

SUMMARY APPRAISAL OF

UNDERLYING LAND OF EXISTING CIVIC CENTER

LOCATED AT

**30940 HAWTHORNE BOULEVARD
RANCHO PALOS VERDES, CALIFORNIA 90275**

FOR

CITY OF RANCHO PALOS VERDES

AS OF

MAY 19, 2010

BY

**RIGGS & RIGGS, INC.
4195 VALLEY FAIR STREET, SUITE 207
SIMI VALLEY, CALIFORNIA 93063**

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May 24, 2010

Ms. Carolyn Lehr, City Manager
City of Rancho Palos Verdes
30940 Hawthorne Boulevard
Rancho Palos Verdes, California 90275

Our File No. 10-108

Re: 30940 Hawthorne Boulevard - 72.90± Acres of Underlying Land,
North Side of Palos Verdes Drive South, and South Side of Hawthorne Boulevard,
Rancho Palos Verdes, Los Angeles County, CA 90275

Dear Ms. Lehr:

In accordance with our contract, we have prepared a Summary Appraisal Report of the fee simple interest in the subject property referenced above. A legal description is provided in this report.

This is a **Summary Appraisal Report** which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP), which is part of the Appraisal Institute Code of Ethics and Professional Appraisal Standards for a Summary Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop our opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in our files. The depth of discussion contained in this Summary Appraisal Report is specific to the needs of only the client.

The purpose of this Summary Appraisal Report is to prepare a market value opinion of the subject property as of May 19, 2010. The intended use of the appraisal is for an internal budgeting/financial decision by the City of Rancho Palos Verdes. The intended users of the report are representatives with the City of Rancho Palos Verdes (the Client).

This Summary Appraisal Report has been prepared for the sole and exclusive use of the City of Rancho Palos Verdes, hereafter referred to as the Client and is not intended for any other users. We request that you seek our written authorization before releasing the report to any other party. Any third party, who relies on this appraisal, does so at their own risk. The users of this Summary Appraisal Report are directed to review the Limiting Assumptions and Extraordinary Assumption and Conditions. Our opinion of the market value is strictly contingent upon the Limiting and Extraordinary Assumptions and Conditions.

Ms. Carolyn Lehr
May 24, 2010
Page Two

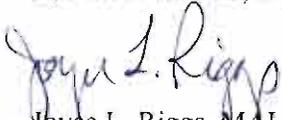
Based on our analysis of the subject property, the market value of the fee simple interest of the subject property, as of May 19, 2010, is:

FOUR MILLION FIVE HUNDRED SEVENTY THOUSAND
..... **\$4,570,000.**

This letter of transmittal, including the Limiting and Extraordinary Assumptions and Conditions, and Certification, on the accompanying pages, must remain attached to the report, which contains 49 pages plus related exhibits, in order for the value opinions set forth to be considered valid. This Summary Appraisal Report is not based on a requested minimum or specified valuation. We hereby certify that we have no interest, present or prospective, in the property appraised and that our opinion is in no way contingent upon the basis of our employment.

Respectfully submitted,

RIGGS & RIGGS, INC.



Joyce L. Riggs, MAI, SR/WA
SCREA AG 005451
Expires April 7, 2011

TABLE OF CONTENTS

	<u>PAGE</u>
EXECUTIVE SUMMARY	i
SUMMARY OF SALIENT DATA	ii
ASSUMPTIONS AND LIMITING CONDITIONS	iii
EXTRAORDINARY ASSUMPTIONS AND CONDITIONS	v
CERTIFICATION OF THE APPRAISER	vii
APPRAISAL REPORT	1
IDENTIFICATION OF THE PROPERTY	1
LEGAL DESCRIPTION	1
PURPOSE OF THE APPRAISAL	1
INTENDED USE/USER OF THE APPRAISAL	1
PROPERTY RIGHTS APPRAISED	1
DATE OF REPORT	1
DATE OF INSPECTION	1
DATE OF VALUATION	1
OWNER OF RECORD	2
DEFINITIONS	2
SCOPE OF THE ASSIGNMENT	2
PROPERTY HISTORY	3
REGIONAL DATA	5
CITY DATA	11
NEIGHBORHOOD DATA	13
SITE DESCRIPTION	14
HIGHEST AND BEST USE	18
APPROACHES TO VALUE	22
SALES COMPARISON APPROACH	23
Institutional-Zoned Portion of the Subject Site	24
Open Space-Zoned Portion of the Subject Site	36
RECONCILIATION AND FINAL OPINION OF VALUE	49
ADDENDA	
Subject Photographs	
Preliminary Title Report - 1979	
Appraisal Qualifications	

EXECUTIVE SUMMARY



The subject property is located in the City of Rancho Palos Verdes, County of Los Angeles, State of California, 90275. More specifically, the subject property is located at 30940 Hawthorne Boulevard.

The subject property consists of four parcels that contain a total of 72.90± acres, or 3,175,524± square feet of land. The site has two zoning designations: 7.80± acres are zoned I, Institutional, and 65.1± acres are zoned OR, Open Space - Recreational, and are subject to a deed restriction and Program of Utilization. **(Please refer to Extraordinary Assumption No. 17).** Approximately 5.00 acres of Parcel 909 are encumbered by a Natural Overlay Control District (OC-1), and the Urban Control District (OC-3). The subject property lies outside of the area boundaries of the Coastal Commission authority and control, and the “moratorium landslide area”, and is considered to be located in an environmentally sensitive area. This will be transmitted in greater detail in the sections to follow.

SUMMARY OF SALIENT DATA

MARKET VALUE OPINIONS

MARKET VALUE OF THE SUBJECT PROPERTY	\$4,570,000
VALUE INDICATION BY COST APPROACH	N/A
VALUE INDICATION BY INCOME CAPITALIZATION APPROACH	N/A
VALUE INDICATION BY SALES COMPARISON APPROACH	\$4,570,000

SUBJECT DATA

LAND AREA	72.90± ACRES/3,175,524± SQUARE FEET
PRESENT USE OF THE LAND	VACANT RAW LAND
ZONING	CITY OF RANCHO PALOS VERDES: OR - OPEN SPACE - RECREATIONAL, AND I - INSTITUTIONAL
GENERAL PLAN ..	CITY OF RANCHO PALOS VERDES: OPEN SPACE AND INSTITUTIONAL
HIGHEST AND BEST USE	TO CONSTRUCT AN INSTITUTIONAL USE ON LAND ZONED INSTITUTIONAL, AND MAINTAIN OPEN SPACE LAND PER ZONING AND THE PROGRAM OF UTILIZATION
PROPERTY RIGHTS APPRAISED	FEE SIMPLE ESTATE
OWNER OF RECORD	CITY OF RANCHO PALOS VERDES
DATE OF REPORT	MAY 24, 2010
DATE OF INSPECTION	MAY 19, 2010
DATE OF VALUE	MAY 19, 2010
PURPOSE OF THE APPRAISAL	MARKET VALUE

ASSUMPTIONS AND LIMITING CONDITIONS

This Summary Appraisal Report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative materials in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conform to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.
10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report, except as noted.
11. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. Any allocations of the total value opinion in this report between the land and the improvements apply only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of Riggs & Riggs, Inc., and in any event, only with properly written qualification and only in its entirety.
14. Riggs & Riggs, Inc., by reason of these summary appraisals, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
15. Neither all nor any part of the contents of this report shall be disseminated to the public or any unauthorized third party through advertising, public relations, public meetings/hearings, news, sales, or other media without the prior written consent and approval of Riggs & Riggs, Inc. Riggs & Riggs, Inc., assumes no liability for the unauthorized release of this report.
16. An inspection of the subject property was made by Joyce L. Riggs, MAI, SR/WA. Ms. Riggs gathered all the information, reviewed the data, and prepared the analysis in this appraisal report, assisted by Mr. Robert B. Riggs.

EXTRAORDINARY ASSUMPTIONS AND CONDITIONS

This Summary Appraisal Report is strictly contingent upon the following assumptions and conditions affecting the subject property. The client is urged to review these extraordinary assumptions and conditions and to obtain experts in the field as needed.

17. This is a **Summary Appraisal Report** which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it does not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop our opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the our file. The depth of discussion contained in this report is specific to the needs of client and for the intended use as stated in this report. Riggs & Riggs, Inc. is not responsible for unauthorized use of this report. **At the request of the Client, this report is limited to a valuation of the underlying land only and does not include an analysis of any of the site and building improvements. Riggs & Riggs, Inc., reserves the right to alter the opinion of value if this instruction was misunderstood.**

18. The subject property is not located within an Alquist-Priolo Earthquake Fault Zone. The Palos Verdes Fault traverses the Palos Verdes Peninsula on a west to east direction. This fault is a Type B active fault and is not listed as an Alquist-Priolo Earthquake Zone. All areas in Southern California are susceptible to intermittent earthquakes. Riggs & Riggs, Inc., requested, but was not provided a soils or geologic report on the subject property. No portion of the subject property is located in the Landslide Moratorium Area. **No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover any defects in the property. The client should retain experts in the field, and make their own assessment of the physical condition of the property before making a decision on the subject property.**

19. Although requested, Riggs & Riggs, Inc., was not provided with a copy of a Phase I Environmental Site Assessment Report pertaining to the subject property. A 7.80± acre portion of the subject property is improved with the City of Rancho Palos Verdes administrative offices, however, at the request of the Client, Riggs & Riggs, Inc., is to appraise only the underlying land. The remainder 65.10± acres is vacant raw land. **Unless otherwise stated in this report, the existence of any potentially hazardous material, which may or may not be present on the property, was not observed by Riggs & Riggs, Inc., during the site inspection. Riggs & Riggs, Inc., however, is not qualified to detect such substances. The presence of substances, such as contaminated soil, tainted ground water or other potentially hazardous materials, may affect the value of the property. The opinion of value is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field before making a decision related to the subject property. Riggs & Riggs, Inc., reserves the right to alter the opinion of value, if additional information is provided.**

20. Although requested, Riggs & Riggs, Inc., was not provided an updated Preliminary Title Report, underlying documents and/or a constraint map with easements plotted, as of the date of this report. Riggs & Riggs, Inc., was provided by Client a Preliminary Title Report prepared by Title Insurance and Trust Company, dated January 8, 1979. Since this title report was prepared 31 years ago, it is not known whether encumbrances noted are still in force. We have relied upon it for purposes of analysis. **We make no legal opinion or express any warranty about the property rights, liens, encroachments, or easements affecting the subject property. Further, this appraisal report has been prepared assuming the property is free and clear of any liens or debt recorded against each property. The user of this report should review an updated copy of a Preliminary Title Report and all underlying**

documents and consider the impact of any items that may have an effect on value. Riggs & Riggs, Inc., reserves the right to alter the opinion of value if a current Preliminary Title Report is provided subsequently.

21. This Summary Appraisal Report has been prepared for the sole and exclusive use of the representatives of the City of Rancho Palos Verdes, and is not intended for any other user. Riggs & Riggs, Inc., requests that you seek our written authorization before releasing the report to any other party. Any third party who relies on this report does so at their own risk.
22. The liability of Riggs & Riggs, Inc., is limited to the fee paid for appraisal services. Riggs & Riggs, Inc., is not responsible for erroneous information provided by others.
23. Riggs & Riggs, Inc., is not a necessary party in any inquiry or judicial proceeding. Riggs & Riggs, Inc., will not be called to testify in any litigation or other proceeding arising out of their duties in this matter. If Riggs & Riggs, Inc., is compelled to incur court costs, attorney fees or other out-of-pocket expenses in connection with court proceedings, such costs or expenses together with the appraiser's usual hourly per diem of \$250.00 per hour for professional services for study preparation, testimony or travel will be paid by the party (or parties) who acts to bring any suit requiring a judicial proceeding.

CERTIFICATION OF THE APPRAISER

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.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have no personal bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

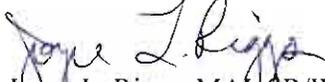
Joyce L. Riggs, MAI, SR/WA, has made a personal inspection of the property that is the subject of this report on May 19, 2010. The date of value is May 19, 2010.

Robert B. Riggs provided professional assistance to the persons signing this report. No one else provided professional assistance to the persons signing this report.

As of the date of this report, Joyce L. Riggs, MAI, SR/WA, has completed the requirements of the Continuing Education Program of the Office of Real Estate Appraisers, the Appraisal Institute, and the International Right of Way Association. I certify that use of this report is subject to the requirements of the Appraisal Institute relative to review by its duly authorized representatives.

Respectfully submitted,

RIGGS & RIGGS, INC.



Joyce L. Riggs, MAI, SR/WA

SCREA No. AG005451

Expires April 7, 2011

APPRAISAL REPORT

IDENTIFICATION OF THE PROPERTY

The subject property is located at 30940 Hawthorne Boulevard, City of Rancho Palos Verdes, County of Los Angeles, State of California, 90275. The subject property is also identified as APN's 7572-002-908, 909, 910, and 913. The 2010 Los Angeles County Thomas Map reference page is 822, grid G/4. The U.S. Census Tract Number is 6704.02 and 6706.00.

LEGAL DESCRIPTION

Although requested, an updated Preliminary Title Report was not provided to Riggs & Riggs, Inc., as of the date of this report. However, Riggs & Riggs, Inc., was provided by Client a Preliminary Title Report prepared by Title Insurance and Trust Company, dated January 8, 1979, which contains a complete legal description. A copy of this Preliminary Title Report can be found in the Addenda Section of this Summary Appraisal Report. **(Please refer to Extraordinary Assumption No. 20.)**

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to develop an opinion of the market value of the fee simple interest in the subject property, as of May 19, 2010.

INTENDED USE/USER OF THE APPRAISAL

The intended use of this Summary Appraisal Report is to prepare a market value opinion of the fee simple interest of the subject property, for an internal budgeting/financial decision by the City of Rancho Palos Verdes. The intended users of the report are the representatives of the City of Rancho Palos Verdes. This appraisal has been prepared for the sole and exclusive use of the representatives of the City of Rancho Palos Verdes, and is not intended for any other user. Any third party who relies on this appraisal, does so at their own risk.

PROPERTY RIGHTS APPRAISED

The fee simple interest of the subject property is the property right to be appraised.

DATE OF REPORT

The date of report is May 24, 2010.

DATE OF INSPECTION

The date of inspection is May 19, 2010.

DATE OF VALUATION

The date of value is May 19, 2010.

OWNER OF RECORD

According to public record and a Quitclaim Deed, the subject property is vested in:

CITY OF RANCHO PALOS VERDES, A MUNICIPAL CORPORATION

DEFINITIONS

MARKET VALUE DEFINITION

The definition of Market Value used in this report is as follows:

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

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and acting in what they consider their best interests;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in United States 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.^{1/}

Fee Simple Estate

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”^{2/}

SCOPE OF THE ASSIGNMENT

The scope of this appraisal involved a thorough analysis of the subject property with respect to physical, legal, and economic factors in order to develop a reasonable opinion of value, as vacant land only. As agreed, no contributory value for any improvements on the site have been considered. Various local agents and services, like CoStar Group, Inc., NDC, and MLS, provided information concerning comparable sales. Buyers, sellers, or their representatives were contacted to verify information when possible. This investigation also included discussions with city and county officials, as well as researching recent market trends.

A search of similar properties was undertaken with respect to the comparable land sales in developing an opinion of the market value for the subject using the Sales Comparison Approach to value. The subject property is zoned I - Institutional, which basically is a designation for public facility uses, and OR, Open Space - Recreational. Few transfers shared the same zoning. In order to determine an indicated value, the” OR” portion of the subject

^{1/} Federal Register, Vol. 55, No. 163, August 22, 1990, pages 34228 and 34229 and USPAP, 2006.

^{2/} Dictionary of Real Estate Appraisal, Fifth Edition, 2010, Appraisal Institute, Page 78.

property was evaluated based on the Sale Price Per Acre Method, and the “I” portion of the subject property was evaluated based on the Sale Price Per Square Foot Method. The results of this process provide the basis for the opinion of market value for the site as if vacant and available for its highest and best use based on each category and then summed to provide a final opinion of market value.

PROPERTY HISTORY

Although requested, an updated Preliminary Title Report was not provided to Riggs & Riggs, Inc., as of the date of this report. However, Riggs & Riggs, Inc., was provided by Client a Preliminary Title Report prepared by Title Insurance and Trust Company, dated January 8, 1979. This Preliminary Title Report contained a copy of a Quitclaim Deed, dated September 25, 1978, (with no recording date) whereby the United States of America, acting by and through the Administrator of General Services, transferred ownership to the City of Rancho Palos Verdes. According to NDC Data, all 4 parcels are owned by the City of Rancho Palos Verdes, and the transfer date for each parcel follows: APN No. 7573-002-908 transferred 07/08/1980; 7573-002-909 and 910 transferred 09/27/1978; and 7573-002-913 transferred 06/05/1987. Document numbers and transfer amounts were not provided.

REGIONAL DATA

The subject property is located within the County of Los Angeles. The following is a discussion of the environmental, governmental, social, and economic forces affecting the stability of the real estate market and the subject property. This section of the report will analyze the effect that these forces have on the economic bases of the state, county, and subject's trade area, relative to the subject property.

California had a Gross Domestic Product (GDP) of approximately \$1.8 trillion in 2008 and would rank 8th as a separate nation, ahead of Spain, Canada, Brazil and Russia. The Los-Angeles 5-County Metropolitan Area accounted for approximately \$860 billion and would rank 17th as a separate nation, ahead of Turkey, Poland, and Belgium. Clearly, the region is a major economic center of development.

The State experienced a period of economic growth between 1995 and 2001, during which time the state underwent a transition from a predominantly aerospace and defense industry reliant economy to a diversified economy with the expansion of radio, television and film industries, a rise in the professional and service sectors and an increase in trade and manufacturing resulting from its position as an entry point for Pacific Rim goods. The state slipped back into recession in late 2001, emerging in late 2003 and 2004 due to higher spending by the Department of Defense and other governmental agencies leading to modest job gains. The state experienced modest growth between 2005 and 2006.

California is currently in the midst of a deep recession that started with weakness in housing and mortgage finance in 2007 and 2008, and subsequently spread to the rest of the economy. The situation has been exacerbated by soaring energy prices, which have caused further problems for businesses and consumers. A number of prominent retail chains have shrunk or disappeared altogether, and auto dealerships have suffered from the combined impact of high fuel prices and the credit crunch. State and local government revenues have fallen, and unemployment has risen across the State, with the majority of job losses in the manufacturing, retail trade, and construction sectors. Conditions are expected to stabilize in 2010, with recovery anticipated in 2011.

Preliminary estimates indicate that California experienced an annual unemployment rate of 11.7% in 2009. The current unemployment rate in the state as of January 2009 is 10.1%. Personal income dropped by 2.9% in 2009 in the first annual decline since 1938, although it is expected to increase by 1.3%. Although California has no official state consumer price index (CPI), the Greater Los Angeles Market CPI is expected to increase by 2.0% in 2010, after a 0.8% decrease in 2009 according to preliminary estimates. Taxable Retail sales experienced an estimated decline of 16.0% in 2009, but are forecast to increase by 3.3% in 2010. New home construction is expected to increase by 24.0% in 2010, while non-residential construction is expected to decline by 12.4%. Overall, California's economy is expected to stabilize in 2010, with more substantial recovery predicted for 2011.

Location and Physical Factors

The subject is located within the Los Angeles County Metropolitan Area (LAMA). The LAMA contains five counties: Los Angeles, Ventura, Orange, Riverside, and San Bernardino. San Diego County is not considered part of the LAMA, but is located within Southern California.

Los Angeles County contains 4,084 square miles, and is the largest county in the state in terms of population. The County is comprised of 88 cities and unincorporated areas. Los Angeles County is located in the southwestern part of California and borders the Pacific Ocean to the south and west. It is bounded by the following regions:

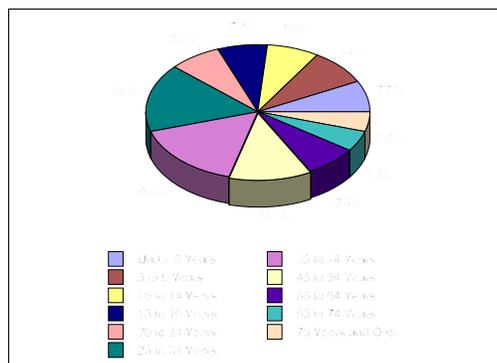
On the North Kern County
 On the South Orange County
 On the East San Bernardino County
 On the West Ventura County

The terrain of the County varies from a broad coastal plain, known as the Los Angeles basin, to mountain ranges separated by interior valleys. Major mountain ranges include the San Gabriel Mountains, Santa Monica Mountains, Santa Susana Mountains, and Puente Hills. The interior valleys include the San Fernando Valley, San Gabriel Valley, Pomona Valley, and Antelope Valley. There are several minor fault lines located in Los Angeles, which connect to California's major fault line, the San Andreas Fault.

Los Angeles County experiences a Mediterranean-like climate, sunny and warm, with a mean annual temperature of 61.7 degrees Fahrenheit. Due to the mild climate, Los Angeles County has lower heating and air conditioning costs than most cities in the United States. The mean annual rainfall is 12.9 inches, and its mean annual humidity is 65%. A favorable climate has contributed greatly to the growth of the region. However, during the past several decades, the area has experienced increased air pollution due to smog. Governmental agencies at the state and local levels, through zoning and transportation regulations, have had moderate success in reducing this hazard.

Sociological Factors

According to U.S. Census 2000, Los Angeles County has a population of about 10 million people. The County accounts for almost 30% of the California population. The population has grown at a steady pace and has increased over 13% since 1990. Foreign immigration and natural births added 50% to the region's growth over the past decade. However, population growth is expected to continue at a slower pace in the future. The chart below reflects the age distribution of Los Angeles County.



AGE DISTRIBUTION
 (U.S. CENSUS BUREAU 2000 STATISTICS)

According to the U.S. Census 2000, Los Angeles County residents are predominantly between the ages of 25-34 years old (16.6%). Los Angeles County has over 3.2 million housing units and an average household of 2.87 persons.

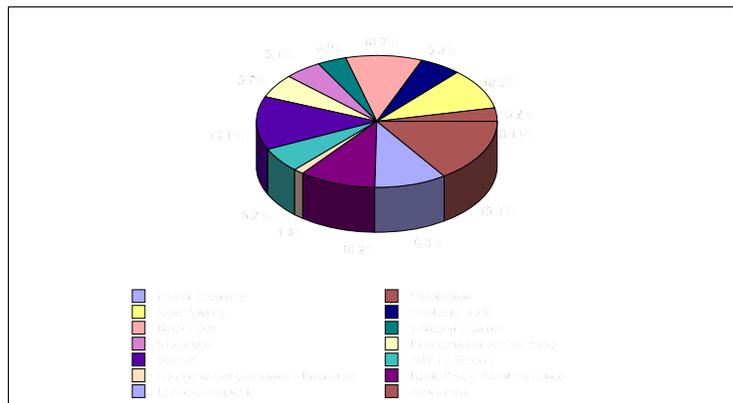
There are many social and cultural facilities that enhance the desirability of the County. Recreational amenities include beaches and harbors along the Pacific Ocean, marinas, golf courses, parks, theaters, and entertainment

centers. Cultural facilities include numerous colleges and universities, libraries, and museums. Health care facilities, including hospitals and acute-care nursing homes, are well-represented in the County. Some points of interest within the County are: Los Angeles Civic Center, Chinatown, Dodger Stadium, Aquarium of the Pacific, J. Paul Getty Museum, Huntington Library, Griffith Park, Greek Theatre, Hollywood Bowl, Hollywood Park, Santa Anita Racetrack, Grauman's Chinese Theatre, Hollywood Walk of Fame, La Brea Tar Pits, Los Angeles County Museum of Art, Los Angeles Zoo, Los Angeles County Music Center, Norton Simon Museum, Queen Mary, Rose Bowl, Six Flags Magic Mountain, and Universal Studios. These points of interest attract local residents and are also visited by millions of tourists worldwide.

Some new and major projects under construction in Los Angeles County include the 1.4 billion dollar Alameda Corridor East Project, Los Angeles/Long Beach Port Expansion, MetroRail line extensions, the expansion of Los Angeles International Airport, the Grand Avenue Project in downtown Los Angeles, and "L.A. Live," a retail/entertainment/hotel complex in downtown Los Angeles. Recently completed projects include the Walt Disney Concert Hall, a 2,265 seat auditorium located on a 3.6 acre site and home to the Los Angeles Philharmonic Orchestra, and the Hollywood-Highland Project, an entertainment and retail center with a 3,300-seat broadcast auditorium home to the Academy Awards.

Economic Factors

Los Angeles County is a major economic center for the city, state, and national level. According to the 2010-2011 Economic Forecast & Industry Outlook, Los Angeles County's GDP would be \$513.6 billion, which would rank 18th in the world if it were a separate nation. Los Angeles County has a very diverse economic base, as indicated in the following table.

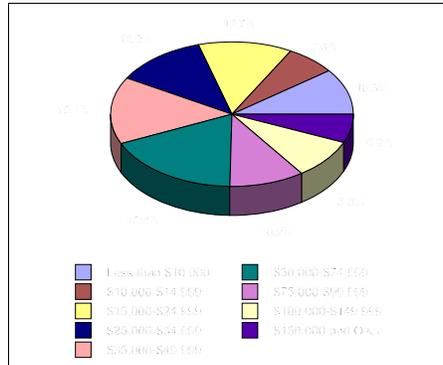


2009 NONFARM EMPLOYMENT IN LOS ANGELES COUNTY
(LOS ANGELES ECONOMIC DEVELOPMENT CORPORATION 2008
BENCHMARK)

The economy is diverse with no single sector dominating the market. Education, health services, information, and professional business services are expected to add jobs in 2010, while retail, manufacturing, construction, and government are expected to lose jobs.

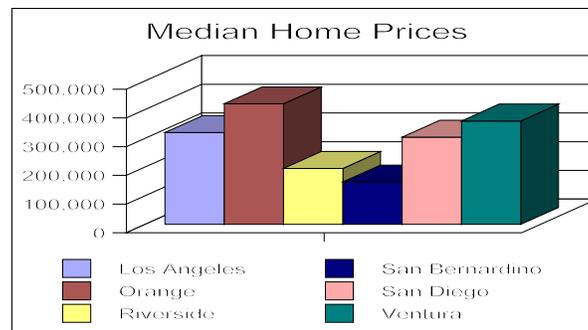
The excellent public and private services offered in Los Angeles County are major industries in their own right. A vast network of hospitals and health care facilities, educational institutions, entertainment productions, and sporting events are major building blocks that demonstrate the growth of Los Angeles County. According to the California Department of Education, Los Angeles County has over 1,900 public schools, with over 1.6 million students enrolled at the elementary and secondary levels. The County has a number of local programs to successfully integrate students into the workplace and enhance teacher skills. The area will continue to progress with its vast pool of skilled and unskilled workers and economic activity. Business, cultural, and geographic diversification of Los Angeles County will play a prominent role in the local, regional, and national economies.

The per capita income for Los Angeles County is expected to be \$38,178 in 2010, below the state average per capita income of \$40,675. According to the U.S. Census Bureau 2000 statistics, Los Angeles County has a median household income of \$40,929 and an average household size of 2.87 persons. Approximately 18% of the income earned is between \$50,000 and \$74,999. The following chart illustrates household income in Los Angeles County.



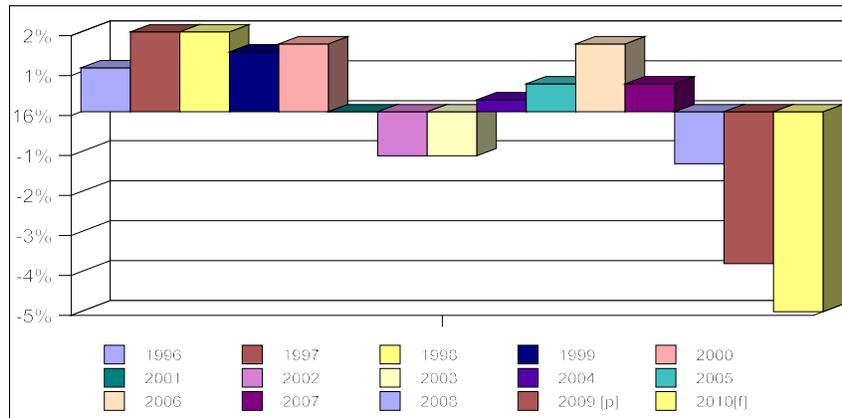
HOUSEHOLD INCOME
(U.S. CENSUS BUREAU 2000 STATISTICS)

According to DataQuick News, Los Angeles County has the third highest housing cost in Southern California, while neighboring Orange County has the highest cost. The median Los Angeles County home price was \$320,000 as of January 2010, down from \$300,000 in January 2009. The chart below shows the median housing selling prices in Southern California as reported by DataQuick News in January 2010.



SOUTHERN CALIFORNIA MEDIAN HOUSING SELLING PRICE
(DATAQUICK NEWS JANUARY 2010)

During the past decade, Los Angeles County's economy underwent major job restructuring due to the national recession of the 1990s. As presented below, the economy experienced generally increasing job growth between 1996 and 1998, and generally decreasing growth between 1999 and 2001. It slipped into recession in 2002 and 2003, before returning to generally increasing growth between 2004 and 2006. The rate of job growth decreased in 2007, and was nearly flat in 2008. Current forecasts anticipate a loss of 0.5%, or 20,000 jobs, in 2010. California had an unemployment rate, not seasonally adjusted, of 13.2% as of January 2010, up from 10.3% in January 2009. Los Angeles County had an unemployment rate, not seasonally adjusted, of 13.2% as of January 2010, up from 10.6% in January 2009.



LOS ANGELES COUNTY EMPLOYMENT TREND
(LAEDC 2010-2011 ECONOMIC FORECAST AND INDUSTRY OUTLOOK)

Historically, Los Angeles County has been the second largest business and post-industrial economic center in the United States, due to its diversity of people, cultures, scenery, climate, and physical environment. It has been a highly influential force in the Western United States and the Pacific Rim. Los Angeles County accounts for one-third of California's total economy and is the nation's leading manufacturing and aerospace center. Although the manufacturing, trade, and service sectors are predominant, the County is a major center for economically resilient industries such as telecommunication, motion pictures, computer and communications equipment, medical laboratories, television, and business services.

In summary, Los Angeles County is expected to experience a gradual economic improvement throughout 2010 and 2011, after recessionary conditions throughout 2009. Personal income, taxable retail sales, and nonfarm employment are all expected to increase after the steep decline from the previous year. According to the Los Angeles County Economic Development Corporation 2010-2011 Economic Forecast and Industry Outlook, some of the factors contributing to stabilizing conditions in Los Angeles County in 2010 include:

- ! Improvement in international trade and tourism;
- ! Increased construction from the federal government's infrastructure program;
- ! Stabilizing retail sales;
- ! Continued decline in the nonresidential real estate sector with rising vacancies, declining lease rates and decreasing property values;
- ! Decreased construction of apartments and condominiums;
- ! Continued decline in manufacturing employment due to problems in construction and housing; and
- ! Financial problems for local governments.

Transportation Factors

Regional transportation in Los Angeles County includes highways, air, rail, and other means of travel. The heart of the County's vast transportation system is its advanced highway system. This mass transit system, consisting of hundreds of miles of highways and freeways, connects Los Angeles County to the rest of California and the United States. The freeway system that serves Los Angeles County includes, but is not limited to, U.S. Interstate 5, U.S. Interstate 10, U.S. Interstate 405, and Highway 101. Los Angeles County has the largest freeway system in the world and allows commuters to travel in any direction within the County.

Los Angeles County is situated near several major airports with relatively short driving distances. Los Angeles International Airport (LAX) is the primary international airport that services the region. It is the 3rd largest airport in the world and the key facility in Southern California airport network. Fueled by the growing volume of LAX activity, intensive development of commercial land is noticeable in the airport area. Bob Hope Airport (BUR) does not offer international service, but provides commuter air service to major national cities. This airport caters to 4.9 million travelers per year on six major carriers, with more than 70 flights daily. The Los Angeles County Metropolitan Area has three other metropolitan airports to serve the region: John Wayne Airport (SNA), Ontario International Airport (ONT), and Long Beach Airport. This network of airports serves as a travel medium for residents and an economic portal for businesses.

Los Angeles County provides both public and commercial rail use. MetroRail commuter rail lines provide linkage to neighboring counties and are quickly becoming an alternate source of transportation. Long Beach and Los Angeles County Harbors are found in the heart of Los Angeles County. They are the second and third largest economic ports in the nation, respectively. They contain 9.2 square miles and as one entity rank as the 2nd largest economic port in terms of dollar value of exports and imports. Together, L.A. and Long Beach Harbors handle more than half of the United States Pacific Coast tonnage. This vast maritime center is an economic stimulus to the region, generating nearly 300,000 jobs and billions of dollars in annual revenue. Port Hueneme and San Diego Harbor are found west and south of Los Angeles County, respectively. National and international businesses use these ports as their gateway for trade with North and South America, Europe, and Asia.

Technological advancements in transportation and innovative changes in the workplace will continue to improve, including flexible work schedules, child care facilities for employees, and telecommunications systems for employees to work at home. Since 1975, air quality control programs have evidenced a 35 percent decline in emissions of reactive organic gases and nitrogen oxides. Carbon monoxides emissions have dropped by 45 percent during the last decade; smog alerts have declined 60 percent. With modern technology, transportation and air quality should continue to improve.

Governmental Factors

Los Angeles County consists of incorporated and unincorporated cities. The unincorporated portions of the County are governed by a five-member Board of Supervisors elected to four-year terms. The County provides key municipal services, such as fire and police protection, to many of its unincorporated cities. The larger incorporated cities provide their own municipal services. Los Angeles has an elected mayor who leads the administrative branch of the government. The legislative branch, represented by 15 City Council members, is elected by voters to 4-year terms to administrate over the City and its services.

Additionally, the State of California provides many services for residents through their employment services, state parks, regulatory agencies, and state highway system. The services provided by the City, County, and State agencies have been adequate, despite budget cuts resulting from the passage of Proposition 13 in 1978 and past recession. Given the continued stability of local government, along with adequate revenues, these municipal services are expected to continue.

Future Outlook

The area's extraordinary expansion has created important challenges to its future growth (i.e., affordable housing, clean air, adequate water supply, and traffic congestion). Los Angeles County is a freeway county with many centers of economic activity. Distance is measured in terms of driving time, not miles. As traffic congestion increases, freeway and light rail access have become critical considerations for Los Angeles County and its commuters.

Despite the challenges that Los Angeles County faces, the region is expected to retain its premier position in the world for decades to come. This is supported by its strategic location, role among trading nations of the Pacific Rim and South America, vast transportation network, vital marketplace, skilled workforce, and climate. The region is expected to stabilize through 2010 and 2011, after experiencing recessionary conditions in 2009; however, many of the County's major industries will continue to struggle throughout the year.

[The following articles and sources have been used in development of the Regional Analysis: "2010-2011 Economic Forecast & Industry Outlook," Los Angeles County Economic Development Corporation; various articles from the Los Angeles Times; 1994-2010 Labor Market Information, California Employment Development Department; www.factfinder.census.gov, U.S. Census Bureau website; www.bls.gov/lau, U.S. Department of Labor Bureau of Labor Statistics website; lacounty.info, Los Angeles County website; www.dqnews.com, DataQuick News website]

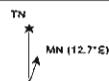
AREA MAP



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Scale 1 : 125,000



1" = 1.97 mi

Data Zoom 10-6

CITY DATA

The subject property is located in the City of Rancho Palos Verdes, within the southern tip of the Palos Verdes Peninsula in Los Angeles County. Rancho Palos Verdes is approximately 25 miles south of the City of Los Angeles and is bounded by the following surrounding cities, unincorporated areas and natural barriers:

- On the East Los Angeles (San Pedro)
- On the West Pacific Ocean
- On the South Pacific Ocean
- On the North Palos Verdes Estates, Rolling Hills Estates, and Rolling Hills

The Palos Verdes Peninsula consists of four incorporated cities - Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills and Rolling Hills Estates, along with two small areas of unincorporated territory of Los Angeles County. The City of Rancho Palos Verdes operates with a City Manager/City Council form of government.

The picturesque Palos Verdes Peninsula was established in 1834 by Jose Dolores Sepulveda who later named the area Rancho De Los Palos Verdes. The character of the development has resulted in preserving the residential setting, limiting commercial uses to isolated areas and disallowing industrial development entirely. The four cities which make up the Palos Verdes Peninsula were incorporated as follows: Palos Verdes Estates - 1940; Rolling Hills and Rolling Hills Estates - 1957; and Rancho Palos Verdes - 1973.

According to the Department of Finance Website, Rancho Palos Verdes, as of January 1, 2010, has a population of 42,893, which is up about 0.6% over the January 1, 2009 population of 42,642, and is the largest of the four cities on the Palos Verdes Peninsula. The City includes a significant portion of the Peninsula along the southern, eastern and western edges, and a major portion of the central section. Although Rancho Palos Verdes covers an area of only 13.5 square miles, it features 7.5 miles of striking coastline including peaceful coves and steep ocean cliffs. Some light agricultural activity still takes place on portions of the south coastal area. Properties range from slightly upscale single family homes, condominiums and townhouses to multimillion dollar mansions. Some homes off Palos Verdes Drive East are zoned for horses, and the east side of the City enjoys good access to the city and harbor of Long Beach and the Harbor (110) Freeway. Also located within the City are two golf courses, and the beautiful campus of Marymount College. Overall, since incorporation, growth has been controlled by the City and peninsula residents.

Rancho Palos Verdes is mostly residential and serves as a “upscale bedroom community” to the job centers located to the north and east. As of the 2000 census, Los Angeles County median household income was \$42,189, and the Rancho Palos Verdes median household income was \$95,503, or more than double the County figures. According to DQNews, and based on 27 transfers, the median sale price of single family homes was \$885,000 in March 2010, which was 2.2% less than in March 2009. Employment within Rancho Palos Verdes is diversified, as most upscale communities are, with all sectors represented. Preliminary figures for March, 2010, State of California, Employment Development Department - the labor force was estimated at 21,000, with 900 unemployed. As such, the unemployment rate of 4.2 percent is significantly below the Los Angeles County unemployment rate of 12.3 percent. According to the Palos Verdes Chamber of Commerce, the chamber for the four Palos Verdes Peninsula cities, Marymount College, with 200 employees, is the major employer. Most of the City employers are small employers with staffs of 5-to-10 employees, providing local services and sales. No industrial uses are permitted on the peninsula. There is adequate local shopping, and regional malls are located off the Peninsula in nearby Torrance and Long Beach. The Palos Verdes Peninsula Unified School District provides 12 elementary, and 6 middle and high schools, in addition to Marymount College.

Major north-south arterials are Hawthorne and Crenshaw Boulevards, and Palos Verdes Drive, north, south, east and west and almost encircles the peninsula, and all connect with either the San Diego (405) Freeway or the Harbor (110) Freeway which provide access in all directions to the major cities of California and beyond. Los Angeles International is approximately 15 miles away. Regional rail service is provided by Metrolink via its station in Long Beach, and bus service is provided by the Metropolitan Transit Agency.

In conclusion, the subject property is located in a well-established community. Its proximity to regional transportation, which includes major freeways, airports, rail service, and public transportation, is considered average. New construction will be controlled, both commercial and residential, due to the topography, preservation of sensitive biological habitat, and the overall slow growth attitude of city administration and peninsula residents. The continued and future acceptance of the Rancho Palos Verdes area appears good, once the national and local economy improve.

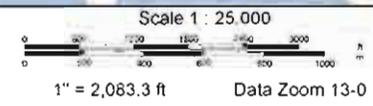
NEIGHBORHOOD MAP



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NEIGHBORHOOD DATA

The subject property is located at 30940 Hawthorne Boulevard, on a south-facing slope in the City of Rancho Palos Verdes, at the southern tip of the Palos Verdes Peninsula in Los Angeles County. The subject's neighborhood is bounded by Palos Verdes Estates and Crest Road on the north, the Pacific Ocean on the west and south, and the City of Rolling Hills on the east.

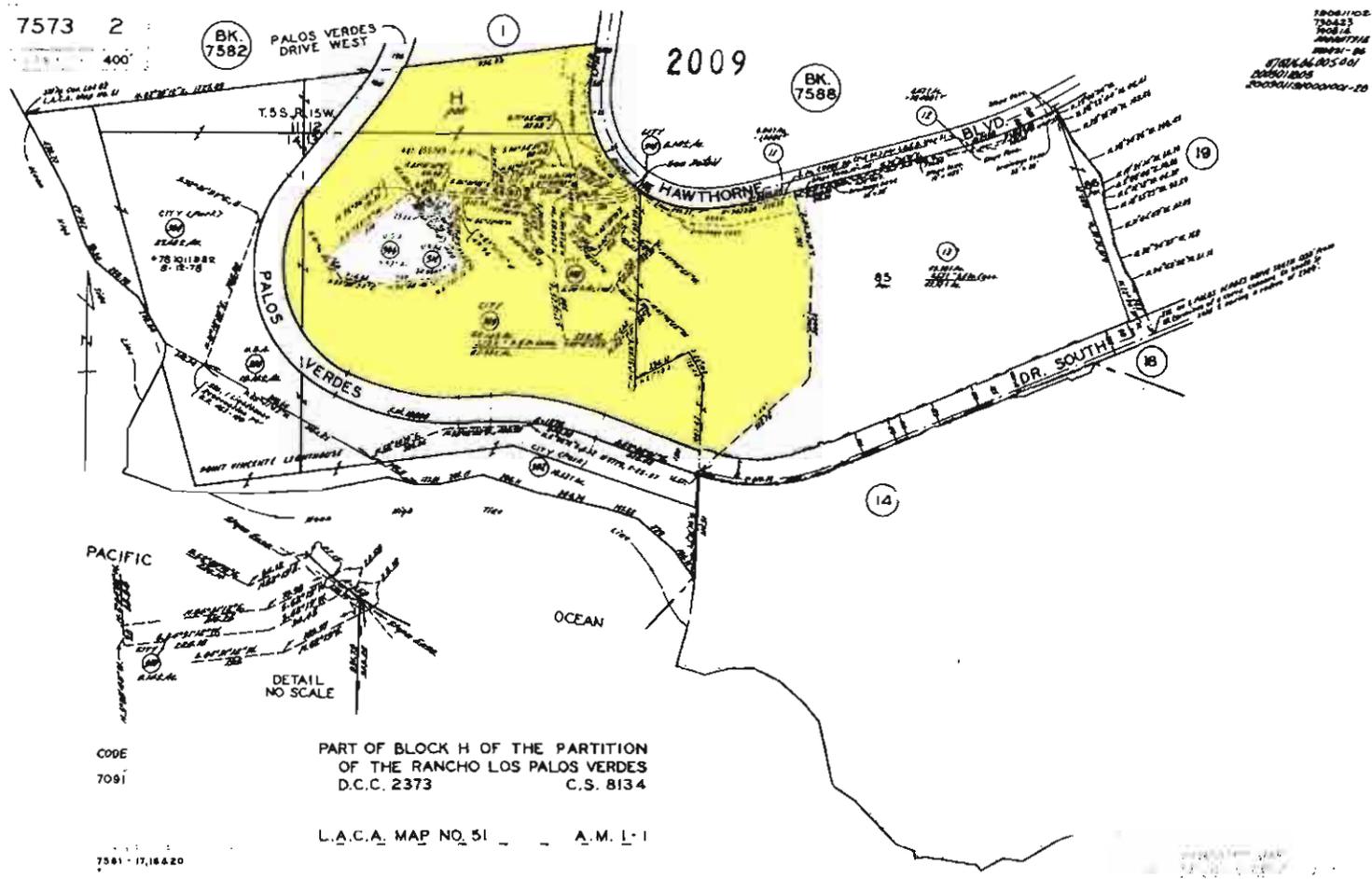
The subject property is located outside of the former "Landslide Moratorium Area". The subject neighborhood uses consists primarily of open space and protected land, with low density residential land, Overlay Control Districts, and sensitive biological habitat. There are limited agricultural, recreational and equestrian uses.

Primarily residential and commercial uses are located proximate to the subject property, and to the east, west and north of the subject's neighborhood. Overall, the subject's neighborhood land uses are as follows: commercial 5±%, public and recreational 20±%, residential 40±%, and open space 35±%. There are no industrial uses on the peninsula. Much of the neighborhood has steep topography, which constrains development.

The closest freeway access to the east is the Harbor (110) Freeway approximately 7 miles, and the San Diego (405) Freeway to the north approximately 7 miles. The Pacific Ocean is located to the south and west.

The neighborhood, although rural in nature, is located in proximity to employment centers, commercial shopping, major thoroughfares, and regional transportation systems. These transportation systems provide linkage to rail, airport, port facilities and regional freeway systems. Community facilities, such as libraries, parks, golf courses, and schools are all located nearby to the subject property.

In conclusion, the subject's neighborhood growth has been and will continue to be controlled by the City and peninsula residents. This affluent neighborhood is somewhat insulated from the economic woes that plague the rest of the state and nation. As such, the neighborhood is in a stable stage of development. The future acceptance of the subject appears good once the economy improves.



CODE
7091

PART OF BLOCK H OF THE PARTITION
OF THE RANCHO LOS PALOS VERDES
D.C.C. 2373 C.S. 8134

L.A.C.A. MAP NO. 51 A.M. L-1

7581 - 17,164.20

PLAT MAP

SITE DESCRIPTION

Location

The subject property is located between the south side of Hawthorne Boulevard, and the north side of Palos Verdes Drive South, near Crestmont Lane in the City of Rancho Palos Verdes, Los Angeles County, State of California, 90275.

Size And Shape

The subject site consists of four contiguous parcels and is irregular in shape and contains 72.90± acres or 3,175,524± square feet. Due to the curving property boundaries of the subject site, we have relied on the Assessor's Plat Map for area and limited boundary dimensions, shown on the accompanying page.

Topography/Drainage

The northeastern portion of the subject site has level to slightly sloping topography, with the majority of the site being primarily rolling with some areas of steeper sloping topography, and an elevation change of approximately 100± feet between the southern and northern boundaries. The topography affords many portions of the site excellent views of the coastline, Pacific Ocean, Catalina Island and surrounding area. Drainage is currently accomplished by natural runoff through the numerous watercourses and storm drains are located along Hawthorne Boulevard and Palos Verdes Drive South. Development would require the installation of drainage structures within the street right-of-ways serving the Institutional zoned lots, with drainage from the natural open space maintaining the current water courses.

Flood Zone

Per FIRM Panel No. 06037C2025 F, dated September 26, 2008, the subject is located in Zone X. Zone X is an area determined to be outside of the 0.2% annual chance floodplain. Flood hazard insurance is available but is not required by federal regulations.

Nuisances and Hazards

Although requested, Riggs & Riggs, Inc., was not provided with a copy of a Phase I or Phase II Environmental Site Assessment Report pertaining to the subject property. Unless otherwise stated in this report, the existence of any potentially hazardous material, which may or may not be present on the subject property, was not observed during our inspection. Riggs & Riggs, Inc., however, is not qualified to detect such substances. The presence of substances such as contaminated soil, tainted groundwater, or other potentially hazardous materials may affect the value of the subject property. The opinion of value is predicated on the assumption that there is no such material on or in the subject property that would cause a loss in value. **(Please refer to Extraordinary Assumption No. 19.)**

Environmental Issues

The subject site is currently covered by native grasses, shrubs and trees, including pockets of coastal sage scrub, which is the natural habitat for the California Gnatcatcher, and most likely the Palos Verdes Blue Butterfly Host Plant, and the Cactus Wren. All of these identified plants, insects and animals, are considered endangered species. Any development would require a biological study as to the impact of the development on the sensitive native habitats. In July 2004, the City of Rancho Palos Verdes approved a Natural Communities Conservation

Planning (“NCCP”) Subarea Plan. The Subarea Plan is still awaiting final approval by the California Department of Fish and Game and the U.S. Fish and Wildlife Service. The Subarea Plan encompasses the entire city. This plan is intended to provide comprehensive management and conservation of multiple species, including but not limited to, species listed under State or Federal Endangered Species Acts. Due to the species identified on the subject site, the subject is identified in the City’s NCCP Subarea Plan as a good candidate for inclusion into the City’s NCCP Preserve, as it meets the goals of the NCCP.

Soils And Geology

Although requested, Riggs & Riggs, Inc. was not provided a soils and geological report of the subject property. The Palos Verdes Fault is a Type B active fault and is not listed as an Alquist-Prilio Earthquake Zone. The subject site is not located within an Alquist-Priolo Earthquake Fault Zone. None of the subject site is within the ancient landslide area, but is in proximity of four (4) recent active landslides: 1) the Portuguese Bend landslide in 1956, followed by 2) the Abalone Cove landslide, 3) the Klondike Canyon Landslide, all located in the City of Rancho Palos Verdes, and 4) the Flying Triangle landslide in the City of Rolling Hills. **Discussions with Joel Rojas, City Planner with the City of Rancho Palos Verdes, indicates there are no restrictions on development of the subject property except zoning requirements and the Program of Utilization. For the purposes of this appraisal, it is assumed that the geologic conditions are not unfavorable, unless otherwise noted in this report. (Please refer to Extraordinary Assumption No. 18.)**

Utilities

Customary public utility services are located to or in proximity to the subject site. Sanitary sewers are not immediately available to the subject site. Utility services in the neighborhood are provided by the following companies:

Gas	The Gas Company
Water	California Water Service Company
Electric	Southern California Edison Company
Telephone	AT&T

Offsite improvements, such as gutters, storm drains, and streetlights are located along Hawthorne Boulevard and Pals Verdes Drive South.

Accessibility/Visibility

The subject site can be accessed via Hawthorne Boulevard on the north, and Palos Verdes Drive South on the south. Palos Verdes Drive almost encircles the Palos Verdes Peninsula, and to the east becomes 25th Street in San Pedro, which via Gaffey Street connects with the Harbor (110) Freeway. Hawthorne Boulevard connects with the San Diego (405) Freeway, providing linkage to the greater Southern California regional transportation systems. Thus, the subject site has average visibility and accessibility.

Zoning

The subject site is governed by the Zoning and General Plan enforced by the City of Rancho Palos Verdes. The subject site is located within an area encumbered by two (2) zoning designations. Summary discussion for each of these land use designations follow.

The two (2) zoning designations are: 1) I - Institutional, and 2) OR - Open Space - Recreational.

APNs 7875-002-908, 910 and 913 are zoned I-Institutional and comprise 7.80± acres of the subject property site. The “ I” zone was established to provide for a wide range of major public and quasi-public, institutional and auxiliary uses established in response to the health, safety, educational, cultural and welfare needs of the city in efficient, functionally compatible and attractively planned administrative centers, medical centers, cultural centers, educational institutions and similar uses in conformance with the General Plan. Permitted uses include temporary special uses and developments with a special use permit, commercial filming or photography with a city film permit, recycling centers, temporary vendors with a temporary vendor permit, and minor professional and retail commercial uses (such as small offices for bookkeeping, consulting, management and mail order or small businesses that create or assemble a product for sale off-site) which are clearly ancillary to the major use, if the applicant can demonstrate that the proposed use would not result in adverse impacts to on-site or surrounding land uses. Uses that require a Conditional Use Permit include, but are not limited to, public facilities, educational facilities, churches or temples, clinics or animal hospitals, sanitariums, nursing homes, rest homes, homes for the aged, public utility structures, and outdoor active recreational uses and facilities. Development Standards include front and street side setbacks of 25 feet (55 feet for private or nondedicated roads), interior side and rear setbacks of 20 feet, a maximum building height of 16 feet / 1 story except by conditional use permit, and an approved exterior lighting plan. Parking requirements vary depending on use.

APN 7573-002-909 is zoned OR, Open Space - Recreational, and contains approximately 65.10± acres. The OR zone is an Open Space Recreation zone designation established to provide open space for outdoor recreation including, but not limited to, areas particularly suited for park and recreational purposes, including access to beach, natural drainage channels and areas which serve as links between major recreation and open space reservations, including utility easements, banks of natural drainage channels, trails and scenic corridors. OR development standards are one acre minimum lot size, building height of 16 feet / 1 story, maximum lot coverage of 10% of the total area, and parking per the Planning Commission. All other uses require a Condition Use Permit, and compliance to all Overlay Control District requirements.

The subject site is also encumbered by two Overlay Control Districts in the City of Rancho Palos Verdes: the Natural, and the Urban District, which impacts 5.00± acres of the OR-zoned land.

OC-1, is the Natural Overly Control District, and was established to: 1) Maintain and enhance land and water area necessary for the survival of valuable land and marine-based wildlife and vegetation, and 2) Enhance watershed management, control storm drainage and erosion, and control the water quality of both urban runoff and natural water bodies within the City.

OC-3, is the Urban Overly Control District, and was established to: 1) Preserve, protect and maintain land and water areas, structures and other improvements which are of significant value because of their recreational, aesthetic and scenic qualities, as defined in the visual aspects portion of the General Plan and corridors element of the Coastal Specific Plan; 2) Preserve, protect and maintain significant views and vistas from major public view corridors and public lands and waters within the City which characterize the City’s appearance as defined in the visual aspects portion of the General Plan and the corridors element of the Coastal Specific Plan; 3) Insure that site planning, grading and landscaping techniques, as well as improvement planning, design and construction will preserve, protect and enhance the visual character of the City’s predominate land forms, urban form, vegetation and other distinctive features, as identified in the General Plan and the Coastal Specific Plan; and 4) Preserve, protect and maintain significant views of and from slope areas within the community which characterize the City’s dominant land form appearance.

Overlay District requirements impact a potential construction project to the extent that the planned construction must meet the requirements for wildlife preservation, watershed management and quality, storm drains, and preserve, protect and maintain significant views and vistas. If there are issues involving the requirements of the applicable Overlay District's, then these issues must be mitigated to the satisfaction of the City, in site planning, grading, and landscaping of the project.

General Plan

The subject's General Plan land use designations, and Overlay Districts are similar to zoning designations. Thus, subject's zoning designation is in conformance with the General Plan.

Encumbrances

Although requested, Riggs & Riggs, Inc., was not provided an updated Preliminary Title Report, underlying documents and/or a constraint map with easements plotted, as of the date of this report. Riggs & Riggs, Inc., was provided by Client a Preliminary Title Report prepared by Title Insurance and Trust Company, dated January 8, 1979. Since this title report was prepared 31 years ago, it is not known whether encumbrances noted are still in force, but we have relied upon it for purposes of analysis. The Preliminary Title Report with said legal description can be found in the Addenda section of this Summary Appraisal Report; and, 2) a copy of a Quitclaim Deed, dated September 25, 1978, (with no recording date) whereby the United States of America, acting by and through the Administrator of General Services, transferred ownership to the City of Rancho Palos Verdes. Additionally, the Client provided copies of three (3) recorded documents dated after the above Preliminary Title Report: 1) Underground Easement in favor of the Southern California Edison Company, recorded as Document No. 80-307458, on March 26, 1980; 2) Easement in favor of Southern California Edison Company, recorded as Document No. 88-1353571, on August 25, 1988; and 3) a Sewer Easement in favor of the County Sanitation District No.5 of Los Angeles County, recorded as Document No. 2009-0111840, on January 28, 2009. These easements appear to be usual and normal and are needed in an urban environment and are not seen as negatively impacting the subject property. Additionally, APN 7573-002-909, is subject to a deed restriction filed by the Federal Government upon transfer to the City of Rancho Palos Verdes in 1978, that the property must be used in perpetuity for public recreational purposes. The site is subject to a Program of Utilization (POU) for review and approval by the National Parks Service. The approved POU stipulates that the majority of Parcel 909 must be used for passive recreational use (trails, picnic areas, nature study, etc.), with a 6.6± acre area in the northwestern portion of the parcel designated for active recreational use (sports, fields, etc.).

We make no legal opinion or express any warranty about the property rights, liens, encroachments, or easements affecting the subject property. Further, this appraisal report has been prepared assuming the property is free and clear of any liens or debt recorded against each property. The user of this report should review a copy of a Preliminary Title Report and all underlying documents and consider the impact of any items that may have an effect on value. Riggs & Riggs, Inc., reserves the right to alter the opinion of value if an updated Preliminary Title Report and/or encumbrance map, is provided subsequently. (Please refer to Extraordinary Assumption No. 20.)

Site Utility

The functional utility of the subject site is considered poor-to-fair as to the open space portion of the site and fair-to-average as to the institutional portion of the site. The Institutional zoned portion of the site is level to slightly sloping, and the OR portion of the site is primarily rolling with areas of steeper sloping topography, and environmental issues. The subject site is irregular in shape, with a 100 ± foot elevation change from the southern to northern boundaries. The site is therefore suitable for mostly passive recreational uses, with a portion allowing active recreational uses, and only 7.80± acres allowing institutional use.

Real Estate Assessment Data

The underlying fee parcels are identified as APN's 7573-002-908, 909, 910, and 913, of the County of Los Angeles Assessor's Maps. The Tax Code area is 07148. The 2009 - 2010 tax rate is 1.055672 percent per \$100 of assessed value. Real estate taxes are 1.00 percent of the market value of the property, as of a specified base year. The based year valuation is the 1975 Assessor's market value estimate, or the market value indicated by a sale, or market value based upon a new valuation, or reappraisal of the property brought about by new construction.

The 1.00 percent General County Tax (ad valorem) was established with passage of Proposition 13. The general levy of 1.00 percent is distributed among agencies in the County on a county-wide basis; and its distribution changes each year based on increases or decreases in assessed value. Additionally, any jurisdiction may levy a tax rate in excess of the General Tax Levy in order to produce revenues in an amount needed to make annual payments for the interest and principal on any bonded indebtedness which was approved by the voters. A maximum 2 percent per year increase in the assessed values assigned to the land and improvements is allowed to compensate for inflation if there is no data or new construction.

The County of Los Angeles is a Politic Subdivision, a tax-exempt entity. As such, the Los Angeles County Tax Assessor has not assessed the underlying fee parcels, as to property taxes or direct assessments.

Direct assessments can include weed removal, landscape, flood control, refuse, sewer, sidewalk repair, and lighting assessments. We have estimated real estate taxes based on the market value of the subject property of \$4,570,000 and a 2009-2010 tax rate of 1.055672 percent, at \$48,244, exclusive of special assessments.

HIGHEST AND BEST USE

Highest and best use is defined on page 305 of The Appraisal of Real Estate, Appraisal Institute (12th Edition, 2001), as:

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.”

The concept of highest and best use represents the premise upon which value is based. In the context of the fair market value definition (highest price) used in this report, other appropriate terms can also reflect the highest and best use concept. These are the most probable and most profitable use for the site, first "as if vacant" and then "as improved or proposed."

The determination of highest and best use is based not only on an analysis of the property in question, but also on an analysis of the overall community, its history and trends, zoning, market conditions, as well as the basic principles of land utilization.

As indicated in the definition above, there are four elements in highest and best use analysis that must be considered. The highest and best use of a property is that use, among alternate uses, that is legally permissible, physically possible, financially feasible, and maximally productive.

The following factors must be considered as follows:

- Legal Use - The use in question must be legally permissible.
- Physical Use - The use in question must be physically possible.
- Feasible Use - The use in question must be economically feasible, not speculative or conjecture.
- Productive Use - Among the feasible uses, that use which will produce the highest net return to the land.

Factors controlling highest and best use include:

- Type of use;
- Duration of use;
- Location of use; and
- Degree of intensity of use-density.

The highest use of land is dictated by zoning and other government and/or private restrictions. The best use is constituted by that single use from the possible alternative types of improvements which will produce the greatest economic advantage.

The following sections are our conclusions of Highest and Best Use As-Vacant:

As-Vacant

The Highest and Best Use of the subject as vacant assumes that the property is vacant or could be rendered vacant by demolishing the existing improvements. Based on that assumption, possible uses for the property can be considered among those uses which are legally permissible, physically possible, financially feasible, and maximally productive.

Legal - The subject's zoning and General Plan designations are governed by the City of Rancho Palos Verdes. The property is impacted by two zoning designations with 5.00± acres impacted by two overlay districts, and sensitive environmental issues. APNs 7875-002-908, 910 and 913 contain 7.80± acres of the subject site and are zoned I - Institutional. The I designation provides for a wide range of major public and quasi-public, institutional and auxiliary uses such as public and educational facilities, churches and temples, clinics and animal hospitals, sanitariums, nursing and rest homes and homes for the aged, public utility structures, and outdoor recreational uses and facilities. Development Standards include front and street side setbacks of 25 feet (55 feet for private or nondedicated roads), interior side and rear setbacks of 20 feet, a maximum building height of 16 feet / 1 story except by conditional use permit, and an approved exterior lighting plan. Parking requirements vary depending on use. The majority and balance of the site, or 65.10 acres, is zoned OR - Open Space Recreational. The OR designation, is an open space use, established to provide open space for outdoor recreation including, but not limited to, areas particularly suited for park and recreational purposes, including access to beach, natural drainage channels and areas which serve as links between major recreation and open space reservations, including utility easements, banks of natural drainage channels, trails and scenic corridors. OR development standards are one acre minimum lot size, building height of 16 feet / 1 story, maximum lot coverage of 10% of the total area, and parking per the Planning Commission. Two overlay districts on approximately 5.00 acres of the OR zoned land, further restrict uses and development and preserve, protect and maintain land and water areas, structures and other improvements which are of significant value because of their recreational, aesthetic and scenic qualities. The subject site is currently covered by native grasses, shrubs and trees, including pockets of coastal sage scrub, which is the natural habitat for the California Gnatcatcher, and most likely the Palos Verdes Blue Butterfly Host Plant, and the Cactus Wren. All of these identified plants, insects and animals, are considered endangered species. Any development would require a biological study as to the impact of the development on the sensitive native habitats. There do not appear to be any recorded encumbrances that are considered to adversely impact the subject site, beyond the deed restriction to maintain the OR- zoned parcel for active, but mostly passive, recreational use. These are the legal uses of the land.

Physical - Development constraints imposed on a site vary by its configuration, size, and topography which are fixed in location. The site is irregular in shape and has a gross land area of 72.90± acres, or 3,175,524± square feet. The topography for the Institutional zoned portions of the property is level to slightly sloping, and the topography for the OR zoned portions of the property is primarily rolling-to-steeper, with a change of elevation of approximately 100± feet between the southern and northern boundaries. The subject site also contains areas of sensitive native habitat - Coastal Sage Scrub, the host plant of the California Gnatcatcher, and most likely the Palos Verdes Blue Butterfly host plants, and the Cactus Wren, all considered endangered species. Development in these areas would require a biological study as part of the NCCP. Visibility and accessibility are considered average. Given the legal and physical use restrictions of the site, the site utility for the Institutionally zoned areas of the subject site is considered fair-to-average, and for the Open Space Recreation is considered poor-to-fair.

Economic - The best use is considered to be that single use from among all the physically possible uses permitted by zoning which will produce the greatest economic advantage to a vacant site. This is due to the fact that real estate is fixed in location and return on land arises from the residual value remaining after all expenses of operation and finance are deducted from the gross sale proceeds.

Surrounding land uses are mixed: open space, single family residences, recreational both passive and active, golf courses, Marymount College, and commercial. No industrial uses are allowed on the peninsula. A new hotel development (Terranea) along Palos Verdes South and just below the subject property, has been completed and is open for business. Single family residential uses are proximate to the subject property. The Golden Cove shopping center is located within one mile to the west at the intersection of Hawthorne Boulevard and Palos Verdes West, and a second center, anchored by Ralph's, is located approximately two miles to the north along the west side of Hawthorne Boulevard. Very little new construction was evident in the market.

Based on a cursory review of the zoning, physical site, it is our opinion that it is economically feasible to construct an institutional use on the property zoned for institutional uses if funding is available, and to hold as open space the 65.10 acres, open-space zoned portion of the site. The maximally-productive use is considered to be that single use from among all the legally permissible and physically possible uses that will produce the greatest economic advantage to a vacant site. After review of the legal, physical, and economic factors mentioned relative to the subject, it is our opinion that the highest and best use of the site, is to develop the Institutional zone property if funding is available. The remainder of the site should be maintained for open space use, as provided by the City of Rancho Palos Verdes Zoning and General Plan, and the Program of Utilization.

Improvement Summary

Although there are improvements on the subject site, including the City administrative offices, Riggs & Riggs, Inc., at the request of the Client, is valuing only the underlying fee land. **(Please refer to Extraordinary Assumption No. 17.)**

APPROACHES TO VALUE

The valuation of any parcel of real estate is derived principally through the three basic approaches to market value: the Cost Approach; the Income Capitalization Approach; and the Sales Comparison Approach. The methodology used in the following sections of the appraisal include:

Cost Approach - This approach to value is devoted to an analysis of the physical value of the property; that is, the current market value of the vacant land, to which is added the cost to construct the improvements. Any accrued depreciation is deducted for physical deterioration, functional obsolescence, and external obsolescence. Physical deterioration measures the physical wearing out of the property as observed during the field inspection. Functional obsolescence reflects a lack of desirability by reason of layout, style or design of the structure. External obsolescence denotes a loss in value from causes outside the property itself.

Income Capitalization Approach - Investment properties are normally valued in proportion to their ability to produce income. Hence, an analysis of the property in terms of its ability to provide a sufficient net annual return on invested capital is an important means of valuing an asset. An opinion of value by the Income Capitalization Approach is arrived at by capitalizing the net income at an interest rate or investment yield commensurate with the risk inherent in the fee ownership of the property. Such a conversion of income considers competitive returns offered by alternative investments. Commercial developments are considered to be desirable real estate investments.

Sales Comparison Approach - This approach to value is based upon the principle of substitution; that is, when a single-family estate is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable property, assuming no costly delay in making the substitution. As no property is identical to another, it is necessary to make adjustments for any differences.

The indications of value derived by the three approaches are not always possible or practical to use. The nature or the property being appraised, and the amount, quality, and type of market data available dictates the use or non-use of one or more of the approaches to value. In this appraisal, only the Sales Comparison Approach is utilized since the subject property is vacant land.

SALES COMPARISON APPROACH

The application of the Sale Comparison Approach produces an opinion of value for subject property by comparing with similar or comparable properties which have recently sold. The comparison process is used to determine the degree of comparability between two properties. This process involves judgment. Similarity in value factors, such as, property rights, buyers expenditures, financing, condition of sale, time of sale, location, and physical characteristics are considered meaningful for this analysis.

The sale price of the properties deemed to be most comparable establish a range in which the value of the subject property should fall. Further consideration of the comparative data will indicate a figure representing the value of the subject property -- the highest price at which it could be sold by a willing seller to a willing buyer as of the date of value.

The technique is fairly simple in nature. Sales data of comparable properties are gathered, investigated, and verified. Data sources have been discussed, and each sale is confirmed with buyer, seller, or representative. After verification, comparison is made between the comparable and the subject. Adjustments, if required, are made for any differences between sale and subject. The result is some unit or units of comparison which will be helpful in evaluating the subject property.

The Sales Comparison Approach is used to estimate the value of real estate, based on the theory that an informed and prudent buyer would not pay more for a property than the cost of acquiring another property with the same utility. It is, therefore, based upon the principle of substitution. This approach requires an active market and the availability of other properties from which a buyer can make a choice.

Several transfers are considered reasonably comparable to the subject property and suitable for further analysis. Data items are narrowed to those sales which exhibit the greatest similarity to subject property. In order to determine an indicated value, the subject property is evaluated based on the Sale Price Per Square Acre Method and the Sales Price Per Square Foot Method, as discussed below.

Market Data Summary

Consistent with the conclusion of highest and best use as vacant, the subject site consists of dual-zoned property allowing open space-recreational and institutional uses. Each zoned portion of the subject property will be valued separately. Few transfers were found that were considered reasonably comparable to each of the subject zoning areas due to the large size of the subject, restrictive zoning, and encumbrances which impact the property. Therefore, our search parameters were widened to include sales within the past 4 years. For the Institutional zoned parcels, we included open space/physically restrictive land and commercial land sales to essentially establish a floor and ceiling for land values that could be analyzed to provide a value indication for the institutionally-zoned portion of the subject site. For the open space-zoned portion of the site, we utilized open space and physically constrained sales to support an indication of land value. The open space-zoned portion has been valued on a sale price per acre basis, consistent with the market. The sales were gathered, compared and analyzed. The results of this process provide the basis for the opinion of value for the site as if vacant and available for its highest and best use.

After a value indicator from each land data set is concluded and applied to that portion of the subject site, the two value indications are totaled to provide an indication of value for the subject property. All of the sales are adjusted for quantitative factors, when applicable. Our market data is found on the following pages and location map depicting each sale.

INSTITUTIONAL LAND SALES MAP



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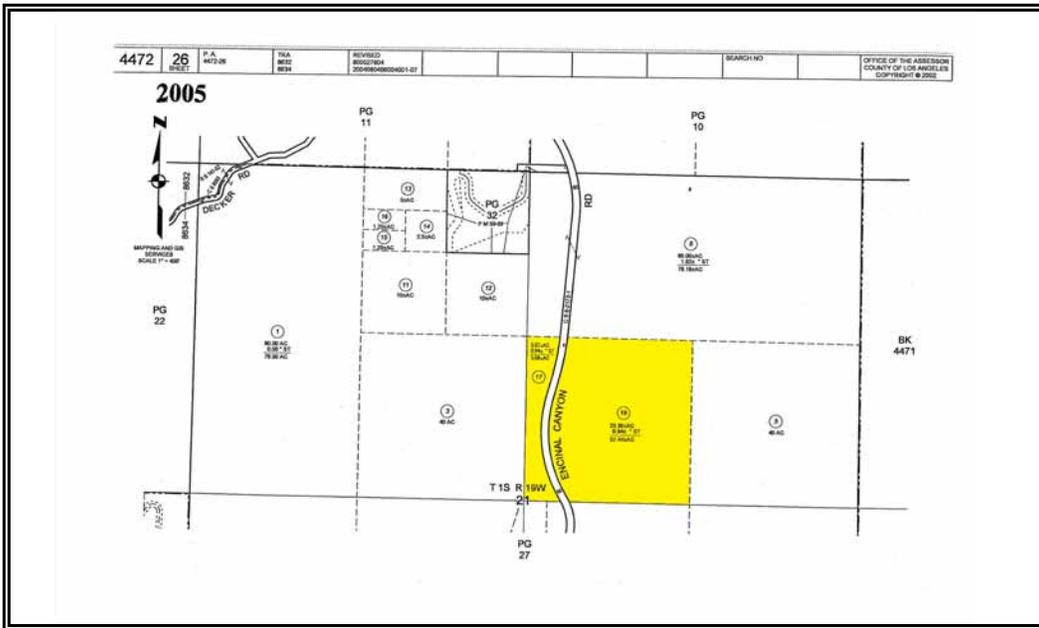
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1" = 9.47 mi Data Zoom 8-4

LAND SALES SUMMARY FOR INSTITUTIONAL PORTION OF SUBJECT PROPERTY

Data No.	Location	Sale Date	Document No.	Land Area (SF)	Sale Price
				Zoning	Sale Price/SF
1	East and west side of Encinal Canyon Road, south of intersection of Lechusa Road and Encinal Canyon Road Unincorporated Los Angeles County, CA 90265	04/01/10	10-0441638	1,742,400	\$490,000
				LAC, A-1-1	\$0.28
2	East and West side of Decker School Road, and East and West Side of Decker Canyon Road Unincorporated Los Angeles County, CA 90265	12/29/09	09-1974501	1,742,400	\$600,000
				LAC, A-1-1	\$0.34
3	Southeast Corner of West Spring Street and South Atlantic Avenue Long Beach, CA 90807	10/30/09	09-1645339	268,765	\$4,200,000.00
				Signal Hill, C-O	\$15.63
4	South of Terminus of Mountain Park Road, along Calabasas Peak Motorway (a Trail) Unincorporated Los Angeles County, CA 90290	03/04/09	09-0303690	1,089,000	\$98,000
				LAC, A-1-10	\$0.09
5	24000 Garnier Street Torrance, CA 90505	08/14/08	08-1464183	93,654	\$4,126,000
				Torrance, M2	\$44.06
6	2300 Martin Luther King Jr. Avenue Long Beach, CA 90806	05/29/08	08-0944352 08-0944355	120,326	\$4,200,000
				Long Beach, CS/PD22	\$34.91

LAND SALE NO. 1



Physical Description

Location: East and West side of Encinal Canyon Road, south of the intersection of Lechusa Road and Encinal Canyon Road
 Unincorporated Los Angeles County, CA 90265

Thomas Map: Los Angeles, 626, F/2

Assessor Parcel Numbers: 4472-026-017 and 018

Land Description

Size: 40.00 Acres/1,742,400 Square Feet

Shape: Irregular

Topography: Level to Rolling to Steep Sloping

Zoning: A1-1, Los Angeles County

Sale Data

Interest Sold: Fee Simple

Sale Date: April 1, 2010

Deed Date: March 5, 2010

Sale Price: \$490,000

Sale Price/SF: \$0.28

Document No: 10-0441638

Grantee: Williams Consolidated

Grantor: Erin Murphy Williams O'Hara, a married woman as her Sole and Separate Property as to an undivided 40% interest, and Erin Murphy Williams O'Hara, Trustee of The Caroline Murphy Trust, as to an undivided 40% interest, and Erin Murphy Williams O'Hara, as Trustee of The Virginia Murphy Trust, as to an undivided 20% interest

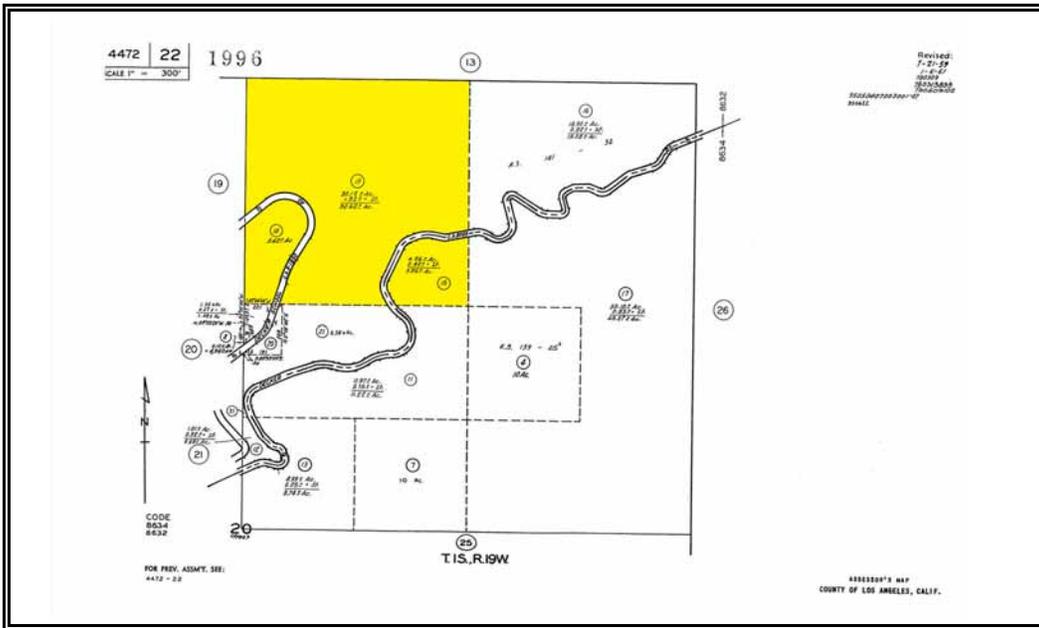
Financing: All cash sale

Verification:

Listing Broker - Bill Moss

Comments: According to the broker, the sale was at arm's length and at market price. The buyer plans to hold the property for future personal use.

LAND SALE NO. 2



Physical Description

Location: East and West side of Decker School Road, and East and West Side of Decker Canyon Road, Unincorporated Los Angeles County, CA 90265

Thomas Map: Los Angeles, 626, D/2

Assessor Parcel Number: 4472-022-015, -018 and -019

Land Description

Size: 40.00 Acres/1,742,400 Square Feet

Shape: Irregular

Topography: Rolling to steep

Zoning: A1-1, Los Angeles County

Sale Data

Interest Sold: Fee Simple

Sale Date: December 29, 2009

Deed Date: November 2, 2009

Sale Price: \$600,000

Sale Price/SF: \$0.34

Document No: 09-1974501

Grantee: James Keach, Trustee of the Keach Family Trust

Grantor: Dale R. Davis, et al

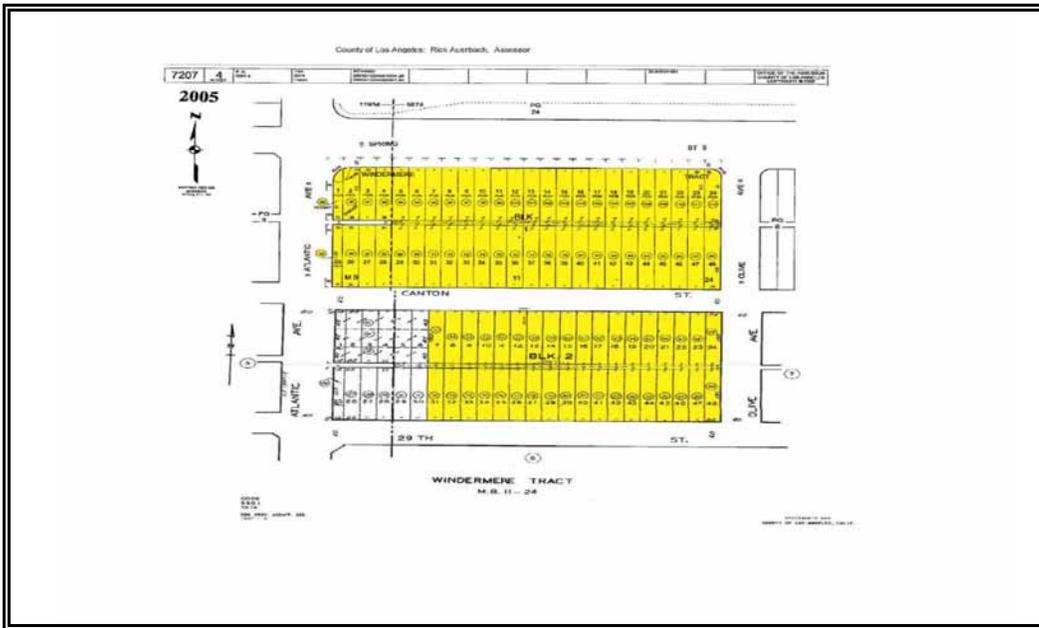
Financing: All cash sale

Verification:

Broker - Bill Moss

Comments: According to the broker, the sale was at arm's length and at market price. The buyer plans to hold the property for future personal use.

LAND SALE NO. 3



Physical Description

Location: Southeast corner of West Spring Street and South Atlantic Avenue, Long Beach, CA 90807
Thomas Map: Los Angeles, 795-E/2
Assessor Parcel Number: 7207-004-025 thru -028; 7207-004-069 thru -112; 7207-005-052 thru -069, and -072 thru -089

Land Description

Size: 6.17 Acres/268,765 Square Feet
Shape: Rectangular
Topography: Level to rolling
Zoning: CCA (Community Commercial Automobile - Orientated), City of Long Beach, and C-O (Commercial - Office) City of Signal Hill

Sale Data

Interest Sold: Fee Simple
Sale Date: October 30, 2009
Deed Date: October 20 2009
Sale Price: \$4,200,000
Sale Price/SF: \$15.63
Document No: 09-1645339
Grantee: Signal Hill Redevelopment Agency, a Public Body, Corporate and Politic
Grantor: Spring Properties Inc., a California Corporation
Financing: \$300,000 (37%) cash down; \$500,000 1st TD with seller at reportedly market terms

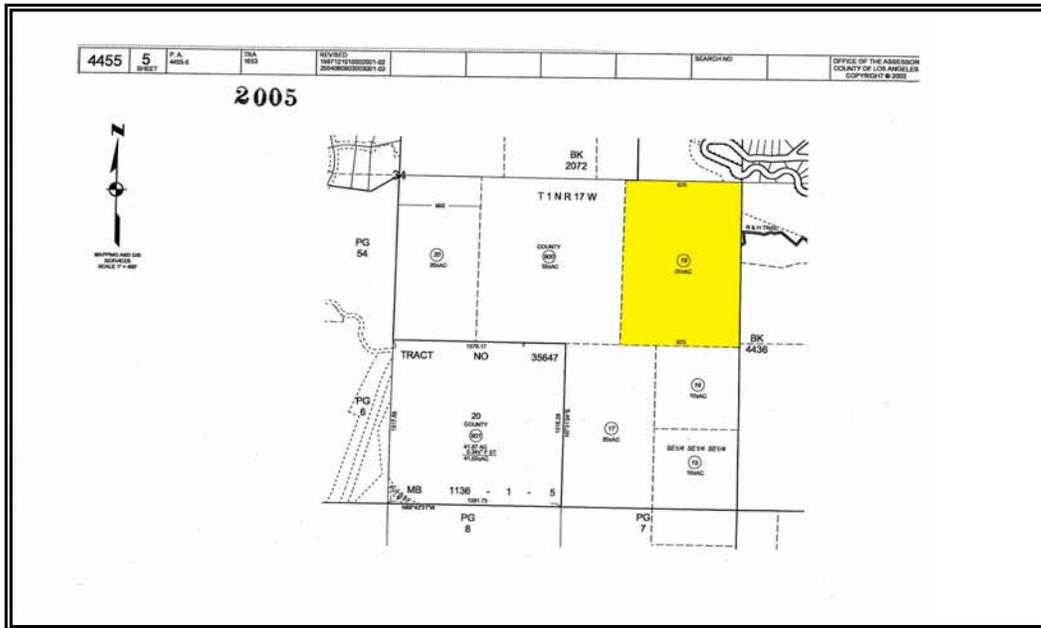
Verification:

Buyer - Elise McCaleb/Mary Torres

Land Sale No. 3 - Continued:

Comments: This site is located in two cities. A small strip of land along the east side of Atlantic, is located in the City of Long Beach, and is zoned CCA (Automobile Orientated), and the remaining larger portion is located in the City of Signal Hill, and is zoned C-O (Commercial Office). According to Ms. McCaleb, Signal Hill Redevelopment Agency, the seller contacted the City expressing their interest to sell the property, prior to listing the property on the market. A negotiation began for this corner location, which ultimately was resolved at \$15.63 per square foot. The City did not perform an appraisal, as they were knowledgeable of area property values because they had recently acquired an adjacent property under voluntary circumstances, without the threat of eminent domain, for an average price of \$13.00 per square foot. There are two operating oil wells on the property, and according to Ms. Caleb, since most of Signal Hill is operating oil fields, there is very little discount of the purchase price for soil contamination. According to the City, this will be addressed at a later date. Further, Ms. Caleb stated the oil wells were not part of the purchase price, and that to her knowledge, no land lease payments are made to the City, and each well site has the use of a certain surface area. The City has no immediate plans, but will most likely develop a use which is compatible with the Long Beach Memorial Hospital located directly across the street, along the west side of Atlantic Avenue. The City considered their purchase to be at market, and arm's length since the seller approached them directly.

LAND SALE NO. 4



Physical Description

Location: South of Terminus of Mountain Park Road, along the Calabasas Mountain Motorway
Unincorporated Los Angeles County, CA 90290

Thomas Map: Los Angeles, 589, D/2

Assessor Parcel Number: 4455-005-019

Land Description

Size: 25.00 Acres/1,089,000 Square Feet

Shape: Rectangular

Topography: Level to rolling to steep

Zoning: A1-10, Los Angeles County

Sale Data

Interest Sold: Fee Simple

Sale Date: March 4, 2009

Deed Date: February 3, 2009

Sale Price: \$98,000

Sale Price/SF: \$0.09

Document No: 09-0303690

Grantee: Roger Charles, a Single Man

Grantor: FDIC as Conservator for Indymac Federal Bank, FSB Successor to FDIC as Receiver for Indymac Bank FSB

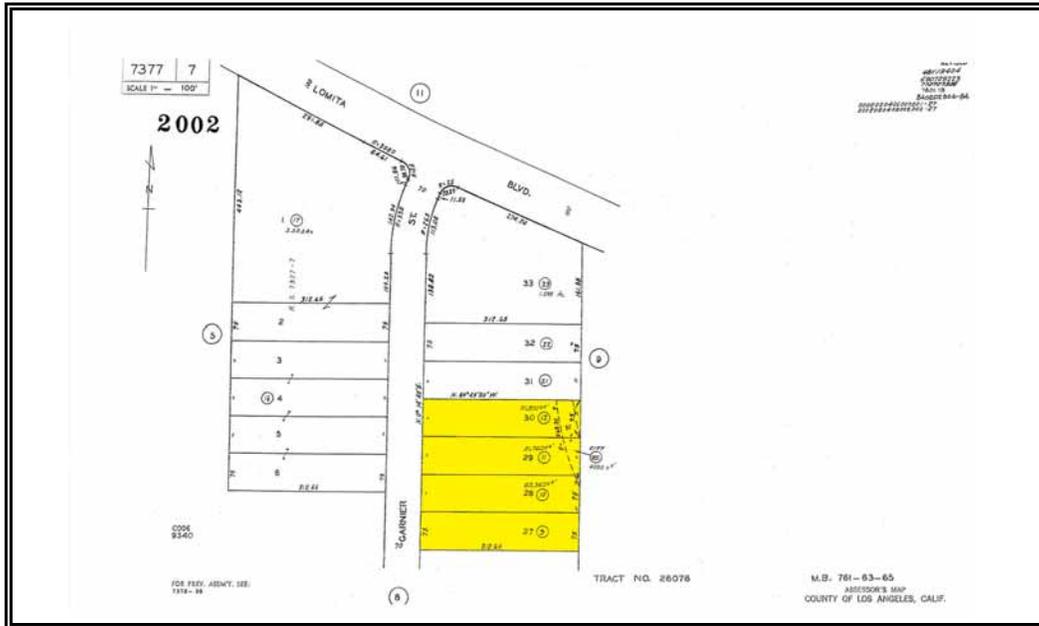
Financing: All cash sale

Verification:

Broker - Albert Rodriguez

Comments: According to the broker, price was set by appraisal, and has been listed for \$103,900. Another broker brought the buyer to the transaction, and negotiations between the parties to the transaction were resolved at a purchase price of \$98,000. As such, this sale is considered to be at market and arm's length. The property is currently landlocked. The future use of the property was not known by the listing broker.

LAND SALE NO. 5



Physical Description

Location: 24000 Garnier Street, Torrance, CA 90505
Thomas Map: Los Angeles, 793-E/3
Assessor Parcel Numbers: 7377-007-009 thru -012

Land Description

Size : 2.15 Acres/93,654 Square Feet
Shape: Slightly Irregular
Topography: Level
Zoning: M-2 (Industrial) allowing office use, City of Torrance

Sale Data

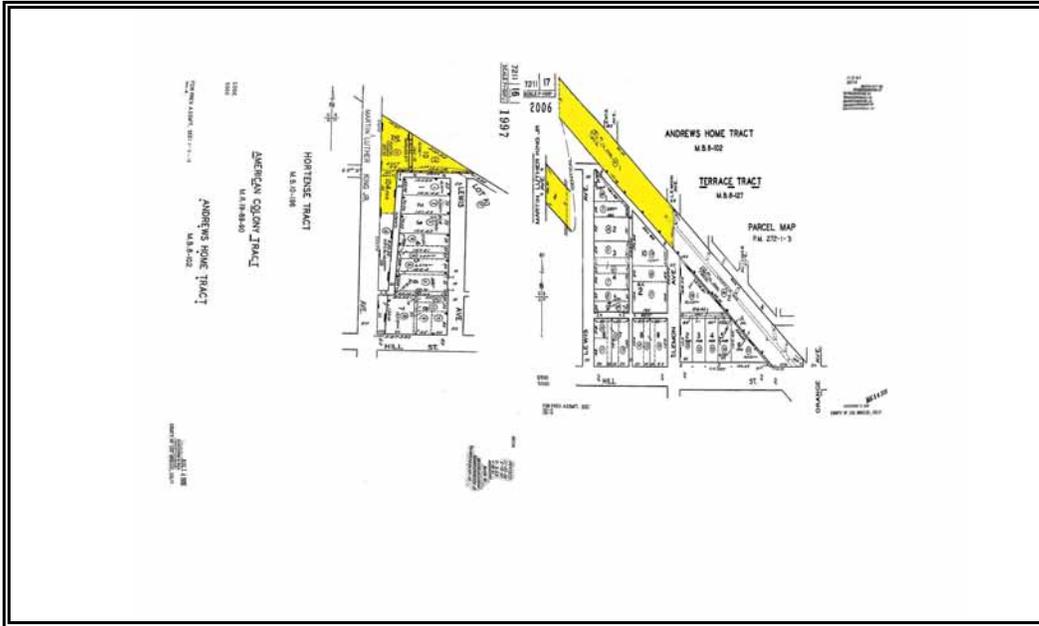
Interest Sold: Fee Simple
Sale Date: August 14, 2008
Deed Date: August 7, 2008
Sale Price: \$4,126,000
Sale Price/SF: \$44.06
Document No: 08-1464183
Grantee: TPX Garnier LLC, a California Limited Liability Company
Grantor: RGH Holdings Limited Partnership, an Alaska Limited Partnership
Financing: All Cash Sale

Verification:

Seller - Henry Workman

Comments: The site is a parking lot, partially fenced and landscaped. According to the buyer, the current use of the parking lot is interim; the improvements have nominal value, and did not contribute to the sale price. The City of Torrance verified this property is zoned M2, and that it permits office development. According to the seller, the site was leased for 25 years, with an option to buy. Upon expiration of the lease, both the buyer and seller obtained appraisals, which were more than 10% apart, and according to the terms of the lease, a third and final appraisal was performed, which set the sale price. As such, this sale is considered to be at market and arm's length.

LAND SALE NO. 6



Physical Description

Location: 2300 Martin Luther King Jr. Avenue
Long Beach, CA 90806
Thomas Map: Los Angeles, 795, F/3
Assessor Parcel Numbers: (Old)7211-016-014,-017 and -019; 7211-017-037;
(New) 7211-016-900, -901 and -902

Land Description

Size: 2.76 Acres/120,326 Square Feet
Shape: Irregular
Topography: Level
Zoning: CS (Commercial Storage) / PD-22 (Planned Development),
City of Long Beach

Sale Data

Interest Sold: Fee Simple
Sale Date: May 29, 2008
Deed Date: April 16, 2008
Sale Price: \$4,200,000
Sale Price/SF: \$35.80
Document No: 08-0944352 (7211-017-037); 08-0944355(7211-016-014, -017 and
-019)
Grantee: Redevelopment Agency of the City of Long Beach, a Public Body,
Corporate and Politic
Grantor: Joshua One Community Development Corporation, a California Non-
Profit Corporation
Financing: All Cash Sale

Verification:

Buyer - Beverly McKay

Comments: The site was acquired by buyer for development of a community park. According to Ms. McKay, the City approached the seller directly to acquire the property in a voluntary transaction. The sale price was set by an outside appraisal in the amount of \$4,200,000, which became the purchase price. Although the City approached the seller directly, the buyer considered the transaction to be at market and arm's length.

Discussion of Adjustments

All of the land sales have been adjusted to the subject property for property rights, buyer expenditures, financing, condition of sale, market conditions, location, and physical factors when applicable. These adjustments are defined below:

Property Rights at Sale

This category adjusts for property rights conveyed and takes into account differences in legal estate between the subject and each comparable property. Generally, property rights are either fee simple interest or leased fee interest.

Buyer Expenditures

This category adjusts for additional costs incurred by the buyer which are required to make the property ready for development and/or use. This includes expenditures for demolition costs and other expenses paid by the buyer in addition to the purchase price.

Financing

This category adjusts the sale price of each comparable into its cash equivalent or modifies the price to current market financing. Favorable financing often leads to a higher selling price and unfavorable financing may reflect a lower selling price.

Condition of Sale

This category adjusts for atypical condition of sale and reflects any difference between the actual sale price of a comparable and its probable sale if it were currently sold in an arm's length transaction.

Market Conditions (Time)

This category adjusts for market conditions and reflects changes in the prices paid due to changes in market conditions over time. The comparable properties are adjusted from the date of sale to date of value. In reviewing the market, we included land sales that cover a marketing time from May 2008 through April 2010. These were the most recent and competitive land sales in the market. Our analysis of available market information, supported by discussions with market participants in the course of our verifications, indicated that land prices decreased approximately 12 percent annually, or 1.00 percent monthly, from January 2008, through year-end 2009; and then at a reduced rate of 6 percent annually, or 0.50 percent monthly, from January 2010 to the date of value. Therefore, a downward time adjustment has been made from January 2008, to date of value, utilizing the above percentages for the appropriate time period.

Location and Physical Conditions

These categories consider differences between the subject and each comparable property for location and physical conditions. We considered differences in location, zoning, size, topography, site utility, visibility, and accessibility. Each characteristic is defined below:

Location - This category adjusts the sales for differences in location for linkages, area, and other factors.

Zoning - This category adjusts for differences in zoning, land uses, and allowable density to the subject.

Size - This category adjusts for differences in the size of each comparable to the subject.

Topography - This category adjusts for differences in topography of each comparable to the subject.

Site Utility - This category adjusts for differences in configuration, proximity of off-site utilities, usability of the site, and environmental constraints.

Visibility - This category adjusts for major differences in the visibility of each sale to the subject.

Accessibility - This category adjusts for major differences in the accessibility of each sale to the subject.

The adjustment grid, on the following page, summarizes the adjustments for each sales as they apply to the underlying fee site. Quantitative adjustments have been applied for property rights, buyer expenditures, financing, conditions of sale, market conditions, location and other physical characteristics of each sale compared to the subject. Adjustments for differences between the subject and each comparable property are expressed in percentages, and are based on our analysis of the market, as applicable. All characteristics may not be equally weighted.

INSTITUTIONAL LAND SALE ADJUSTMENT GRID							
Adjustment Factors	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Unadjusted \$/SF		\$0.28	\$0.34	\$15.63	\$0.09	\$44.06	\$34.91
Property Rights		None	None	None	None	None	None
Adjusted \$/SF		\$0.28	\$0.34	\$15.63	\$0.09	\$44.06	\$34.91
Buyer Expenditures		None	None	None	None	None	None
Adjusted \$/SF		\$0.28	\$0.34	\$15.63	\$0.09	\$44.06	\$34.91
Financing		Cash	Cash	Cash	Cash	Cash	Cash
Adjusted \$/SF		\$0.28	\$0.34	\$15.63	\$0.09	\$44.06	\$34.91
Condition of Sale		Arm's Length					
Adjusted \$/SF		\$0.28	\$0.34	\$15.63	\$0.09	\$44.06	\$34.91
Market Conditions		0.00%	-4.64%	-4.31%	-14.51%	-18.85%	-21.38%
Adjusted \$/SF		\$0.28	\$0.33	\$14.96	\$0.08	\$35.75	\$27.45
Location and Physical Conditions:							
Location	Good	Inferior +					
Zoning	I (Institutional)	Superior -	Superior -	Superior -	Similar	Superior -	Superior -
Size (SF)	339,768 SF	Larger +	Larger +	Similar	Larger +	Smaller -	Smaller -
Topography	Level-Sl.Sloping	Similar	Similar	Similar	Similar	Superior -	Sl.Superior -
Site Utility	Fair/Average	Inferior +	Inferior +	Superior -	Inferior +	Superior -	Superior -
Visibility	Average	Similar	Similar	Similar	Inferior +	Inferior +	Inferior +
Accessibility	Average	Inferior +	Inferior +	Similar	Inferior +	Similar	Similar
Overall Rating		Inferior	Inferior	Superior	Inferior	Superior	Superior

Analysis and Conclusions - Institutional-Zoned Portion

The sales range from \$0.08 to \$35.75 per square foot, before adjusting for physical characteristics. Based on our analysis of land sales, the overall rating of the adjusted sales compared to the subject are as follows:

Inferior (Sale Nos. 1, 2, and 4)	\$0.08 to \$0.33 per square foot
Similar	N/A
Superior (Sale Nos. 3, 5 and 6)	\$14.96 to \$35.75 per square foot

Based on our analysis, an expected value indicator for the subject should fall between \$0.33 and \$14.96 per square foot. Sale Nos. 1, 2, and 4 were considered inferior to the subject overall at \$0.08 to \$0.33 per square foot due primarily to inferior location, site utility, visibility, accessibility, and/or larger size as compared to the subject. Sale Nos. 3, 5 and 6 ranged from \$14.96 to \$35.75 per square foot and set the upper limits of the sales, adjusted. These sales were superior overall to the subject, due to superior zoning, topography, and/or site utility visibility compared to the subject.

After considering adjustments for differences in property rights, buyer expenditures, financing, conditions of sale, and market conditions, location and physical characteristics, it is our opinion that an appropriate value indicator for the Institutional-zoned portion of the subject site is \$10.00 per square foot. Shown below is our calculation of the fair market value for the Institutional-zoned portion of the subject site :

**LAND MARKET VALUE
INSTITUTIONAL PORTION OF SUBJECT**

Land Area		\$/SF		Indicated Value
339,768 SF or 7.8 Acres	x	\$10.00	=	\$3,397,680

**Indicated Value by the Sales Comparison Approach
for the Institutional-Zoned Land**

\$3,400,000

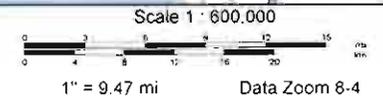
OPEN SPACE LAND SALES MAP



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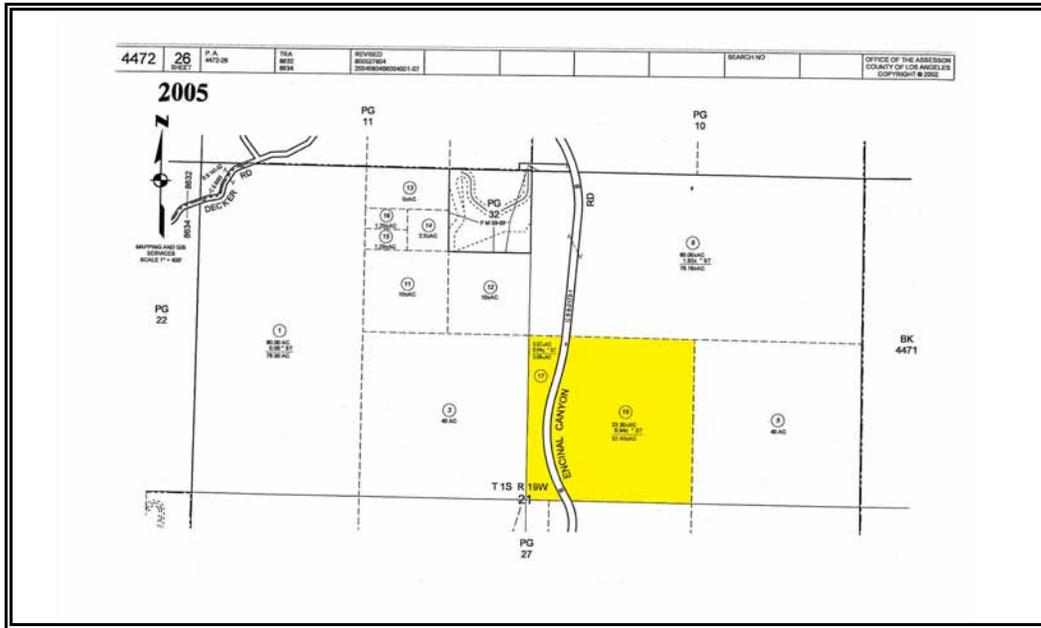
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LAND SALES SUMMARY FOR THE OPEN SPACE PORTION OF THE SUBJECT PROPERTY

Data No.	Location	Sale Date	Document No.	Land Area (Acres)	Sale Price
				Zoning	Sale Price/Acre
1	East and west side of Encinal Canyon Road, south of intersection of Lechusa Road and Encinal Canyon Road Unincorporated Los Angeles County, CA 90265	04/01/10	10-0441638	40.00 Acres	\$490,000
				LAC, A-1-1	\$12,250
2	East and West side of Decker School Road, and East and West Side of Decker Canyon Road Unincorporated Los Angeles County, CA 90265	12/29/09	09-1974501	40.00 Acres	\$600,000
				LAC, A-1-1	\$15,000
4	South of Terminus of Mountain Park Road, along Calabasas Peak Motorway (a Trail) Unincorporated Los Angeles County, CA 90290	03/04/09	09-0303690	25.00 Acres	\$98,000
				LAC, A-1-10	\$3,920
7	East side of Puerco Canyon Road north of Gate at 3104 Puerco Canyon Road Unincorporated Los Angeles County, CA 90265	02/11/09	09-0191259	45.26 Acres	\$1,193,530
				Malibu, RR-20	\$26,371
8	North of Pacific Coast Highway, North Side of Murphy Way (De Butts Terrace) Unincorporated Los Angeles County, CA 90265	01/16/08	08-0090745	85.04 Acres	\$2,675,000
				LAC, A-1-1	\$31,456
9	East of Laguna Canyon Road, North of Castle Rock Road Laguna Beach, CA 92651	11/05/07	07-0667425	58.40 Acres	\$1,500,000
				Laguna, OS	\$25,685

LAND SALE NO. 1



Physical Description

Location: East and West side of Encinal Canyon Road, south of the intersection of Lechusa Road and Encinal Canyon Road
Unincorporated Los Angeles County, CA 90265

Thomas Map: Los Angeles, 626, F/2

Assessor Parcel Numbers: 4472-026-017 and 018

Land Description

Size: 40.00 Acres

Shape: Irregular

Topography: Level to Rolling to Steep Sloping

Zoning: A1-1, Los Angeles County

Sale Data

Interest Sold: Fee Simple

Sale Date: April 1, 2010

Deed Date: March 5, 2010

Sale Price: \$490,000

Sale Price/Acre: \$12,250

Document No: 10-0441638

Grantee: Williams Consolidated

Grantor: Erin Murphy Williams O'Hara, a married woman as her Sole and Separate Property as to an undivided 40% interest, and Erin Murphy Williams O'Hara, Trustee of The Caroline Murphy Trust, as to an undivided 40% interest, and Erin Murphy Williams O'Hara, as Trustee of The Virginia Murphy Trust, as to an undivided 20% interest

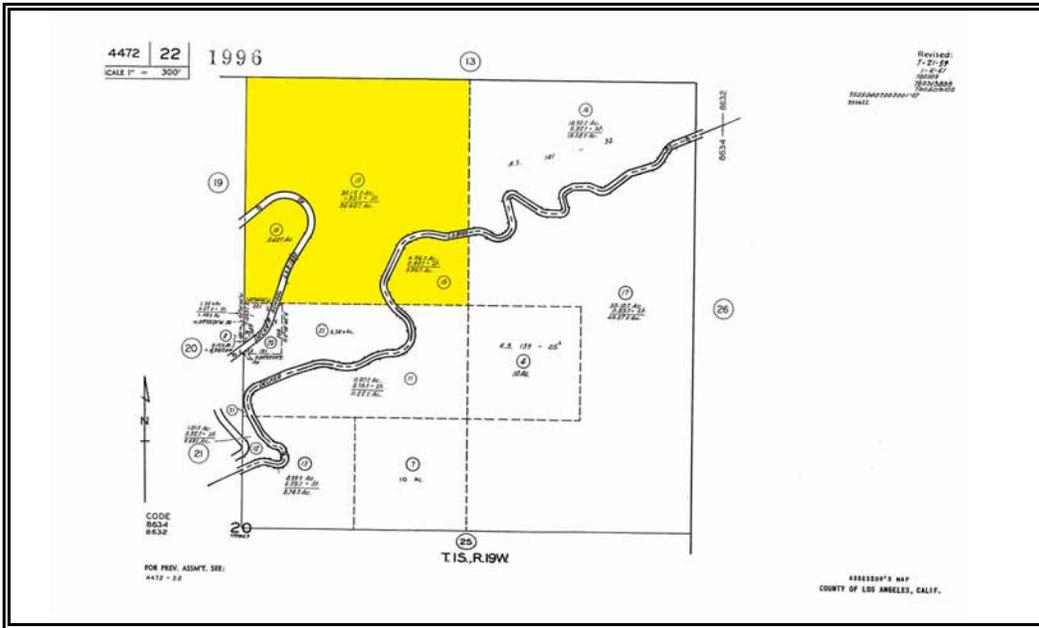
Financing: All cash sale

Verification:

Listing Broker - Bill Moss

Comments: According to the broker, the sale was at arm's length and at market price. The buyer plans to hold the property for future personal use.

LAND SALE NO. 2



Physical Description

Location: East and West side of Decker School Road, and East and West Side of Decker Canyon Road, Unincorporated Los Angeles County, CA 90265

Thomas Map: Los Angeles, 626, D/2

Assessor Parcel Number: 4472-022-015, -018 and -019

Land Description

Size: 40.00 Acres

Shape: Irregular

Topography: Rolling to steep

Zoning: A1-1, Los Angeles County

Sale Data

Interest Sold: Fee Simple

Sale Date: December 29, 2009

Deed Date: November 2, 2009

Sale Price: \$600,000

Sale Price/Acre: \$15,000

Document No: 09-1974501

Grantee: James Keach, Trustee of the Keach Family Trust

Grantor: Dale R. Davis, et al

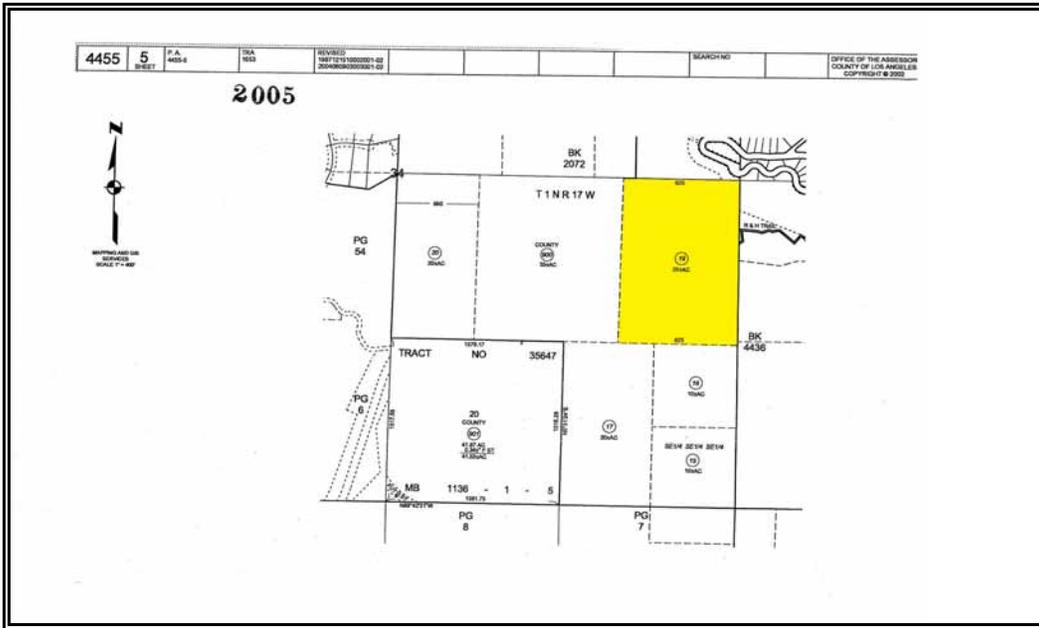
Financing: All cash sale

Verification:

Broker - Bill Moss

Comments: According to the broker, the sale was at arm's length and at market price. The buyer plans to hold the property for future personal use.

LAND SALE NO. 4



Physical Description

Location: South of Terminus of Mountain Park Road, along the Calabasas Mountain Motorway
Unincorporated Los Angeles County, CA 90290

Thomas Map: Los Angeles, 589, D/2

Assessor Parcel Number: 4455-005-019

Land Description

Size: 25.00 Acres

Shape: Rectangular

Topography: Level to rolling to steep

Zoning: A1-10, Los Angeles County

Sale Data

Interest Sold: Fee Simple

Sale Date: March 4, 2009

Deed Date: February 3, 2009

Sale Price: \$98,000

Sale Price/Acre: \$3,920

Document No: 09-0303690

Grantee: Roger Charles, a Single Man

Grantor: FDIC as Conservator for Indymac Federal Bank, FSB Successor to FDIC as Receiver for Indymac Bank FSB

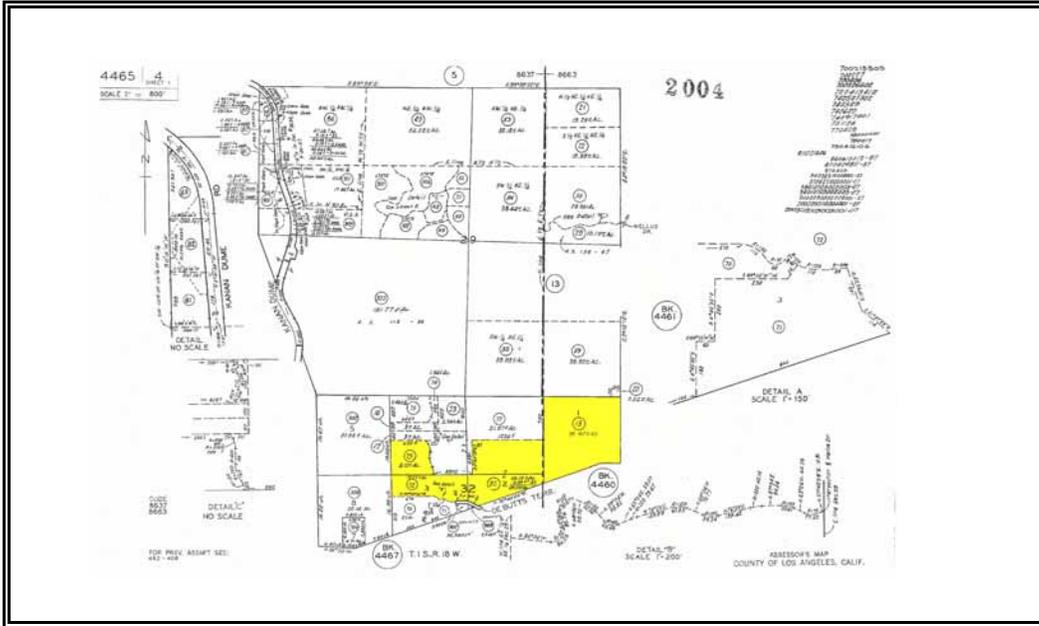
Financing: All cash sale

Verification:

Broker - Albert Rodriguez

Comments: According to the broker, price was set by appraisal, and had been listed for \$103,900. Another broker brought the buyer to the transaction, and negotiations between the parties to the transaction were resolved at a purchase price of \$98,000. As such, this sale is considered to be at market and arm's length. The property is currently landlocked. The future use of the property was not known by the listing broker.

LAND SALE NO. 8



Physical Description

Location: North side of Pacific Coast Highway, North side of Murphy Way (De Butts Terrace), Unincorporated Los Angeles County, CA 90265
Thomas Map: Los Angeles, 627, G/6
Assessor Parcel Numbers: 4465-004-013, -072, -075 and -080

Land Description

Size: 85.04 Acres
Shape: Irregular
Topography: Rolling to steep sloping
Zoning: A1-1, Los Angeles County

Sale Data

Interest Sold: Fee Simple
Sale Date: January 16, 2008
Deed Date: January 9, 2008
Sale Price: \$2,675,000
Sale Price/Acre: \$31,456
Document No: 08-0090745
Grantee: Malitex Partners LLC, a Texas Limited Liability Company
Grantor: Erin Murphy Williams O'Hara, a married woman as her Sole and Separate Property as to an undivided 40% interest, and Erin Murphy Williams O'Hara, Trustee of The Caroline Murphy Trust, as to an undivided 40% interest, and Erin Murphy Williams O'Hara, as Trustee of The Virginia Murphy Trust, as to an undivided 20% interest
Financing: All cash sale

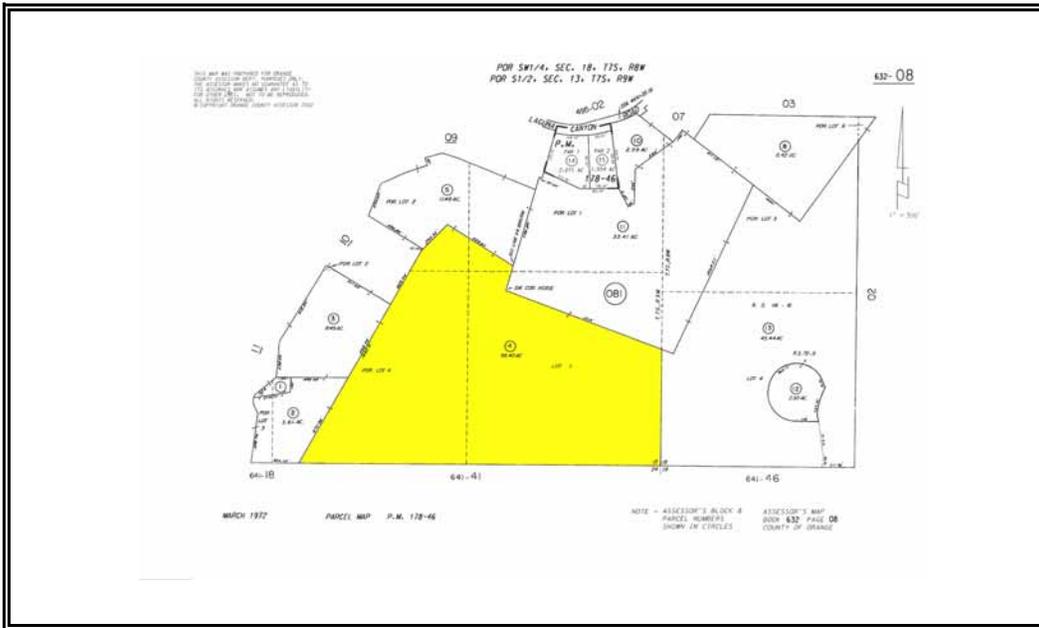
Verification:

Listing Broker - Lea Johnson

Land Sale No. 8 - Continued:

Comments: Originally listed at \$2,975,000, based on broker's knowledge of the area, a final sale price was negotiated with the buyer at \$2,625,000. During negotiations, it was determined that only two residences could be built on the property. According to the broker, the final price was at market, and arm's length. The site affords views of the ocean and surrounding area. This environmentally sensitive property is also being sought to be included in the proposed Ramirez Canyon State Park.

LAND SALE NO. 9



Physical Description

Location: East side of Laguna Canyon Road, North of Castle Rock Road, Laguna Beach, CA 92651
Thomas Map: Orange, 650, H/1
Assessor Parcel Number: 632-081-04

Land Description

Size: 58.40 Acres
Shape: Irregular
Topography: Rolling to steep
Zoning: OS, Open Space, (Hillside Protection) - Laguna Beach

Sale Data

Interest Sold: Fee Simple
Sale Date: November 5, 2007
Deed Date: June 6, 2007
Sale Price: \$1,500,000
Sale Price/Acre: \$25,685
Document No: 07-0667425
Grantee: City of Laguna Beach, a California Municipal Corporation
Grantor: John. C. A. Chao, as Trustee of the John C. A. Chao Living Trust, dated August 31, 2004
Financing: All cash sale

Verification:

Buyer - Ken Frank/Derek Ostenson

Land Sale No. 9 - Continued:

Comments: According to Mr. Ken Frank of the City of Laguna Beach, the City uses an outside agency, the Laguna Canyon Foundation (“Foundation”), to obtain appraisals and negotiate the purchase of environmentally sensitive land with various owners. We contacted Mr. Derek Ostenson, at the Foundation, who verified two “Fair Market Appraisals” were performed on this sale property: one at \$1,250,000 and the second, at \$1,750,000. Sale price was negotiated with the seller at the mid-price of \$1,500,000, and as such, is considered to be at market. According to Mr. Ostenson, from the upper levels, there are ocean views. According to the City, the property is landlocked.

Discussion of Adjustments

All of the commercial land sales have been adjusted to the subject property for property rights, buyer expenditures, financing, condition of sale, market conditions, location, and physical factors when applicable. These adjustments are defined below:

Property Rights at Sale

This category adjusts for property rights conveyed and takes into account differences in legal estate between the subject and each comparable property. Generally, property rights are either fee simple interest or leased fee interest.

Buyer Expenditures

This category adjusts for additional costs incurred by the buyer which are required to make the property ready for development and/or use. This includes expenditures for demolition costs and other expenses paid by the buyer in addition to the purchase price.

Financing

This category adjusts the sale price of each comparable into its cash equivalent or modifies the price to current market financing. Favorable financing often leads to a higher selling price and unfavorable financing may reflect a lower selling price.

Condition of Sale

This category adjusts for atypical condition of sale and reflects any difference between the actual sale price of a comparable and its probable sale if it were currently sold in an arm's length transaction.

Market Conditions (Time)

This category adjusts for market conditions and reflects changes in the prices paid due to changes in market conditions over time. The comparable properties are adjusted from the date of sale to date of value. In reviewing the market, we found 7 land sales that had open space elements covering a marketing time from December 2005 through April 2010. These were the most recent and competitive open space and very low density single family residential sales in the subject and neighboring comparable markets. Due to the limited number of sales that could be found in the subject area and since a much wider range of sales was investigated, it is difficult to quantify changes in sale prices over time for open space land. Based on our analysis of the market and interviews with market participants, we have utilized a downward adjustment of 12 percent per year from January 2007 to the date of value.

Location and Physical Conditions

These categories consider differences between the subject and each comparable property for location and physical conditions. We considered differences in location, zoning, size, topography, site utility, visibility, and accessibility. Each characteristic is defined below:

Location - This category adjusts the sales for differences in location for linkages, area, and other factors.

Zoning - This category adjusts for differences in zoning, land uses, and allowable density to the subject.

Size - This category adjusts for differences in the size of each comparable to the subject.

Topography - This category adjusts for differences in topography of each comparable to the subject.

Site Utility - This category adjusts for differences in configuration, proximity of off-site utilities, usability of the site, and environmental constraints.

Visibility - This category adjusts for major differences in the visibility of each sale to the subject.

Accessibility - This category adjusts for major differences in the accessibility of each sale to the subject.

The adjustment grid, on the following page, summarizes the adjustments for each sales as they apply to the open space portion of the subject site. Quantitative adjustments have been applied for property rights, buyer expenditures, financing, conditions of sale, market conditions, location and other physical characteristics of each sale compared to the subject. Adjustments for differences between the subject and each comparable property are expressed in percentages, and are based on our analysis of the market, as applicable. All characteristics may not be equally weighted.

OPEN SPACE LAND SALE ADJUSTMENT GRID							
Adjustment Factors	Subject	Sale 1	Sale 2	Sale 4	Sale 7	Sale 8	Sale 9
Unadjusted \$/AC		\$12,250	\$15,000	\$3,920	\$26,371	\$31,456	\$25,685
Property Rights		None	None	None	None	None	None
Adjusted \$/AC		\$12,250	\$15,000	\$3,920	\$26,371	\$31,456	\$25,685
Buyer Expenditures		None	None	None	None	None	None
Adjusted \$/AC		\$12,250	\$15,000	\$3,920	\$26,371	\$31,456	\$25,685
Financing		Cash	Cash	Cash	Cash	Cash	Cash
Adjusted \$/AC		\$12,250	\$15,000	\$3,920	\$26,371	\$31,456	\$25,685
Condition of Sale		Arm's Length					
Adjusted \$/AC		\$12,250	\$15,000	\$3,920	\$26,371	\$31,456	\$25,685
Market Conditions		0.00%	-4.64%	-14.51%	-15.20%	-28.09%	-30.46%
Adjusted \$/AC		\$12,250	\$14,304	\$3,351	\$22,363	\$22,620	\$17,861
Location and Physical Conditions:							
Location	Good	Inferior +	Inferior +	Inferior ++	Inferior +	Inferior +	Similar
Zoning	OSR	Superior -	Superior -	Superior -	Superior --	Superior --	Similar
Size	65 AC	Similar	Similar	Smaller --	Similar	Similar	Similar
Topography	Rolling/Steep	Similar	Similar	Similar	Similar	Similar	Similar
Site Utility	Poor-to-Fair	Superior -	Superior -	Similar	Superior -	Superior -	Similar
Visibility	Average	Inferior +	Inferior +	Inferior +	Similar	Similar	Similar
Accessibility	Average	Inferior +	Inferior +	Inferior ++	Inferior +	Inferior +	Similar
Overall Rating		Inferior	Inferior	Inferior	Superior	Superior	Similar

Analysis and Conclusion

The adjusted land sales ranged from \$3,351 to \$22,620 per acre, before applying qualitative adjustments. Based on our analysis of land sales, the overall rating of the adjusted sales compared to the subject are as follow:

Inferior (Sale Nos. 1, 2, and 4)	\$3,351 to \$14,304 per acre
Similar (Sale No. 9)	\$17,861 per acre
Superior (Sale Nos. 7 and 8)	\$22,363 to \$22,620 per acre

Based on our analysis, an expected value indicator for the subject should fall between \$14,304 to \$22,363 per acre. Sale Nos. 1, 2, and 4 were considered inferior to the subject overall at \$3,351 to \$14,304 per acre due primarily to inferior location, visibility or accessibility to the subject. Sale No. 9 was considered similar overall at \$17,861 per acre, due to offsetting adjustments. Sale Nos. 7 and 8 were considered superior overall at \$22,363 to \$22,620, due to the superior zoning and site utility as compared to the subject.

As a matter of information only, the most recent sale on the peninsula involving open space land of any size, was the sale of 423.95 acres between Palos Verdes Portuguese Bend LLC and the City of Rancho Palos Verdes for \$17,000,000, on December 22, 2005. This sale, now almost 5 years old, consisted of 233 acres of residential land (RS1 and RS2), and 190.95 acres of open space land (OH). The open space land was valued at \$15,135 per acre.

After considering adjustments for differences in property rights, buyer expenditures, financing, conditions of sale, market conditions, location and physical characteristics, it is our opinion that an appropriate value indicator for the Open Space-Zoned subject site is \$18,000 per acre. Shown below is our calculation of the land value for the subject site:

LAND MARKET VALUE OPEN SPACE PORTION OF SUBJECT

Land Area		\$/Acre		Indicated Value
65.10 Acres	x	\$18,000	=	\$1,171,800
Indicated Value by the Sales Comparison Approach for the Open Space - Recreational-Zoned Land				<u>\$1,170,000</u>

Summary of Value Indications

The Institutional portion of the subject property was valued by the Sale Price Per Square Foot Method, and the Open Space - Recreational portion of the subject property was valued by the Sale Price Per Acre Method. The value indications by the two land use types are added together to conclude a total indication of value for the subject property as shown below.

Subject Open Space Zoned Portion (65.10Acres)	\$1,170,000
Plus: Subject Institutional Zoned Portion (7.80 Acres/339,768 Square Feet)	<u>\$3,400,000</u>
Total Indicated Value of the Subject Property By the Sales Comparison Approach	<u>\$4,570,000</u>

RECONCILIATION AND FINAL OPINION OF VALUE

The final step in the appraisal process is the correlation of the three indications of value derived by the Cost, Income Capitalization, and Sales Comparison Approaches. In correlating these three approaches into a final opinion of value, the appraiser has taken into account the purpose of the appraisal, the type of property, and the adequacy of the data processed in each of the three approaches. Most important is which approach most nearly reflects the actions of buyers and sellers in the market. The subject property is being valued as vacant land. **(Please refer to Extraordinary Assumption No. 17.)** Thus, the Cost and Income Capitalization Approaches to value were not relevant.

The Sales Comparison Approach was considered most appropriate in valuing the subject site. There was adequate information of similar type properties in the market to provide an indication of value for the subject property. The indicated value was based on the analysis of the most comparable recent land sales available in the market. We utilized the Sale Price Per Square Foot Method for the Institutional-zoned portion of the subject site, and the Sale Price Per Acre Method for the Open Space - Recreational-zoned land. Nine sale comparables were reviewed, inspected, and verified to ensure reliability of the data used in this approach. All adjustments made were judged to be reasonable and given adequate support through the use of market-derived analysis. Then, the two value indications were added together to provide a total indicated value for the subject property.

Conclusion

The final conclusion or opinion has resulted from the application of the Sales Comparison Approach. In summary, this approach provides a value indicator for vacant land and is most commonly used by market participants. The Sales Comparison Approach is considered to be the primary approach to value. Based on the data presented, analysis, and reconciliation, the market value of the fee simple interest of the subject property, as of May 19, 2010, is:

FOUR MILLION FIVE HUNDRED SEVENTY THOUSAND DOLLARS
..... **\$4,570,000.**

ADDENDA

SUBJECT PHOTOGRAPHS



VIEW OF INSTITUTIONAL-ZONED PORTION OF THE SUBJECT SITE LOOKING NORTH



VIEW OF INSTITUTIONAL-ZONED PORTION OF THE SUBJECT SITE LOOKING WEST



VIEW OF INSTITUTIONAL-ZONED PORTION OF THE SUBJECT SITE LOOKING EAST



VIEW OF OPEN SPACE-ZONED PORTION OF THE SUBJECT SITE LOOKING NORTHWEST



VIEW OF OPEN SPACE-ZONED PORTION OF THE SUBJECT SITE LOOKING SOUTH



VIEW OF OPEN SPACE-ZONED PORTION OF THE SUBJECT SITE LOOKING SOUTHEAST



VIEW OF PALOS VERDES DRIVE LOOKING NORTHWEST
WITH SUBJECT AT LEFT OF THE PHOTOGRAPH



VIEW OF PALOS VERDES DRIVE LOOKING EAST
WITH SUBJECT AT RIGHT OF THE PHOTOGRAPH

(08)

PALOS VERDES ESCROW CO., INC.

375-0545
378-1255

1807 SOUTH CATALINA AVENUE • REDONDO BEACH, CALIFORNIA 90277

1-10-79

RECEIVED
CITY OF RANCHO PALOS VERDES
JAN 11 1979

Mr. George Wunderlin,
Administrative Services Officer
The City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho Palos Verdes Ca 90274

BY _____

re: escrow 1-24300

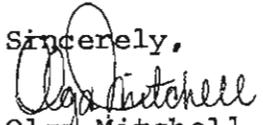
Dear Mr. Wunderlin:

Previously I had sent you a preliminary title report issued by UNITED TITLE INURANCE CO. / ^{indicating} that title insurance was to be issued by them. In Mid-December SAFECO, United's underwriter, informed them that they would not be able to insure for this type liability. I immediately re-opened title with TITLE INSURANCE AND TRUST after being assured by their engineering and management departments that they were very capable, able and willing to insure this type of liability.

I now submit to you the preliminary title report with plat map attached from Title Insurance & Trust, together with a copy of the Quitclaim Deed (once corrected) from GSA. If you will note there is a slight difference in the wording of the legal and Title Insurance & Trust's Engineering Dept. claims that their's is a more legal, correct and accurate description and they must show it their way in order to insure. I have contacted GSA and they are in agreement with T.I. and will retype the Deed. However prior to their being able to type it, please note the line on Page 5 of the PRE that I have asterisked (*) The Quitclaim says 43 seconds east and the Preliminary report says 42 seconds east. GSA says that I must check with you as to the correct "SECONDS" Title Insurance and Trust's engineering Dept. has reviewed this twice and believes that the 42 seconds is correct. Please advise so that I may immediately remit instructions to GSA and the "hopefully" final and correct draft of the Quitclaim Deed will contain the proper "seconds" therein.

Please feel free to call if you have any questions.

Sincerely,


Olga Mitchell,
Escrow Officer

P.S. see attached schedule to close.

OFFICES IN:

SAN BERNARDINO
MANHATTAN BEACH

SAN PEDRO CARSON
PALOS VERDES PENINSULA

GARDENA
FALLBROOK

MARINA DEL REY
REDONDO BEACH (Main Office)

TITLE INSURANCE AND TRUST COMPANY

4240 ARTESIA BLVD., TORRANCE, CALIFORNIA 90504 TEL. (213) 542-0511

JANUARY 8, 1979

TO: PALOS VERDES ESCROW
1807 CATALINA AVENUE
REDONDO BEACH, CALIFORNIA

ATTENTION: OLGA

YOUR NO.: 1-24300
OUR NO. : 7768244

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE, TITLE INSURANCE AND TRUST COMPANY REPORTS THAT IT IS PREPARED TO ISSUE, OR CAUSE TO BE ISSUED, AS OF THE DATE HEREOF, A CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE FORM POLICY OF TITLE INSURANCE DESCRIBING THE LAND AND THE ESTATE OR INTEREST THEREIN HEREINAFTER SET FORTH, INSURING AGAINST LOSS WHICH MAY BE SUSTAINED BY REASON OF ANY DEFECT, LIEN OR ENCUMBRANCE NOT SHOWN OR REFERRED TO AS AN EXCEPTION BELOW OR NOT EXCLUDED FROM COVERAGE PURSUANT TO THE PRINTED SCHEDULES, CONDITIONS AND STIPULATIONS OF SAID POLICY FORM.

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

DATED AT 7:30 A.M. AS OF DECEMBER 20, 1978

TITLE OFFICER: C. PACHECO

TITLE TO THE ESTATE OR INTEREST REFERRED TO HEREIN, AT THE DATE HEREOF, IS VESTED IN:

THE UNITED STATES OF AMERICA

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

TITLE INSURANCE AND TRUST COMPANY

AT THE DATE HEREOF EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS CONTAINED IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. ANY TAXES, BONDS OR ASSESSMENTS WILL BE REPORTED LATER.
2. COVENANTS, CONDITIONS AND RESTRICTIONS IN THE DECLARATION OF RESTRICTIONS
 EXECUTED BY : PALOS VERDES CORPORATION, A CORP.
 RECORDED : FEBRUARY 2, 1950 IN BOOK 32160 PAGE 26, OFFICIAL RECORDS AS INSTRUMENT NO. 2512

WHICH PROVIDE THAT A VIOLATION THEREOF SHALL NOT DEFEAT OR RENDER INVALID THE LIEN OF ANY MORTGAGE OR DEED OF TRUST MADE IN GOOD FAITH AND FOR VALUE.

RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN ARE DELETED.

3. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
 IN FAVOR OF : SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION
 FOR : LINES, POLES, WIRES AND CABLES
 RECORDED : AUGUST 4, 1958 AS INSTRUMENT NO. 3269
 AFFECTS : A STRIP OF LAND 10 FEET IN WIDTH LYING 5 FEET ON EACH SIDE OF A CENTER LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT DISTANT SOUTHERLY 45 FEET FROM THE POINT OF INTERSECTION OF THE CENTER LINE OF POINT VICENTE ROAD, 100 FEET WIDE, AS SHOWN ON SHEET 2 OF COUNTY SURVEYOR'S MAP NO. B-1022, ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID COUNTY, WITH THE NORTHERLY PROLONGATION OF THAT CERTAIN COURSE RECITED AS BEARING "SOUTH 1 DEGREES 31 MINUTES 35 SECONDS WEST 931.79 FEET" IN THE EASTERLY BOUNDARY OF THE LAND CONDEMNED BY THE UNITED STATES AND DESCRIBED IN THE FINAL JUDGMENT IN CASE NO. 2150-Y, CIVIL, RECORDED IN BOOK 20216, PAGE 103 OF OFFICIAL RECORDS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, SAID POINT OF BEGINNING BEING NORTH 1 DEGREES 31 MINUTES 35 SECONDS EAST 14.47 FEET, MORE OR LESS, FROM THE NORTHERLY TERMINUS OF SAID CERTAIN COURSE; THENCE NORTH 47 DEGREES 10 MINUTES 00 SECONDS WEST 145.00 FEET; THENCE NORTH 40 DEGREES 47 MINUTES 00 SECONDS WEST 130.00 FEET TO A POINT, SAID POINT BEING HEREINAFTER REFERRED TO AS POINT "A"; THENCE SOUTH 87 DEGREES 15 MINUTES 00 SECONDS WEST 474.00 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "B"; THENCE CONTINUING SOUTH 87 DEGREES 15 MINUTES 00 SECONDS WEST 120 FEET, MORE OR LESS, TO THE POINT OF ENDING AT AN EXISTING POWER POLE, NUMBER 482825-E OF THE SOUTHERN CALIFORNIA EDISON COMPANY.

ALSO, TWO STRIPS OF LAND, EACH 2 FEET IN WIDTH, DESCRIBED AS FOLLOWS:

STRIP 1: BEGINNING AT THE ABOVE MENTIONED POINT "A"; THENCE NORTH 40 DEGREES 47 MINUTES 00 SECONDS WEST 25.00 FEET.

STRIP 2: BEGINNING AT THE ABOVE MENTIONED POINT "B"; THENCE SOUTHERLY 25 FEET.

EXCEPTING ANY PORTIONS OF THE ABOVE DESCRIBED STRIPS OF LAND WHICH LIE OUTSIDE

TITLE INSURANCE AND TRUST COMPANY

THE EXTERIOR BOUNDARIES OF SAID LAND CONDEMNED BY THE UNITED STATES.

4. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
 IN FAVOR OF : COUNTY OF LOS ANGELES
 FOR : ROADS OR STREET
 RECORDED : NOVEMBER 4, 1964 AS INSTRUMENT NO. 5377
 AFFECTS : THAT PORTION OF LOT "H", DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESIGNATED AS TRACT NO. 240 AND DESCRIBED IN THE FINAL JUDGMENT IN CIVIL NO. 2150-Y, RECORDED IN BOOK 20216, PAGE 103 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE NORTHEASTERLY BOUNDARY OF SAID CERTAIN PARCEL SOUTH 7 DEGREES 52 MINUTES 04 SECONDS WEST 181.01 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 550.00 FEET; THENCE SOUTHERLY AND SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 65 DEGREES 17 MINUTES 20 SECONDS, AN ARC DISTANCE OF SAID CURVE THROUGH A CENTRAL ANGLE OF 65 DEGREES 17 MINUTES 20 SECONDS, AN ARC DISTANCE OF 626.73 FEET TO THE NORTHWESTERLY CORNER OF A PARCEL OF LAND DESIGNATED AS TRACT NO. A-101 AND DESCRIBED IN THE DECLARATION OF TAKING, RECORDED IN BOOK 44965, PAGE 87 OF OFFICIAL RECORDS, IN SAID RECORDER'S OFFICE; THENCE NORTH 57 DEGREES 31 MINUTES 24 SECONDS WEST 104.38 FEET; THENCE NORTH 48 DEGREES 27 MINUTES 05 SECONDS WEST 114.28 FEET TO THE BEGINNING OF A CURVE, HAVING A RADIUS OF 575 FEET AND CONCENTRIC WITH THE CURVE FIRST ABOVE DESCRIBED; THENCE NORTHWESTERLY ALONG SAID CURVE, FROM A TANGENT BEARING NORTH 35 DEGREES 13 MINUTES 11 SECONDS WEST, THROUGH A CENTRAL ANGLE OF 28 DEGREES 38 MINUTES 52 SECONDS A DISTANCE OF 287.50 FEET; THENCE ALONG A NON-TANGENT LINE NORTH 12 DEGREES 24 MINUTES 56 SECONDS EAST 104.14 FEET TO A POINT IN SAID NORTHEASTERLY BOUNDARY LINE OF TRACT NO. 240; THENCE NORTH 66 DEGREES 29 MINUTES 55 SECONDS WEST 146.85 FEET; THENCE NORTH 7 DEGREES 52 MINUTES 04 SECONDS EAST 142.47 FEET TO THE NORTHERLY BOUNDARY OF SAID TRACT NO. 240; THENCE NORTH 82 DEGREES 28 MINUTES 30 SECONDS EAST 145.21 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.82 ACRE, MORE OR LESS.

5. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
 IN FAVOR OF : PALOS VERDES PENINSULA UNITED SCHOOL DISTRICT
 FOR : ROAD
 RECORDED : AUGUST 29, 1978 AS INSTRUMENT NO. 78-957270
 AFFECTS : THAT PORTION OF BLOCK "H", AS SHOWN ON MAP OF THE RANCHO LOS PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ALLOTTED TO JOTHAM BIXBY, BY DECREE IN PARTITION IN THE ACTION "BIXBY ET AL VS. BENT ET AL" CASE NO. 2373, IN THE DISTRICT COURT OF THE 17TH JUDICIAL DISTRICT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES AND ENTERED IN BOOK 4 PAGE 57 OF JUDGMENTS IN THE SUPERIOR COURT OF SAID COUNTY, DESCRIBED AS FOLLOWS:

TITLE INSURANCE AND TRUST COMPANY

COMMENCING AT A POINT, SAID POINT BEING THE COUNTY OF LOS ANGELES TRIANGULATION MONUMENT SAN PEDRO HILLS D-7, AND HAVING STATE COORDINATES OF NORTH 4,019,330.05, EAST 4,164,224.94 SAID POINT BEING LOCATED ON A POINT OF LAND NORTH OF PALOS VERDES DRIVE OVERLOOKING POINT VICENTE LIGHTHOUSE, THENCE NORTH 53 DEGREES 31 MINUTES 58 SECONDS EAST, 415.07 FEET TO THE CENTER OF THE NORTHWEST GUN TURRET OF BATTERY 240; THENCE NORTH 51 DEGREES 59 MINUTES 13 SECONDS EAST, 55.00 FEET; THENCE NORTH 38 DEGREES 00 MINUTES 47 SECONDS WEST, 56.15 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 36 DEGREES 00 MINUTES 43 SECONDS EAST, 19.31 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 105.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 60 DEGREES 58 MINUTES 07 SECONDS, A DISTANCE OF 111.73 FEET; THENCE SOUTH 83 DEGREES 01 MINUTES 10 SECONDS EAST, 69.38 FEET; THENCE SOUTH 86 DEGREES 20 MINUTES 48 SECONDS EAST, 212.34 FEET; THENCE SOUTH 83 DEGREES 00 MINUTES 49 SECONDS EAST, 163.75 FEET; THENCE NORTH 86 DEGREES 53 MINUTES 56 SECONDS EAST, 231.19 FEET; THENCE NORTH 84 DEGREES 31 MINUTES 12 SECONDS EAST, 216.25 FEET; THENCE NORTH 62 DEGREES 19 MINUTES 00 SECONDS EAST, 79.98 FEET TO A POINT IN THE SOUTH RIGHT OF WAY LINE OF HAWTHORNE BOULEVARD, SAID POINT BEGINNING A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 550.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 02 DEGREES 21 MINUTES 17 SECONDS, A DISTANCE OF 22.60 FEET; THENCE SOUTH 62 DEGREES 19 MINUTES 00 SECONDS WEST, 94.43 FEET; THENCE SOUTH 84 DEGREES 31 MINUTES 12 SECONDS WEST, 220.18 FEET; THENCE SOUTH 86 DEGREES 49 MINUTES 42 SECONDS WEST, 232.27 FEET; THENCE NORTH 83 DEGREES 00 MINUTES 49 SECONDS WEST, 166.47 FEET; THENCE NORTH 86 DEGREES 20 MINUTES 48 SECONDS, WEST 212.35 FEET; THENCE NORTH 83 DEGREES 01 MINUTES 10 SECONDS WEST, 69.96 FEET TO A POINT BEGINNING A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 85.00 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 60 DEGREES 58 MINUTES 07 SECONDS, A DISTANCE OF 90.45 FEET; THROUGH A CENTRAL ANGLE OF 60 DEGREES 58 MINUTES 07 SECONDS, A DISTANCE OF 90.45 FEET; THENCE SOUTH 36 DEGREES 00 MINUTES 43 SECONDS WEST, 25.04 FEET; THENCE NORTH 38 DEGREES 00 MINUTES 47 SECONDS WEST, 20.80 FEET; TO THE TRUE POINT OF BEGINNING.

6. TITLE OF THE VESTEES HEREIN WAS ACQUIRED PRIOR TO MARCH 1, 1975

7. THE REQUIREMENT THAT WE BE FURNISHED WITH WRITTEN APPROVAL OF LEGAL DESCRIPTION.

TITLE INSURANCE AND TRUST COMPANY

DESCRIPTION:

THAT PORTION OF BLOCK "H", AS SHOWN ON MAP OF THE RANCHO LOS PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ALLOTTED TO JOTHAM BIXBY, BY DECREE IN PARTITION IN THE ACTION "BIXBY ET AL. VS. BENT, ET AL." CASE NO. 2373, IN THE DISTRICT COURT OF THE 17TH JUDICIAL DISTRICT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES AND ENTERED IN BOOK 4, PAGE 57 OF JUDGMENTS IN THE SUPERIOR COURT OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT, SAID POINT BEING THE COUNTY OF LOS ANGELES TRIANGULATION MONUMENT SAN PEDRO HILLS D-7, AND HAVING STATE COORDINATES OF NORTH 4,019,330.05, EAST 4,164,224.94 SAID POINT BEING LOCATED ON A POINT OF LAND NORTH OF PALOS VERDES DRIVE OVERLOOKING POINT VICENTE LIGHTHOUSE, THENCE NORTH 53 DEGREES 31 MINUTES 58 SECONDS EAST, 415.07 FEET TO THE CENTER OF THE NORTHWEST GUN TURRET OF BATTERY 240; THENCE NORTH 51 DEGREES 59 MINUTES 13 SECONDS EAST, 55.00 FEET; THENCE NORTH 38 DEGREES 00 MINUTES 47 SECONDS WEST, 56.15 FEET; THENCE NORTH 36 DEGREES 00 MINUTES 43 SECONDS EAST, 19.31 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 105.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 60 DEGREES 58 MINUTES 07 SECONDS, A DISTANCE OF 111.73 FEET; THENCE SOUTH 83 DEGREES 01 MINUTES 10 SECONDS EAST, 69.38 FEET; THENCE SOUTH 86 DEGREES 20 MINUTES 48 SECONDS EAST, 212.34 FEET; THENCE SOUTH 83 DEGREES 00 MINUTES 49 SECONDS EAST, 163.75 FEET TO A POINT IN THAT CERTAIN COURSE HAVING A BEARING AND DISTANCE OF " SOUTH 2 DEGREES 23 MINUTES 42 SECONDS EAST 78.06 FEET" DESCRIBED IN THE DEED TO PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT, RECORDED ON AUGUST 29, 1978 AS INSTRUMENT NO. 78-957270 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING DISTRICT THEREON SOUTH 2 DEGREES 23 MINUTES 42 SECONDS EAST 78.06 FEET FROM THE NORTHERLY TERMINUS OF SAID CERTAIN COURSE, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE ALONG SAID CERTAIN COURSE AND ITS PROLONGATION SOUTH 02 DEGREES 23 MINUTES 42 SECONDS EAST, 200.00 FEET; THENCE SOUTH 47 DEGREES 16 MINUTES 25 SECONDS EAST, 150.00 FEET; THENCE SOUTH 07 DEGREES 16 MINUTES 25 SECONDS EAST, 390.00 FEET; THENCE SOUTH 89 DEGREES 16 MINUTES 25 SECONDS EAST, 259.50 FEET; THENCE NORTH 42 DEGREES 43 MINUTES 35 SECONDS EAST, 232.00 FEET; THENCE NORTH 47 DEGREES 16 MINUTES 25 SECONDS WEST, 201.41 FEET; THENCE NORTH 42 DEGREES 43 MINUTES 35 SECONDS EAST, 215.00 FEET; THENCE NORTH 47 DEGREES 16 MINUTES 25 SECONDS WEST, 160.41 FEET; THENCE SOUTH 42 DEGREES 43 MINUTES 35 SECONDS WEST, 215.00 FEET; THENCE NORTH 47 DEGREES 16 MINUTES 25 SECONDS WEST, 130.18 FEET; THENCE NORTH 43 DEGREES 30 MINUTES 01 SECONDS EAST, 73.72 FEET; THENCE NORTH 05 DEGREES 28 MINUTES 48 SECONDS WEST, 110.00 FEET; THENCE NORTH 84 DEGREES 31 MINUTES 12 SECONDS EAST, 195.00 FEET; THENCE NORTH 62 DEGREES 19 MINUTES 00 SECONDS EAST, 109.97 FEET TO A POINT IN THE SOUTH RIGHT OF WAY LINE OF HAWTHORNE BOULEVARD, SAID POINT BEGINNING A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 550.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 02 DEGREES 24 MINUTES 34 SECONDS, A DISTANCE OF 23.13 FEET; THENCE SOUTH 62 DEGREES 19 MINUTES 00 SECONDS WEST, 94.43 FEET; THENCE SOUTH 84 DEGREES 31 MINUTES 12 SECONDS WEST, 220.18 FEET; THENCE NORTH 05 DEGREES 28 MINUTES 48 SECONDS WEST, 20.00 FEET; TO THE WESTERLY TERMINUS OF THAT CERTAIN COURSE HAVING A BEARING AND DISTANCE OF SOUTH 84 DEGREES 31 MINUTES 12 SECONDS WEST 216.25 FEET, DESCRIBED IN SAID DEED THENCE ALONG THE BOUNDARY OF SAID DEEDS, NORTH 02 DEGREES 24 MINUTES 09 SECONDS WEST, 55.04 FEET; THENCE SOUTH 87 DEGREES 34 MINUTES 50 SECONDS WEST, 231.16 FEET; THENCE SOUTH 02 DEGREES 23 MINUTES 42 SECONDS EAST, 57.79 FEET TO THE TRUE POINT OF BEGINNING.

TITLE INSURANCE AND TRUST COMPANY

RESERVING TO THE GRANTOR, HOWEVER, AN ACCESS EASEMENT ON, OVER, AND ACROSS, THE FOLLOWING DESCRIBED AREA:

THAT PORTION OF BLOCK "H", AS SHOWN ON MAP OF THE RANCHO LOS PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ALLOTTED TO JOTHAM BIXBY, BY DECREE IN PARTITION IN THE ACTION "BIXBY ET AL. VS. BENT ET AL" CASE NO. 2373, IN THE DISTRICT COURT OF THE 17TH JUDICIAL DISTRICT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES, AND ENTERED IN BOOK 4, PAGE 57 OF JUDGMENTS IN THE SUPERIOR COURT OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT, SAID POINT BEING THE COUNTY OF LOS ANGELES TRIANGULATION MONUMENT SAN PEDRO HILLS D-7, AND HAVING STATE COORDINATES OF NORTH 4,019,330.05, EAST 4,164,224.94 SAID POINT BEING LOCATED ON A POINT OF LAND NORTH OF PALOS VERDES DRIVE OVER LOOKING POINT VICENTE LIGHTHOUSE, THENCE NORTH 53 DEGREES 31 MINUTES 58 SECONDS EAST, 415.07 FEET TO THE CENTER OF THE NORTHWEST GUN TURRET OF BATTERY 240; THENCE NORTH 51 DEGREES 59 MINUTES 13 SECONDS EAST, 55.00 FEET; THENCE NORTH 38 DEGREES 00 MINUTES 47 SECONDS WEST, 56.15 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 36 DEGREES 00 MINUTES 43 SECONDS EAST, 19.31 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 105.00 FEET; THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 60 DEGREES 58 MINUTES 07 SECONDS, A DISTANCE OF 111.73 FEET; THENCE SOUTH 83 DEGREES 01 MINUTES 10 SECONDS EAST, 69.38 FEET; THENCE SOUTH 86 DEGREES 20 MINUTES 48 SECONDS EAST, 212.34 FEET; THENCE SOUTH 83 DEGREES 00 MINUTES 49 SECONDS EAST, 163.75 FEET; THENCE NORTH 86 DEGREES 53 MINUTES 56 SECONDS EAST, 231.19 FEET; THENCE NORTH 84 DEGREES 31 MINUTES 12 SECONDS EAST, 216.25 FEET; THENCE NORTH 62 DEGREES 19 MINUTES 00 SECONDS EAST, 79.98 FEET TO A POINT IN THE SOUTH RIGHT OF WAY LINE OF HAWTHORNE BOULEVARD, SAID POINT BEGINNING A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 550.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 02 DEGREES 21 MINUTES 17 SECONDS, A DISTANCE OF 22.60 FEET; THENCE SOUTH 62 DEGREES 19 MINUTES 00 SECONDS WEST, 94.43 FEET; THENCE SOUTH 84 DEGREES 31 MINUTES 12 SECONDS WEST, 220.18 FEET; THENCE SOUTH 86 DEGREES 49 MINUTES 42 SECONDS WEST, 232.27 FEET; THENCE NORTH 83 DEGREES 00 MINUTES 49 SECONDS WEST, 166.47 FEET; THENCE NORTH 86 DEGREES 20 MINUTES 48 SECONDS WEST, 212.35 FEET; THENCE NORTH 83 DEGREES 01 MINUTES 10 SECONDS WEST, 69.96 FEET TO A POINT BEGINNING A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 85.00 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 60 DEGREES 58 MINUTES 07 SECONDS, A DISTANCE OF 90.45 FEET; THENCE SOUTH 36 DEGREES 00 MINUTES 43 SECONDS WEST, 25.04 FEET; THENCE NORTH 38 DEGREES 00 MINUTES 47 SECONDS WEST, 20.80 FEET; TO THE TRUE POINT OF BEGINNING.

TITLE INSURANCE AND TRUST COMPANY

TITLE OF THE VESTEE HEREIN WAS ACQUIRED BY DEED RECORDED:
PRIOR TO SIX MONTHS FROM THE DATE HEREOF

POLICY RATE: 100 PER CENT

C.P./J.T. 126 TRIPL. PLATS

RECORDING REQUESTED BY:

~~United Title Ins. Co. #78-1782 Title Insurance~~
& Palos Verdes Escrow Co. #;1-24300
WHEN RECORDED MAIL TO:

City of Rancho Palos Verdes
30940 Hawthorne Blvd.,
Rancho Palos Verdes, Ca 90274
Attn: Mr George Wunderlin

Portion, Los Angeles Defense Area, NIKE 55
Point Vicente, Los Angeles, CA
D-Calif-1088
(City of Rancho Palos Verdes)

QUITCLAIM DEED

THIS INDENTURE, made the 25th day of September 1978, between the UNITED STATES OF AMERICA, acting by and through the Administrator of General Services, under and pursuant to the powers and authority contained in the provisions of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, and regulations and orders promulgated thereunder, GRANTOR, and the CITY OF RANCHO PALOS VERDES, GRANTEE,

WITNESSETH: That the said GRANTOR, for and in consideration of the sum of FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$450,000.00) in lawful money of the United States of America, receipt of which is hereby acknowledged, has remised, released and forever quitclaimed, and by these presents does remise, release and forever quitclaim, unto the said GRANTEE, and to its successors and assigns, that certain real property situate, lying and being in the County of Los Angeles, State of California, described as follows:

THAT PORTION of Block "H", as shown on map of the Rancho Los Palos Verdes, in the County of Los Angeles, State of California, allotted to Jotham Bixby, by decree in partition in the action "Bixby et al vs. Bent et al" Case no. 2373, in the District Court of the 17th Judicial District of the State of California, in and for the County of Los Angeles and entered in Book 4, page 57 of judgments in the Superior Court of said County, described as follows:

COMMENCING at a point, said point being the County of Los Angeles Triangulation Monument San Pedro Hills D-7, and having state coordinates of north 4,019,330.05, East 4,164,224.94 said point being located on a point of land north of Palos Verdes Drive overlooking Point Vicente Lighthouse, thence north 53°31'58" East, 415.07 feet to the center of the northwest gun turret of Battery 240; thence north 51°59'13" east, 55.00 feet; thence north 38°00'47" west, 56.15 feet; thence north 36°00'43" east, 19.31 feet to the beginning of a tangent curve concave southerly having a radius of 105.00 feet; thence easterly along said curve, through a central angle of 60°58'07", a distance of 111.73 feet; thence south 83°01'10" east, 69.38 feet; thence south 86°20'48" east, 212.34 feet; thence south 83°00'49" east, 163.75 feet to the true point of beginning; thence south 02°23'43" east, 200.00 feet; thence south 47°16'25" east, 150.00 feet thence south 07°16'25" east, 390.00 feet; thence south 89°16'25" east, 259.50 feet; thence north 42°43'35" east, 232.00 feet; thence north 47°16'25" west, 201.41 feet; thence north 42°43'35" east, 215.00 feet; thence north 47°16'25" west, 160.41 feet; thence south 42°43'35" west, 215.00 feet; thence north 47°16'25" west, 130.18 feet; thence north 43°30'01" east, 73.72 feet; thence north 05°28'48" west, 110.00 feet; thence north 84°31'12" east, 195.00 feet; thence north 62°19'00" east, 109.97 feet to a point in the south right of way line of Hawthorne Boulevard, said point beginning a tangent curve concave northeasterly having a radius of 550.00 feet; thence northwesterly along said curve, through a central angle of 02°24'34", a distance of 23.13 feet; thence south 62°19'00" west, 94.43 feet; thence south 84°31'12" west, 220.18 feet; thence north 05°28'48" west, 20.00 feet; thence north 02°24'09" west, 55.04 feet; thence south 87°34'50" west, 231.16 feet; thence

Portion, Los Angeles Defense Area, NIKE 55
Point Vicent, Los Angeles, CA
D-Calif-1088
(City of Rancho Palos Verdes)

south $02^{\circ}23'42''$ east, 57.79 feet to the true point of beginning.

RESERVING to the GRANTOR, however, all oil, gas, and mineral rights and deposits.

ALSO RESERVING to the GRANTOR, an access easement on, over, and across, the following described area:

THAT PORTION of Block "H", as shown on map of the Rancho Los Palos Verdes, in the County of Los Angeles, State of California, allotted to Jotham Bixby, by decree in partition in the action "Bixby et al vs. Bent et al" Case no. 2373, in the District Court of the 17th Judicial District of the State of California, in and for the County of Los Angeles, and entered in Book 4, Page 57 of judgments in the Superior Court of said County, described as follows:

COMMENCING at a point, said point being the County of Los Angeles Triangulation Monument San Pedro Hills D-7, and having state coordinates of north 4,019,330.05, east 4,164,224.94 said point being located on a point of land north of Palos Verdes Drive overlooking Point Vicente Lighthouse, thence north $53^{\circ}31'58''$ east, 415.07 feet to the center of the northwest gun turret of Battery 240; thence north $51^{\circ}59'13''$ east, 55.00 feet; thence north $38^{\circ}00'47''$ west, 56.15 feet to the true point of beginning; thence north $36^{\circ}00'43''$ east, 19.31 feet to the beginning of a tangent curve concave southerly having a radius of 105.00 feet; thence easterly along said curve, through a central angle of $60^{\circ}58'07''$, a distance of 111.73 feet; thence south $83^{\circ}01'10''$ east, 69.38 feet; thence south $86^{\circ}20'48''$ east, 212.34 feet; thence south $83^{\circ}00'49''$ east, 163.75 feet; thence north $86^{\circ}53'56''$ east, 231.19 feet; thence north $84^{\circ}31'12''$ east, 216.25 feet; thence north $62^{\circ}19'00''$ east, 79.98 feet to a point in the south right of way line of Hawthorne Boulevard, said point beginning a tangent curve concave northeasterly having a radius of 550.00 feet; thence southeasterly along said curve, through a central angle of $02^{\circ}21'17''$, a distance of 22.60 feet; thence south $62^{\circ}19'00''$ west, 94.43 feet; thence south $84^{\circ}31'12''$ west, 220.18 feet; thence south $86^{\circ}49'42''$ west, 232.27 feet; thence north $83^{\circ}00'49''$ west, 166.47 feet; thence north $86^{\circ}20'48''$ west, 212.35 feet; thence north $83^{\circ}01'10''$ west, 69.96 feet to a point beginning a tangent curve concave southerly having a radius of 85.00 feet; thence westerly along said curve, through a central angle of $60^{\circ}58'07''$, a distance of 90.45 feet; thence south $36^{\circ}00'43''$ west, 25.04 feet; thence north $38^{\circ}00'47''$ west, 20.80 feet; to the true point of beginning.

SUBJECT TO rights of way, restrictions, reservations and easements now existing or of record.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and also all the estate, right, title, interest, property possession, claim and demand whatsoever, in law as well as in equity, of the said GRANTOR of, in or to the foregoing described premises, and every part and parcel thereof, with the appurtenances.

Portion, Los Angeles Defense Area, NIKE 55
Point Vicente, Los Angeles, CA
D-Calif-1088
(City of Rancho Palos Verdes)

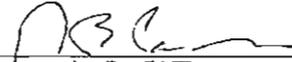
SAID PROPERTY transferred hereby was duly determined to be surplus, and was assigned to the General Services Administration for disposal pursuant to the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, and applicable rules, orders and regulations.

TO HAVE AND TO HOLD, all and singular, the said premises, with the improvements thereon, unto the said GRANTEE, its successors and assigns forever.

THE GRANTEE covenants for itself, its heirs, successors and assigns and every successor in interest to the property hereby conveyed, or any part thereof, that the said Grantee and such heirs, successors, and assigns shall not discriminate upon the basis of race, color, religion, or national origin in the use, occupancy, sale, or lease of the property, or in their employment practices conducted thereon. The United States of America shall be deemed a beneficiary of this covenant without regard to whether it remains the owner of any land or interest therein in the locality of the property hereby conveyed and shall have the sold right to enforce this covenant in any court of competent jurisdiction.

IN WITNESS WHEREOF, the GRANTOR has caused these presents to be executed as of the day and year first above written.

UNITED STATES OF AMERICA
Acting by and through the
ADMINISTRATOR OF GENERAL SERVICES

By 
A. B. PACE
Director, Real Property Division
Federal Property Resources Service
General Services Administration
Region 9, San Francisco, California

APPRAISAL QUALIFICATIONS
JOYCE L. RIGGS, MAI, SR/WA

APPRAISAL EXPERIENCE

Entered the appraisal profession in **1988** as an appraisal assistant with B.G.R. Appraisals in Simi Valley, California. Services rendered involved appraisal report preparation for a variety of property types including: commercial/retail and office; industrial; bulk acreage; and multi-family residential.

In **1991**, I accepted a position as a Real Estate Representative for The Metropolitan Water District of Southern California ("MWDSC"). Services rendered involved appraisal report preparation, review, mass appraisal cost studies for budget purposes, and evaluation of full and partial takings of property for capital projects and surplus portfolio properties; coordination between Legal, Right-of Way, Engineering, Planning, and Environmental Divisions relative to appraisal issues as appraisal project manager of the Diamond Valley Reservoir Project, a capital project.

From **1993** to **2001**, I was associated with the appraisal firm of Mason & Mason in Montrose, California. Services rendered involved appraisal review, and full and partial take appraisal report preparation of retail, office, industrial, agricultural, and residential uses, including determination of severance damages and/or benefits for condemnation acquisitions, redevelopment acquisitions, property tax appeals, deficiency judgments, financial decisions, and planning purposes throughout Southern California.

Since **2001**, I joined Riggs & Riggs, Inc., an appraisal and consulting firm in Simi Valley, California, and serve as Vice President of the corporation. Services rendered include expert witness testimony, appraisal review, appraisal report preparation for full and partial take of fee, permanent easement, or temporary easement right of way assignments, and appraisal report preparation for private and lending assignments. Property types include retail, office, industrial, agricultural, mobile home parks, and residential uses, including determination of severance damages and/or benefits for condemnation acquisitions, redevelopment acquisitions, property tax appeals, deficiency judgments, financial decisions, and planning purposes. Appraisal assignments have been undertaken in the Los Angeles, Ventura, Orange, Riverside, San Bernardino San Diego, and Santa Barbara County regions.

Experience includes completion or major contributions to the following:

- Litigation appraisals for the widening and realignment of Lewis Road and U.S. Highway 101, Highway 395 and Phelan Road, and realignment and widening projects along the 405, 210, 5, 215, 91/215/60, and 134 Freeways in Los Angeles, San Bernardino, Ventura, Orange, and Riverside Counties, 1995 to present
- Consulting Valuation Cost Study prepared for budgeting purposes relative to the projects in Orange and Riverside Counties for The Metropolitan Water District, 2006, Riverside County Flood Control & Water Conservation District in 2008 and 2009, and a Grade Separation Project for OCTA and HDR Pharos, 2008
- Market Rental Study on Port-Oriented Property in Los Angeles Harbor area, for Southern California Edison, Los Angeles County, 2007
- Appraisal of Partial Acquisition and Disposition of Fee and Easement Interests in port-related properties for the Port of Long Beach, Los Angeles County, 2004 and 2006
- Appraisals of partial fee, permanent, and temporary construction easement acquisitions for Murrieta Creek Project Phases 1 and 2, and Eagle Canyon Dam, for Riverside County Flood Control and Water Conservation District, Temecula, Palm Springs, and Cathedral City, 2002 to present
- Appraisals of partial fee, easement, and temporary construction easement acquisitions along Interstate 10 for interchange projects, for the County of Riverside and City of Palm Springs, Riverside County, 2007 to 2009
- Appraisals of partial fee, easement, and temporary construction easement acquisitions for the widening of Flower Street, Glendale, 2005
- Appraisals of partial fee, easement, and temporary construction easement acquisitions for the widening of Van Buren Boulevard, Riverside, 2004-2005
- Appraisals of partial fee, easement, and temporary construction easement acquisitions for Kanan Road/ U.S. Highway 101 Interchange Project, Agoura Hills, 2004
- Appraisals of partial fee and temporary construction easement acquisitions for the Alameda Corridor East, San Gabriel Valley, Los Angeles County, 2001 to present

- Litigation appraisals for inverse condemnation cases proximate to Ontario Airport, Santa Monica Airport, and 210 Freeway extension through San Bernardino County, to determine diminution in value freeway effects, if any, in 2006-present, and airport noise and vibrations, in the City of Ontario, San Bernardino County, 1993 to 1997 and in the West Los Angeles, 2000 to 2001
- Appraisals of partial fee and temporary construction easement acquisitions for the Pasadena Gold Line, Cities of Pasadena and South Pasadena, Los Angeles County, 1999-2001, 2004-2005

The following is a partial list of government agencies, attorneys, and private clients:

Adorno, Yoss, Alvarado & Smith	Luce, Forward, Hamilton & Scripps, LLC
Best, Best & Krieger	Metropolitan Water District of So. California
Brown, Winfield & Canzoneri	Metrolink
California Department of Transportation	McCormick, Kidman & Behrens
City of Agoura Hills	Mullen & Henzel
City of Loma Linda	Nevers, Palazzo, Maddux & Packard, PLC
City of Los Angeles - General Services	Nossaman, Guthner, Knox & Elliott, LLP
City of Los Angeles - CRA	Orange County Transportation Authority
City of Los Angeles - Department of Airports	Port of Long Beach
City of Palm Springs	Paragon Partners, Ltd.
City of Pasadena	Richards, Watson & Gershon
City of Riverside	Riverside County Flood Control & Water Conservation District
City of Santa Clarita	Riverside County Transportation Commission
County of Orange	Santa Barbara Bank & Trust
County of Riverside	Sempra Energy
County of San Bernardino	Southern California Edison
County of Ventura	State of California, Department of Justice
Demetriou, Del Guercio, Springer & Francis	Stradling, Yocca, Carlson, & Rauth
Epic Land Solutions, Inc.	University of California, Riverside
Glendale Community College	Wells Fargo Bank
HDR Pharos	Western Municipal Water District
Los Angeles County Metropolitan Transportation Commission (MTA)	United States Army Corps of Engineers
Los Angeles Unified School District	Yaspan & Thau

PROFESSIONAL AFFILIATIONS, ACTIVITIES, TRAINING & CERTIFICATION

Elected to MAI membership in the Appraisal Institute, October 1995, Member No. 10852; certified through 2010, under Appraisal Institute's Voluntary Continuing Educational Program
 Certified General Real Estate Appraiser, State of California; recertified to April 7, 2011, No. AG005451
 Senior Right of Way Member, International Right of Way Association, Member No. 4495; certified through 2014
 Qualified as an expert witness in Ventura, Los Angeles, Orange, San Bernardino, and Riverside Superior Courts

SPECIALIZED APPRAISAL COURSES

Appraisal Institute Courses

- Real Estate Appraisal Principles
- Basic Valuation Procedures
- Capitalization Theory and Techniques Part A
- Capitalization Theory and Techniques Part B
- 7 Hour USPAP Update
- Report Writing and Valuation Analysis
- Advanced Applications
- OREA Update Workshop
- Business Practices & Ethics

International Right of Way Association

- Principles of Real Estate Acquisition Engineering, Course 101
- Bargaining Negotiations, Course 205
- Presentation Skills, Course 206
- Appraisal of Partial Acquisitions, Course 401
- Easement Valuation, Course 402
- Legal Aspects of Easements, Course 802
- Eminent Domain Law Basics for R/W Professionals, Course 803
- Engineering Plan Development and Application, Course 901
- Introduction to Property Management, Course 700

Attended numerous workshops and seminars presented by the Appraisal Institute and International Right of Way Association.

POSITIONS HELD

Appraisal Institute

Region VII

1996-1998 General Guidance Committee Chairperson

Southern California Chapter

2006-2007 Director of Central Coast Branch, Litigation Seminar Chairperson
2004 Immediate Past President, Nominating and Litigation Seminar Chairperson
2003 President
2002 Vice President and Region VII Representative
2001 Treasurer
1999 - 2000 Director
1998 Secretary
1997 General Guidance Committee Chairperson
1996 - 1998 Experience Review Committee
1997, 2006 Litigation Seminar Co-Chairperson
1995 - 1997 Installation Committee Chairperson
1994 - 1995 Candidate Liaison and Chairperson Candidate Leadership Committee

International Right of Way Association (IRWA) Chapter 1 Activities

2005 Secretary, PDC Member, and Nominations/Awards Chair
2001 Immediate Past President, Nominating and Awards Chairperson
2000 President
1999 President Elect and International Director
1998 Vice President
1997 Treasurer
1996, 2001, 2006-7 Fall Seminar Committee Chairperson and/or Committee Member
1996-97, 1999,
2005-2007, 2009-2010 Valuation Conference Committee Member

TEACHING EXPERIENCE

1999 Instructor, Real Estate Principles at Glendale Community College
1998 Instructor, Real Estate Appraisal at Glendale Community College

EDUCATIONAL BACKGROUND

California State University, Northridge
Bachelor of Science Degree in Business Administration with dual emphasis in
Real Estate and Finance