

OVERSIGHT BOARD FOR SUCCESSOR AGENCY  
TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY

AGENDA

City Council Chambers  
Montclair Civic Center  
5111 Benito Street  
Montclair, CA

Regular Meeting  
Wednesday, September 11, 2013  
6:00 p.m.

*As a courtesy, please silence your cell phones, pagers, and other electronic devices while the meeting is in session. Thank you.*

William Ruh – Chairman, Montclair Mayor Paul Eaton Appointee  
Tenice Johnson – Vice Chairperson, County of San Bernardino Citizen Appointee  
Terry Catlin – Inland Empire Utilities Agency Appointee  
Kim Erickson – Chaffey Community College District Appointee  
Janet Kulbeck – City of Montclair Employee Organization Appointee  
John Richardson – County of San Bernardino Appointee  
Kim Stallings – Ontario-Montclair School District Appointee

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I. PRELIMINARY MATTERS

- A. Call to Order
- B. Roll Call

II. PUBLIC COMMENT

*Any person wishing to address the Oversight Board on any matter, whether or not it appears on this agenda, is requested to complete a "Speaker Request" form, available at the door. The form should be completed and submitted to the Secretary prior to the beginning of this meeting or prior to an individual agenda item being heard by the Oversight Board. Each speaker will be afforded five minutes to address the Oversight Board. No action will be taken on any item not listed on the agenda pursuant to the Ralph M. Brown Act.*

III. APPROVAL OF MINUTES

- A. Minutes of the Regular Oversight Board Meeting of August 14, 2013

IV. BUSINESS ITEMS

- A. Consider Adoption of Resolution No. 13-06 Approving the Successor Agency to the City of Montclair Redevelopment Agency's Action to Approve Agreement No. 13-59, an Engagement Agreement Between the Successor Agency to the City of Montclair Redevelopment Agency and Edward Z. Kotkin to Serve as Counsel to the Oversight Board 3
- B. Consider Adoption of Resolution No. 13-07 Approving the Successor Agency to the City of Montclair Redevelopment Agency's Action to Engage the Services of Integra Realty Resources to Perform Real Property Appraisals Associated With Completion of a Long-Range Property Management Plan 19

V. COMMUNICATIONS

- A. Staff
- B. Chairman and Members

VI. ADJOURNMENT

*The above actions of the Oversight Board shall not become effective for three business days, pending any request for review by DOF. If DOF requests review of the above Board actions, it will have ten days from the date of the request to approve the Oversight Board action or return it to the Oversight Board for reconsideration; and the action, if subject to review by DOF, will not be effective until approved by DOF.*

*The next regularly scheduled Oversight Board meeting will be held on September 11, 2013, at 6:00 p.m. in the City Council Chambers.*

*Reports, backup materials, and additional materials related to any item on this Agenda distributed to the Successor Agency Board after distribution of the Agenda packet are available for public inspection in the Office of the Secretary located at 5111 Benito Street, Montclair, California, between 7:00 a.m. and 6:00 p.m., Monday through Thursday.*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary at (909) 625-9416. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)*

*I, Yvonne L. Smith, Secretary, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 72 hours prior to this meeting on the bulletin board adjacent to the north door of Montclair City Hall on August 8, 2013.*

## AGENDA REPORT

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<b>SUBJECT:</b> CONSIDER ADOPTION OF RESOLUTION NO. 13-06 APPROVING THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY'S ACTION TO APPROVE AGREEMENT NO 13-59, AN ENGAGEMENT AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY AND EDWARD Z. KOTKIN TO SERVE AS COUNSEL TO THE OVERSIGHT BOARD	<b>DATE:</b> August 14, 2013 <b>SECTION:</b> BUSINESS ITEMS <b>ITEM NO.:</b> A <b>FILE I.D.:</b> OBO050 <b>DEPT.:</b> OVERSIGHT BOARD
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**REASON FOR CONSIDERATION:** Section 34179(n) of the Health and Safety Code of the redevelopment dissolution legislation authorizes an oversight board to direct a successor agency to provide legal advice to an oversight board beyond the advice provided by successor agency legal counsel. The Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency has requested independent legal representation for the Oversight Board.

The Successor Agency Board of Directors took action to approve Agreement No. 13-59 with Edward Z. Kotkin for legal services to be provided to the Oversight Board. Agreement No. 13-59, an Engagement Agreement for legal services to be provided to the Oversight Board by Edward Z. Kotkin, is attached for review by the Members of the Oversight Board of Directors. The Oversight Board is requested to consider adoption of Resolution No. 13-06 approving the action of the Successor Agency.

**BACKGROUND:** As indicated, the redevelopment dissolution legislation provides that an oversight board may request and shall be provided independent legal counsel. The Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency requested such independent legal counsel. Successor Agency staff distributed a Request for Proposals (RFP) via email to identified firms that choose to act as legal counsel to oversight boards. Responses to the RFP were received on April 4, 2013. Members of the Oversight Board were supplied with copies of the proposals submitted on April 9, 2013. Each firm submitting a proposal made a presentation to the Oversight Board at its meeting of May 8, 2013. The firms making a presentation included the following:

<i>Legal Firm</i>	<i>Representative</i>
Cummings & White, LLP	Edward Z. Kotkin
Colantuono & Levin, PC	Holly Whatley
Harper & Burns, LLP	John Harper

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Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>James L Smith</u>	Presented by: <u>M. STAATS</u>

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On June 19, 2013, the Oversight Board selected Edward Z. Kotkin to provide legal representation. Although redevelopment dissolution legislation affords an oversight board the opportunity to be represented by counsel, the successor agency must pay for this representation. For this reason, Successor Agency Counsel Dave McEwen opined that the Successor Agency should enter into the Engagement Agreement with counsel on behalf of the Oversight Board.

In general, the Engagement Agreement includes the following provisions that should be noted by the Oversight Board:

- While the Successor Agency engages counsel, the Successor Agency will have no attorney-client relationship with counsel because the Oversight Board is the client. The client is the intended sole and exclusive third-party beneficiary of the Agreement.
- The fee to be charged for legal services is \$225 per hour for such matter as review of agendas, routine legal advice, and attendance at meetings. Travel time will be billed at \$150 per hour. Most other costs and expenses will be billed at actual cost. No deposit is being requested at this time.
- The Oversight Board shall have the right to terminate the Agreement with counsel at any time upon written notice. The Successor Agency understands that only the Oversight Board may terminate the Agreement with counsel. Termination shall not relieve the Successor Agency of the obligation to pay the amounts owed to counsel for services rendered and costs incurred prior to termination of the Agreement.
- Legal counsel and the Oversight Board shall have the right to terminate the Agreement at any time upon 90 days' written notice.

On August 5, 2013, the Successor Agency Board of Directors approved Agreement No. 13-59, retaining Edward Z. Kotkin as Oversight Board legal counsel. In order to retain the services of Mr. Kotkin, the Oversight Board is asked to consider adoption of Resolution No. 13-06 approving the action of the Successor Agency's approval of the Engagement Agreement for such legal counsel. Should the Oversight Board approve Resolution No. 13-06, the Resolution would be submitted to the Department of Finance for consideration.

**FISCAL IMPACT:** State law requires the Successor Agency to assume the responsibility for legal costs incurred by the Oversight Board. These costs may be claimed as administrative expenses on the Recognized Payment Obligation Schedule. The cost of providing legal counsel to the Oversight Board is unknown. Costs will depend on the complexity of legal issues for which the Oversight Board seeks direction from counsel. The Oversight Board indicated that counsel would not need to be present at every Oversight Board meeting; however, some legal costs would be incurred as counsel reviews the agenda.

**RECOMMENDATION:** Staff recommends the Oversight Board adopt Resolution No. 13-06 approving the Successor Agency to the City of Montclair Redevelopment Agency's action to approve Agreement No. 13-59, an Engagement Agreement, between the Successor Agency to the City of Montclair Redevelopment Agency and Edward Z. Kotkin to serve as legal counsel to the Oversight Board.

Agreement No. 13-59

## ENGAGEMENT AGREEMENT

**THIS ENGAGEMENT AGREEMENT** is made between the Successor Agency to the City of Montclair Redevelopment Agency, a California local governmental agency (referred to as "SA"), and The Law Offices of Edward Z. Kotkin, a Professional Law Corporation ("Lawyer"). SA engages Lawyer, pursuant to the terms and conditions of this Agreement, to serve as independent general counsel to the Oversight Board for the SA ("Client"), and SA and Lawyer hereby agree, and Client hereby acknowledges, as follows:

1. **Services.** SA engages Lawyer to provide all legal services ("Services") reasonably required to represent Client in connection with the matter(s) ("Matter") described in the attached SCHEDULE "A" OF SERVICES ("Schedule"), as well as such other matters as may be specifically directed by Client; as noted below, if litigation is instituted or defended, an additional retainer deposit may be required prior to commencing representation on litigation. SA and Client shall be truthful with Lawyer in discussing the Matter and shall keep Lawyer apprised of all developments regarding the Matter. SA and Client understand and agree that Lawyer represents Client, and not the SA. As such, while the SA now contracts with Lawyer, the SA shall have no attorney-client relationship with Lawyer. SA understands and agrees to the duties defined herein, with no requirement or expectation that any Services shall be rendered on behalf of the SA. Client is the intended sole and exclusive third party beneficiary of this Agreement and all Services to be provided hereunder. Client acknowledges that this Agreement has been negotiated, prepared and executed, by and between the SA and Lawyer, to Client's satisfaction.

2. **Fees.**

A. SA agrees to compensate Lawyer for Services at the hourly rates set forth in SCHEDULE "B" – FEES attached to this Agreement. Fees will be billed by each time-keeper in one-tenth (1/10) hour increments. These fees are subject to increases from time to time as may be agreed to between Client and Lawyer.

B. Time billed to SA's account for Services to Client may include, without limitation, time spent waiting in court, time spent in travel and time spent in office conferences between the legal personnel assigned to the Matter. When such personnel engage in office conferences, each person will account for the amount of time expended. Likewise, if more than one of Lawyer's legal personnel attends a meeting, court hearing or other proceeding, each will account for the amount of time expended. Adjustments in time to reflect value of research and development that was previously done may be made; but in

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no case will such exceed the actual time that would be expended had such research and development not previously been done in part or whole by the firm on another matter.

C. Lawyer may furnish SA and/or Client with estimates of the amounts of fees that will be charged for certain Services from time to time. All such estimates are provided for budgeting purposes. These estimates are by their nature inexact and are not binding. However, Lawyer will endeavor to realize estimates wherever possible.

D. In acknowledging its satisfaction with this Agreement as evidenced by the signature below, Client warrants and covenants to Lawyer that it shall take such actions as may prove necessary consistent with SA's duty to pay Lawyer's fees hereunder.

E. **Costs and Expenses.** SA agrees to pay Lawyer all costs and expenses incurred in rendering Services. However, Lawyer shall not be required to advance any amount to pay costs or expenses attributable to Client. Costs and expenses may include, without limitation, long-distance telephone calls, messenger and other delivery fees, postage, charges for computer research and outside assisted legal research, such as parking, which shall be in addition to the hourly rates for travel time, clerical staff, overtime, word processing charges, process server's fees, filing fees and other charges assessed by courts and other public agencies, court reporter's fees, jury fees, witness fees, investigator's fees, expert's fees or consultant's fees, copy costs (at our customary rate, unless volume and then allows for copying by outside service), and other similar items. Except as may be listed on the Schedule, all such items will be charged to Client at Lawyer's cost. No substantial costs will be incurred without Client's advance approval. In acknowledging its satisfaction with this Agreement as evidenced by the signature below, Client warrants and covenants to Lawyer that it shall take such actions as may prove necessary consistent with SA's duty to pay Lawyer's costs and expenses hereunder.

3. **Statements.** Lawyer will send SA, and upon request make available to Client statements on a monthly basis setting forth the fees and costs incurred by Client. SA shall pay each such statement upon receipt. SA shall notify Lawyer promptly in writing if SA disputes any entry for legal services or costs on any statement; and if SA fails to do so within thirty (30) days after receipt thereof, all such entries shall be acknowledged as correct as between Lawyer and SA. If SA so requests, Attorney will provide a statement within ten (10) days. The statements shall include the amount, rate, basis of calculation or other method of determination of the fees and costs, which costs will be clearly identified by item and amount. SA understands and agrees that Lawyer reserves the right to redact any statement that contains attorney-client privileged communication or other information arising from or related to Lawyer's Services to Client. SA and Lawyer agree that Lawyer's transmission of statements to SA does not constitute a waiver of attorney-client privilege as between Lawyer and Client. In all instances, SA requires and Lawyer agrees that Client may request and shall promptly receive any statement hereunder, without redaction.

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4. **Deposit.** At this time, no deposit is requested, as reflected in Schedule "A." At any time during the representation of Client, Lawyer may request a retainer to be used as a deposit as security against future fees and, if Lawyer's services are required for litigation, an additional retainer may be required. Typically, the amount to be requested as an additional retainer will be equal to Lawyer's estimate of a high month's worth of fees to be incurred in connection with Lawyer's representation of Client.

5. **Results.** Lawyer has made no promises or guarantees to SA or to Client concerning the outcome of the Matter, and nothing in this Agreement shall be construed as such a promise or guarantee.

6. **Termination of Services.**

A. Client shall have the right to terminate Lawyer's services at any time upon written notice to Lawyer. SA understands and agrees that only Client may terminate Lawyer. Termination hereunder shall not relieve SA of the obligation to pay the amounts owed to Lawyer for Services rendered and costs incurred prior to such termination. After receiving a termination notice, Lawyer shall immediately cease to render additional Services, except for such services as Lawyer may be required to provide under applicable law or as Lawyer deem reasonably necessary to transfer the Matter to Client or to successor legal counsel, and Lawyer shall be compensated for all such services. Client will fully cooperate with Lawyer's efforts to withdraw and transfer the Matter.

B. Lawyer and Client shall have the right to terminate this Agreement at any time upon written ninety (90) day prior written notice. After delivering such termination notice, Lawyer shall immediately cease to render additional Services, except for such services as Lawyer may be required to provide under applicable law or as Lawyer deem reasonably necessary to transfer the Matter to Client or to successor legal counsel. Upon such termination, Client shall take all steps necessary to free Lawyer of any obligation to perform further legal services, including without limitation, the execution of any documents necessary to complete Lawyer's discharge or withdrawal. The rights of Lawyer hereunder are in addition to those created by statute or recognized by rules of professional conduct.

7. **Arbitration.**

A. Other than a dispute over the amount of fees or costs due and owing, any dispute concerning the rights of either Client or Attorney hereunder, including, but not limited to, any dispute over alleged malpractice, shall, if any such dispute cannot be resolved between Client and Lawyer, be decided by arbitration by a retired judge of the Superior Court to be agreed upon by the parties. SA understands that Client may well be entitled to a jury trial as to any claim against Lawyer for malpractice or for other claims and with Client's authorization evidenced by the acknowledgment below, hereby waives hereby any such right. The SA represents that it has had the opportunity to consult independent counsel of its

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choice regarding its waiver of any right to a jury as specified above and as to the other terms of this Agreement, and has either done so or has knowingly and willingly of its own free choice chosen not to consult such independent counsel. In acknowledging this Agreement below, Client makes an equivalent and coextensive representation to Lawyer. If the parties cannot agree upon an arbitrator, the presiding judge of the Superior Court of San Bernardino shall be requested to appoint a retired judge to act in such capacity, upon petition of any party hereto. In the event the presiding judge fails or refuses for thirty (30) days after a request to make such appointment, the court shall be petitioned to appoint a lawyer licensed to practice in California as sole arbitrator.

The prevailing party in any proceeding, whether arbitration, Superior Court or Federal Court action, related to any provision of this agreement will be awarded attorneys' fees and costs incurred in that action or proceeding, including without limitation the value of the time spent by Lawyer to prosecute or defend such an action, or support other counsel in the prosecution or defense of such action calculated at the hourly rates(s) then normally charged by Lawyer to clients which it represents on an hourly basis.

**B.** In the event of a dispute hereunder over the amount of fees or costs due and owing to Lawyer, Lawyer is required to serve SA and Client, prior to or at the time of filing an action or other proceeding against Client, *via* personal service or first class mail, the California State Bar's "Notice of Client's Right to Arbitrate" form. Client's failure to request arbitration within thirty (30) days after receipt of the "Notice of Client's Right to Arbitrate" form from Lawyer shall be deemed a waiver of Client's right to arbitration. (California Business & Professions Code § 6201.) In the event of Client's failure to request arbitration within thirty (30) days, Lawyer in their discretion shall have the right to proceed with an action to collect fees and costs either via a civil action or by arbitration. In the event that Client elects to arbitrate the fee dispute within thirty (30) days or Lawyer choose to proceed with arbitration following Client's waiver of its right to arbitrate, such arbitration shall be held in accordance with the procedures of the California State Bar Association.

The prevailing party in any proceeding for the collection of fees and costs, whether by arbitration or Superior Court action, will be awarded attorneys' fees and costs incurred in that action or proceeding, including without limitation the value of the time spent by Lawyer to prosecute or defend such an action, or support other counsel in the prosecution or defense of such action calculated at the hourly rates(s) then normally charged by Lawyer to clients which it represents on an hourly basis.

## **8. Entire Agreement.**

**A.** This Agreement contains the entire understanding among the parties hereto and supersedes any prior understandings and agreements among them with respect to the subject matter herein. There are no representations, agreements, arrangements or understandings among the parties, oral or written, relating to the subject matter of this

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Agreement that are not fully expressed herein. Any statements, promises or inducements, whether made by any party or agent of any party, that are not contained in this written Agreement shall not be valid or binding. This Agreement may not be enlarged, modified, or altered except by a written agreement signed by all the parties hereto.

**B.** The place of performance of this Agreement shall be California. Client hereby agrees to submit to the jurisdiction of the California State or Federal Courts in the County of San Bernardino or any adjacent county with respect to any action that is brought to enforce the terms of this Agreement.

**C.** It is mutually understood and agreed that this Agreement shall be governed by the laws of the State of California, both as to interpretation and performance.

**9. Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction or arbitrator to be illegal or unenforceable, said provision shall be deemed to be severed and deleted and neither such provision, its severance nor its deletion shall affect the validity of the remaining provisions of this Agreement.

**10. Notice.** All notices, requests, demands or other communications necessary to be given hereunder shall be in writing and shall be deemed to have been given if delivered or if mailed by United States Mail, postage prepaid, to the parties at the following addresses (or at such other addresses as a party may notify the other party of in writing in accordance with this section).

If to Lawyer, address to:

The Law Offices of Edward Z. Kotkin  
1851 East First Street, Suite 900  
Santa Ana, CA 92705-4066  
Attention: Edward Z. Kotkin, Esquire

If to Client, address to:

Oversight Board for the Successor Agency to  
the City of Montclair Redevelopment Agency  
5111 Benito Street  
Montclair, CA 91763

**Marked as follows:**

**"Only to be opened by Oversight Board Staff"**

**11. Cooperation of Clients.** It is understood and agreed that SA shall notify Lawyer of any change of address or telephone number(s) where SA and/or Client can be reached and shall furnish sufficient information so that Client may be contacted in a reasonable and timely manner during the course of Lawyer's representation of Client. It is further understood and agreed that if the representation of Client involves litigation in the State of California, it may require the presence of Client or its representative, at its expense, for the purpose of discovery or trial. It is further understood and agreed that successful defense of any litigation will require the cooperation and assistance of Client which Client

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agrees to give to Lawyer. It is further understood and agreed that the absence of reasonable cooperation will, at Lawyer's option, be sufficient grounds to warrant withdrawal of Lawyer from representation of Client.

**12. Retention/Destruction of Client's File.**

A. Client is entitled to a copy of the file materials maintained or generated by Lawyer with respect to Client's representation by Lawyer, except those undisclosed work product materials reflecting Lawyer's impressions, conclusions, opinions, legal research, or theories, internal accounting records and other documents not reasonably necessary to Client's representation (hereinafter "Client File"), upon reasonable notice and at Client's expense. Where Lawyer withdraws, Client cancels this Agreement and substitutes Lawyer out as attorneys of record in any litigation in which Lawyer were representing Client, or upon completion of the work for which Lawyer were retained by Client, Client is entitled, upon giving Lawyer reasonable notice, to custody of the original Client File and Lawyer, at their expense, are entitled to keep a copy of any of said Client File materials they deem desirable.

B. Subject to Paragraph 12.A. above, at the conclusion of the handling by Lawyer of the Matter to which this Agreement pertains, Lawyer may at any time, at Lawyer's absolute discretion, store the original Client File or destroy all or part of said file. Subject to Paragraph 12.A. above, and unless other arrangements are made, under Lawyer's document retention policy, Lawyer will begin to destroy portions of the original Client File once the Matter is closed. Should Client wish to retain the Client File or any portion thereof after the Matter is closed, Client must contact Lawyer at the time the Matter is concluded.

**13. Errors and Omissions Insurance Coverage.** Lawyer represents that they maintain errors and omissions insurance coverage applicable to the services to be rendered under this Agreement. The policy limits of that coverage are one million dollars (\$1,000,000) per claim, and one million dollars (\$1,000,000) in the aggregate.

**14. Waiver re Payment of Client Fees by Another Party.** In connection with this Agreement, Lawyer is required by California Rules of Professional Responsibility, Rule 3-310(F) and Business and Professions Code section 6068 to obtain a waiver of conflicts from the Client because a third party (the SA) will be responsible for legal fees and costs incurred by Lawyer in representing Client. The SA will have no right to instruct Lawyer in matters pertaining to Services by Lawyer to Client. Unless Client gives Lawyer written permission to discuss all or a portion of Client's matters with the SA, Lawyer will not disclose any confidential or attorney-client privileged information to the SA or its officials. By signing this Agreement and initialing below this paragraph, Client consents to this arrangement, formally acknowledges that Attorney has advised Client of the advantages and disadvantages of this arrangement, and has afforded Client the opportunity to seek independent counsel to advise on the effect of this paragraph.

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**William Ruh**

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This Agreement, consisting of eleven (11) pages, including schedules, may be executed in counterparts, each of which may be deemed an original, and taken together they shall constitute one and the same Agreement. Facsimile or electronic signatures shall have the same effect as original signatures.

**ACCEPTED:**

**SUCCESSOR AGENCY TO THE CITY OF  
MONTCLAIR REDEVELOPMENT AGENCY,**  
a California local agency

Dated: \_\_\_\_\_

\_\_\_\_\_  
Paul M. Eaton  
Chairman

**ATTEST:**

\_\_\_\_\_  
Yvonne L. Smith, Deputy Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David R. McEwen, Esq.  
Counsel for Successor Agency

**ACCEPTED:**

**THE LAW OFFICES OF EDWARD Z.  
KOTKIN**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Edward Z. Kotkin, Esquire  
Principal

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**ADDITIONAL SIGNATURE FOLLOWS**

ACKNOWLEDGED AND AGREED TO:

**OVERSIGHT BOARD FOR THE SUCCESSOR  
AGENCY TO THE CITY OF MONTCLAIR  
REDEVELOPMENT AGENCY, a California  
local agency**

Dated: \_\_\_\_\_

\_\_\_\_\_  
William Ruh  
Chairman

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**SCHEDULE "A" OF SERVICES**

**Matter:**

- 1) Representation regarding Oversight Board activities and board member duties, obligations and responsibilities.
- 2) Other matters, within the scope of the Oversight Board, as requested.

**Deposit:**

None

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**SCHEDULE "B" – FEES**

**HOURLY RATES, FEES & COSTS**

Proposal for Legal Services to the Oversight Board for the Successor Agency  
to the City of Montclair Redevelopment Agency

<b>General Legal Services Provided at the Hourly Rate of \$225 per hour</b>	Attendance at all Oversight Board meetings ( <i>with charges billed for travel time as specified below</i> ); attendance at Oversight Board management staff meetings and other routine meetings as requested by the Oversight Board; consultation with Oversight Board members and management on legal issues as requested; review of public meeting agendas, agenda submittals, and minutes of Oversight Board meetings; provision of routine legal advice on behalf of the Oversight Board and the issuance of legal opinions, as requested by the Oversight Board; monitoring and review of proposed and enacted legislation affecting the Oversight Board; the preparation or review of routine Oversight Board resolutions; routine advice on government ethics and conflicts of interest.
<b>Hourly Rates for Services Not Included in General Legal Services Above</b>	Specialized Non-Litigation Legal Services (items not listed above) \$225 per hour Litigation: \$325 per hour
<b>Paralegal Services</b>	\$125 per hour
<b>Travel Time</b>	\$150 per hour

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**HOURLY RATES, FEES & COSTS**

Proposal for Legal Services to the Oversight Board for the Successor Agency  
to the City of Montclair-Redevelopment Agency

**Reimbursement of Costs**

Messenger & Deliver Fees.....	At Actual Cost
Postage.....	USPS Standard Rate
Copies.....	\$0.25/page
Color Copies.....	\$0.50/page
Outgoing Faxes.....	\$1.00/page
Copies (Outside Service).....	At Actual Cost
In-House CD Production.....	\$10.00/CD
Computer Research.....	At Actual Cost (percentage of firm's monthly usage under plan)
Outside Assisted Legal Research.....	At Actual Cost
Parking.....	At Actual Cost
Airfare.....	At Actual Cost
Meals.....	At Actual Cost
Hotel Accommodations.....	At Actual Cost
Process Server's Fees/Filing Fees.....	At Actual Cost
Court Reporter's Fees.....	At Actual Cost
Jury Fees.....	At Actual Cost
Witness Fees.....	At Actual Cost
Expert's Fees.....	At Actual Cost
Consultant's Fees.....	At Actual Cost

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**RESOLUTION NO. 13-06**

**A RESOLUTION OF OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY'S ACTION TO APPROVE AGREEMENT NO. 13-59, AN ENGAGEMENT AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY AND EDWARD Z. KOTKIN TO SERVE AS COUNSEL TO THE OVERSIGHT BOARD**

**WHEREAS**, Assembly Bill 1X 26 (AB 26) was signed by the Governor on June 28, 2011 and upheld as constitutional by the California Supreme Court. On June 27, 2012, the Governor signed Assembly Bill 1484 (AB 1484). AB 26 and AB 1484 (together called the Dissolution Bills) eliminated California redevelopment agencies statewide, established successor agencies to pay, perform, and effectuate the enforceable obligations of the former redevelopment agencies and to wind down the affairs of the former redevelopment agencies; and

**WHEREAS**, the City of Montclair Redevelopment Agency ("Agency") is now a dissolved redevelopment agency pursuant to the Dissolution Bills; and

**WHEREAS**, by Resolution considered and approved by the City Council at an open public meeting, the City chose to become and serve as the "Successor Agency" to the dissolved Agency under the Dissolution Act; and

**WHEREAS**, as of and on and after February 1, 2012, the City serves and acts as the Successor Agency and is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

**WHEREAS**, pursuant to Section 34179 of the Health and Safety Code, the Successor Agency's Oversight Board was formed and the initial meeting occurred on April 25, 2012; and

**WHEREAS**, the Oversight Board, pursuant to Section 34179(n) of the Health and Safety Code has requested to be provided with legal representation as provided for by law; and

**WHEREAS**, the Oversight Board directed staff to submit proposals to legal firms for representation and the Oversight Board interviewed legal firms responding to a request for proposals on May 8, 2013; and

**WHEREAS**, on June 19, 2013, the Oversight Board selected Edward Z. Kotkin to serve as counsel to the Oversight Board; and

**WHEREAS**, Successor Agency counsel has determined that the Successor Agency should enter into the agreement to pay for the services of legal counsel for the Oversight Board; and

**WHEREAS**, the Successor Agency approved Agreement No. 13-59 approving an Engagement Agreement with Edward Z. Kotkin to serve a legal counsel to the Oversight Board on August 5, 2013; and

**WHEREAS**, required by the law, the Oversight Board must approve the action of the Successor Agency regarding approval of the Engagement Agreement (Agreement No. 13-59) ; and

**WHEREAS**, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for five (5) business days pending any request for review by the California Department of Finance (DOF); and if DOF requests review hereof, it will have forty days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, would not be effective until approved by DOF.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency does hereby find and determine as follows:

**Section 1.** The above recitals are true and correct and are a substantive part of the Resolution.

**Section 2.** The Successor Agency authorized at its meeting of August 5, 2013, that this Resolution be transmitted to the Oversight Board for consideration.

**Section 3.** The Oversight Board approves the actions of the Successor Agency in approving Agreement No. 13-59 with Edward Z. Kotkin to provide legal counsel to the Oversight Board.

**Section 4.** The Secretary of the Oversight Board shall certify to the adoption of this Resolution and shall maintain this Resolution on file as a public record as approved hereby.

**APPROVED AND ADOPTED** this XX day of XX, 2013.

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Chairman

**ATTEST:**

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Secretary

I, Yvonne L. Smith, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 13-06 was duly adopted by the Oversight Board of Directors at a regular meeting thereof held on the XX day of XX, 2013, and that it was adopted by the following vote, to-wit:

AYES: XX  
NOES: XX  
ABSTAIN: XX  
ABSENT: XX

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Yvonne L. Smith

## AGENDA REPORT

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<b>SUBJECT:</b> CONSIDER ADOPTION OF RESOLUTION NO. 13-07 APPROVING THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY'S ACTION TO ENGAGE THE SERVICES OF INTEGRA REALTY RESOURCES TO PERFORM REAL PROPERTY APPRAISALS ASSOCIATED WITH COMPLETION OF A LONG-RANGE PROPERTY MANAGEMENT PLAN	<b>DATE:</b> August 14, 2013 <b>SECTION:</b> BUSINESS ITEMS <b>ITEM NO.:</b> B <b>FILE I.D.:</b> OBO050 <b>DEPT.:</b> OVERSIGHT BOARD
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**REASON FOR CONSIDERATION:** The Oversight Board is requested to consider approval of an anticipated action on the part of the Successor Agency to engage the services of Integra Realty Resources to perform real property appraisals associated with completion of the Long-Range Property Management Plan mandated by Section 34191.5 of the Health and Safety Code. The Oversight Board is requested to consider this matter prior to Successor Agency action to expedite retention of the needed services without calling a special meeting of the Oversight Board.

**BACKGROUND:** After a successor agency has received its Notice of Completion from the Department of Finance (DOF), the Successor Agency has six months to submit a Long-Range Property Management Plan to DOF pursuant to Health and Safety Code Section 34191.5. The Successor Agency to the City of Montclair Redevelopment Agency received its Notice of Completion from DOF on May 16, 2013. The purpose of the Long-Range Property Management Plan is to address the disposition and/or use of real properties retained by a successor agency. One of the requirements of the Long-Range Property Management Plan is to provide an estimate of current real property values including appraised values, if any.

The Successor Agency to the City of Montclair Redevelopment Agency owns seven properties subject to the provisions of the Long-Range Property Management Plan. The majority of the properties are now used or are proposed to be used for a public purpose. However, staff finds the need to have appraisals conducted on the following properties:

- Lease value of a portion of 8752 Monte Vista Avenue
- Lease value and sale value for 4690 Palo Verde Street
- Sale value of vacant property located on the southeast corner of Ramona Avenue and State Street

In addition, staff will need to consult with an appraisal firm regarding the estimated current values of the properties proposed to be retained by the City.

Staff developed a Request for Proposals (RFP) for appraisal services, which is attached as Exhibit A. Ten appraisal firms were sent the RFP. In response to the RFP, staff received proposals from the following firms:

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Prepared by: <u>M. STAATS</u>	Reviewed and Approved by: <u>M. STAATS</u>
Proofed by: <u>Yvonne L. Smith</u>	Presented by: <u>M. STAATS</u>

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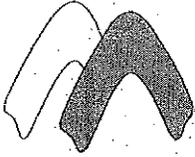
- Inland Empire Consultants, Inc.
- Integra Realty Resources
- Overland Pacific & Cutler, Inc.

After review of the three proposals, staff felt the proposal submitted by Integra Realty Resources was the most complete. The price for the requested appraisals is \$9,800. Additional services requested for consultation or studies would be provided upon request and billed at the hourly rate included in the proposal. The appraisals would be completed within 30 days of receiving a notice to proceed. A copy of the proposal from Integra Realty Resources is attached as Exhibit B.

The Oversight Board is requested to consider this action prior to Successor Agency consideration of the proposal to expedite retention of the appraisal services without the need to call a special meeting of the Oversight Board to approve the Successor Agency's action. In the event the Successor Agency does not approve the action to engage Integra Realty Resources, this matter would be returned to the Oversight Board for further consideration.

**FISCAL IMPACT:** Costs incurred for appraisal services would be listed as an expense on the Recognized Obligation Payment Schedule.

**RECOMMENDATION:** Staff recommends the Oversight Board adopt Resolution No. 13-07 approving the Successor Agency to the City of Montclair Redevelopment Agency's action to engage the services of Integra Realty Resources to perform real property appraisals associated with completion of a Long-Range Property Management Plan.



**Exhibit A**  
**REQUEST FOR PROPOSAL (RFP)**  
**FOR**  
**APPRAISAL SERVICES**  
**FOR THE SUCCESSOR AGENCY TO THE**  
**CITY OF MONTCLAIR REDEVELOPMENT AGENCY**  
**San Bernardino County, California**

**I. INVITATION**

The City of Montclair Successor Agency (Successor Agency to the City of Montclair Redevelopment Agency) in San Bernardino County, California invites appraisers or appraisal firms to submit a proposal for professional appraisal services for noncondemnation purposes to provide appraisals of various properties for the Successor Agency to the City of Montclair Redevelopment Agency. These appraisals will be used by the Successor Agency as the basis for valuation for property disposition pursuant to the Property Management Plan required pursuant to Health and Safety Code Section 34191.5.

**II. PROPERTIES REQUIRING APPRAISALS**

Initially, the selected appraiser or appraisal firm is asked to determine market values for the following locations:

- **Address:** 8752 Monte Vista Avenue  
**APN:** 1007-722-07  
**Zoning Designation:** Specific Plan  
**Acres:** Approximately 2.77 acres; however, appraisal of only .93 acres is requested  
**Type of Valuation:** Monthly market rental value of .93 acres  
**Description:** Currently, this property consists of 2.77 acres of automobile storage. The City of Montclair Redevelopment Agency improved the site with paving, fencing, gates, lighting and landscaping. The City of Montclair Police Department uses two-thirds of the site for an automobile impound lot. Metro Nissan uses one-third of the site for used automobile storage. The automobile storage uses on the property are considered temporary as a portion of the site will eventually be needed for right-of-way for the light rail Metro Goldline project. The North Montclair Downtown Specific Plan envisions any property remaining after dedication of the right-of-way for the Metro Goldline as residential. The appraiser or appraisal firm is requested to determine a monthly fair market rental value of the .93 acres leased to Metro Nissan for automobile storage.
  
- **Address:** 4960 Palo Verde Street  
**APN:** 1008-332-04  
**Zoning Designation:** C-3 General Commercial  
**Acres:** Approximately 1.44 acres  
**Type of Valuation:** Monthly market rental value and fair market (for sale) value  
**Description:** Currently, the property consists of approximately 1.44 acres of property used as new vehicle storage for Metro Nissan. The City of Montclair Redevelopment Agency improved the property with paving, certain fencing, lighting and landscaping. The Successor Agency seeks a fair market appraisal of the for-

sale value of the property as well as a value of the monthly fair market rent for the site.

- **Address:** No address established (property is generally located on the northwest corner of Dale Street and Camulos Avenue)  
**APN:** 1012-141-18  
**Zoning Designation:** MIP Manufacturing Industrial  
**Acres:** Approximately 2.66 acres  
**Type of Valuation:** Fair market value (for sale)  
**Description:** The property consists of approximately 2.66 acres of vacant land. The property was acquired by the City of Montclair Redevelopment Agency for right-of-way purposes needed for the Ramona Avenue Grade Separation. The grade separation project has been completed. The property is a remnant remaining after construction of the grade separation project.

PLEASE NOTE: Depending on the determinations of the Oversight Board and/or the Department of Finance, appraisals of additional former Redevelopment Agency-owned locations may become necessary. Staff may request additional work of the appraiser or appraisal firm for such work.

### III. PROPOSAL REQUIREMENTS

All proposals shall be organized in the following manner:

- Name, address, and telephone number of the individual or firm. If a firm, the name and title of the individual authorized to negotiate contract terms and make binding commitments shall be included
- Professional qualifications (copies of state appraiser licenses and certificates), *California Office of Real Estate Appraisers (OREA) AR or AG License in good standing required*
- Description of the firm or individual's resources to deliver services in a timely manner. If a firm, please provide the names of the personnel who would be assigned to work with the City on this appraisal and provide relevant education and previous experience
- Narrative description of experience with public agencies, if any
- Statement of the time necessary to complete the appraisal reports
- A minimum of three (3) complete references (name, title, address, and phone number) that the City may contact to verify services rendered or currently being provided
- Fee schedule for the proposed appraisal reports

### IV. CRITERIA FOR SELECTION

The proposals received will be reviewed by three members of City/Successor Agency staff. All proposals will be fully considered staff members. The selection will be based on completeness, experience with public agencies, and time to perform.

### V. PROPOSAL REJECTION

The Successor Agency reserves the right to reject any or all proposals submitted and is not liable for precontractual expenses.

Precontractual expenses are defined as expenses incurred by the appraiser/appraisal firm in (1) preparing the proposal in response to this RFP, (2) submitting the proposal to the Successor Agency, (3) negotiating with the Successor Agency in any manner related to this proposal, or (4) any other expenses incurred by the appraiser/appraisal firm prior to the date of award of a contract, if any. Appraiser/appraisal firm shall not include any such expenses as part of the cost in response to this RFP.

VI. ACCEPTANCE OF CONTRACT

Subsequent to the selection of the awarded consulting firm, the contents of the proposal shall become a contractual obligation if a contract ensues. Failure of a consultant to accept this obligation will result in cancellation of the contract award.

Contracts are submitted to the Successor Agency, the Oversight Board, and the California Department of Finance for approval.

VII. CERTIFICATE OF INSURANCE

The individual or firm selected to provide the requested services will be required to submit:

- For a firm, evidence of Worker's Compensation insurance with limits pursuant to State law
- Evidence of professional liability insurance (Errors and Omissions)
- Business automobile liability insurance with limits of at least \$1 million
- Firm must obtain a City of Montclair Business License

VIII. SUBMISSION AND DEADLINE

Three (3) copies of the proposal must be submitted in a sealed envelope to the following contact address:

City of Montclair  
5111 Benito Street  
Montclair, CA 91763  
Attention: Marilyn J. Staats

Questions concerning the RFP should be directed to Deputy City Manager Marilyn Staats at (909) 625-9412 or [mstaats@cityofmontclair.org](mailto:mstaats@cityofmontclair.org).

**DEADLINE FOR SUBMITTAL OF PROPOSALS: July 31, 2013, at 5:00 p.m.**

Facsimiles will not be accepted as a substitute for a sealed envelope bearing the original signature of the individual or qualified representative of the firm submitting the proposal.

Incomplete proposals and proposals received after the deadline for submittal will not be considered.

**Integra Realty Resources**  
Los Angeles

**Response to Request for Proposal to Provide  
Real Estate Appraisal Services**

**Prepared For:**

Ms. Marilyn J. Staats  
Deputy City Manager  
Director, Economic Development Division  
City of Montclair  
5111 Benito Street  
Montclair, CA 91763

**July 26, 2013**





July 26, 2013

Ms. Marilyn J. Staats  
Deputy City Manager  
City of Montclair  
5111 Benito Street  
Montclair, CA 91763

SUBJECT: Proposal to provide real estate appraisal services

*Sent via UPS*

Dear Ms. Staats:

Integra Realty Resources – Los Angeles (IRR-Los Angeles) is pleased to present to the City of Montclair (City) qualifications for real estate services in response to your Request for Proposal (RFP), dated July 10, 2013, and with submission deadline of Wednesday, July 31, 2013.

The individuals who are authorized to represent the firm, negotiate contract terms, and make binding commitments are John G. Ellis, MAI, CRE, FRICS, Senior Managing Director, and Beth B. Finestone, MAI, FRICS, Managing Director. Mr. Ellis and Ms. Finestone can be reached at 16030 Ventura Boulevard, Suite 620, Encino, CA 91436-4473 and at (818) 290-5400.

The following information has been prepared to illustrate the firm's qualifications and resources available to provide real estate appraisal services for the three properties listed in the City's RFP.

***Experience of Key Personnel***

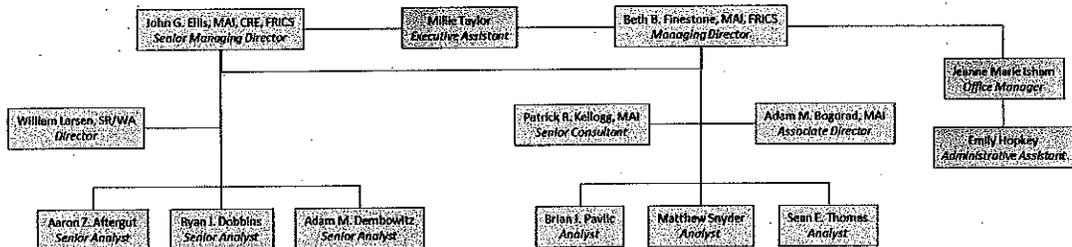
IRR-Los Angeles has a particularly strong background in providing a variety of appraisal, appraisal review, and consulting services to a wide variety of public entities, including public agencies at the federal, state, and municipal levels.

IRR-Los Angeles has a total full-time staff of 13, including 10 appraisers, three of whom are MAIs, and seven of whom are licensed as Certified General Real Estate Appraisers by the State of California. All senior professional staff members are current in their continuing education requirements in their status as general certified appraisers in the State of

California. Accordingly, they are sufficiently familiar with the requirements of the *Uniform Standards of Professional Appraisal Practice (USPAP)*, especially with Standards Rules 1 and 2 that apply to the development of real property appraisals and the preparation of real property appraisal reports. The requirements of all applicable regulations are reviewed on a regular (and not less than annual) basis to assure our current knowledge of these requirements, and the full compliance of our appraisal development and reporting. All of our work conforms to best business practices as generally recognized by other market participants, including other government agencies.

Name	Title	CGA No.
John G. Ellis, MAI, CRE, FRICS	Senior Managing Director	AG007279
Beth B. Finestone, MAI, FRICS	Managing Director	AG004030
William Larsen, SR/WA	Director	AG014297
Adam M. Bogorad, MAI	Associate Director	AG038741
Ryan J. Dobbins	Senior Analyst	AG029385
Aaron Z. Aftergut	Senior Analyst	AG040789
Adam M. Dembowitz	Senior Analyst	AG300023

The professional qualifications and Certified General Appraiser licenses for these staff members follow at the end of this proposal. Below is an organizational chart showing the members of our firm.



Our general certified appraisers are assisted by administrative staff and researcher(s). This balance of staffing allows us to coordinate major projects in a timely and cost-efficient manner.

**John G. Ellis, MAI, CRE, FRICS**, Senior Managing Director, is a past president of the Southern California Chapter of the Appraisal Institute (SCCAI), the largest chapter in the United States. He has also served as an elected member of the SCCAI Board of Directors for five years, has served on various volunteer committees for the Appraisal Institute (at the local, regional, and national levels) for more almost 20 years, and is a nationally approved instructor for the Appraisal Institute. He has twice chaired the SCCAI's annual Litigation Seminar conducted for the benefit of Southern California's legal and appraisal communities. Mr. Ellis is also a member of the Counselors of Real Estate (CRE) and the International Right of Way Association (IRWA) and is a fellow of the Royal Institution of Chartered Surveyors (RICS). He is "Yellow Book" certified, having successfully completed the accredited course the *Uniform Appraisal Standards for Federal Land Acquisitions*. As senior managing director of the firm, he is involved in completing valuation and consulting assignments, overseeing the work and

the mentoring of some of the junior staff members. He has significant experience in the coordination and management of multi-property assignments.

Mr. Ellis is qualified as an expert witness in Superior and Federal courts throughout Southern California on real estate valuation issues. On several occasions, Mr. Ellis has been selected by the Los Angeles County Superior Court to act as a court-appointed, independent expert to assist the resolution of pending valuation issues and has served as an experienced arbitrator. Mr. Ellis has been retained as an expert witness by the Legal Division of the State of California Department of Transportation (Caltrans) for matters involving eminent domain in the widening of Interstate 5, Interstate 10, and Interstate 405 within the County of Los Angeles.

**Beth B. Finestone, MAI, FRICS**, Managing Director, has served on the peer review committee for the SCCAI and is currently serving on the education committee. In addition, she is a fellow of RICS and is working toward the SR/WA designation by the IRWA. She has been active in acquisition appraisals for Southern California Edison Company (SCE) in Tulare, Los Angeles, Kern, and Riverside counties; Orange County Transportation Authority (OCTA); Riverside County Transportation Commission as part of the expansion of the SR-91 freeway in Corona; City of Bellflower; the CRA/LA; City of Ontario; City of Inglewood; the State of California Department of General Services; and the U.S. General Services Administration. Ms. Finestone has the lead role for all acquisition work done by the firm on behalf of SCE. She completed the appraisal of 10 acres of open space land in Castaic for the State of California Department of Water Resources and appraised the Del Mar Racetrack and Thoroughbred Club for the State of California Department of General Services. Recently, Ms. Finestone appraised 845 acres of land for purchase by the State Department of Parks and Recreation proximate to the Hungry Valley State Vehicular Recreation Area. She has significant experience in working with school districts for both acquisition assignments and disposition of surplus sites. Additionally, Ms. Finestone is the sole reviewer for the Los Angeles Unified School District for appraisal review assignments which involve properties over \$1 million. She has also reviewed large numbers of appraisals for OCTA and City of Ontario. She also oversees the administration of the office and works with and mentors junior members of the staff. She has been honored locally for her professional accomplishments. In 2009 she was a *Los Angeles Business Journal* nominee for Executive of the Year – Women Making a Difference. In October 2006 Ms. Finestone was honored as one of *Real Estate Southern California's* 2006 Women of Influence for contributions to commercial real estate and devotion to community enrichment.

**William Larsen, SR/WA**, Director, is the immediate Past President of the Los Angeles-Bakersfield Chapter of the IRWA, has chaired and moderated the Chapter's Annual Valuation Seminar since 2008, and has been a Chapter Board member since 2004. He is also an associate member of the Appraisal Institute. Mr. Larsen has specialized in eminent domain and litigation appraisal since 1995 and has served as Project Manager on multi-property appraisal assignments involving in excess of 100 subject properties. Mr. Larsen is Yellow Book certified.

**Adam M. Bogorad, MAI**, Associate Director, a member of the Appraisal Institute who has worked in real estate since 2002, has completed assignments covering a wide range of property types for both public and private sector clients, including Caltrans, SCE, numerous public agencies and school districts, McDonald's USA, and a number of law firms. In addition, Mr. Bogorad has extensive experience with matters of eminent domain and has been designated as a real estate expert witness in the Superior Court of California. In 2009 he was accredited by the State Bar of California to present continuing legal education courses related to various aspects of real estate analysis.

Each of the above senior appraisers has qualified as an expert witness in real estate valuation matters.

#### ***Profile of the Firm***

Integra Realty Resources – Los Angeles is the dba of Ellis Group, Inc. (founded in 1996 and incorporated in California in 1997). IRR-Los Angeles, an independently owned firm, is the result of the consolidation of Ellis Group, Inc. with Integra Realty Resources, Inc. in 1999. As a part of this national network of over 650 professions in nearly 70 local offices from coast to coast, IRR-Los Angeles enjoys comprehensive access to a wealth of data and advanced analytic tools. With more MAIs and CREs than any other company, we can coordinate appraisal, valuation, and counseling services throughout the United States. Affiliated companies in Mexico and Canada allow us to coordinate real estate counseling and valuation services throughout North America. Our clients include lending institutions, investment advisory firms, corporations, developers, investors, governmental agencies, and the legal profession.

IRR-Los Angeles is capable of providing full valuation services within the scope of a defined assignment, including analysis and definition of the appraisal problem, accurate and timely estimation of time and cost to the City to complete the project, research and data verification, highest and best use analysis, field inspection, valuation analysis, and reporting writing. In addition, IRR-Los Angeles's senior professionals can serve as expert witnesses in support of their work product in court and/or before arbitration boards.

Since its founding, approximately 4,000 appraisal assignments have been successfully completed by the firm. Of these, nearly 800 assignments have been for public agencies (municipal, county, state, and federal) throughout Southern California.

#### ***Public Agency Assignments***

Our ability to address valuation assignments which may have some relevance to the current appraisal needs of the City is illustrated through various public agency projects as shown below.

1. City of Ontario On-call Appraisal Services: Appraisal of multiple parcels of industrial, commercial, and multi-residential properties, concentrated in the vicinity of Ontario International Airport. In addition to performing acquisition and disposition appraisals for the City of Ontario and its Housing Department, we have also been

retained to complete appraisal reviews of outside appraisals prepared by other fee appraisers for parcels within Ontario.

2. State of California Department of Transportation Designated Expert Witness: Since 2007 John Ellis has worked with Caltrans as the designated expert witness in 26 matters involving transportation corridor improvements along the I-5, I-10, I-405, and SR-138 in Los Angeles, San Bernardino, and Orange counties.
3. City of Riverside, Tyler Street-Widening Project: The appraisal of 93 parcels affected by a major street-widening project. Our involvement in this project included budgetary planning, acquisition appraisals, pre-trial exchange appraisal updates, and the preparation for expert testimony (although all cases settled before trial).
4. Orange County Transportation Authority: On-call appraisal and appraisal review services for various transportation corridor projects. During the past year we have been involved in the appraisal of open-space mitigation land, industrial and commercial properties related to transportation corridors. Some of the appraisals were the valuation of surplus land, while others were for part of full-take acquisition. We are currently involved in the review of 31 appraisals related to the Lakeview Avenue Grade Separation Project.
5. City of Inglewood On-call Appraisal Services: Appraisal of multiple parcels of commercial and residential properties in redevelopment areas of Inglewood.
6. City of Bellflower: We have completed more than 30 appraisals for the City of Bellflower relating to acquisitions for various redevelopment projects, including commercial, residential, and industrial properties. Some of the properties have had highest and best use issues as improved, and others have been vacant land.
7. Los Angeles County Metropolitan Transportation Authority (LACMTA): More than 30 assignments performed that have included the valuations of whole properties, partial interests as a part of the whole (including easements), remainder valuation, uneconomic remainders, severance damages, and benefits.
8. Los Angeles World Airports, Pipeline Land: The purpose of the appraisal was to develop an opinion of the fair market value of the fee simple interest in the land supporting various pipeline easements running through the airport property (larger parcel), including land within the runway and tarmac areas. We also estimated the fair market rent of the land supporting these pipeline easements.
9. Los Angeles World Airports, Non-Airline Industrial and Commercial Off-Airport Land: The purpose of the appraisal was to develop an opinion of the fair market value of the fee simple interest in the underlying land associated with the "Non-Airline Industrial" properties as a group and a separate fair market value for the underlying land associated with the "Commercial Off-Airport" properties as a group, on and near Los Angeles International Airport.
10. Los Angeles World Airports, Off-Airfield Commercial Land: The purpose of the appraisal was to develop a separate opinion of the fair market value of the fee simple interest in the underlying land associated with three groups of properties, the "Cargo Parcels," "Maintenance Lease Parcels," and "Temporary Construction Lease Parcels" within Los Angeles International Airport.
11. The U.S. General Services Administration (GSA), Otay Mesa Border Station Project: The subject of this appraisal was a vacant, industrial zoned site of 9.93± acres which

is located immediately adjacent to the existing commercial border crossing facility identified as the Otay Mesa Border Station. This port of entry serves as the main border crossing facility for commercial vehicles crossing between San Diego, California, and Tijuana, Mexico. The GSA used the appraisal to successfully negotiate the acquisition of the property for the expansion of the border crossing facility.

12. State of California Department of General Services: The appraisal of the Del Mar Racetrack and Thoroughbred Club which involved the appraisal of more than 430 acres of land. Some of the land was zoned open space; some was wetlands, while other was mitigation land. The land was appraised based on its current use, with no redevelopment potential considered. In addition to the land appraisal, we completed a market value analysis of the improved property with a use restriction that required the property be continued to be used as a racetrack, thoroughbred club and fairground.
13. Oxnard Union High School District: The appraisal of an 119.7± acre agricultural site in 2007 that is being considered for a new high school. Development of the property is subject to land use restrictions imposed by the Coastal Commission, the SOAR initiative, and the Oxnard Airport Sphere of Influence, which adversely affects the value of the property. In addition to a fair market value indication, we provided a rental analysis of the land to allow the school district access to the site to conduct soil testing.
14. Acquisition appraisals, appraisal updates, and appraisals for pre-trial exchange involving approximately 60 parcels in the Lincoln/Woodbury redevelopment project area of Los Angeles County. Work has been ongoing since 1997 and this project is currently active.
15. Appraisal of the Water Filtration and Distribution Plant serving the entire City of Inglewood, California: Appraisal was completed to assist the City in the completion of a bond issue for which some of its public facilities would be utilized as collateral.
16. Appraisal of the fee simple and leased fee interests of 4665 Lampson Avenue in Los Alamitos, California: This property was appraised both as vacant land (with 12.37± acres) under a community facilities zone designation, and as improved with an 86,400± square-foot, two-story office building. The valuation of the property as improved included an analysis of excess land. The leased fee analysis considered the impact of a long-term ground lease which covered the period of May 1971 to June 2021.

#### ***Client References***

A substantial number of our clients retain us because of our ability to understand complex real estate valuation issues, to frame assignments in a manner which our clients (and the courts) can understand, and to be in a position of supporting our analysis and conclusions through the litigation process (including expert testimony at bench and jury trials). Below are sample references for our firm.

<b>San Joaquin Cross Valley Loop Project</b>		
<i>Name of Firm</i>	Southern California Edison Company	
<i>Address</i>	2131 Walnut Grove Avenue, Rosemead, CA 91170	
<i>Contact Person</i>	David L. Guder, CCIM, SR/WA Project Manager <a href="mailto:david.guder@sce.com">david.guder@sce.com</a>	<i>Telephone</i> (626) 302-4179
<i>Period of Performance</i>	2010 to 2012	<i>Contract Value</i> \$160,000
<i>Project Manager</i>	Beth B. Finestone, MAI, FRICS	<i>Appraisers</i> Adam M. Bogorad, MAI Adam M. Dembowitz
<i>Brief Description of Service Provided</i>		
<p>The San Joaquin Cross Valley Loop Project involved the appraisal of 49 properties in two phases. The purpose of the appraisals was for easement acquisitions, with the first phase properties involving the perfection and upgrading of existing easements. The second phase properties involved the acquisition of new easements. Property types were primarily producing agricultural land (citrus, olives, almonds, stone fruit, grapes and row crops). Other land uses included ranches, commercial and residential properties. Our appraisals considered a valuation of the part taken, as well as severance damages and project benefits.</p>		

<b>SR-91 Widening Project</b>		
<i>Name of Firm</i>	Overland Pacific & Cutler, Inc.	
<i>Address</i>	2280 Market Street, Suite 200, Riverside, CA 92501	
<i>Contact Person</i>	Mark R. La Bonte, SR/WA Program Manager/Principal <a href="mailto:mlabonte@opcservices.com">mlabonte@opcservices.com</a>	<i>Telephone</i> (951) 683-2353
<i>Period of Performance</i>	February 2012 to present	<i>Contract Value</i> \$461,950
<i>Project Manager</i>	Beth B. Finestone	<i>Appraisers</i> Adam M. Bogorad Adam M. Dembowitz
<i>Brief Description of Service Provided</i>		
<p>Appraisal of parcels under 47 separate ownerships affected by acquisitions and easements for the SR-91 Widening Project through the City of Corona. The complete summary appraisal reports and appraisal summary statements include a valuation of the properties in the before and after condition. Some of the properties are very complex and had significant severance damage analyses due to loss of building improvements, parking, loading, etc.</p>		

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<b>I-405 Sepulveda Pass HOV Lane Project</b>		
<i>Name of Firm</i>	State of California Department of Transportation	
<i>Address</i>	100 South Main Street, MS-6, Los Angeles, CA 90012	
<i>Contact Person</i>	Andrew P. Nierenberg, Deputy District Director, Right of Way, Caltrans District 7 <a href="mailto:andrew_p_nierenberg@dot.ca.gov">andrew_p_nierenberg@dot.ca.gov</a>	<i>Telephone</i> (213) 897-1901
<i>Period of Performance</i>	May 2009 to April 2010	<i>Contract Value</i> \$40,000
<i>Project Manager</i>	John G. Ellis, MAI, CRE, FRICS	<i>Appraiser</i> William Larsen, SR/WA
<i>Brief Description of Service Provided</i> The purpose of the appraisals (for the use of the Los Angeles County Metropolitan Transportation Authority and the State of California Department of Transportation) was to estimate the market value of the various property interests to be acquired for the I-405 Sepulveda Pass HOV Lane Project. This assignment included appraisals for partial acquisitions of eight larger parcels within the categories of commercial, multi-residential, and open space land use. The appraisals included an analysis of potential severance damages and project benefits.		

<b>People v. NCO, Ltd, et al.</b>		
<i>Name of Firm</i>	State of California Department of Transportation – Legal Division	
<i>Address</i>	100 South Main Street, Suite 1300, Los Angeles, CA 90012-3702	
<i>Contact Person</i>	Mark A. Berkebile, Esq. <a href="mailto:mark_berkebile@dot.ca.gov">mark_berkebile@dot.ca.gov</a>	<i>Telephone</i> (213) 687-6000
<i>Period of Performance</i>	February 2010 to January 2011	<i>Contract Value</i> \$16,000
<i>Project Manager</i>	John G. Ellis	<i>Appraiser</i> Adam M. Dembowitz
<i>Brief Description of Service Provided</i> Pre-trial exchange appraisal prepared for an environmentally contaminated commercial property in the City of Norwalk, California. The project was initially presented as a part take, but was modified to become a full take acquisition. Mr. Ellis was the principal appraiser in this assignment which included the completion of the appraisal pursuant to Caltrans standards, as well as deposition and preparation for trial. The case ultimately settled shortly before the start of trial.		

<b>Alameda Corridor Transit Authority SR-47 Expressway Project</b>		
<i>Name of Firm</i>	Nossaman LLP	
<i>Address</i>	777 South Figueroa Street, 34 <sup>th</sup> Floor, Los Angeles, CA 90017	
<i>Contact Person</i>	Howard D. Coleman, Esq. <a href="mailto:hcoleman@nossaman.com">hcoleman@nossaman.com</a>	<i>Telephone</i> (213) 612-7821
<i>Period of Performance</i>	June to October 2010	<i>Contract Value</i> \$59,500
<i>Project Manager</i>	John G. Ellis	<i>Appraiser</i> Adam M. Bogorad
<i>Brief Description of Service Provided</i> This current assignment includes appraisals for partial acquisitions of approximately 80 easements in five larger parcels at the Port of Long Beach. Some of the lands were at differing elevations, including submerged land within the Cerritos Channel. The appraisals include an analysis of potential severance damages and project benefits. The purpose of the appraisals for the use of the Alameda Corridor Transportation Authority (ACTA) is to estimate the market value of the various property interests to be acquired for the expansion of the Terminal Island Freeway and bridge within the Port of Long Beach.		

<b>Milliken Avenue Grade Separation Project</b>			
<i>Name of Firm</i>	Overland, Pacific & Cutler, Inc.		
<i>Address</i>	3750 Schaufele Avenue, Suite 150, Long Beach, CA 90808		
<i>Contact Person</i>	Min V. Saysay Transportation Program Manager/Principal <a href="mailto:msaysay@opcservices.com">msaysay@opcservices.com</a>	<i>Telephone</i>	(562) 304-2000
<i>Period of Performance</i>	September 2011 to November 2012	<i>Contract Value</i>	\$73,000
<i>Project Manager</i>	Beth B. Finestone	<i>Appraiser</i>	William Larsen
<i>Brief Description of Service Provided</i> For the Milliken Avenue Grade Separation Project in the City of Ontario 11 parcels involving a combination of full and partial takes, temporary construction easements, and easement valuations at the existing Milliken Avenue/Mission Boulevard/Union Pacific Railroad at-grade crossing.			

<b>M2 Environmental Mitigation Program</b>			
<i>Name of Firm</i>	Orange County Transportation Authority		
<i>Address</i>	550 South Main Street, Orange, CA 92863		
<i>Contact Person</i>	Dan Phu Section Manager, Project Development <a href="mailto:dphu@octa.net">dphu@octa.net</a>	<i>Telephone</i>	(714) 560-5907
<i>Period of Performance</i>	2011 to 2012	<i>Contract Value</i>	\$65,550
<i>Project Manager</i>	Beth B. Finestone	<i>Appraiser</i>	Ryan J. Dobbins
<i>Brief Description of Service Provided</i> We have appraised multiple properties totaling approximately 1,300 acres as part of the ongoing M2 Environmental Mitigation Program.			

**Scope of Services**

In response to your recent request for proposal, this writing expresses our interest and availability for the completion of appraisal services concerning the properties referenced below. The properties are located within the City of Montclair and are owned by the City.

Property No.	APN	Property Address	Zoning	Land Use	Lot Size (±SF)
1	1007-722-07	8752 Monte Vista Avenue	Specific Plan	Vehicle storage	120,661
2	1008-332-04	4960 Palo Verde Street	C-3 General Commercial	Vehicle storage	62,726
3	1012-141-18	NWC Dale Street and Camulos Avenue	MIP Manufacturing Industrial	Vacant	115,870

The noncondemnation purpose of the appraisals is to determine for property disposition the monthly market rent of 0.93 acres of Property No. 1 (leased to Metro Nissan), the monthly market rent and fair market values of Property No. 2 (leased to Metro Nissan), and the fair market value of Property No. 3 (remaining remnant after construction of the Ramona Avenue Grade Separation project).

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Upon receiving authorization to proceed, we would complete a thorough inspection of the subject properties and review available information about their histories and operations. We would conduct an independent investigation of relevant market factors, including investigations into comparable sale properties that would be relevant in the valuation process. We would analyze this data and develop an opinion of the market rent and fair market values of the subject properties. Upon completion of our analysis, we would prepare a summary appraisal report for each in full compliance with the USPAP.

***Fee and Timing***

For our services as described above, our fee for the completion of an appraisal report is proposed at **\$9,800**. We propose to have our report completed within **30 days** of receiving notice to proceed.

***Information to Be Provided by Client***

Attached to this letter you will find Exhibit B, which is a list of information that would be useful and/or necessary for us in the completion of our appraisal services on your behalf. In completing this proposal at the above-referenced fee and timing, we have assumed that the information identified on Exhibit B will be made available to us at the onset of our assignment. In the absence of receiving some of these referenced items, it may be necessary for us to include limitations and/or special assumptions within the appraisal report, or to spend additional time (at additional cost) to identify and gather this information from other sources. If you believe any of the items identified on Exhibit B will not be available to us during the course of our appraisal, please notify us immediately so we may discuss the situation and address it to your satisfaction.

***Supplemental Services***

Additional services requested for consultation, special studies, negotiations, preparation of or appearance for testimony, and similar services will be provided upon request and will be billed additionally at the hourly rates set forth as Exhibit A to this proposal. Fees will be billed monthly based on the work actually completed.

***Verification of Insurance***

The firm maintains a valid worker's compensation insurance policy and employer's liability insurance for all persons employed in the firm and for all persons employed in the performance of services under any contract awarded. We also carry general liability insurance (bodily injury and property damage) in an amount of not less than \$1,000,000 per occurrence with a \$2,000,000 maximum. We carry certificates of insurance and an amendment to the policy for a thirty (30) days' notice in writing prior to cancellation, termination, or expiration of any kind. In addition, the firm carries professional liability insurance, and automobile liability insurance consistent with the State of California Financial Responsibility requirements, California Vehicle Code (CVC) 16020(a) as well as a thirty (30) day cancellation clause as described above. Upon selection for this contract, the City of Montclair will be added to all policies as a certificate holder.

***Business License***

Upon selection for this contract IRR-Los Angeles will obtain a City of Montclair Business License.

***General Issues***

Payment for the completion of reports will be due upon their completion. To the extent that supplemental services are requested, these will be billed on a monthly basis. For these services, if provided, an advance retainer may be requested. For these services, if provided, payment is due within 30 days of the invoice date. Fees unpaid after 30 days are subject to a finance charge equal to 1.5% per month on all unpaid balances.

This proposal is valid for 60 days.

Our appraisal analysis will incorporate the Assumptions and Limiting Conditions which are attached to this proposal. To the extent that we prepare a written appraisal report, these Assumptions and Limiting Conditions (or a set which is effectively equivalent) will be incorporated into the appraisal report.

Fees quoted herein are for the provision of professional services and are not, in any way contingent upon the valuation reported or the outcome of any pending matter for which valuation is required. In the event of any controversy, claim, or dispute between us related to this agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, including those for investigation, collection efforts, and legal fees. Disputes, if any, will be resolved through binding arbitration in Los Angeles County, California.

Damages (if any) for which the appraiser and/or appraisal firm would be liable will be limited to the amount of compensation paid as the fee for providing services.

If this proposal meets with your approval, our receipt of a signed copy of this letter will serve as our notice to proceed.

Ms. Marilyn J. Staats

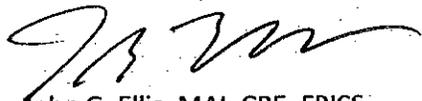
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Thank you for the opportunity of submitting this proposal. If you have any questions or comments about it, please call me.

Sincerely,

**INTEGRA REALTY RESOURCES – LOS ANGELES**



John G. Ellis, MAI, CRE, FRICS

Senior Managing Director

JGE/mt

Enclosures: Exhibit A (Schedule of Hourly Rates

Exhibit B (Information Requested from Client)

Exhibit C (Assumptions and Limiting Conditions)

Professional Qualifications and Licenses of John G. Ellis, MAI, CRE, FRICS

Beth B. Finestone, MAI, FRICS

William Larsen, SR/WA

Adam M. Bogorad, MAI

Ryan J. Dobbins

Aaron Z. Aftergut

Adam M. Dembowitz

AGREED & ACCEPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2013

BY: \_\_\_\_\_

\_\_\_\_\_  
NAME (PRINT)

\_\_\_\_\_  
AUTHORIZED SIGNATURE

## EXHIBIT A

### *SCHEDULE OF HOURLY RATES*

John G. Ellis, MAI, CRE, FRICS: (Senior Managing Director)	\$325 per hour for appraisal and consulting \$450 per hour for trial preparation and expert testimony
Beth B. Finestone, MAI, FRICS: (Managing Director)	\$300 per hour for appraisal and consulting \$350 per hour for trial preparation and expert testimony
Adam M. Bogorad, MAI (Associate Director)	\$250 per hour for appraisal and consulting \$300 per hour for trial preparation and expert testimony
Directors/Senior Consultants:	\$200 to \$250 per hour
Senior Analysts:	\$180 to \$230 per hour
Analysts:	\$140 to \$175 per hour
Researchers:	\$90 to \$135 per hour
Administrative Staff: (For supplemental documentation requests)	\$70 per hour

*Effective for the six-month period starting July 1, 2013*

## EXHIBIT B

### *INFORMATION NEEDED TO COMPLETE APPRAISAL ASSIGNMENT FOR Multiple Properties, Montclair, California*

A summary of items we typically need to complete a well-documented report are summarized below.

- Name and telephone number of contact to obtain access to the subject;
- A full-sized copy of a survey/site plan or legible 11x17-inch reduction depicting locations of ancillary improvements as well as the footprint of any buildings;
- The most recent title policy or commitment;
- Historical acquisition cost of subject, terms, date and legal names of parties involved or a copy of the contract;
- Any unsolicited or solicited offerings or contracts for sale of the subject within the last 12 months;
- Historical operating income and expenses statements for last three years and the current year-to-date;
- Most recent environmental and/or engineering reports;
- Executed lease or proposed draft for each property;
- Any available information on credit of tenant; and
- Any other information you would like me to consider or think would be helpful.

15. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
16. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to ADA. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible noncompliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
17. Except as provided in the Agreement, the appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. Except as provided in the Agreement, it may not be used or relied upon by any other party. Except as provided in the Agreement, all parties who use or rely upon any information in the report without our written consent do so at their own risk.
18. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
19. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
20. Integra is not a building or environmental inspector. Integra does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
21. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Integra Realty Resources – Los Angeles, an independently owned and operated company shall prepare the appraisal for the specific purpose so stated elsewhere in this proposal. The intended use of the appraisal is stated in the General Information section of the report. Except as provided in the Agreement, the use of the appraisal report by anyone other than the Client is prohibited. Accordingly, except as provided in the Agreement, the appraisal report will be addressed to and shall be solely for the Client's use and benefit.
23. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public record, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
24. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the course of the assignment, additional assumptions may be required in order to complete the assignment, which additional assumptions shall be reasonably satisfactory to Client and shall be stated in full in the report. The appraisal shall also be subject to those assumptions.

15. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
16. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to ADA. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible noncompliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
17. Except as provided in the Agreement, the appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. Except as provided in the Agreement, it may not be used or relied upon by any other party. Except as provided in the Agreement, all parties who use or rely upon any information in the report without our written consent do so at their own risk.
18. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
19. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
20. Integra is not a building or environmental inspector. Integra does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
21. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Integra Realty Resources – Los Angeles, an independently owned and operated company shall prepare the appraisal for the specific purpose so stated elsewhere in this proposal. The intended use of the appraisal is stated in the General Information section of the report. Except as provided in the Agreement, the use of the appraisal report by anyone other than the Client is prohibited. Accordingly, except as provided in the Agreement, the appraisal report will be addressed to and shall be solely for the Client's use and benefit.
23. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public record, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
24. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the course of the assignment, additional assumptions may be required in order to complete the assignment, which additional assumptions shall be reasonably satisfactory to Client and shall be stated in full in the report. The appraisal shall also be subject to those assumptions.

**PROFESSIONAL QUALIFICATIONS AND LICENSES OF KEY PERSONNEL**



## **JOHN G. ELLIS, MAI, CRE, FRICS**

### **Professional Qualifications**

#### **EXPERIENCE:**

Mr. Ellis, the Senior Managing Director of INTEGRA REALTY RESOURCES – LOS ANGELES, has provided real estate appraisal services in Southern California continuously since 1980. Property types which he has appraised include office buildings, shopping centers, industrial buildings, apartment and condominium complexes (including affordable housing projects), subdivisions, mobile home parks, hotels, motels, restaurants, healthcare properties, religious facilities, bowling alleys, golf courses, auto dealerships, gas stations, car washes, motion picture and performing arts theaters, cold storage and food processing facilities, parking structures, transit-oriented development projects, shipping terminals and other types of waterfront property, industrial, commercial and residential acreage, agricultural land, mountainous and hillside acreage, utility and transportation corridors (in fee and as easements), designated open space, and single-family residences including beachfront homes and major estates.

He has completed a wide range of specialized studies including value diminution (from both internal and external influences), market demand, feasibility, severance damages and project benefits, investment analysis, assessment allocation, reuse analysis, and the valuation of partial interests including leasehold, leased fee, possessory interests, and minority interests. In addition, Mr. Ellis, a past president of the Southern California Chapter of the Appraisal Institute (SCCAI) with more than 17 years of volunteer service to SCCAI, is a published author on appraisal topics. He has given expert testimony in federal and superior courts on more than two dozen occasions. He also provides appraisal reviews and consultation services when needed, and is an experienced arbitrator. Mr. Ellis serves a client base that includes lending institutions, public agencies, corporate and individual property owners, and the legal profession.

From 1980 to 1996 Mr. Ellis was with the Los Angeles-based real estate appraisal firm of Lea Associates, Inc., most recently as Principal and Senior Vice President. He founded the firm of Ellis Group in 1996, which became INTEGRA REALTY RESOURCES – LOS ANGELES in 1999.

#### **PROFESSIONAL MEMBERSHIPS AND LICENSES:**

- Member:** Appraisal Institute (MAI No. 7337)  
(Over 17 years of volunteer work on boards and committees of the Appraisal Institute; past president of the Southern California Chapter of the Appraisal Institute)
- Member:** The Counselors of Real Estate (CRE No. 11254)
- Fellow:** Royal Institution of Chartered Surveyors (FRICS No. 1250862)
- Member:** International Right of Way Association
- Licensed:** California Certified General Real Estate Appraiser No. AG007279
- Licensed:** California Real Estate Broker No. 01213329

**EXPERT TESTIMONY:**

Mr. Ellis is qualified as an expert witness in real estate valuation matters and has testified before:

- Superior Courts within the California counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, Kern, and Imperial; and within the Third Judicial District of Alaska
- United States District Court
- United States Bankruptcy Courts: Central, Northern, and Southern Districts of California
- Tax Appeal Boards: Los Angeles, Orange, and San Bernardino counties
- Arbitration testimony at hearings in Los Angeles, Orange, San Diego, and Sacramento counties
- Rent Control Boards: cities of Santa Monica, West Hollywood, and Carson (MRRB)

He has also been appointed by the Superior Court of Los Angeles County on several occasions to assist in reconciling the disparate opinions of opposing, privately retained valuation experts.

**COURSE AND SEMINAR INSTRUCTOR/LECTURER:**

- "Capitalization Theory and Techniques" (nationally approved instructor for the Appraisal Institute)
- "Income Property Appraisal," UCLA Extension
- "Appraiser's Role in Litigation," UCLA Extension
- "Practical Aspects of Real Estate Appraisal – 1" (OREA-approved instructor)
- Various seminars and lectures written for and presented to the Appraisal Institute, the National Association of Realtors, the International Right of Way Association, the International Association of Assessing Officers, UCLA, and California State University at Northridge

**SEMINAR PRESENTATIONS AND SPEAKING ENGAGEMENTS:**

- *Real Estate Market Trends: Winter 2013* (IRWA Chapter 67, Orange County, January 8, 2013; SCCAI Market Trends Seminar, January 24, 2013)
- *Current Issues in Real Estate Appraisals* (Lorman Education Services, live audio conference, March 8, 2012)
- *Real Estate Market Trends: Has the Storm Passed?* (IRWA Chapter 67, Orange County, January 10, 2012; IRWA Chapter 57, Inland Empire, February 1, 2012)
- *Underwriting Sustainable Commercial Properties* (2011 National Association of Realtors Conference, November 12, 2011)
- *Commercial Property Valuation Issues and Trends* (2011 IAAO-LA Spring Appraisal Seminar, April 6, 2011)
- *The Assessment Appeals Process: Practical Perspectives* (SCCAI, 43<sup>rd</sup> Annual Litigation Seminar, November 17, 2010)
- *Orange County Real Estate and Economic Trends* (IRWA Chapter 67, September 14, 2010)
- *Legal Issues in Appraisals: What and When to Ask the Attorney* (IRWA Right of Way and the Law Seminar, June 22, 2010)
- *Current Issues in the Economy and Residential and Commercial Real Estate* (The Housing Authority of the City of Los Angeles, May 24, 2010)
- *Current Issues in the Economy, Commercial Real Estate, and Real Estate Appraisals* (MCLE-approved presentation, April 15, 2010)
- *The Role of the Appraiser in Construction Defect Litigation* (MCLE-approved presentations, February 10 and March 4, 2010)
- *Real Estate Values: Have We Hit Bottom Yet?* (IRWA Chapter 1, 2009 Annual Fall Seminar, October 20, 2009)

- *Impact of Use Restrictions in Market Value and Market Rent Appraisals* (SCCAI, Special Purpose Properties Seminar, October 20, 2009)
- *Rent Re-Setting Via Litigation* (Integra Academy, September 14, 2009)
- *Industrial Property Trends: Los Angeles County and the Inland Empire* (SCCAI, 15<sup>th</sup> Annual Summer Conference, July 16, 2009)
- *Current Issues in the Economy, Commercial Real Estate, and Real Estate Appraisals* (District 7 of California Department of Transportation, March 18, 2009)
- *Industrial Property Trends: Los Angeles County and the Inland Empire* (SCCAI, 14<sup>th</sup> Annual Summer Conference, July 31, 2008)
- *California School Districts' Property and Acquisition and Disposition Update* (IRWA Chapter 1, Annual Valuation Conference, April 22, 2008)
- *A Market in Flux: Los Angeles and Orange Counties Retail Properties* (Urban Land Institute Conference, Reinventing Retail, February 14, 2008)
- *California Property in a Global Economy* (Global Property Valuation Excellence, Appraisal Institute/RICS Americas Joint Valuation Conference, September 25, 2007)
- *Considering the Contributory Value of Interim Use Improvements* (SCCAI, Special Purpose Properties Seminar, May 25, 2007)
- *Partial Takings in Multi-Property Appraisal Assignments* (IRWA Chapter 1, Annual Valuation Conference, April 26, 2005)
- Moderator of the Annual Litigation Seminar of the Southern California Chapter of the Appraisal Institute (2005 and 1999)
- *Appraiser's Role in Redevelopment* (Appraisal Institute, 1998)
- *Deposition and Cross-Examination Skills* (IRWA, April 1997)
- *Entertainment Properties* (Moderator, 1997)
- *Land Valuation in Southern California* (SCCAI, 1996)

#### PUBLISHED TEXTS AND ARTICLES:

- "Lease Renewal—The Periodic Setting of Market Rent in a Long-Term Lease," in *Applications in Litigation Valuation: A Pragmatist's Guide* (Chicago: Appraisal Institute, 2012).
- "Los Angeles Industrial Market Highlights," *Western Real Estate Business*, October 2008.
- "Los Angeles Apartment Trends," *Western Real Estate Business*, November 2007.
- "Can Downtown Support Another High-Rise?" *Real Estate Southern California*, March 2007.
- The Special Nature of Property Tax Appraisals (co-authored with Kathy Spletter and Cris K. O'Neill), Institute for Professionals in Taxation, June 2006.

#### EDUCATION:

B.A., Business/Economics, University of California, Los Angeles (1981)

Mr. Ellis is currently certified by the Appraisal Institute's program of continuing education for its designated members. He successfully completed the following courses and other requirements of the MAI designation through the Appraisal Institute and American Institute of Real Estate Appraisers:

- Real Estate Appraisal Principles
- Basic Valuation Procedures
- Capitalization Theory and Techniques, Parts I, II, III
- Case Studies in Real Estate Valuation
- Report Writing and Valuation Analysis

- Real Estate Investment Analysis
- Standards of Professional Practice
- Income Property Demonstration Report
- Comprehensive Examination

He has attended (and in some cases participated in) the following courses, seminars, workshops:

- Business Practices and Ethics (Appraisal Institute, 2012, 2007)
- Jobs and Commercial Real Estate: "It's Not Rocket Science" (Appraisal Institute, 2012)
- Appraisal Curriculum Overview (Appraisal Institute, 2011)
- Litigation Seminar (Appraisal Institute, 2011, 2010, 2009, 2008, 2006, 2004, 2003, 2001)
- Annual Summer Conference: Commercial Session (Appraisal Institute, 2011, 2010, 2008)
- Special Purpose Properties Seminar (Appraisal Institute, 2011, 2007, 2005)
- Historic and Notable Homes Tour in the San Gabriel Valley (Appraisal Institute, 2010)
- Mastering Cap Rates in Today's Market (Appraisal Institute, December 2009)
- The Appraiser's Role in Public Acquisitions (Appraisal Institute, February 2009)
- Appraising Distressed Commercial Real Estate (November 2008)
- Private Developers Going Public...Is This a Trend? (January 2008)
- Public Real Estate Education Symposium (IRWA, 2007)
- Uniform Appraisal Standards for Federal Land Acquisitions (Appraisal Institute, 2006)
- Contemporary Approaches to Land Valuation (Appraisal Institute, 2005)
- Inland Empire Market Trends Seminar (Appraisal Institute, 2005, 2000)
- Operating Expense Seminar (Appraisal Institute, 2005)
- Real Estate Outlook (CSUN Center for Real Estate, 2005)
- Market Trends in Ventura and Santa Barbara Counties (Appraisal Institute, 2003)
- The Aftermath: Our World Post-September 11 (Appraisal Institute, 2002)
- Market Rent, Lease Revaluation and Leasehold Interests (Appraisal Institute, 2001)
- Real Estate Capital Markets Symposium (Appraisal Institute, 2001)
- Charitable Gift Giving in Real Estate (Appraisal Institute, 2001)
- Past & Present Building & Land Values Along Ventura Blvd. (Appraisal Institute, 2000)
- Southern California Market Trends Seminar (Appraisal Institute)
- Attacking & Defending an Appraisal in Litigation (Appraisal Institute)
- The Entitlement Process (Appraisal Institute)
- Analysis of Retail Properties (Appraisal Institute)
- Appraisal of Residential Subdivisions (Appraisal Institute)
- California Real Estate Law (UCLA)
- Construction Cost Analysis (Appraisal Institute)
- Economic Forecast Workshops (Appraisal Institute)
- Financing for Real Estate Projects (Appraisal Institute)
- Impact of Detrimental Conditions (Appraisal Institute)
- The New Home Market in Southern California (Appraisal Institute)
- Valuation of Minority Interests (Appraisal Institute)

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE



JOHN G. ELLIS

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

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

OREA APPRAISER IDENTIFICATION NUMBER AG007279

Date Issued: June 27, 2012

Date Expires: June 26, 2014

*Bob Clark*

Director, OREA

Audit No. 139022



## **BETH B. FINESTONE, MAI, FRICS**

### **Professional Qualifications**

#### **EXPERIENCE:**

Ms. Finestone, Managing Director for and a principal of INTEGRAL REALTY RESOURCES – LOS ANGELES has been with the firm since 2004 and has been appraising in Southern California since 1981. She has specialized in valuation and consulting services related to public agency clients and for major, investment-grade commercial properties, e.g., office, industrial, retail, multifamily, land, and special purpose properties, for over 30 years.

Ms. Finestone previously held senior positions with Finestone & Associates and Cushman & Wakefield of California. At Finestone & Associates from 1996 through 2003, she specialized in real estate appraisal, valuation and consulting services with focus on preparation of appraisals for industrial, commercial, and special purpose properties. This focus included consultation services, due diligence work, litigation support, and expert witness designation.

At Cushman & Wakefield of California, Inc. from 1983 through 1996, Ms. Finestone was in the Los Angeles Appraisal Services Group, specializing in real estate valuation and consulting. By the end of her tenure, she was responsible for the management the Los Angeles Valuation Advisory Services Group, including preparation and review of appraisal reports, business development, consulting and litigation work, management and coordination of multi-property assignments and national accounts, professional staff development, and support staff supervision.

Ms. Finestone's clients include public agencies, right-of-way firms, lenders, institutional investors, major corporations, law firms, and individual property owners. Her services include a wide range of specialized studies including value diminution (from both internal and external influences), market demand, feasibility, severance damages and project benefits, investment analysis, assessment allocation, reuse analysis, and the valuation of partial interests including leasehold, leased fee, possessory interests, and minority interests.

Recent assignments include the appraisal of the Del Mar Fairgrounds, Racetrack, and Horsepark; 39 properties for the SR-91 Improvement Project; 10 properties for the Devore Interchange Improvements Project; and 28 properties for the Lakeview and Tustin Avenues/Rose Drive Grade Separation Project. Ms. Finestone has also been active in the appraisal of large tracts of mitigation land for Orange County Transportation Authority (OCTA). She is currently involved in the appraisal of our mitigation parcels in Northern California for the High Speed Rail Authority. These involve land banks and conservation easements. In addition, she has also appraised a number of federally owned properties, including the West Los Angeles Federal Building, federal courthouses in Los Angeles and Orange counties, and two Army Reserve centers in the Los Angeles area. Ms. Finestone also has significant appraisal review experience and has reviewed large numbers of appraisals for the OCTA, City of Ontario, and the Los Angeles Unified School District.

Her assignments have included a wide variety of property types, including:

Apartment complexes	Industrial land	Restaurants
Auto service/gas stations	Industrial manufacturing	Shopping centers
Camps and schools	Mixed retail/residential	Single-family residences
Cold-storage facilities	Mitigation and open space land	Special purpose properties
Commercial land	Mobile home parks	Subdivisions
Condominiums	Office buildings	Theaters
Healthcare properties	Produce marts	Warehouse/distribution
Hotel/motel properties	Religious facilities	Wind farms
	Residential land	

**PROFESSIONAL ACTIVITIES:**

Member:	Appraisal Institute (MAI No. 7973)
Fellow:	Royal Institution of Chartered Surveyors (FRICS No. 1259538)
Member:	International Right of Way Association
Member:	CREW (Commercial Real Estate Women), Member Services Committee Member
License:	California State Certified General Real Estate Appraiser No. AG004030

**RECOGNITION:**

- *Los Angeles Business Journal* 2009 Nominee for Executive of the Year – Women Making a Difference, May 2009
- Designated one of *Real Estate Southern California's* 2006 Women of Influence, October 2006

**SEMINAR PRESENTATIONS:**

- *Conflicting Mandates & Instructions Between USPAP, Yellow Book, & Caltrans Appraisal Guidelines* (IRWA Annual Valuation Seminar, April 24, 2012)
- *Current Issues in Real Estate Appraisal* (Lorman Education Services, live audio conference, March 8, 2012)
- *The Role of the Appraiser in Construction Defect Litigation: Measuring Damages from Construction Defects* (MCLE-approved presentation, January 11, 2012, March 4, 2010, and February 10, 2010)

**EXPERT TESTIMONY:**

Ms. Finestone has qualified as an expert witness in real estate matters and has testified before:

- Superior Courts: Los Angeles and Orange Counties
- Arbitration Hearings: Los Angeles County
- Tax Appeal Boards: Los Angeles and San Diego Counties

**EDUCATION:**

M.B.A., Pepperdine University

B.S., Kinesiology, University of California, Los Angeles

Ms. Finestone is currently certified by the Appraisal Institute's program of continuing education for its designated members. She successfully completed the following courses and other requirements of the MAI designation through the Appraisal Institute and American Institute of Real Estate Appraisers:



- Real Estate Appraisal Principles (2004)
- Basic Valuation Procedures (2004)
- Capitalization Theory and Techniques, Parts I, II, III
- Case Studies in Real Estate Valuation
- Report Writing and Valuation Analysis
- Real Estate Investment Analysis
- Income Property Demonstration Report
- The Sales Comparison Approach
- Standards of Professional Practice (2007)
- Federal & State Laws and Regulations (2004)
- Real Estate Finance (2004)
- Comprehensive Examination

She has attended the following courses, seminars, and workshops:

- 20<sup>th</sup> Annual L.A./Orange County Market Trends Seminar (Appraisal Institute, 2013)
- Appraising the Appraisal: Appraisal Review—General (Appraisal Institute, 2012)
- Annual Valuation Seminar (IRWA, 2012)
- Business Practices and Ethics (Appraisal Institute, 2012, 2007)
- 7-Hour National USPAP Update Course (Appraisal Institute, 2012, 2010, 2007, 2006, 2004)
- Principles of Real Estate Appraisal (IRWA, 2012)
- Jobs and Commercial Real Estate – “It’s Not Rocket Science”
- Appraisal Curriculum Overview (Appraisal Institute, 2011)
- National IRS Symposium (American Society of Appraisers, 2011)
- Annual Summer Conference – Commercial Session (Appraisal Institute, 2011, 2008)
- Federal Agency Update (Appraisal Institute/IRWA, 2010)
- IRS Valuation Summit (Appraisal Institute, 2010)
- 16<sup>th</sup> Annual L.A./Orange County Market Trends Seminar (Appraisal Institute, 2009)
- Appraising Income Properties in a Declining Market (Integra Realty Resources, 2009)
- Everything AI Has Not Taught You About Litigation Appraisal (Appraisal Institute, 2009)
- Introduction to Environmental Issues (IRWA, 2009)
- Investment Grade Property Valuation in a Declining Market (Appraisal Institute, 2009)
- Litigation Appraising: Specialized Topics and Applications (Appraisal Institute, 2009)
- Principles of Real Estate Engineering (IRWA, 2009)
- Principles of Real Estate Law (IRWA, 2009)
- Real Property Asset Management (IRWA, 2009)
- The Appraiser’s Role in Public Acquisitions (Appraisal Institute, 2009)
- Valuation Issues in Eminent Domain in the Current Market (Appraisal Institute, 2009)
- 53<sup>rd</sup> Annual International Education Conference, (IRWA, 2007)
- ABCs of Easement Valuation (IRWA, 2007)
- After-Effects of Katrina on Appraisal (IRWA, 2007)
- Appraisal Special Purpose Properties (Appraisal Institute, 2007)
- Eminent Domain Appraisal (IRWA, 2007)
- Evaluating Commercial Construction (Appraisal Institute, 2007)
- Principles of Real Estate Negotiation (IRWA, 2007)
- Statistics Review with Appraisal Applications (Appraisal Institute, 2007)
- Litigation Seminar (Appraisal Institute, 2007 and 2006)
- Direct and Inverse Condemnation (2006)
- Contemporary Approaches to Land Valuation (Appraisal Institute, 2005)

- Introducing the Metro Orange Line (Appraisal Institute, 2005)
- Real Estate Outlook (CSUN Center for Real Estate, 2005)
- Southern California Market Trends Seminar (Appraisal Institute, 2000)

*REPRESENTATIVE APPRAISAL ASSIGNMENTS:*

- As designated sole review appraiser for the Los Angeles Unified School District in charge of reviewing all appraisal assignments valued in excess of \$1,000,000, has completed approximately 50 appraisal reviews of residential, commercial, and mixed-use properties.
- Highest and best use appraisal of the Federal Building site in West Los Angeles (28.2 acres). Included expanded highest and best use analysis to determine possible development scenarios to result in the highest return to the underlying land.
- Appraisal of approximately five acres of land in the City of Beverly Hills, under three different scenarios. Assignment completed for the City for use in determining the highest and best use of the site and to aid in lease negotiations with a proposed developer for the long-term lease of the site.
- Appraisal of 9,800 acres of land in Kern County for use as a wind farm. Jointly retained by the seller (GE Wind Energy) and the buyer (Los Angeles Department of Water and Power) to act as the third appraiser to determine the purchase/sale price of the site.
- Project manager for valuation of approximately 39 separate sites, including office, retail, hotel/motel, industrial, and land, in the City of Bellflower which the City wished to acquire for redevelopment.
- Appraisal of the Del Mar Fairgrounds, Racetrack, and Horsepark for the California Department of General Services. This included in excess of 450 acres of land and over 1,000,000 square feet in improvements.
- Disposition appraisal of the United States Army Reserve Centers in West Los Angeles (Wilshire Boulevard and Federal Avenue) and Sherman Oaks (Sepulveda Boulevard and Magnolia Avenue). These assignments involved an expanded highest and best use analysis and consideration of possible general plan and zoning changes. The charged political climate associated with the West Los Angeles area necessitated a number of interviews with City Council members of surrounding districts to aid in determining possible uses for the site that would be supported by senior planning officials with the City and County who were also interviewed.
- Appraisal of the Concerto high-rise residential complex in downtown Los Angeles, adjacent to Staples Center, as part of bankruptcy proceedings. The assignment involved an expanded highest and best case analysis to analyze the property as condominiums for sale and as an apartment complex.
- Valuation of a number of high-rise office buildings in downtown Los Angeles. These included the First Interstate Tower, Broadway Plaza, Southern California Gas Company Tower, Wells Fargo Tower, Wells Fargo Center at Bunker Hill, International Tower, R&T Plaza, The Park, and 550 South Hope.
- Multiple appraisal assignments for Southern California Edison Company included:
  - Central Valley Phase I: Appraisal of 34 existing overhead distribution, transmission line and power pole easements which SCE wanted to update and perfect. These involved residential, commercial and agricultural properties. For the agricultural properties, the valuation included and analysis of the loss in value from orchard trees being taken.
  - Central Valley Phase II: Appraisal of 16 new acquisitions for overhead distribution, transmission line and power pole easements. This involved all agricultural properties and

- included an analysis of compensation for trees being taken. The project was highly contentious and significant research related to severance damages was completed.
- Barstow/Daggett: Appraisal of 44 overhead transmission line and power pole easements which SCE wanted to update and perfect. These involved residential and unimproved agricultural land.
  - Victorville: Appraisal of 38 overhead distribution, transmission line and power pole easements which SCE wanted to update and perfect. These included improved residential and commercial properties.
  - Tehachapi: Appraisal of 14 overhead distribution, transmission line and power pole easements which SCE wanted to update and perfect. These included residential, commercial and unimproved agricultural properties.
  - Corona: Ongoing assignment related to the acquisition of 11 subsurface easements for underground transmission and distribution lines. These represent the acquisition of new easements which partially overlap previously existing easements in favor of SCE. All of the properties involved are improved with single-family residences.
  - Ongoing appraisals of multiple transportation corridor easement in San Bernardino and Riverside counties for Overland, Pacific & Cutler, Inc., including:
    - Milliken Avenue Grade Separation Project: Upgrade of the existing Milliken Avenue/Mission Boulevard/Union Pacific Railroad at-grade crossing within the City of Ontario.
    - SR-91 Widening Project: Acquisitions and easements for the widening of State Route 91 within the City of Corona.
    - Devore Interchange Improvements Project: Acquisition and easements for the construction of an improved interchange at I-15 and I-215 within the City of Devore.
  - Appraisal of multiple properties for the M2 Environmental Mitigation Program for the OCTA:
    - The Aliso Canyon property is a 150.87± acre site perched on a Laguna Beach hillside, overlooking the Pacific Ocean. The property was appraised for potential acquisition purposes related to an open-space conservation program.
    - The Irvine Mesa Corridor consisted of the appraisal of 20 parcels totaling 669.99± acres in the Silverado Canyon area of southeastern Orange County. The report was intended to assist with the acquisition of the land from the owner, the Wildlands Conservancy. This property was comprised of a number of parcels which we appraised individually as well as in bulk.
    - Located just west of the Cleveland National Forest, we appraised the MacPherson Property to assist the consideration of acquisition possibilities related to an open-space conservation program. The 202.78± acre site is located north of Silverado Canyon Road, just east of Santiago Canyon.
    - The Saddleback Meadows property represents 222± acres of rugged terrain in the Trabuco Canyon area of southeastern Orange County. A potential buyer of the property was considering an open space conservation use for the site.
    - The Saddleback Valley Christian School site consists of 52± acres located in the City of San Juan Capistrano, just west of Interstate 5.
  - Review work for OCTA:
    - I-5 HOV Improvement Project: Ongoing review work of approximately 10 appraisals related to the widening of the I-5 HOV.
    - Lakeview Grade Separation Project: Review of approximately 28 appraisals, some of which involved dual appraisal of complex part-take assignments.

Business, Transportation & Housing Agency

**OFFICE OF REAL ESTATE APPRAISERS  
REAL ESTATE APPRAISER LICENSE**



**BETH I. BERGER-FINESTONE**

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

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

OREA APPRAISER IDENTIFICATION NUMBER

Date Issued: August 28, 2012

Date Expires: August 27, 2014

*Diane Westphal*

Deputy Director, OREA

Audit No. 139889



## **ADAM M. BOGORAD, MAI**

### **Professional Qualifications**

#### **EXPERIENCE:**

Mr. Bogorad, Associate Director, joined INTEGRA REALTY RESOURCES – LOS ANGELES in January 2008 following six years of professional real estate experience: three in real estate finance and three in appraisal. His past work includes appraising and consulting related to a wide variety of property types, including major commercial, industrial, office, multi-residential projects, and special use properties. Notable assignments have included the Port of Long Beach, AES Power Plant in Redondo Beach, and the United States border crossing facility at Tijuana, Mexico. He also has vast experience in appraising residential property and various land types. Mr. Bogorad has been designated as an expert witness in the Superior Court of California, and has provided litigation support and analysis for various areas of law. These analyses have included eminent domain, value diminution, trending studies, and other issues. In 2009 Mr. Bogorad was accredited by the State Bar of California to present continuing legal education courses. He has presented, as an instructor, courses related to various aspects of real estate analysis, including value diminution issues.

#### **PROFESSIONAL MEMBERSHIPS AND LICENSES:**

- Member: Appraisal Institute (MAI No. 479923)
- Licensed: California Certified General Real Estate Appraiser No. AG038741
- Licensed: California Real Estate Salesperson No. 01423238
- Accredited: Provider of Continuing Legal Education (CLE) (The State Bar of California)
- Designated: Expert Witness in the Superior Court of California

#### **EDUCATION:**

B.A., Communications (with emphasis in Business/Economics), University of California, Santa Barbara

Successful completion of the following courses and seminars:

- Advanced Income Capitalization (Appraisal Institute)
- Advanced Applications (Appraisal Institute)
- Advanced Residential Applications and Case Studies (McKissock)
- Advanced Sales Comparison and Cost Approach (Appraisal Institute)
- General Appraiser Income Approach (Appraisal Institute)
- General Appraiser Report Writing and Case Studies (Appraisal Institute)
- General Market Analysis and Highest and Best Use (Appraisal Institute)
- National USPAP Course (Allied)
- Real Estate Appraisal Principles; Real Estate Appraisal Procedures (Allied)
- Real Estate Ethics; Real Estate Agency (Premier)
- Real Estate Principles; Real Estate Practice; Real Estate Finance (CaliforniaLicense.com)

- Real Estate Trust Fund Handling; Real Estate Fair Housing (Premier)
- Residential Appraiser Site Valuation and Cost Approach (McKissock)
- Residential Market Analysis and Highest and Best Use (McKissock)
- Residential Report Writing and Case Studies (McKissock)
- Residential Sales Comparison and Income Approaches (McKissock)
- Risk Management; Real Estate Law (Dynasty)
- Statistics, Modeling, and Finance (McKissock)

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS  
REAL ESTATE APPRAISER LICENSE



ADAM M. BOGORAD

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

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

OREA APPRAISER IDENTIFICATION NUMBER AG038741

Date Issued: November 2, 2011

Date Expires: November 1, 2013

Director, OREA

Audit No. 133954



## **WILLIAM LARSEN, SR/WA**

### **Professional Qualifications**

#### **EXPERIENCE:**

Mr. Larsen, Director, has been actively engaged in commercial real estate valuation since 1985 and has been with INTEGRAL REALTY RESOURCES – LOS ANGELES since 2001. He has substantial experience completing appraisals and related valuation studies for use in eminent domain, assessment appeal, litigation, audit, purchase price allocation, and lending and investment decisions. He has appraised all major property types and has completed appraisal assignments in over 15 states. Special studies have addressed bridge seismic retrofits, leasehold/leased fee allocations, analysis of historic properties, value diminution from seismic and/or environmental conditions, the valuation of billboards and their underlying ground leases, and the analysis of possessory interests.

Major right-of-way assignments have included acquisition appraisals for freeway widening, grade separation, utility system upgrade and expansion, and transit station development. These assignments have included the analysis of full fee takings, partial fee takings of surface, subsurface, and air rights; and easement acquisitions. Types of easements valued have included access, aerial, slope, drainage, footing, utility, and temporary construction easements. The part-take appraisals included consideration of severance damages and project benefits.

Mr. Larsen has participated in the portfolio valuations for corporate acquisition and loan loss reserve purposes, including an analysis done for a \$5.2 billion acquisition of a Los Angeles-based insurance company.

Mr. Larsen was a director of Irvine-based Institutional Property Valuation, providing condemnation appraisal and litigation support services to a public agency clientele from 1995 to 2001. Previously, Mr. Larsen was with Farmers Insurance Group as a Real Estate Investment Manager and commercial property appraiser from 1987 to 1995. He is a Senior Right of Way Professional (SR/WA) with the International Right of Way Association (IRWA).

#### **PROFESSIONAL ACTIVITIES:**

- |                   |   |
|-------------------|---|
| Licensed:         | California Certified General Real Estate Appraiser No. AG014297   |
| Registered:       | Environmental Assessor, 1996–2001, State of California Environmental Protection Agency  |
| Member:           | IRWA Co-Chair of Chapter 1 Valuation Committee 2008–2013, Chapter 1 President 2010, Chapter 1 Board of Directors 2004–2013, member of ITC |
| Associate Member: | Appraisal Institute (all MAI experience, education, and comprehensive exam requirements completed)  |
| Speaker:          | <i>Acquisition Appraisal of Large Multi-Property Projects</i> , IRWA Chapter 1 Valuation Seminar  |

- Speaker: *Historic Theaters, Appraisal of Special Purpose Properties Seminar, Southern California Chapter of the Appraisal Institute*
- Speaker: *Financial Criteria in Public Sector MSW Site Acquisition, California State University, Fullerton, Department of Environmental Sciences*
- Speaker: *Case Study: CERCLA Cost Recovery Action, UCLA Department of Engineering, Environmental Sciences*

**EDUCATION:**

M.B.A., Finance, University of California, Los Angeles  
 B.A., Liberal Arts, State University of New York, Albany  
 Environmental Sciences Program, Department of Engineering, Environmental Sciences Division, University of California, Los Angeles Extension

Mr. Larsen has successfully completed the following Appraisal Institute and IRWA courses and/or exams:

- Advanced Condemnation Appraisal
- Uniform Standards of Federal Land Acquisition (Yellow Book)
- The Appraisal of Partial Acquisitions (IRWA)
- Easement Valuation (IRWA)
- Legal Aspects of Easements (IRWA)
- Real Estate Appraisal Principles
- Basic Valuation Procedures
- Capitalization Theory and Techniques, Parts A & B
- Case Studies in Real Estate Valuation
- Report Writing and Valuation Analysis
- Highest and Best Use and Market Analysis
- Advanced Sales Comparison and Cost Approaches
- Standards of Professional Practice, Parts A, B & C
- Federal and State Laws and Regulations
- Eminent Domain Law Basics (IRWA)
- Reviewing Appraisals in Eminent Domain (IRWA)
- Principles of Land Acquisition (IRWA)
- Principles of Real Estate Engineering (IRWA)
- Engineering Plan Development and Application (IRWA)

He has attended the following seminars and workshops:

- Legislative and Judicial Update (Joint IRWA/Appraisal Institute)
- Surveying 101, Parts 1 and 2 (IRWA)
- Reviewing Surveys and Descriptions (IRWA)
- Wireless and Right of Way (IRWA)
- Annual Valuation Seminar (IRWA Chapter 1, 2003–2012)
- Uniform Standards of Professional Appraisal Practice Update (2011, 2010, 2009, 2007)
- Litigation Seminar (Appraisal Institute, 2008, 2006, 2001-2004, 1998, 1996)
- Contemporary Approaches to Land Valuation (Appraisal Institute)
- Appraisal of Entitled and Unentitled Land (Appraisal Institute)
- Environmental Issues in Land Valuation (Appraisal Institute)
- Impact of Detrimental Conditions (Appraisal Institute)

**EXPERT TESTIMONY:**

Testified extensively as a plaintiff's representative on real estate valuation issues in depositions associated with cases scheduled to be heard in Los Angeles County Superior Court, United States District Court, Central District; and United State Bankruptcy Court, Central District.

**REPRESENTATIVE APPRAISAL ASSIGNMENTS**

- Project Manager of 2012 valuation of ten acquisition parcels for South Milliken Ave. Grade Separation Project, Ontario. Interests appraised included full and partial takings.
- Project Manager of 2011 valuation of multiple excess land parcels resulting from widening of Santa Ana Freeway (Interstate 5) in Buena Park.
- Project Manager of 2010/2009 valuation of multiple acquisition parcels for widening of San Diego Freeway (Interstate 405) in Brentwood, Los Angeles County. Interests appraised included permanent partial takings and aerial, footing, and temporary construction easements. Properties subject to takings included a hotel, office building, industrial building, special purpose property, multi-family residential building, and entitled multi-family residential development site.
- Project Manager of valuation of 52 acquisition parcels for Valley Boulevard Grade Separation Project, Los Angeles. Appraisals included six fee simple and 46 partial takings. Properties subject to partial takings included an active railroad corridor and industrial, retail, and residential properties.
- Project Manager of 2010/2009 valuation of acquisition parcels for Expo Rail transit station sites located in Los Angeles and Santa Monica.
- Project Manager of valuation of 24 parcels for public utility easement acquisitions in downtown Riverside. Interests appraised were permanent partial takings required for the replacement of 4,000-volt underground cables with higher capacity 12,000-volt systems.
- Valuation of parcels subject to temporary construction easements acquired in the seismic retrofit of the historic Victoria Avenue Bridge located in Riverside.
- Reuse appraisals of three parcels located in downtown Riverside. Parcels were valued subject to the redevelopment project area development restrictions.
- Project Manager of valuation of distribution warehouses including 13135 Napa St., Fontana (830,000 square feet of rentable area), 3100 South Milliken Ave., Mira Loma (759,260 square feet), and 4100 East Mission Blvd., Ontario (760,158 square feet).
- Valuation of 3,200-acre master-planned parcel of land characterized by gently to steeply sloping topography in Unincorporated Riverside County, east of the City of Moreno Valley; valuation of 1,660-acre portion of Moreno Highlands Specific Plan area, Moreno Valley; valuation of 1,417-acre parcel of undeveloped mountainous land, Malibu, valuation of 663-acre parcel of undeveloped mountainous land, Beaumont.
- Appraisal of four motels and two retail properties for acquisition by a redevelopment agency. Subsequent to the client's acquisition of the properties, Mr. Larsen appraised the cleared and assembled site, which was intended for construction of three high-rise hotels – Harbor Boulevard hospitality corridor, Orange County.
- Valuation of a community shopping center in litigation associated with construction work stoppage. Property was subject to 80+ tenant leases and contained 410,000 square feet of leasable area on a 49-acre site – Murrieta Towne Center, Murrieta.
- Valuation of 315,000-square-foot mixed-use property including a high-rise office building, five-story parking structure, multiplex theater, and in-line retail space at the southwest corner of Beach Boulevard and Warner Avenue, Huntington Beach.
- Valuation in litigation of office park containing 327,000 square feet of leasable area on a 14-acre site – Corporate Center at Malibu Canyon/Malibu Canyon Business Park, Calabasas.

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS  
REAL ESTATE APPRAISER LICENSE



WILLIAM P. LARSEN

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

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

OREA APPRAISER IDENTIFICATION NUMBER

AG014297

Date Issued: September 7, 2011

Date Expires: September 6, 2013

*Bob Clark*

Director, OREA

Audit No. 135774



## **RYAN J. DOBBINS**

### **Professional Qualifications**

#### **EXPERIENCE:**

Mr. Dobbins, Senior Analyst, has been with INTEGRA REALTY RESOURCES – LOS ANGELES since 2002. Property types which he has appraised include industrial buildings, shopping centers, office buildings, apartment buildings, proposed luxury high-rise condominium complexes, subdivisions, mobile home parks, hotels/motels, healthcare properties, funeral homes, gas stations, performing arts theaters, shipping terminals and other types of waterfront property, industrial, commercial and residential acreage, agricultural land, mountainous and hillside acreage, utility and transportation corridors, and single-family residences. Major assignments of special purpose properties include an offshore marine terminal, a major airport parking facility, a former hospital campus designated as a historic landmark, and a duty-free retail shopping outlet immediately adjacent to the busiest international border crossing in the world.

He is experienced in providing real estate appraisal, analysis, and research services for many federal, state, county, and municipal agencies. Mr. Dobbins also provides valuation services to local and national lenders, institutional investors, corporations, law firms, and individual property owners. He has completed a wide range of specialized studies including value diminution (from both internal and external influences), market demand, feasibility, severance damages, assessment allocation, adaptive reuse analyses, and the valuation of partial interests including leasehold, leased fee, possessory interests, and minority interests.

#### **PROFESSIONAL ACTIVITIES:**

Licensed: California Certified General Real Estate Appraiser No. AG029385  
Associate Member: Appraisal Institute, Southern California Chapter  
Member: International Right of Way Association  
Certification: General Services Administration Appraisal (2007)

#### **EDUCATION:**

M.S., Counseling Psychology, California Lutheran University  
B.A., History, California Lutheran University

#### **Appraisal Institute Courses Completed:**

- Course 410 – Uniform Standards of Professional Appraisal Practice, Part A
- Course 420 – Business Practices and Ethics
- Course 510 – Advanced Income Capitalization
- Course 520 – Highest and Best Use and Market Analysis
- Course 530 – Advanced Sales Comparison and Cost Approaches
- Course 540 – Report Writing and Valuation Analysis

- Course 550 – Advanced Applications
- Course 710 – Condemnation Appraising: Principles and Applications

International Right of Way Association Courses Completed:

- Course 104 – Standards of Practice for the Right of Way Professional
- Course 410 – Reviewing Appraisals in Eminent Domain
- Course 800 – Principles of Real Estate Law

Other Courses and Seminars:

- Appraising the Appraisal: Appraisal Review (Appraisal Institute, 2012)
- Annual Litigation Seminar (Appraisal Institute, 2011)
- Appraising Distressed Commercial Real Estate (Appraisal Institute, 2008)
- Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book), (Appraisal Institute, 2007)
- Evaluating Commercial Construction (Appraisal Institute, 2007)
- Appraising Special Purpose Properties Seminar (Appraisal Institute, 2005)
- Contemporary Approaches to Land Seminar (Appraisal Institute, 2005)
- ARGUS Power User Training (Realm, 2004)
- Real Estate Finance (University of California, Los Angeles, 2003)

*REPRESENTATIVE APPRAISAL ASSIGNMENTS:*

- Appraisal services for multiple federal border crossing expansion projects along the California border with Mexico. The most significant project included the appraisal of 19.01± acres of land under nine ownership entities for the San Ysidro Border Station and Reconfiguration Project. The purpose of the appraisal was for the acquisition of land and existing improvements to expand the busiest international border crossing in the world, located between San Ysidro, California, and Tijuana, Mexico.
- Appraisal services related to an oil company which was negotiating a rental rate with the California State Lands Commission (CSLC) for the leasing of an offshore marine terminal near El Segundo, California, and a separate assignment used for negotiating a rental rate with the CSLC for a long wharf in Richmond, California.
- Appraisal services for various entities involved in Tax Assessment Appeals, of particular interest is the Hilton Glendale. The assignment included the valuation of a full-service, 19-story, 351-guest room hotel in Glendale, California. A key component of the assignment included the identification of the fair market value of the going concern and the separation of business value (or non-taxable elements). Other tax assessment appeal assignments have included hospitals; a major brewing facility; port terminals in Los Angeles, San Diego, and Richmond; a 1-million-square-foot distribution warehouse; and a major coastal development site.
- Multiple residential subdivision appraisal assignments for lender clients, major national developers, and as parts of national portfolios. One noteworthy assignment included the appraisal of a detached, single-family residential estate development in Chatsworth, California. Approximately two-thirds of the development had been constructed and the client was interested in determining if the remainder of the continuation of development was feasible in a downturned residential market. The analysis included an in-depth market analysis, addressing absorption rates, construction costs, and forecasting future home sale prices.

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS  
REAL ESTATE APPRAISER LICENSE



RYAN J. DOBBINS

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

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

OREA APPRAISER IDENTIFICATION NUMBER

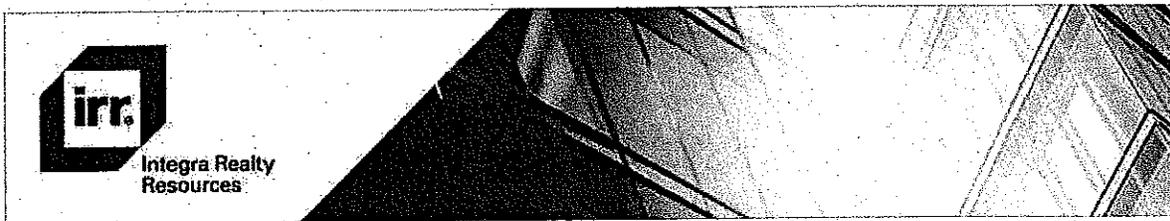
AG029385

Date Issued: August 18, 2011

Date Expires: August 17, 2013

Director, OREA

Audit No. 135860



## **AARON Z. AFTERGUT**

### **Professional Qualifications**

#### **EXPERIENCE:**

Mr. Aftergut, Senior Analyst, has been employed in the commercial real estate industry in Southern California since 1998 and has been actively involved in real estate appraisal since 2001, when he joined INTEGRAL REALTY RESOURCES – LOS ANGELES. Since 2004 he has also been the firm's Manager of Research Services. He is experienced in providing real estate research, analysis, and appraisal services to many Southern California cities, counties, school districts and other public agencies, utility companies, law firms, lenders, institutional investors, corporations, and private individuals. Mr. Aftergut has been involved in the appraisal of all types of vacant land, from small urban parcels to tracts with several hundred acres at varying levels of entitlement status. He has also appraised warehouse, distribution, and manufacturing industrial properties; office buildings; retail centers; schools, gas stations; multi-family residential and single-family residential properties. His work is sometimes used in the setting of market rent for lease renewals, and in other matters related to litigation support.

Significant projects include multi-parcel and single-parcel acquisition appraisal assignments with both full take and part-take valuations in Anaheim, Barstow, Bellflower, La Habra Heights, Lancaster, Llano, Los Angeles, Paramount, Phelan, Riverside, San Bernardino, San Dimas, San Gabriel, Victorville, and Whittier. He also appraised a 400± acre holding of raw industrial land in the San Gabriel Valley, and addressed a variety of severance damages issues related to a street widening project in Riverside. He has also appraised numerous vacant department store/big box retail properties which were slated for redevelopment projects.

Mr. Aftergut has appraised 40± acres of expansion commercial land adjacent to the Valencia Town Center regional mall and a 20± acre industrial site along the Alameda Corridor in South Los Angeles. He has also completed a market study used in the analysis of the feasibility of a proposed 650,000± square-foot, multi-tenant industrial and commercial development near the intersection of Interstate 5 and Highway 126 in northwestern Los Angeles County.

Prior to joining IRR-Los Angeles, Mr. Aftergut worked in commercial real estate brokerage and for an Internet-based real estate research and marketing firm.

#### **PROFESSIONAL ACTIVITIES:**

- Licensed: California Certified General Real Estate Appraiser No. AG040789
- Associate Member: Appraisal Institute, Southern California Chapter
- Member: International Right of Way Association (IRWA), Chapter 1  
(Quarterly Luncheon Chairperson: 2009 through present)

#### **EDUCATION:**

B.A., History, Yeshiva University, New York, New York (1998)

Successful completion of the following Appraisal Institute courses and seminars:

- Course 110 – Appraisal Principles
- Course 120 – Appraisal Procedures
- Course 310 – Basic Income Capitalization
- Course 410 – Standards of Professional Practice, Part A
- Course 510 – Advanced Income Capitalization
- Special Purpose Properties (Appraisal Institute seminar, 2005)
- Contemporary Approaches to Land Valuation (Appraisal Institute seminar, 2005)
- Inland Empire Market Trends (Appraisal Institute seminar, 2009)

*REPRESENTATIVE APPRAISAL ASSIGNMENTS:*

Mr. Aftergut was the researcher for the appraisal of 165 acres of vacant land in the foothills of the San Gabriel Mountains, partially entitled for 59 single-family residential lots. The purpose of the appraisal was for the acquisition of the land by the City of Monrovia for preservation as open space.

Mr. Aftergut appraised 382 acres of industrial land in the City of Industry for the law firm of Rodi Pollock Pettker Christian & Pramov for use in a tax assessment appeal. This land was subsequently developed by Majestic Realty as the Grand Crossing industrial park.

Mr. Aftergut appraised 60 acres of mixed-use zoned land along the Rio Hondo Channel in the City of El Monte for the California Department of Transportation, Los Angeles County Metropolitan Transportation Authority, and the El Monte Community Redevelopment Agency. The 60-acre site is slated to be developed with a mixed-use project that would include transportation, multi-family residential, office, retail, entertainment, and open spaces uses. The appraisal was used as a basis for negotiations between these three public agencies, all of which owned land in this project area.

Mr. Aftergut appraised 20 acres of mostly vacant land along Pacific Coast Highway, partially improved with commercial buildings. The purpose of the appraisal was for the acquisition of the land by the City of Malibu for use for wastewater/stormwater treatment and disposal facilities and for preservation as public open space.

He has also researched and appraised a wide variety of improved property types, including:

- Partial takings, road easements, temporary construction easements, tie-back easements, and slope easements for right-of-way projects in Barstow, La Habra Heights, Lancaster, Llano, Los Angeles, Paramount, Phelan, Riverside, San Bernardino, San Gabriel, Victorville, and Whittier.
- Full-take acquisition appraisals in Anaheim, Barstow, Bellflower, Los Angeles, Paramount, San Dimas, and Victorville.
- Department store/big box retail properties, including former Montgomery Ward stores in San Bernardino and Riverside and former Home Base stores in Bakersfield and Victorville, and a former K-Mart in Sunland.
- Multi-tenant office buildings in Pasadena and Anaheim.
- Rental appraisals for Class A high-rise office space in Westwood and medical office space in Beverly Hills.
- Numerous storefront commercial buildings in Bellflower.
- Numerous small motels in Riverside.
- A 400,000± square-foot mega-warehouse building in Rancho Cucamonga.
- Modern automobile dealership in Victorville.
- Numerous single-family residences, condominium units, and small multifamily residential properties throughout Southern California.
- Several residential land parcels purchased by a public agency for preservation as open space.
- A mostly vacant regional mall property in Palm Springs.

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AARON Z. AFTERGUT

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

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

OREA APPRAISER IDENTIFICATION NUMBER

AG040789

Date Issued: July 26, 2012

Date Expires: July 25, 2014

*Diane Westphal*

Deputy Director, OREA

Audit No. 140059



## **ADAM M. DEMBOWITZ**

### **Professional Qualifications**

#### **EXPERIENCE:**

Mr. Dembowitz, Senior Analyst, has been with INTEGRA REALTY RESOURCES – LOS ANGELES since 2010. He has been involved in commercial real estate, including appraisal and valuation, sales and leasing, construction administration, development, and management since 2003. His appraisal background includes fair market value appraisals, market value appraisals, and investment advisory services concerning office buildings, retail centers, shopping malls, small- and large-scale industrial facilities, institutional and educational use properties, hotels and motels, medical offices and other healthcare properties, parking facilities, recreational vehicle parks, manufactured home communities, and many different types of land. Mr. Dembowitz has completed projects throughout the United States on behalf of federal, state, county, and municipal agencies, domestic and foreign investment firms, financial institutions, individual property owners, REITs, pension funds and their advisors, and insurance companies. Special valuation studies have included the analysis of land leasing practices, market rent appraisals, and valuation of various ownership interests. As the Sales and Leasing Manager for New Huntingdon Development, Inc. in Philadelphia, Mr. Dembowitz handled industrial and office lease and sale negotiations, property management, and construction administration. His prior appraisal experience was at the firms of Shea Realty Advisors in Bryn Mawr, Pennsylvania, and Property Valuation Advisors in Chicago.

#### **PROFESSIONAL ACTIVITIES:**

Licensed: California Certified General Real Estate Appraiser No. AG3000023  
Associate Member: Appraisal Institute, Southern California Chapter  
Executive Director: The 243 Foundation (nonprofit organization)

#### **EDUCATION:**

B.A., Political Science, University of Chicago (2004)

#### **Appraisal Institute Courses Completed:**

- General Appraiser Report Writing and Case Studies (2012)
- Real Estate Finance, Statistics, and Valuation Modeling (2011)
- General Appraiser Income Approach Part II (2011)
- General Appraiser Income Approach Part I (2011)
- General Appraiser Market Analysis and Highest & Best Use (2011)
- General Appraiser Site Valuation and Cost Approach (2011)
- General Appraiser Sales Comparison Approach (2010)
- Basic Appraisal Principles (2009)

- Basic Appraisal Procedures (2009)
- Business Practices and Ethics (2009)
- Uniform Standards of Professional Appraisal Practice (2009)

Other Courses and Seminars:

- Residential Appraisal Market Analysis and Highest and Best Use (Allied, 2010)
- Residential Appraisal Sales Comparison and Income Approaches (Allied, 2010)
- Residential Appraisal Site Valuation and Cost Approach (Allied, 2010)
- Residential Report Writing and Case Studies (Allied, 2010)

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Adam Dembowitz

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

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

OREA APPRAISER IDENTIFICATION NUMBER: 3000023

Effective Date: July 3, 2012

Date Expires: July 2, 2014

*Diane Westshel*

Deputy Director, OREA

Audit No. 1411103

3000067

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

**RESOLUTION NO. 13-07**

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY TO THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY'S ACTION TO ENGAGE THE SERVICES OF INTEGRA REALTY RESOURCES TO PERFORM REAL PROPERTY APPRAISALS ASSOCIATED WITH COMPLETION OF A LONG-RANGE PROPERTY MANAGEMENT PLAN**

**WHEREAS**, Assembly Bill 1X 26 ("AB 26") was signed by the Governor on June 28, 2011 and upheld as constitutional by the California Supreme Court. On June 27, 2012, the Governor signed Assembly Bill 1484 ("AB 1484"). AB 26 and AB 1484 (together called the "Dissolution Bills") eliminated California redevelopment agencies statewide, established successor agencies to pay, perform, and effectuate the enforceable obligations of the former redevelopment agencies and to wind down the affairs of the former redevelopment agencies; and

**WHEREAS**, the City of Montclair Redevelopment Agency ("Agency") is now a dissolved redevelopment agency pursuant to the Dissolution Bills; and

**WHEREAS**, by Resolution considered and approved by the City Council at an open public meeting, the City chose to become and serve as the "Successor Agency" to the dissolved Agency under the Dissolution Act; and

**WHEREAS**, as of and on and after February 1, 2012, the City serves and acts as the Successor Agency and is performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board"); and

**WHEREAS**, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Act; and

**WHEREAS**, pursuant to Section 34179 of the Health and Safety Code, the Successor Agency's Oversight Board was formed and the initial meeting occurred on April 25, 2012; and

**WHEREAS**, pursuant to Section 34191.5 of the Health and Safety Code a Community Redevelopment Property Trust Fund is established to be administered by the successor agency to serve as the repository of the former redevelopment agency's real properties; and

**WHEREAS**, Section 34191.5(b) provides that a successor agency shall prepare a long-range property management plan that addresses the disposition and use of the real properties of a former redevelopment agency and the report shall be submitted to the oversight board and the Department of Finance ("DOF") for approval no later than six months following the issuance of a finding of completion; and

**WHEREAS**, the Successor Agency to the City of Montclair Redevelopment Agency received a Notice of Completion from DOF on May 16, 2013; and

**WHEREAS**, in order to prepare said Long-Range Property Management Plan, the Successor Agency must engage the services of an appraisal firm; and

**WHEREAS**, Successor Agency staff submitted Requests for Proposals to appraisal firms and received responses from three appraisal companies; and

**WHEREAS**, the Successor Agency approved the selection of the firm of Integra Realty Resources to provide appraisal services on August 19, 2013; and

**WHEREAS**, as required by law, the Oversight Board must approve the action of the Successor Agency regarding approval of appraisal services; and

**WHEREAS**, the Oversight Board understands the necessity of retaining an appraisal firm for preparation of the Long-Range Property Management Plan; and

**WHEREAS**, pursuant to the Dissolution Act, the actions of the Oversight Board, including those approved by this Resolution, do not become effective for five (5) business days pending any request for review by DOF; and if DOF requests review hereof, it will have forty days from the date of its request to approve this Oversight Board action or return it to the Oversight Board for reconsideration and the action, if subject to review by DOF, would not be effective until approved by DOF.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency does hereby find and determine as follows:

**Section 1.** The above recitals are true and correct and are a substantive part of the Resolution.

**Section 2.** The Successor Agency authorized at its meeting of August 19, 2013, the selection of Integra Realty Resources to provide appraisal services as a part of the preparation of the Long-Range Property Management Plan.

**Section 3.** The Oversight Board approves the actions of the Successor Agency in retaining the services of Integra Realty Resources to provide appraisal services.

**Section 4.** The Secretary of the Oversight Board shall certify to the adoption of this Resolution and shall maintain this Resolution on file as a public record as approved hereby.

**APPROVED AND ADOPTED** this XX day of XX, 2013.

**ATTEST:**

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

I, Yvonne L. Smith, Secretary of the Oversight Board for the Successor Agency to the City of Montclair Redevelopment Agency, DO HEREBY CERTIFY that Resolution No. 13-07 was duly adopted by the Oversight Board of Directors at a regular meeting thereof held on the XX day of XX, 2013, and that it was adopted by the following vote, to-wit:

AYES: XX  
NOES: XX  
ABSTAIN: XX  
ABSENT: XX

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Yvonne L. Smith  
Secretary