AN APPRAISAL REVIEW OF

An Appraisal Prepared by Mr. Chris Bell, MAI regarding the
The Gualala River Forest Property containing about 13,913 acres

LOCATION

The subject property is located northwest of Yorkville, bisected by Fish Rock Road in southwestern Mendocino County, about ten miles east of the community of Gualala and within the Gualala River watershed, in Mendocino County, California

CLIENT

Ms. Teri Muzik, Senior Land Agent
State of California
Natural Resources Agency
Department of Fish and Game
Wildlife Conservation Board
1807 13th Street, Suite 103
Sacramento, CA 95811-7137

Richard A. Murphy, MAI

P.O. Box 994750, Redding, California 96099-4750
"*Accurate Analysis – Understandable Results*"
Phone: (530) 246-1635 Fax: (530) 246-1881

August 9, 2011

Teri Muzik, Senior Land Agent
State of California
Natural Resources Agency
Department of Fish and Game
Wildlife Conservation Board
1807 13th Street, Suite 103
Sacramento, CA 95811-7137

RE: Review of an appraisal prepared by Chris Bell, AG023519, regarding "The Gualala River Forest Property," *Project ID: 2009017*, **Contract Number WC-1099TM**, published on April 11, 2011 with a valuation date of April 11, 2001. **The appraisal referenced above is hereby attached by reference and this appraisal review should not be considered unless accompanied by the report.*

Dear Ms. Muzik,

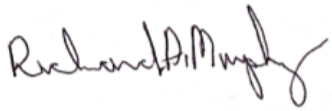
At your request, I have prepared a technical desk review of an appraisal report pertaining to the real estate identified above. The purpose of the review was to determine compliance with the 2010-11 version of the Uniform Standards of Professional Appraisal Practice (USPAP).

The attached technical appraisal review conveys my opinions regarding the appraisal's compliance with USPAP. If applicable, it also details deficiencies. It is outside this review's primary scope of work to develop separate value opinions.

Overall, the appraisal which is set in a summary format satisfactorily complies with the minimum requirements of the Uniform Standards of Professional Appraisal Practice. Based on a technical review as defined within this report, the review process supports the appraiser's opinions of value as follows:

As Is	$30,000,000
Hypothetical Condition with Conservation Easement In Place	$7,760,000
Indicated Value of Proposed Conservation Easement	$22,240,000

Sincerely,



Richard A. Murphy, MAI
California Certified General Real Estate Appraiser #AG004181
License Expiration Date: 11/3/2012

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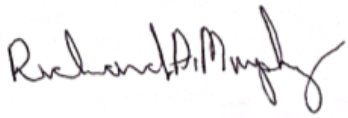
Certificate of Review Appraiser

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- my compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- I have not made a personal inspection of the subject of the work under review.
- no one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I Richard A. Murphy **have** completed the continuing education program of the Appraisal Institute.



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Summary of Salient Facts

Client	State of California Natural Resources Agency Department of Fish and Game Wildlife Conservation Board 1807 13th Street, Suite 103 Sacramento, CA 95811-7137
Client's Review File Number	WC-1099TM
Review Appraiser	Richard Murphy, MAI Ca Cert. AG004181 RMG Appraisers 1411 Yuba Street Redding, CA 96001 Ph: (530)-246-1635
Review Appraiser's File #	11031.ram
Preparer of Appraisal	Chris Bell, MAI Ca Cert. AG023519 Appraisal Associates 540 Swain Avenue Sebastopol, CA 95472 Ph: (707)-569-8891
Appraiser's File Identification	None
Property APN(s)	Tract One comprising 049-030-(14,43); 049-040-(04,14,19,20,21,22,23,24); 049-400-(04,05,23,25,27,34,35,37, 38,39,40,41,42,43,44,45, 46,47,48,49, and 50,51,52,53); 049-410-(05,11,20,24,25,26,27,28,29, 30,31,32,33,34, and 35,36,37,38, 39,40,41,and 42,43,44,45); 049-420-(19,20); 141-190-(08,09, and 10, 35,36, 37,38,39,40,43), 141-200-(09,12,13,14,15,16, 17,18,19, and 20,21,22); 141-210-(13,14,15,16, 17,18,21,22,23); 141-280-(11,13,14,15); plus Tract Two comprising an easement and Tract Three comprising an easement; as stated on pages 3 through 17 of the legal description.
Property Location	The subject property is located northwest of Yorkville, off of Fish Rock Road in southwestern Mendocino County, east of the community of Gualala and within the Gualala River watershed.
Site Description	The land area identified as containing about 13,913 acres of mostly cut over timberland referred to as the Gualala Forest Property situated in Mendocino County along the coastal climatic zone about 100 miles north of San Francisco, and tem miles inland from the coast. The prime access appears to be from Fish Rock Road, a two lane county maintained roadway, the majority of which is asphalt. There is a network of 130 miles of interior gravel and dirt private roads of which 50 miles are all season improved to western Mendocino standards including culvert and ditches. Potential future residential use would require upgrading to county standards according to the author. . Water is stated as developed for residential agricultural purposes on the site in several locations, and also there are numerous springs and natural ponds, benefiting from 60 to 80 inches of rain each year. PG&E electricity and AT&T telephone service are available in various locations along Mountain View Road, Eureka Hill Road, Fish Rock Road, and Soda Springs Road as stated

Summary of Salient Facts

	by the author. Topography is stated as widely ranging slopes from gentle meadows and ridge tops to very steep escarpments and headwall canyons of rocky soils. Coverage consists of native shrubs and grasses as well as hardwood and softwood trees. The terrain affords very good views.
Improvements	No building improvements are mention.
Zoning/General Plan	Zoning is reported to be TP, timberland production. No general plan designation is reported, however the report states minimum parcel size is 160 acres and each parcel could be developed for a rural residential home site. The larger parcel is reported to be comprised of 73 legally separate parcels through Administrative Certificates of Compliance. The subject is stated as probably being located in a moderate fire hazard zone.
FEMA Flood Maps	Mr. Bell states flooding is not a concern, which is assumed to be the reason no FEMA Flood MAP zone is mentioned.
Present Use/Type	Forest Timberland
Intended User of the Review	State of California, Wildlife Conservation Board and its assignees
Intended Use of the Review	Establish Compliance of Appraisal with USPAP and Supplement Client Standards
Report Format	Summary, per Section2-2(b), 2010-11 Edition of USPAP
Property Interest Appraised	Fee Simple, with and without a conservation easement.
Appraisal's Effective Value Date	April 11, 2011
Date of Appraisal Report	April 28, 2011
Highest & Best Use Before	Appraiser states *"development and sale of the 73 separate parcels as rural residential homesites."*
Highest &Best Use After	*"Timber Management Use"*
Approaches To Value	
Sales Approach	As Is without Proposed Easement $30,000,000 Timber Value Component By Another $2,016,000 Hypothetical Value with Easement $7,760,000 Deduced Value of Potential Easement $22,240,000
Cost Approach	Not Applicable, therefore not employed
Income Approach	Not Applicable, therefore not employed

Scope of Work for this Review Report

USPAP Version Used During Review	January 1, 2010-11
Type Of Review Process	Technical; performed by an appraiser
Observation Of Subject Property	No viewing of subject, no verification of subject facts all subject characteristics accepted as stated, per scope of work.
Verification Of Market Data and Comparable Sales	No verification of market data or comparable data, all information accepted as true facts, per scope of work.
Research For Other Or Better Comparables	No research for better or more market data requested or performed. All information accepted as the best available for use in the report, per scope of work.
Other Than Signatories, Names Of Persons Providing Significant Assistance To The Development Of This Review	No Review Assistants
Supplemental Client Standards	A) Summarize the initial appraisal B) State the basis on which the value of the land was established. C) Describe the standards used to prepare the initial appraisal. D) Determine whether or not the initial appraisal meets the standards established under the Uniform Standards of Professional Appraisal Practice (USPAP).

Reviewer's Special Comments

In summary, the appraiser appropriately followed the client's specific supplemental standards, extraordinary assumptions and hypothetical conditions necessary for concluding to the opinions of value satisfying the client's specific intended use of the report. This includes accepting the third party timber valuation as accurate, that all special assumptions and the hypothetical conditions as stated were authorized at the time the terms of the appraisal assignment was agreed to by all parties.

Based on the results of the analysis, the appraiser concludes the sum of all parts, namely, the forest land, vineyard land and timber contribution summarize to the whole value.

Beginning on page 49 a discussion of the proposed conservation easement is included which adequately describes the restrictions to be imposed and influence on use left the underlying fee owner with it in place, resulting in a hypothetical value as if encumbered with the easement.

Below several items of concerns observed in the report are discussed. Given the summary nature of the report, information held in the appraisers file may address the concerns. A review checklist is included at the end of this narrative for the complete list of USPAP Standards One and Two requirements checked for technical compliance.

1.) Refer to Review Checklist No. 18; the subject is utilized as timber production with potential for vineyard development, thus, a summarized market study of economic agricultural and timber harvest production would be expected, but is not found.

2.) Refer to Review Checklist No. 21; No regional maps, neighborhood maps, or an aerial map is included which would be expected for an appraisal of a large acreage property presented in a summary report. It is assumed absence of typical exhibits is because the intended users are already familiar with the subject property.

3.) Refer to Review Checklist Nos. 23, 31; It is typical for agricultural and timber land and large acreage parcels in general to have soil types summarized, along with terrain features, and locations of utilities and services described, furthermore supported by exhibits such as topographic maps and soils maps. This report lacks the typical level of summarization of each of the items above. As an example, in the report, portions of the property are said to hold potential for vineyard development, but on page 26 the property soils are said to be rocky. Furthermore, although the author states utilities are available to several roads in the neighborhood, no exhibit or description of proximity of said roads in relation to the subject property is tendered. Absence of summarized information regarding the above site characteristics prevents either concluding or disagreeing with the author's portrayal of the site, but technically, each has been minimally addressed.

4.) Refer to Review Checklist No. 25; No mention of the general plan designation regulating use of the subject was summarized. It is appropriate to include all land use regulations in order to summarize a conclusion as to conformity with legally permitted uses and to surrounding properties.

5.) Refer to Review Checklist No. 33; On page 20 a table containing average list and prices for rural residential properties larger than 20 acres in size is included. The information indicates demand between 37 and 61 home sites per year in Mendocino County, with a high of 70 during the peak year of 2005. On page 32, last paragraph, the appraiser arrives at a conclusion based on number of home site sales that it is financially feasible to develop the parcels to residential home sites, along with cattle and sheep grazing, recreational use and vineyard development of portions of the property. As summarized the highest and best use resembles a fundamental highest and best use analysis which is permitted if mutually agreed to by the client and appraiser at the time of engagement.

6.) Refer to Review Checklist No. 37, 38; On page 47, the appraiser separated the vineyard acreage and assigns a value of $10,000 per acre using no sales, but rather secondary published information. In the strictest scenario where there is an absence of sales, secondary information from trade associations is an alternative.

Final Reviewer Commentary

No USPAP violations were proven in the appraisal. Based on technical review only and scope of work, cited market data is considered overall to meet minimal USPAP Standards. Summarization of regional, neighborhood and subject data was less than desired in that is was lacking in-depth for a larger parcel appraisal and an alternative valuation methodology was employed for the , which is less than desired. The summary nature of the report and acceptable report format by the specific intended user may be the cause of part of the lack of explanation and supporting data. In conclusion, it is suggested that if questions arise from the intended users, regarding details and methodology the appraiser should be prepared answer the concerns stated above.

On the following pages a checklist of compliance ratings for each salient USPAP Standard Rule was filled out for assisting in this assignment.

Review Appraiser Checklist

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Note: S.R. Citations Refer to Specific USPAP Standards Rules, Statements and Advisory Opinions

	Question	USPAP SR SMT or AO	Yes	No	N/A	PG	Acceptable?
	INTRODUCTION						
1.	Was the appropriate report format utilized and prominently stated?	SR2-2; AO11; AO12	X				YES
2.	Did the report state the identity of the client and any intended users?	SR2-(a)(i); SMT 9	X				YES
3.	Did the report state the intended use of the report?	SR2-2(a)(ii); SMT	X				YES
4.	Was the real estate sufficiently described including the physical and economic property characteristics relevant to the assignment?	SR2-2(a)(iii); AO2; AO23	X				YES
5.	Was an accurate legal description included from appropriate documentation such as a title policy, deed, survey plat or loan documentation?	SR2-2(a)(iii)	X				YES
6.	Was the legal description verified with a survey to be sure they coincide?	SR2-2(a)(iii)	X				YES
7.	Was the appropriate interest defined and appraised?	SR2-2(a)(iv)	X				YES
8.	Was the type and definition of value defined and sourced?	SR2-2(a)(v); SMT6; AO7, AO22	X				YES
9.	Did the report contain an appropriate analysis of any prior and current sales, options or listing for the last 3 years?	SR2-2(a)(v); SMT6; AO7, AO22	X				YES
10.	Was the effective date of the appraisal and date of report included?	SR2-2(a)(vi); SMT3; SMT4	X				YES
11.	Was the scope of work used to develop the appraisal disclosed?	SR2-2(a)(vii); AO28; AO29	X				YES
12. W	Did the report include a description of the information analyzed, appraisal methods and techniques employed and the reasoning that supports the analyses, opinions, and conclusions?	SR2-2(a)(viii); AO31, AO1	X				YES
13.	Did the report state the use of the real estate existing as of the date of value and the use reflected in the appraisal; and when an opinion of highest and best use was developed by the appraiser, describe the support and rationale for that opinion?	SR2-2(a)(ix)	X				YES
14.	Did the report include an acceptable list of general assumptions and limiting conditions (for example, an assumption which effectively removes the appraiser's responsibility, or limits the extent of liability to the amount of the appraisal fee, is unacceptable)?	SR2-2(a)(x)	X				YES
15.	Did the report clearly and conspicuously include any special assumptions or limiting conditions?	SR2-2(a)(x)	X				YES
16.	Did the report include any hypothetical conditions?	SR2-2(a)(x)	X				YES

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	Question	USPAP SR SMT or AO	Yes	No	N/A	PG	Acceptable?
17.	Did the report include a signed certification similar in content to SR 2-3?	SR2-2(a)(xi); SR2-3	X				YES
	REGIONAL, NEIGHBORHOOD AND MARKET DESCRIPTION INFORMATION						
18.	Was the Regional/Area data relevant to subject property?			X			**Less than typical**
19.	Was the Neighborhood data relevant to subject property?		X				YES
20.	Was the Market Analysis / Absorption study relevant to the subject property?		X				YES
21.	Were appropriate exhibits for Regional, Neighborhood etc. maps included?			X			**Less than typical**
22.	Remarks:				X		YES
	SITE DATA						
23.	Were the site characteristics adequately described?			X			**Less than typical**
24.	Was any excess or expansion land identified and its contributory value to value considered?		X				YES
25.	Was the zoning description adequate?	SR 1-3(a)		X			**Less than typical**
26.	Was the description of the improvements adequate?		X				YES
27.	Do any improvements conform to existing zoning? If not, describe in remarks?	SR 1-3(a)	X				YES
28.	If the improvements are proposed (or there is a proposed addition, proposed repairs, renovations, etc. to be made), did the appraiser have plans appropriate to reflect the kind and character of such improvements?	SR 1-2(a)			X		YES
29.	Was a tax and assessment analysis included and adequate?		X				YES
30.	Are the taxes reasonable?		X				YES
31.	Were appropriate exhibits including a copy of survey, plat map, assessor's plat, photographs, etc. included?			X			**Less than typical**
32.	Remarks		X				YES
	HIGHEST AND BEST USE						
33.	Has a meaningful highest and best use analysis relevant to subject characteristics been included for both the "as if vacant" and "as improved/proposed"?	SR 1-3(b)		X			**Less than typical**
34.	Remarks		X				YES
	VALUATION SECTION – LAND VALUATION						

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	Question	**USPAP SR SMT or AO**	**Yes**	**No**	**N/A**	**PG**	**Acceptable?**
35.	If the sales comparison method was employed, was sufficient detail provided on each sale including write-up, verification of sale, analysis of sale and adjustments as required by scope of work decision?	SR 1-4(a)	X				YES
36.	Was an adjustment grid included?		X				YES
37.	If another method of estimating land value, was it adequately documented and reasonable?			X			NO
38.	Was the land value considered well supported and reasonable?	SR 1-4(a)		X			NO
39.	Were appropriate exhibits including land sale maps, MLS printouts, included?		X				YES
40.	Remarks		X				YES
VALUATION SECTION – COST APPROACH							
41.	Were the direct and indirect components, entrepreneurial profit and depreciation from all causes appropriately estimated for either reproduction cost or replacement cost?	SR 1-4(b)(ii)(iii)			X		YES
42.	Was Marshall Valuation the source of the cost estimate?				X		YES
43.	For proposed projects, was the developer's cost estimate compared with another source?	SR 1-2(a)			X		YES
44.	For proposed projects, was the developer's cost estimate considered reasonable?				X		YES
45.	Was an analysis of effective age, remaining economic life and total economic life reasonable?				X		YES
46.	Was the value estimated by the Cost Approach reasonable?	SR 1-4(b)			X		YES
47.	Was the value estimated by the Cost Approach one of the approaches relied heavily upon by the appraiser?				X		YES
48.	Were appropriate exhibits including a Marshall Valuation Cost Breakdown, etc. included?				X		YES
49.	Remarks:				X		YES
VALUATION SECTION – SALES COMPARISON APPROACH							
50.	If the sales comparison method was employed, was sufficient detail provided on each sale including write-up, verification of sale, analysis of sale and adjustments as required by scope of work decision?	SR 1-4(a)			X		YES
51.	Was an adjustment grid included?				X		YES
52.	Was the property value considered well supported and reasonable?	SR 1-4(a)			X		YES

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	Question	**USPAP SR SMT or AO**	**Yes**	**No**	**N/A**	**PG**	**Acceptable?**
53.	Was the value estimated by the Sales Comparison Approach one of the approaches relied heavily upon by the appraiser?				X		YES
54.	Were appropriate exhibits including location maps, photographs, MLS printouts, etc. included?				X		YES
55.	Remarks				X		YES
VALUATION SECTION – INCOME APPROACH Income Projection							
56.	Was the analysis of any leases encumbering the property (i.e., contract rent) adequate?	SR 1-4(c)(d)			X		YES
57.	Was the conclusion of contract rent appropriate and was the impact of any above or below market rate leases considered?	SR 1-4(c)(d)			X		YES
58.	Was the analysis of market rent for any vacant space including , sufficient detail provided on each rent comparable including write-up, verification of lease, analysis of lease (i.e. net to gross adjustments made) and adjustments as required by scope of work decision?				X		YES
59.	Were all of the rent comparables completed transactions and not “asking rents”?				X		YES
60.	Was the rental estimate considered well supported and reasonable?	SR 1-4(c)(d)			X		YES
61.	Was a rent comparable adjustment grid included?				X		YES
62.	Was consideration given to the projection of any “other” sources of income BEFORE vacancy allowance, i.e., expense reimbursements, CAM charges, parking, laundry or other fee income?	SR 1-4(c)(i)			X		YES
63.	If this is a proposed project, were the developer’s projected rental projections considered reasonable?	SR 1-2(e)			X		YES
64.	In the event of all “net” or “triple net” leases, were expense reimbursements shown as “other income” and a full burden of expenses projected?				X		YES
65.	Was the Potential Gross Income estimate adequate?				X		YES
66.	Were appropriate exhibits including rental location maps, photographs, MLS printouts, etc. included?				X		YES
67.	Was an appropriate deduction for vacancy and collection loss made, and is it in line with current market conditions?				X		YES
68.	Was the effective gross income estimate well supported?	SR 1-4(c)(i)			X		YES
69.	Remarks				X		YES
VALUATION SECTION – INCOME APPROACH Expense Projection							

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	Question	**USPAP SR SMT or AO**	**Yes**	**No**	**N/A**	**PG**	**Acceptable?**
70.	If this is an existing property, were a minimum of two years of historical data along with year to date data analyzed?				X		YES
71.	If this is a proposed property, was the developer's proforma expenses analyzed?				X		YES
72.	Were existing or proposed expenses compared with an appropriate source of published comparable expense data?				X		YES
73.	Were existing or proposed expenses compared with an appropriate source of private comparable expense data?				X		YES
74.	Were expenses analyzed on the basis of at least two units of comparison, i.e., per square foot, % of EGI, per unit, etc?				X		YES
75.	If this is a proposed project, were the developer's proforma expenses considered reasonable?				X		YES
76.	Were total expenses considered reasonable?	SR 1-4(c)(ii)			X		YES
77.	Remarks				X		YES
VALUATION SECTION – INCOME APPROACH Direct Capitalization (Rate or Factor) Methodology							
78.	If utilized, were at least three methods of developing a capitalization RATE analyzed and included (for example, survey data, extraction from sale comparables, band of investment, debt service ratio method)?				X		YES
79.	If utilized, was at least one method of developing a capitalization FACTOR analyzed and included (for example, GIM, GRM, EGM)?				X		YES
80.	Was the capitalization rate or income factor reasonable?	SR 1-4(c)(iii)			X		YES
81.	Was the value conclusion by the Income Approach using Direct Capitalization well supported?				X		YES
82.	Was the value estimated by the Income Approach utilizing Direct Capitalization one of the approaches relied heavily upon by the appraiser?				X		YES
83.	Remarks				X		YES
VALUATION SECTION – INCOME APPROACH Yield Capitalization Methodology							
84.	If utilized, was an appropriate software program utilized based on the complexity of the project (i.e., Excel, Argus, ProJect, etc.)?				X		YES
85.	Was a software electronic file included?				X		YES
86.	Was lease data correctly input?				X		YES

Review Appraiser Checklist

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	Question	USPAP SR SMT or AO	Yes	No	N/A	PG	Acceptable?
87.	Were assumptions made concerning number of projection periods, income and expense growth, market rental rates on renewal, replacement reserve estimates, rollover expense estimates (for retrofit and broker expenses) considered reasonable?				X		YES
88.	Was the discount rate considered reasonable?	SR 1-4(c)(iii)			X		YES
89.	Was the value conclusion by the Income Approach using Direct Capitalization well supported?				X		YES
90.	Was the value estimated by the Income Approach utilizing Direct Capitalization one of the approaches relied heavily upon by the appraiser?				X		YES
91.	Remarks				X		YES
	RECONCILIATION						
92.	Did the reconciliation take into account the approaches used, listing the strengths and weaknesses of each?		X				YES
93.	Was the value reconciliation appropriate and supported?		X				YES
94.	Was an estimate of reasonable exposure time made?		X				YES
95.	Was an estimate of reasonable marketing time made?				X		YES
96.	Was the exclusion of any approaches adequately explained?		X				YES
97.	Would the reviewer have excluded the approaches?			X			YES
98.	Were deductions relevant to proposed construction, completed properties that are partially leased, or subdivision tract developments with unsold units (or lots) projected and deducted (for example deductions for lease-up and holding costs, marketing costs, real estate taxes and other expenses likely to be incurred)?				X		YES
	OTHER USPAP RULES						
99.	Based on a review of the report, does the appraiser appear to have been impartial, objective and independent without advocating the cause or interest of any party?	Ethics Rule	X				YES
100.	Does the appraiser appear to have reported predetermined opinions and conclusions?	Ethics Rule		X			YES
101.	Did the appraiser use or rely on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance, income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value?	Ethics Rule		X			YES

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	Question	**USPAP SR SMT or AO**	**Yes**	**No**	**N/A**	**PG**	**Acceptable?**
102.	Is the reviewer aware of the payment of any undisclosed fees, commissions or things of value in connection with procurement of this assignment?	Ethics Rule		X			YES
103.	Based on a review of credentials and the report, does the appraiser have the "geographic" and "specific property type" competence for this type of appraisal?	Ethics Rule	X				YES
104.	Does the appraiser's scope of work decision appear to be reasonable in light of the complexity of the project and the intended use of the report?	Scope of Work Rule	X				YES
105.	Did the appraiser gather and analyze sufficient data to properly identify the appraisal problem to be solved?	Scope of Work Rule	X				YES
106.	Are the appraiser's assignment results credible?	Scope of Work Rule	X				YES
107.	Is there sufficient data and information within the report to allow the intended user to understand the scope of work performed?	Scope of Work Rule	X				YES
108.	Did the appraiser comply with the engagement letter?		X				YES
109.	Does the report comply with USPAP?	FIRREA	X				YES
110.	Were there any editing issues (ghosts), redundancies, math errors, boilerplate, frequency of inconsistencies between narrative and the summaries?	USPAP	X				YES
111.	If this is an appraisal for a "federally related real estate transaction", (a) does it comply with USPAP, (b) is it written and contain sufficient information analysis; (c) does it contain appropriate deductions and discounts; (d) is based on the interagency definition of Market Value; and (e) is prepared by an appropriate appraiser who is licensed in the state in which the property is located?	FIRREA	X				YES
112.	If personal property, trade fixtures, other intangibles or items that are not real property that constitute a significant portion of value separately valued and labeled?	SR 1-4(g)	X				YES
113.	If the property is a lodging facility (hotel or motel, senior care facility), health care facility or a special use property, and has an element of value referred to as Business Enterprise Value as part of the Going Concern Value, was it separately labeled?	SR 1-4(g)	X				YES

Contingent and Limiting Conditions

1. By this notice, all persons, companies, or corporations using or relying on this review in any manner bind themselves to accept these contingent and limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all contingent and limiting conditions contained throughout this document.

2. Throughout this report, the singular term "Reviewer" also refers to the plural term "Reviewers". The terms "Reviewer" and "Reviewers" refer collectively to "RMG Appraisers", its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".

3. The liability of the Reviewer is limited solely to the client. The Reviewer's maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) is limited to the fee paid to RMG Appraisers for that portion of their services, or work product giving rise to liability.

4. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Reviewer, beyond the scope of work, or outside reasonable due diligence of the Reviewer.

5. The Reviewer reserves the right to amend these analyses and/or value opinion(s) contained within this review appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and replied upon in this report.

6. The Reviewer is in no way responsible for any costs incurred to discover, or correct any deficiency in the property.

7. Unless specifically stated otherwise herein, the Reviewer is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.

Contingent and Limiting Conditions

8. If this review appraisal values an interest that is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised plus the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.

9. This valuation may or may not include an observation of the appraised property by a signatory to this report. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by a signatory is not, and should not be misconstrued as a professional property inspection.

10. No liability is assumed for matters of legal nature that affect the value of the subject property.

11. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.

12. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report’s effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.

13. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Reviewer. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.

14. This appraisal review was prepared by RMG Appraisers and consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4). Please notify RMG Appraisers of any request for reproduction of this appraisal report.

15. The Reviewer is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Reviewer is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Reviewer for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Reviewer will be given reasonable advanced notice, and reasonable additional time for court preparation.

16. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Reviewer has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Reviewer has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.

Contingent and Limiting Conditions

17. RMG Appraisers and the Reviewer have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Reviewer has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate. No responsibility is assumed by RMG Appraisers or the Reviewer for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.

18. All opinions are those of the signatory Reviewer based on the information in this report. No responsibility is assumed by the Reviewer for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence.

19. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of RMG Appraisers. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Reviewer; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from RMG Appraisers, the copyright holder.

Addenda

Appraisal Institute

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The descriptions, analyses, and conclusions stated herein are intended for the exclusive use of our client, and other specifically identified intended users.

End of Report