



June 10, 2026

Michelle Baass, Director
Behavioral Health Continuum Infrastructure Program (BHCIP)
California Department of Health Care Services (DHCS)
P. O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Re: BR2-26-1905; Findings of Appraisal Review for 2100 S. Western Avenue, San Pedro

Dear Director Baass:

I am writing to formally transmit the results of a technical appraisal review authorized by the City of Los Angeles ("City") regarding the property located at 2100 South Western Avenue in San Pedro, which is proposed to be acquired by the Fred Brown Recovery Services, Inc. ("Applicant") for the Serenity Recovery Campus project ("Project"). The Applicant included in its BHCIP Round 2: Unmet Needs Application the 2025 valuation report ("Appraisal") conducted by Partner Valuation Advisors prepared for the current ownership of Barak, Richter & Dror.

The Appraisal in question, dated October 28, 2025, concluded a market value of \$46,200,000 for the 6.24-acre site. The technical review revealed that this report does not comply with the Uniform Standards of Professional Appraisal Practice (USPAP) and contains multiple errors that contributed to artificially inflating the property's value.

Following a thorough analysis by the City's Department of General Services and an independent review by CBRE, Inc., the Partner Valuation Advisors valuation report ("Appraisal") should be considered fundamentally flawed due to an excessively high valuation that would represent a poor use of public resources.

In particular, the Applicant stated in its BHCIP Round 2: Unmet Needs application that no new construction or expansion of the existing buildings would occur on the site. The appraisal review highlights that the 2025 Appraisal cited a higher valuation if the property were vacant. If the Applicant does not plan to demolish or build any new structures for the Project, how can the value of the highest and best use be reconciled if the existing buildings remain?

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I urge DHCS to withdraw the \$73.4 million conditional award of the BHCIP Round 2: Unmet Needs for this Project proposal, based on the flawed Appraisal submitted by the Applicant for the following reasons:

- The Appraisal valued the land "as-if vacant" but failed to deduct the substantial costs required to demolish the existing buildings. This is a crucial error that resulted in a significantly higher and inaccurate market value conclusion.
- The report failed to include signed certifications from the appraisers as required by USPAP Standard Rule 2-3. Instead, the signatures were left blank and marked as "DRAFT," meaning the report lacks the professional accountability required for documents used to secure public funds.
- The \$46.2 million valuation is 131.0% above the property's most recent purchase price from August 2024. A jump of this magnitude is considered outside of reasonable market parameters and indicates an unreliable assessment.
- The review found minimal supporting information for adjustments regarding market conditions, location, and access. Furthermore, the appraisers incorrectly calculated gross adjustments by ignoring transactional categories, leading to a skewed final unit indicator.
- Granting funding based on this inflated valuation would be a waste of public dollars. There is no reason for the State to enrich property owners with public funds based on a "highest and best use" valuation that does not align with the project's actual intended use.

In light of these findings, I strongly recommend that DHCS rescind the conditional grant award and thoroughly examine the 2025 Appraisal submitted by the Applicant.

The taxpayers of California deserve complete transparency, clear accountability, and robust controls to safeguard public funds against waste and fraud. We must ensure that public dollars are distributed based on accurate data and professional integrity.

Thank you for your immediate attention to this matter.

Sincerely,



TIM McOSKER

Councilmember, 15th District

Attachment: 5.29.2026 CBRE Appraisal Review

Appraisal Review Report

LITTLE SISTER OF THE POOR – LAND ANALYSIS

2100 South Western Avenue
Los Angeles, CA 90732

Prepared for: City of Los Angeles Department of General Services, Real Estate Services
Division

Date of Report: May 29, 2026

CBRE File No.: CB26US052094-1

May 29, 2026

Mr. Armando Parra
Assistant Director
Real Estate Division
City of Los Angeles, Department of General Services
111 E. First Street, Room 201
Los Angeles, CA 90012

RE: Review of Appraisal Report
Little Sister of the Poor – Land Analysis
2100 South Western Avenue
Los Angeles, CA 90732
Partner Project Number: 25-553455.1
CBRE File No.: CB26US052094-1

Dear Mr. Parra:

At your request and authorization, CBRE, Inc., has prepared the accompanying review of an appraisal of the market value of the above-referenced property. It is the intent of this review to address the applicability of the report, its analysis, and conclusions for its stated objective.

Appraisal Review Report Information

Client and Intended User	Armando Parra, Assistant Director
Client Institution	City of Los Angeles, Department of General Services, Real Estate Services Division
CBRE File No.	CB26US052094-1
Review Report Date	May 29, 2026
Appraisal Report Effective Date(s) of Value	October 28, 2025 September 19, 2025

Purpose of Review To determine if the appraisal under review is compliant with relevant USPAP requirements.

Additionally, CBRE has been asked to pay special attention to the use of any hypothetical conditions, and the reviewer is instructed to provide an opinion, in monetary terms, should the use of the hypothetical condition have any impact on the concluded value.

Intended Use of Review The intended use of this review is to assist the client in the potential acquisition of the subject property.

Extraordinary Assumptions of Review It's assumed that the information provided in the report about the subject property and the market in which it exists is accurate, and the

comparable data are accurate and represent the best available data. It is assumed that title to the property is good and marketable.

CBRE has not inspected the property. CBRE has made the extraordinary assumption that the physical and legal description of the property as described within the valuation report or any other material supplied by the client is correct and current as at the date of the appraisal. Refer to the assumptions and limitations for further information.

The use of these extraordinary assumptions might have affected the assignment results.

Hypothetical Conditions of Review	None.
Reviewer	Alden M. Katagihara, MAI, MRICS
Reviewer Competency Status	Alden M. Katagihara, MAI, MRICS (the reviewer signing this report) has the appropriate knowledge, education, and experience to complete this assignment competently.

Reviewed Appraisal Report

Client and Intended User	Brian Dror, Barak, Richter & Dror
Intended Use	Mortgage Loan Purposes
Date of Report	October 28, 2025
Effective Date(s) of Value	September 19, 2025
Appraisal Report Type	Appraisal Report
Appraisal Firm	Partner Valuation Advisors
Appraiser 1 Appraisal License	Jeff Colton, MAI AG 3007260, expires 02/11/2026
Appraiser 2 Appraisal License	Brian L. Chandler, MAI, CRE, FRICS AG 044001, expires 12/23/2026
Extraordinary Assumptions	None
Special Limiting Conditions	None.
Hypothetical Conditions	“Per request of the client, we have provided a value of the underlying land for “upper portion” of the site that is occupied by the Vacant Serenity Senior Village Improvements, to which we have estimated to be 3.15 acres.”

Value Opinions of the Reviewed Appraisal Report

Premise	Interest Appraised	Effective Date	Value Conclusion
Market Value As If Vacant	Fee Simple	September 19, 2025	\$46,200,000
Hypothetical Market Value of "Upper" Lot As If Vacant	Fee Simple	September 19, 2025	\$24,100,000

Property Description of Reviewed Report

Property Type	Land
Street Address	2100 South Western Avenue
City, County, State, Zip Code	Los Angeles, CA 90732
APN(s)	7460-001-015, & -016
Owner	9 GEM CAPITAL GROUP LLC
Highest and Best Use as Improved	Redevelop the site for multifamily housing to the highest density permitted, as demand warrants
Highest and Best Use as Vacant	Develop multifamily to the highest density permitted, as demand warrants
Pending Transaction?	None
Pending Transaction Seller, Buyer	Not applicable

Property Overview

As of the date of value, the subject property was improved with five buildings: an assisted living building, a vacant independent living building, a laundry building, a vacant building consisting of a chapel and SROs, and a detached garage. According to the appraisal, the only buildings that were being used as of the date of value were the assisted living building and the laundry building.

The site consists of two contiguous parcels identified as Los Angeles Assessor Parcel numbers ("APNs") 7460-004-015 and 7460-004-016. As assembled, the site is irregular in shape and the two parcels total 6.24 acres or 271,786 square feet. Individually, APN 7460-004-015 measures 5.22 acres or 227,314 square feet, while APN 7460-004-016 is 1.02 acres or 44,472 square feet in size. The site is zoned RD2-1XL by the City of Los Angeles and is located in the Long Beach/Ports submarket.

The reviewer notes that the appraisal states, as improved, the property represents a legal non-conforming use due to the current use is not permitted and the improvements have a higher than allowable height. That being said, the subject of the appraisal is the underlying land of the subject and therefore, the existing improvements non-conforming use is moot.

Sales History

As stated in the appraisal, in February 2020, the Little Sisters announced their intent to withdraw from the residence due to staffing challenges and changing regulations. The property subsequently sold with allocations of \$5,000,000 allocated to the land, \$12,000,000 for the improvements, and \$3,000,000 for the fixtures, furniture and equipment ("FF&E").

According to the appraisal, the concluded market value of \$46,000,000 is 131.0% above the most recent purchase price, which is not considered to be within reasonable market parameters. The buyers stated that the price was negotiated in 2018, with a delayed closing in 2024 with no change to the original contract price. Because of this, the contract price does not represent market value at the time of sale.

According to the appraisal, the property is not currently being marketed for sale, in escrow or represents a pending sale, as of the effective date of value.

Market Trends

CoStar market data is presented for the multifamily sector.

Long Beach/Ports Multifamily Submarket

As of Q2 2025 the submarket exhibited a first quarter vacancy rate at 5.3%, which is similar to the vacancy rate from four quarters ago but is higher than the ten-year average of 4.5%. Asking rent in Q2 2025 averaged \$1,958 per month, which is down slightly to 0.08% from a year ago.

The reviewer notes that the Q3 2025 Los Angeles Multifamily Report from CBRE states:

- 728 units were absorbed in the Los Angeles market in Q3 2025, compared to 6,316 units in Q2 2025.
- The Los Angeles multifamily market closed Q3 2025 with an occupancy rate of 95.6%. This represented a negative 0.2% decrease from Q2 2025.
- There were 2,808 units delivered in Q3 2025, compared to 3,036 units in Q2 2025.
- There overall average rent per unit per month for multifamily in Los Angeles ended Q3 2025 at \$2,893, representing an increase 0.1% from Q2 2025.

Property Rights

Per the engagement letter found in the Addenda of the report, the interest to be appraised was the “fee simple going concern of the assisted living only and the fee simple for the land valuation of the 6.40 acres with a separate land value only provided for the land area occupied by the vacant Serenity Senior Village improvements. These improvements will not be valued in this assignment.”

The appraisal presents two values a Market Value as if Vacant and a Hypothetical Market Value of “Upper” Lot as if Vacant. Both presented values appraised the fee simple interest.

Valuation Premise(s)

The engagement letter requested the as-is market value and upon stabilization of the assisted living property.

Based on the reviewer’s read of the engagement letter, it appears that there may have been two separate appraisal reports included under one engagement letter. One focuses on the improved property (as a whole) while the other is based on just the land. The reviewer was engaged to review the land appraisal report.

Valuation Overview

The Sales Comparison Approach is the sole approach to estimating the market value of the subject's site, in both value scenarios (market value as if vacant and the hypothetical market value of "upper" lot as if vacant).

Both value scenarios utilized the same data set which consisted of four sales located throughout Southern California, which were fee simple and larger than half an acre in size. The sales transferred between February 2021 to June 2025 and appear to have zonings that allow multifamily development. The four comparable sales range in size from 0.59 acres to 6.00 acres with unadjusted unit indicators of \$157.72 to 193.13 per square foot of land area, averaging \$179.80 per square foot of land area.

The sales are considered appropriate and relevant for the analysis given their locations, sizes, dates of sale, and zoning and/or intended uses. Quantitative adjustments were utilized. Transactional categories of adjustment included: Property Rights, Financing Terms, Condition of Sale, and Sale Date/Market Conditions. Physical categories of adjustment include Location, Access/Exposure, Size, Topography, Zoning, Development Density, Flood Zone, and Views.

For the 6.24-acre site, following adjustments, the adjusted range of the comparables analyzed tightened to \$164.18 to \$193.13 per square foot of land area, averaging \$178.16. The concluded unit indicator is bracketed by the adjusted ranges indicated by the comparables, and the appraisal concludes to a unit indicator of \$170.00 per square foot of land area, placing primary emphasis on Comparables 3 and 4.

For the hypothetical 3.16-acre site following adjustments, the adjusted range of the comparables analyzed shifted upward to \$172.00 to \$202.79 per square foot of land area, averaging \$186.69. The concluded unit indicator is bracketed by the adjusted ranges indicated by the comparables, and the appraisal concludes to a unit indicator of \$175.00 per square foot of land area, placing primary emphasis on Comparables 3 and 4.

Data and analysis provided are adequate given the property type, purchaser profile, and complexity of the assignment.

Required Issue	Compliance?
The review of the appraisal must conform to the Uniform Standards of Professional Appraisal Practice ("USPAP").	Y
Reviewer(s) should make an affirmative statement that they are competent to complete the review of the appraisal report or disclose any steps taken to comply with the Competency Provision of USPAP.	Y
Review of the appraisal market value must be defined and determined as set forth in the definitions section of USPAP.	Y
Review the appraisal report and analyze the three-year sales history of the subject property.	Y
Review the appraisal report and analyze the expected marketing and exposure periods for the property.	Y
Review the appraisal report and analyze current market conditions and trends.	Y
Include a statement that the assignment was not based on any prohibited influences such as a requested minimum valuation, a specific valuation or the approval of the loan.	Y
The review of the appraisal should be <u>an independent review of the appraisal report</u> . The review of the appraisal report should include all relevant supporting documentation with all pertinent information so that the appraiser's logic, reasoning, judgment and analysis in determining the reported market value are evident to the client.	Y
Review the appraisal report for the appraiser to have identified and separated value for any personal property, fixtures or intangible items that are not considered real property but are included in the review of the appraisal valuation. Also, review the appraisal report for discussions on the impact of the appraisers' inclusion or exclusion on the estimate of market value.	N/A
Review the appraisal report on how the appraiser addressed the direct sales comparison, income, and cost approaches that were used to determine market value. In addition, if an approach was not used, review the explanation supplied for appropriateness.	Y

USPAP Appraisal Reporting Requirements

Standard Rules for Appraisal Reports	Source	Yes	No	N/A
The appraisal is not misleading:	2-1(a)	x		
The appraisal contains sufficient information and analysis, enabling intended users to understand it properly:	2-1(b)		x	
All assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions are clearly and accurately disclosed:	2-1(c)	x		
The reporting option, Appraisal Report or Restricted Appraisal report, is prominently stated:	2-2	x		
The client is identified:	2-2(a)(i)	x		
The intended use is stated:	2-2(a)(ii)	x		
The intended user is stated:	2-2(a)(iii)	x		
The real estate appraised is sufficiently identified, including the physical, legal, and economic characteristics relevant to the assignment:	2-2(a)(iv)	x		
The real estate interest appraised is relevant:	2-2(a)(v)	x		
The type of value (Market Value) is stated and the source is cited:	2-2(a)(vi)	x		
Exposure time is stated:	2-2(a)(vi)	x		
The effective date of the appraisal and date of the report are stated:	2-2(a)(vii)	x		
The scope of work is summarized:	2-2(a)(viii)	x		
Summarize the extent of any significant real property appraisal assistance:	2-2(a)(ix)	x		
The information analyzed, the appraisal methods employed, and the reasoning that supports the analysis, opinions, and conclusions are summarized:	2-2(a)(x)	x		
The exclusion of the cost, sales comparison, or income approach is explained:	2-2(a)(x)	x		
The use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal is stated:	2-2(a)(xi)	x		
The support and rationale for the opinion of highest and best use is summarized:	2-2(a)(xii)	x		
The appraisal clearly and conspicuously states all extraordinary assumptions and hypothetical conditions and states that their use might have affected the assignment results:	2-2(a)(xiii)	x		
The appraisal includes a signed certification in accordance with Standard Rule 2-3.	2-2(a)(xiv)		x	

Commentary regarding the non-compliance reporting requirement is presented below.

The appraisal contains sufficient information and analysis, enabling intended users to understand it properly – As will be discussed later in this review, the appraisal provides reasoning for adjustments in the sales comparison approach but does not provide enough information supporting the adjustments/conclusions. If the reporting option was to provide a restricted appraisal report, then the discussion provided in the sales comparison approach would be acceptable; however, that is not the case given an appraisal report was requested.

The appraisal includes a signed certification in accordance with Standard Rule 2-3 – According to USPAP an appraiser that signs the report must also sign the certification. On Pages 4 and 44 of the pdf., Jeff Colton, MAI and Brian L. Chander, MAI, CRE, FRICS are both listed as signatories. However, neither signature is provided. Instead, “DRAFT” is presented where the signatures would be. Because the certification is not signed, the appraisal report, as present is not compliant to USPAP reporting standards.

Scope of the Appraisal Review

We have performed a technical appraisal review in compliance with Standards 3 and 4 of the USPAP. The scope of this appraisal review consisted of a “desk” review of the appraisal report. This includes providing a provide general commentary and an opinion as to the appraisal reports compliance with USPAP standards, client instructions, and any other applicable state laws, while providing general comments on overall appraisal quality, accuracy, and adequacy.

This appraisal review report does not express an opinion of value and thus does not constitute evidence of an appraisal by the reviewer. We have not reviewed the appraiser’s files and did not inspect the subject property or the comparables used in the appraisal report. Therefore, the conclusions reached in this review may be subject to change based upon the submission of additional data provided by the client or the appraiser. We have not re-confirmed the comparable data included in the report. We have reviewed the appraisal for procedural deficiencies, proper application of appraisal principles and compliance with USPAP.

The scope of work for this appraisal review assignment involved:

- reading and analyzing the appraisal report for relevance, appropriateness, reasonableness of the analysis and methodology, and credibility of the conclusions;
- checking the adequacy and completeness, whether the report is appropriate and not misleading,
- checking for accuracy, including noting and/or addressing significant mathematical errors;
- checking for conformity to USPAP;
- checking for compliance with additional client specific guidelines; and
- providing support for any disagreement.

Unless expressly stated in the Expanded Scope of Work section below, the scope of work **excludes**:

- reviewing the appraiser’s work file;
- inspecting the subject property or the comparable data used in the appraisal report under review;
- verifying the data in the appraisal under review, aside from researching the subject’s sales history with public records;
- consulting external resources in order to obtain additional data not included in the appraisal under review; and
- the reviewer developing their own opinion of value.

Revision Process

	Yes	No
- The reviewer contacted the client to communicate review comments while performing the appraisal review:		x
- The reviewer contacted the appraiser during the review process:		x
- The appraisal originally provided was revised:		x
- Value conclusions from the appraisal were changed as a result of this review:		x

CBRE Review Conclusions

The appraisal report is not deemed to be in compliance with the reporting requirements of the Uniform Standards of Professional Appraisal Practice (USPAP Standard 2). The items indicated within the body of this report must be addressed in order to comply with USPAP standards (see USPAP Appraisal Reporting Requirements Checklist previously presented).

Appraisal Report Comments

- **As-is land value vs. As-if vacant land value:** As noted earlier in the review, the as-is market value of the subject was requested. However, the as-if vacant values were concluded instead of the as-is land values. An as-if value is typically derived under a hypothetical condition. In the case of the subject, the property is said to be improved with several buildings, but the land was valued as-if vacant. Since the as-is value of the land was requested, the demolition costs associated with removing the existing buildings should have been estimated and deducted from the as-if vacant conclusions.
- **Exclusion of Hypothetical Condition:** Above the reviewer noted that the land was valued as-if vacant. As of the date of value the property was improved with several buildings. Hypothetical conditions are defined by the Appraisal Institute as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.” Per the definition a hypothetical condition, the appraisal should have included a hypothetical condition.

We note the appraisal did include a hypothetical condition in which a value was concluded for the 3.15 acres of land associated with the upper portion of the site, as-if vacant. However, a hypothetical condition is also applicable to the valuation of the total site, as-if vacant.

- **Discrepancy in land area associated with the “upper” portion of the site:** The hypothetical condition states that the upper portion of the site is 3.15-acres in size. However, in analysis portion of the report, the upper portion of the site is stated to be 3.16-acres in size.
- **Sales Comparison Approach – Comparable details:** Photos were provided of the comparables analyzed in the sales comparison approach and multifamily buildings appear to be in some of the photos. Unfortunately, the comparable summary table and the sale sheets in the addenda of the report do not clearly state if the comparable land sales were either improved when they sold, sold for land value, or were completely vacant. If the comparables were improved, we would expect to see either a category of adjustment for expenditure after sale in the adjustment grid or notes in the report stating that the sale price was adjusted to account for demolition costs. None of this was provided within the appraisal.
- **Sales Comparison Approach Discussion of Adjustments (6.24-acre and hypothetical 3.16-acre sites):** In the sales comparison approaches, the appraisal includes the reasoning as to why adjustments were applied to certain adjustment categories. It is noted that there was minimal support and/or discussion presented in the appraisal for the following adjustment categories: Market conditions, location, and access/exposure. While the adjustments may be warranted, the lack of supporting information makes it difficult to understand the reasoning for adjustment.
- **Potential Inconsistency in the Development Density Category of Adjustment in the Sales Comparison Approach (6.24-acre and hypothetical 3.16-acre sites):** Comparable 2 is stated to have a density of 44.7 units/acre and was adjusted downward by 5%. Comparable 3 is said to have a density of 15.0 units/acre and as adjusted upward 10%. Without any discussion

provided in the appraisal, the reviewer finds it interesting that Comparable 2 was adjusted downward 5% when the delta between the subject and Comparable 2 was 105%, compared to the delta between the subject and Comparable 3, which was 31% and the comparable was adjusted upward 10%. While we bring this to the reader's attention, in the conclusion, the appraisal places no weight on Comparable 2. Said differently, the potential inconsistent adjustment to Comparable 2 may have no impact.

- **Land Conclusion (6.24-acre site):** Primary emphasis was placed on Comparables 3 and 4, which exhibit adjust unit indicators of \$164.18 per square foot of land area and \$172.30 per square foot of land area, respectively. The appraisal states that these sales required the least gross adjustments. It appears that the appraisal bases its gross adjustment calculation on just the physical characteristic adjustment categories. This is incorrect and any adjustment applied in the transactional adjustment category should have also been included.

Applying the same train of thought (less number of gross adjustments) to all the adjustment categories, the two comparables with the least number of adjustments are Comparables 1 and 4, with gross adjustments of 20% each. Comparable 1 had an adjusted price per square foot of land area of \$193.13, while Comparable 4 was \$172.30 per square foot of land area.

- **Land Conclusion (Hypothetical 3.16-acre site):** Primary emphasis was placed on Comparables 3 and 4, which exhibit adjust unit indicators of \$172.00 per square foot of land area and \$179.80 per square foot of land area, respectively. The appraisal states that these sales required the least gross adjustments. It appears that the appraisal bases its gross adjustment calculation on just the physical characteristic adjustment categories. This is incorrect and any adjustment applied in the transactional adjustment category should have also been included.

Applying the same train of thought (less number of gross adjustments) to all the adjustment categories, the two comparables with the least number of adjustments are Comparables 1 and 4, with gross adjustments of 25% each. Comparable 1 had an adjusted price per square foot of land area of \$202.79, while Comparable 4 was \$179.80 per square foot of land area.

It is also noted that the land conclusion paragraph for the hypothetical 3.16-acre portion of the subject is the exact same narrative that was provided in the conclusion of the 6.24-acre analysis.

- **Certification:** As previously stated, the certification was not signed by either appraiser. Because the certification is not signed, the appraisal report, as present is not compliant to USPAP reporting standards.

Conclusion and Review Recommendation

Per the preceding discussion, the appraisal report under review is not considered appropriate in its current form. The signature blocks in the certification and letter of transmittal were left unsigned and marked as "draft". Additionally, while the sales comparison approaches provided the reasoning for adjustments, the report lacked discussion and support for the adjustment. As such, the appraisal report is not deemed to be in compliance with the reporting standards of the Uniform Standards of Professional Appraisal Practice (USPAP Standard 2).

Also, the reviewer noted some areas where there were discrepancies and miscalculations

The reader is referred to the attached Certification as well as the Addenda that are part of this report. It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



Alden M. Katagihara, MAI, MRICS
Senior Vice President
Phone: (310) 363-4750
Alden.Katagihara@cbre.com
License No. & State: 3002099 CA
Expiration Date: April 17, 2028

Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this review report and no personal interest with respect to the parties involved.
4. I have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined assignment result or assignment result that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I have not made a personal inspection of the property that is the subject of the appraisal report under review.
10. No one provided significant real property appraisal assistance to the person signing this review report.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Alden M. Katagihara, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.



Alden M. Katagihara, MAI, MRICS
License No. & State: 3002099 CA
Expiration Date: April 17, 2028

Assumptions and Limiting Conditions

Appraisal Review General Assumptions and Limiting Conditions

No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.

It is assumed that the subject property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.

It is assumed that the subject property complies with the requirements specified within the Americans with Disabilities Act (ADA) or will be in material compliance if new construction and/or tenant improvement or other renovation is anticipated.

It is assumed that there are no hidden or unapparent condition of the property, subsoil, or structures, which would render it more or less valuable. The reviewer assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.

It is assumed that the values and their effective dates referenced in this appraisal review report represent the opinion of the appraiser/author of the work under review.

It is assumed that the factual information in the work under review is accurate. The reviewer, unless otherwise stated, has not independently verified any information.

The analysis, opinions, and conclusions in this review are based on the data, analyses, and conclusions contained in the appraisal report under review. Unless otherwise stated, the reviewer made no attempt to obtain additional market data.

The reviewer reserves the right to consider any additional information that may subsequently become available and to revise any opinions and conclusions if such data and information dictate the need for change.

Unless otherwise stated, all assumptions and limiting conditions contained in the appraisal report are also conditions of this appraisal review.

The reviewer is not required to give testimony, or to appear in court, unless previous arrangements have been made.

This review report may not be used or relied upon by anyone other than the client. Furthermore, it may not be relied upon for any purpose, other than the client's internal use based on the purpose and intended use set forth in this document.

Acceptance means that the reviewer has determined that the work under review has met the minimum standards for the intended use.

The contents of this appraisal review report will not be disclosed, except as provided for in the Standards and Ethics Rules under which this report was developed and reported and/or applicable federal, state, or local laws.

Neither all, nor any part of, the contents of this review, shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the author. This applies particularly to conclusions and to the identify the reviewer and to the firm to which he or she is connected.

No change of any item in the review report shall be made by anyone other than the reviewer. The reviewer shall have no responsibility for any unauthorized change.

Additional Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, “CBRE”) has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the “Report”), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently, nor super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property’s compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
 - (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property, nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report and any conclusions stated therein. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or on behalf of the client, property owner or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report and any conclusions stated therein. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including, without limitation, any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. This Report has been prepared in good faith, based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this Report, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections. Further, other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later change or be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge including, but not limited to, environmental, social, and governance principles ("ESG"), beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.

14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

Addenda

Addendum A

Client Contract

REAL ESTATE SERVICES DIVISION

Work Order



Date Issued: April 30, 2026

Work Order No.: 2026-022

Requested by: Armando.Parra@lacity.org

Approved by: Armando Parra *AP*

Email & Phone No.: Armando.Parra@lacity.org

Phone: 213-949-7781

Request for Service: **Appraisal Report** Appraisal Review

Name of Contractor: CBRE, Inc.

Project Title: 2100 S. Western Avenue Development

Project Addresses: 2100 South Western Avenue, San Pedro CA 90732

APN's: 7460-004-015, 7460-004-016

SCOPE OF WORK: APPRAISAL REVIEW		PROPOSAL DUE BY: 5/4/2026	
<p>An appraisal review is requested for the market value fee simple estate of subject property. The purpose of the appraisal is to assist City of Los Angeles with potential acquisition of subject property. The purpose of the appraisal review is for USPAP compliance. Special attention should be given to the use of any hypothetical conditions, and the reviewer should provide an opinion, expressed in monetary terms, regarding any impact such conditions may have on the concluded value.</p> <p>Note: One electronic copy of the appraisal review report and one hard copy is due upon completion of the appraisal with two hard copy originals and an electronic copy to follow upon request and after the appraisal review report has been accepted.</p>			
CONTRACTOR: CBRE, Inc.		*Please note that fee/timing may be subject to change during appraisal review process.	
Proposed Fee: \$2,500*			
Report to be submitted no later than: (28) days from notice to proceed			
Signature: <u><i>Nicole Galvez</i></u>			
Print Name: <u>Nicole B. Galvez</u>			
NOTICE TO PROCEED:		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Authorized By: <u><i>Armando Parra</i></u>		Contract No: C-144228	
Date: <u>05/07/2026</u>			

Addendum B

Qualifications



VALUATION & ADVISORY SERVICES / GREATER LOS ANGELES

Alden M. Katagihara, MAI, MRICS

Senior Vice President, Woodland Hills

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M +1 818 568 8133

E alden.katagihara@cbre.com

Clients Represented

- BlackRock
- Cal Poly San Luis Obispo
- Carlow University
- City of Austin, TX
- Cooley LLP
- CSU Long Beach
- CSU Maritime Academy
- Dartmouth College
- Dream Equity Partners
- Gibson Dunn, LLP
- Goldman Sachs
- Green Courte
- Howard University
- Invesco
- Jamestown
- JP Morgan
- KKR
- New York Life
- NC A&T Real Estate Foundation
- Perkins Coie, LLP
- Robert Morris University
- UDR
- USAA/Affinius Capital
- Venable, LLP
- W.P. Carey

Pro Affiliations / Accreditations

- MAI, Appraisal Institute
- MRICS, Royal Institute of Chartered Surveyors
- Licensed Certified General Appraiser (multiple states)
- Licensed Real Estate Broker: California DRE No. 02050555

Education

- B.A. in Communications from the University of Hawaii, Manoa

Professional Experience

Alden M. Katagihara, MAI, MRICS, is a Senior Vice President for CBRE's Valuation & Advisory Services (VAS). Mr. Katagihara joined CBRE in 2025 and is a member of CBRE's National Litigation Support & Disputes Group. With over 15 years of real estate experience, he has performed and managed numerous appraisals, appraisal reviews, and consulting engagements. Mr. Katagihara has collaborated with and/or been engaged by corporations, law firms, financial lending institutions, private developers, REITs, public and private universities, and state and local entities. This diverse client base has allowed Mr. Katagihara to become knowledgeable about properties located across the country (he is licensed in 20 states) and abroad.

Mr. Katagihara's real estate experience spans across a wide variety of property types, including, but not limited to, office, retail, mixed-use, industrial, self-storage, religious facilities, car washes/auto-service, multifamily, parking lots and vacant land, and specialty properties such as golf courses, hospitals, stadiums, campgrounds and shipping ports.

Prior to joining CBRE, Mr. Katagihara provided real estate consulting and advisory services through large firms such as BDO, Ankura and Alvarez & Marsal. At Alvarez & Marsal, Mr. Katagihara was a member of the Real Estate and Environmental Economics group and the Public Private Partnerships (P3), Infrastructure and Real Estate Advisory team. Most recently, he led Ankura's Real Estate Advisory West Coast practice.

Representative Engagements

- Retained as an expert witness in a litigation matter regarding a non-arm's length lease of a waterfront office property located within the Seattle MSA, including drafting an expert report.
- Testified as a rebuttal expert witness regarding the appraisal of a commercial greenhouse facility located in the Central Valley of California. Prepared an expert report, conducted an appraisal review, and provided a broker's opinion of value for use in the arbitration.
- Drafted appraisals of multifamily properties in advance of partnership buyouts. One engagement involved a 40+ unit multifamily property in Edmonds, Washington, and the other an 80+ unit multifamily complex in Mountain View, California.

- Assisted with a tax appeal litigation engagement which included four multifamily apartment complexes and one multitenant office complex in the Denver, Colorado area.
- Completed a purchase price allocation on a \$1.2B multifamily property portfolio located across CA, MD, IL, TX and WA.
- Assisted in the valuation of a 90+ property portfolio for bankruptcy litigation purposes. These properties were located throughout the continental United States and included several Class A office buildings, industrial buildings, parking garages, golf courses, a minor league baseball stadium, and raw land.
- Valued the leasehold interest of a 15± acre site in the Dallas area for bankruptcy litigation purposes.
- Provided valuations for use in a partnership dissolution. Properties included parking lots, retail centers, industrial buildings and vacant land throughout California, Florida, Nevada, Oregon and Washington.
- Inspected residential properties and provided consultation services in furtherance of challenging a class action certification in Paramount, California. Plaintiffs' claims included property value diminution stemming from allegedly noxious odours and contaminated air emissions emanating from several industrial facilities.
- Provided valuations assistance on an appraisal of a golf resort involving conservation easement issues.
- Valued a mixed-use (office/retail/hotel) trophy asset in downtown Los Angeles for IFRS IAS 36 and US GAAP ASC 360 (Impairment Testing).
- Analysed the leasehold interest of 300,000+ square feet of office space located in Chicago, IL, for a private university. Advised the client of methods to minimize rent expenses.
- Reviewed appraisals, on behalf of multinational bank, for one of the largest industrial transactions in U.S. history.
- Supported the implementation of a Public Private Partnerships (P3) strategy and the execution of P3 offerings at California Polytechnic State University, San Luis Obispo (Cal Poly). Provided highest and best use analysis on eleven potential sites located throughout the Cal Poly campus.
- Performed a feasibility analysis of a P3 to demolish and redevelop a student housing project at California State University Maritime Academy.
- Assisted in the strategic planning and execution of a P3 for properties owned by Howard University.
- Performed market and highest and best uses analyses; and assessed multiple financial structures and associated risks regarding the development of a 350,000-sf mixed-use P3 development for Carlow University in Pittsburgh, PA.
- Conducted market and highest and best use analyses, and recommended development programs at sites that would catalyse neighbourhood revitalization near the North Carolina A&T campus.

State Certified General Appraiser Licenses

- California: 3002099
- DC: GA2002156
- Hawaii: CGA – 1298
- Indiana: CG42000002
- Massachusetts: 1000125
- Michigan: 1201076432
- Nevada: A.0208213-CG
- Washington: 1102558



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

Alden M. Katagihara

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

“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: 3002099

Effective Date: April 18, 2026
Date Expires: April 17, 2028


Angela Jemmott, Bureau Chief, BREA

3086440

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- Seismic Risk Analysis
- Radon, Asbestos, Indoor Air Quality
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Dedicated, global team of QRM experts

Industry-leading people, data and technologies

Experience You Can Trust

CBRE is the global leader in commercial real estate services, with more than 100 years of industry experience. We provide unmatched market coverage and sector expertise across every dimension of our Valuation & Advisory Services, delivering insights you can't get anywhere else

90+

U.S. Valuation Offices

80K+

U.S. Yearly Assignments

600k+

Global Yearly Assignments

200+

Global Valuation Offices