

Prepared for:

**CITY OF INDUSTRY
c/o Mr. James M. Casso
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13200 Crossroads Parkway North
Suite 345
City of Industry, California 91746**

**APPRAISAL OF
"Tres Hermanos Ranch"
Approximately 2,445.70 Acres
Los Angeles & San Bernardino Counties
California**

Prepared by:

**LARRY W. HEGLAR & ASSOCIATES
16321 Content Circle
Huntington Beach, California 92649**

Date of Value
November 7, 2016

Date of Report
December 7, 2016

December 7, 2016

City of Industry

c/o Mr. James M. Casso
Casson & Sparks, LLP
13200 Crossroads Parkway North
Suite 345
City of Industry, CA 91746

**Reference: Appraisal of "Tres Hermanos Ranch"
Approximately 2,445.70 Acres
Diamond Bar Sphere of Influence, Los Angeles County &
Chino Hills Sphere of Influence, San Bernardino County
California**

Dear Mr. Casso:

At your request, we have personally examined and appraised the above referenced property that straddles Los Angeles and San Bernardino Counties, California. The purpose of this appraisal is to report to you our opinion of market value of the vacant land in its "as is" condition based on the property's highest and best use.

The function of this appraisal is for use by the City to assist in asset evaluation. The effective date of the appraisal is November 7, 2016.

The appraisers have inspected the subject property with the due diligence expected of professional real estate appraisers. The appraisers have reviewed current market conditions including the sales and listings of large land parcels.

Data, information, and calculations leading to the value conclusions are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from this letter.

No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

We have performed an appraisal of the subject property, which included:

- an inspection of the subject property;
- a summary of trends in the local market which may impact the value of the property;
- an investigation of market activity involving the sale land that displays similar size, use and utility characteristics; and

Recognized appraisal methodology under the Uniform Standards of Professional Appraisal Practice was utilized in performing the investigation and analysis leading to the opinion of market value rendered herein.

"Tres Hermanos Ranch"
Attention: James M. Casso

December 7, 2016
Page 2

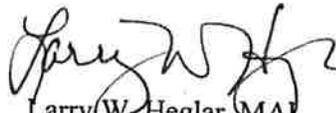
Based upon the examination and study made, the following opinion of market value has been formed, as of the date referenced.

MARKET VALUE CONCLUSION
ONE HUNDRED MILLION DOLLARS
(100,000,000)

Following is a *Summary* appraisal report, which sets forth the matters, data, conclusions, and limiting conditions upon which the opinions rendered are predicated. Assuming the foregoing estimate of market value, based upon the sale of similar properties, we are of the opinion that a reasonable *Exposure Time* for the subject land would be approximately twelve to eighteen months.

Respectfully submitted,

LARRY W. HEGLAR & ASSOCIATES


Larry W. Heglar, MAI
Appraiser

LWH

Executive Summary

<i>Property Location:</i>	"Tres Hermanos Ranch" North and south sides of Grand Avenue, Diamond Bar, Los Angeles County & Chino Hills, San Bernardino County California
<i>Ownership:</i>	City of Industry (Los Angeles County parcels) & Industry Urban Development Agency (San Bernardino County)
<i>Property Type:</i>	Vacant grazing land
<i>Date of Value:</i>	November 7, 2016
<i>Date of Report:</i>	December 7, 2016
<i>Interest Appraised:</i>	Fee Simple Interest
<i>Current Use:</i>	Vacant land except for ranch house and farm buildings
<i>Land Area:</i>	Approximately 2,445.70 Gross Acres per Assessor records
<i>Improvements:</i>	Currently the land is vacant and unimproved except for ranch house and farm buildings.
<i>Highest & Best Use:</i>	As Vacant: Speculative development land and/or open space As Improved: Grazing land
<i>Direct Comparison Approach:</i>	\$100,000,000
<i>Land Development Analysis:</i>	\$100,000,000
<i>Concluded Market Value:</i>	<i>\$100,000,000</i>
<i>Special Assumptions & Hypothetical Conditions:</i>	There are no Special Assumptions or Hypothetical Conditions relating to this appraisal assignment.

TABLE OF CONTENTS

LOCATION AND BRIEF PROPERTY DESCRIPTION.....	5
PURPOSE OF APPRAISAL.....	5
INTENDED USE/USER OF APPRAISAL.....	5
VALUE PREMISES PROVIDED.....	5
EXTRAORDINARY ASSUMPTIONS.....	5
HYPOTHETICAL CONDITIONS.....	6
SCOPE OF APPRAISAL.....	6
DATE OF VALUE.....	7
DATE OF INSPECTION.....	7
DATE OF COMPARABLE INSPECTION.....	7
DEFINITIONS.....	7
PROPERTY RIGHTS APPRAISED.....	8
CONDITION OF EMPLOYMENT.....	8
POSSIBILITY OF CHANGE.....	8
LEGAL DESCRIPTION.....	9
COMPLIANCE WITH APPRAISAL REGULATIONS.....	9
OWNER OF RECORD & PROPERTY HISTORY.....	9
REGIONAL DATA.....	10
CITY DESCRIPTION.....	13
IMMEDIATE SURROUNDINGS.....	15
RESIDENTIAL MARKET OVERVIEW.....	17
THE LAND.....	19
HIGHEST AND BEST USE.....	24
VALUATION PROCESS.....	26
LAND VALUE BY DIRECT COMPARISON.....	28
LAND DEVELOPMENT ANALYSIS.....	32
RECONCILIATION AND VALUE CONCLUSIONS.....	37
LIMITING CONDITIONS.....	38
CERTIFICATION.....	40
ADDENDUM.....	41

- EXHIBIT A - Subject Photographs
- EXHIBIT B - Subject, Zoning and General Plan Maps
- EXHIBIT C - Legal Description
- EXHIBIT D - Professional Qualifications

LOCATION AND BRIEF PROPERTY DESCRIPTION

The subject property is a large parcel located on the north and south sides of Grand Avenue in unincorporated Los Angeles and San Bernardino Counties, California. Grand Avenue is an east-west trending arterial connecting the two counties as well as the cities of Diamond Bar and Chino Hills. Subject property is a mostly vacant flat valley parcel with some hill-side land that runs from the southerly side of the Pomona Freeway (State Route 60) down to the northerly boundary of the Firestone Boy Scout Reservation. It is bounded on the west by the City of Diamond Bar and on the east by the City of Chino Hills.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to report an opinion of the market value of the land as vacant in its current, "as is" condition and based on the estimated highest and best use of the property.

INTENDED USE/USER OF APPRAISAL

The Intended User is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.

The intended use of this appraisal is to estimate market value of the subject property for internal asset evaluation by the client and/or the City of Industry. The appraisal is to be used by James M. Casso of Casso & Sparks, LLP, and/or their assigns. No other parties are authorized to rely on this report without the prior written consent of the appraiser.

VALUE PREMISES PROVIDED

The subject property has been appraised assuming the land is in its current, vacant "as is" and unentitled conditions.

EXTRAORDINARY ASSUMPTIONS

Extraordinary Assumption, as defined by The Appraisal Foundation is "an assumption directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions."

No Extraordinary Assumptions have been utilized in the appraisal of the subject property.

HYPOTHETICAL CONDITIONS

A Hypothetical Condition is defined by The Appraisal Foundation as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment, but is used for the purposes of analysis."

No Hypothetical Conditions have been utilized in the appraisal of the subject property.

SCOPE OF APPRAISAL

This is an appraisal report that has been prepared in accordance with the Code of Ethics and Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. The performance of this assignment involved a complete appraisal investigation, including the appropriate approaches to value, which are reflective of the type of property appraised. The Scope of Work for this assignment is outlined as follows:

- *Assignment Analysis:* Define the basic elements of the appraisal problem, and the purpose and function of the report. Identify the property and research the property history including current use, prior use, prior sales and leasing information, and current market activity.
- *Site Description and Analysis:* Inspect and document the physical characteristics of the site and its surroundings. Review and interpret applicable entitlements including zoning, general plan designations, environmental restrictions, mapping status, etc.
- *Market Analysis:* Identify and discuss pertinent economic, governmental, social, and environmental forces that may influence real property values. This includes, among other things, a property productivity analysis, in which the physical, legal and location attributes of the subject are studied; a market delineation analysis, in which the subject market area is defined; a demand analysis, in which the characteristics of the probable investors/users are studied; a supply analysis, in which the existing and potential stock of competitive properties are examined and the factors influencing the delivery of potentially competitive properties are analyzed; an examination of the competitive environment is made in order to analyze the interaction of supply and demand; and a forecast is made of the subject's potential to attract and capture investors/users.
- *Highest and Best Use:* Analyze Highest and Best Use of the subject property. Potential uses are tested to determine which use, or combination of uses, are legally permitted, physically possible, financially feasible, and maximally productive.
- *Market Data:* Research comparable data on the sales and listings of properties in the subject market area. Due to the size of the subject property a wider search was made outside the subject's immediate market area to find sales of comparable land parcels that could be considered alternative investments to the subject. Verify sale price and terms, field inspect and analyze the comparable data.

In the land sale data research, we utilized real estate information services such as RealQuest, AIR (American Industrial Realtors data) and our existing data base as well as making inquiries with land brokers and other appraisers active in the subject market area. We also interviewed buyers and sellers active in the market area. Documents such as grant deeds and broker offering packages were reviewed as well.

- **Valuation Analysis:** Market data researched was processed and a Direct Sales Comparison Approach was utilized to estimate value.
- **Reconciliation:** The final step in the appraisal process is the reconciliation of the approaches and data gathered to determine the final value estimate. All sections of the appraisal report are structured to show the reasoning and justification utilized in the estimate of highest and best use and opinion of value. The "Addenda" section of the report contains information supportive of the appraisal.

DATE OF VALUE

Opinions and matters expressed in this report are stated as of November 7, 2016, the date of inspection of the property appraised. The report is dated December 7, 2016.

DATE OF INSPECTION

The subject property was inspected on November 7, 2016.

DATE OF COMPARABLE INSPECTION

All comparable data referenced in this report was inspected in the field between November 7, 2016 and December 4, 2016 except for several of the land sales in the Land Development Analysis that have been inspected on previous occasions.

DEFINITIONS

Market Value

The term "**market value**" as used in this report is defined and qualified as being:

"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:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and acting in what they consider their best interests;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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."

Source: Appraisal Institute - The Dictionary of Real Estate Appraisal, Fourth Edition

Exposure Time

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 upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. Exposure time is estimated to be approximately twelve months.

Marketing Time

The length of time it would probably take to sell the property if it were placed on the market on the date of the "as is" value. Marketing time begins on the date of the "as is" value." Marketing time is estimated to be approximately twelve months.

Market Value "As Is"

An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists.

PROPERTY RIGHTS APPRAISED

The property rights appraised in this report are those of the *fee simple interest* in the property described herein as:

"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."

Source: The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute

CONDITION OF EMPLOYMENT

This appraisal was performed in accordance with an engagement contract for appraisal services dated October 26, 2016. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, approval of a loan or any other requested condition. This valuation has been completed as a disinterested third party and on an unbiased basis.

POSSIBILITY OF CHANGE

The value opinions expressed in this report are based upon our knowledge of conditions as of the date of value set forth. Constantly changing economic, social, political and physical conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may require a review based on changing market conditions.

LEGAL DESCRIPTION

A complete legal description of the land is set forth in the Addenda to this report.

In Los Angeles County the land generally consists of a portion of Sections 1 and all of Section 12, Township 2 South, Range 9 West, San Bernardino Meridian, in the County of Los Angeles, State of California.

In San Bernardino County the land generally consists of Sections 13, 14, 23, 24, 25 and 26 all in Government Lot 38, Township 2 South, Range 9 West, San Bernardino Base and Meridian, in the County of San Bernardino.

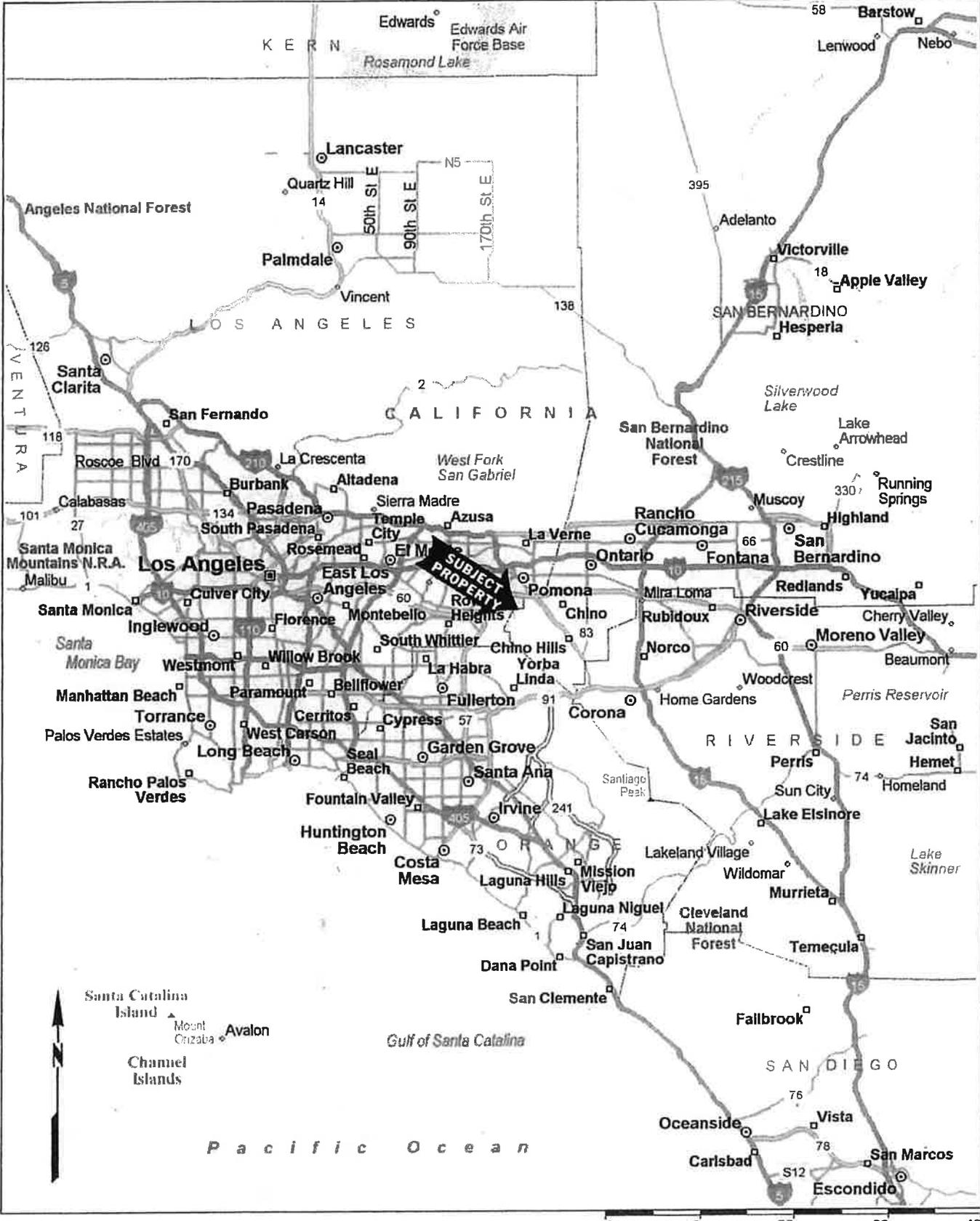
COMPLIANCE WITH APPRAISAL REGULATIONS

This appraisal report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

OWNER OF RECORD & PROPERTY HISTORY

According to a ALTA Title Report by First American Title, dated September 1, 2016, the property is vested in City of Industry, a municipal corporation (Los Angeles County) and Successor Agency to the Industry Urban-Development Agency (San Bernardino County). Once owned by newspaper publisher Otis Chandler, Tres Hermanos Ranch was purchased by the City of Industry in 1978. There have been no sales of the property in the past three years. However, it is reported that an offer was made on the property within the past year at a price of \$101 million.

Location Map



LARRY W. HEGLAR, MAI

REGIONAL DATA

The subject property is located between the cities of Diamond Bar (Los Angeles County) and Chino Hills (San Bernardino County) about. Los Angeles county encompasses a total of about 4,751 square miles including 693 of inland waterways. It includes 70 miles of coast-line along the Pacific Ocean. Population as estimated by the California State Department of Finance was 10,241,335 as of January 1, 2016. This is an 0.8% increase over the previous year and represents an average density of 2,155 persons per square mile. The average growth rate over the past thirty years is about 1.3% per year. The current population figure represents more than one-third of California's entire population. More recently the growth rate has declined reflecting the County's mature and generally built-out character. A similar trend in terms of overall population growth is expected for the LA County for the foreseeable future.

San Bernardino County is the largest county in the continental United States by area, containing more land than each of the nine smallest states. It is also larger than approximately 70 countries, including Costa Rica and Denmark. As of January 1, 2016 San Bernardino County had a population of 2,139,570 which is an 0.9% increase over the previous year. Located in the southeastern corner of the state of California its deserts and mountains stretch from the outskirts of the densely populated Riverside-San Bernardino communities to the Nevada border and the Colorado River. Because of mountain ranges limiting road access into Los Angeles and Orange Counties, Riverside and San Bernardino Counties belong to the same Metropolitan Statistical Area (MSA) and is commonly referred to as the Inland Empire. The County was created April 26, 1853 with the county seat being the City of San Bernardino.

Subject area is bordered by Orange County to the south and Riverside County to the southeast. Kern County is to the north of Los Angeles and Ventura County and the Pacific Ocean to the west.

Long recognized as the West's most important financial, trade and cultural center, Los Angeles County continues to enjoy a strong, diverse economic base as a result of its location, excellent transportation systems, diversified employment base, scenic environment and temperate climate. Los Angeles County is the second largest metropolitan area in the country with 88 incorporated cities.

Subject location is approximately 33 miles east of Los Angeles International Airport (LAX) and 10 miles southwest of Ontario International. Air traffic at LAX has shown variations over the years. According to the Los Angeles Economic Development Corporation, international flights to and from LAX generate \$82.1 billion in total economic benefit to the Los Angeles area and provide 363,700 jobs throughout the five county area (Los Angeles, Orange, Ventura, Riverside and San Bernardino). Annual wages of these employees is estimated at \$19.3 billion. The airport itself is estimated to provide 59,000 jobs located on or near the airport. One in 20 jobs in Southern California can be attributed to LAX operations. Clearly the airport is a significant economic generator for the local economy.

The Greater Los Angeles area remains the focal point of economic activity for the Southern California region. It represents the second largest concentration of population, employment, business, industry and finance in the United States, exceeded only by New York. It is commonly associated with the entertainment industry but is the home of other major industries including aerospace, music recording and production and international trade supported by the twin ports of Los Angeles and Long Beach.

The economy of Los Angeles County has historically experienced dynamic growth fueled by a strong business sector and a large expanding labor force. Employment remains diversified among the non-agricultural employment categories, including manufacturing, retail and wholesale trade, services, government, finance, insurance and real estate. The economic growth has been sustained by the County's diverse business mix. Although to a lesser extent today, aerospace, computers and other high-technology businesses, as well as various manufacturing industries, including textile, chemical, petroleum, transportation, metal, furniture, machinery, electronics, rubber/plastics, and printing/publishing continue to be principal employment areas in the Los Angeles MSA.

Over the past 15 years, San Bernardino County's economy has had significant ups and downs. From 1997 through 2000 the economy grew at a rapid pace. The year 2001 saw the national economy enter a slight recession which rebounded in 2002 due to low interest loans with home sales a strong force in the economy between 2002 and 2005. During this period, home values increase significantly in the County; however, beginning in 2006 there were significant decreases in the new home market with sales and prices falling upwards of 50% taking prices back to 2002 levels. Home values appeared to hit bottom in 2009 and remained essentially flat until about four years ago when prices began to slowly creep upwards.

The economy has been growing at a modest rate. Even though unemployment rates have fallen recently on a national basis, the decrease is believed to be because of declines in participation rather than an increase in jobs. The economy is not growing fast enough to make significant progress in creating substantial new jobs and reducing unemployment. This is reflected in a slower pace of new home sales and prices in most Inland Empire submarkets.

California's labor markets make it easy to understand why the mid-2000's downturn is called the "Great Recession." After peaking at 15.14 million jobs in July, 2007, the State shed over 1.36 million nonfarm jobs by September, 2010. Job growth is projected to be about 3% for 2014 through 2017. Several economists are forecasting that total nonfarm employment won't reach its pre-recession peak of 15.14 million until mid-2016.

With a combination of the freeway system and transportation network available in the Los Angeles Basin, the area continues to be the transportation and distribution hub for the southwestern part of the country. Excellent rail, trucking, air and water transportation services are conveniently available.

Conclusion

Los Angeles and San Bernardino Counties are recognized as one of the most important metropolitan areas on the West Coast and will continue in that prominent position because of its location and multifaceted economy. Population and housing gains have grown steadily due to these factors coupled with its diversified economy. Current economic conditions are the best they have been in the past five years as the recession has ended. Los Angeles and San Bernardino Counties are expected to continue with moderate growth due to its Southern California location and major job market. San Bernardino County with a greater abundance of vacant land, is expected to grow at a slightly higher rate than Los Angeles County. The long term forecast for Southern California is therefore considered favorable.

CITY DESCRIPTION

The cities of Diamond Bar and Chino Hills are located in the southeastern San Gabriel Valley with Diamond Bar in the eastern portion of Los Angeles County and Chino Hills in the southwestern corner of San Bernardino County. Subject property is located partially within the two cities. Diamond Bar encompasses a land area of 14.9 square miles and Chino Hills about 44.7 square miles. Grand Avenue, running through the subject property, connects the two cities.

Diamond Bar was incorporated in 1989 and Chino Hills in 1991. Population statistics for the two communities are summarized on the following table:

<u>Year</u>	<u>Diamond Bar</u>	<u>%</u>	<u>Chino Hills</u>	<u>%</u>
1990	53,672	--	27,608	--
2000	56,287	4.9%	66,787	141.9%
2010	55,544	-1.3%	74,799	12.0%
2016	56,371	1.5%	78,866	5.4%

Like much of Southern California this area was a portion of Spanish land grants. Historically most of the land was utilized for cattle grazing. What is now Diamond Bar at one time was considered one of the largest working cattle ranches in the Western United States. Both cities are now known as upper, middle-class communities that are largely residential in character with well-kept neighborhoods. The location is within commuting distance to the major employment centers of Los Angeles and Orange Counties as well as employment in San Bernardino and Riverside Counties.

Vellano in Chino Hills was once touted as the most expensive housing development in the Inland Empire with some homes in excess of \$2 million. This community is centered around a Greg Norman golf course. Other master-planned subdivisions in Chino Hills include the neighborhoods of Woodview, Village Crossing, Gordon Ranch, LeBand Village, Butterfield Ranch, Rolling Ridge, Fairfield Ranch and Payne Ranch. Los Serranos is another community centered around a golf course.

Diamond Bar also has a number of upscale residential neighborhoods. Transamerica Corporation acquired the land in the 1950's for the purpose of developing one of the first master-planned communities in the country. Transamerica oversaw the development of Diamond Bar through the 1960's and then divested itself of their real estate holdings in the 1970's. Diamond Bar Country Estates is a guard-gated community on the east side of the city and adjacent to the subject property.

Both Diamond Bar and Chino Hills have a number of commercial centers serving the community. Major commercial development in Diamond Bar is located close to the State Route 57 Freeway and in Chino Hills much of the commercial development is found along State Route 71.

The area has good freeway access with the above mentioned freeways as well as State Route 60 that runs along the northerly boundary of the two cities. These freeways connect

"Tres Hermanos Ranch"
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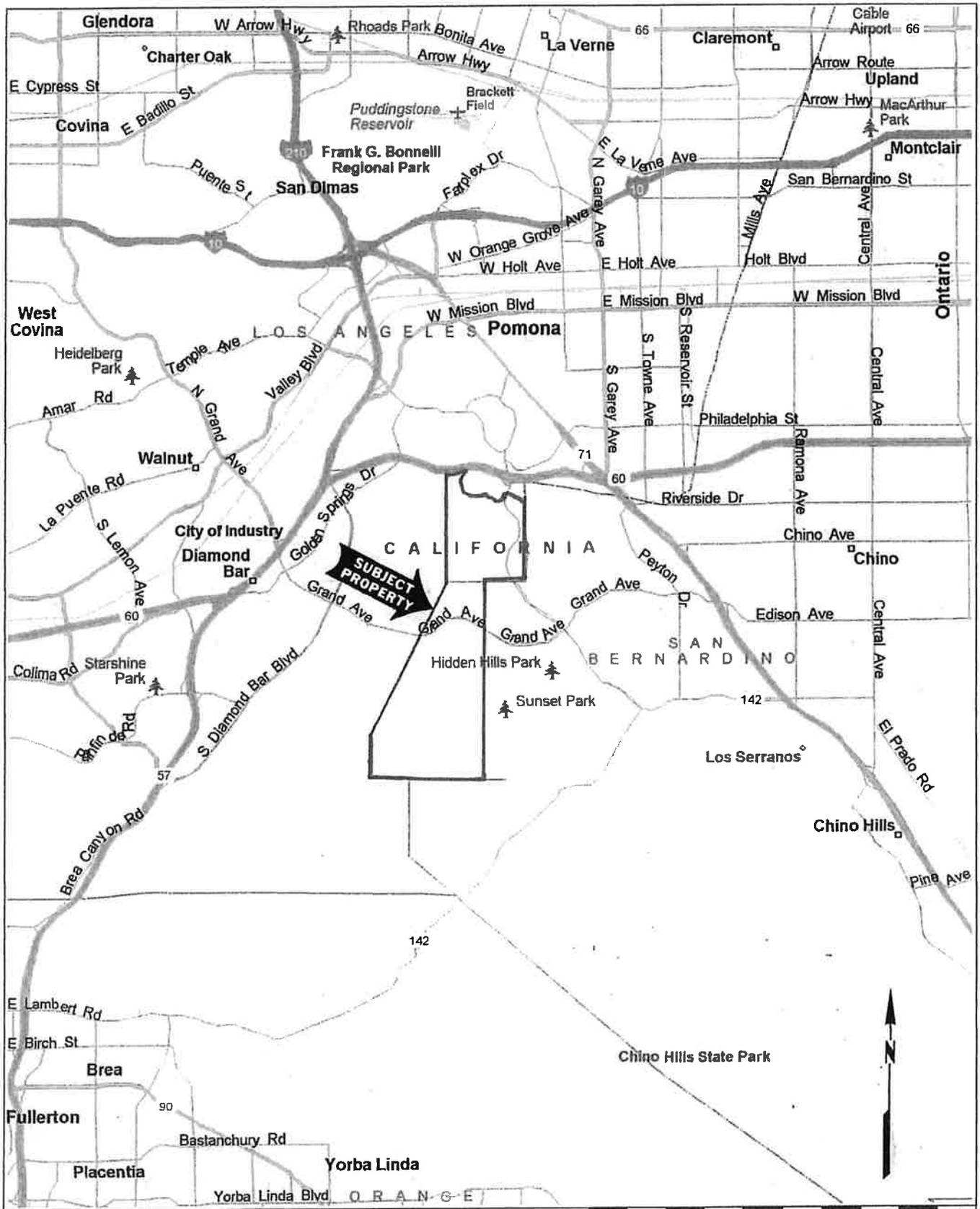
December 7, 2016
Page 14

with other routes in the Southern California freeway system giving the area good access to job centers and entertainment/recreational activities.

Conclusion

The cities are considered relatively young in the region but yet mature with much of the area built-out and few opportunities for future growth. The cities have a good reputation as places to live with good quality school systems. The area is strategically located with good freeway access and provides housing opportunities and a desirable environment within which to live.

Area Map



LARRY W. HEGLAR, MAI

IMMEDIATE SURROUNDINGS

The property appraised is located between two largely residential communities in the eastern San Gabriel Valley. The surrounding area is composed of a variety of residential neighborhoods with multi-family, industrial and commercial uses. It is adjacent southerly to State Route (S.R.) 60 and between both S.R. 57 and S.R. 71 Freeways that allows good access to the major employment centers in Los Angeles and Orange Counties.

Along the boundary on the north side of the property is Diamond Ranch High School between S.R. 60 and the subject. This is a relatively new high school with state-of-the-art facilities and having "Digital High School" status. S.R. 60 is a major east/west freeway through the Los Angeles Basin. North of the freeway is the city of Pomona with a master-planned community known as Phillip's Ranch just north of the freeway. Several colleges and universities are located close to the interchange between the S.R. 57 and Interstate 10 Freeways to the north. California Poly Pomona is at this location. It is a technical arts and applied sciences institution with more than 22,150 students. Mt. San Antonio College and a campus for DeVry University are also in this area. Frank Bonelli Park and Puddingstone Reservoir are about three miles north at the northeasterly quadrant of S.R. 57 and I-10. The park contains about 2,200 acres along with the 250 acre reservoir/lake. There are 14 miles of hiking trails within the park. Raging Waters is along the northern portion of the park. Bracket Field and the Pomona Fairplex is along the east side of the park as well as Mountain Meadows Golf Course. Further to the north are the communities of La Verne, San Dimas, Claremont and Glendora. The San Gabriel Mountains and Angeles National Forest is located adjacent north of these communities.

Much of the land immediately east of the subject consists of similar vacant terrain owned by the City of Chino Hills. Beyond the vacant parcels there are a number of single family residential neighborhoods. Homes currently listed through the MLS (over 3,000 square feet), range in price from \$849,000 to about \$2.5 million. Further east, in Chino Hills along the west side of S.R. 71 is the Crossroads Market Place on a 74 acre parcel. Industrial properties are located just to the east of S.R. 71 with older Chino residential neighborhoods beyond. Chino Airport is about five miles east. This facility houses "Planes of Fame" but was utilized during WWII as a training facility that included many war planes of the era including the B-24. Just south of the airport is a large, master-planned community known as the Chino Preserve. This property is an assemblage of parcels that started in 2004. It totals more than 1,200 acres and is entitled for more than 7,800 residential units. Currently it is about one-half developed. Just to the east of the Chino Preserve is the new town of Eastvale. Both of these communities are being developed on former dairy farms and other farm land. Further to the east, all within San Bernardino County, are the communities of Ontario, Jurupa Valley, Mira Loma and Norco

South of the subject most land consists of undeveloped natural areas. The Firestone Boy Scout Reservation is a large facility with almost 3,000 acres devoted to camping and other Boy Scout activities. Adjacent to the Boy Scout facility is the Chino Hills State Park. This

park started as a 2,237 acre acquisition in 1977 and has grown since with the acquisition of other adjacent parcels. The park straddles the north end of the Santa Ana Mountains which are portions of the Peninsular Ranges in Southern California and separates the Los Angeles Basin from the rolling areas to the east. The hills are a result of uplift and folding along the Whittier and Chino Faults. A Catholic monastery known as Saint Joseph's Hill of Hope and the Chino Hills community of Sleepy Hollow are to the south along with the Western Hills Golf and Country Club. Sleepy Hollow is mainly a community with lots larger than one acre. Recent sales of lots range from \$260,000 to \$505,000 and homes as high as \$3.3 million. The Orange/Los Angeles County border forms the southerly boundary of the Firestone Boy Scout Reserve and Chino Hill State Park. The cities of Brea and Brea-Olinda as well as Yorba Linda are in this northerly portion of Orange County. Olinda Alpha Landfill is located here and is a 565 acre facility of which 420 acres are permitted for refuse disposal. It was opened in 1960 and scheduled to close in December 2021 adding to open space in the area. Further south is the city of Fullerton and Cal State University at Fullerton.

Immediately west of the subject is the city of Diamond Bar with single family neighborhoods typically on large lots. This is an upper scale community with many homes selling in excess of \$1 million. Currently there are more than twenty-five homes listed for sale ranging from \$1.1 million to \$12.8 million. The S.R. 57 and 60 Freeways generally form the boundary between the cities of Diamond Bar and Industry. City of Industry, as its name suggests, is a mostly industrial city with about 92% designated as industrial land uses and 8% for commercial uses. According to the 2010 US Census only 219 residential properties were in the community whereas there were about 2,500 businesses. The city was incorporated in 1957 partly to prevent surrounding cities from annexing industrial land for tax revenues within those cities. Industry has the highest property tax rate of any city in Los Angeles County. The few residential properties in the city are adjacent to Industry Hills Golf Club, the Industry Recreation Center and the City Hall.

Summary

The subject location is considered very desirable for residential development as it is within relatively close proximity to major job markets in the Los Angeles Basin. Little new development has taken place in recent years due to lack of available vacant land on which to build. Because of the generally built-out nature of the area, there are very few opportunities for new residential communities. It is anticipated that this location should remain economically strong into the future.

RESIDENTIAL MARKET OVERVIEW

The local real estate market has improved over the last several years and is considered stable by most market pundits. The following discussion is taken from information published by Data Quick Information Systems and from a publication by the Real Estate Research Council of Southern California (RERCSC) published by Cal Poly, Pomona (3rd Quarter, 2016). Also new home agents and resale agents were interviewed in the process.

There's was a significant decline in construction as a result of "The Great Recession" and, consequently building permit activity was very slow beginning in 2008, limiting supply. Construction was unable to keep up with population growth although it is forecast that permit activity will accelerate over the near term. Building permits have recently decreased in LA County with RERCSC reporting total residential permits, year-over-year in the third quarter of 2016 down 25 percent over the previous year in single family permits. San Bernardino County is up 2 percent. Overall, Southern California is down in new building permits for single family housing thus further reducing the supply of new housing stock. Until 2007 LA County consistently pulled between 10,000 and 12,000 new housing permits annually (both single family and multi-family). San Bernardino was typically in the 12,600 to 15,300 permit range per year. In 2015 LA County had only 4,297 permits pulled and San Bernardino, only 2,589 permits, both well below market the peak.

Population and employment growth over the next few years will fuel pressure for growth in the region's housing stock although most of this growth will take place outside of the immediate LA Basin, in the Inland Empire and Santa Clarita Valley areas. Housing supply in many prime areas of Los Angeles County is rapidly burning off leaving very few housing opportunities that will be available for a growing employment base.

During the third quarter 2016 a total of 22,133 new and existing homes sold in LA County with 913 new homes sold. San Bernardino County had 8,102 total homes sold in the third quarter with 646 of those being new homes. This is about the same for both counties over the same quarter in 2015. Median home selling price in LA County was \$531,153 with the median new home price at \$585,653. These indicate price increases of 6.9% and 4.4% respectively over the same quarter a year earlier. For San Bernardino County the median selling price was \$287,306 for all single family homes and \$430,508 for new homes. This represents a 6.2% increase in all single family prices and a decrease of 2.4% for new home prices. Because of the subject location the area relates more to the Los Angeles County market than it does to San Bernardino County.

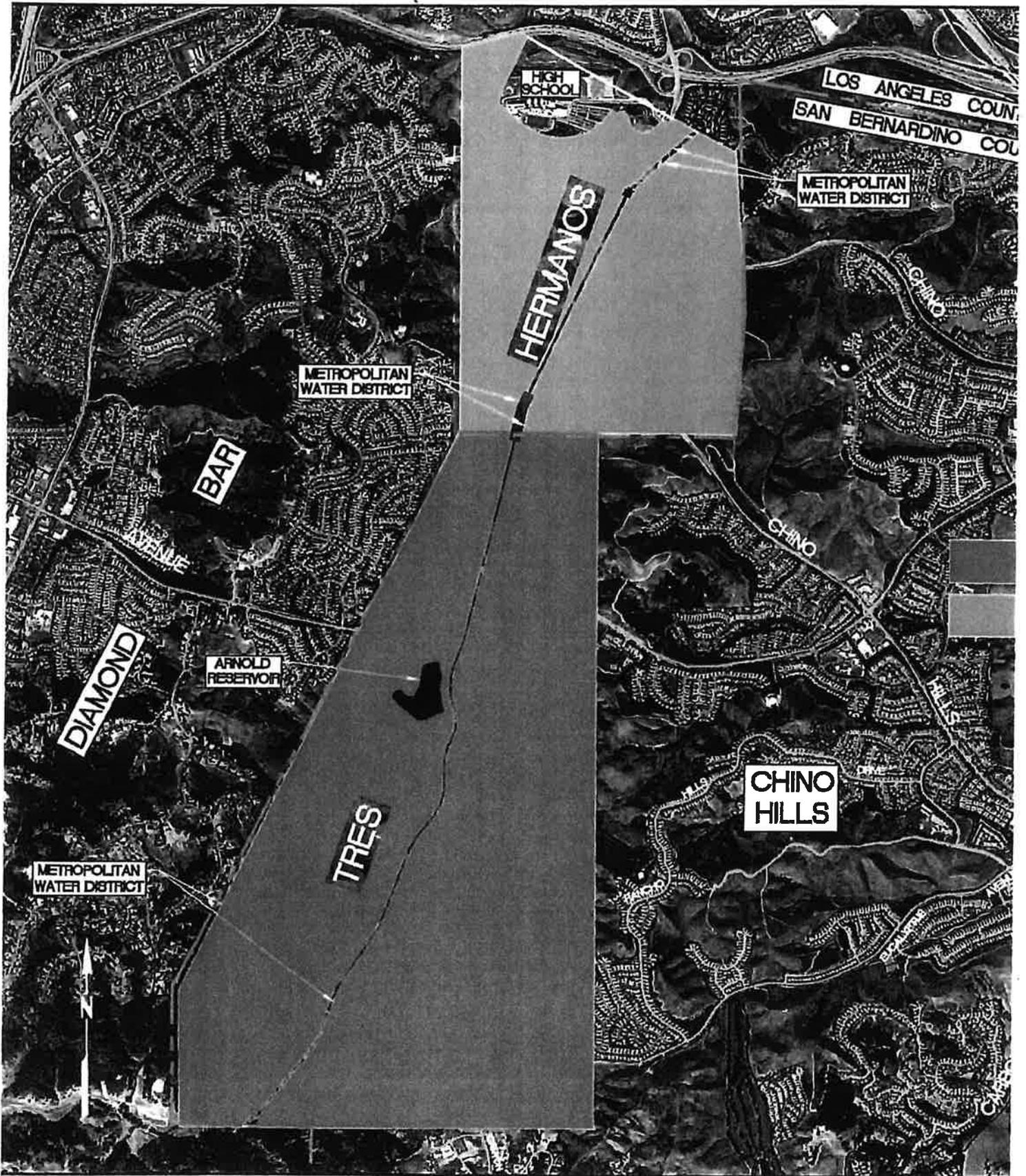
In summary the Southern California housing market has shown signs of improvement in both prices and sales volume. Sales and pricing have generally increased for both existing home sales and new home sales. Foreclosures have dropped to their lowest level since December, 2006 and notices of default have fallen as well. The Los Angeles and San Bernardino Counties has improved over the last few years and is considered stable. It appears that prices have stabilized and are returning to the peak levels before the recession. The median new home price in Los Angeles County as well as most of the more coastal locations of Southern California have reached peak levels and only more inland locations, further from major job markets, are still below peak price levels and sales rates. Mortgage rates remain at historically low levels and defaults and foreclosures have declined

"Tres Hermanos Ranch"
Attention: James M. Casso

December 7, 2016
Page 18

substantially in the last two years. The subject location provides relative ease for commuting to many of the employment centers and is considered a strong area to satisfy future growth if the property is ever entitled for development.

Site Map



THE LAND

Location

The property appraised consists of a large parcel of unentitled, undeveloped land located between the cities of Diamond Bar in Los Angeles County and Chino Hills in San Bernardino County. North to south the property is between State Route (S.R.) 60 and the Firestone Boy Scout Reservation. See the facing map generally depicting the subject land.

Shape and Land Area

The subject land is an irregular shaped property with a total of 2,445.70 acres according to public records from CoreLogic, RealQuest Professional. Land areas based on Assessor Parcel Numbers (APN's) are summarized as follows:

<u>APN</u>	<u>Acres</u>
<u>LA County</u>	
8701-021-271	583.88
8701-022-270	3.51
8701-022-273	<u>107.85</u>
Total LA County	695.24
<u>San Bernardino County</u>	
1000-011-19	156.63
1000-011-20	156.42
1000-011-21	59.90
1000-011-22	98.78
1000-021-13	319.74
1000-021-14	477.79
1000-031-14	160.20
1000-031-15	<u>321.00</u>
Total San Bernardino County	1,750.46
Grand Total	2,445.70

The property is almost four miles long from north to south and about 1.5 miles wide at its widest point along the southerly boundary.

Topography

The subject property generally consists of a north-south trending wide, shallow valley with gentle hillsides and ridges on both sides of the valley. It appears to generally slope and drain from north to south through the central portion of the property to Tonner Canyon at the south. Topography ranges from a ridgeline at 1,469 feet above sea level close to the northerly boundary to the valley bottom at about 900 feet down toward the southerly boundary. Intervening ridges on both sides of the valley typically range between about 1,000 to 1,200 feet above sea level.

Improvements

The land is unimproved at the time of inspection except for an old farm house and other farm structures. The foundation and other remains from a damaged home lies on a small

knoll near the other farm structures. Tonner Canyon Road, a partially paved road, runs down most of the spine of the valley area. A tunnel beneath Grand Avenue connects Tonner Canyon Road to both sides of the property.

Soils & Hazardous Materials

We were not provided with a geotechnical studies for the subject property. From a visual inspection of the land there was no evidence of any slides or soil contamination. A tour of the property was provided by Mayor Mark Radecki and Council Member Abraham Cruz. They were not aware of any geotechnical issues that might impact the property. This appraisal assumes that the site does not have any extraordinary soil or geotechnical issues that would prevent development of the property to its highest and best use.

Zoning and Entitlements

Diamond Bar: *General Plan* designation for the subject is "PA-1/SP" with a small portion adjacent to Diamond Ranch High School that has a designation of "PA-5/RH-30" according to the city's General Plan, Land Use Map. PA-1/SP designation provides for development with residential uses at densities ranging from 0 to 0.2 units per acre and requires the processing of a Specific Plan.

Diamond Bar: *Zoning* for most of the subject property is "A-G, Agriculture." A small portion along the northerly side of the property, next to Diamond Ranch High School is zoned "A-G" and "RH 30." "RH 30" is a high density residential zone allowing up to 30 dwelling units per acre.

Chino Hills: *General Plan* designation within Chino Hills for the subject consists of "Agriculture/Ranches" for most of the property. There is a cluster with three General Plan Land Uses along Grand Avenue close to the boundary with Diamond Bar. These designations include "Very High Density Residential," "Commercial" and "Mixed-Use." This is based on a review of the City of Chino Hills, General Plan Land Use map adopted by City Council and dated 24 February, 2015.

Chino Hills: *Zoning* for the subject property is similar to the General Plan designations. Most of the land is zoned "R-A, Agriculture-Ranch" with the remaining portions zoned "RM-3 (15 acres), Very High Density Residential," "MU (20 acres), Mixed Use," and "C-N (15 acres), Neighborhood Commercial."

Zoning and General Plan maps are in the Addenda of this report. Diamond Bar does not have a zoning map for the city.

Entitlements

Other than General Plan designations and Zoning the property does not have any additional entitlements. In November, 2006 the Tres Hermanos Conservation Authority sent out a Request for Proposals for "Land Use Concept Planning Services" on the property. This was to provide a master plan for the ultimate development of Tres Hermanos Ranch. It was to analyze market opportunities as well as economic impacts and environmental constraints

on the property. A plan was not developed and, according to planning officials, they are not aware of any processing of entitlements that began processing within the two jurisdictions.

Most of the subject land consists of degraded grass lands that have been used for cattle grazing over the years. However, there are portions of the property that appears may have riparian habitat along a water course that runs down the property from Arnold Reservoir that is just southerly of Grand Avenue. In addition there are several oak and sycamore groves mainly on the southerly portions of the property that have native vegetation and may include sensitive habitat areas.

Existing biological surveys or reports were requested. They either do not exist or could not be found. It appears, based on an inspection of the property, and mainly due to grazing operations, much of the subject land is devoid of sensitive or protected habitat. It is an assumption of this appraisal that any such habitat can be protected should the property be entitled and developed.

Access and Streets

The subject property appears to have access along both Grand Avenue and Chino Hills Parkway. Chino Hills Parkway turns into Phillips Ranch Road at Scenic Ridge Road/Diamond Ranch Road. Diamond Ranch Road runs westerly from Chino Hills Parkway/Phillips Ranch Road and accesses Diamond Ranch High School. Phillips Ranch Road connects the subject area to State Route 60.

Utilities

The usual and necessary public utilities and services for the development would be provided by the following:

- Water: Diamond Bar-Walnut Valley Water District. Chino Hills-City of Chino Hills.
- Sewer & Storm Drains: Diamond Bar-City & LA County Department of Public Works. Chino Hills-City of Chino Hills
- Natural Gas: Both cities-Southern California Gas Company
- Electricity: Both cities-Southern California Edison Company
- Rubbish Collection: Diamond Bar-Waste Management. Chino Hills-Republic Services.
- Telephone: Diamond Bar-Verizon. Chino Hills-Frontier Communications
- Cable TV: Both cities-Time Warner

Easements

A Preliminary Report by First American Title Company dated September 1, 2016 was provided for review. There are a number of easements impacting the site for ingress-egress and utility purposes. In addition there are other exceptions and exclusions from the title policy including deeds of trust, leases and other documents/agreements of record.

We are not title experts. Exceptions to title do not appear to limit development of the subject property. It is an assumption of this report that the property is free and clear of any encumbrances of title that would prohibit development.

Flood Hazard

According to Federal Emergency Management Agency Flood Insurance Rate Maps, subject land is within Zone D. Zone D is an area considered "Unknown or an Area not Included." The site is shown on community Panel No 060154-06037C1445F. Effective date of the panel September 26, 2008. Because of the sloping topography of the subject site it is not believed to be within a flood hazard area.

Earthquake Hazard

Subject site does not appear to be located within an Alquist-Priolo Special Studies Earthquake Zone; however, like all areas of Southern California, the area is subject to seismic disturbance. There are active faults within relatively close proximity to the site and the property will likely experience moderate to occasionally high ground shaking from these faults during a seismic event. As with soil conditions, we are not geologists or engineers and assume that the subject property can be developed pursuant to estimated highest and best use.

Zip Code

Subject property is in zip codes 91765 (Diamond Bar) and 91709 (Chino Hills).

Assessed Valuation and Real Property Taxes

The property appraised currently assessed by the Los Angeles County and San Bernardino County Assessor's offices. Current assessed values and property taxes as set forth on public records are summarized as follows:

<u>Location/APN</u>	<u>Land</u>	<u>Improvements</u>	<u>Total</u>
<u>LA County</u>			
8701-021-271	\$3,223,496	\$0	\$3,223,496
8701-022-270	17,639	0	17,639
8701-022-273	472,534	0	472,534
Total LA County	\$3,713,669		\$3,713,669
<u>San Bernardino County</u>			
1000-011-19	\$239,087	\$0	\$239,087
1000-011-20	238,770	0	238,770
1000-011-21	91,433	0	91,433
1000-011-22	150,782	0	150,782
1000-021-13	488,066	0	488,066
1000-021-14	739,118	22,471	761,587
1000-031-14	309,769	0	309,769
1000-031-15	496,559	0	496,559
Total San Bernardino	\$2,753,584	\$22,471	\$2,776,055
Grand Total			

With the passage of the Jarvis-Gann Initiative (Proposition 13), real estate taxes in California are limited to approximately 1% of market/assessed value, plus an amount to

"Tres Hermanos Ranch"
Attention: James M. Casso

December 7, 2016
Page 23

cover any bonded indebtedness (special assessments). Adjustments are made annually to base taxes (not special assessments); however, increases are limited to 2%. Upon transfer or completion of construction, the property is re-assessed to reflect market value.

HIGHEST AND BEST USE

The term "*highest and best use*" is defined as:

"the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

Source: The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute

The concept of highest and best use in appraisal practice is the underlying premise upon which a value estimate is based. That determination is based on consideration of social, physical and economic forces that affect the subject property and influence value.

Inherent in this definition are several conditions, which must be satisfied by the existing or proposed use in order to develop the maximum value. The use must be physically possible for the site. Soil conditions, topography, size and shape must be compatible with the proposed use. The use must be legally permissible in that it must conform to current or projected zoning. Similarly, the use must not be precluded by deed restrictions or other encumbrances, which may limit potential uses. Also, the use must be economically feasible. The market should indicate sufficient economic demand so as to support a proposed use of the site. Among the various uses that meet the above criteria, the use which creates the greatest rate of return and maximum productivity is considered to be the highest and best use of the site.

Existing improvements on a property should normally be renovated or retained until such time as they no longer contribute to the total market value of the property at which time a new improvement would more than offset the cost of demolition and new construction. In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Physically Possible – The subject consists of a generally flat valley with rolling topography and ridgelines around the perimeter. It is assumed that there are no geotechnical issues and that the subject property is feasible for development. From a physical point of view the land is of sufficient size and shape to accommodate development. It has been used for cattle grazing and it appears that except for areas around a reservoir and groves of oak and sycamores, that most land has been degraded of habitat due to grazing. It is an assumption of this analysis that development could take place with little impact on any sensitive habitat area. The property appears to be and it is assumed that it is developable from a physical perspective.

Legally Permissible – The subject land has several zoning and General Plan designation within the two communities. Most of the land in both cities is zoned for agriculture/ranch land uses with a development density of 0.2 dwelling units per acre. Diamond Bar has an area at the northern portion of the property allowing high density residential uses at 30 units per acre and Chino Hills has a similar high density residential zoning adjacent to

Grand Avenue. In addition, Chino Hills has, at this same location along Grand Avenue approximately 15 acres zoned Neighborhood Commercial and 20 acres zoned for Multi-Use. General Plan designations reflect the land uses of zoning.

A Zone Change and General Plan Amendments along with other entitlement requirements would have to be processed for the property to obtain entitlements for more intense, urbanized development. In addition, in Chino Hills, any change in zoning would require a public vote. It would be very difficult to change the zoning in Chino Hills based on discussions with developers doing business in the city. Based on this information it is apparent that a prudent developer would process a development plan that would be consistent with current zoning in both jurisdictions. A plan to develop a large lot subdivision that would generally follow along Tonner Canyon Road with lots typically ranging from one-half to one acre in size with remaining land left in permanent open space would be a reasonable use of the land. With lots clustered mainly along a central spine ample open space would be provided. Discussions with developers relating to this concept suggest a "ranchette" plan where buyers could build a custom home on a large lot but be able to ride horse back on a larger parcel that would be subject to a conservation easement would be a very salable residential product.

Financially Feasible/Maximally Productive – The housing market has improved over the past several years and there is a general lack of supply in subject market area. This is especially true for homes located on large lots. Based on research and analyses conducted, it appears that subject land would generate market profit for the low density land use as well as the high density pockets and commercial/mixed-use areas. In our opinion, master planned development with the above described program in our opinion represents the highest and best use of the subject site.

The most logical buyer for Tres Hermanos Ranch, in our opinion, would be an entitlement firm and/or land developer that would obtain entitlements and possibly develop the major required infrastructure and then sell off various components to other developers and builders.

VALUATION PROCESS

There are three standard approaches generally used in estimating the value of real property: the Cost Approach, Sales Comparison Approach (aka: Market Data Approach) and the Income Capitalization Approach. Depending on the specific appraisal problem and data available one or more of these approaches are used.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability and the quantity and quality of the approach's data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject property than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and/or external causes. Estimated land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences between the subject property and the sales data to estimate value. A unit of comparison such as price per square foot, price per acre, price per unit or effective gross income multiplier are typically used to value the property. When developing an opinion of land value, the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit or price per square foot of potential building area. In all cases, adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

Income Approach

In the Income Approach the income producing capacity of the subject property is estimated by using contract rents on existing leases and/or estimating market rent from rental activity at competing properties for leased space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an indication of value. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

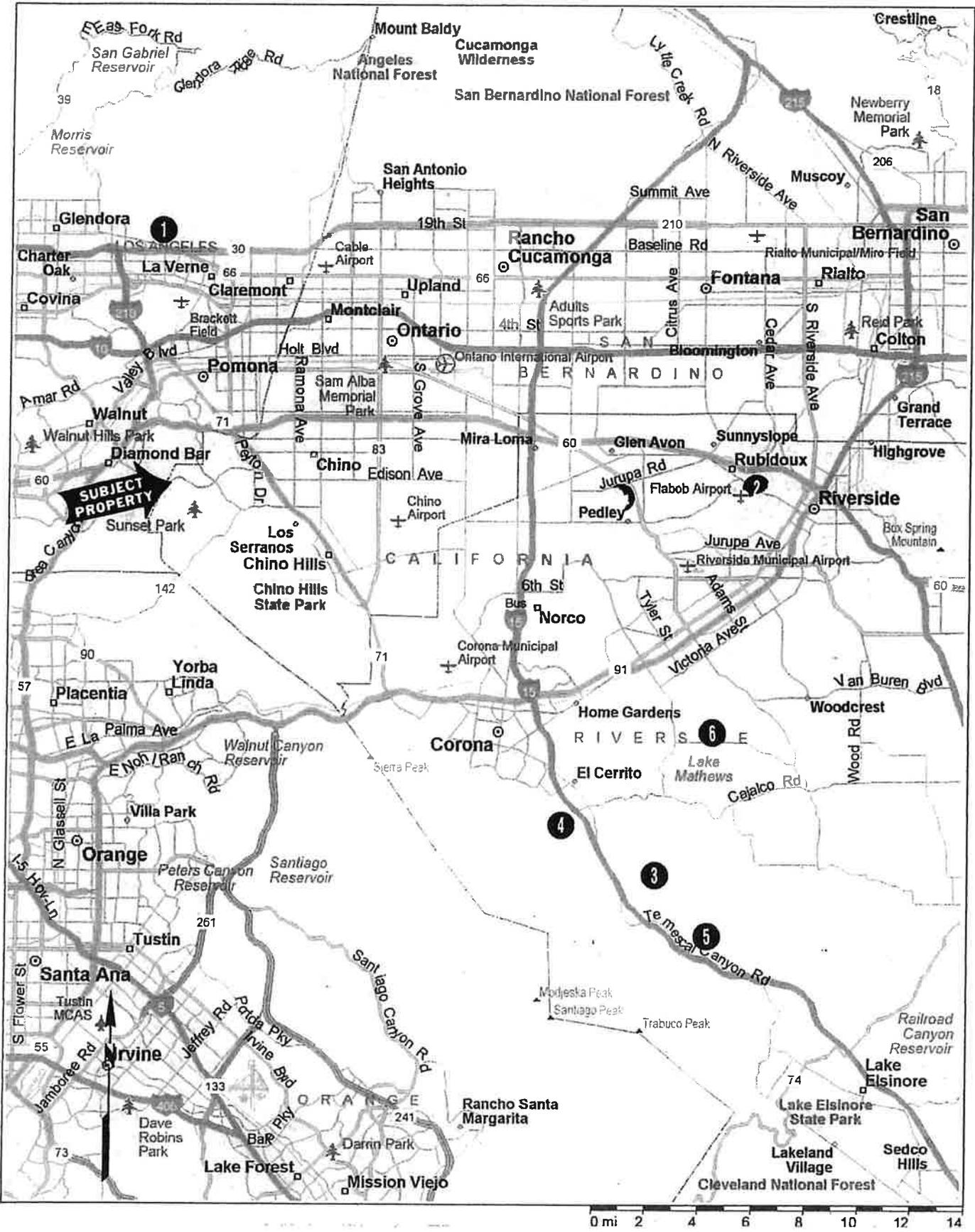
Related to the Direct Capitalization Method is the Yield Capitalization Method or Discounted Cash Flow (DCF) Analysis. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value (at the termination of an assumed holding period) are developed and discounted to a present value using an internal rate of return that is estimated by analyzing current investor yield requirements of similar investments.

Conclusion

The Sales Comparison Approach to value is typically the most common approach used in the appraisal of vacant land. Market value is estimated by comparing properties similar to the subject, which have recently sold, are listed for sale, or are under contract (i.e., for which purchase offers and a deposit have been submitted). In addition, a Land Development Analysis can be utilized, especially in markets where comparable land sales are sparse or require large adjustments to compare to the subject property. This approach uses components of both the Cost and Income Approaches to estimate residual land value.

A search of the general Southern California area was conducted and several sales of generally comparable lands were found. The location of these comparable properties is shown on the following Land Sales Map. A summary of these sales is shown on the table on the following page. Each of these data items is discussed in relation to the subject property below followed by a value estimate.

Market Data Map



LARRY W. HEGLAR, MAI

LAND VALUE BY DIRECT COMPARISON

A search of public records and an investigation in the field has been made in order to identify sales of land that exhibit characteristics similar to the subject site. Verification of this information including interviews with agents, sellers and buyers was an important part of the investigation. The chart below summarizes the sales data utilized in this technique to estimate the value of subject land in an "as is" condition.

Land Sale Summary

<u>Sale No.</u>	<u>Name/ Location</u>	<u>Sale Date</u>	<u>Land Area</u>	<u>No. Lots</u>	<u>Total Price</u>	<u>\$/Acre \$/Lot</u>
1	N terminus of Cataract Ave., N/O Foothill Blvd. San Dimas	11/16	311.60 Ac. Min ½ Ac lots	65	\$22,000,000	\$70,603 \$338,461
2	S/S S.R. 60 Frwy @ Rubidoux Blvd. Yurupa Valley	12/15	276.03 Ac.	N/A	\$7,000,000	\$25,360
3	N/S Temescal Canyon Rd., at El Hermano Rd. Unincorp. Riverside Co.	1/15	960.0 Ac.	1,443	\$55,000,000	\$57,292 \$38,115
4	SWQ Cajalco Rd. & Interstate 15 Corona	12/14	279.84 Ac.	1,621	\$74,000,000	\$264,437 \$45,651
5	N/S Temescal Canyon Rd., S/O El Hermano Rd. Unincorp. Riverside Co.	4/14	536.67 Ac.	359	\$14,000,000	\$26,087 \$38,997
6	SE & NEC McAllister Rd. & El Sobrante Rd. Unincorp. Riverside Co.	3/14	130.54 Ac.	272	\$15,700,000	\$120,270 \$57,721

Analysis of Land Sales

Details of the land sale data are summarized below.

Land Sale No. 1 This property is located in San Dimas about eight miles northwest of the subject and is a recent transaction closing escrow in early November, 2016. Property consists of 311.60 gross acres of which approximately 90 acres is considered developable. It is a hill-side property with views mainly to the south of the San Gabriel Valley and subject location. It is proposed as a large lot subdivision with lots a minimum of one-half acre in size. According to the Purchase and Sale Agreement the price for the land is \$22,000,000 or \$70,603 per acre and \$338,462 per lot on 65 lots. This is an all-cash transaction with closing contingent on the buyer obtaining an Approved Tentative Tract Map. Seller of the land is NJD, LTD, a Texas limited partnership. Buyer is Brasada Homes Land, LLC, a Delaware limited liability company.

The sale is considered overall superior to the subject because of its smaller size and entitlement status at the time of closing. Purchase price however was established more than a year before closing.

Land Sale No. 2 This sale refers to a property located on the south side of State Route 60 about twenty miles to the east of the subject. The property is known as Emerald Meadows Ranch and was a part of a portfolio of land assets owned by SunCal that went into foreclosure at the beginning of the recession. The property had Specific Plan approval within the County of Riverside prior to the formation of the City of Jurupa Valley. The city would like to see more commercial development on the property and, as a consequence, at time of sale the property was not entitled. In addition, resource agency permits have either expired or will have to be obtained to develop the property. There are two separate ownerships within the overall property that are not a part and planning and development will need to work around these properties. They consist of older, more rural residential neighborhoods in poor condition. The previous Specific Plan provided for 1,196 residential units including 477 high-density and very high-density units. It also provided for a 20 acre commercial site along with a school and church site.

The location is adjacent to the freeway and has good access. It is however considered an inferior location to the subject because of the demographics surrounding the subject is by far superior to this location. Because it is a smaller site the size is considered superior to the subject. It was purchased by a land speculator along with one of the other SunCal assets in the portfolio.

Land Sale No. 3 This sale is also located twenty-two miles to the southeast. The property has been known as the Toscana Specific Plan which was submitted to the County of Riverside in December, 2006. It was approved for 1,443 dwelling units, 4.4 acres of commercial and 510 acres (53%) of open space. Topography consists of gently rolling terrain with some flat plateaus. It is currently being developed by the buyer, Forestar Toscana Development Company, that has experience developing other large parcels along the I-15 corridor. Purchase of the property was made in three phases with the initial acquisition in January, 2015. Subsequent takedowns are scheduled for February, 2017 and January, 2018.

Location of this property is considered inferior to the subject because of demographic differences in the two locations and the closer proximity of the subject to major employment. Even though this property is the largest of the data found it is still less than half the size of the subject making it superior in terms of size. Also, it had Specific Plan approval at time of sale making it superior from an entitlement perspective.

Land Sale No. 4 This sale is located in Corona about eighteen miles to the southeast. It is known as Arantine Hills Specific Plan and had an approved Specific Plan, approved General Plan Amendment, approved EIR and approved Tentative Tract Map at time of sale. Approvals provided for 1,621 dwelling units and 750,000 square feet of commercial uses. The buyer, The New Home Company, is modifying the entitlements to build fewer units and only about 125,000 square feet of commercial. Topography is flat to rolling terrain.

This is a good location adjacent to Interstate 15 although still inferior to the subject location due to the subject's closer proximity to job centers. Overall the sale is considered superior because of size and entitlement status at time of sale.

Land Sale No. 5 This site is located just north of Lake Elsinore roughly twenty-five miles southeast of subject property. The property is adjacent and includes a lake (Lee Lake) but is mostly steep and rocky making it prohibitive for development. Also, much of this area

may have habitat and the buyer/developer is currently negotiating for the sale of a major portion to a conservation agency. This portion totals about 341 acres and currently is being negotiated at a price of about \$4.5 million or \$13,343 per acre. The developer is planning for the development of 359 dwelling units although zoning will allow up to 508 homes (\$27,559 per dwelling unit). The Purchase and Sale Agreement for the acquisition indicates a total land area of approximately 450 acres indicating a price per acre of \$31,111.

For comparison to the subject this site is inferior because of location, date of sale and topography. It is superior in terms of size.

Land Sale No. 6 This property is located about twenty miles to the southeast of the subject adjacent to the city of Riverside. It consists of 130.54 acres of vacant, unentitled land that was purchased by a home builder who is processing a plan for 272 single family detached lots. The property has two parcels separated by El Sobrante Road. The 100.48 portion on the north side of El Sobrante is generally flat and is the portion anticipated to accommodate the 272 lots. The portion on the south side of El Sobrante is relatively steep and will remain in permanent open space.

This location is considered inferior to the subject. Date of sale makes it inferior as well. It was purchased in an unentitled condition making that aspect similar to the subject. Property size however, the smallest sale found, makes it overall superior to the subject.

Data Analysis

The land market has stabilized over the last several years in most Southern California areas. Sales rates have slowed slightly over the past two years although some sources (RERCSC) indicate overall sales have increased. None the less, current sales paces are still an improvement over the recessionary times of the late 2000's.

The data summarized ranges from \$25,360 to \$264,437 per acre and \$38,115 to \$338,461 per lot or dwelling unit, prior to adjustments. This wide range is influenced by a number of factors that include entitlement status, location, property size, and number of lots.

Following are some of the considerations utilized in adjusting the market data.

Entitlements: Properties are generally considered entitled in California once they have tentative map approvals and all discretionary approvals are obtained with the owner only required to satisfy map conditions to obtain a final map and start development. Consequently there is generally a significant difference in prices between land that has a Specific Plan approval and/or Tentative Tract Map approval and land that does not. The sale properties were acquired in various stages of entitlement with three sales having an approved tentative tract map approval at time of closing.

Location: As always, location is a primary influence on property values. Commute distance to regional job markets, school district scores, quality of adjacent neighborhoods and other locational characteristics have a major impact on values. Subject property is better located than all of the sale locations.

Size: Parcel size also has an influence on value. Larger parcels will generally trade at a lower prices per acre and per dwelling unit and smaller parcels at higher prices. The subject parcel is very large at 2,445.7 acres and larger than any of the comparable data. That data ranges from 130.54 acres to 960 acres. The subject is truly unique within Southern California and

parcels of that size are basically non-existent close to urbanized areas. Also influencing size is the ratio of developable land relative to total land acquired. Parcels that have large amounts of open space or physically undevelopable areas generally trade at lower prices on a gross acre basis. The subject property appears to have a large amount that could be developed from a physical perspective and still allowing a large amount of land for open space/buffer.

Site Conditions: Development costs can also have an influence on land prices. Parcels requiring excessive grading costs will typically sell for less than other parcels that are more economically feasible to develop. Grading and other development costs for properties having hillside topography are more costly to develop; however, such properties usually provide view premiums that can more than offset the additional development costs. The site condition adjustment is a subjective adjustment intended to reflect differences in needed development costs such as grading, water, and sewer on an overall acreage basis.

Sale Date: There has been a leveling in land prices over the last two years. Consequently no adjustments have been made for time on sales negotiated within the time frame of sale date and date of value and only a minor adjustment for older sales.

Deal Terms: This adjustment consideration typically is used for adjustments due to favorable seller provided financing but also relates to option structures on land sales. Except for Land Sale No. 3 which is a three phase takedown, all of the sales are either all cash or cash equivalent with market financing and therefore, no adjustments were made for deal terms.

The overall range in the adjusted data is \$24,092 to \$158,062 per acre and \$26,681 to \$169,231 per dwelling unit. This is a wide range. If Land Sales No. 1 and 4 are eliminated the range is tighter between \$24,092 and \$102,229 per acre and \$26,681 and \$49,063 per dwelling unit.

Considering the similarities and differences in the above summarized land sale data, it is our opinion that a value between \$40,000 and \$45,000 per gross acre is indicated for the overall subject property. On a per unit basis it is our opinion that the data suggests a price between \$40,000 and \$45,000 per potential developable dwelling unit. This considers the relatively low intensity of development at less than one unit per acre and the resulting overall large lot product type that would dominate this type of project.

Estimated Land Value

2,445.70 Acres @ \$40,000/Acre	\$97,828,000
2,445.70 Acres @ \$45,000/Acre	\$110,056,500
2,248 Dwelling Units @ \$40,000/DU	\$89,920,000
2,248 Dwelling Units @ \$45,000/DU	\$101,160,000

Rounded to \$100,000,000

LAND DEVELOPMENT ANALYSIS

Subject property is a unique land parcel in the Los Angeles Basin. It is larger than any comparable sales that could be found in the area. Its location within relatively close commuting distance to the job markets in Los Angeles and Orange Counties as well, to a lesser degree the Inland Empire make it at property that would be highly sought after by developers and builders. Adjacent neighborhoods have many homes in excess of \$1 million and adjacent schools are all considered good.

In addition to the Direct Comparison of land sales, a secondary Land Development Analysis for the subject property was conducted. This is considered a secondary approach because of various reasons but helps to support the Direct Comparison Approach. The subject property is unentitled and therefore limited information is available to estimated value by a developmental approach. It is not known what the unit yield would be after going through an entitlement process and consequently the number of units has been estimated based on current zoning information. Details relating to grading quantities and infrastructure requirements are not available for the subject property and typically are not for properties that are unentitled. Development cost information is based on discussion of general costs with developers, a development cost estimator and a review of cost estimates on a close-by master planned communities.

Revenue Estimates

Low Density Estate Lots: Current zoning for the subject provides that most of the subject property could be developed with very low density residential product at 0.2 units per acre or a minimum lot size of five acres. It is estimated that 117 such lots could be developed within Diamond Bar on 587 acres. In Chino Hills it is estimated that 340 lots could be developed on about 1,700 acres.

Research was conducted on the sale of large lots close to the subject as well as equestrian oriented lots in the east Los Angeles County area and the Inland Empire. The following chart summarizes sales used to estimate revenues for the low density portions to Tres Hermanos Ranch.

<u>Data No.</u>	<u>Location</u>	<u>Sale Date</u>	<u>Size (Acres)</u>	<u>Price</u>
1	1136 Villager Dr., Chino Hills	9/14	2.43	\$505,000
2	15897 Oak Tree Xing, Chino Hills	5/15	1.11	\$370,000
3	920 Everest Ct. Chino Hills	5/16	1.22	\$360,000
4	837 Everest Ct. Chino Hills	9/13	1.61	\$410,000
5	6751 Carbon Canyon Rd. Brea	Listing	10.2	\$1,200,000
6	2244 Indian Creek Rd., Diamond Bar	Listing	8.481	\$2,300,000
7	Old Carbon Canyon Rd. Chino Hills	Listing	6.6	\$1,000,000
8	Old Carbon Canyon Rd. Chino Hills	Listing	8.7	\$1,000,000

Based on the above summarized data as well as information from an interview with an agent familiar with equestrian large lot properties, the average revenue to be generated from subject lots is estimated at \$750,000 per lot.

High Density/Very High Density Land: High and very high density areas within the subject include about 107 acres in Diamond Bar and 15 acres in Chino Hills. The Diamond Bar portion is on some of the steeper land within Tres Hermanos Ranch and backs up to the southerly side of Diamond Ranch High School. Because of the topography of this area it is estimated that only about half of that parcel is developable or 50 acres. The Chino Hills portion is relatively flat and close to Grand Avenue. Land sale data helpful in estimating revenues for the higher density residential is summarized on the following chart.

Land Sale Summary-High Density Residential

<u>Data No.</u>	<u>Location</u>	<u>Sale Date</u>	<u>Size & Density</u>	<u>Price</u>	<u>Price/Acre & DU</u>
1	SWC South St. & Anaheim Blvd. Anaheim	3/14	1.85 Ac 42 DU 22.7DU/Ac	\$3,500,000	\$1,891,892 \$83,333
2	NWC Magnolia Ave. & Orangethorpe Ave. Buena Park	4/14	5.66 Ac 108 DU 19.1DU/Ac	\$10,750,000	\$1,899,293 \$99,537
3	S/S La Habra Blvd. W/O Idaho St. La Habra	6/15	2.16 Ac 32 DU 14.8DU/Ac	\$3,600,000	\$1,666,667 \$112,500
4	E/S Orange-Olive Rd., S/O Meats Ave. Orange	3/14	2.36 Ac 35 DU 14.8DU/Ac	\$6,250,000	\$2,648,305 \$178,571
5	SWC Butterfield Ranch Rd. & St. Gaudens Dr., Chino Hills	5/16	4.62 Ac 65 DU 14.1DU/Ac	\$9,000,500	\$1,948,160 \$138,469
6	SWC Ramona Ave. & Birdfarm Rd. Chino Hills	6/15	8.06 Ac 95 DU 11.8DU/Ac	\$2,985,000	\$370,347 \$31,421
7	NEC Ridgeview Dr. & Windmill Creek Rd. Chino Hills	11/13	2.6 Ac 29 DU 11.1DU/Ac	\$6,100,000	\$2,346,154 \$210,345
8	SEC Bellegrave Ave. & Celebration Ave. Ontario	12/13	7.33 Ac 75 DU 10.2DU/Ac	\$10,161,675	\$1,386,313 \$135,489

Based on the above summarized data revenue for the high density and very high density parcels have been estimated at \$1,500,000 per acre.

Neighborhood Commercial and Mixed Use: Tres Hermanos has 15 acres zoned neighborhood commercial, all located within Chino Hills. This parcel is adjacent to Grand Avenue adjacent to the higher density site and a mixed-use site. The chart below summarizes land sale data for commercial uses and mixed-uses that were utilized to estimated revenue for this land use on the subject.

Land Sale Summary-Commercial & Mixed-Use

<u>Data No.</u>	<u>Location</u>	<u>Sale Date</u>	<u>Size & Use</u>	<u>Price</u>	<u>Price/Sq. Ft.</u>
1	SWC Valley Rd. & Beech Ave. Fontana	2/16	13.1 Ac MU	\$4,000,000	\$7.00
2	NWS Soquel Cyn. Pkwy. at Pomona Rincon Rd. Chino Hills	1/16	15.63 Ac MU	\$10,700,000	\$15.72
3	SWC Soquel Cyn. Pkwy & State Route 71 Chino Hills	12/15	10.32 Ac MU	\$3,323,500	\$7.39
4	NES Fairfield Ranch Rd. & Monte Vista Ave. Chino Hills	9/15	36.21 Ac Comm'l	\$18,015,000	\$11.42
5	W/S Baker Ave., S/O 9 th Street Rancho Cucamonga	10/13	5.42 Ac Comm'l	\$2,065,000	\$8.75
6	W/S Monte Vista Ave. S/O State Street Monclair	5/13	3.23 Ac Comm'l	\$1,407,000	\$10.00
7	S/S Riverside Dr., E/O Central Ave. Chino	4/13	1.37 Ac Comm'l	\$550,000	\$9.23

Based on the above summarized data revenue for the commercial component of the subject property has been estimated at \$10.00 per square foot. The mixed-use site revenue has been estimated based on \$15.00 per square foot.

Revenue for the various components for the subject is summarized on the following chart:

Estimated Revenue

<u>Low Density Estate Lots</u>	<u>Unit Revenues</u>	<u>Revenue</u>
Diamond Bar	117 Lots @ \$750,000/Lot	\$87,750,000
Chino Hills	340 Lots @ \$750,000/Lot	255,000,000
<u>High Density/Very High Density Residential</u>		
Diamond Bar	50 Ac @ \$1,500,000/Ac	75,000,000
Chino Hills	15 Ac @ \$1,500,000/Ac	22,500,000
<u>Neighborhood Commercial</u>	15 Ac @ \$10/SF	6,534,000
<u>Mixed-Use</u>	20 Ac @ \$15/SF	13,068,000
	Total Estimated Revenue	\$459,852,000

Estimated Development Costs

Major costs for a property like Tres Hermanos Ranch would typically include items such as clearing, grading, utility improvements, drainage improvements, streets, perimeter walls and fencing, parks and common area landscaping. Indirect costs including entitlement processing, architectural and engineering costs, fees and permits, marketing costs, property taxes, insurance and administrative costs would also be incurred.

Development costs have been estimated based on discussions with several land developers as well as a review of budgeted costs on a relatively large master planned community in Orange County and estimated costs for a 600 acre portion of the Chino Preserve. Costs have been calculated on a per acre basis except for the estate lots that have been calculated on a per lot basis. The chart below summarizes estimated development costs.

Low Density Estate	457 Lots @ \$220,000/Lot	\$100,540,000
High/Very High Density	65 Ac @ \$625,000/Ac	40,625,000
Neighborhood Commercial	15 Ac @ \$225,000/Ac	3,375,000
Mixed-Use	20 Ac @ \$375,000/Ac	7,500,000
		\$152,040,000

Net Revenues

Based on the estimated gross revenue and development costs, the subject should generate net revenues of about \$307,812,000. This is the net amount the property is estimated to generate if it was fully entitled and land improvements were complete as of date of value.

Timing

For a potential buyer of the subject property, the timing of obtaining entitlements and starting development is critical. Subject property, as earlier discussed, is a prime parcel of real estate, that if it could be developed similar to adjacent communities would command a very high value. However, this analysis assumes that a purchaser, in analyzing the subject, would not attempt to process a zone change or General Plan Amendment that would maximize the unit yield and development opportunity. Even though such an effort would likely have a dramatic impact on value the prudent buyer would most likely only consider the current zoning and General Plan designations for the property.

Because of the subject's size and potential impacts development might create, the subject would require processing all of the CEQA documents that any large development would need to process. This process normally would take eighteen months to two years to process documents and obtain an Approved Tentative Tract Map. However, in the analysis conducted here a range of between four and five years has been used to reflect the discounted value of the property.

Discount Rate

Because the subject property is not in a developed condition as of date of value the net revenue needs to be discounted for the time required to put the property in a developed condition. In estimating an appropriate discount rate for the subject, several land developers were interviewed as well as equity investors and land brokers. Representatives from two major land owners/developers were interviewed to get an indication of a range on Internal Rates of Return/Discount Rates that they use in the analysis of their land development projects. Generally both companies indicated that their discount rates tend to be in the "high teens to low 20% range." These however are for their entitled projects and they opined that for unentitled land they would be within a range of 25% to 30%.

Subject property's value has been estimated based on this Development Analysis using a range of discount rates between 25% and 30% and timing to receive revenues between four and five years. This shows a range of value indications as summarized on the chart below.

"Tres Hermanos Ranch"
Attention: James M. Casso

December 7, 2016
Page 36

<u>Net Revenue</u>	<u>Discount</u> <u>Rate</u>	<u>4 years</u> <u>(Rounded)</u>	<u>5 years</u> <u>(Rounded)</u>
\$307,812,000	25%	\$120,710,000	\$94,750,000
\$307,812,000	27.5%	\$111,340,000	\$85,540,000
\$307,812,000	30%	\$102,850,000	\$77,370,000

The present value indications show a wide range between \$77,370,000 and \$120,710,000. This range, although wide, tends to support the value indication as presented in the Direct Comparison Approach.

Valuation

Based upon the analysis and study made, the Land Development Analysis indicates a value for the subject property of \$100,000,000.

RECONCILIATION AND VALUE CONCLUSIONS

The subject property is located partly within the city of Diamond Bar and partly within the city of Chino Hills. This is a primary location in the Los Angeles Basin with very good access to the Southern California freeway system and major employment centers. It is surrounded by good quality middle class and upper middle class residential neighborhoods. Permanent open space is on the southerly boundary of the property. Retail centers, schools and recreational facilities are located close by with the Chino Hills State Park just to the southeast.

Both Diamond Bar in Los Angeles County and Chino Hills in San Bernardino County are generally considered built-up communities with good quality housing although Chino Hills has areas, mainly on the easterly side of town, that are still being developed. There is a general lack of supply of new housing in the area especially for large lots. It is believed that a low intensity development offering equestrian/estate lots with ample room for open space and habitat areas represents the highest and best use of the property with higher density residential and commercial services located adjacent to major access. The housing market within the general area is stable and supply is becoming more limited both in the new home market and re-sales. Sales and prices have been increasing over the past several years and there would be strong demand for the subject location.

Several large, raw land sales involving land for potential development were found for direct comparison to the subject site. This data was used to arrive at a value estimate for the subject land in its current "as is" condition based on a price per acre and price per potential unit basis.

The Direct Comparison Approach provided a value indication of \$100,000,000. As a secondary approach a Land Development Analysis was also conducted. This approach is typically most applicable when land parcels are entitled, the number of units to be developed is a known factor and costs to develop the land are known. This analysis provided a range of value that was also concluded at \$100,000,000.

Based upon the investigation and analysis conducted, subject to the limiting conditions and assumptions set forth in this report, on the following page is a summary of the value estimates as of November 7, 2016:

\$100,000,000

ONE HUNDRED MILLION DOLLARS

LIMITING CONDITIONS

This report is made expressly subject to the following conditions and stipulations.

- 1) No responsibility is assumed by the appraisers for matters that are legal in nature.
- 2) No opinion of title is rendered and the property is appraised as though free of all encumbrances and the title marketable.
- 3) The appraisal covers the property described only.
- 4) No survey of the boundaries of the property has been made. All areas and dimensions furnished the appraiser is assumed to be correct.
- 5) Sources of information are believed to be correct and, where feasible, have been verified.
- 6) That the term "*market value*" as used in this report is defined and qualified as being: "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:
 - a. buyer and seller are typically motivated;
 - b. both parties are well informed or well advised, and acting in what they consider their best interests;
 - c. a reasonable time is allowed for exposure in the open market;
 - d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - e. 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."
- 7) That the date of value to which the conclusions and opinions expressed in this report apply, is set forth in the letter of transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American dollar on that date.
- 8) That the appraisers assume no responsibility for economic or physical factors, which may affect the opinions herein stated occurring at some date after the date of value.
- 9) That the appraisers reserve the right to make such adjustments to the valuation herein reported, as may be required by consideration of additional data or more reliable data that may become available.
- 10) That maps, plats, and exhibits included herein are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as a survey, or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

- 11) By reason of this appraisal, the appraisers are not required to give testimony or to be in attendance in court or at any governmental or other hearing with reference to the property without prior arrangements having been made relative to such additional employment.
- 12) In this engagement, Larry W. Heglar, MAI has used his best efforts to perform the appraisal in a professional manner to the Standards of the Appraisal Institute, however, no warranties, assurances or guarantees of any kind are expressed or implied and the appraiser(s) accepts no liability in furnishing this report.
- 13) Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute, or to the MAI or RM designation) shall be disseminated to the public through advertising media, public relations media, sales media or any other public means of communication without the prior written consent and approval of the authors.

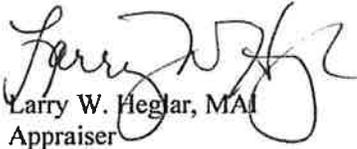
- 14) This appraisal report is prepared for the sole and exclusive use of the client identified herein for the stated intended use. No third parties are authorized to rely upon this report without the express prior written consent of Larry W. Heglar, MAI.

CERTIFICATION

Larry W. Heglar, MAI certifies that, to the best of his knowledge and belief:

- the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;
- 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
- I 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- I have made a personal inspection of the property that is the subject of this report;
- no one provided significant real property appraisal assistance to the person(s) signing this certification; and
- in accordance with the USPAP Competency Provision, we certify that we have the knowledge and experience to complete this assignment and have appraised this property type before.

Respectfully submitted,


Larry W. Heglar, MAI
Appraiser

ADDENDUM

EXHIBIT A

Subject Photographs

Subject Photographs

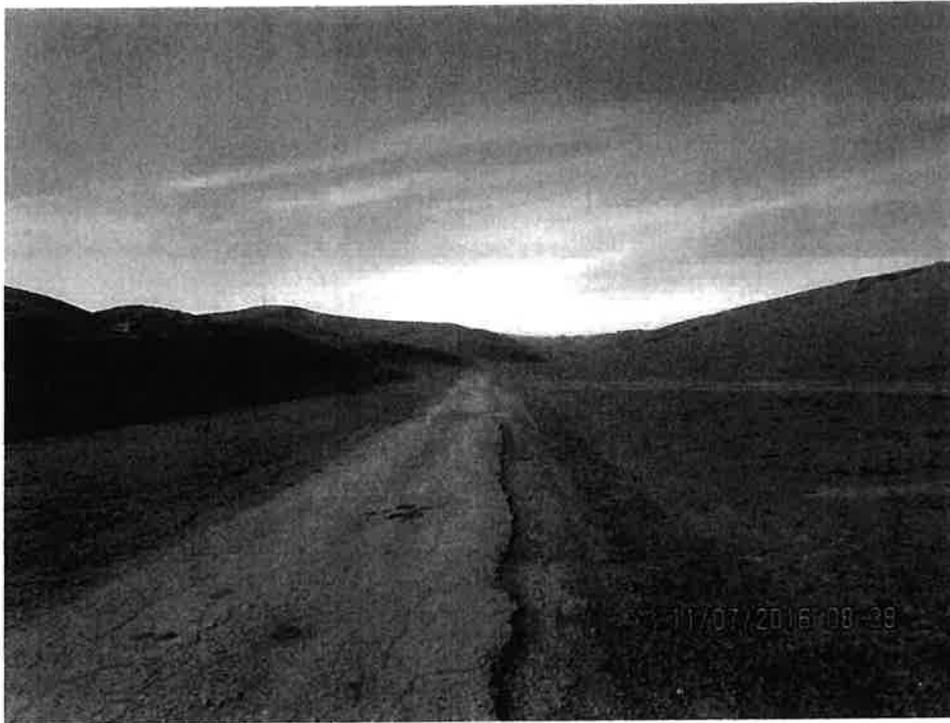


Looking north over Diamond Ranch High School from highest knoll

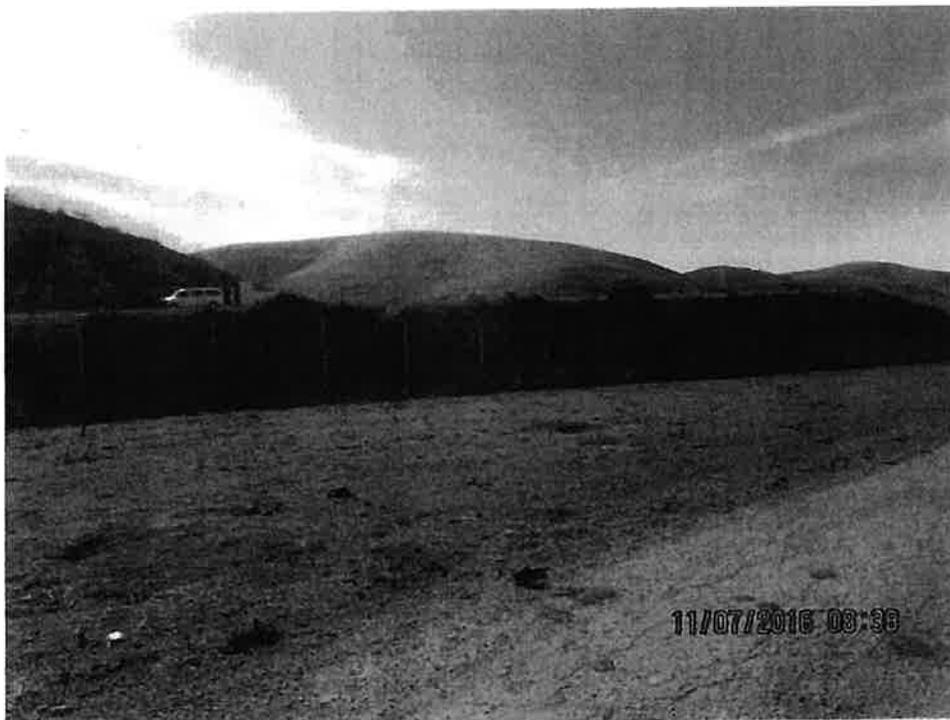


Looking north at knoll of previous image

Subject Photographs

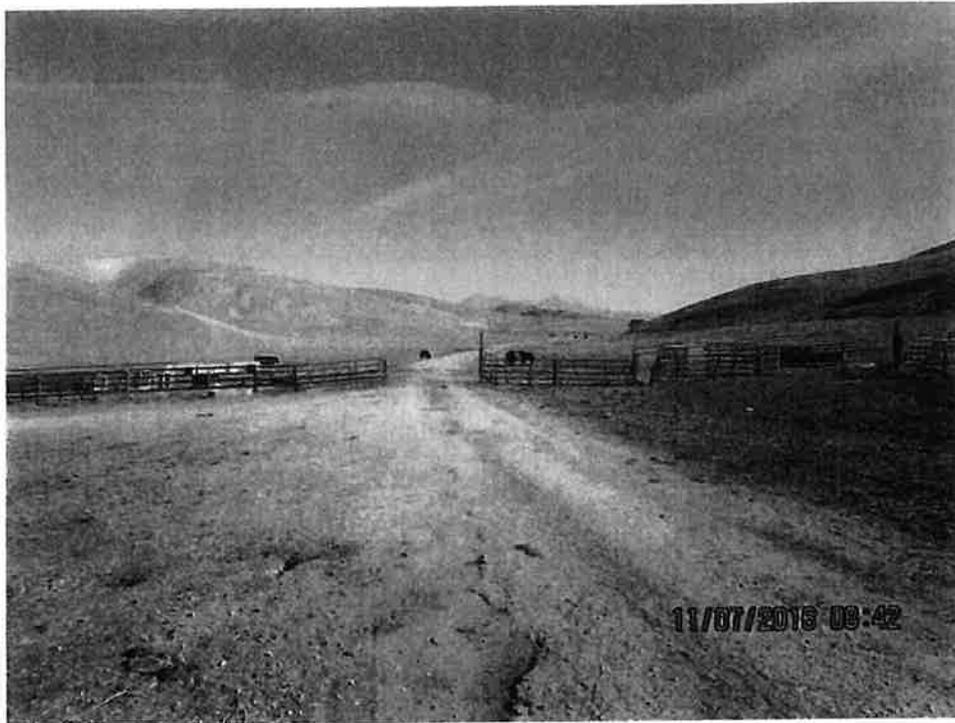


Looking southerly from northeastern portion of property with Chino Hills Parkway at left



Looking to the southeast at Chino Hills Parkway from northeastern portion of subject

Subject Photographs



Looking north along Tonner Canyon Road at grazing cattle from center of subject



Looking west at Diamond Bar from central portion of the subject property

Subject Photographs

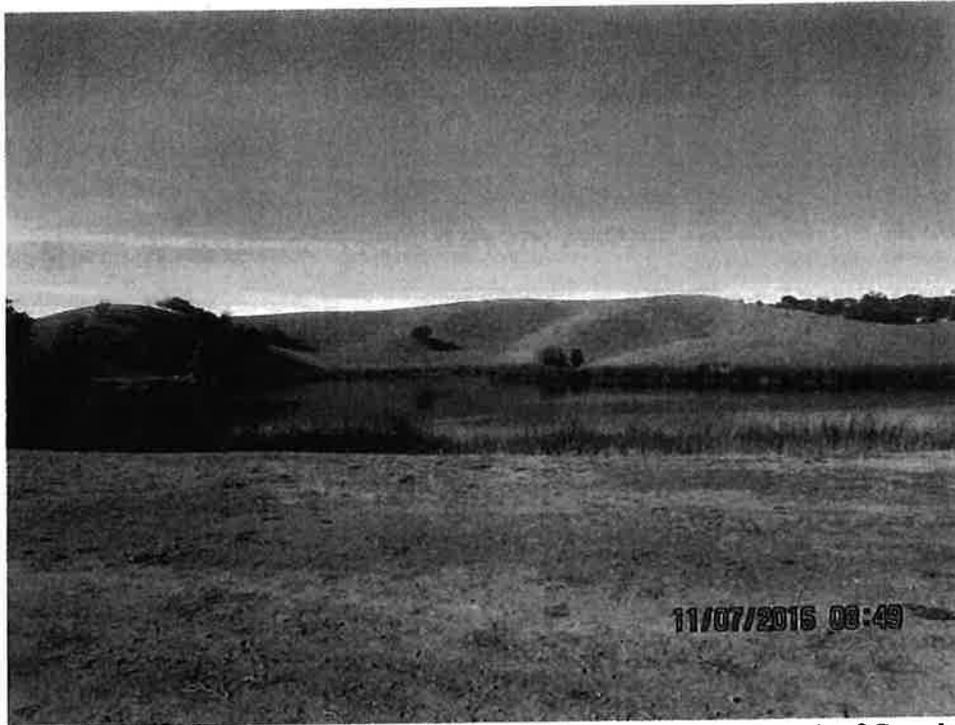


Looking southerly at tunnel running under Grand Avenue

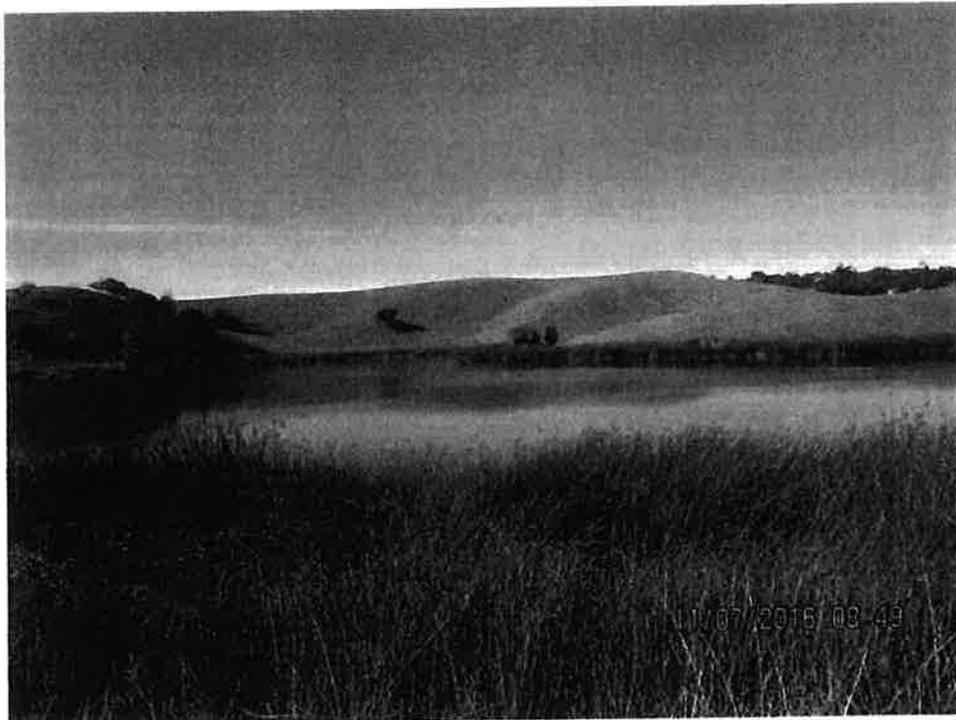


Looking north along Tonner Canyon Road with homes in Diamond Bar at left

Subject Photographs



Looking west over Arnold Reservoir at the central portion of site just south of Grand Avenue



Closer view of Arnold Reservoir looking west

Subject Photographs



Only residential structure on property looking to the southwest

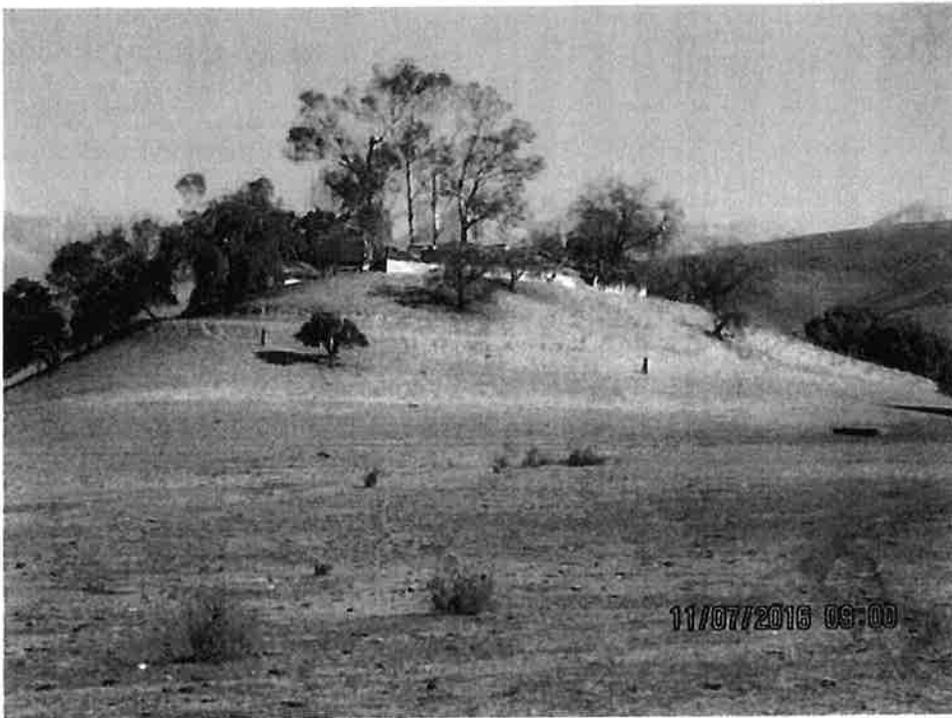


Old farm/ranch structure on the property looking south

Subject Photographs



Looking northerly along Tonner Canyon Road from the southerly portion of property



Foundation of destroyed home on knoll in south-central portion of subject property

Subject Photographs



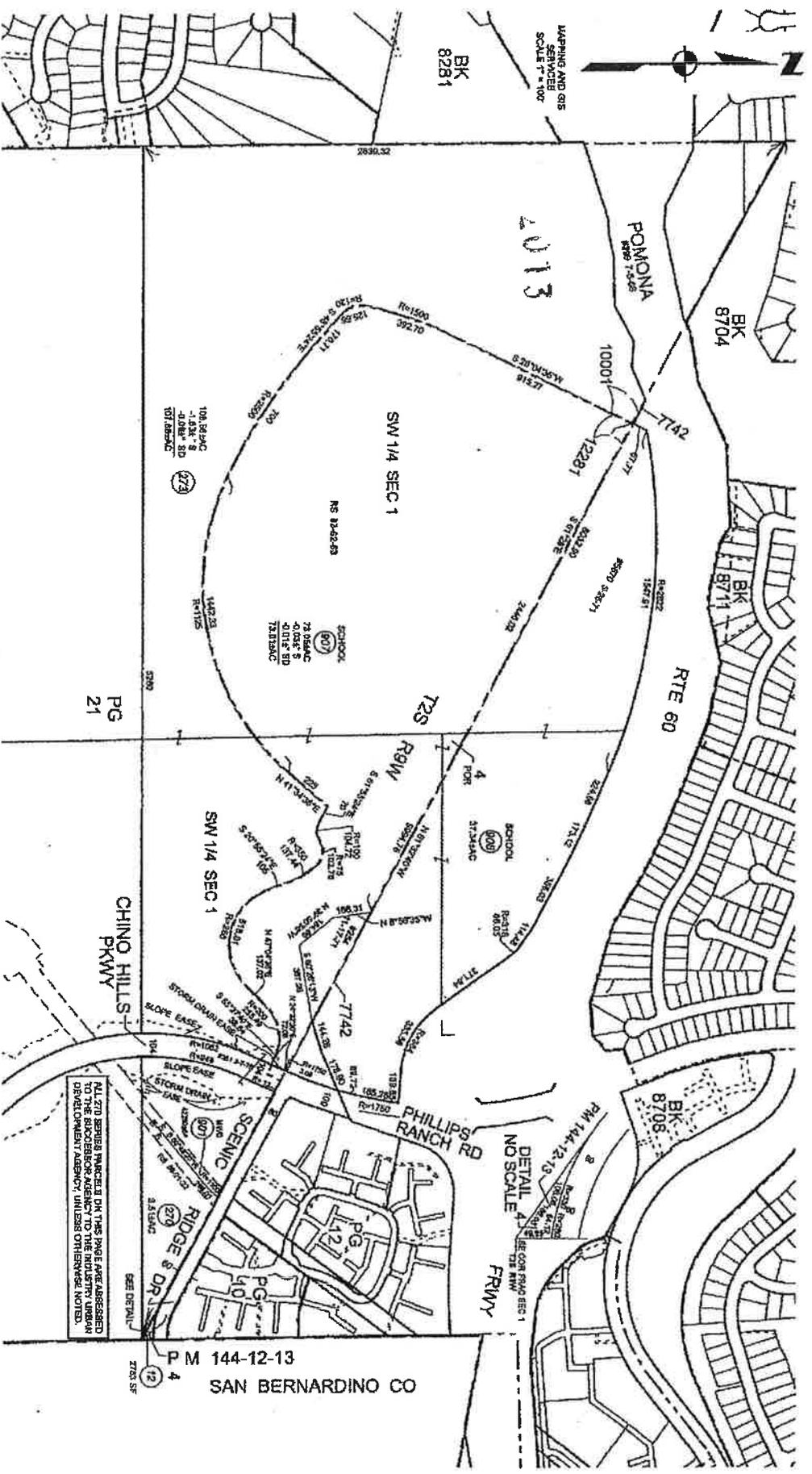
Looking west at some of the estate homes in Diamond Bar from southern portion of subject



View of southerly boundary of subject property from Tonner Canyon Road

EXHIBIT B

Subject, Zoning and General Plan Maps



ALL ZTD PERMITS PARCELS ON THIS PAGE ARE ASSIGNED TO THE ASSessor AGENCY TO THE INDUSTRY URBAN DEVELOPMENT AGENCY UNLESS OTHERWISE NOTED

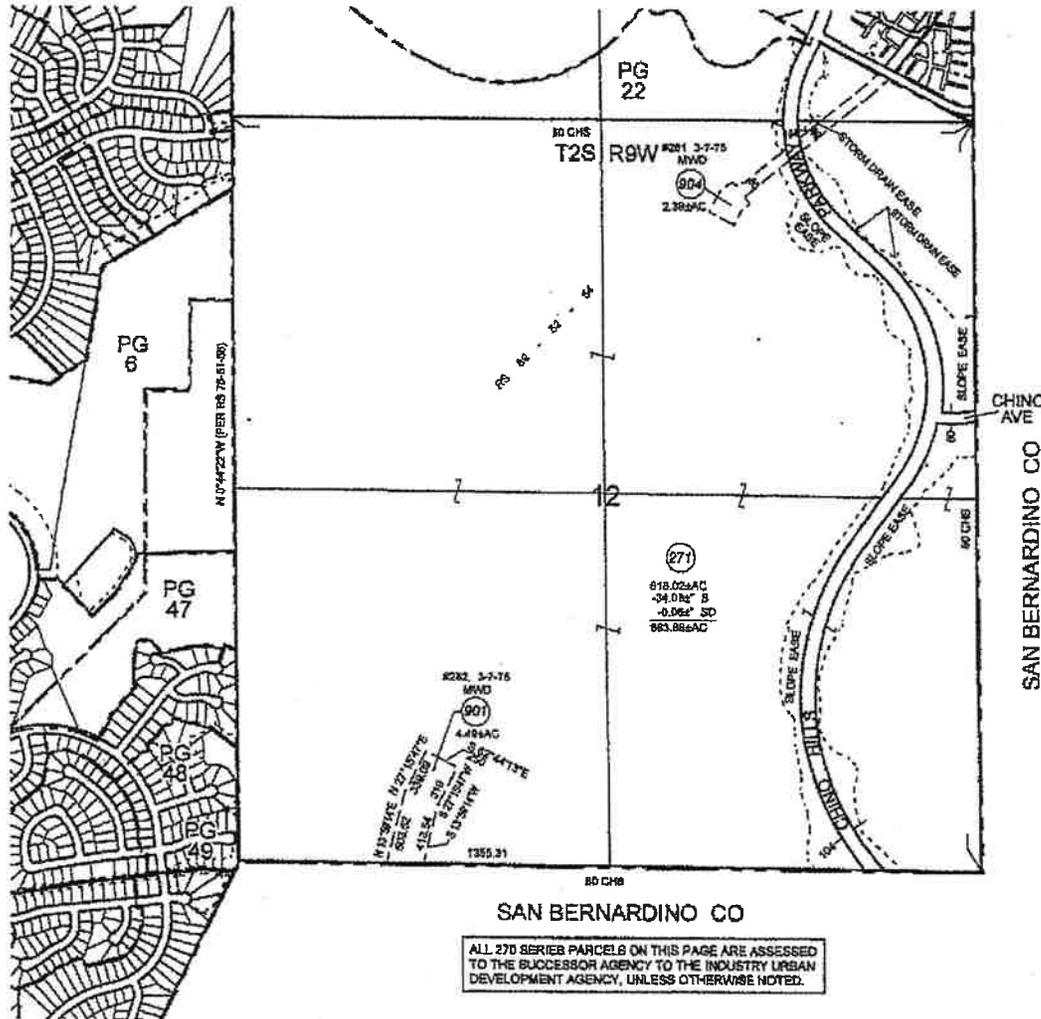
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SAN BERNARDINO CO

2013



MAPPING AND GIS
SERVICES
SCALE: 1" = 800'



ALL 270 SERIES PARCELS ON THIS PAGE ARE ASSESSED TO THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN DEVELOPMENT AGENCY, UNLESS OTHERWISE NOTED.

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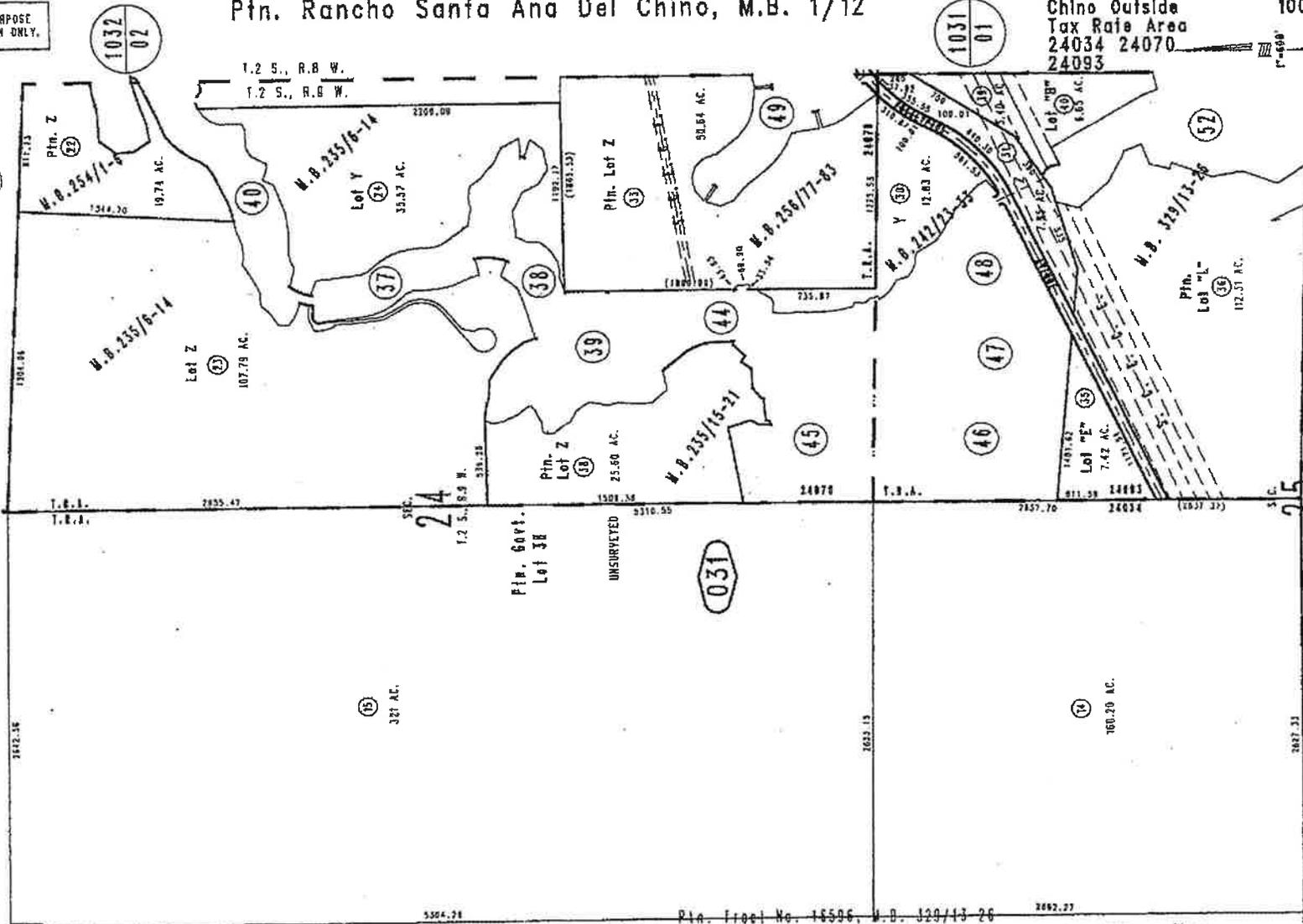
THIS MAP IS FOR THE PURPOSE
OF AD VALOREM TAXATION ONLY.



Ptn. Rancho Santa Ana Del Chino, M.B. 1/12

Chino Outside
Tax Rate Area
24034 24070
24093

1000 - 03



Pln. Tract No. 13915-7, M.B. 235/6-14
 Pln. Tract No. 13915-6, M.B. 235/1-5, Amending Map, M.B. 254/1-6
 Pln. Tract No. 12972, M.B. 195/23-30, Amending Map, M.B. 206/72-79

Pln. Tract No. 16506, M.B. 329/13-26
 Pln. Tract No. 13906, M.B. 256/77-83
 Pln. Tract No. 13915-9, M.B. 242/23-33
 Pln. Tract No. 13915-8, M.B. 235/15-21

Assessor's Map
 Book 1000 Page 03
 San Bernardino County

MAR 08 2016
 REVISED
 07/17/16 KC
 07/18/16 KC
 01/28/16 GW

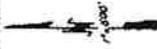
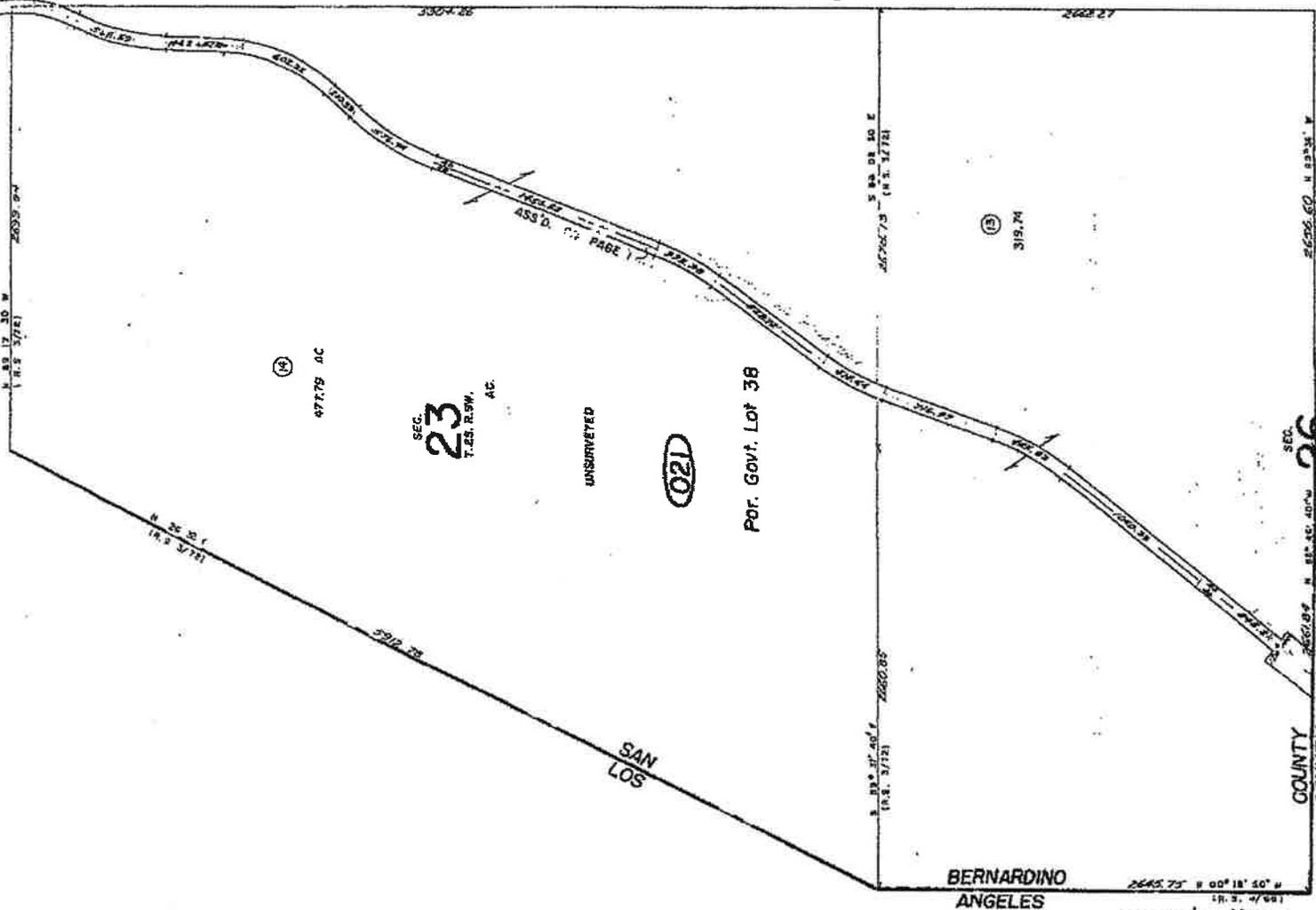


Por. Rancho Santa Ana Del Chino

M.B. 1/12

City of Chino Hills
Tax Rate Area
24034

1000-02

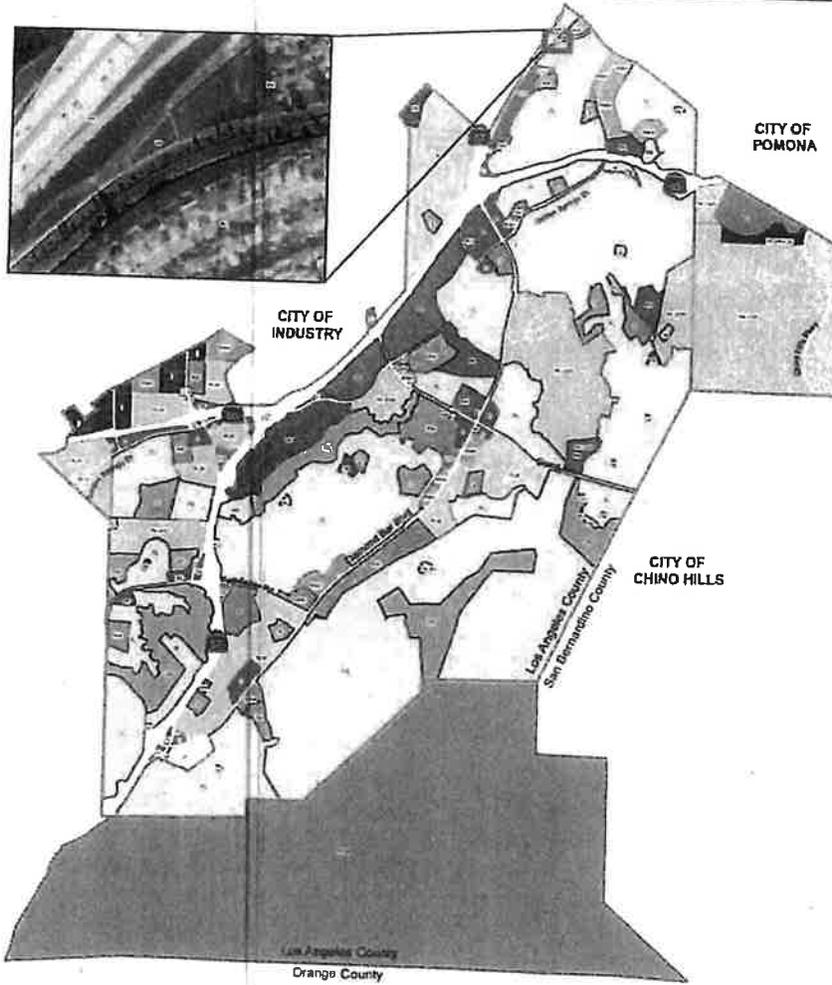


Aug. 1951

Assessor's Map
Book 1000 Page 02
San Bernardino County

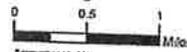
REVISION	
5/31/66	
6-22-66	
3/22/67	
3/11/72	LA
5.6.75	16H
3/25/92	CC

City of Diamond Bar General Plan

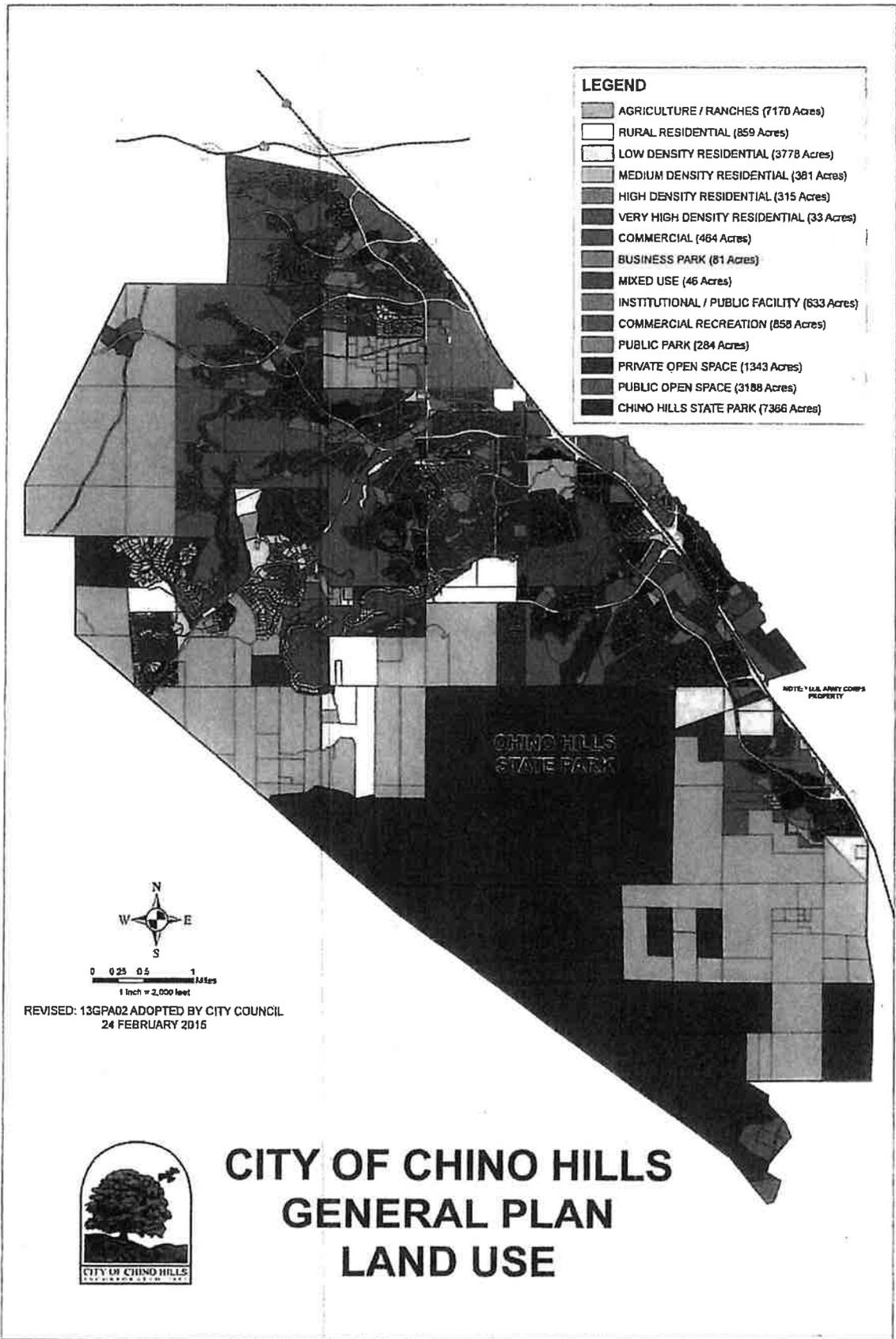


- | | |
|---|---|
| <ul style="list-style-type: none"> RR - Rural Residential (max. 1 du/acre) RL - Low Density Residential (max. 3 du/acre) RLM - Low-Medium Density Residential (max. 5 du/acre) RM - Medium Density Residential (max. 12 du/acre) RMH - Medium High Density Residential (max. 15 du/acre) RH - High Density Residential (max. 20 du/acre) RH-20 - High Density Residential-20 (min. 20 du/acre and max. 20 du/acre) C - General Commercial (max. 10 FAR) CO - Commercial Office (max. 10 FAR) OP - Professional Office (max. 10 FAR) I-1 Light Industrial (max. 10 FAR) PI - Public Facility F - Fire S - School | <ul style="list-style-type: none"> W - Water PK - Park GC - Golf Courses US - Open Space PR - Private Recreation AG - Agriculture (max. 100.5 acre) AG20 - Significant Ecological Area PA-1SP PA-2SP PA-3SP PA-4SP PA-5SP-00 SP - Specific Plan Overlay Shaded Area - Sphere of Influence |
|---|---|

Land Use Map

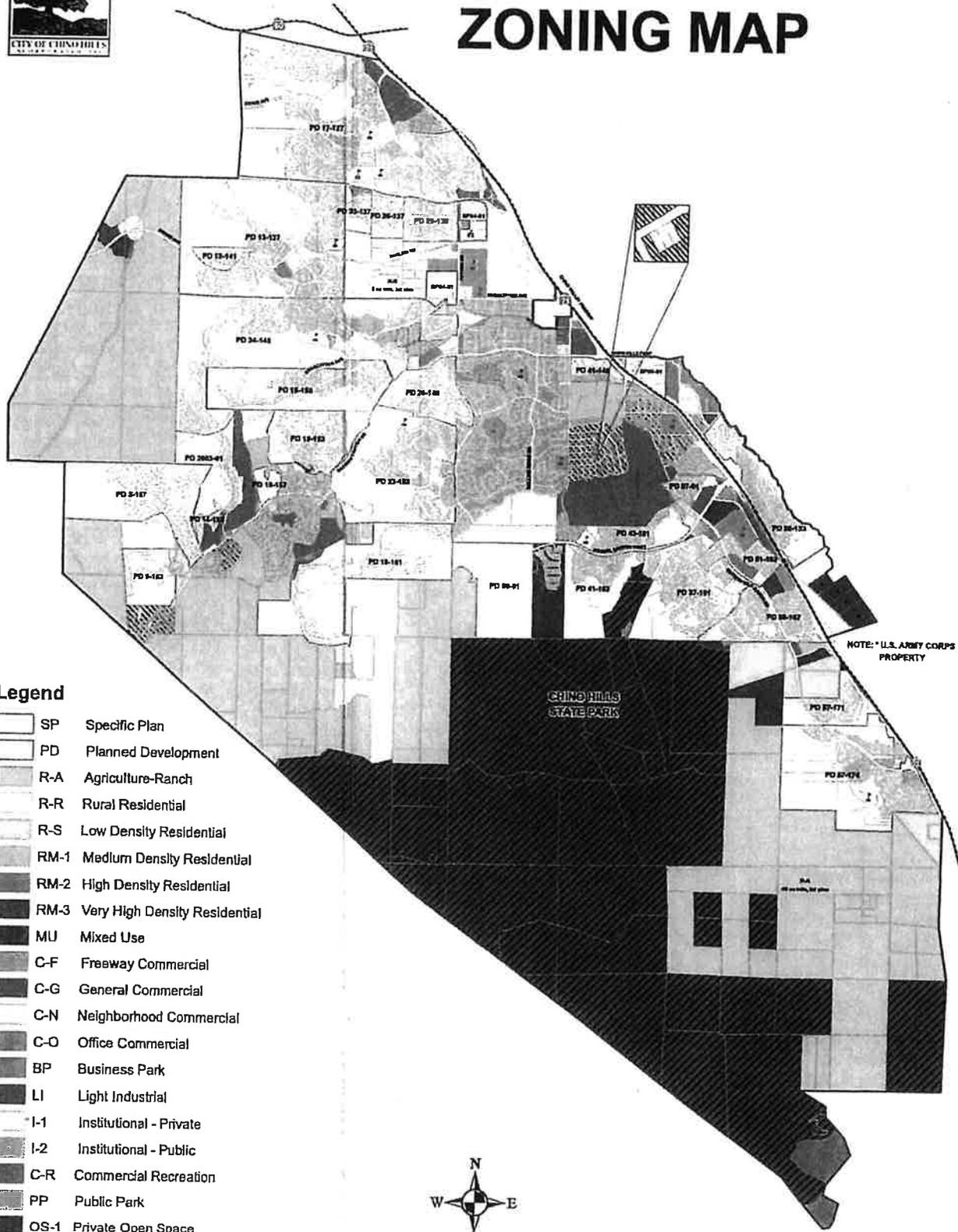


September 15, 2010





CITY OF CHINO HILLS ZONING MAP



Legend

- SP Specific Plan
- PD Planned Development
- R-A Agriculture-Ranch
- R-R Rural Residential
- R-S Low Density Residential
- RM-1 Medium Density Residential
- RM-2 High Density Residential
- RM-3 Very High Density Residential
- MU Mixed Use
- C-F Freeway Commercial
- C-G General Commercial
- C-N Neighborhood Commercial
- C-O Office Commercial
- BP Business Park
- LI Light Industrial
- I-1 Institutional - Private
- I-2 Institutional - Public
- C-R Commercial Recreation
- PP Public Park
- OS-1 Private Open Space
- OS-2 Public Open Space
- Small Lot Overlay
- Chino Hills State Park
- Elementary School
- Junior High School
- High School
- City Government



0 0.25 0.5 1
Miles

1 inch = 2000 feet

REVISED: 14ZC04 ADOPTED BY CITY COUNCIL
24 FEBRUARY 2015

EXHIBIT C

Legal Description

67

LEGAL DESCRIPTION
(Tres Hermanos)
APN 8701-021-271,
8701-022-270 & 273

THE LAND REFERED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, AND IS DESCRIBED AS FOLLOWS:

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 5, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 7, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 7, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

68

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3 NORTH 61° 55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS: SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A

69

COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS: NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

EXHIBIT D

Professional Qualifications

PROFESSIONAL QUALIFICATIONS
LARRY W. HEGLAR, MAI

Professional Experience

Appraisal

Mr. Heglar has experience in the appraisal of various residential and income-producing properties including master-planned communities, commercial, industrial, office, medical buildings, apartment buildings, planned unit developments, shopping centers, hotels and motels, restaurants, post office buildings, corporate headquarters and multi-use projects. He has more than 40 years of real estate experience.

Consulting

Mr. Heglar's experience has included acquisitions and dispositions of residential subdivision property, master planned communities, portfolio advice/strategies planning, highest and best use studies, project feasibility and marketing studies.

Professional Employment

Nov, 2012 to Present-Principal/Owner, Larry W. Heglar & Associates, Huntington Beach, CA

Orange County based appraisal and consulting firm providing a broad scope of real estate services including appraisals, market studies and litigation support. Projects included master planned communities, subdivisions and large investment properties. Locations included properties mainly in Southern California.

Mar, 2007 to November 2102-Sage Community Group, Consultant, Newport Beach, CA

Develops strategy/methodology for disposition of land assets in California, Nevada and Arizona. Assists in developing strategy for institutional investors in the acquisition of land assets during economic slow-down. Assists in management of land assets for Sage Community Group and for financial institutions on REO assets.

Feb 2001 to Oct 2006 - Pulte Homes, Vice-President of Land Acquisition, Irvine CA

Oversaw the purchase and sale of land for Orange County/South Riverside County Division, as well as North Inland Empire Division. Transactional experience throughout Southern California in most major markets.

Responsibilities included seeking development opportunities, analysis of potential acquisitions, negotiation of terms, coordination of legal documentation and internal land purchase approvals.

Hired and trained professional land personnel.

Jan 1993 to Feb 2001 - Principal/Owner, Larry W. Heglar & Associates, Irvine CA

Orange County based appraisal and consulting firm providing a broad scope of real estate services including appraisals, market studies and feasibility analyses. Projects included master planned communities, military bases, subdivisions, large investment properties and portfolio properties. Locations included properties mainly in Southern California as well as Northern California, Colorado, Florida.

Office and associated with Institutional Housing Partners, a CalPers advisor.

April 1984 to Jan 1993 - The Irvine Company, Vice-President Land Sales, Newport Beach CA

Responsible for managing and conducting the analysis, negotiations and documentation of residential subdivision and institutional land sales for The Irvine Company. Negotiated more than 80 transactions for over \$660 million in land revenue.

Oversaw escrow process and collection of builder payment of price and profit participation.

Jan 1983 to April 1984 - Appraiser, John S. Adams & Associates, Newport Beach CA

Appraisal assignments specializing in income properties located in Southern California

Jan 1979 to Jan 1983 - Manager of Appraisals, The Irvine Company, Newport Beach CA

Coordinated the appraisal requirements with outside valuation consultants and recommended strategies to upper management.

Feb 1978 to Jan 1979 - Regional Appraiser, United California Mortgage Company, Tustin CA

Chief staff appraiser for the mortgage banking operations of UCB/First Interstate Bank in Orange County. Responsible for all loan appraisals on income properties.

July 1971 to Feb 1978 - Real Estate Analyst, Coldwell Banker, Los Angeles CA

Conducted appraisals on all major types of real estate including residential, commercial, industrial and special use properties mainly in California but also in Maryland, Washington, New Jersey and Illinois.

Education

San Diego State University - Bachelor of Arts in Geography.

Appraisal Institute Courses -

- Course IA (AIREA) - Principles of Real Estate Appraising, 1972
- Course IB (AIREA) - Principles of Real Estate Appraising, 1974
- Course II (AIREA) - Urban Real Estate Appraisal, 1975
- Course VI (AIREA) - Techniques and Mathematics of Capitalization, 1977
- Course IV (AIREA) - Condemnation Appraisal Practice, 1978

- Standards of Professional Practice, 1990
- Course 410 & 420, Standards of Professional Practice, (Appraisal Institute), 1995
- Continuing Education – The Appraisal Institute and California Office of Real Estate Appraisers provides numerous seminars and workshops to satisfy continuing education requirements. The Urban Land Institute and other real estate organizations also provide programs that Mr. Heglar has attended for continuing education requirements.

Professional Affiliations

Urban Land Institute, Associate Member

Lambda Alpha International, Honorary Land Economics Society, Former Chapter President and International Board of Governors Officer

BIA, Orange County

Board of Directors, Irvine Campus Housing Authority, 1999 to 2008

Appraisal Institute, MAI Designation, (Member No. 6602)

Representative Appraisal Assignments (within past ten years)

Income Property Appraisals

Industrial-

- 17120 Main Street, Gardena, 186,000 square feet in three buildings on 9.40 Acres. Leased to three tenants
- 13226 Alondra Boulevard, Cerritos, 128,000 square feet on 5.42 acres. Single tenant
- LAMBERT PALM BUSINESS CENTER, La Habra, 188,644 square foot, multi-tenant business park
- AIRPORT DISTRIBUTION CENTER, Las Vegas, 69,592 square foot, multi-tenant business park
- 240 SPECTRUM BOULEVARD, Las Vegas, 45,394 square foot, multi-tenant business park
- COMMERCE CENTER, Santa Fe Springs, 81,117 square foot, multi-tenant business park
- PUMICE CARMENITA INDUSTRIAL PARK, 29,808 square foot, multi-tenant business park
- CLAUSET INDUSTRIAL PARK, 103,546 square foot, multi-tenant business park
- 1350 Philadelphia Street, Pomona, 85,851 square foot trucking facility on 11.76 Acres
- 3561 Philadelphia Street, Chino, 14,360 square foot trucking facility on 4.137 Acres
- 1090 E. Belmont Street, Ontario, 128,552 square foot distribution facility on 11.23 Acres
- 1773 Whittier Avenue, Costa Mesa, 20,800 square foot, multi-tenant business park on 1.137 Acres
- Gilead Sciences, San Dimas, Four bio-med/office buildings totalling 191,100 square feet on 12.78 Acres

Apartments-

- THE PARK @ THE IRVINE SPECTRUM, 762 unit apartment project on 13.78 Acres
- SAN CARLO APARTMENTS, Irvine, 354 unit apartment project on 21.398 Acres
- SANTA CLARA APARTMENTS, Irvine, 378 unit apartment project on 16.368 Acres
- HERITAGE POINT APARTMENTS, Irvine, 342 unit apartment project on 15.028 Acres

Retail Centers-

- ALTON SQUARE SHOPPING CENTER, Irvine, 35,451 square foot shopping center on 11.559 acres and anchored by Ralph's Market and CVS Drug Store

Office Buildings-

- ONE GOLDEN SHORE, Long Beach, 32,000 square foot office building on 2.42 Acres

Hotel Properties-

- Portfolio of six hotel properties with following locations: Seal Beach (115 rooms), Corona (171 rooms), Redlands (107 rooms), Moreno Valley (127 rooms), Chino Hills (124 rooms) & Diamond Bar (125 rooms)

Land Appraisals-

- HIGHLAND HILLS, SAN BERNARDINO, 543 acres entitled for 1,516 residential units/lots.
- VAIL LAKE RANCHO CALIFORNIA, LLC, 497 acres of vacant, unentitled land. Purpose for bankruptcy proceedings.
- PARK PLACE, SANTA CLARITA, LOS ANGELES CO., 522 acres of raw land with Approved Tentative Tract Map for 492 residential lots.
- JP RANCH, CALIMESA, RIVERSIDE CO., 38 acres dedicated for open space/wildlife corridor
- NAKASE NURSERY, LAKE FOREST, ORANGE CO., 120 unentitled land, General Plan for business park use.
- CHINO HILLS, CHINO, SAN BERNARDINO CO., 400 acres of open space.
- UNIVERSITY PARK, PALM DESERT, RIVERSIDE CO., 165 Acres partially improved land with Approved Tentative Tract Map for 169 lots.
- ADAMS CANYON RANCH, SANTA PAULA, VENTURA CO., 4,714 acres of vacant land adjacent to the City of Santa Paula.

- DOS VIENTOS, THOUSAND OAKS, VENTURA CO., 1,000 acres of vacant, raw land.
- CHINO PRESERVE, CHINO, CA-Southerly portion of master planned community consisting of approximately 614 acres and entitlements for 4,566 residential units and commercial development. Purpose was for estate planning.
- MESA VERDE ESTATES SPECIFIC PLAN, CALIMESA, CA-Master planned community with 1,492 acres and entitlements for 3,450 units plus commercial development. Purpose was for bankruptcy proceedings.
- SUNSET RIDGE, WILDOMAR, CA-Master planned community consisting of approximately 792 acres and proposed for about 1,180 residential units. Purpose was for buy-out of partner.
- SHEA TRILOGY, RIVERSIDE CO., CA-Approximately 250 acres of vacant land surrounding an active adult community and golf course adjacent to Corona in unincorporated Riverside County. Purpose was for dedication of Open Space Conservation land and dedication of Wetlands Conservation Easement.
- ONTARIO FESTIVAL, ONTARIO, CA-Proposed mixed-use development on approximately 24 acres consisting of 311 residential units and 2.5 acres of commercial entitlements. Purpose was for bankruptcy proceedings.
- TALEGA VALLEY, SAN CLEMENTE, CA-Orange County, coastal master planned community consisting of 3,479 acres and more than 4,000 residential lots with commercial, support institutional and recreational uses.
- MCAS TUSTIN, CA-Former Tustin Marine Corps Base master planned for a 1,288 acre community to be improved with more than 1,500 residential units/lots with industrial, commercial support institutional and recreational uses.
- DANA POINT HEADLANDS, DANA POINT, CA-Raw land with potential for approximately 200 ocean oriented residential lots plus hotel and commercial site.
- FORSTER RANCH, SAN CLEMENTE, CA-Master planned community with about 534 acres and 1,037 residential lots plus recreational uses.
- PORTA BELLA, SAUGUS/NEWHALL, CA-Specific plan for approximately 2,900 lots along with retail, commercial & industrial land uses on 996 acres.
- BEL MARIN KEYS V, MARIN COUNTY, CA-Specific plan for approximately 800 residential lots on more than 1,600 acres with access to San Francisco Bay.
- EL DORADO HILLS, EL DORADO COUNTY, CA-Specific plan for approximately 2,700 lots/units on 2,245 acres including about 200 acres of commercial/industrial uses.
- SADDLEBACK MEADOWS, ORANGE COUNTY, CA-Planned for approximately 705 lots on 222 acres.
- SERRANO HEIGHTS, ORANGE COUNTY, CA-Specific plan for 1,210 lots/units on 533 acres including recreational uses.
- MISSION OAKS RANCH, BUELTON AREA, SANTA BARBARA COUNTY, CA-Approximately 3,900 acres of raw grazing land planned for "ranchet" development.
- PARADISE HILL, SAN BERNARDINO, CA-Specific plan for 504 lots on approximately 402 acres.
- Two single family subdivisions in the Village of Northwood, Irvine.
- Stonecrest Village, San Diego. Single family residential subdivision with 88 lots with average size of 4,500 square feet.
- Orangecrest Hills, Riverside. Single family residential subdivision with 132 lots with minimum lot size of 7,200 square feet.
- Laguna Beach/Crystal Cove State Park. Total of approximately 40 acres for possible exchange of land between State of California, school district and private land owner.
- Peninsula Pointe, Rancho Palos Verdes. Residential subdivision with 37 lots ranging from 12,000 to 25,000 square feet.
- Single family subdivision in Tustin Ranch. 162 lots with 6,390 square foot minimum lots sizes.
- Single family subdivision in Aliso Viejo. 154 lots with 5,100 square foot minimum lot size.
- Canyon Vista, Oceanside. Approximately 55 acres approved for 93 lot single family subdivision.
- Santa Rosa Colony II, Ventura Co. Approximately 50 acres of raw land. Potential for development with low density subdivision.
- Rancho San Clemente. 84 lot single family subdivision with lots 5,000 square foot minimum size.
- Brentwood project in Rancho Cucamonga. Proposed, 90 lot residential subdivision with 9,000 square foot minimum lot size.
- Willowbrook project in Mountain Gate Planned Community, Corona. Lots in an existing subdivision totaling 51 with a minimum lot size of 7,200 square feet.
- Heather Ridge project in Mountain Gate Planned Community, Corona. Lots in an existing subdivision totaling 58 with a minimum lot size of 4,750 square feet.
- Long Canyon, Simi Valley. Total of 1,813 acres with entitlement for 652 residential units, all single family detached.
- One Park Place, Irvine. Remaining 26 acre site which is a portion of an existing apartment project.
- Las Flores Planned Community, South Orange County. Proposed 147 lot subdivision with 2,464 square foot minimum lot size.
- Las Flores Planned Community, South Orange County. Proposed 48 lot subdivision with 6,000 square foot minimum lot size.
- Twenty mile corridor for Foothill/Eastern Transportation Corridor. Right-of-way runs through unincorporated Orange County territory and through the cities of Anaheim, Orange and Irvine. Total land area of 468 acres acquired for right-of-way and approximately 28,800 acres appraised.

Representative Clients:

Attorneys:

Allen, Matkins, Leck, Gamble, Mallory & Natsis, L.L.P.
Friedman, Strofie & Gerard, P.C.
Jackson, De Marco, Peckinpaugh & Titus
Palmieri, Tyler, Wiener, Wilhelm & Waldron
Paul, Hastings, Janofsky & Walker
Songstad & Randall, LLP
Winthrop Couchot Professional Corporation
Paul Minerich Professional Corporation

Financial Institutions, Real Estate Management & Development Companies:

Bank of America
First Interstate Mortgage
Housing Capital Company
Wells Fargo Bank
Prudential Insurance Company
Westcap Corporation
Lewis Operating Company
BETEK
The Shopoff Group
Presley Homes
John Laing Homes
Richmond American Homes
Pulte Homes
Standard Pacific Homes
Taylor Woodrow Homes
The Irvine Company
William Lyon Homes
William Lyon Asset Management

Governmental Agencies/Institutions:

City of Irvine
City of Tustin
City of Los Angeles
Federal Deposit Insurance Corporation
County of Orange
Irvine Ranch Water District
Irvine Unified School District
Metropolitan Water District of Southern California
United States Department of Navy
University of California, Irvine

PROFESSIONAL QUALIFICATIONS
MICHAEL W. FAIRCHILD MAI

21071 Jenner
Lake Forest, Ca. 92630-7078
(949) 689-3438

EXPERIENCE

Active in real estate appraisal since 1972. Formerly employed by Landauer Associates and Goode and Goode Real Estate Appraisers and Counselors. Self employed as a real estate appraiser since 1981

AFFILIATIONS

Member of the Appraisal Institute, MAI No. 6583

Certified General Real Estate Appraiser by the State of California – Certificate No. AG003806

EDUCATION

California State University Long Beach, 1967
Bachelor of Arts in Business Administration

Appraisal Institute
All courses for the MAI designation and numerous other real estate courses and seminars

COURT EXPERIENCE

Qualified as an expert witness in the state of Nevada and Federal Bankruptcy Court

TYPES OF PROPERTY

Commercial: Shopping Centers, Office Buildings, Hotels, Restaurants, Commercial Buildings etc.

Industrial: Warehouses, Manufacturing Facilities, Research and Development Buildings, Multi-Tenant Buildings, Industrial Parks

Residential: Residential Subdivisions, Apartment Buildings, Condominium Projects, Mobile Home Parks, Luxury Single Family Homes

Other: Vacant Land, Automobile Dealerships, Partial Interests, Feasibility Studies, Special Purpose Properties