Summary Appraisal Report

Civic Building
952 Moraga Road
Lafayette, Contra Costa County, California, 94549

FOR
Contra Costa County
Debra Baker
255 Glacier Drive
Martinez, CA 94553

Valbridge Property Advisors | Hulberg & Associates, Inc.

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Valbridge Job No.:
[CA03-2013-0071-000]

Valbridge
PROPERTY ADVISORS
Hulberg & Associates, Inc.

April 26, 2013

Debra Baker
Supervising Real Property
Real Estate Division,
Attention: Karen Laws
Public Works Department
Contra Costa County
255 Glacier Drive
Martinez, CA 94553

RE: Summary Appraisal Report
Civic Building
952 Moraga Road
Lafayette, Contra Costa County, California, 94549

Dear Debra:

In accordance with your request, we have prepared a real property appraisal of the above-referenced property, presented in a summary appraisal report format. This appraisal report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions.

The property is located at 952 Moraga Road in Lafayette, Contra Costa County, California, 94549. The subject is further identified as Assessor's Parcel Number (APN) 234-010-013-6. The property consists of a civic building (former public library) located on a 32,248 square foot site. The improvement consists of a single-story average quality building containing a total gross and rentable building area of approximately 6,000 square feet. The building was constructed in 1962 and is in fair to average condition. The property is 100% vacant.

The purpose of the report is to provide an estimate of "as is" market value for the subject property. The property rights appraised are those of the fee simple interest, (all of the legal property rights). It is our understanding that this appraisal will be used in conjunction with a possible sale of the property. The intended user of the report is Public Works Department for the stated intended use only

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

The Public Works Department is the client in this assignment and is the sole intended user. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

Based on the analysis contained in the following report, our value conclusion involving the subject property is summarized as follows:

VALUE CONCLUSION

	As Is
Date of Value	April 17, 2013
Market Value Conclusion	**$1,970,000**

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors |
Hulberg & Associates

Stephen D. Kuhnhoff, MAI, ASA
Certified-General Appraiser #AG001791
Expires February 28, 2014
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Expires January 4, 2015
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Table of Contents

Summary of Salient Facts

Property Name:	Civic Building
Address:	952 Moraga Road Lafayette, Contra Costa, California, 94549
Assessor's Parcel Number:	234-010-013-6
Property Rights Appraised:	Fee Simple
Zoning/General Plan:	R-6/Community Facilities & Civic uses
Site Size:	0.74 acres (32,248 square feet)
Existing Improvements	
Property Type:	Civic Building
Gross Building Area:	6,000
Rentable Area:	6,000
Year Built:	1962
Condition:	Fair/Average
Extraordinary Assumptions:	No
Hypothetical Conditions:	No
Highest and Best Use	
As Vacant:	Commercial/Civic Development
As Improved:	Renovate Existing Building
Date of Inspection:	April 17, 2013
Retrospective Date of Value:	April 17, 2013
Date of Report Preparation:	April 26, 2013

VALUE INDICATIONS & CONCLUDED VALUES

	As Is
Valuation Date:	April 17, 2013
Cost Approach	$1,970,000
Market Value	**$1,970,000**

AERIAL VIEW

FRONT VIEW

Introduction

Identification of Client

The client in this assignment is the Public Works Department.

Intended Use and User

It is our understanding that this appraisal will be used in conjunction with a possible sale of the property. The intended user of the report is the Public Works Department. The appraisal and this report are not intended for any other use or any other user.

Property Identification

The subject property is located at 952 Moraga Road, Lafayette, California 94549. The Contra Costa County identifies the subject property as Assessor Parcel Number 234-010-013-6.

Real Property Interest Appraised

The property rights appraised are those of the fee simple interest and the property is appraised free and clear of mortgages and assessments outstanding, but subject to easements, covenants, conditions and restrictions of record. The fee simple is defined as: "absolute ownership unencumbered by any other interest or estate; subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Purpose of Appraisal

The purpose of this appraisal is to estimate the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date in the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, acting in what they consider their own best interest.*
- *A reasonable time is allowed for exposure in the open market.*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.*[1]

The market value is the value of the property in its present condition and under existing market conditions. No hypothetical conditions, assumptions, or qualifications concerning the physical or legal aspects of the property are to be observed.

[1] The Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, (Chicago, 2010) page 123.

Date of Valuation and Date of Report

The effective date of value is April 17, 2013. We inspected the property on April 17, 2013. The date the report was completed and signed was April 26, 2013.

Scope of Work

The appraisal was made in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Institute, and the requirements of our client, as we understand them. This is a summary appraisal report. The depth of discussion contained in this report is specific to the needs of the client and for the intended use. The appraiser is not responsible for unauthorized use of this report.

In preparation for this "summary" appraisal report, we inspected the subject property and surrounding neighborhood; we researched zoning and General Plan issues; reviewed, and reported regional and local economic trends; and researched, analyzed and reported market data and trends relevant to the subject property.

Jeremy S. Bargy inspected the property on April 17, 2013. Our description of the subject improvements is based on our physical tour of the property. Building size is based on our measurements. However, we are not "building inspectors" or "engineers" and did not use sophisticated tools to measure the building. Although we believe the size of the building, as stated in this appraisal, is reasonably accurate, if it is found not to be, we reserve the right to amend the appraisal.

The subject property is a special purpose property; a former library with zoning that allows for civic type uses. Because these properties are not leased and/or purchased by investors, the Income Approach was not considered a necessary and/or reliable indication of value for the subject. Because libraries rarely sell in the open market, and because the property could not be used for public commercial uses, the Sales Comparison Approach was not considered a necessary and/or reliable indication of value for the subject.

Given the physical characteristics of the subject and considering the available market data for recent land sales, and accuracy/reliability of data related to the subject improvement, we have determined that the most reliable method of valuation for the subject is the Cost Approach. As such, we searched for and analyzed recent land sales in the subject's market area. We also researched and analyzed cost data.

As a test of reasonableness and to provide additional support, the value indicated by the Cost Approach was compared with other recent sales of various commercial properties with similar physical and location characteristics as the subject.

The data regarding market transactions was considered in the manner in which it was provided to the appraisers. All the data and analysis used to value the property are clearly presented and discussed in the body of this report. No information has been included which is not believed to be accurate. Refer to the Assumptions and Limiting Conditions and Certification of Appraisal that accompany this report for additional comments affecting the scope of our report.

Use of Real Estate

As of effective date of value - The subject property consists of a former public library. As of the date of the appraisal, the property was vacant and not being used for anything.

As of date of report - Same as above.

Assumptions and Limiting Conditions

General Assumptions and Limiting Conditions are assumed in virtually every appraisal and reflected in every appraisal report**.** Extraordinary assumptions, hypothetical conditions, and notable observations specific to this assignment are identified below.

Please refer to the Assumptions and Limiting Conditions in the addendum for a complete list of general extraordinary assumptions and limiting conditions.

Extraordinary Assumptions

None

Hypothetical Conditions

None

Notable Observations

None

Property History and Ownership

According to the public records, title to the subject property is vested in Contra Costa County L/M.

It is our understanding that this appraisal will be used in conjunction with a possible sale of the property. Reportedly, the Redevelopment Agency of the City of Lafayette is contractually obligated to purchase the property at fair market value. As reported in an "agreement" between the County of Contra Costa and the Redevelopment Agency of the City of Lafayette, "in no event shall the purchase price exceed $1,250,000 increased by a percentage equal to the percentage increase in the CPI from January 1, 1996 to date of purchase".

Please note: the purpose of this appraisal to provide an "as is" market value of the subject and in no way considers or reflects the "agreement" between the County of Contra Costa and the Redevelopment Agency of the City of Lafayette.

We are unaware of any listings, offers, or sales of the subject property within three years of the valuation date.

Competency Statement

We are members of the Appraisal Institute and hold the highest level of Certification from the State of California. We have appraised numerous similar properties in the past. Due to our education, experience in the subject market area, and experience with the subject property type, we have the competence necessary to perform this appraisal.

Assessed Valuation and Taxes

The State of California has provided for a unified system to access real estate for property taxes. Assessment Districts are established on a county basis to assess real estate within the county. The appraised property falls under the taxing jurisdiction of Contra Costa County and is subject to both general taxes and direct assessments.

General Taxes

The amount of General Taxes due is quantified by multiplying the assessed value by the tax rate. In the State of California, real estate is assessed at 100% of market value as determined by the County Assessor's

Office. The tax rate consists of a base rate of 1% plus any bonds or fees approved by the voters. The Tax Rate for the subject property is 1.0793%.

Direct Assessments

Direct assessments are tax levies that are not dependent upon the assessed value of the property. They are levied regardless of assessment. According to the Santa Clara County Tax Collector's Office, the subject's direct assessments total $665.20.

Because the property is owned by local government, the property is exempt from annual taxes. However, if a non-government entity were to purchase the property, taxes would be based on the current tax rate and assessed value once sold.

Current and Future Taxes

Proposition 13 was passed by voters in June 1978 and substantially changed the taxation of real estate in California. This constitutional amendment rolled back the base year for assessment purposes to the tax year 1975-1976. Annual increases in assessed value are limited to 2% per year, regardless of the rate of inflation. Real estate is subject to re appraisal to current market value upon a change in ownership or new construction. Within the definition of "market value," the assumption is made that the subject property will be sold on the open market and, thus, the property is assumed to be reassessed for tax purposes for this appraisal.

Clear title is assumed in our valuation.

SECTION I - REGIONAL MARKET OVERVIEW

Regional Overview

The subject property is located in the San Francisco Bay Region, an area which is comprised of the nine counties bordering the San Francisco Bay. The area has a combined population of approximately 7.2 million as of January 1, 2012. According to the State of California Department of Finance, the San Francisco Bay Area is characterized by a moderate climate, diversified economy and one of the highest standards of living in the United States.

Contra Costa County

Contra Costa County is the third most populous of the nine counties comprising the San Francisco Bay Region with 1,056,117 residents as of January 1, 2012. Per the 2010 U.S. Census, Contra Costa County grew by more than 100,000 people between 2000 and 2010, making it the fastest growing in the Bay Area on both an absolute and percentage basis. Population growth has primarily taken place in the east county area, primarily in the cities of Antioch and Brentwood, as this is the only area of the county with a significant amount of land available for development.

Created in 1850 when California became a state, Contra Costa County is home to a number of cities and communities critical for Bay Area commerce. With eight major highways, Bay Area Rapid Transit (BART) and Amtrak's Capitol Corridor connections, and the port of Richmond, California's fourth busiest port, Contra Costa County is also a critical regional transportation artery.

Air service in the area is provided by Oakland International Airport, which lies within Alameda County. The Oakland International Airport provides the East Bay Area region with air cargo, mail, and passenger services for businesses and individuals. In 2012, there were a total of ten million passengers that passed through the Oakland Airport, an increase of 8.4% over the number of passengers in 2011. The San Francisco International Airport (located 13 miles south of San Francisco) is also available to Contra Costa County travelers and had over 44 million total passengers in 2012.

The highway transportation system is well developed and improving. However, the steady growth of jobs in the Silicon Valley over the past few years, coupled with residential growth in the south and east portions of the county, has caused an increasing problem of traffic congestion. Unquestionably, traffic is one of the main negative aspects of the county. Although many routes are at gridlock during peak commute hours, routes are being extended or expanded and public transportation is being improved. Although the jobs/housing balance is becoming a geographic issue, commute tolerance is at an all-time high, as residents are required to accept longer commute times.

Traditionally, Contra Costa County has had one of the highest rates of workforce participation in the country. The workforce tends to be relatively young and highly educated. The East Bay was one of California's fast-growing economic regions before the recession began, and once the region works through the effects of the downturn, it is expected to be one of the state's growth markets once again. The County has "reached bottom" economically and the recovery, prolonged though it may be, is underway.

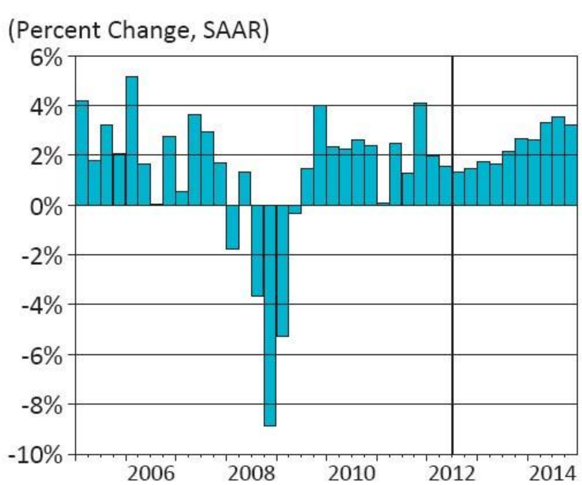
According to the most recent labor market information, the unemployment rate in Contra Costa County was 8.0% in February 2013, down from 8.6% in January 2013, and significantly down from the 9.5% recorded in February 2012. This compares with an unadjusted rate of 9.7% for California and 8.1% for the nation during the same period. Unemployment in Contra Costa County has remained below 10% for all of 2012. While the county has lagged behind the other Bay Area Counties, (with the exception of Alameda County) it is showing an overall recovery.

Contra Costa County ranks fourth out of the nine Bay Area counties in terms of household income. According to County Health Rankings & Roadmaps, the median household income in Contra Costa County in 2012 was $74,241, and compares favorably to the median household income of California, which was $57,275 for the same time period.

Economic and Political Forces

Although recovery has been slow and inconsistent in the past, many leading indicators reveal that the U.S. economy is on a sustainable path to recover from the Great Recession. While the rate of recovery seems to lag compared to historical recoveries, overall statistics are showing progress toward a healthy economy. Most regions are experiencing a decline in unemployment and the nation as a whole is beginning to see growth in Gross Domestic Product (GDP).

Figure 1 Real GDP Growth, 2005Q1 -2014Q4F



Sources: U.S. Department of Commerce and UCLA Anderson Forecast

One of the most promising signs of the recovery has been the employment statistics: unemployment figures have been trending down since the mid- 2011 throughout the U.S. The U.S. Bureau of Labor Statistics states the unemployment rate as of March 2013 stands at 7.6%, a low when compared to the 8.2% in March 2012. According to a recent UCLA Anderson Forecast, the overall economy gained an average of 181,000 jobs a month in 2012. An equivalent gain is expected in 2013 with acceleration to 200,000 jobs a month in 2014 and 220,000 in 2015. As a result, the unemployment rate is expected to fall to about 6.5% by the end of 2015. This positive employment news seems to translate into overall economic growth.

GDP is also expected to grow moving forward. The most recent UCLA Anderson Forecast predicts that real GDP growth in 2013 will surpass the 2% annual growth rate of the past four years. This compares to an earlier UCLA Anderson Forecast, when the GDP growth was predicted to remain below 2% in 2013. For most of 2014, GDP growth is anticipated to exceed

3%, with the housing and automobile sectors being the biggest contributors. Home prices rose 10.2% in February 2012 and have been increasing for the past 12 months. Meanwhile, U.S. automakers report that 14.5 million vehicles were sold in 2012, representing a 13% increase from 2011. The growth of these two sectors has helped to renew growth in business construction and exports.

Despite the positive GDP growth predictions, the rate of recovery still lags when compared to historic recovery periods. David Shulman, a UCLA Anderson Forecast Senior Economist, says that "it's important to keep in mind that these rates of growth are still well below the typical 4% to 6% rates of growth associated with prior recoveries. Along with higher rates of growth, the forecast calls for inflation in excess of 2% in 2014 and 2015, as the Fed's extraordinary monetary policies catch up to a slow productivity growth economy." As the recovery progresses, inflation could become a concern if left unaddressed.

The health of the economy, and the real estate industry, is closely linked to the ability to procure financing. To encourage banks to continue lending, the Federal Reserve (Fed) continues to hold the Federal Funds Rate at historically low levels. The current rate is between 0 and 0.25%, as it has been since December of 2008. In December 2012, the Fed announced explicit economic targets for the end of easing programs. Specifically, the Fed said it will hold the Federal Funds Rate at its current level until national unemployment drops below 6.5% or inflation exceeds 2.5% a year, in order to support continued progress toward maximum employment and price stability; previously, the Fed had targeted mid-2015. Notably, the Fed's recent forecast projects the jobless rate at 6.8% to 7.3% by the end of 2014, and 6.0% to 6.6% by the end of 2015.

Based on those projections, Fed Chairman Ben Bernanke said in his press conference that the Fed's new guidance was consistent with its previous plan to keep its key interest rate unchanged until at least mid-2015. Nevertheless, the Fed expects that a highly accommodative stance of monetary policy will remain appropriate for a considerable time after the economic recovery strengthens, hence the long period in which interest rates will remain low, even after unemployment rates start falling back to more historically acceptable levels.

While the economic climate for real estate has begun to recover, new concerns must be addressed in order for the current growth to be sustainable. The unemployment rate has decreased and GDP growth is expected to continue over the next couple of years. However, inflation is a growing concern that must be addressed in the near future.

Real Estate Overview

The volume of commercial property transactions increased significantly for all major property types in fourth quarter 2012, as buyers and sellers came together to get transactions completed before the tax laws changed at the beginning of 2013. It is expected that first quarter 2013 transaction volume will decline from the increased volume in fourth quarter 2012, although there are still reports of significant property transactions underway.

The new archetype for all investments, including commercial real estate, is likely lower returns. But compared to stocks, bonds or cash, commercial real estate is still very attractive on a risk-adjusted basis. Commercial real estate offers income in the form of rents, and also serves as a hedge against inflation. As investors plan for tomorrow while dealing with the reality of today's investment environment, we can expect economic growth to remain relatively slow. Unemployment will remain uncomfortably high. The unemployment rate was 7.8 percent in December 2012, and is expected to range from 7.5 percent to 8.0 percent in 2013. The housing market is stabilizing, as prices slowly inch upward. Home sales and starts will continue to increase, although it will take a long time for the market to climb out of the hole it is in.

Vacancy rates are likely to continue to decline slightly in 2013, but not enough to increase rental growth significantly. The vacancy rate for the industrial, apartment, and retail sectors declined during fourth quarter 2012, while vacancy for the office sector remained unchanged. The occupancy rate for the hotel sector declined.

In the first quarter of 2013, RERC's required pre-tax yield rates increased for all of the property types, with the exception of the hotel, industrial flex and CBD office sectors. In contrast, RERC's required going-in capitalization rates either increased or remained unchanged for the CBD office, industrial R&D, retail power center, and neighborhood community center sectors while all other property types decreased 10 to 30 basis points.

The preferred investment properties, nationwide, for institutional investors in the fourth quarter of 2012 were industrial warehouses. Apartments placed second followed by retail neighborhood properties and CBD office centers in third. Hotels placed fourth followed by industrial R&D properties in fifth. Industrial flex properties were the sixth preferred real estate investments nationwide followed by regional malls in seventh and suburban offices properties in eighth. The least favorable real estate investments were retail power centers.

The property preference ratings are taken from the Fourth Quarter 2012 Real Estate Investment Survey (flash report), published by Real Estate Research Corporation (RERC). Internal rate of return expectations ranged from a low of 6.0% to a high of 11.0%, with an average of 8.0% for central business district office, 9.1% for suburban office, 8.3% for industrial warehouse, 8.9% for R&D, 9.2% for industrial flex, 8.1% for regional malls, 8.9% for power retail centers, 8.5% for neighborhood retail centers, 7.7% for apartments, and 10.1% for hotels.

Overall "going-in" capitalization rates ranged from 4.0% to 11.0% with an average of 6.2% for central business district office, 7.3% for suburban office, 6.6% for industrial warehouse, 7.6% for R&D, 7.8% for industrial flex, 6.3% for regional malls, 7.4% for power retail centers, 6.9% for neighborhood retail centers, 5.4% for apartments, and 8.0% for hotels. Terminal capitalization rates ranged from 4.3% to 10.5% with averages ranging from 6.0% to 8.8%. Rental growth expectations ranged from 0.0% to 5.5% with averages ranging from 2.1% to 3.7%. Expense growth expectations ranged from 0.0% to 3.5% with averages of 2.8% for all property types.

REAL ESTATE INVESTMENT CRITERIA BY PROPERTY TYPE
First Quarter 2013

	OFFICE		INDUSTRIAL			RETAIL			APARTMENT	HOTEL
	CBD	Suburban	Warehouse	R&D	Flex	Regional Mall	Power Center	Neighborhood /Community	Apartment	Hotel
Pre-Tax yield (IRR)(%)										
Range	6.5 # 9.0	7.0 - 12.0	6.5 - 11.0	7.5 - 11.0	7.5 - 12.0	6.3 - 9.0	7.3 - 11.0	6.8 - 11.0	6.0 - 10.0	9.0 - 12.0
Average	**8.0**	**9.1**	**8.3**	**8.9**	**9.2**	**8.1**	**8.9**	**8.5**	**7.7**	**10.1**
Going-in Cap Rate (%)										
Range	5.0 - 8.0	5.5 - 10.0	5.5 - 8.3	6.0 - 10.0	6.0 - 11.0	5.0 - 9.0	6.0 - 9.5	5.5 - 11.0	4.0 - 6.0	6.0 - 10.0
Average	**6.2**	**7.3**	**6.6**	**7.6**	**7.8**	**6.3**	**7.4**	**6.9**	**5.4**	**8.0**
Terminal Cap Rate (%)										
Range	5.5 - 8.0	6.5 - 10.0	6.0 - 8.5	6.8 - 10.0	6.5 - 10.0	6.0 - 9.0	7.0 - 9.5	6.0 - 10.0	4.3 - 7.0	7.5 - 10.5
Average	**6.7**	**7.9**	**7.1**	**8.2**	**8.4**	**6.8**	**8.1**	**7.3**	**6.0**	**8.8**
Rental Growth										
Range	0.0 - 5.0	0.0 - 3.0	1.0 - 4.0	1.0 - 4.0	0.0 - 4.0	0.0 - 4.0	0.0 - 3.0	0.0 - 3.0	2.0 - 4.0	2.0 - 5.5
Average	**3.0**	**2.4**	**2.8**	**2.7**	**2.3**	**2.4**	**2.1**	**2.4**	**3.1**	**3.7**
Expense Growth										
Range	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	1.0 - 3.5	2.0 - 3.0
Average	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**

Hulberg & Associates, Inc.

Regional Summary/Conclusion

Desirable physical features and a well-diversified economy have historically attracted both businesses and residents to Contra Costa County. Within the last few years though the national and local economies have been weak as the country grappled with high unemployment and the ongoing effects of the Great Recession; as a result, commercial markets have suffered. However, there have been positive signs recently, especially in the Bay Area, and Contra Costa County has finally pulled out of double-digit territory, in terms of its unemployment rate. The East Bay was one of California's fast-growing economic regions before the recession began, and once the region works through the effects of the downturn, it is expected to be one of the state's growth markets once again.

Traffic congestion continues to be a problem in the entire San Francisco Bay Region, including Contra Costa County. Nevertheless, local residents remain among the most affluent in the country. The intrinsic desirability of the region, a diverse economic base, historically strong long-term job and population growth, and a dwindling supply of vacant land provide strong support for commercial real estate values and their potential for long-term appreciation.

City & Neighborhood Analysis

The City of Lafayette is located in the central portion of Contra Costa, east of Interstate 680 and on both sides of Highway 24. Lafayette is situated in what is referred to as the "Lamorinda" area. This area encompasses the communities of Lafayette, Moraga, and Orinda, plus the area of Walnut Creek south of Highway 24 and west of Interstate 680. Lafayette is bordered by the City of Moraga to the south, the county limits to the north, Orinda to the west, and Alamo and Danville to the east. An area map is presented below.

Lafayette is noted for its high quality of life with top rated schools, low crime rate, small town downtown, clean air, mild climate and oak tree-studded hills. Located between Berkeley and Walnut Creek, Lafayette has its own Bay Area Rapid Transit station (BART) and is only a 25 minute BART ride from San Francisco.

Lafayette is located among rapidly growing communities. However, with its rural atmosphere, relatively high property values and limited space, Lafayette is not expected to grow significantly. Projections done by the Association of Bay Area Governments (ABAG) indicate there will be very little change in Lafayette through the year 2030. These measurements are based on population, households, employed residents, and jobs in the community.

As of January 1, 2012, the population count for Lafayette as supplied by the State of California Department of Finance was 24,159. This represents an increase of 0.6% from the same time last year.

The Lamorinda population growth rate is less than the Contra Costa County population and this is consistent with its status as a mature community with little available developable land, sloping topography and a no/slow growth attitude. The following chart illustrates population statistics for the Lamorinda communities:

	2010	2015	2020	2025	2030	2035
Lafayette	24,400	24,900	25,500	26,000	26,400	26,900
Moraga	16,600	16,900	17,400	17,800	18,300	18,900
Orinda	17,800	18,100	18,400	18,900	19,200	19,600
Total	**58,800**	**59,900**	**61,300**	**62,700**	**63,900**	**65,400**

2009 Association of Bay Area Governments (ABAG)

Lamorinda is one of the most affluent areas in the entire Bay Area. As you can see from the table below, Lafayette (as well as Moraga and Orinda) has a median income level of *more than* 50% of the county average. The mean household incomes reported by ABAG are as follows:

	2010	2015	2020	2025	2030	2035
Lafayette	$173,100	$181,900	$190,800	$200,500	$210,900	$221,700
Moraga	159,200	166,000	173,000	179,800	189,400	199,600
Orinda	213,400	222,900	231,900	241,200	252,400	263,600
County Avg.	$102,000	$107,500	$113,500	$119,700	$126,200	$133,200

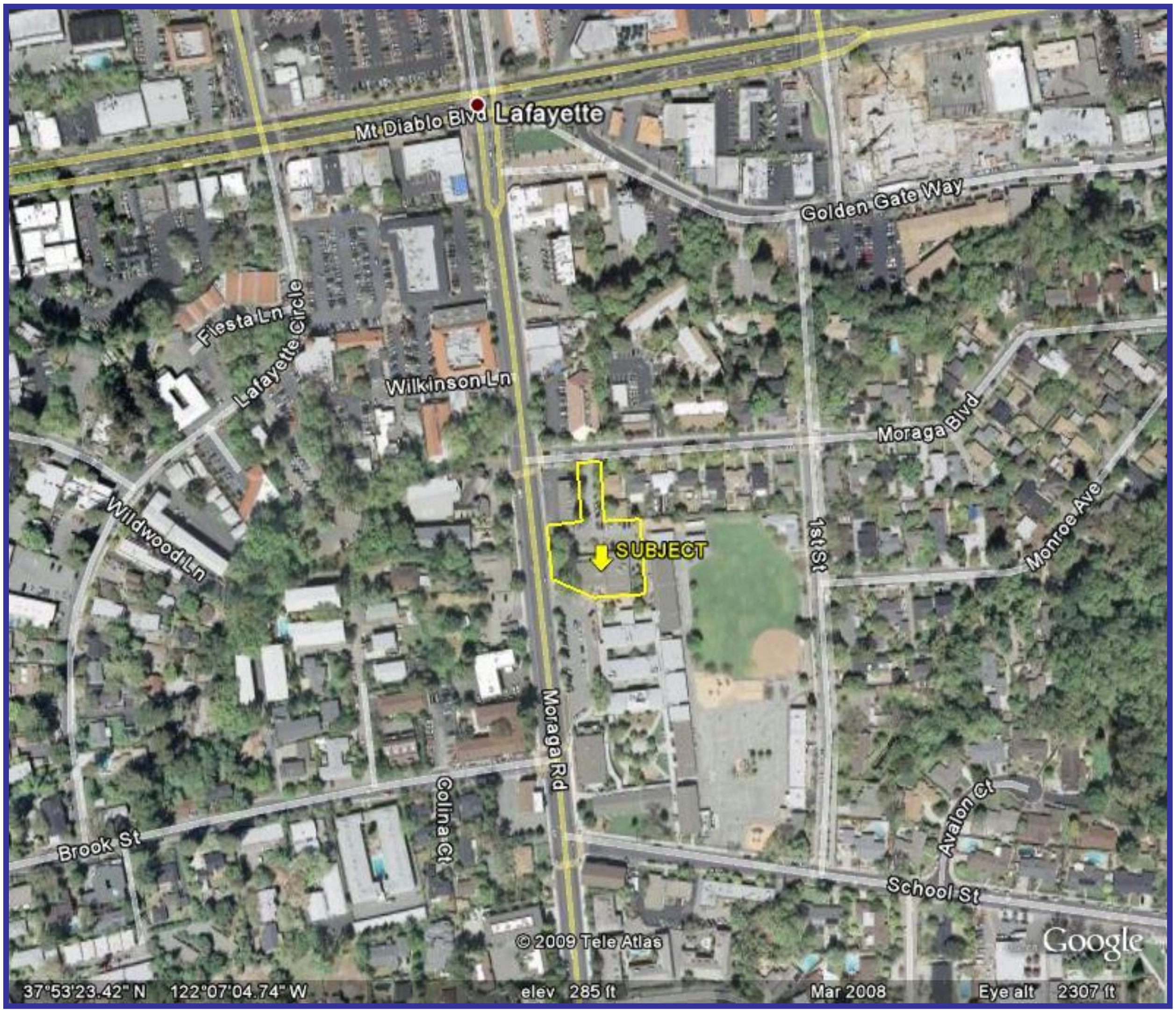
2009 Association of Bay Area Governments (ABAG)

The mean household income is well above the county average. Not surprisingly, the population of these communities is highly educated. Over 50% of the residents have college degrees.

Lafayette has good access to local and regional transportation networks. Lafayette has convenient access to Highway 24, which serves as a primary east/west commute route. Highway 24 provides access to Interstate 680 east, which extends through the proximate cities of Walnut Creek, San Ramon and Concord. Highway 24 provides access to Interstates 80 and 580 east, which extends through the proximate cities of Oakland, Berkeley, and San Francisco. Lafayette is on the BART line and has its own station; therefore, Lafayette is a strategic commute location, which has historically put upward pressure on housing prices. Major local arterials include Mt. Diablo Boulevard in generally an east-west direction and Moraga Road and St. Mary's Road in generally a north-south direction.

Immediate Environs

The subject's immediate neighborhood is generally bounded by Mt. Diablo Boulevard to the north; School Street to the south; 1st Street to the east; and Moraga Road to the west. The neighborhood is best characterized as "mixed" with commercial uses along primary roadways and residential neighborhoods dominating secondary streets. A Neighborhood Map is presented below.



The subject is located adjacent to the southeast corner of Moraga Road and Moraga Boulevard. To the immediate south of the subject is the Lafayette Elementary School, which dominates the majority of the area between Moraga Road and 1st Street, north of School Street. Properties to the immediate east of the subject (fronting Moraga Boulevard) consist of single-family dwellings.

Moraga Road in the vicinity of the subject is improved with commercial type uses. On the northeast corner of Moraga Road and Moraga Boulevard is a multi-tenant retail building. Located to the west of the subject, across Moraga Road and north of School Street, are several medical office buildings. Additionally, the adjacent property located on the southeast corner of Moraga Road and Moraga Boulevard is improved with a single-tenant building occupied by Lafayette Optometric Group.

Mt. Diablo Boulevard is the primary commercial arterial located within two-blocks north of the subject. On the northeast corner of Moraga Road and Mt. Diablo Boulevard is an anchored retail shopping center commonly known as Plaza Center. On the northwest corner of Moraga Road and Mt. Diablo Boulevard is Safeway grocery store. Further west along Mt. Diablo Boulevard the area is dense with several storefront multi-tenant retail buildings and mixed-use commercial properties.

The area has good access to transportation networks. Highway 24 is located approximately a quarter-mile north of the subject. Highway 24 additionally provides access to Interstate 680 east and Interstates 580 and 80 west.

City/Neighborhood Conclusion

In summary, the Lamorinda area and the City of Lafayette are semi-rural, desirable residential locations offering top rated schools, low crime rate, small town downtown, clean air, mild climate and oak tree-studded hills. Transportation access is good and the area is has good proximity to major employment centers in Walnut Creek, Oakland, and San Francisco. Lamorinda has a young affluent population and is considered a good family location.

The neighborhood is best characterized as "mixed" with commercial uses along primary roadways and residential uses along secondary streets. The subject is located along a commercial roadway within close proximity to supporting schools, residential neighborhoods, and local and regional transportation networks. Overall, the subject's location is considered appealing. Overall, no negative impacts were observed.

Market Overview

The subject property was formerly a public library, which is a special-purpose building. The architecture of some special-purpose buildings limits them to a single use, such as churches. However, some special purpose buildings (such as the subject) can physically be converted to accommodate alternative uses. The functional utility of a special-purpose building depends on whether there is continued demand for the use of which the building was designed, and also what uses the city in which it is located will allow. In the case of the subject, a brand new state-of-the-art public library was recently constructed in Lafayette. As such, a library use is no longer a viable use for the subject. However, the property's physical characteristics can accommodate many other type uses.

Libraries and other civic type buildings are typically government-owned; therefore rarely do they transfer ownership and/or lease. However, we searched the entire State of California over the last 10-years and uncovered only 11 library sales. Of the 11 sales, only two had reported sale prices which were both in the $230-$240 per square foot range.

Given the lack of sales data for libraries as well as other government agency/special purpose properties, the Sales Comparison Approach to value is not considered a reliable indication of value. Rather, a more reliable indication of value for libraries and other special-purpose properties can be estimated based on the Cost Approach method. In the Cost Approach, land value is a critical element for obtaining a reliable indication of value for the overall property. It is even more reliable when the improvements have little to no value, or if they are new and actual costs are known. In the case of the subject, the improvement is considered to contribute little value due to its age/condition and also because of its low site coverage ratio (small building size in relation to land area). As such, we felt it was pertinent to include a market overview discussion about general commercial real estate market trends including land.

Commercial Real Estate Market Trends

Recently, we had the opportunity to interview several market participants; who may include buyers and sellers, brokers and other professionals familiar with the commercial real estate market. Through these interviews, we were able to qualitatively ascertain the condition of the local market above and beyond the generally available statistics. Over the course of many of our appraisal assignments, we are and have been actively involved in networking with the brokerage community; interviewing brokers and other market participants and gathering the most recent market data is an "on-going" process and not something we do just for some appraisals, but for all of them.

The general consensus among the brokers interviewed within the last few years is that the overall market is currently weak. Many brokers we spoke with have indicated that there had been very little activity (sales/leasing) in the Bay Area throughout 2009 and into 2011, as compared to previous years. The year 2009 was one of the worst years on record with property values and rental rates dropping 30%-40% (overall) from the height of the market (2007). In most markets, the majority of price/rental rates declines occurred in 2009 and "bottomed out" in early 2010. In 2010 to early 2011, the market, overall, was considered "stable" with stagnant rental rates neither dropping further nor increasing.

In many cases, given high vacancy, stagnant (at best) and increased competition plaguing the market, many property owners were willing to lease their buildings at rates that would barely cover their expenses, but could not drop their rates any lower. In some instances, property owners were forced to sell at prices far below what they paid because they could no longer refinance or generate revenue needed to pay off debt.

However in mid/late 2011 signs of improvement were emerging. Unemployment had dropped throughout the Bay Area and certain property types within various market locations started posting both rental rate and price increases; a trend that hadn't been seen anywhere in the Bay Area for years.

Generally speaking, the year 2012 was a good year for many property types, especially those in first and second tier locations, as net absorption posted in positive territory and vacancy rates had dropped to levels that hadn't been seen for years. However, for the most part, rental rate increases had still yet to be seen, but were anticipated by many in the near future.

Positive economic and market trends, as well as historic low interest rates had driven capitalization rates down nationwide for most property types. In general, capitalization rates topped out in the Fourth Quarter 2009 and trended downward through early/mid 2011, by as much as 200 basis points. The downward pressure on capitalization rates sparked by increased demand had a positive effect on sale prices. Based on data located in our files, prices are believed to have increased by as much as 20% (in some cases) from prices seen in 2009.

With the last couple of years, the market has been slowly recovering. As a result, many developers have emerged from out of the woods and are being active again, thus having a positive influence on land value.

Commercial Land Market

As discussed in the Highest and Best Use section of the report, the subject's site "as if vacant" competes best with commercial land. The discussion below is based on the market for commercial zoned land.

Land value and price appreciation/depreciation is "location specific" and land value can range from as low as approximately $15 per square foot to as high as $100 per square foot (and sometimes more), depending on location, size, and development potential. Industrial land sites will typically sell in the lower-end of the range at $15 to $30. However, industrial land with office and/or R&D allowable uses can be as high as $40 per square foot, depending on location. Commercial and mixed-use land sites will typically sell in the mid to high-end of the range at $30 to $75 per square foot; commercial properties with "first tier" or "A" locations are selling for $50 to $100 per square foot. In the upper-end of this range ($100 per square foot) are for properties in prestigious areas such as Palo Alto and very high density areas such as downtown San Jose. In large, price range differences are primarily due to size, location, development potential, and existing city permits/approvals.

Many different market participants we have interviewed recently are all in agreement that it is extremely difficult to quantify land, and land value opinions vary widely. However, one opinion that is consistent among the brokers is that land values had dropped significantly since 2007. However, brokers we have interviewed recently indicate that there has been increased activity lately especially with multi-family and commercial land "in tier 1 locations". It is believed by many that land prices have increased throughout 2012 because developers are now active and new construction is evident again. However, we would like to reiterate that development activity and demand for land is greatly dependent upon location, and demand for many 2nd /3rd tier locations is still yet to be seen.

We would consider the subject to have a "good 2nd tier" location. Given the demographics of Lafayette and considering the subject's location within Lafayette, we believe there would be good demand (by developers, owner-users, investors) for this property if it were to be marketed as a commercial property. We interviewed various local brokers who are familiar with the subject and market area and asked their opinions of value for the subject (based on land value); the opinions expressed by the brokerage community is that the subject's land is worth roughly $50 to $70 per square foot; based on our experience, we would consider the lower-end of this range to be reasonable

Conclusion

The subject is a special-purpose property. However, it's located along a primary roadway dominated by commercial land uses. The commercial real estate markets have suffered from the recession that started in 2009. However, within the last couple of years the economy has been slowly recovering and market trends for commercial real estate have improved.

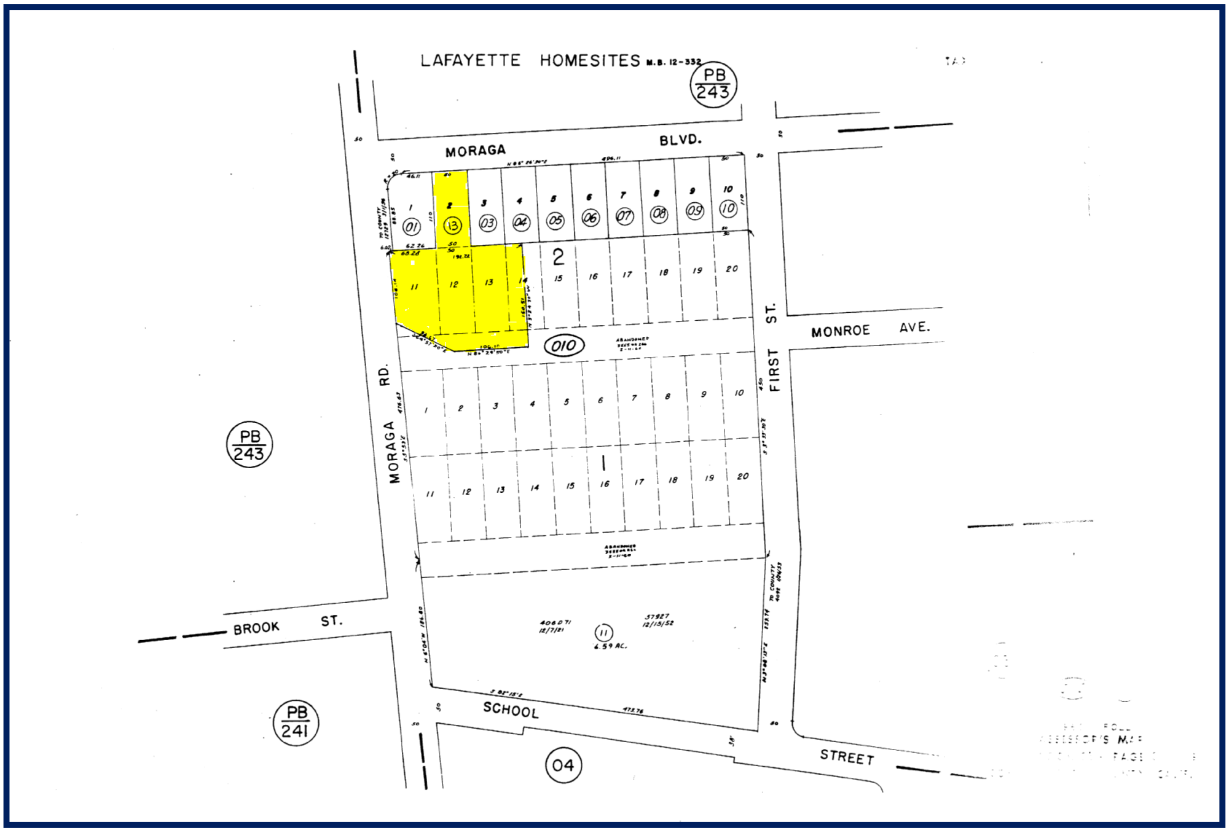
The subject is located within a highly affluent and desirable market area. Given the subject's location and considering improving economic/market trends, we believe the short and long-term outlook for the subject property remain positive.

SECTION II – DESCRIPTIVE INFORMATION

Site Description

The following description is based on our property inspection and public records.

SITE PLAN



General Data

Location:	Lafayette
Street Address:	952 Moraga Road, Lafayette, 94549
Assessor Parcel Number:	234-010-013-6

Adjacent Land Uses

North:	Commercial
South:	School
East:	School
West:	Commercial

Physical Characteristics

Site Area:	32,248 square feet; or 0.74 acres
Shape:	Irregular
Topography:	Level and at street grade
Parcel Type:	Interior lot
Frontage/Visibility:	The subject has 100 feet of frontage along Moraga Road and 50 feet of frontage along Moraga Boulevard. Overall, visibility is rather limited along Moraga Road, but can be improved by removing trees. Visibility along Moraga Boulevard is also

	limited due to the relatively narrow frontage.
Access	
Street Name:	Moraga Road
Street Type:	Commercial
Curb Cuts:	The subject has one curb cut providing one-way access from Moraga Road and one curb cut providing one-way access from Moraga Boulevard.
Alley Access:	No
Site Improvements	
Off-Site Improvements:	Moraga Road and Moraga Boulevard are fully improved paved asphalt roadways with curbs, gutters, sidewalks, and street lights.
Utilities:	All utilities including electricity, sewer, gas, water, and telephone services are available to the site.
On-Site Improvements:	The site is improved with an average-quality masonry building. The remainder of the site consists of a paved parking lot and landscaping, which includes a couple of mature trees. The improvements are in overall fair/average condition.
Flood Zone Data	According to the FEMA Flood Map Number 06013C0288F, dated June 16, 2009, the site is located within Flood Zone "X," areas outside the 100-year flood plains. Mandatory flood insurance purchase requirements do not apply.
Other Site Conditions	
Soils:	We have not been provided with a soils report on the subject property. Based on our physical inspection of the subject and neighborhood, soil conditions appear stable and drainage adequate.
Environmental Issues:	None noted
Easements & Encroachments:	We were not provided with a Preliminary Title Report. This appraisal is based on the assumption that there are no easements, encroachments or encumbrances that would have an impact on the marketability or value of the subject.
Other:	There are 40 parking spaces on-site indicating a parking ratio of 6.7 spaces per 1,000 square feet of building area.

Zoning Designation

The subject is zoned "R-6" Single-Family Residential District 6. The General Plan Designation is Community Facility Civic Uses.

The allowable uses in the R-6 District consist of detached single-family dwelling; crop and tree farming; publicly owned parks and playgrounds; foster home or family care; or a home occupation. The uses allowed with a conditional use permit include: residential businesses; hospitals; churches and religious institutions; community buildings; greenhouses, commercial nurseries; medical and dental offices and medical clinics; and publicly owned buildings and structures.

The allowable uses as stipulated in the General Plan includes public buildings and facilities including public libraries, City offices, fire and police stations, schools, religious institutions, and community recreation facilities. The maximum floor area ratio (FAR) shall not exceed .75.

The subject property is vacant. However, it can legally and physically be used with the uses underlined above. Overall, based on the property's former use and existing physical characteristics and configuration, it is our understanding that the subject property is considered to be a legal and conforming use.

Improvement Description

The following description is based on our property inspection and county records.

FRONT PHOTO

General Data

Property Type:	Civic
Property Subtype:	Special Use
Number of Buildings:	One
Number of Stories:	One
Number of Tenant Spaces:	None

Building Area

Net Rentable Area:	6,000 square feet
Gross Building Area:	6,000 square feet

Age / Life

Year Built:	1962
Actual Age:	51 years
Effective Age:	50 years
Typical Building Life:	60 years
Remaining Economic Life:	10 years

Comments

The property consists of a former public library on a 32,248 square foot site. The improvement consists of a single-story building containing a total gross and rentable building area of 6,000 square feet. The building was constructed in 1962 and is in fair to average condition. The property is 100% vacant.

The building is of Class "C" average quality construction. The exterior walls consist of a mix of brick and wood-framing, and the roof is flat with a built-up covering. The foundation consists of concrete slab on grade. There are single-pane windows set in wood framing around the perimeter of the building.

The interior is demised into a front check-out desk and staff area with an office, break room, and employee restroom; two public restrooms; a couple of closets; mechanical room; and large open areas. Demising walls are of wood-frame construction covered with painted sheetrock. The restrooms contain vinyl flooring and tile covered walls. The remainder of the building contains carpeted flooring. With the exception of the library area (which is the majority of the building), the ceiling is approximately 10-feet high. The ceilings in the library are approximately 20-feet high. The ceilings consists of a combination of suspended acoustical ceilings with T-bar framing and recessed florescent lights and "popcorn" style ceilings with mounted florescent lights.

In terms of fire safety, the building does not have fire sprinkler protection. Heating and air-conditioning is provided by roof mounted HVAC units delivering forced air through ceiling vents.

The interior condition of the building is considered fair to average. The carpet and other flooring is in poor to fair condition and needs to be replaced. Evidence of a roof leak, or previous roof leak was evident from stained carpet and ceiling tile. The remainder of the interior is also considered to be in fair/average condition.

The functional utility of the building is rated as average. Given the size and design of the building, it is best utilized as a government office building or other community building. However, to maximize the utility of the building, it will need to be renovated with all necessary repairs made.

The subject property has 40 parking spaces indicating a parking ratio of 6.7 spaces per 1,000 square feet of building area.

The building was constructed in 1962 and is in fair to average condition. The chronological age is reportedly 51-years. The improvement is in fair to average condition with sings of deferred maintenance. We estimate the effective age of the improvement to be 50-years. Based on an estimated total economic life of 60-years, the subject's remaining economic life is estimated at 10-years, at best.

Additional photographs of the subject are provided on the following pages.

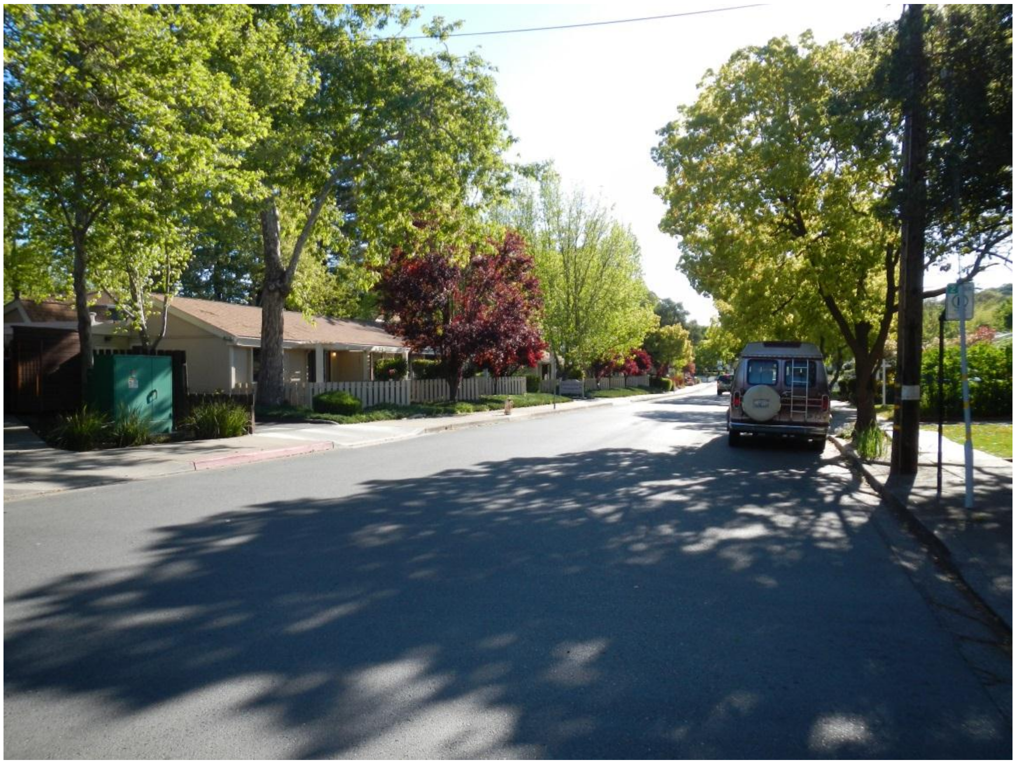
Lafayette Road facing north

Lafayette Road facing south

Curb-cut located off of Moraga Road

Driveway and parking lot extending out to Moraga Boulevard

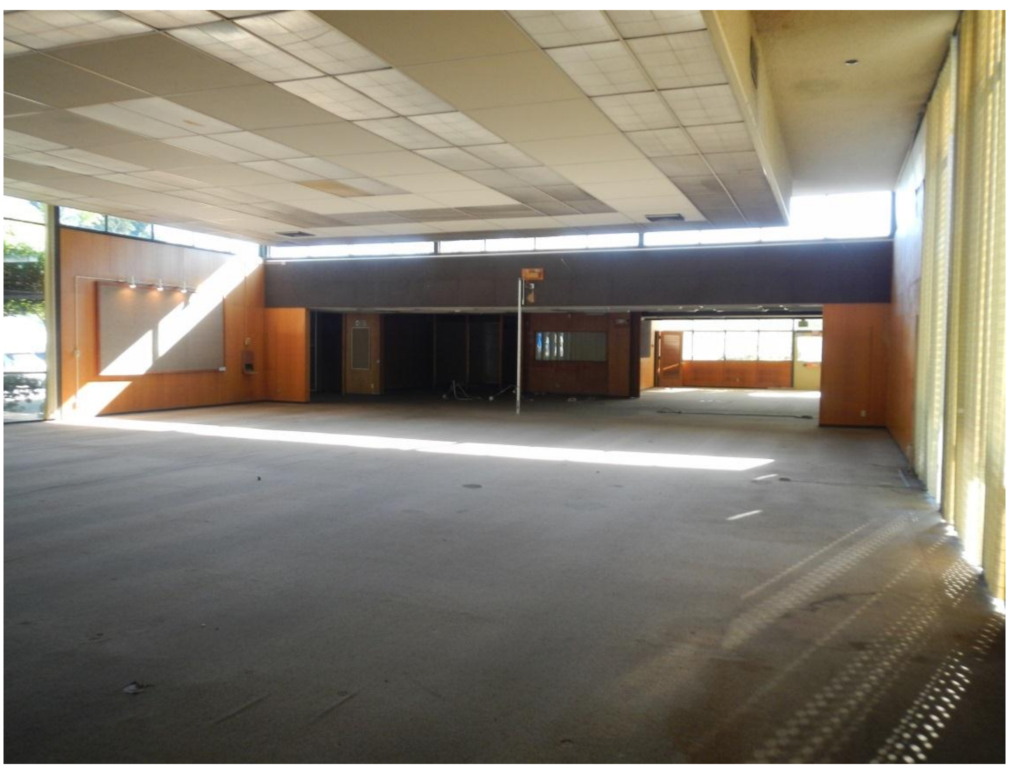
Moraga Boulevard facing west



Moraga Boulevard facing east

Exterior view of building

Interior view



Highest & Best Use Analysis

Highest and best use, as used in this appraisal, is defined as follows: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

Generally, a property's highest and best use corresponds to the legal use allowed by zoning for vacant lands and the existing use for improved properties, unless the improvements represent an uneconomic use of the land. An existing use will usually continue until the value of the land as if vacant, less demolition, exceeds the value of the improved property. Evidence of the latter would be indicated by similarly improved properties selling for essentially land value.

The highest and best use of both the land as though vacant and the property as improved must meet four key tests. The highest and best use must be:

- Physically Possible
- Legally Permissible
- Financially Feasible
- Maximally Productive

These criteria are usually considered sequentially: a use may be financially feasible, but this is irrelevant if it is physically impossible or legally prohibited. Only when there is a reasonable possibility that one of the prior, unacceptable conditions can be changed is it appropriate to proceed with the next step in the analysis.

Site "As if Vacant"

The subject site is 32,248 square feet, irregular in shape, and is situated adjacent to the southeast corner of Moraga Road and Moraga Boulevard, in Lafayette. Visibility of the subject site is rather limited from both Moraga Road and Moraga Boulevard. However, visibility can be improved along Moraga Road by razing fronting trees. The site is level and at street grade with all utilities available. Its physical characteristics make it suitable for a number of uses.

The subject is located along Moraga Road. Within close proximity to the subject, and fronting Moraga Road, are various commercial buildings such as medical offices, professional offices, and commercial/retail uses. Given the subject's location, the site is best suited for development of a commercial building.

However, the subject's zoning and General Plan designation limit it to civic type uses, which includes government offices, community buildings, medical and dental offices and medical clinics, publicly owned buildings and structures, schools, religious institutions, and community recreation facilities.

Based on the above information, the highest and best use "as if vacant" would be to develop the site with a community building of the maximum size and density, as needed by the City of Lafayette or County of Contra Costa, consistent with current market standards at the time of construction.

Site "As Improved"

The existing improvements consist of a 6,000 square foot former public library in fair/average condition. Overall, given the subject's physical characteristics and configuration, it can be used for a number of uses. In our opinion, based on the building's utility potential it does have some value. However, given the condition of the property, and considering the amount of land area, the improvements contribute marginal (very little) value to the overall property. It is our opinion that the highest and best use of the subject property "as improved" would be to renovate the building and make all necessary repairs to be used as a government office or other community facility.

Most Probable Buyer/User

As of the date of value, given the subject's existing zoning, the most probable buyer of the subject property is a government agency.

SECTION III - VALUATION

Appraisal Process

The subject property is a special purpose property; a former library with zoning that allows for civic type uses. Because these properties are not leased and/or purchased by investors, the Income Approach was not considered a necessary and/or reliable indication of value for the subject. Because libraries rarely sell in the open market, and because the property could not be used for public commercial uses, the Sales Comparison Approach was not considered a necessary and/or reliable indication of value for the subject.

Given the physical characteristics of the subject and considering the available market data for recent land sales, and accuracy/reliability of data related to the subject improvement, we have determined that the most reliable method of valuation for the subject is the Cost Approach.

As a test of reasonableness and to provide additional support, the value indicated by the Cost Approach was compared with other recent sales of various commercial properties with similar physical and location characteristics as the subject.

Cost Approach

The underlying premise of this approach is that an informed prudent buyer would pay no more for a property than the cost of developing a substitute of equal utility. This approach involves valuing the subject site area “as if vacant” and adding to this the depreciated replacement cost of the improvement.

The first step in this method is to determine the value of the site.

Land Valuation

The subject is located along a commercial roadway. Additionally, uses permitted under the zoning and General Plan that would be considered most appropriate for the subject’s existing improvements are consistent with and related to commercial type uses. As such, a survey was made for sales and listings of commercial land sales.

Comparable Sales and Data

A search of data sources and public records, a field survey, and interviews with knowledgeable real estate professionals in the area was conducted to obtain and verify land sites comparable to the subject property which have sold or been listed recently in the competitive market.

Of the numerous sales analyzed, we have relied on five sales as most meaningful to this appraisal. These comparables are summarized in the table on page 34, followed by a location map. Next are our comparable sales sheets which discuss the comparables and our adjustments.

Elements of Comparison

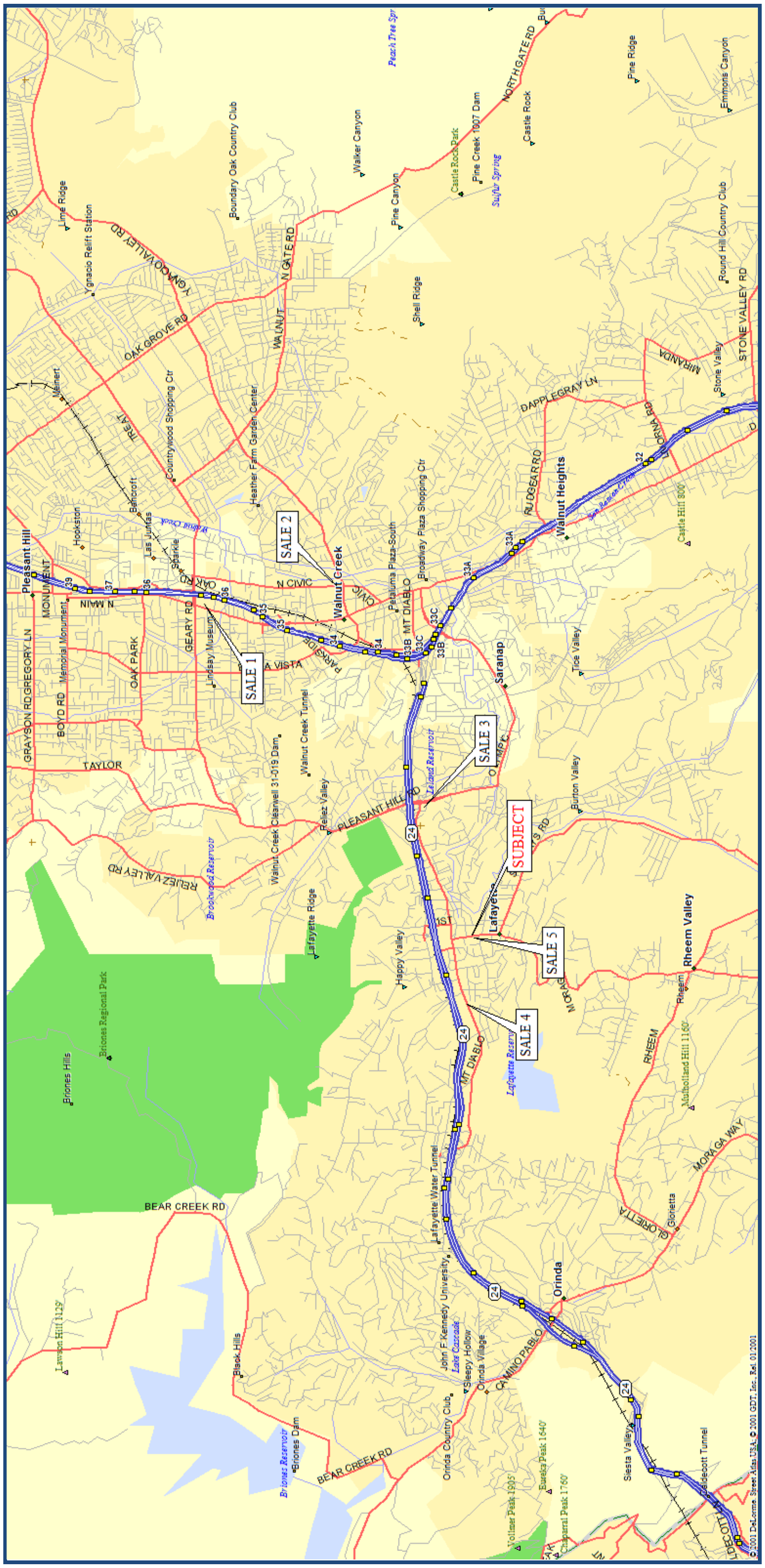
Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The main elements of comparison that should be considered in land sale comparison analysis are as follows: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) market conditions, (5) location, (6) physical characteristics, (7) permits/approvals (9) zoning/utility, and (10) existing improvements. Quantifiable adjustments for demolition costs and for the approval process were also considered.

All of the comparables are analyzed and adjustments are made for differences in the various elements of comparison discussed above. Because of the difficulty in adjusting the comparable sales to the subject property, we have included a Land Adjustment Grid showing the elements of comparison. The Land Adjustment Grid is not a scientific method in adjusting the comparable sales in comparison to the subject property. It is presented merely as an explanation to help the reader follow the appraiser's judgment in the adjustment process. While the amount of individual adjustments can be argued, they do help provide an order of magnitude and an adjustment direction based on the market data presented. In short, if the comparable sale is considered superior to the subject, we applied a negative adjustment to the comparable sale. A positive adjustment to the comparable property is applied if it is considered inferior to the subject.

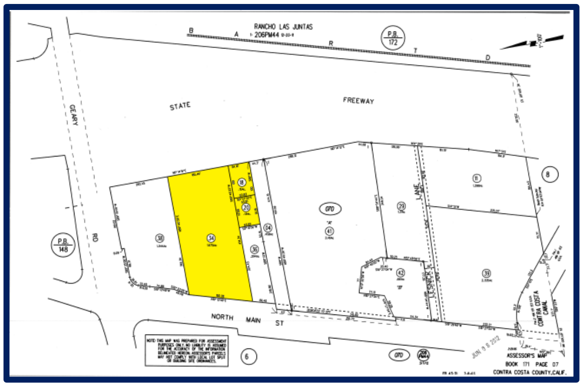
COMPARABLE SALES SUMMARY

LAND SALES SUMMARY							
Sale No.	Location	Parcel Size (S.F. / Acres)	Zoning	Sale Date	Sale Price	Price/S.F.	Comments
1	2860 N. Main Street Walnut Creek	85,160 1.96	SC	Mar-13	$4,200,000	**$49.32**	Irregular shaped parcel w/ freeway visibility Buyer intends to build office building; sold with approvals.
2	141 N. Civic Drive Walnut Creek	221,067 5.08	OC	Oct-12	$18,200,000	**$82.33**	Irregular shaped parcel w/ interior location. Improved w/ 80,000 s.f. office building. Buyer intends to build high density multi-family dwellings; sold with approvals.
3	3201 Mt. Diablo Boulevard Lafayette	65,340 1.50	C	May-12	$3,400,000	**$52.04**	Irregular shaped parcel located off HWY-24 on/off-ramps. Improved w/ 6,535 s.f. restaurant. Buyer intends to build residential
4	3722 Mt. Diablo Boulevard Lafayette	8,712 0.20	C	Oct-11	$500,000	**$57.39**	Irregular shaped parcel located off primary roadway. Buyer intends to build office building.
5	941-945 Moraga Road Lafayette	25,003 0.57	MRO	Sep-10	$1,268,177	**$50.72**	Irregular shaped parcels located off primary roadway. Buyer is City Government holding for future development.
	Subject 952 Moraga Road Lafayette	 32,248 0.74					 One improved irregular shaped parcel w/ access from 2-streets; General Plan allows for office, community, and civic uses; max FAR = 75%.

COMPARABLE SALES MAP



Land Comparable 1



Property Type:	Land
Property Sub-Type:	Office Land
Address:	2860 N. Main Street, Walnut Creek, California 94597
County:	Contra Costa
Tax ID/APN(s):	171-070-020, 018, 034
Confirmed With:	Doug Pearson
Confirmed By:	Jeremy Bargy

Land Description

Net Acres:	1.96
Net SF:	85.160
Zoning:	SC

Transaction Information

Status:	Closed
Recording Date:	03-27-2013
Recording #:	076936
Sale Price:	$4,200,000
Sale Price/Land S.F.:	$49.32
Grantor:	Oliver Family Trust
Grantee:	Progressive Casualty Insurance

Comments: This is the sale of three vacant parcels located in Walnut Creek. The property is located just southwest of Treat Boulevard and Interstate 680 with easy freeway access and good visibility.

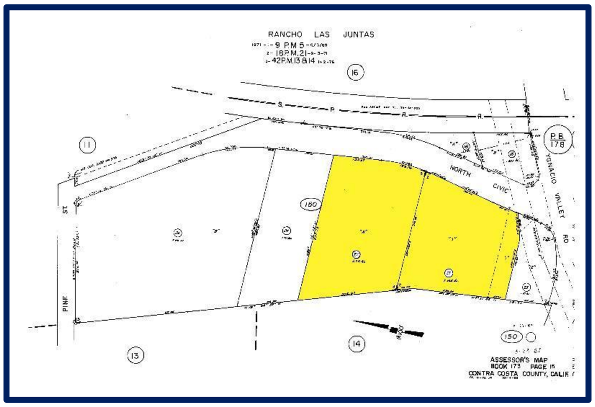
The three parcels contain 85,160 square feet of total land area, or 1.96-acres. The site is level and at street grade with all utilities available. The property is zoned Service Commercial (SC), which allows various commercial uses.

The property was listed on the market for a couple of years. The listing price was $4.5 million. The property actually sold for $4.2 million; however, the buyer paid an additional $300,000 for mineral rights (basically to have clean title). As such, the total price paid was $4.5 million.

The buyer plans to develop the site with an insurance office building and claims center. It was reported that the property sold with approvals, which were valued by the broker at roughly $100,000.

Adjustments: The buyer paid an additional $300,000 for mineral rights and an upward adjustment was applied. The property sold with approvals and a quantifiable downward adjustment was supported. No other adjustments were considered necessary and/or were justified. Overall, a net upward adjustment was made and a higher per square foot value is indicated for the subject.

Land Comparable 2



Property Type: Land
Property Sub-Type: Commercial
Address: 141 N. Civic, Walnut Creek, California 94596
County: Contra Costa
Tax ID/APN: 173-150-028-4

Confirmed With: Public Records, Costar
Confirmed By: Stephanie Byrne

Land Description

Net Acres: 5.08
Net SF: 221,067
Zoning: O-C Office Commercial

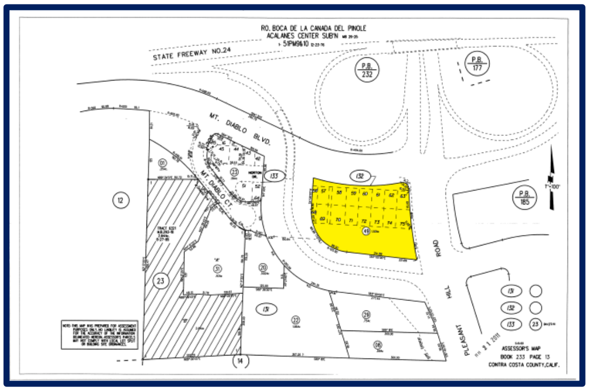
Transaction Information

Status: Recorded
Recording Date: 10-30-2012
Recording #: 273621
Sale Price: $18,200,000
Sale Price/Land S.F.: $82.33
Grantor: Longs Drugs Stores Inc
Grantee: Paragon Walnut Creek

Comments: This is the sale of the Longs Drugs Headquarters office building and 5.08 acre site located in Walnut Creek. It is an interior site with approximately 538 feet of frontage on N. Civic Drive in downtown Walnut Creek. The 90,042 square foot office is expected to be demolished and the buyer intends to build a four story, 225,000 square foot, 300-unit apartment building that will have 204 one bedroom apartments and 96 two bedroom units. There will be ground floor retail and the parking garage will have 455 stalls. This is considered a high-density mixed-use project. Construction is expected to begin in the Fall of 2012 and conclude in the Summer of 2014. To the best of our understanding, the property sold contingent upon approvals.

Adjustments: The property is larger in size as the subject and an upward adjustment was considered reasonable. The property sold contingent upon approvals and a downward adjustment was necessary. The property was purchased for the development of a high density mixed-use project with a heavy multi-family component and a large downward adjustment for zoning/utility was justified. The property was improved with an office building and an upward adjustment for demolitions costs was applied. No other adjustments were considered necessary and/or were justified. Overall, a net downward adjustment was made and a lower per square foot value is indicated for the subject.

Land Comparable 3



Property Type:	Land
Property Sub-Type:	Commercial
Address:	3201 Mt. Diablo Boulevard, Lafayette, California 94549
County:	Contra Costa
Tax ID/APN:	233-132-049-5
Confirmed With:	Rick Russell, Cassidy Turley
Confirmed By:	David Bowden

Land Description

Net Acres:	1.50
Net SF:	65,340
Zoning:	C-1

Transaction Information

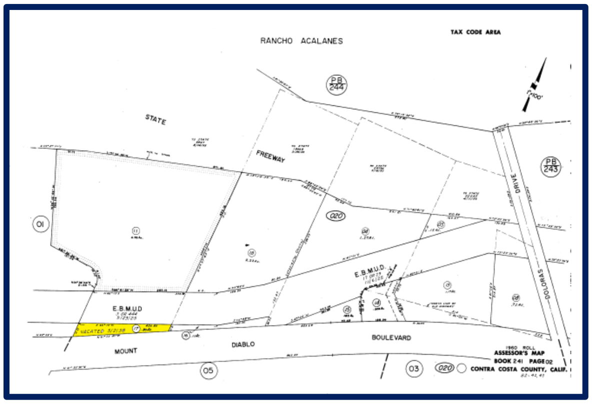
Status:	Closed
Recording Date:	05-31-2012
Recording #:	129084
Sale Price:	$4,200,000
Sale Price/Land S.F.:	$52.04
Grantor:	Jack J. & Audi J. Dudum
Grantee:	Taylor Morrison of California, LLC

Comments: This is the sale of a former Hungry Hunter restaurant. The building contains 6,538 square feet, was constructed in 1975 and in average condition. Site coverage is 10 percent and a parking ratio of 15.45/1,000. The property is located on the corner of Mt. Diablo Boulevard and Pleasant Hill Road, right off of Highway 24 on/off ramps.

The buyer purchased the site to develop it with 23 townhomes. There were no entitlements on the property at the time of sale, but the buyers are engaged in the process for this to happen at close of escrow.

Adjustments: The property was improved with a restaurant and an upward adjustment for demolitions costs was applied. Overall, a net upward adjustment was made and a slightly higher per square foot value is indicated for the subject.

Land Comparable 4



Property Type:	Land
Property Sub-Type:	Office Land
Address:	3722 Mt. Diablo Boulevard, Lafayette, California 94549
County:	Contra Costa
Tax ID/APN:	241-020-017
Confirmed With:	David Schnayer
Confirmed By:	Jeremy Bargy

Land Description

Net Acres:	0.20
Net SF:	8,712
Zoning:	C

Transaction Information

Status:	Closed
Recording Date:	10-28-2011
Recording #:	233180
Sale Price:	$500,000
Sale Price/Land S.F.:	$57.39
Grantor:	Trooper Investment, LP
Grantee:	Miller Lafayette Holdings, LLC

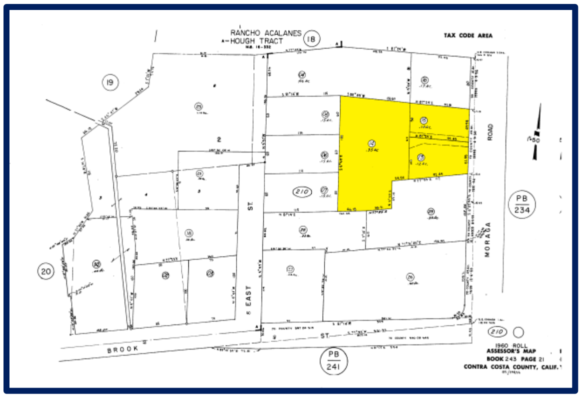
Comments: This is the sale of a vacant parcel located in Lafayette. The property is located along Mt. Diablo Boulevard (a primary commercial roadway), but outside the city s prime retail district.

The parcel contains 8,712 square feet of total land area, or 0.20-acres. The site is level and at street grade with all utilities available. The property is zoned Commercial, which allows various commercial uses.

The buyer plans to develop the site with a 6,000 square foot "green" office building. Total costs, including the office building were estimated at $2.2 million. It was reported that the property sold with approvals, which were valued by the broker at roughly $120,000.

Adjustments: The property sold in 2011; because market conditions have improved since this period of time, an upward adjustment was considered relevant. The property is smaller in size, as compared to the subject, and a downward adjustment was made. The property has a very odd shape which can limit its development potential and an upward adjustment was merited. The property sold with approvals and a quantifiable downward adjustment was supported. No other adjustments were considered necessary and/or were justified. Overall, a net downward adjustment was made and a lower per square foot value is indicated for the subject.

Land Comparable 5



Property Type:	Land
Property Sub-Type:	Commercial
Address:	941-945 Moraga Road, Lafayette, California 94549
County:	Contra Costa
Tax ID/APN(s):	243-210-013, 014, and 015
Confirmed With:	David Schnayer City of Lafayette
Confirmed By:	Jeremy Bargy

Land Description

Net Acres:	0.57
Net SF:	25,003
Zoning:	MRO

Transaction Information

Status:	Closed
Recording Date:	9/24/10
Recording #:	204140
Sale Price:	$1,268,177
Sale Price/Land S.F.:	$50.72
Grantor:	949 Moraga, LLC
Grantee:	City of Lafayette

Comments: This is the sale of a property that included four parcels. The property is located along a primary commercial roadway in Lafayette, just south of the prime downtown retail district.

The property consists of four parcels that were purchased for $2,315,000; the property included one parcel improved with a leased medical office building and three parcels that were vacant or improved with structures that were not considered to have any value. This is a land sale comparable; as such, we have not included the office building in this write-up. This comparable is reflective of the allocated price paid for the land only.

The property is zoned MRO, which allows a broad range of uses including residential and commercial uses. The property was listed on the market for approximately 6-months. The listing price was $3.5 million.

The buyer is the City of Lafayette. They plan to hold the property for future development. They have not yet determined what they will do with the property, but may include something in conjunction with the former library across the street.

Adjustments: The property sold in 2010; because market conditions have improved since this period of time, an upward adjustment was considered relevant. The property was improved with structures ant and an upward adjustment for demolitions costs was applied. Overall, a net upward adjustment was made and a slightly higher per square foot value is indicated for the subject.

Summary of Adjustments

Based on the preceding comparative analysis, we have summarized adjustments to the comparable sales on the following table. We did a qualitative/quantitative analysis. These adjustments are based on our market research, best judgment, and experience in the appraisal of similar properties.

LAND SALE ADJUSTMENT GRID

COMPARABLE SALES	1	2	3	4	5
Date of Sale	Mar-13	Oct-12	May-12	Oct-11	Sep-10
Sale Price	$4,200,000	$18,200,000	$3,400,000	$500,000	$1,268,177
Land Size (S.F.)	85,160	221,067	65,340	8,712	25,003
Zoning					
Price/Square Feet	**$49.32**	**$82.33**	**$52.04**	**$57.39**	**$50.72**
ADJUSTMENTS					
Property Rights	$0	$0	$0	$0	$0
Financing	$0	$0	$0	$0	$0
Conditions of Sale/Listing	$300,000	$0	$0	$0	$0
Total Adjustment	$300,000	$0	$0	$0	$0
Adjusted Sale Price	$4,500,000	$18,200,000	$3,400,000	$500,000	$1,268,177
MARKET CONDITIONS					
Months Since Sale	1	6	11	18	31
Total Adjustment	0.00%	0.00%	0.00%	5.00%	10.00%
Dollar Adjustment	$0	$0	$0	$25,000	$126,818
Adjusted Sale Price	4,500,000	18,200,000	3,400,000	525,000	1,394,995
Location/Access	0.0%	0.0%	0.0%	0.0%	0.0%
Size	0.0%	5.0%	0.0%	-5.0%	0.0%
Shape/Topography	0.0%	0.0%	0.0%	10.0%	0.0%
Permits/Approvals	0.0%	-10.0%	0.0%	0.0%	0.0%
Zoning/Utility	0.0%	-20.0%	0.0%	0.0%	0.0%
Improvements	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL % ADJUSTMENT	0.0%	-25.0%	0.0%	5.0%	0.0%
	$0	-$4,550,000	$0	$26,250	$0
Demolition Costs	$0	$240,000	$32,675	$0	$20,000
Permits/Approvals	($100,000)	$0	$0	($120,000)	$0
INDICATED VALUE	$4,400,000	$13,890,000	$3,432,675	$431,250	$1,414,995
INDICATED PRICE/SQ FT	**$51.67**	**$62.83**	**$52.54**	**$49.50**	**$56.59**

Land Value Indication

From the market data available, land sales in competitive market areas are selected as most comparable to the subject. The unadjusted sale prices for the comparable sales ranged from $49.32 to $82.33 per square foot, with an average of $58.36 per square foot.

We have adjusted the comparable sales based on pertinent elements of comparison as discussed earlier and summarized in the preceding adjustment grid. The final adjusted sale prices reflect a range from $49.50 to $62.83 per square foot, with an average of $54.63 per square foot. The adjusted range is considered relatively tight. We have weighted the comparables more or less equally and conclude to a value of $55.00 per square foot as reasonable for the subject site. The resulting estimate of value for the subject site is by the Sales Comparison Approach equates to $1,773,640, calculated as follows:

32,248 Square Feet X $55/ Square Foot = $1,773,640

Improvement Replacement Cost

The next step in the cost approach is to estimate the replacement cost of the improvement. To estimate the replacement cost of the subject improvement, we have utilized the Marshall Swift Valuation Service Handbook, published by the Marshall Swift Publishing Company. The Marshall Swift Valuation Service is a widely used cost estimating service.

As mentioned in the Improvement Description section of the report, the improvement consists of a single-story building containing a total gross and rentable building area of 6,000 square feet. The building was constructed in 1962 and is in fair to average condition. The building is of Class "C" average quality construction. The exterior walls consist of a mix of brick and wood-framing, and the roof is flat with a built-up covering. The foundation consists of concrete slab on grade. There are single-pane windows set in wood framing around the perimeter of the building.

We have used the building costs for a Class "C" average quality library as the construction details to this these types of libraries (as indicated by Marshall Swift Publishing Company) are most similar to the subject's. The base building cost is estimated by Marshall Swift as follows:

Section 15, Page 32 - Base Cost	$122.04 per square foot
Current Cost Multiplier (April 2013)	× 1.04
Local Multiplier (April 2013)	× 1.37
Total	$173.88 per square foot

Direct costs related to the building are 6,000 X $173.88 = $1,043,296. On-site improvements are estimated at $5.00 per square foot of land area, or $161,240.

Total direct costs, then, are estimated at $1,204,536, as shown in the Cost Approach Summary presented on page 44.

Indirect Costs: In estimating the subject's value by the cost approach, indirect costs must be added to the direct construction expense. Indirect costs are often referred to as "soft costs." Indirect costs are development expenses that would not be included in a general construction contract, and include such items as financing costs, title insurance fees, taxes during construction and insurance. The construction loan fee is based on 3.0% of the total direct and indirect costs. Permanent loan fees are estimated at 3.0% of the sum of the improvement replacement cost new. Legal, title, and other fees are based on 3.0% of total direct and indirect costs. No fees are included for leasing commissions as most libraries are owned by the government.

Indirect costs total $108,000 or about 9% of the direct costs. Adding the indirect costs to the direct costs indicates an estimated replacement cost new of $1,312,536.

Developer's profit is an economic cost that is considered when analyzing a property by the cost approach. While the direct construction costs include an allowance for contractor's overhead and profit, it does not account for developer's profit. The developer's functions include site selection, negotiation of land purchase, developing plans and specifications in conjunction with an architect, site and planning approvals, financing arrangements, negotiation of construction contract, pre-leasing, and supervision of the entire project.

The normal margin of profits for developments similar to the subject ranges from 10% to 30% of direct and indirect costs. In estimating the appropriate level of developer's profit, we considered that almost all libraries are constructed for and occupied and ran by the government. They are not built with the anticipation of developer's profit. In other words, when libraries are constructed, the government doesn't normally expect to earn a profit from the development of a facility. For this reason, we have not included a developer's profit in our analysis.

Depreciation: In order to arrive at an indication of the value of the improvements, depreciation must be deducted from the replacement cost new estimate. There are three types of depreciation which are defined as follows:

- **External Obsolescence** - Loss in value due to factors external to the property itself, such as declining market rents falling to a level below the economic cost needed to construct the improvements' replacement cost new.

- **Functional Obsolescence** - Loss in value from cost new due to defects in design, such as poor floor plan or functional inadequacy or over adequacy.

- **Physical Deterioration** - Loss in value due to deterioration, which may be caused by wear or tear, decay, dry rot or structural defects.

External Obsolescence: The subject has fair/average visibility and is located along a commercial roadway within close proximity to residential neighborhoods and an elementary school. These factors make the location desirable for a library and other community building type uses. No external obsolescence was noted.

Functional Obsolescence: The buildings' design and floor plan are functional for the intended use and appear to meet the demands of the market. The improvements exhibit no functional obsolescence.

Physical Obsolescence: The building was constructed in 1962 and is in fair to average condition. The chronological age is 51-years. The improvements are in fair to average condition with signs of deferred maintenance. We estimate the effective age of the improvements to be 50-years. Based on an estimated total economic life of 60-years, the subject's remaining economic life is estimated at 10-years, at best.

Utilizing an economic life of 60-years, and the effective age of 50-years, yields a physical depreciation estimate of 83% (at minimum) for the building and land improvements. Given the age and condition of the building, we have applied a physical depreciation of 85% as reasonable for the subject.

COST APPROACH SUMMARY						
Direct Costs:						
Building Costs (Including Permits)						
	6,000 s.f.	@	$173.88 /s.f		$1,043,296	
Total Building Costs (Including Permits)					$1,043,296	
Site Improvements						
	32,248 s.f.	@	$5.00 /s.f		$161,240	
Total Direct Costs						$1,204,536
Indirect Costs:						
Construction Loan Fee						
	$1,204,536	@	3.0%		$36,000	
Permanent Loan Fee						
	$1,970,000	X	0.6 L/V ratio	@ 3.0%	$35,460	
Legal, Title, Ins., Acctg., Taxes						
	$1,204,536	@	3.0%		$36,000	
Total Indirect Costs			8.9% of Direct Costs			$107,460
Total Direct and Indirect Costs						$1,311,996
Developer's Profit & Overhead				0.0%		$0
Improvement Replacement Cost						$1,311,996
Less: Depreciation			85.0%			($1,115,196)
Depreciated Replacement Cost of Improvements						$196,799
Land Value						
	32,248 s.f.	@	$55.00 per square foot			$1,770,000
Value Indicated by the Cost Approach						$1,966,799
Total Market Value:						**$1,970,000**

Test of Reasonableness

The value indicated by the Cost Approach is $1,970,000, which equates to ($1,970,000 / 6,000 square feet =) $328.33 per square feet of building area. If you recall, the subject has a low site coverage ratio of 19%.

We searched and found five recent sales of various properties in Lafayette with site coverage ratios ranging from 17% to 27%. For the most part, these properties have improvements that are relatively similar in age and condition as the subject, except for Sale 1. The sales range in price from $312.50 to $609.76 per square foot, with the older properties in the $312.50 to $488.64 per square foot range.

The subject's value indicated by the Cost Approach falls within this range therefore providing additional support to our concluded value.

ADDITIONAL SUPPORT							
Sale No.	Location	Building Size Year Built	Site Size FAR	Sale Date	Sale Price	Price/S.F.	Comments
1	3201-3205 Stanley Boulevard Lafayette	1,968 1983	11,761 17%	Nov-12	$1,200,000	**$609.76**	Day care center.
2	3360 Mt. Diablo Boulevard Lafayette	2,408 1952	9,601 25%	Mar-12	$930,000	**$386.21**	Automotive repair building.
3	337-343 Rheem Boulevard Lafayette	4,304 1974	15,682 27%	Apr-11	$1,400,000	**$325.28**	Retail building
4	3458 Mt. Diablo Boulevard Lafayette	4,800 1961	25,835 19%	Aug-10	$1,500,000	**$312.50**	Commercial/Industrial building
5	261 Lafayette Circle Lafayette	2,200 1950	7,501 29%	Listing	$1,075,000	**$488.64**	Retail building

Summary of Value Conclusion

The indicated value from the Cost Approach is summarized in the following table.

	As Is
Valuation Date:	April 17, 2013
Cost Approach	$1,970,000
Market Value Conclusion	**$1,970,000**

Exposure and Marketing Periods

We estimate exposure and marketing time at 6-9 months as reasonable for the subject property.

General Assumptions & Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished us – is assumed to be correct.

2. No responsibility is assumed for matters legal in character, nor is any opinion rendered by us to title which is assumed to be marketable. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.

3. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.

4. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

5. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.

6. Unless expressly specified in this Agreement, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Hulberg & Associates, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.

7. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.

8. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.

9. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.

10. The information, estimates and opinions which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

11. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Hulberg & Associates, Inc., Inc. has not been engaged to provide this report, does not provide valuation services, and has taken no part in the preparation of this report.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.

13. No claim is intended to be expressed for matters of expertise which would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.

14. This appraisal was prepared for the sole and exclusive use of the client. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Hulberg & Associates, Inc., and Client. The appraiser assumes no liability for unauthorized use of the appraisal report by a third party.

15. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.

16. The value opinion provided herein is subject to any and all predications set forth in this report.

17. If required by governmental authorities, any environmental impact statement prepared for the subject property will be favorable and will be approved.

18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of nontidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

19. If the appraisal is for mortgage loan purposes 1) we assume satisfactory condition of improvements if construction is not complete, 2) no consideration has been given rent loss during rent-up unless otherwise noted in the body of this report, and 3) occupancy at levels consistent with our “Income & Expense Projection” are anticipated.

20. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

21. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.

22. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.

23. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.

24. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.

25. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.

26. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.

27. This appraisal is not intended to be used, and may not be used, on behalf of or in connection with a real estate syndicate or syndicates. A real estate syndicate means a general or limited partnership, joint venture, unincorporated association or similar organization formed for the purpose of, and engaged in, an investment or gain from and interest in real property, including, but not limited to a sale or exchange, trade or development of such real property, on behalf of others, or which is required to be registered with the United States Securities and Exchange Commission or any state regulatory agency which regulates investments made as a public offering. It is agreed that any user of this appraisal who uses it contrary to the prohibitions in this section indemnifies the appraiser and the appraiser's firm and holds them harmless of and from all claims, including attorney's fees, arising from said use.

28. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value conclusion is predicted on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

29. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the Americans with Disabilities Act ("ADA") which became effective January 26, 1992. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.

30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.

31. If any claim is filed against any of Valbridge Property Advisors, Inc. a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.

32. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.

33. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.

34. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and noninsurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.

35. It is your responsibility to read the report and to inform the appraiser of any errors or omissions of which you are aware, prior to utilizing the report.

36. This report and any associated work files are subject to evaluation by Valbridge Property Advisors, Inc. for quality control purposes.

37. All disputes shall be settled by binding arbitration in accordance with then then-existing commercial arbitration rules of the American Arbitration Association (the "AAA).

38. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my/our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

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

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

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

6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

8. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

9. Stephen D. Kuhnhoff, MAI, ASA did not make a personal inspection of the property that is the subject of this report. Jeremy S. Bargy made a personal inspection of the property that is the subject of this report.

10. No one provided significant real property appraisal assistance to the person/people signing this certification.

11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, I, Stephen D. Kuhnhoff, MAI, ASA have completed the continuing education program for Designated Members of the Appraisal Institute.

14. As of the date of this report, I, Jeremy S. Bargy have completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute for Associate Members.

Stephen D. Kuhnhoff, MAI, ASA	Jeremy S. Bargy
Certified-General Appraiser #AG001791	Certified-General Appraiser #AG036071
Expiration Date: February 28, 2014	Expires January 4, 2015

Addenda

Glossary

Definitions are taken from the Dictionary of Real Estate Appraisal, 5th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Additional Rent

Any amounts due under a lease that is in addition to base rent. Most common form is operating expense increases. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically though scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base (Shell) Building

The existing shell condition of a building prior to the installation of tenant improvements. This condition varies from building to building, landlord to landlord, and generally involves the level of finish above the ceiling grid. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

The areas of the building that provide services to building tenants but which are not included in the rentable area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common areas are; floor common areas, parking spaces, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A statement issued by a local government verifying that a newly constructed building is in compliance with all codes and may be occupied.

Common Area (Public) Factor

In a lease, the common area (public) factor is the multiplier to a tenant's useable space that accounts for the tenant's proportionate share of the common area (restrooms, elevator lobby, mechanical rooms, etc.). The public factor is usually expressed as a percentage and ranges from a low of 5% for a full tenant to as high as 15% or more for a multi-tenant floor. Subtracting one (1) from the quotient of the rentable area divided by the useable area yields the load (public) factor. At times confused with the "loss factor" which is the total rentable area of the full floor less the useable area divided by the rentable area. (BOMA)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.

CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings. CAM can refer to all operating expenses.

CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee. (Dictionary)

Condominium
A form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common areas.

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement
An interest in real property restricting future land use to preservation, conservation, wildlife habitat, or some combination of those use. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature to continue, subject to the easement. In some locations, a conservation easement may be referred to as a conservation restriction. (Dictionary)

Contributory Value
The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)
The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability to a property to meet its debt service out of net operating income. Also called Debt Service Coverage Ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an imp[roved safety margin for a lender. (Dictionary)

Deed Restriction
A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation
1) In appraising, the loss in a property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2) In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method. (Dictionary)

Disposition Value
The most probable price that a specified interest in real property is likely to bring under the following conditions:

- Consummation of a sale within a exposure time specified by the client;
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time specified by the client;
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement
The right to use another's land for a stated purpose. (Dictionary)

EIFS
Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date
1) The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Rent
The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TI's). (Dictionary)

EPDM
Ethylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause
A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called an expense recovery clause or stop clause. (Dictionary)

Estoppel Certificate
A statement of material factors or conditions of which another person can rely because it cannot be denied at a later date. In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an estoppel letter. (Dictionary)

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

Expense Stop
A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (Dictionary)

Exposure Time
1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary)

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

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

Floor Common Area
Areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease
A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a full service lease. (Dictionary)

Going Concern Value
- The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern.
- The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable. (Dictionary)

Gross Building Area
The total constructed area of a building. It is generally not used for leasing purposes (BOMA)

Gross Measured Area
The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50% or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of the same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method
A method of calculating variable operating expense in income-producing properties when less than 100% occupancy is assumed. The gross up method approximates the actual expense of providing services to the rentable area of a building given a specified rate of occupancy. (Dictionary)

Ground Lease
A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent
The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC
Heating, ventilation, air conditioning. A general term encompassing any system designed to heat and cool a building in its entirety.

Highest & Best Use
The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are 1) legal permissibility, 2) physical possibility, 3) financial feasibility, and 4) maximally profitability. Alternatively, the probable use of land or improved property-specific with respect to the

user and timing of the use–that is adequately supported and results in the highest present value. (Dictionary)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Industrial Gross Lease

A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real estate taxes as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Dictionary)

(Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees).

Investment Value

The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken. (Dictionary)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary)

Leasehold Interest

The tenant's possessory interest created by a lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a short period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The amount of money borrowed in relation to the total market value of a property. Expressed as a percentage of the loan amount divided by the property value. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations;

term, concessions, renewal and purchase options and tenant improvements (TI's). (Dictionary)

Market Value As If Complete

Market value as if complete means the market value of the property with all proposed construction, conversion or rehabilitation hypothetically completed or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value As If Stabilized

Market value as if stabilized means the market value of the property at a current point and time when all improvements have been physically constructed and the property has been leased to its optimum level of long term occupancy.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary)

Master Lease

A lease in which the fee owners leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the optionee) to buy, sell, or lease real property for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole (a fractional interest). (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real estate taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Prospective Future Value Upon Completion

Market value "upon completion" is a prospective future value estimate of a property at a point in time when all of its improvements are fully completed. It assumes all proposed construction, conversion, or rehabilitation is hypothetically complete as of a future date when such effort is projected to occur. The projected completion date and the value estimate must reflect the market value of the property in its projected condition, i.e., completely vacant or partially occupied. The cash flow must reflect lease-up costs, required tenant improvements and leasing commissions on all areas not leased and occupied.

Prospective Future Value Upon Stabilization

Market value "upon stabilization" is a prospective future value estimate of a property at a point in time when stabilized occupancy has been achieved. The projected stabilization date and the value estimate must reflect the absorption period required to achieve stabilization. In addition, the cash flows must reflect lease-up costs, required tenant improvements and leasing commissions on all unleased areas.

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate
The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease
An agreement in which the lessee (i.e., the tenant) leases part or all of the property to another party and thereby becomes a lessor. (Dictionary)

Subordination
A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Substantial Completion
Generally used in reference to the construction of tenant improvements (TI's). The tenant's premises are typically deemed to be substantially completed when all of the TI's for the premises have been completed in accordance with the plans and specifications previously approved by the tenant. Sometimes used to define the commencement date of a lease.

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

Triple Net (Net Net Net) Lease
A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net leases, or fully net lease. (Dictionary)

(The market definition of a triple net leases varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area
The measured area of an office area, store area or building common area on a floor. The total of all the usable areas or a floor shall equal floor usable area of that same floor. The amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. (BOMA)

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

Subject Photographs

Lafayette Road facing north

Lafayette Road facing south

Curb-cut located off of Moraga Road

Driveway and parking lot extending out to Moraga Boulevard

Moraga Boulevard facing west

Moraga Boulevard facing east

Exterior view of building

Interior view

Qualifications page(s)

Qualifications of Stephen D. Kuhnhoff, MAI, ASA
Managing Director
Valbridge Property Advisors | Hulberg & Associates, Inc.

Independent Valuations for a Variable World

State Certifications

Certified General
State of California

Education

Bachelor of Arts and
Secondary Education
Credential
Mathematics
Sonoma State University

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Membership/Affiliations

Member	Appraisal Institute	MAI Designation
Senior Member	American Society of Appraisers (ASA) designated in Machinery/Technical Valuation and Real Property Urban	

Experience:

Managing Director
Valbridge Property Advisors | Hulberg & Associates, Inc. (2013-Present)

Senior Vice President/Branch Manager
Hulberg & Associates, Inc. (1998-2013)

Senior Appraiser
Hulberg & Associates, Inc. (1987-1998)

Manager, Real Estate, Machinery & Equipment Appraisal
Arthur Andersen & Company (1984-1987)

Commercial Real Estate, Machinery & Equipment Appraiser
Marshall & Stevens, Inc. (1979-1984)

Appraisal/valuation and consulting assignments include:

Commercial: Retail shopping centers, medical and professional office buildings, vacant land.

Industrial: Mini storage, warehouses, manufacturing, R&D, biotech, vacant land.

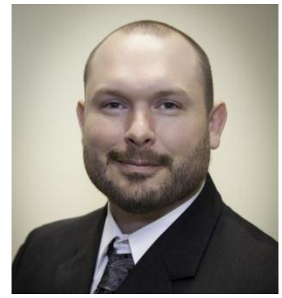
Residential: Single family, apartments, vacant land

Special Purpose: Athletic clubs, hospitals, medical clinics, assisted living, convalescent hospitals, nursing homes, marinas, hotels, motels.

Other: Minority interest valuation, condemnation, litigation support, arbitrations and review appraisals.

Qualified as expert witness in Alameda, Contra Costa, San Mateo, and Santa Clara Counties and State of Utah.

Qualifications of Jeremy S. Bargy
Appraiser
Valbridge Property Advisors | Hulberg & Associates, Inc.



Independent Valuations for a Variable World

State Certifications

Certified General
State of California

Education

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Finance
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Membership/Affiliations
Candidate for Designation with the Appraisal Institute

Appraisal Institute & Related Courses:
- Appraisal Principles
- Appraisal Procedures
- Basic Income Capitalization
- General Applications
- Standards of Prof. Appraisal Practice
- Business Practices and Ethics
- Laws and Regulations
- Residential Report Writing & Case Studies
- General Market Analysis and Highest & Best Use
- General Appraiser Report Writing and Case Studies
- Advanced Sales Comparison and Cost Approaches
- Advanced Income
- Advanced Concepts & Case Studies

Experience:
Appraiser
Valbridge Property Advisors | Hulberg & Associates, Inc. (2013-Present)

Associate Appraiser
Hulberg & Associates, Inc. (2004-2013)

Market Researcher
Vaughan C. Bargy & Associates (2004)

Commercial: Restaurants, store-front retail, freestanding retail, professional office, medical office, mixed-use (retail/office), multi-tenant retail centers (neighborhood & regional), automotive repair shops, commercial service, and vacant land.

Industrial: Industrial (light & heavy), manufacturing/ warehouse, condominiums, research and development (R&D), and vacant land.

Residential:	Single-family homes, apartments (all sizes), mixed-use properties (residential/ commercial), and vacant land.
Special Purpose:	Banks, religious facilities, car dealerships, gas stations, leasehold interests, appraisal reviews, and billboards.