



ADVANCED APPRAISAL INTERNATIONAL, INC.

July 28th, 2017

Kelly Ng
Purchasing/Contracts/Bond Budget Manager
Milpitas Unified School District
1331 E Calaveras Blvd, Milpitas, CA 95035

Re: Appraisal of the Real Property located at:
1660 McCandless Dr., Milpitas, CA
APN #s: 086-41-016 & 086-41-017

Dear Kelly:

I am pleased to submit this proposal to appraise the Market Value of the Fee Simple Interest of the above-captioned property. Our appraisal report will be provided in a detailed summary narrative format. The purpose of the appraisal is to establish the value of the property for financing purposes. The Effective Date of the Appraised Value will be a current value.

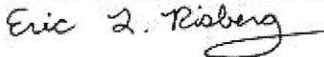
The total fee for this appraisal assignment will be **\$3,900**. You may authorize me to commence work on this assignment effective immediately by signing this agreement and returning it to me via facsimile at (1-415-449-3606) or, via sending an executed, scanned copy, with email to eric.risberg@advanced-appraisal.com. The full fee shall be due upon your receipt of our written appraisal report.

The Summary Appraisal Report will be delivered to you by not later than 3 to 4 weeks from your signed authorization to proceed. Our Company will perform our appraisal work in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), and the Code of Ethics and Standards of Professional practice of the Appraisal Institute and those of the American Society of Appraisers. It will also be subject to our Limiting Conditions. An Adobe Acrobat formatted version (only) of the report (sent via email) will be provided.

You shall be responsible for all costs (including, but not necessarily limited to attorney's and collection agency's fees) associated with the collection of any and all unpaid amounts to which Advanced Appraisal International is legally entitled if you fail to make timely payments as outlined above. Any additional professional time requested by you in addition to providing our reports such as: client meetings or follow-on consulting will be done our professional per diem rates. Checks should be made payable to: Advanced Appraisal International, Inc. I look forward to helping you with your appraisal needs.

Sincerely,

ADVANCED APPRAISAL INTERNATIONAL, INC.



Eric L. Risberg, MAI, ASA, SRA

The undersigned agrees to the terms of this proposal:

Name

Date

Enclosure: Assumptions & Limiting Conditions, which are also an integral part of this agreement

268 Bush Street, #2100, San Francisco, CA 94104-3503
(415) 531-1414 Phone (415) 449-3606 Fax
www.advanced-appraisal.com

STATEMENT OF LIMITING CONDITIONS

1. Date and definitions of value, together with other definitions and assumptions on which our analysis are based, are set forth in appropriate sections of this report. These are to be considered part of these limiting conditions as if included here in their entirety.
2. The conclusions stated herein, including values which are expressed in terms of the U.S. Dollar, apply only as of the date of value and are based on prevailing physical and economic conditions and available information at that time. No representation is made as to the effect of subsequent events.
3. Title to the property is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
4. All facts and data set forth in this report are true and accurate to the best of the appraiser's knowledge and belief. The appraisal is based upon the assumption that data which is of public record or which has been secured through interviews with owners, agents or other informed persons is true and correct. The appraisers reserve the right to make appropriate revisions in the event of discovery of additional or more accurate data.
5. The appraiser reserves 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 that may become available.
6. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.
7. The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.
8. The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.
9. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.
10. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.
11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is

predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

12. Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties, unless detailed geologic reports are made available.
13. This appraisal covers only the real property described herein. Unless specifically stated to the contrary, it does not include consideration of mineral rights or related right of entry, nor personal property or the removal thereof. Values reported herein are not intended to be valid in any other context, nor are any conclusions as to unit values applicable to any other property or utilization than that specifically identified herein.
14. By reason of this assignment, testimony or attendance in court or at any government or other hearing with reference to the property is not required without prior arrangements having been made relative to such additional employment.
15. No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
16. Maps, plats and exhibits included in this report are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.
17. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
18. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
19. Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially the conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication, without prior written consent and approval of the authors.

20. The liability of Advanced Appraisal International, Inc., its owners and staff is limited to the Client only and to the amount of the fee actually paid for the services rendered, as liquidated damages, if any related dispute arises. Further, there is no accountability, obligation or liability to any third party. 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 party), 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.

ERIC L. RISBERG, MAI, ASA, SRA

President & Founder

Advanced Appraisal International, Inc.

268 Bush Street, #2100, San Francisco, CA 94104-3503

(415) 531-1414 phone

www.advanced-appraisal.com

Introduction

Eric Risberg has been advising clients on commercial real estate matters since 1993. He is the founder of Advanced Appraisal International, Inc., based in San Francisco, California. Earlier in his career, he provided commercial real estate appraisal services to American Appraisal Associates, the world's largest independent valuation firm.

Valuation Experience

Mr. Risberg has appraised property for more than 500 clients, including over 20 Fortune 500 companies. He has appraised property in over 30 states. His appraisals cover a wide range of properties, such as large multi-tenant and single-tenant retail properties, suburban and downtown office buildings, mixed-use facilities, industrial facilities, hotels, waterfront properties, right-of-ways, easements, ground leases, subdivisions, resort properties, golf courses, vineyards, and thousands of acres of land. He has also appraised all types of residential real estate including: single family homes, high-rise and low-rise apartment buildings, entire condominium complexes, tenancies in common, ranches, cooperatives, timeshares and individual condominium units.

He has provided expert witness testimony in trial at the State Superior Courts of Marin, San Francisco, San Mateo and Alameda Counties. He has been deposed on many occasions as an expert witness and has also provided fair market rental and market value determinations involving real property for arbitration, appraisal, mediation, litigation and other purposes requiring advanced and complex property valuation knowledge.

Large appraisal projects include: participation in the valuation of the Xerox Technology Center in Rockford, New York, a facility of nearly 7 million square feet of office, industrial, and research & development space; Crocker Galleria, a shopping mall located in downtown San Francisco with over 40 tenants; 1000 Van Ness Avenue, a 400,000+ square foot structure that includes 14 Movie Theaters and numerous retailers. Other particularly noteworthy projects included participation in the valuation of more than 200 investment-grade properties for a major U.S. Life Insurance Company; more than 50 hotel valuations for Marriott International; a nationwide retail property portfolio for Copley Real Estate Advisors; and the appraisal of high-rise office buildings in Los Angeles, Chicago and San Francisco. In his career he has also valued the land at nearly every large oil refinery in the State of California.

He has appraised properties for the purposes of: purchase, sale, corporate planning, ad valorem tax, estate planning, financing, donation, arbitration, litigation, mediation and allocation of purchase price. He has provided opinions of market value for sale in the open market and in-use. During the past 20 years as an appraiser he has valued billions of dollars of real estate and related capital assets.

Professional Accreditations and Designations

Appraisal Institute, Designated Member (MAI)
American Society of Appraisers, Accredited Senior Appraiser (ASA)
Appraisal Institute, Senior Residential Appraiser (SRA)
California Association of Realtors
San Francisco Association of Realtors
National Association of Realtors
Appraisal Institute Roster for Specialization in Litigation
Appraisal Institute Roster for Specialization in Conservation Easements

State Certifications and Licenses

Certified General Real Estate Appraiser, State of California, No. AG025802
State of California Real Estate Broker, No. 01231982
Certified General Real Estate Appraiser, State of Texas, No. 78711-2188
Certified General Real Estate Appraiser, State of Nevada, No. 1101677

College Education

University of Wisconsin at Madison: Bachelor of Business Administration - 1992
Double Major: Real Estate and Urban Land Economics; Risk Management and Insurance

Litigation Support / Expert Witness Experience

Eric L. Risberg, MAI, ASA, SRA has provided expert opinions and analysis to law firms on the following topics:

Agent/Broker standard of care
Appraisal of office, retail, industrial, and residential buildings
Appraiser standard of care
Before-and-after damages valuations
Building code compliance
Construction defect litigation
Development land
Duty to mitigate issues
Fair market rental rate determinations and other lease analyses
Gas station and convenience store valuations
Ground lease valuation and analysis
Hotel valuations
Insurable values and appraisal applications in insurance matters
Landlord / tenant disputes
Market conditions and changes in the real estate market
Partial interests / fractional interests in real property
Prospective valuations (future values)
Rent loss and damages calculations
Retrospective valuations (historical values)
Single family home property owner disputes
The Uniform Standards of Professional Appraisal Practice (USPAP)
Waterfront properties

Expert Experience / Specific Case History (partial list)

Date	Court	Parties
June, 2005	Superior Court of Washington County of Whatcom	Petitioner - Marlene Bolster Respondent - J. Frederick Bolster
September, 2005	JAMS in Walnut Creek, California County of Contra Costa	Claimant - Next Bay Properties, LLC Respondent - Brian Chern-Sern Lin
September, 2005	Superior Court of California County of Sonoma	Plaintiff - Carneros Warehousing et al Defendant - Cranston Steel et al
May, 2006	Superior Court of California County of Placer	Plaintiff - Channel Lumber et al Defendant - Rossi Development et al
December, 2006	Superior Court of California County of San Francisco	Plaintiff - Russian Hill Partners Defendants - Blackie Fong, Abby Fong, Jenny Wong et al
June, 2007	Superior Court of California County of San Mateo	Plaintiff - Vecane Sossikian and Theresa Sossikian Defendants - Christopher Paul Ennis et al
January, 2008	Superior Court of California County of Alameda	Plaintiff - JEM Enterprises et al Defendants - International Motorcycle Exchange et al
April, 2008	Superior Court of California County of Mendocino	Plaintiff - Michael Bradbrook and Linda Bradbrook Defendants - Dale Miller
July, 2008	Superior Court of California County of Alameda	Plaintiff - Corrie Development Corporation Defendants - Michael W. Ruprecht et al
August, 2008	JAMS in San Francisco, California County of San Francisco	Claimant - Ritz Camera Centers, LLC Respondent - Watt Property Management
December, 2008	Superior Court of California County of San Mateo	Plaintiff - CA-One Bay Plaza Limited Partnership Defendants - Mylor Financial Group, Inc. and Realty Mortgage
April, 2009	Superior Court of California County of San Francisco	Plaintiff - Carol Sui Man Lam and Lai Fong Lee Defendants - Mid-Century Insurance Company
November, 2009	Superior Court of California County of San Francisco	Plaintiff - Cederwall and Barrager Defendants - Jay Morton Real Estate et al
November, 2009	Superior Court of California County of Alameda	Plaintiff - 3960 Adeline LLC Defendants - Bonelli Enterprises
June, 2010	Superior Court of California County of San Francisco	Plaintiff - Ondyn Herschelle Defendants - John Font, Nancy Topf and Palo Alto Roofing

August, 2010	Superior Court of California County of Alameda	Plaintiff - Yasin A. Salma and Mary J. Salma Defendants - Daniel Kern, et al.
September, 2010	Superior Court of California County of Solano	Plaintiff - City of Vallejo Unified School District Defendant - KB Home South Bay, Inc.
December, 2010	District Court of Minnesota County of Hennepin	Petitioner – Camille Simcoff Respondent – William King Benton
December, 2010	Superior Court of California County of San Francisco	Plaintiff – Tsai Defendant – Chan
January, 2011	Superior Court of California County of San Francisco	Plaintiff – Jack Thornton and Patricia Thornton Defendant – Samuel R. Haugh and Kelly McMillan
February, 2011	Superior Court of California County of San Francisco	Plaintiff – Tsai Defendant – Wong, et al.
March, 2011	Superior Court of California County of Alameda	Plaintiff – JB 950 Gilman Street Defendant – Robinson McNally Company & Peter McNally
June, 2011	Superior Court of California County of San Francisco	Plaintiff - Stephens & Stephens, XII, LLC Defendant - Factory Mutual Insurance Company et al
July, 2011	ADR Services in San Francisco County of San Francisco	Plaintiff – Losch Defendant - McGee
August, 2011	JAMS in San Francisco, California County of San Francisco	Claimant - Dobkin Respondent - Obenhuber
September, 2011	ADR Services in San Francisco County of San Francisco	Claimant – Ted Elms Respondent - Leah Ahn
November, 2011	Superior Court of California County of Alameda	Plaintiff - 7 Dawn LLC Defendant - Groundswell Development et al
March, 2012	Superior Court of California County of Alameda	Plaintiff - Kenneth A. Munson Defendant - Fernandez et al.
May, 2012	Superior Court of California County of Contra Costa	Plaintiff - John and Maria Dulaney Defendant - Farmers Insurance Company, et al
August, 2012	Superior Court of California County of Marin	Plaintiff - Branscomb Defendant - Menon
September, 2012	Superior Court of California County of Monterey	Plaintiff - Gary Tarnowski Defendant - American International Insurance, et al
December, 2012	Superior Court of California County of Santa Clara	Plaintiff - Heritage Pacific Financial Defendant - Chen

May, 2013	Superior Court of California County of San Francisco	Plaintiff - Mainzer Defendant - Dresner
June, 2013	Superior Court of California County of San Francisco	Plaintiff - Grand Penthouse Defendant - Four Seasons
February, 2013	Superior Court of California County of San Francisco	Plaintiff - Ng Defendant - Tom
July, 2013	Superior Court of California County of San Mateo	Plaintiff - Chang Defendant - Farmers Insurance Company
October, 2013	Superior Court of California County of Alameda	Plaintiff - Patel Defendant - Arkesh
January, 2014	Superior Court of California County of Contra Costa	Plaintiff - Kizor Defendant - Redig

Continuing Education Courses Completed (partial list)

Year	Number & Title	Provider
1994	Appraisal Principles (110)	Appraisal Institute
1994	Basic Income Capitalization (310)	Appraisal Institute
1995	Standard of Professional Practice, Part A (410)	Appraisal Institute
1995	Standards of Professional Practice, Part B (420)	Appraisal Institute
1996	Highest and Best Use & Markey Analysis (520)	Appraisal Institute
1996	Report Writing & Valuation Analysis (540)	Appraisal Institute
1997	510 - Advanced Income Capitalization (510)	Appraisal Institute
1997	Appraisal of Nursing Facilities	Appraisal Institute
1997	Appraisal Procedures (120)	Appraisal Institute
1997	Real Estate Practice	Allied Real Estate School
1997	Real Estate Principles	Allied Real Estate School
1999	Advanced Applications (550)	Appraisal Institute
1999	Uniform Standards of Professional Appraisal Practice (100)	American Society of Appraisers
2001	Agency Relationship, Duties & Disclosure	Allied Real Estate School
2001	Ethics, Professional Conduct & Legal Aspects	Allied Real Estate School
2001	Fair Housing	Allied Real Estate School
2001	Information Technology & The Appraiser	McKissock
2001	Legal Aspects of Real Estate	Allied Real Estate School
2001	Property Management	Allied Real Estate School
2001	Real Estate Fraud and The Appraiser's Role	McKissock
2001	The Appraiser as Expert Witness	McKissock
2001	Trust Fund Handling	Allied Real Estate School
2002	Advanced Sales Comparison and Cost Approaches	Appraisal Institute
2002	Consumer Protection 1131 and 1144	Anthony Schools
2003	General Demonstration Appraisal Report Writing	Appraisal Institute
2003	Small Hotel/Motel Valuation (660)	Appraisal Institute
2003	Understanding the Assessment Appeal Process	Appraisal Institute
2003	Uniform Standards of Professional Practice (5.0) (required update)	NAIFA

2004	Construction Issues for Appraisers	McKissock
2004	Valuation of Vineyards and Wineries (835)	Appraisal Institute
2004	Vineyard Valuation IV Seminar	Appraisal Institute
2005	Appraisal Law	Key Realty School
2005	Case Studies in Limited Partnerships and Common Tenancy Valuation	Appraisal Institute
2005	National USPAP Course (126)	Anthony Schools
2006	Agency Relationship, Duties & Disclosure (required update)	Allied Real Estate School
2006	Ethics, Professional Conduct & Legal Aspects (required update)	Allied Real Estate School
2006	Fair Housing (required update)	Allied Real Estate School
2006	Financing Options To Increase Sales (required update)	Allied Real Estate School
2006	Protect Yourself and Your Clients (required update)	Allied Real Estate School
2006	Trust Fund Handling (required update)	Allied Real Estate School
2007	Business Practice and Ethics	Appraisal Institute
2007	Construction Details & Trends	McKissock
2007	Environmental Pollution and Mold	McKissock
2007	National USPAP Update Course (required update)	Appraisal Institute
2007	National USPAP Update Course (required update)	Appraisal Institute
2007	Technology for Today's Appraiser	McKissock
2008	Appraising Historic Properties	McKissock
2008	California Laws and Regulations	McKissock
2008	Developing and Growing an Appraisal Practice	McKissock
2008	Disclosures & Disclaimers	McKissock
2009	Introduction to Expert Witness Testimony	McKissock
2009	National USPAP Equivalent Course (required update)	Appraisal Institute
2009	Private Appraisal Assignments	McKissock
2010	Agency Relationship, Duties & Disclosure (required update)	Allied Real Estate School
2010	Ethics, Professional Conduct & Legal Aspects (required update)	Allied Real Estate School
2010	Fair Housing (required update)	Allied Real Estate School
2010	Financing Options To Increase Sales (required update)	Allied Real Estate School
2010	Protect Yourself and Your Clients (required update)	Allied Real Estate School
2010	Risk Management (required update)	Allied Real Estate School
2010	Trust Fund Handling (required update)	Allied Real Estate School
2010	Valuation of Green Residential Buildings	Appraisal Institute
2011	Diminution of Value and Severance Damages	American Society of Appraisers
2011	The Appraiser as an Expert Witness: Preparation and Testimony	Appraisal Institute
2011	The top 10 things to know when representing Real Estate Brokers	State Bar of California MCLE
2011	Condemnation Appraising: Principles & Applications	Appraisal Institute
2011	Litigation Appraising: Specialized Topics and Applications	Appraisal Institute
2012	Valuation of Conservation Easements	Appraisal Institute
2014	Agency Relationship, Duties & Disclosure (required update)	Allied Real Estate School
2014	Ethics, Professional Conduct & Legal Aspects (required update)	Allied Real Estate School
2014	Fair Housing (required update)	Allied Real Estate School
2014	Financing Options (required update)	Allied Real Estate School
2014	Protect Yourself and Your Clients (required update)	Allied Real Estate School
2014	Risk Management (required update)	Allied Real Estate School
2014	Trust Fund Handling (required update)	Allied Real Estate School

Updated: 4/15/2014