

	<u>From:</u>	<u>To:</u>
Value Allocation to Land Area (per L.F.):*	\$275.85	\$479.23 per L.F. of Slip Space
Value Allocation to Land Area (per Sq.Ft.):*	\$37.79	\$65.65 per Sq. Ft. of Upland Area

*Value allocations before equalization for economic effect of joinder.

	<u>From:</u>	<u>To:</u>
Net Rental Income to Land & Water (Marina Use)	\$43.89	\$74.21 per L.F. of Slip Space per Year
Allocated to Water Area:		
% Allocated to Water:	48.15%	43.50% of Rental Income (Marina Income)
Income to Water Area:	\$21.13	\$32.28 per L.F. of Slip Space per Year
Allocated to Land Area:		
% Allocated to Land:	51.85%	56.50% of Rental Income (Marina Income)
Income to Land:	\$22.76	\$41.93 per L.F. of Slip Space per Year

Indicated Rate of Return on Water Value Before Effect of Joinder*:	8.25%	8.75%
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Indicated Rate of Return on Land Value Restricted to Marina Use:	8.25%	8.75%
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Indicated Rate of Return on Unrestricted Land Value:	4.80%	4.60%
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*Assumes upland restricted to Marina Use

Adjustment to Equalize Rate of Return for Economic Effect of Joinder:

Equalized Return = Marina Net Income ÷ (Unrestricted Land + Water Values)

	<u>Marina Income/L.F./Yr.:</u>		<u>Unrestricted Land</u>	+	<u>Water Value</u>
From:	\$43.89	÷	\$474.50	+	\$256.15
To:	\$74.21	÷	\$912.50	+	\$368.93

Equalized Return Calculation:

From:	\$43.89	÷	\$730.65	=	6.01%
To:	\$74.21	÷	\$1,281.43	=	5.79%

Equalized Rate of Return*:	From:	To:
	6.01%	5.79%

*Reflects highest & best use of land & water (land unrestricted and water as marina)

Equalized Allocation of Annual Marina Income to Land and Water:

	<u>From:</u>	<u>To:</u>
Income to Land:	\$28.50	\$52.85 per L.F. of Slip Space
Income to Land:	\$3.90	\$7.24 per Sq. Ft. of Upland Area
Income to Water:	\$15.39	\$21.37 per L.F. of Slip Space
Income to Water:	\$0.44	\$0.61 per Sq. Ft. of Water Area

QUALIFICATIONS

QUALIFICATIONS OF GEORGE H. JONES, MAI

Member of the Appraisal Institute
Certified General Real Estate Appraiser, State of California, No. AG005632

Educational:

- High School: Pomona High School
- College: Pomona Jr. College - 1941 - 1942
Stanford University - 1942 - 1943
University of California at Berkeley (U.S.N.R. transferee) - June 1943 to June 1944
Graduated Bachelor Applied Science (Engineering) - June 1944, University of California at Berkeley (non-interrupted four-year curriculum in three years).
- Advanced Study: American Institute of Real Estate Appraisers - Candidate Study Courses I and II, August - September, 1950; U.S.C. Engineering School, 1949-1950

Professional:

- 10/51 to Date: Independent fee appraiser, primarily serving general Southern and Central California areas, but with experience in Nevada, Arizona, Utah, and Honolulu. Valuation of all classes of real property, residential income, commercial, industrial, agricultural and special purpose.
- Experienced in problems of fair market value estimations, condemnation, value of lease interest, fair rental estimates, economics of property utilization and others.
- 1948 - 10/51: Real Estate Appraiser, Bank of America, Los Angeles Headquarters. Valuation of all classifications of real property for mortgage loan and fair market value purposes throughout Southern California.
- 1946 - 1948: Estimator - Engineer and Chief Estimator - Engineer Southern California area, Bank of America - Los Angeles Headquarters Appraisal, secondary duty
- 1946 - 1946: Stress Group (Engineering) - Douglas Aircraft, Santa Monica
- 1944 - 1946: United States Navy, Structures Officer, U.S. Navy Air Corps

Qualified for court testimony as expert witness on real estate valuations in Superior Courts of Orange, Los Angeles, Riverside, San Diego, San Bernardino, Santa Barbara, San Luis Obispo Counties and Salt Lake City, Utah. Also U.S. Federal Court in Fresno and Los Angeles; U.S. Tax Court in Los Angeles; U.S. Court of Claims in Los Angeles and Honolulu. Appointed as court appraiser within Superior Courts of Los Angeles and Orange Counties and Federal Courts of Los Angeles and Orange Counties.

Served as instructor at U.C.L.A. in 1952-1959. Extension courses on Real Property Valuations, primary and advanced.

Since 1963-1985, Instructor for American Institute of Real Estate Appraisers at various campuses throughout the United States Primary subject taught: Investment Analysis and Litigation Valuation. Lecturer at various seminars for Appraisal Institute, International Right-of-Way Association

Representative appraisal clients include, in part, the following:

Industrial:

Union Pacific R.R., Las Vegas
Johns Manville Corp., Corona
Cabot, Cabot, and Forbes
Beeco Corporation
U.S. Motors, Anaheim
National Cash Register Co.
The Irvine Company
Los Angeles County Transit District

Yellow Cab Company, Los Angeles
Ford Motor Co., Newport Beach
LAX Intercontinental Airport, Palmdale
Bixby Ranch Company
Southern Pacific Company
American Can Company
Orange County Transit Company

Commercial:

John B. Kilroy Company
Southern Counties Gas Co.
Frank H. Ayres and Son
Sheraton Hotel
Disneyland, Anaheim
Bank of America

Los Angeles Community Redev. Agency
Beverly Hills Develop. Co., Beverly Hills
Southern California Edison Company
The Irvine Company
East Anaheim Shopping Center

Agricultural:

M.B.M. Farms, Cucamonga, Etiwanda
Bell-Pitzer Groves, Claremont
Agro Phosphate Co., Imperial Fresno Counties

Rancho Mission Viejo, Orange County
George Kinsey, Antelope Valley
The Irvine Company

Residential. Residential Income. Subdivision Acreage:

Hercules Powder Co., San Fernando
General Motors Real Estate Division
Southern California Edison Co.
Pacific Electric Co. - S.P.R.R.
Fritz Burns Foundation
Citation Builders

Southern California Gas Company
The Irvine Company
Crown Zellerback Company
Gersten Corporation
Estate of William Cagney

Governmental Bodies:

California State Attorney General's Office
State Department of Finance
County Counsel - Santa Barbara & Ventura
County Counsel - San Diego
Orange County Harbor District
San Diego United Port District
State Division of Hwys., Districts VII & VIII
Los Angeles Dept. of Water & Power
State Division of Beaches & Parks
County of Los Angeles-Dept. of Beaches
U.S. Department of Justice, Lands Division, So. District of California
County of Orange, Flood Control District, County Counsel, Right-of-Way Dept., G.S.A.
County of Los Angeles, Flood Control District, County Counsel
County of Los Angeles, Department of Beaches & Harbors

Governmental Bodies (cont'd):

City of Buena Park
City of Cathedral City
City of Corona
City of Costa Mesa
City of Fullerton
City of Hermosa Beach
City of Laguna Beach
City of Newport Beach
City of Redondo Beach
City of San Clemente
City of Santa Ana
City of Santa Barbara

School Districts:

Westminster School District
Newport City School District
Savanna School District
Fullerton School District
San Clemente School District

Anaheim City Schools
Magnolia School District
Placentia School District
Capistrano School District
Chino Unified School District

Lending Institutions:

Bank of America, Trust Depts.
City National Bank and Trust Co. of Chicago
Newport-Balboa Savings and Loan
Union Bank and Trust Company of Los Angeles

Security Pacific Bank
Pico Citizens Bank
Crocker - Citizens Bank

Attorneys:

Best, Best & Kreiger, Riverside - Barton Gaut
Santa Fe Southern Pacific Corp., Los Angeles - Anthony P. Parrille
Gibson, Dunn & Crutcher, Los Angeles - William Stinhart, Jr.
Gibson, Dunn & Crutcher, Beverly Hills - Robert D. Burch
Harwood, Adkinson and Meindl, Newport Beach - Don R. Adkinson
Latham & Watkins, Los Angeles - John C. Hall
O'Melveny & Myers, Los Angeles - Richard S. Volpert
O'Melveny & Myers, Los Angeles - Ed Szczepkowski
Nossaman, Guthner, Knox & Elliott - Alvin S. Kaufer
Rutan & Tucker - Clifford Frieden
Berger & Norton - Richard Norton
Robert Waldron - Santa Ana
Donald J. Drew - Pasadena

Other:

South Laguna Sanitation District
Laguna Beach Co. Water District

Orange County Irrigation District
Anaheim Union Water Company

Specialized Assignments:

In addition to the above general classifications, the undersigned has made valuations of less common properties including, in part, the following:

Undeveloped Islands - Upper Newport Harbor, California
Beachfront Properties - excess of 200,000 l.f. of ocean or bay frontage involving over 1,000 parcels between San Luis Obispo County and the Mexican border
Proposed Marinas - San Elijo Lagoon, Imperial Beach, San Diego County - Harbor Island, City of San Diego

Existing Marinas - Newport Beach - Lido Peninsula Yacht Anchorage - 228 slips
Bayshores Marina - 134 slips
Balboa Yacht Club Marina - 72 slips
Balboa Corinthian Yacht Club Marina - 83 slips
Lido Marina Village Yacht Anchorage - 99 slips

Marina del Rey - Aggie Cal Marina - 113 slips
Parcel 44 Marina - 251 slips
Parcel 10R Marina - 198 slips
Tradewinds Marina - 157 slips
Holiday Harbor Marina - 196 slips
Catalina Marina - 160 slips
Marina del Rey Hotel Marina - 377 slips
Villa del Mar Marina - 209 slips
Windward Yacht Center Marina - 53 slips
Marina Harbor Marina - 614 slips
Marina City Marina - 339 slips
California YC Marina - 307 slips

King Harbor - King Harbor Marina - 852 slips

County of Ventura - Anacapa Isle Marina - 483 slips

Lyon Copley Corona Assoc. - 950 acre planned community
Rancho Mission Viejo - 52,000 acre ranch
Santa Cruz Island, California - 58,000 acres
108,000 acres - portion Twenty Nine Palms Marine Base
Montana de Oro Ranch - 4,450 acres - Morro Bay Area
Eight cemeteries - Los Angeles, San Bernardino, Orange County, Honolulu
Dry lake bottom land and desert properties, Antelope Valley
Tidelands: Newport Beach, San Diego County, Santa Barbara County
Duck Clubs - Antelope Valley
Wildlife Habitats, Wetlands - San Diego County, Orange County, Padilla Bay, Washington
Sanitary Landfills - Monterey Park, Huntington Beach, Dairyland
Real Property Damages: Soil subsidence, slippage, critical soils
Division Lessor - Lessee Interests - Oil producing properties
Valuation of stock in closely held corporations, Orange, Los Angeles Counties, and Honolulu
Estimated damages to residential, commercial, industrial, and park land arising from Santa Barbara offshore oil spill (excess of 500 parcels)
Rights-of-Way; power transmission lines, sewer, drainage, aviation easement, railroads (operating, abandoned)
Golf Courses: Riverview, Irvine Coast, Newport Beach, South Laguna Hills, Hillcrest, Los Angeles Country Clubs, Rancho Mirage Country Club, Cresta Verde Golf Course

Chandler's Sand & Gravel Mine - Corona

Membership in Professional Organizations:

The Appraisal Institute (formerly the American Institute of Real Estate Appraisers)
President - Southern California Chapter No. 5 (1978)
Governing Counselor (1980-1983)

International Right-of-Way Association

The Appraisal Foundation:

Member Board of Trustees (1987-1992)
Vice Chairman (1991)

Revised 01/18/00

QUALIFICATIONS OF KENT HARVEY, MAI

Member of the Appraisal Institute
Certified General Real Estate Appraiser, State of California, No. AG006753

Education:

University of California at Berkeley - Bachelor of Arts, Economics, 1963

Advanced Study - University of San Diego - Law, JD Degree, 1970

Real Estate Appraisal Courses:

University of California at San Diego - Extension
Real Estate Appraisal, 1974

Appraisal Institute:

Real Estate Appraisal Principles, 1988

Basic Valuation Procedures, 1988

Capitalization Theory and Techniques, Part A, 1988; Part B, 1989

Standards of Professional Practice, 1988, 1994

Case Studies in Real Estate Valuation, 1991

Report Writing and Valuation Analysis, 1992

Various continuing education courses to current date

Professional Affiliations:

Member of the Appraisal Institute - MAI No. 10606

Inactive Member of the State Bar of California - Member No. 47975

Instructor:

College of the Northern Mariana Islands - Economics, 1985

Employment:

1/88 - Present: Real Estate Appraiser and Consultant, George H. Jones, Inc., Real Estate Appraisers and Consultants, Newport Beach, California

Assignments: Valuation of various classifications of real property and real property interests for fair market value, fair market rent, and other purposes.

1/79 - 4/87: Supervising Attorney, U.S. Dept. of the Interior, Office of Territorial and International Affairs

Assignments: Land claims administration and Attorney General for the Trust Territory of the Pacific Islands with headquarters in Saipan in the Northern Mariana Islands.

1/71 - 11/78: Deputy County Counsel, Real Property Division, Office of County Counsel, County of San Diego, California

Assignments: Legal representation of County Planning Commission, Departments of Real Property, Planning, and Public Works. Condemnation litigation and property acquisition services.

Representative Appraisal Assignments with George H. Jones, Inc.:

- Barrington Plaza Mixed Use: High rise 712 apartment units with approvals for stock cooperative conversion, and 38,000 sq.ft. of commercial office/retail on Wilshire Blvd. in West Los Angeles. Retained by owners to appraise for IRS purposes.
- Ambassador Hotel: Partial acquisition (± 17 acres from ± 23.5 acre larger parcel) for new high school in Mid-Wilshire district of Los Angeles. Retained by school district attorneys for condemnation.
- 47.46 Miles of Right-of-Way: AT&SF railroad right-of-way main line through Orange County, using the "across the fence approach" by agreement of the parties to acquisition.
- Newport Beach Shopping Center: Valuation of neighborhood shopping center for ground lease rental adjustment.
- Lido Peninsula, Newport Harbor: Appraisal of leasehold interest in 20.98 acre Lido Peninsula with $\pm 3,300$ lineal feet of water frontage in Newport Harbor. Uses included yacht marina, shipyard, mobile home park, and commercial uses. Retained by owners for tax matter.
- MWD Inland Feeder - Sand & Gravel: Partial takings for water lines through sand and gravel extraction operations in upper Santa Ana River Wash.
- South Poway Parkway: Appraisal of partial taking for major arterial through two proposed subdivisions with partial entitlements in San Diego. Retained by city attorney for condemnation appraisal.
- Stonehill Drive Extension: Partial takings from 13 larger parcels for the extension of Stonehill Drive in San Juan Capistrano and Dana Point.
- I-5 at Grand Avenue: Partial takings from office building, 80 unit apartment project and total taking of strip retail center in Santa Ana for I-5 widening.
- Newport Beach Country Club: Country club with 18 hole golf course and driving range; appraisal for lease revaluation.
- William Cagney Estate: Appraisal of various improved, vacant and leased fee properties throughout Southern California for the estate of William Cagney.
- Irvine Company Residential: Appraisal of fair market value of residential lots in Newport Beach.
- Fractional Interest Valuations: Appraisal of fractional interests in real estate held in partnerships, tenancy in common, corporations.
- Boat Harbors and Marinas: In Marina del Rey, Channel Islands Harbor, King Harbor, Newport Harbor, appraisal of fair rental value for various leaseholds in these harbors; uses include boat marinas,

restaurants, high rise office, yacht clubs, yacht brokerage and repair. Specific marina assignment included the following:

Newport Beach - Lido Peninsula Yacht Anchorage - 228 slips
Balboa Yacht Club Marina - 72 slips
Bahia Corinthian Yacht Club Marina - 83 slips

Marina del Rey - Parcel 44 Marina - 251 slips
Parcel 10R Marina - 198 slips
Tradewinds Marina - 157 slips
Holiday Harbor Marina - 196 slips
Catalina Marina - 160 slips
Marina del Rey Hotel Marina - 377 slips
Villa del Mar Marina - 209 slips
Windward Yacht Center Marina - 53 slips
Marina Harbor Marina - 614 slips
Marina City Marina - 339 slips
California YC Marina - 307 slips

King Harbor - King Harbor Marina - 852 slips

County of Ventura - Anacapa Isle Marina - 483 slips

Submerged Tidelands:

Fair rental appraisal of all commercially employed submerged tidelands in Newport Harbor as basis for tidelands use fees charged by the city.

Revised 12/07/00