

March 28, 2026

Kennedy Sandoval
Clearinghouse CDFI
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Lake Forest, CA 92630

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San Marino, CA 91108
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Re: Appraisal of an existing motel (and a prospective residential conversion)located at 7039
Orangethorpe Avenue, Buena Park, CA 90621

Dear Mr. Sandoval:

On your request and authorization, an opinion of the market value of the subject property was formed. Results are presented in this Appraisal Report, which is authored for compliance with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). This report has been prepared in conformance with the USPAP, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) Title XI Regulations. This report further complies with the requirements of the client, Clearinghouse CDFI.

The value opinion expressed is based upon a fee simple interest for the as-is value, and a leased fee position for the hypothetical and prospective values. The purpose of this report is to value the subject for potential loan underwriting purposes. The sole intended user of this appraisal report is Clearinghouse CDFI. All conclusions expressed in this appraisal reflect the research and analyses employed. Assignment results are heavily dependent upon assumptions and limiting conditions described, which are inherently unique to each subject.

Based on the research and analyses described in this Appraisal Report, and subject to the assumptions and limiting conditions identified, it is my opinion that the “as-is market value” of the fee simple going concern position, as of February 25, 2026, and based upon an exposure period of +/- six (6) months, is:

SEVENTEEN MILLION, SIX HUNDRED AND TEN THOUSAND DOLLARS
\$17,610,000

Based on the research and analyses described in this Appraisal Report, and subject to the assumptions and limiting conditions identified, it is my opinion that the prospective value of the leased fee realty position, upon completion and stabilization at restricted rents, as of May 26, 2027, based on an exposure period of 8-10 months, will be:

TWENTY TWO MILLION DOLLARS
\$22,000,000

Based on the research and analyses described in this Appraisal Report, and subject to the hypothetical condition identified, it is my opinion that the hypothetical value of a leased fee position, as-if completed and stabilized at market rent¹, as of February 25, 2026, and based upon an exposure period of 8-10 months, is:

TWENTY SIX MILLION, TWO HUNDRED AND NINETY THOUSAND DOLLARS
\$26,290,000

Sincerely,



Ariana Arredondo, MAI
BREA No. AG041897 exp. 1/11/2027
ariana@angelvaluation.com

¹ This is contrary to known fact, as the building is not truly completed, occupied nor income-generating at the current time

OFFICIAL SUMMARY

Address 7039 Orangethorpe Ave, Buena Park, CA 90621
 APN 276-381-09
 Ownership Horizon Studios LLC
 Interest Fee Simple
 Date of Value February 25, 2026 (As Is / Hypothetical)
 November 25, 2026 (Prospective As Complete)

Land Site Characteristics

Total Area 75,533 square feet
 Zoning “CM” Commercial Manufacturing Zone,
 Hotel/Motel Conversion Overlay
 Alquist Priolo Earthquake Zone? No
 Flood Hazard Zone Zone X – Flood insurance is not required
 Limiting Easements? Yes – Ingress & Egress

Building Improvements Characteristics

Building Type Motel (as currently built) / Converted Residence as
 Proposed
 # Units 101 (As-Is) 104 (Prospective)
 Construction Class & Type Class D wood frame with stucco
 Quality & Condition Average / Average
 Sq Ft 53,972 SF
 Year(s) Built 1968
 Deferred Maintenance? Yes
 Pending or Current Renovation? Yes

SUMMARY OF EXISTING BUILDING AREA			
Unit Mix	Guest Rooms	SF	% of RBA
Building A 1st Floor	40	23,311	
Building A 2nd Floor	49	23,311	
Subtotal Building A	89	46,622	86.4%
Building B 1st Floor	6	3,510	
Building B 2nd Floor	6	3,510	
Subtotal Building B	12	7,020	13.0%
Building C	0	330	0.6%
Total	101	53,972	100.0%

source(s): Prosper Architectural Plan Set Dated 10.29.2025

Occupancy

The property is currently vacant. The CUP incorporates an Affordable Housing Plan by reference. It requires that 62 of the subject’s units are covenant-restricted for affordable rentals at certain thresholds, and allows up to 40% to be rented at market rates. It

has a priority set-aside for veterans housing and according to the agreement, all 104 units are eligible to accept tenant-based rental assistance vouchers, including VASH, HCV, and Section 8.

Impacting Regulatory Influences
Primary market or submarket
of influence

Buena Park Municipal Code
Orange County & Southern California Hospitality &
Affordable Residential Market

Concluded HBU as if vacant

To develop the site with a service/repair or specialty
manufacturing building

Concluded HBU as is

Residential conversion

Exposure Period

6-12 Months (As Motel)
8-10 Months (As Converted Residence)

Insurable Value

\$7,690,000 (As Motel)
\$7,360,000 (As Converted Residence)

SUMMARY OF VALUE CONCLUSIONS		Hospitality (Going Concern Allocation)			Residential Conversion		
Interest & Value Premise	Date of Value	Income Approach	Sale Comparison Approach	Cost Approach	Income Approach	Sale Comparison Approach	Cost Approach
Prosp. Stabilized Market Value	5/26/2027				22,000,000	23,920,000	N/A
less: Absorption Cost					(376,286)	(376,286)	
Equals: Prosp. Market Value Upon Completion	11/26/2026				21,623,714	23,543,714	
Less: Renovation Cost					(4,012,813)	(4,012,813)	
Equals: As-Is Market Value		N/A	\$ 13,320,000	N/A	17,610,901	19,530,901	
As-Is Market Value, Realty	2/26/2026		\$ 13,320,000		\$ 17,610,000		

Property History

The property is not currently listed for sale or for lease. This is a motel that had historically operated as a Howard Johnsons branded site; however, it is vacant and not operating. It sold very recently, on December 31, 2025, in an off-market sale for \$13,000,000. According to the buyer's representative, Hector Garcia of Passive Partners Capital, it was purchased subject to the issuance of a conditional use permit towards a a housing conversion, which was approved on November 18, 2025 by resolution 6398 (conditional use permit number CU-25-10).

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PROBLEM IDENTIFICATION

Client	The client for this appraisal is Clearinghouse CDFI.
Purpose	The purpose of this appraisal is to estimate the market value of the subject property.
Intended Users	Clearinghouse CDFI
Intended Use	The intended use is to estimate the market value of the realty described above for potential loan underwriting purposes. It is not to be used for any other purpose, particularly for investment solicitation, adversarial litigation, marketing purposes or due diligence.
Effective Date of Value	February 25, 2026 (As Is / Hypothetical) July 25, 2026 (Prospective)
Dates of Report Preparation:	February 18, 2026 – March 28, 2026
Subject identification and Interest Appraised	The subject of this appraisal is the fee simple and prospective/hypothetical leased fee estates of the property located at 7039 Orangethorpe Ave., Buena Park, CA 90621-3323. The corresponding Parcel number is 276-381-09.
Definition of Value(s) used in this appraisal	<p>We have relied upon the definition of Market Value, sourced from the Office of the Comptroller of the Currency (OCC) 12 CFR 34.42 definition:</p> <p>Market value means 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:</p> <ol style="list-style-type: none">(1) Buyer and seller are typically motivated;(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;(3) A reasonable time is allowed for exposure in the open market;

(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Relevant Characteristics of the property

A full description of the property is provided within the “Site Description” and “Building Description” sections of this appraisal. At the end of each section, the appraiser(s) have provided an overview of relevant characteristics of the subject asset, which were considered heavily in the scope of work determination, as well as the highest & best use conclusions.

Scope of Work

The- problem to be solved is a market value opinion of a fee simple estate in the property located at 7039 Orangethorpe Avenue, Buena Park, CA 90621. The asset was identified by our client using street address, assessor’s parcel numbers, legal description (as available), title reports (as available), and with assistance of the owner’s representatives.

In developing an opinion of value for the asset, all three approaches to value were considered (Income, Market, and Cost Approaches) along with the applicability of various methods and techniques, in keeping with the customs and practices of the local market area.

Primary information of the subject property consisted of a site visitation by Ariana Arredondo, MAI and Francisco Sánchez on February 25, 2026, interviews with Hector Garcia (owner’s representative), and a full review of property documentation supplied by our client and the ownership. Other forms of primary information include interviews with market participants, and municipal code research. Published data is often supplemented with personal site visitations and interviews with involved parties.

Secondary sources were utilized, namely data subscription services, and secondary research & analyst reports. For analysis of comparables, we always attempt to confirm information about the secondary data sources we utilize (i.e. Costar, MLS, public records) with an involved party. When this is not

possible due to refusal or nonresponse of listed parties, we cross check with public records and other data which is available in the public domain, to ensure the credibility of any data points considered. Other material sources include Angel Valuation's own proprietary database, and occasional reliance on professionally prepared expert reports (i.e. environmental studies, legal opinions, architect plans).

Subject Property History

The property is not currently listed for sale or for lease. This is a motel that had historically operated as a Howard Johnsons branded site; however, it is vacant and not operating. It sold very recently, on December 31, 2025, in an off-market sale for \$13,000,000. According to the buyer's representative, Hector Garcia of Passive Partners Capital, it was purchased subject to the issuance of a conditional use permit towards a a housing conversion, which was approved on November 18, 2025 by resolution 6398 (conditional use permit number CU-25-10).

ASSIGNMENT CONDITIONS

General Limiting Conditions

Use of this appraisal report constitutes an acceptance of the following general assumptions and limiting conditions:

- Information furnished by others, which is cited in this appraisal, are obtained from sources considered reliable. This information is believed to be true, but no warranty is given for its accuracy.
- Title to the property is assumed to be good and marketable unless otherwise stated. We are unaware of any title defects, unless they are clearly described and identified within the land description section of this appraisal.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. Title insurance should be obtained to protect against financial loss from such claims.
- We assume there are no private deed restrictions or unknown leases impacting the property.
- Responsible ownership and competent property management are assumed.
- It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations.
- All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property. This appraisal does not constitute or imply that a survey was performed.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.
- It is assumed that the property is in full compliance with all applicable laws and regulations, including federal, state, local, including all environmental, unless a lack of compliance is specifically identified in this appraisal.
- It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been described in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
- We are not qualified to assess compliance with the Americans with

- Disabilities Act (ADA) of 1990. If there is any question regarding a property's compliance and required remedies, we recommend a professional assessment of ADA compliance.
- The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- Appraisal results are not intended to be used for any litigation or investigative purpose. Further, Appraiser will not be required to explain appraisal results to any party, unless it is to the Client for routine questions (i.e. to support a customary review). Appraiser is not obligated or required to give further consultation, testimony, or be in attendance in court unless arrangements were previously made.
- Any allocation of the total value estimated in this report between the land, improvements, Furniture Fixtures & Equipment (FF&E) and business goodwill apply only under the stated program of utilization. The separate values allocated to the land and the buildings must not be used in conjunction with any other appraisal and are invalid if they are.
- An estimate of insurable value is customarily provided. Angel Valuation follows traditional appraisal standards to develop a calculated total, based upon the industry's acceptance of secondary data sources for cost estimation. This is a derivation of the cost approach, and we caution that actual construction costs can vary from this estimate.
- The liability of Angel Valuation employees is limited to the client only. There is no responsibility, obligation or liability to any third party whatsoever.

Extraordinary Assumptions

It is assumed that title will be updated concurrently to issuance of the loan, establishing affordable covenants that are in keeping with the requirements stated in the conditional use permit (CUP).

It is assumed that a certificate of occupancy will be issued for this property on or before November 26, 2026. Implicit in this extraordinary assumption is a) project timelines will be met, b) building department approvals will be met and c) construction will be completed as proposed and represented.

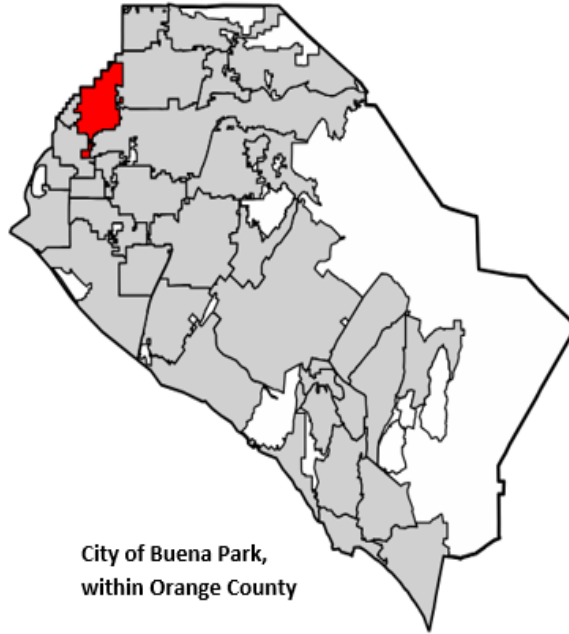
The use of these extraordinary assumptions might have affected the assignment results.

Hypothetical Conditions

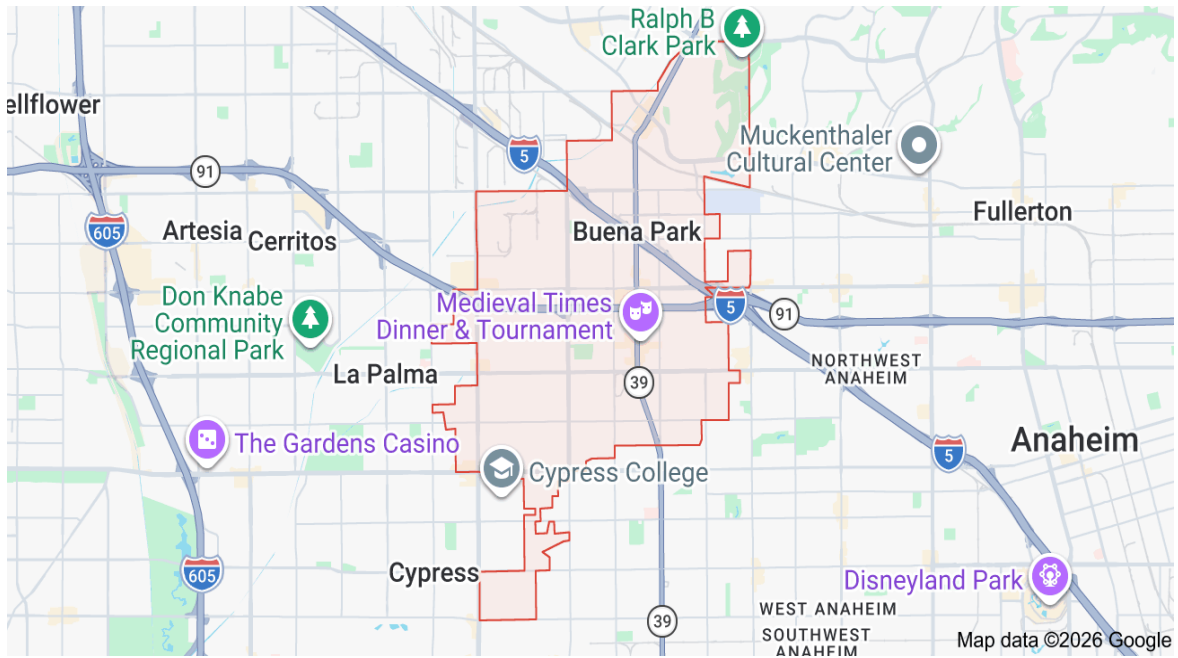
A hypothetical condition impacts one of the values reported. The condition invoked is that the building is renovated and rented at market rents, as of today. This is contrary to known fact, as the building is truly in an unrenovated condition and sits vacant today.

GEOGRAPHIC OVERVIEW

Orange County and the City of Buena Park



City of Buena Park (Google Maps)



Orange County is located in the Greater Los Angeles area in Southern California situated along 40 miles of coastline. Orange County occupies a total area of 948 square miles, of which 799 square miles is land and 157 square miles is water. It is bordered to the north by Los Angeles County, to the east by Riverside and San Bernardino Counties, to the south by San Diego County, and is bounded by the Pacific Ocean to the southwest. “Orange County lies predominantly on an alluvial plain... Several low-lying mesas interrupt the plain along the northern coast. The plain is semi-enclosed by the Santiago Foothills and the Santa Ana Mountains, which rise to 5,600 feet on the east, the Puente and Chino Hills in the north, and the San Joaquin Hills to the south.”²

History

The area of Orange County was originally inhabited by the Juaneño and Gabrielino tribes. In the late 1700’s Spanish explorers established missions San Gabriel and San Juan Capistrano and “laid claim to much of what is now Orange County, grazing cattle, horses, and sheep here until the 1830s... Cattle ranching became the backbone of the local economy... At the end of the Mexican War in 1848, California was ceded to the United States by Mexico. When California became a state in 1850, what is now Orange County became a part of Los Angeles County. The Gold Rush of 1849 brought tens of thousands of new settlers to California... The local economy soared. But a series of droughts, floods, and diseases – along with the cost of defending the ownership of their lands in the American courts – eventually drove many of the rancheros to ruin.”³

“Then in 1857, a group of Germans immigrants living in San Francisco joined together in a cooperative venture to found an agricultural colony they named Anaheim. Two events in 1868 opened up much of the Santa Ana Valley to settlers. South and east of the Santa Ana River, the old Rancho Santiago de Santa Ana – long the stronghold of the Yorba and Peralta families – was broken up and divided among scores of heirs and owners. While on the other side of the river, debt forced Abel Stearns to place his extensive landholdings into the hands of a trust. The Los Angeles & San Bernardino Land Company began offering thousands of acres of the Stearns Ranchos for sale. New towns sprang up almost immediately on both sides of the river – Santa Ana, Tustin, Orange, Westminster, Garden Grove – and settlers spread out across the land.”

“The Southern Pacific railroad arrived in the mid-1870s, but it was not until the Santa Fe completed a direct transcontinental link into Southern California that the full impact of the railroads was felt. Competition between the two railroads helped to launch Southern California’s greatest real estate boom. During the frantic “Boom of the Eighties” (1886-88), scores of subdivisions were platted and more than a dozen new towns were laid out here. But the Boom collapsed as quickly as it had begun, and only Fullerton, Buena Park, and El Toro survived to become incorporated cities. The Boom also led to the creation of Orange County in 1889.”

“Between 1905 and 1910, the Pacific Electric Railway built three main lines into Orange County – one along the coast from Seal Beach to Balboa, a second across the center of the valley through Cypress and Garden Grove on its way to Santa Ana, and a third to serve the northern communities of La Habra, Brea, and Yorba Linda. The PE’s “big red cars” brought a surge of new townsites and subdivisions along the tracks... The county’s economy remained largely agricultural until the 1950s.

² Orange County Public Works, “General Plan: Background for Planning,”
<https://ocds.ocpublicworks.com/sites/ocpwoocds/files/import/data/files/8585.pdf>

³ Orange County Historical Society, “A Brief History of Orange County,”
https://www.orangecountyhistory.org/wp/?page_id=38

Not just oranges, but lemons, apricots, walnuts, lima beans, celery, sugar beets, and avocados all thrived here. Other farmers grew wheat, barley, tomatoes, strawberries, or other row crops, kept dairy cattle, or raised chickens. Oil also helped to fuel Orange County's growth. From a small beginning in the 1880s along the northern edge of the county, the oil industry burst into prominence in 1919-20, when major strikes were made at Placentia and Huntington Beach. Soon hundreds of wells dotted the county, from the northern foothills right down to the water's edge along the coast."⁴ During World War II, military installations were established throughout the county and many military members passed through, leading to many settling down in the area and the population significantly increasing. The economy shifted away from agriculture to high tech, light industry, and tourism. The county is now a tourist center home to Disneyland, Knott's Berry Farm, Balboa Island, and popular beaches.⁵

Transportation and Linkages

Orange County has a vast freeway system, relying heavily on I-5 (Santa Ana Freeway,) I-405 (San Diego Freeway,) and I-605 (San Gabriel River Freeway,) in addition to SR 91, SR 22, SR 57, SR 55, SR 133, SR 73, SR 261, and SR 241. Bus service throughout the county is provided by the Orange County Transportation Authority. Rail services are provided by Amtrak and Metrolink, providing access throughout the county and to surrounding counties and the greater Los Angeles area.⁶ In 2018, Orange County began the OC Streetcar project to connect the Santa Ana Regional Transportation Center to Garden Grove with ten local stops along the line. The line is projected to begin service in 2026.⁷ Orange County has an international airport in Santa Ana, John Wayne Airport (SNA,) and other nearby airports include Long Beach Airport (LGB) about 24 miles away, Ontario International Airport (ONT) about 38 miles away, and Los Angeles International Airport (LAX) about 42 miles away.

City of Buena Park

Geographic Overview

Buena Park is a city in northern Orange County about 12 miles northwest of Santa Ana. It is bisected into north and south portions by State Route 91. According to the U.S. Census Bureau, the city has a total area of 10.6 square miles with the majority of it, 10.5 square miles, land and 0.03 square miles water. Buena Park is bordered by La Mirada to the north, Fullerton to the east, Anaheim to the southeast, Cypress to the southwest, and Cerritos and La Palma to the west.

History

The area that is today Buena Park was an area that was subject to land grants, and ranchos were established with Rancho Los Coyotes including what is today Buena Park. After California was granted statehood in 1850, "Americanization further expanded in the area after completion of the transcontinental railroad in 1869 and its connection to Los Angeles in 1875. By then, Abel Steams had acquired Rancho Los Coyotes in consideration for loans made to Pio and Adres Pico. In 1885, James A. Whitaker purchased 690 acres of this land from Steams and in 1887 he founded the City of Buena Park in conjunction with the railway development of what we now know as Orange County."⁸

⁴ OC Historyland, "A (Very) Brief History of Orange County," <https://www.ochistoryland.com/briefhistory>

⁵ *Ibid*

⁶ Orange County, "Transportation," <https://www.orangecounty.net/html/transportation.html>

⁷ City of Santa Ana, "The Fixed Guideway (Streetcar) Project Connecting to Garden Grove," https://web.archive.org/web/20120421165003/http://santaanatransitvision.com/fixed_guideway_project.html

⁸ Buena Park Historical Society, "History," <https://www.buenaparkhistory.org/wp/history/>

“In 1889 Whitaker got the Pacific Creamery Company, which canned condensed milk under the Lily Cream label, to build a factory in Buena Park. This was the first industry established in Orange County.”⁹ The city continued to thrive off of the dairy industry, the transcontinental railroad, wineries, and citrus. In 1953, the City of Buena Park was officially incorporated.

In 1920, Walter Knott and his family moved to Buena Park and began a berry farm on 10 acres of land. They then established a roadside stand selling berries and expanded to a tea room and berry market. This land eventually became the city’s most popular tourist attraction, Knott’s Berry Farm.¹⁰

Transportation and Linkages

Multiple highways run through the city of Buena Park, including State Route 91 (Artesia Freeway,) State Route 39 (Beach Boulevard,) and Interstate 5 (Santa Ana Freeway.) The main commercial artery is Beach Boulevard, with La Palma Avenue and Knott Avenue also being major vehicular corridors. Bus service is provided by Orange County Transportation Authority. The Buena Park Metrolink Station provides rail transit throughout the county as well as surrounding counties and the greater Los Angeles area. The nearest airports are Long Beach Airport (LGB) about 13 miles southwest, John Wayne Airport (SNA) about 19 miles southeast, and Los Angeles International Airport (LAX) about 29 miles west.

Demographic Overview

Both Orange County and the city of Buena Park have experienced population declines over the past few years, which is consistent with overall declines seen throughout California. Educational attainment for the county is slightly higher than the state on average, as shown in the following table.¹¹

DEMOGRAPHICS			
	<u>Buena Park</u>	<u>Orange County</u>	<u>CA</u>
Total Population (2024)	82,611	3,170,435	39,431,263
Total Population (2020)	84,024	3,187,256	39,555,674
Population Growth Rate	-1.7%	-0.5%	-0.3%
Household Income (2020-2024)	\$110,550	\$116,289	\$99,122
High School Graduation Rate (%)	86.0	87.1	84.7
Bachelors Degree Attainment Rate (%)	33.0	44.1	37.1
Poverty Rate (%)	8.8	9.7	11.8

source: US Census QuickFacts

⁹ Buena Park, “History,” https://www.buenapark.com/residents/about_buena_park/history.php

¹⁰ Orange County, History of Buena Park, California,” https://www.orangecounty.net/cities/BuenaPark_history.html

¹¹ U.S. Census Bureau, “QuickFacts,” <https://www.census.gov/quickfacts/>

Economic Overview

EMPLOYMENT STATISTICS

	<u>Buena Park</u>	<u>Orange County</u>	<u>CA</u>
Labor Force Total	43,900	1,642,400	19,867,300
Unemployment Total	1,800	64,000	1,020,800
Unemployment Rate (%)	4.0%	3.9%	5.1%

source: California Employment Development Department (Dec 2025)

Primary Employment Sectors

According to data from the Census Bureau ACS 5-year Estimate, the most common employment sectors for people who live in Orange County as of 2024 are “Health Care & Social Assistance (200,466 people), Manufacturing (188,463 people), and Professional, Scientific, & Technical Services (167,434 people).”¹² Within the City of Buena Park, the most common employment sectors are “Health Care & Social Assistance (6,933 people), Manufacturing (4,686 people), and Retail Trade (4,268 people).”¹³

A review of the City’s latest Annual Comprehensive Financial Report displays a dominance of tourism/entertainment, retail, finance/business, and manufacturing in the local economy:

City of Buena Park
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2024-25</u>			<u>2015-16</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment*</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment</u>
Knott's Berry Farm	4,069	1	9.76%	5,071	1	12.71%
Pepsi	477	2	1.14%	477	5	1.20%
Porto's Bakery	402	3	0.96%			
RIA Financial/AFEX Money Express	381	4	0.91%	387	8	0.97%
Access Business Group LLC	341	5	0.82%	479	4	1.20%
Yamaha Corporation of America	324	6	0.78%	350	10	0.88%
99 Ranch (Tawa Services, Inc.)	291	7	0.70%			
Trim-Lok, Inc.	255	8	0.61%			
Medieval Times USA, Inc.	239	9	0.57%			
Leach Corporation	229	10	0.55%	483	3	1.21%
SYSCO Riverside, Inc.				375	9	0.94%
J.C. Penney				526	2	1.32%
Select Staffing Real Time Staffing Services				403	6	1.01%
Heritage Foods, LLC.				394	7	0.99%
Total	7,008		16.81%	8,945		22.42%

Over the last nine years, Knott’s Berry Farm has maintained the top ranking, and Pepsi moved from fifth to second ranking. RIA Financial/AFEX Money Express, Access Business Group LLC, and

¹² DataUSA, “Orange County,” <https://datausa.io/profile/geo/orange-county-ca>

¹³ DataUSA, “Buena Park, CA,” <https://datausa.io/profile/geo/buena-park-ca>

Yamaha Corporation of America also remained in the principal employers. Porto’s Bakery, 99 Ranch, Trim-Lok Inc., and Medieval Times USA Inc. are new to the rankings since nine years ago.¹⁴

Housing Overview

HOUSING STATISTICS			
	<u>Buena Park</u>	<u>Orange County</u>	<u>CA</u>
Owner-occupied rate (2020-2024) (%)	55.0%	56.4%	55.9%
Total housing units	26,086	1,163,983	14,949,001
Single-detached units (% of total)	56.8%	49.4%	57.0%
Five-plus/apartment units (% of total)	26.0%	27.1%	24.4%

sources: U.S. Census Bureau, State of California Department of Finance 2025 Estimates

Orange County

Based on the Regional Housing Needs Allocation’s (RHNA) assessment, Orange County must construct 183,861 units by 2029. This calculates to an average of 22,983 units per year for the eight-year cycle. Of the 183,861 housing units, 46,416 are designated for very low-income, 29,242 for low-income, 32,546 for moderate-income, and 75,657 for above moderate-income According to the county’s Housing Element, multiple zoning accommodations are being made by increasing maximum density allotment and expanding the Housing Opportunities Overlay (HOO) zone.¹⁵ Since 2021, Orange County has permitted a total of 29,486 units and completed 25,770 units.¹⁶

City of Buena Park

The city of Buena Park has a Regional Housing Needs Allocation of 8,919 housing units by 2029. This averages to 1,115 units per year for the eight-year cycle. Of the 8,919 housing units, 2,118 are designated for very low-income, 1,343 for low-income, 1,573 for moderate-income, and 3,884 for above moderate-income for the 2021-2029 housing cycle. According to city’s Housing Element, “Because the majority of the housing stock is more than 30 years old, significant rehabilitation needs are anticipated.”¹⁷ Since 2021, Buena Park has permitted 359 housing units and completed 372 units.¹⁸

¹⁴ Buena Park, “Annual Comprehensive Financial Report 2025,”

https://www.buenapark.com/city_departments/finance/comprehensive_annual_financial_report.php

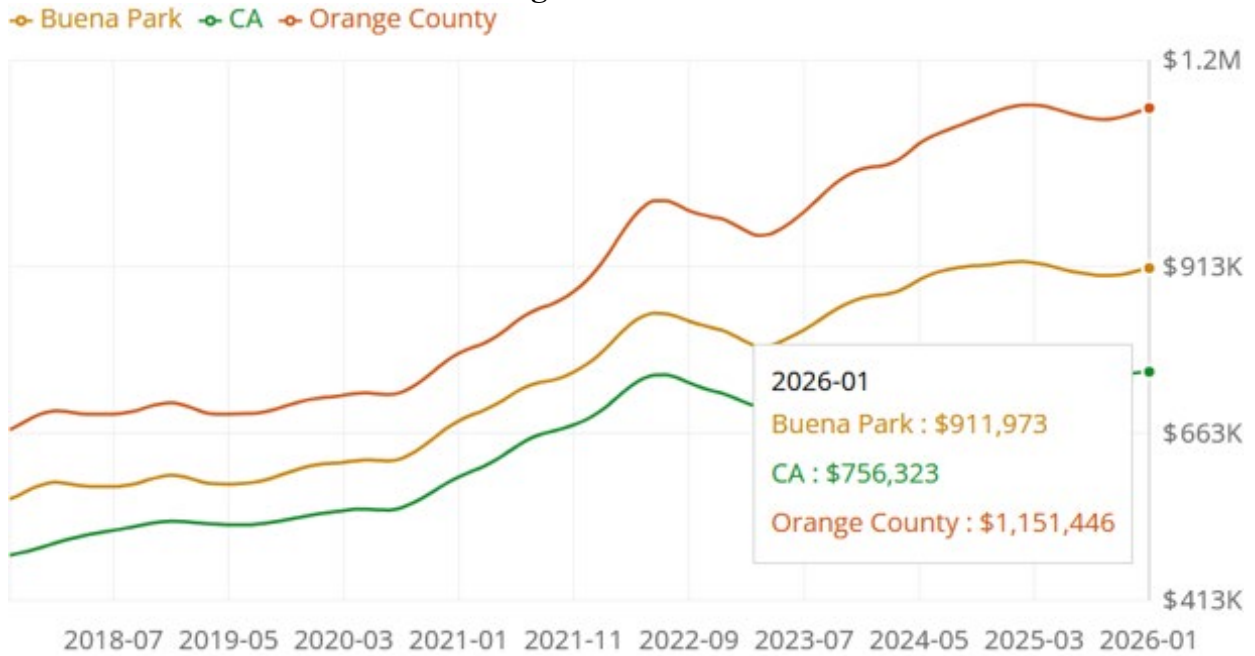
¹⁵OC Public Works, “County of Orange Housing Element 2021-2029,” <https://ocds.ocpublicworks.com/sites/ocpwoocds/files/2025-02/OC%20Housing%20Element%20AdoptionDraftJan2025.pdf>

¹⁶ California Department of Housing and Community Development, “Annual Progress Reports – Data Dashboard and Downloads,” <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard>

¹⁷ Buena Park, “City of Buena Park 2021-2029 Housing Element,” https://www.buenapark.com/city_departments/community_development/planning_division/2021_housing_element_update.php

¹⁸ California Department of Housing and Community Development, “Annual Progress Reports – Data Dashboard and Downloads,” <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard>

Housing Value Trends Chart



Source: Zillow

From January 2025 to January 2026, the housing value index in Orange County has decreased from \$1,153,098 to \$1,151,446, which equates to a -0.1% decrease. The State of California housing index also decreased at a rate of -1.9% over the same time. During the same year-over-year period, the City of Buena Park housing value index also decreased from \$920,658 to \$911,973, which equates to a -0.9% decrease.

NEIGHBORHOOD ANALYSIS

The subject property is located in the northern half of Buena Park, which is roughly bounded by Artesia Blvd, Alondra Blvd., and Rosecrans Ave. to the north, Dale St. and Magnolia Ave. to the east, State Route 91 to the south, and Valley View St. and Knott Ave. to the west. The subject property is located on Orangethorpe Ave., a major vehicular corridor for the city and neighborhood. Land uses in this area consist of commercial and manufacturing uses along Orangethorpe Ave., with housing incentive overlay zones to address housing needs, and residential uses located behind the commercial areas. Orangethorpe Ave. is currently undergoing improvements through the Orangethorpe Avenue Complete Streets Planning Study, which aims to “transform a 2.3-mile stretch of Orangethorpe Avenue – between Valley View Street and Kass Drive – into a vibrant, multimodal corridor that caters to pedestrians, cyclists, transit riders, and drivers by incorporating innovative, user-focused design elements and resolving constraints through community-driven solutions.”¹⁹

Buena Park has multiple highways traversing through, including State Route 91 east to west, Interstate 5 northwest to southeast, and State Route 39 north to south. The highest traffic corridor in the neighborhood is Beach Boulevard, or State Route 39, designated as the “E-Zone” (Entertainment Zone) due to its major tourist attractions along the boulevard, including “legendary amusement park Knott's Berry Farm and Soak City Water Park, Medieval Times, Pirates Dinner Theatre, Rock & Brews, The Source, and Porto's Bakery & Cafe. Fifteen hotels are interspersed throughout the district with over 2,000 rooms, and twenty-five restaurants complement the area- all just 6 miles from the Disneyland Resort.”²⁰ Buena Park has a Metrolink station located in the northern portion of the city, located about 3 miles northeast of the subject property. Multiple bus lines serve the neighborhood with two bus lines located within the block of the subject property.

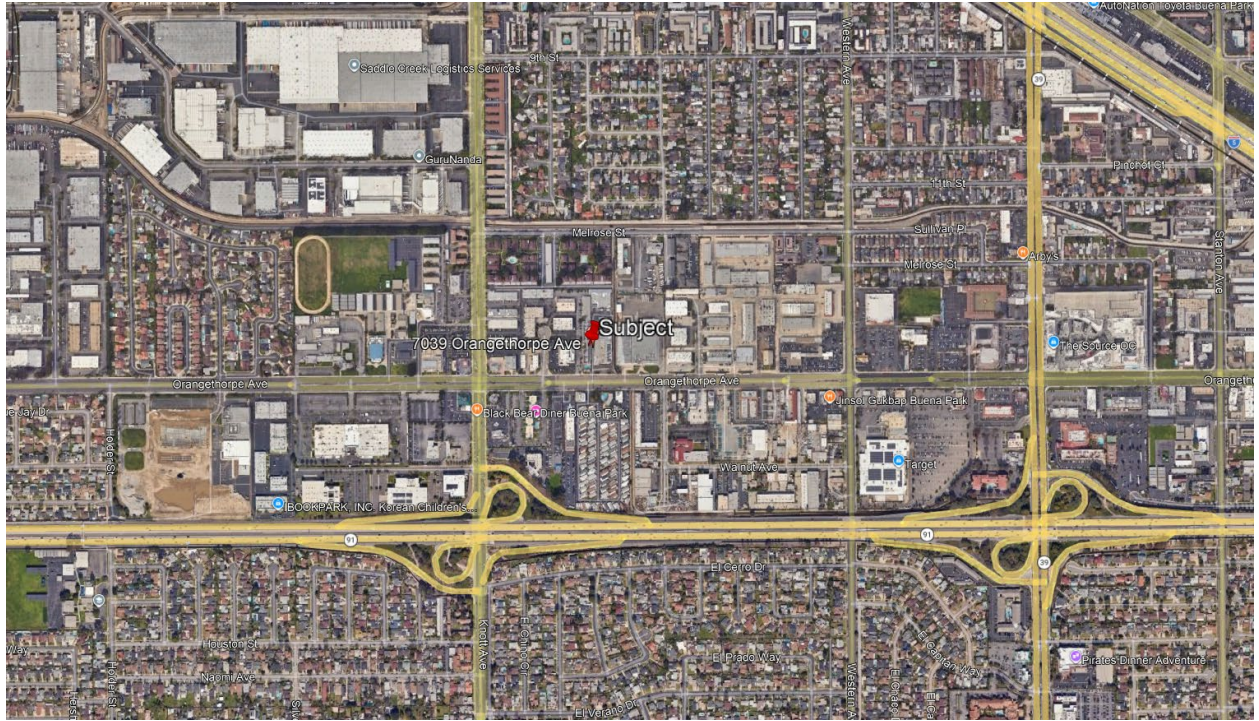
The immediate area is less dense in population than the whole of Buena Park. According to the State of California’s Community & Place Based Data Tool, the area within a one-mile radius of the subject property has a population density of 6,043 people per square mile (“p/sm”) and a population density of 7,717 p/sm within three miles as of 2025.²¹ Data from the United States Census Bureau allows for an extrapolation of the 8,003 p/sm population density for the entire city of Buena Park.²²

¹⁹ Buena Park, “Orangethorpe Complete Streets Planning Study,” https://www.buenapark.com/city_departments/public_works/engineering_services/orangethorpe_complete_streets_planning_study.php

²⁰ Buena Park, “Entertainment Zone,” https://www.buenapark.com/city_departments/economic_development/entertainment_zone.php

²¹ State of California Governor’s Office of Business and Economic Development, Community & Place Based Data Tool, <https://properties.zoomprospector.com/california/community>

²² United States Census Bureau: https://data.census.gov/profile/Buena_Park_city,_California?g=160XX00US0608786



MARKET OVERVIEW

The hospitality sales/transaction market is well summarized in an article the Registry²³ that highlights a report by regional brokerage firm Atlas Hospitality Group. It describes a slower-moving investor market for the southern California region:

“Southern California’s hotel investment market in 2025 moved in a more restrained direction, with fewer large trades and a narrower pool of active buyers. While select assets continued to transact — particularly those priced to reflect higher debt costs — overall volume declined as many owners remained unwilling to meet buyer expectations. The result was a year marked by selective deal flow rather than broad participation, as reported by the Atlas Hospitality Group.”

“Across the region, 117 hotels sold during the year, down slightly from 2024, while total dollar volume fell more than 20 percent to approximately \$1.73 billion. Unlike Northern California, Southern California did not benefit from a comparable concentration of large distressed trades, leaving overall activity more sensitive to financing constraints and operating cost pressures.”

“Orange County remained notably subdued. Deal count held steady at 14 transactions, but total dollar volume collapsed to approximately \$137 million as the market saw fewer institutional-scale trades. Median pricing fell to around \$140,000 per room, a sharp decline from the prior year, underscoring buyer resistance to peak-cycle pricing in a market with higher operating and insurance costs.”

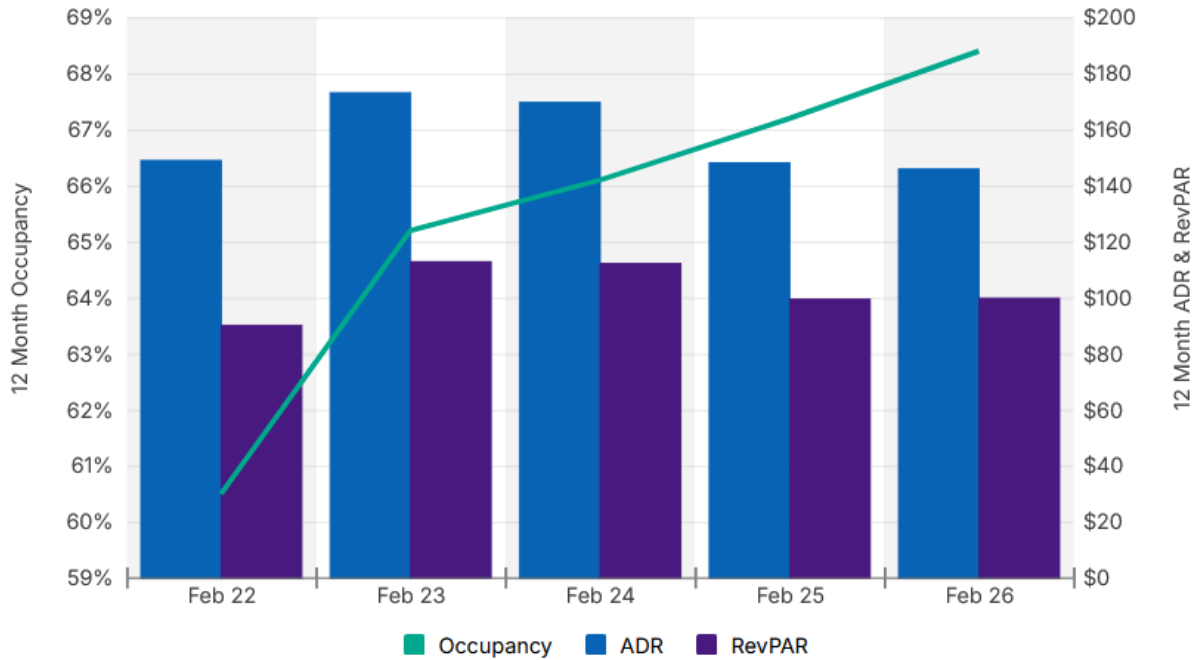
“Across Southern California, median pricing settled at approximately \$172,000 per room, up modestly from 2024 but masking significant divergence between coastal and inland markets. Buyers remained focused on assets that could clear at a conservative basis, while properties requiring aggressive underwriting largely failed to transact. The report notes that deal-making remained challenging due to “financing costs, operating expense pressure (labor and insurance), and seller price resistance,” factors that were particularly evident across Southern California’s middle-market inventory.”

“Overall, Southern California’s hotel market appears positioned for gradual, uneven improvement rather than a rapid rebound. Pricing discipline remains firmly in place, and capital is likely to stay concentrated in assets offering either clear operational upside or a sufficiently discounted entry point. Until debt conditions ease, transaction volume is expected to remain selective, with recovery unfolding market by market rather than across the region as a whole.”

Recent operating numbers for Orange County’s economy and independently branded hospitality segment are shown below. It reveals year-over-year (“YOY”) declines in Average Daily Rates (“ADR”) from 2023 through 2026, amidst occupancy gains.

²³ Shahar, *Southern California Hotel Sales Slide to \$1.7B as Buyers Stay Selective* published by The Registry, February 10, 2026

Hospitality Statistics: Orange County, Economy & Independent Segments



Source: CoStar

Tourism Economics published a California-specific lodging forecast²⁴. Key takeaways are that industry had out-performed the whole of the U.S. in 2025, and that supply is growing more slowly which puts an upward pressure on occupancy rates. The report goes on to break out forecasts by county. The report suggests optimism for Orange County specifically, with respect to near-term RevPAR (2026 is forecasted to increase 2.73% over 2025). This appears to be driven mainly by projected occupancy increases.

Forecast summary: Annual, Orange County

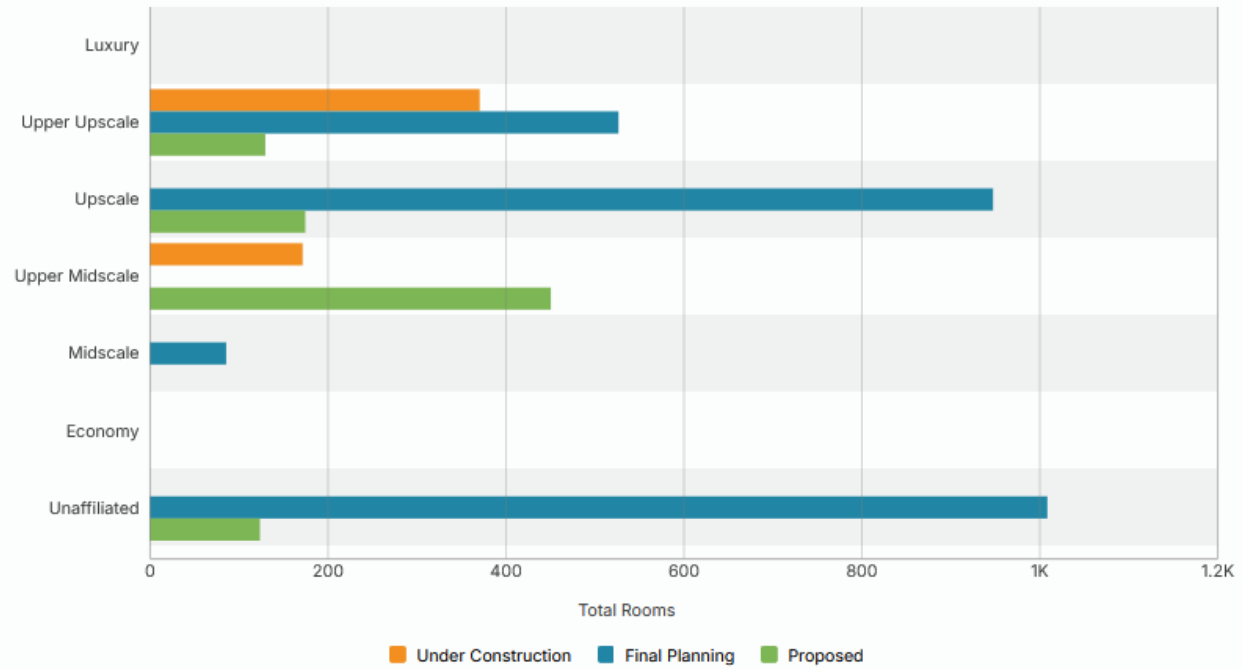
Levels	Hotel supply (daily)	Hotel room demand (daily)	Occupancy	ADR	RevPAR	Room revenue
2019	58,282	45,141	77.5%	\$161.94	\$125.42	\$2,668,166,801
2020	50,463	22,479	44.5%	\$136.03	\$60.59	\$1,116,070,720
2021	56,854	32,936	57.9%	\$168.05	\$97.35	\$2,020,245,040
2022	60,044	42,428	70.7%	\$201.90	\$142.67	\$3,126,678,580
2023	60,203	43,160	71.7%	\$210.28	\$150.75	\$3,312,577,929
2024	60,993	43,784	71.8%	\$208.37	\$149.58	\$3,329,912,935
2025	60,663	44,152	72.8%	\$210.33	\$153.08	\$3,389,562,732
2026	60,408	44,689	74.0%	\$212.57	\$157.26	\$3,467,424,565
2027	60,945	45,405	74.5%	\$216.20	\$161.08	\$3,583,146,772
2028	61,740	46,293	75.0%	\$221.49	\$166.08	\$3,742,526,449
2029	62,474	47,078	75.4%	\$224.80	\$169.40	\$3,862,792,060

Source: STR; Tourism Economics

²⁴ State and Regional Lodging Forecast, Tourism Economics. February 26, 2026

Construction activity is well captured by the current Orange County pipeline. It shows that there are no projects being added in the economy segment, rather, the bulk of inventory is concentrated in the “upper upscale” and “upper midscale” segments.

PIPELINE BY SCALE



A significant number of hospitality buildings are seen as conversion opportunities to alternate uses. Common adapted uses for older, existing hotels are “SRO housing”. Project Homekey was a Covid-era program that launched statewide to incentivize hotel/motel sites and vacant apartment buildings into permanent or interim housing by way of grants. This spurred a wave of hospitality conversions statewide, and from that point onward, some municipalities adopted that model as one way to meet regional housing targets.

Within a 20-mile radius of the subject, there are 75 such converted former hospitality buildings. A portfolio of Motel 6 properties was acquired by Los Angeles county’s Real estate Services division. Other owners of converted hospitality sites include the Orange County Housing Authority, and developer Jamboree Housing Corporation.

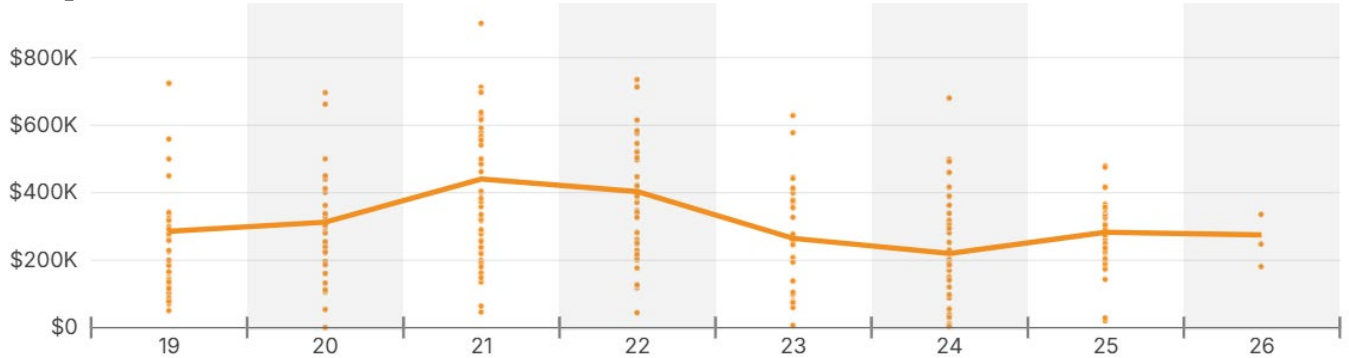
Apartment Rent, Vacancy and Construction Trends – 2.0 Mile Radius

	Inventory	Inventory	Vacancy	Units	Units Under	Effective Rent	Quarter
	Buildings	Units	Percent	Absorbed	construction	Per Unit	Rent Change
2026 Q1 QTD	434	10,445	3.6%	(15)	55	\$2,107	0.6%
2025 Q4	434	10,445	3.5%	(28)	55	\$2,095	0.6%
2025 Q3	434	10,445	3.2%	(5)	55	\$2,082	0.4%
2025 Q2	434	10,445	3.1%	(18)	55	\$2,074	0.2%
2025 Q1	434	10,445	2.9%	51	-	\$2,070	1.0%
2024 Q4	433	10,379	2.8%	(26)	66	\$2,050	0.9%
2024 Q3	432	10,361	2.5%	10	84	\$2,032	0.2%
2024 Q2	431	10,340	2.4%	(5)	105	\$2,028	1.2%
2024 Q1	431	10,340	2.4%	(9)	105	\$2,004	0.8%
2023 Q4	431	10,340	2.3%	(14)	105	\$1,988	0.9%
2023 Q3	431	10,340	2.1%	(4)	21	\$1,971	1.4%
2023 Q2	431	10,340	2.1%	57	21	\$1,943	1.8%
2023 Q1	430	10,283	2.1%	(21)	78	\$1,908	1.8%
2022 Q4	430	10,283	1.9%	(33)	57	\$1,875	1.1%
2022 Q3	430	10,283	1.6%	(7)	57	\$1,854	1.1%
2022 Q2	430	10,283	1.5%	(23)	57	\$1,833	1.3%
2022 Q1	430	10,283	1.3%	7	57	\$1,810	1.5%
2021 Q4	429	10,183	1.3%	8	157	\$1,784	1.1%
2021 Q3	428	10,161	1.4%	49	179	\$1,765	1.6%
2021 Q2	428	10,161	1.9%	69	179	\$1,737	1.9%
2021 Q1	428	10,161	2.6%	54	179	\$1,705	0.3%
2020 Q4	427	10,091	2.5%	30	192	\$1,700	1.4%
2020 Q3	427	10,091	2.8%	(4)	92	\$1,676	0.4%
2020 Q2	427	10,091	2.7%	(13)	70	\$1,669	0.7%
2020 Q1	427	10,091	2.6%	4	70	\$1,657	1.8%
2019 Q4	426	10,084	2.6%	(20)	77	\$1,627	0.9%
2019 Q3	426	10,084	2.4%	(1)	77	\$1,612	0.8%
2019 Q2	426	10,084	2.4%	13	77	\$1,600	1.5%
2019 Q1	426	10,084	2.5%	19	77	\$1,577	n/a

source: CoStar

In this local area, apartment vacancy has ranged from 1.3% to 3.6% in the past seven years, with a latest vacancy indication of 3.6%. There is a single building under construction, the Lincoln Avenue Apartments, located in Buena Park. This building is expected to deliver in September 2026 and will bring 55 units to the market (24 will be affordable). Rents, meanwhile, have increased consistently. Comparing Q4 2024 and Q4 2025, the data shows a year-over-year rent increase of 2.2%.

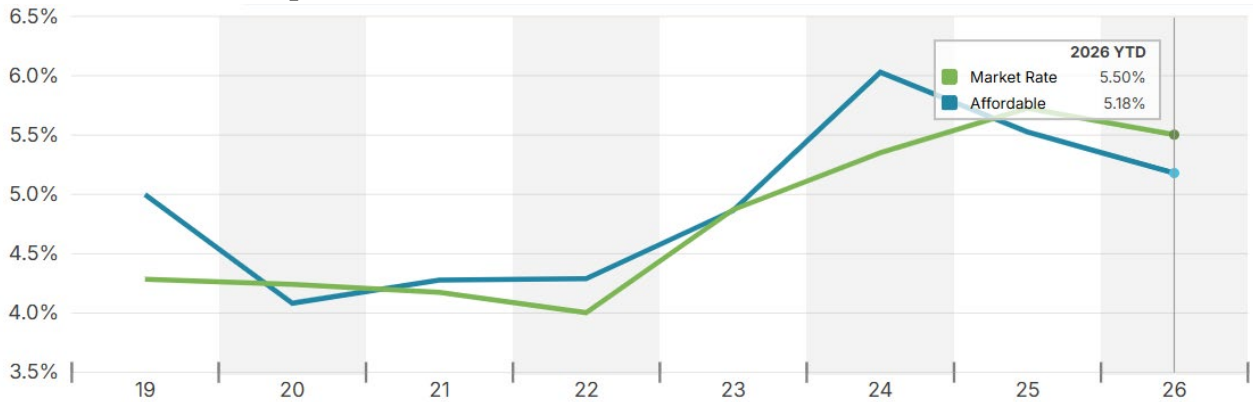
Apartment Sale \$/Unit Trend: Affordable & Mixed-Affordable, >20 Units, 25 Mile Radius



Source: CoStar

The graph summarizes average sale prices of affordable and mixed-affordable apartments that are within a 25-mile radial loop surrounding the subject. Average sales prices had for the past seven years. The average sales prices appear to have peaked in 2021 and fell until 2024. Average prices rose 28.6% from 2024 to 2025. Year-to-date (“Y.T.D.”) 2026 is trending similarly to 2025, albeit with a slightly softer average price of \$275,336 (versus \$282,607 for 2025).

Capitalization Rate Trend:, >20 Units, 25 Mile Radius



Source: CoStar

The chart above compares the capitalization rates for market rate apartment buildings, as well as affordable and mixed-affordable buildings within a 25-mile radius of the subject. Overall, these rates trended in direction together. However in 2025, capitalization rates for the affordable segment started to trend lower than market-rate. For YTD 2026, the affordable segment saw cap rates that were 32 basis points below the market rate segment.

SITE DESCRIPTION

A copy of the plat map is provided on the following page for reference. The table below contains a summary of findings.

IDENTIFICATION

Address	7039 Orangethorpe Ave
APN(s)	276-381-09
City	Buena Park'
Zip Code	90621
County	Orange

PHYSICAL CHARACTERISTICS

Site Area (SF)	75,533
Site Area (acres)	1.734
Shape	Narrow L-Shape
Primary Frontage	Orangethorpe
Street Type	Primary
Corner/Midblock	Midblock
Topography	Level
Curb Cuts	I from Orangethorpe
Yard Improvements	Paved Striped Parking Lot, Landscape, Enclosure Fencing and Swimming Pool

UTILITIES

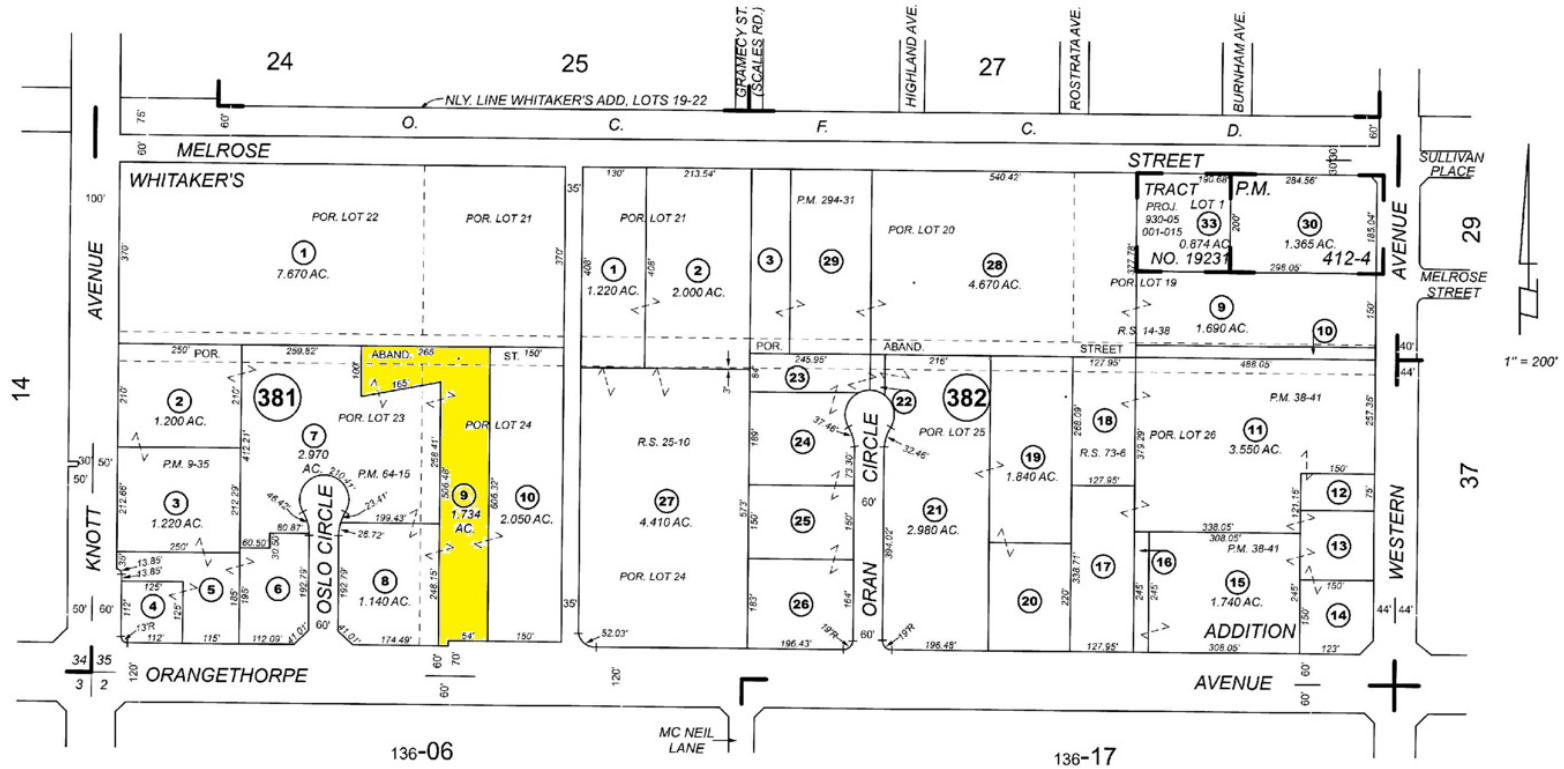
Water & Sewer	Buena Park Water Company
Electric	Southern California Edison
Gas/Natural Gas	Southern California Gas Company

The subject is located on a primary corridor within a suburban location. It has midblock exposure and an elongated, narrow L-shape to the site. Adjacent neighboring properties include industrial and religious property; land uses along Orangethorpe runs in an East-West direction and in this area runs in parallel to the 91 freeway; the uses along this stretch include residential subdivisions, commercial, educational, industrial and hospitality in use. This is a typically engineered street, with road improvements that are standard for a suburban location (including sewer/gutter infrastructure, signalized intersections, etc).

PARCEL MAP

276-38

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MARCH 1983

WHITAKER'S ADDITION
PARCEL MAP
TRACT NO. 19231

L.A. 2-32, 2-84
P.M. 412-4
M.M. 1002 32-33

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

ASSESSOR'S MAP
BOOK 276 PAGE 38
COUNTY OF ORANGE



ZONING

Zoning Code	"CM" - Commercial Manufacturing Zone
Zoning Authority	City of Buena Park
Overlay Zones?	Hotel/Motel Conversion Overlay
Permitted Uses	Medical or Dental Laboratory, Medical or Dental Clinic*17, Industrial Clinic, Emergency Shelter ≤30 occupants*19, Public park, Public Playground, Public Recreational Area, Public Landscaped Open Sapce, Public-Owned Historical Site or Feature, Flood Control Channels and Facilities, Utility Corridor, Parking Lot, Parking Structure, Bank, Financial Institution, Business, Administrative, Professional, Furniture and Carpet Retail Sales, Household Appliances Retail Sales, Stationary and Office Supply Retail Sales, Antiques Retail Sales, Hardware/Paint Sales, Garden and Patio Furniture and Equipment Sales, Restaurants (drive through, entertainment and liquor sales require CUP), Deli, Automobile Rental, Bicycle Sale/Rental/Repair, Boat Accessories/sales, Instant Print/Copy/Blueprint, Custom Furniture Upholstery and Reupholstery, Picture Framing/Glazing, Watch Repair/Camera Repair, Personal Computers or Other Small Appliance Repair, Locksmith, Small Animal Grooming, Taxidermy. Manufacturing, Compounding, Assembly, Packaging, or Treatment of Merchandise Made from Certain Previously Prepared Materials, Jewelry/Watch Manufacturing. <u>Not a Comprehensive List</u>
Development Limitations:	
Height	35 feet plus 1 foot for each foot of horizontal distance in excess of 50 feet from the enarest residential zone or street property line
FAR limitations	Not described
Setbacks	20 Feet at Front, No Side or Rear Yard Setback (Building or Structure Shall be Located Either at the Property Line or At Least Four Feet From the Property Line)
Parking Requirements	
Group quarters (rooming house, dormitory, sorority, fraternity, etc.)	1 space per sleeping room plus 2 spaces for any manager's dwelling unit
Hotel or Motel	1 space per guest room plus requirements for other uses such as restaurant, public assembly, recreational facilities open to the public
Hotel/Motel Conversions*	1 parking space per residential unit, may be reduced with parking incentives as low as 0.5 parking spaces per residential unit with a covenant toward rideshare, shuttle, and/or bus pass program
Minimum Lot Area	10,000 SF
Minimum Street Frontage	50 Feet
Minimum Lot Width	70 Feet
Minimum Lot Depth	100 Feet
Interior Landscaping	Landscaping with trees and some combination of shrubs, vines, and ground cover required for parking lots with ten or more parking spaces
Density*	The resulting number of residential units after conversion shall be no greater than the number of guet rooms in the existing hotel or motel

source(s): City of Buena Park Municipal Code Chapter 19.5, Housing Incentive Overlay Objective Design and Development Standards

*Requirement established within overlay zone provision

The property, as it stands is concluded to be legally non-conforming to the current code, based upon its parking space count relative to room count. There is a conditional use permit in effect, which is described on page 33 and which is provided in the addenda.

PROPERTY TAX SUMMARY

APN	Land	Improvement	Other	Gross Taxable	exemption	Net Taxable
276-381-09	\$ 7,959,060	1,910,174		\$ 9,869,234	-	\$ 9,869,234

Subtotal Taxable Value \$ 9,869,234

Tax Rate 1.137200%

Base Tax \$ 112,232.93

Direct Charges / Special Assessments

Item	Amount
Vector Control Charge	\$ 4.80
Mosquito, Fire, Ant Assessment	\$ 40.82
MWD Water Stdby. Chg.	\$ 17.44
OC San Regional Sewer Fee	\$ 11,909.44

Total Direct Charges & Special Assessments \$ 11,972.50

Total Property Tax \$ 124,205.43

Tax Year 2025-2026

source(s): Orange County Secured Property Tax Bill

In California, all real property is assessed at 100% full cash value as determined by the County Assessor. Under the provisions of Proposition 13, a sale (or transfer) or new construction of property results in a new assessed value. Property taxes are limited by state law to 1% of the assessed value plus voter approved obligations. If no sale or transfer occurs or no new building takes place, assessment increases are capped at 2% annually.

SUMMARY OF KEY SOIL, ENVIRONMENTAL AND LAND RESTRICTIONS

Wetlands Observed?	No
Flood Zone	Shaded Zone X
Flood Map Panel Number / Effective Date	06059C0107J / 12/3/2009
Flood Insurance Required?	No
Liquefaction Zone?	Yes
Alquist Priolo Fault Zone?	No
Visible Hazards?	No
Significant Easements/Encroachments?	Yes - Ingress & Egress
Known CC&R's, Private Restrictions?	None Known

Soil and Subsoil Conditions

Angel Valuation and its appraisers have very limited expertise with respect to assessing soil and geologic conditions. This appraisal implies and express no opinion with respect to soil conditions. It is assumed that the property is free of any soil or geologic factors which would limit the marketability or productivity of the site.

Toxic Environmental Factors

The client has not provided an environmental analysis of the subject property. It is assumed that there are no unknown environmental hazards that would adversely affect value or marketability of the site. It is further assumed that there are no unknown obligations to remedy the site. If there are any questions regarding hazardous substances, a recommendation is made that environmental experts are hired to make that determination.

Seismic Risk

No active faults are known to exist on the subject site, although all properties in California are subject to some seismic activity. Earthquake maps which are published by the California state Geologist were researched, which serve to delineate “earthquake fault zones” along known active faults, and none were found on or immediately adjacent to the subject site.

Flood Risk

The Federal Emergency Management Agency (FEMA) provides flood hazard and risk data. Its flood mapping program is called Risk Mapping, Assessment, and planning, and it is an integral part of the National Flood Insurance Program NFIP). A search was made of the subject property’s flood map area, and based on those results, it is concluded that flood insurance is not required.

Easements, Encroachments, CC&R’s

There are no Covenants, Conditions and Restrictions (CC&R’s) or private restrictions identified of which are known that would impact value. A copy of the preliminary title report was reviewed; please refer to the addenda for a copy of this document. This document revealed no significant exclusions or limitations that would hinder site development or impact the utility of the site overall. Please refer to the title report which is in the addenda.

It is expected that future deed restrictions will be made, concurrent with the completion of building construction. Please refer to the extraordinary assumption section on page 10.

Appraiser’s Site Characteristics Assessment:

Overall, this is an average suburban land site. It’s shape is somewhat odd, and the sizing makes it an infill site. It has a midblock position, and does not benefit from a rear alley or significant site access from the rear. A reciprocal access easement is in place to accommodate ingress/egress. Its shape/size make it an average infill development site.

This property is located in an area that has industrials and adaptive uses, namely religious institutions. Beyond the frontage of Orangethorpe Ave. are residential uses, including mobile home parks, single dwelling residences, and apartments. This site has freeway linkages, with a commercial/manufacturing base zone. An overlay zone establishes the potential for converted residential use.

DESCRIPTION OF IMPROVEMENTS

The subject property consists of a three-building hospitality property that is scheduled for a conversion to residences. Please click the following link for video footage from our site visitation; photographs are provided at the end of this section.

[subject exterior and parking lot](#)

BUILDING IMPROVEMENTS SUMMARY

	As-Is	Upon Completion
Property Type	Motel	Multiple Residence
Building Count	3	3
Unit Count	101	104
Stories	2	2
Rentable Building Area (SF)	53,972	53,972
Rent Controlled?	None	Rent Restricted

CONSTRUCTION DETAILS

Foundation	reinforced concrete	reinforced concrete
Frame & Exterior Walls	Class D Wood Frame & Stucco	Class D Wood Frame & Stucco
Windows	Vinyl	Vinyl
Roof	Composition with Ornamental Tile	New Roof
HVAC?	Wall-mount HVAC	Wall-mount HVAC
Elevator?	Yes	Yes
Restrooms	1 per unit, 2 in office	1 per unit plus office restroom
Interior Lights	Recessed flourescents	Recessed Flourescents
Seismic Retrofits?	None observed	None observed
Fire Protection	Building B Only	Buildings A & B
Carbon Monoxide detection	observed in units	observed in units
Yard Improvements?	Hardscape with Mature Trees and Landscape	New Landscape Plan
Parking Spaces	93	79
Utility Metering	Master Metered	Master Metered
Amenities:	Lobby and Dining Areas, Guest Pool, House Laundry Room	Two Offices, Resident Gym/Recreation Room, Resident Pool, Resident Laundry, Dog Run
Year(s) Built	1968	1968
Year(s) Renovated	2013	2026
Quality/Condition	Average Quality, Average Condition	Average Quality, Above Average
Total Economic Life (years)	40	50
Actual Age (years)	58	58
Effective Age (years)	31	15
Remaining Economic Life (years)	9	35

source(s): a combination of AV visual inspection, county records, project proposals and architectural plans

Building Area Comments

Angel Valuation’s measurements indicate a per-room sizing that ranges from 317 – 387 per square foot with an average size of 340 per square foot. Architectural plans were obtained that are dated 10/29/2025 and prepared by Prosper for the 3rd plan submittal. These plans were relied on for this appraisal.

SUMMARY OF EXISTING BUILDING AREA				
Unit Mix	Guest Rooms	SF	% of RBA	
Building A 1st Floor	40	23,311		
Building A 2nd Floor	49	23,311		
Subtotal Building A	89	46,622	86.4%	
Building B 1st Floor	6	3,510		
Building B 2nd Floor	6	3,510		
Subtotal Building B	12	7,020	13.0%	
Building C	0	330	0.6%	
	Total	101	53,972	100.0%

source(s): Prosper Architectural Plan Set Dated 10.29.2025

Building Description

The subject consists of a three-building class D wood frame and stucco motel site. Until very recently, this was flagged as a Howard Johnson’s. The property has guest rooms that average 340 per square feet in sizing, with building amenities and components that are standard for a roadside motel, such as an extended lobby, pool/hot tub, central laundry room, paved outdoor patios, pole and monument signage.

The interiors of the units each contain a private bathroom with a shower over tub, wall-mounted HVAC, and operable vinyl windows. Interior finishes are average in quality. Since the rooms viewed have open drywall patches, the condition is concluded to be fair for the interior spaces. The open patches were done recently and with the reported approval of the City of Buena Park.

There are 93 surface parking spaces distributed onsite. None of the rooms or the lobby have any furnishings or equipment in place at the present time. Overall, this is concluded to not be a stabilized hospitality property.

As a hospitality property, the subject has average appeal based on the amenities, below-average location for its submarket (in an industrial area), overall condition and onsite parking ratio. It was well served by its 2013 renovation, however for it to be an operational motel would require significant capital investment towards room and hotel furnishings, equipment and a remedy of deferred maintenance items.

Deferred Maintenance

There was visible deferred maintenance at the time of visitation, namely for the drywall that was intentionally removed towards the future renovation. Since this is expected to be remedied in conjunction with the renovation, deductions were not applied in the final reconciliation toward deferred maintenance.

Conditional Use Permit Overview

The existing motel is undergoing a residential conversion, and the conditional use permit (“CUP”) for this was approved on November 18, 2025. Please refer to the CUP which is provided in the addenda. It describes several requirements towards the conversion of an existing 101-room motel into “a 104-unit permanent affordable housing facility including 78 off-street parking spaces, landscaping, and associated improvements”. The most relevant to this analysis are listed below:

- “the [CUP] shall be started within one year of the expiration of the appeal period and thereafter diligently advanced until completion of the project....this approval may be revoked for any violation of noncompliance with any of these conditions...”. (page 11)
- “The applicants shall record an affordable housing agreement, which shall be in a form approved by the City Attorney and recorded on the property prior to or concurrent with the initial occupancy for rental units.” (page 11)
- “The applicants shall record a covenant in a form approved by the City Attorney, prior to the issuance of a certificate of occupancy, to ensure that the subsidized bus pass program is offered to residents for as long as the Hotel/Motel Conversion Remains.” (page 11)

Construction Overview

The scope of the renovations required for this project will include certain exterior replacements, in-room modifications and adaptations of existing non-guestroom areas. Exterior replacements will include a new roof, exterior paint, landscaping and hardscape. There will be a re-plastering of the pool and interior finishes upgrades to the pool building, along with reflooring to the common area. Units that are closest to the lobby are being separated with several new units created, and those will require new bathrooms altogether.

In-room modifications will include the addition of compact kitchen components and cabinets/countertops, flooring replacements, interior repainting, bathroom fixture replacements and electrical upgrades. There will be an addition of a sprinkler to Building A, which presently lacks it.

Broadly speaking, there will be no modifications to the existing building square footages. Areas that are designated for hospitality laundry use will be converted to resident laundry facilities.

QUANTITY SURVEY METHOD (RENOVATION COST)

Bldg Related Costs		2,591,755	
Non Bldg/Site Cost		407,200	
	Subtotal Hard Costs		2,998,955
Architecture, Engineering			
Legal & Permits		4,000	
Taxes & Insurance		57,088	
Project Management		65,000	
Mobilization		32,000	
Temporary Utilities		9,600	
Clean-Up, Cartage & Trucking		8,000	
General Overhead		6,100	
Contingency (5%)		159,997	
	Subtotal Soft Costs		\$ 341,785
Construction Interest		148,663	
Financing Fees		-	
Total Financial Costs			148,663
	Subtotal Hard, Soft & Financing Cost		3,489,403
Entrepreneurial Incentive	15.0%	523,410	523,410
Estimated Value by Quantity Survey Method			
ROUNDED RENOVATION COST			\$ 4,012,813

Appraiser's Assessment of Improvements:

As the property stands today, it is an average suburban roadside motel property that is in average condition based on its age. The space is not an ideal improvement but it is comparable to other depreciated motels in the area.

Once the proposed renovations are complete, the building is expected to be an average (adapted) residential building in above-average condition. Its amenities offerings will be on par with a market standard to other affordable residences in the area. A roof replacement, in combination with surface replacements and site improvements are expected to extend the economic life of the property and position the asset to be on par with other converted residences.

Occupancy

The property is currently vacant. The CUP incorporates an Affordable Housing Plan by reference. It requires that 62 of the subject's units are covenant-restricted for affordable rentals at certain thresholds, and allows up to 40% to be rented at market rates. It has a priority set-aside for veterans housing and according to the agreement, all 104 units are eligible to accept tenant-based rental assistance vouchers, including VASH, HCV, and Section 8.

Below is a summary overview of the Affordable Housing Plan that was executed by the ownership on November 12, 2025:

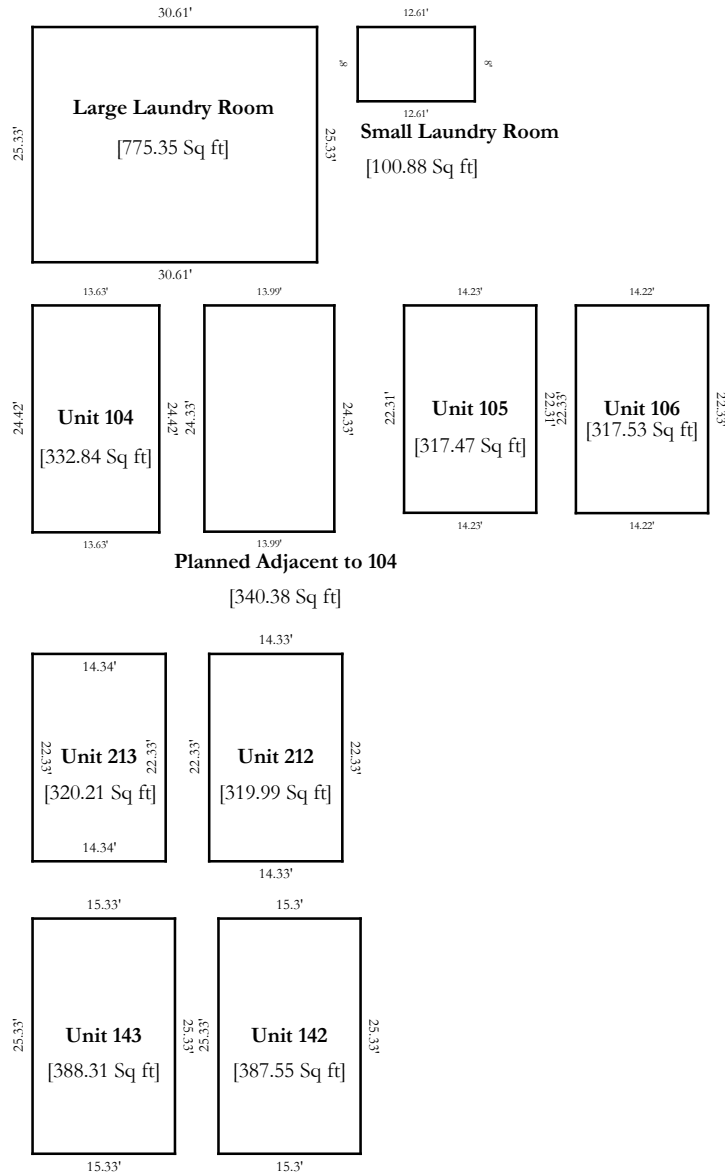
Affordable Housing Plan Summary			
	#	% Total	Maximum Rent**
Total Building Units	104		
Affordable Unit by Covenant Restriction*	62	60%	
30% AMI	25		888
50% AMI	20		1,481
80% AMI	17		2,370
Market Rate Units	42	40%	

Key Landlord Requirements

- Horizon Studios will incorporate a comprehensive supportive services program tailored to promote long-term resident stability and well-being (page 13).
- Annual resident satisfaction and needs survey
- Maintenance of financial reserve requirements for Buena Park City and Orange County Housing Authority (OCHA)
- Subsidized buss pass program required, per page 11 of the CUP for reduced parking standard described on page 4 of affordable housing plan

*Refer to Extraordinary Assumptions on page 9

**Orange County Rent Income Limits, OC Housing and Community Develop. March 2025



TOTAL Sketch by a la mode

Area Calculations Summary

Living Area

Unit 106	317.53 Sq ft
Unit 143	388.31 Sq ft
Planned Adjacent to 104	340.38 Sq ft
Unit 105	317.47 Sq ft
Unit 104	332.84 Sq ft
Unit 142	387.55 Sq ft
Unit 213	320.21 Sq ft
Unit 212	319.99 Sq ft
Total Living Area (Rounded):	2724 Sq ft

Non-living Area

Small Laundry Room	100.88 Sq ft
Large Laundry Room	775.35 Sq ft

SUBJECT PROPERTY PHOTOGRAPHS



Frontage and Driveway



Building A Angle View



Building A Lobby



Building A and Pool

SUBJECT PROPERTY PHOTOGRAPHS (CONTINUED)



Building C and Pool



Patio and Landscape



Building A Side View and Parking



Building A Corridor

SUBJECT PROPERTY PHOTOGRAPHS (CONTINUED)



Unit 104



Example Bathroom



Example Room



Example Room 2

SUBJECT PROPERTY PHOTOGRAPHS (CONTINUED)



Building A Side Wall



Example Room 3



Example Bathroom



Building B Exterior

SUBJECT PROPERTY PHOTOGRAPHS (CONTINUED)



House Laundry Building B



Building A Side View and Parking Lot



Street View West



Street View East

HIGHEST AND BEST USE ANALYSIS

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

Highest & Best Use As Though Vacant

Physically Possible: The site is an irregularly shaped, flat suburban parcel. There are no known limiting soil conditions. Improvements on surrounding land sites suggest suitability for a range of suburban developments are possible.

Legally Permissible: The property is zoned “CM” Commercial Manufacturing, which allows for a range of manufacturing, select commercial, services and infrastructure uses. This site is spot-zoned, with a hotel/motel conversion overlay that expands the potential for residential conversion use. There are no known land leases, or any limitations to the fee simple interest held in the land, or any conveyed land interests that would impact the utility or development potential of the site.

Financially Feasible: There is an abundance of industrial, religious and residential uses in the immediate area. There are few newly finished developments in the submarket. Due to the elongated site configuration and the demand for industrial space regionally, it is concluded that a multi-unit service/repair or specialty manufacturing building would represent the most financially feasible use for the site.

Maximally Productive: Based on the prior tests, it is concluded that development of a service/repair or specialty manufacturing building would represent the maximally productive use of the site, as if vacant. The probable buyer type would be a developer or owner user.

Highest & Best Use As Improved

Physically Possible: The site is an irregularly shaped, flat midblock parcel. The existing structures and improvements are in average condition given their age, and an extended economic life would be possible by way of capital replacements and/or renovation. There are no known structural or soil deficiencies impacting the property.

Legally Permissible: The property is legally non-conforming due to the number of parking spaces relative to its total room count. Within the CM zone, a range of manufacturing, select commercial, services and infrastructure uses are allowed. This property is one of two in Buena Park that are spot-zoned, with a hotel/motel conversion overlay that expands the potential for residential conversion use. A conditional use permit was issued for this property towards residential conversion, which requires adherence to a site-specific affordable housing plan. Fundamental provisions of the plan and the CUP are described on pages 33 and 35.

Financially Feasible: The property is presently vacant. At present, it is improved with a structure that appears to be compatible for a potential conversion. It also has the potential for a continued motel operation, although it is currently not flagged and is not stabilized in its operations. This report analyzes the proposed renovation costs, and gives rise to the conclusion that it is most financially

feasible to undergo a residential conversion, more so than the return a landlord would have if it were to operate as a motel property.

Maximally Productive: Based on the prior tests, it is concluded that the maximally productive use as improved is to convert the property to a multi-unit residence. The probable buyer is a regional developer.

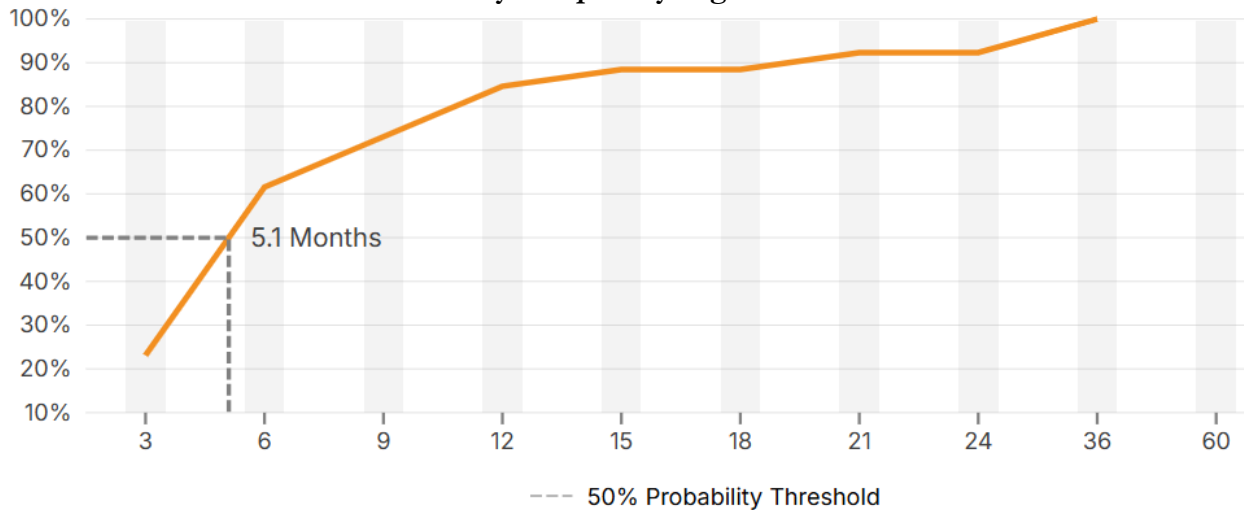
EXPOSURE TIME

Exposure time is defined as the estimated length of time that 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 opinion based on an analysis of past events assuming a competitive and open market.

To estimate exposure time for the subject property, historic exposure times from the marketplace were reviewed. There is a low level of reporting for hospitality marketing times; it appears that many of these transact off market for the economy hotel segment.

A customized data screen was selected to capture economy hotel sales across California. Given that the subject is a non-flagged motel property, the concluded exposure time is longer than the baseline of statewide sales.

Time on Market: California Economy Hospitality Segment



Source: CoStar

The value opinion in this report is based upon our concluded exposure period of 6-12 months.

Post-Conversion Exposure Time

For the prospective value that presumes a renovation and conversion of the building to multi-unit residences, the marketing times from recent building sales were reviewed. The median time to sell for the composite set was 127 days, and the upper quartile timeframe was 299 days. In the case of the subject, which would be a converted building, the upper quartile is considered to be a best estimate. Longer time horizons would be reasonable for a building that would be an adapted residence and which would have more complexity with respect to its underlying cash flow sources.

Based on the upper quartile of 299 days, an exposure period is concluded of 8-10 months, which supposes a conversion to residential use.

VALUATION APPROACHES

The following is taken directly from The Appraisal of Real Estate, 15th Edition, published by the Appraisal Institute:

One or more of the three approaches to value are used in deriving all opinions of value. The approaches employed depend on the type of property, the intended use of the appraisal, and the quality and quantity of data available for analysis. All three approaches are applicable to many appraisal problems, but one or more of the approaches may have greater significance in a given assignment.

Sales Comparison Approach: The sales comparison approach is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property's market. Using this approach, an appraiser produces a value indication by comparing the subject property with similar (i.e., comparable) properties. The sale prices of the properties that are judged to be the most comparable tend to indicate a range in which the value indication for the subject property will fall.

Income Capitalization Approach: In the income capitalization approach, the present value of the anticipated future benefits of property ownership is measured. Income capitalization converts periodic future income expectations into a lump-sum capital amount. The future income expectations include both a property's income and resale value. There are two methods for income capitalization: (1) direct capitalization and (2) yield capitalization. In direct capitalization, the relationship between one year's income and value is reflected in either a capitalization rate or an income multiplier. In yield capitalization, several years' income and a reversionary value, if any, at the end of a designated period are forecasted and converted to present value using a yield rate (...).

Cost Approach: The cost approach is based on the understanding that market participants relate value to cost. In the cost approach, the value of a property is derived by adding the appraiser's opinion of the value of the land to an estimated current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation (i.e. deterioration and obsolescence) in the structures from all causes. This approach is particularly useful in valuing new or nearly new improvements and properties that are not frequently exchanged in the market (...).

For this appraisal report, two approaches to value were employed in the valuation of the prospective conversion scenario: The Sales Comparison Approach and the Income approach. The Cost Approach was determined to be the least meaningful indicator of value, given that this is a depreciated asset in a built-up market. However, remaining renovation costs were estimated using the quantity survey (a commonly used cost-based method).

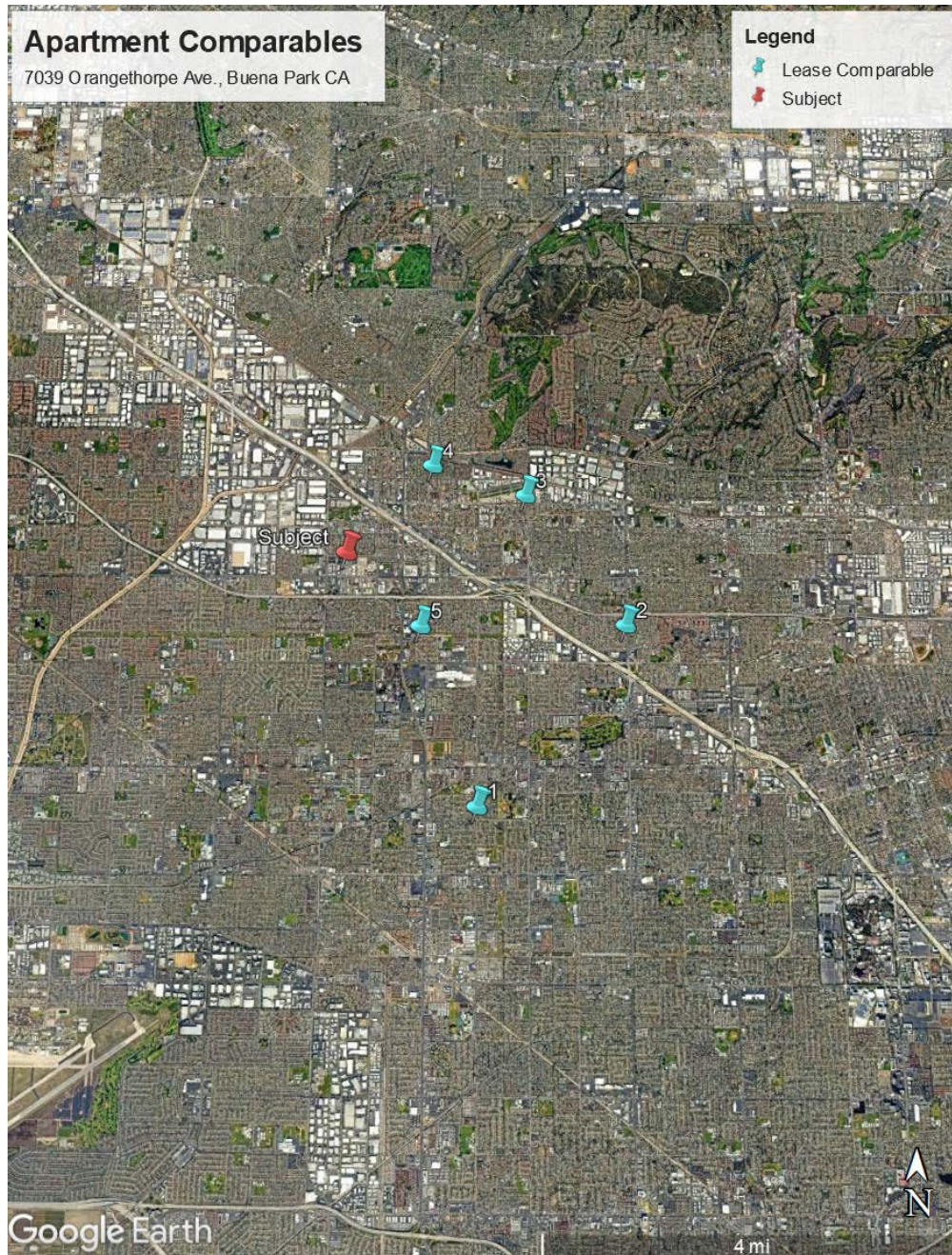
For the going concern value as a hospitality property, the Sale Comparison Approach was the sole method used. The Income Approach is commonly used and relied on for operational hospitality properties. Since the property's hospitality functions have ceased and the property is no longer branded as a Howard Johnson's, its value is best estimated using a Sale Comparison Approach.

INCOME APPROACH

For this analysis, the direct capitalization method was employed for value estimation. This method converts one year's income and applies a capitalization rate to that cash flow. This method is most typically used for properties like the subject (with predictable cash flow potential). The principle of anticipation is fundamental to the approach; all income capitalization methods, techniques, and procedures forecast anticipated future market benefits, analyzing present value.

Lease Comparable Search Criteria

A search was conducted for lease comparables in the local market area. Search parameters were restricted to residential units that are within a three-mile radial loop surrounding the subject, that transacted within the past year. To capture the small sizing of the units, the search was restricted to units sized up to 400 square feet. In total, six comparables were uncovered and of these, five were selected for comparison to the subject's units. The Lease activity was low (which is likely a reflection of the small unit sizing) and the quality of information was average.



Summary of Lease Comparables

Comp #	Building Type Street Address City, State, Zip Source	Lease Date	SF Leased	Monthly Rent	Tenant Expenses
1	Studio 612 S. Newcastle Drive Anaheim, CA 92804 source: MLS	10/13/2025	400	\$2,000	\$100 charge flat for all
2	Studio 1203 N. Fulton Street Anaheim, CA 92801 source: MLS	10/6/2025	400	\$1,900	None presumed
3	1 Bed/1 Bath 3809 Carol Drive #C Fullerton, CA 92833 source: MLS	5/30/2025	400	\$2,100	None
4	Studio 6031 Stanton Avenue #B Buena Park, CA 90621 source: MLS	5/1/2025	360	\$1,795	Electricity Only
5	Studio 7819 Gardenia Drive Buena Park, CA 90620 source: MLS	4/30/2025	400	\$1,800	None
				Average	\$1,919
				Median	\$1,900
				Standard Deviation	\$132

COMPARABLE LEASES PHOTOGRAPHS



1



2



3



4

COMPARABLE LEASES PHOTOGRAPHS (CONTINUED)



5

Rental Adjustment Grid

	#1	#2	#3	#4	#5	
	612 S. Newcastle	1203 N. Fulton	3809 Carol Drive	6031 Stanton	7819 Gardenia	
Subject	Drive	Street	#C	Avenue #B	Drive	
Key Attributes						
Unit Type	Studio	Studio	1 Bed/1 Bath	Studio	1 Bed/1 Bath	Studio
Zip Code	90621	92804	92801	92833	90621	90620
City	Buena Park'	Anaheim	Anaheim	Fullerton	Buena Park	Buena Park
Leased SF	340	400	400	400	360	400
# bedrooms	0	0	1	0	1	0
# bathrooms	1	1	1	1	1	1
year built	1968	1958	2025	1925	1948	1957
Renovated (Y/N)	yes	yes	no	updated	no	yes
Private Parking (# spaces)	1 - 76% of units	-	-	1	-	-
Laundry?	in building	in unit	in unit	on site	in unit	in unit
Utilities	RUBS utility pass-throughs	\$100 flat charge	None presumed	Included	Electricity Only	None
Lease Date	11/25/2026	10/13/2025	10/6/2025	5/30/2025	5/11/2025	4/30/2025
Months Elapsed Since Signing		13.6	13.8	18.1	19.1	19.1
Base \$/Month		2,000	1,900	2,100	1,795	1,800
Summary of Adjustments						
Legal Rights						
Conditions of Rent						
Expense Characteristics		(100)	(175)	(175)	(100)	(175)
Subtotal		1,900	1,725	1,925	1,695	1,625
Income Characteristics						
Subtotal		1,900	1,725	1,925	1,695	1,625
Market Conditions		19	17	19	17	16
Subtotal		1,919	1,742	1,944	1,712	1,641
Location (General)		(58)	(52)	(58)	(51)	(49)
Square Footage		(56)	(51)	(57)	(17)	(48)
Parking		50	50	-	50	50
Age/Condition		-	-	-	-	-
Amenities		75	75	75	75	75
Gross Adjustments		56	51	57	17	148
Net Adjustments		11	21	(41)	57	27
Adjusted \$/Month		1,930	1,764	1,904	1,769	1,669
Median \$		1,769				
Standard Deviation \$		108				

Discussion of Adjustments:

Before adjustments, the rent comparables indicate a range of rents from \$1,795/month to \$2,100/month, with an average rent of \$1,919/month. Each of the leases was compared to the subject, and a brief explanation of each individual adjustment follows:

Legal Rights: no adjustments were required.

Conditions of Rent: no adjustments were required.

Expense Characteristics: According to the owner's representations, there will be a RUBS utility reimbursement system, such that each tenant is responsible to pay for their own utilities charges. Most of the comparables are structured such that utilities are fully inclusive in the base rent. For the utilities charges that the subject's tenants would pay, deductions of \$200/unit were applied.

Income Characteristics: No adjustments were required.

Market Conditions: The building is being assessed upon completion, or in November 2026. Historically speaking, the area saw moderate and steady increases in rent over time. It is concluded that markets will escalate in the coming months, and for this slight adjustments were applied to each lease, based upon anticipated rent growth in keeping with historic trends.

Location: Each of the comparables is located within the immediate market area; they are generally considered to be superior, based on locations within residential areas. For comparison, the subject is located on a higher-traffic corridor in a historically industrial area. For this, downward adjustments of -3% were applied.

Square Feet (Size): Adjustments were applied to each lease, for differences in total unit area. The adjustments are calculated relative to the subject's average unit area, which is smaller than other studios in the local area.

Age/Condition: Each of the comparable leases are small apartment units that are either newly built ADUs, or which are in units that have been renovated or well maintained with respect to repair/condition. No adjustments were applied.

Parking: Most of the comparables lack parking spaces inclusive, as they are "ADU" studios. Lease #3 is the only which offers a dedicated surface parking spaces. Due to the abundance of street parking in this area, a low-end estimate of \$50 is concluded for the value contribution of a parking space. Therefore, upward adjustments were applied to all leases excepting #3.

Amenities: There are amenities in place that are superior to what is found in local studio rentals. This includes an onsite fitness center, pool/spa, and a pet run. For this, adjustments were applied of \$75/month.

Reconciliation & Conclusion of Economic Rent:

After applying adjustments for assorted physical and locational factors, it is concluded that each of the leases are equally meaningful as indications of market rent for the subject's remodeled rooms. Therefore, the conclusion is based on the median of the data set, or **\$1,770/month**, for the units

which would have a parking space inclusive (79 rooms total). For the rooms which would not have a parking space, a discount of \$50 is applied, resulting in a rent of **\$1,720/month**.

The mixed affordability to the building will cause limits to the rent that may be charged. Below is a snapshot of the rent limits, as published by the Orange County Housing and Community Development Department:

2025 Orange County Rent Limits California Tax Credit Allocation Committee Based on Bedroom Size		April 2025 % of Median Income	Rent levels are based on 30% of the maximum family income in each category. Rent will be adjusted based on the type of utilities paid by the tenant.				
			Efficiency	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
Median Income		100%	\$2,962	\$3,172	\$3,806	\$4,400	\$4,906
60% of Median		60%	\$1,777	\$1,904	\$2,284	\$2,640	\$2,944
50% of Median (Very Low-Income)		50%	\$1,481	\$1,586	\$1,903	\$2,200	\$2,453
40% of Median		40%	\$1,185	\$1,269	\$1,523	\$1,760	\$1,963
30% of Median		30%	\$888	\$952	\$1,142	\$1,320	\$1,472

The limits that are delineated for the “efficiency” units are used to estimate proforma rent for the subject.

Potential gross income estimates are summarized below, that are in keeping with the affordable housing agreement’s requirements. It assumes a) parking spaces would be allocated to all units excepting the 30% AMI units, b) the manager’s unit would not generate a rental fee and will be included as a part of overall onsite management costs.

POTENTIAL GROSS INCOME							
Unit #	Unit Type	Unit Count	Monthly Rent	Parking Spaces	Renovated? Y/N	Market Rent	Monthly PGI*
30% AMI	Studio	25	\$888	0	Yes	1,720	22,200
50% AMI	Studio	20	\$1,481	20	Yes	1,770	29,620
80% AMI	Studio	17	\$2,370	17	Yes	1,770	40,290
Market Rate	Studio	41	\$1,770	41	Yes	1,770	72,570
Manager	Studio	1	\$0	1	Yes	1,770	-
Totals		104		79			164,680

*Monthly PGI from unit rental only, excludes RUBS

Vacancy & Collection Loss

Presently, the property is vacant. Customized local data indicates a vacancy range of 1.3% to 3.6%, with a median of 2.4%. A mid-range vacancy rate of 2.5% is adopted for this analysis based on the local trends, and the staggered ratios of affordability that are designated for the building. Collection loss is a subjective estimate, for which a 0.5% collection loss factor was applied, which considers the affordability restricted units’ lower inherent risk of collection.

It is worth noting that the vacancy rate concluded is appropriately low-end, as compared to local averages. The regional housing needs analysis presented on page 16 demonstrates a low supply of affordable housing, along with the slower pace of Buena Park to achieve its targets. One can conclude

that an under-supply of affordable housing will cause an outsized demand for space, which could cause narrower vacancy rates in the near-term.

Expense Analysis

The owner provided a copy of their projected operating expenses; these were ultimately considered in combination with benchmark expenses from the region to develop an estimate of the subject’s proforma expenses.

LANDLORD'S PROJECTED OPERATING EXPENSES

	Total \$	\$/Unit	% Total
Revenue	2,689,070	25,856	
Operating Expenses			
Taxes	162,500	1,563	6.0%
Utilities (incl. internet)	218,400	2,100	8.1%
Insurance	72,800	700	2.7%
Trash Removal	7,580	73	0.3%
Grounds Maintenance	19,085	184	0.7%
Repairs & Maintenance	51,600	496	1.9%
Admin & Management Fee	167,672	1,612	6.2%
Security	-	-	0.0%
Miscellaneous	-	-	0.0%
Reserves	20,800	200	0.8%
Subtotal	\$720,437	\$ 6,927	26.8%

source(s): Landlord's Year 1 Forecasted Expenses

The benchmark data referenced is the 2024 Penner Expense Guide for Apartment Buildings (Large Size Segment). This data set presents detailed costs, broken out by expense line item, for apartments sized between 33 and 180 units. The geographic area for this data set is Los Angeles and Orange Counties.

Per Unit - 2024 Large Multi-Family Apartment Survey Statistics (Annual Basis)

EXPENSES PER UNIT				
LARGE APARTMENT COMPLEXES	Minimum	Maximum	Average	Median
Taxes	\$478	\$3,979	\$2,866	\$2,872
Insurance	\$93	\$795	\$406	\$381
Utilities	\$381	\$1,272	\$834	\$802
Trash Removal	\$89	\$655	\$322	\$292
Grounds Maintenance	\$65	\$776	\$253	\$171
Repairs & Maintenance	\$1,035	\$2,308	\$1,664	\$1,727
On-Site Management	\$261	\$1,231	\$826	\$849
Off-Site Management Fee	\$0	\$1,055	\$438	\$382
Miscellaneous	\$19	\$2,230	\$533	\$376
Reserves	\$0	\$0	\$0	\$0
Total Expenses Per Unit	\$6,124	\$11,164	\$8,142	\$7,083
Expenses As % of EGI	24.8%	46.5%	34.7%	35.3%
Expenses Per SF	\$7.52	\$11.90	\$9.46	\$9.51
Management Fee	0.00%	3.39%	1.96%	2.30%
Reserves Per Unit Estimated	\$208	\$940	\$656	\$750

Expense Conclusions:

Please refer to page 57 for an overview of the proforma expenses. The concluded operating expenses totaling \$874,627/year, or \$8,410/unit/year. The utilities are expected to be recoverable by way of RUBS charge-backs to tenants, according to representations by the owner.

Property taxes were estimated using the local tax rates and direct assessments. In the absence of historic information, the benchmark expenses were generally utilized, along with the owner's proforma estimates. The landlord's proforma expenses for insurance was adopted, as it is in range of the benchmark data. Utilities charges were estimated based on the landlord's estimates and these are at the high end of the range from the benchmark data, which is reasonable in an environment of escalating costs from utilities providers.

Trash removal and grounds maintenance charges were estimated based upon the low end benchmark data as well as the landlord's proforma. Repairs & Maintenance charges are used from the low-end benchmark data. Beyond the small per-unit sizes for the residences, the property will be newly renovated with major component replacements and surface repairs, and the repair schedule is not anticipated to be high in the near-term.

With respect to property maintenance, the owner's proforma of \$1,612/unit per year is included, which includes payroll costs and general onsite management. This appears to be in keeping with the requirements delineated in the conditional use permit, and relative to the benchmark data, is at the high end of the expense range. It should be noted that there are manager's quarters inclusive that are not modeled as a part of overall PGI.

Miscellaneous expenses are comprised of general miscellaneous categories (\$172/unit) plus \$199/unit which is the calculated cost of the buss program that is required by way of the conditional use permit.

The prevailing cost for a monthly bus pass in the area is \$69, and the expectation is that 25 units would require the bus pass. Lastly, a reserves estimate of \$200/unit was concluded based on the landlord's estimate. This appears to be in keeping with financial reserve requirements delineated in the conditional use permit.

As a percentage of PGI, the proforma expenses are 39.9%, which are in line with the higher end expense ratios with other apartment buildings in the area. This is concluded reasonable for a building with a wider scope of management and reporting that is associated with the affordable housing requirements.

Capitalization Rate Analysis

The regional market area was searched in order to identify comparable capitalization rates from recent sales. The table below summarizes the findings for the most guiding sales. Affordable housing sales were prioritized, whether in full or within a mixed-income building.

CAPITALIZATION RATE COMPARABLES								
#	Address City	Property Type	Sale Date	Sale Price	Unit Count	NOI/Unit	Unit Mix	Capitalization Rate
1	12535 Brookshire Ave Downey	Multifamily (Standard)	9/18/2025	\$ 37,600,000	112	18,733	30 x 1-bed 42 x 2-bed 40 x 3-bed	5.6%
2	125 W Olive Ave Monrovia	Multifamily (former 50% affordable, converting to 100%)	8/15/2025	\$ 37,650,000	156	12,671	154 x 1-bed 2 x 2-bed	5.3%
3	18615 E Arrow Hwy Covina	Multifamily (Affordable)	8/1/2025	\$ 21,000,000	84	15,000	1 x studio 43 x 1-bed 40 x 2-bed	6.0%
4	4668 Huntington Dr S Los Angeles	Multifamily (Affordable / LITCH)	11/14/2024	\$ 22,000,000	117	10,342	28 x 1-bed 29 x 2-bed 60 x 3+bed	5.5%
							Median	5.54%

There are relatively few sales in Orange County which had transacted for true affordable housing, therefore the sales for the region were generally found in Los Angeles County. The capitalization rate range was 5.3% to 6.0%, with a statistical median of 5.54%. Relative to these sales, the subject is concluded to have a slightly higher risk profile, given its industrial neighborhood surroundings. For this, a capitalization rate of 5.75% is concluded, which is slightly higher than the median of the data set.

Direct Capitalization Table: Prospective As Complete & Stabilized (Conversion Scenario)

Potential Gross Income	Avg Rent/Mo	# Units		Annual Cash Flow	\$/Unit	% PGI
PGI - Unit Rental	\$ 1,583	104	=	1,976,160	19,002	90.0%
PGI - RUBS		104		218,400	2,100.00	10.0%
		104	Total PGI	2,194,560	21,102	100.0%
Vacancy & Collection Loss						
less: Market Vacancy @			2.0% of PGI	(43,891)	(422)	-2.0%
less: Collection Loss @			0.5% of PGI	(10,973)	(106)	-0.5%
Effective Gross Income				2,139,696	20,574	97.5%
Operating Expenses						
Taxes			tax rate 1.137200% of Mkt value	(250,198)	(2,406)	-11.4%
			Direct Assessments	(11,973)	(115)	-0.5%
Insurance		700	per unit	(72,800)	(700)	-3.3%
Utilities		2,100	per unit	(218,400)	(2,100)	-10.0%
Trash Removal		145	per unit	(15,080)	(145)	-0.7%
Grounds Maintenance		204	per unit	(21,216)	(204)	-1.0%
Repairs & Maintenance		613	per unit	(63,752)	(613)	-2.9%
On-Site Management*		1,612	per unit	(167,648)	(1,612)	-7.6%
Off-Site Management Fee		-	per unit	-	-	0.0%
Miscellaneous (incl. bus pass program)		315	per unit	(32,760)	(315)	-1.5%
Reserves		200	per unit	(20,800)	(200)	-0.9%
Subtotal Expenses				(874,627)	(8,410)	-39.9%
Pre-Tax Expenses				(612,456)	(5,889)	-27.9%
Net Operating Income				1,265,070	12,164	57.6%
Capitalization Rate @ 5.75%						
Concluded Value - As Stabilized				22,001,209	\$ 211,550	
Rounded Concluded Value As Stabilized				22,000,000	\$ 211,538	

*Excludes free manager's unit

**Direct Capitalization Table: Hypothetical Value, As If Complete & Stabilized Today
(Conversion Scenario)**

Potential Gross Income	Avg Rent/Mo	# Units			Annual Cash Flow	\$/Unit	% PGI
PGI - Room Rental	\$ 1,720	25	=		516,000	20,640	21.6%
PGI - Room Rental	\$ 1,770	78	=		1,656,720	21,240	69.3%
PGI - Manager	\$ -	1	=		-	-	0.0%
PGI - RUBS		104			218,400	2,100.00	9.1%
		104		Total PGI	2,391,120	22,992	100.0%
Vacancy & Collection Loss							
less: Market Vacancy @			3.0%	of PGI	(71,734)	(690)	-3.0%
less: Collection Loss @			1%	of PGI	(23,911)	(230)	-1.0%
				Effective Gross Income	2,295,475	22,072	96.0%
Operating Expenses (Penner Expense Guide Categories)							
Taxes			tax rate 1.137200%	of Mkt value	(298,916)	(2,874)	-12.5%
			Direct Assessments		(11,973)	(115)	-0.5%
Insurance		700	per unit		(72,800)	(700)	-3.0%
Utilities		2,100	per unit		(218,400)	(2,100)	-9.1%
Trash Removal		145	per unit		(15,080)	(145)	-0.6%
Grounds Maintenance		204	per unit		(21,216)	(204)	-0.9%
Repairs & Maintenance		613	per unit		(63,752)	(613)	-2.7%
On-Site Management		-	per unit		-	-	0.0%
Off-Site Management Fee*		5%	of EGI		(114,774)	(1,104)	-4.8%
Miscellaneous (incl. bus pass program)		116	per unit		(12,064)	(116)	-0.5%
Reserves		200	per unit		(20,800)	(200)	-0.9%
				Subtotal Expenses	(849,774)	(8,171)	-35.5%
				Pre-Tax Expenses	(538,886)	(5,182)	-22.5%
Net Operating Income					1,445,701	13,901	60.5%
Capitalization Rate @			5.50%				
Concluded Value - As Stabilized					26,285,472	\$ 252,745	
Rounded Concluded Value As Stabilized					26,290,000	\$ 252,788	

*Excludes Manager's Unit reserved

SALES COMPARISON APPROACH

For this analysis, the Sales Comparison Approach was utilized value estimation. According to The Appraisal of Real Estate 15th Ed., “A major premise of the sales comparison approach is that an opinion of the market value of a property can be supported by studying the market’s reaction to comparable and competitive properties”.

The differences which impact value are referred to as the elements of comparison, which consist of property rights conveyed, financing terms, conditions of sale, expenditures after sale, market conditions, locational considerations and physical differences. In the pages that follow, there will be a discussion of the local listings and sales selection process, and an application of requisite adjustments made to guide valuation of the subject property.

Sale Comparable Search Criteria

Listings, transactions in progress, and completed sales were screened in order to guide this analysis. Search parameters were restricted to apartment buildings ranging from 50 to 224 units which transacted in the past 18 months. A geographic area consisting of a 12-mile radius was screened. Approximately 20 completed sales were uncovered. Listings were also considered.

In total, five sales were selected for application to the subject property. The sales transactions were average in quantity and the quality of the information for this data set was average. Sales were prioritized which have locational similarity and/or affordability restrictions on units. Each sale is analyzed on a \$/Unit basis, which is the prevailing unit of comparison for apartment complexes in this area.

Summary of Sale Comparables

Comp #	Property Type	Address	Sale Date	Sale Price	# Units	\$/Unit	Buyer	Sale Type	
		City, State, Zip			Building SF	\$/SF	Seller		
		APN(s)							
		Document Number	Confirmation	Source(s)					
1	Market Rate Apartments	12535 Brookshire Ave Downey, CA 90242 6261-007-027 through -041 0644753	9/18/2025	\$37,600,000	112 112,945	\$ 335,714 \$ 332.91	Brookshire 200w Lp Brookshire Avenue Apartments Llc	Investment	
				CoStar, Grant Deed, Tommy Yates (Listing Team Contact)					
2	Affordable Apartments	12811 Garden Grove Garden Grove, CA 92843 231-574-18 0218549	8/6/2025	\$15,500,000	82 73,748	\$ 189,024 \$ 210.18	Sungrove Senior Apartments Lp Garden Grove Affordable Housing Investor	Investment	
				CoStar, Grant Deed & Adam Tomberg (Listing Broker)					
3	Affordable Apartments	8622 Stanton Ave Buena Park, CA 90620 070-141-09 0214475	8/1/2025	\$34,000,000	150 138,738	\$ 226,667 \$ 245.07	Dorado Senior Lp Dorado Senior Apartments Lp	Investment	
				CoStar, Grant Deed, OCHA Board Report					
4	Affordable Apartments	1940 Fullerton Rd Rowland Heights, CA 91748 8270-023-025 0368589	6/5/2025	\$38,300,000	126 106,287	\$ 303,968 \$ 360.35	NOVO Rowland Heights Holdings, Lp LLJ Stratford Rowland Heights LLC	Investment	
				CoStar & Grant Deed					
5	Affordable Apartments	4672 Plumosa Dr Yorba Linda, CA 92886 323-311-02 0231890	9/6/2024	\$23,123,500	76 79,300	\$ 304,257 \$ 291.60	Vp2 Apartments Lp Yorba Linda Housing Partners Lp	Investment	
				CoStar & Grant Deed					
Average - \$/Unit						\$ 271,926	Average - \$/SF		\$ 288.02
Median - \$/Unit						\$ 303,968	Median - \$/SF		\$ 291.60
Standard Deviation - \$/Unit						61,364	Standard Deviation - \$/SF		61.57
coefficient of variation						0.23	coefficient of variation		0.21

COMPARABLE SALES PHOTOGRAPHS



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COMPARABLE SALES PHOTOGRAPHS (CONTINUED)



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Sale Comparable Adjustment Grid

	#1	#2	#3	#4	#5	
Subject	12535 Brookshire Ave	12811 Garden Grove Blvd	8622 Stanton Ave	1940 Fullerton Rd	4672 Plumosa Dr	
Key Attributes						
# Units	101	112	82	150	126	76
# Parking Spaces	79	175	90	275	214	76
City	Buena Park	Downey	Garden Grove	Buena Park	Rowland Heights	Yorba Linda
Zip Code	90621	90242	92843-2017	90620	91748	92886
Walkscore	74	77	66	72	75	86
Building SF	53,972	112,945	73,748	138,738	106,287	79,300
Land SF	75,533	148,104	57,023	104,500	185,871	280,526
Floor to Area Ratio	0.71	0.76	1.29	1.33	0.57	0.28
Unit Mix						
Studio	104	0	0	0	0	0
1-Bed	0	30(1 + 1)	66(1 + 1)	132(1 + 1)	19(1 + 1)	0
2-Bed	0	1(2 + 1) 41(2 + 2)	16(2 + 1)	18(2 + 1)	95(2 + 1) 12(2 + 2)	52(2 + 1)
3-Bed	0	40(3 + 2)	0	0	0	24(3 + 2)
Average SF/Unit	534	1,008	899	925	844	1,043
Year Built	1968	1965	1979	2007	1974	1962
Renovated?	2026	71% of units in 2016	complete sold in pre-reno cond.	sold in pre-reno cond.	sold in pre-reno cond.	sold in pre-reno cond.
Estimated Economic Life	50	50	50	50	50	50
Depreciation %	58%	70%	94%	38%	104%	128%
Affordability	60% reserved @ 30% to 80% AMI	Market rate	All - 40% to 60% AMI	All - 30% to 60% AMI	Market rate at sale. Buyer will convert all units to 80% AMI	All - 30% to 60% AMI
Other Amenities:	fitness center, pool, courtyards, pet	fireplaces & enclosed garages, most in-unit washer/dryer	private patios/balconies, clubhouse, spa, fitness	fitness center, pool, clubhouse, balconies	fitness center, pool, balcony/patio, decking	fitness center, clubhouse, courtyard
Transaction Details						
Buyer Type	n/a	Investment	Investment	Investment	Investment	Investment
Sale Date		9/18/2025	8/6/2025	8/1/2025	6/5/2025	9/6/2024
Months lapsed since sale	11/25/2026	14.4	15.9	16.0	17.9	27.0
Base \$/Unit		335,714	189,024	226,667	303,968	304,257
Summary of Adjustments						
Property Rights Conveyed						
Financing Terms			79.94%			
Subtotal		335,714	340,130	226,667	303,968	304,257
Conditions of Sale						
Expenditures after Purchase						
Market Conditions		3%	3%	3%	3.0%	6.0%
Subtotal		345,786	350,334	233,467	313,087	322,512
Location		2%	-2%	-1%	-2%	-13%
Average SF/Unit		-22%	-17%	-18%	-14%	-24%
Parking		-3%	-3%	-5%	-5%	-1%
Age/Condition		2%	5%	-3%	6%	9%
Gross Adjustments		29%	26%	27%	27%	47%
Net Adjustments		-22%	-17%	-27%	-15%	-29%
Adjusted \$/Unit		269,426	291,350	170,679	264,952	227,765
Median	264,952					
Standard Deviation	47,338					

Discussion of Adjustments:

Before adjustments, the sale comparables indicate a range of prices from \$189,024/unit to \$335,714/unit. Each of the sales was compared to the subject, and a brief explanation of each individual adjustment follows:

Property Rights Conveyed: no adjustments were required.

Financing Terms: A single adjustment of 79.94% was applied to Sale #2. The broker that confirmed information had indicated that the sale included a below-market debt assumption that would continue for an additional nine years. The calculated adjustment included adjustments for the favorable interest rate over the remainder term.

Conditions of Sale: No adjustments were required.

Expenditures after Purchase: No adjustments were required.

Market Conditions: A review of market trends show an upward trend from 2024 to the current time for this asset type. Based upon a future value of November 2026, a long-range growth estimate was applied equal to 3% to capture long-run pricing appreciation.

Location: There are differences with respect to location for each of the sale comparables. The median housing price by zip code was used as a proxy variable, in order to capture general locational differences. A 25% scaler was applied in recognition that general location is just one attribute.

GENERAL LOCATION ADJUSTMENT CALCULATION TABLE

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Zip Code	90621	90242	92843-2017	90620	91748	92886
Median Housing Price by zip	874,147	801,908	935,162	925,735	949,543	1,336,046
Difference		8%	-7%	-6%	-9%	-53%
Scaled adjustment @	25%	2%	-2%	-1%	-2%	-13%

source(s): Zillow, Median Housing Data by Zip, Last 12 Months

Average SF/Unit: A higher SF/unit corresponds to more bedrooms, more common area, and more in-unit area. All else equal, there is more value to buildings with higher average SF/unit. Adjustments were calculated for each of the comparables; in total the adjustments ranged from -16% to -25%, and the small unit sizing for the subject reflects the adaptive residential use with smaller rooms than a purpose-built apartment building.

Parking: The chart below calculates adjustments that are based on the differences in parking ratios:

PARKING RATIO ADJUSTMENT CALCULATION TABLE

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Total Units	104	112	82	150	126	76
# Parking Spaces	79	175	90	275	214	76
Spaces/Unit Ratio	0.76	1.56	1.10	1.83	1.70	1.00
Spaces to equal subject ratio		85	62	114	96	58
Differences in Spaces		(90)	(28)	(161)	(118)	(18)
Estimated Parking Space Value		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Total Adjustment		(1,350,000)	(420,000)	(2,415,000)	(1,770,000)	(270,000)
Unadjusted Sale Price		37,600,000	15,500,000	34,000,000	38,300,000	23,123,500
Calculated Adjustment		-4%	-3%	-7%	-5%	-1%

Age/Condition: Adjustments were developed using comparisons of total depreciation between the subject, in a post-renovation condition, and each of the sales comparables. Several of the building have been renovated, although several transacted in a pre-renovation condition. Adjustments were calculated based upon the age-life method of depreciation estimation.

Reconciliation & Conclusion of Value from Sale Comparison Approach:

After applying adjustments for assorted physical and locational factors, the adjusted prices for the comparables has an overall range from \$167,473 to \$286,294 with a median of \$260,914/SF.

Sales #2, #3 and #5 are seen to be the most leading for the subject property, given the Orange County location of those sales. Each was weighted equally, resulting in an average adjusted value of \$229,931/unit (\$230,000/unit, rounded).

SALE COMPARISON APPROACH SUMMARY

	Concluded				
	\$/Unit		Total Units		Total
\$	230,000	x	104	=	\$ 23,920,000

Rounded Total \$ 23,920,000

SALES COMPARISON APPROACH: MOTEL ANALYSIS

For this analysis, we have applied the sales comparison approach for value estimation. According to The Appraisal of Real Estate 15th Ed., “A major premise of the sales comparison approach is that an opinion of the market value of a property can be supported by studying the market’s reaction to comparable and competitive properties”.

The differences which impact value are referred to as the elements of comparison, which consist of property rights conveyed, financing terms, conditions of sale, expenditures after sale, market conditions, locational considerations and physical differences. In the pages that follow, we will discuss the local listings and sales selection process, and will apply requisite adjustments for application to the subject property.

Comparable Sale Search Criteria: Motel

Listings, transactions in progress, and completed sales were surveyed to guide this analysis. Search parameters were restricted to hospitality properties that sold in the past year, which have 40-250 rooms in total. An area was screened that encompasses a 25-mile radial loop surrounding the subject property. In total, 21 properties were uncovered and of these, six were selected for comparison to the subject.



Two listings and four completed sales were ultimately selected for their locational attributes. Those sales which are being marketed for conversion purposes were prioritized for data selection. We note that the sales transactions were average in quantity and the quality of the information for this data set was average.

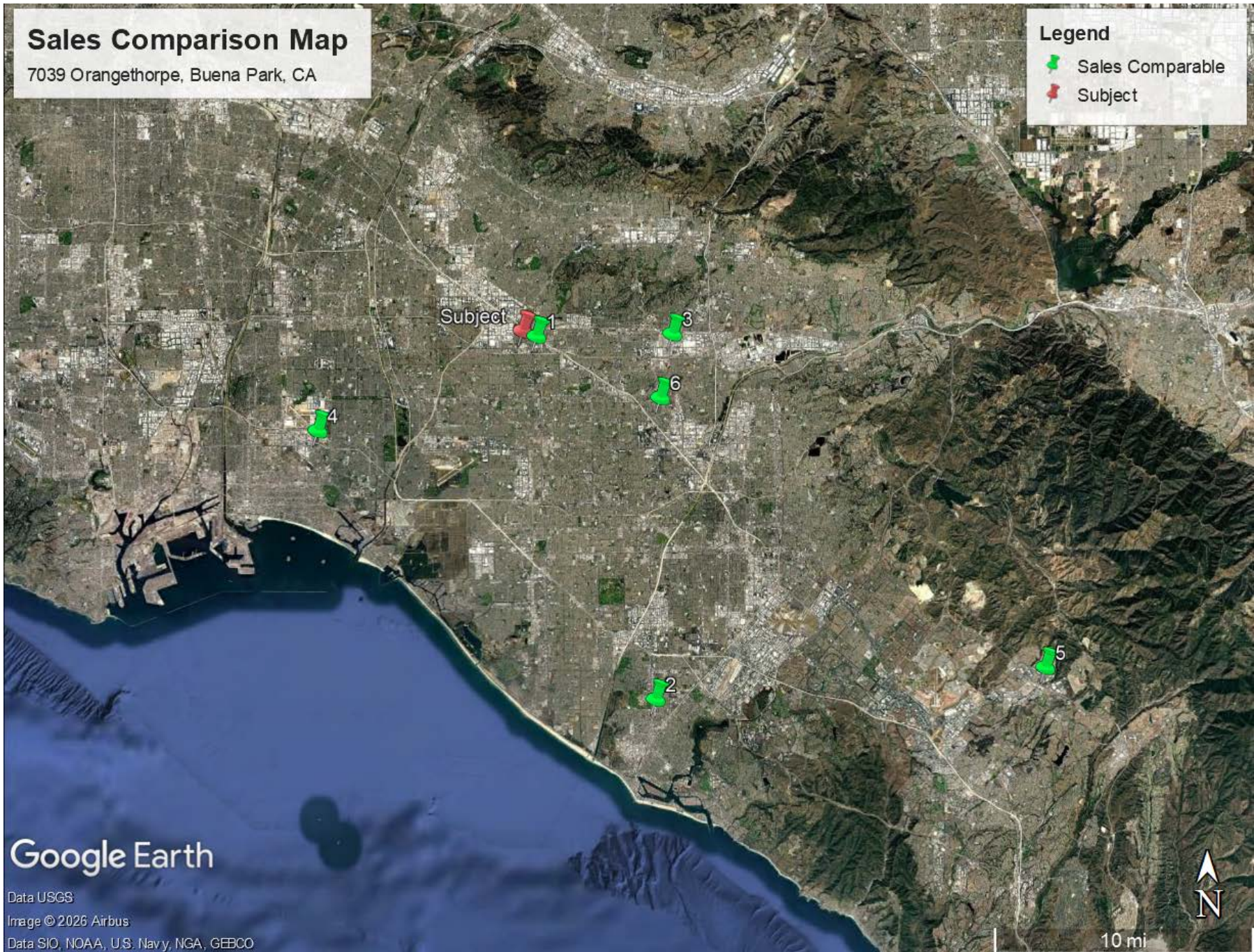
Each sale is analyzed on a \$/room basis, which is the prevailing unit of comparison for hospitality properties in the area.

Sales Comparison Map

7039 Orangethorpe, Buena Park, CA

Legend

-  Sales Comparable
-  Subject



Google Earth

Data USGS

Image © 2026 Airbus

Data SIO, NOAA, U.S. Navy, NGA, GEBCO

10 mi

Summary of Comparable Hospitality Sales

#	Property Type Address City, State, Zip APN(s) Document Number	Sale Date	Sale Price	Rooms	Sale \$ / Room	Buyer Seller	Sale Type
		Confirmation Source(s)					
1	Motel 7121 Beach Blvd. Buena Park, CA 90620 136-181-15 t.b.d.	current listings	\$ 20,000,000	131	\$ 152,672	t.b.d. Merry Star Hotel LLC	t.b.d.
		CoStar & Katherine Quach (Listing Broker)					
2	Motel 2205 Harbor Blvd. Costa Mesa, CA 92627 422-193-24 t.b.d.	current listings	\$ 13,500,059	46	\$ 293,480	t.b.d. Ahura Investments LLC	t.b.d.
		CoStar					
3	Hotel 1018 E Orangethorpe Ave Anaheim, CA 92801 267-021-04 0059222	2/27/2026	\$ 6,700,000	63	\$ 106,349	RPN Hospitality LLC Sun Infinity Enterprise Inc.	Investment
		CoStar & Grant Deed					
4	Hotel 4105 E Willow St Long Beach, CA 90815 7218-001-029 0641261	9/17/2025	\$ 25,000,000	134	\$ 186,567	Shp Long Beach LLC Bre/esa P Portfolio LLC	Investment
		CoStar & Grant Deed					
5	Hotel 27082 Towne Centre Dr Foothill Ranch, CA 92610 612-171-16 0128802	5/2/2025	\$ 13,750,000	103	\$ 133,495	27082 Lake Forest LLC Arbor Lodging Partners	Investment
		CoStar & Grant Deed					
6	Hotel 871 S Harbor Blvd Anaheim, CA 92805 251-121-14 0127500	5/1/2025	\$ 9,325,000	52	\$ 179,327	Surendra K Patel Praful & Shila Patel	Investment
		CoSar & Grant Deed					
					Average	\$ 175,315	
					Median	\$ 165,999	
					Standard Deviation	\$ 64,998	

COMPARABLE SALES PHOTOGRAPHS



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COMPARABLE SALES PHOTOGRAPHS (CONTINUED)



Comparable Hospitality Sales Adjustment Grid

	#1	#2	#3	#4	#5	#6	
Subject	7121 Beach Blvd.	2205 Harbor Blvd.	1018 E Orangethorpe Ave	4105 E Willow St	27082 Towne Centre Dr	871 S Harbor Blvd	
Key Attributes							
Zip Code	90621	90620	92627	92801-1134	90815	92610	92805
City	Buena Park'	Buena Park	Costa Mesa	Anaheim	Long Beach	Foothill Ranch	Anaheim
Guestrooms	101	131	46	63	134	103	52
Walkscore	73	69	81	60	57	28	77
Building SF	53,972	52,056	28,286	24,565	56,192	54,100	22,274
Land SF	75,533	91,476	25,265	52,708	104,108	90,272	28,750
Floor-to-Area Ratio	0.71	0.57	1.12	0.47	0.54	0.60	0.77
Parking Spaces	93	132	64	68	152	90	23
Parking Ratio (per room)	0.9	1.0	1.4	1.1	1.1	0.9	0.4
Building SF/Guestroom	534	397	615	390	419	525	428
Space Type / Buildout	Motel	Motel	Motel	Motel	Extended Stay	Hotel	Motel
Year Built / Renovated	1968 / 2013	1984 / 2005	1958 / 2025	1961	1997 / 2012	2004 / 2008	1980 / 2020
Estimated Economic Life	40	40	40	40	40	40	40
Depreciation %	88%	78%	88%	163%	53%	50%	65%
Property Name	Howard Johnsons (former)	Days Inn	Mesa Motel	Akua Inn & Suites	Extended Stay America	Hilton Garden Inn	Quality Inn & Suites
Transaction Details							
Buyer Type	N/A	t.b.d.	t.b.d.	Investment	Investment	Investment	Investment
Sale Date	N/A	current listing	current listing	2/27/2026	9/17/2025	5/2/2025	5/1/2025
Months Elapsed Since Sale	2/26/2026	n/a	n/a	0.0	5.4	10.0	10.0
Base \$ / Room	\$ 152,672	\$ 293,480	\$ 106,349	\$ 186,567	\$ 133,495	\$ 179,327	
Summary of Adjustments							
Property Rights Conveyed							
Financing Terms							
Subtotal	152,672	293,480	106,349	186,567	133,495	179,327	
Conditions of Sale	(7,634)	(29,348)					
Subtotal	145,038	264,132	106,349	186,567	133,495	179,327	
Expenditures After Purchase							
Market Conditions							
Subtotal	145,038	264,132	106,349	186,567	133,495	179,327	
Location (General)	-1%	-12%	1%	-4%	-11%	1%	
SF	0%	-5%	-5%	0%	0%	-6%	
Buildout / Construction Type	0%	0%	14%	3%	-4%	0%	
Parking Ratio	-5%	-4%	-10%	-6%	-7%	-2%	
Age & Condition	-3%	0%	19%	-9%	-9%	-6%	
Gross Adjustments	9%	20%	49%	22%	30%	15%	
Net Adjustments	-9%	-20%	18%	-15%	-30%	-13%	
Adjusted \$ / SF	\$ 131,578	\$ 210,427	\$ 125,439	\$ 158,746	\$ 92,880	\$ 156,487	
Median \$ / SF	\$ 144,033						
Standard Deviation	\$ 39,688						

Discussion of Adjustments:

Before adjustments, the sale comparables indicate a range of prices from \$106,349/unit to \$186,567/unit. Each of the sales was compared to the subject, and a brief explanation of each individual adjustment follows:

Property Rights Conveyed: no adjustments were required.

Financing Terms: no adjustments were required.

Conditions of Sale: Sales #1 and #2 are current listings for sale, and are not completed transactions. Therefore, an adjustment was considered for the contingency of the eventual sale price. To develop the adjustment, economy hospitality sales were evaluated from across California over the past five completed years. For a given year, the sale to asking price differential ranged from -2.6% to -9%, with a median of -6.6%. Adjustments of -5% and -10% were applied, respectively, to Sales #1 and #2. Sale #2 received a higher adjustment, since its asking price is higher than the range of completed sales.

Expenditures after Purchase: no adjustments were required.

Market Conditions: Each of the sales in this analysis transacted within the past year in 2025, and indicators suggest a relatively stable pricing environment in the past two years. According to Tourism Economics’ California Lodging Forecast, room revenue is expected to rise 3.5%, led by a 2.2% increase in ADR plus 1.2% increase in demand. For the recency of the completed sales, no adjustments were required.

Location (General): Each of the comparables is located outside of the immediate area. The median housing price by zip code was used as a proxy variable, in order to capture general locational differences. A 25% scaler was applied in recognition that general location is just one attribute.

GENERAL LOCATION ADJUSTMENT TABLE

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Zip Code	90621	90620	92627	92801-1134	90815	92610	92805
Median Housing Price	874,147	925,735	1,294,361	841,612	1,000,673	1,259,191	831,205
Difference		-6%	-48%	4%	-14%	-44%	5%
Scaled Adjustment @	25%	-1%	-12%	1%	-4%	-11%	1%

source: Zillow

Average SF/Unit: A higher SF/unit corresponds to more bedrooms, more common area, and more in-unit area. All else equal, there is more value to buildings with higher average SF/unit. Adjustments were calculated for each of the comparables; in total the adjustments ranged from -16% to -25%, and the small unit sizing for the subject reflects the adaptive residential use with smaller rooms than a purpose-built apartment building.

Buildout/Construction Type: Sale #3 is a motel, although the quality of its construction is inferior to that of the subject. Sales #4 and #5 are variant from the motel construction type; Sale #4 is an extended stay motel and Sale #5 is a limited service hotel. For the differences that are attributed to each construction type, adjustments were developed using the Marshall Cost Guide's base construction costs.

BUILDOUT / CONSTRUCTION QUALITY

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Current Buildout	Motel	Motel	Motel	Motel (Low Cost)	Extended Stay	Hotel	Motel
Base \$ / SF	\$ 128.00	\$128.00	\$128.00	\$ 92.50	\$ 120.00	\$ 137.00	\$ 128.00
Difference (%)		0%	0%	28%	6%	-7%	0%
Scaled Adjustment @	50%	0%	0%	14%	3%	-4%	0%

source: Marshall Cost Guide, Sec. 11 Page 22, Sec. 12 Pages 9 & 11

Parking Ratio: Adjustments were calculated for differences in parking ratios in the chart below. This chart utilizes local land prices to calculate applicable adjustments for each comparable.

PARKING RATIO ADJUSTMENT CALCULATION TABLE

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Total Rooms	101	131	46	63	134	103	52
Parking Ratio	0.92	1.0	1.4	1.1	1.1	0.9	0.4
Parking Spaces	93	132	64	68	152	90	23
Spaces to Match Subject Ratio		0	0	0	0	0	0
Difference		-132	-64	-68	-152	-90	-23
Prevailing Per-Space Value	\$ 15,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Difference		(1,980,000)	(960,000)	(1,360,000)	(3,040,000)	(1,800,000)	(460,000)
Unadjusted Sales Price	\$ 20,000,000	\$ 13,500,059	\$ 6,700,000	\$ 25,000,000	\$ 13,750,000	\$ 9,325,000	
Calculated Adjustment		-10%	-7%	-20%	-12%	-13%	-5%
Scaled Adjustment @	50%	-5%	-4%	-10%	-6%	-7%	-2%

Age/Condition: Adjustments were developed using comparisons of total depreciation between the subject, in a post-renovation condition, and each of the sales comparables. Adjustments were calculated based upon the age-life method of depreciation estimation.

Reconciliation & Conclusion of Value from Sale Comparison Approach:

After applying adjustments for assorted physical and locational factors, Sales #3 and #6 are seen to be the leading indicators of value for the subject property. These are motel properties; Sale #3 is unbranded and #6 is branded as a Quality Inn. These are situated in Anaheim and offer comparability with respect to the building type.

Their average adjusted value comes to \$140,963 which is similar to the adjusted median of the whole data set. A per-unit value conclusion is made at \$140,000 (rounded).

SALE COMPARISON APPROACH SUMMARY (HOSPITALITY)

Concluded		Total Units		Going Concern Value
\$ / SF				
\$ 140,000	x	101	=	\$ 14,140,000
				less: Business Goodwill \$ -
				less: Market-Typical Depreciated FF&E* \$ (823,368)
				Rounded Allocated Value to Realty \$ 13,316,632
				ROUNDED VALUE, REALTY \$ 13,320,000

COST APPROACH

According to The Appraisal of Real Estate 15th Ed., “In the Cost Approach, appraisers compare the replacement cost of the subject improvements to the cost to develop similar improvements as evidenced by the cost of construction of substitute properties with the similar utility as the subject property...the cost approach is a theoretical breakdown, or componentization, of the subject property. The real property components include land and building and site improvements.”

This analysis does not employ the Cost Approach for value estimation, beyond the quantity survey method to estimate remaining renovation costs. This approach is not a commonly used method in the local marketplace for this asset type. The subject is in a mostly built-out neighborhood and is itself a depreciated structure. None of the brokers that we interviewed indicated that this is a typical methodology used by local market participants. However, at the request of our client, an insurable value estimate is provided.

INSURABLE VALUE ESTIMATE - AS IS

		\$/Sq ft
Base Cost - Average Class D Motel		125.00
plus: Wet Sprinkler system (Building B)		0.442
		<hr/> 125.442
Multipliers:		
Current Cost	1.06	132.97
Local Multiplier	1.19	158.23
	x SF	53,972
	Replacement Cost New	8,540,127
	less: Foundation cost @ 10%	(854,013)
	Insurable Value	7,686,114
	Rounded Insurable Value	7,690,000

source(s): Marshall Valuation Service Section 12 Page 9

FINAL ADJUSTMENTS

In order to arrive at the “as is” value, adjustments were required to address the remaining costs of renovation and also the cost to achieve a stabilized occupancy, or absorption costs.

Remaining Cost of Renovation

QUANTITY SURVEY METHOD (RENOVATION COST)			
Bldg Related Costs		2,591,755	
Non Bldg/Site Cost		407,200	
	Subtotal Hard Costs		2,998,955
Architecture, Engineering			
Legal & Permits		4,000	
Taxes & Insurance		57,088	
Project Management		65,000	
Mobilization		32,000	
Temporary Utilities		9,600	
Clean-Up, Cartage & Trucking		8,000	
General Overhead		6,100	
Contingency (5%)		159,997	
	Subtotal Soft Costs		\$ 341,785
Construction Interest		148,663	
Financing Fees		-	
Total Financial Costs			148,663
	Subtotal Hard, Soft & Financing Cost		3,489,403
Entrepreneurial Incentive	15.0%	523,410	523,410
Estimated Value by Quantity Survey Method			
ROUNDED RENOVATION COST			\$ 4,012,813

Appraiser’s adjustments were applied to the developer’s construction breakout cost; these are indicated with yellow highlights. Adjustments that were applied relate to property taxes during the construction phase, a contingency cost line item, estimated construction interest during the project, and an entrepreneurial incentive estimate.

Absorption Cost

According the Affordable Housing Plan, the affordable units “will be marketed and leased on a timeline parallel to the remainder of the property, ensuring that all units – affordable and market-rate – are available for occupancy at the same time” (see page 15 of the plan). The developers proforma indicates a six-month timeframe to achieve a stabilized occupancy, and that appears to be reasonable given the total unit count geared towards affordable units (which are under-supplied locally) and the potential for the market-rent units to qualify for VASH and Section 8.

ABSORPTION (December 2026 - May 2027)

Days/Yr 365 365	Months/Year 12 12	1 Dec-26	2 Jan-27	3 Feb-27	4 Mar-27	5 Apr-27	6 May-27
		\$ Occ.	\$ Occ.	\$ Occ.	\$ Occ.	\$ Occ.	\$ Occ.
PGI - Unit Rental		\$ 1,583 30.00% 49,390	\$ 1,583 45.00% 74,084	\$ 1,583 60.00% 98,779	\$ 1,583 70.00% 115,242	\$ 1,583 80.00% 131,706	\$ 1,583 90.00% 148,169
PGI - RUBS		\$ 175.0 30.00% 5,460	\$ 175.0 45.00% 8,190	\$ 175.0 60.00% 10,920	\$ 175.0 70.00% 12,740	\$ 175.0 80.00% 14,560	\$ 175.0 90.00% 16,380
Total Potential Gross Income		54,850	82,274	109,699	127,982	146,266	164,549
EXPENSES							
Taxes		21,848	21,546	21,546	21,546	21,546	21,546
Insurance		6,067	6,067	6,067	6,067	6,067	6,067
Utilities		18,200	18,200	18,200	18,200	18,200	18,200
Trash Removal		1,257	1,257	1,257	1,257	1,257	1,257
Grounds Maintenance		1,768	1,768	1,768	1,768	1,768	1,768
Repairs & Maint.		5,313	5,313	5,313	5,313	5,313	5,313
On-site Management		13,971	13,971	13,971	13,971	13,971	13,971
Misc.		2,730	2,730	2,730	2,730	2,730	2,730
Reserves		1,733	1,733	1,733	1,733	1,733	1,733
Total Expenses		72,886	72,584	72,584	72,584	72,584	72,584
Net Operating Income		(18,036)	9,691	37,116	55,399	73,682	91,965
Annual Discount Rate		13.25%	13.25%	13.25%	13.25%	13.25%	13.25%
Monthly Discount Rate		1.104%	1.104%	1.104%	1.104%	1.104%	1.104%
Discount Factor		0.98908	0.98908	0.98908	0.98908	0.98908	0.98908
Present Value of NOI		\$ (17,839)	\$ 9,585	\$ 36,710	\$ 54,794	\$ 72,877	\$ 90,961
Stabilized NOI - 6 Months		\$ 623,374					
Less: Total Net Operating Income During Absorption		247,088					
Income Loss from Stabilization (6 Months Total)		376,286					

RECONCILIATION

The chart below summarizes our findings for each method analyzed:

SUMMARY OF VALUE CONCLUSIONS		Hospitality (Going Concern Allocation)			Residential Conversion		
		Income Approach	Sale Comparison Approach	Cost Approach	Income Approach	Sale Comparison Approach	Cost Approach
Interest & Value Premise	Date of Value						
Prosp. Stabilized Market Value	5/26/2027				22,000,000	23,920,000	N/A
less: Absorption Cost					(376,286)	(376,286)	
Equals: Prosp. Market Value Upon Completion	11/26/2026				21,623,714	23,543,714	
Less: Renovation Cost					(4,012,813)	(4,012,813)	
Equals: As-Is Market Value		N/A	\$ 13,320,000	N/A	17,610,901	19,530,901	
As-Is Market Value, Realty	2/26/2026		\$ 13,320,000		\$ 17,610,000		

Two methods were applied to estimate the market value of the subject property upon completion: the income approach and the sale comparison approach. These methods had average convergence in their values, and a value conclusion is guided by the Income Approach. In the appraisal of the leased fee interest, it is concluded that this is the most applicable method.

The hospitality valuation was completed using a sales comparison approach; this was the sole method used. For the As-Is Market Value conclusion, two potential scenarios were modeled, and it is concluded that the residential conversion value is most indicative of the As-Is market value. This conclusion is made with a recognition that a conditional use permit and affordability agreement were passed by the City of Buena Park. With approvals in-hand, it is concluded that the residential conversion value would best inform the As-Is Market value.

Based on the research and analyses described in this Appraisal Report, and subject to the assumptions and limiting conditions identified, it is my opinion that the “as-is market value” of the fee simple going concern position, as of February 25, 2026, and based upon an exposure period of +/- six (6) months, is:

SEVENTEEN MILLION, SIX HUNDRED AND TEN THOUSAND DOLLARS
\$17,610,000

Based on the research and analyses described in this Appraisal Report, and subject to the assumptions and limiting conditions identified, it is my opinion that the prospective value of the leased fee realty position, upon completion and stabilization at restricted rents, as of May 26, 2027, based on an exposure period of 8-10 months, will be:

TWENTY TWO MILLION DOLLARS
\$22,000,000

Based on the research and analyses described in this Appraisal Report, and subject to the hypothetical condition identified, it is my opinion that the hypothetical value of a leased fee position, as-if completed and stabilized at market rent²⁵, as of February 25, 2026, and based upon an exposure period of 8-10 months, is:

TWENTY SIX MILLION, TWO HUNDRED AND NINETY THOUSAND DOLLARS
\$26,290,000

²⁵ This is contrary to known fact, as the building is not truly completed, occupied nor income-generating at the current time

CERTIFICATION

I certify that:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Practice*.
- I have made a personal site visitation of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, Ariana Arredondo, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.



Ariana Arredondo, MAI
BREA No. AG041897 exp. 1/11/2027

GLOSSARY

All definitions are taken directly from The Dictionary of Real Estate Appraisal, 6th Ed. By the Appraisal Institute.

Appraisal – The act or process of developing an opinion of value.

Effective Age - The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age.

Fee Simple Estate – Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Leased Fee Interest – The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest – The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Value - A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following.*

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.
2. Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser.

Real Property - 1. An interest or interests in real estate. 2. The interests, benefits, and rights inherent in the ownership of real estate. Comment: In some jurisdictions, the terms *real estate* and *real property* have the same legal meaning. The separate definitions recognize the traditional distinction between the two concepts in appraisal theory. (USPAP, 2016-2017 ed.) 3. All rights, interests, and benefits related to the ownership of real estate. (IVS)

Replacement cost for insurance purposes - The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).

Restricted Appraisal Report - A written report prepared under Standards Rule 2-2(b), 8-2(b), or 10-2(b) of the Uniform Standards of Professional Appraisal Practice (2016-2017 ed.).

Sandwich Lease – A lease in which an intermediate, or sandwich, lease-holder is the lessee of one party and the lessor of another. The owner of the sandwich lease is neither the fee owner nor the user of the property; he or she may be a leaseholder in a chain of leases, excluding the ultimate sublessee.

ADDENDA

Legal Description
Engagement Letter
Qualifications & License



300 NORTH PACIFIC COAST HIGHWAY, #1075
EL SEGUNDO, CA 90245
PHONE NO. (800) 794-8094

TCB REAL ESTATE SERVICES- ESCROW
10890 PARAMOUNT BLVD
DOWNEY, CA 90241
ATTN: LIANA CADENA

TITLE OFFICER: STEVE POSS/ JULIE SCHAAL
E-MAIL: TITLEUNIT10@PROVIDENTTITLE.COM
ORDER NO.: 10534204

YOUR REFERENCE NO: 25-1775

PROPERTY ADDRESS: 7039 ORANGETHORPE AVENUE BUENA PARK, CALIFORNIA 90621

PRELIMINARY REPORT

DATED AS OF APRIL 11, 2025 AT 7:30 A.M.

PROVIDENT TITLE COMPANY, HEREBY REPORTS THAT IT IS PREPARED TO ISSUE, OR CAUSE TO BE ISSUED AS OF THE DATE HEREOF, A WESTCOR LAND TITLE INSURANCE COMPANY POLICY OR POLICIES OF TITLE INSURANCE DESCRIBING THE LAND AND THE ESTATE OR INTEREST THEREIN HEREINAFTER SET FORTH, INSURING AGAINST LOSS WHICH MAY BE SUSTAINED BY REASON OF ANY DEFECT, LIEN OR ENCUMBRANCE NOT SHOWN OR REFERRED TO AS AN EXCEPTION IN SCHEDULE B OR NOT EXCLUDED FROM COVERAGE PURSUANT TO THE PRINTED SCHEDULES, CONDITIONS AND STIPULATIONS OF SAID POLICY FORMS.

THE PRINTED EXCEPTIONS AND EXCLUSION FROM THE COVERAGE OF SAID POLICY OR POLICIES ARE SET FORTH IN EXHIBIT B ATTACHED. COPIES OF THE POLICY FORMS SHOULD BE READ. THEY ARE AVAILABLE FROM THE OFFICE WHICH ISSUED THIS REPORT.

PLEASE READ THE EXCEPTIONS SHOWN OR REFERRED TO BELOW AND THE EXCEPTIONS AND EXCLUSIONS SET FORTH IN SCHEDULE B OF THIS REPORT CAREFULLY. THE EXCEPTIONS AND EXCLUSIONS ARE MEANT TO PROVIDE YOU WITH NOTICE OF MATTERS WHICH ARE NOT COVERED UNDER THE TERMS OF THE TITLE INSURANCE POLICY AND SHOULD BE CAREFULLY CONSIDERED.

IT IS IMPORTANT TO NOTE THAT THIS PRELIMINARY REPORT IS NOT A WRITTEN REPRESENTATION AS TO THE CONDITION OF TITLE AND MAY NOT LIST ALL LIENS, DEFECTS, AND ENCUMBRANCES AFFECTING TITLE TO THE LAND.

THIS PRELIMINARY REPORT IS NOT TO BE CONSTRUED IN ANY MANNER AS AN ISSUANCE OF TITLE INSURANCE. APART FROM NOTIFICATION (INFORMATIONAL PURPOSES) IT DOES NOT OBLIGATE PROVIDENT TITLE COMPANY TO PROVIDE ANY INSURANCE OR PROTECTION OF TITLE MATTERS TO ANY PARTY WHICH, WITHOUT LIMITATIONS, INCLUDES THE RECIPIENT. ISSUANCE OF THIS PRELIMINARY REPORT DOES NOT GRANT ANY RIGHTS, REMEDIES OR PROTECTION TO ANY PARTY UNLESS PROVIDENT TITLE COMPANY ISSUES A FORMAL TITLE INSURANCE POLICY. PROVIDENT TITLE COMPANY IS RELEASED FROM ANY CLAIMS FOR RELIANCE, ESTOPPEL OR ANY OTHER CAUSES OF ACTION BY ANY PARTY UTILIZING THIS PRELIMINARY REPORT IN ANY TRANSACTION WHICH DOES NOT INCLUDE FINAL AND FORMAL TITLE INSURANCE ISSUED BY PROVIDENT TITLE COMPANY OR ANY OF ITS UNDERWRITERS.

THIS REPORT (AND ANY SUPPLEMENTS OR AMENDMENTS HERETO) IS ISSUED SOLELY FOR THE PURPOSE OF FACILITATING THE ISSUANCE OF A POLICY OF TITLE INSURANCE AND NO LIABILITY IS ASSUMED HEREBY. IF IT IS DESIRED THAT LIABILITY BE ASSUMED PRIOR TO THE ISSUANCE OF A POLICY OF TITLE INSURANCE, A BINDER OR COMMITMENT SHOULD BE REQUESTED.

STEVE POSS/ JULIE SCHAAL
TITLE OFFICER

THE FORM OF POLICY OF TITLE INSURANCE CONTEMPLATED BY THIS REPORT IS:

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY (1990)
AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (2021)

ISSUED BY PROVIDENT TITLE COMPANY AS AGENT FOR:
WESTCOR LAND TITLE INSURANCE COMPANY

SCHEDULE A

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A FEE AS TO PARCEL 1; AN EASEMENT MORE FULLY DESCRIBED BELOW AS TO PARCEL 2.

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

MK BUENA PARK LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

3. THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF LOTS 23 AND 24 OF WHITAKER'S ADDITION TO BUENA PARK, IN THE CITY OF BUENA PARK, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 25, PAGE 10 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, TOGETHER WITH THAT PORTION OF THAT CERTAIN STREET, 60.00 FEET WIDE, LYING NORTHERLY AND ADJACENT TO LOTS 22 AND 23 OF SAID WHITAKER'S ADDITION, ABANDONED BY ORDER OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH WAS RECORDED SEPTEMBER 18, 1948 IN BOOK 1703, PAGES 143 AND 144 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF ORANGETHORPE AVENUE 120 FEET WIDE, BEING THE SOUTHWEST CORNER OF THE LAND DESCRIBED IN DEED TO B.M.B. MANAGEMENT CORP., RECORDED JULY 15, 1965 IN BOOK 7594 PAGE 111, OFFICIAL RECORDS; THENCE NORTH 0 DEGREES 28' 20" WEST 606.32 FEET, ALONG THE WESTERLY LINE OF SAID LAND TO B.M.B. MANAGEMENT CORP., AND ITS NORTHERLY PROLONGATION TO A POINT 5 FEET NORTHERLY OF THE CENTERLINE OF SAID ABANDONED 60 FOOT STREET, DISTANT SOUTHERLY 400 FEET FROM THE CENTERLINE OF MELROSE AVENUE; THENCE SOUTH 89 DEGREES 40' 40" WEST, 265 FEET ALONG SAID LINE DISTANT SOUTHERLY 400 FEET FROM THE CENTERLINE OF MELROSE AVENUE; THENCE SOUTH 0 DEGREES 28' 20" EAST 100 FEET; THENCE NORTH 85 DEGREES 40' 40" EAST 165 FEET SOUTH 0 DEGREES 28' 20" EAST 506.48 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF ORANGETHORPE AVENUE 120 FEET WIDE; THENCE NORTH 89 DEGREES 35' 20" EAST 100 FEET ALONG SAID NORTHERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN ORANGETHORPE AVENUE.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR THE SOLE PURPOSE OF INGRESS AND EGRESS WITHIN A STRIP OF LAND 20 FEET WIDE OVER THAT PORTION OF LOT 24 OF WHITAKER'S ADDITION TO BUENA PARK, RECORDED IN BOOK 25 PAGE 10 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, THE CENTERLINE THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 1 DESCRIBED ABOVE; THENCE ALONG THE WESTERLY LINE THEREOF, NORTH 0 DEGREES 28' 20" WEST 506.48 FEET.

EXCEPTING THEREFROM ANY PORTION INCLUDED WITHIN PARCEL 1 ABOVE.

ASSESSOR'S PARCEL NUMBER: 276-381-09

SCHEDULE B

AT THE DATE HEREOF EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN THE POLICY FORM DESIGNATED ON THE FACE PAGE OF THIS REPORT WOULD BE AS FOLLOWS:

A. PROPERTY TAXES, INCLUDING ANY ASSESSMENTS COLLECTED WITH TAXES, TO BE LEVIED FOR THE FISCAL YEAR 2025-2026, WHICH ARE A LIEN NOT YET DUE AND PAYABLE.

B. PROPERTY TAXES FOR THE FISCAL YEAR SHOWN BELOW ARE PAID. FOR INFORMATIONAL PURPOSES THE AMOUNTS ARE:

FISCAL YEAR:	2024-2025
1ST INSTALLMENT:	\$ 58,073.60
2ND INSTALLMENT:	\$ 58,073.60
CODE NO.:	14-064
TAX PARCEL NO.:	276-381-09

C. SUPPLEMENTAL ASSESSMENTS OF PROPERTY TAXES, IF ANY, MADE PURSUANT TO THE PROVISIONS OF PART 0.5, CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE CALIFORNIA REVENUE AND TAXATION CODE AS A RESULT OF THE TRANSFER OF TITLE TO THE VESTEE NAMED IN SCHEDULE A.

SUPPLEMENTAL OR ESCAPED ASSESSMENTS OF PROPERTY TAXES, IF ANY, MADE PURSUANT TO PART 0.5, CHAPTER 3.5 OR PART 2, CHAPTER 3, ARTICLES 3 AND 4, RESPECTIVELY, OF THE CALIFORNIA REVENUE AND TAXATION CODE AS A RESULT OF CHANGES IN OWNERSHIP OR NEW CONSTRUCTION OCCURRING PRIOR TO DATE OF POLICY.

ASSESSMENTS, IF ANY, FOR COMMUNITY FACILITY DISTRICTS AFFECTING SAID LAND WHICH MAY EXIST BY VIRTUE OF ASSESSMENT MAPS OR NOTICES FILED BY SAID DISTRICTS.

NOTE: THE MAP ATTACHED HERETO IS NEITHER A PLAT NOR A SURVEY, IT IS FURNISHED AS A CONVENIENCE TO LOCATE THE LAND INDICATED HEREON WITH REFERENCE TO STREETS AND OTHER LAND. NO LIABILITY IS ASSUMED BY REASON OF RELIANCE HEREIN.

1. WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS.

2. ANY AND ALL OFFERS OF DEDICATION, CONDITIONS, RESTRICTIONS, EASEMENTS, FENCE LINE/BOUNDARY DISCREPANCIES, NOTES AND/OR PROVISIONS SHOWN OR DISCLOSED BY THE FILED OR RECORDED MAP REFERRED TO IN THE LEGAL DESCRIPTION.

3. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

PURPOSE:	PIPELINES
AFFECTS:	SAID LAND
RECORDED:	AUGUST 8, 1924 IN BOOK 533 PAGE 283 , OF DEEDS

4. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT

PURPOSE:	PUBLIC UTILITIES
AFFECTS:	A PORTION OF SAID LAND
RECORDED:	IN BOOK 1965 PAGE 477 , OFFICIAL RECORDS

5. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT
PURPOSE: PUBLIC UTILITIES
AFFECTS: A PORTION OF SAID LAND
RECORDED: IN [BOOK 7742 PAGE 341](#), OFFICIAL RECORDS

6. AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT
PURPOSE: INGRESS AND EGRESS
AFFECTS: A PORTION OF SAID LAND
RECORDED: DECEMBER 23, 1968 IN [BOOK 8824, PAGE 315](#), OFFICIAL RECORDS

7. A DEED OF TRUST TO SECURE AN INDEBTEDNESS IN THE AMOUNT SHOWN BELOW, AND ANY OTHER OBLIGATIONS SECURED THEREBY
AMOUNT: \$ 4,925,050.00
DATED: NOVEMBER 5, 2021
TRUSTOR: MK BUENA PARK LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
TRUSTEE: CHICAGO TITLE INSURANCE COMPANY
BENEFICIARY: FIRST GENERAL BANK
RECORDED: NOVEMBER 12, 2021 AS INSTRUMENT NO. [2021000698377](#), OFFICIAL RECORDS

8. AN ASSIGNMENT OF ALL THE MONEYS DUE OR TO BECOME DUE AS RENTAL, AS ADDITIONAL SECURITY.
ASSIGNED TO: FIRST GENERAL BANK
BY ASSIGNMENT
RECORDED: NOVEMBER 12, 2021 AS INSTRUMENT NO. [2021000698378](#), OFFICIAL RECORDS

9. THE PROVISIONS OF AN INSTRUMENT EXECUTED BY AND BETWEEN THE PARTIES NAMED THEREIN, UPON THE TERMS, PROVISIONS AND CONDITIONS THEREIN PROVIDED.
ENTITLED: "HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT"
RECORDED: NOVEMBER 12, 2021 AS INSTRUMENT NO. [2021000698379](#), OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

10. A FINANCING STATEMENT FILED IN THE OFFICE OF THE COUNTY RECORDER, SHOWING
DEBTOR: MK BUENA PARK LLC
SECURED PARTY: FIRST GENERAL BANK
RECORDED: NOVEMBER 12, 2021 AS INSTRUMENT NO. [2021000698380](#), OFFICIAL RECORDS
PROPERTY COVERED: AS DESCRIBED THEREIN

11. A DEED OF TRUST TO SECURE AN INDEBTEDNESS IN THE AMOUNT SHOWN BELOW, AND ANY OTHER OBLIGATIONS SECURED THEREBY
AMOUNT: \$ 2,955,030.00
DATED: NOVEMBER 5, 2021
TRUSTOR: MK BUENA PARK LLC, A CALIFORNIA LIMITED LIABILITY COMPANY
TRUSTEE: CHICAGO TITLE INSURANCE COMPANY
BENEFICIARY: FIRST GENERAL BANK
RECORDED: NOVEMBER 12, 2021 AS INSTRUMENT NO. [2021000698381](#), OFFICIAL RECORDS
12. AN ASSIGNMENT OF ALL THE MONEYS DUE OR TO BECOME DUE AS RENTAL, AS ADDITIONAL SECURITY.
ASSIGNED TO: FIRST GENERAL BANK
BY ASSIGNMENT
RECORDED: NOVEMBER 12, 2021 AS INSTRUMENT NO. [2021000698382](#), OFFICIAL RECORDS
13. THE PROVISIONS OF AN INSTRUMENT EXECUTED BY AND BETWEEN THE PARTIES NAMED THEREIN, UPON THE TERMS, PROVISIONS AND CONDITIONS THEREIN PROVIDED.
ENTITLED: "HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT"
RECORDED: NOVEMBER 12, 2021 AS INSTRUMENT NO. [2021000698383](#), OFFICIAL RECORDS

REFERENCE IS MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

14. A LIEN FOR UNSECURED PROPERTY TAXES FILED BY THE TAX COLLECTOR OF THE COUNTY SHOWN, FOR THE AMOUNT SET FORTH, AND ANY OTHER AMOUNTS DUE.
COUNTY: ORANGE
TAXPAYER: MK BUENA PARK LLC
AMOUNT: \$ 5,999.58
RECORDED: JANUARY 13, 2025 AS INSTRUMENT NO. [2025000025018](#), OFFICIAL RECORDS
15. A LIEN FOR UNSECURED PROPERTY TAXES FILED BY THE TAX COLLECTOR OF THE COUNTY SHOWN, FOR THE AMOUNT SET FORTH, AND ANY OTHER AMOUNTS DUE.
COUNTY: ORANGE
TAXPAYER: MK BUENA PARK LLC
AMOUNT: \$ 326.42
RECORDED: JANUARY 13, 2025 AS INSTRUMENT NO. [2025000025041](#), OFFICIAL RECORDS
16. ANY RIGHTS OF THE PARTIES IN POSSESSION OF SAID LAND, BASED ON AN UNRECORDED AGREEMENT, CONTRACT OR LEASE, AS DISCLOSED BY INSPECTION AND INVESTIGATION.

THIS COMPANY WILL REQUIRE THAT A FULL COPY OF ANY UNRECORDED AGREEMENT, CONTRACT OR LEASE BE SUBMITTED TO US, TOGETHER WITH ALL SUPPLEMENTS, ASSIGNMENTS AND AMENDMENTS, BEFORE ISSUING ANY POLICY OF TITLE INSURANCE.

END OF SCHEDULE B

NOTES AND REQUIREMENTS

FOR OUR WIRING INSTRUCTIONS PLEASE CONTACT THE TITLE UNIT

SPECIAL NOTE: THE POLICY TO BE ISSUED MAY CONTAIN AN ARBITRATION CLAUSE. WHEN THE AMOUNT OF INSURANCE IS LESS THAN THE AMOUNT, IF ANY SET FORTH IN THE ARBITRATION CLAUSE, ALL ARBITRABLE MATTERS SHALL BE ARBITRATED AT THE OPTION OF EITHER THE COMPANY OR THE INSURED AS THE EXCLUSIVE REMEDY BY THE PARTIES.

SPECIAL NOTE: IF A COUNTY RECORDER, TITLE INSURANCE COMPANY, ESCROW COMPANY, REAL ESTATE BROKER, REAL ESTATE AGENT OR ASSOCIATION PROVIDES A COPY OF A DECLARATION, GOVERNING DOCUMENT OR DEED TO ANY PERSON, CALIFORNIA LAW REQUIRES THAT THE DOCUMENT PROVIDED SHALL INCLUDE A STATEMENT REGARDING ANY UNLAWFUL RESTRICTIONS. SAID STATEMENT IS TO BE IN AT LEAST 14-POINT BOLD FACER TYPE AND MAY BE STAMPED ON THE FIRST PAGE OF ANY DOCUMENT PROVIDED OR INCLUDED AS A COVER PAGE ATTACHED TO THE REQUESTED DOCUMENT. SHOULD A PARTY TO THIS TRANSACTION REQUEST A COPY OF ANY DOCUMENT REPORTED HEREIN THAT FITS THIS CATEGORY, THE STATEMENT IS TO BE INCLUDED IN THE MANNER DESCRIBED.

SPECIAL NOTE: CALIFORNIA REVENUE AND TAXATION CODE SECTION 18662, EFFECTIVE JANUARY 1, 1994 AND BY AMENDMENT EFFECTIVE JANUARY 1, 2003, PROVIDES THAT THE SELLER IN ALL SALES OF CALIFORNIA REAL ESTATE MAY BE REQUIRED TO WITHHOLD 3 AND 1/3RD % OF THE TOTAL SALES PRICE A CALIFORNIA STATE INCOME TAX, SUBJECT TO THE VARIOUS PROVISIONS OF THE LAW AS THEREIN CONTAINED.

SPECIAL NOTE: UNLESS OTHERWISE DIRECTED IN WRITING, PROVIDENT TITLE COMPANY AUTOMATICALLY ISSUES **THE ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (2-03-10)** ON ALL QUALIFIED RESIDENTIAL PROPERTY SALE TRANSACTIONS.

SPECIAL NOTE: THE ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (1-1-08) CONTAINS EXCEPTIONS AS TO OFF RECORD MATTERS IN ADDITION TO SPECIFIC DEDUCTIBLE AMOUNTS AND SPECIFIC LIABILITY MAXIMUMS FOR COVERED RISKS OF SAID POLICY THAT HAVE BEEN FILED AND APPROVED BY THE VARIOUS DEPARTMENTS OF INSURANCE WHERE THE FORMS HAVE BEEN FILED. PLEASE CONSULT WITH YOUR ESCROW OR TITLE OFFICER IF YOU HAVE QUESTIONS REGARDING THE POLICY.

Note No. 1: YOUR ORDER FOR TITLE WORK CALLS FOR A SEARCH OF PROPERTY THAT IS IDENTIFIED BY A STREET ADDRESS ONLY OR BY SUCH OTHER UNCONFIRMED DATA. BASED ON OUR RECORDS, WE BELIEVE THAT THE LAND DESCRIPTION AND ITS OWNERSHIP IN THIS REPORT REPRESENTS THE PARCEL THAT YOU REQUESTED.

IN ORDER TO PREVENT COSTLY ERRORS AND TO BE CERTAIN THAT THE CORRECT PARCEL OF LAND IS BEING CONSIDERED, WE REQUIRE THAT WRITTEN APPROVAL OF THE LEGAL DESCRIPTION AND THE VESTING IN THIS REPORT BE SENT TO US. IF WE DO NOT RECEIVE SUCH CONFIRMATION BEFORE CLOSE OF ESCROW, WE WILL CONSIDER THIS DEEMED APPROVAL OF THE DESCRIPTION AND OWNERSHIP OF SAID LAND AS SHOWN IN OUR REPORT.

Note No. 2: WE WILL REQUIRE A STATEMENT OF INFORMATION FROM THE PARTIES NAMED BELOW IN ORDER TO COMPLETE THIS REPORT, BASED ON THE EFFECT OF DOCUMENTS, PROCEEDINGS, LIENS, DECREES, OR OTHER MATTERS WHICH DO NOT SPECIFICALLY DESCRIBE SAID LAND, BUT WHICH, IF ANY DO EXIST, MAY AFFECT THE TITLE OR IMPOSE LIENS OR ENCUMBRANCES THEREON.

PARTIES: ALL PARTIES

Note No. 3: THE REQUIREMENT THAT THIS COMPANY BE PROVIDED THE FOLLOWING FOR THE BELOW NAMED LIMITED LIABILITY COMPANY BEFORE ISSUING ANY POLICY OF TITLE INSURANCE,

(1) A COPY OF ITS OPERATING AGREEMENT AND ANY AMENDMENTS THERETO MUST BE SUBMITTED TO THE COMPANY FOR REVIEW.

(2) A CERTIFIED COPY OF ITS ARTICLES OF ORGANIZATION (LLC-1), ANY CERTIFICATE OF CORRECTION (LLC-11), CERTIFICATE OF AMENDMENT (LLC-2), OR RESTATEMENT OF ARTICLES OF ORGANIZATION (LLC-10) MUST BE SUBMITTED TO COMPANY FOR REVIEW.

(3) WITH RESPECT TO ANY DEED, DEED OF TRUST, LEASE SUBORDINATION AGREEMENT OR OTHER DOCUMENT OR INSTRUMENT EXECUTED BY SUCH LIMITED LIABILITY COMPANY AND PRESENTED TO THE COMPANY FOR RECORDING OR UPON WHICH THE COMPANY IS ASKED TO RELY, SUCH DOCUMENT OR INSTRUMENT MUST BE EXECUTED IN ACCORDANCE WITH THE FOLLOWING:

A. IF THE LIMITED LIABILITY COMPANY PROPERLY OPERATES THROUGH OFFICERS APPOINTED OR ELECTED PURSUANT TO THE TERMS OF THE WRITTEN OPERATING AGREEMENT, SUCH DOCUMENT OR INSTRUMENT MUST BE EXECUTED BY AT LEAST TWO DULY ELECTED OR APPOINTED OFFICERS AS FOLLOWS: THE CHAIRMAN OF THE BOARD, THE PRESIDENT, VICE PRESIDENT, AND ANY SECRETARY, ASSISTANT SECRETARY, THE CHIEF FINANCIAL OFFICER OR ANY ASSISTANT TREASURER.

B. IF THE LIMITED LIABILITY COMPANY PROPERLY OPERATES THROUGH A MANAGER OR MANAGERS IDENTIFIED IN THE ARTICLES OF ORGANIZATION AND/OR DULY ELECTED PURSUANT TO THE TERMS OF A WRITTEN OPERATING AGREEMENT, SUCH DOCUMENT OR INSTRUMENT MUST BE EXECUTED BY AT LEAST TWO SUCH MANAGERS OR BY ONE MANAGER IF THE LIMITED LIABILITY COMPANY PROPERLY OPERATES WITH THE EXISTENCE OF ONLY ONE MANAGER.

(4) OTHER REQUIREMENTS WHICH THE COMPANY MAY IMPOSE FOLLOWING ITS REVIEW OF THE MATERIAL REQUIRED HEREIN AND OTHER INFORMATION WHICH THE COMPANY MAY REQUIRE.

NAME OF LLC: MK BUENA PARK LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

Note No. 4: THIS COMPANY IS REQUIRING THAT THE FOLLOWING "OWNERS DECLARATION, AFFIDAVIT AND INDEMNIFICATION" BE COMPLETED BY THE OWNER OF THE ESTATE DESCRIBED OR REFERRED TO IN SCHEDULE A, IMMEDIATELY PRIOR TO THE CLOSE OF THIS TRANSACTION AND RETURNED TO US FOR OUR APPROVAL.

THE PURPOSE OF THE DECLARATION IS TO PROVIDE THIS COMPANY WITH CERTAIN INFORMATION THAT CANNOT NECESSARILY BE ASCERTAINED BY MAKING A PHYSICAL INSPECTION OF THE LAND. PLEASE CONTACT US IN THE EVENT YOU REQUIRE ASSISTANCE IN COMPLETING SAID DECLARATION.

OWNER'S DECLARATION, AFFIDAVIT AND INDEMNITY

Order Number: 10534204

Address/Location: 7039 Orangethorpe Avenue, Buena Park, California

Assessor's Parcel No.: 276-381-09

In connection with the request of the Undersigned ("Affiant") for the preparation and issuance of insurance, Affiant makes the following statements and representations for the benefit of, and reliance by, PROVIDENT TITLE COMPANY, and Westcor Land Title Insurance Company (collectively hereafter referred to as "COMPANY"):

1. Affiant owns and holds title to property described in Schedule A of the Preliminary Report or Commitment issued in connection with the above referenced Order Number (the "Property").
2. The Affiant's possession of the Property has been peaceful and undisturbed, and title thereto has never been disputed, questioned or rejected, nor has the issuance of title insurance ever been refused, except as follows: (If none, please state "none")

3. Other than the Affiant, there are no parties entitled to possession of the Property other than the following: (If none, please state "none")

4. There are no leases, licenses, options, rights of first refusal, or contracts to sell, affecting the Property, or any parties currently in possession, of the Property, except the following: (If none, please state "none")

5. No proceedings in bankruptcy or receivership have been instituted by or against the Affiant or any other property owner currently in title.
6. All assessments by a management, common area, building maintenance or homeowner association, if any, are paid current or are not yet due and payable.
7. There are no pending contemplated repairs/improvements to the Property, except the following: (If none, please state "none")

8. No building materials, repairs, or improvements have been provided, furnished or delivered within the last 12 months, except the following: (If none, please state "none")

9. Affiant is not aware of the existence of any of the following:
 - a. Improvements encroaching into any easements or over any boundary lines of the Property.
 - b. Adjoining property improvements encroaching onto the Property.
 - c. Liens against the Property and/or judgments or tax liens against Affiant or any other property owner currently in title, except those described in the Preliminary Report or Commitment issued in connection with the above referenced Order Number.
 - d. Outstanding claims or persons entitled to claims for mechanics' or materialman liens against the Property.
 - e. Pending repairs/improvements to the adjacent street(s).
 - f. Any pending litigation involving the Property, the Affiant or any other property owner currently in title.
 - g. Recent improvements completed or being made to any common area(s) located within the subdivision in which the Property is located.
 - h. Violations of any recorded covenants, conditions and/or restrictions imposed on the Property.
 - i. Any pending assessments for Community Facility Districts.
 - j. Any new, pending or existing obligation or loan including any home improvements on the Property pursuant to the PACE or HERO program, or any other similar type program.With regard to 9a.-9j, except as follows: (If none, please state "none")

10. There are no unpaid utility type bills including but not limited to bills for water, sewer, hazardous waste, recycling, storm drain and/or rubbish and there are no liens related to such utilities from or on the Property, with the exception of the following: (If none, please state "none")



300 NORTH PACIFIC COAST HIGHWAY, #1075
EL SEGUNDO, CA 90245
PHONE NO. (800) 794-8094

LENDERS SUPPLEMENTAL REPORT

(SET LENDER)

CA

ATTENTION:

YOUR NO.

OUR NO. 10534204

THE REFERENCED REPORT (INCLUDING ANY SUPPLEMENTS OR AMENDMENTS THERETO) IS HEREBY MODIFIED AND/OR SUPPLEMENTED IN ORDER TO REFLECT THE FOLLOWING ADDITIONAL ITEMS RELATING TO THE ISSUANCE OF AN AMERICAN LAND TITLE ASSOCIATION LOAN FORM POLICY AS FOLLOWS:

1. NONE OF THE ITEMS SHOWN IN THIS REPORT WILL CAUSE THE COMPANY TO DECLINE TO ATTACH CLTA ENDORSEMENT FORM 100 TO AN ALTA POLICY, WHEN ISSUED.
2. THERE IS LOCATED ON SAID LAND COMMERCIAL BUILDING KNOWN AS 7039 ORANGETHORPE AVENUE BUENA PARK, CALIFORNIA 90621
3. THERE ARE NO CONVEYANCES AFFECTING SAID LAND RECORDED WITHIN TWENTY FOUR (24) MONTHS OF THE DATE OF THIS REPORT.

EXHIBIT "A"

PARCEL 1:

THAT PORTION OF LOTS 23 AND 24 OF WHITAKER'S ADDITION TO BUENA PARK, IN THE CITY OF BUENA PARK, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 25, PAGE 10 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, TOGETHER WITH THAT PORTION OF THAT CERTAIN STREET, 60.00 FEET WIDE, LYING NORTHERLY AND ADJACENT TO LOTS 22 AND 23 OF SAID WHITAKER'S ADDITION, ABANDONED BY ORDER OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH WAS RECORDED SEPTEMBER 18, 1948 IN BOOK 1703, PAGES 143 AND 144 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF ORANGETHORPE AVENUE 120 FEET WIDE, BEING THE SOUTHWEST CORNER OF THE LAND DESCRIBED IN DEED TO B.M.B. MANAGEMENT CORP., RECORDED JULY 15, 1965 IN BOOK 7594 PAGE 111, OFFICIAL RECORDS; THENCE NORTH 0 DEGREES 28' 20" WEST 606.32 FEET, ALONG THE WESTERLY LINE OF SAID LAND TO B.M.B. MANAGEMENT CORP., AND ITS NORTHERLY PROLONGATION TO A POINT 5 FEET NORTHERLY OF THE CENTERLINE OF SAID ABANDONED 60 FOOT STREET, DISTANT SOUTHERLY 400 FEET FROM THE CENTERLINE OF MELROSE AVENUE; THENCE SOUTH 89 DEGREES 40' 40" WEST, 265 FEET ALONG SAID LINE DISTANT SOUTHERLY 400 FEET FROM THE CENTERLINE OF MELROSE AVENUE; THENCE SOUTH 0 DEGREES 28' 20" EAST 100 FEET; THENCE NORTH 85 DEGREES 40' 40" EAST 165 FEET SOUTH 0 DEGREES 28' 20" EAST 506.48 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF ORANGETHORPE AVENUE 120 FEET WIDE; THENCE NORTH 89 DEGREES 35' 20" EAST 100 FEET ALONG SAID NORTHERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN ORANGETHORPE AVENUE.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR THE SOLE PURPOSE OF INGRESS AND EGRESS WITHIN A STRIP OF LAND 20 FEET WIDE OVER THAT PORTION OF LOT 24 OF WHITAKER'S ADDITION TO BUENA PARK, RECORDED IN BOOK 25 PAGE 10 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, THE CENTERLINE THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 1 DESCRIBED ABOVE; THENCE ALONG THE WESTERLY LINE THEREOF, NORTH 0 DEGREES 28' 20" WEST 506.48 FEET.

EXCEPTING THEREFROM ANY PORTION INCLUDED WITHIN PARCEL 1 ABOVE.

ASSESSOR'S PARCEL NUMBER: 276-381-09

SHEET 1 OF 1 SHEET
SCALE: 1" = 60'

PARCEL MAP

R. S. T. 6629
6 S 3 27

IN THE CITY OF BUENA PARK, COUNTY OF ORANGE, STATE OF CALIFORNIA.

OCT 3 1974

8 459

BEING A DIVISION OF A PORTION OF LOTS 23 AND 24 OF WHITAKER'S ADDITION TO BUENA PARK, AS SHOWN ON A MAP IN BOOK 25, PAGE 16 OF MISCELLANEOUS RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, TOGETHER WITH A PORTION OF THAT CERTAIN STREET 60.00 FEET WIDE, LYING BETWEEN LOTS 21, 22, 23 AND 24, ABANDONED BY ORDER OF THE BOARD OF SUPERVISORS OF ORANGE COUNTY, CALIFORNIA, A CERTIFIED COPY OF WHICH WAS RECORDED IN BOOK 1703, PAGES 143 AND 144 OF OFFICIAL RECORDS OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA.

FILED AT 11:05
OF PARCEL MAPS COUNTY OF ORANGE
AT REQUEST OF COUNTY ENGINEER
A WHITE CARTRIDGE

SURVEYOR'S CERTIFICATE:

RAY MERCADO - L.S. 2681 - JULY 1973

7.743 ACRES GROSS

INDEXED

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AT THE REQUEST OF TRICO INVESTMENTS COMPANY, OWNER, IN APRIL 1973. I HEREBY CERTIFY THAT IT CONFORMS TO THE APPROVED TENTATIVE MAP AND THE CONDITIONS OF APPROVAL THEREOF. THAT ALL PROVISIONS OF APPLICABLE STATE LAW AND LOCAL ORDINANCES HAVE BEEN COMPLIED WITH.

CITY ENGINEER'S CERTIFICATE

THIS MAP HAS BEEN EXAMINED THIS 23 DAY OF September 1973, FOR CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT, SECTION 11975.

Edward P. Hill C.S. 5776
ASSISTANT CITY ENGINEER

COUNTY SURVEYOR'S CERTIFICATE

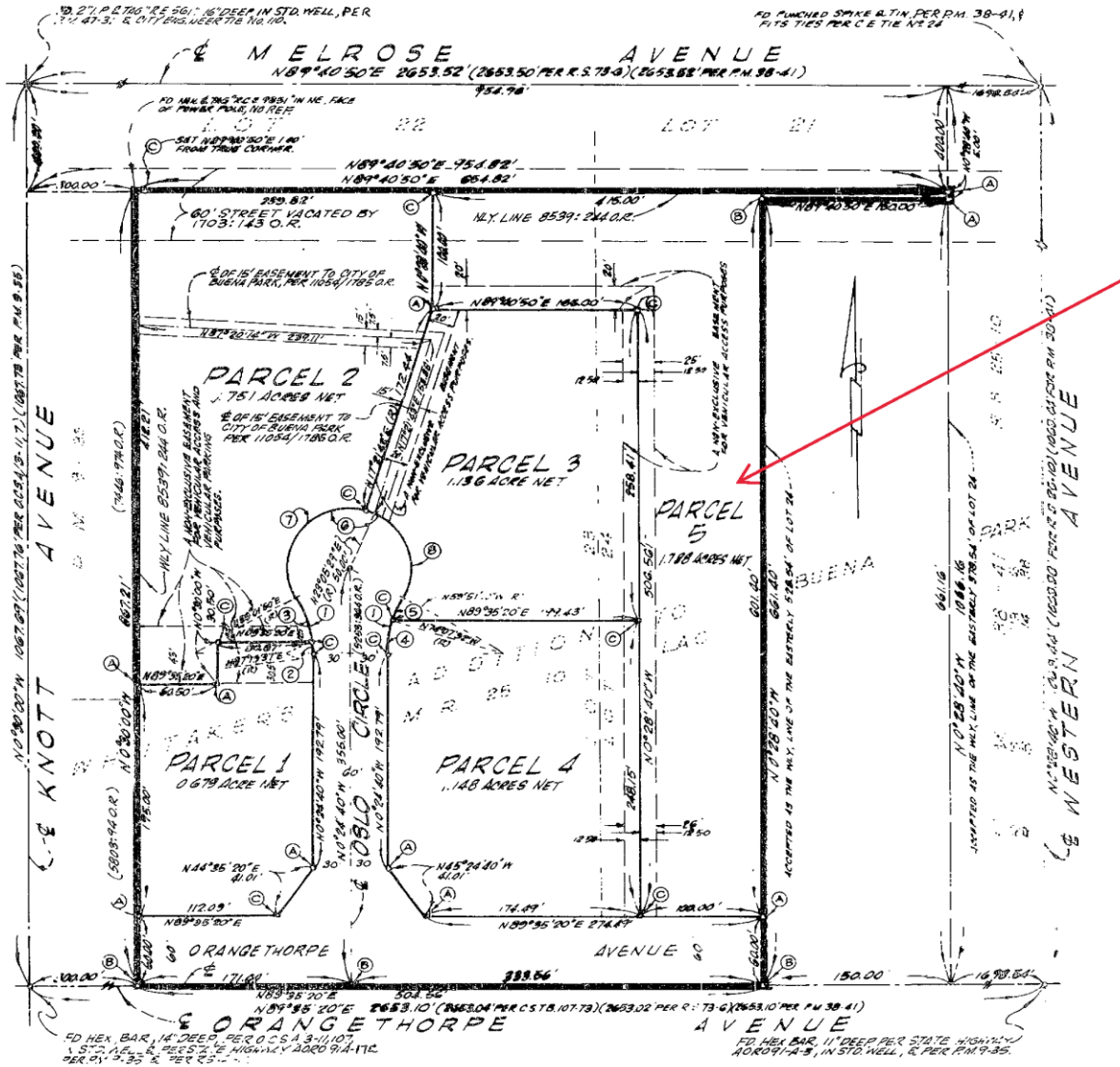
EXAMINED AND APPROVED THIS 3rd DAY OF October, 1973.

McCoyville
COUNTY SURVEYOR

BY *James C. ...*
DEPUTY COUNTY SURVEYOR

BASIS OF HEARINGS:

THE BEARING FOR THE CENTERLINE OF ORANGETHORPE AVENUE, N89°35'10"E, 600' MAP F LED IN BOOK 73, PAGE 6 OF RECORD OF SURVEY, RECORDS OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA.



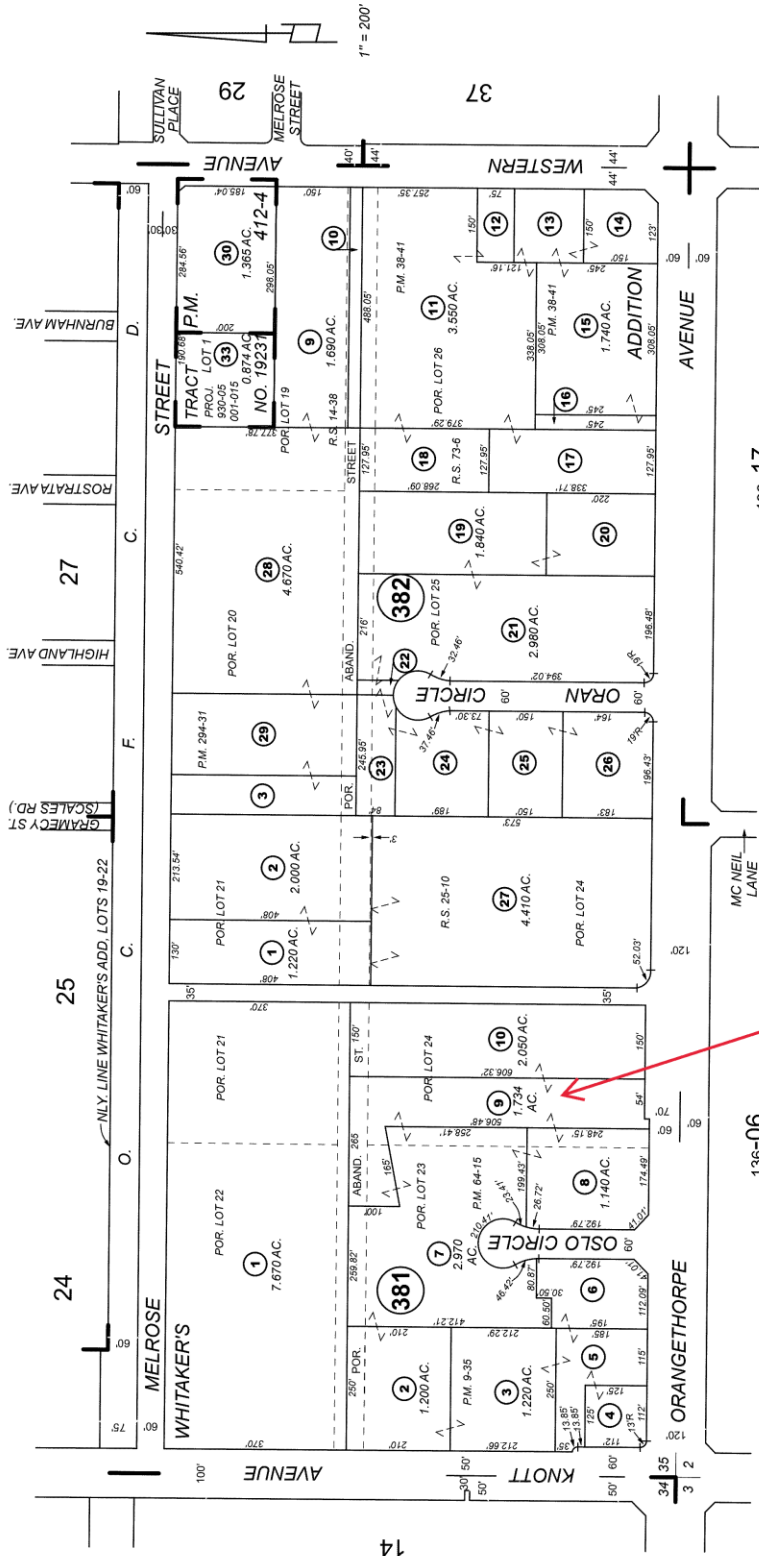
CURVE DATA

Curve No.	Angle	R	T	L
1	30°35'30"	94.00'	25.68'	50.13'
2	2°54'43"	94.00'	1.86'	3.71'
3	28°17'47"	94.00'	23.70'	46.42'
4	16°17'08"	94.00'	3.45'	26.72'
5	4°16'25"	94.00'	-	23.41'
6	241°07'00"	50.00'	-	210.41'
7	30°14'58"	50.00'	-	120.71'
8	02°41'07"	50.00'	-	89.70'

- MONUMENT NOTES:**
- (A) SET 1/2" IRON PIPE & TAG STAMPED 'L.S. 2681'
 - (B) SET SPIKE & WASHER STAMPED 'L.S. 2681'
 - (C) SET LEAD & TAG STAMPED 'L.S. 2681'

276-38

THIS MAP WAS PREPARED FOR ORANGE COUNTY
BY THE COUNTY ASSESSOR'S OFFICE.
SHE MAKES NO GUARANTEES AS TO ITS ACCURACY
NOR ASSUMES ANY LIABILITY FOR OTHER USES.
© COPYRIGHT ORANGE COUNTY ASSESSOR 2024.



14

MARCH 1983

WHITAKER'S ADDITION
PARCEL MAP
TRACT NO. 19231

L.A. 2-29, 2-84
P.L. 2-32
M.M. 1002 32-33

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

ASSESSOR'S MAP
BOOK 276 PAGE 38
COUNTY OF ORANGE



**PROVIDENT TITLE COMPANY
GLBA PRIVACY NOTICE**

This GLBA Privacy Notice explains how Provident Title Company (“Provident”) collects, uses, and protects personal information, when and to whom Provident discloses such information, and the choices you have about the use and disclosure of your information. Pursuant to Title V of the Gramm-Leach Bliley Act (“GLBA”) and other Federal and state laws and regulations applicable to financial institutions, consumers have the right to limit some, but not all, sharing of their personal information. Please read this GLBA Privacy Notice carefully to understand how Provident uses your personal information.

The types of personal information Provident collects and shares depends on the product or service you have requested.

Provident may collect the following categories of personal and financial information from you throughout your transaction:

1. Identifiers: Real name, alias, online Internet Protocol (IP) address if accessing company websites, email address, account name, unique online identifier, Social Security number, driver’s license number, passport number, or other similar identifiers.
2. Demographic Information: Marital status, gender, date of birth.
3. Personal Information and Personal Financial Information: Name, signature, Social Security number, physical characteristics or description, address, telephone number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, credit reports, or any other information necessary to complete the transaction.

Provident may collect personal information about you from:

1. Publicly available information from government records;
2. Information Provident receives directly from you or your agent(s), such as your lender or real estate broker;
3. Information about your transactions with Provident; and
4. Information Provident receives from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Provident may use your personal information for the following purposes:

1. To provide products and services to you or in connection with a transaction.
2. To improve our products and services.
3. To communicate with you about our products and services.

Provident may use or disclose the personal information Provident collects for one or more of the following purposes:

- a. To fulfill or meet the reason for which the information is provided;
- b. To provide, support, personalize, and develop our website, products, and services;
- c. To create, maintain, customize, and secure your account with Provident;
- d. To process your requests, purchases, transactions, and payments and prevent transactional fraud;

RESOLUTION NO. 6398
CONDITIONAL USE PERMIT NO. CU-25-10

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF BUENA PARK, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. CU-25-10 TO ALLOW THE CONVERSION OF AN EXISTING 101 ROOM MOTEL INTO A 104-UNIT PERMANENT AFFORDABLE MULTI-FAMILY HOUSING FACILITY LOCATED AT 7039 ORANGETHORPE AVENUE (APN: 276-381-09), AND MAKING FINDINGS IN SUPPORT THEREOF

A. Recitals.

(i) Haifa Habbal, of Prosper Architects, 134 S Glassell Street Unit #K, Orange, CA 92866, on behalf of Hector Garcia, of Passive Partners Capital Group, 36068 Hidden Springs Road, Suite C118, Wildomar, CA 92595, applicants, on behalf of MK Buena Park LLC, property owner, 19375 Countrywood Drive, Yorba Linda, CA 92886 have filed an application for a Conditional Use Permit (CU-25-10) to allow the conversion of an existing 101 room motel to a 104-unit permanent affordable multi-family housing facility with off-street parking, landscaping, and associated on-site improvements. Hereinafter in this Resolution, the subject Conditional Use Permit request is referred to as the “Application.”

(ii) On November 18, 2025, the Planning Commission conducted a duly noticed public hearing on the application, as required by law, and concluded said hearing prior to the adoption of this Resolution.

(iii) The Planning Commission has reviewed and considered all components of the proposed Conditional Use Permit No. CU-25-10 and conducted its public hearing prior to adoption of this Resolution.

(iv) All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF BUENA PARK, does hereby finds, determines, and resolves as follows:

1. The Planning Commission hereby specifically finds that all the facts set forth in the Recitals, Part A, of this Resolution are true and correct.

2. Based upon substantial evidence presented to the Planning Commission during the above-referenced hearing, including written staff report, verbal testimony, and the Conditional Use Permit No. CU-25-10 Development Plans stamped “RECEIVED OCT 29 2025 PLANNING DIV” and Management Plan stamped “RECEIVED NOV 6 2025 PLANNING DIV,” this Commission hereby specifically finds, determines, and resolves as follows:

Conditional Use Permit

a. **FINDING:** The proposed use and development is consistent with the General Plan and any applicable specific plans.

FACT: The proposed motel conversion into an affordable housing facility is a conditionally permitted use within the Hotel/Motel Conversion (HMC) Overlay Zone, and as conditioned, will meet all applicable requirements of the General Plan, Zoning Ordinance, Housing Incentive Overlay (HIO), and other laws. The proposal will comply with residential density, unit size, general occupancy requirements, common open areas and open space, off-street parking, circulation, landscaping, and all other applicable requirements.

b. **FINDING:** The site is adequate in size, shape, topography, location, utilities and other factors, to accommodate the proposed use.

FACT: The site area will be adequate in size, shape, topography, location, utilities and other factors to accommodate an affordable multi-family residential facility. The site is relatively flat and can accommodate the conversion along with the required site improvements.

c. **FINDING:** Adequate street access and traffic capacity are or will be available to serve the proposed development as well as existing and anticipated development in the surrounding area.

FACT: The project will gain access from the existing 26-foot-wide driveway along Orangethorpe Avenue and existing driveway along Oslo Circle with associated reciprocal common access easements. Orangethorpe Avenue is considered Major Arterial Highways in the City's Mobility Element, within the General Plan. A Major Arterial Highway is a six-lane divided roadway with a typical right-of-way width of 120 feet. The roadway width from curb-to-curb is 100 feet, including a 14-foot median. The existing driveways with reciprocal common access easements will provide residents access to the parking areas. Orangethorpe Avenue is designed to accommodate up to approximately 45,000 vehicles per day while maintaining a Level of Service (LOS) C. Currently, the roadway carries an average daily traffic (ADT) volume of about 26,000 vehicles. The proposed project is expected to generate a relatively small number of additional trips, which will not significantly affect roadway operations or degrade the existing level of service. As such, adequate street access and traffic capacity are available to serve the proposed affordable multi-family residential facility as well as the existing and anticipated development in the surrounding area.

d. **FINDING:** Adequate utilities and public services will be available to serve the proposed development as well as existing and anticipated development in the surrounding area.

- FACT:** Adequate utilities and public services will be available to serve the use, as well as, existing and anticipated development in the surrounding area. The Site is fully served by utilities and meets the City standards for public services and utilities to the serve the Site.
- e. **FINDING:** The use and development will be compatible with the intended character of the area.
- FACT:** The proposed motel conversion into an affordable multi-family housing facility will be compatible with the intended character of the area, compatible and consistent with other commercial, industrial, and residential uses, and not negatively impact surrounding properties as the proposed use serves the residents in the area. All improvements meet the HIO Objective Development and Design Standards and propose a design that is consistent with and complements the design of the surrounding neighborhood. The exterior architectural design is unchanged and in reasonable harmony with the architectural character of the surrounding area. All the colors proposed for the proposed development are in harmony with the surrounding area. As conditioned, the proposed affordable housing facility will enhance the visual integrity of the subject property as well as the surrounding area.
- f. **FINDING:** Any criteria set forth elsewhere in this Title for the approval, the specific use and development will be satisfied.
- FACT:** Pursuant to the HIO Objective Design and Development Standards Section 5.4 (Application and Approval), Hotel/Motel Conversions require approval of a Conditional Use Permit in the HMC Overlay Zone. As conditioned, the proposed conversion will complement the surrounding area and all the criteria set forth elsewhere in this Title for approval will be satisfied.
- g. **FINDING:** Any adverse effects of the use and development are justified and fully balanced by offsetting benefits to the public interest.
- FACT:** Any adverse effects that may come from the proposed motel conversion at this site are justified and fully balanced by offsetting benefits to the public interest in that the primary use of the parcel will be affordable multi-family housing. Additionally, there are conditions of approval that shall be implemented to prevent potentially adverse effects on the general public.

Housing Incentives Overlay (HIO) Objective Design and Development Standards (ODDS)

- a. **FINDING:** The motel, motel or transient lodging facility proposed for conversion is currently a legal or legally nonconforming use of the site.
- FACT:** The current motel was legally entitled and has been in operation since its approval in 1968.
- b. **FINDING:** The Hotel/Motel Conversion has met the application requirements specified in Section 5 of this Chapter.
- FACT:** The proposed conversion meets or exceeds the requirements set forth in HIO Chapter 5 (Hotel/Motel Conversion Overlay), as conditioned.
- c. **FINDING:** The Hotel/Motel Conversion satisfies all of the applicable requirements of Section 19.128.020 (Conditional Use Permit) of the Municipal Code.
- FACT:** The proposed conversion satisfies all requirements as stated in the findings of facts detailed in Section 19.128.020 (Conditional Use Permit).
- d. **FINDING:** The project complies with all other applicable provisions of local and state law.
- FACT:** The proposed conversion complies with all sections of the HIO Objective Design and Development Standards that deal with Hotel/Motel Conversion, along with all existing state law that deals with conversions

3. The Planning Commission hereby finds and determines that the application, as identified above in this Resolution, was studied and addressed in the Final Focused Environmental Impact Report No. EIR-25-1 (State Clearinghouse Number: 2024110035) adopted by City Council on May 22, 2025.

4. Based upon the findings and conclusions set forth in paragraphs 1, 2, and 3, above, the Planning Commission hereby approves Conditional Use Permit No. CU-25-10 development plans stamped "RECEIVED OCT 29 2025 PLANNING DIV" and management plan stamped "RECEIVED NOV 6 2025 PLANNING DIV," as modified herein and the following conditions set forth in paragraph 5 of this Resolution.

5. The following conditions are deemed necessary to protect the public health, safety, and general welfare and are reasonable and proper in accordance with the purpose and intent of the Buena Park City Code:

PUBLIC WORKS DEPARTMENT:

Design:

1. Any emergency access within the project parcel shall be approved by the Orange County Fire Authority and an approved copy of the plan shall be submitted to the Engineering Division with the submittal of the engineering easement documents for review and recordation.
2. Traffic Impact fees shall be in accordance with City Resolution 9726 and the latest City Fee Schedule. Sewer, water, and stormwater impact fees shall be per the latest City Fee Schedule.
3. A double check detector assembly is required for domestic and fire service connections, and a reduced pressure principle device (RPPD) is required for irrigation service connection per City standards, and devices shall be supplied and installed by contractor. Contractor shall supply and install City approved water meters in the public right-of-way.
4. Driveway approaches, sidewalks, curb, and gutter along the project frontage that are lifted, cracked, displaced, or otherwise failing, or that do not meet current ADA requirements, shall be removed and replaced per City of Buena Park standards.

Permit Issuance:

1. All fees, deposits, and bonds associated with improvements required by the Public Works Department shall be paid prior to the issuance of permits for construction. The fee amounts are specified in the City Fee Schedule.
2. Before exercising any right or performing any obligation pursuant to any permit issued by the Public Works Department, the developer/contractor shall obtain a City Business License and submit required insurance certificates.
3. A Transportation Hauling permit shall be obtained to operate or move a vehicle or combination of vehicles or special mobile equipment of a size or weight of vehicle or load exceeding the maximums specified in the California Vehicle Code (CVC) and the Caltrans Transportation Permit Manual.
4. Prior to the grant of occupancy by the City or commencement for the approved use, all improvements or conditions required by the Public Works Department shall be completed.

Construction:

1. All trash collection services needed during construction or after project completion shall be obtained from the City's authorized provider.

ORANGE COUNTY FIRE AUTHORITY (OCFA):

1. **Design Review:** Portions of the project that are deferred shall be subject to the codes, standards, and other applicable requirements in force on the date that the deferred plan is submitted to OCFA. The development review does not imply or express approvals on any subsequent plan submittal.
2. **PLAN SUBMITTAL SEQUENCE:** The applicant or responsible party shall submit the plan(s) listed below to the Orange County Fire Authority for review. Approval shall be obtained on each plan prior to the event specified.
 - a. Prior to OCFA clearance of a final map or issuance of a precise grading permit or a building permit, if the grading permit is not required:
 - i. Submittal of a Fire Master Plan (service code PR145)
 1. Alternate Methods and Materials (AM&M) request (PR910) to provide 2-HR wall for hose pull, ladder pad and hydrant spacing deficiency.
 - b. Prior to issuance of a precise grading permit or a building permit, if a grading permit is not required:
 - i. Final Map Review (B Map) (service code PR115)
 - c. Prior to issuance of a building permit:
 - i. Architectural (service code PR268)
 - ii. Underground piping for private hydrants and fire sprinkler systems (service codes PR470-PR475)
 - iii. Fire sprinkler system (service codes PR400-PR465)
 - d. Prior to concealing interior construction:
 - i. Fire alarm system (service codes PR500-520)
3. Specific submittal requirements may vary from those listed above depending on actual project conditions identified or present during design development, review, construction, inspection, or occupancy. Portions of the project that are deferred shall be subject to the codes, standards, and other applicable requirements in force on the date that the deferred plan is submitted to OCFA. Standard notes, guidelines, informational bulletins, submittal instructions, and other information related to plans reviewed by the OCFA may be found by visiting ocfa.org on the Planning and Development Section homepage.
4. **Temporary/Final Occupancy Inspections:** Prior to issuance of temporary or final certificate of occupancy, all OCFA inspections shall be completed to the satisfaction of the OCFA inspector and be in substantial compliance with codes and standards

applicable to the project and commensurate with the type of occupancy (temporary or final) requested. Inspections shall be scheduled at least five days in advance by calling OCFA Inspection Scheduling at (714) 573-6150.

5. **Emergency Access Easements:** Irrevocable reciprocal access easements for emergency access purposes to the benefit of the City of Buena Park shall be recorded concurrently with the final map or, where no final map is required, prior to approval of the fire master plan.
6. **Lumber-drop Inspection:** After installation of required fire access roadways and hydrants, the applicant shall receive clearance from the OCFA prior to bringing combustible building materials on-site. Call OCFA Inspection Scheduling at 714-573-6150 with the Service Request number of the approved fire master plan at least five days in advance to schedule the lumber drop inspection.

BUILDING DIVISION:

1. The project shall comply with state and federal disabled access requirements.
2. The project shall comply with the California Building Codes as adopted and amended by the City of Buena Park Municipal Code, Title 15.
3. The building/buildings shall be fully fire-sprinklered as required by the City of Buena Park Municipal Code, Title 1, and/or the California Building Codes.
4. The construction plans require professional preparation. Submit plans and structural calculations prepared by a California registered engineer or architect.
5. After the public hearing appeal period ends, applicant shall submit three (3) sets of construction plans to the Building Division for plan check in order to obtain required building permits.
6. Applicants shall prepare a waste management report tracking all elements of construction and demolition as required by the California Green Building Code. This report shall include, but is not limited to, landfill and recycling diversion counts for concrete, steel, green waste, and lumber. These reports shall be provided to the City for approval prior to completion of their related permits.

PLANNING DIVISION:

1. This approval shall be for the conversion of an existing 101 room motel into a 104-unit permanent affordable housing facility including 78 off-street parking spaces, landscaping, and associated improvements on a property containing approximately 1.71 acres, located at 7039 Orangethorpe Avenue (APN: 276-381-09) in substantial compliance with Conditional Use Permit No. CU-25-10 Development Plans dated "RECEIVED OCT 29 2025 PLANNING DIV," and management plan stamped "RECEIVED NOV 6 2025 PLANNING DIV," and as conditioned herein.
2. The applicant and/or property owner shall ensure that a copy of the Planning Commission Resolution, including all conditions of approval, be reproduced on the first

pages of construction drawings and shall be distributed to all design professionals, contractors, and subcontractors participating in the construction phase of the project.

3. A copy of these conditions of approval shall be retained on the property at all times and shall be reproduced immediately upon request of any official of the City of Buena Park. The manager(s) and all employees shall be knowledgeable of the conditions of approval.
4. This approval shall cause Conditional Use Permit Nos. CU-269 (Resolution Nos. 1929 & 1946) and CU-976 (Resolution Nos. 4014 & 4230) to be superseded and replaced by the conditions of approval herein.
5. Plans submitted for plan check shall include architectural amenities generally consistent with the submitted conceptual plans stamped "RECEIVED OCT 29 2025 PLANNING DIV." All construction drawings submitted for the development shall include sufficient construction details showing architectural accents, colors, details of construction, and techniques to ensure compatibility throughout the development. Final details shall be approved by the Planning Division prior to issuance of building permits for the project. Final color and material samples shall be provided to the Planning Division with plan check submittals. Specifications and samples of the following shall be submitted to the Planning Division for review and approval prior to issuance of building permits:
 - a. Colors for all exterior elevations
 - b. Roofing colors
 - c. Window and door trims

Architectural features may be replaced or modified subject to approval of the Community and Economic Development Director, based on equivalent provision of acceptable alternatives.

6. The management company shall obtain and maintain a business license as required by the Buena Park City Code prior to the establishment of the use.
7. The property owner/management business operator shall be responsible for maintaining the building's signs, lighting, landscaping, and all on-site improvements in good working order and graffiti free at all times. Any accumulation of trash, weeds, debris or graffiti on the property shall be removed within 24 hours of occurrence so as not to present a public nuisance.
8. There shall be no storage in the parking lot areas, courtyards, or other outdoor spaces.
9. Color and material samples shall be submitted to the Planning Division for approval prior to issuance of building permits. The applicant shall demonstrate that proposed building materials, and other architectural/site features are rated for appropriate durability and longevity. In the event that said rating cannot be obtained, alternate materials shall be used under the direction of the Planning Division.
10. Any new walls, fencing, and gates shall comply with the City of Buena Park Municipal Code (BPMC) Chapter 19.528 (Development Standards – Fences, Walls, Hedges, and

Berms) and shall require separate fence and wall permit approval by the Planning Division, and other agencies as necessary.

11. Signs shown on the plans are not part of this approval, and all future signs shall require a separate review and sign permit approval in compliance with the BPMC Chapter 19.908 (Sign Standards for Residential Zones).
12. Landscaping shall be installed in substantial compliance with plans dated "RECEIVED OCT 29 2025 PLANNING DIV". An electronic version of detailed landscaping/irrigation/sprinkler plans, with signed and stamped Certification of Landscape Design form shall be submitted to the Planning Division for plan check. A 'Landscape Installation Certificate of Completion' shall be submitted to the Planning Division prior to issuance of Certificate of Occupancy. All landscaping/irrigation/sprinkler plans shall comply with the City of Buena Park Water Efficiency Landscape Ordinance, Title 13, Chapter 13.30 (Water Efficient Landscaping) of the Buena Park Municipal Code.
13. All landscaped areas shall be separated from adjacent vehicular areas by a masonry wall or portland cement concrete (p.c.c.) curb a minimum of 6 inches in height, or by p.c.c. or masonry walkway. It is the applicant's responsibility that this is also shown on the Water Quality Management Plans as well.
14. New amenities shall be added to the courtyard areas in benefit to the new residents. These shall be in a form of additional seating tables and chairs, benches, and other amenities. Plans for new outdoor amenities shall be submitted for review during plan check.
15. Building and site lighting shall be decorative to complement the architectural design of the building. Plans submitted for plan check shall include a complete photometric plan to illustrate the equivalent of one (1) foot candle minimum shall be provided throughout the project site including the parking and landscaped areas. All luminaries shall be designed, shielded, or aimed in such a manner so as not to produce glare upon adjacent properties and public rights-of-way. Final location and design of light standards and wall light fixtures shall be reviewed and approved by the Planning Division prior to issuance of building permits.
16. In all angle parking stalls (including ninety-degree parking) facing the perimeter of a parking area, individual concrete wheelstops or a six-inch high poured-in-place concrete curb shall be provided, located three feet inside the front boundary of the stalls.
17. All parking areas and driveways shall be paved and striped in compliance with BPMC Section 19.536.060 (Parking Dimensions and Layout) and Section 19.536.070 (Parking Improvements), and as shown on the approved plan. All parking areas shall be striped with white double lines separating stalls, with minimum 4-inch-wide stripes and a minimum 8-inch separation. Installation of speed bumps shall not be permitted within required fire lanes, access drive aisle and driveway of the proposed project. It shall be the responsibility of the developer to submit to the Public Works Department such plans

as are necessary to ensure the installation of curbs or walls do not detrimentally affect drainage.

18. Prior to final Occupancy, the project applicant shall work with the adjacent property owner to obtain approval for the installation of signage on the (8) parking spaces along the west side of the shared drive-aisle adjacent to 6910 Oslo Circle which states “No Residential Parking Allowed - Parking for industrial tenants and customers only” or similar language. The required signage and sign placement shall be subject to the review and approval by the Planning Division.
19. Prior to final Occupancy, the applicant shall prepare and submit a Parking Management Plan which includes the following:
 - a. Parking stalls shall be numbered and assigned by unit and incorporated into the lease agreement.
 - b. Tenants shall only park within their assigned parking spaces.
 - c. For units which do not have a parking space assigned, tenant shall acknowledge as part of the lease agreement that they are not permitted to park a vehicle on the property.
 - d. The property management company shall be responsible for enforcing the Parking Management Plan up to and including the towing of vehicles found to be in violation. The property management company shall make a point of contact available to adjacent property owners or tenants for purposes of reporting violating vehicles.
 - e. Signage shall be installed at a minimum of (3) locations throughout the site which notifies tenants that there is “no guest parking” available. The required signage and sign placement shall be subject to the review and approval by the Planning Division prior to installation.
 - f. Signage shall be installed in locations near driveway entrances to the adjacent property, notifying residents and guests that parking on the adjacent property is prohibited and subject to tow at owner’s expense.
20. The proposed trash enclosure on plans dated “RECEIVED OCT 29 2025 PLANNING DIV” shall be in compliance with the Buena Park Municipal Code Section 19.524.010 (Trash Storage Facilities). Any modification to the trash enclosure shall be subject to review and approval by the Community and Economic Development Director and EDCO.
21. All required utility services and equipment, including transformers, gas meter, “J” boxes, and similar devices shall be located below grade, to the extent possible, or shall be screened from view by landscaping or ornamental decorative walls. The placement and treatment of all screening devices shall be subject to review and approval of the Planning Division. In addition to said walls, landscaping may also be required as a solution for screening. A preliminary electrical equipment plan, which is prepared by the Southern California Edison Company, shall be reviewed and approved by the City

Planning Division prior to the issuance of building permits. The applicant is required to return City approved red line prints to the Southern California Edison Company Planning Department, for preparation of final construction drawings. The location of other utility companies' appurtenances and meters shall be submitted to the City Planning Division for review and approval prior to installation.

22. All required double check valve assemblies located within public view shall be located below grade to the maximum extent possible, or shall be screened from view by landscaping and/or ornamental decorative walls. The placement and treatment of all screening devices shall be subject to review and approval of the Planning Division.
23. All roof-mounted mechanical equipment shall not be visible from adjacent and surrounding properties and streets from a height of five (5) feet above ground level. The installation and screening of air conditioning and similar equipment shall comply with existing design criteria and BPMC Section 19.544.020 (Visual Screening of Mechanical Equipment).
24. The proposed new easement connecting the two existing easements accessing the property from Orangethorpe Avenue and Oslo Circle shall be submitted to the Public Works Department for review and approval prior to the issuance of building permits and shall be recorded prior to issuance of a certificate of occupancy.
25. The applicants shall record an affordable housing agreement, which shall be in a form approved by the City Attorney and recorded on the property prior to or concurrent with the initial occupancy for rental units.
26. The applicants shall record a covenant in a form approved by the City Attorney, prior to the issuance of a certificate of occupancy, to ensure that the **subsidized bus pass program** is offered to residents for as long as the Hotel/Motel Conversion remains.
27. The applicants shall submit for final review and approval to the Planning Division a comprehensive Management Plan as described in HIO Section 5.4.A.2.vi, and shall be approved as to form by the City Attorney and recorded before the issuance of a certificate of occupancy or final building inspection, as applicable.
28. No later than fifteen (15) days after receiving final approval of Conditional Use Permit No. CU-25-10 for the Hotel/Motel Conversion application (including any appeal period), the applicant shall notify each residential household residing on the subject real property that the application has been approved. The notice shall be sent by regular and certified mail and posted on the door of each rental unit.
29. The applicant shall provide a written notice of termination to all tenant subject to displaced pursuant to Civil Code Section 1946, Civil Code Section 1946.1, and where applicable, Civil Code Section 1946.12. The date to vacate shall not be prior to the approval of CU-25-10.
30. The conversion authorized by the **Conditional Use Permit shall be started within one (1) year of the expiration of the appeal period** and thereafter diligently advanced until completion of the project.

31. The Community and Economic Development Director may from time to time conduct a review of this Conditional Use Permit to ascertain compliance with the herein-stated conditions of approval. Any noncompliance with the conditions of approval shall be immediately referred to the Planning Commission for possible action.
32. This approval may be revoked for any violation of noncompliance with any of these conditions in accordance with BPMC Section 19.132.030 (Revocation).
33. Prior to final inspection, these conditions and all improvements shall be completed to the satisfaction of the City.
34. The project and/or use authorized by this approval shall at all times comply with all applicable local, state, and federal ordinances, statutes, standards, codes, laws, policies, and regulations.
35. The applicant and property owner shall sign a notarized Affidavit of Acceptance of all conditions of approval and return it to the Planning Division within thirty (30) days after the effective date of this approval or prior to the issuance of a building permit or certificate of occupancy, whichever may occur first.
36. The applicant shall indemnify, defend, and hold harmless the City, its officers, agents, and employees from any claims and losses whatsoever occurring or resulting to any and all persons, firms, or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of the use permitted hereby or the exercise of the rights granted herein, any and all claims, lawsuits or actions arising from the granting of or exercise of the rights permitted by this approval and from any and all claims and losses occurring or resulting to any person, firm, or corporation, or property damage, injury, or death arising out of or connected with the performance of the use permitted hereby. Applicant's obligation to indemnify, defend, and hold harmless the City as stated hereinabove shall include, but not be limited to, paying all fees and costs incurred by legal counsel of the City's choice in representing the City in connection with any such claims, losses, lawsuits, or actions, and any award of such damages, judgments, verdicts, court costs or attorneys' fees in any such lawsuit or action.

Resolution No. 6398
Conditional Use Permit No. CU-25-10
November 18, 2025

PASSED AND ADOPTED this 18th day of November 2025 by the following called vote:

AYES:	5	COMMISSIONERS:	Davis, Patino, Judeh, Schoales, and Diep
NOES:	0	COMMISSIONER:	
ABSENT:	0	COMMISSIONER:	
ABSTAINED:	0	COMMISSIONER:	



Deborah Diep
Chair

ATTEST:



Harold Luna
Planning Manager

Resolution No. 6398
Conditional Use Permit No. CU-25-10
November 18, 2025

AFFIDAVIT OF ACCEPTANCE:

I/ We do hereby accept all of the conditions contained in this document and all other conditions imposed by Conditional Use Permit No. CU-25-10 and do agree that I/We shall conform with and abide by all such conditions.

Date: _____

Printed Name and Signature
Owner / Applicant

Affordable Housing Plan



Affordable Housing Plan for Horizon Studios

Prepared For: Passive Partners Capital Group

Location: 7039 Orangethorpe Avenue, Buena Park, California

Project Type: Mixed-Use Motel Conversion Development

Total Units: 104

[revised – November 06, 2025]

Prepared by: Sustainable



SUSTAINABLE

I. Introduction

The Horizon Studios project represents a transformative effort to address the affordable housing crisis in Buena Park, Orange County, and the State of California. This mixed-use development proposes the conversion of an underutilized motel into a vibrant, inclusive, and supportive residential community. It will deliver 104 quality residential rental units, including a designated percentage for Very Low-, Low-, and Extremely Low-Income households.

This Affordable Housing Plan (AHP) has been designed to comply with and exceed the requirements of the City of Buena Park's Affordable Housing Ordinance (Buena Park Municipal Code Chapter 8.60), Orange County Housing Authority (OCHA) Affordable Housing Guidelines, and applicable California state housing laws, including the State Density Bonus Law (Government Code §65915), Senate Bill 330, and other enabling legislation.

This plan aims to assist the Buena Park Planning Commission, City staff, and partner agencies in assessing and approving the project's affordable housing components. It demonstrates compliance with mandatory provisions and highlights Horizon Studios' proactive commitment to advancing affordability, accessibility, sustainability, and community impact.

Of the 104 proposed studio units, 62 (60%) will be restricted as affordable under a 55-year recorded covenant. The affordability breakdown will be: 25 units at 30% AMI; 20 units at 50% AMI; and 17 units at 80% AMI. All 104 units will be eligible to accept tenant-based rental assistance vouchers, including VASH, HCV and Section 8. The affordability set-aside will prioritize veterans through targeted outreach and coordinated supportive services. The 62-unit (60%) commitment is the Developer's binding CUP commitment for entitlement review; any additional affordability will be pursued if subsidy awards are received.

II. Project Overview

- Project Name: Horizon Studios
- Developer: Passive Partners Capital Group
- Location: 7039 Orangethorpe Avenue, Buena Park, CA 90621
- APN:

- Total Site Area: 1.73 net acres
- Total Units: 104 (including Density Bonus units)
- Unit Mix: Studio multifamily rental units
- Affordability Commitment: 62 units (60% of total) reserved for Extremely Low, Very Low, and Low-Income households (55-year covenant)
- Voucher Eligibility: All 104 units can accept tenant-based rental assistance (including VASH and Section 8) however 40% of the property is geared towards General Population/ Conventional
- Zoning: Housing Incentive Overlay Zone, Commercial General (CG)

III. Local Ordinances and Zoning Compliance

A. Buena Park Municipal Code – Chapter 8.60 (Affordable Housing Ordinance)

Per §8.60.040 of the Buena Park Municipal Code:

- All new residential developments of five (5) or more units must provide at least 10% of units as affordable to Very Low-Income households ($\leq 50\%$ AMI).
- Affordable units must be constructed concurrently with market-rate units.
- Developers may seek relief or alternatives via in-lieu fees, land dedication, or off-site development only upon proving infeasibility.

This project meets these conditions by committing to:

- On-site construction of 60-104 affordable units
- Recording of a 55-year regulatory agreement
- Full integration of affordable units with market-rate counterparts

B. Buena Park 2021–2029 Housing Element

The project supports the Housing Element’s goals:

- Rehabilitating aging or underutilized motels into affordable rental housing (Program HE-1.2.4)
- Encouraging affordable units through the Housing Incentive Overlay Zone (Policy HE-3.1)
- Addressing the City's RHNA requirement for Low and Very Low-Income housing

C. Zoning and Housing Incentive Overlay Zone

Zoning under the CG (Commercial General) designation with Housing Incentive Overlay permits:

- Residential conversion of non-residential properties, including motels
- Height and density modifications (up to 30 du/ac)
- Reduced parking standards (0.5–1 space/unit)

- The proposed density (60 units/acre) with incentives complies with overlay allowances when paired with affordable housing set-asides.

IV. State Housing Laws Compliance

A. California Density Bonus Law – Gov. Code §65915 (SB 1818)

The Horizon Studios project is structured to fully leverage California's Density Bonus Law, which provides a powerful incentive for developers to include affordable housing in new developments. By committing 60% of its total units to Low and Very Low-Income households, the project qualifies for a density bonus of up to 20% and multiple development incentives and concessions.

This strategic use of the Density Bonus Law enables:

- Construction of 104 total units (including bonus units), exceeding base zoning capacity while maintaining alignment with the Housing Element goals of infill development.
- Reduced on-site parking requirements, which lowers costs and allows for better use of land for residential amenities.
- Relief from certain zoning restrictions (e.g., setbacks, open space requirements), allowing the design to maximize utility and affordability without compromising neighborhood character.

The law directly supports Horizon Studios' vision by enabling financially viable mixed-income housing that meets both city and RHNA goals. Additionally, this aligns with the California Department of Housing and Community Development's (HCD) push for sustainable, higher-density, transit-oriented housing options.

B. SB 330 – Housing Crisis Act of 2019

The Housing Crisis Act of 2019 (SB 330) strengthens the project's entitlement pathway by streamlining approvals and preserving the city's zoning allowances in place at the time of application. Under SB 330:

- Horizon Studios benefits from expedited review processes.
- Objective design and zoning standards protect the project from changes that could impact feasibility or delay development.
- Since no tenants are being displaced, the project is exempt from the requirement to replace protected units, further simplifying compliance.

The protections and timelines afforded by SB 330 enhance predictability for the Developer and reduce pre-development risk, encouraging early-stage financing commitments.

C. Senate Bill 9 (SB 9)

While SB 9 primarily targets single-family residential lots, it exemplifies the state's aggressive policy posture toward densification and affordable infill housing. Horizon Studios embodies this vision by converting underutilized commercial lodging into long-term, multifamily affordable units—an act that directly supports the goals articulated under SB 9's broader legislative intent.

V. Affordable Housing Obligations and Unit Summary

A. Standard Compliance Scenario

Affordability Level	% of Total Units	Number of Units	Term of Affordability
Extremely Low – Income (30% AMI)	30%	30	55 years
Very Low-Income (50% AMI)	30%	30	55 years
Low-Income (80% AMI)	40%	44	55 years
Total	100%	104	

B. Buydown Subsidy Scenario (revision made on 11/06/2025 for clarity)

The language previously describing an OCHA or buydown award is illustrative of potential supplemental funding only and does not alter the Developer's enforceable CUP commitment of 62 restricted units (60% of the project) under a 55-year covenant. If OCHA or similar grant funds are awarded, those funds will be used to deepen tenant affordability (lower restricted rents), expand on-site supportive services, or reduce developer gap financing as permitted by the funder; such awards are additive and will not reduce the recorded unit set-aside. All 104 units will remain voucher-eligible, and veteran households will be prioritized for the deed-restricted units through affirmative marketing and coordinated services.

VI. Density Bonus Incentives and Development Flexibility

In compliance with Government Code §65915, Horizon Studios requests the following density bonus incentives:

1. **Density Increase:** The base zoning allows for approximately 30 dwelling units per acre. With the use of the density bonus, the project is able to achieve 104 total units on a 1.73-acre parcel (approx. 60 DU/acre), nearly doubling the base capacity through the inclusion of affordable units.
2. **Parking Reduction:** For units designated affordable, the project qualifies for reduced parking standards (0.5 spaces per bedroom), significantly easing site constraints and allowing for the preservation of open space and community amenities.
3. **Setback and Height Modifications:** The project seeks modest deviations in rear and side setbacks and building height to improve constructability and optimize building envelope usage, particularly for corner units and community space.

Each of these incentives supports financial feasibility while maintaining aesthetic integration with the neighborhood and ensuring that affordable units are equitably distributed across the development. In addition, these requests align with Buena Park's Housing Incentive Overlay and are subject to Planning Division review.

VII. Financing and Affordability Assurance

A. Funding Stack

- Local: Orange County Housing Finance Trust (Gap and Operating Subsidies), City of Buena Park Affordable Housing Program
- State: None
- Federal: None
- Private: Construction/permanent financing, philanthropic investment, Grants

Note: Affordability Structure and Funding Alignment-

The affordability mix shown in this plan reflects the Developer's current funding strategy. The 62-unit (60%) commitment is recorded as the project's CUP commitment; the Developer will pursue additional local/subsidy awards (e.g., OCHA buydown) to expand affordability if awarded

B. The developer will enter into Regulatory Agreements which will require:

1.) *Affirmative marketing*- to ensure that affordable units are made available to eligible households in a fair and transparent manner.

The Developer will:

- Advertise affordable units through public outreach, housing authority listings, and nonprofit partnerships to ensure equitable access.
- Comply with Fair Housing laws, ensuring that no discrimination occurs based on race, ethnicity, disability, veteran status, or other protected categories.
- Maintain records of outreach efforts, including advertisements, community engagement events, and applicant demographics.
- Prioritize applicants who meet income eligibility requirements and special housing needs, such as veterans, seniors, and individuals with disabilities

2.) *Operating reserves*- To ensure financial stability and long-term viability, the Developer will maintain operating reserves and asset management protocols as

part of the Regulatory Agreement. Operating reserves are funds set aside to cover unexpected expenses, maintenance costs, and financial fluctuations.

The Developer will:

- Maintain a reserve fund to cover property maintenance, emergency repairs, and tenant support services.

- Ensure reserves meet OCHA and Buena Park's financial requirements, ensuring sustainability of affordable housing operations.
- Submit annual financial reports detailing reserve balances, expenditures, and future projections.

3.) *Asset management*- to ensure that affordable housing units remain in good condition and continue to serve low-income households effectively.

The Developer will:

- Conduct regular property inspections to ensure compliance with habitability standards.
- Implement long-term maintenance plans, ensuring that affordable units remain safe, functional, and well-maintained.
- Provide financial oversight, ensuring that funding sources, subsidies, and operational costs are managed efficiently.
- Submit asset management reports to Buena Park and OCHA, detailing property conditions, occupancy rates, and financial sustainability

VIII. Supportive Services and Resident Stability

Recognizing that affordability extends beyond rent levels, Horizon Studios will incorporate a comprehensive supportive services program tailored to promote long-term resident stability and well-being. These services will be delivered through a combination of on-site staff, nonprofit partnerships, and remote access technologies.

Supportive services include:

- Resident Navigation & Intake Support: Assistance during lease-up with documentation, referrals, and welcome orientations.
- Case Management & Counseling: Dedicated professionals providing support for mental health, behavioral wellness, and conflict mediation.
- Employment & Financial Empowerment: Job placement support, resume coaching, financial literacy workshops, and access to local workforce development programs.
- Health & Wellness Resources: On-site or mobile clinic partnerships offering basic health screenings, wellness classes, and referrals.
- Veteran-Focused Services: If awarded Veterans Affairs Supportive Housing (VASH) vouchers, services will be expanded to include benefits navigation and peer mentoring for formerly homeless or at-risk veterans.

All services are voluntary and designed to promote housing retention, upward mobility, and community integration. An annual resident satisfaction and needs survey will guide the program's continuous improvement.

In addition to providing supportive services for individuals who qualify, Horizon Studios will also incorporate resident services for those who may not meet the criteria for traditional supportive programs but still require assistance.

This comprehensive service model ensures that all residents—regardless of their Area Median Income (AMI) level—have access to resources that promote housing stability, financial security, and overall well-being.

Our consultants at Sustainable have proposed this inclusive housing approach to create a fully supported living environment that addresses the diverse needs of residents. By integrating resident services alongside supportive services, we aim to:

- Bridge the gap for individuals who may not qualify for specialized programs but still need assistance.
- Enhance community engagement by providing access to educational workshops, financial counseling, employment assistance, and wellness programs.
- Ensure long-term housing stability by offering preventative support to residents who may be at risk of housing insecurity.

This holistic housing model designed by our consultants at Sustainable aligns with best practices in affordable and supportive housing, ensuring that all individuals, regardless of income level, receive the necessary support to thrive.

IX. Development Timeline and Concurrency

To ensure seamless development and compliance with Buena Park Municipal Code Chapter 8.60, all affordable units within Horizon Studios will be constructed, permitted, marketed, and leased in alignment with the market-rate units. This concurrency model is designed to:

- Prevent delays in occupancy certification
- Ensure equitable access to housing opportunities
- Streamline the development and lease-up process

Concurrency Measures

1. Construction Alignment

- Affordable units will be built concurrently with market-rate units, ensuring that all residents—regardless of income level—have access to high-quality, well-integrated housing. We expect this phase to be approximately 220 days from start to occupancy.
- This approach can eliminate the risk of segregated development timelines, ensuring that affordable housing is not delayed or deprioritized.

2. Permitting & Approval Process

- Affordable units will be included in the same permitting schedule as market-rate units, ensuring that building permits, inspections, and approvals are processed simultaneously.
- This strategy reduces administrative delays and ensures that affordable housing units are ready for occupancy at the same time as market-rate units.

Marketing & Lease-Up Strategy

- Affordable units will be marketed and leased on a timeline parallel to the remainder of the property, ensuring that all units—affordable and market-rate—are available for occupancy at the same time.
- This approach avoids gaps in lease-up, ensuring that affordable housing units are not left vacant due to delayed marketing efforts

Compliance & Project Timeline

This concurrency model supports compliance with Buena Park Municipal Code Chapter 8.60 and ensures that affordable housing obligations are met without unnecessary delays.

Attached in our exhibits is the detailed project timeline, outlining the rehabilitation and conversion process from initial construction through lease-up projections. This timeline provides a clear roadmap for the completion of the project, ensuring efficient execution and full compliance with local and state regulations.

X. Regulatory Compliance and Enforcement

The Developer will enter into a 55-year affordability covenant with the City of Buena Park and the Orange County Housing Authority (OCHA) to ensure long-term affordability of designated units. This covenant is a legally binding agreement that guarantees the continued affordability of the units for low-income, very low-income, and extremely low-income households.

The Developer will execute and record a 55-year affordability covenant with Buena Park and OCHA, ensuring compliance with local and state affordable housing regulations. This covenant will be attached to the property deed, making affordability restrictions enforceable for the entire duration.

The Developer will submit annual compliance certifications to Buena Park and OCHA, verifying that all affordable units remain occupied by eligible households at the designated income levels. These certifications will include tenant income verification, rent schedules, and occupancy reports.

Inspections & Income Documentation Audits

The Developer will allow periodic inspections by Buena Park and OCHA to ensure that affordable units meet habitability standards and remain occupied by qualified tenants. Income documentation audits will be conducted to verify that tenants meet the Area Median Income (AMI) requirements for their designated affordability level. The Developer will submit updated maps and affordability breakdowns if modifications are requested.

The developer notes that The 55-year affordability requirement is a standard provision in California affordable housing agreements, ensuring long-term affordability for low-income households. This requirement is enforced through:

- Buena Park Municipal Code Chapter 8.60 (Affordable Housing Ordinance)
- California Density Bonus Law (SB 1818)
- Orange County Housing Authority (OCHA) Affordable Housing Guidelines

XI. Administrative Authority and Amendments

City staff and the Planning Division may need to approve:

- Minor revisions to unit mix (bedroom type, square footage)
- Adjustments due to funding source requirements
- Modifications to affordability distribution within prescribed limits

All substantial modifications shall be returned to Planning Commission for review and approval.

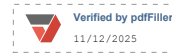
XIII. Exhibits (Attached Separately)

1. Exhibit 1: Site Map and Affordable Unit Location Chart
2. Exhibit 2: Unit Mix Breakdown
3. Exhibit 3: Project Construction Timeline
4. Exhibit 4: “True Concurrency” Permit Schedule

XIII. Developer Acknowledgement

I hereby attest that this Affordable Housing Plan has been prepared in accordance with the Buena Park Municipal Code Chapter 8.60, State of California Density Bonus Law, and Orange County Housing Authority standards. All information is accurate and complete to the best of my knowledge and presented for formal entitlement review and approval.

Authorized Signature



Passive Partners Capital Group

Authorized Representative: _____

Title: CEO- Hector Garcia _____

Address: 36068 Hidden Springs Rd STE C118, Wildomar, CA 92595 _____

Contact: Hector@passive-partners.com / Cell 951 216 9730 _____

Date: 11/12/25 _____

February 17, 2026

Clearinghouse CDFI
c/o Kennedy Sandoval
23861 El Toro Road, STE 700
Lake Forest, CA 92630
kennedys@ccdfi.com
(949) 525-4978

936 Huntington Drive, Suite B
San Marino, CA 91108
(626) 234-2470
angelvaluation.com



RE: Appraisal services proposal for a commercial real estate property located at
7039 Orangethorpe Avenue, Buena Park, CA 90621

Dear Mr. Sandoval:

We are pleased to submit this proposal for appraisal services. Below is a summary of the assignment:

Purpose	To opine on the market value of the realty described above.
Client	Clearinghouse CDFI
Intended use	The intended use is to estimate the market value of the realty described above for potential loan underwriting purposes. It is not to be used for any other purpose, particularly for investment solicitation, adversarial litigation, marketing purposes or due diligence.
Intended user(s)	The intended users are Clearinghouse CDFI
Date of Value	Current (typically date of site visitation) Prospective Upon Complete (future date)
Comments	Valuation of the following: a) As-Is Market Value of the Going Concern(as hotel) b) Prospective value upon completion and stabilization at restricted, maximum allowable rent c) Hypothetical Value as if completed and stabilized at market rent d) Insurable Value

The proposed fee for services is \$5,900, which assumes a delivery date of three (3.5) weeks from receipt of all requested information (including budgets, full project description, etc.). The appraisal report will be provided in PDF format.

By signing this letter, the client agrees to defend, indemnify and hold harmless Angel Valuation, its affiliates, shareholders, officers, employees, agents, contractors, against and from any and all claims, damages, losses, judgments, expenses and costs (including reasonable attorneys' fees) that arise from or relate to the performance or non-performance of any services relating to this assignment, whether direct or indirect.

Thank you for your interest in our services, and we look forward to working with you.

Best Regards,



Ariana Arredondo
Director
Angel Valuation

By: Kennedy Sandoval

Date: February 18th, 2026

Print Name: Kennedy Sandoval

We have found that local market participants are more willing to provide their input and confirm data that supports our appraisal when we identify the subject(s). We aim to honor confidentiality, and request for you to make the best selection.

Please make one (1) selection:

Yes, I consent to Angel Valuation identifying my property for the purpose of soliciting input from local area market participants (i.e. when verifying sales or lease comp information with them)

No, I do not want Angel Valuation to identify my property, and request full confidentiality

Contractual Conditions

Client agrees to the following terms and conditions as part of Angel Valuation performing services. These terms and conditions can only be changed by a written and signed agreement with Angel Valuation.

- Client represents and warrants to Angel Valuation that: 1) client has the right to engage Angel Valuation in appraisal services; 2) client's duties and obligations under this agreement do not conflict with any other duties or obligations assumed by client under agreement with any other third party; 3) client will provide all supporting information and physical access in a timely manner, and; 4) client has not engaged Angel Valuation, nor will use Angel Valuation reports, for any purposes that violate the federal, state or local laws or regulations.
- Angel Valuation assumes that there are no hidden or unexpected conditions that adversely affect value unless Angel Valuation is specifically made aware of an adverse condition or the condition is readily apparent.
- Angel Valuation warrants that its performance and services will be professionally performed according to the Uniform Standards of Professional Appraisal Practice (USPAP).
- Use of Angel Valuation's appraisal reports is conditioned upon complete payment of fees and expenses. Fees are due independent of any value expectation from client or intended users. Angel Valuation's services are complete when an appraisal report or review is delivered to client.
- Angel Valuation's appraisal reports, reviews and services cannot be used to solicit investors, limited partners, or any other interests by any business entity. None of our opinions or conclusions may be published or used in any advertising materials, property listings, investment offerings or prospectuses, or securities filings or statements without Angel Valuation's prior written authorization.
- Angel Valuation will not provide a copy or disclose assignment results to any party other than the client, unless the client authorizes disclosure of the report and the disclosure complies with USPAP requirements.
- Angel Valuation does not intend to express opinions about matters requiring legal or specialized expertise or knowledge beyond that which is customarily employed by appraisers. Clients are responsible for seeking engineering, legal, tax, accounting, investment or other professional advice and advisors.
- Any additional services would only be performed after a written amendment to this agreement is signed with Angel Valuation.
- Fees and services do not include meetings with persons other than client or client's agents, depositions, testimony or proceedings before any tribunal, or preparation for such depositions, testimony or proceedings. Client will reimburse all costs, preparation, time, travel and attorney's fees if Angel Valuation is requested or compelled to produce documents, testify, appear, or participate in any tribunal proceeding.

Initial KS

Date 2/18/2026

- Angel Valuation expressly limits its liability to any claim under any legal theory to the amount of the fee paid. Angel Valuation shall not be liable for any special or consequential damages.
- In case of a dispute to the performance or interpretation of the agreement, the dispute will be submitted to arbitration under the rules of commercial arbitration of the American Arbitration Association. The results of the arbitration will be binding on all parties to this agreement. The arbitration is to be conducted in Los Angeles, California. The prevailing party at arbitration shall recover from the non-prevailing party its costs and expenses, including attorneys', arbitrators and stenographers fees. The agreement shall be governed by California law in all cases possible.
- Client agrees to defend, indemnify and hold Angel Valuation harmless from any damages, losses or expenses arising from allegations or claims asserted against Angel Valuation and its subcontractors by any third party for Angel Valuation's performance or non-performance of any services related to this assignment and agreement.
- Client understands that there are no third-party beneficiaries (i.e. anyone other than the intended user(s) under this agreement. Nothing in this agreement creates a contractual relationship between Angel Valuation and any third party.
- Any provision of this agreement that is determined to be void or unenforceable shall not affect any other provision of this agreement and will remain in full force and effect.

Initial KS

Date 2/18/2026

Statement of Qualifications for Ariana Arredondo, MAI

Ariana Arredondo is a principal of Angel Valuation, an appraisal firm based in Los Angeles County. Angel Valuation is a certified Minority Business Enterprise dedicated to the appraisal of commercial real estate, business valuation, and fractional interests. Her portfolio of work includes dense urban property appraisal (including mixed use), special use assets with going concern components, and construction.

Ariana is a Certified General Real Estate Appraiser licensed in California (No. AG041897). Prior to serving as an appraiser, she worked in private equity supporting the acquisition/disposition and due diligence of large apartment properties. She actively serves as a supervisory appraiser.

Education and Recent Coursework Completed

Expert Witness Preparation and Testimony, Appraisal Institute. Completed November 2024
Uniform Standards for Federal Land Acquisitions (Yellow Book Course), IRWA. Completed July 2024
Condemnation Appraising: Principles and Applications, Appraisal Institute. Completed August 2023
Appraisal Institute Real Estate Valuation Education (>375 hours)
American Society of Appraisers, Business Valuation Discipline Education (120 hours)
Award in Accounting, UCLA Extension, 2010
B.S. Economics for Business Management, Occidental College 2004

Association Memberships

Designated Member, Appraisal Institute (Member #512943)
Candidate, American Society of Appraisers (Business Valuation Discipline #82631)
Past Member, Fair Value Exchange (2012-2016)

Appraisal Presentations

Moderator: Golden Gate Branch chapter of the RMA's Commercial Real Estate Spotlight: San Francisco retail trends and legislative update, October 29, 2020
Panelist: Northern California Chapter of the Appraisal Institute's *Commercial Symposium 2019: Appraising Unique and Special Purpose Properties*, December 6, 2019
Presenter: Fair Value Exchange's *Getting Real In Valuation* (2016)
Panelist: Northern California chapter of the Appraisal Institute's Fall Conference *Going Concern Valuation* (September 17, 2014)

Volunteer Service for Appraisal Industry

Litigation Seminar Co-Chair, Southern California Chapter of the Appraisal Institute, 2025
Co-chair, Women's Initiative, Southern California Chapter of the Appraisal Institute (2024-current)
Candidate Guidance Committee Member for the Southern California Chapter of the Appraisal Institute (Jan 2023-Current)
Board Member, Golden Gate Branch Chapter of RMA (2015-2021)
Regional Board Member, Society of Chief Appraisers (2014-2020)
Golden Gate Branch Chapter Chair, Northern California Chapter of the Appraisal Institute (2013)



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

Ariana Arredondo

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

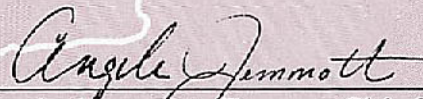
“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 041897

Effective Date: January 12, 2025

Date Expires: January 11, 2027



Angela Jemmott, Bureau Chief, BREA

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