



APPRAISAL OF REAL PROPERTY

IBEC Site 2
3822 West Century Boulevard
Inglewood, Los Angeles County, CA 90303

IN AN APPRAISAL REPORT

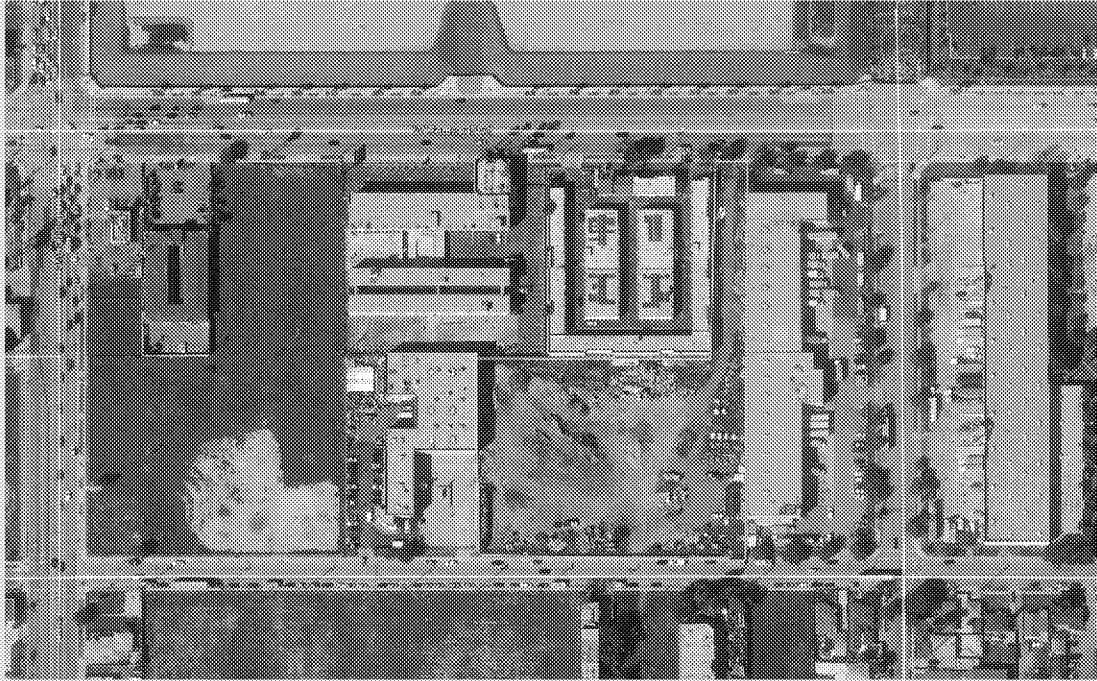
As of August 2, 2020

Prepared For:

Murphy's Bowl, LLC
6701 Center Drive, Suite 950
Los Angeles, CA 90045

Prepared By:

Cushman & Wakefield Western, Inc.
Valuation & Advisory
900 Wilshire Blvd., Suite 2400
Los Angeles, CA 90017
Cushman & Wakefield File ID: 20-38003-900624-002



IBEC Site 2
3822 West Century Boulevard
Inglewood, Los Angeles County, CA 90303



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August 14, 2020

Mr. Chris Holmquist
Director of Infrastructure
Murphy's Bowl, LLC
6701 Center Drive, Suite 950
Los Angeles, CA 90045

Re: Appraisal Report

IBEC Site 2
3822 West Century Boulevard
Inglewood, Los Angeles County, CA 90303

Cushman & Wakefield File ID: 20-38003-900624-002

Dear Mr. Holmquist:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above referenced property in the following Appraisal Report.

The subject property consists of 134,024 square feet (3.08 acres) of industrial land located on the south side of Century Boulevard, across the street from Hollywood Park Casino and SoFi Stadium, between Doty and Prairie avenues in the City of Inglewood, Los Angeles County, CA 90303. The site consists of vacant land with no existing site improvements except perimeter fencing. The site is a generally rectangular, flag-shaped property, with frontage along Century Boulevard and the north side of West 102nd Street. The subject property is zoned M-1L, Limited Manufacturing, by the City of Inglewood. The site is located about 3.5 miles east of Los Angeles International Airport (LAX).

The subject property is being considered for inclusion in the development of the Inglewood Basketball and Entertainment Center project ("IBEC" / "the project"). The IBEC would be an 18,000-seat arena primarily for the Los Angeles Clippers of the National Basketball Association ("NBA"), and would also be used for other entertainment uses, conventions, and similar events. The proposed project includes plans for a Clippers practice and athletic training facility, Clippers team office space, a sports medicine clinic, an outdoor plaza, retail and restaurant space, community facilities, an outdoor stage, a hotel, and three parking garages with over 4,000 parking spaces. The City of Inglewood ("the City") and the project developer ("the developer") are negotiating a draft Disposition and Development Agreement ("DDA") and the City has certified a final Environmental Impact Report ("EIR") for the project. According to the EIR, the subject property is intended for development with arena and parking uses. As we will discuss in this report, in our opinion the highest and best use of the subject property is for industrial development. Based on current market conditions, including the impact of COVID-19, the most financially feasible and maximally productive use of the site is for development with an industrial property.

In recent times, the commercial real estate market has been driven by investor demand and strong liquidity. Asset values can fall significantly in short periods of time if either of these two factors, often in conjunction with many others, change significantly. While Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic, and will continue to provide updates as events unfold, the reader is cautioned to consider that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, the reader should be cautioned and reminded that any conclusions presented in this appraisal report apply only as of the effective date indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

This Appraisal Report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion:

Value Conclusion	Real Property Interest	Date of Value	Value Conclusion
Appraisal Premise			
Market Value	Fee Simple	August 2, 2020	\$7,900,000

Compiled by Cushman & Wakefield Western, Inc.

We note that the above value conclusion includes the deduction of costs to relocate the utility lines, as discussed further in this report.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

It is an extraordinary assumption of this report that the subject property is free and clear of any and all soil and/or site contamination, and/or any other environmental hazard that would have an impact on the value of the property.

It is an extraordinary assumption of this report that the existing utility lines on the subject property can be relocated (or buried) without having an impact on the value of the property.

Hypothetical Conditions

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This appraisal does not employ any hypothetical conditions.

Market Value

The definition of Market Value as used herein is the definition of Fair Market Value used by the Federal Aviation Administration as set forth in the Airport Improvement Program Handbook (Order 5100.38D, Change 1)¹, as follows:

Per 44 CFR § 79.2, the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and

¹ https://www.faa.gov/airports/aip/aip_handbook/media/AIP-Handbook-Order-5100-38D-Chg1.pdf

reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

DRAFT

Adam Dembowitz, MAI
Senior Director
CA Certified General Appraiser
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Summary of Salient Facts and Conclusions

BASIC INFORMATION

Common Property Name:	IBEC Site 2	
	3822 West Century Boulevard	
Address:	Inglewood, California 90303	
County:	Los Angeles	
	City of Inglewood, as Successor Agency for the Former	
Property Ownership Entity:	Inglewood Redevelopment Agency	

SITE INFORMATION

Land Area:	134,024 Square Feet	3.08 Acres
Site Shape:	Flag-shaped	
Site Topography:	Level at street grade	
Frontage:	Average	
Site Utility:	Average	

MUNICIPAL INFORMATION

Assessment Information:

Assessing Authority:	Los Angeles County
Assessor's Parcel Identification:	4032-002-913 to 917
Current Tax Year:	2020
Taxable Assessment:	\$0
Current Tax Liability:	\$0
Taxes per square foot:	\$0.00
Are taxes current?	Taxes are current

Zoning Information:

Municipality Governing Zoning:	City of Inglewood
Current Zoning:	M-1L
Is current use permitted?	Yes
Current Use Compliance:	Complying use
Zoning Change Pending:	Yes

HIGHEST & BEST USE

As Vacant:

An industrial use built to its maximum feasible building area, consistent with local zoning and market demand

As Improved:

Not applicable

VALUATION INDICES		Market Value
VALUE DATE		August 2, 2020
Land Value		
Indicated Value:		\$7,900,000
Per Square Foot:		\$58.94
FINAL VALUE CONCLUSION		
Real Property Interest:		Fee Simple
Concluded Value:		\$7,900,000
Per Square Foot:		\$58.94
EXPOSURE AND MARKETING TIMES		
Exposure Time:		6-12 Months
Marketing Time:		6-12 Months

We note that the above value conclusion includes the deduction of costs to relocate the utility lines, as discussed further in this report.

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Property Photographs



LOOKING NORTH AT SUBJECT PROPERTY AND CENTURY BLVD. FROM W. 102ND ST.



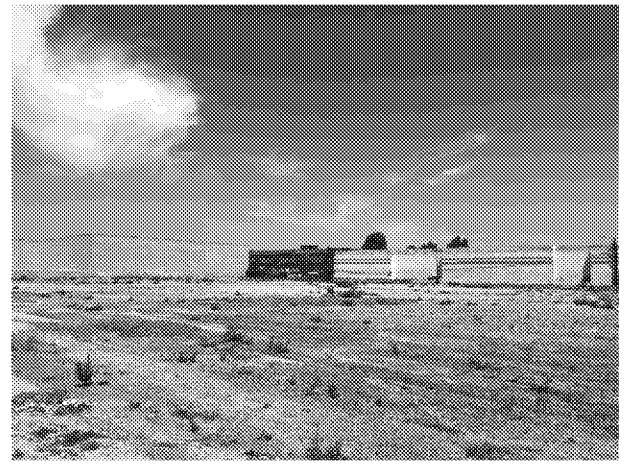
LOOKING NORTHEAST AT SUBJECT PROPERTY FROM W. 102ND ST.



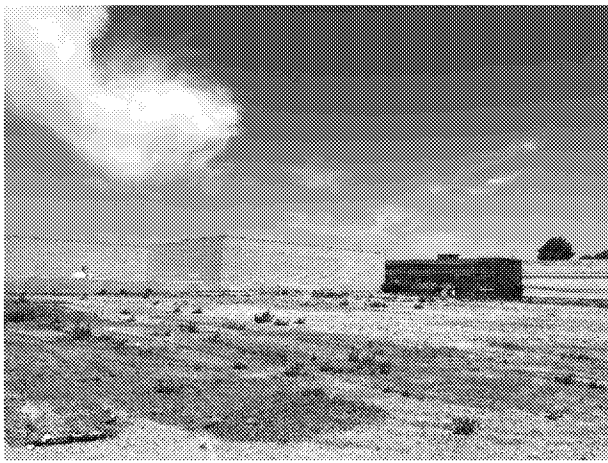
LOOKING NORTH AT SUBJECT PROPERTY FROM W. 102ND ST.



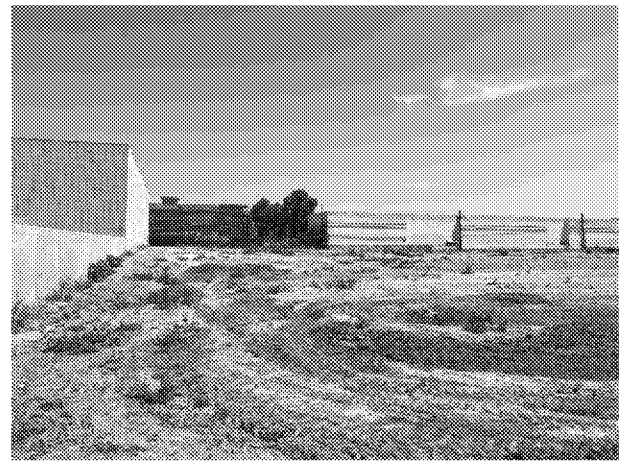
LOOKING NORTHWEST AT SUBJECT PROPERTY FROM W. 102ND ST.



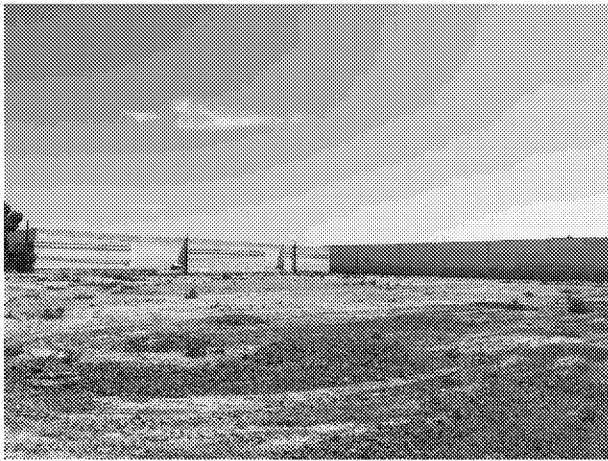
LOOKING WEST AT SUBJECT FROM W. 102ND ST.



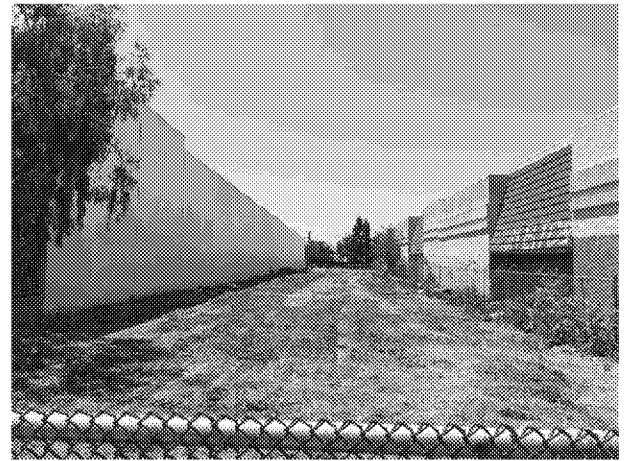
LOOKING NORTH AT SUBJECT PROPERTY FROM W. 102ND ST.



LOOKING NORTHEAST AT SUBJECT FROM W. 102ND ST



LOOKING SOUTH AT SUBJECT FROM CENTURY BLVD.



STREET VIEW EAST ALONG W. 102ND ST.



STREET VIEW WEST ALONG W. 102ND ST.



Scope of Work

Overview

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

We inspected the property and its environs. Physical information on the subject was obtained from the client, public records, and/or third-party sources.

Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.

Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible.

Analysis

Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.

We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.

The results of each valuation approach are considered and reconciled into a reasonable value estimate.

This Appraisal Report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Cushman & Wakefield Western, Inc. has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature. For this assignment, Quality Control Oversight was provided by Eric Garfield, MAI, CRE, CCIM.

This appraisal employs the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Typical purchasers do not generally rely on the Cost or Income Capitalization Approaches when purchasing a land development site such as the subject of this report. Therefore, we have not employed the Cost Approach or the Income Capitalization Approach to develop an opinion of market value. The exclusion of these approaches to value does not reduce the credibility of the assignment results.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms "describe," "summarize," and

“state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion

Identification of Property

Common Property Name:	IBEC Site 2
Address:	3822 West Century Boulevard, Inglewood, Los Angeles County, California 90303
Location:	The south side of Century Boulevard, across the street from Hollywood Park Casino and SoFi Stadium, between Doty and Prairie avenues in the City of Inglewood
Assessor's Parcel Number(s):	4032-002-913 to 917
Legal Description:	The legal description is presented in the Addenda of the report.

Property Ownership and Recent History

Current Ownership:	City of Inglewood, as Successor Agency for the Former Inglewood Redevelopment Agency
Sale History:	To our knowledge, the property has not sold or transferred within three years of the effective date of the appraisal.
Current Disposition:	To the best of our knowledge, the property is not under contract of sale nor is it being marketed for sale. The City, Successor Agency, and developer entered into an Amended and Restated Exclusive Negotiation Agreement dated as of August 15, 2017, pursuant to which the property is being considered for inclusion in the development of the Inglewood Basketball and Entertainment Center project. The City and developer are negotiating a draft DDA which would provide for the sale of the subject property to the project developer as part of a larger package of real estate acquisitions necessary to develop the project. There is no purchase price in the draft DDA for the subject property as an individual site or for the entire project area as a whole.

Dates of Inspection and Valuation

Effective Date of Valuation:	August 2, 2020
Date of Report:	August 14, 2020
Date of Inspection:	July 21, 2020
Property Inspected by:	Adam Dembowitz, MAI did an exterior inspection on January 19, 2018, January 4, 2019, and March 26, 2019. Jacob Kovner did an exterior inspection on July 21, 2020.

Extraordinary Assumptions

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This appraisal does not employ any hypothetical conditions.

Client, Intended Use and Users of the Appraisal

Client:	Murphy's Bowl, LLC
Intended Use:	This appraisal is intended to provide an opinion of the Market Value of the Fee Simple interest in the property for the use of the client and the Intended Users in evaluating a potential real estate transaction as described herein. This report is not intended for any other use.
Intended User:	This appraisal report was prepared for the exclusive use of Murphy's Bowl, LLC and its counsel, as well as: Wilson Meany; the City of Inglewood; the City of Inglewood, as Successor Agency for the Former Inglewood Redevelopment Agency; the Federal Aviation Administration; and their respective counsel. Use of this report by others is not intended by the appraiser.

Regional Analysis



Los Angeles County Regional Analysis

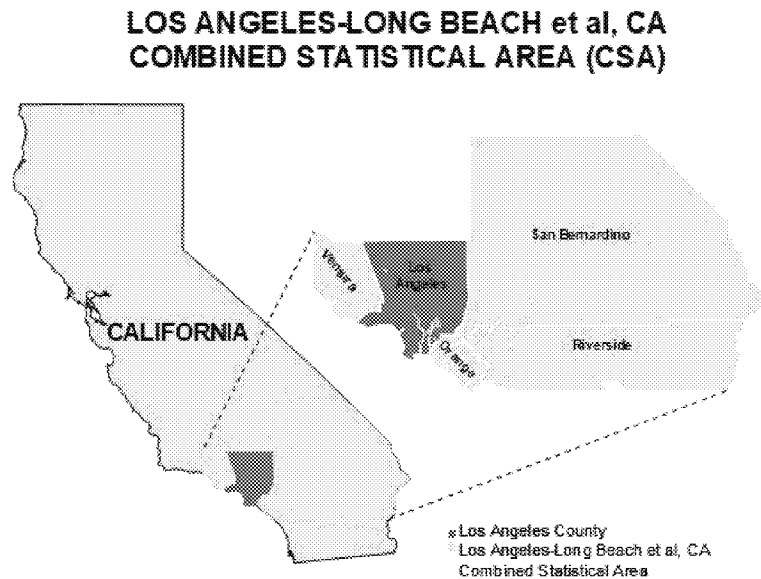
Introduction

Los Angeles County is ranked among the largest economies in the world and is home to the largest population by county in the United States with nearly 10.3 million residents, according to Experian Marketing Solutions, Inc. The majority of Los Angeles County is heavily urbanized and dense, averaging approximately 2,515 residents per square mile. The county encompasses a total of 4,058 square miles of land area, with approximately 70 miles of coast along the Pacific Ocean. Los Angeles County is bordered by Orange County to the south, San Bernardino County to the east, Ventura County to the west, and Kern County to the north.

The Los Angeles-Long Beach-Anaheim Core-Based Statistical Area (CBSA) is the largest of the three that comprise the Los Angeles-Long Beach Combined Statistical Area (Los Angeles CSA). The Los Angeles CSA includes the Riverside-San Bernardino-Ontario and Oxnard-Thousand Oaks-Ventura CBSAs as well. The Los Angeles-Long Beach-Anaheim CBSA is further divided into two metropolitan divisions (MD): Los Angeles-Long Beach-Glendale and Santa Ana-Anaheim-Irvine MDs. The Los Angeles-Long Beach-Glendale Metropolitan Division is synonymous with Los Angeles County, and will be the focus of the following demographic and economic overview. The city of Los Angeles is the largest incorporated area in the county, which features 88 incorporated cities.

Map

The following map depicts Los Angeles County in relation to the adjacent Orange County and Inland Empire regions:



Source: Cushman & Wakefield Valuation & Advisory

COVID-19 Impact

As the crisis began to unfold in the last month of the first quarter, much of the data available may not accurately reflect the true impact of the crisis on the market. As data often lags, we will find out more as the crisis unfolds. In other sections of the report we will discuss the effects of the COVID-19 crisis on the market and subject property in as much detail as possible. With that said, it is important to note the following points:

- The current COVID-19 pandemic has resulted in shutdowns of non-essential business, and as a result many other businesses have been significantly disrupted. This has resulted in a sharp and drastic unemployment spike that is expected to negatively impact households and businesses in the near term.
- Pertaining to real estate specifically, tenant income losses (business or personal) are expected to translate into near term cash flow disruption to properties. The severity of these impacts are anticipated to be property specific with some property types impacted more than others.
- The full effects of these impacts are unknown at this time, but most market participants are reporting a pause/hold with regards to transactions and have expectations for three to six months of acute challenges and a Fourth Quarter 2020/First Quarter 2021 rebound.
- Right now, the market in general is cautiously optimistic about returning to pre-pandemic conditions by the end of First Quarter 2021.

Current Trends

The Los Angeles regional economy benefits immensely from its dense consumer base, well-developed infrastructure, and access to the Los Angeles Customs District, which includes the Ports of Long Beach and Los Angeles (Twin Ports), Port Hueneme, and the Los Angeles International Airport (LAX). The core economic drivers of tourism, logistics, and high tech have propelled Los Angeles ahead of state and national averages in recent years, but job growth fell below the overall United States in 2019, a trend which has continued into first quarter 2020. Employment growth lags both the state and national averages, with gains decelerating or remaining flat across all wage tiers. Despite Los Angeles Metropolitan Division experiencing slow employment growth, the Department of Labor shows most sectors received wage increases. Strong hourly earnings gains are unparalleled in Southern California, and the Employment Cost Index has maintained its lead when compared to most other major metro areas and divisions. Single-family permits are faring slightly better than multifamily permits, but residential construction has barely hastened in recent years.

Further points of consideration include:

- Located in the City of Inglewood near LAX (and across the street from the subject property), the \$2.6 billion Los Angeles Rams football stadium project, SoFi (Social Finance) Stadium, is one of the largest developments underway in the region, and was 85% complete as of January 2020. The new stadium is projected to be completed in 2020.
- Los Angeles International Airport is undergoing a massive, \$14 billion modernization project aiming to improve access to the nation's third-busiest airport. The largest component includes the \$5.5 billion Landside Access Modernization Program (LAMP) which will feature: an Automated People Mover (APM) connecting the airport's terminals, a transit center linking to the region's rail network, and a Consolidated Rent-a-Car center. Another major component is a \$1.6 billion, 12-gate Midfield Satellite Concourse, which broke ground in early 2017 and is projected to open in 2020. Several terminals are also under renovation, including the \$1.9 billion overhaul and expansion of Terminals 2, 3, 5, and 6 by Delta Airlines; the \$573 million renovation project of United Airlines' Terminals 7 and 8; and the \$515.8 million modernization of Southwest Airlines' Terminal 1. In October 2018, American Airlines broke ground on its \$1.6 billion renovation of terminals 4 and 5, which will modernize a 300,000 square-foot, 28-gate complex with upgraded amenities and six additional gates. The entirety of the projects at LAX are expected to reach completion by 2023.

- Year-end 2019 totals at the Port of Los Angeles amounted to 9.5 million twenty-foot equivalent units (TEUs), dropping almost 1.3% year-over-year, while the Port of Long Beach recorded an annual decrease of nearly 5.7% with 7.6 million TEUs. Year-to-date through March 2020, the Port of Long Beach reported roughly 1.7 million total TEUs, down 6.9% over the previous year, while container volume at the Port of Los Angeles dropped 18.5%.
- In October 2018, the Los Angeles County Metropolitan Transportation Authority (LACMTA / MTA) broke ground on the final phases of the Metro Purple Line extension, which will run 2.6 miles through Westwood, Century City, and Beverly Hills. The total budget for the extension is set at \$6.3 billion, with nearly \$1.5 billion granted by the U.S. Department of Transportation. Phase I of the project is expected to reach completion in 2023, with Phase II scheduled for 2025, and total completion projected for 2026. The purple line extension will reduce the current travel time from Union Station to Westwood from approximately 1.5 hours down to 25 minutes, and stimulate an influx of new development adjacent to the growing line.

Demographic Characteristics

The demographic profile of the Los Angeles region reflects a younger, more affluent population than that of the nation. Although Los Angeles outperforms national averages in median household incomes, the region still falls behind in income distribution and educational attainment. Despite this, Los Angeles County still offers a diverse employment base and skilled labor force, thus offering a strong talent pool to its growing businesses.

The following table highlights and compares the most recent demographic characteristics for Los Angeles County and the United States:

Demographic Characteristics Los Angeles County vs. United States 2019 Estimates		
Characteristic	Los Angeles County	United States
Median Age (years)	37	38
Average Annual Household Income	\$104,263	\$87,636
Median Annual Household Income	\$69,776	\$60,811
<i>Households by Annual Income Level:</i>		
<\$25,000	18.4%	20.3%
\$25,000 to \$49,999	18.7%	21.4%
\$50,000 to \$74,999	16.1%	18.0%
\$75,000 to \$99,999	12.8%	13.0%
\$100,000 plus	33.9%	27.2%
<i>Education Breakdown:</i>		
< High School	20.6%	13.0%
High School Graduate	19.9%	27.6%
College < Bachelor Degree	26.7%	29.0%
Bachelor Degree	21.5%	18.9%
Advanced Degree	11.4%	11.5%

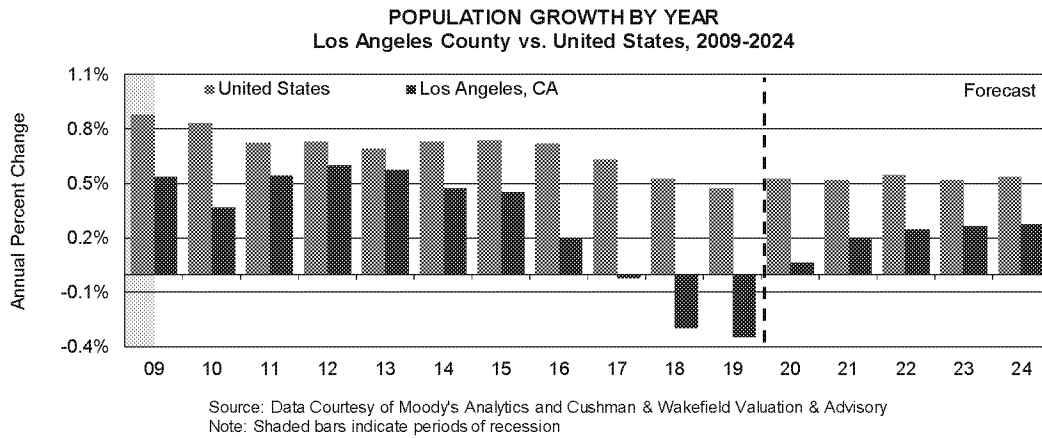
Source: © 2019 Experian Marketing Solutions, Inc. •All rights reserved•
Cushman & Wakefield Valuation & Advisory

Population

According to Experian Marketing Solutions, Inc., the Los Angeles-Long Beach-Glendale region is home to a population of almost 10.3 million individuals, making it one of the largest, most densely populated counties in the country. From 2009 through 2019, Los Angeles' population averaged 0.3% annual growth, falling behind the

national growth due to the region’s high living and business costs, rising home values, and limited capacity. Despite the high cost of living, at 129% compared to the national base cost of 100% (according to Moody’s Analytics), the region’s impressive demographics, with above average educational attainment, provide a young and highly skilled employment base to support high-wage jobs. Additionally, the flourishing technology and innovation landscape in Los Angeles has augmented the region’s economic drivers and will further continue to support increasing population trends in the region.

The following graph compares population growth within the Los Angeles region and the United States:



The following table details the population trends within the Los Angeles region and the United States:

Annualized Population Growth By CBSA Los Angeles-Long Beach-Glendale MD 2009-2024						
Population (000's)	2009	2019	Forecast 2020	Forecast 2024	Compound	Compound
					Annual Growth Rate 09-19	Annual Growth Rate 20-24
United States	306,771.5	328,239.5	329,971.0	337,017.4	0.7%	0.5%
Los Angeles-Riverside-Orange County, CA CSA	17,750.4	18,711.4	18,755.4	19,136.1	0.5%	0.5%
Los Angeles-Long Beach-Santa Ana CBSA	12,774.6	13,214.8	13,219.0	13,339.6	0.3%	0.2%
Los Angeles-Long Beach-Glendale MD	9,787.4	10,039.1	10,045.7	10,144.3	0.3%	0.2%
Santa Ana-Anaheim-Irvine MD	2,987.2	3,175.7	3,173.2	3,195.2	0.6%	0.2%
Riverside-San Bernardino-Ontario CBSA	4,160.7	4,650.6	4,688.8	4,935.5	1.1%	1.3%
Oxnard-Thousand Oaks-Ventura CBSA	815.1	846.0	847.6	861.0	0.4%	0.4%

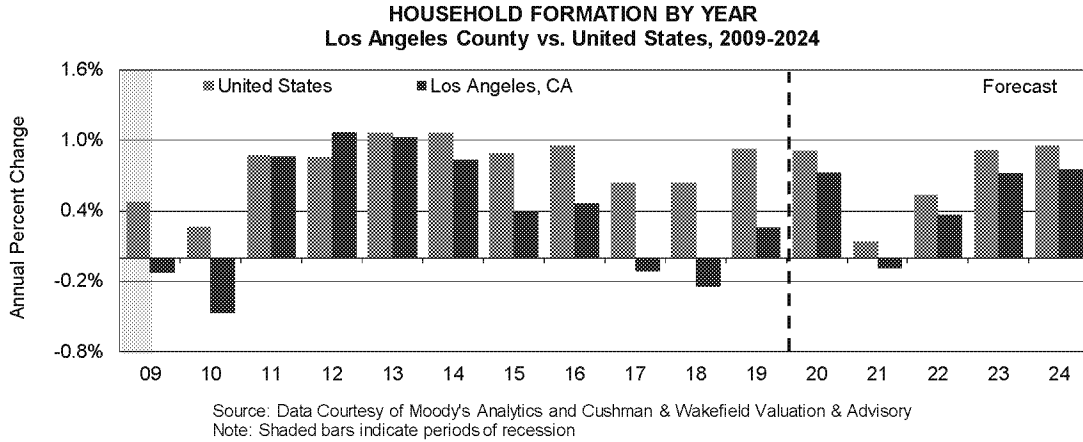
Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Households

Over the past decade, household formation in the Los Angeles County region was similar to population gains with an average annual growth rate of 0.4%. Household formation rates were supported by the recovery of the housing market, steadily rising income levels, and millennials entering the first-time home buyers’ market. Homebuilding in Los Angeles County is set to remain steady in the near term. The pace has already slowed down in recent years alongside decelerating population growth. Net migration has been negative over the past two decades and demand from remaining residents is in check. The ratio of a household formation relative to housing completions is on par with the 20-year average, which suggests that the market is well-supplied. Financial conditions also play a role. House prices are trending upward, eroding affordability and thus demand. The 30-year mortgage rate dropped in May to a record low of 3.4%. Once mortgage rates become steady but remain low, housing demand is anticipated to grow. Supply constraints related to coastal California’s low land availability and high costs will keep a lid on construction through the early part of the next decade. Through 2024, household formation is forecast to accelerate

ahead of population growth with an average annual rate of 0.4%. This upward trend in household formation can be attributed to various sociological factors such as increasing divorce rates, young professionals postponing marriage, student debt repayment, and the relatively high cost of living.

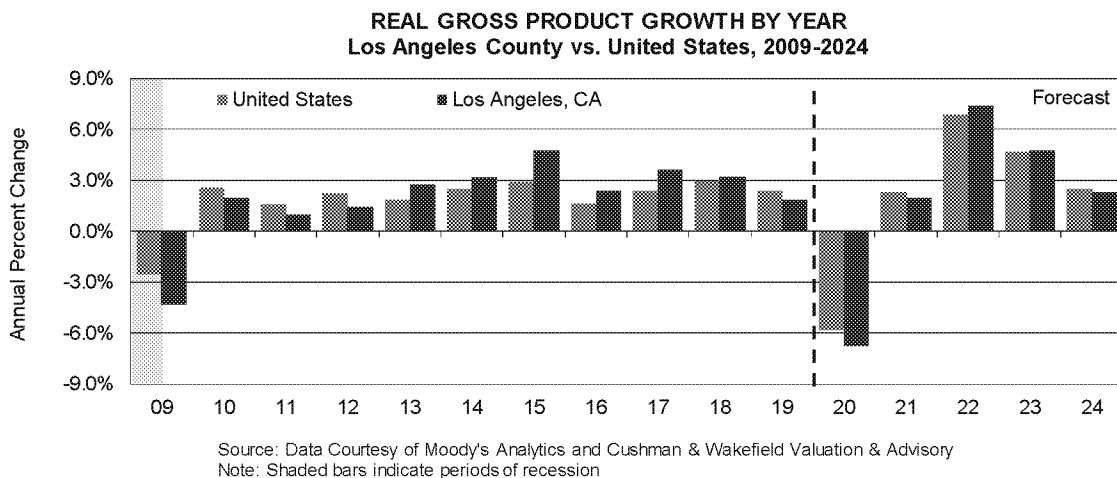
The following graph details household formation in the Los Angeles region and the United States:



Gross Metro Product (GMP)

A large share of the region's GMP output is produced by high-value industries including the technology, trade, and manufacturing sectors. Historically, Los Angeles' GMP growth trends have closely followed that of the United States, exceeding national averages in recent years. Commercial construction was less impressive last year than in 2017 and is expected to continue to fluctuate alongside income growth and consumer spending. Commercial construction is a late-cycle performer—as more of an economy's real estate capacity is utilized, rent appreciation accelerates, prompting more building. According to IHS-Markit, the value of Los Angeles's commercial construction declined in 2019, a 6.9% drop year-over-year.

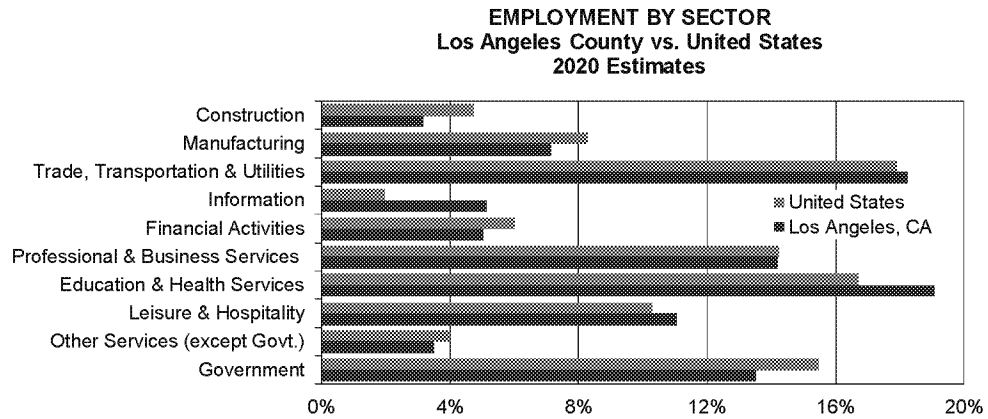
The following graph details gross metro product within the Los Angeles region compared to the United States:



Employment Distribution

Los Angeles’ economic base is composed of a variety of employment sectors that is like the overall United States, contributing to the significant employment gains over the metro’s economic expansion. Due to the influence of the Twin Ports, employment in the region relies heavily upon international trade as it relates to port activity. Additionally, Los Angeles’ status as an entertainment hub has historically made the industry a key component of employment and the regional economy overall. Shifting public demands and changing technologies, however, continue to influence the entertainment industry, leading to the decline of the motion picture segment and the predominance of television and commercial production. With that said, tech companies benefit from Silicon Beach’s entertainment industry to hire unique talent to complement their evolving industry.

The following chart compares non-farm employment sectors for the Los Angeles region and the United States:



Source: Data Courtesy of Moody’s Analytics and Cushman & Wakefield Valuation & Advisory

Major Employers

The following table lists the largest employers in Los Angeles County:

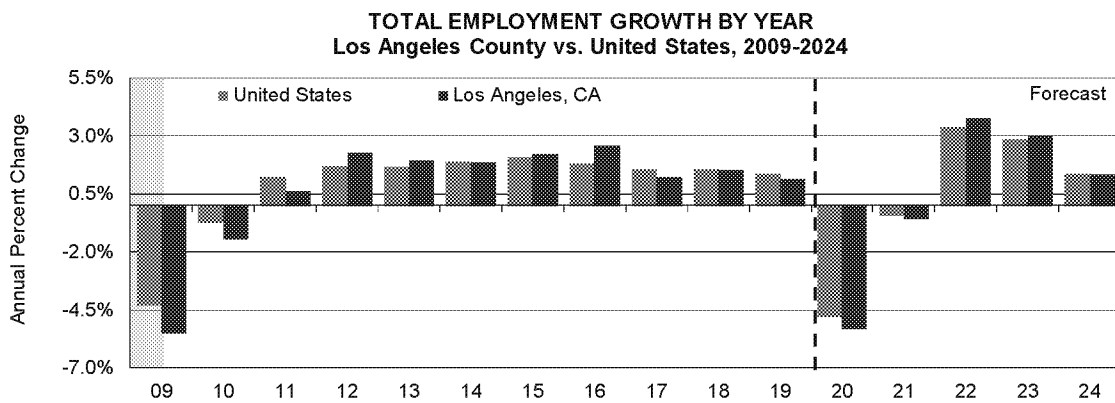
Largest Employers Los Angeles County, CA		
Company	No. of Employees	Business Type
University of California, Los Angeles	46,220	Education
Kaiser Permanente	36,468	Healthcare
University of Southern California	20,163	Education
Northrop Grumman Corp.	16,600	Aerospace & Defense
Providence Health Systems	15,255	Healthcare
Target Brands Inc.	15,000	Retail
The Kroger Co.	14,970	Retail
The Boeing Co.	13,294	Aerospace & Defense
The Walt Disney Co.	13,000	Entertainment
Albertsons/sons/Pavilions	13,000	Retail

Source: Los Angeles Business Journal and Cushman & Wakefield Valuation & Advisory

Employment Growth

Los Angeles County nonfarm employment lost 35,200 jobs between February 2020 and March 2020. Total nonfarm employment experienced a 0.9% increase year-over-year, climbing from 4,555,900 to 4,597,200. Los Angeles handles nearly 13% of U.S. imports, more than any other customs district in the country. The Port of Los Angeles recorded 9.3 million TEU units in 2019, approximately a 1.3% decrease from 2018. In March 2020, the Port of Los Angeles reported 449,568.30 in container volume, a 30.9% decline in volume year-over-year. However, the U.S. consumer market is in good shape and wage growth is still accelerating, which will ensure demand for imports. In May 2020, President Trump threatened to implement a tariff on top of the current 25% tax on Chinese goods. The tariffs so far have had some impact on consumers, most businesses, and agricultural producers. Relatively low unemployment and fiscal stimulus should keep imports coming through the near term, keeping growth at the ports on track.

The following graph compares employment growth per year for the Los Angeles region and the United States:

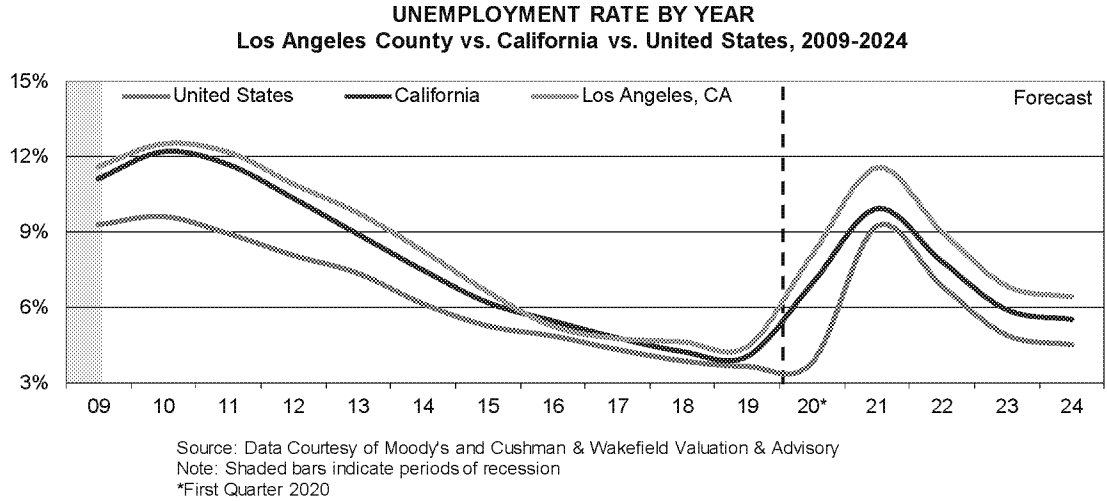


Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
 Note: Shaded bars indicate periods of recession

Unemployment

According to the Bureau of Labor Statistics March 2020 preliminary figures, the Los Angeles-Long Beach-Glendale Metropolitan Division recorded an unemployment rate of 6.3%, which represents approximately 315,000 unemployed individuals. March's unemployment rate both higher than 2019 state and national unemployment rates. Through the near term, unemployment in Los Angeles is expected to trend above both state and national data, climbing alongside labor constraints and national economic conditions.

The graph below compares unemployment rates for the Los Angeles region, California, and the United States:



Conclusion

The Los Angeles region's impressive demographics and high-wage employment growth have supported economic expansion following the last economic recession. The region's diversified employment base will continue to compare favorably with the United States, although job growth will slow relative to the nation as the economy reaches full employment. Expansion will accelerate over the coming year. Labor supply constraints and land shortages will ensure elevated incomes and real estate prices. High and rising costs will drive out-migration, so population growth will lag that in other large western metro areas, and job growth will barely keep pace with the national average.

Local Area Analysis



Location Overview

The subject property is located along the south side of Century Boulevard, across the street from Hollywood Park Casino and SoFi Stadium, between Doty and Prairie avenues in the City of Inglewood. Inglewood was incorporated as a city in February 1908 and encompasses a land area of about nine square miles. The city is situated in the southwest portion of Los Angeles County, in the northern portion of the South Bay region. Inglewood has a varied mix of residential and commercial developments that range from single-family homes and multifamily projects, to retail oriented properties and low- to mid-rise office buildings which are generally concentrated along Century Boulevard.

Surrounding areas include Ladera Heights to the north, Hawthorne and Gardena to the south, Westmont to the east, and Westchester to the west. The immediate subject commercial neighborhood is generally bound by Imperial Highway and the 105 Freeway to the south, Crenshaw Boulevard to the east, Florence Avenue to the north, and the 405 Freeway to the west. The Los Angeles Central Business District (Downtown Los Angeles / DTLA) is about 11 miles northeast of Inglewood, and the Los Angeles International Airport is roughly three miles west of the city.

Los Angeles South Bay

The South Bay is in the southern portion of the Los Angeles basin and is the coastal zone extending south from LAX to the City of Long Beach. Its boundaries can be roughly defined as the 105 Freeway and Los Angeles International Airport on the north, the 405 and 710 freeways on the east, and the Pacific Ocean on the south and west. Included in this area are: the incorporated cities of El Segundo, Manhattan Beach, Hermosa Beach, Redondo Beach, Torrance, and Carson; the cities of the Palos Verdes Peninsula; portions of unincorporated Los Angeles County; and districts within the City of Los Angeles.

Historically, the South Bay economy has been dominated by high technology industries such as aerospace and defense. A significant portion of the local population is employed in the electronics industry and industries tied to foreign trade. Recently there has been an increase in Pacific Rim companies into this area. Today, the South Bay houses numerous regional, national, and international headquarters, including automobile companies such as Honda and Tesla Motors. Other major employers are Raytheon, Garrett Systems (Honeywell), Direct TV, Xerox Corporation, Northrop Grumman, TRW, Chevron, and Shell Oil Products.

South Bay Development Trends

While employment is dominated by the aerospace and defense industry, development in the South Bay region is well diversified. Residential development ranges from low-income apartment complexes to upper-income single-family residences. In general, the more desirable and expensive residential areas are located in the western areas in proximity to the Pacific Ocean. Higher priced residential areas include the Palos Verdes Peninsula, Redondo Beach, Hermosa Beach, Manhattan Beach, and portions of Torrance and El Segundo. The more inland areas of the South Bay are characterized by lower rental rates and home prices that attract middle and lower-middle income level households.

The South Bay region also has a well-diversified retail base with development ranging from freestanding retail buildings to regional shopping centers. The two most significant regional malls servicing the area are the super-regional Del Amo Fashion Center in Torrance and the South Bay Galleria in Redondo Beach. There are also a number of larger power centers anchored by a Home Depot and/or Costco. Manhattan Village in Manhattan Beach is a regional/community shopping center that has a small indoor mall area anchored by Macy's. Outside of the regional malls and power centers, commercial development is primarily comprised of neighborhood, community, and strip centers located along major arterials throughout the area. There are also numerous older, freestanding retail facilities.

The existing office base in the South Bay region approximates 30 million square feet within ten submarkets. The largest concentrations of space are in the cities of Long Beach and El Segundo, in the LAX area, and in an area known as the 190th Street Corridor in Torrance. Office occupancy is dominated by aerospace and defense-related employers, and entertainment companies are now in Manhattan Beach. Office development in the South Bay ranges from low- to high-rise buildings. In general, newer buildings developed in the 1980s tend to be high-rise structures and are concentrated in downtown Long Beach; mid-rise office buildings are concentrated along the 190th Street Corridor in Torrance, and in the city of El Segundo just south of LAX.

Industrial development in the South Bay region is significant, with the existing industrial base estimated at approximately 230 million square feet. The largest concentrations of industrial space are located in the cities of Los Angeles (Harbor Gateway and Wilmington districts), Carson, Torrance, Long Beach, and Gardena. This industrial development is heavily reliant on the aerospace and defense industries but is also strongly influenced by the Twin Ports. Recently, strong demand for last mile distribution facilities by e-retailers and logistics firms has led to a surge of development activity in the greater Los Angeles region, including in the South Bay ("last mile" refers to the final link in the urban logistics eCommerce supply chain). Retailers and logistics companies are focusing on developing, acquiring, and/or leasing facilities to ensure rapid fulfillment of online orders. The emphasis on improving efficiency in the last mile of distribution will continue to generate demand for industrial sites in the South Bay.

Access and Transportation

The South Bay is served by the Los Angeles County freeway network. Three freeways provide direct service to the area: the San Diego Freeway (I-405), the Harbor Freeway (I-110), and the Gardena Freeway (SR-91). The 405 Freeway is the primary coastal highway in western Los Angeles County. The 110 Freeway provides access between downtown Los Angeles and the Twin Ports. The 91 Freeway provides east/west access from the South Bay region to northern Orange County (and beyond, to the Inland Empire). The Century Freeway (I-105) travels in an east/west direction between Los Angeles International Airport and the Mid-Cities area of Los Angeles; it is just north of the El Segundo city limits, and the northern boundary of the South Bay. The Long Beach Freeway (I-710) provides additional north/south access between the San Gabriel Valley and the Twin Ports, east of the South Bay region. Overall, freeway access to the South Bay region is good. The subject property is situated about 1.5 miles east of the 405 Freeway and about one mile north of the Century Freeway.

Major east/west arterials in Inglewood include Century Boulevard, which acts as the gateway to LAX, Imperial Highway to the south, and Manchester Boulevard and Florence Avenue to the north of the subject. Major north/south primary arterials in Inglewood include Prairie Avenue, Crenshaw Boulevard, and South La Brea Avenue (which transitions to Hawthorne Boulevard on the south side of Century Boulevard).

Metro System

Beginning in the 1990s, Los Angeles embarked on a multi-modal mass transit system called the Metro System. The goal of the overall system is to improve access through linkages among a variety of transportation modes. The Metro System is comprised of freeway carpool lanes, buses, light rail lines, and heavy rail lines. Six rail lines are in operation, including four Metro Light Rail lines and two Metro Subway lines. The Metro lines currently in operation and under construction, according to LACMTA, are detailed in the table below:

Metro Rail Line and Ridership Summary*						
Rail Line	Opening Date	Number of Stations [^]	Length in Miles	Average Weekday Boarding 2018	Average Weekday Boarding 2019	% Change
A Line (Blue)	1990	22	21.3	64,648	27,531	-57.4%
B Line (Red) / D Line (Purple)	1993-2000	22	14.0	137,142	133,413	-2.7%
C Line (Green)	1995	14	19.5	30,839	29,287	-5.0%
E Line (Expo)	2012	19	13.1	61,024	58,002	-5.0%
L Line (Gold)	2003	27	29.7	50,523	47,656	-5.7%
Total		104	97.6	344,176	295,889	-14.0%
<i>L Line (Gold) Extension</i>	<i>Under Construction</i>	<i>5</i>	<i>12.3</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>Crenshaw / LAX</i>	<i>Under Construction</i>	<i>8</i>	<i>8.5</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>Downtown Regional Connector</i>	<i>Under Construction</i>	<i>3</i>	<i>1.9</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>D Line (Purple) Extension</i>	<i>Under Construction</i>	<i>7</i>	<i>9.0</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Total		23	31.7			

*As of June 2020; ridership data for the B/D (Red/Purple) lines are combined on the LACMTA website

[^]Includes shared stations and stations under construction

Source: LACMTA; compiled by Cushman & Wakefield Valuation & Advisory

In 2018, LACTMA announced they would be renaming the rail lines from colors to letters. The Blue Line reopened as the A Line, and subsequent lines will follow and are noted in the chart above.

The MTA operates 98 miles of Metro Rail service with 104 train stations in Los Angeles. In addition, 23 stations and 32 railway miles are under construction. The Metro Rail system consists of six separate but connected lines; five of these (A / Blue, B / Red, D / Purple, E / Exposition, and L / Gold) originate Downtown. The A Line links the CBD with the City of Long Beach 20 miles south. Between Long Beach and Downtown, the A Line intersects with the C Line, which runs east from Downey, west towards LAX and south to the beach cities. The A Line also connects to the B Line at the 7th Street/Metro Center stop.

The B Line, a subway starting at Union Station and continuing through Downtown, connects the A and L Lines, terminating in North Hollywood. The B Line subway also serves the Downtown-Mid-Wilshire traffic. The L Line provides service from Union Station to Sierra Madre Villa Avenue in Pasadena, passing through Chinatown, Highland Park, Arroyo Seco, South Pasadena, and Old Town Pasadena. The E Line runs east from Downtown Santa Monica and connects to the A, B, and D lines in DTLA. Connections to the A, B, and D lines are accessible at this location.

Current LACMTA Projects

Extensions

The E Line and L Line extensions were completed in 2015 and 2016, respectively. A second phase of the L Line Extension is underway and is expected to be operational by 2025. The Crenshaw/LAX Line from South Los Angeles to the Los Angeles International Airport (LAX) is expected to open in 2021. In addition, the Downtown Regional Connector Project will extend 1.9 miles as a subway from the L Line/Little Tokyo station to the Financial District, connecting the A, E, and L lines in Downtown. It will add three stations and is planned to open in 2022.

The \$7.8 billion D (Purple) Line subway extension is currently under construction. This nine-mile project will connect the Wilshire/Western station (the current western terminus of the line) to Westwood along the Wilshire corridor, including a station at the intersection of Wilshire Boulevard and Reeves Drive in Beverly Hills (about three blocks east of Rodeo Drive). The extension, which will end at the West Los Angeles Veterans Affairs (VA) Hospital in Westwood, will include seven new stations spaced in approximately one-mile intervals. The estimated one-way running time is about 25 minutes from Downtown Los Angeles to the Westwood/VA Hospital Station. Total projected daily boardings for the line are roughly 49,000 people per day. Project funding comes from voter-approved Measure R, federal "New Starts" matching funds, and a loan from the U.S. Department of Transportation.

The first phase of the D Line project began in 2014 and includes three stations extending from Wilshire/Western to Wilshire/La Cienega and is expected to be operational by 2023. Construction on the second phase started in February 2018; and the third phase began in September 2019. Phase two will add two more stations, Wilshire/La Cienega to Century City/Constellation, and the third phase will wrap up the extension with the last two stations at Century City/Constellation to Westwood/VA Hospital. The last two segments of the rail are slated to be completed by 2026, in time for the 2028 Olympics.

The C Line Metro station is located at the intersection of Imperial Highway and Aviation Boulevard in Inglewood. A complimentary shuttle/bus provides access to LAX. The C Line forms an east/west transportation link between the beach communities and the Inland Empire and is primarily aligned with 105 Freeway, paralleling Century Boulevard. The westernmost extension of the C Line is in Redondo Beach. The C Line connection to the A Line at the Rosa Parks/Imperial/Wilmington station provides access to DTLA and connections to the B Line at Metro Center, which links passengers to destinations as far north as North Hollywood and connects to the five-county Metrolink system.

Crenshaw/LAX

Currently under construction, the Crenshaw/LAX metro line (shown in the exhibit on the following page) will run through southwest Los Angeles, generally in a north-south direction. It will connect the Crenshaw neighborhood and Leimert Park to the City of Inglewood and LAX. The project is an 8.5-mile light rail route, starting at the Expo/Crenshaw station on the E Line and connecting to the existing C Line just to the west of the Aviation/LAX station. The initial segment includes eight stations; an infill station, Aviation/96th Street station, will be built later to accommodate a planned people mover system at LAX. The Downtown Inglewood and Fairview Heights stations are under construction in Inglewood and are anticipated to be completed in 2021.

Crenshaw/LAX Transit Project

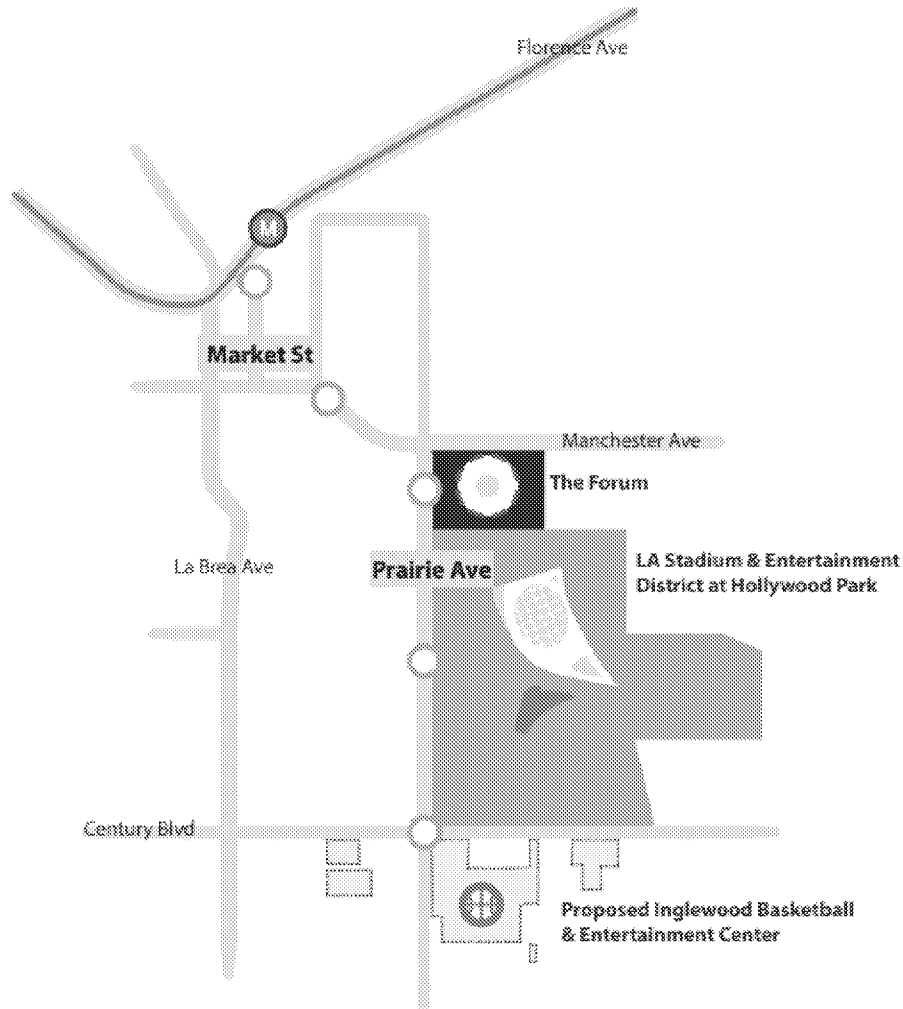


Inglewood First/Last Mile Plan and the Inglewood Transit Connector

The Inglewood First/Last Mile Plan is a collaboration between the City of Inglewood and LACMTA to develop first/last mile improvements for four stations in and adjacent to the City. These stations include three Crenshaw/LAX stations (Fairview Heights, Downtown Inglewood, and Westchester/Veterans) and one C (Green) Line station (Crenshaw). The plan will enhance accessibility and safety for pedestrians and passengers.

The Inglewood Transit Connector (ITC) is an effort by the City of Inglewood to provide an elevated, automated people mover system to facilitate a transit connection between the Crenshaw/LAX Downtown Inglewood station and the Forum, SoFi Stadium, and the IBEC. The ITC is a planned 1.8-mile system that would begin at Market Street and Florence Avenue and end at Century Boulevard and Prairie Avenue, to the west of the subject property. A diagram of the proposed ITC appears on the following page.

PROPOSED INGLEWOOD TRANSIT CONNECTOR ALIGNMENT



Source: City of Inglewood / Envision Inglewood

Local Area Land Uses

The City of Inglewood offers a mix of land uses including residential, retail, industrial, office, and public-use properties. Details of the existing land uses within the City of Inglewood, including information available from the Los Angeles County Assessor, are as follows:

Residential Uses

The existing residential uses in the city total about 3,000 acres, accounting for 66 percent of the city’s total land area. Most of the city’s residential land area is developed with detached single-family homes, which accounts for 69 percent of the city’s total residential land area. Land within Inglewood developed with residential duplexes and triplexes totals 449 acres, accounting for 10 percent of the city’s total acreage, and 15 percent of all residential land uses. The city’s land area developed with four or more units per lot totals about 490 acres, accounting for 11 percent of the city’s total land area and 16 percent of all residential land uses.

Commercial Uses

The existing commercial uses in the city total about 297 acres, accounting for 6.5 percent of the city's total land area. Commercial uses are divided into two categories: commercial and hotel/motel. Commercial uses encompass all of the general retail and service uses in the city such as department stores, shopping centers, restaurants, and service shops, and comprise 271 acres, or 6 percent of the city's total land area. Hotels and motels comprise 26 acres, which is less than one percent of city's total acreage.

Commercial land uses are found primarily along the major arterials in the city. The major north-south commercial arterials include portions of La Cienega Boulevard, La Brea Avenue, and Prairie Avenue; and the east-west arterials include portions of Centinela Avenue, Manchester Boulevard, Arbor Vitae Street, Century Boulevard, and Imperial Highway. Many of these corridors form important gateways into the city at major freeway access points, providing opportunities for high visibility and accessibility into Inglewood.

While the city has made great strides in revitalizing its commercial corridors, there is still much to be done toward their improvement. The oversaturation of commercial corridors results in many underutilized businesses that are non-viable, resulting in poor maintenance and visual blight. Many of those businesses are not well-maintained and do not provide adequate off-street parking due to their age (legal non-conformity) and inadequate lot sizes. The shallow lots and multiple small businesses lead to frequent curb cuts along the heavy arterials, congested street parking, and potential conflicts for both cars and pedestrians.

Office Uses

Office uses comprise 113 acres, or 2.5 percent of the city's total acreage. Office uses are generally interspersed with commercial uses along the major arterials discussed above. There are no existing large-scale office complexes in the city.

Industrial Uses

Inglewood is located in a highly desirable industrial real estate market because of its location adjacent to LAX, the 405 Freeway, and the 105 Freeway. Industrial uses comprise 192 acres, or 4 percent of the city's total acreage. Industrial uses are divided into three subcategories, including industrial, heavy-industrial, and light manufacturing uses. The majority of industrial uses in the city are located west of the 405 Freeway, and along Florence Avenue.

Public Facilities

Public facilities include governmental and institutional uses such as the Civic Center, hospitals, churches, and schools. Together these land uses comprise 563 acres, or 12 percent of the city's total acreage. The Civic Center, which includes City Hall, the police station, main library, and Superior Court are found in the downtown area in the west-central portion of the city, while other public facilities are spread out around the city.

Parks

Open space and recreational uses comprise 93 acres, or 2.0 percent of the city's total land area. This area includes primarily the city's municipal parks.

Other Uses

Other land uses do not fit into a specific category but are still important to identify. These land uses, as described above, include utilities, rights-of-way, parking lots, clubs, greenhouses, and areas not defined by the Los Angeles County Assessor's Office from which these land uses were obtained. Combined, these land uses comprise 254 acres, or about 6 percent of the city's total acreage, and are found scattered throughout the city.

Redevelopment Project Areas

Hollywood Park

The 298-acre Hollywood Park development, located directly across the street from the subject along Century Boulevard, is a mixed-use, master planned neighborhood currently under construction. This area is expected to become a second downtown for the City of Inglewood. Slated for completion in 2023, the planned area will have a roughly 620,000 square foot open-air retail and restaurant district, over 400,000 square feet of office and commercial space, nearly 10,000 square feet of community services, nearly 3,000 residential units including homes, townhomes, and apartments, 25 acres of public parks and open space, an artificial lake, a 300 room luxury hotel, and the revitalized Hollywood Park Casino. The National Football League (NFL) is moving NFL Media headquarters to Hollywood Park, and will occupy about 200,000 square feet in the new office campus, which will include an outdoor studio.

The first phase of the residential development is scheduled to open in late 2020 or early 2021, in tandem with the stadium and first phase of the retail portion, and will encompass two apartment buildings containing 314 units.

SoFi Stadium

By 2020, SoFi Stadium—also within the Hollywood Park redevelopment area—will be the home of the NFL's Los Angeles Rams and Los Angeles Chargers. Upon completion, the \$4.9 billion, 3.0 million square foot venue will seat more than 70,000 and have a standing room capacity for over 100,000 people for larger events. Sporting and entertainment events will be hosted at the stadium year-round, and the opening and closing ceremonies for the 2028 Olympic Games. Super Bowl LVI is scheduled to be held at the stadium in February 2022, and the College Football Playoff National Championship in January 2023.

Hollywood Park Casino (HPC)

Originally part of the Hollywood Park Racetrack, the HPC is a casino and sports bar in Inglewood. The racetrack was demolished in 2013 and the casino building and parking garage were rebuilt on the adjacent parcel in 2016. The relocated property is on the north side of West Century Boulevard, just east of South Doty Avenue, and south of the under-construction Hollywood Park master-planned community described above. The main casino offers California and poker games, high-limit action, over 125 table games, simulcast off-track wagering, several dining options, a lounge and bar, and an entertainment venue.

The Forum

The Forum is a multi-purpose indoor arena located just north of the under-construction Hollywood Park redevelopment area. The Forum originally opened on December 30, 1967 and was home to the Los Angeles Lakers for many years. In 2012, long after the Lakers had moved to the Staples Center in Downtown Los Angeles, the Forum was purchased by the Madison Square Garden Company, owners of New York's Madison Square Garden, for approximately \$23.5 million. Subsequent to the sale, MSG invested approximately \$100 million renovating the Forum, reinventing the property as the only arena-sized venue in the country dedicated to music and entertainment. Since reopening, the Forum has hosted a variety of high-profile artists and musicians. In March 2020, an LLC controlled by Steve Ballmer – owner of the Los Angeles Clippers – purchased the Forum from MSG for \$400 million. While the transaction was reported in some spaces as a land acquisition, we understand that the purchase price included considerations beyond the value of the land, and that Ballmer plans to maintain the Forum as an entertainment venue.

Grace Park – Residential Development

Approximately one mile north of Hollywood Park is Grace Park, an entitled subdivision of 226 condominium units on approximately 18 acres at 333 North Prairie Avenue. In 2014, the site was home to seven vacant buildings that

functioned as Daniel Freeman Hospital (which had closed seven years earlier). The Shopoff Group, a prominent Southern California development company, bought the property with plans to build as many as 363 townhomes. In November 2015, the City of Inglewood Planning Commission approved development of 210 two- and three-story attached condominium townhomes, as well as amenities and open space. The property changed ownership to Harridge Development Group (HDG) in November 2017. HDG revised the site plan and received approval to building subject to the current entitlements.

Zoned R-M (residential and medical), the subdivision will create three private streets with proposed street names of Daniel Freeman Circle, Siena Lane, and Kingston Lane. The subdivision will include several community amenities including a community recreation building, a community pool and spa, children’s play areas, and neighborhood pocket parks. Harridge notes that the homes would appeal to Los Angeles County’s highly educated tech workers. The development includes three product types, as shown in the table below.

Grace Park Development Details		
Product Type	Height	Size (SF)
P-1	3-story	1,805 - 2,282
P-2	2 and 3-story	1,567 - 2,455
P-2	3-story	1,967 - 2,544

Grace Park, as well as Hollywood Park, the Forum, and LAX, are shown in the image below.



Source: The Hoffman Company

Market Gateway Apartments

Located at 228 North La Brea Avenue, Market Gateway Apartments is a new transit-oriented, mixed-use development currently under construction. The five-story property will contain 242 multifamily units, a rec room, leasing office, fitness center, three restaurant spaces, five retail spaces, and a grocery store. Other planned amenities include open courtyards and a pool. The project is expected to open in 2023.

LA Phil Yola Center

Located at 121 South La Brea Avenue, the Los Angeles Philharmonic Yola Center is a proposed 25,000 square foot headquarters for the Youth Orchestra. The building, designed by Frank Gehry, is scheduled to open in 2021 and will include space for after-school instruction, rehearsals, practices, and performances.

Hilton TRU Hotel

Located at 11111 South Prairie Avenue, the proposed six-story hotel will contain 120 rooms, a rooftop deck, and public art installations.

Inglewood Basketball and Entertainment Center

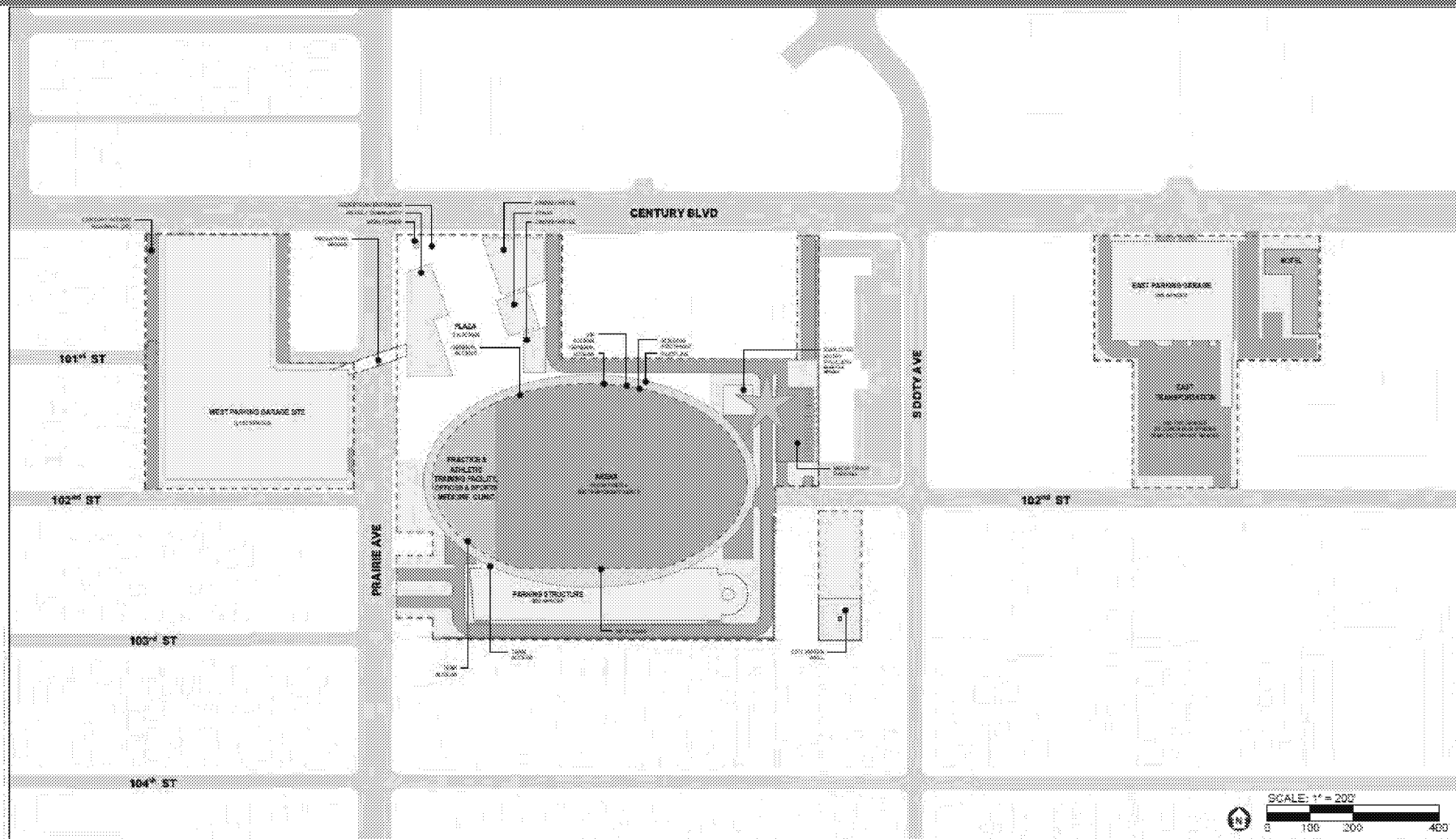
The City of Inglewood is in the planning phase of a proposed professional basketball arena and entertainment facility. The project is proposed by Murphy's Bowl LLC, a private developer and the Client in this appraisal report. The subject property is being considered for inclusion in the development of the Inglewood Basketball and Entertainment Center project (IBEC). The IBEC would be an 18,000-seat arena primarily for the Los Angeles Clippers of the National Basketball Association, and would also be used for other entertainment uses, conventions, and similar events. The proposed project includes plans for a Clippers practice and athletic training facility, Clippers team office space, a sports medicine clinic, an outdoor plaza, retail and restaurant space, community facilities, an outdoor stage, a hotel, and three parking garages with over 4,000 parking spaces. The City of Inglewood and the project developer are negotiating a draft Disposition and Development Agreement and the City has certified a final Environmental Impact Report for the project. According to the EIR, the subject property is intended for development with arena and parking uses. The main portion of the Project Site is bounded by West Century Boulevard on the north, South Prairie Avenue on the west, South Doty Avenue on the east, and a straight line extending east from West 103rd Street to Doty Avenue to the south. The project area, including the subject property, appears in the exhibit below.



Source: City of Inglewood

The image on the following page, taken from the EIR, is a conceptual site plan of the IBEC. The subject property appears in the middle of the image, to the right (and within) the arena area. For clarity, the subject is indicated with a green star. Following that image is a conceptual arena design (provided by the LA Clippers).

IBEC CONCEPTUAL SITE PLAN



SOURCE: AECOM, 2013

Ingleswood Basketball and Entertainment Center

Figure 2
Conceptual Site Plan



IBEC CONCEPT IMAGE



Adjacent and Surrounding Uses

Century Boulevard

Century Boulevard is located within several [previous] Redevelopment Project Areas, including La Cienega, In-Town, and Century. This corridor is strategically located in proximity to LAX just three miles west, has direct access to the 405 Freeway, and features the city's largest regional retail and entertainment complexes, including Hollywood Park Marketplace, which includes several large national retailers. Additionally, The Village at Century was completed in 2006 and includes large national retailers as well. While much improvement has occurred and continues to occur along Century Boulevard, much of the corridor—especially west of Prairie Avenue—includes abandoned, underutilized, or vacant properties.

Prairie Avenue

Prairie Avenue is located within three Redevelopment Project Areas, including Manchester-Prairie, Century, and Imperial-Prairie. From Century Boulevard to Imperial Highway, the corridor is heavily dominated by service and retail uses, including a significant concentration of auto services, which creates incompatibilities with retail uses and residential development along the corridor. Large portions of this area are developed with residential uses, and many properties are abandoned, underutilized, or vacant. Significant land uses in this stretch include a popular Northgate Market on the west side of Prairie Avenue at Lennox Boulevard. Except for the activity occurring at this intersection, however, there is moderate pedestrian activity within this area.

The subject property is located on the south side of Century Boulevard and the north side of West 102nd Street in a previously underdeveloped area which is being revitalized and is supported by existing urban infrastructure. The surrounding area is comprised of a mix of low-to medium-density residential, commercial, and industrial uses. The properties immediately surrounding the subject property are described as follows:

- North: Hollywood Park Casino and the Hollywood Park redevelopment area, described in detail above.
- South: West 102nd Street, which is characterized by industrial uses on the north side and a mix of industrial and residential uses on the south side. Further south, land use transitions to primarily residential.
- East: A light industrial property known as Century Industrial Commerce Center, followed by Doty Avenue, after which is the Century Freight Center and other industrial uses (as well as another potential IBEC site), followed by Yukon Avenue. Further east, past Yukon Avenue, is the Village at Century described above.
- West: Land use west of the subject along the south side of Century Boulevard is a mix of industrial, motel, retail, and storage facilities. Directly west of the subject is a self-storage facility, followed by the former Airport Park View Motel (now under renovation). Further west is another potential IBEC site, followed by a Rodeway Inn and a Church's Chicken along Prairie Avenue. West of Prairie Avenue, land use is commercial along Century Boulevard, with residential uses to the south.

Conclusions

The City of Inglewood and the surrounding communities of the South Bay region benefit from proximity to the Los Angeles International Airport. The area is characterized by airport-related uses (including industrial), aerospace firms, office-oriented uses, and retail. Overall, the subject neighborhood represents good locational characteristics for area businesses. The area is expected to greatly benefit from the Hollywood Park Project and the NFL stadium. Overall, a positive outlook is anticipated for the local area. However, over the short-term, the outlook for the area is similar to the entire region with minimal or no growth expected in the local economy due to COVID-19.

Property Analysis

Site Description

GENERAL

Location: 3822 West Century Boulevard
 Inglewood, Los Angeles County, California 90303
 The subject property is located on the south side of Century Boulevard, across the street from Hollywood Park Casino and SoFi Stadium, between Doty and Prairie avenues in the City of Inglewood.

Shape: Flag-shaped

Topography: Level at street grade

Land Area: 3.08 acres / 134,024 gross square feet

Access, Visibility and Frontage: The subject property has average access and average visibility. The frontage is rated as average.
 The frontage dimensions are listed below:
 West Century Boulevard: 50± feet
 102nd Street: 400± feet

The subject's orientation and shape would likely require any industrial development on the site to be situated with loading facilities facing West 102nd Street. The placement of loading facilities adjacent to existing residential uses along West 102nd Street may require additional development planning.

The subject property is about one mile north of the 105 Freeway, 1.5 miles east of the 405 Freeway, and 3.4 miles east of LAX.

Utilities: All public utilities are available and deemed adequate. Utility providers for the subject property are as follows:
 Water City of Inglewood
 Sewer City of Inglewood
 Electricity Los Angeles Department of Water and Power
 Gas Southern California Gas Company
 Telephone Various

Site Improvements: The site consists of vacant land with no existing site improvements except perimeter fencing. There are also above-ground utility lines crossing the property. It is an extraordinary assumption of this report that the existing utility lines on the subject property can be relocated (or buried) without having an impact on the value of the property. The cost to relocate (or bury) the utility lines, based on information provided by the client, will be \$168,530. We have deducted this cost from our valuation conclusion, as shown later in this report.

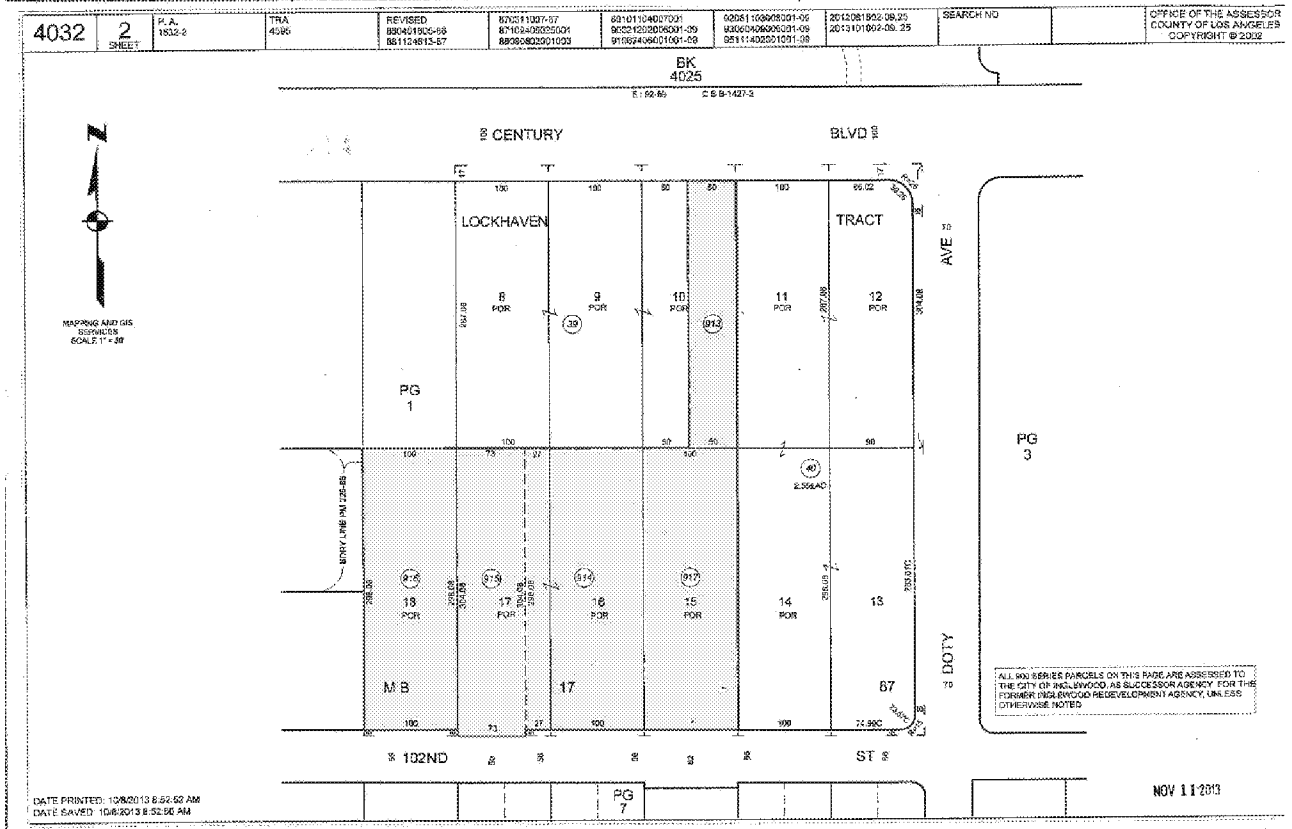
SITE CONDITIONS

Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Land Use Restrictions:	<p>We reviewed preliminary title reports prepared by Fidelity National Title Company, one dated March 3, 2020 and the other dated July 8, 2020. A copy of each is retained in our workfile. The reports include several exceptions to coverage which are typical for a property of this type, including easements for road and utility purposes. The exceptions noted include an easement granted to Southern California Edison Company for the utility lines described herein. It is possible that moving the utility lines will require discussion and negotiations with Edison.</p> <p>Additionally, some portion of the subject property is encumbered by one or more avigation or air easements. In the Federal Aviation Administration (FAA) glossary, an avigation easement is defined as "a grant of a property interest in land over which a right of unobstructed flight in the airspace is established." In documents available on its website, the FAA defines an avigation easement as "a conveyance of a specified property interest for a particular area that restricts the use by the owner of the surface and yet assures the owner of the easement the right and privilege of a specific use contained within the easement document." These encumbrances may affect the development potential of the subject property; in short, as discussed in a subsequent section, the avigation easement prohibits residential development on the subject property.</p>
Wetlands:	We were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field. In addition, it is an extraordinary assumption of this report that the subject property is free and clear of any and all soil and/or site contamination, and/or any other environmental hazard that would have an impact on the value of the property.
Earthquake Zone/Seismic Hazard:	<p>According to maps on the California Department of Conservation's website, the site is not located in a Special Study Zone as established by California's Alquist-Priolo Geological Hazards Act. However, all areas of Southern California are subject to seismic activity. Further information may be found at:</p> <p>http://maps.conservation.ca.gov/cgs/informationwarehouse/index.html?map=regulatorymaps</p>
Flood Zone Description:	<p>The subject property is located in flood zone X (areas determined to be outside the 500 year flood plain) as indicated by FEMA Map 06037C1780G, dated December 21, 2018.</p> <p>The flood zone determination and other related data are provided by a third party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.</p>

CONCLUSIONS

Overall Site Utility: The subject site is functional for redevelopment to its highest and best use.

ASSESSOR'S PARCEL MAP



Real Property Taxes and Assessments

Current Property Taxes

The subject property is located in the taxing jurisdiction of Los Angeles County, and the assessor's parcel identification numbers (APNs) are 4032-002-913 to 917. According to the local tax collector's office, taxes are current. The assessment and taxes for the property are presented in the following table:

PROPERTY ASSESSMENT INFORMATION	
Assessor's Parcel Number:	4032-002-913 to 917
Assessing Authority:	Los Angeles County
Current Tax Year:	2020
Are Taxes Current?	Taxes are current
Is There a Grievance Underway?	Not to our knowledge
ASSESSMENT INFORMATION	
Assessed Value	Totals
Land:	\$0
Improvements:	\$0
Total:	\$0
Personal Property:	\$0
Other:	\$0
Exemption:	\$0
Taxable Assessment:	\$0
TAX LIABILITY	
Total Property Taxes:	\$0

Compiled by Cushman & Wakefield Western, Inc.

The subject is owned by the City of Inglewood, as Successor Agency for the Former Inglewood Redevelopment Agency, which is a government entity exempt from real estate tax liability. According to public records, the tax rate applicable to the area in which the subject property is located is 1.270332%.

Under the provisions of Article XIII A of the California Tax and Revenue Code (Proposition 13), properties are assessed their market value as of March 1, 1975, the base year lien date, or a later date, such as when a property was last sold or substantial renovation/construction occurred. Under Proposition 13 the base tax rate is limited to 1.0 percent plus any additional increase subject to a two-thirds voter approval (55% approval in the case of educational districts). Because of the required voter approval ratio, the tax rate is usually stable.

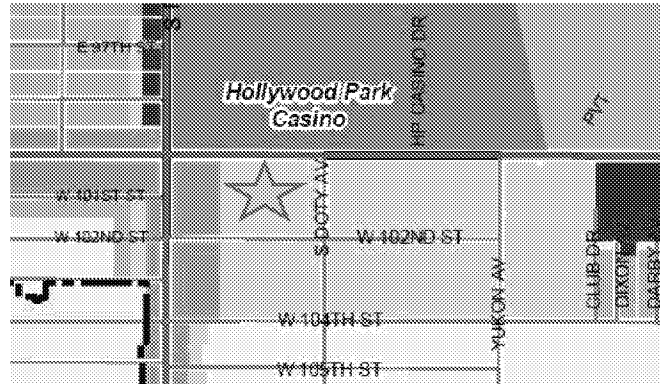
The assessed value may be increased for inflation a maximum of 2.0 percent per year until the property is again sold, substantial new construction occurs, or the property's use changes significantly. In no event should a property be assessed above its current market value.

Reassessment due to new construction is usually based on the additional construction costs. Should the property sell, it would be reassessed according to the Assessor's opinion of market value. Generally, market value for reassessment after transfer of ownership is based on the sale price.

Zoning

General Information

The subject property is zoned M-1L by the City of Inglewood. According to Section 12-32.9 of the Inglewood Municipal Code, the M-1L zone is “intended to establish low intensity industrial, professional office and limited commercial uses in areas not suitable for residential uses due to environmental factors; to insure the maintenance of high design standards and to encourage and provide for the redevelopment of land.” The subject property and surrounding properties appear in the following image, which is an excerpt of the Inglewood zoning map. The subject property is indicated with a green star. A summary of the subject’s zoning is provided in the table following the map.



ZONING	
Municipality Governing Zoning:	City of Inglewood
Current Zoning:	M-1L
Definition of Zoning	Limited Manufacturing
Current Use:	Industrial
Is Current Use permitted:	Yes
Change in Zone Likely:	Yes
Change To:	addition of the Sports and Entertainment Overlay Zone
Zoning Change Applied For:	Not to our knowledge
Zoning Variance Applied For:	Not to our knowledge
Permitted Uses:	Permitted uses within this district include low intensity industrial uses (manufacturing, packaging, bottling, parcel delivery, laboratories, storage and warehousing), professional and medical offices, hotels, and multi-tenant shopping centers having a minimum gross floor area of 50,000 square feet. Shopping centers require Planned Assembly Development approval. Per Inglewood Municipal Code section 12-32.14, any new development “will be subject to design review by the Planning Commission...”
Prohibited Uses:	Prohibited uses within this district include retail stores (except those specifically allowed), vehicle sales/servicing/storage, and schools and churches. Residential uses are not specifically prohibited, but their prohibition is implied by Inglewood Municipal Code section 12-32.9.

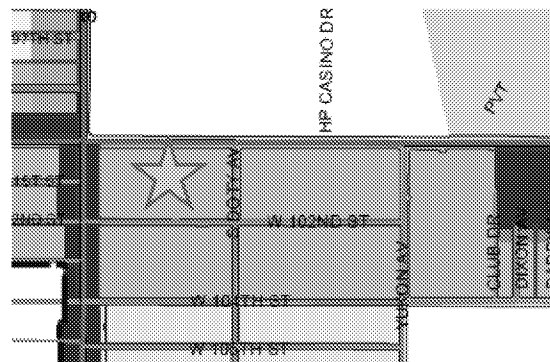
ZONING REQUIREMENTS	CODE	SUBJECT COMPLIANCE
Minimum Lot Area:	60,000 square feet on a major arterial; 15,000 square feet otherwise (with a minimum 50 feet of street frontage)	Complying
Maximum Building Height:	200 feet	Not Applicable
Maximum Floor Area Ratio (FAR):	None specified	Not Applicable
Maximum Lot Coverage (% of Lot Area):	None specified	Not Applicable
Minimum Yard Setbacks:		
Front (Feet):	10 (for parking) & 15 (for structures)	Not Applicable
Rear (Feet):	0	Not Applicable
Side (Feet):	10 on street side & 0 on interior side	Not Applicable
Required On-Site Parking:	Varies depending on use and size of use	Not Applicable

Compiled by Cushman & Wakefield Western, Inc.

The M-1L zone permits retail uses within planned developments containing at least 50,000 square feet, which indicates that although retail uses are permitted by right, the development of a retail use in the M-1L zone requires additional levels of approval not required for industrial, office, and hotel uses.

As noted in the table above, there is a likely zone change that would impact the subject property. As of the date of this report, the City of Inglewood has introduced changes to the zoning code that would implement the Sports and Entertainment Overlay Zone (SEOZ). The SEOZ would cover the IBEC project site, including the subject property, and would allow the development of the arena project subject to the provisions of the zoning code and general plan.

The Inglewood General Plan, last amended in 2016, indicates the subject property's land use designation is Industrial. The subject property and surrounding properties appear in the following image, which is an excerpt of the Inglewood General Plan map. Industrial properties are shaded in gray. The subject property is indicated with a green star.



Other Restrictions

It is our understanding that all or substantial portions of the subject property were acquired and cleared by the City of Inglewood between the mid-1980s and the early 2000s with the support of grants issued by the Federal Aviation Administration to the City of Inglewood as part of the Noise Control/Land Use Compatibility Program for LAX. The program established a land recycling plan whereby residential properties within a 65-75 dBA (decibel) CNEL (Community Noise Equivalent Level) noise contour could be acquired by the city, either through negotiated purchase or eminent domain, and “recycled” into non-residential uses². This program places restrictions on the future use of the properties, effectively precluding residential uses.

We know of no other restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist.

Zoning Conclusions

We analyzed the zoning requirements in relation to the subject property, and considered the compliance of the existing or proposed use. Based on our review of public information, the subject property appears to be a complying use. Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

² Land Use Compatibility and Airports, a Guide for Effective Land Use Planning, issued by the FAA Office of Environment and Energy

Valuation

Highest and Best Use

Highest and Best Use Definition

The Dictionary of Real Estate Appraisal, Sixth Edition (2015), a publication of the Appraisal Institute, defines the highest and best use as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above. Since the subject property is vacant land, a highest and best use analysis as improved is not applicable.

Highest and Best Use of Site as though Vacant

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject site is zoned M-1L by the City of Inglewood. Permitted uses within this district include low intensity industrial uses (manufacturing, packaging, bottling, parcel delivery, laboratories, storage and warehousing), professional and medical offices, hotels, and multi-tenant shopping centers having a minimum gross floor area of 50,000 square feet. Shopping centers require Planned Assembly Development approval. Per Inglewood Municipal Code section 12-32.14, any new development "will be subject to design review by the Planning Commission..."

The subject property is being considered for inclusion in the development of the Inglewood Basketball and Entertainment Center project. The IBEC would be an 18,000-seat arena primarily for the Los Angeles Clippers of the National Basketball Association, and would also be used for other entertainment uses, conventions, and similar events. The proposed project includes plans for a Clippers practice and athletic training facility, Clippers team office space, a sports medicine clinic, an outdoor plaza, retail and restaurant space, community facilities, an outdoor stage, a hotel, and three parking garages with over 4,000 parking spaces. The City of Inglewood and the project developer are negotiating a draft Disposition and Development Agreement and the City has certified a final Environmental Impact Report for the project. According to the EIR, the subject property is intended for development with arena and parking uses.

We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is likely, to implement the Sports and Entertainment Overlay Zone in the IBEC project area (as mentioned in the prior section), based on information provided by the client and the City of Inglewood.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 3.08 acres, or 134,024 square feet. The site is flag-shaped and level at street grade. The site's shape and minimal frontage along Century Boulevard would create a number of limitations for any pedestrian and/or car-oriented retail development on the site. It has average frontage, average access, and average visibility. The overall utility of the site is considered to be average. All public utilities are

available to the site including public water and sewer, gas, electric and telephone. As noted previously, the subject's orientation and shape would likely require any industrial development on the site to be situated with loading facilities facing West 102nd Street. The placement of loading facilities adjacent to existing residential uses along West 102nd Street may require additional development planning. Additionally, the existing utility lines will be relocated and the remaining encumbrance may require slight accommodations in any future development of the site. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

As previously discussed, a variety of uses including industrial, hotel, and retail are all legally permissible and physically possible options for the subject land. Although the subject property is located across from SoFi Stadium and the Hollywood Park redevelopment area, and is intended for development with arena and parking uses to support the IBEC, the arena development is not possible without the use of other properties that are not the subject of this report. Additionally, there is currently no demand for new hotel development at the subject property due to the impact of the COVID-19 pandemic on the hospitality industry. The same is true for retail development, which market participants would not consider the most financially feasible use of the site as of the date of value due to the pandemic and long-term concerns about the future of retail real estate in a consumer environment that is increasingly shifting toward online shopping. Conversely, our analysis and interviews with market participants indicate there is strong demand for industrial land development in Southern California generally, and in the South Bay and Inglewood more specifically. Our interviews also indicate that industrial land brokers believe industrial development will continue to benefit from the decline of in-person retail shopping, and that the best use of the subject property is for a large industrial development intended to take advantage of the subject's proximity to LAX, including to fulfill last mile demands. Considering the subject's location, size, zoning, and utility, as well as market demand and the impact of COVID-19, the only reasonable and financially feasible use of the subject property is for industrial development.

Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market (including the impact of COVID-19), it is our opinion that the Highest and Best Use of the subject site as though vacant is for development with an industrial use built to its maximum feasible building area, consistent with local zoning and market demand.

Land Valuation

We used the Sales Comparison Approach to develop an opinion of land value. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Typical purchasers do not generally rely on the Cost or Income Capitalization Approaches when purchasing a land development property such as the subject of this report. Therefore, we have not employed the Cost Approach or the Income Capitalization Approach to develop an opinion of market value. The exclusion of these approaches to value does not reduce the credibility of the assignment results.

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends.

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences to estimate a value for the subject property. A unit of comparison such as price per square foot of building area or effective gross income multiplier is typically used to value an improved property. When developing an opinion of land value, the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit, or price per square foot of potential building area. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

We examined current offerings and analyzed prices buyers have recently paid for comparable sites. We focused on sales in the immediate surroundings, and prioritized location proximity in the South Bay, as well as site area. The subject property has a rare combination of size, location, and zoning, and there are very few sales of similar size in the area.

The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject is price per square foot of land. All transactions used in this analysis are based on the most appropriate method used in the local market.

The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility, and the physical characteristics of the property. If the comparable was superior to the subject, we applied a downward adjustment to the comparable sale. If inferior, we applied an upward adjustment.

The comparables and our analysis are presented on the following pages. Comparable land sale data sheets are presented in the Addenda of this report.

SUMMARY OF LAND SALES											
PROPERTY INFORMATION							TRANSACTION INFORMATION				
No.	Location	Assessors Parcel Number	Size (SF)	Size (Acres)	Proposed Use	Zoning	Grantor	Grantee	Sale Date	Sale Price	\$/SF Land
S	Subject Property	4032-002-913 to 917	134,024	3.08	Industrial	M-1L, Limited Manufacturing					
1	Industrial Redevelopment Site 1055 Sandhill Avenue Carson, CA	7319-001-034	252,212	5.79	Industrial	ML - Manufacturing, Light	General Mills Operations, LLC, et al.	Rexford Industrial - 1055 Sandhill, LLC	5/20	\$14,453,000	\$57.30
2	Industrial Redevelopment Site 12410 Wilkie Avenue Hawthorne, CA	4056-032-045	75,794	1.74	Industrial	M-2, General Industrial	VJW, LLC	Prologis-Exchange 12410 Wilkie Ave LLC	2/20	\$5,300,000	\$69.93
3	Industrial Redevelopment Site 19681 Pacific Gateway Drive Torrance, CA	7351-034-015, 050, & 056	466,092	10.70	Industrial	M3-1, Heavy Industrial	LSC Communications US, LLC	BTC III Gateway Logistics Center LP	12/19	\$34,925,000	\$74.93
4	Industrial Site 424 East Weber Avenue Compton, CA	6169-021-016, 018, & 020	65,340	1.50	Industrial	MH, Heavy Manufacturing	Tenita & Gregory Bell	424 Weber LLC	12/19	\$3,525,000	\$53.95
5	Industrial Redevelopment Site 8821 Aviation Boulevard Inglewood, CA	4126-002-004, 005, & 024	72,013	1.65	Industrial	M-1, Light Manufacturing	Soka Gakkai International - USA	HCP 8821 Aviation, LLC	5/19	\$9,500,000	\$131.92
6	Redevelopment Site 12910 Panama Street Los Angeles, CA	4223-008-005 to 008 & 010	249,325	5.72	Office	M2-1, Light Industrial	Ron-Pan, LLC, et al.	CDC Mar Panama LLC	5/18	\$28,000,000	\$112.30
STATISTICS											
Low			65,340	1.50					5/18	\$3,525,000	\$53.95
High			466,092	10.70					5/20	\$34,925,000	\$131.92
Average			196,796	4.52					9/19	\$15,950,500	\$83.39

Compiled by Cushman & Wakefield Western, Inc.

LAND SALE ADJUSTMENT GRID															
Economic Adjustments (Cumulative)							Property Characteristic Adjustments (Additive)								
No.	Price PSF Land & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market Conditions ⁽¹⁾	PSF Land Subtotal	Location	Size	Zoning	Entitlements	Utility ⁽²⁾	Other ⁽³⁾	Encumbrance	Adj. Price PSF Land	
1	\$57.30 5/20	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Superior -0.9%	\$56.79 -0.9%	Inferior 15.0%	Larger -10.0%	Similar 0.0%	Similar 0.0%	Superior -10.0%	Inferior 10.0%	Superior -5.0%	\$56.79 0.0%	
2	\$69.93 2/20	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Superior -2.0%	\$68.55 -2.0%	Inferior 10.0%	Similar 0.0%	Superior -5.0%	Similar 0.0%	Superior -10.0%	Inferior 5.0%	Superior -5.0%	\$65.12 -5.0%	
3	\$74.93 12/19	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Superior -1.6%	\$73.77 -1.6%	Inferior 10.0%	Larger -15.0%	Superior -5.0%	Superior -5.0%	Superior -10.0%	Inferior 5.0%	Superior -5.0%	\$55.32 -25.0%	
4	\$53.95 12/19	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Superior -1.5%	\$53.12 -1.5%	Inferior 20.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Superior -10.0%	Superior -5.0%	Superior -5.0%	\$53.12 0.0%	
5	\$131.92 5/19	Leased Fee 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 0.3%	\$132.34 0.3%	Superior -25.0%	Similar 0.0%	Superior -5.0%	Similar 0.0%	Superior -10.0%	Superior -5.0%	Superior -5.0%	\$66.17 -50.0%	
6	\$112.30 5/18	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Inferior 3.1%	\$115.84 3.1%	Superior -25.0%	Larger -10.0%	Similar 0.0%	Similar 0.0%	Superior -10.0%	Similar 0.0%	Superior -5.0%	\$57.92 -50.0%	
STATISTICS															
	\$53.95	- Low												Low -	\$53.12
	\$131.92	- High												High -	\$66.17
	\$83.39	- Average												Average -	\$59.08

Compiled by Cushman & Wakefield Western, Inc.

(1) Market Conditions Adjustment Footnote

See Variable Growth Rate Assumptions Table
Date of Value (for adjustment calculations): 8/2/20

(2)(3) Utility and Other Footnotes

Utility includes shape, access, frontage, topography, and visibility.
Other includes site condition, remediation, existing improvements, and interim income.

Variable Growth Rate Assumptions

Starting Growth Rate: 3.0%
 Inflection Point 1 (IP1): 1/1/2015
 Change After IP1: 3.0%
 Inflection Point 2 (IP2): 3/1/2020
 Change After IP2: -5.0%

LAND SALE LOCATION MAP



Discussion of Comparable Sales

Comparable Sale No. 1 – 1055 Sandhill Avenue, Carson



This comparable property is located at 1055 Sandhill Avenue in Carson. The site contains 252,212 square feet, or 5.79 acres, and is zoned ML - Manufacturing, Light by the City of Carson. The property sold in May 2020 for \$14,453,000, or \$57.30 per square foot of land area. General Mills sold the former food processing plant to Rexford Industrial. We confirmed the sale with the Klabin Company. Initially, the property was in escrow for \$20 million before COVID-19 arrived in the United States. As a result of COVID-19, the parties extended escrow and discovered that the site lies within a fault zone, and that there was an abandoned oil well beneath the slab of one of the buildings. The parties agreed to a discount for site remediation, with Rexford agreeing to take responsibility for building demolition costs. The Klabin Company reported the demolition costs were higher than normal because of the atypical buildings (food processing) on site. According to Rexford, they will construct a 126,000 square foot industrial building with 20 dock-high loading positions and 32' clear height. After all adjustments this sale indicated a value of \$56.79 per square foot.

Comparable Sale No. 2 – 12410 Wilkie Avenue, Hawthorne



Comparable No. 2 is located at 12410 Wilkie Avenue in Hawthorne, near Amazon and SpaceX. The site is 75,794 square feet, or 1.74 acres, and is zoned M-2, General Industrial by the City of Hawthorne. The property sold in February 2020 for \$5,300,000, or \$69.93 per square foot of land area. Prologis purchased this former Arrow Recycling facility in Hawthorne for land value. We confirmed the sale with a broker from Cushman & Wakefield, who reported the parties negotiated the price on a land value basis with no consideration of the existing buildings. The buyer may reportedly lease the building on a short-term basis; however, the long-term plan is for redevelopment. After all adjustments this sale indicated a value of \$65.12 per square foot.

Comparable Sale No. 3 – 19681 Pacific Gateway Drive, Torrance



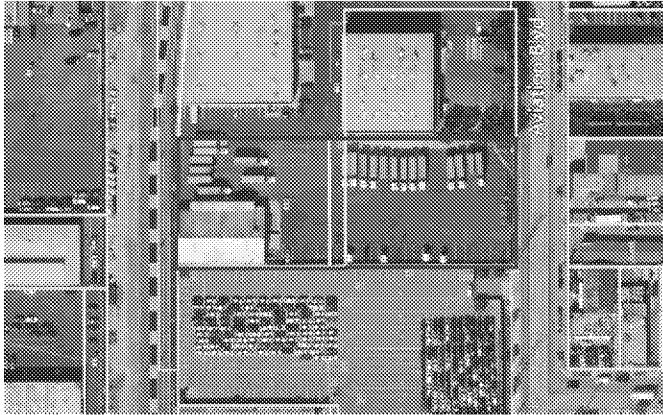
Located at 19681 Pacific Gateway Drive in Torrance, this property sold in December 2019 for \$34,925,000, or \$74.93 per square foot of land area. The site contains 466,092 square feet, or 10.70 acres, and is zoned M3-1, Heavy Industrial, by the City of Los Angeles (the site address is in Torrance, but the property is zoned by the City of Los Angeles). Black Creek purchased an industrial property that was fully occupied by a printing company that was formerly part of the R.R. Donnelley group. The buyer will redevelop the site with a new 227,000± square foot facility with 36' clear height. We confirmed the sale with Black Creek. The buyer purchased the site on a land value basis, and will assume demolition costs which are reportedly equivalent to roughly \$5 per square foot of land area. There is some potential environmental remediation that will be required during the redevelopment process; the buyer reported that there is a separate fund set aside for cleanup costs. The escrow period was approximately 60 days. The buyer reported that because the planned building is smaller than the old building, the entitlement process will not require a new EIR. After all adjustments this sale indicated a value of \$55.32 per square foot.

Comparable Sale No. 4 – 424 East Weber Avenue, Compton



This comparable property is located at 424 East Weber Avenue in Compton, half a block east of Alameda Street. The site encompasses 65,340 square feet, or 1.50 acres, and is zoned MH, Heavy Manufacturing, by the City of Compton. The property sold in December 2019 for \$3,525,000, or \$53.95 per square foot of land area. We confirmed the sale with the listing broker from Colliers. The site sold on a land value basis and was improved with three small metal buildings and an office. The metal buildings were given no value, but the office was considered to provide some value on a short-term basis to maintain interim income until the site is redeveloped. After all adjustments this sale indicated a value of \$53.12 per square foot.

Comparable Sale No. 5 – 8821 Aviation Boulevard, Inglewood



This property is located at 8821 Aviation Boulevard in Inglewood. The site contains 72,013 square feet, or 1.65 acres, and is zoned M-1, Light Manufacturing, by the City of Inglewood. The property sold in May 2019 for \$9,500,000, or \$131.92 per square foot of land area. The property is an interior lot along the west side of Aviation Boulevard, south of Manchester Boulevard. It is comprised of three contiguous parcels and backs to the east side of the Metro C (Green) Line. The surrounding uses are industrial and airport car rental facilities. At the time of sale the site was asphalt paved, fenced and gated, and improved with a small building, and there was a short-term tenant in the property operating a vehicle storage lot. The buyer was Hackman Capital Partners, a national investor/developer active in the local land market. The intended use of the property was to continue the interim use, with a long-term hold for redevelopment. After all adjustments this sale indicated a value of \$66.17 per square foot.

Comparable Sale No. 6 – 12910 Panama Street, Los Angeles



Comparable No. 6, located at 12910 Panama Street in the Playa Vista/Marina Del Rey district of Los Angeles, sold in May 2018 for \$28,000,000, or \$112.30 per square foot of land area. The 249,325 square foot (5.72-acre) property is zoned M2-1, Light Industrial, by the City of Los Angeles. The buyers are constructing a brand new creative office park named Del Rey. The property's previous improvements were demolished prior to sale. M2-1 zoning permits commercial and industrial uses at a density of 1.5 FAR. The project will include three 2-story office buildings totaling 155,000 square feet and a 4-story parking structure with 546 spaces. The site was fully entitled (by the buyer) at the time of sale. After all adjustments this sale indicated a value of \$57.92 per square foot.

Discussion of Adjustments

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically

means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest as reflected by each of the comparables, an adjustment for property rights is not required. No adjustment for property rights is required for Sales 4 and 5, which had short-term tenants in place.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Market Conditions

As market conditions stabilized and then began to improve from 2012 to 2015 following the recession, demand for core commercial land investments began to outpace supply. Initially, this was primarily limited to sites in prime submarkets. As the recovery continued, however, investors and developers were seeking land investment opportunities in secondary and tertiary markets, and the market for land capable of supporting large distribution facilities led to a buildup of industrial development in the Inland Empire that could not be accommodated by infill sites in more densely developed portions of Southern California. The amount of quality developable land in core areas is dwindling, as new development continues to occur at high levels throughout the region.

After several years of significant growth from 2012 to 2015, land pricing growth has stabilized to some degree, exhibiting a steady, albeit more modest, pace over the past several years. We note that because of the ongoing construction of the NFL stadium and other associated developments just north of the subject, the subject's immediate area has generally outperformed the regional market in terms of land value growth over the past few years.

The sales that are included in this analysis occurred between May 2018 and May 2020. As the market has improved over this time period (and to account for inflation), we applied an annual adjustment of 3.00 percent. We have, however, only applied the adjustment through the end of February 2020, a significant inflection point marking the beginning of the impact of COVID-19 in the United States.

We interviewed market participants and reviewed trends and other data for 2020, particularly in light of the COVID-19 pandemic. For smaller industrial lots (from one to under five acres), there has been a decline in sale activity since March. However, our interviews with brokers active in the industrial land development market indicate there has not been as demonstrable an impact on the market for larger transactions. Development of large land sites is typically a multi-year undertaking and there is a limited pool of buyers capable of the level of investment required to develop a property such as the subject. Additionally, users of large industrial sites are generally more insulated from the market impacts of COVID-19. Nevertheless, the global, national, state, and local impact of the pandemic has put downward pressure on land pricing. In light of those factors, and others we will discuss later in this section, we have applied a global 5% downward market conditions adjustment for the emergence of COVID-19 from March 2020 through the date of value, and have considered the impact of the pandemic in our adjustments, reconciliation, and final value conclusion.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. The subject's location within the greater Los Angeles region is considered average to good; however, the immediate area is poised for continued growth in the near-term. The subject will benefit from the future completion of the NFL stadium and other commercial and residential uses within the larger Hollywood Park development area. Furthermore, Inglewood is geographically positioned as a natural linkage between the South Bay and Los Angeles. Due to the high levels of speculative investment in the local area, property values have increased considerably over the past five years.

We made a downward adjustment to those comparables we considered superior in location compared to the subject, and upward adjustments to those comparables we considered inferior. We considered land values, rental rates, proximity to LAX, and the average quality and condition of improvements for the comparable locations. We also noted the subject's location near the flight path for LAX in our analysis and adjustments of the comparable sales. We applied upward adjustments to Sales 1 through 4 for inferior locations, and downward adjustments to Sales 5 and 6 for superior locations.

Size

The adjustment for size generally reflects the inverse relationship between unit price and lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa. However, as discussed previously there is active demand for larger industrial land development sites, and based on our research, analysis, and interviews with market participants, industrial land sites of five acres and larger are priced higher on a per square foot basis compared to sales from one to five acres. Therefore, we applied upward adjustments to smaller land parcels, and downward adjustments to significantly larger land parcels. We adjusted Sales 1, 3, and 6 downward for larger land size.

Zoning

All of the selected comparables and the subject are zoned for manufacturing and industrial uses. Like the subject, each of the comparables' respective zoning designations permits commercial and industrial uses to varying degrees. We reviewed the zoning ordinances for each comparable and considered the range of permitted uses. We adjusted Sales 2, 3, and 5 down slightly to reflect the broader range of permitted uses allowed compared to the subject.

Entitlements

The status of a property as being entitled for a development (that is, there are governmental approvals in place that will allow for a development) is superior to an unentitled status due to the time, expense, and risk associated with obtaining such approvals. Even in the case of a by-right development, considerable time and capital is expended to obtain approvals, particularly if an Environmental Impact Report is required. Sale 3 was not entitled, but because of the proposed development size relative to the existing building, an EIR is reportedly not required. We applied a slight downward adjustment to Sale 3. Sale 5 sold with entitlements in place that had been secured by the buyer, for which we applied no adjustment.

Utility

The adjustment for utility considers site shape, access, frontage, topography, and visibility. The subject property is a generally rectangular, flag-shaped property with level topography. The subject's orientation and shape would likely require any industrial development on the site to be situated with loading facilities facing West 102nd Street. The placement of loading facilities adjacent to existing residential uses along West 102nd Street may require additional development planning. Additionally, the flag-shaped site would have minimal or no visibility from Century Boulevard, and access from that street may be challenging. The subject property has average access, average

frontage along Century Boulevard and West 102nd Street, and average visibility. Overall, we have determined that the site has average utility. We considered all of the comparable sales to be superior to the subject based on shape and access (including freeway proximity). We considered Sales 3 and 6 to have slightly superior frontage. On an overall basis we applied a downward adjustment for utility to all of the comparable sales.

Other (Economics/Site Condition/Existing Improvements)

In some cases, other variables will have an impact on the price of a land transaction. Examples include soil or slope conditions, easements, wetlands, existing income and/or improvements, or external influences. We have applied slight adjustments for this category where a comparable property had interim income and/or existing improvements in place at the time of sale (to account for the cost to demolish those structures). We adjusted Sales 1, 2, and 3 upward for demolition costs associated with existing improvements, and considered our interviews in refining the magnitude of our adjustments. We adjusted Sales 4 and 5 downward for interim income and site condition.

Encumbrance

As mentioned previously, there are above-ground utility lines crossing the property and there is an existing easement encumbering the property. It is an extraordinary assumption of this report that the existing utility lines on the subject property can be relocated (or buried) without having an impact on the value of the property. The cost to relocate (or bury) the utility lines, based on information provided by the client, will be \$168,530. We have deducted this cost from our valuation conclusion, as shown at the conclusion of this section. Additionally, the remaining encumbrance may require slight accommodations in any future development of the site. We adjusted all sales downward slightly to account for the remaining encumbrance from the relocated utility lines on the subject property.

Impact of COVID-19

Prior to the current market disruption brought on by the COVID-19 pandemic, the U.S. economy had officially begun its eleventh consecutive year of growth in the second half of 2019; a new record for the longest economic expansion in history. Economic growth beat market expectations during the fourth quarter of 2019, and the unemployment rate hit a 50-year low at 3.5%. In March 2020, circumstances changed drastically with the rapid spread of COVID-19 that caused people around the globe to start quarantining and practicing social distancing. This led to many businesses closing, either temporarily or permanently, and has pushed the U.S. economy, as well as most other economies around the world, into a deep recession.

In the first quarter of 2020, the U.S. GDP declined at an annual rate of 5%, the largest decline since fourth quarter 2008. While that drop is significant, it is likely that the second quarter will see one of the largest, if not the largest, economic contractions in history. There were more than 22 million jobs lost in March and April, so it is no surprise that the Moody's Analytics/CNBC survey forecasts a 39.4% annually rated decline in GDP for the second quarter (the previous record was 10%). While there are some positive signs, such as the unexpected 2.5 million increase in payroll employment in May, the speed of the recovery will depend on the path and severity of the COVID-19 virus, and how rapidly a treatment/vaccine regimen can be developed and distributed.

On March 11, 2020, the World Health Organization (WHO) declared the novel coronavirus (COVID-19) outbreak a global pandemic. Economies around the world faced significant headwinds as seen by the severe drop in demand for some services (such as travel, hospitality and entertainment). Further reduced economic activity resulted from increasing social distance measures, including quarantines or lockdowns, throughout Europe and North America, as governments have taken unprecedented actions to stop the spread of the virus. The stock market became extremely volatile as financial markets struggled to quantify the effects of these events. In the last couple of months, the stock market has rebounded, but still experiences some volatility. As of early summer 2020, many states and countries are beginning to open in various stages, but commercial real estate participants are still trying to understand market impacts; accurately assessing risk remains difficult. Proceeding through these uncertain times, the reader is asked to consider some key events that affect the uncertainty:

- In March 2020, the Coronavirus Aid Relief and Economic Security, or CARES Act, was passed by Congress and signed by President Trump. The bill was intended to provide emergency assistance and health care for individuals, families and businesses affected by the COVID-19 pandemic. Totalling \$2 trillion, the bill is unprecedented in size and scope, dwarfing the \$831 billion stimulus act passed in 2009, and amounting to 10% of total 2019 US GDP.
- In May 2020, many believed that even more action was needed, and, in response, the House of Representatives introduced a new stimulus bill called the Health and Economic Recovery Omnibus Emergency Solutions Act, or HEROES Act. At \$3 trillion, the proposal would be the largest stimulus bill in American history, far surpassing the \$2 trillion CARES Act, and would provide a new stimulus check, funding for state and local governments, hazard pay for essential workers, funding for coronavirus testing, rent and mortgage assistance, an extension of the \$600 weekly unemployment expansion, additional funding for small businesses, emergency relief for the U.S. Postal Service, and provisions for election safety and facilitating voting by mail. As of July 2020, the bill has yet to pass in the Senate and faces hurdles with the White House after seemingly overcoming strong Republican opposition.
- While over 20 million people remain out of work, the unemployment rate in May dropped for the first time since the coronavirus sent the economy into a tailspin. In May, the economy gained 2.5 million jobs, dropping to 13.3% from 14.7%, as hundreds of thousands of workers flooded back to jobs in restaurants, health care, and construction with the reopening of several states.
- The country is in various stages of reopening, with some states much further ahead than others. Some of the states that have reopened early are now seeing a rise in coronavirus cases, which is causing other states to take their next phases more cautiously. As of July, the USA has surpassed four million confirmed COVID-19 cases with almost 150,000 deaths.

The U.S. economy entered 2020 in solid shape, although the pace of growth appeared to be slowing. With the emergence of the global coronavirus pandemic in March 2020, the U.S. entered a recession. Right now, things appear to be at their bleakest with an anticipated GDP decline of 30% for second quarter 2020. While it is anticipated that the U.S. economy will begin to expand again in the second half of the year, growth may be mild and economic activity may not recover to pre-coronavirus levels until well into 2021, or possibly as late as 2022. Much of the economic recovery will depend on the path and the severity of the coronavirus, potential future outbreaks, the ability to open up various sectors of the economy, and ultimately, a treatment or vaccine.

Based on our review, it would likely require several years to formulate a development plan, submit it to the City of Inglewood, obtain approvals and permits for future development, and construct a new property. This timeframe is beyond the prevailing projections for the duration of COVID-19 (2021 or 2022) and therefore, it is challenging to forecast the future economic impacts several years hence, related to the current pandemic.

Nonetheless, the subject will suffer insofar as the broader regional market struggles and the national economy declines. It is likely that real estate investors and developers will proceed cautiously over the near term due to market uncertainty, until further clarity emerges about the duration of COVID-19 and longer-term impacts on specific markets and asset classes. This coupled with a cautious lending environment may lead to widespread declines in real estate values and overall sales activity. Based on all of the factors discussed above, and because we are relying on sales data that occurred prior to the current pandemic (except Sale 1, which closed in May), we believe a conclusion near the lower end of the range of adjusted sales prices is reasonable for the subject property.

Input from Industrial Market Participants

During the course of our market and comparables research, we spoke with local market participants who are familiar with recent sales activity and general trends in the subject's marketplace, specifically with regard to the expected impacts of the COVID-19 pandemic. Regarding recent transactions, we spoke with brokers at Cushman & Wakefield

and the Klabin Company. One stated that there is generally a 15% drop in value across the board for industrial development, and that while larger industrial groups are more insulated, demand for smaller sites (less than five acres) has fallen off as the smaller industrial tenants absorb the impact of the pandemic. Another opined that the impact of the pandemic on industrial development is at most 10%. He said that rents are holding up well and, combined with low vacancy, there is an attraction to being able to build a new building and control it via a long-term lease to a credit tenant. He also stated that in March 2020 he would have opined to a 25% downward impact on the market, citing improved transaction volume since that time which, combined with the low cost of acquiring debt due to record-low Treasury rates, is motivating buyers to act.

According to multiple market participants, the uncertainty with regard to land values and development potential lies partly in construction. While construction has been deemed an “essential service” in Los Angeles, many workers have opted to remain at home or work reduced hours. The ability to obtain materials easily remains to be seen. Other factors influence construction in a positive manner, including reduced traffic and ability to access properties with equipment more easily. We have taken all factors into consideration, including the uncertainty of gaining financing, possible bottlenecks in construction and gaining permits/entitlements, and overall trepidation in purchasing development sites. Some of the lasting, or more permanent, impacts of the COVID-19 pandemic to certain land uses (such as retail and hospitality) may shape future development plans and concepts. Accordingly, until a recovery in the next two to four years, the uncertainty in the current market appears to be reflected in recent pricing. We believe these factors support a conclusion near the low end of the indicated range of adjusted sales prices.

Conclusion of Site Value

The adjustments applied to the comparable sales in the Land Sale Adjustment Chart reflect what we determined is appropriate in the marketplace.

After a thorough analysis, the comparable land sales reflect adjusted unit values ranging from \$53.12 per square foot to \$66.17 per square foot, with an average of \$59.08 per square foot. Each of the sales provide insight into local sales of industrial land development sites. In our opinion, all six sales are reasonably comparable to the subject and worthy of consideration in reaching our conclusion. We have placed secondary reliance on Land Sale 6 due to its date of sale. On the basis of market conditions, Land Sale 1—which closed in May, after the onset of COVID-19—is most similar to the subject. The adjusted price of Land Sale 1 is about \$57 per square foot. The average adjusted price of Land Sales 1 through 5 is about \$59 per square foot.

The comparable data and corresponding analysis provide a reasonable indication of value for the subject property. In our opinion, due to uncertain market conditions as of the date of value due to the COVID-19 pandemic, it is appropriate to reconcile to a value slightly below the average and toward the lower end of the adjusted range of the comparable sales. Therefore, we concluded that the indicated land value of the subject property by the Sales Comparison Approach is as shown below:

LAND VALUE CONCLUSION	Price PSF
Indicated Value	\$60.00
SQFT Measure	x 134,024
Indicated Value	\$8,041,440
Utility Relocation Costs	(\$168,530)
Less: Utility Relocation Costs	\$7,872,910
Rounded to nearest \$100,000	\$7,900,000
\$/SF Basis	\$58.94
LAND VALUE CONCLUSION	\$7,900,000
\$/SF Basis	\$58.94

Compiled by Cushman & Wakefield Western, Inc.

We note that the above value conclusion includes the deduction of costs to relocate the utility lines.

Reconciliation and Final Value Opinion

Valuation Methodology Review and Reconciliation

This appraisal employs the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that this approach would be considered necessary and applicable for market participants. Typical purchasers do not generally rely on the Cost or Income Capitalization Approaches when purchasing a land development site such as the subject of this report. Therefore, we have not employed the Cost Approach or the Income Capitalization Approach to develop an opinion of market value. The exclusion of these approaches to value does not reduce the credibility of the assignment results. The approach indicated the following:

FINAL VALUE RECONCILIATION		
	Market Value	PSF
Date of Value	August 2, 2020	
Land Valuation		
Land Value	\$7,900,000	
Land Value PSF		\$58.94
Final Value Conclusion	\$7,900,000	\$58.94

Compiled by Cushman & Wakefield Western, Inc.

We gave sole weight to the Sales Comparison Approach because this mirrors the methodology used by purchasers of this property type.

Value Conclusion			
Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value	Fee Simple	August 2, 2020	\$7,900,000

Compiled by Cushman & Wakefield Western, Inc.

We note that the above value conclusion includes the deduction of costs to relocate the utility lines.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

It is an extraordinary assumption of this report that the subject property is free and clear of any and all soil and/or site contamination, and/or any other environmental hazard that would have an impact on the value of the property.

It is an extraordinary assumption of this report that the existing utility lines on the subject property can be relocated (or buried) without having an impact on the value of the property.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

Exposure Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately six-twelve (6-12) months. This assumes an active and professional marketing plan would have been employed by the current owner.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.

- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Adam Dembowitz, MAI did make a personal inspection of the property that is the subject of this report on January 19, 2018, January 4, 2019, and March 26, 2019. Jacob Kovner made a personal inspection of the property that is the subject of this report on July 21, 2020.
- Adam Dembowitz, MAI has provided prior services within the three-year period immediately preceding acceptance of this assignment, which included a previous appraisal, but has provided no other services as an appraiser or in any other capacity.
- Jacob Kovner provided significant real property appraisal assistance to the person signing this report including property inspection.
- As of the date of this report, Adam Dembowitz, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

DRAFT

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Addenda Contents

- Addendum A: Glossary of Terms & Definitions
- Addendum B: Comparable Land Sale Data Sheets
- Addendum C: Property Information
- Addendum D: Qualifications of the Appraiser

Addendum A:

Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Sixth Edition (2015), published by the Appraisal Institute, Chicago, IL, as well as other sources.

Cash Equivalency

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

Depreciation

1. In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

Exposure Time

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

Extraordinary Assumption

An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

Fee Simple Estate

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

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Hypothetical Conditions

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Insurable Replacement Cost/Insurable Value

A type of value for insurance purposes.

Intended Use

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User

The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Leased Fee Interest

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

Leasehold Interest

The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Marketing Time

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

Mortgage-Equity Analysis

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Value upon Reaching Stabilized Occupancy

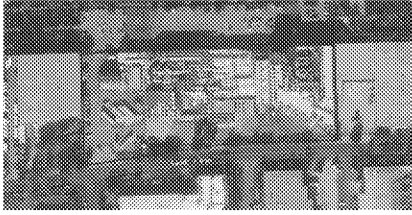
The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

Special, Unusual, or Extraordinary Assumptions

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

Addendum B:
Comparable Land Sale Data Sheets

LAND SALE COMPARABLE 1



Property Name:	Industrial Redevelopment Site
Address:	1055 Sandhill Avenue
City, State, Zip:	Carson CA 90746
Jurisdiction:	Los Angeles
MSA:	Los Angeles-Long Beach
Submarket:	
Property Type:	Land
Property Subtype:	Industrial
Classification:	N/A
ID:	558027
Tax Number(s):	7319-001-034

PROPERTY INFORMATION

Site Area (Acres):	5.7900	Public Utilities:	All Available
Site Area (Sq. Ft.):	252,212	Electricity:	N/A
Zoning:	ML - Manufacturing, Light	Water:	N/A
Utility:	N/A	Sewer:	N/A
Access:	N/A	Gas:	N/A
Frontage:	N/A	Proposed Use:	Industrial
Visibility:	N/A	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units:	N/A
Entitlements:	No		

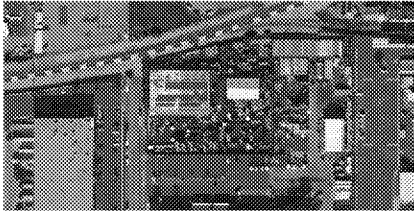
SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	20200586577	NOI:	N/A
Sale Date:	5/2020	Price per Sq.Ft.:	\$57.30
Sale Price:	\$14,453,000	Price per Acre:	\$2,496,200
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	General Mills Operations, LLC, et al.	Price per Potential Units:	N/A
Grantee:	Rexford Industrial -- 1055 Sandhill, LLC		
Financing:	N/A		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Klabin Co., CoStar, deed, public records

LAND SALE COMPARABLE 2



Property Name: Industrial Redevelopment Site
 Address: 12410 Wilkie Avenue
 City, State, Zip: Hawthorne CA 90250
 Jurisdiction: Los Angeles
 MSA: Los Angeles-Long Beach
 Submarket:
 Property Type: Land
 Property Subtype: Industrial
 Classification: N/A
 ID: 558049
 Tax Number(s): 4056-032-045

PROPERTY INFORMATION

Site Area (Acres):	1.7400	Public Utilities:	All Available
Site Area (Sq. Ft.):	75,794	Electricity:	N/A
Zoning:	M-2, General Industrial	Water:	N/A
Utility:	N/A	Sewer:	N/A
Access:	N/A	Gas:	N/A
Frontage:	N/A	Proposed Use:	Industrial
Visibility:	N/A	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units:	N/A
Entitlements:	No		

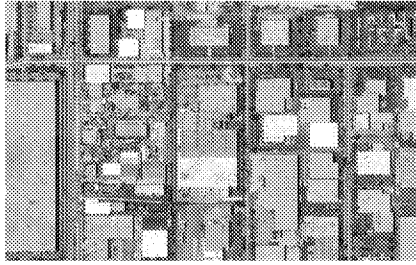
SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	20200160793	NOI:	N/A
Sale Date:	2/2020	Price per Sq.Ft.:	\$69.93
Sale Price:	\$5,300,000	Price per Acre:	\$3,045,977
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	VJW, LLC	Price per Potential Units:	N/A
Grantee:	Prologis-Exchange 12410 Wilkie Ave LLC		
Financing:	N/A		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Cushman & Wakefield, CoStar, deed, public records

LAND SALE COMPARABLE 3



Property Name: Industrial Redevelopment Site
 Address: 19681 Pacific Gateway Drive
 City, State, Zip: Torrance CA 90502
 Jurisdiction: Los Angeles
 MSA: Los Angeles-Long Beach
 Submarket:
 Property Type: Land
 Property Subtype: Industrial
 Classification: N/A
 ID: 558128
 Tax Number(s): 7351-034-015, 050, & 056

PROPERTY INFORMATION

Site Area (Acres):	10.7000	Public Utilities:	All Available
Site Area (Sq. Ft.):	466,092	Electricity:	N/A
Zoning:	M3-1, Heavy Industrial	Water:	N/A
Utility:	N/A	Sewer:	N/A
Access:	N/A	Gas:	N/A
Frontage:	N/A	Proposed Use:	N/A
Visibility:	N/A	Maximum FAR:	0.49
Shape:	Rectangular	Potential Building Area:	227,000
Topography:	Level	Potential Units:	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	20191426541	NOI:	N/A
Sale Date:	12/2019	Price per Sq.Ft.:	\$74.93
Sale Price:	\$34,925,000	Price per Acre:	\$3,264,019
Value Interest:	Fee Simple	Price per Potential Building Area:	\$153.85
Grantor:	LSC Communications US, LLC	Price per Potential Units:	N/A
Grantee:	BTC III Gateway Logistics Center LP		
Financing:	N/A		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Buyer, knowledgeable third party, CoStar, deed, public records

LAND SALE COMPARABLE 4



Property Name: Industrial Site
 Address: 424 East Weber Avenue
 City, State, Zip: Compton CA 90222
 Jurisdiction: Los Angeles
 MSA: Los Angeles-Long Beach
 Submarket:
 Property Type: Land
 Property Subtype: Industrial
 Classification: N/A
 ID: 551448
 Tax Number(s): 6169-021-016, 018, & 020

PROPERTY INFORMATION

Site Area (Acres):	1.5000	Public Utilities:	All Available
Site Area (Sq. Ft.):	65,340	Electricity:	N/A
Zoning:	MH, Heavy Manufacturing	Water:	N/A
Utility:	Good	Sewer:	N/A
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	Industrial
Visibility:	Good	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units:	N/A
Entitlements:	No		

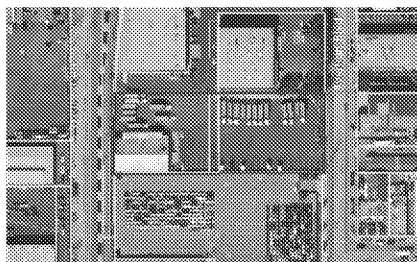
SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	20191406016	NOI:	N/A
Sale Date:	12/2019	Price per Sq.Ft.:	\$53.95
Sale Price:	\$3,525,000	Price per Acre:	\$2,350,000
Value Interest:	Fee Simple	Price per Potential Building Area:	N/A
Grantor:	Tenita & Gregory Bell	Price per Potential Units:	N/A
Grantee:	424 Weber LLC		
Financing:	All cash to seller		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Colliers International; CoStar, deed, public records

LAND SALE COMPARABLE 5



Property Name: Industrial Redevelopment Site
 Address: 8821 Aviation Boulevard
 City, State, Zip: Inglewood CA 90301
 Jurisdiction: Los Angeles
 MSA: Los Angeles-Long Beach
 Submarket:
 Property Type: Land
 Property Subtype: Industrial
 Classification: N/A
 ID: 508721
 Tax Number(s): 4126-002-004, 005, & 024

PROPERTY INFORMATION

Site Area (Acres):	1.6532	Public Utilities:	All Available
Site Area (Sq. Ft.):	72,013	Electricity:	N/A
Zoning:	M-1	Water:	N/A
Utility:	Average	Sewer:	N/A
Access:	Average	Gas:	N/A
Frontage:	Average	Proposed Use:	N/A
Visibility:	Average	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units:	N/A
Entitlements:	No		

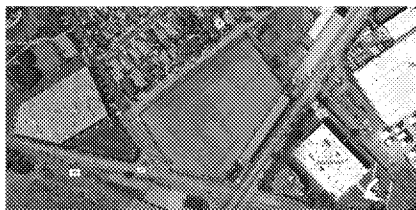
SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	20190394633	NOI:	N/A
Sale Date:	5/2019	Price per Sq.Ft.:	\$131.92
Sale Price:	\$9,500,000	Price per Acre:	\$5,746,431
Value Interest:	Leased Fee	Price per Potential Building Area:	N/A
Grantor:	Soka Gakkai International - USA	Price per Potential Units:	N/A
Grantee:	HCP 8821 Aviation, LLC		
Financing:	N/A		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

C&W Research, CoStar, deed, public records

LAND SALE COMPARABLE 6



Property Name:	Redevelopment Site
Address:	12910 Panama Street
City, State, Zip:	Los Angeles CA 90066
Jurisdiction:	Los Angeles
MSA:	Los Angeles-Long Beach
Submarket:	Los Angeles West-Lower Westside
Property Type:	Land
Property Subtype:	Commercial
Classification:	N/A
ID:	411511
Tax Number(s):	4223-008-005 to 008 & 010

PROPERTY INFORMATION

Site Area (Acres):	5.7238	Public Utilities:	All Available
Site Area (Sq. Ft.):	249,325	Electricity:	N/A
Zoning:	M2-1	Water:	N/A
Utility:	Good	Sewer:	N/A
Access:	Good	Gas:	N/A
Frontage:	N/A	Proposed Use:	Office
Visibility:	Good	Maximum FAR:	0.62
Shape:	Rectangular	Potential Building Area:	155,000
Topography:	Level	Potential Units:	N/A
Entitlements:	Yes		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	20180509313	NOI:	N/A
Sale Date:	5/2018	Price per Sq.Ft.:	\$112.30
Sale Price:	\$28,000,000	Price per Acre:	\$4,891,928
Value Interest:	Fee Simple	Price per Potential Building Area:	\$180.65
Grantor:	Ron-Pan, LLC, et al.	Price per Potential Units:	N/A
Grantee:	CDC Mar Panama LLC		
Financing:	Conventional		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Confirmed with knowledgeable third party; CoStar, deed, public records

Addendum C: Property Information

EXHIBIT A
(Continued)

THE EAST 63.125 FEET OF THE SOUTH 279.07 FEET OF LOT 559 OF TRACT NO. 211, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15, PAGES 50 AND 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 54B:

LOT 560 OF TRACT NO. 211, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15, PAGES 50 AND 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4034-005-900

PARCEL 55:

LOT 15 OF THE LOCKHAVEN TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGE 87 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4032-002-917

PARCEL 56:

THE WEST 73 FEET OF LOT 17 OF THE LOCKHAVEN TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGE 87 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, NAPHTHA, GAS, PETROLEUM, AND OTHER MINERAL AND KINDRED SUBSTANCES, BY WHATEVER NAME OR NAMES CALLED, DEPOSITED IN, LYING UNDER, OR FLOWING THROUGH, OR THAT MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH ALL RIGHTS TO EXPLORE FOR AND REMOVE THE SAME AND THE EXCLUSIVE RIGHT TO MAINTAIN SHAFTS, PIPES AND OTHER MEANS OF CONNECTION TO EXPLORE FOR AND REMOVE LIKE SUBSTANCES IN OTHER AREAS IN AND THROUGH THE SUBSURFACE OF SAID LAND, PLUS THE EXCLUSIVE RIGHT TO REMOVE LIKE SUBSTANCES IN ANY MANNER FROM OTHER AREAS IN AND THROUGH THE SUBSURFACE OF SAID LAND, INCLUDING BUT NOT BY WAY OF LIMITATION, THE SOLE AND EXCLUSIVE RIGHT TO SLANT DRILL WELLS, THE SURFACE OR MARBLEHEAD LOCATIONS OF WHICH ARE ON OTHER LANDS, IN AND THROUGH THE SUBSURFACE OF THE SAID LAND FOR THE PRODUCTION OF ANY OR ALL WATER, OIL, NAPHTHA, GAS, PETROLEUM AND OTHER MINERALS AND KINDRED SUBSTANCES, BY WHATEVER NAME OR NAMES CALLED FROM SAID LAND AND ANY OTHER PROPERTY, WHETHER ONE PRODUCING INTERVAL OF ANY SUCH WELL IS WITHIN OR OUTSIDE OF THE SUBSURFACE OF SAID LAND, AS RESERVED BY A. J. HEATHERINGTON, INC., A CALIFORNIA CORPORATION, IN DEED RECORDED NOVEMBER 12, 1968 AS INSTRUMENT NO. 3048, IN BOOK D-4191, PAGE 694 OF OFFICIAL RECORDS.

APN: 4032-002-915

PARCEL 57:

LOT 18 OF THE LOCKHAVEN TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGE 87 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO

EXHIBIT A
(Continued)

DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES, OR MINERALS FROM SAID LANDS BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER, NOT PREVIOUSLY RESERVED, AS EXCEPTED AND RESERVED IN DOCUMENT RECORDED APRIL 21, 1992 AS INSTRUMENT NO. 92-699236 OF OFFICIAL RECORDS.

APN: 4032-002-916

PARCEL 58:

LOT 16 AND THE EAST 27 FEET OF LOT 17 OF THE LOCKHAVEN TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGE 87 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER, NOT PREVIOUSLY RESERVED, AS EXCEPTED AND RESERVED IN DEED RECORDED MAY 16, 1991 AS INSTRUMENT NO. 91-715443 OF OFFICIAL RECORDS.

APN: 4032-002-914

PARCEL 59:

LOT 28 IN BLOCK 10 OF TRACT NO. 2464, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 27, PAGE 3 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF THE PROPERTY DESCRIBED HEREIN, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF SAID PROPERTY LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID PROPERTY OR OTHER LANDS, BUT WITHOUT, HOWEVER, THE RIGHT TO USE EITHER THE SURFACE OF SAID PROPERTY OR ANY PORTION OF SAID PROPERTY WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER, BY FINAL CONDEMNATION, CASE NO. BC 002 446, RECORDED SEPTEMBER 27, 1993 AS INSTRUMENT NO. 93-1880751 OF OFFICIAL RECORDS.

APN: 4032-003-915

PARCEL 60A:

LOTS 5, 6 AND 29 IN BLOCK 10 OF TRACT NO. 2464, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 27, PAGE 3 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 60B:

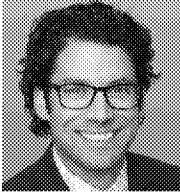
EXHIBIT A
LEGAL DESCRIPTION

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

THE EAST HALF, FRONT AND REAR, OF LOT 10 OF LOCKHAVEN TRACT, IN THE CITY OF INGLEWOOD, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGE 87 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 4032-002-913

Addendum D: Qualifications of the Appraiser



Adam Dembowitz, MAI Senior Director

Valuation & Advisory
Practice Group Member | Dispute Analysis & Litigation Support
Cushman & Wakefield Western, Inc.

Professional Expertise

Mr. Dembowitz's practice is dedicated to the valuation of full and partial property interests for litigation, dispute resolution, mediation, and arbitration purposes. He provides valuation and consulting services to law firms, property owners, public agencies, municipalities, project managers, developers, investors, and financial institutions. Mr. Dembowitz has contributed his real estate expertise for major transportation and infrastructure projects in Southern California including the widening of the 405, 91, 15, and 10 freeways and the extension and expansion of the Los Angeles County light rail system. He helps his clients navigate complex valuation, ground lease, and rental rate issues, particularly for land, retail, and office properties. Mr. Dembowitz also provides Opinions of Reasonableness for projects utilizing Historic Preservation Tax Credits, New Markets Tax Credits, and Low-Income Housing Tax Credits.

Mr. Dembowitz has been a real estate professional—in valuation, consulting, sales and leasing, construction administration, development, and property management—since 2003. His valuation experience includes appraisal, consulting, and investment advisory services concerning retail properties, vacant land, office buildings, multifamily and mixed-use properties, industrial facilities, medical offices and other healthcare properties, hotels, parking facilities, educational and religious properties, manufactured and mobile home communities, recreational vehicle parks, and single-family homes. Mr. Dembowitz has completed projects throughout the United States, with extensive experience in Southern California as well as the Chicago and Philadelphia metropolitan areas. His background with special valuation studies includes full and partial acquisitions, easement valuation, analysis of land leasing practices, market rent appraisals, ground rent analysis, tax appeals, and fractional ownership interests.

Before joining Cushman & Wakefield, Mr. Dembowitz was with Integra Realty Resources in Los Angeles from 2010 to 2015, where he worked as a Senior Analyst focusing mainly on right of way and litigation matters. As an appraiser with Shea Realty Advisors in Philadelphia, Mr. Dembowitz focused on the valuation of retail and industrial properties, vacant land, and religious and educational facilities. As the Sales and Leasing Manager for New Huntingdon Development in Philadelphia, Mr. Dembowitz conducted industrial and office lease and sale negotiations, property management, and construction administration. As a Senior Real Estate Analyst with Property Valuation Advisors in Chicago, he appraised commercial properties in Chicagoland and across the United States, mostly for securitized transactions involving multifamily, mixed-use, industrial, retail, office, and hotel properties.

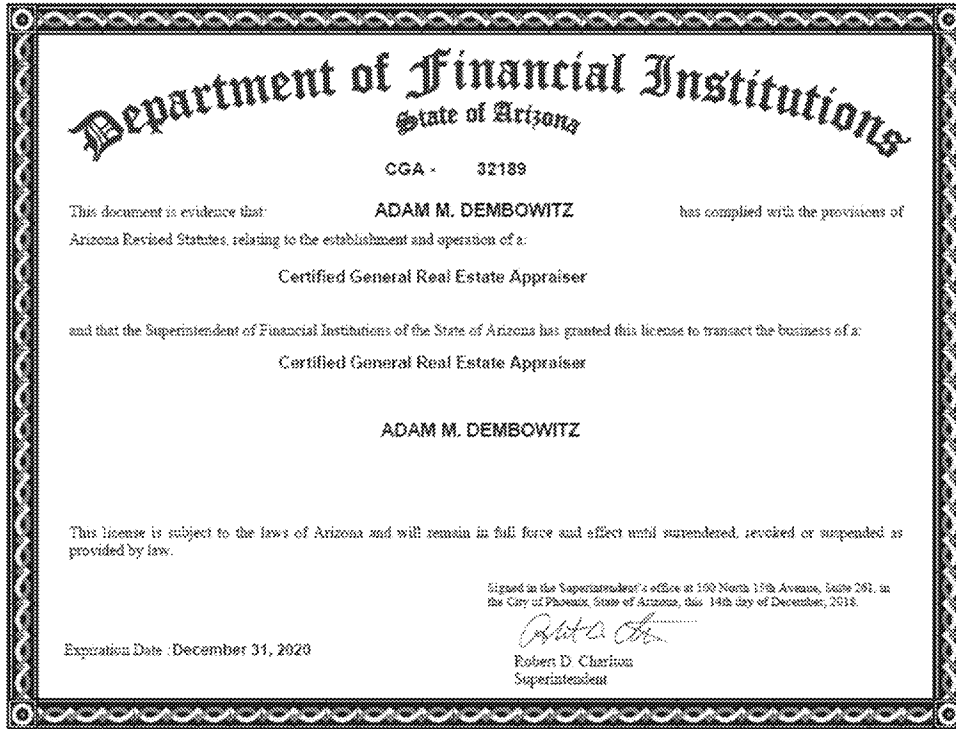
Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute. As of the current date, Adam Dembowitz, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Certified General Real Estate Appraiser in the following states:
 - Arizona – 32189
 - California – 3000023
- Member, International Right of Way Association (IRWA #7925611)
- Member, Southern California Chapter of the Appraisal Institute
 - Board of Directors Member (2015 – 2019)
- Bachelor of Arts, The University of Chicago, Honors

Presentations and Speaking Engagements

- Chair, Southern California Chapter of the Appraisal Institute 51st Annual Litigation Seminar – Los Angeles, California, November 2018.
- Panel Leader, “Expanding the Transportation Network in Los Angeles: Valuation Issues” – International Right of Way Association Chapter 1 Annual Valuation Seminar – Montebello, California, April 2016.
- Co-Chair, Southern California Chapter of the Appraisal Institute 48th Annual Litigation Seminar – Los Angeles, California, November 2015.
- Panelist, “Introduction to the Litigation Appraisal Process” – Southern California Chapter of the Appraisal Institute 47th Annual Litigation Seminar – Los Angeles, California, November 2014.

ARIZONA



CALIFORNIA

