



APPRAISAL  
**REPORT**



**Subject Property**

**Retail/Industrial Property**  
1901 South Alameda Street  
Los Angeles, California 90058

**Prepared For**

Kevin S. Bemel  
Administrator  
**The Estate of Micheal J. Meraz**

March 31, 2025

Kevin S. Bemel  
Administrator

**The Estate of Micheal J. Meraz**

**RE: Retail/Industrial Property**  
1901 South Alameda Street  
Los Angeles, California 90058  
Vanguard File No: [VRA-25294](#)

Mr. Bemel:

In accordance with your request, Vanguard Realty Advisors conducted an appraisal of the above captioned property. The property is valued using generally accepted appraisal principles and theory. This report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP).

This is an Appraisal Report as defined by USPAP Standards Rule 2-2(a). This format provides a detailed description of the appraisal process and subject property but a summarized description of the market area, market data, highest & best use and valuation sections. The appraisal service was performed in such a manner that the results of the analysis, opinion, or conclusion are that of a disinterested third party.

The purpose of this appraisal is to develop an opinion of the Retrospective Value (Leased Fee Estate). The intended use of this appraisal is to assist the client with estate taxes. ***The Estate of Micheal J. Meraz is the only intended user of this report.***

All other intended uses and users are prohibited. Receipt of a copy of the appraisal by any third party does not mean that the party is an intended user of the appraisal. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use. Additionally, this appraisal is not a land or building survey and should not be relied upon for such a purpose. Vanguard Realty Advisors will not be responsible for any actions or occurrences as a result of unauthorized use of this report.

The subject is a three-building retail and industrial development located in Los Angeles, California. The improvements were constructed in 1927 with renovations to date. Together the improvements total 33,249 square feet (SF) and are situated on a 1.3224-acre site (57,603 SF). The improvements are comprised of two multi-tenant retail building and an industrial building. The improvements are average quality and in average condition. The subject was 100.0% occupied by multiple tenants as of the retrospective date. The site and improvements are discussed further in the attached report.

The following table conveys the final opinion of value that is developed in this appraisal:

MARKET VALUE CONCLUSION			
VALUATION SCENARIO	INTEREST APPRAISED	EFFECTIVE DATE	VALUE
Retrospective Value	Leased Fee Estate	January 7, 2024	\$8,850,000

The valuation conclusion(s) represents the value of the real property only, no personal property and/or intangible business assets have been included in this analysis.

The following extraordinary assumptions and hypothetical conditions were made in developing our opinion(s) of value. It is noted that the use of an extraordinary assumption and/or hypothetical condition may have affected the assignment results.

### ***Extraordinary Assumptions***

The use of an extraordinary assumption(s) may have impacted the results of the assignment. We performed an exterior only inspection. There may be issues readily identifiable only by a physical interior inspection that would have a material impact on the market value estimate. Our value conclusion assumes no material issues exist and the subject is in average condition with no deferred maintenance. Further, we relied on public records, CoStar, client information, and other sources for the building size along with other pertinent building information, which we have assumed to be accurate.

### ***Hypothetical Conditions***

No Hypothetical Conditions were made for this assignment.

If there are any specific questions or concerns regarding the attached appraisal report, or if Vanguard Realty Advisors can be of additional assistance, please contact the individuals listed below.

Sincerely,

### **Vanguard Realty Advisors**



Matthew K. Reynolds, MAI  
Certified General Real Estate Appraiser  
State of California License #AG041942  
213.673.1425 (direct)  
mreynolds@vracommercial.com



Ryan J. DeWitt  
Certified General Real Estate Appraiser  
State of California License #AG044561  
760.707.5738 (direct)  
rdewitt@vracommercial.com



Russell W. McCoy, MAI  
Certified General Real Estate Appraiser  
State of California License #AG028414  
760.707.5732 (direct)  
rmccoy@vracommercial.com

# TABLE OF CONTENTS

---

## LETTER OF TRANSMITTAL

### INTRODUCTION

Executive Summary	1
Subject Property Photographs	4
Identification Of Appraisal Assignment	6
Purpose & Intended Users	6
Subject Property Sale History	7
Property Taxes & Assessments	7
Subject Zoning Information	8
Scope of Work	11

### DESCRIPTIONS & EXHIBITS

Regional Description	14
Local Area Analysis	20
Site Description	24
Exhibits	27
Improvement Description	33
Market Analysis	36
Highest & Best Use Analysis	40

### VALUATION METHODS

Sales Comparison Approach	43
Improved Sales Comparable Location Map & Datasheets	44
Improved Sales Comparison Table	51
Sales Approach Conclusion	53
Income Approach	55
Direct Capitalization Method	55
Rent Comparable Map & Photographs	56
Market Rent Conclusion	58
Lease Comparison Table/Adjustment Grid	58
Capitalization Rate Analysis	64
Income Approach Conclusion	68
Reconciliation of Value Conclusions	69
Certification	70
Assumptions & Limiting Conditions	72

### ADDENDA

76

- A. Engagement Letter
- B. Qualifications of Appraiser(s) and Appraiser License(s)

# EXECUTIVE SUMMARY

---

## PROPERTY IDENTIFICATION

Name	Retail/Industrial Property
Address	1901 South Alameda Street
City, State Zip	Los Angeles, California 90058
County	Los Angeles County
MSA	Los Angeles-Long Beach-Glendale MSA
Market / Submarket	Los Angeles / Downtown
Geocode	34.019496,-118.240046
Census Tract	2260.01

## SITE DESCRIPTION

Number of Parcels	1	
Assessor Parcel Number	5167-013-031	
Land Area	Square Feet	Acres
Usable	57,603	1.32
Total	57,603	1.32
Zoning	Light Industrial (M2-2-CPIO)	
Shape	Rectangular	
Topography	Level at street grade	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Highest Risk	

## IMPROVEMENT DESCRIPTION

Tenancy	Multi-Tenant	
Net Rentable Area (NRA)	33,249	
Gross Building Area (GBA)	33,249	
Ground Floor SF	33,249	
Total Buildings	3	<i>*2 Retail &amp; 1 Industrial</i>
Floors	1	
Year Built	1927 with renovations over time	
Actual Age	97 Years	
Effective Age	25 Years	
Economic Life	55 Years	
Remaining Useful Life	30 Years	
Land To Building Ratio	1.73 : 1	
Site Coverage Ratio	57.7%	
Parking	1.3 / 1,000 SF NRA	

## QUALITATIVE ANALYSIS

Site Quality	Average
Site Access	Average
Site Exposure	Good
Site Utility	Average
Building Quality	Average
Building Condition	Average
Building Appeal	Average

---

**HIGHEST & BEST USE**

Proposed Construction	No
As Vacant	Commercial or industrial development
As Improved	Continued use as improved

**EXPOSURE & MARKETING TIME**

Exposure Time	12 Months or Less
Marketing Time	12 Months or Less

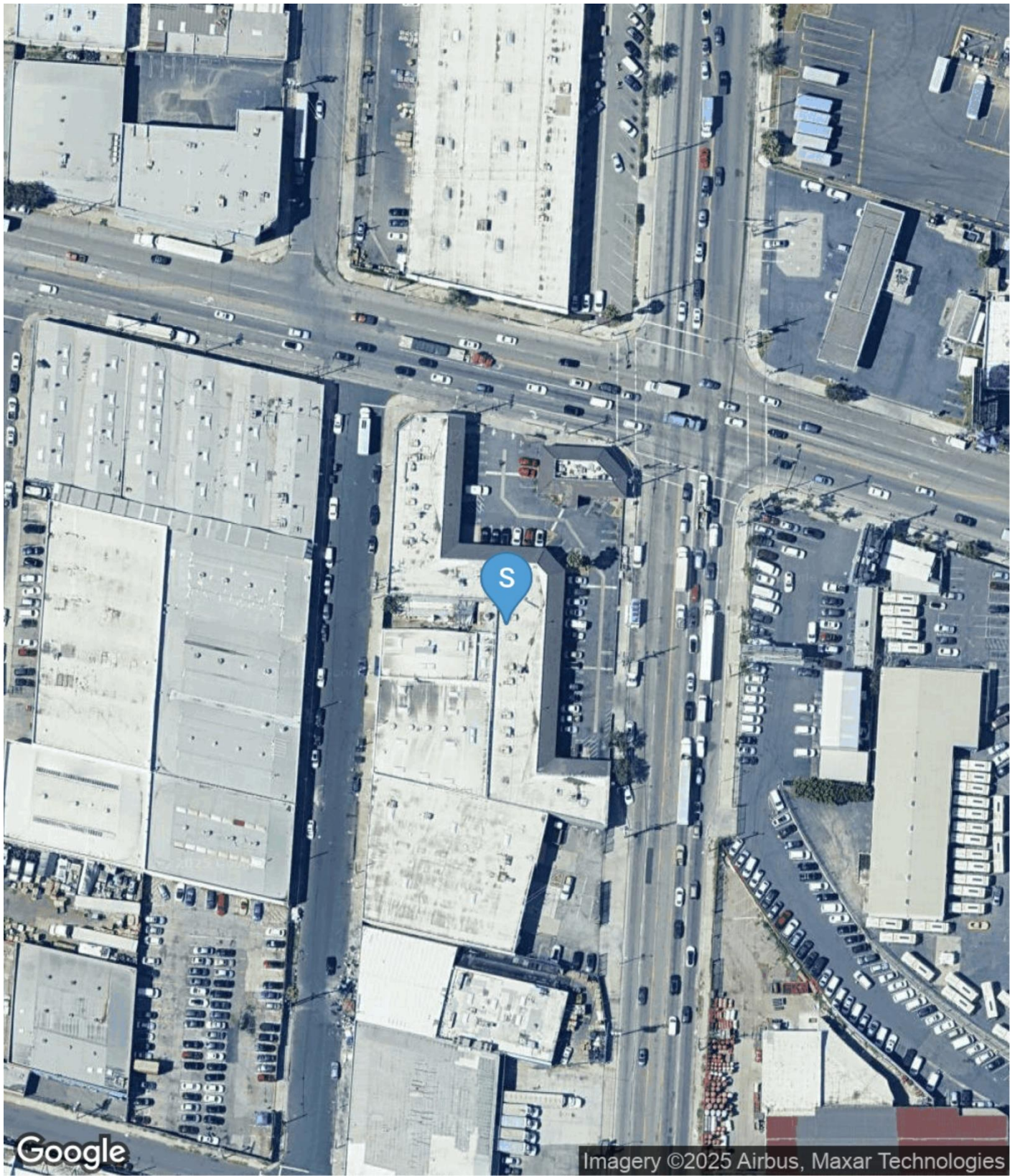
**INVESTMENT INDICATORS**

Current Occupancy	100.00%	
Stabilized Occupancy / Stabilized Vacancy & Credit Loss	92.50%	7.5%
Expense Ratio (Expenses/EGR)	33.58%	
Direct Capitalization NOI	\$523,862	\$15.76 PSF
Capitalization Rate (OAR) Conclusion	6.00%	

**VALUE CONCLUSION**

VALUATION SCENARIOS	RETROSPECTIVE VALUE
Interest	Leased Fee Estate
Effective Date	January 7, 2024
Cost Approach	Not Presented
Sales Comparison Approach	\$8,930,000
Income Capitalization Approach	\$8,850,000
<b>FINAL VALUE CONCLUSION</b>	<b>\$8,850,000</b>

# AERIAL PHOTOGRAPH



# SUBJECT PROPERTY PHOTOGRAPHS

---



Subject exterior



Subject exterior



Subject exterior



Subject exterior



Subject exterior



Subject industrial building on McGary Street



View north on Alameda St – subject on left



View south on Alameda St – subject on right



View east on Washington Blvd – subject on right



View west on Washington Blvd – subject on left



View south on McGary St – subject on left



View north on McGary St – subject on right

# IDENTIFICATION OF ASSIGNMENT

---

## **Property Identification**

The subject is a three-building retail and industrial development located in Los Angeles, California. The improvements were constructed in 1927 with renovations to date. Together the improvements total 33,249 square feet (SF) and are situated on a 1.3224-acre site (57,603 SF). The improvements are comprised of two multi-tenant retail building and an industrial building. The improvements are average quality and in average condition. The subject is currently 100.0% occupied by multiple tenants.

The property is located at 1901 South Alameda Street in Los Angeles, Los Angeles County, California. The assessor parcel Number is: 5167-013-031. The legal description of the subject property is as follows:

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

PARCEL 1:

LOTS 54, 55, 56, 57, 63, 64, 65 AND 66 INCLUSIVE OF WEISS TRACT NO. 2, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 2, PAGE 42](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOTS 58 TO 62 INCLUSIVE IN THE WEISS TRACT NO. 2, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 2, PAGE 42](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO, ALL OF THE ALLEY ADJOINING SAID LOTS 58 TO 62 INCLUSIVE ON THE SOUTH, AS SHOWN ON SAID MAP, VACATED BY ORDINANCE NO. 13962, NEW SERIES.

## **Client Identification**

The client is The Estate of Micheal J. Meraz.

## **Purpose, Intended Use and Intended User**

The purpose of this appraisal is to develop an opinion of the Retrospective Value (Leased Fee Estate). The intended use of this appraisal is to assist the client with estate taxes. ***The Estate of Micheal J. Meraz is the only intended user of this report.***

All other intended uses and users are prohibited. Receipt of a copy of the appraisal by any third party does not mean that the party is an intended user of the appraisal. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use. Additionally, this appraisal is not a land or building survey and should not be relied upon for such a purpose. Vanguard Realty Advisors will not be responsible for any actions or occurrences as a result of unauthorized use of this report.

## **Deductions, Additions & Discounts**

A leasehold adjustment (difference between market rent vs. contract rent) was required in forming the retrospective value opinion. This is explained in detail in the Income Approach.

**Personal Property & Intangibles**

There is no personal property (FF&E) or intangible items included in this valuation.

**Property & Sales History**

County records show ownership vested to WASHALA LLC &/LARCH MANAGEMENT LLC. County records show no transfers of ownership within the last three years. We are aware of no current listing or pending sale of the subject. Please note that this information is included only to satisfy the requirements of USPAP. It is not intended as a guarantee to the chain of title and a title search should be performed by a title company should a definitive abstract be desired.

**Taxes & Assessments**

The subject’s assessed values and property taxes for the current year are summarized in the following table:

ASSESSMENT & TAXES						
TAX RATE AREA	6658				TAX RATE	1.199398%
ASSESSOR PARCEL #	LAND	IMPROVEMENTS	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
5167-013-031	\$5,375,400	\$4,108,560	\$9,483,960	\$0	\$9,483,960	\$113,750
Subtotal	\$5,375,400	\$4,108,560	\$9,483,960	\$0	\$9,483,960	\$113,750
Subtotal \$/NRA	\$161.67	\$123.57	\$285.24	\$0.00	\$285.24	\$3.42
ADDITIONAL TAX CHARGES						
Direct Assessments						\$5,997
Total Additional Tax Charges \$/NRA / Total					\$0.18	\$5,997
<b>TOTAL BASE TAX \$/NRA / \$ TOTAL</b>					<b>\$3.60</b>	<b>\$119,747</b>

Source: Los Angeles County Assessment & Taxation

In California, reassessments of property values occur upon sale of a property due to the passage of Proposition 13 in July of 1978. If this has not occurred during the tax year, properties are limited to a maximum increase in assessed value of 2% per year. Taxes are based upon 1% of full cash value plus any amounts necessary to satisfy general obligation bonds or other indebtedness.

Due to California law, property tax comparables are not relevant or included in real estate appraisals. This is due to that taxes are based on the hypothetical sale of a subject property and the current tax rate, as sales trigger a reassessment at the actual sale price in California.

Property taxes are forecasted based on the current rate multiplied by the value indications of the Income Approach plus current direct assessments.

**Zoning**

The subject’s zoning information is shown in the following table:

ZONING	
Designation	Light Industrial (M2-2-CPIO)
Zoning Authority	City of Los Angeles
Permitted Uses	Light industrial, warehouse, limited commercial, storage yards, animal keeping, etc.
Current Use	Retail Strip Center & Industrial Building
Current Use Legally Permitted	Yes
Conforming Use	The subject appears to be a legal and conforming use. A zoning letter from the applicable zoning department is recommended if further assurance is needed.
Zoning Change	Not Likely
Max Permitted Height	N/A
Max Permitted Floor Area Ratio (FAR)	1.5:1
Parking Spaces Required	No on-site parking is required as the subject is located within a reduced parking area (AB 2097).
Subject Parking Spaces/1,000 SF	1.3
Subject Parking Spaces Provided	44
Max Permitted Site Coverage	None for commercial/industrial use
Min Permitted Site Area (SF)	None for commercial/industrial use
Min Permitted Yard Setbacks	
Front (Feet)	None for commercial/industrial use
Rear (Feet)	None for commercial/industrial use
Side (Feet)	None for commercial/industrial use

Source: City of Los Angeles Planning & Zoning Department

The subject is located in a reduced parking area and qualifies for AB 2097 per ZIMAS. Pursuant to Assembly Bill (AB) 2097, the City of Los Angeles is prohibited from imposing or enforcing minimum parking requirements on any residential, commercial or other development project (excluding event centers, hotels and similar transient lodging) that are within a one-half mile radius of a Major Transit Stop. The Department of City Planning issued a memorandum on December 31, 2022, which serves as guidance for project applicants and staff on the implementation of AB 2097.

It is noted that detailed zoning studies are performed by a zoning or land use expert, including attorneys, City/County land use planners, City/County compliance officers, surveyors, or architects. The depth of our zoning reporting correlates with the scope of this assignment only and this appraisal is not intended to be a final determination of compliance, as we are not experts in this field and that determination is outside the scope of the assignment. The client is advised to obtain a zoning letter from the City/County if further assurance is needed. We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

**Exposure & Marketing Time**

The following information is used to estimate exposure time and marketing time for the subject:

EXPOSURE & MARKETING TIME				
SOURCE		YEAR/QUARTER	MONTHS RANGE	AVERAGE
National Strip Shopping Center	PwC			
Current Quarter		2024 Q1	3.0 to 15.0	8.2
Last Quarter		2023 Q4	2.0 to 15.0	7.9
Four Quarters Ago		2023 Q1	1.0 to 15.0	7.2
Pacific Region Warehouse	PwC			
Current Quarter		2024 Q1	1.0 to 6.0	3.3
Last Quarter		2023 Q4	1.0 to 6.0	3.5
Four Quarters Ago		2023 Q1	1.0 to 6.0	3.3
Improved Sales			2.7 to 7.7	4.6
<b>OVERALL AVERAGE</b>				<b>5.4</b>
Exposure Period Conclusion				12 Months or Less
Marketing Time Conclusion				12 Months or Less

***Exposure & Marketing Time Conclusion***

Considering the previous indicators of marketing times, a reasonable estimate of exposure time for the subject is estimated to be 12 months or less and marketing time of 12 months or less.

**Definition of Market Value**

"The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate."

IRS Regulation §20.2031-1.

## **Property Rights Appraised**

The property rights appraised constitute the leased fee estate interest.

**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.<sup>1</sup>

## **Value Scenarios**

**Retrospective Value** – A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."<sup>2</sup>

---

<sup>1</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

<sup>2</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

## SCOPE OF WORK

---

The scope of work for this appraisal assignment is outlined below:

- ▶ The appraisal analyzes the regional and local area profiles including employment, population, household income and real estate trends. The local area was inspected to consider external influences on the subject.
- ▶ The appraisal analyzes legal and physical features of the subject including site size, improvement size, flood zone, seismic zone, site zoning, easements, encumbrances, site access and site exposure.
- ▶ The appraisal includes a retail market analysis for the Los Angeles Market and Downtown Submarket using vacancy, absorption, supply and rent data. Conclusions were drawn for the subject's competitive position given its physical and locational features, current market conditions and external influences.
- ▶ The appraisal includes a Highest and Best Use analysis and conclusions have been completed for the highest and best use of the subject property As Vacant and As Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject site and existing improvements.
- ▶ In selecting applicable approaches to value, the appraiser considered the agreed upon appraisal scope and assessed the applicability of each traditional approach given the subject's characteristics and the intended use of the appraisal. As a result, this appraisal developed Sales Comparison and Income (Direct Capitalization) Approaches. The values presented represent the Retrospective Value (Leased Fee Estate)
- ▶ The assignment was prepared as an Appraisal Report in accordance with USPAP Standards Rules 2, with the analysis stated within the document and representing a fully described level of analysis. This format is designed to inform the reader of all factors influencing the property's value in a clear and concise manner. The report is also intended to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (if applicable), and Title XI Regulations (if applicable).
- ▶ The author of this report are aware of the Competency Rule of USPAP and meets the standards.

### **Parties Providing Assistance**

No one provided real property appraisal assistance to the individuals signing this report.

**Sources of Information**

Unless otherwise noted later in this appraisal report, the following sources were contacted to obtain relevant information:

INFORMATION PROVIDED	
Property Assessment & Tax	Los Angeles County Assessor
Zoning & Land Use Planning	City of Los Angeles Zoning
Site Size	RealQuest
Building Size	Los Angeles County Assessor
Supply & Demand	CoStar
Flood Map	RealQuest
Demographics	STDB On-Line
Comparable Information	CoStar, public record and local agents
Rent Roll	Client
Lease Documents	Client
Legal Description	Preliminary title report
Income/Expense Statements	Client

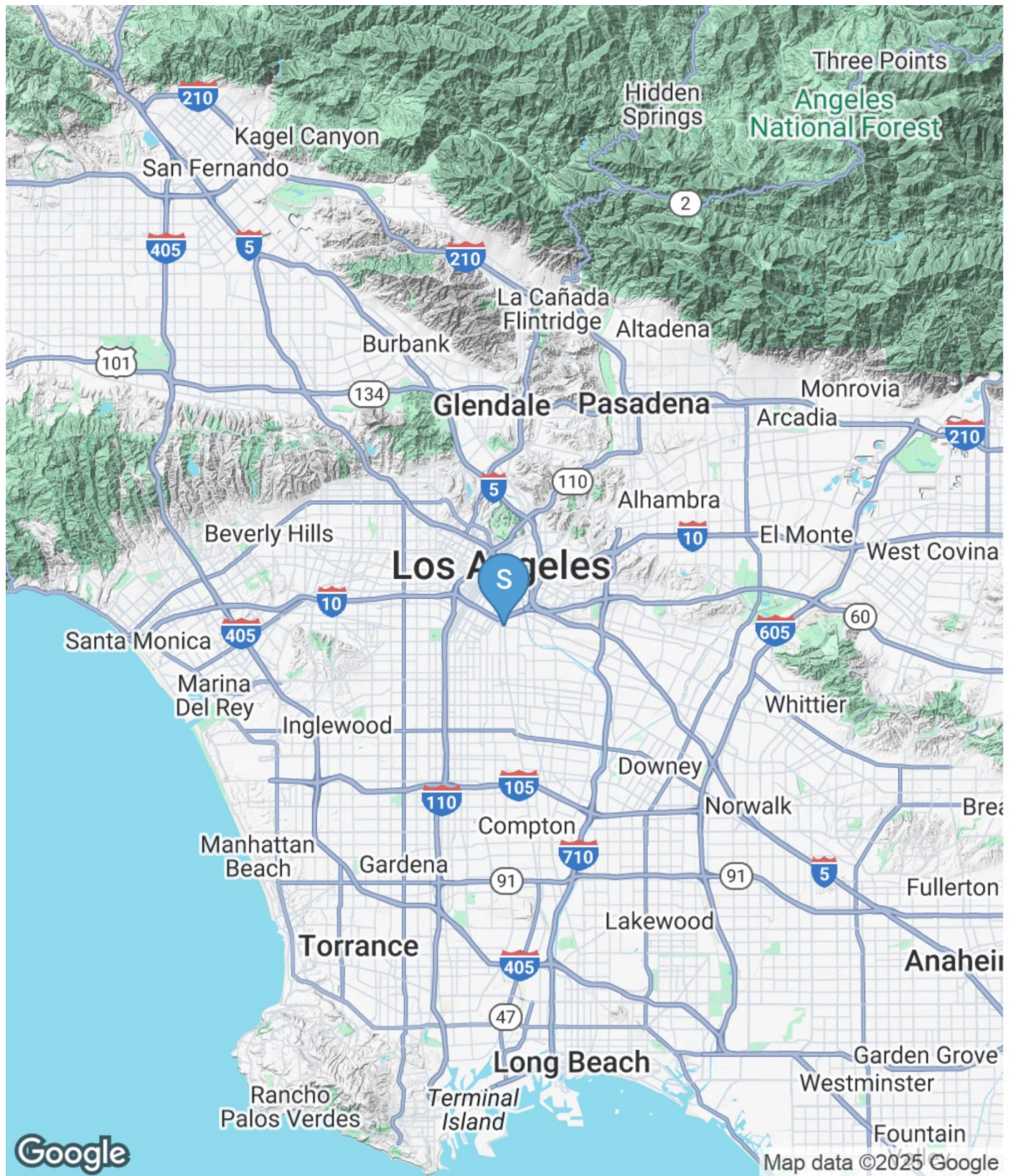
The lack of unavailable items could affect the results of this analysis. As part of the general assumptions and limiting conditions, the subject is assumed to have no adverse easements, significant items of deferred maintenance (unless otherwise noted in the Improvements Description section) or be impacted by adverse environmental conditions.

All necessary information was provided for this analysis.

**Subject Property Inspection**

PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE
Matthew K. Reynolds, MAI	Yes	Exterior	March 17, 2025

# REGIONAL AREA MAP



# REGIONAL AREA ANALYSIS

## **Los Angeles County/LA-Long Beach-Glendale MSA**

The subject is located in Los Angeles County, within incorporated Los Angeles. There are 58 counties within California. Los Angeles County is one of five counties that form the Greater Los Angeles area. Greater Los Angeles, also referred to as the Los Angeles Basin, is comprised of five counties: Los Angeles, Orange, Riverside, San Bernardino and Ventura. Together, these counties compose four Metropolitan Statistical Areas (MSAs). They are as follows: Los Angeles-Long Beach-Glendale, Santa Ana-Anaheim-Irvine, Oxnard-Thousand Oaks-Ventura, and Riverside-San Bernardino-Ontario. The subject is within the Los Angeles-Long Beach-Glendale MSA.

## **Population & Housing**

Los Angeles County is the third largest county comprising the region (4,752 square miles), however, it comprises 53.4% of the total population. Its growth rate is below the other counties, reflecting a lower supply of land remaining for development. The Greater Los Angeles region accounts for nearly half of the state's total population:

2022 POPULATION & HOUSING - GREATER LOS ANGELES						
COUNTY	Total Population	5-Year Change	Total Household	Total Housing Units	Occupied	Vacancy Rate
State Total	39,185,605	-1.4%	38,278,915	14,583,998	13,612,650	6.7%
<b>Los Angeles (4,752 sq mi)</b>	9,861,224	-3.8%	9,649,779	3,635,136	3,443,284	5.3%
Orange (948 sq mi)	3,162,245	-1.6%	3,111,788	1,142,380	1,084,168	5.1%
Riverside (7,308 sq mi)	2,435,525	1.0%	2,398,717	863,784	773,390	10.5%
San Bernardino (20,105 sq mi)	2,187,665	0.7%	2,150,308	740,654	675,032	8.9%
Ventura (2,208 sq mi)	833,652	-2.8%	821,261	294,989	280,427	4.9%
<b>Greater LA Total</b>	18,480,311	-2.3%	18,131,853	6,676,943	6,256,301	6.3%

Source: CA Dept. of Finance

Los Angeles County has a total of 3,635,136 housing units, with an average vacancy rate of 5.3%. According to *Zillow*, the median sale price of a single-family home in Los Angeles County was \$841,358 during October 2023 (most recent figure available). This median reflects a 1.8% increase from the median during the same period in 2022.

## **MSA Employment Trends**

Industry employment in the subject's immediate MSA increased by 1.6% between October 2022 and October 2023. The largest increases were seen in the Education & Health Services, Leisure & Hospitality, Construction, and Trade, Transportation & Utilities sectors, with increase at or above 1.0%.

The seasonally adjusted unemployment rate in Los Angeles County increased over the month to 5.2% in October 2023, from a revised 5.1% in September 2023, and was above the rate of 4.7% one year ago. Civilian employment declined by 10,000 to 4,756,000 in October 2023, while unemployment increased by 2,000 to 261,000. The civilian labor force decreased by 7,000 over the month to 5,018,000 in October 2023. (All of the above figures are seasonally adjusted.) The unadjusted unemployment rate for the county was 5.0% in October 2023. The California seasonally adjusted unemployment rate was 4.8% in October 2023, 4.7% in September 2023, and 4.1% a year ago in October 2022. The comparable estimates for the nation were 3.9% in October 2023, 3.8% in September 2023, and 3.7% a year ago.

A summary of employment by sector for the MSA is shown in the following table:

<b>MSA EMPLOYMENT BY SECTOR</b>		
<b>Sector</b>	<b>Total Jobs</b>	<b>% Change</b>
Education & Health Services	953,300	6.2%
Leisure & Hospitality	557,500	5.6%
Other Services	161,400	2.5%
Construction	154,700	1.0%
Trade, Transportation & Utilities	852,700	1.0%
Government	578,100	0.9%
Finance	218,900	0.9%
Professional & Business Services	684,200	0.2%
Manufacturing	320,100	-1.1%
Information	205,000	-12.7%
<b>Total</b>	<b>4,692,600</b>	<b>1.6%</b>

Source: CA Employment Development Dept. (LA-Long Beach MSA - October 2023)

**Top Employers**

A summary of the top employers for Los Angeles County is shown in the following table:

<b>LARGEST EMPLOYERS - LOS ANGELES COUNTY</b>		
<b>Employer Name</b>	<b>Location</b>	<b>Industry</b>
Ahmc Healthcare Inc	Alhambra	Hospitals
All Nations Church	Lake View Terrace	Churches
American Honda Motor Co Inc	Torrance	Automobile & Truck Brokers (Whls)
California Institute of Tech	Pasadena	Schools-Universities & Colleges Academic
California State-Northridge	Northridge	Schools-Universities & Colleges Academic
Cedars-Sinai Medical Ctr	West Hollywood	Hospitals
Century Plaza Towers	Los Angeles	Office Buildings & Parks
Edison Carrier Solutions	Rosemead	Electric Companies
Fx Networks Llc	Los Angeles	Television-Cable & CATV
Kaiser Sunset	Los Angeles	Hospitals
Lac & Usc Medical Ctr	Los Angeles	Hospitals
Long Beach City Hall	Long Beach	City Government-Executive Offices
Long Beach Memorial Med Ctr	Long Beach	Hospitals
Los Angeles County Sheriff	Monterey Park	Sheriff
Nestle USA Inc	Glendale	Food Products & Manufacturers
Paramount Petroleum Corp	Paramount	Asphalt & Asphalt Products-Manufacturers
Pomona Valley Hospital Med Ctr	Pomona	Hospitals
Pro Parts	Canoga Park	Automobile Parts-Used & Rebuilt (Whls)
Providence Holy Cross Med Ctr	Sylmar	Health Services
Santa Monica College	Santa Monica	Schools-Universities & Colleges Academic
Sony Pictures Entertainment	Culver City	Motion Picture Producers & Studios
Specair	Gardena	Manufacturers
Ucla	Los Angeles	Schools-Universities & Colleges Academic

Source: <http://www.labormarketinfo.edd.ca.gov/majorer/MajorER.asp>

***Economy***

The following are excerpts from CoStar regarding the economy for the region.

The Los Angeles economy is vast and comprises substantial portions of the national entertainment, tourism, international trade, fashion, and aerospace industries. An abundance of creative workers and entrepreneurship lends itself to elevated levels of business formation and self-employment. The demographics are diverse in racial and ethnic composition, educational attainment, income, and wealth. L.A. has several major talent generators, including top-tier universities such as USC, UCLA, and Cal Tech that support a growing tech ecosystem.

The labor market is not as tight as other parts of the country and job growth lags due to population losses. Disputes between workers and employers have arisen across various industries, including writers and actors in entertainment, dockworkers and delivery drivers in transportation, and hotel staff in hospitality. While each dispute is occupation-specific, the disputes are further escalated by Los Angeles' high cost of living, which is due to the challenges of building more housing. Companies often cite the challenges in hiring as a motivating factor to relocate to other parts of the country.

The post-pandemic recovery in employment levels was slow relative to the nation due to an acceleration of population losses. Nonfarm payrolls recovered to their February 2020 levels in late 2022, whereas stronger population growth markets experienced more rapid recoveries. The composition of employment by sector has shifted. Most notably, transportation firms have grown payrolls by 12% since February 2020, while information, which includes motion picture and sound recording, payrolls are 10% lower.

The transportation sector sustained growth through the pandemic, as warehousing demands increased by retailers and ecommerce operators. Much of the demand draws from the ports of Los Angeles and Long Beach, which rank first and second in the U.S. in terms of annual containers (TEUs) handled. The twin ports handled 19 million containers in 2022, which if combined, would make them the fifth-busiest port in the world. However, the ports face several potential challenges and trade flows have sharply fallen. Some trade is being diverted to the East Coast, which has been facilitated by the expansion of the Panama Canal in 2016 and which can place many items closer to their destination. U.S. imports from China, a significant place of origin for goods entering through L.A.'s ports, have also been declining since tariffs were imposed in 2018.

The entertainment business is vital to the Los Angeles economy. Los Angeles has benefited from the boom in content creation and social media over the past 10 years. However, programming for the next 12 months will likely be affected by the writer's and actor's strikes.

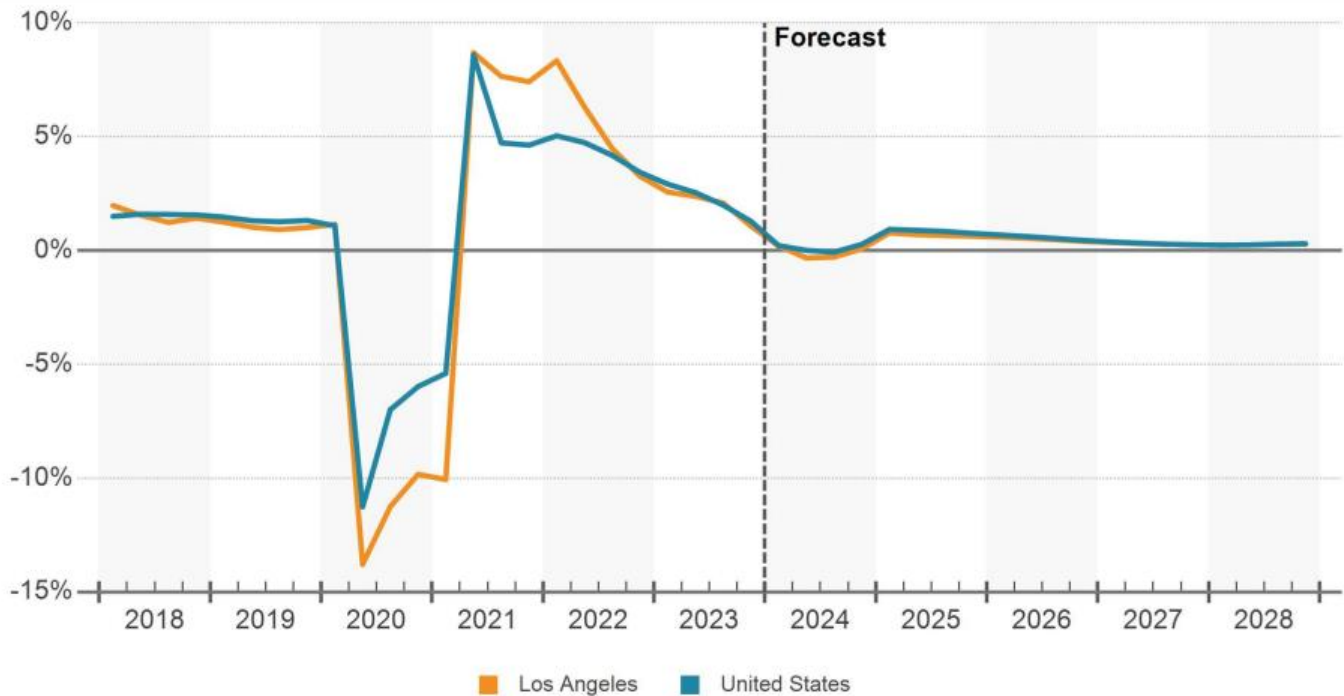
Tourism is also important for the local economy. Stores, restaurants, and lodging in tourist hotspots like Downtown L.A., Hollywood, Beverly Hills, and Santa Monica are dependent on tourists spending. Los Angeles has more than 50 million visitors per year, but hotel occupancy rates have yet to recover to pre-pandemic levels.

## LOS ANGELES EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	318	0.8	-2.06%	-0.05%	-1.68%	0.71%	-0.72%	0.08%
Trade, Transportation and Utilities	844	1.0	0.71%	0.17%	0.62%	1.06%	-0.07%	0.14%
Retail Trade	414	0.9	1.75%	0.47%	0.12%	0.24%	-0.21%	0.09%
Financial Activities	218	0.8	0.13%	0.54%	0.29%	1.46%	0.03%	0.15%
Government	568	0.8	0.77%	1.53%	0.46%	0.37%	0.18%	0.40%
Natural Resources, Mining and Construction	150	0.6	-1.25%	1.40%	2.22%	2.33%	0.23%	0.29%
Education and Health Services	929	1.2	3.82%	3.01%	2.80%	1.87%	0.95%	0.66%
Professional and Business Services	679	1.0	0.47%	0.71%	1.30%	2.01%	-0.06%	0.51%
Information	220	2.4	-5.57%	-2.74%	0.91%	1.09%	0.77%	0.34%
Leisure and Hospitality	550	1.1	3.74%	2.93%	2.03%	1.48%	1.11%	0.82%
Other Services	159	0.9	1.39%	1.66%	0.64%	0.64%	0.09%	0.27%
<b>Total Employment</b>	<b>4,636</b>	<b>1.0</b>	<b>1.05%</b>	<b>1.26%</b>	<b>1.12%</b>	<b>1.30%</b>	<b>0.33%</b>	<b>0.41%</b>

Source: Oxford Economics  
LQ = Location Quotient

## JOB GROWTH (YOY)

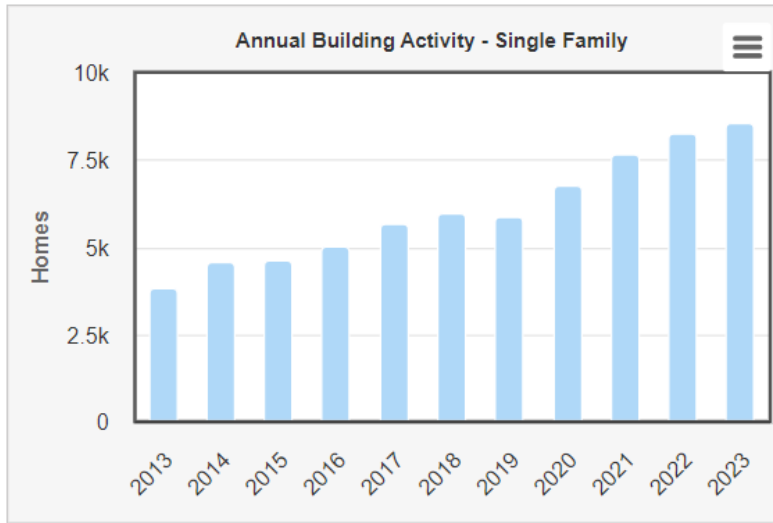


Source: Oxford Economics

**Building Permits**

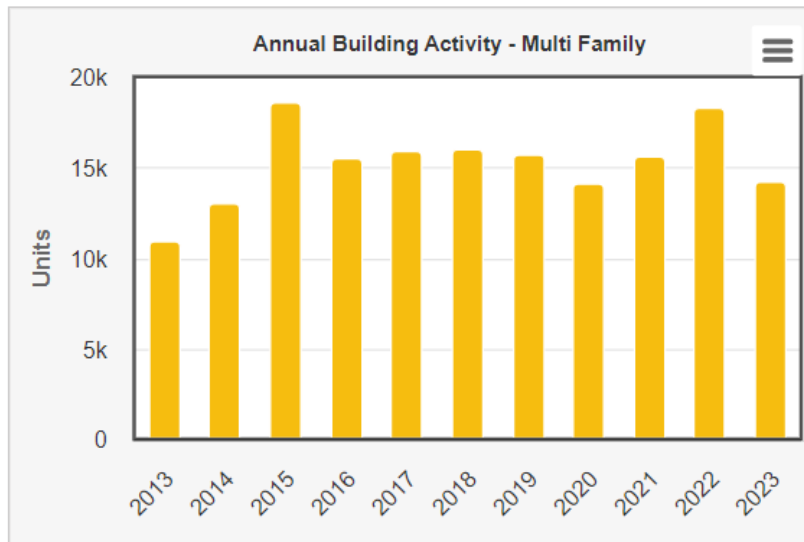
Another economic indicator is trends in residential building permits. When building permits are issued, construction employment increases as homes are constructed. Other real estate-related employment sectors have increases following construction as properties are sold or leased. Other retail sector jobs are then created once residential units are occupied by owners or renters.

The following tables summarize permit activity in Los Angeles County as of November 2023.



Data Source: U.S. Census Bureau, Building Permits Survey

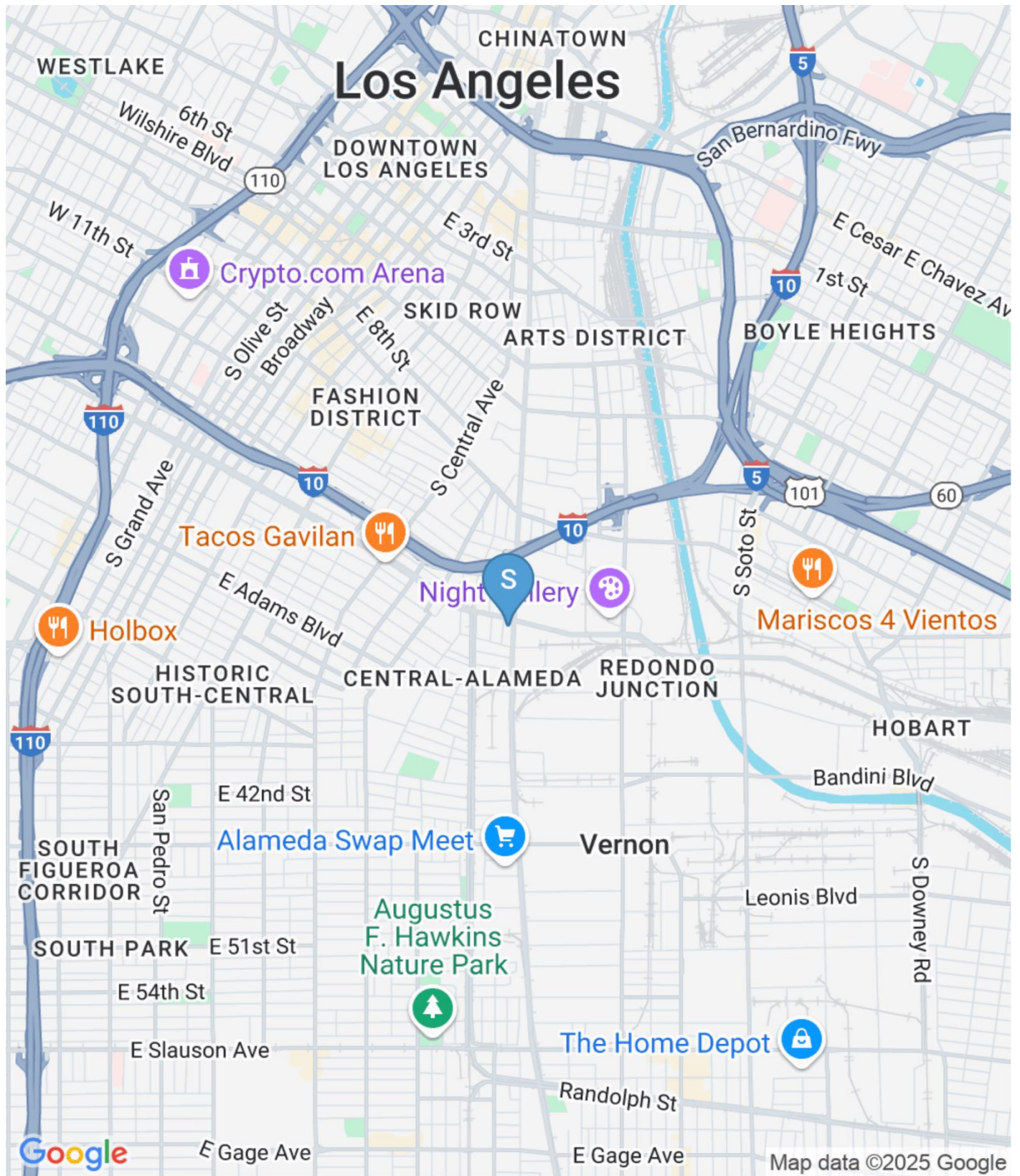
Note: Data for 2023 is preliminary, through November 2023



Data Source: U.S. Census Bureau, Building Permits Survey

Note: Data for 2023 is preliminary, through November 2023

# LOCAL AREA MAP



# LOCAL AREA ANALYSIS

---

## **Overview**

The subject property is located in the city of Los Angeles within the Downtown Submarket. Los Angeles was incorporated in April 1850 and currently covers an area of approximately 503 square miles. It is located in the southwest area of Los Angeles County, approximately 32.4 miles northwest of Downtown Los Angeles. The city is bordered by the cities of Glendale to the north, Vernon to the south, East Los Angeles to the east and West Hollywood/Silver Lake to the west. Los Angeles is a leading world center of business, international trade, entertainment, culture, media, fashion, science, sports, technology, and education.

## ***Transportation***

The city is served by many freeways. The 91 (Riverside Freeway) borders the city to the south, the 605 (San Gabriel Freeway) is at the city's western border and Interstate 5 (Santa Ana Freeway) extends northwest/southeast through the city. Interstate 105 (Century) Freeway runs from Norwalk to the Los Angeles International Airport (LAX). Interstate 405 runs through the west end of the area paralleling the coastline. With Los Angeles' central location in the county, a plethora of other interstates and freeways are easily accessible.

The Los Angeles Metro Rail is an urban rail transit system serving Los Angeles County. It consists of seven lines, including five light rail lines (the A, C, E, K, L lines) and two rapid transit (known locally as a subway) lines (the B and D lines) serving 99 stations. It connects with the Metro Busway bus rapid transit system (the G and J lines), the Metrolink commuter rail system, and several Amtrak lines. Metro Rail is owned and operated by the Los Angeles County Metropolitan Transportation Authority (Metro) and started service in 1990. It has been extended significantly since that time and several further extensions are either in the works or being considered. In 2022, the system had a ridership of 57,299,800, or about 174,300 per weekday as of the fourth quarter of 2022.

## ***Commercial Real Estate Development***

Below is a summary of commercial real estate sectors for the subject's market from the most recent *CoStar* market reports. It is noted that a more detailed analysis of statistics for the subject's property type for the market and submarket is shown in the following Market Analysis section:

The *Los Angeles Industrial Market* is at the center of the 2 billion-SF Southern California industrial market and is a key U.S. industrial hub. Demand draws from the 20 million Southern California residents and from goods entering the twin ports of Los Angeles and Long Beach, which combined handle nearly a third of all imports to the United States. Since reaching record-high occupancy levels and rent growth in early 2021, demand for industrial properties has softened due to a slowing in domestic spending on consumer goods and a sharp decline in imports entering the ports from Asia. Loaded inbound containers have declined by 20% year-to-date compared to the same period in 2022, while the vacancy rate has risen to 4.2% from 2.4% a year ago. Trade-dependent submarkets such as Vernon, Commerce, and Central Los Angeles have experienced the steepest increase in vacancies. Logistics tenants have downsized as they shift their focus from growth to efficiency, often vacating older, less functional industrial properties in these submarkets. Increasing available space is helping tenants negotiate new leases with friendlier terms. Excluding renewals, leasing volume from new leases year-to-date is 5% above 2019-levels, representing an increase in leasing volume of nearly 2 million SF. However, the amount of available space has grown to 60.1 million SF from 42.7 million SF over the same period, causing landlords to taper the pace of rent growth. Year-over-year rent growth has decelerated to 3.7% compared to 12.5% one year ago. However, even these figures mask the true shift in momentum, as

most of the market's most recent year-over-year rent gains were achieved in late 2022 and early 2023. Asking rents fell by 0.1% percent during the third quarter.

The *Los Angeles Office Market* continues to face pains not seen in decades in the fourth quarter. Vacancy, 15.6%, is at its highest level since 1993 and up from 10.1% in early 2020. Recent leasing activity continues at a pace below historical activity, with year-to-date volumes trending around three-quarters of the average activity seen during 2015-19, the five years preceding the pandemic. Tenant commitments have, at best, mitigated the continued rise in vacancy, as numerous tenants continue to vacate or downsize space, whether upon lease expiration or posting space on the sublease market to recoup real estate costs. Sublease space, 11.6 million SF, although having reached a plateau in 2023, is still near its highest level recorded on CoStar and represents 2.6% of inventory. Looking ahead, the outlook for occupancies remains bleak, with vacancy anticipated to continue to reach new heights in the coming years. Rents have seen little movement since early 2020 and have witnessed losses of -0.4% during the past 12 months. Considering the market's weakness, one may have thought landlords would have reduced asking rates further during this time. However, rents can only go so low before executing leases fail to make financial sense. In the current environment, many tenants expect elevated concessions and more tenant improvement dollars than obtained before 2020. Inflation in tenant build-out costs during the past several years has also added pressure to lease economics. According to local market experts, even 10-year leases may have to offer packages worth five to six years of the total rent collected during the lease to attract tenants. Weak market conditions have resulted in developers exercising restraint when commencing new office projects, which has allowed the space under construction, 3.5 million SF, to come down from a recent high of 8.8 million square feet in 2020. Office starts over the past 12 quarters, just over 4.4 million SF, is 40% of the starts activity seen from 17Q4 through 20Q1, the peak 12-quarter period for starts during the last development cycle. Except for 1950 Avenue of the Stars, a 731,000-SF tower underway in Century City, most speculative projects have been small-to-mid-sized midrise creative office projects hoping to attract tenants with the latest generation space. Developers have noticed that newer buildings have fared better with tenant interest since early 2020.

The *Los Angeles Retail Market* continues to grapple with negative demand in response to six consecutive years of population losses and a slow recovery in tourism. Most recently, absorption, which slightly recovered in 2022, has declined by 440,000 SF over the past 12 months, similar to the annual pace from 2018 to 2021. At the same time, rising interest rates are weighing on business formation. Leasing volume from new leases is approximately 10% lower year-to-date compared to the same period in 2022. Availability rates in aggregate have seesawed during this same period as an overwhelming amount of recently vacated space has come from big box store closings, including Sears, which in many cases are not available to lease. Similar to the national trend, availability in spaces over 25,000 SF had been rising for most of the past two years but declined last quarter largely because Target leased 126,000 SF in El Monte at a former Sears Outlet store. The lease is more of an anomaly than a trend as Target announced plans to close stores in major markets and few other retailers are leasing spaces this size. Availability has also risen in smaller spaces, particularly in those ranging from 5,000 SF to 10,000 SF. While demand on the whole has been negative, shifts in post-pandemic shopping behavior have benefitted neighborhood centers. Availabilities in neighborhood centers, which have benefitted from strong demand from a diverse array of tenants including grocers, are declining. Consumer foot traffic has shown a clear preference for convenient centers with easy access and multiple shopping methods. Fitness companies, such as Planet Fitness and Gold's Gym, and boutique gyms, have been actively leasing space in neighborhood centers this year. This trend has benefited demand for retail in suburban submarkets, such as Mid-Cities, Antelope Valley, and those in the San Gabriel Valley, where neighborhood centers make up a larger proportion of the retail inventory. Conversely, availabilities are growing in malls and power centers.

Submarkets in the West, where tech and financial firms are clustered, are experiencing softer demand as workers are spending fewer days near their offices. Overnight travelers also help drive demand to these submarkets, such as the Downtown L.A. and Santa Monica Submarkets. However, tourism remains below pre-pandemic levels due to a slower recovery from international and business travel.

**Demographics**

The following information reflects the demographics for the subject’s area.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILE	5 MILE	DESCRIPTION	1 MILE	3 MILE	5 MILE
<b>POPULATION TOTAL</b>				<b>HOUSEHOLDS</b>			
2010 Census	18,423	375,506	1,257,595	2010 Census	4,098	104,095	357,643
2020 Census	19,083	395,320	1,261,476	2020 Census	4,422	123,855	393,761
2024 Estimate	18,354	393,027	1,238,000	2024 Estimate	4,409	129,186	402,086
2029 Projection	18,171	394,599	1,235,504	2029 Projection	4,504	136,116	418,446
Δ 2010-2020	3.58%	5.28%	0.31%	Δ 2010-2020	7.91%	18.98%	10.10%
Δ 2020-2024	(3.82%)	(0.58%)	(1.86%)	Δ 2020-2024	(0.29%)	4.30%	2.11%
Δ 2024-2029	(1.00%)	0.40%	(0.20%)	Δ 2024-2029	2.15%	5.36%	4.07%
Total Daytime Population	33,335	573,846	1,272,989	<b>HOUSEHOLDS BY INCOME (2024 ESTIMATE)</b>			
<b>HOUSING UNITS</b>				<b>&lt;\$15,000</b>			
Total (2024 Estimate)	4,573	144,673	435,193	\$15,000 - \$24,999	10.9%	9.6%	9.0%
Owner Occupied	23.0%	14.7%	19.7%	\$25,000 - \$34,999	11.7%	8.9%	9.1%
Renter Occupied	73.4%	74.6%	72.6%	\$35,000 - \$49,999	15.2%	10.2%	11.4%
Vacant Housing Units	3.6%	10.7%	7.6%	\$50,000 - \$74,999	17.5%	14.1%	16.3%
Total (2029 Projection)	4,649	148,311	445,775	\$75,000 - \$99,999	11.5%	11.0%	12.6%
Owner Occupied	23.5%	15.0%	20.1%	\$100,000 - \$149,999	11.9%	13.3%	13.8%
Renter Occupied	73.3%	76.8%	73.8%	\$150,000 - \$199,999	4.3%	7.2%	6.6%
Vacant Housing Units	3.1%	8.2%	6.1%	\$200,000+	4.2%	6.9%	6.0%
<b>AVERAGE HOUSEHOLD INCOME</b>				<b>AVERAGE HOUSEHOLD SIZE</b>			
2024 Estimate	\$71,036	\$82,453	\$81,151	2024 Estimate	3.98	2.81	2.97
2029 Projection	\$86,230	\$98,892	\$97,208	2029 Projection	3.86	2.67	2.85
Δ 2024-2029	21.39%	19.94%	19.79%	Δ 2024-2029	(3.02%)	(4.98%)	(4.04%)
<b>MEDIAN HOUSEHOLD INCOME</b>				<b>MEDIAN HOME VALUE</b>			
2024 Estimate	\$49,249	\$53,329	\$56,321	2024 Estimate	\$584,251	\$694,675	\$702,058
2029 Projection	\$58,398	\$65,363	\$68,100	2029 Projection	\$729,614	\$917,610	\$895,542
Δ 2024-2029	18.58%	22.57%	20.91%	Δ 2024-2029	24.88%	32.09%	27.56%
<b>PER CAPITA INCOME</b>				<b>AVERAGE HOME VALUE</b>			
2024 Estimate	\$19,315	\$27,797	\$26,593	2024 Estimate	\$633,983	\$826,331	\$806,837
2029 Projection	\$24,593	\$34,811	\$33,163	2029 Projection	\$928,816	\$1,101,692	\$1,059,501
Δ 2024-2029	27.33%	25.23%	24.71%	Δ 2024-2029	46.50%	33.32%	31.32%

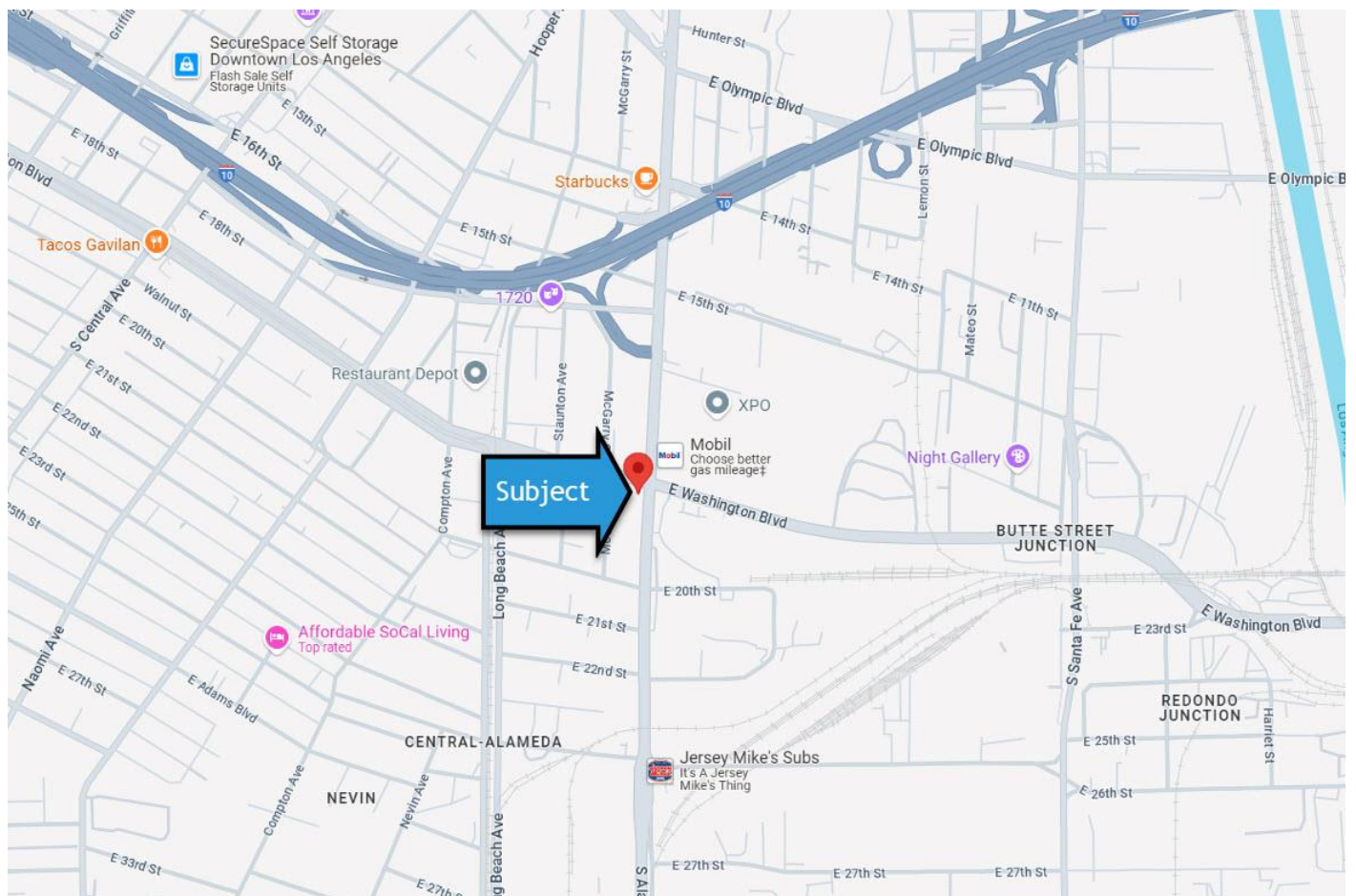
Source: Sites To Do Business Online

As shown in the previous table, the market area has experienced low population growth. Median household incomes are estimated at \$49,249 in the 1.0-mile ring, \$53,329 in the 3.0-mile ring and \$56,321 in the 5.0-mile ring. A majority of housing units are occupied by renters in the 5.0-mile radius. Median home value estimates are highest in the 5.0-mile ring.

## Immediate Neighborhood

The subject is located in an industrial and commercial node along the southwestern corner of South Alameda Street and East Washington Boulevard in Los Angeles. Major transportation arterials in the immediate neighborhood are Washington Boulevard, Alameda Street, Long Beach Avenue and Olympic Boulevard. The subject has good freeway linkage as Interstates 5, 10 & 110 and State Routes 60 & 101, are in proximity to this area of Los Angeles. The immediate area is nearly 100% built-out. The majority of the developments in the area were built between the 1930's and the 1960's, with average appeal levels. Any new development in the area will primarily come from redeveloping/razing existing buildings. The subject is surrounded by industrial developments. Overall, the subject conforms well to other properties in the area.

The following is an immediate neighborhood map:



## Area Summary

The neighborhood is an established industrial/commercial area of Los Angeles. The outlook for the neighborhood is for relatively stable performance with only moderate improvement over the next several years. As a result, the demand for existing developments is expected to be adequate. The overall long-term outlook for the region and market area is moderate to strong economic growth. Additional information relating to the competitive position of the subject is provided in the Market Analysis section.

# SITE DESCRIPTION

The subject property consists of one parcel with a total site area of 57,603 SF (1.32 AC) which is based on information obtained from RealQuest. It is perceived that there is no surplus or excess land at the subject. For the purposes of this report, we have relied on this site area and reserve the right to amend our analysis upon receipt of a formal legal plan.

<b>Number of Parcels</b>	1	
<b>Assessor Parcel</b>	5167-013-031	
<b>Land Area</b>	Square Feet	Acres
Usable Site Size	57,603	1.32
<b>Total Land Area</b>	57,603	1.32
<b>Excess/Surplus Land</b>	No	
<b>Corner</b>	Yes	
<b>Site Topography</b>	Level at street grade	
<b>Site Shape</b>	Rectangular	
<b>Site Quality</b>	Average	
<b>Site Access</b>	Average	
<b>Site Exposure</b>	Good	
<b>Site Utility</b>	Average	
<b>Utilities</b>	All available	

## Adjacent Properties

North	East Washington Boulevard followed by an industrial building
South	Industrial/commercial building
East	South Alameda Street followed by a truck terminal property
West	McGary Street followed by industrial development

**Accessibility** Access to the subject site is considered average overall.

## STREET & TRAFFIC DETAIL

Street Improvements	Type	Direction	Lanes	Lights	Curbs	Sidewalks	Signals	Median	Parking	Center Lane	Bike Lane	
South Alameda Street	Major arterial	Two-Way	4	x	x	x	x		x	x		
East Washington Boulevard	Major arterial	Two-Way	4	x	x	x	x			x		
McGary Street	Connector	Two-Way	2		x	x			x			
<b>Frontage</b>												
South Alameda Street	315 feet+/-											
East Washington Boulevard	200 feet+/-											
McGary Street	315 feet+/-											
<b>Traffic Counts</b>												
	Cross Street	Date	Source									Count
South Alameda Street	East 20th Street	2022	CoStar									34,437
East Washington Boulevard	East Long Beach Avenue	2022	CoStar									25,884
<b>TOTAL</b>										<b>60,321</b>		

**Exposure & Visibility**

Exposure of the subject is good.

**Flood Plain**

Zone X (Unshaded). This is referenced by Panel Number 060137-06037C1638G, dated December 21, 2018. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local storm water drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25% of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1% and 0.2% annual chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

**Seismic**

The subject is in a highest risk area. While properties in California are considered high risk, it may or may not be identified as being located in Alquist-Priolo Earthquake Special Studies Zone. The Alquist-Priolo Special Studies Zone Act of 1972 was enacted by the State of California to regulate development near active earthquake faults. The Act required the State Geologist to delineate earthquake fault zones along known faults in California. Cities and counties affected by the identified zones must limit certain development projects within the zones unless geologic investigation demonstrates that the sites are not threatened by surface displacement from future faulting. The Alquist-Priolo maps identify areas at risk of having surface ruptures; they do not address seismic risk due to soil composition or distance from an active fault. According to information provided by the California Department of Conservation, the subject property is not located within the boundaries of an Alquist-Priolo Earthquake Special Studies Zone. The appraisers are not qualified in the determination of seismic risk, and the client is advised to consult a geotechnical expert in the determination of seismic risk.

**Easements**

Based on the provided preliminary title report, and an on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there are no adverse easements present. If questions arise, further research is advised.

**Soils**

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

**Hazardous Waste**

I have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

**Site Rating**

Overall, the subject site is considered average as a retail site in terms of its location, exposure and access to employment, education and shopping centers, based on its location along a major arterial.



# ZONING MAP

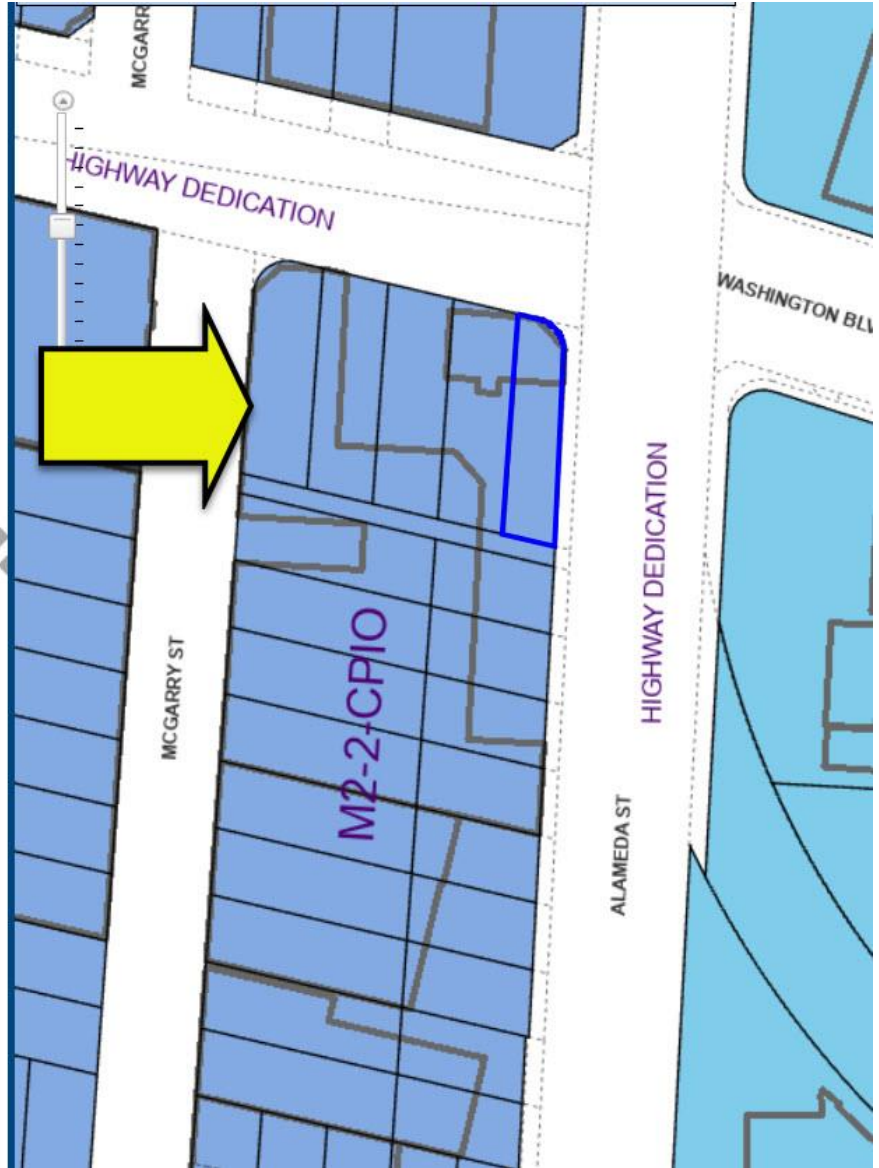
Site Address	1901 S ALAMEDA ST
Site Address	1907 S ALAMEDA ST
Site Address	1911 S ALAMEDA ST
ZIP Code	90021
ZIP Code	90058
PIN Number	118-5A215 21
Lot/Parcel Area (Calculated)	3,913.5 (sq ft)
Thomas Brothers Grid	PAGE 674 - GRID G1
Assessor Parcel No. (APN)	5167013031
Tract	WEISS TRACT NO. 2
Map Reference	M B 2-42
Block	None
Lot	FR 62
Arb (Lot Cut Reference)	None
Map Sheet	118-5A215

▶ Jurisdictional

▶ Permitting and Zoning Compliance

▼ Planning and Zoning

Special Notes	None
Zoning	M2-2-CPIO
Zoning Information (ZI)	<a href="#">Z1-2452 Transit Priority Area in the City of Los Angeles</a>
Zoning Information (ZI)	<a href="#">Z1-2427 Freeway Adjacent Advisory Notice for Sensitive Uses</a>
Zoning Information (ZI)	<a href="#">Z1-2517 Al Fresco Ordinance within Planning Overlay and/or the Coastal Zone (Ordinance 188073)</a>
Zoning Information (ZI)	<a href="#">Z1-2488 Redevelopment Project Area: Council District 9</a>
Zoning Information (ZI)	<a href="#">Z1-1231 Specific Plan: South Los Angeles Alcohol Sales</a>
Zoning Information (ZI)	<a href="#">Z1-2498 Local Emergency Temporary Regulations - Time Limits and Parking Relief - LAMC 16.02.1</a>
Zoning Information (ZI)	<a href="#">Z1-2483 Community Plan Implementation Overlay: Southeast Los Angeles</a>
Zoning Information (ZI)	<a href="#">Z1-2374 State Enterprise Zone: Los Angeles</a>
General Plan Land Use	Light Industrial
General Plan Note(s)	Yes
Minimum Density Requirement	No
Hillside Area (Zoning Code)	No
Specific Plan Area	SOUTH LOS ANGELES ALCOHOL SALES
Subarea	None
Special Land Use / Zoning	None
Historic Preservation Review	No
HistoricPlacesLA	No
CDO: Community Design Overlay	None



# FLOOD MAP

## Flood Map Report

For Property Located At



1901 S ALAMEDA ST, LOS ANGELES, CA 90058-1037

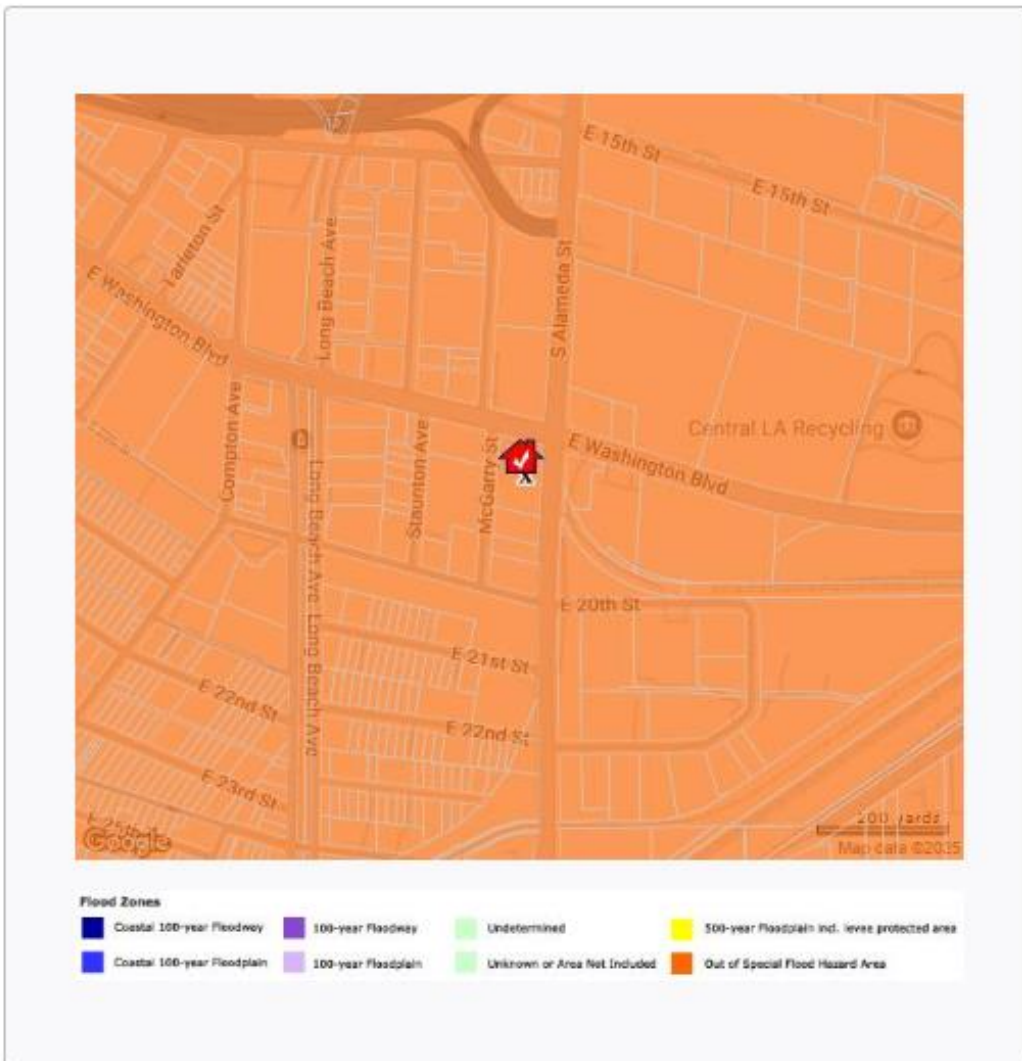
Report Date: 03/14/2025

County: LOS ANGELES, CA

Flood Zone Code	Flood Zone Panel	Panel Date
X	060137 - 06037C1638G	12/21/2018
Special Flood Hazard Area (SFHA) Within 250 ft. of multiple flood zones?		Community Name
Out	No	LOS ANGELES

### Flood Zone Description:

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



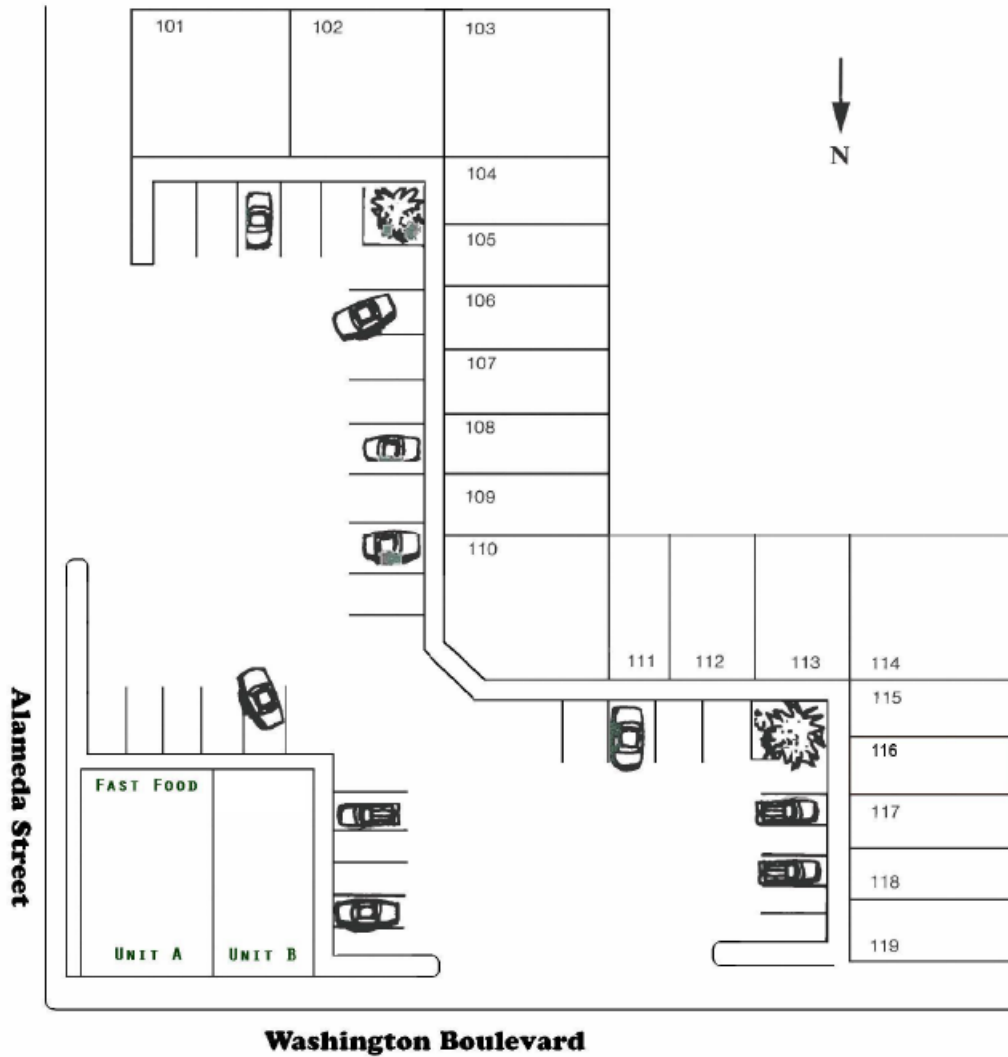
# FAULT ZONE MAP

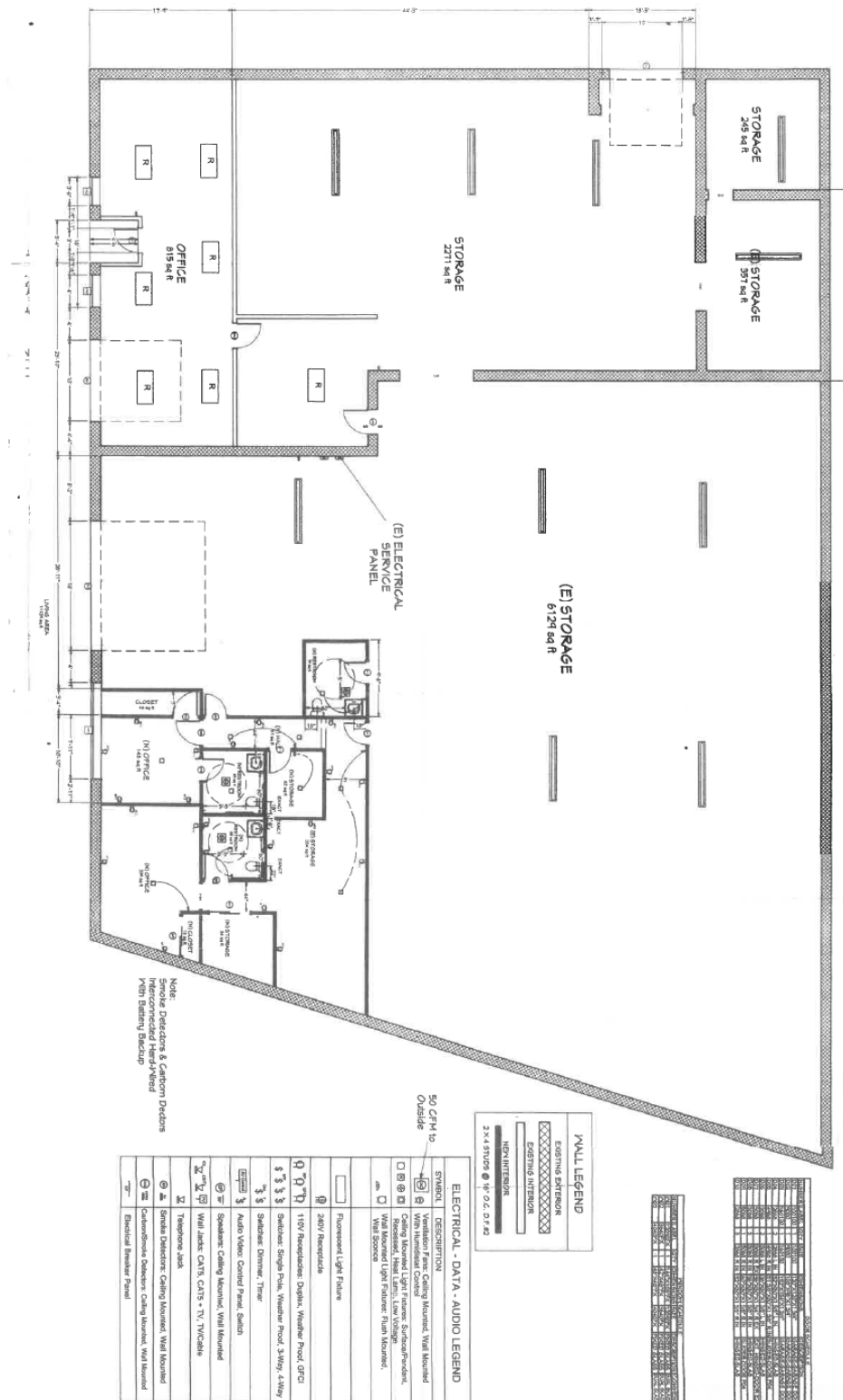
The map displays a street grid with several parcels. Parcel 1901 is highlighted in cyan. The information panel on the right provides the following details:

Address:	
Search: 1901 S Alameda St, Lo... <input type="text"/>	
Zoom to	<input type="text"/>
APN	5167013031
City	LOS ANGELES
Fault Zone	This parcel is NOT WITHIN an Earthquake Fault Zone.
Liquefaction Zone	This parcel is NOT WITHIN a Liquefaction Zone.
Landslide Zone	This parcel is NOT WITHIN a Landslide Zone.

# FLOOR PLANS/SITE PLAN

1901 S. Alameda Street  
Los Angeles, CA 90058





Industrial Building Located on McGary Street

# IMPROVEMENT DESCRIPTION

---

**Overview** The subject is a three-building retail and industrial development located in Los Angeles, California. The improvements were constructed in 1927 with renovations to date. Together the improvements total 33,249 square feet (SF) and are situated on a 1.3224-acre site (57,603 SF). The improvements are comprised of two multi-tenant retail building and an industrial building. The improvements are average quality and in average condition. The subject is currently 100.0% occupied by multiple tenants.

<b>Property Type</b>	Retail - Retail Strip Center & Industrial Building	
<b>Tenancy</b>	Multi-Tenant	
<b>Net Rentable Area (NRA)</b>	33,249	
<b>Gross Building Area (GBA)</b>	33,249	
<b>Ground Floor SF</b>	33,249	
<b>Total Buildings</b>	3	<i>*2 Retail &amp; 1 Industrial</i>
<b>Floors</b>	1	
<b>Year Built</b>	1927 with renovations over time	
<b>Age/Life Analysis</b>		
Actual Age	97	
Effective Age	25	
Economic Life	55	
Remaining Useful Life	30	
<b>Overall Building Quality</b>	Average	
<b>Overall Building Condition</b>	Average	
<b>Overall Building Appeal</b>	Average	
<b>Land to Building Ratio</b>	1.73 : 1	
<b>Site Coverage Ratio</b>	57.72% (Based On Total Overall Site Area)	
<b>Floor Area Ratio (FAR)</b>	0.58	
<b>Total Parking Spaces</b>	44 - Surface spaces	
<b>Parking Ratio</b>	1.3 / 1,000 SF NRA	

**Size** The following sources of size information were considered:

RealQuest/County record:	52,094 square feet
CoStar:	24,550 square feet
Appraiser Measurements:	Did not measure
Rent Roll:	33,249 square feet
<b>Rentable Size Used:</b>	<b>33,249 square feet</b>

The following is a summary of each subject building:

BUILDING INFORMATION							
BUILDING	TYPE	GBA	NRA	OFFICE		CLEAR	LOADING
				BUILD	FLOORS	HEIGHT	DOORS
1901	Retail	19,604	19,604	N/A	1	N/A	2
1907	Retail	2,145	2,145	N/A	1	N/A	0
1920	Industrial	11,500	11,500	20.0%	1	12' - 14'	3
<b>TOTAL</b>		<b>33,249</b>	<b>33,249</b>				

*The Improvement description below is based on information and photos provided from online sources such as CoStar, LoopNet, Crexi, etc. We assume these photos depict the subject's condition and interior features at the time of our valuation date (January 7, 2024).*

<b>Foundation</b>	Concrete slab
<b>Framing/Exterior Walls</b>	Wood framing with painted stucco exterior
<b>Roof</b>	Flat
<b>Elevator</b>	None
<b>Heating, Ventilation, &amp; Air Conditioning (HVAC)</b>	Roof-mounted units
<b>Insulation</b>	Assumed to be standard and to code for both walls and ceilings
<b>Lighting</b>	Primarily fluorescent and incandescent fixtures
<b>Electrical</b>	Assumed adequate and to code
<b>Interior Walls</b>	Unknown
<b>Doors and Windows</b>	Standard storefront windows and doors, glass in aluminum frames
<b>Ceilings</b>	Unknown
<b>Plumbing</b>	Unknown
<b>Floor Covering</b>	Unknown

<b>Fire Protection</b>	Unknown
<b>Interior Finish/Build-Out</b>	The subject buildings are average quality/condition. The interior finish of the two retail buildings feature a variety of build-outs including retail sales, restaurants and office/flex. The industrial building features 20% office finish (estimated), 12' to 14' clear heights and three loading doors.
<b>Site Improvements</b>	The parking lot is improved with an asphalt paved surface, striping, pole-mounted lights (on building), extruded curbing, and concrete sidewalks.
<b>Landscaping</b>	There are a few trees in planters around the site. Overall landscaping is minimal.
<b>Signage</b>	There is building mounted signage for the tenants that is visible from South Alameda Street.
<b>Parking</b>	There are 44 surface parking spaces, or 1.3 spaces per 1,000 square feet.
<b>Site Coverage Ratio</b>	57.7% (33,249 SF footprint / 57,603 SF site)
<b>Deferred Maintenance</b>	No significant forms of deferred maintenance were noted on the property inspection. A full inspection by a qualified inspector is recommended if further assurance is needed.
<b>Functional Design</b>	The building has a functional retail design with typical site coverage and adequate on-site parking. The overall functional design is rated as average.
<b>ADA Comment</b>	This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section.
<b>Hazardous Materials</b>	A Phase I report was not provided. This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) unseen asbestos and mold. Please refer to the Assumptions and Limiting Conditions section regarding this issue.
<b>Summary</b>	The information presented above is a basic description of the subject property improvements. This information is utilized in the valuation of the property. Reliance has been placed upon information provided by the owner (or owner's representative) and other sources deemed to be reliable. It is assumed that there are no hidden defects, and that all structural components are functional and operational. If questions arise regarding the integrity of the structure or its operational components, consult additional professional resources.

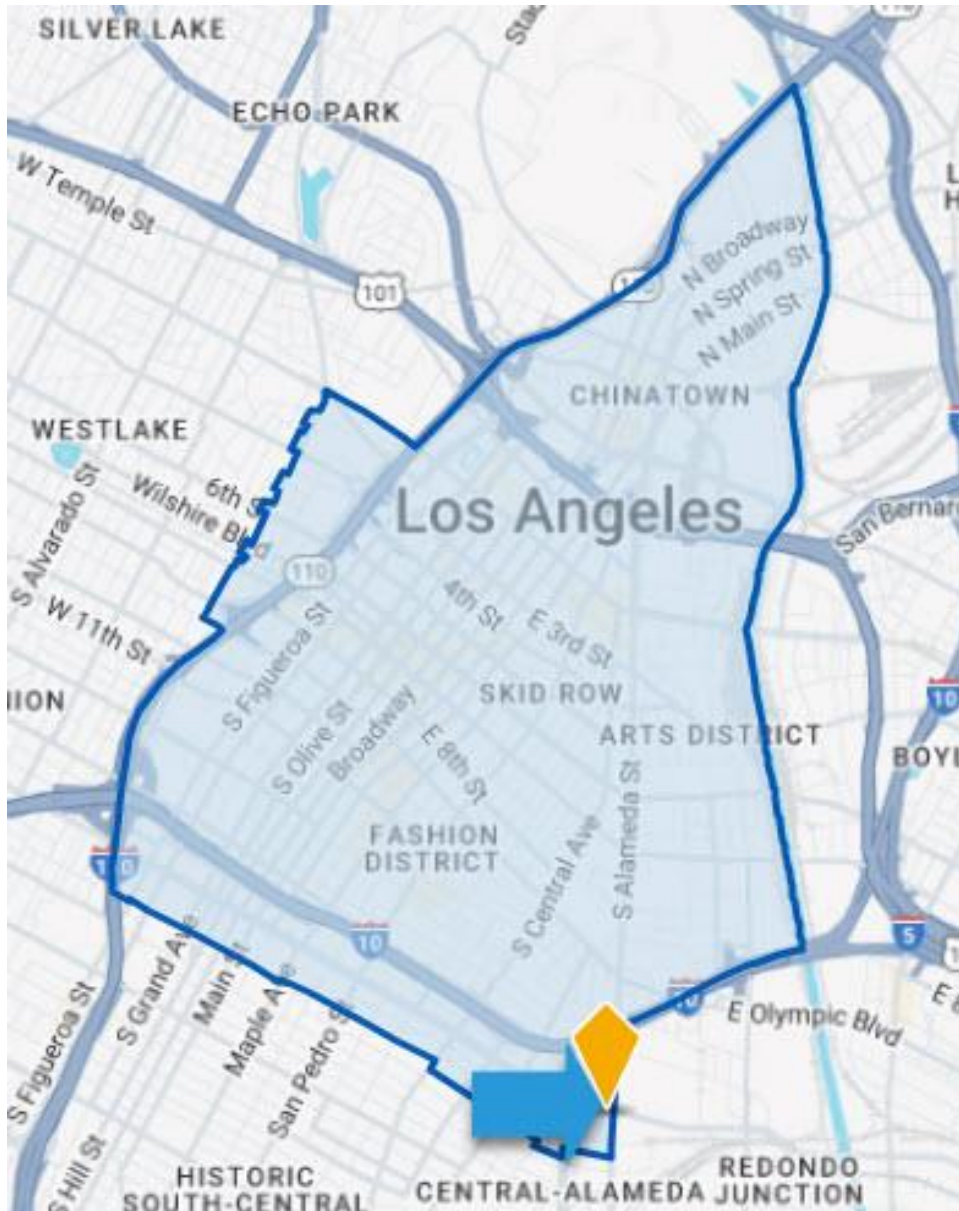
# MARKET ANALYSIS

---

## SUBJECT SECTOR SUPPLY & DEMAND STATISTICS

In this section, market conditions which influence the subject property are analyzed. An overview of retail supply and demand conditions for the Los Angeles Market and Downtown Submarket are presented.

In order to analyze supply and demand characteristics of this area, reliance is placed on information compiled by *CoStar*, which is the most comprehensive database for commercial properties in the Los Angeles. The map below shows the boundaries of the Downtown Submarket, followed by an retail supply and demand analysis for the market and submarket:



A summary of current and historical supply and demand statistics for the market and submarket is summarized in the following table:

RETAIL MARKET AND SUBMARKET DATA SUMMARY (7 YEARS)					
INVENTORY SUPPLY (SF)				VACANCY (%)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q4	2023	497,909,536	4,473,133	5.2%	6.8%
Q3	2023	497,737,966	4,473,133	5.3%	6.6%
Q2	2023	497,423,606	4,473,133	5.3%	6.3%
Q1	2023	497,023,194	4,418,133	5.1%	6.3%
	2022	497,204,506	4,418,133	5.0%	4.3%
	2021	497,251,741	4,418,133	5.1%	4.6%
	2020	498,323,786	4,439,351	5.2%	2.4%
	2019	498,206,571	4,439,351	4.6%	2.4%
	2018	497,619,416	4,439,351	4.3%	3.0%
	2017	497,763,921	4,437,105	3.9%	2.6%
	2016	496,777,031	4,420,606	3.9%	2.1%

RENT \$/SF				NET ABSORPTION (SF)	
QTR	YEAR	MARKET	SUBMARKET	MARKET	SUBMARKET
Q4	2023	\$2.85	\$2.08	281,675	(9,474)
Q3	2023	\$2.80	\$2.14	217,610	(9,210)
Q2	2023	\$2.80	\$2.53	(352,695)	50,053
Q1	2023	\$2.77	\$2.54	(816,814)	(50,105)
	2022	\$2.76	\$2.77	390,012	(27,585)
	2021	\$2.67	\$2.56	(224,555)	(114,726)
	2020	\$2.49	\$2.58	(2,879,277)	(1,507)
	2019	\$2.59	\$2.63	(1,384,578)	24,863
	2018	\$2.43	\$2.51	(1,817,860)	(15,595)
	2017	\$2.36	\$2.48	954,815	(5,741)
	2016	\$2.27	\$2.40	4,778,520	(4,212)

Source: CoStar Property®

**Supply**

As shown in the previous table, the Los Angeles Market contains a substantial amount of retail supply as of the most recent quarter. The Downtown Submarket accounts for 0.9% of the total market. The following table illustrates recent deliveries to the market and submarket:

DELIVERIES (SF)					
QTR	YEAR	MARKET	% OF TOTAL	SUBMARKET	% OF TOTAL
Q4	2023	206,881	0.0%	0	0.0%
Q3	2023	458,599	0.1%	0	0.0%
Q2	2023	432,019	0.1%	55,000	1.2%
Q1	2023	127,611	0.0%	0	0.0%
	2022	931,370	0.2%	0	0.0%
	2021	1,349,612	0.3%	0	0.0%
	2020	1,449,348	0.3%	0	0.0%
	2019	1,877,039	0.4%	0	0.0%
	2018	1,418,635	0.3%	4,496	0.1%

The following table is a summary of under construction activity in the market and submarket:

UNDER CONSTRUCTION (SF)						
QTR	YEAR	MARKET	BUILDINGS	SUBMARKET	BUILDINGS	
Q4	2023	1,207,609	63	0	0	
Q4	2022	1,415,189	74	0	0	
Q4	2021	1,579,304	100	0	0	
Q4	2020	1,893,940	105	0	0	
Q4	2019	2,280,680	119	0	0	

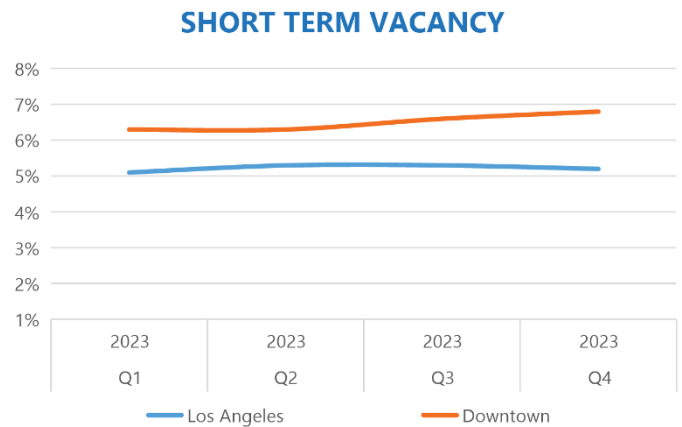
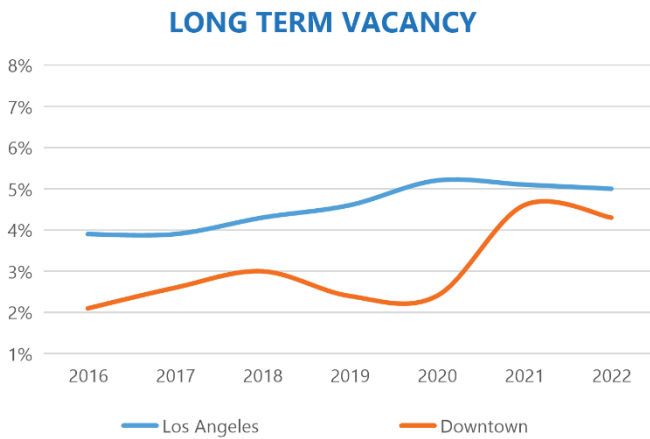
**Demand**

Demand for retail properties is best indicated by trends in vacancy, asking rents and net absorption. The following is a discussion of each item:

***Vacancy***

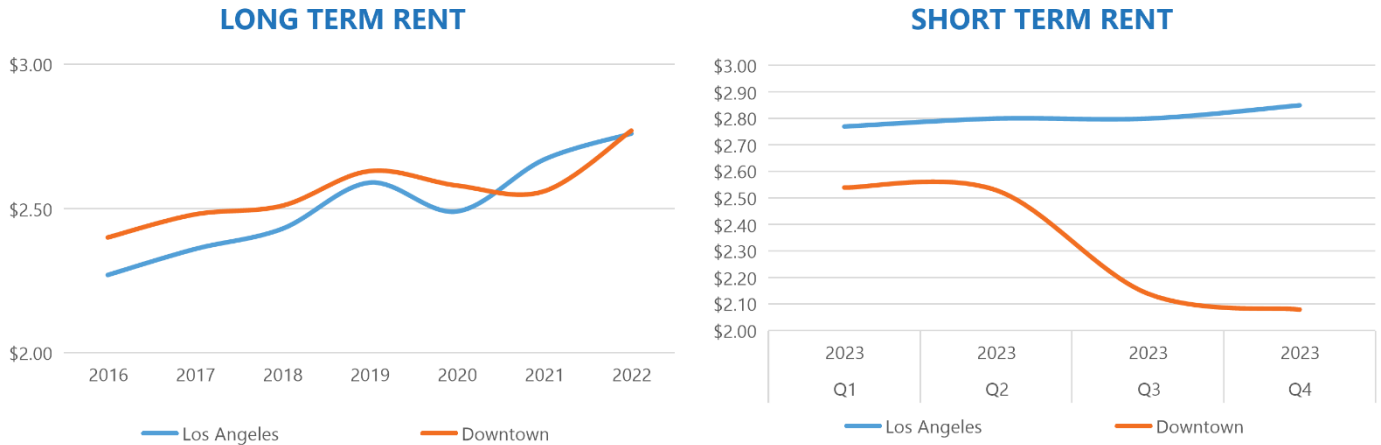
Vacancy in the Los Angeles Market averaged 5.2% in the most recent quarter. Vacancy in the Downtown Submarket averaged 6.8% during this period and has historically been below the market as a whole. Submarket vacancy rates have demonstrated an increasing trend over the last year and have risen above the market as a whole.

The following graphs provide visual illustration of the long-term and short-term retail vacancy for the market and submarket:



**Asking Rents**

Asking rents changed by 3.3% in the market over the last year and 17.3% over the last five years. Asking rents in the submarket changed by -24.9% over the last year and by -17.1% over the last five years. The following graphs provide visual illustration of the long-term and short-term retail asking rent for the Market and Submarket:



**Net Absorption**

Absorption levels declined significantly in the market following the start of the recession. Absorption trends after the start of the recessions generally mirror trends in vacancy but has for the most part been positive.

**Strengths and Weaknesses of the Subject Property**

The following chart summarizes the major property strengths and weaknesses:

STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS	
<b>STRENGTHS</b>	<b>WEAKNESSES</b>
Corner location/high traffic exposure	Older construction
100% occupied	Low parking ratio for retail use
Multiple restaurant suites/build-outs	Submarket asking rents are below the market
	Submarket vacancy is above the market
<b>OPPORTUNITIES</b>	<b>THREATS</b>
Similar properties are selling at or near list price	Labor shortage
Limited supply of similar properties	Changes in demand of workforce
Interest rates may decrease in 2024	Interest rates increased over the last year

**Summary & Conclusions**

Statistics indicate stabilized retail demand in the Los Angeles Market and Downtown Submarket. This is evidenced by the trends in vacancy and asking rents. Additionally, other economic indicators are positive, including decreases in the unemployment rate, increases in home prices and growth in taxable retail sales. Based on the supply and demand conditions detailed in this section, a vacancy and credit loss factor of 7.5% is concluded to be reasonable for the subject and is used in the Income Approach section.

# HIGHEST & BEST USE ANALYSIS

---

The highest and best use of the subject property provides the foundation for the valuation section. Highest and best use is defined in the 7<sup>th</sup> edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2022), as follows:

The reasonably probable use of property 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 and best use analysis uses the following steps for the subject:

- ▶ Highest & Best Use As Vacant
- ▶ Determination of the ideal improvements
- ▶ Highest & Best Use As Improved
- ▶ Conclusion of the Highest & Best Use

The analysis of highest and best use can be thought of as the logical end of a spectrum of market analysis procedures, running from the macroeconomic overview of a general market study, through more detailed marketability studies and analyses of financial feasibility, to the formal analysis of highest and best use. In theory, the highest and best use is commonly described as that reasonable and most profitable use that will support its highest present value. The highest and best use, or most profitable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

This section develops the highest and best use of the subject property As-Vacant and As Improved.

## **AS-VACANT ANALYSIS**

In this section, the highest and best use of the subject as-vacant is concluded after taking into consideration financial feasibility, maximal productivity, marketability, legal, and physical factors.

### ***Legally Permissible***

Private restrictions, zoning, building codes and environmental regulations are considered, if applicable to the subject site. The legal factors influencing the highest and best use of the subject site are primarily government regulations such as zoning ordinances. We are aware of no adverse private restrictions or environmental regulations. Permitted uses of the subject's Light Industrial (M2-2-CPIO) include the following: Light industrial, warehouse, limited commercial, storage yards, animal keeping, etc.. No zoning change is anticipated for the subject; therefore, uses outside of those permitted by the M2-2-CPIO zoning are not considered moving forward in the as-vacant analysis.

### ***Physically Possible***

The test of what is physically possible for the subject site considers physical and locational characteristics that influence its highest and best use. In terms of physical features, the subject site totals 1.3224-acres (57,603 SF), it is rectangular in shape and has a level topography. The site has good exposure and average overall access. The subject property is within an industrial/commercial location of Los Angeles. This area is generally experiencing stable economic growth. Development immediately surrounding the subject includes industrial and commercial buildings. There are no physical limitations that would prohibit development of any of the by-right uses on the site.

***Financial Feasibility***

Based on the analysis of the subject's market and an examination of costs, a newly constructed retail building is concluded to be financially feasible based on the supply and demand conditions presented in the Market Analysis section and the fact that speculative construction is taking place. Other legally permitted uses are also likely financially feasible.

***Maximum Productivity***

There is only one use that creates value and at the same time conforms to the requirements of the first three tests. Financial feasibility, maximal productivity, marketability, legal, and physical factors have been considered and the highest and best use of the subject site as-vacant is concluded to be a commercial or industrial development as economic conditions warrant.

**AS IMPROVED ANALYSIS**

The legal factors influencing the highest and best use of the subject property are primarily governmental regulations such as zoning and building codes. The subject's improvements were constructed in 1927 and appear to be a legal, conforming use. The physical and location characteristics of the subject improvements have been previously discussed in this report. The project is of average quality construction and in average condition. Therefore, the property as improved, meets the physical and location criteria as the highest and best use of the property.

**Alternative Uses**

In addition to legal and physical considerations, analysis of the subject property as-improved requires consideration of alternative uses. The five possible alternative treatments of the property are:

**Demolition** – This is not warranted, as the improvements contribute substantial value to the site.

**Expansion** – This is not possible since no excess or surplus land exists.

**Renovation** – This is not warranted, as the improvements are in average condition and renovation may not be financially feasible.

**Conversion** – This is not applicable since the subject's design do not lend themselves well to an alternative use.

**Continued Use As-Improved** – At the present time, among the five alternative uses, continued use as improved is the Highest and Best Use of the subject As Improved.

**Buyer Profile**

The most likely buyer would be an investor.

# VALUATION METHODS

---

The appraisal process, which is applied to most real estate properties, is designed to evaluate all factors that influence value. Regional and market area information has been presented to inform the reader of general outside influences that may affect value. In addition, the site and improvements have been described in detail. The interaction of the site and improvements establishes the utility and desirability of the entire property. The Highest and Best Use section evaluates the effect of legal, physical, and market considerations that influence the use of the property. The following paragraphs discuss the various methods used to value the subject property.

## **Cost Approach**

This approach is based upon the principle that the value of the property is significantly related to its physical characteristics, and that no one would pay more for a facility than it would cost to build a similar facility in today's market on a comparable site. This approach is not applicable due to the age of the improvements. The exclusion of this approach is not detrimental to the credibility or reliability of the final value conclusion.

## **Sales Comparison Approach**

This approach is based on the principle of substitution. This principle states that no one would pay more for the subject property than the value of similar property in the market. This approach analyzes sales of comparable properties with regard to the nature and condition of each sale. Comparisons are made for varying physical characteristics. This approach is meaningful and is developed.

## **Income Approach**

The Income Approach is based on the premise that properties similar to the subject are income producing, and that investors purchase these properties based upon their income-producing ability. In the Income Approach, market rents for the subject property are estimated, the applicable operating expenses are deducted, and the resulting net income is capitalized into a value estimate. This method is known as Direct Capitalization. This approach is meaningful and is developed.

## **Methods Developed**

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed Sales Comparison and Income (Direct Capitalization) Approaches. The values presented represent the Retrospective Value (Leased Fee Estate) This appraisal does not develop the Cost Approach or the Discounted Cash Flow Method of the Income Approach. The exclusion of these approaches/methods is not detrimental to the credibility or reliability of the final value conclusion.

The Valuation will be presented in the following order:

- ▶ Sales Comparison Approach
- ▶ Income Approach
- ▶ Insurable Replacement Cost Estimate (see Addenda)

## **Analysis of Value Conclusions**

The approaches used to value the subject property will be correlated into a final value opinion in the Analysis of Value Conclusions section.

# **SALES COMPARISON APPROACH**

---

In the Sales Comparison Approach, the value of a property is estimated by comparing it with similar, recently sold properties in the surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set by the cost of buying an equally desirable property, assuming that no costly delay occurs in making the substitution.

Through the analysis of sales of verified arm's-length transactions, market value and price trends are identified. The sales utilized are comparable to the subject in physical, functional, and economic characteristics.

## **Comparable Selection**

Comparable sales are presented, which were selected due to their similarity in physical, locational, and qualitative attributes. They represent the best data available to the appraiser as of the date of this report. Emphasis was given to the subject's location and similarly positioned properties.

## **Unit of Comparison**

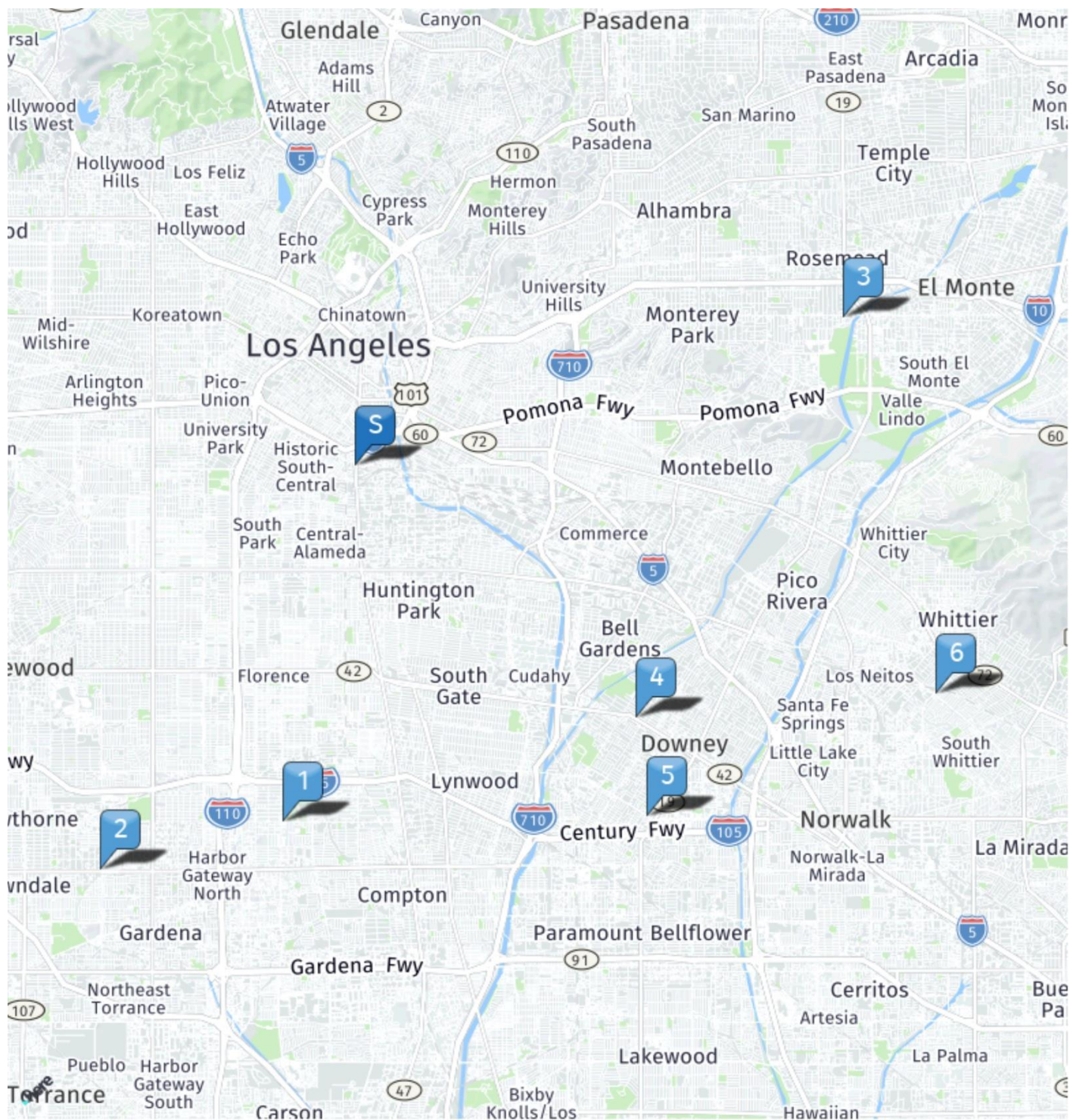
The most relevant unit of comparison is the price PSF of rentable area. This best reflects the unit of comparison used by buyers and sellers in this market for the subject property type.

## **Adjustments**

Adjustments to the comparable sales were considered and made when warranted for property rights transferred, conditions of sale, financing terms, expenditures after purchase, market conditions, location and other physical characteristics. These adjustments are explained later in this section.

## **Presentation**

The comparable property attributes are presented on the following location map and datasheets. Following the datasheets is an adjustment grid, explanation of adjustments and conclusion for the subject.



COMPARABLE	LABEL	ADDRESS	MILES FROM SUBJECT
COMPARABLE 1	1	622-648 E El Segundo Blvd, Los Angeles, CA, 90059	7.3
COMPARABLE 2	2	14125-14141 Crenshaw Blvd, Hawthorne, CA, 90250	9.5
COMPARABLE 3	3	8966-8968 Garvey Ave, Rosemead, CA, 91770-3324	10.0
COMPARABLE 4	4	7605-7643 Firestone Blvd, Downey, CA, 90241	7.4
COMPARABLE 5	5	8706 Imperial Hwy., Downey, CA, 90242	9.0
COMPARABLE 6	6	9150 Painter Ave, Whittier, CA, 90602	12.2

## Avalon Shopping Center

Comparable 1

### Sale Information

Buyer	Avalon 126th LLC	
Seller	Beresford Family Trust	
Sale Date	7/18/2023	
Transaction Status	Recorded	
Sale Price	\$7,250,000	\$211 /SF NRA
Analysis Price	\$7,250,000	\$211 /SF NRA
Recording Number	0471330	
Rights Transferred	Leased Fee	
Financing	Cash to Seller	
Conditions of Sale	None	
Marketing Time	125 days	

### Income Analysis

Occupancy	100.0%	
Net Operating Income	\$435,000	\$12.64 /SF NRA
Cap Rate	6.00%	

### Property

Type	Retail, Shopping Center	
Gross Building Area (GBA)	34,410 SF	
Net Rentable Area (NRA)	34,410 SF	
Buildings	1 Building, 1 Floor	
Parking	172 Spaces (5.0/1,000 SF NRA)	
Year Built	1966	
Land Area	2.313 Acres (100,754 SF)	
Site Coverage Ratio	34.15%	
FAR	0.34	

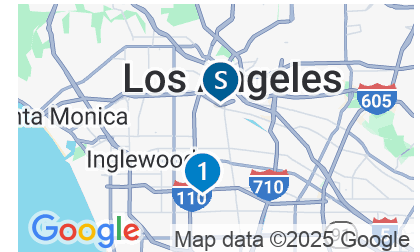


622-648 E El Segundo Blvd  
Los Angeles, CA 90059

County  
Los Angeles

Submarket  
Mid-Cities

APN  
6134-001-034



### Confirmation

Name	CoStar, Public Records, LoopNet
Company	Colliers
Affiliation	Listing Company

### Remarks

This is the sale of a portion of the Avalon Shopping Center in Los Angeles, CA. The property is comprised of multiple suites in the interior of the shopping center that is anchored by a CVS and Payless Grocery.

## Crenrose Plaza

Comparable 2

### Sale Information

Buyer	Maurice Refoua	
Seller	James Sullivan & Stuart Sherman	
Sale Date	3/30/2023	
Transaction Status	Recorded	
Sale Price	\$5,500,000	\$236 /SF NRA
Analysis Price	\$5,500,000	\$236 /SF NRA
Recording Number	0201976	
Rights Transferred	Leased Fee	
Financing	Cash to Seller	
Conditions of Sale	None	
Marketing Time	150 days	

### Income Analysis

Occupancy	65.0%	
Net Operating Income	\$253,000	\$10.84 /SF NRA
Cap Rate	4.60%	
Pro-Forma Cap Rate	7.70%	

### Property

Type	Retail, Strip Center	
Gross Building Area (GBA)	23,329 SF	
Net Rentable Area (NRA)	23,329 SF	
Buildings	3 Buildings, 1 Floor	
Parking	66 Spaces (2.8/1,000 SF NRA)	
Year Built	1963	
Land Area	1.4645 Acres (63,792 SF)	
Site Coverage Ratio	36.57%	
FAR	0.37	

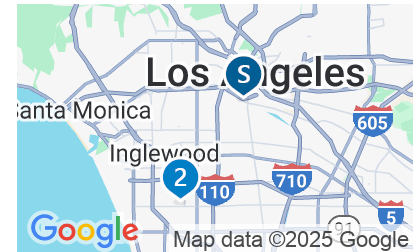


14125-14141 Crenshaw Blvd  
Hawthorne, CA 90250

County  
Los Angeles

Submarket  
Hawthorne/Gardena

APN  
4052-018-010, 4052-018-011



### Confirmation

Name	Offering Memorandum
Company	Keller Williams
Affiliation	Listing Broker

### Remarks

This is the sale of a retail property in Hawthorne, CA. The property is known as Crenrose Plaza. The property was approximately 65% leased at the time to multiple tenants and sold to an investor. Tenants include Pizza Hut, T-Mobile, and Panda King Chinese. The proforma cap rate was reported at 7.70%. It is noted that at the time of sale the property was leased on a modified gross (MG) basis. The proforma cap rate is based on NNN reimbursements in the vacant space for potential value add. No other sale conditions were reported.

## Retail Property

Comparable 3

### Sale Information

Buyer	David C Vien Jr	
Seller	Granko Limited Partnership	
Sale Date	5/23/2023	
Transaction Status	Recorded	
Sale Price	\$4,928,000	\$257 /SF NRA
Analysis Price	\$4,928,000	\$257 /SF NRA
Recording Number	0493110	
Rights Transferred	Leased Fee	
Financing	Cash to Seller	
Conditions of Sale	None	
Marketing Time	81 days	



### Income Analysis

Occupancy	50.0%
-----------	-------

### Property

Type	Retail, Storefront Retail/Office
Gross Building Area (GBA)	19,161 SF
Net Rentable Area (NRA)	19,161 SF
Buildings	2 Buildings, 1 Floor
Parking	72 Spaces (3.8/1,000 SF NRA)
Year Built	1985
Land Area	0.9764 Acres (42,534 SF)
Site Coverage Ratio	45.05%
FAR	0.45
Shape	Rectangular
Topography	Level
Corner	Yes

8966-8968 Garvey Ave  
Rosemead, CA 91770-3324

County  
Los Angeles

Submarket  
Western SGV

APN  
5282-010-029; 5282-010-030



### Confirmation

Name CoStar, Loopnet, Public Records

### Remarks

This is the sale of a two-building retail property located in Rosemead, CA. It was reportedly 50% occupied at the time of sale. The buyer plans on renovating the entire property and releasing the spaces.

## Retail Property

Comparable 4

### Sale Information

Buyer	Np Polio, LLC	
Seller	Harlo Kinder L.P.	
Sale Date	3/4/2022	
Transaction Status	Recorded	
Sale Price	\$5,850,000	\$256 /SF NRA
Analysis Price	\$5,850,000	\$256 /SF NRA
Recording Number	0251507	
Rights Transferred	Leased Fee	
Financing	Cash to seller	
Conditions of Sale	1031 Exchange	
Marketing Time	231 days	

### Income Analysis

Occupancy	100.0%	
Net Operating Income	\$267,930	\$11.73 /SF NRA
Cap Rate	4.58%	

### Property

Type	Retail, Strip Center	
Gross Building Area (GBA)	22,832 SF	
Net Rentable Area (NRA)	22,832 SF	
Buildings	1 Building, 1 Floor	
Parking	62 Spaces (2.7/1,000 SF NRA)	
Year Built	1958	
Land Area	1.26 Acres (54,886 SF)	
Site Coverage Ratio	41.6%	
FAR	0.42	
Zoning	C1	
Shape	Rectangular	
Topography	Level	
Corner	No	

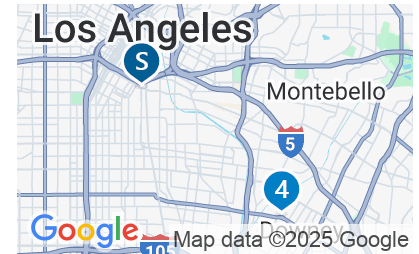


7605-7643 Firestone Blvd  
Downey, CA 90241

County  
Los Angeles

Submarket  
Mid-Cities

APN  
6249-028-014



### Confirmation

Company CoStar & Offering Memorandum

### Remarks

This is the sale of a retail strip center located in Downey, CA. It is 100% occupied by local tenants. The property was marketed towards investors. The property was on the market for 231 days with an asking price of \$6,500,000. The sale price is 10.0% below the asking price.

## Strip Retail

Comparable 5

### Sale Information

Buyer	Jj Happy Llc	
Seller	Universal Real Estate Inc	
Sale Date	1/14/2022	
Transaction Status	Recorded	
Sale Price	\$4,510,000	\$258 /SF NRA
Analysis Price	\$4,510,000	\$258 /SF NRA
Recording Number	0059589	
Rights Transferred	Leased Fee	
Financing	Cash to Seller	
Conditions of Sale	None	

### Income Analysis

Occupancy	90.0%	
Net Operating Income	\$220,990	\$12.63 /SF NRA
Cap Rate	4.90%	

### Property

Type	Retail, Strip Retail	
Gross Building Area (GBA)	17,495 SF	
Net Rentable Area (NRA)	17,495 SF	
Buildings	2 Buildings, 1 Floor	
Parking	33 Spaces (1.9/1,000 SF NRA)	
Year Built	1963	
Land Area	1.6098 Acres (70,123 SF)	
Site Coverage Ratio	24.95%	
FAR	0.25	



8706 Imperial Hwy.  
Downey, CA 90242

County  
Los Angeles

Submarket  
Mid-Cities



### Confirmation

Name	Vernon Jones
Company	Bowtruss Real Estate Development
Phone Number	424-421-7375
Affiliation	Listing broker

### Remarks

The property represents a strip retail center that sold to an investor. It was 90% occupied at the time of sale. The reported cap rate is based on actual income and expenses at the time of sale. All leases were leased on a gross expense basis and were below market at the time of sale. The listing broker indicated the average actual lease rate (adjusted to a triple net expense basis) was approximately \$1.00 PSF NNN.

## Retail Strip Center

Comparable 6

### Sale Information

Buyer	Fpi Of Arizona Llc	
Seller	Kimball Ave LLC	
Sale Date	8/2/2022	
Transaction Status	Recorded	
Sale Price	\$5,800,000	\$277 /SF NRA
Analysis Price	\$5,800,000	\$277 /SF NRA
Recording Number	0765087	
Rights Transferred	Leased Fee	
Financing	Cash to Seller	
Conditions of Sale	1031 Exchange	
Marketing Time	109 days	



### Income Analysis

Occupancy	95.0%	
Net Operating Income	\$266,800	\$12.74 /SF NRA
Cap Rate	4.60%	

### Property

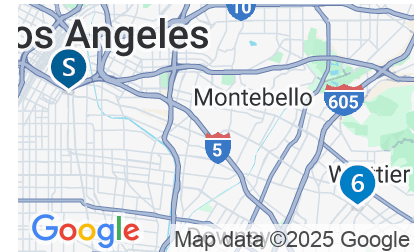
Type	Retail, Strip Center	
Gross Building Area (GBA)	20,939 SF	
Net Rentable Area (NRA)	20,939 SF	
Buildings	1 Building, 2 Floors	
Parking	59 Spaces (2.8/1,000 SF NRA)	
Year Built	1989	
Land Area	0.9636 Acres (41,975 SF)	
Site Coverage Ratio	47.65%	
FAR	0.50	
Shape	Rectangular	

9150 Painter Ave  
Whittier, CA 90602

County  
Los Angeles

Submarket  
Southeast LA

APN  
8163-006-047



### Confirmation

Name	CoStar, Marketing Brochure, Public Records
Company	Progressive Real Estate Partners
Affiliation	Listing Company

### Remarks

This is the sale of a retail center located in Whittier, CA. It was purchased as an investment for \$105,000 above the list price. It was 95% leased at the time of sale.

## Adjustment Analysis

The comparables have been summarized on the previous data sheets. The comparables are now adjusted for major differences from the subject. The adjustments are not intended to be exact measurements of the differences but an attempt to bracket the reasonable range of conclusions. A grid outlining the adjustments applied to the comparables is provided below, followed by a brief description of the adjustments and adjustments considered:

IMPROVED SALES COMPARISON TABLE													
	SUBJECT	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5		COMP 6	
Name	Retail/Industrial Property	Avalon Shopping Center		Crenrose Plaza		Retail Property		Retail Property		Strip Retail		Retail Strip Center	
Address	1901 South Alameda Street	622-648 E El Segundo Blvd		14125-14141 Crenshaw Blvd		8966-8968 Garvey Ave		7605-7643 Firestone Blvd		8706 Imperial Hwy.		9150 Painter Ave	
City	Los Angeles	Los Angeles		Hawthorne		Rosemead		Downey		Downey		Whittier	
State	CA	CA		CA		CA		CA		CA		CA	
Zip	90058	90059		90250		91770-3324		90241		90242		90602	
County	Los Angeles	Los Angeles		Los Angeles		Los Angeles		Los Angeles		Los Angeles		Los Angeles	
Submarket	Downtown	Mid-Cities		Hawthorne/Gardena		Western SGV		Mid-Cities		Mid-Cities		Southeast LA	
SALE INFORMATION													
Transaction Price		\$7,250,000		\$5,500,000		\$4,928,000		\$5,850,000		\$4,510,000		\$5,800,000	
Transaction Price \$/SF NRA		\$211		\$236		\$257		\$256		\$258		\$277	
Property Rights <sup>1</sup>		Leased Fee		Leased Fee		Leased Fee		Leased Fee		Leased Fee		Leased Fee	
Financing <sup>2</sup>		Cash to Seller		Cash to Seller		Cash to Seller		Cash to seller		Cash to Seller		Cash to Seller	
Sale Conditions <sup>3</sup>		None		None		None		1031 Exchange		None		1031 Exchange	
Expenditures After Sale <sup>4</sup>		\$0		\$0		\$0		\$0		\$0		\$0	
Market Conditions <sup>5</sup>		7/18/2023		3/30/2023		5/23/2023		3/4/2022		1/14/2022		8/2/2022	
Sale Status		Recorded		Recorded		Recorded		Recorded		Recorded		Recorded	
Recording Number		471330		201976		493110		251507		59589		765087	
Marketing Status		Open Market		Open Market		Open Market		Open Market		Unknown		Open Market	
Marketing Period (Days)		125 Days		150 Days		81 Days		231 Days		-		109 Days	
Total Transactional Adjustments		\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%
<b>Adjusted \$/SF (NRA)</b>		<b>\$211</b>		<b>\$236</b>		<b>\$257</b>		<b>\$256</b>		<b>\$258</b>		<b>\$277</b>	
INCOME INFORMATION													
NOI/SF NRA	\$15.76	\$12.64	5%	\$10.84	5%	\$0.00		\$11.73	5%	\$12.63	5%	\$12.74	5%
Occupancy	100%	100%		65%	10%	50%	10%	100%		90%		95%	
Capitalization Rate		6.00%		4.60%		0.00%		4.58%		4.90%		4.60%	
PHYSICAL INFORMATION													
NRA (SF)	33,249	34,410		23,329		19,161		22,832		17,495		20,939	
Year Built/Ren	1927 / 1986	1966		1963		1985		1958		1963		1989	
Location	Average	Below Average	10%	Average		Average		Average		Average		Average	
Quality	Average	Average		Average		Average		Average		Average		Average	
Condition	Average	Below Average	10%	Average		Average		Average		Average		Average	
Parking Ratio	1.3	5.0	(5%)	2.8	(5%)	3.8	(5%)	2.7	(5%)	1.9		2.8	(5%)
Total Physical Adjustments		\$42	20%	\$24	10%	\$13	5%	\$0	0%	\$13	5%	\$0	0%
<b>Adjusted \$/SF (NRA)</b>		<b>\$253</b>		<b>\$260</b>		<b>\$270</b>		<b>\$256</b>		<b>\$271</b>		<b>\$277</b>	

## Property Rights Transferred

The comparables reflect similar property rights and require no adjustments.

## Financing

All of the sale transactions were cash to seller, with no favorable financing. Therefore, no adjustments are necessary.

## Sale Condition

None of the properties were foreclosed properties and all sales are believed to be arm's length with no unusual sale conditions. Comparable 4 reflects a 1031 Exchange. However, based on a review of the other sales, no adjustment is warranted.

## ***Expenditures After Purchase***

This reflects the expenses that the buyer incurs after purchase (deferred maintenance, HVAC repairs, etc.). No adjustments are warranted based on review of the sales.

## ***Market Conditions (Time)***

All of the comparables generally reflect current market conditions and no adjustments are needed.

## ***Economics/Vacancy***

This adjustment accounts for differences in economics, which is best measured by net operating income PSF (NOI PSF) and differences in tenancy. While some of these characteristics are captured by the previous adjustments for location, a particular property can still have superior economics due to having above-market contract rent, superior tenant credit worthiness, etc. As other adjustments have already been made for location and other physical characteristics, this adjustment is limited to 5% for significant economic differences.

## ***Size***

The size adjustment considers significant differences in building size. All else being equal, smaller buildings will sell at a higher price per square foot than larger buildings. All of the comparables are generally similar-scale buildings and require no adjustment.

## ***Year Built***

This adjustment accounts for year built and effective age. All of the comparables generally have similar effective ages, requiring no adjustment.

## ***Location***

This adjustment is made for differences in submarket characteristics (vacancy & asking rent) and freeway access & linkage. Comparable 1 has an inferior to superior location and is adjusted upward accordingly by 10%.

## ***Quality & Condition***

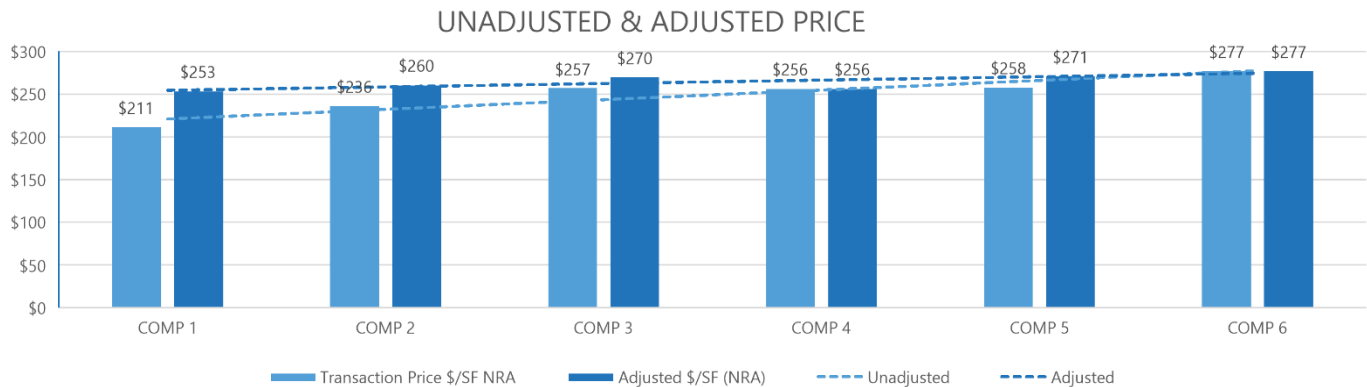
This adjustment is made to account for differences in construction quality, physical condition and appeal. All of the comparables are generally similar in construction quality; however, Comparable 1 is inferior in physical condition. Therefore, this comparable has been adjusted upward accordingly by 10%. The remaining comparables are similar, requiring no adjustments.

## ***Parking Ratio***

This adjustment accounts for differences in parking ratio. Comparables 1, 2, 3, 4 and 6 have superior parking ratios and have been adjusted downward 5%.

**Sales Comparison Approach Conclusion**

The comparable sales indicate an overall unadjusted unit value range from \$211 PSF to \$277 PSF, with an average of \$249 PSF and median of \$257 PSF. After adjustments, the comparables indicate a narrower range for the subject property from \$253 PSF to \$277 PSF, with an average of \$265 PSF and median of \$265 PSF. The following illustrates the unadjusted and adjusted prices of the comparable sales.



Based on general bracketing, the comparable sales support an adjusted unit value range from \$253 PSF to \$277 PSF, with a unit value of \$265 PSF concluded for the subject property. This conclusion generally places most weight on the adjusted prices of the comparables with the most similar utility and/or the least amount of gross and net adjustments.

A leasehold adjustment is included to account for above/below market rents at the subject property. This adjustment is explained further in the Income Approach Section later in the report.

The following table summarizes the analysis of the comparables, reports the reconciled price per SF value conclusion, and presents the concluded value of the subject property by the Sales Comparison Approach:

IMPROVED SALES COMPARISON APPROACH CONCLUSION (NRA)							
TRANSACTION	ADJUSTMENT					NET ADJ	GROSS ADJ
	PRICE	TRANSACTIONAL <sup>1</sup>	ADJUSTED	PROPERTY <sup>2</sup>	FINAL		
1	\$211	0%	\$211	20%	\$253	20%	30%
2	\$236	0%	\$236	10%	\$260	10%	20%
3	\$257	0%	\$257	5%	\$270	5%	15%
4	\$256	0%	\$256	0%	\$256	0%	10%
5	\$258	0%	\$258	5%	\$271	5%	5%
6	\$277	0%	\$277	0%	\$277	0%	10%
HIGH	\$277	0%	\$277	20%	\$277	20%	30%
AVG	\$249	0%	\$249	7%	\$265	7%	15%
MED	\$257	0%	\$257	5%	\$265	5%	13%
LOW	\$211	0%	\$211	0%	\$253	0%	5%
<b>SUBJECT SF (NRA)</b>		<b>\$/SF CONCLUSION</b>			<b>VALUE</b>		
33,249		x	\$265	=	\$8,810,985		
INDICATED VALUE (ROUNDED TO NEAREST \$10,000)				\$265	\$8,810,000		
LEASEHOLD ADJUSTMENT				\$4	\$117,747		
INDICATED VALUE (ROUNDED TO NEAREST \$10,000)				\$269	\$8,930,000		

<sup>1</sup>Cumulative <sup>2</sup>Additive

# INCOME APPROACH

---

## **DIRECT CAPITALIZATION METHOD**

The first step in the Income Capitalization Approach is to estimate the subject's potential gross income. Potential gross income consists of rent income, tenant expense reimbursements (depending on lease structure) and other miscellaneous sources.

### **Potential Gross Income**

Potential gross rental income is projected based on an analysis of contract rent and market rent. Market rent is determined by an analysis of leasing activity at similar properties in the subject's market area, which comprise direct competition. The following market rent analysis is conducted on a dollar per square foot per month basis, reflecting market behavior.

### **Selection of Comparables**

The comparables include leases and listings in other similar buildings in the subject market area. A total of six rent comparables have been selected. The comparables bracket the subject in location and physical characteristics and are deemed the best data available to the appraiser as of the date of this report.

### **Adjustments**

A triple net (NNN) lease structure is assumed for the subject. This is consistent with the majority of the subject's contract rent and five of the six the rent comparables. Comparable 4 is a modified gross (MG) lease structure and has been adjusted downward by \$0.25 PSF to reflect a NNN structure based on a paired rent analysis with the other comparables.

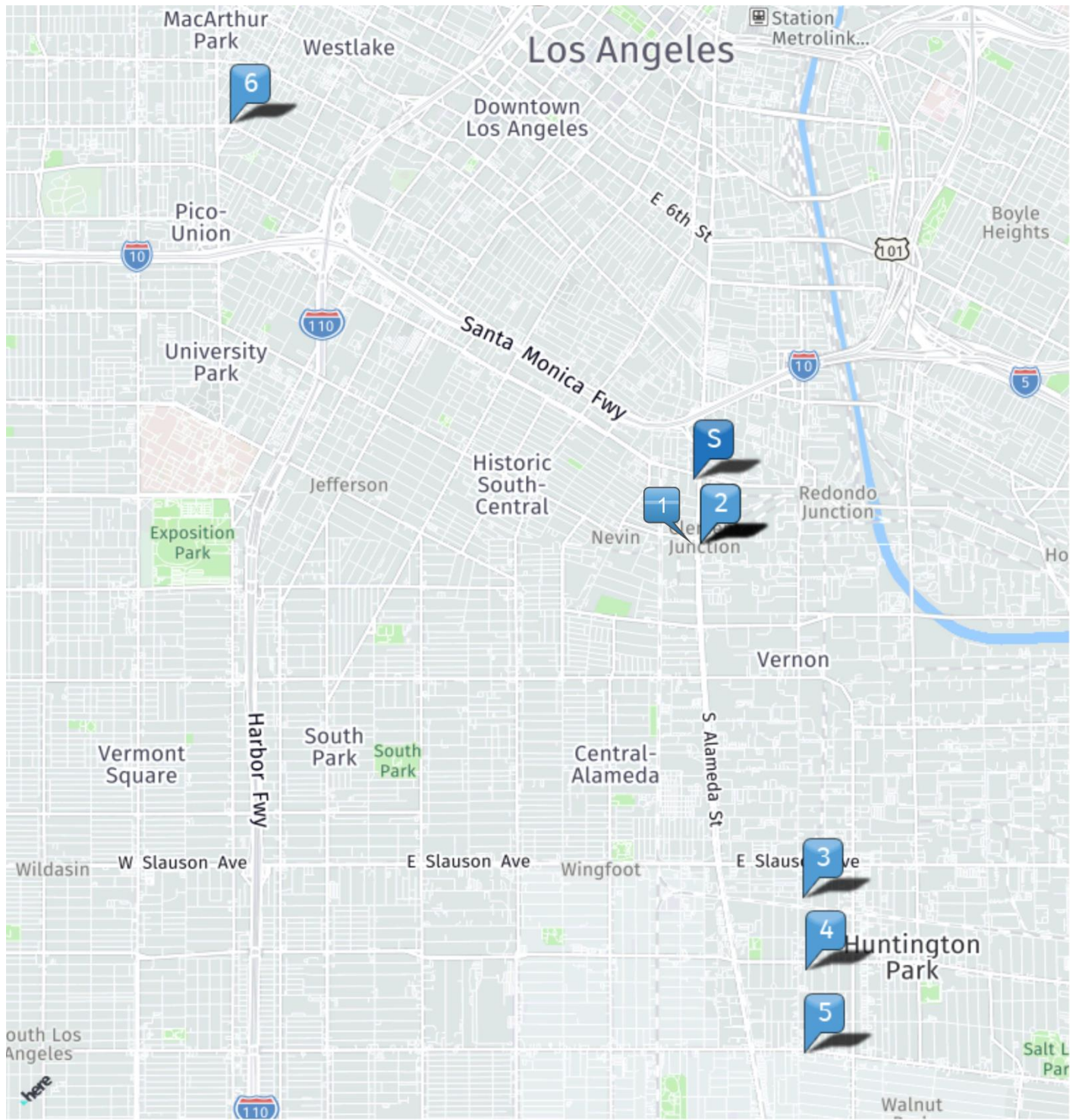
Comparables reporting tenant improvement allowances and abated rent have been adjusted downward based on the reported amounts amortized over the lease term (if applicable).

The comparables all reflect recent lease transactions, requiring no adjustments for lease date.

Other adjustments are for differences in location and physical characteristics, which are shown on the following Rent Comparable Summation Table. An upward/downward adjustment of 5% to 10% is applied to the comparables with inferior/superior physical characteristics.

### **Presentation**

A location map and rent comparable photographs are provided on the following pages. Following the photographs is a presentation of the comparables & adjustments applied and conclusion of market rent.



COMPARABLE	LABEL	ADDRESS	MILES FROM SUBJECT
COMPARABLE 1	1	2544-250 S Alameda St, Vernon, CA, 90058	0.4
COMPARABLE 2	2	2544-250 S Alameda St, Vernon, CA, 90058	0.4
COMPARABLE 3	3	6020 Santa Fe Ave, Huntington Park, CA, 90255	2.3
COMPARABLE 4	4	6416-6480 Santa Fe Ave, Huntington Park, CA, 90255	2.7
COMPARABLE 5	5	2400-2414 E Florence Ave, Huntington Park, CA, 90255	3.2
COMPARABLE 6	6	2101-2117 W Pico Blvd, Los Angeles, CA, 90006	3.1

**LEASE COMPARABLE PHOTOGRAPHS**



COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4



COMPARABLE 5



COMPARABLE 6

**Discussion of Rent Comparables**

The comparables have rents ranging between \$1.75 and \$3.00 per square foot (PSF), with an average of \$2.49 PSF and median of \$2.53 PSF. The comparables bracket the subject in location and physical characteristics. Comparables 1, 2 and 3 are nearest the subject. Comparables 4, 5 and 6 are most similar in condition and tenant appeal. In order to help narrow a market rent conclusion for the subject, the comparables are adjusted for significant differences in lease structure, market conditions, location and other physical differences. These adjustments were explained previously in this section.

**Adjustment Summary Market Rent Conclusion**

Based on general bracketing, the comparable leases support an adjusted market rent range from \$1.93 PSF to \$2.75 PSF, with a market rent of \$2.25 PSF concluded for the traditional retail suites at the subject property. A higher rental rate of \$2.75 PSF is concluded for the restaurant suites at the subject. The following tables summarize the comparables & adjustments applied and market rent conclusion.

LEASE COMPARISON TABLE													
	SUBJECT	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5		COMP 6	
Name	Retail/Industrial Property	Vernon Retail Center		Vernon Retail Center		St George Plaza		Joshua Center		Retail Property		Retail Property	
Address	1901 South Alameda Street	2544-250 S Alameda St		2544-250 S Alameda St		6020 Santa Fe Ave		6416-6480 Santa Fe Ave		2400-2414 E Florence Ave		2101-2117 W Pico Blvd	
City	Los Angeles	Vernon		Vernon		Huntington Park		Huntington Park		Huntington Park		Los Angeles	
State	CA	CA		CA		CA		CA		CA		CA	
Zip	90058	90058		90058		90255		90255		90255		90006	
County	Los Angeles	Los Angeles		Los Angeles		Los Angeles		Los Angeles		Los Angeles		Los Angeles	
Submarket	Downtown	Mid-Cities		Mid-Cities		Mid-Cities		Mid-Cities		Mid-Cities		Koreatown	
Floor/Suite	-	E		D		6022		6438		-		A-8	
LEASE INFORMATION													
Rent (\$/SF/Mo.)		\$2.75		\$2.50		\$1.75		\$2.56		\$2.35		\$3.00	
Tenant		Pho		House of Empanadas		LA Pet Grooming		Saferoad Insurance		Dr. Shui		Sabores Mexican Food	
Start Date		Nov-23	0%	Jul-23	0%	Dec-23	0%	Sep-23	0%	Feb-23	0%	Aug-23	0%
Space Type		Restaurant		Restaurant		Retail		Retail		Retail		Restaurant	
Lease Type		New		New		New		New		New		New	
Lease Str.		NNN		NNN		NNN		MG (\$0.25)		NNN		NNN	
Size (SF)	670 - 3,872	1,450		1,450		1,188		989		850		1,080	
Term (Yrs.)		5		5		5		3		5		5	
Free Rent		None		None		None		None		None		None	
TI's (\$/SF)		None		None		None		None		None		None	
Total Lease Adjustments		\$0.00	0%	\$0.00	0%	\$0.00	0%	(\$0.25)	-10%	\$0.00	0%	\$0.00	0%
<b>Adjusted Rent (\$/SF/Mo.)</b>		<b>\$2.75</b>		<b>\$2.50</b>		<b>\$1.75</b>		<b>\$2.31</b>		<b>\$2.35</b>		<b>\$3.00</b>	
BUILDING INFORMATION													
NRA (SF)	33,249	7,760		7,760		13,400		21,560		8,781		16,825	
Year Built/Ren	1927 / 1986	2017		2017		1987		1989		1951		1994	
Location	Average	Below Average	10%	Below Average	10%	Below Average	10%	Average		Average		Above Average	(5%)
Quality	Average	Average		Average		Average		Average		Average		Average	
Condition	Average	Above Average	(5%)	Above Average	(5%)	Average		Average		Average		Above Average (5%)	
Parking Ratio	1.3	4.0		4.0		2.8		1.8		2.8		0.8	
Total Building Adjustments		\$0.00		\$0.00		\$0.18		10%		\$0.00		(\$0.30) -10%	
<b>Adjusted Rent (\$/SF/Mo.)</b>		<b>\$2.75</b>		<b>\$2.50</b>		<b>\$1.93</b>		<b>\$2.31</b>		<b>\$2.35</b>		<b>\$2.70</b>	

MARKET RENT CONCLUSION(S)							
	LEASE RATE	ADJUSTMENT			FINAL	NET ADJ	GROSS ADJ
		LEASE <sup>1</sup>	ADJUSTED	BUILDING <sup>1</sup>			
1	\$2.75	0%	\$2.75	0%	\$2.75	0%	20%
2	\$2.50	0%	\$2.50	0%	\$2.50	0%	20%
3	\$1.75	0%	\$1.75	10%	\$1.93	10%	10%
4	\$2.56	(10%)	\$2.31	0%	\$2.31	(10%)	10%
5	\$2.35	0%	\$2.35	0%	\$2.35	0%	0%
6	\$3.00	0%	\$3.00	(10%)	\$2.70	(10%)	10%
HIGH	\$3.00	0%	\$3.00	10%	\$2.75	10%	20%
AVG	\$2.49	(2%)	\$2.44	0%	\$2.42	(2%)	12%
MED	\$2.53	0%	\$2.43	0%	\$2.43	0%	10%
LOW	\$1.75	(10%)	\$1.75	(10%)	\$1.93	(10%)	0%
AVG SUBJECT CONTRACT RENT						CONCLUSION	
Retail		\$2.80			Triple Net		\$2.25
Restaurant		\$3.68			Triple Net		\$2.50
Industrial		\$0.92			Modified Gross		\$1.10

<sup>1</sup>Total Additive Adjustment

## Supplemental Rent Comparables

The following comparables are presented to determine market rent for the subject's 11,500 SF industrial building located on McGary Street. Following the table is a discussion of the supplemental comparables and market rent conclusion for this space.

INDUSTRIAL RENT COMPARABLES											
No.	ID	LOCATION	YEAR BUILT	BLDG/SUITE SIZE (SF)	QUALITY & CONDITION	SITE COVERAGE	CLEAR HEIGHT OFFICE %	LEASE START TERM	LEASE STRUCTURE	RENT P/SF	
1.	<b>Industrial Building</b>	1733-1741 E 21st St Los Angeles, CA	Similar	1985	13,734	Similar	83.46%	14'-24' 5%	Nov-23 3 years	MG	\$1.19
2.	<b>Industrial Building</b>	1738 E 21st St Los Angeles, CA	Similar	1964	4,820	Similar	92.48%	16' 10%	Aug-23 3 years	MG	\$1.35
3.	<b>Industrial Building</b>	1972-1974 E 20th St Los Angeles, CA	Similar	1960	27,000	Similar	69.28%	20' 22%	Jun-23 3 years	MG	\$1.23
4.	<b>Industrial Building</b>	1705-1707 E 20th St Los Angeles, CA	Similar	1962	15,455	Similar	71.53%	16'-22' 5%	Dec-23 3 years	MG	\$1.00
<b>AVERAGE:</b>										<b>\$1.19</b>	

The industrial comparables range in size from 4,820 to 27,000 SF and are all in close proximity to the subject property. The contract rents range from \$1.00 to \$1.35 PSF, with an average rent of \$1.19 PSF. The low end of the range reflects Comparable 4 which is larger in size than the subject building. The high end of the range reflects Comparable 2 which is significantly smaller than the subject's industrial building. Comparable 1 is the

most similar in size to the subject’s industrial building and given greatest weight. Therefore, a market rent of \$1.20 PSF is concluded for the subject’s industrial building.

**Contract Rent Analysis**

Lease information provided is restructured below, followed by a discussion of contract rents and potential gross rent income conclusion for the subject.

MULTI-TENANT RENT ROLL											
OCCUPIED SPACE										AS OF JANUARY 2024	
SUITE NO	TENANT NAME	TOTAL NRA (SF)	% OF NRA	TENANT GROUP	START	END	YEARS	LEASE STRUCTURE	\$/SF(YR.)	\$/SF(MO.)	ANNUAL
101-103	Beverly Books	3,525	10.6%	Retail	MTM	MTM	-	Triple Net	\$28.94	\$2.41	\$102,000
104	OG Tobacco	1,000	3.0%	Retail	Jun-23	Jun-28	5.0	Modified Gross	\$33.00	\$2.75	\$33,000
105	Pounds Inc.	670	2.0%	Retail	Jun-19	Mar-25	5.8	Triple Net	\$39.40	\$3.28	\$26,400
106	Kolsom Investment	1,200	3.6%	Retail	Apr-22	Apr-25	3.1	Triple Net	\$20.60	\$1.72	\$24,720
107	Kolsom Investment	980	2.9%	Retail	Apr-22	Mar-25	3.0	Triple Net	\$28.38	\$2.36	\$27,810
108	Quality Sample	940	2.8%	Retail	MTM	MTM	-	Modified Gross	\$22.98	\$1.91	\$21,600
109	Loff Jump	970	2.9%	Retail	MTM	MTM	-	Modified Gross	\$19.79	\$1.65	\$19,200
110	Digital Currency Services	1,460	4.4%	Retail	MTM	MTM	-	Modified Gross	\$28.77	\$2.40	\$42,000
114	HHCP	3,872	11.6%	Retail	Jan-22	Jan-25	3.0	Triple Net	\$59.03	\$4.92	\$228,579
115	Reaps Company LLC	1,036	3.1%	Restaurant	Jul-21	Sep-24	3.3	Triple Net	\$43.01	\$3.58	\$44,558
116	Reaps Company LLC	1,015	3.1%	Retail	Sep-15	Jul-24	8.8	Modified Gross	\$24.28	\$2.02	\$24,649
117/118	Reaps Company LLC	2,030	6.1%	Retail	Feb-15	Jul-24	9.4	Modified Gross	\$21.12	\$1.76	\$42,882
119	Jingle Donuts	906	2.7%	Restaurant	MTM	MTM	-	Triple Net	\$51.30	\$4.28	\$46,481
1907A	Waba Grill	1,400	4.2%	Restaurant	Jul-06	Jun-29	22.9	Triple Net	\$39.82	\$3.32	\$55,750
1907B	Sonoratown LLC	745	2.2%	Restaurant	MTM	MTM	-	Triple Net	\$45.00	\$3.75	\$33,525
1920	Juice Connection	11,500	34.6%	Industrial	Jan-03	Jan-26	23.0	Modified Gross	\$11.07	\$0.92	\$127,311
<b>OCCUPIED SUBTOTALS</b>		<b>33,249</b>	<b>100.0%</b>						<b>\$27.08</b>	<b>\$2.26</b>	<b>\$900,465</b>
TOTAL NRA		33,249	100%						\$27.08	\$2.26	\$900,465

The subject’s contract rents range from \$0.92 to \$4.92 PSF, with a weighted average of \$2.26 PSF. The low end of the contract rent range reflects the larger industrial building (1920) located on McGary Street. The high end of the range reflects Suite 114 which is leased to a cannabis related entity. Six of the tenants are on month-to-month terms. The subject has contract rents that are near, below and above market.

Below is a tenant category analysis for the various suites at the subject:

TENANT CATEGORY ANALYSIS											
TENANT CATEGORY	SPACE SIZE (SF)			PERCENT OCCUPIED	SPACE BREAKOUT			CONTRACT OCCUPIED SPACE			
	OCCUPIED	VACANT	TOTAL		OCCUPIED	VACANT	TOTAL	\$/SF(YR.)	\$/SF(MO.)	ANNUAL	
Retail	17,662	0	17,662	100.0%	11	0	11	\$33.57	\$2.80	\$592,840	
Restaurant	4,087	0	4,087	100.0%	4	0	4	\$44.12	\$3.68	\$180,314	
Industrial	11,500	0	11,500	100.0%	1	0	1	\$11.07	\$0.92	\$127,311	
<b>TOTAL &amp; AVGS</b>	<b>33,249</b>	<b>0</b>	<b>33,249</b>	<b>100.0%</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>\$27.08</b>	<b>\$2.26</b>	<b>\$900,465</b>	

There is no vacant space at the subject property.

## Potential Gross Rent Conclusion

A portion of the subject's contract rents are at or near the market rent conclusion and are used to project potential gross rent income. Market rent is used for all for spaces on month-to-month terms or spaces which have contract rent substantially above or below market. A leasehold is made at the end of this section to account for above/below market rents. With these conclusions, potential gross rent income is projected as shown in the following table:

OCCUPIED SPACE							
TENANT	NRA (SF)	CATEGORY	CONTRACT	MARKET	CONT V MKT	\$/SF (YR.)	\$/YEAR
Beverly Books	3,525	Retail	\$2.41	\$2.25	107%	\$28.94	\$102,000
OG Tabacco	1,000	Retail	\$2.75	\$2.25	122%	\$33.00	\$33,000
Pounds Inc.	670	Retail	\$3.28	\$2.25	146%	\$27.00	\$18,090
Kolsom Investment	1,200	Retail	\$1.72	\$2.25	76%	\$27.00	\$32,400
Kolsom Investment	980	Retail	\$2.36	\$2.25	105%	\$28.38	\$27,810
Quality Sample	940	Retail	\$1.91	\$2.25	85%	\$27.00	\$25,380
Loff Jump	970	Retail	\$1.65	\$2.25	73%	\$27.00	\$26,190
Digital Currency Services	1,460	Retail	\$2.40	\$2.25	107%	\$27.00	\$39,420
HHCP	3,872	Retail	\$4.92	\$2.25	219%	\$27.00	\$104,544
Reaps Company LLC	1,036	Restaurant	\$3.58	\$2.50	143%	\$30.00	\$31,080
Reaps Company LLC	1,015	Retail	\$2.02	\$2.25	90%	\$24.28	\$24,649
Reaps Company LLC	2,030	Retail	\$1.76	\$2.25	78%	\$21.12	\$42,882
Jingle Donuts	906	Restaurant	\$4.28	\$2.50	171%	\$30.00	\$27,180
Waba Grill	1,400	Restaurant	\$3.32	\$2.50	133%	\$39.82	\$55,750
Sonoratown LLC	745	Restaurant	\$3.75	\$2.50	150%	\$30.00	\$22,350
Juice Connection	11,500	Industrial	\$0.92	\$1.10	84%	\$11.07	\$127,311
<b>OCCUPIED SUBTOTALS</b>	<b>33,249</b>	<b>-</b>	<b>\$2.26</b>	<b>\$1.88</b>	<b>120%</b>	<b>\$22.26</b>	<b>\$740,035</b>
TOTAL	33,249	-	\$2.26	\$1.88	120%	\$22.26	\$740,035

## Reimbursable Operating Expense Income

Income for Suites 104, 116, 117/118 and 1920 are forecasted based on contract, all of which reflect modified gross structures where the tenants pay for their own unit electricity and utilities expense directly, and the landlord pays for all other operating expenses directly. Therefore, no income from this source is forecasted.

Income for the remaining suites is forecasted based on a NNN structure, where the tenants reimburse for a pro-rata share (53%) of applicable operating expenses. Therefore, income from this source is projected based on the expense conclusions made later in this section.

## Other Income

The subject reported other income from NSF, late fees, etc. ranging from \$5,360 to \$14,377 from 2021 to 2023. We have concluded \$5,000 of other income based on the most recent expense year of 2023.

## Total Potential Gross Income

With the previous conclusions of potential gross rent and other income, total potential gross income is forecasted at \$852,674 for our pro-forma projection. This equates to \$25.65 PSF.

## Vacancy and Credit Loss

The vacancy and credit loss reflects the likelihood of lost revenues, due to non-payment of rent. This includes lost revenue due to vacancies as well as credit loss (non-payment by tenants). The estimate of vacancy and credit loss is over the economic life of the property and is not over the short term. It also includes vacancy lag, which is the time necessary to release space after a vacancy occurs.

As discussed in the Market Analysis section, a vacancy and credit loss factor of 7.5% is used for the analysis.

## Effective Gross Income

With the previous conclusions of total potential gross income and vacancy, effective gross income is forecasted at \$788,724 for our pro-forma projection. This equates to \$23.72 PSF.

## Operating Expenses

In this case, landlord operating expenses include property taxes, insurance, utilities, repairs & maintenance, management and administrative. Following proper appraisal methodology, a reserve for replacement is also deducted. To forecast these items, the subject's historical operating expenses and expense comparables are analyzed. The subject's historical expenses are shown in the table below, followed by the expense comparable data.

OPERATING HISTORY									
YEAR	2021			2022			2023		
	TOTAL	\$/SF	%PRR	TOTAL	\$/SF	%PRR	TOTAL	\$/SF	%PRR
<b>RENTAL REVENUE</b>									
Potential Base Rent	\$584,197	\$17.57	100%	\$818,094	\$24.61	100%	\$855,117	\$25.72	100%
<b>TOTAL RENTAL REVENUE</b>	\$584,197	\$17.57	100%	\$818,094	\$24.61	100%	\$855,117	\$25.72	100%
<b>REIMBURSEMENT REVENUE</b>									
TOTAL									
NNN Reimbursement	\$43,024	\$1.29	7%	\$36,979	\$1.11	5%	\$40,404	\$1.22	5%
<b>TOTAL REIMBURSEMENT REVENUE</b>	\$43,024	\$1.29	7%	\$36,979	\$1.11	5%	\$40,404	\$1.22	5%
<b>MISCELLANEOUS REVENUE</b>									
TOTAL									
Other	\$14,377	\$0.43	2%	\$6,133	\$0.18	1%	\$5,360	\$0.16	1%
<b>TOTAL MISCELLANEOUS REVENUE</b>	\$14,377	\$0.43	2%	\$6,133	\$0.18	1%	\$5,360	\$0.16	1%
<b>POTENTIAL GROSS REVENUE</b>	\$641,598	\$19.30	110%	\$861,205	\$25.90	105%	\$900,881	\$27.09	105%
<b>ALL VACANCY LOSS</b>									
TOTAL									
Rental Revenue	\$0	-	0%	\$0	-	0%	\$0	-	0%
Reimbursement Revenue	\$0	-	0%	\$0	-	0%	\$0	-	0%
Miscellaneous Revenue	\$0	-	0%	\$0	-	0%	\$0	-	0%
<b>EFFECTIVE GROSS REVENUE</b>	\$641,598	\$19.30	100%	\$861,205	\$25.90	100%	\$900,881	\$27.09	100%
<b>OPERATING EXPENSES</b>									
TOTAL									
Taxes	\$0	-	-	(\$180,309)	(\$5.42)	(21%)	(\$118,847)	(\$3.57)	(13%)
Insurance	\$0	-	-	(\$51,004)	(\$1.53)	(6%)	(\$24,822)	(\$0.75)	(3%)
Repairs & Maintenance	(\$16,320)	(\$0.49)	(3%)	(\$47,226)	(\$1.42)	(5%)	(\$31,106)	(\$0.94)	(3%)
Utilities	(\$16,857)	(\$0.51)	(3%)	(\$23,650)	(\$0.71)	(3%)	(\$15,818)	(\$0.48)	(2%)
Management Fees	(\$35,659)	(\$1.07)	(6%)	(\$60,645)	(\$1.82)	(7%)	(\$66,068)	(\$1.99)	(7%)
Reserves	\$0	-	-	\$0	-	-	\$0	-	-
<b>TOTAL OPERATING EXPENSES</b>	(\$68,835)	(\$2.07)	(11%)	(\$362,835)	(\$10.91)	(42%)	(\$256,661)	(\$7.72)	(28%)
<b>NET OPERATING INCOME</b>	\$572,763	\$17.23	89%	\$498,371	\$14.99	58%	\$644,220	\$19.38	72%

<b>2022 SO CAL PENNER EXPENSE GUIDE - RETAIL STRIP CTR</b>				
<b>EXPENSE ITEM</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>	<b>AVERAGE</b>	<b>MEDIAN</b>
Property Taxes	\$0.58	\$3.54	\$2.06	\$2.32
Insurance	\$0.41	\$0.72	\$0.54	\$0.54
Repairs & Maint./CAM				
Utilities	\$0.17	\$1.45	\$0.74	\$0.80
Trash Removal	\$0.29	\$1.72	\$0.91	\$0.84
Grounds Maint.	\$0.18	\$1.29	\$0.59	\$0.45
Bldg. Repairs & Maint	\$0.58	\$2.96	\$1.41	\$1.29
Total Repairs & Maint.	\$1.22	\$7.42	\$3.65	\$3.38
Management Fee	\$0.00	\$1.97	\$1.03	\$1.18
Security	\$0.00	\$3.09	\$0.63	\$0.11
Miscellaneous	\$0.03	\$0.61	\$0.22	\$0.17
Reserves	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses PSF	\$4.67	\$10.45	\$8.13	\$8.57
Total as % of EGI	20.8%	72.4%	40.9%	37.6%
Management Fee	0.0%	9.2%	4.1%	3.9%

<b>RETAIL EXPENSE SUMMARY</b>				
	<b>Min</b>	<b>Max</b>	<b>Average</b>	<b>Median</b>
Size	3,997	163,639	26,292	14,790
Year Built	1873	2020	1968	1975
Expense Year	2019	2022	2021	2021
<b>Expense Category</b>				
Property Taxes	\$0.49	\$6.99	\$2.69	\$2.45
Insurance	\$0.06	\$1.89	\$0.64	\$0.53
Repairs & Maintenance	\$0.01	\$8.09	\$2.77	\$2.49
Management/Admin.	0.03%	15.5%	4.1%	3.9%
Other	\$0.01	\$6.05	\$1.53	\$0.44
<b>Total</b>	<b>\$1.95</b>	<b>\$15.02</b>	<b>\$7.34</b>	<b>\$6.71</b>

*Survey includes 60 multi-tenant retail properties. Min, max, average and median exclude properties reporting no management expense.*

An analysis of each expense item is provided on the next table:

<b>EXPENSE CONCLUSIONS</b>				
<b>OPERATING EXPENSES</b>	<b>%EGR</b>	<b>\$/SF NRA</b>	<b>TOTAL</b>	<b>COMMENT</b>
Taxes	14.0%	\$3.33	\$110,717	The concluded amount is based on California's Proposition 13, which reflects a stabilized assessed value multiplied by the current ad valorem tax rate.
Insurance	3.2%	\$0.75	\$24,937	The concluded amount is based on the historical expenses and the expense comparable information.
Repairs & Maintenance	8.4%	\$2.00	\$66,498	The concluded amount is based on the historical expenses and the expense comparable information.
Utilities	2.1%	\$0.50	\$16,625	The concluded amount is based on the historical expenses and the expense comparable information.
Management Fees	5.0%	\$1.19	\$39,436	The concluded amount is based on 5.0% of the concluded Effective Gross Income.
Reserves	0.8%	\$0.20	\$6,650	The concluded amount is based on \$0.20 PSF of the subject's building area.
<b>TOTAL OPERATING EXPENSES</b>	<b>33.6%</b>	<b>\$7.97</b>	<b>\$264,862</b>	

## **Expense/NOI Conclusion**

The net operating income equals the effective gross income less the total expenses. The net operating income for the subject is \$523,862 based on the previous conclusions of potential gross income, vacancy and expenses. This equates to \$15.76 PSF.

## **Direct Capitalization**

The next step in the Income Capitalization Approach is capitalization of net income into an expression of value. Direct capitalization is a method used to convert a single year's income estimate into a value indication. This conversion is accomplished in one step, by dividing the income estimate by an appropriate income capitalization rate.

In this method, no precise allocation is made between the return on and the return of capital because the method does not simulate investor assumptions or forecasts concerning the holding period, the pattern of income, or changes in value of the original investment. However, a satisfactory rate of return for the investor and recapture of the capital invested are implicit in the rates applied in direct capitalization because they are derived from similar investment properties.

The income capitalization rates reflect the relationship between income and value and are derived from market data. It is essential that the properties used as comparables reflect risk, income, expense, and physical and location characteristics that are similar to the property being appraised. Consequently, income capitalization rates must be extracted from properties that reflect similar income-expense ratios, risk characteristics, and expectations as to change in income and value over a typical investment-holding period.

The following methods are used in determining an appropriate overall capitalization rate:

### Market Extraction

The following capitalization table restates the information for the sales previously presented in the Sales Comparison Approach:

MARKET EXTRACTION METHOD					
	COMP 1	COMP 2	COMP 4	COMP 5	COMP 6
Name	Avalon Shopping Center	Crenrose Plaza	Retail Property	Strip Retail	Retail Strip Center
Address	622-648 E El Segundo Blvd	14125-14141 Crenshaw Blvd	7605-7643 Firestone Blvd	8706 Imperial Hwy.	9150 Painter Ave
City	Los Angeles	Hawthorne	Downey	Downey	Whittier
State	CA	CA	CA	CA	CA
NRA (SF)	34,410	23,329	22,832	17,495	20,939
Year Built/Ren	1966	1963	1958	1963	1989
Sale Date	Jul-23	Mar-23	Mar-22	Jan-22	Aug-22
Sale Price	\$7,250,000	\$5,500,000	\$5,850,000	\$4,510,000	\$5,800,000
Price/SF	\$211	\$236	\$256	\$258	\$277
Price/Unit	\$0	\$0	\$0	\$0	\$0
NOI/SF NRA	\$12.64	\$10.84	\$0.00	\$11.73	\$12.63
Occupancy	100%	65%	100%	90%	95%
<b>Capitalization Rate</b>	<b>6.00%</b>	<b>4.60%</b>	<b>4.58%</b>	<b>4.90%</b>	<b>4.60%</b>
HIGH	6.00%				
<b>AVERAGE</b>	<b>4.94%</b>				
LOW	4.58%				

In conclusion, the market extraction method brackets the subject's applicable capitalization rate from 4.58% to 6.00%, and is supportive of a capitalization rate conclusion for the subject presented in the Capitalization Rate Conclusion section.



### National Survey

The investor pool for the subject property likely includes local investors, with a regional or national investor profile viewed as unlikely based on the relatively smaller size and local tenant profile. However, for additional support, the following table summarizes national cap rate trends for similar properties:

NATIONAL INVESTOR SURVEY			
CAPITALIZATION RATE (OAR)	YEAR/QUARTER	RANGE	AVERAGE
National Strip Shopping Center			PwC
<b>Current Quarter</b>	<b>2024 Q1</b>	<b>5.50% to 10.00%</b>	<b>7.25%</b>
Last Quarter	2023 Q4	5.50% to 10.00%	7.30%
Four Quarters Ago	2023 Q1	5.25% to 10.00%	7.50%
Pacific Region Warehouse			PwC
<b>Current Quarter</b>	<b>2024 Q1</b>	<b>4.50% to 6.00%</b>	<b>5.45%</b>
Last Quarter	2023 Q4	4.50% to 6.50%	5.23%
Four Quarters Ago	2023 Q1	3.75% to 5.50%	4.52%

## Band of Investment Technique

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information from lenders and the sales comparables indicates the following terms. Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations presented on the following tables:

BAND OF INVESTMENT					
ASSUMPTIONS					
Interest Rate	6.45%		Ten Year Treasury	200 bp	
Loan Amortization Period	25 Years		<u>Current 10-Yr. Treasury</u>	4.45% (As of Report Date)	
Loan-To-Value-Ratio	75.00%		6-Mos Trend		
Mortgage Constant	0.08065				
Debt Service Coverage Ratio	0.95693		6-Mos Trend		
CALCULATION					
Mortgage Component	75%	x	8.07%	=	0.0605
Equity Component	25%	x	6.50%	=	0.0163
<b>INDICATED CAPITALIZATION RATE</b>					<b>7.67%</b>

## Capitalization Rate Conclusion

Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion. Primary emphasis was placed on the Market Extraction Method, with support from the balance of the data.

CAPITALIZATION RATE CONCLUSION				
COMPONENT	RANGE			AVERAGE
Market Extraction	4.58%	to	6.00%	4.94%
National PwC Investor Surveys	5.00%	to	8.00%	6.35%
Band of Investment Calculation				7.67%
<b>CONCLUDED CAPITALIZATION RATE</b>				<b>6.00%</b>

## Leasehold Calculation

The subject has a leasehold value due to having above/below-market contract rents. A leasehold adjustment is made to the value indication using market rent and assuming stabilized occupancy. This is done by taking the net present value of the difference in contract and market rent over the remaining lease terms. A discount rate (7.50%) of 175 basis points over the concluded cap rate is used for above market rent and a safe rate of 3.00% is used for below market rents since there is lower risk in the tenant vacating. The calculation is summarized in the following table:

LEASEHOLD CALCULATION										
TENANT	UNIT #	UNIT SF	CONTRACT RENT	MARKET RENT	DIFF./MO	REMAIN. TERM (MOS.)	DISCOUNT RATE		x PVF	Total PV
Pounds Inc.	105	670	\$3.28	\$2.25	\$693	14	7.50%	0.63%	13.36506	\$9,255
Kolsom Investment	106	1,200	\$1.72	\$2.25	-\$640	15	-3.00%	-0.25%	15.30430	-\$9,795
HHCP	114	3,872	\$4.92	\$2.25	\$10,336	11	7.50%	0.63%	10.59843	\$109,548
Reaps Company LLC	115	1,036	\$3.58	\$2.50	\$1,123	8	7.50%	0.63%	7.77961	\$8,738
									<b>Total</b>	<b>\$117,747</b>

# INCOME APPROACH

(CONTINUED)

## Conclusion - Direct Capitalization

The Direct Capitalization Summary Table summarizing the information discussed in this section of the report is as follows:

DIRECT CAPITALIZATION							
OCCUPIED SPACE							
TENANT	NRA (SF)	CATEGORY	CONTRACT	MARKET	CONT V MKT	\$/SF (YR.)	\$/YEAR
Beverly Books	3,525	Retail	\$2.41	\$2.25	107%	\$28.94	\$102,000
OG Tobacco	1,000	Retail	\$2.75	\$2.25	122%	\$33.00	\$33,000
Pounds Inc.	670	Retail	\$3.28	\$2.25	146%	\$27.00	\$18,090
Kolsom Investment	1,200	Retail	\$1.72	\$2.25	76%	\$27.00	\$32,400
Kolsom Investment	980	Retail	\$2.36	\$2.25	105%	\$28.38	\$27,810
Quality Sample	940	Retail	\$1.91	\$2.25	85%	\$27.00	\$25,380
Loff Jump	970	Retail	\$1.65	\$2.25	73%	\$27.00	\$26,190
Digital Currency Services	1,460	Retail	\$2.40	\$2.25	107%	\$27.00	\$39,420
HHCP	3,872	Retail	\$4.92	\$2.25	219%	\$27.00	\$104,544
Reaps Company LLC	1,036	Restaurant	\$3.58	\$2.50	143%	\$30.00	\$31,080
Reaps Company LLC	1,015	Retail	\$2.02	\$2.25	90%	\$24.28	\$24,649
Reaps Company LLC	2,030	Retail	\$1.76	\$2.25	78%	\$21.12	\$42,882
Jingle Donuts	906	Restaurant	\$4.28	\$2.50	171%	\$30.00	\$27,180
Waba Grill	1,400	Restaurant	\$3.32	\$2.50	133%	\$39.82	\$55,750
Sonoratown LLC	745	Restaurant	\$3.75	\$2.50	150%	\$30.00	\$22,350
Juice Connection	11,500	Industrial	\$0.92	\$1.10	84%	\$11.07	\$127,311
<b>OCCUPIED SUBTOTALS</b>	<b>33,249</b>	<b>-</b>	<b>\$2.26</b>	<b>\$1.88</b>	<b>120%</b>	<b>\$22.26</b>	<b>\$740,035</b>
TOTAL	33,249	-	\$2.26	\$1.88	120%	\$22.26	\$740,035
GROSS RENTAL REVENUE							
RENTAL REVENUE			%PRR	%PGR	%EGR	\$/SF (YR.)	\$/YEAR
Potential Base Rent			100%	87%	94%	\$22.26	\$740,035
<b>TOTAL RENTAL REVENUE</b>						<b>\$22.26</b>	<b>\$740,035</b>
OTHER TENANT REVENUE (REIMBURSEMENT/RECOVERIES)							
NNN Reimbursement			15%	13%	14%	\$3.24	\$107,639
<b>TOTAL OTHER TENANT REVENUE (REIMBURSEMENT/RECOVERIES)</b>			<b>15%</b>	<b>13%</b>	<b>14%</b>	<b>\$3.24</b>	<b>\$107,639</b>
OTHER REVENUE (MISCELLANEOUS)							
Other			1%	1%	1%	\$0.15	\$5,000
<b>TOTAL OTHER REVENUE (MISCELLANEOUS)</b>			<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>\$0.15</b>	<b>\$5,000</b>
<b>POTENTIAL GROSS REVENUE</b>						<b>\$25.65</b>	<b>\$852,674</b>
ALL VACANCY LOSS							
Rental Revenue				7.5%	7.0%	(\$1.67)	(\$55,503)
Reimbursement Revenue				7.5%	1.0%	(\$0.24)	(\$8,073)
Miscellaneous Revenue				7.5%	0.0%	(\$0.01)	(\$375)
<b>TOTAL VACANCY &amp; CREDIT LOSS</b>				<b>7.5%</b>	<b>8.1%</b>	<b>(\$1.92)</b>	<b>(\$63,951)</b>
<b>EFFECTIVE GROSS REVENUE</b>						<b>\$23.72</b>	<b>\$788,724</b>
OPERATING EXPENSES							
	<b>Reimbursed As</b>			%PGR	%EGR	\$/SF (YR.)	\$/YEAR
Taxes	NNN Reimbursement 53%			13.0%	14.0%	(\$3.33)	(\$110,717)
Insurance	NNN Reimbursement 53%			2.9%	3.2%	(\$0.75)	(\$24,937)
Repairs & Maintenance	NNN Reimbursement 53%			7.8%	8.4%	(\$2.00)	(\$66,498)
Utilities				1.9%	2.1%	(\$0.50)	(\$16,625)
Management Fees				4.6%	5.0%	(\$1.19)	(\$39,436)
Reserves				0.8%	0.8%	(\$0.20)	(\$6,650)
<b>TOTAL OPERATING EXPENSES</b>				<b>31.1%</b>	<b>33.6%</b>	<b>(\$7.97)</b>	<b>(\$264,862)</b>
<b>NET OPERATING INCOME</b>						<b>\$15.76</b>	<b>\$523,862</b>
Capitalization Rate							6.00%
Capitalized Value							\$8,731,031
<b>INDICATED VALUE (ROUNDED TO NEAREST \$10,000)</b>						<b>\$263</b>	<b>\$8,730,000</b>
LEASEHOLD ADJUSTMENT						\$3.54	\$117,747
<b>INDICATED VALUE (ROUNDED TO NEAREST \$10,000)</b>						<b>\$266</b>	<b>\$8,850,000</b>

# RECONCILIATION OF VALUE CONCLUSIONS

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed Sales Comparison and Income (Direct Capitalization) Approaches. The values presented represent the Retrospective Value (Leased Fee Estate).

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Below, the individual strengths and weaknesses of each approach are analyzed.

## **Cost Approach**

The Cost Approach is not applicable due to the age of the improvements.

## **Sales Comparison Approach**

The Sales Comparison Approach is based on a comparison of similar properties that have sold recently in the subject's market. A comparative analysis of the sale price per square foot was used in the Sales Comparison Approach. The strength of this approach depends on the quality and comparability of the market data. The more reliable the comparable sales data, the more accurate the value estimate. In this case, there are limited recent closed sales to analyze in this market. There is also a lack of listing information for similar quality buildings in the market. Therefore, this approach is only given supportive weight.

## **Income Approach**

The Income Approach most closely resembles the type of analysis utilized by investors of income-producing properties. Nearly all participants involved in buying and selling leased commercial buildings are mainly concerned with the income-producing capability of the property. As the subject property is income-producing and this approach contained the best samples of data, it is given most weight.

## **Reconciliation**

After considering all factors relevant to the valuation of the subject property, with most weight placed on the Income Approach, the final value opinion is as follows:

RECONCILIATION OF VALUES	
VALUATION SCENARIOS	RETROSPECTIVE VALUE
Interest	Leased Fee Estate
Date	January 7, 2024
SALES COMPARISON APPROACH	
<b>SALES COMPARISON APPROACH</b>	
Indicated Value	<b>\$8,930,000</b>
\$/SF NRA	\$269
INCOME CAPITALIZATION APPROACH	
<b>DIRECT CAPITALIZATION</b>	
Indicated Value	<b>\$8,850,000</b>
\$/SF NRA	\$266
FINAL VALUE CONCLUSION	
<b>FINAL VALUE CONCLUSION</b>	<b>\$8,850,000</b>
\$/SF NRA	\$266

# CERTIFICATION

---

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The appraisal was completed without regard to race, color, religion, national origin, sex, marital status or any other prohibited basis, and will not contain references which could be regarded as discriminatory.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice*, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
- Ryan J. DeWitt and Russell W. McCoy, MAI, have not, and Matthew K. Reynolds, MAI, has made a personal interior and exterior inspection of the property that is the subject of this report.
- No one provided real property appraisal assistance to the individuals signing this report.
- We 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.
- This appraisal was prepared in conformance with the requirements of the State of California and the client.

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, Matthew K. Reynolds, MAI and Russell W. McCoy, MAI, have completed the continuing education program of the Appraisal Institute. As of the date of this report, Ryan J. DeWitt has completed the Standards and Ethics Education Requirement of the Appraisal Institute for an affiliate member.



---

Matthew K. Reynolds, MAI  
Certified General Real Estate Appraiser  
State of California License #AG041942

---

Ryan J. DeWitt  
Certified General Real Estate Appraiser  
State of California License #AG044561



---

Russell W. McCoy, MAI  
Certified General Real Estate Appraiser  
State of California License #AG028414

# **ASSUMPTIONS & LIMITING CONDITIONS**

---

It is noted that the use of an extraordinary assumption and/or hypothetical condition may have affected the assignment results. This appraisal is subject to the following assumptions and limiting conditions:

## **Extraordinary Assumptions**

- ▶ The use of an extraordinary assumption(s) may have impacted the results of the assignment. We performed an exterior only inspection. There may be issues readily identifiable only by a physical interior inspection that would have a material impact on the market value estimate. Our value conclusion assumes no material issues exist and the subject is in average condition with no deferred maintenance. Further, we relied on public records, CoStar, client information, and other sources for the building size along with other pertinent building information, which we have assumed to be accurate.

## **Hypothetical Conditions**

- ▶ No Hypothetical Conditions were made for this assignment.

## **General Assumptions and Conditions**

- ▶ The legal description provided has not been compared with the assessor's records. The analysis assumes that this description accurately represents the subject property. A survey has not been provided to the appraiser. If further verification is required, a survey by a registered surveyor is advised.
- ▶ Site area and building area estimates are based on the appraiser's inspection, data provided by the owner/client and public record. Square footage figures are approximate but considered sufficient for appraisal purposes. If the square footage estimates were sufficiently different, it could affect the value estimate. In cases where accurate measurements could not be obtained, owner/client-provided data and public records are relied upon. If the client requires more certainty, the services of an independent surveyor or the like should be considered. We reserve the right to change our opinion of value if better size data is later provided.
- ▶ It is assumed that the subject property is in compliance with all applicable federal, state and local laws, ordinances, regulations, building standards, use restrictions and zoning unless the lack of compliance is stated in the appraisal report. Determining and reporting on such compliance were not part of the scope of work for this assignment.
- ▶ It is assumed that all water, sewer facilities and utilities (whether existing or proposed) are or will be in good working order, are safe for use, and are or will be sufficient to serve the current or proposed uses of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.
- ▶ All facts and data set forth in this report are true and accurate to the best of the appraiser's knowledge and belief. The appraisal is based upon the assumption that data which is of public record, or which has been secured through interviews with owners, agents or other informed persons is true and correct. The

appraisers reserve the right to make appropriate revisions in the event of discovery of additional or more accurate data.

- ▶ The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
- ▶ We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- ▶ The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- ▶ Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- ▶ The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- ▶ Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- ▶ This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- ▶ The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made, therefore.
- ▶ The statements of value and all conclusions shall apply as of the dates shown herein.
- ▶ The appraisers have no present or contemplated future interest in the property which is not specifically disclosed in this report.
- ▶ Neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the authors. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which he or she is connected.
- ▶ This report must be used in its entirety. Reliance on any portion of the report independent of others may lead the reader to erroneous conclusions regarding the property values. No portion of the report stands alone without approval from the authors.

- ▶ The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- ▶ The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Vanguard Realty Advisors, LLC, and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.
- ▶ The appraisers assume no responsibility for determining if the subject property complies with the Americans with Disabilities Act (ADA). Vanguard Realty Advisors, LLC, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with ADA standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- ▶ An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- ▶ The appraisers are not experts in estimating insurable value for insurance policy purposes. If this appraisal contains an insurable value or replacement cost new estimate, it is provided only as a courtesy for the client. Such estimates are based solely on the Marshall Valuation Cost Estimation Manual and should not be relied upon for purposes of insurance underwriting.
- ▶ A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- ▶ The liability of Vanguard Realty Advisors, LLC, its principals, agents, and employees is limited to the client and only up to the amount of the fees actually collected by Vanguard Realty Advisors, LLC, in conjunction with this assignment. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.

- ▶ This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

# ADDENDA

---

- A. Engagement Letter
- B. Qualifications of Appraiser(s) and Appraiser License(s)

# ***Addenda Item A***

# VANGUARD REALTY ADVISORS

— COMMERCIAL REAL ESTATE APPRAISAL & CONSULTING FIRM —

800.511.4130 PHONE - [www.vracommercial.com](http://www.vracommercial.com) - FAX 877.298.5059

---

**Date:** February 19, 2025

**Client Identification/  
Appraisal Addressee:** The Estate of Micheal J. Meraz  
Kevin S. Bemel, Administrator

**Party Responsible  
For Payment:** Same as client identification

Mr. Bemel,

Thank you for considering Vanguard Realty Advisors, LLC, for the assignment identified in the attached Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment. Unless otherwise indicated on the attached agreement, payment is also due prior to starting the appraisal.

The following is a list of information we will need to begin our analysis. Please forward with the agreement or as soon as possible.

- Payment in full
- Leases and any lease amendments as of the retrospective date
- Rent rolls as of the retrospective date
- Historical operating expenses (three years if applicable)
- Title Report (if available)
- Details on any needed repairs (if applicable)
- Floor plans (if available)

Our ability to honor the terms of this agreement will require your response by February 26, 2025. If you have questions regarding the enclosed, please feel free to contact me at (760) 855-3959 or [mreynolds@vracommercial.com](mailto:mreynolds@vracommercial.com). We are looking forward to serving you.

Respectfully,

**VANGUARD REALTY ADVISORS, LLC**



Matthew K. Reynolds, MAI

## PROFESSIONAL SERVICE AGREEMENT

Project: **Commercial Properties for The Estate of Micheal J. Meraz**

Location:	1	Commercial Property - 1417 W. Pico Blvd, Los Angeles
	2	Industrial Property - 1524 E. 15th Street, Los Angeles
	3	Industrial Property - 2212-2222 & 2230 E. Washington Blvd, Los Angeles
	4	Commercial Property - 1950 & 1960 S. Santa Fe Ave, Los Angeles
	5	Industrial Land - 2131 Long Beach Avenue, Los Angeles
	6	Industrial land - 2010 S. Santa Fe Ave. & 2440 E. 15th Street, Los Angeles 90021
	7	Commercial property - 2200 E. 15th Street, Los Angeles 90021
	8	Industrial land - 2468 E. 16th Street, Los Angeles 90021
	9	Commercial land - 941 Broadway, Los Angeles 90012
	10	Heavy industrial property - 2900 Lugo Street, Los Angeles 90023
	11	Industrial property - 3498 Union Pacific Avenue, Los Angeles 90023-3836
	12	Commercial land - 738 E Florence Ave, Los Angeles 90001-2322
	13	Industrial property - 3432 E 14th St., Los Angeles 90023
	14	Industrial property - 2821 E Washington Blvd., Boyle Heights 90023
	15	Industrial property - 3618 Union Pacific Avenue, Los Angeles 90023
	16	Industrial land - 3447 & 3451 14th Street and Velasco & 14th Street, Los Angeles 9002
	17	Retail property - 1901 S Alameda St, Los Angeles

Intended Use and User of the Appraisal: The intended use of this appraisal is for estate taxes. The intended user is The Estate of Micheal J. Meraz.

Property Rights Appraised: Fee simple and Leased Fee (each property might be fee simple or leased fee)

**\*\*Assumptions & Limiting Conditions:** The appraiser(s) may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made.

A full copy of Vanguard Realty Advisors, LLC's additional Assumptions & Limiting Conditions is available upon request.

Presentation: An Appraisal Report 1 PDF copy via email will be prepared in accordance with the Appraisal Institute, FIRREA (if applicable) and USPAP. The scope of the report will include the following: all applicable approaches. **The report will present the retrospective market values (as of January 7, 2024).** A copy of the Assumptions and Limiting Conditions, which appear in the report, is available upon request.

Professional Fee:

**Please send check to our Corporate Office below:**

**Vanguard Realty Advisors  
Attn: Accounting Department  
6106 Innovation Way  
Carlsbad, CA 92009**

**Or**

## WIRE INSTRUCTIONS

Bank Chase Bank  
Account Name Vanguard Realty Advisors LLC  
Account Number 911971711  
ABA Number 322271627  
Federal Tax ID 45-2191855

**If wire is chosen, please put the subject address in the subject line or put client details so we can identify the wire payment**

**Or**

**Credit card payment. Please contact Lizeth Lambaria for any credit card payments ([llambaria@vracommercial.com](mailto:llambaria@vracommercial.com)) or 858.220.8887**

Consultation: The above fee includes one hour of consultation. Additional consultation with client or client's representatives will be billed at the hourly rate of \$300.

Delivery: **4.0 to 5.0 weeks from the date we receive the fully executed Professional Service Agreement, payment in full and the requested materials.**

Modification or Cancellation: Any changes in the assignment will be mutually agreed upon, in writing, and the fee set forth above will be adjusted accordingly, if necessary. If the assignment is cancelled, for any reason, prior to completion, for all time expended prior to cancellation, the client will be billed at the rate of \$300 per hour. If the client delays completion of the assignment beyond 90 days, the fee will be renegotiated.

Hazardous Waste Disclaimer: Vanguard Realty Advisors, LLC, does not assume any duty to analyze or examine the property or adjacent property for the possible presence of toxic or hazardous substances or materials and accepts no liability regarding the issue. This appraisal report will contain a comprehensive disclaimer to this effect.

Liability: Vanguard Realty Advisors, LLC's, responsibilities are rendered, and limited to, the client, and its liability is limited to the fee actually received for the services requested herein.

I, Matthew K. Reynolds, MAI, a representative of Vanguard Realty Advisors, LLC, agree to the above terms, assuming the Professional Service Agreement is returned by February 26, 2025.




Date: 2/19/25

\_\_\_\_\_  
Matthew K. Reynolds, MAI

I, The Estate of Micheal J. Meraz - Kevin S. Bemel, Administrator, agree to the above stated terms and authorize Vanguard Realty Advisors, to prepare the above referenced appraisal.

Date: 19 February 2025



\_\_\_\_\_  
The Estate of Micheal J. Meraz  
Kevin S. Bemel, Administrator

\*\*Reflects one of many general assumptions and limiting conditions of the appraisal. A full copy of Vanguard Realty Advisors, LLC's Assumptions and Limiting Conditions is available upon request.

## ***Addenda Item B***



## QUALIFICATIONS OF RUSSELL W. MCCOY, MAI

**PRINCIPAL | VANGUARD REALTY ADVISORS, LLC**  
**COMMERCIAL REAL ESTATE VALUATION & ADVISORY SERVICES**

Tax ID# 45-2191855

6106 Innovation Way, Carlsbad, CA 92009

(760) 707-5732 – direct

rmccoy@vracommercial.com

www.vracommercial.com

Mr. McCoy began his appraisal career in December 1998 and has been appraising commercial real estate in Southern California since January 2001. He has appraised nearly every property type and concentrated primarily on office, retail, industrial, lodging, commercial land, mixed-use projects, and apartments. Some notable properties appraised include the following:

- Pacific Center, High-Rise Office, San Diego
- 550 South Hope, High-Rise Office, Los Angeles
- Manulife Plaza, High-Rise Office, Los Angeles
- 2.5-Acre Redevelopment Site, Newport Beach
- Yosemite Resort Site, Fish Camp
- Burbank Town Center, Burbank
- Ocean Palms Beach Resort, Carlsbad
- La Costa Resort Site, Carlsbad
- La Jolla Plaza, High-Rise Office, San Diego
- 6300 Wilshire, High-Rise Office, Los Angeles
- Plaza At Arboretum, Class A Apt, Santa Monica
- 1.6 Million Square Foot Dist. Warehouse, Perris
- Queen Mary Moorage Leasehold, Long Beach
- Desert Crossing Shopping Center, Palm Desert
- Casa Madrona Hotel, Sausalito
- Sorrento Science Park, San Diego

Mr. McCoy became an MAI member of the appraisal institute in 2007 and has held various positions at PGP Valuation. In the most recent position, Mr. McCoy produced appraisals and performed review assignments in connection with the appraisal order and review platform for the FDIC. While headquartered in Southern California since 2001, Mr. McCoy has performed assignments in numerous other states (Arizona, Utah, Oregon, Colorado, Idaho, Texas, Georgia, Florida, North Carolina, Virginia and Ohio). Mr. McCoy has also performed expert witness testimony for bankruptcy and arbitration hearings.

### **Education**

Graduate: Utah State University, Logan, Utah

Bachelor of Science in Finance, minor in Accounting

Real estate courses & seminars sponsored by the Appraisal Institute:

Course 120, Appraisal Procedures

Course 310, Basic Income Capitalization

Course 410, National Uniform Standards of Appraisal Practice

Course 420, Business Practices & Ethics

Course 510, Advanced Income Capitalization

Course 520, Highest & Best Use and Market Analysis

Course 530, Advanced Sales Comparison and Cost Approaches

Course 540, Report Writing and Valuation Analysis

Course 550, Advanced Applications

The Appraiser as an Expert Witness: Preparation & Testimony  
Uniform Appraisal Standards for Federal Land Acquisitions

Other related education:

Passed comprehensive exam for MAI designation in February 2005

**Real Estate Experience**

**Position**

Principal

**Company**

Vanguard Realty Advisors, LLC  
6106 Innovation Way  
Carlsbad, CA 92009

Valuation Services Director

PGP Valuation, Inc.  
(2001 to 2011)  
5796 Armada Dr, Ste A  
Carlsbad, CA 92008

Real Estate Appraiser

Jorgensen Appraisal (1999-2000)  
9677 South 700 East, Ste C  
Sandy, UT 84070

**Other Professional References**

Todd Liebow, MAI  
Valuation Forensics Group  
(503) 349-5200

Tonnie Blinks  
Sunrise Mortgage  
(619) 298-9775

Mark Lawwill, MAI  
Colliers International  
(360) 823-5264

Donald L. Johnson, MAI  
Wells Fargo Bank  
(770) 319-5237

Richard Walcott  
Rabobank  
(916) 878-4812

David E. Pietka, MAI  
Pietka Consulting, Inc.  
(503) 206-1071

Jim Towers  
Review Appraiser  
(909) 335-1735

Marshall Meager, MAI  
Wells Fargo Bank  
(916) 787-9371

Lisa Kimbro, MAI  
Union Bank  
(714) 565-5618

John M. Romney, MAI  
Zions First National Bank  
(801) 844-7336

**Professional Organizations**

MAI - Appraisal Institute, Designation #12467 (June 25, 2007) – Account #403951



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

**Russell W. McCoy**

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:

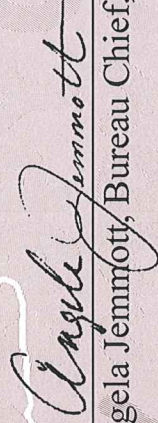
“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 028414

Effective Date: October 26, 2023

Date Expires: October 25, 2025

  
Angela Jemmott, Bureau Chief, BREA

3071267



**PRINCIPAL | VANGUARD REALTY ADVISORS, LLC**  
**COMMERCIAL REAL ESTATE VALUATION & ADVISORY SERVICES**

6106 Innovation Way, Carlsbad, CA 92009  
(760) 855-3959 – direct/mobile  
mreynolds@vracommercial.com  
www.vracommercial.com

Matthew K. Reynolds, MAI, began appraising in 2003 with PGP Valuation. In 2006, PGP Valuation was acquired and became Colliers International. He has worked in various offices (Los Angeles, San Diego, Newport Beach, Carlsbad) throughout California for Colliers International. He has appraised nearly every property type and concentrated on office, retail, industrial, hospitality, commercial, land, mixed-use projects, apartments, and more. In addition to these property types, Mr. Reynolds has developed a specialty expertise on the valuation of single-tenant, build-to-suit net leased (NNN) properties across the nation.

In May 2011, Mr. Reynolds along with Russell W. McCoy, MAI, formed Vanguard Realty Advisors with the genuine desire to provide exceptional analysis and commercial appraisal services while adhering to the highest standards of customer service, quality, and attention to detail. Mr. Reynolds takes pride in building strong client relationships with an impeccable work product and considerable industry knowledge as the foundation. Other specialty expertise for Mr. Reynolds includes performing external outside appraisal reviews for banks and lenders throughout the country and providing fractional interest appraisals.

Currently, Vanguard Realty Advisors has grown to have over +10 appraisers on staff and is considered one of the most active and largest independent (not affiliated with any brokerage/property management) commercial appraisal firms in Southern California and performs over +1,200 appraisal assignments annually. In addition, Vanguard Realty Advisors has grown to have multiple office locations and are in several states.

### **Real Estate Experience**

Company: **Vanguard Realty Advisors**  
Position: Principal  
Duration: May 2011 to Present

Company: **PGP Valuation / Colliers International**  
Position: Appraiser/Senior Appraiser  
Duration: October 2003 to May 2011

### **Professional Affiliation & Accreditations**

Member – Appraisal Institute

### **State Certifications**

California Certified General Real Estate Appraiser License (AG 041942)

**Education**

Graduate: California State University, San Marcos (CSUSM)  
Bachelor of Science in Business Administration with an emphasis in Finance

Select Real estate courses & seminars provided by the Appraisal

Institute: Course 410, National Uniform Standards of Appraisal

Practice

Course 420, Business Practices & Ethics

Course 510, Advanced Income Capitalization

Course 520, Highest & Best Use and Market Analysis

Course 530, Advanced Sales Comparison and Cost Approaches

Course 540, Report Writing and Valuation Analysis

Course 550, Advanced Applications

The Appraiser as an Expert Witness: Preparation & Testimony

National USPAP Course (15-hour & 7-hours updates)

Capstone Program

Evaluating Commercial Leases: The Tenant and Terms Both Matter

IRS Valuation Symposium – Valuation of Donated Real Estate, Including Conservation Easements and Other IRS Valuation Assignments

Supervisory Appraiser/Trainee Appraiser Course

Allocating Components in Going Concern Approach

Other Select Real estate courses & seminars provided by McKissock:

Advanced Hotel Appraising – Full Service Hotels

Appraisal of Fast Food Facilities

Appraisal of Self-Storage Facilities

Introduction to Expert Witness Testimony

**Select Notable Appraisal Assignments**

- College Manor Apartments, SDSU Student Housing Project, San Diego
- Renaissance Towers, High-Rise Apartments, Downtown Los Angeles
- Extra Space Self-Storage Portfolio, Various States
- Barker Block, Large Condominium Project, Arts District of Downtown Los Angeles
- Ramona Terrace Estates Mobile Home Park (MHP), Ramona
- The Metropole Building, Historic Building, San Jose
- Sunset & Vine, Large Mixed-Use Project, Hollywood
- Large Industrial/Office Park (Heritage Corporate Center), 727,679 SF, Santa Fe Springs
- Terraces at Paseo Colorado, 391-Unit Apartment, Pasadena
- Former Howard Hughes Residence & Headquarters, Hollywood
- Entire city block along Harrison Street in Chinatown in Oakland



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

**Matthew K. Reynolds**

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”**

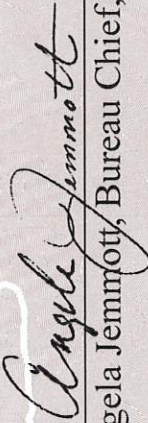
This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

**BREA APPRAISER IDENTIFICATION NUMBER:**

**AG 041942**

**Effective Date:** January 19, 2025

**Date Expires:** January 18, 2027

  
Angela Jemmot, Bureau Chief, BREA

3079582



## QUALIFICATIONS OF RYAN J. DEWITT

REAL ESTATE APPRAISER | VANGUARD REALTY ADVISORS, LLC  
COMMERCIAL REAL ESTATE VALUATION & ADVISORY SERVICES

Tax ID# 45-2191855

2385 Camino Vida Roble, Suite 205, Carlsbad, CA 92011

(760) 268-1134 – office

(760) 707-5738 – direct/mobile

rdewitt@vracommercial.com

www.vracommercial.com

### **Education**

Graduate: California State University Long Beach

Bachelor of Arts in Communications, with an emphasis in Interpersonal and Organizational.

### **Experience**

#### **Position**

Real Estate Appraiser

#### **Company**

Vanguard Realty Advisors, LLC

(September 2012 to Present)

2385 Camino Vida Roble, Suite 205

Carlsbad, CA 92011

Real Estate Appraiser

Grubb & Ellis Landuaer

(2011 to 2012)

625 Broadway, Suite 1000

San Diego, CA 92101

QC Analyst

Appraiserloft (2010-2011)

16701 W Bernardo Drive

San Diego, CA 92008

### **Other Professional References**

Kylle Zilka

Precision Property Appraisals

(760) 717-3965

Kent Carpenter, MAI

Hilco Real Estate Appraisal

(619) 787-7891

Marcus Romero

CBRE

(619) 696-8330

Brett Varon

Next Day Appraisals

(310) 720-3402

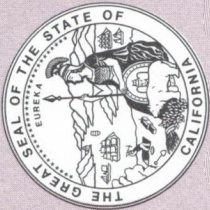
### **Professional Organizations**

Appraisal Institute, Associate Membership

### **Licensure**

Certified General Commercial Appraiser # AG044561

State of California



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

**Ryan J. Dewitt**

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 044561**

Effective Date: April 12, 2024  
Date Expires: April 11, 2026

*Angela Jemmott*  
Angela Jemmott, Bureau Chief, BREAA

3075474