

APPRAISAL REPORT

VACANT LAND PARCEL
12311 THACKERY DRIVE
GARDEN GROVE, CALIFORNIA
APN: 231-471-23



R. P. LAURAIN
& ASSOCIATES
INCORPORATED

APPRAISAL REPORT

VACANT LAND PARCEL
12311 THACKERY DRIVE
GARDEN GROVE, CALIFORNIA
APN: 231-471-23

Effective Date
of
Market Value Study
June 6, 2022

Prepared for
CITY OF GARDEN GROVE
ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
11222 Acacia Parkway
Garden Grove, CA 92842

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

Date of Report
June 8, 2022

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

INCORPORATED



3353 LINDEN AVENUE, SUITE 200
LONG BEACH, CALIFORNIA 90807

TELEPHONE (562) 426-0477

FACSIMILE (562) 988-2927

RPLA@RPLAURAIN.COM

June 8, 2022

City of Garden Grove
Economic and Community Development Department
11222 Acacia Parkway
Garden Grove, CA 92842

Attention: Paul Guerrero
Real Property

Subject: Vacant Land Parcel
12311 Thackery Drive
Garden Grove, California
APN: 231-471-23

In accordance with your request and authorization, I have personally inspected and appraised the above-referenced property. The appraisal study included (1) an inspection of the subject property, (2) a review of market data, and (3) the valuation analysis.

The subject property is located on the west side of Thackery Drive, beginning 78± feet north of Twintree Avenue, in the City of Garden Grove. The subject property contains 7,200 square feet of land area. The site has an interior location on a secondary street. The subject property is an effectively vacant land parcel. The subject property is located in the R-1-7 (Single-Family Residential) zone district of the City of Garden Grove. The underlying land use designation, however, is International West Mixed Use (IW).

It will be demonstrated in the accompanying report that the maximally productive use, and therefore, the highest and best use of the subject property is low density residential development. The subject property has been appraised accordingly.

After considering the various factors which influence value, the fee simple market value of the subject property, as of June 6, 2022, is estimated at:

FOUR HUNDRED SIXTY THOUSAND DOLLARS
\$460,000.

City of Garden Grove
Attention: Paul Guerrero
June 8, 2022
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The foregoing value is subject to the assumptions and limiting conditions set forth in the Preface Section, and the valuation study in the Valuation Analysis Section. No portion of this report shall be amended or deleted.

This appraisal complies with the reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(a), for an Appraisal Report. This report has been submitted as an electronic (PDF) document; a file copy has been retained.

If you have any questions regarding the report, please contact the undersigned at your convenience.

Very truly yours,

R. P. LAURAIN & ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "John P. Laurain", written over a horizontal line.

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

JPL:jlr

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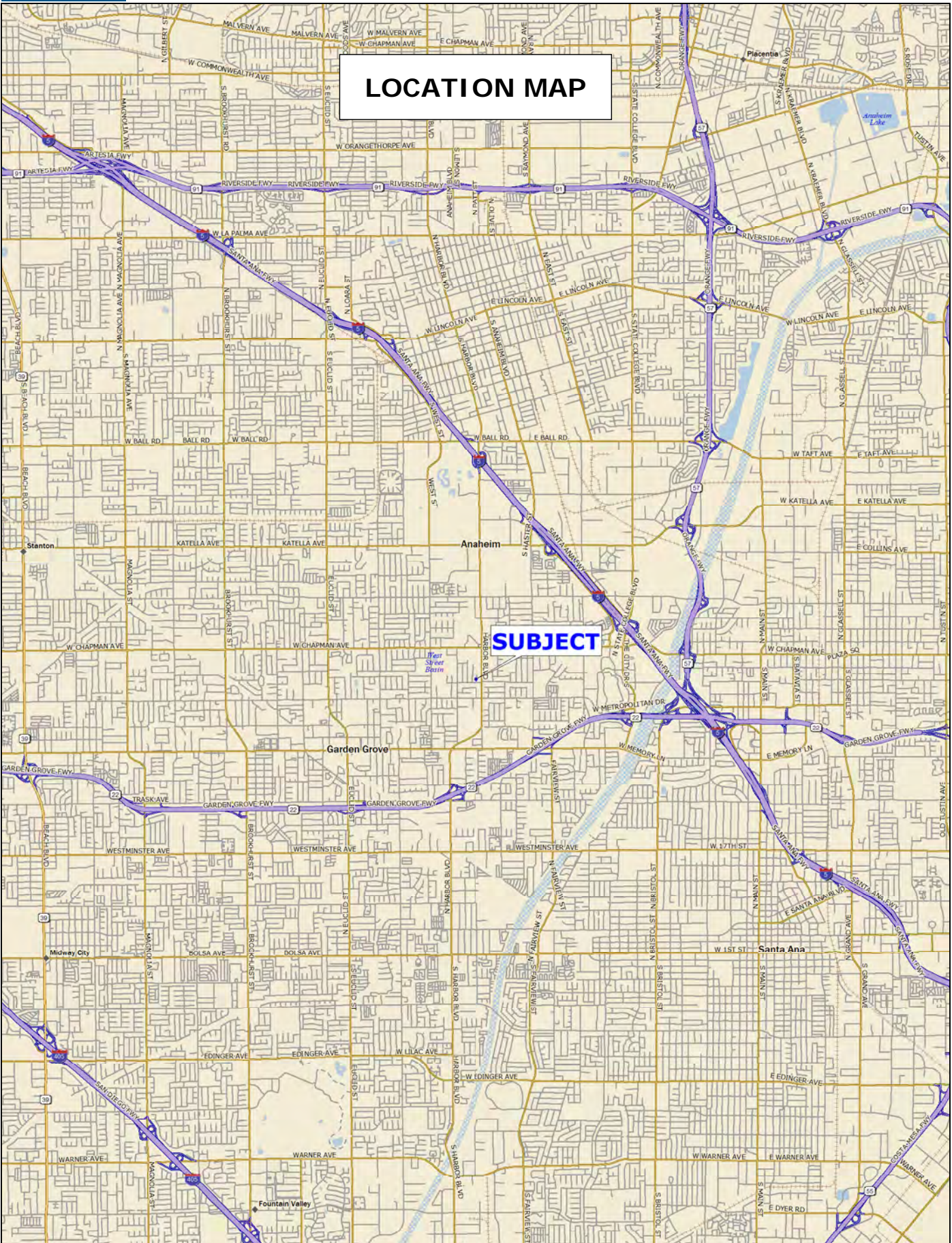
Summary of Land Value Indicators
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PREFACE

LOCATION MAP



SUBJECT

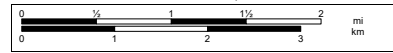
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www.delorme.com



Scale 1 : 81,250



1" = 1.28 mi Data Zoom 12-0

DATE OF VALUE

The date of value (effective date) employed in this report, and all opinions and computations expressed herein, are based on June 6, 2022. Said date being generally concurrent with the inspection of the subject property, and the valuation analysis process.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to express an estimate of market value, in fee simple, for the subject property, absent any liens, leases, or other encumbrances, as of the date of value set forth above. The definition of market value is set forth in the following portion of this section following the heading "Terms and Definitions."

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

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

PROPERTY RIGHTS APPRAISED

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

INTENDED USER OF APPRAISAL

It is understood that the intended user of the appraisal will be the client, the City of Garden Grove, and specific representatives thereof.

INTENDED USE OF APPRAISAL

It is understood that this appraisal will be utilized by the City of Garden Grove and specific representatives thereof to establish the market value of the subject property for the possible acquisition (purchase) of the property appraised.

CERTIFICATION

The undersigned does hereby certify that:

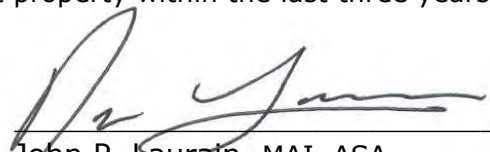
I have personally inspected the subject property; I have no present or contemplated future interest in the real estate which is the subject of this appraisal report. Also, I have no personal interest or bias with respect to the subject matter of this appraisal report, or the parties involved in this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

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

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

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

No one other than the undersigned prepared the analyses, conclusions, and opinions for this appraisal study. No other person provided significant professional assistance. I have appraised the subject property within the last three years, for the client, the City of Garden Grove.



John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754
Renewal Date: April 16, 2023

SCOPE OF THE APPRAISAL

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

1. Been retained, and has accepted the assignment, to make an objective analysis and valuation study of the subject property and to report, without bias, the estimate of fair market value. The subject property is particularly described in the following portion of this report in the section entitled Subject Property Description.
2. Toured the general area by automobile to become acquainted with the extent, condition, and quality of nearby developments, sales and offerings in the area, density and type of development, topographical features, economic conditions, trends toward change, etc.
3. Walked within the subject property, and some of the nearby neighborhood, to become acquainted with the current particular attributes, or shortcomings, of the subject property.
4. Completed an inspection of the subject property for the purpose of becoming familiar with certain physical characteristics.
5. Made a visual observation concerning public streets, access, drainage, and topography of the subject property.
6. Obtained information regarding public utilities and sanitary sewer available at the subject site.
7. Made, or obtained from other qualified sources, calculations on the area of land contained within the subject property. Has made, or caused to be made, plats and plot plan drawings of the subject property, and has checked such plats and plot plan drawings for accuracy and fair representation.
8. Taken photographs of the subject property, together with photographs of the immediate environs.
9. Made, or caused to be made, a search of public records for factual information regarding recent sales of the subject property.

SCOPE OF THE APPRAISAL (Continued)

10. Reviewed current maps, zoning ordinances, and other material for additional background information pertaining to the subject property, and sale properties.
11. Attempted to visualize the subject property as it would be viewed by a willing and informed buyer, as well as a willing and informed seller.
12. Interviewed various persons, in both public and private life, for factual and inferential information helpful in this appraisal study.
13. Formed an opinion of the highest and best use applicable to the subject property appraised herein.
14. Made, or caused to be made, a search for recent sales of comparable properties. Has viewed, confirmed the sale price, and obtained certain other information pertaining to each sale property contained in this report.
15. Formed an estimate of market value of the subject property, as of the date of value expressed herein, by application the Sales Comparison Approach; the Cost and Income Capitalization Approaches were not considered applicable in the subject case.
16. Prepared and delivered this appraisal report in accordance with the Uniform Standards of Professional Appraisal Practice, and in summation of all the activities outlined above.

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

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

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

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

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

TERMS AND DEFINITIONS

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

MARKET VALUE (or Fair Market Value):

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

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing, or sales concessions granted by anyone associated with the sale."

SALES COMPARISON APPROACH:

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

TERMS AND DEFINITIONS (Continued)

COST-SUMMATION APPROACH:

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

INCOME CAPITALIZATION APPROACH:

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

DEPRECIATION:

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

HIGHEST AND BEST USE:

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

SUBJECT PROPERTY DESCRIPTION

SUBJECT PROPERTY



View looking northwesterly at the subject property from intersection of Thackery Drive and Twintree Avenue. See additional photographs in the Addenda Section.

VESTEE: Garden Grove Agency for Community Development

ADDRESS: 12311 Thackery Drive
Garden Grove, CA 92840

LEGAL DESCRIPTION: Lot 36, Tract No. 2148, per map recorded in Book 58, Pages 46, 47, and 48 of Miscellaneous Maps, in the office of the County Recorder, County of Orange, California.

SITE DESCRIPTION

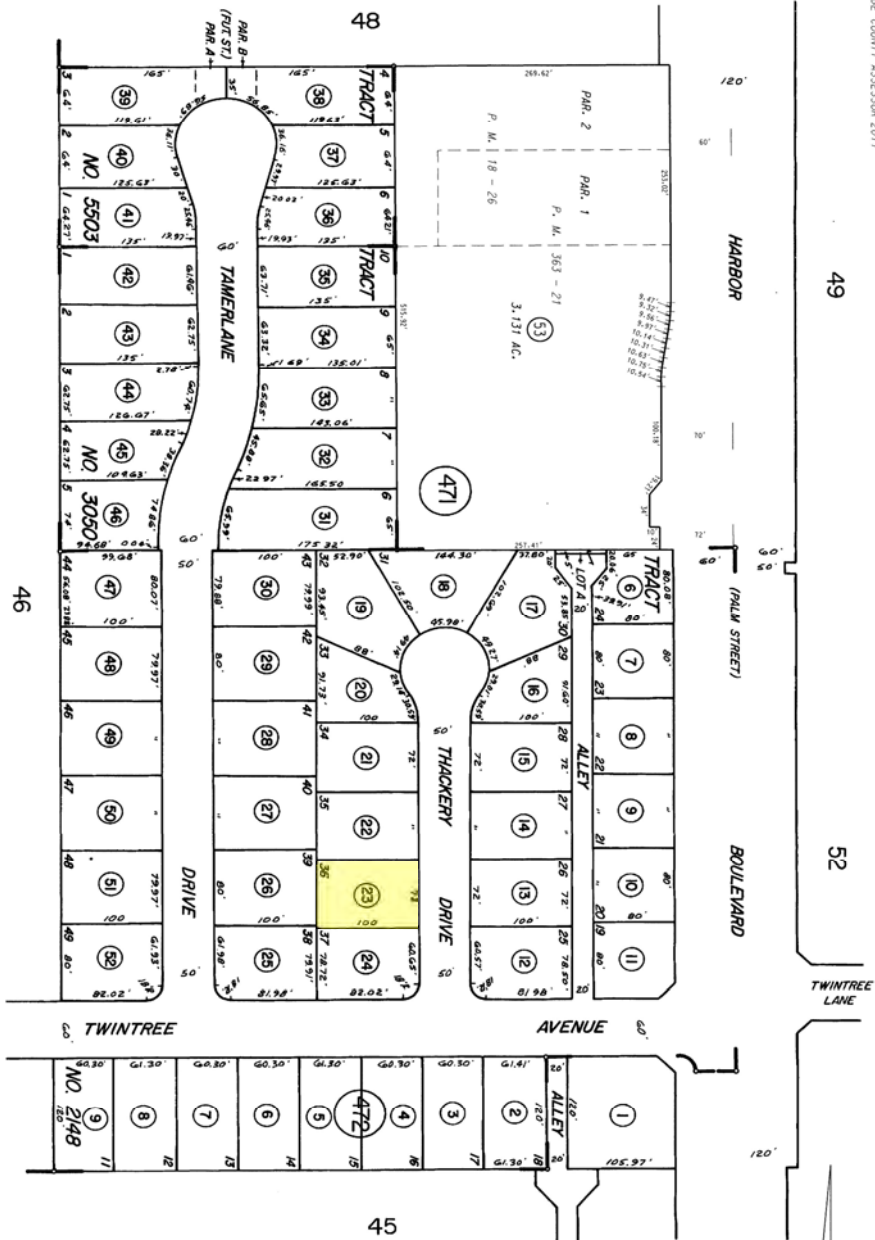
LOCATION:	The subject property is located on the west side of Thackery Drive, beginning 78± feet north of Twintree Avenue, in the City of Garden Grove.
LAND SHAPE:	Effectively rectangular land configuration.
DIMENSIONS:	72' x 100'.
LAND AREA:	7,200 square feet.
TOPOGRAPHY:	Effectively level.
DRAINAGE:	Appears to be adequate.
FLOOD HAZARD:	The subject property is located on FEMA Flood Zone Map 06059C0141J, dated December 3, 2009; per said map, the subject site is located in Flood Zone X with a reduced flood risk due to levee. Flood insurance (for improved properties) is not federally required by lenders for loans on properties in Flood Zone X.
SOIL STABILITY:	Appears to be adequate based on the subject development, as well as developments in the immediate area. A soils report, however, was not provided for review.
SOIL CONTAMINATION:	None known or observed, however, an environmental assessment report was not provided for review. The subject site has been appraised as though free of soil contaminants requiring remediation.
OIL/MINERAL RIGHTS:	The subject appraisal specifically excludes any existing oil or mineral rights. Further, oil or mineral rights, if existing, are assumed to be at least 500 feet below the surface of the land, without the right of surface entry.

APN: 231-471-23

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FOR: NE 1/4, NW 1/4, SEC. 34, T 4 S, R 10 W

231-47



MARCH 1980

TRACT NO. 2148
TRACT NO. 3050
TRACT NO. 5503
PARCEL MAP

M.M. 58-46, 47, 48
M.M. 92-31, 32
M.M. 201-29, 30
P.M. 18-26

NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES

ASSESSOR'S MAP BOOK 231 PAGE 47 COUNTY OF ORANGE



SITE IMPROVEMENTS (Continued)

EARTHQUAKE FAULT: While the greater Southern California area is prone to earthquakes, no seismic or geological studies were provided for review. No responsibility is assumed for the possible impact of seismic activity or earthquakes.

FRONTAGE: The subject property has 72 feet of frontage on Thackery Drive.

RIGHT OF WAY WIDTH: Thackery Drive: 50 feet.

STREET SURFACING: Asphalt paving at west portion of Thackery Drive; gravel surfacing at east portion.

CURB, GUTTER, SIDEWALK: Concrete curbs and gutters on both sides of the street (no sidewalks).

STREETLIGHTS: Ornamental standards; street light fixtures have been removed as of the date of value.

UTILITIES: Water, gas, electric power, telephone service, and sanitary sewer are available in the immediate area.

ENCROACHMENTS: None apparent, however, a survey pertaining to the subject property was not provided for review.

EASEMENTS: A Preliminary Title Report prepared by First American Title, dated May 18, 2021, pertaining to multiple parcels, inclusive of the subject site, was provided for review. The subject site appears to be impacted by easements for public road purposes, assumed to be the existing Thackery Drive, as well as utility pole line easements. Said easements are deemed typical of the subject area and are not considered to have an impact on the existing or future highest and best use.

SITE IMPROVEMENTS (Continued)

EASEMENTS: (Continued)

Other easements, if existing, are assumed to be located along the property boundaries and/or not interfering with the existing or any future highest and best use development. It is assumed there are no "cross-lot" or "blanket" easements which will preclude a highest and best use development.

The title report also identifies a Declaration of Protective Covenants which initially limited the use of sites in the subject larger Tract No. 2148 to single family residential dwellings. The covenant was originally established in 1954, with a 25 year term, renewed automatically every ten years unless an agreement is signed by a majority of the lot owners terminating the covenant. While it is understood that the covenant has not been terminated, certain lots have been developed with buildings other than single family residences. It is also understood that the subject site may be joined with other adjacent parcels in the same tract for a hotel development.

ILLEGAL USES:

None observed.

PRESENT USE:

Effectively vacant land.

ZONING:

The subject property is located in the R-1-7 (Single-Family Residential) zone district of the City of Garden Grove.

The "R-1" zone district "is intended to provide for the establishment and promotion of single family detached residences on individual lots and compatible associated activities."

SITE IMPROVEMENTS (Continued)

ZONING: (Continued)

The minimum lot size is 7,200 square feet. The maximum building height is 35 feet. The front yard setback is 20 feet. The rear yard setback is 20% of the lot depth not to exceed 25 feet. The interior side yard setback is 5 feet, however, the street side yard setback is 10 feet.

Note, however, the land use designation is International West Mixed Use (IW). The IW land use is "intended to provide for a mix of uses, including resort, entertainment, retail, hotel, and some higher density residential." The density for residential development is 42.1 to 60 dwelling units per acre.

HIGHEST AND BEST USE:

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

OWNERSHIP HISTORY

COMMENT: Information regarding the date of acquisition by the Garden Grove Agency for Community Development was not provided to the appraiser. Orange County Assessor's records indicate the subject property has been vested with the current owner for more than five years. The acquisition of the property by a public agency, however, may not be reflective of, or relevant to, the current fair market value.

ASSESSMENT DATA

ASSESSOR'S PARCEL NO.: 231-471-23

ASSESSED VALUATIONS: Land: \$428,349
Improvements: \$43,465

TAX RATE AREA: 18055

TAX YEAR: 2021-2022

REAL ESTATE TAXES: \$349.88*

* Real estate taxes will be adjusted in the event the subject property is sold to a private party. The adjusted real estate taxes will be 1.02±% of the sale price, or Assessor's "cash value." In the absence of a sale, transfer, or capital improvements, the maximum allowable increase in the assessed valuations is 2% per year, per Real Estate Tax Initiative of 1978 (Proposition 13).

NEIGHBORHOOD ENVIRONMENT

LOCATION:

The subject property is located in the northeast portion of the City of Garden Grove. The City of Garden Grove encompasses 18 square miles populated by just under 175,000 residents within the corporate limits of the City. The predominant land use in the City is residential (51%), followed by commercial and industrial (14%). Office use make up less than 1% of the land within the city limits. The remaining land area is open space, institutional/government, vacant land parcels, and street and railroad rights of way.

ACCESS:

Major north-south thoroughfares in the subject area include Fairview Street, Harbor Boulevard, and Euclid Street. Major east-west thoroughfares include Garden Grove Boulevard, Chapman Avenue, and Lampson Avenue. The Santa Ana (5) Freeway is located approximately one and one half miles to the northeast and the Garden Grove (22) Freeway is located approximately one mile to the south of the subject property. Said freeways are part of the greater freeway network serving the Southern California region.

LAND USES:

The immediate neighborhood is zoned R-1-7 (single family). The majority of secondary streets in the immediate subject area are developed with low density single family residential developments. As stated, primary streets are predominantly developed with commercial uses. The Orange County Outlets is located one and one quarter miles to the east of the subject property. Disneyland and Downtown Disney are located approximately two miles northerly. A hotel development is located within one block north of the subject property.

NEIGHBORHOOD ENVIRONMENT (Continued)

BUILT-UP: The subject neighborhood is effectively 95% built-up, including public parks, public facilities, parking lots, and school sites.

PRICE RANGE: Single family residential properties generally range from \$800,000 to exceeding \$1,200,000 exclusive of condominium developments.

The indicated price range is dependent upon the various elements of comparability which include location, building size, building condition, design, number of bedrooms and baths, and the overall land size.

PRICE TREND: There was an upward value trend affecting residential properties in the general subject market area, from the first portion of 2000 through the mid portion of 2006, after which property values generally stabilized.

Beginning in 2007, residential property values began to decrease significantly. The decrease in residential sales activity and pricing continued through the mid to latter portion of 2009, due primarily to the subprime credit and housing crisis, and a lack of available financing.

In the latter portion of 2009 residential values abruptly stabilized, due primarily to fiscal stimulus programs and first-time home buyer tax credits. The residential real estate market remained largely flat from the latter portion of 2009 through the mid portion of 2012.

Residential property values in the greater subject market area began to increase in the first part of 2013, due largely to the continued availability of relatively low mortgage interest rates. Said price increase continued through the latter portion of 2019, however, the rate of increase slowed in 2019 as compared to prior years.

NEIGHBORHOOD ENVIRONMENT (Continued)

PRICE TREND: (Continued)

Note that while there was a decrease in appreciation rates in 2020, residential property values have not been negatively affected by the COVID-19 pandemic and resultant "Stay-at-home" orders (lockdown), which began in March 2020. While the number of sale transactions decreased at the start of the lockdown, after some limited activity, residential buying activity surged, with many residential property listings receiving multiple offers, sometimes at "above asking" prices. In the first to mid portion of 2021, there was a significant increase in single family residential property values. As of the first portion of 2022 the year over year increase in single family residential property values, as ranged in excess of 20% to 25% per year, in the subject area and many nearby communities. Said increases, which have continued through the present time, are due to historically low mortgage interest rates, as well as a lack of current inventory. While interest rates have risen in recent months, there remains significant demand and value increases in many residential markets.

AGE RANGE:

The age range of residential buildings in the immediate and general subject market area is generally from 25 to 70 years. Single family residential properties within the immediate subject market area range from effectively new to 70 years.

OTHER:

The availability and adequacy of public facilities, transportation, schools, commercial facilities, recreational opportunities, and residential housing are rated fair-average. The City of Garden Grove provides police protection and fire protection.

Refer to the the Orange County Regional Data, in the Addenda Section.

VALUATION ANALYSIS

VALUATION ANALYSIS

The purpose of this valuation study is the estimation of market value of the subject property, as of the date of value set forth herein. Prior to the application of the appraisal process, which in this case employs the Sales Comparison Approach, it is necessary to consider and analyze the highest and best use of the subject property.

HIGHEST AND BEST USE ANALYSIS:

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

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

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

There are four basic criteria utilized in the highest and best use analysis of a property as if vacant, as well as presently improved. The four criteria are summarized as follows:

1. Physically possible.
2. Legally permissible.
3. Financially feasible.
4. Maximally productive.

The foregoing are typically considered sequentially; for example, a specific use may prove to be maximally productive, however, if it is not legally permissible, or physically possible, the productivity is irrelevant.

The subject property is located at the west side of Thackery Drive beginning 78± feet north of Twintree Avenue, in the City of Garden Grove. The subject property contains 7,200 square feet of land area, per Orange County Assessor's mapping. The site has an interior location on a secondary street, however, only the westerly portion of the street (Thackery Drive) is paved at the subject property frontage; the easterly portion of the street has gravel surfacing.

VALUATION ANALYSIS (Continued)

HIGHEST AND BEST USE ANALYSIS: (Continued)

The site has an effectively rectangular land configuration. The subject property is rated average with respect to overall access.

All public utilities including water, gas, electric power, telephone, as well as sanitary sewer are available to the site. The physical characteristics of the subject parcel are considered adequate to accommodate legally permissible uses.

The subject property is located in the R-1-7 (Single-Family Residential) zone district of the City of Garden Grove. The "R-1" zone district "is intended to provide for the establishment and promotion of single family detached residences on individual lots and compatible associated activities." The minimum lot size is 7,200 square feet. The maximum building height is 35 feet. The front yard setback is 20 feet. The rear yard setback is 20% of the lot depth not to exceed 25 feet. The interior side yard setback is 5 feet; however, the street side yard setback is 10 feet.

Note, however, the land use designation is International West Mixed Use (IW). The IW land use is "intended to provide for a mix of uses, including resort, entertainment, retail, hotel, and some higher density residential." The density for residential development is 42.1 to 60 dwelling units per acre. Due to the relatively small land size, and considering on-site parking requirements, setbacks, landscaped areas, etc., it is reasonable to assume the subject site could accommodate a low to medium density multiple family residential development.

The foregoing IW land use, and potential development density, however, is considered somewhat offset by (1) the relatively small lot size, and (2) the existing covenant which may have an impact on development of the site as a single entity. Note, however, even single family lots are permitted a second Accessory Dwelling Unit (ADU) under current State standards.

After considering (1) the physical characteristics of the subject property, (2) the existing R-1-7 zoning and the IW (International West Mixed Use) General Plan land use designation allowing for a higher density multiple family residential development, and (3) the financially feasible uses, the maximally productive use, and therefore, the highest and best use of the subject property is low to medium density residential development, given the relatively small lot size. Many single family lots are sold, marketed and/or developed with two units, inclusive of an ADU. The subject property has been appraised accordingly.

VALUATION ANALYSIS (Continued)

VALUATION METHODS:

There are three conventional methods (approaches) which can be used to estimate value. They are the Sales Comparison Approach, Cost-Summation Approach, and Income Capitalization Approach. The Sales Comparison Approach is the only valuation method considered reliable as an indicator of land value.

The reader is referred to the last portion of the Preface Section, following the heading "Terms and Definitions," for a brief description of each approach to value.

SALES COMPARISON APPROACH:

The Sales Comparison Approach takes into account properties which have sold in the open market. This approach, whether applied to vacant or improved property, is based on the Principle of Substitution which states, "The maximum value of a property tends to be set by the cost of acquiring an equally desirable substitute property, assuming no costly delay is encountered in making the substitution." Thus, the Sales Comparison Approach attempts to equate the subject property with sale properties by reviewing and weighing the various elements of comparability.

The Sales Comparison Approach has been applied to the subject property after an investigation was conducted of reasonably comparable multiple family residential land having recently sold within the immediate and general subject market area. The reader is referred to the Market Data Section for detailed information pertaining to each sale property. Refer also to the Market Data Map in the Market Data Section, for an illustration of the location of each sale property.

The reader is referred to the summary of Land Value Indicators on the following page. The sale properties surveyed consist of effectively vacant land parcels, and improved parcels acquired for redevelopment, ranging in size from 4,356 to 68,936 square feet. The purchase prices per square foot of land area range from \$41.81 to \$70.02. The sales are set forth in chronological order and took place between January 2020 and May 2022. Data 8 represents a current listing.

LAND VALUE INDICATORS:

<u>Data</u>	<u>Sale Date</u> <u>Address</u>	<u>Zoning</u>	<u>Land Size</u>	<u>Corner/Alley</u>	<u>Sale Price</u>	<u>\$ Per SF</u>
1	1-20 11831 Trask Ave., Garden Grove	R-1-7	6,369 sf	no/no	\$310,000	\$48.67
2	5-20 7072 Spruce St., Westminster	R2	22,500 sf	no/no	\$1,205,000	\$53.56
3	12-20 13052 Nelson St., Garden Grove	GGMU-2	4,356 sf	no/no	\$305,000	\$70.02
4	2-21 10761 Rose St., Stanton	RL	6,885 sf	no/yes	\$375,000	\$54.47
5	9-21 5891 Stanton Ave., Buena Park	RS-6	6,911 sf	no/no	\$470,000	\$68.01
6	9-21 4622 Watkins Way, Santa Ana	R2	14,350 sf	no/no	\$600,000	\$41.81
7	5-22 12701 Buaro St. and 12722 Dungan Ln., Garden Grove	R2/R-1-7	68,936 sf	no/no	\$3,100,000	\$44.97
8	asking 8671 Orangewood Ave., Garden Grove	R-1-7	36,270 sf	no/no	\$2,100,000	\$57.90

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Financing and Cash Equivalency Adjustments:

Sale properties are adjusted for financing arrangements involved in transactions which are not market-typical. A cash equivalency adjustment is generally made in those cases where the cash down payment is generally less than 10% of the purchase price and the financing is other than conventional. The less-than-typical cash down payment, combined with other than conventional financing (such as seller financing), could influence a higher purchase price.

All of the sale properties involved all cash transactions or conventional financing. A cash equivalency adjustment, therefore, has not been applied to any of the sale transactions.

Market Conditions:

An adjustment for market conditions (date of sale) is appropriate when certain sales occur during a rising or declining market. The adjustments are based upon observations of the real estate market and value appreciation/declining cycles dating back more than 15 years.

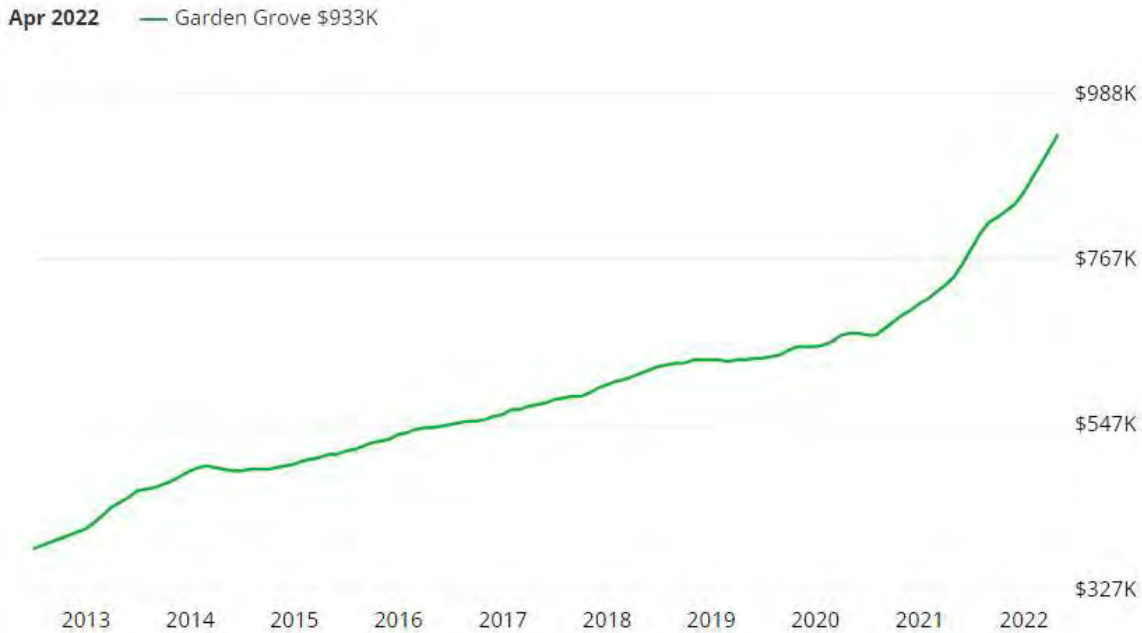
Real estate trends affecting residential properties in the subject market area experienced an upward value trend from 2003 through the first portion of 2007, after which property values generally stabilized. In the first portion of 2008, the residential real estate market experienced a significant decrease in price levels and development activity, which decrease accelerated in the latter portion of 2008 and continued through the latter portion of 2011.

Per discussions with various brokers, a review of various published reports and a review of numerous sale transactions, residential property values generally stabilized in 2012. In the latter part of 2012, the number of sale transactions began to increase, which led to nominal price increases beginning in the first portion of 2013. The rate of increase accelerated in 2015 through 2017. In 2018 and 2019 there was some stabilization in pricing, however, the upward trend in began to increase in 2020, despite the COVID-19 pandemic. The rate of increase accelerated in the mid to later portion of 2021, through the present time.

The reader is referred to the following Zillow graph pertaining to the median sale price of single family residences in the City of Garden Grove.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)



While there has been a significant increase in value of improved single family residences, the rate of increase for the overall land market is considered to be somewhat less, given the limited number of developers/buyers of vacant land, and greater difficulty in obtaining construction financing, as compared to the predominantly owner-user single family residential market. Based on the foregoing, the market conditions adjustment applied to the sale properties is based on the following schedule:

January-December 2020:	+ 6.0% per year,	or	+ 0.5% per month
January-June 2021:	+ 12.0% per year,	or	+ 1.0% per month
July-December 2021:	+ 18.0% per year,	or	+ 1.5% per month
January-May 2022:	+ 18.0% per year,	or	+ 1.5% per month

Elements of Comparability:

All of the sales employed herein conveyed title to the fee simple interest, and represent arms-length transactions. After viewing all of the land sale properties, an analysis was made of the various elements of comparability. Some of those elements include, but are not limited to, the following:

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

General location.	Traffic/noise pollution
Best use/zoning.	Topography.
Land size.	Improvements/demolition
Land configuration and utility.	Plans or entitlements.
Corner location/access.	Easements/site utility.
	Off-site improvements.

As stated, the marketability of each sale property was considered. Marketability is the practical aspect of selling a property in view of all the elements constituting value, and certain economic and financing conditions prevailing as of the date of sale.

It should be noted that the above elements of comparability were not assigned equal weight in making the analysis of each property. The general location, best use/zoning, land size, land configuration, traffic/noise pollution, plans or entitlements, and off-site improvements were considered the most important factors when analyzing the various sale properties, in the subject case.

The reader is referred to the Land Sales Comparison Grid on the following page. As stated, quantitative adjustments have been applied to the various sale properties for market conditions (date of sale). The elements of comparability have been considered on a qualitative basis due to the lack of direct market evidence regarding quantitative adjustments in the subject market. Note that the various elements of comparability were not assigned similar weight; the overall comparability of each sale property is set forth on the bottom of the Comparison Grid.

MARKET ANALYSIS COMPARISON GRID

	Data	1	2	3	4	5	6	7	8
	Subject Site								
Purchase price:	-----	\$310,000	\$1,205,000	\$305,000	\$375,000	\$470,000	\$600,000	\$3,100,000	\$2,100,000
Rate per sq. ft.:	-----	\$48.67	\$53.56	\$70.02	\$54.47	\$68.01	\$41.81	\$44.97	\$57.90
Transactional adjustments									
Property rights conveyed:	fee simple	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financing:	-----	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of sale:	-----	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expenditures after sale:	-----	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Date of sale:	22-May	1-20	5-20	12-20	2-21	9-21	9-21	5-22	asking
Market conditions:	-----	28.0%	26.0%	22.5%	20.5%	12.0%	12.0%	0.0%	0.0%
Adjusted unit rates:	-----	\$62.30	\$67.49	\$85.77	\$65.64	\$76.17	\$46.83	\$44.97	\$57.90
Comparability adjustments	Subject Site								
Location:	average	similar	superior	similar	inferior	similar	inferior	similar	similar
Land size:	7,200 sf	similar	inferior	superior	similar	similar	similar	inferior	inferior
Zoning/best use:	R-1-7 (IW)	similar	superior	superior	similar	similar	superior	superior	similar
Topography:	effect. level	similar	similar	similar	similar	similar	similar	similar	similar
Land configuration:	average	inferior	similar	similar	similar	similar	similar	inferior	similar
Corner/access:	average	similar	similar	similar	superior	similar	inferior	inferior	similar
Traffic/noise pollution:	average	inferior	similar	similar	inferior	similar	similar	similar	similar
Buildings/on-site improvements:	vacant	similar	similar	similar	similar	similar	similar	similar	similar
Plans/entitlements:	none	superior	similar	similar	similar	superior	similar	similar	similar
Easements/site utility:	average	similar	similar	similar	similar	similar	similar	similar	similar
Utilities available:	average	similar	similar	similar	similar	similar	similar	similar	similar
Street/off-site improvements:	below average	superior	superior	superior	superior	superior	similar	superior	superior
	Data	1	2	3	4	5	6	7	8
Overall comparability:		slightly inferior	superior	superior	slightly superior	superior	inferior	inferior	inferior

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Data 2, located in Westminster, is deemed superior to the subject property regarding general location, while Data 4 and 6, located in Stanton and Santa Ana, respectively, are deemed inferior regarding location. All other sales are considered generally similar with respect to location.

Note that larger properties, whether improved or vacant land, sometimes sell at overall lower rates per square foot in accordance with general economic principals. As such, Data 2, 7 and 8, being larger land parcels, are deemed inferior regarding land size, when considered on a rate per square foot basis. Conversely, Data 3, representing a relatively small lot, is deemed superior regarding land size, on a rate per square foot basis.

The subject property is zoned R-1-7, however the General Plan Land Use is IW, having a development density of 42 units per acre, or one unit per 1,037 square feet of land area. Given the relatively small lot size, and considering the existing covenant, a high density residential site is not considered feasible, though the subject site could support more than one unit, especially considering an Accessory Dwelling Unit (ADU) allowance. Note, that the other sale properties zoned for single family residential use would likewise support a second ADU. Data 2, 3, 6 and 7 are considered having superior zoning, allowing slightly higher densities, and are deemed superior accordingly. The remaining sale properties are considered generally similar with respect to zoning.

Data 1 and 7 have irregular land configurations and are deemed inferior accordingly.

Data 1 backs to a freeway and Data 4 is near an active railroad; said sales are considered inferior with respect to traffic/noise pollution.

Data 1 and 5 sold with plans/entitlements and are deemed superior accordingly.

As noted, the subject site fronts on a public street, however, only a portion of Thackery Drive is improved; the east portion of the street is unimproved (gravel). Data 6 is located on a relatively narrow alley, and is similar regarding overall off-site improvements. The remaining sale properties are located on fully paved streets and are deemed superior with respect to off-site improvements.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

No other adjustments were warranted in the subject case.

The reader is referred to the following array of the land sale properties utilized herein. The sales are placed in order within the array by rating with respect to overall comparability, i.e. superior, similar, inferior. Based on the foregoing, the market conditions adjusted unit rates applicable to the land sale properties range from \$46.83 to \$85.77 per square foot of land area, as follows:

<u>Data</u>	<u>Overall Comparability</u>	<u>Adjusted Rate Per SF Land</u>
3	superior	\$85.77
5	superior	\$76.17
2	superior	\$67.49
4	slightly superior	\$65.64
Subject	- - -	\$64.00
1	slightly inferior	\$62.30
6	inferior	\$46.83
7	inferior	\$44.97

All of the sale properties were considered helpful in the analysis. While Data 4, at \$65.64 per square foot is deemed slightly superior, Data 1 at \$62.30 is deemed slightly inferior. As stated, Data 8, at an indicated rate of \$57.90 per square foot, is deemed inferior to the subject site, however, Data 8 represents a current listing and is included herein for informational purposes only.

Based on the foregoing, the unit rate considered applicable to the subject property is estimated at \$64.00 per square foot of land area, as follows:

Land value:

7,200 SF @ \$64.00 = \$460,800.

Adjusted: \$460,000.

VALUATION ANALYSIS (Continued)

FINAL ESTIMATE OF VALUE:

Based on the foregoing valuation, the fee simple market value of the subject property, as of June 6, 2022, is estimated as follows:

FOUR HUNDRED SIXTY THOUSAND DOLLARS
\$460,000

MARKETING EXPOSURE:

The marketing exposure of a particular property is a direct function of supply and demand within a particular market segment. Generally, a higher demand results in a shorter marketing period. During the course of market research for the subject valuations, interviews were conducted with parties involved in the transactions employed in the Sales Comparison Approach. Based on said interviews, as well interviews with real estate brokers specializing in the subject market area, the marketing exposure estimated for the subject property, assuming an aggressive and comprehensive marketing program, is approximately 3 to 9 months.

MARKET DATA

MARKET DATA SUMMARY

RESIDENTIAL LAND SALE PROPERTIES:

<u>Data</u>	<u>Sale Date</u> <u>Address</u>	<u>Zoning</u>	<u>Land Size</u>	<u>Corner/Alley</u>	<u>Sale Price</u>	<u>\$ Per SF</u>
1	1-20 11831 Trask Ave., Garden Grove	R-1-7	6,369 sf	no/no	\$310,000	\$48.67
2	5-20 7072 Spruce St., Westminster	R2	22,500 sf	no/no	\$1,205,000	\$53.56
3	12-20 13052 Nelson St., Garden Grove	GGMU-2	4,356 sf	no/no	\$305,000	\$70.02
4	2-21 10761 Rose St., Stanton	RL	6,885 sf	no/yes	\$375,000	\$54.47
5	9-21 5891 Stanton Ave., Buena Park	RS-6	6,911 sf	no/no	\$470,000	\$68.01
6	9-21 4622 Watkins Way, Santa Ana	R2	14,350 sf	no/no	\$600,000	\$41.81
7	5-22 12701 Buaro St. and 12722 Dungan Ln., Garden Grove	R2/R-1-7	68,936 sf	no/no	\$3,100,000	\$44.97
8	asking 8671 Orangewood Ave., Garden Grove	R-1-7	36,270 sf	no/no	\$2,100,000	\$57.90

MARKET DATA #1

11831 Trask Avenue (formerly 11831 Sorrell Drive), Garden Grove



GRANTOR:	George & Beverly Paras	APN:	100-352-33 (former APNs 28 & 31)
GRANTEE:	Property Group, LLC	LAND SIZE:	6,369 square feet
SALE DATE:	January 24, 2020	ZONING:	R1-7
DOC. NO.:	32204	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$310,000	PRESENT USE:	Vacant land
TERMS:	All cash	UNIT RATE:	\$48.67 per SF

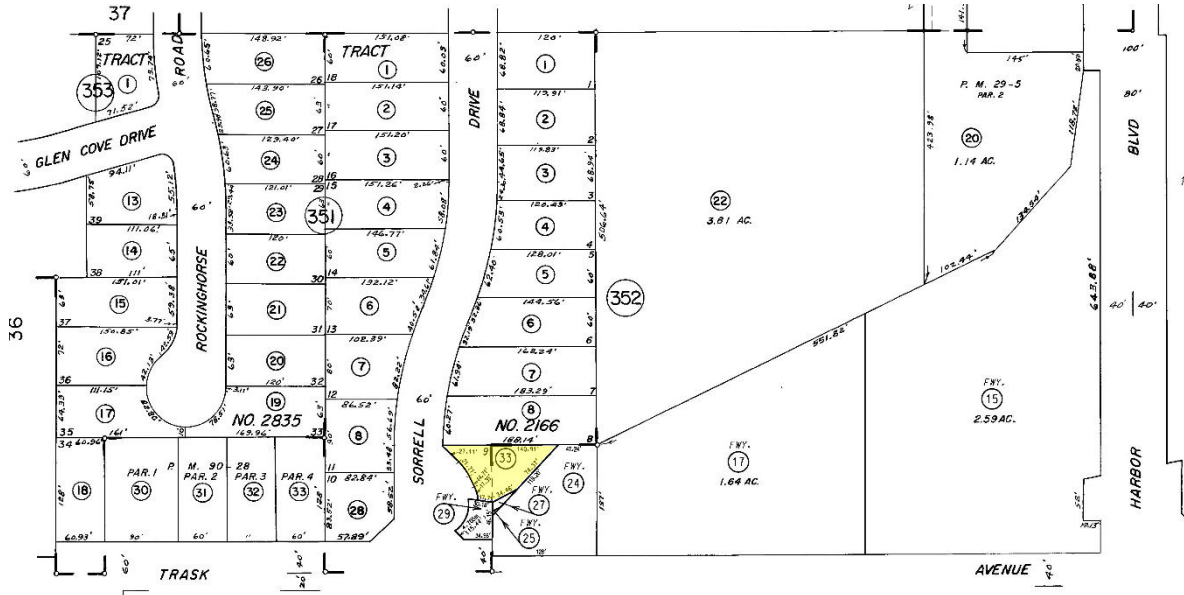
CONFIRMED BY: George Paras, seller

COMMENT: The property is a vacant land parcel that backs to the Garden Grove (22) Freeway. The sale included building plans for a single family residence containing 3,266 square feet. The property previously sold in June 2018 for \$349,000, which equates to \$54.80 per square foot. The seller, George Paras, indicated that he purchased the site with the intent of developing the site, but then decided to sell the property, at a loss. It appears that Mr. Paras paid an above-market price to acquire the property (in 2018).

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APPRAISERS - ANALYSTS

APN: 100-352-33



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MARKET DATA #2
7072 Spruce Street, Westminster



GRANTOR:	T. T. & T. Nomiya Living Trust	APN:	096-102-03
GRANTEE:	Tony Nguyen	LAND SIZE:	22,500 square feet 0.517 acres
SALE DATE:	May 29, 2020	ZONING:	R2
DOC. NO.:	244862	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$1,205,000	PRESENT USE:	Vacant land
TERMS:	All cash	UNIT RATE:	\$53.56 per SF land

CONFIRMED BY: Oanh Nguyen, subsequent listing agent

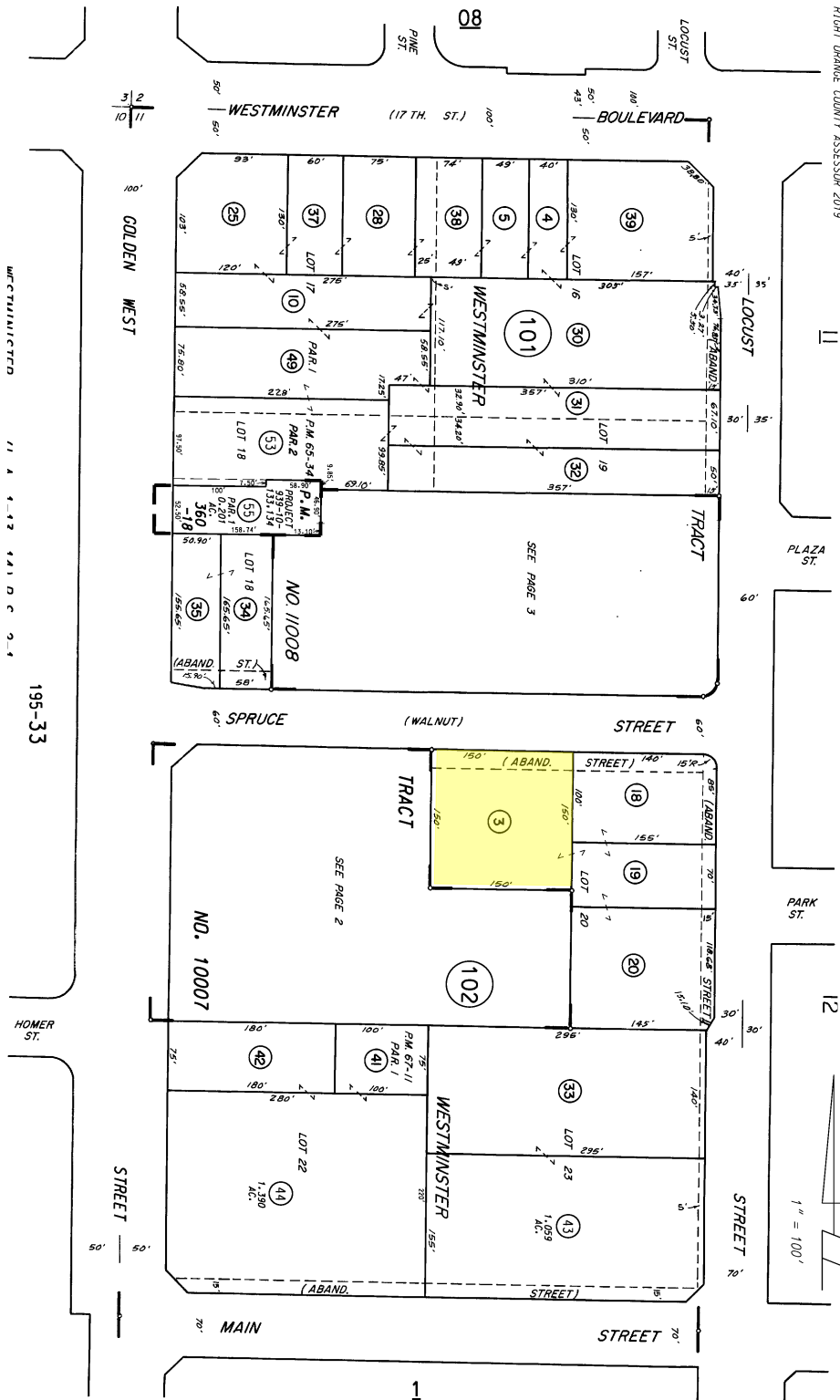
COMMENT: The property is improved with a single family residence containing 1,494 square feet, built in 1958, in poor condition; the property sold based on the value of the underlying land (site could support development of six multi-family units). The property was purchased by an investor who renovated the existing dwelling and leased it to a tenant, with plans to develop the site in the next year or two. The owner subsequently relisted the property for \$1,818,000 (\$80.80/sf), but received no offers on the listing.

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APN: 096-102-03

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MARKET DATA #3
13052 Nelson Street, Garden Grove



GRANTOR:	Justin Hoang and Jackie Hoang	APN:	099-081-28
GRANTEE:	Buchanan Family Trust	LAND SIZE:	4,356 square feet
SALE DATE:	December 17, 2020	ZONING:	GGMU-2 (Garden Grove Mixed Use-2)
DOC. NO.:	747263	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$305,000	PRESENT USE:	Vacant land
TERMS:	\$251,000 conventional	UNIT RATE:	\$70.02 per SF land

CONFIRMED BY: Tim Smith, broker

COMMENT: The property is a vacant land parcel and was marketed as a mixed commercial and residential site, allowing the development of two residential units. The buyer's plans are unknown

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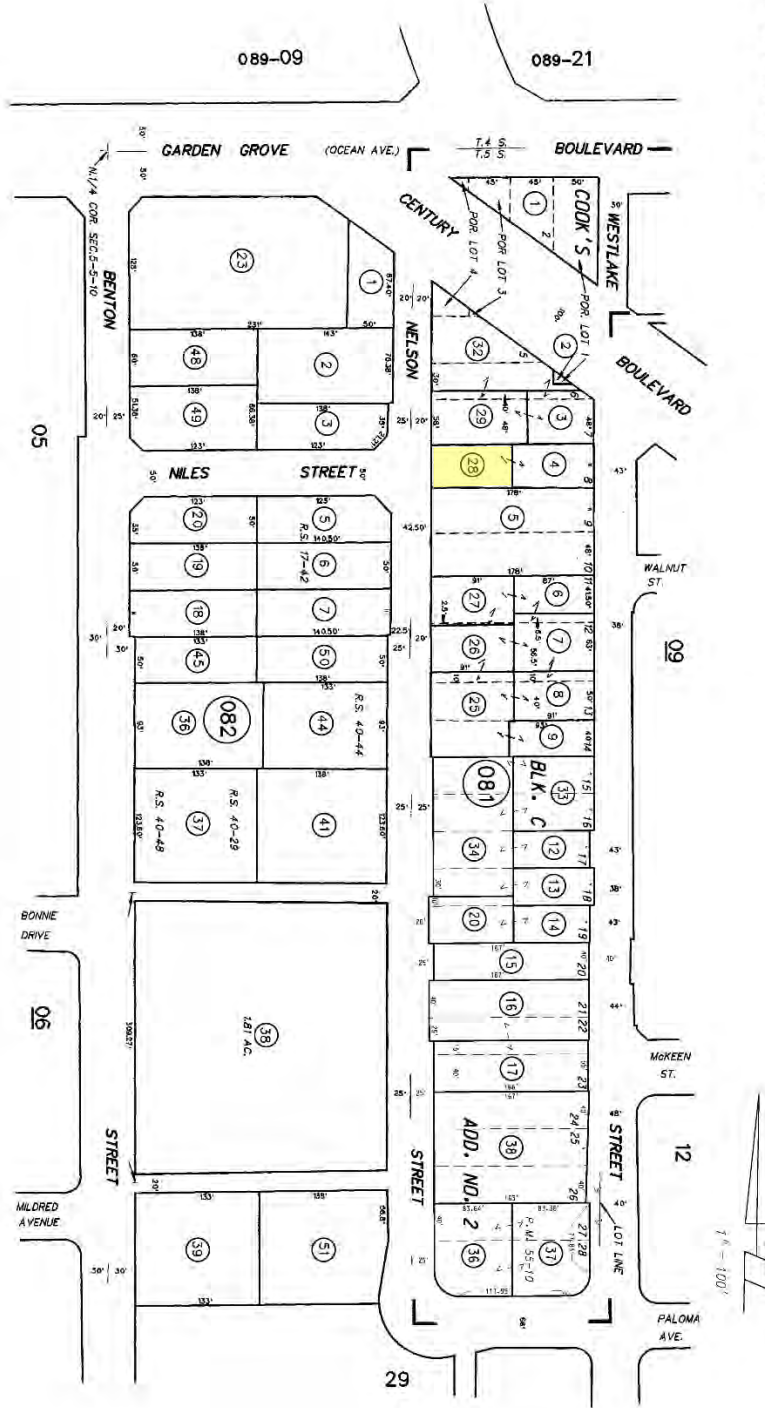
APPRAISERS - ANALYSTS

APN: 099-081-28

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POR. W 1/2, NW 1/4, NE 1/4, SEC. 5, T 5 S, R 10 W

099-08



MARCH 1951

COOK'S ADD. NO. 2 M.M. B-19

NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES

ASSESSOR'S MAP BOOK 099 PAGE 08 COUNTY OF ORANGE



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MARKET DATA #4

10761 Rose Street, Stanton



GRANTOR:	Crisostomo Z. Rodriguez	APN:	079-351-02
GRANTEE:	Long Nguyen and Linh Truong	LAND SIZE:	6,885 square feet
SALE DATE:	February 4, 2021	ZONING:	RL
DOC. NO.:	80323	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$375,000	PRESENT USE:	Construction phase
TERMS:	All cash	UNIT RATE:	\$54.47 per SF land

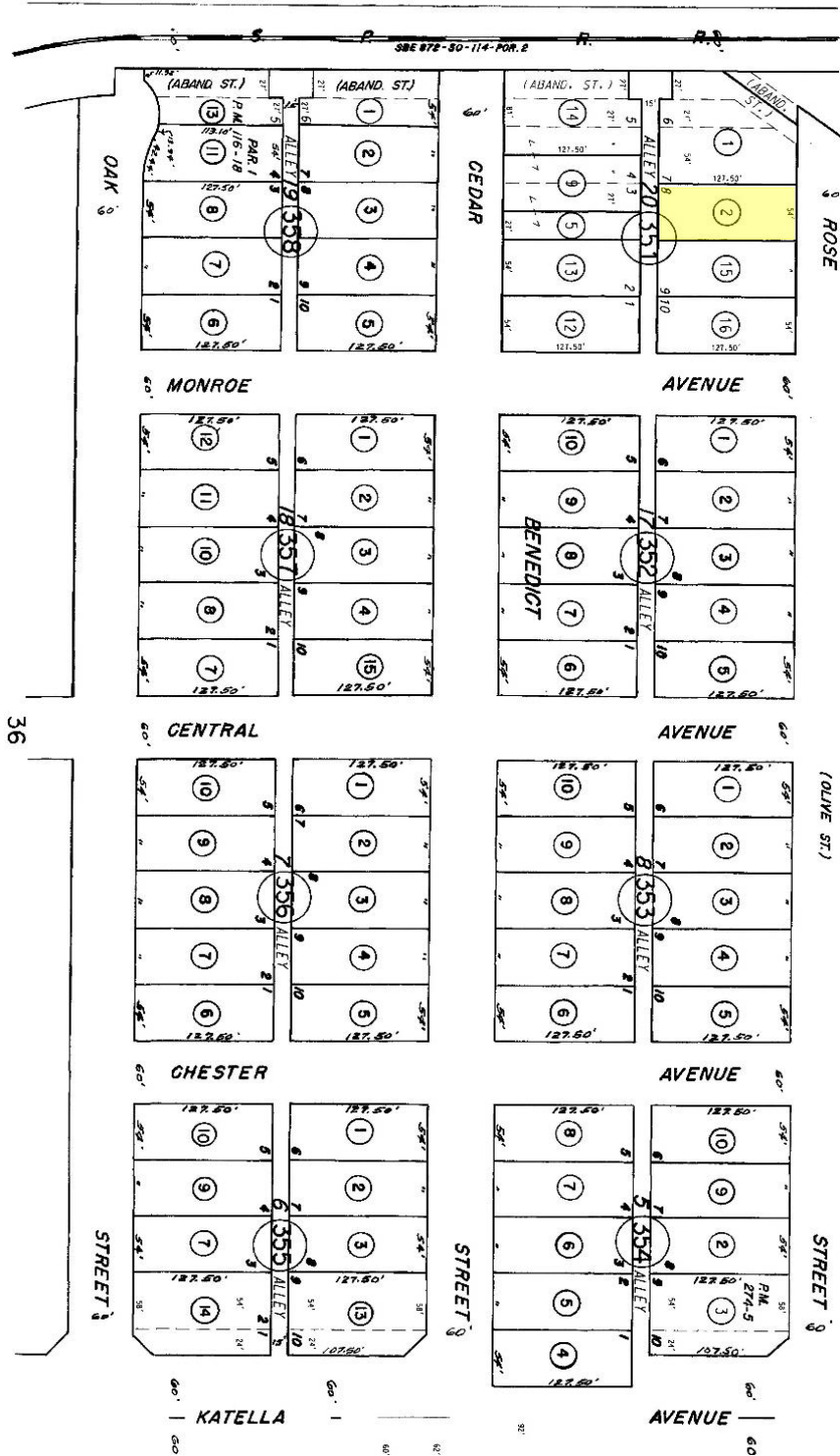
CONFIRMED BY: Long Van Nguyen, buyer

COMMENT: The property was improved with a "red-tagged" single family residence in dilapidated condition, which the buyer demolished, in order to make way for a new single family residence. Note that the property is located 100± feet away from an active railroad corridor.

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APN: 079-351-02



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MARKET DATA #5
5891 Stanton Avenue, Buena Park



GRANTOR:	Hung Hoang	APN:	066-184-26, 27
GRANTEE:	Hussein Abbood	LAND SIZE:	6,911 square feet
SALE DATE:	September 7, 2021	ZONING:	RS-6
DOC. NO.:	557946	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$470,000	PRESENT USE:	Vacant land
TERMS:	All cash	UNIT RATE:	\$68.01 per SF land

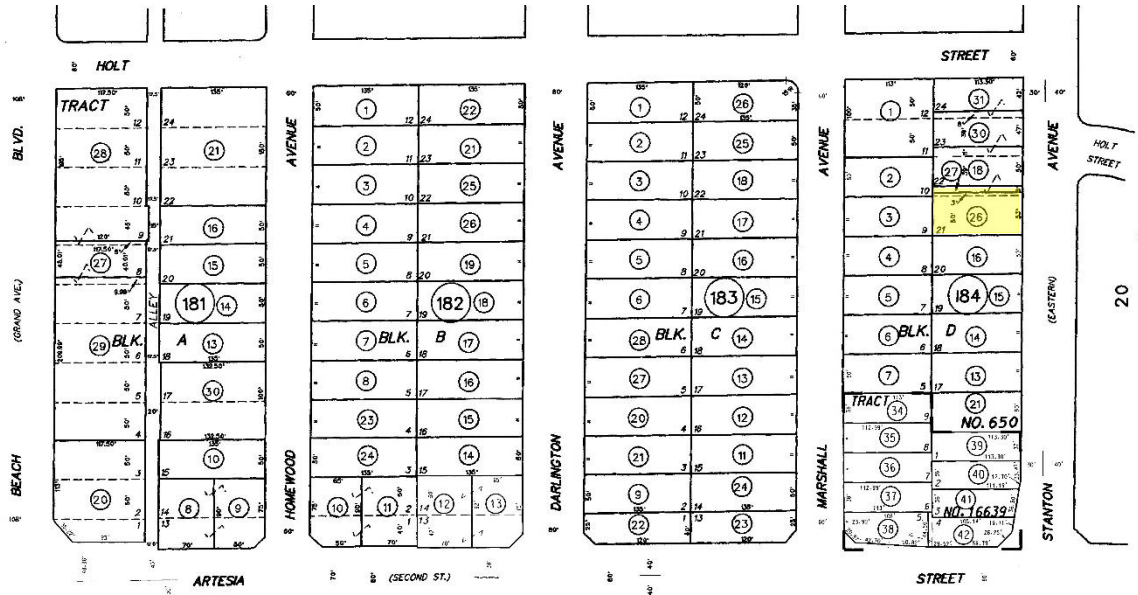
CONFIRMED BY: Tien Nguyen, listing agent

COMMENT: The property is a vacant land parcel. The property includes approved building plans to develop a single family residence containing 2,770 square feet, plus a three-car garage. The property previously sold for \$308,000, in January 2021, as unentitled land.

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APN: 066-184-26, 27



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MARKET DATA #6
4622 Watkins Way, Santa Ana



GRANTOR:	Michelle Mai	APN:	108-131-35
GRANTEE:	Hai T. Hoang	LAND SIZE:	14,350 square feet
SALE DATE:	September 9, 2021	ZONING:	R2
DOC. NO.:	564983	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$600,000	PRESENT USE:	Vacant SFR
TERMS:	All cash	UNIT RATE:	\$41.81 per SF land

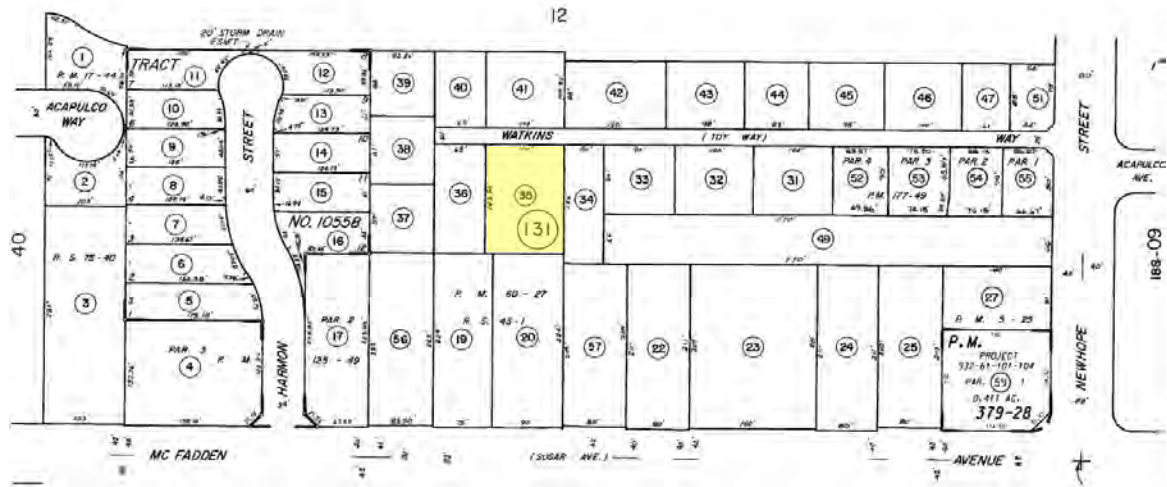
CONFIRMED BY: Richard Mohr, listing agent

COMMENT: The property is improved with an older single family residence in poor-dilapidated condition, which is current vacated. The property sold based on the underlying land value. Access is via Watkins Way, which is an effective alley.

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APN: 108-131-35

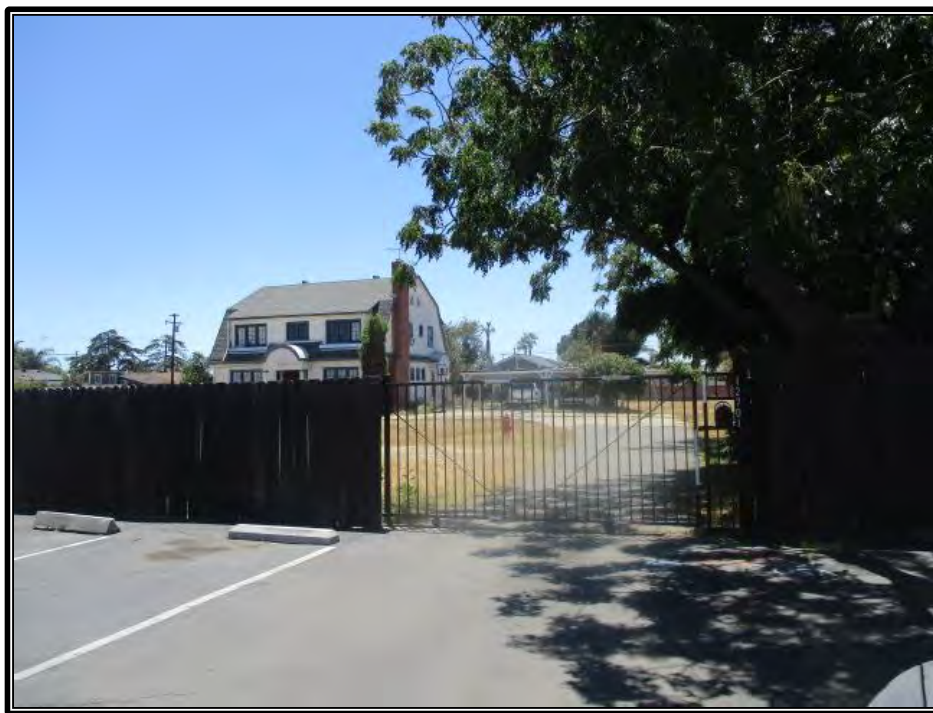


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MARKET DATA #7

12701 Buaro St. and 12722 Dungan Lane, Garden Grove



GRANTOR:	James and Elaine Eads	APN:	231-383-36,48
GRANTEE:	N.A.	LAND SIZE:	68,936 square feet
SALE DATE:	May 27, 2022	ZONING:	R2/R-1-7
DOC. NO.:	N.A.	TOPOGRAPHY:	Level
SALE PRICE:	\$\$3,100,000	PRESENT USE:	Vacant land
TERMS:	All cash to seller	UNIT RATE:	\$44.97 per SF land

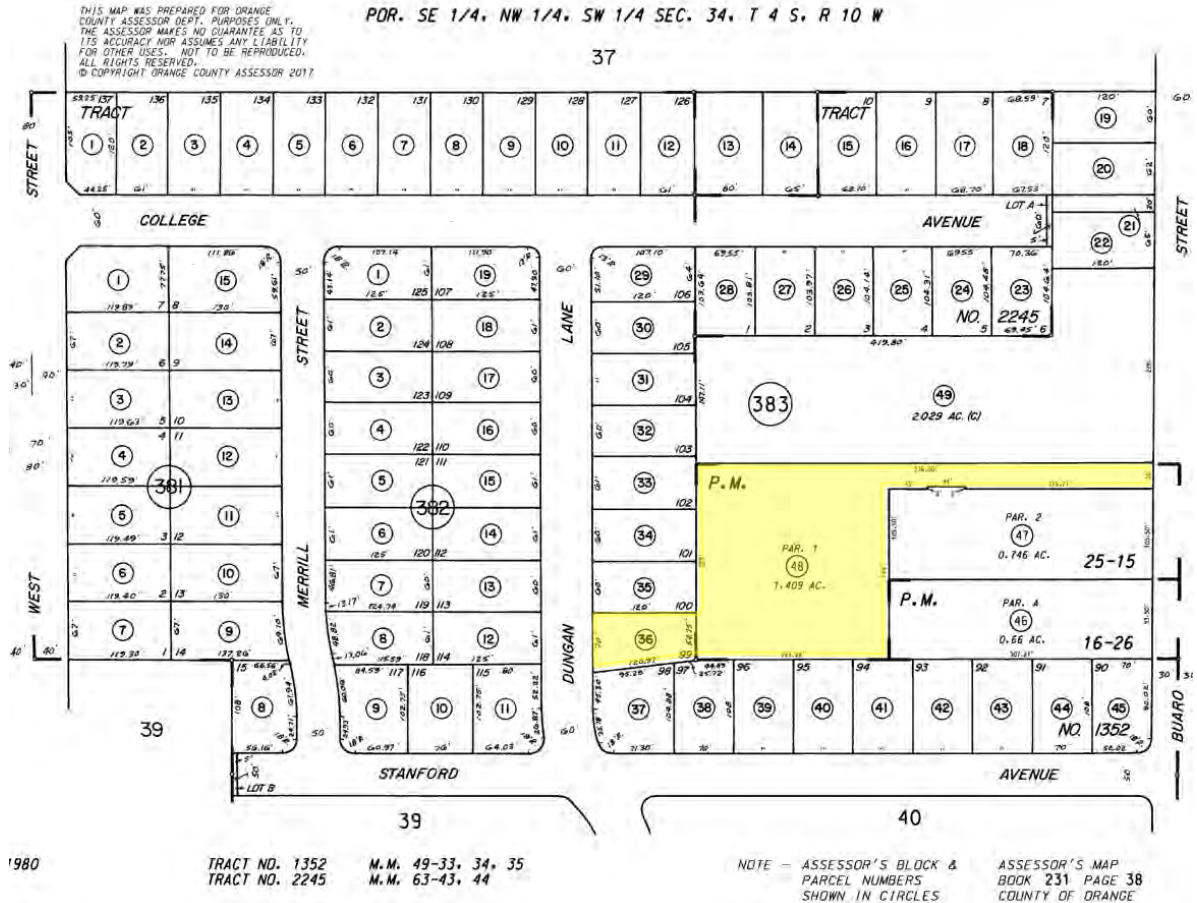
CONFIRMED BY: Woody Harper, listing agent

COMMENT: APN 231-383-36 is improved with a single family residence in fair condition, is zoned R-1-7, and contains 7,560 square feet of land area. APN 231-383-48 is improved with an older single family residence, is zoned R2, has a long and narrow access drive which is also utilized as ingress/egress easement serving adjacent parcels, and contains 61,376 square feet. The site was acquired by a developer. The sale date was confirmed with the broker, however recorded documents are not available through market data resources as of the date of the report.

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& ASSOCIATES

APPRAISERS - ANALYSTS

APN: 231-383-36,48



R. P. LAURAIN & ASSOCIATES

APPRAISERS - ANALYSTS

MARKET DATA #8

8671 Oranewood Ave., Garden Grove



GRANTOR:	Lac Doc Duong	APN:	132-242-42
GRANTEE:	N.A.	LAND SIZE:	36,270 square feet
SALE DATE:	N.A.	ZONING:	R-1-7
DOC. NO.:	N.A.	TOPOGRAPHY:	Level
ASKING PRICE:	\$2,100,000	PRESENT USE:	Vacant land
TERMS:	N.A.	UNIT RATE:	\$57.90 per SF land

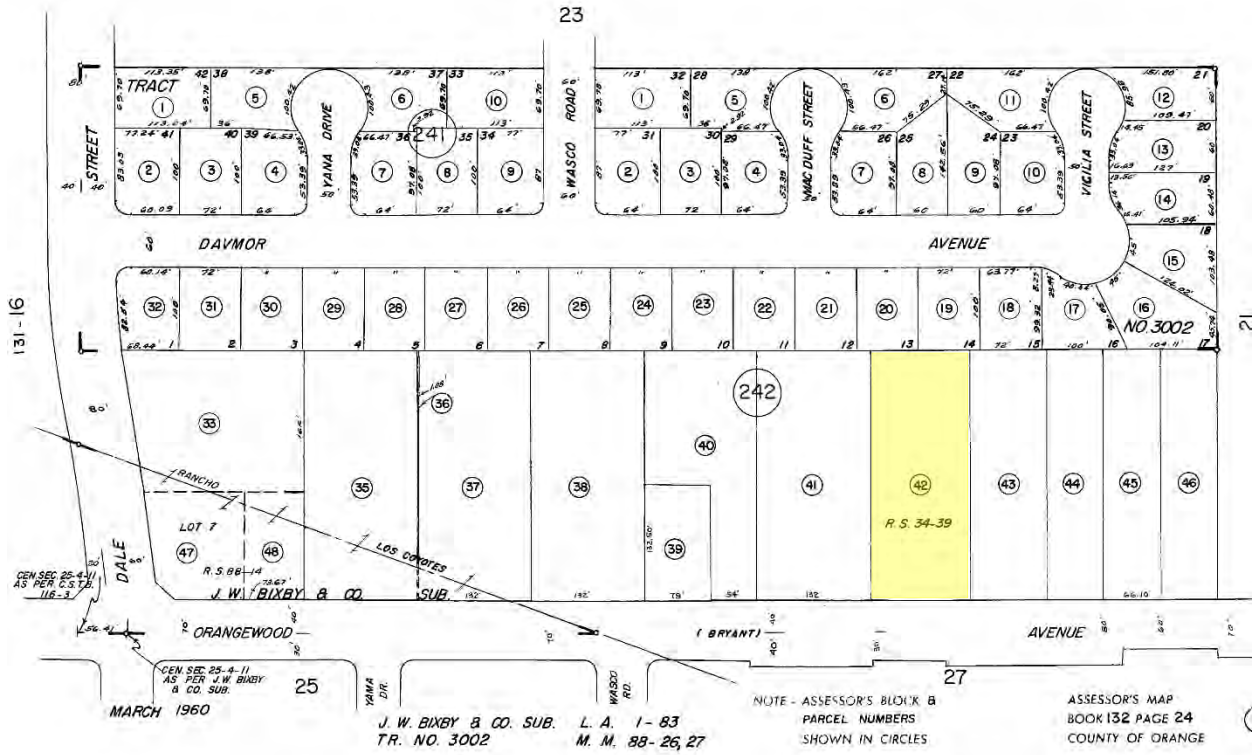
CONFIRMED BY: My Dam, listing agent

COMMENT: The property is unentitled vacant land and is currently listed for sale. The listing agent indicated that an offer had been received for around \$2,000,000, however, the seller is seeking the full listing price of \$2,100,000, and did not accept the offer. The seller acquired the property in April 2018 for \$1,050,000.

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& ASSOCIATES

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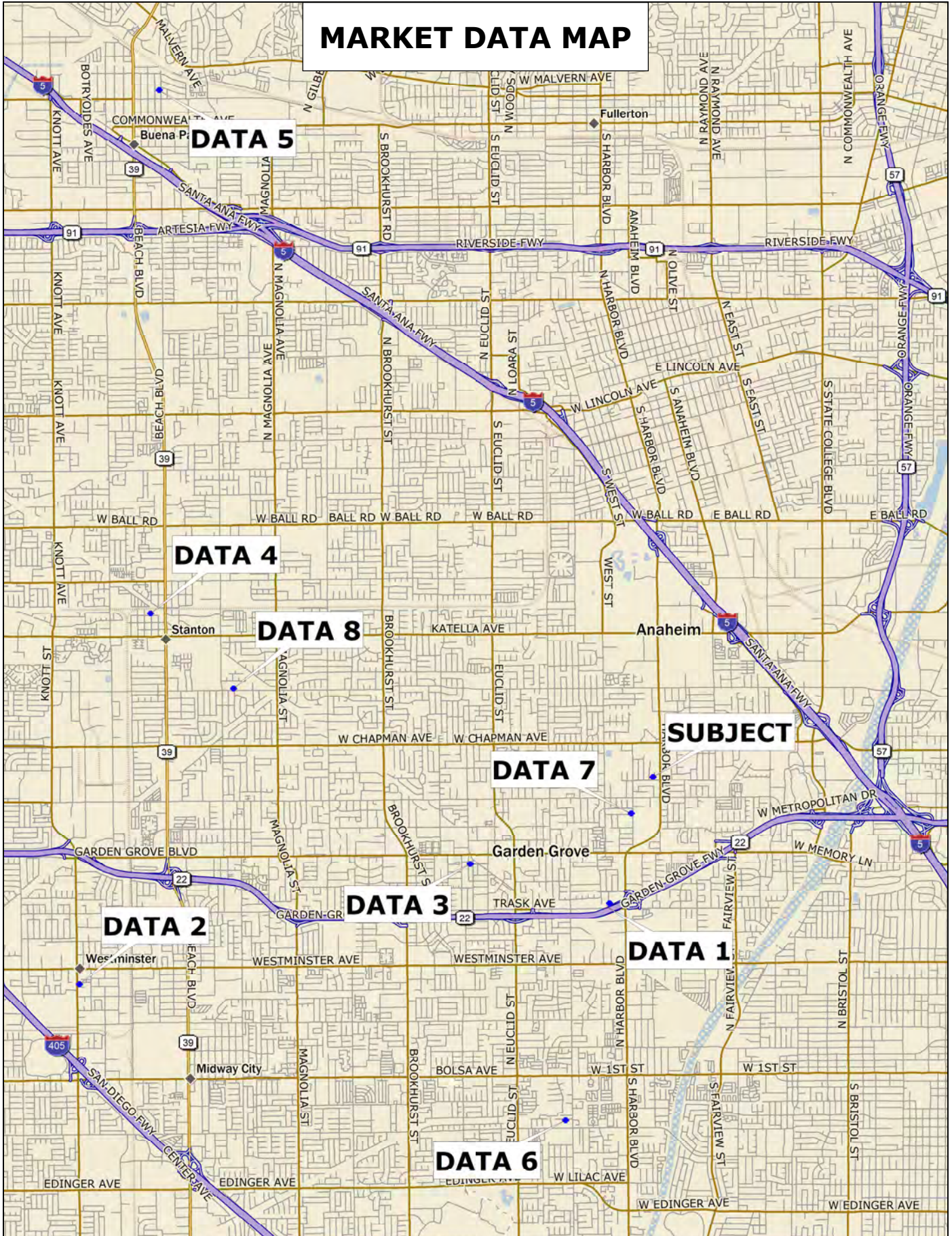
APN: 132-242-42



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& ASSOCIATES

APPRAISERS - ANALYSTS

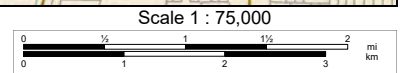
MARKET DATA MAP



Data use subject to license.

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www.delorme.com



1" = 1.18 mi

Data Zoom 11-4

ADDENDA

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



PHOTO NO. 2: View looking north along Thackery Drive.



PHOTO NO. 3: View looking east along Twintree Avenue.



PHOTO NO. 4: View looking west along Twintree Avenue.

**ORANGE COUNTY
REGIONAL DATA**

REGIONAL DATA

The value of real property is influenced by the attributes and utility of land and physical improvements, as well as inter-relationships of markets, demographic forces, transportation, government, environmental influences and other factors. Said factors influence the location and density of population distribution and activities in certain areas and regions over others.

ORANGE COUNTY REGION:

The County of Orange is located generally along the California coastline, between Los Angeles County and San Diego County. It occupies 798 square miles and has 42 miles of oceanfront. There are 33 cities and 13 unincorporated communities in the County. The climate is mild throughout the year with an average rainfall of 15 inches. The coastal region is subject to early morning fog, and as a result, sunshine is recorded about 60% of the year while farther inland this percentage increases to 80%. Mean temperatures range from 48° to 76° Fahrenheit.

The Orange County population has grown from 61,375 in 1920 to 216,224 in 1950, 487,701 in 1960, 1,420,386 in 1970, 1,932,700 in 1980, 2,410,556 in 1990, and 2,846,289 in 2000. According to the 2010 census, Orange County's population totaled 3,010,232. This was an increase of 163,943 or 4.76% over the County's 2000 census figure. The County's growth rate has averaged approximately 2% annually during the entire period.

The City of Santa Ana serves as the county seat and is the largest city in Orange County with a population of 334,227. The City of Anaheim rates as the second largest city with a population of 336,265. The race/ethnic make-up of Orange County is 60.8% white; 33.7% Hispanic; 18.2% Asian and Pacific Island; 1.7% black; 0.6% native American; 15.0% remainder.

Transportation in Orange County is provided for by a variety of means. John Wayne (Orange County) Airport, located in Newport Beach, is the county's only major airport; Long Beach Airport and Los Angeles International Airport, in Los Angeles County, are also frequently used by Orange County residents. Commercial seaport terminals are available in San Diego County, and Long Beach/Los Angeles harbors. Railroad services are provided by Atchison, Topeka and Santa Fe, National Amtrak, and Southern Pacific. There are approximately 600 trucking lines which operate in Southern California and that serve Orange County. Orange County is intersected by eight freeways and

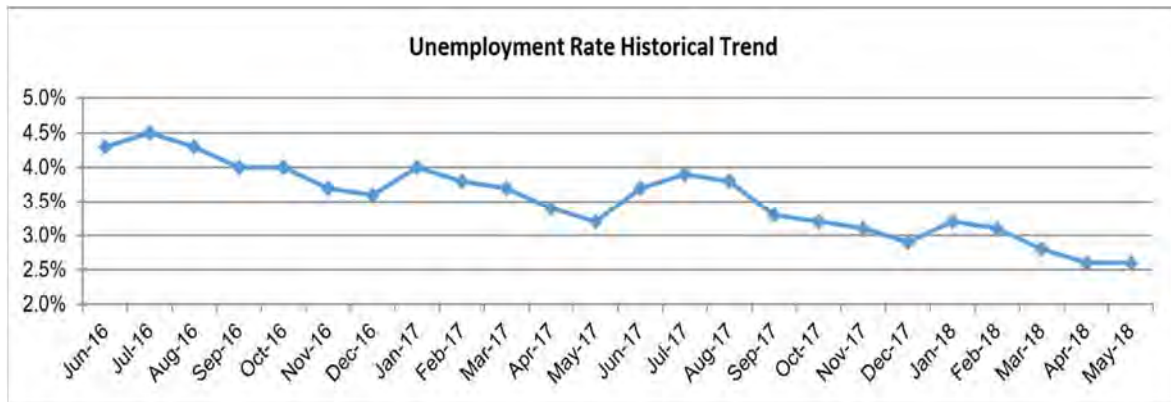
REGIONAL DATA (Continued)

ORANGE COUNTY REGION: (Continued)

numerous state highways. Bus transportation is provided for by Greyhound Lines, Southern California Rapid Transit District, and the Orange County Transit District.

Per the State of California Employment Development Department, please note the following:

The unemployment rate in the Orange County was approximately 2.6% in May of 2018, unchanged from the revised 2.6% in April of 2018, and below the year-ago estimate of 3.2 percent. This compares with an unadjusted unemployment rate of 3.7% for California and 3.6% for the nation during the same period.



Refer to the January 2018 metrics pertaining to the breakdown of employment, by industry, on the following page.

REGIONAL DATA (Continued)

ORANGE COUNTY REGION: (Continued)

Orange County Industry Employment Comparisons

Orange County Industry Employment	Dec-16	Nov-17	Dec-17	YoY % Change	MoM % Change
Professional & Business Services	300,600	304,400	308,400	2.6%	1.3%
Educational & Health Services	204,200	208,300	209,200	2.4%	0.4%
Leisure & Hospitality	211,100	219,700	220,900	4.6%	0.5%
Retail Trade	159,500	160,500	160,600	0.7%	0.1%
Government	164,000	161,900	160,300	-2.3%	-1.0%
Durable Goods Manufacturing	116,400	112,100	112,000	-3.8%	-0.1%
Financial Activities	119,300	117,800	118,200	-0.9%	0.3%
Construction	96,900	104,700	104,300	7.6%	-0.4%
Wholesale Trade	81,600	80,900	81,300	-0.4%	0.5%
Other Services	50,100	53,300	53,800	7.4%	0.9%
Nondurable Goods Manufacturing	40,700	39,400	39,700	-2.5%	0.8%
Transportation, Warehousing & Utilities	29,600	27,700	28,600	-3.4%	3.2%
Information	25,900	26,100	26,200	1.2%	0.4%
Mining and Logging	500	500	500	0.0%	0.0%

This indicator breaks down Orange County's employment by industry for the current month, comparing changes in employment levels since the previous month and the previous year.

Source: California Employment Development Department

REGIONAL DATA (Continued)

ORANGE COUNTY REGION: (Continued)

Per Zillow, in May 2018, the county's median sales price of existing homes (resale activity) was \$700,000. Condominium, duplex or townhouse style housing generally range in value from \$450,000 to \$550,000. Sales of condominium and townhouse development projects were extremely strong during the 1980s and early 1990s, especially in the first-time buyer market. There was a substantial decline in value of all types of properties within the greater Southern California region between 1991 and 1996. Overall housing prices declined between 20% and 40% between 1991 and 1997, depending primarily on location and value range.

Beginning in 1998, there was evidence of increased real estate market activity. There was a general upward value trend affecting residential properties within the immediate and general subject market area, from 2003 through the mid portion of 2006, after which property values generally stabilized. Beginning in 2007, residential property values began to decrease significantly. The decrease in residential sales activity and pricing continued through the latter portion of 2008, due primarily to the subprime credit and housing crisis, multi-billion dollar write-downs of mortgage-backed securities by regional and national banks, and a lack of available financing. In the mid to latter portion of 2009 residential values abruptly stabilized, due primarily to fiscal stimulus programs and first time home buyer tax credits. In 2010, certain markets began to experience an increase in sales, as well as a nominal increase in property values (5%-10%). Any brief increases in residential property values in the mid portion of 2010 subsequently subsided and were considered to be attributed to the first time home buyers tax credit. In 2013 residential property values resumed and upward trend with a slight increase in pricing and sales activity. The upward trend generally continued through 2017 and appears to have stabilized in recent months.

Orange County has experienced high levels of development within the past 25 years. Most of the acreage and undeveloped land parcels are located within the eastern and northeastern portion of the County. There are 143,915 acres dedicated for residential use, 25,115 acres dedicated for commercial use, and 112,112 acres of open space. Development intensity has increased near the coastline in southern Orange County, and parts of northern San Diego County. Development, however, between 1991 and 1997, and again between 2007 and 2010, was limited due to the lack of demand and construction financing; recent development is proceeding cautiously. The megalopolis predicted 35 years ago, between Los Angeles and San Diego, is in the developing stages.

**QUALIFICATIONS
OF
APPRAISER**

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

BACKGROUND AND QUALIFICATIONS

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

PRESIDENT:

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

PROFESSIONAL ORGANIZATION AFFILIATIONS:

The Appraisal Institute
MAI Designated Member

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

American Arbitration Association
Associate arbitrator in title insurance matter.

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

APPRAISAL BACKGROUND:

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

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Residential Property:

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

Commercial and Industrial Property:

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

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

Special Purpose and Special Use Properties:

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

Valuation Methodologies:

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

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

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

Clients:

Real estate research, analysis and appraisal services performed on projects for various public agencies and private corporations while associated with R. P. Laurain & Associates, Inc., since 1986. Following is a partial list of public agencies for which appraisal services have been provided:

Cities:

- | | | |
|------------------------|--------------------------|-----------------------------|
| City of Alhambra | City of Downey | City of Norwalk |
| City of Anaheim | City of El Monte | City of Oceanside |
| City of Artesia | City of El Segundo | City of Ontario |
| City of Arvin | City of Garden Grove | City of Palmdale |
| City of Azusa | City of Glendale | City of Palm Springs |
| City of Baldwin Park | City of Hawaiian Gardens | City of Paramount |
| City of Bell | City of Huntington Beach | City of Pasadena |
| City of Bell Gardens | City of Huntington Park | City of Perris |
| City of Bellflower | City of Industry | City of Redondo Beach |
| City of Beverly Hills | City of Inglewood | City of Riverside |
| City of Brea | City of Irwindale | City of Rosemead |
| City of Buena Park | City of Laguna Beach | City of San Juan Capistrano |
| City of Burbank | City of Laguna Woods | City of San Marino |
| City of Carson | City of Lakewood | City of Santa Ana |
| City of Cathedral City | City of La Mirada | City of Santa Fe Springs |
| City of Chino | City of Lawndale | City of Seal Beach |
| City of Chino Hills | City of Long Beach | City of Signal Hill |
| City of Compton | City of Los Alamitos | City of South El Monte |
| City of Corona | City of Los Angeles | City of South Gate |
| City of Covina | City of Monrovia | City of Tustin |
| City of Cudahy | City of Montebello | City of Upland |
| City of Cypress | City of Monterey Park | City of West Hollywood |
| City of Diamond Bar | City of Newport Beach | City of Whittier |

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Other Public and Quasi-Public Agencies:

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

Other:

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

Gold Coast Appraisals, Inc.:

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

BACKGROUND AND QUALIFICATIONS (Continued)

EXPERT WITNESS:

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

Qualified as an expert witness Orange County Superior Court.

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

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

ACADEMIC BACKGROUND:

Cypress Community College - Basic curriculum.

Long Beach Community College - Basic curriculum.

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

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