

Jay M. Harper & Associates
Real Estate Appraisal & Consulting Services
2269 Chestnut Street, # 866
San Francisco, CA 94123
(415) 674-9243
jharpsf@att.net

December 13, 2019

Paul Fordham
Deputy Executive Director
Homeward Bound Marin
1385 North Hamilton Parkway
Novato, CA 94949
pfordham@hbofm.org

RE: Appraisal of 190 Mill Street (APN 014-192-12)
San Rafael, California 94901

Dear Paul Fordham

Per our engagement agreement, we have formed the following opinion(s) of the:

Market Value of the Fee Simple interest in the Subject real property, As If vacant available for development to its Highest and Best Use, as of December 8, 2019: **\$800,000.**

The attached Appraisal Report includes the Appraisers Certification, a description of the property, the property rights appraised, the area, the market conditions, the comparable property data, and the analysis of this data leading to the conclusion(s) of value stated. Supporting documentation is retained in our files. Included as addenda are a detailed list of limiting conditions and assumptions used in preparation of the appraisal, a summary of my professional qualifications, definitions, and additional Subject property and market data.

This appraisal is intended for use by the client, Homeward Bound Marin, and by government agencies associates with the intended use. The appraiser and the client do not intend that any other parties use this appraisal. The appraisal has been prepared in conformity with and subject to the requirements of the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation.

Respectfully submitted,



Jay M. Harper, California General Certification #AG006157 Contract: H2019-17

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Location	190 Mill Street (APN 014-192-12) San Rafael, California 94901
Property Type	Land
Property Rights Appraised	Fee Simple
Date(s) of Value	December 8, 2019
Extraordinary Assumptions	None
Hypothetical Condition(s):	<ul style="list-style-type: none">• <i>As of the date of value, the Subject land is vacant and available for development to its Highest and Best Use.</i>• <i>As of the date of value, two ingress / egress easements have been removed from title.</i>
Land	13,500 Square Feet Zoning: CCI/O Industrial / Office
Improvements	Homeless shelter (Not considered in appraisal analysis)
Highest and Best Use	
As If Vacant	Light Industrial
As Improved	Light Industrial
Value per Sq. Ft. Land	\$59.25
Value Estimate	\$800,000

CONTENTS

CHAPTER I - INTRODUCTION	1
IDENTIFICATION OF THE PROPERTY 190 MILL STREET (APN 014-192-12)	1
APPRAISAL SPECIFICATIONS	1
CERTIFICATION STATEMENT	3
NEIGHBORHOOD AND MARKET ANALYSIS	4
CONCLUSION(S) AFFECTING VALUE	4
CHAPTER II - SUBJECT PROPERTY DESCRIPTION AND ANALYSIS	9
SITE DESCRIPTION AND ANALYSIS	9
ADDRESSES 190 MILL STREET	9
HIGHEST AND BEST USE	12
CHAPTER III – VALUATION	15

ADDENDA

- A. General Limiting Conditions and Assumptions
- B. Qualifications of Appraiser
- C. Definitions and Valuation Methodology
- D. Additional Subject Property Information

CHAPTER I - INTRODUCTION

Identification of the Property 190 Mill Street (APN 014-192-12)
San Rafael, California 94901

Appraisal Specifications

Appraisal Assignment Estimate the Market Value of the Fee Simple interest in the 100% ownership in the Subject property As If vacant and available for development to its Highest and Best Use, employing the Sales approach to value.

Intended User(s) This appraisal is intended for use by the client, Homeward Bound Marin, and by government agencies associates with the intended use. The appraiser does not intend that any other party utilize this appraisal.

Intended Use Development financing.

Appraisal Assignment + Scope of Work In completing this appraisal, Harper & Associates:

1. Identified and analyzed the relevant Subject property characteristics, including:
 - its location and physical, legal, and economic attributes;
 - the real property interest appraised;
 - any personal property, trade fixtures, or intangible items that are not real property but are included in the appraisal;
 - any known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, or other items of a similar nature; and whether the Subject property is a fractional interest, physical segments, or partial holding.
2. Analyzed comparable properties as sources of market data on highest and best use, sales of land and/or improved property.
3. Verified market data with principals and/or brokers, data services, marketing materials, and/or public records. Other sources of information include: government personnel, government web sites, the client, professional reports, and local property owners and investors.
4. Estimated the Market Value of the Fee Simple interest in the Subject land as if vacant, employing the Sales Comparison Approach.
5. Reported the results in a narrative Appraisal Report format.
6. Created and retained a complete work file of all supporting documentation.

Property Inspection Jay M. Harper inspected the Subject property on December 8, 2019.

Date of Value December 8, 2019.

The appraisal analyses and conclusions are based on the following Extraordinary Assumption(s):

- None

“Extraordinary Assumption” is defined as: An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found false, could alter the appraiser’s opinions or conclusions.

The appraisal analyses and conclusions are based on the following Hypothetical Condition(s):

- *As of the date of value, the Subject land is vacant and available for development to its Highest and Best Use.*
- *As of the date of value, two ingress / egress easements have been removed from title.*

“Hypothetical Condition” is defined as: “that which is contrary to what exists but is supposed for the purpose of the analysis.”

The Hypothetical Condition is considered reasonable.

The property owner has applied for City approvals for redevelopment of the property. This will involve complete demolition of the exiting improvements. The appraisal purpose is construction financing. The lender proposes to consider the owner’s land value as if vacant as an in-kind contribution of equity by the project.

The easements pre-date the existing land use and do not appear to be utilized. The owner is in the process of removing the easements. Development financing, the intended use of this appraisal, will not proceed until they are extinguished.

Use of an Extraordinary Assumption or Hypothetical Condition might affect the assignment results.

Definitions - Market value and other definitions are included as Addendum C.

Competency - The appraiser possesses the appropriate knowledge and experience to complete this appraisal. Refer to the Scope of Work item 3 on the prior page and Addendum B, Qualifications of Appraiser.

Compliance

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- Appraisal and Other Services – Within the three-year period immediately preceding acceptance of this assignment:
 - I have not provided appraisal services for the client.
 - I have not appraised or provided other services regarding the Subject property.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My 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 the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Jay M. Harper has made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this certification.

A handwritten signature in black ink, appearing to read "Jay M. Harper", is written over a light gray rectangular background.

Jay M. Harper, California General Certification #AG006157

Neighborhood and Market Analysis

Conclusion(s) Affecting Value

- Light industrial development sites: Strong demand and medium pricing.

Marin County Economic Conditions

- Population Trend: Stable with minimal development. As of 2019, the California Department of Finance, estimated Marin County’s population was +/- 263,000. There has been very little new development. Population has increased only 6% over the past 20 years.
- Employment Trend: Improving during the past year at a high level.
- Many Marin County residents work in the City of San Francisco. Many Marin County workers live in Sonoma, Napa, Solano, Contra Costa, and/or Alameda Counties to the north and east.

	October 2019	September 2019	Change	% Change
Employment	140,100	140,400	(300)	0%
Unemployment	2.0%	1.9%	0.1%	5%
		Year-Earlier Month	Change	% Change
Employment	140,100	141,800	(1,700)	-1%
Unemployment	2.0%	2.3%	-0.3%	-13%

City and Neighborhood

- The Subject property is located in the City of San Rafael, Marin County.
- City of San Rafael is the County Seat and is located in the County’s central portion; its population is +/- 59,000.
- The Subject property is located in the City’s Canal District, between the U.S. 101 freeway on the south and west, San Rafael Creek (AKA the Canal) to the north.
- Land Uses Adjacent to the Subject Property: a mix of light industrial and residential.
 - North: Multi-family.
 - East: Automobile storage yard and light industrial.
 - South (across Mill Street): light industrial.
 - West (across Harbor Street): light industrial and multi-family.
- Nearby community influences:
 - Community serving retail business are located within one-quarter mile, along Medway Road.
 - Local us transit service runs with within one-quarter mile.
 - Freeway access is located within one-quarter mile.
 - Downtown San Rafael is located approximately ½ mile northwest. A transit hub provides regional bus routes and a new train service.
- Refer to the City and Neighborhood Location Maps following this section.

Industrial Market

- Keegan & Coppin reported the following:
 - Marin County industrial inventory: 6.4 million square feet.
 - The southern Marin, Mill Valley and Sausalito sub-markets are closest to San Francisco and have the greatest demand and highest pricing. Centrally-located San Rafael has medium pricing and northern Novato has the lowest pricing
 - Minimal vacant land in the area is available for new development.

Industrial Sub-Market

San Rafael Industrial Market Data

	Q-3 2019	Q-3 2018	Change	% Change
Vacancy Rate	1.2%	1.1%	0.1%	9%
Market Size (Sq. Ft.)	3,091,000	3,091,000	0	0%

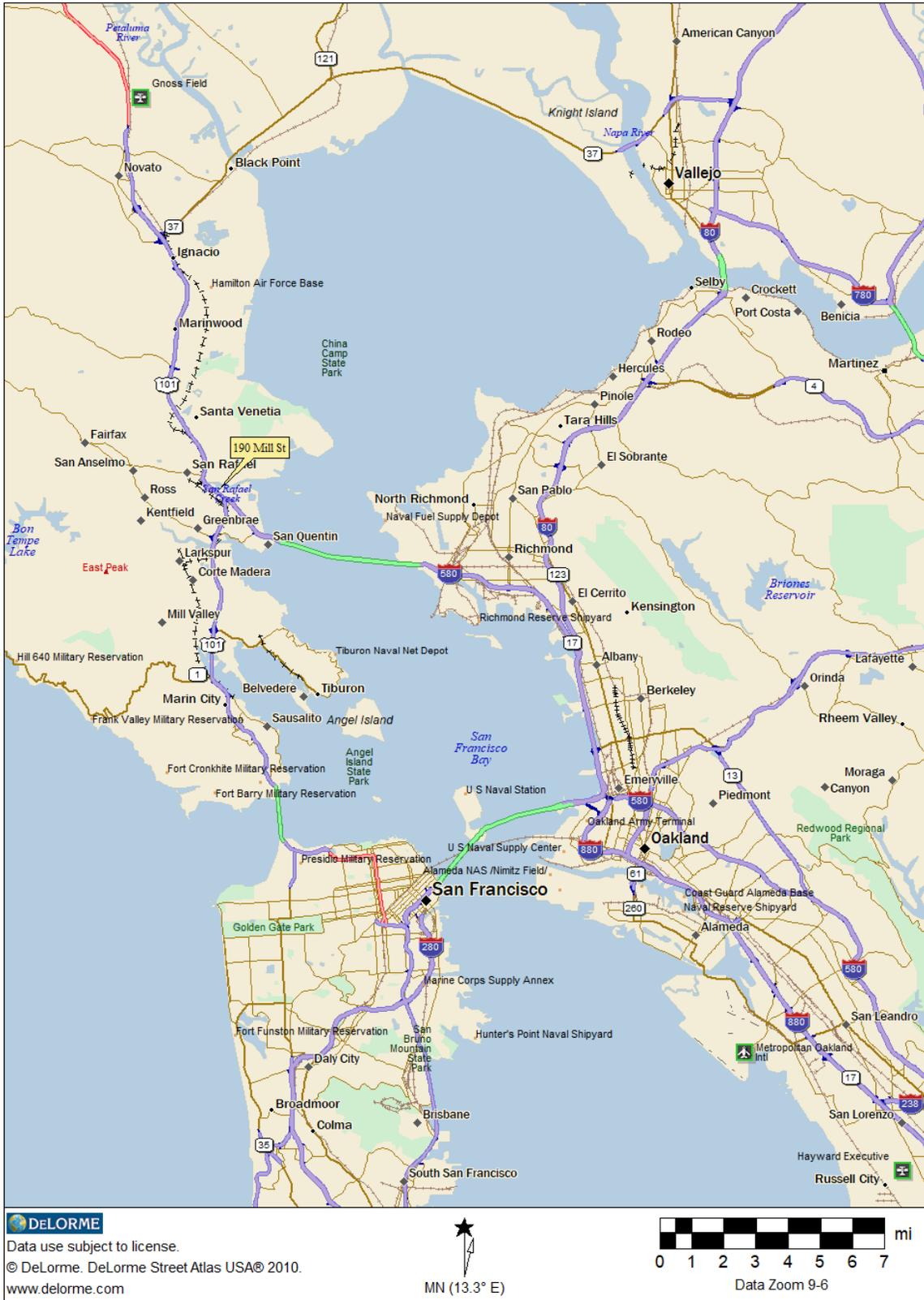
- The Subject's Canal District has three general types of users:
 - Properties along the U.S. 101 frontage road (Francisco Boulevard) are highway commercial uses such as auto dealerships, warehouse/outlet-style retail, and motels which rely on ease of access and signage.
 - Properties fronting the water are zoned for Harbor Commercial, including apartment buildings, restaurants, and marine-related businesses.
 - Properties in the neighborhood's central area, without freeway or water visibility, are generally utilized by service light industrial uses, including: vehicle storage for the nearby auto dealers, auto service and repair, wholesale outlets, construction contractors, and utilities.
 - Most light industrial users are single-story structures with on-site vehicle parking and storage. Building sizes are typically < 10,000 square feet. Most buildings are single user.
 - There is little new development. Lease rates for surface storage are high enough the expense of new construction is not justified. Properties which change hands are typically renovated and remain in light industrial use. Despite high occupancy, the rate of return for warehouse does not justify new construction. Zoning requirements for landscaping and parking and building code requirements for life safety, ADA, energy efficiency and other factors limit development density and increase cost without increasing functional utility.
 - Few corporate and technology-related businesses are represented.
- Financing is available.

Exposure Time and Most Likely Buyer for the Subject Property:

- Most Likely Buyer: An owner-user or small developer.
Refer to the Highest and Best Use section at the end of Chapter II.

The Subject property has not recently been exposed to the open market. Based on marketing time for similar property and market conditions, we estimated:

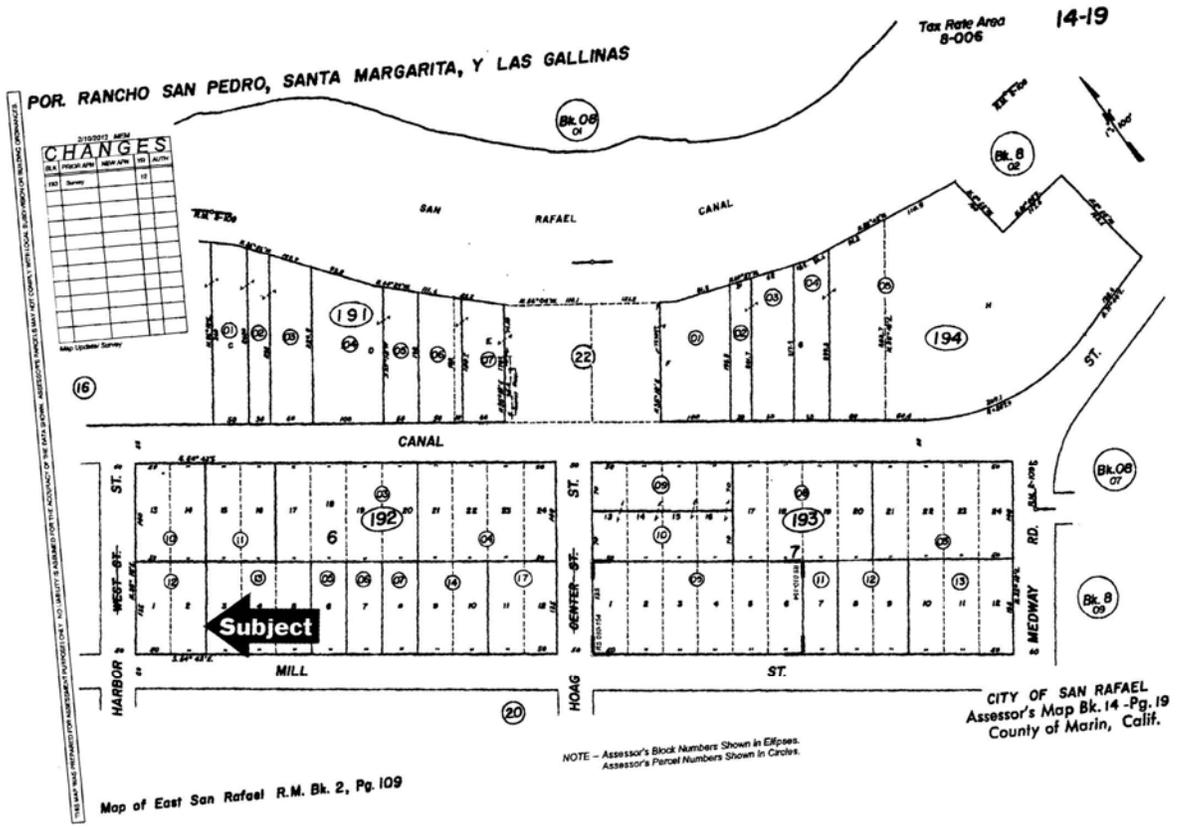
Exposure Time (Months) 6



City Location Map



Neighborhood Location Map



Assessor's Parcel Map

SOURCE: Marin County Assessor – Recorder, Harper & Associates

CHAPTER II - SUBJECT PROPERTY DESCRIPTION and ANALYSIS

SITE DESCRIPTION and ANALYSIS

A copy of the Assessor's Parcel Map is located on the preceding page. Subject photographs are included at the end of this section.

Physical Characteristics

Addresses	190 Mill Street
Address	San Rafael, California 94901
Marin County APN	043-021-41
Census Tract	1122.01
Land Area	
Square Feet	13,500
Acres	0.31
Shape	Rectangle
Streets	Mill Street – South; two lanes with sidewalk. Harbor Street – West; two lanes with sidewalk.
Visibility	Corner
Parking	24-hour parking on Harbor Street. 4-hour parking on Mill Street. Effectively, on-street parking is set aside for short-term use only. Employees and residents utilize off-street parking.
Public Transit Access	Average
Vehicle Access	Average
Topography	Flat
Utilities	Available to the site: <ul style="list-style-type: none">▪ Water▪ Sewer▪ Storm drain▪ Gas▪ Electricity▪ Data

Site Improvements

- A one-story, 4,792 square foot, wood-framed structure used as a homeless shelter.
- A surface parking lot.

Marketing + Title Transfers – None within the past three years.

Property Taxes

- Jurisdiction: Marin County.
 - Ad valorem taxes based on the market value estimate at the statutory rate.

Landscaping	10%
Parking	Determined by use. Light Industrial: 1 space per 500 SF building. Office and Retail: 1 space per 250 SF building.
FAR	No maximum; achievable building size is determined by landscaping, set-back, and parking requirements
Subject Property Status	The existing Subject property use is a conditional use. As of the DOV, the owner has applied for a zoning variance and general plan amendment to construct an expanded shelter facility.

The appraisal analyses and conclusions are based on the following Extraordinary Assumption(s):

- None

“Extraordinary Assumption” is defined as: An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found false, could alter the appraiser’s opinions or conclusions.

The appraisal analyses and conclusions are based on the following Hypothetical Condition(s):

- *As of the date of value, the Subject land is vacant and available for development to its Highest and Best Use.*
- *As of the date of value, two ingress / egress easements have been removed from title.*

“Hypothetical Condition” is defined as: “that which is contrary to what exists but is supposed for the purpose of the analysis.”

The Hypothetical Condition is considered reasonable.

- The property owner has applied for City approvals for redevelopment of the property. This will involve demolition of the exiting improvements. The appraisal purpose is construction financing. The lender proposes to consider the owner’s land value as if vacant as an in-kind contribution of equity to the project.
- The easements pre-date the existing land use and do not appear to be utilized. The owner is in the process of removing the easements. Development financing, the intended use of this appraisal, will not proceed until they are extinguished.

Use of an Extraordinary Assumption or Hypothetical Condition might affect the assignment results.

Geologic and Flooding Issues

- Seismic Hazard Zone: No.
- FEMA Flood Zone: AE (100-year flood zone). Approx. elevation 10 feet above sea level.

HIGHEST AND BEST USE

Highest and Best Use is defined as:

The reasonable, 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.

Highest and Best Use As If Vacant

Soils and site size will permit moderate-sized urban uses.

Zoning will allow light industrial, wholesale, retail, and some office institutional uses.

Demand for light industrial is high. Office use is supported only as accessory to light industrial uses. Retail and hotel uses are feasible; however, such users require superior visibility and access.

Conclusion:

- A one-story, light industrial building. After deducting land needed to meet landscaping and parking, development of a building containing approximately 8,000 - 8,500 square feet is maximally productive.

Highest and Best Use of Site As Is – Not Applicable. Per the Hypothetical Condition the appraisal is based on the property being vacant and available for development to its highest and best use, as if vacant.

Subject Photographs



View to the Northeast: Harbor Street at Left, Mill Street at Right

Subject Photographs



View to the South along Harbor Street



View to the West along Mill Street

CHAPTER III – VALUATION

VALUATION METHODOLOGY

The value of real estate is principally estimated through the use of three basic approaches to value: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. The methodology of each approach to value is described in detail in Addendum C.

LAND VALUATION - Sales Comparison Approach

Land Value Estimate

Sq. Ft. Land	13,500
\$/Sq. Ft.	<u>\$59.25</u>
Value ®	\$800,000

Methodology

The Sales Comparison Approach is based on the principle of substitution — a prudent buyer would not pay more for a property than it would cost to acquire a comparable substitute property.

The Sales Comparison Approach is most often used to value vacant land and development sites. It is based on a direct physical comparison between other property and the Subject; consideration is given to differences in property rights, financing, conditions of sale, changing market conditions (time), location, current improvements, zoning, development approvals, current and potential uses, lot size, shape, topography, soil and environmental conditions, and other factors.

My research revealed no sales of small, industrially-zoned development sites or “tear-down” sales of improved property in San Rafael during the past four years. Several market participants reported that purchase prices for older industrial buildings with low lot coverage were “above land value.” To estimate land value in the decision making of small investors, and cross-check the value indication from sales of larger sites, The appraisal used the Land Extraction method.

Land value estimated as: Total sale price less depreciated cost of the improvements less entitlements contribution to value = land contribution to value as if vacant and unentitled.

The methodology is relevant for use in a market with very few sales of physically similar property. This technique is weakened by subjective estimates of depreciation, profit, and the value of development approvals inherent in continuation of the land use.

Units of Comparison and Weighting

- Sale Price per Square Foot of Land Area (High Weight)
- Land Extraction (Medium Weight)

Description and Analysis of Comparable Land Sales - The following section contains Comparable Land Sale worksheets with descriptions of the property and the appraiser's analysis.

Comparable Sale Analysis Comments

Comparable Sales CS-1, 2, and 3 are purchases of large properties sites. CS-1 and 2 require some adjustment for improving market conditions. CS-1 and 3 were adjusted because they were developed to more productive uses which benefited from high visibility and access. The reliability of these sales is weakened because their large sizes appeal to a different type of potential buyers; i.e.; corporate or large investor buyer vs. the Subject owner-user small business.

Comparable Sales CS-4, 5, and 6 are small land parcels sold for continued existing light industrial uses. Each has a location, use, site size, and zoning similar to the subject. The buyers intended to continue the existing light industrial uses. Subject land value range of \$55 - \$67 per square foot of land was estimated using the Land Extraction method.

The process employed to extract land value from CS-6 is illustrated below. This Sale is especially relevant since the property is located on the Subject's block, its highest and best is very similar to the Subject's, it reflects the most recent market activity, and interest from prospective buyers was very high.

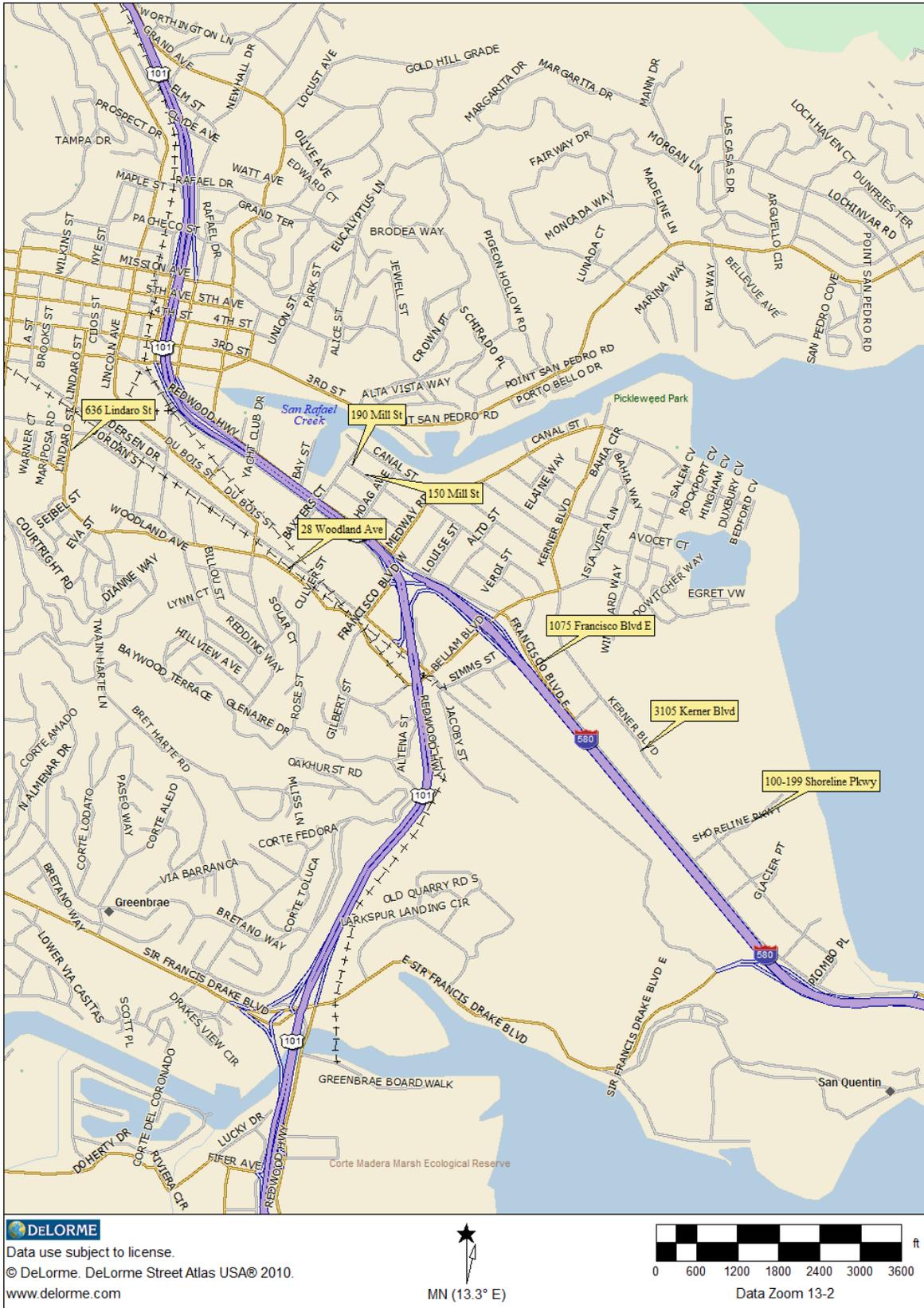
\$1,000,000		Sale Price
\$125		Improvement Cost \$/SF
4,000		SF Bldg.
\$500,000		Cost New
\$125,000	25%	Profit + Overhead %
\$625,000		Replacement Cost New incl. Profit
-\$156,000	25%	Depreciation
\$468,800		Depreciated value of improvements
\$531,200		Land residual (Total Price less Improvements)
-\$106,200	25%	Land approvals value
\$398,000		Land residual after approvals
\$59		Land \$SF



CS-6 150 Mill Street

Property Information	Comparable Land Sale 1	Comparable Land Sale 2	Comparable Land Sale 3
Address A.P.N. / City Land Area (Sq. Ft.) (Acres) Parcel Shape / Placement + Access Site Improvements (Sq. Ft. Bldg.) Zoning Lot Coverage / Bldg. - Land Ratio Development Approvals Date of Sale Sale Price (Cash Adjustments) Financing Conditions Sale / Marketing	3105 Kerner Boulevard 009-122-14 60,548 Rectangle Storage LI/O 0% Planning Jan-16 \$3,300,000 Cash to seller Arm's Length	2 Shoreline Parkway 009-320-49 154,459 Irregular Parking PD 0% Planning (partial) Jan-17 \$4,500,000 Cash to seller Arm's Length	1075 E. Francisco Boulevard 009-191-2, 3, 4, 9, + 10 152,460 Irregular Parking CG 0% No Nov-18 \$6,700,000 Cash to seller Arm's Length
UNITS OF COMPARISON	Sale Price	Sale Price	Sale Price
Price Per Sq. Ft. Land	\$55	\$29	\$44
COMMENTS	Kerner Blvd. is major arterial with good access and visibility. Site was paved and improved with shipping containers used for mini-storage. Site sold with Planning and Design Approvals for a three-story mini storage facility.	Site is adjacent to auto dealers and bib box retailers. Gross area 174,240 SF; portions are unusable wetlands. Buyer planned an auto storage lot. Use required City approval of a PUD. This included a Business Park style parking lot with a 20-foot landscaped set back and landscaped islands within the lot.	Site has I-580 visibility and is adjacent to a freeway interchange. At sale, site was used for automobile dealership parking. Buyer applied for approval to construct a 184 room hotel.
ADJUSTMENTS	High	High	High
Comparable Weight	Improving	Improving	Improving
Market Conditions / COS	Upward adjustment	Upward adjustment	Stable
Cash Adjustments	None	None	None
Subjective Adjustments	Light industrial zoning / Use	Light industrial zoning / Use	Lack of development approvals
Similar Factors	Large site + investment size appeals to a smaller pool of buyers	Large site + investment size appeals to a smaller pool of buyers Inferior location further from downtown + mid-block PUD design reduced amount of parking developed	Large site + investment size appeals to a smaller pool of buyers
Upward Adjustments	Partial development approvals Superior visibility and access	Partial development approvals	Superior visibility and access
Downward Adjustments			
Value Indication(s) for Subject	Marginaly Higher	Higher	Higher
Total % Adjustment	9%	103%	35%

Property Information	Comparable Land Sale 4	Comparable Land Sale 5	Comparable Land Sale 6
Address A.P.N. / City Land Area (Sq. Ft.) (Acres) Parcel Shape / Placement + Access Site Improvements (Sq. Ft. Bldg.) Zoning Lot Coverage / Bldg. - Land Ratio Development Approvals Date of Sale Sale Price (Cash Adjustments) Financing Conditions Sale / Marketing UNITS OF COMPARISON Price Per Sq. Ft. Land	636 Lindaro Street 013-071-012 7,500 Rectangle Office + warehouse LMU 31% N/A Oct-19 \$900,000 Cash to seller Arm's Length Sale Price \$107	28 Woodland Avenue 013-102-20 4,850 Rectangle Warehouse I 58% N/A Oct-19 \$800,000 Cash to seller Arm's Length Sale Price \$165	150 Mill Street 014-192-05 6,750 Rectangle Warehouse CCU/O 59% N/A Escrow \$1,000,000 Cash to seller Arm's Length Sale Price \$148
COMMENTS SOURCES: Principals, MLS, Brokers, Harper & Associates	Average-quality two-story office and apartment +/- 2,000 SF, fair-quality wood framed warehouse / shed, +/- 1,300 SF, and surface parking. Light industrial zoned area adjacent to a middle school. Buyer is an owner-user who plans to renovate the property.	Average-quality, 2000 SF warehouse, Two-level office totaling, 800 SF, and 2,450 SF storage yard. Price set 10/2018; extended escrow due to title issues.	Good-quality, light industrial structure constructed 1959 with fenced, surface parking lot in the rear. Broker reported that the property is in contract an auto body shop who would use the property as is, at a price "over asking." Property received seven other offers, two from building contractors and five from private auto collectors.
ADJUSTMENTS Comparable Weight Market Conditions / COS Cash Adjustments Subjective Adjustments Similar Factors Upward Adjustments Downward Adjustments	Medium: Land Extraction Current No Location Zoning Site Size Use Mid-block placement Depreciated value of existing improvements	Medium: Land Extraction Current No Location Zoning Site Size Use Mid-block placement Depreciated value of existing improvements	Medium: Land Extraction Current No Location (property located on the Subject's block) Zoning Site Size Use Mid-block placement Depreciated value of existing improvements
Value Indication(s) for Subject Total % Adjustment	\$55 \$/SF/Land	\$67 \$/SF/Land	\$59 \$/SF/Land



COMPARBLE SALE LOCATION MAP

ADDENDUM A – General Limiting Conditions and Assumptions

1. The title to the subject property is assumed to be marketable and the property is free and clear of all liens and encumbrances, except as noted.
2. No liability is assumed for matters which are legal or environmental in nature. No soil or environmental contamination except as stated in the report.
3. The appraiser is not a home or environmental inspector. The appraiser provides an opinion of value. The appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. Mold may be present in areas the appraiser cannot see. A professional building inspection or environmental inspection is recommended.
4. Ownership and management are assumed to be in competent and responsible hands.
5. No architectural or engineering study, property survey, soil study or environmental investigation has been made and no liability is assumed in connection with such matters. The described physical condition of any improvements is based on visual inspection only, and it is assumed that there are no hidden or unapparent physical conditions affecting value. Dimensions and areas are as supplied by others or based upon field measurements and are subject to survey by qualified professional surveyors or architects.
6. Improvements, if any, are assumed to be within lot lines and in accordance with local zoning and building ordinances as well as all applicable federal, state, and local laws and regulations, except as noted. Any plans, diagrams or drawings provided are intended solely to facilitate understanding and are not meant to be used as reference in matters of survey. The legal description furnished should be verified with the aid of competent legal counsel.
7. The valuation has been prepared for the specific client and the objective as stated on page 1 and shall not be used for any other purposes without the written permission of Harper & Associates.
8. The signatories shall not be required to give further consultation or testimony, or appear in court or at any public hearing with reference to the property appraised, unless prior arrangements have been made with the client.
9. Unless otherwise stated, no responsibility is assumed for any damages sustained in connection with actual or potential deficiencies or hazards such as, but not limited to, inadequacies or defects in the structure, design, mechanical equipment or utility services associated with the improvements, air or water pollution, noise, flooding, storms or wind, traffic and other neighborhood hazards, radon gas, asbestos, natural or artificial radiation, or hazardous materials or toxic substances of any description, whether on or off the property appraised.
10. This report is intended to be read and used as a whole and not in parts. Separation of any section or page from the main body of the report is expressly forbidden and invalidates the report.
11. Any estimates of future rents, expenses, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, yield rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of the appraisers. They represent only the judgment of the authors as to the assumptions likely to be used by purchasers and sellers active in the market place as of the date of value, and their accuracy is in no way guaranteed.
12. It is assumed that all necessary licenses, agreements, franchises, etc., remain in full force and effect in order to continue the operations of the property as a going concern throughout the financial analysis period of this appraisal, unless otherwise noted.
13. Possession of this report does not carry with it the right of publication. It shall be used for its intended purpose only and by the parties to whom it is addressed. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the author. This applies particularly to value conclusions, the identity of the appraiser or firm with which it is connected, and any reference to the Appraisal Institute, or MAI designation.
14. Property values are influenced by a large number of external factors. The information contained in the report comprises the pertinent data considered necessary to support the value estimate. We have not knowingly withheld any pertinent facts, but we do not guarantee that we have knowledge of all factors which might influence the value of the subject property. Due to the rapid changes in the external factors, the value estimate is considered reliable only as of the effective date of the appraisal.
15. The appraisers reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available.

16. The date of value to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal and the appraisal document. The dollar amount of any value opinion rendered in this report is based upon the purchasing power of the U.S. Dollar existing on that date.
17. This appraisal report or valuation shall not be used in any matters pertaining to any real estate or other securities offering, registration, or exemption with any state or with the federal Securities and Exchange Commission.
18. If this report is placed in the hands of anyone other than the Client, the Client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any cost incurred to discover or correct any deficiencies of any type present in the property, physically, financially and/or legally. The Client also agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenancy or any other part), Client will hold appraisers completely harmless from and against any liability, loss, cost or expense incurred or suffered by appraiser in such action, regardless of its outcome.
19. The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed 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 fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
20. A Summary Appraisal Report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standard of Professional Appraisal Practice for a Summary Appraisal Report. As such, it does not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser’s file.
21. The appraiser has inspected a representative number of Subject units in order to determine a building standard or typical range of finish quality and condition. The appraisal assumes that units / building areas not available for inspection conform to the building standard quality and condition, except as noted in the appraisal report.
22. Residential Rent Stabilization and Arbitration Ordinance. San Francisco’s Residential Rent Stabilization and Arbitration Ordinance regulates residential rental apartment buildings constructed before June 1979. The appraisal assumes the property owner complies with all provisions of the Rent Stabilization Ordinance, including Proposition G, passed by voters in November 1998. Harper & Associates has not investigated the following issues.
 - Existence of a designated “owner’s unit” in the subject property.
 - Whether existing tenants qualify for extraordinary protection from owner move-in evictions due to their status as (1) senior citizens, (2) disabled (3) or catastrophically ill persons.

ADDENDUM B – Appraiser Qualifications

Professional Qualifications

**Jay M. Harper, MAI
Principal**

Mr. Harper has over 20 years of experience as a real estate appraiser, consultant, and management analyst. Clients have included financial institutions, developers, property owners and managers, governmental agencies, syndicators, attorneys, consulting firms, and schools. Mr. Harper has completed appraisals and appraisal reviews of commercial real estate with values ranging from \$100,000 to \$50 million. Areas of particular consulting expertise include San Francisco commercial property, financial analysis for renovation and new construction, expert witness testimony, litigation support, market research, and property management reviews.

Professional Affiliations

MAI, Appraisal Institute #10309 (designated 1994).

State of California Certified General Appraiser #AG006157

Member: San Francisco Association of Realtors

Member: S.P.U.R - San Francisco Planning and Urban Research Association

Education

College

- Bachelor of Arts in Urban Studies, Lehigh University, Bethlehem, Pennsylvania, 1980.
- Master of Sciences in Applied History & Social Science, Carnegie-Mellon University, Pittsburgh, Pennsylvania, 1982.

Publications

- *Appraisals 101: What to Ask For*
San Francisco Apartment Magazine, August 2005

ADDENDUM C - Definitions & Valuation Methodology

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

- Buyer and seller are typically motivated;
- Both parties are well-informed or well-advised, and acting in what they consider their own best interests;
- 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; 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.

Source: Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Fee Simple Estate: is 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.

Leased Fee Estate: is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of lessor (the leased fee owner) or the leased fee are specified by contract terms contained within the lease.

Market Rent: is 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 (TIs).

Highest and Best Use: is the reasonable, 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.

SOURCES: The Dictionary of Real Estate Appraisal

Extraordinary Assumption: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions.

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

Exposure Time: The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

SOURCES: USPAP 2012-2013

Valuation Methodology

The Cost Approach to value is based on the idea that a buyer will pay no more for an existing property than the cost to construct a property with equal utility. The Cost Approach is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements including entrepreneurial incentives and then subtracting the amount of depreciation (i.e., deterioration and obsolescence) in the structures from all causes. This method is most effectively used in estimating the value of new improvements which do not contain significant amounts of accrued depreciation. It is also useful in estimating the value of special purpose properties for which there is not an active resale market. The applicability of the Cost Approach suffers when the existing improvements suffer from significant accrued depreciation and/or are not the highest and best use of the site, As If Vacant.

The Sales Comparison Approach is based on the principle of substitution — a prudent buyer would not pay more for a property than it would cost to acquire a comparable substitute property. Market value is estimated by comparing the subject property to similar properties that have sold recently or for which offers to purchase have been made. All comparisons must consider differences in real property rights conveyed, financing terms, conditions of sale, and market conditions. Since no two properties are ever identical, the appraiser must make adjustments for differences in physical characteristics such as condition, quality, location, size, and functional utility. The Sales Comparison Approach is useful in analyzing sales of similar land or improved properties. It is the method most often used for analysis of owner-occupied property such as homes and small businesses. As the number and size of differences between properties increase, a greater number of adjustments are required, reducing the reliability of the approach.

The Income Approach is based on the principle of anticipation — a buyer perceives property value to be the present worth of future benefits derived from ownership. The Income Approach is best used in valuation of income-producing property likely to be purchased by an investor. An owner's future benefits include income from operations or leasing the property, as well as the ability to sell the property. The accuracy of this approach is reduced by uncertain estimates of incomes, expenses, and yield rates.

As a final step in the valuation process, the alternative estimates from each of the approaches are reconciled into a final value estimate. The appraiser analyzes the appropriateness of each approach to the property type appraised, the accuracy of the data collected, and the quantity of evidence supporting each value estimate. This correlated amount, as of the valuation specified date, is the final estimate.

EXHIBIT A

The land referred to is situated in the County of Marin, City of San Rafael, State of California, and is described as follows:

Lots 1 and 2, in Block 6, as shown upon that certain, "Map of East San Rafael", filed for record January 21, 1908 in Volume 2 of Maps, at Page 109, Marin County Records.

APN: 014-192-12



OLD REPUBLIC
TITLE COMPANY

300 Drakes Landing Road, Suite 155
Greenbrae, CA 94904
(415) 464-9410 Fax: (415) 464-9416

PRELIMINARY REPORT

Our Order Number 0434024470-KG

HOMEWARD BOUND
1385 North Hamilton Pkwy
Novato, CA 94949

Attention: JOHN FORDHAM

When Replying Please Contact:

Kerry Gallagher
kgallagher@ortc.com
(415) 464-9410

Property Address:

190 Mill Street, San Rafael, CA 94901

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

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

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

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

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

Dated as of July 18, 2017, at 7:30 AM

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

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0434024470-KG

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

An ALTA Loan Policy - 2006. A specific request should be made if another form or additional coverage is desired.

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

Fee

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

Homeward Bound of Marin, a California Non-Profit Corporation

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

Lots 1 and 2, in Block 6, a shown upon that certain, "Map of East San Rafael", filed for record January 21, 1908 in [Volume 2 of Maps, at Page 109](#), Marin County Records.

APN: 014-192-12

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

1. Taxes and assessments, general and special, for the fiscal year 2017 - 2018, a lien, but not yet due or payable.

2. Taxes and assessments, general and special, for the fiscal year 2016 - 2017, as follows:

Assessor's Parcel No	:	014-192-12	
Bill No.	:	16-1033752	
Code No.	:	008-006	
1st Installment	:	\$4,746.05	Marked Paid
2nd Installment	:	\$4,746.05	Marked Paid
Land Value	:	\$313,921.00	
Imp. Value	:	\$556,750.00	
Exemption	:	\$870,671.00	

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

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

Instrument : Grant Deed
Reserved By : Antonio A. Carrico, et ux
For : pedestrian ingress and egress
Recorded : [March 1, 1990 in Official Records under Recorder's Serial Number 90 12436](#)
Affects : Northeasterly portion as described therein

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

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

Instrument : Grant Deed
Reserved By : Antonio A. Carrico, et ux
For : ingres and egress
Recorded : [March 1, 1990 in Official Records under Recorder's Serial Number 90 12436](#)
Affects : Southeasterly portion as described therein

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

6. Terms and provisions as contained in an instrument,

Entitled : Assignment of Proceeds and Grant of Lien by Marin Housing Center to County of Marin From Possible Future Sales
Executed By : Marin Housing Center
Recorded : [September 25, 1990 in Official Records under Recorder's Serial Number 90 56342](#)

Which, among other things, provides: The County has allocated Block Grant funds to Grantee to enable Grantee to purchase and rehabilitate the premises is the provision of emergency shelter for homeless people, and related activities within the meaning and scope of applicable federal statutes and regulations enabling County to receive and distribute such funds. All of the users will be low and moderate income according to the standards of the United States Department of Housing and Urban Development.

Note: Reference is made to said instrument for full particulars.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0434024470-KG

NOTE: Said Assignment of Proceeds and Grant of Lien by the provisions of an agreement

Recorded : [September 8, 1994 in Official Records under Recorder's Serial Number 94-066425](#)
Executed By : Marin Housing Center, a California nonprofit public benefit corporation; County of Marin, State of California, a municipal corporation of the State of California; and Low-Income Housing Fund, a California nonprofit public benefit corporation
was made subordinate to the Deeds of Trust referred to herein as Instrument No. 94-066429 and 94-066430.

7. Terms and provisions as contained in an instrument,

Entitled : Grant Agreement and Use Restrictions
Executed By : Marin Housing Center, a California non-profit public benefit corporation and San Rafael Redevelopment Agency, a Public body corporate and politic
Recorded : [January 19, 1994 in Official Records under Recorder's Serial Number 94-004795](#)

Note: Reference is made to said instrument for full particulars.

NOTE: Said Grant Agreement and Use Restrictions by the provisions of an agreement

Recorded : [September 8, 1994 in Official Records under Recorder's Serial Number 94-066426](#)
Executed By : Marin Housing Center, a California nonprofit public benefit corporation; San Rafael Redevelopment Agency, a public body corporate and politic; and Low-Income Housing Fund, a California nonprofit public benefit corporation
was made subordinate to the Deeds of Trust referred to herein as Instrument No. 94-066429 and 94-066430.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0434024470-KG

8. Terms and provisions as contained in an instrument,

Entitled : A Resolution of the San Rafael Redevelopment Agency Approving and Authorizing the Execution of a Grant Agreement Providing for an Agency Grant of \$48,000 to Marin Housing Center at 190 Mill Street (formerly 56 Harbor Street Center)
Executed By : San Rafael Redevelopment Agency
Recorded : [June 16, 1994 in Official Records under Recorder's Serial Number 94-049418](#)

Note: Reference is made to said instrument for full particulars.

NOTE: Said Resolution of The San Rafael Redevelopment Agency by the provisions of an agreement

Recorded : [September 8, 1994 in Official Records under Recorder's Serial Number 94-066427](#)
Executed By : Marin Housing Center, a California nonprofit public benefit corporation; San Rafael Redevelopment Agency, a public body corporate and politic; and Low-Income Housing Fund, a California nonprofit public benefit corporation
was made subordinate to the Deeds of Trust referred to herein as Instrument No. 94-066429 and 94-066430.

9. Terms and provisions as contained in an instrument,

Entitled : Assignment of Proceeds and Grant of Lien by Marin Housing Center, 190 Mill Street (formerly 56 Harbor Street), San Rafael to County of Marin From Possible Future Sales
Executed By : Marin Housing Center
Recorded : [July 28, 1994 in Official Records under Recorder's Serial Number 94-058473](#)

Which, among other things, provides: The County has allocated Block Grant funds to Grantee to enable Grantee to rehabilitate the premises is the provision of housing for homeless people, with at least 51% of the residents in the lower-income category; the provision of housing and social services to the residents; and related activities within the meaning and scope of applicable federal statutes and regulations enabling County to receive and distribute such funds. At least 51% of the tenants are and will be in the low and moderate income category as defined by the U.S. Department of Housing and Urban Development.

Note: Reference is made to said instrument for full particulars.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0434024470-KG

NOTE: Said Assignment of Proceeds and Grant of Lien by the provisions of an agreement

Recorded : [September 8, 1994 in Official Records under Recorder's Serial Number 94-066428](#)
Executed By : Marin Housing Center, a California nonprofit public benefit corporation; County of Marin, State of California, a municipal corporation of the State of California; and Low-Income Housing Fund, a California nonprofit public benefit corporation
was made subordinate to the Deeds of Trust referred to herein as Instrument No. 94-066429 and 94-066430.

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

Amount : \$157,500.00
Trustor/Borrower : Marin Housing Center, a California non-profit corporation
Trustee : Pacific Coast Title Company of Marin
Beneficiary/Lender : The Low Income Housing Fund, a California non-profit corporation
Dated : September 2, 1994
Recorded : [September 8, 1994 in Official Records under Recorder's Serial Number 94-066429](#)

Affects this and other property.

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

Amount : \$275,000.00
Trustor/Borrower : Marin Housing Center, a California non-profit corporation
Trustee : Pacific Coast Title Company of Marin
Beneficiary/Lender : The Low-Income Housing Fund, a California non-profit corporation
Dated : September 2, 1994
Recorded : [September 8, 1994 in Official Records under Recorder's Serial Number 94-066430](#)

Affects this and other property.

12. Agreement for : Regulatory Agreement and Declaration of Restrictive Covenants
Executed By : Redevelopment Agency of the City of San Rafael
and Between : Homeward Bound of Marin, a California nonprofit public benefit corporation

On the terms, covenants and conditions contained therein,

Dated : August 1, 2007
Recorded : [October 9, 2007 in Official Records under Recorder's Serial Number 2007-0059214](#)

Note: Reference is made to said instrument for full particulars.

13. Any unrecorded and subsisting leases.
14. Rights of tenants in possession as tenants only under unrecorded leases.
15. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
16. The requirement that a certified copy of a resolution of the board of directors be furnished to this Company authorizing or ratifying the proposed conveyance, and that there be annexed to the conveyance a certificate of compliance and approval meeting the requisites of Section 5912 Corporations Code.
17. The requirement that this Company be provided with a suitable Owner's Declaration (form ORT 174). The Company reserves the right to make additional exceptions and/or requirements upon review of the Owner's Declaration.

----- Informational Notes -----

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 2.2B.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0434024470-KG

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

NONE

NOTE: Our investigation has been completed and there is located on said land a commercial building known as 190 Mill Street, San Rafael, CA 94901.

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

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

NONE

- C. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument
Entitled : Grant Deed
By/From : Homeward Bound of Marin, a California Non-Profit Corporation,
formerly known as and who acquired title as Marin Housing Center, a
California Non-Profit Corporation
To : Homeward Bound of Marin, a California Non-Profit Corporation
Recorded : [April 19, 2004 in Official Records under Recorder's Serial Number
2004-0031662](#)

- D. County recorder will charge an additional \$ 10.00 "Monument User Fee" to record a Grant Deed and other transfer documents using the legal description shown here in.

- E. Said land lies within the City limits of San Rafael. The City of San Rafael has imposed a documentary transfer tax of \$2.00 per thousand dollars of consideration which shall be paid at the time of recording.

- F. All transactions that close on or after March 1, 2015 will include a \$20.00 minimum recording service fee, plus actual charges required by the County Recorder.

CB/cb

**AMERICAN LAND TITLE ASSOCIATION
LOAN POLICY OF TITLE INSURANCE - 2006
EXCLUSIONS FROM COVERAGE**

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

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

EXCEPTIONS FROM COVERAGE – SCHEDULE B, PART 1, SECTION ONE

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

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



**WHAT DOES OLD REPUBLIC TITLE
DO WITH YOUR PERSONAL INFORMATION?**

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

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

Go to www.oldrepublictitle.com (Contact Us)

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

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

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

Other Important Information

Oregon residents only: We are providing you this notice under state law. We may share your personal information (described on page one) obtained from you or others with non-affiliate service providers with whom we contract, such as notaries and delivery services, in order to process your transactions. You may see what personal information we have collected about you in connection with your transaction (other than personal information related to a claim or legal proceeding). To see your information, please click on "Contact Us" at www.oldrepublictitle.com and submit your written request to the Legal Department. You may see and copy the information at our office or ask us to mail you a copy for a reasonable fee. If you think any information is wrong, you may submit a written request online to correct or delete it. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement.

Affiliates Who May be Delivering This Notice

American First Abstract, LLC	American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.
eRecording Partners Network, LLC	Genesis Abstract, LLC	Kansas City Management Group, LLC	L.T. Service Corp.	Lenders Inspection Company
Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mara Escrow Company	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Exchange Company	Old Republic National Title Insurance Company	Old Republic Title and Escrow of Hawaii, Ltd.
Old Republic Title Co.	Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma
Old Republic Title Company of Oregon	Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.
Old Republic Title, Ltd.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	The Title Company of North Carolina	Title Services, LLC
Trident Land Transfer Company, LLC				

