

ATTACHMENT B

**APPRAISAL REPORT, MARKET RENTAL VALUE STUDY FOR NEWPORT BEACH
BOYS AND GIRLS CLUB FACILITY, PREPARED BY R.P. LAURAIN &
ASSOCIATES, INC., DATED APRIL 23, 2019**

APPRAISAL REPORT

MARKET RENTAL VALUE STUDY
NEWPORT BEACH BOYS AND GIRLS CLUB FACILITY
2555 VISTA DEL ORO
NEWPORT BEACH, CALIFORNIA
APN: PORTION OF 440-161-01



R. P. LAURAIN
& ASSOCIATES
INCORPORATED

APPRAISAL REPORT

MARKET RENTAL VALUE STUDY
NEWPORT BEACH BOYS AND GIRLS CLUB FACILITY
2555 VISTA DEL ORO
NEWPORT BEACH, CALIFORNIA
APN: PORTION OF 440-161-01

Effective Date
of
Market Value Study
April 10, 2019

Prepared for
CITY OF NEWPORT BEACH
100 Civic Center Drive
Newport Beach, California 92660

Prepared by
R. P. LAURAIN & ASSOCIATES, INC.
3353 Linden Avenue, Suite 200
Long Beach, California 90807

Date of Report
April 23, 2019

R . P . L A U R A I N
& A S S O C I A T E S

INCORPORATED



3353 LINDEN AVENUE, SUITE 200
LONG BEACH, CALIFORNIA 90807
TELEPHONE (562) 426-0477
FACSIMILE (562) 988-2927

April 23, 2019

Ms. Lauren Wooding Whitlinger
Real Property Administrator
City of Newport Beach
Community Development Department
100 Civic Center Drive
Newport Beach, California 92660

Subject: Market Rental Value Study
Newport Beach Boys and Girls Club Facility
2555 Vista Del Oro
Newport Beach, California
APN: Portion of 440-161-01

Dear Ms. Wooding Whitlinger:

In accordance with your request and authorization, I have personally appraised the above-referenced property as of a current date. The appraisal study included (1) an inspection of the subject property, (2) a review of market data in the immediate and general subject market area, and (3) a valuation analysis. The purpose of this appraisal is to estimate the fair market rental rate applicable to the subject property, based on the existing special purpose use (Boys and Girls Club). Further, the appraisal sets forth the allocation of rent for that portion of the site vested with the Newport Mesa Unified School District (NMUSD).

The subject lease site is part of a larger public park (Eastbluff Park) which larger public park is identified as APN 440-161-01, containing 13.87± acres of land area, per Assessor's Mapping. The subject lease site, however, contains 41,500± total square feet, per the City of Newport Beach. It should also be noted that approximately 2,560 square feet of land area is vested with the Newport Mesa Unified School District (NMUSD).

The subject lease site is improved with a community recreation building containing 12,393 total square feet, consisting of (1) 6,161 square feet of classroom, game room, and office space, as well as restrooms and a kitchen area, and (2) a gymnasium containing 6,232 square feet. The building was constructed circa 1975, was remodeled in 2008, and is in overall below average condition.

Ms. Lauren Wooding Whitlinger
Real Property Administrator
City of Newport Beach
April 23, 2019
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The subject site is located in the PR (Public Recreation) zone district, and is considered a special purpose property. Given the lack of comparable sale and rental properties, the market rental value is based on a rate of return applied to the otherwise market value of the subject property. The Sales Comparison Approach has been utilized to estimate the underlying land value considering the public open space/recreation nature of the subject site. The market value of the building and on-site improvements is based on the Cost Approach.

Refer to the accompanying report for a complete description of the subject property.

The purpose of the appraisal study is to set forth the market rental rate applicable to (1) the subject lease site as a whole, plus (2) that portion of the lease site vested with the Newport Mesa Unified School District (NMUSD). For each rental value study, the market rental value is allocated between (1) the underlying land and (2) the building and on-site improvements. After considering the various factors which influence value, the market rental value of the subject lease site, as of April 10, 2019, is summarized as follows:

Property as a Whole:

Annual Rent, land only:	\$ 3,600
Annual Rent, building and site improvements:	<u>52,200</u>
Total Annual Rent:	\$ 55,800
 Total Monthly Rent:	 \$4,650

Allocation of School District Portion:

Annual Rent, land only:	\$ 230
Annual Rent, basketball court improvements:	<u>864</u>
Total Annual Rent:	\$ 1,094
 Total Monthly Rent:	 \$91.17

Ms. Lauren Wooding Whitlinger
Real Property Administrator
City of Newport Beach
April 23, 2019
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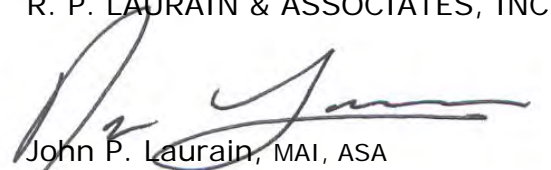
The foregoing values are subject to the assumptions and limiting conditions set forth in the Preface Section and the valuation study in the Valuation Analysis Section. No portion of this report shall be amended or deleted.

This appraisal report is submitted in accordance with the Uniform Standards of Professional Appraisal Practice, per Standard Rule 2-2(a), as a complete narrative Appraisal Report.

If you require any additional information from our file, it would be appreciated if you would contact the undersigned at your convenience.

Very truly yours,

R. P. LAURAIN & ASSOCIATES, INC.



John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754

JPL:cl

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SUBJECT PROPERTY DESCRIPTION

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Legal Description
Aerial Site Plan Exhibit
Plat Map
Aerial Photograph
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Building Improvements
Building Drawing and Floor Plan Drawings
Other Improvements
Furniture, Fixtures, and Equipment
Ownership History
Assessment Data
Tenant Data
Appraisal Inspection
Neighborhood Environment

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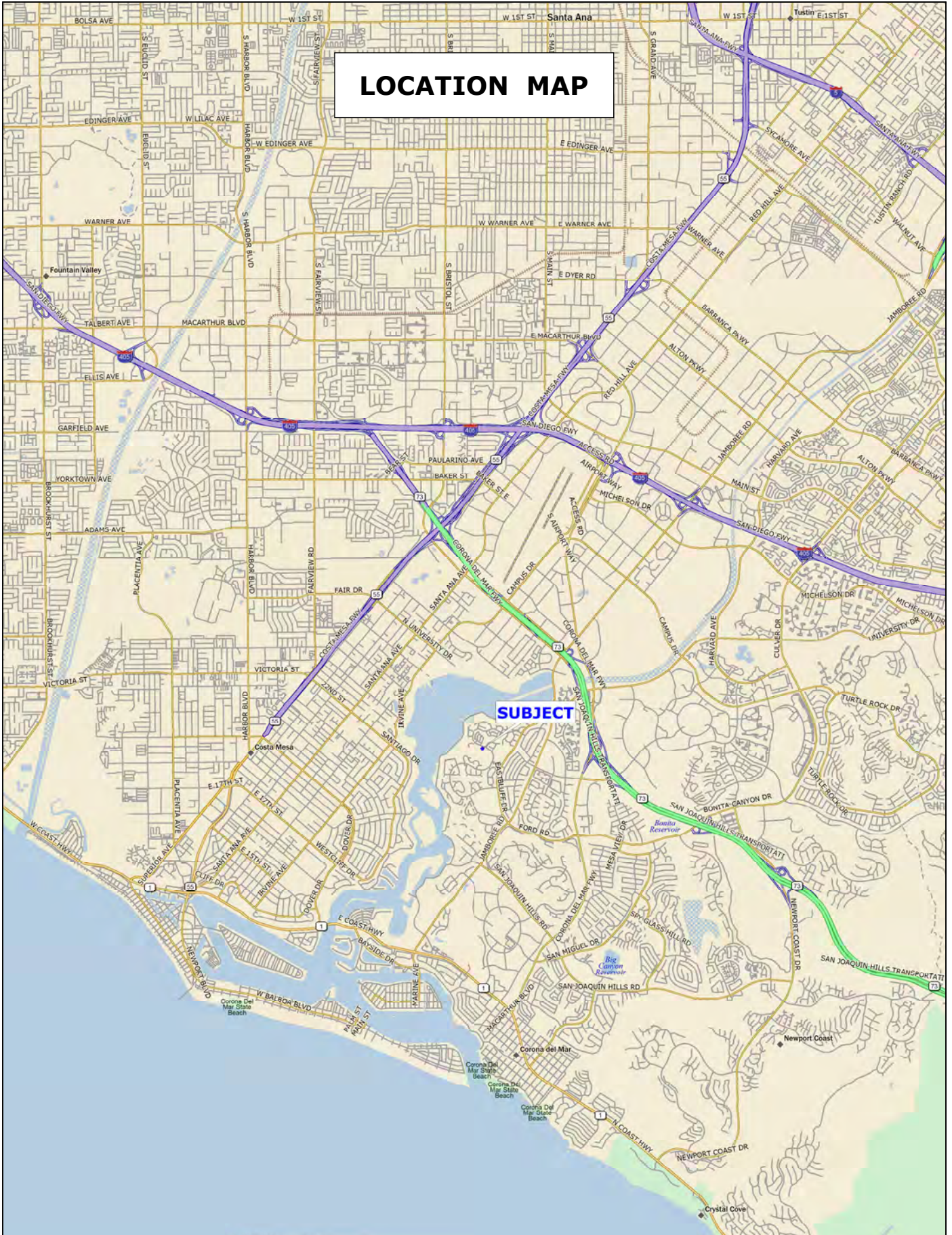
VALUATION ANALYSIS

Highest and Best Use Analysis
Valuation Methods
Sales Comparison Approach
Cost Approach
Market Rent
Final Estimate of Rental Value

ADDENDA

Additional Photographs
Qualifications of Appraiser

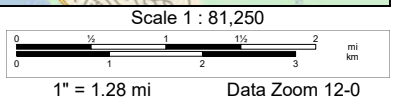
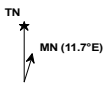
PREFACE



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DATE OF VALUE

The date of value (effective date) employed in this report, and all opinions and computations expressed herein, are based on April 10, 2019. Said date being generally concurrent with the valuation analysis process.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to express an estimate of market rental value applicable to the subject site. The definitions of market value and rental value are set forth in the following portion of this section, following the heading "Terms and Definitions."

Further, it is the purpose of this appraisal report to describe the subject property, and to render an opinion of the highest and best use based on (1) the character of potential development of the property appraised, (2) the requirements of local governmental authorities affecting the subject property, (3) the reasonable demand in the open market for properties similar to the subject property, and (4) the location of the subject property considered with respect to other existing and competitive districts within the immediate and general subject market area.

Further, it is the purpose of this appraisal report to provide an outline of certain factual and inferential information which was compiled and analyzed in the process of completing this appraisal study.

PROPERTY RIGHTS APPRAISED

The property rights appraised herein are those of the fee simple interest in the subject property. Fee simple is defined as, "An absolute fee; a fee without limitation to any particular class of heirs, or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate."

CLIENT

The client for the subject appraisal assignment is the City of Newport Beach.

INTENDED USER OF APPRAISAL

The intended user of this appraisal is the City of Beach, including representatives thereof.

INTENDED USE OF APPRAISAL

It is understood that this appraisal will be utilized to establish the fair market rental rate applicable to the subject property, for the possible lease negotiations with the existing tenant, and/or for budgetary purposes.

CERTIFICATION

The undersigned does hereby certify that:

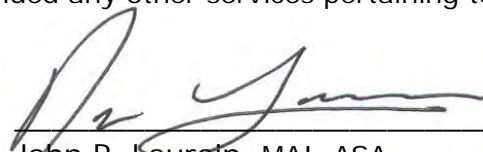
I have personally inspected the subject property; I have no present or contemplated future interest in the real estate which is the subject of this appraisal report. Also, I have no personal interest or bias with respect to the subject matter of this appraisal report, or the parties involved in this assignment.

My engagement in this assignment and the amount of compensation are not contingent upon the reporting or development of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a predetermined or stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Also, to the best of my knowledge and belief the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the assumptions and limiting conditions (imposed by the terms of this assignment or by the undersigned), affecting my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

The reported analyses, opinions, and conclusions, were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institutes, and the Uniform Standards of Professional Appraisal Practice. As of the date of this report I have completed the continuing education program for Designated Member of the Appraisal Institute, the State of California and the American Society of Appraisers; note that duly authorized representatives of said organizations have the right to review this report. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

No one other than the undersigned prepared the analyses, conclusions, and opinions for this appraisal study. No other person provided significant professional assistance. I have not appraised or provided any other services pertaining to the subject property in the last three years.



John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754
Renewal Date: April 16, 2021

SCOPE OF THE APPRAISAL

The appraiser, in connection with the following appraisal study, has:

1. Been retained, and has accepted the assignment, to make an objective analysis and valuation study, in order to determine the fair market rental rate applicable to the subject property. The subject property is particularly described in the following portion of this report in the section entitled Subject Property Description.
2. Toured the general area by automobile to become acquainted with the extent, condition, and quality of nearby developments, sales and offerings in the area, density and type of development, topographical features, economic conditions, trends toward change, etc.
3. Walked within the subject area, and some of the nearby neighborhood, to become acquainted with the current particular attributes, or shortcomings, of the subject property.
4. Completed an on-site inspection of the subject property for the purpose of becoming familiar with certain physical characteristics.
5. Made a visual observation concerning public streets, access, drainage, and topography of the subject property.
6. Obtained information regarding public utilities and sanitary sewer available at the subject site.
7. Made, or obtained from other qualified sources, calculations on the area of land contained within the subject property. Has made, or caused to be made, plats and plot plan drawings of the subject property, and has checked such plats and plot plan drawings for accuracy and fair representation.
8. Taken photographs of the subject property, together with photographs of the immediate environs.
9. Made, or caused to be made, a search of public records for factual information regarding recent sales of the subject property.

SCOPE OF THE APPRAISAL (Continued)

10. Reviewed current maps, zoning ordinances, and other material for additional background information pertaining to the subject property, and sale properties.
11. Attempted to visualize the subject property as it would be viewed by a willing and informed buyer, as well as a willing and informed seller.
12. Interviewed various persons, in both public and private life, for factual and inferential information helpful in this appraisal study.
13. Formed an opinion of the highest and best use applicable to the subject property appraised herein.
14. Made, or caused to be made, a search for recent sales of comparable properties. Has viewed, confirmed the sale price, and obtained certain other information pertaining to each sale property contained in this report.
15. Formed an estimate of the market rental rate applicable to the subject property, as of the date of value expressed herein, by application of the Sales Comparison Approach, Cost Approach, and by employing an appropriate rate of return to the indicated market value.
16. Prepared and delivered this appraisal report in accordance with the Uniform Standards of Professional Appraisal Practice, and in summation of all the activities outlined above.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made with the following understanding as set forth in items No. 1 through 17, inclusive:

1. That this narrative Appraisal Report is intended to comply with reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(a), for an Appraisal Report. The information contained in this appraisal report is specific to the needs of the client; no responsibility is assumed for the unauthorized use of this report.
2. That title to the subject property is assumed to be good and merchantable. Liens and encumbrances, if any, have not been deducted from the final estimate of value. The subject property has been appraised as though under responsible ownership. The legal description is assumed accurate.
3. That the appraiser assumes there are no hidden or unapparent conditions of the subject property, subsoil, structures, or other improvements, if any, which would render them more or less valuable, unless otherwise stated. Further, the appraiser assumes no responsibility for such conditions or for the engineering which might be required to discover such conditions. That mechanical and electrical systems and equipment, if any, except as otherwise may be noted in this report, are assumed to be in good working order. The property appraised is assumed to meet all governmental codes, requirements, and restrictions, unless otherwise stated.
4. That no soils report of the subject property was provided to the appraiser; therefore information, if any, provided by other qualified sources pertaining to these matters is believed accurate, but no liability is assumed for such matters. Further, information, estimates and opinions furnished by others and contained in this report pertaining to the subject property and market data were obtained from sources considered reliable and are believed to be true and correct. No responsibility, however, for the accuracy of such items can be assumed by the appraiser.

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

5. That unless otherwise stated herein, it is assumed there are no encroachments, easements, soil toxics/contaminants, or other physical conditions adversely affecting the value of the subject property.
6. That no report(s) pertaining to mold, organic toxins, or chemical substances at the subject property was provided to the appraiser; therefore, information, if any, provided by other qualified sources pertaining to these matters is believed accurate, but no liability is assumed by the appraiser for such matters. That unless otherwise stated herein, the subject property has been appraised assuming the absence of mold, organic toxins, the presence of asbestos, or other organic and/or chemical substances which may adversely affect the value of the subject property.
7. That no opinion is expressed regarding matters which are legal in nature or which require specialized investigation or knowledge ordinarily not employed by real estate appraisers, even though such matters may be mentioned in the report.
8. That no oil rights have been included in the opinion of value expressed herein. Further, that oil rights, if existing, are assumed to be at least 500 feet below the surface of the land, without the right of surface entry.
9. That the distribution of the total valuation in this report between land and improvements, if any, applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
10. That the valuation of the property appraised is based upon economic and financing conditions prevailing as of the date of value set forth herein. Further, the valuation assumes good, competent, and aggressive management of the subject property.
11. That the appraiser has conducted a visual inspection of the subject property and the market data properties. Should subsequent information be provided relative to changes or differences in (1) the quality of title, (2) physical condition or characteristics of the property, and/or (3) governmental

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

restrictions and regulations, which would increase or decrease the value of the subject property, the appraiser reserves the right to amend the final estimate of value.

12. That the appraiser, by reason of this appraisal, is not required to give testimony in court or at any governmental or quasi-governmental hearing with reference to the property appraised, unless contractual arrangements have been previously made therefor.
13. That drawings, plats, maps, and other exhibits contained in this report are for illustration purposes only and are not necessarily prepared to standard engineering or architectural scale.
14. That this report is effective only when considered in its entire form, as delivered to the client. No portion of this report will be considered binding if taken out of context.
15. That possession of this report, or a copy thereof, does not carry with it the right of publication, nor shall the contents of this report be copied or conveyed to the public through advertising, public relations, sales, news, or other media, without the written consent and approval of the appraiser, particularly with regard to the valuation of the property appraised and the identity of the appraiser, or the firm with which he is connected, or any reference to the Appraisal Institute, or the American Society of Appraisers, or designations conferred by said organizations.
16. That the form, format, and phraseology utilized in this report, except the Certification, and Terms and Definitions, shall not be provided to, copied, or used by, any other real estate appraiser, real estate economist, real estate broker, real estate salesperson, property manager, valuation consultant, investment counselor, or others, without the written consent and approval of Ronald P. Laurain.
17. That this appraisal study is considered completely confidential and will not be disclosed or discussed, in whole or in part, with anyone other than the client, or persons designated by the client.

TERMS AND DEFINITIONS

Certain technical terms have been used in the following report which are defined, herein, for the benefit of those who may not be fully familiar with said terms.

MARKET VALUE (or Fair Market Value):

Market value is sometimes referred to as Fair Market Value; the latter is a legal term, and a common synonym of Market Value. Market value as defined in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) is defined as follows:

"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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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."

RENTAL VALUE:

The definition of rental value is based generally on the concept of market value, i.e. willing and informed parties, neither party being under duress or compulsion to act, etc. The definition of rental value is as follows:

"A fair, proper and reasonable rental which would result from informed, intelligent, and prudent negotiations in the usual course of business; the rental which could be expected if the property were available, under competitive market conditions, as of a certain date."

TERMS AND DEFINITIONS (Continued)

SALES COMPARISON APPROACH:

One of the three accepted methods of estimating Market Value. This approach consists of the investigation of recent sales of similar properties to determine the price at which said properties sold. The information so gathered is judged and considered by the appraiser as to its comparability to the subject properties.

COST-SUMMATION APPROACH:

Another accepted method of estimating Market Value. This approach consists of estimating the new construction cost of the building and yard improvements and making allowances for appropriate amount of depreciation. The depreciated reconstruction value of the improvements is then added to the Land Value estimate gained from the Sales Comparison Approach. The sum of these two figures is the value indicated by the Cost-Summation Approach.

INCOME CAPITALIZATION APPROACH:

The Income Capitalization Approach consists of capitalizing the net income of the property under study. The capitalization method studies the income stream, allows for (1) vacancy and credit loss, (2) fixed expenses, (3) operating expenses, and (4) reserves for replacement, and estimates the amount of money which would be paid by a prudent investor to obtain the net income. The capitalization rate is usually commensurate with the risk, and is adjusted for future depreciation or appreciation in value.

DEPRECIATION:

Used in this appraisal to indicate a lessening in value from any one or more of several causes. Depreciation is not based on age alone, but can result from a combination of age, condition or repair, functional utility, neighborhood influences, or any of several outside economic causes. Depreciation applies only to improvements. The amount of depreciation is a matter for the judgment of the appraiser.

HIGHEST AND BEST USE:

Used in this appraisal to describe that private use which will (1) yield the greatest net return on the investment, (2) be permitted or have the reasonable probability of being permitted under applicable laws and ordinances, and (3) be appropriate and feasible under a reasonable planning, zoning, and land use concept.

SUBJECT PROPERTY DESCRIPTION

SUBJECT PROPERTY



View looking northwesterly at the subject property from Vista Del Oro. See aerial photograph on the following page, and additional photographs in the Addenda Section.

LESSOR: City of Newport Beach

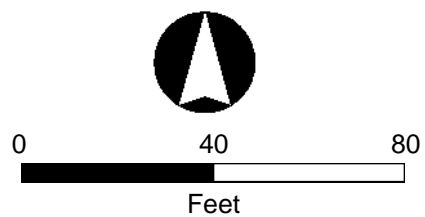
LESSEE: Newport Beach Boys and Girls Club

PROPERTY ADDRESS: 2555 Vista Del Oro
Newport Beach, California 92660

LEGAL DESCRIPTION: Portion of Lot 223, Block 52, Irvine Subdivision, per Miscellaneous Maps recorded in Book 1, Page 88, in the office of the County Recorder, County of Orange, California. A complete metes and bounds legal description was not provided for review. Refer to the aerial map exhibit on the following page.



NBGiS
NEWPORT BEACH

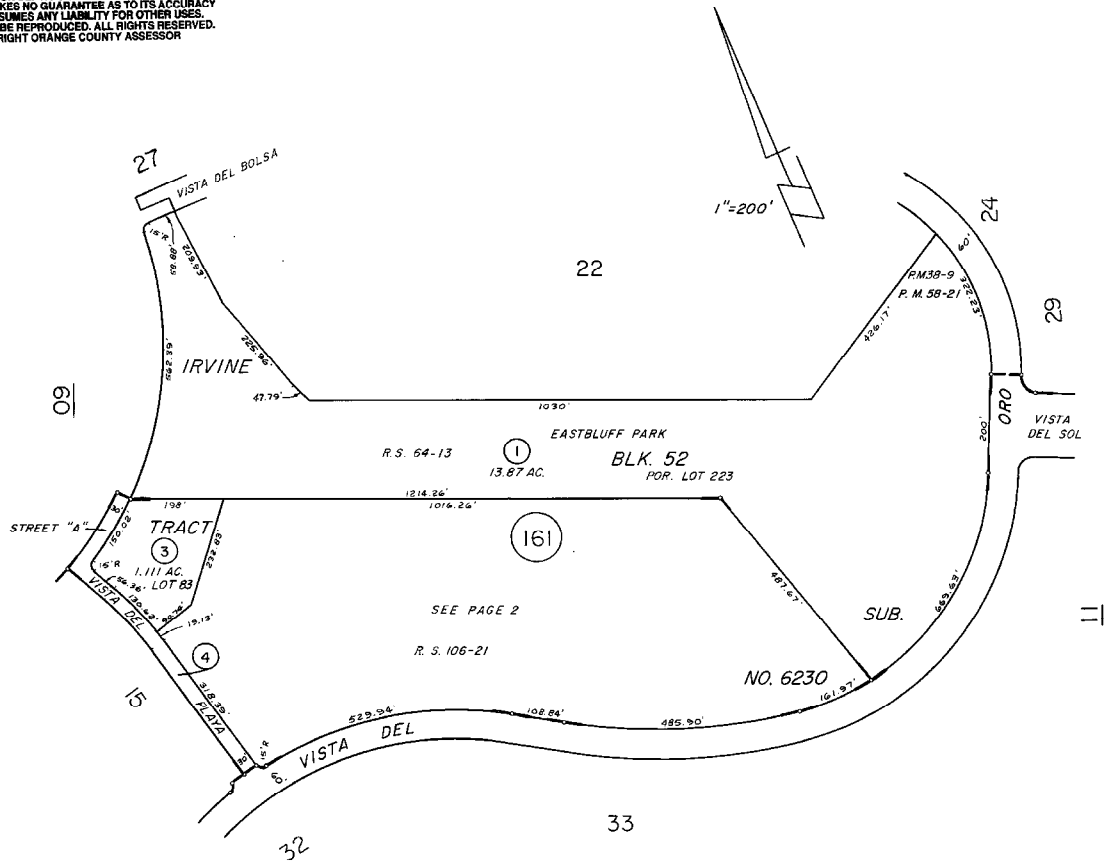


Disclaimer:
Every reasonable effort has been made to assure the accuracy of the data provided, however, The City of Newport Beach and its employees and agents disclaim any and all responsibility from or relating to any results obtained in its use.

12/19/2018

Portion of APN 440-161-01

THIS MAP WAS PREPARED FOR ORANGE COUNTY
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R. P. LAURAIN
& ASSOCIATES
APPRAISERS - ANALYSTS

SITE DESCRIPTION

COMMENT:	The subject lease site is part of a larger public park (Eastbluff Park) which larger public park is identified as APN 440-161-01, containing 13.87± acres of land area, per Assessor's Mapping. The subject lease site, however, contains 41,500± total square feet, per the City of Newport Beach. It should also be noted that approximately 2,560 square feet of land area is in turn leased from the Newport Mesa Unified School District (NMUSD).
LOCATION:	The subject property is located on westerly side of Vista Del Oro, near the terminus intersection of Vista Del Sol, in the City of Newport Beach.
LAND SHAPE:	Irregular land configuration.
LAND AREA:	The subject lease site appraised herein contains 41,500 square feet of land area, per the City of Newport Beach. As stated, approximately 2,560 square feet of land area is vested with the Newport Mesa Unified School District (NMUSD), representing a portion of APN 440-221-02.
TOPOGRAPHY:	Effectively level and generally at street grade.
SOIL STABILITY:	Appears to be adequate based on developments in the immediate area. A soils report, however, was not provided for review.
SOIL CONTAMINATION:	None known or observed, however, an environmental assessment report was not provided for review. The subject site has been appraised as though free of soil contaminants requiring remediation.
DRAINAGE:	Appears to be adequate.

SITE DESCRIPTION (Continued)

EARTHQUAKE FAULT:	The subject site does not appear to be located within an earthquake fault, however, the greater Southern California area is prone to earthquakes. Inasmuch as no seismic or geological studies were provided for review, the appraisers assume no responsibility for the possible impact that seismic activity or earthquakes may have on the subject site.
FRONTAGE/ACCESS:	The subject property has frontage on, and vehicular access from, Vista Del Oro.
RIGHT OF WAY WIDTH:	Vista Del Oro: 60 feet
STREET IMPROVEMENTS:	Asphalt paved traffic lanes. Concrete curb, gutter and sidewalk (each side of street).
STREET LIGHTS:	Mounted on ornamental standards.
PUBLIC UTILITIES:	Water, gas, electric power, telephone service, and sanitary sewer are available to the site.
ENCROACHMENTS:	None apparent, however, a survey of the subject property was not provided for review.
EASEMENTS:	A preliminary title report was not provided for review. Easements, if existing, are assumed to be located along the property boundaries, not interfering with the existing or future highest and best use development of the subject property. It is assumed that there are no "cross-lot" or "blanket" easements located over the subject site.
ILLEGAL USES:	None observed.
PRESENT USE:	Community recreation building (Newport Beach Boys and Girls Club).

SITE DESCRIPTION (Continued)

ZONING:

The subject property is located in the PR (Parks and Recreation) zone district of the City of Newport Beach. The PR zone district is intended to provide for land areas utilized for public and private recreational uses, such as public parks, aquatic facilities, golf courses, marina support facilities, private recreational facilities such as tennis clubs, and similar recreational facilities. As such, residential development of the subject site would not be permitted under the current zoning.

Note that all uses in the PR zone district require a Conditional Use Permit (CUP) or a Minor Use Permit (MUP) with the exception of minor utilities, which are permitted by right. The development standards are established during review of the required permit.

HIGHEST AND BEST USE:

The reader is referred to the first portion of the Valuation Analysis Section for a discussion regarding the highest and best use of the subject property.

BUILDING IMPROVEMENTS

BUILDING LAYOUT: The subject building represents a community recreation building consisting of a gymnasium and various classrooms, small office rooms, an open reception/game room, restrooms, and a former kitchen area (utilized for storage purposes).

Refer to the building drawing and evacuation floor plan drawing on the following pages.

TYPE OF STRUCTURE: Single tenant community recreation building.

YEAR BUILT: Originally constructed circa 1975; remodeled in 2008.

NO. OF STORIES: One story.

BUILDING SIZE: Per the on-site inspection, the subject building contains 12,393 total square feet, as follows:

Classrooms/offices:	6,161 sq. ft.
Gymnasium:	<u>6,232</u> sq. ft.
Total:	12,393 sq. ft.

CONSTRUCTION QUALITY: Average quality Class D (wood frame) construction.

FOUNDATION: Perimeter concrete foundation.

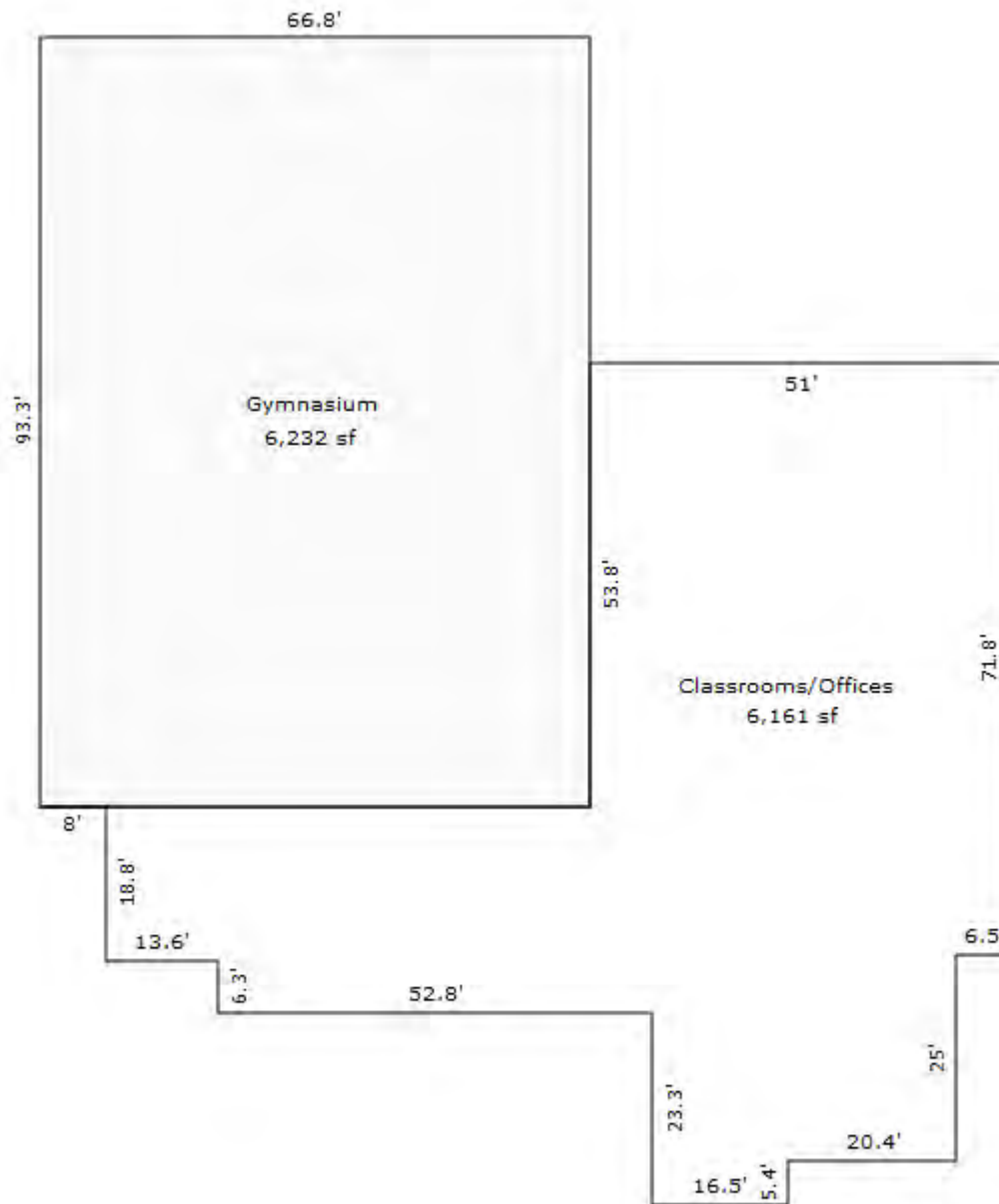
EXTERIOR WALLS: Painted stucco over wood framing.

ROOF: Rolled asphalt roofing, tarred at joints. Mission tile mansards.

FLOORS: Concrete slab floor with sheet vinyl and vinyl tile flooring in classroom, game room, and office area; assumed to be ceramic tile in restrooms

BUILDING IMPROVEMENTS (Continued)

Subject Community Recreation Building

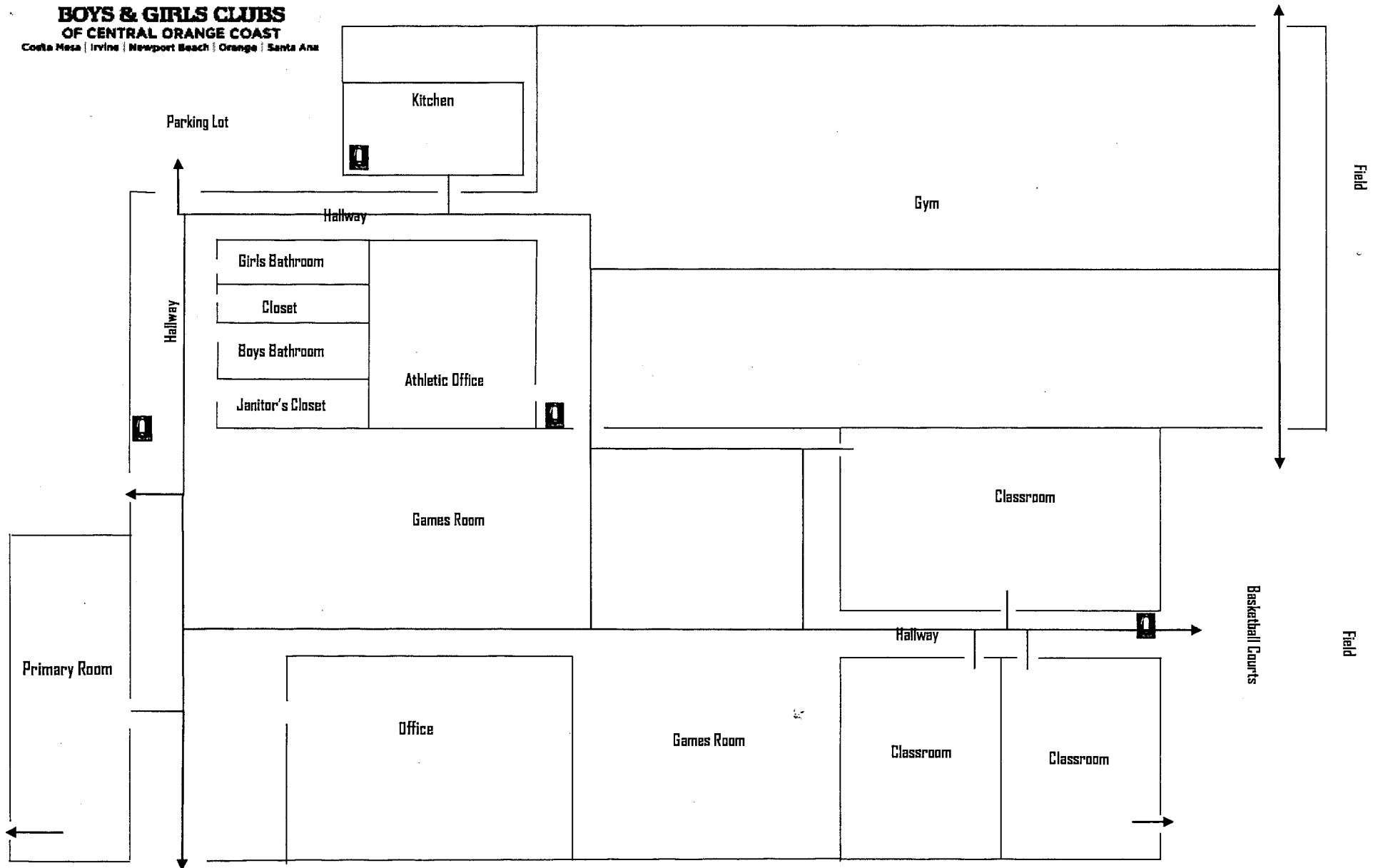


R . P . LAURAIN
& ASSOCIATES
APPRAISERS - ANALYSTS



BOYS & GIRLS CLUBS
OF CENTRAL ORANGE COAST
Costa Mesa | Irvine | Newport Beach | Orange | Santa Ana

Newport Beach Emergency Evacuation Plan



BUILDING IMPROVEMENTS (Continued)

INTERIOR WALLS:	Painted drywall interior walls in classroom and office areas.
CEILINGS:	Painted drywall and sprayed acoustic ceilings in classroom and office areas.
DOORS:	Plate glass set in anodized and metal sheathed entry doors; double flush solid core and natural wood solid core interior doors.
WINDOWS:	Plate glass set in anodized frame and aluminum frame sliding windows; certain classrooms have interior partition wall windows set in wood frames.
ELECTRICAL:	Conventional electrical system; incandescent and fluorescent lighting.
HEATING AND COOLING:	Per information provided by employees, the easterly (front) "Primary Room" is the only room with an operating forced air heating and cooling system. It is assumed the roof-mounted central forced air heating and cooling units for the remainder of building require replacement.
PLUMBING:	Conventional plumbing system. There are two restroom facilities having a total of 9 fixtures. There is also a sink in the kitchen area, however, the kitchen area is in fair condition and appears to be utilized for storage purposes. Fire sprinkler system throughout
GYMNASIUM:	As stated, the gymnasium contains 6,232 square feet and includes wood flooring, open wood beam ceiling with skylights, wood panel and drywall walls, with some damage to certain drywall, basketball hoops, bleachers, and an electronic scoreboard.
CONDITION:	The subject building is in overall below average condition, considering the age.

OTHER IMPROVEMENTS

ON-SITE PARKING: The subject property includes an asphalt paved parking lot containing five standard parking spaces, one handicap space, and approximately 5,500 square feet of paved area, inclusive of driveways and the drive aisle.

OTHER: Other on-site improvements include:

Concrete walkways:	4,950± sq.ft.
Outdoor basketball court:	5,760± sq.ft.
Concrete block trash enclosure:	20± ln.ft.
Concrete curbing:	375± ln.ft.

In addition, there is certain irrigated grass, shrubbery, and tree landscaping.

FURNITURE, FIXTURES, AND EQUIPMENT

COMMENT: Furniture, fixture, and equipment (FF&E) items specific to the existing Boys & Girls Club facility have been excluded from the appraisal study (furniture, play equipment, pool tables, ping pong tables, supplies, etc.).

OWNERSHIP HISTORY

COMMENT: The subject property has been vested with the City of Newport Beach for more than 20 years.

ASSESSMENT DATA

COMMENT: The subject property represents a portion of APN 440-161-01. The assessed land value is \$1,645,016; the assessed improvement value is \$514,390. The property is tax exempt as vested with a public agency.

TENANT DATA

COMMENT:

It is understood the subject lease site appraised herein is currently leased to the Newport Beach Boys and Girls Club for \$1 per year.

APPRAISAL INSPECTION

COMMENT:

The appraisal inspection was conducted on March 21, 2019, with the permission of the tenant.

NEIGHBORHOOD ENVIRONMENT

LOCATION:

The subject property is located in the northwest portion of the City of Newport Beach; the City of Costa Mesa boundary is located westerly of the subject neighborhood and the City of Irvine boundary is located north and northeasterly of the subject neighborhood.

The City of Newport Beach was incorporated in 1906 and includes 16,654 acres of land area, 14,894 acres of ocean water area, 800 acres of Bay water area, and 800 acres of Harbor water area.

LAND USES:

The predominant uses in the City of Newport Beach are single family and multiple family residential developments, which account for approximately 50% of the total land area, followed by open space and recreational uses which account for 36±% of the total land area. Commercial, institutional, and industrial uses generally account for remaining land area. There are also a number of hotel developments within the City. The John Wayne Airport is located adjacent to the extreme northerly portion of the City boundary. The University of California Irvine campus is located within two miles easterly of the subject property.

NEIGHBORHOOD ENVIRONMENT (Continued)

LAND USES: (Continued)

Commercial office, retail, and restaurant uses are located on primary street. Fashion Island, a major retail center, is located within 1 ½ miles south of the subject property. Upper Newport Bay and an ecological preserve are located immediately westerly of the subject neighborhood. The Big Canyon Country Club and golf course is located within one mile southeasterly of the subject neighborhood.

ACCESS:

Primary thoroughfares in the general subject neighborhood include Coast Highway, Jamboree Road, MacArthur Boulevard. The San Joaquin Hills Transportation Corridor (73) Freeway, a toll road, is located at the northerly boundary of the City. The Costa Mesa (55) Freeway is located approximately 1/2 mile northwesterly of the westerly City Boundary, and terminates on Newport Boulevard. The San Diego (405) Freeway is located approximately one mile north of the extreme northerly portion of the City. Said freeways are part of the freeway network serving the Southern California region.

OCCUPANCY:

Residential: 75±% owners
25±% tenants

Commercial: 25± owners
75± tenants

PRICE RANGE:

Older single family and low density multiple family residential properties, generally range in value from \$1,000,000 to exceeding \$5,000,000 for properties having close proximity to the beach or bay. Residential properties at the lower end of the range generally represent older dwellings that are acquired based on the underlying land value. Single family and multiple family properties having frontage on the beach or bay, can range in value from \$3,000,000 to exceeding \$20,000,000.

NEIGHBORHOOD ENVIRONMENT (Continued)

TREND:

Real estate values, in general, were declining between 1991 and 1995. The value trend, however, generally stabilized during 1996 and 1997. Beginning in 1998, there was evidence of increased real estate market activity. There was an upward value trend affecting residential properties within the immediate and general subject market area, from 2003 through the mid portion of 2006, after which property values generally stabilized. In the early part of 2007, residential property values began to decrease significantly, and the decrease continued through the mid to latter portion of 2009, due primarily to the subprime credit and housing crisis.

The residential real estate market generally stabilized in the latter portion of 2009. Beginning in 2010, certain markets began to experience varying monthly increases and decreases in sales volumes and pricing, due primarily to abnormally low interest rates and first time home buyer's tax credits. Overall, property values remained relatively stable from the first portion of 2010 through the latter portion of 2012, after which property values and sales activity began to experience increases through the mid to latter portion of 2018. It appears the property values have begun to stabilize in recent months.

AGE RANGE:

The age range of all types of improved properties is rather broad. Generally, the age range for single family residences is effectively new to 30 years. Certain commercial and mixed use properties were constructed as far back as the early 1900s, however, commercial and mixed use properties typically undergo significant renovation in the immediate subject area (as opposed to demolition and clearing for new development). As such, the effective age of commercial and mixed use properties ranges widely from 5 years to exceeding 50 years.

NEIGHBORHOOD ENVIRONMENT (Continued)

PROPERTY MAINTENANCE: Property maintenance in the immediate and general neighborhood, evidenced by an on-going maintenance program, ranges from above average to very good.

PUBLIC/PRIVATE FACILITIES: The availability and adequacy of public facilities, transportation, schools, commercial facilities, recreational opportunities, and residential housing are rated average. The City of Newport Beach provides police and fire protection.

VALUATION ANALYSIS

VALUATION ANALYSIS

The purpose of this appraisal is to estimate the fair market rental rate applicable to the subject property, based on the existing special purpose use (Boys and Girls Club) and taking into consideration the location of the site within a larger public park (Eastbluff Park). Prior to the application of the appraisal process, it is necessary to determine the highest and best use of the subject property.

HIGHEST AND BEST USE ANALYSIS:

The 14th Edition of The Appraisal of Real Estate, by the Appraisal Institute, defines highest and best use on Page 332, as follows:

"The reasonably probable use of property that results in the highest value."

In the analysis of which uses are reasonably probable, three criteria are applied in the following order to develop adequate support for the determination of highest and best use:

1. Physically possible
2. Legally permissible
3. Financially feasible

These criteria are generally considered sequentially; however, the tests of physical possibility and legal permissibility can be applied in either order, but they must both be applied before the test of financial feasibility. Uses that meet all three criteria of being reasonably probable are then tested for economic productivity, to identify the maximally productive use. The reasonably probable use with the highest value (i.e. maximally productive) is the highest and best use.

In the process of forming an opinion of highest and best use, consideration must be given to various factors such as zoning restrictions, probability of zone change, private deed restrictions, location, land size and configuration, topography, and the character/quality of land uses in the subject market area.

Conclusion:

The subject lease site is part of a larger public park (Eastbluff Park), which public park is identified as APN 440-161-01, containing 13.87± acres of land area, per Assessor's Mapping. The subject lease site, however, contains 41,500 total square feet, per the City of Newport Beach. It should also be noted that approximately 2,560 square feet of land area is vested with the Newport Mesa Unified School District (NMUSD).

VALUATION ANALYSIS (Continued)

HIGHEST AND BEST USE ANALYSIS: (Continued)

Both the subject lease site, as well as the greater Eastbluff Park site, have irregular land configurations, and an effective inside location on a secondary street. The topography at the subject site is effectively level. All public utilities including water, gas, electric power, telephone, and sanitary sewer are available in the immediate area. The physical characteristics of the subject parcel are considered adequate to accommodate legally permissible uses.

Land uses in the immediate area include low and medium density residential uses on secondary streets. Commercial uses are located on primary streets; however, the subject site is located in a residential neighborhood and commercial or industrial uses are not considered reasonably probable.

Further, the subject property is located in the PR (Parks and Recreation) zone district of the City of Newport Beach. The PR zone district is intended to provide for land areas utilized for public and private recreational uses, such as public parks, aquatic facilities, golf courses, marina support facilities, private recreational facilities such as tennis clubs, and similar recreational facilities. As such, residential development of the subject site would not be permitted under the current zoning.

While the purpose of the appraisal study is to estimate the fair market rent of the subject Boys & Girls club facility (land and improvements), it is also noted that the highest and best use of the subject site, as presently zoned, is limited to an open space (public park) or similar recreational use. As such, the existing Boys & Girls Club building, and related site improvements, are considered the highest and best use under the current zoning. The subject lease site has been appraised accordingly.

VALUATION METHODS:

There are three conventional methods (approaches) which can be used to estimate value. They are the Sales Comparison Approach, Cost Approach, and Income Capitalization Approach. The reader is referred to the last portion of the Preface Section, following the heading "Terms and Definitions," for a description of each approach to value.

VALUATION ANALYSIS (Continued)

VALUATION METHODS: (Continued)

Inasmuch as the subject property is located within the Parks and Recreation zone district, and is developed with a non-profit use (Boys and Girls Club), the subject lease site is considered a special use property. Special-purpose properties are unique with respect to design, construction, and/or utility; they generally fall within one of two categories, i.e. those capable of producing income and having an economic value (until such time as the improvements become functionally obsolete), and those which are private service, public service, or community amenity properties. Those having economic value (capable of generating net income to support the value of the land and improvements) include special processing and manufacturing plants, airports, marinas, athletic stadiums, amusement and theme parks, convention facilities, etc.; those without economic production capabilities include houses of worship, service club facilities, nonprofit community facilities, public schools, public parks, and public buildings, e.g. library, city hall, fire station, community center, police station, public health service building, court building, etc. Special-purpose properties are limited-market properties; they rarely, if ever, sell. Likewise, there is a lack of rental data in which to derive market rental rates for special purpose properties.

The conventional and long-standing method of appraising special-purpose private and public properties has been employed in the subject case. The method includes, as indicated above, (1) the valuation of the land based on the limited effective open space and/or recreational use, plus (2) the addition of the depreciated value of the improvements. Said method describes the characteristics of the Cost Approach, one of the three conventional valuation methods. The value of the subject land, one of the components of the Cost-Summation Approach, is based on the fair market value concept by the application of the Sales Comparison Approach; the depreciated value of the improvements is based on the cost new, less depreciation from all causes (age, condition, functional inutility, etc.).

Lastly, in the subject case the purpose of the appraisal study is to set forth the market rental rate applicable to (1) the subject lease site as a whole, plus (2) that portion of the lease site vested with the Newport Mesa Unified School District (NMUSD). As such, and given that there is a lack of direct rental data pertaining to the subject site, the market rent estimated is based a market rate of return applied to the indicated market value of the underlying land and improvements (as derived via the Sales Comparison and Cost Approaches).

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH:

In the Sales Comparison Approach, the value of a property is estimated by comparing it with similar, recently sold properties in the surrounding area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set by the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. Thus, the Sales Comparison Approach attempts to equate the subject property with sales of comparable properties by analyzing and weighing the various elements of comparability.

The Sales Comparison Approach has been applied to the subject property after an investigation was conducted of comparable vacant land parcels which sold in the subject market area.

The reader is referred to the summary of Recreational and Open Space Land Value Indicators on the following page. Due to the limited sales data, and infrequency of recreational and open space land sales, both the chronological time frame and the geographic search area were expanded, in order to obtain a representative number of comparable sale properties.

A detailed discussion of each land sale utilized herein is contained in the latter portion of this section, as part of the overall analysis.

The properties surveyed consist of vacant land parcels ranging in size from 1.20 to 688.00 acres. The purchase prices per square foot of land area range from \$0.39 to \$6.43. The sales are set forth in chronological order and took place between October 2011 and October 2018. Data 1, 3 and 4 represent recreation use sites, however Data 3 sold as improved with a golf course. Data 5 represents a limited entertainment use site. Data 2, 6 and 7 represent open space sites.

Recreational and Open Space Land Value Indicators :

<u>Data</u>	<u>Date</u>	<u>Zoning</u>	<u>Land Size</u>		<u>Use</u>	<u>Sale Price</u>	<u>\$ Per SF</u>
1	10-11	Rec	4,334,656 sf	99.51 ac.	campground	\$5,250,000	\$1.21
	23100-23800 East Fork Rd., Azusa						
2	8-14	OS	25,700 sf	0.59 ac.	Open Space	\$10,000	\$0.39
	39± La Paz Rd., adjacent to railroad, Mission Viejo						
3	11-14	OSPR	2,070,407 sf	47.53 ac.	Golf course	\$8,400,000	\$4.06
	16782 Graham St., Huntington Beach with 11,149 sf clubhouse						
4	1-15	OCGP, P	29,969,280 sf	688.00 ac.	recreation/ park land	\$19,171,000	\$0.64
	Portion of Orange County Great Park, Irvine						
5	5-16	ECSP	380,850 sf	8.74 ac.	Butterfly Paladium	\$2,450,000	\$6.43
	7711-33 Beach Blvd., Buena Park						
6	8-16	OS	52,272 sf	1.20 ac.	Open Space	\$30,000	\$0.57
	100± Pacific Coast Hwy., Dana Point						
7	10-18	GOS	74,052 sf	1.70 ac.	Open Space	\$70,000	\$0.95
	SEC Camino Las Ramblas and Via California, San Juan Capistrano						

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

The first adjustments applied to the sale properties, when warranted, are known as transactional adjustments. Said transactional adjustments are generally applied to the sale properties in the sequence listed below, and are made cumulatively (i.e. the base changes before applying the next adjustment). Following is the list of transactional adjustments:

- Property rights conveyed
- Financing (cash equivalency)
- Conditions of sale
- Expenditures after sale
- Market conditions

Property Rights Conveyed:

An adjustment is required when a sale transaction conveyed a different set of property rights, compared to the property rights being appraised, such as leased fee estate vs. fee simple estate. None of the comparable land sales utilized herein required an adjustment for property rights conveyed, as all of the land sale properties conveyed title to the fee simple interest in each property.

Financing and Cash Equivalency:

Sale properties are adjusted for financing arrangements involved in transactions which are not market-typical. A cash equivalency adjustment is required when the financing of a particular property caused a higher purchase price. Common examples include seller financing, or assumption of existing financing, at non-market terms. Inasmuch as all of the sales involved all cash transactions, a cash equivalency adjustment is not warranted for any of the sale transactions.

Conditions of Sale:

An adjustment for conditions of sale is required when a property sold under atypical conditions, such as (1) a seller being under duress (REO transactions or other distressed sales), (2) a property selling as part of a bulk portfolio sale, (3) a developer paying a premium to acquire an adjacent property as part of assembling a larger development site, or (4) other similar situations where the motivation of a buyer or seller affects the price paid for a property. None of the sale properties required an adjustment for conditions of sale.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Expenditures after Sale:

An adjustment is required when a buyer anticipates a particular expenditure that he/she will have to expend shortly after purchasing a property; the price paid by a knowledgeable buyer considers any required expenditures. Such expenditures can include (1) the cost to remediate known environmental contamination, (2) the cost to cure deferred maintenance at a building, or (3) similar costs that a buyer anticipates making upon purchase of a property, such as demolition costs when an improved site is purchased for redevelopment. While demolition costs can be accounted for as expenditures after sale, in the subject case, building improvements at the various sales, if any, were accounted for on a qualitative basis, in the "elements of comparability" portion of this report. As such, none of the land sales required an adjustment for expenditures after sale.

Market Conditions:

Consideration of the market conditions (date of sale) is appropriate when sales occur during a rising or declining market. Said consideration is based upon observation of the real estate market and value appreciation/declining cycles dating back more than 15 years.

Residential real estate values in the subject market area were largely flat (level) from the latter portion of 2009 through the mid to latter portion of 2013, after which residential real estate values began increasing. Said price increase has generally continued through the mid to latter portion of 2018, due in part to the continued availability of low mortgage interest rates. Certain residential markets, however, appear to have stabilized from the first portion of 2019, through the present time.

The following graph, which was obtained from trulia.com, sets forth the median sale price of single family homes and condominiums in the City of Newport Beach, over the past five years. As noted, there can be fluctuations in the median price due, in part, to the large fluctuation in home values in differing portions of Newport Beach.

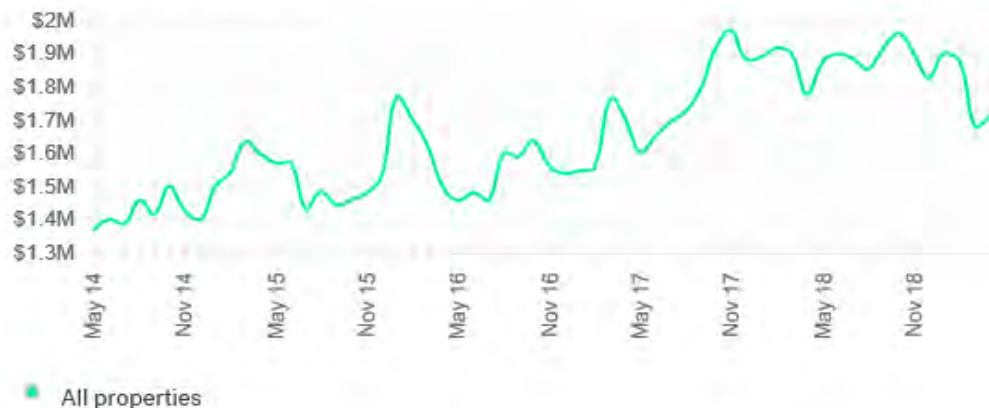
VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Median Sales Price in Newport Beach

☐ 1 Br ☐ 2 Br ☐ 3 Br ☐ 4 Br ☒ All properties

Median Sales Price



Note that recreational land, along with other nonutilitarian or limited-utility land (i.e. open space, agricultural land, etc.), does not appreciate in value as quickly as conventional-use properties offering increased economic benefits (i.e. land zoned for residential, commercial, or industrial use).

The market conditions adjustments utilized herein are based on (1) discussions with various market participants (brokers, property managers, etc.), (2) observations of local real estate market trends (sales activity, development activity, etc.) and (3) a review of sale prices and current asking prices at comparable vacant land parcels in the immediate and general subject market area. While there has been an upward trend in single family residential values over the last few years as stated the open space, agricultural, recreational, and related markets for limited utility property do not typically experience the same extent of price appreciation, due primarily to the more speculative nature of open space land sale acquisitions.

Based on the foregoing, adjustments are applied to the various sale properties based on an annual appreciation rate of 3.0% per year (0.25% per month) for those years seeing more substantial residential price appreciation, and 0% (level) per year for those years seeing more moderate residential price appreciation, as follows:

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

The adjustments applied to the sale properties for market conditions are based on the following schedule:

January-December 2012:	0.0% per year or 0.00% per month
January-December 2013:	0.0% per year or + 0.00% per month
January-December 2014:	+ 3.0% per year or + 0.25% per month
January-December 2015:	+ 3.0% per year or + 0.25% per month
January-December 2016:	+ 3.0% per year or + 0.25% per month
January-December 2017:	+ 3.0% per year or + 0.25% per month
January-December 2018:	0.0% per year or 0.00% per month
January-March 2019:	0.0% per year or 0.00% per month

Elements of Comparability:

After considering the transactional adjustments, the appraiser analyzed the following elements of comparability at the sales, as compared to the subject site:

General location	Land configuration/utility
Access	Topography
Land size	Improvements
Best use/zoning	Plans/entitlements

Land Sales Comparison Analysis:

The comparability adjustments applied to the sale properties are judgment estimates which are intended to equate the subject land parcel with the respective land sale properties. Adjustments for the various elements of comparability were applied on a qualitative basis due to the lack of direct market evidence regarding quantitative adjustments in the subject market.

The reader is referred to the Land Sales Comparison Grid on the following page. As can be noted, Data 1 through 6 required adjustments for market conditions, ranging from 4.0% to 12.0%. None of the sales required adjustments for property rights, financing, conditions of sale, or expenditures after sale.

LAND COMPARISON GRID

Data		1	2	3	4	5	6	7
Purchase price:		\$5,250,000	\$10,000	\$8,400,000	\$19,171,000	\$2,450,000	\$30,000	\$70,000
Rate per sq. ft.:		\$1.21	\$0.39	\$4.06	\$0.64	\$6.43	\$0.57	\$0.95
Property rights:	fee simple	fee simple	fee simple	fee simple	fee simple	fee simple	fee simple	fee simple
Conditions of sale:	-----	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financing:	-----	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Date of sale:	-----	10-11	8-14	11-14	1-15	5-16	8-16	10-18
Market conditions:	-----	12.00%	10.00%	9.25%	8.75%	4.75%	4.00%	0.00%
Adjusted unit rate:								
Rate per sq. ft.:		\$1.36	\$0.43	\$4.44	\$0.70	\$6.74	\$0.59	\$0.95
Comparability:	<u>Subject</u>							
General location:	average	Sale is: inferior	Sale is: similar	Sale is: similar	Sale is: similar	Sale is: inferior	Sale is: superior	Sale is: similar
Access:	average	similar	far inferior	similar	similar	similar	similar	similar
Land size (ac.):	13.87 ac	inferior	similar	similar	far inferior	similar	similar	similar
Best use/zoning:	recreation	similar	inferior	superior	similar	far superior	inferior	inferior
Land configuration/utility:	average	inferior	far inferior	similar	similar	similar	similar	similar
Topography:	level	similar	similar	similar	similar	similar	inferior	inferior
Improvements:	as vacant	similar	similar	far superior	inferior	similar	similar	similar
Plans/entitlements:	none	similar	similar	similar	similar	similar	similar	similar
Data		1	2	3	4	5	6	7
Overall comparability:		inferior	far inferior	far superior	far inferior	far superior	inferior	inferior

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Lastly, note that while subject lease site contains 41,500 square feet of land area, or 0.953± acres, the larger park parcel contains 13.87± acres. Larger parcels, whether vacant or improved, typically sell at overall lower rates per square foot of land area. As such, Data 1, containing 99.51 acres, and Data 4, containing 688 acres, are deemed inferior and far inferior regarding land size.

Following are comments and aerial photographs regarding the various sale properties.

Data 1 – Follows Campground



Data 1 represents the sale of Follows Camp, a former RV campground that suffered significant flood damage, was effectively vacant at the time of sale, and was declared a public nuisance. The property is zoned for Recreational and Resort use, though portions of the site are within the A-1 (agricultural) and W (watershed) zone districts. The site has an extremely large land area of just under 100 acres, is located in unincorporated Los Angeles County, in the Angeles National Forest (Azusa mailing address) and was purchased by the City of Industry for undisclosed purposes. The site is not currently being utilized, and is being considered for potential disposition by the City. The site has limited economic potential via potential camping fees, however, it would require significant rehabilitation, per published records.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

The purchase price was \$5,250,000, all cash, which equates to \$1.21 per square foot of land area. The market conditions adjusted purchase price is \$1.36 per square foot of land area. The deed recorded October 24, 2011, as Document No. 139268. Data 1 is considered inferior to the subject property, due primarily to the land size, rural location, irregular and non-contiguous land area, and overall condition.

Data 2 – Open Space site, Mission Viejo



The sale property is a remnant open space land parcel, and represents a strip of land located between a railroad right of way and public park. The site is below the grade (bridge) of adjacent La Paz Road; there is no physical vehicular access to the site. The property is zoned OS (Open Space) consistent with the zoning of the adjacent park. The site was acquired on a speculative basis.

The purchase price was \$10,000, all cash, which equates to \$0.39 per square foot of land area. The market conditions adjusted purchase price is \$0.43 per square foot of land area. The deed recorded August 4, 2014, as Document No. 310724. Data 2 is considered far inferior to the subject property, due primarily to the far inferior access, and configuration, as well as the inferior best use/zoning.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Data 3 – Golf Course



Data 3 represents the sale of the Meadowlark Golf Course facility in Huntington Beach. The facility is relatively small for a golf course, containing only 47.530 acres of land area. The site is zoned OSPR (Open Space Parks and Recreation) and is improved with an 18-hole golf course, club house building containing 11,149 square feet, constructed in 1980±, and related on-site improvements. The purchase price equates to \$4.06 per square foot of land area, as improved with the existing golf course facility, implying the underlying recreation land area, as vacant, would be significantly less than \$4.06 per square foot.

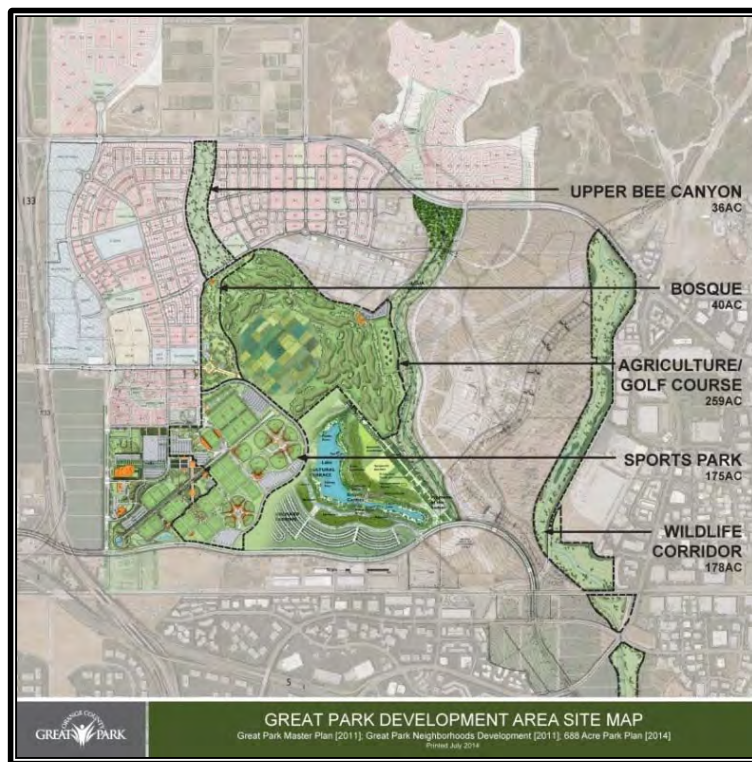
It is noted that the subject PR (Parks and Recreation) zone district does allow golf course facilities, however, the subject site is considered to be too small in land size to support a golf course. Regardless, Data 3 does have a similar zone, and is in a similar inland area.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

The purchase price was \$8,400,000, all cash, which equates to \$4.06 per square foot of land area. The market conditions adjusted purchase price is \$4.44 per square foot of land area. The sale occurred November 19, 2014, as an LLC company transfer. Data 3 is considered far superior to the subject property, due primarily to the existing golf course improvements and superior best use (as the sale OSPR zone, and land size combined, allow for golf course use).

Data 4 – Great Park, Irvine



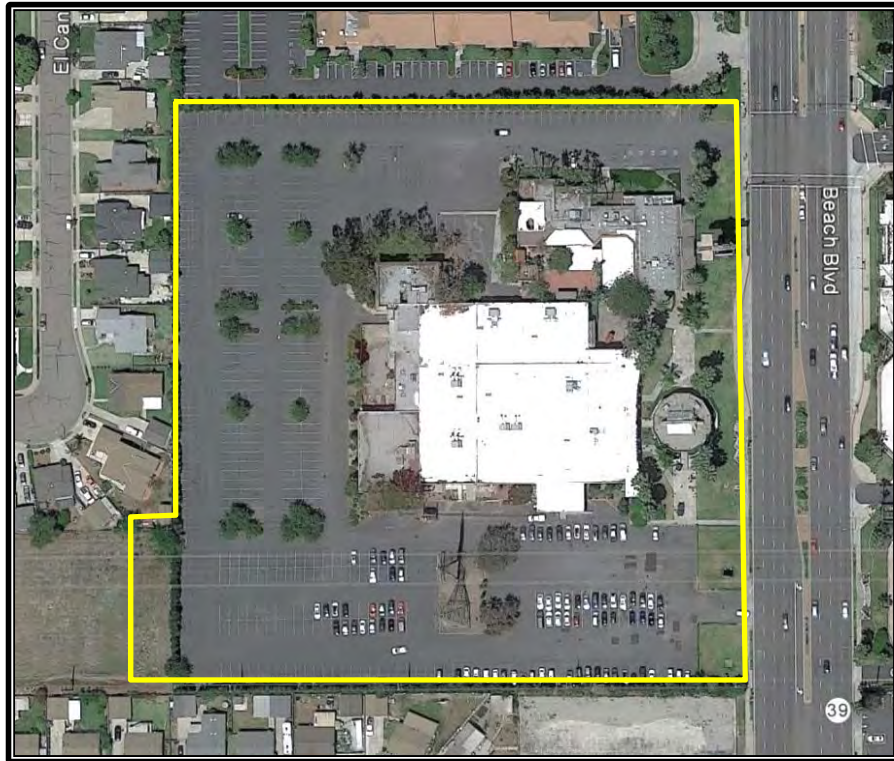
Data 4 represents the sale of a portion of the former El Toro Marine Corps base, which portion is commonly known as the "Great Park." The site is zoned for OCGP (Orange County Great Park) and P (Preservation), and contains 688 acres of land area. The site was acquired by a home developer, from the City of Irvine, for related open space use, and will be developed and utilized for various sports fields as part of a public park, a wildlife corridor, a golf course, and some agricultural use. Note however, the buyer is responsible for approximately \$10,000,000 in infrastructure costs applied toward Marine Way.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

The purchase price was \$19,171,000, all cash, which equates to \$0.64 per square foot of land area. The market conditions adjusted purchase price is \$0.70 per square foot of land area. The deed recorded January 30, 2015, as Document No. 48405. Data 4 is considered far inferior to the subject property, due primarily to the extraordinarily large land size which is deemed far inferior (on a rate per square foot basis), and the inferior improvements, due to the required infrastructure costs.

Data 5 – Butterfly Palladium, Buena Park



Data 5 represents the sale of the former Movieland Wax Museum site, which use was vacated in 2005. Data 5 is located in Subdistrict B2(a) of the ECSP, which subdistrict only allows entertainment uses as a primary use; museums, hotels, and restaurants are permitted as incidental uses. The site was improved with the former Movieland Wax Museum building containing over 67,000 square feet of building area, plus ancillary buildings. Further, the southerly portion of the site is encumbered with a KV highline.

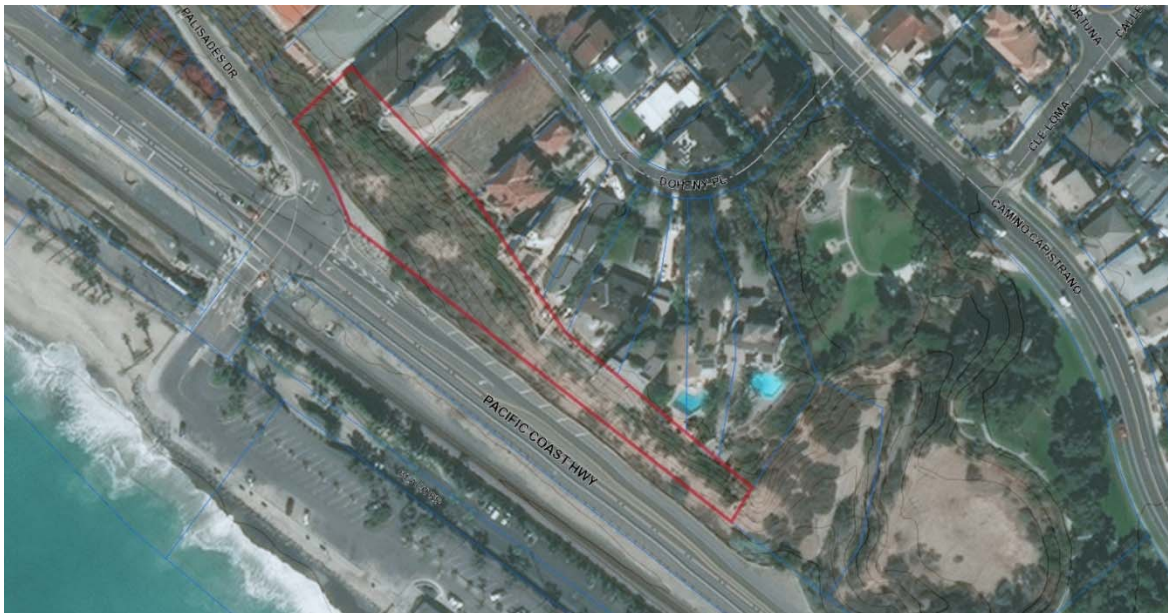
VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

The site required extensive demolition, and the former museum building included asbestos; the sale price of \$2,450,000 was “net” of estimated demolition costs of \$1,360,000. The site is currently being developed with a Butterfly Palladium, which will include (1) a 40,000± square foot building consisting of a rainforest atrium, honey bee exhibit, Amazon-Aqua life presentation, 3-D theater, education room, party room, café, gift shop, and related exhibits, (2) a 10,000 square themed restaurant and family entertainment center, and/or (3) a future skydiving experience venue. Note that restaurant use is only permitted in conjunction with an entertainment use (i.e. independent restaurant development is not permitted under the current entertainment zoning).

The purchase price was \$2,450,000, all cash, which equates to \$6.43 per square foot of land area. The market conditions adjusted purchase price is \$6.74 per square foot of land area. The deed May 4, 2016, as Document No. 198773. Data 5 is considered far superior to the subject property, due primarily to the far superior entertainment zoning which allows a greater variety of economic uses, which is considered to more than offset the inferior location.

Data 6 – Open Space site, Dana Point



VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

The sale property is a remnant open space land parcel, and represents a relatively long and narrow parcel of land located on the north side of Pacific Coast Highway, across from the ocean, in the City of Dana Point. The site is zoned OS (Open Space) and does not permit development. The seller was a real estate agent that had previously obtained a permit to utilize the site for real estate sales/signage purposes. The site has level to sloping topography, with no drive apron access. The site was acquired on a speculative basis and could reasonably be utilized for signage purposes or for potential sale to adjacent (northerly) property owners as a backyard extension.

The purchase price was \$30,000, all cash, which equates to \$0.57 per square foot of land area. The market conditions adjusted purchase price is \$0.59 per square foot of land area. The deed recorded August 31, 2016, as Document No. 414988. Data 6 is considered inferior to the subject property, due primarily to the inferior best use/zoning and topography, which is considered to outweigh the superior beach location.

Data 7 – Open Space site, San Juan Capistrano



VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

The sale property is a remnant open space land parcel, and represents a relatively long and narrow parcel of land located in close proximity to the ocean, in the City of San Juan Capistrano. The site is zoned GOS (General Open Space) and does not permit development. The site was marketed and sold as a non-developable site, on a speculative basis, and could reasonably be utilized for (1) potential sale to adjacent (southerly) property owners as a backyard extension, or (2) speculative zone change or variance for potential one dwelling site near the corner intersection.

The purchase price was \$70,000, all cash, which equates to \$0.95 per square foot of land area. An adjustment for market conditions was not warranted. The deed recorded October 10, 2018, as Document No. 368414. Data 6 is considered inferior to the subject property, due primarily to the inferior best use/zoning and topography.

Refer to the following array of land sales, which have been placed in the array by rating with respect to overall comparability. The rates applicable to Data 1 to Data 6 have been adjusted for market conditions (date of sale); an adjustment for market conditions was not warranted for Data 7. The adjusted rates range from \$0.43 to \$6.74 per square foot, as follows:

<u>Data</u>	<u>Overall Comparability</u>	<u>Rate Per SF Land</u>
5	far superior	\$6.74
3	far superior	\$4.44
Subject	- - -	\$1.50
1	inferior	\$1.36
7	inferior	\$0.95
4	far inferior	\$0.70
6	inferior	\$0.59
2	far inferior	\$0.43

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Land Value Conclusion:

Based on the foregoing analysis, the rate applicable to the subject property is estimated at \$1.50 per square foot of land area, as follows:

$$41,500 \text{ SF @ } \$1.50 = \$62,250$$

Adjusted: \$60,000

FINAL ESTIMATE OF LAND VALUE:

Based on the foregoing analysis, the market value of the fee simple interest in the subject land parcel, as of April 10, 2019, is \$60,000.

See Cost Approach beginning on the following page.

VALUATION ANALYSIS (Continued)

COST APPROACH:

The Cost Approach is based on the replacement cost new of the subject building and on-site improvements, less accrued depreciation, plus the value of the underlying land parcel. The replacement costs new of the subject property have been categorized as (1) direct building costs, (2) indirect building costs, and (3) entrepreneurial profit. The value of the underlying land parcel was estimated in the preceding Sales Comparison Analysis.

Direct and Certain Indirect Building Costs:

The direct cost estimates employed in the following Cost Approach Analysis are based on (1) development projects wherein construction costs were available, and (2) cost estimates obtained from Marshall & Swift, a national cost service handbook that provides building costs and site improvement costs for a wide variety of construction classes and materials. The national cost service is considered a guide for estimating replacement costs, plus other related costs. It should be noted, however, that Marshall & Swift does not generally include an allocation between the direct and indirect costs. Further, cost estimates published by Marshall & Swift generally exclude the following: (1) legal and accounting fees, as well as recording fees, (2) consulting fees to obtain required reports, such as environmental impact report (EIR), a geotechnical report, traffic studies, etc., (3) real estate taxes, (4) a contingency factor, (5) financing points, and (6) entrepreneurial profit.

Direct costs are those expenditures for labor and materials directly employed in the construction of the improvements. The overhead and profit of the general contractor and various subcontractors are part of the usual construction contract, and represent direct costs. Other costs associated with a project such as the subject development will include the following:

- Architectural, design, and engineering fees
- Building permit and review fees
- Materials, products, and equipment
- Labor force
- Security during construction
- Temporary contractor's office and fencing
- Material storage facilities
- Powerline installation and utility costs
- Contractor's overhead and profit
- Developer's administrative expenses
- Performance bond(s)

VALUATION ANALYSIS (Continued)

COST APPROACH: (Continued)

The base direct replacement cost includes regional and local adjustments. The "base" cost new for the subject building, based on average quality Class D (wood frame and stucco) construction, and allocating between (1) the gymnasium portion of the building, containing 6,232 square feet, and (2) the remaining building area (classrooms, offices, game rooms, etc.), containing 6,161 square feet, is estimated at:

Classrooms:	\$138.00 per square foot
Gymnasium:	\$110.00 per square foot

Additional Indirect Building Costs:

In addition to the direct building costs (which include certain indirect costs), a number of additional indirect building costs or allowances will be encountered when developing an industrial warehouse similar to the subject property. Said indirect costs, while necessary for construction, (1) are not typically included in the base (direct) building cost rates, and (2) include the following:

- Professional services (legal/accounting)
- Consulting (EIR, geotechnical, etc.)
- Real estate taxes
- Contingency factor
- Financing points

In the subject case, additional indirect costs, exclusive of profit, are based on 10% of the base construction costs and are in the total amount of \$153,574.

Entrepreneurial Profit:

Entrepreneurial profit, or developer's profit, reflects the amount a developer expects to receive for his or her contribution in a particular project. Additionally, it represents the degree of risk and expertise associated with the development.

Developers and real estate brokers familiar with the intricacies of real estate development indicate that the pro forma profit margins for building developments are generally within a relatively wide range of 10% to exceeding 20% of the direct and indirect development costs. The actual profit margin, upon completion of a particular project, however, can vary considerably depending on a number of factors such as cost overruns, unanticipated additional expenses, labor force negotiations, etc.

VALUATION ANALYSIS (Continued)

COST APPROACH: (Continued)

After considering current economic conditions, an entrepreneurial profit based on 15% of the total direct and indirect building costs has been employed in the subject cost study. The entrepreneurial profit for the subject development is estimated at \$253,397.

Accrued Depreciation:

Accrued depreciation is a loss in property value due to any cause. The five basic types of accrued depreciation that affect building structures are summarized as follows:

- Curable physical deterioration
- Incurable physical deterioration
- Curable functional obsolescence
- Incurable functional obsolescence
- External obsolescence

Depreciation resulting from incurable physical deterioration has been based upon an effective age-life technique, which is a straight line method. The depreciation was estimated after (1) conducting a physical interior and exterior inspection of the subject building, and (2) considering the effective age and remaining physical and economic life of the building improvements, based on the physical characteristics, as well as the immediate environmental influences, land values in the subject market, trends pertaining to industrial redevelopment, etc.

Note that the remaining "life" of the subject building takes into consideration all of the factors which influence the remaining economic life, including the location of the subject property, land values in the subject vicinity, the current cost necessary to redevelop the subject site, the physical condition of the building and overall functional utility, the state of the current real estate market, plus the state of the local and national economy.

The subject building was originally constructed in 1975±, having an actual age of approximately 44 years, however, the building was remodeled in 2008. Considering the below average condition of the subject building, the overall effective age of the subject building is estimated at 30 years. The remaining life, considering the present utility and contributory benefit to the land, is estimated at 20 years. The indicated overall depreciation attributable to the subject building, therefore, is 60% (30/50).

VALUATION ANALYSIS (Continued)

COST APPROACH: (Continued)

Cost Approach Analysis:

The Cost Approach Analysis applicable to the existing subject development is set forth following; the land value was estimated in the preceding portion of this section.

Cost Analysis:

Recreation Center Building:

Direct and Certain Indirect Costs:

Classrooms/offices/game rooms:

6,161 sf x \$138.00 = 850,218

Gymnasium:

6,232 sf x \$110.00 = 685,520

Subtotal:

\$1,535,738

Additional indirect costs (10%):

153,574

Total direct and indirect costs:

\$1,689,312

Entrepreneurial Profit (15%):

253,397

Total building cost new:

\$1,942,709

Depreciation:

Typical Age/Life: 60%

- 1,165,625

Depreciated value of building:

\$777,084

Depreciated value of on-site improvements:

Asphalt paving (driveways and pkg lot):

5,500 sf x \$2.15 x 0.75* = \$ 8,869

Concrete walkways:

4,950 sf x \$8.00 x 0.75* = 29,700

Outdoor basketball court:

5,760 sf x \$7.50 x 0.75* = 32,400

Trash enclosure, conc. blk., 6' high:

20 lf x \$115 x 0.50* = 1,150

Concrete curbing:

375 lf x \$20.50 x 0.75* = 5,766

Subtotal:

\$ 77,885

Contributory value of landscaping:

15,000

* Reciprocal of depreciation rate.

Total, depreciated value of on-site improvements:

92,885

Total, depreciated value of building and on-site improvements:

\$869,969

Adjusted: \$870,000

Land value (via Sales Comparison Approach):

60,000

Total market value of subject property:

\$930,000

R . P . LAURAIN
& ASSOCIATES
APPRAISERS - ANALYSTS

VALUATION ANALYSIS (Continued)

MARKET RENT:

The purpose of this appraisal is to estimate the market rent applicable to the subject property. Further, an allocation is included for the NMUSD portion of the site containing 2,560 square feet of land area, and improved with a portion of the existing basketball court.

As noted, there is a lack of comparable recreation and/or community center properties in the open market in which a market rental rate can be derived via direct comparison. As such, in order to estimate the rental value of the subject property, it is necessary to apply an appropriate rate of return to the market value of the subject property (land and improvements).

Rate of Return:

In determining the appropriate rate of return to apply to the subject property, the appraiser considered (1) gross annual rates of return received by public agencies and large land-holding private corporations, (2) national capitalization rates and yield rates, obtained by large private real estate investment firms, and (3) range of capitalization rates for conventional properties in the immediate and general subject market area.

Following is the gross annual return rates received by public agencies and large real estate corporations:

City of Long Beach:	7-10%
City of Los Angeles:	8-10%
County of Los Angeles:	6-9%
County of Orange:	8-10%
Irvine Company:	9-10%
Watson Land Company:	8-10%
Newhall Land Company:	8-10%

The rates in the above-mentioned table effectively represent those rates which the public agency seeks to obtain at their sites over a long-term holding period (20+ years). Sites located in areas of high demand and/or limited availability can achieve the higher rates (as quoted in the table above), while sites which are more "typical" or "common" are often leased at lower rates. Further, note that short term capitalization rates are generally 2% to 4% lower than the public agency rates of return.

VALUATION ANALYSIS (Continued)

MARKET RENT: (Continued)

As stated, in addition to the rates of return sought by public agencies and private real estate companies, a review was conducted of national yield rates (internal rates of return) obtained by private real estate investors, on a quarterly basis. The rates were obtained from the Price Waterhouse Cooper (PWC) Investor Survey. The overall capitalization rates, as well as the investment yield rates (also known as discount rates) were obtained from the PwC Investor Survey, First Quarter, 2019. The PWC is a quarterly publication based on a survey of real estate investors and developers. Said survey includes economic and financial information, plus rates produced by acquisitions and dispositions of large income-producing properties. Following is a summary of certain average yield rates, as obtained from Korpacz:

	Cap Rate	Yield Rate
Los Angeles Office Market:	5.98%	7.63%
National Net Lease Market	6.77%	7.52%
National Strip Shopping Center Market:	6.63%	7.73%
Pacific Region Apartment Market:	4.54%	6.63%

As noted, the overall yield rates (discount rates) are generally 1% to 2.5% greater than the capitalization rates (which are based on a single year income). Note, however, the yield rates are generally based on long term investments, and include the return on capital and appreciation of the underlying real estate investment. As such, in the subject case, the capitalization rate range is deemed more appropriate, which range (excluding apartments) is 5.98% to 6.77%. As will be demonstrated, however, capitalization rates for conventional commercial property (office and retail), in the Orange County and Newport Beach area, are generally at the lower end of the range, as follows:

	Cap Rate
Orange County Office Market:	5.5%-5.7%
Orange County Retail Market	5.2%-5.4%
Newport Beach Office Market:	5.3%-5.4%
Newport Beach Retail Market:	4.6%-5.1%

VALUATION ANALYSIS (Continued)

MARKET RENT: (Continued)

Although the capitalization rates for conventional retail properties in Newport Beach and Orange County are at the lower end of the range, the subject Boys and Girls Club is an atypical special use property which, by nature, has a lower value and higher risk (i.e. higher rate of return). As such, the rate of return deemed applicable to the subject property, as applied to both the underlying land and the existing improvements, is estimated at 6.0%.

Market Rent Conclusion – Property as a whole:

Based on the foregoing analysis, the market rent deemed applicable to the subject property as a whole, allocated between the underlying land and improvements, is estimated at \$55,800 per year, or \$4,650 per month, as follows:

Fair market rent - Property as a whole:	
Land Value:	\$60,000
Rate of Return:	6.0%
Annual Rent, land only:	\$3,600
Monthly Rent, land only:	\$300
Value of building and site improvements:	\$870,000
Rate of Return:	6.0%
Annual Rent, building and site improvements:	\$52,200
Monthly Rent, building and site improvements:	\$4,350
Reconciliation - property as a whole:	
Annual Rent, land only:	\$ 3,600
Annual Rent, building and site improvements:	52,200
Total Annual Rent:	<u>\$ 55,800</u>
Total Monthly Rent:	\$4,650

VALUATION ANALYSIS (Continued)

MARKET RENT: (Continued)

Allocation of School District Portion:

As stated, the appraisal study also sets forth the market rent for the allocated portion of the Newport Mesa Unified School District (NMUSD) site. Said NMUSD site contains 2,560 square feet of land area, valued at \$1.50 per square foot (\$3,840). The NMUSD site is improved with a portion of the basketball court, which site improvement is valued at \$7.50 per square foot (cost new), and depreciated 25%. The rate of return applied to the allocated portion of the NMUSD is 6.0% (as part of the whole).

Market Rent Conclusion – NMUSD Allocated Portion:

Based on the foregoing analysis, the market rent deemed applicable to the NMUSD portion of the site, allocated between the underlying land and improvements, is estimated at \$1,094 per year, or \$91.17 per month, as follows:

Allocation of Newport Mesa Unified School District portion:

Land Value:

2,560 sf x \$1.50 = \$ 3,840

Rate of Return: 6.0%

Annual Rent, land only: \$230

Monthly Rent, land only: \$19.17

Value of allocated basketball court improvements:

2,560 sf x \$7.50 x 0.75* = 14,400

Rate of Return: 6.0%

Annual Rent, land only: \$864

Monthly Rent, land only: \$72.00

Reconciliation - Allocation of School District portion:

Annual Rent, land only: \$ 230

Annual Rent, basketball court improvements: 864

Total Annual Rent: \$ 1,094

Total Monthly Rent: \$91.17

VALUATION ANALYSIS (Continued)

FINAL ESTIMATE OF RENTAL VALUE:

Based on the foregoing analysis, the fair market rental rate applicable to the subject property, as of April 10, 2019, is summarized as follows:

Property as a Whole:

Annual Rent, land only:	\$ 3,600
Annual Rent, building and site improvements:	<u>52,200</u>
Total Annual Rent:	\$ 55,800
 Total Monthly Rent:	 \$4,650

Allocation of School District Portion:

Annual Rent, land only:	\$ 230
Annual Rent, basketball court improvements:	<u>864</u>
Total Annual Rent:	\$ 1,094
 Total Monthly Rent:	 \$91.17

Said rental rates are based on a triple net (NNN) rental arrangement wherein the lessee (tenant) would be responsible for the payment of real estate taxes (if any), insurance premiums, utilities, maintenance, etc. Further, the applicable rental rate would be subject to annual adjustments, typically based on the Consumer Price Index (CPI), with re-adjustment to market levels at set intervals (every 3, 5 or 10 years).

ADDENDA

See Photo No. 1 on first page of Subject Property Description Section.



PHOTO NO. 2: View looking southwesterly at the subject property from Vista Del Oro..



PHOTO NO. 3: View looking southeasterly at the rear elevation of the subject building and basketball court.

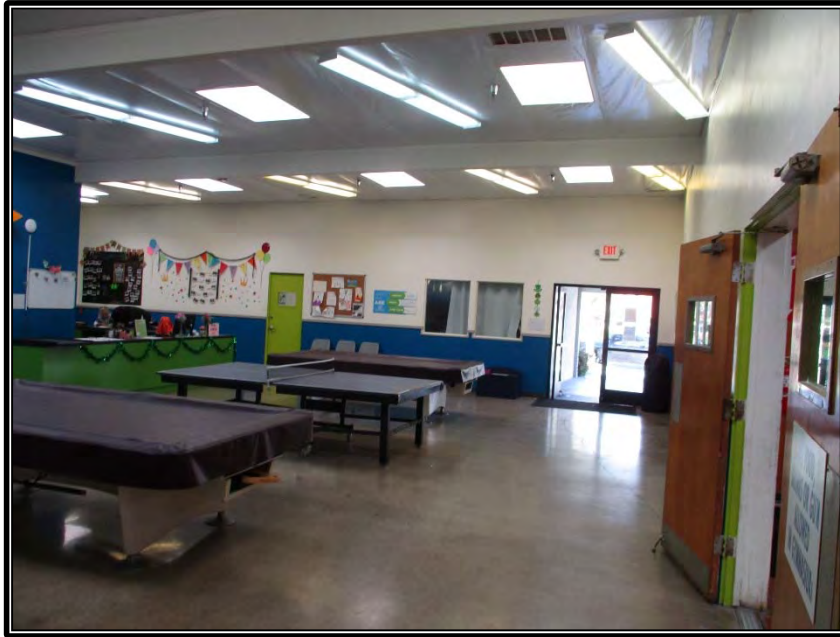


PHOTO NO. 4: Interior view of main game room.



PHOTO NO. 5: Interior view of typical classroom.



PHOTO NO. 6 Interior view of gymnasium.

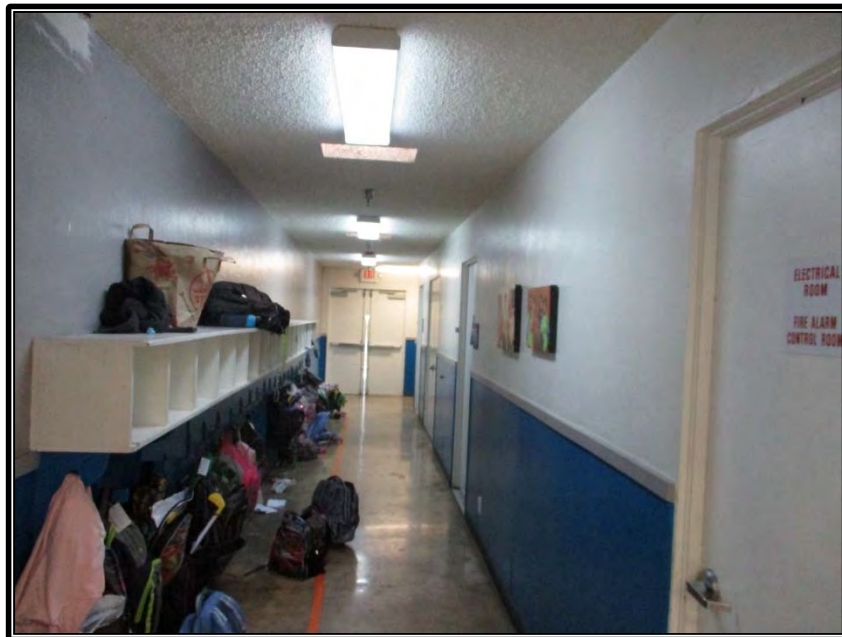


PHOTO NO. 7: Interior view of hallway.



PHOTO NO. 8: Interior view of kitchen area.



PHOTO NO. 9: View looking southerly along Vista Del Oro from a point adjacent to the subject property.

**QUALIFICATIONS
OF
APPRAISER**

**R . P . LAURAIN
& ASSOCIATES**
APPRAISERS - ANALYSTS

BACKGROUND AND QUALIFICATIONS

John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754

PRESIDENT:

R. P. Laurain & Associates, Inc.
3353 Linden Avenue, Suite 200
Long Beach, California 90807
Office: (562) 426-0477 - Fax: (562) 988-2927
rpla@rplaurain.com

PROFESSIONAL ORGANIZATION AFFILIATIONS:

The Appraisal Institute
MAI Designated Member

American Society of Appraisers
Senior member; hold professional endorsement and
designation "ASA" in urban real estate.

American Arbitration Association
Associate arbitrator in title insurance matter.

Certified General Real Estate Appraiser by the
Office of Real Estate Appraisers, State of California.
Certification No. AG 025754.

APPRAISAL BACKGROUND:

Real estate appraisal and valuation consultation services conducted for public purposes include eminent domain studies, street widening and grade separation (bridge) projects, public school and university expansion projects, relocation studies, housing and public loan programs, Navy housing, senior housing, public bond measures, leasing of publicly-owned properties, Quimby Act park fee studies, Fair Political Practices Commission analyses, budgetary studies, and transfers (exchanges) of properties between public agencies. Private real estate appraisal services have been conducted for lending institutions, insurance companies, attorneys, estates for tax and donation purposes, private subdivision development studies, and other private uses.

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Residential Property:

Residential properties appraised include single family, condominiums, own-your-own, townhouse, low and medium density multiple family, 100+ unit apartment complexes, waterfront properties, boat docks, mobile home parks, vacant single-family lot and acreage parcels, and low to high density vacant land parcels.

Commercial and Industrial Property:

Commercial property appraisal studies have included single and multi-tenant retail, strip centers, shopping centers, low-rise and high-rise office buildings, medical offices, restaurants and fast-food developments, nightclubs, convenience stores, theaters, automobile repair and service facilities, service stations, truck fueling and washing stations, car wash facilities, automobile sales, mixed-use properties including single resident occupancy (SRO) developments, as well as hotel and motel properties, and vacant land.

Industrial property appraisals have included warehouses, light and heavy manufacturing, distribution and transit facilities, food processing, cold storage, lumber yards, recycling centers, open storage, vacant land, remnant and landlocked parcels, properties encumbered with oil and water injection wells, sites with soil contamination and land fill properties.

Special Purpose and Special Use Properties:

Appraisal services and valuation studies of public, quasi-public, special use, and nonprofit facilities include, among others, seaport properties, airport properties (FBO, hangars, warehouse, office, land, etc.), submerged land, river rights-of-way, reservoirs, agricultural land, conservation/mitigation and wetland properties, utility and railroad rights-of-way, flood control channels, city hall buildings and civic center complexes, courthouses, libraries, fire and police stations, post offices, public parking structures, parks, public and private schools, adult learning centers, athletic facilities and gyms, bowling alleys, tennis centers, youth homes, after school facilities, daycare facilities, hospitals, skilled nursing facilities, churches, meeting halls and veteran facilities.

Valuation Methodologies:

In addition to the three conventional valuation methods (Sales Comparison Approach, Cost-Summation Approach, and Income Capitalization Approach), valuation methodologies have included discounted cash flow analyses, leased fee, and leasehold analyses, absorption discounts, deferred maintenance, cost-to-cure, bonus value, excess rent, across-the-fence, value-in-use, fractional interests, hypothetical valuations, and reuse studies.

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Property interests appraised for eminent domain purposes include full and partial takings, as well as severance damage and project benefit studies. Valuation of various types of easements have included permanent surface, street, temporary construction, slope, utility, pipeline and subsurface, aerial, bridge structure, signal light, exclusive and nonexclusive surface rights, multi-layered, battered pilings, tie-back, railroad, drainage ditch, and flood control easements.

Clients:

Real estate research, analysis and appraisal services performed on projects for the following public agencies and private corporations while associated with R. P. Laurain & Associates, Inc., since 1986:

Cities:

City of Alhambra	City of El Monte	City of Palmdale
City of Artesia	City of El Segundo	City of Palm Springs
City of Azusa	City of Glendale	City of Paramount
City of Baldwin Park	City of Hawaiian Gardens	City of Pasadena
City of Bell	City of Huntington Beach	City of Riverside
City of Bell Gardens	City of Huntington Park	City of Rosemead
City of Bellflower	City of Industry	City of San Juan Capistrano
City of Buena Park	City of Irwindale	City of Santa Ana
City of Burbank	City of La Mirada	City of Santa Fe Springs
City of Carson	City of Lawndale	City of Seal Beach
City of Cathedral City	City of Long Beach	City of Signal Hill
City of Chino Hills	City of Los Alamitos	City of South El Monte
City of Compton	City of Los Angeles	City of South Gate
City of Covina	City of Monrovia	City of Tustin
City of Cudahy	City of Monterey Park	City of Upland
City of Cypress	City of Newport Beach	City of West Hollywood
City of Diamond Bar	City of Norwalk	City of Whittier
City of Downey	City of Ontario	

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Other Public and Quasi-Public Agencies:

Alameda Corridor Engineering Team
Alameda Corridor Transportation Authority
California High Speed Rail Authority
Caltrans
Castaic Lake Water Agency
Hawthorne School District
Kern County
Long Beach Community College District
Long Beach Airport
Long Beach Unified School District
Long Beach Water Department
Los Angeles County Department of Beaches and Harbors
Los Angeles County Chief Executive Office
Los Angeles County Internal Services Department
Los Angeles County Metropolitan Transportation Authority
Los Angeles County Public Works
Los Angeles Unified School District
Los Angeles World Airports
Lynwood Unified School District
Orange County Transportation Authority
Orange County Public Works
Port of Los Angeles
Port of Long Beach
Riverside County Transportation Commission
San Bernardino County
Southern California Edison
State of California, Santa Monica Mountains Conservancy
U. S. Department of the Navy
U. S. Postal Service

Other:

Various attorneys, corporations, lending institutions, and private individuals.

Gold Coast Appraisals, Inc.:

Associate appraiser, as independent contractor, during portions of 1991 and 1992, specializing in appraisal of single family residential through four-unit residential properties.

BACKGROUND AND QUALIFICATIONS (Continued)

EXPERT WITNESS:

Qualified as an expert witness in the Los Angeles County Superior Court, Central District.

Qualified as an expert witness Orange County Superior Court.

Qualified as an expert witness in an arbitration matter before Judicial Arbitration and Mediation Services in the Counties of Los Angeles and Orange.

Provided testimony as an expert witness in conjunction with eminent domain matters before the San Bernardino and Riverside County Superior Courts.

ACADEMIC BACKGROUND:

Cypress Community College - Basic curriculum.

Long Beach Community College - Basic curriculum.

Real estate and related courses taken through and at various Community Colleges, Universities, the Appraisal Institute, and business schools, in accordance with the Continuing Education Requirements of the State of California, as follows:

- Fundamentals of Real Estate Appraisal
- Appraisal Principles and Techniques
- California Real Estate Principles
- Real Estate Appraisal: Residential
- Principles of Economics
- California Real Estate Economics
- Basic Income Capitalization Approach
- Advanced Income Capitalization Approach
- Advanced Market Analysis and Highest & Best Use
- Advanced Applications
- Advanced Concepts and Case Studies
- Real Estate Escrow
- California Real Estate Law
- Uniform Standards of Professional Appraisal Practice, Part A
- Uniform Standards of Professional Appraisal Practice, Part B
- Federal and State Laws and Regulations
- Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)
- Valuation of Conservation Easements