

RESOLUTION NO. 2014-09 OB

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED BELL COMMUNITY REDEVELOPMENT AGENCY APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5

WHEREAS, the Bell Successor Agency ("Successor Agency") is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code §§ 33000 *et seq.*); and

WHEREAS, the City of Bell is a municipal corporation and a Charter city organized and existing under the Constitution of the State of California ("City"); and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of Assembly Bill x1 26 ("ABx1 26") and invalidated Assembly Bill x1 27; and

WHEREAS, the Court's decision results in the implementation of ABx1 26 which dissolves all the redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, the City is, by operation of law, the Successor Agency to the Redevelopment Agency for purposes of winding-down the Redevelopment Agency under ABx1 26 and AB 1484; and

WHEREAS, among the duties of successor agencies is the preparation of a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local oversight board and California Department of Finance ("DOF") for purposes of administering the wind-down of financial obligations of the former Redevelopment Agency; and

WHEREAS, the Long-Range Property Management Plan shall be submitted to the Oversight Board and DOF within six months after receiving a Finding of Completion from DOF; and

WHEREAS, the Successor Agency received its Finding of Completion on September 5, 2014; and

WHEREAS, the Long-Range Property Management Plan shall include an inventory of all properties in the Community Redevelopment Property Trust Fund ("Trust"), which was established to serve as the repository of the former redevelopment agency's real properties; and

WHEREAS, the proposed Long-Range Property Management Plan, attached hereto as Exhibit "A", has been prepared by staff and consultants consistent with the provisions of the ABx1 26 and AB 1484, Health and Safety Code Section 34191.5, and the guidelines made available by DOF; and

WHEREAS, the Oversight Board desires to approve the Long-Range Property Management Plan and transmit to DOF as required.

NOW, THEREFORE, the Oversight Board to the Successor Agency to the Dissolved Bell Community Redevelopment Agency, resolves as follows:

SECTION 1. The foregoing Recitals are true and correct and are incorporated herein.

SECTION 2. The Oversight Board to the Successor Agency hereby approves and adopts the Long-Range Property Management Plan, in substantially the form attached hereto as Exhibit A, as required by HSC Section 34191.5.

SECTION 3. The City Manager/Executive Director or his designee is hereby directed to provide notice of adoption of the Resolution by the Oversight Board of the Successor Agency to the County Auditor-Controller and the State Department of Finance.

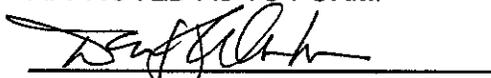
PASSED, APPROVED and ADOPTED at a meeting of the Bell Oversight Board held on this 8th day of December 2014, by the following vote:


Alicia Romero, Chair

ATTEST:


Angela Bustamante, Secretary

APPROVED AS TO FORM:


David Aleshife, CITY ATTORNEY

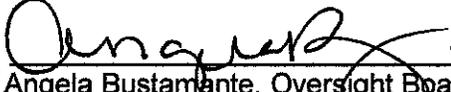
I, Angela Bustamante, Acting City Clerk, Bell, California, hereby certify that the foregoing resolution was adopted by the Bell Oversight Board to the former Bell Community Redevelopment Agency at the Oversight Board meeting held on the 8th day of December, 2014 and passed by the following vote:

AYES: Board Members Giron, Sanchez, Vasquez, Walsh, Vice Chair Fong and Chair Romero

NOES: None

ABSENT: Board member Moret

ABSTAIN: None



Angela Bustamante, Oversight Board Secretary

EXHIBIT A

LONG-RANGE PROPERTY MANAGEMENT PLAN

[Attached behind this page]

LONG-RANGE PROPERTY MANAGEMENT PLAN

City of Bell
Successor Agency

November 2014



Contents

INTRODUCTION	1
EXECUTIVE SUMMARY	1
STATEMENT OF LEGAL REQUIREMENTS	1
PROPERTY VALUATION ESTIMATES AND LIMITATIONS	3
PROPERTY INVENTORY	4
Transfer of Properties for Governmental Use	7
Property 1 - Bell City Hall Parking Lot	7
Property 2 - Sports Park Property	8
Properties to be Sold by Successor Agency	9
Property 3 - Western Auto Property	9
Property 4 - Jack's Carwash	12
Property 5 - Gage Avenue Commercial Parking Lots	14
Property 6 - 4560 Gage Avenue Commercial Parking Lot	16
ATTACHMENTS	18

INTRODUCTION

Assembly Bill 1484 (“AB 1484”) enacted in June of 2012 requires successor agencies to former redevelopment agencies that owned property at the time of redevelopment dissolution to prepare a Long Range Property Management Plan (“LRPMP”). The LRPMP governs the disposition and use of property held by the former redevelopment agency pursuant to legal requirements of the Health and Safety Code, Division 24, Parts 1.8 and 1.85 (“Dissolution Act”) as detailed in the next section.¹

This document, together with its Appendices, is the LRPMP for the Successor Agency to the Bell Community Redevelopment Agency (“Successor Agency”).

EXECUTIVE SUMMARY

The former Bell Community Redevelopment Agency (“former RDA”) is the owner of record on the title for 6 properties (comprised of 11 parcels) in the City of Bell (“City”).

- Two (2) properties are governmental use properties that are proposed to be transferred to the City to continue their exclusive and continued governmental use.
- One (1) property is to be sold by the Successor Agency, with the proceeds of the sale to be used to repay a Promissory Note and legal settlement costs
- The remaining three (3) properties are to be sold by the Successor Agency, with the proceeds of the sales to be distributed by the Los Angeles County Auditor-Controller in accordance with the Dissolution Act.

STATEMENT OF LEGAL REQUIREMENTS

Pursuant to Health & Safety Code (“HSC”) Section 34191.5 (added by AB 1484), each Successor Agency that holds property from a former redevelopment agency is required to prepare and submit an LRPMP to its oversight board and then to the State Department of Finance (“DOF”) within six months after receiving a “Finding of Completion” from DOF. The Successor Agency received their Finding of Completion on September 5, 2014. The Dissolution Act requires that the LRPMP include all of the following components:

1. Inventory of all properties in the Community Redevelopment Property Trust Fund (“Trust Fund”), established to serve as the repository of the former redevelopment agency’s real properties. This inventory shall consist of all of the following information:
 - a. **Date of acquisition** of the property and the value of the property at that time, and an estimate of the current value of the property.
 - b. **Purpose** for which the property was acquired.
 - c. **Parcel data**, including address, lot size, and current zoning in the former redevelopment agency redevelopment plan or specific, community, or general plan.

¹ All statutory references are to the Dissolution Act, unless otherwise stated.

- d. **Estimate of the current value** of the parcel including, if available, any appraisal information.
 - e. **Estimate of any lease, rental, or any other revenues** generated by the property, and a description of the contractual requirements for the disposition of those funds.
 - f. **History of environmental contamination**, including designation as a brownfield site, and related environmental studies, and history of any remediation efforts.
 - g. Description of the **property's potential for transit-oriented development and the advancement of the planning objectives** of the Successor Agency.
 - h. Brief history of **previous development proposals** and activity, including the rental or lease of property.
2. Description of the use or disposition of all the properties in the Trust Fund. Permissible uses include:
- a. **Retention for governmental use** pursuant to subdivision (a) of Section 34181;
 - b. **Retention for future development;**
 - c. **Sale** of the property; or
 - d. **Use of property to fulfill an enforceable obligation.**
3. Properties dedicated to governmental use purposes, and properties retained for purposes of fulfilling an enforceable obligation shall be separately identified. For the disposition of all other properties, all of the following shall apply:
- a. If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.
 - b. If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subsection 3(a) above, the proceeds from the sale shall be distributed as property tax to the affected taxing entities.
 - c. Property shall not be transferred to a Successor Agency, city, county, or city and county, unless the LRPMP has been approved by the oversight board and DOF.

PROPERTY VALUATION ESTIMATES AND LIMITATIONS

The Dissolution Act requires that a LRPMP include an estimate of the value of each property to provide the Oversight Board, DOF, and other interested parties information on the properties involved. DOF has officially stated that they do not expect successor agencies to obtain appraisals on properties if none currently exist, so no such appraisals have been prepared specifically for this LRPMP. However, if recent appraisals exist, they are referenced in this LRPMP.

Instead, an estimate of property value was prepared by the Successor Agency's independent consultant based on a limited amount of analysis, short of what would normally be conducted for an appraisal – but useful for providing some information on what is often difficult to assess property values given the unique deficiencies (size, contamination, location, etc.) of former redevelopment properties. Coming out of a serious real estate recession, it can be challenging to identify comparable properties in the area because sales volumes of parcels, especially smaller infill parcels, can be very limited.

The limitations of this methodology aside, the value estimates themselves (or even appraisal values) are not necessarily representative of what the properties could be worth when offered for sale on the open market by the Successor Agency. Not just in Bell, but elsewhere, many redevelopment agencies have a number of blighted properties in their inventory that were not yet restored to a marketable condition at the time of dissolution.

The Successor Agency will be developing a marketing plan to solicit viable purchase offers on properties designated for sale, following DOF approval of this LRPMP. Once these offers are provided, these may ultimately be a much more precise determination of value than what is included in this LRPMP. It is also important to note that though the Successor Agency intends to sell several vacant properties, the real estate market in the region is still very challenging, especially for smaller, infill parcels. Based on CoStar² confirmed sales research for vacant property, a vacant parcel may be expected to be on the market for 545 days, or about a year and a half. The Successor Agency intends to dispose of property in a way that achieves the intent of the Dissolution Act. In Bell, this may mean negotiating with potential buyers on sales values in a manner that can best ensure their development potential in an expeditious manner, and therefore ultimately maximize the value of the parcels through growth in assessed value from improvements. The reader is encouraged to understand this context when reviewing the LRPMP estimated values contained herein.

² CoStar Market data is the source of all sales comparables and land transactions referenced in this LRPMP.

PROPERTY INVENTORY

The former RDA owned 7 non-housing properties, comprised of 14 parcels. The Bell RDA did not own any housing properties or assets prior to 2011 when dissolution was proposed. Since dissolution, the Successor Agency has requested with the consent of the Oversight Board the transfer of two sites for Governmental Purposes under HSC Section 34181(a). One was approved by DOF and the property formally transferred to the City of Bell.

The approved property was the Technology Center and Skate Park, which was approved for governmental transfer in April of 2014. The site contains three parcels totaling approximately 39,831 square feet in size. The Technology Center contains a 4,800 square foot single-story building. The property was purchased by the Bell RDA in 2003 and has been utilized by the City to provide community services since the time of its acquisition.

The Successor Agency also sought to transfer its share of the Sports Park Complex as a governmental use under HSC Section 34181(a). While the transfer was approved by the Oversight Board in July 2014, DOF denied the transfer on November 20, 2014 because HSC Section 34181(a) requires the property to be *currently* used as a government use. The Sports Park Complex is currently vacant and will not be used as a government use until the Sports Park Complex project is completed. The Successor Agency has included the property in this LRPMP as a property to be transferred to the City as a government use under HSC Section 34191.5.

This LRPMP provides the required information to dispose or transfer the Successor Agency's 6 properties. The properties are grouped into property sites with specific property numbers shown in the Property Inventory Data table attached. The property sites are organized by "Permissible Uses" under the Dissolution Act, and a description of the properties is provided in the following pages.

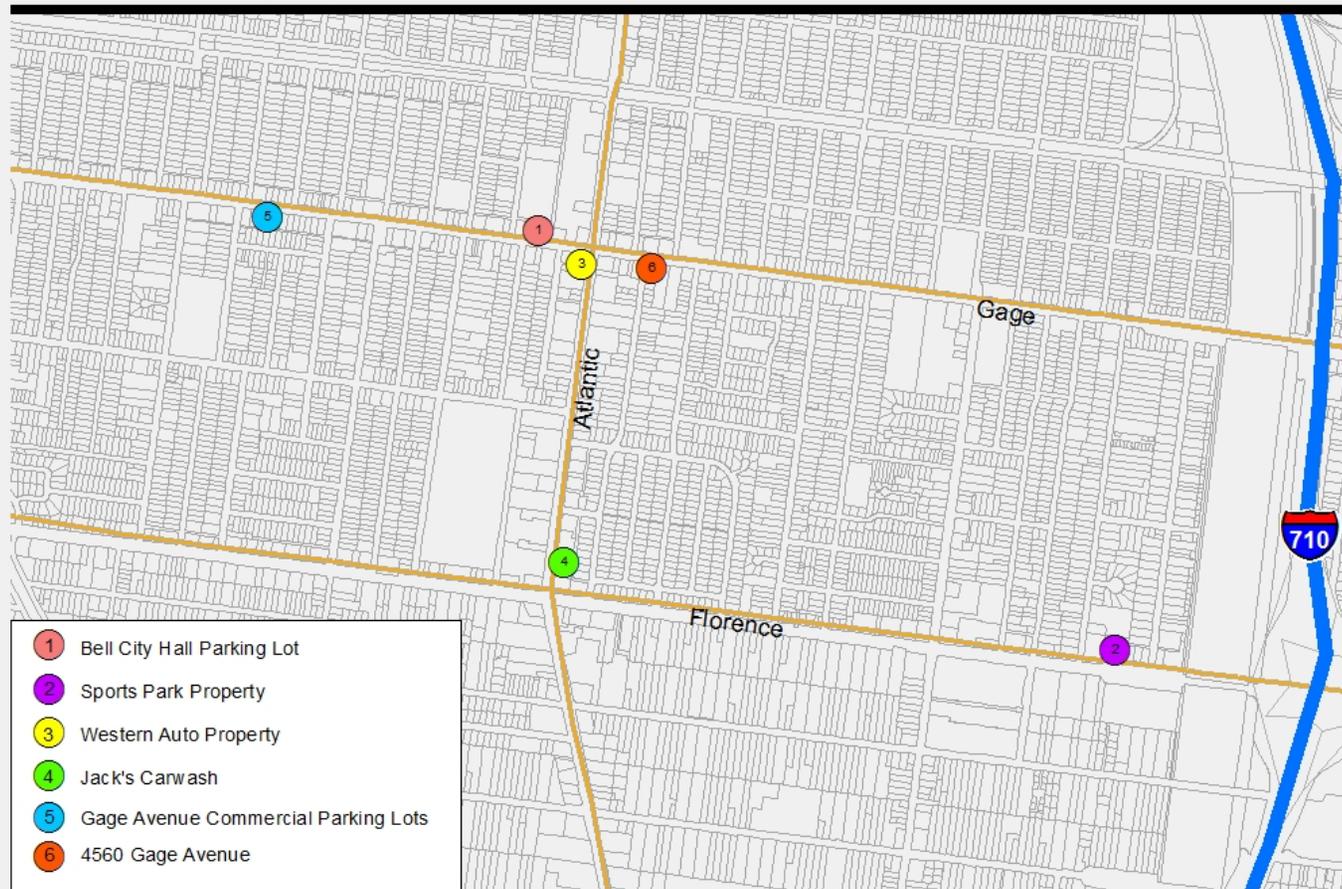
The Property Inventory Data table (Attachment 1) utilizes the DOF-created database that provides a matrix of all of the information required pursuant to Section 34191.5(c).

It is important to note the following in reviewing the LRPMP:

- Estimates of current values of properties were provided by RSG based on the individual methodologies described under each property profiled in this LRPMP. As the DOF has provided to RSG in written communication, the DOF does not require a new appraisal report to be prepared for the purposes of a LRPMP, even if a recent appraisal does not exist. The ultimate value of those properties to be sold will be determined based on what the market bears and not what an appraisal estimates. For the properties to be retained for governmental use, the value estimate is based on the value of each property at the current land use and zoning; which yields a \$0 market value because the properties in question are public uses. As such, they hold no value to anyone other than the City for the continued governmental use. More details for each value estimate are provided in the individual property profiles.
- Data contained in the "Value at Time of Purchase" column in the Property Inventory Data table includes all available information obtained resulting from comprehensive title research

and Successor Agency staff's reasonable efforts to locate the information. In many cases, this information was not available and is noted accordingly.

LONG RANGE PROPERTY MANAGEMENT PLAN PROPERTIES



Transfer of Properties for Governmental Use

The properties listed below are proposed to be transferred to the City of Bell pursuant to Section 34181(a) and 34191.5 which allow properties of a former redevelopment agency to be transferred to a public jurisdiction. A description of the properties, including aerial maps and photographs of the properties when available, are presented in this section.

PROPERTY 1 - BELL CITY HALL PARKING LOT

Address: 4419 Gage Avenue

APNs: 6317 021 908

Total Property Size: 5,713 Square
Feet or 0.13 Acres

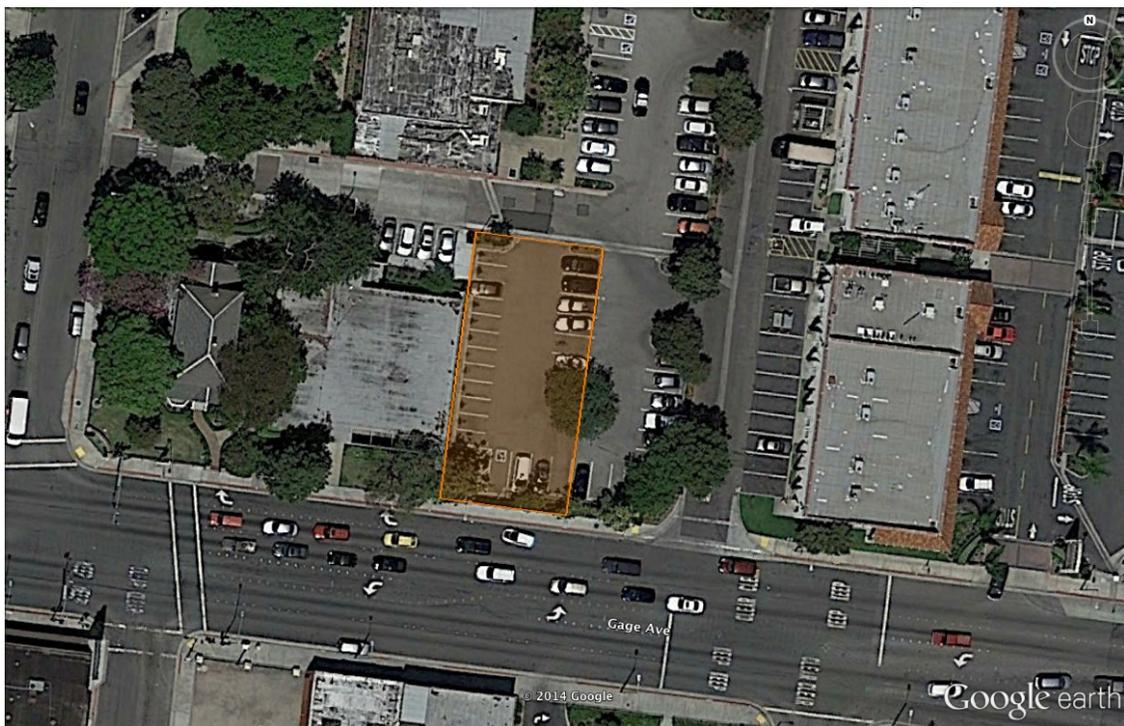
Attachment 1 Parcels: 1

This property was originally purchased by the former RDA on August 31, 1988 and has since served as exclusively as parking for City Hall.



Property Management Plan: Property

1 is a Government Use Property. This site provides public parking to the Bell City Hall and Bell Public Library. There are signs within the lot and parking spaces stating that parking time is limited expect for City employees working at City Hall with a valid parking permit.



PROPERTY 2 – SPORTS PARK PROPERTY

Address: 5241 Florence Avenue & 7006 Walker Avenue

APNs: 6327 034 905 and 6327 034 906

Total Property Size: Parcels 905 and 906 combined measure 177,856 Square Feet or 4.08 acres. The Successor Agency owns approximately 35% of the parcels, 62,250 square feet or 1.43 Acres.

Book Value of Property:

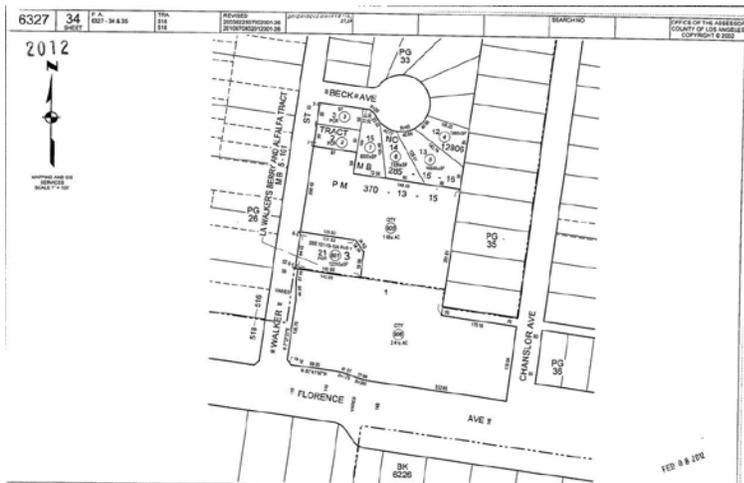
Attachment 1 Parcels: 2 and 3

The City of Bell (“City”) first imagined The Sports Park Project (“Project”) in the early 2000’s. In 2004, the City issued bonds to pay for preliminary work and land acquisition related to the Project. In order to finance the construction phase, the City issued additional bonds in 2007. Since 2007, the Project has encountered various challenges and delays and has been on hold entirely since 2011.



The two parcels comprising the site for the Project have shared ownership between the City and the Successor Agency. The Project site was originally comprised of nine separate parcels as shown to the above. The Redevelopment Agency owned parcels 1, 3, 4, 5, and 6.

In 2011, the City consolidated the nine parcels into two, APNs 6327-034-906 and 905 as shown below:



The Redevelopment Agency’s interest in the Sports Park Property transferred to the Successor Agency upon dissolution on February 1, 2012. By square footage estimates, the Successor Agency owns approximately 35% of the Site. The Successor Agency would like to transfer their share of APNs 6327-034-906 and 905 to the City so that the City may complete the Project.

Property Management Plan: The Successor Agency would like to transfer its share of APNs 6327 034

906 and 905 estimated to be approximately 35% of the site, to the City so that the City may use the property for public recreational purposes to serve the residents of Bell and nearby cities.

Properties to be Sold by Successor Agency

The following four properties are proposed to be offered for sale. A description of the properties and aerial maps are presented in this section.

PROPERTY 3 – WESTERN AUTO PROPERTY

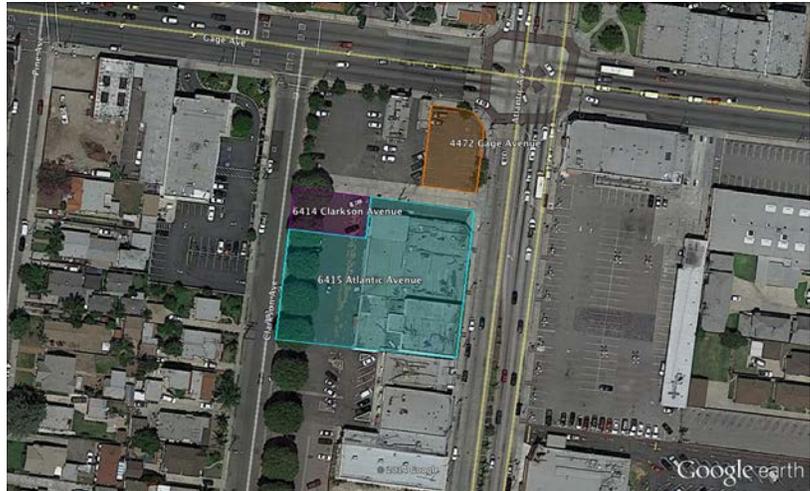
Address: 6414 Clarkson Avenue,
6415 Atlantic Avenue, and 4472
Gage Avenue

APNs: 6325 020 901, 6325 020
904, and 6325 020 902

Total Property Size: 41,555
Square Feet (combined) or 0.95
Acres

Current Zoning: Commercial 3

Attachment 1 Parcels: 4, 5 and 6



The property at 4472 Gage Avenue was purchased by the former RDA on May 19, 1992. It has since been used at a public parking lot. It is adjacent to 6414 Clarkson Avenue and 6415 Atlantic Avenue. The former RDA purchased 6415 Clarkson Avenue and 6415 Atlantic Avenue on May 21, 2009 from the Pete Werrlein Children's Private Annuity Trust. It was agreed that the former RDA would purchase the Property for \$4.8 million, paid in monthly installments for 15 years with an interest rate of 6%. The former RDA issued a Promissory Note for payment of the property.



In September of 2010, the California State Controller issued an audit report in which it challenged the validity and propriety of the subject transaction. This led the former RDA to stop making payments on the Promissory Note, which led to foreclosure proceedings, which then led to a lawsuit filed by the City and Former RDA to postpone the foreclosure sale of the property.

In late July 2013, the City Council authorized City staff and attorneys to negotiate a settlement. Pursuant to the Stipulation and Court Order, the former RDA retained the Property for redevelopment purposes, with the goal of attracting a commercial or retail establishment to the Property to promote economic vitality and commercial diversity in the community, eliminate blight within the surrounding area, and enhance the Downtown Business District. The purchase price was reduced from \$4,800,000 to \$2,500,000. The terms of the loan changed from 15 years at 6% interest rate to 10 years at 5% interest. The total purchase price plus interest was reduced from

Bell Successor Agency Long-Range Property Management Plan

almost \$6,987,133 to \$3,999,825 (the former RDA already paid \$812,325 when the Settlement was reached).

The annual principal payments of \$250,000 are listed on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"). If such amount is unavailable because of other obligations that are required by law, or because of a shortfall in the actual amount of available tax increment funds the Successor Agency receives for that ROPS period, the City will only be obligated to pay 33% of the available tax increment funds the Successor Agency receives for that ROPS period. Under the settlement agreement, the annual payment to the Trust cannot exceed \$250,000 annually for the entire 10-year period of the loan. Any shortfall in the principal payment will be rolled over to the following ROPS period, but for not more than the 10 years.



Property Management Plan: The Successor Agency proposes to sell the three subject properties as one site, possibly assembled with other surrounding parcels owned by the City for fair market value. The Successor Agency will use the proceeds to pay off the Werrlein Promissory Note in full or in part. While the real estate market will ultimately determine what fair market value is for the subject properties, it is estimated the value is between \$1 million and \$2.5 million.

As part of the Settlement Agreement for 6415 Clarkson Avenue and 6415 Atlantic Avenue, an appraisal was conducted in 2012 on the properties (see Attachment 2). The appraisal found the value of the two properties to be \$2.5 million. It is important to note though that the appraisal assumed the reuse of the existing structures on the property adding a significant amount of value to

Bell Successor Agency
 Long-Range Property Management Plan

the properties. Currently, the existing structures are dilapidated and potentially not useable at all decreasing the value from the 2012 appraised value.

In order to help gauge the current real estate market, a comparable sales analysis was conducted. The results are shown below:

RECENTLY SOLD COMPARABLES

Property Address	Property City	Property Type	Secondary Type	Zoning	Land Area AC	Sale Date	Sale Price	Price Per SF Land	Price Per AC Land	Distance from Subject Property	Location Discount	Discounted Price	Discounted Price per AC Land
A 10917 Long Beach Blvd	Lynwood	Land	Commercial	C2A	1.02	5/12/2014	\$1,900,000	\$43	\$1,862,745	4.4 miles	(\$95,000)	\$1,805,000	\$1,769,608
B 11215 Lakewood Blvd	Downey	Land	Commercial	C3	1.76	1/30/2013	\$2,410,000	\$31	\$1,369,318	5.9 miles	(\$241,000)	\$2,169,000	\$1,232,386
C 6348 Seville Ave	Huntington Park	Land	Commercial	CP	0.52	3/19/2013	\$600,000	\$26	\$1,153,846	2.3 miles		\$600,000	\$1,153,846
D 8050 Florence Ave	Downey	Land	Commercial	CP	0.67	9/24/2014	\$850,000	\$29	\$1,268,657	4.2 miles	(\$85,000)	\$765,000	\$1,141,791
E 8613 Firestone Blvd	Downey	Land	Commercial	DOR2-C3*	2.23	1/2/2013	\$2,500,000	\$26	\$1,121,076	5.7 miles	(\$250,000)	\$2,250,000	\$1,008,969
Median												\$1,153,846	

Using a median price per acre of land of \$1,153,846, the estimated market value of the subject properties is \$1,100,736 as shown below.

SUBJECT PROPERTY

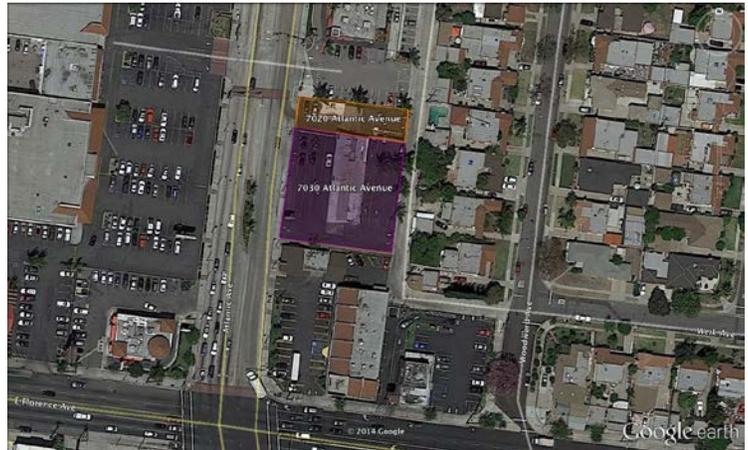
Property Address	Property City	Property Type	Secondary Type	Zoning	Land Area AC	Estimate of Value
6414 Clarkson Ave, 6415 Atlantic Ave, 4472 Gage Ave	Bell	Commercial/ Parking Lot	Commercial	C3	0.95	\$1,100,736

The Successor Agency will seek to sell the property for fair market value with the proceeds being used to partially or entirely pay off the outstanding Promissory Note.

**PROPERTY 4 – JACK’S
CARWASH**

Address: 7020 & 7030 Atlantic Avenue
APNs: 6326 035 901 and 6326 035 902
Total Property Size: 23,623 Square Feet (combined) or 0.54 Acres
Current Zoning: Commercial 3
Attachment 1 Parcels: 7 and 8

The subject properties were purchased in September 2006 from a private party in order to effectuate redevelopment of the properties. In 2005, 7030 Atlantic Avenue was leased to Jack’s Carwash for \$2,315 per month. In 2012, the monthly rental amount was increased to \$3,000. At various times throughout the lease, Jack’s Carwash did not make rent payments. This issue was referred to the City Attorney and to date is not fully settled. However, the pending legal actions do not prevent the Successor Agency from moving forward with the disposition of the property.



7020 Atlantic Avenue has been serving as public parking for the carwash.



Bell Successor Agency Long-Range Property Management Plan

Property Management Plan: The Successor Agency proposes to sell the two subject properties as one site for fair market value. The Successor Agency will remit the proceeds to the County Auditor-Controller for distribution to affected taxing entities. While the real estate market will ultimately determine what fair market value is for the subject properties, it is estimated the value is around \$715,000.

In order to help gauge the current real estate market, a comparable sales analysis was conducted. The results are shown below:

RECENTLY SOLD COMPARABLES

Property Address	Property City	Property Type	Secondary Type	Zoning	Land Area AC	Sale Date	Sale Price	Price Per SF Land	Price Per AC Land	Distance from Subject Property	Location Discount	Discounted Price	Discounted Price per AC Land
10201 State St	Lynwood	Land (Strip Center)	Commercial	C2, Lynwood	0.28	8/29/2013	\$700,000	\$57	\$2,500,000	3.5 miles	-\$35,000	\$665,000	\$2,375,000
10917 Long Beach Blvd	Lynwood	Land	Commercial	C2A	1.02	5/12/2014	\$1,900,000	\$43	\$1,862,745	4.0 miles	-\$95,000	\$1,805,000	\$1,769,608
10917 Long Beach Blvd	Lynwood	Land	Commercial	C2A	0.48	2/24/2014	\$750,000	\$36	\$1,562,500	4.0 miles	-\$37,500	\$712,500	\$1,484,375
6348 Seville Ave	Huntington Park	Land	Commercial	CP, Huntington Park	0.52	3/19/2013	\$600,000	\$26	\$1,153,846	2.6 miles	\$0	\$600,000	\$1,153,846
8050 Florence Ave	Downey	Land	Commercial	CP	0.67	9/24/2014	\$850,000	\$29	\$1,268,657	3.8 miles	-\$85,000	\$765,000	\$1,141,791
4773-4777 E Gage Ave	Bell	Land	Commercial	BLC3R*	0.27	2/28/2013	\$130,000	\$11	\$481,481	0.8 miles	\$0	\$130,000	\$481,481
Median												\$1,319,111	

Using a median price per acre of land of \$1,319,111, the estimated market value of the subject properties is \$715,366 as shown below.

SUBJECT PROPERTY

Property Address	Property City	PropertyType	Secondary Type	Zoning	Land Area AC	RSG's Estimate of Value
7020 & 7030 Atlantic Ave	Bell	Commercial/ Parking Lot		C3	0.54	\$715,366

**PROPERTY 5 – GAGE AVENUE
COMMERCIAL PARKING LOTS**

Address: 4014 & 4022 Gage Avenue
APNs: 6325 002 901 and 6325 002 902
Total Property Size: 13,000 Square Feet (combined) or 0.3 Acres
Current Zoning: Commercial 3
Attachment 1 Parcels: 9 and 10

The subject properties were purchase in March 2004 by the former RDA to effectuate redevelopment of the site. The properties currently serve as public parking for the downtown area.



Property Management Plan: The Successor Agency proposes to sell the two adjacent subject properties as one site for fair market value. The Successor Agency will remit the proceeds to the County Auditor-Controller for distribution to affected taxing entities. While the real estate market will ultimately determine what fair market value is for the subject properties, it is estimated the value is around \$180,000.

Bell Successor Agency Long-Range Property Management Plan

In order to help gauge the current real estate market, a comparable sales analysis was conducted. The results are shown below:

RECENTLY SOLD COMPARABLES

Property Address	Property City	Property Type	Secondary Type	Zoning	Land Area AC	Sale Date	Sale Price	Price Per SF Land	Price Per AC Land	Distance from Subject Property	Location Discount	Discounted Price	Discounted Price per AC Land
6348 Seville Ave	Huntington Park	Land	Commercial	CP, Huntington Park	0.52	3/19/2013	\$600,000	\$26	\$1,153,846	1.6 miles	\$0	\$600,000	\$1,153,846
6244 Florence Ave	Bell Gardens	Land	Commercial	C4	0.18	11/14/2012	\$130,000	\$17	\$722,222	3.1 miles	\$0	\$130,000	\$722,222
4773-4777 E Gage Ave	Bell	Land	Commercial	BLC3R*	0.27	2/28/2013	\$130,000	\$11	\$481,481	0.9 miles	\$0	\$130,000	\$481,481
7009 Rita Ave	Huntington Park	Land	Commercial	CG*, Huntington Park	0.17	3/20/2014	\$65,000	\$9	\$382,353	2.0 miles	\$0	\$65,000	\$382,353
Median												\$601,852	

Using a median price per acre of land of \$601,852, the estimated market value of the subject properties is \$179,616 as shown below.

SUBJECT PROPERTY

Property Address	Property City	Property Type	Zoning	Land Area AC	RSG's Estimate of Value
4014 & 4022 Gage Ave	Bell	Parking Lot	C3R	0.30	\$179,616

PROPERTY 6 – 4560 GAGE AVENUE COMMERCIAL PARKING LOT

Address: 4560 Gage Avenue
APNs: 6326 004 900
Total Property Size: 7,645 Square Feet or 0.18 Acres
Current Zoning: Commercial 3
Attachment 1 Parcel: 11



The Former RDA acquired Property 6 in April 2004 for redevelopment purposes and is now being utilized as public parking for the downtown area which is lacking in adequate public parking.



Property Management Plan: The Successor Agency proposes to sell the subject property for fair market value. The Successor Agency will remit the proceeds to the County Auditor-Controller for distribution to affected taxing entities. While the real estate market will ultimately determine what fair market value is for the subject property, it is estimated the value is around \$127,000.

In order to help gauge the current real estate market, a comparable sales analysis was conducted. The results are shown below:

RECENTLY SOLD COMPARABLES

Property Address	Property City	Property Type	Secondary Type	Zoning	Land Area AC	Sale Date	Sale Price	Price Per SF Land	Price Per AC Land	Distance from Subject Property	Location Discount	Discounted Price	Discounted Price per AC Land
8133 Santa Fe Ave	Downey	Land	Commercial	LCC3*	0.12	3/5/2014	\$392,000	\$73	\$3,266,667	3.7 miles	\$0	\$392,000	\$3,266,667
5805 Florence Ave	Bell Gardens	Land	Commercial	C4	0.16	3/11/2013	\$450,000	\$63	\$2,812,500	2.3 miles	\$0	\$450,000	\$2,812,500
6377 Florence Ave	Bell Gardens	Land	Commercial	C4BG	0.2	9/18/2013	\$145,000	\$17	\$725,000	3.2 miles	\$0	\$145,000	\$725,000
6244 Florence Ave	Bell Gardens	Land	Commercial	C4	0.18	11/14/2012	\$130,000	\$17	\$722,222	2.6 miles	\$0	\$130,000	\$722,222
4773-4777 E Gage Ave	Bell	Land	Commercial	BLC3R*	0.27	2/28/2013	\$130,000	\$11	\$481,481	0.4 miles	\$0	\$130,000	\$481,481
7009 Rita Ave	Huntington Park	Land	Commercial	CG*, Huntington Park	0.17	3/20/2014	\$65,000	\$9	\$382,353	2.5 miles	\$0	\$65,000	\$382,353
												Median	\$723,611

Using a median price per acre of land of \$723,611 the estimated market value of the subject properties is \$126,997 as shown below.

SUBJECT PROPERTY

Property Address	Property City	PropertyType	Zoning	Land Area AC	RSG's Estimate of Value
4560 Gage Ave	Bell	Parking Lot	C3	0.18	\$126,997

=

ATTACHMENTS

- I. Property Inventory Database
- II. Western Auto Property 2012 Appraisal

ATTACHMENT 1

DOF PROPERTY TRACKING WORKSHEET

Successor Age: BELL

BELL

County:

LOS ANGELES

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

Parcel No.	Property No. (LRPMP Groupings)	HSC 34191.5 (c)(1)(C)		Property Type	Property Description	HSC 34191.5 (c)(2)		If Sale of Property, specify intended use of sale proceeds	HSC 34191.5 (c)(1)(A)			Value Basis	Date of Estimated Current Value
		Address	APN			Permissible Use	Permissible Use Detail		Acquisition Date	Value at Time of Purchase	Estimated Current Value		
1	1	4419 Gage Ave	6317 021 908	Parking Lot	BELL CITY HALL PARKING LOT	Governmental Use	Parking for City Hall	N/A	8/31/1988	\$106,038	Market value is \$0 as public use	Market	n/a
2	2	5241 Florence Ave	6327 035 906	Vacant Lot/Land	SPORTS COMPLEX	Governmental Use	Development of Sports Park/ownership split between City and SA	N/A	1/11/1989	City records indicate the cost to purchase land plus demolition of existing buildings was \$2,000,000	Market value is \$0 as public use	Market	n/a
3		7006 Walker Ave	6327 034 905	Vacant Lot/Land	SPORTS COMPLEX	Governmental Use	Development of Sports Park/ownership split between City and SA	N/A	3/24/1988			Market	n/a
4	3	6414 Clarkson Ave	6325 020 901	Parking Lot/Structure	WESTERN AUTO PARKING LOT	Sale of Property	Sell for development	Repay Werrlein Promissory Note and Legal Settlement Costs	5/19/1992	\$2,500,000	\$1,100,736	Market	9/1/2014
5		6415 Atlantic Ave	6325 020 904	Commercial	WESTERN AUTO	Sale of Property	Sell for development	Repay Werrlein Promissory Note and Legal Settlement Costs	5/19/1992			Market	9/1/2014
6		4472 Gage Ave	6325 020 902	Parking Lot	COMMERCIAL PARKING LOT	Sale of Property	Sell for development	Distribute to Taxing Agencies via County	5/19/1992			\$0 per Orange Coast Title Company	Market
7	4	7020 Atlantic Ave	6326 035 901	Parking Lot	PARKING LOT ADJACENT TO JACKS CAR W.	Sale of Property	Sell for development	Distribute to Taxing Agencies via County	9/13/2006	\$930,140	\$715,366	Market	9/1/2014
8		7030 Atlantic Ave	6326 035 902	Commercial	COMMERCIAL (JACKS CAR WASH)	Sale of Property	Sell for development	Distribute to Taxing Agencies via County				Market	9/1/2014
9	5	4014 Gage Ave	6325 002 901	Parking/Vacant	COMMERCIAL PARKING LOT ADJACENT TO LA CASITA	Sale of Property	Sell for development	Distribute to Taxing Agencies via County	11/30/2004	\$81,530	\$179,616	Market	9/1/2014
10		4022 Gage Ave	6325 002 902	Parking/Vacant	COMMERCIAL PARKING LOT ADJACENT TO LA CASITA	Sale of Property	Sell for development	Distribute to Taxing Agencies via County				Market	9/1/2014
11	6	4560 Gage Avenue	6326 004 900	Parking/Vacant	COMMERCIAL PARKING LOT ADJACENT TO 4570 GAGE	Sale of Property	Sell for development	Distribute to Taxing Agencies via County	3/31/2005	\$26,537	\$126,997	Market	9/1/2014

Successor Age: BELL

County: LOS ANGELES

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPOSED

Parcel No.	Property No. (LRPMP Groupings)	HSC 34191.5 (c)(1)(C)		SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)				HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)
		Address	APN	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Lot Size in Square Feet	Lot size in Acres	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/ revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity
1	1	4419 Gage Ave	6317 021 908	n/a	n/a	Governmental Use	5,713	0.13	C3R	Market value is \$0 as public use	n/a	n/a	n/a	None	City hall parking lot	None
2	2	5241 Florence Ave	6327 035 906	n/a	n/a	Sports Park	73,061	1.68	C3R	Market value is \$0 as public use	n/a	n/a	n/a	None	Public Park	Always planned as sports park
3		7006 Walker Ave	6327 034 905	n/a	n/a	Sports Park	104,795	2.41	C3R		n/a	n/a	n/a	None	Public Park	Always planned as sports park
4	3	6414 Clarkson Ave	6325 020 901	Market Value	Upon approval of PMP	redevelopment of property	4,590	0.11	C3	\$1,100,736	n/a	n/a	n/a	Retail-walkable	Economic Development potential	None
5		6415 Atlantic Ave	6325 020 904	Market Value	Upon approval of PMP	redevelopment of property	29,965	0.69	C-3		n/a	n/a	n/a	Retail-walkable	Economic Development potential	None
6		4472 Gage Ave	6325 020 902	Market Value	Upon approval of PMP	redevelopment of property	7,000	0.16	C3		n/a	n/a	n/a	Retail-walkable	Economic Development potential	None
7	4	7020 Atlantic Ave	6326 035 901	Market Value	Upon approval of PMP	redevelopment of property	3,349	0.08	C3	\$715,366	\$3,000 per month	None	n/a	Retail-walkable	Economic Development potential	None
8		7030 Atlantic Ave	6326 035 902	Market Value	Upon approval of PMP	redevelopment of property	20,274	0.47	C3				n/a	Retail-walkable	Economic Development potential	None
9	5	4014 Gage Ave	6325 002 901	Market Value	Upon approval of PMP	redevelopment of property	6,500	0.15	C3R	\$179,616	n/a	n/a	Neighboring dry cleaner contaminated properties. Neighboring property owner responsible for remediation, which is still occurring.	Retail-walkable	Economic Development potential	None
10		4022 Gage Ave	6325 002 902	Market Value	Upon approval of PMP	redevelopment of property	6,500	0.15	C3R		n/a	n/a		Retail-walkable	Economic Development potential	None
11	6	4560 Gage Avenue	6326 004 900	Market Value	Upon approval of PMP	redevelopment of property	7,645	0.18	C3R	\$126,997	n/a	n/a	n/a	Retail-walkable	Economic Development potential	None

ATTACHMENT 2

WESTERN AUTO PROPERTY 2012 APPRAISAL

APPRAISAL OF



A Vacant Retail Building

LOCATED AT:

6415 Atlantic Ave
Cudahy, CA 90201

FOR:

Darryl Roth

BORROWER:

AS OF:

December 15, 2012

BY:

Jack Alexander
#AG032464

December 25, 2012

darrylroth@msn.com
Darryl Roth

File Number: 6501 S Atlantic Ave

Darryl,

In accordance with your request, I have appraised the real property at:

6415 Atlantic Ave
Cudahy, CA 90201

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved.

In my opinion, the market value of the property as of December 15, 2012 is:

\$2,500,000
Two Million Five Hundred Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

Sincerely,



Jack Alexander
#AG002464

UNIFORM COMMERCIAL/INDUSTRIAL SUMMARY APPRAISAL REPORT - SMALL PROPERTY

Client Darryl Roth File Number 6501 S Atlantic Ave
Property Use Office Commercial Industrial 6501 S Atlantic Ave
Property Address 6415 Atlantic Ave Map Reference 675-D7
City Cudahy County Los Angeles State CA Zip Code 90201
Building Name N/A Census Tract 5336.02
Owner/Occupant Bell, Community Redevelopment of Bell, Redevelopment Agency APN 6325-020-900,901,90
Typical Buyer: Owner/User Investor
Property Rights Appraised Fee Simple Leased Fee Leasehold Other _____
Purpose of Appraisal To determine the current fair market value.

Intended User(s) of Report Darryl Roth and his affiliates for internal decision matters only.

Intended Use of Report The intended use is for internal decision matters only.

Scope of Work Utilize the market, Income, and cost approaches to determine the property's estimated market value. All information obtained was considered and no information was deliberately excluded in determining the final value.

Complete Appraisal Limited Appraisal due to the following departures from Standard 1 _____

Summary Appraisal Report

THREE YEAR OWNERSHIP HISTORY

Most Recent	Owner	Recording Reference	Date	Price Paid	Terms of Sale
	<u>Comm Redvlp / Bell</u>	<u>Doc #752337</u>	<u>05/21/2009</u>	<u>\$ 0</u>	<u>Grant Deed</u>
Previous	_____	_____	_____	\$ _____	_____
Previous	_____	_____	_____	\$ _____	_____
Previous	_____	_____	_____	\$ _____	_____
Current Contract	<input type="checkbox"/>	Option: <input type="checkbox"/>	Listing Price	\$ _____	_____
Buyer	_____	_____	Contract Price	\$ _____	_____
Seller	_____	_____	Closing Date	_____	_____

Analysis/Comments: No recent subject transfers to report.

NEIGHBORHOOD DESCRIPTION

Boundaries: The subject property is bordered by the 710 Fwy to the East, Alameda St to the West, Abbott Rd to the South, and Slauson Ave to the North.

Neighborhood Built Up <u>100</u> %	Location <input type="checkbox"/> Rural <input type="checkbox"/> Suburb <input checked="" type="checkbox"/> Urban
Land Use: Single Family <u>40</u> % Office <u>10</u> % Multifamily <u>15</u> %	Development Trend <input type="checkbox"/> Up <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Down
Industrial <u>15</u> % Retail <u>15</u> % Vacant <u>5</u> %	Value Trend <input type="checkbox"/> Up <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Down
Single Family <input type="checkbox"/> Undersupply <input checked="" type="checkbox"/> Balanced <input type="checkbox"/> Oversupply <input type="checkbox"/> Vacancy <u>1</u> %	Vacancy Trend <input checked="" type="checkbox"/> Up <input type="checkbox"/> Stable <input type="checkbox"/> Down
Multifamily <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <u>2</u> %	Rental Demand <input type="checkbox"/> Up <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Down
Office <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <u>5</u> %	Change in Land Use: <input checked="" type="checkbox"/> Unlikely <input type="checkbox"/> Likely <input type="checkbox"/> Taking Place
Retail <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <u>5</u> %	From _____ To _____
Industrial <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <u>5</u> %	Rental Rate Range (Exclude Extremes) for Subject Property Type: From <u>\$ 6.00</u> /SF/Year To <u>\$ 30.00</u> /SF/Year

Distance-CBD 2.0 - 4.0 Miles
Distance-Freeway 1.0 - 1.25 Miles
Distance-Public Transportation 0.1 - 0.25 Miles
Age Range (Exclude Extremes) for Subject Property Type:
From New To 100

Neighboring Property Use: This is a mixed use land area. Neighboring uses include retail, office, R & D, manufacturing and single and multi-family residential uses. This is a mixed use land area.

Analysis/Comments: See Attached Addendum

SITE DESCRIPTION

Legal Description Tr=7787 Lots 21, 22, Ex Of St Lots 23,24 And 25, Ex of St Lot 26, And All Of Lots 33 Thru 36 See Addenda
Environmental Problems Known or Suspected Yes No
Site Size 43,735 SF Usable Land Area 43,735 SF Excess Land Area N/A
Site Dimensions Irregular - See Attached Plat
Street Frontage 176' LF

SITE DESCRIPTION (continued)

<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%;"></td> <td style="width:33%; text-align: center;">Gd</td> <td style="width:33%; text-align: center;">Av</td> <td style="width:33%; text-align: center;">Fr</td> </tr> <tr> <td>Ingress/Egress</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Street Frontage</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Shape</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Functional Utility</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Visibility</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Landscaping</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Drainage</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Adequacy of Utilities</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Traffic Pattern</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Traffic Volume</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>		Gd	Av	Fr	Ingress/Egress	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Street Frontage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Shape	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Functional Utility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Visibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Landscaping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Traffic Pattern	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Traffic Volume	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">Utility:</td> <td style="width:50%;">Provided By:</td> </tr> <tr> <td>Electricity</td> <td>Public Utility</td> </tr> <tr> <td>Gas</td> <td>Public Utility</td> </tr> <tr> <td>Water</td> <td>Public Utility</td> </tr> <tr> <td>Sewer</td> <td>Public Utility</td> </tr> <tr> <td>Telephone</td> <td>Public Utility</td> </tr> </table> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">Street Improvements:</td> <td style="width:50%;">Describe:</td> </tr> <tr> <td>Street Width</td> <td>90 feet</td> </tr> <tr> <td>Street Paving</td> <td>Asphalt</td> </tr> <tr> <td>Sidewalks</td> <td>Poured Concrete</td> </tr> <tr> <td>Curbs & Gutters</td> <td>Poured Concrete</td> </tr> <tr> <td>Storm Sewers</td> <td>Public Utility</td> </tr> <tr> <td>Lighting</td> <td>Public Utility</td> </tr> </table>	Utility:	Provided By:	Electricity	Public Utility	Gas	Public Utility	Water	Public Utility	Sewer	Public Utility	Telephone	Public Utility	Street Improvements:	Describe:	Street Width	90 feet	Street Paving	Asphalt	Sidewalks	Poured Concrete	Curbs & Gutters	Poured Concrete	Storm Sewers	Public Utility	Lighting	Public Utility	<table style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">Topography:</td> </tr> <tr> <td>Level</td> <td><input checked="" type="checkbox"/> Mod Slope <input type="checkbox"/> Steep Slope <input type="checkbox"/></td> </tr> <tr> <td>At Grade</td> <td><input checked="" type="checkbox"/> Above Grade <input type="checkbox"/> Below Grade <input type="checkbox"/></td> </tr> </table> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;"></td> <td style="width:10%; text-align: center;">Yes</td> <td style="width:10%; text-align: center;">No</td> </tr> <tr> <td>Corner Lot</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Underground Utilities</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Railroad Access</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Earthquake Zone</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Flood Hazard Area</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Map # 060101 - 1805F</td> <td colspan="2">Date 09/26/2008</td> </tr> </table>	Topography:		Level	<input checked="" type="checkbox"/> Mod Slope <input type="checkbox"/> Steep Slope <input type="checkbox"/>	At Grade	<input checked="" type="checkbox"/> Above Grade <input type="checkbox"/> Below Grade <input type="checkbox"/>		Yes	No	Corner Lot	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Underground Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Railroad Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Earthquake Zone	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Flood Hazard Area	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Map # 060101 - 1805F	Date 09/26/2008	
	Gd	Av	Fr																																																																																																
Ingress/Egress	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Street Frontage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Shape	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Functional Utility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Visibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Landscaping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Traffic Pattern	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Traffic Volume	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																																																																																																
Utility:	Provided By:																																																																																																		
Electricity	Public Utility																																																																																																		
Gas	Public Utility																																																																																																		
Water	Public Utility																																																																																																		
Sewer	Public Utility																																																																																																		
Telephone	Public Utility																																																																																																		
Street Improvements:	Describe:																																																																																																		
Street Width	90 feet																																																																																																		
Street Paving	Asphalt																																																																																																		
Sidewalks	Poured Concrete																																																																																																		
Curbs & Gutters	Poured Concrete																																																																																																		
Storm Sewers	Public Utility																																																																																																		
Lighting	Public Utility																																																																																																		
Topography:																																																																																																			
Level	<input checked="" type="checkbox"/> Mod Slope <input type="checkbox"/> Steep Slope <input type="checkbox"/>																																																																																																		
At Grade	<input checked="" type="checkbox"/> Above Grade <input type="checkbox"/> Below Grade <input type="checkbox"/>																																																																																																		
	Yes	No																																																																																																	
Corner Lot	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																																																																																	
Underground Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																																																																																	
Railroad Access	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																																																																																	
Earthquake Zone	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																																																																																	
Flood Hazard Area	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																																																																																	
Map # 060101 - 1805F	Date 09/26/2008																																																																																																		

Soil Conditions No settlement or infestation noted or observed.

Easements Standard public utility.

Encroachments None noted or observed.

Current Zoning C-3 Legally Conforming Yes No

Zoning Change: Not Likely Likely To _____

Uses Allowed Under Current Zoning Medium Commercial

Current Use Commercial

Analysis/Comments: Typical site and utility for the area. No adverse easements or encroachments noted or observed.

ASSESSMENT AND TAXES

Assessment Year <u>2012</u>	APN <u>6325-020-900,901,904</u>	Tax Rate	Year	Taxes
Total	\$ <u>210,813</u>	Total	<u>2012</u>	\$ <u>Tax Exempt</u>
Land	\$ <u>210,813</u>	County	<u>2013</u>	\$ <u>0</u>
Building(s)	\$ <u>0</u>	City	Tax Assessment	\$ <u>N/A</u> /SF
Other	\$ <u>N/A</u>	Other	Year of Next Reassessment	<u>N/A</u>

Special Assessments: None.

Reassessment Issues: None.

Analysis/Comments: The taxes for all three parcels is not listed as they are held by city or county agencies. By so doing, these parcels are tax exempt.

IMPROVEMENTS DESCRIPTION

Property Type <u>Commercial</u>	Construction Type <u>Class "C"</u>	#Buildings <u>1</u>	#Stories <u>2</u>
---------------------------------	------------------------------------	---------------------	-------------------

Building	Floor	Gross SF	*Net SF	Use Type	Net SF	Use %
<u>1</u>	<u>1</u>	<u>21,536</u>	<u>21,536</u>	Office		<u>0</u>
				Retail	<u>21,536</u>	<u>100</u>
				Warehouse		<u>0</u>
				Manufacturing		<u>0</u>
				Distribution		<u>0</u>
				Research / Development		<u>0</u>
Total		<u>21,536</u>	<u>21,536</u>			
*Usable Area <input checked="" type="checkbox"/>		Rentable Area <input type="checkbox"/>				

Year Built <u>1964 / 1965</u>	Parking:	Yes	No	Industrial Only
Building Efficiency Ratio <u>100 %</u>	On Site	<input checked="" type="checkbox"/>	<input type="checkbox"/>	# Overhead Doors <u>N/A</u>
Effective Age <u>45 years</u>	Adequacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Floor Height <u>N/A</u> FT
Total Economic Life <u>75 years</u>	Covered	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Ceiling Height <u>N/A</u> FT
Remaining Economic Life <u>30</u>	Parking Garage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Column Spacing
Floor Area Ratio <u>49 %</u>	Paved	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>N/A</u> FT x <u>N/A</u> FT
Ground Coverage Ratio <u>49 %</u>	Number of Spaces <u>50</u>			Railroad Spur
	Spaces / 1000SFBA <u>2</u>			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

Analysis/Comments: See Attached Addendum

IMPROVEMENTS DESCRIPTION (continued)

Building Description		Improvement Rating			
		Gd	Av	Fr	N/A
Foundation	Concrete	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Frame	Masonry / Concrete	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floor/Cover	Exterior Only Inspection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ceiling	Exterior Only Inspection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exterior Walls	Masonry / Stucco	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Partitions	Exterior Only Inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Roof Cover	Roll Composition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing	Exterior Only Inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Heating	Exterior Only Inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Air Conditioning	Exterior Only Inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Electrical	Exterior Only Inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Elevators	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parking	50 spaces	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insulation	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sprinkler	Exterior Only Inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Roof Support	Assumed Adequate	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Site Improvements: See Attached Addendum

Personal Property or Other Non-Realty Interests Included in Valuation: No Yes

Analysis/Comments: The subject property was inspected for the exterior only. The appraiser makes no guarantees or warranties regarding the condition of the interior of the subject property. For purposes of this appraisal, the appeal, quality, and condition of the interior of the subject property is considered average. Overall, improvements are in average condition and are in line with the surrounding neighborhood in terms of condition and appeal.

HIGHEST AND BEST USE

HIGHEST AND BEST USE AS IF VACANT:

Legally Permissible Uses: "As Is"

Physically Possible Uses: "As Is"

Financially Feasible Uses: "As Is"

Maximally Productive Use: "As Is"

Analysis/Comments: To construct improvements that are legally permissible, financially feasible, physically possible, and maximally effective.

HIGHEST AND BEST USE AS IMPROVED:

Legally Permissible Uses: "As Is"

Physically Possible Uses: "As Is"

Financially Feasible Uses: "As Is"

Maximally Productive Use: "As Is"

Analysis/Comments: Improvements represent legal, existing and conforming use. The inferred Highest and Best Use is the current use. The borrower intends to continue the current use and the inferred H&BU that the current improvements represented the H&BU was satisfactory. It is uncertain as to the future plans for the subject property at this time.

VALUATION METHODS SELECTED

Cost Approach Income Approach Direct Sales Comparison Approach
 Reasons for Excluding an Approach: All three approaches were used.

MARKET VALUE ESTIMATE OF NON-REALTY ITEMS

Market Value of Personal Property \$ N/A
 Market Value of Other Non-Realty Interests \$ N/A
 Total Market Value of Non-Realty Interests \$ N/A

Analysis/Comments: Not a part of this appraisal.

COMPARABLE SITE ANALYSIS

	Subject	Comparable #1	Comparable #2	Comparable #3
Data Sheets Att <input type="checkbox"/>	6415 Atlantic Ave			
Location/Address	-			
Proximity to Subject				
Map Reference	675-D7			
Deed Reference	N/A			
Date of Sale	N/A			
Exposure Time	6 - 9 Months			
Data Source	Inspection and Records			
Site Size SF <input checked="" type="checkbox"/> Acres <input type="checkbox"/>	43,735			
Frontage	176' LF			
Zoning	C-3			
Utilities	All to site			
Site Improvements	21,536 SF			
Unit of Comparison	\$/SF			
Sales Price		\$	\$	\$
Price Per Unit		\$	\$	\$
Property Rights Conveyed				
Adjustment				
Financing				
Adjustment				
Conditions of Sale				
Adjustment				
Market Conditions				
Adjustment				
Other Adjustments				
Location				
Topography				
Shape/Utility				
Utilities				
Site Improvements				
Total Adjustments		0	0	0
Indicated Value Per Unit		\$ 0	\$ 0	\$ 0

Analysis/Comments: As part of the assignment, the cost approach is part of the scope of work.

Total Site Units: SF 43,735
 Unit Value \$ 25.00
 Estimated Site Value \$ 1,093,375

EXCESS LAND

Excess Land Area Units: N/A
 Unit Value \$ N/A
 Estimated Excess Land Value \$ N/A

COST APPROACH

Cost Source **Marshall Swift Cost Handbook**

Component	No.	Size	Unit Cost	Cost
Commercial Building	1	21,536	\$ 150.00	\$ 3,230,400
				0
Reproduction <input type="checkbox"/>	Replacement <input checked="" type="checkbox"/>	Cost New of Improvements		\$ 3,230,400
Plus: Indirect (Soft Costs)				\$
Plus: Entrepreneurial Profit				\$ 323,040
Total Cost New				\$ 3,553,440
Less: Physical Deterioration				\$ 60.00 % 2,132,064
Less: Functional Obsolescence				\$ 0.00 % 0
Less: External Obsolescence				\$ 0.00 % 0
Total Accrued Depreciation (Deterioration & Obsolescence)				(\$ 2,132,064)
Depreciated Value of Building(s)				\$ 1,421,376
Plus: Contributing Value of Site Improvements				\$ 25,000
Depreciated Value of Improvements				\$ 1,446,376

Analysis/Comments: **Depreciation was based on observed age / life method. The subject has an estimated economic life of 75 years, with an effective age estimated at 45 years. There is an estimated 60% in physical depreciation.**

Estimated Site Value	\$ 1,093,375
Plus: Estimated Excess Land Value	
Plus: Depreciated Value of Improvements	1,446,376
Plus: Market Value of Personal Property and Other Non-Realty Interests	N/A
Indicated Value Before Adjustment for Interest Appraisal	\$ 2,539,751
Less: Adjustment for Interest Appraised	0
Value Indication - Cost Approach	\$ 2,539,751
Rounded:	\$ 2,540,000

INCOME APPROACH / RENTAL COMPARABLE BUILDING ANALYSIS

	Subject	Comparable #1	Comparable #2	Comparable #3
Data Sheets Att <input checked="" type="checkbox"/>				
Address	6415 Atlantic Ave	4008 Florence Ave	6623 Atlantic Ave	7501 Atlantic Ave
Proximity to Subject	-	0.68 miles SW	0.09 miles S	0.67 miles S
Map Reference	675-D7	705-C1	675-D7	705-D1
Year Built	1964 / 1965	1977 / 1991	1948	1987
Gross Building Area	21,536 SF	22,111 SF	12,480 SF	18,668 SF
Number of Stories	2	1	1	1
Current Vacancy %	100%	100%	20%	7%
Construction Type	Class "C"	Class "C"	Class "C"	Class "C"
Construction Quality	Average	Average	Average	Average
Condition	Average	Average	Average	Average
Parking	50 spaces	20 spaces	30 spaces	65 spaces
Date of Rent Survey	12/15/2012	12/15/2012	12/15/2012	12/15/2012
Asking Rent	N/A	\$22,000 / Month	\$2,125 / Month	\$1,350 / Month
Lease Period	Negotiable	Negotiable	Negotiable	Negotiable
Tenant Improvement Allowance	N/A	N/A	N/A	N/A
Concessions	N/A	N/A	N/A	N/A
Tenant Name	N/A	N/A	N/A	N/A
Beginning Date	N/A	Immediate	Immediate	Immediate
Term	Month to month	Negotiable	Negotiable	Negotiable
Lease Type*	N/A	Modified Gross	Modified Gross	Modified Gross
Tenant Size (SF)	21,536 SF	22,111 SF	2,500 SF	1,323 SF
Rent Per SF	\$ 0.00	\$ 0.99	\$ 0.85	\$ 1.02
Rent Concessions Adj.		0.00	0.00	0.00
Adjusted Rent Per SF	\$ 0.00	\$ 0.99	\$ 0.85	\$ 1.02
Adjustment for Market Conditions		N/A	N/A	N/A
Adjusted Rent Per SF	\$ 0.00	\$ 0.99	\$ 0.85	\$ 1.02

INCOME APPROACH / RENTAL COMPARABLE BUILDING ANALYSIS (continued)

Location	Average	Similar	Similar	Similar
Quality	Average	Similar	Similar	Similar
Condition	Average	Superior -0.15	Similar	Superior -0.15
Total Adjustments	0.00	-0.15	0.00	-0.15
Indicated Market Rent	\$ 0.00	\$0.84	\$0.85	\$0.87

*Lease Types: Gross Lease (G), Net Lease (N), Triple Net Lease (TN), Modified Gross (MG), Expense Passthroughs (P), Sales Overage Rents (O), Common Area Maintenance (C), Renewal Options (R)

Analysis/Comments: Rental comparables used were most similar in terms of size, condition, appeal, location, and use. All came from similar locations and similar property types.

SUMMARY OF SUBJECT LEASES

Tenant Name	Rented Area (SF)	Beginning Date	Term	Lease Types	Current Rent	Effective Rent / SF	Estimated Market Rent / SF
Vacant	21,536 SF	Vacant				0.00	0.85

Analysis/Comments: Market data supports a rental rate of \$0.85/PSF/Month. The subject is vacant and there is no current income or expense information. All information is derived from the current fair market.

INCOME AND EXPENSE HISTORY AND FORECAST

Income:	Actual	Comments and Calculations	Stabilized
From _____ to _____			\$ _____
Gross Potential Income	\$ _____	Estimated	\$ 219,667
Vacancy and Collection	\$ _____		\$ _____
Loss 5.00 % (\$ _____)	0	Estimated at 5%	(\$ 10,983)
Other Income	\$ 0		\$ 0
Effective Gross Income	\$ 0	Estimated	\$ 208,684
Expenses:			
Property Taxes	Tax Exempt	Estimated at 1.5% of FMV (\$2,500,000)	\$ 37,500
Insurance		Estimated at 2% of EGI	\$ 4,174
Property Management		Estimated at \$300 per month	\$ 3,600
Utilities		By Tenant	\$ 0
Janitorial		By Tenant	\$ 0
Maintenance		Estimated at 7% of EGI	\$ 14,608
Reserves			\$ _____
Total Expenses	\$ 0		\$ 59,882
Net Operating Income (NOI)	\$ 0	Expense/SF \$ 2.78 Expense Ratio 28.70 %	\$ 148,802

Analysis/Comments: No subject leases or expenses were reviewed in the preparation of this report. The forecast is based on typical Modified Gross type basis with a higher percentage of reserves as the subject will be in need or upgrades and repairs due to its actual and economic age.

DIRECT CAPITALIZATION

Overall Rate Range	0.0579 to 0.0772	Equity Dividend Rate Range	N/A to N/A
Overall Rate (Ro)	= 0.0650	Mortgage	x _____ = _____
		Equity	x _____ = _____
		Overall Rate (Ro)	= N/A
NOI (Ro) Estimated Value		NOI (Ro) Estimated Value	
\$ 148,802 / 0.0650 = \$ 2,289,262		\$ 148,802 / N/A = \$ N/A	

Analysis/Comments: Due to the availability of market derived OAR's the equity dividend approach was not used. The OAR method of valuation is much more reliable when valuing small properties.

YIELD CAPITALIZATION

Cash Flow Analysis in Addenda	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Market Rent Scenario	Contract Rent Scenario
Forecast Holding Period			\$ _____	\$ _____
Beginning NOI			_____	_____
NOI Pattern			_____	_____
Reversion Assumption			_____	_____
Yield Rate			\$ _____	\$ _____
Value Estimate			N/A	N/A

Analysis/Comments: _____

ADJUSTMENT FOR INTEREST APPRAISED

Value Estimate - Market Rent Scenario	\$ _____	N/A
Value Estimate - Contract Rent Scenario	\$ _____	N/A
Difference (Adjustment for Interest Appraised)	\$ _____	N/A

Analysis/Comments: _____

Value Indicated by Direct Capitalization/Yield Analysis (excluding excess land)	\$ _____	2,289,262
Plus: Estimated Excess Land Value	\$ _____	
Value Indication - Income Approach	\$ _____	2,289,262
Rounded	\$ _____	2,289,000

DIRECT SALES COMPARISON APPROACH/COMPARABLE BUILDING ANALYSIS

Comp Sheets	Att <input checked="" type="checkbox"/>	Subject	Comparable #1	Comparable #2	Comparable #3
Address		6415 Atlantic Ave	4429 Bell Ave	5141 Florence Ave	7201 Pacific Blvd
Proximity to Subject			0.18 miles SSW	0.94 miles SE	2.20 miles W
Map Reference		675-D7	675-D7	705-F1	674-J7
Data Source		Inspection & Records	RealQuest / Loopnet	RealQuest / Loopnet	RealQuest / Loopnet
Gross Building Area		21,536	1,640 SF	2,025 SF	14,094 SF
Net Building Area		21,536	1,640 SF	2,025 SF	14,094 SF
Site Size SF <input checked="" type="checkbox"/> Acres <input type="checkbox"/>		43,735	3,839 SF	5,530 SF	36,693 SF
Land-to-Building Ratio		2.03	2.34	2.73	2.60
Year Built		1964 / 1965	1951	1954	1983
Construction Type		Class "C"	Class "D"	Class "D"	Class "C"
Construction Quality		Average	Average	Average	Average
Condition		Average	Average	Average	Average
Parking		50 spaces	2 spaces	5 spaces	40 spaces
Other Document #			1289653	1468574	849227
Loopnet I.D. #			3803855	3819017	3668991

Sale Price	\$ _____	N/A	\$ _____	200,000	\$ _____	320,000	\$ _____	1,554,000
Date of Sale			08/29/2012		09/28/2012		06/07/2012	
Exposure Time			6 - 9 Months		6 - 9 Months		6 - 9 Months	
Property Rights Conveyed			Leased Fee		Leased Fee		Leased Fee	
Adjustment								
Financing			N/A		N/A		N/A	
Adjustment								
Conditions of Sale			N/A		N/A		N/A	
Adjustment								
Excess Land			N/A		N/A		N/A	
Adjustment			0					
Non-Realty Interests			N/A		N/A		N/A	
Adjustment			0					
CE/Terms Adjusted Price	\$ _____	0	\$ _____	200,000	\$ _____	320,000	\$ _____	1,554,000

Other Adjustments:								
Market Conditions		Average	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment								
Location		Average	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment								
Quality		Average	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment								
Condition		Average	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment								
Adjustment								
Total Other Adjustments		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Indicated Value Per								
Gross Bldg. Area	\$ _____	0.00	\$ _____	121.95	\$ _____	158.02	\$ _____	110.26

DIRECT SALES COMPARISON APPROACH/COMPARABLE BUILDING ANALYSIS (continued)

Analysis/Comments: Raw Data - EGIM (11.32 - 13.66 - 10.36 - 10.74 - 12.97 - 13.04), OAR (6.15% - 5.79% - 7.72% - 6.94% - 6.34% - 5.91%), and \$/SF (\$121.95 - \$158.02 - \$110.26 - \$114.29 - \$136.11 - \$117.50). The selected EGIM is 12.00, selected OAR is 6.50%, and selected \$/SF is \$125.00.

FEE SIMPLE OR LEASED FEE OPERATING DATA AND RATIOS

	Comparable #1 Leased Fee	Comparable #2 Leased Fee	Comparable #3 Leased Fee
Fee Simple or Leased Fee			
Gross Potential Income	\$18,600	\$24,655	\$157,853
Vacancy and Collection Loss %	5%	5%	5%
Effective Gross Income	\$17,670	\$23,422	\$149,960
Operating Expenses	\$5,375	\$4,906	\$29,992
Expenses/SF Gross Building Area	\$3.28	\$2.42	\$2.13
Expense Ratio	30.42%	20.95%	20.00%
Net Operating Income	\$12,295	\$18,516	\$119,968
EGIM	11.32	13.66	10.36
Overall Rate	0.0615	0.0579	0.0772
Equity Dividend Rate	N/A	N/A	N/A

Analysis/Comments: The following value indicators above were used in determining the subject's final estimated market value based on the adjusted sale comparable information described in this report. The sales comparison approach is given the most weight in determining the final estimated value of the subject. All comparable sales have been considered for cash equivalency and appropriate adjustments have been made. The subject's estimated price per square foot of building area is average in the market area. All the comparables were given equal weight in determining the final estimated market value of the subject.

Building Units	Gross Bldg. Area	21,536
Value Per Unit		\$125.00 /Unit
Value Estimate		\$2,692,000
Effective Gross Income		\$208,684
Effective Gross Income Multiplier (EGIM)		x 12.00
Value Estimate		\$2,504,208

Analysis/Comments: Most weight is given to the \$/SF unit of measurement as that is best supported by typical end users and investors. There is strong support for the value conclusion at \$125.00/SF. The EGIM provides secondary support and the value indicated by the sales approach is within the range of the two values.

Value Indicated by Direct Sales Comparison Approach (excluding excess land)	\$2,600,000
Plus: Estimated Excess Land Value	\$0
Plus: Adjustment for Interest Appraised	\$0
Value Indication - Direct Sales Comparison Approach	\$2,600,000
Rounded	\$2,600,000

RECONCILIATION AND FINAL VALUE ESTIMATES

Cost Approach Indication	\$2,539,751
Income Approach Indication	\$2,289,000
Direct Sales Comparison Approach Indication	\$2,600,000

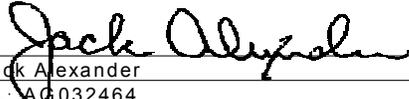
Reconciliation: See addendum...

Estimated Exposure Time: 6-9 months at reasonable price.

Extraordinary Assumptions, Hypothetical Conditions, and Limiting Conditions: Appraisal is made "As Is". The marketing time and exposure time are both estimated at 6-9 months. Appraiser has not provided prior services on the subject property being appraised in the last 36 months from the Effective Date of Value. I have no current or prospective interest in the property or parties to the transaction.

Estimated Market Value "As Is"	\$2,500,000
Effective Date of Valuation	12/15/2012
Market Value of Personal Property Included in Appraisal	\$N/A
Market Value of Other Non-Realty Interests Included in Appraisal	\$N/A

RECONCILIATION AND FINAL VALUE ESTIMATES (continued)

Appraiser #1		Date	Property Inspected
Signature	_____	_____	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Name	Jack Alexander	12/26/2012	
Certification	No.: AG032464		
	State: CA	Exp. Date: 11/20/2013	
Appraiser #2	_____	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>
Signature	_____		
Name	_____		
Certification	No.: _____		
	State: _____	Exp. Date: _____	

CONTENTS OF ADDENDA

Legal Description	<input checked="" type="checkbox"/>	Land Lease	<input type="checkbox"/>	Support for Non-Realty Interest Valuation	<input type="checkbox"/>
Subject Photographs	<input checked="" type="checkbox"/>	Segregated Cost Sheet	<input type="checkbox"/>	Support for Adjustment for Interest Appraised	<input type="checkbox"/>
Area Map	<input checked="" type="checkbox"/>	Soils Survey Map	<input type="checkbox"/>	Copy of Easement	<input type="checkbox"/>
Neighborhood Map	<input checked="" type="checkbox"/>	Subject Leases	<input type="checkbox"/>	Appraiser Qualifications	<input type="checkbox"/>
Zoning Map	<input type="checkbox"/>	Rental Comparable Data Sheets	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>
Flood Zone Map	<input checked="" type="checkbox"/>	Rent Location Map	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>
Topographic Map	<input type="checkbox"/>	DCF Analysis	<input type="checkbox"/>	_____	<input type="checkbox"/>
Site Sketch	<input checked="" type="checkbox"/>	Improved Property Sales Data Sheets	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>
Site Plan	<input checked="" type="checkbox"/>	Building Sales Location Map	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>
Building Plans	<input type="checkbox"/>	Copy of Deed	<input type="checkbox"/>	_____	<input type="checkbox"/>
Tax Assessment Card	<input type="checkbox"/>	Contract of Sale	<input type="checkbox"/>	_____	<input type="checkbox"/>
Land Sales Data Sheets	<input type="checkbox"/>	Construction Cost Contract	<input type="checkbox"/>	_____	<input type="checkbox"/>
Land Sales Map	<input type="checkbox"/>	Support for Personal Property Valuation	<input type="checkbox"/>	_____	<input type="checkbox"/>

DEFINITION OF MARKET VALUE

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 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.¹

1 USAP 2001 Glossary

ASSUMPTIONS AND LIMITING CONDITIONS

- As agreed upon with the client prior to the preparation of this appraisal, unless otherwise indicated, this is a Limited Appraisal because it invokes the Departure Provision of the Uniform Standards of Professional Appraisal Practice. As such, information pertinent to the valuation has not been considered and/or the full valuation process has not been applied. Depending on the type and degree of limitations, the reliability of the value conclusion provided herein may be reduced.
- Unless otherwise indicated, this is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in the report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
- No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

(Continued)

ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201

SUMMARY APPRAISAL REPORT

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to estimate the subject property's "as is" market value. This report is to be used for its original intended purpose and for no other use without prior written consent by the undersigned appraiser.

INTENDED USE/USER OF THE APPRAISAL: The appraisal is for use by the client only and no other parties. It may be used only for the purpose(s) described within the appraisal report pertaining to the subject property.

PROPERTY RIGHTS APPRAISED: The property rights appraised are those of a leased fee estate. Simply defined as the landlord's ownership interest of a Property that is under Lease. Its value is based on the anticipated income from Rent, and the reversionary property value upon lease expiration.

MARKET VALUE DEFINITION: The definition of Market Value used in this report is as follows:

Market Value is defined as 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, 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 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;
- 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.

A suggested clarification of the definition appears below. This recommendation, made by the Appraisal Institute Special Task Force on Value Definitions, was adopted by the Appraisal Institute Board of Directors, July 1993.

The most probable price which a specified interest in real property is likely to bring under all of the following conditions:

- 1) Consummation of a sale occurs as a specified date.
- 2) An open and competitive market exists for the property interest appraised.
- 3) The buyer and seller are each acting prudently and knowledgeably.
- 4) The price is not affected by undue stimulus.
- 5) The buyer and seller are typically motivated.
- 6) Both parties are acting in what they consider their best interest.
- 7) Marketing efforts were adequate and a reasonable time was allowed for exposure in the open market.
- 8) Payment was made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- 9) 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.

ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201

This appraisal was completed using the second (II.) definition (adopted by the Appraisal Institute Board of Directors, July 1993).

AS-IS MARKET VALUE: The "As-Is" Market Value is an estimate of value of the property in the conditions observed upon physical inspection by the appraiser. The value also is based on how it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of inspection.

COMPETENCY PROVISION OF THE USPAP: We are well versed in the appraisal standards (USPAP) through satisfactory completion of a State Certified Ethics and Standards appraisal course. I am experienced and competent in the appraisal of projects similar to that of the subject project, and am qualified to complete this type of report.

SCOPE OF THE APPRAISAL: The appraisal process involves the collection, verification, and analysis of specific and general data related to the subject property and the commercial real estate market. The following steps were taken in the completion of this report.

1. I/we made a preliminary inspection of the property to determine the appraisal problem.
2. I/we inspected the subject property and studied recorded parcel and plat maps to determine its physical characteristics, including site configuration, condition, topography, access, utilities, etc.
3. The land use controls for uses within the area were researched.
4. County records were researched for transfers of the subject property and comparables.
5. Sale comparables were obtained through searches of public records, interviews with brokers, and published sources of real estate data. The comparable data was screened for comparability to the subject.
6. Interviews were conducted with brokers, buyers, and sellers involved in the selected comparable properties.
7. I/we completed an analysis of the subject property in relation to the selected comparables.
8. I/we organized the data and completed the appraisal report.

STATEMENT OF CONDITIONS

GENERAL ASSUMPTIONS & LIMITING CONDITIONS

The appraiser's certification that appears at the end of the appraisal report is subject to the following assumptions & conditions:

1. The appraiser certifies that, to the best of his knowledge and belief, the statements contained in this appraisal, subject to the assumptions and limiting conditions set forth herein are correct; also that this appraisal has been made in conformity with the accepted practices of the Uniform Standards of Professional Appraisal Practices and the Appraisal Institute.
2. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute) shall be disseminated to the public through advertising media, public relations media, news media or any other public means of communication without the prior written consent and approval of the undersigned.

ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201

3. The appraiser herein, by reason of this report, is not required to give testimony in court, with reference to the property herein appraised, unless arrangements have been previously made therefore.
4. This property has been appraised as though free of liens and encumbrances, in responsible ownership and under competent and aggressive management, unless otherwise indicated.
5. No responsibility is to be assumed for matters legal in nature, nor is any opinion of title rendered herewith. Good title is assumed. The legal description and dimensions were furnished from sources thought to be authoritative; however, no responsibility is assumed for either.
6. The compensation for making this appraisal is in no manner contingent upon the value reported.
7. That the date of value to which the conclusions and opinions expressed in this report apply, is set forth in the letter of transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the United States of America dollar existing on that date.
8. The appraiser assumes no responsibility for economic or physical factors, which may affect the opinions herein, stated occurring at some date after the date of the letter transmitting this report. The appraiser reserves the right to make such adjustments to the valuation herein reported as may be required by consideration of additional data or more reliable data that may become available.
9. Maps, plats and exhibits included herein are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
11. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers.
12. It is assumed that full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
13. The appraiser is not aware of any specific geological problems but assume no responsibility for matters of a seismic or geological nature. Earthquakes are not uncommon in the general area and no responsibility is assumed unless detailed geologic reports are available by a Geologist.
14. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The value estimate is predicated on the assumption that there is no such material on or in the property that would

ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201

cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them.

15. If the client or any third party brings legal action against Pacific Appraisal, Jack Alexander, or the signers of this report and the appraiser(s) prevails, the initiating party of such legal action shall reimburse the appraiser(s) for any and all costs of any nature, including attorney's fees, incurred in their defense.

16. The appraiser(s) affirm that the written appraisal report conforms/complies with the Uniform Standards of Appraisal Practice and if the departure provision is necessary it is properly used.

17. The legal description furnished to the appraiser is assumed to be correct. No survey, legal, or engineering analysis has been made by the appraiser. No opinion is made, nor is responsibility assumed, in connection with a survey or for encroachments, easements or other discrepancies that might be revealed thereby. The stated lot size & dimensions were taken from sources considered to be reliable, but should not be construed as being exact.

18. No soils report or engineering analysis of the subject soil or subsoil was provided to the appraiser unless otherwise noted. It is assumed that there are no conditions present that would prevent the land from supporting the identified highest & best use or the existing use unless otherwise noted. No responsibility is assumed for such conditions, or for arranging for engineering studies that may be required to discover such factors.

19. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a nonconformity has been stated, defined and considered in the appraisal report.

20. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

21. It is assumed that the information relating to the location of or existence of public utilities that has been obtained through a verbal inquiry from the appropriate authority, or has been ascertained from visual evidence is correct. No warranty has been made regarding the exact location or capacities of public utility systems.

22. It is assumed that there is an adequate supply of safe, lead-free drinking water available to the site.

23. It is assumed that the sanitary waste is disposed of by a municipal sewer or an adequate properly permitted alternate treatment system is in good condition.

24. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

25. Unless otherwise indicated, if this appraisal is used for mortgage loan purposes, the appraiser invites attention to the fact that (1) the equity cash requirements of the sponsor have not been analyzed, (2) the loan ratio has not been suggested, and (3) the amortization method and term have not been suggested.

NOTE: Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions & Limiting Conditions. The appraiser's duties, pursuant to the employment to make the appraisal, are complete upon delivery and acceptance of the appraisal report. However, any corrections or errors should be called to the attentions of the appraiser within 60 days of the delivery of the report.

ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201

I/we 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, impartial, and unbiased professional analyses, opinions, and conclusions.
- I/we have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I/we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My/our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My/our compensation for completing this assignment is not contingent upon the development or reporting 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 stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My/our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I/we have made a personal inspection of the property that is the subject of this report.

Jack Alexander
California State Certified General Appraiser
#AG032464
Expires: 11/20/2013

General Neighborhood Comments

from Wikipedia:

Cudahy is a city located in southeastern Los Angeles County, California. In terms of area, Cudahy is the second smallest city in Los Angeles County, after Hawaiian Gardens, but with one of the highest population densities of any incorporated city in the United States. It is part of the Gateway Cities region.

Cudahy is populated predominantly by Latino immigrants and has a population of 23,805 as of the 2010 Census.

Geography

Cudahy is located at 33°57'51"N 118°10'57"W

According to the United States Census Bureau, the city has a total area of 3.175 square kilometers (1.226 sq mi), over 95% of it land.

Cudahy is bordered by Bell on the north, Bell Gardens on the east, South Gate on the south and southwest, and Huntington Park on the west.

In 2007, of the 5,800 housing units, 5,000 were rentals.

Demographics

2010

The 2010 United States Census reported that Cudahy had a population of 23,805. The population density was 19,417.5 people per square mile (7,497.2/km²). The racial makeup of Cudahy was 11,708 (49.2%) White, 333 (1.4%) African American, 246 (1.0%) Native American, 137 (0.6%) Asian, 24 (0.1%) Pacific Islander, 10,339 (43.4%) from other races,

ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201

and 1,018 (4.3%) from two or more races. Hispanic or Latino of any race were 22,850 persons (96.0%).

The Census reported that 23,797 people (100% of the population) lived in households, 8 (0%) lived in non-institutionalized group quarters, and 0 (0%) were institutionalized.

There were 5,607 households, out of which 3,712 (66.2%) had children under the age of 18 living in them, 2,941 (52.5%) were opposite-sex married couples living together, 1,362 (24.3%) had a female householder with no husband present, 686 (12.2%) had a male householder with no wife present. There were 589 (10.5%) unmarried opposite-sex partnerships, and 42 (0.7%) same-sex married couples or partnerships. 399 households (7.1%) were made up of individuals and 176 (3.1%) had someone living alone who was 65 years of age or older. The average household size was 4.24. There were 4,989 families (89.0% of all households); the average family size was 4.32.

The population was spread out with 8,325 people (35.0%) under the age of 18, 2,858 people (12.0%) aged 18 to 24, 7,279 people (30.6%) aged 25 to 44, 4,121 people (17.3%) aged 45 to 64, and 1,222 people (5.1%) who were 65 years of age or older. The median age was 27.0 years. For every 100 females there were 98.3 males. For every 100 females age 18 and over, there were 95.5 males.

There were 5,770 housing units at an average density of 4,706.5 per square mile (1,817.2/km²), of which 1,011 (18.0%) were owner-occupied, and 4,596 (82.0%) were occupied by renters. The homeowner vacancy rate was 1.3%; the rental vacancy rate was 2.3%. 4,355 people (18.3% of the population) lived in owner-occupied housing units and 19,442 people (81.7%) lived in rental housing units.

2000

As of the census of 2000, there were 24,208 people, 5,419 households, and 4,806 families residing in the city. The population density was 21,627.7 inhabitants per square mile (8,345.3/km²). There were 5,542 housing units at an average density of 4,951.3 per square mile (1,910.5/km²). The racial makeup of the city was 43.14% White, 1.24% Black or African American, 1.28% Native American, 0.74% Asian, 0.17% Pacific Islander, 48.06% from other races, and 5.37% from two or more races. 94.14% of the population were Hispanic or Latino of any race.

There were 5,419 households out of which 66.0% had children under the age of 18 living with them, 57.6% were married couples living together, 21.7% had a female householder with no husband present, and 11.3% were non-families. 8.1% of all households were made up of individuals and 3.5% had someone living alone who was 65 years of age or older. The average household size was 4.47 and the average family size was 4.58.

In the city the population was spread out with 39.9% under the age of 18, 12.4% from 18 to 24, 32.3% from 25 to 44, 11.7% from 45 to 64, and 3.7% who were 65 years of age or older. The median age was 24 years. For every 100 females there were 97.7 males. For every 100 females age 18 and over, there were 97.4 males.

The median income for a household in the city was \$29,040, and the median income for a family was \$28,833. Males had a median income of \$19,149 versus \$16,042 for females. The per capita income for the city was \$8,688. About 26.4% of families and 28.3% of the population were below the poverty line, including 34.1% of those under age 18 and 18.1% of those age 65 or over.

Government and infrastructure

In the state legislature Cudahy is located in the 30th Senate District, represented by Democrat Ronald S. Calderon, and in the 50th Assembly District, represented by Democrat Ricardo Lara. Federally, Cudahy is located in California's 34th congressional district, which has a Cook PVI of D +23 and is represented by Democrat Lucille Roybal-Allard.

Police Services formerly were contracted through the City of Maywood, by the Maywood-Cudahy Police Department, now disbanded. In an emergency meeting conducted July 21, 2010, Cudahy city leaders agreed to contract for police services with the Los Angeles County Sheriff's Department.

Fire protection in Cudahy is provided by the Los Angeles County Fire Department.

ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201

The Los Angeles County Department of Health Services operates the Whittier Health Center in Whittier, serving Cudahy.

The United States Postal Service Cudahy Post Office is located at 1619 Elizabeth Street.

Economy

After World War II the population of Cudahy worked for plants operated by General Motors, Chrysler, Firestone, and Bethlehem Steel. In 2007 the largest employers in Cudahy were the Kmart/Big Lots Center and the Superior Super Warehouse.

Education

Cudahy is a part of the Los Angeles Unified School District. Cudahy is served by several schools, including Teresa Hughes Elementary School, Park Avenue Elementary School, Elizabeth Learning Center (a neighborhood school for grades K-8 and a high school for grades 9 through 12), Ochoa Learning Center (K-8), and Bell High School in Bell.

All residents are zoned to Bell High School. Any student who lives in the Bell or Huntington Park High School zones may apply to Maywood Academy High School; Maywood Academy, which opened in 2005 and moved into its permanent campus in 2006, does not have its own attendance boundary because it lacks American football, track and field, and tennis facilities.

Jaime Escalante Elementary School opened in Cudahy on 8/16/2010, named after Jaime Escalante, who was an East Los Angeles-high school educator.

An analysis based on census data, classified Cudahy as the 4th least educated city in California with 37.9 of its population not having completed the ninth grade.

Public libraries

County of Los Angeles Public Library operates the Cudahy Library at 5218 Santa Ana Street.

Zoning Classification and Description

Chapter 9.12 COMMERCIAL ZONES

Sections:

9.12.010 Designation of commercial zones.

9.12.020 Intent and purpose.

9.12.030 Permitted land uses.

9.12.040 Development standards.

9.12.050 C-M zone performance standards.

9.12.010 Designation of commercial zones.

As used in this title, the following land use designations shall be considered the commercial zones:

ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
	Zip: 90201
Lender: Darryl Roth	

- M-U Mixed Use Residential/Commercial
- C-S Commercial Service and Professional
- C-3 Medium Commercial**
- C-4 Heavy Commercial
- C-M Commercial/Manufacturing

(Ord. 806 § 1, 2007).

9.12.020 Intent and purpose.

The commercial zones are established to provide areas in which business may be conducted, goods sold and distributed, services rendered, public activities offered and other similar commercial activities conducted. The commercial zones are intended to fulfill the need for shopping areas, which may range in size and composition from a neighborhood shopping facility to a regional shopping center. With the exception of the M-U residential/commercial zone, residential development is not allowed in any commercial zone, and the standards of development are designed to make the various commercial areas compatible with any adjacent development. The specific intent and purpose of each commercial zone is identified below:

A. M-U (Mixed Use Residential/Commercial). Established to provide a combination of commercial and residential uses working in tandem to supply the community with live-work and downtown living opportunities. This designation should be established for properties located on parts of Eastern Avenue and Gage Avenue. Permitted residential densities correspond to the high density residential zone of 30 dwelling units per acre, and commercial uses are limited to a maximum floor area ratio (FAR) of 4.0. In order to establish this zone, consolidation of parcels to meet a minimum project threshold area of 15,000 square feet is required.

B. C-S (Commercial Service and Professional). Established to provide areas for the development of business and professional offices and related uses in locations within or in close proximity to residential areas where such uses can conveniently serve the public. This zone permits the development of light traffic-generating uses to be located on heavily traveled highway frontages, or adjacent to commercial or industrial zones, in order to lessen the impact on surrounding residential uses.

C. C-3 (Medium Commercial). Established to provide for a community's general commercial needs on a local basis. This zone combines neighborhood commercial uses and light retail uses that serve the local population with more general commercial uses where a wide range of retail and service establishments are needed to provide for the surrounding local community.

D. C-4 (Heavy Commercial). Established to provide for regional commercial needs. This zone provides for intensive commercial activities and specialized service establishments that require a central location within a large urban population. It also permits the development of wholesale businesses and major financial and administrative centers that may serve an entire region.

E. C-M (Commercial/Manufacturing). Established to provide commercial areas with limited and restricted manufacturing and wholesaling activities accessory to the commercial use. Standards are intended to control the intensity of uses, mitigate impacts on surrounding areas, and generally limit uses to those that can be operated in a clean and quiet manner. (Ord. 806 § 1, 2007).

For more detailed information see the Bell Gardens Municipal Code at:

<http://www.codepublishing.com/ca/bellgardens.html>

Site Comments

ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201

There were no apparent adverse easements, encroachments or other adverse conditions noted at the time of the inspection. The subject is considered to be a legal conforming use and the subject's current use as a commercial building is its highest and best use.

The subject is located in a FEMA Special Flood Hazard Zone (X). This area is defined as (Areas outside the 1-percent annual chance floodplain, areas of 1% annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1% annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1% annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not required in these zones). Flood zone information is for reference only and not for deciding whether flood insurance is needed. Please refer to local authority for definitive information.

Site Improvements

Typical site and utility for the area. No adverse easements or encroachments noted or observed.

Subject is a flat parcel of land that is comprised of three APNs (6325-020-900,901,904) totalling 43,735 SF (1.01 Acres). The parcel has one (1), two-story, multi tenant building totalling 21,536 SF that fills 49% of the parcel. The other 51% of the area is made up of landscaping, asphalt, and concrete.

The subject is an corner parcel on an alley way with 176' LF of frontage along arterial street Atlantic Avenue.

There are 50 open parking spaces accessed via arterial street Atlantic Avenue to the alley way or via Clarkson Avenue to the rear. Subject is approximately 1.0 - 1.25 miles west of the nearest onramp to the 710 Freeway.

This section of the boulevard is zoned for commercial uses while medium density residential uses are located along the interior streets.

Improvements comments

Improvements consist of one (1), two-story, multi tenant building. The building is built on a concrete slab foundation, with masonry framing, stucco and masonry exterior walls, and a flat roof with roll composition roofing. The subject property was inspected for the exterior only. The appraiser makes no guarantees or warranties regarding the condition of the interior of the subject property. For purposes of this appraisal, the appeal, quality, and condition of the interior of the subject property is considered average. There are 50 open parking spaces accessed via arterial street Atlantic Avenue to the alley way or via Clarkson Avenue to the rear. Overall, improvements are in average condition and are in line with the surrounding neighborhood in terms of condition and appeal.

Comments on Sales Comparison

The sales comparison approach examines the price or price per unit area of similar properties being sold in the marketplace. Simply put, the sales of properties similar to the subject are analyzed and the sale prices adjusted to account for differences in the comparables to the subject to determine the value of the subject. This approach is generally considered the most reliable if adequate comparable sales exist. In any event, it is the only independent check on the reasonability of an appraisal opinion. The sales used were the most recent and most similar zoned properties that were sold in the immediate area. Sales from the immediate neighborhood are the most reliable indicator of market value. All were verified for accuracy and closing. All adjustments were within acceptable market norms.

Final Reconciliation

Good correlation between all three approaches. Greatest reliance was given to the market data approach as it is the most relevant and best supported of all three approaches. This is due to the fact that the income approach takes into consideration the estimated income and expenses and not the actual subject data. Investors and lenders look to the estimated costs to serve as a baseline for the return on the investment. The return of the investment will be occur until they sell the subject somewhere in the future; therefore the return on the investment becomes of critical importance.

In this market, the most probably buyer is an investor, one who will not pay a low Cap Rate to obtain the property at an overvalued price. The market has been in decline for a few years, it is a buyer's market and the investors dictate much of the sales action at this time. It is both common and typical in our market for an investor to search for investment with

ADDENDUM

Borrower:

File No.: 6501 S Atlantic Ave

Property Address: 6415 Atlantic Ave

Case No.: 6501 S Atlantic Ave

City: Cudahy

State: CA

Zip: 90201

Lender: Darryl Roth

long term tenancy under long term leases, low vacancies, and fully stabilized. The most probable price the subject would command is best represented by the direct sales comparison approach.

DEFINITION OF MARKET VALUE: 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, 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 each acting in what he considers his own best interest; (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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 6415 Atlantic Ave, Cudahy, CA 90201

APPRAISER:

Signature: 
 Name: Jack Alexander
 Date Signed: 12/26/2012
 State Certification #: AG032464
 or State License #: AG032464
 State: CA
 Expiration Date of Certification or License: 11/20/2013

SUPERVISORY APPRAISER (only if required)

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

#AG032464

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: December 15, 2012
Appraised Value: \$ 2,500,000



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201



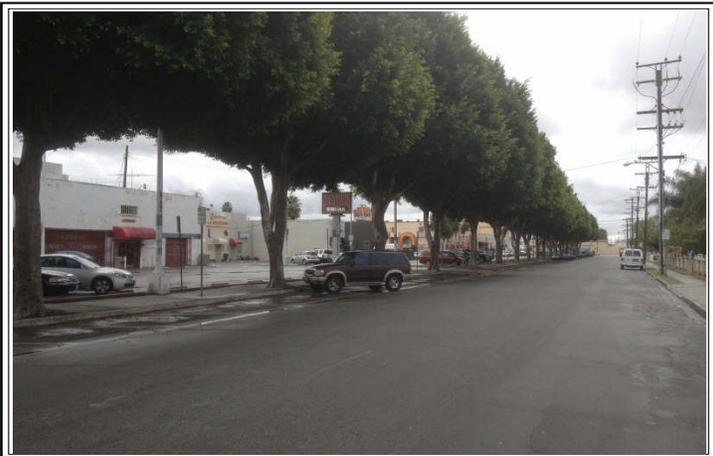
Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201



Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201



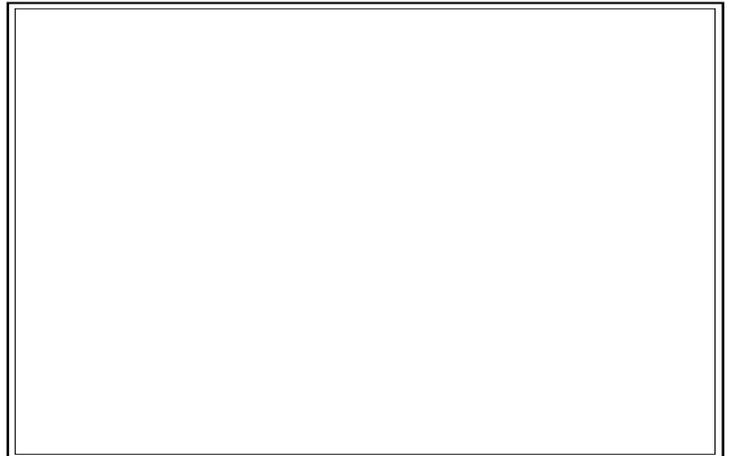
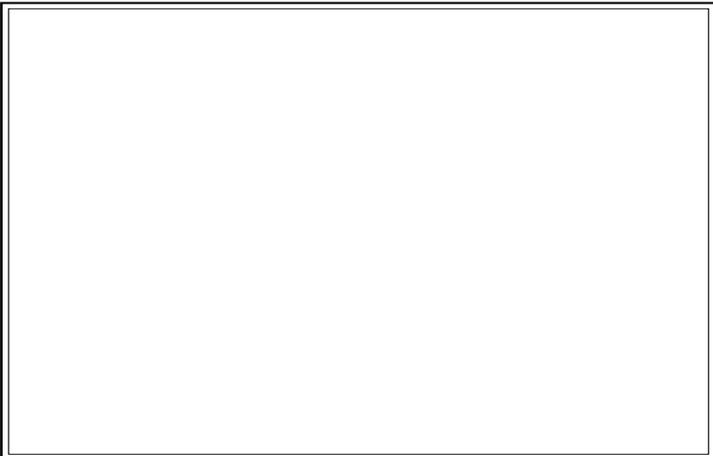
Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201



Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201



COMPARABLE SALE #1

4429 Bell Ave
Bell, CA 90201
Sale Date: 08/29/2012
Sale Price: \$ 200,000



COMPARABLE SALE #2

5141 Florence Ave
Bell, CA 90201
Sale Date: 09/28/2012
Sale Price: \$ 320,000



COMPARABLE SALE #3

7201 Pacific Blvd
Walnut Park, CA 90255
Sale Date: 06/07/2012
Sale Price: \$ 1,554,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201



COMPARABLE SALE #4

9850 Atlantic Ave
South Gate, CA 90280
Sale Date: 12/19/2012
Sale Price: \$ 1,600,000



COMPARABLE SALE #5

6200 Pacific Blvd
Huntington Park, CA 90255
Sale Date: 08/22/2012
Sale Price: \$ 1,395,000

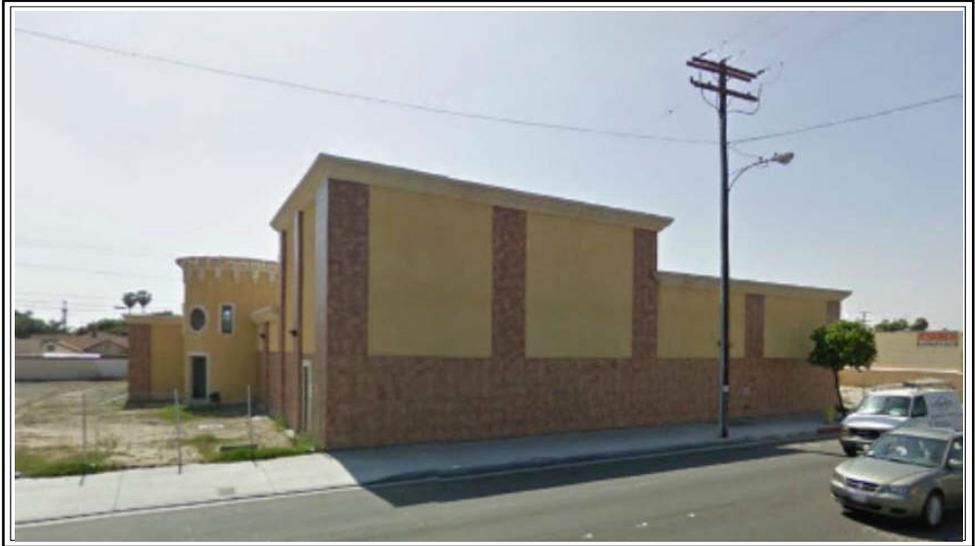


COMPARABLE SALE #6

3705 Gage Ave
Bell, CA 90201
Sale Date: Active Listing
Sale Price: \$ 1,280,000

COMPARABLE RENTALS PHOTO ADDENDUM

Borrower:	File No.: 6501 S Atlantic Ave
Property Address: 6415 Atlantic Ave	Case No.: 6501 S Atlantic Ave
City: Cudahy	State: CA
Lender: Darryl Roth	Zip: 90201



COMPARABLE RENTAL #1

4008 Florence Ave
Bell, CA 90201



COMPARABLE RENTAL #2

6623 Atlantic Ave
Bell, CA 90201



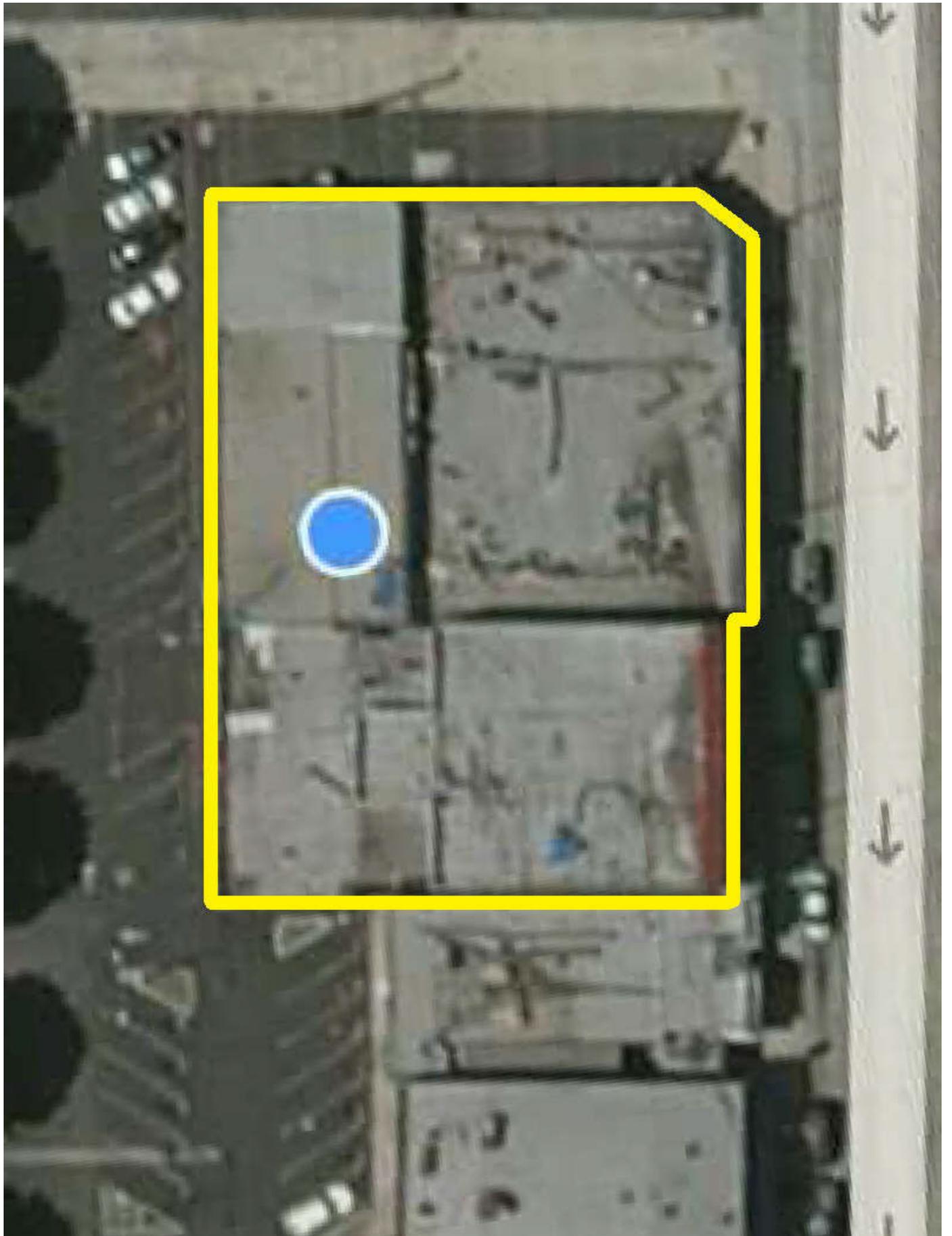
COMPARABLE RENTAL #3

7501 Atlantic Ave
Cudahy, CA 90201

FLOORPLAN SKETCH

Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201



PLAT MAP

Borrower:
 Property Address: 6415 Atlantic Ave
 City: Cudahy
 Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
 Case No.: 6501 S Atlantic Ave
 State: CA
 Zip: 90201

6325 20
 SCALE 1" = 60'

2010

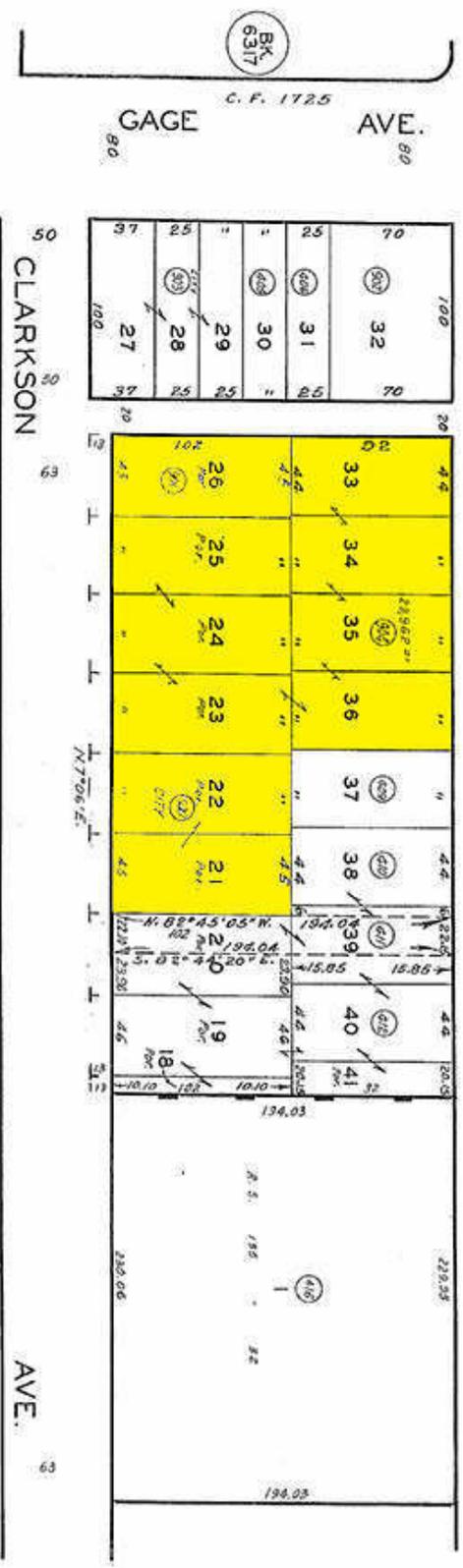


BK. 6326

ATLANTIC AVE.

C. S. 8958

AVE.



TRACT NO. 7787
 M.B. 82-49

CODE 518

PARCEL MAP
 P.M. 257-66-67

FOR PREP. ASSKMT. SEE: 6325-20

All 900 series parcels on this page are assessed to Bell Community Redevelopment Agency, unless otherwise noted.

COUNTY OF LOS ANGELES, CALIF.
 ASSESSOR'S MAP

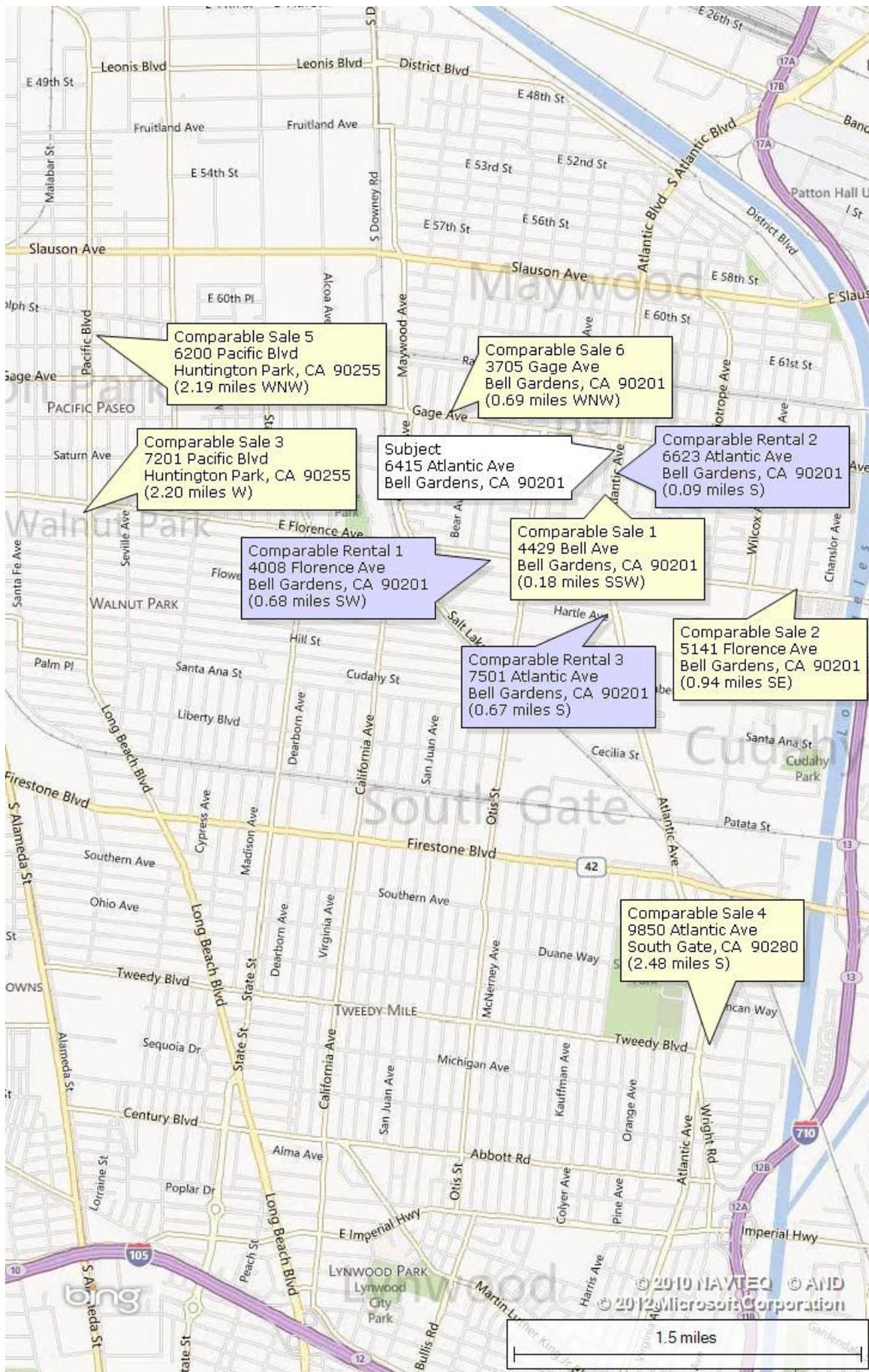
AUG 6 8 2009

360/03 5006/007001 - 12
 2009/02/27/00007001 - 20
 0906/08/20/00002008
 REVISED
 4-5-06
 9-14-61
 480215401
 680725601
 881010-87

LOCATION MAP

Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201



Borrower:
 Property Address: 6415 Atlantic Ave
 City: Cudahy
 Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
 Case No.: 6501 S Atlantic Ave
 State: CA
 Zip: 90201

Flood Map Report

For Property Located At

6415 ATLANTIC AVE, CUDAHY, CA 90201

County: LOS ANGELES, CA

Flood Zone Code	Flood Zone Panel	Panel Date
X	060101 - 1805F	09/26/2008
Special Flood Hazard Area (SFHA)	Within 250 ft. of multiple flood zones?	Community Name
Out	No	BELL

Flood Zone Description:

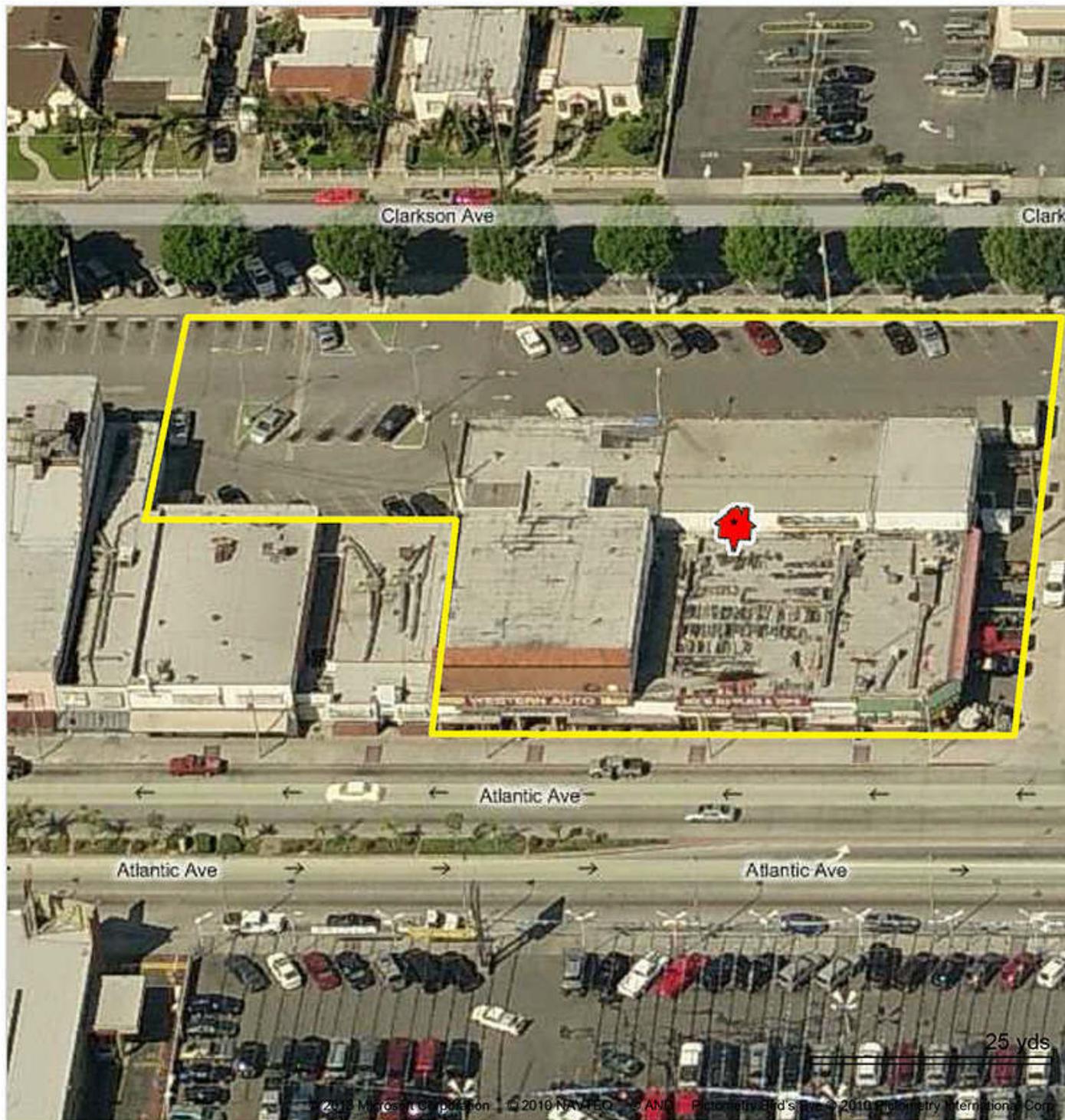
Zone X-An area that is determined to be outside the 100- and 500-year floodplains.



Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201

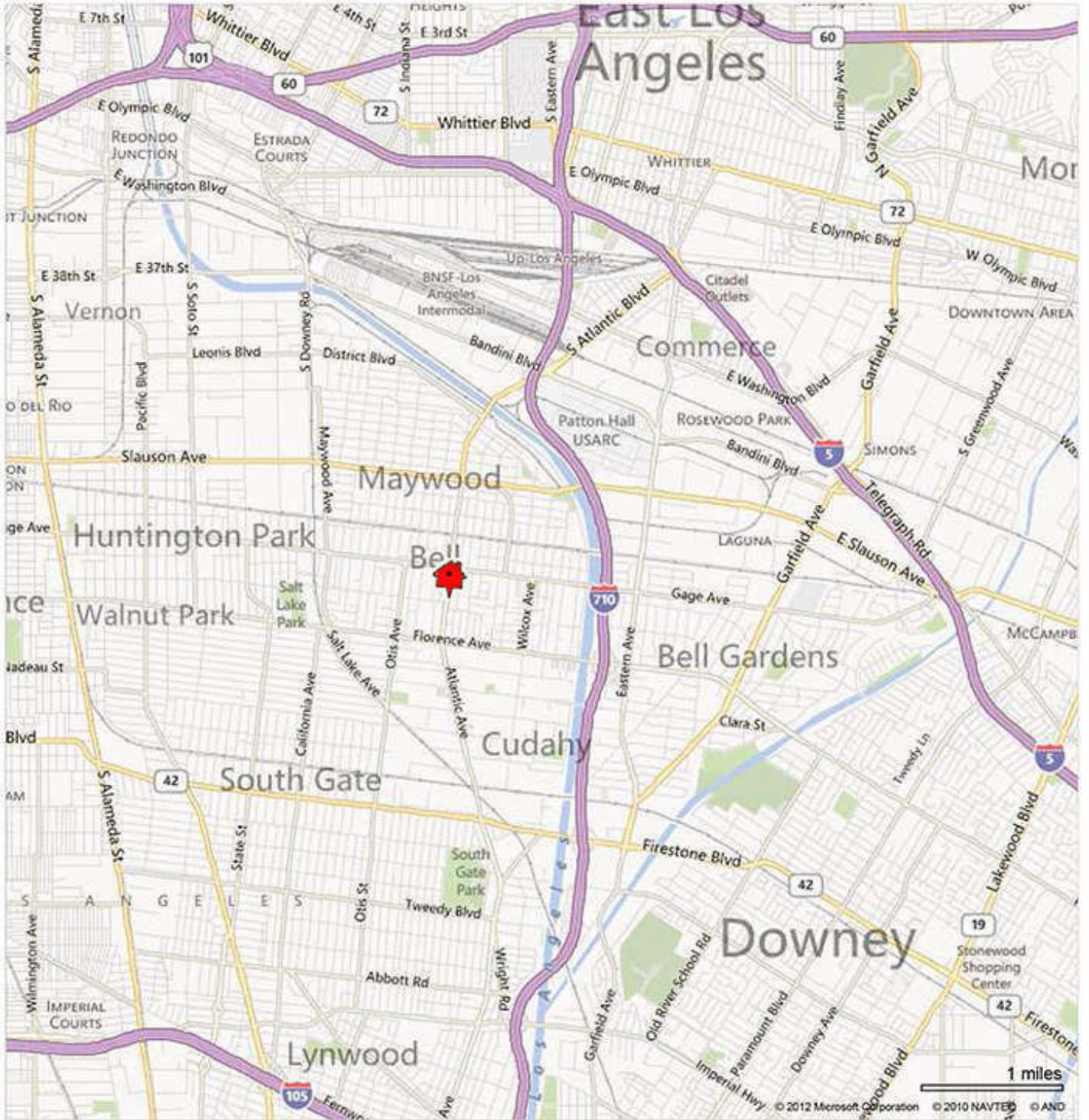
6415 ATLANTIC AVE, CUDAHY, CA 90201



Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201

6415 ATLANTIC AVE, CUDAHY, CA 90201



Borrower:
Property Address: 6415 Atlantic Ave
City: Cudahy
Lender: Darryl Roth

File No.: 6501 S Atlantic Ave
Case No.: 6501 S Atlantic Ave
State: CA
Zip: 90201

STATE OF CALIFORNIA

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE



JACK ALEXANDER

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OREA APPRAISER IDENTIFICATION NUMBER AC012464

Date Issued: November 21, 2011
Date Expires: November 20, 2013

Director, OREA
Bob Clark

Audit No. **134609**

This pro-linger contains a true statement - hold up to light to see date and year only