BROKER OPINION OF VALUE

56 MADERA BOULEVARD, CORTE MADERA, CALIFORNIA

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PRESENTED BY



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SUMMARY

- The subject property enjoys a number of attractive attributes and provides a unique opportunity to develop a highly visible commercial development adjacent to U.S. Highway 101.
- We have analyzed potential value of the site for industrial, office, auto dealer and retail redevelopment.
- add most value development types included herein. A comparison of highest and best uses indicates retail development to The property has a value of between \$11.1 million and \$26.5 million based on underwriting a variety of
- Residential development has been analyzed. It is not the highest and best use and the environment for residential development has been tainted by public reaction to the nearby Tamal Vista development.

PROPERTY DATA



1 Parcel totaling 238,273 square feet and including a pond. It is assumed that required setbacks total 2,979 square feet leaving 235,294 square feet of developable area.

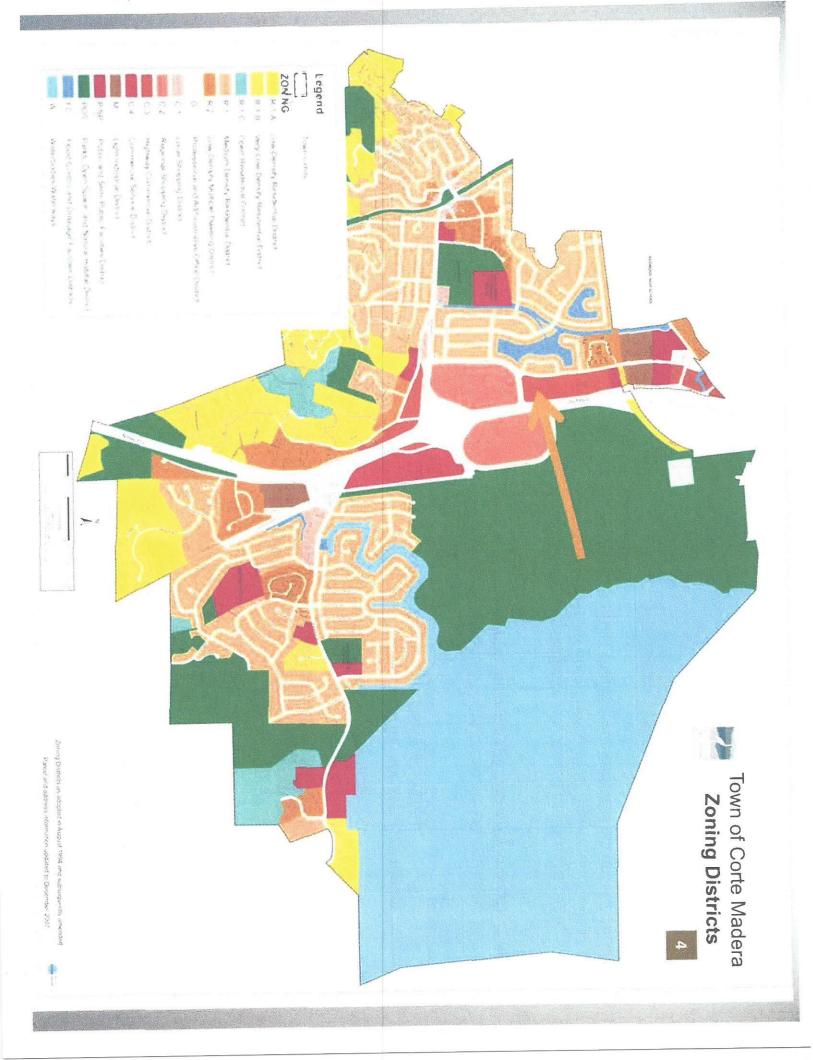
Zoning

- General Plan Designation Mixed-Use Commercial
- Allowable uses include office, light industrial (non-manufacturing), and commercial services, as well as new housing developments 15-20 units/acre.
- C-3 Highway Commercial— intended to create and enhance areas where automobile associated traveler services are desired. The C-3 district regulations are applied to areas near freeway interchanges or in areas with convenient access to the freeway. These regulations provide for commercial uses which typically are freeway-oriented but do not locate in shopping centers, such as automotive dealers, automotive services, gas stations, restaurants and motels.
- Height Limit: 35 feet
- Allowable FAR: 34% allows ±80,000 sf development.
- Not located in an affordable housing overlay district

SITE ATTRIBUTES



- Excellent freeway visibility and access.
- Strong Central Marin Commercial Real Estate Market
- Nearby services and amenities –Village at Corte Madera, routes and trails for jogging and walking. Corte Madera Town Center, Downtown Corte Madera. Bike
- Proximity to varied housing opportunities.
- Relative proximity to San Francisco.
- Public Transportation Golden Gate Ferry, Paradise Drive Bus Pad, SMART Rail.



RENESON HOTELS VALUE SUMMARY

Determination of Highest & Best Use

Use Indicated Value	
	Comment
	6% Capitalization of \$3.44 NNN rent, less \$30.63 warm shell/tenant improvement allowance.
Sale for Development \$21 million as Retail or Auto	6% Capitalization of \$2.50 NNN rent, less \$30 tenant improvement allowance. One story tilt-up.
Dealership	
Sale to Office Developer \$17.5 million	Residual Cost Analysis of new construction, including \$65 tenant improvement, lease up at \$3.50 NNN and sale at 6% capitalization rate.
Sale to Housing \$11.1 million Developer	\$125,000 per developable unit based on 89 units (max. density per general plan. Tamal Vista Apartments sold at \$102,000 in a softer market, but with less potential political opposition.

RETAIL DEVELOPMENT

Value of Retail Development

Pro Forma Income	Square Feet	Monthly Net Rent/Sf	Annual Net Rent
Retail Building	80,000 sf	\$3.44*	\$3,300,000
Vacancy/Credit Loss (5%)			\$165,000
Adjusted NOI			\$3,135,000
Indicated Value @6% Cap		\$653.13/sf	\$52,250,000
20.1% Developer Profit		\$113.18/sf	\$9,054,377
Development Cost		\$208.70/sf	\$16,695,623
Indicated Land Value		\$136.03/sf	\$26,500,000
Per Buildable SF		\$331.25/sf	

^{*}Assumed 30,000 sf Big Box @ \$2.50 NNN and 50,000 sf of shop space @\$4.00 NNN.

RETAIL DEVELOPMENT

Retail Development Residual Value analysis

Land Pulcilase Frice	I and Disselface Drice	Total Development Cost	Developer Profit	Construction Loan Interest (24 mths @6%)	Total Construction Costs	Property Taxes (2 yrs)	Sales Commission (3%)	Leasing Commissions (6%)	Soft Costs (Permits, Plans)	Tenant Improvements	Shell Costs	Site Costs		Potential Income	Shop Space Value Per SF (6% Cap of \$4.00 NNN Rent)	Big Box Value Per SF (6% Cap of \$2.50 NNN Rent)	Shop Space	Big Box Space		Not Raildable Area
	\$26,500,000	\$25,750,000	\$9,054,377	\$1,788,817	\$14,906,806	\$641,300	\$522,500	\$711,006	\$672,000	\$2,200,000	\$9,200,000	\$960,000		\$52,250,000	\$760.00	\$475.00	30,000 37		30.000 SF	80,000 SF
	\$136.03	\$321.88	W.O.T.7	24.30	\$186.34	\$8.02	\$6.53	\$8.89	\$8.40	\$27.50	\$115.00	\$12.00	Per SF							

RENESON HOTELS AUTO DEVELOPMENT

Value of Auto Dealership

Per Buildable SF	Indicated Land Value	Development Cost	20.6% Developer Profit	Indicated Value @6% Cap	Adjusted NOI	Vacancy/Credit Loss (5%)	New One Story Tilt-Up	Pro Forma Income
							80,000 sf	Square Feet
\$262.50 /sf	\$89.25/sf	\$192.50/sf	\$81.30/sf	\$380			\$2.50	Monthly Net Rent/Sf
	\$21,000,000	\$17,000,000	\$6,503,602	\$38,000,000	\$2,280,000	\$120,000	\$2,400,000	Annual Net Rent

AUTO DEVELOPMENT

Auto Dealer Development Residual Value Analysis

Project Costs	Land Purchase Price	Total Development Cost	Construction Loan litterest (24 mins @ 077)	Total collection total	Tetal Construction Costs	Property Tayor (7 vrs)	Cales Commission (3%)	Jenseing Commissions (6%)	Soft Costs (Permits Plans)	Shelli costs Tenant Improvements	thall Docto	Site Costs	TOUR THE COLUMN	Detential Income	Estimated Value Per SF (6% Cap of \$2.50 NNN Rent)	Net Buildable Area	Allowable FAR	Total Land SF
\$31,496,398	\$21,000,000	\$17,000,000	\$6,503,602	\$1,124,614	\$9,371,784	\$508,200	\$1,140,000	\$91,584	\$672,000	\$2,400,000	\$3,600,000	\$960,000		\$38,000,000	\$475.00	80,000	34%	235,294
\$393.70	\$89.25	\$212,50	20.6%	\$14.06	\$117.15	\$6.35	\$14.25	\$1.14	\$8.40	\$30.00	\$45.00	\$12.00	Per SF					

OFFICE DEVELOPMENT

Value of Office Development

Per Buildable SF	Indicated Land Value	Development Cost	22.4% Developer Profit	Indicated Value @6% Cap	Adjusted NOI	Vacancy/Credit Loss (5%)	New Two Story Steel/Glass	Pro Forma Income
							80,000 sf	Square Feet
\$218.75/sf	\$74.38/sf	\$542.10/sf	\$121.90/sf	\$665.00/sf			\$3.50 NNN	Monthly Net Rent/Sf
	\$17,500,000	\$43,447,874	\$9,752,126	\$53,200,000	\$3,192,000	\$168,000	\$3,360,000	Annual Net Rent

OFFICE DEVELOPMENT

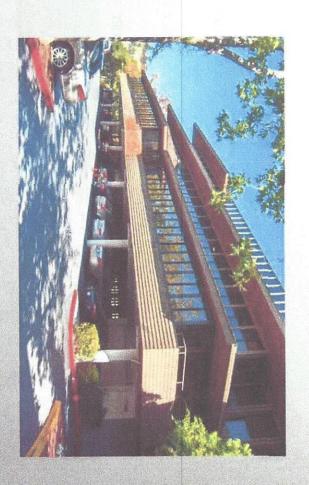
Office Development Residual Value Analysis

Price/Buildable SF Project Costs Developer Profit	Land Purchase Price	Construction Loan Interest (24 mths @6%)	Total Development Costs	Property Taxes (2 vrs)	Sales Commission (2%)	Leasing Commissions (6%)	Soft Costs	Tenant Improvements	Shall Costs	Site Costs		Potential Income		Net Buildable Area	Allowable FAR	Total Land SF
\$43,447,874 22.4%	\$17,500,000	\$2,780,129	\$23,167,745	\$423,500	\$1,064,000	\$1,068,480	\$3,435,294	\$5,200,000	\$10,800,000	\$1,176,471		\$53,200,000	\$665.00	80,000	34%	235,294
\$218.75 \$543.10	\$47.00	\$34.75	\$289.60	\$5.29	\$13.30	\$13.36	\$42.94	\$65.00	\$135.00	\$5.00	Per SF					

COMPARABLE SALES

achievable capitalization rates. and January 2014. They represent the high end of value and most aggressive Two of Marin County's most prestigious office properties were sold in December 2013





Drakes Landing Office Park Sold 12/20/2013 \$61,000,000 (\$468/SF) 5.74% Cap Rate

Wood Island Office Complex Sold 01/22/2014 \$39,000,000 (\$471/SF) 5.90% Cap Rate

VALUE AS HOUSING

Two relevant comparable sales expanded hereafter:

Subject	Tamal Vista Apartments	San Clemente Place	Property
	5/4/2011	3/30/2004	Sale Date
\$11,125,000	\$18,500,000	\$3,524,000	Price
194,804	200,376	119,980	Square Feet
\$57.10	\$92.33	\$29.37	Price/ Square Foot
89	180	79	Units
2,188 sf	1,113 sf	1,519 sf	Land Square Feet/Unit
\$125,000	\$102,788	\$44,608	Price per Unit

current political climate in Central Marin is extremely disadvantageous to high Subject property is not located within an affordable housing overlay district. The density housing and any residential development in excess of allowed density is highly unlikely to be approved.

HOUSING COMPARABLE

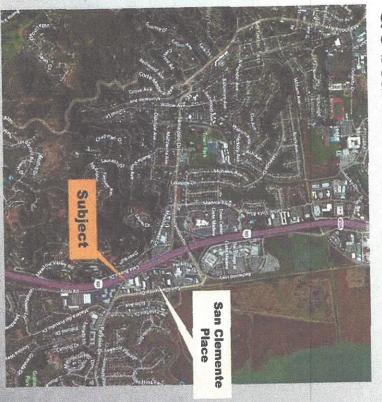


San Clemente Place

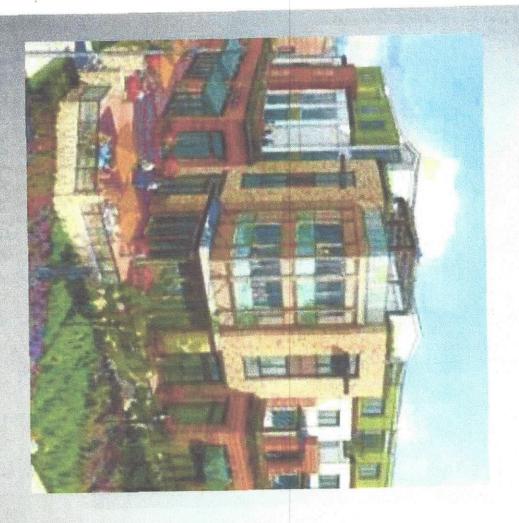
Sale Date: 3/30/2004 Land Area: 119,980 sf (2.74 acres) Price: \$3,524,000 Units Developed: 79

Price/Unit: \$44,608

Affordable housing development with 1,2 & 3 bedroom units.



HOUSING COMPARABLE



Tamal Vista Apartments

Sale Date: 5/4/2011 Land Area: 200,376 sf (4.60 acres) Price: \$18,500,000 Units Developed: 180 + 5,000 sf retail

Price/Unit: \$102,777

Eighteen units (10%) designated as affordable

