



File No. 191215HT

APPRAISAL OF



The Appraisal of one Motel Property in Fee Simple

LOCATED AT:

5651 Lincoln Avenue
Cypress, CA 90630

FOR:

Jenney Ho / Cypress College

BORROWER:

Appraisal for pre-purchase considerations only

AS OF:

December 17, 2019

APPRAISED VALUE:

\$6,880,000

BY:

Robert Rey Walker - Marketplace Appraisal Services (310-999-3700) - Certified General Commercial Appraiser # AG018463
18411 Crenshaw Blvd. suite 212, Torrance, CA 90504 - Celebrating 34 years in real estate appraising

UNIFORM COMMERCIAL/INDUSTRIAL SUMMARY APPRAISAL REPORT - SMALL PROPERTY

Client

Property Use

Property Address

City

Building Name

Owner/Occupant

Typical Buyer:

Property Rights Appraised

Purpose of Appraisal

Intended User(s) of Report

Intended Use of Report

Scope of Work

Jenney Ho / Cypress College

☐ Office

☐ Commercial

☐ Industrial

☒ Motel

5651Lincoln Avenue

Cypress

County Orange

State CA

Super 8

Nipa Patel / Super 8 Motel

☒ Owner/User

☒ Investor

☒ Both

☒ Fee Simple

☐ Leased Fee

☐ Leasehold

☐ Other

The purpose of the appraisal is to communicate the data and reasoning leading to the formulation of an opinion of value.

It is this appraiser's understanding that this appraisal report is to be utilized by the client, Jenney Ho for Cypress College, and is not intended for other users.

It is this appraiser's understanding that this appraisal report is to be utilized for Pre-Purchase considerations only and is not intended for any other uses.

See comment addendum.

File Number

Map Reference

Zip Code

Census Tract

APN

191215HT

90630

1101.10

262-472-36

☒ Complete Appraisal

☐ Limited Appraisal due to the following departures from Standard 1

This appraisal is a market data fee simple appraisal study for Pre-Purchase considerations, and as such there is no income approach to value contained herein.

☒ Summary Appraisal Report

THREE YEAR OWNERSHIP HISTORY

	Owner	Recording Reference	Date	Price Paid	Terms of Sale
Most Recent	Nipa & Sanjay Patel	Public Records	5/4/2006	\$ 3,800,000	Recorded Doc 300540
Previous				\$	
Previous				\$	
Previous				\$	
Current Contract	<input type="checkbox"/>	Option: <input type="checkbox"/>	Listing Price	\$ 7,280,000	Current active listing
Buyer	Pre-purchase considerations		Contract Price	\$ N/A	
Seller	Pre-purchase considerations		Closing Date	N/A	

Analysis/Comments: The subject property is currently on the market for sale with a posting on Loopnet.com #1626076 with an asking price of \$7,280,000. The property was posted on 6/6/2019.

NEIGHBORHOOD DESCRIPTION

Boundaries: A 3-5 mile radius from the subject property comprises the general neighborhood boundaries.

Neighborhood Built Up 98 %

Land Use: Single Family 78 % Office 5 % Multifamily 5 %

Industrial 5 % Retail 5 % Vacant 2 %

Undersupply

Balanced

Oversupply

Vacancy

Single Family

Multifamily

Office

Retail

Industrial

☐

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3-5 %

3-5 %

3-5 %

3-5 %

3-5 %

Location

Development Trend

Value Trend

Vacancy Trend

Rental Demand

☐ Rural

☐ Up

☒ Up

☐ Up

☐ Up

☐ Suburb

☒ Stable

☐ Stable

☒ Stable

☒ Stable

☒ Urban

☐ Down

☐ Down

☐ Down

☐ Down

Change in Land Use:

☒ Unlikely

☐ Likely

☐ Taking Place

From N/A

To N/A

Rental Rate Range (Exclude Extremes) for Subject Property Type:

From \$ Not Utilized /SF/Year

To \$ Not Utilized /SF/Year

Age Range (Exclude Extremes) for Subject Property Type:

From 20

To 75

Distance-CBD

Distance-Freeway

Distance-Public Transportation

0.5 - 1.5 Miles

1.75 Miles

On Line Miles

Neighboring Property Use: The subject property is well located near the intersection of Valley View Street and Lincoln Avenue. Lincoln Avenue contains a variety of commercial, retail, offices, light industrial, and some residential properties. Most of the streets in Cypress are residential streets containing mostly single family residences, 2-4 units, condos, and apt. bldgs.

Analysis/Comments: In addition the close proximity of the many shops and restaurants along the north south and east west commercial corridors, Knotts Berry Farm, Disneyland, the Cypress College, the University of Irvine, easy access to the 91 Fwy, as well as the proximity of many other commercial support facilities such as the Buena Park Mall, South Coast Plaza Mall, The Harbor Center Mall, The Costa Mesa Courtyard Mall, The Fashion Island, the close proximity of Newport Beach, and the Orange County John Wayne Airport, are all judged to have a favorable effect on demand for area.

SITE DESCRIPTION

Legal Description

Lengthy - See property detail report pages located towards the end of this appraisal report.

☒ See Addenda

Environmental Problems Known or Suspected

Yes ☐

No ☒

Site Size

36011 SF

Usable Land Area

36011 SF

Excess Land Area

No Excess Land SF

Site Dimensions

115.50 X 311.78

Street Frontage

Approximately 106' frontage along Lincoln Avenue.

SITE DESCRIPTION (continued)

Ingress/Egress	Gd <input type="checkbox"/>	Av <input checked="" type="checkbox"/>	Fr <input type="checkbox"/>	Utility:	Provided By:	Topography:
Street Frontage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Electricity	<u>Public Utility Company</u>	Level <input checked="" type="checkbox"/> Mod Slope <input type="checkbox"/> Steep Slope <input type="checkbox"/>
Shape	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Gas	<u>Public Utility Company</u>	At Grade <input checked="" type="checkbox"/> Above Grade <input type="checkbox"/> Below Grade <input type="checkbox"/>
Functional Utility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<u>Public Utility Company</u>	
Visibility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sewer	<u>Public Utility Company</u>	
Landscaping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Telephone	<u>Local Telephone Provider</u>	
Drainage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Adequacy of Utilities ..	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Street Improvements:	Describe:	Corner Lot
Traffic Pattern	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Street Width	<u>106' Along Lincoln Ave</u>	Underground Utilities
Traffic Volume	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Street Paving	<u>Asphalt</u>	Railroad Access
				Sidewalks	<u>Concrete</u>	Earthquake Zone
				Curbs & Gutters	<u>Concrete</u>	Flood Hazard Area
				Storm Sewers	<u>In Street</u>	Map # <u>060217 Cypress</u> Date <u>12/3/2009</u>
				Lighting	<u>Fluorescent</u>	

Soil Conditions	<u>It is assumed that there are no adverse soil conditions impacting the subject property.</u>		
Easements	<u>It is assumed that no adverse easements are impacting the subject property. Typical utility easements may exist.</u>		
Encroachments	<u>It is assumed that there are no adverse encroachments impacting the subject property.</u>		
Current Zoning	<u>Lincoln Ave PC - Commercial Zoning (Hospitality) Hotel</u> Legally Conforming Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Zoning Change:	Not Likely <input checked="" type="checkbox"/> Likely <input type="checkbox"/> To <u>N/A</u>		
Uses Allowed Under Current Zoning	<u>Retail stores, office bldgs, motels, hotels, cleaners, etc.</u>		
Current Use	<u>Motel use</u>		

Analysis/Comments:	<u>For the purpose of this appraisal study it is assumed that there are no adverse easements, conditions, building code violations, toxic soil contamination, or encroachments impacting the subject property.</u>

ASSESSMENT AND TAXES

Assessment Year	<u>18/19</u>	APN	<u>262-472-36</u>	Tax Rate		Year		Taxes
Total	\$ <u>4,573,121</u>	Total		<u>12.79 per 1000</u>	Current Taxes	<u>18/19</u>	\$	<u>53,985</u>
Land	\$ <u>2,205,125</u>	County		<u>Unknown</u>	Estimated Taxes		\$	
Building(s)	\$ <u>2,367,996</u>	City		<u>Unknown</u>	Tax Assessment		\$	<u>2.75</u> /SF
Other	\$ <u>N/A</u>	Other		<u>Unknown</u>	Year of Next Reassessment			

Special Assessments:	<u>Unknown</u>
Reassessment Issues:	<u>Under proposition 13 the property taxes are reassessed upon transfer of title to "market value".</u>

Analysis/Comments:	<u>In California, the tax assessment may or may not represent the value of a property. If not recently purchased, it probably does not. In the case of the subject property, the property has not transferred in years and now has property taxes that are extremely low when compared to the assessments of recently purchased properties. Proposition 13 (States Initiative) sets a limit to the taxes of 1% (with all of the misc. taxes it usually works out to be 1.2% of the purchase price) of full market value, plus bonded indebtedness, and an annual inflation factor of up to 2% is allowed.</u>
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IMPROVEMENTS DESCRIPTION

Property Type	<u>Motel Use</u>			Construction Type	<u>Class D (Frame & Stucco)</u>			#Buildings	<u>1</u>	#Stories	<u>Two</u>
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Building	Floor	Gross SF	*Net SF	Use Type	Net SF	Use %
<u>Subject</u>	<u>1 & 2</u>	<u>19,597</u>	<u>19,597</u>	Office		<u>0</u>
				Retail		<u>0</u>
				Warehouse		<u>0</u>
				Manufacturing		<u>0</u>
				Distribution		<u>0</u>
				Research / Development		<u>0</u>
Total		<u>19,597</u>	<u>19,597</u>	<u>Motel</u>	<u>19,597</u>	<u>100</u>
*Usable Area <input checked="" type="checkbox"/>		Rentable Area <input type="checkbox"/>				

Year Built	<u>1987</u>	Parking:	Yes	No	Industrial Only
Building Efficiency Ratio	<u>100</u> %	On Site	<input checked="" type="checkbox"/>	<input type="checkbox"/>	# Overhead Doors
Effective Age	<u>15</u>	Adequacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Floor Height
Total Economic Life	<u>50</u>	Covered	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Ceiling Height
Remaining Economic Life	<u>35</u>	Parking Garage	<input type="checkbox"/>	<input type="checkbox"/>	Column Spacing
Floor Area Ratio	<u>54</u> %	Paved	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____ FT x _____ FT
Ground Coverage Ratio	<u>27</u> %	Number of Spaces	<u>40</u>		Railroad Spur
		Spaces / 1000SFBA	<u>2</u>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Analysis/Comments:	<u>The subject property consists of one motel complex that is reflecting class D frame & stucco construction. The public records are showing a total building size of 19,597 SF with 53 rentable motel units. There are 55 on site paved parking spaces located in the paved parking area. The building is also forecasted to offer good functional use for its current owners operating the motel, and is forecasted to provide an adequate number of bath rooms in all of the units and front office area. There is very good window treatment (fenestration) located along the front of the motel units and office area. Shipping and receiving appears to be done through the front office area of the building. Insulation is unknown, and the HVAC is forecasted to be supplied by individual electrical combo HVAC units in each motel unit and office area. The photographs are useful for additional visual images of the building.</u>

IMPROVEMENTS DESCRIPTION (continued)

Building Description		Improvement Rating			
		Gd	Av	Fr	N/A
Foundation	Concrete slab foundation - forecasted	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Frame	Class D Frame & Stucco	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floor/Cover	Carpeting and tile - forecasted	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ceiling	Painted drywall - forecasted	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exterior Walls	Painted stucco exterior walls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Partitions	2 x 4 studs and drywall for interior walls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roof Cover	Roll Comp	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plumbing	Average quality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heating	Electric combo HVAC units - forecasted	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Air Conditioning	Combo units - forecasted	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electrical	120 Volts, 3 phase, ample amps - forecasted	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Elevators	The subject property is a two story building	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parking	55 on site paved parking spaces	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insulation	Unknown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sprinkler	Unknown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roof Support	Interior bearing walls	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Site Improvements: The subject property is a 2-story motel complex that is reflecting class D frame & stucco construction, and provides 55 on site parking spaces. The building and paved parking areas appear to cover 100% of the subject property lot.

Personal Property or Other Non-Really Interests Included in Valuation: ☒ No ☐ Yes N/A

Analysis/Comments: The project appears to be conveniently laid out, providing identification, ingress and egress, and provides 40 on site open paved parking spaces. The building appears to be functionally designed and there appears to be positive influences on value generated by the motel use building. In my opinion, the improvements have been constructed in such a manner that offers good functional utility for a motel use building. The property appears to be illustrating average quality construction, and also appears to be reflecting good care and maintenance levels for this motel use building through the years.

HIGHEST AND BEST USE

HIGHEST AND BEST USE AS IF VACANT:

Legally Permissible Uses: The commercial zoning (PC) is for Planned Community development in the area, and many lots in the city are similarly zoned. The PC zoning allows for a broad range of commercial development that includes, motels, retail, office, restaurants, gyms, grocery stores, strip centers, cleaners, etc.

Physically Possible Uses: Currently the city of Cypress would allow a variety of commercial uses on the site. Thus, a myriad of uses would be legal and possible, but many possibly would not be economically feasible.

Financially Feasible Uses: The highest and best use of this lot would be best determined with a feasibility study, and without such a study in hand the highest and best use determination is beyond the scope of the this report.

Maximally Productive Use: Maximum development of a parcel does not necessarily translate into a maximum value. A property needs to be developed in accordance with the needs of the occupant, as well as utilizing standards and uses in demand for the surrounding neighborhood and real estate marketplace.

Analysis/Comments: The highest and best use of this lot would be best determined with a feasibility study, and without such a study in hand the highest and best use determination is beyond the scope of the this report.

HIGHEST AND BEST USE AS IMPROVED:

Legally Permissible Uses: The commercial zoning (PC) is for Planned Community development in the area, and many lots in the city are similarly zoned. This zoning allows for a broad range of commercial development that includes, motels, retail, office, restaurants, gyms, grocery stores, strip centers, cleaners, etc.

Physically Possible Uses: Currently the city of Cypress would allow a variety of commercial uses on the site. Thus, a myriad of uses would be legal and possible, but many possibly would not be economically feasible.

Financially Feasible Uses: The improvements constitute a permissible and possible development. As illustrated in the cost approach section that follows (when utilized), the project adds substantial value to the land and is financially feasible, even after applying an appropriate amount of estimated accrued depreciation.

Maximally Productive Use: There are numerous development scenarios that are possible, however, each would require a separate marketing study to estimate the feasibility and optimal profitability. Since this investigation is beyond the scope and extent of this assignment, it is not attempted.

Analysis/Comments: The highest and best use of this lot would be best determined with a feasibility study, and without such a study in hand the highest and best use determination is beyond the scope of the this report. There are numerous development scenarios that are possible, however, each would require a separate marketing study to estimate the feasibility and optimal profitability. Since this investigation is beyond the scope and extent of this assignment, it is not attempted.

YIELD CAPITALIZATION

Cash Flow Analysis in Addenda	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Market Rent Scenario		Contract Rent Scenario	
Forecast Holding Period			N/A		N/A	
Beginning NOI			\$ N/A		\$ N/A	
NOI Pattern			N/A		N/A	
Reversion Assumption			N/A		N/A	
Yield Rate			N/A		N/A	
Value Estimate			\$		\$	

Analysis/Comments: This type of analysis is too sophisticated for the type of property appraised. Direct capitalization involves the analysis of the income and expenses for typically the most recent 12 month period, while a yield capitalization analysis involves the forecasting of the income and expenses into the future, for a holding period that typically runs 5 to 20 years.

ADJUSTMENT FOR INTEREST APPRAISED

Value Estimate - Market Rent Scenario	\$	
Value Estimate - Contract Rent Scenario	\$	
Difference (Adjustment for Interest Appraised)	\$	
Analysis/Comments:		
Value Indicated by Direct Capitalization/Yield Analysis (excluding excess land)	\$	
Plus: Estimated Excess Land Value	\$	
Value Indication - Income Approach	\$	0
Rounded	\$	Beyond Scope

DIRECT SALES COMPARISON APPROACH/COMPARABLE BUILDING ANALYSIS

Comp Sheets	Att <input type="checkbox"/>	Subject	Comparable #1	Comparable #2	Comparable #3
Address		5651 Lincoln Avenue	2145 S Harbor Blvd	11441 East Carson St	1101 N Harbor Blvd
Proximity to Subject			7.27 miles SE	3.18 miles SW	6.39 miles NE
Map Reference					
Data Source			Recorded Doc #215516	Recorded Doc #455253	Listing #SW19190685
Gross Building Area		19,597 SF Building	14,922 SF Building	12,219 SF Building	11,500 SF Building
Net Building Area		53 Motel Units	59 Motel Units	30 Motel Units	33 Motel Units
Site Size SF <input checked="" type="checkbox"/> Acres <input type="checkbox"/>		36011 SF Lot	29,198 SF Lot	28,478 SF Lot	37,462 SF Lot
Land-to-Building Ratio		1.84	1.96	2.33	3.26
Year Built		1987 Year Built	1959 Year Built	1961 Year Built	1958 Year Built
Construction Type		Class D Frame & Stucco	Class D Frame & Stucco	Class D Frame & Stucco	Class D Frame & Stucco
Construction Quality		Good quality	Good quality	Good quality	Average Quality
Condition		Good	Good	Good	Good
Parking		55 Parking Spaces	25 Parking Spaces	42 Parking Spaces	25 Parking Spaces
Other Zoning		PC Commercial	Commercial	Commercial	Commercial
Selling Price			\$7,500,000	\$3,800,000	\$4,999,950
Sale Price	\$	Selling Price Per SF	\$502.61	\$310.99	\$434.78
Date of Sale		Current	6/19/2019 COE	5/17/2019 COE	Active Listing
Exposure Time			Days on market unknown	Days on market unknown	125 Days On Market
Property Rights Conveyed			Leased Fee - forecasted	Leased Fee - forecasted	Leased Fee - forecasted
Adjustment					
Financing			67% New Loan - CTNL	61 New Loan - CTNL	Negotiations
Adjustment					-5%
Conditions of Sale		Time 5% annual	6 Months	7 Months	Active Listing
Adjustment			+2.5%	+2.94%	
Excess Land		36011 SF Lot	29,198 SF Lot	28548 SF Lot	37,462 SF Lot
Adjustment			+1.82%	+3.93%	-0.58%
Non-Realty Interests		Super 8	Rodeway Inn & Suites	Tradewinds Motel	The Palm Motor Lodge
Adjustment			-5%		
CE/Terms Adjusted Price	\$	0	\$499	\$332	\$411
Other Adjustments:					
Market Conditions		Economic Obsolescence	None	None	None
Adjustment					
Location		Cypress	Close to Disneyland	Lakewood	Close to Disneyland
Adjustment			-15%		-15%
Quality		Good Quality	Good Quality	Good Quality	Good Quality
Adjustment					
Condition		Good - No Pool/Spa	Good - No Pool/Spa	Average - No Pool/Spa	Good - No Pool/Spa
Adjustment				+5%	
Design & Appeal		Good	Good	Good	Good
Adjustment					
Total Other Adjustments			-\$75	\$17	-\$62
Indicated Value Per					
Square Foot	\$		\$424	\$349	\$349

DIRECT SALES COMPARISON APPROACH/COMPARABLE BUILDING ANALYSIS (continued)

Analysis/Comments: The subject property is well located within the city of Cypress near the intersection of Lincoln Avenue and Valley View Street. It competes well with other commercial properties in the area because it is functionally good, is located along a commercial corridor, and has a very accessible interior lot location. Market grid adjustments are fully explained in the comment addendum. The adjusted indicated values per Square Foot range from a low of \$293 to a high of \$424 with a value of \$351 that represents the mid-range of the closed values. The adjusted indicated value of \$351 has been selected to represent the subject property using the market data approach to value. The value is also very well bracketed by the demonstration, as illustrated by the five closed sales and one active listing contained in this report. See comment addendum for detailed summarization.

FEE SIMPLE OR LEASED FEE OPERATING DATA AND RATIOS

	Comparable #1	Comparable #2	Comparable #3
	Leased Fee - forecasted	Leased Fee - forecasted	Leased Fee - forecasted
Fee Simple or Leased Fee			
Gross Potential Income	\$	\$	\$
Vacancy and Collection Loss %			
Effective Gross Income	\$ 0	\$ \$0	\$ \$0
Operating Expenses	\$	\$	\$
Expenses/SF Gross Building Area	\$ 0.00	\$ \$0.00	\$ \$0.00
Expense Ratio		0.00%	
Net Operating Income	\$ 0	\$ \$0	\$ 0
EGIM		0.00	
Overall Rate	0.0000%	0.0000%	0.0000%
Equity Dividend Rate			

Analysis/Comments: This appraisal study is a Market Data Approach fee simple appraisal and as such the income approach to value has not been attempted. All of the sales utilized herein appeared on either the California Regional MLS and or the AIRCRE commercial MLS database, and were confirmed with a title companies' public records. Typical market participants for or with commercial properties would not use the cost technique to ascertain an appropriate value or price. Since market participants typically do not utilize this technique it is beyond the scope of work and this appraisal report reflects the market data approach to value only.

Building Units	Square Foot	19597 SF
Value Per Unit		\$ \$351.00 /Unit
Value Estimate		\$ \$6,878,547

Effective Gross Income	\$ Beyond workscope
Effective Gross Income Multiplier (EGIM)	x Beyond workscope
Value Estimate	\$ \$0

Analysis/Comments: A rather extensive Motel sale search was undertaken with the acceptance of this particular appraisal request. The result of the search turned up an ample number of Motel sales in the greater Orange County and Los Angeles County areas. However not one had the reported income and expenses. The sources that were explored included the CRMLS (California Regional MLS), AIRCRE MLS (AIR Commercial Real Estate MLS) as well as Compstak.com. Not one of these sources were able to provide any income and expenses whatsoever. Due to the lack of income information this appraisal study contains the Market Data Approach to value only.

Value Indicated by Direct Sales Comparison Approach (excluding excess land)	\$ \$6,878,547
Plus: Estimated Excess Land Value	\$
Plus: Adjustment for Interest Appraised	\$
Value Indication - Direct Sales Comparison Approach	\$ \$6,878,547
Rounded	\$ \$6,880,000

RECONCILIATION AND FINAL VALUE ESTIMATES

Cost Approach Indication	\$ Beyond Scope
Income Approach Indication	\$ Beyond Scope
Direct Sales Comparison Approach Indication	\$ \$6,880,000


Reconciliation: The only approach to value in this Motel use property fee simple valuation appraisal study has been given to the Market Data approach to value. In addition a typical market participant would not be skilled in dealing with the various components of a replacement cost approach to value, and this technique is also beyond the scope of work for this appraisal assignment. As a matter of record only the Income Approach to value would be extremely difficult to include due to the annual income and expenses NOT being made available in the MLS listings, and or the public records, for the closed sales utilized herein.

Estimated Exposure Time: Exposure time is a function of pricing, marketing and motivation. The sales presented herein were successfully marketed within an unknown time period. A marketing time study is beyond the scope of work in this study because it is not a part of the definition of fair market value utilized herein by West's Encyclopedia of American Law, edition 2. See comment addendum.

Extraordinary Assumptions, Hypothetical Conditions, and Limiting Conditions: See Attached Addendum

Estimated Market Value "As Is"	\$ \$6,880,000
Effective Date of Valuation	12/17/2019
Market Value of Personal Property Included in Appraisal	\$
Market Value of Other Non-Realty Interests Included in Appraisal	\$

RECONCILIATION AND FINAL VALUE ESTIMATES (continued)

Appraiser #1		Date	Property Inspected
Signature			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Name	Robert Rey Walker	12/17/2019	
Certification	No.: AG 018463 - Certified General Commercial		
	State: California Exp. Date: February 23, 2020		
	Digitally signed and protected by code		
Appraiser #2			
Signature			Yes <input type="checkbox"/> No <input type="checkbox"/>
Name			
Certification	No.:		
	State: Exp. Date:		

CONTENTS OF ADDENDA

Legal Description	<input checked="" type="checkbox"/>	Land Lease	<input type="checkbox"/>	Support for Non-Realty Interest Valuation	<input type="checkbox"/>
Subject Photographs	<input checked="" type="checkbox"/>	Segregated Cost Sheet	<input type="checkbox"/>	Support for Adjustment for Interest Appraised	<input type="checkbox"/>
Area Map	<input checked="" type="checkbox"/>	Soils Survey Map	<input type="checkbox"/>	Copy of Easement	<input type="checkbox"/>
Neighborhood Map	<input checked="" type="checkbox"/>	Subject Leases	<input type="checkbox"/>	Appraiser Qualifications	<input type="checkbox"/>
Zoning Map	<input type="checkbox"/>	Rental Comparable Data Sheets	<input type="checkbox"/>	Property Detail Pages	<input checked="" type="checkbox"/>
Flood Zone Map	<input type="checkbox"/>	Rent Location Map	<input type="checkbox"/>	Assessor's Plat Map	<input checked="" type="checkbox"/>
Topographic Map	<input type="checkbox"/>	DCF Analysis	<input type="checkbox"/>		<input type="checkbox"/>
Site Sketch	<input type="checkbox"/>	Improved Property Sales Data Sheets	<input type="checkbox"/>		<input type="checkbox"/>
Site Plan	<input type="checkbox"/>	Building Sales Location Map	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Building Plans	<input type="checkbox"/>	Copy of Deed	<input type="checkbox"/>		<input type="checkbox"/>
Tax Assessment Card	<input type="checkbox"/>	Contract of Sale	<input type="checkbox"/>		<input type="checkbox"/>
Land Sales Data Sheets	<input type="checkbox"/>	Construction Cost Contract	<input type="checkbox"/>		<input type="checkbox"/>
Land Sales Map	<input type="checkbox"/>	Support for Personal Property Valuation	<input type="checkbox"/>		<input type="checkbox"/>

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and acting in what they consider their best interests; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

1 USAP 2001 Glossary

ASSUMPTIONS AND LIMITING CONDITIONS

- As agreed upon with the client prior to the preparation of this appraisal, unless otherwise indicated, this is a Limited Appraisal because it invokes the Departure Provision of the Uniform Standards of Professional Appraisal Practice. As such, information pertinent to the valuation has not been considered and/or the full valuation process has not been applied. Depending on the type and degree of limitations, the reliability of the value conclusion provided herein may be reduced.
- Unless otherwise indicated, this is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in the report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
- No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

(Continued)

ASSUMPTIONS AND LIMITING CONDITIONS

14. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
15. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
16. Any proposed improvements are assumed to be completed in accordance with the submitted plans and specifications.
17. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed, and in any event, only with the proper written qualification and only in its entirety.
19. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

CERTIFICATION

- I certify that, to the best of my knowledge and belief:
- the statements of fact contained in this report are true and correct.
 - the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
 - I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
 - I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
 - my engagement in this assignment was not contingent upon developing or reporting predetermined results.
 - my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
 - my analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
 - I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property).
 - no one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated).

As of the date of this report I Robert Rey Walker, have completed the requirements of the continuing education program of the the state of California.

This report has been prepared as a google drive by desk appraisal report with the visual inspections of the subject property and sales provided by the following; satellite images and street side images provided by google maps.com. This appraisal report was created with the additional visual support utilizing information gleaned through the CRMLS, AIRCRE Commercial MLS, public records, google for providing aerial and street level images, and the Los Angeles County Assessor's web site information for verifying sale information, lot sizes, year built, zoning, building sizes, and closing transfer dates.

Appraiser's Signature

Robert Rey Walker

Date 12/17/2019

State Certification # AG 018463 - Certified General Commercial
Digitally signed and protected by code

Comp Sheets	Att <input type="checkbox"/>	Subject	Comparable #4	Comparable #5	Comparable #6
Address		5651 Lincoln Avenue	9125 Recreation Circle	7830 Crescent Avenue	2176 S Harbor Blvd
Proximity to Subject			8.76 miles SE	2.20 miles NE	7.35 miles SE
Map Reference			828-C7	767-J4	798-J3
Data Source			Recorded Doc # 342731	Recorded Doc # 84050	Recorded Doc # 249717
Gross Building Area		19,597 SF Building	26,730 SF Building	7,528 SF Building	15,288 SF Building
Net Building Area		53 Motel Units	68 Motel Units	21 Motel Units	41 Motel Units
Site Size SF <input checked="" type="checkbox"/> Acres <input type="checkbox"/>		36011 SF Lot	37897 SF Lot	27500 SF Lot	23958 SF Lot
Land-to-Building Ratio		1.84	1.42	3.65	1.57
Year Built		1987 Year Built	1984 Year Built	1960 Year Built	1958 Year Built
Construction Type		Class D Frame & Stucco	Class D Frame & Stucco	Class D Frame & Stucco	Class D Frame & Stucco
Construction Quality		Good quality	Good quality	Good quality	Good quality
Condition		Good	Good	Good	Good
Parking		55 Parking Spaces	50 Parking Spaces	30 Parking Spaces	32 Parking Spaces
Other Zoning		PC Commercial	C2 Commercial Zoning	CG Commercial General Zoning	SP92-2 Anaheim Resort Zoning
Selling Price			\$7,850,000	\$2,700,000	\$4,550,000

Sale Price	\$	Selling Price Per SF	\$293.68	\$	\$358.66	\$	\$297.62
Date of Sale		Current	8/14/2017		2/28/2017 COE		6/3/2016 COE
Exposure Time							
Property Rights Conveyed			Leased Fee - forecasted		Leased Fee - forecasted		Leased Fee - forecasted
Adjustment							
Financing			55% New Loan - CTNL		Loan Not Made Available		58% New Loan - CTNL
Adjustment							
Conditions of Sale		Time 5% annual	28 Months		33 Months		42 Months
Adjustment			+11.76%		+13.86%		+17.76%
Excess Land		36011 SF Lot	37897 SF Lot		27500 SF Lot		23958 SF Lot
Adjustment			-0.48%		+6.30%		+5.30%
Non-Really Interests		Super 8	Motel 6		Westward Wagon Inn		Magnolia Hotel
Adjustment							
CE/Terms Adjusted Price	\$	0	\$327	\$	\$431	\$	\$366
Other Adjustments:							
Market Conditions		Economic Obsolescence	Backs 405 Fwy / Noise		None		None
Adjustment			+5%				
Location		Cypress	Fountain Valley		Close to Knotts Berry Farm		Close to Disneyland
Adjustment					-15%		-15%
Quality		Good Quality	Good Quality		Good Quality		Good Quality
Adjustment							
Condition		Good - No Pool/Spa	Good - No Pool/Spa		Good - Pool & Deck		Good - No Pool
Adjustment					-1.11%		
Design & Appeal		Good	Very Good		Good		Very Good
Adjustment			-5%				-5%
Total Other Adjustments			\$0		-\$69		-73
Indicated Value Per							
Square Foot	\$		\$327	\$	\$362	\$	\$293

Analysis/Comments: Sales 4 - 6 have been included herein for additional support to the market data approach to value.

ADDENDUM

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Extra Comments

SCOPE OF WORK IN THE ASSIGNMENT

The sales comparison approach is presented herein for consideration for valuing real estate based on its continued commercial motel use. This appraisal report valuation study is a brief recapitulation of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's file.

In performing this appraisal valuation study, the appraiser:

*Performed the appraisal assignment as a Google drive by desk appraisal study being prepared with the visual inspections of the subject property and sales provided by one or more of the following; satellite images, and street side images provided by Google maps.com relying on Google aerial and street level visual images. The lot size, zoning, and year built reflected in the assessor's records will be relied on in the appraisal documents.

*Performed the appraisal assignment as a Google drive by desk appraisal study being prepared with the visual inspections of the subject property and sales provided by one or more of the following; satellite images, and street side images provided by Google maps.com relying on Google aerial and street level visual images of the subject neighborhood to ascertain and document the various environmental, social, governmental and economic factors that may influence value;

*Gathered and confirmed information on improved comparable hospitality sales (Motels) in the greater Cypress area (Orange and Los Angeles Counties).

*Considered the market data approach to value only in order to arrive at an "as is" value for the subject property.

*The replacement cost approach, the income approach, and the highest and best use analysis are considered beyond the scope of work in this study.

The valuation process is a systematic set of procedures an appraiser follows to provide answers to a client's questions about real property value. There are three possible approaches that can utilized in a valuation study and are interrelated. The appraiser derives separate indications of value for a property being appraised. The appraiser integrates the information derived from each approach to complete the valuation process and develop an opinion of value.

The sales comparison approach is a direct comparison of properties that are similar to the subject that have recently sold, are listed for sale, or are under contract. The market value of a property is related to the prices of comparable competitive properties. Various physical components of the comparable sales are analysed and value estimates are either added to, or taken away, depending on whether a physical component is superior to, or inferior to the subject property. If a feature is inferior to the subject property then a plus calculation is applied, and conversely if a feature is superior to the subject a minus value is applied. An appraisal market grid attempts to have the sales match the subject property, instead of having the subject property matching the sales.

The income capitalization approach, when used, is a method of converting anticipated economic benefits of owning property into a value estimate through capitalization. In order to value the anticipated economic benefits of a particular property, potential income and expenses must be estimated and the most appropriate capitalization method must be selected. Due to the market data approach to value only, the lease income stream, expenses, and the vacancy factor have not been explored in this particular study. When utilizing the income approach a rent survey is normally conducted to forecast the rental income for the owner/user subject property, so the appropriate rent and the appropriate rate of return for converting lease income into a capital amount, or value, could be utilized.

The cost approach, when used, is an analysis of the property's physical value. The principle of substitution, the underlying rationale of this approach, holds that no prudent person will pay more for a property than the price of a site and the cost of constructing, without undue delay, an equally desirable and useful property. Market participants generally do not use the cost technique to ascertain an appropriate value or price. Since market participants do not utilize the technique it is beyond the scope of work for this appraisal assignment. The inclusion of the estimated cost approach is done primarily to demonstrate the division of value between land and improvements and to demonstrate financial feasibility for the highest and best use analysis. Cost values have simply been estimated. This approach has not been attempted in this study and is considered to be beyond the scope of work in this report.

Conditions of Appraisal

The preprinted paragraphs on page 9 of this report that includes the "definition of value" and the "assumptions and limiting conditions" are hereby superseded by the information found in this comment addendum.

Sales Comparison Approach

The subject property last transferred on 5/4/2006 for a full value consideration of \$3,800,000.

This recent appraisal request was made by the client seeking my opinion of the fair market value for the subject property. To that end a rather extensive Motel research project was conducted that included research using the California Regional MLS, the AIR Commercial Real Estate MLS, as well as Loopnet.com. From all of the sales that were located during the research phase the five closed sale transactions, as well as the one active listing, that have been utilized herein are judged to be the most appropriate, and form the basis of the opinion of value.

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The subject property is zoned PC (Planned Community Commercial), and no other PC zoned sales were made available during the research phase. Other commercially zoned sales were however made available and have been utilized herein. The five closed sale transactions and one active listing that have been utilized herein form the basis of the opinion of value. After receiving adjustments, they are now illustrating adjusted indicated values per Square Foot that reflect the following data points; (1) \$424 (2) \$349 (3) \$349 (4) \$327 (5) \$362 & (6) \$293.

None of the sales are an exact match. The market is broadly based because there are relatively few properties on the market in this Motel building environment at any given time. The motel property investor has limited stock to choose from with little means of making comparisons like the appraiser. The properties that the appraiser uses for comparison are no longer available for purchase as an alternative.

Eventual Sales Price - The sales price for any property may or may not be the appraised value. The eventual sales price is going to depend on many things including the mortgage interest rates being offered at the time of sale, the motivation of the seller, the emotional attachment to the subject property on the part of the buyer, a particular buyer's utility needs for a specific property in order to suit a specific residential or commercial need, the negotiation skills of the Realtors involved, as well as the overall health of the economy in general.

Subjective Adjustments - Most subjective adjustments contained in this appraisal study are calculated in incremental adjustments that range from None, Fair, Average, Good, Very Good, to Excellent.

Sales & Financing - All sales presented herein involved conventional type financing with no adjustments deemed necessary. All other sales were derived from the AIRCRE commercial MLS, or title company information and the condition of the property, the condition of the sale, and any other favorable or unfavorable aspect of the sale is unknown.

All sales have been derived from the AIRCRE commercial MLS database, the CRMLS, and Loopnet.com. All of the listings reflected the square footage of the building, and with additional research the number of motel units for each property was also made available. As indicated previously in this report there no information provided regarding the gross income and expenses for any of the Motel properties utilized herein. In the absence of this information the price per square foot has been relied on in this appraisal study.

Date of Sale - The sales that were utilized in this particular study were chosen due to their recent closing dates, as well as their proximity to the subject property. The Southern California real estate market has been appreciating for many years and an 5% per year gain factor has been estimated and included herewith. The monthly time factor has been calculated at .42% per month.

Site - The usable lot area for each property has been taken from the public records. Where data is not available for a particular property, the usable pad area has been forecasted by a satellite visual inspection of the property. Adjustments have been calculated at \$20/SF.

Brand Name Motel - Adjustments have been estimated at -5% for brand name motels.

Economic Obsolescence - Sale #4 backs the 405 Fwy and sale #3 fronts the 91 Fwy. Adjustments have been estimated at +5% due to the forecasted constant audible traffic noise.

Location - Adjustments have been estimated at -15% for properties located near the Disneyland theme park.

Condition - Adjustments have been estimated in 5% increments.

Pool, Spa, and Deck - Adjustments have been estimated at -\$25,000 for properties with a pool and deck, and -\$5,000 for properties with a spa.

Design & Appeal - Adjustments have been estimated in 5% increments.

Electronic Signature - All electronic signatures on this report have a security feature maintained by individual passwords for each signing appraiser. This is a digitally signed signature and is protected by code. No person can alter the appraisal with the exception of the original signing appraiser/s.

LIMITING CONDITIONS RELEVANT TO THIS APPRAISAL

1) As defined by West's Encyclopedia of American Law, edition 2. Copyright 2008 The Gale Group, Inc. the term "Market Value" is:

The amount for which real property or Personal Property would be sold in a voluntary transaction between a buyer and seller, neither of whom is under any obligation to buy or sell. The customary test of fair market value in real estate transactions is the price that a buyer is willing, but is not under any duty, to pay for a particular

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- property to an owner who is willing, but not obligated, to sell. Various factors can have an effect on the fair market value of real estate, including the uses to which the property has been adapted and the demand for similar property. Fair market value can also be referred to as fair cash value or fair value.
2. Acceptance of and/or use of this appraisal report by the client or any third party constitutes an acceptance of all limiting conditions. The appraiser's liability extends only to the stated client, not subsequent parties or users, and is limited to the amount of the fee received by the appraiser for the total of any awarded compensatory damages. Further, there is no accountability, obligation or liability to any third party. If the appraisal report is placed in the hands of anyone other than the client for whom it was prepared, the client shall make such party and/or parties aware of all limiting conditions and assumptions of this assignment and related discussions.
3. If the client or any third party brings legal action against Marketplace Appraisal, or the signer of this report, and the appraiser prevails, the initiating party of such legal action shall reimburse Marketplace Appraisal and/or the appraiser for any and all costs of any nature, including attorneys' fees, incurred in their defense. The client or any party bringing legal action against this appraiser, hereby accepts and agrees to binding mediation, that shall take place in the city where the signing appraiser resides at the time any legal action is initiated by the client or subsequent users.
4. The date of value, to which the conclusions and opinions expressed in the report apply, is set forth in the letter of transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the U. S. dollar existing on that date.
5. The appraiser assumes no responsibility for economic or physical factors which may affect the opinions herein stated occurring at some date after the date of value as stated in the letter transmitting this report as well as elsewhere in the report.
6. The appraiser reserves the right to make such adjustments to the valuation herein reported as may be required by consideration of additional data that may become available.
7. No opinion as to title is rendered. Data related to ownership and legal description was obtained from public records and is considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions except those specifically discussed in this report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
8. No engineering study has been made by the appraiser. Except as specifically stated, data relative to size and area was taken from sources considered to be reliable, and no encroachment of real property improvements is considered to exist.
9. Maps, plats and exhibits included herein are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from reproduced or used apart from this report.
10. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, or whether the property is subject to surface entry for the exploration or removal of such materials except as is expressly stated.
11. No opinion is intended or expressed for matters that require legal expertise, or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
12. The valuation contained in this report is the work product of the appraiser. I relied upon specialized professional studies relating to data collection utilized by the undersigned appraiser in the conclusions.
13. Because no title report was made available to the appraiser, I assume no responsibility for such items of record not disclosed by his customary investigation.
14. No detailed soil studies, except as noted, covering the subject property were available to the appraiser. Therefore, premises as to soil qualities employed in this report are not conclusive, but have been discussed with the client and considered consistent with information available to the appraiser.
15. Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties unless detailed geologic reports are made available.
16. Testimony or attendance in a court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance. No testimony will be given unless the appraisal fee has been paid and expert witness fees are paid.
17. The appraisal company has conducted this appraisal report as a Google drive by desk appraisal and has relied on one or more of the following; satellite images, street side images provided by Google maps.com relying on Google aerial and street level visual images, and found no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake or occupancy codes can be assumed without provision of specific professional or governmental inspections.
18. No termite inspection report was made available and any evidence of termite damage or infestation could be determined, however this appraisal assumes the subject property is not adversely impacted by termite damage, however there is no guarantee and the client should have the subject property inspected by a licensed termite

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company to uncover any damage that may exist.

19. No consideration has been given in this appraisal as to the value of the property considered by the appraiser to be personal, located on the premises, or the cost of moving, relocating such personal property; only the real estate has been considered.

20. Rental areas herein if discussed have been calculated in accordance with the standards developed by the American Standards Association as included in the “Real Estate Appraisal Technology” handbook sponsored by the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers.

21. Regarding environmental problems: The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment made by the appraiser that might suggest the possibility of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such a determination would require investigation by a qualified expert in the field of environmental assessment.

The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The appraiser’s value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser’s descriptions and resulting comments are the result of the routine observations made during the appraisal process.

The subject property is appraised assuming that it is not adversely affected by the presence of potentially hazardous materials that my adversely affect its value, marketability, or utility.

22. It is the appraiser's intention that this report complies with all statutes, rules, and regulations prohibiting discrimination on the basis of race, color, religion, sex national origin and martial status.

23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the property's market value. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of the ADA in our market value estimates.

24. In accordance with the Fair Housing Amendments Act, it is illegal for an appraiser to discriminate against any person because of race, color, religion, sex, hardship, familial status, or national origin. This appraisal complies with all rules and regulations prohibiting discrimination on the basis of race, color, religion, sex, nation origin, and marital status.

PRIVACY NOTICE

Appraisers, along with all providers of personal financial services, are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client non-public personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

Types of non-public personal information we collect

In the course of performing appraisals, we may collect what is known as "non-public personal information" about you. This information is used to facilitate the services that we provide to you and may include information provided to us by you directly or received by us from others with your authorization. Some examples of non-public personal information we might collect in the course of doing an appraisal are:

- ␣ Phone numbers
- ␣ Information about the real estate being appraised not available from public sources that might include photos - both interior and exterior, floor plans, and the condition of the real estate
- ␣ The intended use of the appraisal
- ␣ The income and expenses with the subject Your payment arrangements,
- ␣ Any other information you provide to us.

Parties to whom we disclose information

We do not disclose any non-public personal information obtained in the course of our engagement with our clients to no-affiliated third parties except as necessary or required by law. By way of example, a necessary disclosure would by to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third

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party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence with the firm.
A disclosure required by law would be a disclosure that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

Confidentiality and security

We will retain records relating to professional services that we have provided to you for a period of time in conformity with industry standards. In order to protect your non-public personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information. Please fee free to call us at any time if you have any questions about confidentiality of the information that you provide to us.

Opt out provision

From time to time real estate appraisers are asked to submit completed appraisal assignments in order to satisfy the requester that a particular appraiser is qualified to appraise various property types before actually assigning a particular appraisal request. In addition Marketplace Appraisal also from time to time posts various completed appraisals on it's website to be utilized as work samples for purposes as stated above.
On occasion, non-public information obtained in the course of performing an appraisal is used in other appraisals that we perform such as, but not limited to, rental income and related expenses. If you desire that this information not be reused, please contact us by phone at 310-999-3700.

SUBJECT PROPERTY PHOTO ADDENDUM

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Address: 5651Lincoln Avenue			Case No.:
City: Cypress	St: CA	Zip: 90630	Lender: Jenney Ho / Cypress College



FRONT VIEW OF
SUBJECT PROPERTY

Date: December 17, 2019
Appraised Value: \$ \$6,880,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE





Aerial view of the subject



Front view

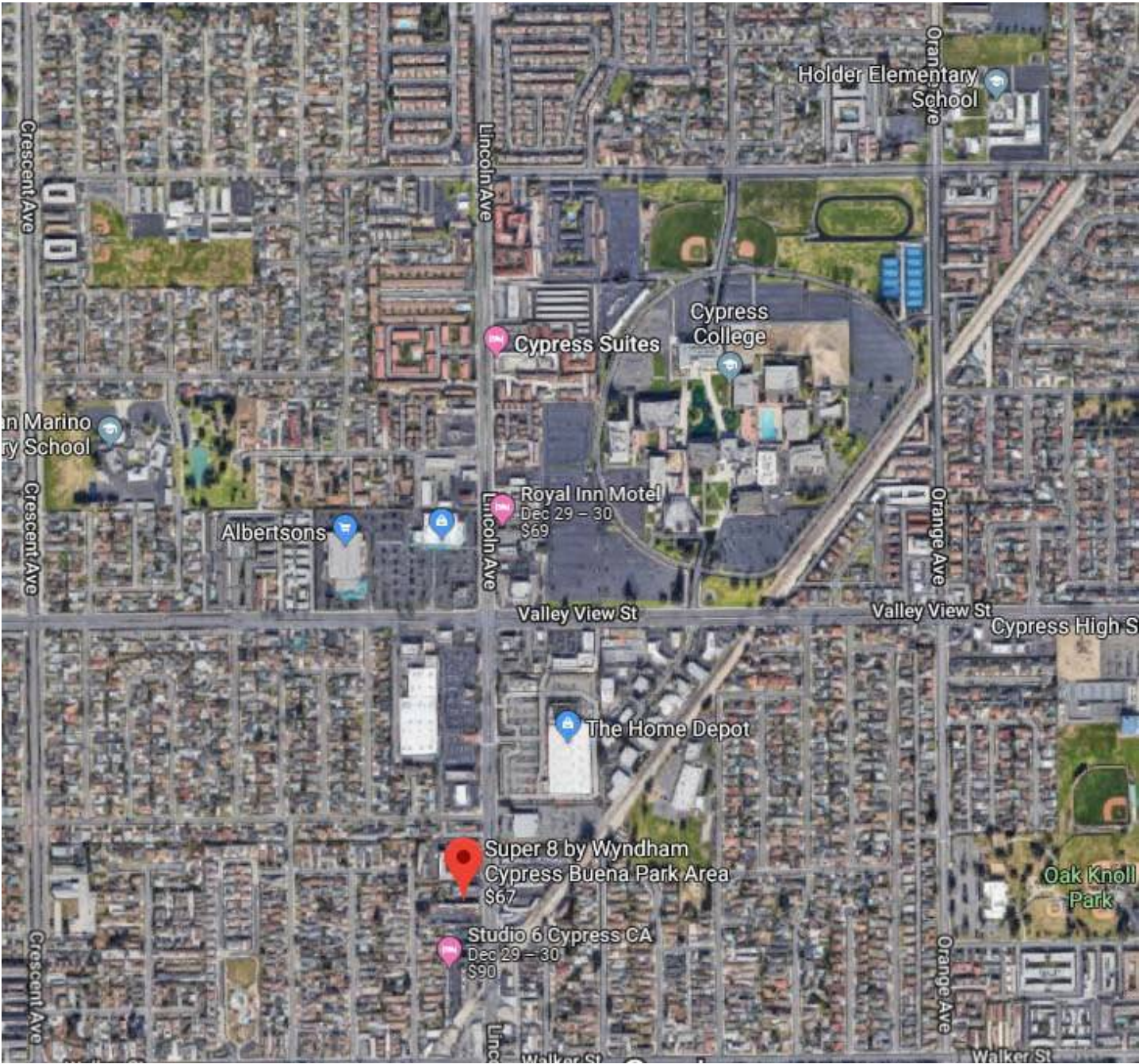


Additional front view and side



AERIAL VIEW OF THE SUBJECT PROPERTY NEIGHBORHOOD

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Lender: Jenney Ho / Cypress College		



COMPARABLE PROPERTY PHOTO ADDENDUM			
Borrower: Appraisal for estate purposes only		File No.: 191215HT	
Address: 5651Lincoln Avenue		Case No.:	
City: Cypress	St: CA	Zip: 90630	Lender: Jenney Ho / Cypress College



COMPARABLE SALE #1

2145 S Harbor Blvd
Sale Date: 6/19/2019 COE
Sale Price: \$ 503



COMPARABLE SALE #2

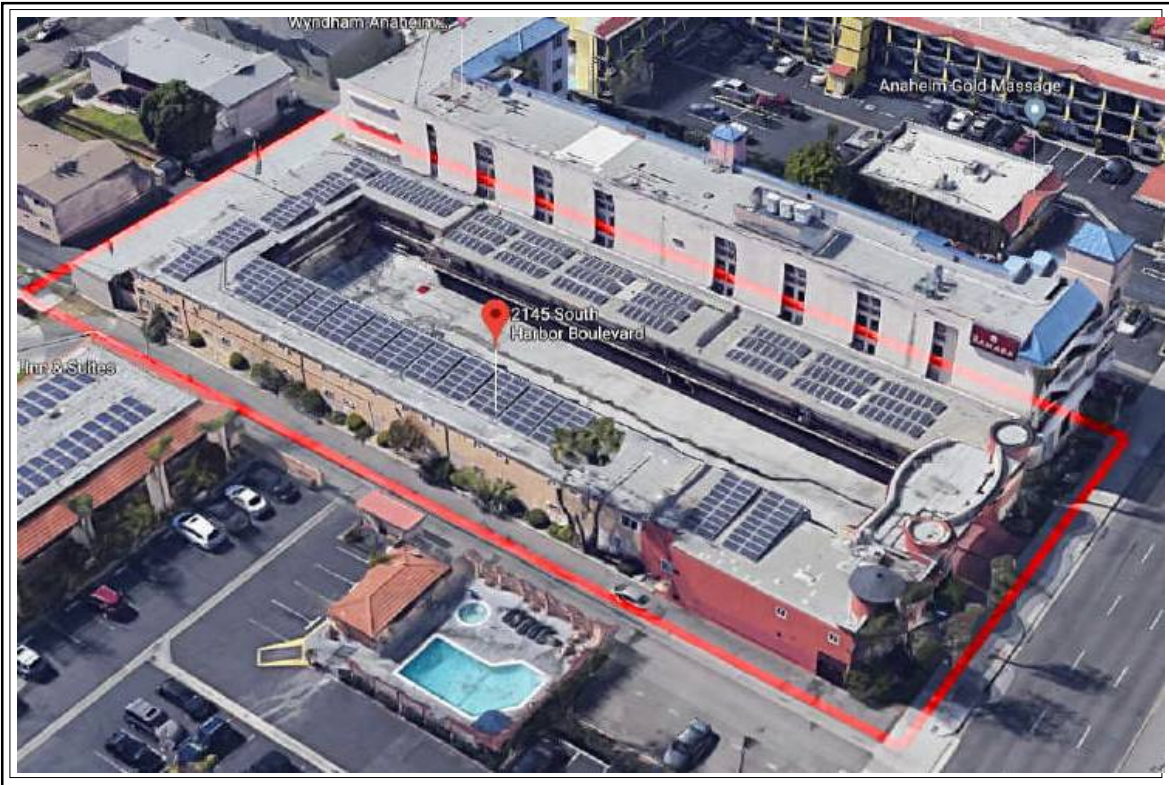
11441 East Carson St
Sale Date: 5/17/2019 COE
Sale Price: \$ 311



COMPARABLE SALE #3

1101 N Harbor Blvd
Sale Date: Active Listing
Sale Price: \$ 435





Aerial view of sale #1
2145 S Harbor Blvd



Aerial view of sale #2
11441 East Carson Street



Aerial view of sale #3
1101 North Harbor Blvd



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Appraisal for estate purposes only			File No.: 191215HT
Address: 5651Lincoln Avenue			Case No.:
City: Cypress	St: CA	Zip: 90630	Lender: Jenney Ho / Cypress College



COMPARABLE SALE #4

9125 Recreation Circle
Sale Date: 8/14/2017
Sale Price: \$ 294



COMPARABLE SALE #5

7830 Crescent Avenue
Sale Date: 2/28/2017 COE
Sale Price: \$ 359



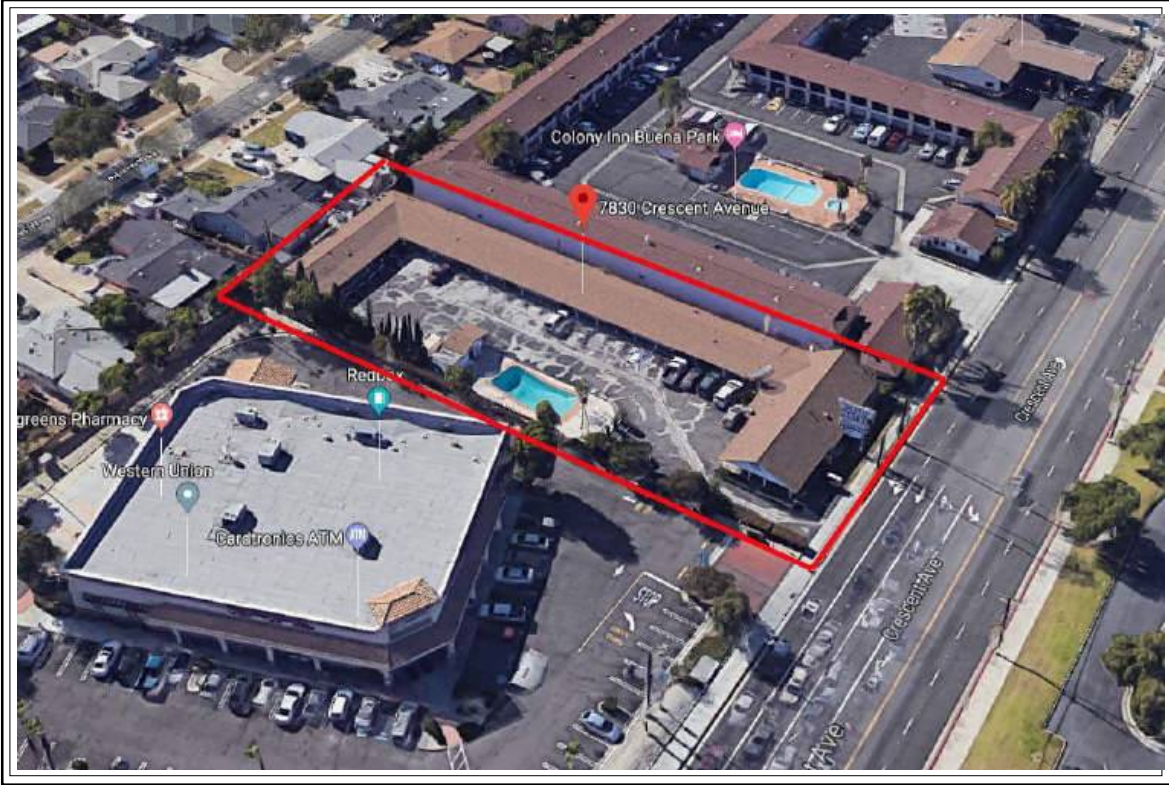
COMPARABLE SALE #6

2176 S Harbor Blvd
Sale Date: 6/3/2016 COE
Sale Price: \$ 298

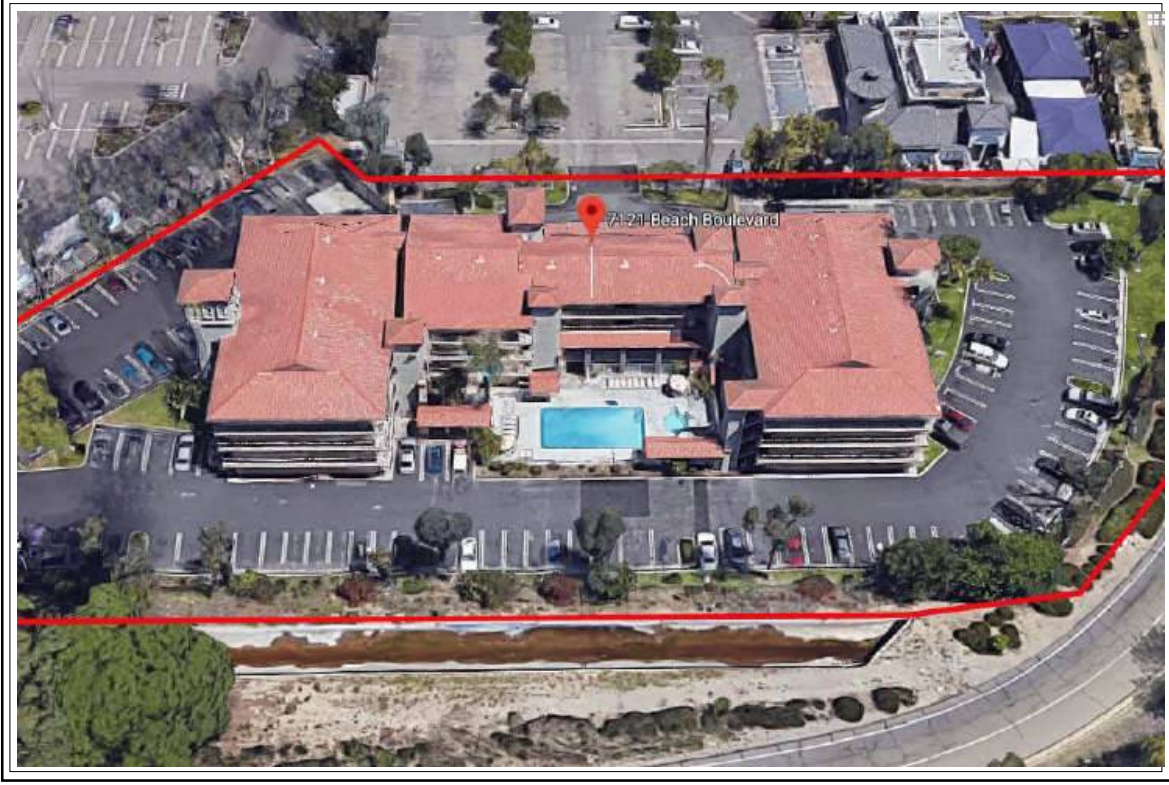




Aerial view of sale #4
9125 Recreation Circle



Aerial view of sale #5
7830 Crescent Avenue

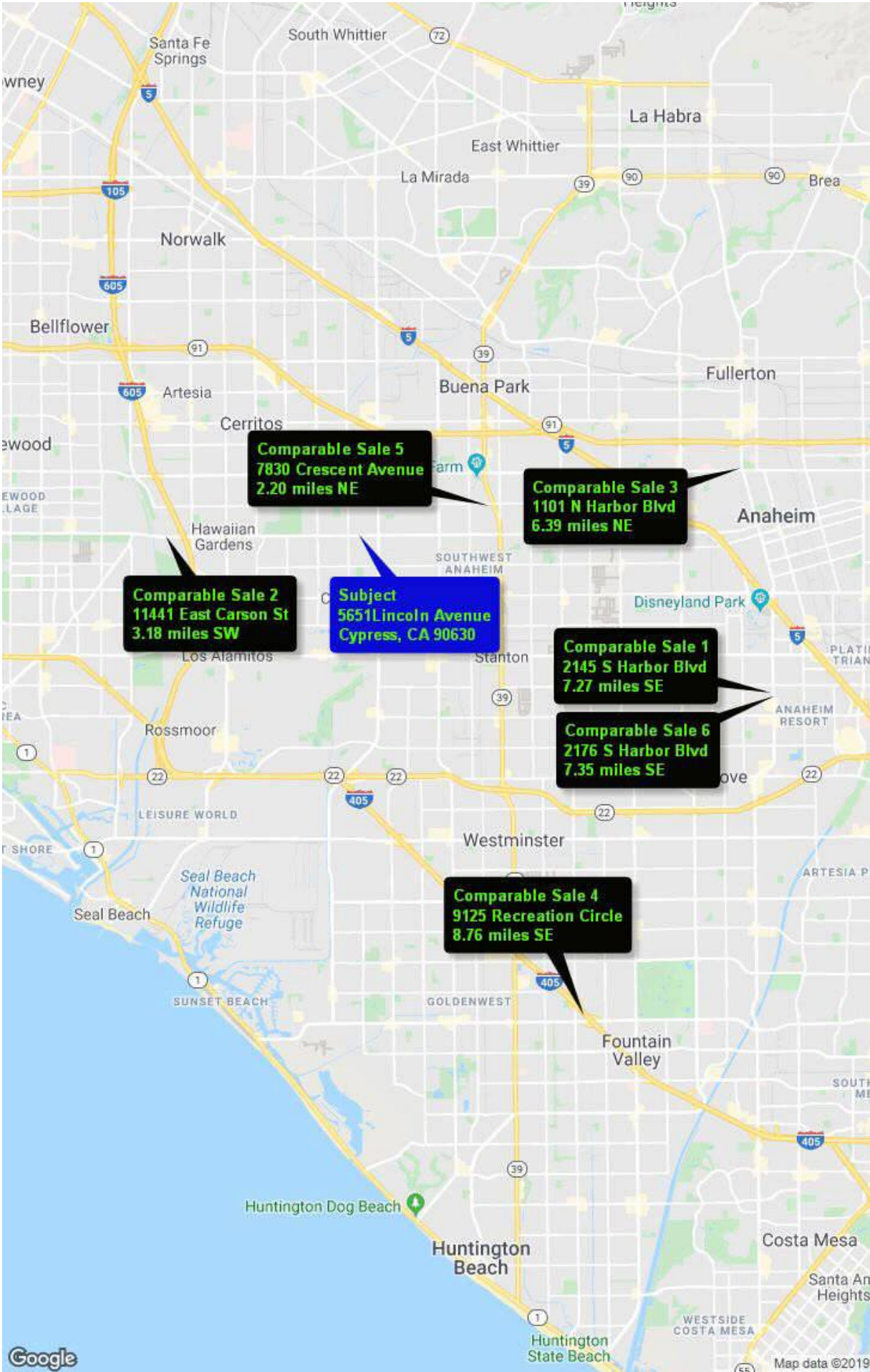


Aerial view of sale #6
7121 Beach Blvd



LOCATION MAP

Borrower: Appraisal for estate purposes only	File No.: 191215HT
Property Address: 5651Lincoln Avenue	Case No.:
City: Cypress	State: CA
Lender: Jenney Ho / Cypress College	Zip: 90630



5651 Lincoln Ave, Cypress, CA 90630-3156, Orange County



N/A	3,054	36,155	\$380,000
Beds	Bldg Sq Ft	Lot Sq Ft	MLS Sale Price
N/A	1970	COM-NEC	05/04/2006
Baths	Yr Built	Type	MLS Sale Date

Owner Information

Owner Name:	Patel Nipa	Tax Billing City & State:	South El Monte, CA
Owner Name 2:	Patel Sanjay R	Tax Billing Zip:	91733
Mail Owner Name:	Nipa & Sanjay R Patel	Tax Billing Zip+4:	4414
Tax Billing Address:	1228 Durfee Ave	Owner Occupied:	No

Location Information

Zip Code:	90630	Comm College District Code:	N Orange Co Jt
Carrier Route:	C008	Census Tract:	1101.10
School District:	Anaheim Un	Township Range Sect:	4-11-9

Tax Information

APN :	262-472-36	Tax Area:	19032
% Improved:	52%	Water Tax Dist:	Orange Co
Legal Description:	SEC 9 T 4 R 11 W 115.5 FT E 487.08 FT S 351.78 FT SW1/4 SE1/4		

Assessment & Tax

Assessment Year	2019	2018	2017
Assessed Value - Total	\$4,573,121	\$4,483,452	\$3,334,121
Assessed Value - Land	\$2,205,125	\$2,161,887	\$2,119,496
Assessed Value - Improved	\$2,367,996	\$2,321,565	\$1,214,625
YOY Assessed Change (\$)	\$89,669	\$1,149,331	
YOY Assessed Change (%)	2%	34.47%	

Tax Year	Total Tax	Change (\$)	Change (%)
2016	\$40,425		
2017	\$40,770	\$345	0.85%
2018	\$53,985	\$13,215	32.41%

Special Assessment	Tax Amount
Ocsd Sewer User Fee	\$4,466.01
Mosq/Fire Ant Assmt	\$18.70
Mwd Water Stdby Chg	\$10.08
Vector Control Chg	\$4.80
Total Of Special Assessments	\$4,499.59

Characteristics

County Land Use:	Commercial	Stories:	Tax: 1 MLS: 3
Universal Land Use:	Commercial (NEC)	Year Built:	Tax: 1970 MLS: 1987
Lot Acres:	0.83	Building Type:	Flat
Lot Area:	36,155	Bldg Class:	D
Building Sq Ft:	3,054	# of Buildings:	1
Gross Area:	Tax: 3,054 MLS: 19,597		

Estimated Value

Value As Of:	11/24/2019
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Courtesy of Robert Walker, Marketplace Appraisal Service, California Regional MLS
The data within this report is compiled by CoreLogic from public and private sources. The data is deemed reliable, but is not guaranteed. The accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.



Listing Information

MLS Listing Number:	CC272708	Closing Date:	05/04/2006
MLS Status:	Closed	MLS Sale Price :	\$380,000
MLS Area:	80 - CYPRESS NORTH OF KATELLA	MLS Listing Agent:	W79999-Non-Member Non-Member
MLS Status Change Date:	06/22/2013	MLS Listing Broker:	NON-MEMBER
MLS Current List Price:	\$3,800,000		
MLS Listing #	Cc261800	Cc252029	
MLS Status	Expired	Expired	
MLS Listing Date	04/29/2005	04/08/1996	
MLS Listing Price	\$2,880,000	\$1,580,000	

Last Market Sale & Sales History

Recording Date:	05/04/2006		Sale Type:	Full	
Sale Date:	Tax: 04/26/2006 MLS: 05/04/2006		Deed Type:	Grant Deed	
Sale Price:	\$3,800,000		Owner Name:	Patel Nipa	
Price Per Square Feet:	\$1,244.27		Owner Name 2:	Patel Sanjay R	
Document Number:	300540		Seller:	Chow Melinda T	
Recording Date	05/04/2006	07/15/2005	07/15/2005	08/14/1998	10/16/1997
Sale Date	04/26/2006	07/12/2005	07/13/2005		
Sale Price	\$3,800,000	\$2,880,000			\$1,068,000
Nominal			Y		
Buyer Name	Patel Sanjay R & Nipa	Chow Melinda T	Jan Li-Hsiang	Cloud Sea Inv Corp	Li Zhiping
Seller Name	Chow Melinda T	Cloud Sea Investment Corp	Jan Chen F	Conzelman Clarence	
Document Number	300540	546865	546864	532745	518205
Document Type	Grant Deed	Grant Deed	Quit Claim Deed	Grant Deed	Grant Deed
Recording Date	10/27/1988	10/27/1988	07/06/1987		
Sale Date	07/1988	07/1988	06/1987		
Sale Price	\$2,140,000	\$2,140,000			
Nominal					
Buyer Name	Kung Hsien-Shann & Ming-Yuh	Pledged To Progress Inc	3I & S Associates		
Seller Name	Pledged To Progress Inc	3I & S Associates	Lu Chien-Tsu		
Document Number	548450	548449	383434		
Document Type	Corporation Grant Deed	Grant Deed	Quit Claim Deed		

Mortgage History

Mortgage Date	07/24/2019	07/24/2019	07/19/2012	05/04/2006	07/15/2005
Mortgage Amount	\$1,100,000	\$1,100,000	\$1,800,000	\$2,200,000	\$1,728,000
Mortgage Lender	First General Bk	First General Bk	New Omni Bk Na	First United Bk	First United Bk
Mortgage Code	Conventional	Conventional	Conventional	Conventional	Conventional
Mortgage Date	06/07/2002	08/14/1998	10/17/1997		
Mortgage Amount	\$550,000	\$594,780	\$100,000		
Mortgage Lender	First United Bk	First Cont'l Corp			
Mortgage Code	Conventional	Conventional	Private Party Lender		



PLAT MAP

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