

April 8, 2009

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

Transportation Department  
Wm. Butch Britt, Director  
Central Services Department  
Janice E. Turner, Director  
Water & Sanitation Department  
R. Reddy Pakala, Director  
Watershed Protection District  
Tom Lagler, Director  
Engineering Services Department  
Alec T. Pringle, Director

Subject: Review of Appraisal by Kevin McAtee.  
Marketplace Partners APN 202-0-010-765

Dear Mr. McNamee:

Pursuant to your request I have completed a review of the above referenced appraisal report. My review of this appraisal report is based upon the material submitted in the report and personal knowledge of the subjects marketing area. I personally inspected the subject site and the comparable sales used in the appraisal report.

#### SCOPE OF THE REVIEW

1. The subject properties and all of the comparable sales were personally inspected.
2. The report was reviewed in general for content, completeness and conformance with proper appraisal techniques for this type of property.
3. The report was reviewed for accuracy pertaining to neighborhood, site data and market trends.
4. An independent search was made to determine if other market data existed that was pertinent to the valuation
5. A review and analysis was made of market data used in the report and any additional market data discovered in the independent search to form opinions as to whether the conclusions reached were appropriate and reasonable.

#### METHODS OF VALUATION USED

The sales comparison or market approach was used in the valuation of this property and was the most appropriate as the current use of the property is vacant and un-improved and subject to multiple use restrictions.

Additionally, the appraiser used an Income approach. Based on my experience with these types of properties, agricultural row crops, the income approach is not an appropriate method to use in valuing small to medium sized agricultural properties. A before tax rate of return of 4% is marginal as best and is only tolerable to investors if the value of the underlying asset is

Hall of Administration L # 1600



appreciating. If we start to experience a decline in the value of agricultural land prices similar to that we have seen in the residential market or are starting to experience in the commercial/industrial and office markets, a 4% rate of return would be totally unacceptable.

The market seems to be indicating that there are other factors involved in continued escalation of local agricultural land prices including, development in other areas of southern California that are forcing farmers in those areas to seek alternative locations to farm and some long term investors who are speculating that the local County SOAR initiative will not be renewed when it expires. If that is the case a change in zone from agricultural to any developable use would bring an immediate significant return to the investor.

## SUMMARY OF MARKET DATA

Land sales were used to establish the value of agricultural land within the subjects marketing area. The sales are current and give an accurate description of the current market conditions in the project area for this type of property. The agricultural land sales were considered the most appropriate because of the development conditions placed on the property by both the existing aviation easement and the fact that the majority of this property is located in an "object free area" as defined by the Federal Aviation Administration.

## CONCLUSIONS

### Approach to Value

The sales comparison approach to value used in the in appraisal is the appropriate method for the property appraised.

### Accuracy and completeness of Neighborhood and Physical Data

The neighborhood description and description of the surrounding areas is adequate. The description of the site and the improvements is adequate.

### Market Trends

The report adequately depicts current market conditions in the project area.

### Highest and Best Use

The discussion of the highest and best use accurately describes the conflict between the current zoning for the property by the City of Oxnard and the legal and permissible uses of the subject property based on the properties location within the FAA defined Runway Protection Zone, Object Free Area and the existing aviation easement that currently encumbers the subject property.

### Market Data

The market data provided gives an adequate picture of the current agricultural land sales in the marketing area of the subject property with the exception of Sale Comparable No. 4.

The Sale 4 provided by the appraiser is a hillside parcel with rough terrain. The parcel is part of a small development of custom hillside homes on 5-10 acre sites, some of which have "hobby orchards" as a secondary use. Because of the terrain of this particular site, even a hobby orchard would be difficult. The highest and best use of this particular sale is residential and not agriculture and therefore this sale is not considered representative of the subject property.

However, the appraiser has provided an adequate picture of the market value for small agricultural properties with the remaining six comparable sales.

### Summary

The appraiser has used the sales comparison or market approach for valuing the subject property which is considered appropriate for vacant and undeveloped land. The use of the income approach was not considered appropriate due to the limited income generation in comparison to the costs of financing and the uncertainty over price appreciation in the near term based on current real estate market conditions. The appraisers' value conclusion appears to be at the low end of the range of value of current agricultural sales.

If you have any questions, I can be reached at (805) 654-2410.

Very truly yours,



Keith B. Filegar  
Real Estate Services Division  
Central Services Department

CERTIFICATE OF REVIEW APPRAISER

(Oxnard Airport– Marketplace Partners)

I hereby certify:

That I have personally inspected the property herein appraised and that I have also made a personal field inspection of the comparable sales relied upon by the appraiser in making the subject appraisal. The subject and the comparable sales relied upon were as represented in the appraisal.

That to the best of my knowledge and belief the statements contained in the attached appraisal being reviewed are true, and the information upon which the opinions expressed therein are based is correct, subject to the limiting conditions therein set forth.

That I understand that such appraisal may be used in connection with the acquisition of right of way for a project by the Ventura County Department of Airports with the assistance of Federal Aviation Administration funds.

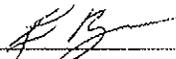
That such appraisal has been made in conformity with the appropriate State laws, regulations, and policies and procedures applicable to appraisal of right of way for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of this State.

That neither my employment nor my compensation for making this review of the appraisal are in any way contingent upon the value reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property nor in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of such appraisal review to anyone other than the proper officials of the acquiring agency or other authorized officials, until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

By

  
Review Appraiser

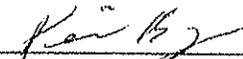
Date

4/8/2009

**REVIEW APPRAISER  
CERTIFICATION**  
(OXNARD AIRPORT MARKETPLACE PARTNERS)

This is to certify that I have reviewed this Appraisal as to its conclusions of value, and if applicable, severance damages and special benefits. In my opinion this Appraisal conforms to appraisal practices and standards recognized in the industry and represents just compensation for the property appraised. I have no direct or indirect, present or contemplated future personal interest in the property or in any monetary benefit from its acquisition. I recommend that this Appraisal be approved for use in acquisition of the property.

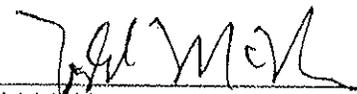
Dated: 4/13/2009

By   
Keith B. Filegar  
Review Appraiser

Approved for use in the acquisition of real property.

Ventura County Department  
Of Airports

Dated: 4/13/09

By   
Todd McNamee, Director of Airports

Subject: Marketplace Partners- APN 202-0-010-765