

**ATTACHMENT # 1**  
**CAPITAL REALTY ANALYSTS**  
REAL ESTATE APPRAISERS • ANALYSTS • ADVISORS

41-865 BOARDWALK, SUITE 201  
PALM DESERT, CA 92211

December 10, 2005

Los Padres Bank  
Attention: Ms. Didi Reynoso  
402 East Main Street  
Santa Maria, CA 93454

**RE: Four Low-Income Apartment Complexes, Located at 717 & 721 North E Street, 725, 729 & 733 North E Street, 434 & 438 North L Street, 401 - 405 West Chestnut Avenue, Lompoc, CA 93436; Also Known as APNs 087-101-003, 004, 005, 006, & 007, 089-231-017, 018 & 091-021-008, Santa Barbara County, CA**

Dear Ms. Reynoso:

At your request and authorization, I have performed a complete appraisal, setting forth in this summary report, my opinion of the market value of the leased fee estate of the subject properties as of November 16, 2005. In compliance with your request, I will provide an "as is" value estimate for each of the four identified properties. For the purpose of simplification, I will reference each property in the following method:

| <b>Property ID</b> | <b>Address</b>            | <b>APNs</b>            |
|--------------------|---------------------------|------------------------|
| Subject Property 1 | 717 & 721 N. E Street     | 087-101-006 & 007      |
| Subject Property 2 | 725,729 & 733 N. E Street | 087-101-003, 004 & 005 |
| Subject Property 3 | 434 & 438 N. L Street     | 089-231-017 & 018      |
| Subject Property 4 | 401-405 W. Chestnut Ave.  | 091-021-008            |

The report will be organized sequentially according to property number. Summary, regional, city, market analysis, highest and best use and appraisal process information will be combined, though each individual property will have a separate site analysis, improvement description and individual valuation processes and final value estimate. Wherever possible I will combine data as to not create redundancies within the reporting process.

Each of the subjects is operated as low-income apartment buildings vested under common non-profit ownership in the Lompoc Housing Assistance Corporation (LHAC). Each of the properties has a combination of grant equity, seller financing, or below market junior debt component. In exchange for the favorable financing condition, the properties are operated for the purpose of providing low-income housing, either under the State's Section 8 guidelines or HOME low-income guidelines, which define the maximum rental rate for each unit based on the rental guidelines tied to 50% of the Area Median Income as published by the Department of Housing and Community Development. The refinancing of the subject properties' first trust deeds (seller financing and conventional) is the function of the appraisal report.

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My report identifies the subject properties and the market area. It presents the market data and analysis leading to my estimate of value. This report is subject to the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The appraisal report is intended to comply with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and the Uniform Standards of Professional Appraisal Practice (USPAP), adopted by the Appraisal Standards Board of the Appraisal Foundation. Additionally, this report complies with the appraisal requirements of Los Padres Bank.

James C. Dingman personally inspected the subject properties. I have located current sales and listings of comparable properties in the subject market and competing areas, and have analyzed this data in order to arrive at my estimate of the market value of the leased fee estate in the subject properties.

Based on the available data, it is my opinion that the market value of the leased fee estate in the subject properties, "as is", as of November 16, 2005 is as follows:

**Subject Property 1**  
**717 & 721 N. E Street - 6 Unit Complex**  
**\$480,000**  
**(Four Hundred Eighty Thousand Dollars)**

**Subject Property 2**  
**725, 729 & 733 N. E Street – 18 Unit Complex**  
**\$1,130,000**  
**(One Million One Hundred Thirty Thousand Dollars)**

**Subject Property 3**  
**434 & 438 N. L Street – 12 Unit Complex**  
**\$1,180,000**  
**(One Million One Hundred Eighty Thousand Dollars)**

**Subject Property 4**  
**401 - 405 W. Chestnut Ave. – 3 Unit Complex**  
**\$200,000**  
**(Two Hundred Thousand Dollars)**

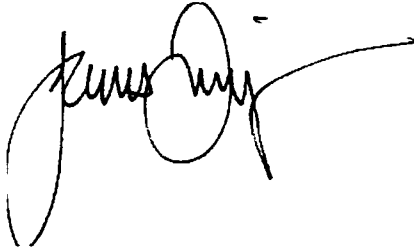
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The undersigned has no personal interest either present or contemplated in the subject property and certifies that no fee, received or to be received for the employment of my services is in any way contingent on the opinion reported herein. I hope you find the details of this appraisal report relevant to your decisions. Thank you for the opportunity to be of service.

Respectfully submitted,

**CAPITAL REALTY ANALYSTS, INC.**

A handwritten signature in black ink, appearing to read 'James Dingman', with a long horizontal flourish extending to the right.

James Dingman

State Certification No.: AG025869

Expiration Date: March 2, 2007