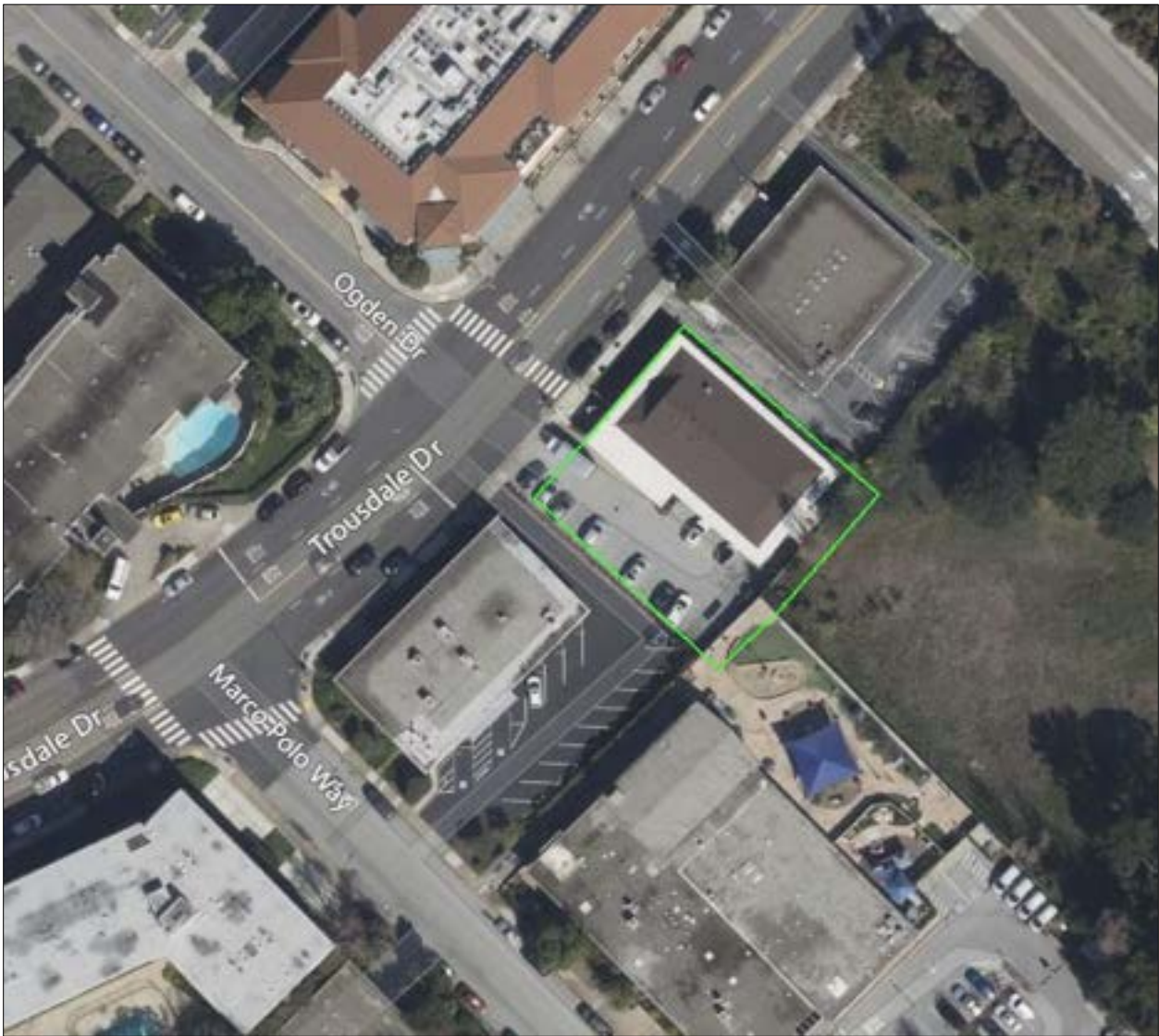
An aerial photograph of Burlingame, California, showing a mix of residential and commercial buildings, streets, and green spaces. A large blue rectangular overlay is positioned in the upper left corner, containing white text. The text identifies the District Administrative Office location as 1825 Trousdale Drive, Burlingame, CA 94010. The background image shows a dense urban area with various building styles, including multi-story apartment complexes and smaller commercial structures. A large parking lot is visible on the right side, and a green field is in the bottom left corner.

DISTRICT ADMINISTRATIVE OFFICE

**1825 TROUSDALE DRIVE
BURLINGAME, CA 94010**

DISTRICT ADMINISTRATIVE OFFICE

| | | |
|--|---|---|
| Location: 1825 Trousdale Drive Burlingame, CA 94010 | Assessor's Parcel Number: 025-123-080 | Zoning: NBMU – North Burlingame Mixed Use |
| Current Use: Administrative Offices | Size of Study Area: 12,945 SF (0.3 acres) | General Plan: North Burlingame Mixed Use |
| Opportunity Zone: No | Property Class: Commercial | Title Issues: Water Pipeline Easement |



PROPERTY OVERVIEW

PROPERTY DESCRIPTION

The property is located in North Burlingame at 1825 Trousdale Drive, within San Mateo County, and is comprised of one rectangular shaped parcel approximately 0.3 acres in size. The property contains one single-story office building with an approximate square footage of 6,097, per public records. The study area encompasses the entire parcel and the existing improvements are currently utilized as the District's administrative offices.

From our site visit, the site topography would be considered generally level and at street grade. The site is adjacent to multi-family complexes and single-story commercial office buildings. Vehicular access to the parcel is via Trousdale Drive and title to the parcel is vested in Burlingame Elementary School District. A copy of the Preliminary Title Report is included in the Exhibits.



During our site inspection, we walked the property grounds and did not observe any obvious indicators (to the naked eye) of environmental contamination or adverse property condition issues. However, DCG does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report. It should be noted, we have made an extraordinary assumption based off our observations that there are no adverse environmental conditions that would impact the site's development.

ASSESSOR'S MAP



SITE IMPROVEMENTS

Onsite Structures

There is one single-story structure on the property which is currently used by the District as their administrative offices.

Environmental Constraints

No information on the environmental condition of the property has been provided as of the date of this analysis. Environmental impacts, with regard to physical site constraints and/or costs to clean/mitigate potential contamination, could have ramifications that render the analysis financially infeasible. It is imperative this information be obtained and weighed against the development and financial assumptions included herein if the site is to be further developed.

Utilities

All typical urban utilities appear to be available onsite. The status and condition of the utilities should be affirmed in the future should the District decide to engage in more substantive due diligence of development feasibility.

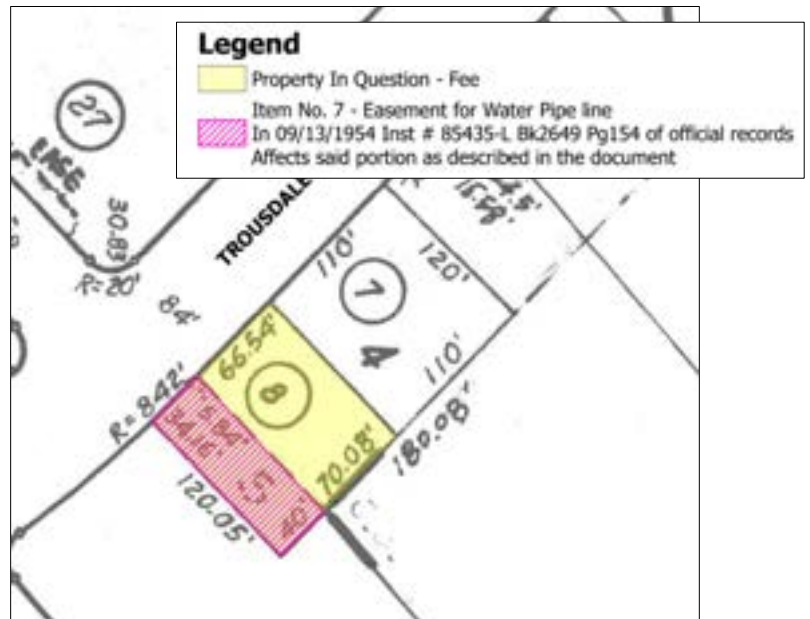
Water Pipeline

An easement was recorded on the property in 1954, granted to the City and County of San Francisco. The easement is to lay, relay, construct, reconstruct, maintain, operate, patrol, repair, renew, replace, remove, increase and/or change the number and size of pipes, pipe lines, conduits and/or connections,

appurtenances and appliances, for the conveyance, distribution, supply and/or sale of water.

Per the easement, no trees shall be planted and no structures of any kind or character shall be placed on, over, along and/or across the easement without consent of the City. The easement states that the rights and conditions of the easement run with the property.

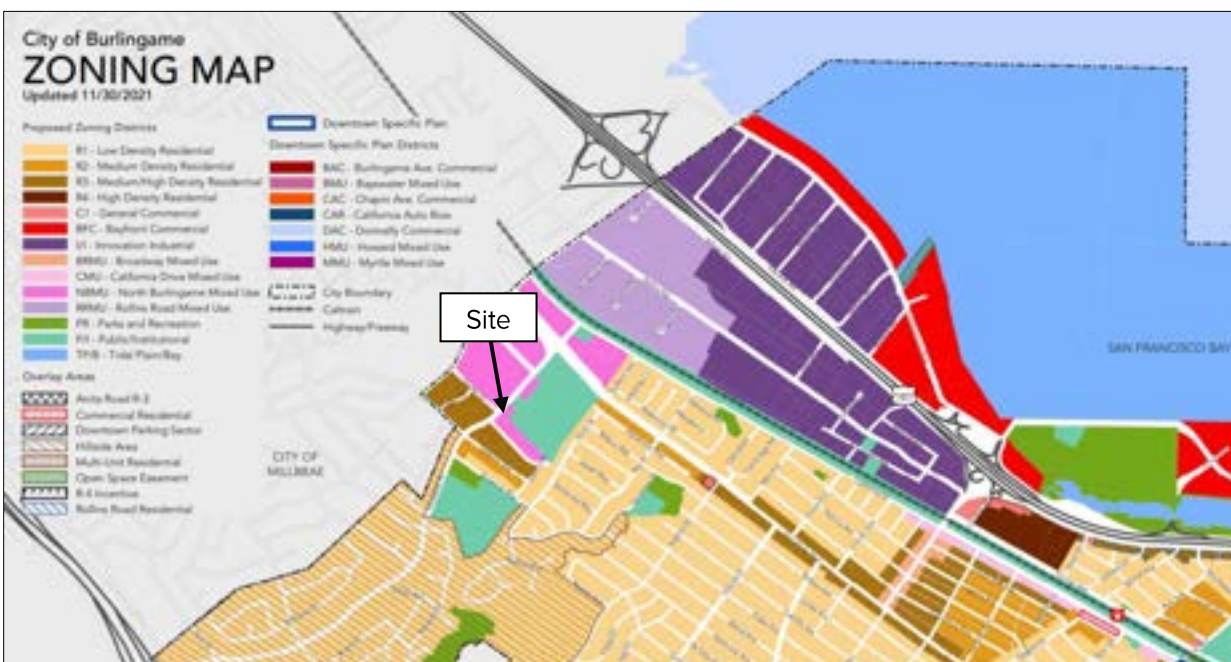
A map of the land affected by the easement is included to the right. A copy of the easement and the plotted easement map is included in the Exhibits.



GENERAL PLAN & ZONING

The property is currently zoned “NBMU” for North Burlingame Mixed Use and designated North Burlingame Mixed Use in the Burlingame 2040 General Plan.

ZONING MAP – CITY OF BURLINGAME



NBMU – NORTH BURLINGAME MIXED USE

The purpose of the North Burlingame Mixed Use zoning is to implement the General Plan North Burlingame Mixed Use designation. This zoning district provides housing and complementary commercial and office uses at urban-level intensities, which takes advantage of the adjacent multimodal transit center.^{vii}

Development densities in this district are tiered to allow greater densities in developments which provide community benefits. A developer may elect to develop a project consistent with either Tier 1, Tier 2, or Tier 3 development standards. Tiers 2 and 3, requiring a special permit, should improve the quality of life of employees, residents, and/or visitors, or assist the City with implementing an important plan or policy. Tier 2 projects must include at least two community benefits, as outlined by Burlingame zoning code, while Tier 3 should include at least three community benefits. Community benefits, as defined by zoning code or subsequently identified by City Council, range from pedestrian amenities, to off-site streetscape improvements, to cultural arts spaces.^{viii}

Permitted Uses

Permitted uses in North Burlingame Mixed Use zoning include outdoor dining, general market stores, general retail sales, grooming services, banks and financial institutions, co-working, medical or dental, professional office uses, art studios, research and development laboratories, mixed use developments, community open space, government buildings and facilities, and public park and recreation facilities.

Residential uses include communal housing, small family day care, limited residential care facilities, and multi-unit dwellings.

Conditionally Permitted Uses

Conditionally permitted uses in North Burlingame Mixed Use zoning, which require a permit, include night clubs, restaurants, convenience stores, specialized retail sales, vehicle fuel sales and accessory service, large scale commercial recreation, specialized personal services, live and movie theaters, primary and secondary schools, tutoring and educational services, hotels and motels, religious assembly facilities, medical clinics, and transit facilities. Conditionally permitted residential uses include elderly and long-term care facilities (excluding nursing homes), and senior and general residential care facilities.

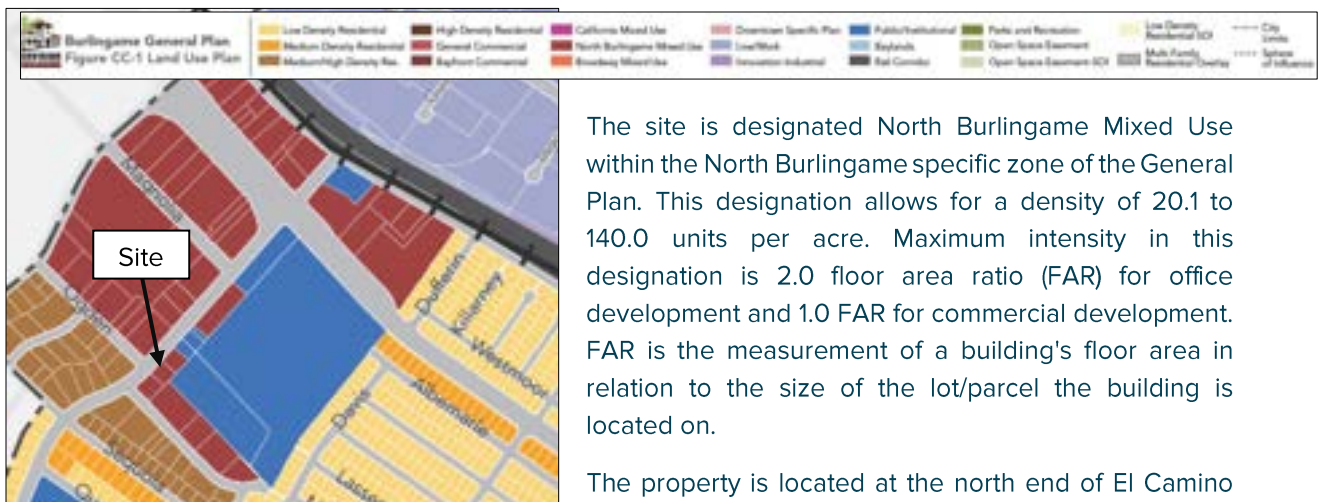
Development Standards^{ix}

Table 25.14-4: NBMU Development Standards

| Development Standards | Live/Work, Residential, Mixed Use and Commercial Development | | | Additional Regulations |
|----------------------------|--|----------------------------------|--|---|
| | Base Standard (Tier 1) | Increased Intensity (Tier 2) | Maximum Intensity (Tier 3) | |
| Height – Maximum | 45 ft. | 55 ft. | 80 ft. For properties on the east side of El Camino Real, 100 ft.; see additional setback standards below | Maximum heights also established by the Federal Aviation Administration for parcels affected by airport safety zoning districts. Tiers 2 and 3 shall provide community benefits per Section 25.14.040 C. |
| Density – Maximum | 40 du/ac | 80 du/ac | 140 du/ac | |
| Floor Area Ratio – Maximum | Office: 0.50 Commercial: 0.25 | Office: 1.25 Commercial: 0.50 | Office: 2.0 Commercial: 1.0 | |

Based on the chart above, the maximum allowable density within the North Burlingame Mixed Use district ranges from 40 units per acre to 140 units per acre based on the tier of development and number of community benefits offered.

GENERAL PLAN: NORTH BURLINGAME MIXED USE



The site is designated North Burlingame Mixed Use within the North Burlingame specific zone of the General Plan. This designation allows for a density of 20.1 to 140.0 units per acre. Maximum intensity in this designation is 2.0 floor area ratio (FAR) for office development and 1.0 FAR for commercial development. FAR is the measurement of a building's floor area in relation to the size of the lot/parcel the building is located on.

The property is located at the north end of El Camino Real, and close to the Millbrae Transit Center. El Camino

Real is a major thoroughfare that brings a large amount of traffic through the North Burlingame area of the Burlingame General Plan.

The North Burlingame Vision involves streetscape enhancements, new housing, and complementary commercial uses at urban-level intensities. The North Burlingame specific zone is a transit-oriented development node intended to provide housing for all income levels, and connect with surrounding commercial and institutional uses with improved pedestrian accommodations. Within the Mixed Use areas of the Burlingame General Plan, a mix of residential and commercial uses are desired. This mix of office, service, and retail uses are intended to serve residents and compliment the adjacent medical center. Permitted uses include retail, service commercial, dining establishments, offices, and high-density residential.

DEVELOPMENT CAPACITY

Based on a study of the land use regulations governing development, local market conditions, and input received from conversations with city planning staff, we have concluded the site could support the development of a residential housing project consisting of multi-family apartment units.

The site is located in a primarily mixed-use residential and commercial area with excellent access to transportation, community amenities, and is likely suited for high-density residential development due to the following: 1) the site is located in an urban infill, amenity-rich community; it is a unique location within an established neighborhood, 2) the site's current zoning and land use designation allow for a maximum of 140 dwelling units per acre (assuming certain criteria are met) and, 3) its proximity to regional transit and commute arterials SamTrans, BART, and Millbrae transit center.

The site is not without constraints, however. Key constraints include the site's relatively small lot size, as well as the water pipeline easement, covering approximately 35% of the site, which places a restriction on the development of structures on, over, and along the easement. As the easement removes approximately 4,800 square feet of developable land, this reduces the number of potential units that can be constructed. Due to the easement, development over the entire site is infeasible and is limited to the eastern portion of the site. With the small lot size and further reduction in developable land, the contemplated development must be vertical, as the easement reduces the horizontal reach of the project.

As the site is located within North Burlingame Mixed Use zoning and land use designation, residential housing is permitted. Thus, a zone change or general plan amendment is not required, assuming the development is confined to the allowable densities within the North Burlingame Mixed Use designation.

To maximize the allowable density, Tier 3 development standards, which require three community benefits, must be applied; allowing for up to 140 dwelling units per acre. While 140 units per acre is allowable, this is not feasible on the site due to the small lot size and the corresponding 80-foot height limit per Tier 3 development standards. As such, the contemplated building design maximizes the density based up on a height of 72 feet. While there are an additional eight feet available within the height limit, each story is approximately 10 to 14 feet. An additional story would place the building over the 80-foot height limit and, thus, is infeasible.

The project likely would qualify for a categorical exemption pursuant to CEQA guidelines section 15332 (Class 32, In-Fill Development Projects) if it is consistent with the applicable General Plan designation and policies and the applicable zoning designation and regulations, as it is surrounded by urban uses, is already developed, has no value as habitat for endangered, rare, or threatened species, would not result in significant effects relating to traffic, noise, air quality or water quality, and is already served by required utilities.

In addition to the above, geotechnical and civil engineering studies will be required to assess the developability of the site, as well as an initial environmental study will need to be prepared, which could include analysis from a group of environmental consultants, each outside the scope of this report.

When reviewing the property informally with the City of Burlingame, the following insights were highlighted:

- The restrictions and expectations relating to the water pipeline easement were confirmed and, for

the purposes of this analysis, it was determined development should be limited to the areas outside of the easement.

- While the easement covers a little more than a third of the site, the allowable density would be based off of the entire square footage of the site, including the nondevelopable acreage.
- Entitlements are likely to be processed in approximately six months.

SUMMARY OF PLANNING AND ENTITLEMENT PROCESS

Based on conversations with development professionals who have executed similar projects in the area as well as conversations with the City, six months is a reasonable estimate for the entitlement process, provided the project is supported by the City and surrounding community. An overview of entitlement steps is below:

1. Generate preferred development scenario: conceptual plans, elevations, and massing model are developed in order to begin the permit and application process with the Planning Department.
2. Enter permit and application process: the City of Burlingame allows permits and amendment applications to be submitted simultaneously rather than sequentially. Permits and applications will be reviewed in conjunction with the project review. The project will be required to be reviewed and ultimately approved by both the Planning Commission and City Council.

With the zoning in place and no formal CEQA process, the development plan, design review and related processes with the City is expected to take approximately six months.

ALTERNATIVE LAND USE ANALYSIS & PRELIMINARY VALUATIONS

In collaboration with Dreiling Terrones Architecture, Inc., a preliminary yield study was performed to assess the site's opportunities, constraints, and development requirements to arrive at a maximally allowable developable square footage and an approximate number of units possible based on the site being developed for residential housing. This was used in the analysis to assist in determining development feasibility and also preliminary value estimates.

The yield study presents a preliminary visual representation of the maximum option for the developable land. The main criteria to create the preliminary yield study and determine a corresponding unit count was based on nearby existing developments, as well as current development guidelines for NBMU Tier 3 development projects set forth by the City of Burlingame.

Any development process, particularly a development sited within an existing established community requires a strategic approach and outreach to gain community and political support. Design, finishes, circulation and landscaping will need to be high quality and well-articulated in order to gain support for the project and compete with the many other products on the market. Any proposal for development must take into consideration the time required to obtain planning approval.

Further studies, including a topographical study, of the site will be needed to solidify and confirm the conceptual site plan. These studies will provide a higher level of accuracy to confirm the final unit yield for the property. In addition, engineering, soil, and geotechnical analyses will be needed to confirm the final development capacity of the site, and these findings will determine if any additional testing is warranted. As such, the initial yield study, without these studies, provides the preliminary yields based off of the current North Burlingame Mixed Use zoning.

PRELIMINARY YIELD STUDY

The following scenario illustrates the potential development opportunity for the site. The scenario represents a conceptual site layout intended to show an example of how development could occur. The scenario calculates the potential developable area based on the current North Burlingame Mixed Use zoning code.

Given the opportunities/constraints identified during this initial feasibility study, the preliminary yield study is based on achieving the maximally productive number of units. Finding this involves creating the maximum value potential of the site, while remaining legally permissible, physical possible and financially feasible.

This initial yield study is preliminary and intended to convey capacity, rather than a detailed site plan. The final number of allowable units and site plan, including unit mix, will ultimately be determined at a later phase, should the District decide to consider residential development on the site at a later date.

Please note, the final site plan is subject to approval and review by the City. While the yield study maximizes the capacity of the site, it is important to note the City and community could prefer an alternative development scenario. The final number of units and density could potentially alter the forthcoming findings and recommendations. Further analysis is recommended, should the District consider redevelopment of the

site.

HIGH DENSITY MULTI-FAMILY – 22 APARTMENTS



The above scenario contemplates a yield study that adheres to the North Burlingame Mixed Use zoning and includes 22 units in a six-story development of multi-family apartments. To achieve this, the project design is consistent with Tier 3 development standards, which will be required to provide at least three community benefits along with requiring a special permit. The building is designed at 72 feet high, under the maximum allowable height of 80 feet.

The design currently includes a community room, which could potentially allow for periodic rental to the community, that could serve as one benefit. It is recommended the District remain flexible to the final two community benefits to be included, in collaboration with city staff. At 72 feet high, with reasonable certainty, the building can support three community benefits, however, this is a variable that could potentially lead to some minor redesign if it were to qualify for only two community benefits versus the three required for buildings over 55 feet.

Should the site be reduced to a Tier 2 development, it should be fairly easy to comply with the development standards of height and density. In this instance, the building would be shorter as the maximum allowable height in Tier 2 development is 55 feet, thus also including less units.

The contemplated draft unit mix features 6 studio units ranging in size from 384 square feet to 483 square feet, 10 one-bedroom units ranging in size from 782 square feet to 921 square feet and 6 two-bedroom units ranging in size from 1,184 square feet to 1,319 square feet. An alternative unit mix is possible, however, will likely reduce the total number of units. Due to the water pipeline easement, the scenario is limited to the

developable area of the site, outside of the easement.

Per parking requirements, the contemplated scenario includes 28 parking spaces, 15 of which are underground, stacked parking stalls. The underground parking is necessary to maximize the space and required to achieve the 22 units. A copy of the full capacity study, include sample elevations is included in the Exhibits.

PRELIMINARY DEVELOPMENT COSTS

For a more detailed overview of the methodology used to determine the project budget estimates, see the Development Cost Methodology section of the report.

Construction Type

In construction, depending on the building type, there can be different ways as to how projects are constructed. Therefore, the following methodology is included and is based on the specific type of building contemplated in the contemplated yield study.

Based on the design plan, podium construction would be the most appropriate building type, and in this case, podium with below grade parking. In construction, podium construction is a construction type that divides a building into two portions; the lower portion is typically made of concrete, with the upper portions/stories made of light wood framing.

In this scenario, the below grade garage would be constructed with concrete and the “podium”, or the roof of the garage, would serve as the foundation for the vertical construction of apartments to be constructed on top of the garage.

Estimated Project Budget

It is important to note that as podium construction is complicated, it is most often performed by a general contractor. In addition, it can also be more expensive than other types of residential construction, mainly due to the underground parking and height of the building.

Based on current market costs for recent developments completed with this type of building in the local region, land development and vertical construction costs are estimated at approximately \$500 per square foot. General contractors then charge their overhead and supervision at approximately 8% and profit at 6% of costs. This, coupled with the Project Labor Agreement (PLA), brings the total budget for land development and construction costs to \$13,460,000 or \$741 per square foot.

| Development Cost Summary | |
|--|--------------|
| Land Development + Construction Costs | \$13,460,000 |
| Soft Costs | \$2,350,000 |
| Development Fee | \$1,250,000 |
| Other Fees | \$550,000 |
| Reserves | \$44,000 |
| Miscellaneous | \$200,000 |
| Total Costs | \$17,856,000 |
| Cost Per Unit | \$811,636 |
| Land Development + Construction Cost PSF | \$741 |

Land development, which is the process involving the planning, engineering and construction of improvements to the land itself, is typically completed in conjunction with the vertical construction; thus, the estimated project budgets reflect both of these elements of the construction.

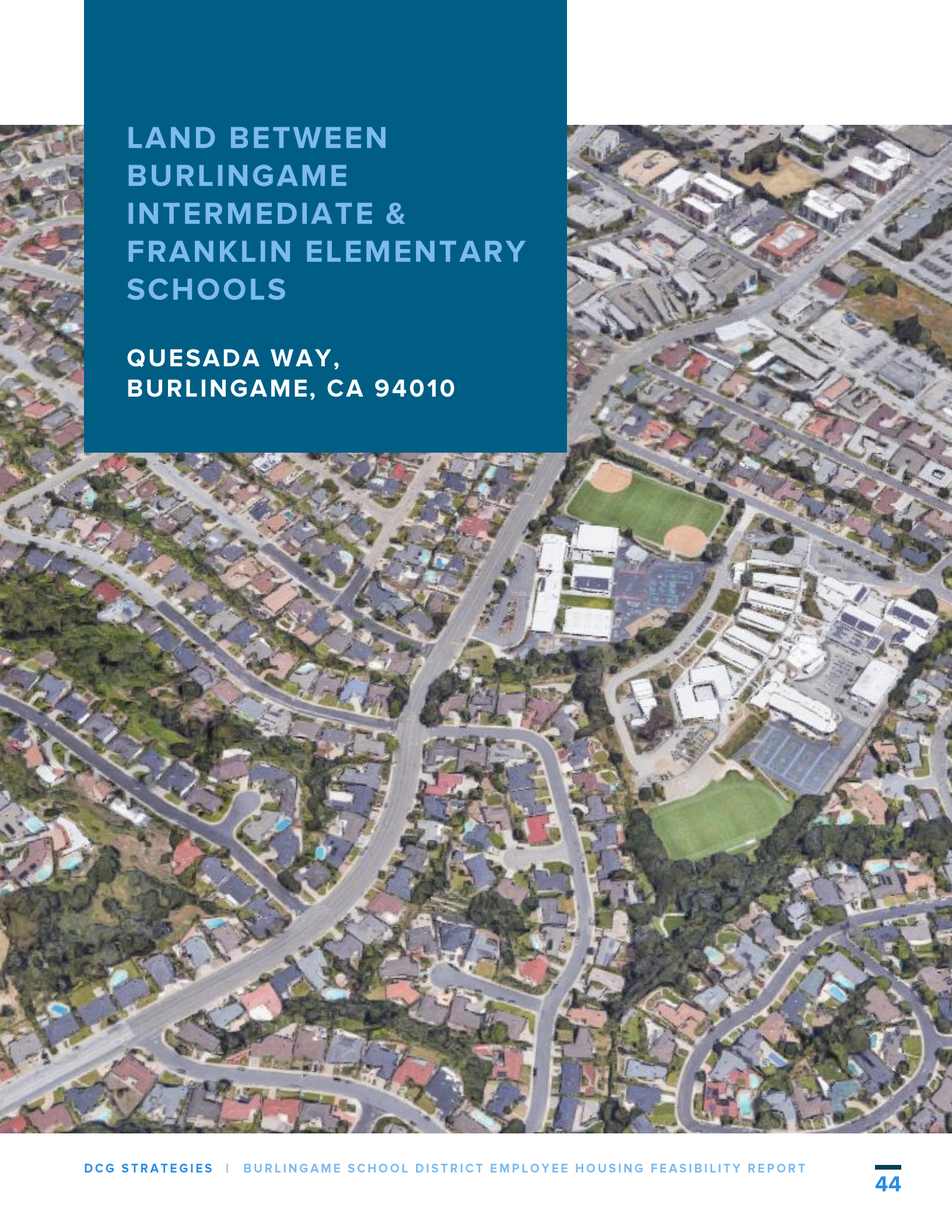
Soft costs are generally attributed to the planning and entitlements leading up to the actual construction.

This includes architects and engineers, amongst other consultants, agency fees and an entitlement consultant to orchestrate the process through the CEQA and city process.

The development fee is budgeted and is an estimate cost to hire a developer to manage the project throughout the entitlement and construction process. Other fees are attributed to the costs to prepare the construction plans and for agencies to review and permit those plans for construction. Lastly, reserves and miscellaneous costs are for contingencies throughout the planning and entitlement process. The cost analysis does not specifically include development impact fees or financing costs, as these costs will be specific to the project, which will need to be determined further along in the process, however, these costs can reasonably be included in the budget for other fees and miscellaneous.

Based on the contemplated site design, the current costs are estimated at approximately \$811,636 per unit with a total development cost of approximately \$17,856,000. It should be noted the cost estimates provided are estimates and, while conservative, are subject to change at any time as market conditions for labor, material, and cost of capital are and have been extremely fluid. Since the start of the COVID-19 pandemic, constructions costs have increased approximately 30% compared to pre-pandemic costs. Historically, however, cost escalation has averaged approximately 5 to 10% each year. While cost increases would be much higher in certain years and lower in others, a 10% annual cost escalation would be representative of historical averages.

Additionally, of note, this is a high-level analysis of costs based upon the contemplated yield study and general input from the development community. The numbers presented are conservative. A more detailed cost analysis should be completed when/if the District decides to move forward with the project and as the plans become more developed and other consultants, such as civil engineers, are engaged in the process.

An aerial photograph of a suburban neighborhood. In the center-right, there is a school complex with several white buildings, a blue basketball court, and two green sports fields. The surrounding area is filled with residential houses, many with swimming pools, and winding streets. A large blue rectangular overlay is positioned in the top-left corner, containing white text.

LAND BETWEEN BURLINGAME INTERMEDIATE & FRANKLIN ELEMENTARY SCHOOLS

**QUESADA WAY,
BURLINGAME, CA 94010**

LAND BETWEEN BURLINGAME INTERMEDIATE & FRANKLIN ELEMENTARY SCHOOLS

| | | |
|--|--|--|
| Location: Parcel A: 1715 Quesada Way Parcel B: 2385 Trousdale Drive Burlingame, CA 94010 | Assessor's Parcel Numbers: Parcel A: 025-130-060 Parcel B: 025-130-090 | Zoning: P/I Public Institutional |
| Current Use: School | Size of Study Area: Parcel A: 627,692 SF (14.41 acres) Parcel B: 370,523 SF (8.51 acres) Study Area: ~2.8 acres | General Plan: Public/Institutional |
| Opportunity Zone: No | Property Class: Commercial | Title Issues: N/A |



PROPERTY OVERVIEW

PROPERTY DESCRIPTION

The property is located in North Burlingame and consists of vacant hillside land located on and between two parcels. Parcel A is located at 1715 Quesada Way and is the current home to Burlingame Intermediate School. Parcel B is located at 2385 Trousdale Drive and is the current home to Franklin Elementary School. Both parcels total approximately 22.92 acres. The study area, however, is limited to the vacant land on and in between these parcels. For the purposes of this report, the analysis was limited to the study area, consisting of approximately 2.8 acres of sloped undeveloped and developed land.



From our site visits, the land from Martinez Drive down to Trousdale Avenue and Quesada Way is terracing and sloping throughout the area, inclusive of the slope for the study area. The topography of the study area is sloped and is considered to be above street grade in the northeastern portion along Quesada Way and Trousdale Avenue, and below street grade along Martinez Drive to the southwest.

The site is adjacent to primarily low-density residential, however medium-density residential lies at the corner of Trousdale Avenue and Quesada Way in the form of single-story multifamily homes. Vehicular access to the study area is available via Quesada Way.

Title to Parcel A is vested in Burlingame School District, also known as Burlingame Elementary School District, an Elementary School District of the County of San Mateo, State of California, whereas title to Parcel B is vested in Burlingame School District, an Elementary School District of the County of San Mateo, State of California. A copy of the Preliminary Title Reports is included in the Exhibits.

During our site inspection, we walked the property grounds and did not observe any obvious indicators (to the naked eye) of environmental contamination or adverse property condition issues. However, DCG does

not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report. It should be noted, we have made an extraordinary assumption based off our observations that there are no adverse environmental conditions that would impact the site's development.

ASSESSOR'S MAP



SITE IMPROVEMENTS

Onsite Structures

While there are numerous onsite structures on both parcels, including a variety of educational facilities, the study area mainly consists of sloped, undeveloped land which primarily consists of grass and trees, along with educational facilities located on Parcel A.

Environmental Constraints

No information on the environmental condition of the property has been provided as of the date of this analysis. Environmental impacts, with regard to physical site constraints and/or costs to clean/mitigate potential contamination, could have ramifications that render the analysis financially infeasible. It is imperative this information be obtained and weighed against the development and financial assumptions included herein if the site is to be further developed.

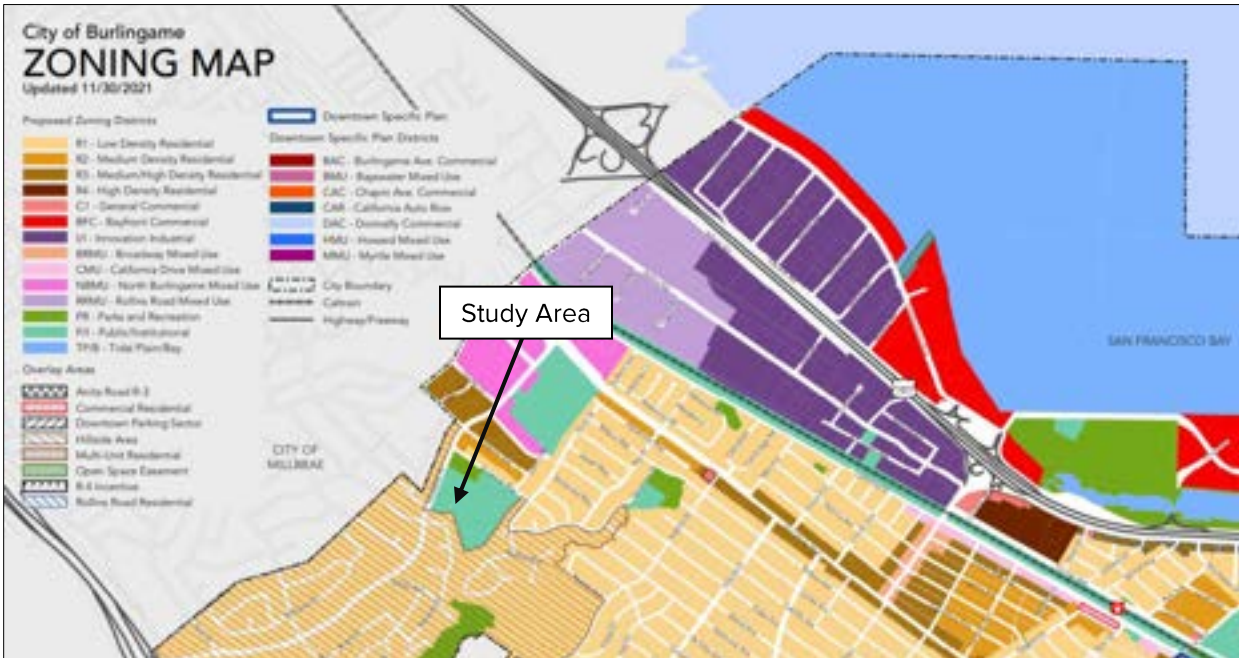
Utilities

All typical urban utilities appear to be available onsite. The status and condition of the utilities should be affirmed in the future should the district decide to engage in more substantive due diligence of development feasibility.

GENERAL PLAN & ZONING

The study area is zoned “P/I” for Public/Institutional and designated Public/Institutional in the Burlingame 2040 General Plan.

ZONING MAP – CITY OF BURLINGAME



P/I – PUBLIC/INSTITUTIONAL

The purpose of Public/Institutional zoning is to accommodate public, semi-public, and institutional uses. This zoning district implements the General Plan Public/Institutional designation.

Development in this district is generally under the purview of a governmental agency or quasi-public organization. Generally, development standards are determined on a case-by-case basis as part of the public review process by that governmental agency or as part of the Conditional Use Permit process.^x

Permitted Uses

Permitted uses include government buildings, public educational facilities, offices, park and recreation facilities, utilities infrastructure and easements, and rail corridors and public transit facilities.

Conditionally Permitted Uses

Conditionally permitted uses include private schools, hospitals, and medical clinics.

While there are no specific prohibited uses in the Public/Institutional zone in the Burlingame Code of Ordinance, all uses not listed are prohibited.

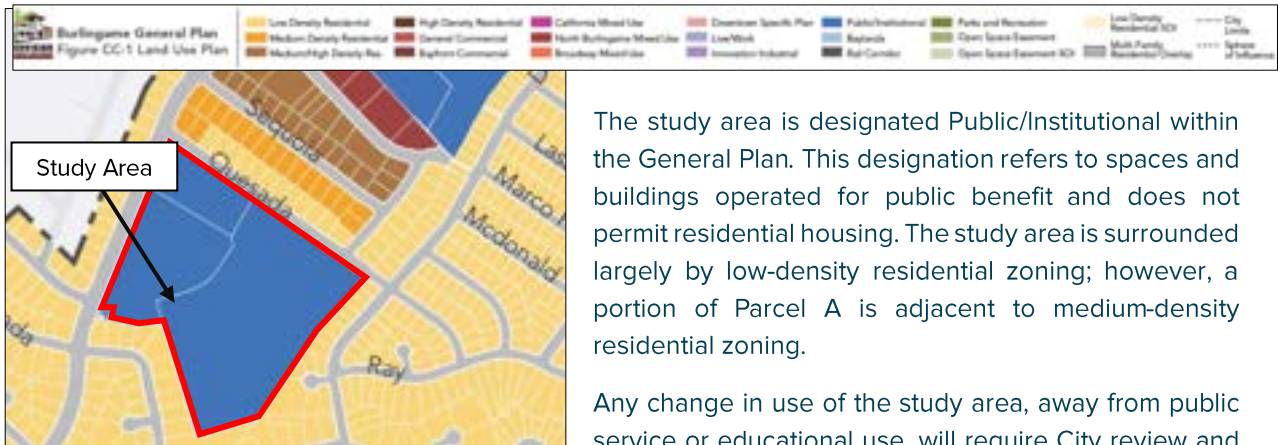
HILLSIDE OVERLAY

While the study area is not located within the Hillside Area Overlay, it is important to note it is adjacent to this overlay. As indicated in the map above, the study area is bordered to the east, south and west by the

Hillside Area Overlay. The overlay applies to all construction and its purpose is to preserve existing distant views and prevent obstruction of distant views to San Francisco Bay, the San Francisco Airport, and Mills Canyon from primary indoor living areas (i.e.: living rooms and family rooms).^{xi}



GENERAL PLAN: P/I - PUBLIC/INSTITUTIONAL



The study area is designated Public/Institutional within the General Plan. This designation refers to spaces and buildings operated for public benefit and does not permit residential housing. The study area is surrounded largely by low-density residential zoning; however, a portion of Parcel A is adjacent to medium-density residential zoning.

Any change in use of the study area, away from public service or educational use, will require City review and approval. To enable the development of housing on the site, a General Plan Amendment and zone change will be required. The process of securing these entitlements is complex and subject to political decision-making which will be influenced by the community and other factors local to the City of Burlingame.

DEVELOPMENT CAPACITY

Based on a study of the land use regulations governing development, local market conditions, and input received from conversations with City planning, we have concluded the study area could support the development of a residential housing project consisting of low-density residential units.

The study area is located in a primarily residential area with access to transportation, community amenities, and is likely suited for low-density residential development due to the following: 1) the study area is located in an urban infill, amenity-rich community; it is a unique location within an established neighborhood, 2) the study area is surrounded by R-1 low-density residential housing and, 3) its proximity to regional transit and commute arterials SamTrans, BART, and Millbrae transit center.

The study area is not without constraints, however. Key constraints include its slope and grading required for residential development, along with the study area's proximity to the Hillside Area Overlay and the associated view protection regulations. Geotechnical and civil engineering studies will be required to assess the developability of the study area, as well as an initial environmental study will need to be prepared, which will include analysis from a group of environmental consultants.

While the study area is currently zoned Public/Institutional with a matching land use designation, this designation does not allow for residential housing, thus, a zone change and general plan amendment will be required to allow for the development of residential housing. In development instances where a new zone is being contemplated, it is important to review the surrounding zonings, as this provides an indication as to what new zoning is likely to be approved.

In this instance, the study area is surrounded by R-1 Low Density Residential with a Hillside Area overlay, with the R-1 zone allowing for single-family detached homes at up to eight units per acre. The Hillside Area overlay provides for further development restrictions, mainly creating a protection of existing views; with this, any new construction must be sure to preserve the exiting views of surrounding neighbors.

When reviewing the property informally with the City of Burlingame, the following insights were highlighted:

- The City is potentially open to future conversations surrounding a zone change for the study area.
- Any residential development within the study area should be consistent with the surrounding uses, in terms of density, as well as the Hillside Area overlay.
- The City is open to further discussion surrounding a zone change allowing for attached housing, versus detached which is currently required under R-1. Any development on the study area will require considerable collaboration with the City.
- It will be important that any finalized development concept show strong evidence that the views of the neighboring single-family homes are protected; this is especially relevant to the homes along Martinez Drive.
- It is estimated the entitlements could likely be processed in approximately 12 months. The CEQA process could be completed concurrently with the general plan amendment and zone change and it is expected that a mitigated negative declaration would be the tool used for the CEQA process.

Based on the above, any contemplated development of the study area will need to be within the R-1 density of 8 units/acre. Assuming a 2.8-acre study, this equates to a maximum allowable density of 22. In addition, the contemplated design plan pays particular attention to the view corridors from the neighboring houses

to be in compliance with the Hillside Area overlay.

SUMMARY OF PLANNING AND ENTITLEMENT PROCESS

Based on conversations with the City, 12 months is a reasonable estimate for the entitlement process provided the project is supported by the City and surrounding community.

The process for the entitlement of the study area in one scenario, would require a general plan amendment and a rezoning of the property. This would be done in conjunction with a development plan/design review and related processes with the City, which is expected to take approximately 12 months. The CEQA process would be done concurrently with the general plan amendment and zone change and it is expected that a mitigated negative declaration would be the tool used for the CEQA process. While not expected, an environmental impact report may be needed for the CEQA process, which would add time and additional expenses.

A second entitlement scenario could be for the City to amend the existing Public/Institutional zoning to allow for residential uses within that category. This option would likely require the same CEQA process as the first option and would provide for a similar timeframe for the entitlement process. Both options will require further conversations with the City. Further discussion is recommended to determine the benefits and constraints of each option.

ALTERNATIVE LAND USE ANALYSIS & PRELIMINARY VALUATIONS

In collaboration with Dreiling Terrones Architecture, Inc., a preliminary yield study was performed to assess the site's opportunities, constraints, and development requirements to arrive at a maximally allowable developable square footage and an approximate number of units possible based on the study area being developed for residential housing.

The yield study presents a preliminary visual representation of the options for developable land. The main criteria to create the preliminary yield study and determine a corresponding unit count was based on nearby existing developments, as well as current development guidelines for low-density residential zoned sites set forth by the City of Burlingame Planning Department.

Any development process, particularly a development sited within an existing established community requires a strategic approach and outreach to gain community and political support. Design, finishes, circulation and landscaping will need to be high quality and well-articulated in order to gain support for the project and compete with the many other products on the market. Any proposal for development must take into consideration the time required to obtain planning approval and potential resistance from surrounding residents.

Further studies, including a topographical study, of the site will be needed to solidify and confirm the conceptual site plan. These studies will provide a higher level of accuracy to confirm the final unit yield for the property. In addition, engineering, soil, and geotechnical analyses will be needed to confirm the final development capacity of the study area, and these findings will determine if any additional testing is warranted. As such, our initial yield study, without these studies, provides the preliminary yields based off of the current R1 – Low Density Residential zoning.

PRELIMINARY YIELD STUDY

The following scenario illustrates the potential development opportunity for the study area. The scenario represents a conceptual site layout intended to show one example of how development could occur. Though the current zoning of the study area is Public/Institutional, the contemplated scenario calculates the potential developable area based on the adjacent zoning of low-density residential.

Given the opportunities/constraints identified during this initial feasibility study, the preliminary yield study is based on achieving the maximally productive number of units. Finding this involves creating the maximum value potential of the site, while remaining legally permissible, physical possible and financially feasible.

This initial yield study is preliminary and intended to convey capacity, rather than a detailed site plan. The final number of allowable units and site plan, including unit mix, will ultimately be determined at a later phase, should the District decide to consider residential development on the study area at a later date.

Please note, the final site plan is subject to approval and review by the City. While the yield study maximizes the capacity of the study area, it is important to note the City and community could prefer an alternative development scenario. The final number of units and density could potentially alter the forthcoming findings and recommendations. Further analysis is recommended, should the District consider redevelopment.

LOW DENSITY RESIDENTIAL – 12 TOWNHOMES + 10 FLATS



The above scenario contemplates a yield study that adheres to the density of R-1 zoning, within the Hillside Area Overlay. This scenario requires a rezoning and general plan amendment as the study area’s current zoning does not allow for residential development. Additionally, development of townhomes on low-density land would require an amendment to R-1 zoning regulations to allow for attached single-family residential development.

To maximize site efficiency, the scenario contemplates two separate development areas consisting of two different unit types. Building A features one two-story building which includes 3 studio units ranging in size from 460 square feet to 471 square feet, 5 one-bedroom units ranging in size from 700 square feet to 880 square feet and 2 two-bedroom units, each with 1,224 square feet, for a total of 10 units.

The second unit type consists of 12 two-bedroom townhomes, each with its own private patio. A copy of the full capacity study, include sample elevations for each development area is included in the Exhibits.

PRELIMINARY DEVELOPMENT COSTS

For a more detailed overview of the methodology used to determine the project budget estimates, see the Development Cost Methodology section of the report.

Construction Type

In construction, depending on the building type, there can be different ways as to how projects are constructed. Therefore, the following methodology is included and is based on the specific type of building contemplated in the contemplated yield study.

Based on the design plan, at grade construction is the most efficient and appropriate construction type based on the proposed townhome buildings and stacked flats. At grade construction, which generally refers to construction on the ground level, is much simpler than podium construction and is typically performed by a home builder, but also could be completed by a general contractor. For the purpose of this analysis, the analysis assumes a general contractor would complete the construction.

Estimated Project Budget

Based on current market knowledge, and a good general rule of thumb, land development for this type of project costs approximately \$1,000,000 per acre. This, added to the additional expense of approximately \$500,000 for the topography (sloping) nature of this site, the addition of the PLA, along with the general contractor overhead and profit, brings the total projected land development costs to \$4,920,600.

The vertical construction costs for the townhomes and stacked flats for this region is estimated to be \$200 per square foot based on recent input from home builders and general contractors. With the addition of PLA, as well as contractor overhead and profit, these costs equate to \$5,828,400, bringing the total land development and construction costs to an estimate of \$10,749,000 or \$550 per square foot.

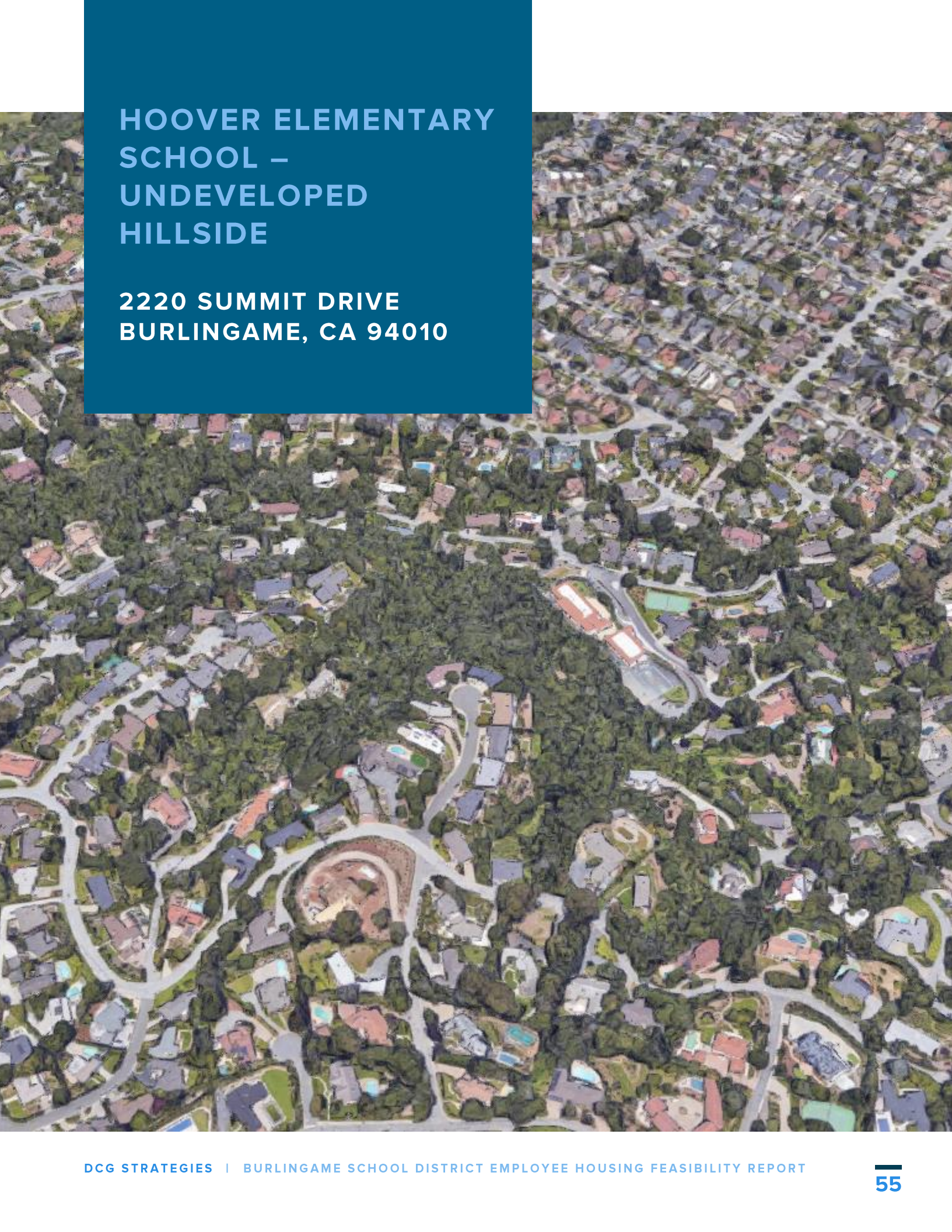
| Development Cost Summary | |
|--|---------------------|
| Land Development + Construction Costs | \$10,749,000 |
| Soft Costs | \$2,250,000 |
| Development Fee | \$1,250,000 |
| Other Fees | \$550,000 |
| Reserves | \$44,000 |
| Miscellaneous | \$200,000 |
| Total Costs | \$15,043,000 |
| Cost Per Unit | \$683,772 |
| Land Development + Construction Cost PSF | \$550 |

Based on the contemplated site design, the costs are approximately \$683,772 per unit with a total development cost of approximately \$15,043,000. It should be noted the cost estimates are estimates and, while conservative, are subject to change at any time as market conditions for labor, material, and cost of capital are and have been extremely fluid.

Since the start of the COVID-19 pandemic, constructions costs have increased approximately 30% compared to pre-pandemic costs. Historically, however, cost

escalation has averaged approximately 5 to 10% each year. While cost increases would be much higher in certain years and lower in others, a 10% annual cost escalation would be representative of historical averages.

Additionally, of note, this is a high-level analysis of costs based upon the contemplated yield study and general input from the development community. The numbers presented are conservative. A more detailed cost analysis should be completed when/if the District decides to move forward with the project and as the plans become more developed and other consultants, such as civil engineers, are engaged in the process.



HOOVER ELEMENTARY SCHOOL – UNDEVELOPED HILLSIDE

2220 SUMMIT DRIVE
BURLINGAME, CA 94010

HOOVER ELEMENTARY SCHOOL – UNDEVELOPED HILLSIDE

Location:

2220 Summit Drive
Burlingame, CA 94010

Assessor's Parcel Numbers:

Parcel A: 027-271-420
Parcel B: 027-311-180

Zoning:

P/I Public Institutional

Current Use:

School

Size of Study Area:

Parcel A: 270,778 SF (6.22 acres)
Parcel B: 32,094 SF (0.74 acres)
Study Area: ~ +/- 4.5 acres

General Plan:

Low Density Residential

Opportunity Zone:

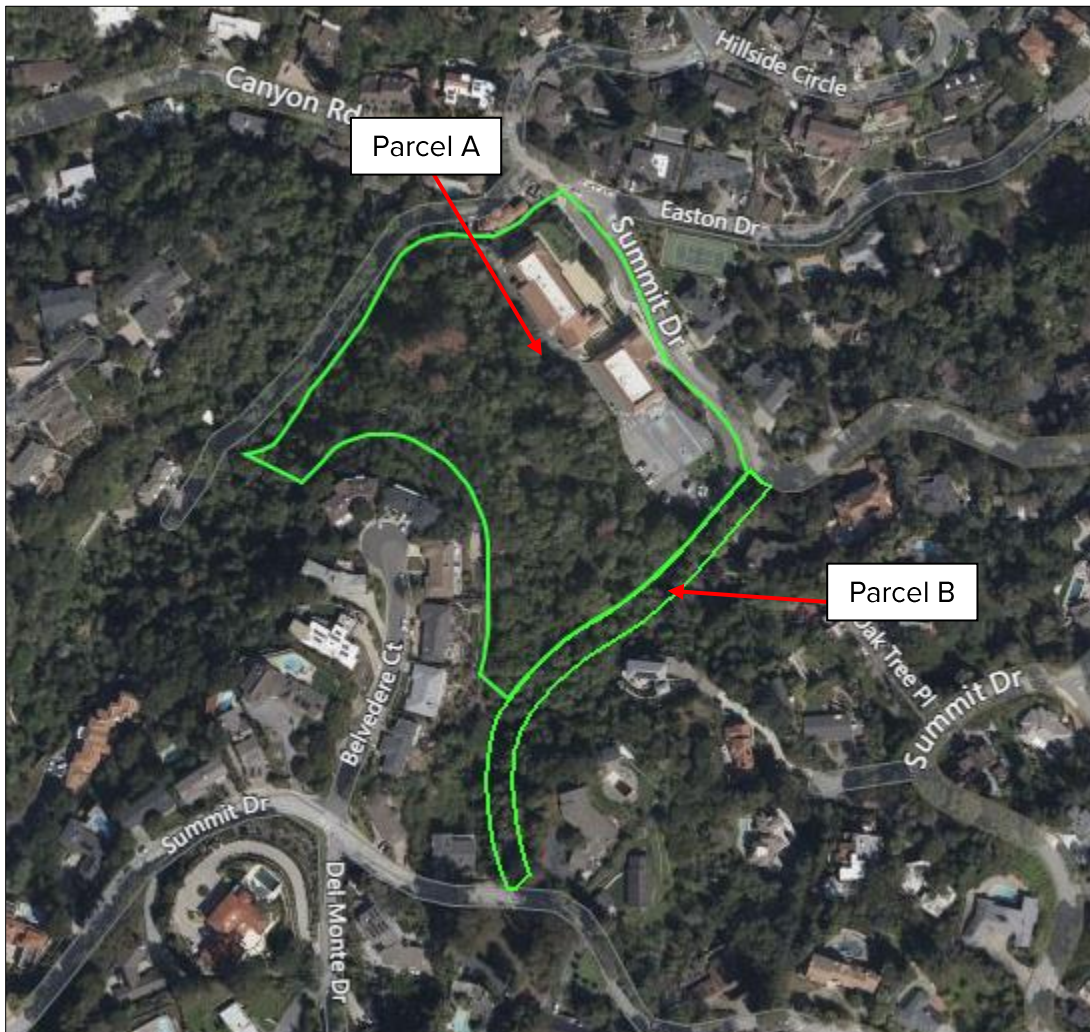
No

Property Class:

Commercial

Title Issues:

N/A



PROPERTY OVERVIEW

PROPERTY DESCRIPTION

The property is located in the south western portion of Burlingame and consists of undeveloped hillside located on and between two parcels. Both parcels are currently home to Hoover Elementary School located at 2220 Summit Drive, an active elementary school.

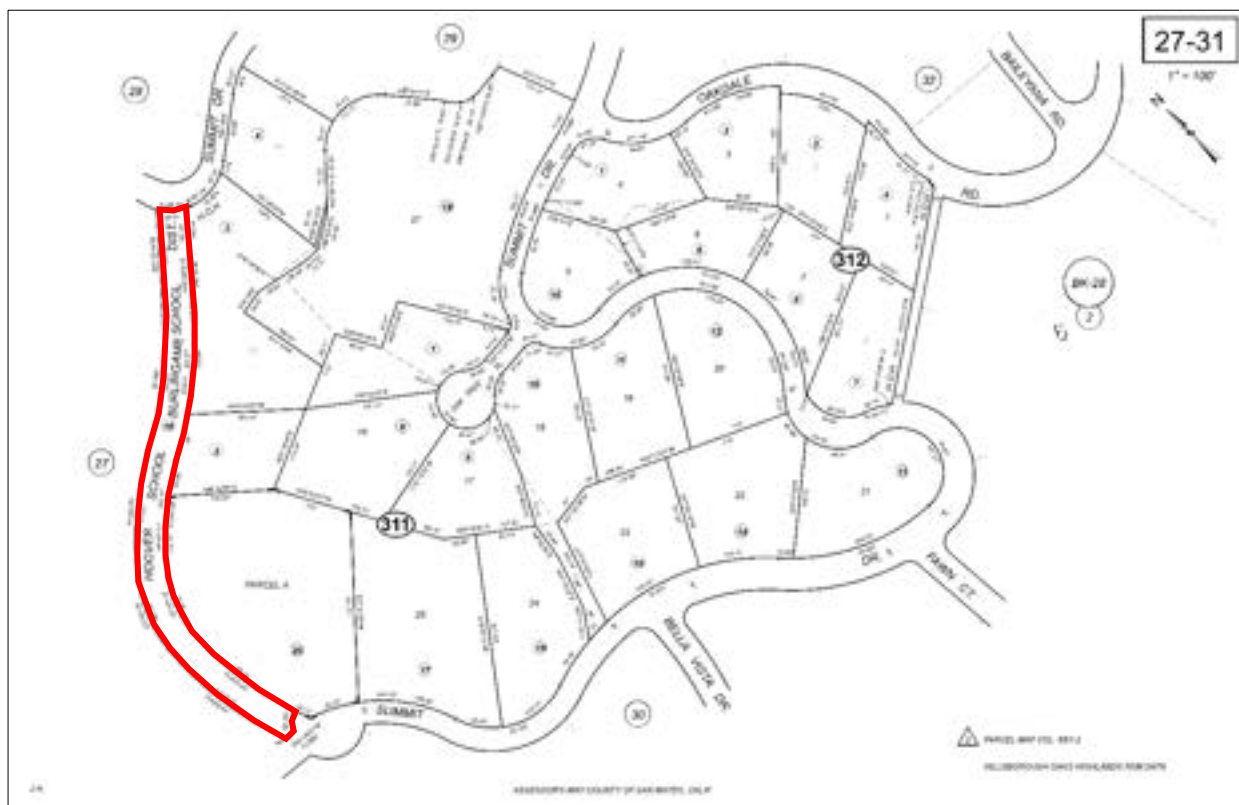
The study area, however, is solely limited to the hillside located on both parcels and does not include the active school grounds. For the purposes of this report, the analysis was limited to the study area, consisting of approximately 4.5 acres of sloped hillside.



From our site visit, the topography of the study area would be considered heavily sloped and above street grade from Summit Drive to the east, and below street grade from Belvedere Court to the west. The study area is adjacent to low-density residential on all sides, consisting of single-family homes. As the study area is a part of a larger parcel, the study area is not currently believed to support direct vehicular access. Further analysis is recommended to confirm whether vehicular access along Summit Drive is feasible. Title to both parcels is vested in Burlingame School District, a California public school district. A copy of the Preliminary Title Report is included in the Exhibits.

During our site inspection we walked the property grounds and did not observe any obvious indicators (to the naked eye) of environmental contamination or adverse property condition issues. However, DCG does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions. Further analysis is beyond the scope of this report. It should be noted, we have made an extraordinary assumption based off our observations that there are no adverse environmental conditions that would impact the site's development.

ASSESSOR'S MAPS



SITE IMPROVEMENTS

Onsite Structures

While the study area contains a large outdoor amphitheater, there are no further onsite structures built; the remaining land consists primarily of sloped hillside.

Environmental Constraints

No information on the environmental condition of the property has been provided as of the date of this analysis. Environmental impacts, with regard to physical site constraints and/or costs to clean/mitigate potential contamination, could have ramifications that render the analysis financially infeasible. It is imperative this information be obtained and weighed against the development and financial assumptions included herein if the site is to be further developed.

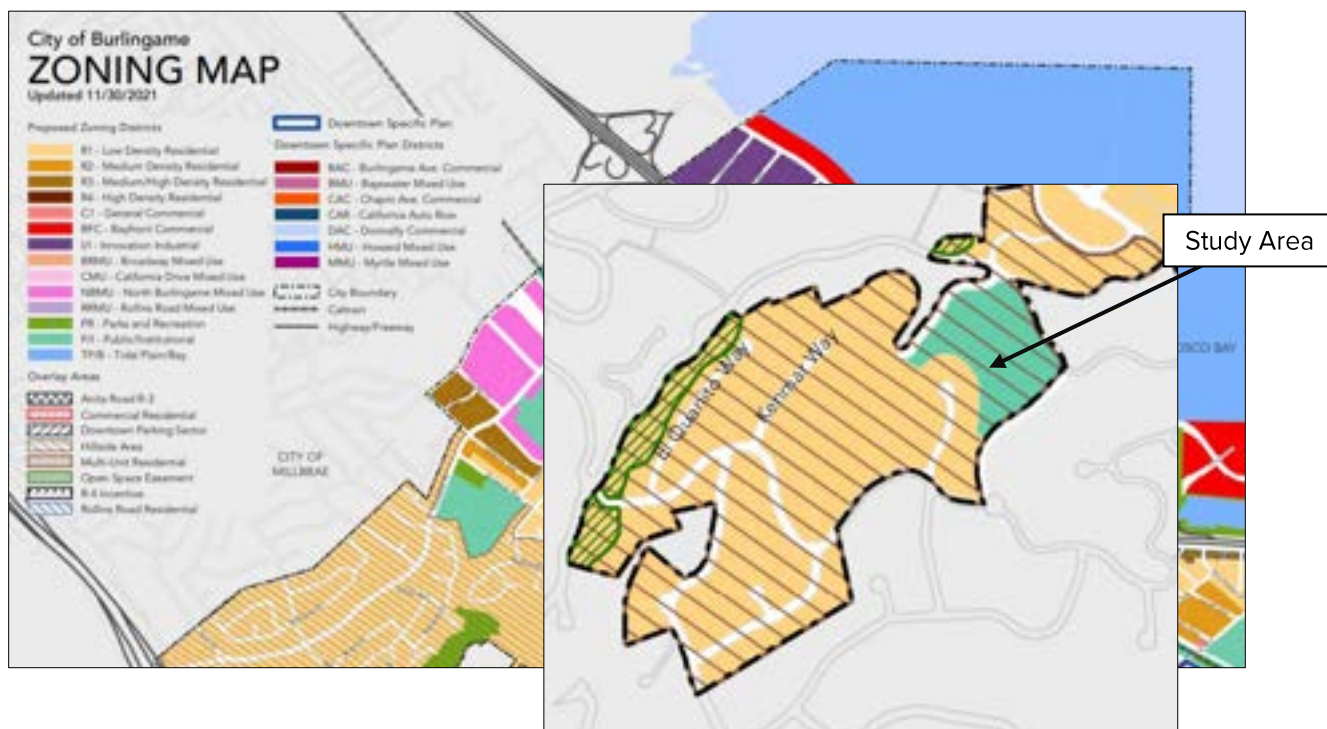
Utilities

The status and condition of the utilities should be affirmed in the future should the district decide to engage in more substantive due diligence of development feasibility.

GENERAL PLAN & ZONING

The study area is zoned “P/I” for Public/Institutional and is designated Low Density Residential in the Burlingame 2040 General Plan.

ZONING MAP – CITY OF BURLINGAME



P/I – PUBLIC/INSTITUTIONAL

The purpose of Public/Institutional zoning is to accommodate public, semi-public, and institutional uses. Development in this district is generally under the purview of a governmental agency or quasi-public organization. Generally, development standards are determined on a case-by-case basis as part of the public review process by that governmental agency or as part of the Conditional Use Permit process.

Permitted Uses

Permitted uses include government buildings, public educational facilities, offices, park and recreation facilities, utilities infrastructure and easements, and rail corridors and public transit facilities.

Conditionally Permitted Uses

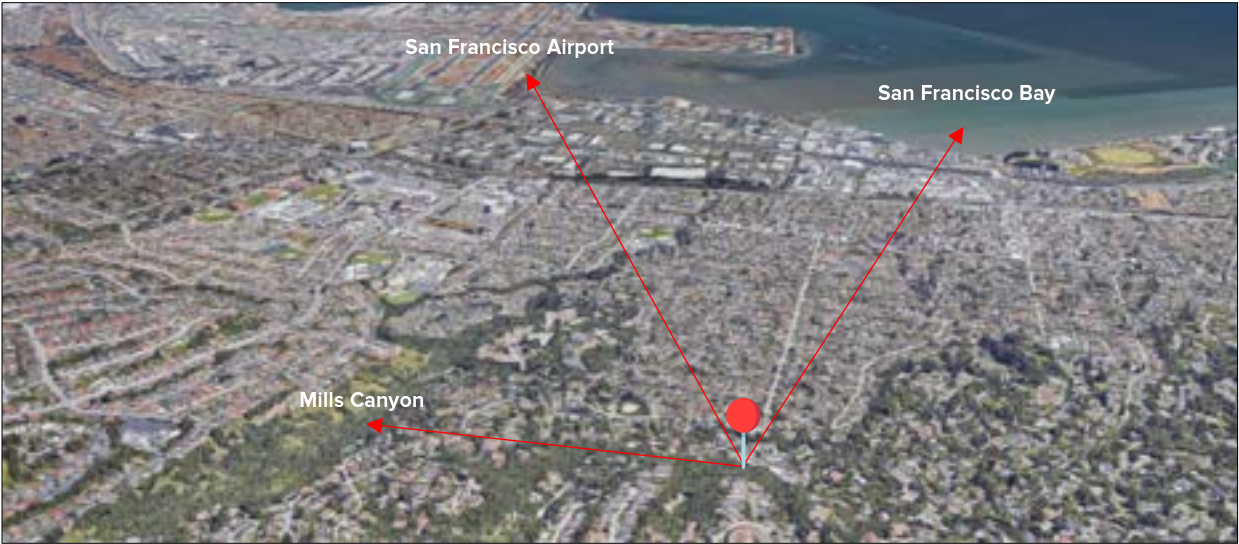
Conditionally permitted uses include private schools, hospitals, and medical clinics.

While there are no specific prohibited uses in the Public/Institutional zone in the Burlingame Code of Ordinance, all uses not listed are prohibited.

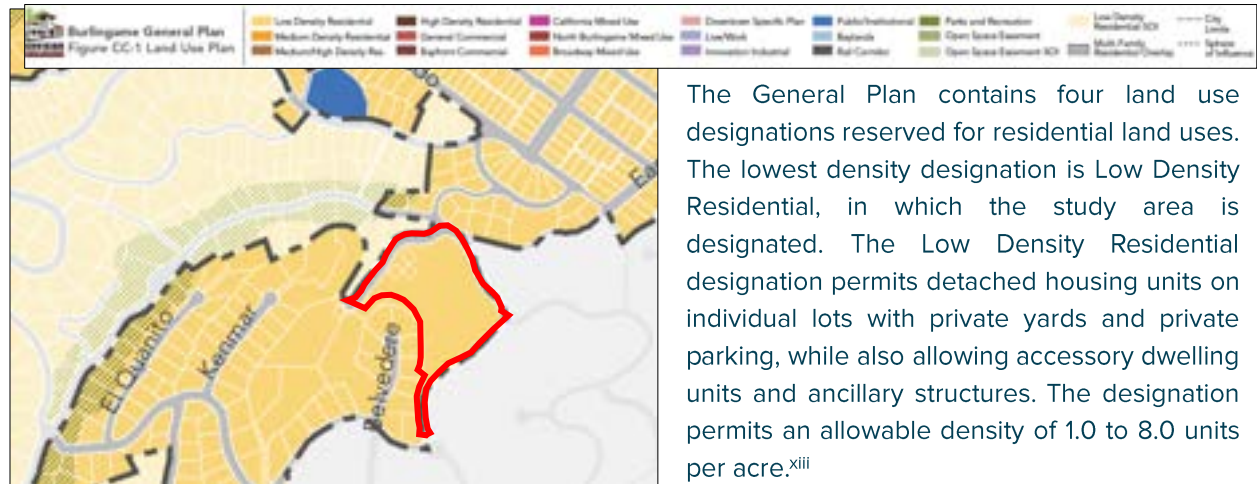
HILLSIDE OVERLAY

In addition to being zoned P/I, the study area is located within the Hillside Area Overlay. The purpose of the overlay is to protect public health and safety by minimizing hazards, including soil erosion and fire danger associated with development on hillsides; preserve and enhance the City’s scenic character, including its

natural hillsides and views of San Francisco Bay; respect natural features in the design and construction of hillside development; and design hillside development to be sensitive to existing terrain, distant views, and significant natural landforms and features. In addition, the hillside overlay's goal is to preserve existing distant views and prevent obstruction of distant views to San Francisco Bay, the San Francisco Airport, and Mills Canyon from primary indoor living areas (i.e.: living rooms and family rooms).^{xii}



GENERAL PLAN: LOW DENSITY RESIDENTIAL



The General Plan contains four land use designations reserved for residential land uses. The lowest density designation is Low Density Residential, in which the study area is designated. The Low Density Residential designation permits detached housing units on individual lots with private yards and private parking, while also allowing accessory dwelling units and ancillary structures. The designation permits an allowable density of 1.0 to 8.0 units per acre.^{xiii}

DEVELOPMENT CAPACITY

The study area is the most limiting in its options due to its topography and location. Based on a study of the land use regulations governing development, local market conditions, and the topography of the study area, we have concluded there appears to be no feasible manner for a successful small to medium sized District lead redevelopment.

While the potential for a small number of custom home lots is an option, this would likely require significant study and costs based on the topography, each of which is outside the scope of this report.

The best options for the District are likely to be centered around measures that limit the District's liability from ownership and cost of maintaining large areas of unusable land. The most likely outcome for disposition being a potential sale of the land.

OVERVIEW OF DEVELOPMENT OPTIONS

Based on the analysis, the District is presented with three primary options for consideration: Option A is to develop 22 units at the district administrative office; Option B is to develop 22 units on the vacant land between Burlingame Intermediate and Franklin Elementary Schools; and, Option C is to develop both sites.

| | Option A: <i>Develop at DO</i> | Option B: <i>Develop at BIS/FES</i> | Option C: <i>Develop at both sites</i> |
|--------------------------|--|---|--|
| Number of Units | 22 | 22 | 44 |
| Approx. Development Cost | \$17,856,000 | \$15,043,000 | \$32,899,000 |
| Approx. Cost Per Unit | \$811,636 | \$683,772 | \$747,704 |

To evaluate the financial implications of each of the three options, several financial scenarios were considered. The primary conclusion of our review is that the full cost of either of the three options cannot be completely amortized by the rental revenue of the units, thus, supplemental sources of financing will be required to fund the development project(s). As such, it was assumed the District would allocate the approximate \$10,000,000 of budgeted funds (Tranche 3) to the project. In addition, assuming first position financing is procured, subordinate financing serviced by surplus cash could also be supported by the project. These funds are referred to as government debt, either from city funds or the state.

| | Option A: <i>Develop at DO</i> | Option B: <i>Develop at BIS/FES</i> | Option C: <i>Develop at both sites</i> |
|---|--|---|--|
| Number of Units | 22 | 22 | 44 |
| Approx. Development Cost | \$17,856,000 | \$15,043,000 | \$32,899,000 |
| Approx. Cost Per Unit | \$811,636 | \$683,772 | \$747,704 |
| <i>Potential Funding Source</i> Tranche 3 Funds | \$10,000,000 | \$10,000,000 | \$10,000,000 |
| Financing Gap | \$7,856,000 | \$5,043,000 | \$22,899,000 |
| Annual revenue from units | \$591,569 | \$578,620 | \$1,170,189 |
| Supportable first position financing based on NOI | \$4,080,000 | \$3,950,000 | \$8,030,000 |
| Subordinate local government financing serviced by surplus cash | \$857,143 | \$714,286 | \$1,571,429 |
| Excess / shortfall in financing | (\$2,918,857) | \$378,714 | (\$13,297,57) |

OPTION A: DEVELOPMENT AT DISTRICT ADMINISTRATIVE OFFICE

With a preliminary development budget of \$17,856,000, Option A is the more expensive development between the two sites. After applying the \$10,000,000 in budgeted funds, the project is left with a funding gap of approximately \$7,856,000. As detailed in the Overview of Project Financing section of this report, this financing gap can be covered with a combination of multiple financing strategies. The gap can either be fully funded with General Obligation Bond Funds or a portion of it can be funded through Certificates of Participation (COPs).

Based on rental rates set between 45 and 70% of AMI, the project is estimated to have an annual revenue

DCG STRATEGIES | OVERVIEW OF DEVELOPMENT OPTIONS

of \$591,569. Assuming an approximate 30% operating expense ratio of \$176,000 and a debt coverage ratio of 1.20x, the annual net operating income can preliminary support \$4,080,000 in debt; this is assumed to be funded through COPs with a 30-year term and a conservative annual interest rate of 6.75%.

With the use of debt, a shortfall of approximately \$3,000,000 still remains; thus, additional capital is required to fully fund the project. This capital could be sourced from the sale of properties, affordable housing tax credits (which may impact the number of teachers that can rent in the project due to income restrictions), or some other form.

Assuming a fully funded project, the net operating income allows for repayment of the COPs throughout the 30-year term. Following COP repayment of approximately \$9,500,000 (including interest) and government debt of approximately \$900,000, totaling \$10,400,000 over 30 years, the project retains a surplus cashflow of approximately \$4,700,000 over 30 years. Should the District decide to not assume debt on the project (either from COPs or government), and elect to fund the project via General Obligation Bonds or some other form, the project is estimated to retain a surplus cashflow of approximately \$15,000,000 over 30 years, recouping the District's initial \$10,000,000 investment in roughly 20 years.

| AMI | | no. | unit type | size | rent (TTP) | util allow | HAP | total/mo | total/yr |
|-----|------|-----|-----------|-------|------------|------------|-------|----------|----------|
| 70% | 9.1% | 2 | eff | 401 | 2,283 | | | 4,567 | 54,802 |
| 60% | | 1 | eff | 401 | 1,957 | | | 1,957 | 23,486 |
| 50% | | 1 | eff | 401 | 1,631 | | | 1,631 | 19,572 |
| 45% | 4.5% | 1 | eff | 401 | 1,468 | 120 | 1,745 | 1,468 | 17,615 |
| 70% | | 5 | 1BR | 852 | 2,447 | | | 12,236 | 146,832 |
| 60% | | 3 | 1BR | 852 | 2,098 | | | 6,293 | 75,514 |
| 50% | 4.5% | 1 | 1BR | 852 | 1,748 | | | 1,748 | 20,976 |
| 45% | 4.5% | 1 | 1BR | 852 | 1,573 | 140 | 1,860 | 1,573 | 18,878 |
| 70% | | 3 | 2BR | 1,207 | 2,936 | | | 8,807 | 105,689 |
| 60% | | 2 | 2BR | 1,207 | 2,516 | | | 5,033 | 60,394 |
| 50% | 4.5% | 1 | 2BR | 1,207 | 2,097 | | | 2,097 | 25,164 |
| 45% | 4.5% | 1 | 2BR | 1,207 | 1,887 | 195 | 2,205 | 1,887 | 22,648 |
| | | 22 | | | | | | 49,297 | 591,569 |

| | |
|-------------------------|-------------------|
| debt assumptions | |
| Interest Rate | 6.75% |
| Term | 180 |
| Amortization | 360 |
| DSCR | 1.20 |
| Supportable Mortgage | 4,080,000 |
| govt debt | |
| | 3.5% |
| | 857,143 |
| est value | .04 cap 9,589,759 |
| Costs | 100% 15,260,700 |
| LTV | 85% 8,108,795 |
| Maximum Loan | 4,080,000 |

BENEFITS/CONSTRAINTS

- As the site is currently owned by the District, the development budget excludes land acquisition, which, oftentimes, can be a significant expense.
- The site permits high density housing which allows for a higher number of units on a small portion of land.
- While the allowable density is high, the site contains a water pipeline easement that reduces the developable land and thus the number of allowable units.
- The project requires Tier 3 development to qualify for 22 units. This requires three community benefits that will need to be determined in collaboration with the City.
- The contemplated design plan requires podium construction and underground parking which is expensive and adds significant construction costs, at a high cost per unit.
- Additional funding sources are likely to be needed, in addition to debt, given the estimated \$2,918,857 financing shortfall.

OPTION B: DEVELOPMENT AT LAND BETWEEN BURLINGAME INTERMEDIATE AND FRANKLIN ELEMENTARY

With a preliminary development budget of \$15,043,000, Option B is the least expensive development between the two sites. After applying the \$10,000,000 in budgeted funds, the project is left with a funding

DCG STRATEGIES | OVERVIEW OF DEVELOPMENT OPTIONS

gap of approximately \$5,043,000. While this gap can be funded with COPs, Option B is unique in that it allows for an additional revenue source; that being the sales proceeds of the current district administrative offices.

Based on rental rates set between 45 and 70% of AMI, the project is estimated to have an annual revenue of \$578,620. Should the District elect to not sell the administrative offices, and/or use those funds for another purpose, assuming an approximate 30% operating expense ratio and a debt coverage ratio of 1.20x, the annual net operating income can preliminary support \$3,950,000 in debt; this is assumed to be funded through COPs with a 30-year term and a conservative annual interest rate of 6.75%.

The net operating income of the project allows for repayment of the COPs throughout the 30-year term. Following COP repayment of approximately \$9,200,000 (including interest) and government debt of approximately \$750,000, totaling \$9,950,000 over 30 years, the project retains a surplus cashflow of approximately \$4,500,000 over 30 years. Should the District decide to not assume debt on the project (either from COPs or government), and elect to fund the project via some other form, the project is estimated to retain a surplus cashflow of approximately \$14,450,000 over 30 years, recouping the District's initial \$10,000,000 investment in roughly 20 years.

| | | no. | unit type | size | rent (TTP) | util allow | HAP | total/mo | total/yr | |
|-----|------|-----|-----------|-------|------------|------------|-----|----------|----------|--|
| AMI | | | | | | | | | | |
| 70% | 4.5% | 1 | eff | 467 | 2,283 | | | 2,283 | 27,401 | |
| 60% | 4.5% | 1 | eff | 467 | 1,957 | | | 1,957 | 23,486 | |
| 45% | 4.5% | 1 | eff | 467 | 1,468 | | | 1,468 | 17,615 | |
| 70% | 9.1% | 2 | 1BR | 825 | 2,447 | | | 4,894 | 58,733 | |
| 60% | 9.1% | 2 | 1BR | 825 | 2,098 | | | 4,195 | 50,342 | |
| 45% | 4.5% | 1 | 1BR | 825 | 1,573 | | | 1,573 | 18,878 | |
| 70% | 4.5% | 1 | 2BR | 1,224 | 2,936 | | | 2,936 | 35,230 | |
| 60% | 4.5% | 1 | 2BR | 1,224 | 2,516 | | | 2,516 | 30,197 | |
| 70% | | 6 | townhs | 963 | 2,447 | | | 14,683 | 176,198 | |
| 60% | | 4 | townhs | 963 | 2,098 | | | 8,390 | 100,685 | |
| 50% | | 1 | townhs | 963 | 1,748 | | | 1,748 | 20,976 | |
| 45% | | 1 | townhs | 963 | 1,573 | | | 1,573 | 18,878 | |
| | | 22 | | | 19,530 | | | 48,218 | 578,620 | |

debt assumptions

interest rate 6.75%

term 180

amortization 360

DSR 1.20

Supportable Mortgage **3,950,000**

govt debt 3.5%

714,386

est value 04 cap 9,212,236

Costs 100% 11,515,000

LTV 85% 7,847,383

Maximum Loan 3,950,000

BENEFITS/CONSTRAINTS

- As the site is currently owned by the District, the development budget excludes land acquisition, which, oftentimes, can be a significant expense.
- The contemplated building typology and related costs are conducive for the study area based on the surrounding uses.
- The contemplated design plan allows for a project that can fit within the context of the neighborhood while protecting views of neighboring homes.
- Project provides utility to an underutilized portion of property.
- The location of the study area, being so closely located to active schools, may reduce interest from a certain segment of employees that would otherwise be interested in employee housing.
- Zoning and land use designation do not currently allow for residential development; thus, a general plan amendment is needed. This adds additional time and costs to the project.
- This option allows for the potential sale of the district administrative offices to help further fund the financing gap.

OPTION C: DEVELOPMENT AT BOTH SITES

This scenario contains the largest funding gap and requires approximately \$13,000,000 of additional capital, should COPs be used, or just under \$23,000,000 should debt not be used. This capital could be sourced from the sale of properties, affordable housing tax credits (which may impact the number of teachers that can rent in the project due to income restrictions), or some other form.

While this option has the greatest cost between the three options, this option also presents the greatest returns with the ability to retain an estimated surplus cashflow of approximately \$30,000,000 over 30 years should outside funding be made available.

BENEFITS/CONSTRAINTS

- As both sites are currently owned by the District, the development budget excludes land acquisition, which, oftentimes, can be a significant expense.
- Based on the results of the employee survey, there is potential demand for all 44 units.
- Developing both sites may be cost prohibitive.
- While the projects could potentially allow for certain economies of scale, they will likely require separate contractors based on the difference in construction type and specialty required.
- Developing both projects provides for a large annual revenue source once all debt is repaid.

DEVELOPMENT COST METHODOLOGY

Based on the contemplated yield study, a high-level assessment of estimated development and construction costs was completed to provide an estimated project budget. The information included in the estimate project budgets is based on industry knowledge, experience, and development network. Additionally, the assumptions and modeling were peer reviewed through multiple meetings and confidential conversations with active Bay Area developers, builders, and general contractors, in both the market rate and affordable housing niche, each specializing in multi-family and single-family housing products.

Items in the cost analysis included, but were not necessarily limited to, the following.

- Planning consultants
- Entitlement consultants
- Prevailing wage
- Direct construction costs
- Materials cost
- Architect and engineering
- Construction permit fees
- General contractor overhead, supervision and profit
- Agency permit fees
- Labor costs
- Slope grading

When preparing a development project budget, there are several factors included in the cost analysis. For starters, land development. Land development, which is the process involving the planning, engineering and construction of improvements to the land itself, is typically completed in conjunction with the vertical construction; thus, the estimated project budgets reflect both of these elements of the construction. As is to be expected, the most significant cost of a development project is the actual construction, which generally accounts for 70% to 75% of total development project costs, which costs vary greatly depending on the specifics of each project based on construction type.

When estimating the development costs for each contemplated project, market knowledge obtained from general contractors and home builders currently building these types of projects in this region was used. An additional factor, specifically relating to the northern portion of the Bay Area Peninsula (or South Bay), is the need for a project labor agreement (PLA) with the local unions. Based on current experiences, this adds an estimated 30% increase on top of estimated construction costs.

It should be noted the cost estimates provided are estimates and, while conservative, are subject to change at any time as market conditions for labor, material, and cost of capital are and have been extremely fluid. Since the start of the COVID-19 pandemic, constructions costs have increased approximately 30% compared to pre-pandemic costs. Historically, however, cost escalation has averaged approximately 5 to 10% each year. While cost increases would be much higher in certain years and lower in others, a 10% annual cost escalation would be representative of historical averages.

Additionally, of note, this is a high-level analysis of costs based upon the contemplated yield study and general input from the development community. The numbers presented are conservative. A more detailed cost analysis should be completed when/if the District decides to move forward with the project and as the plans become more developed and other consultants, such as civil engineers, are engaged in the process.

CASE STUDIES

While employee housing is still a relatively new concept for school districts, a few districts have seen success in this field. Below are a handful of examples.

PATTERSON UNIFIED SCHOOL DISTRICT

In 2016, Patterson Unified School District launched two pilot programs “Plan A: Rental Property with a Mortgage Assistance Plan” and “Plan B: Mortgage Assistance Savings Plan.” Enrollment in these programs is based on a tiered system categorized on years with the district and performance evaluations. For Plan A, the District purchased townhouses in a new residential development. The school board had previously set aside approximately \$450,000 in facility funds, which went towards the purchasing of the units. The District currently rents these units to qualified certificated employees, charging them monthly rent based on current market prices in Stanislaus County. The District placed a portion of each month’s rent into a savings account that the employee may withdraw for the purchase of a home within District boundaries.

The mortgage assistance plan, Plan B, is a matching savings plan for district employees. In this plan, the employee deposits money into a savings account that the employee may withdraw for the purchase of a home. The District will match the employee’s deposit up to \$10,800.

SAN MATEO COMMUNITY COLLEGE DISTRICT



San Mateo County Community College District officials elected to move forward with building housing for their employees in 2000 and have served as a model for employee housing. Cañada Vista is a 60-unit multi-family housing development of two three-story residential buildings for employees located on a 3.3-acre site at Cañada College. Cañada Vista opened in August 2010 and had a total development budget of \$14,590,000. College Vista is a 44-unit development of two and three-story buildings that was constructed on an unused 2-acre parking lot. It opened in

December 2005 and has been fully occupied ever since.

The projects were built on District property and primarily funded with Certificates of Participation. The District expected the building cost of the College Vista project to take 25 years to pay off but, due in large part to the popularity of the program, officials anticipate paying it off seven years earlier. Once Cañada and College Vista are paid off, the District expects to earn nearly \$1.5 million annually in unrestricted revenue.

SANTA CLARA UNIFIED SCHOOL DISTRICT

The District built 70 units of rental units in two phases beginning in 2002 and the units have remained fully leased with a long waiting list. The District partnered with a developer to build all-district owned housing on 3.5 acres. Certificates of Participation and funds from the then-Santa Clara Redevelopment Agency were used to finance the project. Phase II of the project, to complete the final 30 units, took approximately one year and



development costs were approximately \$6,455,000. Units are restricted to teachers who have been with the District fewer than three years and residents can stay up to five years. To encourage turnover in the units and home-ownership in the area, the District also has a mortgage assistance program. In 2015 due increasing operating costs, increasing market rate rents, flat rental rates and future principal debt service payments for the units, the District started the process of raising rents to better match the market (rents set at 80% of current market rental rates) and refinanced their COPs.

JEFFERSON UNION HIGH SCHOOL DISTRICT



In May 2022, the District completed construction and opened its doors to Serramonte, a 122-unit apartment building exclusively leased to District employees. At a development cost of \$75,000,000, the District passed a \$33,000,000 bond to fund the housing, with the remaining budget funding with Certificates of Participation.

Recently opened, rental rates are set at 57% of market rents and employees can currently stay in the units for a maximum of five years. The development is a part of a larger redevelopment

plan on other district owned property.

ⁱ https://www.burlingame.org/departments/planning/general_plan_update.php

ⁱⁱ <https://www.census.gov/quickfacts/fact/table/burlingamecitycalifornia/PST045221>

ⁱⁱⁱ <https://www.envisionburlingame.org/historical-context>

^{iv}

https://cms6.revize.com/revize/burlingamecity/document_center/Planning/General%20and%20Specific%20Plans/BurlingameGP_Final_Nov2019_COMPLETE%20DOCUMENT.pdf

^v <https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation>

^{vi} [https://www.hcd.ca.gov/income-](https://www.hcd.ca.gov/income-limits#:~:text=%E2%80%9CAffordable%20housing%20cost%E2%80%9D%20for%20lower,of%20gross%20income%2C%20with%20variations.)

[limits#:~:text=%E2%80%9CAffordable%20housing%20cost%E2%80%9D%20for%20lower,of%20gross%20income%2C%20with%20variations.](https://www.hcd.ca.gov/income-limits#:~:text=%E2%80%9CAffordable%20housing%20cost%E2%80%9D%20for%20lower,of%20gross%20income%2C%20with%20variations.)

^{vii} https://library.qcode.us/lib/burlingame_ca/pub/municipal_code/item/title_25-article_2-chapter_25_14-25_14_010

^{viii} https://library.qcode.us/lib/burlingame_ca/pub/municipal_code/item/title_25-article_2-chapter_25_14-25_14_050

^{ix} https://library.qcode.us/lib/burlingame_ca/pub/municipal_code/item/title_25-article_2-chapter_25_14-25_14_040

^x https://library.qcode.us/lib/burlingame_ca/pub/municipal_code/item/title_25-article_2-chapter_25_18-25_18_010

^{xi} https://library.qcode.us/lib/burlingame_ca/pub/municipal_code/item/title_25-article_2-chapter_25_20-25_20_040

^{xii} https://library.qcode.us/lib/burlingame_ca/pub/municipal_code/item/title_25-article_2-chapter_25_20-25_20_040

^{xiii}

https://cms6.revize.com/revize/burlingamecity/document_center/Planning/General%20and%20Specific%20Plans/BurlingameGP_Final_Nov2019_COMPLETE%20DOCUMENT.pdf

EXHIBITS

**BURLINGAME SCHOOL
DISTRICT EMPLOYEE
SURVEY RESULTS**

BSD Employee Housing Survey 2022

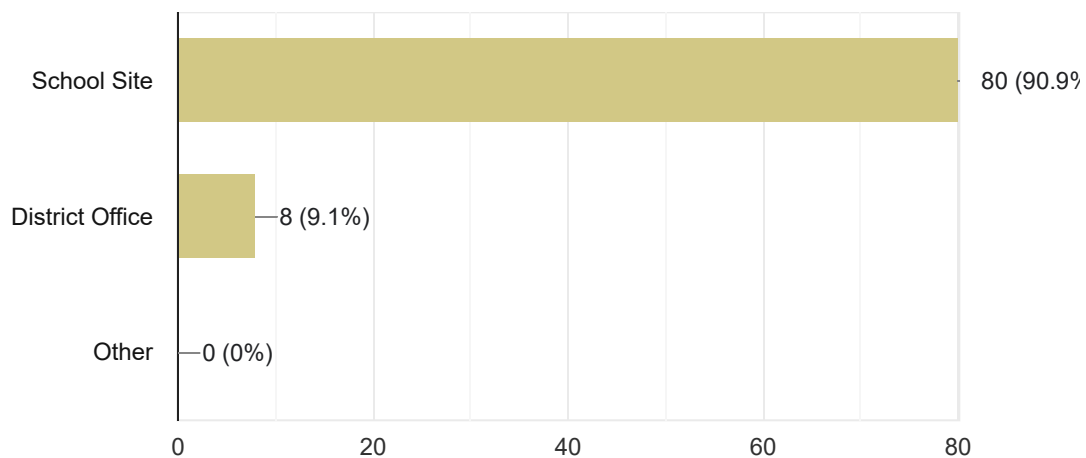
88 responses

[Publish analytics](#)

Where is your primary place of employment?

 Copy

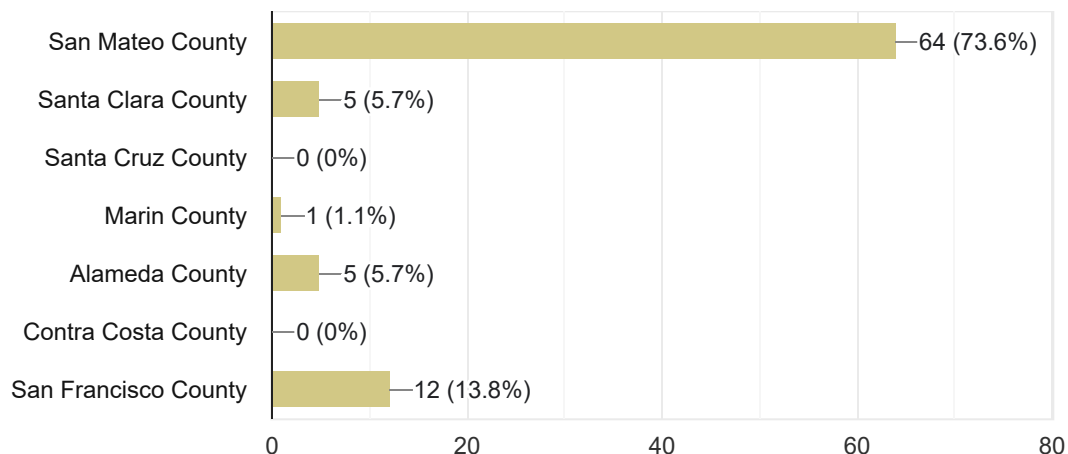
88 responses



Which county do you currently live in?

 Copy

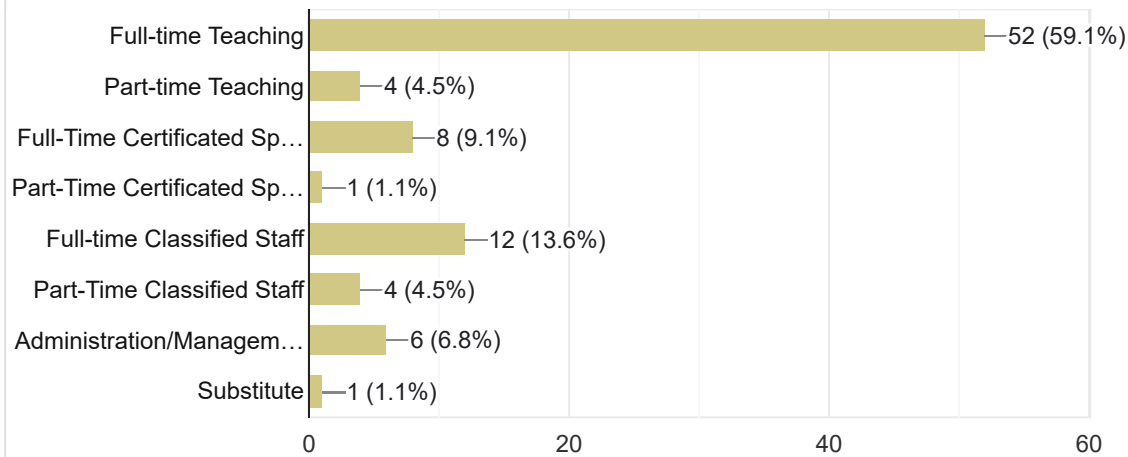
87 responses



What is your BSD employment status?

 Copy

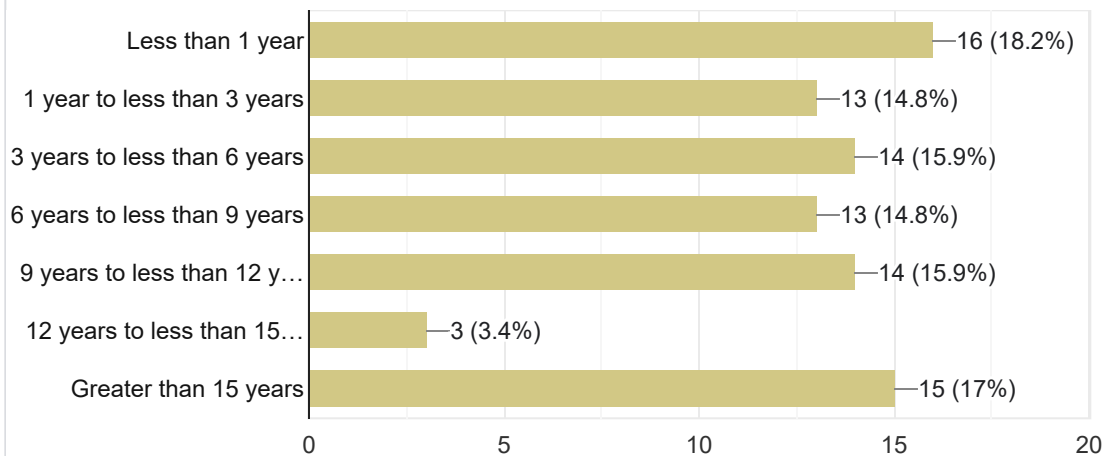
88 responses



How long have you been employed with the District?

 Copy

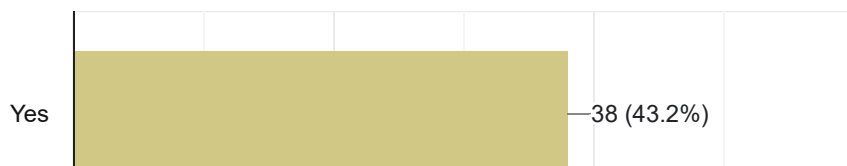
88 responses

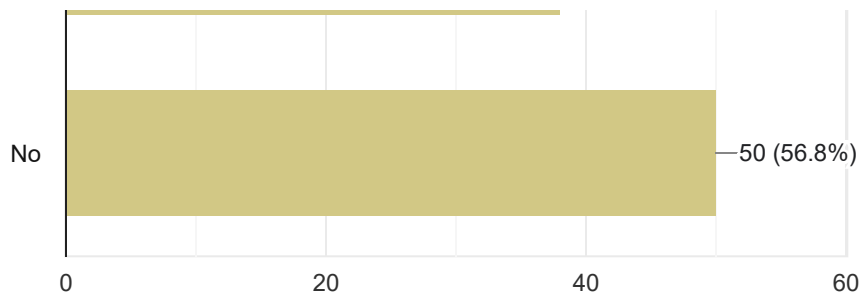


While working at BSD, have you moved due to increased housing costs?

 Copy

88 responses

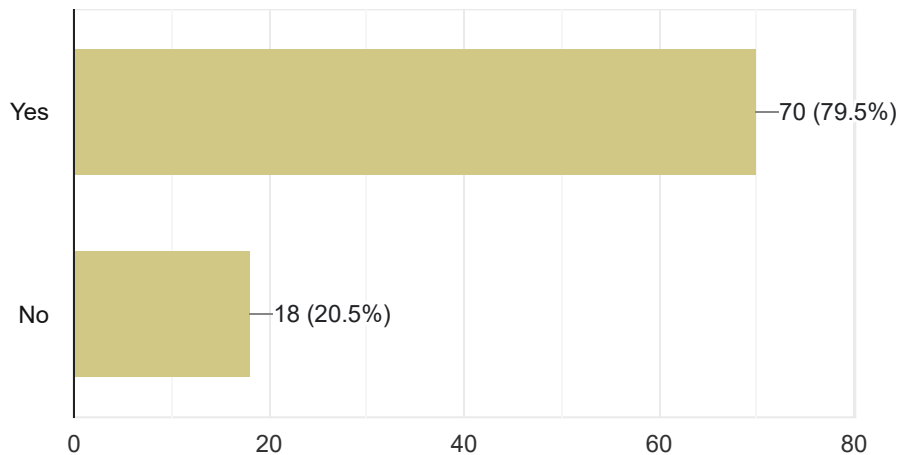




Do you know an employee who has left BSD due to housing costs?



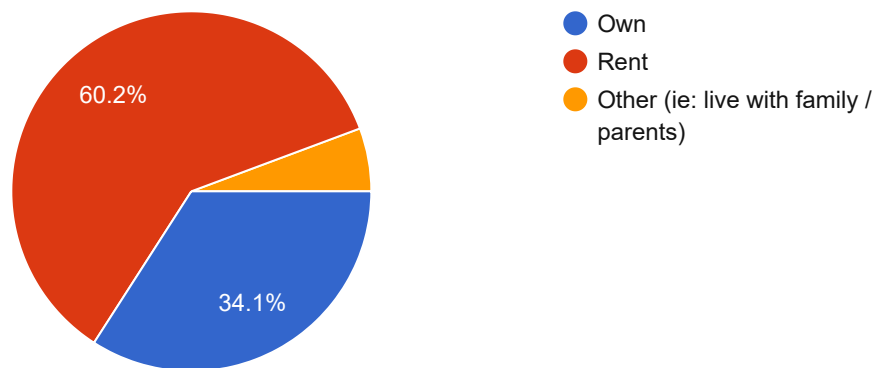
88 responses



Do you currently own or rent your residence?



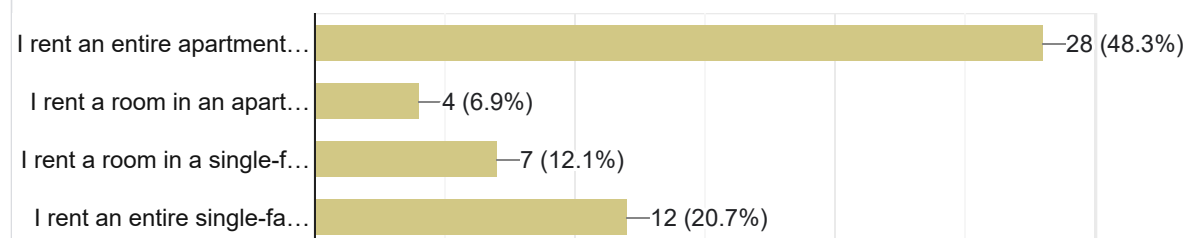
88 responses

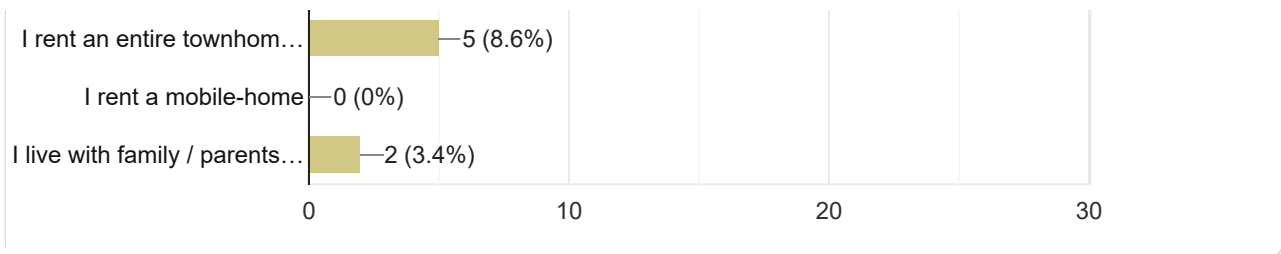


What type of housing do you currently rent?



58 responses

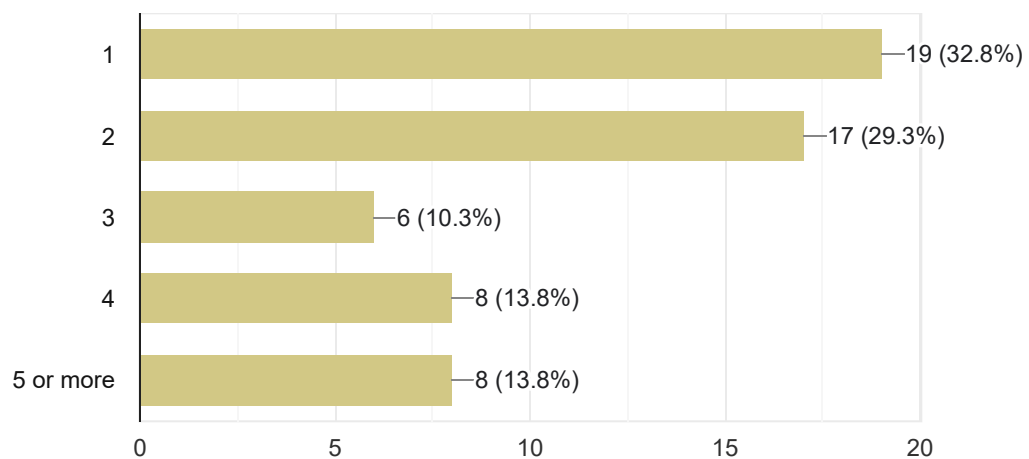




According to your 2021 income tax filings, how many people, yourself included, make up your household?



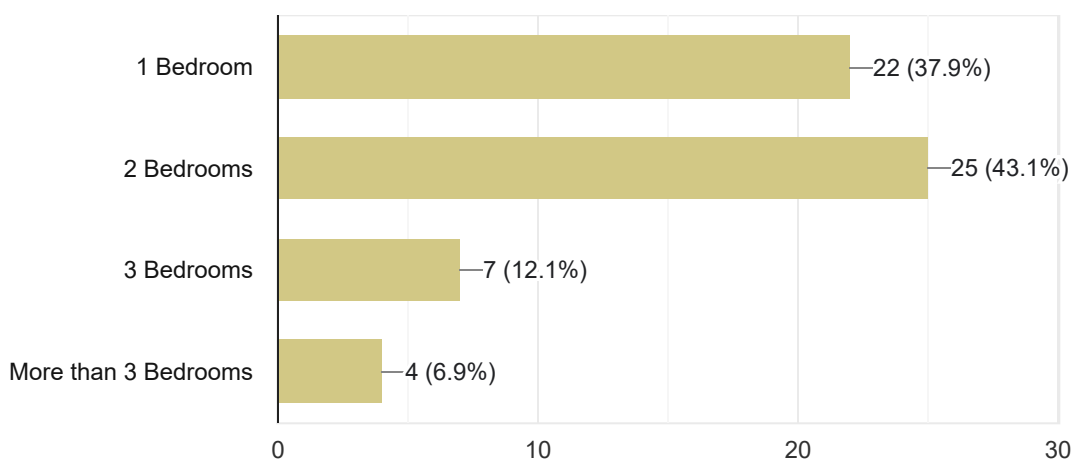
58 responses



How many bedrooms do you need for your household?



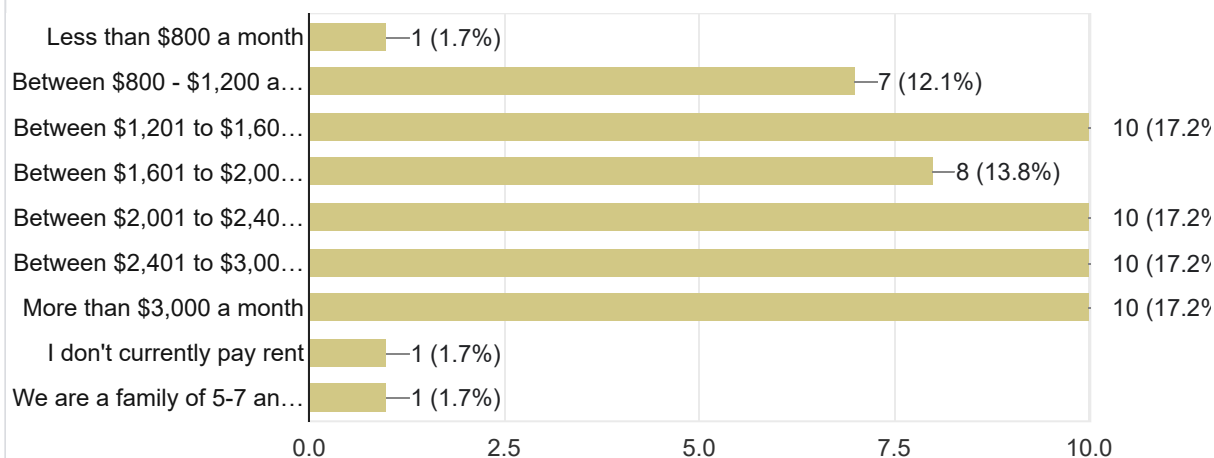
58 responses



What is your current monthly rent portion that you are responsible for (excluding utilities and insurance)?



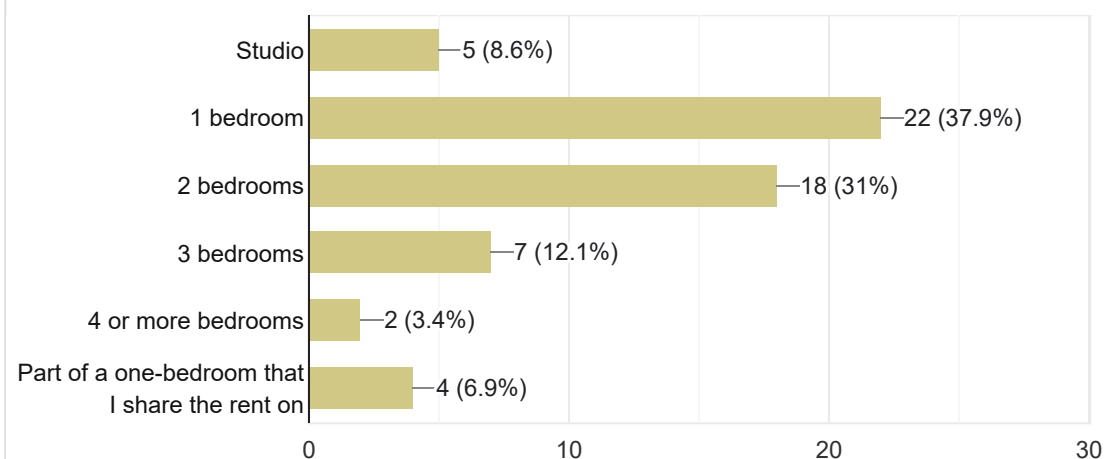
58 responses



How many bedrooms does this rent portion cover?



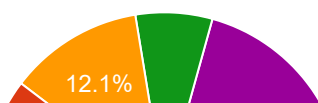
58 responses



Which of the following currently describes your living situation?

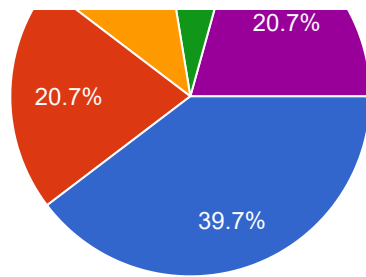


58 responses



- Spouse/Partner lives with me
- Dependents (under age 18) live with me





- Additional Family Members live with me
- Roommates (individuals who are not partners, family members, or dependents) live...
- None of the above - I live by myself

If you reside with a Spouse/Partner, Additional Family Members, or have Roommates - What do they pay towards rent, in addition, to the rent you are responsible for?



Example 1: Rent for my 2-bedroom apartment is \$3,500 a month and I pay half at \$1,750 while my partner pays the other half. Example 2: Rent for my 3-bedroom single-family home is \$4,000 and I have the master bedroom, which I pay 1,400, while my two other roommates pay 1,300 a month. For those that live by themselves, please skip this question.

27 responses

Rent for my 1-bedroom apartment is \$2185 a month and I pay half at \$1092 while my partner pays for the other half.

I rent a one bedroom with my boyfriend. The 1 bedroom is \$3100, and we split the cost in half.

Not entirely sure but I think 4 of us pay 800 and 2 pay 900 making that a total of 5000 for a 5 bedroom house.

We live in a three bedroom townhouse. The rent is split evenly by square footage among 4 people

I pay \$1100 and she pays \$1100

3500

rent is \$2,600, I pay 3/4 of that amount

I am responsible for 1/2 of all the monthly rent, water, gas, electric, wifi, garbage and health insurance for my children and spouse.

Rent for my 2 bedroom townhouse is 2597, I pay 1597, and my partner pays 1000

Rent for our 3-bedroom townhome is \$3,850. I pay all of it from my paycheck.

My portion of rent is \$2,000.

\$10000

I pay 1,600 and my partner pay 2,400. We rent a one bedroom apartment in San Francisco. I



would not be able to live in this apartment/building/neighborhood without the help of my partner.

My apartment is \$3500. I pay \$1200 and my husband pays the rest along with our utilities.

5300, My husband and I both contribute

My partner and I split the rent.

Rent a 1 bedroom that I split with my partner. I pay 1,400 a month for my half of the rent.

0

I do not know how much money my roommates pay towards rent

Rent for my 2 - bedroom is \$3,000 a month and I pay half at \$1,500 while my husband pays the other half.

Rent for a single family home is 4400. I pay 1350a second roommate pays 1350 third roommate pays 1700 for master bedroom

1800

\$200

We each pay half together

I live in a 3 bedroom and I pay \$900 a month while my family pays \$1000 together

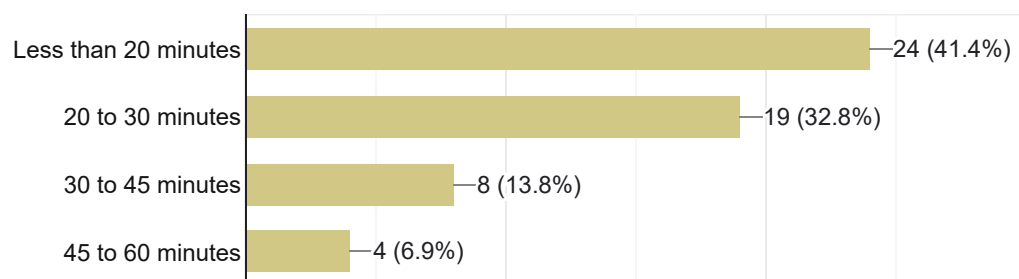
I live with my parents because I cannot afford anything nearby

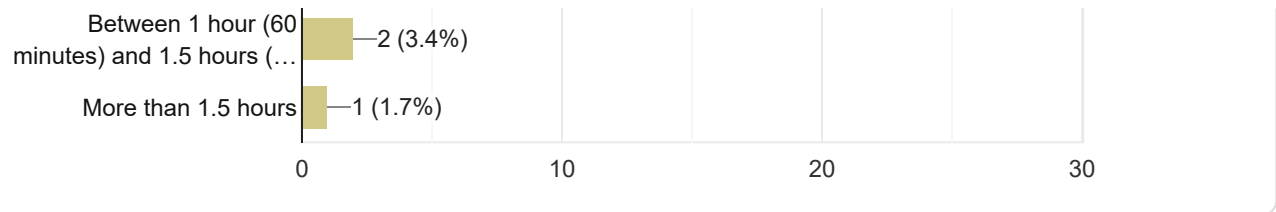
1300

How many minutes is your commute to work - one way- on an average day?



58 responses

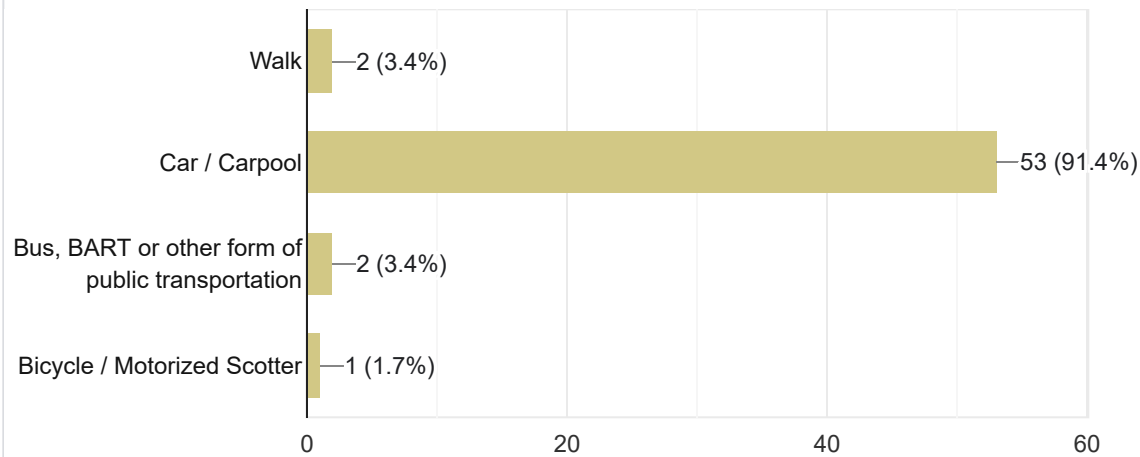




What is your current commute method?

 Copy

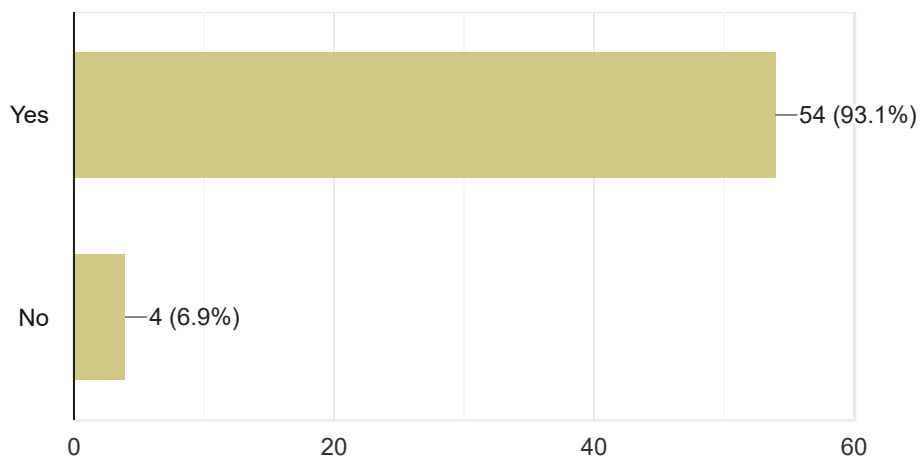
58 responses



Do you own a car?

 Copy

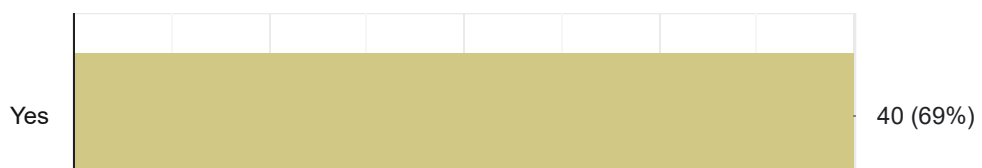
58 responses

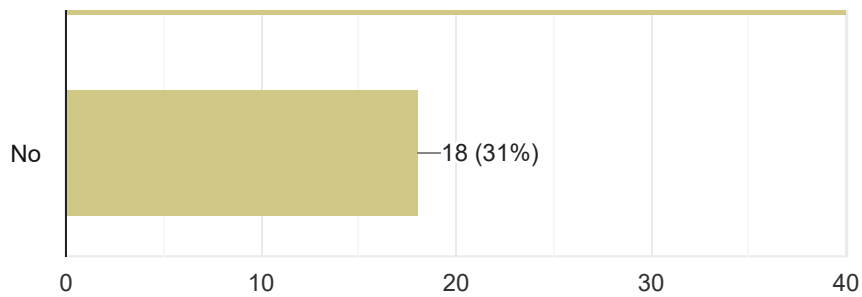


Would you prefer to live closer to work?

 Copy

58 responses

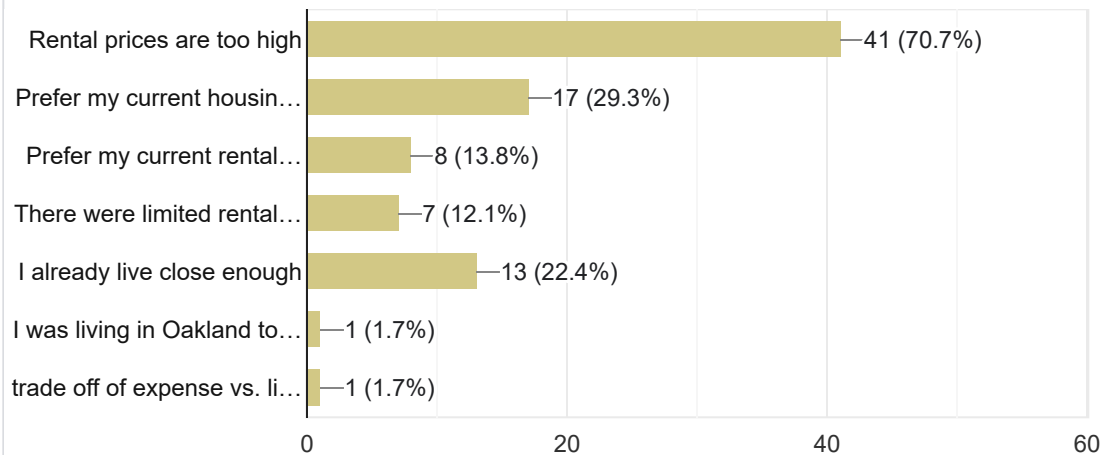




Why don't you live closer to work? (Select ALL that apply)



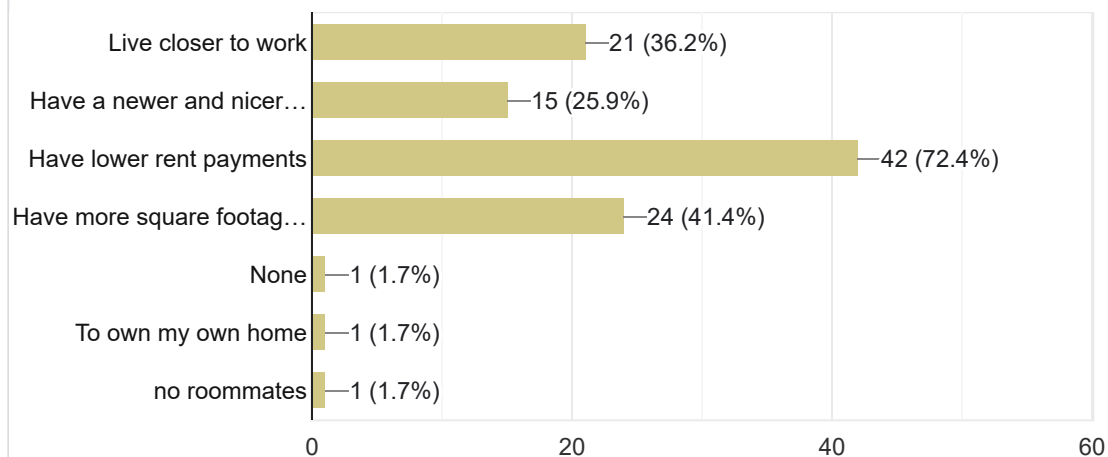
58 responses



What two things would make your current housing arrangements more satisfactory? (Select 2 only)



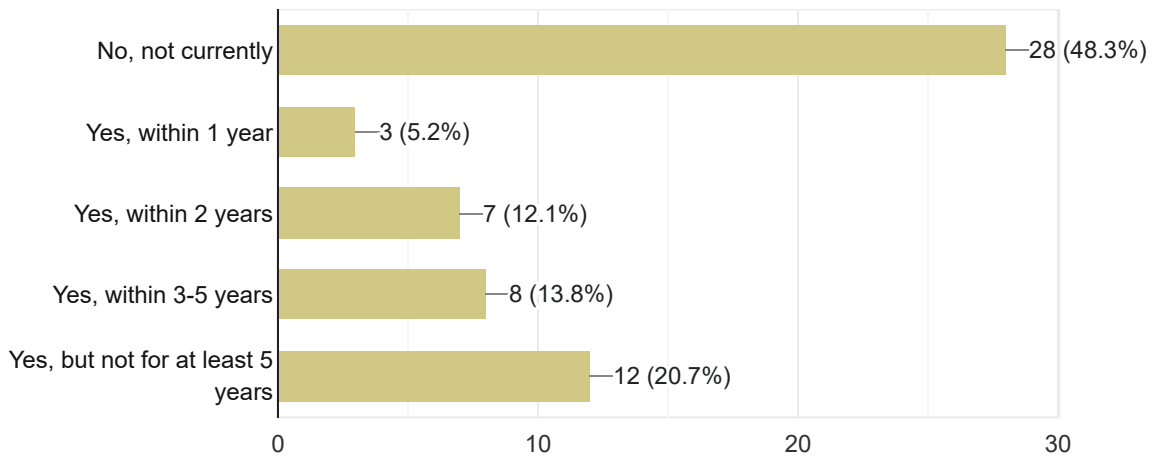
58 responses



Are you planning to buy a home?

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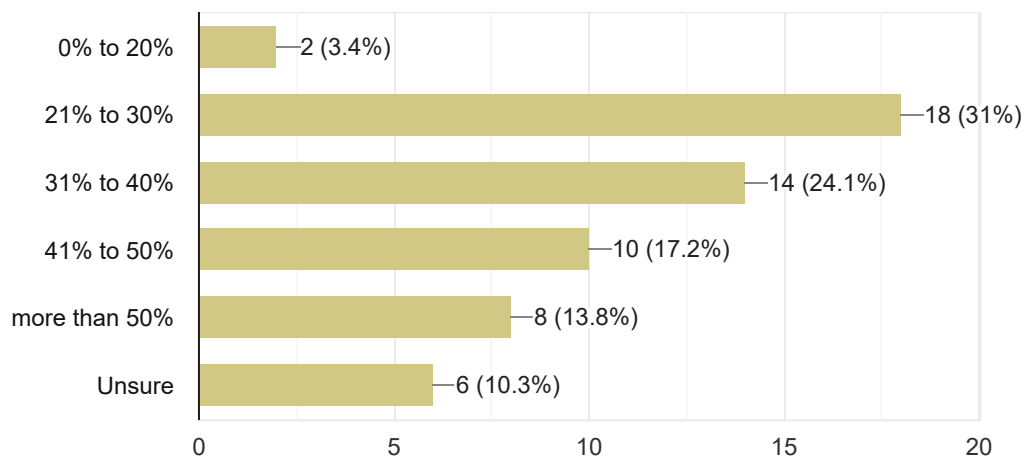
58 responses



What percentage of your total household income do you devote to rent (excluding utilities and insurance)?

 Copy

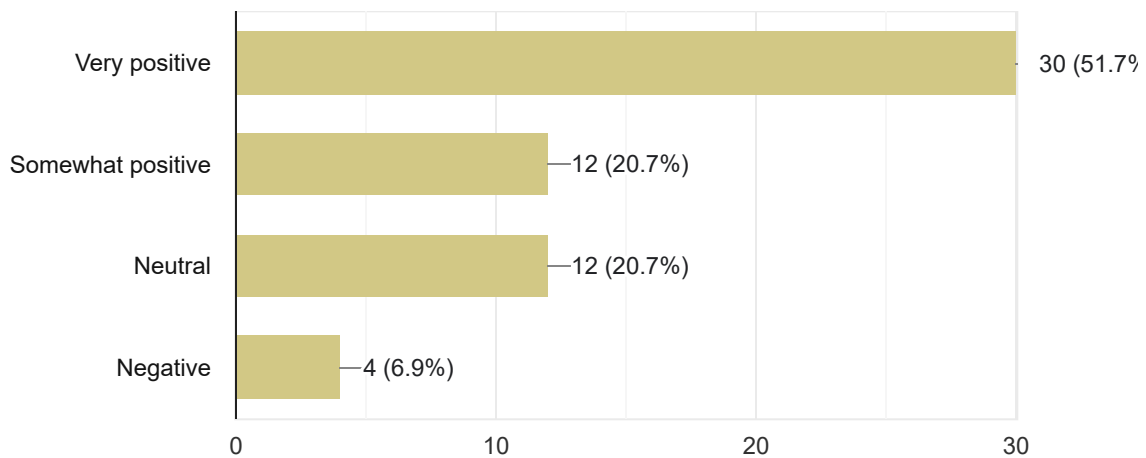
58 responses



BSD is exploring the possibility of new rental housing units that would be offered at rental rates approximately 20% to 25% below market rate and made available for BSD employees. What is your general impression of below-market employee rental housing?



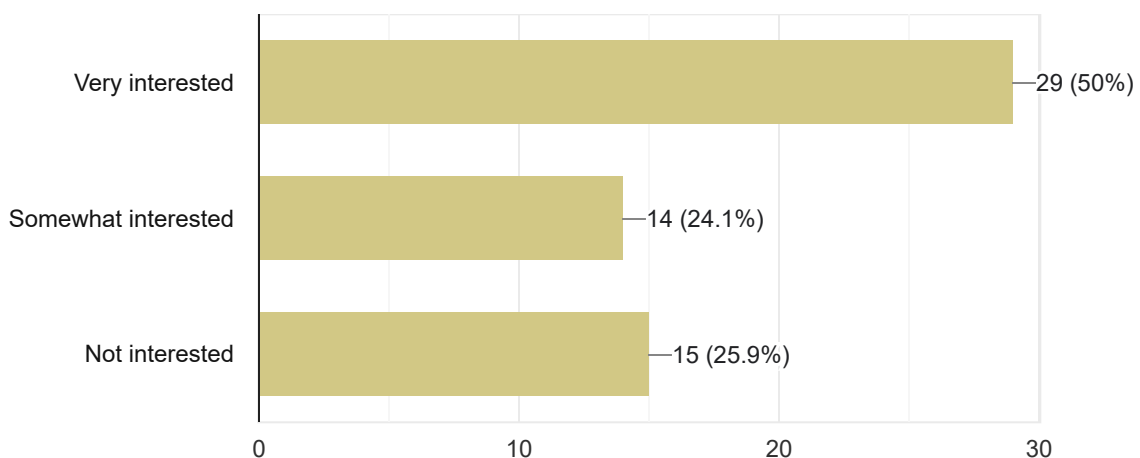
58 responses



Would you be interested in living in new rental housing offered at rental rates approximately 20% to 25% below market rate and reserved for BSD employees?



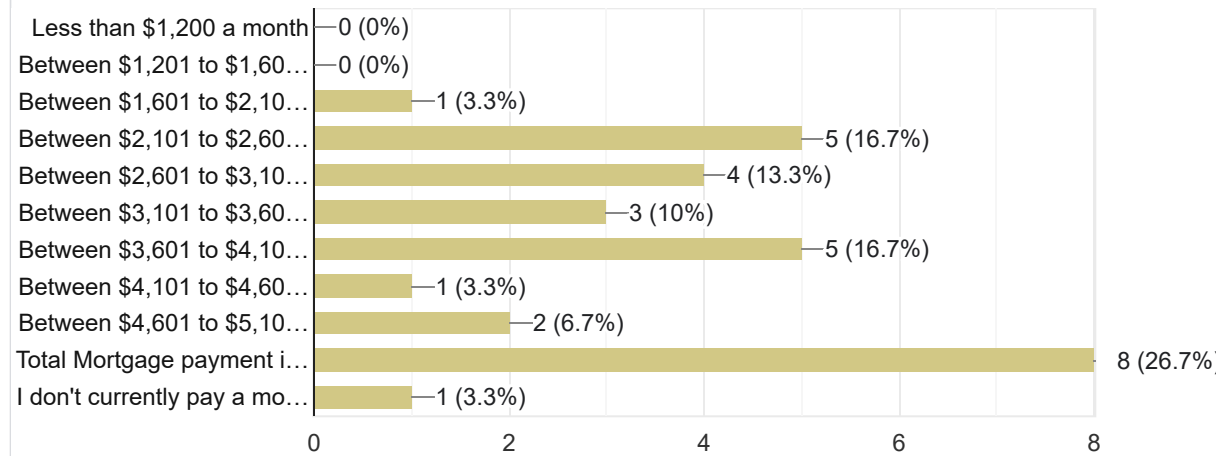
58 responses



What is the total current monthly mortgage for your home (excluding utilities and insurance)?

 Copy

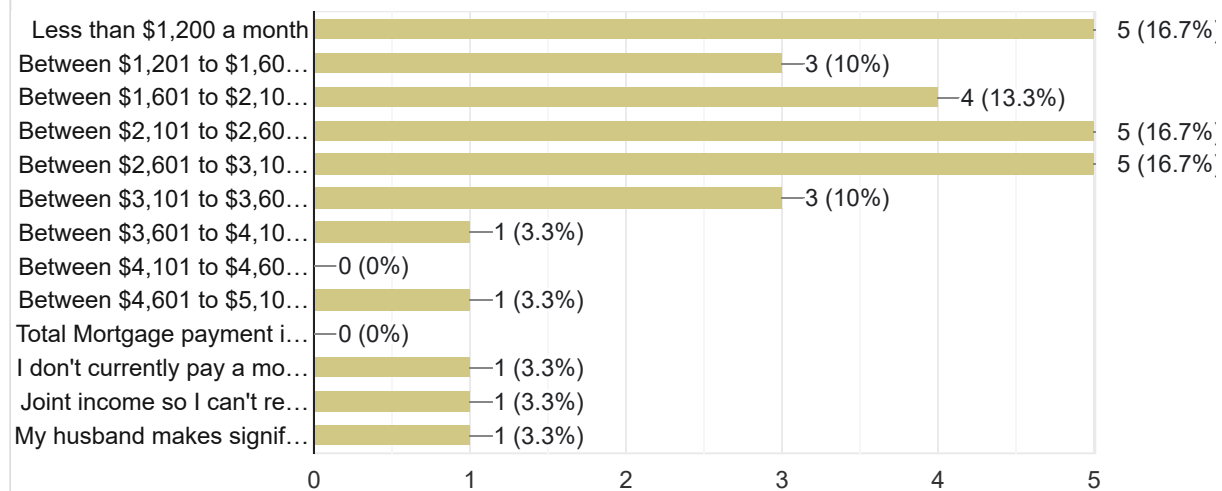
30 responses



What is your current portion/contribution that you pay of your total monthly mortgage?

 Copy

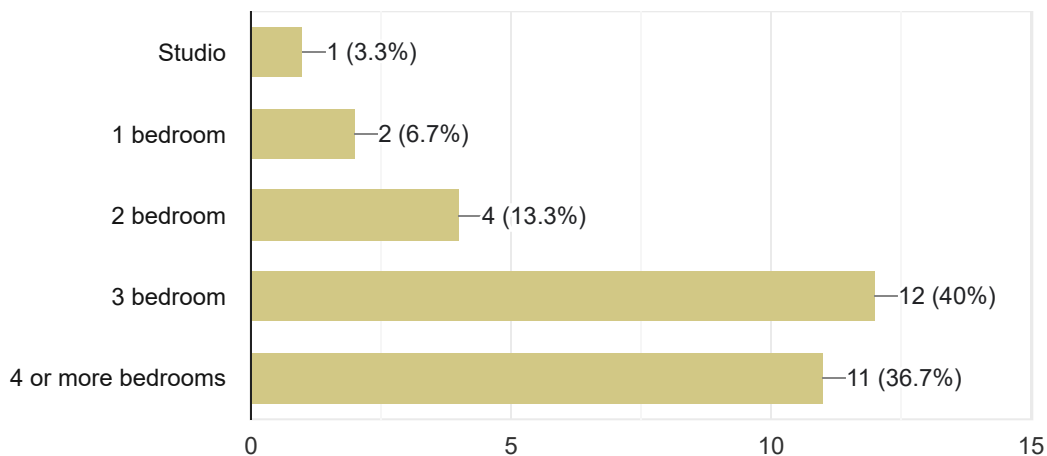
30 responses



How many bedrooms is your home made up of?

 Copy

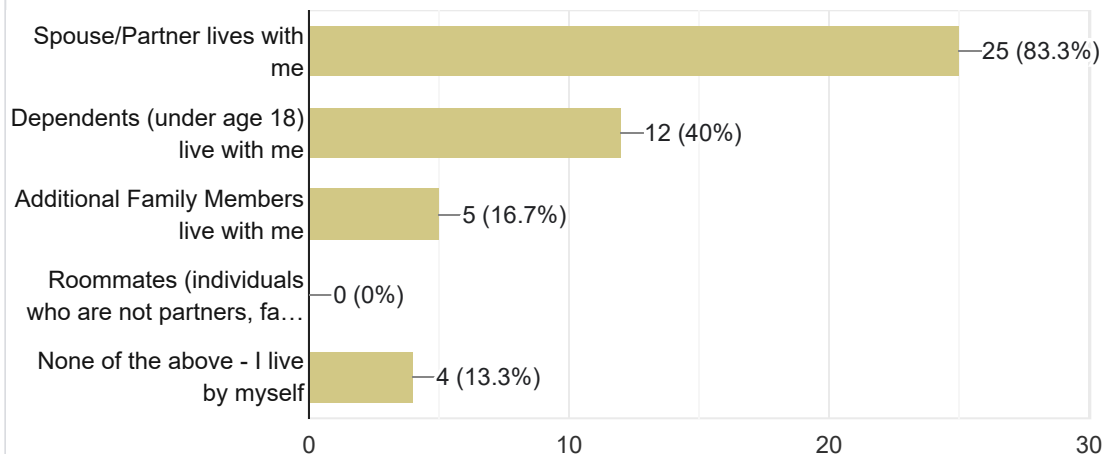
30 responses



Which of the following currently describes your living situation? (Select ALL that apply)

 Copy

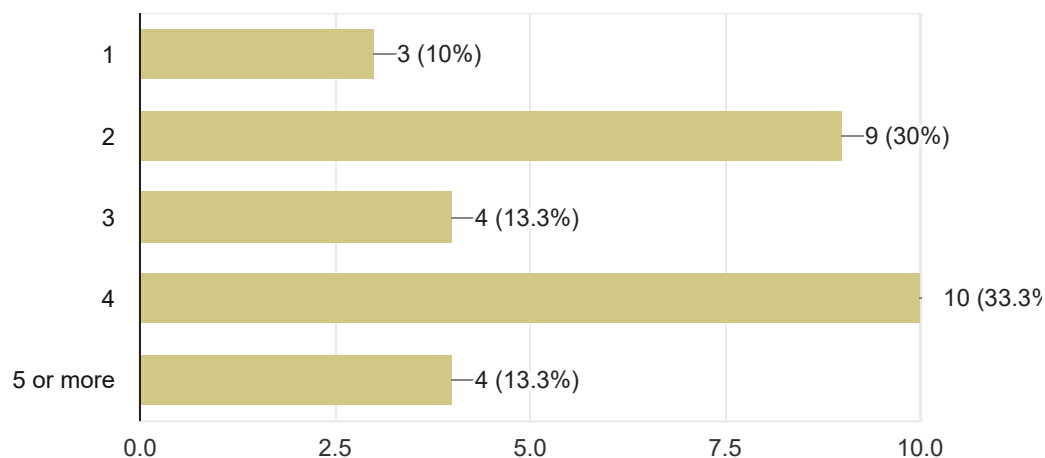
30 responses



According to your 2021 income tax filings, how many people, yourself included, make up your household?

 Copy

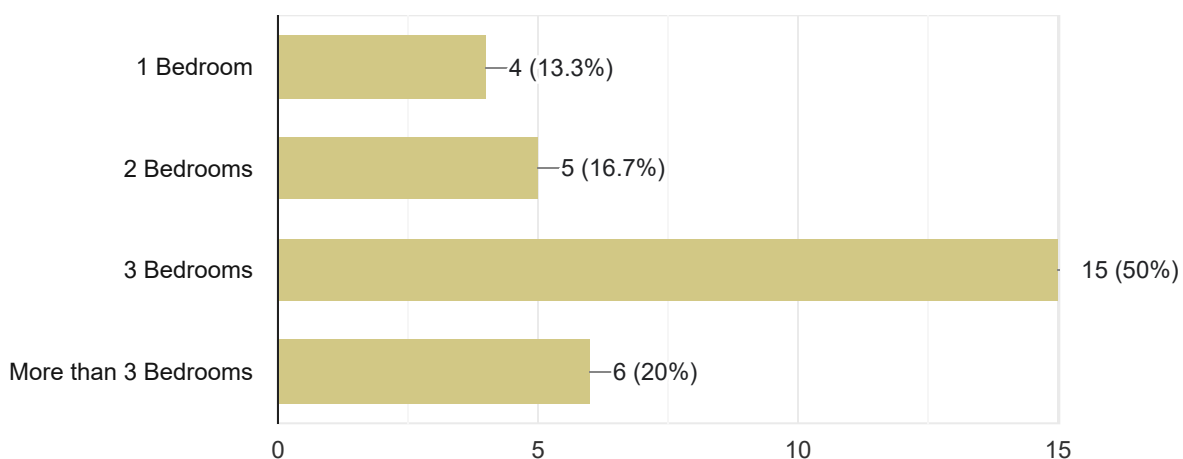
30 responses



How many bedrooms do you need for your household?

 Copy

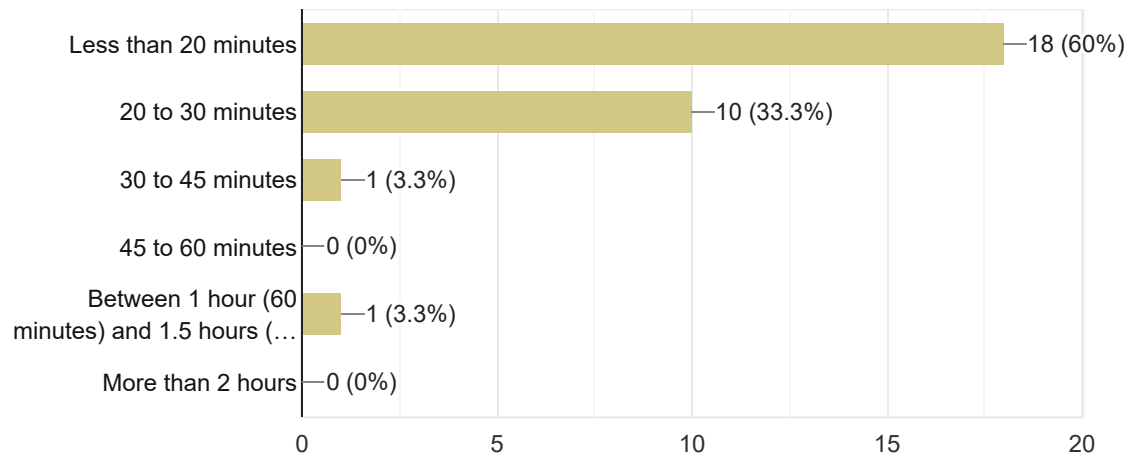
30 responses



How many minutes is your commute to work - one way - on an average day?

 Copy

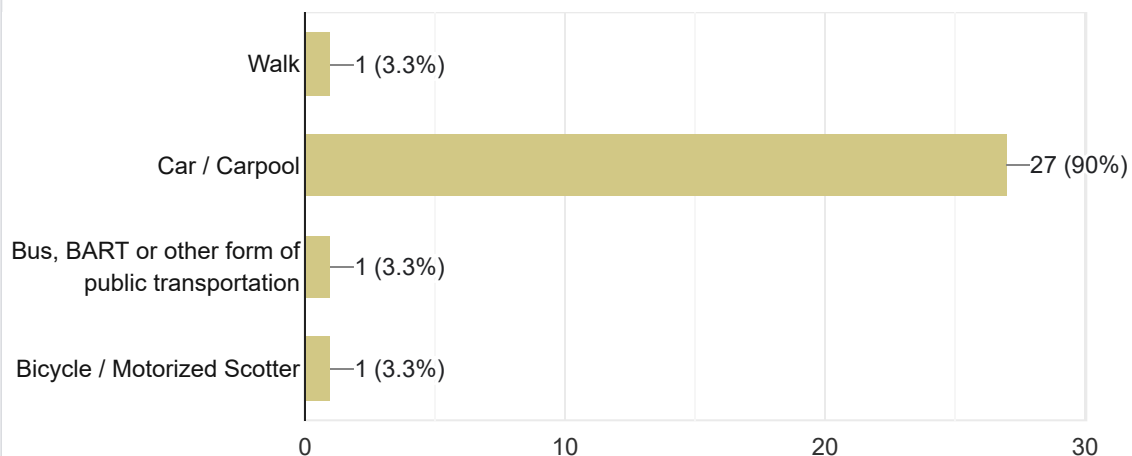
30 responses



What is your current commute method?

 Copy

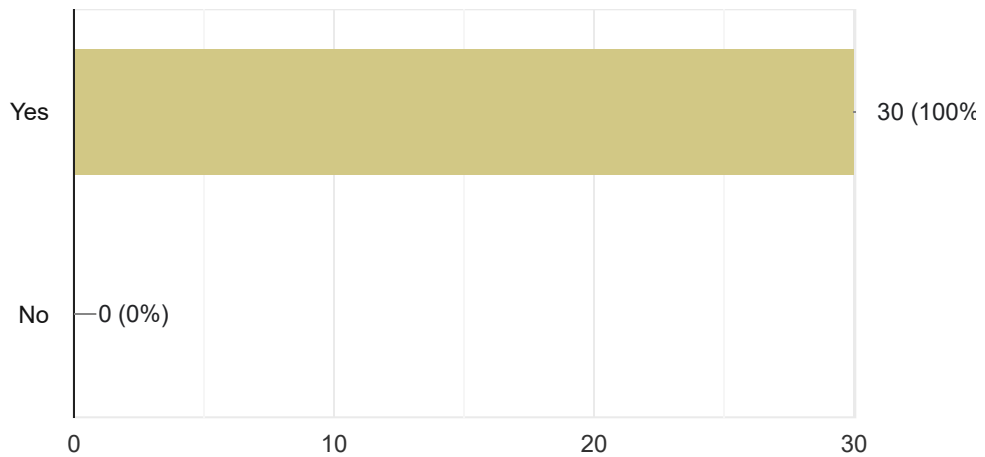
30 responses



Do you own a car?

 Copy

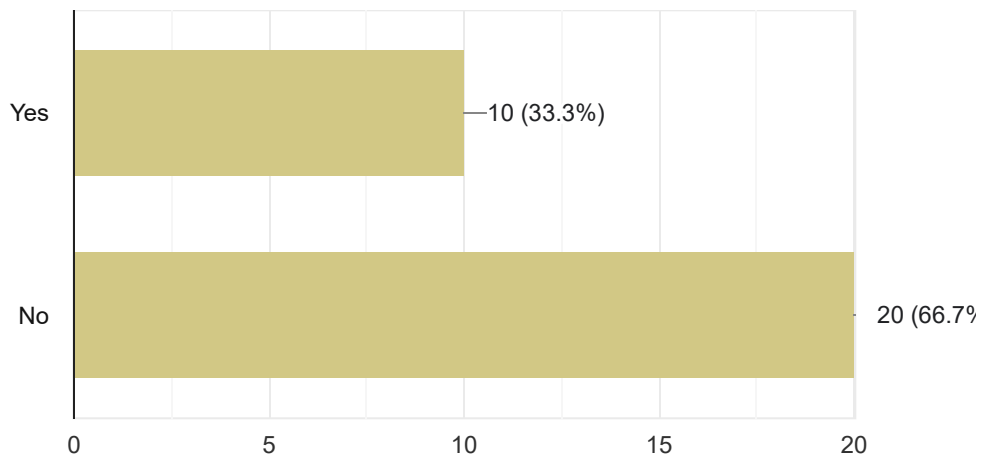
30 responses



Would you prefer to live closer to work?

 Copy

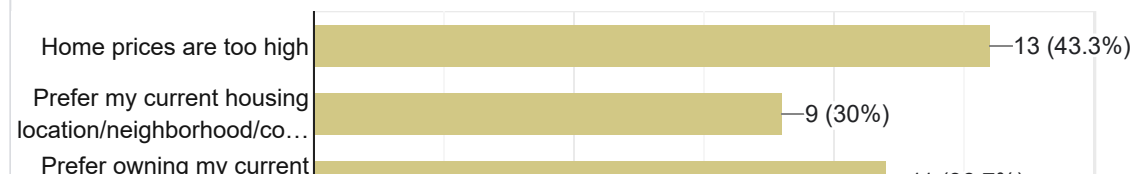
30 responses

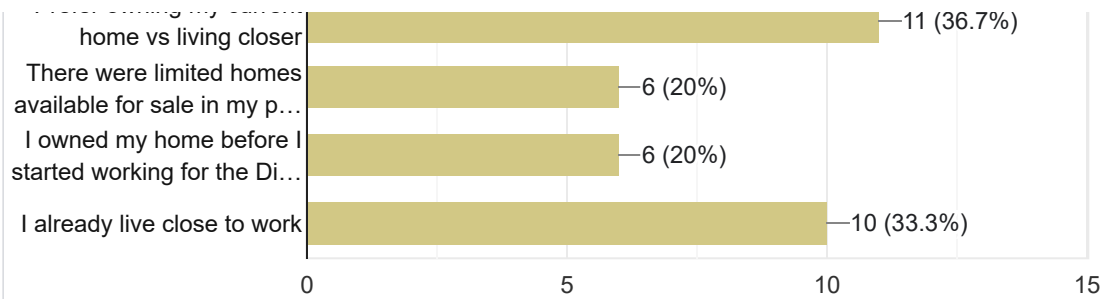


Why don't you live closer to work? (Select ALL that apply)

 Copy

30 responses

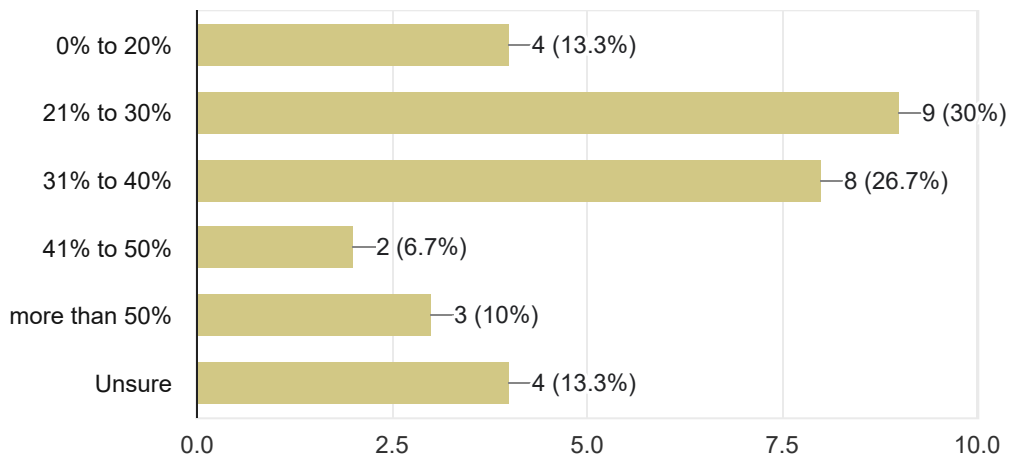




What percentage of your total household income do you devote to your mortgage (excluding utilities and insurance)?



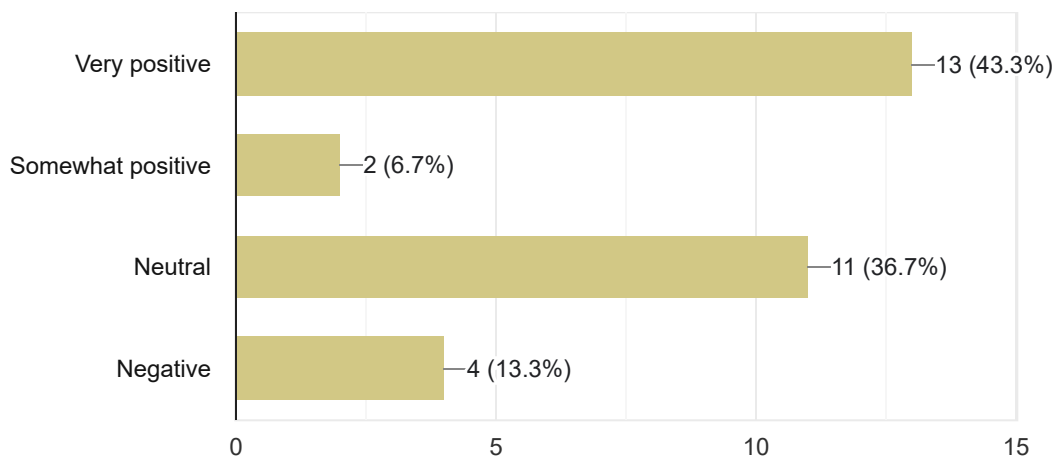
30 responses



BSD is exploring the possibility of new rental housing units that would be offered at rental rates approximately 20% to 25% below market rate and made available for BSD employees. What is your general impression of below-market employee rental housing?



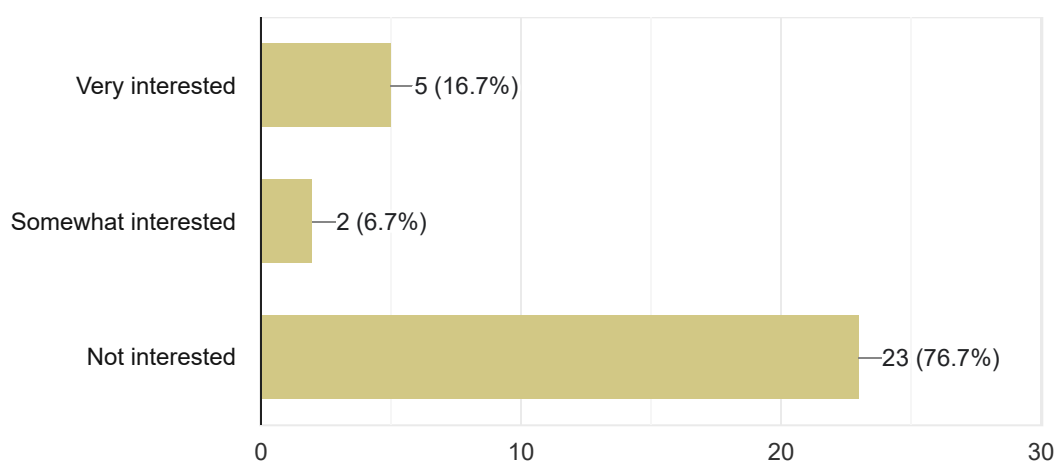
30 responses



Would you be interested in living in new rental housing offered at rental rates approximately 20% to 25% below market rate and reserved for BSD employees?

 Copy

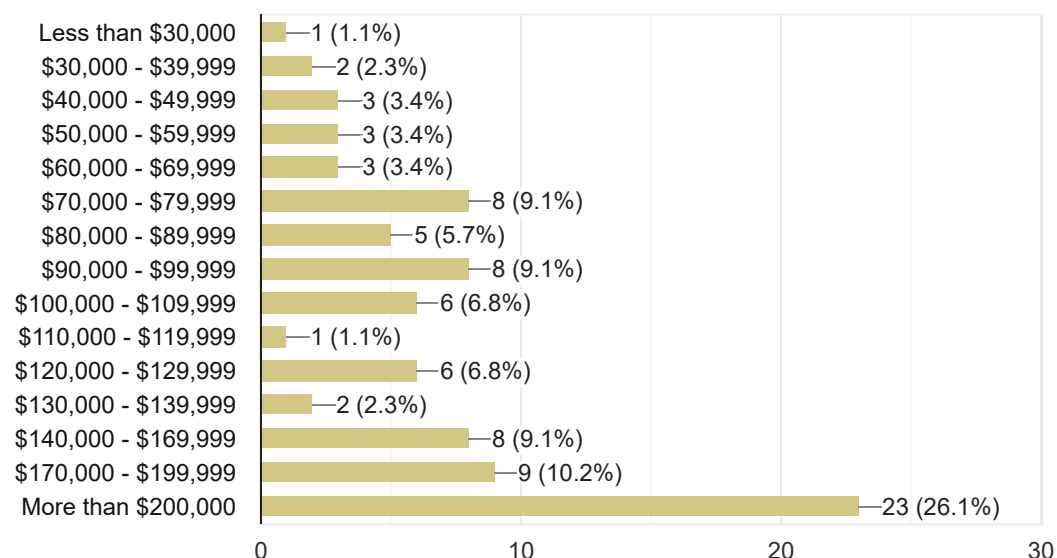
30 responses



How much did you (and your spouse/partner, if applicable) make, combined, in 2021?

 Copy

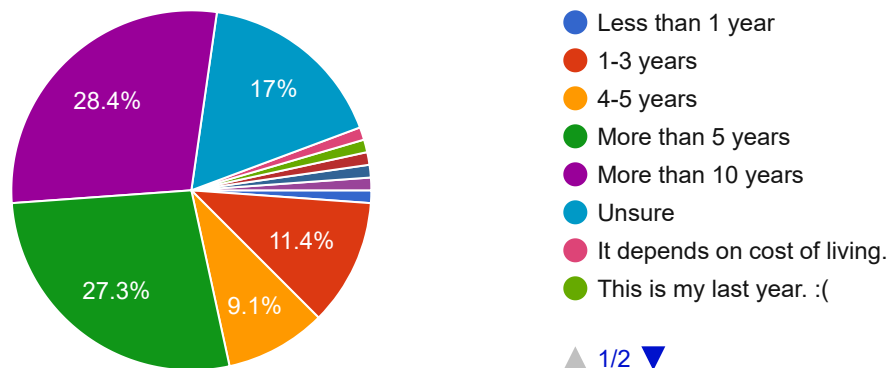
88 responses



For how long do you see yourself working in BSD?

 Copy

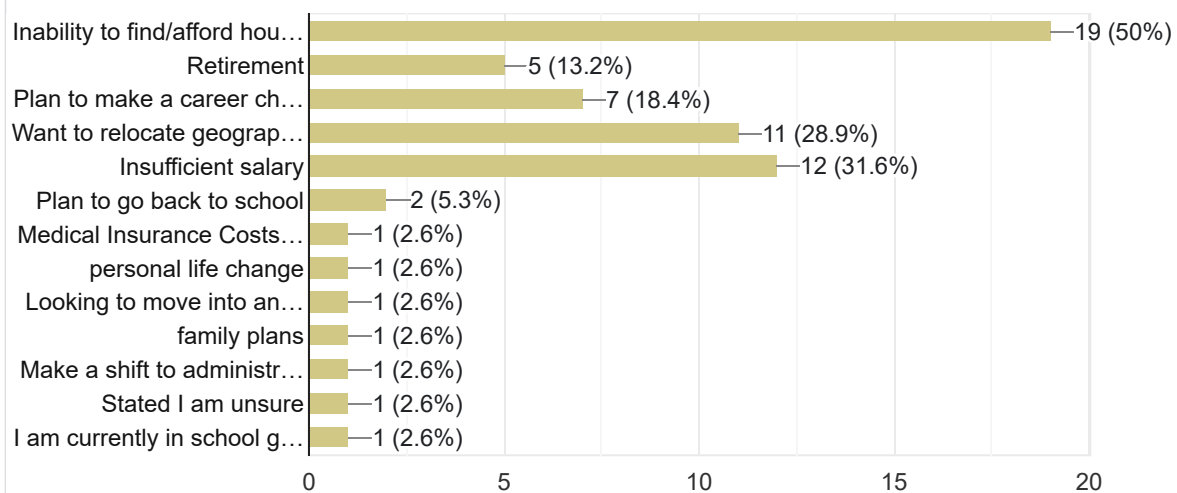
88 responses



What are the reason(s) influencing your decision to leave BSD within the next 5 years? (Select all that apply)

 Copy

38 responses



If you are interested in employee housing, please share any ideas you have about employee housing or tell us about your specific housing needs:

37 responses

Higher incomes would help everybody in the district with the high cost of living in the bay area.

I would be interested, but I wouldn't want to within a too close work/home atmosphere.

I think it would be extremely helpful to have a 2 bedroom apartment for me and my daughter

I think the monthly rent prices and the location within the Burlingame school district.

Would love to see this happen so we could keep more of our great teachers and not always have such a long commute at the end of our teaching day

n/a

just additional space would be nice

would like to own a house

pet friendly

Employee housing would be great, but a salary increase would be helpful.

close to work and a rent that we can afford , make my living posible

Yes, but I do not want to live together all clumped in one housing unit. It would be better if the housing was spaced out and not all together in the same building.

Access to an outside area, such as a deck.

Rental units with 2 or more bedrooms and accepts large dogs.

There should be options of owning a home, townhouse or apartment for employees.



Affordable housing, no one can afford to buy a house here.

Thank you! Please continue with this idea

I love every and any option that makes housing cheaper for professionals at BSD (subsidized rent for family-size homes, downpayment assistance, low-interest mortgages). My husband and I are millennials with advanced graduate degrees and professional jobs (non-tech-industry). We have two school age kids. Our future in the bay area with regard to home ownership has been bleak. We are moving out of state this summer. I regret that I couldn't make it work long term here. It's been so great to work at BSD!

I know this doesn't answer the question above. However, I want to note that we have an appropriately size rental AUD as of January. However, our family of 4 lived in a 1 bedroom for 10 years in order to afford living in Burlingame.

Living closer to my job would make a huge difference. I would stay working at the BSD for a very long time. The only reason I would quit and move is because of the rent in the area.

I think it's helpful but higher salary would be nice too., At what cost does district pay to give this perk to teachers?. Then the staff that don't use housing don't benefit. So I'm torn if good or bad

Larger condos for larger families like mine

I am not interested. The Burlingame School District should increase their employee's salaries so that they can have a living wage and afford housing in the local area. I don't need to buy in the area, but I should be able to afford rent and not be worried about arbitrary rent increases.

I'm monthly paying \$3900 for a 2 bd apartment for my family of 4, my mom is moving with me soon and I cannot afford to pay for a bigger unit. I prefer to pay highly cost of my rental than commuting from the East Bay.

Employee housing would be great but I think have the option to have affordable two bedroom units would be great. Anything smaller than that would really benefit me personally.

Would need an outdoor area for adults and for children. Would need to allow teachers to save for future purchase of home so they're not locked in to renting indefinitely (rent should be under 30% income). This probably goes without saying, but it should not be a profitable enterprise for BSD.

I would not mind having roommates as well to lower the cost of rent. I would prefer to share my unit with another single female teacher (not with kids or partner).

Raise teacher pay so we can afford to live alone

Not on a campus



I think it would be nice if housing was spread out into different locations/buildings because it would be nice to say that as teachers we can afford to live in places where others live. Living in one designated area would be a constant reminder that we need special circumstances to live in this area. It's a giant step forward and everyone would be appreciative but this is something other teachers would feel. We've talked about it: it would almost feel like another version of Section 8, which is not a terrible thing, but something to consider.

THIS IS AN INSULTING OPTION - increase our pay; don't treat us as poor, second class employees that need this option like live-in servants

I am not necessarily interested in employee housing, but the ratio of our BSD salary to the cost of living is becoming unattainable. If there is not a spouse or second income to help with finances I do not know how BSD teachers are going to remain living in this area. Even with two incomes it is difficult. Hoping this employee housing will help retain teachers.

From my perspective, it would be helpful if teachers can have salary increases to offset the cost of living, especially housing. I would not like to live in housing with my children. I would rather have the money I earn in salary, which allows me to choose where I would like to live. This restricts teachers' freedom to live where they desire. It is so sad that teachers have to be given relief in this manner and not be treated like other professionals, who earn a higher salary and choose where they want to live.

I would love to live in Burlingame and I am planning on getting married too. It would be nice to have something available for me and my future partner.

I would like to live closer to work and I would like to move out of family's house.

Take into consideration that you have employees in your district only making 60k and that not everyone has been here for 10 plus years. Put the housing in a convenient location near grocery stores and public transportation.

Exterior doors, somewhat private entry and passageways vs interior apartment/condo style entry.

Thank you for your Participation!

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Google Forms



**1825 TROUSDALE DRIVE
PRELIMINARY TITLE
REPORT**



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111
Phone: (415) 276-0220 • Fax:

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Kevin Davis
Escrow Officer: Major Accounts OAC

Order No.: 991-**30081854**-KD9

TO:

DCG Strategies
7600 Dublin Boulevard, Suite 275
Dublin, CA 94568

ATTN: **Rachael Moy**
YOUR REFERENCE:

PROPERTY ADDRESS: 1825 Trousdale Drive, Burlingame, CA

PRELIMINARY REPORT

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

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

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

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

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

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

Countersigned by:

Authorized Signature



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111
Phone: (415) 276-0220 • Fax:

PRELIMINARY REPORT

EFFECTIVE DATE: January 19, 2022 at 7:30 a.m.

ORDER NO.: 991-30081854-KD9

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

ALTA Extended Owner's Policy (7-1-21)

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

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

Burlingame Elementary School District

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

See Exhibit A attached hereto and made a part hereof.

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF BURLINGAME IN THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Lot 4 and the Northeasterly 40 feet, front and rear measurements of Lot 5 in Block 5, as shown on that certain map entitled "MILLS ESTATE NO. 3, BURLINGAME, SAN MATEO COUNTY, CALIFORNIA", filed in the office of the County Recorder of San Mateo County.

State of California, on June 21, 1954 in [Book 39 of Maps at Page\(s\) 13](#) to 15.

EXCEPTING FROM said Lot 4, the Northeasterly 110 feet, front and rear measurements thereof.

JPN: 025-012-123-08A

[APN: 025-123-080](#)

EXCEPTIONS

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

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022-2023.
2. There were no taxes levied for the fiscal year 2021-2022 as the property was vested in a public entity.
3. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
4. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.
5. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
6. Building Set Back Line - 15 feet from Trousdale Drive, as to the Northeasterly 66.54 feet of the herein described property and 7.5 feet from Trousdale Drive, as to the Southwesterly 40 feet of the herein described property, as shown on the map herein mentioned.
7. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

| | |
|-----------------|--|
| Granted to: | City and County of San Francisco |
| Purpose: | Water pipe line |
| Recording Date: | September 13, 1954 |
| Recording No: | 85435-L, Book 2649, Page 154 , of Official Records |
| Affects: | The Southwesterly 40 feet |

Reference is hereby made to said document for full particulars.

8. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

| | |
|-----------------|---|
| Recording Date: | December 14, 1954 |
| Recording No: | 9937-M, Book 2706, Page 546 , of Official Records |

**EXCEPTIONS
(Continued)**

9. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

10. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
11. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

Party(s): Burlingame Elementary School District

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

12. This Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance by the corporation named below.

Corporation: Burlingame Elementary School District ,

- (a) A copy of the corporation By-Laws and Articles of Incorporation.
- (b) An original or certified copy of the Resolution authorizing the transaction contemplated herein.
- (c) If the Articles and/or By-Laws require approval by a "parent" organization, a copy of the Articles and By-Laws of the parent.

The right is reserved to add requirements or additional items after completion of such review.

13. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
14. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
15. Any claims for mechanics' or materialman's liens that may be recorded by reason of a recent work of improvement under construction and/or completed at the date hereof.
16. The requirement that the complete and correct name(s) of the buyer(s) in this transaction be submitted to the Title Department at least 5 days prior to the close of Escrow.
17. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.

EXCEPTIONS
(Continued)

18. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF EXCEPTIONS

NOTES

1. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a Commercial Property, known as 1825 Trousdale Drive, Burlingame, CA, to an Extended Coverage Loan Policy.
2. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.
3. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
4. Note: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. The application for title insurance was placed by reference to only a street address or tax identification number. The proposed Insured must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed Insured must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
7. Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
8. Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of a Company agent, an authorized employee of the insured lender, or by using Bancserv or other Company-approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.
9. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
10. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

NOTES
(Continued)

11. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

END OF NOTES

Kevin Davis/a1h

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111

Phone: (415) 276-0220 • Fax:

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company

CTC – Chicago Title company

CLTC – Commonwealth Land Title Company

FNTC – Fidelity National Title Company of California

FNTCCA - Fidelity National Title Company of California

TICOR – Ticor Title Company of California

LTC – Lawyer's Title Company

SLTC – ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company

CLTIC - Commonwealth Land Title Insurance Company

FNTIC – Fidelity National Title Insurance Company

FNTIC - Fidelity National Title Insurance Company

CTIC – Chicago Title Insurance Company

CLTIC – Commonwealth Land Title Insurance Company

CTIC – Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

FIDELITY NATIONAL FINANCIAL, INC.

PRIVACY NOTICE

Effective August 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 714-2710 or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (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:

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

{PART I

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

PART II

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

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

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

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

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**1825 TROUSDALE DRIVE
EASEMENT DEED**

(3) 7/2/49

EASEMENT DEED

ATLANTIC LIFE INSURANCE COMPANY, a corporation, the first party, hereinafter referred to as the "Grantor", hereby grants to CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the second party, hereinafter referred to as the "City," a right of way, easement to lay, relay, construct, reconstruct, maintain, operate, patrol, repair, renew, replace, remove, increase and/or change the number and size of pipes, pipe lines, conduits and/or connections, appurtenances and appliances, for the conveyance, distribution, supply and/or sale of water in, on and along the following described parcels of real property situated partly in the City of Burlingame and partly in the City of Millbrae, County of San Mateo, State of California:

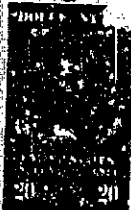
PARCEL 1:

A strip of land 60 feet wide lying 30 feet on each side of the following described center line and extensions thereto:

COMMENCING at a point on the northwesterly line of Lot 7 in Block 15 as per map entitled "Ray Park, Burlingame, California" filed in the office of the Recorder of the County of San Mateo in Book 23 of Maps at pages 45 to 48, distant thereon South 28° 01' 30" West 33.24 feet from the most northerly corner of said Lot 7; running thence North 44° 44' 40" West 936.98 feet to a point distant South 40° 49' 45" West 30.09 feet from the most westerly corner of lands of Peninsula Hospital District as described in Final Order of Condemnation in that certain action No. 48154 entitled "Peninsula Hospital District, Plaintiff vs. Mills Estate Incorporated, Defendant" recorded November 10, 1949 in Book 1742 of Official Records of San Mateo County at page 40, file 19436-I; thence North 47° 28' 13" West 1143.96 feet; thence North 2° 28' 13" West 226.47 feet, North 47° 22' 13" West 710.94 feet, North 80° 48' 58" West 290.81 feet and North 35° 53' 45" West 127.43 feet to the point of intersection of the southeasterly line of the existing Millbrae Avenue with the southeasterly prolongation of the center line of the existing Poplar Avenue, as said avenue is shown on the "Map of Millbrae Villa Tract, San Mateo County, California", filed in the office of the Recorder of the County of San Mateo, in Book "B" of Maps at page 36, and a copy entered in Book 1 of Maps at page 37; the southeasterly end of said strip being the northwesterly boundary of said Block 15 and the northwesterly end of said strip being the above mentioned southeasterly boundary of Millbrae Avenue.

EXCEPTING from said Parcel 1 so much as lies within the following described lands:

(a) Lands described in the Deed from Mills Estate Incorporated Land Company, a corporation, to Joint Highway District



10

No. 10 of the State of California, a public corporation, recorded August 15, 1952 in Book 2281 of Official Records of San Mateo County at page 260 (22897-K).

(b) Lands described in the deed from The Atlantic Life Insurance Company, a corporation, to San Mateo Union High School District, recorded August 28, 1953 in Book 2465 of Official Records of San Mateo County at page 436 (3383-L).

CONTAINING 2.87 acres, more or less.

PARCEL 2:

A strip of land 60 feet wide, lying 30 feet on each side of the following described center line and extensions thereto:

COMMENCING at a point in the northwesterly boundary line of lands of Peninsula Hospital District as described in Final Order of Condemnation in that certain action No. 48154 entitled "Peninsula Hospital District, Plaintiff vs Mills Estate Incorporated, Defendant" recorded November 10, 1949 in Book 1742 of Official Records of San Mateo County at page 40, File 19436-I, distant thereon South 40° 49' 45" West 446.44 feet from the most northerly corner of said lands; running thence North 45° 45' 50" West 2062.81 feet and North 35° 53' 52" West 125.00 feet to the point of intersection of the southeasterly boundary of the existing Millbrae Avenue, with the southeasterly prolongation of the center line of the existing Magnolia Avenue as said Avenue is delineated on the "Map of Millbrae Villa Tract, San Mateo County, California", filed in the office of the Recorder of the County of San Mateo, in Book "B" of Maps at page 36; the southeasterly end of said strip being the above mentioned Northwesterly boundary of the lands of the Peninsula Hospital District parcel, and the northwesterly end of said strip being the above mentioned southeasterly boundary of Millbrae Avenue.

EXCEPTING from said Parcel 2 so much as lies within the following described lands:

(a) Lands described in the deed from Mills Estate Incorporated Land Company, a corporation, to Joint Highway District No. 10 of the State of California, a public corporation, recorded August 15, 1952 in Book 2281 of Official Records of San Mateo County at page 260 (22897-K).

(b) Lands described in the deed from The Atlantic Life Insurance Company, a corporation, to San Mateo Union High School District, recorded August 28, 1953 in Book 2465 of Official Records of San Mateo County at page 436 (3383-L)

CONTAINING 1.80 acres, more or less.

THIS CONVEYANCE IS MADE SUBJECT TO THE FOLLOWING RESERVATIONS AND CONDITIONS:

FIRST: Grantor reserves the right to make use of said parcels of land hereinbefore described for any purposes not inconsistent with the use thereof by the City under the terms of this grant, said reservation to include the right to pave the surface of the land within the right of way easements and use same as public streets. In the exercise of the right herein reserved, Grantor agrees that no trees shall be planted and that no structures of any kind or character shall be placed on, over, along and/or across said right of way parcels without the consent of

City, except as hereinafter provided.

SECOND: Grantor reserves the right to construct and maintain over and across, but not along, said parcels of land, fences, sewers, water pipes, gas pipes, electric power lines, telephone lines, telegraph lines; also the right of free ingress to and egress from said parcels of land for the purpose of maintaining, repairing and renewing such structures; provided, however, that the locations and grades of such improvements and structures and any change in the grade or elevation of the existing ground level shall first be approved by City's Public Utilities Commission; provided further, that Grantor shall not use said parcels of land, or permit the same to be used, for any purpose or in any manner which will interfere with, damage, or endanger in any way any pipes, pipe lines, conduits, connections, appurtenances or appliances of City. The ground surface of all fills placed on said parcels of land by Grantor shall not exceed 5 feet above the tops of City's pipes.

THIRD: All of City's pipe lines and conduits shall be laid, wherever the grade of the land will permit, below the surface of the ground to a minimum depth of 18 inches. Pipe line appurtenances may be constructed flush with the surface of the ground. All cuts or excavations made by Grantor shall be made in such a manner as to leave at least 18 inches of earth cover over City's pipes.

FOURTH: The rights and conditions herein set forth shall inure to the benefit of, and bind, the successors and assigns of the respective parties hereto.

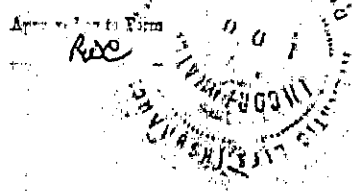
IN WITNESS WHEREOF, the first party has executed this conveyance this 19th day of July 1954.

ATLANTIC LIFE INSURANCE COMPANY,
a corporation

By [Signature]
Vice President

By [Signature]
Secretary

ASSISTANT TREASURER



12

STATE OF VIRGINIA

CITY OF RICHMOND

On this 19th day of July, 1954, before me, Hazel Terrell, a Notary Public in and for the said City, residing therein, duly commissioned and sworn, personally appeared C. A. Hunter and H. Ernest Owen, known to me to be the Vice President and Assistant Treasurer, respectively, of the Atlantic Life Insurance Company and who executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the Atlantic Life Insurance Company and acknowledged to me that said Company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the said City of Richmond, State of Virginia, the day and year in this certificate first above written.

Hazel Terrell
Notary Public

My commission expires July 19, 1955.

VOL 2649 PAGE 154

854351

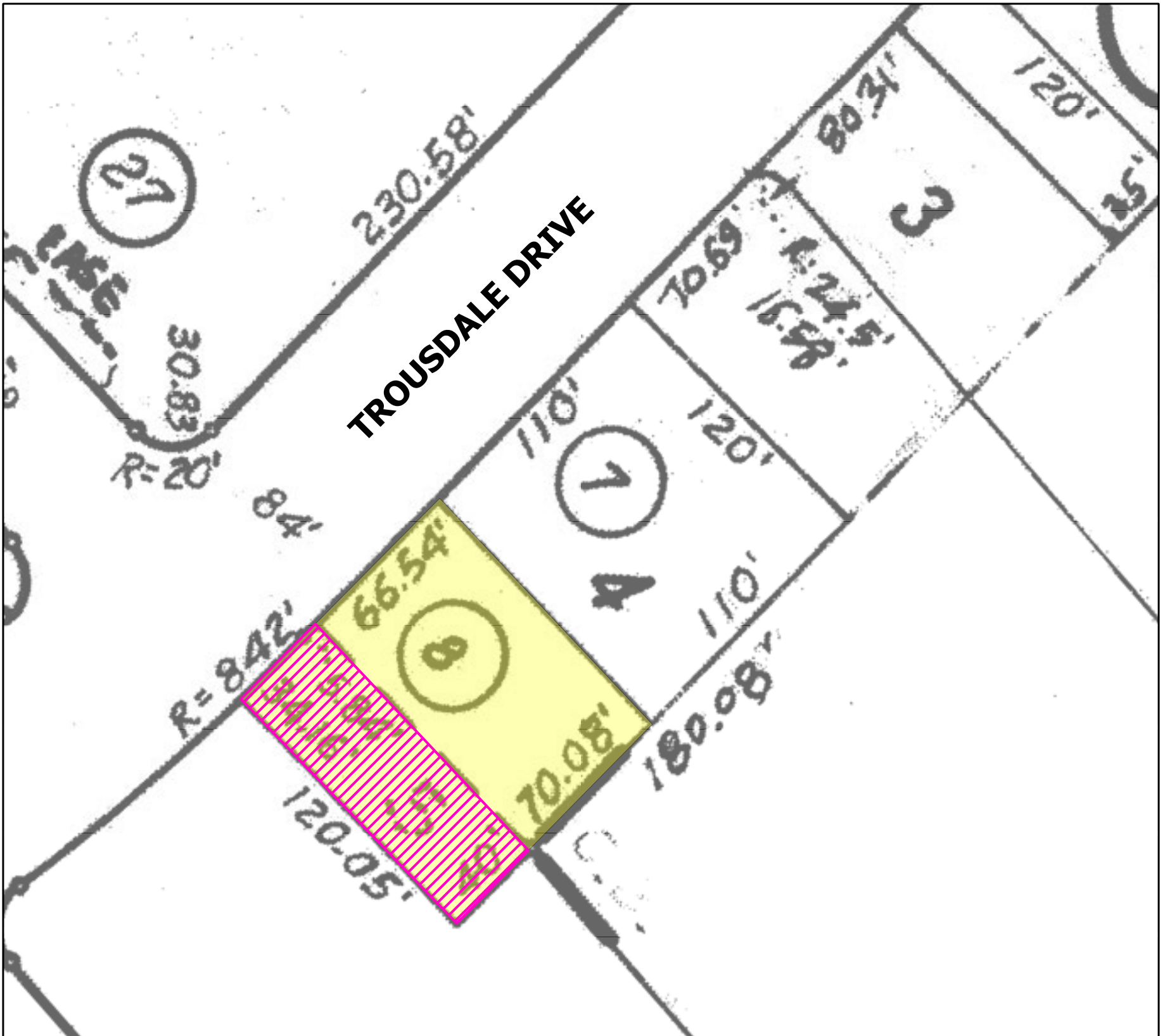
RECORDED AT REQUEST OF
CALIFORNIA PACIFIC LIFE INSURANCE CO.

SEP 13 1 59 PM 1954

SAN RATED COUNTY
Ruth Kirta
RECORDER

28R

**1825 TROUSDALE DRIVE
PLOTTED EASEMENT
MAP**

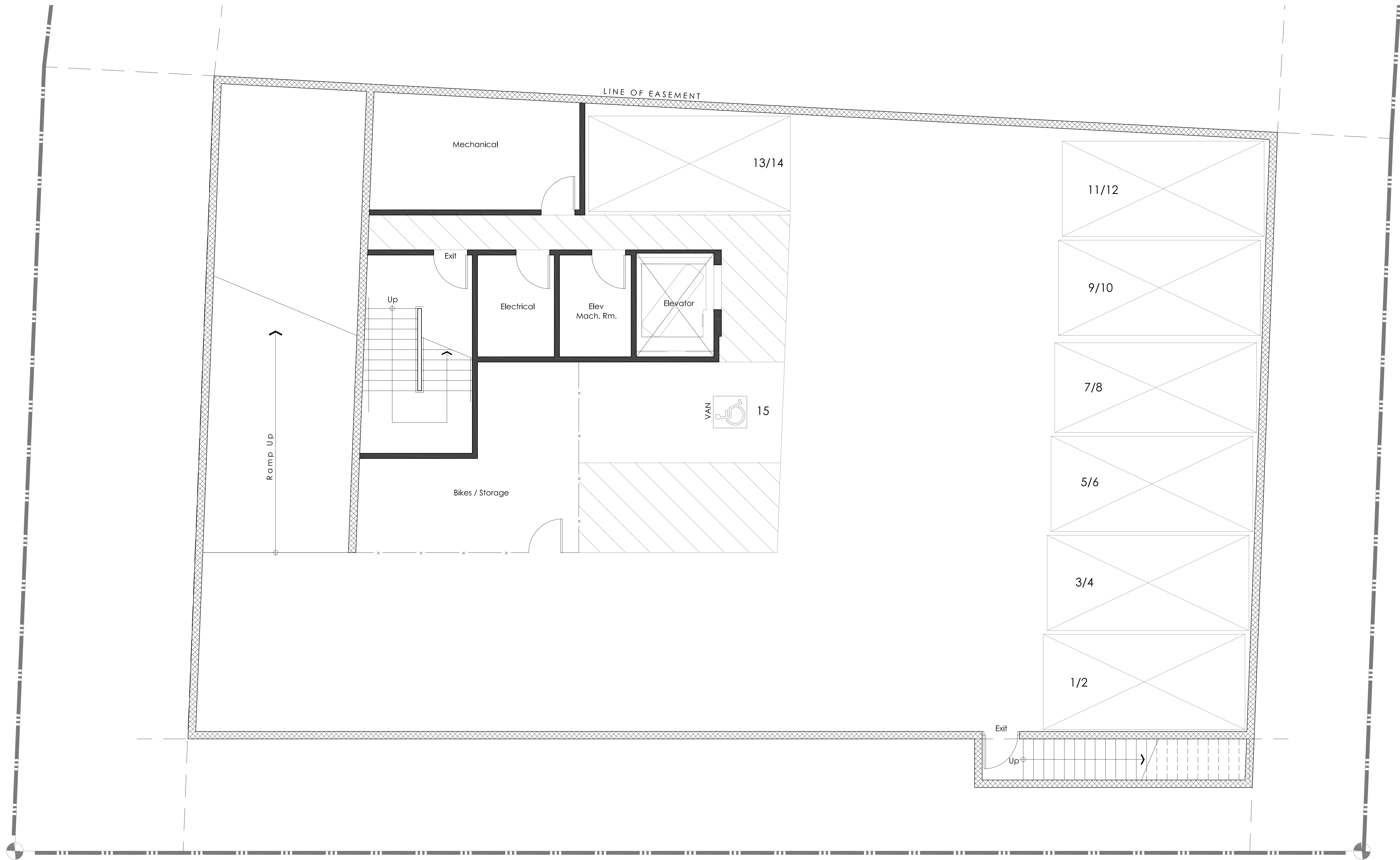


Legend

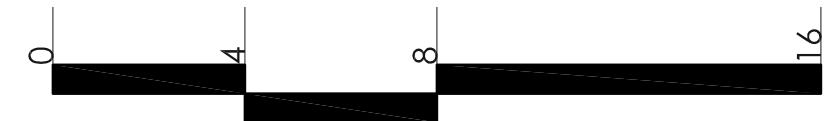
- | | |
|--|---|
| | Property In Question - Fee |
| | Item No. 7 - Easement for Water Pipe line |
| | In 09/13/1954 Inst # 85435-L Bk2649 Pg154 of official records |
| | Affects said portion as described in the document |

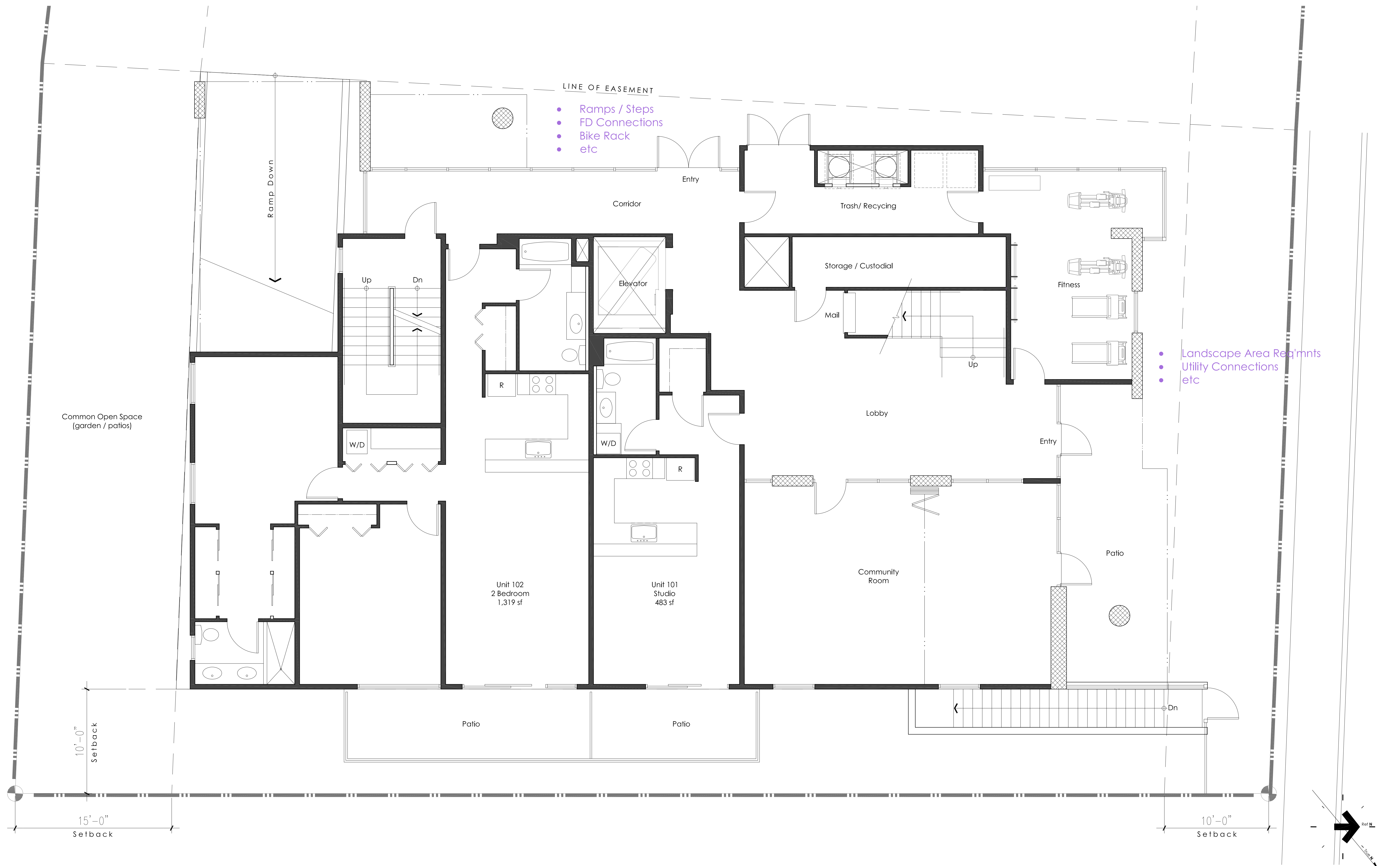
| | | | | |
|--|--|--|-------------------------------------|-------------------------------|
| ©2022 Fidelity National Title Company 100 Pine Street, Suite 2460, San Francisco, CA 94111 | Title Order No. : 30081854, Preliminary Report Dated January 19, 2022 | | Drawing Date : 3/4/2022 - FNFI | |
| | Reference : | | Assessor's Parcel No. : 025-123-080 | |
| | Property : 1825 Trousdale Drive, Burlingame, CA | | Data : | |
| This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon. | Plat Showing : THE PORTION OF LAND IS SITUATED IN THE CITY OF BURLINGAME IN THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, | | | Sheet 1 of 1 |
| | | | | Archive # |

**1825 TROUSDALE DRIVE
PRELIMINARY CAPACITY
STUDY**

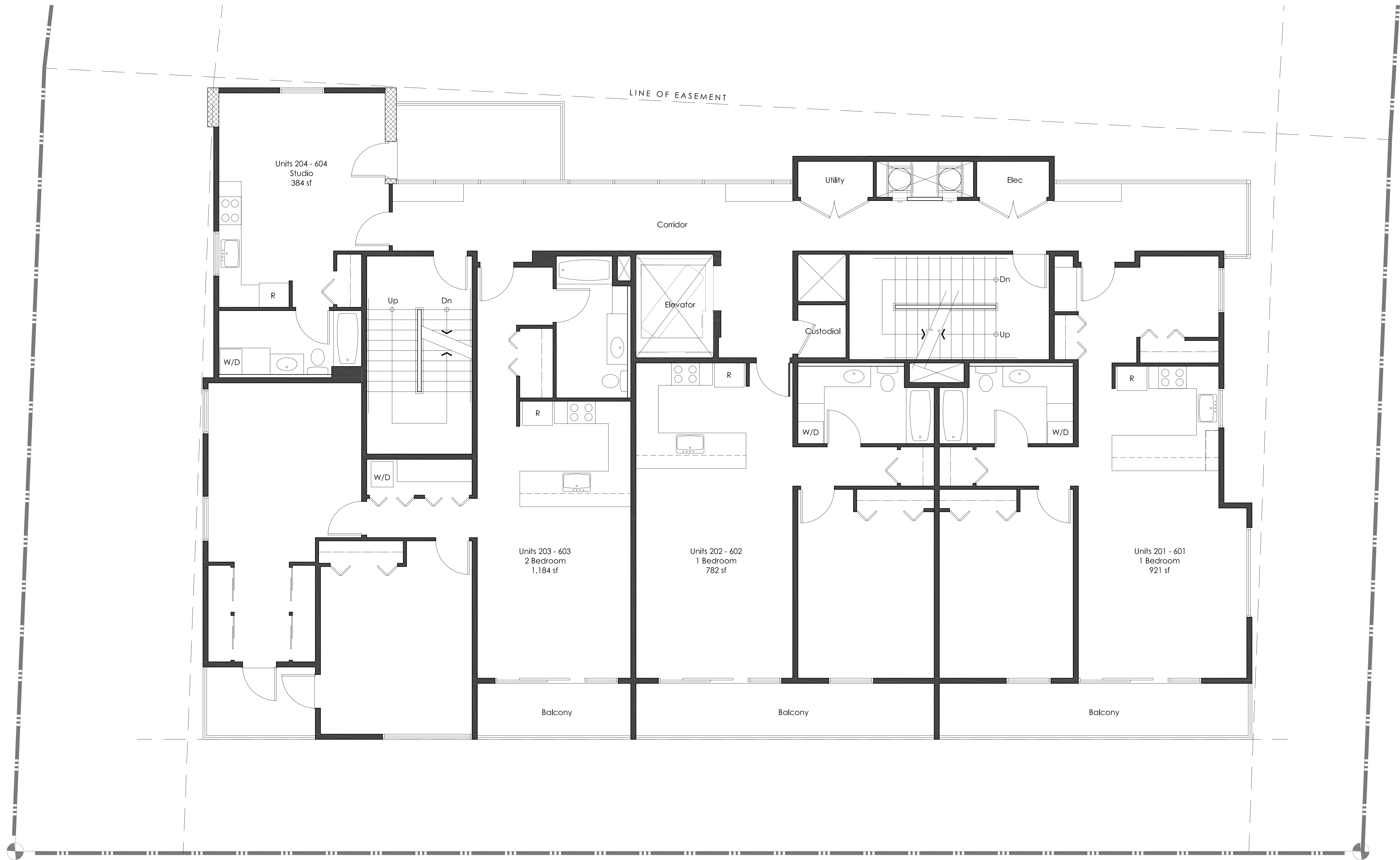


Floor Plan: Basement - 1825 Trousdale Drive
New Development





Floor Plan: First Floor - 1825 Trousdale Drive
New Development



Floor Plan: Upper Floors 2 through 6 - 1825 Trousdale Drive
New Development



Architectural drawing of the exterior elevation of the front of 1825 Trousdale Drive, showing a multi-story building with a modern design, including a large glass facade, a dark horizontal band with the address "1825 TROUSDALE", and a series of balconies. The drawing includes floor level markers on both sides, ranging from the First Floor (F.F.: +0'-0") to the T.O. Parapet / Elevator / Stair (+72'-2"). A scale bar at the bottom right indicates 0, 4, 8, and 16 feet. A "Water District Easement" line is shown on the right side of the building. The drawing is labeled "Exterior Elevation: Front - 1825 Trousdale Drive" and "New Development".

DTA Dreiling Terrones Architecture Inc.
Architecture | Infrastructure | Environments

Burlingame School District
Leaders. Thinkers. Creators.

**1715 QUESADA WAY
PRELIMINARY TITLE
REPORT**



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111

Phone: (415) 276-0220 • Fax:

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Kevin Davis
Escrow Officer: Major Accounts OAC

Order No.: 991-**30081858**-KD9

TO:

DCG Strategies
7600 Dublin Boulevard, Suite 275
Dublin, CA 94568

ATTN: **Rachael Moy**
YOUR REFERENCE:

PROPERTY ADDRESS: 1715 Quesada Way, Burlingame, CA

PRELIMINARY REPORT

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

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

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

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

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

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

Countersigned by:

Authorized Signature



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111
Phone: (415) 276-0220 • Fax:

PRELIMINARY REPORT

EFFECTIVE DATE: February 16, 2022 at 7:30 a.m.

ORDER NO.: 991-30081858-KD9

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

ALTA Extended Owner's Policy (7-1-21)

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

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

Burlingame School District, also known as Burlingame Elementary School District, an Elementary School District of the County of San Mateo, State of California

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

See Exhibit A attached hereto and made a part hereof.

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF BURLINGAME IN THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL "A" AS SHOWN ON THAT CERTAIN MAP ENTITLED "[PARCEL MAP 94-4](#)", BEING A RESUBDIVISION OF THE LANDS OF BURLINGAME SCHOOL DISTRICT, WHICH MAP WAS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY ON SEPTEMBER 8, 1998 IN [BOOK 69 OF PARCEL MAPS AT PAGE 98](#).

[APN: 025-130-060](#)

EXCEPTIONS

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

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022-2023.
2. There were no taxes levied for the fiscal year 2021-2022 as the property was vested in a public entity.
3. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
4. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.
5. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
6. Rights of the public to any portion of the Land lying within the area commonly known as
Quesada Way.
7. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: November 7, 1951
Recording No: [Book 2155, Page 332](#), of Official Records

8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Pacific Gas and Electric Company
Purpose: Public utilities and pipe line
Recording Date: January 16, 1953
Recording No: 54329K, [Book 2354, Page 391](#), of Official Records
Affects: Portion of the land as described therein

A portion of the above described easement was Quitclaimed by Instrument Recorded May 24, 1957 in [Volume 3224, Page 234](#), of Official Records.

9. An easement shown or dedicated on the map filed or recorded September 8, 1997 in [Book 69, Page 98](#), of Maps

For: Private drainage and incidental purposes.

EXCEPTIONS
(Continued)

10. Matters contained in that certain document

Entitled: Notice of Intent
Dated: August 27, 1997
Executed by: Burlingame School District, also known as Burlingame Elementary School District, an Elementary School District of the County of San Mateo
Recording Date: September 8, 1997
Recording No: 97-112342, of Official Records

Reference is hereby made to said document for full particulars.

11. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

12. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

13. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

Party(s): Burlingame School District, also known as Burlingame Elementary School District, an Elementary School district of the County of San Mateo, State of California

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

14. This Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below.

Name of corporation: Burlingame School District, also known as Burlingame Elementary School District, an Elementary School district of the County of San Mateo, State of California

- a) A copy of the corporation By-laws and Articles of Incorporation.
- b) An original or certified copy of the resolution authorizing the subject transaction, together with a Certificate of Compliance pursuant to Section 5912 or 7912 Corporations Code.
- c) If the Articles and/or By-laws require approval by a "parent" organization, a copy of those By-laws and Articles of Incorporation is required.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

15. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

EXCEPTIONS
(Continued)

16. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
17. Any claims for mechanics' or materialman's liens that may be recorded by reason of a recent work of improvement under construction and/or completed at the date hereof.
18. The requirement that the complete and correct name(s) of the buyer(s) in this transaction be submitted to the Title Department at least 5 days prior to the close of Escrow.
19. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.
20. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF EXCEPTIONS

NOTES

1. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a Commercial Property, known as 1715 Quesada Way, Burlingame, CA, to an Extended Coverage Loan Policy.
2. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.
3. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
4. Note: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. The application for title insurance was placed by reference to only a street address or tax identification number. The proposed Insured must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed Insured must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
7. Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
8. Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of a Company agent, an authorized employee of the insured lender, or by using Bancserv or other Company-approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.
9. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
10. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

NOTES
(Continued)

11. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

END OF NOTES

Kevin Davis/d1s

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111

Phone: (415) 276-0220 • Fax:

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company

CTC – Chicago Title company
CLTC – Commonwealth Land Title Company
FNTC – Fidelity National Title Company of California
FNTCCA - Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company
SLTC – ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC - Fidelity National Title Insurance Company
CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
CTIC – Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

FIDELITY NATIONAL FINANCIAL, INC.

PRIVACY NOTICE

Effective August 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 714-2710 or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (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:

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

{PART I

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

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

PART II

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

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

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

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

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Insert Map Here

**2385 TROUSDALE DRIVE
PRELIMINARY TITLE
REPORT**



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111
Phone: (415) 276-0220 • Fax:

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Kevin Davis
Escrow Officer: Major Accounts OAC

Order No.: 991-**30081857**-KD9

TO:

DCG Strategies
7600 Dublin Boulevard, Suite 275
Dublin, CA 94568

ATTN: **Rachael Moy**
YOUR REFERENCE:

PROPERTY ADDRESS: 2385 Trousdale Drive, Burlingame, CA

PRELIMINARY REPORT

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

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

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

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

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

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

Countersigned by:

Authorized Signature



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111
Phone: (415) 276-0220 • Fax:

PRELIMINARY REPORT

EFFECTIVE DATE: February 16, 2022 at 7:30 a.m.

ORDER NO.: 991-30081857-KD9

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

ALTA Extended Owner's Policy (7-1-21)

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

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

Burlingame School District, an Elementary School District of the County of San Mateo, State of California

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

See Exhibit A attached hereto and made a part hereof.

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF BURLINGAME IN THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL "B" AS SHOWN ON THAT CERTAIN MAP ENTITLED "[PARCEL MAP 94-4](#)", BEING A RESUBDIVISION OF THE LANDS OF BURLINGAME SCHOOL DISTRICT, WHICH MAP WAS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY ON SEPTEMBER 8, 1998 IN [BOOK 69 OF PARCEL MAPS AT PAGE 98](#).

EXCEPTING THEREFROM THOSE PORTIONS OF LAND CONVEYED TO THE CITY OF BURLINGAME, A MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA BY GRANT DEED RECORDED MARCH 6, 1964, IN [VOLUME 4661, PAGE 445](#) AND JULY 13, 2006, [SERIES NO. 2006-104397, OF OFFICIAL RECORDS](#).

[APN: 025-130-090](#)

EXCEPTIONS

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

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022-2023.
2. There were no taxes levied for the fiscal year 2021-2022 as the property was vested in a public entity.
3. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
4. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.
5. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
6. Rights of the public to any portion of the Land lying within the area commonly known as

Trousdale Drive and or Quesada Way.
7. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: November 7, 1951
Recording No: 701335, [Book 2155, Page 332](#), of Official Records

8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Pacific Gas and Electric Company, a California corporation
Purpose: Public utilities and pipeline
Recording Date: January 16, 1953
Recording No: 54329K, [Book 2354, Page 391](#), of Official Records
Affects: Portion of the land as described therein

A portion of the above described easement was Quitclaimed by instrument Recorded May 24, 1957 in [Volume 3224, Page 234](#), of Official Records.

Affects: Portion of described therein

9. An easement shown or dedicated on the map filed or recorded September 8, 1997 in [Book 69, Page 98](#), of Maps

For: Private drainage

EXCEPTIONS
(Continued)

10. Matters contained in that certain document

Entitled: Notice of Intent
Dated: August 27, 1997
Executed by: Burlingame School District, also know as Burlingame Elementary School District,
an Elementary School District of the County of San Mateo
Recording Date: September 8, 1997
[Recording No: 97-112342, of Official Records](#)

Reference is hereby made to said document for full particulars.

Affects: This and other property

11. Matters contained in that certain document

Entitled: Resolution No. 06-2001
Dated: January 8, 2001
Executed by: Planning Commission of the City of Burlingame
Recording Date: March 2, 2001
[Recording No: 2001-026426, of Official Records](#)

Reference is hereby made to said document for full particulars.

12. Matters contained in that certain document

Entitled: Resolution No. 36-2001
Dated: April 16, 2001
Executed by: Planning Commission of the City of Burlingame
Recording Date: May 21, 2001
[Recording No: 2001-072803, of Official Records](#)

Reference is hereby made to said document for full particulars.

13. Matters contained in that certain document

Entitled: Resolution No. 41-2002
Dated: May 13, 2002
Executed by: Planning Commission of the City of Burlingame
Recording Date: June 24, 2002
[Recording No: 2002-122677, of Official Records](#)

Reference is hereby made to said document for full particulars.

14. Matters contained in that certain document

Entitled: Resolution No. 054-2004
Dated: May 24, 2004
Executed by: Planning Commission of the City of Burlingame
Recording Date: June 16, 2004
[Recording No: 2004-124499, of Official Records](#)

Reference is hereby made to said document for full particulars.

**EXCEPTIONS
(Continued)**

15. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.
- The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.
- The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.
16. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
17. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.
- Party(s): Burlingame School District, an Elementary School District of the County of San Mateo, State of California
- The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.
18. This Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below.
- Name of corporation: Burlingame School District, an Elementary School District of the County of San Mateo, State of California
- a) A copy of the corporation By-laws and Articles of Incorporation.
 - b) An original or certified copy of the resolution authorizing the subject transaction, together with a Certificate of Compliance pursuant to Section 5912 or 7912 Corporations Code.
 - c) If the Articles and/or By-laws require approval by a "parent" organization, a copy of those By-laws and Articles of Incorporation is required.
- The Company reserves the right to add additional items or make further requirements after review of the requested documentation.
19. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
20. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
21. Any claims for mechanics' or materialman's liens that may be recorded by reason of a recent work of improvement under construction and/or completed at the date hereof.
22. The requirement that the complete and correct name(s) of the buyer(s) in this transaction be submitted to the Title Department at least 5 days prior to the close of Escrow.
23. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.

**EXCEPTIONS
(Continued)**

24. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF EXCEPTIONS

NOTES

1. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a Commercial Property, known as 2385 Trousdale Drive, Burlingame, CA, to an Extended Coverage Loan Policy.
2. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.
3. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
4. Note: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. The application for title insurance was placed by reference to only a street address or tax identification number. The proposed Insured must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed Insured must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
7. Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
8. Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of a Company agent, an authorized employee of the insured lender, or by using Bancserv or other Company-approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.
9. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
10. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

NOTES
(Continued)

11. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

END OF OTES

Kevin Davis/t1n

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111

Phone: (415) 276-0220 • Fax:

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company

CTC – Chicago Title company
CLTC – Commonwealth Land Title Company
FNTC – Fidelity National Title Company of California
FNTCCA - Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company
SLTC – ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC - Fidelity National Title Insurance Company
CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
CTIC – Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective August 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 714-2710 or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (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:

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

{PART I

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

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

PART II

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

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

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

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

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**QUESADA WAY
PRELIMINARY CAPACITY
STUDY**



Development Area Outline: Approx: 2.8 acres

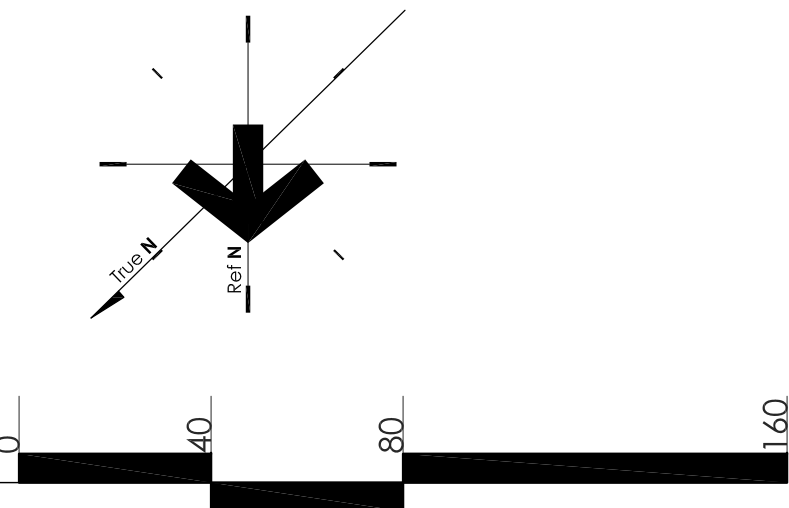
| TOTAL UNITS: | |
|--------------|---|
| Building A: | (2) 2 BDRM (5) 1 BDRM (3) STUDIO |
| | (10) Units |
| Townhouses: | (12) 2 BDRM |
| | (12) Units |
| Total Units: | (14) 2 BDRM (5) 1 BDRM (3) STUDIO |
| | (22) Units |

| PARKING: | |
|--------------|------------|
| BLDG. A: | |
| (2) 2 BDRM = | (3) spaces |
| (5) 1 BDRM = | (5) spaces |
| (3) STUDIO = | (3) spaces |
| Visitor= | (1) space |

| TOWNHOUSES: | |
|--------------|--------------------|
| (12) 2 BDRM= | (18) spaces |
| Visitor = | (2) spaces |
| Total = | (32) spaces |

ADDITIONAL
STAFF PARKING= (26) spaces

(SUD= Single-Unit Dwelling)



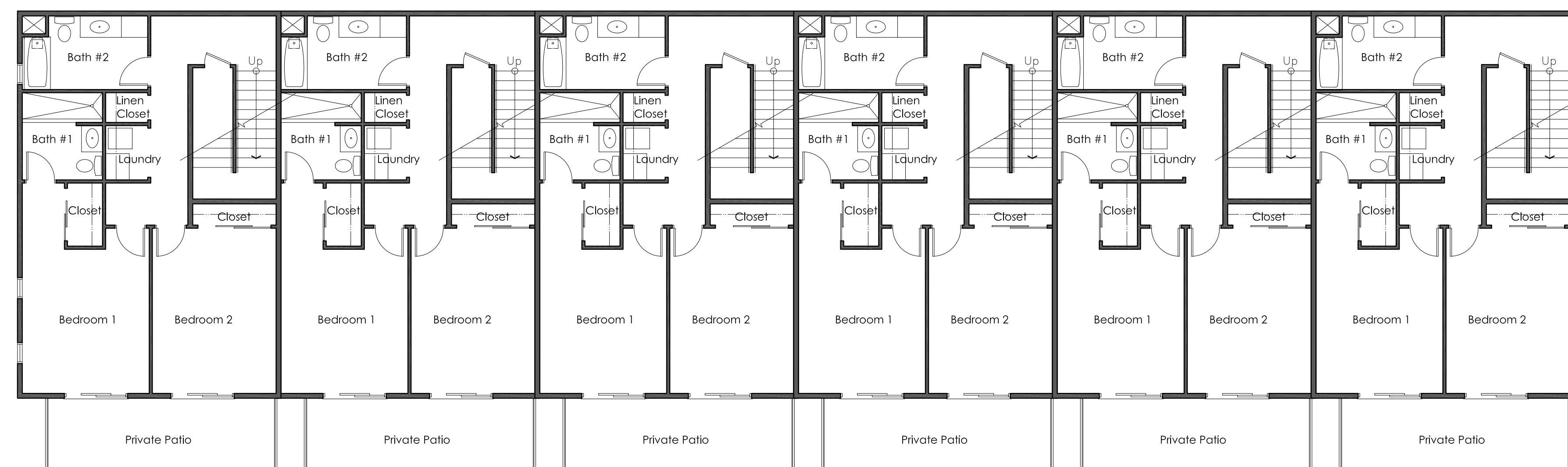
Site Plan - Burlingame Intermediate School / Franklin Elementary School
Development Study - BIS / FES Site



1 Floor Plan: First Floor

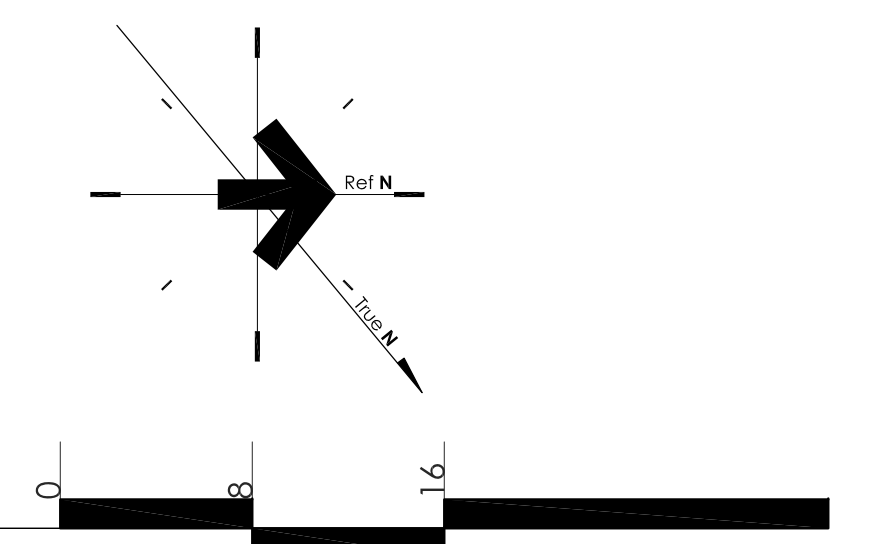
1/8" = 1'-0"

| | |
|--------------|-------------------|
| TOWN HOUSES: | |
| 2 BDRM | (12) units |
| Total | (12) units |

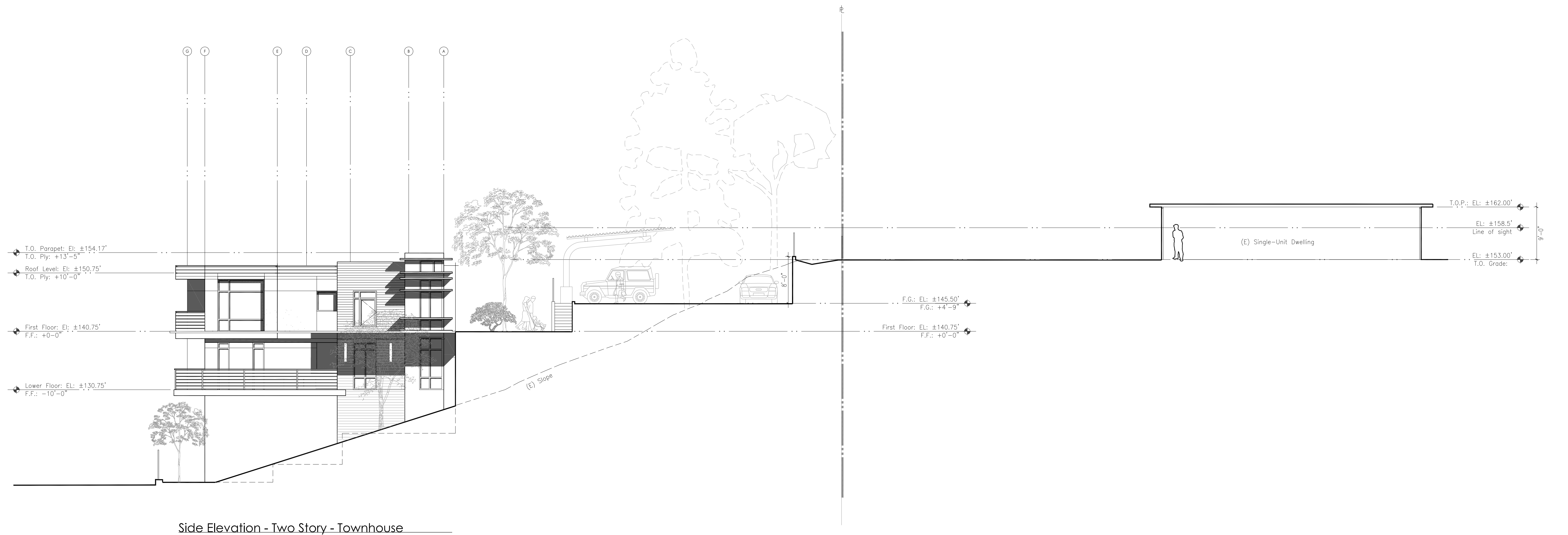


2 Floor Plan: Lower Floor

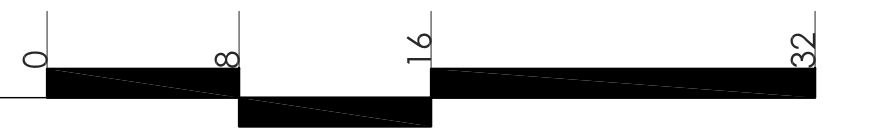
1/8" = 1'-0"

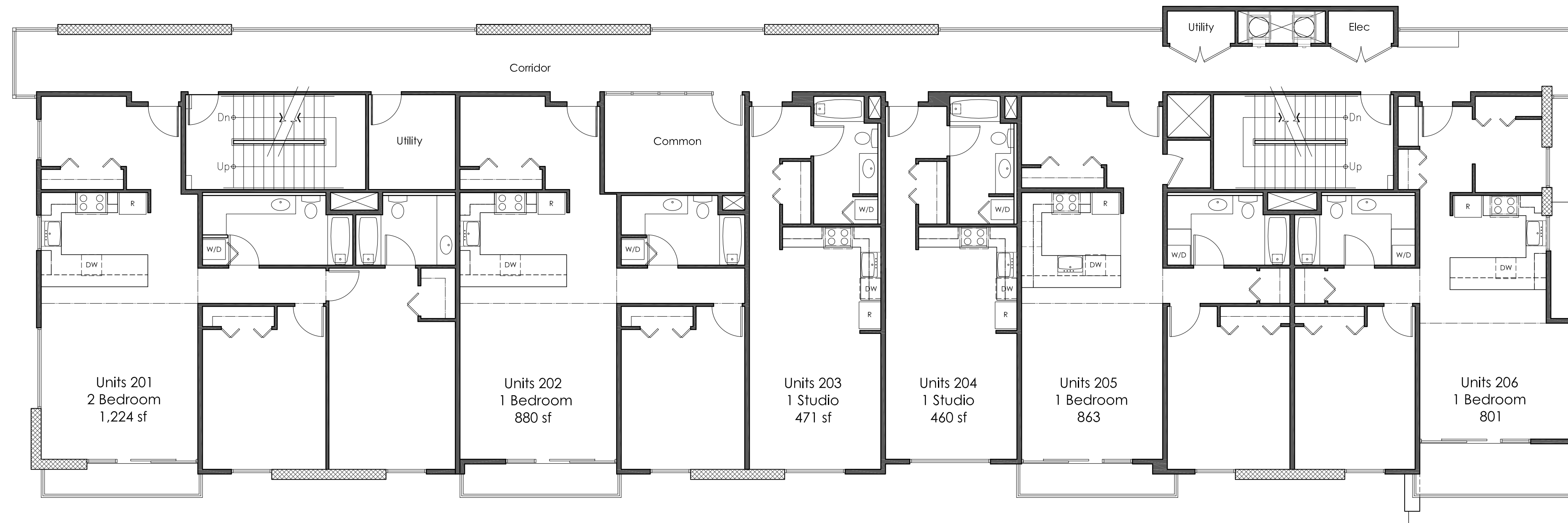


Floor Plans: Multi-Family Residential: Town House-Floor Plan
Development Study - BIS / FES Site



Exterior Elevation: Town House: Side Elevation
Development Study - BIS / FES Site





2 Floor Plan: Upper Floor

1/8" = 1'-0"

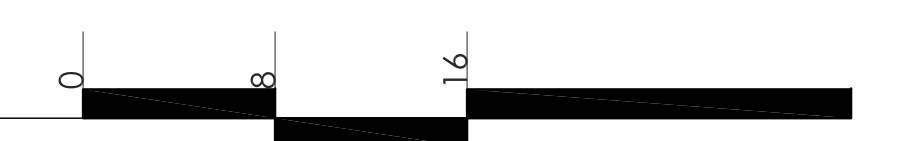
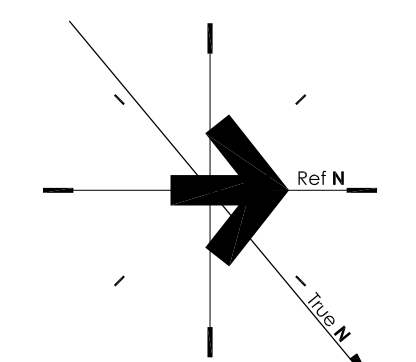


1 Floor Plan: First Floor

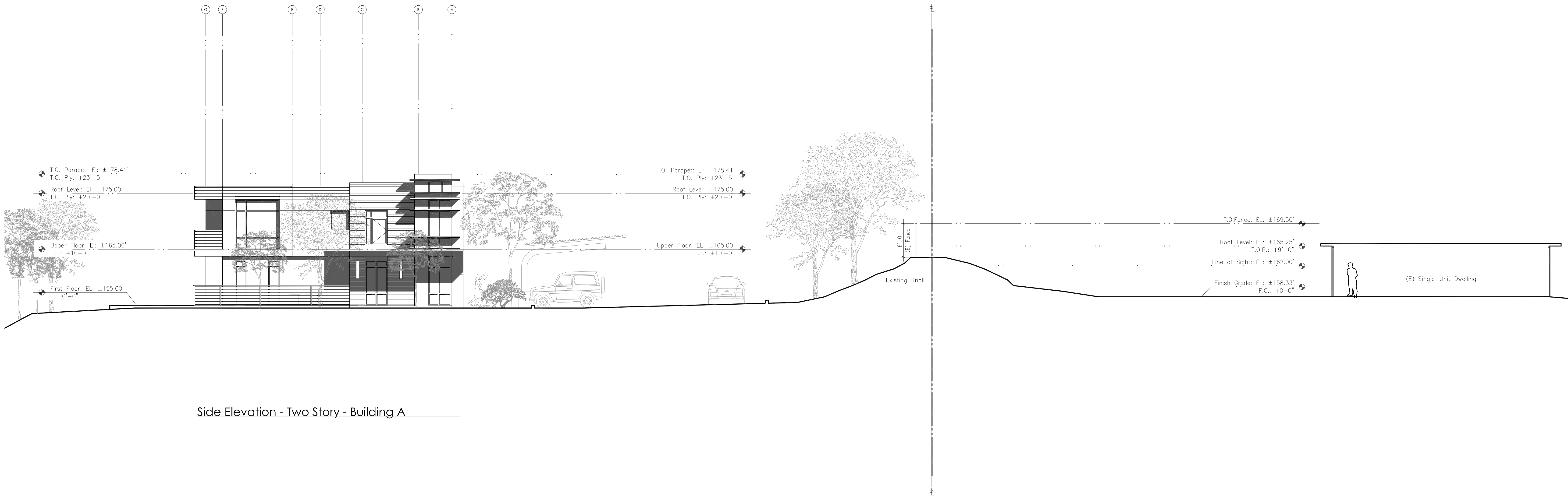
1/8" = 1'-0"

BUILDING A: TWO STORY

| | |
|--------------|--|
| Upper Floors | (1) 2 Bedroom (3) 1 Bedroom (2) Studio |
| | (6) Units |
| First Floor | (1) 2 Bedroom (2) 1 Bedroom (1) Studio |
| | (4) Units |
| Total Units: | (2) 2 Bedroom (5) 1 Bedroom (3) Studio |
| | (10) Units |



Floor Plans: Multi-Family Residential: Building A
Development Study - BIS / FES Site



Exterior Elevation: Building A: Side Elevation
Development Study - BIS / FES Site

**2220 SUMMIT DRIVE
PRELIMINARY TITLE
REPORT**



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111

Phone: (415) 276-0220 • Fax:

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Kevin Davis
Escrow Officer: Major Accounts OAC

Order No.: 991-**30081856**-KD9

TO:

DCG Strategies
7600 Dublin Boulevard, Suite 275
Dublin, CA 94568

ATTN: **Rachael Moy**
YOUR REFERENCE:

PROPERTY ADDRESS: 2220 Summit Drive, Burlingame, CA

PRELIMINARY REPORT

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

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

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

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

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

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

Countersigned by:

Authorized Signature



Fidelity National Title Company

100 Pine Street, Suite 2460, San Francisco, CA 94111
Phone: (415) 276-0220 • Fax:

PRELIMINARY REPORT

EFFECTIVE DATE: January 19, 2022 at 7:30 a.m.

ORDER NO.: 991-30081856-KD9

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

ALTA Extended Owner's Policy (7-1-21)

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

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

Burlingame School District, a California public school district

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

See Exhibit A attached hereto and made a part hereof.

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF BURLINGAME IN THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

A portion of that certain [tract of](#) land conveyed by Ansel W. Easton et ux to the Panama Realty Co., a corporation, by Deed recorded August 19, 1915, in [Book 243 of Deeds at Page 295](#), Records of San Mateo County, California, and a small portion of Parcel 23-C as shown on that certain Map entitled "Parcel Map of the Resubdivision of Lot 23 Kenmar Terrace" filed November 30, 1967, in Volume 4 of Parcel Maps at Page 7, records of the County of San Mateo, State of California, said portions being more particularly described as follows:

Beginning at the point of intersection of the Southeasterly line of that certain [tract of](#) land conveyed by Ansel W. Easton et ux. to Panama Realty Co., a corporation by Deed recorded August 19, 1915, in [Liber 243 of Deeds at Page 295](#), Records of said County, with the Westerly line of Summit Drive, said point of beginning being distant along said line of Summit Drive, as measured along the arc of a circular curve the center of which bears North 58° 05' 30" East 66.40 feet from said point of beginning, 40.63 feet Northwesterly from the point of intersection of said line of Summit Drive with the Northwesterly line of Lot 4 in Block 5 of Burlingame Hills, as said Lot, Block and Drive appear on that certain Map of "Burlingame Hills" recorded July 7, 1913, in [Liber 9 of Maps at Page 2](#), Records of said County; Running thence from said point of beginning on and along said Southeasterly line of the lands of the Panama Realty Co., South 40° 28' 30" West 145.10 feet; thence, continuing along said Southeasterly line of the lands of the Panama Realty Co., 191.81 feet Southwesterly along the arc of a circular curve to the right, the center of which bears North 49° 31' 30" West 560.00 feet from the terminal point of the course last above described; thence, continuing along said Southeasterly line of the lands of the Panama Realty Co., 179.31 feet Southwesterly along the arc of a circular curve to the left, the center of which bears South 29° 54' East 423.23 feet from the terminal point of the arc last above described; thence, leaving said line of the lands of the Panama Realty Co., North 50° 46' West 58.68 feet; thence 68.63 feet Northerly along the arc of a circular curve to the left, the center of which bears North 71° 31' West 220.00 feet from the terminal point of the course last above described; thence North 0° 36' 30" East 112.57 feet; thence 231.37 feet Northwesterly along the arc of a circular curve to the left, the center of which bears North 89° 23' 30" West 195.00 feet from the terminal point of the course last above described; thence 144.72 feet Westerly along the arc of a circular curve to the left, the center of which bears South 22° 37' 30" West 120.00 feet from the terminal point of the arc last above described; thence South 43° 31' 30" West 51.84 feet; thence North 64° 49' West 99.26 feet to the Southeasterly line of said Lot 23-C; thence 77.34 feet Northeasterly along the arc of a circular curve to the left, the center of which bears North 3° 00' West 80.00 feet from the terminal point of the course last above described; thence, North 31° 36' 30" East 41.40 feet; thence, 55.47 feet Northeasterly along the arc of a circular curve to the right, the center of which bears South 58° 23' 30" East 475.00 feet from the terminal point of the course last above described; thence North 38° 18' East 80.77 feet; thence 43.59 feet Northeasterly along the arc of a circular curve to the left, the center of which bears North 51° 42' West 225.00 feet from the terminal point of the course last above described; thence, North 27° 12' East 76.89 feet; thence 115.29 feet Northeasterly along the arc of a circular curve to the right, the center of which bears South 62° 48' East 100.00 feet from the terminal point of the course last above described; thence South 86° 44' 30" East 30.20 feet; thence, leaving the line of Lot 23-C, South 57° 32' 39" East, 3.89 feet; thence 92.82 feet Easterly and Northeasterly along the arc of a curve to the left, the center of which bears North 3° 15' 30" East 106.90 feet from the terminal point of the course last above described; thence North 43° 30' 30" East, 15.20 feet; thence North 56° 50' 39" East, 52.73 feet to a point in the aforesaid Westerly line of Summit Drive; thence 29.96 feet Southeasterly, along said line of Summit Drive, on the arc of a curve to the right, the center of which bears South 34° 05' 23" West 236.20 feet from the terminal point of the course last above described; thence 222.64 feet Southeasterly along said line of Summit Drive, on the arc of a circular curve to the right, the center of which bears South 41° 21' 30" West 385.00 feet from the terminal point of the arc last above described; thence, continuing along said line of Summit Drive, 145.72 feet Southeasterly along the arc of a circular curve to the left, the center of which bears North 74° 29' 30" East 215.00 feet from the terminal point of the arc last above described; thence, continuing along said line of Summit Drive, 113.53 feet Southeasterly along the arc of a circular curve to the right, the center of which bears South 35° 39' 30" West 157.00 feet from the terminal point of

EXHIBIT A (Continued)

the arc last above described; thence, continuing along said line of Summit Drive 22.02 feet Southeasterly along the arc of a circular curve to the left, the center of which bears North 77° 05' 30" East 66.40 feet from the terminal point of the arc last above described, to said point of beginning.

PARCEL II:

A portion of that certain 0.75 acre [tract of](#) land conveyed by Ansel W. Easton et ux, to Panama Realty Co., a corporation, by Deed recorded January 29, 1930, in Volume [452 of Official Records](#) at Page 364, Records of San Mateo county, California, described as follows:

Beginning at the point of intersection of the Southeasterly line of that certain [tract of](#) land conveyed by Ansel W. Easton et ux, to Panama Realty Co., a corporation, by Deed recorded August 19, 1915, in [Liber 243 of Deeds at Page 295](#), Records of said County, with the Westerly line of Summit Drive, said point of beginning being distant along said line of Summit Drive, as measured along the arc of a circular curve the center of which bears North 58° 05' 30" East 66.40 feet from said point of beginning, 40.63 feet Northwesterly from the point of intersection of said line of Summit Drive with the Northwesterly line of Lot 4 in Block 5 of Burlingame Hills, as said Lot, Block and Drive appear on that certain Map of "Burlingame Hills", recorded July 7, 1913, in [Liber 9 of Maps at Page 2](#), Records of said County;

Running thence from said point of beginning on and along said Southeasterly line of the lands conveyed to Panama Realty Co. by said Deed recorded August 19, 1915, in [Liber 243 of Deeds at Page 295](#), Records of said County, South 40° 28' 30" West 145.10 feet; thence continuing along said Southeasterly line of the last above mentioned [tract of](#) land so conveyed to the Panama Realty Co., 191.81 feet Southwesterly along the arc of a circular curve to the right, the center of which bears North 49° 31' 30" West 560.00 feet from the terminal point of the course last above described; thence, continuing along said Southeasterly line of the last above mentioned [tract of](#) land so conveyed to the Panama Realty Co., 179.31 feet Southwesterly along the arc of a circular curve, the center of which bears South 29° 54' East 423.23 feet from the terminal point of the arc last above described; thence, leaving said Southeasterly line of said [tract of](#) land so conveyed to the Panama Realty Co., South 54° 10' 30" East 40.00 feet to a point in the Northwesterly line of Lot 5 said Block 5 of Burlingame Hills; thence along said Northwesterly line of Lot 5 and continuing along the Northwesterly line of said Lot 4, 162.37 feet Northeasterly along the arc of a circular curve to the left, the center of which bears South 29° 54' East 423.23 feet, the center of which bears South 54° 10' 30" East 383.23 feet from the terminal point of the course last above described; thence continuing along said Northwesterly line of Lot 4, 205.51 feet Northeasterly along the arc of a circular curve, the center of which bears North 29° 54' West 600.00 feet from the terminal point of the arc last above described; thence, continuing along said line of Lot 4 North 40° 28' 30" East 145.04 feet to aforesaid intersection thereof with the Westerly line of Summit Drive; thence, along said Westerly line of Summit Drive 40.63 feet Northwesterly on the arc of a circular curve, the center of which bears North 23° 02' East 66.40 feet from the terminal point of the course last above described, to said point of beginning.

PARCEL III:

Beginning at a point in the Northerly line of Summit Drive, as said Drive is shown on the Map entitled "[Tract No. 508](#) Block 1 and Lots 1-4 Incl. Block 2 Burlingame Hills No. 4 in the County of San Mateo", which Map was filed in the office of the Recorder of the County of San Mateo, State of California, on December 23, 1936, in [Book 21 of Maps at Pages 28 and 29](#), which point bears North 62° 15' 08" West 50.00 feet from a concrete monument at the center of a circle in Summit Drive, designated on said Map as "Original concrete monument of Burlingame Hills"; thence from said point of beginning, North 85° 49' 50" West, along said Northerly line of Summit Drive, 13.586 feet to the Southeasterly corner of lands described in Deed from Panama Realty Co., a corporation to Charles A. Wing and wire, dated February 28, 1946, and recorded March 16, 1946, in Book [1242, of Official Records](#) of San Mateo County at Page 364 (93233-F); thence along the Easterly line of lands described in said Deed, Northerly on a curve to the right, with a radius of 453.41 feet and a central angle of 25° 45' 21", from a tangent which bears North 21° 32' 21" West, an arc distance of 203.819 feet and continuing Northerly on a curve to the right, tangent to preceding course, with a radius of 184.62 feet and a central angle of 31° 36' 28", an arc distance of 101.85 feet to the Southwesterly line of lands described in Deed from Panama Realty Co., a corporation to Burlingame

EXHIBIT A
(Continued)

Elementary School District, dated March 10, 1930, and recorded March 27, 1930, in Book [458, of Official Records](#) of San Mateo County at Page 425; thence along the Southwesterly line of Parcel 2, described in said last mentioned Deed, South 54° 10' 30" East 40.00 feet to a point in the Westerly line of lands designated on the Map entitled "Hillsborough Oaks Highlands Hillsborough California", which Map was filed in the office of the Recorder of the County of San Mateo, State of California, on November 21, 1945, in [Book 24 of Maps at Page 76](#); thence Southerly, along said Westerly line, on a curve to the left, with a radius of 144.62 feet and a central angle of 31° 36' 28", an arc distance of 79.78 feet and continuing on a curve to the left, tangent to the preceding course, with a radius of 413.41 feet and a central angle of 24° 51' 38", an arc distance of 179.38 feet to the Northerly line of Summit Drive; thence Westerly, along said Northerly line, on a curve to the left, with a radius of 50.00 feet, an arc distance of 30.75 feet, more or less, to the point of beginning.

Pursuant to that certain Lot line adjustment recoded November 12, 2014, [Series No. 2014-103601](#) and also recorded November 12, 2015, [Series No. 2015-119024, of Official Records](#).

JPN: 027-027-271-09A, 027-031-311-18A

APN: 027-271-420, 027-311-180

EXCEPTIONS

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

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022-2023.
2. There were no taxes levied for the fiscal year 2021-2022 as the property was vested in a public entity.
3. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
4. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.
5. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
6. Rights of the public to any portion of the Land lying within the area commonly known as
Summit Drive.
7. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: Panama Realty Co., a corporation
Purpose: Public utilities
Recording Date: March 27, 1930
Recording No: 57075-B, [Book 458, Page 425](#), of Official Records
Affects: Parcel II
8. Matters contained in that certain document

Entitled: Resolution No. 30-85 Approving Special Permit
Dated: August 26, 1985
Recording Date: September 12, 1985
[Recording No: 85093487](#), of Official Record

Reference is hereby made to said document for full particulars.
9. Matters contained in that certain document

Entitled: Resolution No. 89-86 approving Special Permit
Dated: August 4, 1986
Recording Date: August 11, 1986
[Recording No: 86095236](#), of Official Records

Reference is hereby made to said document for full particulars.

EXCEPTIONS
(Continued)

10. Matters contained in that certain document

Entitled: Resolution No. 24-88 of the Council of the City of Burlingame
Dated: March 29, 1988
Recording Date: April 4, 1988
Recording No: [88040011, of Official Records](#)

Reference is hereby made to said document for full particulars.

11. Matters contained in that certain document

Entitled: Resolution No. 43-88, Resolution approving Special Permit for Educational and Religious Purposes Hoover School Site
Dated: May 16 1988
Executed by: City of Burlingame
Recording Date: June 6, 1988
Recording No: [88070354, of Official Records](#)

Reference is hereby made to said document for full particulars.

12. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

13. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

14. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

Party(s): Burlingame School District, a California public school

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

EXCEPTIONS
(Continued)

15. The Company will require the following in order to insure title vested in, or a conveyance from, the entity named below:

Name: Burlingame School District, a California public school

- a) Proof of incorporation from the state or other place of incorporation
- b) A copy of the Articles of Incorporation and By-law
- c) A copy of the resolution authorizing the purchase, sale or encumbrance of real property and designating appropriate officers to execute same

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

16. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
17. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
18. Any claims for mechanics' or materialman's liens that may be recorded by reason of a recent work of improvement under construction and/or completed at the date hereof.
19. The requirement that the complete and correct name(s) of the buyer(s) in this transaction be submitted to the Title Department at least 5 days prior to the close of Escrow.
20. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.
21. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF EXCEPTIONS

NOTES

1. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a Commercial Property, known as 2220 Summit Drive, Burlingame, CA, to an Extended Coverage Loan Policy.
2. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.
3. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
4. Note: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. The application for title insurance was placed by reference to only a street address or tax identification number. The proposed Insured must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed Insured must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
7. Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
8. Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of a Company agent, an authorized employee of the insured lender, or by using Bancserv or other Company-approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.
9. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
10. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

NOTES
(Continued)

11. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

END OF NOTES

Kevin Davis/t1n

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company

CTC – Chicago Title company
CLTC – Commonwealth Land Title Company

FNTC – Fidelity National Title Company of California
FNTCCA - Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company

SLTC – ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC - Fidelity National Title Insurance Company

CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
CTIC – Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective August 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 714-2710 or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (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:

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

{PART I

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

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

PART II

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

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

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

EXCEPTIONS FROM COVERAGE

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

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

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

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.