

The Successor Agency to the Compton Community Redevelopment Agency, is a distinct and separate legal entity from the City of Compton, and was established by Resolution No. 1, adopted on February 7, 2012. The Successor Agency is limited to the assets and liabilities of the dissolved Community Redevelopment Agency (CRA) of the City of Compton and shall have the authority to perform the functions and duties described in Part 1.85 to Division 24 of the California Health and Safety Code.

GOVERNING BODY OF THE SUCCESSOR AGENCY

AGENDA

10/04/2022

6:26 PM

HEARING

6:15 P.M. - PUBLIC HEARING - TO CONSIDER A PURCHASE AND SALE AGREEMENT WITH CLIFFORD AND DOLORES WILLIAMS FOR PROPERTY LOCATED AT 408 WEST ALONDRA BOULEVARD (Item #2)

OPENING

ROLL CALL

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

APPROVAL OF MINUTES

1. JULY 26, 2022
SEPTEMBER 6, 2022

NEW BUSINESS

2. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY APPROVING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AND CLIFFORD WILLIAMS AND DELORES L. WILLIAMS IN CONNECTION WITH THE SALE OF PROPERTY LOCATED AT 408 WEST ALONDRA BOULEVARD, FINDING THAT SUCH AUTHORIZATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND TAKING RELATED ACTIONS

DIRECTORS COMMENTS

ADJOURNMENT

JULY 26, 2022

The Governing Body of the Successor Agency meeting was called to order at 9:33 p.m. in the Council Chambers of City Hall by Chairperson Emma Sharif.

ROLL CALL

Directors Present: D. Duhart, A. Spicer, J. Bowers, L. Darden, Chairperson E. Sharif

Directors Absent: None

Other Officials Present: E. Perrodin, A. Godwin, B. Mims, T. Thomas

6:15 p.m. PUBLIC HEARING – TO CONSIDER A PURCHASE AND SALE AGREEMENT WITH CLIFFORD AND DOLORES L. WILLIAMS FOR THE ACQUISITION OF CERTAIN AGENCY OWNED PROPERTY (408 West Alondra Boulevard, Compton) *Re-scheduled for September 2022*

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

There were no audience comments.

APPROVAL OF MINUTES

1. MARCH 15, 2022
JUNE 20, 2022
JULY 5, 2022

On motion by Darden, seconded by Spicer, the minutes were approved by the following vote on roll call:

AYES: Directors – Duhart, Spicer, Bowers, Darden, Sharif

NOES: Directors – None

ABSENT: Directors – None

NEW BUSINESS

2. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A FIRST AMENDMENT AGREEMENT AND ISSUE A PURCHASE ORDER TO QUALITY ENVIRONMENTAL, INC. FOR THE DEMOLITION OF CERTAIN SUCCESSOR AGENCY-OWNED PROPERTIES (\$7,170)

On motion by Spicer, seconded by Duhart, **Resolution Number 140** entitled ‘**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A FIRST AMENDMENT AGREEMENT AND ISSUE A PURCHASE ORDER TO QUALITY ENVIRONMENTAL INC. FOR THE DEMOLITION OF CERTAIN SUCCESSOR AGENCY-OWNED PROPERTIES**’ was adopted by the following vote on roll call:

AYES: Directors – Duhart, Spicer Bowers, Darden, Sharif

NOES: Directors – None

ABSENT: Directors – None

ADJOURNMENT

On motion by Spicer, seconded by Darden, the meeting was adjourned at 9:38 p.m. by the following vote on roll call:

AYES: Directors – Duhart, Spicer Bowers, Darden, Sharif

NOES: Directors – None

ABSENT: Directors – None

Secretary of the Successor Agency

Chairperson of the Successor Agency

SEPTEMBER 6, 2022

The Governing Body of the Successor Agency meeting was called to order at 8:18 p.m. in the Council Chambers of City Hall by Chairperson Emma Sharif.

ROLL CALL

Directors Present: A. Spicer, J. Bowers, L. Darden, Chairperson E. Sharif
Directors Absent: D. Duhart

Other Officials Present: E. Perrodin, A. Godwin, B. Mims, T. Thomas

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

Lynn Boone referenced Section 700 of the Compton City Charter regarding the duties of the City Clerk and further raised concerns regarding a clerical error, whereby Councilman Bowers 'No' vote on a resolution was not recorded. Ms. Boone further commented that she did not see funds budgeted for next year's election in the FY 2022/2023 Budget.

Joyce Kelly questioned the whereabouts of the new buses which were purchased for the Seniors.

APPROVAL OF MINUTES

1. MARCH 15, 2022
JUNE 20, 2022 - SPECIAL
JULY 5, 2022

On motion by Darden, seconded by Spicer, the minutes were approved by the following vote on roll call:

AYES: Directors – Duhart, Spicer, Bowers, Darden, Sharif
NOES: Directors – None
ABSENT: Directors – None

NEW BUSINESS

2. A REQUEST TO SCHEDULE A PUBLIC HEARING TO CONSIDER A PURCHASE AND SALE AGREEMENT WITH CLIFFORD AND DOLORES L. WILLIAMS FOR THE ACQUISITION OF CERTAIN AGENCY OWNED PROPERTY LOCATED AT 408 WEST ALONDRA BOULEVARD (September 27, 2022, at 6:15 p.m.)

On motion by Spicer, seconded by Darden, the public hearing was scheduled for **September 27, 2022, at 6:15 p.m.** by the following vote roll call:

AYES: Directors – Spicer, Bowers, Darden, Sharif

NOES: Directors – None

ABSENT: Directors – Duhart

ADJOURNMENT

On motion by Darden, seconded by Spicer, the meeting was adjourned at 8:28 p.m. by the following vote on roll call:

AYES: Directors – Spicer, Bowers, Darden, Sharif

NOES: Directors – None

ABSENT: Directors – Duhart

Secretary of the Successor Agency

Chairperson of the Successor Agency

October 4, 2022

TO: HONORABLE CHAIRPERSON AND DIRECTORS

FROM: EXECUTIVE DIRECTOR

SUBJECT: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY APPROVING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AND CLIFFORD WILLIAMS AND DELORES L. WILLIAMS IN CONNECTION WITH THE SALE OF PROPERTY LOCATED AT 408 WEST ALONDRA BOULEVARD, FINDING THAT SUCH AUTHORIZATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND TAKING RELATED ACTIONS

SUMMARY

Staff respectfully requests the Board to adopt the attached Resolution approving the execution and delivery of a Purchase and Sale Agreement between the Successor Agency and Clifford and Delores L. Williams, the owners of Cliff's Texas Style Burritos, in connection with the sale of certain Successor Agency-owned property located at 408 West Alondra Boulevard and making certain findings.

BACKGROUND

Clifford and Delores L. Williams, the owners of Cliff's Texas Style Burritos (the "Developers"), have been operating the restaurant facility at 408 West Alondra Boulevard in the City of Compton over the past 30 years. The Developers are currently leasing the site from the Agency for the restaurant business, although the lease expired. Two years ago, the Developers submitted a proposal to the Successor Agency with the intent to purchase subject property in order to carry out improvements to meet capacity consumer demand.

Pursuant to Resolution#110, adopted on July 28, 2020, the Board approved an Exclusive Negotiation Agreement between Clifford and Delores L. Williams and the Successor Agency to negotiate the terms of a Purchase and Sale Agreement (PSA) leading to the sale of the Agency-owned property to the Developers. Accordingly, the Successor Agency staff and the Developers have negotiated the terms of a proposed Purchase and Sale Agreement (PSA) for the disposition and development of the subject property. Under the Agreement the Agency parcel will be conveyed to the Developers for the purchase price of two hundred fifty thousand dollars (\$250,000.00), which constitutes the most current fair market value of the subject site determined pursuant to an appraisal conducted on August 11, 2022.

STATEMENT OF THE ISSUE

The Successor Agency and the Developers have jointly decided to formally enter into the Purchase and Sale Agreement. By adopting the attached Resolution, the Board of Directors will approve the execution and delivery by the Successor Agency of the Purchase and Sale Agreement in substantially the form attached to the Resolution and request that the Los Angeles County Second Supervisorial District Consolidated Oversight Board approve the Successor Agency's sale of the land to the Developer as provided in the Purchase and Sale Agreement.

Staff published a notice of public hearing for two successive weeks in a newspaper of general circulation prior to the date of the public hearing. The Purchase and Sale Agreement, with attachments, and other related exhibits, were made available for public inspection in the manner set forth in Health and Safety Code Section 33433. This Resolution also contains a finding that the act of authorizing the Successor Agency to sell the property does not approve any new development or construction of buildings, nor does it authorize any new land uses and that for this reason, it can be seen with certainty that authorizing the Successor Agency to sell the property to the Purchasers pursuant to the Purchase and Sale Agreement substantially in the form presented to the Board of Directors at this meeting will not result in any significant adverse impact on the environment and is exempt from the CEQA environmental review requirements pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations. Additionally, this Resolution contains findings that sale of the land to the Developers and the development of the project by the Developers will be conveyed to the Developer for fair market value at a purchase price of \$250,000 as contained in the Purchase and Sale Agreement.

The sale of government property is subject to the Surplus Land Act (SLA) which places certain requirements on the sale of land. However, staff determined the proposed sale of the property is not subject to the requirements of the SLA. The Surplus Land Act (Government Code Sections 54220-54234) ("SLA") provides that with respect to land that has been designated in a Long Range Property Management Plan for sale, the SLA, as it existed on December 31, 2019, without regard to the changes made to the SLA by Assembly Bill 1486, which became effective on January 1, 2020, or subsequent amendments to the SLA, shall apply to the disposition of the land if (i) an exclusive negotiating agreement for disposition is entered into not later than December 31, 2020 and (ii) the disposition is completed not later than December 31, 2022. The SLA, as it existed on December 31, 2019, did not apply to successor agencies. The Successor Agency entered into an exclusive negotiating agreement with respect to the disposition of the Property with Clifford and Delores L. Williams, dated as of August 12, 2020. Consequently, the requirements of SLA do not apply.

FISCAL IMPACT

Pursuant to the Purchase and Sale Agreement, the Agency parcel will be conveyed to the Developers at the purchase price of Two Hundred Fifty Thousand Dollars (\$250,000.00) which constitutes the most current fair market value of the subject site determined pursuant to an appraisal. Net proceeds of the sale (net of reasonable and customary closing costs) will be remitted to the County Auditor-Controller for allocation to the affected taxing entities, including the City.

RECOMMENDATION

That the Board of directors of the Successor Agency adopt the attached resolution approving the execution and delivery of the Purchase and Sale Agreement between the Successor Agency and the Developers.

**THOMAS THOMAS
EXECUTIVE DIRECTOR**

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY APPROVING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AND CLIFFORD WILLIAMS AND DELORES L. WILLIAMS IN CONNECTION WITH THE SALE OF PROPERTY LOCATED AT 408 WEST ALONDRA BOULEVARD, FINDING THAT SUCH AUTHORIZATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (which became effective in June 2011) (as subsequently supplemented and amended, the “Dissolution Act”) and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Community Redevelopment Agency of the City of Compton (“Former Agency”) was dissolved as of February 1, 2012, the Successor Agency was constituted, and an oversight board of the Successor Agency was established to wind down the affairs of the Former Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34179(q), commencing on and after July 1, 2018, the County of Los Angeles, where more than 40 oversight boards were created by the Dissolution Act, shall have five consolidated oversight boards each encompassing the five supervisorial districts, and the Los Angeles County Second Supervisorial District Consolidated Oversight Board (“Oversight Board”) has jurisdiction over the Successor Agency; and

WHEREAS, pursuant to the Dissolution Act, successor agencies to former California redevelopment agencies are required to dispose of their properties in accordance with California State Department of Finance (“DOF”)-approved Long Range Property Management Plans; and

WHEREAS, in December 2015, the DOF approved the Successor Agency’s Long-Range Property Management Plan (“LRPMP”) as the framework for disposition of the Former Agency’s properties; and

WHEREAS, in accordance with the LRPMP, all non-housing real estate assets must be disposed of in a manner that is both expedient and maximizes the market value of the assets; and

WHEREAS, under the LRPMP, the Successor Agency is authorized to sell the real property located in the City of Compton, County of Los Angeles, at 408 West Alondra, and more particularly described in the Agreement (as hereinafter defined) (“Property”); and

WHEREAS, pursuant to the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) (“CEQA”), the Board of Directors of the Successor Agency evaluated the action of authorizing the Successor Agency to sell the Property to the Purchasers. The act of authorizing the Successor Agency to sell the Property does not approve any new development or construction of buildings, nor does it authorize any new land uses. For this reason, it can be seen with certainty that authorizing the Successor Agency to sell the Property to the Purchasers pursuant to the Purchase and Sale Agreement substantially in the form presented to the Board of Directors at this meeting will not result in any significant adverse impact on the environment. Thus, said Board of Directors authorization is exempt from the CEQA environmental review requirements pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations; and

WHEREAS, the Successor Agency wishes to sell the Property to Clifford and Delores L. Williams (“Purchasers”), for a purchase price of \$250,000.00, which is equal to the fair market value of the property determined pursuant to an appraisal prepared by Roth & Associates, a California certified general real estate appraiser, dated September 23, 2021, pursuant to that certain Purchase and Sale Agreement transferring fee title of the Property from the Successor Agency to the Purchasers by and between the Successor Agency, and the Purchasers (“Agreement”) in substantially the form as shown in Exhibit “A”, attached hereto and incorporated herein by this reference; and

WHEREAS, staff has determined that the proposed sale of the Property pursuant to the Agreement conforms to the LRPMP;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. That the above recitals are true and correct and are a substantive part of this Resolution.

Section 2. That the Executive Director, upon the advice and approval of the General Counsel, is hereby authorized to execute and deliver, for and in the name of the Successor Agency, the Agreement substantially in the form attached hereto as Exhibit “A” and incorporated hereby by reference, with such non-substantive changes therein as the Executive Director may approve (such approval to be conclusively evidenced by the execution and delivery thereof), provided that such execution and delivery shall occur after the effective date of a resolution of the Oversight Board approving the Successor Agency’s execution and delivery of the Agreement.

Section 3. That the Oversight Board is hereby requested to approve the Successor Agency’s sale of the Property to the Purchasers and the execution and delivery of the Agreement by the Successor Agency in substantially the form attached hereto as Exhibit “A” and incorporated hereby by reference.

Section 4. Pursuant to the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) (“CEQA”), the Board of Directors of the Successor Agency evaluated the action of authorizing the Successor Agency to sell the Property to the Purchasers. The act of authorizing the Successor Agency to sell the Property does not approve any new development or construction of buildings, nor does it authorize any new land uses. For this reason, it can be seen with certainty that authorizing the Successor Agency to sell the Property to the Purchasers pursuant to the Purchase and Sale Agreement substantially in the form presented to the Board of Directors at this meeting will not result in any significant adverse impact on the environment. Thus, said Board of Directors authorization is exempt from the CEQA environmental review requirements pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations.

Section 5. That the Officers and Staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution and the Agreement, and all actions previously taken are hereby ratified.

Section 6. That a certified copy of this Resolution shall be filed in the offices of the Executive Director, Successor Agency General Counsel, and Successor Agency Secretary.

Section 7. That the Chairperson shall sign and the Secretary shall attest to the adoption of this Resolution.

Section 8. That the Secretary of the Successor Agency is hereby directed to transmit this Resolution to the Oversight Board.

ADOPTED this _____ day of _____, 2022.

**CHAIRPERSON OF THE SUCCESSOR
AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE
CITY OF COMPTON**

ATTEST:

**SECRETARY OF THE SUCCESSOR
AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF
THE CITY OF COMPTON**

**STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON**

I, Alita Godwin, Secretary of the Successor Agency to the Community Redevelopment Agency of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Secretary at the regular meeting thereof held on the _____ day of _____, 2022

That said resolution was adopted by the following vote, to wit:

**AYES: DIRECTORS-
NOES: DIRECTORS-
ABSENT: DIRECTORS-
ABSTAIN: DIRECTORS-**

**SECRETARY OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON**

ATTACHMENT A

AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS 408 W. Alondra Blvd., Compton, CA

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of _____, 2022 ("Effective Date"), and is entered into by and between CLIFFORD WILLIAMS AND DELORES L. WILLIAMS, husband and wife (collectively, the "Buyer"), and the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, a public body ("Seller").

RECITALS

A. Seller is the owner of certain land located in the City of Compton commonly known as 408 West Alondra Boulevard, Compton, California, and legally described in "Exhibit A" attached hereto (the "Property").

B. Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller.

NOW, THEREFORE, in consideration of the mutual terms and covenants herein, and other consideration, the sufficiency of which is hereby acknowledged, Buyer and Seller hereby agree as follows:

1. PURCHASE PRICE; DEPOSIT.

1.1 Sale and Purchase. Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property upon the terms and conditions hereafter set forth.

1.2 Purchase Price. The full purchase price to be paid by Buyer to Seller for the Property shall be Two Hundred Fifty Thousand Dollars (\$250,000.00) ("Purchase Price").

1.3 Deposit. Within five (5) business days after the opening of escrow under Section 4.2 below, Buyer shall make a deposit of the sum of Twelve Thousand Five Hundred Dollars (\$12,500.00), into the escrow with Escrow Holder (as hereinafter defined) (the "Deposit"). Escrow Holder shall hold the Deposit in an interest-bearing account. Upon the Close of Escrow (as hereinafter defined), the Deposit shall be credited against the Purchase Price. If the Close of Escrow does not occur as a result of a termination of this Agreement due to the failure of a condition to closing or the default of the Seller, the Deposit shall be returned to Buyer. If the Close of Escrow does not occur due to a default by Buyer, then the Deposit shall be delivered to Seller as liquidated damages under Section 1.4 below.

1.4 If Buyer breaches any obligation hereunder, and fails to cure such breach within ten (10) business days after receipt of written notice from Seller, then Seller may terminate this Agreement and the Escrow by giving notice, in writing, of such termination to Buyer and Escrow Holder, and the Deposit shall be delivered by Escrow Holder to Seller to

retain as liquidated damages for Buyer's failure to purchase the Property, as Seller's sole and exclusive remedy.

IF CLOSING FAILS TO OCCUR SOLELY BECAUSE OF BUYER'S DEFAULT, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN. BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT. BOTH BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS THAT WOULD RESULT IF SELLER FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. IF CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S DEFAULT, THEN THE DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE AND FINAL ESTIMATE OF SELLER'S DAMAGES AND SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AS SELLER'S SOLE AND EXCLUSIVE REMEDY. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

BUYER'S INITIALS

SELLER'S INITIALS

2. TITLE.

2.1 General. Title to the Property shall be conveyed by a grant deed in the form attached hereto as "Exhibit B" ("Grant Deed") and shall be evidenced by a CLTA Standard Coverage Form of Owner's Policy of Title Insurance, the cost of which will be borne by Seller, or an ALTA Extended Coverage Form Policy if Buyer elects such coverage as provided in Section 2.3 hereof ("Title Policy"), the additional cost of which shall be borne by Buyer, issued by a licensed title insurance company ("Title Company") selected by Buyer, subject to the consent of Seller's City Manager, which consent will not be unreasonably withheld or delayed, with liability in the full amount of the Purchase Price, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters affecting title to the Property, except the following (which shall constitute "Approved Title Exceptions" under Section 2.4 below):

2.1.1 Non-delinquent real property taxes;

2.1.2 The fact that the Property is (or was) located in a Redevelopment Project Area; and

2.1.3 Such other matters as are approved by Buyer.

2.2 Acts After Date of Agreement. During the period from the Effective Date of this Agreement through the Close of Escrow, Seller shall not record, or file for record or permit to be recorded or filed for record any document or instrument which will affect the title to or use of the Property without the prior written consent of the Buyer, which consent shall not be unreasonably withheld.

2.3 Option for ALTA Coverage. Buyer shall have the option of obtaining an ALTA Extended Coverage Form Policy of Title Insurance or a CLTA Standard Coverage Form Owners Policy of Title Insurance. If Buyer elects to obtain the ALTA Extended Coverage Form Policy of Title Insurance, Buyer shall, at its expense, procure the ALTA Extended Coverage Survey (the "Survey"). The cost of the Survey and the amount by which the cost of an ALTA Extended Coverage Form Policy of Title Insurance exceeds the cost of a CLTA Standard Coverage Form Owners Policy of Title Insurance shall be borne by Buyer.

2.4 Title Review. Not later than thirty (30) days after the Effective Date, Buyer shall obtain a current title report from Orange Coast Title Company ("Title Company") for the Property and copies of the title exception documents and, except as otherwise provided in Section 2.1 above, Buyer shall have the right to disapprove the title report and title exceptions and terminate this Agreement by written notice to Seller given within thirty (30) days after Title Company delivers the title report and title exceptions to Buyer ("Title Delivery Date"). If Buyer desires ALTA title insurance, Buyer shall conduct a Survey and shall deliver it to the Title Company and shall have the right to disapprove matters disclosed by the Survey and terminate this Agreement by written notice to Seller within thirty (30) days after the Title Delivery Date. If Buyer does not timely terminate, then the following (in addition to the matters described in Section 2.1) shall be "Approved Title Exceptions": (i) all matters in said title report and the Survey, (ii) if Buyer fails to obtain a title report, then all matters affecting title then of record, and (iii) if Buyer fails to obtain a Survey, all matters that would have been revealed or disclosed by an accurate ALTA Survey.

3. RIGHT OF ENTRY.

3.1 Seller hereby grants Buyer and its agents, employees, contractors and subcontractors (collectively "Representatives") the right of entry to the Property at reasonable times after the Effective Date and prior to the expiration of the Investigation Period, as defined in Section 3.8, for the purpose of conducting soils and geological investigation and testing for toxic or hazardous substances and other contamination. Such investigation shall be at Buyer's expense. If Buyer desires to terminate this Agreement as a result of its inspection, Buyer may do so by written notice to Seller given on or before the expiration of the Investigation Period.

3.2 Buyer shall deliver advance written notice to the Seller of its intention to enter the Property to conduct activities pursuant to this Section 3 at least one (1) business day prior to any entry onto the Property. Such notice of entry shall include the proposed dates and

times of such entry, and the nature, specific location and scope of any test, investigation, or other activity upon the Property, and shall be subject to the prior approval of the Seller which should not be unreasonably delayed or withheld. Seller and its representatives shall have the right to accompany and observe all of Buyer's and its Representatives' activities on the Property.

3.3 All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with all regulatory and good management standards and the requirements of any governmental agency or entity and all applicable laws.

3.4 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any "Hazardous Materials", as defined in Section 6.4, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

3.5 Buyer and its Representatives shall remove from the Property any wastes and Hazardous Materials used in or generated by the activities of Buyer or its Representatives on the Property no later than the date of completion of their environmental investigation activities and operations on the Property.

3.6 In connection with the use of the Property by Buyer and its Representatives, Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personalty thereon, in good order and repair and safe condition to the extent that such Property, improvements or personalty were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

3.7 Buyer agrees, at its sole cost and expense, to defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnities"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever ("Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section 3, except for that portion or percentage of a Claim against an Indemnitee based on the comparative negligence, gross negligence or willful misconduct of such Indemnitee.

3.8 The period from the Effective Date until and including the sixtieth (60th) day after the Effective Date shall be referred to herein as the "Investigation Period." If for any reason Buyer is not satisfied with the physical condition or legal status of the Property (including but not limited to applicable zoning and other regulatory matters and restrictions or conditions on the ability of the owner of the Property to develop the Property), Buyer shall have the right to terminate this Agreement by written notice to Seller on or before the end of the Investigation Period. Upon such termination the Deposit shall be returned to Buyer and Buyer and Seller shall be deemed to have released each other from any and all liability and obligations relating to the Property and this Agreement, except Buyer's indemnity and other obligations under Section 3.7 of this Agreement.

3.9 Notwithstanding anything to the contrary contained herein, the provisions of this Section 3 shall survive the termination of this Agreement.

4. ESCROW.

4.1 Agreement to Constitute Escrow Instructions. This Agreement shall constitute escrow instructions and a copy hereof shall be deposited with the Escrow Holder for this purpose.

4.2 Escrow Holder. The escrow shall be opened with Orange Coast Title Company ("Escrow Holder"), within five (5) business days following the Effective Date by Buyer and Seller depositing a copy of this Agreement (or copies of executed counterparts of this Agreement) with Escrow Holder. This document shall be considered as the escrow instructions between the parties, with such further instructions as Escrow Holder may reasonably require in order to clarify the duties and responsibilities of Escrow Holder. If Escrow Holder shall require further escrow instructions, Escrow Holder shall promptly prepare such escrow instructions on its usual form for the purchase and sale of the Property upon the terms and provisions hereof. Provided such further escrow instructions are consistent with this Agreement and satisfactory in form and substance to Buyer and Seller, they shall be promptly signed by Buyer and Seller within five (5) business days after delivery thereof to each party. Each of the Buyer and Seller may also provide further escrow instructions which are consistent with this Agreement to Escrow Holder. The further escrow instructions shall incorporate each and every term of this Agreement and shall provide that in the event of any conflict between the terms and conditions of this Agreement and such further escrow instructions, the terms and conditions of this Agreement shall control.

4.3 Close of Escrow. For the purposes of this Agreement, "Close of Escrow" shall be the date on which a grant deed for the Property in favor of Buyer is recorded in the Official Records of the Los Angeles County Recorder's Office. Provided all of Seller's and Buyer's obligations to be performed on or before Close of Escrow have been performed and all the conditions to the Close of Escrow set forth in this Agreement have been satisfied, escrow shall close on or before the One Hundred Twentieth (120th) day following the Effective Date (the "Closing Date"). All risk of loss or damage with respect to the Property shall pass from Seller to Buyer at the Close of Escrow. Possession of the Property shall be delivered to Buyer upon the Close of Escrow.

4.4 Buyer Required to Deliver. Not less than two (2) business days prior to the Close of Escrow, Buyer shall deposit into escrow the following (properly executed, notarized and acknowledged, if applicable):

4.4.1 The Purchase Price;

4.4.2 Costs to be paid by Buyer under Section 4.9 below; and

4.4.3 All other documents contemplated by this Agreement and required by Escrow Holder to be deposited by Buyer to carry out this escrow.

4.5 Seller Required to Deliver. Not less than two (2) business days prior to the Close of Escrow, Seller shall deposit into escrow the following (property executed, notarized and acknowledged, if applicable):

4.5.1 A grant deed conveying the Property to Buyer, in the form attached hereto as "Exhibit B" and duly executed by Seller and acknowledged (the "Grant Deed");

4.5.2 A California 593 certificate and a federal non-foreign affidavit with respect to Seller, if required by Escrow Holder; and

4.5.3 Any other documents contemplated by this Agreement or required by Escrow Holder or the Title Company to be deposited by Seller to carry out this escrow.

4.6 Conditions to the Close of Escrow. Escrow shall not close unless and until both parties have timely deposited with Escrow Holder all sums and documents required to be deposited as provided in this Agreement. The failure of a party to timely deposit any such sums and/or documents shall constitute a default by such party, subject to reasonable cure as provided in this Agreement. Buyer's obligation to proceed with the transaction contemplated by this Agreement is subject to the satisfaction of all of the following conditions precedent, which are for Buyer's benefit and may be waived only by Buyer:

4.6.1 Seller shall have performed all agreements to be performed by Seller hereunder;

4.6.2 As of the Close of Escrow, there shall have been no material adverse changes in the physical condition of the Property caused by Seller after Buyer's approval of the condition of the Property;

4.6.3 Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, for the amount of the Purchase Price showing fee title to the Property to be vested in Buyer, subject only to the Approved Title Exceptions; and

4.6.4 All legal prerequisites to the sale of the Property by the Seller shall have been satisfied.

In the event that the conditions to Close of Escrow are not timely satisfied for a reason other than a default of Buyer or Seller under this Agreement, then upon termination of

this Agreement, Escrow Holder shall promptly return to Buyer all funds (and all interest accrued thereon) and documents deposited by Buyer in escrow and to return to Seller all funds and documents deposited by Seller in escrow and which are held by Escrow Holder on the date of the termination (less, in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party under Section 4.11 below).

4.7 Recordation of Grant Deed; Delivery of Funds; Delivery of Possession.

Upon receipt of the funds and instruments described in this Section 4, Escrow Holder shall cause the Grant Deed to be recorded in the office of the County Recorder of Los Angeles County, California. Thereafter, Escrow Holder shall deliver the proceeds of this escrow (less appropriate charges) to Seller. Upon Close of Escrow, Seller shall deliver possession and legal title of the Property to Buyer, free and clear of any leases or occupancies.

4.8 Prorations. All real and personal property taxes shall be prorated between Buyer and Seller as of the Close of Escrow, which in the case of taxes and assessments shall be based on the latest available tax information. Any supplemental or escape real estate taxes and assessments on the Property attributable to the period prior to the Close of Escrow shall be paid by Seller outside of the escrow. All prorations shall be determined on the basis of a 360-day year. All taxes and assessments applicable to the Property from the date of Close of Escrow and thereafter shall be the Buyer's sole responsibility.

4.9 Costs of Escrow.

4.9.1 Seller shall pay:

- (a) The premium for the CLTA Standard Title Policy;
- (b) One-half (½) of the escrow fees and reasonable and customary escrow costs; and
- (c) Any other closing costs or charges not expressly provided for herein and customarily paid by a Seller of real property in Los Angeles County, California.

4.9.2 Buyer shall pay:

- (a) One-half (½) of the escrow fees and reasonable and customary escrow fees;
- (b) The cost of recording the Grant Deed, if any;
- (c) The cost of documentary transfer taxes in connection with the recordation of the Grant Deed, if any;
- (d) The excess cost of an ALTA extended title policy, if Buyer has so elected; and

- (e) Any other closing costs or charges not expressly provided for herein and customarily paid by a Buyer of real property in Los Angeles County, California.

4.10 Broker's Commission. Buyer and Seller represent to one another that no broker or finder has been engaged in connection with the transaction contemplated by this Agreement, or to its knowledge is in any way connected with such transaction. Each party covenants and agrees that any other broker fee or commission, which may be due or payable in connection with the closing of the transaction contemplated by this Agreement through its dealings with that party, shall be borne solely by that party. Buyer hereby agrees to indemnify, defend, protect and hold harmless Seller and its employees, agents, representatives, council members, attorneys, successors and assigns, from and against all claims of any agent, broker, finder or other similar party arising from or in connection with its activities relating to the sale of the Property to Buyer by Seller.

4.11 Escrow Cancellation Charges. In the event that this escrow shall fail to close by reason of the default of either party hereunder, the defaulting party shall be liable for all escrow and title cancellation charges. In the event that the escrow shall fail to close for any other reason, each party shall pay one-half (½) of all escrow and title cancellation charges.

5. EMINENT DOMAIN OR TAKING; PHYSICAL DAMAGE OR DESTRUCTION.

5.1 If, prior to the Close of Escrow, any material portion of the Property is taken or if the access thereto or available parking area therefor is reduced or restricted by eminent domain or otherwise (or becomes the subject of a pending, threatened or contemplated taking which has not been consummated, other than any such taking prosecuted by or on behalf of the Buyer), Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller given not later than ten (10) business days after receipt of Seller's notice. If Buyer does not exercise this option to terminate this Agreement, neither party shall have the right to terminate this Agreement, but the Seller shall assign and turn over to Buyer, and the Buyer shall be entitled to receive and keep, all awards for the taking by eminent domain which accrue to Seller, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price. Unless and until this Agreement is terminated, Seller shall take no action with respect to any eminent domain proceeding without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

5.2 If, prior to the Close of Escrow, any material portion of the Property is physically damaged or destroyed due to any cause, natural or otherwise, including, without limitation, (i) fire or flooding, (ii) any destructive seismic or geological conditions such as any earthquake or tremor, subsidence, or unstable subsurface conditions; or (iii) a condition arising from any discharge of Hazardous Materials or other violation of any Environmental Laws, Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller given not later than ten (10) business days after receipt of Seller's notice. If Buyer does not exercise this

option to terminate this Agreement, neither party shall have the right to terminate this Agreement, but the Seller shall assign and turn over, and the Buyer shall be entitled to receive and keep, all insurance proceeds paid by Seller's insurer in connection with such damage or destruction, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price. Unless and until this Agreement is terminated, Seller shall take no action with respect to any such damage and destruction without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

6. CONDITION OF PROPERTY; "AS-IS" SALE; INDEMNITY AND RELEASE.

6.1 There are no representations or warranties of any kind whatsoever, express or implied, made by Seller, including, without limitation, any representation or warranty concerning the potential use, development or physical condition of the Property (including the presence of any hazardous or toxic substances or the structural condition of any buildings or improvements) or any income, expenses, or any other matter or thing arising or related to the Property. Except as otherwise provided for herein, the purchase of the Property hereunder is and will be made on an "AS IS AND WITH ALL FAULTS" basis. Seller shall not be required to make any repairs, alterations or improvements to the Property, except as provided in this Agreement. The Buyer shall fully investigate the Property, including, but not limited to, analysis of soils and hazardous materials, zoning and use issues and other matters which a prudent purchaser would deem necessary, and in the event Buyer shall purchase the Property, Buyer will be relying entirely on its own investigation of the Property.

6.2 BUYER HEREBY WAIVES ITS RIGHT TO RECOVER FROM AND FULLY AND IRREVOCABLY RELEASES SELLER, AND ITS OFFICERS, BOARD MEMBERS, EMPLOYEES, REPRESENTATIVES, AGENTS AND CONTRACTORS (COLLECTIVELY, THE "RELEASED PARTIES") FROM ANY AND ALL CLAIMS, RESPONSIBILITY AND/OR LIABILITY THAT BUYER MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY OF THE RELEASED PARTIES FOR ANY COSTS, LOSSES, LIABILITIES, DAMAGES, EXPENSES, CLAIMS, DEMANDS, ACTION OR CAUSE OF ACTION ARISING FROM HAZARDOUS MATERIALS IN, ON OR UNDER THE PROPERTY. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE OF THE RELEASED PARTIES. IF THE PROPERTY IS NOT IN A CONDITION SUITABLE FOR THE INTENDED USE OR USES, THEN IT IS THE SOLE RESPONSIBILITY AND OBLIGATION OF BUYER TO TAKE SUCH ACTION AS MAY BE NECESSARY TO PLACE THE PROPERTY IN A CONDITION SUITABLE FOR DEVELOPMENT.

THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE

RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF CIVIL CODE SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Buyer's Initials

Buyer's Initials

The waivers and releases by Buyer herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

6.3 To the full extent permitted by law, Buyer shall defend, indemnify and hold Seller harmless from and against any and all claims, losses, damages, costs and expenses arising from or relating to the presence of Hazardous Materials in, on or under the Property, other than those known by Seller to be present at the Close of Escrow but not disclosed to Buyer prior to the Inspection Deadline. This Section 6.3 shall survive the Close of Escrow and the recordation of the Grant Deed.

6.4 The term “Hazardous Materials” as used in this Agreement shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq.; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; asbestos and asbestos-containing materials, PCBs and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. Section 1910.1200 et seq.; industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; any substance defined as a “hazardous substance” in California Civil Code Section 2929.5(e)(2) or California Code of Civil Procedure Section 736(f)(3); and any other substance or material regulated by any Environmental Laws, defined below.

6.5 The term “Environmental Laws” as used in this Agreement shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect on or prior to the Effective Date hereof relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act 7 U.S.C. Section 136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 et seq.; the National Environmental

Policy Act, 42 U.S.C. Section 4321 et seq.; the Noise Control Act, 42 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act 42 U.S.C. Section 6901 et seq.; as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9601 et seq.; as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq.; and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq.; and state and local environmental statutes and ordinances, and implementing regulations and rules.

7. INCORPORATION OF EXHIBITS. All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth herein.

8. ATTORNEYS' FEES. In any action between Buyer and Seller seeking enforcement of any of the terms and provisions of this Agreement, or in connection with the Property, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorneys' fees and reasonable fees of expert witnesses.

9. NOTICES. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and sent by first class United States registered or certified mail, postage prepaid, return receipt requested, or sent by a nationally recognized courier service such as Federal Express, duly addressed to the parties as follows:

To Seller: Successor Agency to the Community Redevelopment Agency
of the City of Compton
205 S. Willowbrook Avenue
Compton, CA 90220
Attn: Executive Director

To Buyer: Clifford Williams and Delores L. Williams
1434 South Oleander Avenue
Compton, CA 90220-4649
Attn: Delores L. Williams
Email: dlrswilliams102@gmail.com

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by mail or courier service. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

10. ASSIGNMENT. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party.

11. BINDING EFFECT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their successors and assigns.

12. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose. No provision of this Agreement may be amended, supplemented or in any way modified except by an agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

13. HEADINGS. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

14. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

15. TIME OF THE ESSENCE. Time is of the essence of this Agreement.

16. THIRD PARTIES. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

17. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the economic terms of the transactions contemplated by this Agreement or the ability of either party to perform its obligations under this Agreement. In such case, either party may terminate this Agreement and the escrow upon written notice to the other party given no later than ten (10) business days after the party giving such notice becomes aware of such invalidity, illegality or unenforceability. In the event of such termination, all funds deposited with Escrow Holder by Buyer and any interest accrued thereon shall be returned to Buyer.

18. ADDITIONAL DOCUMENTS. Each party hereto agrees to perform any further acts and to execute, acknowledge and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

19. GOVERNING LAW; VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California (without regard to conflict laws, principles or rules). All legal actions under, or in connection with this Agreement shall be filed and maintained by Buyer and Seller in courts located in Los Angeles County.

20. BUSINESS DAY. If the final day of any period or any date of performance (including the Investigation Period) under this Agreement falls on a Saturday, Sunday or legal

holiday, then the final day of the period or the date of such performance shall be extended to the
next business day.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BUYER:

Name: Clifford Williams

Name: Delores L. Williams

SELLER:

SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF COMPTON,
a public body

By: _____
Thomas Thomas
Executive Director

Attest:

Alita Godwin
Agency Secretary

APPROVED AS TO FORM:

Eric Perrodin
General Counsel

EXHIBIT A
DESCRIPTION OF THE PROPERTY

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

PARCEL 1:

LOTS 1, 2, 3 AND 4 OF TRACT NO. 1473, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 154 OF MAPS, EXCEPT THE EAST 32 FEET THEREOF, AS PER MAP RECORDED IN BOOK 20, PAGE 154 OF MAPS, IN THE OFFICE AND OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS OVER THE NORTHERLY 20 FEET OF LOT 5 OF TRACT NO. 1473, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 154, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BUT RESERVING FOR THE OWNERS OF LOTS 5 AND 6 AN EQUAL RIGHT TO THE USE OF SAID EASEMENT.

APN: 6162-010-906

EXHIBIT B
FORM OF GRANT DEED

RECORDING REQUESTED BY:

Successor Agency to the Community
Redevelopment Agency of the City
of Compton

AND WHEN RECORDED RETURN TO
AND SEND TAX STATEMENTS TO:

Clifford and Delores L. Williams
1434 South Oleander Avenue
Compton, CA 90220-4649
Attention: Delores L. Williams

APN: 6162-010-906

Space Above This Line For Recorder's Use

*This Grant Deed is exempt from Recording Fees
pursuant to California Government Code Sections 6103 and 27383 and 27388.1*

GRANT DEED

DOCUMENTARY TRANSFER
TAX \$ _____

...Computed on the consideration
or value of property conveyed;
OR
...Computed on the consideration
or value less liens or
encumbrances remaining at
time of sale.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Signature of Declarant or Agent determining tax - Firm
Name

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, a public body, (the "Grantor"), hereby grants to CLIFFORD WILLIAMS AND DELORES L. WILLIAMS, husband and wife as joint tenants (collectively, the "Grantee"), that certain real property described in Exhibit A attached hereto (the "Property") and incorporated herein by this reference, together with all improvements located thereon and all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

SUBJECT TO:

General and special real property taxes and assessments and supplemental assessments for the current fiscal year;

All liens, encumbrances, easements, covenants, conditions and restrictions of record;

All matters which would be revealed or disclosed in an accurate ALTA survey of the Property.

This grant of the Property is subject to a Purchase and Sale Agreement entered into by and between Grantor and Grantee, dated as of _____, 2022 (the "Agreement"), the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor at 205 South Willowbrook Avenue, Compton, California 90220.

By acceptance hereof, Grantee agrees, for itself, its successors and assigns, to refrain from restricting the rental, sale or lease of the Property on any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or improvements, nor shall the Grantee himself/herself or any such person claiming under or through him/her establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property. The foregoing covenants shall run with the Property.

All deeds, leases or contracts entered into by Grantee, their successors and assigns, or any successor-in-interest to all or any portion of or interest in the Property shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

1. In deeds: "The grantee herein covenants by and for and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing

for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

2. In leases: “The lessee herein covenants by and for himself, his heirs, executors, administrators and assigns, and all persons claiming under or through him, and that this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use, or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

3. In contracts: “There shall be no discrimination against or segregation of, any person or group or persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

The foregoing shall be a covenant running with the land for the benefit of the Grantor, and as a burden upon the Property.

All covenants contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor its successors and assigns and such covenants shall run in favor of the Grantor and for the entire period during which the covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land adjacent to the Property or interest in such land or any other land. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies available under the Agreement or this Grant Deed, or at law or in equity. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors and assigns.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2022.

GRANTOR:

SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF
COMPTON, a public body

By: _____
Name: Thomas Thomas
Title: Executive Director

ATTEST:

Alita Godwin, Agency Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing Section is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

Exhibit A to Grant Deed

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

PARCEL 1:

LOTS 1, 2, 3 AND 4 OF TRACT NO. 1473, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 154 OF MAPS, EXCEPT THE EAST 32 FEET THEREOF, AS PER MAP RECORDED IN BOOK 20, PAGE 154, OF MAPS, IN THE OFFICE AND OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS OVER THE NORTHERLY 20 FEET OF LOT 5 OF TRACT NO. 1473, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 154, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BUT RESERVING FOR THE OWNERS OF LOTS 5 AND 6 AN EQUAL RIGHT TO THE USE OF SAID EASEMENT.

APN: 6162-010-906

APPRAISAL REPORT

OF:

A RETAIL USE PROPERTY

LOCATED AT:

**408 WEST ALONDRA BOULEVARD
COMPTON, CALIFORNIA 90220**

PREPARED FOR:

**SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF COMPTON
205 SOUTH WILLOWBROOK AVENUE
COMPTON, CA 90220**

VALUATION DATE:

AUGUST 11TH, 2022

PREPARED BY:

**PHILIP ROTH
OMEGA VALUATION, LLC
23425 ANZA AVENUE #E
TORRANCE, CALIFORNIA 90505
(310) 283-2786**

OMEGA VALUATION, LLC
REAL ESTATE APPRAISAL & CONSULTATION

23425 Anza Avenue, #E
Torrance, California 90254
Telephone (310) 283-2786
Email PhilipRRoth@gmail.com

August 12th, 2022

City of Compton Successor Agency
Attn: Agency Director

Subject: A Retail Use Property
408 West Alondra Boulevard
Compton, California 90220

Interior File Number: 22-091

Dear Clients:

Pursuant to your request, we have appraised the above-referenced property for the purpose of ascertaining the As-Is, Fee Simple, Fair Market Value as of August 11th, 2022.

This Summary Appraisal Report, which complies with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, the report presents summary discussions of the data, reasoning, and analyses that have been used in the appraisal process to develop the opinion of value.

Based on your request, this appraisal report has been prepared to assist you with matters relating to valuations for internal purposes in association with municipal planning.

At your request, this appraisal was limited in scope to the direct Sales Approach only with no consideration to the Cost Approach or the Income Approach given. Details of the subject's current rental agreement were not provided for this assignment due to the current tenant being a potential buyer of the subject.

This report is an update of an appraisal completed March 9th, 2020 based on a February 20th, 2020 physical interior inspection of the subject. While the subject property was exteriorly inspected on August 10th, 2022, the interior is assumed to exist in the same state and condition as noted on February 20th, 2020 based on extraordinary assumption. Photographs of this inspection are provided in the addendum.

Based upon our market review and analysis of the subject property, the As-Is, Fee Simple, Fair Market Value of the property under appraisal is:

TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$250,000)

This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. The appraiser has complied with the USPAP competency provision, is a licensed Certified General Appraiser with the State of California.

On the following pages will be found an appraisal that contains the some of the matters and data on which the opinions expressed are predicated. Please feel free to contact me if you should have questions regarding any aspect of the valuation work performed.

Respectfully submitted,

OMEGA VALUATION, LLC

A handwritten signature in black ink, appearing to read "Philip Roth". The signature is stylized with a large "P" and "R".

Philip Roth
OREA #AG3003932

TABLE OF CONTENTS

TRANSMITTAL LETTER	I
TABLE OF CONTENTS	III
SUMMARY OF SALIENT FACTS	5
INTRODUCTION	7
<i>Intended User and Use of Report</i>	7
<i>Scope of Work</i>	7
<i>Competency</i>	9
<i>Professional Standards</i>	9
<i>Definition of Interests Valued</i>	9
<i>Valuation Premised - Standard of Value</i>	9
<i>Valuation Premise Qualifier</i>	10
<i>Effective Date of Value</i>	10
<i>Effective Date of Report</i>	10
<i>Property Identification</i>	10
<i>Ownership/Sales and Listing History</i>	10
<i>Anticipated Exposure Period</i>	10
SUBJECT LOCATION	11
<i>Los Angeles County</i>	11
<i>City of Compton</i>	12
<i>Surroundings</i>	15
SUBJECT PROPERTY DESCRPTION	17
<i>Subject Site</i>	17
<i>Street</i>	18
<i>Flood Zone</i>	18
<i>Earthquake Zone</i>	18
<i>Hazardous Materials</i>	18
<i>Zoning</i>	18
<i>Plat Map</i>	20
<i>Assessed Valuation</i>	22
<i>Sketch</i>	23
<i>Plot Plan</i>	24
HIGHEST AND BEST USE	25
<i>Highest and Best Use of the land as though vacant</i>	26
<i>Highest and Best Use as improved</i>	26
VALUATION PROCESS	27
<i>Introduction</i>	27
<i>Cost Approach</i>	27
<i>Sales Comparison Approach</i>	27
<i>Income Capitalization Approach</i>	27

<i>Reconciliation</i>	<i>27</i>
<i>Approaches Utilized.....</i>	<i>28</i>
SALES COMPARISON APPROACH	29
<i>Methodology</i>	<i>29</i>
<i>Introduction.....</i>	<i>29</i>
<i>Market Data Summary – Retail Use Sales</i>	<i>30</i>
<i>Market Data Summary – Retail Use Sales</i>	<i>31</i>
<i>Market Data Summary – Retail Use Sales</i>	<i>32</i>
<i>Comparable Sales Map.....</i>	<i>33</i>
<i>Comparable Sales Analysis.....</i>	<i>34</i>
<i>Valuation Analysis</i>	<i>36</i>
INCOME APPROACH.....	37
<i>Methodology</i>	<i>37</i>
<i>Subject Leasing Status</i>	<i>37</i>
<i>Rent Survey</i>	<i>37</i>
<i>Rent Survey Grid – Retail Space.....</i>	<i>38</i>
<i>Comparable Retail Rental Map</i>	<i>39</i>
<i>Forecast Rental Income</i>	<i>40</i>
<i>Rental Revenue Projection.....</i>	<i>40</i>
<i>Vacancy and Collection Loss</i>	<i>40</i>
<i>Stabilized Expense Estimate.....</i>	<i>41</i>
<i>Overall Capitalization Rate</i>	<i>42</i>
<i>Direct Capitalization Approach Summary.....</i>	<i>43</i>
RECONCILIATION AND FINAL VALUE ESTIMATE	44
<i>Value Estimates.....</i>	<i>44</i>
CERTIFICATION AND RESTRICTION UPON DISCLOSURE AND USE.....	45
ASSUMPTIONS, CONTINGENT AND LIMITING CONDITIONS	47

ADDENDA

EXHIBIT A – SUBJECT PROPERTY PHOTOGRAPHS

EXHIBIT B – COMPARABLE SALE PHOTOGRAPHS

APPRAISER’S QUALIFICATIONS

APPRAISER’S LICENSES

PUBLIC RECORDS

SUMMARY OF SALIENT FACTS

PROPERTY TYPE:	Retail Use		
ADDRESS:	408 West Alondra Boulevard, Compton, California, 90220		
ASSESSOR'S PARCEL NUMBER:	6162-010-906		
LOCATION:	South side of Alondra Blvd, west of Oleander Ave and east of Center Ave		
PROPERTY RIGHTS APPRAISED:	As-Is, Fee Simple, Fair Market Value		
DATE OF VALUE:	August 11 th , 2022		
LAND AREA:	6,120 square feet (0.14 acres)		
ZONING:	C-L: Limited Commercial, City of Compton		
IMPROVEMENTS:	One single-level building of 1,100 square feet built in 1928/1940, considered to be of class D construction.		
HYPOTHETICAL CONDITIONS:	None		
EXTRAORDINARY ASSUMPTIONS:	1.) This report is completed under extraordinary assumption that the subject exists in the same state and condition as it did on 02/20/2020, the date of interior physical inspection. 2.) The subject occupancy details were provided verbally by the client in lieu of tenant signed lease or estoppel and this report is completed under the extraordinary assumption that the client provided information is valid. The use of these extraordinary assumptions may influence value.		
HIGHEST AND BEST USE:	As Vacant – hold as vacant until market conditions improve		
	As Improved – existing property		
VALUATION:	As Is		
Income Approach	\$235,000		

Cost Approach	N/A		
Sales Comparison Approach	\$250,000		
“As-Is” Value Conclusion	\$250,000		

INTRODUCTION

Intended User and Use of Report

This report was prepared for the user and client, Successor Agency to the Community Redevelopment Agency of the City of Compton, and other authorized parties, for internal municipality planning purposes only. This report is not intended for mortgage finance or any other users or uses.

Scope of Work

The Uniform Standards of Professional Appraisal Practice (USPAP) defines scope of work as “the amount and type of information researched and the analysis applied in an assignment.” USPAP clearly states the “burden of proof” for the scope of work decision rests solely with the appraiser(s), not the client. The scope of work includes, but is not limited to, the following:

- the degree to which the property is inspected or identified;
- the extent of research into physical or economic factors that could affect the property;
- the extent of the data research; and the type and extent of analysis applied to arrive at opinions or conclusions.

Before accepting the assignment, the appraiser(s) conversed with the client’s agent. During the conversation(s), the client’s agent implied or made the following statements, which have bearing on the scope of work decision.

Client’s Prior Engagement of Appraisal Services: (Yes - 2) Report dates 3/9/2020 & 9/24/2021

Intended Users: The client and their agent and authorized parties

Supplemental Standard(s) Apply: None Used

Jurisdictional Exception(s) Apply: None Used

Evaluation of assignment complexity by the appraiser(s), in concert with client statements, agreements, and our inferences constitute the primary basis for establishing the appraisers’ scope of work. Elements of the scope of work are below.

Standard of Value: Fair Market Value

Complies With Reporting Requirements Set Forth in USPAP Standard Rule: 2-2(a)

Subject Observation: Exterior Only

Highest and Best Use: Inferred Analysis

Data Verification: A combination of verification methods was used to confirm market data cited in this report. Some data was confirmed “indirectly” because we relied upon the

efforts of data reporting companies such as CoStar Group or LoopNet, multiple listing services, or other appraisers. Some data was confirmed “directly” via one or more parties with in-depth knowledge about the sale property, and/or related financial details.

Data verification affects reliability. Most of our market information is obtained from secondary sources like data reporting and title companies, multiple listing services, or other appraisers. We employ only secondary sources that we believe to be reliable. We often utilize the data as published/verified by these sources, which constitutes “indirect” verification. Whenever we suspect that more verification is needed, we will contact people who were involved, or who have knowledge of the transaction. This constitutes “direct” verification, which is more thorough. Additional data sources included, yet were not limited to, the internet, governmental agencies, demographic service companies, persons involved with the subject, appraiser files and other real estate professionals. No guaranties or warranties of the market data or information are expressed or implied. No liability or responsibility is assumed by the appraiser(s) for any inaccuracy from any seemingly credible information source.

Highest and best use analyses can be categorized into two groups - inferred and fundamental. A fundamental analysis is quantified from broad demographic and economic data such as population and income. Supply is inventoried and subject-specific characteristics are considered. Then, the relationship between supply and demand is weighed to determine a specific highest and best use for the subject. An inferred analysis uses trends and patterns to infer a general highest and best use for the subject. Market dynamics that might be considered are prices, marketing times, rents, vacancies, and listings of similar real estate. Subject-specific studies were not made during the appraisal development process.

The Scope of Work, negotiated with the client at the outset of the engagement, is the key: defining the problem to be solved by this appraisal, the intended use, the intended user(s), what value definition to use, and which appraisal approaches, techniques and methods will give us the best answer to the question. Development of the appraisal included, yet was not limited to, observation of the subject and data verification as stated above, and other steps listed below.

- consideration of influential market area, physical, economic, and governmental factors
- determination of the subject’s highest and best use(s), if appropriate
- development of three approaches to value
- reconciliation of value indications, if appropriate and,
- preparation of this report

For our purposes, all USPAP requirements are fulfilled, the depth and breadth of research and analysis, as well as the appraisal report, is a product of the Scope of Work. Appraisal development signifies the extent of the reasoning and analyses that culminates in an estimate of value. Our degree of appraisal development and reporting for the subject industrial land use

property is presumed sufficient for the levels of knowledge and experience possessed by our client (the intended user), their agents, and other authorized users. It is also assumed this report will be used only for the intended use stated herein. According to USPAP, all valuation approaches that are applicable to the interest being appraised and, that are necessary to produce credible results, must be developed. The relevance and development of each major approach is listed below.

	Applicable & Necessary (Developed)	Applicable yet Unnecessary (Omitted)	Not Applicable	Not Applicable But Included At Client's Request
<i>Cost Approach</i>			X	
<i>Sales Comparison</i>	X			
<i>Income Approach</i>	X			

The Sales Comparison and Income Approaches to value were selected for the appraisal after consideration of the type of property appraised, available market data, and the client's intended use.

Competency

The person signing this report is licensed to appraise real property in the state the subject is located. I affirm that I have the experience, knowledge, and education to value this type property and, that I have previously appraised similar real estate.

Professional Standards

All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice, promulgated by the Appraisal Foundation. Revised biennially to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.

Definition of Interests Valued

Fee Simple (Source: The Dictionary of Real Estate Appraisal, 5th ed. 2010 Appraisal Institute) "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."

Valuation Premised - Standard of Value

Fair Market Value (CCP § 1263.320.): the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available."

Valuation Premise Qualifier

As-Is (Source: *The Dictionary of Real Estate Appraisal*, 5th ed. 2010 Appraisal Institute) “An estimate of the market value for the property in the condition observed upon inspection as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared.”

Effective Date of Value

August 11th, 2022

Effective Date of Report

The date of this report is August 12th, 2022, which corresponds to the completion and signing of the report document.

Property Identification

The subject's street address is 408 West Alondra Boulevard, Compton, California 90220-4639. The Los Angeles County Tax Assessor identifies the subject property as TR=1473 S 2.71 FT OF W 68 FT OF LOT 1 AND W 68FT OF LOTS 2, 3, AND 4. Assessor's Parcel Number 6162-010-906.

Ownership/Sales and Listing History

According to public records, title to the subject property is vested in the Community Redevelopment Agency of the City of Compton, which acquired the property on 08/29/2008 under unknown circumstances. The subject property is available for purchase through the successor agency of the city. It has been disclosed by the client that the subject is being considered for purchase by a potential buyer. To our knowledge, there have been no other sales or listings of the subject property within the past 36 months. MLS/Parcel Quest data sources.

Anticipated Exposure Period

The marketability of the subject property is good at this time. Exposure time refers to 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 a market value on the effective date of the appraisal; a retrospective estimate based on the analysis of past events assuming a competitive market. In the subject's case, the *exposure time* was estimated to be approximately three to six months.

We have also analyzed potential *marketing time* for the subject project. Our marketing time considers the current environment of demand for retail properties in the greater Southern California region and the state as a whole. We have discussed the current market with investment brokers and reviewed information published by Price-Waterhouse-Coopers, LLP, and estimate that the marketing time would fall in a range from three to six months, assuming sufficient exposure to the market.

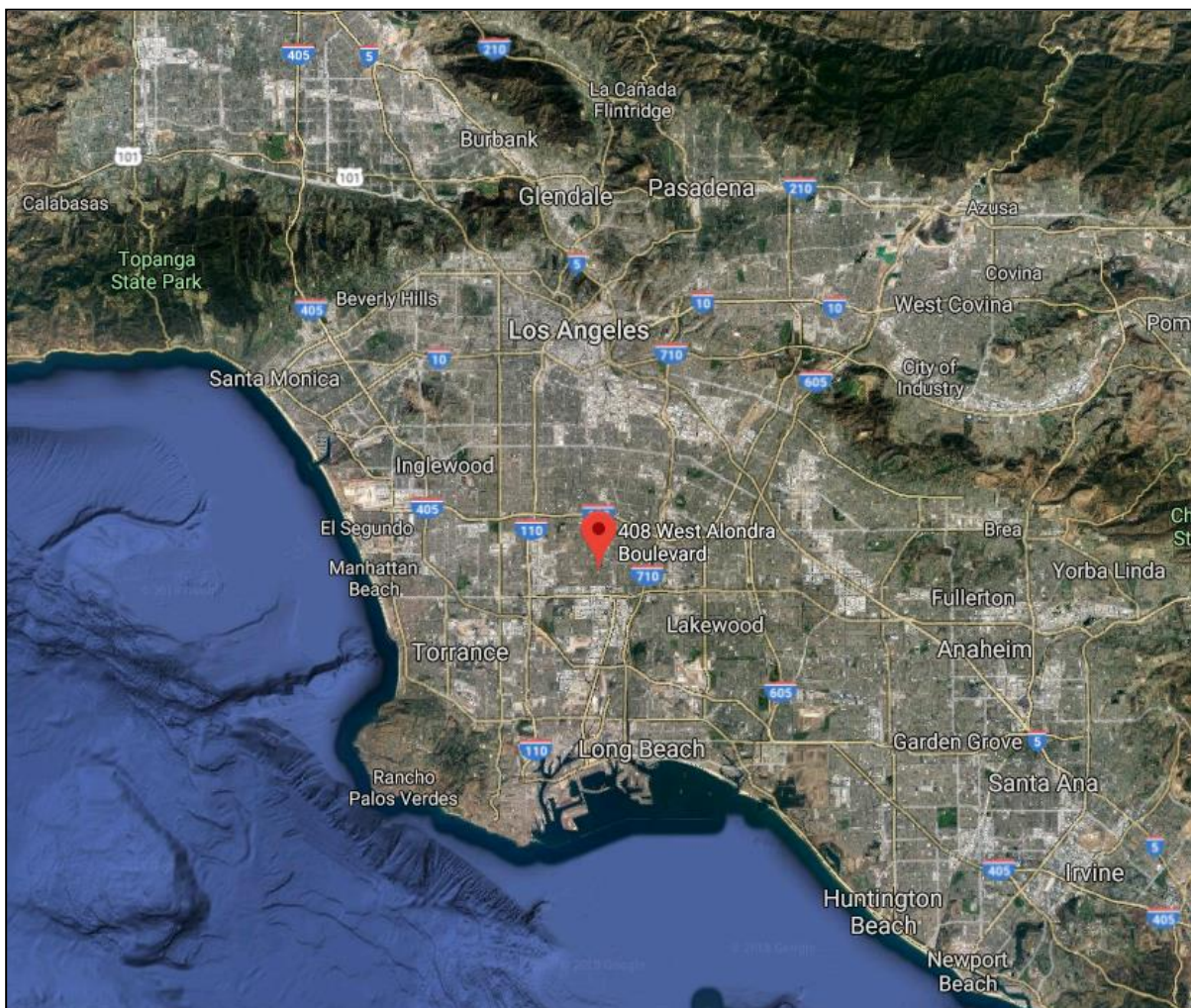
SUBJECT LOCATION

Los Angeles County

Los Angeles is a county in the U.S. state of California. As of 2010 U.S. Census, the county had a population of 9,818,605, making it the most populous county in the United States. Los Angeles County alone is more populous than 42 individual U.S. states. The county seat is the city of Los Angeles, the largest city in California and the second-largest city in the United States (after New York City).

Los Angeles County also includes two offshore islands, San Clemente Island and Santa Catalina Island. The county is home to 88 incorporated cities and many unincorporated areas. At 4,083 square miles, it is larger than the combined areas of the states of Rhode Island and Delaware.

The county is home to over a quarter of all California residents. One of the most diverse counties in the country, it is home to the nation's largest urban Native American population. Within its boundaries are most of the principal cities composing the Los Angeles metropolitan area, and is the core of the five counties that make up the Greater Los Angeles Area.



According to the 2010 census, the county has a total area of 4,752.32 square miles (12,308.5 km²), of which 4,060.87 square miles (10,517.6 km²) (or 85.45%) is land and 691.45 square miles (1,790.8 km²) (or 14.55%) is water. Los Angeles County borders 70 miles (110 km) of coast on the Pacific Ocean and encompasses towering mountain ranges, deep valleys, forests, islands, lakes, rivers, and desert. The Los Angeles River, Rio Hondo, the San Gabriel River and the Santa Clara River flow in Los Angeles County, while the primary mountain ranges are the Santa Monica Mountains and the San Gabriel Mountains. The western extent of the Mojave Desert begins in the Antelope Valley, in the northeastern part of the county. Most of the population of Los Angeles County is located in the south and southwest, with major population centers in the Los Angeles Basin, San Fernando Valley and San Gabriel Valley. Other population centers are found in the Santa Clarita Valley, Crescenta Valley and Antelope Valley.

The county is divided west-to-east by the rugged San Gabriel Mountains, filled with coniferous forests and subject to plentiful snowfall in the winter. The San Gabriel Mountains are part of the Transverse Ranges of southern California, and are contained mostly within the Angeles National Forest. Most of the highest peaks in the county are located in the San Gabriel Mountains, including Mount San Antonio (10,068ft) at the Los Angeles-San Bernardino county lines, Mount Baden-Powell (9,399ft), Mount Burnham (8,997ft), and the well-known Mount Wilson (5,710ft) where the Mount Wilson Observatory is located. Several smaller, lower mountains are located in the northern, western, and southwestern parts of the county, including the San Emigdio Mountains, the southernmost part of Tehachapi Mountains, and the Sierra Pelona Mountains.

Los Angeles County is commonly associated with the entertainment industry; all six major film studios—Paramount Pictures, 20th Century Fox, Sony, Warner Bros., Universal Pictures, and Walt Disney Studios—are located within the county. Beyond motion picture and television program production, other major industries of Los Angeles County are international trade supported by the Port of Los Angeles and the Port of Long Beach, music recording and production, aerospace, and professional services such as law and medicine.

Source: http://en.wikipedia.org/wiki/Los_Angeles_County,_California

City of Compton

Compton is a city in southern Los Angeles County, California, United States, situated south of downtown Los Angeles. Compton is one of the oldest cities in the county and on May 11, 1888, was the eighth city to incorporate. As of the 2010 United States Census, the city had a total population of 96,455. It is known as the "Hub City" due to its geographic centrality in Los Angeles County. Neighborhoods in Compton include Sunny Cove, Leland, Downtown Compton, and Richland Farms. The city is generally a working class city with some middle-class neighborhoods, and is home to a relatively young community, at an average 25 years of age, compared to the American median age of 35 (2010 data).

According to the United States Census Bureau, the city has a total area of 10.1 square miles (26 km²). 10.0 square miles (26 km²) of it is land and 0.1 square miles (0.26 km²) of it (1.03%) is water.

It is bordered by the unincorporated Willowbrook on the north and northwest, the unincorporated West Compton on the west, the city of Carson on the southwest, the

unincorporated Rancho Dominguez on the south, the city of Long Beach on the southeast, the city of Paramount and the unincorporated East Compton on the east, and by the city of Lynwood on the northeast.

The 2010 United States Census reported that Compton had a population of 96,455. The population density was 9,534.3 people per square mile (3,681.2/km²).

The Census reported that 95,700 people (99.2% of the population) lived in households, 643 (0.7%) lived in non-institutionalized group quarters, and 112 (0.1%) were institutionalized.

There were 23,062 households, out of which 13,376 (58.0%) had children under the age of 18 living in them, 10,536 (45.7%) were opposite-sex married couples living together, 6,373 (27.6%) had a female householder with no husband present, 2,354 (10.2%) had a male householder with no wife present. There were 1,725 (7.5%) unmarried opposite-sex partnerships, and 158 (0.7%) same-sex married couples or partnerships. 2,979 households (12.9%) were made up of individuals and 1,224 (5.3%) had someone living alone who was 65 years of age or older. The average household size was 4.15. There were 19,263 families (83.5% of all households); the average family size was 4.41.

The age distribution of the population was as follows: 31,945 people (33.1%) under the age of 18, 11,901 people (12.3%) aged 18 to 24, 26,573 people (27.5%) aged 25 to 44, 18,838 people (19.5%) aged 45 to 64, and 7,198 people (7.5%) who were 65 years of age or older. The median age was 28.0 years. For every 100 females there were 94.8 males. For every 100 females age 18 and over, there were 90.7 males.

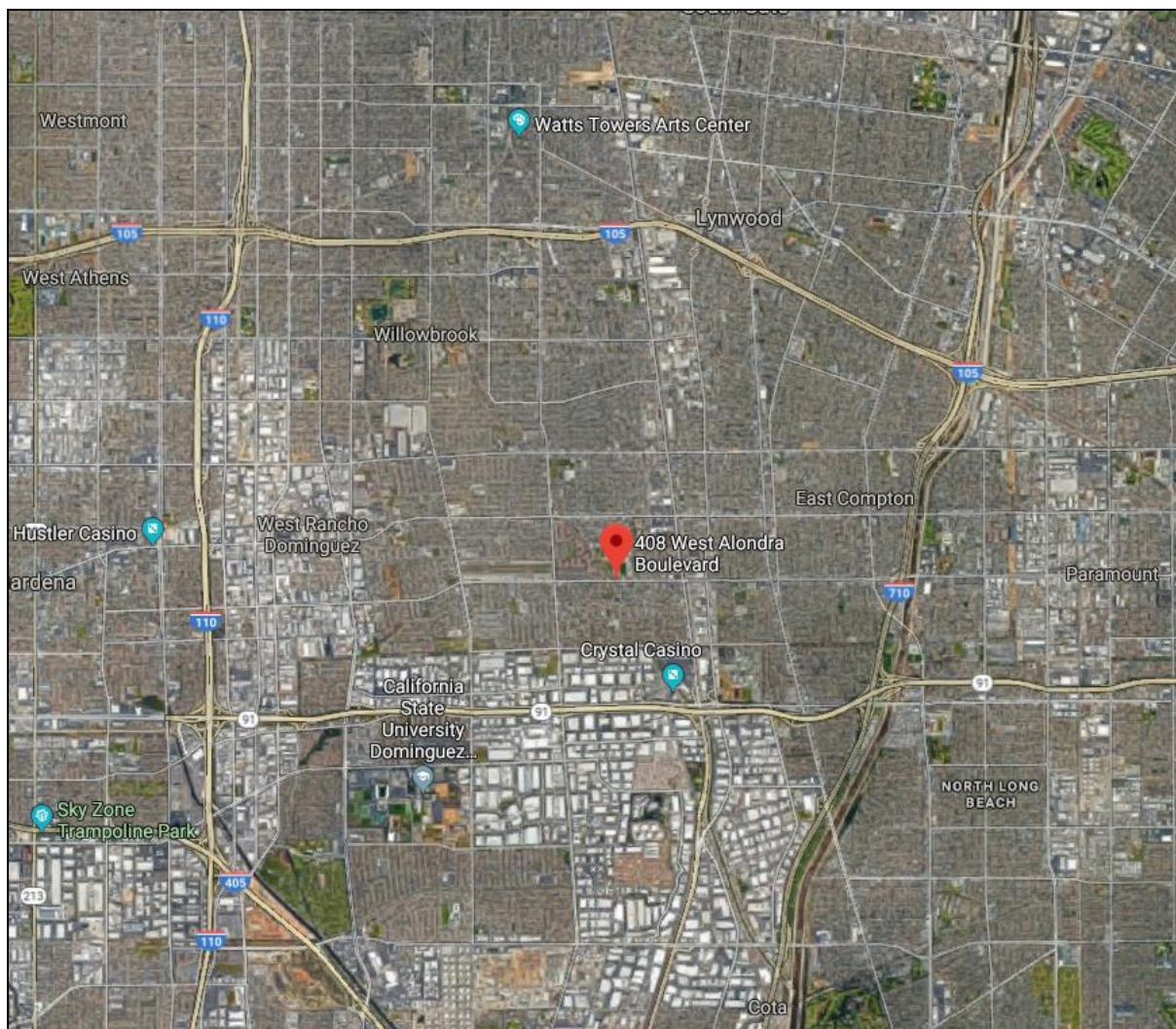
There were 24,523 housing units at an average density of 2,424.0 per square mile (935.9/km²), of which 12,726 (55.2%) were owner-occupied, and 10,336 (44.8%) were occupied by renters. The homeowner vacancy rate was 2.9%; the rental vacancy rate was 5.9%. 53,525 people (55.5% of the population) lived in owner-occupied housing units and 42,175 people (43.7%) lived in rental housing units.

During 2009–2013, Compton has a median household income of \$42,953, with 26.3% of the population living below the federal poverty line.

Compton was recently designated as an "Entrepreneurial Hot Spot" by Cognetics, Inc., an independent economic research firm. Compton made the national list for best places to start and grow a business, and ranked #2 in Los Angeles County out of a field of 88 cities. The city's Planning and Economic Development department provides a business assistance program consisting of a comprehensive mix of resources to small business owners and entrepreneurs. The grocery chains Ralphs and Food 4 Less, subsidiaries of Kroger, are headquartered in Compton. Gelson's Market, a subsidiary of Arden Group, Inc., a holding company, is also based there.

Compton is surrounded by multiple freeways which provide access to destinations throughout the region. The Long Beach and Los Angeles Ports are less than 20 minutes from downtown Compton, providing access to international destinations for customers and suppliers. The Alameda Corridor, a passageway for 25% of all U.S. waterborne international trade, runs directly through Compton from north to south.

The Gateway Towne Center is a retail center and represents a new trend in investing in inner cities. Phase one of the mega-shopping center included several big box retailers, several restaurants, banks, supply stores and fitness centers.



The city is served by Compton Unified School District. The district is a participant of the FOCUS program conducted by the University of California, Irvine. The goals of the program are to improve mathematics and science achievement by uniting the efforts of mathematics, science, education and research library faculty and staff with educators of the school district.

The CUSD provides public education for grades K–12. The district operates 24 elementary schools, eight middle schools, three high schools, and one adult school, which also serves as an alternative school. The district maintains five alternative learning schools.

The three high schools of the CUSD are Centennial High School, Dominguez High School, and Compton High School.

The city is also served by El Camino College Compton Education Center, which offers community college courses for those planning to enter a four-year degree program, as well as those seeking further education in specific trade fields.

Reed Christian College is a non-profit private institution, located in Compton. The program lasts for less than one year, and total enrollment is approximately 120 students.

The Compton Library offers adult, children's and Spanish language materials; reference services; a Literacy Center and a Homework Center; public computers with Internet access and word processing capabilities; public typewriters; and a bilingual story time every Saturday at 12:00 noon.

Occidental's Center for Food and Justice and its Compton Farm-to-School project were featured in a segment of Life and Times, a half-hour news program on public television's KCET in Los Angeles.

Barack Obama Charter School is a kindergarten through sixth grade public charter school.

The Los Angeles County Department of Health Services operates the South Health Center in Watts, Los Angeles, serving Compton.

The United States Postal Service operates the Compton Post Office at 701 South Santa Fe Avenue the Hub City Post Office at 101 South Willowbrook Avenue, and the Fashion Square Post Office at 2100 North Long Beach Boulevard.

Four freeways are in or near the city's boundaries and provide access to destinations throughout the region. Interstate 710 runs through the eastern boundary, State Route 91 runs through the southern boundary. Interstate 105 runs slightly along the north of the city, and Interstate 110 along to the west.

The Metro Blue Line light rail runs north–south through the city; Compton Station is in the heart of the city, adjacent to the Renaissance Shopping Center. The Blue Line connects Compton to downtown Los Angeles and downtown Long Beach.

There is also a Compton Renaissance Transit System that serves the local community.

Compton/Woodley Airport is a small general aviation airport located in the city. The airport lies within busy airspace, as it is situated within a few miles of both Los Angeles International Airport and Long Beach Airport.

Greyhound Lines operates the Compton Station.

Collectively, these multifaceted transportation links lend justification to the city's familiar name of "the Hub City."

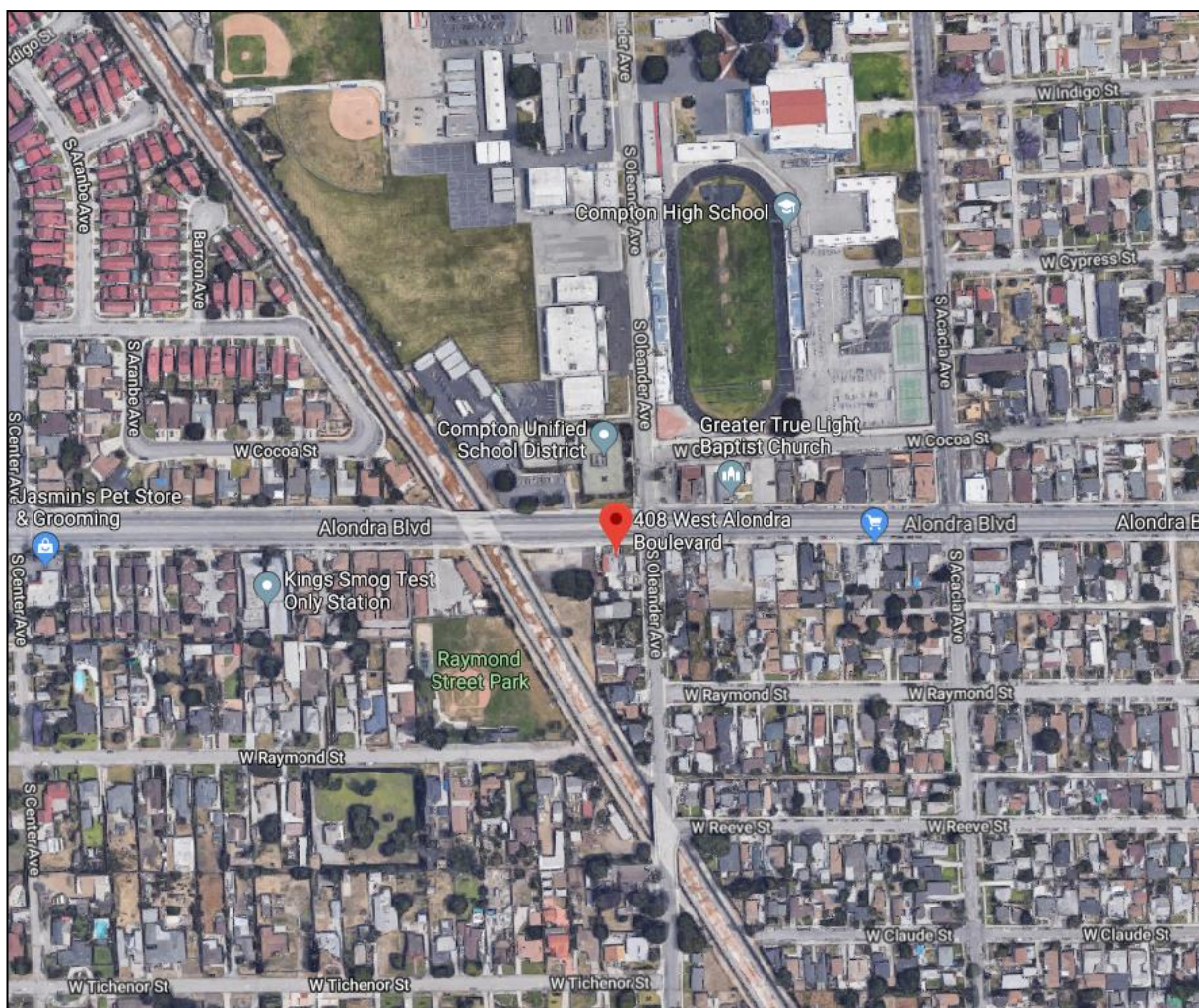
Source: https://en.wikipedia.org/wiki/Compton,_California

Surroundings

The subject property is along a major thoroughfare in the City of Compton. The subject's neighborhood is bound to the east by Long Beach Boulevard, to the west by Wilmington Avenue, to the north by Rosecrans Avenue, and to the south by The Gardena (91) Freeway. The subject's neighborhood is comprised predominately of older generation single and multi-family use properties with commercial uses along major thoroughfares to provide support services to the surrounding residences. The subject's location accented by close proximity to

the Harbor (110), Gardena (91), Long Beach (710) and Glenn Anderson (105) Freeways. The subject property is located within a mile from K through 12 grade schools. Retail shops, medical and professional office buildings, and other commercial properties are located along the major thoroughfares of Central Avenue, Long Beach Boulevard, Alameda Street, Willowbrook Avenue, Compton Boulevard, and Rosecrans Avenue.

Compton remains a market largely underserved by brand name retailers. The subject's immediate surrounding neighborhood can be characterized as deficient in retail and service commercial support services. Major thoroughfares feature smaller older generation commercial uses, many beyond their useful economic lifespans, and vacant commercial land sites. An in-fill of newer retail development, especial at major intersections as with the subject, would have a positive effect, creating momentum for future growth. However, most brand name retailers look to expand into neighborhoods in which their new development would benefit from synergy with the existing successful retail product.



SUBJECT PROPERTY DESCRIPTION

Subject Site

The subject site features 6,120 square feet of gross site area. The subject site is comprised of three contiguous parcels and is rectangular in shape. The subject site is sited to the west by a vacant commercial site and is bordered to the east and south by residential use properties. The subject is an interior site with 68 feet of frontage along Alondra Boulevard, a major commercial thoroughfare.

There appears to be no drainage problems with the subject site. All the necessary utilities are provided to the site.

A survey of the subject site was not provided for the purpose of this analysis and estimates of site size and dimensions are based on county plat maps verified with aerial imaging measurements.

Our value analysis assumes that there are no other easements, covenants, conditions, restrictions, rights of way of record or otherwise, governmental rules, statutes, ordinances, policies, or plans, which would prohibit or materially interfere with the operation of any of the legally permissible uses and adversely affect the property's marketability.

We have assumed, in the absence of a soils report that the land consists of reasonably solid, unfilled ground and that by following the recommendations and guidelines set forth by engineers, existing and future structures and grading will be safe from settlements under design loadings and conditions. We have not been provided with a Site Assessment report; thus, the assumption has been made that there are no current violations of environmental regulations and there is no contaminant environmental impact or impairments. We reserve the right to alter the opinions expressed within this appraisal if evidence of hazardous or toxic wastes is found upon formal inspection by qualified professionals.

A soils report of the property was not made available to us for the preparation of this report. Given the apparent physical integrity of the existing structure, this appraisal assumes that there are no unusual soil conditions that adversely impact the property. All normally required public utilities are available to the subject site. Off-site improvements include asphalt concrete paved streets, concrete curbs, gutters and sidewalks, streetlights, storm drains, sewer systems, fire hydrants and utilities.

<i>Site Size/Dimension:</i>	6,120sf = 68ft x 90ft
<i>Access:</i>	Average, Moderate Exposure
<i>Street Frontage:</i>	Alondra Boulevard – 68 feet
<i>Shape:</i>	Rectangular
<i>Utility:</i>	Average

<i>Visibility:</i>	Average
<i>Landscaping:</i>	Limited
<i>Drainage:</i>	Adequate
<i>Traffic Pattern/Volume:</i>	Moderate
<i>Utilities:</i>	All to site
<i>Street Width:</i>	Alondra Boulevard – 85 feet
<i>Street paving:</i>	Asphalt
<i>Sidewalks:</i>	Concrete
<i>Curbs-Gutters:</i>	Concrete
<i>Lighting:</i>	Standard
<i>Topography:</i>	Level
<i>Site Position:</i>	Interior

Street

The subject features 68 feet of frontage along Alondra Boulevard, a fully improved, two lanes in each direction, major commercial thoroughfare that is 85 feet wide at the subject site. The street is improved with automobile parking on each side, concrete sidewalks, curbs, and gutters, standard street lights, and surfaced with asphalt paving. The overall maintenance of the street is standard to the general community.

Flood Zone

In review of TRW REDI Property Data indicates that the subject is designated as being in Flood Zone X as per panel number 060111/06037C/1815 F dated 9/26/2008. Zone X is for areas which are of minimal hazard subject to flooding and flood insurance, is not required.

Earthquake Zone

The site is not located in a Special Study Zone as established by the Alquist-Priolo Geological Hazards Act. However, as with all Southern California, this is a seismically active area.

Hazardous Materials

No evidence of toxic waste was noted upon our inspection of the subject property. However, an examination of the site by the EPA is recommended for final determination of the potential existence of toxic waste, as we are not qualified to detect such substances.

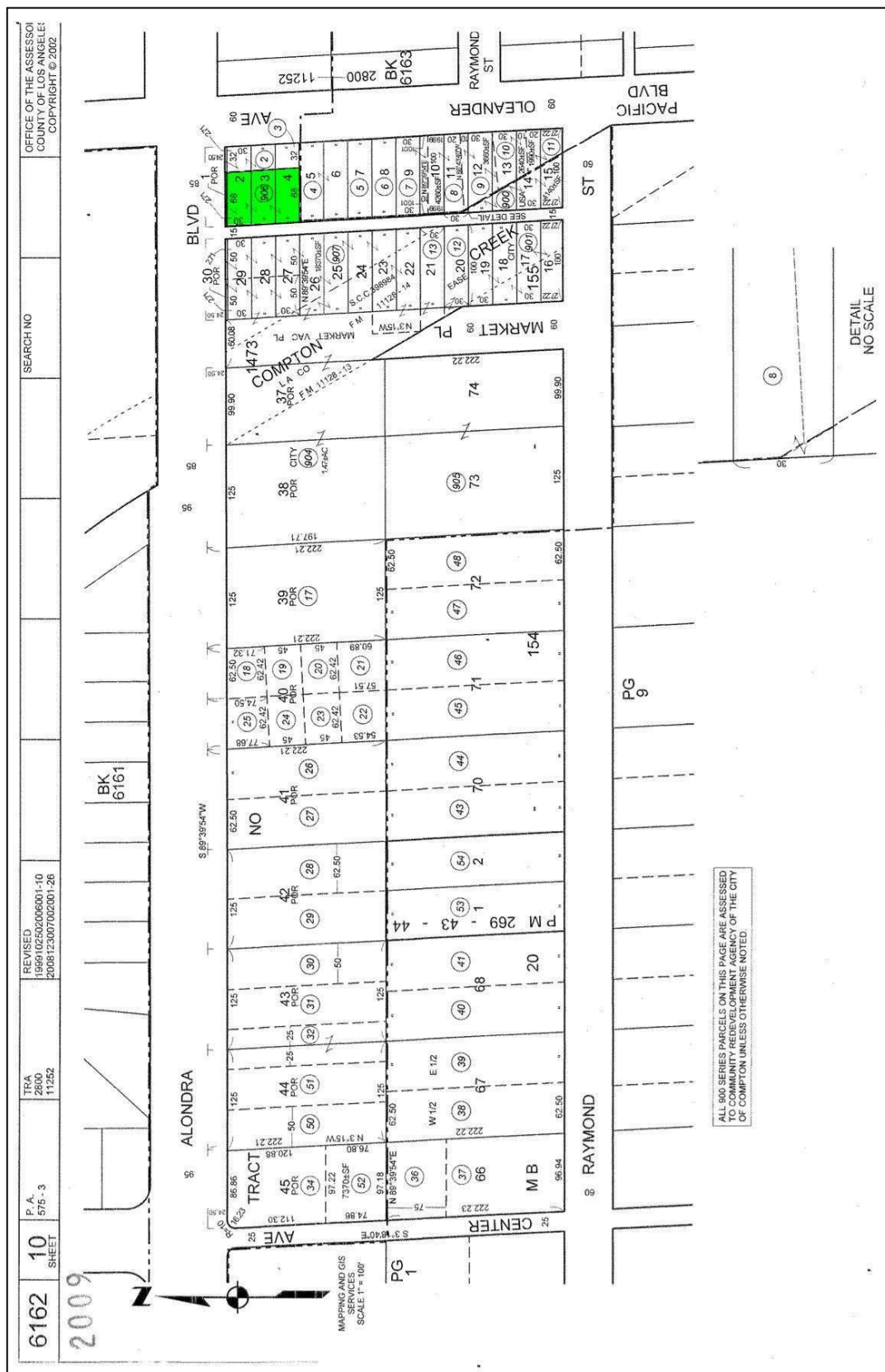
Zoning

According to the City of Compton Planning Department, the subject site is zoned C-L. The Limited Commercial Zone (C-L) is established to provide for neighborhood, community, and

regional retail business areas with related uses. This zoning district allows for a wide variety of commercial uses as well as residential uses and mixed commercial and residential uses via conditional use permits. This zoning district allows for permitted uses as well as specific uses based on obtainment of conditional use permits.

Development standards for C-L zone are as follows;

- a. Lot Area and Width. Each lot or parcel of land shall have a minimum area of ten thousand (10,000) square feet and a minimum width of seventy (70') feet.
- b. Dwelling Unit Density. The minimum lot area for each dwelling unit shall be one thousand five hundred (1,500) square feet, except that for senior citizen units the minimum lot area shall be one thousand two hundred fifty (1,250) square feet.
- c. Dwelling Unit Area and Number of Bedrooms. Each dwelling unit shall have a gross floor area of not less than four hundred fifty (450) square feet for bachelor units, six hundred (600) square feet for one (1) bedroom units, eight hundred (800) square feet for two (2) bedroom units and one thousand (1,000) square feet for units with more than two (2) bedrooms. Dwelling units shall not exceed two thousand (2,000) square feet.
- d. Lot Coverage and Building Height.
 1. Building lot coverage shall be limited to forty (40%) percent of the lot or parcel of land.
 2. Building height shall be limited to seventy-five (75') feet above grade (exclusive of roof structures housing building operating equipment).
- e. Yards. (For exceptions see subsection 30-20.3 of this Chapter).
 1. Front Yards. There shall be a front yard of not less than ten (10') feet, except those buildings used as residences shall comply with the front yard requirements of the High-Density Residential Zone (R-H).
 2. Side Yards.
 - (a) No side yard shall be required, except where a side lot line abuts a street and/or a residential zone there shall be a side yard of not less than ten (10') feet.
 - (b) Buildings used as residences shall comply with the side yard requirements of the High-Density Residential Zone (R-H).
 3. Rear Yards.
 - (a) No rear yard shall be required, except where a rear lot line abuts a residential zone there shall be a rear yard of not less than ten (10') feet.
 - (b) Buildings used as residences shall comply with the rear yard requirements of the High-Density Residential Zone (R-H).



Current Improvements

The subject's current improvements consist of one single-level retail building of 1,100 square feet built in 1928 and 1940. The subject property is configured as a walk-up restaurant and is of class D building construction.

The subject's improvements are of wood frame construction over concrete slab foundation with stucco siding, composition rolled roofing, and aluminum windows. The subject interior features ceramic tile and concrete flooring, wood and drywall interior partitions, fluorescent lighting fixtures, one half bathroom, three offices, a kitchen, a pantry, a prep room, and a walk-up counter for customer ordering.

The subject exterior features two covered patios, exterior seating areas, and a concrete slab rear patio with perimeter fencing, and approximately seven open surface parking spaces with no other on-site parking and adequate street parking available.

No value has been given to personal or business equipment which is considered beyond the scope of the appraisal assignment which is limited to real estate.

The overall condition of the subject is considered average for the market. The overall quality of the subject is considered average for the market. No deferred maintenance was noted at the time of inspection. Actual age of subject's improvements is 94 years and 82 years. Effective age of the subject's improvements is 45 years. The subject's estimated remaining economic life is 25 years based on an economic lifespan of 70 years which can be extended through periodic renovations and upgrades.

The subject property was exteriorly inspected on 08/11/2022 via curbside with no access to the property provided. This report is relying on a prior appraisal complete 02/20/2020 inspection of the subject property, including the interior. This report is completed under the extraordinary assumption that the subject interior is exists in the same state and condition as noted on 02/20 2020. The use of this extraordinary assumption may have an effect on value and is necessary for credible assignment results. Photographs of the subject property taken during our inspection are found in the Addenda under Exhibit "A."

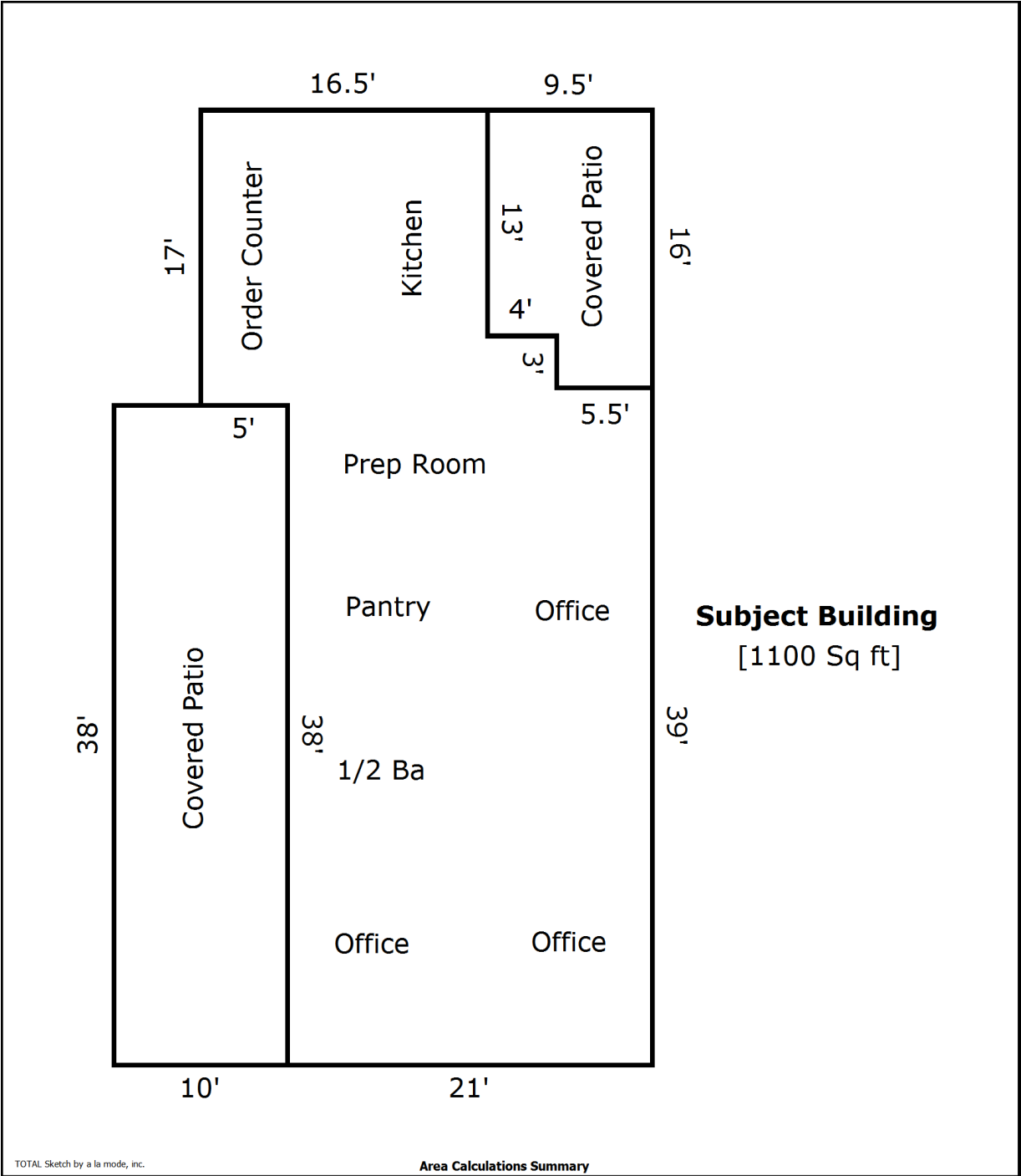
<i>Building Size:</i>	1,100sf
<i>Age:</i>	94 years / 82 years
<i>Effective Age:</i>	45 years
<i>Remaining Economic Life:</i>	25 years
<i>Floor Area Ratio:</i>	18%
<i>Parking:</i>	7 Open Surface
<i>Foundation:</i>	Concrete Slabs

<i>Frame:</i>	Wood
<i>Flooring:</i>	Ceramic Tile / Concrete
<i>Exterior Walls:</i>	Stucco
<i>Interior Partitions:</i>	Drywall / Wood
<i>Roof Cover:</i>	Composition Rolled
<i>Plumbing:</i>	Galvanized
<i>Heating:</i>	Wall
<i>Air Conditioning:</i>	None
<i>Electrical:</i>	Two Phase Circuit Breakers (200 amps each)
<i>Sprinklers:</i>	Typical
<i>Roof Support:</i>	Wood
<i>Condition:</i>	Average
<i>Quality:</i>	Average

Assessed Valuation

Based upon Proposition 13, passed by the voters in June 1978, the Assessor is required to appraise real property as of the date of the change-in-ownership or as of the date of completion of any new construction. The property will be assessed on the basis of the new valuation. The assessed value then may only be increased each year by an inflationary rate not to exceed two percent (2%) per year, unless there has been new construction or a change in ownership. The maximum amount of property tax cannot exceed one percent (1%) of the property's appraised value, plus any bonded indebtedness or fees as approved by the voters. Therefore, in estimating the market value of the subject property, we have, by definition, assumed the sale of the property. Hence, existing tax information of the subject property has little impact on a potential buyer or to its appraisal. According to the Auditor-Controller the subject is in the tax rate area of #11252 with a base property tax rate of 1.6152%.

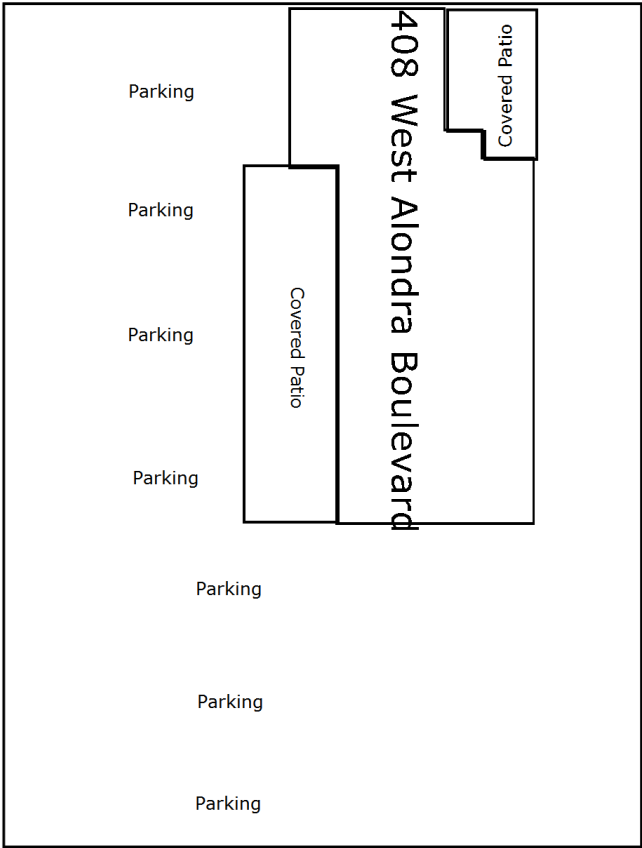
Sketch



Area Calculations Summary			
Living Area		Calculation Details	
Subject Building	1100 Sq ft	16.5 × 13 =	214.5
		4 × 5 =	20
		21 × 39 =	819
		3 × 15.5 =	46.5
Total Living Area (Rounded):		1100 Sq ft	
Non-living Area			
Covered Patio	140 Sq ft	9.5 × 13 =	123.5
		5.5 × 3 =	16.5
Covered Patio	380 Sq ft	38 × 10 =	380

Plot Plan

Alondra Boulevard



N
E
S
W

TOTAL Sketch by a la mode, inc.

Area Calculations Summary

HIGHEST AND BEST USE

Highest and Best Use: The Appraisal Institute defines Highest and Best Use as follows: The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Highest and Best Use of land or a site as though vacant: Among all reasonable, alternative uses the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Highest and Best Use of property as improved: The use that should be made of a property, as it exists. An existing property 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.

Highest And Best Use Analysis

In estimating highest and best use, there are essentially four stages of analysis

- (1) Possible Use (Physical). What uses are physically possible on the subject site or in the subject improvements, given the physical characteristics revealed by property analysis.
- (2) Permissible Use (Legal). What uses are permitted under existing zoning and other land use regulations and controls, and under existing deed restrictions for the subject property.
- (3) Feasible Use (Appropriate). Among legally permitted and physical possible uses for the subject property, which are appropriate given the characteristics revealed by market, and property analysis uses, which produce any net return to the owner, or positive net present value.
- (4) Highest and Best Use. Among appropriate or feasible uses for the subject property, which use will produce the highest present value.

The subject is a typical site, which is reasonably level with no known unusual soil conditions. The subject and nearby properties have been successfully developed with commercial and residential properties. Development of the subject site is therefore possible from a physical standpoint.

The legally permissible uses are determined by zoning regulations. A commercial or residential development, to the highest allowable density would conform well to the surrounding neighborhood.

There are a number of new commercial and residential projects in the area, which have been developed and marketed over the last few years. Additionally, demand for vacant land properties is well supported. This indicates that the subject is an appropriate use for the site.

Highest and Best Use of the land as though vacant: Based on an analysis of the subject site's location, zoning and land use patterns, it is concluded that the highest and best use of the subject site, if vacant, would be to hold as vacant for future development.

Highest and Best Use as improved: Based on the age and condition of the subject's existing improvements, the Highest and Best Use as improved is concluded as is for continued retail use and the existing improvements contribute substantially to the value of the underlying land.

VALUATION PROCESS

Introduction

Appraisers typically use three approaches in valuing real property: The Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. The type and age of the property and the quantity and quality of data affect the applicability of each approach in a specific appraisal situation.

Cost Approach

The Cost Approach is based on the principle of substitution under the assumption that an informed buyer would pay no more than the cost of reproducing a substitute property with the same utility as the subject property. This process involves estimating the reproduction or replacement cost new for the improvements, deducting an estimated dollar amount for accrued depreciation and adding the estimated Market Value of the land. This method is particularly applicable when the property being appraised involves relatively new improvements, which represent the highest and best use of the land or when unique or specialized improvements are located on the site and for which there exists a limited amount of comparable properties in the market.

Sales Comparison Approach

The Sales Comparison Approach is also based on the principle of substitution under the assumption of reasonable market behavior. This approach involves direct comparison of similar properties that have sold to the subject property. The data from these comparables is analyzed and adjusted for differences that are considered significant, leading to a value indication for the subject property. The Sales Comparison Approach is used to arrive at an indicated sales price per unit of comparison. In the case of the subject, the applicable unit of comparison is the price per square foot of site area.

Income Capitalization Approach

The Income Capitalization Approach is based on the principle of anticipation of future benefits and reflects the present worth of these rights accruing to ownership. These future benefits consist of annual net income that the property can generate during a period of ownership and the reversion of a capital sum at the time the property is sold. Using a market-derived capitalization rate, the stabilized net income is converted to the present value of anticipated cash flows. Provision for the investor's recapture of invested capital, as well as return on capital, is built into this capitalization procedure.

The steps necessary in this process entail estimating gross income and deducting an estimated vacancy and collection loss, thus deriving an effective gross income. Estimated expenses are then deducted to provide a projected net operating income (NOI). This NOI is then capitalized at an appropriate rate to yield an indication of value.

Reconciliation

After considering the approaches to value, we will consider the quantity and quality of the data available for examination under each of the approaches utilized, inherent dangers and advantages in each approach, and the relevancy of each to the subject property and the appraisal problem. Under the Reconciliation subheading of this report, we present an evaluation of each approach and a discussion regarding our final estimate of value.

Approaches Utilized

We have utilized the Sales Approach only in this report. Sales of existing properties similar to the subject are available for our analysis and differences are adjusted for using pair sales analysis. The Income has been omitted at the request of the client. The Cost Approach has been omitted due to a lack of relevance for smaller older commercial uses. The Sales approach via price per square foot is considered the most relevant value indication for smaller older retail use properties which are bought and sold predominately as owner/user products.

SALES COMPARISON APPROACH

Methodology

In the Sales Comparison Approach, we estimated the value of the subject by comparing it with similar, recently sold properties in the surrounding or competing area. Inherent in this approach is 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 arms-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The sold properties must be comparable to the subject in physical, location, and economic characteristics.

Introduction

A search for sales of similar retail use sales was conducted. The most pertinent market data analyzed is presented on the following table, Market Data Summary – Retail Use Sales, and is shown geographically on the map facing this table.

Market Data Summary – Retail Use Sales

	SUBJECT	COMP #1		COMP #2		COMP #3	
Address	408 W. Alondra Blvd Compton, CA 90220	12812 S. Atlantic Avenue Compton, CA 90221		4300 E. Compton Blvd Compton, CA 90221		1228 E. Compton Blvd Compton, CA 90221	
Proximity	N/A	2.33 miles northeast		1.97 miles east		1.20 miles northeast	
APN	6162-010-906	6185-010-005		6180-013-029		6179-026-042	
Map #	734/J5	735/D6		735/D4		734/B4	
Data Source	ParcelQuest Inspection	ParcelQuest/CoStar Doc #1259434		ParcelQuest/CoStar Doc #620255		ParcelQuest/CoStar Doc #418601	
Price/SF	N/A	\$188		\$287		\$259	
Sales Price	N/A	\$235,000	Adj.	\$650,000	Adj.	\$410,000	Adj.
Rights Conveyed	Fee	Fee	0	Fee	0	Fee	0
Financing Terms	N/A	Conventional	0	All Cash	0	All Cash	0
Sale Conditions	N/A	None	0	None	0	None	0
Sale Date	N/A	08/17/2021	0	06/10/2022	0	04/15/2022	0
Net Adjustments			\$0sf		\$0sf		\$0sf
Effective Sales Price			\$188		\$287		\$259
Trade Area	Average	Average	0	Average	0	Average	0
Traffic Count	Moderate	Moderate	0	Moderate	0	Moderate	0
F.A.R	0.18	0.50	0	0.49	0	0.48	0
Frontage	68 feet	25 feet	0	131ft/53ft	0	25 feet	0
Site Size	6,120sf	2,500sf	+\$7sf	4,653sf	+\$3sf	3,303sf	+\$6sf
Site Position	Interior	Interior	0	Corner	-\$5sf	Interior	0
Age	94 years / 82 years	57 years	0	81 years	0	76 years	0
Parking	6.36:1,000sf	3.20:1,000sf	0	3.98:1,000sf	0	7.00:1,000sf	0
Construction	Average	Average	0	Sl. Superior	-\$20sf	Average	0
Condition	Average	Sl. Inferior	+\$20sf	Superior	-\$40sf	Superior	-\$40sf
Total Sq. Ft.	1,100sf	1,250sf	+\$2sf	2,264sf	+\$12sf	1,586sf	+\$5sf
Net Adjustments			+\$29/sf		-\$50/sf		-\$29/sf
Adjusted Sales Price			\$217		\$237		\$230

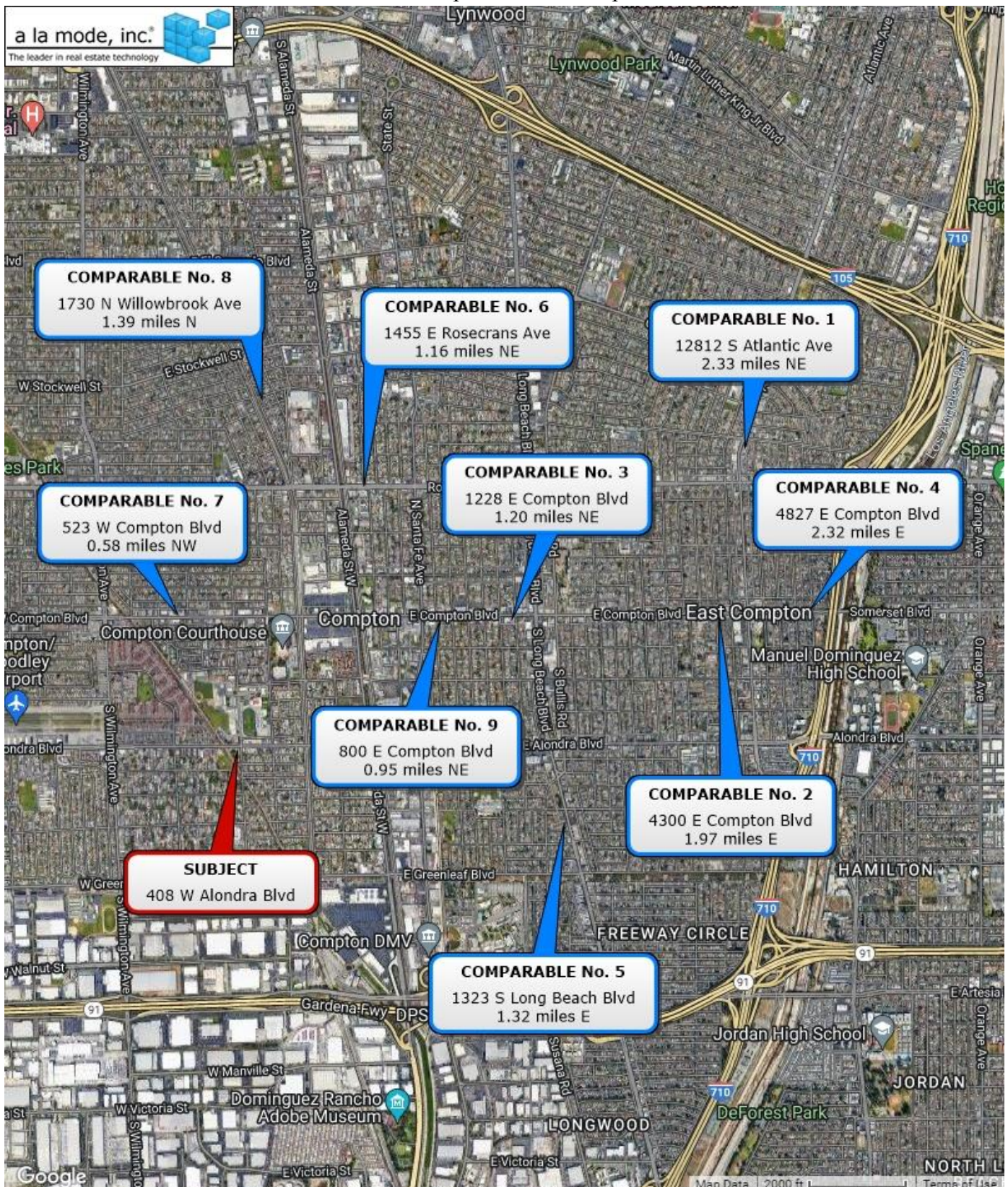
Market Data Summary – Retail Use Sales

	SUBJECT	COMP #4		COMP #5		COMP #6	
Address	408 W. Alondra Blvd Compton, CA 90220	4827 E. Compton Blvd Compton, CA 90221		1323 S. Long Beach Bl Compton, CA 90221		1455 E. Rosecrans Ave Compton, CA 90221	
Proximity	N/A	2.32 miles east		1.32 miles east		1.16 miles northeast	
APN	6162-010-906	6180-001-024		6164-010-023		6184-015-040	
Map #	734/J5	735/D4		735/B6			
Data Source	ParcelQuest Inspection	ParcelQuest/CoStar Doc #7088334		ParcelQuest/CoStar Doc #14764		ParcelQuest/CoStar Doc #1877262	
Price/SF	N/A	\$197		\$197		\$211	
Sales Price	N/A	\$305,000	Adj.	\$400,000	Adj.	\$280,000	Adj.
Rights Conveyed	Fee	Fee	0	Fee	0	Fee	0
Financing Terms	N/A	Conventional	0	All Cash	0	Conventional	0
Sale Conditions	N/A	None	0	None	0	None	0
Sale Date	N/A	07/11/2022	0	01/05/2022	0	12/17/2021	0
Net Adjustments			\$0sf		\$0sf		\$0sf
Effective Sales Price			\$197		\$197		\$211
Trade Area	Average	Average	0	Average	0	Average	0
Traffic Count	Moderate	Moderate	0	Moderate	0	Moderate	0
F.A.R	0.18	0.33	0	0.47	0	0.47	0
Frontage	68 feet	50ft/100ft	0	40 feet	0	71ft/40ft	0
Site Size	6,120sf	4,690sf	+\$7sf	4,400sf	+\$3sf	2,854sf	+\$7sf
Site Position	Interior	Corner	-\$5sf	Interior	0	Corner	-\$5sf
Age	94 years / 82 years	30 years	0	75 years	0	69 years	0
Parking	6.36:1,000sf	4.51:1,000sf	0	Street Prkg.	0	2.26:1,000sf	0
Construction	Average	Average	0	Average	0	Average	0
Condition	Average	Sl. Inferior	+\$20sf	Sl. Inferior	+\$20sf	Average	0
Total Sq. Ft.	1,100sf	1,552sf	+\$5sf	2,034sf	+\$9sf	1,329sf	+\$2sf
Net Adjustments			+\$27/sf		+\$32/sf		+\$4/sf
Adjusted Sales Price			\$224		\$229		\$215

Market Data Summary – Retail Use Sales

	SUBJECT	COMP #7		COMP #8		COMP #9	
Address	408 W. Alondra Blvd Compton, CA 90220	523 W. Compton Blvd Compton, CA 90220		1730 N. Willowbrook Av Compton, CA 90222		800 E. Compton Blvd Compton, CA 90221	
Proximity	N/A	0.58 miles northwest		1.39 miles north		0.95 miles northeast	
APN	6162-010-906	6151-010-053 & 054		6153-028-002		6179-010-035	
Map #	734/J5	734/H4		735/E7		735/A4	
Data Source	ParcelQuest Inspection	ParcelQuest/CoStar Doc #1255243		ParcelQuest/CoStar Doc #039178		ParcelQuest/CoStar Doc #1675811	
Price/SF	N/A	\$215		\$285		\$252	
Sales Price	N/A	\$500,000	Adj.	\$260,000	Adj.	\$500,000	Adj.
Rights Conveyed	Fee	Fee	0	Fee	0	Fee	0
Financing Terms	N/A	Conventional	0	All Cash	0	Conventional	0
Sale Conditions	N/A	None	0	None	0	None	0
Sale Date	N/A	08/17/2021	0	06/18/2021	0	08/17/2021	0
Net Adjustments			\$0sf		\$0sf		\$0sf
Effective Sales Price			\$215		\$285		\$252
Trade Area	Average	Average	0	Average	0	Average	0
Traffic Count	Moderate	Moderate	0	Moderate	0	Moderate	0
F.A.R	0.18	0.34	0	0.24	0	0.24	0
Frontage	68 feet	60 feet	0	25 feet	0	66ft/101ft	0
Site Size	6,120sf	6,820sf	-\$1sf	3,750sf	+\$5sf	6,764sf	-\$1sf
Site Position	Interior	Interior	0	Interior	0	Sec. Corner	-\$5sf
Age	94 years / 82 years	66 years	0	66 years	0	98 years	0
Parking	6.36:1,000sf	6.87:1,000sf	0	Street Prkg.	0	2.49:1,000sf	0
Construction	Average	Average	0	Average	0	Average	0
Condition	Average	Average	0	Superior	-\$40sf	Sl. Superior	-\$20sf
Total Sq. Ft.	1,100sf	2,330sf	+\$12sf	911sf	-\$2sf	1,608sf	+\$5sf
Net Adjustments			+\$11/sf		-\$37/sf		-\$19/sf
Adjusted Sales Price			\$226		\$248		\$231

Comparable Sales Map



Comparable Sales Analysis

The subject property is included into a property segment of smaller, older generation retail use properties. This property segment features a crossover of service commercial, office, and non-specific property types which could be suitable for any number of potential buyers. Selection of comparable sales was limited to commercial properties within the City of Compton that have sold within the past 14 months that are less than 2,400 square feet in building area. The subject's market revealed adequate buyer demand and low available inventory in the market as of the date of value. The following provides an in-depth analysis of each comparable sale:

1.) 12812 S. Atlantic Avenue, Compton: relates to the recent sale of a 1,250 square foot retail property located 2.33 miles northeast of the subject, considered similar to the subject in location appeal. This property transferred as an off-market sale from seller Raysack Holding LLC to buyer Octaviana Perez (323) 296-3744 for \$235,000 on 08/17/2021. This was an off-market sale and the principal parties to this transaction were not available for comment. Confirmation of this sale was limited to CoStar and public records. Compared to the subject, this property features inferior lot site and inferior condition. This comparable sale is considered a relevant indicator of the subject's market value based on location, property type, and time of sale

2.) 4300 E. Compton Boulevard, Compton: relates to the recent sale of a 2,264 square foot retail property located 1.97 miles east of the subject, considered similar to the subject in location appeal. This property was listed for sale in April of 2022 at \$775,000 with Reyes Mejia (323) 273-1457 of Realty Group Advisors and experienced 62 days on the market before transferring for \$650,000 on 06/14/2022 as an investment interest. Compared to the subject, this property features slightly superior corner site position, slightly inferior site size, and superior construction and condition appeal. This comparable sale is considered a relevant indicator of the subject's market value based on location, property type, and time of sale

3.) 1228 E. Compton Boulevard, Compton: relates to the recent sale of a 1,586 square foot retail property located 1.20 miles northeast of the subject, considered similar to the subject in location appeal. This property transferred as an off-market sale from seller Ernesto B Devera to buyer VRPO Capital LLC for \$410,000 on 04/15/2022. This was an off-market sale and the principal parties to this transaction were not available for comment. Confirmation of this sale was limited to CoStar and public records. Compared to the subject, this property features inferior lot site and slightly superior condition. This comparable sale is considered a relevant indicator of the subject's market value based on location, property type, and time of sale

4.) 4827 E. Compton Boulevard, Compton: relates to the recent sale of a 1,552 square foot retail property located 2.32 miles east of the subject, considered similar to the subject in location appeal. This property was listed for sale in June of 2022 at \$399,000 with Julian Bloch (213) 797-7025 of Keller Williams and experienced 20 days on the market before transferring for \$305,000 on 07/1/2022 as an owner/user product. Compared to the subject, this property features slightly inferior lot site, slightly superior corner site position, and slightly inferior condition. Prior to this sale, this property sold for \$256,000 on 04/05/2022 from the Sheriff of Los Angeles to Pencor Inc. This comparable sale is considered a relevant indicator of the subject's market value based on location, property type, and time of sale

5.) 1323 S. Long Beach Boulevard, Compton: relates to the recent sale of a 2,034 square foot retail property located 1.32 miles east of the subject, considered similar to the subject in location appeal. This property transferred as an off-market sale from seller Lois Edwards to buyer Melvora Fulton for \$400,000 on 01/05/2022. This was an off-market sale and the principal parties to this transaction were not available for comment. Confirmation of this sale was limited to CoStar and public records. Compared to the subject, this property features inferior lot site and inferior condition. This comparable sale is considered a relevant indicator of the subject's market value based on location, property type, and time of sale

6.) 1455 E. Rosecrans Avenue, Compton: relates to the recent sale of a 1,329 square foot retail property located 1.16 miles northeast of the subject, considered similar to the subject in location appeal. This property transferred as an off-market sale from seller Raymond Jenkins to buyer Ali Metawa for \$280,000 on 12/17/2021. This was an off-market sale and the principal parties to this transaction were not available for comment. Confirmation of this sale was limited to CoStar and public records. Compared to the subject, this property features inferior lot site and slightly superior corner site position. This comparable sale is considered a relevant indicator of the subject's market value based on location, property type, and time of sale

7.) 523 W. Compton Boulevard, Compton: relates to the recent sale of a 2,330 square foot retail property located 0.58 miles northwest of the subject, considered similar to the subject in location appeal. This property was listed for sale in August of 2020 at \$500,000 with Alan Roberson (213) 797-7107 of Keller Williams Realty and experienced 364 days on the market before transferring for \$500,000 on 08/17/2021 as an owner/user product. Daivid Haub (562) 598-0649 of Caltera Partners represented the buyer. This comparable sale is considered a relevant indicator of the subject's market value based on location, property type, and time of sale.

8.) 1730 N. Willowbrook Avenue, Compton: relates to the recent sale of a 911 square foot retail property located 1.39 miles north of the subject, considered similar to the subject in location appeal. Compared to the subject, this property features slightly inferior site size and superior condition appeal. This property transferred as an off-market sale from seller Golden Rule Lending LLC to buyer Moris Moussavieh for \$260,000 on 06/18/2021. This was an off-market sale and the principal parties to this transaction were not available for comment. Confirmation of this sale was limited to CoStar and public records. This comparable sale is considered a relevant indicator of the subject's market value based on location, property type, and time of sale

9.) 800 E. Compton Boulevard, Compton: relates to the recent sale of a 1,608 square foot office property located 0.95 miles northeast of the subject, considered similar to the subject in location appeal. Compared to the subject, this property features slightly superior secondary corner site position and slightly superior condition appeal. This property transferred as an off-market sale from seller Nora Natarajan to buyer Michael Cohen for \$405,000 on 07/13/2020. The principal parties to this transaction were not available for comment and confirmation of this sale was limited to CoStar and public records. This comparable sale is considered a

relevant indicator of the subject's market value based on location, property type, and time of sale.

Valuation Analysis

The subject is included into a limited property segment of smaller, older generation commercial use properties. All sales provided reflect general similarities to the subject in location and market appeal. The financing for the sales is typical with no adjustments needed. The market analysis is predicated on sales price per square foot on building area. There is a distinct economy-of-scale influence associated with this indicator concluding an inverse relationship on value and size.

The building size adjustments are based on an economy-of-scale which has an inverse relationship between size and value with an applied adjustment of \$1sf per 100sf building size differences. Condition adjustments are based on \$15sf for slightly superior/slightly inferior to \$30sf for superior/inferior differences. Site position adjustments are based on \$5sf for corner sites compared to interior sites. Time adjustments were not necessary.

The closed comparables exhibit an adjusted sales price per square foot range from \$215 to \$248. Comparable #8, at \$248sf is considered an outlier with the remainder of the sales between \$215sf and \$237sf. The dominant influences on value are recognized in location, site size, condition, and building size. Comparable #3 and #4 were given most weight in final value determination due to recent sales dates. The subject exhibits characteristics at the mid-range of the data set with a concluded price per square foot indication of \$225/sf. After consideration of all factors, the as-is "Fee Simple" fair market value of the subject based on an August 11th, 2022 date is concluded at 1,100sf x \$225/sf = \$250,000 rounded:

**TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$250,000)**

INCOME APPROACH

Methodology

The Income Approach to Value consists of the methods, techniques and procedures that an appraiser uses to analyze the property's capacity to generate benefits and convert those benefits into an indication of present value. The *principle of anticipation* is fundamental to the Income Approach. In other words, value is created by the expectation of future benefits and may be defined as the present worth of these future benefits.

In the Income Approach, the subject property's potential gross income is first estimated. From this figure a vacancy loss and collection reserve are deducted to arrive at the effective gross income. All expenses accruing to ownership are then deducted from the effective gross income to reach the net operating income. The net-operating-income figure is then capitalized into a present value estimate.

Subject Leasing Status

The subject property is a single-tenant configured retail property currently occupied by a single tenant. The subject is leased on a month-to-month basis on modified gross terms. The subject's rental rate and terms were provided verbally by the client in lieu of tenant signed lease or estoppel. This report is completed under the extraordinary assumption that the tenant provided subject rental information is valid. The use of this extraordinary assumption may have an effect on value.

Modified gross basis includes owner responsibility for property taxes, property insurance, exterior maintenance, water/sewer utilities, management, repairs, and reserves; the tenant is responsible for interior maintenance and all utilities.

SUBJECT'S CURRENT RENT ROLL					
UNIT	Sq. Ft.	TYPE	LEASE TERM	RATE/SF	MONTHLY RENT/TERM
#408	1,100sf	Retail	Month-to-Month	\$0.45/sf	\$500/Modified Gross
Total	1,100sf	-	-	\$0.45/sf	\$500/Modified Gross

Rent Survey

In order to ascertain current market lease rates for similar neighborhood retail space, a rental survey was conducted in the general area. In the table on the following page is a summary of data gathered.

Rent Survey Grid – Retail Space							
ITEM	SUBJECT	COMP. #1		COMP. #2		COMP. #3	
Address	408 W. Alondra Blvd Compton, CA 90220	1707 N. Willowbrook Compton, CA 90222		2023 N. Long Beach Bl Compton, CA 90221		430 E. Compton Blvd Compton, CA 90221	
Proximity	N/A	1.32 miles north		1.86 miles northeast		0.79 miles northeast	
Type of Lease	Modified Gross	Modified Gross		Modified Gross		Modified Gross	
Date of Survey	08/11/2022	08/11/2022		08/11/2022		08/11/2022	
Lease Term	Month-to-Month	Leased 12 months Start August 2021		Leased 12 months Start February 2021		Leased 12 months Start March 2020	
Square Feet	1,100sf	1,800sf		750sf		2,000sf	
Rental Rate	\$500/mo	\$2,250/mo		\$750/mo		\$2,000/mo	
Price/SF	\$0.45/sf	\$1.25/sf	Adj.	\$1.00/sf	Adj.	\$1.00/sf	Adj.
Condition	Average	Average	0	Average	0	Average	0
Construction	Average	Average	0	Average	0	Average	0
Age	94 years/82 years	57 years	0	67 years	0	29 years	0
Location	Average	Average	0	Average	0	Average	0
Incentives	None	None	0	None	0	None	0
Parking	6.36:1,000sf	6.67:1,000sf	0	Street Prkg	0	0.94:1,000sf	0
Paid Utilities	Tenant Paid	Similar	0	Similar	0	Similar	0
Net Adj.	N/A		0		0		0
Adj. \$/SF	-	\$1.25		\$1.50		\$1.00	

The comparable retail rentals are all from neighboring commercial properties with rental rates ranging from \$1.00/sf to \$1.50/sf.

Comparable #1 relates to a recently leased retail property located 1.32 miles north of the subject. Confirmation of this rental comparable was through leasing representative Brandon Cyprus (562) 251-1337 of Spaulding Pacific LLC who is considered a knowledgeable source of market rental date. This rental comparable is provided as a relevant indicator of the subject's market rental value.

Comparable #2 relates to a recently leased retail space within a multi-tenant in-line retail property located 1.86 miles northeast of the subject. Confirmation of this rental comparable was through leasing representative Joseph Geonetta (310) 793-9502 of REMS Inc. who is considered a knowledgeable source of market rental date. This rental comparable is provided as a relevant indicator of the subject's market rental value.

Comparable #3 relates to a recently leased retail space within a multi-tenant in-line retail property located 0.79 miles northeast of the subject. Confirmation of this rental comparable was through leasing representative Kenneth Um (213) 440-4949 of Re/Max Optima who is considered a knowledgeable source of market rental date. This rental comparable is provided as a relevant indicator of the subject's market rental value.

Comparable Retail Rental Map



Forecast Rental Income

Based on our comparison study, the subject retail space is common for the market. The subject's layout, construction appeal, features, and general amenity package are standard for the market.

Market rental rate for the subject's retail unit is recognized at \$1.50/sf on a modified gross basis where the owner is responsible for property taxes, property insurance, exterior maintenance, water/sewer utilities, management, repairs, and reserves; the tenant is responsible for interior maintenance and utilities except water/sewer and trash collection.

For the purpose of this analysis, the subject property is forecast with a market rental rate of \$1.50/sf on a modified gross basis.

SUBJECT'S FORECAST RENT ROLL					
UNIT	Sq. Ft.	TYPE	LEASE TERM	RATE/SF	MONTHLY RENT/TERM
#408	1,100sf	Retail	Month-to-Month	\$1.50/sf	\$1,650/Modified Gross
Total	1,100sf	-	-	\$1.50/sf	\$1,650/Modified Gross

Rental Revenue Projection

Based on our comparison study, the subject's units are common for the market. The subject's layout, construction appeal, features, and general amenity package are standard for the market.

As reflected in the performance of the subject's project and in the performance of the confirmed comparable rentals, the demand of this local market appears very strong. Market participants including agents and property managers indicated that rental rates in the subject's market have increased over the past two years.

The subject's forecast rental income of be \$1,650 per month or \$19,800 annually includes a market rental rate for the retail space for all spaces. In considering the performance of the local rental market, the subject's current/past performance, and the avoidance of in advantageous vacancy and associated expenses, an adopted forecasted rent level of \$1,650 per month or \$19,800 annual gross rent collection is adopted based on full occupancy.

Vacancy and Collection Loss

Investors and appraisers are primarily interested in the annual revenue and net income the property is likely to produce over a specified period, rather than the income it could produce if it were always 100% occupied and all tenants were paying their rent in full and on time. It is normally a prudent practice to expect some income loss as tenants vacate, fail to pay rent, or pay rent late.

The subject is currently 100% occupied and the properties featured in our rent survey provide support for this level of market demand. Compton is popular for renters, especially in buildings of this segment, located within the general vicinity. In our view, a stabilized market vacancy and collection loss factor of 5.0% is appropriate for the subject property.

Stabilized Expense Estimate

No acknowledged historical performance documents were submitted for this analysis. For the purpose of this analysis, expenses will be forecast based on market. The estimated expenses are based on market data and review of competing buildings in the general marketplace.

Real Estate Taxes:

Please note that real estate taxes have been based on our estimated value times the local tax rate, which is 1.6152% as an effective tax rate not including direct or special assessments. Based on a projected value of \$235,000 a corresponding annual base tax rate of \$3,796 is adopted.

Property Insurance:

Fire, earthquake, and extended coverage as well as liability, and rent loss coverage are included. The subject insurance costs have been forecasted at about \$0.65 per square foot or \$715 annually based primarily on several expense comparable and other published information.

Utilities:

Utility expenses are projected to be paid by occupying tenants. During periods of vacancy estimated at 5%, ownership incurs all utility expenses, which are considerably smaller than a tenant operating a business. During these vacant periods, utility costs are covered through reserves.

Management:

Typically, management fees are based on a percentage of rent collected. Based on our investigation, we have applied a management fee equivalent to 3.5 percent. The result of this calculation is \$658 based on projected effective gross revenue, or \$0.60 per square foot annually. This expense category includes not only off-site management, but also accounting fees, legal, professional, and other administrative tasks not reimbursed by the tenant.

Maintenance/Repairs:

Maintenance for the subject property based on current configuration is estimated at \$60 per month, or \$720 annually. This includes landscaping and general janitorial. Repairs are estimated at \$500 annually. Total concluding \$1,220 annually.

Supplies/Reserves/Replacement Items:

Supplies are estimated at \$300 annually. Reserves are based on \$0.26/sf (gross building area) annually, or \$286. Replacement items are estimated at \$200 annually. Total concluding \$786 annually.

Miscellaneous (Advertisement/Legal):

Typically, these fees are associated with the long-term leasing of the subject and legal services associated. This cost figure is based on a typical prorated share concluded at \$1,000.00.

Overall Capitalization Rate

The five overall capitalization rate sales discovered reflect overall capitalization rates ranging from 4.01 percent to 4.88 percent. Information from these sales is summarized below. These rates reflect the investment objectives of the typical buyer for this type of investment property.

MARKET DATA SUMMARY NEIGHBORHOOD RETAIL CAPITALIZATION RATE DATA					
Item No.	Address	Sale Date	Sales Price	Bldg. Size Age	Overall Rate
1	1103 Sartori Avenue Torrance, CA 90501	10/2021	\$350,000	1,716sf 1950	4.84%
2	6129 Cherry Avenue Long Beach, CA 90805	12/2021	\$500,000	1,592sf 1948	4.56%
3	3616 Tweedy Boulevard South Gate, CA 90280	05/2021	\$480,000	1,800sf 1940	4.88%
4	1310 Blinn Avenue Wilmington, CA 90744	01/2022	\$775,000	1,359sf 1935	4.01%
5	1060 E 10 th Street Long Beach, CA 90813	07/2022	\$315,830	400sf 1962	4.40%

The subject is included into a limited property class of retail usage. It was necessary to expand the search perimeters to include sales, which vary moderately in building size, and competing trade areas. In our selection of an overall capitalization rate for the subject project, we have considered the age of the structure, location, the quality of construction, and condition of the improvements. Also considered in overall capitalization rate selection is the subject's rental income forecast at market rates, influencing selection of a rate toward the upper end of the range. Considering foregoing factors, we have estimated an overall capitalization rate of 4.50 percent for use in our capital value analysis of the subject property. This analysis is presented on the following page.

Direct Capitalization Approach Summary

Estimated Potential Gross Income

Mixed-Use Property (1,100sf x \$1.25/sf) x 12 months) \$19,800

Less: Vacancy & Collection Loss (5%) -\$990

Total Effective Gross Revenue \$18,810

Estimated Operating Expenses:

Taxes \$3,796

Insurance \$715

Management \$658

Maintenance/Repairs \$1,220

Supplies/Reserves/Replacement Items \$786

Miscellaneous \$1,000

Total Operating Expenses -\$8,175

Net Operating Income **\$10,635**

Capitalized with an overall rate of 4.50 percent

\$10,635 ÷ 4.50% = \$236,333 Rounded to \$235,000

Therefore, we have concluded the As-Is Value of the subject property with an effective date of August 11th, 2022 via the Income Approach to be:

TWO HUNDRED THIRTY-FIVE THOUSAND DOLLARS
(\$235,000)

RECONCILIATION AND FINAL VALUE ESTIMATE

Value Estimates

Presented below is a summary of the value indications derived from the various approaches to value.

Cost Approach	N/A
Sales Comparison Approach	\$250,000
Income Capitalization Approach	\$235,000

The subject is a retail use property. Based on the type of property being valued, the Cost Approach was considered irrelevant and omitted from the analysis. Please refer to the Valuation Process section for a detailed explanation of the exclusion.

The subject is included into a limited property class of smaller, older generation retail use properties. These properties are purchased overwhelmingly as owner/user interests with The Sales Approach via price per square foot the most relevant indication of value. The Income Approach provides a secondary and supportive value indication but has been given no weight as the subject is on month-to-month tenancy and would be suitable for an owner occupancy. Weighing all factors, the final estimate of “As-Is” Fee Simple Fair Market value as of August 11th, 2022 for the subject property is concluded at:

TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$250,000)

CERTIFICATION AND RESTRICTION UPON DISCLOSURE AND USE

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, as are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no 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 is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- As of the date of this report, I have satisfied the requirements as Certified General Real Estate Appraiser licensed by the State of California.
- I conducted an interior inspection of the property which is the subject of this report on 02/20/2020. I completed a drive-by only inspection of the subject on 09/23/2021.
- I have provided professional services for the subject property within the past 36 months. I previously appraised the subject property for the client as of 02/20/2020 with a report date of 03/09/2020; I previously appraised this property for the client as of 09/23/2021 with a report date of 09/24/2021.

A handwritten signature in black ink, appearing to read "Rip Rob". The signature is written in a cursive, stylized font with a horizontal line underneath it.

OREA #AG3003932

ASSUMPTIONS, CONTINGENT AND LIMITING CONDITIONS

1. The appraisal report is a Complete Summary appraisal which is intended to comply with the reporting requirements set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation. The report is also compliant with Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA).
2. The report is intended for use only by the addressee of this report, its executives or administrative personnel, advisors and attorneys for purposes relating to the assignment described in the Scope of the Appraisal.
3. This appraisal has been prepared for the exclusive benefit of the above-named client and stated intended users. It may not be used or relied upon by another party. Any party who uses or relies upon any information in this report without the preparer's written consent does so at his own risk.
4. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this 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 fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
5. That possession of this report, or a copy of it, 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 without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
6. Testimony or attendance in court by reason of this appraisal is not required unless further authorization to fully appraise the property involved is granted the appraiser at a fee to be determined prior to commencement of such additional work as may be required.
7. The liability of principals signing this report is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussion. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property, physical, financial, and/or legal.
8. The appraiser assumes no responsibility for economic or physical factors that may affect the opinions in this report which occur after the date of the letter transmitting the report.
9. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
10. The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

11. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
12. We have reviewed a title report for the subject property. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report.
13. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.
14. The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.
15. The property is appraised assuming that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been, or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.
16. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable and no encroachment or real property improvements is considered to exist.
17. 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.
18. Maps, plats and exhibits included in this report 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 the report.
19. No opinion is intended to be expressed for matters that require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
20. 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.
21. No detailed soil studies covering the subject property were available to the appraiser. Therefore, any 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.
22. Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect on individual properties, nor for assessing the reliability of the seismic qualifications of structures on the subject properties.
23. No consideration has been given in this appraisal as to the value of the property located on the premises considered by the appraiser to be personal property, nor has he given consideration to the cost of moving or relocating such personal property; only the real property has been considered.
24. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The

appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The 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 such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

25. The appraiser has personally inspected the subject property and finds 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.
26. No termite inspection report was available. It is assumed there is no significant termite damage or infestation unless otherwise stated.

ADDENDA

EXHIBIT A
SUBJECT PROPERTY PHOTOGRAPHS

SUBJECT PHOTOGRAPHS



Subject Front



Subject Front



Subject Side



Subject Side



Subject Side



Subject Side



Subject Rear



Subject Rear



**Street Scene
Alondra Blvd
West**



**Street Scene
Alondra Blvd
East**



Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior

EXHIBIT B
COMPARABLE PHOTOGRAPHS

SALES COMPARABLES PHOTOGRAPHS



**Sale #1:
12812 S. Atlantic
Avenue**



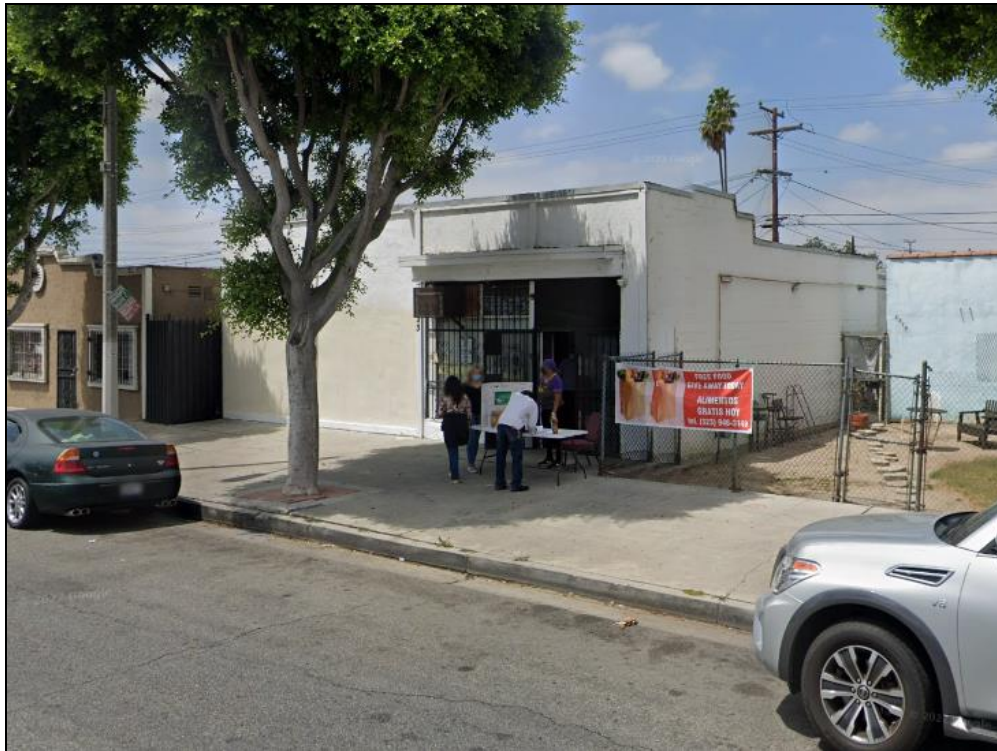
**Sale #2:
4300 E. Compton
Blvd**



**Sale #3:
1228 E.
Compton Blvd**



**Sale #4:
4827 E. Compton
Blvd**



**Sale #5:
1323 S. Long
Beach Blvd**



**Sale #6:
1455 E. Rosecrans
Ave**



**Sale #7:
523 W. Compton
Blvd**



**Sale #8:
1730 N.
Willowbrook Ave**



**Sale #9:
800 E. Compton
Bld**

COMPARABLE RETAIL RENTALS PHOTOGRAPHS



Rental No. 1
1707 N
Willowbrook Ave
Compton



Rental No. 2
2023 N Long Beach
Blvd, Compton



Rental No. 3
430 E. Compton
Blvd, Compton

PROFESSIONAL QUALIFICATIONS - PHILIP R. ROTH

Education

California State University Long Beach

Bachelor of Arts, Political Science, Spring 2007.

Member of Pi Sigma Alpha National Political Science Honor Society

Successfully completed and passed the following courses and examinations administered by accredited educational institutions:

Basic Appraisal Principles

Basic Appraisal Procedures

Residential Appraiser Site Valuation and Cost Approach

15 Hour National USPAP

7 Hour National USPAP

Residential Sales Comparison and Income Approaches

Statistics, Modeling and Finance

General Appraiser Income Approach

General Appraiser Market Analysis Highest & Best Use

General Appraiser Sales Comparison Approach

Appraisal Subject Matter Electives

Residential Report Writing and Case Studies

General Appraiser Site Valuation and Cost Approach

General Report Writing and Case Studies

Residential Market Analysis and Highest & Best Use

Advanced Residential Applications and Case Studies

Experience

2021-Present

Omega Valuation, LLC

A Real Estate Appraisal Company

Principle

2007-2021

ROTH & ASSOCIATES

A Real Estate Appraisal Firm

Associate

Residential & Commercial Appraisal Reports & Consultation.

Expert Witness for trial testimony.

APPRAISER'S LICENSE



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Philip R. Roth

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3003932

Effective Date: April 29, 2021
Date Expires: April 28, 2023


Loretta Dillon, Deputy Bureau Chief, BREA

3058379

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

PUBLIC RECORDS



County Last Updated: 07/29/2022

Property Location

Address: 408 W ALONDRA BLVD	City: COMPTON	Zip: 90220-4639
APN#: 6162-010-906	Use Code: Stores, Retail Outlet	County: Los Angeles
Tract: 1473	Census Tract: 5432.01	Zone: COC2YY
Map Page/Grid: 734/ 15	Legal Desc: TR=1473 S 2.71 FT OF W 68 FT OF LOT 1 AND W 68FT OF LOTS 2,3 AND 4	
Total Assessed Value: 59,648	Tax Amount: 0.00	
Percent Improvement: 0.00	Tax Year / Assessor Year: 2020 / 2021	

Current Owner Information

Current Owner: COMMUNITY REDEVELOPMENT AGENCY COMPTON CITY	Owner Address: 205 S WILLOWBROOK AVE
City, State, Zip: COMPTON, CA, 90220-3134	Owner Occupied: No
Last Transaction: 08/29/2008	Deed Type: grant deed/deed of trust
Amount:	Document: 0001566160

Last Sale Information

Transferred From:	Seller Address:
Recording / Sale Date: 08/29/2008 /	Prior Recording / Sale Date: 02/10/1999 /
Most Recent Sale Price:	Prior Sale Price: 143,000
Document Number: 0001566159	Prior Document No.: 0000214908
Document Type:	Prior Document Type: grant deed/deed of trust

Lender Information

Lender: SELLER	Full/Partial:
Loan Amount / 2nd Trust Deed: 68,000 / 75,000	Loan Type: conventional fix

Physical Information

Building Area: 1,300	# of Bedrooms: 3	Lot Size Sqft / Acreage: 6,294 / 0.14
Additional: 0	# of Bathrooms: 2.00	Year Built / Effective: 1928 / 1940
Garage: 0	# of Stories: 1	Heating:
First Floor: 0	Total Rooms: 0	Cooling:
Second Floor: 0	# of Units: 2	Roof Type:
Third Floor: 0	Garage/Carport:	Construction/Quality: / 0
Basement Finished: 0	Fireplaces: 0	Building Shape:
Basement Unfinished: 0	Pool/Spa:	View: