

**APPRAISAL REPORT
REAL ESTATE APPRAISAL**

Of
China Fisheries North America, Inc.



246 South De Lacey Avenue, Pasadena
Los Angeles County
CA, 91105

As of
October 6, 2021

Prepared For
Mr. Hua Liu
China Fisheries North America, Inc.
246 South De Lacey Avenue
Pasadena, CA, 91105

Prepared by
EMPIRE VALUATION & ADVISORY SERVICES, INC.
Timothy G. Mings, MAI, CA-AG 006185

File Name:
21-230 Pasadena Office Condo

EMPIRE VALUATION & ADVISORY SERVICES, INC.

EMPIRE VAS



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October 11, 2021

Mr. Hua Liu
China Fisheries North America, Inc.
246 South De Lacey Avenue
Pasadena, CA
91105

Re: Appraisal Report, Real Estate Appraisal
China Fisheries North America, Inc.
246 South De Lacey Avenue, Pasadena,
Los Angeles County, CA, 91105
File Name: 21-230 Pasadena Office Condo

Dear Mr. Liu:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is a 700 SF condominium unit located on the ground floor of a 4-story residential over commercial building located at the southeast corner of South De Lacey Avenue and Orange Place in Pasadena, CA. Surrounding uses include high density residential and commercial uses. There is covered patio area. The unit includes a private entrance, bathroom, enclosed offices, and 2 covered parking spaces. HOA fees are relatively high for a commercial unit, paying for the cost of the pool, spa, and concierge. The building has high quality, attractive finishes. The interior of the unit is in good condition.

This report may not contain supporting rationale for all of the opinions and conclusions set in the report. Please reference page 10 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 8). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.



Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

Current As Is Market Value:

The “As Is” market value of the Fee Simple estate of the property, as of October 6, 2021, is

Six Hundred Twenty Thousand Dollars (\$620,000)

The market exposure time preceding October 6, 2021 would have been 8 months and the estimated marketing period as of October 6, 2021 is 8 months.

Respectfully submitted,
Empire Valuation & Advisory Services, Inc.

A handwritten signature in black ink, appearing to read "Timothy G. Mings". The signature is written in a cursive, flowing style.

Timothy G. Mings, MAI
CA-AG 006185

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Summary of Important Facts and Conclusions

GENERAL

Subject: China Fisheries North America, Inc.
246 South De Lacey Avenue, Pasadena,
Los Angeles County, CA, 91105

The subject is a 700 SF condominium unit located on the ground floor of a 4-story residential over commercial building located at the southeast corner of South De Lacey Avenue and Orange Place in Pasadena, CA. Surrounding uses include high density residential and commercial uses. There is covered patio area. The unit includes a private entrance, bathroom, enclosed offices, and 2 covered parking spaces. HOA fees are relatively high for a commercial unit, paying for the cost of the pool, spa, and concierge. The building has high quality, attractive finishes. The interior of the unit is in good condition.

Owner: China Fisheries North America, Inc.

Legal Description: See addenda

Date of Report: October 11, 2021

Intended Use: The intended use is for internal decision making.

Intended User(s): The client.

Assessment:

Real Estate Assessment and Taxes						
Tax ID	Land	Improvements	Total	Special Assessment	Tax Rate	Taxes
5713-023-041	\$124,346	\$292,157	\$416,503	\$467	1.06609%	\$4,907

Notes: Proforma taxes are estimated using the direct capitalization method within the income approach. Per my review of the assessor's website, property taxes appear to be current.

Sale History: The subject has not sold in the last three years, according to public records. The subject last sold for \$345,000 on December 20, 2010.

Current Listing/Contract(s): The subject is not currently listed for sale, or under contract.

Land:

Land Summary				
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Topography	Shape
5713-023-041	0.57	24,829	Level	Rectangular

Notes: Condominium unit in a larger multistory residential over commercial project with covered parking

Improvements:

Building Summary			
Building Name/ID	Year Built	Condition	Gross Leasable Area
Office	2010	Good	700

Notes: Ground floor unit, exterior patio, 2 covered stalls, concierge, small pool & spa, 2 elevators

Zoning:

Central District Specific Plan- (CD); Subdistrict: Old Pasadena (CD-1)

Highest and Best Use of the Site:

for future development

Highest and Best Use as Improved:

continued commercial use

Type of Value:

Market Value

VALUE INDICATIONS

Reconciled Value(s):	<u>As Is</u>
Value Conclusion(s)	\$620,000
Effective Date (s)	October 6, 2021
Property Rights	Fee Simple

Property Strengths and Weaknesses

Strengths, Opportunities, Potential

- Modern, high image, good quality building;
- Amenities, including covered parking, upper floor pool & spa, & concierge;
- Downtown Pasadena location, walking distance to supporting commercial services.

Weaknesses, Threats

- Current market conditions are changing due to the economic slowdown from the pandemic
 - Retail and office markets are being negatively impacted with declining demand;
 - To date, tenant demand and rental rates in the subject size range and market are stable
 - Demand for office space remains depressed, as many employees continue to work from home;
- No commercial exposure from the adjacent street, which has virtually no street traffic;
- High HOA fees for amenities and facilities more amenable to residential uses.

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Empire Valuation & Advisory Services, Inc.. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Empire Valuation & Advisory Services, Inc.'s regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Empire Valuation & Advisory Services, Inc. has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and names of intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This report may not contain supporting rationale for all of the opinions and conclusions set in the report. This appraisal is prepared for Mr. Hua Liu, China Fisheries North America, Inc. The problem to be solved is to estimate the 'as is' market value of the subject property. The intended use is for internal decision making purposes. This appraisal is intended for the use of the client.

SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the property address, assessors' parcel number and legal description. The size is based on LA County Assessor's records.
Inspection:	A complete interior and exterior inspection of the subject property has been made, and photographs taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
<u>Valuation Analyses</u>	
Cost Approach:	A cost approach was not applied as there is inadequate data to develop a land value and the age of the

improvements makes the depreciation difficult to accurately measure. In addition, market participants are not using cost to estimate market value.

Sales Comparison Approach: A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach: An income approach was not applied as while the subject could generate an income stream, the most probable buyer is an owner-occupant.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

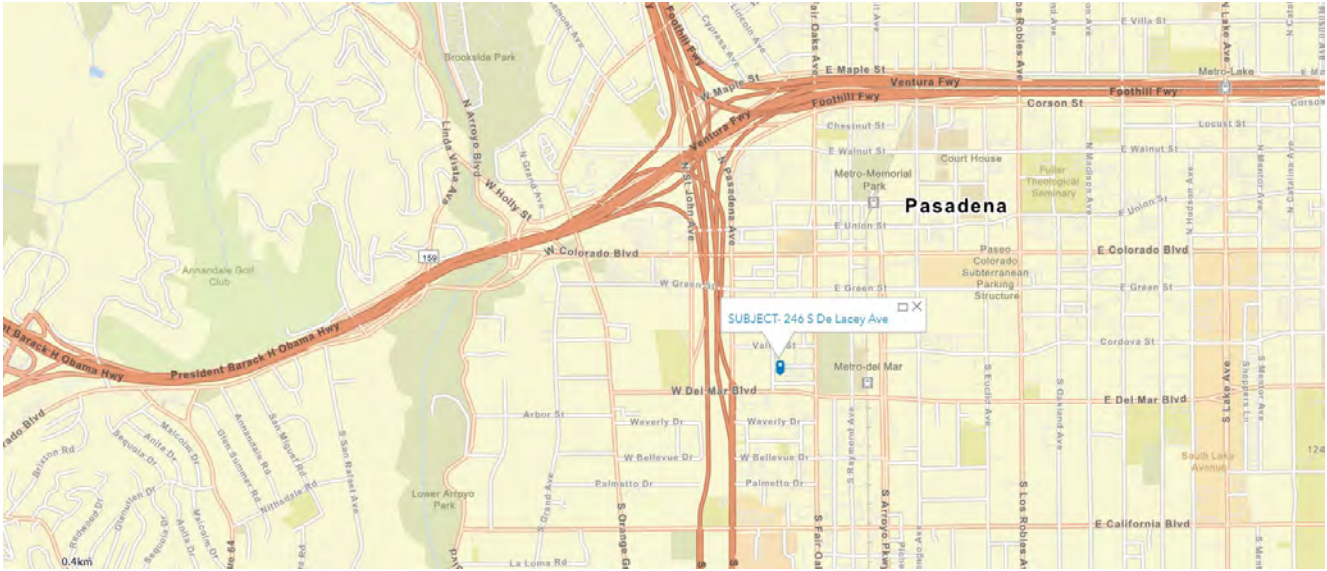
Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

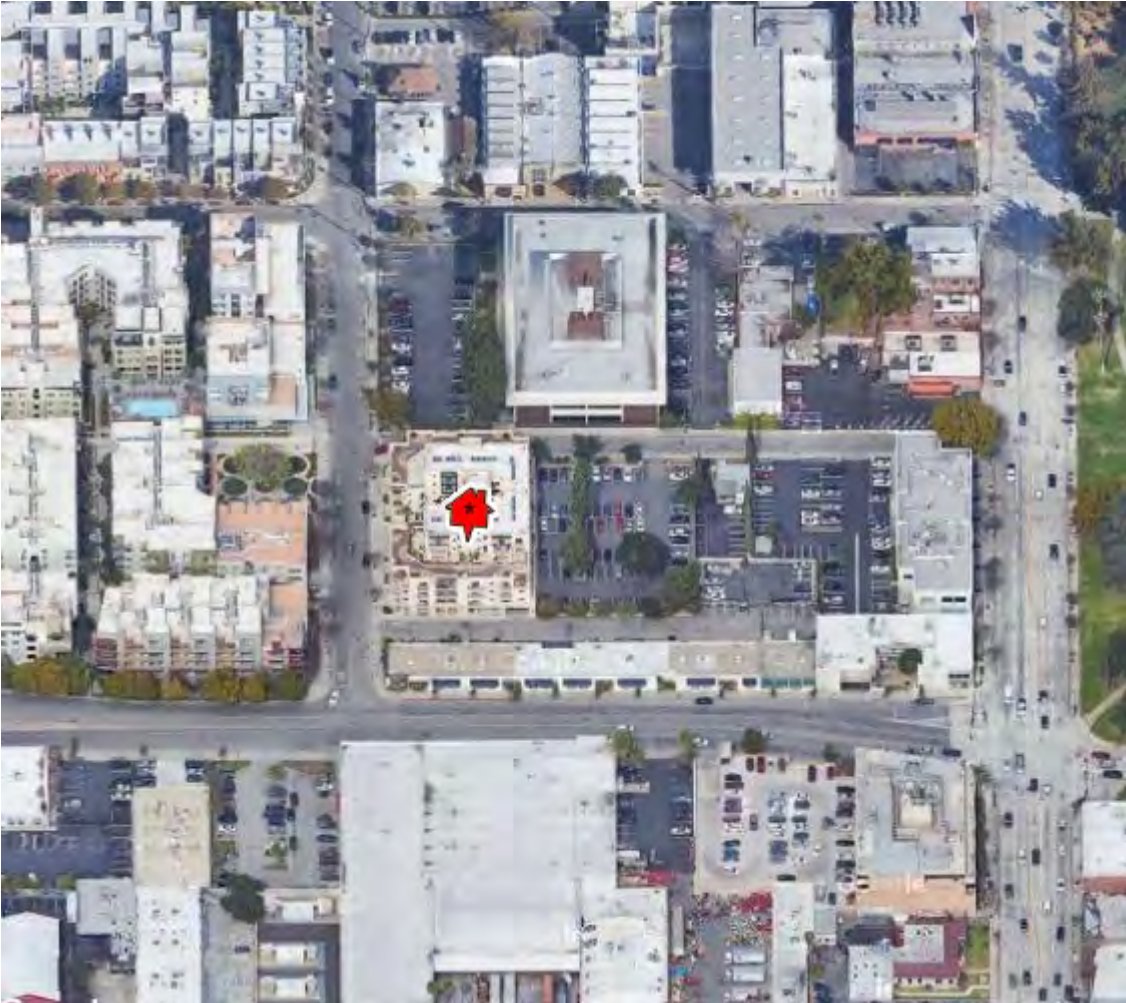
Information Not Available:

- Building plans, preliminary title report, environmental, soils, property condition, roof reports

Location Map



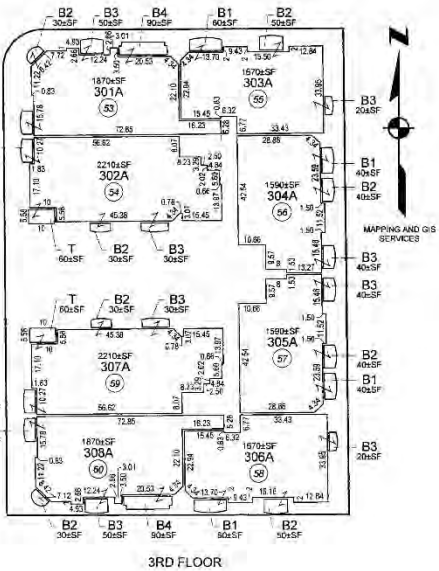
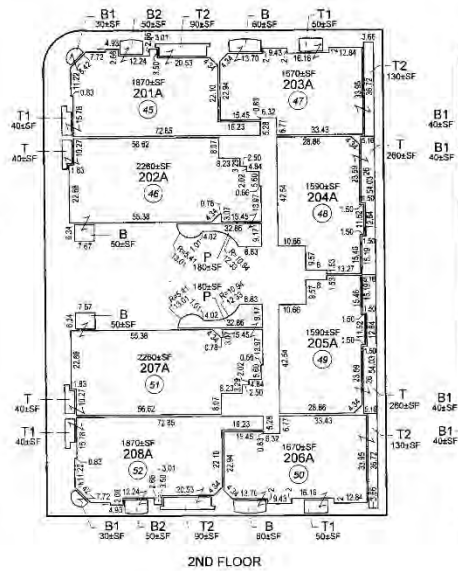
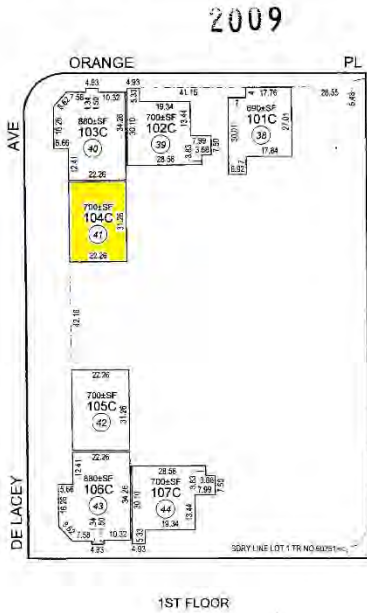
Aerial Maps





Plat Map

OFFICE OF THE ASSESSOR COUNTY OF LOS ANGELES COPYRIGHT © 2002.	REVISED: 2008062604001001-05						SCALE 1" = 30'	5713	23	
								SHEET 3		



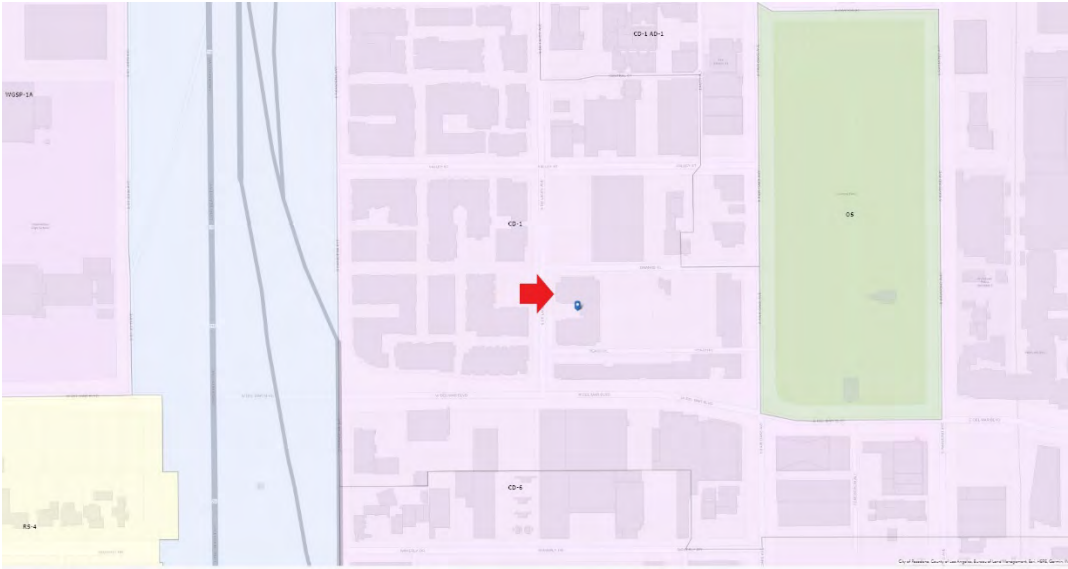
SUBDIVISION OF AIRSPACE
CONDOMINIUM TRACT NO 60251
FOR COMMON AREA SEE SHEET
SEE RECORDED CONDOMINIUM PLANS FOR ELEVATIONS OF UNITS
SOME RECORDED DIMENSIONS DO NOT BALANCE OR AGREE WITH ADJOINING UNITS

JUL 2 8 2008

Flood Map



Zoning Map



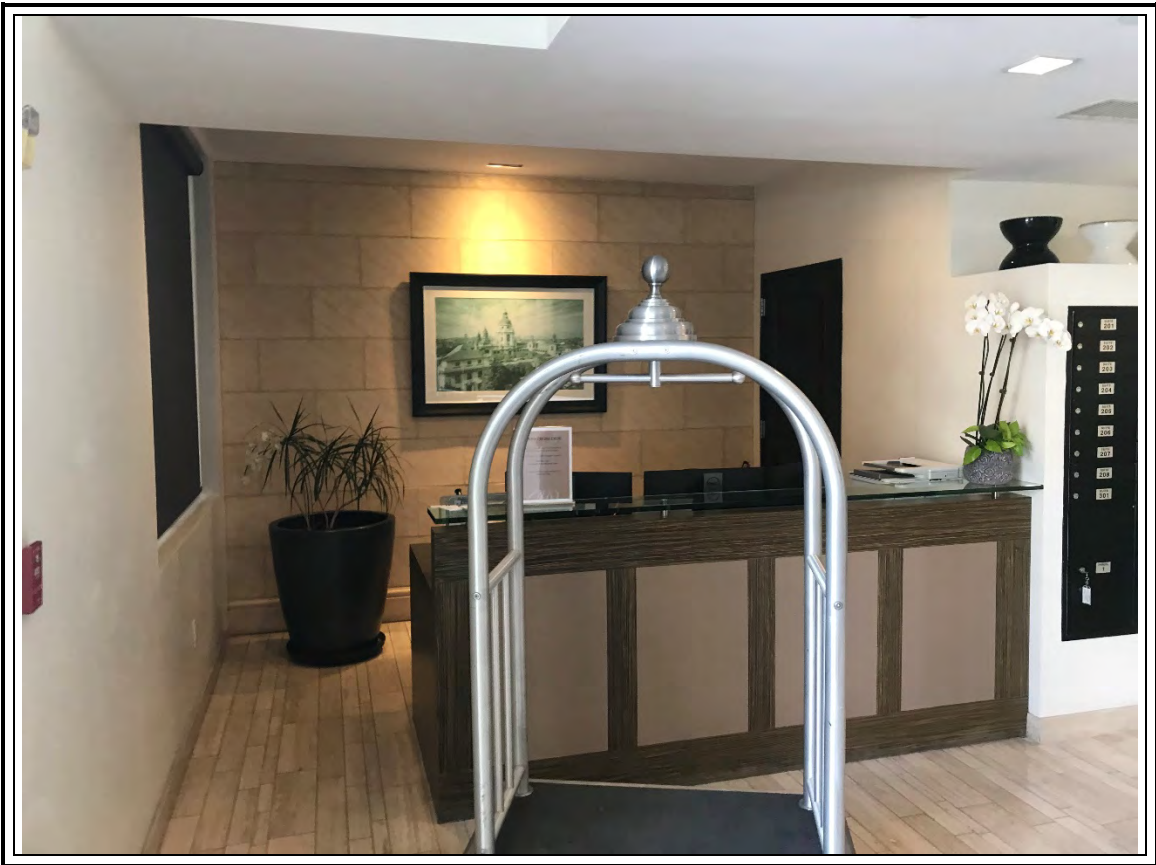
Subject Photographs



Subject 4-story project, 3 stories of residential units over ground floor commercial.



Exterior patio area



Concierge desk in main lobby



Main lobby, not high-quality finishes



Offices



Reserved, covered parking



De Lacey facing north, subject to right

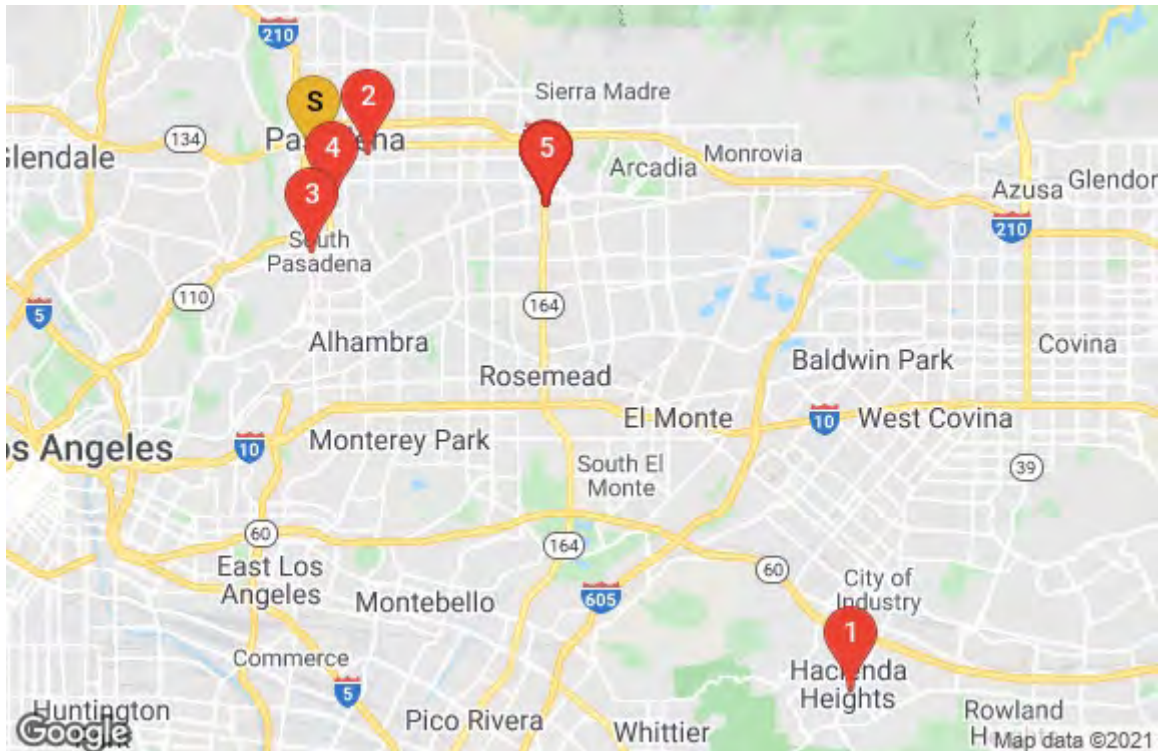


De Lacey facing south, subject to left

Sales Comparison Approach

Comparables

Comp	Address	Date	Price	Price Per SF	GBA	
	City	Document No.	Price Per SF	GBA	Year Built	Notes
Subject	246 South De Lacey Avenue Pasadena	10/6/2021 --	-- --	\$900.00 700	700 2010	Ground floor unit with patio, 2 covered & reserved parking stalls, concierge, pool, spa, higher than typical HOA fees
1	2440 S Hacienda Blvd Hacienda Heights	7/21/2021 1114907	\$375,000 \$613.75	\$613.75 611	611 1980	User, 2-story, 10.0 pkg, good quality TT's
2	139 S Hudson Ave Pasadena	7/2/2021 1039906	\$1,475,000 \$768.23	\$768.23 1,920	1,920 2006	User, 2-story, 4 parking spaces, 2 units, conference room, kitchen with stove
3	1401 Mission St South Pasadena	6/30/2021 1027303	\$768,000 \$972.15	\$972.15 790	790 2010	User, 2-story, 2 parking spaces, ground floor end unit on Fremont
4	1001 Marengo Ave Pasadena	5/3/2021 700804	\$1,250,000 \$1,146.79	\$1,146.79 1,090	1,090 1922	User, freestanding building, +/-15 parking stalls, 1-story, 9,591 2018 ADT
5	7232 Rosemead Blvd San Gabriel	12/1/2020 1543984	\$1,760,000 \$923.40	\$923.40 1,906	1,906 2017	User, ground floor unit in a 2-story office condo project, 52 parking spaces, 44,939 2020 ADT



Comparable 1



Transaction

ID	1194	Date	7/21/2021
Address	2440 S Hacienda Blvd	Price	\$375,000
City	Hacienda Heights	Price Per SF	\$613.75
County	Los Angeles	Document No.	1114907
State	CA	Grantor	Ec Investments, LLC
Zip	91745	Grantee	Luis R Barrios
Market	San Gabriel Valley	Transaction Type	Sale
Tax ID	8204-005-057	Verification Source	Kris Gunewardena
Distance	14.8	Days on Market	79

Land

Acres	NA	Property Rights	Fee Simple
Land SF	NA	Conditions of Sale	Typical
Land to Building Ratio	NA	Financing	Cash to seller
No. of Buildings	1	Encumbrance or	NA
No. of Stories	2	Environmental Issues	NA
Construction	WFS	Time Stamp	10/9/2021

Improvements & Financial Data

GBA	611	PGI	NA
Year Built	1980	EGI	NA
Renovations	NA	Expense Ratio	NA
Condition	Average	Occupancy	
Ceiling Height	NA	NOI/SF	NA
Pkg Ratio/1000SF	9.8	Cap Rate	NA

Comments

This is the July 2021 sale of a 611 SF condominium unit in a 2-story 39,191 SF building located on the east side of Hacienda Boulevard, south of Tetley Street, in Hacienda Heights. Surrounding uses are a mix of commercial and residential uses. The building was completed in 1980 parked at 10.0/1,000 SF. It was listed for \$385,000 and sold to a user for \$375,000, or \$613.75 PSF.

Comparable 2



Transaction

ID	1195	Date	7/2/2021
Address	139 S Hudson Ave	Price	\$1,475,000
City	Pasadena	Price Per SF	\$768.23
County	Los Angeles	Document No.	1039906
State	CA	Grantor	California Statewide Certified Development Corp
Zip	91101	Grantee	Cary Casey Fashion Group LLC
Market	San Gabriel Valley	Transaction Type	Sale
Tax ID	5734-025-071,72	Verification Source	Scott Unger
Distance	1.0	Days on Market	120

Land

Acres	NA	Property Rights	Fee Simple
Land SF	NA	Conditions of Sale	Typical
Land to Building Ratio	NA	Financing	Cash to seller
No. of Buildings	1	Encumbrance or	NA
No. of Stories	2	Environmental Issues	NA
Construction	WFS	Time Stamp	10/9/2021

Improvements & Financial Data

GBA	1,920	PGI	NA
Year Built	2006	EGI	NA
Renovations	NA	Expense Ratio	NA
Condition	Average	Occupancy	
Ceiling Height	NA	NOI/SF	NA
Pkg Ratio/1000SF	2.1	Cap Rate	NA

Comments

This is the July 2021 sale of 2 units totaling 1,920 SF in a 2-story building located on the west side of Hudson Avenue, north of Cordova Street, in the city of Pasadena. Surrounding uses are a mix of commercial and residential uses. It was completed in 2006 the unit includes 6 parking spaces. It was listed for \$1,525,000 and sold to a user for \$1,475,000, or \$768.23 PSF.

Comparable 3



Transaction

ID	1196	Date	6/30/2021
Address	1401 Mission St	Price	\$768,000
City	South Pasadena	Price Per SF	\$972.15
County	Los Angeles	Document No.	1027303
State	CA	Grantor	South Pasadena Strings Program, LLC
Zip	91030	Grantee	William G Ericson Foundation
Market	San Gabriel Valley	Transaction Type	Sale
Tax ID	5315-003-064	Verification Source	Carol Chua-Vigue
Distance	1.8	Days on Market	NA

Land

Acres	NA	Property Rights	Fee Simple
Land SF	NA	Conditions of Sale	Typical
Land to Building Ratio	NA	Financing	Cash to seller
No. of Buildings	1	Encumbrance or	NA
No. of Stories	2	Environmental Issues	NA
Construction	Masonry	Time Stamp	10/9/2021

Improvements & Financial Data

GBA	790	PGI	NA
Year Built	2010	EGI	NA
Renovations	NA	Expense Ratio	NA
Condition	Good	Occupancy	
Ceiling Height	NA	NOI/SF	NA
Pkg Ratio/1000SF	2.5	Cap Rate	NA

Comments

This is the June 2021 sale of a 790 SF condo unit that is part of an 18,290 SF 2-building, 2-story project located at the southeast corner of Mission Street and Fremont Avenue in the city of South Pasadena. Surrounding uses are commercial in nature. It was completed in 2010 the unit includes 2 parking spaces. It sold to a user for \$768,000, or \$972.15 PSF.

Comparable 4



Transaction

ID	1197	Date	5/3/2021
Address	1001 Marengo Ave	Price	\$1,250,000
City	Pasadena	Price Per SF	\$1,146.79
County	Los Angeles	Document No.	700804
State	CA	Grantor	Colorado Boulevard Real Estate Investments
Zip	91106	Grantee	Peter Kwok Hin Fung and Julienne Yuen Ping Tam
Market	San Gabriel Valley	Transaction Type	Sale
Tax ID	5720-017-010	Verification Source	Randy Stevenson
Distance	1.0	Days on Market	108

Land

Acres	0.2	Property Rights	Fee Simple
Land SF	8,712	Conditions of Sale	Typical
Land to Building Ratio	7.99	Financing	Cash to seller
No. of Buildings	1	Encumbrance or	NA
No. of Stories	1	Environmental Issues	NA
Construction	WFS	Time Stamp	10/9/2021

Improvements & Financial Data

GBA	1,090	PGI	NA
Year Built	1922	EGI	NA
Renovations	Yes	Expense Ratio	NA
Condition	Average	Occupancy	
Ceiling Height	NA	NOI/SF	NA
Pkg Ratio/1000SF	13.8	Cap Rate	NA

Comments

This is the May 2021 sale of a 1,090 SF freestanding office building situated on 8,712 SF lot with +/- 15 parking stalls. It is located on the west side of Marengo Avenue, north of Glenarm Street, in the city of Pasadena. Surrounding uses are commercial in nature. This is a 1-story building constructed in 1922. It was renovated over the years. It was listed for \$1,225,000 sold to a user for \$1,250,000, or \$1,146.79 PSF.

Comparable 5



Transaction

ID	1198	Date	12/1/2020
Address	7232 Rosemead Blvd	Price	\$1,760,000
City	San Gabriel	Price Per SF	\$923.40
County	Los Angeles	Document No.	1543984
State	CA	Grantor	Gem01738 Investments LLC
Zip	91775	Grantee	HY, LLC
Market	San Gabriel Valley	Transaction Type	Sale
Tax ID	5379-032-044	Verification Source	Stephen Chan
Distance	4.6	Days on Market	NA

Land

Acres	NA	Property Rights	Fee Simple
Land SF	NA	Conditions of Sale	Typical
Land to Building Ratio	NA	Financing	Cash to seller
No. of Buildings	1	Encumbrance or	NA
No. of Stories	2	Environmental Issues	NA
Construction	Masonry	Time Stamp	10/9/2021

Improvements & Financial Data

GBA	1,906	PGI	NA
Year Built	2017	EGI	NA
Renovations	NA	Expense Ratio	NA
Condition	New	Occupancy	
Ceiling Height	NA	NOI/SF	NA
Pkg Ratio/1000SF	1.1	Cap Rate	NA

Comments

This is the December 2020 sale of a 1,906 SF condo unit that is part of an 15,000 SF 2-building. It is located on the east side of Rosemead Boulevard, north of E Fairview Avenue, in the city of San Gabriel. Surrounding uses are commercial in nature. The 2020 average daily traffic was 44,939. This a ground floor unit in the project. It was completed in 2017 the project includes 52 parking spaces. It was marketed as medical office space; however, the space was sold in a vanilla shell condition. It sold to a user for \$1,760,000, or \$923.40 PSF. Other units sold between 2017 and 2019 ranging in size from 1,120 to 1,332 SF sold for \$697 to \$754 PSF. There are three second floor units listed for sale, 1,162 SF at

Analysis Grid

Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Address	246 South De	2440 S Hacienda	139 S Hudson	1401 Mission St	1001 Marengo	7232 Rosemead					
City	Pasadena	Hacienda Heights	Pasadena	South Pasadena	Pasadena	San Gabriel					
State	CA	CA	CA	CA	CA	CA					
Date	10/6/2021	7/21/2021	7/2/2021	6/30/2021	5/3/2021	12/1/2020					
Price	--	\$375,000	\$1,475,000	\$768,000	\$1,250,000	\$1,760,000					
GBA	700	611	1,920	790	1,090	1,906					
GBA Unit Price	--	\$613.75	\$768.23	\$972.15	\$1,146.79	\$923.40					
Transaction Adjustments											
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Cash to seller	0.0%	Cash to seller	0.0%	Cash to seller	0.0%	Cash to seller	0.0%	Cash to seller	0.0%
Conditions of Sale		Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%
Adjusted GBA Unit Price		\$613.75		\$768.23		\$972.15		\$1,146.79		\$923.40	
Market Trends Through	10/6/2021	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted GBA Unit Price		\$613.75		\$768.23		\$972.15		\$1,146.79		\$923.40	
Location											
% Adjustment		15.0%	0.0%	-10.0%	-5.0%	-10.0%					
\$ Adjustment		\$92.06	\$0.00	-\$97.22	-\$57.34	-\$92.34					
GBA	700	611	1,920	790	1,090	1,906					
% Adjustment		-2.0%	15.0%	2.0%	4.0%	15.0%					
\$ Adjustment		-\$12.27	\$115.23	\$19.44	\$45.87	\$138.51					
Year Built	2010	1980	2006	2010	1922	2017					
% Adjustment		15.0%	0.0%	0.0%	20.0%	-4.0%					
\$ Adjustment		\$92.06	\$0.00	\$0.00	\$229.36	-\$36.94					
Quality of Construction											
% Adjustment		20.0%	0.0%	7.5%	-20.0%	0.0%					
\$ Adjustment		\$122.75	\$0.00	\$72.91	-\$229.36	\$0.00					
Pkg Ratio/1000SF	2.86 spaces per	9.8	2.1	2.5	13.8	3.5					
% Adjustment		-15.0%	0.0%	0.0%	-15.0%	-2.0%					
\$ Adjustment		-\$92.06	\$0.00	\$0.00	-\$172.02	-\$18.47					
Economic Characteristics											
% Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%					
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					
Adjusted GBA Unit Price		\$816.28		\$883.46		\$967.29		\$963.30		\$914.17	
Net Adjustments		33.0%	15.0%	-0.5%	-16.0%	-1.0%					
Gross Adjustments		67.0%	15.0%	19.5%	64.0%	31.0%					

Sales Comparison Approach Conclusion

Value Ranges & Reconciled Value				
Number of Comps:	5	Unadjusted	Adjusted	% Δ
Low:		\$613.75	\$816.28	33%
High:		\$1,146.79	\$967.29	-16%
Average:		\$884.86	\$908.90	3%
Median:		\$923.40	\$914.17	-1%
Reconciled Value/Unit Value:			\$890.00	
Subject Size:			700	
Indicated Hypothetical Stabilized Value:			\$620,000	
Less Lease Up Discount			\$0	
Reconciled As Is Value:			\$620,000	
Six Hundred Twenty Thousand Dollars				

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
- Timothy G. Mings has made an inspection of the subject property.
- -- -- has made an inspection of the subject property.



Timothy G. Mings, MAI
CA-AG 006185

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 14th ed. Chicago: Appraisal Institute, 2013. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. 2015. Print.

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (Dictionary, 6th Edition)

be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 6th Edition)

2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. The area maintained in common by all tenants, such as parking lots and common passages. The area is often defined in the lease and may or may not include all physical area to be paid for by all tenants. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 6th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
 - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.
 - CAM can refer to all operating expenses.
 - CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 6th Edition)

Discount Rate

A yield rate used to convert future payments or receipts into present value; usually considered to

be a synonym for yield rate. (Dictionary, 6th Edition)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 6th Edition)

Effective Date

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 6th Edition)

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 6th Edition)

External Obsolescence

An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, tenant. (Dictionary, 6th Edition)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2022 ed.) (Dictionary, 6th Edition)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary, 6th Edition)

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 6th Edition)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (The Appraisal of Real Estate, 14th Edition)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 6th Edition)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 6th Edition)

Highest & Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 6th Edition)

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 6th Edition)

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 6th Edition)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 6th Edition)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary, 6th Edition)

Market Area

The area associated with a subject property that contains its direct competition. (Dictionary, 6th Edition)

Market Rent

The most probably rent that a property should bring is a competitive and open market reflecting all conditions and restrictions of the

lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 6th Edition)

Market Value

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2020-2022 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:
 - Identification of the specific property rights to be appraised.
 - Statement of the effective date of the value opinion.
 - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
 - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or

incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.

3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper

marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)

5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 6th Edition)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 6th Edition)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. (Dictionary, 6th Edition)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for

a continued use; may be either functional or external. (Dictionary, 6th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 6th Edition)

Rentable Area

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 6th Edition)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 6th Edition)

Scope of Work

The type and extent of research and analyses in an assignment. (Dictionary, 6th Edition)

Stabilized Occupancy

An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary, 6th Edition)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 6th Edition)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary, 6th Edition)

Addenda

Qualifications and Certification

PROFESSIONAL PROFILE



Timothy G. Mings, MAI provides valuation and advisory services for income producing properties. Tim started working for CBRE in 1987, working in the Ontario office of CBRE Valuation & Advisory Services since its opening 1999 and 2014. Mr. Mings' extensive experience includes the valuation of all property types, including apartments, office industrial, retail, and land, for the southern California metropolitan area, focusing on the Inland Empire. He also provides partial interest valuation services.

TIMOTHY G. MINGS, MAI

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REPRESENTATIVE ASSIGNMENTS

Property Name	Property Type	Description
■ LBA Inland Empire Portfolio, Mira Loma, Ontario	Single and multitenant office & industrial	Over 3 million SF
■ Alere Inland Empire Portfolio, Riverside, Ontario, Mira Loma	Industrial	Over 5 million SF
■ Panattoni Inland Empire, Beaumont, Chino, Ontario, Rancho Cucamonga	Industrial, retail, mixed use land	Multiple projects for national developer over 20 years
■ Whirlpool & Hanes Distribution Facilities, Perris.	Industrial	2 single tenant facilities totaling over 3 million SF
■ CalSTRS Inland Empire Land-Perris, Moreno Valley, Apple Valley	Industrial land	13 industrial sites and 800K SF distribution facility
■ Piemonte, Ontario	Mixed use, office, retail, hotel, residential, land	Large mixed use land and improved project with city's arena
■ Canyon Springs Marketplace, Riverside	Mixed use, retail, office, land	Power center, 50+acres of retail, office, and industrial land
■ Claremont Colleges	Office, Industrial, gravel pit, land	Consortium owned university assets

CLIENTS REPRESENTED

- Claremont College Consortium
- City of Ontario
- Pomona Valley Hospital
- Manulife
- Principal Life Insurance
- Comerica Bank
- Wells Fargo Bank
- Cathay Bank
- Preferred Bank
- Farmers & Merchants Bank
- Hillwood Development
- Sares Regis
- Prologis
- IDS Real Estate Group
- Panattoni Development
- Ridge Property Trust
- Alere Property Group
- KTR Capital Partners
- C-III Asset Management
- Stater Bros
- Rite Aid

PROFESSIONAL PROFILE

EXPERIENCE

Specializing in Inland Empire properties. Experience includes valuation of the following property types:

Truck Terminals	All Types of Retail Centers
Mixed-Use Development Project	All Types of Land
Research and Development	Business Parks
Parking Facilities	Film Production Studio
Movie Theaters	Apartments
Subdivisions	Market Analysis
Net Leased Investments	Medical Office
Market Feasibility Analysis	Educational Facilities
Right of Way Valuations	Youth Rehabilitation Centers
Gravel Pits	Food Storage & Processing
Partial Interest Valuations	Leasehold/Leased Fee Interests
All Types of Industrial Properties	Office Buildings

EDUCATION

- University of Southern California, Bachelor of Arts, Real Estate Finance – June 1987

APPRAISAL INSTITUTE COURSES AND SEMINARS

Appraisal of Real Estate (USC) Litigation Skills for the Appraiser	Expert Witness & Preparation
Capitalization Theory and Techniques	Market Trends in Southern California
Business Practices & Ethics	Office Building Valuation
	Technical Inspection of Commercial Real Estate r Standards of Professional Practice
Basic Valuation Procedures	Operating Expenses Trends
Cost Estimation Workshop	Real Estate Appraisal Principals
	Experience Review Screener Trends in Hospitality Industry
Land and Environmental Issues	Real Estate Investment (USC)
Business Value	Reporting Writing and Valuation Analysis
	Residential Subdivision Analysis
	Market Trends In The Inland Empire
Small & Mixed Use Properties	Real Estate Law (USC)
Case Studies in Partnership & Common Tenancy	Appraisal Institute Appraisal Experience Committee Review and Equity
	Urban Land Theory Trends in Real Estate Debt

CREDENTIALS

Professional Affiliations/Accreditations/Certifications

- Member, Appraisal Institute (MAI No. 10,258)
- California General Certified (Appraiser No. AG006185)
- Member National Association of Industrial and Office Professionals (NAIOP)



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Timothy G. Mings

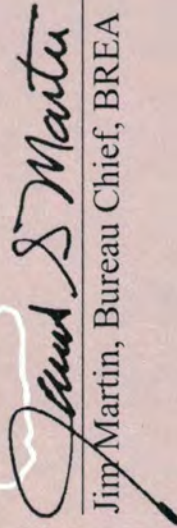
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 006185

Effective Date: July 19, 2020
Date Expires: July 18, 2022


Jim Martin, Bureau Chief, BREA

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