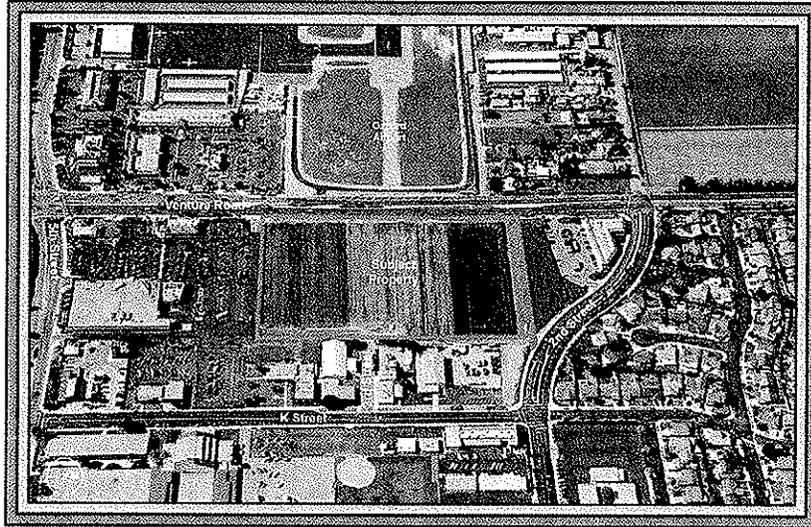


**APPRAISAL REPORT**



**Marketplace Partners Land on Ventura Road  
Oxnard, California**

**PREPARED FOR:  
Mr. Todd McNamee  
Director of Airports  
Ventura County Department of Airports  
555 Airport Way  
Camarillo, CA 93010**

**PREPARED BY:  
Kevin P. McAtee, MAI  
HOFFMAN, VANCE & WORTHINGTON, Inc.  
1000 South Seaward Avenue,  
Ventura, CA 93001**

**Date of Value: February 18, 2009**

**Date of Report: March 2, 2009**

HOFFMAN, VANCE AND WORTHINGTON, INC.

1000 SOUTH SEAWARD AVENUE  
VENTURA, CALIFORNIA 93001-3798

WALTER W. HOFFMAN  
DATHER C. VANCE (1923-1979)  
WILLIAM E. WORTHINGTON (1914-2005)  
RICHARD S. HAMBLETON, JR.  
BEVERLY C. GUTIERREZ  
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March 2, 2009

Mr. Todd McNamee  
Director of Airports  
Ventura County Department of Airports  
555 Airport Way  
Camarillo, CA 93010

**Re: Marketplace Partners Land on Ventura Road, Oxnard, California**

Mr. McNamee:

In accordance with your written request, I have personally examined and appraised the above referenced real property for the purpose of reporting to you my opinion of its Market Value. A careful examination was made of the subject property and surrounding area, and of those factors which tend to influence the value of the subject. This examination included the inspection and analysis of market data in the immediate and general vicinity of the subject that are physically, locationally and/or economically comparable.

The subject property consists of **10.15** acres. The property is located along the east side of Ventura Road, north of Fifth Street and south of Second Street. The property is vacant land currently used for agriculture purposes.

According to the City of Oxnard zoning maps, the property is zoned C-2PD (General Commercial Planned Development). The City's General Plan identifies the property as AC (Airport Compatible) and OSB (Open Space Buffer).

Due to the proximity of the adjacent Oxnard Airport, the subject is included in the Ventura County Airport Land Use Commission's *Airport Comprehensive Land Use Plan*. The subject is located in an area designated Existing Runway Protection Zone and/or Ultimate Runway Protection Zone. Permitted land uses within the Runway Protection Zone are restricted to agriculture. Alternative uses requiring a conditional use permit may be allowed if discretionary approvals are obtained.

The subject is also impacted by its proximity to an existing US Federal Aviation Administration (FAA) Instrument Approach. A previously existing Approach was converted to an avigation easement by a document recorded May 8, 1995 (doc. no. 95-054899) titled "Grant of Avigation Easement and Runway Protection Zone Restriction and Covenants Running with the Land" (a copy of which has been included in the Addenda). With the recording of an easement the FAA now owns the air rights and specifically prohibits any encroachment into the airspace over the subject property.

Mr. Todd McNamee  
March 2, 2009  
Page 2

The combination of the City of Oxnard's General Plan, zoning ordinance, and the *Airport Comprehensive Land Use Plan* result in significant prohibitions on land use for the subject property. The highest and best use was determined to be agriculture.

Based on my investigation and upon a complete review of the facts presented herein, it is my opinion that the **Market Value** of the **Fee Simple** interest in the subject property, in cash equivalent terms and subject to the Assumptions and Limiting Conditions, as of **February 18, 2009** was:

**\$650,000**

I would anticipate an exposure period of approximately **6 to 9 months** if the property were exposed to the market for sale at the appraised value.

This Report is a "Summary Appraisal Report". As such, it has been prepared in accordance with **Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Summary Appraisal Report (effective July 1, 2006)**. Summary discussions of the data, reasoning and analyses that were used to develop the opinion of value are presented in the appraisal report, including summary descriptions of the subject property, the property's locale, and the appraiser's opinion of highest and best use. Any data, reasoning and analyses not discussed in this Summary Appraisal Report are retained in the appraiser's work file.

The depth of discussion contained in this report is specific to the needs of the client and for the intended use of the report, which is for **potential purchase** purposes. The appraiser is not responsible for unauthorized use of this report.

Your attention is directed to the contents of this Summary Appraisal Report, including all descriptions, market data, analyses and other relevant factors upon which my conclusions are based. I have made every effort to ensure that the Summary Appraisal Report which follows complies with USPAP.

I, the undersigned, do hereby certify the statements and opinions rendered herein are true and correct to the best of my knowledge and belief, subject to the limiting conditions contained herein.

Sincerely,

**HOFFMAN, VANCE & WORTHINGTON, Inc.**



Kevin P. McAtee, MAI

CA Certified General AG014257

<b>SUMMARY OF SALIENT FACTS</b>	
Property Address:	E/s of Ventura Road, n/o Fifth Street and s/o Second Street, Oxnard, CA
Assessor's Parcel Numbers:	202-0-010-765
Property Description:	Vacant Land
Land Area:	10.15 acres
Zoning:	C2-PD (General Commercial Planned Development), City of Oxnard
General Plan	AC (Airport Compatible) and OSB (Open Space Buffer)
Airport Comp Land Use Plan	Agriculture
Interest Appraised:	Fee Simple
Highest/Best Use	Agriculture
Flood Hazard Zone:	Zone C
<b>Fair Market Value:</b>	<b>\$650,000</b>
Date of Value:	February 18, 2009

**SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL**

**PURPOSE OF THE APPRAISAL:**

The purpose of this appraisal is to provide the client with the appraiser's best estimate of the "as is" **Market Value** of the subject real property.

**Market value** is defined by the Uniform Appraisal Standards for Federal Land Acquisition as follows:<sup>1</sup>

*Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving the consideration to all available economic uses of the property at the time of the appraisal.*

**INTENDED USE OF THE REPORT:**

This appraisal is intended for the exclusive use by *Ventura County Department of Airports* for **potential purchase** purposes.

**INTEREST VALUED:**

**Fee Simple and Underlying Fee.** The subject property includes a non-exclusive ingress and egress access easement for the benefit of the shopping center to the south. While it is the Fee Simple interest that will be the focus for a majority of the subject property, the small portion burdened by the access easement will require an analysis of its Underlying Fee interest. There are no personal property, fixtures, or intangible items which have been valued in this appraisal.

**EFFECTIVE DATE OF VALUE:**

February 18, 2009.

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<sup>1</sup> Uniform Appraisal Standards for Federal Land Acquisition, Fifth Edition, p. 30

**DATE OF REPORT:**

March 2, 2009.

**APPRAISAL DEVELOPMENT AND REPORTING PROCESS:**

In preparing this appraisal, the appraiser made a number of independent investigations and analyses. Listed below are the investigations undertaken and the major data sources relied upon.

***Location Description***

The city analysis, while not included in this report, was conducted utilizing information obtained from a personal physical inspection by the appraiser, municipalities, the Chamber of Commerce, etc. Back-up information is maintained in the appraisers' work files.

***Site and Improvement Description***

The site description and analysis was prepared from information gathered during various physical inspections of the subject, the most recent of which was on February 18, 2009, and a review of the Ventura County Assessor's maps.

***Land and Improved Sale and Rental Data***

The factual information concerning land sales has been provided by *Costar*, *Metroscan*, and information provided by local area brokers and other appraisers. An attempt has been made to contact buyers, sellers and brokers to verify all information and to ensure the sales reflected are "arm's-length" transactions.

***Other Data***

Other information, such as tax records and zoning, was provided by governmental sources.

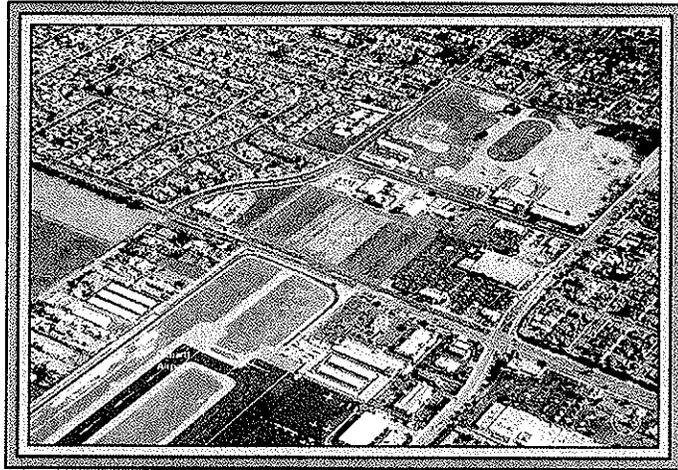
To develop the opinion of value, the appraiser performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This Summary Appraisal Report is a brief recapitulation of the appraiser's data, analyses, reasoning and conclusions. Supporting documentation is retained in the appraiser's work files.

**DESCRIPTION OF THE REAL ESTATE APPRAISED:**

*Neighborhood Description*

The subject property is located on the east side of Ventura Road, north of Fifth Street and south of Second Street, in the City of Oxnard. The neighborhood in which the subject is located is generally defined by Gonzales Road to the north, Fifth Street to the South, Oxnard Blvd. to the east, and Victoria Avenue to the west.

Land uses in the neighborhood are a primarily residential and commercial in nature. The residential components of the neighborhood are located north of Second Street and south of Fifth Street. West of the subject, across Ventura Road, is the Oxnard Airport. East of the subject are Oxnard School District and National Guard facilities. Commercial and



retail uses are scattered along the major thoroughfares such as Ventura Road. Immediately north of the subject is the Gold Coast Plaza, a recently constructed multi-tenant retail project located at the southeast corner of Ventura Road and Second Street. Immediately south of the subject is a supermarket anchored neighborhood shopping center located at the northeast corner of Ventura Road and Fifth Street.

The primary transportation corridors within the general area are Fifth Street and Ventura Road. Fifth Street is a two-lane east/west residential surface street connecting the beach community of Oxnard Shores to the west, with the agricultural land east of downtown Oxnard. Ventura Road is a north/south arterial which connects the Ventura (101) Freeway to the southern parts of Oxnard and Port Hueneme.

The subject's proximity to the Oxnard Airport is central to the discussion of value.

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*Market Conditions*

As will be more thoroughly discussed in the Property Description, the subject property is vacant land used for agriculture. The subject is zoned for commercial uses, specifically C-2PD (General Commercial Planned Development). However, as discussed in the Highest and Best Use section, the use restrictions imposed by the Airport Land Use Comprehensive Use Plan restricted the subject's highest and best use to agriculture. The focus of the market overview was, therefore, both the agriculture market and the rural residential market.

In addition to the market data included in the Sales Comparison Approach, market survey data published by California Chapter of the American Society of Farm Managers and Rural Appraisers (ASFMRA) was considered. The ASFMRA publishes a report titled Trends in Agricultural Land & Lease Values addressing values for various types of agriculture land. According to the 2008 ASFMRA report, during 2007 Ventura County lemon orchard values ranged from **\$20,000 to \$52,000** per acre. Activity was reported to be stable with a similar trend on values. The 2007 report, which addressed the 2006 market, reported a stable market with stable trending and land values at **\$20,000 to \$55,000** per acre. During 2007 and 2006, avocado orchard values increased from a range of **\$25,000 to \$47,000** to a range of **\$25,000 to \$52,000** per acre, respectively. Row crop values during 2007 within Ventura County, as reported in the 2008 ASFMRA report, ranged between **\$45,000 and \$75,000** per acre. ASFMRA reported a stable row crop land market. While not yet reported by ASFMRA, sale transactions occurring in 2008 support the 2007 value trends.

Since the Trends report was published, the world economy and commercial real estate markets have been roiled by events unimaginable even recent times. Economies around the world are sagging, and capital investment flows are minimal. As a result, local property fundamentals are weakening. It is expected that the credit-induced recession will further hobble the global market. The economy is expected to remain at or near recessionary levels through 2009. Both consumer and business confidence have continued to decline. Discretionary consumer spending will remain low given the expectation of continued job losses.

Ventura County has lost 7,200 jobs in the past 12 months, the financial markets are in such a state of volatility and according to Bill Watkins, executive director of the US Santa Barbara Economic Forecast Project, "what's happening by the hour affects how you would interpret it, but in the long term you have to believe that things are going to turn around".

As of the date of value, the evidence of stress on the commercial and industrial market following the fall of the residential market was palpable. Given sustained food prices, the agriculture market has been less affected by the general economy. Those properties enjoying a strong life style component of value, such as gentleman farms, have been directly affected by the downturn in the market. Row crop land, which tends to reflect the economics of farming rather than life style, seems to have been less affected by the downtown. That said, few transactions have occurred since the downturn from which to discern market impacts.

Few transactions will likely occur in the near future, not only because of sellers unwillingness to accept the changes in market conditions, but because of buyers unwillingness to part with cash. Financing, where it can be secured, will include low loan-to-value ratios as lenders require more and more equity.

From my research of the comparable land sales, and after discussions with knowledgeable brokers in the immediate area, I am of the opinion that **6 to 9 months** would be a reasonable exposure time for the subject property.

**Property Description**

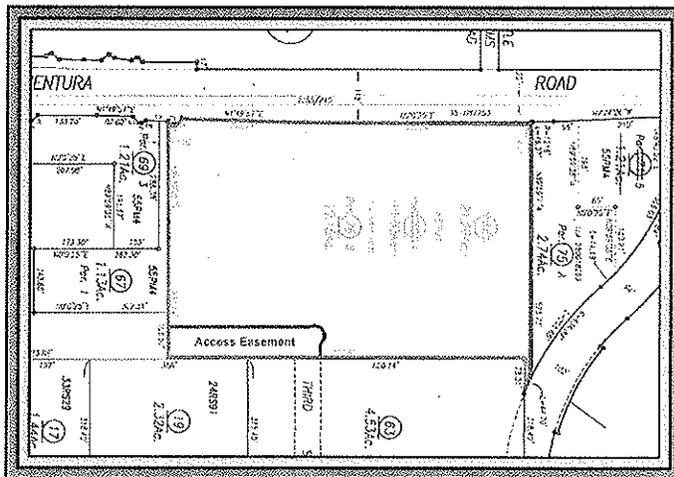
**Site Description:**

The Ventura County Assessor identifies the site as **Parcel No. 202-0-010-765**. According to Assessor information, the property measures **10.15 acres**.

The site's topography is essentially level. All utilities and off-site improvements are located in the general proximity

of the subject property. While a soils report was not provided for review, no evidence of settling was noted upon inspection.

According to the Mr. Michael Rue, the property owner, water is provided by an off-site water well. The water well is located near the southwest corner of J Street and Fifth Street. The water line runs west along Fifth Street to a point near the northeast corner of Ventura Road

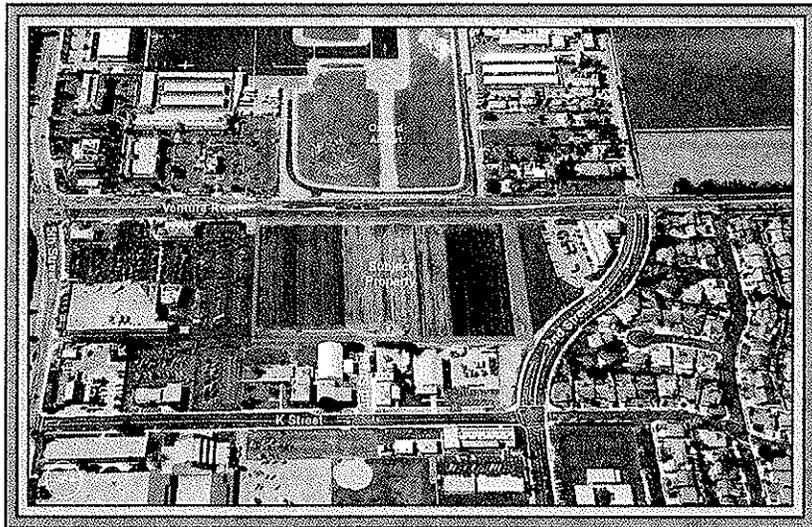


*Subject Parcel 76 (Access Easement Depicted)*

and Fifth Street, at which point the line turns north onto the Von's Shopping Center side and, ultimately, on to the subject property. According to the property owner, they are not aware of any deed or easement agreement granting them rights to either the well site or the right-of-way along Fifth Street. According to the property owner, the water source has been in place for "as long as the previous property owner could recall". For the sake of this appraisal, it is a Special Assumption and Limiting Condition that the well site and water line alignment were legally obtained and currently held by the property owner.

According to a Declaration of Restrictions and Grant of Easements, recorded January 24, 1995, a perpetual non-exclusive Access Easement for ingress and egress by vehicular and pedestrian traffic upon, over and across that portion of land roughly depicted on the parcel map. According to the Grant of Easement, the owners of the shopping center to the south of the subject will be

responsible for the maintenance and repair of the Access Easement as long as the subject property remains undeveloped. Upon any development of the subject, the costs thereof shall be prorated among the owners of the shopping center and



the subject property. The area affected by the easement measures roughly 350 feet by 40 feet, or **14,000** square feet.

The appraiser was not provided with any Environmental Site Assessment reports. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the **possibility** of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of potentially hazardous materials may affect the value of the property. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and

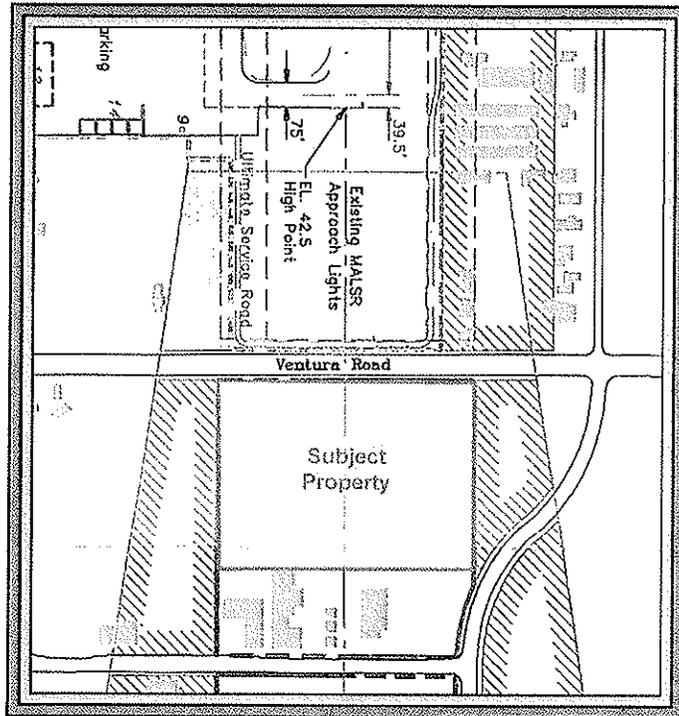
resulting comments are the result of the routine observations made during the appraisal process.

As stated, a title report was not provided for review. Title is assumed to be good and marketable.

The subject site is zoned **C-2PD (General Commercial Planned Development)**. The 2020 General Plan for the City of Oxnard designates the subject property as AC (Airport Compatible) and OSB (Open Space Buffer).

The subject property is located in close proximity to the Oxnard Airport. The Airport is a general aviation airport with commuter flights to larger regional airports such as Los Angeles International. As will be discussed in the Highest and Best Use section, the subject's proximity to the Oxnard Airport

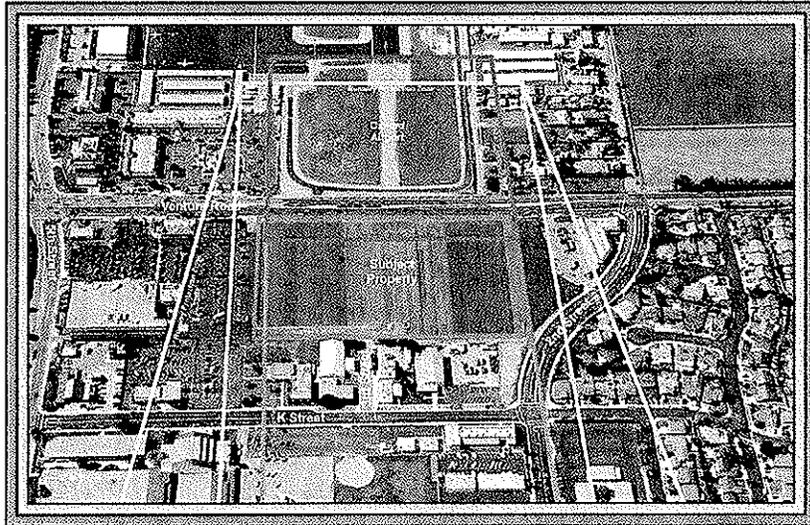
is significant relative to allowable land uses. In November 1991, the Ventura County Airport Land Use Commission approved an *Airports Comprehensive Land Use Plan* (1991 CLUP) for the three public use airports and one military airport in Ventura County (Oxnard, Camarillo, Santa Paula and the NAWS Point Mugu). The *Land Use Plan* was updated in July 2000. According to the report, the *Airport Comprehensive Land Use Plan* is intended to protect and promote the safety and welfare of residents near the



*Airport Comprehensive Land Use Plan - Exhibit 3D*

military and public use airports in the County, as well as airport users, while promoting the continued operation of those airports. Specifically, the *Land Use Plan* seeks to protect the public from the adverse effects of aircraft noise, to ensure that people and facilities are not concentrated in areas susceptible to aircraft accidents, and to ensure that no structures or activities encroach upon or adversely affect the use of navigable airspace.

State law requires the County Board of Supervisors to establish an Airport Land Use Commission (ALUC). In the case of Ventura County, the Ventura County Transportation Commission was designated to act as the ALUC for the County. In formulating a land use plan, the Commission may develop height restrictions on buildings, specify use of land, and determine building standards, including soundproofing. State law requires that local general plans conform with the ALUC's comprehensive airport land use plan and grants the ALUC the authority to review amendments to general plans, specific plans, and zoning ordinances and building regulations applying within the airport planning boundary. If the commission determines that a proposed action is inconsistent with the commission's plan, the local agency may, after a public hearing, overrule the commission by a two-thirds vote of its governing body.



The 2020 Oxnard General Plan was adopted in November 1990 and includes Amendments through December 2000. Section V of the General Plan is titled Land Use Element. Item 11, page V-8 titled Airport reads as follows: *Oxnard Airport is located in the northwest portion of the City and operates as a commuter service facility. Due to its proximity to residential areas and Oxnard High School, there is a potential for land use conflicts. Consideration is being given to relocating the high school in which case the site could be made available for recreational use.* (The high school was ultimately relocated.)

The Noise Element of the *Land Use Plan* includes several goals and policies related to airport compatibility planning. Item C. 5, page X-16 under Development Policies reads *Municipal policies shall be consistent with the Ventura County Airport Land use Commission's adopted land use plan.* Item 5, page X-17 under the Implementation Measures reads *Rezone property within the Oxnard Airport area to nonresidential and non-sensitive land uses that are consistent with the "Airport Compatible" designation of the Land Use Element.*

Two major elements of the *Airport Comprehensive Land Use Plan* are safety and noise. While noise does affect land uses, sound attenuation measures are generally sufficient remedies. Safety issues, however, result in restriction on land use. Four defined zones discussed in the *Land Use Plan* affect the subject property. In order of degree of land use restrictions, the four designations are the Runway Protection Zone (RPZ), Outer Safety Zone (OSZ), Traffic Pattern Zone (TPZ), and Height Restriction Zone (HRZ). The following provides a summary of uses per zone:

Runway Protection Zone (RPZ)

The Runway Protection Zone, or Inner Safety Zone, permits agriculture only. Communication/utilities and automobile parking are conditional upon meeting established criteria. These latter uses are permitted only if approved by FAA as not constituting a hazard to air navigation. Golf courses and water recreation are conditionally permitted provided no clubhouse type structures are included within the zone.

Outer Safety Zone (OSZ)

The Outer Safety Zone permits all uses allowed in the Runway Protection Zone, but include communication/utilities, automobile parking, and golf courses as unconditionally permitted uses. Offices, wholesale and retail services, manufacturing, light industrial, research and development and business park/corporate offices are conditionally permitted. The maximum structural coverage must be no more than 25 percent of the site area.

Traffic Pattern Zone (TPZ)

The Traffic Pattern Zone includes all permitted uses in the Outer Safety Zone. Parks, outdoor amusement, resorts and camps are also permitted. In addition, conditionally approved uses include all forms of residential with a maximum site coverage of 25 percent. Hotels and motels, offices, wholesale and retail uses, manufacturing, light industrial, research and development, and business parks/corporate offices are conditionally permitted with a maximum site coverage of 50 percent of the site.

Height Restriction Zone (HRZ)

F.A.R. Part 77 requires people proposing to construct certain tall structures (over 200 feet) or other structures near airports that would penetrate imaginary surfaces defined in Part 77 to notify the FAA of the proposed construction. The FAA may issue an acknowledgment stating that the proposed construction may be a hazard to air

navigation. The FAA cannot prevent the construction of hazards to air navigation. It can only require that they be marked. According to Exhibit 3D titled Oxnard Airport Layout Plan, the west property line of the subject property is located roughly 2,600 lineal feet from the Airport runway threshold. The east property line is located roughly 4,200 lineal feet from the threshold. According to Exhibit 6H titled F.A.R. Part 77 Airspace Plan for Oxnard Airport, improvements located 2,600 to 4,200 lineal feet from the threshold are restricted to approximately 100 to 125 feet in height.

The subject property is included in the Existing Runway Protection Zone and/or the Ultimate Runway Protection Zone. A portion of the property is also within the Runway Object Free Area (OFA). The OFA in an area on the ground centered on a runway, taxiway, or taxilane centerline provided to enhance the safety of aircraft operations by having the area free of objects, except for objects that need to be located in the OFA for air navigation or aircraft ground maneuvering purposes. Objects non-essential for air



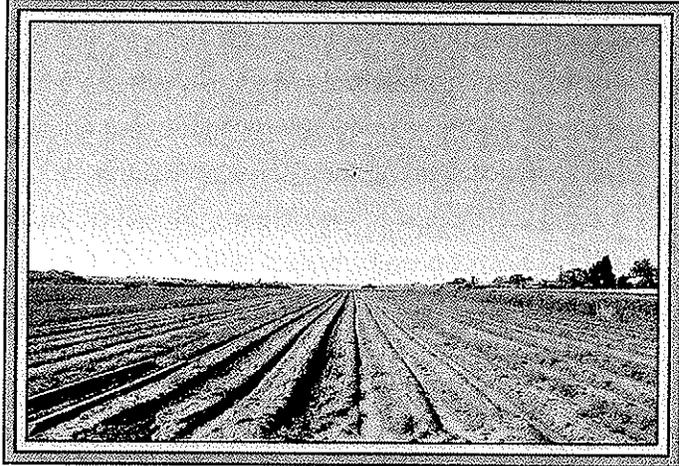
*Subject Property Facing Southwest*

navigation or aircraft ground maneuvering purposes are not to be placed in the OFA. This includes parked airplanes and agricultural operations. It was noted during a field inspection of the subject property that the entire property, including that portion located in the OFA, is currently being used for agriculture.

As stated, the City of Oxnard can disregard land use restrictions imposed by the *Airport Comprehensive Land Use Plan* with a two-thirds majority vote of the City Council. However, in doing so the City must indemnify the Airport Land Use Commission and assume all responsibility and liability relating to the risk inherent with that land use. Furthermore, a project Environmental Impact Report would be required to note the departure from the *Land Use Plan* and opposition from the Commission.

The subject is also impacted by its proximity to an existing US Federal Aviation Administration (FAA) Instrument Approach. An existing Approach was recently converted

to an avigation easement by a document recorded May 8, 1995 (doc. no. 95-054899) titled "Grant of Avigation Easement and Runway Protection Zone Restriction and Covenants Running with the Land" (a copy of which has been included in the Addenda). With the recording of the easement the FAA now has the right to prohibits any encroachment into the airspace over the subject starting at approximately 100 feet above the surface elevation. The easement further prohibits the construction of any buildings within the State designated Runway Protection Zone area which is in keeping with the *Airport Comprehensive Land Use Plan*. It is noteworthy that one other provision of the avigation easement is in conflict with the *Airport Comprehensive Land Use Plan*. Item (b) includes the following language:



*Subject Property Facing West - Airplane on Final Approach*

*Nothing contained herein shall prohibit (i) the driving and parking of vehicles on the Property below the easement granted herein.*" As discussed previously under the definition of Runway Protection Zone, automobile parking is permitted only if approved by FAA as not constituting a hazard to air navigation.

Given the subject's zoning designation (C-2PD) and the use restricted imposed by the Avigation Easement (restricting construction of improvements in excess of 100 feet above the surface elevation), it was considered feasible to construct a recreational vehicle (RV) storage development on the subject property. A copy of a Standard Offer Agreement and Escrow Instructions for Purchase of Real Estate from Ed Charton and dated June 15, 2007 was provided the appraiser for review. The offer price was \$1,030,000, cash to the seller. In a letter from Mike Rue of Marketplace Partners, the current property owner, mention is made of other offers to purchase or lease the property for similar uses. In fact, according to Mr. Rue's letter, his company had decided to develop the property to RV storage rather than sell.

The FAA determined that the RV storage use was "not acceptable from an airport design standard application/determination." According to a letter from the FAA to Marc Hermann of A&H Properties and dated November 1, 2007 (a copy of which has been included in the Addenda), the FAA has objections to the use of the subject property for automobile parking.

According to the Additional Information for ASN2007-AWP-4469-OE attached to the letter, the FAA Airports Division objected to the proposed use because of a fence and parking activity would have traversed through the Runway Object Free Area. It is note worthy that the Air Traffic Airspace Branch determined that the proposed use was of no hazard to air navigation. However, as explained by Karen McDonald of the Airspace Branch and Margie Drilling of the Airports Division, there are a number of branches and divisions within the FAA that rule on the advisability of a particular use within airport airspace. They include departments dealing with airspace, airports, traffic, procedures, standards, military, and radio frequencies. A proposed project may pose no hazard to one branch or division while posing a hazard to one or more others. In the case of the subject's RV development, the proposed improvements did not pose a hazard relative to a vertical plain as the improvements did not extend very high in to the airspace. However, on the horizontal plain the FAA ruled that the improvements posed a hazard in the event of an airplane crash or emergency landing within the Center Portion of the Runway Protection Zone.

As stated previously, the FAA's ruling is merely advisory. The City of Oxnard could grant approval for the development. However, in doing so the City must indemnify the Airport Land Use Commission and assume all responsibility and liability relating to the risk inherent with that land use. According to Margie Drilling, any permit granted would include notation of such a departure from the FAA and the Airport Land Use Commission. In her experience, obtaining insurance, let alone financing, is problematic with such a discoverable notation. She explained further that the FAA was very deliberative in their ruling on the subject project and that had the City of Oxnard pursued the development absent the FAA's approval, greater efforts would have come to bear from the FAA to stop the development. The FAA, as explained by Ms. Drilling, is solely focused on safety and development within a Runway Protection Zone is not considered safe.

Given that the FAA did not approve the development of an RV storage facility due to, among other things, its fencing, it is reasonable to assume the FAA would not approve construction of any agriculture related improvements on the property. No structures are permitted in the OFA. It is reasonable to assume that the FAA would similarly object to any improvements such as barns, sheds, or a residence being constructed on the balance of the property.

The combination of the City of Oxnard's General Plan, zoning ordinance, and the *Airport Comprehensive Land Use Plan* result in significant prohibitions on land use for the subject property.

The subject property is located in a **Zone C**, which is an area of moderate or minimal hazard from the principal source of flood in this area. Flood insurance is available in participating communities but is **not** required by Federal regulations. Community and Map Panel No. **060417-0010C** (dated October 15, 1985).

The site is not located in a designated Alquist/Priolo earthquake Special Studies zone.

A complete environmental assessment of the site is beyond the capability of the appraiser. The client is urged to obtain professional assistance to precisely determine the magnitude of any environmental issues. The consultant claims no expertise in this area.

In conclusion, the site is limited relative to permitted land uses. The Oxnard General Plan designates the property as Airport Compatible and Open Space Buffer, while the Oxnard zoning ordinance calls for commercial. The *Airport Comprehensive Land Use Plan* limits the majority of the property permitted uses to agriculture, with the balance limited to airport-essential uses only.

**HISTORY OF OWNERSHIP:**

According to public records, title to the subject property has been in the name of *Marketplace Partners LP* since May 28, 1999. To the best of the appraiser's knowledge the property has not changed hands since 1999. The property is not currently available for sale.

**REAL ESTATE TAXES:**

**REAL ESTATE TAXES:**

As stated, the site is currently identified as **Assessor's Parcel No. 202-0-010-765**. It is located in Tax Rate Area 03294. Current 2008-09 Assessed Values are as shown on the following page.

Assessed Land Value	\$275,301
Assessed Imp. Value	\$0.00
Total Assessed Value	\$275,301
Total Taxes & Assessments	\$3,488.26
Effective Total Tax Rate	1.2671%

Real estate taxes for the 2008-09 tax year are \$3,488.26, including special assessments. The current effective tax rate (including special assessments) is 1.2671% of the assessed value. As of the date of this report real estate taxes are paid and current, according to the Ventura County Tax Collector's office.

The passage of Proposition 13 established a maximum property tax of 1% of full cash value on transfer of the property or on new construction. In addition to the base tax rate of 1%, amounts necessary to satisfy general obligations, bonds, or other indebtedness approved by the voters prior to July 1, 1978, is added to the tax rate. The amount of the taxes is limited to a maximum increase of 2% per year by law for each year of continued ownership. All properties are reassessed at full market value upon resale.

## HIGHEST AND BEST USE OF THE LAND

### Introduction

Highest and Best Use is an appraisal concept which addresses the actual and/or hypothetical utilization of a site in relation to the physical, social, governmental and economic constraints affecting it. Of key importance in analyzing vacant land and/or improved property in terms of highest and best use is a determination of net benefits (monetary and non-monetary) which inure to the property as a result of a specified program of utilization. The Appraisal Institute defines Highest and Best Use as:

*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.*<sup>5</sup>

The Appraisal Institute recognizes the concept of highest and best use as being distinguishable into two categories:

- 1) The highest and best use of the land, as though vacant and available for development, and;
- 2) The highest and best use of the total property, as it is presently improved.

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<sup>5</sup> The Appraisal Institute, The Appraisal of Real Estate, Tenth Edition, (Chicago, Illinois), 1992, p. 275.

Because the subject property is vacant, undeveloped land, the highest and best use of the land only is included in the discussion which follows.

### HIGHEST AND BEST USE OF THE LAND

Any supportable conclusion as to the highest and best use of the land (site) must be capable of meeting four criteria. The use must be:

- 1) Legally permissible
- 2) Physically possible
- 3) Financially feasible
- 4) Maximally productive

#### Legally Permissible

As discussed in the Property Description, the City of Oxnard General Plan calls for Airport Compatible and Open Space Buffer uses at the subject property. The City of Oxnard's zoning designation is C-2PD (General Commercial Planned Development). The legally permissible uses would, therefore, seem to allow commercial development.

However, as discussed previously, the subject's proximity to the Oxnard Airport results in its inclusion in the *Airport Comprehensive Land Use Plan for Ventura County*. The subject is located within the Airport's Runway Protection Zone. Uses within the Protection Zone are limited and, by virtue of the letter from the FAA dated November 1, 2007, appear to be restricted to agriculture. A roughly 1.80 acre portion of the subject is located in an Object Free Area (OFA). Objects non-essential for air navigation or aircraft ground maneuvering purposes are not to be placed in the OFA, including parked airplanes and agricultural operations. In fact, agriculture is not a permitted use per the General Plan or the zoning designation. Given the FAA's rejections of the RV storage project, it is reasonable to assume they would similarly be opposed to the construction of any agriculture related improvements such as a barn, shed, or residence. Furthermore, the Grant of Avigation Easement and Runway Protection Zone Restriction and Covenants Running with the Land recorded May 8, 1995 (doc. no. 95-054899) prohibits the construction of any buildings within the State designated Runway Protection Zone area which is in keeping with the *Airport Comprehensive Land Use Plan*.

When considering the Oxnard General Plan, city zoning ordinance and the *Comprehensive Land Use Plan*, the legally permitted uses are limited to agriculture. While not permitted in the C-2PD zoning, the use has existed on the property for many years without interruption. The use is, therefore, considered a legal non-conforming use. Therefore, given the lack of

an approved land use, the property's legally permissible uses was limited to agriculture. The limitations further prohibit construction of any improvements.

#### Physically Possible

The second development constraint imposed upon a site is its configuration, size, topography and location within a given block, taking into consideration only those uses that are legally permissible. The size and location of the parcels are the most important determinants of value. In general, the larger the site, the greater its potential to achieve economics of scale and flexibility in development.

The size of the parcel and the permitted uses stipulated have considerable influence on a site's development potential. The overall location and exposure of the subject site was considered to provide adequate access and visibility. The shape and size of the site was judged to be adequate. The existing topography is not felt to pose any development problems. Drainage at the site is assumed to be adequate.

Considering the site's physical and locational characteristics, and the surrounding land uses, it appears that the current use would be compatible at the subject site. Therefore, in conjunction with the previously mentioned land use restraints, the existing use was concluded to be physically possible.

#### Financially Feasible

It is the appraiser's opinion that the subject site is in a good location within the subject neighborhood. There is adequate street ingress/egress. The land area of the site is also adequate to support its current use.

#### Maximally Productive

Based on the foregoing, the agriculture use was considered to be maximally productive.

#### Conclusion

The subject site is of sufficient size and shape to accommodate a range of uses. Legally, the only permissible use would be agriculture. Physically possible and financially feasible options are limited by the legal limitations imposed by its proximity to the Oxnard Airport as well as the recorded Grant of Avigation Easement and Runway Protection Zone Restriction and Covenants Running with the Land. In conclusion, considering the site's current zoning designation, immediate location and surrounding environs, it is concluded that the highest and best use of the land is its current agriculture use. However, no structures can be constructed in concert with agriculture use.

## ANALYSIS AND VALUATION:

As discussed, the purpose of this appraisal is to estimate the Fair Market Value of the **Fee Simple** and **Underlying Fee** interests in the subject property.

The valuation of any type of real property is accomplished through the application of a defined process of research, analysis, application, correlation and reconciliation of factual data. Regardless of the type of value sought, a logical program of fact finding and reasoning, known as the "Valuation Process", must be employed for any determination of value. The Valuation Process typically involves a six-step process encompassing the following tasks:

1. Definition of the Appraisal Problem
2. Preliminary Analysis and Data Selection and Collection
3. Determination of Highest and Best Use (Land and Property)
4. Application of Specific Appraisal Procedures or "Approaches, including, where applicable:
  - Cost Approach
  - Sales Comparison Approach
  - Income Capitalization Approach
5. Reconciliation of Value Indicators from Applied Appraisal Procedures
6. Report of Defined Value

### Valuation Methodology

The thrust of the Valuation Process and the primary focus of any real estate appraisal assignment is the systematic and correct application of one or more of three traditional valuation procedures or "approaches" to valuing a property. As shown in the Valuation Process summary above, the valuation approaches are identified as the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

The valuation approaches are techniques used by the appraisers to derive separate indicators of real property value. One or more of the approaches may be used, depending on whether they are applicable to a particular appraisal assignment. After applying the appropriate approaches in the valuation process, the appraisers reconcile the indicated values by each approach into a final value conclusion by weighing the strengths and weaknesses of each approach and their relevance to the appraisal assignment. A brief description of each of the valuation approaches is presented below.

## VALUATION APPROACHES

### Cost Approach

The Cost Approach is a method of valuing the property as if it were separable into the physical and economic components of land, building improvements and profit. Each is estimated separately and reassembled into a total property value conclusion. The land is valued by direct sales comparison, as if it were developable into its highest and best use. The improvement portion is valued by estimating its construction cost, and deducting for observed physical, functional and external forms of accrued depreciation. The land and improvement values are reassembled, together with a margin for profit, into a total property value estimate. Underlying the theory of the Cost Approach is the principle of substitution, which suggests no prudent person would pay more for a property than the amount for which he/she can obtain an equally desirable substitute property, by purchasing a site and constructing a building of equal desirability and utility. The Cost Approach is particularly useful for valuing special purpose properties for which there may be little or no comparison sales data or an applicable income stream. Newer general purpose properties which have incurred little or no depreciation are also well suited to valuation by the Cost Approach.

### Sales Comparison Approach

The Sales Comparison Approach is based on a concept that suggests that the value of a property tends to be set by the prices of equally desirable substitute properties. The value is predicated on prices paid for similar properties in "arms length" market transactions over a time period that reasonably reflects market conditions. Therefore, the validity of the Sales Comparison Approach depends on the existence of recent sales of properties which are comparable in location, size, age, condition, utility, construction and overall market appeal. This method can be useful for valuing developed general purpose properties or vacant land.

### Income Capitalization Approach

The Income Capitalization Approach is predicated on using one or more of several capitalization processes, employing market derived investment return rates to capitalize the net income into a value estimate. In addition to return rates, every element of the cash flow is market derived or supported; these include rents, expenses and vacancy rates. Therefore, as with the other approaches to value, the validity of the Income Capitalization Approach depends on adequate market data.

Selection of Appropriate Valuation Approach

As discussed in the Property Description, the subject property is limited to agriculture but prohibited from construction of any structures. Therefore, the property can be used to grow fruits and vegetables, but, given that no structures can be constructed on the property, can not be used for any rural residential purposes. This is relevant because much of the agriculture market throughout the County of Ventura has an intrinsic rural residential component of value. More specifically, properties measuring 10 to 20 acres or less are most certainly affected by their "life style" component of value as gentleman ranches. While this is more pronounced with properties located in the foothills and canyons of the County, it applies to the flat land as well. The subject property is prohibited from construction of any improvements. Not only is it prohibited from having a barn or shed that may enhance its efficient use for agriculture purposes, it is prohibited from having a residence.

After considering the approaches to value and the relevancy of each to the subject property and the appraisal problem, two of the three approaches to value for the subject property was utilized. The Sales Comparison Approach has been used to establish an indication of value for the subject through analysis of the sales of properties considered comparable. However, in all cases the comparable properties were permitted to have improvements, including a residence. The Sales Comparison Approach was not suited for extracting from the market the diminution in value attributed to the prohibition on improvements because none of the sales shared the prohibition.

Farm land is often rented to growers. There are any number of instances throughout the County where growers lease rather than own property on which they cultivate a commercial crop. In these cases the tenant is less interested in "life style" component of value as they are only interested in their ability to grow a commercially viable crop. While residences can sometimes be of benefit, it is not uncommon for the property owner to rent a residence to someone other than the tenant of the farm land. In either case, the property owner is not enjoying the "life style" component of value. It is my contention that the rental market may provide a means to capture the value of the land absent any intrinsic value to the "life style" if affords. This is evidenced by the rental values remaining relatively somewhat constant despite very different locations throughout the County.

Farm land rarely sells based on its ability to general rental income. That is to say, investor rarely purchase agriculture land in order to earn a return on investment generated by rent. Buyers of farmland are generally farmers intent on growing a crop on the property. However, renting the property is often a consideration. There are many properties throughout the

Oxnard Plain that are owned by farmers but leased to other growers. Reasons can be as simple as crop rotation or as complicated as asset management. In the latter, given the high cost of farming and fluctuating market conditions, land owners may prefer to lease their property than farm. An excellent example of this is the sod business. With the downturn in the residential construction business, sod farmers are planting less sod. Rather than let the land go fallow, sod ground owners are leasing their land to fruit and/or vegetable growers.

As will be discussed in an abbreviated Income Capitalization Approach, the rental income generated by farmland provides a means to assess the value to the farmer. By applying an overall capitalization rate to the rental income, the value attributable to the farming use can be determined. A fair market value in excess of the farming value would represent the "life style" component of value.

## **ANALYSIS AND VALUATION:**

### ***Sale Comparison Approach***

To estimate the value of subject, the Sales Comparison Approach has been utilized. A search was conducted throughout the subject's market area to identify sales of land considered generally comparable to the subject site. The sales utilized in this analysis were gathered through a search of the County public records and interviews with local brokers, developers and other appraisers. The sales have been analyzed and compared to the subject on the basis of the physical, locational and economic factors which influenced their respective prices.

The selected comparables were determined to represent the market as of the date of value. The sales which we considered to be the most pertinent in forming our opinion of value are summarized in the following pages.

LAND SALE SUMMARY TABLE						
No	Address/ Assessor Parcel No.	Sale Date	Size (Acres)	Zone	Price	Price/ Acre
1	Rice Road, Oxnard (APN 218-0-011-345, 355, 365, 375)	Sep-08	25.92	AE	\$2,462,500	\$95,000
2	Sand Canyon Road, Somis Area (APN 110-0-210-120)	Jun-08	20.05	AE	\$1,400,000	\$69,825
3	Santa Rosa Road, Camarillo Area (APN 520-0-180-215)	Jan-08	8.83	OS-40	\$1,050,000	\$118,913
4	Rancho Vista Road, Santa Paula Area (064-0-330-245)	Mar-07	8.30	RA5	\$850,000	\$102,410
5	11600 Santa Rosa Road, Camarillo (APN 520-0-340-025)	Nov-06	13.65	OS10	\$1,273,000	\$93,260
6	11475 Foothill Road Santa Paula (064-0-290-775)	Jul-06	9.75	RE	\$1,500,000	\$153,846
7	NWC Bardsdale Ave & Ventura St. Bardsdale (046-0-196-030)	Jan-06	9.11	AE	\$875,000	\$96,048

**Sale Comparable No. 1, Rice Road, Oxnard,** is a 25.92 acre property located roughly 3.25 miles southeast of the subject.

The parcel sold in September 2008 (Document No. 146907). The buyer and seller were *Sundance Berry Farms LLC* and *Kotake Family Ltd.* The property is row crop land with level sloping topography. Water is provided by an on-site water well. Water is also provided by United Conservation Water District.



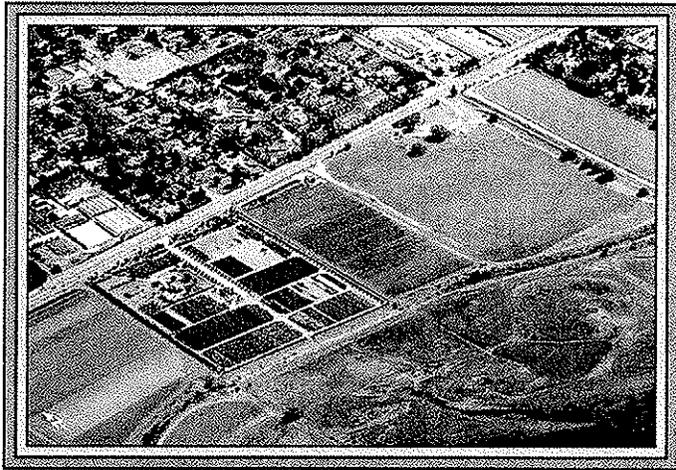
The property is four legal parcels measuring roughly 6.48 acres each. The parcels included no improvements. The sale price was \$2,462,500, or **\$95,000** per acre. The seller carried a note for 70% of the purchase price. The note included a 20 year amortization, all due in 5 years, at an interest rate of 6%.

**Sale Comparable No. 2, Sand Canyon, Somis**, is a 20.05 acre property located roughly 14 miles northeast of the subject. The parcel sold in June 2008 (Document No. 89999). The property sold for **\$1,400,000**, cash to the seller. The buyer and seller were *Grether Family* and *Ehud Ariav Enterprises, Inc.* The property is planted in



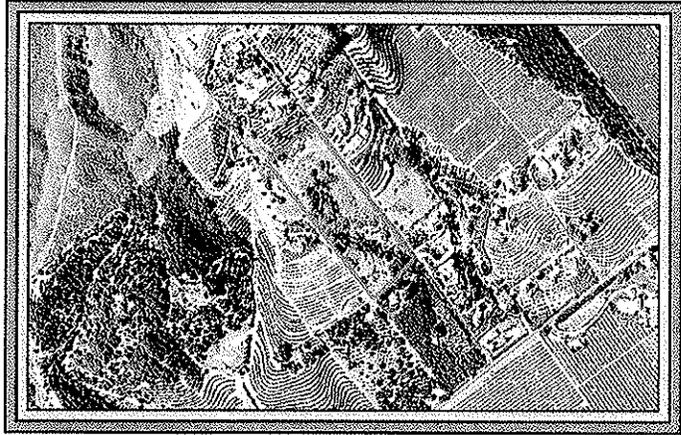
lemons and avocados with gently sloping topography. Water is provided by a private water well shared with six other property owners. The property included no improvements. The sale price equated to **\$69,825** per acre, cash to the seller.

**Sale Comparable No. 3, Santa Rosa Road, Camarillo** (APN 520-0-180-215), is an 8.83 acre parcel located roughly 16 miles northeast of the subject. The parcel sold in January 2008 (Document No. 11482). The buyer and seller were *Haroon Hanasab* and *The Archdiocese of Los Angeles*, respectively.



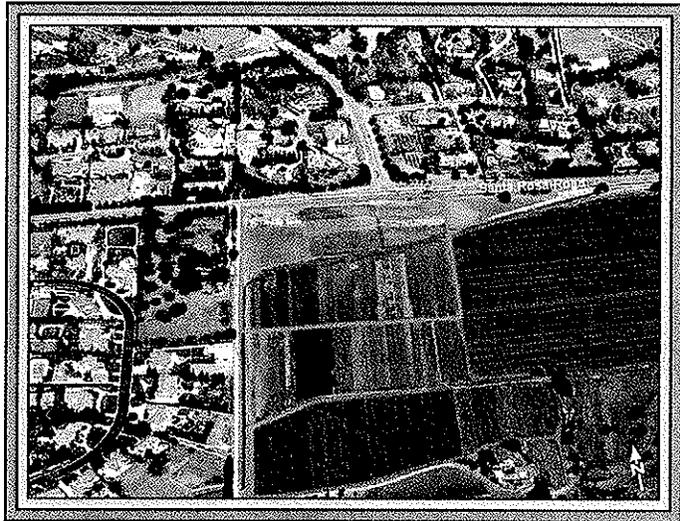
The property sold for **\$1,050,000**, cash to the seller. The property is zoned OS-40, was level terrain used for growing row crops. Water is provided by Ventura County District Water. Access is via Santa Rosa Road. The sale price equated to **\$118,913** per acre. The property included no improvements. The appraiser represented the seller in the sale transaction. Working files provided the details of the sale.

**Sale Comparable No. 4,** *Rancho Vista Road, Santa Paula* (APN 064-0-330-245) is located approximately 8 miles northeast of the subject. The comparable is one parcel which totals **8.3** acres that sold in March 2007 (Document No. 61450). The sale price was **\$850,000**, cash to the seller.

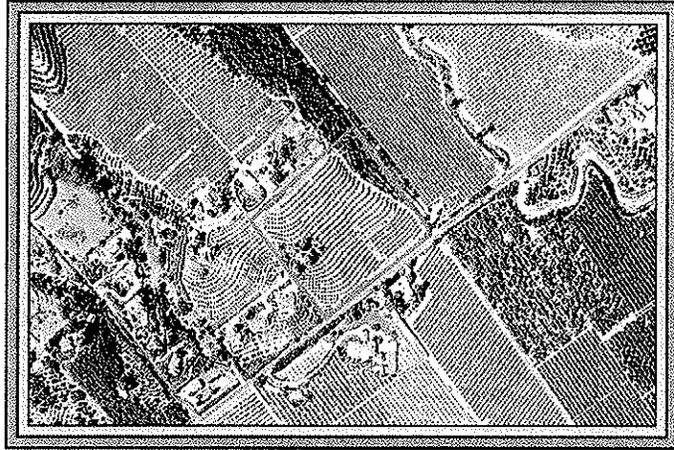


The property was zoned RA5A, rolling and currently not being farmed. There were no improvements on the property at the time of sale. Water was provided by shares in the Mutual Water Company. The sale price equated to **\$102,410** per acre, land value only.

**Sale Comparable No. 5,** *11600 Santa Rosa Road, Camarillo* (APN 520-0-340-025). The property is a **13.65** acre parcel located approximately 17 miles northeast of the subject. The property sold in November 2006 (Document No. 244660). The buyer and seller were *Manuel Magdelano* and *Homer Caston Trust*, respectively. The sale price was **\$1,273,000**, cash to the seller. The property was zoned OS-10, was gently rolling and used for row crop farming. Water was provided by a shared well. Access is via Santa Rosa Road. The sale price equated to **\$93,260** per acre. The property had a retail store structure and a building site for a single-family residence on the site.

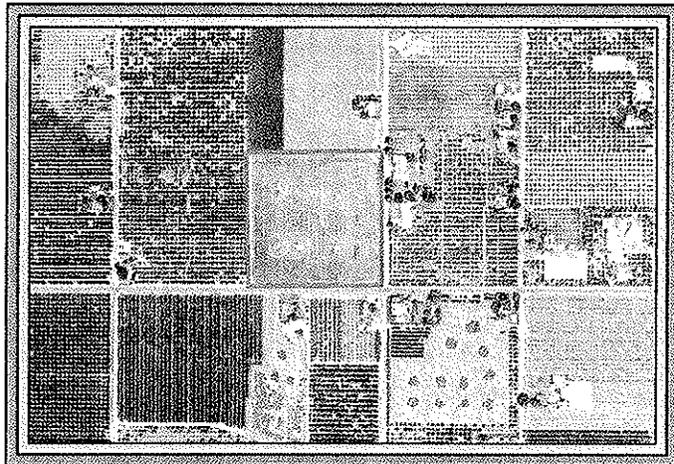


**Sale Comparable No. 6, 11475 Foothill Road, Santa Paula** (APN 064-0-290-775) is located approximately 8 miles northeast of the subject. The comparable is one parcel which totals **9.75** acres that sold in July 2006 (Document No. 143174). The sale price was **\$1,500,000**, cash to the seller. The property was zoned RE, rolling and currently



used for growing lemons and avocados. There were a home in poor condition on the property at the time of sale. Information on the water source for this property was unavailable. The sale price equated to **\$153,846** per acre. The house is now being renovated.

**Sale Comparable No. 7, northwest corner of Bardsdale Avenue and Ventura Street, Bardsdale** (APN 046-0-196-030) is located approximately 20 miles northeast of the subject. The comparable is one parcel which totals **9.11** acres that sold in January 2006 (Document No. 6783). The sale price was **\$875,000**, cash to the seller. The property was zoned AE, level and used for growing oranges. There were no improvements on the property at the time of sale. Water was provided by Southside Irrigation District. The sale price equated to **\$96,048** per acre, land value only.



## Discussion of Physical and Locational Characteristics

Each land sale surveyed has been analyzed in terms of a number of selected property characteristics. All of the properties are similar to the subject in one or more characteristics, and together, serve as a reasonable comparison pool for establishing an indication of value for the subject property. Due to numerous simultaneous differences among the comparables, it is sometimes not possible to precisely extract specific adjustments relative to the noted differences in the comparison characteristics; however, wherever general directions in value are identified they may be relied upon wherever possible and reasonable. In addition, knowledgeable active brokers and principals are interviewed to obtain opinions of the impact on value due to differences in the adjustment variables. These opinions are then factored in with the observed trends in the market data to develop adjustments for the identified differences between the comparison properties and the subject property relative to the selected comparison characteristics. In some cases, adjustments are based on mathematical estimates which are then tested for reasonableness in light of the opinions of informed sources.

The adjustment for *conditions of sale* reflects the fact that some properties are sold on a distress basis. In the case of the comparables discussed above, none included unusual motivation on the part of the seller.

The adjustment for *financing* reflects a cash equivalence calculation. The calculation takes into account financing provided by a seller as an enhancement to the buyer. The enhanced financing would include terms considered more favorable than those available through conventional financing. According to the buyer of **Sale Comparable No. 1**, financing was an enhancement to the transaction. However, its proximity to his larger farming operation also enhanced his interest in the property. In the balance of the selected comparables, no finance enhancements were provided the buyers.

Adjustments for *market conditions* are based on a comparison of market supply-demand conditions at the date of sale as compared to the supply-demand conditions on the date of value. Typically, market statistics can provide insight into the market conditions at a particular point in time. Furthermore, it is very helpful to gain the opinion of active brokers relative to such changes in market conditions. As discussed in the Market Overview, given sustained food prices, the agriculture market has been less affected by the general economy. Those properties enjoying a strong life style component of value, such as gentleman farms, have been directly affected by the downturn in the market. Row crop land, which tends to reflect the economics of farming rather than life style, seems to have been less affected by the downturn. Given the prohibition on construction of improvements on the subject property, the subject property has no "life style" component of value. What value does exist is limited

to its utility as farm land. In any event, new challenges to obtaining financing are viewed to have negatively affected all types of real property to some degree.

The *condition of sale* addresses whether the sale represents an arms length transaction or one that was unduly influenced in any way by buyer or seller. **Sale Comparable No. 1** was purchased by a tenant of several years. The tenant also rented adjacent farmland which affected his motivation to purchase the property. According to the buyer, the property's proximity to his farming operation was a definite factor in his purchase decision. The balance of the sales were considered arms-length with no unusual motivation on the part of the buyer or seller.

Adjustments for *location* address perceived differences in general and/or specific location. Factors considered include freeway proximity, character of surrounding development, property maintenance levels, traffic congestion, economic stability, the incidence of crime and other socio-economic factors. Only **Sale Comparable No. 1** is located in Oxnard. The balance of the sales are located northeast of Oxnard in Somis, Camarillo, Santa Paula, and Bardsdale. It would have been preferred to have been able to identify more sales in the subject's immediate neighborhood. Unfortunately, agriculture land on the Oxnard Plain rarely changes hands. Furthermore, most of the sales are significantly larger than the subject's 10.15 acres. Rather than utilize sales in excess of 100 acres, for example, the geographic area was broadened so that sales of similar size would be identified. While location remains a very important characteristics of real property, given the size of the available sales in closer proximity to the subject, location was given secondary consideration to size.

Adjustment for *size* follow the general economy of scale rule that smaller size equates to larger unit prices. Conversely, larger properties generally sell for smaller unit prices. Extracting reasonable adjustments for size from the market can be achieved utilizing the paired analysis. If sufficient information is not available to complete such an analysis, which often is the case, a thorough review of market trends can be researched through broker interviews and historical statistical information. **Sale Comparable No. 1** was considered superior to the subject property because it is comprises of four individual legal parcels measuring 6.48 acres each. **Sale Comparable No. 2**, at 20.05 acres, measures roughly twice the size of the subject's 10.15 acres. The balance of the sale comparables range from 8.30 to 13.65 acres and were considered relative similar relative to size.

Differences in *zone* designation result in differences in allowable uses, site coverage, setbacks, height restrictions, etc. Although the subject is zoned for commercial use (C-2PD), its

highest and best use was limited to agriculture. As such, the subject was considered similar to the sales comparables, all of which were similarly limited to agriculture uses.

Adjustments for *improvements* refer to the type of structures on the property. Normally the type of improvements would be characterized as farm related or a residence. In the case of the selected sale comparables, none had existing structures. However, in the case of this analysis, adjustment for improvements takes on a different meaning. In this case improvements was also used to adjust for the ability to construct improvements. As discussed in the Property Description, the subject is prohibited from constructing any improvements on the property either by virtue of the Object Free Area or the Grant of Avigation Easement and Runway Protection Zone Restriction and Covenants Running with the Land recorded May 8, 1995. Given that none of the selected sale comparables share similar prohibitions on constructing improvements, all of the comparables were considered superior to the subject relative to this category. A qualitative adjustment was somewhat arbitrary as there were no sales of agriculture properties with prohibitions on constructing any improvements. The abbreviated Income Capitalization Approach attempts to capture the value to a renter, a value that in theory would represent the farming value.

Adjustments for *water* reflect the different costs associated with various water sources. As stated previously, according to the property owner, water is provided by an off-site water well. It is a Special Assumption and Limiting Condition that the well site and water line alignment were legally obtained and current held by the property owner. **Sale Comparable Nos. 2 and 5** have private water wells and were, therefore, considered similar to the subject. **Sale Comparable No. 4** has shares in a mutual water company, while **Sale Comparable Nos. 3 and 7** use District water. Generally speaking, private wells and mutual water companies should generate similar costs per acre foot of water. For this reason, **Sale Comparable Nos. 2, 4, and 5** were considered relatively similar to the subject. Given the cost and low priority in the event of a drought, District water was considered inferior to the subject's water source.

*Urban encroachment* is becoming a more prevalent issue for the agriculture industry. The subject property is an island of farm land surrounded by alternative land uses, most notably commercial to the north and south and offices to the east. While Ventura County residents are respectful of the important contribution the agriculture industry makes to the area, use of pesticides and herbicides has become a source of concern. The concerns have given rise to restrictions on the use of certain chemicals and/or buffer zones. Suffice it to say, a farmer would prefer to operate in a rural area void of such concerns from neighbors than in an urban

setting replete with issues. For this reason, the **Sale Comparable Nos. 1, 2, 4, 6, and 7** were considered superior to the subject property relative to *urban encroachment*.

The unadjusted unit prices range from **\$69,825 to \$153,846** per acre.

**Land Sale Comparable No. 1** was considered superior relative to financing terms, location, urban encroachment, and ability to construct improvement. As discussed, farm land has been less impacted by the downturn in the national economy. However, it would be wrong to suggest the market has not affected all types of real property to some degree, if for no other reason the lack of available financing. The buyer reported that the market worsened during escrow. Despite their fear that agriculture values might follow suit, they closed the escrow. Mr. Thorne explained that his motivation was affected by his having farmed the property for several years prior to the purchase, and his farming the adjoining property. In the end, the sale was considered superior relative to market conditions. The comparable was considered inferior relative to size. However, the comparable is four legal parcels measuring roughly 6.48 acres each, a fact that was considered to nullify any downward adjustment for size. After considering the various adjustments to the comparable for both locational and physical characteristics, the comparable was considered superior to the subject property resulting in a downward adjustment to the unit price of **\$95,000** per acre.

**Land Sale Comparable No. 2** was considered superior relative to its location, ability to construct improvements, and urban encroachment. As discussed, farm land has been less impacted by the downturn in the national economy. However, it would be wrong to suggest the market has not affected all types of real property to some degree, if for no other reason the lack of available financing. For this reason, the sale was considered superior relative to market conditions. The comparable was considered inferior relative to size and its topography. After considering the various adjustments to the comparable for both locational and physical characteristics, the comparable was considered superior to the subject property resulting in a downward adjustment to the unit price of **\$69,825** per acre.

**Land Sale Comparable No. 3** was considered superior relative to its location in Santa Rosa Valley. It was also considered superior due to market conditions and its ability to construct improvements. It suffers a similar detriment from urban encroachment. After considering the various adjustments to the comparable for both locational and physical characteristics, the comparable was considered superior to the subject property resulting in a downward adjustment to the unit price of **\$118,913** per acre.

**Land Sale Comparable No. 4** was considered superior relative to its location, market conditions, and its ability to construct improvements. It was considered inferior relative to topography. After considering the various adjustments to the comparable for both locational and physical characteristics, the comparable was considered superior to the subject property resulting in a downward adjustment to the unit price of **\$102,410** per acre.

**Land Sale Comparable No. 5** was considered superior relative to its location in Santa Rosa Valley, market conditions, and its ability to construct improvements. After considering the various adjustments to the comparable for both locational and physical characteristics, the comparable was considered superior to the subject property resulting in a downward adjustment to the unit price of **\$93,260** per acre.

**Land Sale Comparable No. 6** was considered superior relative to its location, market conditions, and its ability to construct improvements. It was considered inferior relative topography. After considering the various adjustments to the comparable for both locational and physical characteristics, the comparable was considered superior to the subject property resulting in a downward adjustment to the unit price of **\$153,846** per acre.

**Land Sale Comparable No. 7** was considered superior relative to its market conditions, and its ability to construct improvements. It was considered inferior its water source. After considering the various adjustments to the comparable for both locational and physical characteristics, the comparable was considered superior to the subject property resulting in a downward adjustment to the unit price of **\$96,048** per acre.

The most difficult adjustments to support relates to the market conditions and the prohibition on constructing improvements. In a perfect world a plethora of sales would provide evidence of the national economy's affect on farmland values. It is also very difficult to capture the diminution in value resulting from such an unusual restriction as no improvement. The absence of data leaves the appraiser to estimate the affect both characteristics have on the subject's value.

Based on my research of the market and the selected sale comparables, I have concluded a unit price for the subject property to be within a range of **\$55,000 to \$65,000** per acre.

In the end a unit value of **\$65,000** per acre was considered a reasonable value for the subject property.

As discussed in the Property Description, a portion of the subject property includes an area dedicated to an ingress/egress easement for the benefit of the Von's Shopping Center to the south. The area affected by the easement measures roughly **14,000** square feet, or **.32** acres. Given that both the shopping center and the subject property benefit from the easement, it was considered appropriate that the easement represent **50%** of the value of its Fee Simple interest. The balance of the property, roughly **9.83** acres, was valued as Fee Simple.

	<b>Acreage</b>	<b>Interest</b>	<b>Value/Acre</b>	<b>Value</b>
Fee Simple	9.83	100%	\$65,000	\$638,950
Underlying Fee (easement)	0.32	50%	\$65,000	\$10,400
<b>Total</b>	<b>10.15</b>			<b>\$649,350</b>

The concluded value according to the Sales Comparison Approach, in cash equivalent terms, as of the date of value and subject to the Assumptions and Limiting Conditions, was **\$649,350**.

#### *Income Capitalization Approach*

As discussed previously, the subject's prohibition on construction of improvements is a difficult feature to address. Sales of agriculture property with similar restrictions could not be identified. All sales of agriculture land that were in most other ways considered comparable did not share such a restriction. All were permitted to construct improvements, most notably a residence.

Absent the necessary market data, an attempt has been made to utilize the Income Capitalization Approach to capture the value contribution from farming only. By doing so, any "life style" component is removed from the value. By capitalizing the rental income, the resulting value would represent the value to the tenant. Since farmland tenants do not necessarily require or benefit from improvements, the capitalized value would define the value to the user, not a value to an owner. This method is admittedly unprecedented, but then so are the subject's use limitations. Under the circumstances it was considered the best means available.

The subject property is currently rented to C&F Flower Growers. The lease term expired September 30, 2007 and is in a hold over term, or month-to-month tenancy. The rent is **\$12,100** per year, or **\$1,192.12** per acre per year. According to the rental agreement, a copy

of which has been included in the **Addenda**, the landlord is responsible for payment of real property taxes.

As stated, while agriculture property is not normally purchased for its potential rental revenue, properties are often rented. The American Society of Farm Managers and Rural Appraisers' Trends in Agricultural Land & Lease Values states that row crop values during 2007 within Ventura County, as reported in the 2008 ASFMRA report, ranged between **\$45,000** and **\$75,000** per acre. The ASFMRA also reported that rents ranged from **\$1,200** to **\$3,200** per acre per year. Again, the lower rents generally apply to properties with no dedicated water source. A more commonly quoted range for properties with a water source is **\$2,800** to **\$3,200** per acre per year. An overall capitalization rate can be generated by dividing the value by the rent. For example, \$3,200 divided by \$75,000 generates an overall capitalization rate of **4.3%**. Alternatively, \$2,800 divided by \$45,000 generates an overall rate of **6.22%**.

My firm has been in the agriculture business since its inception in 1956. We have negotiated numerous agriculture lease agreements throughout the County. While confidential and, therefore, not disclosed in this report, we are aware of numerous rental agreements that would suggest the subject's rent is below market. The rent being paid by the current tenant would be reasonable if the property did not have an independent water source. However, given the property has a private water well, the current rents are well below the market. Based on rental agreements that we are either aware of or have actively participated in the negotiation of, it is my opinion that the subject fair rental value is **\$2,500 to \$3,000** per year per acre.

Assuming a rent of \$3,000 per acre per year, the subject property's rental revenue should approximate **\$30,450** per year. As of the date of value, the subject's property taxes were \$3,488 per year. The net income generated by the property's rental revenue was, therefore, **\$26,962** per year.

Given the subject's location and general appeal, and following a review of the local industrial market information as well as nationally published investor surveys, an overall rate for the subject property has been concluded to be between **4.0% and 5.0%**.

At an overall capitalization rate of **4.0%**, the resulting value generated by an abbreviated Income Capitalization Approach would be approximately **\$674,043**, or **\$66,408** per acre.

The method is not a scientifically proven method to capture the value of a property prohibited from constructing improvements such as barns, sheds, or a residence. However, absent sales of farmland with similar restrictions, it was considered a reasonable means to estimate the value of the subject property.

## RECONCILIATION OF MARKET VALUE

To estimate the value of the subject property I used one of the three the traditional valuation approaches, the Sales Comparison Approach. Based on the preceding data and analyses set forth in this report, the following indication of values were developed:

In the following discussion I will briefly review the quantity and quality of the data available for examination under each approach, the inherent strengths and weaknesses of the approach, and the relevancy of each to the subject property and the appraisal problem.

### Cost Approach

The Cost Approach is most useful for valuing special purpose properties for which there may be little or no comparison sales data or an applicable income stream. Newer general purpose properties which have incurred little or no depreciation are also well suited to valuation by the Cost Approach. The subject property is vacant land. The Cost Approach was not, therefore, relevant to the analysis.

### Sales Comparison Approach

In estimating the value of the subject by the Sales Comparison Approach, comparisons were made with other properties generally similar in utility and appeal. Objective and subjective adjustments were made for observed differences in order to arrive at a reasonable value indication. The most reliable application of the Sales Comparison Approach depends upon the existence of recent sales of properties which are very similar to the subject in their physical and locational characteristics. In the present analysis, seven generally similar comparison properties located within the relevant market area were analyzed. Overall, the comparison data were considered to be greatly indicative of the most probable selling price of the subject properties in a competitive and open market. However, the analysis required very subjective adjustments for the subject's prohibition on construction of any improvements.

### Income Capitalization Approach

The Income Capitalization Approach was used in an attempt to define the value of the subject property to a tenant. It was theorized that a tenant would have little benefit from the ability to construct improvements. While farmers can benefit from barns, sheds, or even a residence, the rental value is generally based on the quality of the location and resulting climate, the soil type, and the availability of water. The abbreviated Income Capitalization Approach applied

an overall capitalization rate to the rental revenue to determine the value to the farmer, not the value attributed to the "life style" component of value.

The value conclusion derived by the Sales Comparison Approach was **\$649,350**. The value conclusion drawn from the abbreviated Income Capitalization Approach was **\$674,043**.

After giving careful consideration to the three approaches to value, the Sales Comparison Approach and an abbreviated Income Capitalization Approach were used. Giving similar weight to both approaches to value, it was my opinion, subject to the Assumptions and Limiting Conditions set forth in this report, that the fair Market Value of the **Fee Simple** interest in the subject property was

**\$650,000**

**ASSUMPTIONS AND LIMITING CONDITIONS:**

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
2. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
9. It is assumed that all required licenses, certificates of occupancy consents, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
12. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the **possibility** of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation

or other potentially hazardous materials may affect the value of the property. The appraisers' value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.

13. Unless otherwise stated in this report, the subject property was appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property value, marketability, or utility.
14. 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.
15. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the client without the prior written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
16. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
17. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony or be in attendance in court, or in any other governmental or other hearing with reference to the subject property unless specific arrangements have been previously made with the appraiser relative to such additional employment.

**SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS:**

1. Inaccessible areas, such as the roof areas and closed buildings, are assumed to be in condition similar to those areas accessed.
2. According to the Mr. Michael Rue, the property owner, water is provided by an off-site water well. The water well is located near the southwest corner of J Street and Fifth Street. The water line runs west along the Fifth Street to a point near the northeast corner of Ventura Road and Fifth Street, at which point the line turns north onto the Von's Shopping Center side and, ultimately, on to the subject property. According to the property owner, they are not aware of any deed or easement agreement granting them rights to either the well site or the right-of-way along Fifth Street. According to the property owner, the water source has been in place for "as long as the previous property owner could recall". For the sake of this appraisal, it is a Special Assumption and Limiting Condition that the well site and water line alignment were legally obtained and current held by the property owner.
3. It was an assumption of this appraisal that Third Street has been dedicated to the City of Oxnard as a public road, and therefore all land square footage reflected in this appraisal was considered to be net usable, after street dedication.

**CERTIFICATION:**

I certify that, to the best of my knowledge and belief:

1. The statement of facts contained in the report are true and correct.
2. The reported analysis, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and are the personal, unbiased professional analysis, opinions, and conclusions of the appraiser.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is/was 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.
5. The appraisal was made and the appraisal report prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.
6. The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice, except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.
7. The appraiser has made a personal inspection of the property appraised and the property owner, or his/her designated representative, was given the opportunity to accompany the appraiser on the property inspection.
8. Diane McCall of HOFFMAN, VANCE & WORTHINGTON, Inc. provided significant professional assistance in the appraisal assignment. Ms. McCall provided assistance in the compilation of property information, market data and the drafting of the report.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
4. The appraiser attests that he has the appropriate knowledge and experience to competently appraise the subject property.
5. As of the date of this report, Kevin P. McAtee has completed the requirements of the continuing education program of the Appraisal Institute.



Kevin P. McAtee, MAI  
CA Certified General AG014257

\_\_\_\_\_  
Date

**ADDENDA**

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RECORDING REQUESTED BY  
AND WHEN RECORDED  
RETURN TO:

COUNTY OF VENTURA  
PUBLIC WORKS AGENCY  
REAL ESTATE SERVICES DIVISION  
800 SO. VICTORIA AVENUE  
VENTURA, CA 93009

This will certify that this is a  
true and correct copy of the original  
instrument recorded 5-8-95  
as Inst. No. 95-054899 of  
Official Records.

  
Title Officer  
CHICAGO TITLE INS.

GRANT OF AVIGATION EASEMENT AND RUNWAY PROTECTION ZONE RESTRICTION  
AND COVENANTS RUNNING WITH THE LAND

PARCEL MAP NO. 94-5-25

Albertson's, Inc., a Delaware corporation and Marketplace Partners II, L.P., a California limited partnership (collectively, "Grantor") hereby grants and conveys to the County of Ventura ("County") an easement for avigation purposes over and across the real property described in Exhibit "A" and depicted on Exhibit "B" ("Property") which easement shall be located in the airspace above said Property at a height of one hundred forty feet (140') above Mean Sea Level ("MSL") which is approximately one hundred feet (100') above the ground surface elevation of the Property.

In furtherance of said easement, the County, its successors and assigns, shall have a continuing right to keep the airspace in which the avigation easement is located free and clear of any and all trees, poles, buildings, and other obstructions of any kind or nature which now extend, or which may extend at any time in the future into the airspace area in which the avigation easement is located, together with the limited right of ingress to, egress from and passage over the Property for the sole purpose of affecting and maintaining such clearance and of removing any and all obstructions which now or hereafter may extend into the airspace of the avigation easement.

To implement and as an integral part of this easement, the Grantor covenants, both for itself and its heirs, successors and assigns, as follows:

(a) No person or entity shall construct, permit or suffer to remain upon the Property any obstruction that extends into the airspace in which the avigation easement is located.

(b) No owner or tenant of the Property shall use the Property in such a manner as to create electrical or electronic interference with radio or other communication or radar operation between Oxnard Airport and aircraft or to impair visibility in the vicinity of the airport, or to otherwise endanger the landing, taking off or maneuvering of aircraft. Nothing contained herein shall prohibit (i) the driving and parking of vehicles on the Property below the easement granted herein, (ii) the use of radio, cellular and electrical equipment typically installed in vehicles or used in the operation of a commercial retail center, or (iii) the lighting of the Property below the easement granted herein provided that any lights are installed in a shoe box type fixture to direct the light downward to the ground.

(c) Persons or entities which now or hereinafter may own any rights in and/or occupy any portion of the Property are prohibited from bringing any legal or equitable action against the County and/or any other governmental authority operating Oxnard Airport because of the noise, vibration and/or from pollution which may impact said Property as a result of the

flight of aircraft through the avigation easement; provided that County and/or any other governmental authority operating Oxnard Airport is in compliance with all State and Federal laws, rules and regulations pertaining to the operation of an airport.

(d) Persons or entities which now or hereinafter may own any rights in and/or occupy any portion of the Property hereby release and covenant not to sue the County and/or any other governmental authority operating Oxnard Airport due to such noise, light, vibrations, fumes, exhaust, smoke, air currents, dust, fuel particles, radio, television or other electromagnetic interferences that may be caused or may have been caused by the operation of aircraft landing at, or taking off from, or operating at or on Oxnard Airport and using the avigation easement herein granted provided that the County is in compliance with all State and Federal laws, rules and regulations pertaining to the operations of an airport. Said release and covenant shall include, but not be limited to, claims, known or unknown, for damages for physical or emotional injuries, discomfort, inconvenience, property damage, death, interference with the use and enjoyment of property, diminution of property values, nuisance, inverse condemnation or injunctive or other extra-ordinary or equitable relief.

(e) Any person offering for sale or lease any portion of the Property shall make full and complete disclosure to any potential buyer of said Property of the content of this covenant and of the avigation easement hereby granted.

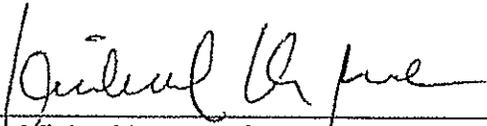
(f) No person or entity shall construct or cause to be constructed any building within the State designated Runway Protection Zone area as shown on Exhibit "B".

This grant of avigation easement shall not operate to deprive the Grantor, its successors and/or assigns, of any rights (including, without limitation, any legal, equitable or administrative remedies) that they may have, from time to time, against any individual, private or commercial operator for negligent or unlawful operation of aircraft.

Grantor grants this easement and rights acquired hereunder and makes these covenants to run with the land and these covenants and easement shall be binding upon the heirs, executors, successors and assigns of the owners of or holders of any interests in and to said Property. Should the Oxnard Airport which is currently located immediately west of the property discontinue airport operations at this location, this avigation easement automatically terminates and thereafter becomes null and void.

EXECUTED THIS 18th day of April, 1995.

MARKETPLACE PARTNERS II, L.P.,  
A CALIFORNIA LIMITED PARTNERSHIP

By:   
Michael M. Rue, General Partner

ALBERTSON'S, INC.,  
A DELAWARE CORPORATION

By:   
Thomas R. Saldin

Its: Executive Vice President,  
Administration and General Counsel

ACCEPTED: COUNTY OF VENTURA

By:   
Chair, County Board of Supervisors

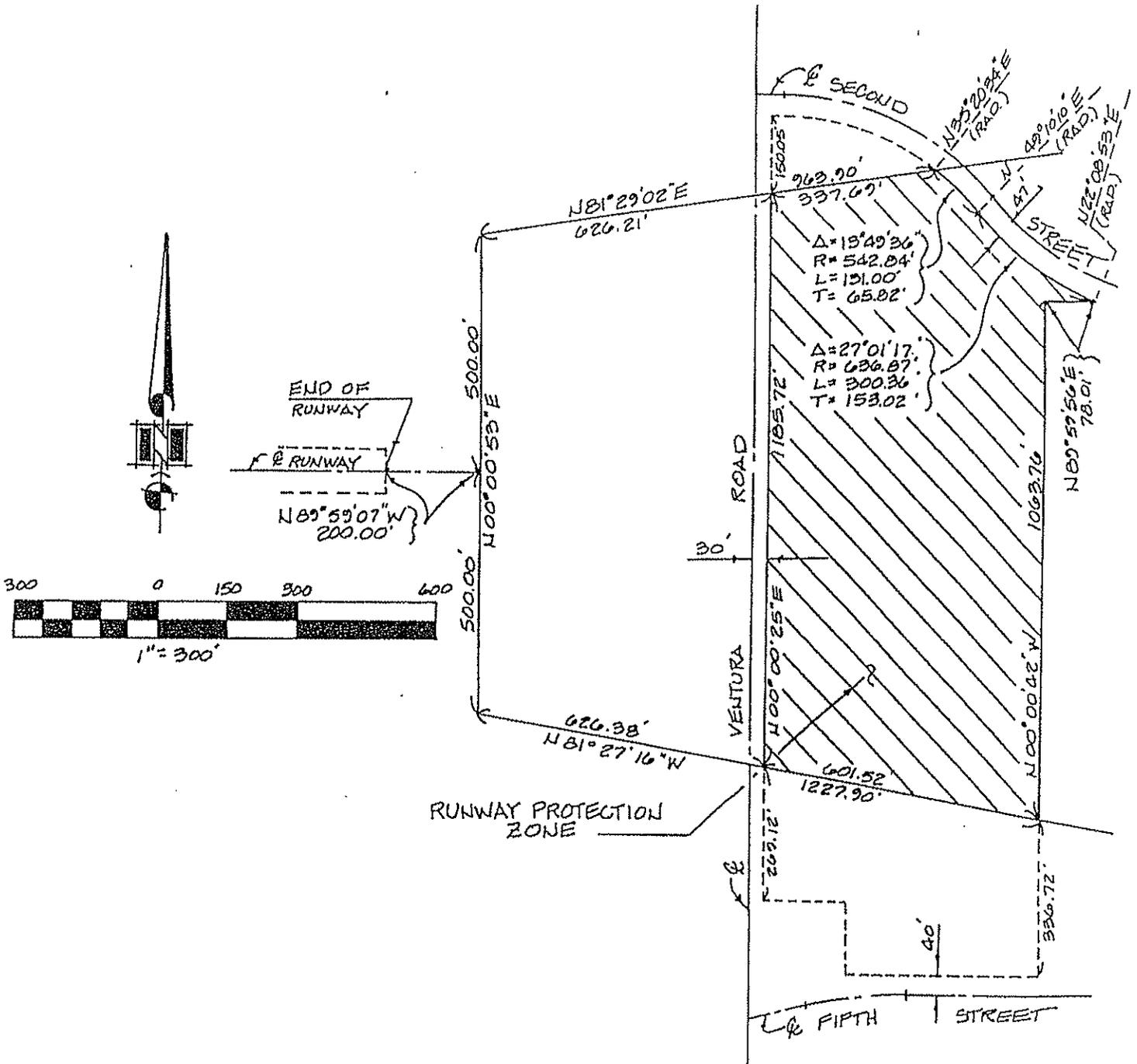
Date: APR 18 1995

## AVIGATION EASEMENT

THAT PORTION OF SUBDIVISION 28, EL RANCHO RIO DE SANTA CLARA O'COLONIA IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE MAP FILED IN THE OFFICE OF THE COUNTY CLERK OF SAID COUNTY, IN THAT CERTAIN ACTION ENTITLED "THOMAS A. SCOTT ET AL., PLFF., VS. RAFAEL GONZALES, ET AL., DEFT.", DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF FIFTH STREET, BEING 80.00 FEET WIDE, AND THE PROLONGATION OF THE FIFTH COURSE DESCRIBED IN THE DEED TO DELANIE VAZQUEZ RECORDED IN DECEMBER 1984 AS DOCUMENT NO. U4136161 IN THE OFFICE OF THE COUNTY RECORDER IN SAID COUNTY AS "SOUTH 1,175.14 FEET TO THE SOUTHWESTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO THE FIRST CHURCH OF CHRIST SCIENTIST, RECORDED SEPTEMBER 25, 1961, AS DOCUMENT NO. 41617, IN BOOK 2051 PAGE 100 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHERLY LINE OF SAID LAND; " THENCE NORTHERLY ALONG SAID PROLONGATION 336.72 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH  $81^{\circ}27'16''$  WEST TO THE EASTERLY LINE OF VENTURA ROAD, THE EASTERLY HALF BEING 30.00 FEET WIDE; THENCE NORTHERLY ALONG SAID EASTERLY LINE 1,185.72 FEET; THENCE NORTH  $81^{\circ}29'02''$  EAST 337.69 FEET TO THE SOUTHERLY LINE OF SECOND STREET BEING 94.00 FEET IN WIDTH AND ALSO BEING THE BEGINNING OF A NON TANGENT CURVE THAT IS CONCAVE SOUTHWESTERLY AND HAS A RADIUS OF 542.84 FEET; A RADIAL OF SAID CURVE AT SAID POINT BEARS SOUTH  $35^{\circ}20'34''$  WEST; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF  $13^{\circ}49'36''$  A DISTANCE OF 131.00 FEET TO THE BEGINNING OF A TANGENT CURVE THAT IS CONCAVE NORTHEASTERLY AND HAS A RADIUS OF 636.87 FEET, A RADIAL OF SAID CURVE AT SAID POINT BEARS NORTH  $49^{\circ}10'10''$  EAST; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF  $27^{\circ}01'17''$  A DISTANCE OF 300.36 FEET TO THE INTERSECTION OF SAID SOUTHERLY LINE AND THE NORTHERLY LINE OF THE LAND DESCRIBED IN THE DEED TO THE CITY OF OXNARD RECORDED NOVEMBER 26, 1948 IN BOOK 848, PAGE 241 OF OFFICIAL RECORDS; THENCE SOUTH  $89^{\circ}59'56''$  WEST ALONG THE NORTHERLY LINE ,78.01 FEET TO THE NORTHWESTERLY CORNER OF SAID LAST MENTIONED LAND; THENCE SOUTH  $00^{\circ}00'46''$  EAST ALONG THE WEST LINE OF THE LAST MENTIONED LAND AND THE SAID FIFTH COURSE, 1063.76 FEET TO THE TRUE POINT OF BEGINNING.

'HIBIT "B"



PREPARED BY:

The Favreau Group

1921 W. Palmyra Ave.

Orange, CA 92668

(714) 939-1459

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

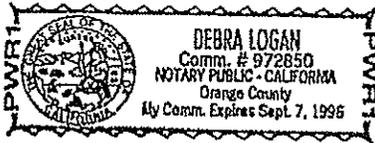
State of California

County of Orange

On April 11, 1995 before me, Debra Logan, Notary Public  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Michael M. Pse  
NAME(S) OF SIGNER(S)

personally known to me - OR -  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.



WITNESS my hand and official seal.  
[Signature]  
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER

- PARTNER(S)  LIMITED  GENERAL

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

SIGNER IS REPRESENTING:  
NAME OF PERSON(S) OR ENTITY(IES)  
Marketplace Partners II, L.P.  
a California limited partnership

DESCRIPTION OF ATTACHED DOCUMENT

Grant of Avigation Easement  
TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

Albertson's, Inc and  
County of Ventura  
SIGNER(S) OTHER THAN NAMED ABOVE

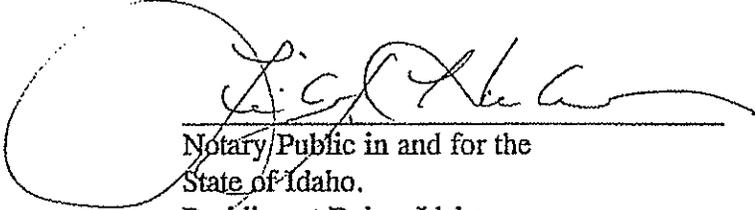
STATE OF IDAHO            )  
                                  ) ss.  
County of Ada                )

On this 13<sup>th</sup> day of April, 1995, before me, the undersigned, a Notary Public in and for said State, personally appeared **Thomas R. Saldin**, to me known to be the Executive Vice President, Administration and General Counsel, of **Albertson's, Inc.**, the corporation that executed the foregoing instrument, and acknowledged to me that the said instrument is the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.

My commission expires:

9/23/97

  
\_\_\_\_\_  
Notary Public in and for the  
State of Idaho.  
Residing at Boise, Idaho.

COUNTY OF VENTURA

CERTIFICATE OF ACCEPTANCE OF DEED OR GRANT

This is to certify that the interest in real property conveyed by the deed or grant dated April 18, 1995, from Albertson's Inc. et al. to the County of Ventura, is hereby accepted by the undersigned officer on behalf of the County of Ventura, pursuant to authority conferred by resolution of the Board of Supervisors on May 5, 1970, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: MAY 8, 1995

By: [Signature]  
Authorized Officer





Federal Aviation Administration  
Air Traffic Airspace Branch, ASW-520  
2601 Meacham Blvd.  
Fort Worth, TX 76137-0520

Aeronautical Study No.  
2007-AWP-4469-OE

Issued Date: 11/01/2007

Marc Hermann  
A & H Real Properties  
707 Via Zamora  
Camarillo, CA 93010

**\*\* DETERMINATION OF NO HAZARD TO AIR NAVIGATION \*\***

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure:	Fence Corner 4-NE
Location:	Oxnard, CA
Latitude:	34-12-06.450N NAD 83
Longitude:	119-11-33.670W
Heights:	8 feet above ground level (AGL) 56 feet above mean sea level (AMSL)

This aeronautical study revealed that the structure does not exceed obstruction standards and would not be a hazard to air navigation provided the following condition(s), if any, is(are) met:

See attachment for additional condition(s) or information.

Based on this evaluation, marking and lighting are not necessary for aviation safety. However, if marking and/or lighting are accomplished on a voluntary basis, we recommend it be installed and maintained in accordance with FAA Advisory circular 70/7460-1 K Change 2.

**ADVISORY RECOMMENDATION** - While the structure does not constitute a hazard to air navigation, it would be located within the Runway Protection Zone (RPZ) of the OXNARD AIRPORT RUNWAY 25.

Structures, which will result in the congregation of people within an RPZ, are strongly discouraged in the interest of protecting people and property on the ground. In cases where the airport owner can control the use of the property, such structures are prohibited. In cases where the airport owner exercises no such control, advisory recommendations are issued to inform the sponsor of the inadvisability of the project from the standpoint of safety to personnel and property.

This determination expires on 05/01/2009 unless:

- (a) extended, revised or terminated by the issuing office.
- (b) the construction is subject to the licensing authority of the Federal Communications Commission (FCC) and an application for a construction permit has been filed, as required by the FCC, within 6 months of the date of this determination. In such case, the determination expires on the date prescribed by the FCC for completion of construction, or the date the FCC denies the application.

**NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE POSTMARKED OR DELIVERED TO THIS OFFICE AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE.**

This determination is based, in part, on the foregoing description which includes specific coordinates, heights, frequency(ies) and power. Any changes in coordinates, heights, and frequencies or use of greater power will void this determination. Any future construction or alteration, including increase to heights, power, or the addition of other transmitters, requires separate notice to the FAA.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of the structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

A copy of this determination will be forwarded to the Federal Communications Commission if the structure is subject to their licensing authority.

If we can be of further assistance, please contact our office at (310) 725-6557. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2007-AWP-4469-OE.

**Signature Control No: 529934-100847972**

Karen McDonald  
Specialist

(DNE)

Attachment(s)  
Additional Information  
Case Description  
Map(s)

## Additional information for ASN 2007-AWP-4469-OE

ALTHOUGH UNDER THE PROVISIONS OF FAR PART 77 THIS PERIMETER FENCE IS NOT IDENTIFIED AS AN OBSTRUCTION AND IS ISSUED THIS AIRSPACE DETERMINATION WITH THE RUNWAY PROTECTION ZONE (RPZ) ADVISORY, THE FOLLOWING COMMENTS ARE INCLUDED AS ADDITIONAL INFORMATION.

FAA AIRPORTS DIVISION HAS OBJECTIONS TO THIS PROPOSAL. THE FOLLOWING ARE THEIR FINDINGS WHICH THE AIRPORT PLANNER HAS SENT TO VENTURA COUNTY DEPARTMENT OF AIRPORTS:

The Federal Aviation Administration (FAA) Airports Division has completed an Obstruction Evaluation (OE) airspace study based upon a submittal made by A & H Real Properties on FAA Form 7460-1, Notice of Proposed Construction or Alteration. The submittal proposes the construction of an 8-foot high perimeter fence, which will surround a long-term vehicle parking lot facility, located across South Ventura Blvd., directly East of the property boundary of Oxnard Airport. The fence will lie approximately 922' from the centerline of Runway 25's threshold.

The subject fence and vehicle parking lot, as depicted on Enclosure (1) will traverse through the Object Free Area (OFA) and Central Portion of the Runway Protection Zone (RPZ) of Runway 07/25. In accordance with FAA Advisory Circular (AC) Airport Design, 150/5300-13, Change 11, the function of the RPZ is to enhance the protection of people and property on the ground. This is done through airport owner control of the RPZ in order to clear the area of incompatible objects and activities. The RPZ is trapezoidal in shape and begins 200 feet beyond the end of the areas usable for takeoff and landing. The RPZ is comprised of 2 components, the "Central Portion of the RPZ", which is equal to the width of the Runway Object Free Area (ROFA), and the "Controlled Activity Area". This airspace case review is therefore divided into two sections. One section evaluates the proposal's effect on the "Central Portion Area RPZ" and the other section evaluates the proposal's effect on the RPZ "Controlled Activity Area". Please note that a copy of AC can be found at <http://www.faa.gov/airports%5Fairtraffic/airports/resources/advisory%5Fcirculars/>. Use keyword of "Airport Design" and open the complete document with changes I through 11.

### SECTION ONE

**Central Portion of the RPZ:** The Central Portion of the RPZ combined with the Object Free Area is defined as that rectangular area which is centered 2500 feet long by 800 feet wide starting 200' East of the existing runway end of Runway 25, on extended centerline as in accordance with AC 150/5300-13, Changes 8 and 11, Paragraphs 212 and 307 and Figure 2-3.

Per AC 150/5300-13, Change 11 Paragraph 212.a. (2)(a) Land Use, "While it is desirable to clear all objects from the RPZ, some uses are permitted, provided they do not attract wildlife, are outside of the Runway OFA, and do not interfere with navigational aids. Automobile parking facilities, although discouraged, may be permitted, provided the parking facilities and any associated appurtenances, in addition to meeting all of the preceding conditions, are located outside of the central portion of the RPZ" as depicted in Figure 2-3 (Enclosure (2)).

Further clarification on clearing requirements is found within Paragraph 307. "Except where precluded by other clearing standards, it is acceptable to place objects that need to be located in the OFA for air navigation or aircraft ground maneuvering purposes and to taxi and hold aircraft in the OFA. Objects non-essential for air

navigation or aircraft ground maneuvering purposes are not to be placed in the OFA. Extension of the OFA beyond the standard length to the maximum extent feasible is encouraged."

Based upon the information submitted, our airspace review indicates that the proposed fence project/vehicle parking lot will intersect Runway 25's RPZ ROFA at approximately 922' due East of Runway 25's runway end on centerline and approximately 399' north and 421' south of Runway 07/25's extended centerline. Our analysis has determined that the proposal is not acceptable from an airport design standard application/determination. The FAA Airports Division therefore objects to the proposal and the proposed activity because the fence project traverses/intersects through the entire 800' wide Runway Object Free Area/Central Portion of the RPZ of Runway 07/25 along with the specified proposed parking activity.

## SECTION TWO

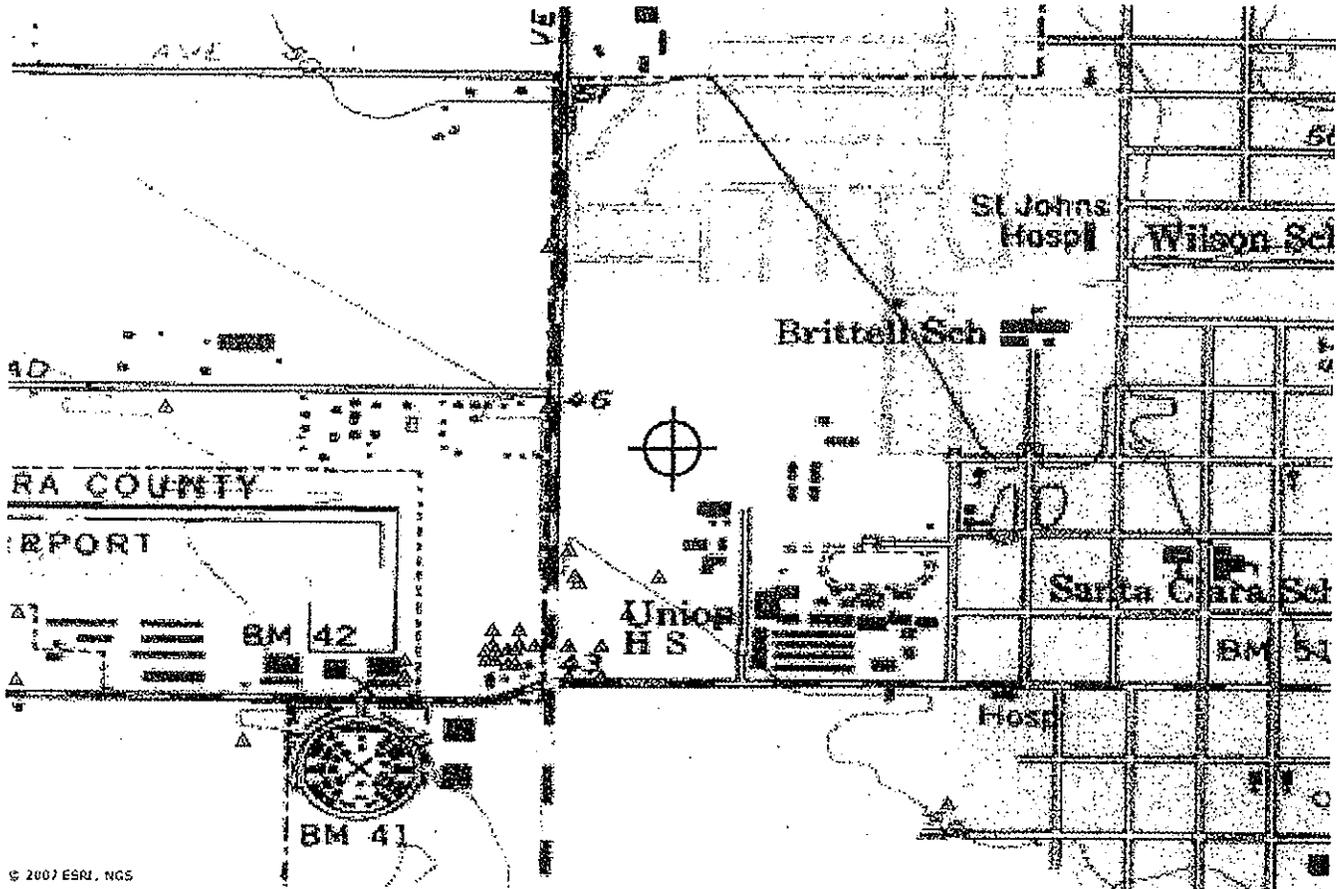
RPZ Controlled Activity Area: "The controlled activity area is the portion of the RPZ beyond and to the sides of the Runway OFA," as in accordance with AC 150/5300-13, Change 8, Paragraph 212 a. (1)(b) and Figure 2-3." Further clarification of runway design rationale for clearance criteria within RPZ's is also found within Appendix 8, paragraph 8.

Based upon the information submitted, the airspace study reviewed and applied our guidelines cited above. The final analysis has determined that the proposal is not acceptable from an airspace determination. The FAA Airports Division objects to the proposal because the proposed fence project along with the specified parking activity area traverses/intersects through the 1000' inner width of the RPZ. Our guideline development criteria recommends that clear zones be kept free of structures and any development which would create a place of public assembly. The fence project and parking activities, in conjunction with low flying aircraft on approach or departure off Runway 07/25 at Oxnard Airport conflict with design standard recommendations and are not considered an acceptable compatible land use in the proposed location. The property under the approach and departure is acreage the county should be considering for purchase and could utilize Airport Improvement Program (AIP) funding to assist in this accomplishment. Placement of the fence and parking activities within the RPZ is not practical, as this does not provide an enhancement to the protection of people and property on the ground. It is more desirable to clear the entire RPZ of all aboveground objects.

This determination concerns the effect of the proposed development on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of its compliance responsibilities relating to its obligations under airport grant assurances 20 (Hazard Removal and Mitigation) and 21 (Compatible Land Use) nor any law, ordinance, or regulation of any Federal, State, or local government body.

The study did not include any environmental review to determine whether the proposed development is environmentally acceptable. This determination does not indicate FAA approval or disapproval of the physical development involved in the proposal. FAA studies existing and proposed objects and activities, both off and on public-use airports, with respect to their effect upon the safe and efficient use of the airports and safety of persons and property on the ground. These objects need not be obstructions to air navigation, as defined in 14 CFR Part 77. As a result of a study, the FAA may issue an advisory recommendation in opposition to the presence of any off-airport object or activity in the vicinity of a public-use airport that conflicts with an airport planning or design standard or recommendation. If you have any questions MARGIE DRILLING may be contacted at (310) 725-3628.

**Case Description for ASN 2007-AWP-4469-OE**



APPRAISER QUALIFICATIONS

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**KEVIN P. MCATEE, MAI**

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**Professional Background**

Twenty-four years of real estate experience with knowledge and expertise in appraisal, feasibility analysis, finance, construction, and marketing of real estate.

Skilled in lease analysis, discounted cash flow analysis, highest and best use analysis and project feasibility/market analysis.

Appraisal experience includes office, retail, industrial, multi-family and agricultural. Interest appraised includes fee simple and leased fee, full and partial-take.

**EXPERIENCE**

Principal HOFFMAN, VANCE AND WORTHINGTON, Inc, Real Estate Appraisal and Consulting:  
July, 1998 to Present

Owner of McATEE ASSOCIATES, Real Estate Appraising and Consulting: October, 1992 to 1998.

TOLD Corporation - Development Group, Oxnard, California: Asst. Vice President, Marketing,  
1990 - 1992; Marketing Manager, 1989 - 1990; Development Manager, 1987 - 1989.

TOLD Real Estate Corporation, Ventura, California: Commercial Real Estate Brokerage, 1985 -  
1987.

Charles Dunn Company, Los Angeles, California: Commercial Real Estate Brokerage, 1983 - 1985.

**EDUCATION BACKGROUND**

**Loyola Marymount University, Westchester, California**

B.S. Degree - Business Administration  
Emphasis in Finance

**Appraisal Institute/International Right of Way Association**

Standards of Professional Practice - Part A  
Standards of Professional Practice - Part B  
Standards of Professional Practice - Part C  
Introduction to Appraising Real Estate  
Capitalization Theory & Technique - Part A  
Capitalization Theory & Technique - Part B  
Case Studies in Real Estate Valuation  
Report Writing & Valuation Analysis  
1996 Annual Litigation Seminar  
2000 Annual Litigation Seminar  
Condemnation Appraising: Advanced Topics and Applications  
Land Development Seminar  
Affordable Housing Valuation Seminar  
Eminent Domain Law  
Uniform Standards for Federal Land Acquisitions

### PROFESSIONAL LICENSES

Certified General Appraiser, State of California, License No. AG 014257  
Real Estate Broker, State of California, License No. 00857852

### PROFESSIONAL AFFILIATIONS

MAI Member of the Appraisal Institute, Membership (1996) No. 11124  
Board of Directors, Appraisal Institute, Ventura County Chapter (1995-1997)  
Past Member Project Area Committee, City of San Buenaventura Redevelopment Agency  
Board of Directors, Santa Barbara Channel Foundation  
Board of Directors, Ventura County Tax Payers Association

### PARTIAL CLIENT LIST

All Pacific Mortgage Company  
Allstate Life Insurance Company  
American Commercial Bank  
Bank of Ventura  
Bear Stearns  
Bloomfield Acceptance Company  
California Community Reinvestment Corporation  
California State University  
Calleguas Municipal Water District  
City of Camarillo  
City of Moopark  
City of Oxnard  
City of Simi Valley  
City of Ventura  
City of Westlake Village  
California Coastal Conservancy  
Conejo Valley School District  
County of Ventura Public Works  
County of Ventura Department of Airports  
Cushman & Wakefield  
East-West Bank  
First California Bank  
Fortis, Inc.  
GNA  
Gladstone Group  
Guardian Life Insurance Company  
Hamner, Jewel & Associates  
Hardwick School District (State of New Jersey)  
Hueneme School District  
Industry Mortgage Company  
Kansas City Life Insurance Company  
Keystone Mortgage Company  
KL Associates  
Law Offices of Arnold, Back, Mathews, Wojkowski & Zirbel  
Law Offices of Burke, Williams & Sorensen, LLP  
Law Offices of Ferguson, Case, Orr, Cunningham & Patterson

**PARTIAL CLIENT LIST (cont'd)**

Law Offices of Gary Byron Roach  
Law Offices of Hatch & Parent  
Law Offices of Hill, Farrer & Burrill  
Law Offices of Jackson, DeMarco, Pechenpaugh  
Law Offices of Kane, Ballmer & Berkman  
Law Offices of Lascher & Lascher  
Law Offices of Lowthorpe, Richards, McMillan, Miller, Conway & Templeman  
Law Offices of Maho & Prentice  
Law Offices of McGilvray & Perez  
Law Offices of McClintock, Weston, Benshoof, Rochefort, Rubalcava & MacCuish  
Law Offices of Mullen & Henzell LLP  
Law Offices of Nordman, Cormany, Hair & Compton  
Law Offices of Norman, Dowler, Sawyer, Israel, Walker & Barton  
Law Offices of Nossaman, Guthner, Knox & Elliot LLP  
Law Offices of Rupp & Zimmer  
Law Offices of Saphier, Rein & Walden  
Law Offices of Stradling, Yocca, Carlson & Rauth  
Law Offices of Sullivan, Workman & Dee  
Lincoln Property Company  
Los Padres Bank  
Los Robles Bank  
Macerich Company  
Mid State Bank & Trust  
Midland Life Insurance Company  
MIG-Moir Mortgage Company  
Montague School District (State of New Jersey)  
Montecito Bank & Trust  
Nature Conservancy  
New York State Attorney General  
O'Connor & Company Securities  
Oxnard Unified School District  
Plumsted School District (State of New Jersey)  
Santa Barbara Bank & Trust  
Southern California Edison Company  
Southwest Unified School District (State of Ohio)  
The Irvine Company  
United States Navy  
United States Postal Service  
Ventura County Business Bank  
Ventura County Commerce Bank

**QUALIFIED EXPERT**

Los Angeles County Superior Court  
Ventura County Superior Court  
Ventura County Property Tax Appeals Board

