

Appraisal Report

File 2020-166

Vacant Land - 273 Square Foot Permanent Easement for SCE Underground
Conduits @ the Lester Water Treatment agency
2970 Rimpau Avenue, City of Corona, California, Riverside County
Larger Parcel Identified by Assessor Parcel Number #108-050-013

Prepared For
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City of Corona - City Attorney's Office
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Prepared By
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Valuation Date
July 20, 2020

Inspection Date
July 20, 2020

Date Prepared
August 12, 2020

The intended user includes the City of Corona. The appraisal was prepared for the asset acquisition purposes by SCE -Land Value Only. Parties that may receive a copy of the appraisal report do not become intended users unless specified by the client at the time of engagement. Any unauthorized use of this report without written permission of the appraiser and any copies of the report without the written permission of the appraiser are unauthorized and the appraiser is not responsible for the use. A true and original copy of the report has the appraiser's logo in color next to his name and signature. The original reports also have a Corporate Embossed Stamp next to the appraiser's name and no copies of this report are permitted without this color emblem and an original embossed stamp.

TUCKER APPRAISAL SERVICE CORPORATION

NOBLE R. TUCKER JR. MAI, SRA, AI-GRS

SOUTHERN CALIF. OFFICE - PO BOX 673, MURRIETA, CA 92564-0673 • (951)677-4888 (TEL.) • (951)677-4891 (FAX)

August 12, 2020

Maria Conzelman, ACP
City of Corona – City Attorney's Office
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Phone (951) 279-3509
E mail: Maria.Conzelman@ci.corona.ca.us

Reference: 273 Square Foot Permanent Easement for SCE Underground Conduits @ the Lester Water Treatment agency located at 2970 Rimpau Avenue, City of Corona, California, Riverside County. The larger parcel is identified by Assessor Parcel Number 108-050-013.

Our Job No: File 2020-166

Dear Ms. Conzelman:

Pursuant to your request and authorization, I/we have conducted the investigations and analyses necessary to form an opinion of the market value of the above-referenced property. The purpose of this **Appraisal Report**, is to set forth the data, analyses and conclusions relative to my/our opinion of the current "As Is" Market Value of the Fee Simple Estate as of July 20, 2020.

The intended user includes the City of Corona. The appraisal was prepared for the asset acquisition purposes by SCE -Land Value Only. Parties that may receive a copy of the appraisal report do not become intended users unless specified by the client at the time of engagement. Any unauthorized use of this report without written permission of the appraiser and any copies of the report without the written permission of the appraiser are unauthorized and the appraiser is not responsible for the use. A true and original copy of the report has the appraiser's logo in color next to his name and signature. The original reports also have a Corporate Embossed Stamp next to the appraiser's name and no copies of this report are permitted without this color emblem and an original embossed stamp.

The following Appraisal Report is intended to comply with the reporting requirements as set forth under standards rule 2-2 (a) of The Uniform Standards of Professional Appraisal Practice (USPAP). It contains a detailed summary discussion of the data, reasoning, and analyses that were used to develop the opinions of value.

This report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) and certain Jurisdictional exceptions in accordance with the California Code of Civil Procedures, Eminent Domain Law (State Rule). Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file should a different Appraisal Report be required at a later date. The depth of discussion contained within this report is specific to the needs of the

client and for the intended uses stated above. The appraiser is not responsible for unauthorized uses of this report.

Pursuant to your request and authorization, we have conducted the investigations and analyses necessary to form an opinion of the market value of the fee-simple interest of the above-referenced property. The purpose of this appraisal report is to set forth the data, analyses and conclusions relative to our opinion of the current “as is” market value of the subject property. The intended function of this appraisal report is for an *Eminent Domain*.

The Definition of Fair Market Value Utilized in this report: The basic measure of damages in condemnation actions, as in all eminent domain proceedings is market value. That term generally refers to “The Highest Price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular urgent necessity for doing so, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.” (Code Civ. Proc, Section 1263.320, sub. (a)). This definition was utilized in our appraisal report.

The valuation of the subject property is intended to be a reasonable professional estimate of value based on known data and information as of a specific date in time. It is not intended to represent a guarantee of future resale value or a guarantee of a specific cash flow. The future value of the subject property is expected to fluctuate due to varied, real estate related investment risk factors. These factors may include but are not limited to; project management, changes in competition, general area employment base changes, population changes, inflation and deflation, changes in entitlement, changes in material and labor costs and their availability, etc. This appraisal is prepared in accordance with the standards and reporting requirements of the Appraisal Institute, and is subject to the regulated institutions under FIRREA. Furthermore, it conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.

PARTIAL ACQUISITION

Based upon the analyses contained in the accompanying report, and subject to the definitions, assumptions and limiting conditions contained in this report, our opinions of the Fair Market Value as of July 20, 2020 are as follows:

Value of the Larger Parcel	\$ 784,000
Value of the Part Taken as part of the Whole -	\$ 2,000
Value of the Remainder	\$ 784,000
Fair Market Value for Takings and Severance Damages	
Part Taken Land	\$ 2,000
Permanent Fee Taking	\$ 0
Severance Damages	\$ 9
Temporary Construction Easements	\$ 0
Severance Damages Due to TCE's	\$ 0
Total Curable	\$ 2,740
Total Just Compensation	\$ 4,740

The parcel is valued in "Fee", which is in accordance with an appraisal of this nature

The preceding market value estimates are predicated upon competent, professional marketing on the order of less than twelve to twenty-four months. An equal exposure time could be expected in achieving a sale. Our opinions of value represent cash or cash equivalent terms and address real property only. They do not include any personal property, business goodwill or trade fixtures that may be associated with real property. The property being appraised is not known to have any significant natural, cultural, recreational, or scientific value.

The appraiser's analysis, opinions and conclusions were developed, and the report has been prepared in conformity with Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act 1989 (FIRREA) and its regulations, as well as in accordance with generally accepted standards and conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation, except that the Departure Provision of the USPAP does not apply to federally-related transactions.

The value conclusions in this report are subject to the following extra-ordinary assumptions and hypothetical conditions that may affect the assignment results. For the purpose of this valuation, we assume that:

1. The Fair Market Value of the part taken, and the remainder parcel is a hypothetical use as of the date of value as the property has not yet been acquired. We assume that no toxic or hazardous wastes exist on or beneath the surface of the subject site, or in sufficient

proximity to the subject site to cause any health problems or adverse effects on value. This appraisal is contingent upon these assumptions being true and valid.

I/we have completed the Sales Comparison Approach. The Cost and Income Approaches were not applied as typical market participants would not apply these approaches.

No soils reports, title reports, or environmental reports were reviewed by the appraiser (s) and I/we reserve the right to alter my/our opinion of value after review. If you have any further questions, please contact Mr. Noble R. Tucker Jr. MAI, SRA, AI-GRS at Tucker Appraisal Service Corporation (951) 677-4888.

Respectfully submitted,



TUCKER APPRAISAL SERVICE CORPORATION

Noble R. Tucker Jr., MAI, SRA, AI-GRS
"Certified General Real Estate Appraiser"
CA State Certification No.: AG001532 Exp 01/31/22

Noble William Tucker
"Trainee Appraiser"
CA Lic. No. 3004502 Exp 05/02/21

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Client:	City of Corona
Intended Users:	The intended user includes the City of Corona. The appraisal was prepared for the asset acquisition purposes by SCE -Land Value Only. Parties that may receive a copy of the appraisal report do not become intended users unless specified by the client at the time of engagement. Any unauthorized use of this report without written permission of the appraiser and any copies of the report without the written permission of the appraiser are unauthorized and the appraiser is not responsible for the use. A true and original copy of the report has the appraiser's logo in color next to his name and signature. The original reports also have a Corporate Embossed Stamp next to the appraiser's name and no copies of this report are permitted without this color emblem and an original embossed stamp.
Owner:	City of Corona
Sale History:	No sales of the subject property have occurred within the previous three-year period. The subject property is not currently listed for sale.
Our Job No:	File 2020-166
Property Location:	273 Square Foot Permanent Easement for SCE Underground Conduits @ the Lester Water Treatment agency located at 2970 Rimpau Avenue, City of Corona, California, Riverside County
Larger Parcel:	The larger parcel is identified by Assessor Parcel Number 108-050-013
Property Estate Appraised:	Fee Simple Estate
Flood Hazard Information:	The subject is not located in a Flood Zone
Earthquake Study Zone:	According to Riverside County TLMA the subject is not located in a fault zone. There is a fault zone located a few blocks south of the subject property.
Zoning:	A - Agricultural
Legal & Conforming Use:	Legal and conforming use.

Date of Value:	July 20, 2020
Date of Appraisal Report:	August 12, 2020
Marketing Period:	12-24 Months assuming diligent marketing efforts and at a market derived asking price.
Exposure Period:	12-24 Months

PARTIAL ACQUISITION

Based upon the analyses contained in the accompanying report, and subject to the definitions, assumptions and limiting conditions contained in this report, our opinions of the Fair Market Value as of July 20, 2020 are as follows:

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Total Just Compensation	\$ 4,740

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PHOTO OF EASEMENT LOCATION



PHOTOGRAPH OF EASEMENT LOCATION



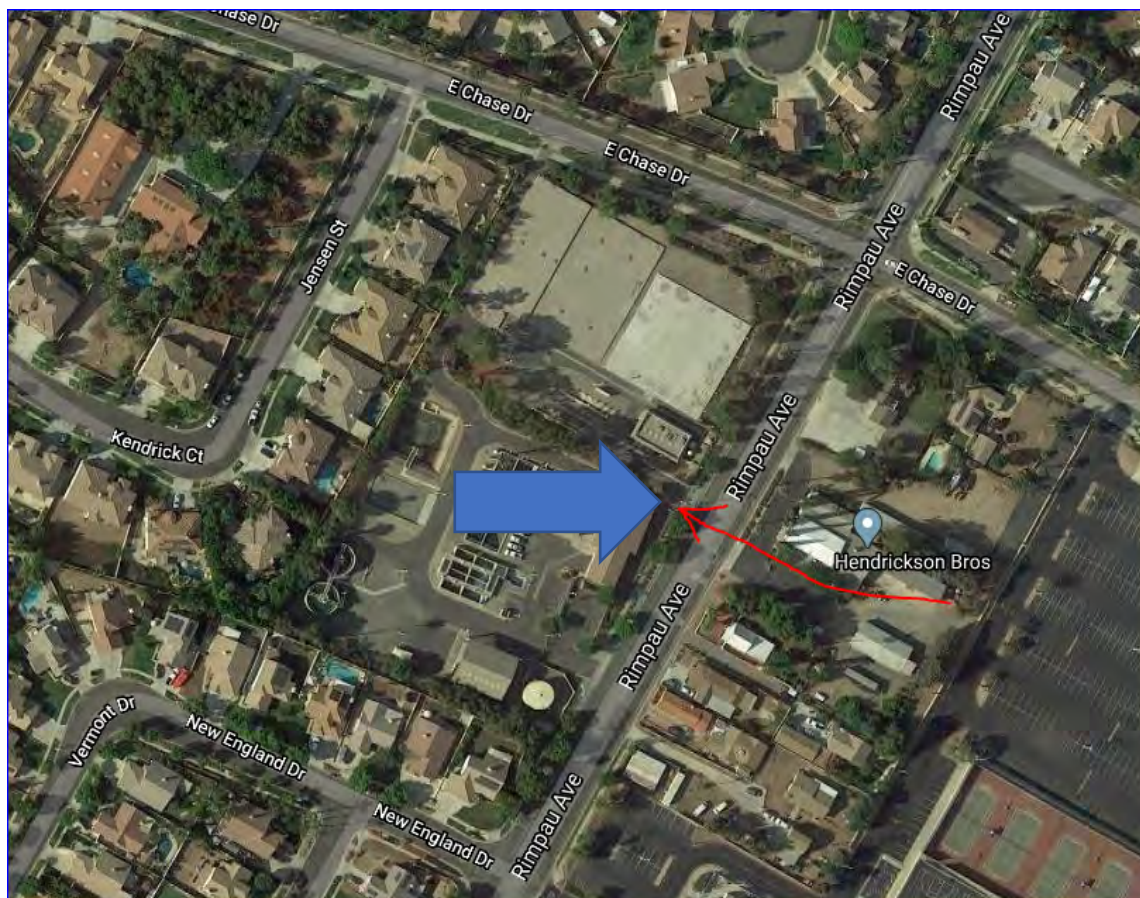
PHOTOGRAPH OF EASEMENT LOCATION



PHOTOGRAPH STREET



AERIAL LOCATION OF EASEMENT



ASSUMPTIONS & LIMITING CONDITIONS

The Analyses and opinions set forth in this appraisal are subject to the following assumptions and limiting conditions:

1. No responsibility is assumed by us for matters, which are legal in nature. A title report was requested from the client and property owner but was not received. No opinion of title is rendered, and the property is appraised as though free of all liens, easements, encroachments and encumbrances, and the title is assumed to be marketable. No survey of the boundaries of the property was undertaken by us. All areas and dimensions furnished are presumed to be correct.
2. An on-site inspection indicates that the subject appears to have normal utility easements.
3. I/we assume that there are no adverse liens, easements or encroachments or other items affecting the value of the property. None were noted at the time of inspection. Furthermore, no responsibility is assumed by us for matters which are legal in nature. No opinion of title is rendered, and the property is appraised as though free of all encumbrances, liens, encroachments, and easements and the title is assumed to be marketable. No survey of the boundaries of the property was undertaken by us. All areas and dimensions furnished to us are presumed to be correct.
4. No soils report was provided for our review. We assume that there are no soils conditions that adversely affect the value of the subject. None were observed upon inspection.
5. Information contained in this appraisal has been gathered from sources that are believed to be reliable, and, where feasible, has been verified. No responsibility is assumed for the accuracy of information supplied by others.
6. I/we assume no responsibility for economic or physical factors occurring subsequent to the date of value that affect the opinions stated herein.
7. I/we reserve the right to make such adjustments to the valuation herein reported as may be required by the consideration of additional data or more credible data that may become available.
8. Forecasts of future events that influence the valuation process are predicated on the continuation of historic and current trends in the market.
9. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
10. No engineering survey has been made. Except as specifically stated, data relative to sizes, square footage, and areas were taken from onsite measurements by the appraisers and from sources considered reliable. Should a future engineering study reveal sizes substantially different from those used herein, we reserve the right to adjust our opinion of value accordingly.

11. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the appraisal. They should not be considered as surveys nor relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.
12. No opinion is expressed as to the value of sub-surface oil, gas, or mineral rights, or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
13. No opinion is intended to be expressed on matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
14. Your appraisers have inspected, as far as possible, by observation the land and improvements thereon; however, it was impossible to personally inspect all of the improvements or hidden structural and mechanical components within the improvements; therefore, no representations are made as to these matters unless specifically considered in the appraisal.
15. I/we shall not be required, by reason of this appraisal, to give testimony or to be in attendance in court or any governmental or other hearing in reference to the subject property without prior arrangements having first been made with the appraiser relative to such additional employment.
16. The Bylaws and Regulations of the Appraisal Institute require each member and or candidate to control the use and distribution of each appraisal by such member or candidate. Therefore, except as may hereinafter be provided, the party for whom this appraisal was prepared may distribute copies of this appraisal, in its entirety, to such third parties as may be selected by the party for whom this appraisal was prepared; however, selected portions of this appraisal shall not be given to third parties without the prior written consent of the signatories of this appraisal.
17. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraisers' or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media for public or private communication without the written consent and approval of the signatories of this appraisal, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraisers is connected, or any reference to the Appraisal Institute, and the MAI, SRA, or AI-GRS designation. Furthermore, this report is for the sole use of our client. Further, the appraisers or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting condition of the assignment.
18. It is assumed that there are no deed restrictions to a single use of the subject. The presence of such restrictions could adversely impact site value.

19. Consideration has not been given in this appraisal to personal property (if any) located on the site; This has been separated from the real estate in our analysis. This appraisal excludes the value of any items of an historical, archaeological or biological nature.
20. This property does not appear to be in a wetlands area. If this should be found to be untrue or different at a later date, we reserve the right to change our report accordingly.
21. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. Considering the subject property was constructed at a different time, the subject may be non-conforming in certain aspects of the ADA requirements. We have not made a specific compliance survey and analysis of the plans to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that the compliance survey of the plans, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. Should the subject be later found to require work to bring it in conformity with ADA, we reserve the right to adjust our estimated values stated herein for the subject property, accordingly.
22. It is assumed that there are no hidden or unapparent conditions or substances in the soil or subsoil that may be hazardous or toxic, including, but not limited to, asbestos. We are not qualified to detect substances such as asbestos, P.C.B.'s, radon, ground contamination, etc. Further, we are not responsible for arranging any engineering or research studies that may be necessary to detect such conditions or substances.
23. In accordance with the Fair Housing Amendments Act, it is illegal for an appraiser(s) to discriminate against any person because of race, religion, sex, hardship, family status, or national origin. This appraisal complies with all rules and regulations prohibiting discrimination on the basis of race, color, religion, sex, nation origin, and marital status.
24. The appraisal report was prepared in conformance with the Graham, Leech, Bliley Act.

EXTRAORDINARY ASSUMPTIONS

This appraisal was conducted based on an exterior drive-by from the street to the south of the subject property.

That the total lot size is correct.

We assume that the parcels are owned by the city of Corona.

No soils report or environmental reports were reviewed by the appraiser and I/we assume that the site is free of contamination.

No date of deposit was given to us and we assume that there has not been a deposit made yet.

The appraiser has made an extraordinary assumption that the items above are correct. If they are found to be different, the appraiser reserves the right to alter his opinion of value.

HYPOTHETICAL CONDITIONS

A hypothetical condition which is defined in the Dictionary of Real Estate Appraisal as "That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if: use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; use of the hypothetical condition results in a credible analysis; and the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

The value of the Part Taken and the Remainder are based on a Hypothetical Condition.

CERTIFICATION

Per Standards Rule 2-3, and FIRREA

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

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 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 performed appraisal 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 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 *Uniform Standards of Professional Appraisal Practice*.
- Noble William Tucker and Noble R. Tucker Jr. MAI, SRA AI-GRS have made a personal exterior inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

-As of the date of this report, I Noble R. Tucker Jr. MAI, SRA, AI-GRS has completed the continuing education program for Designated Members of the Appraisal Institute.

-Client and Appraiser agree that any unresolved dispute that may arise under the provisions of this Agreement shall be submitted to arbitration in accordance with the California Code of Civil Procedure Sections 1282-1282.2. The written determination of the arbitration shall be final, binding, and conclusive on the parties.

-Client agrees to hold Appraiser harmless from any liability arising out of or relative to the appraisal produced pursuant to this Agreement in excess of the actual amount paid for such appraisal (i.e. Appraiser's liability under the terms of this Agreement and to persons relying upon the appraisal produced pursuant hereto shall by Client be limited to the actual fee paid for the appraisal provided as provided for herein above)



TUCKER APPRAISAL SERVICE CORPORATION

Noble R. Tucker Jr., MAI, SRA, AI-GRS
 "Certified General Real Estate Appraiser"
 Calif. State Certification No.: AG001532
 Expiration Date: January 31, 2021

Noble William Tucker
 Trainee Appraiser
 California License No. 3004502
 Expiration Date: May 2, 2021

INTRODUCTION

Purpose

The purpose of this **Appraisal Report** is to set forth the data, analyses and conclusions relative to my/our opinion of the current "As Is" Market Value of the Fee Simple Estate as of July 20, 2020.

Intended User and Use of the Report

The intended user includes the City of Corona. The appraisal was prepared for the asset acquisition purposes by SCE -Land Value Only. Parties that may receive a copy of the appraisal report do not become intended users unless specified by the client at the time of engagement. Any unauthorized use of this report without written permission of the appraiser and any copies of the report without the written permission of the appraiser are unauthorized and the appraiser is not responsible for the use. A true and original copy of the report has the appraiser's logo in color next to his name and signature. The original reports also have a Corporate Embossed Stamp next to the appraiser's name and no copies of this report are permitted without this color emblem and an original embossed stamp.

Date of Valuation/Date of Report/Date of Inspection

The opinion expressed in this report is stated as of July 20, 2020. The date of property exterior inspection was July 20, 2020 from the street. The date of this report is August 12, 2020.

Interest Appraised

The real estate portion of this report pertains to a valuation of the Fee Simple Estate. Only the real estate interest is appraised herein. The valuations presented are based on and explicitly assume a total transfer of these interests of the real estate described. A full transfer of these interests would not necessarily be a direct multiple in value of a fractional transfer.

Leased Fee Estate Defined

The term "Leased Fee"¹ is defined as:

"A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship."

1) Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

Fee Simple Estate Defined

The term "Fee Simple Estate"² is defined as:

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

Lessor Defined

The term lessor is defined in the *Dictionary of Real Estate Appraisal* as:

“One who holds property title and conveys the right to use and occupy the property under a lease agreement; the leased fee owner or landlord.”

Lessee Defined

The term lessee is defined in the *Dictionary of Real Estate Appraisal* as:

“One who has the right to use or occupy a property under a lease agreement; the leaseholder or tenant.”

Sub-lessee Defined

The term sublessee is defined in the *Dictionary of Real Estate Appraisal* as:

“One who enjoys the benefits, rights, and obligations of a lease”

Market Value Defined**The Definition of Market Value Utilized in this report**

The term "market value"¹ is defined as follows:

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

²¹) Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

²) Office of the Comptroller of the Currency under 12 CFR Part 34, subpart C-Appraisals, 34.42 Definitions [f].

- a. *buyer and seller are typically motivated;*
- b. *both parties are well informed or well advised, and each acting in what they consider their own best interest;*
- c. *a reasonable time is allowed for exposure in the open market;*
- d. *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- e. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

The market value estimate in this appraisal is based on all cash to the seller transaction.

Highest and Best Use Defined

"Highest and Best Use" is an appraisal concept which has been defined as follows:

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

Trade Fixtures & Fixtures

According to the *Dictionary of Real Estate Appraisal*, a trade fixture, also called a chattel fixture, is “an article that is owned and attached to a rented space or building by a tenant and utilized in conducting business. Trade fixtures are not real estate endowed with the rights of real property ownership. They are personal property regardless of how they are affixed. Some examples of trade fixtures are restaurant booths, gasoline station pumps, and storage tanks. A trade fixture can sometimes be removed by the tenant when the lease expires. To decide whether an item is personal property or a fixture, and therefore part of the real estate, courts often use the following criteria:

⁴Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

1. *Manner item is affixed. Generally, an item is considered personal property if it can be removed without serious injury to the real estate itself.*
- I. *The character of the item and its adaption to the real estate. Items that are not specifically constructed for use in a particular building or installed to carry out the purpose for which the building was erected are generally considered permanent parts of the building.*
- II. *The intention of the party who attached the item. Frequently, the terms of the lease reveal whether the item is permanent or is to be removed at some future time.”*

A fixture, according to the *Dictionary of Real Estate Appraisal*, “is an article that was once personal property, but has since been installed or attached to the land or building in a rather permanent nature; it is regarded in law as part of the real estate.”

Servient estate

A property burdened by an easement; also known as the *servient tenement*. The *servient estate* is the opposite of the *dominant estate* (also known as the *dominant tenement*), which benefits from an easement. Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010). This would be the underlying landowner

Dominant estate

A property that is served or benefitted by an easement. The opposite of the servient estate, which granted the easement. Also known as the *dominant tenement* and the *servient tenement*, respectively. Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

Real Estate vs. Real Property

Real Estate is defined in the *Dictionary of Real Estate Appraisal*⁵ as “An identified parcel or tract of land, including improvements, if any. (USPAP, 2010-2011 ed.)”

Legal Description

No legal description was submitted. Please see property profiles in the addendum of the report.

⁵Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

Owner of Record

According to the title company records, the title to the property is to be vested in:
City of Corona

Subject Property History

The subject property has not sold within the previous three-year period and is not currently listed for sale.

Scope of the Appraisal

The appraisal process is a systematic procedure employed to provide the answer to a client's question about real property value. The professional typically employs one or more of three generally accepted appraisal techniques. These approaches to value are commonly known as the Cost Approach, the Income Approach, and the Direct Sales Comparison Approach. In undertaking the three approaches to value, the appraiser collects and carefully verifies details of comparable market data, which include land sales, building costs, rental rates, operating expenses, comparable improved sales, and supply and demand factors. Conclusions derived from the analysis are intended to reflect the perspective of a disinterested third party. The data presented in the report were collected from the following sources:

Land sales from multiple listing service data, agents, Costar, the County Assessor Records and DataQuick were researched for two years prior to the date of appraisal, with the most recent sales given the most weight.

Subject property data from Realquest Information Services, Costar, STDB, county sites, and from the Multiple Listing Service. In addition, data were provided by the client and the owner/user/tenant of the property.

General market data were derived from the City Chamber of Commerce, the Greater Chamber of Commerce, the City Planning Departments, as well as from in-depth discussions with local commercial real estate brokers.

I/we personally confirmed all of the data used in the comparable sales presented in the following sections of this report. In those instances, where we were unable to confirm the data with either the parties to the transaction (buyer, seller, or broker) we have noted this in the appraisal. In researching the market, we a minimum of three comparable sales within the local competitive area.

Noble R. Tucker Jr., MAI, SRA, and AI-GRS and Noble William Tucker, Trainee Appraiser conducted an onsite visual drive-by exterior inspection of the property from the street. The size of the site was determined from Datatree. Therefore, I/we were not able to measure the extent of the subject land and have relied on public records and data provided to us by the client in determining the overall site dimensions. Noble R. Tucker JR. MAI, SRA-GRS provided a supervisory role.

In terms of USPAP, this is an Appraisal Report format. I/we have completed one of the three classical approaches to value which is the Sales Comparison Approach. The Cost and Income Approaches were not applied as typical market participants do not utilize these approaches.

The forthcoming bullet points outline the steps in our appraisal process.

- Receipt of the appraisal engagement letter from the client.
- Defined the appraisal problem - step 1
- The site inspection was conducted with an exterior drive by inspection only from the street as we did not go on the site (water treatment facility)
- The appraiser did an inspection of the property.
- I/we took the site area from plat maps and maps obtained from Realquest.
- I/we took photographs of the exterior of the subject property.
- Obtained the data submitted by the owner and Dataquick, City and County offices
- Requested and did not receive a title report
- Drove the subject site and surrounding neighborhood to review development trends and new projects in the area.
- Contacted the planning department regarding the current zoning, land use, flood maps, earthquake maps, etc. and any zone changes in process. In addition, we contacted other departments at the city or county.
- Researched sale and listing data in the area. Database searches included Costar, Costar Properties, Loopnet, Dataquick, multiple listing services, Interflood, as well as broker interviews in the market.
- Researched the sales and listings in the subject market, pulled aerial photographs, plat maps, and then drove the comparable sales transactions.
- Pulled improved sales, rental data, sales and lease trends, and cap rate data in the area of similar product and retained full data sheets in our files.
- Documented the findings in this appraisal report.
- Reviewed the appraisal report
- Reviewed the approaches utilized and concluded the appraisal with an “opinion of value”
- Printed hard-copies of the appraisal report and a PDF copy of the appraisal report

Competency and Compliance Provision

I/we are aware of the compliance and competency provisions of USPAP, and within my/our understanding of those provisions, the author of this report complies with all mandatory requirements. Noble R. Tucker Jr., MAI, SRA, AI-GRS a Certified General Appraiser with the State of California (No. AG 01532) and Noble William Tucker, Trainee Appraiser (No. 3004502) conducted the primary research, analysis, and writing of this appraisal report. No one provided significant professional assistance. Noble R. Tucker Jr., MAI, SRA, AI-GRS has appraised numerous properties of this type in both Southern and Northern California and is competent to perform an assignment of this nature.

RIVERSIDE COUNTY OVERVIEW



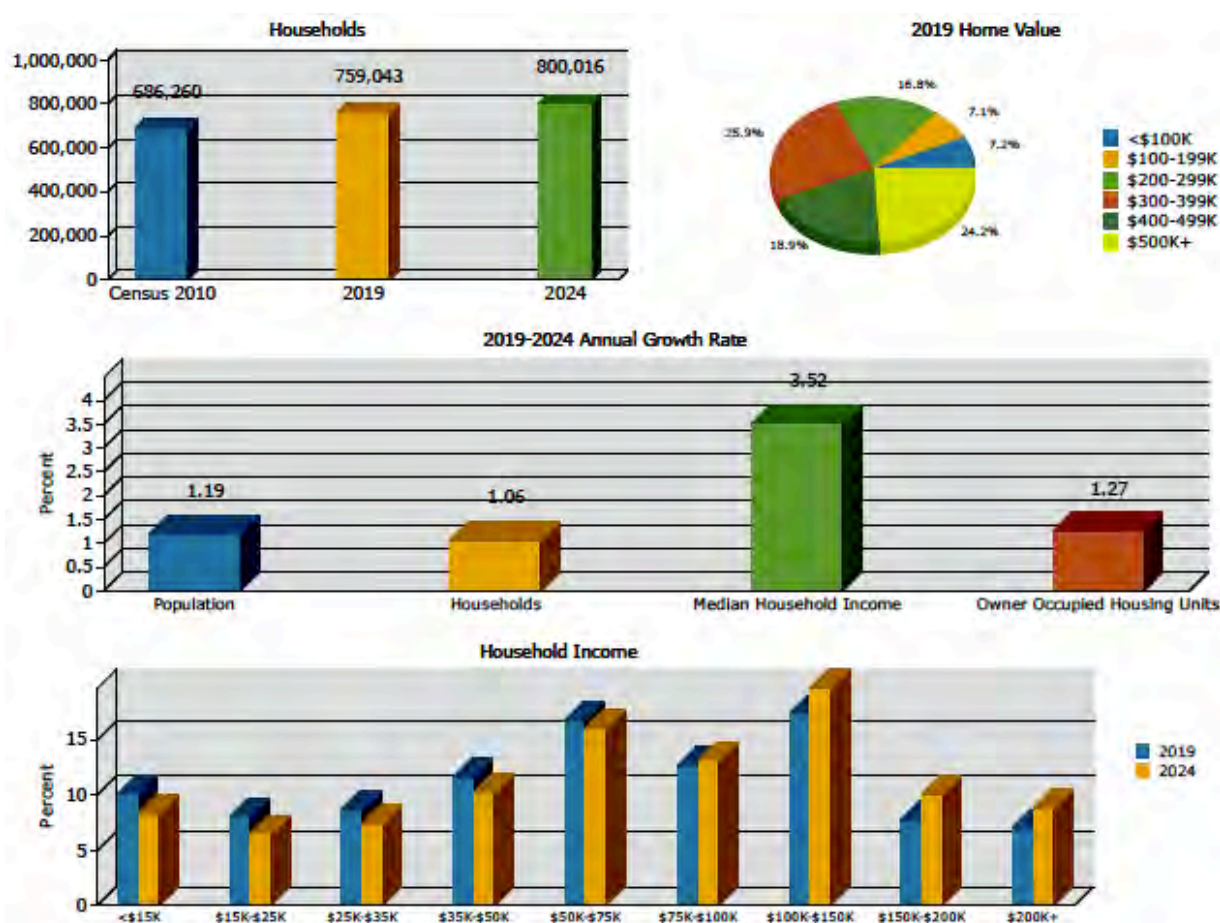
This section of the report will examine the regional trends that influence value, which are manifested in the similar characteristics of properties in a region, are summarized in the forthcoming analysis. The four forces are Social, Economic, Governmental, and Environmental. Riverside County is the fourth-largest county in the State of California. It is almost 200 miles wide and comprises about 7,200 square miles of valleys, low deserts, mountains, foothills, and rolling plains. It borders Los Angeles, Orange, San Diego, and San Bernardino Counties, reaching within 14 miles of the Pacific Ocean to the west and to the boundaries of the Colorado River on the east. The county was formed in 1893 from a small portion of San Bernardino County and a large portion of San Diego County.

SOCIAL FORCES

Riverside County is approximately 7,243 square miles, when combined with San Bernardino County contains approximately 20,065 square miles, forms the largest metropolitan statistical area in terms of square miles in the United States. This two-county region is bounded by Los Angeles and Orange Counties to the west, Inyo County to the north, the California State Line to the east, and San Diego and Imperial Counties to the south.

This vast region comprises Riverside and San Bernardino Counties and has a growing population of over 4.5 million residents. During the past decade, more than 400 firms moved

into the area. The region is attracting the interest of business, real estate, and site selection executives around the country and the world. The region's assets are plentiful and include vast expanses of undeveloped land, right in the heart of Southern California. 27 colleges and universities produce an educated and highly-skilled labor force. Office, commercial, and industrial space is available at extremely favorable rates. The Inland Empire's greatest advantage is its strategic location and strong transportation infrastructure of transcontinental rail lines, interstate highways, and international airports. These superb distribution channels make the region Southern California's fastest-growing hub for domestic and international commerce. Inland Empire firms include BF Goodrich Aerospace, Guidant Medical, Fleetwood Motor Homes, Ingram Micro, and UPS Western Regional Headquarters.



As of 2019, the population of Riverside County is approximately 2,447,782 and is expected to grow to 2,597,546 by the year 2024 reflecting a 1.19% growth change per year.

Population		Households	
2010 Total Population	2,189,641	2019 Median Household Income	\$65,079
2019 Total Population	2,447,782	2024 Median Household Income	\$77,375
2024 Total Population	2,597,546	2019-2024 Annual Rate	3.52%
2019-2024 Annual Rate	1.19%		

Housing Units by Occupancy Status and Tenure	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	800,707	100.0%	860,159	100.0%	907,332	100.0%
Occupied	686,260	85.7%	759,043	88.2%	800,016	88.2%
Owner	462,212	57.7%	500,565	58.2%	533,082	58.8%
Renter	224,048	28.0%	258,478	30.1%	266,934	29.4%
Vacant	114,447	14.3%	101,116	11.8%	107,316	11.8%

The table below portrays total change in population, total change in households, and total change in housing units over the past 10-year period in Riverside County.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average	Median
Population												
Total	2,194,777	2,222,939	2,242,992	2,261,202	2,277,145	2,301,076	2,337,734	2,378,327	2,418,682	2,447,782	2,308,266	2,289,110
Change	-	28,162	20,053	18,210	15,943	23,931	36,658	40,593	40,355	29,100	28,112	28,162
Percent Change	-	1.3%	0.9%	0.8%	0.7%	1.1%	1.6%	1.7%	1.7%	1.2%	1.2%	1.2%
Annual Rate	-	1.3%	1.1%	1.0%	0.9%	1.0%	1.1%	1.2%	1.2%	1.2%	1.1%	1.1%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average	Median
Households												
Total	687,901	695,865	701,153	705,821	709,809	716,727	727,460	739,324	750,832	759,043	719,394	713,268
Change	-	7,964	5,288	4,668	3,988	6,918	10,733	11,864	11,508	8,211	7,905	7,964
Percent Change	-	1.2%	0.8%	0.7%	0.6%	1.0%	1.5%	1.6%	1.6%	1.1%	1.1%	1.1%
Annual Rate	-	1.2%	1.0%	0.9%	0.8%	0.8%	0.9%	1.0%	1.1%	1.1%	1.0%	1.0%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average	Median
Housing Units												
Total	802,544	809,222	812,745	815,525	817,501	822,829	832,529	843,406	853,743	860,159	827,020	820,165
Change	-	6,678	3,523	2,780	1,976	5,328	9,700	10,877	10,337	6,416	6,402	6,416
Percent Change	-	0.8%	0.4%	0.3%	0.2%	0.7%	1.2%	1.3%	1.2%	0.8%	0.8%	0.8%
Annual Rate	-	0.8%	0.6%	0.5%	0.5%	0.5%	0.6%	0.7%	0.8%	0.8%	0.6%	0.6%

Education

The California Constitution provides for a free public-school system. The schools are subject to local control through an elected School Board. There are many public-school districts in Riverside County.

Adult education is available at a satellite campus of the University of California at, Riverside the Mount San Jacinto Junior College, The University of Redlands, College of the Desert, Palomar Junior College, and several Universities: Cal State Fullerton, San Diego State University, The Claremont Colleges, Cal-State San Bernardino, Cal Poly, and the recently constructed California State San Marcos.

The table below portrays educational attainment for Riverside County population over age 25

2019 Population 25+ by Educational Attainment	
Total	1,593,792
Less than 9th Grade	8.6%
9th - 12th Grade, No Diploma	9.0%
High School Graduate	23.9%
GED/Alternative Credential	2.9%
Some College, No Degree	24.7%
Associate Degree	8.0%
Bachelor's Degree	14.5%
Graduate/Professional Degree	8.4%

Cost of Living

The Riverside/San Bernardino County area and Inland Empire has the reputation of being a cost-effective place in which to live. With affordable housing, lower priced land, and an abundance of alternative housing such as manufactured and multi-family, the Riverside County/San Bernardino County enjoys an advantage over other higher priced Southern California Counties.

Public Safety

Another issue is public safety and media coverage might unfortunately convey the message that the Riverside/San Bernardino County area is unsafe. However, according to the Uniform Crime Report, published annually by the Federal Bureau of Investigation (FBI), the area has strong public safety standards and improving results.

Recreation and Sports

Given the area's geography there are many things to do in Southern California. There are numerous golf courses in Riverside County. In addition, miles of beaches, fishing, surfing, sailing, mountain sports, hiking, camping, skiing, and biking are available in nearby San Diego, Orange, and Los Angeles Counties.

ECONOMIC FORCES

Employment and Industry

Occupations with the greatest expected growth are manufacturing, construction, health care, and electronics centered in the Ontario/Rancho Cucamonga and Norco/Corona sub-markets. With tightening land markets and higher costs of conducting business in neighboring counties, Riverside and San Bernardino Counties will continue to attract new companies while preserving its existing employment base. The table below and on the forthcoming page portray employment data information for the County of Riverside.

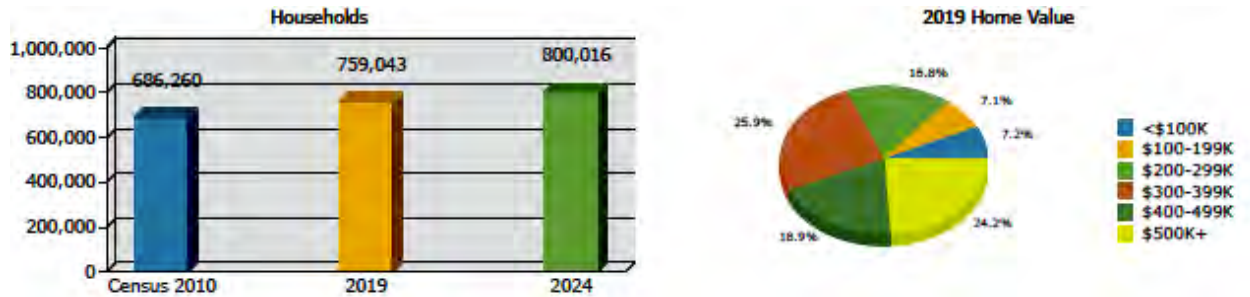
2019 Employed Population 16+ by Industry	
Total	1,035,822
Agriculture/Mining	1.5%
Construction	9.6%
Manufacturing	8.2%
Wholesale Trade	2.7%
Retail Trade	11.9%
Transportation/Utilities	7.2%
Information	1.4%
Finance/Insurance/Real Estate	5.1%
Services	47.4%
Public Administration	4.9%
2019 Employed Population 16+ by Occupation	
Total	1,035,822
White Collar	54.0%
Management/Business/Financial	11.6%
Professional	17.4%
Sales	11.6%
Administrative Support	13.4%
Services	21.6%
Blue Collar	24.5%
Farming/Forestry/Fishing	1.5%
Construction/Extraction	6.2%
Installation/Maintenance/Repair	4.1%
Production	5.4%
Transportation/Material Moving	7.3%

The vitality and growth of Riverside County can be witnessed through its diversified employment base. Although historically an agricultural economy, Riverside County is evolving into a manufacturing and services-oriented economy with a strong civilian work force. Over the past several years the Riverside County area has enjoyed low unemployment rates and a very strong economy.

The last five years have witnessed major economic restructuring. The three-tiered traditional economy (aerospace, entertainment, and tourism) has evolved into a well-balanced multi-tiered economy driven by 14 base industries with unparalleled access to international markets. Employment is centered in the numerous industrial parks in various locations throughout the county. Aerospace, electronics, and other component products are among the most important to the area's economy.

Housing

As of January 2019 the average home price in the county is \$523,657. The 2019 total housing units are 860,159 expected to grow to 907,332 by the year 2024, and total 2019 households of 759,043 expected to grow to 800,016 by the year 2024. Please see the graph and table below.



Housing Unit Summary	
2000 Housing Units	584,673
Owner Occupied Housing Units	59.6%
Renter Occupied Housing Units	27.0%
Vacant Housing Units	13.4%
2010 Housing Units	800,707
Owner Occupied Housing Units	57.7%
Renter Occupied Housing Units	28.0%
Vacant Housing Units	14.3%
2019 Housing Units	860,159
Owner Occupied Housing Units	58.2%
Renter Occupied Housing Units	30.1%
Vacant Housing Units	11.8%
2024 Housing Units	907,332
Owner Occupied Housing Units	58.8%
Renter Occupied Housing Units	29.4%
Vacant Housing Units	11.8%
Median Household Income	
2019	\$65,079
2024	\$77,375
Median Home Value	
2019	\$373,313
2024	\$433,171
Per Capita Income	
2019	\$27,650
2024	\$32,002
Median Age	
2010	33.7
2019	34.8
2024	35.6

HOUSING STATISTICS

2019 Households by Income	
Household Income Base	759,035
<\$15,000	10.1%
\$15,000 - \$24,999	8.1%
\$25,000 - \$34,999	8.7%
\$35,000 - \$49,999	11.6%
\$50,000 - \$74,999	16.8%
\$75,000 - \$99,999	12.6%
\$100,000 - \$149,999	17.3%
\$150,000 - \$199,999	7.7%
\$200,000+	7.0%
Average Household Income	\$89,082
2024 Households by Income	
Household Income Base	800,008
<\$15,000	8.3%
\$15,000 - \$24,999	6.5%
\$25,000 - \$34,999	7.4%
\$35,000 - \$49,999	10.2%
\$50,000 - \$74,999	16.0%
\$75,000 - \$99,999	13.1%
\$100,000 - \$149,999	19.7%
\$150,000 - \$199,999	10.0%
\$200,000+	8.8%
Average Household Income	\$103,824
2019 Owner Occupied Housing Units by Value	
Total	500,543
<\$50,000	4.5%
\$50,000 - \$99,999	2.7%
\$100,000 - \$149,999	2.0%
\$150,000 - \$199,999	5.1%
\$200,000 - \$249,999	6.4%
\$250,000 - \$299,999	10.4%
\$300,000 - \$399,999	25.9%
\$400,000 - \$499,999	18.9%
\$500,000 - \$749,999	14.0%
\$750,000 - \$999,999	5.3%
\$1,000,000 - \$1,499,999	2.7%
\$1,500,000 - \$1,999,999	0.8%
\$2,000,000 +	1.4%
Average Home Value	\$445,675
2024 Owner Occupied Housing Units by Value	
Total	533,060
<\$50,000	3.4%
\$50,000 - \$99,999	1.5%
\$100,000 - \$149,999	1.0%
\$150,000 - \$199,999	2.6%
\$200,000 - \$249,999	4.1%
\$250,000 - \$299,999	7.1%
\$300,000 - \$399,999	23.0%
\$400,000 - \$499,999	21.6%
\$500,000 - \$749,999	19.7%
\$750,000 - \$999,999	9.5%
\$1,000,000 - \$1,499,999	3.5%
\$1,500,000 - \$1,999,999	1.0%
\$2,000,000 +	1.9%
Average Home Value	\$523,657

ENVIRONMENTAL FORCES

County Transportation

All modes of transportation are available to Inland Empire. A well-integrated freeway system serves the general area. Freeways which link the Inland Empire to business centers of Southern California include the San Bernardino Freeway (Interstate 10), connecting the Los Angeles area to points to the east; Interstate 215, a north-south highway connecting with Interstate 10 in San Bernardino with points south to Riverside and beyond; the Devore Freeway (Interstate 15), connecting Orange County and the mountain region; the Pomona Freeway (State Highway 60), connecting the Los Angeles area and Riverside; and the Corona Expressway (State Highway 71), which connects to the Riverside Freeway (State Highway 91), the Pomona Freeway (State Highway 60), the San Bernardino Freeway (Interstate 10), and the Foothill Freeway (Interstate 210).

The construction of the Foothill Freeway (State Route 30 along Highland Avenue in Rancho Cucamonga and Fontana) provides access to north Los Angeles County and the Interstate 5 Freeway connecting Southern California with the San Francisco Bay Area and points north.

The Inland Empire has excellent rail service, with the largest switching yard west of Chicago located in the cities of Colton and Rialto. The area is serviced by the Santa Fe, Southern Pacific, and Union Pacific Railroads. Commuter rail service has been instituted between San Bernardino and downtown Los Angeles as well as Riverside and downtown Los Angeles. This service is provided by the Metrolink commuter train system which connects to the Los Angeles subway system at Union Station northeast of the Los Angeles downtown area. In addition, the ports of Los Angeles and Long Beach are located approximately one-hour from the Riverside/San Bernardino area. These ports provide ship access to all the Pacific Rim countries in Asia as well as South and Central America.

Climate

Riverside County's climate is characterized as mild and semi-arid. Summer highs are frequently over 90 degrees, but evening temperatures can drop as much as 30 to 49 degrees accompanied by cool breezes. Low humidity keeps even the hottest summer days from being oppressive. Average daily temperatures range from 49 degrees to 78 degrees with 225-250 sunny days per year. Average annual rainfall is generally 10-12 inches, falling mostly from September through May. However, since California has been in drought conditions for the past four years, the yearly average rainfall has decreased and causes great concern throughout California. Prevailing winds are northwesterly, and the mean hourly speed is 4-5 MPH with afternoon winds increasing to 10-12 MPH.

GOVERNMENTAL FORCES

Government

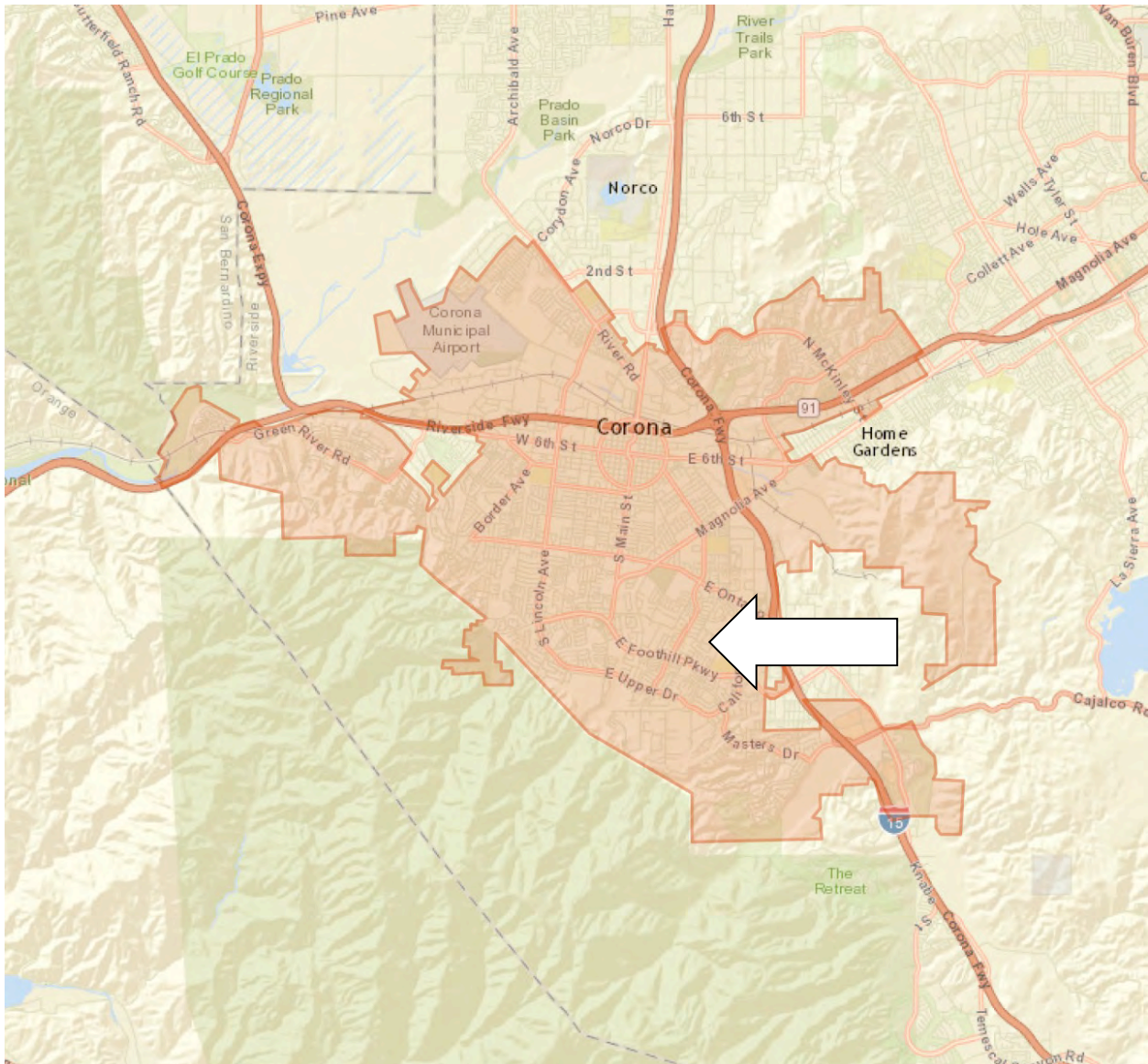
Riverside County is incorporated as a charter law county, with the city of Riverside as the County Seat. The legislative body is a five-member board of supervisors; each supervisor being elected by voters within his supervisorial district. About 100 special districts are under the governing power of the board of supervisors. Because much of the County lies outside the incorporated cities, the County provides a wide variety of services in the form of special districts for these areas.

SUMMARY

Riverside County is experiencing a relatively rapid expansion of its population and economic base precipitated by affordable housing and direct access to major employment centers via the area's network of freeways. The growth of the local housing market is due to the area's relatively abundant supply of affordable land and direct access to employment. There is a recent trend of younger families who work in the Orange-Los Angeles County metropolitan areas and moving to the Riverside-San Bernardino area to find affordable housing. New commercial and industrial businesses are also attracted to the area by an available labor pool, relatively close proximity to major metropolitan areas and lower land costs. In summary, this combination of social and economic forces will continue to generate demand for real estate.

The subject property will benefit from the expanding residential housing base in the Inland Empire, the well-integrated freeway system, local schools, hospitals, and proximity to employment centers.

CITY OF CORONA AREA OVERVIEW



The City of Corona is situated on the border of Riverside and Orange County and is approximately 50 miles east of Los Angeles and 500 miles south of San Francisco. It is bounded by the cities of Yorba Linda to the west, Norco to the north, Riverside to the east, and unincorporated Riverside County area to the south.

The city of Corona has the council-manager type of government with Council members, a City Clerk, City Treasurer, a Mayor Pro Tem, and the Mayor. The city has a fully staffed Police Department as well as Fire Department, Major projects authorized for improvement of the city

services include rail crossing protection, street overlay, traffic signal installation, back bone flood control system, supplemental water sources, and enhanced traffic flow.

The City of Corona, like the county, is experiencing a slow recovery in the residential market, multi-family market, retail, office, and industrial markets have slowed growth significantly. In summary, this combination of social, governmental, environmental, and economic forces will continue to generate demand for real estate.



Demographic and Income Profile

Corona City, CA 2
Corona City, CA (0616350)
Geography: Place

Prepared by Esri

Summary	Census 2010	2020	2025	
Population	152,401	166,062	172,850	
Households	44,958	48,604	50,261	
Families	36,343	39,228	40,551	
Average Household Size	3.38	3.41	3.43	
Owner Occupied Housing Units	30,217	31,625	32,730	
Renter Occupied Housing Units	14,741	16,979	17,531	
Median Age	32.5	33.9	35.6	
Trends: 2020-2025 Annual Rate	Area	State	National	
Population	0.80%	0.55%	0.72%	
Households	0.67%	0.50%	0.72%	
Families	0.67%	0.50%	0.64%	
Owner HHs	0.69%	0.65%	0.72%	
Median Household Income	1.61%	1.81%	1.60%	
		2020	2025	
Households by Income	Number	Percent	Number	Percent
<\$15,000	3,184	6.6%	3,023	6.0%
\$15,000 - \$24,999	3,079	6.3%	2,809	5.6%
\$25,000 - \$34,999	3,368	6.9%	3,097	6.2%
\$35,000 - \$49,999	4,373	9.0%	4,180	8.3%
\$50,000 - \$74,999	7,494	15.4%	7,342	14.6%
\$75,000 - \$99,999	6,626	13.6%	6,729	13.4%
\$100,000 - \$149,999	10,514	21.6%	10,946	21.8%
\$150,000 - \$199,999	5,181	10.7%	5,926	11.8%
\$200,000+	4,784	9.8%	6,210	12.4%
Median Household Income	\$83,893		\$90,879	
Average Household Income	\$105,095		\$118,307	
Per Capita Income	\$30,714		\$34,342	
		2020	2025	
Population by Age	Number	Percent	Number	Percent
0 - 4	11,318	7.4%	11,546	7.0%
5 - 9	12,213	8.0%	12,300	7.4%
10 - 14	13,716	9.0%	12,747	7.7%
15 - 19	13,460	8.8%	11,444	6.9%
20 - 24	10,477	6.9%	10,911	6.6%
25 - 34	20,066	13.2%	27,104	16.3%
35 - 44	24,147	15.8%	23,362	14.1%
45 - 54	22,494	14.8%	21,398	12.9%
55 - 64	13,325	8.7%	18,511	11.1%
65 - 74	6,548	4.3%	10,670	6.4%
75 - 84	3,310	2.2%	4,441	2.7%
85+	1,327	0.9%	1,626	1.0%

As of 2020, the city of Corona had a population of 166,062 and this is expected to grow to 172,850 by the year 2025. From 2020 the growth rate is expected to grow at an annual rate of 0.82% per year.

The median household income as of 2020, was \$83,893 with an average household income of \$105,095. The table below portrays per capita income, household by income, and population by age.

Median Household Income	\$83,893	\$90,879
Average Household Income	\$105,095	\$118,307
Per Capita Income	\$30,714	\$34,342

The University of California, Riverside is located in the northeastern part of the city. The university also hosts the Complex. Other attractions in Riverside include the Fox Performing Arts Center, Riverside Metropolitan Museum, which houses exhibits and artifacts of local history, the California Museum of Photography, the California Citrus State Historic Park, and the Parent Washington Navel Orange Tree, one of the two original navel orange trees in California.

The region's geographic location, competitive cost structure, and sophisticated logistics have put it in a position to have the nation's fastest growing population in the 2000 to 2007 years but has since slowed considerably due to economic conditions. Currently, the area has been hard hit by decreasing residential value trends and a large number of foreclosed homes. However, over the past 3 years the industrial, retail, office, and residential sectors have steadily improved.



Housing Profile

Corona City, CA 2
Corona City, CA (0616350)
Geography: Place

Prepared by Esri

Population			Households		
2010 Total Population	152,401		2020 Median Household Income		\$83,893
2020 Total Population	166,062		2025 Median Household Income		\$90,879
2025 Total Population	172,850		2020-2025 Annual Rate		1.61%
2020-2025 Annual Rate	0.80%				

Housing Units by Occupancy Status and Tenure	Census 2010		2020		2025	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	47,182	100.0%	50,456	100.0%	52,505	100.0%
Occupied	44,958	95.3%	48,604	96.3%	50,261	95.7%
Owner	30,217	64.0%	31,625	62.7%	32,730	62.3%
Renter	14,741	31.2%	16,979	33.7%	17,531	33.4%
Vacant	2,224	4.7%	1,852	3.7%	2,244	4.3%

Owner Occupied Housing Units by Value	2020		2025	
	Number	Percent	Number	Percent
Total	31,626	100.0%	32,730	100.0%
<\$50,000	658	2.1%	483	1.5%
\$50,000-\$99,999	166	0.5%	96	0.3%
\$100,000-\$149,999	154	0.5%	91	0.3%
\$150,000-\$199,999	245	0.8%	164	0.5%
\$200,000-\$249,999	615	1.9%	438	1.3%
\$250,000-\$299,999	1,130	3.6%	811	2.5%
\$300,000-\$399,999	5,307	16.8%	3,661	11.2%
\$400,000-\$499,999	9,476	30.0%	9,199	28.1%
\$500,000-\$749,999	10,920	34.5%	13,293	40.6%
\$750,000-\$999,999	1,541	4.9%	2,422	7.4%
\$1,000,000-\$1,499,999	784	2.5%	1,162	3.6%
\$1,500,000-\$1,999,999	250	0.8%	340	1.0%
\$2,000,000+	380	1.2%	570	1.7%
Median Value	\$479,548		\$526,743	
Average Value	\$540,937		\$597,592	

Census 2010 Housing Units	Number	Percent
Total	47,182	100.0%
In Urbanized Areas	47,178	100.0%
In Urban Clusters	0	0.0%
Rural Housing Units	4	0.0%

As of 2020, the median home value was \$479,548 with an average home value of \$540,937. As of 2020, there were 50,456 residential units within the city which is expected to grow to 52,505 in the year 2025. Please see the table above.

The tables below portray employment sectors within the city of Corona as of 2017 and 2021.

CIVILIAN POPULATION 16+ IN LABOR FORCE 2017

Civilian Employed	94.0%
Civilian Unemployed	6.0%

EMPLOYED POPULATION 16+ BY INDUSTRY 2017

Total	75,092
Agriculture/Mining	0.5%
Construction	8.5%
Manufacturing	13.3%
Wholesale Trade	3.6%
Retail Trade	10.4%
Transportation/Utilities	6.9%
Information	1.5%
Finance/Insurance/Real Estate	6.9%
Services	42.8%
Public Administration	5.5%

EMPLOYED POPULATION 16+ BY OCCUPATION

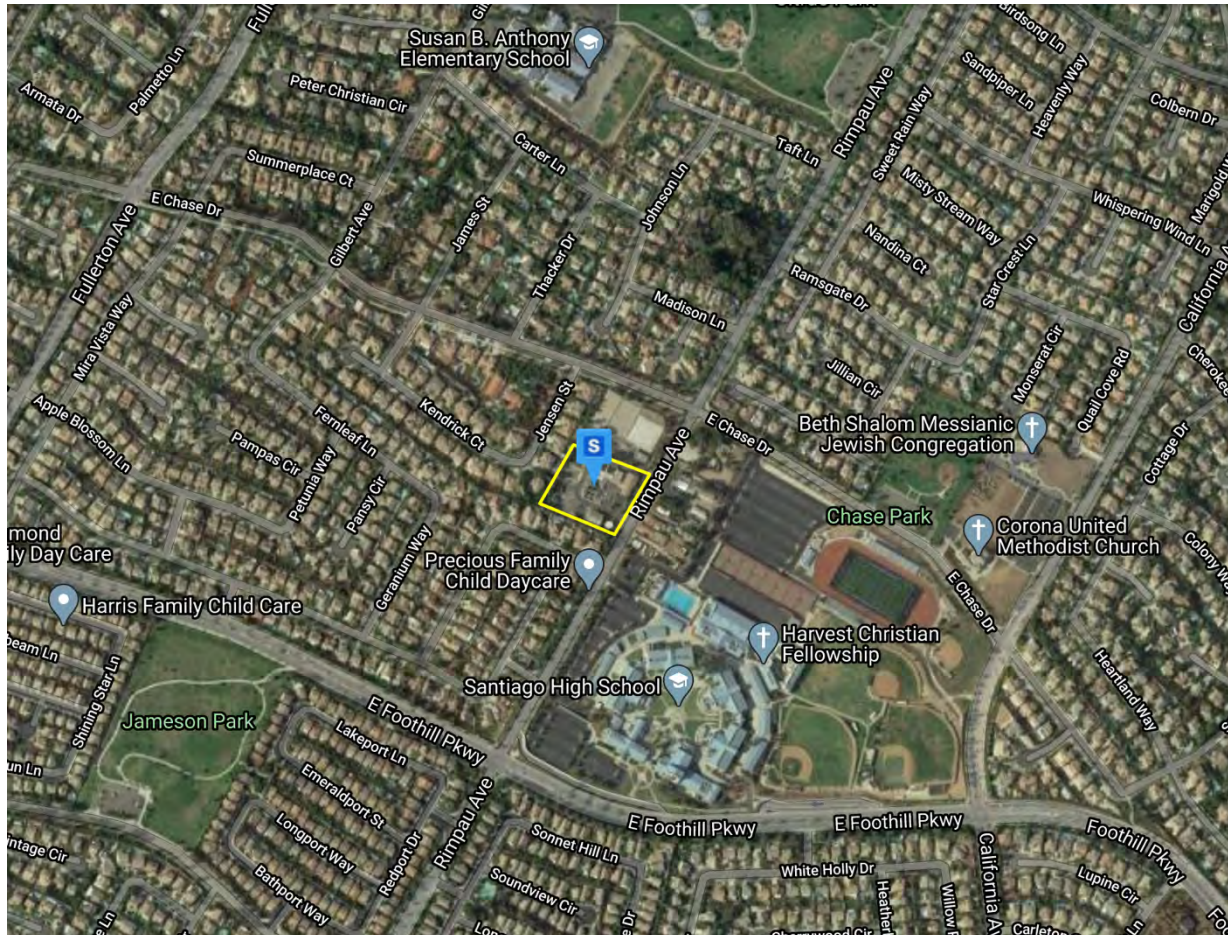
2017

Total	75,093
White Collar	62.2%
Management/Business/Financial	16.7%
Professional	19.3%
Sales	11.8%
Administrative Support	14.4%
Services	15.1%
Blue Collar	22.7%
Farming/Forestry/Fishing	0.5%
Construction/Extraction	5.3%
Installation/Maintenance/Repair	3.7%
Production	6.7%
Transportation/Material Moving	6.5%

MAP - NEIGHBORHOOD



AERIAL NEIGHBORHOOD



Location and Boundaries

The subject property is located south of the Riverside Freeway (91), & west of the Interstate 15 freeway. It is located on the east side of Rimpau Avenue, south of E. Chase Drive, west of Fullerton Avenue, & north of E. Foothill Parkway. It has good visibility from the surrounding streets & good ingress & egress.

General Character and Development

The subject's neighborhood can be characterized as being in the stability stage of a neighborhood's life cycle. See also business cycle.

The four stages of neighborhood life cycles are as follows:

Urban renewal-The controlled process of redevelopment in urban areas; often used to refer to public projects, but also includes private redevelopment efforts. See also redevelopment; redevelopment agency.

Growth- A stage in a market area's life cycle in which the market area gains public favor and acceptance.

Revitalization - "A stage in a market area life cycle characterized by renewal, modernization, and increasing demand."

Stability-A stage in a market area life cycle in which the market area experiences equilibrium without marked gains or losses.

In My judgment, the subject's neighborhood should continue to expand and develop into the foreseeable future.

Trend

The subject neighborhood is characterized as being in the stability stage of the life cycle. Shopping, retail, & other commercial uses are located in all four directions, the nearest Freeway on and off-ramps for the (15) Freeway are at Foothill Parkway or Ontario Avenue.

RETAIL MARKET OVERVIEW

OVERVIEW

Vacancies continued to plague retail properties in the Inland Empire through February of 2020, even as the economy was expanding, modest inward migration from coastal markets bolstered population counts, and consumer spending was growing. The coronavirus pandemic is resulting in social distancing and rapidly changing how retailers operate, giving uncertainty to retail properties nationwide.

Net absorption is outpacing net deliveries over the past 12 months, but much like most of this cycle, very few large shopping centers are being developed. The Inland Empire has the highest vacancy rates in the Nation among metros with populations of one million or greater (62 metros) and leasing volume has been declining. The high frequency of store closures continues to plague the market, with Sears/K-Mart and JC Penny announcing store closures in the market that will top 1 million SF in 2019. The consequence has been limited rent growth, with year-over-year gains of 2.7%.

Most deliveries this cycle have been smaller shopping centers, often carefully developed to suit communities with a growing consumer base. For example, many shopping centers that have delivered this cycle resemble a recent delivery by Rich Development Company of a four-building, 75,000-SF shopping center in Beaumont or a three-building, 67,500-SF shopping center in Jurupa Valley that was developed by Legend International. The largest shopping center developed recently is Lewis Management's 400,000 SF Renaissance Marketplace in Rialto.

KEY INDICATORS

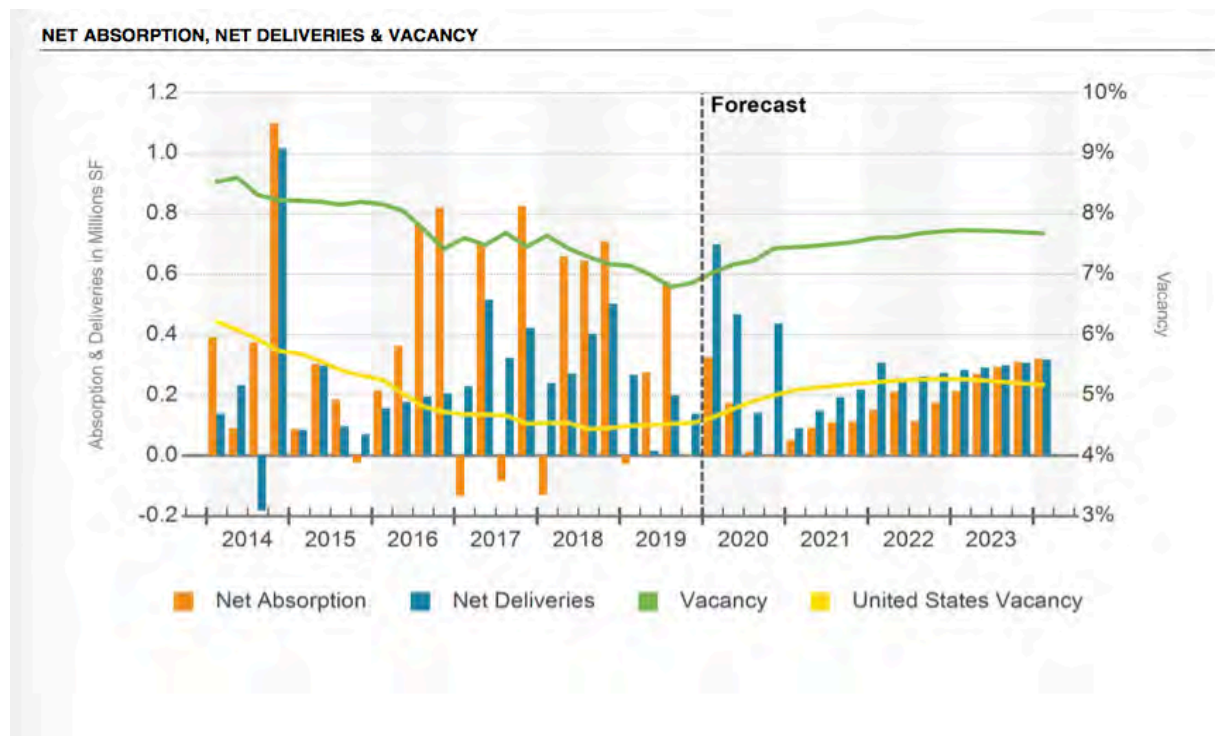
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	15,734,186	9.7%	\$26.77	8.0%	546,915	650,000	465,590
Power Center	20,082,799	6.9%	\$25.45	8.0%	(116,595)	3,500	138,583
Neighborhood Center	77,906,824	9.6%	\$22.02	11.6%	(83,445)	40,050	387,252
Strip Center	14,796,942	6.3%	\$19.30	7.9%	(33,026)	0	61,600
General Retail	65,391,578	3.4%	\$19.97	5.4%	(79,146)	3,891	266,555
Other	2,486,319	10.9%	\$22.85	11.6%	24,876	0	4,050
Market	196,398,648	7.1%	\$21.89	8.6%	259,579	697,441	1,323,630
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.1%	7.9%	7.5%	9.7%	2011 Q2	5.1%	2007 Q3
Net Absorption SF	1.1 M	1,650,033	756,165	8,057,867	2007 Q1	(2,181,735)	2009 Q4
Deliveries SF	1.5 M	2,296,002	1,471,844	7,119,959	2008 Q3	401,628	2011 Q1
Rent Growth	2.7%	-0.5%	0.4%	6.4%	2007 Q1	-10.4%	2009 Q4
Sales Volume	\$1.5 B	\$1.1B	N/A	\$1.7B	2015 Q4	\$395.7M	2010 Q1

Locally based investors make the most acquisitions in the market and trades with cap rates above 8% are not rare. For example, the 80,000-SF Jess Ranch Marketplace in Apple Valley traded at an 8.2% cap rate in July 2019. Price appreciation has been healthy as of late. The market price has grown by roughly 4% per year for the last four years, compared to less than 2% growth for the national index. However, the losses here during the downturn were catastrophic and the

market price only recently approached its pre-recession high of \$244/SF in 07Q3. In comparison, the national index grew by 20% over the same period.

LEASING

Vacancies remain stubbornly high in the Inland Empire, even before accounting for potential store closures that will likely result from the coronavirus pandemic. Indeed, store closures have plagued the market for several years. National Stores, the parent company of discount retailers Fallas and Factory 2U, recently filed for bankruptcy protection and started closing down over a hundred stores—including several in the Inland Empire. In 2018, Toys "R" Us/Babies "R" Us closed several stores in the market as well.



Retail stores in the Inland Empire are especially dependent on local consumers as the Inland Empire attracts only a modest number of leisure travelers. In line with local demand, roughly 40% of retail inventory is in neighborhood centers, compared to 26% nationally. A few exceptions are the metro's various outlet centers, including Ontario Mills, the Cabazon Outlets, and the Outlets at Lake Elsinore.

The Inland Empire lacks tourist appeal, and the employment profile here favors trade and warehouse jobs, which pay lower wages and lead to less disposable income. As a result, many of the largest leases executed recently involve discount retailers and grocery stores. For example, ALDI, Daiso, and Dollar Tree have all opened several stores across the metro recently.

NorthgateGonzales recently opened in a 39,750 SF space previously occupied by Toys “R” Us in Riverside.

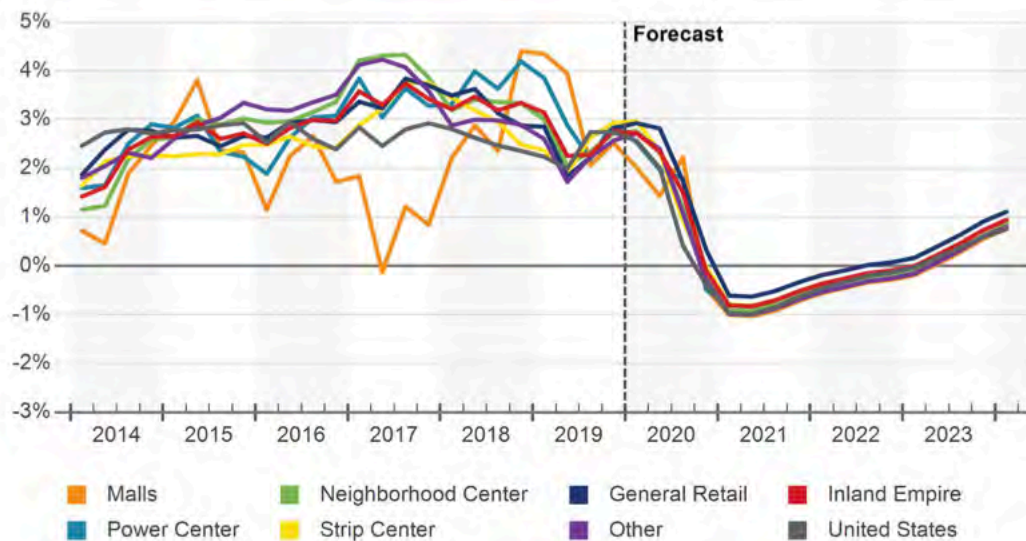
Demand has shifted away from traditional enclosed shopping malls—similar to the national trend. The Carousel Mall in San Bernardino recently closed its doors for good and may be redeveloped for future use. On the other hand, demand continues to grow for open-door malls like the recently developed Renaissance Marketplace in Rialto. There are now also three food halls in the metro—the newest being a Cravings Food Village in Chino Hills that opened in October 2018.

The growth in ecommerce has been a boon to the local logistics industry, but its impact on brick and mortar stores has been undesirable. Over the next five years, vacancies are projected to increase to around 7.2% —even before accounting for the rapidly evolving effects from the coronavirus pandemic.

RENT

The high frequency of store closures lately is having an impact on rents, as rent growth decelerated to 2.7% over the past four quarters, compared to 3.1% growth a year ago. The average asking rent remains 15% below its peak in 07Q3

MARKET RENT GROWTH (YOY)



The Inland Empire’s priciest submarkets are demonstrating the highest gains. Upland/Montclair, Chino/Chino Hills, and Airport Area rents grew the most from 18Q4 to 19Q4, growing by 2.4%,

1.8%, and 1.8%, respectively. These submarkets are also attracting the most housing development.

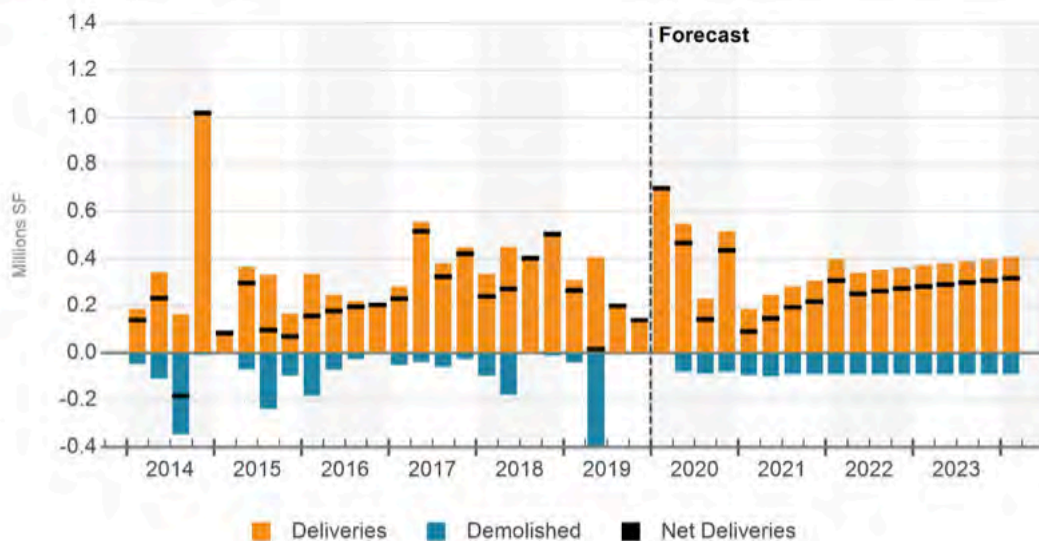
The metro's under performance over the longer-horizon coincides with the ongoing changes in how consumer purchases are shifting toward online sales. With slower economic growth projected over the next five years, rent growth is projected to decelerate below 2% after 2020.

CONSTRUCTION

The pace of deliveries throughout this cycle has been tame, with about 1.4 million SF delivered in 2018 and around 700,000 SF in 2019. In comparison, more than 6.5 million SF delivered in both 2007 and 2008, the peak of the last cycle. Most recent developments also tend to be smaller shopping centers, carefully located next to growing residential communities. Even the largest projects are much smaller versions of retail centers developed during the last cycle.

One of the market's largest recent additions is the Renaissance Marketplace in Rialto. The center has 400,000 SF, including a 198,000-SF Walmart. Leasing has been strong in the outdoor shopping center, with tenants such as Burlington, 24 Hour Fitness, and Ross Stores signed on. Meanwhile, Montclair Place is undergoing renovations that will convert former anchorspace to a top floor AMC movie theater and bottom floor dining with entertainment areas. This is one of the first major projects in the Inland Empire that emphasizes the demand for experiential retail in modern shopping malls that has been highlighted in major markets across the nation.

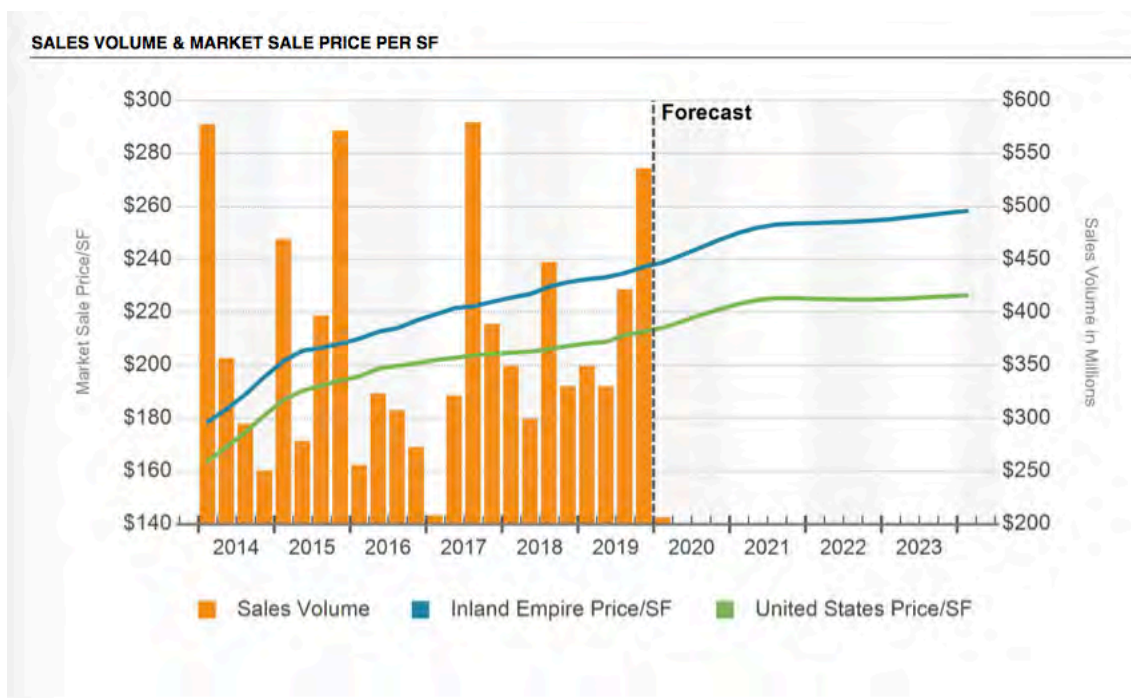
DELIVERIES & DEMOLITIONS



SALES

Locals consist of the biggest buyers in the Inland Empire's retail market and recent transaction activity has been slightly above the historical average. Few large properties traded in 2019, as malls and power centers accounted for just a fraction of sales volume. Neighborhood centers remained an attractive play for local investors, especially those anchored by a grocery store tenant. Continuing that trend, a private buyer acquired a 57,500-SF Albertsons in the Country Club Village shopping center in Rancho Mirage for \$24.5 million (\$426/SF) in September 2019. Albertsons is leasing back on a 20 year NNN lease and the property traded at a 5.4% cap rate.

Price appreciation has averaged 4% growth per year over the last four years, and cap rates still hold a wide gap relative to those in Southern California's coastal markets. A few of the largest trades involve properties that traded at a cap rate over 7%. One of the largest sales in 2019 involves the Menifee Town Center that traded in July. A private buyer purchased the 124,400SF retail center anchored by Ralph's and Ross that was 95% occupied at the time of the transaction. The cap rate stood at 7.1%.



ECONOMY

The Inland Empire's labor market was as tight as it had ever been in more than 30 years when the unemployment rate fell to 3.5% in December of 2019, on a non-seasonally adjusted basis. The likelihood that the coronavirus will induce layoffs in coming months is high, especially among leisure and hospitality and retail trade businesses. Prior to the global pandemic, jobs in

the Inland Empire had grown by 1.4% year-over-year in January 2020, similar to the nation. The transportation and warehousing sector and the education and health care sector have been the top contributors over the past five years, and job counts continued to grow at high rates (6.1% and 5.4%) in January from the year before.

There are a few impediments to long-term growth, including slower population growth and limited growth in high-wage job opportunities.

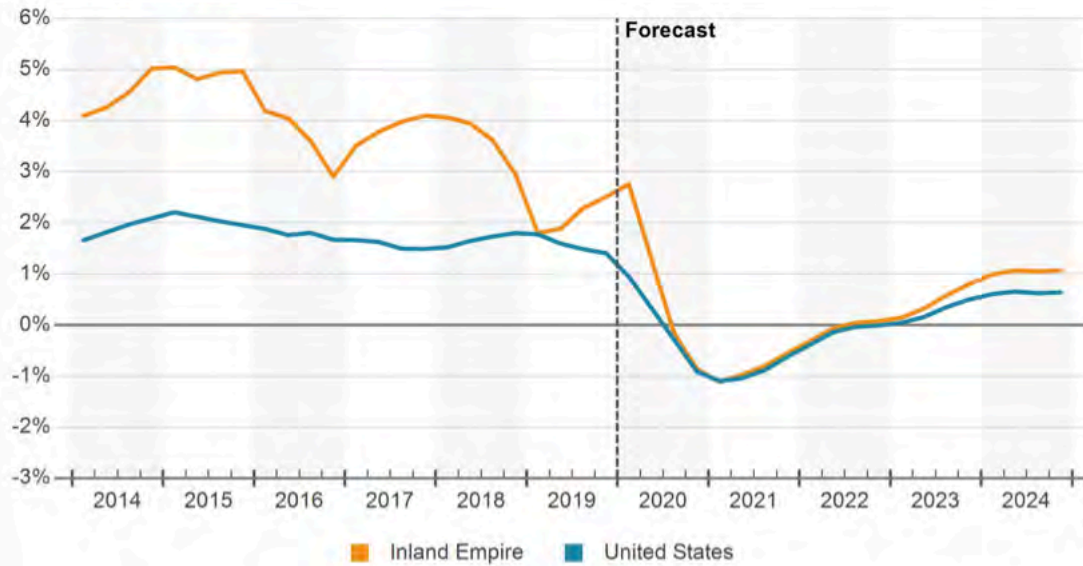
The Inland Empire's population grew by 1.1% in 2019 and has averaged similar growth since 2010. The metro has historically attracted migration from Los Angeles, Orange County, and San Diego, and population growth rates averaged 3% in the 1980s, 1990s, and early 2000s. The structural change in population growth from decades ago to now has contributed to less development across most property types (outside of industrial), and the economy is no longer structured around growth-related services (i.e., there is a smaller proportion of construction and real estate workers and a larger proportion of health care workers).

Inland Empire's relatively inexpensive land, proximity to the twin ports in L.A., and proximity to a massive consumer base throughout Southern California has made it the premier location for logistics firms to expand. As a byproduct of the exponential growth in the logistics sector during this cycle, businesses have been rapidly growing payrolls, and development of warehouses and distribution centers has been widespread across the metro. The sector's growth, however, also comes with the cost of added traffic congestion on freeways and major roads, as with that growth comes an increased amount of truck drivers. Looking forward, consumer driven expansion in e-commerce is expected to continue to benefit the industry, and the coronavirus pandemic could increase the pace at which households purchase goods that will be delivered rather than goods that are purchased in traditional brick and mortar stores.

The metro continues to offer limited opportunities for high-wage sector workers, and wages here are growing at a slower rate than the nation. There are no Fortune 500 companies in the metro, and few major corporations are headquartered in the two-county region. Many tech companies have instead favored coastal markets in Southern California. While some white-collar sectors like education and health care services have brought more educated workers to the market, there is a cap to how much these local-serving sectors can grow above the rate of population.

Affordable housing has historically been a major driver for population, as the Inland Empire is a bedroom community that attracts residents from its pricier neighbors in Los Angeles, Orange County, and San Diego. The average single-family house in the Inland Empire costs roughly \$385,000. While single-family construction has been minimal for much of this cycle, there is some relief in the pipeline through increased development of multifamily housing.

YEAR OVER YEAR JOB GROWTH



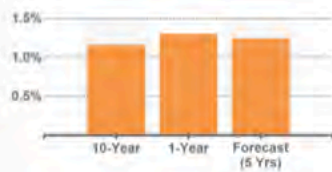
Source: Oxford Economics

DEMOGRAPHIC TRENDS

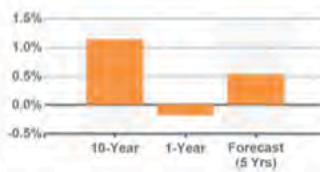
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	4,718,534	330,568,000	1.3%	0.7%	1.2%	0.7%	1.2%	0.7%
Households	1,393,186	122,582,945	1.2%	0.5%	1.1%	0.7%	1.2%	0.6%
Median Household Income	\$68,086	\$64,474	2.8%	3.3%	2.4%	2.6%	1.7%	2.0%
Labor Force	2,072,784	164,273,469	-0.2%	0.7%	1.1%	0.7%	0.5%	0.3%
Unemployment	4.0%	3.5%	-0.3%	-0.3%	-1.0%	-0.7%	-	-

Source: Oxford Economics

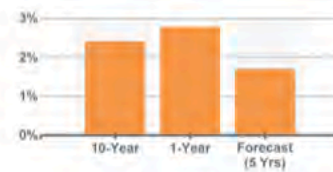
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

OFFICE MARKET OVERVIEW

OVERVIEW

The Inland Empire's office tenant base primarily serves the local population and recent leasing has been driven by the same types of firms and government establishments. In contrast, tech and co-working companies and the preference for high-quality, centrally located offices has emerged over the past five years helping drive demand in the neighboring Los Angeles and Orange County markets. As a result, there have been few office developments in the Inland Empire. Rent gains have been modest, but the market rent remains more than 10% below its previous peak in 07Q1.

The coronavirus pandemic will impact office space globally and the likelihood of an economic recession has grown. While the impact of a recession remains unknown, it is worth considering that the vacancy rate in the Inland Empire peaked at over 16% in 2009. However, leading into that year, speculative development was widespread and office supply grew by 11.4 million SF from 2006 to 2008, whereas supply grew by 700,000 SF from 2017 to 2019—most of which is in medical office buildings.

Sales volume continued its strong run in 2019, with a few major office campuses trading in December. MGR Real Estate continued its expansion in the market when it acquired two buildings in the Waterside Center in Ontario with 159,300 SF for \$38.6 million (\$242/SF) that month.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	7,098,001	8.4%	\$30.96	10.8%	(372)	0	371,662
3 Star	33,697,764	7.3%	\$23.43	9.2%	(164,432)	17,949	359,173
1 & 2 Star	33,948,771	6.6%	\$18.48	7.9%	(18,050)	0	0
Market	74,744,536	7.1%	\$21.95	8.8%	(182,854)	17,949	730,835
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	10.1%	7.9%	16.2%	2009 Q3	6.6%	2005 Q4
Net Absorption SF	91.1 K	1,075,740	481,648	2,985,250	2005 Q4	(40,726)	2008 Q4
Deliveries SF	187 K	1,213,155	759,938	4,501,539	2007 Q4	112,751	2014 Q1
Rent Growth	2.0%	2.3%	0.8%	10.6%	2001 Q2	-12.0%	2009 Q4
Sales Volume	\$550 M	\$392.4M	N/A	\$715.3M	2015 Q4	\$107.7M	2009 Q4

LEASING

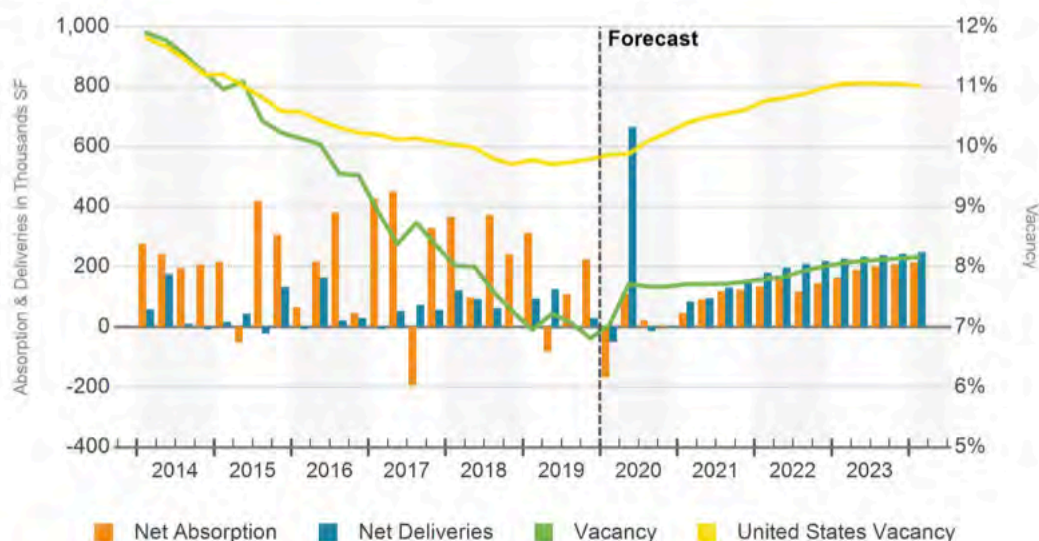
Leasing activity moderated recently, with limited availability potentially deterring some prospective tenants. Most leases are for small floor plates, with the average lease size being 1,950 SF in 2019, compared to 2,150 SF in 2009. Vacancies in the Inland Empire underwent one of the worst run-ups in the country, more than doubling from about 7% to more than 16% following

heavy speculative construction and waning demand. Not much new supply has delivered this cycle because businesses more keen to 4 & 5 Star product shifted their attention to urban markets. The dearth of deliveries helped vacancies decrease steadily.

The metro experienced massive population growth in the 1980s, 1990s, and early 2000s. Coupled with aging residents, the need for health services has helped drive demand for the Inland Empire's medical buildings, as well as other office buildings suited for health care related tenants. Loma Linda University Health delivered a 150,000 SF medical office building in mid-2016, the metro's largest completion since 2011, and Kaiser Permanente delivered an 80,000 SF medical office in late 2017. The Riverside University Health System expanded into the 45,000-SF Corona Medical Arts Plaza in 18Q1, with plans to open another facility in the 200,000-SF Jurupa Valley Medical Plaza in 2019. Yet potential growth in the health sector is limited because it serves the local population, and growth rates have moderated during the current cycle. At some point, the number of medical service providers per capita will reach its peak.

Office absorption could wane in coming months as the impact of the coronavirus pandemic weighs on demand, especially in non-medical offices. However, the Inland Empire may be in a better position to weather the storm compared to the last recession, when speculative development competed with existing inventory. One other obstacle for traditional offices may be the growing trend to include high-quality office space inside of new industrial developments, removing the need for industrial tenants to lease separate office space for administrative operations.

NET ABSORPTION, NET DELIVERIES & VACANCY



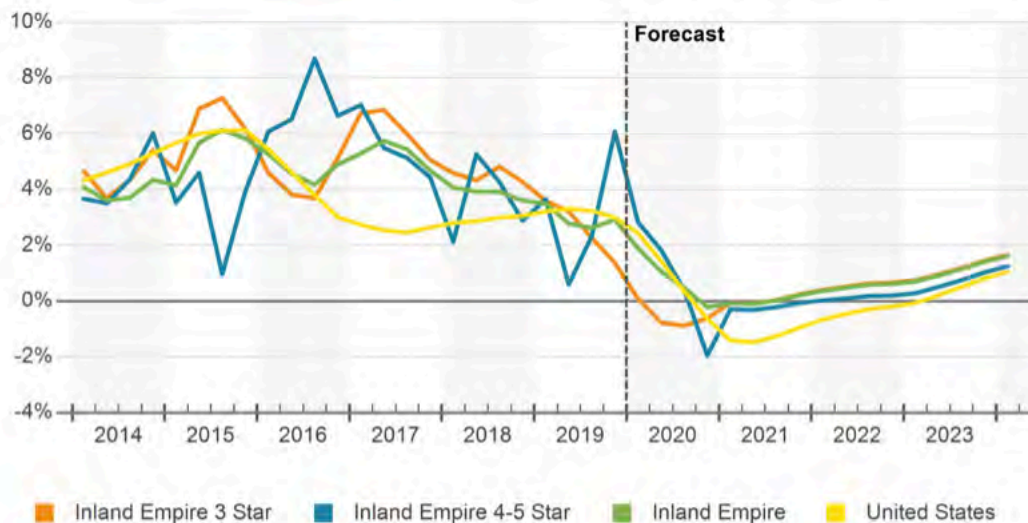
RENT

Improved fundamentals helped advance rent growth in the Inland Empire above the national trend from 2016 to 2018, but recent gains have been near the national index. Rents grew by 2.0% over the past four quarters and have averaged 4% growth over the past five years. More pronounced growth has been coming from 4 & 5 Star offices, although they make up around 10% of office inventory. Rents for 4 & 5 Star properties are about 3% above their peak in 08Q2, whereas rents for 3 Star offices remain more than 10% below the same quarter.

Some of the largest gains in just the last year have come in the Beaumont/Hemet Submarket, where rents are 15% lower than the Inland Empire average, but only small floor plates are available. For example, about 3,200-SF were recently leased in a medical office building for about \$8.28 per year on a triple net basis.

The Chino/Chino Hills Submarket continues to have the most expensive rents, with a market average rent of around \$25.60 per year. There's been multiple spaces leasing recently for around \$30 per year in the submarket on a full-service gross basis.

MARKET RENT GROWTH (YOY)



CONSTRUCTION

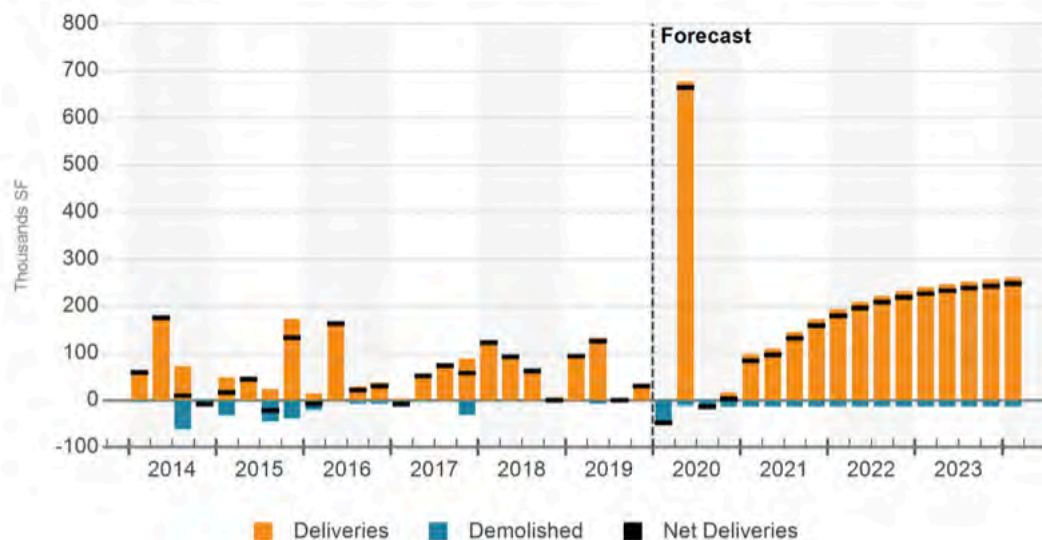
The long drought in new supply has not ended yet. Only a handful of buildings delivered since the start of 2019, totaling just over 250,000 SF net of demolitions and increasing inventory by 0.3%. Looking forward, there are currently 730,000 SF of office buildings under construction, most of which are medical offices.

One of the metro's largest projects in the pipeline is Riverside University Health System's (RUHS) 200,000SF medical center in Moreno Valley. In 2018, RUHS expanded in a new 45,000-SF building in the Corona Medical Arts Plaza. Another large medical center to recently deliver is the 60,000 SF Rady Children's Medical Center, where nearly two-thirds of the office was

preleased when it delivered in July 2018. Most of the third floor remains available for prospective medical office tenants.

Twenty Lake Management is developing one of the only non-medical buildings in the Inland Empire. The 57,300SF projected dubbed The Plant will consist of two one-story buildings and is currently fully available with an expected delivery date in 2020. Meanwhile, Executive Development has a 31,700-SF non-medical office building underway in The Rincon in Chino Hills. The development is part of a shopping center with 35,700 SF of retail and a 60,000-SF hotel that delivered in 2018.

DELIVERIES & DEMOLITIONS



SALES

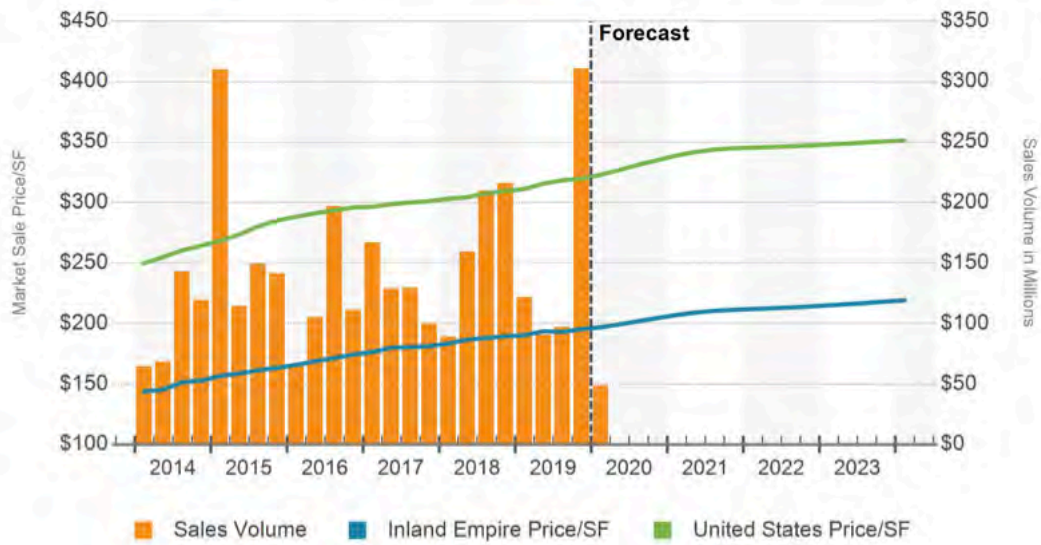
Investment activity fell back to earth in 2019, after sizable sales volumes in 2017 and 2018. The biggest difference was the lack of 4 & 5 Star buildings changing hands, with sales in that category mostly limited to office condos.

Value add remains a popular proposition, with limited new developments to compete for tenants. One of the largest sales of 2019 is Taconic Capital Advisors acquisition of the Tri City Corporate Center in San Bernardino for \$41.7 million (\$113/SF)—a 368,400-SF campus composed of five 3 Star buildings. The campus was 55% leased at the time of the sale in October 2019, and the buyer plans to reposition and lease up the assets through a renovation program.

The high concentration of office tenants in the anticyclical public administration sector, mixed with the region's poor performance during the last downturn, creates opportunities for investors with a unique appetite for risk. For example, a private investor acquired the 38,100-SF Pierson Plaza in Desert Hot Springs for \$11.3 million (\$297/SF) in September 2019. The building was leased to Riverside County's Department of Public Social Service for the next eight years and traded at a 6.1% cap rate. Similarly, Boyd Watterson Asset Management acquired a 60,630-SF office in San Bernardino in April 2019 for \$18.4 million (\$300/SF). The office is leased to U.S. Citizenship and Immigration Services for the next seven years and traded at a 7.5% cap rate.

Pricing gains in the Inland Empire have moderated as of late, with the market price growing roughly 3.3%-year over-year compared to 5.6% the previous year. CoStar's model projects stronger gains over the next year, but growth will decelerate to an annual rate under 2% by 2024.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET ANALYSIS

COVID-19: POTENTIAL ECONOMIC & CRE IMPLICATIONS

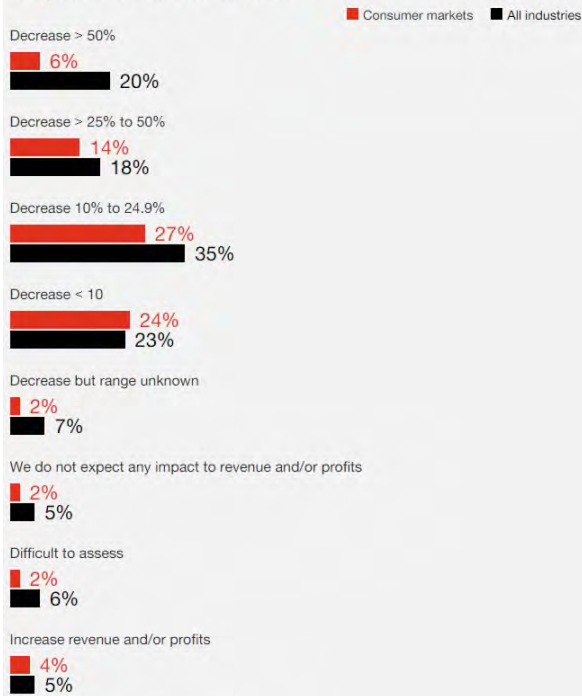
CDC

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the outbreak a “public health emergency of international concern” (PHEIC). On January 31, Health and Human Services Secretary Alex M. Azar II declared a public health emergency (PHE) for the United States to aid the nation’s healthcare community in responding to COVID-19. On March 11, WHO publicly characterized COVID-19 as a pandemic. On March 13, the President of the United States declared the COVID-19 outbreak a national emergency.

PwC

A new PwC pulse survey shows how finance leaders around the world plan to react to COVID-19 — and what impacts they expect to see. More than 280 leaders from a cross section of industries weighed in from the US during the week of May 4th. The survey will continue to track changing sentiments and priorities. The potential for the coronavirus (COVID-19) outbreak to affect financial performance is the top concern for finance leaders according to PwC’s survey. That concern is followed by a decline in consumer confidence, worries of a global recession, and worker productivity.

What impact do you expect on your company's revenue and/or profits this year as a result of COVID-19?



Source: PwC COVID-19 US GFO Pulse Survey
May 6, 2020: total base of 288, CM base of 45
Note: Numbers do not add up to 100% due to rounding.

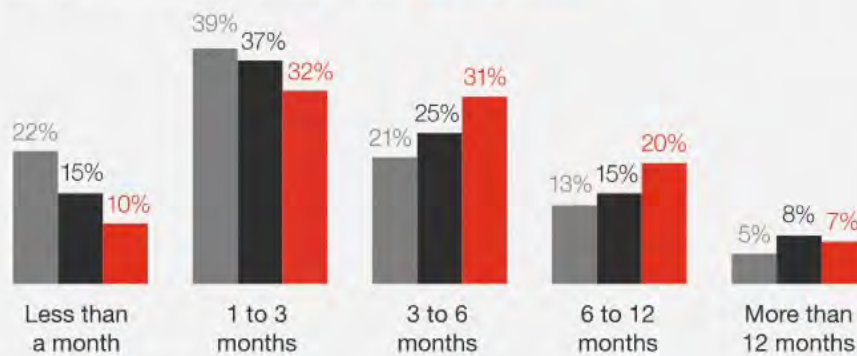
Which of the following is your company planning to implement once you start to transition back to on-site work? (Select all that apply.)



Source: PwC COVID-19 US GFO Pulse Survey
April 22, 2020: base of 305; May 6, 2020: base of 288

If COVID-19 were to end today, how long would you estimate it would take for your company to get back to business as usual?

■ April 8, 2020 ■ April 22, 2020 ■ May 6, 2020



Source: PwC COVID-19 US GFO Pulse Survey
April 8, 2020: base of 313; April 22, 2020: base of 305; May 6, 2020: base of 288

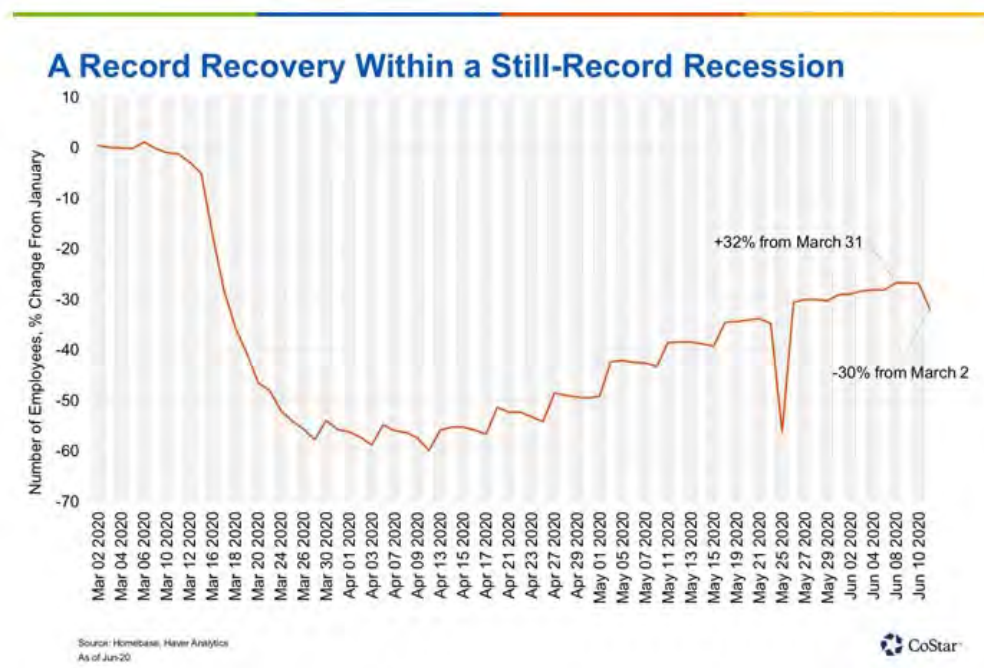
Costar | June 15, 2020

After the big May jobs report, last week was a much-needed break from high-impact economic data. Instead, focus turned to the Federal Reserve, the coronavirus and stocks. The Fed held its regularly scheduled June meeting last week and, as has become common, Chairman Jerome Powell took a steady tone. The committee has been big on forward guidance in recent years, but this quote from Powell's post-meeting press conference takes that idea even further: "We're not thinking about raising rates. We're not even thinking about thinking about raising rates."

The stock market has certainly been optimistic that we've seen the worst for the economy. I probably don't have to tell readers that the S&P 500 has rallied sharply from March lows and spent much of last week in positive territory for the year before Thursday's decline (its worst day since March). The Fed's downbeat economic outlook seems to be getting much of the blame for the selloff, but it's hard to argue that a sanity check was due after the fierce rally. If you stick around the markets long enough, you will hear the term "most hated rally in history" used way more often than it should be. But I might not actually argue with its use today. The truth of the matter is, your opinion on stocks is probably based on which of the following statements you agree with.

As of June 2020, we've never been in a recession as deep as the current one. As of June 2020, we've never seen a rise in activity as rapid in a three-month period. (A note: All of them are true.) The quote above makes more sense now, right?

The best way to illustrate this strange dichotomy is with data from human resources software provider Homebase on small-business employment.

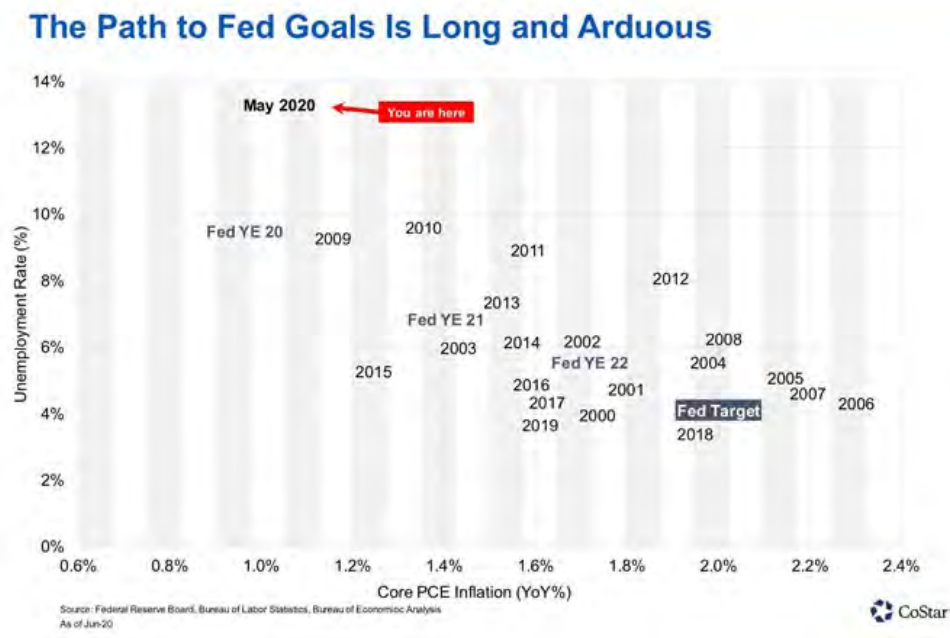


You can see the astounding decline in the number of people working that occurred as the lockdowns began, as well as the sharp recovery from March lows. But even after a more-than-30% increase in hiring over a three-month period, which is incredibly fast, this measure of small-business employment remains 30% below levels last seen in early March. We're really fighting hard to keep from using "A Tale Of Two Cities" references here.

Given the deceleration of hiring in June, who knows when we will recover all jobs lost. Additionally, we need to keep reminding ourselves that there are two cycles occurring at the same time. One is the staggered closing and reopening of stores across the states, which is government mandated and would be called an exogenous shock by a boring economist (nope, none of those here). The other is the decline in demand that is filtering through the economy and affecting households and industries not directly affected by the lockdowns. Where we are in these two cycles is hard to figure out in real time, but figuring out which one is driving the economy is important and will determine how quick the recovery will be.

Perhaps we can get a hint from the Fed's new economic projections, released last week as part of their June meeting. These are the first set of post-COVID projections, as the last release was in December 2019. The new forecast for unemployment at year-end 2020 is 9.3%, then 6.5% at the end of 2021 and 5.5% in 2022. Core personal consumption expenditure inflation, the Fed's preferred measure, is expected to remain below the policymakers' 2% target throughout the entire forecast period. The chart below looks at these

Fed targets by year since 2000. Note the “You are here” sign to help you orient yourself because 2020 is well out of the normal range.



According to Fed projections, by the end of the year, the economy will be only slightly worse than it was in 2009. And in a year and a half, we'll only be as close to a fully operating economy as we were in ... 2013. We've got a ways to go. No wonder the Fed isn't even thinking about thinking about hiking rates.

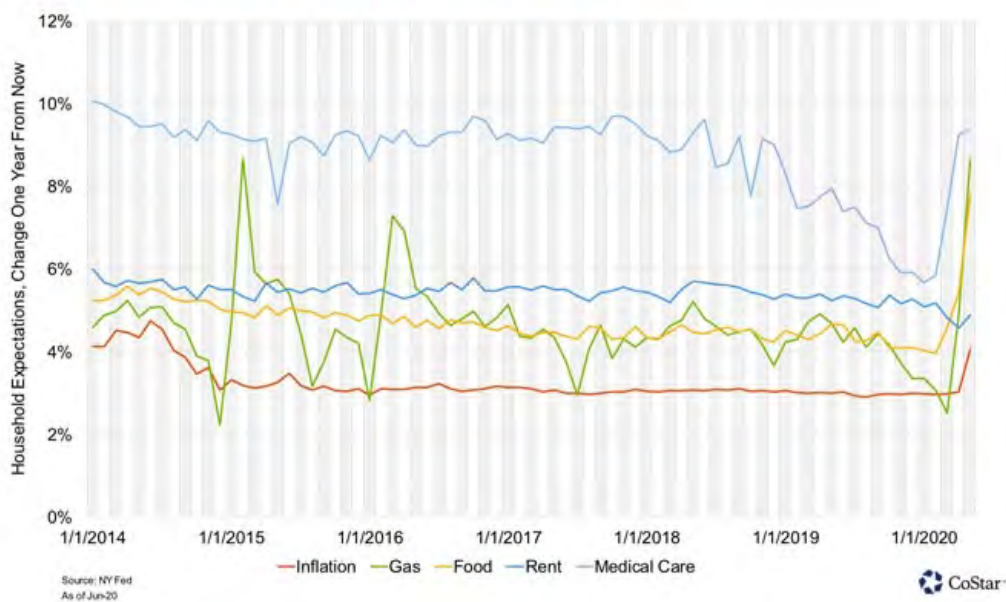
Households are also struggling to deal with this incredible economic volatility. Income and spending patterns are highly unusual, as we highlighted last week, with the huge influx of government support offsetting temporarily lost jobs and wages. It can be tough to get a read on households, but the New York Fed produces monthly surveys on consumer expectations which are useful to gain insight into what households are thinking. The results of the June survey were released early last week. The chart below shows expectations for inflation and earnings one year from now, and suggests that the average U.S. consumer doesn't agree with the Fed on inflation.

Households Expect Inflation, Not Wages



Households expect rising inflation and falling earnings to create a sharp decline in real (i.e., inflation adjusted) earnings over the next year. The New York Fed survey also breaks inflation expectations into different categories, which we show in the chart below.

The Necessities Have Gotten Costly



As you can see, expectations of rent inflation are the only category here that didn't see a meaningful jump. Perhaps survey responders have been watching CoStar's daily rent series, a gauge suggesting people are gravitating to less expensive options.

And here we hope you will allow your authors to get into one of their favorite debates: the difference between inflation and cost of living.

Households feel increases in food and gas prices more acutely and immediately, and they translate that directly into inflation. But look at what is happening with food prices. With restaurants shut down and supply-chain problems across food-processing plants, the at-home food pipeline has been squeezed. Prices reacted like you expect them to, with food at home prices up 5% this year according to last week's May consumer price index report. Higher cost of living? Yes, of course. But that's not inflation. That's supply of food and demand for food getting temporarily out of balance.

That's not inflation.

Households are likely to be wrong on inflation as it pertains to monetary policy. It's not likely that the Fed will be hiking rates to fight rising food prices in the current environment. That being said, rising cost of living is certainly something that households are grappling with just as their incomes are getting squeezed. Help from the fiscal side through stimulus checks and enhanced unemployment benefits provides a short-term stopgap, but that help will be expiring in the not-to distant future. If job gains don't speed up in the coming months or we don't get an extension of stimulus measures, expectations of incomes for the year ahead will deteriorate sharply, and household spending decisions will follow.

And at that point the drop in demand in the broad economy is likely to overshadow the rehiring of workers who lost their jobs due to the lockdown. We don't want to see a "traditional" recession follow the "non-traditional" recession we're currently in.

The Week Ahead ...

This week is holiday-shortened ahead of the Fourth of July weekend, but that doesn't mean it's not without economic data fanfare. The Bureau of Labor Statistics is scheduled to release a rare Thursday employment report for June. (Doesn't have the same ring as Nonfarm Friday, huh?) Current expectations are for a gain of around 3 million jobs, but you know our thoughts on that estimate. Of particular interest will be employment gains or losses by industry, which may validate our concerns seen in New York unemployment claims data discussed above.

Worth noting is the bureau has signaled intention to give more thorough instructions to households taking surveys. As millions incorrectly considered themselves employed despite not being paid, a correction will almost certainly lead to a rise in the headline unemployment rate.

Beyond this report, the Federal Open Market Committee plans to release minutes from its June meeting on Wednesday. Analysts like ourselves will be champing at the bit to get a more detailed look at internal debates going on around best policy approaches going forward.

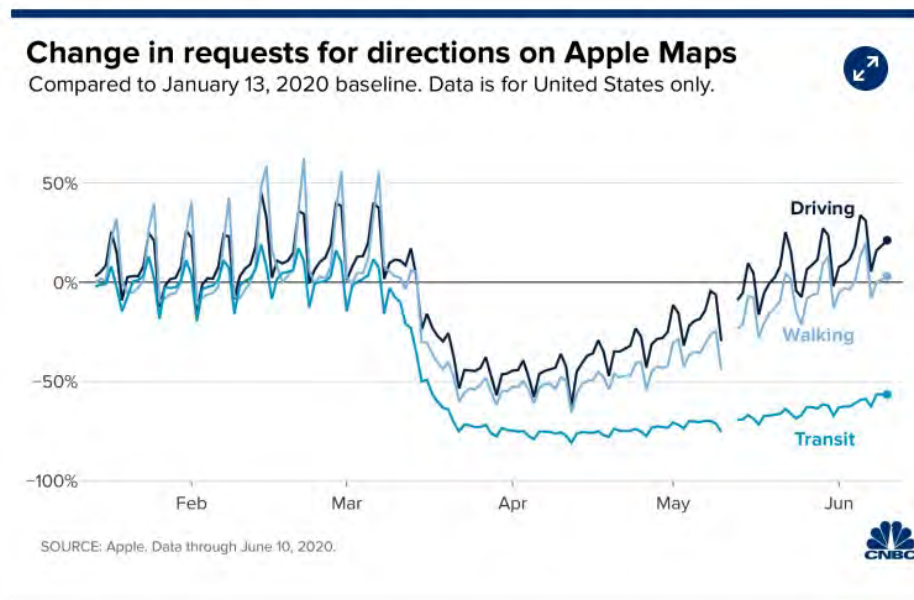
CNBC: Five Charts That Track The U.S. Economy As States Reopen/ June 28, 2020

Though states are reporting new surges in Covid-19 cases, pausing reopening measures and even reinstituting business restrictions, specific economic sectors have continued to see improvement. Consumers are eating out at restaurants, traveling more and visiting hotels amid the official start to the busy summer season.

These five charts illustrate trends in important industries that help track reopening progress in the U.S.

DIRECTION REQUESTS

Data from navigation tool Apple maps tells a different story depending on the mode of transportation. While requests for driving and walking directions have surpassed pre-pandemic levels, transit directions continue to recover much more slowly. Though that may change as more employees return to work in urban centers like New York, Chicago, and San Francisco, requests for transit directions are still at half of what they were in early March.

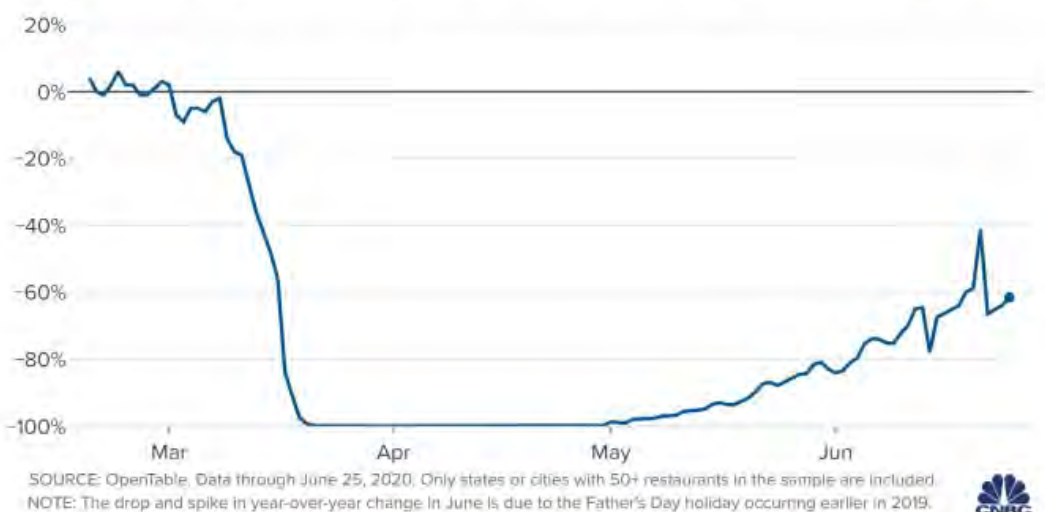


RESTAURANT BOOKINGS

Restaurant bookings through reservation service OpenTable dropped to zero in late March and throughout April before picking back up in May once states eased restrictions on in-person dining. While bookings have risen to a level of being down 60% compared to last year, the upward trend has the potential to stall out as states like Texas and Florida pause their reopening plans amid coronavirus outbreaks.

U.S. Restaurant bookings

Year-over-year change in seated diners at restaurants on the OpenTable network

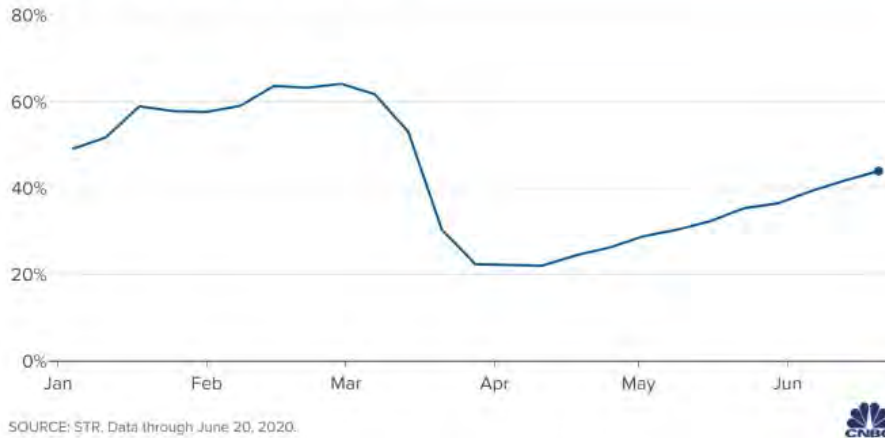


HOTEL OCCUPANCY

Hotels' occupancy rates have continued their upward trend and now measure at 44%, according to data from global hospitality research company STR. The new figures mark the tenth consecutive week occupancy rates have increased. Norfolk/Virginia Beach, Virginia as well as Tampa/St. Petersburg, Florida were both top travel markets that saw occupancy rates of 54% and 49% respectively. However, New York City had an occupancy rate of 44%, down from 46% the week prior.

U.S. Hotel occupancy rate

Weekly through June 20, 2020

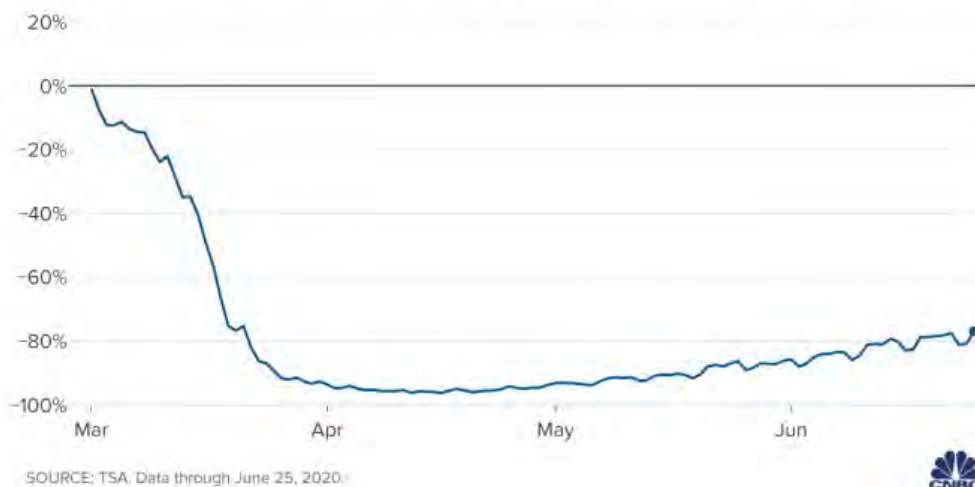


AIR TRAVEL

The number of passengers traveling each day through airport security checkpoints is down more than 70% compared to last year, according to data from the Transportation Security Administration. The numbers represent continued improvement for the troubled air travel industry. American Airlines announced Friday that it will resume flying full planes on July 1 after having a 70% capacity limit for flights.

U.S. Air travel

Year-over-year change in daily travelers passing through TSA checkpoints

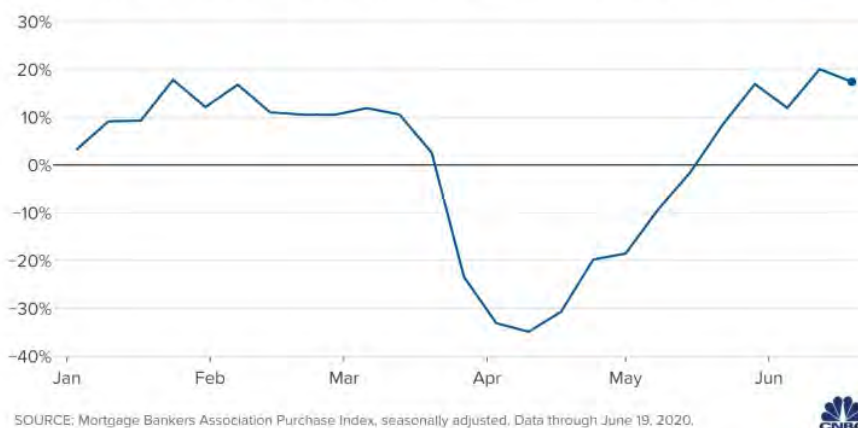


HOME PURCHASES

Though mortgage applications for purchasing a single-family home are 18% higher compared to the same week last year, they did see a slight decrease from last week, according to data from the Mortgage Bankers Association. Even with continued high unemployment and economic uncertainty stemming from the coronavirus pandemic, the MBA said the home purchase market is still strong.

U.S. Home purchases

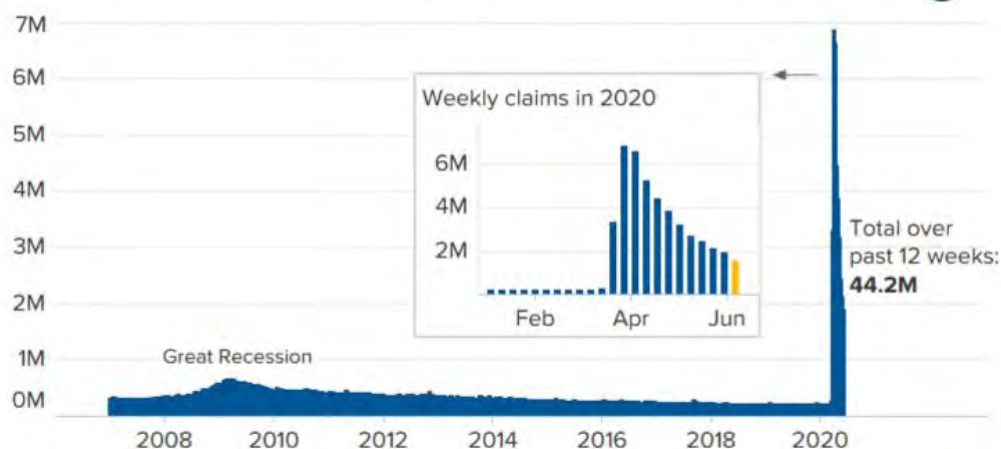
Year-over-year change in mortgage applications for purchasing a single-family home



Initial Jobless Claims/ June 11, 2020

On March 26th initial jobless claims showed an increase in unemployment by 3.1 million persons for the week of March 16th-20th, setting a record that would be broken the following week at 6.9 million. The level of unemployment claims has declined each of the past ten weeks but are all higher than any historical figure prior to COVID-19. The following chart illustrates the weekly initial jobless claims since the Great Recession.

Initial claims for unemployment insurance



SOURCE: Department of Labor. Data is seasonally adjusted. Data through June 6, 2020.



Continuing claims for the moment appear to have peaked indicating there has been some hiring and re-hiring in the labor market.

Continuing claims for unemployment insurance



SOURCE: U.S. Employment and Training Administration, Continued Claims, retrieved from FRED, Federal Reserve Bank of St. Louis. Continued claims data are based on the week of unemployment, not the week when the initial claim was filed. Data is seasonally adjusted. Data through May 30, 2020.



Bureau of Labor and Statistics / June 5, 2020

BLS reported May unemployment of 13.3% (U-6), a decline from 14.7% the previous month. Many economists have been skeptical of this figure due to a note in the report stating there had been a major error in the data and the unemployment rate is likely 300 basis points higher. Nevertheless, the recession has likely ended and nearly all forecasts anticipate a declining unemployment rate through the end of the year.

GDP Forecasts

The following chart summarizes GDP forecasts from various economists and institutions. Please note the annualized figures are the quarterly change multiplied by four.

2020 GDP Forecasts Annualized						
Source	Date	Q1	Q2	Q3	Q4	Full Year
Morgan Stanley	4/3	-3.4%	-38.0%	20.7%	15.9%	-5.5%
Moody's	April	-8.1%	-30.2%	16.6%	0.4%	-5.8%
Mortgage Bankers Association	5/15	-4.8%	-31.0%	-3.1%	9.2%	-8.7%
Goldman Sachs	May	--	-39.0%	29.0%	--	-6.5%
Atlanta Fed GDP Now	6/9	--	-48.5%	--	--	--

Change from Previous Quarter				
Morgan Stanley	-0.9%	-9.5%	5.2%	4.0%
Moody's	-2.0%	-7.6%	4.2%	0.1%
Mortgage Bankers Association	-1.2%	-7.8%	-0.8%	2.3%
Goldman Sachs	--	-9.8%	7.3%	--
Atlanta Fed GDP Now	--	-12.1%	--	--

While Q2 is beyond painful, the worst is behind us and Q3, which is less than a month away, looks promising.

Costar: Federal Reserve 2020 Crisis Actions / March 29, 2020

And so we see the Fed moving on from being “lender of last resort” to “commercial banker of last resort.” These provisions are likely to be some of more powerful tools in the stimulus bill.

Fed 2020 Crisis Actions

Date	Category	Action
Mar-03	Rates	Cuts rates 50 bps to 1-1.25%
Mar-15	Rates	Cuts rates 100 bps to 0-0.25%
Mar-15	QE	Begins \$700bn in QE
Mar-15	Rates	Provides forward guidance to keep rates at 0-25 bps "until it is confidence that the economy has weathered recent events"
Mar-15	Liquidity	Lowers rate at discount window to 0.25%, introduced term funding
Mar-15	Liquidity	Encourages use of intraday credit extended by Reserve Banks
Mar-15	Liquidity	Encourages banks to draw down on capital and liquidity buffers
Mar-15	Liquidity	Reduces reserve requirement ratios to 0% effective 3/26
Mar-15	Liquidity	Announces dollar swap lines with the BoC, BoE, BoJ, ECB, SNB
Mar-17	Liquidity	Establishes Commercial Paper Funding Facility to provide a liquidity backstop to US issuers of commercial paper through special purpose vehicle
Mar-17	Liquidity	Establishes Primary Dealer Credit Facility to offer overnight and term funding up to 90 days for at least 6 months. Broad range of collateral may be used
Mar-18	Liquidity	Establishes Money Market Fund Liquidity Facility to make loans available secured by high-quality assets purchased by the financial institution from money market funds
Mar-19	Liquidity	Regulatory agencies ease regulatory requirements for funds participating in MMLF
Mar-19	Liquidity	Extends dollar swap lines to Australia, Brazil, Denmark, South Korea, Mexico, Norway, New Zealand, Singapore and Sweden central banks
Mar-20	Liquidity	Increases frequency of dollar swap lines with BoC, BoE, BoJ, ECB, SNB
Mar-20	Liquidity	Allows muni bonds to be used as collateral under MMLF
Mar-22	Liquidity	Along with other agencies, encourages financial institutions to work with borrowers, allowing easier restructurings
Mar-23	QE	Announces unlimited Treasury and Agency MBS purchases. Will now include Agency CMBS
Mar-23	Liquidity	Establishes Exchange Stabilization Fund to provide \$300 bn in funding to economy, capitalized by \$30 bn in equity from Treasury Department
Mar-23	Liquidity	Establishes Primary Market Corporate Credit Facility for new bond and loan issuance to support credit to large employers
Mar-23	Liquidity	Establishes Secondary Market Corporate Credit Facility to provide liquidity for outstanding corporate bonds
Mar-23	Liquidity	Establishes Term Asset-Backed Securities Loan Facility to enable the issuance of ABS backed by student, auto, credit card loans, and small business loans
Mar-23	Liquidity	Expands Money Market Mutual Fund Liquidity Facility to include municipal variable rate demand notes and bank certificates of deposit
Mar-23	Liquidity	Expands Commercial Paper Funding Facility to include high-quality tax-exempt commercial paper. Reduces pricing of facility
Mar-23	Liquidity/Alt-QE	Expect to soon announce the establishment of a Main Street Business Lending Program to support small-and-medium sized businesses
Mar-23	Liquidity	Utilizes special purpose vehicle to facilitate loans through ESF to PMCCF, SMCCF, TALF
Mar-25	Liquidity/Alt-QE	Senate stimulus bill provides \$545 mm in funding from Treasury for the Fed to finance up to \$4 trillion in primary market security purchases, secondary market purchases or loans to eligible businesses, states or municipalities. To be operated through Main Street Business Lending Program in coordination with Treasury Department

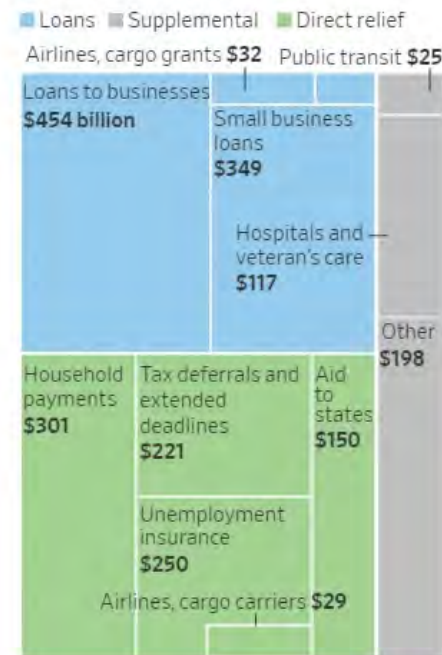
Source: Federal Reserve Board



Stimulus Bill/ March 27, 2020

The US government passed a \$2+ trillion stimulus bill as summarized in the following chart.

What's in the Senate's \$2.1 Trillion Emergency Aid Bill



Sources: Preliminary legislative text; estimates by aides, lawmakers and outside groups.

Credit: WSJ

Individuals earning less than \$75,000 AGI and couples earning less than \$150,000 AGI are expected to receive \$1,200 per adult and \$500 per dependent child within three weeks. Those drawing unemployment will also receive an additional \$600 per week for four months. Small businesses less than 500 employees will receive loans totaling \$350 billion. Loans used for payroll expenses, rent, interest on mortgage obligations (not principal) and utilities will be forgiven. The original funding for small business loans was exhausted quickly; however, congress approved an additional \$310 in new funding for small businesses, which is expected to be exhausted soon.

Market participants expect the stimulus bill to profoundly stimulate the economy, but it may be several months before we see any effect.

US Treasury and Federal Reserve Board: Main Street Lending program / April 9, 2020

Pursuant to section 13(3) of the Federal Reserve Act, U.S. Treasury Secretary Steven T. Mnuchin today approved the establishment of a Main Street Business Lending Program and

a Municipal Liquidity Facility to support the flow of credit to American workers, businesses, States, counties, and cities impacted by the coronavirus pandemic.

Small and medium-sized businesses, through no fault of their own, have faced severe financial strain from widespread closures and liquidity pressures in the financial system. Using funds appropriated under the CARES Act, Treasury will make a \$75 billion equity investment in a special purpose vehicle established to implement the Main Street Business Lending Program. This investment will enable up to \$600 billion in new financing for businesses with up to 10,000 employees or \$2.5 billion in 2019 annual revenues.

“The Main Street Business Lending Program will make a significant difference for the 40,000 medium-sized businesses that employ 35 million Americans,” said Secretary Mnuchin. “This important Main Street initiative complements the robust relief efforts already underway such as the Paycheck Protection Program, Employee Retention Credits, and Economic Impact Payments, while protecting taxpayer funds.”

Additionally, Treasury will make a \$35 billion equity investment in the Municipal Liquidity Facility (MLF), which will provide up to \$500 billion in direct financing to states, counties, and cities to help ensure they have the funds necessary to provide essential services to citizens and respond to the coronavirus pandemic.

The MLF will provide funds to help offset the delay in state and local tax receipts caused by the deferral of the tax filing deadline, and to help offset any short term losses in tax revenues resulting from reduced business and consumer activity due to the coronavirus pandemic.

States, counties, and cities will be able to sell new municipal notes directly to the MLF to obtain the funds they need quickly and efficiently. Secretary Mnuchin also authorized the establishment of a new facility to provide term financing backed by Paycheck Protection Program loans. The Paycheck Protection Program provides \$350 billion for job retention loans to help millions of small businesses sustain operations and keep their workers employed.

EXPANSION OF RECENTLY LAUNCHED FACILITIES

In addition to the new Main Street, MLF and Paycheck Protection Program facilities, Secretary Mnuchin approved a significant expansion of existing facilities established under section 13(3) to further enhance liquidity and support the economy.

Consistent with authorities granted under the CARES Act, Secretary Mnuchin approved a \$75 billion equity investment in a special purpose vehicle established to implement the Primary and Secondary Market Corporate Credit Facilities (PMCCF and SMCCF), which will be used to purchase eligible corporate debt. In combination, the PMCCF and SMCCF will provide \$750 billion in additional liquidity.

Secretary Mnuchin also approved the expansion of the Term Asset-Backed Securities Loan Facility

(TALF). Established to help meet the credit needs of American consumers and businesses by facilitating the issuance of asset-backed securities, the TALF will now also include highly rated newly issued collateralized loan obligations and legacy commercial mortgage-backed securities as eligible collateral. As previously announced, Treasury will make an equity

investment of \$10 billion in a special purpose vehicle established to implement TALF, which is expected to provide up to \$100 billion of loans. The revised terms and focus on highly rated asset-backed securities will promote price discovery and liquidity, helping stabilize and re-open key lending markets for American consumers and businesses, while minimizing the risk to U.S. taxpayers.

“The combination of these facilities will provide up to \$2.3 trillion in new financing to support American workers by helping American businesses preserve jobs, sustain operations, and continue to serve their customers,” said Secretary Mnuchin.

Rent Collections

The following chart from NAREIT summarizes rent collections by property type showing retail the most affected. This table shows the estimated REIT rent collections in April and May as a share of typical rent collections. A total of 43 equity U.S. REITs were included in the survey sample across six property sectors.

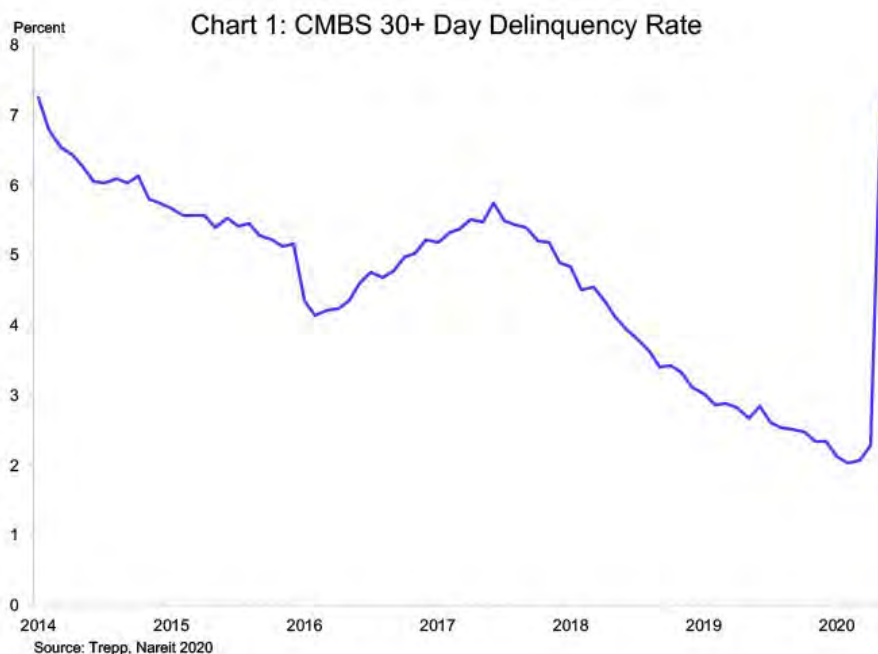
**U.S. REITs' Share of Typical Rent
Received in April, May**

Property Sector	April Rent Received	May Rent Received
Industrial	98.6%	95.7%
Apartment	94.3%	94.7%
Office	93.3%	92.1%
Healthcare	87.4%	89.9%
Freestanding Retail	71.4%	70.1%
Shopping Center	45.6%	47.7%

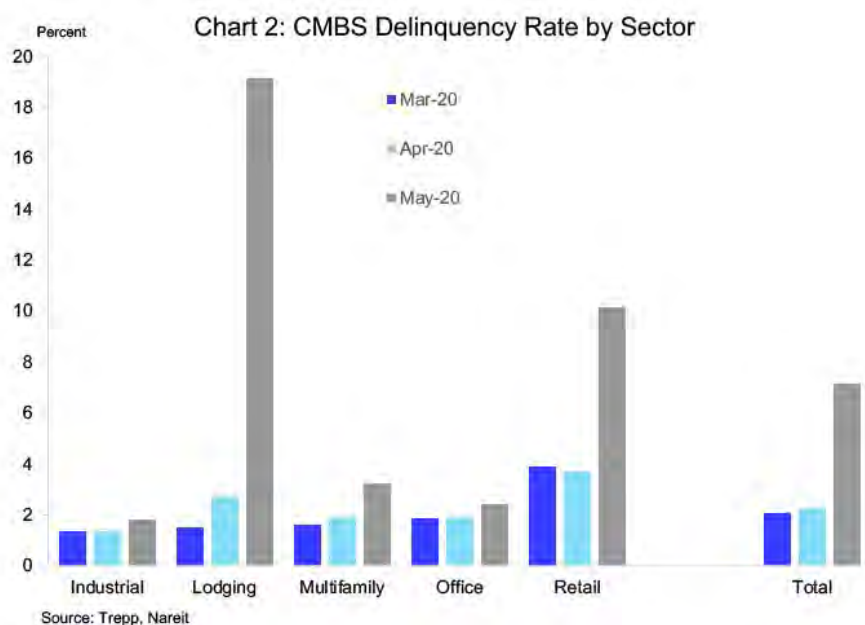
Source: NAREIT

Nareit/Trepp: CMBS Delinquency/ June 2020

Trepp reported that an additional 7.6% of loans by loan balance missed their May payments but are less than 30 days delinquent. If many of these loans remain delinquent, Trepp warns we may see another large increase in the 30+ day delinquency rate in June.



Credit issues are not spread evenly across property sectors, however, but are concentrated in loans secured by lodging and retail properties. The 30+ day delinquency rate on lodging loans rose more than 16 percentage points, to 19.13%, while the delinquency rate on retail mortgages rose 650 basis points, to 10.14%. Credit troubles in these two sectors are likely to continue to deteriorate in the months ahead.



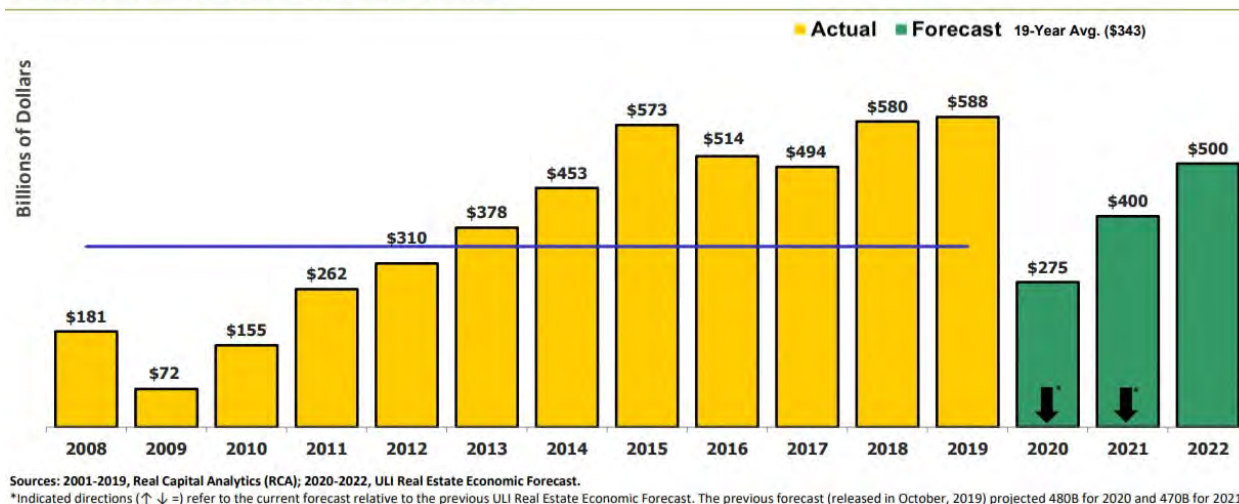
Urban Land Institute: Real Estate Economic Forecast/ May 2020

ULI compiled forecasts from 39 economist/analysts at 35 real estate organizations. The next release will be in October. The key findings are noted as follows.

Transaction Volume

Commercial real estate transaction volume reached \$588 billion in 2019, a post-Great Financial Crisis peak. Volume is expected to be over 50% lower in 2020 with a forecast of \$275 billion. Forecasts for '21 and '22 show growth of \$400 billion and \$500 billion, respectively.

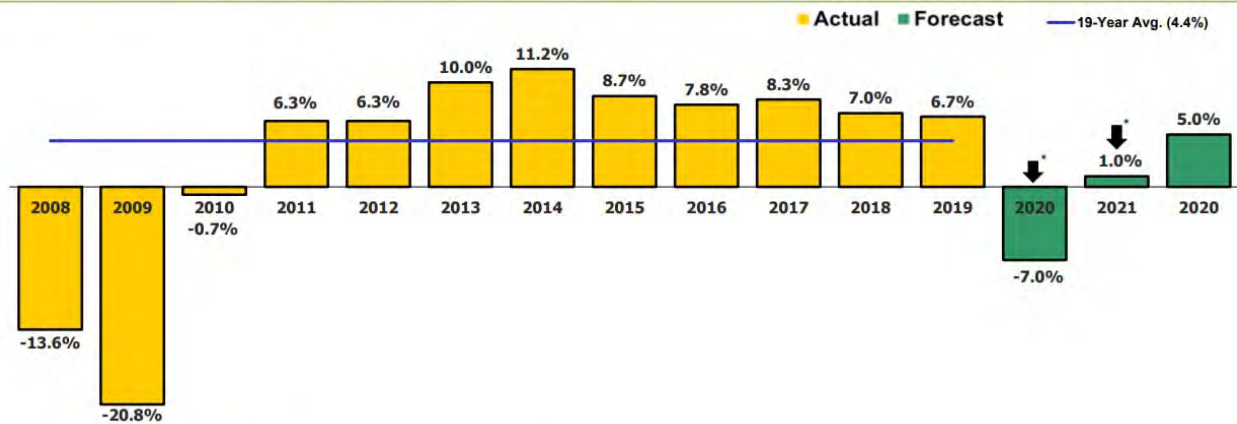
Commercial Real Estate Transaction Volume



CRE Pricing

Commercial property prices are expected to drop by 7% in 2020, returning to positive, minimal growth of 1% in '21, with further growth of 5% in '22.

RCA Commercial Property Price Index (annual change)



Sources: 2000-2019, Real Capital Analytics (RCA); 2020-2022, ULI Real Estate Economic Forecast.

*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous forecast (released in October, 2019) projected 4.0% for 2020 and 3.9% for 2021.

CRE Returns

NCREIF total returns in 2020 for the industrial sector in 2020 are expected to be positive, the only sector for which this is the case. Still, at 2%, this is a significant decline from industrial returns in 2019 of 13.4% and well below its long-term average of 10.4%. Apartment, office and retail returns for 2020 are all forecast to be negative, at -3%, 5.9%, and -12%, respectively.

NCREIF Property Types Total Returns

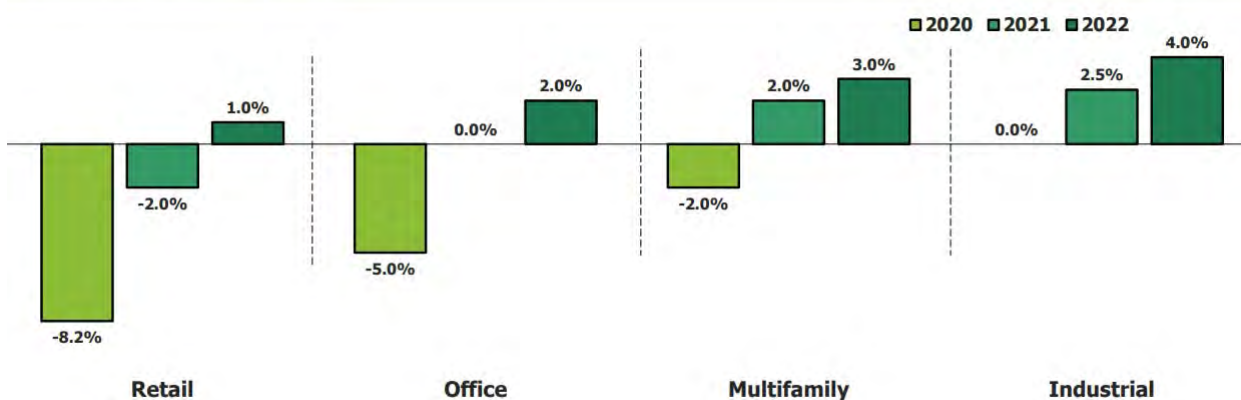


Source: 2020-2022, ULI Real Estate Economic Forecast.

Rent Growth

Commercial property rent growth differs widely by property type, as well. In 2020, industrial rent growth is forecast to be 0.0%, while apartments, office and retail are forecast at -2.0%, -5.0%, and 8.2%, respectively. In '21, both the industrial and multifamily sectors experience positive growth, at 2.5% and 2.0%, respectively, while office rental rate growth is 0.0% and retail is -2.0%. By '22, positive rental growth is forecast for all sectors, ranging from 4.0% in the industrial sector to 1.0% in the retail sector.

Rental Rate Growth 2019-2022

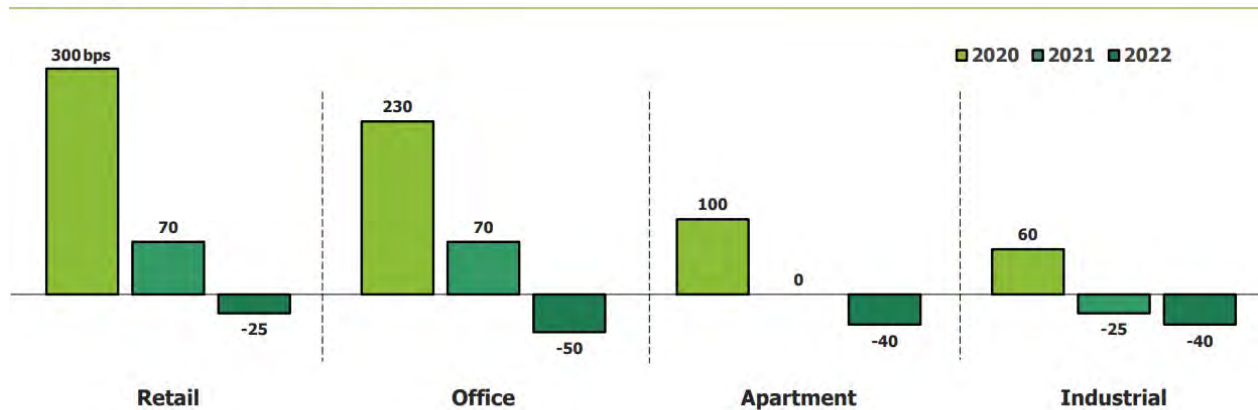


Source: 2020-2022, ULI Real Estate Economic Forecast.

Vacancy

Change in vacancy and availability rates differ widely by property type. In 2020, industrial availability is forecast to move up 60 basis points, while apartments, office, and retail vacancy rates are forecast to move up 100, 230, and 300 basis points, respectively. In '21, industrial availability is expected to move down slightly, apartment vacancy remains unchanged, and both office and retail vacancy rates continue to increase, albeit just moderately. In '22, all sectors show slight improvement.

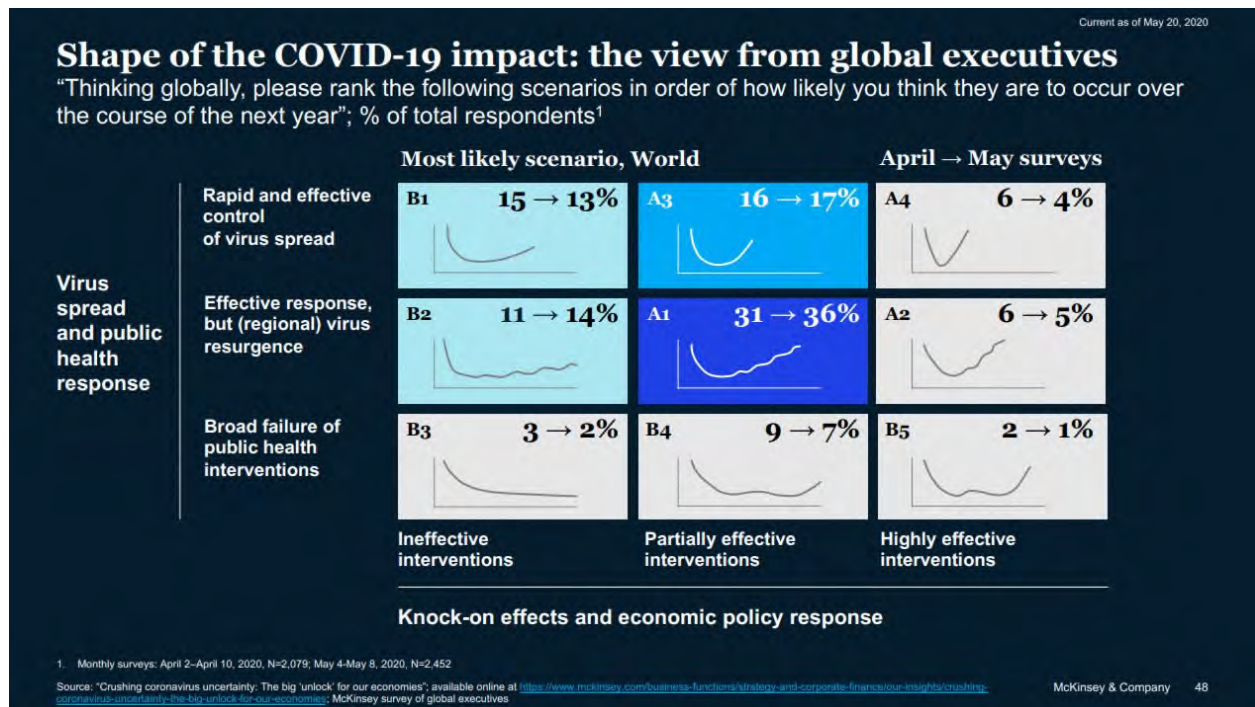
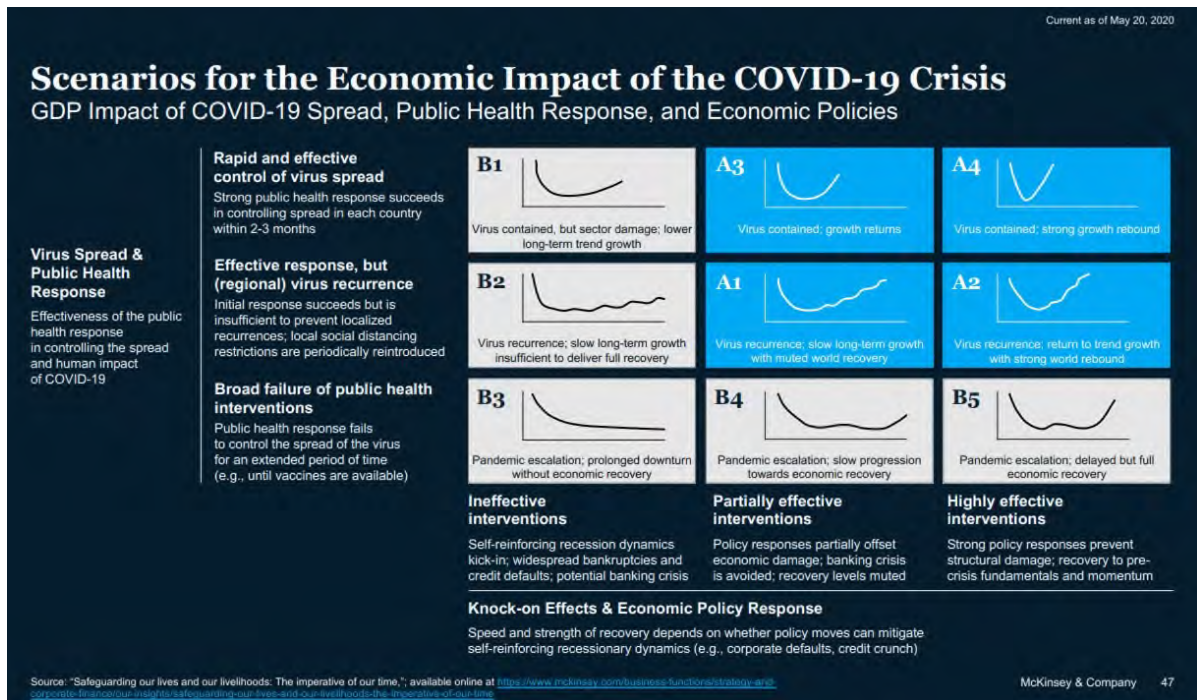
Vacancy Rate Change 2019-2022 (bps)



Source: 2020-2022, ULI Real Estate Economic Forecast.

McKinsey & Company | June 1, 2020

The following from McKinsey & Company illustrates the many possible scenarios for the economic impact of the COVID-19 crisis. With a strong public health response and the stimulus package the most likely scenarios are A1 through A4. Other, more extreme scenarios can also be conceived, and some of them are already being discussed (B1-B5 in Exhibit 3). One can't exclude the possibility of a "black swan of black swans": structural damage to the economy, caused by a yearlong spread of the virus until a vaccine is widely available, combined with the lack of policy response to prevent widescale bankruptcies, unemployment, and a financial crisis.



If Scenario A1 occurs, McKinsey & Company projects US GDP will return to pre-crisis levels in the first quarter of 2023. If Scenario A3 occurs, McKinsey & Company projects US GDP will return to pre-crisis levels in the fourth quarter of 2020.

Other Federal, State and Local Considerations

The federal government, states and municipalities are enacting legislation to lessen the economic impact of COVID-19. Landlords', owners' and tenants' rights may be affected by such legislation. Many states and cities issued shelter-in-place orders forcing most residents to remain indoors except for essential needs like groceries and essential businesses. Several states have proposed legislation that would forgive rent and/or would allow termination of contracts. These issues should be closely monitored as they could place downward pressure on value.

Force Majeure

Force majeure clauses are contract provisions that excuse a party's inability to perform its obligations under the contract if an unforeseeable event prevents such performance. Most leases have similar clauses. We are not experts with regard to force majeure contracts and laws. Should COVID-19 become accepted in the US as a force majeure event there may be additional risk for landlords.

Bisnow / June 24, 2020

A bankruptcy court in Illinois has ruled that a bankrupt restaurant operator is excused from some of its contractual obligations to its landlord, citing a force majeure clause in its lease. The case has major implications for businesses forced to close by local health authorities to prevent the spread of the coronavirus pandemic, many of which have sought relief via rent moratoriums and business insurance policies. Hitz Restaurant Group, which operates restaurants in the Chicago area, filed for Chapter 11 bankruptcy in late February, before the outbreak of the pandemic. The company argued that it shouldn't have to pay rent for April, May or June because of the state-ordered shutdown.

The specific language in the lease, as reported by Shearman & Sterling, notes that "Landlord and Tenant shall each be excused from performing its obligations or undertakings provided in the Lease, in the event, but only so long as the performance of any of its obligations are prevented or delayed, retarded or hindered by ... laws, governmental action or inaction, orders of government."

Kass Management Services, one of Hitz's landlords, argued that rent was due in full because it could still do takeout and delivery, and that it could avail itself of the Paycheck Protection Program to pay rent. On the whole, Judge Donald Cassling of the United States Bankruptcy

Court for the Northern District of Illinois, who is overseeing the bankruptcy case, ruled in favor of Hitz. The action taken by the state of Illinois counted as force majeure under the terms of the lease, he found. But the judge didn't find that the restaurant operator is entirely free from its contractual obligations. Rather, he noted that about 25% of Hitz's space could be used to generate income under Illinois' stay-at-home order, namely food for delivery and pickup. Thus the restaurant operator was liable for 25% of the rent specified in the lease. Cassling also found that nothing in the lease's force majeure clause required the restaurant company to borrow money, as under the PPP, to pay its rent.

The ruling is among the first, if not the first, to adjudicate the question of whether force majeure can be cited as a reason for a restaurant not paying rent, *Restaurant Business* reports. The question has wider currency in the commercial real estate business in the punishing aftermath of the coronavirus pandemic. Opinion varies on how the question will play out.

Conclusion

The growth of COVID-19 infections and overall economic implications are the primary concern of US and international investors. This is an ongoing and evolving situation. All states have begun a phased reopening starting in early May and some of these states among the first to reopen such as Texas and Florida are experiencing material increases in positive cases that can be attributed to both higher testing levels and spread of the virus. New shelter-in-place orders are unlikely given the economic ramifications; however, mitigation through social distancing and mask wearing are expected to be widespread in most areas with above average education levels.

Jan Hatzius, Goldman's chief economist, stated "Our baseline estimate is that a national [mask] mandate could raise the percentage of people who wear masks by 15 (percentage points) and cut the daily growth rate of confirmed cases by 1.0 (percentage point) to 0.6%. These calculations imply that a face mask mandate could potentially substitute for lockdowns that would otherwise subtract nearly 5% from GDP."

GDP in the second quarter could decline between 7.6% and 9.9% from the previous quarter based on economic forecasts. Third quarter GDP growth is expected by most to be overwhelmingly positive but may be tempered by increasing infections in states such as California, Florida, Texas, Georgia and Arizona.

Portions of the first and second quarters were recessionary; however, barring a second wave in the Fall the worst of the demand shock has passed as consumption and mobility are beginning to show meaningful improvement. Medium and long-term outlooks are much more favorable as we move into the third quarter. Over the short-term hotels, restaurants and retail have taken the brunt of the declines while warehouse, self-storage and multi-family have

been the least affected, but none unscathed. Office will likely face downward pressures due to remote working trends and elevated levels of unemployment. Based on continuing claims data it appears there is some hiring and rehiring already occurring. Leasing activity is expected to pick up in the third quarter. Any declines in property values can be best described as temporary external obsolescence that should end a short time after the stimulus package begins to affect the economy and most people are back to work. We will continue to interview market participants regarding changes in market conditions.

PLAT MAP

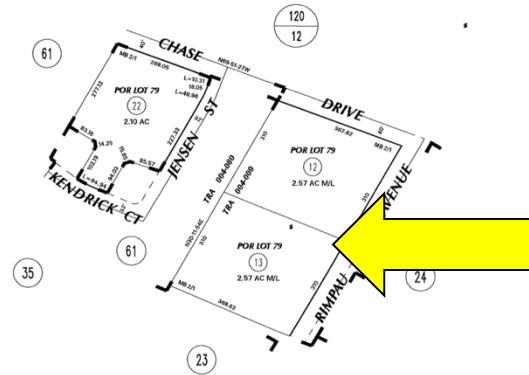
THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.

APR 18 2006

POR. SEC 7 T.4S., R.6W
CITY OF CORONA

T.R.A. 004-000
004-080

108-05
108-41



DATA: MB 8/73

ASSESSOR'S MAP BK108 PG.05
Riverside County, Calif.

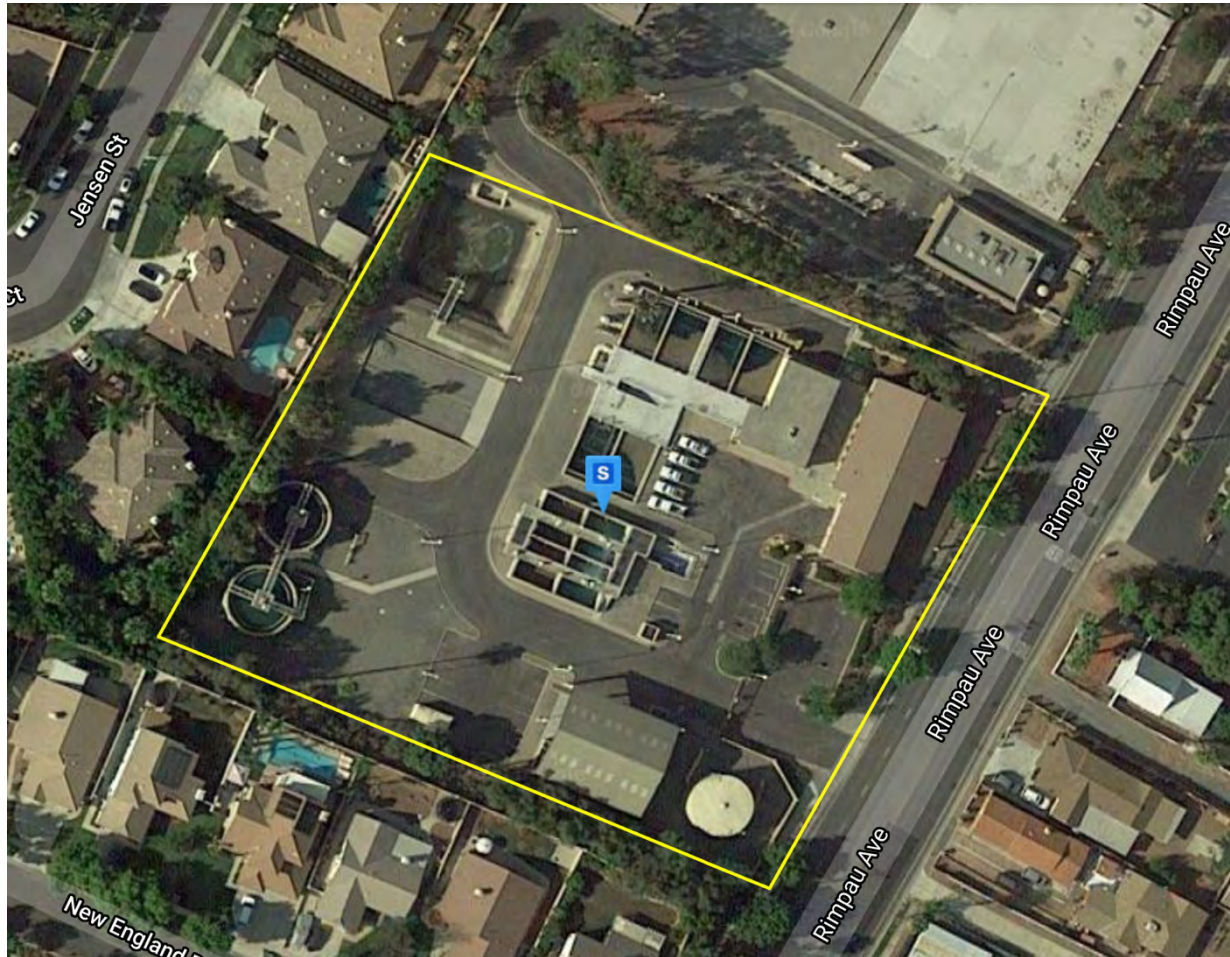
9/2%

MB 2/1 ORANGE HEIGHTS DIV. 1 AMENDED

Apr 2006

DATE	OLD NUMBER	NEW NUMBER
2/2/00	2-7	PG.04
2/2/00	1-8	PG.05
2/2/00	9	PG.06
2/2/00	4	PG.07
2/2/00	15	PG.08
2/2/00	16	PG.09
2/2/00	17	PG.10
2/2/00	18	PG.11
2/2/00	19	PG.12
2/2/00	20	PG.13
2/2/00	21	PG.14
2/2/00	22	PG.15
2/2/00	23	PG.16
2/2/00	24	PG.17
2/2/00	25	PG.18
2/2/00	26	PG.19

AERIAL OUTLINED



SUBJECT SITE

Pad Area of the Larger Parcel -111,949 square feet or 2.57 acres located by Assessor Parcel Number 108-050-013 and this appraisal is based on the Hypothetical Condition that the 274 square foot easement and remainder has been acquired. The property is located on the southwest corner of Rimpau Avenue and Chase Drive in Corona, CA

The larger parcel is identified by Assessor Parcel Number 108-050-013 and is 2.57 acres and the permanent easement to be acquired is 273 square feet and the location is portrayed below.



Legal Description of the easement

TWO STRIPS OF LAND LYING WITHIN THAT PORTION OF LOT 79 OF DIVISION NO. 1 AMENDED MAP OF ORANGE HEIGHTS, AS PER MAP FILED IN BOOK 2, PAGE 1 OF MAPS, SAID PORTION IS MORE PARTICULARLY DESCRIBED IN THE DEED TO THE CITY OF CORONA, CALIFORNIA, RECORDED ON SEPTEMBER 14, 1964 AS DOCUMENT NO. 111410, OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, HEREINAFTER REFERRED TO AS "LAND", THE CENTERLINES OF SAID STRIPS ARE DESCRIBED AS FOLLOWS:

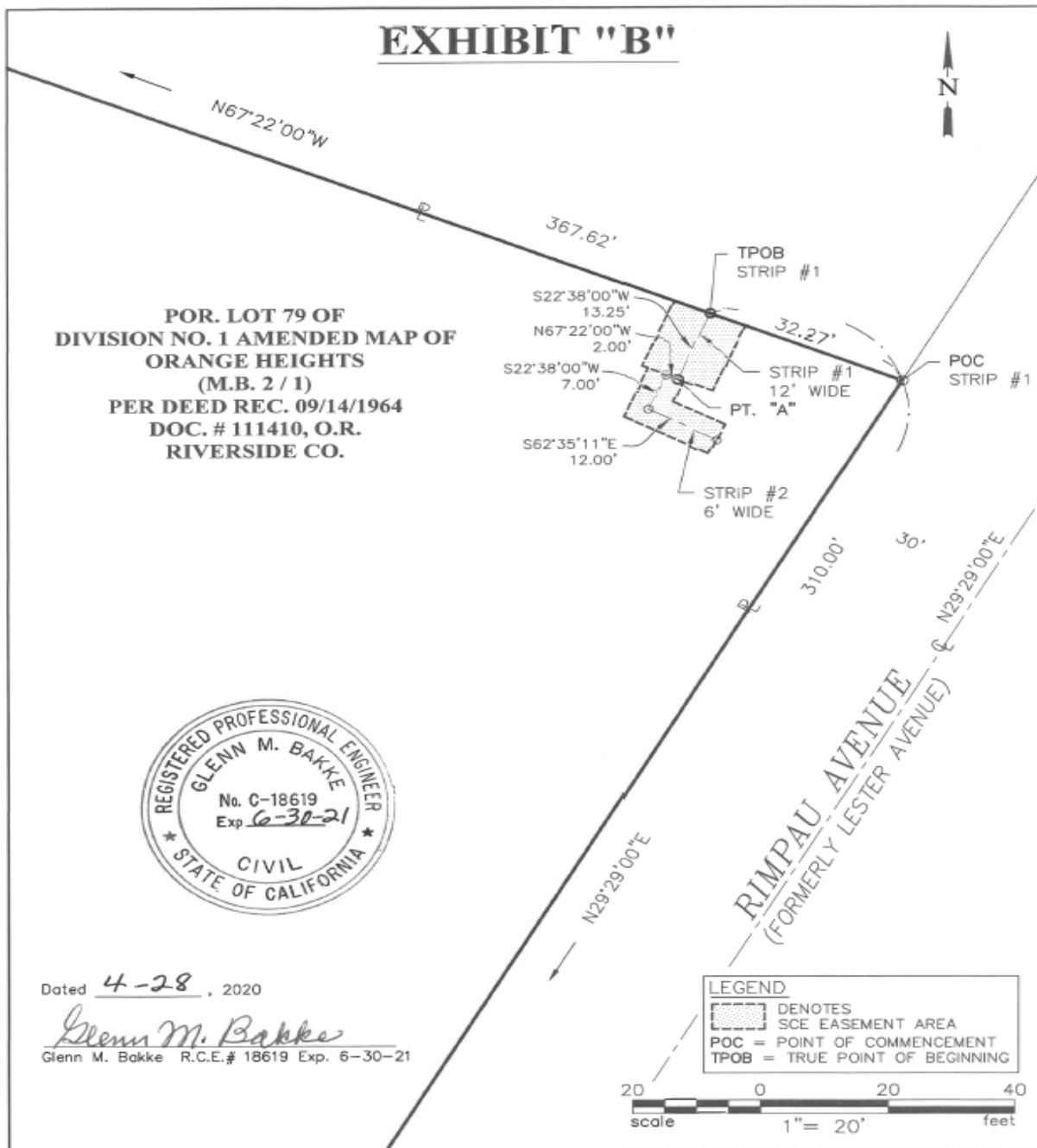
STRIP #1 (12.00 FEET WIDE)

COMMENCING AT THE MOST EASTERLY CORNER OF SAID "LAND"; THENCE ALONG THE NORTHEASTERLY LINE OF SAID "LAND", NORTH 67°22'00" WEST 32.27 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEA YING THE NORTHEASTERLY LINE OF SAID "LAND", SOUTH 22°38'00" WEST 13.25 FEET TO A POINT OF ENDING, SAID POINT HEREINAFTER REFERRED TO AS POINT "A".

STRIP #2 (6.00 FEET WIDE)

COMMENCING AT SAID POINT "A"; THENCE NORTH 67°22'00" WEST 2.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 22°38'00" WEST 7.00 FEET; THENCE SOUTH 62°35'11" EAST 12.00 FEET TO A POINT OF ENDING. THE SIDELINES OF SAID STRIP ARE TO BE PROLONGED OR SHORTENED TO JOIN AT THE ANGLE POINT.

FOR SKETCH TO ACCOMPANY LEGAL DESCRIPTION, SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

MAP OF THE EASEMENT

Owner of Record

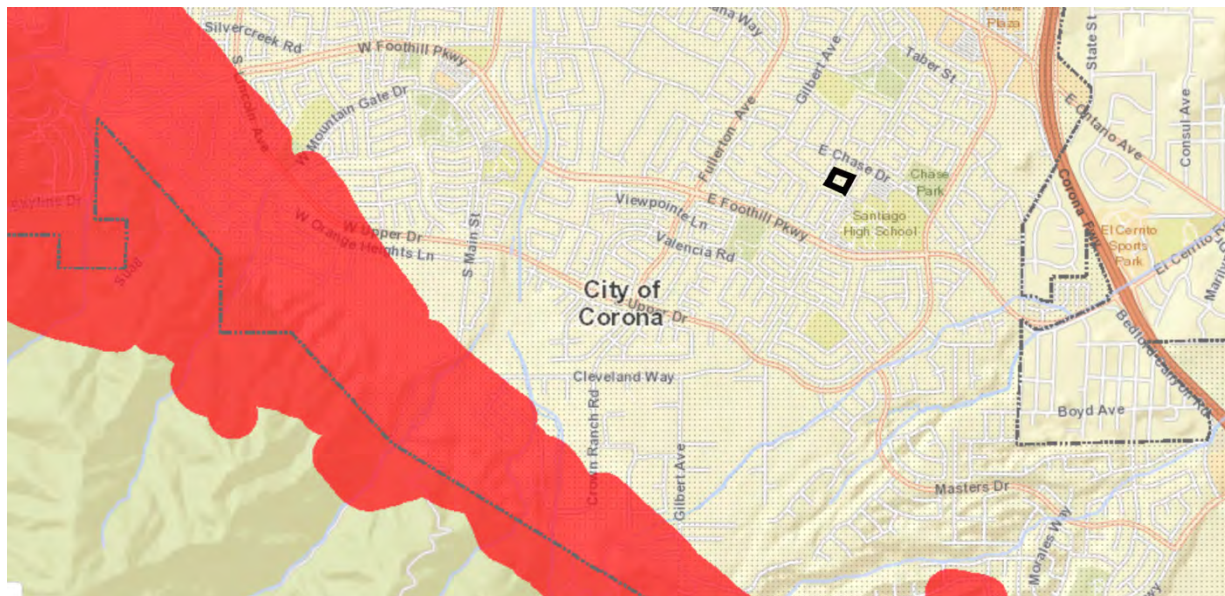
City of Corona

Topography and Drainage

The site is level topography.

Earthquake Hazard

The subject is not located in a fault zone or an Alquist-Priolo Special Studies Zone according to the County's engineering department. There is a fault zone a few blocks south of the subject.

**Site Status**

The subject is currently vacant land that is asphalt paved & being used as a parking lot.

Historical Land Uses

Prior land uses relative to the subject property include a road.

Proposed Development

None

Utilities

All public utilities and/or municipal services are assumed to be adequate in terms of capacity and quality to adequately service the subject with typical easements and/or setbacks and are deemed: 1) to be functionally operational; 2) to be adequate size and capacity to service the subject's existing or highest and best land use; and 3) to possess typical easements and setbacks commensurate with the type of service provided; whether overhead or underground. Other municipal services including police, fire and emergency services are provided through the City of Corona and/or through contractual services. All utilities are in place at the site.

Soils Report and conditions

I/we have not been provided with a soils report. This appraisal assumes that the soil is of adequate load-bearing capacity to support the improvements. The site does have liquefaction and soil subsidence and there doesn't appear to be some streams that traverse the subject site.

Easements and Restrictions

No title report was reviewed.

Nuisances and Hazards

During my/our inspection, I/ we did note any nuisances or hazards affecting the subject property which included materials utilized in woodwork/production of cabinets and restoration. I/we assume there are no hidden or non-apparent conditions nor substances in the soil or sub-soil which may be hazardous or toxic. Based on a visual inspection of the subject site and the surrounding areas, the subject site does not appear to be impacted with hazards or nuisances.

Environmental Factors

The clients are advised to obtain a phase 1 or phase 2 environmental report, if desired. I/we are not qualified to evaluate any conditions regarding hazardous waste materials.

Natural, Cultural, recreational, and Scientific Resources

None apparent

Restrictions on use and Development

None

Covenants, Conditions, and Restrictions

None

Functional Adequacy and Conclusion

The subject site is adequate.

Environmental Impact

The current environmental impact(s) associated with the subject property appear limited to weed-abatement, run-off during heavy or prolonged rains, etc. Future short-term impacts that would be associated with the subject property will likely include low levels of noise, drainage, and run-off. The effects of these relatively short-term impacts are typically mitigated to levels currently acceptable by municipal code and other applicable control mechanisms. The long-term impacts associated with typical/future day-to-day use of the subject property (consistent with its highest and best use as outlined herein), ultimately includes low levels of noise generation, no vehicular traffic, no particulate emissions, no negative impact to area infrastructure and services, etc. For purposes of this report, it is assumed that the subject's current and/or future land use is deemed to be legally permissible and would comply with applicable municipal ordinances and environmental laws as set

Forth by city, county, state and/or federal laws. It should be noted, however, that an environmental impact report or hazardous materials study report was not provided for review or consideration.

Visual Elements

A specific acoustical study for the subject property was not made available for consideration. As previously noted, the subject property is south of the 91 Freeway. Based on readily observable conditions, no adverse acoustical impacts to the subject property were noted relative to adjacent land uses and/or proximity to local roadways, arterials and transportation corridors; whether overhead or street surfaced. In terms of visual elements, the subject property has street-grade views of canyons and adjacent properties, surrounding hills and more distant mountain ranges. Overall, the subject poses no apparent adverse visual impact to the area or adjacent land uses predicated upon those uses that are deemed legally permissible.

Endangered Species and Habitat

The subject property is located within an established area of the City of Corona that began significant development activity in the 1980s and 1990s. Over the last several decades, significant mixed-use development has also occurred in the expanded area. As such, the subject property would not be considered as a likely candidate for further study relative to rare, threatened or endangered species (plants and/or animals) prior to future development. The subject property is located in an open space development and the parcel report in the addenda would denote any habitat areas that would impair, restrict or prohibit future use of the subject parcel. However, payment of applicable habitat mitigation fees may apply if and when ever the subject property is developed. Information pertaining to rare, threatened or endangered species common within vicinity of the subject property (as may or may not be applicable) should be secured from the appropriate governmental agency.

Pre-historical, Historical, and Cultural Influences

In accordance with the criteria for site significance as outlined by the California Environmental Quality Act (CEQA), a site is considered significant for preservation if it: 1) is associated with an event or person of recognized significance in California or American history or recognized for scientific importance in prehistory; 2) can provide information which is both of demonstrable public interest and useful in addressing scientifically consequential and reasonable archaeological research questions; 3) has a special or particular quality such as oldest, best example, largest, or last surviving example of its kind; 4) is at least 100-years old and possess substantial stratigraphic integrity; or 5) involves important research questions that can be answered only with archaeological methods. With regards to the subject property, a site-specific archaeological or cultural resource study has not been provided for review. Also, due to prior disking of the subject property (for agriculture or weed abatement), surface deposits of any prehistory significance have most likely been disrupted. No provisions for resource recovery have been made known as of this writing.

Climate & Air Quality

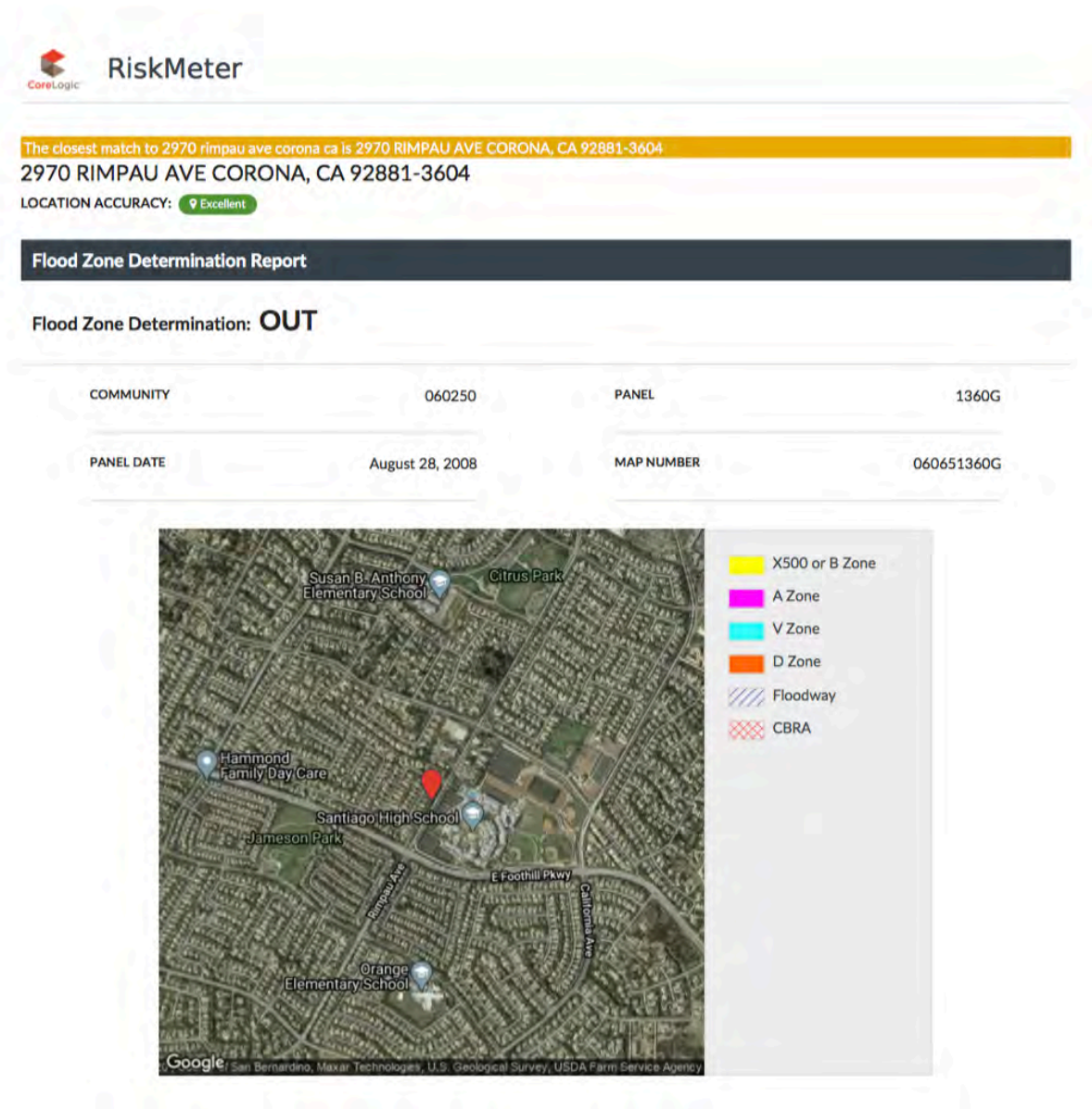
The subject property is located within the South Coast Air Basin (SCAB) and is under the jurisdiction of the South Coast Air Quality Management District (SCAQMD). This public agency is involved with the planning, regulation, compliance assistance, enforcement, monitoring, technology advancement, and public education relative to air quality issues within all of Orange County and the urban portions of Los Angeles along with Riverside and San Bernardino counties. This geographic area includes some 10,743 square miles is considered home to over 16 million people; about half the population of California. Its region is also the second-most populated urban area in the United States and also one of the smoggiest due to population and unique climatic conditions and periodic inversions; resulting in photochemical “smog” episodes and air quality alerts.

The combination of pollutants affecting the area is determined by such factors as traffic patterns, land uses, wind direction, inversions, sunlight, etc. The composition of air pollution varies, but in Southern California the most significant ingredients would include carbon monoxide, oxides of nitrogen and hydrocarbons. These photochemical oxidants are very active and potentially damaging. Due to their relatively slow reaction time, secondary pollutants are a greater problem in areas downwind from the source of primary pollutants. This condition, which is aggravated by inversions and the surrounding mountain ranges, slows the horizontal dispersal of air pollutants. According to the AQMD, air quality throughout most of Southern California has improved dramatically over the last several decades. This stems from vehicles with greater fuel efficiency, more restrictive controls.

Relative to particulate emissions, use of reformulated and oxygenated fuels, installation of vapor recovery systems in gasoline dispensing, etc. The subject property (as vacant land) poses no apparent or unusual factors relative to air quality compliance, particulate emissions or special permitting.

Flood Data

The subject is not located in a flood zone.



Zoning and Planning

A - AGRICULTURAL ZONE

17.06.010 Purpose.

The Agricultural Zone (in this title referred to as A zone) is intended as a district for general agricultural purposes, with appropriate single-family residences and customary accessory buildings. Except as specifically provided elsewhere in this chapter, any and all buildings and premises, or land, in the A zone shall be used for, or occupied, and every building shall be erected, constructed, established, altered, enlarged, maintained, moved into or within the A zone exclusively and only in accordance with the regulations set forth in this chapter.
(78 Code, § 17.06.010.)

17.06.020 Permitted uses.

The following uses shall be permitted in the A zone, subject to property development standards set forth in § 17.06.050:

(A) Farms or ranches for tree, field or row crops or truck or flower gardening, plant nurseries and other similar agricultural enterprises; provided, however, that no sales stands are permitted hereby, except under a special permit granted pursuant to the provisions of Chapter 17.98;

(B) Housing for agricultural workers employed by the owner of the property;

(C) Incidental and customary accessory buildings and uses, including a private garage, private recreation facilities and employee living quarters;

(D) Keeping of poultry and animals, for noncommercial purposes, to maximum numbers as follows:

(1) Three weaned dogs;

(2) Three weaned cats;

(3) Chinchillas;

(E) 15 fowl over 12 weeks of age, provided the fowl shall not be kept or maintained within 50 feet of any dwelling, nor within 100 feet of any school, hospital or similar institution;

(F) Four adult rabbits, provided the rabbits shall not be kept or maintained within 50 feet of any dwelling nor within 100 feet of any school, hospital or similar institution;

(G) A total of four of, or a total of four of any combination of horses, cattle or animals of general like character may be kept on any lot within an area of not less than one acre, provided the animals are not kept or pastured within 100 feet of any dwelling other than the dwelling of the owner of the animals;

(H) Manufactured housing on a permanent foundation system subject to the provisions of Chapter 17.81;

(I) Mobile home or trailer coach for temporary use as a project office and/or living quarters during construction of one or more permanent, single-family dwellings on the site and only while

a valid building permit for such construction is in effect. No such use shall continue for longer than 18 months. No such use shall be for income-producing purposes;

(J) One permanent single-family dwelling;

(K) Parks and recreation areas subject to the provisions of Chapter 12.24;

(L) Small family day care homes;

(M) Similar uses permitted by the Commission determination pursuant to Chapter 17.88. ('78 Code, § 17.06.020.) (Ord. 3139 § 4, 2013; Ord. 2510 § 2, 2001; Ord. 2311 § 1, 1997; Ord. 2178 § 3, 1993; Ord. 2171 § 5, 1993; Ord. 2126 § 6, 1992; Ord. 1955 § 6, 1989; Ord. 1946 § 1, 1989; Ord. 1764 § 1, 1985; Ord. 1489 § 1, 1978.)

17.06.025 Accessory dwelling unit.

The following uses may be permitted subject to approval of a building permit as provided for in Chapter 17.85: accessory dwelling unit of a permanent character placed in a permanent location.

('78 Code, § 17.06.025.) (Ord. 3259 § 16, 2017; Ord. 1703 § 5, 1983.)

17.06.030 Conditional uses.

The following uses may be permitted in the A zone subject to conditional use permits as provided for in Chapter 17.92:

(A) Breeding farms, horse;

(B) Health care facility subject to the provisions of Chapter 17.73;

(C) Home occupations;

(D) Parks and playgrounds;

(E) Poultry and animals in addition to those stipulated in § 17.06.020. Other uses as may be permitted pursuant to § 17.92.040.

(F) High water demand project - a non-residential project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500 dwelling unit residential project.

('78 Code, § 17.06.030.) (Ord. 3186 § 3, 2014; Ord. 2404 § 3, 1999; Ord. 2371 § 6, 1999; Ord. 1955 § 7, 1989; Ord. 1946 § 2, 1989; Ord. 1861 § 2, 1987.)

17.06.040 Prohibited uses.

Uses prohibited in the A zone are commercial uses except as permitted in § 17.92.040, all manufacturing uses, marijuana dispensaries, marijuana cultivation, marijuana delivery and any marijuana business as defined in Chapter 9.19.

('78 Code, § 17.06.040.) (Ord. 3223 § 13, 2016; Ord. 3220 § 12, 2015; Ord. 2885 § 2 (part), 2007; Ord. 1764 § 2, 1985.)

17.06.050 Property development standards.

The property development standards set forth in this chapter shall apply to all land and buildings in the A zone, except that any lot shown on an official subdivision map duly approved and recorded, or any lot for which a bona fide deed had been duly recorded by June 21, 1965, may be used as a building site.

(` 78 Code, § 17.06.050.)

17.06.060 Lot area – Generally.

Each lot shall have a minimum lot area of five acres, except for lots duly recorded prior to the effective date of the ordinance codified in this chapter.

(` 78 Code, § 17.06.060.)

17.06.070 Lot dimensions.

All lots hereafter created shall comply with the following minimum standards, and lots now held under separate ownership or of record shall not be reduced below these standards. The provisions of § 17.64.010 shall apply.

(A) **Width.** Lots shall have a minimum width of 250 feet.

(B) **Depth.** Lots shall have a minimum of 300 feet.

(` 78 Code, § 17.06.070.)

17.06.080 Lot area – Per dwelling unit.

The minimum lot area per dwelling unit shall be five acres, except for lots duly recorded prior to the effective date of the ordinance codified in this chapter.

(` 78 Code, § 17.06.080.)

17.06.090 Building height.

Buildings and structures erected in this zone shall have a height not greater than two stories or 30 feet, whereas a single-story structure shall be one story and no greater than 25 feet, except as otherwise provided.

(` 78 Code, § 17.06.090.) (Ord. 2521 § 2, 2001.)

17.06.100 Yards.

Except for setbacks along major streets as required by Chapter 17.86, there shall be established and maintained:

(A) **General conditions.** The provisions of §§ 17.64.020 through 17.64.040 shall apply;

(B) **Front yard requirements.** Front yard requirements are as follows:

(1) A front yard having a depth of not less than 25 feet, provided that no front yard need be deeper than the average depths of the front yards next thereto on each side, but in no case may the yard be reduced below 20 feet. A vacant lot or a lot occupied by a building with a front yard more than 25 feet deep shall be considered as having a front yard 25 feet deep;

(2) For special conditions, the provisions of § 17.64.040 shall apply;

(C) **Side yard requirements.** Side yard requirements are as follows:

(1) Each lot shall have a side yard on each side of not less than 15 feet, except as otherwise provided;

(2) For special conditions, the provisions of § 17.64.040 shall apply;

(D) **Rear yard requirements.** Rear yard requirements are as follows:

(1) Each lot shall have a rear yard of not less than ten feet, except as otherwise provided;

(2) For special conditions, the provisions of § 17.64.040 shall apply.

(` 78 Code, § 17.06.100.)

17.06.110 Distance between buildings.

(A) The minimum distance between accessory buildings and the primary unit shall be five feet.

(B) The minimum distance between accessory buildings shall be five feet unless the buildings have a common or party wall.

(` 78 Code, § 17.06.110.) (Ord. 3311 § 3, 2020; Ord. 2543 § 2, 2001.)

17.06.120 Coverage.

Lot area coverage by buildings or structures shall not exceed 30% of the total lot area, except as provided in § 17.64.010(E).

(` 78 Code, § 17.06.120.) (Ord. 3291 § 3, 2018.)

17.06.130 Walls, fences and landscaping.

The general conditions of Chapter 17.70 shall apply.

(` 78 Code, § 17.06.130.)

17.06.140 Access.

No building permit shall be issued for any lot or parcel of land unless the lot has frontage on a dedicated and improved street. The Commission may approve access from a private street, provided the street conforms to the standards of the city. A lot shall be deemed to have frontage on a street where not less than 30 feet of the lot abuts a street and when vehicular access to the lot is by way of the frontage.

(` 78 Code, § 17.06.140.)

17.06.150 Off-street parking.

The provisions of Chapter 17.76 shall apply.
(` 78 Code, § 17.06.150.)

17.06.160 Minimum dwelling unit area.

A single-family dwelling of a permanent character shall be placed in a permanent location and contain not less than 1,400 square feet of living area, exclusive of open patios and garages.
(` 78 Code, § 17.06.160.) (Ord. 2927 § 1, 2008; Ord. 1703 § 6, 1983.)

ZONING VERIFICATION

City website and City GIS (See Below) Notes: Planner did not return calls
Information from the City of Corona GIS:

Assessor Parcel Number: [108050013](#)

Parcel Report: [Click Here to view pdf report.](#)

Address:

CORONA, 0

Community Name: CORONA

Tract/Parcel Map:

Lot/Parcel:

Census Tract: 047900

Zoning: A;

General Plan: U

Existing Land Use: QP

Specific Plan: SP-90-5

Benefit Area: South Corona

Community Development Black Group: No

Fire Severity Zone: N

LMD Fees: 0.00

CFD Fees: 0.00

Lighting Fees: 0.00

Maintenance District:

Lighting District: LMD84-1

Street Sweeping Day:

Trash Pickup Day: FRIDAY

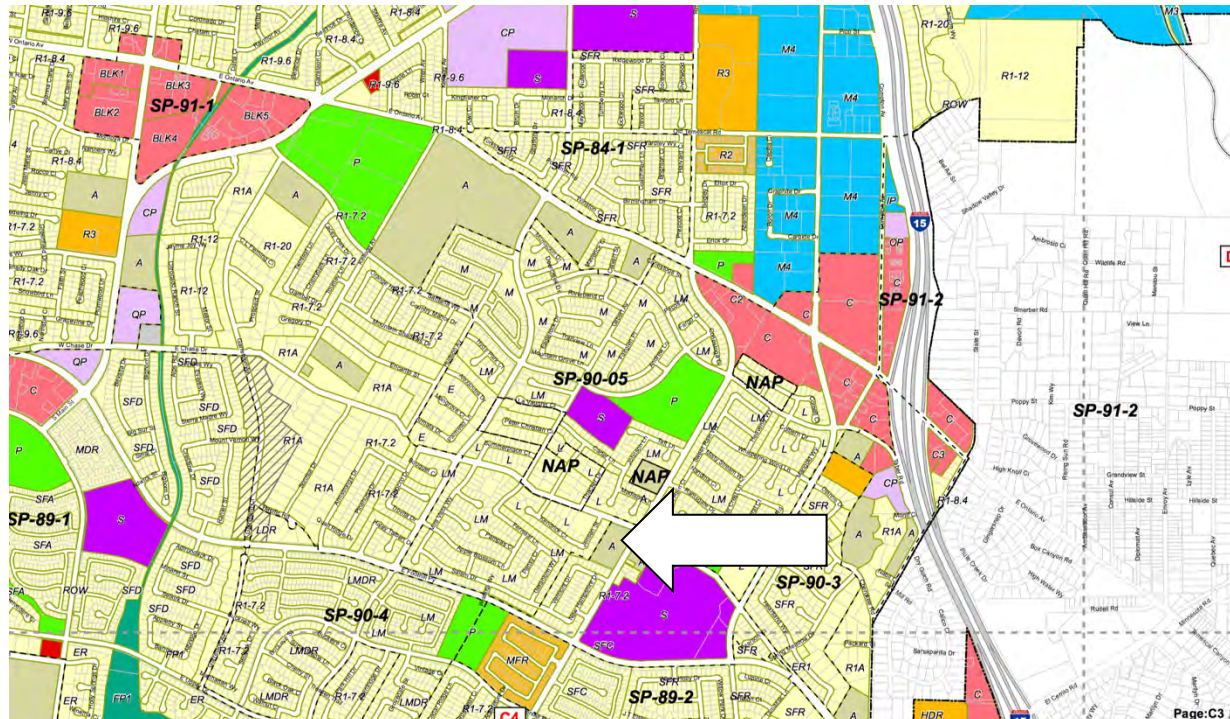
City Grid:

Developer Agreement:

Fire Hazard Severity Zone: N

In CDBG: No

ZONING MAP



TRAFFIC COUNTS ON NEARBY STREETS IN THE AREA



Traffic Count Profile

2970 Rimpau Ave, Corona, California, 92881
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 33.83597
Longitude: -117.54898

Distance:	Street:	Closest Cross-street:	Year of Count:	Count:
0.15	Lester Ave	New England Dr (0.06 miles SW)	2007	7,400
0.19	E Foothill Pkwy	Countryside Ln (0.08 miles E)	2007	16,700
0.20	E Foothill Pkwy	Wisteria Way (0.09 miles NW)	2007	14,900
0.20	Lester Ave	Ashdale Dr (0.01 miles SW)	2007	5,400
0.29	E Chase Dr	Lester Ave (0.15000001 miles NW)	2007	2,400
0.34	E Chase Dr	James Ave (0.04 miles SE)	2007	2,800
0.36	California Ave	Foothill Pkwy (0.07 miles S)	2009	10,900
0.36	Valencia Rd	Folkspring Dr (0.07 miles NW)	2007	3,200
0.39	Valencia Rd	Broadleaf Cir (0.09 miles SE)	2007	3,300
0.42	E Chase Dr	California Ave (0.06 miles NW)	2007	400
0.44	Lester Ave	H Spiegel Way (0.03 miles NE)	2007	2,100
0.50	Lester Ave	Taft Ln (0.03 miles SW)	2008	7,500
0.51	Fullerton Ave	Trovita Dr (0.08 miles SW)	2007	5,800
0.53	California Ave	J T Easley Dr (0.04 miles SW)	2009	9,900
0.57	Gilbert Ave	Trailside Cir (0.01 miles SW)	2009	2,100
0.57	Santana Way	Glickman Ct (0.1 miles NE)	2007	3,600
0.63	California Ave	Lemon Grove Ln (0.07 miles SE)	2009	3,700
0.63	E Upper Dr	Orangecrest St (0.02 miles W)	2006	4,300
0.64	Foothill Pkwy	E Chase Dr (0.07 miles SE)	2008	16,300
0.64	Fullerton Ave	Valencia Rd (0.04 miles NE)	2007	2,200
0.65	Fullerton Ave	Santana Way (0.03 miles NE)	2007	6,900
0.65	Masters Dr	Christopher Ln (0.05 miles S)	2006	5,800
0.66	California Ave	Dianne Ln (0.01 miles SW)	2007	8,500
0.68	E Foothill Pkwy	Armstrong Dr Exd (0.05 miles W)	2007	16,700
0.70	Taber St	Higinbotham Way (0.04 miles SE)	2009	6,400
0.73	State St	Packard Cir (0.03 miles N)	2009	1,587
0.75	Gilbert Ave	Riverbend Cir (0.04 miles NE)	2008	1,500
0.75	Fullerton Ave	Wyngate Ct (0.08 miles S)	1998	2,600
0.77	Tabor St	Pecos St (0.04 miles NW)	2008	5,900
0.78	Foothill Blvd	Gilbert Ave (0.05 miles W)	2007	1,500

TRAFFIC MAP



ASSESSED VALUATION AND TAXES

Real property taxes in California are limited to one percent of market value of the property, as of a specified base year plus bonded indebtedness/special assessment. The base year valuation is the 1975 Assessor's market value estimate, or market value indicated by a sale, or market value based upon reassessment of the property which is triggered by new construction or leasing of the property on a long-term basis.

To provide for inflation, if there is no sale, lease, or new construction, there is a maximum two percent per year increase allowed in the assessed values assigned to land and improvements.

Assessed Value 2020

I/we were not provided with a copy of the 2020 tax year tax bills (current). The client is advised to check with the title company for the exact status of the property taxes. According to the Tax Collector's office, if the subject property is sold, taxes will be based upon the market value of the property at the time of transfer. The taxes will increase based upon the new market value of the property reflecting the reassessed value of the improvements and land.

A copy of the tax bill was not provided and was not available. Source: Datatree The subject property is currently city owned.

HIGHEST AND BEST USE

According to the **Dictionary of Real Estate Appraisal** a publication of The Appraisal Institute, highest and best use is defined as:

1. The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal;
2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that result in the highest present land value; and
3. The most profitable use.

I/we have evaluated the site's highest and best use as if vacant as well as its highest and best use as improved.

In each case the use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive.

“AS IF” VACANT

Highest and Best Use of Property - As if Vacant is described as “Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”²

Legally Permissible

The second test concerns what uses are permitted by zoning and other laws and regulations. The subject property is zoned The Agricultural Zone (in this title referred to as A zone) is intended as a district for general agricultural purposes, with appropriate single-family residences and customary accessory buildings.

Physically Possible

The pertinent physical factors affecting the highest and best use of the subject property fall under two categories: site characteristics and location characteristics. Site characteristics include size, dimensions, topography, soil conditions, and the availability of adequate utilities. Location characteristics include access to transportation modes, availability of labor and materials, proximity to markets, and the impact of the surrounding neighborhood.

²The Dictionary of Real Estate Appraisal, Third Edition (1993), p. 171.

The subject site is steep with canyons, drainage culverts, and varying topography. The site has good accessibility and located within an area of agricultural use.

Financially Feasible

The third test is what uses are financially feasible. That is, will the use return a value to the land which is above the cost of the development. In general, open space development appears to be financially feasible as this open space land could benefit and has benefited nearby homeowners by having a project where future development is limited. Therefore, it is my/our opinion that as of the date of value the most feasible use of the land, if it were vacant, would be for agricultural use.

Maximally Productive

The fourth and final test is what use will produce the highest net return. This analysis has indicated that agricultural development would be financially feasible for the subject site if it were vacant as of the date of value, since the rent levels have returned to the levels required to support new development.

Conclusion of Highest and Best Use - As Vacant

Zoning regulations dictate that the most probable use of the site is some type of agricultural use. It is my/our opinion that, due to current economic conditions, as of the date of value the Highest and Best Use- as Vacant is for agricultural development in conformance to the zoning code and general plan.

VALUATION METHODOLOGY

In earlier sections of this report, we defined the valuation problem and characteristics of the subject property. I/we analyzed information regarding the social, economic, governmental and environmental influences as they affect the property and established the highest and best use of the subject. The following sections of this report analyze the general and specific data that I gathered using the three traditional approaches to value -- the Cost Approach, the Sales Comparison Approach and the Income Approach. The value indications derived from these approaches are then reconciled into a final indication of value for the subject.

The Cost Approach is founded on two basic principles, substitution and contribution. The principle of substitution uses the premise that an informed and rational purchaser (investor) will pay no more for an existing improved income property than the cost to him of producing a substitute property with the same utility. Contribution holds that the present worth of the improvements, as of the valuation date, is a measure of their contribution to total property value -- in addition to the independently estimated value of the site. The Cost Approach treats the property as a physical entity, separable for valuation purposes into a site and improvements, and adds both site value and the present worth (contribution) of the improvements to derive an indication of value for the property. The site is valued as if vacant and available to be put to its Highest and Best Use as of the valuation date. This approach was not utilized as typical market participants would not utilize it.

The Sales Comparison Approach is based primarily on the principle of substitution and is premised on the idea that an informed and prudent rational purchaser (investor) would pay no more than the cost to him of acquiring a similar, competitive property with the same utility. This approach assumes there is an active market for properties similar to the subject and that the prices paid for similar competitive properties, which represent bone-fide arm's-length transactions, are indicative of the most probable sale price for the subject, as of the valuation date. In this approach, salient characteristics of the subject property are identified and compared with recent sales of properties similar to it. Differences between the comparable sales and the subject are adjusted to the subject, based on market evidence, and the adjusted sales prices are correlated into an indication of value, as of the valuation date.

The Income Approach to value is based on the principle of anticipation and the premise that the value of a property is the present worth of future benefits. This approach involves the analysis of potential income to the subject, taking into account existing leases (if applicable) and market rents. The costs of ownership, which must be incurred to generate that income, are also analyzed and an appropriate capitalization technique is then formulated to derive an indication of value for the subject at the valuation date.

The following Appraisal Report is intended to comply with the reporting requirements as set forth under standards rule 2-2 (a) of the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP). It contains a summary discussion of the data, reasoning, and analyses that were used to develop the opinions of value. I/we have completed one of the three classical approaches to value which are the Sales Comparison to value the land. The Income and Cost Approach were not applied as typical market participants would not apply these approaches.

VALUATION METHODOLOGY

In earlier sections of this report, we defined the valuation problem and characteristics of the subject property. I/we analyzed information regarding the social, economic, governmental and environmental influences as they affect the property and established the highest and best use of the subject. The following sections of this report analyze the general and specific data that I gathered using the three traditional approaches to value -- the Cost Approach, the Sales Comparison Approach and the Income Approach. The value indications derived from these approaches are then reconciled into a final indication of value for the subject.

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The following Appraisal Report is intended to comply with the reporting requirements as set forth under standards rule 2-2 (b) of the 2016-2017 Uniform Standards of Professional Appraisal

Practice (USPAP). It contains a summary discussion of the data, reasoning, and analyses that were used to develop the opinions of value. I/we have completed one of the three classical approaches to value which is the Sales Comparison. The Cost and Income Approaches were not applied as typical market participants would not apply this approach.

LAND VALUATION

Depending on a specific appraisal assignment, any of the following six methods may be used to value land or a site.

The First is the Sales Comparison Approach section of a report. It is a process of analyzing sales of similar, recently sold sites in order to derive an indication of the most probable sales price (or Value) of the property being appraised. The reliability of this approach is dependent upon, 1) the availability of comparable sales data, 2) the verification of the sales data, 3) the degree of comparability or extent of adjustment necessary for differences, and 4) the absence of non-typical conditions affecting sales price.

Second, the Land Residual Technique of the Income Approach is a valuation technique used to estimate land value when sales data on similar parcels of vacant land are not available. The land residual technique can be used to estimate land value when 1) building value is known or can be accurately estimated, 2) stabilized, annual net operating income to the property is known or can be estimated, 3) both building and land capitalization rates can be extracted from the market. Building value can be estimated for new or proposed buildings that represent the highest and best use of the property and have not yet incurred physical deterioration or functional obsolescence. To apply the land residual technique, an appraiser first determines what actual or hypothetical improvements represent the highest and best use of the site. Then the stabilized, annual net operating income to the property is estimated from market rents and operating expenses as of the date of the appraisal. Next, the appraiser calculates how much of the income is attributable to the building and subtracts this amount from the total net operating income. The remainder is the residual income to the land. There are several variations of the land residual technique. In one variation, the property is valued as improved and the cost of the improvements and any profit are deducted. The sum remaining is the residual value of the land.

The Third procedure, the Subdivision Development Method or Developmental Analysis, is used to value land when subdivision and development represent the highest and best use of the appraised parcel. Subdivision development analysis may involve industrial, commercial, residential, or recreational land. The subdivision of land is the normal pattern of real estate development. A planned subdivision can create a higher, better, and more intense property use when zoning, available utilities, community conditions, access, and other influential elements are favorably combined. Traditionally subdivision developers divide large tracts into smaller plots and create roads, drainage systems, public utilities, and other improvements that are required by local law and zoning ordinances. An appraiser begins to analyze a subdivision development by determining the number and size of the lots that can be created from the appraised land physically, legally, and economically. A sales comparison analysis of finished lots/buildings is then undertaken. After adjusting the comparable sales for differences, the appraiser estimates the most likely retail sale prices of the lots/buildings, the probable development period, and the

absorption rate. All direct and indirect costs associated with development and marketing the lots/buildings must be deducted from the sum of their projected sale prices. Carrying costs such as taxes, insurance premiums, and, overhead expenses must be considered along with marketing costs for sales commissions and advertising. Further deductions must be made to provide an appropriate return on the total investment during the development period and an entrepreneurial profit of the developer. Development and marketing costs and entrepreneurial profit are deducted from the projected gross sale price to arrive at the net sales proceeds. The periodic net sales proceeds are then discounted to present value at an appropriate yield rate over the estimated period required for project development and market absorption. The result is an indication of the value of the raw land or finished lot value.

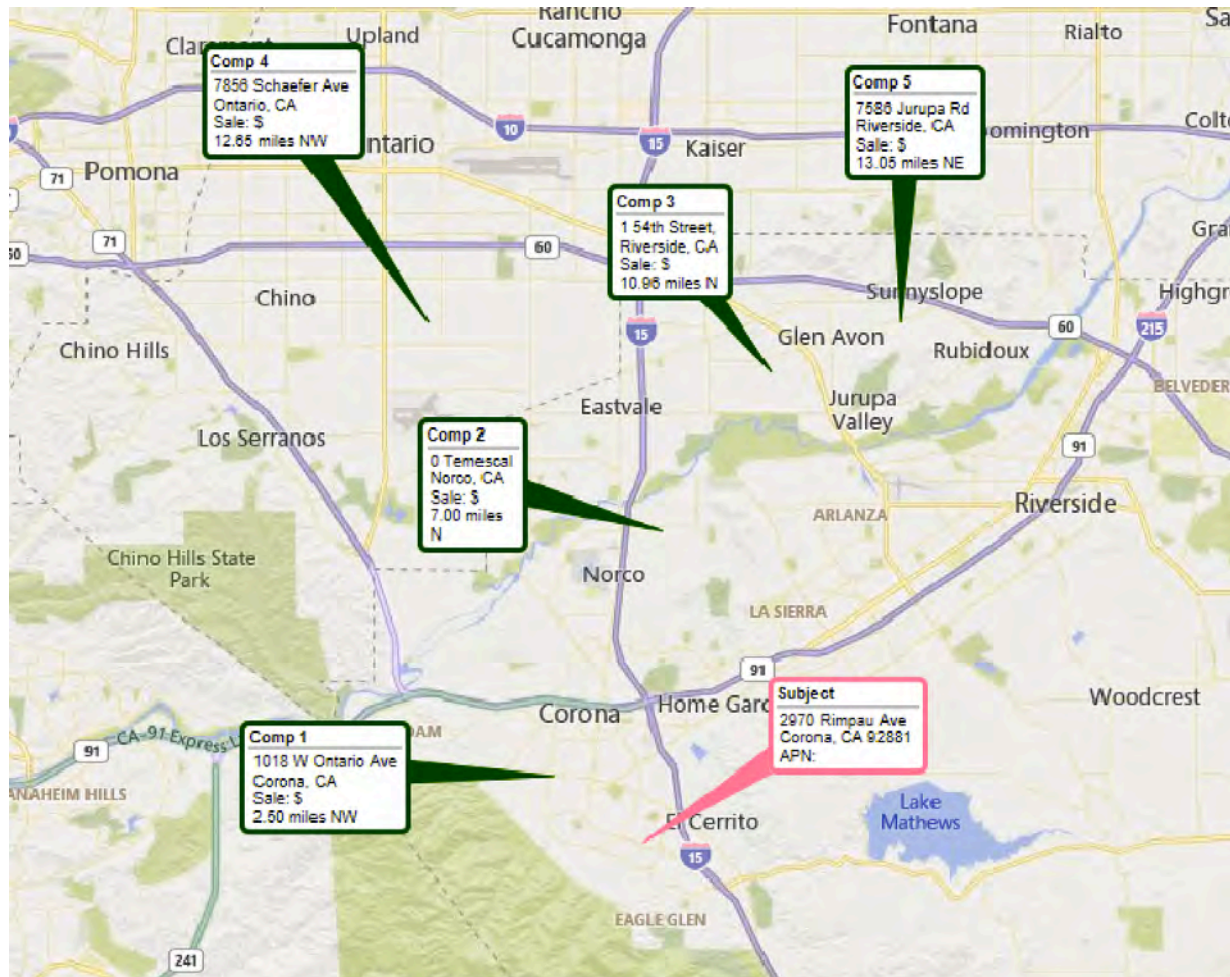
The fourth procedure is known as Abstraction. Allocation by abstraction is defined in the Dictionary of Real Estate Appraisal as “A method of separating a whole property value into land and improvement components. The appraiser estimates replacement cost, subtracts an appropriate amount for depreciation, and subtracts the remainder from the whole property value to estimate the land value. (IAAO).”

The fifth procedure is known as Extraction. Extraction is defined in the Dictionary of Real Estate Appraisal as “A method of estimating land value in which the depreciated cost of the improvements on the improved property is estimated and deducted from the total sale price to arrive at an estimated sale price for the land; most effective when the improvements contribute little to the total sale price of the property.”

The sixth procedure is ground rent capitalization which is a method of estimating land value; applied by capitalizing ground rent at a market-derived rate. This method is useful when comparable rents, rates, and factors can be developed from an analysis of sales of leased land or other market sources. Source: Appraisal Institute, *the Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

In this appraisal, I have first utilized the Direct Sales Comparison Approach to value the land.

SALE LOCATION MAP

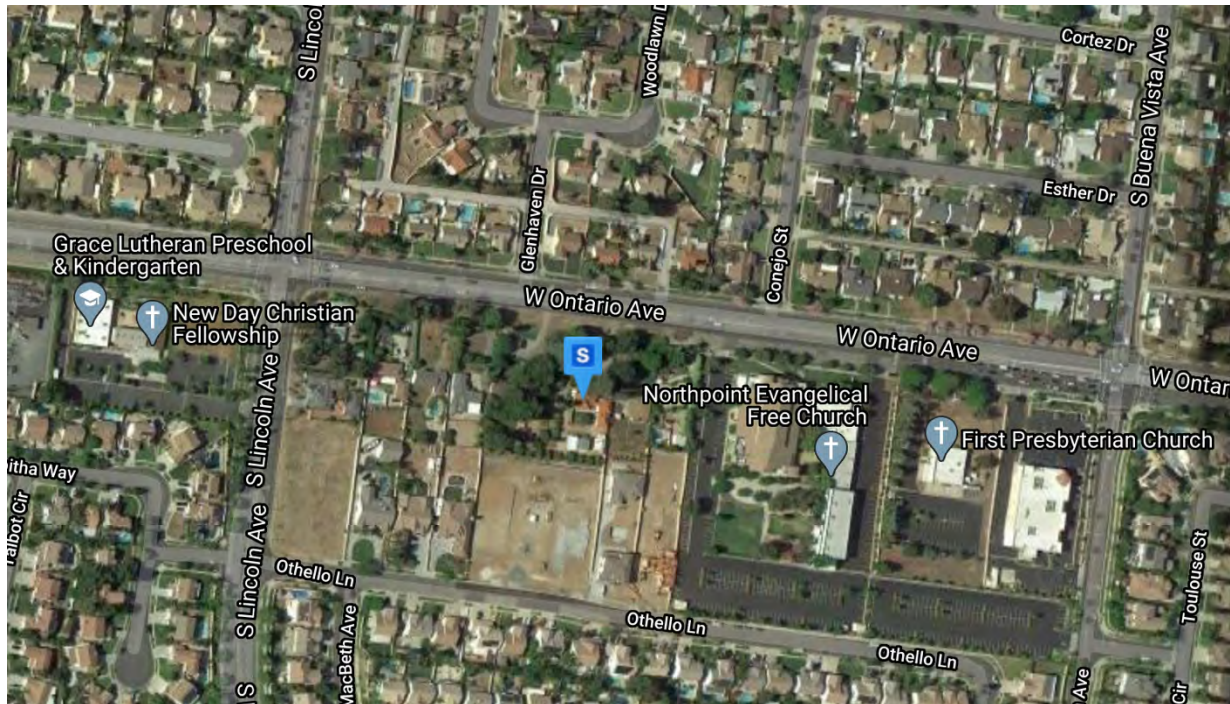


LAND DATA SALE NUMBER ONE

Location:	1018 W Ontario Ave,
City:	Corona
County:	Riverside
Site Size:	2.035 Acres or 88,645 Square Feet
Sale Date:	10/19/18 closed sale
Sale Price	\$ 300,000
Price per Square Foot:	\$3.38 per square foot
Document Number:	2018-414866
Grantee/Buyer:	Worthington ConstructionInc
Grantor/Seller:	Parker Karen
Financing Terms:	Owner Carried
Frontage:	Ontario Avenue
Topography:	Level
Utilities:	At site
Site Status:	Vacant
Zoning:	A
Highest and Best Use:	Single-Family Residential
Assessor Parcel Number:	113-140-009
Verification:	Costar, Broker Scottt Ries 951-733-1609

Comments: Calling all Builders, Developers and Investors. Incredible opportunity to build three homes on three half acre lots (see supplement) in prime area of South Corona fronting along an existing residential street, Othello. The lots are located across the street from an existing tract of executive homes and adjacent to several one story custom built homes. All lots are relatively flat with all utilities available at the street. The lots are valued at approximately \$250000 each as finished lots for a total of \$750000 for all THREE. Tentative Tract Map 37114 is approved subject to final recording. The property is close to schools, parks, shopping and public transportation. Nearby freeways include the 91 and 15. **NOTE:** Three lots that are for sale are identified in the supplement as lots 3, 4 and 5. See agent remarks.

AERIAL ONE

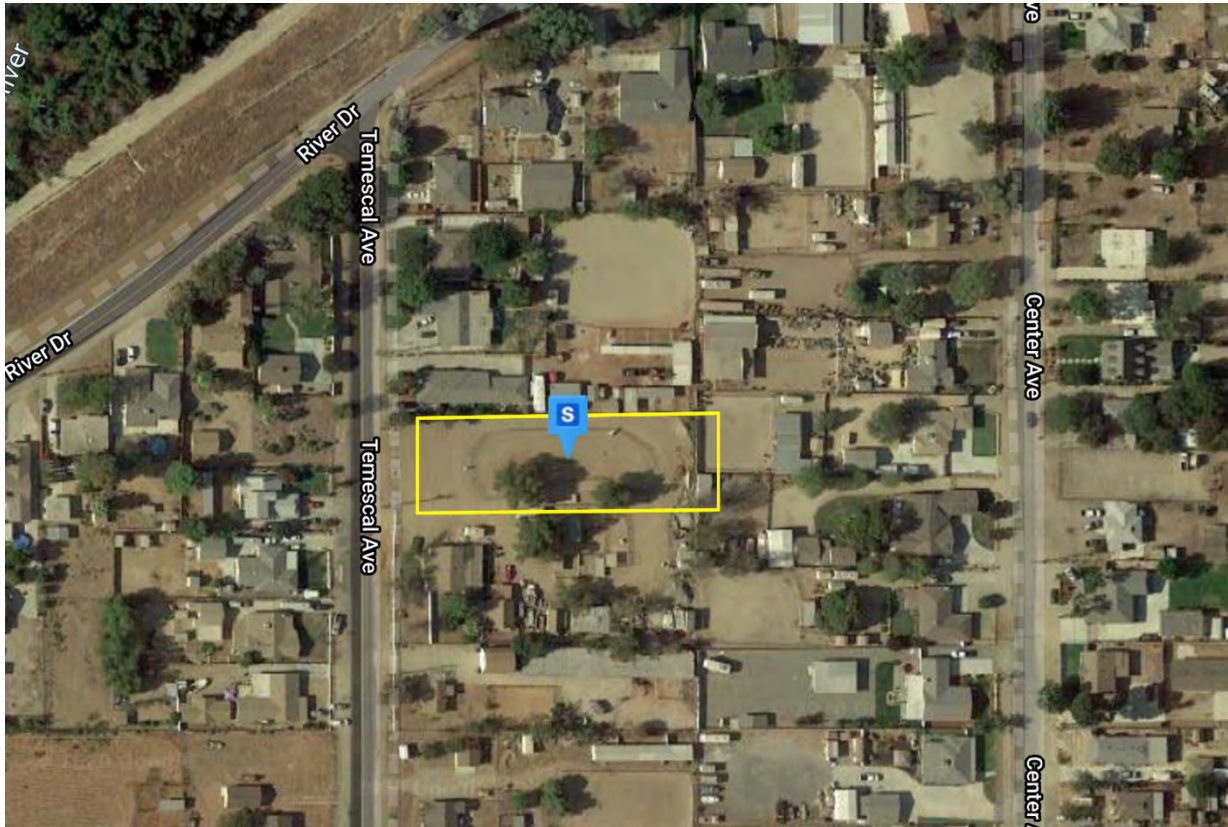


LAND DATA SALE NUMBER TWO

Location:	0 Temescal
City:	Norco
County:	Riverside
Site Size:	0.65 Acres or 28,314 Square Feet
Sale Date:	08/27/19 closed sale
Sale Price	\$210,000
Price per Square Foot:	\$7.41 per square foot
Document Number:	2019-331147
Grantee/Buyer:	Molina V & M Family Trust
Grantor/Seller:	Turlington Lousi A & Sherry M
Financing Terms:	Cash
Frontage:	Temescal
Topography:	Level
Utilities:	At site
Site Status:	Raw Land
Zoning:	A1
Highest and Best Use:	Single Family Residential
Assessor Parcel Number:	153-131-012
Verification:	Costar, Broker Donna Chudzicki 951-479-4580

Comments: BUILD YOUR DREAM RANCH HOME IN HORSETOWN NORCO. FLAT USABLE .65 OF AN ACRE THAT IS ZONED FOR HORSES. LOCATED NEAR HORSE RIDING TRAILS, THE RIVERBED BOTTOM, AND HIDDEN VALLEY NATURE CENTER. GREAT OPPORTUNITY TO BUILD YOUR OWN MINI-RANCH THE WAY YOU WOULD WANT IT DESIGNED. PROPERTY IS CENTRALLY LOCATED OFF OF THE 15 FREEWAY IN BETWEEN THE 91 FREEWAY AND THE 60 FREEWAY.

AERIAL TWO

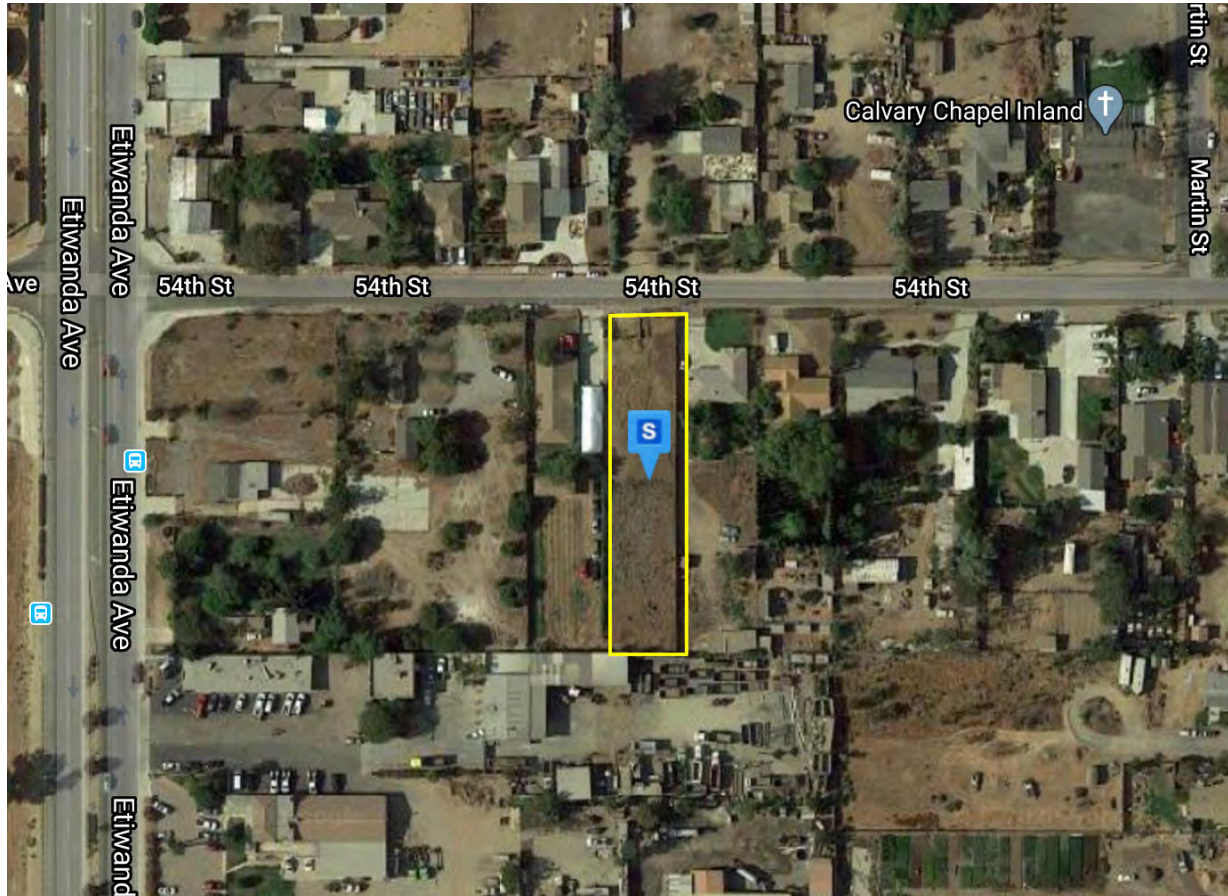


LAND DATA SALE NUMBER THREE

Location:	1 54th Street,
City:	Riverside
County:	Riverside
Site Size:	0.5 Acres or 21,780 Square Feet
Sale Date:	04/25/18 closed sale
Sale Price	\$ 152,000
Price per Square Foot:	\$6.98 per square foot
Document Number:	2018-158452
Grantee/Buyer:	Baseri Daryoush & Diana
Grantor/Seller:	Avila Rudy
Financing Terms:	All cash to the seller
Frontage:	On 54 th st
Topography:	Level
Utilities:	At site
Site Status:	Raw Lands
Zoning:	A1
Highest and Best Use:	Single Family Residential
Assessor Parcel Number:	161-020-008
Verification:	Costar, Broker David Sites 909-993-5710

Comments: Fantastic opportunity to build your dream home on this prime piece of real estate next to existing homes!

AERIAL THREE



LAND DATA SALE NUMBER FOUR

Location:	7856 Schaefer Ave
City:	Ontario
County:	San Bernardino
Site Size:	4.26 Acres or 185,566 Square Feet
Sale Date:	9/27/2019 closed sale
Sale Price	\$ 800,000
Price per Square Foot:	\$ 4.31 per square foot
Document Number:	2019- 348163
Grantee/Buyer:	Treto O Family Trust
Grantor/Seller:	All Companies Money Pur
Financing Terms:	All cash to the seller
Frontage:	Schaefer Ave
Topography:	Level
Utilities:	At site
Site Status:	Rough Grade
Zoning:	AG
Highest and Best Use:	Not determined
Assessor Parcel Number:	1052-501-01
Verification:	Costar, Broker No listing broker on deal

Comments: None

AERIAL FOUR

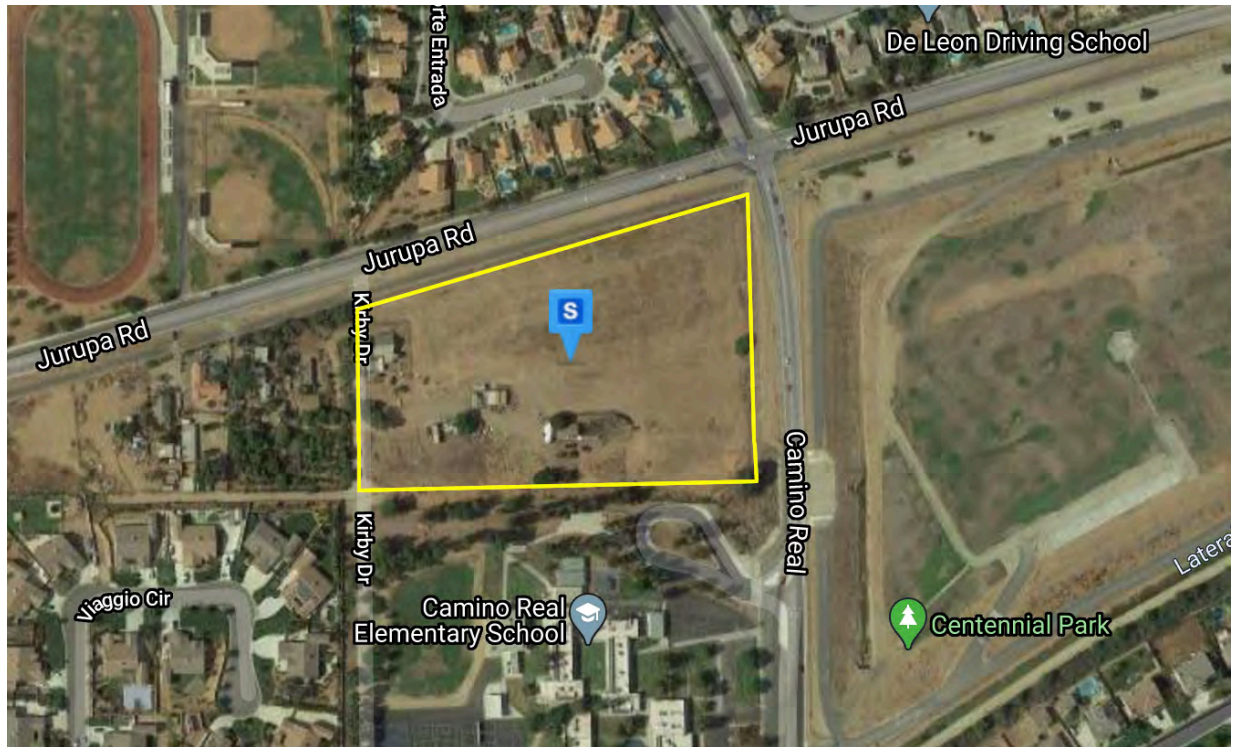


LAND DATA SALE NUMBER FIVE

Location:	7586 Jurupa Rd
City:	Riverside
County:	Riverside
Site Size:	6.92 Acres or 301,435 Square Feet
Sale Date:	Under Contract
Sale Price	\$ 850,000 (List Price)
Price per Square Foot:	\$2.82 per square foot
Document Number:	Not Available Yet
Grantee/Buyer:	Unknown
Grantor/Seller:	Song Yang Shirley / Xia Eva / Fong Natasha / Fong Owen
Financing Terms:	Cash Equivalent
Frontage:	Jurupa Road
Topography:	Level
Utilities:	At site
Site Status:	Vacant Land
Zoning:	AG
Highest and Best Use:	Single Family Residential
Assessor Parcel Number:	183-030-014
Verification:	Costar, Broker Peter Fong (626) 512-8820

Comments: Investor's Delight! Approximately 7 acres of Vacant Land zoned to build multiple SFR, check with city for possible development opportunities. Corner of intersection & traffic light. Enter property from Kirby Dr. and immediately to the East is the subject vacant land for sale. Patriot High School is directly across the street to the North and Camino Real Elementary School is South of the property. Previous owner had a tentative tract map in progress to build 25-27 proposed lots, perfect for development of mid-range homes. Please Check with City of Jurupa Valley to see what possibilities there are for this vacant land.

AERIAL FIVE



(a13.45)

Land Grid - Sales Comparison Approach

Improved Sale Summary						
	Subject	Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
Location:	On Rimpau south of Chase Ontario	1018 W Ontario	On Temescal Canyon	On 54th Street	7856 Schaefer	7856 Jurapa Road
		Corona	Norco	Riverisde	Ontario	Riverside
Sale Price:		\$300,000	\$210,000	\$152,000	\$800,000	\$850,000
Sale Price Per Sq. Foot.		\$3.38	\$7.41	\$6.98	\$4.31	\$2.82
Sale Date:	n/a	10/19/18	8/27/19	4/25/18	9/27/19	07-01-2020 Pending
Land Size Square Feet	111,949	88,645	28,314	21,780	185,566	301,435
Zoning	a	A	A1	A1	AG	AG
Price Per Sq. Ft.	n/a	\$3.38	\$7.41	\$6.98	\$4.31	\$2.82

Sales Adjustment						
		Sale #1	Sale #2	Sale #3	Sale #4	Sale #5
Price Per Square Foot		\$3.38	\$7.41	\$6.98	\$4.31	\$2.82

Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment	0%	0%	0%	0%	0%
Adjusted Price	\$3.38	\$7.41	\$6.98	\$4.31	\$2.82
Financing Terms	Cash Equivelant	Cash Equivelant	Cash Equivelant	Cash Equivelant	Cash Equivelant
Adjustment	0%	0%	0%	0%	0%
Adjusted Price	\$3.38	\$7.41	\$6.98	\$4.31	\$2.82
Conditions of Sale	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length
Adjustment	0%	0%	0%	0%	0%
Adjusted Price	\$3.38	\$7.41	\$6.98	\$4.31	\$2.82
Expenditures Immediately After Sale	None	None	None	None	None
Adjustment	0%	0%	0%	0%	0%
Adjusted Price	\$3.38	\$7.41	\$6.98	\$4.31	\$2.82
Market Conditions	Market	Market	Market	Market	Market
Adjustment	0%	0%	0%	0%	0%
Adjusted Price	\$3.38	\$7.41	\$6.98	\$4.31	\$2.82

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Other Adjustments					
Location	Similar	Similar	Similar	Similar	Superior
Size	Similar	Smaller	Smaller	Larger	Larger
Topography	Similar	Similar	Similar	Similar	Inferior
Utilities	Similar	Similar	Similar	Similar	Similar
Ingress/Egress	Similar	Similar	Similar	Similar	Similar
Zoning - A	Similar	Similar	Similar	Similar	Similar
View	Similar	Similar	Similar	Similar	Similar
Site Status Undeveloped	Similar	Similar	Similar	Similar	Similar
Overall Comparison	Similar	Superior	Similar	Similar	Inferior

Subject Value Estimate			
Subject Site Size Before	Value/\$SF	Value	Rounded
111,949	\$7.00	\$783,643	\$784,000
Part Taken	Value/\$SF	Value	Rounded
273	\$7.00	\$1,911	\$2,000
Subject Site Size Before	Value/\$SF	Value	Rounded
111,676	\$7.00	\$781,732	\$782,000

Comparable Sales Qualitative Analysis

Land Sale Analysis

Real property rights conveyed -An element of comparison in the sales comparison approach; comparable properties can be adjusted for differences in the real property rights involved in a transaction.

Financing terms-n element of comparison in the sales comparison approach; comparable properties can be adjusted for differences in the financing terms of a transaction. Also, called cash equivalency adjustment.

Conditions of sale -an element of comparison in the sales comparison approach; comparable properties can be adjusted for differences in the motivations of either the buyer or a seller in a transaction, e.g., when the comparable transaction is not an arm's-length sale.

Expenditures made immediately after purchase- an element of comparison in the sales comparison approach; comparable properties can be adjusted for any additional, atypical investment (e.g., curing deferred maintenance) required to make a property salable.

Market conditions- an element of comparison in the sales comparison approach; comparable properties can be adjusted for differences in the points in the real estate cycle at which the transactions occur. Also, called a time adjustment because the differences in dates of sale are often compared. There was no adjustment for time in the appraisal. The market in the area has stabilized and adjustment was not necessary.

After consideration for the above, we then adjusted for location, lot size, topography, utilities, ingress and egress, zoning, view, and site status.

SECTION 1 VALUE OF THE LARGER PARCEL

When valuing an Easement 1) the First Step is to Value the Larger Parcel; 2) the Second Step is to value the Remainder, and 3) the variance is the value of the Easement. Easements have no value in an by themselves. The owner is compensated for what he is lost, that is the difference between the parcel in the before condition and the after condition. Or the larger parcel and the remainder parcel.

Value Conclusion

Based upon the analyses contained in the accompanying report, and subject to the definitions, assumptions and limiting conditions contained in this report, our opinions of the Fair Market Value as of July 20, 2020 are as follows: 111,949 square feet x \$7.00 per square foot = \$783,643 rounded to \$784,000.

LARGER PARCEL VALUE	Market Value as of July 20, 2020
Larger Parcel	\$ 784,000

The next step would be to assess the impact that the easement has on the site. In doing this I/we have utilized the “Sherwood Matrix” which is helpful in allocation of a percentage of the easement. The subject property is a gas line easement.

SHERWOOD MATRIX

Donald J. Sherwood, MAI, SR/WA, FRIC, published an article in June of 2006 on Easement Valuation. Mr. Sherwood, whom I spoke with in May of 2019, indicated that this table is a good way to classify easements on a percentage of Fee Basis. In the case of the subject property, since the underlying land owner, or the Servient Estate,⁴ does not benefit then the easement this is a consideration. It is an extraordinary assumption that there is some impact on surface use and that there is conveyance of ingress/egress rights and therefore it falls into the 99% to 100% range. I/we have utilized a percentage of 100% of the Fee Simple Rights lost.

Percentage of Fee	Comments	Potential Types of Easements
90% - 100%	Severe impact on surface use Conveyance of future uses	Overhead electric, Flowage easements, Railroad ROW, Irrigation canals
75% - 89%	Major impact on surface use Conveyance of future uses	Pipelines, Drainage easements, Flowage easements
51% - 74%	Some impact on surface use Conveyance of ingress/egress rights	Pipelines, Scenic easements
50%	Balanced use by both owner and easement holder	Water or sewer lines, Cable lines, Telecommunications
26% - 49%	Location along a property line location across non usable land area	Water or sewer line, Cable lines
11% - 25%	Subsurface or air rights that have minimal effect on use and utility Location with a setback	Air rights, Water or sewer line
0% - 10%	Nominal effect on use and utility	Small subsurface
Source: Right of Way Magazine “Easement Valuation” Sherwood, May/June 2006		

3

³ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

The easement is a surface easement and is above ground and impacts the day to day use of the property. However, the owner cannot put any improvements on the surface of the easement area. The easement is located along a property line and would likely be within a building setback area, if building requirements were mandated by the tribe. The surface of the easement can be used for a driveway or possibly even paved or as a landscaped yard. Most subsurface easements do have rights to access if necessary, so the owner has lost some rights, in my opinion.

I/we have also considered the following loss of use, risk, and cost.

LOSS OF USE: Additional economic damages in the form of loss of use during the period the repairs are made must be considered, such as the need for any alternate lodging during construction or any income lost from the property were it to be income producing. The "lost" Lot Area is a portion of a residential site that is occupied by the subject owner and is not rented/leased/intended for income production. As the subject was not income producing, there is no loss of use, loss of income nor any temporary relocation as no construction is required. Thus, the loss of income component does not apply

POTENTIAL FOR REOCCURRENCE (RISK FACTOR): The potential for reoccurrence needs to be considered as a prospective buyer of the subject would certainly be concerned about a detrimental condition and the extent to which it has been cured. The Potential for Reoccurrence (Risk Factor) reflects this risk and uncertainty. Disclosure requirements in the State of California require a property seller to disclose any known defects or past defects affecting a property (even if completely cured). In the case of the subject property, this analysis presumes that the legal description discrepancy would need to be disclosed at the time the subject property is listed for sale. As all necessary documents will have been created and executed by all parties, the final, correct legal description will have been established and a re-occurrence is unlikely. Thus, no potential for reoccurrence would exist.

PROJECT INCENTIVE:

Project incentive is the risk and uncertainty associated with the repair process. It is a reasonable assumption that financial incentive is generally required to assume the trouble of being responsible to make or oversee significant repairs. Additionally, there may be situations where reasonable repair cost estimates have been made but where there is risk or uncertainty that the estimates could be exceeded. These considerations would likely weigh heavily in the mind of an owner or prospective buyer and would therefore be reflected in the project incentive.

Ultimately, the project incentive reflects the uncertainty of the repairs being completed on time and on budget, the time to manage or oversee the repair proves, and the general incentive necessary to accept responsibility for the repair process. Given that no actual construction is required, no compensation for this category was deemed applicable .

SECTION 2 VALUE OF THE PART TAKEN

Value Conclusion

Based upon the analyses contained in the accompanying report, and subject to the definitions, assumptions and limiting conditions contained in this report, our opinions of the Fair Market Value as of July 20, 2020 are as follows: 273 square feet x \$7.00 per square foot = \$1,911 rounded to \$2,000

PART TAKEN	Market Value as of July 20, 2020
PART TAKEN	\$ 2,000

SECTION 3 THE VALUE OF THE REMAINDER CONCLUSION

Value Conclusion

Based upon the analyses contained in the accompanying report, and subject to the definitions, assumptions and limiting conditions contained in this report, our opinions of the Fair Market Value as of July 20, 2020 are as follows: 111,676 square feet x \$7.00 per square foot = \$781,732 rounded to \$782,000

REMAINDER	Market Value as of July 20, 2020
REMAINDER	\$ 782,000

SECTION 4 SEVERENCE DAMAGES

No severance damages are noted.

SECTION 5 TEMPORARY CONSTURCTION EASEMENT

There are no Temporary Construction Easements

REPAIRS

In order to install the 274 square foot SCE easement, some landscape will have to be acquired in the area. We have estimated \$10 per square foot or \$2,740.

RECONCILIATION

The appraiser has employed the following approaches to valuation and arrived at the following value indications.

The Cost Approach and Income Approaches were not applied as typical market participants would not apply these approaches.

In the Sales Comparison Approach section of a report we utilized sales of agricultural land. It is a process of analyzing sales of similar, recently sold sites in order to derive an indication of the most probable sales price (or Value) of the property being appraised. The reliability of this approach is dependent upon, 1) the availability of comparable sales data, 2) the verification of the sales data, 3) the degree of comparability or extent of adjustment necessary for differences, and 4) the absence of non-typical conditions affecting sales price.

VALUATION

Based upon the analyses contained in the accompanying report, and subject to the definitions, assumptions and limiting conditions contained in this report, our opinions of the Fair Market Value as of July 20, 2020 are as follows:

Value of the Larger Parcel	\$ 784,000
Value of the Part Taken as part of the Whole -	\$ 2,000
Value of the Remainder	\$ 784,000
Fair Market Value for Takings and Severance Damages	
Part Taken Land	\$ 2,000
Permanent Fee Taking	\$ 0
Severance Damages	\$ 9
Temporary Construction Easements	\$ 0
Severance Damages Due to TCE's	\$ 0
Total Curable	\$ 2,740
Total Just Compensation	\$ 4,740

The parcel is valued in "Fee", which is in accordance with an appraisal of this nature

Marketing Period

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, “Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions” address the determination of reasonable exposure and marketing time.) Estimated at 12-24 Months assuming diligent marketing efforts and at a market derived asking price.

Exposure Period

1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Estimated at 12-24 Months.

A D D E N D A

PROPERTY PROFILE OF THE LARGER PARCEL

Property Detail Report

CA

APN: 108-050-013

Riverside County Data as of: 07/23/2020

Owner Information

Owner Name:	City Of Corona	Occupancy:	Unknown
Vesting:			
Mailing Address:	Po Box 940, Corona, CA 92878-0940		

Location Information

Legal Description:	2.57 Acres M/L In Por Lot 79 Mb 002/001 Orange Heights	County:	Riverside, CA
APN:	108-050-013	Alternate APN:	
Munic / Twnshp:	Corona	Twnshp-Rng-Sec:	
Subdivision:	Orange Heights	Tract #:	
Neighborhood:	Corona	School District:	Corona-Norco Unified School District
Elementary School:	Susan B. Anthony E...	Middle School:	Citrus Hills Inter...
Latitude:	33.83799	Longitude:	-117.5484
		High School:	Santiago High Scho...

Last Transfer / Conveyance - Current Owner

Transfer / Rec Date:	Price:	Transfer Doc #:
Buyer Name:	Seller Name:	Deed Type:

Last Market Sale

Sale / Rec Date:	Sale Price / Type:	Deed Type:
Multi / Split Sale:	Price / Sq. Ft.:	New Construction:
1st Mtg Amt / Type:	1st Mtg Rate / Type:	1st Mtg Doc #:
2nd Mtg Amt / Type:	2nd Mtg Rate / Type:	Sale Doc #:
Seller Name:		
Lender:		Title Company:

Prior Sale Information

Sale / Rec Date:	Sale Price / Type:	Prior Deed Type:
1st Mtg Amt / Type:	1st Mtg Rate / Type:	Prior Sale Doc #:
Prior Lender:		

Property Characteristics

Gross Living Area:	Total Rooms:	0	Year Built / Eff:
Living Area:	Bedrooms:		Stories:
Total Adj. Area:	Baths (F / H):		Parking Type:
Above Grade:	Pool:		Garage #:
Basement Area:	Fireplace:		Garage Area:
Style:	Cooling:		Porch Type:
Foundation:	Heating:		Patio Type:
Quality:	Exterior Wall:		Roof Type:
Condition:	Construction Type:		Roof Material:

Site Information

Land Use:	Commercial (NEC)	Lot Area:	111,949 Sq. Ft.	Zoning:	
State Use:	C23	Lot Width / Depth:		# of Buildings:	
County Use:	C1 - Commercial	Usable Lot:		Res / Comm Units:	
Site Influence:		Acres:	2.57	Water / Sewer Type:	
Flood Zone Code:	X	Flood Map #:	06065C1360G	Flood Map Date:	08/28/2008
Community Name:	City Of Corona	Flood Panel #:	1360G	Inside SFHA:	False

Tax Information

Assessed Year:	2020	Assessed Value:		Market Total Value:	
Tax Year:	2019	Land Value:		Market Land Value:	
Tax Area:	00-000	Improvement Value:		Market Imprv Value:	
Property Tax:		Improved %:		Market Imprv %:	
Exemption:		Delinquent Year:			

MARKET OVERVIEW WATER TREATMENT U.S.

22131 – Water Supply & Irrigation Systems in the US

Key Statistics Snapshot

Revenue

\$80.9bn

Profit

\$9.9bn

Annual Growth 14–19

1.0%

Wages

\$18.7bn

Annual Growth 19–24

0.9%

Businesses

52,766

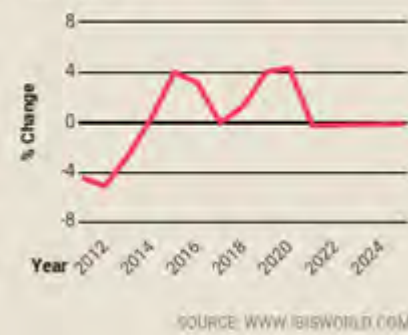
Market Share

There are no major players in this industry

Revenue vs. Employment Growth



Local and state government investment



SOURCE: WWW.IBISWORLD.COM

Key External Drivers

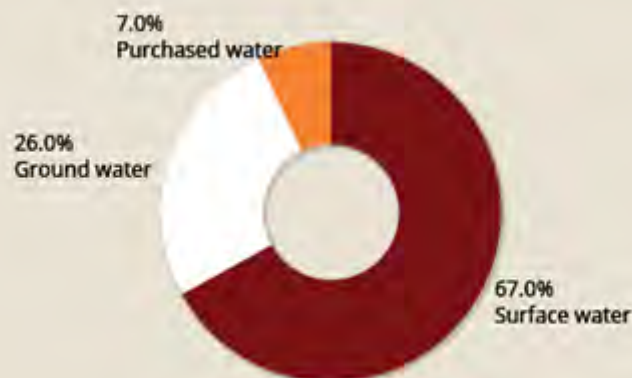
Local and state government investment

Number of households

Average annual precipitation

Agricultural price index

Products and Services Segmentation (2020)

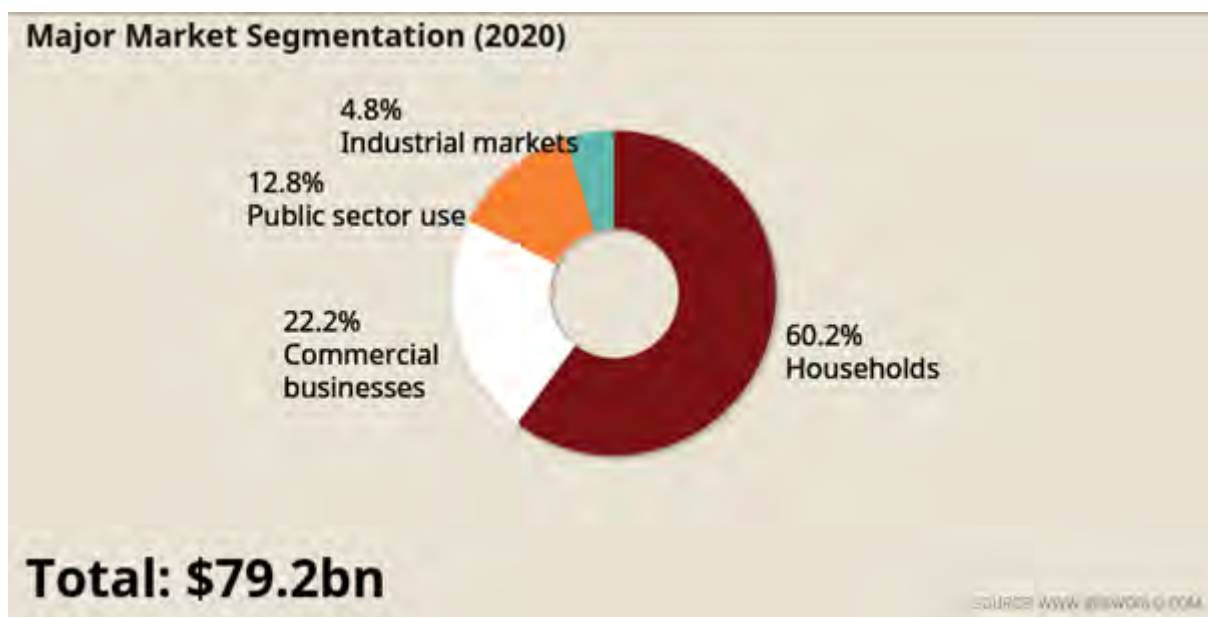


Industry Structure

Life Cycle Stage	Mature	Regulation Level	Heavy
Revenue Volatility	Medium	Technology Change	Low
Capital Intensity	High	Barriers to Entry	High
Industry Assistance	High	Industry Globalization	Low
Concentration Level	Low	Competition Level	Low

Industry Benchmarks

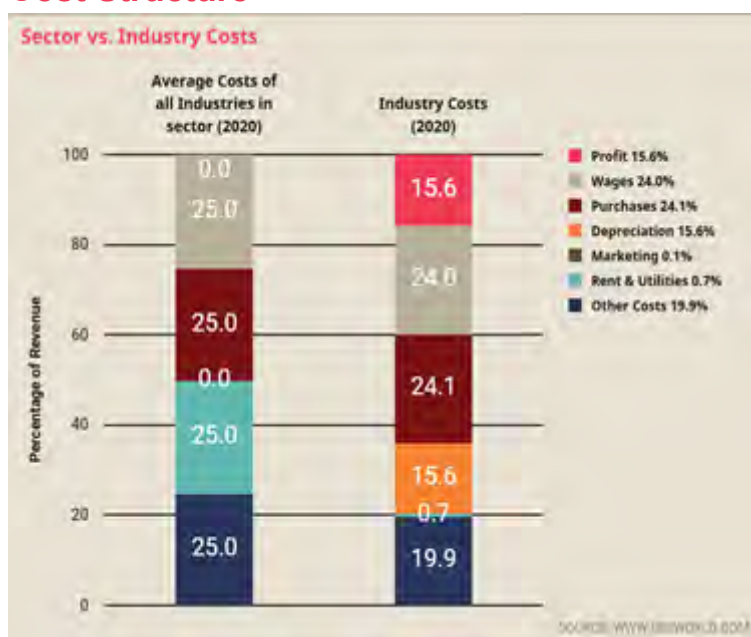
Major Markets



This chart shows the size of the markets that buy the industry's products or use its services.

It is based on the proportion of revenue each buying segment contributes to total industry revenue

Cost Structure



This chart represents the latest cost structure of the industry. It shows the proportion of revenue each cost item absorbs, with the remainder representing profit. The comparison to all other industries in the sector provides a benchmark that shows how the industry differs from its peers.

Industry Performance

Performance Summary

The Water Supply and Irrigation Systems industry has performed well over the past five years. Despite more efficient use of water, population growth, droughts and other adverse weather conditions have increased demand for water supplied by industry operators. Additionally, economic growth has expanded water demand from downstream commercial and industrial customers. Higher business activity has increased the amount of water demanded from retailers, restaurants and other commercial customers for provision to their customers and employees. However, industry revenue growth has been curtailed in 2020 as a result of the COVID-19 (coronavirus) outbreak, causing revenue to decline 5.6% in 2020 alone and annualized revenue to contract over the five years to 2020; industry revenue has fallen an annualized 0.1% to \$79.2 billion.

As a result of heightened demand, many public utility commissions increased water rates to curb overconsumption, further bolstering industry revenue growth. Moreover, the industry is undergoing transition. Over the past five years, private companies have increasingly purchased the rights to operate public water utilities, while larger public utilities acquired smaller, less-efficient distribution systems. As a result of these trends, the industry is exhibiting structural changes, shifting from a model based on risk mitigation to a model of innovation. As a result of rising efficiencies, industry profitability has risen as private operators increased capital outlays to boost utility system performance. However, in 2020, demand from commercial and industrial customers is expected to decline amid the current economic shutdown, while demand from households is expected to rise due to increased hours being spent at home during the workday.

Over the five years to 2025, the industry is expected to return to growth, with a strong jump expected in 2021 as demand from commercial and industrial clients rebounds and demand from households remains elevated as a result of a more permanent work-from-home strategies are pursued by some employers. Moreover, industry revenue could receive a boost if Public Utility Commissions (PUCs) approve rate increases for industry operators. Finally, this industry is anticipated to continue transferring public utility operations to private companies in the outlook. IBISWorld expects industry revenue to grow at an annualized rate of 2.2% to \$88.3 billion over the five years to 2025.

Industry Issues

Threat

Opportunity

Demand for water from public water supply systems tends to increase during periods of low precipitation, boosting industry sales. However, regulators often impose water rationing during periods of drought, reducing the volume of industry water sales to the detriment of industry revenue growth. Overall, increased precipitation tends to have a positive overall effect on industry revenue growth. Average annual precipitation is forecast to fall in 2020, presenting the industry with a potential threat.

Local and state governments are responsible for the lion's share of investment in national water supply systems. Increased local and state government investment in water supply infrastructure expands industry operating capacity by increasing the volume of water that can be distributed through industry distribution systems and extending distribution systems to reach a larger downstream market of customers. Local and state government investment is expected to rise in 2020, presenting the industry with a potential opportunity.

Call Preparation Questions

Role Specific Questions Role: Sales & Marketing

Are your sales dependent on the health of the overall US economy?

- Demand for water depends mostly on population growth.
- Demand for water for industrial customers depends on the general business cycle and will accelerate as production increases.

Does your company specialize in one corner of the market or provide a diverse range of products?

- Most water utility providers will offer wastewater treatment services as well as water for consumption.
- Utility providers that are diversified are more protected from the risk associated with drought or poor weather conditions.

Role: Strategy & Operations

Has your company been affected by volatile input prices?

- Water prices have been rising, and water utility providers must apply to Public Utility Commissions for rate increases.
- Depreciation charges have been increasing as current water utility systems are strained to meet growing demand.

Has your company explored acquisition activities in locations with well-established infrastructure networks?

- Acquisition of public utilities by private providers has been on the rise, boosting the overall efficiency of the water distribution network.
- Water utility providers that acquire failing competitors will increase their customer base.

Role: Technology

How is your company leveraging new technology?

- Technological advancements are difficult to adopt because the entire distribution network must be rehabilitated to make effective use of technology.
- Advancements in water treatment processes have afforded utility providers cost savings.

Has your company been able to reduce wage costs by adopting technology?

- Water utilities are extremely capital intensive, but also heavily rely on labor. Providers that can trim workforces will exhibit wider margins.
- Technology cannot replace highly skilled engineers and offers the most cost savings in the reduction of unskilled labor.

Role: Compliance**Does the current regulatory landscape inhibit your operations?**

- Water utility providers must apply to local Public Utility Commissions in order to raise prices.
- Mandated water and energy efficiency targets may inhibit revenue growth.

How does your company ensure that all health and safety requirements are met?

- Water utility providers are accountable to the public and must provide clean, safe and potable drinking water.
- Water utility providers who maintain a reputation for safety and quality service will be favored by the public.

Role: Finance**What challenges does your company face financing ongoing operations?**

- Rising depreciation charges have put pressure on utility providers' profit margins, harming current cash flows.
- Water utility providers must apply for rate increases, meaning they are not as quick to adapt to changing operating conditions.

How does your company's profit margin compare to your main competitor?

- Water utility providers service strict geographic monopolies, demonstrating that profitability is a function of operational efficiency rather than user base.
- Utility providers that expand their user base will spread out risks associated within a specific locale.

**External
Impacts
Questions****Issue: Number of households**

What percentage of your revenue comes from households? How can you expand your market reach?

- Households represent the largest source of revenue for the Water Supply and Irrigation Systems industry.

Issue: Average Annual Precipitation

How do fluctuations in precipitation affect demand for your company? How do you make up lost revenue when precipitation is low?

- Demand for water from public water supply systems tends to increase during periods of low precipitation, boosting industry sales.

Issue: Agricultural price index

Do you track changes in the agricultural price index? How much of your revenue comes from irrigation systems?

- The majority of water supplied for irrigation is not sourced from public water supply systems.

**Internal
Issues
Questions****Issue: Optimum capacity utilization**

Do you operate near optimum capacity? Do you continually align capacity to demand?

- High capacity utilization enables unit capital charges to be reduced.

Issue: Economies of scale

Are you able to leverage economies of scale? What is your budget for expanding operations?

- The efficiency of a water-supply system is significantly influenced by the size of the population and geographical area it serves.

Issue: Ensuring pricing policy is appropriate

How do you make sure your prices are attractive to customers? How do you balance price rates to stimulate demand?

- The price (in terms of both the overall level and its composition) charged for water has an impact on demand. Once basic needs are supplied (drinking and washing), the demand for water tends to fall as the price rises.

QUALIFICATIONS OF APPRAISERS

CURRICULUM VITAE
NOBLE R. TUCKER JR., MAI, SRA, AI-GRS
Phone Number 951-677-4888

Experience

Mr. Tucker is an independent fee appraiser (1984-2020). He has extensive experience in appraisal and consulting projects consisting of investment-quality office buildings, service stations, shopping centers, industrial planned communities, residential subdivisions, multi-family housing, single family homes, nursing homes, congregate care centers, special purpose properties, and vacant land throughout the Southwestern United States. Mr. Tucker is also an expert in the valuation of businesses.

Mr. Tucker has performed valuations on proposed, partially completed, renovated, and existing structures. Mr. Tucker has qualified as an expert witness before various judicial and quasi-judicial bodies and has testified in Superior Court, Bankruptcy Court, Federal Tax Court, and Municipal Court, on matters involving real estate in civil cases.

Mr. Tucker has been appraising for approximately 36 years on a full-time basis.

Previous Experience

Prior to working for Tucker Appraisal Service Corporation, Mr. Tucker was Chief Appraiser at Traditional Mortgage in Woodland Hills, California. Duties included overseeing major loan appraisals on apartments and high dollar single family residences (1984-1985).

From 1983-1985 Mr. Tucker was an independent fee appraiser working for firms such as Steve Smith and Associates in Canoga Park, Kennedy Appraisal Service in Los Angeles, Chua Bailey and Associates in Glendale, Southland Appraisal Services in Anaheim, Lenders Technology Service in Santa Ana, Lenders Service in Pittsburgh, and several other firms.

Prior to working the Real Estate Appraisal Profession Mr. Tucker was involved in the construction industry. From 1975 to 1980 duties included project management, sales, job-site supervision, and construction superintendent.

Professional Associations

S.R.A. Designated member of The Appraisal Institute

MAI Designated member of The Appraisal Institute

AI-GRS Designated member of The Appraisal Institute

State Licenses/Certifications

Certified General Real Estate Appraiser with the State of California. This allows Mr. Tucker to appraise any type of property (within his capabilities) within the State of California. License Number AG001532. Expires January 31, 2021

Certified General Real Estate Appraiser with the State of Hawaii. This allows Mr. Tucker to appraise any type of property (within his capabilities) within the State of Hawaii License Number 1112. Expires December 31, 2021

Certified General Real Estate Appraiser with the State of Nevada. This allows Mr. Tucker to appraise any type of property (within his capabilities) within the State of Nevada License Number A.207493-CG Expires 05-31-2021

California Real Estate Broker with the State of California. No. 01240497

Valuation of Conservation Easement - 2008 completed the Educational Requirements for this Certificate Program and I am listed on the Appraisal Institute's Web site - www.theappraisalinsitute.org

Litigation Certificate of Completion - 2010 completed three courses and passed the necessary requirements for this Certificate Program and I am listed on the Appraisal Institute's Web site - www.theappraisalinsitute.org

Education

Western Illinois University, Board of Governors Bachelor of Arts Degree

Court Experience/Expert Witness Testimony

Mr. Tucker has testified as an expert witness numerous times over the past 26 years. He has testified in Superior Court, Bankruptcy court, Federal Tax Court, and testified at Fair Value hearings in Los Angeles County, Orange, Riverside, San Bernardino, and Ventura counties. Additionally, Mr. Tucker has been hired as an arbitrator to resolve real estate disputes between parties.

Appraisal Courses Successfully Completed -The Appraisal Institute

- 1) Capitalization Theory and Techniques Part A/Course 1ba
The Appraisal Institute-The Conference Center in San Diego (October 31 to November 09, 1991)
- 2) Capitalization Theory and Techniques Part B/Course 1bb
The Appraisal Institute-The Conference Center in San Diego (November 14, to November 23, 1991)
- 3) Principals of Income Property Appraising/Course 201
The Appraisal Institute-Glendale College of Law (April 09 to June 25, 1988)
- 4) Standards of Professional Practice part A/Course SPPA
The Appraisal Institute-San Diego Chapter(May 10 to May 11, 1991)
- 5) Standards of Professional Practice part b/Course SPPB
The Appraisal Institute-San Diego Chapter (May 17 to May 18, 1991)
- 6) Real Estate Appraisal Principles/Course 1a1
The Appraisal Institute-University of Southern California (January 04 to February 08, 1986)
- 7) Residential Valuation/Course 8-2
The Appraisal Institute-University of Southern California (June 16 to December 4, 1985)
- 8) Standards of Professional Practice/Course 2-3-Southern California Chapter (July 14 to July 17, 1985)The Appraisal Institute
- 9) Basic Valuation Procedures/Course 1a2
The Appraisal Institute-Biola University (August 01 to September 19, 1987)
- 10) Report Writing and Valuation Analysis Course 540
The Appraisal Institute-Orange County Chapter (September 01 through September 09, 1994)
- 11) Advanced Applications Course 550
The Appraisal Institute-Pepperdine University (November 5 through December 4, 1994)
- 12) Course 120-Basic Income Capitalization
The Appraisal Institute-University of San Diego June 08 through June 16, 1995)
- 13) Case Studies in Real Estate Valuation
The Appraisal Institute-Glendale College of Law (June 1-9 1984)
- 14) Standards of Professional Appraisal Practice Part A and B-University of San Diego (June 1996)
- 15) Advanced Income Approach-Southern California Chapter May-June 1997, Tustin, California
- 16) Highest and Best Use and Market Analysis, Course 520, Montrose California August 1997
- 17) Standards of Professional Practice Part C, Fountain Valley, California September 2000

- 18) Condemnation Appraising - Basic Principles & Applications University of Phoenix Gardena CA 05-2003
- 19) Condemnation Appraising - Advanced Topics & Applications University of Phoenix Gardena CA 05-2003
- 20) Business Practice & Ethics, Long Beach California March 2006
- 21) Litigation Appraising - Specialized Topics and Applications Arcadia CA March 2006
- 22) Conservation Easement valuation, Littlerock Arkansas December 2007
- 23) Yellowbook, The Appraisal Institute
- 24) Statistics and Graphs October 2009, Bakersfield, California
- 25) Using Spreadsheet Programs in Real Estate Appraisal, Bakersfield, California
- 26) Introduction to Business Valuation (BV 201), The American Society of Appraisers September 2009 Manhattan Beach, California
- 27) The Appraiser as an Expert Witness, The Appraisal Institute, Sacramento California February 2010
- 28) Small Hotel / Motel Valuation: Limited Service Lodging - The Appraisal Institute February 2012
- 29) Review Appraiser General - The Appraisal Institute, San Diego November 2014

Seminars Attended:

- 1) State License Preparation-Certified General Appraiser
- 2) State License Preparation-Certified Residential Appraiser
- 3) California OREA License Seminar (1996)
- 4) Demonstration Appraisal Report-Non Income Producing Property.
- 5) Demonstration Appraisal Report--Income Producing Properties.
- 6) Valuation of Leasehold Interests
- 7) HP 12/C Seminar
- 8) Easement Valuation
- 9) The Appraisers Complete Review Seminar
- 10) FHA Seminar
- 11) Legal Workshop
- 12) Business Valuation
- 13) Personal Property Valuation
- 14) The Comprehensive Appraisal Review Seminar
- 15) Appraisal Statistics
- 16) Valuation for Financial Reporting Purposes
- 17) Litigation Valuation
- 18) Preparing the expert witness
- 19) The Appraisal of Golf Courses

Workshops Attended

- | | |
|--------------------------------|--|
| 1) Valuing Impaired Properties | 4) Regional Analysis |
| 2) Fraud Workshop | 5) Easement Valuation |
| 3) Data Mining on the Internet | 6) Valuation of Partial Interests |
| 7) Estate Tax Webinar 2011 | 7) Valuation for Financial Reporting Purposes 2011 |

University Real Estate Courses Successfully Completed

- 1) Real Estate Foundation
- 2) Residential Appraisal
- 3) Selected Topics in Real Estate-Nursing Homes
- 4) Selected Topics in Real Estate-Gasoline Service Stations
- 5) Selected Topics in Real Estate-Residential Subdivisions
- 6) Selected Topics in Real Estate-R.V. Resorts
- 7) Contemporary Issues in Real Estate
- 8) Income Property Appraising
- 9) Advanced Real Estate Evaluation
- 10) Real Estate Law Portfolio
- 11) Land Development Regulations
- 12) Report Writing
- 13) Land Development Regulations
- 14) Computer Applications in Real Estate Analysis
- 15) Residential Property Development
- 16) Real Estate Property Management
- 17) Real Estate Finance
- 19) Narrative Report Writing
- 20) Understanding Commercial Real Estate
- 21) Survey Course

Certificate Programs Completed

- 1) Litigation Certificate of Completion, February 2010, The Appraisal Institute
- 2) Valuation of Conservation Easements, 2009, The Appraisal Institute, American Society of Appraisers

CLIENT LIST

Developers

Richmond American Homes
Kaufman and Broad
Brock Homes
Beazer Homes
Greystone Homes
Pardee Homes
Barclay Homes
Davidson Communities
Dix Development
Presley Communities
Watt Homes
Forecast Homes

Government Agencies

Federal Deposit Insurance Corporation (FDIC)
Department of the Forestry
Ventura County School District
City of Perris
Federal Bureau of Investigation (FBI)
United States Navy
Riverside County Housing Authority
Economic Development Agency Riverside
San Diego Economic Development Agency
Bureau of Indian Affairs

Lenders

Bank of America
Bank United of Texas
Norwest Life Insurance
Wells Fargo Bank
First Pacific Bank
Highland Federal Bank
High Desert Bank
Guardian S&L
California Federal Bank
Life Savings Bank
Northland Financial
Lehman Brothers
Metropolitan Life Insurance Co.

Overland Bank
State Farm Insurance
Affinity Bank
Fleet Bank
Telesis Federal Credit Union
North Island Federal Credit Union
State Farm Insurance
Redlands Centennial Bank
American Sterling Bank

Southwest Community Bank

Note: list of above lenders are clients we have completed appraisal work in the past. We do not represent that we are on their approved appraisers list. Some appraisal assignments have been submitted to lenders through wholesale departments or through brokers. Many of the clients above we have contracted directly with.

S and S Construction
William Lyon Company
Sierra Pacific
Century 21 Construction
Ryland Homes
Baldwin Company
Centex Homes
Costain Homes
Griffin Industries
Morrison Homes
Richland Interests
Warmington Homes
Continental Homes
Sunridge Developments
Fieldstone Company
Lewis Homes

McMillan Homes
Taylor Woodrow

Resolution Trust Corporation (RTC)
Mt. San Jacinto Junior College
City of Temecula
City of Murrieta
Internal Revenue Service (IRS)
United States Secret Service
Housing and Urban Development
Housing Authority Riverside County
Department of the Interior
U.S. Secret Service

Citycorp/CitiBank
Sanwa Bank
Chase Manhattan Bank
GMAC
Prudential Insurance Co
American Savings Bank
Southern California Bank
Coast Savings
Downey Savings and Loan

Rancho Bank
FNMA
FHLMC
General Bank
G.E. Mortgage
Household Finance
Imperial Bank

North American Mortgage
New York Life Insurance Company
North County Bank
Republic National Bank
Wells Fargo Bank
Peoples Bank
Centennial Bank
Sanwa Bank
Fleet Bank
Goleta National Bank
First Union (Pending)
G.E. Capital
Anchor Capital Corporation
ABN Amro
Temecula Valley Bank
Canada Life Insurance
Simplicity
First Security Thrift & Loan
Washington Mutual Bank
8Mission Oaks National Bank

Landmark Bank
CIT Small Business Lending

Attorneys

Law Offices of Brian C.Ostler, Sr.	Rosenstein & Southwick, Attorneys at Law
Law offices of Timothy J. Miller	Law offices of Briggs and Alexander
Palmeri, Tyler, Waldron	Law offices of Michael Wood
Law offices of Bocci and Hoffman	Law offices of Carol, Gilbert, & Bayshore
Law offices of Ito and Ito	Law offices of Greg Erickson
Sachse,James,&Lopardo-Attorneys At Law	Lamb & Baute
Coale, Dukes & Kirkpatrick	Albrecht & Albrecht
Law offices of Trujilo & Trujilo	Law Offices of Dabney B. Finch
Giarinelli & Finch	Anderson & Kriger
Law Offices of Rich Marshall	Law Office of Rebecca Gunn
Law Office of William K. Sweeney	Law Offices of McKinley & Capeloto

EXPERT WITNESS CASE LIST

- ☐ Zepede et al vs. Cal Trans Superior Court Riverside California 1990
- ☐ Kamal vs. Equillon Federal Court 2002
- ☐ Wesselyn vs. Cal Trans 1997 Orange County Superior Court 1997
- ☐ Rubin vs. City of Fontana 2004 San Bernardino Superior Court
- ☐ Grewal vs. Jones - Deposition 2005
- ☐ Saba vs. Murphy - Deposition 2008
- ☐ Saba vs. Murphy - Riverside Superior Court 2008
- ☐ Catrina P. Richardson v. Private Loan Funding Corp. And Daryl A. Hopkins and Amy C. Hopkins Case Number CIVSS703741 - January of 2009
- ☐ De Oro Properties LLC v. David Evans and Associates, Inc., et al. SBSC Case No. CIVRS 801728 - 2010
- ☐ Jimmy A. Espinoza v. Fidelity Family Holdings, LP., et al . SBSC Case No. CIVRS705657. (Lead Case) -2010
- ☐ Phillipi v. Ault, Deposition March 2011
- ☐ Phillipi v. Ault Riverside Superior Court 2011
- ☐ Devore v. Assil 2010 - Los Angeles Jams, Binding Arbitration
- ☐ Brenda LePaglia v. Michael LePaglia - Idaho Court 2008
- ☐ Simmonds v. Hudack August 2010 - Riverside Superior Court
- ☐ Security Service Federal Credit Union v. 22 Defendants - May 2011
- ☐ Dorn & Tipich vs. Tony Marquez Pool Company - February 2012

Please note that these are only a sample of some of the cases Mr. Tucker has testified in since 1990. Mr. Tucker has testified in approximately 40-50 trials, testified in mediation's approximately 10 times, been involved in arbitration approximately 20 times, and had his deposition taken approximately 50 times. This is only an estimate. My hourly rate is \$250 per hour for depositions and for trials.

I am a member of the Real Estate Research Council at Cal Poly Pomona and a contributing member to the Real Estate Research Council's Real Estate and Construction Report which we publish each quarter. I have contributed to approximately 40 publications over the past 10 years.



CURRICULUM VITAE
NOBLE WILLIAM TUCKER
Phone Number 951-677-4888

Real Estate Appraisal Experience

Mr. Tucker is an independent fee appraiser who recently obtained his trainee license with the State of California. Mr. Tucker is being supervised by Noble R. Tucker Jr., MAI, SRA, AI-GRS. Mr. Tucker has been doing appraisal work part time since 2016 and full time since 2017.

Previous Experience

Prior to working for Tucker Appraisal Service Corporation, Mr. Tucker was the Goalie Coach for Newman College in Delaware, a Division 3 School.

Mr. Tucker was the head Cross-fit Instructor at Riverfront in Wilmington Delaware from 2016 to 2017.

Mr. Tucker continues to instruct Crossfit in Temecula CA on a part time basis.

State Licenses/Certifications

Trainee Appraiser with the State of California. #3004502, Expiration Date May 2, 2021

Education

University of Delaware, Bachelor of Science in Sports Management

Appraisal Courses Completed

Residential Market Analysis and Highest & Best Use	The Appraisal Institute
General Appraiser Sales Comparison Approach	The Appraisal Institute
2014-2015 15 Hour National USPAP Equivalent Course	The Appraisal Institute
Residential Sales Comparison and Income Approach	The Appraisal Institute
Appraisal Statistics	The Appraisal Institute
Supervisor / Trainee Course	Real Estate Trainers
Residential Appraisal	The Appraisal Institute
Online Residential Report Writing and Case Studies	The Appraisal Institute
Online Basic Appraisal Principles	

