



NAGASAKI & ASSOCIATES
REAL ESTATE CONSULTANTS

July 12, 2006

Ms. Vicki Copeland
Finance Director
City of Hermosa Beach
1315 Valley Drive
Room 103
Hermosa Beach, CA 90254

Re: Park In-Lieu Fees
City of Hermosa Beach
Hermosa Beach, California

File No. 06-192

Dear Ms. Copeland:

In accordance with your request, we have completed an analysis of the Park In-Lieu Fees for the city of Hermosa Beach. Please recognize this report is a consulting analysis and is outside the scope of the Uniform Standards of Professional Appraisal Practice (USPAP). This is not an appraisal document per se, with no formal valuation nor opinion of value for a specific property was provided. It provides a required price for an open space site and makes no adjustments for variances which may exist in the market. There is no hypothetical nor specific site to provide an opinion of market value. The price is used to derive the appropriate fee for an in-lieu park fee.

The client and intended user of this report is the City of Hermosa Beach and its Finance Department Director for the purpose of updating the current Park In-lieu fee charged for development of new residential development within the City of Hermosa Beach. Use by others is not implied nor permitted.

Based on our investigations and analyses, we have concluded the appropriate Park In-Lieu Fee for the City of Hermosa Beach, as of the current date, should be:

TWENTY FIVE THOUSAND FOUR HUNDRED EIGHTY THREE DOLLARS PER DWELLING UNIT

(\$25,483 PER DWELLING UNIT)

Scope of Work

In our scope of work we undertook the following studies:

- Reviewed the existing ordinance;
- Researched sales of open space land throughout Southern California;
- Researched sales of residential, commercial and industrial land within a five mile radius of the Hermosa Beach City Hall;
- Considered the weighted average of land values for the city based on the General Plan
- Researched charges for Park In-lieu fees for cities in Southern California;
- Reconciled and considered the application of the open space land, weighted average land values and the charges for Park In-Lieu fees, as compared to Hermosa Beach;
- Arrived at a conclusion of final charges appropriate for the city;
- Prepared a written report outlining our conclusions in a summary report format.

Existing Ordinance

According to the city of Hermosa Beach Municipal Code the following is the current ordinance:

16.12.010 Authority.

This chapter is enacted pursuant to the authority granted by California Government Code Section 66477. The provisions of this chapter shall not apply to any subdivisions exempted from dedication requirements by California Government Code Section 66477.

16.12.020 Requirements.

As a condition of the approval of a final tract map or parcel map for a residential subdivision, a subdivider shall dedicate land, pay a fee in lieu thereof, or a combination of both, at the option of the city, as determined at the time of approval of the tentative map. Such land dedication, or in-lieu fee or combination thereof, shall be used for parkland, park and recreational purposes. The dedication of five acres per one thousand (1,000) persons, or an in-lieu fee or a combination thereof, shall be imposed as condition of approval.

16.12.30 Standards.

A. Persons per household shall be based on the most recent available US Census.

B. If a fee in lieu of dedication is required, the amount of such fee shall be based on the average estimated fair market value of land zoned for open space which would otherwise be required to be dedicated. Fair market value shall be determined at the time of filing the final map, in accordance with one of the following:

1. Fair market value shall be determined by an independent appraisal of open space zoned property in the city by a qualified real estate appraiser approved by the city; appraisal shall be at the subdivider's expense and may be accepted by the city council if found reasonable.
2. The city may accept an appraisal of open space zoned property when the appraisal is less than one year old.
3. The city and the subdivider may agree as to the fair market value.

C. Where private open space for parkland, park and recreational purposes, in excess of front setbacks and other open space zoning requirements, is provided in a proposed subdivision, and such space is to be privately owned and maintained by the future residents of the subdivision, partial credit, not to exceed fifty (50) percent of the parkland requirement, may be given for such excess open space against the requirements of land dedication or payment of fees in lieu thereof, if the planning commission or city council finds that it is in the public interest to do so, subject to the following terms and conditions:

1. The subdivider shall submit for review and approval by the city a plan for installation of private recreation facilities to be used in common by residents of the subdivision.
2. The front setbacks and other open spaces required to be maintained by the zoning ordinance shall not be included in the private recreational facilities.
3. The use of the private recreational facilities shall be restricted for parkland, park and recreational purposes by recorded covenant which shall run with the land in favor of the future owners of the property and which cannot be defeated or eliminated without the consent of the city or its successor.

16.12.040 Choice of land or fees.

A. The procedure for determining whether the subdivider is to dedicate land, pay a fee, or both, shall be as follows:

1. At the time of filing a tentative map for approval, the owner of the property shall, as a part of such filing, indicate whether he desires to dedicate property for parkland, park and recreational purposes or whether he desires to pay a fee in lieu

thereof. If he desires to dedicate land for such purpose, he shall designate the area thereof on the tentative map as submitted.

2. At the time of the tentative map approval, the planning commission or city council, if appealed, shall determine, as a part of their approval, whether to require a dedication of land within or adjacent to the subdivision, payment of a fee in lieu thereof, or a combination of both.
3. Where dedication is provided, it shall be accomplished in accordance with the provision of the Subdivision Map Act. Where fees are provided, they shall be deposited with the city prior to approval of the final map.

B. Determination by the planning commission or city council as to whether to accept a land dedication or to require payment of a fee in lieu thereof, or a combination of both, shall be determined by consideration of the following:

1. Open space and recreational element of the city's general plan;
2. Topography, geology, access and location of land in the subdivision available for dedication;
3. Size and shape of the subdivision of land available for dedication.

C. The determination of the planning commission or city council as to whether land shall be so dedicated, or whether a fee shall be charged, or a combination thereof, shall be final and conclusive; provided, however, that any land proposed to be dedicated shall be approved as acceptable by the city. In accordance with 16.12.010 Authority.

This chapter is enacted pursuant to the authority granted by California Government Code Section 66477. The provisions of this chapter shall not apply to any subdivisions exempted from dedication requirements by California Government Code Section 66477(g), only the payment of fees may be required in connection with subdivisions containing fifty (50) parcels or less.

The land and/or fees received by the city pursuant to this chapter shall be used only for the purpose of providing parkland, park and recreational facilities to serve the subdivision for which received, and the location of the land and amount of fees shall bear a reasonable relationship to the requirements for and use of the parkland, park and recreational facilities by the future residents of the subdivision. Any fees collected under this chapter shall be committed within five years after the payment of such fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later.

Scope of Investigations

In review of this ordinance, it is specified that the fair market value of land is based upon:

“...the average estimated fair market value of land zoned for open space which would otherwise be required to be dedicated. Fair market value shall be determined at the time of filing the final map, in accordance with one of the following: 1. Fair market value shall be determined by an independent appraisal of open space zoned property in the city by a qualified real estate appraiser approved by the city; appraisal shall be at the subdivider's expense and may be accepted by the city council if found reasonable. current fair market value of vacant land in the immediate vicinity.”

This provides for the valuation of open space within the city. We were unable to locate any transactions of open space land in the city or immediate surroundings. We expanded our search to include the wider Southern California area, concentrating on the urban locations within the counties. During our investigations we considered land which was not utilized for economic return but used as open space, recreational, passive or educational uses. We initially reviewed over 40 transactions, with most being located in the rural portions of Los Angeles, Orange, Riverside/San Bernardino counties with most being consisting of multiple acres of hillside or undeveloped lands. Out of this body of data, we did select several examples of urban locations that were constrained by other significant factors such as oil land use, steep slopes or non-buildable sites. We noted that most of these locations were distinct from the city of Hermosa Beach, they were relevant only for secondary comparative purposes for this study. Many of the sites were valued based on price psf of land areas of between \$1.50 to \$6.50 psf (essentially purchased based on per acre values).

OPEN SPACE HILLSIDE LAND SALES

No.	Address	Sale Date	Zone	Site Area	Sale Price	
					Total	Psf
A	100 N. Old San Gabriel Canyon Rd Azusa	Feb-06	C2-RA	1,839,015	\$3,500,000	\$1.90
B	5400 S. Fairfax Avenue Los Angeles	Jan-06	A2	4,270,622	10,400,000	2.44
C	18041 Rinaldi Street Granada Hills	Jan-05	A1	213,354	1,305,000	6.12
D	Glenoaks Blvd at Chevy Chase Glendale	Jan-04	R1R	3,424,251	4,300,000	1.26
E	Mesa Isla Rd w/o La Crescenta Glendale	Dec-02	N/A	10,628,640	25,000,000	2.35

Item No. A is the sale of a 42 acre site in the San Gabriel Mountains. The site encompasses a down sloping hillside and adjoining road. The property was purchased for use as a open land and at the time of sale included a restaurant building. This will be converted to an office, the site had been sold with limited potential alternative development.

Item No. B is the sale of hillside oil well land along La Cienega Boulevard in Los Angeles. This is part of the Kenneth Hahn State Recreation area. The topography is sloping and would otherwise limit significant development due in part to the slopes as well as oil wells on site. The site was purchased by the county for expansion of the park.

Item No. C is a sloping hillside along Hesperia Street adjoining Palisades Park in Granada Hills of the city of Los Angeles. The site is located along a natural flood plain and watercourse for residential development to the east and west of the site, limiting potential development. The site consisted of five legal lots. The sites were purchased by the City of Los Angeles to continue use as an open space and buffer to other residential development.

Items Nos. D and E are the sales of sloping hillside land in the Glendale area. The sloping sites were sold to the City of Glendale for open space. The lands legally could be developed but lack of utilities and access limited the potential development as well as extensive sloping lots. The sellers approached the city directly to sell the lots, based on the market value as residential development sites. The sales included taxable gift donation to the city as a part of the sale price.

These items were considered very inferior due to the utility and topography of the individual sites. None of these sites really offer any alternative development potential (perhaps very low density residential) but lacking needed utilities or access in most cases. These clearly represent the nominal values for open space hillside lands, and although considered in a modest way, offer limited comparability to the subject location.

We did uncover the following sales, which were located in more developed regions and usable sites. These sales were generally utilized by schools for expansion or development, but did essentially relate to the sale of land. As schools (or universities) they are not being used for economic use and would otherwise qualify as open space. Many of the site's underlying zoning played a part in the determination of the purchase price.

LAND SALES						
No.	Address	Sale Date	Zone	Site Area	Sale Price	
					Total	Psf
1	10100-10120 Jefferson Blvd Culver City	May-06	S1	563,230	\$32,500,000	\$57.70
2	4951 Oregon Avenue Long Beach	May-06	I	131,544	4,340,000	32.99
3	4140 Gibson Road El Monte	Mar-04	M2	187,308	2,800,000	14.95
4	13151 W. Sunset Blvd Los Angeles	Nov-03	RE20	361,548	12,000,000	33.19
5	31711 San Juan Creek Road San Juan Capistrano	Apr-03	PR	43,500	2,300,000	52.87

Item No. 1 is the sale of a vacant site offered as an industrial development site. It was purchased by West Los Angeles College, the adjoining owner, for expansion and development of the access to the campus from the north. The plans call for the development of an access road and the remainder of the land may be offered for development of alternative uses. This is sloping terrain, but fully usable.

Item No. 2 is the sale of a school site in Long Beach. The site includes older school buildings and continues to be used as a school. The site is industrially zoned and could be developed with alternative industrial development. The site included 21,000 sf of buildings.

Item No. 3 is the sale of industrially zoned land purchased by the City of El Monte. The site is zoned for industrial development and was in escrow for one year. It is developed adjacent to a residential homes. The date of sale is substantially inferior.

Item No. 4 is the site used as a horse boarding and show facility in Sullivan Canyon. The site was formerly a school site, that had been leased as an equestrian center. The land was purchased based on the use as residential development site. The buyers continue to maintain the site as an open space equestrian riding center. The date of sale is substantially inferior.

Item No. 5 is the sale of a site improved with a small commercial building used as a small school. The buyers were the Capistrano School district for expansion and development of an elementary school. The site's topography was fully usable and adjoins residential development just east of the San Diego (Interstate 5) freeway. The date of sale is substantially inferior.

Based on this data, we would consider a reasonable unit rate for similar sites on the order of \$45 psf of land area, looking primarily at Item No. 1 and 4 (after adjusting for time), moderating the Item No. 1 due to the potential sale or development of economic uses after the road is improved.

These sales included locations quite different and distinct from the beach community of Hermosa Beach and the rest of the South Bay beach communities of Manhattan Beach and Redondo Beach. Given the significantly higher associated land and improvement values for these communities, we considered an alternative approach. Further, if any developer or public agency were to acquire land for development of a public open space, the prices paid would more typically reflect the underlying land values (associated by zoning and highest and best use) of an alternate site. That is, the buyer would have to pay prevailing local land values, be it residential or commercial, and dedicate the site for use as open space. Thus the local market transactions would have more significance than sites in distant areas used as non-economic uses.

We initially began with a land value study for the city of Hermosa Beach only, from 2000 to the current date. However we only uncovered about 25 sales within the city for all land use types. This was an inadequate pool of data to utilize for our study. We expanded our search to include the cities of Hermosa, Redondo and Manhattan beaches, but felt this was still a limited base of sales to work with, being just over

120 transactions. We ultimately utilized sale transactions specifically within a five-mile radius of the city of Hermosa Beach which occurred from 2000 to the present. The sales ultimately utilized were segregated by land use of residential, commercial and industrial. The average price psf for residential, commercial and industrial sites were considered individually. We had a body of data consisting of around 220 sales transactions, which gave us a good sample to work with.

Next we considered the land use allocation within the city of Hermosa Beach. The Hermosa Beach General Plan Land Use Element was amended in 1994, and includes the following land use allocation. The city's land use is divided between residential, commercial and office, open space, and other land uses. We utilized the allocation for residential, commercial, industrial, open space, public facilities and as five separate categories. Based upon this, the total acreage for the city of Hermosa Beach is broken down as follows:

<u>Land Use</u>	<u>Acres</u>	<u>% of Total</u>
Residential	457	54.88%
Commercial and office	86	10.29%
Industrial	7	0.82%
Open Space	225	27.08%
Public	<u>58</u>	<u>6.93%</u>
Total	832	100.00%

We then utilized the average and median price for land in each land use to determine the weighted average price for land in the city of Hermosa Beach. This considers the impact of the variety of land uses within the city under the three primary development types. We recognize that the land use most often considered for the In-Lieu fee would likely be residential land. However, this is not exclusive to the use of only residential land for the possible conversion to park land use. An alternative would be to dedicate land to the park land use, and could alternatively be some other land use type (often at a lesser price). Therefore we have used the weighted average approach, to consider the land available (any type) within the city for purposes of this ordinance.

While the land values for the residential, commercial and industrial uses are obvious. We noted that open space and parkland values and public facilities considered to have a zero value in recognizing their non-economic use. The following tables show the allocation of land use, percentage of the total, average dollars and median dollars psf for land area by use and their resulting weighted dollars psf:

<u>WEIGHTED LAND SALES FIVE-MILE RADIUS 2000 TO CURRENT</u>						
<u>Land Use</u>	<u>Acres</u>	<u>% of Total</u>	<u>Average \$ Per Sf</u>	<u>Weighted \$ Per Sf</u>	<u>Median \$ Per Sf</u>	<u>Weighted \$ Per Sf</u>
Residential	457	54.88%	\$215.44	\$118.24	\$124.14	\$68.13
Commercial and office	86	10.29%	88.32	9.09	59.89	6.16
Industrial	7	0.82%	28.14	0.23	21.46	0.18
Parks and Open Space	225	27.08%	0.00	0.00	0.00	0.00
Public	<u>58</u>	<u>6.93%</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total	832	100.00%		\$127.56		\$74.47
				Average	\$101.01	

The results for the average and median price psf for a five-mile radius data was \$127.56 and \$74.47 psf, respectively. The average of these two figures is \$101.01. This is demonstrably higher than the data for open spaces previously shown. Yet, as we previously indicated, the importance of the locational attributes of this beach community is better borne by the results of this approach, than by the direct comparison study shown earlier. Yet we looked both at the average, skewed by several very high land sales associated with Strand property sales, as being less appropriate than our median (particularly given the subset of residential land is 131 sales (nearly 60% of the total sales).

Given the aforementioned sales of open space sites, augmented by the supplemental analysis of the local land sales by weighted land use allocation, we have concluded with a unit rate of \$60 psf for the open space land in the city of Hermosa Beach. The formula specified in the ordinance indicates the following:

$$\begin{aligned} 5 \text{ acres per } 1,000 \text{ persons} &= 217.8 \text{ sf per person} \\ 217.8 \text{ sf} \times 1.95 \text{ person per dwelling unit} \times \$60.00 \text{ psf} &= \$25,482.60 \\ \text{Rounded:} & \quad \$25,483 \text{ per dwelling unit.} \end{aligned}$$

This figure represents a 4.9 fold increase over the existing fee established in 1991 of \$5,198 per dwelling unit (or 400% increase in the base price psf of land.) This is equivalent to an annualized compounded rate of 11.3% increase per year over 1991. Clearly this is above the rate of inflation of 51.6% since 1991. It has been clear that the cost of land or improved values do not specifically coincide with the rate of inflation, but provides only a reference point of overall increases in prices for products during this time period.

We also reviewed the trend in land sale prices in Los Angeles County going back to 1995 (we lacked adequate data prior to that date). Based on the sales available, and using the \$12.00 psf land base used in 1991, the overall trend (extended back to 1991) suggests a value change of 347% increase to 2006. This is nearer to the price change shown in our current study. This was considered a supportive tool for this work. We believe as we set forth below, this is consistent but at the upper end of the current trends in pricing for fees in many locales.

Competitive Fee Structures

As another reference point, we obtained the Park In-Lieu Fee charges for residential developments for a variety of cities in Los Angeles and Orange Counties. In our survey, we noted that there were cities that had no fees, or minimal fees of less than \$1,000. For some of the cities there is a formula based on the number of persons per development per acre, based on the value of the land being subdivided. There were also variances in the minimum park standard requirement of numbers of acres per 1,000 resident population required for each city. It was significant to note that Irvine has a formula based on the current land value of their city of \$2,610,000 per acre or \$59.92 psf, very similar to our analysis above.

The range of other per unit costs for single family were in a range of around \$1,817 (Manhattan Beach) to \$27,000 (Pasadena). There were a number of cities in the dominant range of \$8,000 to \$10,000 per dwelling unit, but some cities had some recently adopted figures nearer to our analysis \$26,646 per dwelling unit (Cypress). We also noted that many cities include fees on new commercial/industrial development based on a psf charge per new construction, which is not available in the city. The following are the charges obtained from other cities (amounts greater than \$1,000):

Culver city charge \$10,000 per residential unit and \$1.00 psf of commercial/industrial development;

The city of Hawthorne has a development impact fee of \$8,439 for single family homes, \$6,344 for multiple residential and \$11.05 to 17.87 psf for commercial and industrial development.

The city of Manhattan Beach charges a fee of \$1,817 per unit or residential lot.

Pasadena's charges are based on the number of bedrooms with studios being \$14,600, one bedroom are 15,400, two bedrooms are \$17,100, three bedrooms are \$19,000; four bedrooms are \$23,900 and five+ bedrooms are \$27,000;

The city of Anaheim charges \$8,114.01 for homes in the "golden triangle area" near Anaheim Stadium; in the remainder of the city the fee is \$6,936.46 for single family homes, for semi-detached single family homes \$5,388.14, for two- to four-units \$6,998.39, for five or more units \$5,408.78, and for mobile homes \$4,149.40.

The city of Buena Park indicated that their recent fees for a project were in a range of \$9,000 to \$11,000;

The city of Cypress charges a fee of \$26,246 per single family home, \$22,665 for condominiums and \$23,436 for high density projects;

The city of Costa Mesa will be charging \$10,875 per single family home, with multiple family homes costing \$10,829; both up from \$8,178 and \$7,829, respectively.

The city of Fullerton is based on \$6,510 per dwelling unit;

Irvine has a fee structure based on a land cost of \$2,610,000 per acre (\$59.92 psf) and density of persons per acre;

The city of La Palma bases the fee on a total of between \$12,900 to \$25,200 per gross acre of development.

The city of Los Alamitos had a range of \$4,500 to a recent fee of \$9,038 in January 2005;

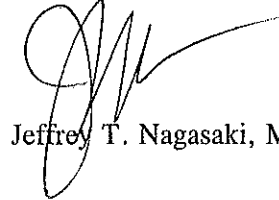
Seal Beach charges \$10,000 per dwelling unit, for 50 units or less.

Conclusion

Based on both of these studies, we have concluded with an Park in-lieu fee of \$25,483 per dwelling unit as appropriate for the City of Hermosa Beach. This figure considers both the formula cost basis, as well as competitive rates charged by other municipalities. We hope this information assists the city in its updating of existing fees.

Sincerely,

NAGASAKI & ASSOCIATES



Jeffrey T. Nagasaki, MAI

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Property Address	Property City	Date	Zoning	Property Type	Land SqFt	Sales Price	Price PSF
823 N Sepulveda Blvd	El Segundo	1/5/2000	C3	Commercial	10,403	\$ 350,000	\$ 33.64
2360 Sepulveda Blvd	Torrance	4/11/2000	C3	Commercial	24,925	\$ 485,000	\$ 19.46
1514-1550 Pacific Coast Hwy	Hermosa Beach	4/28/2000	C3-R1	Commercial	30,506	\$ 1,500,000	\$ 49.17
200-303 N Aviation Blvd	Manhattan Beach	10/17/2000	C2	Commercial	117,588	\$ 3,750,000	\$ 31.89
SE crn Manhattan Bch & 405 Fwy	Lawndale	11/3/2000	C2	Commercial	2,492	\$ 280,000	\$ 112.36
4074 W El Segundo Blvd	Hawthorne	2/20/2001	CM	Commercial	21,450	\$ 350,000	\$ 16.32
324-332 S Sepulveda Blvd	Manhattan Beach	2/23/2001	C2	Commercial	15,000	\$ 1,900,000	\$ 126.67
340 S Sepulveda Blvd	Manhattan Beach	2/23/2001	C2	Commercial	11,700	\$ 1,250,000	\$ 106.84
23250 Robert Rd	Torrance	3/2/2001	C1	Commercial	19,500	\$ 735,000	\$ 37.69
15801 Hawthorne	Lawndale	3/9/2001	C3	Commercial	32,899	\$ 1,100,000	\$ 33.44
1049 Aviation Blvd	Hermosa Beach	4/27/2001	C3	Commercial	8,180	\$ 420,000	\$ 51.34
48 14th Street	Hermosa Beach	5/1/2001	C2	Commercial	2,831	\$ 590,000	\$ 210.25
1601 Kingsdale Ave	Redondo Beach	10/9/2001	PDC	Commercial	291,416	\$ 1,400,000	\$ 4.80
2699-2701 Pacific Coast Hwy	Hermosa Beach	1/23/2002	C3	Commercial	11,200	\$ 895,000	\$ 79.91
15808 Inglewood Ave	Lawndale	1/25/2002	C3	Commercial	7,050	\$ 499,000	\$ 70.78
531 S Pacific Coast Hwy	Redondo Beach	2/8/2002	GC	Commercial	38,830	\$ 2,360,023	\$ 60.78
5150 W Rosecrans Ave	Hawthorne	3/27/2002	M1	Commercial	315,374	\$ 10,478,104	\$ 33.22
4720 Marine Ave	Lawndale	3/28/2002	C4	Commercial	6,150	\$ 368,000	\$ 58.54
15329 Hawthorne Blvd	Lawndale	3/29/2002	C3	Commercial	18,112	\$ 340,000	\$ 18.77
Hawthorne Blvd w/o Carson	Torrance	4/18/2002	C3	Commercial	38,030	\$ 500,000	\$ 13.15
5215 Torrance Blvd	Torrance	5/7/2002	C2	Commercial	29,185	\$ 450,000	\$ 15.42
509-511 Torrance Blvd	Redondo Beach	6/21/2002	C3/R3	Commercial	42,715	\$ 2,650,000	\$ 62.04
16216 Crenshaw Blvd	Gardena	9/13/2002	C1	Commercial	14,370	\$ 345,000	\$ 24.01
3971 Artesia Blvd	Torrance	9/25/2002	C3	Commercial	12,362	\$ 400,000	\$ 32.36
2520 Artesia Blvd	Redondo Beach	12/30/2002	GC	Commercial	6,101	\$ 359,950	\$ 59.00
4713-4743 W Rosecrans Ave	Hawthorne	12/31/2002	CM	Commercial	71,108	\$ 3,800,000	\$ 53.44
2000 E Mariposa Ave	El Segundo	1/22/2003	CM	Commercial	167,706	\$ 6,500,000	\$ 38.76
14146 Hawthorne Blvd	Hawthorne	3/18/2003	C2	Commercial	17,906	\$ 665,000	\$ 37.14
NE 147th St & Ocean Gate Ave	Hawthorne	7/2/2003	M2	Commercial	123,275	\$ 6,200,000	\$ 50.29
1226 Engracia Ave	Torrance	7/9/2003	C1	Commercial	12,600	\$ 1,000,000	\$ 79.37
1321 Post Ave	Torrance	7/9/2003	C2	Commercial	12,600	\$ 1,000,000	\$ 79.37
1315 El Prado Ave	Torrance	7/9/2003	C2	Commercial	3,150	\$ 400,000	\$ 126.98
3737 Pacific Coast Hwy	Torrance	7/17/2003	C5	Commercial	28,863	\$ 1,375,455	\$ 47.65
6226 S Pacific Coast Hwy	Torrance	9/19/2003	R3&H	Commercial	33,049	\$ 3,250,000	\$ 98.34
4775 Rosecrans Ave	Hawthorne	10/16/2003	CM	Commercial	72,220	\$ 6,400,000	\$ 88.62
3825 Pacific Coast Hwy	Torrance	10/17/2003	C2	Commercial	31,325	\$ 1,125,000	\$ 35.91
2613 Artesia Blvd	Redondo Beach	11/5/2003	GC	Commercial	6,534	\$ 325,000	\$ 49.74
317 13th St	Manhattan Beach	12/12/2003	C2	Commercial	4,020	\$ 650,000	\$ 161.69
317 Anita St	Redondo Beach	12/12/2003	GC	Commercial	6,000	\$ 600,000	\$ 100.00
14202 Inglewood Ave	Hawthorne	2/19/2004	CM	Commercial	72,310	\$ 7,000,000	\$ 96.81
24221 Madison St	Torrance	2/20/2004	C2	Commercial	17,505	\$ 1,002,000	\$ 57.24
2407 Artesia Blvd	Redondo Beach	2/24/2004	CG	Commercial	15,000	\$ 800,000	\$ 53.33
1436 Aviation Blvd	Redondo Beach	3/15/2004	C2	Commercial	10,548	\$ 585,000	\$ 55.46
1208 Oak Ave	Manhattan Beach	3/19/2004	C2	Commercial	4,478	\$ 450,000	\$ 100.49
225 Marine Ave	Manhattan Beach	5/26/2004	C2	Commercial	4,500	\$ 2,900,000	\$ 644.44
14946 Crenshaw Blvd	Gardena	6/10/2004	C3	Commercial	29,400	\$ 1,120,000	\$ 38.10
145 Standard St	El Segundo	7/2/2004	CM	Commercial	8,398	\$ 850,000	\$ 77.40
4525 Torrance Blvd	Torrance	7/7/2004	C3	Commercial	22,225	\$ 2,110,000	\$ 94.94
149 Standard St	El Segundo	7/8/2004	CM	Commercial	6,996	\$ 500,000	\$ 71.47
15718 Hawthorne Blvd	Lawndale	8/6/2004	C3	Commercial	34,200	\$ 820,000	\$ 23.98
3113 N Sepulveda	Manhattan Beach	8/26/2004	C2	Commercial	6,391	\$ 850,000	\$ 133.00
411-419 S Pacific Coast Hwy	Redondo Beach	9/16/2004	GC	Commercial	22,500	\$ 1,635,000	\$ 72.67
4019 W 133rd St	Hawthorne	11/17/2004	C2-R3	Commercial	17,395	\$ 750,000	\$ 43.12
737 3rd St	Hermosa Beach	11/17/2004	C3-R3	Commercial	27,620	\$ 1,600,000	\$ 57.93
3113 N Sepulveda Blvd	Manhattan Beach	11/17/2004	C2	Commercial	8,640	\$ 850,000	\$ 98.38
18020 Hawthorne Blvd	Torrance	12/8/2004	C2	Commercial	146,742	\$ 11,400,000	\$ 77.69
20 2nd Street	Hermosa Beach	1/31/2005	C1	Commercial	2,304	\$ 880,000	\$ 382.00
149 Standard St	El Segundo	3/25/2005	CM	Commercial	7,000	\$ 542,000	\$ 77.43
30-44 Hermosa Ave	Hermosa Beach	3/30/2005	C1	Commercial	7,200	\$ 2,300,000	\$ 319.44
41st St w/o Highland Ave	Manhattan Beach	5/12/2005	CP	Commercial	2,700	\$ 700,000	\$ 259.26
20305 Anza Ave	Torrance	5/24/2005	C2	Commercial	21,750	\$ 1,500,000	\$ 68.97
2851-3001 Pacific Coast Hwy	Hermosa Beach	6/30/2005	C3	Commercial	60,870	\$ 6,250,000	\$ 102.68
6226 S Pacific Coast Hwy	Torrance	8/15/2005	R3&H	Commercial	33,049	\$ 4,480,000	\$ 135.56
850 N Sepulveda Blvd	El Segundo	8/22/2005	M2	Commercial	205,603	\$ 5,244,000	\$ 25.51
2301 W 190th St	Torrance	9/8/2005	C3	Commercial	74,756	\$ 2,747,724	\$ 36.76
15718 Hawthorne Blvd	Lawndale	9/12/2005	C3	Commercial	34,200	\$ 850,000	\$ 24.85
827 N Douglas St	El Segundo	10/12/2005	R3	Commercial	2,018,570	\$ 30,000,000	\$ 14.86
21515 Madrona Ave	Torrance	12/30/2005	C3	Commercial	650,786	\$ 55,000,000	\$ 84.51
10th Pl & Valley Dr	Manhattan Beach	2/3/2006	C1	Commercial	11,540	\$ 4,000,000	\$ 346.62
2613 Artesia Blvd	Redondo Beach	4/7/2006	GC	Commercial	6,499	\$ 640,000	\$ 98.48
						average	\$ 88.32
						median	\$ 59.89

101-107 Arena St	El Segundo	9/17/2001	M1	Industrial	24,310	\$	704,990	\$	29.00
130 Lomita St	El Segundo	4/11/2003	M1	Industrial	17,160	\$	750,000	\$	43.71
130 Lomita St	El Segundo	4/19/2004	M1	Industrial	17,160	\$	1,130,000	\$	65.85
3645-3659 W Rosecrans Ave	Hawthorne	11/20/2001	M1	Industrial	29,572	\$	471,000	\$	15.93
2370 Crenshaw Blvd	Torrance	9/5/2001	M2	Industrial	64,469	\$	1,750,000	\$	27.14
3658 W 139th St	Hawthorne	9/29/2004	M1	Industrial	24,829	\$	490,000	\$	19.74
4046 Marine Ave	Lawndale	12/11/2001	M1	Industrial	24,442	\$	375,000	\$	15.34
19700-19800 Van Ness Ave	Torrance	6/5/2000	M2	Industrial	2,133,133	\$	24,829,769	\$	11.64
2341 Jefferson St	Torrance	10/19/2001	M2	Industrial	96,700	\$	1,741,000	\$	18.00
19801 Mariner Ave	Torrance	4/29/2002	M2	Industrial	84,071	\$	1,950,000	\$	23.19
450 Alaska Ave	Torrance	11/25/2003	M2	Industrial	39,501	\$	600,000	\$	15.19
NE Harborgate Wy & Knox St	Torrance	10/11/2002	M3	Industrial	153,412	\$	3,000,000	\$	19.56
12714 S La Cienega Blvd	Los Angeles	7/24/2003	M2	Industrial	72,500	\$	4,250,000	\$	58.62
612 N Francisca Ave	Redondo Beach	3/16/2000	P1	Industrial	41,790	\$	1,300,000	\$	31.11
							average	\$	28.14
							median	\$	21.46

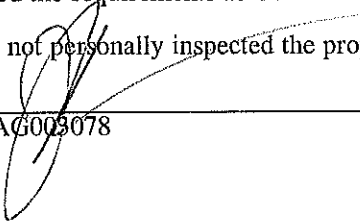
502 Rosecrans Avenue	Manhattan Beach	2/28/2000	R4	Residential	5,738	\$	765,000	\$	133.33
215 Poinsetta	Manhattan Beach	3/8/2000	R1	Residential	9,375	\$	1,800,000	\$	192.00
635 Pacific Coast Hwy	Hermosa Beach	3/10/2000	C3	Residential	15,374	\$	500,000	\$	32.52
906 10th Street	Manhattan Beach	3/30/2000	R1	Residential	7,501	\$	725,000	\$	96.66
960 16th Street	Hermosa Beach	4/3/2000	R2	Residential	5,663	\$	569,000	\$	100.35
1901 Pacific Coast Hwy	Hermosa Beach	4/28/2000	R3	Residential	4,356	\$	514,000	\$	109.06
Vanderbilt Lane	Redondo Beach	5/5/2000	R3	Residential	7,500	\$	265,000	\$	35.33
1305 21st Street	Manhattan Beach	5/7/2000	R1	Residential	7,500	\$	535,000	\$	71.33
1208 Esplanade	Redondo Beach	5/30/2000	MDR	Residential	11,250	\$	2,000,000	\$	177.78
112-142 Ardmore Ave	Hermosa Beach	7/13/2000	R3	Residential	14,420	\$	1,450,000	\$	100.55
1915 Harriman Lane	Redondo Beach	7/15/2000	R2	Residential	7,500	\$	250,000	\$	33.33
1917 Harriman Lane	Redondo Beach	7/15/2000	R2	Residential	7,500	\$	250,000	\$	33.33
630 Meyer Ln	Redondo Beach	7/19/2000	PDI	Residential	35,400	\$	1,000,000	\$	28.25
2448 Silverstrand	Hermosa Beach	9/3/2000	R2	Residential	3,049	\$	520,000	\$	166.66
2403 Carnegie Lane	Redondo Beach	9/15/2000	R2	Residential	7,500	\$	255,000	\$	34.00
220 19th Street	Manhattan Beach	9/27/2000	R1	Residential	2,700	\$	1,150,000	\$	425.93
2719 Manhattan Avenue	Manhattan Beach	12/5/2000	R2	Residential	2,400	\$	1,160,000	\$	483.33
461 Gould	Hermosa Beach	1/5/2001	R1	Residential	3,485	\$	310,000	\$	78.31
3120 N Sepulveda Blvd	Torrance	1/26/2001	M	Residential	43,000	\$	1,100,000	\$	25.58
345-347 Richmond St	El Segundo	3/9/2001	CRS	Residential	10,502	\$	510,000	\$	48.56
216 The Strand	Manhattan Beach	3/13/2001	R2	Residential	6,750	\$	9,840,000	\$	1,457.78
3314 Highland	Hermosa Beach	3/30/2001	R2	Residential	2,614	\$	630,000	\$	265.19
1416 Hermosa Avenue	Hermosa Beach	5/19/2001	RS	Residential	3,920	\$	925,000	\$	231.25
412 19th Street	Manhattan Beach	6/15/2001	R2	Residential	2,700	\$	775,000	\$	287.04
814 Esplanade	Redondo Beach	6/15/2001	MDR	Residential	5,345	\$	1,300,000	\$	243.23
500 Manhattan Beach Blvd	Manhattan Beach	6/20/2001	R3	Residential	12,430	\$	1,825,000	\$	146.82
5550 W 190th St	Torrance	9/5/2001	C3	Residential	21,780	\$	740,000	\$	33.98
337-345 Kansas St	El Segundo	9/21/2001	M1	Residential	62,517	\$	2,800,000	\$	44.79
1932 Manhattan Beach Blvd	Redondo Beach	9/30/2001	R2	Residential	5,648	\$	200,000	\$	35.41
706 Elvira	Redondo Beach	10/18/2001	R2	Residential	15,000	\$	1,050,000	\$	70.00
2112 Graham	Redondo Beach	11/1/2001	R2	Residential	7,500	\$	362,000	\$	48.27
325 21st Street	Manhattan Beach	12/5/2001	R2	Residential	2,700	\$	650,000	\$	240.74
453 26th Street	Manhattan Beach	1/8/2002	R1	Residential	2,481	\$	850,000	\$	342.59
Sepulveda Blvd w/o Crenshaw	Torrance	1/28/2002	PD	Residential	82,328	\$	4,000,040	\$	48.59
405 Chabala	Manhattan Beach	2/17/2002	R1	Residential	6,593	\$	712,000	\$	108.00
15211 Larch Ave	Lawndale	4/2/2002	R2	Residential	40,935	\$	710,000	\$	17.34
22525 Kent Ave	Torrance	4/3/2002	C1	Residential	45,172	\$	2,200,000	\$	48.70
838 Prospect	Hermosa Beach	4/25/2002	R1	Residential	8,400	\$	810,000	\$	96.43
2113 Huntington Lane	Redondo Beach	5/1/2002	R2	Residential	8,365	\$	401,500	\$	48.00
16550 Inglewood Avenue	Redondo Beach	5/2/2002	R1	Residential	9,040	\$	128,000	\$	14.16
1042 2nd Street	Manhattan Beach	5/6/2002	R1	Residential	10,400	\$	800,000	\$	76.92
3109 Vista	Manhattan Beach	5/15/2002	R2	Residential	3,518	\$	950,000	\$	270.08
3100 Alma Ave	Manhattan Beach	7/1/2002 2, Manhattan Bea	Residential	7,035	\$	2,325,000	\$	330.49	
513 N Irena	Redondo Beach	7/10/2002	R2	Residential	7,612	\$	550,000	\$	72.25
320 Prospect	Hermosa Beach	7/13/2002	R1	Residential	6,900	\$	675,000	\$	97.83
2909 Maple Avenue	Manhattan Beach	7/31/2002	R1	Residential	4,310	\$	650,000	\$	150.80
1108 Palm Lane	Redondo Beach	8/19/2002	R1	Residential	7,500	\$	560,000	\$	74.67
511 S Lucia Ave	Redondo Beach	9/30/2002 1, Redondo Beac	Residential	54,885	\$	3,977,500	\$	72.47	
667 5th Street	Hermosa Beach	10/1/2002	R2	Residential	4,320	\$	665,000	\$	153.94
4843-4861 W 115th St	Hawthorne	10/16/2002 R2-1, Los Angeles	Residential	33,600	\$	540,000	\$	16.07	
300 E diamond Street	Redondo Beach	11/10/2002	R1	Residential	6,959	\$	580,000	\$	83.34
425 31st Street	Manhattan Beach	12/1/2002	R1	Residential	5,088	\$	1,412,500	\$	277.59
606 Elvira Avenue	Redondo Beach	12/19/2002	R1	Residential	5,080	\$	699,000	\$	137.60
2110 Manhattan Avenue	Hermosa Beach	1/15/2003	R1	Residential	3,408	\$	1,050,000	\$	308.10
SW cnr Redondo Beach & Yukon	Torrance	1/24/2003	C2, Torrance	Residential	44,490	\$	1,265,000	\$	28.43
615 S Pacific Coast Hwy	Redondo Beach	2/15/2003	RH1	Residential	11,760	\$	875,000	\$	74.40
513 Valley Drive	Manhattan Beach	3/4/2003	R1	Residential	2,064	\$	545,000	\$	264.00
N Manhattan Beach/W Dominguez	Lawndale	3/13/2003	R1	Residential	35,549	\$	675,000	\$	18.99
240 N Irena	Redondo Beach	3/28/2003	R1	Residential	3,120	\$	362,000	\$	116.03
3306 Highland Avenue	Manhattan Beach	4/2/2003	R2	Residential	4,261	\$	1,700,000	\$	399.00
1021 Cravens Ave	Torrance	4/21/2003	R3	Residential	38,527	\$	2,450,000	\$	63.59
220 Moonstone	Manhattan Beach	4/25/2003	R2	Residential	1,350	\$	625,000	\$	462.96
714 8th Place	Hermosa Beach	5/31/2003	R1	Residential	2,508	\$	467,560	\$	186.43
1525 Golden	Hermosa Beach	7/10/2003	R1	Residential	6,324	\$	895,000	\$	141.52
3520 Torrance Blvd	Torrance	7/16/2003	C3	Residential	233,917	\$	15,000,000	\$	64.13
241 N Irena	Redondo Beach	7/21/2003	R2	Residential	3,120	\$	440,000	\$	141.03
20518 Earl St	Torrance	7/21/2003	ML	Residential	7,250	\$	900,000	\$	124.14
20506 Earl St	Torrance	7/21/2003	ML	Residential	23,832	\$	1,100,000	\$	46.16
4114 Spencer St	Torrance	7/21/2003	ML	Residential	7,638	\$	336,000	\$	43.99
20528-20536 Earl St	Torrance	7/21/2003	ML	Residential	45,742	\$	1,750,000	\$	38.26
1208 Tennyson St	Manhattan Beach	8/26/2003	R3	Residential	12,915	\$	1,600,000	\$	123.89
706 Sapphire	Redondo Beach	9/21/2003	R1	Residential	10,200	\$	893,000	\$	87.55
2700 The Strand	Manhattan Beach	9/26/2003	R1	Residential	2,707	\$	3,210,000	\$	1,186.00
230 S Helberta	Redondo Beach	10/15/2003	R3	Residential	7,500	\$	935,000	\$	124.67
2006 Ruhland	Redondo Beach	10/31/2003	R2	Residential	7,500	\$	640,000	\$	85.33
2829 Maricopa St	Torrance	11/5/2003	M2-P1	Residential	435,600	\$	16,500,000	\$	37.88
4343 W 190th St	Torrance	11/18/2003	C3	Residential	100,624	\$	2,600,000	\$	25.84
227 N Lucia	Redondo Beach	12/20/2003	R3	Residential	6,098	\$	740,000	\$	121.34
926 S Pacific Coast Hwy	Redondo Beach	5/5/2004	R3	Residential	5,520	\$	685,000	\$	124.09
18312 Grevillea	Redondo Beach	6/4/2004	R2	Residential	4,356	\$	440,000	\$	101.01
3529 Oak Avenue	Manhattan Beach	7/15/2004	R1	Residential	4,640	\$	805,000	\$	173.49
13436 Roselle Ave	Hawthorne	7/26/2004	R3	Residential	71,438	\$	790,000	\$	11.06

3613 Laurel Avenue	Manhattan Beach	9/14/2004	R1	Residential	5,940	\$	963,500	\$	162.21
511 25th Street	Hermosa Beach	9/17/2004	R1	Residential	7,405	\$	1,360,000	\$	183.65
1523 Manhattan Avenue	Hermosa Beach	9/22/2004	R3	Residential	2,910	\$	1,250,000	\$	429.55
2829 Maricopa St	Torrance	10/6/2004	M2-P1	Residential	437,778	\$	2,000,000	\$	4.57
230 34th Street	Hermosa Beach	10/15/2004	R2	Residential	2,358	\$	1,205,000	\$	511.11
2413 Rockefeller Lane	Redondo Beach	11/23/2004	R4	Residential	7,500	\$	770,000	\$	102.67
3519 Manhattan avenue	Manhattan Beach	12/9/2004	R3	Residential	2,628	\$	2,725,000	\$	1,037.00
924 Highview Avenue	Manhattan Beach	12/31/2004	R1	Residential	12,057	\$	3,400,000	\$	282.00
18424 Mansel	Redondo Beach	1/1/2005	R2	Residential	6,000	\$	550,000	\$	91.67
528 23rd Street	Manhattan Beach	1/2/2005	R1	Residential	3,361	\$	1,231,000	\$	366.30
1702 Ruxton Ln	Redondo Beach	1/27/2005	PI	Residential	57,060	\$	3,000,000	\$	52.58
1116 Ford Avenue	Redondo Beach	2/2/2005	R2	Residential	5,710	\$	750,000	\$	131.35
2123 Marshallfield Lane	Redondo Beach	2/16/2005	R2	Residential	7,500	\$	880,000	\$	117.33
13812 Cordary Ave	Hawthorne	3/9/2005	R3SD	Residential	39,680	\$	1,100,000	\$	27.72
416 Sierra Vista Drive	Redondo Beach	3/18/2005	R1	Residential	3,200	\$	625,000	\$	195.31
2341 Jefferson St	Torrance	3/25/2005	M2	Residential	96,703	\$	2,450,000	\$	25.34
2323 Vanderbilt Lane	Redondo Beach	3/30/2005	R3	Residential	7,500	\$	795,000	\$	106.00
4343 W 190th St	Torrance	4/21/2005	C3	Residential	100,800	\$	5,940,000	\$	58.93
1002 7th Street	Hermosa Beach	4/29/2005	R2	Residential	4,800	\$	1,010,000	\$	210.42
44 33rd Place	Manhattan Beach	5/5/2005	R1	Residential	2,700	\$	1,160,000	\$	429.63
321 36th Place	Manhattan Beach	5/23/2005	R2	Residential	2,700	\$	1,173,000	\$	434.44
1267 8th Street	Hermosa Beach	6/1/2005	R1	Residential	5,778	\$	750,000	\$	129.80
1004 14th Street	Hermosa Beach	7/14/2005	R1	Residential	3,360	\$	850,000	\$	252.98
505 Anita Street	Redondo Beach	7/15/2005	R1	Residential	30,139	\$	2,450,000	\$	81.29
429 21st Street	Manhattan Beach	7/25/2005	R2	Residential	2,700	\$	1,900,000	\$	703.70
1212 Cypress	Hermosa Beach	8/14/2005	R3	Residential	4,000	\$	1,325,000	\$	331.25
11775 La Cienega Blvd	Los Angeles	8/24/2005	M1	Residential	212,573	\$	42,005,000	\$	197.60
127 S Irena Avenue	Redondo Beach	8/30/2005	R3	Residential	2,744	\$	485,000	\$	176.75
1009 Valley Drive	Manhattan Beach	8/31/2005	R1	Residential	2,139	\$	990,000	\$	462.83
638 8th Place	Hermosa Beach	9/23/2005	R2	Residential	2,509	\$	716,000	\$	285.37
1704 Ruxton Ln	Redondo Beach	9/23/2005	PI	Residential	57,060	\$	7,750,000	\$	135.82
8778th Street	Manhattan Beach	10/1/2005	R1	Residential	5,760	\$	4,550,000	\$	789.93
13617 Kornblum Ave	Hawthorne	10/7/2005	R3	Residential	19,520	\$	1,250,000	\$	64.04
3213 Manhattan Avenue	Manhattan Beach	10/18/2005	R3	Residential	2,696	\$	2,850,000	\$	1,057.12
831 Loma Drive	Hermosa Beach	11/15/2005	R3	Residential	2,788	\$	1,385,000	\$	496.77
1954 Monterey Avenue	Hermosa Beach	11/22/2005	R1	Residential	2,936	\$	1,341,000	\$	456.74
209 Via El Toro	Redondo Beach	11/22/2005	R1	Residential	13,110	\$	1,451,000	\$	110.68
1305 Church Street	Manhattan Beach	11/29/2005	R1	Residential	3,150	\$	1,132,500	\$	359.52
704 S Pacific Coast Hwy	Redondo Beach	12/23/2005	RH1	Residential	8,677	\$	1,300,000	\$	149.82
3305 Laurel Street	Manhattan Beach	1/12/2006	R1	Residential	4,860	\$	1,560,000	\$	320.99
1718 Harriman Lane	Redondo Beach	2/4/2006	R2	Residential	7,500	\$	775,000	\$	103.33
2303 Jefferson St	Torrance	2/8/2006	M2	Residential	81,540	\$	5,000,000	\$	61.32
511 Pacific Avneue	Manhattan Beach	2/21/2006	R1	Residential	9,378	\$	2,750,000	\$	293.24
1818 Monterey Avenue	Hermosa Beach	3/8/2006	R2	Residential	2,339	\$	1,299,000	\$	555.37
2001 Artesia Blvd	Redondo Beach	3/30/2006	GC	Residential	26,000	\$	5,250,000	\$	201.92
1551 Artesia blvd	Manhattan Beach	4/14/2006	RH	Residential	6,747	\$	1,405,000	\$	208.24
232 11th street	Manhattan Beach	4/21/2006	R3	Residential	2,696	\$	2,250,000	\$	834.57
626 Avenue B	Redondo Beach	5/4/2006	R1	Residential	6,080	\$	895,000	\$	147.20
1534 The Strand	Hermosa Beach	6/30/2006	R2	Residential	2,398	\$	3,650,000	\$	1,523.37
							average	\$	215.44
							median	\$	124.14
									total transacatio

CERTIFICATION AND RESTRICTION UPON DISCLOSURE AND USE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- No one provided significant professional assistance to the persons signing this letter.
- One (or more) of the signatories of this appraisal report is a Member (Associate or Affiliate) of the Appraisal Institute. The Bylaws and Regulations of the Institute require each Member and Associate or Affiliate to control the use and distribution of each appraisal signed by such Member or Associate or Affiliate. Therefore, except as hereinafter provided, the party for whom this report was prepared may distribute copies of this appraisal, in its entirety, to such third parties as may be selected by the party for whom this appraisal was prepared; however, selected portions of this appraisal shall not be given to third parties without the prior written consent of the signatories of this report. Further, neither all nor any part of this appraisal shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this report.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this letter Jeffrey T. Nagasaki, MAI has completed the requirements of the continuing education program of the Appraisal Institute. As of the date of this letter Jeffrey T. Nagasaki, MAI (No. AG003078) has satisfied the requirements as Certified General Real Estate Appraisers, licensed by the State of California.
- I have not personally inspected the property which is the subject of this report.


CA# AG003078

QUALIFICATIONS OF JEFFREY T. NAGASAKI, MAI

EXPERIENCE

Nagasaki & Associates, 2005 to present; Principal responsible for providing a broad variety of real estate consultation and valuation services for the public and private sectors. Property rights appraised include fee simple, leased fee, and leasehold interest. Services include traditional market value studies, market rent studies, historic valuation studies, value diminution analysis, partial interests for estate planning and family limited partnerships. Assignments deal with all major property types including commercial retail and office, hotel, industrial, marina, multiple residential, acreage, residential subdivisions, and special purpose properties. He is qualified as an approved appraiser under the MAP program for the U.S. Department of Housing and Urban Development. Mr. Nagasaki's experience includes over 28 years of appraisal experience, and he is fully competent and qualified to complete most assignments under the requirements of USPAP competency provision.

Lea Associates, Inc., 1985 - 2005; Principal and Senior Vice President responsible for providing real estate appraisal and consultation services. Property types included retail, office, industrial, creative office, residential income, vacant land, and hotels. Property rights appraised include fee simple, leased fee, and leasehold interest.

Security Pacific National Bank, 1978 - 1985; Assistant Vice President with responsibility for valuation of real property, proposed and existing, including retail, office, industrial, residential income units, vacant land, special purpose properties, single-family residences, condominiums, and residential subdivisions.

EDUCATION

Continuous participation in numerous seminars relating to real estate appraisal theory and practice. A sample of these seminars include:

- Limited Appraisals and Reporting Options
- Environmental Risk and the Real Estate Process
- Litigation Seminar
- Partial Acquisition
- Easement Valuation
- Shopping Centers Analysis
- Impact of Detrimental Conditions
- National IRS Symposium on Valuation
- Case Study in Limited Partnership Valuation
- Affordable Housing Projects
- Marketability discounts for real estate interests
- Partial interests theory and case law
- Public Interest Value program
- Valuation of Leases, Leasehold & Leased fees
- Going Concern Value and Real Property

Successful completion of the following Appraisal Institute's courses and examinations:

- Highest and Best Use Analysis
- Standards of Professional Practice
- Comprehensive Examination
- Demonstration Appraisal Report
- Basic Valuation Procedures
- Residential Valuation
- Case Studies in Real Estate Valuation
- Capitalization Theory and Techniques, Part A
- Capitalization Theory and Techniques, Part B
- Valuation Analysis and Report Writing
- Real Estate Appraisal Principles

California State University, Long Beach, Bachelor of Science degree in Business Administration specializing in Real Estate Finance and Financial Management, May 1978.

QUALIFICATIONS OF JEFFREY T. NAGASAKI, MAI (Cont'd)

EXPERT TESTIMONY

Mr. Nagasaki has qualified as an expert witness in real estate matters and has testified before:

- Los Angeles County Superior Court
- San Bernardino County Superior Court
- Riverside County Superior Court
- Orange County Superior Court

Further, he has appeared in binding and non-binding arbitration hearings as an expert witness in real estate valuation.

ASSOCIATIONS

Member of the Appraisal Institute, with an MAI Designation
Certified General Real Estate Appraiser - AG003078, State of California
Institute of Real Estate Management (IREM) - Associate Member