

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
OF THE WEST COVINA REDEVELOPMENT AGENCY**

**AGENDA REPORT**

Item No. IV-C

Date: June 22, 2017

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**TO:** Chairperson and Board Members of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

**FROM:** Chris Freeland, Executive Director

**BY:** Paulina Morales, Economic Development & Housing Manager

**SUBJECT: LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP) – DISPOSITION OF AGENCY ASSET (APN: 8735-001-912) TO SINGPOLI GROUP LLC (SINGPOLI)**

**RECOMMENDED ACTION:**

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency adopt the following:

**RESOLUTION NO. OB-0054 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE WEST COVINA SUCCESSOR AGENCY APPROVING AND AUTHORIZING THE SALE OF PARCEL (APN: 8735-001-912) TO THE SINGPOLI GROUP LLC.**

**BACKGROUND:**

The Successor Agency (Agency) to the former West Covina Redevelopment Agency received a Finding of Completion (FOC) from the Department of Finance (DOF) on December 16, 2015. Shortly thereafter, on December 18, 2015, the Agency also obtained DOF approval of the Long Range Property Management Plan (LRPMP). As a result, the Agency is proceeding with implementing the LRPMP including the disposition of assets listed for sale. The LRPMP included thirty two (32) properties, twenty six (26) of which are Government Use Transfers to the City, with six (6) listed for sale, one of which is the parcel proposed to be sold to Singpoli Group LLC.

Health and Safety Code Section 34177(h) states that the Successor Agency is required to “Dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value. Asset disposition may be accomplished by a distribution of income to taxing entities proportionate to their property tax share from one or more properties that may be transferred to a public or private agency for management pursuant to the direction of the oversight board.” While the Agency is not legally

required by law to conduct an appraisal, staff hired Lidgard and Associates to conducted appraisals on all Agency assets listed for disposition. Staff obtained three bids for the appraisals, Lidgard & Associates came back as the most cost effective.

On June 7, 2016, pursuant to the approved LRPMP, the City Council authorized staff to pursue the sale of three (3) of the six (6) properties including the Public Water Tank Properties and the AAA Pad (8735-001-912) (Attachment No. 2). Since the approval of the LRPMP, the City has been marketing the AAA Pad property through various avenues, including the Oppsites website, promoting at real estate industry events (including the International Council of Shopping Centers conferences), as well as meeting with prospective developers and tenants. While these efforts have yielded interest in the property, the Successor Agency did not previously receive any offers to purchase the property.

The appraisal, conducted in April of 2016, values the property at \$890,000 (Attachment No. 3). While the site has a gross acreage of 2.13 acres, the net developable land is only .58 acres. As a large portion of the lot is hillside, any development would require costly retaining walls. In addition, the property has a sign easement dedicated to the City.

**DISCUSSION:**

On May 18, 2017, the Successor Agency received an Letter of Intent (LOI) from Singpoli (Attachment No. 4) to purchase the Agency asset #15 also known as the AAA Pad “as-is” for \$900,000. Subsequently on May 30, 2017 the City Council, acting as the Successor Agency, authorized staff to pursue a Purchase and Sale Agreement with Singpoli for the following asset:

LRPMP Asset #	Parcel No.	Description	Lot Size
15	8735-001-912	AAA Pad	2.17-Acres

The Successor Agency Counsel drafted a Purchase and Sale Agreement (Attachment No. 5) based on the terms approved by the Successor Agency. The approved terms of the Purchase and Sale Agreement include:

- Minimum Deposit of \$10,000 at approval of Agreement for Purchase and Sale;
- Reimbursement to the City of costs for staff time and attorney fee’s associated with the sale of the property anticipated to be approximately \$40,300 in total between the two;
- Reimbursement to the Successor Agency of appraisal cost in the amount of \$2,450;
- Sale of the asset is contingent upon Oversight Board approval.

The sale will meet the LRPMP requirement to dispose of the property. If authorized to do so, the City Manager acting as the Executive Director for the Successor Agency, would execute the Purchase and Sale Agreement with Singpoli and any other documents necessary with the sale of the asset to Singpoli including escrow instructions and related documents.

As the property will be sold under the LRPMP, pursuant to Redevelopment dissolution law, revenues from the sale will be turned over to the Los Angeles County Controller to distribute among the various taxing entities.

Prepared By:



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Paulina Morales

Economic Development & Housing Manager

**ATTACHMENTS:**

Attachment No. 1 – Resolution No. OB-0054

Attachment No. 2 – Appraisal Report Dated April 26, 2016

Attachment No. 3 – Letter of Intent dated May 18, 2017

Attachment No. 4 – Aerial of Site

Attachment No. 5 – Draft Purchase and Sale Agreement

**RESOLUTION NO. OB-0054**

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE SALE OF PARCEL (APN: 8735-001-912) TO THE SINGPOLI GROUP, LLC**

**WHEREAS**, the former West Covina Redevelopment Agency (“Agency”) was a community redevelopment agency organized and existing under the California Redevelopment Law; and

**WHEREAS**, during the Agency’s existence, the Agency and the City of West Covina (“City”) acquired various parcels from BKK Corporation in the vicinity of the BKK Landfill, some of which were developed; and

**WHEREAS**, the Agency was dissolved effective February 1, 2012, by way of Assembly Bill (“AB”) 1x26 (as subsequently amended from time to time, the “Dissolution Law”) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231; and

**WHEREAS**, the Dissolution Law created a “successor agency” for each dissolved redevelopment agency, and charged them with completing various tasks and obligations geared towards “winding down” the affairs of their respective redevelopment agency; and

**WHEREAS**, the Dissolution Law created an “Oversight Board” for each successor agency, and charged them with overseeing, reviewing, and approving enumerated successor agency actions; and

**WHEREAS**, by resolution of the City Council, the City of West Covina serves as the successor agency to the dissolved Agency (“Successor Agency”), and the West Covina Oversight Board is the statutorily created oversight board of the Successor Agency (“Oversight Board”); and

**WHEREAS**, the Successor Agency has approved a Long Range Property Management Plan (“LRPMP”) for the property, identified as APN: 8735-001-912, City of West Covina, California, and more particularly described in Exhibit A (the “Property”), which has been approved by the West Covina Oversight Board and the Department of Finance. That LRPMP provides for the sale of the Property for fair market value; and

**WHEREAS**, the Successor Agency has conducted an arms-length, independent appraisal of the Property, which is commercially zoned, accessible through previously constructed infrastructure, but subject to an easement for a sign for an adjacent development, Big League Dreams; and

**WHEREAS**, Singpoli Group LLC has made a written offer to purchase the Property for an amount slightly in excess of its appraised value, with an agreement to reimburse the Successor

Agency and City costs incurred in connection with marketing the property, which the Department of Finance has refused to approve for repayment; and

**WHEREAS**, the Successor Agency has considered Singpoli's offer and determined that it complies with the requirements of the Department of Finance and Oversight Board approved Long Range Property Management Plan requiring that the Property be disposed of at fair market value; and

**WHEREAS**, the Successor Agency has determined that the sale of the Property to Singpoli is categorically exempt from review under the California Environmental Quality Act pursuant to 14 California Code of Regulations sections 15312 and 15332, and no development or use of the Property may be made which is inconsistent with the existing zoning of the Property without further environmental review.

**NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY FINDS AND RESOLVES:**

**SECTION 1.** The Recitals set forth above are true and correct and are incorporated herein by this reference.

**SECTION 2.** Based upon the staff presentations and reports, and such other evidence considered by the Oversight Board concerning this matter, the Oversight Board finds and declares that the Property should be sold to Singpoli Group LLC on the terms and conditions set forth in the attached Draft Agreement for Purchase and Sale of Property, subject to such minor changes as may be approved by the Executive Director and Agency Counsel.

**SECTION 3.** Oversight Board staff is further authorized and directed to take all actions necessary and appropriate in carrying out this Resolution.

**SECTION 4.** The Oversight Board Secretary shall certify to the adoption of this Resolution, and it shall become effective immediately upon approval.

**APPROVED AND ADOPTED** at a special meeting held on this 22<sup>nd</sup> day of June, 2017.

\_\_\_\_\_  
Carrie A. Sutkin, Chairperson  
Oversight Board to the Successor  
Agency to the former West Covina  
Redevelopment Agency

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
John Harper, General Counsel  
Oversight Board to the Successor Agency  
to the former West Covina Redevelopment Agency

\_\_\_\_\_  
Rosalia Butler, Board Secretary  
Oversight Board to the Successor  
Agency to the former West Covina  
Redevelopment Agency

# Exhibit A

## Successor Agency Assets #15

Property: AAA Pad (Sign Easement)  
APN: 8735-001-912  
Site: 2.17 - Acres



# Successor Agency Assets #15

Property: AAA Pad (Sign Easement)  
APN: 8735-001-912  
Site: 2.17 - Acres



# APPRAISAL REPORT

## **LAND VALUE STUDY**

SUCCESSOR AGENCY PROPERTY  
APN: 8735-001-912  
WEST COVINA, CALIFORNIA



**LIDGARD**  
AND ASSOCIATES  
INCORPORATED



# **APPRAISAL REPORT**

Prepared for

CITY OF WEST COVINA  
1444 West Garvey Avenue south  
West Covina, California 91790

Date of Report  
May 2, 2016

**LAND VALUE STUDY  
SUCCESSOR AGENCY PROPERTY  
APN: 8735-001-912  
WEST COVINA, CALIFORNIA**

Effective Date  
of Appraisal  
April 26, 2016

Prepared by

Scott A. Lidgard, MAI, CCIM  
LIDGARD AND ASSOCIATES, INC.  
2592 North Santiago Boulevard  
Orange, California 92867-1862

Report Reference No. 7814

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS



May 2, 2016

City of West Covina  
1444 West Garvey Avenue south  
West Covina, California 91790

Attention: Paulina Morales  
Senior Project Manager

Subject: Land Value Study  
Successor Agency Property  
APN: 8735-001-012  
West Covina, California

*Long Beach Office:  
3353 Linden Avenue  
Suite 200  
Long Beach, CA  
90807 - 4503*

In accordance with your request and authorization, I have completed an appraisal study of the above-referenced property on behalf of the client indicated above.

*Orange County Office:  
2592 N. Santiago Blvd.  
Orange, CA  
92867 - 1862*

The valuation study consisted of (1) an inspection of the subject property from the adjacent rights-of-way, (2) a review of public records, (3) the research and collection of comparable market data in the immediate and general subject market area, (4) a valuation employing the Sales Comparison Approach based on an analysis of the comparable market data, and (5) preparation of this formal narrative appraisal report in summation of the activities outlined above.

*Telephone:  
(562) 988-2926  
(714) 633-8441*

*Facsimile:  
(714) 633-8449*

The subject property consists of a vacant land parcel located at the northeast corner of Azusa Avenue and Giambi Lane, within the City of West Covina. The parcel has a relatively prominent signaled corner location, effectively level pad area, triangular land shape, and contains 2.13± gross acres, or 92,783± gross square feet, per, per Assessor's records. The net developable land area, exclusive of existing drainage/slope easements and future required street dedication is 25,408 square feet. The property is zoned for, and has a highest and best use of, commercial development. Reference the accompanying appraisal report for a complete description of the subject property and valuation analysis process.

City of West Covina  
Attention: Paulina Morales  
Senior Project Manager

May 2, 2016  
Page 2

The purpose of this appraisal study is to express an estimate of market value of the unencumbered fee simple interest in the subject underlying land parcel. Market value as defined in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) is defined as follows:

*"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:*

- 1. Buyer and seller are typically motivated;*
- 2. Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- 3. A reasonable time is allowed for exposure in the open market;*
- 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

The intended use of this appraisal report is to assist the City of West Covina in establishing market value of the subject property pursuant to AB-26X-1 relative to the unwinding of public redevelopment agencies. Intended users are City officials, along with consultants thereof, for the explicit purpose indicated above. This report is not intended to be distributed to, or relied upon by, third parties, except as provided for herein.

After considering the various factors which influence value, the market value of the subject property, as of April 26, 2016, is as follows:

EIGHT HUNDRED NINETY THOUSAND DOLLARS  
\$890,000.

This appraisal complies with the reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(a). This report contains a moderate level of detail with respect to the market data, appraisal methodology, and reasoning supporting the analysis, opinions, and conclusions. It contains sufficient information for the purpose, intent, client and users for which it is written.

City of West Covina  
Attention: Paulina Morales  
Senior Project Manager

May 2, 2016  
Page 3

This appraisal report is submitted in triplicate; we have retained a file copy. Please do not hesitate to contact the undersigned in the event you require additional information from our file.

Very truly yours,

LIDGARD AND ASSOCIATES, INC.



Scott A. Lidgard, MAI, CCIM  
Certified General Real Estate Appraiser  
California Certification No. AG 004014  
Renewal Date: March 13, 2018

SAL:sp

## **TABLE OF CONTENTS**

Title Page  
Letter of Transmittal  
Table of Contents

### PREFACE

Executive Summary  
Location Map  
Date of Value  
Purpose of the Appraisal  
Intent and Users of the Appraisal  
Property Rights Appraised  
Appraiser's Certification  
Scope of the Appraisal  
Assumptions and Limiting Conditions  
Terms and Definitions

### SUBJECT PROPERTY DESCRIPTION

Apparent Vestee  
Property Address  
Legal Description  
Plat Map  
Site Description  
Existing Improvements  
Assessment Data  
Ownership History  
Neighborhood Environment

### VALUATION ANALYSIS

Highest and Best Use Analysis  
Valuation Methods  
Sales Comparison Approach  
Final Estimate of Market Value  
Exposure Time

### MARKET DATA

Summary of Commercial Land Value Indicators  
Market Data Location Map  
Commercial Land Sales Data and Photographs

**TABLE OF CONTENTS** (Continued)

ADDENDA

Additional Subject Property Photographs  
Qualifications of Appraiser

# **PREFACE**

## **EXECUTIVE SUMMARY**

PURPOSE OF APPRAISAL: Market value of the unencumbered fee simple interest in the subject underlying land parcel.

CLIENT IDENTIFICATION: City of West Covina

PROPERTY ADDRESS: No situs address; property located in West Covina, California.

APPARENT VESTEE: Successor Agency to the West Covina Redevelopment Agency

### SITE DESCRIPTION:

Land area: 2.13± gross acres, or 92,743± gross square feet. The net developable land area, exclusive of existing drainage/slope easements and future required street dedication, is 25,408 square feet.

Land shape: Effectively triangular land configuration.

Zoning: S-C (service commercial-hillside overlay)

Soil contamination: None known or observed by appraiser, however, a comprehensive soil study was not provided for review. The subject property has been appraised herein as though free of soil contaminants, if any.

Present use: Vacant land

Highest and best use: Commercial development.

Assessor's No.: 8375-001-912

EXISTING IMPROVEMENTS: There are no building or other on-site improvements located within the boundaries of the subject parcel.

DATE OF VALUE: April 26, 2016

DATE OF REPORT: May 2, 2016

### VALUATION ANALYSIS:

Sales Comparison  
Approach: \$890,000.

Cost-Summation  
Approach: Not applicable.

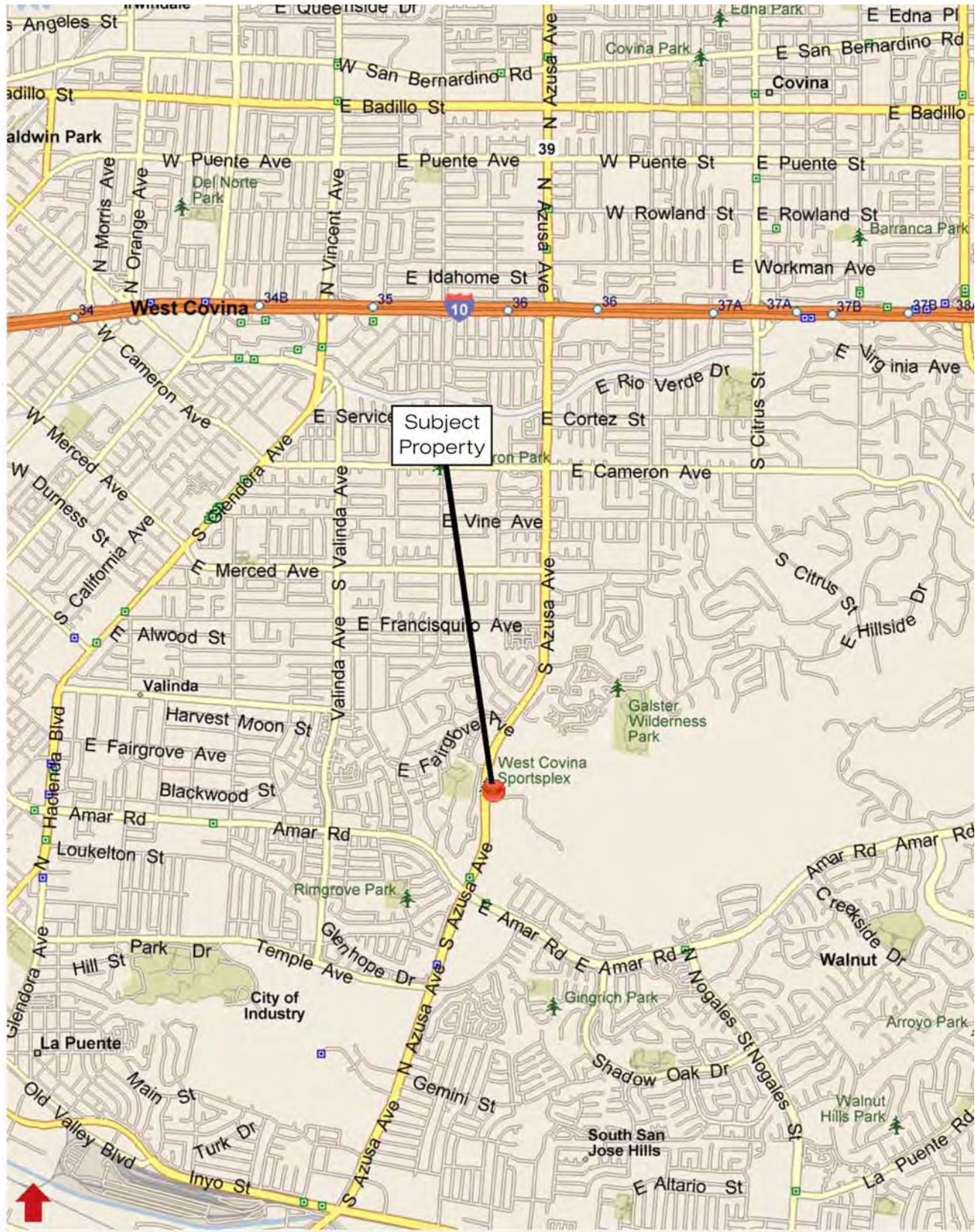
Income Capitalization  
Approach: Not applicable.



**EXECUTIVE SUMMARY** (Continued)

RECONCILIATION: Inasmuch as the subject property consists of a vacant land parcel, the Sales Comparison Approach, as applied to land value, is the only approach considered applicable in the subject case.

FINAL ESTIMATE  
OF VALUE: \$890,000.



Subject Property

## **DATE OF VALUE**

The date of value employed in this report, and all opinions and computations expressed herein, are based on April 26, 2016, said date being generally concurrent with the inspection of the subject property and valuation analysis process.

## **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal report is to express an estimate of the unencumbered fee simple market value of the subject property, absent any liens, leases, or other encumbrances, as of the date of value set forth above. The definition of market value is set forth in the following portion of this section following the heading "Definition of Market Value".

Further, it is the purpose of this appraisal report to describe the subject property, and to render an opinion of the highest and best use based on (1) the character of existing and potential development of the property appraised, (2) the requirements of local governmental authorities affecting the subject property, (3) the reasonable demand in the open market for properties similar to the subject property, and (4) the location of the subject property considered with respect to other existing and competitive districts within the immediate subject market area.

Further, it is the purpose of this appraisal report to provide an outline of certain factual and inferential information which was compiled and analyzed in the process of completing this appraisal study.

## **INTENT AND USERS OF APPRAISAL**

The intended use of this appraisal report is to assist the City of West Covina in establishing market value of the subject property pursuant to AB-26X-1 relative to the unwinding of public redevelopment agencies. Intended users are City officials, along with consultants thereof, for the explicit purpose indicated above. This report is not intended to be distributed to, or relied upon by, third parties, except as provided for herein.

## **PROPERTY RIGHTS APPRAISED**

The property rights appraised herein are those of the unencumbered fee simple interest. Fee simple is defined in the 12<sup>th</sup> Edition of The Appraisal of Real Estate, as, "*Absolute ownership by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*"

## **CERTIFICATION**

The undersigned does hereby certify, except as otherwise noted in this appraisal report, that:

I have personally inspected the subject property from the adjacent rights-of-way; I have no present or contemplated future interest in the real estate which is the subject of this appraisal report. Also, I have no personal interest or bias with respect to the subject matter of this appraisal report, or the parties involved in this assignment.

My engagement in this assignment, and the amount of compensation, are not contingent upon the reporting or development of pre-determined values or direction in value that favors (1) the cause of the client, (2) the amount of the value opinion, (3) the attainment of predetermined/stipulated results, or (4) the occurrence of a subsequent event directly related to the intended use of this appraisal. To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the assumptions and limiting conditions (imposed by the terms of this assignment or by the undersigned), affecting my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

The analyses, opinions, and conclusions, were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the Code of Professional Ethics. As of the date of this report, I have completed the requirements of the continuing education program of the State of California. Further, duly authorized representatives of the State, as well as the Appraisal Institute, have the right to review this report.

I have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the 3-year period immediately preceding acceptance of this assignment. Jason P. Boyer provided real property appraisal assistance to the person signing this report with respect to data collection, inspection of the property, and report preparation. No one other than the undersigned prepared the analyses, conclusions, and opinions of this appraisal study.

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Scott A. Lidgard, MAI, CCIM  
Certified General Real Estate Appraiser  
California Certification No. AG 004014  
Renewal Date: March 13, 2018

Date: May 2, 2016

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS

## **SCOPE OF THE APPRAISAL**

The appraiser, in connection with the following appraisal study, has:

1. Been retained, and has accepted the assignment, to make an objective analysis/valuation study of the subject property and to report, without bias, his estimate of fair market value. The subject property is particularly described in the following portion of this report in the section entitled Subject Property Description.
2. Toured the general area by automobile to acquaint himself with the extent, condition, and quality of nearby developments, sales and offerings in the area, density and type of development, topographical features, economic conditions, trends toward change, etc.
3. Walked within the subject property, and some of the nearby neighborhood, to acquaint himself with the current particular attributes, or shortcomings, of the subject property.
4. Completed an inspection of the subject property for the purpose of becoming familiar with certain physical characteristics.
5. Made a visual observation concerning public streets, access, drainage, and topography of the subject property.
6. Obtained information regarding public utilities and sanitary sewer available at the subject site.
7. Made, or obtained from other qualified sources, calculations on the area of land contained within the subject property. Has made, or caused to be made, plats and plot plan drawings of the subject property, and has checked such plats and plot plan drawings for accuracy and fair representation.
8. Taken photographs of the subject property, together with photographs of the immediate environs.
9. Made, or caused to be made, a search of public records for factual information regarding the recent sales of the subject property, and for recent sales of comparable properties.

**SCOPE OF THE APPRAISAL** (Continued)

10. Has viewed, confirmed the sale price, and obtained certain other information pertaining to each sale property contained in this report.
11. Reviewed current maps, zoning ordinances, and other material for additional background information pertaining to the subject property, and sale properties.
12. Attempted to visualize the subject property as it would be viewed by a willing and informed buyer.
13. Interviewed various persons, in both public and private life, for factual and inferential information helpful in this appraisal study.
14. Formed an opinion of the highest and best use applicable to the subject property appraised herein.
15. Formed an estimate of market value of the unencumbered fee simple interest in the subject property, as of the date of value expressed herein.
16. Prepared and delivered this appraisal report, in triplicate, in summation of all the activities outlined above.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is made with the following understanding as set forth in items No. 1 through 18, inclusive:

1. That liability of Lidgard and Associates, Inc., along with the specific appraiser responsible for this report, is limited to the client only and to the fee actually received by the firm. There is no accountability, obligation or liability to any third party reader/user of this report. In the event this appraisal report is delivered to anyone other than the client for whom this report was prepared, it is the client's responsibility to make such party and/or parties aware of all limiting conditions and assumptions of this assignment and related discussions.
2. That in the event the client or any third party brings legal action against Lidgard and Associates, Inc., or the preparer of this report, and the appraiser prevails, the party initiating such legal action shall reimburse Lidgard and Associates, Inc. and/or the appraiser for any and all costs of any nature, including attorney's fees, incurred in their defense.
3. This appraisal report is intended to comply with reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(a). It contains a moderate level of detail with respect to the market data, appraisal methodology, and reasoning supporting the analysis, opinions, and conclusions. This report contains sufficient information for the intended use and users for which it was written.
4. That title to the subject property is assumed to be good and merchantable. Liens and encumbrances, if any, have not been deducted from the final estimate of value. The vesting was obtained from County Records, or other sources, and has been relied upon as being accurate. The subject property has been appraised as though under responsible ownership. The legal descriptions are assumed accurate.

**ASSUMPTIONS AND LIMITING CONDITIONS** (Continued)

5. That the appraiser assumes there are no hidden or unapparent conditions of the subject property, subsoil, structures, or other improvements, if any, which would render them more or less valuable. Further, the appraiser assumes no responsibility for such conditions or for the engineering which might be required to discover such conditions. That mechanical and electrical systems and equipment, if any, except as otherwise may be noted in this report, are assumed to be in good working order. The property appraised is assumed to meet all governmental codes, requirements, and restrictions, unless otherwise stated.
6. That no soils report, topographical mapping, or survey of the subject property was provided to the appraiser; therefore information, if any, provided by other qualified sources pertaining to these matters is believed accurate, but no liability is assumed for such matters. Further, information, estimates and opinions furnished by others and contained in this report pertaining to the subject property and market data were obtained from sources considered reliable and are believed to be true and correct. No responsibility, however, for the accuracy of such items can be assumed by the appraiser.
7. That unless otherwise stated herein, it is assumed there are no encroachments, easements, soil toxics/contaminants, or other physical conditions adversely affecting the value of the subject property.
8. That no opinion is expressed regarding matters which are legal in nature or other matters which would require specialized investigation or knowledge ordinarily not employed by real estate appraisers, even though such matters may be mentioned in the report.
9. That no oil rights have been included in the opinion of value expressed herein. Further, that oil rights, if existing, are assumed to be at least 500 feet below the surface of the land, without the right of surface entry.



**ASSUMPTIONS AND LIMITING CONDITIONS** (Continued)

10. That the distribution of the total valuation in this report between land and improvements, if any, applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
11. That the valuation of the property appraised is based upon economic and financing conditions prevailing as of the date of value set forth herein. Further, the valuation assumes good, competent, and aggressive management of the subject property.
12. That the appraiser has conducted a visual inspection of the subject property and the market data properties. Should subsequent information be provided relative to changes or differences in (1) the quality of title, (2) physical condition or characteristics of the properties, and/or (3) governmental restrictions and regulations, which would increase or decrease the value of the subject property, the appraiser reserves the right to amend the final estimate of value.
13. That the appraiser, by reason of this appraisal, is not required to give testimony in court or at any governmental or quasi-governmental hearing with reference to the property appraised, unless contractual arrangements have been previously made therefor.
14. That drawings, plats, maps, and other exhibits contained in this report are for illustration purposes only and are not necessarily prepared to standard engineering or architectural scale.
15. That this report is effective only when considered in its entire form, as delivered to the client. No portion of this report will be considered binding if taken out of context.
16. That possession of this report, or a copy thereof, does not carry with it the right of publication, nor shall the contents of this report be copied or conveyed to the public through advertising, public relations, sales, news, or other media, without the written consent and approval of the appraiser, particularly with regard to the valuation of the property

**ASSUMPTIONS AND LIMITING CONDITIONS** (Continued)

appraised and the identity of the appraiser, or the firm with which he is connected, or any reference to the Appraisal Institute, or designations conferred by said organizations.

17. That the form, format, and phraseology utilized in this report, except the Certification, and Terms and Definitions, shall not be provided to, copied, or used by, any other real estate appraiser, real estate economist, real estate broker, real estate salesman, property manager, valuation consultant, investment counselor, or others, without the written consent and approval of Scott A. Lidgard.
18. That this appraisal study is considered completely confidential and will not be disclosed or discussed, in whole or in part, with anyone other than the client, or persons designated by the client.

## **TERMS AND DEFINITIONS**

Certain technical terms have been used in the following report which are defined, herein, for the benefit of those who may not be fully familiar with said terms.

### MARKET VALUE (or Fair Market Value):

Market value is sometimes referred to as Fair Market Value; the latter is a legal term, and a common synonym of Market Value. Market value as defined in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) is defined as follows:

"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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

### SALES COMPARISON APPROACH:

One of the three accepted methods of estimating Market Value. This approach consists of the investigation of recent sales of similar properties to determine the price at which said properties sold. The information so gathered is judged and considered by the appraiser as to its comparability to the subject property. Recent comparable sales are the basis for the Sales Comparison Approach.

## **TERMS AND DEFINITIONS** (Continued)

### COST-SUMMATION APPROACH:

Another accepted method of estimating Market Value. This approach consists of estimating the new construction cost of the building and yard improvements and making allowances for appropriate amount of depreciation. The depreciated reconstruction value of the improvements is then added to the Land Value estimate gained from the Sales Comparison Approach. The sum of these two figures is the value indicated by the Cost-Summation Approach.

### INCOME CAPITALIZATION APPROACH:

The Income Capitalization Approach consists of capitalizing the net income of the property under study. The capitalization method studies the income stream, allows for (1) vacancy and credit loss, (2) fixed expenses, (3) operating expenses, and (4) reserves for replacement, and estimates the amount of money which would be paid by a prudent investor to obtain the net income. The capitalization rate is usually commensurate with the risk, and is adjusted for future depreciation or appreciation in value.

### DEPRECIATION:

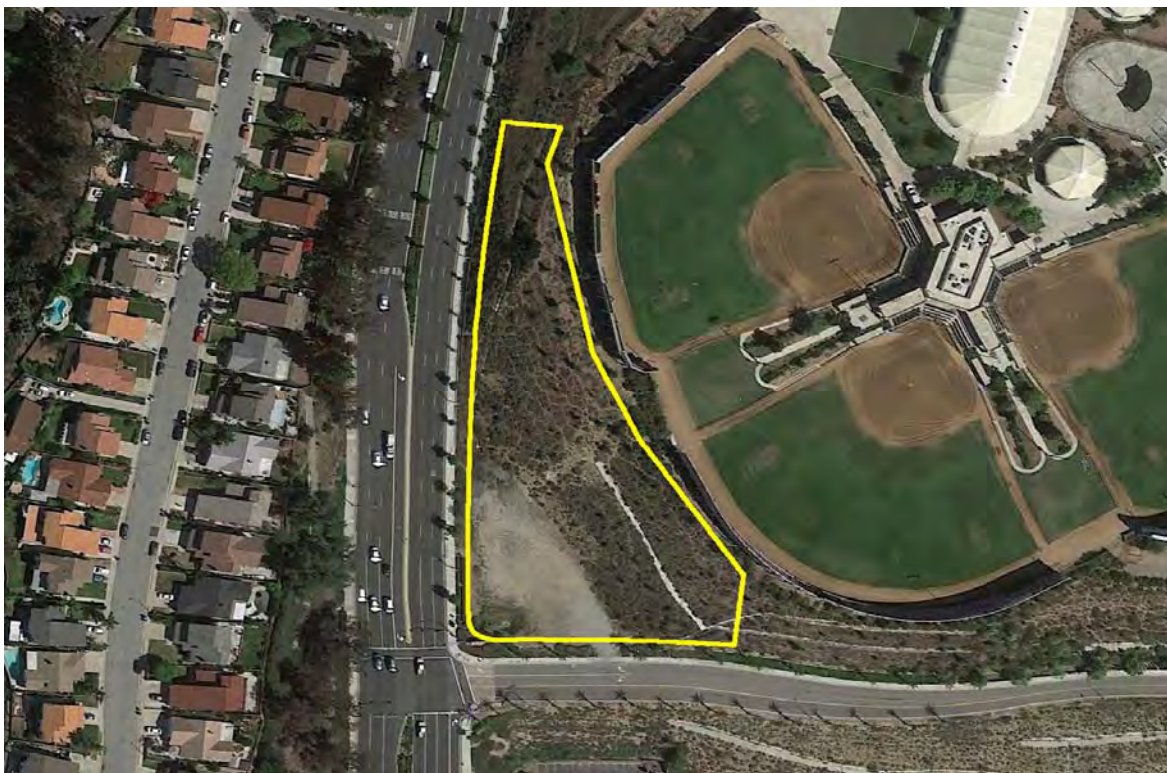
Used in this appraisal to indicate a lessening in value from any one or more of several causes. Depreciation is not based on age alone, but can result from a combination of age, condition or repair, functional utility, neighborhood influences, or any of several outside economic causes. Depreciation applies only to improvements. The amount of depreciation is a matter for the judgment of the appraiser.

### HIGHEST AND BEST USE:

Used in this appraisal to describe that private use which will (1) yield the greatest net return on the investment, (2) be permitted or have the reasonable probability of being permitted under applicable laws and ordinances, and (3) be appropriate and feasible under a reasonable planning, zoning, and land use concept.

**SUBJECT PROPERTY  
DESCRIPTION**

**SUBJECT PROPERTY**



Aerial view of subject property located at the northeast corner of Azusa Avenue and Giambi Lane, within the City of West Covina. See additional photographs of the subject property in the Addenda Section.

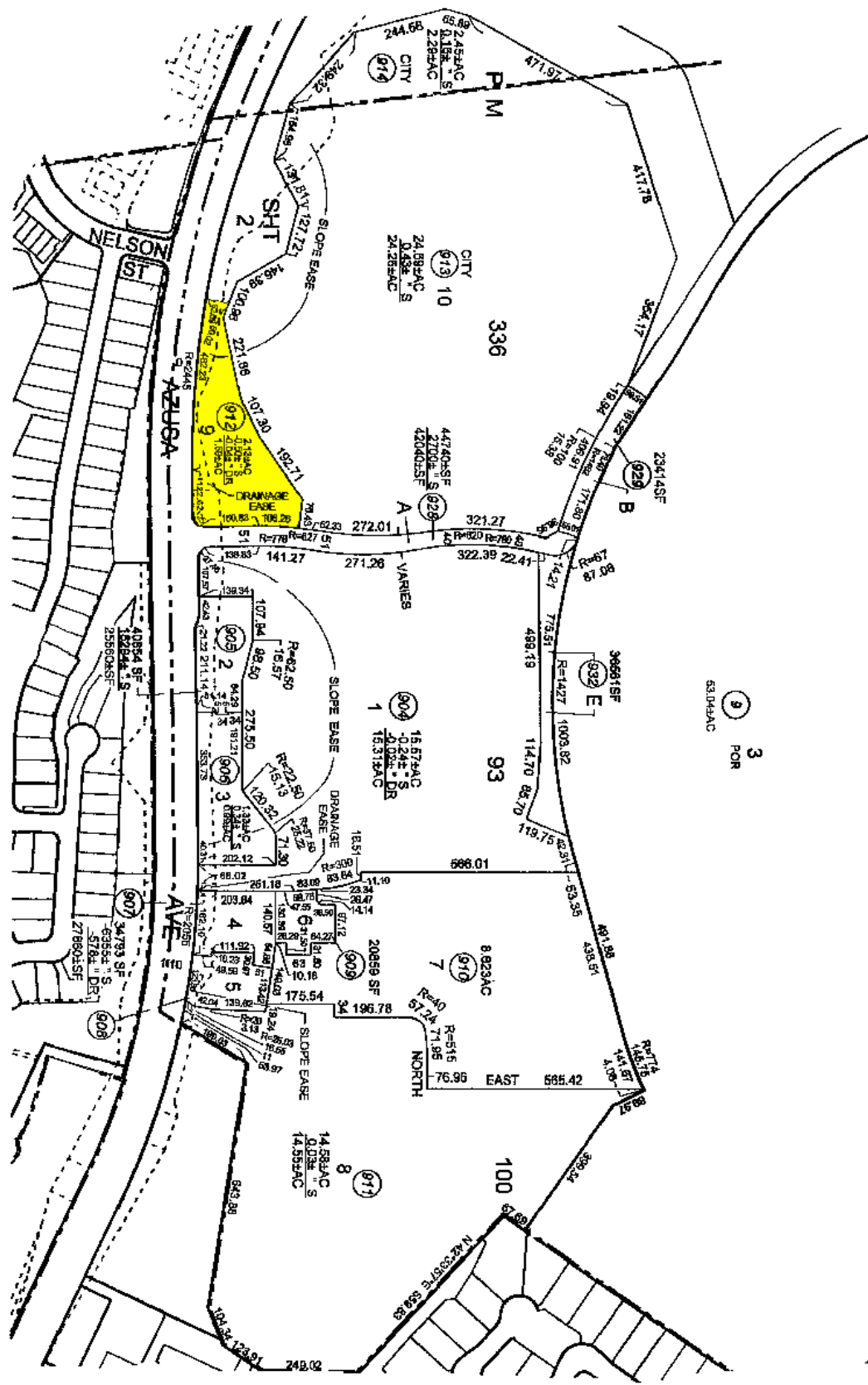
APPARENT VESTEE: Successor Agency to the West Covina  
Redevelopment Agency

Mailing address: 1444 West Garvey Avenue south  
West Covina, California 91790

Telephone: c/o Paulina Morales  
(626) 939-8417

PROPERTY ADDRESS: No situs address; property located in West  
Covina, California.

LEGAL DESCRIPTION: Parcel 9, Parcel Map 60193 recorded in  
Book 336, Pages 93 through 100 of Maps, in  
the office of the County Recorder, County of  
Los Angeles, California.



LIDGARD AND ASSOCIATES  
APPRAISERS-CONSULTANTS



**SITE DESCRIPTION**

LOCATION: Northeast corner of Azusa Avenue and Giambi Lane, within the corporate limits of the City of West Covina.

MAP COORDINATES: Thomas Bros. Map Page 638, Grid J-5.

CENSUS TRACT: Property located in Government Census Tract No. 4080.06.

LAND SHAPE: Effectively triangular land configuration; see highlighted portion of plat map on the opposite page.

DIMENSIONS: Various and numerous dimensions; reference plat map.

LAND AREA: 2.13± gross acres, or 92,743± gross square feet. The net developable land area, exclusive of existing drainage/slope easements and future required street dedication, is 25,408 square feet.

TOPOGRAPHY: Effectively level pad area.

DRAINAGE: Appears to be adequate based on the existing and surrounding developments.

SOIL STABILITY: Appears to be adequate based on the existing and surrounding developments in the immediate area. It should be noted, however, that a soils report was not provided for review. A comprehensive soils study will be required prior to future development.

SOIL CONTAMINATION: None known or observed, however, a soils study has not been provided for review. The subject property has been appraised as though free of soil contaminants.

ACCESS: The subject property has 610± lineal feet of frontage along Azusa Avenue, and 255± feet along Giambi Lane.



**SITE DESCRIPTION** (Continued)

RIGHTS-OF-WAY WIDTH:	Azusa Avenue: 100-122 feet. Giambi Lane: 40 feet.
STREET SURFACING:	Asphalt paved traffic lanes.
CURB AND GUTTER:	Concrete curb and gutter (each side of each street).
SIDEWALK:	Concrete sidewalk along portions of subject frontage.
STREET LIGHTS:	Mounted on ornamental standards.
PUBLIC UTILITIES:	Water, gas, electric power, and telephone are generally available at the site.
SANITARY SEWER:	Available at the site.
ENCROACHMENTS:	None apparent.
EASEMENTS:	A preliminary title report pertaining to the subject property was not provided for review. The Los Angeles County Assessor's map indicates that the westerly portion of the site is encumbered with a drainage easement. Other easements, if existing, are assumed to be located along property boundaries which would not interfere with a future highest and best use development. It is assumed there are no "cross-lot" or "blanket" easement encumbering the subject property.
EARTHQUAKE FAULT:	The subject property is not located within the Alquist-Priolo special earthquake fault study zone. The greater southern California area, however, is generally prone to earthquakes and other seismic disturbances. No studies have been provided for review. No responsibility is assumed for the possible impact on the subject property of seismic activity and/or earthquakes.

**SITE DESCRIPTION** (Continued)

FLOOD HAZARD AREA: The subject property is located within Zone X, per data issued by the Federal Emergency Management Agency. Property is depicted on Flood Map Panel 06037C1695F, dated September 26, 2008.

ILLEGAL USES: None apparent.

PRESENT USE: Vacant land.

ZONING: The subject parcel is located within the S-C (service commercial-hillside overlay) zone of the City of West Covina. The general plan land use designation is SNC (service and neighborhood commercial). Legally permitted uses within the S-C zone classification include a wide variety of commercial retail and office oriented uses, including restaurant facilities, hotels, and professional/administrative offices.

Based on the field inspection, as well as a review of current development standards, the optimal utility of the subject site is as zoned.

HIGHEST AND BEST USE: The reader is referred to the first portion of the Valuation Analysis Section for a detailed discussion regarding the highest and best use of the subject property.

**EXISTING IMPROVEMENTS**

COMMENT: There are no building or other on-site improvements located within the boundaries of the subject parcel.

**ASSESSMENT DATA**

ASSESSOR'S PARCEL NO.: 8735-001-912

ASSESSED VALUATIONS: Not applicable; property vested with public entity.

**ASSESSMENT DATA** (Continued)

TAX CODE AREA: 10611.

TAX YEAR: 2015-2016

REAL ESTATE TAXES: Not applicable; property vested with public entity.\*

\* In the event the subject property is sold-transferred to a private party, the real estate taxes will be adjusted to approximately 1.15% of the sale-transfer price, plus special assessments, per Proposition 13. In the absence of a sale-transfer, the maximum allowable annual increase in the assessed valuations is 2%.

**OWNERSHIP HISTORY**

COMMENT: The subject property has been vested with either the former redevelopment agency or successor entity in excess of five years. Due to the date of acquisition, the purchase price is not considered relevant to the current market value.

**NEIGHBORHOOD ENVIRONMENT**

COMMUNITY: The City of West Covina was incorporated in 1923 and functions as a general law city under a council-manager form of government. The West Covina City Council consists of five councilpersons elected at large for four-year staggered terms; the mayor is elected among the council members for a one-year term.

The Chief Executive Officer is appointed by the Council and is responsible for carrying out policies prescribed by the Council as well as supervising City employees through its department heads. The City Council also appoints the City Attorney, City Clerk, and Treasurer.

**NEIGHBORHOOD ENVIRONMENT** (Continued)

COMMUNITY: (Continued)

The City Attorney is responsible for representing and advising the City in legal matters. The City clerk conducts City elections, is the custodian of records, and presides over public hearings and vendor bidding. The City Treasurer is responsible for investing and safeguarding financial assets, and insuring the accurate reporting of the City's financial condition and transactions.

The City of West Covina is situated within the San Gabriel Valley Region of Los Angeles County, approximately 20 miles northeast of Downtown Los Angeles. Neighboring and adjoining communities include the cities of Arcadia, El Monte, South El Monte, La Puente, Baldwin Park, Irwindale, Azusa, and Monrovia.

Major nearby freeways include the Foothill (Route 210) Freeway, San Bernardino (Interstate 10) Freeway, and the San Gabriel River (Interstate 605) Freeway. The general proximity to regional landmarks are as follows:

Los Angeles Airport:	27 miles
Ontario Airport:	20 miles
Orange County Airport:	28 miles
Port of Los Angeles:	28 miles
Port of Long Beach:	26 miles
Beverly Hills:	25 miles
Pasadena:	11 miles
Dodger Stadium:	16 miles
Disneyland:	20 miles

The City of West Covina encompasses 16.09 square miles and has an approximate elevation of 362 feet above mean sea level. The total population within City Limits is 106,098 persons, which is generally divided equally between males and females. The median resident age is approximately 32

**NEIGHBORHOOD ENVIRONMENT** (Continued)

COMMUNITY: (Continued)

years. The increase in population between 1980 and 2000 was 33.3%. The ethnic breakdown is generally as follows:

Caucasian:	38.03%
African-American:	4.82%
Asian:	26.06%
Indian/other:	31.09%

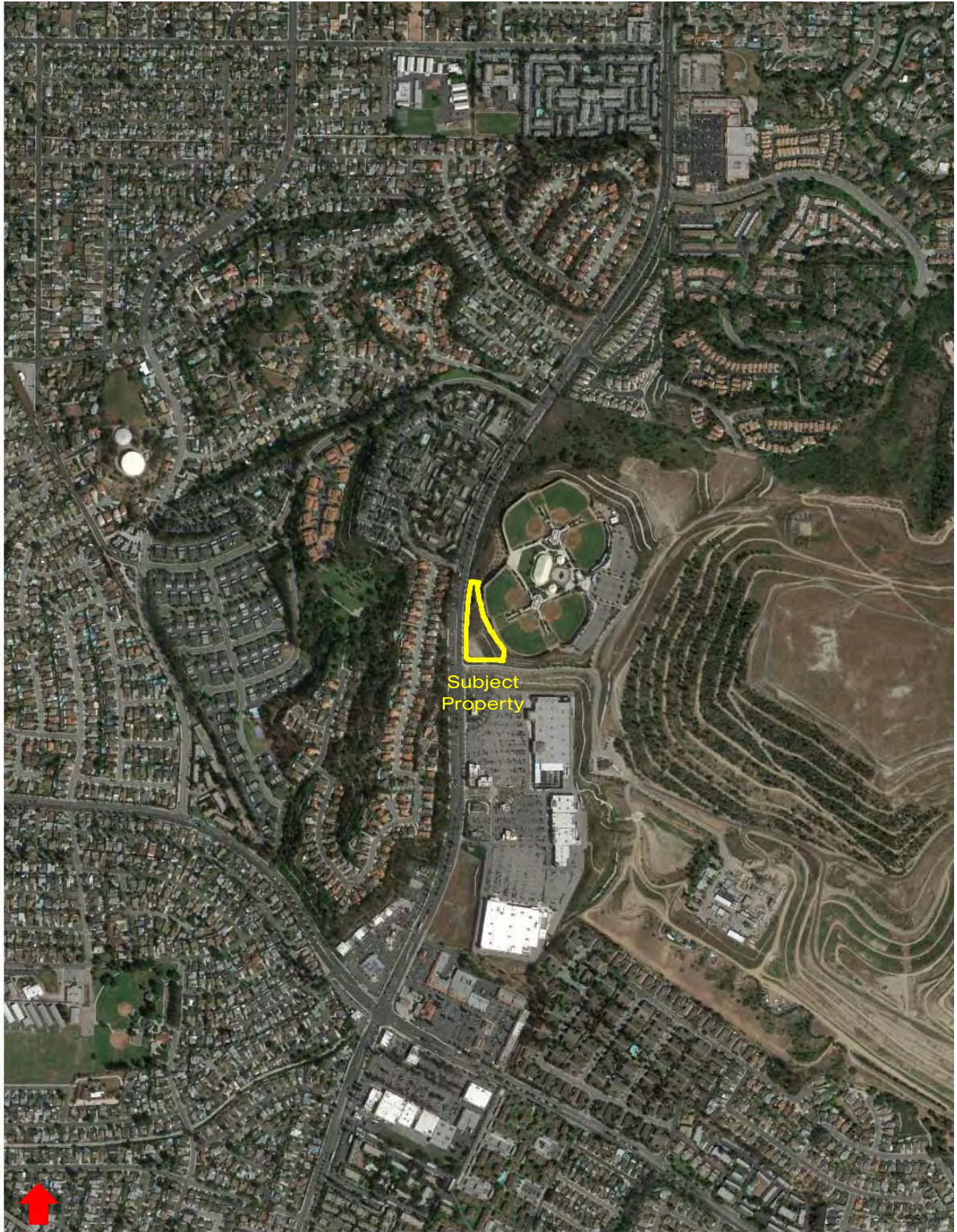
There are a total of 31,781 households within the City limits. The average family household income is \$82,228. The average household size is approximately 4.5 persons.

The employment base within the City of West Covina is somewhat limited. There are numerous employment opportunities within the greater Los Angeles and Inland Empire Region. Common male dominated industries include construction (8%), administrative/support and waste management services (5%), truck transportation (5%), accommodation and food services (5%), mail and metal product fabrication (4%), grocery and related product merchant wholesales (4%), and educational services (4%).

The most common female dominated industries include educational services (12%), healthcare (11%), finance and insurance services (7%), social assistance (6%), accommodation and food services (6%), public administration (4%), and retail apparel (4%).

The largest employers located within City boundaries are as follows:

- Citrus Valley Medical Center
- West Covina Unified School District
- City of West Covina
- Target Department Store
- Macy's Department Store



Subject  
Property

**NEIGHBORHOOD ENVIRONMENT** (Continued)

LOCATION: The subject property is located toward the southerly portion of the City of West Covina generally between the Pomona (State Route 60) Freeway and the San Bernardino (Interstate 10) Freeway, west of the Orange (State Route 57) Freeway. Primary vehicular access to the subject vicinity is via Amar Road, Azusa Avenue, Temple Avenue, and Nogales Street. The parcel has a relatively centralized location with average accessibility.

LAND USES: Existing land uses within the immediate vicinity include the former landfill, Big League Dreams Sports Complex, neighborhood shopping center anchored by a Home Depot and Target department store, along with single family residential subdivisions. The West Covina Civic Center and Los Angeles County Superior Courthouse are located approximately four miles northwesterly of the subject vicinity. Existing buildings are of average quality construction and one to two stories in height.

Other predominant uses in the general area include the Westfield Shopping Town Regional Mall, The Lakes office complex, County Health Building and Los Angeles County Library headquarters, South Hills Country Club, Dwight D. Eisenhower Golf Course, Industry Hills Recreation Center, Doctors Hospital of West Covina, and Plaza at West Covina shopping center.

Based on an inspection of the subject neighborhood, existing uses are generally compatible; there are no adverse conditions which would significantly impact value.

BUILT-UP: The immediate subject neighborhood is effectively 95% built-up including the former landfill and golf courses.

**NEIGHBORHOOD ENVIRONMENT** (Continued)

OCCUPANCY: Residential: 70±% owners.  
30±% tenants.  
Commercial: 40±% owners.  
60±% tenants.  
Industrial: 40±% owners.  
60±% tenants.

PRICE RANGE: Residential land values within the greater subject market area generally range between \$25.00 and exceeding \$40.00 per square foot of land area. Commercial land zoned for office development generally ranges in value between \$30.00 and exceeding \$50.00 per square foot of land area, depending primarily on zoning, location, and extent of prominence/-exposure. Industrial land parcels generally range in value from \$20.00 to exceeding \$30.00 per square foot of land area.

Improved single family detached residential properties generally range in value from \$500,000 to exceeding \$800,000. The lower value range pertains to relatively older dwellings with minimal upgrades, whereas the upper value range pertains to newer dwellings or properties which have been renovated throughout the years.

Multiple family residential properties are within a much broader value range; smaller complexes such as duplexes and triplexes, generally range from \$550,000 to exceeding \$750,000. Larger multiple family residential complexes range in value in excess of one million dollars.

Improved commercial and industrial properties range in value from approximately \$700,000 for single tenant, typically owner-user facilities, to exceeding several million dollars including large multi-tenant commercial facilities anchored by national tenants.



**NEIGHBORHOOD ENVIRONMENT** (Continued)

AGE RANGE: Single family residential developments in the general vicinity range from 20 years to exceeding 50 years. Commercial developments have effective ages ranging from 5 years to exceeding 30 years.

PRIDE OF OWNERSHIP: Overall pride of ownership, evidenced by an ongoing maintenance program, is rated average.

OTHER: The availability and adequacy of public facilities, transportation, and retail/office commercial facilities are rated average. The City of West Covina provides police and fire protection to the subject district.

See Valuation Analysis in the following section.

# **VALUATION ANALYSIS**

## **VALUATION ANALYSIS**

The purpose of this valuation study is the estimation of market value of the unencumbered fee simple interest in the subject underlying land parcel based on its highest and best use.

Prior to the application of the appraisal process, which in this case employs the Sales Comparison Approach as applied to commercial land value, it is necessary to consider and analyze the highest and best use of the subject property.

### ***HIGHEST AND BEST USE ANALYSIS:***

Highest and best use is defined in *The Appraisal of Real Estate*, by the Appraisal Institute, 14th Edition, Page 332, as:

*"The reasonably probable and legal use of property that results in the highest value."*

In the process of forming an opinion of highest and best use, consideration must be given to various environmental and political factors such as zoning restrictions, probability of zone change, private deed restrictions, location, land size and configuration, topography, and the character/quality of land uses in the immediate and general subject market area.

There are three basic criteria utilized in the highest and best use analysis of a property as if vacant, as well as presently improved. The three criteria are summarized as follows:

1. Physically possible.
2. Legally permissible.
3. Financially feasible.

The foregoing are typically considered sequentially; for example, a specific use may prove to be maximally productive, however, if it is not legally permissible, or physically possible, its productivity is irrelevant.

### ***Physically Possible:***

The physical possibility of developing a specific property is governed, in part, by the size, shape, area, and terrain of the property in question. The availability of public utilities is also an important consideration in the analysis of a property's overall development potential.

**VALUATION ANALYSIS** (Continued)

***HIGHEST AND BEST USE ANALYSIS:*** (Continued)

***Physically Possible:*** (Continued)

Additional physical considerations are warranted when analyzing the highest and best use of the subject property, as presently improved. The size, architectural design, and condition of the existing building improvements are important elements, and may have a substantial impact on the highest and best use of a property, as presently improved.

***Legally Permissible:***

Legally permissible uses are determined, in part, by a community's general plan, zoning requirements, local building codes, and private deed restrictions.

The general plan of a community is established to assure continuity of development within the community and the surrounding area. There is usually a consistency between the general plan of a community and the various zone classifications. The zone classification sets forth the various types of development allowed within a specific zone district. Zoning requirements typically constitute the available choices of development for a property. Local building codes are generally addressed as part of the zone classification, and include items such as maximum building densities, building height restrictions, setback and parking requirements, etc. Private deed restrictions relate to mutual agreements under which a property was acquired. Said restrictions may prohibit certain types of development.

***Financially Feasible:***

Those uses which meet the first two criteria, i.e. physically possible and legally permissible, are further analyzed in order to determine which uses produce an adequate return on the investment. The specified use is considered financially feasible if the net income capable of being generated is enough to satisfy the required rate of return and provide a return on the land.

Among those uses which are considered financially feasible, that use which produces the highest price, or value, consistent with the required rate of return, is considered the highest and best use of the property.

**VALUATION ANALYSIS** (Continued)

***HIGHEST AND BEST USE ANALYSIS:*** (Continued)

***Conclusion:***

The subject property has a relatively prominent signalized corner location, effectively level pad area, triangular land shape, and contains 2.13± gross acres, or 92,783± gross square feet, per, per Assessor's records. The net developable land area, exclusive of existing drainage/slope easements and future required street dedication, is 25,408 square feet. Site prominence/-exposure, along with vehicular accessibility of the subject parcel is rated average.

All public utilities such as water, gas, electric power, telephone, as well as sanitary sewer are available to the site. The physical characteristics of the subject parcel are considered adequate to accommodate a variety of legally permissible uses.

As stated, the property is located within the S-C (service commercial-hillside overlay) zone of the City of West Covina. The general plan land use designation is SNC (service and neighborhood commercial). Legally permitted uses within the S-C zone classification include a wide variety of commercial retail and office oriented uses, including restaurant facilities, hotels, and professional/administrative offices. The optimal utility of the subject site is as zoned.

Based on the demand, physical characteristics of the site, as well as the legally permissible uses, it is the appraiser's opinion that the maximally productive use, and therefore, the highest and best use of the subject land parcel is commercial development.

***VALUATION METHODS:***

There are three conventional methods (approaches) which can be used to estimate value. They are the Sales Comparison Approach, Cost-Summation Approach, and Income Capitalization Approach. Following is a brief description of each approach to value.

***Sales Comparison Approach:***

This approach consists of the investigation of recent sales of similar properties to determine the price at which said properties sold. The information so gathered is judged and

## **VALUATION ANALYSIS** (Continued)

### **VALUATION METHODS:** (Continued)

considered by the appraiser as to its comparability to the subject property. Recent comparable sales, either vacant land or improved properties, are the basis for the application of the Sales Comparison Approach.

#### ***Cost-Summation Approach:***

The Cost-Summation Approach consists of estimating the construction cost new of the building and yard improvements and making allowances for the appropriate amount of accrued depreciation. The depreciated reconstruction value of the improvements is then added to the land value estimate. The sum of these two figures is the value indicated by the Cost-Summation Approach.

#### ***Income Capitalization Approach:***

The Income Capitalization Approach consists of the capitalizing of net income of the property under appraisal. The capitalization methodology studies the income stream, allows for (1) vacancy and credit loss, (2) fixed expenses, and (3) operating expenses. The value indicated by the Income Capitalization Approach represents the money which would be paid by a prudent investor to obtain the net income capable of being generated by the property. The capitalization rate is usually commensurate with the inherent risk.

Inasmuch as the subject property consists of a vacant commercially zoned land parcel, the Sales Comparison Approach, as applied to land value, is the only approach considered applicable in the subject case.

### ***SALES COMPARISON APPROACH:***

The Sales Comparison Approach takes into account properties which have sold in the open market. This approach, whether applied to vacant or improved property, is based on the Principle of Substitution which states, *"The maximum value of a property tends to be set by the cost of acquiring an equally desirable substitute property, assuming no costly delay is encountered in making the substitution."* Thus, the Sales Comparison Approach attempts to equate the subject property with sale properties by analyzing and weighing the various elements of comparability.

## **VALUATION ANALYSIS** (Continued)

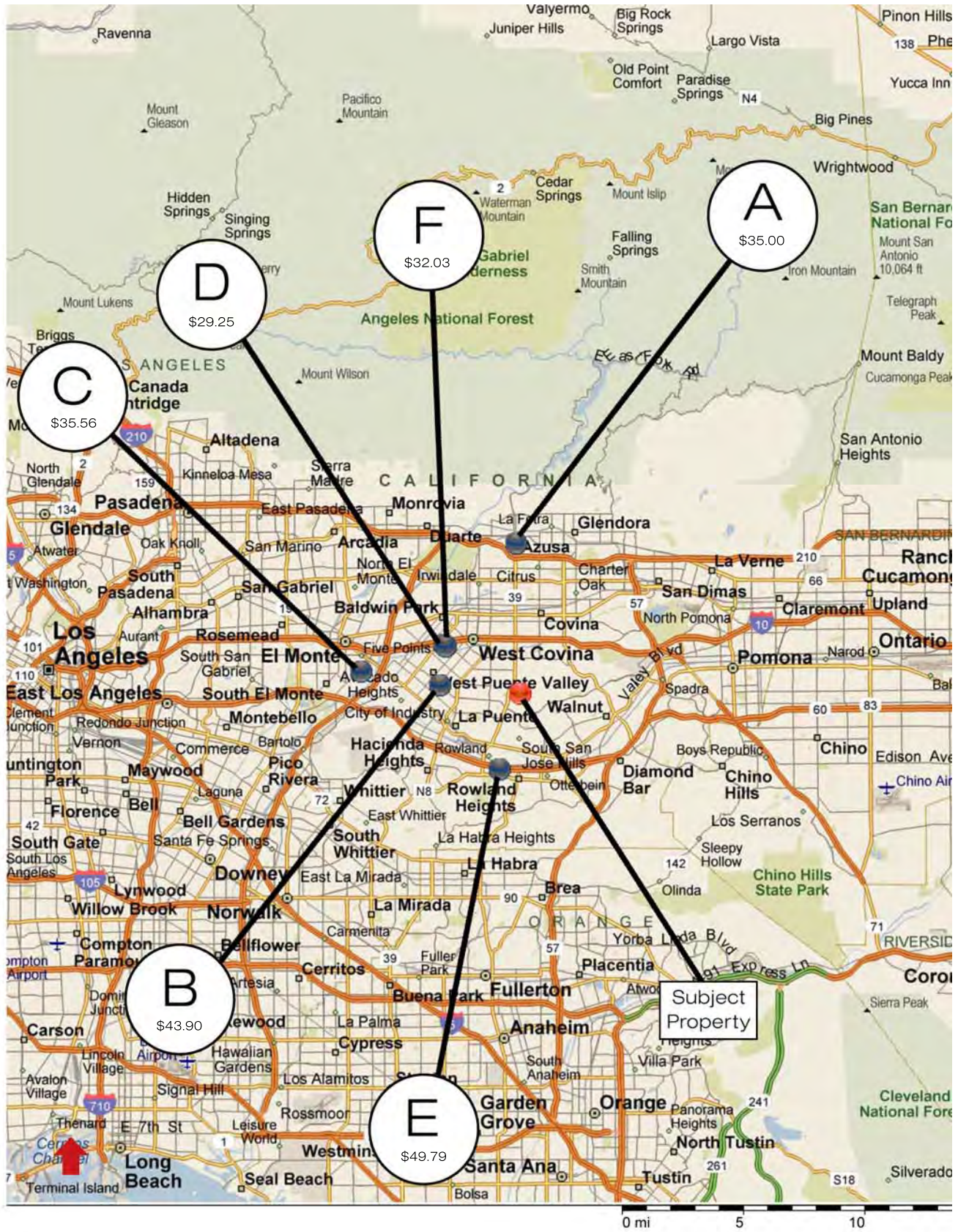
### ***SALES COMPARISON APPROACH:*** (Continued)

The Sales Comparison Approach was applied after conducting an investigation of market data (commercial land sales) in the greater subject market area. The reader is referred to the Market Data Section for comprehensive information pertaining to each sale property employed herein. Reference the Market Data Map on the following page for an illustration of the location of the various sale properties.

Primary indicators studied included sales of commercial zoned land parcels as well as land sales construction cost estimates and depreciation schedules. Other elements considered included (1) pride of ownership exhibited by an aggressive and on-going maintenance program, and (2) trends toward change evidenced by private redevelopment and remodeling, or gradual continued building degeneration in certain areas.

The knowledge and understanding of present and historical value patterns and trends affecting the local real estate market are based on the observation of market conditions and the appraisal of other commercial properties, as well as information obtained from various sources which include the following:

- Owners: Interviews were conducted with owners of commercial properties in the general research area to determine various market trends, and value patterns.
- Tenants: Interviews were conducted with various tenants of properties located within the immediate subject market area.
- Real estate brokers and salespersons: A number of active brokers and salespersons within the greater subject market area were interviewed regarding existing and historical lease and sales data, as well as value patterns and trends.
- Public officials: Various public officials were interviewed regarding (1) existing or proposed projects which have an impact on real property values, (2) economic trends, (3) level of public services, (4) zone classifications and building standards, and (5) property tax structure and assessment districts.
- Public officials: Information was gathered and studied regarding population, unemployment levels, employment centers, commercial sales data as well as rental data, and other demographic and economic factors.





**VALUATION ANALYSIS** (Continued)

***SALES COMPARISON APPROACH:*** (Continued)

***Land Value:***

Following is a summary of those sales considered helpful when estimating the value of the subject underlying land parcel.

<u>Data</u>	<u>Date</u>	<u>Zoning</u>	<u>Land Size</u>	<u>Alley</u>	<u>Corner</u>	<u>Street Frontage</u>	<u>Sale Price</u>	<u>\$ Per SF</u>
A.	7-14	C-2	7,000 sf	yes	no	50 feet	\$ 245,000.	\$35.00
W/S Azusa Ave., 90' N/O 5 <sup>th</sup> St., Azusa								
B.	1-15	C-4	22,210 sf	no	yes	250 feet	\$ 975,000.	\$43.90
SEC Amar Rd. and Sunset Ave., La Puente								
C.	3-15	M-1	22,500 sf	no	no	100 feet	\$ 800,000.	\$35.56
E/S Durfee Ave., 101' N/O Elliot Ave., El Monte								
D.	6-15	C-M	68,384 sf	no	no	188 feet	\$2,000,000.	\$29.25
S/S Dalewood St., 320±' E/O Garden View Ln., Baldwin Park								
E.	9-15	IDC	35,150 sf	no	no	391 feet	\$1,750,000.	\$49.79
N/S Castleton St., E/O Albatross Rd., Rowland Heights								
F.	12-15	FC	18,730 sf	no	no	150 feet	\$ 600,000.	\$32.03
S/S Dalewood St., E/O Garden View Ln., Baldwin Park								

The land sale properties surveyed are located within the general subject vicinity, and represent the most recent comparable land sale transactions. The properties range in size from 7,000 to 68,384 square feet of land area. The overall purchase prices range from \$245,000 to \$2,000,000, reflecting a range of \$29.25 to \$49.79 per square foot of land area.

Due to the absence of a representative number of land sale properties having recently sold within the immediate subject market area, it was necessary to expand the (1) chronological time frame, and (2) geographic search area to include the neighboring communities of Azusa, La Puente, El Monte, Baldwin Park, and Rowland Heights. Particular consideration has been assigned to differing market conditions, general location and immediate environmental influences in the analysis of the individual sale properties.

**VALUATION ANALYSIS** (Continued)

***SALES COMPARISON APPROACH:*** (Continued)

***Land Value:*** (Continued)

All of the sales employed herein conveyed title to the fee simple interest, and represent arm's length transactions. Financing terms of each sale are considered generally typical of the subject market area. Adjustments for property rights conveyed, conditions of sale, and financing terms, therefore, are not warranted.

***Market Conditions:***

Certain of the land sales data considered extended over a time period back to the third quarter of 2014. The time frame permitted the development of a rather comprehensive real estate market profile. The sales employed in this report are set forth in chronological order, and took place between July, 2014 and December, 2015.

Based on market research findings and analysis of the immediate and general subject vicinity, it is apparent that the value trend of vacant commercially zoned land parcels was relatively stable between approximately 2013 and the second half of 2014. Beginning in the second half of 2014, there has been an increase in the demand for commercial land parcels, which continues through the current date. The increased demand has resulted in a slight upward value trend. This condition has been considered in the analysis of the individual land sale transactions employed herein.

***Elements of Comparability:***

After viewing each of the sale properties, and obtaining certain information pertinent to land value, the appraiser analyzed the various elements of comparability for each sale property which, among others, include the following:

- |                                     |                               |
|-------------------------------------|-------------------------------|
| General location.                   | Availability of public alley. |
| Immediate environmental influences. | Overall developability.       |
| Zoning.                             | Site frontage/depth ratio.    |
| Vehicular and pedestrian access.    | Site prominence and exposure. |
| Vehicular and pedestrian traffic.   | Proximity to freeway.         |

**VALUATION ANALYSIS** (Continued)

***SALES COMPARISON APPROACH:*** (Continued)

***Land Value:*** (Continued)

***Elements of Comparability:*** (Continued)

A Relative Comparison Analysis (RCA) has been conducted between the individual comparable properties and the subject property. The RCA is a qualitative technique for analyzing comparable sales, and is a valuable tool employed to illustrate whether the characteristics of a comparable property are inferior, superior, or similar to those of the property under appraisal.

The Relative Comparison Analysis is similar to paired sales data analysis. This technique acknowledges the imperfect nature of the subject real estate market. The primary objective is to bracket the subject property between the comparable sales with respect to the similarity, superiority, and inferiority thereof. Superior elements of comparability of an individual sale property would reflect a downward adjustment to the value indication thereof. Conversely, inferior elements suggest an upward adjustment.

Additionally, it is important to note that the above elements of comparability were not assigned equal weight in making the analysis of each property. The general location, immediate environmental influences, vehicular accessibility, site prominence/exposure, land configuration, along with land area were considered the most important factors in the subject case, as follows:

***General Location:***

Social, economic, and governmental forces have a substantial influence on property values. Locational factors considered include, but are not limited to, demographics such as proximity to housing, schools, employment centers, transportation facilities, as well as quality of public services, proximity to freeway corridors, enforcement of codes, and median income levels.

***Immediate Environmental Influences:***

Considered with respect to the density and quality of existing developments within the immediate proximity to a specific property. By contrast, immediate environmental influences represent a myopic consideration of location as opposed to more generalized characteristics considered with respect to general location.

**VALUATION ANALYSIS** (Continued)

***SALES COMPARISON APPROACH:*** (Continued)

***Land Value:*** (Continued)

***Elements of Comparability:*** (Continued)

***Vehicular Accessibility:***

Commercial and industrial properties rely heavily on vehicular accessibility. Generally, corner locations with multiple access points command higher values than interior parcels having single point ingress/egress.

***Site Conditions:***

This factor is considered with respect to the condition of the property at the time of the sale. While certain properties are acquired based on the underlying land value, often times improvements exist on the site which either contribute or detract from the value. In many instances, an additional expense must be incurred to demolish existing improvements which expense increases the cost of the underlying land. In contrast, however, a nominally improved property may be receiving income for an interim period during the planning and entitlement phase of a future development.

***Site Prominence/Exposure:***

Commercial retail and office properties, along with certain industrial uses, rely heavily on site prominence/exposure as a means of attracting customers and clients. The advertising exposure along commercial thoroughfares can also be beneficial to industrial and business park oriented properties. In general terms, signalized corner parcels offer superior prominence/exposure than interior sites. Additionally, heavily traveled corridors are preferred by commercial uses over secondary collector streets.

***Land Area:***

The functional utility or desirability of a site often varies depending on the types of contemplated uses. Different prospective uses have ideal size and shape characteristics that influence value as well as highest and best use. The purchase price per square foot of land area can fluctuate greatly depending on the size of property.

**VALUATION ANALYSIS** (Continued)

***SALES COMPARISON APPROACH:*** (Continued)

***Land Value:*** (Continued)

***Elements of Comparability:*** (Continued)

Smaller parcels lend themselves to a higher degree of market participants capable of purchasing and developing the sites. Due to the precept of “economies of scale”, it is the general consensus that smaller parcels tend to sell on a higher per square foot basis than larger parcels. Based on a review of the land value indicators employed herein, it is apparent that there is no significant differential in value attributable to land size.

Marketability of each sale property was also considered. Marketability is the practical aspect of selling a property in view of all the elements constituting value, and certain economic and financing conditions prevailing as of the date of sale. All of the sale properties employed herein are considered having generally similar marketability as the subject property.

***Sales Comparison Analysis:***

Following are comments regarding the various sale properties employed herein.

***Data A***

Located on the west side of Azusa Avenue, beginning 90 feet north of 5<sup>th</sup> Street, Azusa. The site was vacant at the time of sale; immediate development plans are unknown. The parcel has an interior (versus corner) location, rectangular land configuration, effectively level topography, 50 lineal feet of street frontage, rear public alley access, and contains 7,000 square feet of land area.

The property was originally offered for sale at \$250,000 and was on the market 1,033 days. The purchase price was \$245,000, all cash. The deed recorded July 14, 2014 as Document No. 722236. Further details regarding the transaction are summarized as follows:

Grantor:	Anupbhai I. Patel
Grantee:	Aplus Investment, LLC
Assessor's Parcel No.:	8611-007-009, 010

**VALUATION ANALYSIS** (Continued)

***SALES COMPARISON APPROACH:*** (Continued)

***Land Value:*** (Continued)

***Sales Comparison Analysis:*** (Continued)

***Data B***

Located at the southeast corner of Amar Road and Sunset Avenue, La Puente. The site was vacant at the time of sale and was acquired for future commercial development. The parcel has a prominent signalized corner location, effectively rectangular land configuration, level topography, 250 lineal feet of street frontage, and contains 22,210 square feet of land area.

The property was originally offered for sale at \$1,250,000 and was on the market 648 days. The purchase price was \$975,000, all cash. The deed recorded January 23, 2015 as Document No. 82683. Further details regarding the transaction are summarized as follows:

Grantor:	Donald J. Broussard Trust
Grantee:	Verdi Marketing, Inc.
Assessor's Parcel No.:	8472-001-013

***Data C***

Located on the east side of Durfee Avenue, beginning 101 feet north of Elliot Avenue, El Monte. The site is improved with an older building which contributes relatively nominal value in a highest and best use context. The parcel has an interior (versus corner) location, rectangular land configuration, effectively level topography, 100 lineal feet of street frontage, and contains 22,500 square feet of land area.

The property was originally offered for sale at \$838,000 and was on the market three days. The purchase price was \$800,000, all cash. The deed recorded March 23, 2015, as Document No. 309576. Further details regarding the transaction are summarized as follows:

Grantor:	Chu En Sheng
Grantee:	Aplus Capital Investments, LLC
Assessor's Parcel No.:	8109-001-008

**VALUATION ANALYSIS** (Continued)

***SALES COMPARISON APPROACH:*** (Continued)

***Land Value:*** (Continued)

***Sales Comparison Analysis:*** (Continued)

***Data D***

Located on the south side of Dalewood Street, beginning 320± feet east of Garden View Lane, Baldwin Park. The site is improved with an older building which contributes relatively nominal value in a highest and best use context. The parcel has an interior (versus corner) location, irregular land configuration, effectively level topography, 188 lineal feet of street frontage, and contains 68,384 square feet of land area.

The property was originally offered for sale at \$2,000,000 and was on the market 499 days. The purchase price was \$2,000,000, all cash. The deed recorded June 26, 2015, as Document No. 766478. Further details regarding the transaction are summarized as follows:

Grantor:	Wilshire Bank
Grantee:	The Stetson Group, Inc.
Assessor's Parcel No.:	8463-001-012, 013

***Data E***

Located on the north side of Castleton Street, east of Albatross Road, Rowland Heights. The site was vacant at the time of sale and was acquired for the construction of a restaurant. The parcel has an interior (versus corner) location, irregular land configuration, effectively level topography, 391 lineal feet of street frontage, and contains 35,150 square feet of land area.

The purchase price was \$1,750,000, all cash. The deed recorded September 2, 2015, as Document No. 1087005. Further details regarding the transaction are summarized as follows:

Grantor:	JCC California Properties, LLC
Grantee:	Tomdan Enterprises, Inc.
Assessor's Parcel No.:	8265-068-006

**VALUATION ANALYSIS** (Continued)

***SALES COMPARISON APPROACH:*** (Continued)

***Land Value:*** (Continued)

***Sales Comparison Analysis:*** (Continued)

***Data F***

Located on the south side of Dalewood Street, east of Garden View Lane, Baldwin Park. The site was vacant at the time of sale; immediate development plans are unknown. The parcel has an interior (versus corner) location, rectangular land configuration, effectively level topography, 150 lineal feet of street frontage, and contains 18,730 square feet of land area.

The purchase price was \$600,000, all cash. The deed recorded December 2, 2015, as Document No. 1511124. Further details regarding the transaction are summarized as follows:

Grantor:	Dynamic Real Estate Investment IV, LLC
Grantee:	The Stetson Group, Inc.
Assessor's Parcel No.:	8463-001-007

Reference the Market Analysis Comparison Grid set forth on the following facing page. The land sale properties have been compared to the subject property with consideration assigned to property rights conveyed, conditions of sale, sale terms (financing), as well as the significant elements of comparability.

By way of review and comparison, the subject subject property has a relatively prominent signalized corner location, effectively level pad area, triangular land shape, and contains 25,408 square feet of land area, net of existing drainage/slope easements and future required street dedication. The highest and best use of the subject property is commercial development.

All of the sale transactions employed herein were considered helpful in the land valuation analysis of the subject property. The purchase price per square foot of land area has been utilized herein as the primary indication of value due to the wide variation of developable densities among the sale properties. Following is a summary relating the overall comparability of the individual consummated sale properties employed in the subject land value analysis.



# MARKET ANALYSIS COMPARISON GRID

## COMMERCIAL LAND VALUE INDICATORS:

	Subject	Data A	Data B	Data C	Data D	Data E	Data F
Purchase price:	----	\$245,000	\$975,000	\$800,000	\$2,000,000	\$1,750,000	\$600,000
Purchase price per sq. ft.:	----	\$35.00	\$43.90	\$35.56	\$29.25	\$49.79	\$32.03
Property rights conveyed:	----	fee simple	fee simple	fee simple	fee simple	fee simple	fee simple
Conditions of sale:	----	standard sale	standard sale	standard sale	bank owned	standard sale	standard sale
Conds. of sale consideration:	----	similar	similar	similar	upward adj.	similar	similar
Sale terms:	----	all cash	all cash	all cash	all cash	all cash	all cash
Date of sale:	----	7/14/2014	1/23/2015	3/23/2015	6/26/2015	9/2/2015	12/2/2015
Market conditions:	----	inferior	similar	similar	similar	similar	similar
Market conditions adj.:	average	upward adj.	no adjustment	no adjustment	no adjustment	no adjustment	no adjustment
Proximity to subject property:	----	6 1/4 mi. north	3 1/4 mi. northwest	6 1/2 mi. northwest	3 1/2 mi. northwest	3 1/4 mi. southwest	3 1/2 mi. northwest
General location:	average	similar	similar	similar	similar	similar	similar
Imm. environ. influ.:	average	similar	superior	similar	similar	superior	similar
Public utilities	all available	similar	similar	similar	similar	similar	similar
Land area (sq. ft.):	25,408	7,000	22,210	22,500	68,384	35,150	18,730
Zoning:	CS	C-2	C-4	M-1	C-M	IDC	FC
Off-site improvements:	in place	similar	similar	similar	similar	similar	similar
Accessibility:	avg.-good	inferior	similar	similar	inferior	inferior	inferior
Entitlements:	none	similar	similar	similar	similar	similar	similar
Land shape:	eff. rectangular	similar	similar	similar	similar	similar	similar
Topography:	level	similar	similar	similar	similar	similar	similar
Site conditions:	as if vacant	similar	similar	similar	similar	similar	similar
Overall developability:	avg.-good	similar	similar	similar	similar	superior	similar
Site prominence/exposure:	avg.-good	similar	similar	similar	similar	superior	similar
Overall comparability:	----	similar	superior	similar	inferior	superior	slt'ly. inferior

**VALUATION ANALYSIS** (Continued)

***SALES COMPARISON APPROACH:*** (Continued)

***Land Value:*** (Continued)

***Sales Comparison Analysis:*** (Continued)

<u>Data</u>	<u>Overall Comparability</u>	<u>\$ Per SF</u>
D	inferior	\$29.25
F	slightly inferior	\$32.03
A	similar	\$35.00
<b>Subject</b>	<b>- - - -</b>	<b>\$35.00</b>
C	similar	\$35.56
B	superior	\$43.90
E	superior	\$49.79

After considering the various elements of comparability, as well as economic and financial conditions prevailing during the consummation of the various sale properties, when compared to current market conditions, it is the appraiser's opinion that the unencumbered fee simple market value of the subject site, as if vacant and available for a highest and best use development, is estimated at \$35.00 per square foot of net developable land area, as follows:

$$25,408 \text{ sf @ } \$35.00 = \$889,280.$$

Adjusted: \$890,000.

***FINAL ESTIMATE OF MARKET VALUE:***

Based on the foregoing valuation study, the unencumbered fee simple market value of the subject property, as of the date of value employed herein, is estimated at \$890,000.

***EXPOSURE TIME:***

Exposure time is defined in the 2014-2015 Edition of the Uniform Standards of Professional Appraisal Practice as the *"estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."* Exposure time is a retrospective opinion

**VALUATION ANALYSIS** (Continued)

***EXPOSURE TIME:*** (Continued)

based on an analysis of past events assuming a competitive and open market. The reasonable exposure time is a function of price, time, and use, not an isolated opinion of time alone.

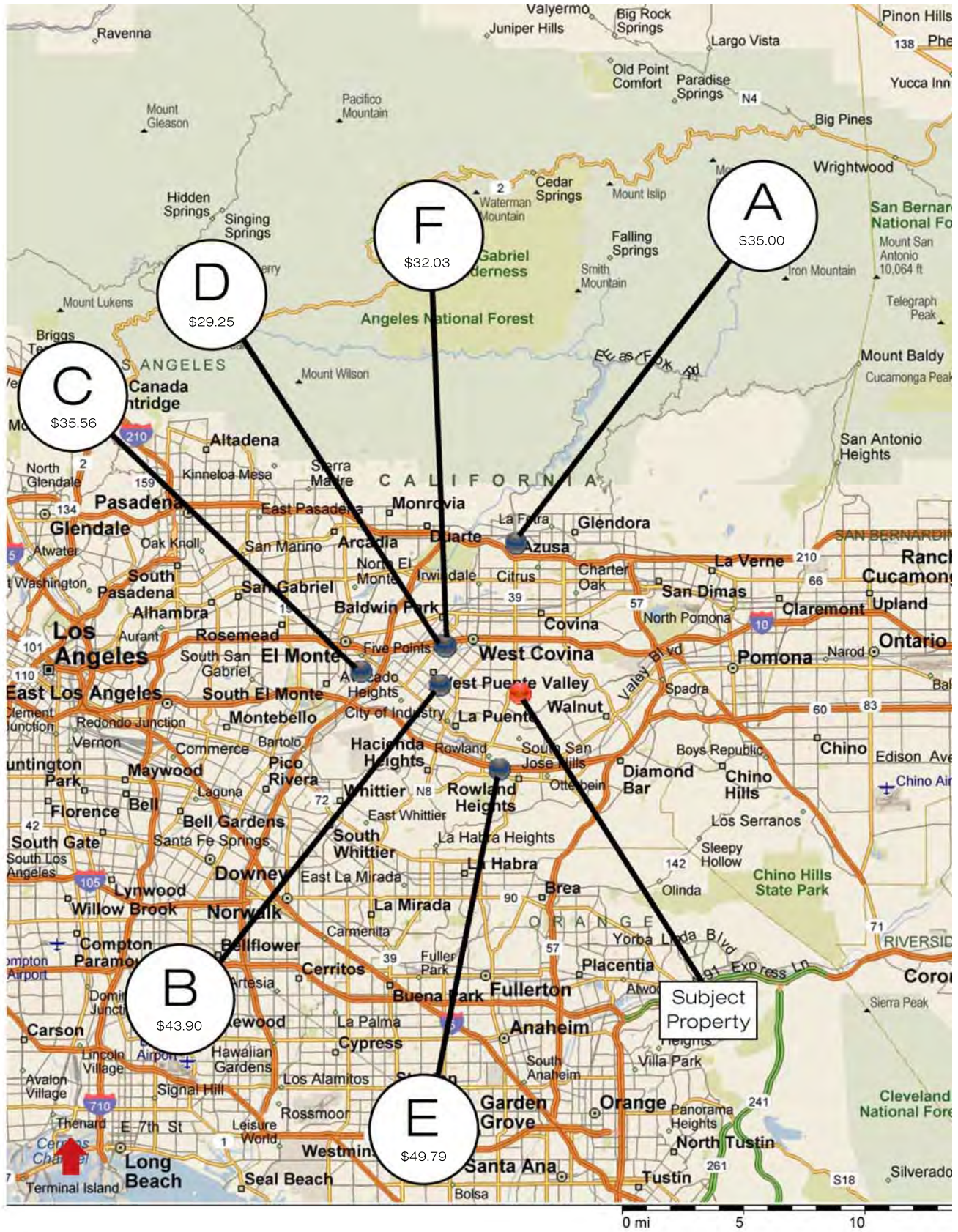
The exposure time of a particular property is a direct function of supply and demand within a particular market segment. Generally, a higher demand results in a shorter marketing period. During the course of extensive market research, interviews were conducted of parties involved in the transactions regarding the sale properties employed in the Sales Comparison Approach. Based on said interviews, as well as interviews with a number of real estate brokers and other market participants, the exposure time estimated for the subject property, assuming an aggressive and comprehensive marketing program, is estimated at approximately six to nine months.

**MARKET DATA**

## MARKET DATA SUMMARY

### **COMMERCIAL LAND VALUE INDICATORS:**

<u>Data</u>	<u>Date</u>	<u>Zoning</u>	<u>Land Size</u>	<u>Alley</u>	<u>Corner</u>	<u>Street Frontage</u>	<u>Sale Price</u>	<u>\$ Per SF</u>
A.	7-14	C-2	7,000 sf	yes	no	50 feet	\$ 245,000.	\$35.00
W/S Azusa Ave., 90' N/O 5 <sup>th</sup> St., Azusa								
B.	1-15	C-4	22,210 sf	no	yes	250 feet	\$ 975,000.	\$43.90
SEC Amar Rd. and Sunset Ave., La Puente								
C.	3-15	M-1	22,500 sf	no	no	100 feet	\$ 800,000.	\$35.56
E/S Durfee Ave., 101' N/O Elliot Ave., El Monte								
D.	6-15	C-M	68,384 sf	no	no	188 feet	\$2,000,000.	\$29.25
S/S Dalewood St., 320±' E/O Garden View Ln., Baldwin Park								
E.	9-15	IDC	35,150 sf	no	no	391 feet	\$1,750,000.	\$49.79
N/S Castleton St., E/O Albatross Rd., Rowland Heights								
F.	12-15	FC	18,730 sf	no	no	150 feet	\$ 600,000.	\$32.03
S/S Dalewood St., E/O Garden View Ln., Baldwin Park								



## MARKET DATA A



West side of Azusa Avenue, beginning 90 feet north of 5<sup>th</sup> Street, Azusa.

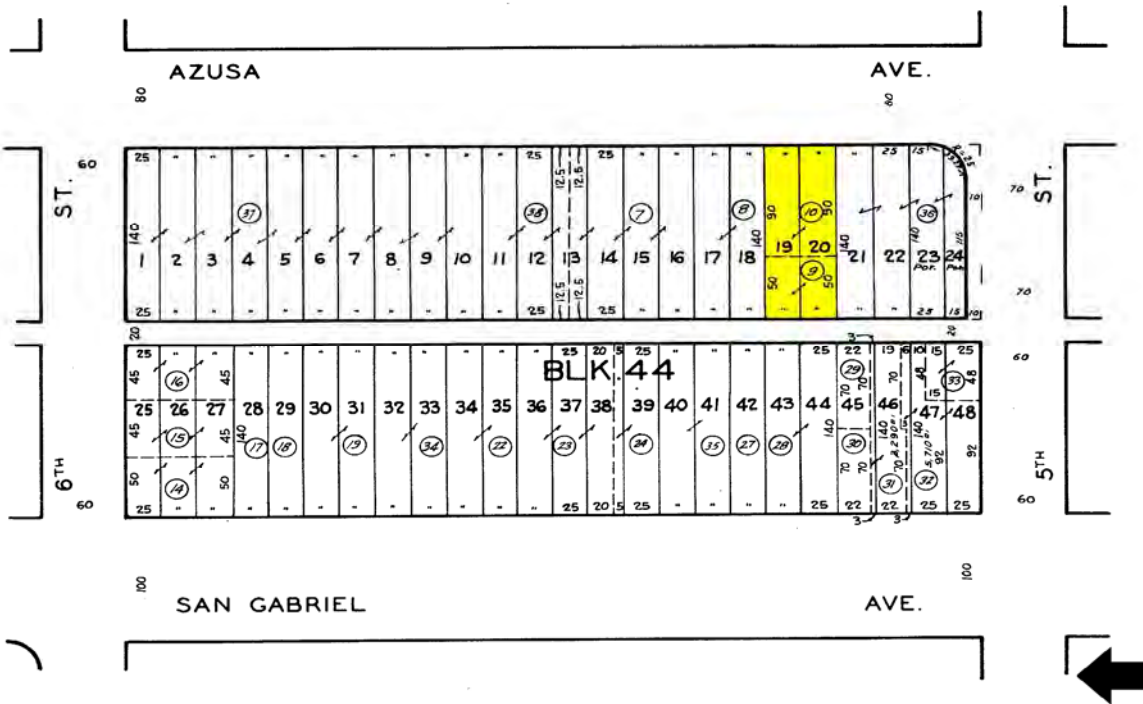
<b>GRANTOR:</b>	Anupbhai I. Patel	<b>APN:</b>	8611-007-009, 010
<b>GRANTEE:</b>	Aplus Investment, LLC	<b>LAND SIZE:</b>	7,000 sq.ft.
<b>SALE DATE:</b>	July 14, 2014	<b>ZONING:</b>	C-2
<b>DOC. NO.:</b>	722236	<b>CORNER:</b>	No
<b>SALE PRICE:</b>	\$245,000.	<b>DOC. STAMPS:</b>	\$269.50
<b>H &amp; B USE:</b>	Commercial	<b>PRESENT USE:</b>	Vacant land
<b>TERMS:</b>	All cash	<b>IMPROVEMENTS:</b>	None at time of sale.
<b>ENTITLEMENTS:</b>	None	<b>ST. FRONTAGE:</b>	50 feet

**VALUE INDICATION:** \$35.00 per SF land.

**DATE INSPECTED:** April 8, 2016

**BY:** Scott A. Lidgard, MAI

**MARKET DATA A (Continued)**



**VERIFICATION:** Document of public record, CoStar Comps, and Monica Leung, broker representing grantor.

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS



## MARKET DATA B



Southeast corner of Amar Road and Sunset Avenue, La Puente.

<b>GRANTOR:</b>	Donald J. Broussard Trust	<b>APN:</b>	8472-001-013
<b>GRANTEE:</b>	Verdi Marketing, Inc.	<b>LAND SIZE:</b>	22,210 sq.ft.
<b>SALE DATE:</b>	January 23, 2015	<b>ZONING:</b>	C-4
<b>DOC. NO.:</b>	82683	<b>CORNER:</b>	Yes
<b>SALE PRICE:</b>	\$975,000.	<b>DOC. STAMPS:</b>	\$1,072.50
<b>H &amp; B USE:</b>	Commercial	<b>PRESENT USE:</b>	Vacant land
<b>TERMS:</b>	All cash	<b>IMPROVEMENTS:</b>	None at time of sale.
<b>ENTITLEMENTS:</b>	None	<b>ST. FRONTAGE:</b>	250 feet

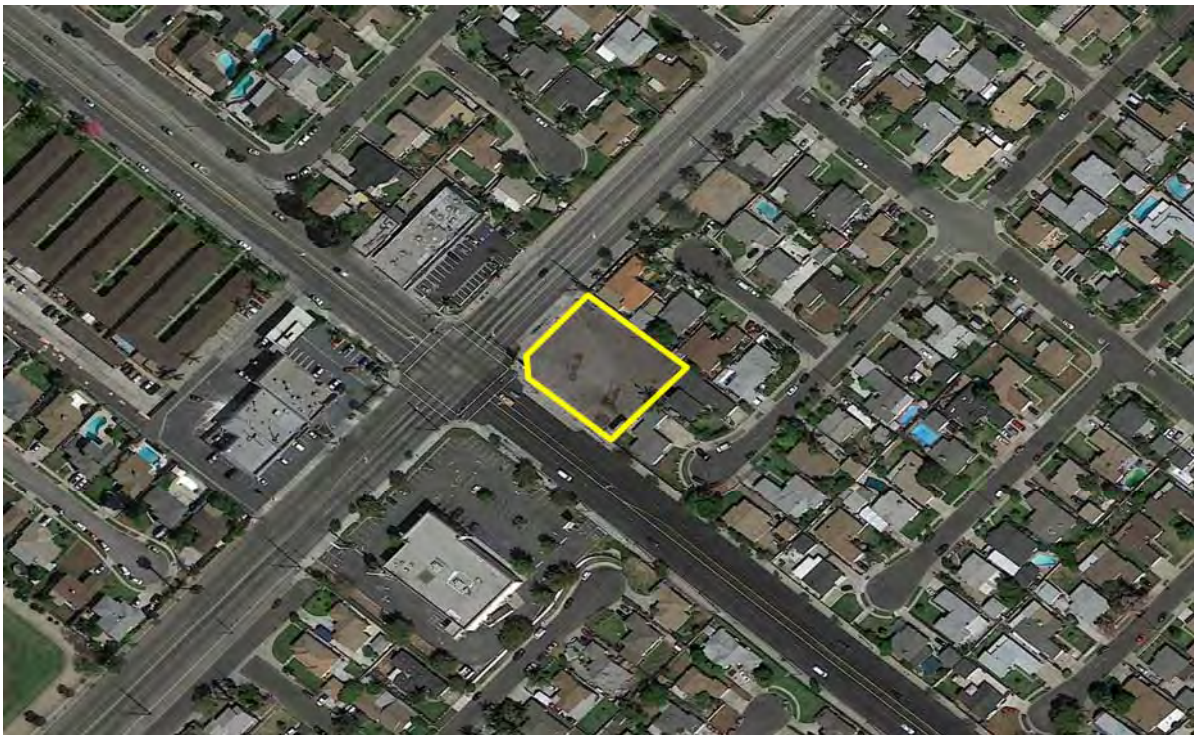
**VALUE INDICATION:** \$43.90 per SF land.

**DATE INSPECTED:** April 8, 2016

**BY:** Scott A. Lidgard, MAI

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS

**MARKET DATA B (Continued)**



**VERIFICATION:** Document of public record, CoStar Comps, and Brian Melkesian, broker representing grantor.

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS

## MARKET DATA C



East side of Durfee Avenue, beginning 101 feet north of Elliot Avenue, El Monte. Building indicated in photograph of nominal value. Property sold based on the underlying land value.

<b>GRANTOR:</b>	Chu En Sheng	<b>APN:</b>	8109-001-008
<b>GRANTEE:</b>	Aplus Capital Inv., LLC	<b>LAND SIZE:</b>	22,500 sq.ft.
<b>SALE DATE:</b>	March 23, 2015	<b>ZONING:</b>	M-1
<b>DOC. NO.:</b>	309675	<b>CORNER:</b>	No
<b>SALE PRICE:</b>	\$800,000.	<b>DOC. STAMPS:</b>	\$880.00
<b>H &amp; B USE:</b>	Commercial	<b>PRESENT USE:</b>	Vacant land
<b>TERMS:</b>	All cash	<b>IMPROVEMENTS:</b>	None at time of sale.
<b>ENTITLEMENTS:</b>	None	<b>ST. FRONTAGE:</b>	100 feet

**VALUE INDICATION:** \$35.56 per SF land.

**DATE INSPECTED:** April 8, 2016

**BY:** Scott A. Lidgard, MAI

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS

**MARKET DATA C (Continued)**



**VERIFICATION:** Document of public record, CoStar Comps, and Johnny Wong, broker representing grantor.

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS

## MARKET DATA D



South side of Dalewood Street, beginning 320± feet east of Garden View Lane, Baldwin Park. Building indicated in photograph of nominal value. Property sold based on the underlying land value.

<b>GRANTOR:</b>	Wilshire Bank	<b>APN:</b>	8463-001-012, 013
<b>GRANTEE:</b>	The Stetson Group, Inc.	<b>LAND SIZE:</b>	68,384 sq.ft.
<b>SALE DATE:</b>	June 26, 2015	<b>ZONING:</b>	C-M
<b>DOC. NO.:</b>	766478	<b>CORNER:</b>	No
<b>SALE PRICE:</b>	\$2,000,000.	<b>DOC. STAMPS:</b>	\$2,200.00
<b>H &amp; B USE:</b>	Commercial	<b>PRESENT USE:</b>	Vacant land
<b>TERMS:</b>	All cash	<b>IMPROVEMENTS:</b>	None at time of sale.
<b>ENTITLEMENTS:</b>	None	<b>ST. FRONTAGE:</b>	188 feet

**VALUE INDICATION:** \$2.25 per SF land.

**DATE INSPECTED:** April 8, 2016

**BY:** Scott A. Lidgard, MAI

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS

**MARKET DATA D (Continued)**



**VERIFICATION:** Document of public record, CoStar Comps, and Mark Hong, broker representing grantor.

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS

## MARKET DATA E



North side of Castleton Street, east of Albatross Road, Rowland Heights.

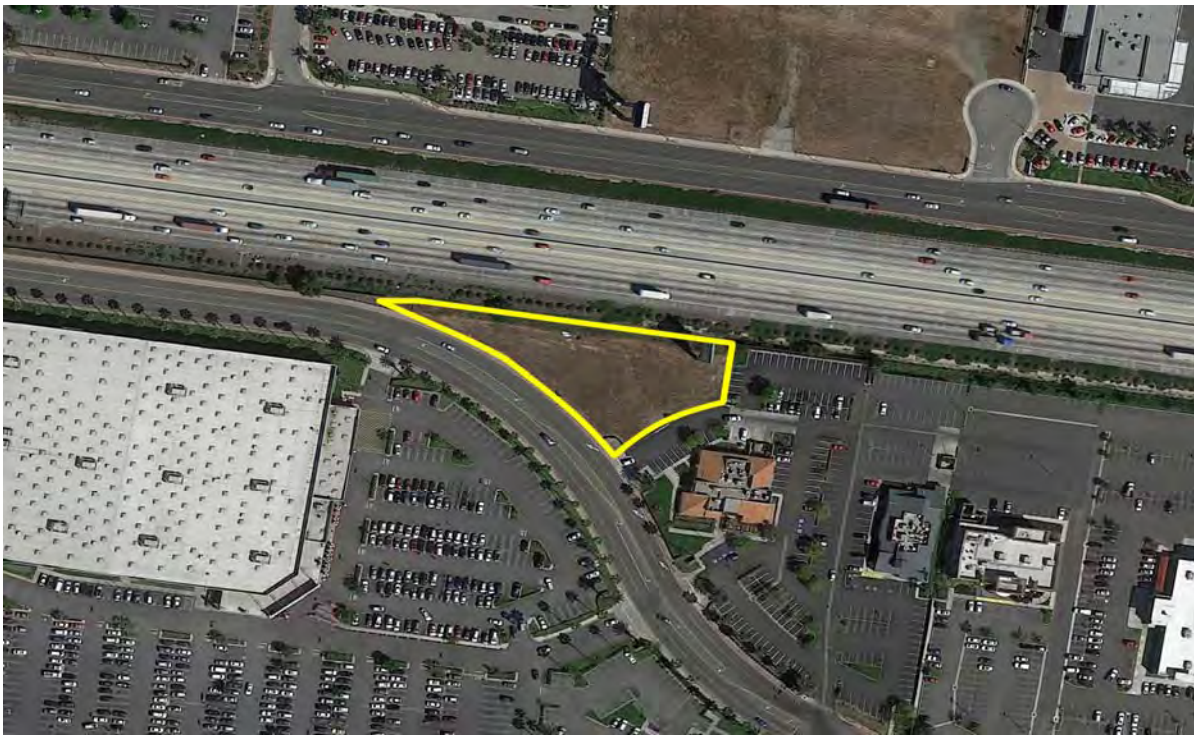
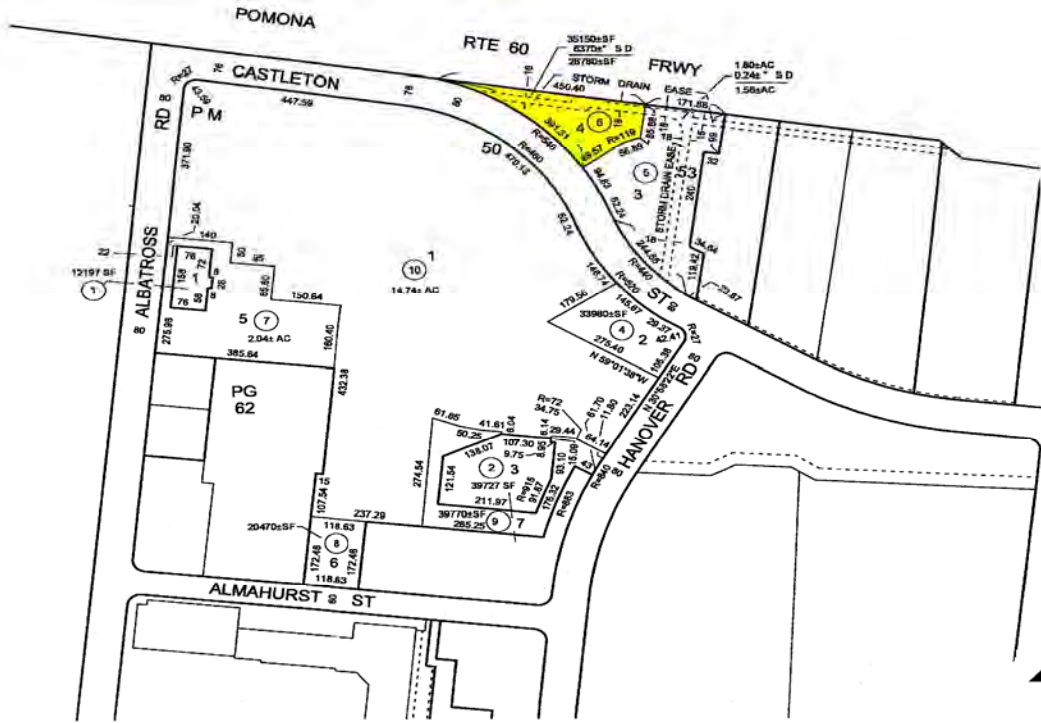
<b>GRANTOR:</b>	JCC California Props., LLC	<b>APN:</b>	8265-068-006
<b>GRANTEE:</b>	Tomdan Enterprises, Inc.	<b>LAND SIZE:</b>	35,150 sq.ft.
<b>SALE DATE:</b>	September 2, 2015	<b>ZONING:</b>	IDC
<b>DOC. NO.:</b>	1087005	<b>CORNER:</b>	No
<b>SALE PRICE:</b>	\$1,750,000.	<b>DOC. STAMPS:</b>	\$1,925.00
<b>H &amp; B USE:</b>	Commercial	<b>PRESENT USE:</b>	Vacant land
<b>TERMS:</b>	All cash	<b>IMPROVEMENTS:</b>	None at time of sale.
<b>ENTITLEMENTS:</b>	None	<b>ST. FRONTAGE:</b>	391 feet

**VALUE INDICATION:** \$49.79 per SF land.

**DATE INSPECTED:** April 8, 2016

**BY:** Scott A. Lidgard, MAI

**MARKET DATA E (Continued)**



**VERIFICATION:** Document of public record, CoStar Comps, and Brandie Hunter, broker representing grantor.



## MARKET DATA F



South side of Dalewood Street, east of Garden View Lane, Baldwin Park.

<b>GRANTOR:</b>	Dynamic Real Estate Investment IV, LLC	<b>APN:</b>	8463-001-007
<b>GRANTEE:</b>	The Stetson Group, Inc.	<b>LAND SIZE:</b>	18,730 sq.ft.
<b>SALE DATE:</b>	December 2, 2015	<b>ZONING:</b>	FC
<b>DOC. NO.:</b>	1511124	<b>CORNER:</b>	No
<b>SALE PRICE:</b>	\$600,000.	<b>DOC. STAMPS:</b>	\$4640.00
<b>H &amp; B USE:</b>	Commercial	<b>PRESENT USE:</b>	Vacant land
<b>TERMS:</b>	All cash	<b>IMPROVEMENTS:</b>	None at time of sale.
<b>ENTITLEMENTS:</b>	None	<b>ST. FRONTAGE:</b>	150 feet

**VALUE INDICATION:** \$32.03 per SF land.

**DATE INSPECTED:** April 8, 2016

**BY:** Scott A. Lidgard, MAI

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS

**MARKET DATA F (Continued)**



**VERIFICATION:** Document of public record and CoStar Comps.

**LIDGARD AND ASSOCIATES**  
APPRAISERS-CONSULTANTS

**ADDENDA**

See Photo No. 1 on first page of Subject Property Section.



PHOTO NO. 2: View looking northeasterly at the subject property from the intersection of Azusa Avenue and Giambi Lane.



PHOTO NO. 3: View looking southeasterly at the subject property from Azusa Avenue.



PHOTO NO.4: View looking northwesterly at the subject property from Giambi Lane.



STREET SCENE 1: View looking north along Azusa Avenue from the intersection of Giambi Lane.



STREET SCENE 2: View looking east along Giambi Lane from the intersection of Azusa Avenue.

**QUALIFICATIONS OF  
APPRAISER**

## **BACKGROUND AND QUALIFICATIONS**

Scott A. Lidgard, MAI, CCIM  
President of  
LIDGARD AND ASSOCIATES  
INCORPORATED

Full service appraisal firm encompassing all types of real property including commercial, industrial, complex residential, and special use properties. Scott A. Lidgard has over 30 years' experience in the appraisal of real property for various clients including public agencies, corporations, law firms in connection with litigation support, accountants, and private clients.

### **OFFICE ORGANIZATIONAL STRUCTURE:**

Principal Appraiser:	Scott A. Lidgard
Market Research Analyst:	Jason T. Clayton
Market Research Analyst:	Jason P. Boyer
Market Research Analyst:	Andrew S. Lidgard
Market Research Assistant:	Mayra Villegas-Garcia
Office Administrator:	Sarah A. Petty
Office Assistant:	Kelly M. Lidgard

### **PROFESSIONAL ORGANIZATION AFFILIATIONS:**

MAI Designated Member of the Appraisal Institute  
(Member No. 11715).

CCIM (Certified Commercial Investment Member) designated  
member of the CCIM Institute (Member No. 11262).

### **STATE CERTIFICATION:**

Certified General Real Estate Appraiser by the Office of Real Estate Appraisers, State of California. Certificate No. AG004014.

### **BROKER'S LICENSE:**

Licensed California Real Estate Broker (License No. 00825141).

### **EXPERT WITNESS:**

Qualified as an expert on Real Property Valuation in the Los Angeles, Orange, San Bernardino, and Riverside County Superior Courts, as well as Federal Bankruptcy Court.



**BACKGROUND AND QUALIFICATIONS** (Continued)

**ACADEMIC BACKGROUND**

California State University, Fullerton  
B.A., Business Administration, emphasis in real estate finance.  
Successfully completed various educational courses and seminars sponsored by the Appraisal Institute, as well as other real estate and business organizations.

**BUSINESS AFFILIATIONS:**

Appraisal Experience:  
President, Lidgard and Associates, Inc., Orange, California, established October 1, 1997.  
Vice President, R. P. Laurain & Associates, Inc., Long Beach, California, between 1984 and 1997.  
Real Estate Sales Associate, Merrill Lynch Realty, Placentia, California, between 1982 and 1984.

**BOARD OF DIRECTORSHIPS:**

Sergeant at Arms, Long Beach Rotary  
President, Belmont Estates HOA, Orange  
Vice President, Canyon Rim Villas HOA, Anaheim Hills  
Treasurer, Orchard Owner's Association, Orange  
Board of Directors, Villa Heights HOA, Villa Park

**APPRAISAL SERVICES RENDERED:**

Real estate appraisal services performed on projects for the following public agencies and private corporations, since 1984:

Cities:

City of Anaheim	City of Garden Grove	City of Mission Viejo
City of Azusa	City of Glendora	City of Montclair
City of Baldwin Park	City of Hawaiian Gardens	City of Monterey Park
City of Bell	City of Highland	City of Murrieta
City of Bellflower	City of Huntington Park	City of Ontario
City of Bell Gardens	City of Indio	City of Palm Desert
City of Brea	City of Irvine	City of Palm Springs
City of Carson	City of La Mirada	City of Pasadena
City of Cathedral City	City of La Habra	City of Pico Rivera
City of Costa Mesa	City of La Quinta	City of Placentia
City of Diamond Bar	City of Laguna Hills	City of Pomona
City of Downey	City of Long Beach	City of Rancho Mirage
City of Fullerton	City of Lynwood	City of Redondo Beach

**BACKGROUND AND QUALIFICATIONS** (Continued)

**APPRAISAL SERVICES RENDERED** (Continued)

Cities: (Continued)

City of Rialto	City of Santa Ana	City of Upland
City of Riverside	City of Santa Clarita	City of Whittier
City of San Clemente	City of Signal Hill	City of West Covina
City of San Bernardino	City of Stanton	City of Yorba Linda
City of San Juan Capistrano	City of Tustin	City of Victorville

Redevelopment Agencies:

Baldwin Park Redevelopment Agency  
Bell Redevelopment Agency  
Bell Gardens Redevelopment Agency  
Buena Park Redevelopment Agency  
Carson Redevelopment Agency  
Cathedral City Redevelopment Agency  
El Monte Redevelopment Agency  
Garden Grove Redevelopment Agency  
Glendale Redevelopment Agency  
Huntington Beach Redevelopment Agency  
Huntington Park Redevelopment Agency  
Inglewood Redevelopment Agency  
La Puente Redevelopment Agency  
Long Beach Redevelopment Agency  
Los Angeles Community Redevelopment Agency  
Norwalk Redevelopment Agency  
Ontario Redevelopment Agency  
Palm Desert Redevelopment Agency  
Rialto Redevelopment Agency  
Riverside Redevelopment Agency  
San Bernardino Redevelopment Agency  
Signal Hill Redevelopment Agency  
West Covina Community Development Commission  
Whittier Redevelopment Agency  
Yorba Linda Redevelopment Agency

Other Government Agencies:

Calleguas Municipal Water District  
County of Los Angeles, Internal Services Division  
County of Riverside  
Inland Empire Utilities Agency  
Long Beach Unified School District  
Los Angeles County Sanitation District  
Los Angeles Unified School District  
Orange County Transportation Authority  
Palm Springs Unified School District

**BACKGROUND AND QUALIFICATIONS** (Continued)

**APPRAISAL SERVICES RENDERED** (Continued)

Other Government Agencies: (Continued)

Placentia Unified School District  
Port of Long Beach  
Port of Los Angeles  
Resolution Trust Corporation  
Riverside County Transportation Commission  
State of California  
U. S. Department of Navy  
U. S. Marshal Service  
Victor Valley Wastewater Reclamation Authority

Financial Institutions:

American First Federal Credit Union  
Farmers and Merchants Bank  
First Federal Bank  
First Federal Credit Union  
Fiscal Federal Credit Union  
Harbor Bank  
Long Beach Bank  
Mineral King National Bank  
Northern Trust Bank  
Queen City Bank  
Sumitomo Bank, Ltd.  
Union Bank

Asset Management Companies:

Amresco, Inc.  
American Residential Mortgage Corporation  
BEI Management, Inc.  
Emerson International  
Equitable Real Estate Investment Management  
EQ Services  
Icon Associates  
Independence One  
Pacific Southwest Partners

Private Companies/Corporations:

Allstate Insurance Company  
Best, Best & Krieger, LLP  
Bonnie, Hopkins & Bastardi, LLP  
Bridgestone/Firestone, Inc.  
Black & Vetch Corporation  
Buchalter Nemer, A Professional Corporation  
Burke, Williams & Sorenson, LLP  
California Eminent Domain Law Group

**BACKGROUND AND QUALIFICATIONS** (Continued)

**APPRAISAL SERVICES RENDERED** (Continued)

Private Companies/Corporations: (Continued)

Carl Karcher Enterprises  
Chapman University  
Century Law Group  
Daley & Heft, LLP  
Eastman Kodak Company  
Ferro Corporation  
Flagstar Companies  
Guild Financial  
Hahn & Hahn, LLP  
Harbor Chevrolet  
Inland Partners Corporation  
Kaufman and Broad  
Latham & Watkins, Attorneys at Law  
Long Beach Memorial Medical Center  
Madden, Jones, Cole & Johnson, Attorneys at Law  
Oliver, Vose, Sandifer, Murphy & Lee  
Pan Pacific Development  
Rutan & Tucker, LLP  
Scotsdale Insurance  
Snell & Wilmer, Attorneys at Law  
T.R.W.  
The Trust for Public Land  
Westport Packers  
Windes and McCloughry, Accountancy Corporation  
Wise, Wiezorek, Timmons & Wise, Attorneys at Law



May 18, 2017

Mr. Chris Freeland, City Manager  
 City of West Covina  
 1444 W. Garvey Ave. South  
 West Covina, CA 91790

**Re: AAA Pad at the Sportsplex Site**

Dear Mr. Freeland:

On behalf of **Singpoli BD Attractions, LLC and its Partners** "Buyer", I have been authorized to present to the **Successor Agency to the West Covina Redevelopment Agency** "Seller" the following non-binding letter of intent ("LOI") to purchase the above referenced property:

1. **Property:** An approximate 2.1 acres of vacant land located adjacent to commercial retail center (Home Depot/Target) and Big League Dreams Sports Park, commonly known as the "AAA Pad". Property to be purchased in its entirety 'As is' and 'Where is' condition, and to be purchased for land value only.
2. **Sales Price:** \$900,000.
3. **Terms:** All cash at close of escrow.
4. **Purchase and Sale Agreement** Within fifteen (15) business days following Seller's execution of this LOI, Buyer shall submit to Seller a definitive Purchase and Sale Agreement incorporating the terms and conditions outlined herein (the "PSA"), and the Parties shall use their best efforts to execute the PSA prior to the expiration of the Due Diligence Period.
5. **Deposit:** Subsequent to Buyer's waiver of conditions of purchase by the end of the forty-fifth (45<sup>th</sup>) day following Seller's execution of this LOI, Buyer shall deposit Fifty Thousand Dollars (\$50,000) ("Deposit") into escrow on or before 5:00 p.m. Pacific Standard Time on the forty-fifth (45<sup>th</sup>) day following Seller's execution of this LOI. Deposit shall be non-refundable. In the event the escrow closes, Deposit shall be credited towards Buyer's purchase price.
7. **Due Diligence Period:** Buyer shall have a period of forty-five (45) days following Seller's execution of this LOI to review and approve the following conditions of purchase:
  - A) Preliminary Title Report with copies of all exceptions.

- B) Seller to provide Buyer a copy of the Environmental Survey Report showing subject property is free of any hazardous material.
- C) Seller and Buyer shall meet with the City of West Covina Planning Department to determine the process and timing to obtain entitlement to fully develop the subject property.


**8. Close of Escrow:** The escrow shall close thirty (30) days following Buyer's waiver of conditions of purchase after the end of the Due Diligence Period.

**9. Non-Binding:** This proposal is for information purposes only and is not intended to create a binding obligation on the party of either the Buyer or Seller. Both parties shall only be bound by the terms of an executed Purchase and Sale document.

**10. Time of Essence:** This proposal shall become null and void at 5:00 PM on May 31, 2017.

Please let me know if the above terms and conditions are acceptable by having the Seller execute the signature line below. Upon execution of this proposal, we will commence to prepare a Purchase and Sale Agreement.

Very truly yours,



Philip Kim  
President

**AGREED AND ACCEPTED:**  
***Buyer-Singpoli BD Attractions, LLC***

**AGREED AND ACCEPTED:**  
***Seller- Successor Agency to the  
West Covina Redevelopment  
Agency***

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**AGREEMENT FOR  
THE PURCHASE AND SALE OF PROPERTY  
IDENTIFIED BY ASSESSOR'S PARCEL # 8735-001-912**

THIS CONTINGENT AGREEMENT FOR THE PURCHASE AND SALE OF PROPERTY (the "Agreement") is dated June \_\_\_\_\_, 2017, for reference, and is hereby entered into by and between WEST COVINA SUCCESSION AGENCY, a public body, corporate and politic ("Successor Agency" or "Seller"), and SINGPOLI GROUP LLC, a California Limited Liability Corporation ("Singpoli" or "Buyer") as follows:

**RECITALS**

A. Successor Agency is the record owner of the Property more particularly described in Attachment A, the purchase and sale of which is the subject of this Agreement. The Successor Agency has approved a Long Range Property Management Plan (LRPMP) for the Property, which has been approved by the West Covina Oversight Board and the Department of Finance. That LRPMP provides for the sale of the Property for fair market value.

G. Successor Agency desires to sell the Property to Singpoli on the terms and conditions more particularly set forth in this Agreement.

**DEFINITIONS**

**Buyer.** Shall mean Singpoli Group, a California Limited Liability Corporation.

**City.** Shall mean the City of West Covina, California.

**Effective Date.** Shall mean the date by which this Agreement has been approved and executed by both the Seller's Agency Board and Buyer following approval of this Agreement by the Department of Finance of the State of California.

**Hazardous Materials.** Shall, as used in this Agreement, mean any substance, material or waste which is: (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California or federal law; (2) regulated under California or federal law, including, without limitation, petroleum, asbestos, polychlorinated biphenyls, and/or radioactive materials; or (3) determined by a California, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property or risk to the environment.

**Property.** Shall mean that parcel of real in the City of West Covina, County of Los Angeles, State of California, commonly known as Assessor's Parcel Number 8735-001-912, as more particularly described in the legal description attached and incorporated herein by reference as Attachment "A."

**Property Conditions.** Shall mean all of the existing physical and economic conditions affecting the Property and its use, including, but not limited to, the physical configuration of the Property, any trees, stumps, brush, or other vegetation on the Property, the condition of its soils, the presence or impact of any geologic or hydrologic features and faults, the nature of its lateral and subjacent support, the presence of Hazardous Substances, waste, garbage, rubbish, or refuse on, in, under, or adjacent to the Property, the location of the Property within any flood plain or high risk fire area, the location of public utilities and public improvements on, in, under, or over the Property, the presence, soundness, and habitability of any structures, fixtures, or improvements on or in the Property, the existing easements, whether or not recorded, for access, ingress, egress, utilities, roads, signage, or any other type of easement, the existence of any faults or defects (whether known or unknown, patent or latent), the economic and legal suitability of the Property for the intended use including existing zoning, all market conditions that may affect development and use of the Property, and all actions, orders, and judgments affecting the Property.

**Redevelopment Agency.** Shall mean the West Covina Redevelopment Agency, a public body, corporate and politic created pursuant to Chapter 2 of the Community Redevelopment Law.

**Successor Agency.** Shall mean the West Covina Successor Agency, a public body organized and existing, and exercising those governmental functions and powers, as authorized under the Health and Safety Code Section 34173, *et seq.* of the State of California. The term “Successor Agency” shall also include any assignee of, or successor to, the rights and responsibilities of the Successor Agency under this Agreement.

**Seller.** Shall mean the West Covina Successor Agency.

## **AGREEMENT**

**NOW THEREFORE**, for consideration, the value and adequacy of which is hereby acknowledged, the parties enter into this Agreement on the following terms and conditions and subject to the contingencies set forth herein:

### **ARTICLE I      PURCHASE AND SALE OF PROPERTY.**

**Transaction.** Singpoli hereby agrees to purchase from Successor Agency, and Successor Agency agrees to sell to Singpoli, the Property, AS-IS, with no warranty of any kind from Successor Agency or City, and subject to the terms and conditions set forth herein.

#### **1.1.    Singpoli’s Obligations & Rights.**

**1.1.1. Authority.** Singpoli, and the agent or representative acting on behalf of Singpoli, has the authority to undertake the actions and to make the promises, agreements, and commitments set forth in this Agreement.



- 1.1.2. Contracts.** There are no legal impediments, contracts or other agreements that would prohibit Singpoli from entering into this Agreement.
- 1.1.3. Purchase Price.** The total purchase price of the Property is \$900,000, which the parties hereto agree is Fair Market Value. There shall be no deductions from the purchase price for any reason, whether as a result of any Property Conditions or otherwise. The escrow agreement to be entered into by the parties shall provide for a deposit into escrow of the entire purchase price and all costs prior to close of escrow.
- 1.1.4. Cost Reimbursements.** Singpoli shall reimburse the Successor Agency in the amount of \$2,450.00 for costs incurred for an appraisal of the Property. Singpoli shall reimburse City for all costs incurred by City in connection with the sale of the Property, including staff and attorney time in the approximate amount of \$40,300.
- 1.1.5. Deposit.** Singpoli shall deposit the sum of \$10,000 with Successor Agency as a good faith deposit on the purchase price and/or costs reimbursements. Appropriate adjustments for the deposit will be made in the escrow.
- 1.1.6. Sign Easement.** Singpoli acknowledges and agrees that the Property is subject to various recorded and unrecorded easements, and in particular, acknowledges that the Property is sold subject to a recorded easement for an existing sign located on the Property.
- 1.1.7. Property Investigation and Remediation.** It shall be the responsibility of Singpoli, at Singpoli's sole expense, to investigate and determine the soil, water and material conditions of the Property and building thereon and the suitability of the Property for the development to be constructed by Singpoli. If the soil, water or material conditions of the Property, or any part thereof, are not in all respects entirely suitable for the use or uses to which the Property will be put, then it is the sole responsibility and obligation of Singpoli to take such action as may be necessary to place the Property and the soil, water and material conditions thereof in all respects in a condition suitable for the development of the Property.
- 1.1.8. Environmental Indemnity.** From or after the Close of Escrow, Singpoli shall indemnify, protect, defend and hold harmless Successor Agency and City, and their respective officials, officers, attorneys, employees, consultants, agents and representatives, from and against any and all claims, liabilities, suits, losses, costs, expenses and damages, including but not limited to attorneys' fees and costs, arising directly or indirectly out of any claim for loss or damage to any property, including any part of the Property, injuries to or death of persons, or for the cost of cleaning up any part of or all of the Property, and removing Hazardous Materials or toxic

substances, materials and waste therefrom, by reason of contamination or adverse effects on the environment, or by reason of any statutes, ordinances, orders, rules or regulations of any governmental entity or agency requiring the cleanup of any Hazardous Materials caused by or resulting from any Hazardous Material, or toxic substances or waste regardless of when or how it was deposited or came to be present on the Property. This indemnity shall not apply to protect any predecessor in interest to City and Successor Agency except to the extent that City and/or Successor Agency agreed to indemnify any such predecessor in interest for environmental contamination of any kind on the Property.

## **1.2. Successor Agency's Obligations & Rights.**

- 1.2.1. Authority of Successor Agency.** Successor Agency has the power and authority, subject to its Oversight Board's approval, to execute, deliver and perform Successor Agency's obligations under this Agreement and the documents to be executed and delivered by Successor Agency pursuant hereto.
- 1.2.2. Appraisal.** Successor Agency has obtained an appraisal for the Property from a person or business that does not have a pre-existing personal or financial relationship that could have potentially influenced the appraiser's valuation of the Property. A complete copy of the appraisal has been provided to Buyer.
- 1.2.3. Possession of the Property.** Successor Agency shall obtain approval by the West Covina Oversight Board prior to the close of escrow. Oversight Board approval is a condition precedent to the close of escrow.
- 1.2.4. Escrow.** Within ten (10) days of approval of the sale of the Property to Singpoli by the West Covina Oversight Board, Successor Agency and Singpoli shall enter into an Escrow Agreement, which shall include provisions governing application of the deposit, length of escrow, closing instructions and all other conditions necessary to complete the sale of the Property. Notwithstanding the foregoing, the Successor Agency shall not be liable for any real estate commission, closing costs or brokerage fees that may arise in connection with the sale of the Property. The closing instructions shall require evidence of deposit of the entire purchase price for the Property by Singpoli and reimbursement for City and Successor Agency costs.
- 1.2.5. Hazardous Materials.** Successor Agency shall not be responsible for conducting or financing any testing of the Property for hazardous materials pursuant to any applicable laws, statutes, rules and regulations. Singpoli agrees that it is purchasing the property as-is, where-is, with no warranties of any kind from Successor Agency or City.

## ARTICLE II MISCELLANEOUS.

**2.1. No Conflict of Interest.** No officer or employee of the City or Successor Agency shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership, or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation.

**2.2. Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Agreement. The parties consent to the jurisdiction of the California Courts with venue in Los Angeles County, except as may otherwise be required by law.

**2.3. Indemnity.** Singpoli agrees to defend (with legal counsel approved by Successor Agency), hold harmless, and indemnify Successor Agency and each of its officers, agents and employees from and against any and all claims, causes of action, liabilities, damages, judgments, losses, costs or expenses including without limitation attorneys' fees actually caused or claimed to be caused by or resulting from Singpoli's acts or omissions pursuant to this Agreement; provided that the obligation to defend does not apply to actions arising solely from Successor Agency's acts of willful misconduct. Notwithstanding this limitation, Singpoli agrees to defend or pay the cost of defense of any action brought by any third party challenging the terms of this Agreement or Successor Agency's ability to sell the Property to Singpoli on any grounds whatsoever.

**2.4. Attorney's Fees.** In the event either party commences an Action against the other party which arises out of a default of, breach of, failure to perform, or that is otherwise related to, this Agreement, then the Prevailing Party (as defined herein) in the Action shall be entitled to recover its Litigation Expenses (as defined herein) from the other party in addition to whatever other relief to which the prevailing party may be entitled. For purposes of this section, "Litigation Expenses" includes all reasonable Attorneys' Fees, costs and expenses, to the extent such are reasonable in amount, directly related to the action, and are actually and necessarily incurred in good faith by the Prevailing Party. For the purposes of this section, "Prevailing Party" shall have the meaning ascribed in § 1032(a)(4) of the California Code of Civil Procedure.

**2.5. Recitals and Definitions.** The Recitals and Definitions set forth at the beginning of this Agreement are a substantive and integral part of this Agreement and are incorporated by reference in the Operative Provisions portion of this Agreement.

**2.6. Severability.** Each provision, term, condition, covenant, and/or restriction, in whole and in part, in this Agreement shall be considered severable. In the event any provision, term, condition, covenant, and/or restriction in whole and/or in part, in this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant,

and/or restriction, of this Agreement, and the remainder of the Agreement shall continue in full force and effect.

**2.7. Entire Agreement, Waiver and Amendments.** This Agreement is the entire Agreement between the parties with respect to the subject matter of this Agreement. It supersedes all prior agreements and understandings, whether oral or written, between the parties with respect to the Property. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or on behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

**2.8. Administration.** After the approval of this Agreement by the Successor Agency, and Oversight Board of Successor Agency, this Agreement shall be administered, and may be executed, by the Successor Agency's Executive Director and/or his or her designee. The Executive Director shall have the authority to issue interpretations and to make minor amendments to this Agreement, including extensions of time, on behalf of the Successor Agency so long as such actions do not cause a substantial and material change to the Agreement or make a commitment of additional Successor Agency funds. All other changes, modifications, and amendments shall require the prior approval of the Successor Agency Board.

**2.9. Notices.** Formal notices, demands and communications between the parties shall be given in writing and personally served or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the following addresses:

**Seller**

Christopher J. Freeland  
West Covina Successor Executive Director  
1444 West Garvey Avenue South  
West Covina, CA 91790  
Phone: (626) 939-8400  
Fax: (626) 939-8406

**Buyer**

Kin Hui, CEO  
Singpoli Group, LLC  
25 E. Foothill Blvd.  
Arcadia, CA 91006  
Phone: (626) 566-1888  
Fax: (626) 566-1887

Any such notice shall be deemed to have been received upon the date personal service is effected, if given by personal service, or upon the expiration of two (2) business days after

mailing, if given by certified mail, return receipt requested, postage prepaid or by facsimile transmission.

**2.10. Assignment.** Singpoli understands and agrees that Successor Agency is entering into this Agreement based on Singpoli's anticipated development of the Property. Therefore, Singpoli shall not assign, sell or otherwise transfer any or all of its rights under this Agreement to any party without the prior written approval of City.

**2.11. Cooperation.** Each party agrees to cooperate with the other in the closing of this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purpose and intent of this Agreement.

**IN WITNESS WHEREOF**, the Successor Agency and Singpoli have executed this Agreement on the date and year first-above written.

**“BUYER”**

---

Kin Hui, Singpoli Group LLC

**“SELLER”**

**WEST COVINA SUCCESSOR AGENCY**

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Chris Freeland, Successor Agency Executive Director

ATTEST:

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Rosalia Butler, Agency Secretary

APPROVED AS TO FORM:

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Kimberly Hall Barlow, Successor Agency Counsel

ATTACHMENT "A"

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of West Covina, County of Los Angeles, State of California, described as follows:

PARCEL 9 OF PARCEL MAP NO. 60193, IN THE CITY OF WEST COVINA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED DECEMBER 29, 2005 IN BOOK 336, PAGE 93 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBONS AND ALL MINERALS, TOGETHER WITH THE RIGHT TO DEVELOP, PRODUCE AND EXTRACT THE SAME, AS GRANTED TO NARCISSE S. GARNIER, ET AL., BY DEED RECORDED SEPTEMBER 29, 2944 IN BOOK 21288 PAGE 260, OFFICIAL RECORDS.

BY INSTRUMENTS OF RECORD, THE OWNERS OF SAID OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS, RELINQUISHED ALL OF THEIR RIGHTS TO ENTER UPON THE SURFACE OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, (MEASURED VERTICALLY FROM THE SURFACE, FOR THE PURPOSE OF DEVELOPING, PRODUCING AND EXTRACTING THE SAME.

ALSO EXCEPT THEREFROM THE "PRECIOUS METALS AND ORES THEREOF" AS EXCEPTED FROM THE PARTITION BETWEEN JOHN ROWLAND SR. AND WILLIAM WORKMAN RECORDED IN BOOK 10 PAGE OF DEEDS.

APN: 876-001-912



