



CHICAGO TITLE COMPANY

BUYER'S/BORROWER'S SETTLEMENT STATEMENT

ESCROW NUMBER: 05660-126743430-001 ORDER NUMBER: 05660-126743430
CLOSING DATE: 07/31/12 CLOSER: AMY HIRAHETA
BUYER: The Accelerated School
SELLER: Farmer Bros. Co.
PROPERTY: 3818, 3828 & 3832 S. Main Street, Los Angeles, CALIFORNIA

Table with columns: Description, CHARGE BUYER, CREDIT BUYER. Rows include Sales Price (\$3,500,000.00), Deposits (Total Receipts \$3,506,000.00), Interest earned on Deposit (18.72), Prorations And Adjustments (Total \$547.46), Settlement or Closing Fee (2,087.50), Endorsements (103.3), LAUSD Tie In Fee (750.00), Overnight Delivery Fees (5.95), Funds Due To Buyer At Closing (902.75), and TOTALS (\$3,506,574.20).

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**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

BY AND BETWEEN

THE ACCELERATED SCHOOL,
a California nonprofit public benefit corporation
as
"Buyer"

and

FARMER BROS. CO.,
a Delaware corporation
as
"Seller"

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EXHIBITS

- A - DESCRIPTION OF LAND
- B - FORM OF DEED
- C - FORM OF FIRPTA CERTIFICATE

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is made as of April 4, 2012 (the "Effective Date"), by and between THE ACCELERATED SCHOOL, a California nonprofit public benefit corporation ("Buyer"), and FARMER BROS. CO., a Delaware corporation ("Seller").

ARTICLE I. PURCHASE AND SALE

Section 1.1 Agreement of Purchase and Sale. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the following:

(a) those certain parcels of land situated in the City of Los Angeles, Los Angeles County, California, commonly known as 3818, 3828 and 3832 S. Main Street, Los Angeles, California, and as more particularly described in Exhibit A attached hereto and made a part hereof, together with all easements, mineral interests and other interests, rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way, but excluding any and all Emission Reduction Credits that may be associated with such land and/or the Improvements (as hereinafter defined) (the property described in clause (a) of this Section 1.1 other than the exclusions being herein referred to collectively as the "Land"); and

(b) the buildings, structures, fixtures and other improvements affixed to or located on the Land (the property described in clause (b) of this Section 1.1 being herein referred to collectively as the "Improvements").

Section 1.2 Property Defined. The Land and the Improvements are hereinafter sometimes referred to collectively as the "Property".

Section 1.3 Purchase Price. Seller agrees to sell and Buyer agrees to purchase the Property for an amount equal to the greater of: (i) Three Million Two Hundred Thousand Dollars (\$3,200,000.00) and (ii) the Appraised Value (as hereinafter defined) (such greater amount, the "Purchase Price"). As used herein, "Appraised Value" shall mean the lesser of (x) Four Million Dollars (\$4,000,000.00) and (y) the value of the Property as determined by an appraiser selected by Seller and approved by Buyer and who certifies to Buyer that the appraisal (the "Appraisal") complies with the Uniform Standards of Professional Appraisal Practices as promulgated by the Appraisal Standards Board of the Appraisal Foundation, which Appraisal shall be completed and delivered to Buyer and Seller not less than ten (10) business days prior to the Closing Date (as hereinafter defined).

Section 1.4 Deposit. Not later than five (5) business days following the parties' mutual execution and delivery of this Agreement, Buyer shall open an escrow (the "Escrow") with Chicago Title Company ("Escrow Holder"), having its office at the location specified in Section 11.4 hereof, by concurrently delivering to Escrow Holder a fully executed

original of this Agreement and depositing into Escrow the sum of Fifty Thousand Dollars (\$50,000.00) (the "Total Deposit") in good funds either by certified bank or cashier's check or by federal wire transfer. One Thousand Dollars (\$1,000) of the Total Deposit shall be non-refundable to Buyer and Escrow Holder shall immediately release such amount to Seller in consideration of Seller's affording Buyer the Review Period (as defined in Section 3.1 hereof) to conduct due diligence with respect to the Property, as more particularly described in Article III of this Agreement. Escrow Holder shall hold the balance of the Total Deposit (such balance, the "Deposit") in a money market account, a federally insured investment or such other investment as may be approved by Seller and Buyer in writing. For such purposes, Buyer advises Escrow Holder that Buyer's Federal Tax Identification Number is 95-4487850. The Deposit shall be held by Escrow Holder in escrow as provided in this Agreement and shall bear interest that accrues to Buyer. All interest accrued on the Deposit shall be deemed income of Buyer; and Buyer shall be responsible for the payment of all costs and fees imposed on the Deposit account. Buyer shall promptly execute all forms reasonably requested by Escrow Holder in connection with the depositing of the Deposit. If this Agreement is terminated by either Seller or Buyer as provided in this Agreement, Escrow Holder shall deliver the portion of the Deposit then held by Escrow Holder to the party entitled thereto pursuant to the applicable terms of this Agreement, provided that if this Agreement is terminated by Buyer pursuant to Sections 2.2, 2.3, 3.3, 4.5, 7.2 or 8.2, then Escrow Holder shall deliver the Deposit (less any non-refundable portion of the Deposit, pursuant to Section 4.1(b)) and all interest accrued thereon to Buyer less half of the amount of any and all escrow cancellation and title cancellation fees, which shall be paid from the Deposit. If the purchase and sale transaction contemplated by this Agreement is consummated in accordance with the terms of this Agreement, the Total Deposit and all interest accrued thereon shall be applied and credited toward payment of the Purchase Price at the Closing.

Section 1.5 Payment of Purchase Price. The amount of the balance of the Purchase Price, as increased or decreased by prorations and adjustments as herein provided, shall be deposited by Buyer into Escrow in immediately available funds of the United States of America at least one (1) business day prior to the Closing, or such earlier date as required by Escrow Holder, and paid to Seller at the Closing.

Section 1.6 Deposit as Liquidated Damages. IN THE EVENT THAT THE ESCROW AND THIS TRANSACTION FAIL TO CLOSE SOLELY AS A RESULT OF THE DEFAULT OF BUYER IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, THE DEPOSIT (BUT NOT ANY INTEREST ACCRUED THEREON) SHALL BE DELIVERED TO SELLER AS LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN SUCH EVENT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN BECAUSE OF THE NATURE OF THE PROPERTY. THEREFORE, BY SEPARATELY EXECUTING THIS SECTION 1.6 BELOW, THE PARTIES ACKNOWLEDGE THAT THE DEPOSIT (BUT NOT ANY INTEREST ACCRUED THEREON) HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES, AND AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER IN SUCH EVENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO

CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. BY THEIR SEPARATELY EXECUTING THIS SECTION 1.6 BELOW, BUYER AND SELLER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THIS PROVISION COVERING LIQUIDATED DAMAGES, AND THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THIS AGREEMENT WAS EXECUTED. FOR PURPOSES OF THIS SECTION 1.6, A BREACH SHALL RESULT IN DEFAULT ONLY AFTER WRITTEN NOTICE OF THE BREACH IS GIVEN TO BUYER AND ONLY IF SUCH BREACH IS NOT CURED WITHIN FIVE (5) BUSINESS DAYS THEREAFTER.

SELLER:

FARMER BROS. CO.,
a Delaware corporation

By:

Name: Larry B. Garrett
Title: General Counsel

BUYER:

THE ACCELERATED SCHOOL,
a California nonprofit public benefit
corporation

By:

Name: JUDITH R. HOBBS
Title: CHIEF FINANCIAL OFFICER

Section 1.7 Escrow Holder. This Agreement shall serve as instructions for Escrow Holder's administration of the Escrow for the purchase and sale of the Property. Escrow Holder shall, and is hereby authorized and instructed to deliver, pursuant to the terms of this Agreement, the documents and monies to be deposited into the Escrow as herein provided. This Agreement and Escrow Holder's standard printed form escrow terms and conditions (as may be modified by Buyer, Seller and Escrow Agent) shall constitute escrow instructions to Escrow Holder as well as the agreement of the parties with respect to the sale and purchase of the Property. In the event of a conflict between this Agreement and Escrow Holder's standard printed form escrow terms and conditions, this Agreement shall prevail. The parties shall also execute such additional escrow instructions as may be required by Escrow Holder, provided such escrow instructions shall incorporate this Agreement as part thereof and shall contain such other standard and usual provisions (as may be modified by Buyer, Seller and Escrow Agent) as may be required by Escrow Holder and, provided further that no escrow instructions shall modify or amend any provision of this Agreement unless expressly approved in writing by Buyer and Seller. Escrow Holder shall not be liable for the sufficiency or correctness as to form, manner, execution or validity of any instrument deposited with it, nor as to the identity, authority or rights of any person executing such instrument, nor for failure of any third party to comply with any of the provisions of any agreement, contract or other instrument filed with Escrow Holder or referred to herein. Escrow Holder's duties hereunder shall be limited to the safekeeping of such money, instruments or other documents received by it as Escrow Holder, and for their disposition in accordance with the terms of this Agreement. If Escrow Holder is in doubt as to its duties or obligations under this Agreement, or if Escrow Holder receives conflicting instructions from Buyer and Seller with respect to this Agreement, then Escrow Holder may, at its option, continue to hold the Deposit or the Purchase Price until both Buyer and Seller agree as to its disposition, or until a final judgment is entered by a court of competent jurisdiction directing its disposition.

or Escrow Holder may interplead the Deposit or the Purchase Price in accordance with the laws of the State of California. Escrow Holder shall not be responsible for any interest on the Deposit except as is actually earned, or for the loss of any interest resulting from the withdrawal of the Deposit prior to the date interest is posted thereon.

ARTICLE II. TITLE AND SURVEY

Section 2.1 Delivery of Title Documents. Seller has obtained a preliminary title report pertaining to the Property on the standard form issued in the State of California (Order No. 126743430-X49, dated as of March 26, 2012) (the "Title Report"), issued by Chicago Title Company ("Title Company"). Buyer acknowledges that, prior to the date hereof, it received copies of, or access to, all documents constituting the title exceptions referred to in the Title Report (the "Underlying Documents"). On or before the Title Review Deadline (as hereinafter defined), Buyer shall have the right (but not the obligation), at Buyer's sole expense, to obtain and approve a new or updated ALTA survey of the Property to be prepared by a licensed surveyor or engineer hired by Buyer (to the extent obtained, the "Survey" and, together with the Title Report and the Underlying Documents, the "Title Documents").

Section 2.2 Title Examination.

(a) Subject to Section 2.3 below, Buyer shall have the right to review the Title Documents and otherwise examine the status of title to the Property until the date that is thirty (30) days following the Effective Date (the "Title Review Deadline").

(b) Buyer may notify Seller in writing (the "Title Notice") prior to the expiration of the Title Review Deadline which exceptions to title (including survey matters), if any, will not be accepted by Buyer. Subject to Section 2.3 below, if Buyer fails to deliver a Title Notice by the Title Review Deadline, then Buyer shall be deemed to have approved the condition of title to the Property. If Buyer timely notifies Seller in writing that Buyer objects to any exceptions to title, then Seller shall have five (5) business days after receipt of the Title Notice to notify Buyer in writing (i) that Seller will remove such objectionable exceptions from title on or before the Closing; or (ii) that Seller elects not to cause such exceptions to be removed. If Seller fails to notify Buyer in writing of Seller's election within said five (5) business day period, Seller shall be deemed to have elected not to cause such exception to be cured. The procurement by Seller of a commitment for the issuance of the Title Policy (as defined in Section 2.5 hereof) or an endorsement thereto reasonably satisfactory to Buyer, insuring Buyer against any title exception which was disapproved pursuant to this Section 2.2 shall be deemed a cure by Seller of such disapproval. If Seller gives Buyer notice under clause (ii) above, then Buyer shall have five (5) business days within which to notify Seller in writing that Buyer will nevertheless proceed with the purchase and take title to the Property subject to such exceptions, or that Buyer will terminate this Agreement. If Buyer fails to notify Seller in writing of its election within said five (5) business day period, then Buyer shall be deemed to have elected to terminate this Agreement and to not proceed with the purchase of the Property. If this Agreement is terminated pursuant to the foregoing provisions of this paragraph, then neither party shall have any further rights or obligations hereunder (except for any indemnity obligations of either party pursuant to the other provisions of this Agreement), the Deposit and

all interest thereon shall be returned to Buyer and each party shall bear its own costs incurred hereunder. Notwithstanding anything to the contrary herein, Buyer need not disapprove any lien for monies owed or for the performance of an obligation other than the payment of money, as Seller hereby agrees to cause all such liens (other than for the statutory lien for non-delinquent ad valorem real estate taxes and assessments) to be removed prior to the Closing. If Seller fails to remove any such lien prior to the Closing, then Buyer shall apply such portion of the Purchase Price as is necessary to cause the removal of such items prior to the Closing, and the proceeds of the Escrow to be otherwise distributed to Seller upon the Closing shall be reduced by the amount so applied. Seller shall not be obligated to expend more than the Purchase Price to remove all such liens.

Section 2.3 Pre-Closing "Gap" Title Defects. Any time prior to the Closing, Buyer may notify Seller in writing (the "Gap Notice") of any objections to title (a) raised by Title Company between the Effective Date and the Closing and (b) not disclosed in the Title Report (any such objection, a "New Exception"). Buyer must notify Seller of such objection to any New Exception within five (5) business days of being made aware of the existence of such an exception. If Buyer sends a Gap Notice to Seller, then Seller shall have five (5) business days after receipt of the Gap Notice to notify Buyer in writing (i) that Seller will remove such objectionable exceptions from title on or before the Closing; or (ii) that Seller elects not to cause such exceptions to be removed. If Seller fails to notify Buyer in writing of Seller's election within said five (5) business day period, Seller shall be deemed to have elected not to cause such exception to be cured. The procurement by Seller of a commitment for the issuance of the Title Policy or an endorsement thereto reasonably satisfactory to Buyer, insuring Buyer against any New Exception which was disapproved pursuant to this Section 2.3 shall be deemed a cure by Seller of such disapproval. If Seller gives Buyer notice under clause (ii) above, then Buyer shall have five (5) business days within which to notify Seller in writing that Buyer will nevertheless proceed with the purchase and take title to the Property subject to such exceptions, or that Buyer will terminate this Agreement. If Buyer fails to notify Seller in writing of its election within said five (5) business day period, then Buyer shall be deemed to have elected to terminate this Agreement and to not proceed with the purchase of the Property. If this Agreement is terminated pursuant to the foregoing provisions of this section, then neither party shall have any further rights or obligations hereunder (except for any indemnity obligations of either party pursuant to the other provisions of this Agreement), the Deposit (less any non-refundable portion of the Deposit, pursuant to Section 4.1(b)) and all interest thereon shall be returned to Buyer and each party shall bear its own costs incurred hereunder. Notwithstanding the foregoing, Buyer need not disapprove any lien for monies owed or for the performance of an obligation other than the payment of money, as Seller hereby agrees to cause all such liens (other than the statutory lien for non-delinquent ad valorem real estate taxes and assessments) to be removed prior to the Closing. If Seller fails to remove any such lien prior to the Closing, then Buyer shall apply such portion of the Purchase Price as is necessary to cause the removal of such items prior to the Closing, and the proceeds of the Escrow to be otherwise distributed to Seller upon the Closing shall be reduced by the amount so applied. Notwithstanding anything to the contrary contained herein, the Closing Date (as defined in Section 4.1 hereof) shall be extended by as many days as necessary to comply with the provisions of this Section 2.3.

Section 2.4 Permitted Exceptions. The Property shall be conveyed subject to the following matters, which are hereinafter referred to as the "Permitted Exceptions":

(a) all those exceptions listed in the Title Report, except those relating to monetary liens, that either are not objected to in writing within the time periods provided in Section 2.2 hereof, or if objected to in writing by Buyer, are those which Seller has elected not to remove or cure, or has been unable to remove or cure, and subject to which Buyer has elected in writing to accept the conveyance of the Property;

(b) those matters that either are not objected to in writing within the time periods provided in Section 2.3 hereof, or if objected to in writing by Buyer, are those which Seller has elected not to remove or cure, or has been unable to remove or cure, and subject to which Buyer has elected in writing to accept the conveyance of the Property;

(c) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the Closing Date, subject to adjustment as herein provided;

(d) local, state and federal laws, ordinances or governmental regulations, including but not limited to building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property; and

(e) items shown on the Survey (or, if no Survey is obtained, that would have been shown on a Survey had one been obtained) which are not objected to by Buyer in accordance with Section 2.2 or 2.3 hereof, or are waived or deemed waived by Buyer in accordance with Section 2.2 or 2.3 hereof.

Section 2.5 Conveyance of Title. At the Closing, Seller shall convey and transfer to Buyer the Property, by execution and delivery of a Deed (as defined in Section 4.2(a) hereof) respecting the Property. Evidence of delivery of such title shall be the issuance by Title Company of a CLTA Standard Coverage Owner's Policy of Title Insurance (the "Title Policy") covering the Property, in the full amount of the Purchase Price. Buyer may elect to receive an ALTA Extended Coverage Owner's Policy of Title Insurance and/or any endorsements; provided, however that Buyer shall be solely responsible for the difference in costs and expenses between the Title Policy and an ALTA Extended Coverage Owner's Policy of Title Insurance and/or any endorsements.

ARTICLE III. REVIEW OF PROPERTY; AS-IS PURCHASE

Section 3.1 Review of Property. (a) Buyer's Review Right. Buyer is obtaining a Phase I Environmental Site Assessment with respect to the Property (the "Phase I"). Within ten (10) days following the Effective Date, Buyer shall commission a Phase II environmental site assessment (the "Phase II"), subject to the following conditions:

(i) The environmental consultant shall be approved by Buyer and Seller, provided that the following entities, and any affiliate of any of the following entities, are hereby approved by both parties: Parsons Corporation, URS Corporation Americas and The Planning Center;

(ii) The scope of the Phase II shall be reasonably satisfactory to Buyer and Seller and shall address, without limitation, any Recognized Environmental Condition identified in the Phase I;

(iii) The Phase II shall be subject to a mutually satisfactory confidentiality agreement;

(iv) The cost of the Phase II shall be borne by Buyer; and

(v) The provisions of Section 3.2 shall apply to the Phase II, and for purposes of Section 3.2 the approved environmental consultant shall be one of "Buyer's People" (as defined in Section 3.2 hereof).

Buyer shall have sixty (60) days from the date of the delivery of the final Phase II but not later than ten (10) days prior to the applicable Notification Deadline (as hereinafter defined) under Section 4.1 below (the "Diligence Deadline" and such period prior to the Diligence Deadline, the "Review Period"), to complete the remainder of Buyer's due diligence review of the Property (the "Due Diligence Review"), which shall include Buyer's review of the site condition, physical inspection, and any other due diligence desired by Buyer related thereto, specifically including, without limitation, Buyer's assessment of the impacts, feasibility and cost of any Phase III remediation work recommended by the final Phase II.

(b) Seller's Disapproval Right. Seller shall have thirty (30) days from the date of delivery of the final Phase II to disapprove the same by written notice to Buyer stating the reason(s) for disapproval. If Seller gives a timely disapproval notice, this Agreement shall terminate on the tenth (10th) day after Seller's disapproval notice is given unless the parties have by that date entered into written agreement to the contrary. Upon such termination, the Deposit and any accrued interest, less any non-refundable portion pursuant to section 4.1(b), shall be returned to Buyer, Seller shall reimburse Buyer for the cost of the Phase II and neither party shall have any further obligations hereunder (except for any indemnity obligations hereunder).

Section 3.2 Access. Subject to the terms and conditions set forth in this Section 3.2, commencing on the Effective Date and continuing until 5:00 p.m. (Pacific Time) on the last day of the Review Period, Buyer and its agents, consultants, advisers, employees and representatives (collectively, "Buyer's People"); upon one (1) business day's advance notice to Seller, may enter upon the Property at reasonable times reasonably acceptable to Seller, on business days only, for the purpose of conducting any Due Diligence Review.

(a) Conditions to Entry. Seller may impose reasonable conditions and restrictions on Buyer's right to enter the Property under this Agreement (provided that such restrictions do not impair or materially increase the cost of Buyer's Due Diligence Review) and Buyer agrees to comply with any such conditions and restrictions in exercising its rights hereunder. Without limiting the foregoing, Seller may require that an employee or representative of Seller accompany Buyer's People during any such entry. Except in the case of a Phase II, none of Buyer's People shall drill or bore on or through the surface of the Land or conduct any other invasive testing of the Property without first obtaining Seller's written consent thereto, which consent shall not be unreasonably withheld or delayed. After making

any tests and inspections, Buyer shall promptly restore the Property to its condition prior to such tests and inspections (which obligation shall survive the Closing or any termination of this Agreement). Buyer shall keep the Property free and clear of all mechanics' or materialmen's liens arising from or related to Buyer's Due Diligence Review and shall take all necessary actions, at Buyer's sole cost and expense, to remove any such liens caused by Buyer's Due Diligence Review that encumber the Property.

(b) Insurance. Before entering the Property, Buyer shall obtain and maintain, and shall cause each of its contractors and agents to maintain (and shall deliver to Seller evidence thereof), at no cost to Seller, general liability insurance, from an insurer reasonably acceptable to Seller, in the amount of One Million Dollars (\$1,000,000) combined single limit for personal injury and property damage per occurrence. Such policies shall name Seller as an additional insured, which insurance shall provide coverage against any claim for personal liability or property damage caused by Buyer or Buyer's People in connection with such entry, inspections, and tests. Buyer shall provide proof of coverage for the additional insured requirements by providing Seller with an endorsement to Buyer's Certificate(s) of Insurance naming Seller as an additional insured with respect to the Property.

(c) Deliveries to Seller. Buyer shall promptly deliver to Seller upon request copies of all reports, studies and results of tests and investigations obtained or conducted by Buyer with respect to the Property.

(d) Indemnification. Buyer shall indemnify, defend and hold harmless Seller and Seller's officers, directors, shareholders, and employees, and their respective successors and assigns, from and against all claims, actions, losses, liabilities, damages, costs and expenses (including, but not limited to, attorneys' fees and costs) incurred, suffered by, or claimed against Seller by reason of any damage to the Property or injury to persons caused by Buyer and/or Buyer's People to the extent arising out of or in any way connected with their entry upon the Property and/or the performance of any inspections, tests or other due diligence related thereto, except to the extent such damage or injury is caused by Seller's or Seller's agents' gross negligence or willful misconduct. This indemnity shall survive the Closing or any termination of this Agreement.

Section 3.3 Right of Termination. If for any reason whatsoever Buyer determines that the Property is unsuitable for Buyer's acquisition, in Buyer's sole and absolute discretion, Buyer shall have the right, prior to the expiration of the Review Period, to give written notice thereof to Seller. If Buyer gives such notice, this Agreement shall terminate and neither party shall have any further obligations hereunder (except for any indemnity obligations of either party pursuant to the other provisions of this Agreement), the Deposit (less any non-refundable portion of the Deposit, pursuant to Section 4.1(b)) and all interest thereon shall be returned to Buyer and each party shall bear its own costs incurred hereunder. If Buyer does not give Seller a notice of termination prior to the expiration of the Review Period, then subject to the provisions hereof, Buyer shall be deemed to have elected to proceed with the acquisition of the Property and the parties shall proceed with the purchase of the Property pursuant to the terms hereof.

Section 3.4 AS-IS. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN OR IN ANY OF SELLER'S CLOSING DELIVERIES, BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE PROPERTY ON AN "AS IS, WHERE-IS, WITH ALL FAULTS" BASIS AND THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OF SELLER'S CLOSING DELIVERIES, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER, OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, INCLUDING WITHOUT LIMITATION: (i) the quality, nature, adequacy and physical condition and aspects of the Property, including, but not limited to, the structural elements, foundation, roof, appurtenances, access, landscaping, parking facilities and the electrical, mechanical, plumbing, sewage, sprinkler and utility systems, facilities and appliances, the square footage within the Improvements, (ii) the quality, nature, adequacy, and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Property, (iv) the development potential of the Property, and the Property's use, design, habitability, merchantability, or fitness, or the suitability, value or adequacy of the Property for any particular purpose, (v) the zoning or other legal status of the Property or any other public or private restrictions on use of the Property, (vi) the compliance of the Property with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity (including, without limitation, the Americans with Disabilities Act), (vii) the presence or absence of "Hazardous Materials" (as hereinafter defined) on, under or about the Property or the adjoining or neighboring property, (viii) the quality of any labor and materials used in any Improvements, (ix) the condition of title to the Property, (x) the condition of the Property, and (xi) the economics of the operation of the Property. For purposes of this Agreement, "Hazardous Materials" shall mean, at any time, (i) any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Laws (as hereinafter defined) or any occupational safety and health laws as a "hazardous substance," "hazardous contaminants," "hazardous constituents," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant," "toxic emission," "air contaminant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, radioactivity, carcinogenicity, toxicity, reproductive toxicity, or "EP toxicity," (ii) any oil, gas and other petroleum hydrocarbons or any products, by-products or fractions thereof (including, without limitation, gasoline, diesel fuel, and solvents), (iii) PCBs, (iv) urea formaldehyde, (v) any substance potentially injurious to the public health, safety or welfare, the environment or the Property, (vi) asbestos, lead, cadmium, mercury and other heavy metals, cyanide, pesticides, chlorinated hydrocarbons, and microbiological risks, and (vii) any substance which is a basis for liability to any governmental authority or third party under any applicable statute, regulation or common law theory. As used herein, "Environmental Laws" means, collectively, all present and future laws (whether common law, statute, rule, regulation, ordinance or otherwise), the requirements of any and all applicable governmental authorities and any permits and guidance issued pursuant thereto relating to Hazardous Materials, human health or the environment, as heretofore or hereafter amended, and in any regulations promulgated pursuant thereto.

Section 3.5 Natural Hazards Disclosure. Without limiting Section 3.4, Seller and Buyer acknowledge that the "Disclosure Statutes" (as hereinafter defined) provide that a

seller of real property must make certain disclosures regarding certain natural hazards potentially affecting the property, as more particularly provided therein. As used herein, "Disclosure Statutes" means, collectively, California Government Code Sections 8589.3, 8589.4 and 51183.5, California Public Resources Code Sections 2621.9, 2694 and 4136 and any other California statutes that require Seller to make disclosures concerning the Property. Seller has ordered or will order a Natural Hazard Disclosure Report for the Property (the "Report") from Escrow Holder and shall deliver the Report to Buyer promptly upon Seller's receipt thereof, and in no event later than ten (10) days prior to the expiration of the Review Period. Buyer hereby agrees as follows with respect to the Disclosure Statutes and the Report:

(a) The delivery of the Report to Buyer as provided above shall be deemed to satisfy all obligations and requirements of Seller under the Disclosure Statutes.

(b) Seller shall not be liable for any error or inaccuracy in, or omission from, the information in the Report.

(c) The Report is being provided by Seller for purposes of complying with the Disclosure Statutes and shall not be deemed to constitute a representation or warranty by Seller as to the presence or absence in, at or around the Property of the conditions that are the subject of the Disclosure Statutes.

Section 3.6 Release. Without limiting Sections 3.4 or 3.5, Buyer, on behalf of itself and to the extent permitted by law, its successors and assigns, and all future owners of the Property or any part thereof, waives its right to recover from, and forever releases and discharges Seller and Seller's affiliates, including their parent and subsidiary companies, and the partners, trustees, shareholders, directors, officers, members, managers, attorneys, employees and agents of each of them, past and present, and their respective heirs, successors, personal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs) (collectively, "Losses"), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with the Property, including, without limitation, the physical, environmental and structural condition of the Property or any law or regulation applicable thereto, except to the extent that such Losses arise from Seller's (i) default under or breach of this Agreement, including without limitation, any representations and warranties made by Seller herein, or (ii) Seller's gross negligence, fraud or willful misconduct. With respect to the waiver and release set forth herein relating to unknown and unsuspected claims, Buyer hereby acknowledges that such waiver and release is being made after obtaining the advice of counsel and with full knowledge and understanding of the consequences and effects of such waiver, and that such waiver is made with the full knowledge, understanding and agreement that California Civil Code Section 1542 provides as follows, and that the protections afforded by said code section are hereby waived:

[Remainder of page left blank intentionally]

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BUYER:

THE ACCELERATED SCHOOL,
a California nonprofit public benefit
corporation

By: 

Name: *Christina P. Hernandez*

Title: *Chief Executive Officer*

The foregoing waiver and release shall be deemed to be restated and made again as of, and shall survive, the Closing.

ARTICLE IV. CLOSING

Section 4.1 Time and Place.

(a) The consummation of the transactions contemplated hereby (the "Closing") shall be held at the offices of Escrow Holder at the address set forth under Section 11.4 hereof and shall take place on the thirtieth (30th) day after Buyer gives Seller written notice of Buyer's intent to proceed to the Closing (the "Closing Notice"), or if such thirtieth (30th) day is not a business day, on the next succeeding business day, or on such earlier date as Buyer and Seller may agree in writing. Unless extended as provided below, Buyer shall give Seller the Closing Notice on or before June 30, 2012 (the "Notification Deadline"). If Buyer does not give the Closing Notice on or prior to the then applicable Notification Deadline, this Agreement shall terminate and neither party shall have any further obligations hereunder (except for any indemnity obligations of either party pursuant to the other provisions of this Agreement), the Deposit (less any non-refundable portion of the Deposit, pursuant to Section 4.1(b)) and all interest thereon shall be returned to Buyer and each party shall bear its own costs incurred hereunder. By giving the Closing Notice, Buyer shall be deemed to have satisfied or waived all of its conditions to the Closing, and Buyer's obligation to proceed to the Closing shall not be subject to any further conditions except for the satisfaction of Seller's obligations under this Agreement.

(b) Notwithstanding anything herein to the contrary, Buyer shall have the right to extend the Notification Deadline until July 31, 2012 by giving written notice to Seller

not later than June 27, 2012, in which case Ten Thousand Dollars (\$10,000.00) of the Deposit shall become non-refundable upon Landlord's receipt of Tenant's written notice to so extend the Notification Deadline.

(c) The date upon which the Closing occurs is referred to herein as the "Closing Date". Prior to the Closing, pursuant to the terms of this Agreement, the Purchase Price and all documents shall be deposited with Escrow Holder and Seller and Buyer shall perform the obligations set forth in, respectively, Section 4.2 and Section 4.3 hereof, the performance of which obligations shall be concurrent conditions.

Section 4.2 Seller's Obligations At and Prior to the Closing.

(a) Seller shall no less than one (1) business day prior to the Closing, deliver to Escrow Holder:

(i) a duly executed and notarized grant deed (the "Deed") in the form attached hereto as Exhibit B, conveying the Property;

(ii) such evidence as Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(iii) FIRPTA and CALFIRPTA certificates in the form attached hereto as Exhibits C-1 and C-2 duly executed by Seller;

(iv) such affidavits as may be customarily and reasonably required by Title Company;

(v) an executed closing statement reasonably acceptable to Seller; and

(vi) such additional documents as shall be reasonably required to consummate the transactions contemplated by this Agreement.

(b) At or prior to the Closing, Seller shall deliver to Buyer, outside of the Escrow, one set of keys to the Property; and

(c) Prior to the Closing, Seller shall vacate the Property and remove its personal property and trade fixtures.

Section 4.3 Buyer's Obligations at or Prior to the Closing. Buyer shall no less than one (1) business day prior to the Closing, deliver to Escrow Holder:

(a) the full amount of the Purchase Price as increased or decreased by prorations and adjustments, less the Deposit, as provided in Section 1.5 hereof;

(b) such evidence as Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Buyer;

- Company;
- (c) such affidavits as may be customarily and reasonably required by Title
 - (d) an executed closing statement reasonably acceptable to Buyer; and
 - (e) such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement.

Section 4.4 Transaction Taxes and Closing Costs.

- (a) Seller and Buyer shall execute such returns, questionnaires and other documents as shall be required with regard to all applicable real property transaction taxes imposed by applicable federal, state or local law or ordinance;
- (b) Seller shall pay the fees of any counsel representing Seller in connection with this transaction. Seller shall also pay the following costs and expenses:
 - (i) one-half (1/2) of the escrow fee, if any, which may be charged by Escrow Holder;
 - (ii) the premium for the CLTA Standard Owner's Policy of Title Insurance to be issued by Title Company at the Closing;
 - (iii) the fees for recording the Deed; and
 - (iv) any documentary transfer tax or similar tax which becomes payable by reason of the transfer of the Property.
- (c) Buyer shall pay the fees of any counsel representing Buyer in connection with this transaction. Buyer shall also pay the following costs and expenses:
 - (i) one-half (1/2) of the escrow fee, if any, which may be charged by Escrow Holder;
 - (ii) the difference in premiums and fees between a CLTA Standard Coverage Owner's Policy and an ALTA Extended Coverage Owner's Policy and/or any endorsements, if desired by Buyer;
 - (iii) the cost of the Appraisal and all diligence undertaken by Buyer.
- (d) All costs and expenses incident to this transaction and the Closing hereof, and not specifically described above, shall be paid by the party incurring same; and
- (e) The provisions of this Section 4.4 shall survive the Closing.

Section 4.5 Conditions Precedent to Obligation of Buyer. The obligation of Buyer to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Buyer in its sole discretion:

(a) Seller shall have delivered to Buyer all of the items required to be delivered to Buyer pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.2 hereof;

(b) all of the representations and warranties of Seller contained in this Agreement shall be true and correct as of the Closing Date (with appropriate modifications permitted under this Agreement);

(c) Seller shall have performed and observed in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the Closing Date; and

(d) Buyer shall have received approval from the board of trustees of the Los Angeles Unified School District and its Bond Oversight Committee for Buyer's requested funding to complete the construction of a new school parking structure.

Section 4.6 Conditions Precedent to Obligation of Seller. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the Closing Date of all of the following conditions, any or all of which may be waived by Seller in its sole discretion:

(a) Buyer shall have deposited the Purchase Price as adjusted as provided herein with Escrow Holder, as provided for in this Agreement;

(b) Buyer shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.3 hereof;

(c) all of the representations and warranties of Buyer contained in this Agreement shall be true and correct as of the Closing Date (with appropriate modifications permitted under this Agreement); and

(d) Buyer shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Buyer as of the Closing Date.

Section 4.7 Impositions. All ad valorem taxes and assessments (collectively, "Impositions") on the Property shall be apportioned as of 12:01 a.m. on the Closing Date as if Buyer were vested with title to the Property during the entire day upon which the Closing occurs. Any Impositions with respect to the Property paid at or prior to the Closing shall be prorated based upon the amounts actually paid. If Impositions due and payable during the year of the Closing have not been paid before the Closing, Seller shall be charged at the Closing an amount equal to that portion of such Impositions which relate to the period before the Closing, and Buyer shall pay the Impositions prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation fixed. To the extent that the actual Impositions for the current year differ from the amount apportioned at the Closing, the parties shall make all necessary adjustments by appropriate payments between themselves within

thirty (30) days after such amounts are determined following the Closing. Buyer shall pay any and all supplemental taxes on the Property resulting from the change in ownership and reassessment occurring as of the Closing Date. The provisions of this Section 4.7 shall survive the Closing.

Section 4.8 Closing; Recordation and Disbursement of Funds; Delivery of Documents. Provided all of the conditions set forth in Article IV have been satisfied or waived at the Closing, Escrow Holder is instructed to:

- (a) record the Deed in the Los Angeles County Official Records;
- (b) disburse to Seller the cash sales proceeds, less Seller's expenses and charges in the Escrow and any amounts required to be withheld as required herein;
- (c) deliver the FIRPTA and CALFIRPTA certificates to Buyer; and
- (d) deliver the Title Policy to Buyer.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Buyer as of the Effective Date, which representations and warranties shall be deemed to have been made again as of the Closing, subject to Section 4.2(c) hereof:

(a) Organization and Authority. Seller has been duly organized and is validly existing under the laws of the State of Delaware. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property and to consummate or cause to be consummated the transaction contemplated by this Agreement. Each of the persons signing this Agreement on behalf of Seller is authorized to do so.

(b) Pending Actions. There is no action, suit, arbitration, government investigation or proceeding pending or to Seller's knowledge, threatened against Seller that arises out of the ownership of the Property and would materially affect the Property or use thereof, or Seller's ability to perform hereunder. No attachments or execution proceedings affecting the Property, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending, or, to Seller's knowledge, threatened, against Seller.

(c) Authorization. This Agreement has been, and on the Closing Date, all documents to be executed by Seller hereunder will have been, duly authorized, executed and delivered by Seller, and constitute and will constitute the valid and binding obligations of Seller enforceable against Seller in accordance with their respective terms.

(d) Existing Leases and Contracts. All leases, licenses, occupancy agreements, service, maintenance, repair, management, supply and other contracts (collectively,

the "Contracts") that affect the Property will be terminated on or before the Closing, and no Contracts will be binding on Buyer or the Property subsequent to the Closing.

(e) Insurance. There are currently in effect such insurance policies for the Property as are customarily maintained by Seller with respect to other properties owned by it. All premiums due on such insurance policies have been paid by Seller and Seller will maintain such insurance policies from the Effective Date through the Closing Date or earlier termination of this Agreement.

(f) Notice of Non-compliance with Laws. Seller has received no notice from any federal, state, county or municipal agency or authority that any environmental or other condition currently or previously existing on the Property is in violation of any existing Environmental Law or other law, ordinance, or governmental regulation or order, except previously existing conditions which have been fully remedied.

(g) Condemnation; Special Assessments. Seller has no knowledge of any pending or contemplated condemnation, eminent domain or similar proceeding or special assessment which would affect the Property or any part thereof in any way whatsoever.

(h) Hazardous Materials. Seller has provided to Buyer all environmental-related assessments, reports, data, results of investigations or audits, or similar documentation in the possession of or reasonably available to Seller relating to the Property.

(i) No Conflicts. The execution and delivery of this Agreement by Seller, the consummation of the transactions herein contemplated to be performed by Seller, and compliance with the terms of this Agreement by Seller will not conflict with, or, with or without notice or the passage of time or both, result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, deed of trust, mortgage, loan agreement, or other document, instrument or agreement, oral or written, to which Seller is a party or by which Seller or its assets are bound, or any judgment, order or decree of any court having jurisdiction over Seller or all or any portion of the Property.

Section 5.2 Definition of "Seller's Knowledge". All references in this Agreement to the phrase "Seller's knowledge," or words of similar import, shall refer only to the present, actual knowledge of Mark Harding ("Seller's Designated Person"), without diligence or investigation, and shall not be construed to refer to the knowledge of any other officer, shareholder, attorney, agent or employee of Seller or any affiliate thereof or to impose or have imposed upon Seller's Designated Person any duty to investigate the matters to which such knowledge, or the absence thereof, pertains, including, but not limited to, the contents of the files, documents and materials made available to or disclosed to Buyer or the contents of files maintained by Seller's Designated Person. Seller represents and warrants that Mr. Harding is the Senior Vice President of Operations of Seller, and has been responsible for the oversight of the Property for more than three (3) years. There shall be no personal liability on the part of Seller's Designated Person arising out of any representations or warranties made herein.

Section 5.3 Modification of Seller's Representations and Warranties. If any representation or warranty of Seller needs to be modified due to changes since the Effective

Date, a certificate, dated as of the Closing Date and executed on behalf of Seller by a duly authorized representative thereof, identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Seller be liable to Buyer for, or be deemed to be in default hereunder by reason of any breach of representation or warranty which results from any change that (x) occurs between the Effective Date and the Closing Date and (y) is beyond the reasonable control of Seller to prevent. The occurrence of a change in a representation and warranty shall, if materially adverse to Buyer, constitute the non-fulfillment of the condition set forth in Section 4.5(b) hereof. If, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate.

Section 5.4 Survival of Seller's Representations and Warranties. The representations and warranties of Seller set forth in Section 5.1 hereof, as updated as of the Closing in accordance with the terms of this Agreement, shall survive the Closing for a period of one (1) year.

Section 5.5 Representations and Warranties of Buyer. Buyer hereby makes the following representations and warranties to Seller as of the Effective Date, which representations and warranties shall be deemed to have been made again as of the Closing, subject to Section 4.3(b) hereof:

(a) Organization and Authority. Buyer has been duly organized and is validly existing under the laws of California. Buyer has the full right and authority to enter into this Agreement and to consummate or cause to be consummated the transaction contemplated by this Agreement. The person signing this Agreement on behalf of Buyer is authorized to do so;

(b) Pending Actions. There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending or to Buyer's knowledge, threatened against Buyer which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

(c) Authorization. This Agreement has been, and on the Closing Date, all documents to be executed by Buyer hereunder will have been, duly authorized, executed and delivered by Buyer, and constitute and will constitute the valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

Section 5.6 Definition of "Buyer's Knowledge". All references in this Agreement to the phrase "Buyer's knowledge," or words of similar import, shall refer only to the present, actual knowledge of Joaquin Hernandez ("Buyer's Designated Person"), without diligence or investigation, and shall not be construed to refer to the knowledge of any other officer, shareholder, attorney, agent or employee of Buyer or any affiliate thereof or to impose or have imposed upon Buyer's Designated Person any duty to investigate the matters to which such knowledge, or the absence thereof, pertains, including, but not limited to, the contents of the files, documents and materials made available to or disclosed to Seller or the contents of files

maintained by Buyer's Designated Person. There shall be no personal liability on the part of Buyer's Designated Person arising out of any representations or warranties made herein

Section 5.7 Modification of Buyer's Representations and Warranties

If any representation or warranty of Buyer set forth in Section 5.5 hereof needs to be modified due to changes since the Effective Date, Buyer shall deliver to Seller a certificate, dated as of the Closing Date and executed on behalf of Buyer by a duly authorized representative thereof, identifying any such representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Buyer be liable to Seller for, or be deemed to be in default hereunder by reason of any breach of representation or warranty set forth in Section 5.5 hereof which results from any change that (i) occurs between the Effective Date and the Closing Date and (ii) is beyond the reasonable control of Buyer to prevent. The occurrence of a change in a representation or warranty shall, if materially adverse to Seller, constitute the non-fulfillment of the conditions set forth in Section 4.6(c) hereof. If, despite changes or other matters described in such certificate, the Closing occurs, Buyer's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate.

Section 5.8 Survival of Buyer's Representations and Warranties. The representations and warranties of Buyer set forth in Section 5.5 hereof as updated as of the Closing in accordance with the terms of this Agreement, shall survive the Closing for a period of one (1) year.

**ARTICLE VI.
POST-CLOSING COVENANTS OF BUYER**

Section 6.1 Covenants Concerning Environmental Condition of the Property.
After the Closing, Buyer shall do or cause to be done the following:

(a) perform all assessment and remediation work which is either (i) recommended by the Phase II or (ii) required to comply with applicable Environmental Laws in connection with conditions identified in the Phase II as involving the presence or likely presence on or under the Property or in the improvements located on the Property of Hazardous Materials;

(b) to the extent required by applicable Environmental Laws, perform asbestos and lead surveys of the buildings located at the Property prior to undertaking any renovation or demolition thereof and comply with any applicable Environmental Laws in connection with such renovation or demolition;

(c) for a period of one (1) year following the Closing, provide to Seller copies of all correspondence and reports sent to or received from any federal, state or local governmental authority ("Authority") concerning the environmental condition of the Property within fifteen (15) days after sending or receiving same; and

(d) for a period of one (1) year following the Closing, provide Seller with a copy of any proposed work plan or proposed remedial action plan with respect to the

environmental condition of the Property at least fifteen (15) days before submitting it to any Authority and confer with Seller or its consultants regarding it.

Section 6.2 Survival of Covenants Concerning Environmental Condition of the Property. The covenants set forth in Section 6.1 shall survive the Closing and any transfer by Buyer of the Property or any part thereof. Buyer waives the defenses of the statute of limitations, laches and other defenses relating to the time for bringing suit with respect to any action by Seller for breach of the foregoing covenants.

ARTICLE VII. DEFAULT

Section 7.1 Default by Buyer. If the sale of the Property as contemplated hereunder is not consummated solely due to Buyer's default hereunder, Seller shall be entitled, as its sole remedy, to terminate this Agreement and receive the Deposit as liquidated damages for the breach of this Agreement, it being agreed between the parties hereto that the actual damages to Seller in the event of such breach are impractical to ascertain and the amount of the Deposit is a reasonable estimate thereof. If the sale of the Property contemplated hereunder does not occur solely due to Buyer's default hereunder, all escrow cancellation and title cancellation fees shall be paid by Buyer.

Section 7.2 Default by Seller. If the sale of the Property as contemplated hereunder is not consummated solely due to Seller's default hereunder, Buyer shall be entitled, as its sole remedy, either (a) to receive the return of the Deposit and recover out of pocket Appraisal and due diligence costs not to exceed Ten Thousand Dollars (\$10,000.00), which return and payment shall operate to terminate this Agreement and release Seller from any and all liability hereunder, or (b) to enforce specific performance of Seller's obligation to convey the Property to Buyer in accordance with the terms of this Agreement and recover any costs of enforcement. If the sale of the Property does not occur solely due to Seller's default hereunder, all escrow cancellation and title cancellation fees shall be paid by Seller.

Section 7.3 Recoverable Damages. Notwithstanding Sections 7.1 and 7.2 hereof, in no event shall the provisions of Sections 7.1 and 7.2 limit the damages recoverable by either party against the other party due to the other party's obligation to indemnify such party in accordance with this Agreement.

Section 7.4 Failure of Condition to the Closing. In the event any of the conditions set forth in Sections 4.5 or 4.6 are not timely satisfied or waived, for a reason other than the default of Buyer or Seller under this Agreement:

(a) this Agreement, the Escrow and the rights and obligations of Buyer and Seller shall terminate, except as otherwise provided herein; and

(b) Escrow Holder is hereby instructed to promptly return to Seller and Buyer all funds (including the Deposit, except for any non-refundable portion of the Deposit pursuant to Section 4.1(b), if applicable, which shall be retained by Seller pursuant to Section 4.1(b)) and documents deposited by them, respectively, into Escrow which are held by Escrow Holder on the date of said termination less, in the case of the party otherwise entitled to such

funds, the amount of any cancellation charges required to be paid by such party under Section 7.5 below.

Section 7.5 Cancellation Charges. In the event this Agreement and the Escrow terminates because of the non-satisfaction of any condition for a reason other than solely the default of Buyer or Seller under this Agreement, the cancellation charges required to be paid by and to Escrow Holder shall be borne one-half (1/2) by Seller and one-half (1/2) by Buyer and all other charges shall be borne by the party incurring same.

ARTICLE VIII. RISK OF LOSS

Section 8.1 Physical Damage. The risk of physical loss to the Property shall be borne by Buyer and no damage to or destruction of the Property shall entitle Buyer to terminate this Agreement. The foregoing notwithstanding:

- (a) If this Agreement is terminated for any reason, Buyer shall not be liable to Seller for any pre-Closing damage or destruction except under Section 3.2; and
- (b) At the Closing, Seller shall assign to Buyer any proceeds received or receivable by Seller from the insurer of the Property with respect to such damage or destruction, exclusive of any deductible amount or self-insured retention.

Section 8.2 Eminent Domain. If prior to the Closing Date, all or a substantial part of the Property is taken by condemnation or any governmental agency commences an action in eminent domain to take all or a substantial part of the Property, Buyer shall have the option to terminate the transaction contemplated hereunder (the "ED Termination Option") by providing written notice of termination to Seller not later than ten (10) business days following Buyer's receipt of notice of such eminent domain action (the "ED Notice"). The phrase "substantial part" means such part of the Land as would render the remainder of the Land unsuitable for Buyer's intended use. If Buyer does not exercise the ED Termination Option, Buyer shall be entitled to all of the proceeds of such condemnation or eminent domain action. If however, Buyer exercises the ED Termination Option by delivering to Seller the ED Notice in accordance with this Section 8.2, this Agreement, the Escrow and the rights and obligations of Buyer and Seller shall terminate, in accordance with the terms of Sections 7.4 and 7.5 hereunder.

ARTICLE IX. BROKERAGE COMMISSIONS

Each of Seller and Buyer represents and warrants to the other that it has not dealt with a real estate broker or other person or entity who would be entitled to brokerage commission or finder's fee in connection with the transaction contemplated by this Agreement. Seller and Buyer hereto agree that if any persons or entities make a claim for brokerage commissions or finder's fees related to the sale of the Property by Seller to Buyer, and such claim is made by, through or on account of any acts or alleged acts of said party or its representatives, said party will protect, indemnify, defend and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense (including

reasonable attorneys' fees) in connection therewith. The provisions of this paragraph shall survive the Closing or any termination of this Agreement.

ARTICLE X. DISCLAIMERS

Except as expressly stated herein, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered by Seller or its agents to Buyer in connection with the transaction contemplated hereby.

ARTICLE XI. MISCELLANEOUS

Section 11.1 Confidentiality. Buyer and Seller, and their representatives, shall hold in strict confidence the terms negotiated with one another and the terms and conditions of this Agreement; provided, however that Buyer and Seller may disclose such information to their accountants, lenders, attorneys and any other agents or representatives necessary for the performance of their duties hereunder and Buyer may disclose such information as may be requested or required by state and local agencies. If this Agreement is terminated or Buyer fails to perform hereunder, Buyer shall promptly return to Seller any statements, documents, schedules, exhibits or other written information obtained from Seller in connection with this Agreement or the transactions contemplated herein. The provisions of this Section 11.1 shall survive the Closing or any termination of this Agreement.

Section 11.2 Public Disclosure. Prior to and after the Closing, any release to the public, but excluding a release to any governmental agency or authority, of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form approved by Buyer and Seller, in writing. The provisions of this Section 11.2 shall survive the Closing or any termination of this Agreement.

Section 11.3 Assignment. Subject to the provisions of this Section 11.3, the terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the parties hereto. Buyer may assign its rights under this Agreement to an entity affiliated with Buyer if Buyer and the proposed assignee execute and deliver to Seller an assignment and assumption of this Agreement in form and substance reasonably satisfactory to Seller. In no event shall any assignment of this Agreement release or discharge Buyer from any liability or obligation hereunder. The provisions of this Section 11.3 shall survive the Closing or any termination of this Agreement.

Section 11.4 Notices. Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) legible facsimile transmission, sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith. Any notice so given shall be deemed to have been given on the day it was received, so long as (a) that day is a business day, and (b) the notice is received prior to 5:00 p.m. local time of the recipient. Notice received on a day not

a business day, or on a business day after 5:00 p.m. local time of the recipient, shall be deemed to have been given the next business day. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Buyer: The Accelerated School
116 E. Martin Luther King Blvd.
Los Angeles, California 90011
Attention: Chief Executive Officer
Telephone No. (323) 235-6343
Facsimile No. (323) 235-6346

with a copy to: George Fatheree
c/o Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, 34th Floor
Los Angeles, California 90071
Telephone No. (213) 687-5557
Facsimile No. (213) 621-5557

If to Seller: Farmer Bros. Co.
20333 South Normandie Avenue
Torrance, California 90502
Attention: General Counsel
Telephone No. (310) 787-5279
Facsimile No. (310) 787-5246

with a copy to: Anglin, Flewelling, Rasmussen, Campbell & Trytten LLP
199 S. Los Robles Avenue, Suite 600
Pasadena, California 91101
Attention: John M. Anglin, Esq.
Telephone No. (626) 535-1900
Facsimile No. (626) 577-7764

If to Escrow Holder: Chicago Title Company
700 South Flower Street, Suite 800
Los Angeles, California 90017
Attention: Maurice A. Neri
Telephone No. (213) 488-4354
Facsimile No. (213) 612-4116

If to Title Company: Chicago Title Company
700 South Flower Street, Suite 800
Los Angeles, California 90017
Attention: Amy Hiraheta
Telephone No. (213) 488-4373
Facsimile No. (213) 629-3828

Section 11.5 Modifications. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

Section 11.6 Entire Agreement. This Agreement, including the exhibits and schedules hereto, contains the entire agreement between the parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter, other than any confidentiality agreement executed in connection with the Property.

Section 11.7 Further Assurances. Each party agrees that it will execute and deliver such other documents and take such other action, whether prior or subsequent to the Closing, as may be reasonably requested by the other party to consummate the transaction contemplated by this Agreement. The provisions of this Section 11.7 shall survive the Closing.

Section 11.8 Counterparts. This Agreement may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Section 11.9 Facsimile Signatures. In order to expedite the transaction contemplated herein, telecopied signatures may be used in place of original signatures on this Agreement or any document delivered pursuant hereto, except documents to be recorded. Seller and Buyer intend to be bound by the signatures on the telecopied document, are aware that the other party or parties will rely on the telecopied signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

Section 11.10 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect; provided that the invalidity or unenforceability of such provision does not materially adversely affect the benefits accruing to any party hereunder.

Section 11.11 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Buyer and Seller agree that the provisions of this Section 11.11 shall survive the Closing or any termination of this Agreement.

Section 11.12 No Third Party Beneficiary. Other than the rights of Escrow Holder to require escrow and title charges to be paid, the provisions of this Agreement and of the documents to be executed and delivered at the Closing are and will be for the benefit of Seller and Buyer only and are not for the benefit of any third party; and, accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at the Closing.

Section 11.13 Attorneys' Fees. In the event that either party hereto brings an action or proceeding against the other party to enforce or interpret any of the covenants, conditions, terms or provisions of this Agreement, the prevailing party in such action or

proceeding shall be entitled to recover from the other party all costs and expenses of such action or proceeding, including, without limitation, attorneys' fees, charges, disbursements and the fees and costs of expert witnesses.

Section 11.14 Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

Section 11.15 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to take effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

Section 11.16 Recordation. This Agreement may not be recorded by any party hereto without the prior written consent of the other party hereto. The provisions of this Section 11.16 shall survive the Closing or any termination of this Agreement.

Section 11.17 Exhibits. All exhibits attached to this Agreement are incorporated herein by reference.

Section 11.18 Date of Performance. If the date on which any performance required hereunder is other than a business day, then such performance shall be required as of the next following business day. For purposes of this Agreement, a "business day" shall mean any calendar day that is not a Saturday, Sunday or legal holiday.

Section 11.19 Tax Deferred Exchange. Each of Buyer and Seller acknowledges that the other may seek tax deferral treatment of the sale or purchase, as applicable, of the Property pursuant to this Agreement either as a like kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended. In connection with such an exchange, Buyer and Seller shall cooperate with each other in connection with Seller's disposition, or Buyer's acquisition, as applicable, of the Property as part of a tax-deferred exchange; provided, however, that (i) the effecting of such exchange shall not cause a delay of or be a condition to the Closing, (ii) any such exchange shall not relieve Buyer or Seller of any liability or obligation under this Agreement, (iii) neither Buyer nor Seller shall be obligated to take title to any property (other than Buyer taking title to the Property pursuant to this Agreement) in connection with such exchange, (iv) neither Buyer nor Seller shall incur any cost, expense, obligation or liability in connection with any such exchange effected by the other party (including, without limitation, any indemnification or other obligations to any accommodator), and neither Buyer nor Seller shall be required to modify or release any right or remedy hereunder or at law or in equity in connection with any such exchange, and (v) the party effecting the exchange shall indemnify, defend, protect and hold harmless the other party from and against any and all damages, losses, liabilities, costs or expenses whatsoever (including attorneys' fees and costs) and claims therefor, whether direct or indirect, known or unknown, or foreseen or unforeseen, which may arise from or be related to any such exchange. Buyer's and Seller's obligations arising under this Section 11.19 shall survive the Closing.

Section 11.20 Time of Essence. Time is of the essence of this Agreement and of each provision hereof in which time is a factor.

[Signature page follows]

IN WITNESS WHEREOF, Buyer and Seller have duly executed this Agreement
as of the Effective Date.

SELLER:

FARMER BROS. CO.,
a Delaware corporation

By: J. B. Garrett
Name: Larry B. Garrett
Title: General Counsel

BUYER:

THE ACCELERATED SCHOOL,
a California nonprofit public benefit corporation

By: [Signature]
Name: STEPHEN R. HORNBERGER
Title: CHIEF EXECUTIVE OFFICER

[Signature page]

EXHIBIT A

DESCRIPTION OF PROPERTY

LOTS 20, 21, 22, 23 AND 24 OF STRONG AND DICKINSON'S WOODLAWN TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 58 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

A.P.N.s: 5121-029-005, 5121-029-006 and 5121-029-007.

EXHIBIT B

FORM OF DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Attn: _____

MAIL TAX STATEMENTS TO:

Attn: _____

(Space Above This Line For Recorder's Use Only)

APNs: 5121-029-005, 5121-029-006, 5121-029-007

GRANT DEED

FOR VALUE RECEIVED, FARMER BROS. CO., a Delaware corporation, hereby grants to THE ACCELERATED SCHOOL, a California nonprofit public benefit corporation, that certain real property situated in the City of Los Angeles, County of Los Angeles, State of California, described on Exhibit A attached hereto and by this reference incorporated herein, subject to all matters of record.

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed dated as of _____, 2012.

GRANTOR:

FARMER BROS. CO.,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

[TO BE ATTACHED]

**SEPARATE STATEMENT OF
DOCUMENTARY TRANSFER TAX**

County Recorder
Los Angeles County

Dear Sir:

In accordance with California Revenue and Taxation Code Section 11932, it is requested that this Statement of Documentary Transfer Tax due not be recorded with the attached deed, but be affixed to the deed after recordation and before return as directed on the deed.

The deed names FARMER BROS. CO., a Delaware corporation, as Grantor, and THE ACCELERATED SCHOOL, a California nonprofit public benefit corporation, as Grantee. The land and improvements being transferred are located in the City of Los Angeles, County of Los Angeles, State of California.

The amount of the documentary transfer tax due on the attached deed is [_____ and ___/100 Dollars] (\$ _____), computed on the full value of the property described.

Very truly yours,

FARMER BROS. CO.,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT C-1

FORM OF FIRPTA CERTIFICATE

CERTIFICATE OF NON-FOREIGN STATUS

(NON-DISREGARDED ENTITY)

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform THE ACCELERATED SCHOOL, a California nonprofit public benefit corporation ("Buyer"), that withholding of tax is not required upon the disposition of a United States real property interest by FARMER BROS. CO., a Delaware corporation ("Seller"), and with the knowledge that Buyer will rely upon the following statements, the undersigned hereby certifies the following facts to Buyer on behalf of Seller:

1. Seller is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and Tax Regulations promulgated thereunder).
2. Seller is not a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii).
3. Seller's United States Employer Identification Number is:

4. Seller's office address is: 20333 South Normandie Avenue, Torrance, California, 90502

Seller understands that this certification may be disclosed to the Internal Revenue Service by Buyer and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, the undersigned declares that I have examined this Certificate and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Seller.

Dated as of _____

SELLER:
FARMER BROS. CO.,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT C-2

YEAR

CALIFORNIA FORM

2011 Real Estate Withholding Certificate

593-C

Part I - Seller's Information		Return this form to your escrow company.
Name	SSN or ITIN	
Spouse's/RDP's name (if jointly owned)	Spouse's/RDP's SSN or ITIN (if jointly owned)	
Address (suite, room, PO Box, or PMB no.)	<input type="checkbox"/> FEIN <input type="checkbox"/> CA Corp no. <input type="checkbox"/> SNTS firm no.	
City	State	ZIP Code
Ownership percentage %		
Property address (if no street address, provide parcel number and court)		

To determine whether you qualify for a full or partial withholding exemption, check all boxes that apply to the property being sold or transferred. (See line-by-line notes in the instructions)

Part II - Certifications which fully exempt the sale from withholding:

1. The property qualifies as the seller's (or decedent's, if sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121.
2. The seller (or decedent, if sold by the decedent's estate) last used the property as the seller's (or decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period.
3. The seller has a loss or zero gain for California income tax purposes on this sale. To check this box you must complete Form 593-E, Real Estate Withholding-Computation of Estimated Gain or Loss, and have a loss or zero gain on line 16.
4. The property is being compulsorily or involuntarily converted and the seller intends to acquire property that is similar or related in service or use to qualify for nonrecognition of gain for California income tax purposes under IRC Section 1033.
5. The transfer qualifies for nonrecognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest).
6. The seller is a corporation (or a limited liability company (LLC) classified as a corporation for federal and California income tax purposes) that is either organized through the California Secretary of State (SOS) or has a permanent place of business in California.
7. The seller is a California partnership, or qualified to do business in California (or an LLC that is classified as a partnership for federal and California income tax purposes and is not a single member LLC) that is not disregarded for federal and California income tax purposes. If this box is checked, the partnership or LLC must still withhold on nonresident partners or members.
8. The seller is a tax-exempt entity under California or federal law.
9. The seller is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust.

Part III - Certifications that may partially or fully exempt the sale from withholding:

Real Estate Escrow Person (REEP): See instructions for amounts to withhold.

10. The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031.
11. The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031.
12. The transfer of this property is an installment sale where the buyer is required to withhold on the principal portion of each installment payment. Copies of Form 593-L, Real Estate Withholding Installment Sale Acknowledgment, and the promissory note are attached.

Part IV - Seller's Signature

Under penalties of perjury, I hereby certify that the information provided above is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent. I understand that the Franchise Tax Board may review relevant escrow documents to ensure withholding compliance and that completing this form does not exempt me from filing a California income or franchise tax return to report this sale.

Seller's Name and Title	Seller's Signature	Date
Spouse's/RDP's Name	Spouse's/RDP's Signature	Date

Please verify that the SSN or ITIN listed above in Part I of this form is correct.

Seller: If you checked any box in Part II, you are exempt from real estate withholding.
 If you checked any box in Part III, you may qualify for a partial or complete withholding exemption.
 If you did not check any box in Part II or Part III, the withholding will be 3% (0.0333) of the total sales price or the optional gain on sale withholding amount certified by seller on Form 593, Real Estate Withholding Tax Statement.
 If you are withheld upon, the withholding agent should give you one copy of Form 593. Attach a copy to the lower front of your California income tax return and make a copy for your records.

Keep Form 593-C for five years following the close of the transaction. You must furnish the form to the Franchise Tax Board upon request.

For Privacy Notice, get form FTB 1121.

7131113

Form 593-C, © 2010



CHICAGO TITLE COMPANY

ACCELERATED CHARTER
MEADOWS PARCELS

BUYER'S/BORROWER'S SETTLEMENT STATEMENT

PAGE: 01

ESCROW NUMBER: 05660-116743388-001 ORDER NUMBER: 05660-116743388

CLOSING DATE: 08/26/11 CLOSER: Maurice Neri

BUYER: The Accelerated School

SELLER: Deborah Meadows

PROPERTY: 3843 & 3847 Woodlawn Avenue, Los Angeles, CALIFORNIA 90011

	CHARGE BUYER	CREDIT BUYER
Sales Price	\$ 435,000.00	\$
Deposits		
Received 08/23/11 ADDITIONAL DEPOSIT	423,824.50	
Received 05/02/11 INITIAL DEPOSIT	13,050.00	

TOTAL RECEIPTS		436,874.50
Prorations And Adjustments		
County Tax (APN 5121-029-015)		
from 07/01/11 to 08/26/11		226.07
Total amount \$ 1,473.47 for 365 days		
County Tax (APN 5121-029-014)		
from 07/01/11 to 08/26/11		65.87
Total amount \$ 429.33 for 365 days		
Settlement or Closing Fee To Chicago Title (1/2)	1,070.00	
1/2 Standard Owner's title policy premuim	804.50	
Prorata Tax APN 5121-029-014	65.87	
Prorata Tax APN 5121-029-015	226.07	
	-----	-----
TOTALS	\$ 437,166.44	\$ 437,166.44
	=====	=====

MAILROOM

REC 20 2011
Office of Public
School Construction



CHICAGO TITLE COMPANY

BUYER'S/BORROWER'S SETTLEMENT STATEMENT

PAGE: 01

ESCROW NUMBER: 05660-116743388-001 ORDER NUMBER: 05660-116743388

CLOSING DATE: 08/26/11 CLOSER: Maurice Neri

BUYER: The Accelerated School

SELLER: Deborah Meadows

PROPERTY: 3843 & 3847 Woodlawn Avenue, Los Angeles, CALIFORNIA 90011

CHARGE BUYER CREDIT BUYER

Sales Price \$ 435,000.00 \$

Deposits Received 08/23/11 ADDITIONAL DEPOSIT 423,824.50
Received 05/02/11 INITIAL DEPOSIT 13,050.00

TOTAL RECEIPTS ----- 436,874.50

Prorations And Adjustments

County Tax (APN 5121-029-015) 226.07

from 07/01/11 to 08/26/11

Total amount \$ 1,473.47 for 365 days 65.87

County Tax (APN 5121-029-014)

from 07/01/11 to 08/26/11

Total amount \$ 429.33 for 365 days

Settlement or Closing Fee To Chicago Title (1/2) 1,070.00
1/2 Standard Owner's title policy premium 804.50

Prorata Tax APN 5121-029-014 65.87
Prorata Tax APN 5121-029-015 226.07

TOTALS \$ 437,166.44 \$ 437,166.44



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

For Use With Single Family Residential Property - Attached or Detached (C.A.R. Form RPA-CA, Revised 11/07)

BUYERS COPY

Date APRIL 14, 2011 at Los Angeles, California.

1. OFFER:

- A. THIS IS AN OFFER FROM The Accelerated School ('Buyer').
B. THE REAL PROPERTY TO BE ACQUIRED is described as 3843 S 3847 Woodlawn Avenue (APNs 5121-029-015, 5121-029-014), Assessor's Parcel No. Set Addressed as 1, situated in Los Angeles County of Los Angeles, California, ('Property').
C. THE PURCHASE PRICE offered is Four Hundred Thirty Five Thousand And 00/100 Dollars \$ 435,000
D. CLOSE OF ESCROW shall occur on no later than July 28, 2011 (date) (or ___ Days After Acceptance).

2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) either 2K or 2L is checked below; or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

shall make

- A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 13,050 to the agent submitting the offer (or to ___), by personal check (or ___), made payable to ___, which shall be held unencashed until Acceptance and then deposited within 3 business days after Acceptance (or ___ into Broker's trust account).
B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ ___ within ___ Days After Acceptance, or ___
C. FIRST LOAN IN THE AMOUNT OF \$ ___
(1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum interest of ___% fixed rate, or ___% initial adjustable rate with a maximum interest rate of ___%, balance due in ___ years, amortized over ___ years. Buyer shall pay loan fees/points not to exceed ___. (These terms apply whether the designated loan is conventional, FHA or VA.)
(2) FHA VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay ___% discount points. Seller shall pay other fees not allowed to be paid by Buyer, not to exceed \$ ___. Seller shall pay the cost of lender required Repairs (including those for wood destroying pest) not otherwise provided for in this Agreement, not to exceed \$ ___. (Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)
D. ADDITIONAL FINANCING TERMS: Seller financing, (C.A.R. Form SFA); secondary financing, \$ ___ (C.A.R. Form PAA, paragraph 4A); assumed financing (C.A.R. Form PAA, paragraph 4B)

- E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of \$ 421,950 to be deposited with Escrow Holder within sufficient time to close escrow.
F. PURCHASE PRICE (TOTAL): \$ 435,000
G. LOAN APPLICATIONS: Within 7 (or ___) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan specified in 2C above.
H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within 7 (or ___) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.
I. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or ___) Days After Acceptance, Buyer shall, as specified in paragraph 14, remove the loan contingency or cancel this Agreement, OR (ii) (if checked) the loan contingency shall remain in effect until the designated loans are funded.
J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked, is NOT) contingent upon the Property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked, within 17 (or ___) Days After Acceptance), Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency within 17 (or ___) Days After Acceptance.
K. NO LOAN CONTINGENCY (If checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
L. ALL CASH OFFER (If checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or ___) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

3. CLOSING AND OCCUPANCY:

- A. Buyer intends (or does not intend) to occupy the Property as Buyer's primary residence.
B. Seller-occupied or vacant property: Occupancy shall be delivered to Buyer at 5 AM/PM, on the date of Close Of Escrow; or on ___ or no later than ___ Days After Close Of Escrow. (C.A.R. Form PAA, paragraph 2.) If transfer of title and occupancy do not occur at the same time Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form or any portion thereof by photocopy, machine or any other means including facsimile or computerized formats. Copyright © 1997-2007, CALIFORNIA ASSOCIATION OF REALTORS, INC. ALL RIGHTS RESERVED.

Buyer's Initials (Signature)
Seller's Initials (Signature)

Reviewed by Date



Property Address: 3843 + 3847 Woodlawn Ave

Date: 4/14/11

C. Tenant-occupied property: (i) Property shall be vacant at least 5 (or 10) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: **If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**

~~OR (ii) (if checked) Tenant to remain in possession. The attached addendum is incorporated into this Agreement (C.A.R. Form PAA, paragraph 3.);~~

OR (iii) (if checked) This Agreement is contingent upon Buyer and Seller entering into a written agreement regarding occupancy of the Property within the time specified in paragraph 14B(1). If no written agreement is reached within this time, either Buyer or Seller may cancel this Agreement in writing.

D. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available Copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.

E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

4. ALLOCATION OF COSTS (If checked): Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service shall be by the method specified in paragraph 14B(2).

A. WOOD DESTROYING PEST INSPECTION:

(1) Buyer Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by _____, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked: detached garages and carports, detached decks, the following other structures or areas _____

The Report shall not include roof coverings. If Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower

OR (2) (if checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.

~~B. OTHER INSPECTIONS AND REPORTS:~~

- ~~(1) Buyer Seller shall pay to have septic or private sewage disposal systems inspected~~
- ~~(2) Buyer Seller shall pay to have domestic wells tested for water potability and productivity~~
- ~~(3) Buyer Seller shall pay for a natural hazard zone disclosure report prepared by _____~~
- ~~(4) Buyer Seller shall pay for the following inspection or report _____~~
- ~~(5) Buyer Seller shall pay for the following inspection or report _____~~

C. GOVERNMENT REQUIREMENTS AND RETROFIT:

- (1) Buyer Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.
- (2) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law.

D. ESCROW AND TITLE:

- (1) Buyer Seller shall pay escrow fee 50% Buyer and 50% Seller
Escrow Holder shall be _____
- (2) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 12E 50% Buy + 50% Sell
Owner's title policy to be issued by Chicago Title Insurance Company
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

E. OTHER COSTS:

- (1) Buyer Seller shall pay County transfer tax or transfer fee _____
- (2) Buyer Seller shall pay City transfer tax or transfer fee _____
- ~~(3) Buyer Seller shall pay HOA transfer fee _____~~
- ~~(4) Buyer Seller shall pay HOA document preparation fees _____~~
- (5) Buyer Seller shall pay the cost, not to exceed \$ _____ of a one-year home warranty plan, issued by _____ with the following optional coverage: _____
- (6) Buyer Seller shall pay for _____
- (7) Buyer Seller shall pay for _____

5. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 14A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordinance local on disclosure (C.A.R. Form SSD).
- (2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
- (3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

Buyer's Initials (JK) (_____)
Seller's Initials (WJ) (_____)

Reviewed by _____ Date _____



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(4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)

(5) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

B. **NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offeror's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

~~5. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:~~

~~A. SELLER HAS: 7 (or) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned unit development or other common interest subdivision (C.A.R. Form SSD)~~

~~B. If the Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has 3 (or) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).~~

7. **CONDITIONS AFFECTING PROPERTY:**

A. Unless otherwise agreed: (i) the Property is sold (a) in its **PRESENT physical condition** as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

B. SELLER SHALL, within the time specified in paragraph 14A, **DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS** affecting the Property, including known insurance claims within the past five years, **AND MAKE OTHER DISCLOSURES REQUIRED BY LAW** (C.A.R. Form SSD).

C. **NOTE TO BUYER:** You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

D. **NOTE TO SELLER:** Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.

8. **ITEMS INCLUDED AND EXCLUDED:**

A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.

B. **ITEMS INCLUDED IN SALE:**

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; and
- (3) The following items: None

(4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.

(5) All items included shall be transferred free of liens and without Seller warranty.

C. **ITEMS EXCLUDED FROM SALE:** None

9. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Buyer shall complete Buyer Investigations and, as specified in paragraph 14B, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

Upon Seller's request

Buyer's Initials ([Signature]) (_____)
Seller's Initials ([Signature]) (_____)

Reviewed by _____ Date _____



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10. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.

11. BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

12. TITLE AND VESTING:
A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. *entry thereto*
B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
D. At Close Of Escrow, Buyer shall receive a grant deed conveying title ~~(or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest)~~, including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
E. Buyer shall receive a ~~ELTA~~ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

13. SALE OF BUYER'S PROPERTY:
A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.
OR B. (if checked) The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.

14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).

A. SELLER HAS: ~~7~~ (or X 14) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 5A and B, 6A, 7B and 12.

B. (1) BUYER HAS: ~~7~~ (or X 60) Days After Acceptance, unless otherwise agreed in writing, to:
(i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 5 and insurability of Buyer and the Property); and
(ii) return to Seller Signed Copies of Statutory and Lead Disclosures delivered by Seller in accordance with paragraph 5A.
(2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
(3) By the end of the time specified in 14B(1) ~~(or 21 for loan contingency or 21 for appraisal contingency)~~, Buyer shall, in writing, remove the applicable contingency (C.A.R. Form CR); or cancel this Agreement. However, if (i) government-mandated inspections/reports required as a condition of closing; or (ii) Common Interest Disclosures pursuant to paragraph 6B are not made within the time specified in 14A, then Buyer has 5 ~~(or 7)~~ Days After receipt of any such items, or the time specified in 14B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing.

C. CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:

- (1) Seller right to Cancel; Buyer Contingencies: Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow on time may be a breach of this Agreement.
- (2) Continuation of Contingency: Even after the expiration of the time specified in 14B, Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 14C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 14C(1).
- (3) Seller right to Cancel; Buyer Contract Obligations: Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2G; (iv) if Buyer fails to provide verification as required by 2H or 2L; (v) if Seller reasonably disapproves of the verification provided by 2H or 2L; (vi) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 5A(2); or (vii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by paragraph 16. Seller is not required to give Buyer a Notice to Perform regarding Close of Escrow.
- (4) Notice To Buyer To Perform: The Notice to Buyer to Perform (C.A.R. Form NBP) shall: (i) be in writing; (ii) be signed by Seller, and (iii) give Buyer at least 24 ~~(or 48)~~ hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform may not be given any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet a 14C(3) obligation.

Buyer's Initials (R)
Seller's Initials (M)

Reviewed by _____ Date _____



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D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.

E. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

and return Buyer's deposit to Buyer

15. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final inspection of the Property within 10 Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 7A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement. Buyer's share of

16. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.

as Seller's sole and exclusive remedy

BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID) and except to the extent necessary to enforce this Section 16, Seller hereby waives

17. DISPUTE RESOLUTION: the right of specific performance Buyer's Initials [Signature] Seller's Initials [Signature]

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 17B(2) and (3) below apply to mediation whether or not the Arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

B. ARBITRATION OF DISPUTES: (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 17B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in California Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

(3) BROKERS: Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials [Signature] Seller's Initials [Signature]

Buyer's Initials ([Signature])
Seller's Initials ([Signature])

Reviewed by _____ Date _____



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Date: 4/14/11

18. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
19. **WITHHOLDING TAXES:** Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).
20. ~~MULTIPLE LISTING SERVICE ("MLS"): Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.~~
21. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
22. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 17A.
23. **SELECTION OF SERVICE PROVIDERS:** If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.
24. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
25. **OTHER TERMS AND CONDITIONS,** including attached supplements:
- A. Buyer's Inspection Advisory (C.A.R. Form BIA)
- B. Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers: _____)
- C. Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
- D. Seller shall provide Buyer with a completed Seller Property Questionnaire (C.A.R. form SPQ) within the time specified in paragraph 14A
- E. _____
26. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
- B. "Agreement" means the terms and conditions of this accepted California Residential Purchase Agreement and any accepted counter offers and addenda.
- C. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date. (or any other performance date hereunder)
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days, unless otherwise required by Law.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
- J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- K. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and Signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 14C(4)) to remove a contingency or perform as applicable.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- N. Singular and Plural terms each include the other, when appropriate.

Buyer's Initials () ()

Seller's Initials () ()

Reviewed by _____ Date _____



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Date: 4/14/11

27. AGENCY:

- A. ~~DISCLOSURE: Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."~~
- B. ~~POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.~~
- C. ~~CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
Listing Agent _____ (Print Firm Name) is the agent of (check one): the Seller exclusively; or both the Buyer and Seller.
Selling Agent _____ (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.~~

28. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, ~~13~~, 14E, 18, 19, 24, ~~25B and 25E~~, 26, 28, ~~29~~, 32A, ~~33~~ and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, ~~the general provisions will control as to the duties and obligations of Escrow Holder only.~~ Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow. (this Agreement)
- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance ~~(or _____)~~; Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
- C. ~~Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.~~
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

to the extent mutually acceptable

~~29. BROKER COMPENSATION FROM BUYER: If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.~~

30. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and ~~agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation.~~ This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials () ()
Seller's Initials () ()

Reviewed by _____ Date _____



Property Address 3843 + 3847 Woodlawn Ave.

Date: 4/14/11

27. AGENCY:

- ~~A. DISCLOSURE: Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."~~
- ~~B. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.~~
- ~~C. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
 Listing Agent _____ (Print Firm Name) is the agent of (check one): the Seller exclusively; or both the Buyer and Seller.
 Selling Agent _____ (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.~~

28. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- ~~A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, 14E, 18, 19, 24, 25B and 25E, 26, 28, 29, 32A, 33 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow. (this Agreement)~~
- ~~B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or _____); Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.~~
- ~~C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.~~
- ~~D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.~~

to the extent mutually acceptable

~~29. BROKER COMPENSATION FROM BUYER: If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.~~

30. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials () ()
Seller's Initials () ()

Reviewed by _____ Date _____



Property Address: 2673 + 3877 Woodlawn Ave.

Date: 4/14/11

31. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____, who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked, by _____ (date), at _____ AM/PM).

Date 4/14/2011 Date _____

BUYER JOHNATHAN WILLIAMS BUYER _____

(Print name) John Williams (Print name) _____
(Address) 4000 S. MAIN ST. LA 90037

32. BROKER COMPENSATION FROM SELLER:
~~A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.~~
~~B. If escrow does not close, compensation is payable as specified in that separate written agreement.~~

33. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.

(if checked) SUBJECT TO ATTACHED COUNTER OFFER, DATED _____
Date 4-14-11 Date _____

SELLER Deborah Meadows SELLER _____
Deborah Meadows

(Print name) Deborah Meadows (Print name) _____
(Address) P.O. Box 289 Santa Monica, CA 90406

DM CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) 4/14/11 at 4:30 AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 27.
- C. If specified in paragraph 24, Agent who submitted the offer for Buyer acknowledges receipt of deposit.
- D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii) (if checked) the amount specified in a separate written agreement (C.A.R. Form OBC) between Listing Broker and Cooperating Broker.

Real Estate Broker (Selling Firm) _____ DRE Lic. # _____ Date _____
 By _____ DRE Lic. # _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

Real Estate Broker (Listing Firm) _____ DRE Lic. # _____ Date _____
 By _____ DRE Lic. # _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer numbers _____ and _____, and agrees to act as Escrow Holder subject to paragraph 28 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____
By _____ Date _____
Address _____
Phone/Fax/E-mail _____

Escrow Holder is licensed by the California Department of Corporations, Insurance, Real Estate. License # _____

(_____) REJECTION OF OFFER: No counter offer is being made. This offer was reviewed and rejected by Seller on (Seller's Initials) _____ (Date) _____

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

Published and Distributed by
REAL ESTATE BUSINESS SERVICES, INC.
a subsidiary of the California Association of REALTORS®
575 South Virgil Avenue, Los Angeles, California 90026

Reviewed by _____ Date _____



Addendum 1
to California Residential Purchase Agreement and Joint Escrow Instructions

1. Buyer and Seller acknowledge and agree that substantially concurrently with entering into this Agreement, Buyer has entered or will enter into purchase and sale agreements for the purchase of the following two (2) additional parcels: 3839 Woodlawn Avenue (A.P.N. 5121-029-016) and 3833 Woodlawn Avenue (A.P.N. 5121-029-017). Buyer's ability to purchase all four (4) parcels is a material part of the consideration for Buyer entering into this Agreement, and Buyer and Seller acknowledge and agree that Buyer shall not be required to proceed to the Closing unless Buyer's Closing conditions have been satisfied with respect to all four (4) parcels.
2. Upon Buyer's removal of contingencies as provided by the Agreement, Buyer shall deposit an additional \$15,000 into Escrow. Following such deposit and upon Seller's request, Escrow Agent shall release to Seller an amount equal to \$15,000, which amount shall constitute the entire relocation expense obligation of Buyer.
3. Buyer and Seller agree that as a condition to the Closing, Seller shall be required to use his best efforts, in accordance with applicable law and any lease or use agreements, to vacate any tenants or other persons occupying the Property (which best efforts shall include, but not be limited to, commencing and pursuing unlawful detainer actions against any tenants). Within (10) days prior to the Closing, Buyer shall have the right to inspect the Property to ensure that it is not being occupied. If the Property has not been vacated as required, Buyer, in its sole discretion, shall have the right to select from the following options:
 - (a) Buyer may terminate the Agreement by giving written notice to Seller and Escrow Agent not less than three (3) days prior to the Closing, in which case, the Agreement shall terminate and the provisions of Section 14(E) of the Agreement shall apply;
 - (b) Buyer may extend the Closing for up to six (6) months to provide additional time for Seller to vacate the Property by giving written notice to Seller and Escrow Agent of the number of days by which Buyer agrees to extend the Closing; or
 - (c) Buyer may waive the condition and proceed with the Closing, provided, however, that if Buyer elects to proceed with the Closing pursuant to this sub-section (c), Escrow Agent shall withhold \$30,000 for each Property that has not been vacated from the Purchase Price otherwise payable to Seller, and refund such amount to Buyer.

- 4. Notwithstanding any other provision of the Agreement, Buyer shall have until 60 Days after Acceptance (the "Contingency Date"), within which to investigate all aspects of the Property and to determine whether Buyer is satisfied with the Property. If Buyer determines, in its sole and absolute discretion, that any aspect of the Property is unsuitable for Buyer's intended use, Buyer may terminate this Agreement by giving written notice to Seller and Escrow Holder before the Contingency Date, in which event Escrow Holder shall return all documents and monies, less Buyer's share of Escrow Holder's reasonable fees and expenses, to Buyer.

- 5. Notwithstanding any other provision of the Agreement, in the event that the purchase and sale shall not be consummated by reason of the default of a party hereto, all escrow fees and related costs shall be borne by the defaulting party.

Acknowledged and Agreed:

Seller:

Deborah Meadows
 Deborah Meadows

Buyer:

THE ACCELERATED SCHOOL
 By: Jonathan Williams
 Name: JOHNATHAN WILLIAMS
 Its: FOUNDER

FIRST AMENDMENT TO CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS

This First Amendment to California Residential Purchase Agreement and Joint Escrow (this "Amendment") is made as of April ~~28~~, 2011, by and between The Accelerated School, a California charter school ("Buyer") and Deborah Meadows, an individual ("Seller").

WHEREAS, Buyer and Seller are parties to that certain California Residential Purchase Agreement and Joint Escrow Instructions, dated April ~~14~~, 2011 (the "Purchase Agreement"), pursuant to which Buyer has agreed to purchase from Seller, and Seller has agreed to sell to Buyer, the property located at 3843 & 3847 Woodlawn Avenue, Los Angeles, California (the "Property"), as more particularly described therein;

WHEREAS, following its purchase of the Property, Buyer intends to demolish the improvements located thereon for its development of a new school facility; and

WHEREAS, Buyer and Seller desire to amend the Purchase Agreement as more particularly described herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Buyer and Seller hereby agree as follows:

1. Section 3 of Addendum 1 of the Purchase Agreement is hereby amended by (a) deleting sub-section 3(b) in its entirety and (b) deleting sub-section 3(c) in its entirety and replacing it with the following: "(b) Buyer may waive the condition and proceed with the Closing, provided, however, that if Buyer elects to proceed with the Closing pursuant to this sub-section (b), Escrow Agent shall withhold \$20,000 for each Property that has not been vacated from the Purchase Price otherwise payable to Seller, and refund such amount to Buyer."

2. Notwithstanding anything to the contrary contained in the Purchase Agreement, Buyer shall have until three (3) business days following the date of this Amendment to make the Initial Deposit required in Section 2.A. of the Purchase Agreement.

3. As amended hereby, the Purchase Agreement is hereby ratified and confirmed. In the event of any inconsistency between the terms of the Purchase Agreement and this Amendment, the terms of this Amendment shall govern.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Seller:

Deborah Meadows
Deborah Meadows

Buyer:

THE ACCELERATED SCHOOL

By: Johnathan Williams
Name: JOHNATHAN WILLIAMS
Its: FOUNDER

3843 & 3847 Woodlawn

SECOND AMENDMENT TO CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

This Second Amendment to California Residential Purchase Agreement and Joint Escrow (this "Amendment") is made as of July 28, 2011, by and between The Accelerated School, a California charter school ("Buyer") and Deborah Meadows, an individual ("Seller").

WHEREAS, Buyer and Seller are parties to that certain California Residential Purchase Agreement and Joint Escrow Instructions, dated April 14, 2011 (as amended, the "Purchase Agreement"), pursuant to which Buyer has agreed to purchase from Seller, and Seller has agreed to sell to Buyer, the property located at 3843 & 3847 Woodlawn Avenue, Los Angeles, California (the "Property"), as more particularly described therein; and

WHEREAS, Buyer and Seller desire to amend the Purchase Agreement as more particularly described herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Buyer and Seller hereby agree as follows:

1. Section 2 of Addendum 1 to the Purchase Agreement is hereby deleted in its entirety and replaced with the following in lieu thereof: "Not less than ten (10) days prior to the Closing, Buyer shall pay to Seller an amount equal to \$15,000.00, which amount shall constitute the entire relocation expense obligation of Buyer with respect to the Property. Such amount shall be in addition to, and shall not be considered part of, the Purchase Price for the Property."

2. As amended hereby, the Purchase Agreement is hereby ratified and confirmed. In the event of any inconsistency between the terms of the Purchase Agreement and this Amendment, the terms of this Amendment shall govern.

[Signature page to follow]

3843 & 3847 Woodlawn

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Seller:

Deborah Meadows
Deborah Meadows

Buyer:

THE ACCELERATED SCHOOL

By: Jelt Walle
Name:
Its: FOUNDER

THIRD AMENDMENT TO CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND
JOINT ESCROW INSTRUCTIONS

This Third Amendment to California Residential Purchase Agreement and Joint Escrow (this "Amendment") is made as of July 21, 2011, by and between The Accelerated School, a California charter school ("Buyer") and Deborah Meadows, an individual ("Seller").

WHEREAS, Buyer and Seller are parties to that certain California Residential Purchase Agreement and Joint Escrow Instructions, dated April 14, 2011 (as amended, the "Purchase Agreement"), pursuant to which Buyer has agreed to purchase from Seller, and Seller has agreed to sell to Buyer, the property located at 3843 & 3847 Woodlawn Avenue, Los Angeles, California (the "Property"), as more particularly described therein; and

WHEREAS, Buyer and Seller desire to amend the Purchase Agreement as more particularly described herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Buyer and Seller hereby agree as follows:

1. The parties agree to extend the Close of Escrow until no later than August 31, 2011 in order to give Seller additional time to vacate any tenants occupying the Property.
2. As amended hereby, the Purchase Agreement is hereby ratified and confirmed. In the event of any inconsistency between the terms of the Purchase Agreement and this Amendment, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

Seller:

Deborah Meadows
Deborah Meadows

Buyer:

THE ACCELERATED SCHOOL

By: John Will

Name:

ts: FORNER

Addendum 1
to California Residential Purchase Agreement and Joint Escrow Instructions

1. Buyer and Seller acknowledge and agree that substantially concurrently with entering into this Agreement, Buyer has entered or will enter into purchase and sale agreements for the purchase of the following two (2) additional parcels: 3839 Woodlawn Avenue (A.P.N. 5121-029-016) and 3833 Woodlawn Avenue (A.P.N. 5121-029-017). Buyer's ability to purchase all four (4) parcels is a material part of the consideration for Buyer entering into this Agreement, and Buyer and Seller acknowledge and agree that Buyer shall not be required to proceed to the Closing unless Buyer's Closing conditions have been satisfied with respect to all four (4) parcels.
2. Upon Buyer's removal of contingencies as provided by the Agreement, Buyer shall deposit an additional \$15,000 into Escrow. Following such deposit and upon Seller's request, Escrow Agent shall release to Seller an amount equal to \$15,000, which amount shall constitute the entire relocation expense obligation of Buyer.
3. Buyer and Seller agree that as a condition to the Closing, Seller shall be required to use his best efforts, in accordance with applicable law and any lease or use agreements, to vacate any tenants or other persons occupying the Property (which best efforts shall include, but not be limited to, commencing and pursuing unlawful detainer actions against any tenants). Within (10) days prior to the Closing, Buyer shall have the right to inspect the Property to ensure that it is not being occupied. If the Property has not been vacated as required, Buyer, in its sole discretion, shall have the right to select from the following options:
 - (a) Buyer may terminate the Agreement by giving written notice to Seller and Escrow Agent not less than three (3) days prior to the Closing, in which case, the Agreement shall terminate and the provisions of Section 14(E) of the Agreement shall apply;
 - (b) Buyer may extend the Closing for up to six (6) months to provide additional time for Seller to vacate the Property by giving written notice to Seller and Escrow Agent of the number of days by which Buyer agrees to extend the Closing; or
 - (c) Buyer may waive the condition and proceed with the Closing, provided, however, that if Buyer elects to proceed with the Closing pursuant to this sub-section (c), Escrow Agent shall withhold \$30,000 for each Property that has not been vacated from the Purchase Price otherwise payable to Seller, and refund such amount to Buyer.

4. Notwithstanding any other provision of the Agreement, Buyer shall have until 60 Days after Acceptance (the "Contingency Date"), within which to investigate all aspects of the Property and to determine whether Buyer is satisfied with the Property. If Buyer determines, in its sole and absolute discretion, that any aspect of the Property is unsuitable for Buyer's intended use, Buyer may terminate this Agreement by giving written notice to Seller and Escrow Holder before the Contingency Date, in which event Escrow Holder shall return all documents and monies, less Buyer's share of Escrow Holder's reasonable fees and expenses, to Buyer.

5. Notwithstanding any other provision of the Agreement, in the event that the purchase and sale shall not be consummated by reason of the default of a party hereto, all escrow fees and related costs shall be borne by the defaulting party.

Acknowledged and Agreed:

Seller:

Deborah Meadows
Deborah Meadows

Buyer:

THE ACCELERATED SCHOOL

By:

Jonathan Williams
Name: JOHNATHAN WILLIAMS
Its. FOUNDER

3843 & 3847 Woodlawn

SECOND AMENDMENT TO CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

This Second Amendment to California Residential Purchase Agreement and Joint Escrow (this "Amendment") is made as of July 20, 2011, by and between The Accelerated School, a California charter school ("Buyer") and Deborah Meadows, an individual ("Seller").

WHEREAS, Buyer and Seller are parties to that certain California Residential Purchase Agreement and Joint Escrow Instructions, dated April 14, 2011 (as amended, the "Purchase Agreement"), pursuant to which Buyer has agreed to purchase from Seller, and Seller has agreed to sell to Buyer, the property located at 3843 & 3847 Woodlawn Avenue, Los Angeles, California (the "Property"), as more particularly described therein; and

WHEREAS, Buyer and Seller desire to amend the Purchase Agreement as more particularly described herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Buyer and Seller hereby agree as follows:

1. Section 2 of Addendum 1 to the Purchase Agreement is hereby deleted in its entirety and replaced with the following in lieu thereof: "Not less than ten (10) days prior to the Closing, Buyer shall pay to Seller an amount equal to \$15,000.00, which amount shall constitute the entire relocation expense obligation of Buyer with respect to the Property. Such amount shall be in addition to, and shall not be considered part of, the Purchase Price for the Property."

2. As amended hereby, the Purchase Agreement is hereby ratified and confirmed. In the event of any inconsistency between the terms of the Purchase Agreement and this Amendment, the terms of this Amendment shall govern.

[Signature page to follow]

3843 & 3847 Woodlawn

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Seller:

Deborah Meadows

Deborah Meadows

Buyer:

THE ACCELERATED SCHOOL

By:

Jelt Walle

Name:

Its: FOUNDER

MAILROOM

DEC 20 2012
Office of Public
School Construction

MAILROOM
Office of Public
School Construction
December 20 2012

October 5, 2012

Mr. Johnathan Williams
Founder/Co-Director
The Accelerated Schools
116 East Martin Luther King, Jr. Boulevard
Los Angeles, California 90011

Re: **Appraisal Report:**
3843 and 3847 Woodlawn Avenue
Los Angeles, California

Job No. 4301C

Dear Mr. Williams:

In accordance with your request, this writing transmits three (3) copies of our Appraisal in a Summary Report concerning the above-referenced properties. The report which follows includes a description of the subject properties, their environs, the scope and work carried out in this assignment, our analyses and supporting data.

Our investigations and analyses have resulted in the following opinion conclusion(s) of the fair market value of the fee simple interest of the subject properties, as of the date of value of this report:

PROPERTY OWNER
APN / ADDRESS

FAIR MARKET VALUE OPINION

Los Angeles Unified School District
5121-029-913 /
3843 Woodlawn Ave

\$180,000 $\frac{1}{2} = 90,000$ +
(ONE HUNDRED EIGHTY THOUSAND DOLLARS)

Los Angeles Unified School District
5121-029-912 /
3847 Woodlawn Ave

\$210,000 $\frac{1}{2} = 105,000$
(TWO HUNDRED TEN THOUSAND DOLLARS)

3,890,000

Mr. Johnathan Williams
October 5, 2012
Page Two

This report complies with the current edition of the Uniform Standards of Appraisal Practice (USPAP). This report is subject to the "Certification and Restriction Upon Disclosure and Use" as well as the "Contingent and Limiting Conditions Upon Which Appraisal Is Made" which follow this letter. In addition, this report is subject to the following special conditions:

- We have not been provided with an environmental assessment report concerning the subject properties. We have not been provided title reports for the properties. No soil reports have been made available at the time of this writing. Our conclusions are subject to revision pending receipt of said reports.
- For the current valuation assignment, we were only permitted an exterior inspection of the subject properties, which was conducted on September 25, 2012. However, a prior inspection on February 15, 2011 of the interior of the properties for a previous valuation assignment of these same properties revealed that some interior renovation work was underway including flooring, bathroom work, and kitchen remodeling. The exteriors of the properties, at the time of the previous and current inspections, were in fair condition, needing paint, roofing, siding, windows, landscaping, perimeter fencing, and general upgrading. Therefore, the overall condition of the properties is felt to be fair to average. If we were to assume that such interior work was complete, as per your instruction, and consistent with the assertion of the previous property owner prior to the acquisition by The Accelerated Schools, then the condition of the properties could be upgraded to average. For the purposes of this report, we have assumed a hypothetical condition that the interiors are in superior condition to the exteriors and that the interior renovations were completed. Our analysis and conclusions are subject to review upon our inspection of the interior of the subject properties.

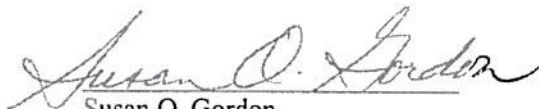
This report is for the sole and exclusive use of The Accelerated Schools, the client and intended user. Prior to releasing our report or its findings to any other party, we request that you obtain our written authorization. The intended use of this appraisal is to establish a basis of fair market value for the subject properties for possible use by the client in an application to the State of California Office of Public School Construction for a Proposition 55 grant proposal.


Retained in our files are worksheets, field notes, maps, and other data upon which our analysis and conclusions are based. Should you have any questions concerning the contents of this report, please feel free to call and we will respond promptly.

Thank you for the opportunity to serve you in your property analysis needs.

Respectfully submitted,

LEA ASSOCIATES, INC.


Susan O. Gordon
CA# AL040748



John J. Gobbell, Jr., MAI
CA# AG010590

CERTIFICATION AND RESTRICTION UPON DISCLOSURE AND USE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have previously appraised the subject properties on two occasions within the past three years, an appraisal report dated January 25, 2011 and an update in a supplementary letter dated February 17, 2011.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment was not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.
- No one has provided significant real property appraisal assistance to the person signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Robert M. Lea, MAI, and John J. Gobbell, Jr., MAI, have completed the continuing education program of the Appraisal Institute.
- As of the date of this report, Robert M. Lea, MAI (No. AG003090), John J. Gobbell, Jr., MAI (No. AG010590), and Jerardo Arciniega (No. AG042445) have satisfied the requirements as Certified General Real Estate Appraisers, licensed by the State of California.
- I have made a personal inspection of the exterior of the property that is the subject of this report.


Susan O. Gordon
CA# AL040748


John J. Gobbell, Jr., MAI
CA# AG010590

CONTINGENT AND LIMITING CONDITIONS UPON WHICH APPRAISAL IS MADE

This report is made expressly subject to the contingent and limiting conditions, factors and assumptions here with:

1. That the vesting and legal description furnished this appraiser are correct.
2. That measurements and areas furnished by others are correct. No survey has been made for the purpose of this appraisal.
3. That the property is appraised as if free and clear of liens and that the title is good and merchantable.
4. That no guarantee is made as to the correctness of estimates or opinions furnished by others which have been used in making this appraisal.
5. That no liabilities be assumed on account of inaccuracies in such estimates or opinions.
6. That no liability is assumed on account of matters of a legal nature, affecting this property, such as title defects, liens, encroachments, overlapping boundaries, etc.
7. That this appraisal is subject to review upon presentation of data which might be later made available, undisclosed or not available at this writing.
8. That the appraiser herein, by reason of this appraisal, is not required to give testimony or attendance in court or any governmental hearing with reference to the property in question, unless arrangements have previously been made therefore.
9. That the maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied.
10. That no liability is assumed on account of the existence of hazardous material or toxic waste on the subject property.
11. That no liability is assumed for specific compliance with the requirements of the Americans with Disabilities Act (ADA).

INTRODUCTION

SCOPE OF THE APPRAISAL

The purpose of this appraisal report is to provide our opinion of the fair market value of the subject properties, including land and real property improvements. Our valuation analyses were based on the unencumbered fee simple interest in and to the subject properties.

This is a Summary Appraisal Report which supports our rationale and reasoning in estimating the value of the subject properties. This report is subject to the "Certification and Restrictions Upon Disclosure and Use" and "Contingent and Limiting Conditions upon Which this Appraisal is Made." In addition, this report is subject to the special conditions outlined in the transmittal letter.

In our valuation analysis of the improved subject properties, we have utilized the Sales Comparison Approach to value. The Cost Approach was not utilized for the following important reasons:

- Participants in the subjects' market do not generally utilize the Cost Approach to value in making purchase and sale decisions for properties similar to the subject property.
- For structures similar in age to the subject property, estimating depreciation requires a relatively high degree of judgment.

The Income Approach to value was not utilized given that the subject's market does not generally utilize the Income Approach to value in making purchase decisions for properties similar to the subject properties.

The scope of the appraisal included an exterior inspection of the subject properties, an analysis of the subject sites and improvement characteristics relevant to value, a determination of highest and best use, valuation of the subject property via the Sales Comparison Approach to value, and the formulation of a value opinion for the subject properties. An exterior inspection was made of the sales comparables.

It is the intended use of this appraisal to provide the client with a determination of the fair market value of the subjects for use in a possible application to the State of California Office of Public School Construction for a Proposition 55 grant proposal. We also note that we previously prepared valuation services for the same client for the subject properties as shown in the report dated November 29, 2007, January 25, 2011, and an update supplementary letter dated February 17, 2011.

DEFINITION OF FAIR MARKET VALUE

The definition of "fair market value" is stated in the California Code of Civil Procedure in Article 4, Section 1263.320:

"The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

"The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable."

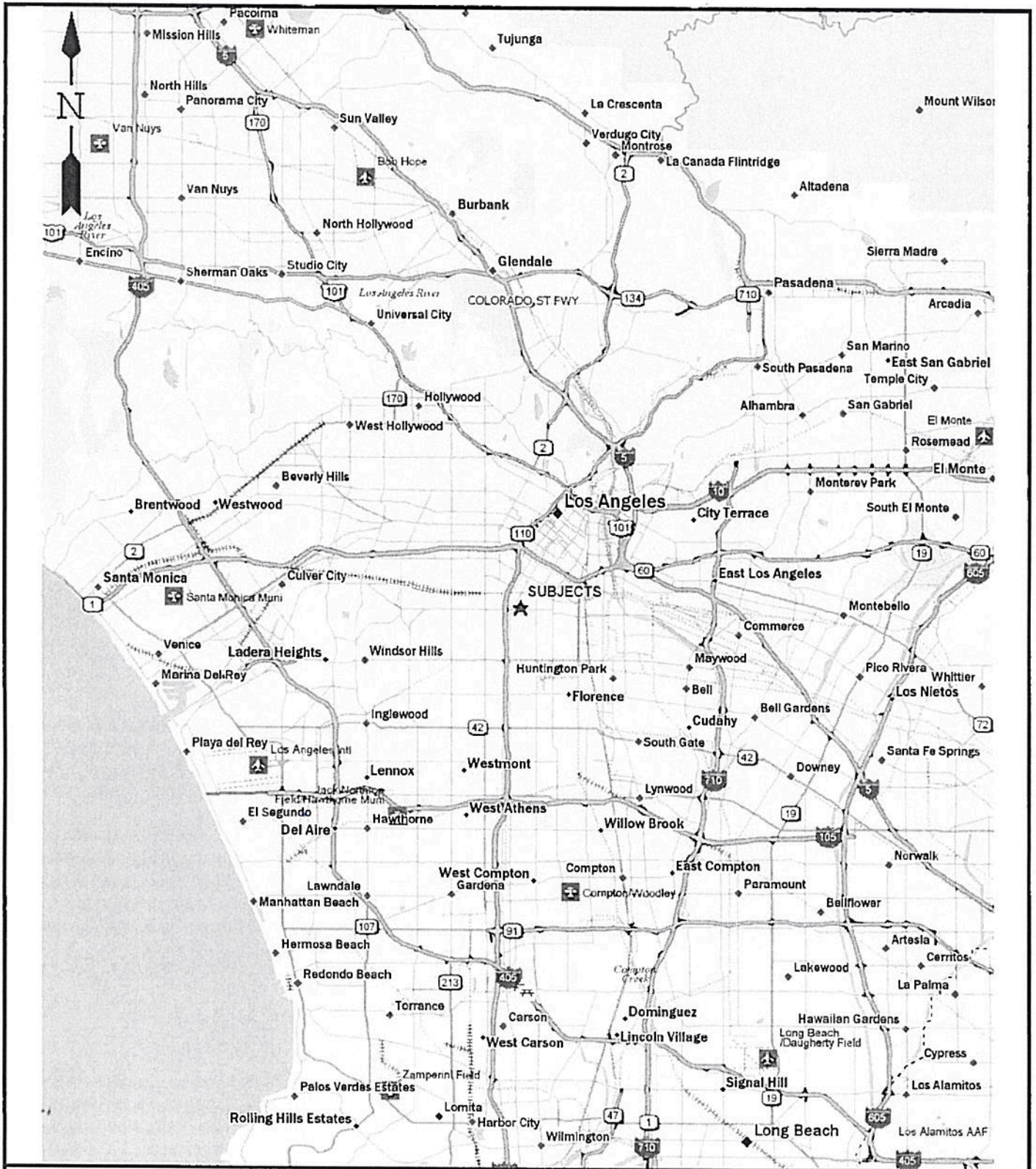


EXHIBIT I
LOCATION MAP
3843 & 3847 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA
SCALE: 1" = 4.0± MI.
OCTOBER 2012

Lea Associates
 Property Economics



DEFINITION OF FEE SIMPLE ESTATE

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."¹

PROPERTY RIGHTS APPRAISED

The property rights herein appraised consist of the fee simple estate in and to each subject property, excluding mineral rights.

EXPOSURE TIME

This refers to the estimated length of time the properties being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on the analysis of past events assuming a competitive market. In the subjects' case, the exposure time was estimated to be approximately two to three months.

DATE OF VALUE

The date of value utilized in this report is October 5, 2012, corresponding to the completion of our current investigations, analyses of relevant data, and completion of this report document. The report is dated the same.

AREA OF SURROUNDING INFLUENCE

Location

The subject properties are located in the City of Los Angeles in the central portion of Los Angeles County. More specifically, the subject properties are located on the west side of Woodlawn Avenue, just north of Martin Luther King, Jr. Boulevard.

Regional Influences

The county of Los Angeles contains approximately 4,083 sq. miles. It is bounded on the north by Kern County, on the east by San Bernardino County, on the southeast by Orange County, and on the northwest by Ventura County and the Pacific Ocean, respectively. Los Angeles County has a January 1, 2012 population of 9,884,632 reported by the California Department of Finance. Although population growth has slowed over the past several years compared to the previous decade, all indications suggest that the population will continue to grow on an overall basis.

Los Angeles County has a well-grounded and diversified economic base in industry and agriculture. Historically, major industries have been aerospace/defense, entertainment, and oil. In addition, as trade between the Pacific Rim countries and the United States has increased, the ports of Long Beach and Los Angeles have progressively handled more cargo, and the importing and exporting of raw and finished products, along with their distribution, has become an important segment of the local economy. Moreover, Los Angeles is also recognized as a West Coast financial center.

Evidence of the status of the local economy, is reflected in area employment and unemployment rate figures produced by the Bureau of Labor Statistics of the United States Department of Labor.

¹ *The Dictionary of Real Estate Appraisal*, Fourth Edition, (Appraisal Institute, Chicago, 2002) 113.

**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
LOS ANGELES COUNTY**

2000-2011 ANNUAL AVERAGES

<u>YEAR</u>	<u>LABOR FORCE</u>	<u>EMPLOYMENT</u>	<u>UNEMPLOYMENT</u>	<u>UNEMPLOYMENT RATE (%)</u>
2000	4,671,800	4,421,900	249,900	5.3
2001	4,777,000	4,506,900	270,100	5.7
2002	4,789,800	4,465,600	324,200	6.8
2003	4,288,800	4,451,700	337,100	7.0
2004	4,859,070	4,587,820	291,250	6.0
2005	4,967,400	4,714,900	252,600	5.1
2006	4,855,314	4,652,626	202,688	4.2
2007	4,921,200	4,675,300	245,900	5.0
2008	4,972,000	4,598,300	373,800	7.5
2009	4,869,400	4,285,100	584,300	12.0
2010	4,910,500	4,291,400	619,100	12.6
2011	4,924,400	4,318,900	605,500	12.3
Aug. 2012*	4,818,600	4,279,500	539,100	11.2

Source: Bureau of Labor Statistics of the United States Department of Labor

*Preliminary

Unemployment remains relatively high in Los Angeles County, however, a slight improvement has been shown recently. While home prices have stabilized in most of the county, high foreclosure rates and the global recession has caused rising vacancy rates. The state of the economy has softened demand in basically every real estate sector.

The following summary depicts the trend of total taxable sales in Los Angeles County since 2000. The total taxable sales of a region, is another indicator used in tracking economic activity and measures the purchasing power of the residents in the region.

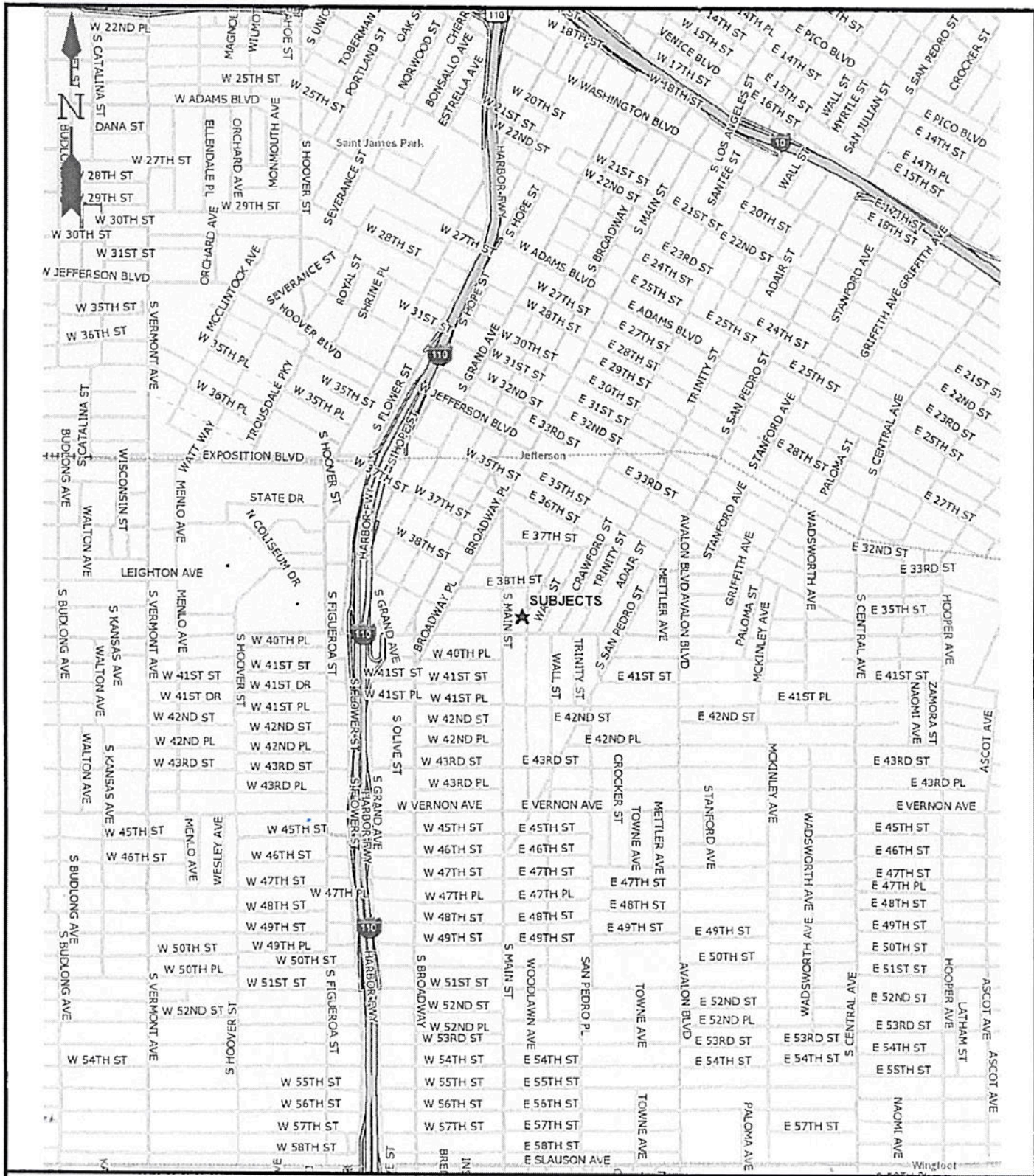


EXHIBIT II
VICINITY MAP
3843 & 3847 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA
SCALE: 1" = 4.0± MI.
OCTOBER 2012

Lea Associates
 Property Economics



**Taxable Sales County of Los Angeles
2000 – 2011* (In Thousands)**

<u>Year</u>	<u>Total Taxable Sales</u>	<u>% Change</u>
2000	106,673,534	9.6
2001	107,426,692	0.7
2002	108,753,064	1.2
2003	113,685,422	4.3
2004	122,533,104	7.8
2005	130,722,373	6.7
2006	136,162,552	4.2
2007	137,820,418	1.2
2008	131,881,744	-4.3
2009	112,744,727	-14.5
2010	116,942,334	3.7
2011*	31,430,556	8.5

Source: Taxable Sales in California, California State Board of Equalization, Research and Statistics Div. *Second Qtr. 2011

The figures show a steady increase in taxable sales from 2000 to 2007. They increased by approximately four to eight percent in 2004 through 2006, with a further increase in 2007. In 2008 through 2009, the figures show a dramatic decrease due to economic downturn which occurred during this period. Statewide figures in 2010 through the second quarter 2011 indicate that taxable sales for the County of Los Angeles are once again increasing.

The City

Bounded on the west and the south by the Pacific Ocean, the city of Los Angeles is the central node of the Southern California metropolitan area. The city is California's largest, both in population and in territory (468.7± sq. mi.). According to the Department of Finance estimates, the city's January 1, 2012 population of 3,825,297 represents approximately 39% of the total Los Angeles County.

Founded in 1781 and incorporated in 1850, the city of Los Angeles operates under a council-mayor form of municipal government. Los Angeles is not a city with the standard concentrated urban center, with relatively distinct limits. Rather, it is a collection of intermingling communities with individual identities and characteristics. Moreover, readily identifiable sub districts are also found within a given community. The city of Los Angeles also serves as the commercial, industrial, and cultural center for the nearby suburban communities located within Los Angeles, Ventura and Orange counties.

These areas are linked by a regional freeway system that is considered the most extensive in the world. These freeways radiate from a loop around the central city, providing convenient access to the entire Southern California area. These freeways in turn provide convenient access to all parts of Southern California via the freeway network that radiates outward from its hub at downtown Los Angeles.

Surroundings

The subject property is located in the heart of the city of Los Angeles, just over two miles southwest of Downtown Los Angeles, and 1/2-mile southeast of the University of Southern California and the Coliseum, across the Harbor (110) Freeway. The Santa Monica (10) Freeway is located just over one mile to the north.

The subject's surroundings consist of predominately older one-story homes and older commercial buildings on major streets like Martin Luther King, Jr. Boulevard. To the west of the subject properties are light industrial buildings (across the alley). The Accelerated School (charter school) is located at the southwest corner of Martin Luther King, Jr. Boulevard and Woodlawn Avenue. Their parking lot is located at the northwest corner. Otherwise, the subjects were surrounded by older single-family, and occasionally multi-family residential, housing.

MARKET OVERVIEW

According to Multiple Listing Service (MLS), price levels for single-family residential sales within a two mile radius of the subject properties have increased by 3% in calendar year 2012 (year-to-date) as compared to calendar year 2011. Median sale prices in calendar 2011 also increased by 3% from the same period in 2010, which increased by only 1% from calendar year 2009.

**SINGLE-FAMILY RESIDENTIAL SALES
TWO MILE RADIUS FROM SUBJECTS
CALENDAR YEAR 2010 – 2012***

Year Ending: December 31	2010	2011	2012 YTD*
Number of Sales	454	454	343
Median Price (\$000)	\$170	\$175	\$180
% Change From Prior Year	1%	3%	3%

*Year-to-date (YTD) September 25, 2012

According to DataQuick Information Systems, price levels for the County of Los Angeles as a whole in calendar year 2011 declined by 8.6% from the same period the previous year (2010) and price levels in the subject's zip code of 90011 declined slightly by 0.3%. However, according to the same source, price levels in Los Angeles County as a whole, in the month of August 2012, evidenced an 8.7% increase from August 2011. During the same monthly period in 2012, the subject's zip code of 90011 experienced a 12.9% increase from August 2011 (monthly indicators are not considered statistically significant because they contain sample sizes of less than 100 sales each).

While local price levels appear to be stabilizing and improving, much uncertainty still exists with respect to the local and national economy. Significant foreclosures still remain in the pipeline. As evidenced by the single-family residential sales comparables used in this analysis, many lender-owned properties are being purchased, renovated, and sold for significantly more than their previous purchase price in the subject properties' local market.

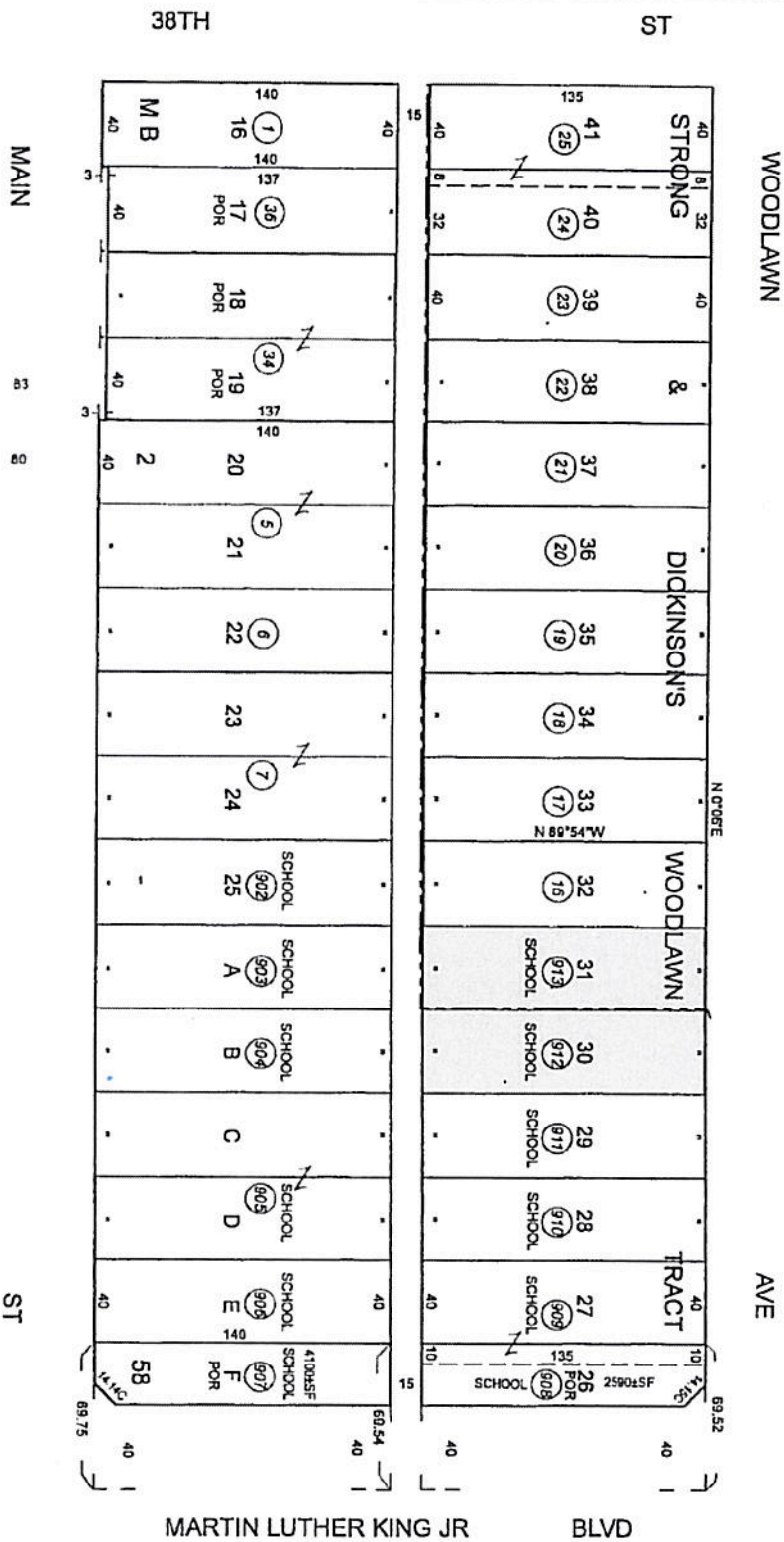


EXHIBIT III
 PROJECT MAP
 3843 & 3847 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 60± FT.
 OCTOBER 2012

Lea Associates 
 Property Economics

GENERAL SUBJECT INFORMATION

INTRODUCTORY COMMENTS

The purpose of the General Subject Information section is to provide a discussion of features relevant to both of the subject properties. This information is presented on the general characteristics of the subject sites, zoning, and the background of our highest and best use analyses. Because this information is discussed in detail in this section, it will only briefly be addressed in the individual Subject Property sections.

LAND

Shape:	Rectangular
Soils and Drainage Conditions:	No soils report has been made available, but a visual inspection of the subject properties and surrounding properties and developments revealed no other adverse conditions. Our conclusions are subject to our receipt of a soils report.
Topography:	Nearly level land at street grade
Flood Hazard Rating:	Zone C, Areas of minimal flooding; Panel No. 06037C1620F, dated September 26, 2008 (per FEMA Map Service Center)
Census Tract No.:	2311.00
Earthquake Zone:	The subject properties are not within a Special Study Zone due to historic earthquake activity.
Hazardous Substances:	Based on our on-site inspection of the subject properties, we have not observed any hazardous substances that would impact the marketability and/or the value of the subject properties. We were not provided an environmental assessment report. Our appraisal report and its value conclusions are based on the assumption that no contamination exists for the subject properties, and are subject to our receipt and review of an environmental assessment report and any clean-up recommendations contained in that report.

ZONE

The subject sites are currently zoned R2 (Two-Family Zone) per the City of Los Angeles zoning map.

Permitted uses in the R2 zoning, include single-family and two-family residences on an individual lot.

The front yard setback for the two-family zone shall be no less than 20% of the depth of the lot, but not to exceed 20 feet. For a main building not more than two-stories in height, there shall be a side yard on each side of the building of not less than five feet. Every lot shall have a minimum width of 50 feet and a minimum area of 5,000 square feet.

EASEMENTS

We were not provided with title reports for the subject properties. Visual inspection revealed no indications of any issues impacting the subject sites.

UTILITY AVAILABILITY

All of the usual and necessary public utilities are available to the subject properties.

ACCESS AND STREET IMPROVEMENTS

The subject properties enjoy full pedestrian and vehicular access to Woodlawn Avenue and a rear alleyway.

Woodlawn Avenue is a 60 foot wide asphaltic paved residential street. It is oriented in a north/south direction and is improved with concrete curbs, gutters, streetlights, and sidewalks along both sides as well as allowing for one lane of traffic in either direction.

There is also a 15 foot wide alleyway that borders along the western portion of the subjects and is oriented in a north/south direction.

HIGHEST AND BEST USE

Highest and Best Use may be defined as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value."²

Our analysis of Highest and Best Use includes two studies: Highest and Best Use of land as if vacant, and Highest and Best Use of property as improved. The highest and best use of both land as if vacant and property as improved must meet four criteria. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive.

As Though Vacant

Legally Permissible: The intent of the R2 zone is to provide the means necessary to implement the city of Los Angeles's general plan. It is intended to provide for single and two-family dwellings in an urban environment with full urban services. Only those additional uses that are complementary to and exist in harmony with an urban residential neighborhood are allowed.

Physically Possible: The uses which are possible given the physical characteristics of the land, considering any limitations on future development. The subject sites are rectangularly shaped and measure approximately 5,400 square feet each in site area. Topography is level and at street grade. Given the size of these parcels and their location along interior type collector streets, it appears that single- and two-family residential uses would be possible.

Financially Feasible: Those improvement programs that would produce a positive return on the investment required to construct them. This criterion considers, among other things, trends in the area and apparent future demand. Surrounding land uses in the immediate neighborhood consist primarily of single family residential properties with some multi-family uses noted. Occasional in-fill multi-family

² *The Appraisal of Real Estate*, 12th Edition (Appraisal Institute, Chicago, 2002) 305.

affordable residential new construction has been noted, however generally on larger parcels where several units can be developed.

Maximally Productive: The maximally productive use is that which results in the highest return to the subject properties from the legally permissible, physically possible, and financially feasible uses. The highest return to the subject sites as vacant, would be to hold until economic conditions improve, then developing with a residential use consistent with the R2 zoning designation.

As Improved

The highest and best use of the properties as improved must satisfy the same four criteria as for the land as though vacant. However, since improvements already exist on the subject properties, this study focuses primarily on whether to continue to use the structure(s) (as they exist or modified) or to demolish them and use the site for new development. Our market investigations and interviews with knowledgeable brokers in the area suggests that the fair market value for the subject sites, assumed vacant and available for development, would indicate a value conclusion for the subject sites that is below our concluded value of the subject properties as presently improved. Therefore, our contention that the existing improvements contribute to the subject's value and should not be demolished, is supported by the market.

GENERAL VALUATION DISCUSSION

INTRODUCTION

The general report section is intended to provide a background discussion to the valuation problems common to each subject property, which are discussed in greater detail in the individual subject property sections. In this section, we provide an overview of the various methods used in our valuation analyses, discuss the factual data used to provide value indications for each of the subject properties, review the general market observations and trends uncovered during the investigation phase of our appraisal assignment, and introduce the appropriate elements of comparison that were considered in the valuation of the subject sites.

In theory, there are three approaches to value, the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. The Cost Approach is based on the principle of substitution under the assumption that an informed buyer would pay no more than the cost of reproducing a substitute property with the same utility as the subject property. This process involves estimating the reproduction or replacement cost new for the improvements, deducting an estimated dollar amount for accrued depreciation and adding the estimated land value. Land value is usually estimated by the Sales Comparison Approach.

The Sales Comparison Approach is also based on the principle of substitution under the assumption of reasonable market behavior. This approach involves direct comparison of similar properties that have sold to the subject property. The data from these comparables are converted to pertinent units of comparison that are analyzed and adjusted for differences which are considered significant, leading to a value indication for the subject property.

The Income Capitalization Approach is based on the principle of anticipation of future benefits and reflects the present worth of these rights accruing to ownership. These future benefits consist of annual net income that the property can generate during a period of ownership and the reversion of a capital sum at the time the property is sold. Using a market-derived capitalization rate, the stabilized net income is converted to the present value of anticipated cash flows. A provision for the investor's recapture of invested capital, as well as return on capital, is built into this capitalization procedure.

The steps necessary in both processes entail estimating gross income and deducting an estimated vacancy and collection loss, thus deriving an effective gross income. Estimated expenses are then deducted to provide a projected net operating income (NOI). This NOI is then capitalized or discounted at appropriate rates to yield an indication of value.

After considering the approaches to value, your appraiser considers the quantity and quality of the data available for examination under each of the approaches utilized, inherent dangers and advantages in each approach, and the relevancy of each to the subject property and the appraisal problem. Under the Reconciliation subheading of this report section, we present an evaluation of each approach and a discussion regarding our final estimate of value.

In our valuation of the single-family subject properties, we have utilized the Sales Comparison approach to value. We have analyzed the comparables on a total price basis.

The Cost Approach to value was not deemed appropriate for this assignment because participants in the subject market do not generally utilize the Cost Approach to value in making purchase and sale decisions for properties similar to the subjects; and, for structures similar in age and function to the subjects, estimating depreciation requires a relatively high degree of judgment. The Income Approach to value was

not deemed appropriate for this assignment because participants in the subject market do not generally utilize the Income Approach to value in making purchase and sale decision for properties similar to the subjects.

SALES COMPARISON APPROACH - IMPROVED PROPERTY VALUE

The market for single-family sales, in the subject's vicinity was surveyed to obtain sales information for our use in estimating the fair market value of the subject properties. The sources of data included RealQuest, the Multiple Listing Service (MLS), and interviews with knowledgeable brokers in the market area. After the sale data was collected, we verified the details of the transactions with the buyer, seller, or broker, whenever possible.

The market data items were then field inspected and compared and contrasted to the subject properties. The sale items uncovered in our investigation are shown on Table I and displayed geographically on the facing Market Data Map. In comparing these transactions to the subject properties, we considered such factors as time of sale, general location, age, building condition and quality, room count (bedroom/bath count), parking, and the living area (sf).

The market for residential properties in Los Angeles has been and remains active. The sales shown on Table I are the most helpful of the transactions which we initially reviewed. All are relatively close in location and occurred since approximately mid-2011.

With the exception of Sale Item No. 1, market conditions are felt to be similar between the respective dates of sale of the sale comparables and the current date of value of this report. Therefore, no adjustment for market conditions is felt to be warranted, except for Sale Item No. 1. A 10% upward adjustment is felt to be warranted for market conditions given our previous market overview discussion. Other elements of comparison are adjusted on a qualitative basis.

The set of ten comparable transactions (including pending sales) showed prices ranging from \$123,000 to \$249,000. We also considered the August 2011 purchase price of the subject properties. Please reference the individual subject sections for specific analysis and discussion relating to each sale item as it compares to each of the subject properties.

TABLE I
MARKET DATA SUMMARY
SINGLE FAMILY RESIDENTIAL SALES
LOS ANGELES, CALIFORNIA

ITEM NO.	LOCATION	SALE DATE	IMPROVEMENT DESCRIPTION	BUILDING SIZE (SF)	ROOM COUNT ¹	LOT SIZE (SF) COVERAGE	PRICE		REMARKS
							TOTAL	P5F RESIDENCE	
1	3737 Woodlawn Avenue Los Angeles 5121-030-019	May-11	SFR built in 1905; 2-car garage; fair to average condition. Security bars on windows and doors. Sold in "as is condition."	1,288	2-1	5,400 24%	\$123,000 \$135,300 ²	\$95.50 \$105.05 ²	Short sale. New 3,310 sf two-story duplex with 3-car detached garage currently on property.
2	4231 Woodlawn Avenue Los Angeles 5113-031-018	Jan-12	SFR built in 1908; two-car detached garage; average condition; newer wood kitchen cabinets, tile flooring, newer bath vanities; covered rear patio; needs paint and updating.	1,462	3-2	6,750 22%	\$193,000	\$132.01	Lender owned/REO sale. Vacant at time of sale.
3	321 West 40th Place Los Angeles 5111-003-019	May-12	SFR built in 1905; detached 2-car garage; good condition; new paint, carpeting, flooring, granite countertops, kitchen and bath wood cabinets, plumbing fixtures; bathrooms have new vanities, new fixtures, new flooring; security bars on windows and doors.	1,204	3-2	5,091 24%	\$231,000	\$191.88	Standard sale. Previously sold for \$160,000 in December 2011. Property is seven parcels east of the 110 freeway.
4	150 West 42nd Street Los Angeles 5111-015-004	Dec-11	SFR built in 1905; two-car carport; good condition/remodeled; kitchen with granite countertops, new flooring, new bathroom fixtures; 2 master bedrooms; security bars on windows and doors.	1,304	3-3	4,848 27%	\$229,000	\$175.61	Standard sale. Previously sold for \$135,000 in September 2011.
5A	419 East 43rd Street Los Angeles 5113-010-006	May-12	SFR built in 1908; garage has been converted to a single; fair to average condition needed lots of cosmetic updating including paint, flooring, baths; holes in walls/floors; security bars on windows and doors.	1,248	3-2	5,120 24%	\$140,000	\$112.18	Short Sale. Listing agent believes that sale price reflected market value for condition. Vacant at time of sale.
5B		Pending Sale	Remodeled with new laminate and tile flooring, new paint, copper plumbing and upgraded electrical; roof 2 years old; landscaping; one-car detached garage; currently on market as of September 9, 2012. Good condition.			Escrow Price 3% Concessions	\$239,000 \$2,170 \$231,830	\$185.76	Standard sale. Property is vacant. Listing agent believes that approx. \$40,000 was spent on renovations. He also stated that there was approx. 3% in concessions.
6	648 East 45th Street Los Angeles 5108-003-006	Pending Sale	SFR built in 1904; two-car detached garage; fair to average condition; needs work.	1,382	4-1	5,442 25%	\$155,500	\$112.52	Lender owned/REO sale. Currently vacant. Previously sold for \$485,801 in September 2011 and for \$405,000 in November 2008.
7	725 East 48th Street Los Angeles 5108-004-014	Jan-12	SFR built in 1909, one-car detached garage; good condition; remodeled kitchen, custom cabinets, granite counters, stainless steel range, new paint, carpet, lighting, hardwood flooring; fireplace and chimney not working at time of sale.	1,344	3-2	6,158 22%	\$238,000	\$175.80	Standard Sale. Previously sold for \$150,000 in November 2011.
8A	744 East 47th Street Los Angeles 5108-008-020	Nov-11	SFR built in 1908; fair to average condition; needed cosmetic updating, carpet, paint, kitchen cabinets; tenant occupied at time of sale. Two-car detached garage has been illegally converted with kitchen and two bedrooms.	1,242	3-2	5,535 22%	\$130,000	\$104.87	Lender owned/REO sale. Listing agent feels that the property sold for market value based upon condition. Previously sold in September 2008 for \$465,000.
8B		Pending Sale	Updated. Good condition. Seller is investor who purchased to build multiple units or renovate and re-sell.				\$249,000	\$200.48	Standard sale. At time of inspection, property had been renovated with new front door, new stucco, paint, roof.
9	983 East 42nd Street Los Angeles 5115-022-027	Mar-12	SFR built in 1905; average condition; uncovered parking.	1,322	3-2	5,000 26%	\$187,000	\$126.32	Lender owned/REO sale. At time of inspection, property had been partially renovated with new roof, newer windows, and paint.
10A	921 East 32nd Street Los Angeles 5114-021-026	Jun-12	SFR built in 1903; fair condition; needs repairs (will not qualify for traditional financing), large crack in foundation; original condition, illegal addition in back; roof leaks; uncovered parking. Backs onto industrial/commercial property.	1,252	2-2	5,800 22%	\$128,500	\$101.04	Lender owned/REO sale. Listing agent believes that property sold at or slightly above market value.
10B		Pending Sale	Renovated with new paint, granite counters in kitchen and baths, new carpet and tile flooring, new windows, new fixtures. Good condition.		3-2		\$239,990	\$191.69	Standard sale.
Subject #	3843 Woodlawn Ave. Los Angeles 5121-029-913 (formerly 5121-029-015)	Aug-11 Oct-12 (Date of Value)	Built in 1906; no covered parking; average condition, some renovations have been done prior to the sale (hypothetical condition).	1,260	4-2	5,400 23%	\$200,000	\$158.73	Sold to The Accelerated Schools.
Subject #	3847 Woodlawn Ave. Los Angeles 5121-029-912 (formerly 5121-029-014)	Aug-11 Oct-12 (Date of Value)	Built in 1906; no covered parking, average condition; some renovations have been done prior to the sale (hypothetical condition).	1,392	3-1	5,400 26%	\$235,000	\$168.82	Sold to The Accelerated Schools.

SOURCE: LEA ASSOCIATES, INC., SURVEY, SEPTEMBER 2012

Note: No adjustment has been applied for market conditions (passage of time).
¹ Bedrooms - Bathrooms
² Adjusted upwards by 10% for market conditions from time of sale to report date of value.

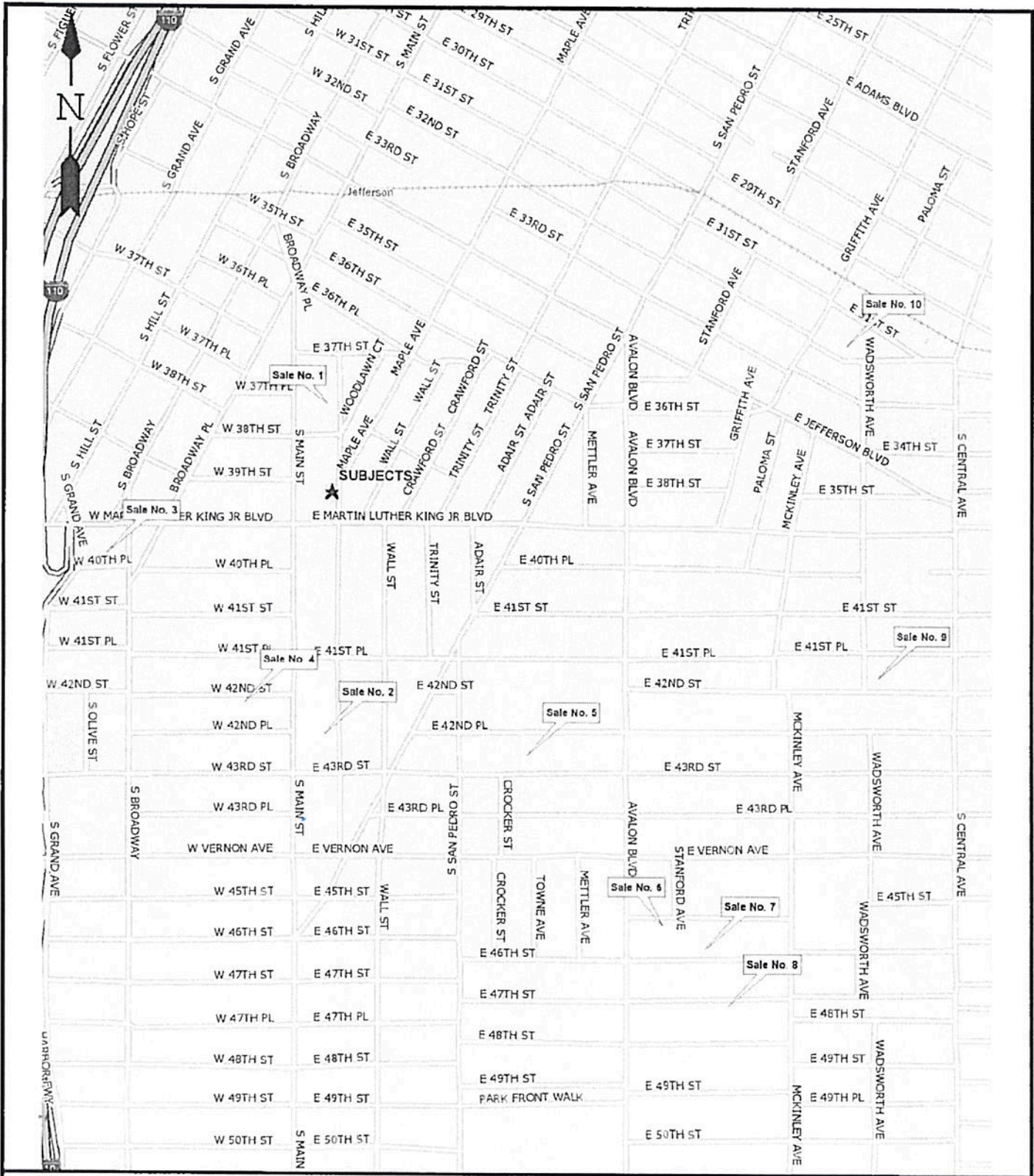


EXHIBIT IV
 MARKET DATA MAP - SFR SALES
 3843 & 3847 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 1000± FT.
 OCTOBER 2012

Lea Associates
 Property Economics



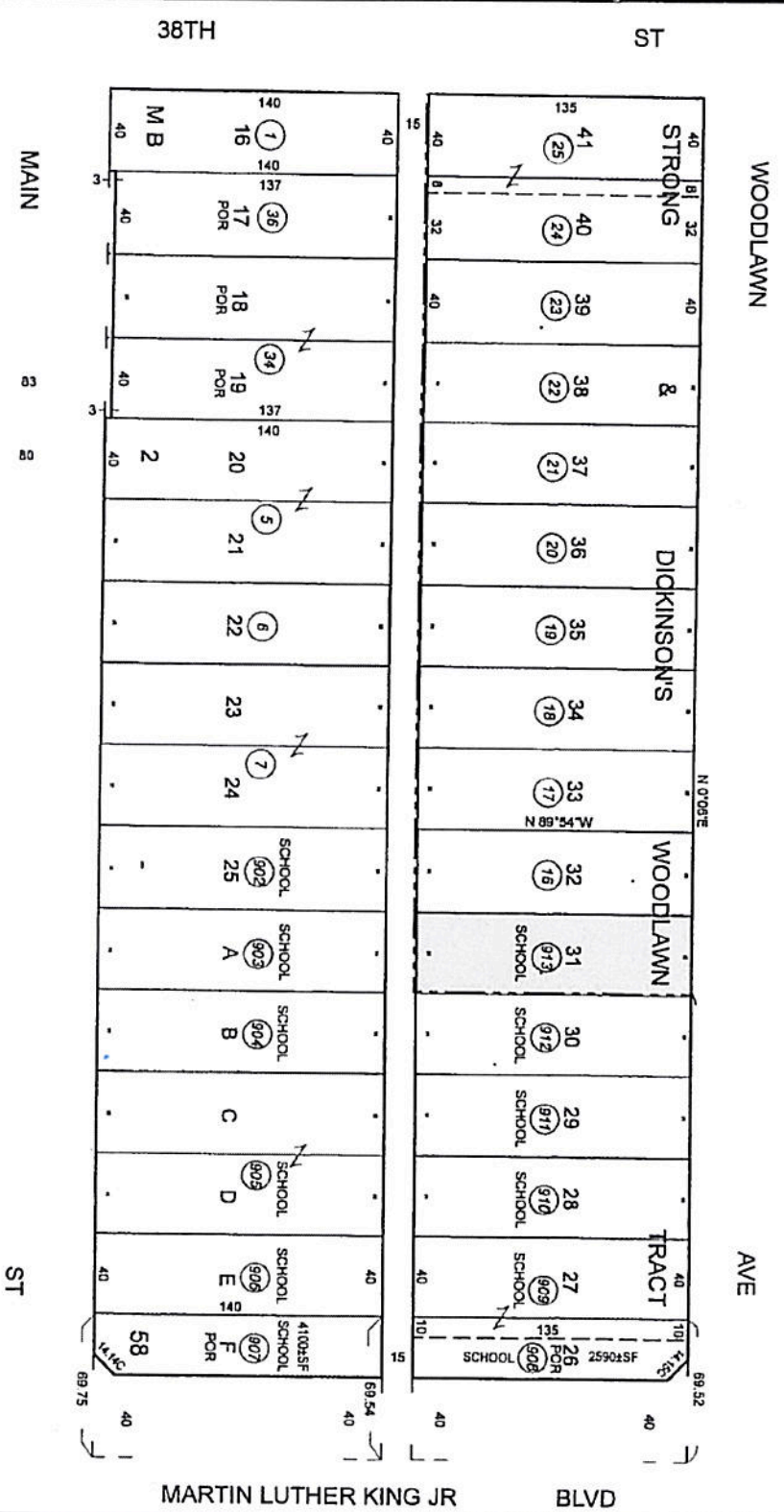


EXHIBIT
 SITE MAP
 3843 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 60± FT.
 OCTOBER 2012

Lea Associates
 Property Economics



SUBJECT PROPERTY

OWNER OF RECORD

Los Angeles Unified School District
333 South Beaudry Avenue, 23rd floor
Los Angeles, CA 90017-1466
Attn: Director of Real Estate c/o Escrow Manager

ACQUISITION AND PROPERTY HISTORY

On August 26, 2011 a grant deed was recorded transferring the subject property to Accelerated School (Document No. 1156480) in the amount of \$235,000 (actual sale price was \$435,000 for APNs: 5121-029-015 and 014). On the same date, Document No. 1156481 transferred the property to the Los Angeles Unified School District. No other transfers have occurred in the past five years. The property is not known to be currently listed for sale or under contact.

LOCATION

The subject property is located on the west side of Woodlawn Avenue, south of 38th Street and north of Martin Luther King, Jr. Boulevard.

3847 Woodlawn Avenue
Los Angeles, California

Legal Description

The subject property is legally described as "Lot 30 of Strong & Dickinson Woodlawn Tract, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 2, Pages 58 of Maps, in the office of the County Recorder of said County."

Land

Shape: Rectangular
Dimensions: 40 ft. frontage along Woodlawn Ave x 135 ft. deep along southern boundary (Based on Assessor's map)
Area: 5,400±sf or 0.12± acres gross (Based on Assessor's map)

Zone

Please refer to the General Subject Information section of this report.

Assessor's Data

Assessed Values (2012)
Assessor's
Parcel No(s): 5121-029-912 (formerly APN: 5121-029-014)
Land: \$160,000
Improvements: 75,000
Total: \$235,000
Actual Taxes (2011): \$426.87
Tax Rate Area: 6658
Tax Rate: \$1.245849 per \$100 assessed valuation

In accordance with Proposition 13, the subject will be reassessed under any subsequent transfer.

Easements

Please refer to the General Subject Information section of this report.

Utility Availability

Please refer to the General Subject Information section of this report.

Access and Street Improvements

Please refer to the General Subject Information section of this report.

Improvements

Summary: One-story wood frame residence

Details of the subject property improvements were obtained during our exterior inspection of the property.

Year Built: 1906

Living Area (± sf): 1,392± sf (Assessor's measurements)

Building-To-Land Ratio: 26%

Exterior Description:

Foundation: Raised
 Walls: Wood frame/siding
 Roof: Composition shingle

Interior Description:

No interior inspection permitted. Assessor reports 3 bedrooms/1 bath with a fireplace which was confirmed during our previous inspection on February 25, 2011.

Condition: Average. (Hypothetical condition given prior discussion).

Site Improvements:

Minimal landscaping and concrete walkway

Occupancy

Currently vacant. Previously tenant occupied.

HIGHEST AND BEST USE

We concluded the maximally productive use of the subject site, as vacant, would be to hold for future residential development consistent with its current zoning. As improved, it is felt that the current improvements contribute to value, and should not be demolished. For the basis of these conclusions, please reference the Highest and Best Use discussion in the General Information section of this report.

VALUATION

SALES COMPARISON APPROACH - IMPROVED VALUE

The market for single family residential sales in the subject's vicinity was surveyed to obtain sales information for our use in estimating the market value of the subject property. The sources of data included the Los Angeles County Assessor's and Recorder's data records via the internet compiled by Real Quest, the Multiple Listing Service (MLS), and interviews with knowledgeable brokers in the market area. After the sale data was collected, we verified the details of the transactions with the buyer, seller, or broker, whenever possible.

The market data items were then field inspected and compared and contrasted to the subject property. The sale items uncovered in our investigation are shown on Table I and displayed geographically on the facing Market Data Map. In comparing these transactions to the subject property, we considered such factors as time of sale, general location, age, building condition and quality, room count (bedroom/bath count), parking, and the size of the living area.

Our primary valuation parameter is overall price. Comments relative to the relative superiority and inferiority of the sales versus the subject therefore pertain to this unit of value. The sales most helpful for the valuation of the subject property were Item Nos. 2, 4, 6, 7, and 9.

Item No. 2 consists of an early-2012 sale of a single-family house that was felt to be in similar condition when compared to the subject. Sale date is felt to be similar. The parking is slightly superior to the subject. The overall size is similar to the subject. Bed/bath count is slightly superior to the subject. The age of this comparable is similar. Location, two blocks south of the subject on the same street, is similar. However, the REO status of this comparable is inferior to the subject. Overall, we would expect the subject to sell for a similar or slightly higher amount.

Item No. 4 consists of the late-2011 sale of a single-family house that was felt to be in superior condition when compared to the subject. It was newly renovated just prior to the sale. Sale date is felt to be similar. The overall size is similar to the subject. Bed/bath count is slightly superior and the parking is slightly superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 6 consists of a pending sale of a single-family residence that was felt to be in inferior condition when compared to the subject. The REO status is inferior to the subject. The overall size is similar to the subject. Bed/bath count is slightly superior to the subject. Parking is slightly superior. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a higher amount.

Item No. 7 consists of the early-2012 sale of a single-family house that was felt to be in superior condition when compared to the subject. It was newly renovated just prior to the sale. Sale date is felt to be similar. The overall size is similar to the subject. Bed/bath count is slightly superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 9 consists of the early-2012 sale of a single-family house that was felt to be in similar condition when compared to the subject. Sale date is felt to be similar. The overall size is similar to the subject. Bed/bath count is slightly superior to the subject. The age of this comparable is similar as is parking. Location is similar. The REO status is considered to be inferior when compared to the subject. Overall, we would expect the subject to sell for a higher amount.

We also note that the subject property sold to Accelerated Schools on August 26, 2011 for \$235,000. Although the market trends indicate that the median price levels for single-family residences in the immediate subject area have increased, the market data appear to support a lower price level. Again, we have assumed a hypothetical condition that the interior condition is superior to the exterior condition and that the previous owner completed the interior renovations prior to the sale consummation (based upon your instructions).

Based on the collection of the relevant market data, and considering the above discussion as the sale items relate to the subject property, the concluded fair market value opinion of the subject property as of the date of value of this report, based on the Sales Comparison Approach, is:

TWO HUNDRED TEN THOUSAND DOLLARS

(\$210,000)

This equates to approximately \$151 psf of living area which is felt to be consistent with our market data.

RECONCILIATION

The value indications for the approaches to value employed in our analysis are:

Sales Comparison Approach:	\$210,000
Income Approach:	DNA
Cost Approach:	DNA

Therefore, after having given adequate consideration to each, it is our opinion that the fair market value of the fee simple interest of the subject property, as improved, as of the effective date of appraisal, is:

TWO HUNDRED TEN THOUSAND DOLLARS

(\$210,000)

**3847 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA**



Westerly view of subject property from the front.



Easterly view of subject property from the rear alley.

**3847 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA**



Northerly view along Woodlawn Avenue (subject at left).



Southerly view along Woodlawn Avenue (subject at right).

**3847 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA**



Northerly view along alley (subject at right).

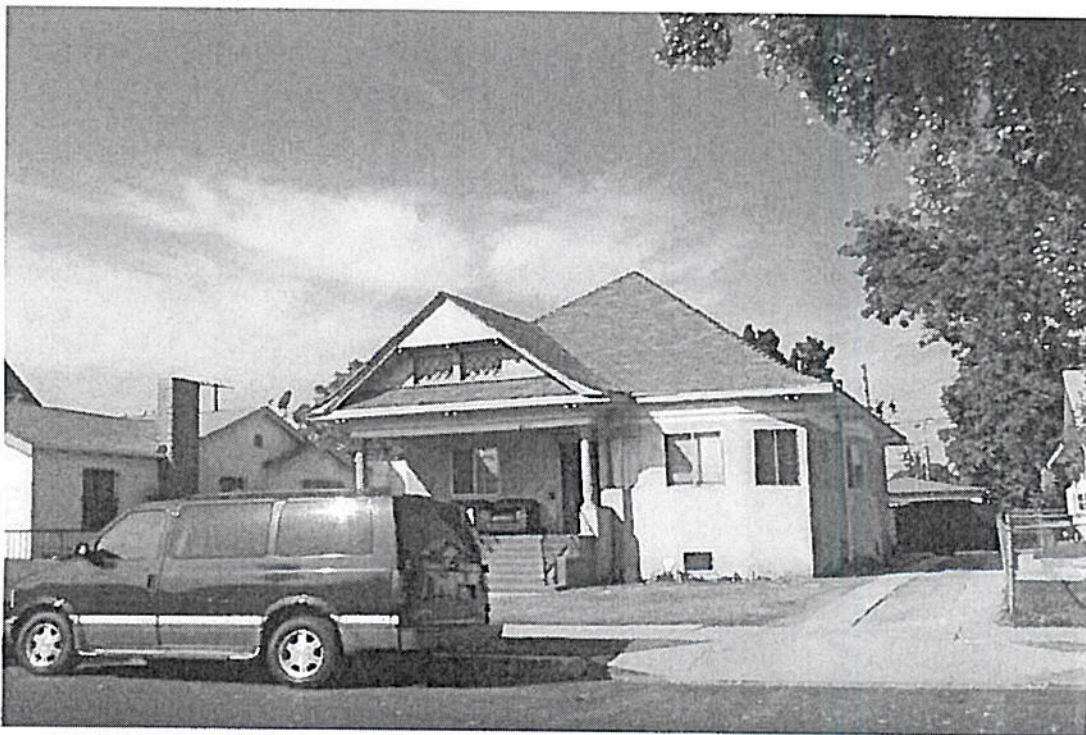


Southerly view along alley (subject at left).

SINGLE FAMILY RESIDENTIAL SALES



Item No. 1.



Item No. 2.

SINGLE FAMILY RESIDENTIAL SALES

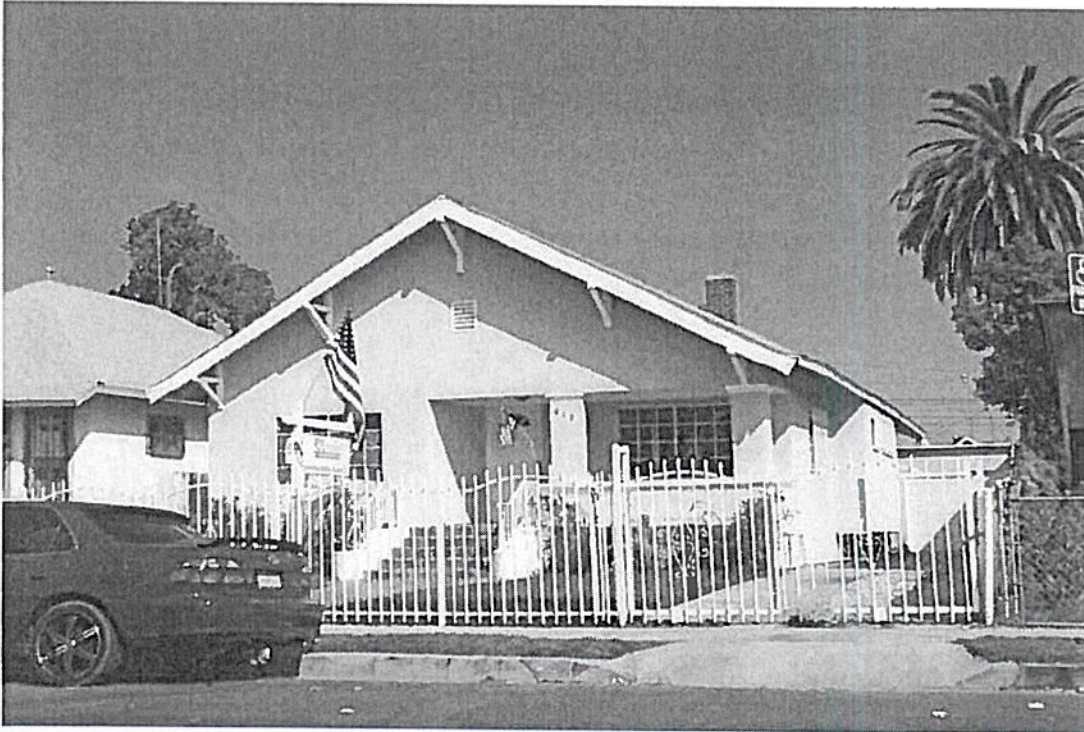


Item No. 3.



Item No. 4.

SINGLE FAMILY RESIDENTIAL SALES



Item No. 5.



Item No. 6.

SINGLE FAMILY RESIDENTIAL SALES

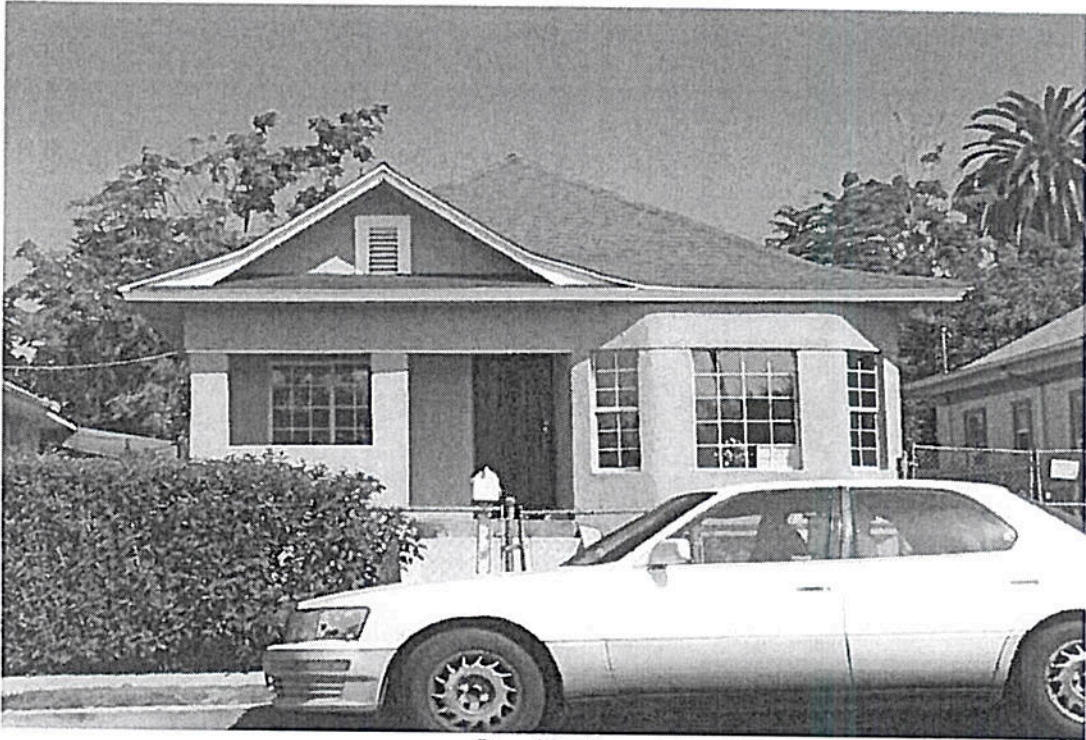


Item No. 7.



Item No .8.

SINGLE FAMILY RESIDENTIAL SALES



Item No. 9.



Item No. 10.

JOHN J. GOBBELL, JR., MAI

EXPERIENCE

Lea Associates, Inc., 1999 - Present; Principal responsible for the analysis and production of appraisal assignments and various analytical services. Responsibilities also include providing proposals and accepting assignments on the company's behalf. Serves in a supervisory or project management capacity on numerous appraisal assignments as well as participating in company management decisions.

Appraisal experience includes a wide variety of proposed and existing property types including commercial retail and office, industrial, single and multiple residential, acreage, residential subdivisions, and special purpose properties. Specific areas of concentration also include eminent domain/acquisition appraisals, rent studies, land lease re-settings and partial interest valuations. Primary market is Southern California but has also completed assignments in Central and Northern California, Alaska, Arizona and Nevada.

Gobbell and Company - 1992 to 1999; President with full responsibility for research, analysis, and production of narrative appraisals for various commercial, industrial, special purpose and residential properties, including subdivision and multiple family housing.

West Associates/Tarantello & Associates - 1989 to 1992; Senior Consultant responsible for research, analysis, and production of narrative appraisals for various commercial, industrial, special purpose and residential properties, including subdivision and multiple-family housing.

EDUCATION

University of Southern California, Economics, 1988

Successful completion of various courses and examinations including the following:

- Advanced Income Capitalization (510), Appraisal Institute
- Highest & Best Use and Market Analysis (520), Appraisal Institute (Exam only)
- Advanced Sales Comparison & Cost Approaches (530), Appraisal Institute (Exam only)
- Report Writing and Valuation Analysis (540), Appraisal Institute
- Advanced Applications (550), Appraisal Institute
- Standards of Professional Practice, Parts A & B (410 & 420), Appraisal Institute
- Multiple National USPAP Update courses, Appraisal Institute
- Business Practices & Ethics, Appraisal Institute
- Curriculum Overview (Residential & General), Appraisal Institute
- Real Estate Principals, Real Estate Appraisal, and The Analytical Tools of Real Estate Research, University of California Los Angeles Extension
- Comprehensive Exam, Appraisal Institute

*Lea Associates, Inc., 1635 Pontius Avenue, Los Angeles, CA 90025
(310) 477-6595 phone (310) 914-0249 facsimile Jgobbell@leaassoc.com E-mail*

JOHN J. GOBBELL, JR., MAI (CONT'D)**EDUCATION (CONT'D)**

Continuous participation in classes and seminars in pertinent real estate study areas sponsored by professional organizations such as the Appraisal Institute, the California Redevelopment Association, the International Right of Way Association, and CLE (Continuing Legal Education) International.

ASSOCIATIONS

Appraisal Institute, Member, Designation Number 12397
 California State Certified General Real Estate Appraiser, AG010590
 International Right-of-Way Association (IRWA), member

EXPERT TESTIMONY

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

- Superior Court, County of Los Angeles, California
- Superior Court, County of Riverside, California

CLIENTS (Partial List)**Public**

Alameda Corridor Transportation Authority	City of Palmdale
Castaic Lake Water Agency	City of Pasadena
City of Alhambra	City of Riverside
City of Baldwin Park	City of Santa Monica
City of Brea	City of Temecula
City of Commerce	City of Thousand Oaks
City of Culver City	County of Los Angeles,
City of Fountain Valley	Community Development Commission
City of Glendale	(CDC)
City of Goleta	Metropolitan Transportation Authority
City of Hawthorne	(MTA)
City of Huntington Beach	County of Riverside
City of Lancaster	County of San Bernardino
City of Long Beach	Los Angeles World Airports (LAWA)
City of Los Angeles	Los Angeles Unified School District
Community Redevelopment Agency (CRA)	(LAUSD)
City of Lynwood	
City of Oxnard	

JOHN J. GOBBELL, JR., MAI (CONT'D)**CLIENT LIST (CONT'D)****Public (Cont'd)**

Metropolitan Water District of Southern California (MWD) Mountains Recreation and Conservation Authority (MRCA) State of California, Department of Transportation (Caltrans)	United States Department of Labor (DOL) United States General Services Administration (GSA)
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Financial Institutions

Bank Leumi Bank of America Bank of Los Angeles Bank of Montreal Bankers Capital Continental Bank First Interstate Bank First Los Angeles Bank Hanmi Bank Heritage Oaks Bank	Holliday Fenoglio Fowler Preferred Bank Private Bank of California Rock Island Company Sigma Mortgage Corporation Wells Fargo Bank
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Corporate

American Tower The Anden Group Brimar Industries Cassidy Turley Commercial Real Estate Services CB Richard Ellis Coldwell Banker Residential Brokerage Inc. Dunmore Homes EMR Residential Properties The Fieldstone Company KB Home The Larwin Company	Meta Housing Corporation Mulholland Hills Associates Overland, Pacific & Cutler, Inc. Paragon Partners, Ltd. RBF Consulting Sanli Pastore & Hill Silverberg & Associates
--	--

JOHN J. GOBBELL, JR., MAI (CONT'D)**CLIENT LIST (CONT'D)****Attorneys**

Abkarian & Associates Buchalter Nemer Cox, Castle & Nicholson, LLP Cummins & White, LLP Demetriou, Del Guercio, Springer & Moyer, LLP Duke, Charles, Esq. Eskridge Law Gains, Weil, West & Epstein, LLP Jaffe and Clemens Loeb, Stephen M., Esq. Michelman & Robinson, LLP Miller, Starr & Regalia Mortensen, Daniel R., Esq. Nishkian, Michael, Esq.	Nossaman, Guthner, Knox & Elliott, LLP Proctor, McCarthy & Slaughter, LLP Quinn Emanuel Urquhart Oliver & Hedges, LLP Reuben Raucher & Blum Richards, Watson & Gershon Sonnenschein, Nath & Rosenthal, LLP Stradling, Yocca, Carlson & Rauth Tyre, Kamins, Katz & Granof
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SUSAN O. GORDON

EXPERIENCE

Lea Associates, Inc., 2010-Present: Staff real property appraiser providing valuations of residential, commercial and industrial improved and vacant land properties, including analysis, research, data collection, verification, and narrative report writing.

Integra Realty Resources, Inc/Los Angeles, 2010-2011: Litigation research involving diminution of value of single-family and condominium residences.

Steven J. Decker & Associates, 2006-2010: Staff real property appraiser valuing all types of properties including single and multi-family residential, commercial (retail), office, industrial, and vacant land. Primary market is Southern California.

Assignments include the following:

- Valuation of ten parcels with primarily single-story retail buildings and a parking lot in Pacific Palisades for the purposes of a pending partition action involving the various ownerships;
- Valuations of two Beverly Hills single-family residences for estate planning purposes; one 5,500± sf residence valued at \$3,550,000; the second residence of 6,800± sf valued at \$5,100,000;
- Valuations for a potential county bond financing program of nine properties in Torrance including six single-family residences, one multi-family residence, and two vacant residential land parcels;
- Eminent domain valuations for Temporary Construction Easements (TCE) on 17 improved properties in the city of San Bernardino;
- Eminent domain valuations of four multi-family residential properties with 24 apartment units for the city of Riverside;
- Valuations of multi-family residential vacant land for seven dates of value (2005-2010) in the city of Signal Hill for litigation purposes;
- Litigation research determining whether bridge construction vibrations caused diminution of value of five nearby residential properties in the city of Los Angeles;
- A valuation of a Bel Air, California estate including an 18,000 square foot main residence with guest house, pool, spa, tennis court and out-buildings for a loan transaction;
- Valuations of two nursing homes located in Santa Monica and Anaheim, California for estate planning and tax reporting purposes;

*Lea Associates, Inc., 1635 Pontius Avenue, Los Angeles, CA 90025
(310) 477-6595 phone (310) 914-0249 facsimile sgordon@leaassoc.com E-mail*

SUSAN O. GORDON (Cont'd)

- Valuations of three high-rise Mid-Wilshire, Los Angeles, California office and retail buildings: 13 stories, 236,396 sf net rentable area; 12 stories, 212,383 sf net rentable area; and, 10 stories, 243,763 sf net rentable area, as part of a business valuation assignment;
- Valuations of 11 properties in the Los Feliz and Hollywood, California areas for estate planning and tax reporting purposes. Properties included: 5 single-family residences, 1 mixed-use apartment and retail building, and 5 retail buildings including a restaurant, 2 storefronts, and 2 night clubs;
- Valuations of two blocks of industrial and retail buildings and their respective parking lots in the Flower District of downtown Los Angeles, California for estate planning and tax reporting purposes;
- Valuations of 22 properties including: 4 single-family residences, 1 condominium, 1 apartment building, 5 retail buildings, 6 industrial buildings, and 5 vacant residential lots for estate planning and tax reporting purposes;
- Valuation of an ocean-front Malibu single-family residence including land value for estate planning and tax reporting purposes.

EDUCATION

University of California, Irvine, Bachelor of Arts, 1973

Successful completion of the following Appraisal Institute's courses and examinations:

- Real Estate Finance Statistics and Valuation Modeling
- Litigation Seminar
- Residential Design & Functional Utility
- Business Practices and Ethics
- 7-Hour National USPAP Equivalent Course
- Residential Property Construction and Inspection
- The New Residential Market Conditions Form
- How Residential & General Appraisers Can Prosper
- Appraiser Recruiter to the Stars
- 7-Hour National USPAP Equivalent Course
- Do You Know What to Look At and For in Property Observation?
- Low Income & Market-Rate Housing Considerations for Appraisers
- California State Office of Real Estate Appraisers (OREA) Residential License exam
- 15-Hour National USPAP Course
- Residential Market Analysis and Highest & Best Use
- Basic Appraisal Procedures
- Basic Appraisal Principles

ASSOCIATIONS

California State Real Estate Appraiser, #AL040748

Associate Member of the Appraisal Institute

*Lea Associates, Inc., 1635 Pontius Avenue, Los Angeles, CA 90025
(310) 477-6595 phone (310) 914-0249 facsimile sgordon@leaassoc.com E-mail*

APPRAISAL REPORT

MARKET VALUE STUDY
FARMER BROS. OWNERSHIP
SINGLE TENANT INDUSTRIAL FACILITY
3818-3832 SOUTH MAIN STREET
LOS ANGELES, CALIFORNIA

Date of Report
July 17, 2012

Effective Date
of Appraisal
July 13, 2012

Prepared for

JOHNATHAN WILLIAMS
Founder
The Accelerated School Community of Schools
116 Martin Luther King Boulevard
Los Angeles, California 90011

Prepared by

Scott A. Lidgard, MAI, CCIM
LIDGARD AND ASSOCIATES, INC.
2592 North Santiago Boulevard
Orange, California 92867-1862

Report Reference No. 7168

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

DEC 20 2012
Office of Public
School Construction
MAILROOM



July 17, 2012

Johnathan Williams, Founder
The Accelerated School Community of Schools
116 Martin Luther King Boulevard
Los Angeles, California 90011

Subject: Market Value Study
Farmer Bros. Ownership
Single Tenant Industrial Facility
3818-3832 South Main Street
Los Angeles, California

*Long Beach Office:
3353 Linden Avenue
Suite 200
Long Beach, CA
90807 - 4503*

Dear Mr. Williams:

In accordance with your request and authorization, I have completed an appraisal study of the above-referenced property.

*Orange County Office:
2592 N. Santiago Blvd.
Orange, CA
92867 - 5246*

The valuation study consisted of (1) a complete on-site field inspection of the subject property, (2) a review of public records, (3) the research and collection of comparable market data in the immediate subject market area, (4) a valuation employing the Sales Comparison Approach and Income Capitalization Approach based on an analysis of the comparable market data, and (5) preparation of this formal narrative appraisal report in summation of the activities outlined above.

*Telephone:
(562) 988-2926
(714) 633-8441*

The subject property is located on the east side of Main Street, beginning 160 feet south of 38th Street, within the City of Los Angeles. The site has a rectangular land configuration, effectively level topography, rear public alley access, and contains 28,000 square feet of land area. The site is zoned for, and has a highest and best use of, industrial development.

*Facsimile:
(714) 633-8449*

The property is presently improved with three contiguous buildings which have been combined and integrated as a single facility through the years. The buildings are of common brick masonry construction, contain 34,098 total square feet, and were originally constructed between 1924 and 1942. Other appurtenant on-site improvements located within the boundaries of the subject parcel an equipment storage shed, concrete paving, and wrought iron fencing. Overall con-

LIDGARD AND ASSOCIATES
INCORPORATED

Real Estate Appraisal and Consultation

dition of the buildings and on-site improvements is rated average, considering the age. Reference the accompanying appraisal report for a complete description of the land and improvements.

The purpose of this appraisal study is to express an estimate of market value of the subject property as an on going business entity inclusive of all components related thereto. Market value as defined in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1. Buyer and seller are typically motivated;*
- 2. Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- 3. A reasonable time is allowed for exposure in the open market;*
- 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

The intended use of the study is to assist the client in potential purchase negotiations with the private property owner in connection with a site assembly project relating to the construction of a school facility. Intended users are officials of The Accelerated School Community of Schools and consultants thereof for the explicit purpose and intent indicated above.

After considering the various factors which influence value, the market value of the subject property, in as-is condition, as of July 13, 2012, is as follows:

THREE MILLION FIVE HUNDRED THOUSAND DOLLARS

\$3,500,000. / 2 =

Johnathan Williams, Founder
The Accelerated School Community of Schools
July 17, 2012
Page 3

This appraisal complies with the reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(b), for a summary appraisal report. This report incorporates, by reference, certain data and analysis contained in our office file.

This appraisal report is submitted in triplicate; I have retained a file copy. If you require any additional information from our file, please do not hesitate to contact the undersigned.

Very truly yours,

LIDGARD AND ASSOCIATES, INC.



Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014
Renewal Date: March 13, 2014

SAL:sp

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Terms and Definitions

SUBJECT PROPERTY DESCRIPTION

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ADDENDA

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PREFACE

EXECUTIVE SUMMARY

PURPOSE OF APPRAISAL: Market value of unencumbered fee simple interest in the subject property, in as-is condition.

PROPERTY ADDRESS: 3818-3832 South Main Street
Los Angeles, California

APPARENT VESTEE: Farmer Bros. Co.

SITE DESCRIPTION:

Land area: APN: 5129-029-005: 11,200 sq.ft.
APN: 5129-029-006: 5,600 sq.ft.
APN: 5129-029-007: 11,200 sq.ft.
Total land area: 28,000 sq.ft.

Land shape: Rectangular land shape.

Zoning: M-1 (limited industrial).

Soil contamination: None known or observed by appraiser, however, a comprehensive soil study was not provided for review. The subject property has been appraised herein as though free of soil contaminants, if any.

Present use: Single tenant industrial facility.

Assessor's No.: 5129-029-005, 006, 007

IMPROVEMENTS:

Building size: 3818 S. Main Street: 16,258 sq.ft.
3828 S. Main Street: 7,120 sq.ft.
3828 S. Main Street: 10,710 sq.ft.
Total building area: 34,098 sq.ft.

Construction quality: Average quality, Class C construction.

Condition: Overall condition is rated average, considering the age.

Year built: Originally constructed between 1924 and 1942.

HIGHEST AND BEST USE:

As if vacant: Industrial development.

As improved: Existing development.

DATE OF VALUE: July 13, 2012.

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EXECUTIVE SUMMARY (Continued)

VALUATION ANALYSIS:

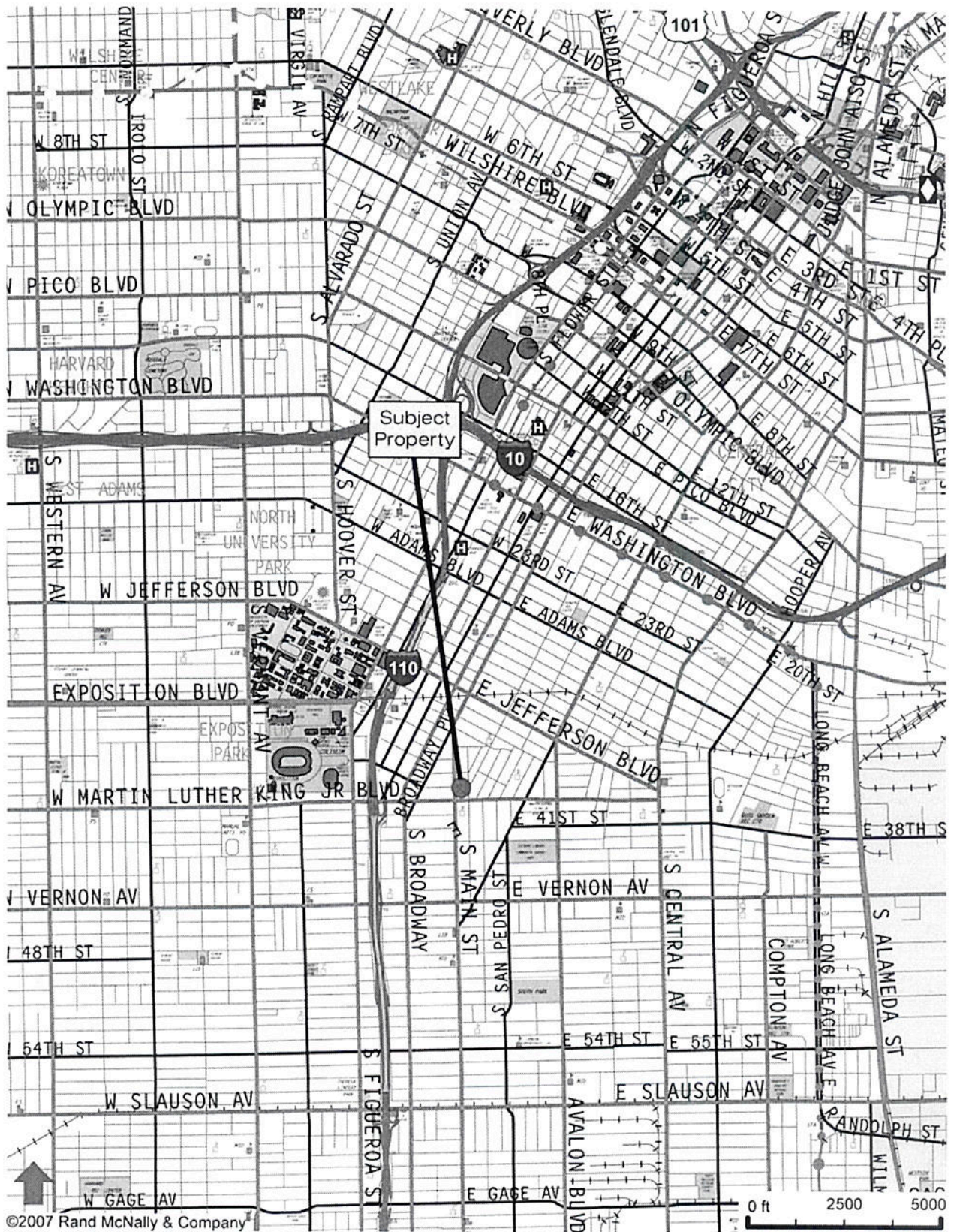
Sales Comparison Approach:	\$3,500,000.
Cost-Summation Approach:	Not applicable.
Income Capitalization Approach:	\$2,400,000.

RECONCILIATION:

The Sales Comparison Approach and Income Capitalization Approach have been applied to the subject property. The Cost-Summation Approach has not been applied for reasons discussed in the Valuation Analysis Section.

FINAL ESTIMATE
OF VALUE:

\$3,500,000.



DATE OF VALUE

The date of value employed in this report, and all opinions and computations expressed herein, are based on July 13, 2012; said date being generally concurrent with the on-site field inspection and valuation analysis process.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to express an estimate of the market value of the subject property, absent any liens, leases, or other encumbrances, as of the date of value set forth above. The definition of market value is set forth in the following portion of this section following the heading "Definition of Market Value"

Further, it is the purpose of this appraisal report to describe the subject property, and to render an opinion of the highest and best use based on (1) the character of existing and potential development of the property appraised, (2) the requirements of local governmental authorities affecting the subject property, (3) the reasonable demand in the open market for properties similar to the subject property, and (4) the location of the subject property considered with respect to other existing and competitive districts within the immediate subject market area.

Further, it is the purpose of this appraisal report to provide an outline of certain factual and inferential information which was compiled and analyzed in the process of completing this appraisal study.

INTENT AND USERS OF APPRAISAL

The intended use of the study is to assist the client in potential purchase negotiations with the private property owner in connection with a site assembly project relating to the construction of a school facility. Intended users are officials of The Accelerated School Community of Schools and consultants thereof for the explicit purpose and intent indicated above.

PROPERTY RIGHTS APPRAISED

The property rights appraised herein are those of the unencumbered fee simple interest. Fee simple is defined as, *"An absolute fee; a fee without limitations to any particular class of heirs, or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate."*

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APPRAISERS-CONSULTANTS

CERTIFICATION

The undersigned does hereby certify, except as otherwise noted in this appraisal report, that:

I have personally inspected the subject property. I have no present or contemplated future interest in the real estate which is the subject of this appraisal report. Also, I have no personal interest or bias with respect to the subject matter of this appraisal report, or the parties involved in this assignment.

My engagement in this assignment, and the amount of compensation, are not contingent upon the reporting or development of pre-determined values or direction in value that favors (1) the cause of the client, (2) the amount of the value opinion, (3) the attainment of predetermined/stipulated results, or (4) the occurrence of a subsequent event directly related to the intended use of this appraisal. To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the assumptions and limiting conditions (imposed by the terms of this assignment or by the undersigned), affecting my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

The analyses, opinions, and conclusions, were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the Code of Professional Ethics. As of the date of this report, I have completed the requirements of the continuing education program of the State of California. Further, duly authorized representatives of the State, as well as the Appraisal Institute, have the right to review this report.

Jason P. Boyer provided real property appraisal assistance to the person signing this report with respect to data collection, and report preparation. No others assisted in the preparation of the analyses, conclusions, and opinions of this appraisal study.



Scott A. Lidgard, MAI, CCIM
Certified General Real Estate Appraiser
California Certification No. AG 004014
Renewal Date: March 13, 2014

Date: July 17, 2012

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

SCOPE OF THE APPRAISAL

The appraiser, in connection with the following appraisal study, has:

1. Been retained, and has accepted the assignment, to make an objective analysis/valuation study of the subject property and to report, without bias, his estimate of fair market value. The subject property is particularly described in the following portion of this report in the section entitled Subject Property Description.
2. Toured the general area by automobile to acquaint himself with the extent, condition, and quality of nearby developments, sales and offerings in the area, density and type of development, topographical features, economic conditions, trends toward change, etc.
3. Walked within the subject property, and some of the nearby neighborhood, to acquaint himself with the current particular attributes, or shortcomings, of the subject property.
4. Completed an inspection of the subject for the purpose of becoming familiar with certain physical characteristics.
5. Made a visual observation concerning public streets, access, drainage, and topography of the subject property.
6. Obtained information regarding public utilities and sanitary sewer available at the subject site.
7. Made, or obtained from other qualified sources, calculations on the area of land contained within the subject property. Has made, or caused to be made, plats and plot plan drawings of the subject property, and has checked such plats and plot plan drawings for accuracy and fair representation.
8. Taken photographs of the subject property, together with photographs of the immediate environs.
9. Made, or caused to be made, a search of public records for factual information regarding the recent sales of the subject property, and for recent sales of comparable properties.

SCOPE OF THE APPRAISAL (Continued)

10. Has viewed, confirmed the sale price, and obtained certain other information pertaining to each sale property contained in this report.
11. Reviewed current maps, zoning ordinances, and other material for additional background information pertaining to the subject property, and sale properties.
12. Attempted to visualize the subject property as it would be viewed by a willing and informed buyer.
13. Interviewed various persons, in both public and private life, for factual and inferential information helpful in this appraisal study.
14. Formed an opinion of the highest and best use applicable to the subject property appraised herein.
15. Formed an estimate of market value of the unencumbered fee simple interest in the subject property, as of the date of value expressed herein.
16. Prepared and delivered this appraisal report, in triplicate, in summation of all the activities outlined above.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made with the following understanding as set forth in items No. 1 through 19, inclusive:

1. That liability of Lidgard and Associates, Inc., along with the specific appraiser responsible for this report, is limited to the client only and to the fee actually received by the firm. There is no accountability, obligation or liability to any third party reader/user of this report. In the event this appraisal report is delivered to anyone other than the client for whom this report was prepared, it is the client's responsibility to make such party and/or parties aware of all limiting conditions and assumptions of this assignment and related discussions.
2. That in the event the client or any third party brings legal action against Lidgard and Associates, Inc., or the preparer of this report, and the appraiser prevails, the party initiating such legal action shall reimburse Lidgard and Associates, Inc. and/or the appraiser for any and all costs of any nature, including attorney's fees, incurred in their defense.
3. That this summary appraisal report has been prepared in lieu of a self-contained appraisal report. This report is intended to comply with reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(b), for a summary appraisal report. This report incorporates, by reference, the data and valuation analysis contained in our office files and data base. The information contained in this summary report is specific to the needs of the client; no responsibility is assumed for unauthorized use of this report. The full extent of the appraisal process may not be apparent to the reader in the contents of this report. This summary report does not constitute a self-contained appraisal report, and should not be construed as such.
4. That title to the subject property is assumed to be good and merchantable. Liens and encumbrances, if any, have not been deducted from the final estimate of value. The vesting was obtained from County Records, or other sources, and has been relied upon as being accurate. The subject property has been appraised as though under responsible ownership. The legal description is assumed accurate.

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

5. That the appraiser assumes there are no hidden or unapparent conditions of the subject property, subsoil, structures, or other improvements, if any, which would render it more or less valuable. Further, the appraiser assumes no responsibility for such conditions or for the engineering which might be required to discover such conditions. That mechanical and electrical systems and equipment, if any, except as otherwise may be noted in this report, are assumed to be in good working order. The property appraised is assumed to meet all governmental codes, requirements, and restrictions, unless otherwise stated.
6. That no soils report, topographical mapping, or survey of the subject property was provided to the appraiser; therefore information, if any, provided by other qualified sources pertaining to these matters is believed accurate, but no liability is assumed for such matters. Further, information, estimates and opinions furnished by others and contained in this report pertaining to the subject property and market data were obtained from sources considered reliable and are believed to be true and correct. No responsibility, however, for the accuracy of such items can be assumed by the appraiser.
7. That unless otherwise stated herein, it is assumed there are no encroachments, easements, soil toxics/contaminants, or other physical conditions adversely affecting the value of the subject property.
8. That no opinion is expressed regarding matters which are legal in nature or other matters which would require specialized investigation or knowledge ordinarily not employed by real estate appraisers, even though such matters may be mentioned in the report.
9. That no oil rights have been included in the opinion of value expressed herein. Further, that oil rights, if existing, are assumed to be at least 500 feet below the surface of the land, without the right of surface entry.

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

10. That the distribution of the total valuation in this report between land and improvements, if any, applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
11. That the valuation of the property appraised is based upon economic and financing conditions prevailing as of the date of value set forth herein. Further, the valuation assumes good, competent, and aggressive management of the subject property.
12. That the appraiser has conducted a visual inspection of the subject property and the market data properties. Should subsequent information be provided relative to changes or differences in (1) the quality of title, (2) physical condition or characteristics of the properties, and/or (3) governmental restrictions and regulations, which would increase or decrease the value of the subject property, the appraiser reserves the right to amend the final estimate of value.
13. That the appraiser, by reason of this appraisal, is not required to give testimony in court or at any governmental or quasi-governmental hearing with reference to the property appraised, unless contractual arrangements have been previously made therefor.
14. That drawings, plats, maps, and other exhibits contained in this report are for illustration purposes only and are not necessarily prepared to standard engineering or architectural scale.
15. That this report is effective only when considered in its entire form, as delivered to the client. No portion of this report will be considered binding if taken out of context.
16. That possession of this report, or a copy thereof, does not carry with it the right of publication, nor shall the contents of this report be copied or conveyed to the public through advertising, public relations, sales, news, or other media, without the written consent and approval of the appraiser, particularly with regard to the valuation of the property

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

appraised and the identity of the appraiser, or the firm with which he is connected, or any reference to the Appraisal Institute, or designations conferred by said organizations.

17. That the form, format, and phraseology utilized in this report, except the Certification, and Terms and Definitions, shall not be provided to, copied, or used by, any other real estate appraiser, real estate economist, real estate broker, real estate salesman, property manager, valuation consultant, investment counselor, or others, without the written consent and approval of Scott A. Lidgard.
18. That the subject property consists of a portion of a larger parent ownership. That portion considered and appraised herein consists of the easterly 135 feet. The property has been appraised as a single marketable entity. Costs associated with a lot line adjustment, or other means of severing from the larger ownership, have not been considered in the analysis.
19. That this appraisal study is considered completely confidential and will not be disclosed or discussed, in whole or in part, with anyone other than the client, or persons designated by the client.

TERMS AND DEFINITIONS

Certain technical terms have been used in the following report which are defined, herein, for the benefit of those who may not be fully familiar with said terms.

MARKET VALUE (or Fair Market Value):

Market value is sometimes referred to as Fair Market Value; the latter is a legal term, and a common synonym of Market Value. Market value as defined in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

SALES COMPARISON APPROACH:

One of the three accepted methods of estimating Market Value. This approach consists of the investigation of recent sales of similar properties to determine the price at which said properties sold. The information so gathered is judged and considered by the appraiser as to its comparability to the subject property. Recent comparable sales are the basis for the Sales Comparison Approach.

TERMS AND DEFINITIONS (Continued)

COST-SUMMATION APPROACH:

Another accepted method of estimating Market Value. This approach consists of estimating the new construction cost of the building and yard improvements and making allowances for appropriate amount of depreciation. The depreciated reconstruction value of the improvements is then added to the Land Value estimate gained from the Sales Comparison Approach. The sum of these two figures is the value indicated by the Cost-Summation Approach.

INCOME CAPITALIZATION APPROACH:

The Income Capitalization Approach consists of capitalizing the net income of the property under study. The capitalization method studies the income stream, allows for (1) vacancy and credit loss, (2) fixed expenses, (3) operating expenses, and (4) reserves for replacement, and estimates the amount of money which would be paid by a prudent investor to obtain the net income. The capitalization rate is usually commensurate with the risk, and is adjusted for future depreciation or appreciation in value.

DEPRECIATION:

Used in this appraisal to indicate a lessening in value from any one or more of several causes. Depreciation is not based on age alone, but can result from a combination of age, condition or repair, functional utility, neighborhood influences, or any of several outside economic causes. Depreciation applies only to improvements. The amount of depreciation is a matter for the judgment of the appraiser.

HIGHEST AND BEST USE:

Used in this appraisal to describe that private use which will (1) yield the greatest net return on the investment, (2) be permitted or have the reasonable probability of being permitted under applicable laws and ordinances, and (3) be appropriate and feasible under a reasonable planning, zoning, and land use concept.

**SUBJECT PROPERTY
DESCRIPTION**

SUBJECT PROPERTY



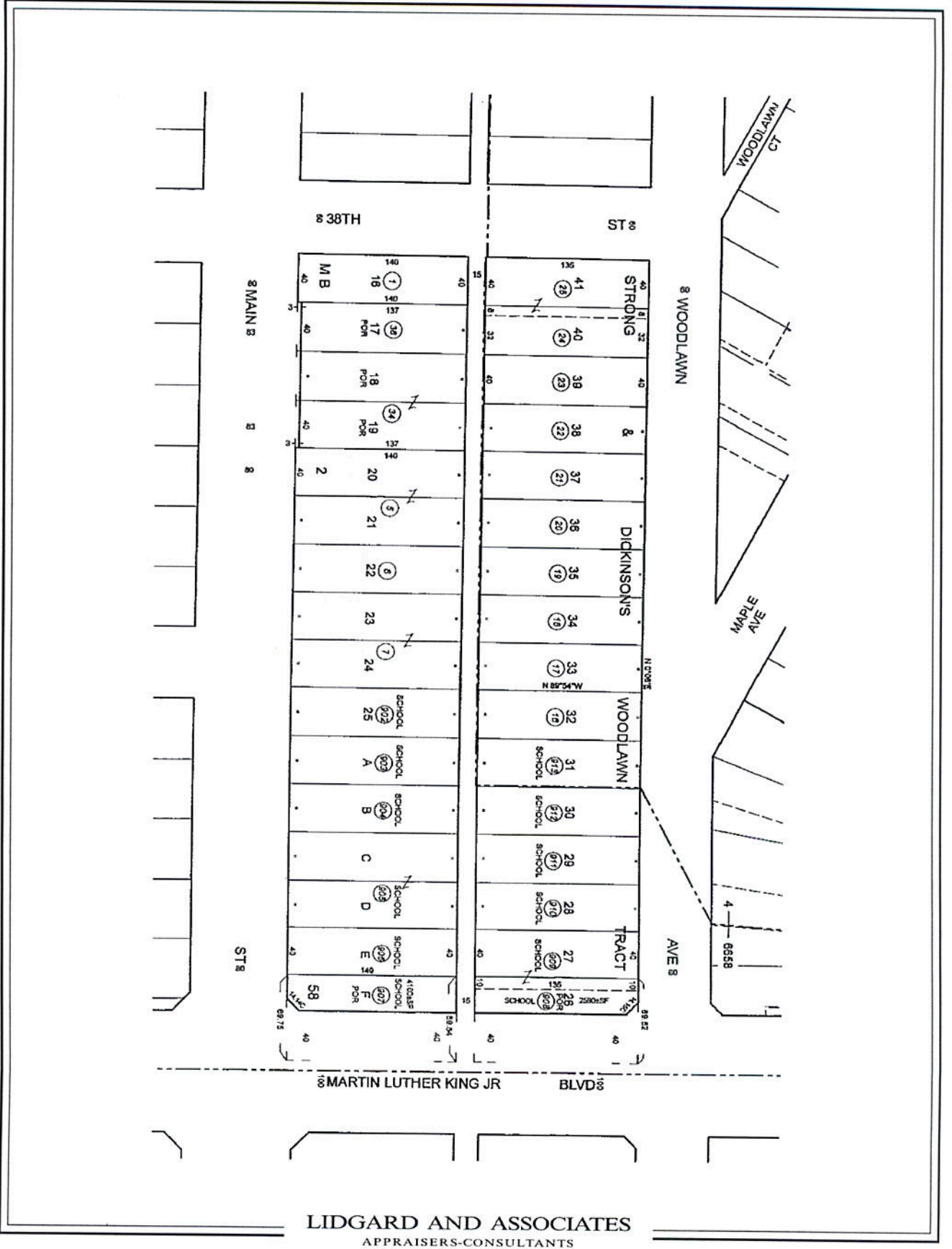
Aerial view of subject property located on the east side of Main Street, beginning 160 feet south of 38th Street, within the City of Los Angeles. See additional photographs of the subject property in the Addenda Section hereof.

APPARENT VESTEE: Farmer Bros. Co.
Mailing Address: 20333 Normandie Avenue
Torrance, California 90502
Telephone: c/o John Galvin
(310) 919-7751

PROPERTY ADDRESS: 3818-3832 South Main Street
Los Angeles, California

LEGAL DESCRIPTION: Lots 20 through 24, Strong & Dickinson's Woodlawn Tract, per map recorded in Book 2, Page 58 of Maps, in the office of the County Recorder, County of Los Angeles, California.

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SITE DESCRIPTION

LOCATION: East side of Main Street, beginning 160 feet south of 38th Street, within the corporate limits of the City of Los Angeles.

MAP COORDINATES: Thomas Bros. Map Page 674, Grid C-2.

CENSUS TRACT: Property located in Government Census Tract No. 231.00.

LAND SHAPE: Rectangular land configuration; see highlighted portion of plat map on the opposite page.

DIMENSIONS: 200' x 140'.

LAND AREA: APN: 5121-029-005: 11,200 sq.ft.
APN: 5121-029-006: 5,600 sq.ft.
APN: 5121-029-007: 11,200 sq.ft.
Total land area: 28,000 sq.ft.

TOPOGRAPHY Effectively level topography.

DRAINAGE: Appears to be adequate; no depressions or low areas were noted within the boundaries of the subject property which would cause a water ponding condition during the raining season.

SOIL STABILITY: Appears to be adequate, however, a soils report was not provided for review.

SOIL CONTAMINATION: There is no known soil contamination; a soils study, however, was not provided review. The subject property has been appraised as though free of soil contaminants.

ACCESS: The subject property has 200 lineal feet of frontage along Main Street, and 200 feet along a rear public alley.

RIGHTS-OF-WAY WIDTH: Main Street: 80-83 feet.
Public alley: 15 feet.

SITE DESCRIPTION (Continued)

STREET SURFACING:	Asphalt paved traffic lanes.
CURB AND GUTTER:	Concrete curb and gutter (each side of street).
SIDEWALK:	Concrete sidewalk (each side of street).
STREET LIGHTS:	Mounted on ornamental standards.
PUBLIC UTILITIES:	Water, gas, electric power, and telephone are available at the site.
SANITARY SEWER:	Available at site.
ENCROACHMENTS:	None apparent.
EASEMENTS:	A title report was not provided for review. Easements, if existing, are assumed to be located along property boundaries, not interfering with the present or future highest and best use of the site. It is assumed there are no "cross-lot" or "blanket" easements.
EARTHQUAKE FAULT:	The subject property is not located within a special earthquake fault study zone. The greater southern California area, however, is generally prone to earthquakes and other seismic disturbances. No studies have been provided for review concerning the geologic and/or seismic condition of the subject property. No responsibility is assumed for the possible impact on the subject property of seismic activity and/or earthquakes.
FLOOD HAZARD AREA:	The subject property is not located within a flood zone, per data issued by the Federal Emergency Management Agency.
ILLEGAL USES:	None observed.
PRESENT USE:	Single tenant industrial facility.

SITE DESCRIPTION (Continued)

ZONING:

The subject property is located within the M-1 (limited industrial) zone district of the City of Los Angeles. The general plan land use designation is limited manufacturing. The purpose and intent of the M-1 zone classification is to (1) protect industrial land for industrial use and prohibit unrelated commercial or other non-industrial uses, (2) provide a reasonable range of interim uses in order to provide land owners income opportunities from temporary uses while the industrial land reserve is being protected for future growth, (3) upgrade industrial development standards to protect industrial investment against incompatible residential, commercial, and nontraditional industrial uses.

Legally permitted uses include the manufacturing of products, assembling, compounding, processing or treatment of materials. Specific permitted uses include building material sales yard, contractors equipment storage yard or plant, freighting or truck terminals, lumber yards, motion picture and media production, open storage, parking of trucks or buses, as well as a wide variety of commercial retail uses as permitted under the C-2 zone.

There is no minimum lot area, minimum lot width, or setback area requirements within the M-1 zone district.

The predominant development standard is that of the on-site automobile parking requirement which varies depending on the type and size of development. In general, industrial uses require one space per 500 square feet of gross building area.

Based on an inspection of the subject property, as well as a review of current zone standards, the existing subject development

SITE DESCRIPTION (Continued)

ZONING: (Continued) represents a pre-existing legal nonconforming use primarily with respect to the on-site automobile parking requirement.

HIGHEST AND BEST USE: The reader is referred to the first portion of the Valuation Analysis Section for a detailed discussion regarding the highest and best use of the subject property.

BUILDING IMPROVEMENTS

MAIN BUILDING

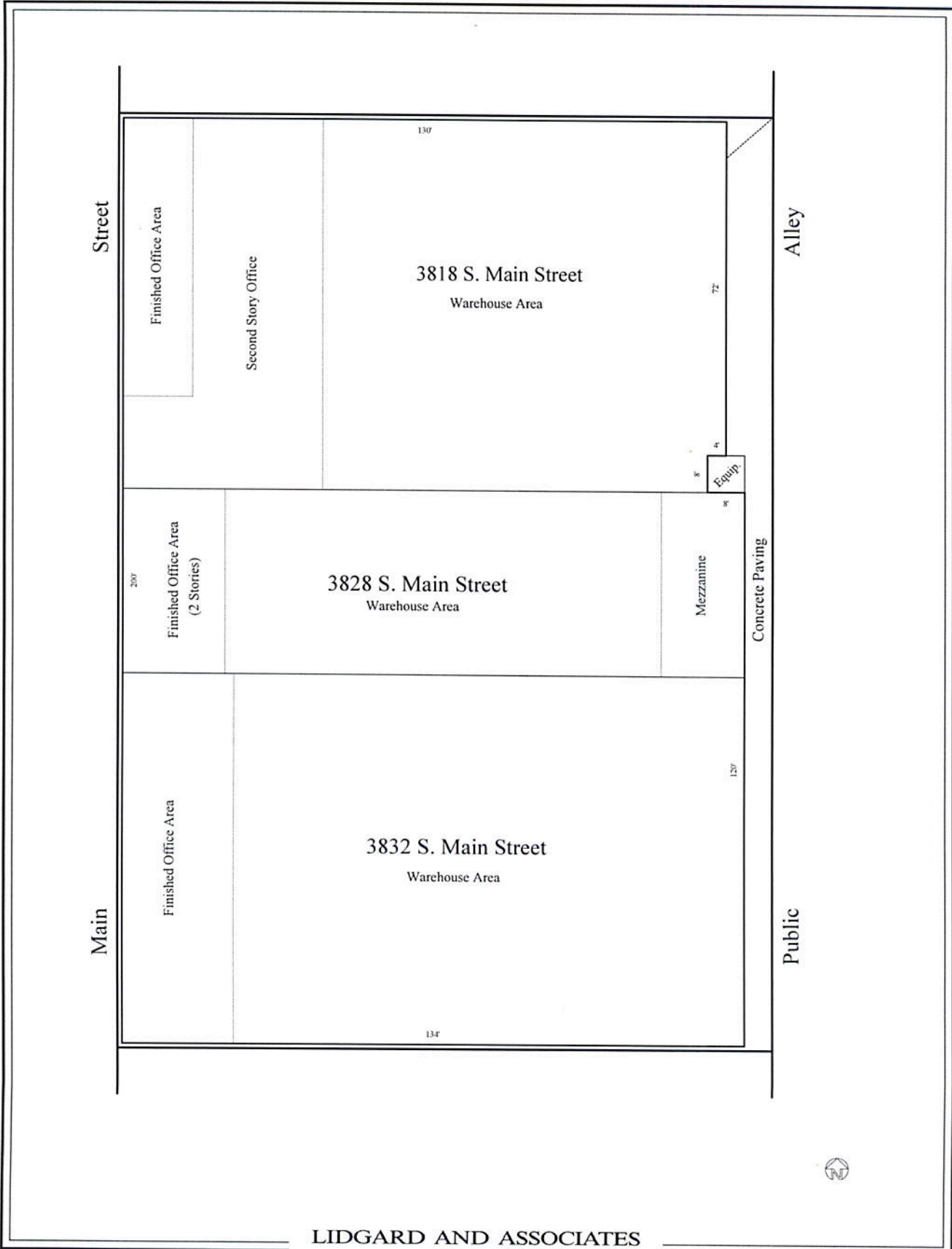
COMMENT: The subject property is improved with three contiguous industrial buildings which have been combined and integrated as a single facility throughout the years. All three buildings are of generally similar construction quality and type as described below.

TYPE OF STRUCTURE: Industrial buildings.

NO. OF STORIES: One story with mezzanine office and storage areas.

BUILDING SIZE:

3818 S. Main Street:		
Office area:	6,390 sf	
Warehouse area:	<u>9,868</u> sf	
Subtotal:		16,258 sf
3828 S. Main Street:		
Office area:	2,640 sf	
Warehouse area:	<u>4,480</u> sf	
Subtotal:		7,120 sf
3832 S. Main Street:		
Office area:	1,920 sf	
Warehouse area:	<u>8,800</u> sf	
Subtotal:		<u>10,720</u> sf
Total building area:		34,098 sf



BUILDING IMPROVEMENTS (Continued)

MAIN BUILDING (Continued)

BUILDING SIZE: (Continued) The building has unfinished mezzanine storage area containing an additional 720 square feet.

YEAR BUILT: Los Angeles County Assessor's records indicate the following:

3818 S. Main Street: 1942
3828 S. Main Street: 1924
3832 S. Main Street: 1928

CONSTRUCTION QUALITY: Average-good quality, Class C construction.

FOUNDATION: Perimeter concrete foundation.

EXTERIOR WALLS: Common brick masonry exterior walls. All buildings were retrofitted for earthquake safety in the late 1980s.

ROOF SURFACING: Rolled asphalt roofing with fiberglass coating. Roof surfacing in good condition. No leaking conditions were noted during the on-site inspection.

FLOORS: Concrete slab flooring in shop area.

INTERIOR WALLS: Unfinished common brick masonry interior walls in shop area.

CEILINGS: Unfinished wood truss ceilings in shop area.

DOORS: Five metal frame overhead loading doors situated along alley, double flush metal sheathed pedestrian entry doors along Main Street, and wood frame/panel interior doors.

WINDOWS: Steel casement windows.

ELECTRICAL: Rigid and flexible conduit wiring. Electrical system recently upgraded within the past two years.

BUILDING IMPROVEMENTS (Continued)

MAIN BUILDING (Continued)

PLUMBING: Conventional plumbing system; building has adequate rest room facilities. Plumbing system partially upgraded approximately two years ago.

HEATING AND COOLING: None in shop area.

CONDITION: Overall condition is rated average, considering the age.

FINISHED OFFICE AREA: Interior finishes of office area include older carpet and asphalt tile floor coverings, painted lath/plaster interior walls, acoustic tile set in T-bar ceilings and flush mount acoustic tile ceilings, double flush solid core doors, steel casement windows, flush mount and recessed fluorescent light fixtures, and a central heating/cooling system (mounted on roof). Central HVAC system is presently inoperable. Office area has numerous built-in portable air conditioning units which appear to be functional.

TENANT INFORMATION: Property is owner occupied.

OTHER IMPROVEMENTS

COMMENT: Buildings cover most of the lot area. Existing on-site improvements include an equipment storage shed situated along the alley, concrete paving, and wrought iron fencing.

ASSESSMENT DATA

ASSESSOR'S PARCEL NO.: 5121-029-005, 006, 007

ASSESSED VALUATIONS: Land: \$107,101.
Improvements: \$197,616.

TAX CODE AREA: 6658.

ASSESSMENT DATA (Continued)

TAX YEAR: 2011-2012
REAL ESTATE TAXES: \$6,776.97*.
SPECIAL ASSESSMENTS: None known.

* In the event the subject property is sold-transferred to a private party, the real estate taxes will be adjusted to approximately 2.224% of the sale-transfer price, per Proposition 13. In the absence of a sale-transfer, the maximum allowable annual increase in the assessed valuations is 2%.

OWNERSHIP HISTORY

COMMENT: The property has been vested with the present owner in excess of 50 years. Due to the date of acquisition, the purchase price is not considered relevant to the current market value.

It may be of interest to note that the subject property is presently under contract for sale to The Accelerated School, which is in partnership with the Los Angeles Unified School District. The purchase and sale agreement indicates that the purchase price is to be established based on its appraised value between a stated minimum of \$3,200,000 and a maximum of \$4,000,000. Escrow commenced April 4, 2012; buyer was to provide seller with the scheduled closing date by June 30, 2012, which date was subsequently extended to July 31, 2012. Property is sold in as-is condition subject to buyer's due diligence investigation. The foregoing represents pertinent terms and conditions of the agreement, a copy of which is contained in the appraiser's file.

NEIGHBORHOOD ENVIRONMENT

LOCATION: The subject property is located within the south central district of the City of Los Angeles, approximately one-half mile southeast of the University of Southern



Subject
Property

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NEIGHBORHOOD ENVIRONMENT (Continued)

LOCATION: (Continued)

California campus, Coliseum entertainment center, and Exposition Park. Nearby freeways include the Santa Monica (Interstate 10) Freeway and the Harbor (State Route 110) Freeway.

Primary vehicular access to the subject vicinity is via Main Street, Broadway, Jefferson Boulevard, San Pedro Place, and Martin Luther King Jr. Boulevard. Neighboring and adjoining communities include Culver City, Beverly Hills, Baldwin Hills, Huntington Park, and Vernon.

The subject property has a relatively good centralized location with above average freeway accessibility.

LAND USES:

The predominant land use within the immediate area consists primarily of single family and multiple family residential developments. Single and multi-tenant commercial and industrial facilities are located along primary thoroughfares such as Main Street and Vernon Avenue. The buildings, for the most part, consist of one and two story structures of wood frame or common brick masonry construction.

The intensity of commercial office development increases toward the Downtown Civic Center, which is situated approximately three miles northerly of the subject neighborhood. Prominent land uses in the greater subject area include the University Southern California campus, Dodgers Stadium, Coliseum Entertainment Center and Sports Arena within Exposition Park, Downtown Business District, Staples Center, Nokia Theater, LA Live Entertainment Center, and the Los Angeles Convention Center.

NEIGHBORHOOD ENVIRONMENT (Continued)

BUILT-UP: The immediate subject neighborhood is effectively 95% built-up, including surface automobile parking lot facilities.

OCCUPANCY: Commercial: 20±% owners
80±% tenants
Multiple family res.: 1±% owners
99±% tenants
Single family res.: 90±% owners
10±% tenants

PRICE RANGE: Industrial land values within the greater subject market area range from \$40.00 to exceeding \$50.00 per square foot of land area. Commercial land values range from \$30.00 to exceeding \$60.00 per square foot of land area. The upper range of value pertains to relatively prominent signalized corner locations suitable for service station or fast food developments. As will be discussed in detail in the Valuation Analysis Section, the value range for residential land parcels is generally between \$25,000 and \$50,000 per developable unit.

Improved commercial and industrial properties in the immediate and general subject area generally range from \$1,000,000 to exceeding several million dollars, based on the size, construction quality, condition, and other property characteristics.

Improved single family and low density multiple family residential developments generally range from \$125,000 to exceeding \$400,000. The value of large high density apartment building complexes ranges in excess of several million dollars.

PROPERTY MAINTENANCE: Property maintenance in the immediate and general neighborhood, evidenced by an on-going maintenance program, is rated below average.

VALUATION ANALYSIS (Continued)

VALUATION METHODS: (Continued)

Income Capitalization Approach:

The Income Capitalization Approach consists of the capitalizing of net income of the property under appraisal. The capitalization methodology studies the income stream, allows for (1) vacancy and credit loss, (2) fixed expenses, and (3) operating expenses. The value indicated by the Income Capitalization Approach represents the money which would be paid by a prudent investor to obtain the net income capable of being generated by the property. The capitalization rate is usually commensurate with the inherent risk.

The appraisal process is concluded by reconciliation of the three indications of value. Consideration is given to the type and reliability of data used, as well as the applicability of each approach. It should be understood that the reconciliation is not an averaging process, but an analysis of data upon which the various approaches were developed.

The Sales Comparison Approach and Income Capitalization Approach have been applied to the subject property. The Cost-Summation Approach is not considered applicable in the subject case due to the impact of economic obsolescence and resultant difficulty in accurately estimating accrued depreciation. Additionally, market participants rarely rely on the Cost-Summation Approach as a basis of valuation decisions.

SALES COMPARISON APPROACH:

The Sales Comparison Approach takes into account properties which have sold in the open market. This approach, whether applied to vacant or improved property, is based on the Principle of Substitution which states, *"The maximum value of a property tends to be set by the cost of acquiring an equally desirable substitute property, assuming no costly delay is encountered in making the substitution."* Thus, the Sales Comparison Approach attempts to equate the subject property with sale properties by analyzing and weighing the various elements of comparability.

The Sales Comparison Approach has also been applied for the purpose of estimating the value of the subject property as presently improved with the industrial facility. The Sales Comparison Approach was applied after conducting an investigation of market data in the greater subject market

VALUATION ANALYSIS (Continued)

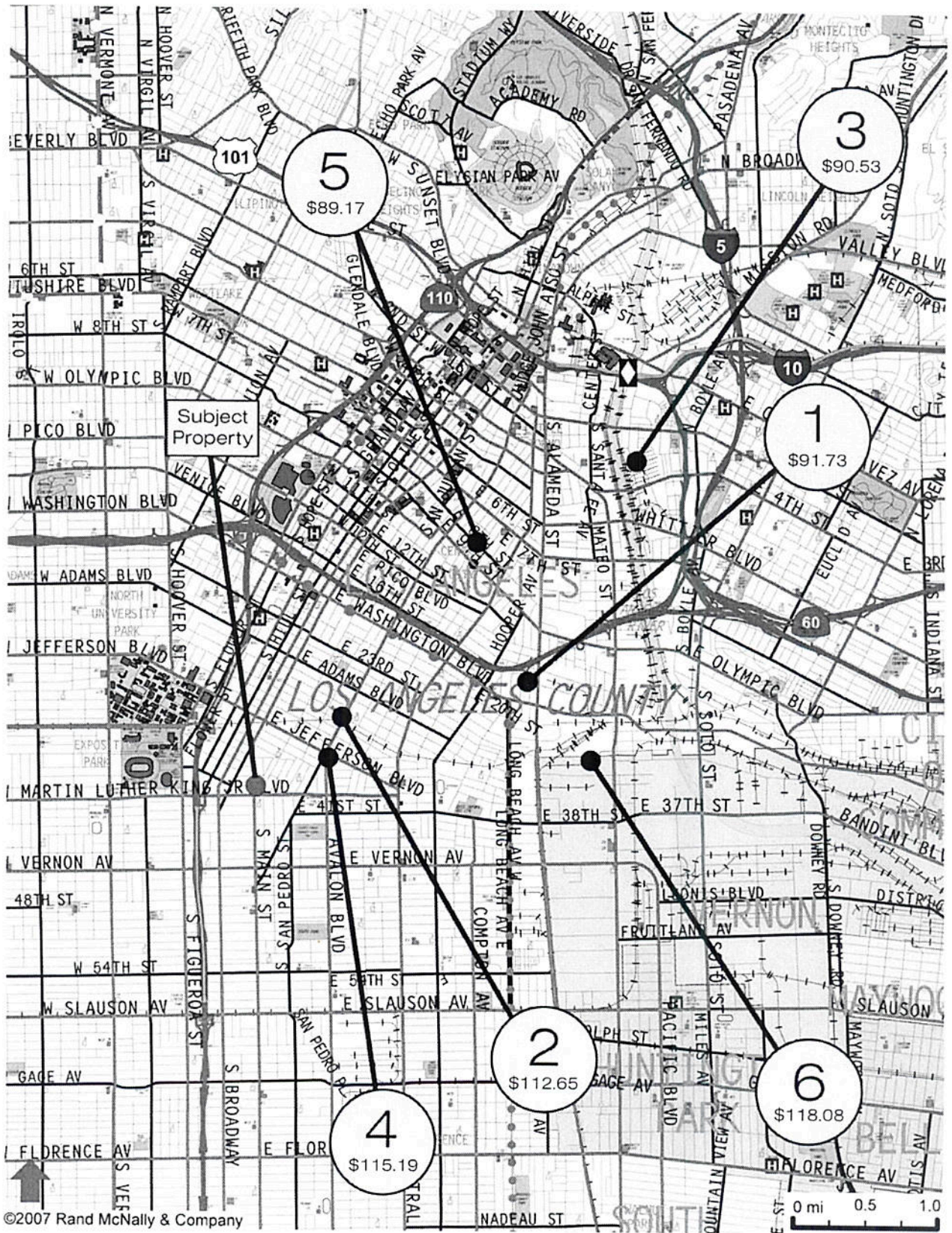
SALES COMPARISON APPROACH: (Continued)

area. The reader is referred to the Market Data Section for comprehensive information pertaining to each of the sale properties employed herein. Reference the Market Data Map, on the following page, for an illustration of the location of the various sale properties.

Primary indicators studied included land sales, as well as rental rates, lease terms versus month-to-month occupancies, vacancy factors, vacancy trends, and terms of sale. Other elements considered included (1) pride of ownership exhibited by an aggressive and on-going maintenance program, and (2) trends toward change evidenced by private redevelopment and remodeling, or gradual continued building degeneration in certain areas.

The knowledge and understanding of present and historical value patterns and trends affecting the local real estate market are based on the observation of market conditions and the appraisal of other industrial properties, as well as information obtained from various sources which include the following:

- Owners: Interviews were conducted with owners of industrial properties in the general research area to determine various market trends, and value patterns.
- Tenants: Interviews were conducted with various tenants of properties located within the immediate subject market area.
- Real estate brokers and salespersons: A number of active brokers and salespersons within the greater subject market area were interviewed regarding existing and historical lease and sales data, as well as value patterns and trends.
- Public officials: Various public officials were interviewed regarding (1) existing or proposed projects which have an impact on real property values, (2) economic trends, (3) level of public services, (4) zone classifications and building standards, and (5) property tax structure and assessment districts.
- Published data: Information was gathered and studied regarding population, unemployment levels, employment centers, industrial sales data as well as rental data, and other demographic and economic factors.



VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Following is a summary of those sales considered helpful when estimating the value of the subject property as presently improved.

<u>Data</u>	<u>Date</u>	<u>Land Size</u> <u>Bldg. Size</u>	<u>Corner</u> <u>Built</u>	<u>Zoning</u> <u>Const'n.</u>	<u>Alley</u> <u>% Office</u>	<u>Land/Bldg.</u> <u>Ratio</u>	<u>Sale Price</u>	<u>\$/SF Land</u> <u>\$/SF Bldg.</u>
1.	3-11	47,112 sf 38,700 sf	no 1925	MR-2 conc. blk.	yes 9%	1.22:1	\$3,550,000.	\$ 75.35 \$ 91.73
1615-1617 McGarry Street, Los Angeles								
2.	5-11	44,000 sf 34,754 sf	yes 1952	M-1 tilt-up	no 16%	1.27:1	\$3,915,000.	\$ 88.98 \$112.65
2901 South San Pedro Street, Los Angeles								
3.	6-11	32,654 sf 35,349 sf	yes '25/'50	M-2 brick	no 6%	0.92:1	\$3,200,000.	\$ 98.00 \$ 90.53
300 South Mission Road, Los Angeles								
4.	9-11	55,620 sf 42,106 sf	yes 1974	M-1 tilt-up	no 21%	1.32:1	\$4,850,000.	\$ 87.20 \$115.19
700 East Jefferson Boulevard, Los Angeles								
5.	11-11	40,777 sf 30,000 sf	no 1923	M-2 conc. blk.	no 5%	1.36:1	\$2,675,000.	\$ 65.60 \$ 89.17
905 East 8 th Street, Los Angeles								
6.	4-12	43,560 sf 25,406 sf	no 1923	I concrete	no 25%	1.71:1	\$3,000,000.	\$ 68.87 \$118.08
2140 East 25 th Street, Vernon								

The improved industrial properties surveyed contain buildings ranging in size from 25,406 to 42,106 square feet. The buildings were constructed between 1923 and 1974, and are situated on parcels ranging in size from 32,654 to 55,620 square feet of land area. The sale properties employed herein represent the most recent comparable improved sale properties available for analysis.

The purchase prices per square foot of land and building area have been utilized as the units of analysis in the Sales Comparison Approach. The overall purchase prices range from \$2,675,000 to \$4,850,000, reflecting \$65.60 to \$98.00 per square foot of land area, and \$89.17 to \$118.08 per

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

square foot of building area. The primary unit of analysis employed herein is the purchase price per square foot of building area, which rate is utilized by market participants.

Due to the absence of a representative number of reasonably comparable improved sale properties having recently sold within the immediate subject market area, it was necessary to expand the (1) chronological time frame, and (2) geographic search area to include neighboring community of Vernon. Particular consideration has been assigned to differing market conditions as well as immediate environmental influences in the analysis of the individual sale properties.

All of the sales employed herein conveyed title to the fee simple interest, and represent arms length transactions. Financing terms of each sale are considered generally typical of the subject market area.

Market Conditions:

Certain of the improved sales data considered extended over a time period back to the first quarter of 2011. The time frame permitted the development of a rather comprehensive real estate market profile. The sales employed in this report are set forth in chronological order, and took place between March, 2011 and April, 2012.

Virtually all types of real estate within the greater Southern California region experienced relatively high levels of value appreciation throughout 2003 to the first half of 2006. The lack of available properties offered for sale, along with the expansion of subprime lending practices, have been the primary reasons for the unprecedented rate of real estate appreciation, particularly with respect to single family and low density multiple family residential properties.

While the appreciation rate pertaining to residential properties began to subside in the middle part of 2006, the market for commercial and industrial properties, along with vacant land parcels continued to thrive. The stabilization of the residential market was caused by numerous factors including (1) increasing interest rates, (2) an oversupply of properties available for sale, (3) the tightening of credit markets wherein difficulty of obtaining financing began, and (4) the lack or diminishing confidence level regarding future value appreciation for residential properties.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Market Conditions: (Continued)

Within the past 48 months, both the local and national economies have suffered a major housing and credit crisis which has had a significant impact on market activity involving all types of real property. The lack of financing options available for purchase and refinancing activities has had a detrimental impact on demand and value.

Based on market research findings and analysis of the immediate and general subject vicinity, it is apparent that values of commercial properties continued to appreciate through the last quarter of 2007 despite the meltdown of the residential market. Interviews with active real estate brokers and salespersons indicate that commercial and industrial properties, including vacant land parcels, have declined in value substantially since the peak period. The rate of decline is measured by negotiation efforts wherein current purchase offers are substantially lower than value indications of the most recent consummated transactions available for analysis.

As stated, appreciating conditions occurred throughout the first three quarters of 2007 and leveled off during the fourth quarter thereof. Due to the lack of financing options and overall uncertainty regarding credit markets, the declining trend gained significant momentum in the last quarter of 2008 and throughout the first quarter of 2009. It is apparent that market conditions have stabilized since the first quarter of 2010. Inasmuch as the sales employed herein took place during relatively stable market conditions, adjustments for same are not warranted.

Elements of Comparability:

After viewing each of the sale properties, and obtaining certain information pertinent to value, the appraiser analyzed the various elements of comparability for each sale property which, among others, include the following:

- | | |
|-------------------------------------|---------------------------------------|
| General location. | Availability of public alley. |
| Immediate environmental influences. | Overall developability. |
| Zoning. | Site frontage/depth ratio. |
| Vehicular and pedestrian access. | Site prominence and exposure. |
| Vehicular and pedestrian traffic. | Proximity to freeway. |
| Building size/features. | Building remodeling, if any. |
| Building age and condition. | On-site parking capacity. |
| Construction type and quality. | Extent of other on-site improvements. |

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Elements of Comparability: (Continued)

A Relative Comparison Analysis (RCA) has been conducted between the individual comparable properties and the subject property. The RCA is a qualitative technique for analyzing comparable sales, and is a valuable tool employed to illustrate whether the characteristics of a comparable property are inferior, superior, or similar to those of the property under appraisal.

The Relative Comparison Analysis is similar to paired data analysis without the use of arbitrary or unsupported quantitative adjustments. This technique acknowledges the imperfect nature of the subject real estate market. The primary objective is to bracket the subject property between the comparable sales with respect to the similarity, superiority, and inferiority thereof. Superior elements of comparability of an individual sale property would reflect a downward adjustment to the value indication thereof. Conversely, inferior elements suggest an upward adjustment.

Additionally, it is important to note that the above elements of comparability were not assigned equal weight in making the analysis of each property. The general location, immediate environmental influences, land size, building size and features, building age/condition, as well as site prominence/-exposure were considered the most important factors in the subject case.

Overall marketability of each sale property was also considered. Marketability is the practical aspect of selling a property in view of all the elements constituting value, and certain economic and financing conditions prevailing as of the date of sale. The sale properties employed herein are considered having generally similar marketability as the subject property.

Another important factor considered in analyzing the overall purchase price per square foot of building area is that of the land/building area ratio. The sale properties have ratios ranging between 0.92:1 and 1.71:1. The subject property has a ratio of 0.82:1.

Financing of the foregoing sale properties was also considered in the final analysis. The overall finance arrangements of the various transactions are generally typical considering current real estate market conditions.

Sales Comparison Analysis:

Following are comments regarding the various sale properties, including comments regarding the superior and inferior elements of comparability when compared to the subject property.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Sales Comparison Analysis: (Continued)

Data 1

1615-1617 McGarry Street, Los Angeles

The site is improved with a multi-tenant industrial building of concrete block construction. The building contains 38,700 square feet, of which 9% consists of finished office area, and was originally constructed in 1925. Overall condition of the building and on-site improvements is rated average, considering the age. The site has an interior (versus corner) location with double street access, irregular land configuration, level topography, public alley access, and contains 47,112 square feet of land area.

The purchase price was \$3,550,000, which included \$532,500 cash down to a concurrent first trust deed note of \$1,775,000, and a second trust deed note of \$1,242,500, both with a conventional lender. The cash down payment represents 16% of the total purchase price. The deed recorded March 16, 2011, as Document No. 399996. Further details regarding the transaction are summarized as follows:

Grantor:	Kyung & Ha Cho
Grantee:	Jessica H. Kim
Assessor's No.:	5167-003-031

The sale property is located two miles northeasterly of the subject site and has a larger land and building area when compared thereto. It is considered superior to the subject property with respect to on-site automobile parking capacity. is judged inferior with respect to site prominence/exposure. Other elements of comparability are generally similar.

Data 2

2901 South San Pedro Street, Los Angeles

The site is improved with a single tenant industrial building of concrete tilt-up construction. The building contains 34,754 square feet, of which 15% consists of finished office area, and was originally constructed in 1952. Overall condition of the building and on-site improvements is rated average, consider-

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Sales Comparison Analysis: (Continued)

ing the age. The site has a double corner location, effectively rectangular land configuration, level topography, and contains 44,000 square feet of land area.

The property was originally offered for sale at \$4,637,500, and was on the market 230 days. The purchase price was \$3,915,000, which included \$990,000 cash down to a concurrent first trust deed note of \$2,925,000 with Commonwealth Business Bank. The cash down payment represents 25% of the total purchase price. The deed recorded May 12, 2011, as Document No. 675969. Further details regarding the transaction are summarized as follows:

Grantor:	Shellman, LLC
Grantee:	S & Y Central, LLC
Assessor's No.:	5128-014-030

The sale property is located 3/4 mile northeasterly of the subject site and a larger land area and similar building area when compared thereto. It is considered superior to the subject property with respect to on-site automobile parking capacity. It is not judged inferior in any respect. Other elements of comparability are generally similar.

Data 3

300 South Mission Road, Los Angeles

The site is improved with a single tenant industrial building of brick construction. The building contains 35,349 square feet, of which 6% consists of finished office area, and was originally constructed in 1926. Overall condition of the building and on-site improvements is rated average, considering the age. The site has a double corner location, effectively rectangular land configuration, level topography, and contains 32,654 square feet of land area.

The purchase price was \$3,200,000, all cash. The deed recorded June 21, 2011, as Document No. 836554. Further details regarding the transaction are summarized as follows:

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Sales Comparison Analysis: (Continued)

Grantor: Daniels Family Partnership
Grantee: Campbell Living Trust
Assessor's No.: 5172-015-001

The sale property is located 3½ miles northeasterly of the subject site and has a larger land and building area when compared thereto. It is not considered superior to the subject property in any respect. It is judged inferior with respect to immediate environmental influences and site prominence/-exposure. Other elements of comparability are generally similar.

Data 4

700 East Jefferson Boulevard, Los Angeles

The site is improved with a single tenant industrial building of concrete tilt-up construction. The building contains 42,106 square feet, of which 21% consists of finished office area, and was originally constructed in 1974. Overall condition of the buildings and on-site improvements is rated average, considering the age. The site has a double corner location, irregular land configuration, effectively level topography, and contains 55,620 square feet of land area.

The property was originally offered for sale at \$5,000,000 and was on the market 582 days. The purchase price was \$4,850,000, which included three concurrent trust deed notes involving the Small Business Administration. The deed recorded September 16, 2011, as Document No. 1262170. Further details regarding the transaction are summarized as follows:

Grantor: George & Roberta Torres
Grantee: Jefferson Enterprises, LLC
Assessor's No.: 5121-001-008

The sale property is located 1/2 mile northeasterly of the subject site and has a larger land and building area when compared thereto. It is considered superior to the subject property with respect to general location, site prominence/-

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

NEIGHBORHOOD ENVIRONMENT (Continued)

PUBLIC/PRIVATE FACILITIES: The availability and adequacy of commercial centers, public facilities, industrial centers, housing, schools, transportation, employment centers, and recreational opportunities, in the immediate subject area, are rated average. The City of Los Angeles provides police and fire protection to the subject district.

COMMENT: Reference a description of the greater Los Angeles County Region set forth in the Addenda Section.

See Valuation Analysis in the following section.

VALUATION ANALYSIS

VALUATION ANALYSIS

The purpose of this valuation study is the estimation of market value of the unencumbered fee simple interest in the subject property, in as-is condition, as of the date of value employed herein.

Prior to the application of the appraisal process, which in this case employs the Sales Comparison Approach and Income Capitalization Approach, it is necessary to consider and analyze the highest and best use of the subject property.

HIGHEST AND BEST USE ANALYSIS:

Highest and best use is defined in *The Appraisal of Real Estate*, by the Appraisal Institute, 13th Edition, Page 278, as:

"The reasonably probable and legal use of vacant land or an improved property, which is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value."

In the process of forming an opinion of highest and best use, consideration must be given to various environmental and political factors such as zoning restrictions, probability of zone change, private deed restrictions, location, land size and configuration, topography, and the character/quality of land uses in the immediate and general subject market area.

There are four basic criteria utilized in the highest and best use analysis of a property as if vacant, as well as presently improved. The four criteria are summarized as follows:

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

The foregoing are typically considered sequentially; for example, a specific use may prove to be maximally productive, however, if it is not legally permissible, or physically possible, its productivity is irrelevant.

Physically Possible:

The physical possibility of developing a specific property is governed, in part, by the size, shape, area, and terrain of the property in question. The availability of public utilities is also an important consideration in the analysis of a property's overall development potential.

VALUATION ANALYSIS (Continued)

HIGHEST AND BEST USE ANALYSIS: (Continued)

Physically Possible: (Continued)

Additional physical considerations are warranted when analyzing the highest and best use of the subject property, as presently improved. The size, architectural design, and condition of the existing building improvements are important elements, and may have a substantial impact on the highest and best use of a property, as presently improved.

Legally Permissible:

Legally permissible uses are determined, in part, by a community's general plan, zoning requirements, local building codes, and private deed restrictions.

The general plan of a community is established to assure continuity of development within the community and the surrounding area. There is usually a consistency between the general plan of a community and the various zone classifications. The zone classification sets forth the various types of development allowed within a specific zone district. Zoning requirements typically constitute the available choices of development for a property. Local building codes are generally addressed as part of the zone classification, and include items such as maximum building densities, building height restrictions, setback and parking requirements, etc. Private deed restrictions relate to mutual agreements under which a property was acquired. Said restrictions may prohibit certain types of development.

Financially Feasible:

Those uses which meet the first two criteria, i.e. physically possible and legally permissible, are further analyzed in order to determine which uses produce an adequate return on the investment. The specified use is considered financially feasible if the net income capable of being generated is enough to satisfy the required rate of return and provide a return on the land.

Maximally Productive:

Among those uses which are considered financially feasible, that use which produces the highest price, or value, consistent with the required rate of return, is considered the highest and best use of the property.

VALUATION ANALYSIS (Continued)

HIGHEST AND BEST USE ANALYSIS: (Continued)

Conclusion, as if Vacant:

The subject property has an interior (versus corner) location along a secondary industrial street. The site has a rectangular land configuration, effectively level topography, 200 lineal feet of street frontage, rear public alley access, and contains 28,000 square feet of land area. Vehicular access, as well as pedestrian access, to the subject parcel are rated average.

All public utilities such as water, gas, electric power, telephone, as well as sanitary sewer are available to the site. The physical characteristics of the subject parcel are considered adequate to accommodate a variety of legally permissible uses.

The subject property is located within the M-1 (limited industrial) zone of the City of Los Angeles. Legally permitted uses within the M-1 zone classification include a wide variety of manufacturing, assembly, and warehousing uses along with a certain commercial retail uses. The optimal utility of the subject site is as zoned.

Based on the demand, the physical characteristics of the site, as well as the legally permissible uses, it is the appraiser's opinion that the maximally productive use, and therefore, the highest and best use of the subject land, as if vacant, is industrial development.

Conclusion, as Improved:

The subject property, as presently improved with the industrial facility, is obviously physically possible, and represents a pre-existing legal nonconforming use with respect to current zone standards. The subject building improvements are in average condition, considering the age. It will be demonstrated herein that the highest value for the property will be generated by an owner-user as opposed to an investor seeking annual rental income. While the property is capable of generating rental income, the amount thereof is not judged sufficient to cover operating expenses and provide an adequate rate of return. The contributory value of the improvements is best supported by application of the Sales Comparison Approach.

In conclusion, the overall functional utility of the property is competitive with the preponderance of improved industrial properties in the immediate market area. The regional and neighborhood characteristics are favorable

VALUATION ANALYSIS (Continued)

HIGHEST AND BEST USE ANALYSIS: (Continued)

Conclusion, as Improved: (Continued)

for industrial properties, with stable rents and anticipated value appreciation over time. The property is relatively well maintained, and is anticipated to provide reliable utility for the foreseeable future. The subject property, as presently improved, is considered financially feasible, and represents the maximally productive use.

Based on an inspection of the subject property, as well as the valuation analysis which considered property values, rental rates, historical occupancy rates, operating expenses, as well as expressed tenant demand, the existing development represents the highest and best use of the subject property. The value of the subject property as presently improved exceeds that of the underlying land value.

VALUATION METHODS:

There are three conventional methods (approaches) which can be used to estimate value. They are the Sales Comparison Approach, Cost-Summation Approach, and Income Capitalization Approach. Following is a brief description of each approach to value.

Sales Comparison Approach:

This approach consists of the investigation of recent sales of similar properties to determine the price at which said properties sold. The information so gathered is judged and considered by the appraiser as to its comparability to the subject property. Recent comparable sales, either vacant land or improved properties, are the basis for the application of the Sales Comparison Approach.

Cost-Summation Approach:

The Cost-Summation Approach consists of estimating the construction cost new of the building and yard improvements and making allowances for the appropriate amount of accrued depreciation. The depreciated reconstruction value of the improvements is then added to the land value estimate. The sum of these two figures is the value indicated by the Cost-Summation Approach.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Sales Comparison Analysis: (Continued)

exposure, overall condition, construction quality, and on-site automobile parking capacity. It is not judged inferior in any respect. Other elements of comparability are generally similar.

Data 5

905 East 8th Street, Los Angeles

The site is improved with a multi-tenant industrial building of concrete block construction. The building contains 30,000, of which 5% consists of finished office area, and was originally constructed in 1923. Overall condition of the building and on-site improvements is rated average, considering the age. The site has an interior (versus corner) location with double street access, irregular land configuration, effectively level topography, and contains 40,777 square feet of land area.

The property was originally offered for sale at \$2,999,999, and was on the market 1,191 days. The purchase price was \$2,675,000, all cash. The deed recorded November 16, 2011, as Document No. 1553640. Further details regarding the transaction are summarized as follows:

Grantor: 905 8th Street, LLC
Grantee: Special Service of Groups, Inc.
Assessor's No.: 5146-029-035, 039

The sale property is located 2¼ miles northeasterly of the subject site and has a larger smaller land area and smaller building area when compared thereto. It is considered superior to the subject property with respect to on-site automobile parking capacity. It is judged inferior with respect to immediate environmental influences, site prominence/exposure and overall accessibility. Other elements of comparability are generally similar.

Data 6

2140 East 25th Street, Vernon

The site is improved with a multi-tenant industrial building of concrete construction. The building contains 25,406, of which 25% consists of finished office area, and was originally

MARKET ANALYSIS COMPARISON GRID

IMPROVED INDUSTRIAL SALE PROPERTIES:

	Subject	Data 1	Data 2	Data 3	Data 4	Data 5	Data 6
Purchase price:	----	\$3,550,000	\$3,915,000	\$3,200,000	\$4,850,000	\$2,675,000	\$3,000,000
\$ per sq. ft. land / bldg.	----	\$75.35 \$91.73	\$88.98 \$112.65	\$98.00 \$90.53	\$87.20 \$115.19	\$65.60 \$89.17	\$68.87 \$118.08
Property rights conveyed:	----	fee simple	fee simple	fee simple	fee simple	fee simple	fee simple
Conditions of sale:	----	standard sale	standard sale	standard sale	standard sale	standard sale	standard sale
Conditions of sale consideration:	----	similar	similar	similar	similar	similar	similar
Sale terms:	----	15% cash down	25% cash down	all cash	SBA financing	all cash	SBA financing
Date of sale:	----	3/16/2011	5/12/2011	6/21/2011	9/16/2011	11/16/2011	4/20/2012
Market conditions:	----	similar	similar	similar	similar	similar	similar
Market conditions adj.:	----	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted purchase price:	----	\$75.35 \$91.73	\$88.98 \$112.65	\$98.00 \$90.53	\$87.20 \$115.19	\$65.60 \$89.17	\$68.87 \$118.08
Occupancy (at time of sale):	fully occupied	fully occupied	fully occupied	fully occupied	fully occupied	fully occupied	fully occupied
Proximity to subject property:	----	2 mi. northeast	3/4 mi. northeast	3 1/2 mi. northeast	1/2 mi. northeast	2 1/4 mi. northeast	2 1/4 mi. northeast
General location:	average	similar	similar	similar	superior	similar	superior
Imm. environ. influ.:	average	similar	similar	inferior	similar	inferior	similar
Prominence/exposure:	avg-good	inferior	similar	inferior	superior	inferior	inferior
Zoning:	M-1	MR-2	M-1	M-2	I	M-2	I
Overall accessibility:	average	similar	similar	similar	similar	inferior	inferior
Land configuration:	rectangular	similar	similar	similar	similar	similar	similar
Land area (sq. ft.):	28,000	47,112	44,000	32,654	55,620	40,777	43,560
Land area consideration:	----	dwnwrtd. adj.	dwnwrtd. adj.	dwnwrtd. adj.	dwnwrtd. adj.	dwnwrtd. adj.	dwnwrtd. adj.
Building size (sq. ft.):	34,098	38,700	34,754	35,349	42,106	30,000	25,406
Building size consideration:	----	slt. upward. adj.	no adjustment	no adjustment	upward adj.	dwnwrtd. adj.	dwnwrtd. adj.
Land/bldg. ratio:	0.82 : 1	1.22 : 1	1.27 : 1	0.92 : 1	1.32 : 1	1.36 : 1	1.71 : 1
Building year built:		1925	1952	'26/50	1974	1923	1923
Overall condition:	average	similar	similar	similar	superior	similar	similar
Construction quality:	average	similar	similar	similar	superior	similar	similar
Building features:	average	similar	similar	similar	similar	similar	similar
On-site parking:	none	superior	superior	similar	superior	superior	superior
Overall comparability:	----	inferior	sl'tly. superior	inferior	superior	inferior	superior

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Sales Comparison Analysis: (Continued)

constructed in 1923. Overall condition of the building and on-site improvements is rated average, considering the age. The site has an interior (versus corner) location, curvilinear land configuration, effectively level topography, and contains 43,560 square feet of land area.

The purchase price was \$3,000,000, which included a concurrent first trust deed note involving the Small Business Administration. The deed recorded April 12, 2012, as Document No. 588972. Further details regarding the transaction are summarized as follows:

Grantor:	Marks & Creative, LLC
Grantee:	Project Rocky Creek, LLC
Assessor's No.:	6302-008-007

The sale property is located 2¼ miles northeasterly of the subject site and has a larger land area and smaller building area when compared thereto. It is considered superior to the subject property with respect to general location and on-site automobile parking capacity. It is judged inferior with respect to site prominence/exposure and overall accessibility. Other elements of comparability are generally similar.

Reference the Market Analysis Comparison Grid set forth on the opposite page. The improved industrial sale properties have been compared to the subject property with consideration assigned to property rights conveyed, conditions of sale, sale terms (financing), as well as the significant elements of comparability, i.e. immediate environmental influences, site prominence/-exposure, accessibility, building size, etc.

By way of review and comparison, the subject property has an interior (versus corner) location, rectangular land configuration, effectively level topography, rear public alley access, and contains 28,000 square feet of land area. The building is of common brick masonry construction, contains 34,098 square feet, and was originally constructed between 1924 and 1942. Overall condition of the building and on-site improvements is rated average, considering the age.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Sales Comparison Analysis: (Continued)

In addition to the consummated sale transactions discussed herein, research was expanded to include four reasonably comparable industrial properties presently offered for sale within the general subject market area, as follows:

<u>Data</u>	<u>Land Size</u> <u>Bldg. Size</u>	<u>Corner</u> <u>Built</u>	<u>Zoning</u> <u>Const'n.</u>	<u>Land/Bldg.</u> <u>Ratio</u>	<u>Asking Price</u>	<u>\$/SF Land</u> <u>\$ Per Bldg.</u>	<u>Days on</u> <u>Market</u>
1.	39,740 sf 29,276 sf	no 1930	I metal	1.36:1	\$2,488,000.	\$ 62.61 \$ 84.98	101
	3255 Saco Street, Vernon						
2.	36,460 sf 27,100 sf	yes '22/'37	M-3 conc. blk.	1.35:1	\$3,700,000.	\$101.48 \$136.53	498
	2353-2363 East Olympic Boulevard, Los Angeles						
3.	41,925 sf 32,175 sf	yes 1971	I tilt-up	1.30:1	\$4,021,875.	\$ 95.93 \$125.00	184
	2101 East 38 th Street, Vernon						
4.	47,112 sf 38,700 sf	no 1925	MR-2 conc. blk.	1.22:1	\$5,000,000.	\$106.13 \$129.20	3
	1615-1617 McGarry Street, Los Angeles						

As can be noted, the properties surveyed contain buildings ranging in size from 27,100 to 38,700 square feet and were built between 1922 and 1971. The buildings are situated on parcels ranging in size from 36,460 to 47,112 square feet of land area. The overall asking prices range from \$2,488,000 to \$5,000,000, reflecting \$62.61 to \$106.13 per square foot of land area, and \$84.98 to \$136.53 per square foot of building area. The marketing times range between 3 and 498 days.

All of the consummated sale transactions employed herein were considered helpful in the valuation analysis of the subject property. Following is a summary relating the overall comparability of the individual sale properties to the subject site:

Continued . . .

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Sales Comparison Analysis: (Continued)

<u>Data</u>	<u>Overall Comparability</u>	<u>\$ Per SF Bldg.</u>
5	inferior	\$ 89.17
3	inferior	\$ 90.53
1	inferior	\$ 91.73
Subject	- - - -	\$100.00-105.00
2	slightly superior	\$112.65
4	superior	\$115.19
6	superior	\$118.08

After considering the various elements of comparability, as well as economic and financial conditions prevailing during the consummation of the various sale properties, as compared to current market conditions, it is the appraiser's opinion that the value of the subject property, in as-is condition, is between \$100.00 and \$105.00 per square foot of building area. A rate of \$103.00 is judged reasonably supported based on the market data and valuation analysis set forth herein, as follows:

Building:
34,098 SF @ \$103.00 = \$3,512,094.

Inasmuch as the subject property is an improved property, and would be acquired for the utility and/or income producing capability of the building improvements, the value indication produced by the building factor has been assigned the most weight. The value of the subject property, as presently improved, and as indicated by the Sales Comparison Approach, is adjusted to \$3,500,000.

See Income Capitalization Approach beginning on the following page.

RENTAL SUMMARY

IMPROVED INDUSTRIAL PROPERTIES:

Data	Type	Land Size	Size	Building/Unit		Clear.	% Off.	On-Site Parking	Rent	\$ Per SF	
				Built	Const.						
1.	gross	38,752 sf	24,990 sf	1979	tilt-up	22 feet	17%	30 spaces	\$15,994	\$0.64	
		2707 South Alameda Street, Los Angeles									
2.	gross	41,382 sf	29,010 sf	1979	tilt-up	22 feet	12%	27 spaces	\$18,566	\$0.64	
		2931 South Alameda Street, Los Angeles									
3.	gross	82,764 sf	34,200 sf	1955	tilt-up	20 feet	9%	33 spaces	\$17,000	\$0.50	
		4851 Alameda Street, Los Angeles									
4.	gross	26,572 sf	28,709 sf	1950	conc. blk	16 feet	20%	12 spaces	\$14,355	\$0.50	
		201 South Anderson Street, Los Angeles									
5.	gross	37,484 sf	38,000 sf	1920	brick	16 feet	8%	30 spaces	\$22,420	\$0.59	
		1323 South Flower Street, Los Angeles									
6.	gross	P.O.L.P.	34,755 sf	1997	tilt-up	22 feet	3%	20 spaces	\$20,685	\$0.60	
		655 South Santa Fe Avenue, Los Angeles									
7.	gross	30,056 sf	24,763 sf	1969	tilt-up	20 feet	16%	30 spaces	\$15,000	\$0.61	
		950 East 10 th Street, Los Angeles									

P.O.L.P.: Part of Larger Parcel

VALUATION ANALYSIS (Continued)

INCOME CAPITALIZATION APPROACH:

The Income Capitalization Approach is based on the capitalization of net income generated, or capable of being generated, by the subject property. The net operating income is the product of the estimated gross rental income, less allowances for long term vacancy/credit loss and various expense charges. The income/expense pro forma set forth herein is intended to reflect a typical stabilized holding period.

The capitalization rate employed in this study has been developed by an analysis of certain sale properties wherein the net income was available to determine the overall capitalization rate.

Gross Income:

The fair market rental rate, applicable to the subject property, has been estimated after conducting a rent survey covering other industrial properties within the immediate and general subject market area.

Reference the rent summary set forth on the opposite page. As can be noted, the properties have buildings/units ranging in size from 24,763 to 38,000 square feet and were built between 1920 and 1979. The monthly rental rates range between \$0.50 and \$0.64 per square foot of building area, on a gross basis wherein the landlord is responsible for all property operating expenses with the exception of utility services. The predominant range is between \$0.59 and \$0.64.

In analyzing the comparable rental properties, it is important to consider the various elements of comparability, as discussed in the Sales Comparison Approach. For reference purposes, they are summarized as follows:

General location.	Building age/condition.
Immediate environment.	Building features.
Vehicular access.	Construction type and quality.
Topography.	On-site improvements.
Land plottage.	Overall marketability.
Building/unit size.	

It should be noted that the above elements of comparability were not assigned equal weight in making the analysis of each rental property. The general location, immediate environmental influences, accessibility, building/unit size, building age/condition, construction type and quality, as well as building features were considered the most important factors in the subject case.

VALUATION ANALYSIS (Continued)

INCOME CAPITALIZATION APPROACH: (Continued)

Gross Income: (Continued)

After considering the elements of comparability of the various rental properties surveyed, and further considering the building age/condition, size, construction quality, and features of the subject facility, the fair market rental rate applicable to the subject property is estimated at \$0.60 per square foot of building area on a gross basis. The total gross fair market monthly rental income for the subject development is estimated at \$20,459.

Vacancy and Credit Loss:

The vacancy and credit loss factor is typically based on the expected rent loss due to periodic tenant turnover. Lease terms for industrial properties in the subject vicinity range from 10 to 25 years, and typically include option periods. Considering the length of the existing subject tenancies, as well as discussions with industrial real estate brokers, a 20-year term is typical for the subject facility.

Based on an average marketing (leasing) time of approximately nine months, the total loss of income for the subject property is estimated at \$184,131 (\$20,459 x 9 months). Inasmuch as the frequency of tenant turnover has been estimated at approximately 20 years, the annual vacancy loss attributable to the subject property equates to \$9,207, which reflects 3.8% of the estimated gross annual income.

The matter of credit loss, however, must also be considered in the income analysis. Considering the occupancy pattern of the subject facility, as well as the general demographics of the subject market area, a relatively nominal credit loss rate is appropriate for the subject property. An annual combined vacancy/credit loss factor, therefore, of 4% has been employed in the income capitalization analysis of the subject facility.

Operating Expenses:

In order to estimate the stabilized occupancy expense schedule applicable to the subject facility, the appraiser relied upon (1) actual expenses as reported by the property owner, (2) expense schedules obtained from similar properties within the greater Southern California region, (3) interviews with real estate brokers and professional property managers, and (4) various published sources.

VALUATION ANALYSIS (Continued)

INCOME CAPITALIZATION APPROACH: (Continued)

Operating Expenses: (Continued)

According to the Los Angeles County Tax Assessor, the current real estate taxes of the subject property are \$6,776.97. For the purpose of the Income Capitalization Approach, the real estate taxes have been adjusted (per Proposition 13) based on the current appraised value of the subject property, as follows:

Market value estimate:	\$2,400,000.*
Tax rate:	<u>x 2.22400%</u>
Real estate taxes;	\$ 53,376.
Adjusted:	\$ 53,375.

* Value indication produced by Income Capitalization Approach.

Annual property insurance premiums vary considerably depending upon the insurance company, amount of deductible, liability coverage, building size, building age, etc. The annual insurance premium is based on a composite rate which is applied to the replacement cost of the building and on-site improvements. Most insurance companies, however, exclude the value of the building foundation and underground plumbing in their replacement cost figure.

The typical policy offered by insurance companies includes extended coverage on buildings and contents at replacement cost in case of destruction by fire, wind, hail, smoke, vandalism, and aircraft, but it excludes earthquake and flood hazards. The typical package also includes coverage for loss of rents up to 12 months, general business liability, and other coverages.

Based on a survey of various insurance companies, and considering the location of the subject property, as well as building size, building age/condition, number of tenants, and overall construction quality, the annual insurance premium is estimated at \$6,450 is appropriate for the subject facility.

Professional management fees vary considerably depending on the property size, tenant turnover rate, building condition, amenities, etc. Generally, professional management fees range from 2% to exceeding 4%.

VALUATION ANALYSIS (Continued)

INCOME CAPITALIZATION APPROACH: (Continued)

Operating Expenses: (Continued)

Based on the location of the subject property, as well as the building size and building age/condition, a professional management fee of 3% is considered appropriate.

While the professional manager is responsible for day-to-day bookkeeping, a charge of \$400 has been included in the expense schedule for various legal and accounting services, including annual tax returns.

Maintenance and repair expenses may cover periodic roof repair, exterior painting, repair of lighting and plumbing equipment, etc. Considering the age of the subject building, and overall present condition, a maintenance/-repair expense of \$12,000 is appropriate for the subject development, which amount includes a reserve allowance for capital expenditures and future tenant improvements.

The foregoing estimated annual operating expenses total \$79,295, which reflects \$2.33 per square foot of gross building area, and 33.7% of the effective gross annual income. The subject property expenses appear to be typical of similar properties on a price per square foot basis as well as an overall percentage basis, and are considered to be reasonable/reflective of it's comparable peer groups and industry standards.

Income/Expense Schedule:

Following is the income and expense schedule considered applicable to the subject property.

Monthly rental income:		
34,098 SF @ \$0.60 =	\$20,459.	
Total gross annual income:		
\$20,459 x 12 =		\$245,508.
Vacancy and credit loss (4.0%):		<u>- 9,820.</u>
Effective gross annual income: (carried forward)		\$235,688.

Continued . . .

VALUATION ANALYSIS (Continued)

INCOME CAPITALIZATION APPROACH: (Continued)

Income/Expense Schedule: (Continued)

Effective gross annual income: (brought forward)				\$235,688.
Annual expenses:	<u>\$/SF</u>	<u>% EGI</u>		
Real estate taxes:	\$1.57	22.7%	\$53,375.	
Insurance:	0.19	2.7%	6,450.	
Management (3%):	0.21	3.0%	7,070.	
Legal and accounting:	0.01	0.2%	400.	
Maintenance/repairs:	<u>0.35</u>	<u>5.1%</u>	<u>12,000.</u>	
	\$2.33	33.7%		
Total annual expenses:				- <u>79,295.</u>
Net annual operating income:				\$156,393.

Capitalization of Net Income:

As stated in the foregoing portion of the Income Capitalization Approach, the capitalization rate employed in this study has been developed by an analysis of certain sale properties wherein the net income was available to determine the overall capitalization rate, as follows:

<u>Data</u>	<u>Date</u>	<u>Year Built</u>	<u>Property Type</u>	<u>Net Income</u>	<u>Sale Price</u>	<u>OAR</u>
1.	10-11	1963	Comm./Res. 3932-3936 Sepulveda Boulevard, Culver City	\$162,240	\$2,600,000.	6.24%
2.	12-11	1964	Industrial 6371 Randolph Street, City of Commerce	\$134,100	\$2,235,000.	6.00%
3.	1-12	1980	Commercial 8407 Washington Boulevard, Pico Rivera	\$ 91,420	\$1,400,000.	6.53%
4.	4-12	1939	Commercial 881 North Western Avenue, Los Angeles	\$269,500	\$3,850,000.	7.00%
5.	5-12	1999	Commercial 1377 West Imperial Highway, Los Angeles	\$165,393	\$2,397,000.	6.90%

As can be noted, the capitalization rates are within a range of 6.00% and 7.00%. In view of (1) the location of the subject property, (2) effective age and construction type/quality of the subject improvements compared to the

VALUATION ANALYSIS (Continued)

INCOME CAPITALIZATION APPROACH: (Continued)

Capitalization of Net Income: (Continued)

various sale property improvements (wherein a capitalization rate was derived), and (3) the date of sale, i.e. economic and financial conditions prevailing during the consummation of the various sale properties, as compared to the current market conditions, the overall capitalization rate considered applicable to the subject property is estimated at 6.50%, as follows:

Capitalization of net income:
\$156,393 capitalized at 6.50% = \$2,406,046.

Based on the foregoing analysis, the market value of the subject property, as indicated by the Income Capitalization Approach, and as of the date of value set forth herein, is adjusted to \$2,400,000.

See Reconciliation on the following page.

VALUATION ANALYSIS (Continued)

RECONCILIATION:

Value indicated by Sales Comparison Approach:	\$3,500,000.
Value indicated by Cost-Summation Approach:	Not applicable.
Value indicated by Income Capitalization Approach:	\$2,400,000.

As can be noted, there is a 33% differential between the two indications of value. As stated in the Highest and Best Use Analysis, the value produced by the Sales Comparison Approach is most indicative of that which would be paid by an owner-user. The value indication obtained from the Income Capitalization Approach reflects a significant discount which would be required by a typical investor acquiring the property for the income generating capability of the improvements.

This report contains some of the information compiled and considered in forming the final estimate of value. It should be noted that the reconciliation is not an averaging process. It involves an analysis of data upon which the various approaches were developed.

The Sales Comparison Approach, as the title implies, studies the phenomena of the real estate market. This approach was applied to the subject property with the use of certain improved office building sale properties in the greater subject market area. The value indication produced by the Sales Comparison Approach, when applied to an investment-type property involving a reasonably sophisticated buyer and seller, often includes terms which may involve various types of primary and secondary financing, as well as concessions and other factors. It is believed that all price inflating concessions and factors were discovered in the verification and analysis process; those sales involving such factors were eliminated from consideration. Inasmuch as the subject property would most likely be acquired by an owner-user, as opposed to investment purposes, the Sales Comparison Approach has been assigned primary weight in the subject analysis.

The Cost-Summation Approach contains three important elements. They are the unit costs, allowance for accrued depreciation, and site valuation. The unit costs can be confirmed by reliable sources in this case. The site valuation is considered accurate based on the land sales analyzed. The allowance for accrued depreciation, however, is a weak point of the Cost-Summation Approach. The reliability of the value indicated by the Cost-Summation Approach tends to decrease with the increase in the chronological and effective age of the building improvement.

VALUATION ANALYSIS (Continued)

RECONCILIATION: (Continued)

The Cost-Summation Approach requires the appraiser to separate and value separately the land and improvements, when in fact, the land and improvements are joined as a unit for the purpose of generating net income and/or providing utility. Further, it should be pointed out that cost is not synonymous with value. Cost and value, with respect to a dollar amount, are the same in rare instances when considered in the context of real estate appraising. For these reasons, the Cost-Summation Approach has not been assigned to the subject property.

The Income Capitalization Approach consists of the capitalization of net income capable of being produced by an investment-type property. The value in the open market is directly related to the ability of the property to generate net income. The type and quality of the income stream is the most important consideration for an investor in this type of property. Inasmuch as the subject property would most typically be acquired by an owner-user, as opposed to an investor, the value indication has been assigned secondary weight to that of the Sales Comparison Approach.

FINAL ESTIMATE OF MARKET VALUE:

Based on the foregoing, as well as the valuation analysis set forth in the appraiser's file, the market value of the unencumbered fee simple interest in the subject property, in as-is condition, exclusive of non-realty fixture/-equipment items, is estimated at \$3,500,000.

MARKETING EXPOSURE:

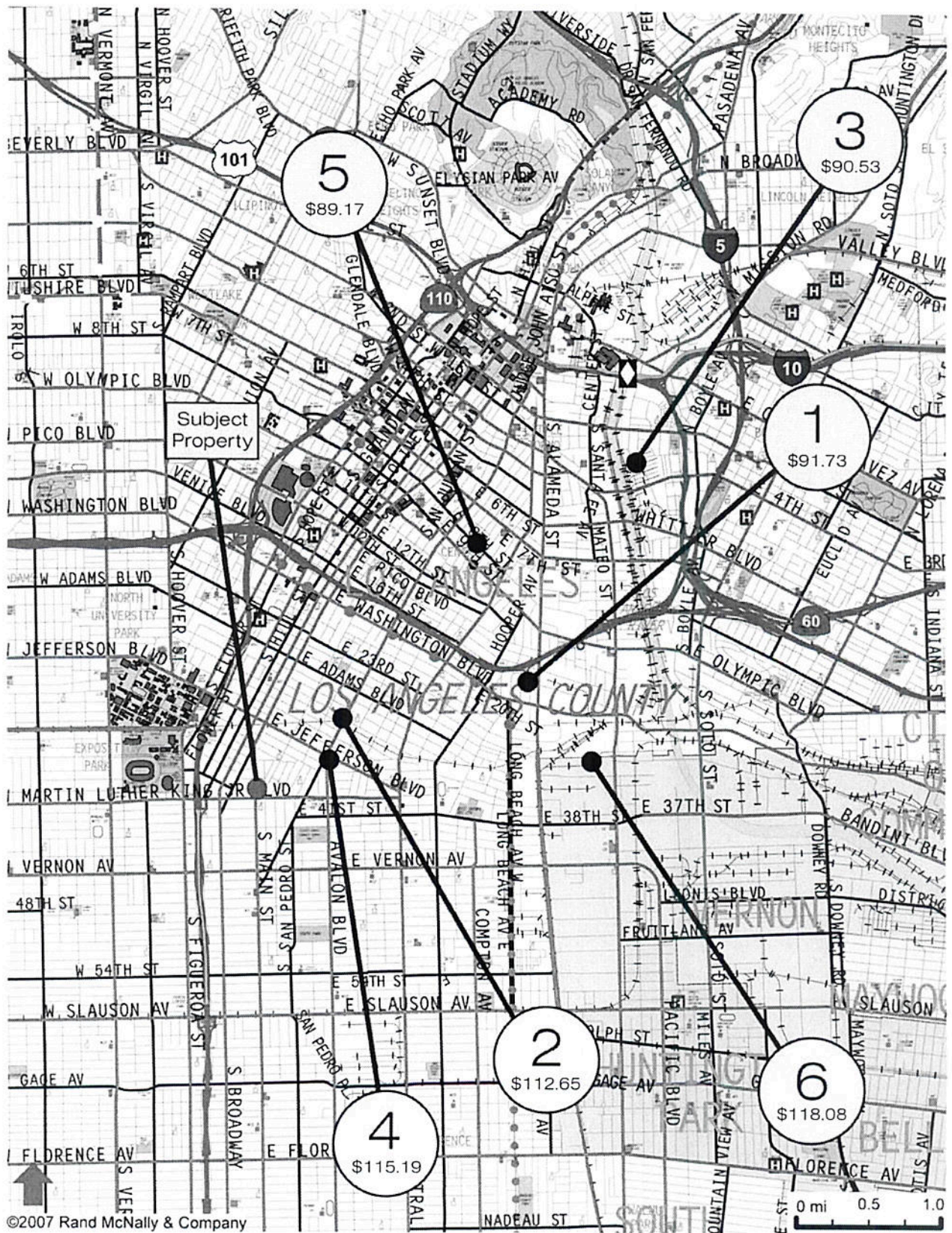
The marketing time of a particular property is a direct function of supply and demand within a particular market segment. Generally, a higher demand results in a shorter marketing period. During the course of extensive market research, interviews were conducted of parties involved in the transactions regarding the improved industrial sale properties employed in the Sales Comparison Approach. Based on said interviews, as well as interviews with a number of real estate brokers specializing in the subject industrial property market, the marketing time estimated for the subject property, assuming an aggressive and comprehensive marketing program, is approximately nine months.

MARKET DATA

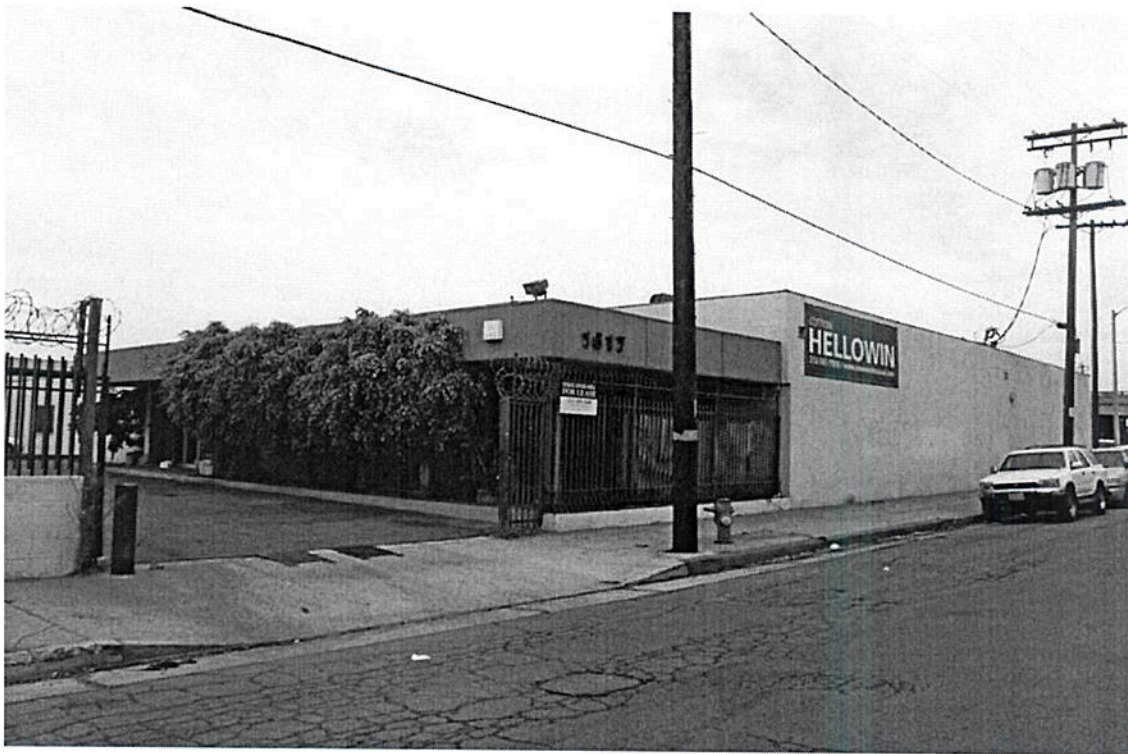
MARKET DATA SUMMARY

IMPROVED INDUSTRIAL SALE PROPERTIES:

<u>Data</u>	<u>Date</u>	<u>Land Size</u> <u>Bldg. Size</u>	<u>Corner</u> <u>Built</u>	<u>Zoning</u> <u>Const'n.</u>	<u>Alley</u> <u>% Office</u>	<u>Land/Bldg.</u> <u>Ratio</u>	<u>Sale Price</u>	<u>\$/SF Land</u> <u>\$/SF Bldg.</u>
1.	3-11	47,112 sf 38,700 sf	no 1925	MR-2 conc. blk.	yes 9%	1.22:1	\$3,550,000.	\$ 75.35 \$ 91.73
1615-1617 McGarry Street, Los Angeles								
2.	5-11	44,000 sf 34,754 sf	yes 1952	M-1 tilt-up	no 16%	1.27:1	\$3,915,000.	\$ 88.98 \$112.65
2901 South San Pedro Street, Los Angeles								
3.	6-11	32,654 sf 35,349 sf	yes '25/'50	M-2 brick	no 6%	0.92:1	\$3,200,000.	\$ 98.00 \$ 90.53
300 South Mission Road, Los Angeles								
4.	9-11	55,620 sf 42,106 sf	yes 1974	M-1 tilt-up	no 21%	1.32:1	\$4,850,000.	\$ 87.20 \$115.19
700 East Jefferson Boulevard, Los Angeles								
5.	11-11	40,777 sf 30,000 sf	no 1923	M-2 conc. blk.	no 5%	1.36:1	\$2,675,000.	\$ 65.60 \$ 89.17
905 East 8 th Street, Los Angeles								
6.	4-12	43,560 sf 25,406 sf	no 1923	I concrete	no 25%	1.71:1	\$3,000,000.	\$ 68.87 \$118.08
2140 East 25 th Street, Vernon								



MARKET DATA #1



1615-1617 McGarry Street, Los Angeles

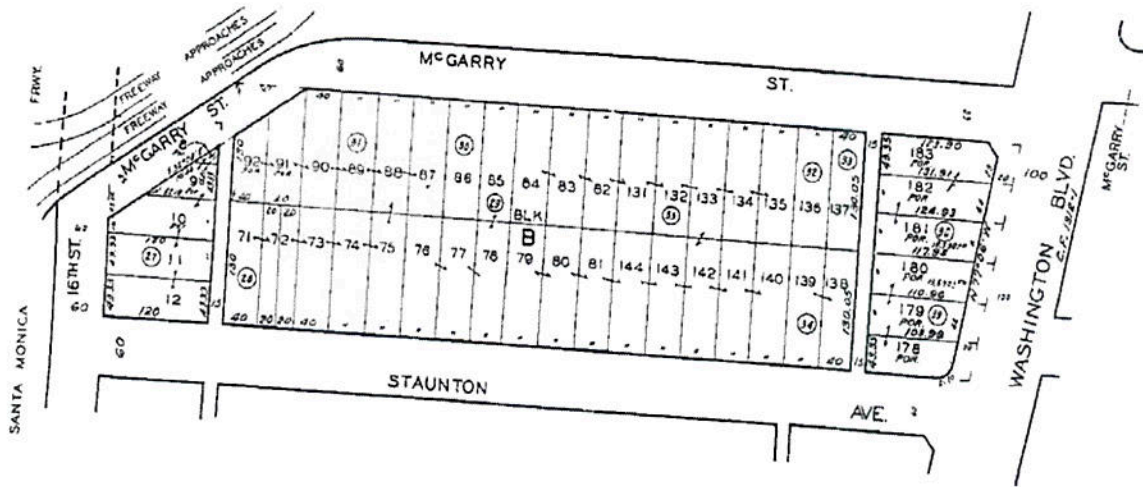
GRANTOR:	Kyung & Ha Cho	APN:	5167-003-031
GRANTEE:	Jessica H. Kim	LAND SIZE:	47,112 sq.ft.
SALE DATE:	March 16, 2011	BUILDING SIZE:	38,700 sq.ft.
DOC. NO.:	399996	YEAR BUILT:	1925
SALE PRICE:	\$3,550,000.	CONST. TYPE:	Concrete block
TERMS:	15% cash down	L/B RATIO:	1.22:1
ZONING:	MR-2	CORNER:	No
ALLEY:	Yes	TOPOGRAPHY:	Level

VALUE INDICATIONS: \$75.35 per SF land.
 \$91.73 per SF bldg.

CONFIRMATION SOURCE: Public record, CoStar Comps, and Dan Weil, broker representing grantor.

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #1 (Continued)



DATE INSPECTED: July 13, 2012

BY: Scott A. Lidgard, MAI

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #2



2901 South San Pedro Street, Los Angeles

GRANTOR:	Shellman, LLC	APN:	5128-014-030
GRANTEE:	S & Y Central, LLC	LAND SIZE:	44,000 sq.ft.
SALE DATE:	May 12, 2011	BUILDING SIZE:	34,754 sq.ft.
DOC. NO.:	675969	YEAR BUILT:	1952
SALE PRICE:	\$3,915,000.	CONST. TYPE:	Concrete tilt-up
TERMS:	25% cash down	L/B RATIO:	1.27:1
ZONING:	M-1	CORNER:	Yes
ALLEY:	No	TOPOGRAPHY:	Level
VALUE INDICATIONS:	\$ 88.98 per SF land. \$112.65 per SF bldg.		

CONFIRMATION SOURCE: Public record, CoStar Comps, and Jerry Sackler, broker representing grantor.

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #2 (Continued)



DATE INSPECTED: July 13, 2012

BY: Scott A. Lidgard, MAI

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #3



300 South Mission Road, Los Angeles

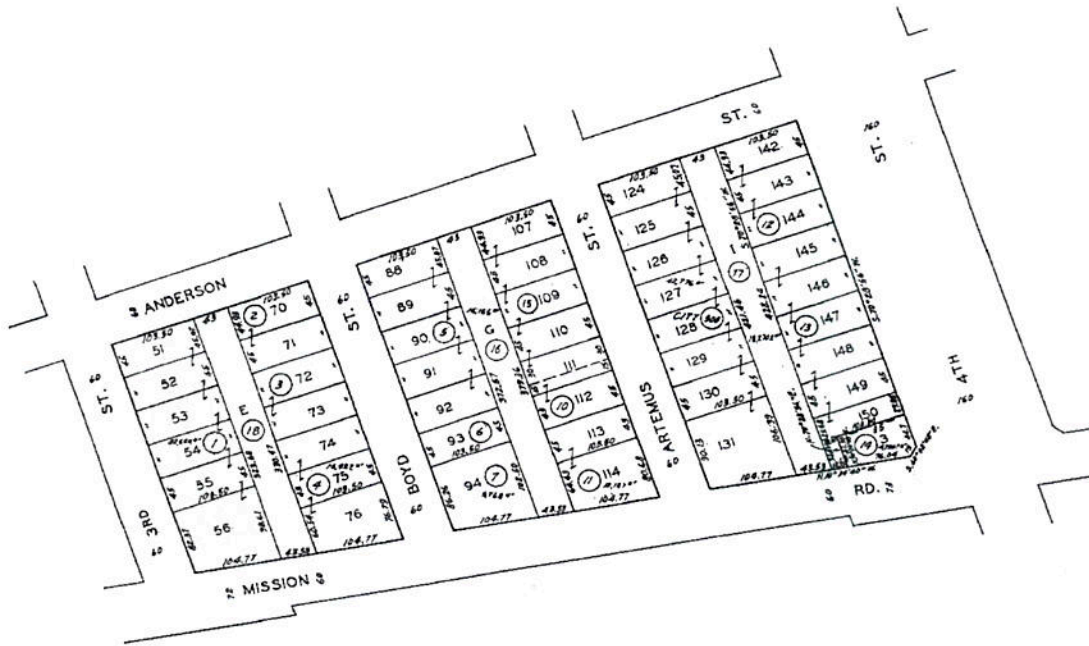
GRANTOR:	Daniels Family Partnership	APN:	5172-015-001
GRANTEE:	Campbell Living Trust	LAND SIZE:	32,654 sq.ft.
SALE DATE:	Jun 21, 2011	BUILDING SIZE:	35,349 sq.ft.
DOC. NO.:	836554	YEAR BUILT:	1926/1950
SALE PRICE:	\$3,200,000.	CONST. TYPE:	Brick
TERMS:	All cash	L/B RATIO:	0.92:1
ZONING:	M-2	CORNER:	Yes
ALLEY:	No	TOPOGRAPHY:	Level

VALUE INDICATIONS: \$98.00 per SF land.
 \$90.53 per SF bldg.

CONFIRMATION SOURCE: Public record, CoStar Comps, and Jonathan Ferrini, broker representing grantor.

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #3 (Continued)



DATE INSPECTED: July 13, 2012

BY: Scott A. Lidgard, MAI

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #4



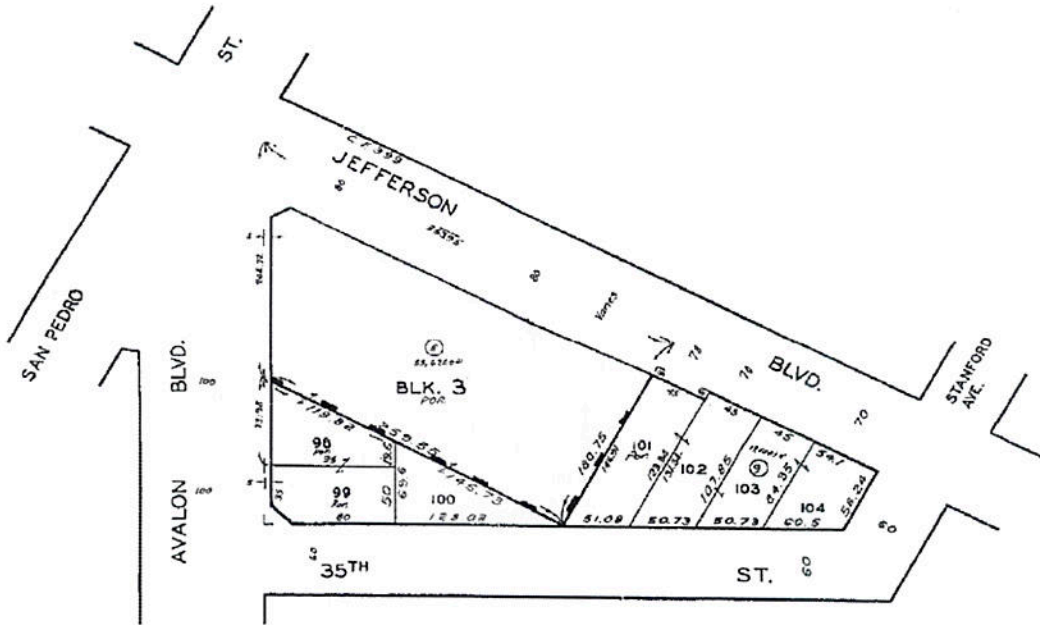
700 East Jefferson Boulevard, Los Angeles

GRANTOR:	George & Roberta Torres	APN:	5121-001-008
GRANTEE:	Jefferson Enterprises, LLC	LAND SIZE:	55,620 sq.ft.
SALE DATE:	September 16, 2011	BUILDING SIZE:	42,106 sq.ft.
DOC. NO.:	1262170	YEAR BUILT:	1974
SALE PRICE:	\$4,850,000.	CONST. TYPE:	Concrete tilt-up
TERMS:	SBA loan	L/B RATIO:	1.32:1
ZONING:	M-1	CORNER:	Yes
ALLEY:	No	TOPOGRAPHY:	Level
VALUE INDICATIONS:	\$ 87.20 per SF land. \$115.19 per SF bldg.		

CONFIRMATION SOURCE: Public record, CoStar Comps and Bradley Luster, broker representing grantor.

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #4 (Continued)



DATE INSPECTED: July 13, 2012

BY: Scott A. Lidgard, MAI

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #5



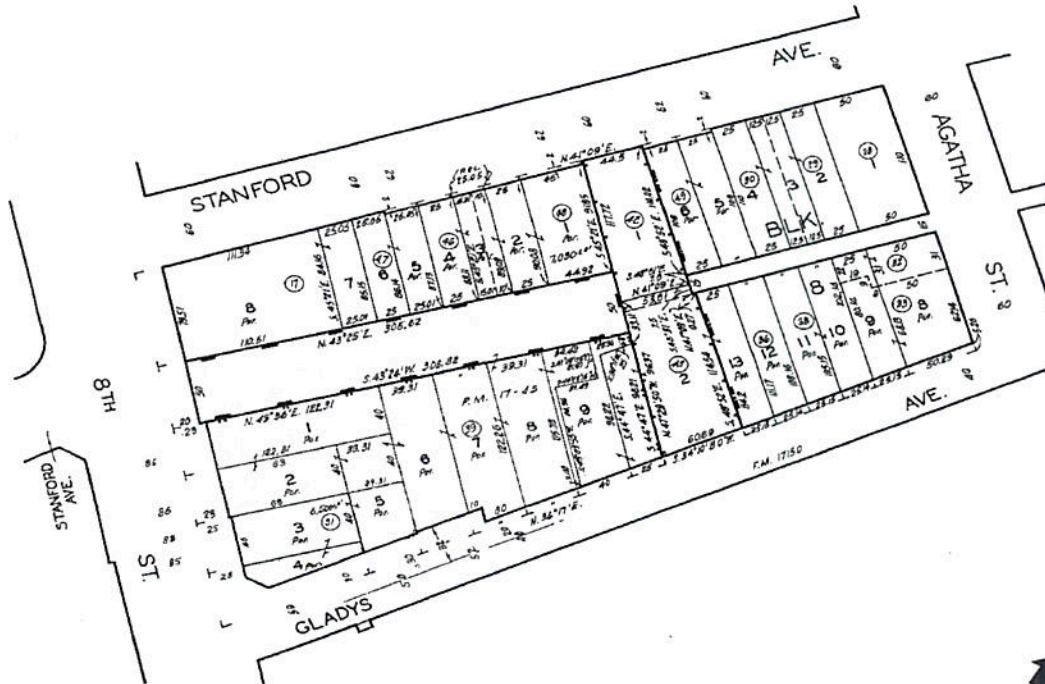
905 East 8th Street, Los Angeles

GRANTOR:	905 8 th Street, LLC	APN:	5146-029-035, 039
GRANTEE:	Special Service of Groups, Inc.	LAND SIZE:	40,777 sq.ft.
SALE DATE:	November 16, 2011	BUILDING SIZE:	30,000 sq.ft.
DOC. NO.:	1553640	YEAR BUILT:	1923
SALE PRICE:	\$2,675,000.	CONST. TYPE:	Concrete block
TERMS:	All cash	L/B RATIO:	1.36:1
ZONING:	M-2	CORNER:	No
ALLEY:	No	TOPOGRAPHY:	Level
VALUE INDICATIONS:			\$65.60 per SF land. \$89.17 per SF bldg.

CONFIRMATION SOURCE: Public record, CoStar Comps, and Kam Elghanian, broker representing grantee.

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #5 (Continued)



DATE INSPECTED: July 13, 2012

BY: Scott A. Lidgard, MAI

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #6



2140 East 25th Street, Vernon

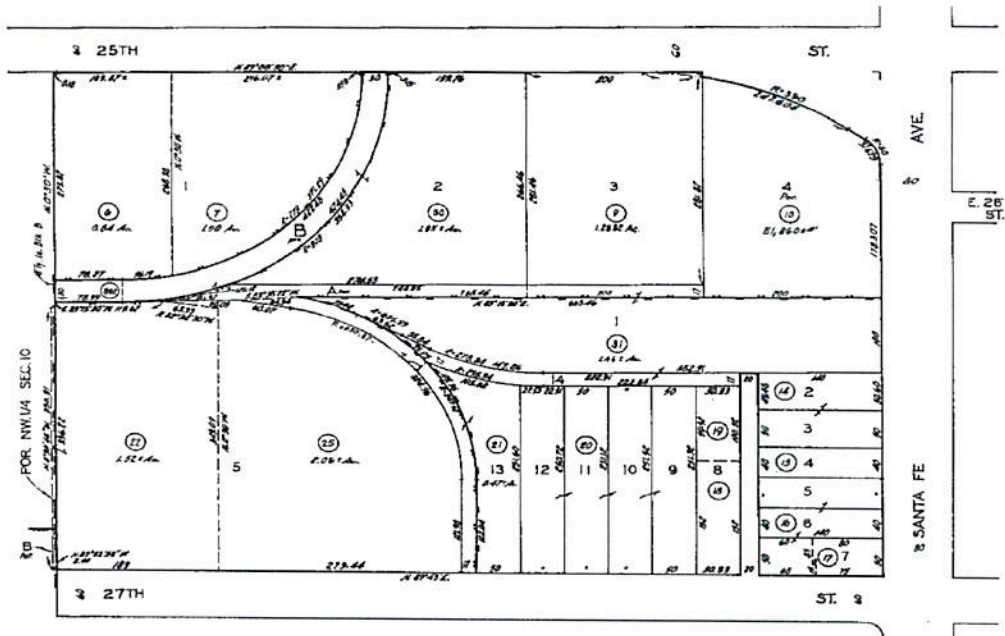
GRANTOR:	Marks & Creative, LLC	APN:	6302-008-007
GRANTEE:	Project Rocky Creek, LLC	LAND SIZE:	43,560 sq.ft.
SALE DATE:	April 20, 2012	BUILDING SIZE:	25,406 sq.ft.
DOC. NO.:	588972	YEAR BUILT:	1923
SALE PRICE:	\$3,000,000.	CONST. TYPE:	Concrete
TERMS:	SBA loan	L/B RATIO:	1.71:1
ZONING:	I	CORNER:	No
ALLEY:	No	TOPOGRAPHY:	Level

VALUE INDICATIONS: \$ 68.87 per SF land.
 \$118.08 per SF bldg.

CONFIRMATION SOURCE: Public record, CoStar Comps, and Kai Chon, broker representing grantee.

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

MARKET DATA #6 (Continued)



DATE INSPECTED: July 13, 2012

BY: Scott A. Lidgard, MAI

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

ADDENDA

See Photo No. 1 on first page of Subject Property Section.



PHOTO NO. 2: View looking northeasterly at the subject property from Main Street.



PHOTO NO 3: View looking southeasterly at the subject property from Main Street.



PHOTO NO. 4: View looking southwesterly at the subject property from the rear public alley.

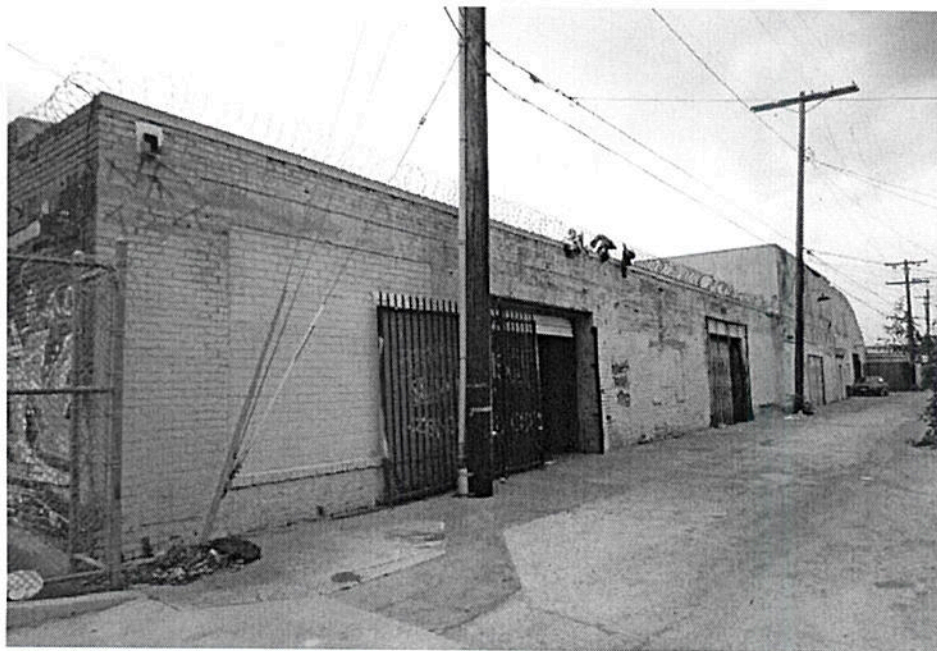


PHOTO NO. 5: View looking northwesterly at the subject property from the rear public alley.

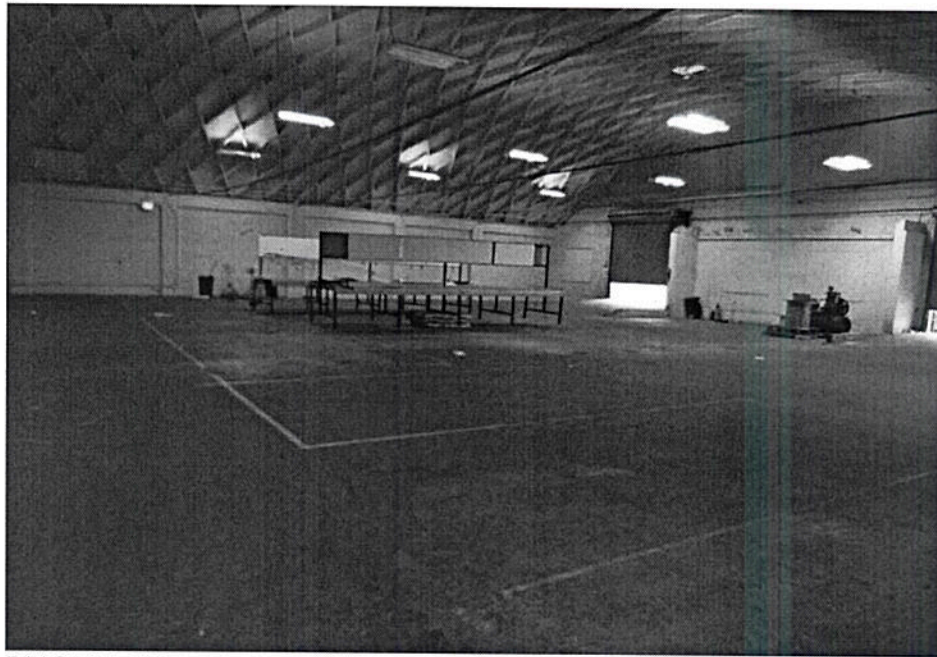


PHOTO NO. 6: Interior view of ship area within building identified as 3818 South Main Street.



PHOTO NO. 7: Interior view of Interior view of shop area within building identified as 3828 South Main Street.



PHOTO NO. 8: Interior view of shop area within building identified as 3832 South Main Street.

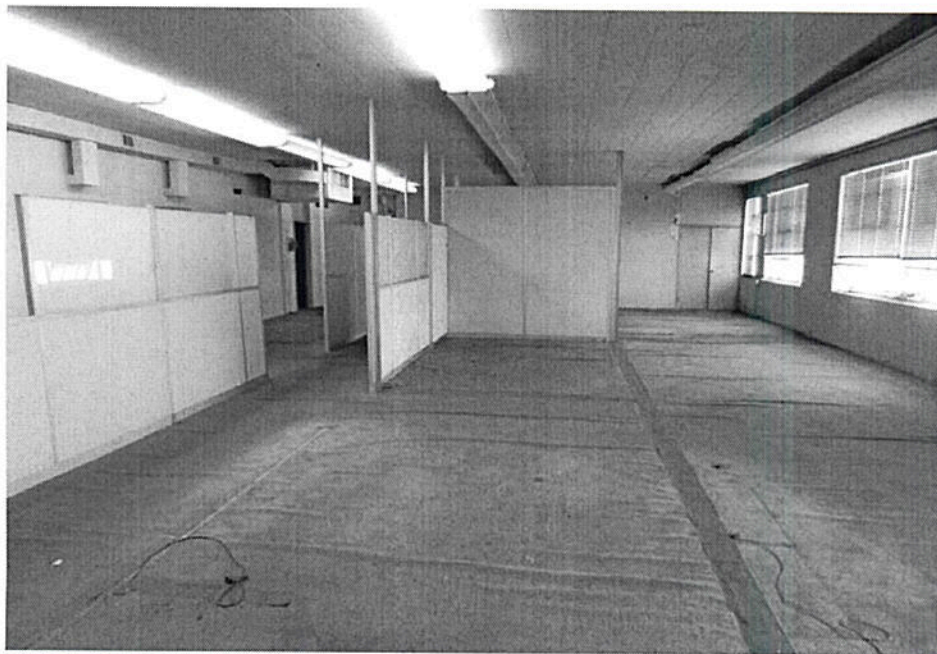


PHOTO NO. 9: Interior view of typical finished office area.

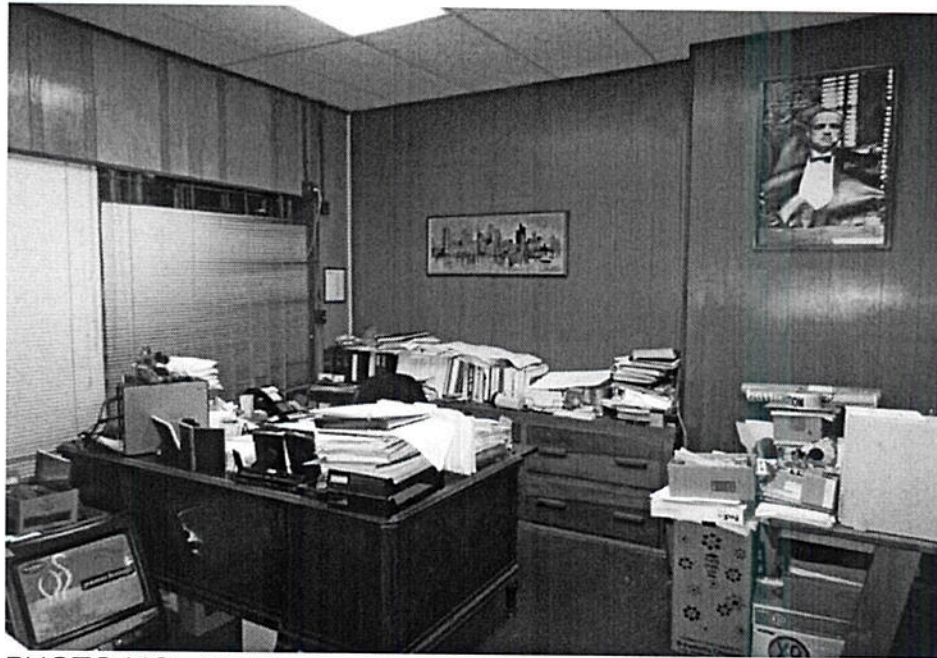


PHOTO NO. 10: Interior view of private office.

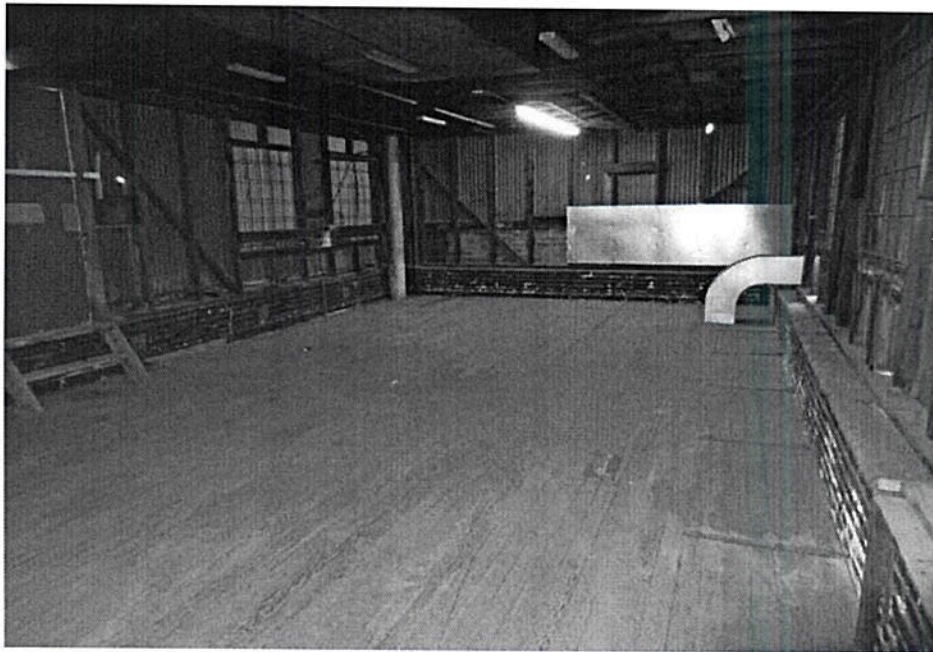


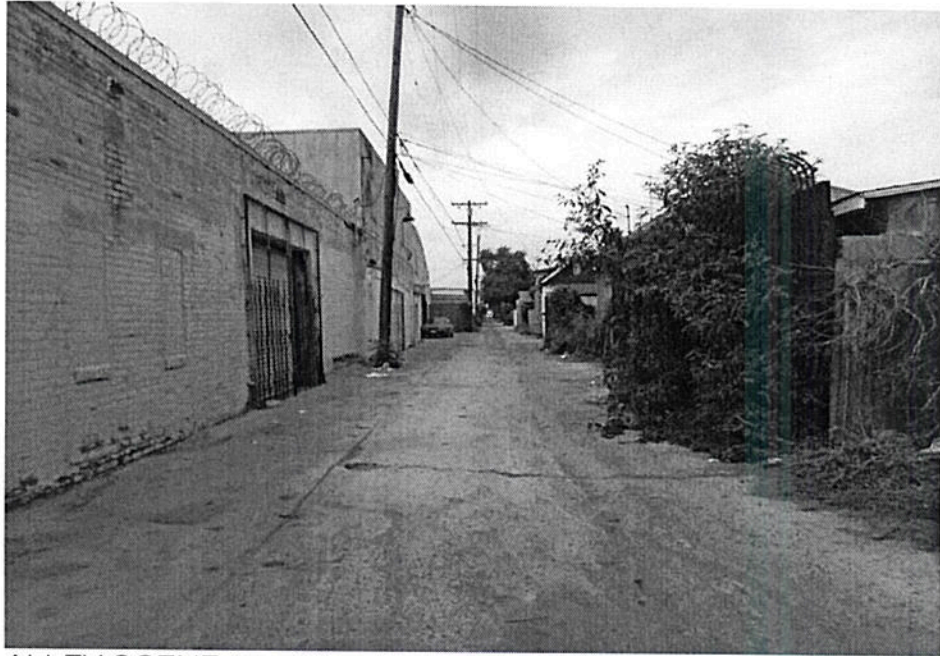
PHOTO NO. 11: Interior view of unfinished mezzanine storage area situated in building identified as 3828 South Main Street.



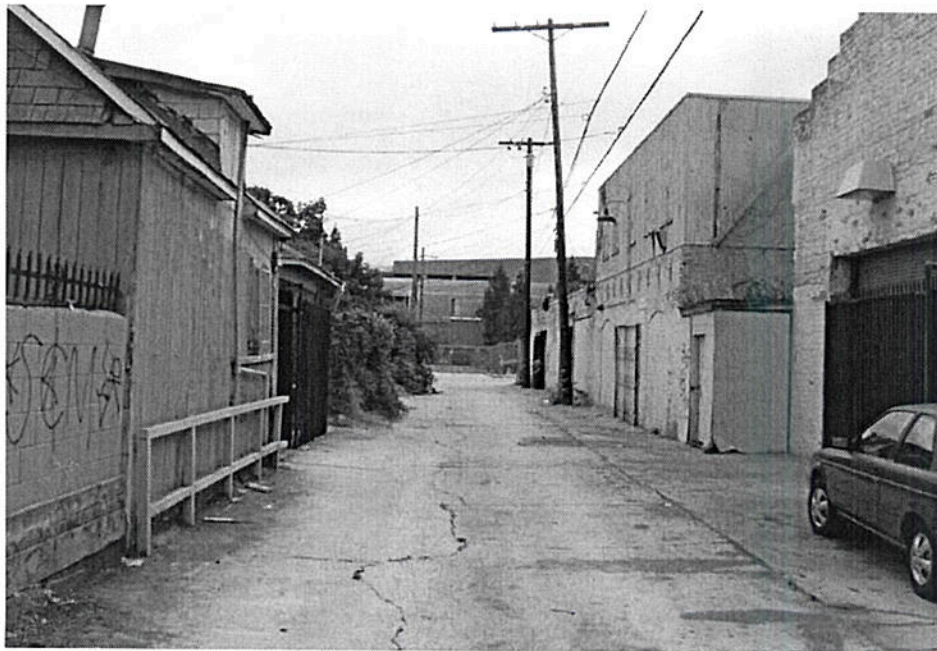
STREET SCENE 1: View looking north along Main Street; subject property at right-center of photograph.



STREET SCENE 2: View looking south along Main Street; subject property at right-center of photograph.



ALLEY SCENE 1: View looking north along the rear public alley; subject property at left-center of photograph.



ALLEY SCENE 2: View looking south along the rear public alley; subject property at right-center of photograph.

**LOS ANGELES COUNTY
REGIONAL DESCRIPTION**

REGIONAL DATA

The value of real property is influenced by the characteristics and utility of land and physical improvements, as well as inter-relationships of markets, demographic forces, transportation, government, environmental influences and other factors. Said factors influence the location and density of population distribution and activities in certain areas and regions over others.

LOCATION:

The Greater Los Angeles Metropolitan Area is located in the southern part of the State of California. It is the largest coastal lowland in the state. The area is one of the largest regions in the United States; it has experienced continued growth in population, employment, manufacturing, housing, retail sales, and investment opportunities since the end of World War II. The Greater Los Angeles Metropolitan Area has the second largest concentration of population, business and industry, exceeded only by the Greater New York Area. The five-county area ranks second in manufacturing, shipment and retail sales, and third in manufacturing employment, personal income, and world trade.

Approximately one-half of the economy of the State of California is concentrated in the five-county area although it represents less than 5% of the state's total land area. Also, approximately half of the state's businesses are located in the five-county area, as well as over 60% of the manufacturers in the state. The following summary illustrates the relative size of each county:

Los Angeles County:	4,083 square miles
Orange County:	782 square miles
Riverside County:	7,240 square miles
San Bernardino County:	20,160 square miles
Ventura County:	<u>1,844</u> square miles
Total:	34,109 square miles

GOVERNMENTAL:

Los Angeles County is one of California's original counties, and was established February 18, 1850. Los Angeles County is bordered on the east by Orange and San Bernardino Counties, on the north by Kern County, on the west by Ventura County, and on the south by the Pacific Ocean. It also includes the islands of San Clemente and Santa Catalina. Los Angeles County has a coastline extending 76 miles in length.

REGIONAL DATA (Continued)

GOVERNMENTAL: (Continued)

The Board of Supervisors, created by the State Legislature in 1852, is the governing body. Five supervisors are elected to four-year terms by voters within their respective districts. The board has executive, legislative and quasi-judicial roles. It appoints all department heads other than the Assessor, District Attorney, and Sheriff, which are elective positions.

As a subdivision of the State, the County is charged with providing numerous services that affect the lives of all residents. Traditional mandatory services include law enforcement, property assessment, tax collection, public health protection, public social services and relief to indigents. Among the specialized services are flood control, water conservation, parks and recreation, and many diversified cultural activities.

More than 65% of the County is incorporated. There are 88 cities within the County, each with its own City Council. All of the cities in varying degrees, contract with the County to provide municipal services. The 2001-2002 County budget is \$16.2 billion. 32% of the revenue comes from the State, 28% from the Federal government, 13% from property taxes, and 27% from other services. 30% of the budget pertains to social services, 20% is spent on public protection, and 23% on health services.

The County, with 95,544 budgeted employees, is the largest employer in the five-county region. Of these, 27,197 of the positions are in law and justice; 26,574 are in health services, and 22,192 are in social services.

POPULATION:

Los Angeles has the largest county population in the State of California. The population growth has continued at a steady pace over the past 40 years. The continued population growth during the decades of 1980 and 1990 is in sharp contrast to population losses experienced by many large metropolitan areas in other parts of the United States.

The population growth is expected to continue at a relatively constant rate throughout the new century. Following is a general history of population growth within the Los Angeles County region:

Continued

REGIONAL DATA (Continued)

POPULATION: (Continued)

1920	1,000,000
1950	4,150,000
1960	6,040,000
1970	7,032,000
1980	7,477,000
1985	8,160,000
1990	8,770,000
2001	9,802,800

The population continues to grow at a fairly constant rate. The trend is expected to continue as more vacant land is developed with residential tracts in response to demand by the immigration from the midwest and eastern states, as well as ethnic influx of additional residents.

EMPLOYMENT AND INDUSTRY:

The labor force of the Greater Los Angeles Metropolitan Area is over 4.6 million persons. During the years 1990 through 2000, the labor force of the area grew by 4.03%, which is approximately 65% less than the rate of growth of the population. The difference is attributed to the economic slowdown in the early 1990s. Employment levels were hit the most hard within industries such as construction, finance/insurance, real estate, manufacturing, as well as the federal government. Employment trends of the service sector grew by 13.9%, where as the utility sector increased 14.27%. the unemployment rate is approximately 5%.

Based on 1999 information, the distribution of the work force was divided among the following industries:

Services:	32.9%
Manufacturing:	16.1%
Trade:	22.1%
Government:	14.0%
Finance/Insurance/Real estate:	5.8%
Transportation/Utilities:	5.8%
Construction:	3.2%
Mining:	0.1%

REGIONAL DATA (Continued)

EMPLOYMENT AND INDUSTRY: (Continued)

Generally, the Greater Los Angeles Metropolitan Area has a diverse industrial/commercial base. Aerospace, commerce, petroleum, finance, electronics, construction, entertainment, and food processing are some of the many industries headquartered in the region.

There have been significant reductions in defense/aerospace industries in recent years due to the end of the Cold War. Further, the over-supply of office space, industrial facilities, and research/development facilities created downward pressure on real estate values in the early to mid 1990s. The impact of the national recession was compounded by bank and other lending institution closures.

FINANCE AND RETAIL TRADE:

Total taxable sales in the median adjusted gross income based on personal income tax returns in 1997 were \$23,390 for individuals, and \$42,629 for joint filings.

Foreign trade, including both imports and exports within Los Angeles County has increased dramatically since 1990, as follows:

<u>Year</u>	<u>Exports</u>	<u>Imports</u>	<u>Total</u>
1990	\$42.1 billion	\$ 64.6 billion	\$106.7 billion
1992	\$49.4 billion	\$ 72.6 billion	\$122.0 billion
1995	\$67.0 billion	\$ 97.0 billion	\$164.0 billion
1998	\$63.8 billion	\$117.8 billion	\$181.6 billion

The ports of Los Angeles and Long Beach have handled the largest cargo tonnage of deep-sea vessels on the Pacific Coast. The Harbor Departments of Los Angeles and Long Beach are in the process of a ten-year development plan which will approximately double the respective port capacities.

TAXES AND GOVERNMENT:

In addition to various county agencies and jurisdictions, numerous other city governments operate within the Greater Los Angeles County Metropolitan Area. There are 88 individual cities in Los Angeles County, the larger, with

REGIONAL DATA (Continued)

TAXES AND GOVERNMENT: (Continued)

respect to population, are Los Angeles (3,822,955), Long Beach (457,608), Glendale (203,734), Torrance (147,414), and Pasadena (143,874). The population living within unincorporated County territories is 1,023,700 persons. In addition, there are over 200 school districts, and over 500 special districts such as flood control, lighting, sanitation, and fire protection.

An exact estimate with respect to real estate taxes depends entirely upon the location of a property in each county, and the respective city and taxing districts.

Property taxes for the entire state were reduced substantially as a result of the passage of the Jarvis-Gann Initiative in June, 1978. Currently, property taxes are limited to 1% of the assessed value, however, the taxes are generally somewhat higher due to the ability of the taxing districts to add bonded indebtedness to the tax bill. The assessed value of real estate is limited to a 2% annual increase, or the general rise in real estate prices, whichever is less. In 1983, the increase was 1% since a 2% increase could not be supported in the real estate market. Real property is subject to a reappraisal upon a change of ownership as defined by Article XIII A of The California State Constitution and subsequent explanatory legislation of the State Board of Equalization directives.

TRANSPORTATION:

Southern California has an extensive system of highways, railroads, airports and deep water ports which offer industry a variety of means for efficiently and conveniently transporting raw materials and finished products. The transportation network provides easy connections and access to markets within California as well as throughout the nation and world. The existing freeway system is subject to constant maintenance, and numerous additional freeway routes have been adopted or are under construction.

The Metropolitan Transportation Authority carries 1.5 million riders daily from various points within the Los Angeles region. Express busses provide bus commuters with transportation to the suburbs. Commuters can also park on the outer periphery of the city and utilize bus transportation to employment centers. A downtown minibus system provides additional transportation within the Central Business District of Los Angeles. The construction of the Metro Rail Red Line system was completed in 1996 and

REGIONAL DATA (Continued)

TRANSPORTATION: (Continued)

links downtown Los Angeles to the Wilshire District, and portions of the San Fernando Valley. The Blue Line Metro Rail, which extends between Los Angeles and Long Beach, began operation in late 1990.

There are approximately 15 railroad companies operating within the Los Angeles area which link the continental United States and Canada. The rail companies offer a variety of shipping facilities, and transport approximately 8 billion tons of freight from the Los Angeles area annually.

The trucking and warehousing industry in Los Angeles represents the third largest in the country with approximately 10,000 commercial trucking companies in operation.

REAL ESTATE:

Intensive land development has taken place over the last century which has created a very large urban area. Over 1,100 square miles are designated as urban, of which 200 square miles are commercial and industrial developments. The Greater Los Angeles Metropolitan Area has attracted investors from Europe, the Pacific Rim, and Middle East for over 30 years. The "off shore" investment and financing have contributed greatly to major development projects.

While the equilibrium between supply and demand of certain real estate products varies considerably, there is generally a balance between residential, commercial, and industrial developments.

CLIMATE AND RECREATION:

The coastal communities of Southern California generally enjoy a Mediterranean type climate. The average annual rainfall is approximately 14.9 inches, with most precipitation occurring in the winter months (January through March). The climate, for the most part, is dry and warm; high temperatures average 65° in January, and 82° in July.

There is a variety of cultural, recreational, educational, and entertainment options in the greater Los Angeles area. There are numerous boating and water sport facilities, and many miles of maintained beaches; other facilities include recreational parks, camp grounds, golf courses, amusement parks, and major league sports facilities.

REGIONAL DATA (Continued)

CLIMATE AND RECREATION: (Continued)

More than 90% of the world's recorded entertainment is produced within a five mile radius of Hollywood. The area offers a wide variety of film and live entertainment. Other entertainment centers include Disneyland, California Adventure, Magic Mountain, Knott's Berry Farm, Universal Studios Tour, etc.

CONCLUSION AND TRENDS:

The Greater Los Angeles Metropolitan Area appears to have reached a new plateau with respect to population and expansion, particularly in view of the down zoning and reduction in development density by most municipal jurisdictions. Smog and overcrowding appear to be the most common reasons for families relocating to other counties. The importance of the Los Angeles County Basin as a major center of industry, trade, and transportation should not diminish as it remains the second largest metropolitan area in the United States.

While the 1990-95 recession and current economic downturn diminished the economic outlook throughout the country, the future of the Greater Los Angeles Metropolitan Area appears to be favorable and reasonably strong. The wide diversity of occupations, goods and services, coupled with steady population growth, provide a stable economic base.

**QUALIFICATIONS OF
APPRAISER**

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

BACKGROUND AND QUALIFICATIONS

Scott A. Lidgard, MAI, CCIM
President of
LIDGARD AND ASSOCIATES
INCORPORATED

Full service appraisal firm encompassing all types of real property including commercial, industrial, complex residential, and special use properties. Scott A. Lidgard has over 25 years experience in the appraisal of real property for various clients including public agencies, corporations, law firms in connection with litigation support, accountants, and private clients.

OFFICE ORGANIZATIONAL STRUCTURE:

Principal Appraiser:	Scott A. Lidgard
Market Research Analyst:	Jason T. Clayton
Market Research Analyst:	Jason Boyer
Market Research Assistant:	Lindsey Bruno
Office Administrator:	Sarah A. Petty
Office Assistant:	Kelly M. Lidgard

PROFESSIONAL ORGANIZATION AFFILIATIONS:

MAI Designated Member of the Appraisal Institute
(Member No. 11715).

CCIM (Certified Commercial Investment Member) designated
member of the CCIM Institute (Member No. 11262).

STATE CERTIFICATION:

Certified General Real Estate Appraiser by the Office of Real
Estate Appraisers, State of California. Certificate No.
AG004014.

BROKER'S LICENSE:

Licensed California Real Estate Broker (License No. 00825141).

EXPERT WITNESS:

Qualified as an expert on Real Property Valuation in the Los
Angeles, Orange, San Bernardino, and Riverside County
Superior Courts, as well as Federal Bankruptcy Court.

LIDGARD AND ASSOCIATES
APPRAISERS-CONSULTANTS

BACKGROUND AND QUALIFICATIONS (Continued)

ACADEMIC BACKGROUND

California State University, Fullerton
B.A., Business Administration, emphasis in real estate finance.

Successfully completed various educational courses and seminars sponsored by the Appraisal Institute, as well as other real estate and business organizations.

BUSINESS AFFILIATIONS:

Appraisal Experience:

President, Lidgard and Associates, Inc., Orange, California, established October 1, 1997.

Vice President, R. P. Laurain & Associates, Inc., Long Beach, California, between 1984 and 1997.

Real Estate Sales Associate, Merrill Lynch Realty, Placentia, California, between 1982 and 1984.

BOARD OF DIRECTORSHIPS:

Sergeant at Arms, Long Beach Rotary

President, Belmont Estates HOA, Orange

Vice President, Canyon Rim Villas HOA, Anaheim Hills

Treasurer, Orchard Owner's Association, Orange

Board of Directors, Villa Heights HOA, Villa Park

APPRAISAL SERVICES RENDERED:

Real estate appraisal services performed on projects for the following public agencies and private corporations, since 1984:

Cities:

City of Anaheim

City of Garden Grove

City of Mission Viejo

City of Azusa

City of Glendora

City of Montclair

City of Baldwin Park

City of Hawaiian Gardens

City of Monterey Park

City of Bell

City of Highland

City of Murrieta

City of Bellflower

City of Huntington Park

City of Ontario

City of Bell Gardens

City of Indio

City of Palm Desert

City of Brea

City of Irvine

City of Palm Springs

City of Carson

City of La Mirada

City of Pasadena

City of Cathedral City

City of La Habra

City of Pico Rivera

City of Costa Mesa

City of La Quinta

City of Placentia

City of Diamond Bar

City of Laguna Hills

City of Pomona

City of Downey

City of Long Beach

City of Rancho Mirage

City of Fullerton

City of Lynwood

City of Redondo Beach

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL SERVICES RENDERED (Continued)

Cities: (Continued)

City of Rialto	City of Santa Ana	City of Upland
City of Riverside	City of Santa Clarita	City of Whittier
City of San Clemente	City of Signal Hill	City of West Covina
City of San Bernardino	City of Stanton	City of Yorba Linda
City of San Juan Capistrano	City of Tustin	City of Victorville

Redevelopment Agencies:

- Baldwin Park Redevelopment Agency
- Bell Redevelopment Agency
- Bell Gardens Redevelopment Agency
- Buena Park Redevelopment Agency
- Carson Redevelopment Agency
- Cathedral City Redevelopment Agency
- El Monte Redevelopment Agency
- Garden Grove Redevelopment Agency
- Glendale Redevelopment Agency
- Huntington Beach Redevelopment Agency
- Huntington Park Redevelopment Agency
- Inglewood Redevelopment Agency
- La Puente Redevelopment Agency
- Long Beach Redevelopment Agency
- Los Angeles Community Redevelopment Agency
- Norwalk Redevelopment Agency
- Ontario Redevelopment Agency
- Palm Desert Redevelopment Agency
- Rialto Redevelopment Agency
- Riverside Redevelopment Agency
- San Bernardino Redevelopment Agency
- Signal Hill Redevelopment Agency
- West Covina Community Development Commission
- Whittier Redevelopment Agency
- Yorba Linda Redevelopment Agency

Other Government Agencies:

- Calleguas Municipal Water District
- County of Los Angeles, Internal Services Division
- County of Riverside
- Inland Empire Utilities Agency
- Long Beach Unified School District
- Los Angeles County Sanitation District
- Los Angeles Unified School District
- Orange County Transportation Authority
- Palm Springs Unified School District

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL SERVICES RENDERED (Continued)

Other Government Agencies: (Continued)

Placentia Unified School District
Port of Long Beach
Port of Los Angeles
Resolution Trust Corporation
Riverside County Transportation Commission
State of California
U. S. Department of Navy
U. S. Marshal Service
Victor Valley Wastewater Reclamation Authority

Financial Institutions:

American First Federal Credit Union
Farmers and Merchants Bank
First Federal Bank
First Federal Credit Union
Fiscal Federal Credit Union
Harbor Bank
Long Beach Bank
Mineral King National Bank
Northern Trust Bank
Queen City Bank
Sumitomo Bank, Ltd.
Union Bank

Asset Management Companies:

Amresco, Inc.
American Residential Mortgage Corporation
BEI Management, Inc.
Emerson International
Equitable Real Estate Investment Management
EQ Services
Icon Associates
Independence One
Pacific Southwest Partners

Private Companies/Corporations:

Allstate Insurance Company
Best, Best & Krieger, LLP
Bonnie, Hopkins & Bastardi, LLP
Bridgestone/Firestone, Inc.
Black & Vetch Corporation
Buchalter Nemer, A Professional Corporation
Burke, Williams & Sorenson, LLP
California Eminent Domain Law Group

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL SERVICES RENDERED (Continued)

Private Companies/Corporations: (Continued)

Carl Karcher Enterprises
Chapman University
Century Law Group
Daley & Heft, LLP
Eastman Kodak Company
Ferro Corporation
Flagstar Companies
Guild Financial
Hahn & Hahn, LLP
Harbor Chevrolet
Inland Partners Corporation
Kaufman and Broad
Latham & Watkins, Attorneys at Law
Long Beach Memorial Medical Center
Madden, Jones, Cole & Johnson, Attorneys at Law
Oliver, Vose, Sandifer, Murphy & Lee
Pan Pacific Development
Rutan & Tucker, LLP
Scotsdale Insurance
Snell & Wilmer, Attorneys at Law
T.R.W.
The Trust for Public Land
Westport Packers
Windes and McClaughry, Accountancy Corporation
Wise, Wiezorek, Timmons & Wise, Attorneys at Law



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

April 12, 2011

Accelerated Charter School
Joaquin Hernandez, CEO
4000 South Main Street
Los Angeles, CA 90037

Project Tracking No: 64733-1966
Re: Accelerated Charter Elementary School
[S Main Street & W 39th Street]
County: Los Angeles
Acres: 2.96
Grade Level: K - 6

*OK JB
4/18/11*

Dear Mr. Hernandez:

Subject: Contingent Site Approval

The California Department of Education approves on a contingent basis the acquisition of and/or use for school purposes by your district the parcel of property described on the attachment. This contingent site approval is provided pursuant to Education Code Section 17072.13(c)(1)(A) and (B) and 17213.1(a)(10)(c) for sites which the Department of Toxic Substances Control has determined that further investigation and/or response actions are required prior to acquisition or new construction and/or pursuant to State Allocation Board Regulation 1859.81.1 for districts determined by the Office of Public School Construction to meet the criteria of financial hardship specified by the State Allocation Board Regulation 1859.81.

This site meets the California Department of Education's standards for safety and educational adequacy (California Code of Regulations, Title 5 Section, 14001 et seq. and Education Code 17251(a) and (b)). Please note the local governing board's responsibilities under Education Code Section 17212 and Public Resource Code Section 21151.2. Completion of the appropriate California Environmental Quality Act (CEQA) actions and all Department of Toxic Substances Control (DTSC) approvals under Education Code 17213.1 and/or 17213.2, is also required prior to acquisition of the site and/or implementation of any response actions as determined necessary by DTSC.

The California Department of Education, pursuant to Education Code Section 17072.13(e) and State Allocation Board Regulation 1859.81, related to financial hardship funding, and/or Education Code 17072.13(c) (1)(B) and State Allocation Board Regulation 1859.75.1, related to environmental hardship funding, also determines that based on the information provided by the district, the site proposed for acquisition/use is the "best available alternative site."

The property is 2.96 usable acres. This represents 42.9% of the California Department of Education's recommended master plan site size of 6.9 acres as contained in the California Department's "Guide to School Site Analysis and Development (2000)."

Accelerated Charter School
April 12, 2011
Page 2

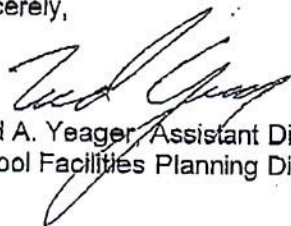
PTN: 64733-1966
Accelerated Charter School
S Main Street & W 39th Street

As required by Education Code 17072.12(b) and State Allocation Board Regulation 1859.75(b) for districts requesting state aid in site acquisition, the district has certified to the California Department of Education that there are no district owned sites that are usable for this project.

This contingent site approval is valid for a maximum of one (1) year from the date of this contingent approval letter. This contingent site approval may be renewed for an additional one (1) year extension period based upon demonstration of satisfactory progress toward acquisition of the site and/or initiation of the response action. However, if prior to acquisition and/or initiation of the response action changes take place within this one-year period which affect or alter the Department of Education's original contingent approval—including but not limited to changes in surrounding land uses or CEQA determination, the master plan capacity of the site and changes in code and/or regulation—the site may be subject to reevaluation using current standards in effect at the time of reevaluation.

Please contact the consultant identified below if you have questions regarding this letter.

Sincerely,



Fred A. Yeager, Assistant Director
School Facilities Planning Division



Liese W. Olukoya, Consultant
School Facilities Planning Division
(916) 445-5657

DP6945/S4620
cc: OPSC Real Estate

SUBJECT PROPERTY

OWNER OF RECORD

Michael Meadows
 10709 S 6th Ave.
 Inglewood, CA 90303-1628

ACQUISITION AND PROPERTY HISTORY

On May 31, 2006 an affidavit was recorded granting the subject property to Deborah Meadows (document no. 06-1190984). On June 17, 2008, a gift deed was recorded in favor of Michael Meadows. No other transfers have occurred in the past five years. The property is not known to be currently listed for sale or under contract.

LOCATION

The subject property is located on the west side of Woodlawn Avenue, south of 38th Street.

3833 Woodlawn Avenue
 Los Angeles, California

Legal Description

The subject property is legally described as a portion of Lot 33 of Strong & Dickinson Woodlawn Tract, in the City of Los Angeles, as per map recorded in book 2, pages 58, inclusive of Maps, in the office of the County Recorder of said County.

Land

Shape: Rectangular
 Dimensions: 40 ft. frontage along Woodlawn Ave x 135 ft. deep along southern boundary (Based on assessor's map)
 Area: 5,400± sf or 0.12± acres, gross, based on Assessor's map

Zone

Please refer to the General Subject Information section of this report.

Assessor's Data

Assessed Values (2010)
 Assessor's
 Parcel No(s): 5121-029-017
 Land: \$75,600
 Improvements: 64,400
 Total: \$140,000
 Actual Taxes (2010): \$1,960.52
 Tax Rate Area: 4
 Tax Rate: \$1.1269859 per \$100 assessed valuation

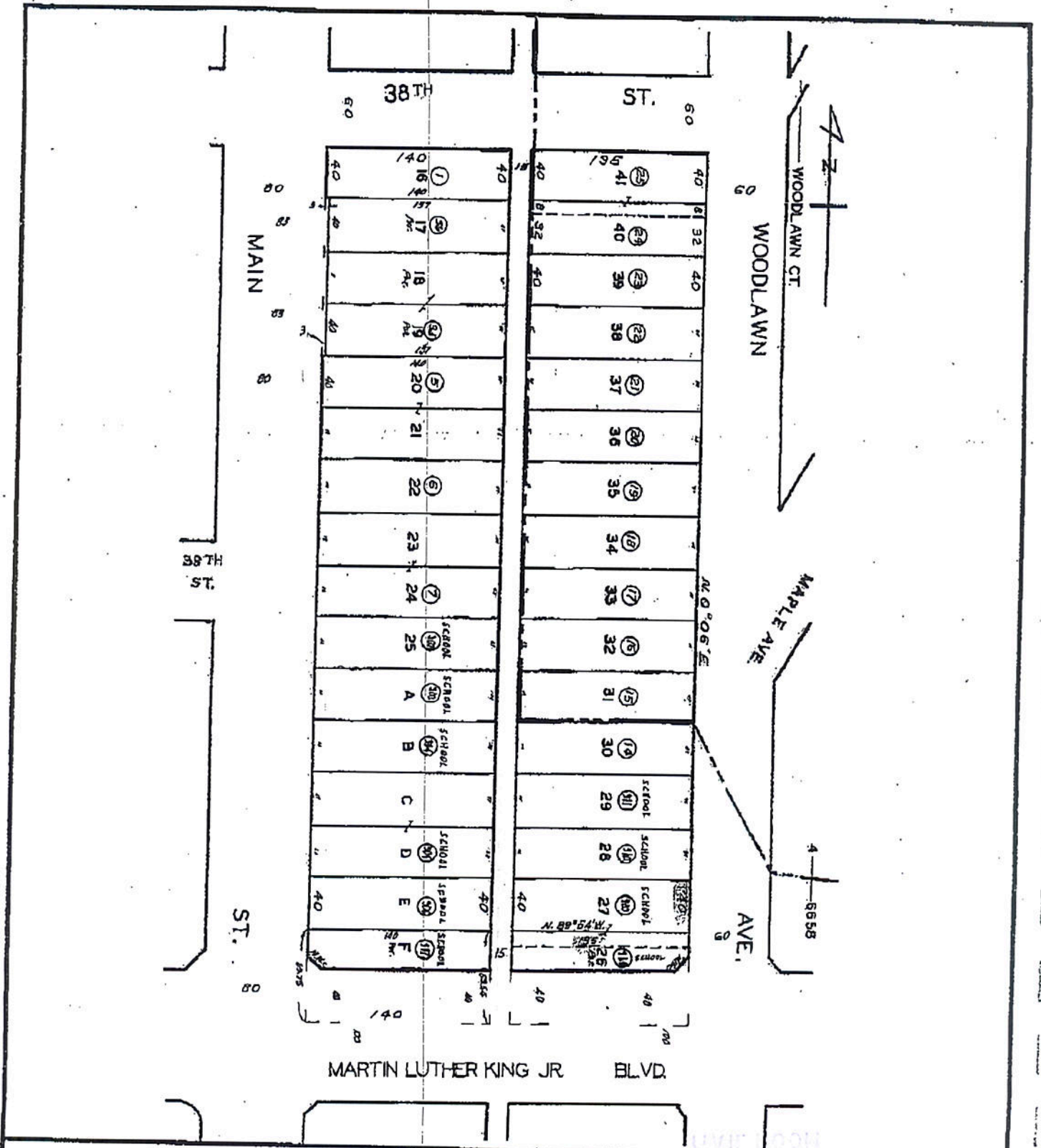


EXHIBIT
 SITE MAP
 3833 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 100± FT.
 JANUARY 2011

Lea Associates
 Property Economics



SUBJECT PROPERTY

OWNER OF RECORD

Mary H Meadows
c/o Deborah Meadows
8350 Wilshire Blvd., #200
Beverly Hills, CA 90211-2644

ACQUISITION AND PROPERTY HISTORY

On January 13, 1957 a deed was recorded granting the subject property to Mary H & Elbert Meadows. No document number is available. No other transfers have occurred in the past five years. The property is not known to be currently listed for sale or under contract.

LOCATION

The subject property is located on the west side of Woodlawn Avenue, south of 38th Street.

3839 Woodlawn Avenue
Los Angeles, California

Legal Description

The subject property is legally described as: "Lot 32 of Strong & Dickinson Woodlawn Tract, in the City of Los Angeles, as per map recorded in book 2, pages 58 inclusive of Maps, in the office of the County Recorder of said County."

Land

Shape: Rectangular
Dimensions: 40 ft. frontage along Woodlawn Ave x 135 ft. deep along southern boundary (Based on assessor's map)
Area: 5,400 sq. ft. or 0.124 acres gross, based on Assessor's map

Zone

Please refer to the General Subject Information section of this report.

Assessor's Data

Assessed Values (2010)
Assessor's
Parcel No(s): 5121-029-016
Land: \$264,673
Improvements: 264,673
Total: \$529,346
Actual Taxes (2010): \$7,011.54
Tax Rate Area: 4
Tax Rate: \$1.1269859 per \$100 assessed valuation

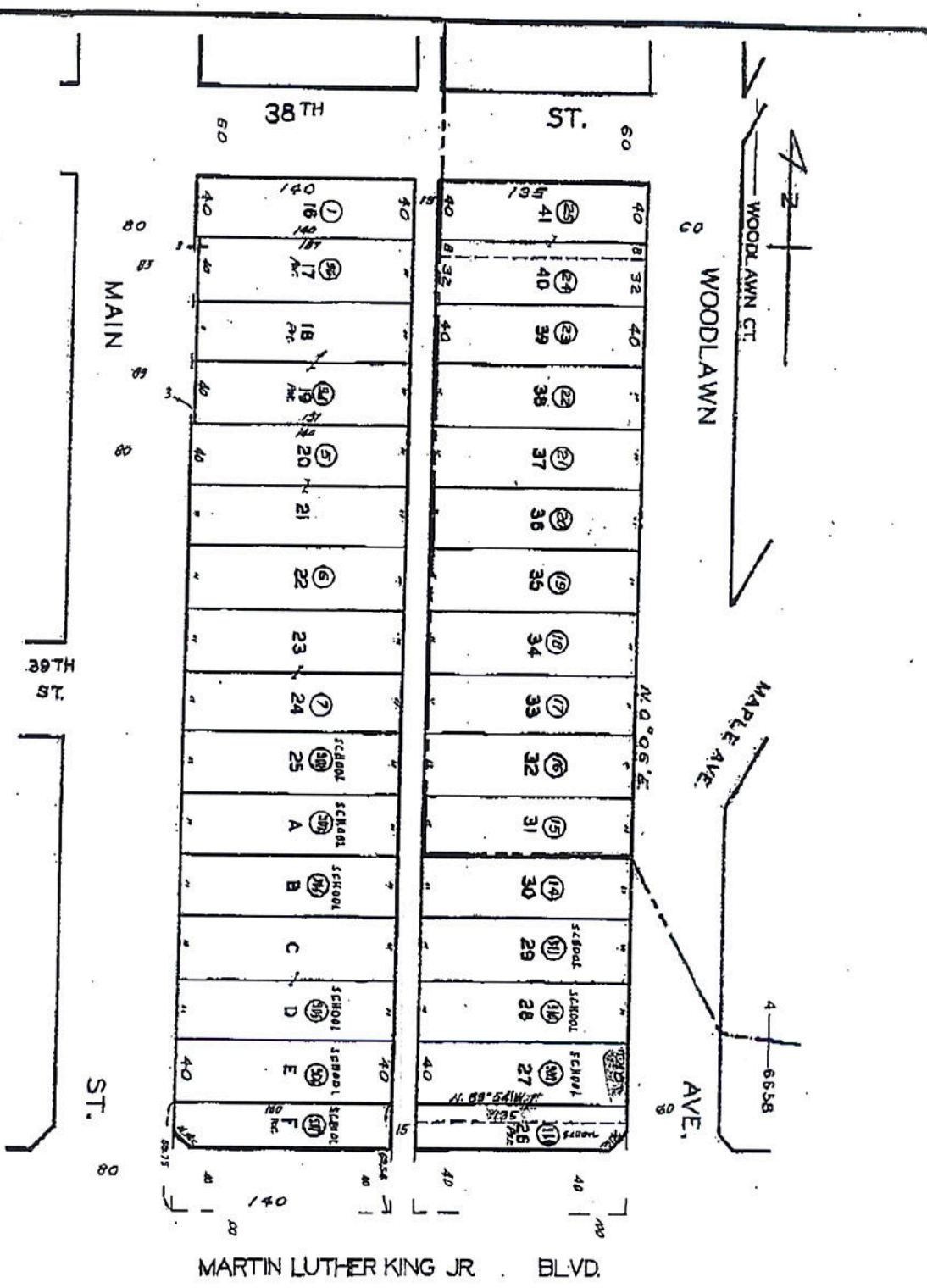


EXHIBIT
 SITE MAP
 3839 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 100± FT.
 JANUARY 2011

Lea Associates 
 Property Economics

SUBJECT PROPERTY

OWNER OF RECORD

Deborah E. Meadows
 10709 S 6th Ave.
 Inglewood, CA 90303-1628

ACQUISITION AND PROPERTY HISTORY

On October 28th, 1996 a quitclaim deed was recorded granting the subject property to Deborah Meadows (document no. 96-1741473). No other transfers have occurred in the past five years. The property is not known to be currently listed for sale or under contact.

LOCATION

The subject property is located on the west side of Woodlawn Avenue, south of 38th Street.

3843 Woodlawn Avenue
 Los Angeles, California

Legal Description

The subject property is legally described as a portion of Strong & Dickenson Woodlawn Tract, in the City of Los Angeles, as per map recorded in book 2, pages 58 inclusive of Maps, in the office of the County Recorder of said County.

Land

Shape: Rectangular
 Dimensions: 40 ft. frontage along Woodlawn Ave x 135 ft. deep along southern boundary (Based on assessor's map)
 Area: 5,400 sq. ft. or 0.12+ acres gross, based on Assessor's map

Zone

Please refer to the General Subject Information section of this report.

Assessor's Data

Assessed Values (2010)

Assessor's

Parcel No(s):	5121-029-015
Land:	\$69,005
Improvements:	32,086
Total:	\$101,091
Actual Taxes (2010):	\$1,473.47
Tax Rate Area:	4
Tax Rate:	\$1.1269859 per \$100 assessed valuation

In accordance with Proposition 13, the subject will be reassessed under any subsequent transfer.

3843 Woodlawn Ave

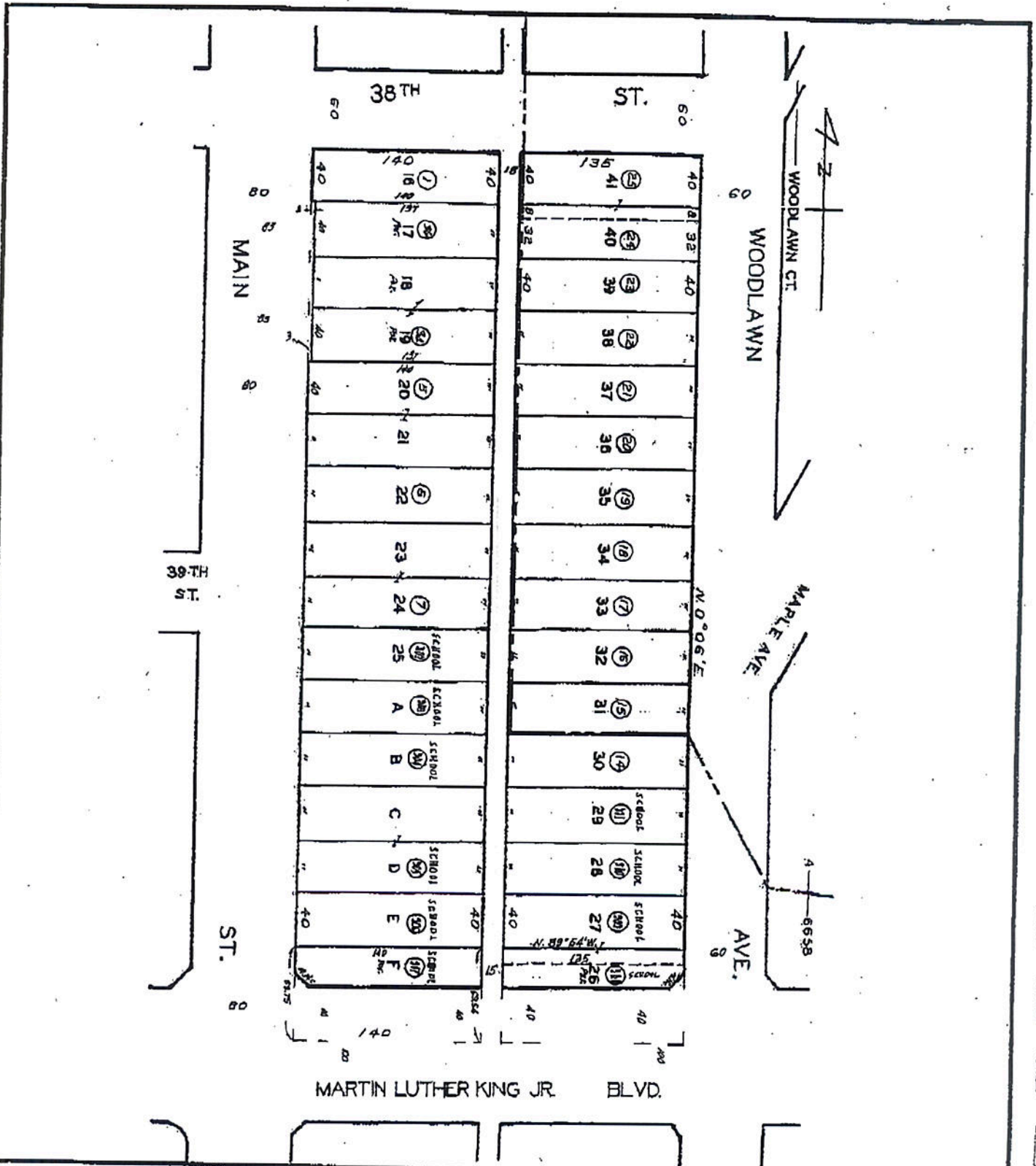


EXHIBIT
 SITE MAP
 3843 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 100± FT.
 JANUARY 2011

Lea Associates
 Property Economics



SUBJECT PROPERTY

OWNER OF RECORD

Deborah F. Meadows
P.O. Box 289
Santa Monica, CA 90406-0289

ACQUISITION AND PROPERTY HISTORY

On June 21, 1989 a grant deed was recorded granting the subject property to Deborah Meadows (document no. 89-995624). No other transfers have occurred in the past five years. The property is not known to be currently listed for sale or under contract.

LOCATION

The subject property is located on the west side of Woodlawn Avenue, south of 38th Street and north of Martin Luther King, Jr. Boulevard.

3847 Woodlawn Avenue
Los Angeles, California

Legal Description

The subject property is legally described as a portion of ~~Lot 30 of~~ Strong & Dickinson Woodlawn Tract, in the City of Los Angeles, as per map recorded in book 2, pages 58 inclusive of Maps, in the office of the County Recorder of said County."

Land

Shape: Rectangular
Dimensions: ~~40 ft.~~ frontage along Woodlawn Ave X ~~135 ft.~~ deep along southern boundary (Based on assessor's map).
Area: 5,400±sf or 0.12± acres gross, based on Assessor's map

Zone

Please refer to the General Subject Information section of this report.

Assessor's Data

Assessed Values (2010)
Assessor's
Parcel No(s): 5121-029-014
Land: \$11,754
Improvements: 6,627
Total: \$18,381
Actual Taxes (2010): \$429.33
Tax Rate Area: 6658
Tax Rate: \$1.269859 per \$100 assessed valuation

3847 Woodlawn Ave

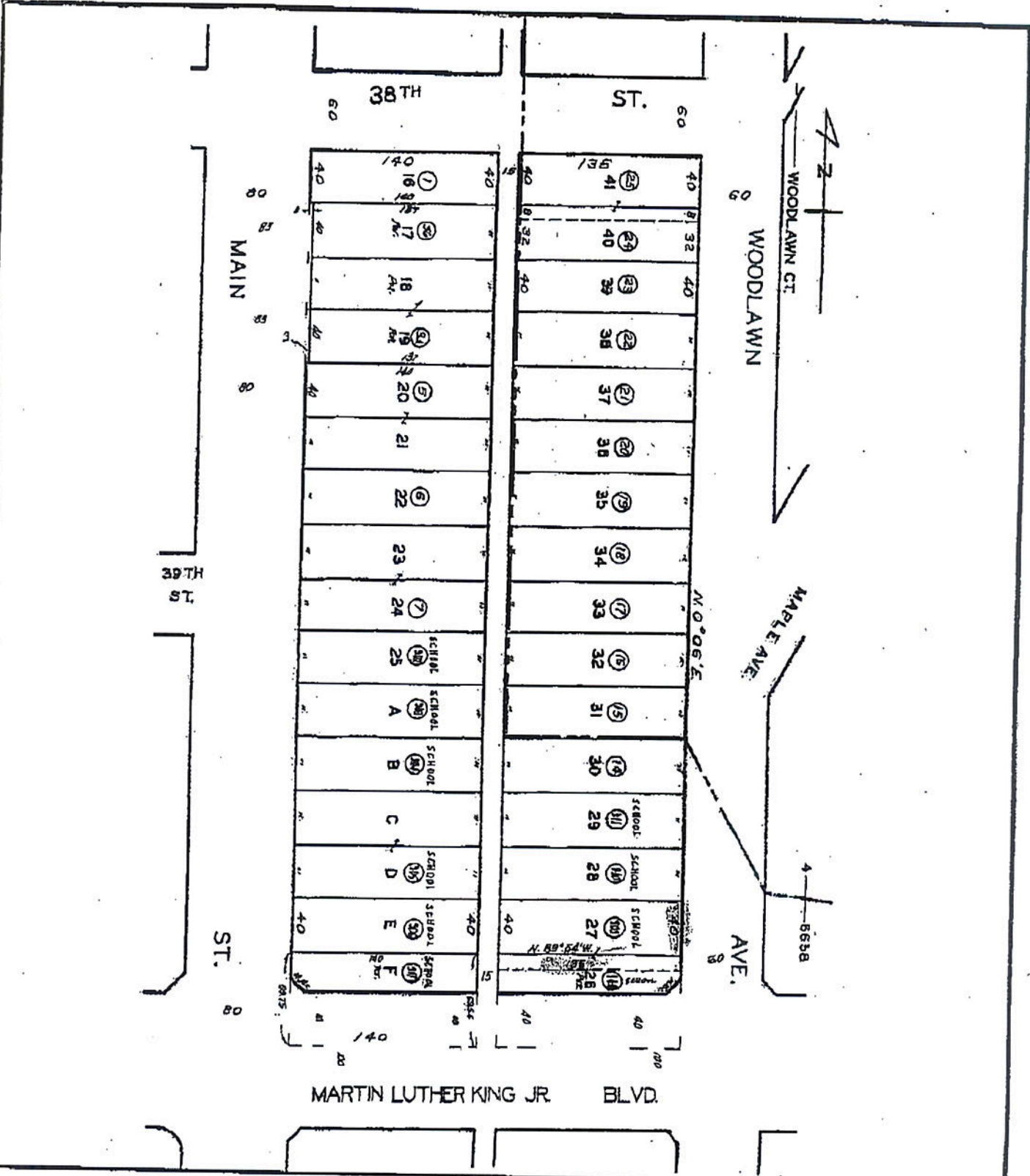


EXHIBIT
 SITE MAP
 3847 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 100± FT.
 JANUARY 2011

Lea Associates
 Property Economics



SUBJECT PROPERTY

The subject property shows title held by:

Fanner Bros. Co.
20333 Normandie Ave.
Torrance, California 90502-1215

The last recorded transaction is reported to have occurred in 1968. There have been no market transfers within the last five years related to the subject property. The subject is not currently listed for sale.

The subject address is shown as:

Building:
126 W. 39th Street
Los Angeles, California
Parking lots:
3901-3909 S. Main Street
Los Angeles, California

The subject property is located at the southwest corner of 39th Street and Main Street, Los Angeles, California.

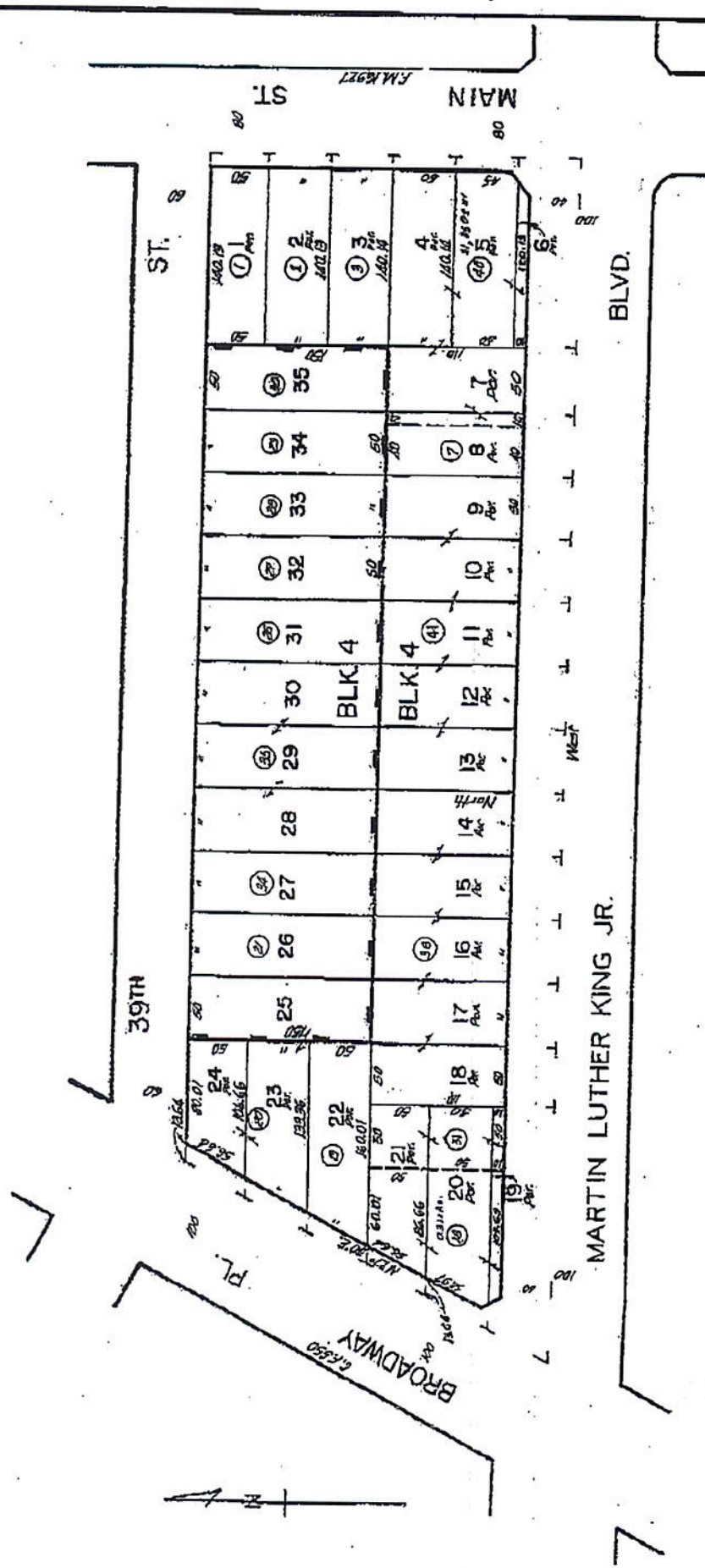
Legal Description

The subject property legal description is summarized as Lots 1, 2, 35 of Block 4, Zoebelen's Main Street Tract, Book 5, Page 127 of Maps, City of Los Angeles, County of Los Angeles.

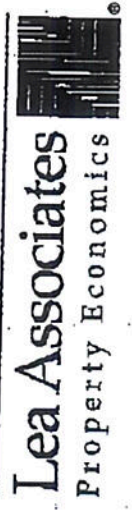
Land

Shape:	Irregular configuration of three rectangular lots
Dimensions:	190.13 ft along 39 th Street / 100 ft along Main Street (per Assessor's map)
Area:	21,513 sf or 0.49± acres (per Appraiser's map dimensions)
Topography:	Level at street/curb grade

The property is zoned M1-2, Limited Industrial, in the City of Los Angeles, as previously described. The subject is considered to be a legal conforming use relating to use, site coverage and parking provided.



SITE MAP
 APNs: 5122-043-030, -001 & -002
 126 WEST 39th STREET
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 121± FT.
 MARCH 2011



SUBJECT PROPERTY

The subject property shows title held by:

Farmer Bros. Co.
 20333 Normandie Ave.
 Torrance, California 90502-1215

The last recorded transaction is reported to have occurred in 1968. There have been no market transfers within the last five years related to the subject property. The subject is not currently listed for sale.

The subject address is shown as:

Building:
 132 W. 39th Street
 Los Angeles, California
 Parking lot:
 140 W. 39th Street
 Los Angeles, California

The subject property is located along the south side of 39th Street, west of Main Street, Los Angeles, California.

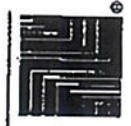
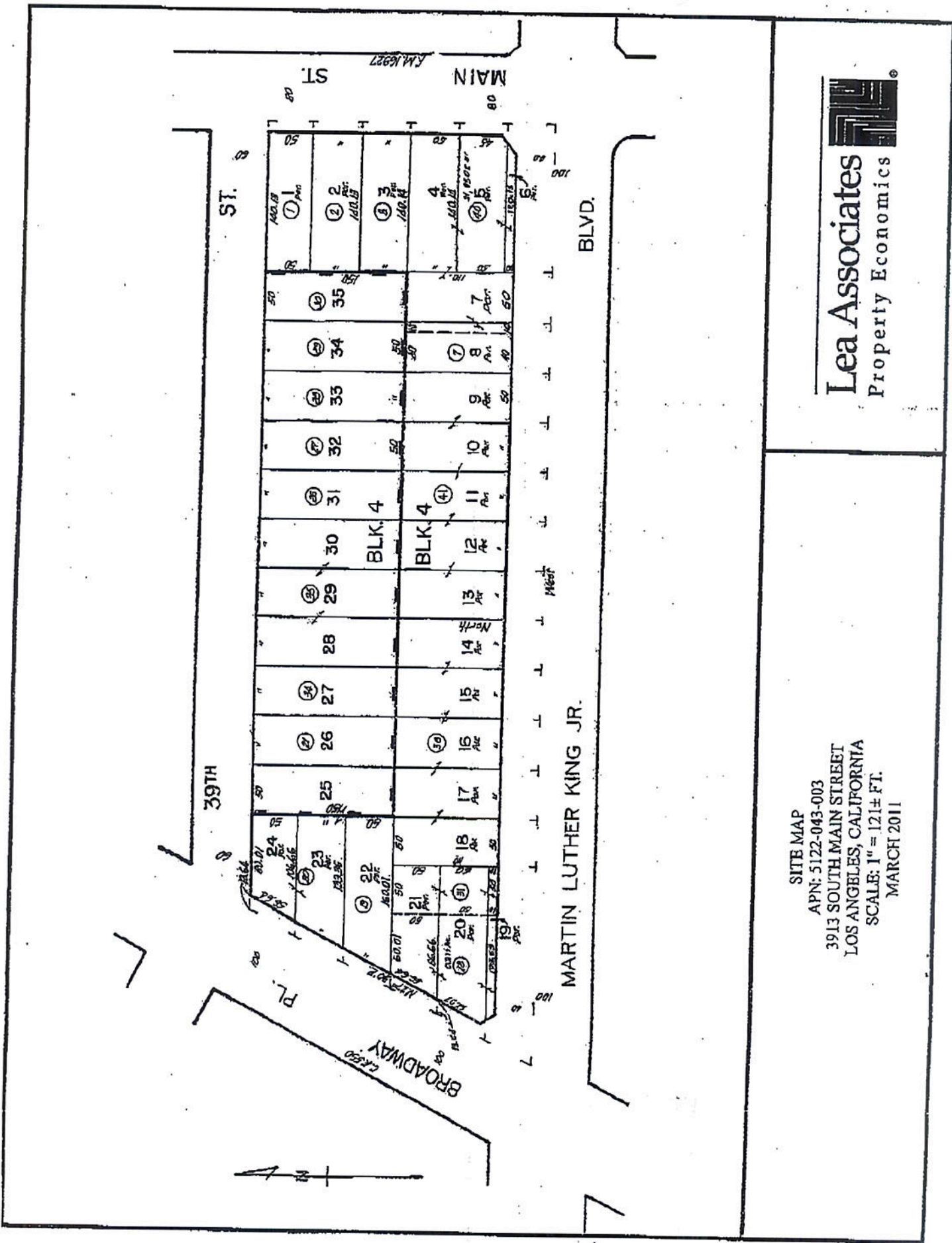
Legal Description

The subject property legal description is summarized as Lots 33 and 34 of Block 4, Zoebelein's Main Street Tract, Book 5, Page 127 of Maps, City of Los Angeles, County of Los Angeles.

Land

Shape:	Rectangular configuration of two lots
Dimensions:	100 ft along 39 th Street / 150 ft deep (per Assessor's map)
Area:	15,000 sf or 0.34± acres (per Appraiser's map dimensions)
Topography:	Level at street/curb grade

The property is zoned M1-2, Limited Industrial, in the City of Los Angeles, as previously described. The subject is considered to be a legal conforming use relating to use, site coverage and parking provided.



Lea Associates
Property Economics

SITE MAP
APN: 5122-043-003
3913 SOUTH MAIN STREET
LOS ANGELES, CALIFORNIA
SCALE: 1" = 121± FT.
MARCH 2011

SUBJECT PROPERTY

The subject property shows title held by:

Farmer Bros. Co.
20333 Normandie Ave.
Torrance, California 90502-1215

The last recorded transaction is reported to have occurred in 1976. There have been no market transfers within the last five years related to the subject property. The subject is not currently listed for sale.

The subject address is shown as:

3913 S. Main Street
Los Angeles, California

The subject property is located along the west side of Main Street, south of 39th Street, Los Angeles, California.

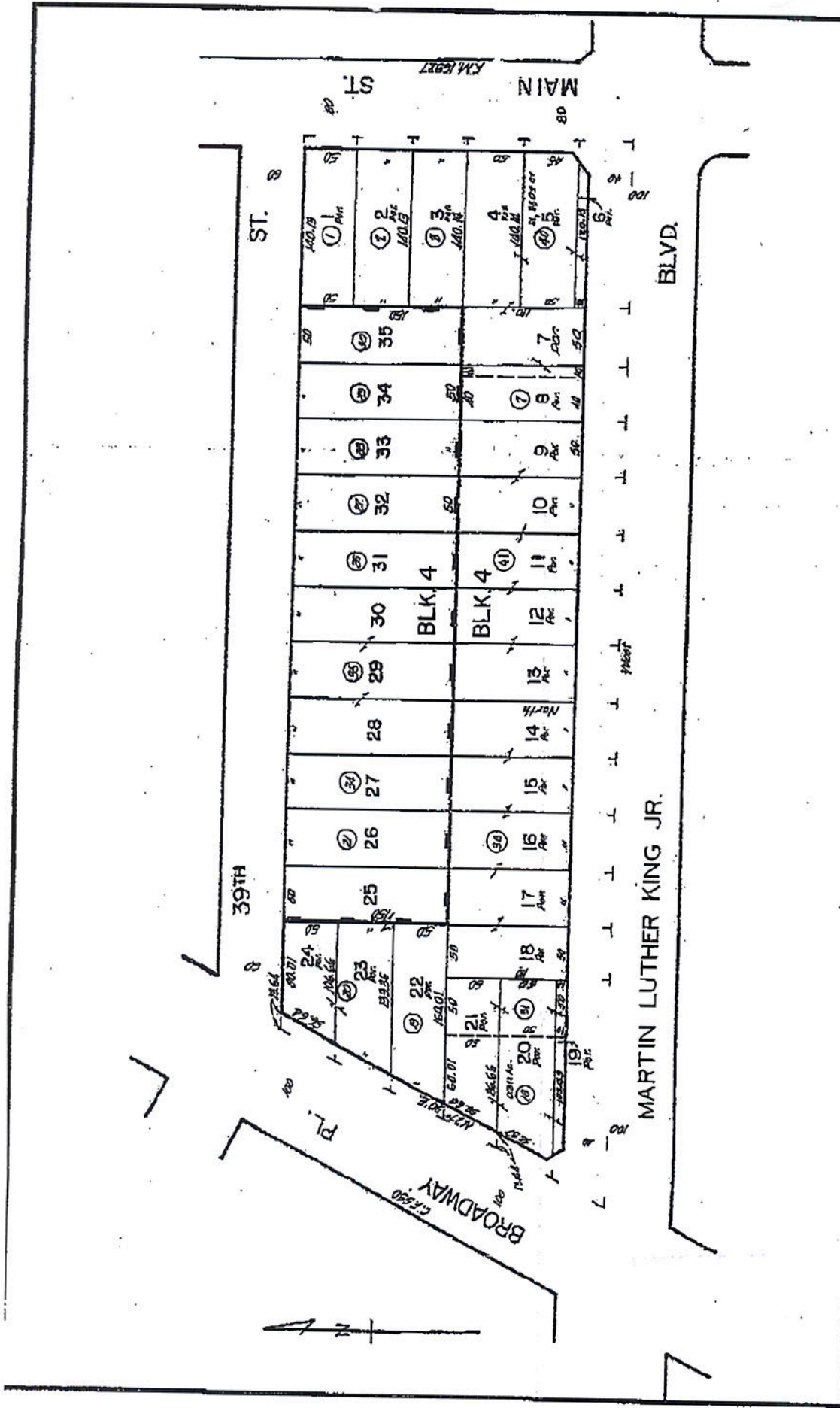
Legal Description

The subject property legal description is summarized as Lot 3 of Block 4, Zerbelem's Main Street Tract, Book 5, Page 127 of Maps, City of Los Angeles, County of Los Angeles.

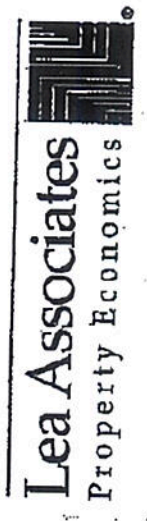
Land

Shape:	Rectangular
Dimensions:	50 ft. along Main Street; 140.13/140.14 ft deep (per Assessor's map)
Area:	7,007 sf or 0.16± acres (per Appraiser's map dimensions)
Topography:	Level at street/curb grade

The property is zoned M1-2, Limited Industrial, in the City of Los Angeles, as previously described.



SITE MAP
 APNs: 5122-043-028 & -029
 132 WEST 39th STREET
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 121± FT.
 MARCH 2011



March 9, 2011

Mr. Johnathan Williams
Founder/Co-Director
The Accelerated Schools
116 East Martin Luther King, Jr. Boulevard
Los Angeles, CA 90011

Re: Appraisal Report
1) 126 W. 39th Street
3901-3909 W. Main Street
Los Angeles, California
2) 132-140 W. 39th Street
Los Angeles, California
3) 3913 W. Main Street
Los Angeles, California

Job No. 4540

Dear Mr. Williams:

In accordance with your request, this writing transmits three (3) copies of our Appraisal in a Summary Report concerning the above-referenced properties. The report which follows includes a description of the project environs, the scope and work carried out in the assignment, a general discussion of the subject properties, and a general valuation discussion. Following the general discussions, we present detailed discussions of each subject property, their specific valuation analysis, and the supporting data.

Our investigations and analyses have resulted in the following opinion conclusion of the fair market value of the fee simple interest of the subject properties, as of the date of value of this report:

ADDRESS

MARKET VALUE OPINION

126 W. 39th St./3901-
3909 W. Main St.

\$900,000
(NINE HUNDRED THOUSAND DOLLARS)

132-140 W. 39th St.

\$990,000
(NINE HUNDRED NINETY THOUSAND DOLLARS)

3913 W. Main St.

\$315,000
(THREE HUNDRED FIFTEEN THOUSAND DOLLARS)

TOTAL:

\$2,205,000
(TWO MILLION TWO HUNDRED AND FIVE THOUSAND DOLLARS)

Lea Associates, Inc.
Property Economics
1635 Pontius Avenue
Los Angeles, California 90025
Telephone (310) 477-6595
Fax (310) 914-0249
E-mail: info@leaassoc.com

Mr. Johnathan Williams
March 9, 2011
Page 2

This report is subject to the "Certification and Restriction Upon Disclosure and Use" as well as the "Contingent and Limiting Conditions Upon Which Appraisal Is Made" which follow this letter. Additionally this report is subject to the following specific conditions:

- We have not been provided with an environmental assessment report, a soil report, or a title report concerning the subject properties. Visual inspection reveals no significant environmental conditions onsite for these subjects. Our valuation assumes that no environmental problems exist and that no adverse title issues exist, thus our conclusions are subject to revision pending receipt of said reports.
- We have not been provided with any income/expense information concerning the subject properties. Our conclusions are subject to revision pending receipt of said information.

This report is for the sole and exclusive use of Accelerated Schools and/or their representatives. Prior to releasing our report or its findings to any other party, we request that you obtain our written authorization.

Retained in our files are worksheets, field notes, maps, and other data upon which our analysis and conclusions are based. Should you have any questions concerning the contents of this report, feel free to call and we will respond promptly.

Respectfully submitted,

LEA ASSOCIATES, INC.



John J. Gobbell, Jr., MAI
CA #AG010590

CERTIFICATION AND RESTRICTION UPON DISCLOSURE AND USE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment was not contingent upon the developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.
- No one has provided significant real property appraisal assistance to the person(s) signing this certification with data analyses and report preparation.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Robert M. Lea, MAI, has completed the continuing education program of the Appraisal Institute.
- As of the date of this report, Robert M. Lea, MAI (No. AG003090), John J. Gobbell, Jr., MAI (No. AG010590), and Jerardo Arciniega (No. AG042445) have satisfied the requirements as Certified General Real Estate Appraisers, licensed by the State of California.
- I have personally made an inspection of the property that is the subject of this report.



CA #AG010590

CONTINGENT AND LIMITING CONDITIONS UPON WHICH APPRAISAL IS MADE

This report is made expressly subject to the contingent and limiting conditions, factors and assumptions herewith:

1. That the vesting and legal description furnished this appraiser are correct.
2. That measurements and areas furnished by others are correct. No survey has been made for the purpose of this appraisal.
3. That the property is appraised as if free and clear of liens and that the title is good and merchantable.
4. That no guarantee is made as to the correctness of estimates or opinions furnished by others which have been used in making this appraisal.
5. That no liabilities be assumed on account of inaccuracies in such estimates or opinions.
6. That no liability is assumed on account of matters of a legal nature, affecting this property, such as title defects, liens, encroachments, overlapping boundaries, etc.
7. That this appraisal is subject to review upon presentation of data which might be later made available, undisclosed or not available at this writing.
8. That the appraiser herein, by reason of this appraisal, is not required to give testimony or attendance in court or any governmental hearing with reference to the property in question, unless arrangements have previously been made therefore.
9. That the maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied.
10. That no liability is assumed on account of the existence of hazardous material or toxic waste on the subject property.
11. That no liability is assumed for specific compliance with the requirements of the Americans with Disabilities Act (ADA).

INTRODUCTION

SCOPE OF THE APPRAISAL

The purpose of this appraisal report is to provide our opinion of the fair market value of the subject properties, land and real property improvements. The subject properties consist of two improved industrial properties with associated surface parking as well as a vacant industrial lot. We have analyzed the fee simple interest in the subject properties.

This is an Appraisal in a Summary Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, it presents summary discussion only of the data, reasoning and the analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in the report is specifically responsive to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

In our analysis of the improved properties, we employed the Sale Comparison and Income Capitalization approaches to value. In our analysis of the vacant industrial parcel, we relied solely on the Sales Comparison Approach. The Sales Comparison Approach benefits from the sales of vacant and improved industrial properties in the subject's market area. Sales ultimately selected for our analysis were reduced to appropriate units of comparison and applied to the subject property after making necessary adjustments.

In the Income Capitalization Approach, we employed the direct capitalization procedure. The Income Capitalization Approach benefitted from market-derived data regarding income, operating expenses, vacancy rates, and capitalization rates as applicable. Our final opinion of value reconciles the approaches, considering the strengths and weaknesses of each approach.

It is the intended use of this appraisal to provide the client with a basis of value for the purpose of acquiring the properties from the property owner.

DEFINITION OF FAIR MARKET VALUE

The definition of "fair market value" is stated in the California Code of Civil Procedure in Article 4, Section 1263.320:

"The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

"The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable."



EXHIBIT I
LOCATION MAP
 126-132 WEST 39th STREET & 3913 SOUTH MAIN STREET
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 3.16± MI.
 MARCH 2011

Lea Associates
 Property Economics



DEFINITION OF FEE SIMPLE ESTATE

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."¹

EXPOSURE TIME

This refers to the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on the analysis of past events assuming a competitive market. In the case of the subject properties, the exposure time is estimated to be three to six months.

PROPERTY RIGHTS APPRAISED

The property rights herein appraised consist of the fee simple estate in and to each of the subject properties, excluding mineral rights.

DATE OF VALUE

The date of value of this appraisal is March 9, 2011, corresponding to the completion of our current investigations, analyses of relevant data, and completion of the report. The report is dated the same.

AREA OF SURROUNDING INFLUENCE**Location**

The subject properties are located along the south side of 39th Street and the west side of Main Street in the city of Los Angeles.

Regional Influences - County of Los Angeles

The county of Los Angeles contains approximately 4,083 sq. miles. It is bounded on the north by Kern County, on the east by San Bernardino County, on the southeast by Orange County, and on the northwest by Ventura County and the Pacific Ocean, respectively. Los Angeles County has a January 1, 2010 population of 10,441,880 reported by the California Department of Finance. Although population growth has slowed over the past several years compared to the previous decade, all indications suggest that the population will continue to grow on an overall basis.

Los Angeles County has a well-grounded and diversified economic base in industry and agriculture. Historically, major industries have been aerospace/defense, entertainment, and oil. In addition, as trade between the Pacific Rim countries and the United States has increased, the ports of Long Beach and Los Angeles have progressively handled more cargo, and the importing and exporting of raw and finished products, along with their distribution, has become an important segment of the local economy. Moreover, Los Angeles is also recognized as a West Coast financial center.

¹ *The Dictionary of Real Estate Appraisal*, Fourth Edition, (Appraisal Institute, Chicago, 2002) 113.

Evidence of the status of the local economy, is reflected in area employment and unemployment rate figures produced by the Bureau of Labor Statistics of the United States Department of Labor.

**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
LOS ANGELES COUNTY**

2000-2009 ANNUAL AVERAGES

<u>YEAR</u>	<u>LABOR FORCE</u>	<u>EMPLOYMENT</u>	<u>UNEMPLOYMENT</u>	<u>UNEMPLOYMENT RATE (%)</u>
2000	4,671,800	4,421,900	249,900	5.3
2001	4,777,000	4,506,900	270,100	5.7
2002	4,789,800	4,465,600	324,200	6.8
2003	4,288,800	4,451,700	337,100	7.0
2004	4,859,070	4,587,820	291,250	6.0
2005	4,967,400	4,714,900	252,600	5.1
2006	4,855,314	4,652,626	202,688	4.2
2007	4,921,200	4,675,300	245,900	5.0
2008	4,972,000	4,598,300	373,800	7.5
2009	4,896,100	4,328,600	567,500	11.6
12/2010	4,901,700	4,280,400	621,300	12.7

Source: Bureau of Labor Statistics of the United States Department of Labor/
Employment Development Department - State of California

Unemployment has continued to increase in the County with Los Angeles County above both the state and national average. While home prices have stabilized in most of the county, high foreclosure rates and the global recession has caused rising vacancy rates. The state of the economy has softened demand in basically every real estate sector.

The following summary depicts the trend of total taxable sales in Los Angeles County since 2000. The total taxable sales of a region, is another indicator used in tracking economic activity and measures the purchasing power of the residents in the region.

**Taxable Sales County of Los Angeles
2000 – 2009 (In Thousands)**

<u>Year</u>	<u>Total Taxable Sales</u>	<u>% Change</u>
2000	106,673,534	9.6
2001	107,426,692	0.7
2002	108,753,064	1.2
2003	113,685,422	4.3
2004	122,533,104	7.8
2005	130,722,373	6.7
2006	136,162,552	4.2
2007	137,820,418	1.2
2008	131,881,744	-4.3

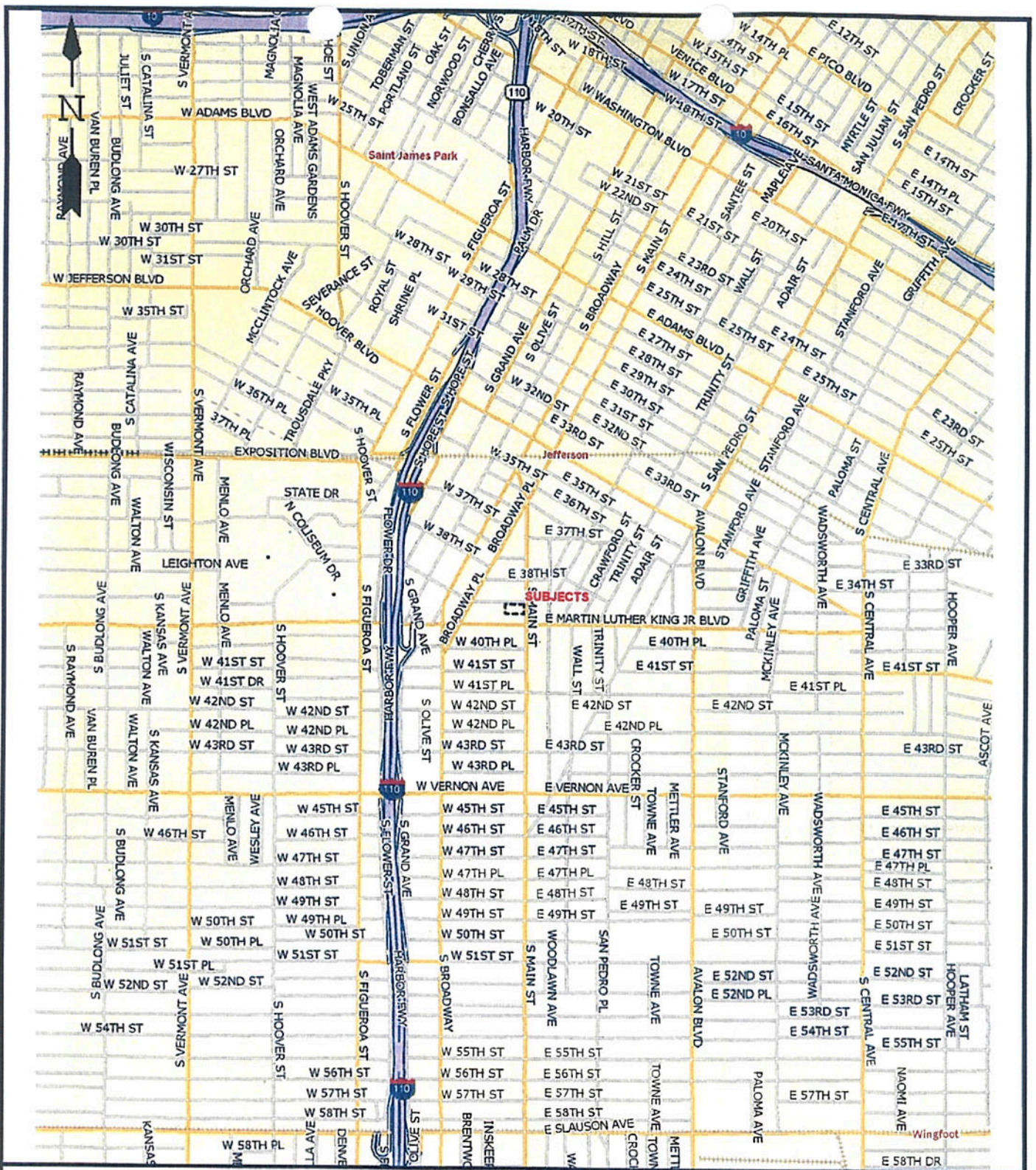


EXHIBIT II
VICINITY MAP
126-132 WEST 39th STREET & 3913 SOUTH MAIN STREET
LOS ANGELES, CALIFORNIA
SCALE: 1" = 0.39± MI.
MARCH 2011

Lea Associates
Property Economics



<u>Year</u>	<u>Total Taxable Sales</u>	<u>% Change</u>
2009	112,744,727	-14.5

Source: Taxable Sales in California, California State Board of Equalization, Research and Statistics Division

The figures show a steady increase in taxable sales from 2000 to 2007. They increased by approximately four to eight percent in 2004 through 2006, with a further increase in 2007. In 2008 and 2009, the figures show a dramatic decrease due to economic downturn which occurred during this period.

The City

Bounded on the west and the south by the Pacific Ocean, the city of Los Angeles is the central node of the Southern California metropolitan area. The city is California's largest, both in population and in territory (468.7± sq. mi.). According to the Department of Finance estimates, the city's January 1, 2010 population of 4,094,764 represents approximately 39% of the total Los Angeles County.

Founded in 1781 and incorporated in 1850, the city of Los Angeles operates under a council-mayor form of municipal government. Los Angeles is not a city with the standard concentrated urban center, with relatively distinct limits. Rather, it is a collection of intermingling communities with individual identities and characteristics. Moreover, readily identifiable subdistricts are also found within a given community. The city of Los Angeles also serves as the commercial, industrial, and cultural center for the nearby suburban communities located within Los Angeles, Ventura and Orange counties.

These areas are linked by a regional freeway system that is considered the most extensive in the world. These freeways radiate from a loop around the central city, providing convenient access to the entire Southern California area. These freeways in turn provide convenient access to all parts of Southern California via the freeway network that radiates outward from its hub at downtown Los Angeles.

Surroundings/Market Overview

The subject is immediately surrounded by small industrial properties several decades old to the east, south, and north. Immediately west are two older multi-family residential units, however further west are more industrial properties.

CB Richard Ellis reports Industrial market statistics for the 4th Quarter of 2010 and 4th Quarter of 2009 in their periodically published Market View, as follows:

	4th Quarter 2009	4th Quarter 2010
Direct Vacancy Rate - Los Angeles	2.4%	2.4%
Net Absorption - Los Angeles (Sf)	(175,427)	(105,580)
Construction - Los Angeles (Sf)	107,174	0
Average Asking Lease Rate (psf/mo) - Los Angeles	\$0.53	\$0.51

Though the direct vacancy rate reported above for Los Angeles industrial is 2.4% (unchanged since the same period last year), the total availability rate is reported at 3.8%. Also according to the above source, no construction projects are planned in the Los Angeles industrial market. While lease average asking lease rates are down slightly, net absorption has improved, albeit still negative.

According to a trend study performed by Co-Star/Comps Inc., the median price per square foot for improved industrial transactions within a 5 mile radius of the subject was approximately \$115 sf for the 2010 year, which was down approximately 6.4% from the 2009 year. The median price was down approximately 13.4% from the 2008 year.

While price levels appear to have stabilized somewhat in 2010, much uncertainty still exists with respect to the local and national economy. Significant foreclosures still remain in the pipeline. Most development is on hold, especially given the lack of available financing.

GENERAL SUBJECT INFORMATION

INTRODUCTORY COMMENTS

The purpose of the General Subject Information section is to provide a discussion of features relevant to all or a significant number of the subject properties. This information is presented on the general characteristics of the subject sites, zoning, utility availability, abutting rights of way, and the background of our highest and best use analyses. Because this information is discussed in detail in this section, it will only briefly be addressed in the individual Subject Property sections.

LAND

Topography:	Nearly level land at street grade.
Soils and Drainage Conditions:	No soil reports have been made available, but a visual inspection of the subjects and surrounding properties and developments revealed no adverse conditions.
Census Tract No.:	2311.00
Flood Zone:	Zone C, area of minimal flooding
Earthquake Zone:	The subject properties are not within a Special Study Zone due to historic earthquake activity.

ZONE

The subject properties are presently zoned M1-2, Limited Industrial, per the city of Los Angeles.

The M1 zoning encourages the development of industrial complexes. Allowable uses in the M1-2 zoning include any uses allowed in the MR1 and C2 zonings, as well as laboratories, research and development centers, restaurants, office buildings(only if used for offices of industrial related firms), manufacturing facilities, storage yards, medical or dental clinics and studios. Development of residential, hospitals, schools, and churches is prohibited.

Developmental standards in the M1-2 zoning are as follows:

Front yard setbacks:	None
Rear yard setbacks:	None
Side yard setbacks:	None
Maximum height:	None
Maximum floor area ratio (FAR):	6:1

Parking requirements vary according to use. A sample of the requirements are as follows:

Warehouse:	2 spaces per 1,000 sf for first 10,000 sf
Warehouse (greater than 10,000 sf)	1 space per 5,000 sf after 10,000 sf

UTILITY AVAILABILITY

All of the usual and necessary public utilities are available to the subject properties.

ACCESS AND STREET IMPROVEMENTS

The subject properties enjoy full pedestrian and vehicular access to Main Street and 39th Street. 39th Street is a collector street with a width of 60 feet. It is aligned in an east/west direction and allows for one lane of traffic in each direction. Curbside parking is permitted along both sides of the street. It is improved with concrete curbs, gutters, and sidewalks at the subject location. Street lighting is provided along both sides of this street.

Main Street is a secondary arterial with a width of 80 feet. It is aligned in a north/south direction and allows for two lanes of traffic in each direction. Curbside parking is permitted along both sides of the street. It is improved with concrete curbs, gutters, and sidewalks at the subject location. Street lighting is provided along both sides of this street.

HIGHEST AND BEST USE

Highest and Best Use may be defined as:

"The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."^{2/}

Our analysis of Highest and Best Use includes two studies: Highest and Best Use of land as if vacant, and Highest and Best Use of property as improved.

The highest and best use of both land as if vacant and property as improved must meet four criteria. The highest and best use must be legally permissible, physically possible, financially feasible, and maximally productive.

<i>Legally Permissible:</i>	The uses permitted under current zoning and the general plan, considering any moratoriums or limitations in place, and the probability or possibility of future changes to zoning or the general plan.
<i>Physically Possible:</i>	The uses which are possible given the physical characteristics of the land, considering any limitations to future development.
<i>Financially Feasible:</i>	Realistic alternatives for development of improvement programs that would produce a positive return on the investment required to construct them. This criteria considers, among other things, trends in the area and apparent future demand.
<i>Maximally Productive:</i>	The use which yields the highest profit to the land from the legally permissible, physically possible, and financially feasible uses.

²

The Appraisal of Real Estate, 13th Edition (Appraisal Institute, Chicago, 2008) 277-278

In reaching conclusions of highest and best use for each of the subject properties, we considered the value of the individual subject sites, assumed vacant and available for development. For the subject properties, we have considered one or more techniques to determine whether or not the existing improvements contribute to the value of these sites. Our estimate of value for each of the subject properties as improved was compared to the estimated value as if vacant and ready for development. The higher value provided an indication of each subject's highest and best use.

Before reaching a final conclusion as to the highest and best use for each subject property, we carefully considered the existing zoning and land use patterns surrounding each subject property. A detailed discussion of the highest and best use analysis for each subject property can be found in the individual Subject Property sections which follow.

GENERAL VALUATION DISCUSSION

INTRODUCTION

This report section is intended to provide a background discussion to the valuation problems common to each subject property, which are discussed in greater detail in the individual subject property sections. In this section, we provide an overview of the various methods used in our valuation analyses, discuss the factual data used to provide value indications for each of the subject properties, review general market observations and trends uncovered during the investigation phase of our appraisal assignment, and introduce the appropriate elements of comparison that were considered in the valuation of the subject properties.

We estimated the unencumbered fee simple interest of the improved subject properties through the use of the Sales Comparison Approach. We completed a preliminary study of the value of each site, assumed vacant and ready for development. This study was completed to provide a basis for comparison of our value conclusions as improved, and as vacant, was necessary in determining the highest and best use for the site.

In theory, there are three approaches to value, the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. The Cost Approach is based on the principle of substitution under the assumption that an informed buyer would pay no more than the cost of reproducing a substitute property with the same utility as the subject property. This process involves estimating either the reproduction or replacement cost new for the improvements, deducting an estimated dollar amount for accrued depreciation and adding the estimated land value. Land value is usually estimated by the Sales Comparison Approach.

The Sales Comparison Approach is also based on the principle of substitution under the assumption of reasonable market behavior. This approach involves direct comparison of similar properties that have sold to the subject property. The data from these comparables are converted to pertinent units of comparison that are analyzed and adjusted for differences which are considered significant, leading to a value indication for the subject property.

The Income Capitalization Approach is useful in analyzing some improved properties, notably those rental income producing properties in which the income stream is relevant to their valuation. This is typical to investor driven purchases, not specifically owner-user acquisition of real estate.

The Cost Approach is useful in analyzing some which are considered special use properties or have special improvements associated with them, or those which have improvements which are nearly new or which would be rebuilt today in essentially the same manner. However, we did not apply this approach to the subjects for the following reasons:

- Participants in the subject market do not generally use the Cost Approach to value in making purchase and sale decisions for properties similar to the subject.
- The subject properties are older improved properties. Estimating depreciation for structures similar in age and function to these subjects is difficult and requires a relatively high degree of judgement.

SALES COMPARISON APPROACH

Improved Properties

The market for industrial buildings in the subjects' vicinity was surveyed to obtain information for our use in estimating the market value of the two improved subject properties. From this larger base of data, we selected the sale items which were most comparable to the subjects. Table I summarizes the results of this search.

The sources of market data included the Los Angeles County Assessor's and Recorder's data records compiled by RealQuest Inc., CoStar/Comps Inc., LoopNet Inc., the Multiple Listing Service (including the Associate of Industrial Realtors database) and interviews with knowledgeable local brokers. After the sale data was collected, we field inspected the sales and verified the details of the transactions with the buyer, seller or broker, whenever possible. The market data items were then reduced to appropriate units of comparison and compared to the subject properties.

In this analysis and in other similar studies, we observed the price per square foot (psf) of building area to be the most consistent pricing parameter for industrial buildings. Accordingly, our comparative analysis between the sale items and the subject properties has been conducted with the primary emphasis on price psf of building area.

Elements of comparison which were pertinent in our comparative analyses include time of sale, general and specific location and surroundings, building size, building features including clear height, year built, condition, and building to land/coverage ratio.

We initially focused our search on sales in the market within a 2 to 3 mile radius which were constructed prior to 1970, which sold from January 2010 to the present and sized up to 25,000 sf of building area. The items ultimately selected for comparison are summarized on Table I, and are displayed geographically on the market data map that faces this table. These sale items range in size from roughly 6,700 sf to 14,350 sf, in transaction dates from February 2010 to October 2010, and in price psf of building area from approximately \$63 psf to \$138 psf.

The individual discussions of comparable sales can be found in the individual Subject Property sections.

Land

The market for effectively vacant industrial properties in the subject's vicinity was surveyed to obtain information for our use in estimating the market value of the subject property. From this larger base of data, we selected the sale items which were most comparable to the subject. Table III summarizes the results of this search.

The sources of market data included the Los Angeles County Assessor's and Recorder's data records compiled by RealQuest Inc., CoStar/Comps Inc., LoopNet Inc., the Multiple Listing Service (including the Associate of Industrial Realtors database) and interviews with knowledgeable local brokers. After the sale data was collected, we field inspected the sales and verified the details of the transactions with the buyer, seller or broker, whenever possible. The market data items were then reduced to appropriate units of comparison and compared to the subject property.

In this analysis and in other similar studies, we observed the price per square foot (psf) of land area to be the most consistent pricing parameter for industrial lots. Accordingly, our comparative analysis between the sale items and the subject site has been conducted with the primary emphasis on price psf of site area.

Elements of comparison which were pertinent in our comparative analyses include time of sale, general and specific location and surroundings, lot size, shape, and zoning/development potential.

We initially focused our search on industrial land sales in the market within a 5 mile radius which ranged in size up to 15,000 square feet. The items ultimately selected for comparison are summarized on Table III, and are displayed geographically on the market data map that faces this table. These sale items range in size from roughly 6,300 sf to 12,500 sf, in transaction dates from January 2009 to January 2011, and in price psf of land area from approximately \$32 psf to \$115 psf.

The individual discussions of comparable sales can be found in the individual Subject Property section.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach to real property valuation considers the relationship that exists between the net income the property can generate and its sales price or value. The underlying concept is that of anticipation, which holds that a likely buyer will price a property based on his opinion of the present worth of future income streams. Several methods exist for discounting these future benefits into an estimate of current value.

The direct capitalization process involves an estimation of the gross income potential of a property, as well as of those allowances which should be made for vacancy, collection loss, and operating expenses, so that a net income stream can be calculated. This stabilized net income is then capitalized at an overall rate sufficient to meet market demands in order to arrive at an indicated property value.

The improved subject properties could be used as income producing properties. However, each is generally considered desirable as owner-user buildings due to size of the improvements and locations. The prices generated by the Sales Comparison Approach would likely yield the most appropriate unit indication for the subject properties. We have completed an Income Capitalization Approach for each of the improved properties as well.

Analyses were undertaken to determine appropriate levels of income, vacancy, and expenses for the improved subject properties. A discussion of each of the general categories follows.

Rental Survey

Our estimate of market rent as stated below is based upon careful study of information provided by building owners, tenants and brokers, and particularly upon comparison of leased spaces in buildings similar to the subject property. Summary data for each of the improved two subject properties is contained within that report section.

We used the same sources of data in the previous section.

The data used included a range of small industrial buildings in generally similar locations. The rental data ranged in price psf of building area from approximately \$0.35 to \$0.51 psf under industrial gross expense terms. The data is shown on Table II and displayed geographically on the facing market data map.

The leases for free-standing single tenant buildings or leased spaces in the subject's size range are generally written on an industrial-gross (IG) basis. The typical lease term in the subject area is around two to five years with escalation provisions typically based on CPI increases at either annual or set periods throughout the lease. Also included are flat leases, but generally for shorter terms. However, in this market, terms for increases are a matter of negotiation and part of the leasing process.

Vacancy and Uncollectible Rents Allowance

Our market survey, supplemented with other information received from the local market suggests a current vacancy rate and collection loss allowance of approximately 5% for buildings in the subject's market. Variations exist due to terms, building types and conditions, and other factors. We have considered the building design and quality of the amenities, strength of the recent market, and characteristics of the subject. Therefore, given the general subject market along with the location and features of the subject project, we have determined that a reasonable vacancy and collection loss allowance of 5.0% is appropriate.

Operating Expenses

We have reviewed no operating statements for any of the subject properties. We have relied on data within our files as well as secondary source material.

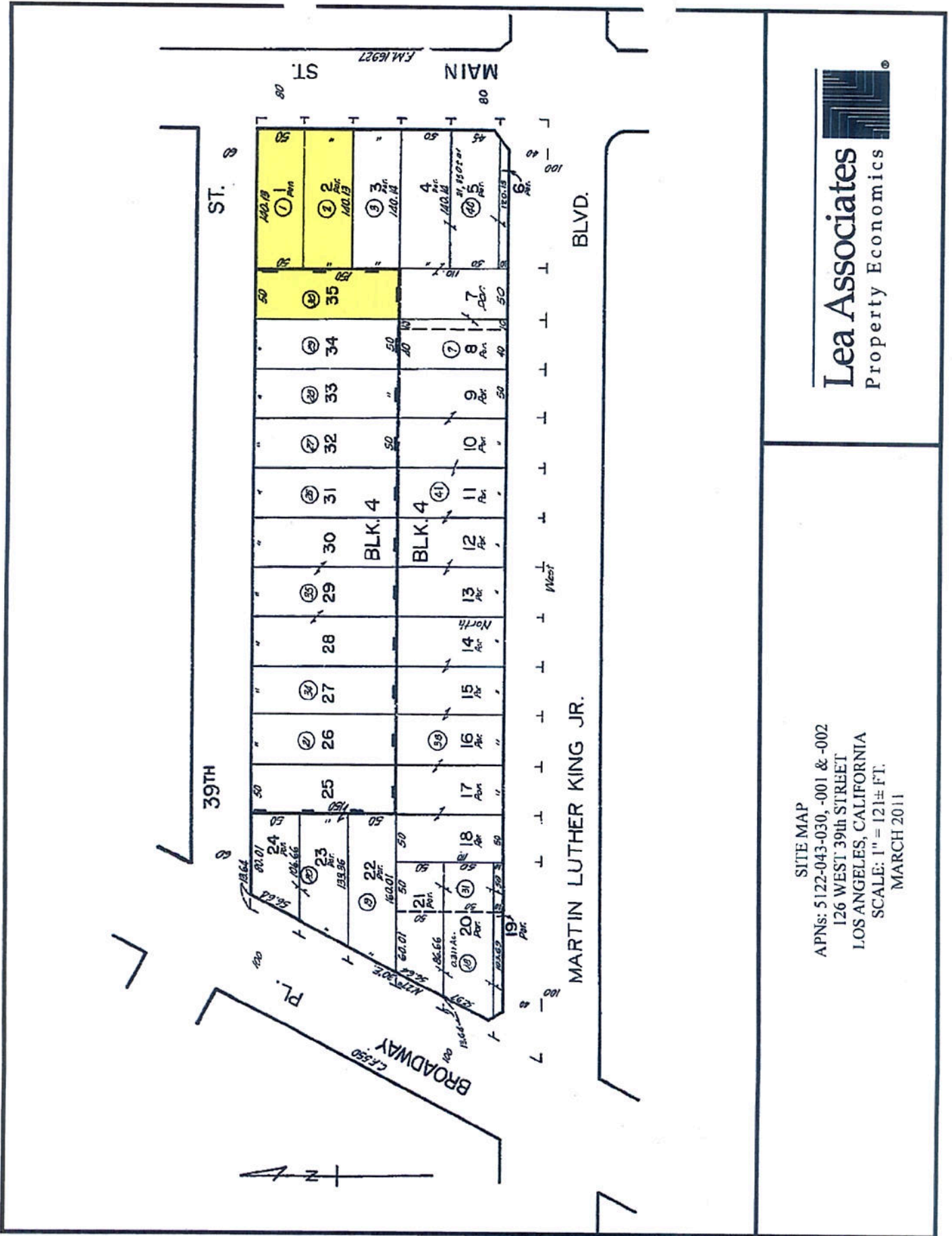
Capitalization Rate

The final step in the capitalization process involves the conversion of net operating income into an estimate of value. This is accomplished through the use of an overall capitalization rate. This rate represents the relationship that exists between net income and property value.

Our capitalization rate and technique rely on actual existing practice in the local real estate market, on information provided by brokers, and upon our actual examination of comparable sales that were leased and generating income at the time of transfer.

<u>Location</u>	<u>Property Type</u>	<u>Sale Date</u>	<u>Sale Price</u>	<u>Indicated Overall Rate</u>
3600 S. San Pedro St. Los Angeles	13,500 sf two-tenant industrial building built in 1939;renovated in 2000	9/2010	\$1,300,000	4.9%
3500 S. San Pedro St. Los Angeles	13,396 sf industrial building built in 1973	06/2010	\$1,000,000	8.0%
12916 S. Broadway Los Angeles	17,755 sf industrial building built in 1958; REO	04/2010	\$1,025,000	7.25%
316 S. Palm Ave. Alhambra	9,010 sf industrial building built in 1951	12/2010	\$1,300,000	6.5%
324 S. Palm Ave. Alhambra	9,390 sf industrial building built in 1977	12/2010	\$1,300,000	6.5%

As a result of the analysis of these transactions, and given the subject characteristics including being a small functional industrial building within a highly desirable area of central Los Angeles, we have concluded that the appropriate capitalization rate for the improved properties is 5.0%.



SITE MAP
 APNs: 5122-043-030, -001 & -002
 126 WEST 39th STREET
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 121± FT.
 MARCH 2011

SUBJECT PROPERTY

The subject property shows title held by:

Farmer Bros. Co.
20333 Normandie Ave.
Torrance, California 90502-1215

The last recorded transaction is reported to have occurred in 1968. There have been no market transfers within the last five years related to the subject property. The subject is not currently listed for sale.

The subject address is shown as:

Building:

126 W. 39th Street
Los Angeles, California

Parking lots:

3901-3909 S. Main Street
Los Angeles, California

The subject property is located at the southwest corner of 39th Street and Main Street, Los Angeles, California.

Legal Description

The subject property legal description is summarized as Lots 1, 2, 35 of Block 4, Zobelein's Main Street Tract, Book 5, Page 127 of Maps, City of Los Angeles, County of Los Angeles.

Land

Shape:	Irregular configuration of three rectangular lots
Dimensions:	190.13 ft along 39 th Street / 100 ft along Main Street (per Assessor's map)
Area:	21,513 sf or 0.49± acres (per Appraiser's map dimensions)
Topography:	Level at street/curb grade

The property is zoned M1-2, Limited Industrial, in the City of Los Angeles, as previously described. The subject is considered to be a legal conforming use relating to use, site coverage and parking provided.

39th Street

190.1'

Main Street

100'



140.1'

50'

150' (Land)

50'

126 W. 39th St.

50'

149' (Bldg)

PLOT PLAN
126 WEST 39th STREET
LOS ANGELES, CALIFORNIA
SCALE: 1" = 27.8± FT.
MARCH 2011


Lea Associates
Property Economics

Appraiser Parcel No.	5122-043-030	-001	-002
Assessed Values:	2010		
Land:	\$25,812	\$27,709	\$35,582
Improvements:	<u>\$56,389</u>	<u>\$10,235</u>	<u>\$ 7,828</u>
Total:	\$82,201	\$37,944	\$43,410
Actual Taxes:	\$1,682.44	\$727.76	\$838.92

Tax Rate Area:	6658
Tax Rate:	\$1.269859 per \$100 assessed valuation

In accordance with Proposition 13, the subject would be reassessed under sale or other subsequent transfer.

We have not reviewed a title report for the subject parcel. Visual inspection of the subject property revealed no apparent conditions that would negatively impact property value. All of the usual and necessary public utilities are available to the subject property.

The subject property maintains full pedestrian and vehicular access to 39th Street and Main Street. Adjacent street are as previously described.

Improvements

Summary: The subject is improved with a one-story seismically reinforced brick industrial warehouse building and a separate paved surface parking lot. Details of the subject were obtained during visual inspection of the property on March 3, 2011.

Gross Building Area: 7,450± sf
Year Built: 1925
Site Coverage: 35%

Exterior Description:
Foundation: Concrete
Walls: Seismically reinforced Brick
Roof: Composition roll; wood truss roof structure
Loading: 1 ground-level truck door

Interior Description:
Floors: Concrete in the warehouse area
Walls: Brick in the warehouse area
Ceilings: Exposed wood truss
Clear Height: 12 feet

Heating:	None
Air Conditioning:	None
Security:	Alarm
Sprinklers:	None
Office %:	2% front office (Note: rear office area exists but is in poor condition and owner plans to remove and utilize for storage in future)
Power:	400 amp; single-phase
Parking:	38 spaces (5.1 spaces per 1,000 sf); parking area surrounded by perimeter chain-link fencing with 3-strand barbed wire; parking area needs re-paving
Building Condition:	Average
Other:	Also noted is a storage/mezzanine type area with a very low clear height accessible by stairs. Since it is basically unfinished, and likely non-permitted area that an owner could easily remove to increase the clear height in the warehouse, we have not included this area in our building area calculations.

OCCUPANCY

The subject property is owner-occupied for the purpose of storing commercial coffee-making units which are re-furbished at another location.

HIGHEST AND BEST USE

Highest and Best Use may be defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."¹

Our analysis of Highest and Best Use includes two studies: Highest and Best Use of land as if vacant, and Highest and Best Use of property as improved. The highest and best use of both land as if vacant and property as improved must meet four criteria. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive.

As Though Vacant

Legally Permissible: Under the present M1-2 zoning, a variety of warehousing and manufacturing related uses are allowed. The immediate surrounding land uses are dominated by industrial uses. This would suggest that a development of a similar nature would be consistent with the current land use in the area, as well as the existing zoning.

Physically Possible: The subject site consists of three lots totaling over 21,500 square feet. The topography of the site is level site at street/curb grade. These characteristics would be conducive to a wide variety of manufacturing uses.

¹ *The Appraisal of Real Estate*, 13th Edition (Appraisal Institute, Chicago, 2008) 277-278

Financially Feasible: Those improvement programs that would produce a positive return on the investment required to construct them. Sale prices for improved properties have been stable over the last year, however land prices continued to drop slightly. Very little construction activity is noted in the immediate market area.

Maximally Productive: The maximally productive use is that which results in the highest return to the subject property. Though vacancy is still relatively low in the market, there is very little construction activity in the Los Angeles market given the uncertainty associated with the current economy and limited financing options. Therefore, we conclude the maximally productive use for the subject site is to hold for future industrial use when economic conditions improve.

As Improved

The highest and best use of the property as improved must satisfy the same four criteria as for the land as though vacant. However, since a structure already exists on the property, this study focuses primarily on whether to continue to use the structure (as it exists or modified) or to demolish it and use the site for new development.

The subject is an industrial type building which is several decades old. While the value of the underlying land is approaching the value of the property as improved, the value of the subject as improved still appears to exceed the land value evidenced in the area. In our judgement, as of the effective date of appraisal, the subject improvements should be retained at least until economic conditions improve, the property as improved representing the highest and best use.

VALUATION

The market data items which were felt to be the most applicable to this analysis are summarized on Table I in the General Valuation Discussion section of this report. Please refer to this section for further discussion regarding the market data items.

We reviewed sale transactions of older industrial properties of comparable size, age, location, quality, and condition. The sales provided a strong basis for the analysis of the subject. We considered the subject to be at a similar range of the value indicators. In terms of market conditions, no adjustment has been made to the sales since they all reflect sale dates of early 2010 to late 2010 (see previous Market Conditions discussion). In terms of financing considerations, unless otherwise noted, the sales reflect terms which are either all-cash-to-seller or cash equivalent. In terms of property rights conveyed, the sales are all arms-length transactions. Sale No. 2 is the only sale known to be leased and purchased by an investor. There are no special conditions of sale reported unless specifically noted.

SALES COMPARISON APPROACH - IMPROVED PROPERTY VALUE

Item No. 1 is the mid-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its one-story configuration is similar. Building size is similar on a psf basis. Building to land ratio is slightly inferior to the subject. Clear height, loading, masonry construction, and lack of sprinklers is similar. Power provided and office area is slightly inferior. Its date of construction is superior to the subject. Condition appears similar. Overall, we would expect the subject to sell for a similar or slightly higher price per square foot compared to this item.

Item No. 2 is the late-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its one-story configuration is similar. Building size is inferior on a psf basis. Building to land ratio is inferior to the subject. Clear height, loading, masonry construction, and lack of sprinklers is similar. While its date of construction is similar to the subject, it was renovated in 2000 and is superior to the subject in terms of condition. Overall, we would expect the subject to sell for a higher price per square foot compared to this item, given the building to land area ratio and building size, offset somewhat by the condition.

Item No. 3 is the early-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its one-story configuration is similar. Building size is inferior on a psf basis. Building to land ratio is inferior to the subject. Clear height, loading, masonry construction, and lack of sprinklers is similar. Power provided and office area is slightly superior. Its date of construction is superior to the subject, however condition is similar. Overall, we would expect the subject to sell for a higher price per square foot compared to this item, given the building to land area ratio and building size, offset somewhat by the year built.

Item No. 4 is the late-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its two-story configuration is inferior to the subject, on the order of approximately 10%. Building size is inferior on a psf basis. Building to land/site coverage ratio is slightly inferior to the subject. Clear height, loading, masonry construction, and lack of sprinklers is similar. Power provided is slightly superior. Its date of construction is similar to the subject, however condition is superior to the subject. Overall, we would expect the subject to sell for a higher price per square foot compared to this item, given the site coverage ratio, two-story configuration, and building size, offset somewhat by the condition.

TABLE I
MARKET DATA SUMMARY
INDUSTRIAL BUILDING SALES
LOS ANGELES & VICINITY, CALIFORNIA

ITEM NO.	LOCATION	SALE DATE	IMPROVEMENT DESCRIPTION	BUILDING AREA (±SF)	SITE AREA (±SF) B-T-L RATIO ¹	PRICE		REMARKS
						TOTAL	PSF BLDG	
1	3858 Broadway Pl. Los Angeles 5122-040-014	Jun-10	One-story masonry industrial building in average condition; built in 1956; approx 12 ft clear height; 13% office; ground-level loading; no sprinklers; 200 amp power.	7,800	9,235 84%	\$ 800,000	\$ 102.56	Owner-user sale.
2	3600 S. San Pedro St. Los Angeles 5121-008-019	Oct-10	One-story masonry industrial building in average to good condition; built in 1939, remodeled in 2000; approx 12 ft clear height; no office reported; ground-level loading.	13,500	12,291 110%	\$ 850,000	\$ 62.96	Occupied by two tenants as of date of sale; cap rate reported at 4.9%.
3	3700 S. Broadway Pl. Los Angeles 5122-042-002	Feb-10	One-story masonry industrial building in average condition; built in 1957; approx 12 ft clear height; 29% office; ground-level loading; no sprinklers; 800 amp power.	14,348	18,402 78%	\$ 1,444,000	\$ 100.64	
4	3801 S. Grand Ave. Los Angeles 5122-026-011	Sep-10	Two-story masonry industrial building in average to good condition; built in 1947; approx 12 ft clear height; office N/AV; ground-level loading; no sprinklers; 600 amp power.	9,620 2,380 12,000	18,900 63%	\$ 1,300,000	\$ 108.33	Owner-user sale. 51% site coverage.
5	121 & 123 W. 31st St. Los Angeles 5122-004-003 & 004	Sep-10	Sale of two adjacent industrial properties: 1) One-story 2,379 sf concrete block industrial building in average condition; built in 1969; approx 12 ft clear height; 63% office; no sprinklers; 400 amp power. 2) One-story masonry 7,500 sf industrial bldg in average condition; built in 1957; approx 12 ft clear height; 14% office; ground-level loading. 400 amp power.	2,379 7,500 9,879	15,000 66%	\$ 975,000	\$ 98.69	
6	156 W. Adams Blvd Los Angeles 5122-001-017	Mar-10	One-story re-inforced concrete industrial building in average to good condition; built in 1948; approx 12 ft clear height; office N/AV; ground-level loading; no sprinklers.	6,720	12,000 56%	\$ 930,000	\$ 138.39	Owner-user sale. Broker involved with sale indicated this property sold at a premium due to its commercial exposure along Adams
Subject	126 W. 39th St 3901-3909 S. Main St. Los Angeles 5122-043-030, 001 & 002	Mar-11 (D.O.V.)	One-story masonry industrial building in average condition; built in 1925; clear height approx 12 feet; 2% office; no sprinklers; ground-level loading; 400 amp power.	7,450	21,513 35%	TBD	TBD	Owner occupied for storage.
Subject	132-140 W. 38th St Los Angeles 5122-043-028 & 029	Mar-11 (D.O.V.)	Two-story masonry industrial building in average condition; built in 1937; clear height approx 12 feet; 17% office; no sprinklers; ground-level loading; 600 amp power.	7,450 1,500 8,950	15,000 60%	TBD	TBD	Owner occupied for storage. 50% site coverage.

SOURCE: LEA ASSOCIATES, INC., SURVEY, MARCH 2011

¹ Building-to-land area ratio

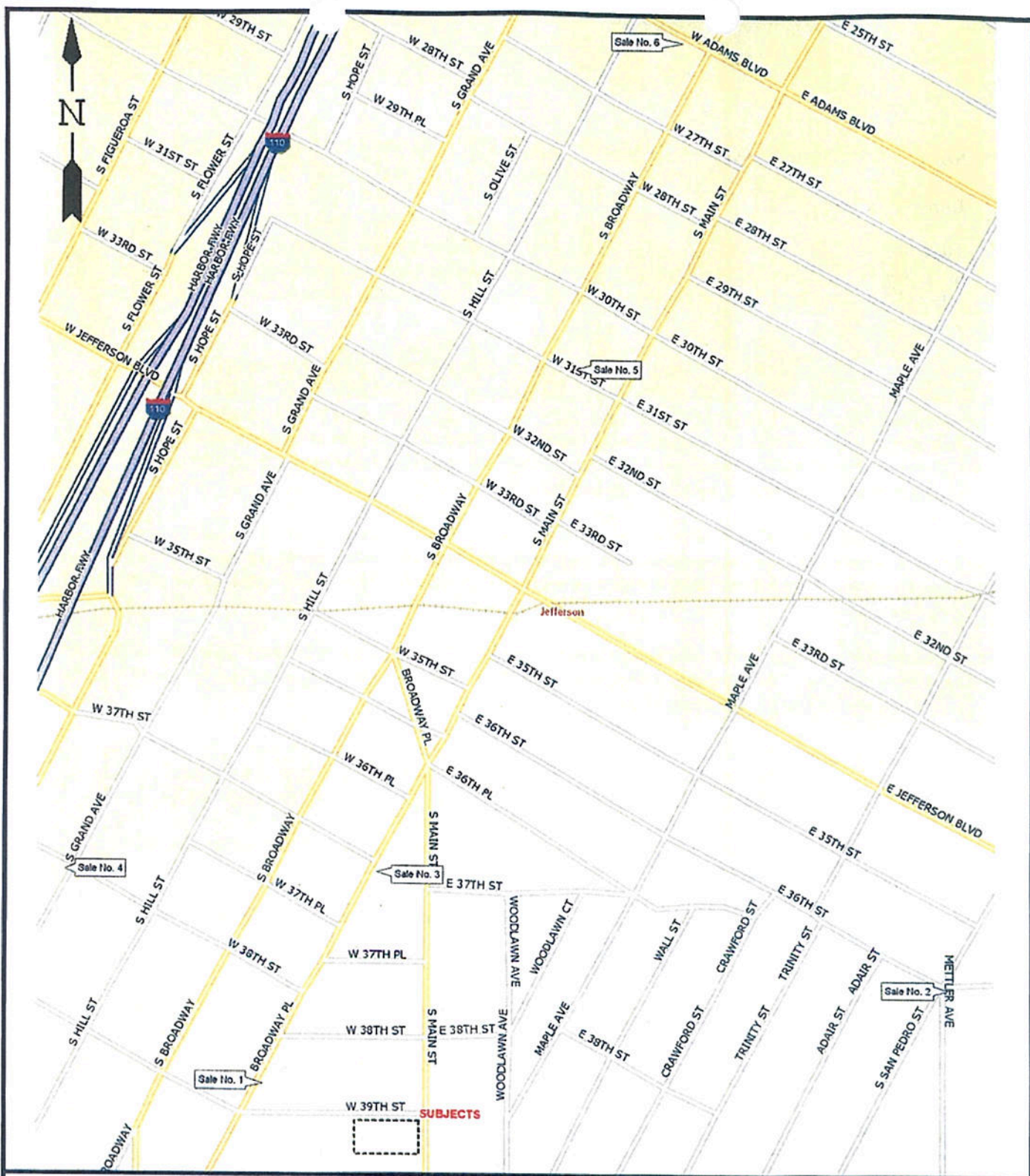


EXHIBIT III
 MARKET DATA MAP - INDUSTRIAL BUILDING SALES
 126-132 WEST 39th STREET
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 600± FT.
 MARCH 2011

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 Property Economics



Item No. 5 is the late-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its one-story configuration is similar. Building size is similar on a psf basis. Building to land ratio is slightly inferior to the subject. Clear height, loading, masonry construction, and lack of sprinklers is similar. Power provided is similar. Its office area and date of construction are superior to the subject. Condition appears similar. The 'bulk' sale of two properties is felt to be a slightly inferior condition of sale for this item. Overall, we would expect the subject to sell for a slightly higher price per square foot compared to this item.

Item No. 6 is the early-2010 sale of an industrial property located in close proximity to the subject. Location is superior to the subject, having commercial exposure along the well-traveled Adams Boulevard. The broker involved in this transaction reported a premium for this item's location over the subject location. Its one-story configuration is similar. Building size is similar on a psf basis. Building to land ratio is slightly inferior to the subject. Clear height, loading, its construction, and lack of sprinklers is similar. Its date of construction is similar but its condition is superior to the subject. Overall, we would expect the subject to sell for a lower price per square foot compared to this item.

Based on the collection of the relevant market data, and considering the above discussion as the sale items relate to the subject property, a unit rate value indication of \$120 psf of building area is felt to be reasonable for the subject property. This results in the following:

$$\begin{aligned} 7,450 \text{ sf} \times \$120 \text{ psf} &= \$ 894,000 \\ \text{Rounded} &= \$ 900,000 \end{aligned}$$

Therefore, the concluded opinion of fair market value of the subject property as of the date of value of this report, based on the Sales Comparison Approach, is:

NINE HUNDRED THOUSAND DOLLARS

\$900,000

INCOME CAPITALIZATION APPROACH

Rental Survey

The majority of leases in the subject's market area are on an industrial gross basis. The subject is currently owner-occupied and not encumbered by a lease. Based on the comparable data for leases in the immediate area, we concluded with a unit rate of \$0.50 psf for the industrial space. The lease would be on an industrial gross basis with the owner responsible for real estate taxes, insurance, structural & roof maintenance, management and reserves for replacement.

TABLE II
MARKET DATA SUMMARY
INDUSTRIAL RENTAL SUMMARY
LOS ANGELES, CALIFORNIA

ITEM NO.	LOCATION	LEASE DATE	DESCRIPTION OF LEASED SPACE	LEASED SPACE (SF)	TERMS/ ESCALATIONS	LEASE TYPE	EFFECTIVE RENT PSF	REMARKS
1	150 E. Jefferson Blvd. Los Angeles	Jan-11	One-story 13,125 sf masonry industrial bldg, built in 1941; clear height is 15'; 12% office; 32% building-to-land area ratio; 400 amp power; sprinklered; ground-level loading.	13,125	2 years Flat	IG	\$0.51	No TI allowance
2	3116 S. Main St. Los Angeles	Jan-11	One-story 6,500 sf masonry industrial bldg, built in 1964; clear height 12'; 6% office; includes small fenced/paved yard; 200 amp power; sprinklered; ground-level loading.	6,500	2 years Flat	IG	\$0.47	No TI allowance
3	103 E. 31st St. Los Angeles	Sep-10	One-story 6,000 sf masonry industrial bldg, built in 1917; clear height 11'; 13% office; 86% building-to-land area ratio; 200 amp power; no sprinklers; ground-level loading.	6,000	3 years 3%	IG	\$0.42	No TI allowance
4	959 E. 31st St. Los Angeles	Mar-10	One-story 10,800 sf masonry industrial bldg, built in 1922; clear height 15'; 5% office; 95% building-to-land area ratio; 400 amp power; no sprinklers; ground-level loading in front & rear.	10,800	3 years 3%	IG	\$0.35	No TI allowance Conduit for drop cords
5	3901 Broadway Pl. Los Angeles	Jan-11	One-story 7,500 sf frame & stucco industrial bldg, built in 1950; clear height 14'; 14% office; 100% building-to-land area ratio; 600 amp power; no sprinklers; ground-level loading.	20,300	3 years 3%	IG	\$0.49	No TI allowance; street parking reported to be plentiful.
Subject	126 W. 39th St 3901-3909 S. Main St. Los Angeles	Mar-11 (D.O.V.)	One-story masonry industrial building in average condition; built in 1925; clear height approx 12 feet; 2% office; no sprinklers; ground-level loading; 400 amp power; 35% building-to-land area ratio.	7,450	TBD	TBD	TBD	
Subject	132-140 W. 39th St Los Angeles	Mar-11 (D.O.V.)	Two-story masonry industrial building in average condition; built in 1937; clear height approx 12 feet; 17% office; no sprinklers; ground-level loading; 600 amp power; 60% building-to-land area ratio.	7,450 <u>1,500</u> 8,950	TBD	TBD	TBD	

SOURCE: LEA ASSOCIATES, INC., SURVEY, MARCH 2011

G = Gross



EXHIBIT IV
 MARKET DATA MAP - INDUSTRIAL RENTAL SUMMARY
 126-132 WEST 39th STREET
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 667± FT.
 MARCH 2011

Lea Associates
 Property Economics



Vacancy and Uncollectible Rents Allowance

Given the general market experience relating to supply and demand issues, we feel a 5.0% vacancy and collection loss allowance is appropriate for the subject property when capitalizing the income into perpetuity.

Expenses

The following analysis presents our estimates of individual categories for the subject property. We have not reviewed any of the subject's expense history. Sources in determining an appropriate allocation of expenses in our analysis, included a review of data contained on our files for actual expenses for comparable buildings and conversations with local brokers.

Real Estate Taxes

Following Proposition 13 guidelines, we have utilized a tax rate of \$1.269859 per \$100 of assessed value in estimating the taxes for the subject. The actual expense allowance for taxes is a function of the value concluded in this approach. This has been accomplished by "loading up" the overall capitalization rate with the tax rate and then applying this composite rate to the estimated net operating income, before making a deduction for taxes. The resulting value is then multiplied by the tax rate, and the estimated tax amount is re-entered into the above-line expense category. We also added in the actual direct assessments.

Insurance

We have based our expense on information provided by the Society of Industrial and Office Realtors and discussions with local brokers. We have estimated the subject's insurance expense at \$0.15 psf of building area.

Structural & Roof Maintenance

We have also estimated this category based on information provided by the Society of Industrial and Office Realtors and discussions with local brokers. We have estimated the subject's expense for this category at \$0.10 psf of building area.

Management

This includes the base management fee expressed as a percentage of effective gross income. This is typically in a range of 3% to 5% of effective gross income. Considering the size and location of the subject property and the fact that it is a relatively small single-tenant building, we utilized a 5.0% figure.

Reserves for Replacement

This includes building reserves such as roof replacement, parking lot replacement, and normal cost of space alteration to suit tenants, and any refurbishing required for tenants if a lease is renewed. The primary structural components are functional. We have allocated the reserve for replacement of these items at approximately 2% of effective gross income based on historical indicators.

Capitalization Rate

The overall capitalization rate discussion in our general valuation discussion was 5.0%. This considers the market rent conclusion utilized in our analysis, vacancy and collection loss allowance, as well as reserves for replacement included in our direct capitalization analysis.

DIRECT CAPITALIZATION

Annual Gross Market Rent:			
7,450 sf x \$0.50 psf x 12 months =			\$44,700
Less: Vacancy and collection loss allowance (5.0%)			<u>2,235</u>
Effective Gross Income:			\$42,465
Less Expenses:	<u>PSF</u>	<u>% EGI</u>	<u>Total</u>
Real Estate Taxes:	\$1.04	17.8%	\$7,365
Direct Assessments:	0.16	2.8	1,172
Insurance:	0.15	2.6	1,118
Maintenance:	0.10	1.8	745
Management:	0.28	5.0	2,123
Reserves:	<u>0.11</u>	<u>2.0</u>	<u>849</u>
Total Expenses:	\$1.79	31.5%	<u>13,372</u>
Net Operating Income (before debt service, depreciation and income taxes):			\$29,093

Capitalization:

Direct Capitalization with an overall rate of 5.0%:

\$29,093 ÷ 0.05	=	\$ 581,860
Rounded:		\$ 580,000

RECONCILIATION AND FINAL VALUE ESTIMATE

The subject property has been analyzed using the specified approaches to value to provide our opinion of value for the subject property at stabilized occupancy levels. The values derived from each approach are listed below:

Sales Comparison Approach:	\$900,000
Income Capitalization Approach:	\$580,000

The Sales Comparison Approach is supported by sales of similarly sized improved industrial buildings primarily in the immediate Los Angeles area. This approach is relevant because it directly reflects the attitudes of knowledgeable buyers and sellers in the immediate marketplace.

The Income Capitalization Approach benefits from a base of comparable rental items, as well as a market derived overall rate. The approach was also supported by brokers familiar with the immediate market area.

Both the Sales Comparison and Income Capitalization approaches were considered in this value opinion. Since a large amount of industrial buildings in the subject's marketplace are owner/user properties, as well as giving weight to the definition of fair market value, full weight was placed on the Sales Comparison Approach to value. It is our opinion that the fair market value of the fee simple interest of the subject property, as of the effective date of the appraisal, is:

NINE HUNDRED THOUSAND DOLLARS

\$900,000

126 W. 39TH STREET
LOS ANGELES, CALIFORNIA



Southwest view of subject property.



Southwest view of subject parking area.

126 W. 39TH STREET
LOS ANGELES, CALIFORNIA



Westerly view of 39th Street (subject at left).



Easterly view along 39th Street (subject far right).

126 W. 39TH STREET
LOS ANGELES, CALIFORNIA



Southerly view along Main Street (subject at right).



Northerly view along Main Street (subject parking at left).

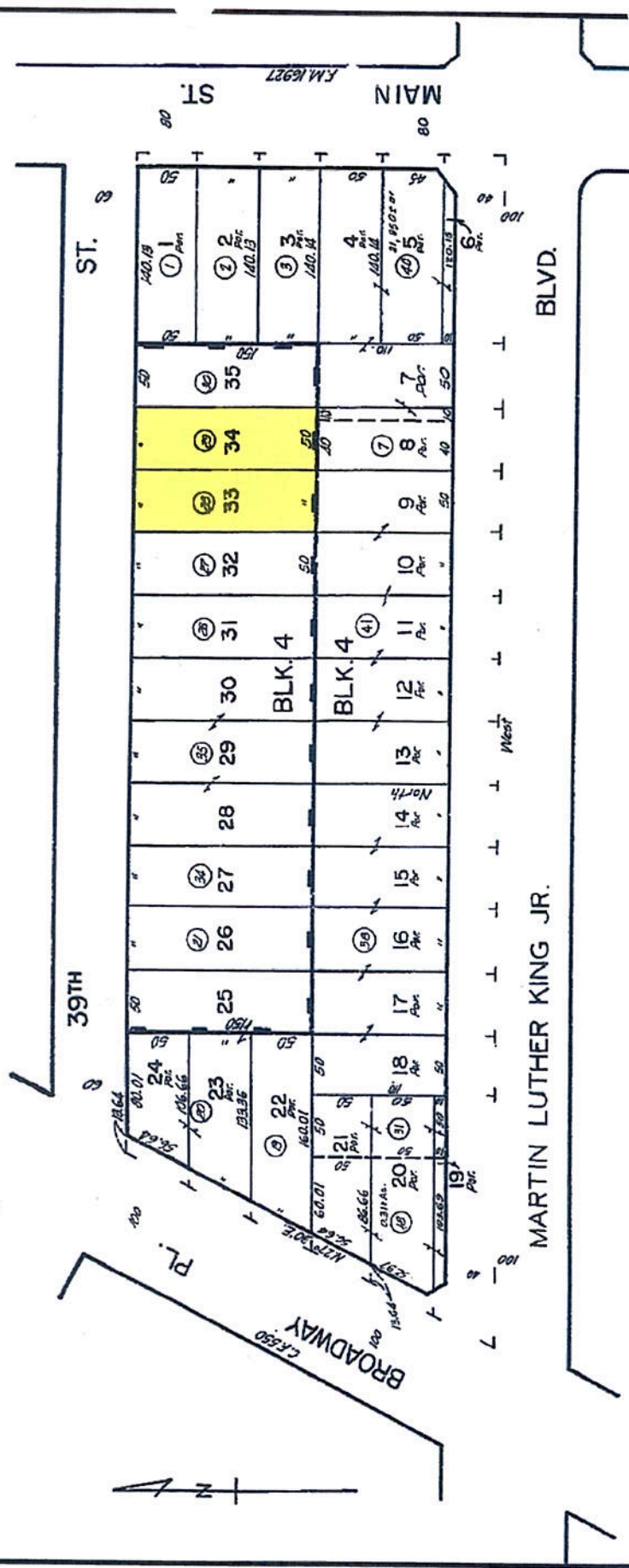
126 W. 39TH STREET
LOS ANGELES, CALIFORNIA



Southerly view of subject interior.



Northerly view of subject interior.



SITE MAP
 APNs: 5122-043-028 & -029
 132 WEST 39th STREET
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 121± FT.
 MARCH 2011



SUBJECT PROPERTY

The subject property shows title held by:

Farmer Bros. Co.
20333 Normandie Ave.
Torrance, California 90502-1215

The last recorded transaction is reported to have occurred in 1968. There have been no market transfers within the last five years related to the subject property. The subject is not currently listed for sale.

The subject address is shown as:

Building:

132 W. 39th Street
Los Angeles, California

Parking lot:

140 W. 39th Street
Los Angeles, California

The subject property is located along the south side of 39th Street, west of Main Street, Los Angeles, California.

Legal Description

The subject property legal description is summarized as Lots 33 and 34 of Block 4, Zobebelein's Main Street Tract, Book 5, Page 127 of Maps, City of Los Angeles, County of Los Angeles.

Land

Shape:	Rectangular configuration of two lots
Dimensions:	100 ft along 39 th Street / 150 ft deep (per Assessor's map)
Area:	15,000 sf or 0.34± acres (per Appraiser's map dimensions)
Topography:	Level at street/curb grade

The property is zoned M1-2, Limited Industrial, in the City of Los Angeles, as previously described. The subject is considered to be a legal conforming use relating to use, site coverage and parking provided.

132 W. 39th St.

39th Street



150'

30'

50'

Mezzanine

149' (Bldg)

132 W. 39th St.

150' (Land)

100'

PLOT PLAN
132 WEST 39th STREET
LOS ANGELES, CALIFORNIA
SCALE: 1" = 19.4± FT.
MARCH 2011

Lea Associates 
Property Economics

Appraiser Parcel No.	5122-043-028	-029
Assessed Values:	2010	
Land:	\$25,812	\$25,812
Improvements:	<u>\$5,676</u>	<u>\$73,866</u>
Total:	\$31,488	\$99,678
Actual Taxes:	\$633.94	\$1,998.03

Tax Rate Area:	6658
Tax Rate:	\$1.269859 per \$100 assessed valuation

In accordance with Proposition 13, the subject would be reassessed under sale or other subsequent transfer.

We have not reviewed a title report for the subject parcel. Visual inspection of the subject property revealed no apparent conditions that would negatively impact property value. All of the usual and necessary public utilities are available to the subject property.

The subject property maintains full pedestrian and vehicular access to 39th Street. Adjacent street are as previously described.

Improvements

Summary: The subject is improved with a two-story seismically reinforced brick industrial warehouse building and a separate paved surface parking lot (to the west). Details of the subject were obtained during visual inspection of the property on March 3, 2011.

Gross Building Area:
Ground Floor: 7,450± sf
2nd Level: 1,500
Total: 8,950
Year Built: 1937
Site Coverage: 50% (60% building-to-land area ratio)

Exterior Description:
Foundation: Concrete
Walls: Seismically reinforced Brick
Roof: Composition roll; wood truss roof structure
Loading: 1 ground-level truck door

Interior Description:

Floors:	Concrete in the warehouse area
Walls:	Brick in the warehouse area
Ceilings:	Exposed wood truss
Clear Height:	12 feet
Heating:	None
Air Conditioning:	None
Security:	Alarm
Sprinklers:	None
Office %:	17% office (Located on 2 nd level)
Power:	600 amp; 3-phase
Parking:	23 spaces (2.6 spaces per 1,000 sf); parking area surrounded by perimeter chain-link fencing with 3-strand barbed wire; parking area needs re-paving
Building Condition:	Average

OCCUPANCY

The subject property is owner-occupied for the purpose of storing commercial coffee-making units which are re-furbished at another location.

HIGHEST AND BEST USE

Highest and Best Use may be defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."¹

Our analysis of Highest and Best Use includes two studies: Highest and Best Use of land as if vacant, and Highest and Best Use of property as improved. The highest and best use of both land as if vacant and property as improved must meet four criteria. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive.

As Though Vacant

Legally Permissible: Under the present M1-2 zoning, a variety of warehousing and manufacturing related uses are allowed. The immediate surrounding land uses are dominated by industrial uses. This would suggest that a development of a similar nature would be consistent with the current land use in the area, as well as the existing zoning.

Physically Possible: The subject site consists of two lots totaling 15,000 square feet. The topography of the site is level site at street/curb grade. These characteristics would be conducive to a wide variety of manufacturing uses.

¹ *The Appraisal of Real Estate*, 13th Edition (Appraisal Institute, Chicago, 2008) 277-278

Financially Feasible: Those improvement programs that would produce a positive return on the investment required to construct them. Sale prices for improved properties have been stable over the last year, however land prices continued to drop slightly. Very little construction activity is noted in the immediate market area.

Maximally Productive: The maximally productive use is that which results in the highest return to the subject property. Though vacancy is still relatively low in the market, there is very little construction activity in the Los Angeles market given the uncertainty associated with the current economy and limited financing options. Therefore, we conclude the maximally productive use for the subject site is to hold for future industrial use when economic conditions improve.

As Improved

The highest and best use of the property as improved must satisfy the same four criteria as for the land as though vacant. However, since a structure already exists on the property, this study focuses primarily on whether to continue to use the structure (as it exists or modified) or to demolish it and use the site for new development.

The subject is an industrial type building which is several decades old. While the value of the underlying land is approaching the value of the property as improved, the value of the subject as improved still appears to exceed the land value evidenced in the area. In our judgement, as of the effective date of appraisal, the subject improvements should be retained at least until economic conditions improve, the property as improved representing the highest and best use.

VALUATION

The market data items which were felt to be the most applicable to this analysis are summarized on Table I in the General Valuation Discussion section of this report. Please refer to this section for further discussion regarding the market data items.

We reviewed sale transactions of older industrial properties of comparable size, age, location, quality, and condition. The sales provided a strong basis for the analysis of the subject. We considered the subject to be at a similar range of the value indicators. In terms of market conditions, no adjustment has been made to the sales since they all reflect sale dates of early 2010 to late 2010 (see previous Market Conditions discussion). In terms of financing considerations, unless otherwise noted, the sales reflect terms which are either all-cash-to-seller or cash equivalent. In terms of property rights conveyed, the sales are all arms-length transactions. Sale No. 2 is the only sale known to be leased and purchased by an investor. There are no special conditions of sale reported unless specifically noted.

SALES COMPARISON APPROACH - IMPROVED PROPERTY VALUE

Item No. 1 is the mid-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its one-story configuration is slightly superior to the subject by approximately 8% of psf value overall (given that the second floor typically leases for approximately 50% of the ground-level). Building size is similar on a psf basis. Site coverage/building to land ratio is slightly inferior to the subject. Clear height, office area, loading, masonry construction, and lack of sprinklers is similar. Power provided is slightly inferior. Its date of construction is superior to the subject, however condition is similar. Overall, we would expect the ground-level space for the subject to sell for a slightly higher price per square foot compared to this item. We would expect the total price indication for the subject to be slightly superior.

Item No. 2 is the late-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its one-story configuration is slightly superior to the subject. Building size is inferior on a psf basis. Building to land ratio is inferior to the subject. Clear height, loading, masonry construction, and lack of sprinklers is similar. While its date of construction is similar to the subject, it was renovated in 2000 and is superior to the subject in terms of condition. Overall, we would expect the subject to sell for a higher price per square foot compared to this item, given the building to land area ratio and building size, offset somewhat by the condition.

Item No. 3 is the early-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its one-story configuration is slightly superior. Building size is inferior on a psf basis. Building to land ratio is inferior to the subject. Clear height, loading, masonry construction, and lack of sprinklers is similar. Power provided and office area is similar. Its date of construction is superior to the subject, however condition is similar. Overall, we would expect the subject to sell for a higher price per square foot compared to this item, given the building to land area ratio and building size, offset somewhat by the year built.

Item No. 4 is the late-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its two-story configuration is similar to the subject. Building size is inferior on a psf basis. Building to land/site coverage ratio is slightly inferior to the subject. Clear height, loading, masonry construction, and lack of sprinklers is similar. Power provided is similar. Its date of construction is similar to the subject, however its condition is superior to the subject. Overall, we would

TABLE I
 MARKET DATA SUMMARY
 INDUSTRIAL BUILDING SALES
 LOS ANGELES & VICINITY, CALIFORNIA

ITEM NO.	LOCATION	SALE DATE	IMPROVEMENT DESCRIPTION	BUILDING AREA (ASF)	SITE AREA (ASF) B-T-L RATIO ¹	PRICE		REMARKS
						TOTAL	PSF BLDG	
1	3858 Broadway Pl. Los Angeles 5122-040-014	Jun-10	One-story masonry industrial building in average condition; built in 1956; approx 12 ft clear height; 13% office, ground-level loading; no sprinklers; 200 amp power.	7,800	9,235 84%	\$ 800,000	\$ 102.56	Owner-user sale.
2	3600 S. San Pedro St. Los Angeles 5121-008-019	Oct-10	One-story masonry industrial building in average to good condition; built in 1939, remodeled in 2000; approx 12 ft clear height; no office reported; ground-level loading.	13,500	12,291 110%	\$ 850,000	\$ 62.96	Occupied by two tenants as of date of sale, cap rate reported at 4.9%.
3	3700 S. Broadway Pl. Los Angeles 5122-042-002	Feb-10	One-story masonry industrial building in average condition; built in 1957; approx 12 ft clear height; 29% office, ground-level loading; no sprinklers; 800 amp power.	14,348	18,402 78%	\$ 1,444,000	\$ 100.64	
4	3801 S. Grand Ave. Los Angeles 5122-026-011	Sep-10	Two-story masonry industrial building in average to good condition; built in 1947; approx 12 ft clear height; office N/A, ground-level loading; no sprinklers; 600 amp power.	9,620 2,380 12,000	18,600 63%	\$ 1,300,000	\$ 108.33	Owner-user sale, 51% site coverage.
5	121 & 123 W. 31st St. Los Angeles 5122-004-003 & 004	Sep-10	Sale of two adjacent industrial properties: 1) One-story 2,379 sf concrete block industrial building in average condition; built in 1969; approx 12 ft clear height; 63% office; no sprinklers; 400 amp power. 2) One-story masonry 7,500 sf industrial bldg in average condition; built in 1957; approx 12 ft clear height; 14% office; ground-level loading; 400 amp power.	2,379 7,500 9,879	15,000 66%	\$ 975,000	\$ 98.69	
6	156 W. Adams Blvd Los Angeles 5122-001-017	Mar-10	One-story re-inforced concrete industrial building in average to good condition; built in 1948; approx 12 ft clear height; office N/A, ground-level loading; no sprinklers.	6,720	12,000 56%	\$ 930,000	\$ 138.39	Owner-user sale. Broker involved with sale indicated this property sold at a premium due to its commercial exposure along Adams
Subject	126 W. 39th St 3901-3909 S. Main St. Los Angeles 5122-043-030, 001 & 002	Mar-11 (D.O.V.)	One-story masonry industrial building in average condition; built in 1925; clear height approx 12 feet; 2% office; no sprinklers; ground-level loading; 400 amp power.	7,450	21,513 35%	TBD	TBD	Owner occupied for storage.
Subject	132-140 W. 39th St Los Angeles 5122-043-028 & 029	Mar-11 (D.O.V.)	Two-story masonry industrial building in average condition; built in 1937; clear height approx 12 feet; 17% office; no sprinklers; ground-level loading; 600 amp power.	7,450 1,500 8,950	15,000 60%	TBD	TBD	Owner occupied for storage. 50% site coverage.

SOURCE: LEA ASSOCIATES, INC., SURVEY, MARCH 2011

¹ Building-to-land area ratio

expect the subject to sell for a similar price per square foot compared to this item, given the site coverage ratio, and building size, offset somewhat by the condition. We would expect a similar or slightly higher psf indication for the subject ground-level space.

Item No. 5 is the late-2010 sale of an industrial property located in close proximity to the subject. Location is similar to the subject. Its one-story configuration is slightly superior to the subject. Building size is similar on a psf basis. Building to land ratio is slightly inferior to the subject. Clear height, loading, masonry construction, and lack of sprinklers is similar. Power provided is similar. Its office area and date of construction is superior to the subject. Condition is similar. The 'bulk' sale of two properties is felt to be a slightly inferior condition of sale for this item. Overall, we would expect the subject to sell for a slightly higher price per square foot compared to this item.

Item No. 6 is the early-2010 sale of an industrial property located in close proximity to the subject. Location is superior to the subject, having commercial exposure along the well-traveled Adams Boulevard. The broker involved in this transaction reported a premium for this item's location over the subject location. Its one-story configuration is slightly superior to the subject. Building size is similar on a psf basis. Building to land ratio is similar to the subject. Clear height, loading, its construction, and lack of sprinklers is similar. Its date of construction is similar but its condition is superior to the subject. Overall, we would expect the subject to sell for a lower price per square foot compared to this item.

Given past studies in the market, we have observed that 2nd level space generally sells and leases for approximately 50% of its ground-level counterpart. This ratio is utilized below.

Based on the collection of the relevant market data, and considering the above discussion as the sale items relate to the subject property, a unit rate value indication of \$120 psf of building area is felt to be reasonable for the subject property ground-level space. The 2nd level space is valued at 50% of the ground-floor indicator. This results in the following:

Ground level:	7,450 sf x \$120 psf =	\$894,000
Second level:	1,500 sf x \$60 psf =	<u>90,000</u>
Total:		\$984,000
Rounded:		\$990,000
		(\$110.61 psf)

Therefore, the concluded opinion of fair market value of the subject property as of the date of value of this report, based on the Sales Comparison Approach, is:

NINE HUNDRED NINETY THOUSAND DOLLARS

\$990,000

TABLE II
MARKET DATA SUMMARY
INDUSTRIAL RENTAL SUMMARY
LOS ANGELES, CALIFORNIA

ITEM NO.	LOCATION	LEASE DATE	DESCRIPTION OF LEASED SPACE	LEASED SPACE (SF)	TERMS/ ESCALATIONS	LEASE TYPE	EFFECTIVE RENT PSF	REMARKS
1	150 E. Jefferson Blvd. Los Angeles	Jan-11	One-story 13,125 sf masonry industrial bldg, built in 1941; clear height is 15'; 12% office; 32% building-to-land area ratio; 400 amp power; sprinklered; ground-level loading.	13,125	2 years Flat	IG	\$0.51	No TI allowance
2	3116 S. Main St. Los Angeles	Jan-11	One-story 6,500 sf masonry industrial bldg, built in 1964; clear height 12'; 6% office; includes small fenced/paved yard; 200 amp power; sprinklered; ground-level loading.	6,500	2 years Flat	IG	\$0.47	No TI allowance
3	103 E. 31st St. Los Angeles	Sep-10	One-story 6,000 sf masonry industrial bldg, built in 1917; clear height 11'; 13% office; 86% building-to-land area ratio; 200 amp power; no sprinklers; ground-level loading.	6,000	3 years 3%	IG	\$0.42	No TI allowance
4	959 E. 31st St. Los Angeles	Mar-10	One-story 10,800 sf masonry industrial bldg, built in 1922; clear height 15'; 5% office; 96% building-to-land area ratio; 400 amp power; no sprinklers; ground-level loading in front & rear.	10,800	3 years 3%	IG	\$0.35	No TI allowance Conduit for drop cords
5	3901 Broadway Pl. Los Angeles	Jan-11	One-story 7,500 sf frame & stucco industrial bldg, built in 1950; clear height 14'; 14% office; 100% building-to-land area ratio; 600 amp power; no sprinklers; ground-level loading.	20,300	3 years 3%	IG	\$0.49	No TI allowance; street parking reported to be plentiful.
Subject	126 W. 39th St. 3901-3909 S. Main St. Los Angeles	Mar-11 (D.O.V.)	One-story masonry industrial building in average condition; built in 1925; clear height approx 12 feet; 2% office; no sprinklers; ground-level loading; 400 amp power; 35% building-to-land area ratio.	7,450	TBD	TBD	TBD	
Subject	132-140 W. 39th St. Los Angeles	Mar-11 (D.O.V.)	Two-story masonry industrial building in average condition; built in 1937; clear height approx 12 feet; 17% office; no sprinklers; ground-level loading; 600 amp power; 60% building-to-land area ratio.	7,450 1,500 8,950	TBD	TBD	TBD	

SOURCE: LEA ASSOCIATES, INC., SURVEY, MARCH 2011

G = Gross



EXHIBIT IV
 MARKET DATA MAP - INDUSTRIAL RENTAL SUMMARY
 126-132 WEST 39th STREET
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 667± FT.
 MARCH 2011

Lea Associates
 Property Economics



INCOME CAPITALIZATION APPROACH

Rental Survey

The majority of leases in the subject's market area are on an industrial gross basis. The subject is currently owner-occupied and not encumbered by a lease. Based on the comparable data for leases in the immediate area, we concluded with a unit rate of \$0.50 psf for the ground-level industrial space and 50% of the ground-level space for the second-level space. The lease would be on an industrial gross basis with the owner responsible for real estate taxes, insurance, structural & roof maintenance, management and reserves for replacement.

Vacancy and Uncollectible Rents Allowance

Given the general market experience relating to supply and demand issues, we feel a 5.0% vacancy and collection loss allowance is appropriate for the subject property when capitalizing the income into perpetuity.

Expenses

The following analysis presents our estimates of individual categories for the subject property. We have not reviewed any of the subject's expense history. Sources in determining an appropriate allocation of expenses in our analysis, included a review of data contained on our files for actual expenses for comparable buildings and conversations with local brokers.

Real Estate Taxes

Following Proposition 13 guidelines, we have utilized a tax rate of \$1.269859 per \$100 of assessed value in estimating the taxes for the subject. The actual expense allowance for taxes is a function of the value concluded in this approach. This has been accomplished by "loading up" the overall capitalization rate with the tax rate and then applying this composite rate to the estimated net operating income, before making a deduction for taxes. The resulting value is then multiplied by the tax rate, and the estimated tax amount is re-entered into the above-line expense category. We also added in the actual direct assessments.

Insurance

We have based our expense on information provided by the Society of Industrial and Office Realtors and discussions with local brokers. We have estimated the subject's insurance expense at \$0.15 psf of building area.

Structural & Roof Maintenance

We have also estimated this category based on information provided by the Society of Industrial and Office Realtors and discussions with local brokers. We have estimated the subject's expense for this category at \$0.10 psf of building area.

Management

This includes the base management fee expressed as a percentage of effective gross income. This is typically in a range of 3% to 5% of effective gross income. Considering the size and location of the subject property and the fact that it is a relatively small single-tenant building, we utilized a 5.0% figure.

Reserves for Replacement

This includes building reserves such as roof replacement, parking lot replacement, and normal cost of space alteration to suit tenants, and any refurbishing required for tenants if a lease is renewed. The primary structural components are functional. We have allocated the reserve for replacement of these items at approximately 2% of effective gross income based on historical indicators.

Capitalization Rate

The overall capitalization rate discussion in our general valuation discussion was 5.0%. This considers the market rent conclusion utilized in our analysis, vacancy and collection loss allowance, as well as reserves for replacement included in our direct capitalization analysis.

DIRECT CAPITALIZATION

Annual Gross Market Rent:

7,450 sf x \$0.50 psf x 12 months = \$44,700

1,500 sf x \$0.25 psf x 12 months = \$ 4,500

\$49,200

Less: Vacancy and collection loss allowance (5.0%)

2,460

Effective Gross Income:

\$46,740

Less Expenses:

	<u>PSF</u>	<u>% EGI</u>	<u>Total</u>
Real Estate Taxes:	\$0.92	17.5%	\$8,191
Direct Assessments:	0.11	2.1	966
Insurance:	0.15	2.9	1,343
Maintenance:	0.10	1.9	895
Management:	0.26	5.0	2,337
Reserves:	<u>0.10</u>	<u>2.0</u>	<u>935</u>
Total Expenses:	\$1.64	31.4%	<u>14,667</u>

Net Operating Income

(before debt service, depreciation and income taxes):

\$32,073

Capitalization:

Direct Capitalization with an overall rate of 5.0%:

\$32,073 ÷ 0.05 = \$ 641,460

Rounded: \$ 645,000

RECONCILIATION AND FINAL VALUE ESTIMATE

The subject property has been analyzed using the specified approaches to value to provide our opinion of value for the subject property at stabilized occupancy levels. The values derived from each approach are listed below:

Sales Comparison Approach:	\$990,000
Income Capitalization Approach:	\$645,000

The Sales Comparison Approach is supported by sales of similarly sized improved industrial buildings primarily in the immediate Los Angeles area. This approach is relevant because it directly reflects the attitudes of knowledgeable buyers and sellers in the immediate marketplace.

The Income Capitalization Approach benefits from a base of comparable rental items, as well as a market derived overall rate. The approach was also supported by brokers familiar with the immediate market area.

Both the Sales Comparison and Income Capitalization approaches were considered in this value opinion. Since a large amount of industrial buildings in the subject's marketplace are owner/user properties, as well as giving weight to the definition of fair market value, full weight was placed on the Sales Comparison Approach to value. It is our opinion that the fair market value of the fee simple interest of the subject property, as of the effective date of the appraisal, is:

NINE HUNDRED NINETY THOUSAND DOLLARS

\$990,000

132 W. 39TH STREET
LOS ANGELES, CALIFORNIA



Southeasterly view of the subject property.



Southerly view of the parking area to the west of the subject.

132 W. 39TH STREET
LOS ANGELES, CALIFORNIA

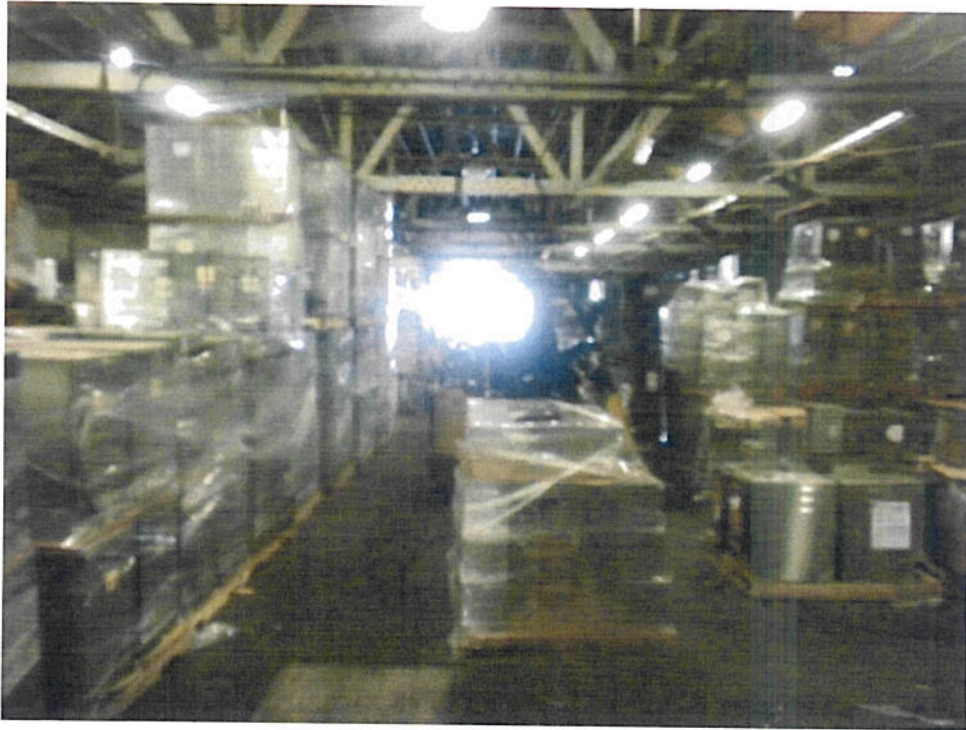


Easterly view on 39th Street (subject at right).



Westerly view along 39th Street (subject at far left).

132 W. 39TH STREET
LOS ANGELES, CALIFORNIA



Northerly view of subject interior.

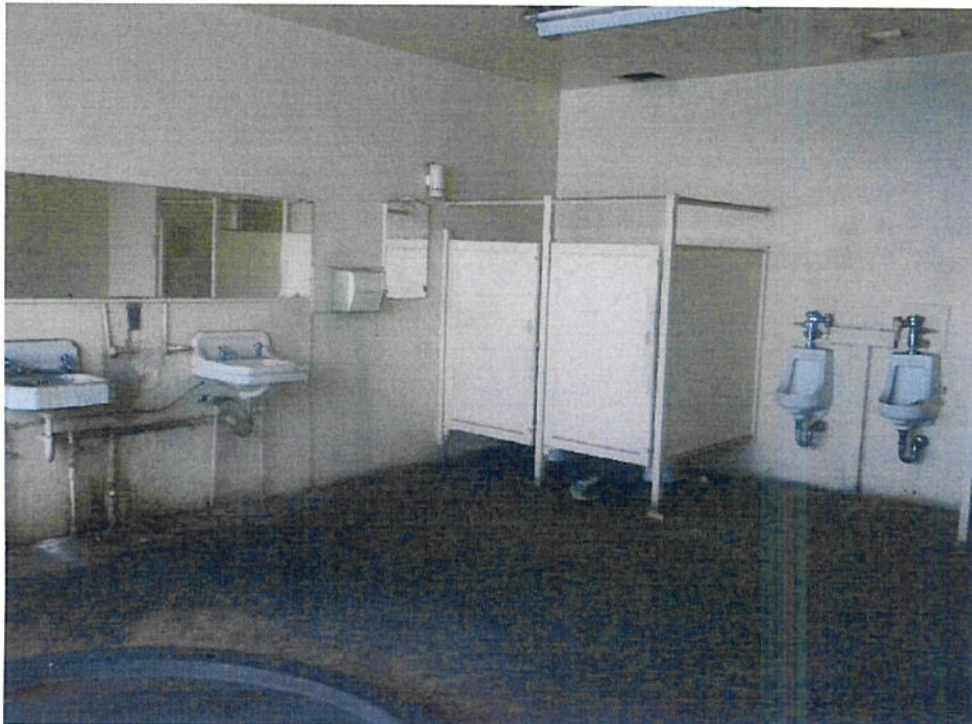


Southerly view of subject interior.

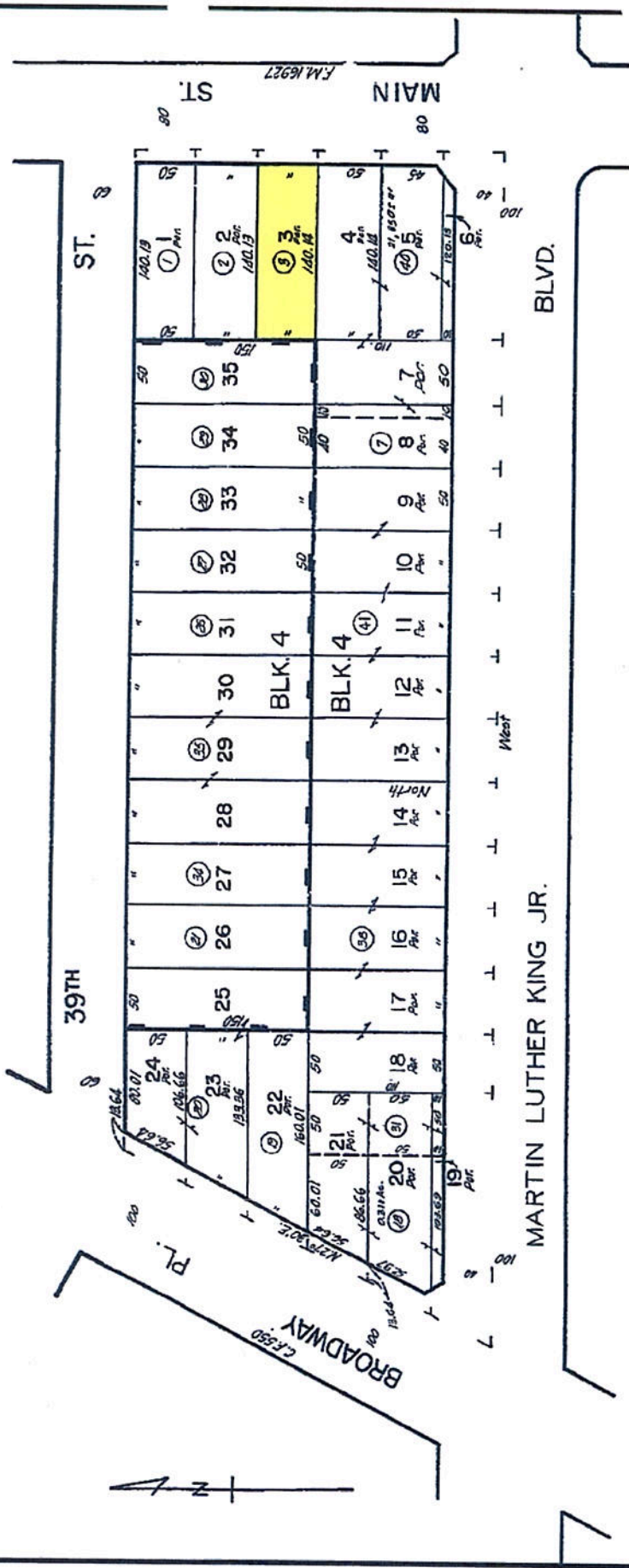
132 W. 39TH STREET
LOS ANGELES, CALIFORNIA



Interior view of mezzanine area.



Interior view of restroom within mezzanine area.



SITE MAP
 APN: 5122-043-003
 3913 SOUTH MAIN STREET
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 121± FT.
 MARCH 2011



SUBJECT PROPERTY

The subject property shows title held by:

Farmer Bros. Co.
20333 Normandie Ave.
Torrance, California 90502-1215

The last recorded transaction is reported to have occurred in 1976. There have been no market transfers within the last five years related to the subject property. The subject is not currently listed for sale.

The subject address is shown as:

3913 S. Main Street
Los Angeles, California

The subject property is located along the west side of Main Street, south of 39th Street, Los Angeles, California.

Legal Description

The subject property legal description is summarized as Lot 3 of Block 4, Zobebelein's Main Street Tract, Book 5, Page 127 of Maps, City of Los Angeles, County of Los Angeles.

Land

Shape:	Rectangular
Dimensions:	50 ft. along Main Street; 140.13/140.14 ft deep (per Assessor's map)
Area:	7,007 sf or 0.16± acres (per Appraiser's map dimensions)
Topography:	Level at street/curb grade

The property is zoned M1-2, Limited Industrial, in the City of Los Angeles, as previously described.

Appraiser Parcel No.	5122-043-003
Assessed Values:	2010
Land:	\$38,303
Improvements:	<u>0</u>
Total:	\$38,303
Actual Taxes:	\$633.84

Tax Rate Area:	6658
Tax Rate:	\$1.269859 per \$100 assessed valuation

In accordance with Proposition 13, the subject would be reassessed under sale or other subsequent transfer.

We have not reviewed a title report for the subject parcel. Visual inspection of the subject property revealed no apparent conditions that would negatively impact property value. All of the usual and necessary public utilities are available to the subject property.

The subject property maintains full pedestrian and vehicular access to Main Street. Adjacent street are as previously described.

Improvements

The subject is an unimproved vacant parcel surrounded by perimeter chain-link fencing.

OCCUPANCY

The subject property is vacant and unoccupied.

HIGHEST AND BEST USE

Highest and Best Use may be defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."¹

Our analysis of Highest and Best Use includes two studies: Highest and Best Use of land as if vacant, and Highest and Best Use of property as improved. The highest and best use of both land as if vacant and

¹ *The Appraisal of Real Estate*, 13th Edition (Appraisal Institute, Chicago, 2008) 277-278

property as improved must meet four criteria. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive.

As Though Vacant

- Legally Permissible:* Under the present M1-2 zoning, a variety of warehousing and manufacturing related uses are allowed. The immediate surrounding land uses are dominated by industrial uses. This would suggest that a development of a similar nature would be consistent with the current land use in the area, as well as the existing zoning.
- Physically Possible:* The subject site consists of one interior lot totaling over 7,000 square feet. The topography of the site is level site at street/curb grade. These characteristics would be conducive to a limited variety of industrial uses.
- Financially Feasible:* Those improvement programs that would produce a positive return on the investment required to construct them. Sale prices for improved properties have been stable over the last year, however land prices continued to drop slightly. Very little construction activity is noted in the immediate market area.
- Maximally Productive:* The maximally productive use is that which results in the highest return to the subject property. Though vacancy is still relatively low in the market, there is very little construction activity in the Los Angeles market given the uncertainty associated with the current economy and limited financing options. Therefore, we conclude the maximally productive use for the subject site is to hold for future industrial use when economic conditions improve.

As Improved

The highest and best use of the property as improved must satisfy the same four criteria as for the land as though vacant. However, since no structure exists on the property, such study is not applicable.

VALUATION

The market data items which were felt to be the most applicable to this analysis are summarized on Table III in the General Valuation Discussion section of this report. Please refer to this section for further discussion regarding the market data items.

We reviewed sale transactions of effectively vacant industrial properties of comparable size, location, and zoning/development potential. The sales provided a strong basis for the analysis of the subject. We considered the subject to be at a similar range of the value indicators. In terms of market conditions, it is felt that the sales which occurred in 2009, Sale Nos. 1 & 2, warrant a downward adjustment. According to the previous Market Conditions discussion, prices for improved properties in the subject market area were declining by approximately 1% per month between the 2008 and 2009 years, slowing to a downward rate of approximately 0.5% per month into 2010. We would expect a slightly higher rate for land given that much of the fluctuation in price levels is tied to the land as opposed to the improvements which are more closely related to construction cost. In terms of financing considerations, unless otherwise noted, the sales reflect terms which are either all-cash-to-seller or cash equivalent. In terms of property rights conveyed, the sales are all arms-length transactions. There are no special conditions of sale reported unless specifically noted.

SALES COMPARISON APPROACH - LAND VALUE

Item No. 1 is the January-2009 sale of an industrial lot located in close proximity to the subject. Location is similar to the subject. Zoning is similar. Market conditions were superior as of the date of sale of this item, and a 20% downward adjustment is felt to be warranted for this factor. Additionally, this parcel was purchased by the property owner across the street for additional parking to service their site. We would expect a significant downward adjustment for this factor. Finally, the larger size of this item is felt to be more functional for development in comparison to the subject and thus is superior to the subject in this regard. Overall, we would expect the subject to sell for significantly less on a price per square foot basis compared to this item.

Item No. 2 is the May-2009 sale of an industrial lot located to the southeast in the Huntington Park/Vernon area bordering Los Angeles. Location is slightly inferior to the subject. Zoning is similar. Market conditions were superior as of the date of sale of this item, and a 10% downward adjustment is felt to be warranted for this factor. Size of the site is similar to the subject. Its shape is slightly inferior to the subject. Overall, we would expect the subject to sell for a slightly higher amount on a price per square foot basis compared to this item.

Item No. 3 is the late-2010 sale of an industrial lot located to the southeast in Unincorporated Los Angeles County adjacent to the Huntington Park/Vernon area bordering the City of Los Angeles. General location is slightly inferior to the subject, however its commercial exposure is superior. Zoning is similar. Market conditions were similar as of the date of sale. Size of the site is similar to the subject. Its shape is similar to the subject. Overall, we would expect the subject to sell for a similar amount on a price per square foot basis compared to this item.

Item No. 4 is the late-2010 sale of an industrial lot located to the northeast in the eastern downtown Los Angeles area. General location is slightly superior to the subject, and its commercial exposure is superior. Zoning is superior. Market conditions were similar as of the date of sale. Size of the site is similar to the

TABLE III
 MARKET DATA SUMMARY
 INDUSTRIAL LAND SALES
 LOS ANGELES & VICINITY, CALIFORNIA

ITEM NO.	LOCATION	SALE DATE	ZONE	SITE AREA (±SF)	PRICE		REMARKS
					TOTAL	PSF LAND	
1	342 W. 31st St. (SEC 31st St & Hope St) Los Angeles 5122-019-020 & 021	Jan-09	MR1-1VL	12,545	\$ 1,440,000	\$ 114.79	Purchased by property owner across street for additional parking.
2	2444 E. 56th St. Huntington Park 6309-006-023	May-09	M2	6,290	\$ 200,000	\$ 31.80	Fenced storage yard.
3	5856 Compton Ave. Los Angeles (Unincorporated) 6008-033-028	Sep-10	M1	6,794	\$ 299,500	\$ 44.08	Proposed use is parking lot.
4	448 S. Alameda St. Los Angeles 5163-026-007	Dec-10	M3-1	8,059	\$ 400,000	\$ 49.63	Purchased by developer/owner. Vacant.
5	730-734 E. 10th St. Los Angeles 5132-011-029 thru 031	Jan-11	M2-20	12,440	\$ 1,169,000	\$ 93.97	Property located in wholesale fashion district - buyer developed with fashion related retail condos.
Subject	3913 S. Main St. Los Angeles 5122-043-003	Mar-11 (D.O.V.)	M1-2	7,007	TBD	TBD	Vacant Land

SOURCE: LEA ASSOCIATES, INC., SURVEY, MARCH 2011

¹ Building-to-land area ratio

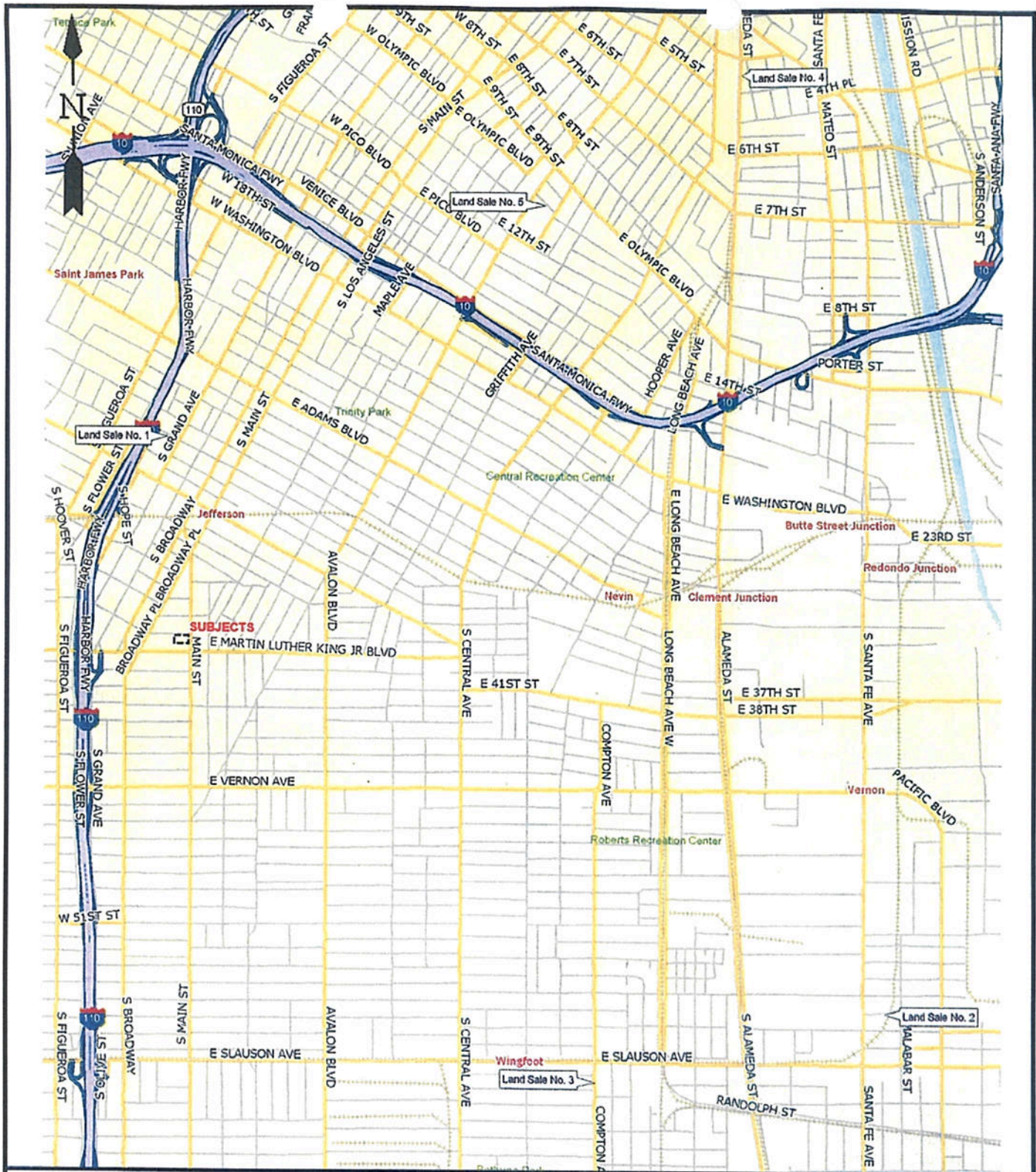


EXHIBIT V
MARKET DATA MAP - INDUSTRIAL LAND SALES
3913 SOUTH MAIN STREET
LOS ANGELES, CALIFORNIA
SCALE: 1" = 0.49± MI.
MARCH 2011

Lea Associates
 Property Economics



3913 S. MAIN STREET
LOS ANGELES, CALIFORNIA



Westerly view of subject property from across Main Street.



Northerly view along Main Street (subject at left).

3913 S. MAIN STREET
LOS ANGELES, CALIFORNIA



Southerly view along Main Street (subject at far right).

JOHN J. GOBBELL, JR., MAI

EXPERIENCE

Lea Associates, Inc., 1999 - Present; Principal responsible for the analysis and production of appraisal assignments and various analytical services. Responsibilities also include providing proposals and accepting assignments on the company's behalf. Serves in a supervisory or project management capacity on numerous appraisal assignments as well as participating in company management decisions.

Appraisal experience includes a wide variety of proposed and existing property types including commercial retail and office, industrial, single and multiple residential, acreage, residential subdivisions, and special purpose properties. Specific areas of concentration include eminent domain/acquisition appraisals, rent studies, land lease re-settings and partial interest valuations. Primary market is Southern California but has also completed assignments in Central and Northern California, Alaska, Arizona and Nevada.

Gobbell and Company - 1992 to 1999; President with full responsibility for research, analysis, and production of narrative appraisals for various commercial, industrial, special purpose and residential properties, including subdivision and multiple family housing.

West Associates/Tarantello & Associates - 1989 to 1992; Senior Consultant responsible for research, analysis, and production of narrative appraisals for various commercial, industrial, special purpose and residential properties, including subdivision and multiple-family housing.

EDUCATION

University of Southern California, Economics, 1988

Successful completion of the following courses and examinations:

- Advanced Income Capitalization (510), Appraisal Institute
- Highest & Best Use and Market Analysis (520), Appraisal Institute (Exam only)
- Advanced Sales Comparison & Cost Approaches (530), Appraisal Institute (Exam only)
- Report Writing and Valuation Analysis (540), Appraisal Institute
- Advanced Applications (550), Appraisal Institute
- Standards of Professional Practice, Parts A & B (410 & 420), Appraisal Institute
- USPAP Update course (400), Appraisal Institute
- Real Estate Principals, Real Estate Appraisal, and The Analytical Tools of Real Estate Research, University of California Los Angeles Extension
- Appraisal Principals and Techniques, Real Estate Trainers, Inc.
- USPAP Standards & Ethics Course, Appraiser Certification Review Seminar, American Society of Appraisers (ASA)
- Law and Regulations, USPAP, Appraisal Methods, California State Academy of Real Estate and Appraising
- Comprehensive Exam, Appraisal Institute

JOHN J. GOBBELL, JR., MAI (CONT'D)**EDUCATION (CONT'D)**

Continuous participation in classes and seminars in pertinent real estate study areas sponsored by professional organizations such as the Appraisal Institute, the California Redevelopment Association, the International Right of Way Association, and CLE (Continuing Legal Education) International.

ASSOCIATIONS

Appraisal Institute, Member, Designation Number 12397
California State Certified General Real Estate Appraiser, AG010590

EXPERT TESTIMONY

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

- Superior Court, County of Los Angeles, California
- Superior Court, County of Riverside, California

CLIENTS (Partial List)**Public**

Alameda Corridor Transportation Authority
Castaic Lake Water Agency
City of Alhambra
City of Baldwin Park
City of Brea
City of Commerce
City of Fountain Valley
City of Glendale
City of Goleta
City of Hawthorne
City of Huntington Beach
City of Lancaster
City of Long Beach
City of Los Angeles
Community Redevelopment Agency (CRA)
City of Oxnard
City of Palmdale
City of Pasadena
City of Riverside

JOHN J. GOBBELL, JR., MAI (CONT'D)**CLIENT LIST (CONT'D)**

City of Santa Monica
City of Temecula
City of Thousand Oaks
County of Los Angeles,
 Community Development Commission (CDC)
 Metropolitan Transportation Authority (MTA)
County of Riverside
County of San Bernardino
Los Angeles World Airports (LAWA)
Los Angeles Unified School District (LAUSD)
Mountains Recreation and Conservation Authority (MRCA)
State of California,
 Department of Transportation (Caltrans)
United States Department of Labor (DOL)
United States General Services Administration (GSA)

Financial Institutions

Bank Leumi
Bank of America
Bank of Los Angeles
Bank of Montreal
Bankers Capital
Continental Bank
First Interstate Bank
First Los Angeles Bank
Hanmi Bank
Heritage Oaks Bank
Holliday Fenoglio Fowler
Preferred Bank
Rock Island Company
Sigma Mortgage Corporation
Wells Fargo Bank

JOHN J. GOBBELL, JR., MAI (CONT'D)**CLIENT LIST (CONT'D)****Corporate**

American Tower
The Anden Group
Brimar Industries
CB Richard Ellis
Coldwell Banker Residential Brokerage Inc.
Dunmore Homes
EMR Residential Properties
The Fieldstone Company
KB Home
The Larwin Company
Meta Housing Corporation
Mulholland Hills Associates
Overland, Pacific & Cutler, Inc.
Paragon Partners, Ltd.
RBF Consulting
Sanli Pastore & Hill
Silverberg & Associates

Attorneys

Abkarian & Associates
Cox, Castle & Nicholson, LLP
Cummins & White, LLP
Demetriou, Del Guercio, Springer & Moyer, LLP
Duke, Charles, Esq.
Eskridge Law
Gains, Weil, West & Epstein, LLP
Jaffe and Clemens
Loeb, Stephen M., Esq.
Michelman & Robinson, LLP
Miller, Starr & Regalia
Mortensen, Daniel R., Esq.
Nishkian, Michael, Esq.
Nossaman, Guthner, Knox & Elliott, LLP
Proctor, McCarthy & Slaughter, LLP
Quinn Emanuel Urquhart Oliver & Hedges, LLP
Richards, Watson & Gershon
Sonnenschein, Nath & Rosenthal, LLP
Stradling, Yocca, Carlson & Rauth
Tyre, Kamins, Katz & Granof

February 17, 2011

Mr. Johnathan Williams
Founder/Co-Director
The Accelerated Schools
116 East Martin Luther King, Jr. Boulevard
Los Angeles, California 90011

Re: Update to Appraisal Report:
3833, 3839, 3843, & 3847
Woodlawn Avenue
Los Angeles, California
Job No. 4301B

Dear Mr. Williams:

The purpose of this letter is to update our appraisal (prepared January 25, 2011) of the above referenced properties in light of our recent interior inspections which we were allowed to perform with the owner(s) present on February 15, 2011. The date of value of this letter update coincides with our recent interior inspection date of February 15, 2011.

Upon inspecting the interior of the properties, the overall condition of the properties is felt to be average consistent with our assumptions as of the writing of the report. In three of the four residences appraised, some renovation work was underway including flooring, bathroom work and kitchen remodeling. If we were to assume that such work was complete, as per your instruction, and consistent with the assertion of the property owner(s), then the condition of the properties could be upgraded to average to good.

The value of the subject property known as 3833 Woodlawn Avenue remains unchanged.

Regarding 3839 Woodlawn Avenue, the subject becomes superior to the larger sale comparables. A value of approximately \$220 psf of living area is felt to be reasonable resulting in the rounded value indication shown below.

Regarding 3843 Woodlawn Avenue, given its upgraded condition, we would expect it to achieve a value greater than Sale Item No. 3 through 5 and No. 8. We would expect a similar value indication compared to Item No. 6 and 7. We would expect a lower value compared to Item No. 9. This analysis results in the value indication shown below.

Regarding 3847 Woodlawn Avenue, given its upgraded condition, we would expect it to achieve a slightly higher value in comparison to Sale Item No. 7. We would expect a higher value in comparison to Item Nos. 8, 11b, and 12. We would expect a similar value to Item Nos. 9 and 13. We would also expect lower values in comparison to Sale Nos. 10 and 11a. This analysis results in the following value indication.

Ms. Johnathan Williams
February 17, 2011
Page Two

Given our recent interior inspection of the subject properties and assuming their upgraded condition, as per your instruction (hypothetical condition), our investigations and analyses have resulted in the following opinion conclusion(s) of the fair market value of the fee simple interest of the subject properties, as of the date of value of this report:

PROPERTY OWNER / APN / ADDRESS	FAIR MARKET VALUE OPINION
Michael Meadows / 5121-029-017 / 3833 Woodlawn Ave	\$160,000 (ONE HUNDRED SIXTY THOUSAND DOLLARS)
Mary Meadows / 5121-029-016 / 3839 Woodlawn Ave	\$250,000 (TWO HUNDRED FIFTY THOUSAND DOLLARS)
Deborah Meadows / 5121-029-015 / 3843 Woodlawn Ave	\$215,000 (TWO HUNDRED FIFTEEN THOUSAND DOLLARS)
Deborah Meadows / 5121-029-014 / 3847 Woodlawn Ave	\$220,000 (TWO HUNDRED TWENTY THOUSAND DOLLARS)

This update letter is not to be utilized outside the context of the original report. Such letter is invalid unless utilized in conjunction with our original report dated January 25, 2011. Should you have any questions concerning the contents of this letter, please feel free to call and we will respond promptly.

Thank you again for the opportunity to serve you in your property analysis needs.

Respectfully submitted,
LEA ASSOCIATES, INC.



John J. Gobbell, Jr., MAI
CA#AG010590

January 25, 2011

Mr. Johnathan Williams
Founder/Co-Director
The Accelerated Schools
116 East Martin Luther King, Jr. Boulevard
Los Angeles, California 90011

Re: Appraisal Report:
3833, 3839, 3843, & 3847
Woodlawn Avenue
Los Angeles, California

Job No. 4301B

Dear Mr. Williams:

In accordance with your request, this writing transmits three (3) copies of our Appraisal in a Summary Report concerning the above-referenced properties. The report which follows includes a description of the subject properties, its environs, the scope and work carried out in this assignment, our analyses and supporting data.

Our investigations and analyses have resulted in the following opinion conclusion(s) of the fair market value of the fee simple interest of the subject properties, as of the date of value of this report:

PROPERTY OWNER / APN /ADDRESS	FAIR MARKET VALUE OPINION
Michael Meadows / 5121-029-017 / 3833 Woodlawn Ave	\$160,000 (ONE HUNDRED SIXTY THOUSAND DOLLARS)
Mary Meadows / 5121-029-016 / 3839 Woodlawn Ave	\$220,000 (TWO HUNDRED TWENTY THOUSAND DOLLARS)
Deborah Meadows / 5121-029-015 / 3843 Woodlawn Ave	\$185,000 (ONE HUNDRED EIGHTY FIVE THOUSAND DOLLARS)
Deborah Meadows / 5121-029-014 / 3847 Woodlawn Ave	\$190,000 (ONE HUNDRED NINETY THOUSAND DOLLARS)

Ms. Johnathan Williams
January 25, 2011
Page Two

This report complies with the current edition of the Uniform Standards of Appraisal Practice (USPAP). This report is subject to the "Certification and Restriction Upon Disclosure and Use" as well as the "Contingent and Limiting Conditions Upon Which Appraisal Is Made" which follow this letter . In addition, this report is subject to the following special conditions:

- We have not been provided with an environmental assessment report concerning the subject properties. We have not been provided a title reports for the properties. No soil reports have been made available at the time of this writing. Our conclusions are subject to revision pending receipt of said reports.
- We were only permitted an exterior inspection of the subject properties. For the purposes of this report, we have assumed the condition of the interior to be equivalent to the condition of the exterior. Our analysis and conclusions are subject to review upon our inspection of the interior of the subject properties.

This report is for the sole and exclusive use of The Accelerated Schools, the client and intended user. Prior to releasing our report or its findings to any other party , we request that you obtain our written authorization. The intended use of the appraisal is to provide an opinion of fair market value for the subject properties for use in the possible purchase by the client.

Retained in our files are worksheets, field notes, maps, and other data upon which our analysis and conclusions are based. Should you have any questions concerning the contents of this report, please feel free to call and we will respond promptly.

Thank you for the opportunity to serve you in your property analysis needs.

Respectfully submitted,
LEA ASSOCIATES, INC.



John J. Gobbell, Jr., MAI
CA#AG010590

RECEIVED
JAN 25 2011

CERTIFICATION AND RESTRICTION UPON DISCLOSURE AND USE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment was not contingent upon the developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Robert M. Lea, MAI, has completed the continuing education program of the Appraisal Institute.
- As of the date of this report, Robert M. Lea, MAI (No. AG003090) and John J. Gobbell, Jr., MAI (No. AG010590) have satisfied the requirements as Certified General Real Estate Appraisers, licensed by the State of California.
- I have personally inspected the exterior of properties which are the subject of this report.



CA#AG010590

EX-100011

CONTINGENT AND LIMITING CONDITIONS UPON WHICH APPRAISAL IS MADE

This letter is made expressly subject to the contingent and limiting conditions, factors and assumptions herewith:

1. That the vesting and legal description furnished this appraiser are correct.
2. That measurements and areas furnished by others are correct. No survey has been made for the purpose of this appraisal.
3. That the property is appraised as if free and clear of liens and that the title is good and merchantable.
4. That no guarantee is made as to the correctness of estimates or opinions furnished by others which have been used in making this appraisal.
5. That no liabilities be assumed on account of inaccuracies in such estimates or opinions.
6. That no liability is assumed on account of matters of a legal nature, affecting this property, such as title defects, liens, encroachments, overlapping boundaries, etc.
7. That this appraisal is subject to review upon presentation of data which might be later made available, undisclosed or not available at this writing.
8. That the appraiser herein, by reason of this appraisal, is not required to give testimony or attendance in court or any governmental hearing with reference to the property in question, unless arrangements have previously been made therefore.
9. That the maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied.
10. That no liability is assumed on account of the existence of hazardous material or toxic waste on the subject property.
11. That no liability is assumed for specific compliance with the requirements of the Americans with Disabilities Act (ADA).

11397-10051
7.11.19

INTRODUCTION

SCOPE OF THE APPRAISAL

The purpose of this appraisal report is to provide our opinion of the fair market value of the subject properties, including land and real property improvements. Our valuation analyses were based on the unencumbered fee simple interest in and to the subject properties.

This is a Summary Appraisal Report which supports our rationale and reasoning in estimating the value of the subject properties. This report is subject to the "Certification and Restrictions Upon Disclosure and Use" and "Contingent and Limiting Conditions upon Which this Appraisal is Made." In addition, this report is subject to the special conditions outlined in the transmittal letter.

In our valuation analysis of the improved subject properties, we have utilized the Sales Comparison Approach to value. The Cost Approach was not utilized for the following important reasons:

- Participants in the subjects' market do not generally utilize the Cost Approach to value in making purchase and sale decisions for properties similar to the subject property.
- For structures similar in age to the subject property, estimating depreciation requires a relatively high degree of judgement.

The Income Approach to value was not utilized given that the subject's market does not generally utilize the Income Approach to value in making purchase decisions for properties similar to the subject properties.

The scope of the appraisal included an exterior inspection of the subject properties, an analysis of the subject sites and improvement characteristics relevant to value, a determination of highest and best use, valuation of the subject property via the Sales Comparison Approach to value, and the formulation of a value opinion for the subject properties. An exterior inspection was made of the sales comparables.

It is the intended use of this appraisal to provide the client with a determination of the fair market value of the subjects for use in the possible purchase of the properties. We also note that we previously prepared valuation services for the same client for the subject properties as shown in the report dated November 29, 2007.

DEFINITION OF FAIR MARKET VALUE

The definition of "fair market value" is stated in the California Code of Civil Procedure in Article 4, Section 1263.320:

"The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no

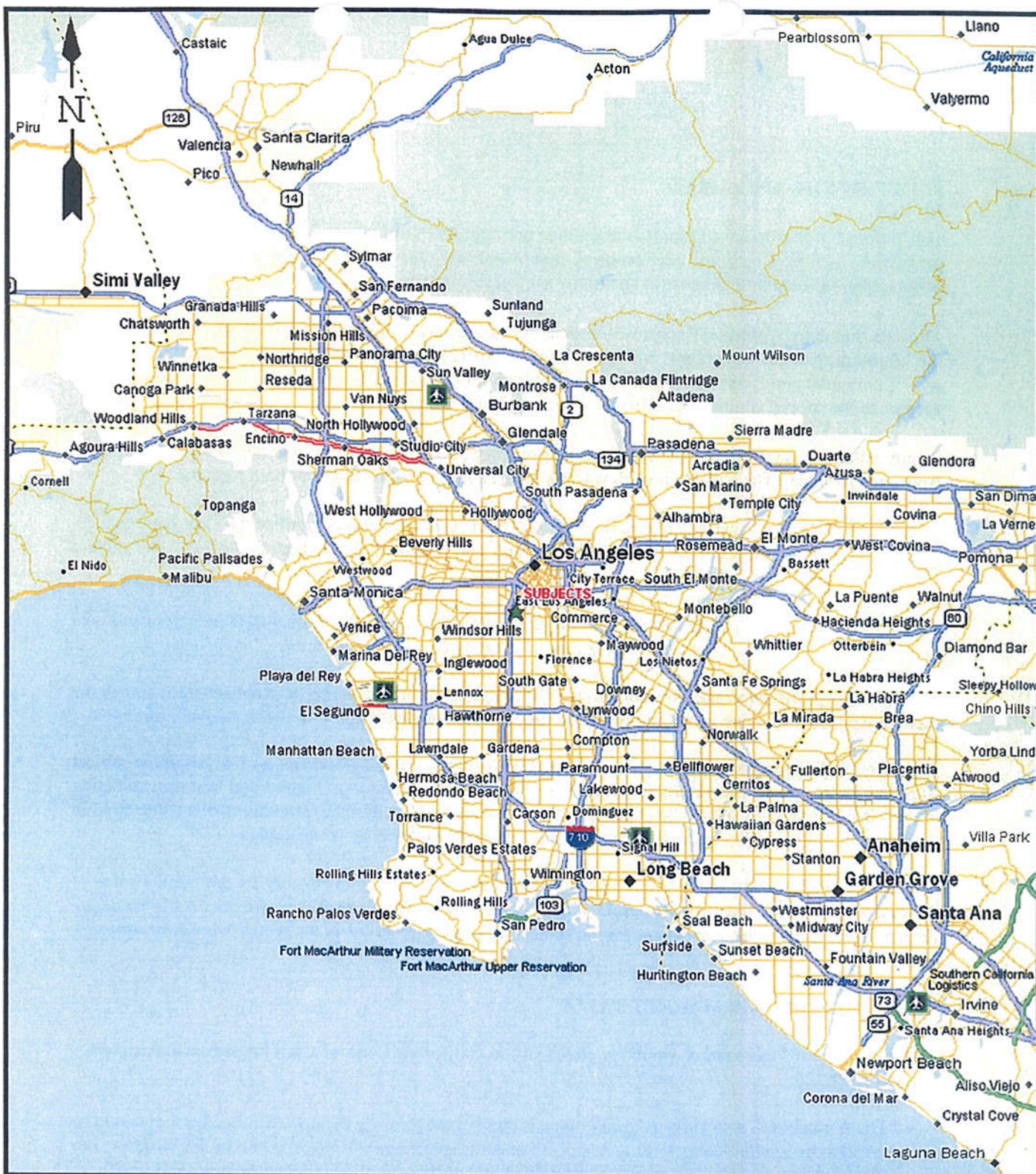


EXHIBIT I
 LOCATION MAP
 3833-3847 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 7.9± MI.
 JANUARY 2011

Lea Associates
 Property Economics



particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

"The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable."

DEFINITION OF FEE SIMPLE ESTATE

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."¹

PROPERTY RIGHTS APPRAISED

The property rights herein appraised consist of the fee simple estate in and to each subject property, excluding mineral rights.

EXPOSURE TIME

This refers to the estimated length of time the properties being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on the analysis of past events assuming a competitive market. In the subjects' case, the exposure time was estimated to be approximately two to three months.

DATE OF VALUE

The date of value utilized in this report is January 25, 2011, corresponding to the completion of our current investigations, analyses of relevant data, and completion of this report document. The report is dated the same.

AREA OF SURROUNDING INFLUENCE

Location

The subject properties are located in the City of Los Angeles in the central portion of Los Angeles County. More specifically, the subject properties are located on the west side of Woodlawn Avenue, just north of Martin Luther King, Jr. Boulevard.

Regional Influences

The county of Los Angeles contains approximately 4,083 sq. miles. It is bounded on the north by Kern County, on the east by San Bernardino County, on the southeast by Orange County, and on the northwest by Ventura County and the Pacific Ocean, respectively. Los Angeles County has a January 1, 2010 population of 10,441,880 reported by the California Department of Finance. Although population growth has slowed

¹ *The Dictionary of Real Estate Appraisal*, Fourth Edition, (Appraisal Institute, Chicago, 2002) 113.

over the past several years compared to the previous decade, all indications suggest that the population will continue to grow on an overall basis.

Los Angeles County has a well-grounded and diversified economic base in industry and agriculture. Historically, major industries have been aerospace/defense, entertainment, and oil. In addition, as trade between the Pacific Rim countries and the United States has increased, the ports of Long Beach and Los Angeles have progressively handled more cargo, and the importing and exporting of raw and finished products, along with their distribution, has become an important segment of the local economy. Moreover, Los Angeles is also recognized as a West Coast financial center.

Evidence of the status of the local economy, is reflected in area employment and unemployment rate figures produced by the Bureau of Labor Statistics of the United States Department of Labor.

**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
LOS ANGELES COUNTY**

2000-2009 ANNUAL AVERAGES

<u>YEAR</u>	<u>LABOR FORCE</u>	<u>EMPLOYMENT</u>	<u>UNEMPLOYMENT</u>	<u>UNEMPLOYMENT RATE (%)</u>
2000	4,671,800	4,421,900	249,900	5.3
2001	4,777,000	4,506,900	270,100	5.7
2002	4,789,800	4,465,600	324,200	6.8
2003	4,288,800	4,451,700	337,100	7.0
2004	4,859,070	4,587,820	291,250	6.0
2005	4,967,400	4,714,900	252,600	5.1
2006	4,855,314	4,652,626	202,688	4.2
2007	4,921,200	4,675,300	245,900	5.0
2008	4,972,000	4,598,300	373,800	7.5
2009	4,869,400	4,285,100	584,300	12.0
09/2010	4,911,100	4,298,500	612,600	12.5

Source: Bureau of Labor Statistics of the United States Department of Labor

Unemployment has continued to increase in the County with Los Angeles County above both the state and national average. While home prices have stabilized in most of the county, high foreclosure rates and the global recession has caused rising vacancy rates. The state of the economy has softened demand in basically every real estate sector.

The following summary depicts the trend of total taxable sales in Los Angeles County since 2000. The total taxable sales of a region, is another indicator used in tracking economic activity and measures the purchasing power of the residents in the region.

**Taxable Sales County of Los Angeles
2000 – 2009* (In Thousands)**

<u>Year</u>	<u>Total Taxable Sales</u>	<u>% Change</u>
2000	106,673,534	9.6
2001	107,426,692	0.7
2002	108,753,064	1.2
2003	113,685,422	4.3
2004	122,533,104	7.8

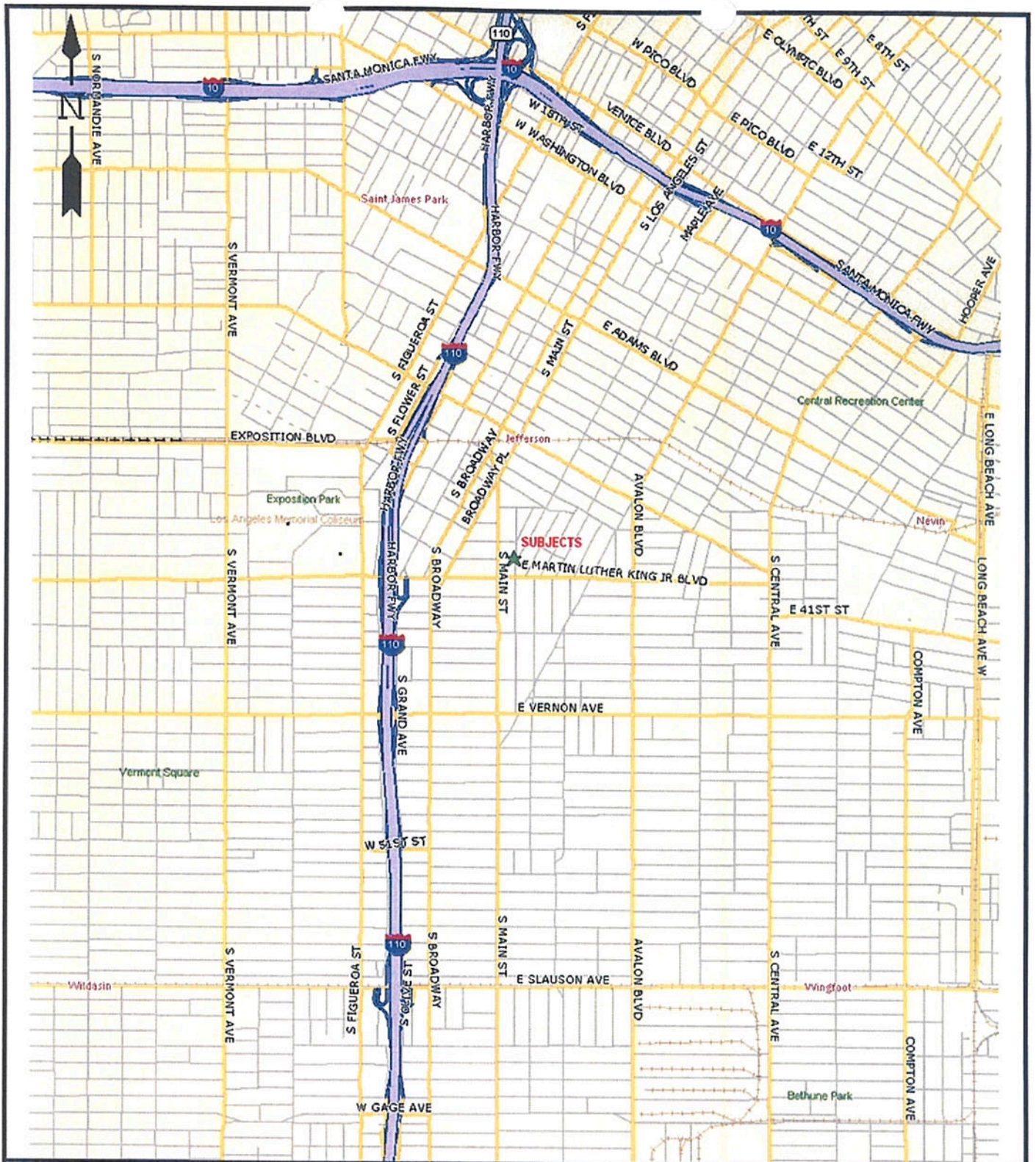


EXHIBIT II
 VICINITY MAP
 3833-3847 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 0.49± MI.
 JANUARY 2011

Lea Associates
 Property Economics



<u>Year</u>	<u>Total Taxable Sales</u>	<u>% Change</u>
2005	130,722,373	6.7
2006	136,162,552	4.2
2007	137,820,418	1.2
2008	131,881,744	-4.3
2009*	83,259,517	-15.4

Source: Taxable Sales in California, California State Board of Equalization, Research and Statistics Division
*Through 3rd Quarter

The figures show a steady increase in taxable sales from 2000 to 2007. They increased by approximately four to eight percent in 2004 through 2006, with a further increase in 2007. In 2008 through the 3rd Quarter 2009, the figures show a dramatic decrease due to economic downturn which occurred during this period. Statewide figures indicate that taxable sales for the County of Los Angeles have likely fallen into 2010.

The City

Bounded on the west and the south by the Pacific Ocean, the city of Los Angeles is the central node of the Southern California metropolitan area. The city is California's largest, both in population and in territory (468.7± sq. mi.). According to the Department of Finance estimates, the city's January 1, 2010 population of 4,094,764 represents approximately 39% of the total Los Angeles County.

Founded in 1781 and incorporated in 1850, the city of Los Angeles operates under a council-mayor form of municipal government. Los Angeles is not a city with the standard concentrated urban center, with relatively distinct limits. Rather, it is a collection of intermingling communities with individual identities and characteristics. Moreover, readily identifiable subdistricts are also found within a given community. The city of Los Angeles also serves as the commercial, industrial, and cultural center for the nearby suburban communities located within Los Angeles, Ventura and Orange counties.

These areas are linked by a regional freeway system that is considered the most extensive in the world. These freeways radiate from a loop around the central city, providing convenient access to the entire Southern California area. These freeways in turn provide convenient access to all parts of Southern California via the freeway network that radiates outward from its hub at downtown Los Angeles.

Surroundings / Market Overview

The subject property is located in the heart of the city of Los Angeles, just over two miles southwest of Downtown Los Angeles, and 1/2-mile southeast of the University of Southern California and the Coliseum, across the Harbor (110) Freeway. The Santa Monica (10) Freeway is located just over one mile to the north.

The subject's surroundings consist of predominately older one-story homes and older commercial buildings on major streets like Martin Luther King, Jr. Boulevard. To the west of the subject properties are light industrial buildings. The Accelerated School (charter school) is located at the southwest corner of Martin Luther King, Jr. Boulevard and Woodlawn Avenue. Their parking lot is located at the northwest corner. Otherwise, the subjects were surrounded by older single-family, and occasionally multi-family residential, housing.

According to DataQuick Information Systems, price levels for the County of Los Angeles as a whole in December 2010 are just slightly lower than the same month in the previous year (2009). Current price levels for the County are also approximately the same as mid-year 2010. While price levels have somewhat stabilized in 2010, much uncertainty still exists with respect to the local and national economy. Significant foreclosures still remain in the pipeline. Most development is on hold, especially given the lack of available financing. Publically financed affordable housing projects are evidenced throughout the general market, however. A continuing weakening of the real estate market could remain but it would be expected to occur at a much slower rate compared to that evidenced from 2007 through 2009.

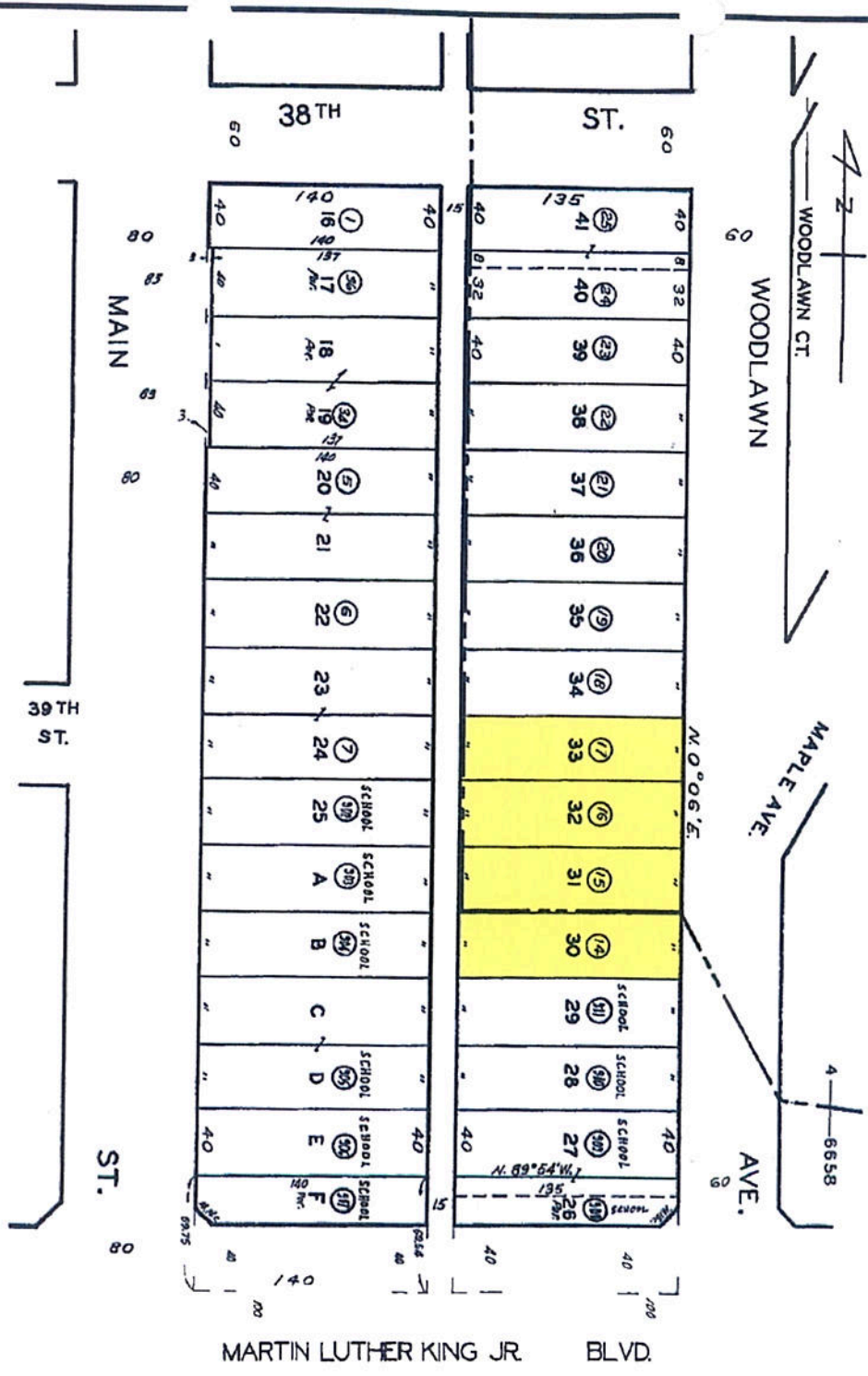


EXHIBIT III
 PROJECT MAP
 3833-3847 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 100± FT.
 JANUARY 2011

Lea Associates
 Property Economics



GENERAL SUBJECT INFORMATION

INTRODUCTORY COMMENTS

The purpose of the General Subject Information section is to provide a discussion of features relevant to all or a significant number of the subject properties. This information is presented on the general characteristics of the subject sites, zoning, and the background of our highest and best use analyses. Because this information is discussed in detail in this section, it will only briefly be addressed in the individual Subject Property sections.

LAND

Shape:	Rectangular
Soils and Drainage Conditions:	No soil report has been made available, but a visual inspection of the subject properties and surrounding properties and developments revealed no other adverse conditions. Our conclusions are subject to our receipt of a soils report.
Topography:	Nearly level land at street grade
Flood Hazard Rating:	Zone C, Areas of minimal flooding; Panel No. 0601370081C, dated December 2, 1980 (per Flood Data Systems)
Census Tract No.:	2284.10
Earthquake Zone:	The subject properties are not within a Special Study Zone due to historic earthquake activity.
Hazardous Substances:	Based on our on-site inspection of the subject properties, we have not observed any hazardous substances that would impact the marketability and/or the value of the subject properties. We were not provided an environmental assessment report. Our appraisal report and its value conclusions are based on the assumption that no contamination exists for the subject properties, and are subject to our receipt and review of an environmental assessment report and any clean-up recommendations contained in that report.

ZONE

The subject sites are currently zoned R2 (Two-Family Zone) per the City of Los Angeles zoning map.

Permitted uses in the R2 zoning, include single-family and two-family residences on an individual lot.

The front yard setback for a the two-family zone shall be no less than 20% of the depth of the lot, but not to exceed 20 feet. For a main building not more than two-stories in height, there shall be a

side yard on each side of the building of not less than five feet. Every lot shall have a minimum width of 50 feet and a minimum area of 5,000 square feet.

EASEMENTS

We were not provided with title reports for the subject properties. Visual inspection revealed no indications of any issues impacting the subject sites.

UTILITY AVAILABILITY

All of the usual and necessary public utilities are available to the subject properties.

ACCESS AND STREET IMPROVEMENTS

The subject properties enjoy full pedestrian and vehicular access to Woodlawn Avenue and a rear alleyway.

Woodlawn Avenue is a 60 foot wide asphaltic paved residential streets. It is oriented in a north/south direction and are improved with concrete curbs, gutters, streetlights and sidewalks along both sides as well as allowing for one lane of traffic in either direction.

There is also a 15 foot wide alleyway that borders along the western portion of the subjects and is oriented in an north/south direction.

HIGHEST AND BEST USE

Highest and Best Use may be defined as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value."²

Our analysis of Highest and Best Use includes two studies: Highest and Best Use of land as if vacant, and Highest and Best Use of property as improved. The highest and best use of both land as if vacant and property as improved must meet four criteria. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive.

As Though Vacant

Legally Permissible: The intent of the R2 zone is to provide the means necessary to implement the city of Los Angeles's general plan. It is intended to provide for single and

² *The Appraisal of Real Estate*, 12th Edition (Appraisal Institute, Chicago, 2002) 305.

two-family dwellings in an urban environment with full urban services. Only those additional uses that are complementary to and exist in harmony with an urban residential neighborhood are allowed.

Physically Possible: The uses which are possible given the physical characteristics of the land, considering any limitations on future development. The subject sites are rectangularly shaped and measure approximately 5,400 square feet each in site area. Topography is level and at street grade. Given the size of these parcels and their location along interior type collector streets, it appears that single- and two- family residential uses would be possible.

Financially Feasible: Those improvement programs that would produce a positive return on the investment required to construct them. This criteria considers, among other things, trends in the area and apparent future demand. Surrounding land uses in the immediate neighborhood consist primarily of single family residential properties with some multi-family uses noted. Occasional in-fill multi-family affordable residential new construction has been noted, however generally on larger parcels where several units can be developed.

Maximally Productive: The maximally productive use is that which results in the highest return to the subject properties from the legally permissible, physically possible, and financially feasible uses. The highest return to the subject sites as vacant, would be to hold until economic conditions improve, then developing with a residential use consistent with the R2 zoning designation.

As Improved

The highest and best use of the properties as improved must satisfy the same four criteria as for the land as though vacant. However, since improvements already exist on the subject properties, this study focuses primarily on whether to continue to use the structure(s) (as they exist or modified) or to demolish them and use the site for new development. Our market investigations and interviews with knowledgeable brokers in the area suggests that the fair market value for the subject sites, assumed vacant and available for development, would indicate a value conclusion for the subject sites that is below our concluded value of the subject properties as presently improved. Therefore, our contention that the existing improvements contribute to the subject's value and should not be demolished, is supported by the market.

GENERAL VALUATION DISCUSSION

INTRODUCTION

The report section is intended to provide a background discussion to the valuation problems common to each subject property, which are discussed in greater detail in the individual subject property sections. In this section, we provide an overview of the various methods used in our valuation analyses, discuss the factual data used to provide value indications for each of the subject properties, review the general market observations and trends uncovered during the investigation phase of our appraisal assignment, and introduce the appropriate elements of comparison that were considered in the valuation of the subject sites.

In theory, there are three approaches to value, the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. The Cost Approach is based on the principle of substitution under the assumption that an informed buyer would pay no more than the cost of reproducing a substitute property with the same utility as the subject property. This process involves estimating the reproduction or replacement cost new for the improvements, deducting an estimated dollar amount for accrued depreciation and adding the estimated land value. Land value is usually estimated by the Sales Comparison Approach.

The Sales Comparison Approach is also based on the principle of substitution under the assumption of reasonable market behavior. This approach involves direct comparison of similar properties that have sold to the subject property. The data from these comparables are converted to pertinent units of comparison that are analyzed and adjusted for differences which are considered significant, leading to a value indication for the subject property.

The Income Capitalization Approach is based on the principle of anticipation of future benefits and reflects the present worth of these rights accruing to ownership. These future benefits consist of annual net income that the property can generate during a period of ownership and the reversion of a capital sum at the time the property is sold. Using a market-derived capitalization rate, the stabilized net income is converted to the present value of anticipated cash flows. A provision for the investor's recapture of invested capital, as well as return on capital, is built into this capitalization procedure.

The steps necessary in both processes entail estimating gross income and deducting an estimated vacancy and collection loss, thus deriving an effective gross income. Estimated expenses are then deducted to provide a projected net operating income (NOI). This NOI is then capitalized or discounted at appropriate rates to yield an indication of value.

After considering the approaches to value, your appraiser considers the quantity and quality of the data available for examination under each of the approaches utilized, inherent dangers and advantages in each approach, and the relevancy of each to the subject property and the appraisal problem. Under the Reconciliation subheading of this report section, we present an evaluation of each approach and a discussion regarding our final estimate of value.

In our valuation of the single family subject properties, we have utilized the Sales Comparison approach to value. We have analyzed the comparables both on total price basis.

The Cost Approach to value was not deemed appropriate for this assignment because participants in the subject market do not generally utilize the Cost Approach to value in making purchase and sale decisions for properties similar to the subject; and, for structures similar in age and function to the subject, estimating depreciation requires a relatively high degree of judgement. The Income Approach to value was not deemed appropriate for this assignment because participants in the subject market do not generally utilize the Income Approach to value in making purchase and sale decision for properties similar to the subject.

SALES COMPARISON APPROACH - IMPROVED PROPERTY VALUE

The market for single family sales, in the subject's vicinity was surveyed to obtain sales information for our use in estimating the fair market value of the subject properties. The sources of data included RealQuest, the multiple listing service (MLS), and interviews with knowledgeable brokers in the market area. After the sale data was collected, we verified the details of the transactions with the buyer, seller, or broker, whenever possible.

The market data items were then field inspected and compared and contrasted to the subject properties. The sale items uncovered in our investigation are displayed on Table I, and displayed geographically on the facing Market Data Map. In comparing these transactions to the subject properties, we considered such factors as time of sale, general location, age, building condition and quality, and the living area (sf).

The market for residential properties in Los Angeles has been and remains active. The sales shown on Table I are the most helpful of the transactions which we initially reviewed. All are relatively close in location and occurred since approximately mid-2010.

Market conditions are felt to be similar between the respective dates of sale of the sale comparables and the current date of value of this report. Therefore, no adjustment for market conditions is felt to be warranted. Other elements of comparison are adjusted on a qualitative basis.

The set of seventeen transactions showed prices ranging from \$145,000 to \$250,000. Please reference the individual subject sections for specific analysis and discussion relating to each sale item as it compares to each of the subject properties.

TABLE I
MARKET DATA SUMMARY
SINGLE FAMILY RESIDENTIAL SALES
LOS ANGELES, CALIFORNIA

ITEM NO.	LOCATION	SALE DATE	IMPROVEMENT DESCRIPTION	BUILDING SIZE (SF)	ROOM COUNT ¹	LOT SIZE (SF) COVERAGE	PRICE		REMARKS
							TOTAL	PSF RESIDENCE	
1	719 E. 42nd Pl Los Angeles 5115-006-030	May-10	SFR built in 1907, carport, avg condition. New front entry door, new roof, dual-pane windows. Security bars on windows.	1,032	2-1	5,200 20%	\$160,000	\$155.04	Lender owned/REO sale. Previously sold in March 2007 for \$450,000
2	3623 Griffith Ave. Los Angeles 5121-005-014	Nov-10	SFR built in 1903, one-car garage, very good condition, new flooring, new roof, new copper plumbing, new garage door.	1,131	3-1	3,092 37%	\$200,000	\$176.83	
3	214 E. 37th St. Los Angeles 5121-028-003	Jul-10	SFR built in 1905, detached garage in rear of property, good condition, security bars on windows.	1,180	3-2	5,000 24%	\$185,000	\$156.78	Lender owned/REO sale. Previously sold in April 2007 for \$480,000
4	238 E. 43rd Pl Los Angeles 5113-018-003	Nov-10	SFR built in 1905, detached garage, average condition; dual-pane windows, relatively new roof.	1,182	3-2	5,400 22%	\$145,000	\$122.67	Lender owned/REO sale.
5	650 E. 37th St. Los Angeles 5121-006-015	Jul-10	SFR built in 1972, 2-car attached garage, average condition as of date of sale.	1,200	4-2	4,800 25%	\$154,500	\$128.75	Lender owned/REO sale.
6	3804 Griffith Ave. Los Angeles 5114-002-006	Sep-10	SFR built in 1913, two-car detached garage, average to good condition, new paint, new floors, new kitchen.	1,276	3-2	4,800 27%	\$210,000	\$164.58	
7	138 E. 48th St. Los Angeles 5109-003-035	May-10	SFR built in 1979, two-car attached garage, average condition.	1,296	4-2	5,400 24%	\$215,000	\$165.90	Short Sale. Previously sold for \$453,000 in March 2006
8	1170 E. 33rd St. Los Angeles 5114-026-006	Jun-10	SFR built in 1910, avg condition, security bars on windows.	1,314	3-1	4,800 27%	\$190,000	\$144.60	Lender owned/REO sale. Previously sold in May 2006 for \$475,000.
9	449 E. 31st St. Los Angeles 5128-006-026	Oct-10	SFR built in 1903, very good condition; dual-pane windows, recently renovated, new paint, flooring, kitchen, landscaping.	1,324	4-2	4,000 33%	\$219,000	\$165.41	Previously sold in August 2006 for \$480,000.
10	3447 McKinley Ave. Los Angeles 5114-004-014	Jun-10	SFR built in 1912, very good condition; dual-pane windows, new kitchen, bathrooms, flooring, paint, landscaping.	1,414	4-2	4,796 29%	\$245,000	\$173.27	Seller had previously purchased the property for \$150,000 in February 2010 as an REO, then completely renovated the property.
11a	5110 Woodlawn Ave. Los Angeles 5109-005-028	Nov-10	SFR built in 1890, very good condition, dual-pane windows, renovated just before sale including new bathrooms, kitchen, flooring, landscaping.	1,435	4-2	5,080 28%	\$250,000	\$174.22	Seller had previously purchased the property for \$155,000 in June 2010 as an REO, then completely renovated the property (see Sale 11b).
11b	5110 Woodlawn Ave. Los Angeles 5109-005-028	Jun-10	SFR built in 1890, fair to average condition needing repair.	1,435	4-2	5,080 28%	\$155,000	\$108.01	Lender owned/REO sale - buyer subsequently renovated and sold property (see Sale 11a).
12	712 E. 25th St. Los Angeles 5131-024-002	Jul-10	SFR built in 1902, good condition.	1,448	4-2	5,375 27%	\$210,000	\$145.03	
13	430 E. 43rd Pl Los Angeles 5113-015-018	Sep-10	SFR built in 1903, average to good condition, new flooring and paint inside.	1,457	4-1.75	5,000 29%	\$220,000	\$151.00	
14	1215 E. 24th St. Los Angeles 5131-020-004	Jan-11 (Pending)	SFR built in 1905, average condition, one-car detached garage.	1,904	4-2	6,490 29%	\$199,000	\$104.52	Tenant occupied. Listed at \$200,000.
15	417 E. 41st St. Los Angeles 5113-004-008	Jan-11 (Pending)	SFR built in 2004, very good condition, carport, dual-pane windows, new paint, flooring, new kitchen, upgraded bathrooms.	1,912	4-3	2,091 91%	\$189,000	\$98.85	Lender owned/REO
16	621 E. 23rd St. Los Angeles 5127-007-005	Nov-10 (Pending)	SFR built in 1903, fair condition, dual-pane windows - needs roof, flooring & paint according to sales agent.	1,932	4-1	5,548 35%	\$170,000	\$87.99	Lender owned/REO. Sold previously in December 2006 for \$495,000.
17	629 E. 21st St. Los Angeles 5127-003-018	Nov-10	SFR built in 1902, average to good condition.	1,933	3-1	3,870 50%	\$180,000	\$93.12	Short sale. Sold previously in December 2004 for \$330,000.
Subject	3833 Woodlawn Ave. Los Angeles 5121-029-017	Jan-11 (Date of Value)	Built in 1905, no covered parking, average condition.	1,106	2-1	5,400 20%	n/a	n/a	
Subject	3839 Woodlawn Ave. Los Angeles 5121-029-016	Jan-11 (Date of Value)	Built in 1948, no covered parking, average condition.	2,037	4-3	5,400 38%	n/a	n/a	
Subject	3843 Woodlawn Ave. Los Angeles 5121-029-015	Jan-11 (Date of Value)	Built in 1906, no covered parking, average condition.	1,260	2-1	5,400 23%	n/a	n/a	
Subject	3847 Woodlawn Ave. Los Angeles 5121-029-014	Jan-11 (Date of Value)	Built in 1906, no covered parking, average condition.	1,392	3-1	5,400 26%	n/a	n/a	

SOURCE: LEA ASSOCIATES, INC., SURVEY, JANUARY 2011

Note: No adjustment has been applied for market conditions (passage of time).
¹ Bedrooms - Bathrooms



EXHIBIT IV
 MARKET DATA MAP - SINGLE FAMILY RESIDENTIAL SALES
 3833-3847 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 1,467± FT.
 JANUARY 2011

Lea Associates
 Property Economics



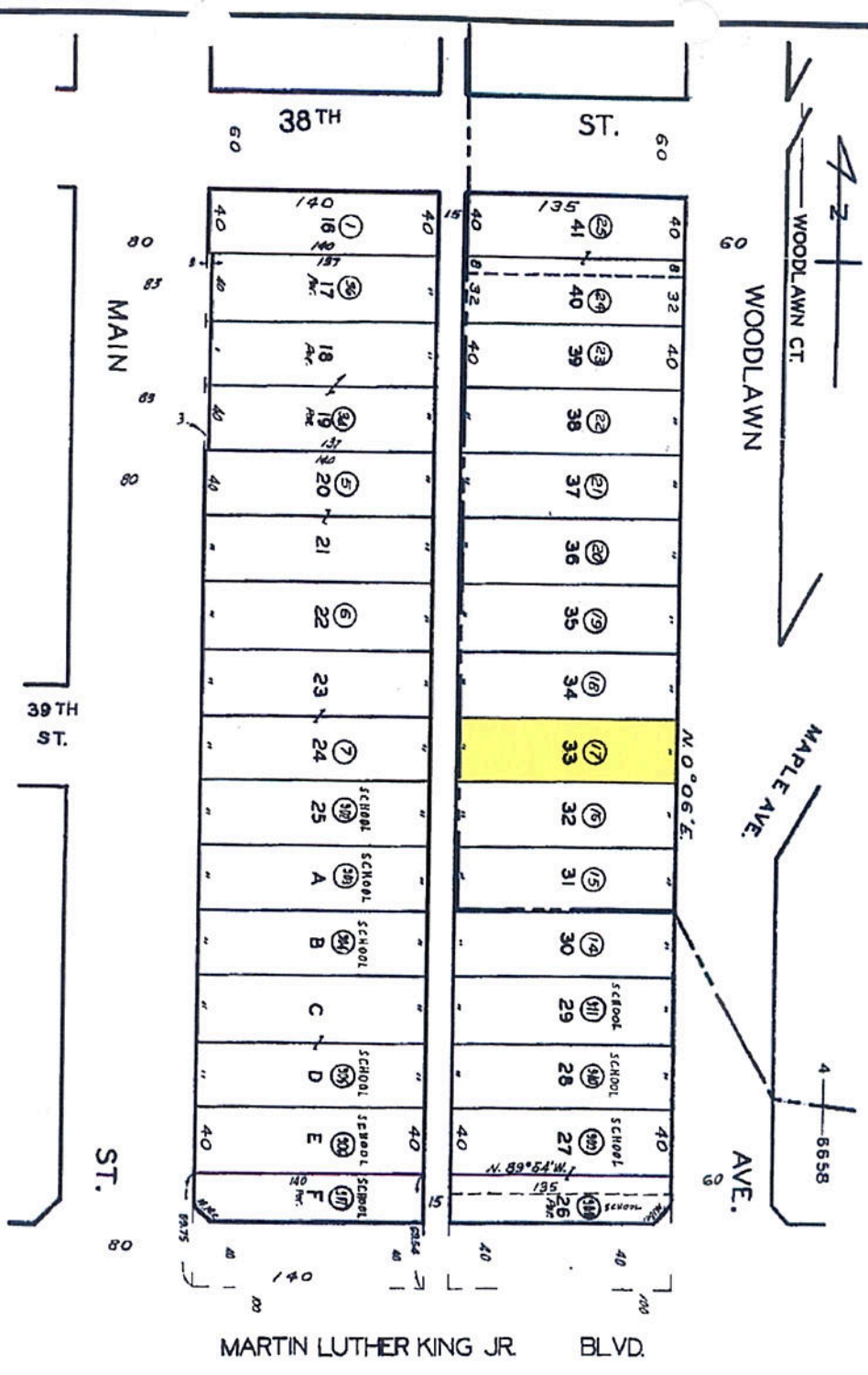


EXHIBIT
 SITE MAP
 3833 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 100± FT.
 JANUARY 2011

Lea Associates 
 Property Economics

SUBJECT PROPERTY

OWNER OF RECORD

Michael Meadows
10709 S 6th Ave.
Inglewood, CA 90303-1628

ACQUISITION AND PROPERTY HISTORY

On May 31, 2006 an affidavit was recorded granting the subject property to Deborah Meadows (document no. 06-1190984). On June 17, 2008, a gift deed was recorded in favor of Michael Meadows. No other transfers have occurred in the past five years. The property is not known to be currently listed for sale or under contract.

LOCATION

The subject property is located on the west side of Woodlawn Avenue, south of 38th Street.

3833 Woodlawn Avenue
Los Angeles, California

Legal Description

The subject property is legally described as a portion of "Lot 33 of Strong & Dickinson Woodlawn Tract, in the City of Los Angeles, as per map recorded in book 2, pages 58 inclusive of Maps, in the office of the County Recorder of said County."

Land

Shape:	Rectangular
Dimensions:	40 ft. frontage along Woodlawn Ave x 135 ft. deep along southern boundary (Based on assessor's map)
Area:	5,400±sf or 0.12± acres gross, based on Assessor's map

Zone

Please refer to the General Subject Information section of this report.

Assessor's Data

Assessed Values (2010)	
Assessor's	
Parcel No(s):	5121-029-017
Land:	\$75,600
Improvements:	<u>64,400</u>
Total:	\$140,000
Actual Taxes (2010):	\$1,960.52
Tax Rate Area:	4

3833 Woodlawn Ave

Tax Rate: \$1.1269859 per \$100 assessed valuation

In accordance with Proposition 13, the subject will be reassessed under any subsequent transfer.

Easements

Please refer to the General Subject Information section of this report.

Utility Availability

Please refer to the General Subject Information section of this report.

Access and Street Improvements

Please refer to the General Subject Information section of this report.

Improvements

Summary: One-story wood frame residence

Details of the subject property improvements were obtained during our inspection of the property.

Year Built: 1905

Living Area (\pm sf): 1,106 \pm sf (Assessor's measurements)

Building-To-Land Ratio: 21%

Exterior Description:

Foundation: Raised
 Walls: Wood frame/siding
 Roof: Composition shingle

Interior Description:

No interior inspection permitted. Assessor reports room count at 2 bedrooms/1 bath with a fireplace.

Condition: Average

Site Improvements:

Minimal landscaping and concrete walkway

Occupancy

Tenant occupied.

HIGHEST AND BEST USE

We concluded the maximally productive use of the subject site, as vacant, would be to hold for future residential development consistent with its current zoning. As improved, it is felt that the current improvements contribute to value, and should not be demolished. For the basis of these conclusions, please reference the Highest and Best Use discussion in the General Information section of this report.

PROJECT ACQUISITION

Our firm sent a letter to the property owner on January 13, 2011 describing our assignment and invited the property owner to join us on an inspection tour of their property. We performed an exterior inspection on January 21, 2011. The owner's representative, Deborah Meadows, indicated that she desired an exterior inspection, only.

VALUATION

SALES COMPARISON APPROACH - IMPROVED VALUE

The market for single family residential sales in the subject's vicinity was surveyed to obtain sales information for our use in estimating the market value of the subject property. The sources of data included the Los Angeles County Assessor's and Recorder's data records via the internet compiled by Real Quest, the multiple listing service (MLS), and interviews with knowledgeable brokers in the market area. After the sale data was collected, we verified the details of the transactions with the buyer, seller, or broker, whenever possible.

The market data items were then field inspected and compared and contrasted to the subject property. The sale items uncovered in our investigation are displayed on Table I, and displayed geographically on the Market Data Map. In comparing these transactions to the subject property, we considered such factors as time of sale, general location, age, building condition and quality, and the size of the living area.

Our primary valuation parameter is overall price. Comments relative to the relative superiority and inferiority of the sales versus the subject therefore pertain to this unit of value. The sales most helpful for the valuation of the subject property were Nos. 1 through 5.

Item No. 1 consists of the mid-2010 sale of a single family house that is felt to be slightly superior in condition and quality when compared to the subject. Sale date is felt to be similar. The parking is slightly superior to the subject. The overall size is inferior to the subject. Bed/bath count is similar. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a similar amount.

Item No. 2 consists of the recent late-2010 sale of a single-family house that is felt to be superior in condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is similar to the subject. Bed/bath count is slightly superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 3 consists of the mid-2010 sale of a single-family house that is felt to be superior in condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is slightly superior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 4 consists of the recent late-2010 sale of a single-family house that is felt to be similar in condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is slightly superior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a slightly higher amount given the larger body of data.

Item No. 5 consists of the mid-2010 sale of a single-family house that was felt to be in similar condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is superior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

3833 Woodlawn Ave

Based on the collection of the relevant market data, and considering the above discussion as the sale items relate to the subject property, the concluded fair market value opinion of the subject property as of the date of value of this report, based on the Sales Comparison Approach, is:

ONE HUNDRED SIXTY THOUSAND DOLLARS

(\$160,000)

This equates to approximately \$145 psf of living area which is felt to be consistent with our market data.

RECONCILIATION

The value indications for the approaches to value employed in our analysis are:

Sales Comparison Approach:	\$160,000
Income Approach:	DNA
Cost Approach:	DNA

Therefore, after having given adequate consideration to each, it is our opinion that the fair market value of the fee simple interest of the subject property as of the effective date of appraisal, is:

ONE HUNDRED SIXTY THOUSAND DOLLARS

(\$160,000)

3833 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Westerly view of subject property.



Easterly view of subject property from alley.

3833 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Northerly view along Woodlawn Avenue (subject at left).



Southerly view along Woodlawn Avenue (subject at right).

3833 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Northerly view along alley (subject at right).



Southerly view along alley (subject at left).

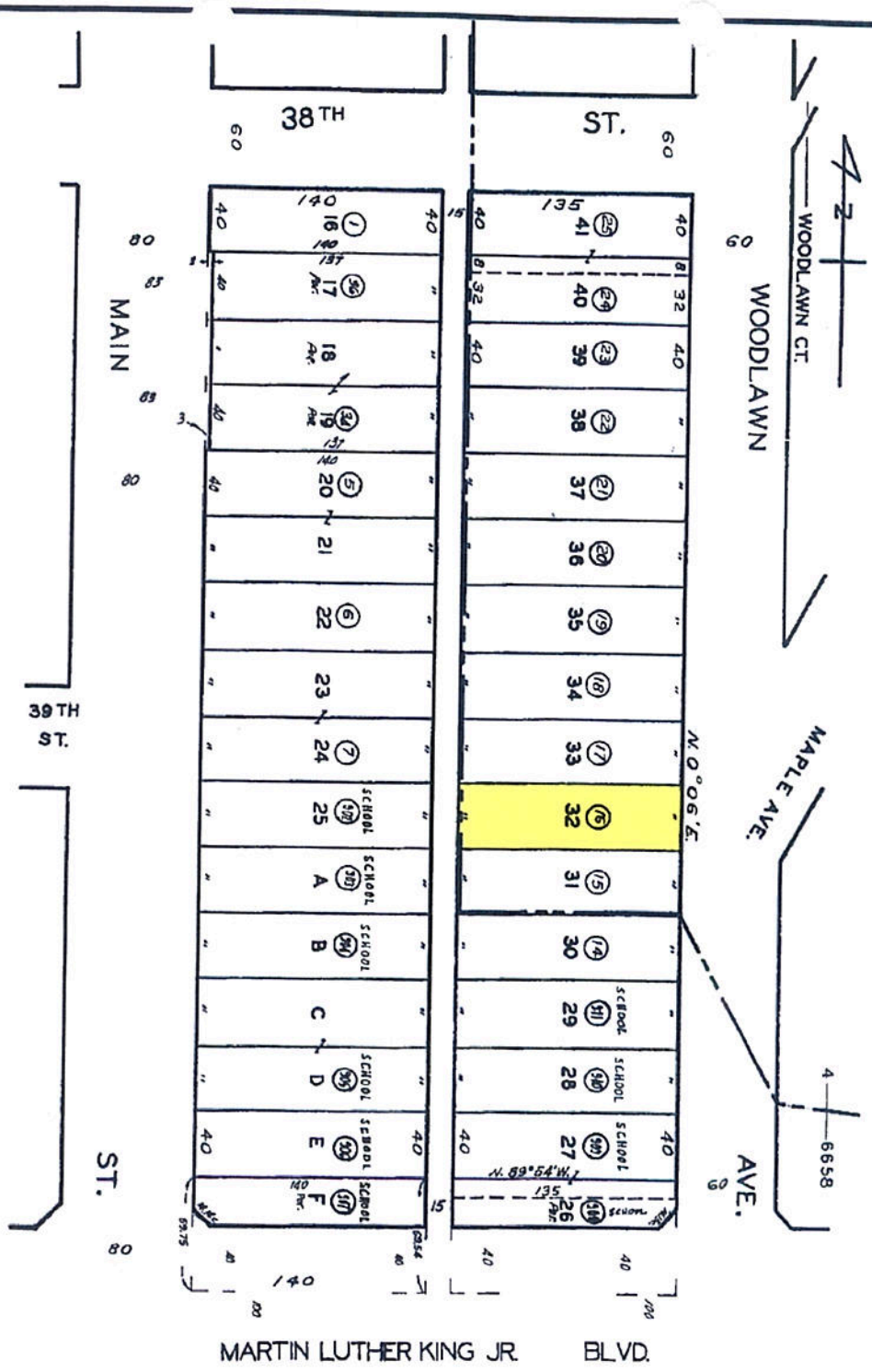


EXHIBIT
 SITE MAP
 3839 WOODLAWN AVENUE
 LOS ANGELES, CALIFORNIA
 SCALE: 1" = 100± FT.
 JANUARY 2011

Lea Associates 
 Property Economics

SUBJECT PROPERTY

OWNER OF RECORD

Mary H Meadows
 c/o Deborah Meadows
 8350 Wilshire Blvd., #200
 Beverly Hills, CA 90211-2644

ACQUISITION AND PROPERTY HISTORY

On January 13, 1957 a deed was recorded granting the subject property to Mary H & Elbert Meadows. No document number is available. No other transfers have occurred in the past five years. The property is not known to be currently listed for sale or under contract.

LOCATION

The subject property is located on the west side of Woodlawn Avenue, south of 38th Street.

3839 Woodlawn Avenue
 Los Angeles, California

Legal Description

The subject property is legally described as "Lot 32 of Strong & Dickinson Woodlawn Tract, in the City of Los Angeles, as per map recorded in book 2, pages 58 inclusive of Maps, in the office of the County Recorder of said County."

Land

Shape:	Rectangular
Dimensions:	40 ft. frontage along Woodlawn Ave x 135 ft. deep along southern boundary (Based on assessor's map)
Area:	5,400±sf or 0.12± acres gross, based on Assessor's map

Zone

Please refer to the General Subject Information section of this report.

Assessor's Data

Assessed Values (2010)	
Assessor's	
Parcel No(s):	5121-029-016
Land:	\$264,673
Improvements:	<u>264,673</u>
Total:	\$529,346
Actual Taxes (2010):	\$7,011.54
Tax Rate Area:	4

3839 Woodlawn Ave

Tax Rate: \$1.1269859 per \$100 assessed valuation

In accordance with Proposition 13, the subject will be reassessed under any subsequent transfer.

Easements

Please refer to the General Subject Information section of this report.

Utility Availability

Please refer to the General Subject Information section of this report.

Access and Street Improvements

Please refer to the General Subject Information section of this report.

Improvements

Summary: One-story frame & stucco residence

Details of the subject property improvements were obtained during our inspection of the property.

Year Built: 1948

Living Area (± sf): 2,037± sf (Assessor's measurements)

Building-To-Land Ratio: 38%

Exterior Description:

Foundation: Raised
 Walls: Frame and stucco
 Roof: Composition shingle

Interior Description:

No interior inspection permitted. Assessor reports room count at 4 bedrooms/3 baths.

Condition: Average

Site Improvements:

Landscaping and concrete walkway

Occupancy

Tenant occupied.

HIGHEST AND BEST USE

We concluded the maximally productive use of the subject site, as vacant, would be to hold for future residential development consistent with its current zoning. As improved, it is felt that the current improvements contribute to value, and should not be demolished. For the basis of these conclusions, please reference the Highest and Best Use discussion in the General Information section of this report.

PROJECT ACQUISITION

Our firm sent a letter to the property owner on January 13, 2011 describing our assignment and invited the property owner to join us on an inspection tour of their property. We performed an exterior inspection on January 21, 2011. The owner's representative, Deborah Meadows, indicated that she desired an exterior inspection, only.

VALUATION

SALES COMPARISON APPROACH - IMPROVED VALUE

The market for single family residential sales in the subject's vicinity was surveyed to obtain sales information for our use in estimating the market value of the subject property. The sources of data included the Los Angeles County Assessor's and Recorder's data records via the internet compiled by Real Quest, the multiple listing service (MLS), and interviews with knowledgeable brokers in the market area. After the sale data was collected, we verified the details of the transactions with the buyer, seller, or broker, whenever possible.

The market data items were then field inspected and compared and contrasted to the subject property. The sale items uncovered in our investigation are displayed on Table I, and displayed geographically on the Market Data Map. In comparing these transactions to the subject property, we considered such factors as time of sale, general location, age, building condition and quality, and the size of the living area.

Our primary valuation parameter is overall price. Comments relative to the relative superiority and inferiority of the sales versus the subject therefore pertain to this unit of value. The sales most helpful for the valuation of the subject property were Nos. 14 through 17.

Item No. 14 consists of the pending sale of a single-family house that was felt to be in similar condition when compared to the subject. Sale date is felt to be similar. The parking is slightly superior to the subject. The overall size is inferior to the subject. Bed/bath count is slightly inferior to the subject.

The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a similar amount.

Item No. 15 consists of the pending sale of a single-family house that was felt to be in superior condition when compared to the subject. Sale date is felt to be similar. The parking is slightly superior to the subject. The overall size is inferior to the subject. Bed/bath count is similar to the subject. Lot size is inferior to the subject property. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a slightly higher amount.

Item No. 16 consists of the pending sale of a single-family house that was felt to be in slightly inferior condition when compared to the subject. Sale date is felt to be similar. The parking is similar to the subject. The overall size is inferior to the subject. Bed/bath count is inferior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a higher amount.

Item No. 17 consists of the recent late-2010 sale of a single-family house that was felt to be in superior condition when compared to the subject. Sale date is felt to be similar. The parking is similar to the subject. The overall size is inferior to the subject. Bed/bath count is inferior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a higher amount.

We have also considered the greater body of data including the smaller sales included in Table I, such as Item Nos. 12 and 13 which range from \$210,000 to \$220,000. While smaller and having

slightly fewer bathrooms, they are in superior condition to the subject. Overall, we would expect a similar value for the subject given offsetting factors.

Based on the collection of the relevant market data, and considering the above discussion as the sale items relate to the subject property, the concluded fair market value opinion of the subject property as of the date of value of this report, based on the Sales Comparison Approach, is:

TWO HUNDRED TWENTY THOUSAND DOLLARS

(\$220,000)

This equates to approximately \$108 psf of living area which is felt to be consistent with our market data.

RECONCILIATION

The value indications for the two approaches to value employed in our analysis are:

Sales Comparison Approach:	\$220,000
Income Approach:	DNA
Cost Approach:	DNA

Therefore, after having given adequate consideration to each, it is our opinion that the fair market value of the fee simple interest of the subject property as of the effective date of appraisal, is:

TWO HUNDRED TWENTY THOUSAND DOLLARS

(\$220,000)

3839 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Westerly view of subject property.



Easterly view of subject property from alley.

3839 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Northerly view along Woodlawn Avenue (subject at left).



Southerly view along Woodlawn Avenue (subject at right).

3839 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Northerly view along alley (subject at right).



Southerly view along alley (subject at left).

SUBJECT PROPERTY

OWNER OF RECORD

Deborah F. Meadows
10709 S 6th Ave.
Inglewood, CA 90303-1628

ACQUISITION AND PROPERTY HISTORY

On October 28th, 1996 a quitclaim deed was recorded granting the subject property to Deborah Meadows (document no. 96-1741473). No other transfers have occurred in the past five years. The property is not known to be currently listed for sale or under contact.

LOCATION

The subject property is located on the west side of Woodlawn Avenue, south of 38th Street.

3843 Woodlawn Avenue
Los Angeles, California

Legal Description

The subject property is legally described as "Lot 31 of Strong & Dickinson Woodlawn Tract, in the City of Los Angeles, as per map recorded in book 2, pages 58 inclusive of Maps, in the office of the County Recorder of said County."

Land

Shape:	Rectangular
Dimensions:	40 ft. frontage along Woodlawn Ave x 135 ft. deep along southern boundary (Based on assessor's map)
Area:	5,400±sf or 0.12± acres gross, based on Assessor's map

Zone

Please refer to the General Subject Information section of this report.

Assessor's Data

Assessed Values (2010)	
Assessor's	
Parcel No(s):	5121-029-015
Land:	\$69,005
Improvements:	<u>32,086</u>
Total:	\$101,091
Actual Taxes (2010):	\$1,473.47
Tax Rate Area:	4
Tax Rate:	\$1.1269859 per \$100 assessed valuation

3843 Woodlawn Ave

In accordance with Proposition 13, the subject will be reassessed under any subsequent transfer.

Easements

Please refer to the General Subject Information section of this report.

Utility Availability

Please refer to the General Subject Information section of this report.

Access and Street Improvements

Please refer to the General Subject Information section of this report.

Improvements

Summary:	One-story frame & stucco residence
	Details of the subject property improvements were obtained during our inspection of the property.
Year Built:	1906
Living Area (± sf):	1,260± sf (Assessor's measurements)
Building-To-Land Ratio:	23%

Exterior Description:

Foundation:	Raised
Walls:	Frame and stucco
Roof:	Composition shingle

Interior Description:

No interior inspection permitted. Assessor reports room count of 2 bedrooms/1 bath with one fireplace.

Condition:	Average
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Site Improvements:

Minimal landscaping and concrete walkway.

Occupancy

Currently vacant. Tenant occupied in the past.

HIGHEST AND BEST USE

We concluded the maximally productive use of the subject site, as vacant, would be to hold for future residential development consistent with its current zoning. As improved, it is felt that the current improvements contribute to value, and should not be demolished. For the basis of these conclusions, please reference the Highest and Best Use discussion in the General Information section of this report.

PROJECT ACQUISITION

Our firm sent a letter to the property owner on January 13, 2011 describing our assignment and invited the property owner to join us on an inspection tour of their property. We performed an exterior inspection on January 21, 2011. The owner, Deborah Meadows, indicated that she desired an exterior inspection, only.

VALUATION

SALES COMPARISON APPROACH - IMPROVED VALUE

The market for single family residential sales in the subject's vicinity was surveyed to obtain sales information for our use in estimating the market value of the subject property. The sources of data included the Los Angeles County Assessor's and Recorder's data records via the internet compiled by Real Quest, the multiple listing service (MLS), and interviews with knowledgeable brokers in the market area. After the sale data was collected, we verified the details of the transactions with the buyer, seller, or broker, whenever possible.

The market data items were then field inspected and compared and contrasted to the subject property. The sale items uncovered in our investigation are displayed on Table I, and displayed geographically on the Market Data Map. In comparing these transactions to the subject property, we considered such factors as time of sale, general location, age, building condition and quality, and the size of the living area.

Our primary valuation parameter is overall price. Comments relative to the relative superiority and inferiority of the sales versus the subject therefore pertain to this unit of value. The sales most helpful for the valuation of the subject property were Nos. 3 through 9.

Item No. 3 consists of the mid-2010 sale of a single-family house that is felt to be superior in condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is slightly inferior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a similar amount.

Item No. 4 consists of the recent late-2010 sale of a single-family house that is felt to be similar in condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is slightly inferior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a similar amount.

Item No. 5 consists of the mid-2010 sale of a single-family house that was felt to be in similar condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is slightly inferior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a similar amount.

Item No. 6 consists of the September-2010 sale of a single-family house that was felt to be in slightly superior condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is similar to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 7 consists of the mid-2010 sale of a single-family house that was felt to be in similar condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is similar to the subject. Bed/bath count is superior to the subject. The age of this comparable is superior. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 8 consists of the mid-2010 sale of a single-family house that was felt to be in similar condition when compared to the subject. Sale date is felt to be similar. The overall size is slightly superior to the subject. Bed/bath count is slightly superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 9 consists of the October-2010 sale of a single-family house that was felt to be in superior condition when compared to the subject. Sale date is felt to be similar. The overall size is superior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Based on the collection of the relevant market data, and considering the above discussion as the sale items relate to the subject property, the concluded fair market value opinion of the subject property as of the date of value of this report, based on the Sales Comparison Approach, is:

ONE HUNDRED EIGHTY FIVE THOUSAND DOLLARS

(\$185,000)

This equates to approximately \$147 psf of living area which is felt to be consistent with our market data.

RECONCILIATION

The value indications for the approaches to value employed in our analysis are:

Sales Comparison Approach:	\$185,000
Income Approach:	DNA
Cost Approach:	DNA

Therefore, after having given adequate consideration to each, it is our opinion that the fair market value of the fee simple interest of the subject property, as improved, as of the effective date of appraisal, is:

ONE HUNDRED EIGHTY FIVE THOUSAND DOLLARS

(\$185,000)

3843 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Westerly view of subject property.



Easterly view of subject property from alley.

3843 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Northerly view along Woodlawn Avenue (subject at left).



Southerly view along Woodlawn Avenue (subject at right).

3843 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Northerly view along alley (subject at right).



Southerly view along alley (subject at left).

SUBJECT PROPERTY

OWNER OF RECORD

Deborah F. Meadows
P.O. Box 289
Santa Monica, CA 90406-0289

ACQUISITION AND PROPERTY HISTORY

On June 21, 1989 a grant deed was recorded granting the subject property to Deborah Meadows (document no. 89-995624). No other transfers have occurred in the past five years. The property is not known to be currently listed for sale or under contract.

LOCATION

The subject property is located on the west side of Woodlawn Avenue, south of 38th Street and north of Martin Luther King, Jr. Boulevard.

3847 Woodlawn Avenue
Los Angeles, California

Legal Description

The subject property is legally described as a portion of "Lot 30 of Strong & Dickinson Woodlawn Tract, in the City of Los Angeles, as per map recorded in book 2, pages 58 inclusive of Maps, in the office of the County Recorder of said County."

Land

Shape:	Rectangular
Dimensions:	40 ft. frontage along Woodlawn Ave X 135 ft. deep along southern boundary (Based on assessor's map)
Area:	5,400±sf or 0.12± acres gross, based on Assessor's map

Zone

Please refer to the General Subject Information section of this report.

Assessor's Data

Assessed Values (2010)	
Assessor's	
Parcel No(s):	5121-029-014
Land:	\$11,754
Improvements:	<u>6,627</u>
Total:	\$18,381
Actual Taxes (2010):	\$429.33
Tax Rate Area:	6658
Tax Rate:	\$1.269859 per \$100 assessed valuation

3847 Woodlawn Ave

In accordance with Proposition 13, the subject will be reassessed under any subsequent transfer.

Easements

Please refer to the General Subject Information section of this report.

Utility Availability

Please refer to the General Subject Information section of this report.

Access and Street Improvements

Please refer to the General Subject Information section of this report.

Improvements

Summary:	One-story wood frame residence
	Details of the subject property improvements were obtained during our inspection of the property.
Year Built:	1906
Living Area (± sf):	1,392± sf (Assessor's measurements)
Building-To-Land Ratio:	26%

Exterior Description:

Foundation:	Raised
Walls:	Wood frame/siding
Roof:	Composition shingle

Interior Description:

No interior inspection permitted. Assessor reports 3 bedrooms/1 bath with a fireplace

Condition:	Average
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Site Improvements:

Minimal landscaping and concrete walkway

Occupancy

Tenant occupied.

HIGHEST AND BEST USE

We concluded the maximally productive use of the subject site, as vacant, would be to hold for future residential development consistent with its current zoning. As improved, it is felt that the current improvements contribute to value, and should not be demolished. For the basis of these conclusions, please reference the Highest and Best Use discussion in the General Information section of this report.

PROJECT ACQUISITION

Our firm sent a letter to the property owner on January 13, 2011 describing our assignment and invited the property owner to join us on an inspection tour of their property. We performed an exterior inspection on January 21, 2011. The owner, Deborah Meadows, indicated that she desired an exterior inspection, only.

VALUATION

SALES COMPARISON APPROACH - IMPROVED VALUE

The market for single family residential sales in the subject's vicinity was surveyed to obtain sales information for our use in estimating the market value of the subject property. The sources of data included the Los Angeles County Assessor's and Recorder's data records via the internet compiled by Real Quest, the multiple listing service (MLS), and interviews with knowledgeable brokers in the market area. After the sale data was collected, we verified the details of the transactions with the buyer, seller, or broker, whenever possible.

The market data items were then field inspected and compared and contrasted to the subject property. The sale items uncovered in our investigation are displayed on Table I, and displayed geographically on the Market Data Map. In comparing these transactions to the subject property, we considered such factors as time of sale, general location, age, building condition and quality, and the size of the living area.

Our primary valuation parameter is overall price. Comments relative to the relative superiority and inferiority of the sales versus the subject therefore pertain to this unit of value. The sales most helpful for the valuation of the subject property were Nos. 7 through 13.

Item No. 7 consists of the mid-2010 sale of a single-family house that was felt to be in similar condition when compared to the subject. Sale date is felt to be similar. The parking is superior to the subject. The overall size is inferior to the subject. Bed/bath count is superior to the subject. The age of this comparable is superior. Location is similar. Overall, we would expect the subject to sell for a slightly lower amount.

Item No. 8 consists of the mid-2010 sale of a single-family house that was felt to be in similar condition when compared to the subject. Sale date is felt to be similar. The overall size is similar to the subject. Bed/bath count is similar to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a similar amount.

Item No. 9 consists of the October-2010 sale of a single-family house that was felt to be in superior condition when compared to the subject. Sale date is felt to be similar. The overall size is slightly inferior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 10 consists of the mid-2010 sale of a single-family house that was felt to be in superior condition when compared to the subject. Sale date is felt to be similar. The overall size is similar to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 11a consists of the recent late-2010 sale of a single-family house that was felt to be in superior condition when compared to the subject. It was newly renovated just prior to the sale. Sale date is felt to be similar. The overall size is similar to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower

amount.

Item No. 11b consists of the mid-2010 sale of a single-family house that was felt to be in inferior condition when compared to the subject. The property required repair and renovation as of the date of sale. Sale date is felt to be similar. The overall size is similar to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a higher amount given this discussion and the overall body of data.

Item No. 12 consists of the mid-2010 sale of a single-family house that was felt to be in superior condition when compared to the subject. Sale date is felt to be similar. The overall size is slightly superior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Item No. 13 consists of the September-2010 sale of a single-family house that was felt to be in slightly superior condition when compared to the subject. Sale date is felt to be similar. The overall size is slightly superior to the subject. Bed/bath count is superior to the subject. The age of this comparable is similar. Location is similar. Overall, we would expect the subject to sell for a lower amount.

Based on the collection of the relevant market data, and considering the above discussion as the sale items relate to the subject property, the concluded fair market value opinion of the subject property as of the date of value of this report, based on the Sales Comparison Approach, is:

ONE HUNDRED NINETY THOUSAND DOLLARS

(\$190,000)

This equates to approximately \$136 psf of living area which is felt to be consistent with our market data.

RECONCILIATION

The value indications for the approaches to value employed in our analysis are:

Sales Comparison Approach:	\$190,000
Income Approach:	DNA
Cost Approach:	DNA

Therefore, after having given adequate consideration to each, it is our opinion that the fair market value of the fee simple interest of the subject property, as improved, as of the effective date of appraisal, is:

ONE HUNDRED NINETY THOUSAND DOLLARS

(\$190,000)

3847 Woodlawn Ave

3847 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Westerly view of subject property.



Easterly view of subject property from alley.

3847 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Northerly view along Woodlawn Avenue (subject at left).



Southerly view along Woodlawn Avenue (subject at right).

3847 WOODLAWN AVENUE
LOS ANGELES, CALIFORNIA



Northerly view along alley (subject at right).



Southerly view along alley (subject at left).

JOHN J. GOBBELL, JR., MAI

EXPERIENCE

Lea Associates, Inc., 1999 - Present; Principal responsible for the analysis and production of appraisal assignments and various analytical services. Responsibilities also include providing proposals and accepting assignments on the company's behalf. Serves in a supervisory or project management capacity on numerous appraisal assignments as well as participating in company management decisions.

Appraisal experience includes a wide variety of proposed and existing property types including commercial retail and office, industrial, single and multiple residential, acreage, residential subdivisions, and special purpose properties. Specific areas of concentration include eminent domain/acquisition appraisals, rent studies, land lease re-settings and partial interest valuations. Primary market is Southern California but has also completed assignments in Central and Northern California, Alaska, Arizona and Nevada.

Gobbell and Company - 1992 to 1999; President with full responsibility for research, analysis, and production of narrative appraisals for various commercial, industrial, special purpose and residential properties, including subdivision and multiple family housing.

West Associates/Tarantello & Associates - 1989 to 1992; Senior Consultant responsible for research, analysis, and production of narrative appraisals for various commercial, industrial, special purpose and residential properties, including subdivision and multiple-family housing.

EDUCATION

University of Southern California, Economics, 1988

Successful completion of the following courses and examinations:

- Advanced Income Capitalization (510), Appraisal Institute
- Highest & Best Use and Market Analysis (520), Appraisal Institute (Exam only)
- Advanced Sales Comparison & Cost Approaches (530), Appraisal Institute (Exam only)
- Report Writing and Valuation Analysis (540), Appraisal Institute
- Advanced Applications (550), Appraisal Institute
- Standards of Professional Practice, Parts A & B (410 & 420), Appraisal Institute
- USPAP Update course (400), Appraisal Institute
- Real Estate Principals, Real Estate Appraisal, and The Analytical Tools of Real Estate Research, University of California Los Angeles Extension
- Appraisal Principals and Techniques, Real Estate Trainers, Inc.
- USPAP Standards & Ethics Course, Appraiser Certification Review Seminar, American Society of Appraisers (ASA)
- Law and Regulations, USPAP, Appraisal Methods, California State Academy of Real Estate and Appraising
- Comprehensive Exam, Appraisal Institute

JOHN J. GOBBELL, JR., MAI (CONT'D)**EDUCATION (CONT'D)**

Continuous participation in classes and seminars in pertinent real estate study areas sponsored by professional organizations such as the Appraisal Institute, the California Redevelopment Association, the International Right of Way Association, and CLE (Continuing Legal Education) International.

ASSOCIATIONS

Appraisal Institute, Member, Designation Number 12397
California State Certified General Real Estate Appraiser, AG010590

EXPERT TESTIMONY

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

- Superior Court, County of Los Angeles, California
- Superior Court, County of Riverside, California

CLIENTS (Partial List)**Public**

Alameda Corridor Transportation Authority
Castaic Lake Water Agency
City of Alhambra
City of Baldwin Park
City of Brea
City of Commerce
City of Fountain Valley
City of Glendale
City of Goleta
City of Hawthorne
City of Huntington Beach
City of Lancaster
City of Long Beach
City of Los Angeles
Community Redevelopment Agency (CRA)
City of Oxnard
City of Palmdale
City of Pasadena
City of Riverside

JOHN J. GOBBELL, JR., MAI (CONT'D)**CLIENT LIST (CONT'D)**

City of Santa Monica
City of Temecula
City of Thousand Oaks
County of Los Angeles,
 Community Development Commission (CDC)
 Metropolitan Transportation Authority (MTA)
County of Riverside
County of San Bernardino
Los Angeles World Airports (LAWA)
Los Angeles Unified School District (LAUSD)
Mountains Recreation and Conservation Authority (MRCA)
State of California,
 Department of Transportation (Caltrans)
United States Department of Labor (DOL)
United States General Services Administration (GSA)

Financial Institutions

Bank Leumi
Bank of America
Bank of Los Angeles
Bank of Montreal
Bankers Capital
Continental Bank
First Interstate Bank
First Los Angeles Bank
Hanmi Bank
Heritage Oaks Bank
Holliday Fenoglio Fowler
Preferred Bank
Rock Island Company
Sigma Mortgage Corporation
Wells Fargo Bank

JOHN J. GOBBELL, JR., MAI (CONT'D)**CLIENT LIST (CONT'D)****Corporate**

American Tower
The Anden Group
Brimar Industries
CB Richard Ellis
Coldwell Banker Residential Brokerage Inc.
Dunmore Homes
EMR Residential Properties
The Fieldstone Company
KB Home
The Larwin Company
Meta Housing Corporation
Mulholland Hills Associates
Overland, Pacific & Cutler, Inc.
Paragon Partners, Ltd.
RBF Consulting
Sanli Pastore & Hill
Silverberg & Associates

Attorneys

Abkarian & Associates
Cox, Castle & Nicholson, LLP
Cummins & White, LLP
Demetriou, Del Guercio, Springer & Moyer, LLP
Duke, Charles, Esq.
Eskridge Law
Gains, Weil, West & Epstein, LLP
Jaffe and Clemens
Loeb, Stephen M., Esq.
Michelman & Robinson, LLP
Miller, Starr & Regalia
Mortensen, Daniel R., Esq.
Nishkian, Michael, Esq.
Nossaman, Guthner, Knox & Elliott, LLP
Proctor, McCarthy & Slaughter, LLP
Quinn Emanuel Urquhart Oliver & Hedges, LLP
Richards, Watson & Gershon
Sonnenschein, Nath & Rosenthal, LLP
Stradling, Yocca, Carlson & Rauth
Tyre, Kamins, Katz & Granof



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

December 17, 2012

Accelerated Charter School
Johnathan Williams, CEO
350 S. Figueroa Street, Suite 213
Los Angeles, CA 90071

Project Tracking No: 64733-1966
Re: Accelerated Charter Elementary School
County: Los Angeles
Square Feet: 42,025
Grade Level: K - 6

Dear Mr. Williams:

Subject: Supercede Final Plan Approval – Joint Use - Charter School

The California Department of Education approves the plans with the title sheet date of November 29, 2012 for the above referenced project. The plans were received on December 6, 2012. The plans meet the California Department of Education's standards for educational adequacy (California Code of Regulations, Title 5, 14001 et seq. and Education Code 17251(c) and (d)).

It is the responsibility of the school district to meet all requirements concerning toilet facilities, drinking water supply, sewage disposal, food service facilities and other plan elements having primary health and safety implications. The plans should be reviewed by the local health agency having jurisdiction and a written approval should be secured and filed in the school district's records. If the approved project involves work on an existing school building, it is the responsibility of the school district to meet all Federal, State and local requirements relating to the identification, remediation and/or removal of hazardous levels of lead and asbestos containing materials before or during construction. It is the responsibility of the district to complete all of the mitigation measures identified in the documents submitted to the California department of Education for review.

This letter revises and supercedes the letter issued on December 12, 2012.

The school site for this project is .89 usable acres. An additional 1.4 usable acres are available for school use through a joint use agreement. The total usable acres of 2.29 represents 29.36% of the California Department of Education's recommended site size of 7.8 acres, as contained in the California Department of Education's "Guide to School Site Analysis and Development (2000)," for the current CBEDS enrollment of the site and the student capacity added by this project as calculated pursuant to SAB Regulation 1859.83(d).

The California Department of Education's recommended acres for the master plan capacity of the site is 6.9 acres, to be used for purposes of requesting funding from the State Allocation Board pursuant to SAB Regulations 1859.73, related to multi-story construction, and 1859.76(a)11, related to parking structures. This site is 33.19% of the California Department of Education's recommended master plan site size.

This supercede is being issued to correctly delineate the acreage acquired for the new project.

The project as approved consists of:

<u>TEACHING STATIONS</u>	<u>GRADE LEVEL</u>	<u>ROOMS</u>	<u>STUDENTS</u>
Classrooms	1 – 6	15	375
Kindergartens	Kindergarten	3	75
		<u>18</u>	<u>450</u>

Based on the standards specified in Education Code 17071.25 and the number of teaching stations in the project, the student capacity of this project is 450.

CORE FACILITIES:

Administration	Kitchen	Library
Lunch Shelter	Multi-Purpose	Resource Specialist Prog
Speech	Storage	Teacher Work Room
Toilets		

The district has certified that this project is either exempt from, or has completed, the California Environmental Quality Act (CEQA) process.

The district has met the requirements of Education Code 17213.1 regarding the preparation of a Phase 1 environmental assessment or a Preliminary Endangerment Assessment (PEA), and/or the completion of a Response Action, and the Department of Toxic Substances Control has issued a determination letter dated September 11, 2012 indicating that no action or nor further action is required for this site.

For projects to be funded under the Leroy F. Greene School Facility Act of 1998, funding request to the State Allocation Board must be submitted within two (2) years of the date of this letter. If the district is not seeking financial assistance from the State Allocation Board, the project must commence construction within two (2) years of the date of this letter. Regardless of the funding source, if, prior to construction, changes are made to the plans that would affect or alter the California Department of Education's original approval (including but not limited to changes in surrounding land uses, the master plan capacity of the project, changes in code and/or regulation, or a subsequent CEQA determination), the plan may be subject to reevaluation using the most recent standards.

Johnathan Williams, CEO
December 17, 2012
Page 3

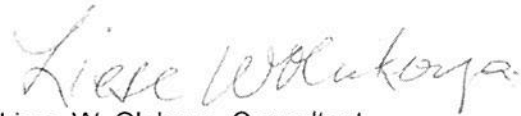
64733-1966
Accelerated Charter Elementary School

Please contact the consultant identified below if you have questions regarding this letter.

Sincerely,



Fred A. Yeager, Assistant Director
School Facilities and Transportation Services
Division



Liese W. Olukoya, Consultant
School Facilities and Transportation Services
Division
(916) 445-5657

DP6945/P6662
cc: Architect



State of California • Edmund G. Brown Jr., Governor
State and Consumer Services Agency

DEPARTMENT OF GENERAL SERVICES
Division of the State Architect – Los Angeles Office

12/14/2012 - APPROVAL OF PLAN(S)

JOHN DEASY

Los Angeles Unified School District
333 South Beaudry Avenue, 23rd Floor
Los Angeles, 90017

Project: THE ACCELERATED CHARTER ELEMENTARY SCHOOL

Total Scope of Project: Construction of 1-Administration Building (Bldg. A), M.P. Bldg. (Bldg. C), Toilet/Shower Bldg. (Bldg. D), 2 Classroom Bldgs. (B1 & B2), Lunch Shelter, Underground Car Park, and Site work

Increment #: 0

Application #: 03-114583

File #: 19-63

Drawings and specifications for the subject project have been examined and stamped by the Division of the State Architect (DSA) for identification on 12/14/2012. This letter constitutes the "written approval of the plans as to safety of design and construction" required before letting any contract for construction, and applies only to the work shown on these drawings and specifications. The date of this letter is the DSA approval date.

Approval is limited to the particular location shown on the drawings and is conditioned on construction starting within one year from the stamped date. The inspector must be approved and the contract information, including the construction start date, must be given to DSA prior to start of construction.

DSA does not review drawings and specifications for compliance with Parts 3 (California Electrical Code), 4 (California Mechanical Code), and 5 (California Plumbing Code) of Title 24. It is the responsibility of the professional consultants named on the application to verify this compliance.

Please refer only to the boxes checked below which indicate applicable conditions specific to this project:

- Buildings constructed in accordance with approved drawings and specifications will meet minimum required standard given in Title 24, California Code of Regulations, for structural, and fire and life safety.
- Due to the nature of the building(s), certain precautions considered necessary to assure long service have not been required. In the condition as built, the building(s) will meet minimum required standards for structural, and fire and life safety. The owner must observe and correct deterioration in the building in order to maintain it in a safe condition.
- Your attention is drawn to the fact that this application was submitted under the provisions of Sections 39140/81130 of the Education Code which permit repairs or replacement of a fire damaged building to be made in accordance with the drawings and specifications previously approved by this office. The drawings and specifications approved for the reconstruction of this building conform to the drawings and specifications approved under application # _____.
- These drawings and specifications meet the rules, regulations, and building standards in effect at the time of the original approval and do not necessarily comply with rules, regulations, or building standards currently in effect.
- Due to the nature of the poles, certain precautions considered necessary to assure long service have not been insisted upon. In their condition as built, they will meet minimum required safety standards; however, your attention is directed to the comparatively short life of wood poles. It will be the responsibility of the owner to maintain them in a safe condition.

Application #: 03-114583

File #: 19-63

- Bleachers or grandstands constructed in accordance with approved drawings and specifications will meet minimum required standards for structural, and fire and life safety. The owner should provide for and require periodic safety inspections throughout the period of use to ensure framing and other parts have not been damaged or removed. On bleachers or grandstands having bolts, locking or safety devices, the owner shall require that all such components be properly tightened or locked prior to each use.
- This approval is for the part shown only since the drawings and specifications for the proposed work include only the portion of the building to be partially constructed on the subject site. It is understood that a separate application will be subsequently filed, together with drawings and specifications showing a plot plan and details of work necessary for completion. A contract for completion shall not be let before the written approval of such drawings has been obtained from the Department of General Services.
- The building(s) was designed to support a snow load of 0 pounds per square foot of roof area. Snow removal must be considered if the amount of snow exceeds that for which the building(s) was designed.
- This constitutes the written approval certifying that the drawings and specifications are in compliance with State regulations for the accommodation of the disabled which are required before letting any contract for construction. (See Section 4454, Government Code.)
- Your application for the construction of a relocatable building submitted under the provisions of Section 17293 of the Education Code is hereby approved. This approval certifies that the drawings and specifications are in compliance with state regulations for accommodation of the disabled, structural safety, and fire and life safety. This approval applies only to the drawings and specifications for the foundation system, anchorage of the overhead nonstructural elements, and site work related to this project. Documentation has been received indicating that the building was constructed after December 19, 1979, and bears a commercial coach insignia of approval from the Department of Housing and Community Development (HCD). Confirmation that the construction of the HCD building conforms to the appropriate state regulations is done by others. (See Section 17307, Education Code and Section 4454, Government Code.)
- Deferred Approval(s) Items:
Elevator Guide Rails and Support Bracket Anchorage, Window Wall Systems or Storefronts with spans greater than 10 feet

This Project has been classified as **Class 1**. An Inspector who is certified by DSA to inspect this class of project must be approved by DSA prior to start of construction.

Please refer to the above application number in all correspondence, reports, etc., in connection with this project.

Sincerely,



Digitally signed by Douglas Humphrey
DN: cn=Douglas Humphrey, o=Division of
the State Architect - Los Angeles, ou=DSA,
email=Douglas.Humphrey@dgs.ca.gov,
c=US
Date: 2012.12.19 18:36:48 -08'00'

for Chester "Chet" Widom, FAIA
State Architect

cc:
Architect

APPLICATION FOR FUNDING
SCHOOL FACILITY PROGRAM

5. New Construction Additional Grant Request—New Construction Only

- a. Therapy: Toilets (sq. ft.)
b. Multilevel Construction (CRS):
c. Project Assistance
d. Site Acquisition: (1) 50 percent Actual Cost: \$ 1,967,500
(2) 50 percent Appraised Value: \$ 1,945,000
(3) 50 percent Relocation Cost: \$ 7,500
(4) 2 percent (min. \$25,000): \$ 77,800
(5) 50 percent DTSC Fee: \$ 9,089
e. 50 percent hazardous waste removal:
f. Site Development: 50 percent Service-Site: \$ 2,107,344
50 percent Off-Site: \$ 275,943
50 percent Utilities: \$ 54,472
General Site
g. Facility Hardship Section 1859.82(a) or (b)
h. Seismic Rehabilitation [Section 1859.82(a)]
i. Replacement area
j. Energy Efficiency: %
k. Automatic Fire Detection/Alarm System
Automatic Sprinkler System
l. High Performance Incentive (Indicate Points): 44

6. Modernization or Charter School Facilities Program Rehabilitation Additional Grant Request

- a. Project Assistance
b. Energy Efficiency: %
c. Site Development—60 percent utilities: \$
d. Automatic Fire Detection/Alarm System
e. High Performance Incentive (Indicate Points):

7. Excessive Cost Hardship Request

- New Construction Only
Geographic Percent Factor: %
New School Project [Section 1859.83(c)(1)]
New School Project [Section 1859.83(c)(2)]
Small Size Project
Urban/Security/Impacted Site;
If a new site, \$ 4,370,786 per Useable Acre [Section 1859.83(d)(2)(C)]

Modernization or Charter School Facility Program Rehabilitation Only

- Rehabilitation/Mitigation [Section 1859.83(e)]: \$
Geographic Percent Factor: %
Accessibility/Fire Code
3 percent of base grant; or,
60 percent of minimum work \$
Number of 2-Stop Elevators:
Number of Additional Stops:
Small Size Project
Urban/Security/Impacted site

8. Project Priority Funding Order—New Construction Only

- Priority order of this application in relation to other new construction applications submitted by the district at the same time: #
Project meets:
Density requirement pursuant to Section 1859.92(c)(3).
Stock plans requirement pursuant to Section 1859.92(c)(4).
Energy efficiency requirement pursuant to Section 1859.92(c)(6).

9. Prior Approval Under the LPP

- New Construction: 22/
Modernization: 77/

10. Prior Apportionment Under the SFP

- Site/Design—New Construction: 50/
Design—Modernization: 57/

11. Preliminary Apportionment to Final Apportionment

- Preliminary Apportionment Application Number: # 54/64733-00-012

12. Alternative Developer Fee—New Construction Only

- Alternative developer fee collected and reportable pursuant to Regulation Section 1859.77: \$

13. Adjustment to New Construction Baseline Eligibility

- a. Classroom(s) provided:
Additional Replacement
K-6: K-6
7-8: 7-8
9-12: 9-12
Non-Severe: Non-Severe
Severe: Severe
Construction Contract(s) for the project signed on:

14. Pending Reorganization Election—New Construction Only Yes No

15. Joint-Use Facility/Leased Property

- a. Joint-Use Facility
b. Leased Property

16. Project Progress Dates

- a. Construction Contract(s) awarded on: _____ **TBD**
 (If the space provided is not sufficient for all applicable contract dates, please list all dates on a separate attachment to this form.)
- b. Notice(s) to Proceed issued on: _____ **TBD**
- c. If the Construction Contract(s) was awarded prior to January 1, 2012, have you initiated and enforced an LCP approved by the DIR pursuant to Labor Code Section 1771.7 for this project? Yes No

17. Prevailing Wage Monitoring and Enforcement Costs

If the Construction Contract(s) was or will be awarded on or after January 1, 2012, please indicate which monitoring requirements was or will be used, pursuant to Labor Code Section 1771.3:

- DIR CMU Administered**
- DIR approved District LCP
- Collective bargaining agreement, pursuant to Labor Code Section 1771.3(b)(3)

18. Construction Delivery Method

- Design-Bid-Build**
- Design-Build
- Developer Built
- Lease Lease-Back
- Energy Performance Contract
- This project includes or will include piggyback contract(s) as defined in Section 1859.2
- Other: _____

19. Career Technical Education Funds Request

Will CTE Funds be requested for classroom(s) included in the plans and specifications for this project? Yes No
 Number of CTE classroom(s): _____


20. Overcrowding Relief Grant Narrative

21. Architect of Record or Licensed Architect Certification

I certify as the architect of record for the project or as a licensed architect that:

- The P&S for this project were submitted to the OPSC by electronic medium (i.e., CD-ROM, zip disk or diskette) or as an alternative, if the request is for a modernization Grant, the P&S were submitted in hard copy to the OPSC.
- Any portion of the P&S requiring review and approval by the Division of the State Architect (DSA) were approved by the DSA on **12/14/2012** (Enter DSA approval date).
- Any portion of the P&S not requiring review and approval by the DSA meets the requirements of the California Code of Regulations, Title 24, including any handicapped access and fire code requirements.
- If the request is for a Modernization or Charter School Facility Program Rehabilitation Grant, the P&S include the demolition of more classrooms than those to be constructed in the project, the difference is **N/A** classroom(s). (Indicate N/A if there are none.)

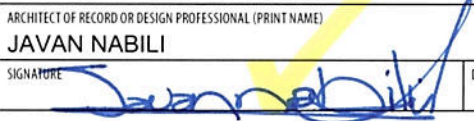
- If the request is for a Modernization or Charter School Facility Program Rehabilitation Grant, the P&S include the construction of more classrooms than those to be demolished in the project, the difference is **N/A** classroom(s). (Indicate N/A if there are none.)

ARCHITECT OF RECORD OR LICENSED ARCHITECT (PRINT NAME)
JAVAN NABILI
 SIGNATURE  DATE **4/22/2013**

22. Architect of Record or Design Professional Certification

I certify as the architect of record for the project or the appropriate design professional, that:

- If the request is for a New Construction Grant, not including the ORG, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S including deferred items (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the district's matching share, less site acquisition costs and the High Performance Base Incentive Grant. This cost estimate does not include site acquisition, planning, tests, inspection, or furniture and equipment and is available at the district for review by the OPSC.
- If the request is for a Modernization or Charter School Facility Program Rehabilitation Grant, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S, including deferred items and interim housing (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the district's matching share, less the High Performance Base Incentive Grant. This cost estimate does not include planning, tests, inspection or furniture and equipment and is available at the district for review by the OPSC.

ARCHITECT OF RECORD OR DESIGN PROFESSIONAL (PRINT NAME)
JAVAN NABILI
 SIGNATURE  DATE **4/22/2013**

23. Certification

I certify, as the District Representative, that the information reported on this form, with the exception of items 21 and 22, is true and correct and that:

- I am an authorized representative of the district as authorized by the governing board of the district; and,
- A resolution or other appropriate documentation supporting this application under Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, et. seq., of the Education Code was adopted by the school district's governing board or the designee of the Superintendent of Public Instruction on, **08/28/2012**; and,
- The district has established a "Restricted Maintenance Account" for exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Education Code Section 17070.75 and 17070.77 (refer to Sections 1859.100 through 1859.102); and,
- Pursuant to Education Code Section 17070.75, the district has made a priority of the funds in the restricted maintenance account, established pursuant to Education Code Section 17070.75, to ensure that facilities are functional and meet local hygiene standards; and,

APPLICATION FOR FUNDING SCHOOL FACILITY PROGRAM

SAB 50-04 (REV 09/12)

- The district has considered the feasibility of the joint use of land and facilities with other governmental agencies in order to minimize school facility costs; and,
- If this funding request is for the modernization of portable classrooms eligible for an additional apportionment pursuant to Education Code Section 17073.15, the district certifies that (check the applicable box below):
 - 1. The state modernization funds will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
 - 2. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional apportionment is better use of public resources than the replacement of these facilities.
- Facilities to be modernized have not been previously modernized with Lease-Purchase Program, Proposition 1A Funds or School Facility Program state funds; and,
- Facilities to be rehabilitated under the Charter School Facility Program previously funded with School Facility Program State funds meet the requirements of Section 1859.163.6; and,
- All contracts entered on or after November 4, 1998 for the service of any architect structural engineer or other design professional for any work under the project have been obtained pursuant to a competitive process that is consistent with the requirements of Chapter 10 (commencing with Section 4525) of Division 5, of Title 1, of the Government Code; and,
- If this request is for new construction funding, the district has received approval of the site and the plans from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- If this request is for modernization or Charter School Facility Program Rehabilitation funding, the district has received approval of the plans for the project from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- The district has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- This district has or will comply with Education Code Section 17076.11 regarding at least a 3 percent expenditure goal for disabled veteran business enterprises; and,
- The district matching funds required pursuant to Sections 1859.77.1 or 1859.79 has either been expended by the district, deposited in the County School Facility Fund or will be expended by the district prior to the notice of completion for the project; and,
- The district has received the necessary approval of the plans and specifications from the Division of the State Architect unless the request is for a separate site and/or design apportionment; and,
- If the district is requesting site acquisition funds as part of this application, the district has complied with Sections 1859.74 through 1859.75.1 as appropriate; and,
- With the exception of an apportionment made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 18 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105); and,
- If the apportionment for this project was made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 12 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105.1); and,
- The district understands that funds not released within 18 months of apportionment shall be rescinded and the application shall be denied (refer to Section 1859.90); and,
- The statements set forth in this application and supporting documents are true and correct to the best of my knowledge and belief; and,
- All school facilities purchased or newly constructed under the project for use by pupils who are individuals with exceptional needs, as defined in Education Code Section 56026, shall be designed and located on the school site so as to maximize interaction between those individuals with exceptional needs and other pupils as appropriate to the needs of both; and,
- This form is an exact duplicate (verbatim) of the form provided by the OPSC. In the event a conflict should exist, the language in the OPSC form will prevail; and,
- The district understands that some or all of the State funding for the project must be returned to the State as a result of an audit pursuant to Sections 1859.105, 1859.105.1, 1859.106; and,
- The district has complied with the provisions of Sections 1859.76 and 1859.79.2 and that the portion of the project funded by the State does not contain work specifically prohibited in those Sections; and,
- If the SFP grants will be used for the construction or modernization of school facilities on leased land, the district has entered into a lease agreement for the leased property that meets the requirements of Section 1859.22; and,
- If the application contains a "Use of New Construction Grant" request, the district has adopted a school board resolution and housing plan at a public hearing at a regularly scheduled meeting of the governing board on _____ as specified in Sections 1859.77.2, or 1859.77.3, as appropriate. The district's approved housing plan is as indicated (check all that apply):
 - 1. The district will construct or acquire facilities for housing the pupils with funding not otherwise available to the SFP as a district match within five years of project approval by the SAB and the district must identify the source of the funds. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
 - 2. The district will utilize higher district loading standards providing the loading standards are within the approved district's teacher contract and do not exceed 33:1 per classroom. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
 - 3. The pupils requested from a different grade level will be housed in classrooms at an existing school in the district which will have its grade level changed, to the grade level requested, at the completion of the proposed SFP project. [Applicable for Sections 1859.77.2(b) and 1859.77.3(b)]
- If the district requested additional funding for fire code requirements pursuant to Sections 1859.71.2 or 1859.78.4, the district will include the automatic fire detection/alarm system and/or automatic sprinkler system in the project prior to completion of the project; and,
- The district has consulted with the career technical advisory committee established pursuant to Education Code Section 8070 and the need for vocational and career technical facilities is being adequately met in accordance with Education Code Sections 51224, 51225.3(b), and 51228(b), and 52336.1; and,
- If the district is requesting an Additional Grant for Energy Efficiency pursuant to Sections 1859.71.3 or 1859.78.5, the increased costs for the energy efficiency components in the project exceeds the amount of funding otherwise available to the district; and,

- If this application is submitted after January 1, 2004 for modernization funding, the district has considered the potential for the presence of lead-containing materials in the modernization project and will follow all relevant federal, state, and local standards for the management of any identified lead; and,
- The district has initiated and enforced an LCP that has been approved by the DIR, pursuant to Labor Code Section 1771.7, if the project is funded from Propositions 47 or 55 and the Notice to Proceed for the construction phase of the project is issued on or after April 1, 2003 and before January 1, 2012; and,
- The district will contract or has contracted with the DIR for prevailing wage monitoring and enforcement pursuant to Labor Code Section 1771.3(a), if the construction contract is awarded on or after January 1, 2012 and the district has not obtained a waiver for the requirement, pursuant to Labor Code Section 1771.3(b). The district understands that if it fails to meet this requirement, it will be required to repay all state bond funds received including interest; and,
- Beginning with the 2005/2006 fiscal year, the district has complied with Education Code Section 17070.75(e) by establishing a facilities inspection system to ensure that each of its schools is maintained in good repair; and,
- If this application is submitted pursuant to Section 1859.180, the district certifies that within six months of occupancy of the permanent classrooms, it will remove the replaced portables from the eligible school site and K-12 grade classroom use with the exception of schools described in Education Code Section 17079.30(c); and,
- The district has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools; and,
- If the district is requesting an additional grant for high performance incentive funding, the school district governing board must have a resolution on file that demonstrates support for the high performance incentive grant request and the intent to incorporate high performance features in future facilities projects; and,
- If this application is submitted when there is Insufficient Bond Authority, the district has adopted a school board resolution pursuant to Section 1859.95.1; and,
- The district will comply with all laws pertaining to the construction or modernization of its school building.

NAME OF DISTRICT REPRESENTATIVE (PRINT) JOHNATHAN WILLIAMS	PHONE NUMBER (323) 235-6343 ext. 2607
SIGNATURE OF DISTRICT REPRESENTATIVE 	DATE 4/22/2013

SCHOOL FACILITY PROGRAM
 APPLICATION TRANSACTIONDETAIL
 Application: 54/64733-00-012

County: LOS ANGELES District: LOS ANGELES UNIFIED
 Site: ACCELERATED CHARTER ELEMENTARY

-- HOLD STATUS --
 ART: N Fin Hrdship: N State Share: 50
 PM: N Appeals: N
 PVT: N Accounting: N
 Real Estate: N Audit: N

Trans Type	Trans Sequence	Document Date	Bond Fund	Apportionment Amount	Expenditure Amount	Comment	Keyed Date	Keyed By
PRELIMIN	P	02/23/2005	055-540	11,756,256.00		Special	02/25/2005	bterry
CLAIM SC	2010520	05/10/2011	055-540		5,200,000.00		05/09/2011	cprice
CLAIM SC	2010520	05/10/2011	055-540		-5,200,000.00		05/13/2011	cprice
CLAIM SC	2010520	05/10/2011	055-540		5,855,626.00		05/13/2011	cprice
WARRANT	2010520	05/31/2011	055-540	Not applicable			06/07/2011	cdyer
WARRANT	2010520	05/31/2011	055-540	Not applicable			06/07/2011	cdyer
WARRANT	2010520	05/31/2011	055-540	Not applicable			06/07/2011	cdyer
RESO	G	05/22/2013	055-540	5,855,626.00		05/24/2013	pfelsegh	
PRELIMIN	P	05/22/2013	055-540	-11,756,256.00		05/24/2013	pfelsegh	
RESO	G	10/14/2013	047-511	2,037,192.00		10/15/2013	pfelsegh	
RESO	G	10/14/2013	055-540	13,226,297.00		10/15/2013	pfelsegh	
RESO	G	10/14/2013	055-541	18,178.00		10/15/2013	pfelsegh	
RESO	G	10/14/2013	057-700	409,377.00		10/15/2013	pfelsegh	
RESO	G	01/13/2014	047-511	-2,037,192.00		01/17/2014	ryee	
RESO	G	01/13/2014	055-540	-13,226,297.00		01/17/2014	ryee	
RESO	G	01/13/2014	055-541	-18,178.00		01/17/2014	ryee	
RESO	G	01/13/2014	057-700	-409,377.00		01/17/2014	ryee	
UNFUNDED	G	01/13/2014	123-123	Not applicable		01/17/2014	ryee	
RESO	G	08/20/2014	047-511	2,037,192.00		08/22/2014	ryee	
RESO	G	08/20/2014	055-540	13,226,297.00		08/22/2014	ryee	
RESO	G	08/20/2014	055-541	18,178.00		08/22/2014	ryee	
RESO	G	08/20/2014	057-700	409,377.00		08/22/2014	ryee	
RESO	G	11/18/2014	047-511	-2,037,192.00		12/03/2014	ryee	
RESO	G	11/18/2014	055-540	-13,226,297.00		12/03/2014	ryee	
RESO	G	11/18/2014	055-541	-18,178.00		12/03/2014	ryee	
RESO	G	11/18/2014	057-700	-409,377.00		12/03/2014	ryee	
UNFUNDED	G	11/18/2014	123-123	Not applicable		12/03/2014	ryee	
RESO	G	04/15/2015	047-511	2,037,192.00		04/17/2015	rmoy	
RESO	G	04/15/2015	055-540	13,172,565.00		04/17/2015	rmoy	
RESO	G	04/15/2015	055-541	18,178.00		04/17/2015	rmoy	
RESO	G	04/15/2015	057-700	409,377.00		04/17/2015	rmoy	
CLAIM SC	2014073	04/30/2015	047-511		22,456.00	04/30/2015	rmoy	
CLAIM SC	2014073	04/30/2015	047-511		996,140.00	04/30/2015	rmoy	
CLAIM SC	2014073	04/30/2015	047-511		265,441.00	04/30/2015	rmoy	
CLAIM SC	2014073	04/30/2015	047-511		501,200.00	04/30/2015	rmoy	
CLAIM SC	2014073	04/30/2015	047-511		251,955.00	04/30/2015	rmoy	
CLAIM SC	2014074	04/30/2015	055-540		6,053,781.00	04/30/2015	rmoy	
CLAIM SC	2014074	04/30/2015	055-540		219,358.00	04/30/2015	rmoy	
CLAIM SC	2014074	04/30/2015	055-540		265,441.00	04/30/2015	rmoy	
CLAIM SC	2014074	04/30/2015	055-540		5,878,869.00	04/30/2015	rmoy	
CLAIM SC	2014074	04/30/2015	055-540		755,116.00	04/30/2015	rmoy	
CLAIM SC	2014074	04/30/2015	055-541		9,089.00	04/30/2015	rmoy	
CLAIM SC	2014074	04/30/2015	055-541		9,089.00	04/30/2015	rmoy	
CLAIM SC	2014075	04/30/2015	057-700		409,377.00	04/30/2015	rmoy	
WARRANT	2014073	05/20/2015	047-511	Not applicable		06/03/2015	ryee	
WARRANT	2014073	05/20/2015	047-511	Not applicable		06/03/2015	ryee	
WARRANT	2014073	05/20/2015	047-511	Not applicable		06/03/2015	ryee	
WARRANT	2014073	05/20/2015	047-511	Not applicable		06/03/2015	ryee	
WARRANT	2014073	05/20/2015	047-511	Not applicable		06/03/2015	ryee	
WARRANT	2014074	05/20/2015	055-540	Not applicable		06/03/2015	ryee	
WARRANT	2014074	05/20/2015	055-540	Not applicable		06/03/2015	ryee	
WARRANT	2014074	05/20/2015	055-540	Not applicable		06/03/2015	ryee	
WARRANT	2014074	05/20/2015	055-540	Not applicable		06/03/2015	ryee	
WARRANT	2014074	05/20/2015	055-540	Not applicable		06/03/2015	ryee	
WARRANT	2014074	05/20/2015	055-541	Not applicable		06/03/2015	ryee	
WARRANT	2014074	05/20/2015	055-541	Not applicable		06/03/2015	ryee	
WARRANT	2014075	05/20/2015	057-700	Not applicable		06/03/2015	ryee	
AJ MISC		09/01/2017	047-511	-134,547.89		09/05/2017	svedanar	
A/R		09/01/2017	047-511		-134,547.89	09/05/2017	svedanar	
A/R	1718027	09/27/2017	047-511		134,547.89	OFFSET	10/21/2017	pfelsegh
R A	1718027	09/27/2017	047-511		-134,547.89	OFFSET	10/21/2017	pfelsegh
AJ MISC		12/01/2017	047-511	-10,412.53		OFFSET	05/08/2018	eagpalo
AJ MISC		01/01/2018	047-511	-36,391.23		OFFSET	05/08/2018	eagpalo
AJ MISC		03/01/2018	047-511	-18,843.35		OFFSET	05/08/2018	eagpalo
R A	1718066	03/28/2018	047-511		-135,893.37	OFFSET	03/29/2018	pfelsegh
AJ MISC		04/01/2018	047-511	-36,483.29		OFFSET	05/08/2018	eagpalo
AJ MISC		05/01/2018	047-511	-36,544.09		OFFSET	05/08/2018	eagpalo
A/R		05/01/2018	047-511		-36,544.09	OFFSET	05/08/2018	eagpalo
A/R	1718104	05/29/2018	047-511		36,544.09	OFFSET	06/03/2018	pfelsegh
R A	1718104	05/29/2018	047-511		-36,544.09	OFFSET	06/03/2018	pfelsegh
R A	0051766	06/04/2018	047-511		-71,839.32	0051796	06/06/2018	pfelsegh
CLAIM SC	0000275	06/08/2018	047-511		105,602.29	06/07/2018	suxu	

A/R	08/01/2018	047-511		-1,694.18	OFFSET	08/09/2018	eagpalo	
AJ MISC	08/01/2018	047-511	-1,694.18		OFFSET	08/09/2018	eagpalo	
R A	1819002	08/29/2018	047-511		-1,694.18	OFFSET	08/30/2018	pfelsegh
A/R	1819002	08/29/2018	047-511		1,694.18	OFFSET	08/30/2018	pfelsegh
A/R	09/01/2018	047-511		-36,607.82	OFFSET	09/07/2018	eagpalo	
AJ MISC	09/01/2018	047-511	-36,607.82		OFFSET	09/07/2018	eagpalo	
R A	1819020	09/26/2018	047-511		-36,607.82	OFFSET	09/27/2018	pfelsegh
A/R	1819020	09/26/2018	047-511		36,607.82	OFFSET	09/27/2018	pfelsegh
A/R	OFFSET	10/01/2018	047-511		-36,668.84		10/09/2018	eagpalo
AJ MISC	OFFSET	10/01/2018	047-511	-36,668.84			10/09/2018	eagpalo

21,144,744.78 21,144,744.78

LEASE-PURCHASE PROJECT NUMBER(S) : NONE

SCHOOL DISTRICT DATA

Application No: 54/64733-00-012
School District: Los Angeles Unified

County: Los Angeles
School Name: Accelerated Charter Elementary

PROJECT DATA

Type of Project: Elementary School
K-6: 350
7-8:
9-12:
Non-Severe:
Severe:
Application Filing Basis: District Wide
Number of Classrooms: 18
Master Acres: 6.9
Existing Acres: 1.4
Proposed Acres: 0.89
Recommended Acres: 7.8
Facility Hardship (a): No
Financial Hardship Requested: No
Alternative Education School: No
Addition to Existing Site: No

ADJUSTED GRANT DATA

New Construction Grant \$ 3,412,850.00
Fire Detection Alarm 3,850.00
Sprinkler System 57,400.00
High Performance (7.6%) 409,377.00
Multi-Level Constr. 18 Crs. 409,542.00
Site Acquisition 2,039,389.00
Service Site 2,107,344.00
Off-Site 275,943.00
Utilities 54,472.00
General Site 246,683.00
Urban/Security/Impacted Site 1,729,619.00
Prevailing Wage Monitoring 26,866.00
Total State Share (50%) 10,773,335.00
District Share (50%) 10,773,335.00
Total Project Cost \$ 21,546,670.00

PROJECT FINANCING

State Share
This Project \$ 10,773,335.00
Charter School Share
CSFA Lease Amount 10,773,335.00
Cash Contribution
Total Project Cost \$ 21,546,670.00

HISTORY OF PROJECT COST AND APPORTIONMENT

Table with columns: Fund Code, Proposition, Previously Authorized, Authorized This Action, State Apportionment This Action. Rows include State Share, CSFP New Construction/Add. Grant, CSFA Lease Amount, etc.

Funding Sources: Proposition 55 Bonds/2004-Mar.; Proposition 1D Bonds/2006-Nov.; Proposition 47 Bonds/2002-Nov.

Pursuant to the Board's action on December 11, 2013, the Charter School is required to submit a complete Fund Release Authorization (Form SAB 50-05) on or before March 11, 2014; otherwise, the apportionment will be rescinded without further Board action and will receive a new Unfunded Approval date of March 11, 2014.

The Form SAB 50-05 submittal must contain an original signature from a designated Charter School Representative and must be physically received by the Office of Public School Construction at 707 Third Street, West Sacramento, CA 95605 prior to the close of business on March 11, 2014.

Assembly Bill 436 (Solorio), Chapter 378, Statutes of 2011, requires school districts to notify the Department of Industrial Relations (DIR) of School Facility Program projects with a public works contract awarded on or after January 1, 2012. Except for projects exempt pursuant to Labor Code Section 1771.3(b)(3), the DIR is required to provide prevailing wage monitoring services for the projects.

The Charter School shall ensure that it is in compliance with all applicable laws, regulations and certifications it made on the program forms.

The Charter School previously received \$5,855,626 for advance design and site acquisition costs.

DY
10/2/13

Handwritten signature and date 10/7/13

HC 5/18/17

STATE OF CALIFORNIA
EXPENDITURE REPORT
SCHOOL FACILITY PROGRAM
 SAB 50-06 (REV 12/10)

STATE ALLOCATION BOARD
 OFFICE OF PUBLIC SCHOOL CONSTRUCTION

SCHOOL DISTRICT Los Angeles Unified		COUNTY Los Angeles	APPLICATION NUMBER 54/64733-00-012
BUSINESS ADDRESS/CITY 4000 South Main Street, Los Angeles, CA 90037-1022			REPORT NUMBER 4
SCHOOL NAME The Accelerated Charter Elementary School	DSA NUMBER 19-63	CDS NUMBER 64733-1966	PERIOD ENDING 5/8/17
PREPARER'S NAME (TYPED) Dale Noriyuki	PREPARER'S TITLE (TYPED) Owner's Authorized Representative	TELEPHONE NUMBER/E-MAIL ADDRESS 626-695-5625 dnoriyuki@gafcon.com	
DISTRICT REPRESENTATIVE NAME (TYPED) Johnathan Williams	DISTRICT REPRESENTATIVE TITLE (TYPED) Co-founder/CEO	TELEPHONE NUMBER/E-MAIL ADDRESS 323-235-6343 jwilliams@accelerated.org	

1. **Percent of Project Complete:** 100%
2. **Notice to Proceed Issue Date:** 03/17/15
3. **Notice of Completion Date:** _____

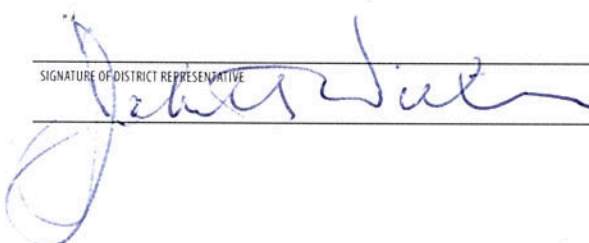
	4. Previous Report	5. Report Period	6. Total to Date
District Funds or Joint-Use Partner(s) Contribution	\$ 9,315,508	\$ 5,918,199	\$ 15,233,707
State Funds	\$ 21,492,938	\$ 0	\$ 21,492,938
Interest Earned	\$ 134,654	\$ 26,396	\$ 161,050
Project Expenditures	\$ 25,723,223	\$ 11,148,351	\$ 36,871,574

7. If applicable, list the amount of savings from this financial hardship project that will be used to reduce the grant of a future School Facility Program financial hardship project which has not yet been apportioned. Attach written declaration of savings pursuant to Section 1859.103.

Project Number _____ Amount of Savings \$ _____
 Project Number _____ Amount of Savings \$ _____

I certify, as the District Representative, that the information reported on this form is true and correct and that:

- I am designated as an authorized district representative by the governing board of the district; and,
- under penalty of perjury, under the laws of the State of California, the foregoing statements are true and correct, and that the Public Contract Code was adhered to in the construction of this project; and,
- this form is an exact duplicate (verbatim) of the form provided by Office of Public School Construction. In the event a conflict should exist, then the language in the OPSC form will prevail.

SIGNATURE OF DISTRICT REPRESENTATIVE  DATE 5/12/2017

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:					
Project Warrant Report (SAB 1844)				Project Name:							
Date	Payee	Warrant Number	Fund Code	Object Code	Site (A)	Planning (B)	Construction (C)	Testing (D)	Inspection (E)	Furn' & Equip' (F)	Description / Purpose
05/02/11	Chicago Title Company	Wired	01.0	6110	20,550.00						Initial Excrow Deposit
08/23/11	Chicago Title Company	Wired	01.0	6110	423,824.50						Purchase of Meadows Properties
08/31/11	Chicago Title Company	JE 1112-AR12	01.0	6110	(7,500.00)						Adjustment to Initial Excrow Deposit
01/31/12	Chicago Title Company	Wired	01.0	6110	50,000.00						Initial Deposit for Farmer's Purchase
04/12/12	Chicago Title Company	Wired	01.0	6110	(50,000.00)						Refund of deposit
07/20/12	Chicago Title Company	Wire	01.0	6110	3,505,115.97						Purchase 3818, 3828 & 3832 S. Main St- Farmer's Bros
10/17/13	Chicago Title Company	10038	01.0	6110	555.48						Adjustment for property tax credit
05/13/15	Chicago Title Company	10255	01.0	6110	2,000.00						Preliminary Report needed for B Permit
07/09/15	AFC Document Solutions	10297	01.0	6110	345.47						Bid set
02/07/11	LEA Associates	18646412	01.0	6120	4,000.00						Appraisal fee
04/13/11	LEA Associates	18833603	01.0	6120	6,700.00						Appraisal fees
07/11/11	LEA Associates	19041037	01.0	6120	5,600.00						Appraisal fees
07/10/12	Lidgard & Associates	10001	01.0	6120	6,350.00						Residences & 3818-3832 Property
10/15/12	LEA Associates	10028	01.0	6120	2,300.00						Appraisal 3843 & 3844 Woodlawn
04/26/12	Salazar Surveying	19701584	01.0	6135	7,600.00						Site assessment
05/18/12	Salazar Surveying	19766878	01.0	6135	3,200.00						Boundary & Top Survey, including street & alley improvements
05/18/12	California Geological Survey	19766873	01.0	6135	3,600.00						Geologic hazard Reports
03/11/11	Smith-Emery Geoservices	1030 (WF)	01.0	6140	2,500.00						Phz1 EnvironRvw re- 3833, 3843, 3847 Woodlawn
03/21/11	Smith-Emery Geoservices	1031 (WF)	01.0	6140	2,500.00						Phz1 EnvironRvw re- 3833, 3843, 3847 Woodlawn
06/10/11	Parsons Commercial	18975370	01.0	6140	3,410.00						Initial environmental support
06/14/11	Smith-Emery Geoservices	1005	01.0	6140	1,950.00						Phz1 EnvironRvw re- 3820, 3824, 3832, 3836 Main
07/20/11	Smith-Emery Geoservices	18664500	01.0	6140	975.00						Phz1 EnvironRvw re- 3820, 3824, 3832, 3836 Main
03/14/12	The Planning Center	19598479	01.0	6140	11,214.13						Professional services
04/23/12	The Planning Center	19594128	01.0	6140	55,725.63						Professional Fees - Feb2012
03/02/12	The Planning Center	19721510	01.0	6140	10,006.00						Professional Fees - Mar2012
05/18/12	Department of Toxic Substance Control	19766874	01.0	6140	14,787.50						DTSC Advance PMVT
07/20/12	The Planning Center	19895166	01.0	6140	10,162.58						Professional Fees - May2012
08/07/12	The Planning Center	10010	01.0	6140	2,119.46						Professional Fees-June 2012
09/05/12	The Planning Center	10012	01.0	6140	17,992.78						Professional Services-June 2012
09/21/12	The Planning Center	10020	01.0	6140	22,462.29						Professional services- July 2012
10/15/12	The Planning Center	18029	01.0	6140	50,023.44						Professional fees- April 2012
10/31/12	The Planning Center	10032	01.0	6140	963.75						Professiona services- September 2012

PROJECT EXPENDITURES

School District	The Accelerated School	County	Los Angeles	Project Name	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number
11/09/12	The Planning Center	01.0	6140	1,856.15		Professional services-September 2012
11/09/12	The Planning Center	01.0	6140	8,474.50		Professional services-August 2012
12/06/12	Department of Toxic Substance Controls	01.0	6140	13,182.18		Costs 7/12-9/12
01/02/13	The Planning Center	01.0	6140	521.61		Professional services- November 2012
12/27/13	Right of Way, Inc.	01.0	6140	148.90		Signs- Property closed to Public
04/03/14	Copstone	01.0	6140	589.75		Professional services- February 2014
04/30/14	Copstone	01.0	6140	3,746.50		Professional services- March 2014
06/26/15	Copstone	01.0	6140	8,057.93		Professional services through May 2015
09/25/15	Copstone	01.0	6140	4,575.00		Professional services through June 9, 2015
01/08/16	Copstone	01.0	6140	11,586.20		Professional services November 2015
04/29/16	Copstone	01.0	6140	2,602.75		Professional Services 12/15-3/16
06/27/16	Copstone	01.0	6140	706.25		Professional services- 4/1-5/31/16
06/23/11	Chicago Title Company	01.0	6160	22,500.00		Relocation costs
05/02/11	California Credit Union	01.0	6190	25.00		Wire transfer fee for Initial Deposit for Meadows property purchase
06/31/11	California Credit Union	01.0	6190	25.00		Wire transfer fee for Meadows property purchase
01/31/12	California Credit Union	01.0	6190	25.00		Wire transfer fee for Farmer's property purchase
04/23/12	Pacific Charter School Development	01.0	6190	1,000.00		Site selection fee
07/30/12	California Credit Union	01.0	6190	25.00		Wire fee- Farmer's Brothers purchase
12/03/12	CT Corp	01.0	6190	49.00		Certificate of status
02/07/13	Reliable Construction Unlimited Inc	01.0	6190	2,500.00		Board-up at 3643 & 3847 Woodlawn Ave
10/10/13	David Melfert	01.0	6190	110.09		Cost ACES brochures
12/05/13	Mile Agrine	01.0	6190	400.12		Remove trash from Woodlawn property
12/12/13	National Construction Rentals, Inc.	01.0	6190	1,581.71		Temporarily fence Woodlawn property
12/13/13	Complete Plus Heating	01.0	6190	3,500.00		Clean up and remove debris- Woodlawn property
12/27/13	David Melfert	01.0	6190	66.49		Third run of Brochures
03/07/14	David Melfert	01.0	6190	147.80		Production changes and printing
04/15/14	SWROB	01.0	6190	613.00		Notice of intent application fee
07/22/14	National Construction Rentals, Inc.	01.0	6190	1,581.71		Fence rental 5/14-12/1/14
10/29/14	David Melfert	01.0	6190	250.00		Save the Date Postcard
12/29/14	National Construction Rentals, Inc.	01.0	6190	286.10		Fence rental 12/15/14-1/11/15
01/27/15	National Construction Rentals, Inc.	01.0	6190	286.10		Fence rental 1/12-2/8/15
02/24/15	National Construction Rentals, Inc.	01.0	6190	286.10		Fence rental - 2/8-3/8/15
03/23/15	National Construction Rentals, Inc.	01.0	6190	286.10		Fence rental 3/9-4/5/15- Final bill
04/16/15	SWROB	01.0	6190	559.00		Annual Permit fee- 4/1/15-3/31/16
05/19/15	David Melfert	01.0	6190	604.00		ACES project brochures

PROJECT EXPENDITURES

School District	The Accelerated School	County	Los Angeles	Project Number	Project Name	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number
041916	SNRCS	01.0	6190	440.00	4,736.00		Annual Permit Fee-4/11/15-3/11/17
03/25/11	GKKworks	01.0	6210		8,054.00		Prof. services for CDE contingent site approval-2/11
04/21/11	GKKworks	01.0	6210		39,900.00		Services- March 2011
07/11/11	GKKworks	01.0	6210		263,062.50		Services- May 2011
04/27/12	GKKworks	01.0	6210		21,475.25		100% Design Development
05/02/12	GKKworks	01.0	6210		168,187.50		25% Complete
05/04/12	GKKworks	01.0	6210		61,823.00		50% Construction Documents
05/30/12	GKKworks	01.0	6210		162,235.00		Basic service- First component-65%
05/30/12	GKKworks	01.0	6210		131,151.97		100% - Line 450 - 50% CDs
07/20/12	GKKworks	01.0	6210		5,317.20		74.1% Construction Documents
07/20/12	GKKworks	01.0	6210		3,088.50		80%- Line 400 - CDs
07/20/12	GKKworks	01.0	6210		8,625.00		50%- Line 400 - CDs
07/20/12	GKKworks	01.0	6210		3,450.00		80%- Line 552 - School Technology/
07/20/12	GKKworks	01.0	6210		12,765.00		80%- Line 553 - Parking Technology
07/20/12	GKKworks	01.0	6210		4,381.50		80%- Line 554 - Fire Sprinkler Design
07/20/12	GKKworks	01.0	6210		129,788.00		80%- Line 555 - CNA Onsite
08/07/12	GKKworks	01.0	6210		34,925.50		80% - Line 498 - 100% CDs
09/27/12	GKKworks	01.0	6210		50,285.29		Line 400-77,745%
10/08/12	GKKworks	01.0	6210		2,100.00		400-CD-83.7044%
11/09/12	GKKworks	01.0	6210		19,384.84		200-Design-100%
01/02/13	GKKworks	01.0	6210		28,239.54		400-CD-86.0815%-851+14.50%
01/25/13	GKKworks	01.0	6210		37,187.50		851 LEED - Adjust
01/25/13	GKKworks	01.0	6210		23,428.13		300 Design
02/05/13	GKKworks	01.0	6210		890.97		400 Construction Documents
02/05/13	GKKworks	01.0	6210		2,017.50		400 Construction Document
02/05/13	GKKworks	01.0	6210		1,035.00		852 School Tech.
02/05/13	GKKworks	01.0	6210		3,404.00		853 - Parking
04/10/13	GKKworks	01.0	6210		22,124.40		854-Fire Sprinkler
04/10/13	GKKworks	01.0	6210		43,599.37		855- Acoustical
07/22/13	GKKworks	01.0	6210		26,138.69		400 Construction Docs- Parcel B
10/18/13	GKKworks	01.0	6210		64,998.00		Basic service- First component-100%
10/18/13	GKKworks	01.0	6210		39,435.48		400-Construction Docs-97.417%
11/05/13	GKKworks	01.0	6210		522.00		500-Agency Review-100%
11/05/13	GKKworks	01.0	6210		9,088.00		450 Construction Docs-100%
11/05/13	GKKworks	01.0	6210		12,879.12		851-LEED-56%
11/05/13	GKKworks	01.0	6210		1,215.00		857-FT&E-9%
11/05/13	GKKworks	01.0	6210		8,795.50		70%- Line 851- LEED
11/05/13	GKKworks	01.0	6210		7,599.00		851-LEED-82%
11/05/13	GKKworks	01.0	6210		11,308.50		851-LEED-100%
01/13/14	GKKworks	01.0	6210		33,083.71		Reimbursable Expense- LEED
03/13/14	GKKworks	01.0	6210		16,818.75		670-Bidding- 74.20% complete
04/03/14	GKKworks	01.0	6210		973.29		670- Bidding-35.00%
05/29/14	Green Building Certification Institute	01.0	6210		6,900.00		670-Bidding - 100%
05/29/14	Green Building Certification Institute	01.0	6210		4,900.00		Project ID 1000028074- LEED
05/29/14	Green Building Certification Institute	01.0	6210		5,400.00		Project ID 1000028077- LEED appeal
07/29/14	GKKworks	01.0	6210		743.75		Project # 10000028079- LEED appeal
08/08/14	GKKworks	01.0	6210		5,708.38		550- DSA approval- 10%
08/26/14	GKKworks	01.0	6210		56,380.00		Reproduction printing
08/26/14	GKKworks	01.0	6210		1,485.00		Basic Service- #2- Bid
09/29/14	GKKworks	01.0	6210		11,412.12		857- FT&E - 40%
09/29/14	GKKworks	01.0	6210		12,821.10		Re- Bidding 12%
							851 - Alley vacation/roadway easement

PROJECT EXPENDITURES

School District	The Accelerated School	County	Los Angeles	Project Number	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number	
	10231/4	GKKworks	10194	01.0	6210	1,890.00	857-F&E-59%
	10231/4	GKKworks	10194	01.0	6210	15,168.24	Re-Bidding-36%
	111/41/4	GKKworks	10199	01.0	6210	23,394.37	Re-Bidding-73%
	1208/1/4	GKKworks	10206	01.0	6210	17,064.27	Re-Bidding-100%
	0120/1/5	GKKworks	10211	01.0	6210	562.40	851-Alley Vandalon-100%
	0209/1/5	GKKworks	10214	01.0	6210	803.05	Extended CA-1%
	0209/1/5	GKKworks	10214	01.0	6210	2,961.75	700-Construction Adm.-1.10%
	03/19/1/5	GKKworks	10236	01.0	6210	1,606.10	Extended CA-3%
	03/19/1/5	GKKworks	10236	01.0	6210	4,191.87	700-Const Adm-3%
	04/14/1/5	GKKworks	10251	01.0	6210	2,409.15	Extended CA-6%
	04/14/1/5	GKKworks	10251	01.0	6210	6,413.37	700-Const Adm-6%
	0521/1/5	GKKworks	10273	01.0	6210	8,030.50	Extended CA-15%
	0521/1/5	GKKworks	10273	01.0	6210	20,297.50	Const Adm-15%
	06/17/1/5	GKKworks	10285	01.0	6210	11,163.85	Const. Adm-21.50%
	06/17/1/5	GKKworks	10285	01.0	6210	4,416.78	Extended CA-21.50%
	07/24/1/5	GKKworks	10307	01.0	6210	4,416.77	Extended CA-27%
	07/24/1/5	GKKworks	10307	01.0	6210	11,163.84	Const Adm-27%
	08/31/1/5	GKKworks	10321	01.0	6210	11,163.85	Const Adm-32.50%
	08/31/1/5	GKKworks	10321	01.0	6210	4,416.78	Extended CA-32.50%
	1008/1/5	GKKworks	10334	01.0	6210	11,163.85	Extended CA-38%
	1008/1/5	GKKworks	10334	01.0	6210	4,416.77	Extended CA-38%
	1026/1/5	GKKworks	10344	01.0	6210	11,163.85	Extended CA-43.50%
	1026/1/5	GKKworks	10344	01.0	6210	4,416.78	Const. Adm-43.50%
	11/6/1/5	GKKworks	10350	01.0	6210	11,163.85	Extended CA-49%
	11/6/1/5	GKKworks	10350	01.0	6210	4,416.77	Const. Adm-49%
	12/17/1/5	GKKworks	10361	01.0	6210	4,416.78	Extended CA-54.50%
	12/17/1/5	GKKworks	10361	01.0	6210	11,163.85	Const Adm-54.50%
	01/12/1/6	GKKworks	10370	01.0	6210	4,416.77	Extended CA-60%
	01/12/1/6	GKKworks	10370	01.0	6210	11,163.84	Const Adm-60%
	02/16/1/6	GKKworks	10381	01.0	6210	11,163.85	Extended CA-65.50%
	02/16/1/6	GKKworks	10381	01.0	6210	4,416.78	Const Adm-65.50%
	03/22/1/6	GKKworks	10390	01.0	6210	4,416.77	Extended CA-71.00%
	03/22/1/6	GKKworks	10390	01.0	6210	11,163.84	Const Adm-71%
	04/14/1/6	GKKworks	10398	01.0	6210	4,416.78	Extended CA-76.50%
	04/14/1/6	GKKworks	10398	01.0	6210	12,728.85	Const Adm-76.50%
	05/10/1/6	GKKworks	10411	01.0	6210	11,163.84	Const Adm-82%
	05/10/1/6	GKKworks	10411	01.0	6210	4,416.77	Extended CA-82%
	06/08/1/6	GKKworks	10424	01.0	6210	4,416.78	Extended CA-87.50%
	06/08/1/6	GKKworks	10424	01.0	6210	14,700.85	Const Adm-87.50%
	07/12/1/6	GKKworks	10440	01.0	6210	11,163.84	Const Adm
	07/12/1/6	GKKworks	10440	01.0	6210	4,416.77	Extended CA-93.00%
	08/17/1/6	GKKworks	10459	01.0	6210	83,298.00	Learning W&P-100%
	08/17/1/6	GKKworks	10459	01.0	6210	11,163.85	Const Adm-98.50%
	08/17/1/6	GKKworks	10459	01.0	6210	4,416.78	Extended CA-98.50%
	11/14/1/6	GKKworks	10506	01.0	6210	1,204.57	Extended CA-100%
	11/14/1/6	GKKworks	10506	01.0	6210	4,057.18	Minor Revisions-100%
	01/24/17	GKKworks	10538	01.0	6210	2,975.00	Close out-100%
	05/16/12	Division of the State	19761323	01.0	6225	100,200.00	Plan Schematic fees
	05/16/12	Division of the State	19761322	01.0	6225	400.00	HPJ Grant fee
	11/14/12	Division of the State	10040	01.0	6225	4,400.00	High Performance Incentive Grant Fee
	01/07/14	California Department of Education	10121	01.0	6230	350.00	Site review fee

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:
				Project Name:		
01/07/14	California Department of Education	01.0	6240	12500.00		Fee for review of plans and specifications
02/15/12	GEO Systems	01.0	6240	6,500.00		Geotechnical & environmental
02/23/12	GEO Systems	01.0	6240	5,500.00		Soil engineering
04/23/12	GEO Systems	01.0	6240	9,125.00		Addendum- Classroom with basement
05/02/12	GEO Systems	01.0	6240	1,750.00		Updated findings
05/30/12	GEO Systems	01.0	6240	1,750.00		Updated with subterranean parking
08/07/12	GEO Systems	01.0	6240	3,033.75		Engineering Geology
09/21/12	GEO Systems	01.0	6240	970.00		Geotechnical Engineer
11/09/12	GEO Systems	01.0	6240	4,740.00		Soil tests
12/05/12	GEO Systems	01.0	6240	442.50		Addendum costs
12/05/12	URS Corporation	01.0	6240	6,735.23		Professional fees through 10/19/12
12/05/12	URS Corporation	01.0	6240	3.00		Correction
01/02/13	GEO Systems	01.0	6240	225.00		Copy of GS12-0107
01/24/13	URS Corporation	01.0	6240	527.85		Professional services through 12/14/12
03/29/13	Citywide Environmental Services, Inc.	01.0	6240	3,658.75		ERM Survey
06/05/13	URS Corporation	01.0	6240	2,173.98		Professional services through 2/15/13
08/06/13	URS Corporation	01.0	6240	1,003.00		Professional services through 3/15/13
08/08/13	Citywide Environmental Services, Inc.	01.0	6240	4,753.75		Professional services 2/5-3/15/13
11/12/13	Citywide Environmental Services, Inc.	01.0	6240	3,956.80		ERM survey
03/13/14	Citywide Environmental Services, Inc.	01.0	6240	3,070.00		Abatement specification preparation
01/31/11	School Facility Consultants	01.0	6250	195.00		Professional services- December 2010
02/24/11	School Facility Consultants	01.0	6250	1,272.50		Professional services- January 2011
03/24/11	School Facility Consultants	01.0	6250	3,307.50		Professional services- February 2011
04/28/11	School Facility Consultants	01.0	6250	5,783.75		Professional services- March 2011
05/25/11	School Facility Consultants	01.0	6250	5,743.75		Professional services- April 2011
05/15/11	GAFCON	01.0	6250	1,287.00		Professional services- April 2011
06/29/11	School Facility Consultants	01.0	6250	1,072.50		Professional services- May 2011
07/11/11	GAFCON	01.0	6250	3,404.50		Professional services- May 2011
07/27/11	School Facility Consultants	01.0	6250	682.50		Professional services- June 2011
08/10/11	GAFCON	01.0	6250	5,650.42		Prof. services- June 2011
08/19/11	Federal Express	01.0	6250	91.83		Shipping charges for documents
08/19/11	Wells Fargo - CC - Reimbursable	01.0	6250	199.00		Notary Fee
08/25/11	School Facility Consultants	01.0	6250	1,657.50		Professional services- July 2011
09/08/11	GAFCON	01.0	6250	7,655.50		Professional services- July 2011
09/25/11	Food Management Associates	01.0	6250	200.00		Review equipment plans
09/29/11	GAFCON	01.0	6250	1,602.00		Professional services- August 2011
09/29/11	School Facility Consultants	01.0	6250	195.00		Professional services- August 2011
10/05/11	Wells Fargo - CC - Reimbursable	01.0	6250	21.50		Logfile

PROJECT EXPENDITURES

School District	The Accelerated School	County	Los Angeles	Project Number	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number
10/31/11	School Facility Consultants	01.0	6250	1,218.75		Professional services- September 2011
11/18/11	GAFCON	01.0	6250	10,046.00		Professional services- September 2011
11/18/11	Food Management Associates	01.0	6250	480.00		Kitchen layout
11/20/11	School Facility Consultants	01.0	6250	438.75		Professional services- October 2011
12/07/11	GAFCON	01.0	6250	5,552.50		Professional services- October 2011
01/17/12	GAFCON	01.0	6250	6,230.73		Professional services- November 2011
01/19/12	School Facility Consultants	01.0	6250	292.50		Professional services- November 2011
01/23/12	Best Best & Kreigher	01.0	6250	1,655.55		Prepare construction documents
02/06/12	Best Best & Kreigher	01.0	6250	2,754.50		Prepare construction documents
02/06/12	GAFCON	01.0	6250	11,595.07		Professional services- December 2011
02/15/12	Food Management Associates	01.0	6250	523.62		New layout and equipment needs
02/23/12	Best Best & Kreigher	01.0	6250	1,998.00		Construction documents
02/23/12	School Facility Consultants	01.0	6250	2,047.50		Professional services- January 2012
03/08/12	GAFCON	01.0	6250	13,535.99		Professional services- January 2012
03/19/12	Food Management Associates	01.0	6250	174.94		Work with G/K on layout of Galleria
03/23/12	School Facility Consultants	01.0	6250	3,120.00		Professional services- February 2012
04/10/12	Best Best & Kreigher	01.0	6250	2,793.00		Construction documents
04/10/12	GAFCON	01.0	6250	15,078.45		Professional services- February 2012
05/02/12	School Facility Consultants	01.0	6250	2,681.25		Professional services- March 2012
05/21/12	City of Los Angeles - BOE	01.0	6250	10,700.00		Alley Vacation 100%
05/30/12	Best Best & Kreigher	01.0	6250	627.00		Prepare construction documents
05/30/12	School Facility Consultants	01.0	6250	2,242.50		Professional service- April 2012
06/06/12	GAFCON	01.0	6250	30,398.71		Professional services- April 2012
06/11/12	Engineering Economics, Inc.	01.0	6250	5,662.50		Fundamental-10%-Enhanced-35%
06/25/12	School Facility Consultants	01.0	6250	5,841.25		Professional services- May 2012
07/20/12	GAFCON	01.0	6250	23,643.91		Professional services- May
07/25/12	School Facility Consultants	01.0	6250	3,995.25		Professional services- June
07/25/12	City of LA- LADOT	01.0	6250	1,910.00		Permit fee
07/27/12	City of Los Angeles - BOE	01.0	6250	10,000.00		B Permit deposit
08/07/12	Susan Dunn	01.0	6250	5,000.00		July & August 2012
08/07/12	GAFCON	01.0	6250	13,551.71		Professional services- June 2012
08/07/12	The McElwee Group	01.0	6250	9,000.00		Consulting services July & August 2012
09/11/12	Daily Journal	01.0	6250	1,980.71		Public notice- LA Opinion & Daily News
09/18/12	County of LA- Dept of Public Health	01.0	6250	1,380.00		Plan check application fee
09/19/12	The McElwee Group	01.0	6250	4,500.00		Consulting- September 2012
09/20/12	Secretary of State	01.0	6250	10.00		Business Entity-HRC order
09/21/12	Susan Dunn	01.0	6250	3,000.42		Consulting services- September 2012
09/21/12	GAFCON	01.0	6250	10,909.42		Professional services- July 2012
10/03/12	LAUSD	01.0	6250	10,000.00		Zoning exemption application fee

PROJECT EXPENDITURES

School District	The Accelerated School	County	Los Angeles	Project Number	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number
1008/12	GAFCON	01.0	6250	19,451.09		Professional services- September 2012
1008/12	School Facility Consultants	01.0	6250	2,095.25		Professional services- August 2012
1008/12	Cobli Technologies, Inc.	01.0	6250	1,000.00		Annual web fees-5/12/12-13
10/19/12	Susan Dunn	01.0	6250	3,000.00		Consulting services- October 2012
10/19/12	The McElwee Group	01.0	6250	4,500.00		Consulting- October 2012
11/02/12	Federal Express	01.0	6250	26.37		Shipping charges
11/02/12	The McElwee Group	01.0	6250	4,500.00		Consulting- November 2012
11/09/12	Susan Dunn	01.0	6250	3,000.00		Consulting services- November 2012
12/06/12	The McElwee Group	01.0	6250	4,500.00		Consulting- December 2012
12/06/12	School Facility Consultants	01.0	6250	1,590.00		Professional services- October 2012
12/10/12	Susan Dunn	01.0	6250	3,000.00		Consulting services- December 2012
12/26/12	Federal Express	01.0	6250	32.83		Shipping charges
01/02/13	School Facility Consultants	01.0	6250	3,647.50		Professional services- November 2012
01/02/13	Engineering Economics, Inc.	01.0	6250	2,620.00		Enhanced-75%- thru 11/16/12
01/02/13	GAFCON	01.0	6250	4,270.44		Professional services- October 2012
01/08/13	School Facility Consultants	01.0	6250	3,480.00		Professional services- September 2012
01/14/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- January 2013
01/14/13	The McElwee Group	01.0	6250	4,500.00		Consulting- January 2013
01/24/13	Wells Fargo - CC - Reimbursable	01.0	6250	527.86		Professional services through 12/14/12
01/24/13	Wells Fargo - CC - Reimbursable	01.0	6250	(527.86)		Wrong vendor posted
01/25/13	Federal Express	01.0	6250	28.15		School Facility Consultants
02/07/13	The McElwee Group	01.0	6250	4,500.00		Consulting- February 2013
02/11/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- February 2013
03/13/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- March 2013
03/13/13	Best Best & Kreigher	01.0	6250	319.00		Legal services- January 2013
03/13/13	The McElwee Group	01.0	6250	4,500.00		Consulting- March 2013
04/10/13	GAFCON	01.0	6250	11,265.00		Professional services- December 2012
04/10/13	School Facility Consultants	01.0	6250	4,442.50		Professional services- December 2012
04/16/13	The McElwee Group	01.0	6250	4,500.00		Consulting- April 2013
04/19/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- April 2013
04/24/13	Federal Express	01.0	6250	30.86		Charges- School Facility
05/16/13	The McElwee Group	01.0	6250	4,500.00		Consulting- May 2013
05/20/13	Susan Dunn	01.0	6250	3,000.00		Consulting Services- May 2013
05/23/13	Cobli Technologies, Inc.	01.0	6250	1,000.00		Web server fee
06/17/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- June 2013
06/17/13	The McElwee Group	01.0	6250	4,500.00		Consulting- June 2013
06/27/13	Federal Express	01.0	6250	30.03		Charges-Office of Public School Construction
07/18/13	City of Los Angeles - BOE	01.0	6250	6,000.00		Additional B permit fee
07/18/13	The McElwee Group	01.0	6250	4,500.00		Consulting- July 2013

PROJECT EXPENDITURES

School District	The Accelerated School	County	Los Angeles	Project Number	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number
08/15/13	The McElwee Group	01.0	6250	4,500.00		Consulting- August 2013
08/15/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- July 2013
08/23/13	School Facility Consultants	01.0	6250	2,681.25		Professional services- March 2013
08/23/13	GAFCON	01.0	6250	10,050.50		Professional services- January 2013
09/10/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- August 2013
10/02/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- September 2013
10/03/13	City of LA- LADOT	01.0	6250	508.00		Permit fee
10/10/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- October 2013
10/11/13	The McElwee Group	01.0	6250	9,000.00		Consulting- September 2013
10/18/13	GAFCON	01.0	6250	17,242.53		Professional services-February 2013
10/18/13	School Facility Consultants	01.0	6250	8,825.00		Professional services- April 2013
11/05/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- November 2013
11/05/13	School Facility Consultants	01.0	6250	48.75		Professional Services- September 2013
11/05/13	The McElwee Group	01.0	6250	4,500.00		Consulting- November 2013
11/15/13	Collaborative for High Performance Schools	01.0	6250	1,250.00		CHPS verified project registration fee
12/12/13	Susan Dunn	01.0	6250	3,000.00		Consulting services- December 2013
12/13/13	GAFCON	01.0	6250	3,115.50		Professional services- October 2013
12/13/13	The McElwee Group	01.0	6250	4,500.00		Consulting- December 2013
12/13/13	School Facility Consultants	01.0	6250	975.00		Professional services- October 2013
12/13/13	Best Best & Kreigher	01.0	6250	2,021.70		Construction documents
12/19/13	City of Los Angeles- Bureau of Street Lighting	01.0	6250	120.00		Plan check- ACES
12/27/13	Federal Express	01.0	6250	30.31		Changes- Wells Fargo
01/07/14	Susan Dunn	01.0	6250	3,000.00		Consulting services- January 2014
01/15/14	GAFCON	01.0	6250	8,193.00		Professional services- November 2013
01/15/14	School Facility Consultants	01.0	6250	350.00		Professional services- November 2013
01/16/14	The McElwee Group	01.0	6250	4,500.00		Consulting- January 2014
01/27/14	Atkinson, Andelson, Lyra, Roud & Romo	01.0	6250	8,434.13		Review construction documents
01/31/14	GAFCON	01.0	6250	10,190.78		Professional services- December 2013
01/31/14	School Facility Consultants	01.0	6250	1,170.00		Professional services- December 2013
02/05/14	Susan Dunn	01.0	6250	3,000.00		Consulting services- February 2014
02/05/14	The McElwee Group	01.0	6250	4,500.00		Consulting- February 2014
03/05/14	Best Best & Kreigher	01.0	6250	322.30		Construction documents- December 2013
03/12/14	Susan Dunn	01.0	6250	3,000.00		Consulting services- March 2014
03/12/14	Atkinson, Andelson, Lyra, Roud & Romo	01.0	6250	212.63		Review of construction documents
03/13/14	GAFCON	01.0	6250	16,775.99		Professional services- January 2014
03/13/14	School Facility Consultants	01.0	6250	1,503.75		Professional Services- January 2014
03/13/14	The McElwee Group	01.0	6250	4,500.00		Consulting- March 2014
03/31/14	GAFCON	01.0	6250	4,485.00		Professional services- February 2014

PROJECT EXPENDITURES

School District	The Accelerated School	County	Los Angeles	Project Number	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number
04/03/14	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	1,488.38		Professional services- February 2014
04/03/14	School Facility	01.0	6250	180.00		Professional services- February 2014
04/10/14	Consultants	01.0	6250	3,000.00		Consulting services- April 2014
04/14/14	Cobi Technologies, Inc.	01.0	6250	1,050.00		Web server fee
04/14/14	The McElwee Group	01.0	6250	4,500.00		Consulting- April 2014
04/30/14	School Facility	01.0	6250	465.00		Professional services- March 2014
04/30/14	Consultants	01.0	6250	9,355.50		Professional services- March 2014
05/06/14	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250			
05/06/14	Incompt, Inc	01.0	6250	1,490.00		Storm Water prevention program
05/12/14	Susan Dunn	01.0	6250	3,000.00		Consulting services- May 2014
05/12/14	The McElwee Group	01.0	6250	4,500.00		Consulting- May 2014
06/06/14	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	4,039.88		Professional services- April 2014
06/06/14	Susan Dunn	01.0	6250	3,000.00		Consulting services- June 2014
06/06/14	The McElwee Group	01.0	6250	4,500.00		Consulting- June 2014
06/30/14	Federal Express	01.0	6250	27.34		Charges- School Facility Consultants
06/30/14	GAFCON	01.0	6250	1,257.31		Professional services- March 2014
06/30/14	School Facility	01.0	6250	45.00		Professional services- April 2014
07/16/14	Consultants	01.0	6250	3,000.00		Consulting services- July 2014
07/25/14	Susan Dunn	01.0	6250	4,500.00		Consulting- July 2014
07/25/14	The McElwee Group	01.0	6250	921.38		Professional services- June 2014
07/29/14	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	180.00		Professional services- June 2014
07/29/14	School Facility	01.0	6250	3,000.00		Consulting services- August 2014
08/08/14	Consultants	01.0	6250	1,780.00		Fundamental -15%
08/08/14	Susan Dunn	01.0	6250	2,430.00		Professional services- June 2014
08/08/14	Engineering Economics, Inc.	01.0	6250	4,500.00		Consulting- August 2014
08/08/14	GAFCON	01.0	6250	212.63		Professional services- May 2014
08/15/14	The McElwee Group	01.0	6250	9,528.75		Professional services- July 2014
08/15/14	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	3,000.00		Consulting services- September 2014
08/25/14	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	607.50		Professional services- May 2014
09/10/14	Susan Dunn	01.0	6250	9,428.95		Professional services- July 2014
09/10/14	School Facility	01.0	6250	4,500.00		Consulting- September 2014
09/10/14	Consultants	01.0	6250	2,485.75		Professional services- August 2014
09/29/14	The McElwee Group	01.0	6250	11,243.14		Professional services- August 2014
09/29/14	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	4,500.00		Consulting- October 2014
10/07/14	GAFCON	01.0	6250	821.25		Professional services- August 2014
10/08/14	School Facility	01.0	6250			

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:
10/14/14	Susan Dunn	01.0	6250	3,000.00		Consulting services- October 2014
10/23/14	Atkinson, Andelson, Loya, Ruid & Remo	01.0	6250	2,197.13		Professional services- September 2014
10/23/14	GAFCON	01.0	6250	9,443.15		Professional services- September 2014
11/10/14	Susan Dunn	01.0	6250	3,000.00		Consulting services- November 2014
11/10/14	School Facility Consultants	01.0	6250	180.00		Professional services- September 2014
11/10/14	The McElwee Group	01.0	6250	4,500.00		Consulting- November 2014
12/02/14	GAFCON	01.0	6250	13,244.54		Professional services- October 2014
12/02/14	School Facility Consultants	01.0	6250	3,265.00		Professional services- October 2014
12/09/14	Atkinson, Andelson, Loya, Ruid & Remo	01.0	6250	10,702.13		Professional services- October 2014
12/09/14	Susan Dunn	01.0	6250	3,000.00		Consulting services- December 2014
12/09/14	Engineering Economics, Inc.	01.0	6250	327.50		Enhanced- 80% thru 11/21/14
12/09/14	GAFCON	01.0	6250	3,315.00		Professional services- November 2014
12/23/14	Atkinson, Andelson, Loya, Ruid & Remo	01.0	6250	2,480.63		Professional services- December 2014
01/07/15	Susan Dunn	01.0	6250	3,000.00		Consulting Services- January 2015
01/07/15	The McElwee Group	01.0	6250	9,000.00		Consulting Dec. 2014 & Jan. 2015
01/27/15	GAFCON	01.0	6250	3,408.00		Professional services- December 2014
02/09/15	Susan Dunn	01.0	6250	3,000.00		Consulting Services- February 2015
02/09/15	The McElwee Group	01.0	6250	4,500.00		Consulting- February 2015
02/19/15	Atkinson, Andelson, Loya, Ruid & Remo	01.0	6250	5,103.00		Professional services- January 2015
02/19/15	GAFCON	01.0	6250	9,840.00		Professional services- January 2015
02/19/15	School Facility Consultants	01.0	6250	630.00		Professional services- December 2014
03/06/15	Susan Dunn	01.0	6250	3,000.00		Consulting services- March 2015
03/16/15	The McElwee Group	01.0	6250	4,500.00		Consulting- March 2015
03/19/15	Atkinson, Andelson, Loya, Ruid & Remo	01.0	6250	7,654.50		Professional services- February 2015
03/19/15	GAFCON	01.0	6250	4,448.75		Professional services- February 2015
03/19/15	School Facility Consultants	01.0	6250	2,516.25		Professional services- February 2015
03/19/15	School Facility Consultants	01.0	6250	496.00		Professional Services- January 2015
03/26/15	City of Los Angeles - BOE	01.0	6250	545.00		Bond posting fee
04/06/15	Susan Dunn	01.0	6250	3,000.00		Consulting services- April 2015
04/06/15	The McElwee Group	01.0	6250	4,500.00		Consulting- April 2015
04/07/15	MTB EVENT RENTALS	01.0	6250	160.00		Stage rental for groundbreaking
04/10/15	Wells Fargo - CC - Reimbursable	01.0	6250	892.75		Remote control
04/28/15	Atkinson, Andelson, Loya, Ruid & Remo	01.0	6250	1,346.33		Professional services- March 2015
04/28/15	GAFCON	01.0	6250	20,376.40		Professional services- March 2015
04/28/15	Leibert Cassidy Whitmore	01.0	6250	4,408.00		Bridge Loan review

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:
				Project Name:		
04/28/15	School Facility Consultants Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	390.00		Professional services- March 2015
04/28/15		01.0	6250	0.30		Additional amount
05/08/15	Susan Dunn PR Newswire Association	01.0	6250	3,000.00		Consulting services- May 2015
05/08/15	City of Los Angeles - BOE	01.0	6250	350.00		Groundbreaking news release
05/13/15	City of Los Angeles - BOE Cobbi Technologies, Inc.	01.0	6250	30,000.00		Estimated inspection fee
05/13/15	Daily Journal City of Los Angeles - BOE	01.0	6250	1,050.00		Web Server 5/25/15-5/24/16
05/14/15	The McElwee Group	01.0	6250	450.00		LAUSD Board resolution notice
05/19/15	GAFCON Susan Dunn Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	4,500.00		Fee - Vacation
05/21/15	GAFCON	01.0	6250	31,785.54		Consulting- May 2015
06/05/15	Susan Dunn	01.0	6250	3,000.00		Professional services- April 2015
06/05/15	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	4,039.88		Consulting services- June 2015
06/10/15	The McElwee Group	01.0	6250	4,500.00		Professional services- April 2015
06/10/15	Wells Fargo - CC - Reimbursable	01.0	6250	157.50		Consulting- June 2015
06/16/15	Incomptl, Inc	01.0	6250	600.00		Notary - B Permit
06/17/15	School Facility Consultants	01.0	6250	1,290.00		May SWPPS
06/26/15	School Facility Consultants	01.0	6250	675.00		Professional services- April 2015
06/26/15	Consultants	01.0	6250	23,091.16		Professional services - May 2015
07/09/15	GAFCON	01.0	6250	600.00		Professional services- May 2015
07/22/15	Incomptl, Inc	01.0	6250	600.00		June 2015- SWPPS
07/22/15	School Facility Consultants	01.0	6250	90.00		April 2015-SWPPS
07/22/15	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	637.88		Professional services- June 2015
07/24/15	GAFCON	01.0	6250	19,554.05		Professional services- May 2015
08/31/15	GAFCON	01.0	6250	26,627.74		Professional services- June 2015
09/18/15	Incomptl, Inc	01.0	6250	600.00		Professional Services- July 2015
09/25/15	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	2,409.75		July 2015-SWPPS
10/08/15	GAFCON	01.0	6250	24,508.12		Professional services- June 2015
10/13/15	Incomptl, Inc	01.0	6250	600.00		Professional services- August 2015
10/16/15	Incomptl, Inc	01.0	6250	600.00		August 2015- SWPPS
10/21/15	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	3,179.25		September 2015- SWPPS
10/28/15	Collaborative for High Performance Schools	01.0	6250	1,900.00		Professional services- September 2015
10/28/15	GAFCON	01.0	6250	27,916.24		Design Review Fee
11/19/15	Incomptl, Inc	01.0	6250	600.00		Professional services- September 2015
11/19/15	GAFCON	01.0	6250	30,084.99		October 2015-SWPPS
12/02/15	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6250	2,409.75		Professional services- October 2015
12/17/15	GAFCON	01.0	6250	22,328.08		Professional services- November 2015

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:
				Project Name:		
12/28/15	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6290	365.17		Professional services- November 2015
01/08/16	Engineering Economics, Inc.	01.0	6290	1,780.00		Fundamental- 20%
01/08/16	Incomprl, Inc	01.0	6290	600.00		December 2015-SWPPS
01/27/16	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6290	850.50		Professional services- December 2015
01/27/16	GAFCON	01.0	6290	21,505.62		Professional services- December 2015
02/09/16	Incomprl, Inc	01.0	6290	600.00		January 2016-SWPPS
02/12/16	Engineering Economics, Inc.	01.0	6290	327.50		Enhanced -85%
02/25/16	GAFCON	01.0	6290	26,204.77		Professional services- January 2016
02/25/16	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6290	921.38		Professional services- January 2016
03/09/16	Incomprl, Inc	01.0	6290	600.00		November 2015-SWPPS
03/22/16	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6290	496.13		Professional services- February 2016
03/22/16	GAFCON	01.0	6290	26,596.99		Professional services- February 2016
03/29/16	Incomprl, Inc	01.0	6290	600.00		February 2016-SWPPS
03/31/16	City of Los Angeles - BOE	01.0	6290	13,644.26		Alley Vacation
04/14/16	Incomprl, Inc	01.0	6290	600.00		March 2016-SWPPS
04/25/16	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6290	2,551.50		Professional Services- March 2016
04/29/16	GAFCON	01.0	6290	30,574.35		Professional Services- March 2016
05/03/16	Cable Technologies, Inc.	01.0	6290	1,050.00		Web Server 5/29/15-5/24/17
05/03/16	Incomprl, Inc	01.0	6290	600.00		April 2016-SWPPS
05/11/16	Engineering Economics, Inc.	01.0	6290	8,102.50		Fundamental- 40%
05/25/16	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6290	567.00		Professional services- April 2016
05/25/16	GAFCON	01.0	6290	27,151.95		Professional Services- April 2016
05/15/16	Incomprl, Inc	01.0	6290	600.00		May 2016-SWPPS
05/15/16	City of Los Angeles - BOE	01.0	6290	18,900.00		Sewer Facility charge
05/27/16	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6290	2,480.63		Professional services- May 2016
05/27/16	GAFCON	01.0	6290	27,145.28		Professional services- May 2016
05/29/16	City of Los Angeles - BOE	01.0	6290	1,388.94		Connection charge and permit
07/07/16	City of LA- LADOT	01.0	6290	965.00		Street Vacation
07/13/16	Incomprl, Inc	01.0	6290	600.00		June 2016-SWPPS
07/28/16	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6290	303.30		Professional services- June 2016
07/28/16	Engineering Economics, Inc.	01.0	6290	1,780.00		Fundamental- 45%
07/29/16	School Facility Consultants	01.0	6290	288.75		Professional Services- June 2016
08/02/16	GAFCON	01.0	6290	29,590.00		Professional Services- June 2016
08/17/16	Incomprl, Inc	01.0	6290	600.00		July 2016-SWPPS
08/22/16	Atkinson, Andelson, Loya, Ruid & Romo	01.0	6290	1,204.88		Professional Services- July 2016

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:
				Project Name:		(ACES-New)
08/31/16	GAFCOON	01.0	6250	23,659.95		Professional Services- July 2016
09/14/16	Engineering	01.0	6250	5,695.00		Fundamental-60%
10/06/16	Economics, Inc. School Facility Consultants	01.0	6250	90.00		Professional services- August 2016
10/25/16	Engineering	01.0	6250	2,492.00		Fundamental-68%
11/01/16	Economics, Inc. Atkinson, Andelson, Loya, Ruid & Remo	01.0	6250	8,951.70		Professional services- August 2016
11/01/16	GAFCOON	01.0	6250	55,424.65		Professional services- August 2016
11/01/16	Incompl, Inc	01.0	6250	1,200.00		September 2016, SWPPS
11/08/16	Engineering	01.0	6250	1,424.00		Fundamental- 72%
11/16/16	Economics, Inc. Incompl, Inc	01.0	6250	600.00		October 2016- SWPPS
12/01/16	GAFCOON	01.0	6250	21,737.59		Professional services- October 2016
12/12/16	Engineering	01.0	6250	1,698.00		Fundamental- 75%
12/29/16	GAFCOON	01.0	6250	22,859.50		Professional Services- November 2016
01/31/17	GAFCOON	01.0	6250	13,981.10		Professional Services- December 2016
02/23/17	Incompl, Inc	01.0	6250	1,200.00		November 2016- SWPPS
03/31/17	Engineering	01.0	6250	3,204.00		Fundamental- 84%
03/08/17	Economics, Inc. Atkinson, Andelson, Loya, Ruid & Remo	01.0	6250	2,622.38		Professional services- January 2017
04/20/17	Atkinson, Andelson, Loya, Ruid & Remo	01.0	6250	141.75		Professional services- February 2017
04/20/17	GAFCOON	01.0	6250	8,698.97		Professional services- February 2017
02/26/15	Pinet Construction	01.0	6270	14,897.10		1/15/2015
02/26/15	Pinet Construction	01.0	6270	134,073.90		1/15/2015
06/06/15	Pinet Construction	01.0	6270	505,780.20		April 2015
06/06/15	Pinet Construction	01.0	6270	56,197.80		April 2015
06/26/15	Pinet Construction	01.0	6270	125,092.05		May 2015
06/26/15	Pinet Construction	01.0	6270	1,125,891.45		May 2015
07/24/15	Pinet Construction	01.0	6270	1,029,202.09		June 2015
07/24/15	Pinet Construction	01.0	6270	114,356.56		June 2015
08/13/15	Pinet Construction	01.0	6270	151,428.81		July 2015
08/13/15	Pinet Construction	01.0	6270	1,362,893.25		July 2015
09/18/15	Pinet Construction	01.0	6270	1,112,495.09		August 2015
09/18/15	Pinet Construction	01.0	6270	123,610.56		August 2015
10/13/15	Pinet Construction	01.0	6270	96,294.53		September 2015
10/13/15	Pinet Construction	01.0	6270	866,650.82		September 2015
11/30/15	Pinet Construction	01.0	6270	1,784,053.03		October 2015
11/30/15	Pinet Construction-Change order	01.0	6270	53,474.42		October 2015
11/30/15	Pinet Construction	01.0	6270	168,228.12		October 2015
11/30/15	Pinet Construction-Change order	01.0	6270	5,941.60		October 2015
12/17/15	Pinet Construction	01.0	6270	123,990.30		November 2015
02/12/16	Pinet Construction	01.0	6270	1,115,912.74		November 2015
02/12/16	Pinet Construction	01.0	6270	1,517,368.67		December 2015
02/25/16	Pinet Construction	01.0	6270	175,263.18		December 2015
02/25/16	Pinet Construction	01.0	6270	101,141.00		January 2016
03/31/16	Pinet Construction-Change order	01.0	6270	910,268.04		January 2016
03/31/16	Pinet Construction	01.0	6270	66,045.76		February 2016
03/31/16	Pinet Construction	01.0	6270	1,955,650.87		February 2016

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:
04/20/17	J&J Fence	01.0	6276	6,600.00		
03/10/15	Hill Grand Management	01.0	6276	2,500.00		Deposit- Perforated Tuff Grid Fence Deposit- Applied to parking rent 11/11-12/10/15
03/10/15	Bakewell Bundy Investment LLC	01.0	6276	1,016.13		Rent- 3/11-3/31/15
03/10/15	Bakewell Bundy Investment LLC	01.0	6276	3,000.00		Deposit- Rent
03/11/15	Hill Grand Management	01.0	6276	2,500.00		Rent- 3/11-4/10/15
03/25/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- April
03/26/15	Hill Grand Management	01.0	6276	2,500.00		Rent- 4/11-5/10/15
04/23/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- May
05/04/15	Hill Grand Management	01.0	6276	2,500.00		Rent-5/11-6/10/15
06/03/15	Hill Grand Management	01.0	6276	2,500.00		Rent- 6/11-7/10/15
06/11/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- June
06/23/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- July
07/09/15	Hill Grand Management	01.0	6276	2,500.00		Rent- 7/11-8/10/15
07/24/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- August
08/05/15	Hill Grand Management	01.0	6276	2,500.00		Rent- 8/11-9/10/15
08/05/15	Tito Montes Garage Doors & Gates	01.0	6276	195.00		Repair gate switch
08/24/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- September
09/03/15	HARD Property LLC	01.0	6276	2,500.00		Parking
09/23/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent_ October
10/06/15	HARD Property LLC	01.0	6276	2,500.00		Parking
10/21/15	Visa Ford	01.0	6276	36,847.54		Var- Shuttle Employees
10/26/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- November
11/16/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- December
12/23/15	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- January
01/25/16	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent - February
02/25/16	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- March
03/24/16	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- April
04/23/16	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- May
05/25/16	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- June
06/27/16	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Rent- July
09/20/16	Bakewell Bundy Investment LLC	01.0	6276	1,500.00		Additional month rent- October 2016
05/18/15	Smith-Emery Geo Services	01.0	6280	12,563.13		Deposit- UST removal
06/26/15	Smith-Emery Geo Services	01.0	6280	5,900.00		Environmental sampling

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:
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07/29/15	Smith-Emery Laboratories	01.0	6290		2,259.92	Professional services- May 2015
07/22/15	Smith-Emery Laboratories	01.0	6290		22,799.94	Professional services- June 2015
08/31/15	Smith-Emery Laboratories	01.0	6290		43,283.23	Professional services- July 2015
10/09/15	Smith-Emery Laboratories	01.0	6290		13,671.70	Professional services- August 2015
11/20/15	Smith-Emery Laboratories	01.0	6290		91,018.05	Professional services- October 2015
01/12/16	Smith-Emery Gas Services	01.0	6290		24,408.12	Additional services- UST testing
05/31/16	Smith-Emery Laboratories	01.0	6290		356,957.11	Professional Services- December 2015
09/01/16	Smith-Emery Laboratories	01.0	6290		119,976.95	Professional services- May 2016
09/14/16	Smith-Emery Laboratories	01.0	6290		28,354.05	Professional services- July 2016
12/02/16	Smith-Emery Laboratories	01.0	6290	56,098.94		Professional services- September 2016
05/11/15	Wells Fargo CC- Other	01.0	6290		429.92	External HD- Dock- Monitor- LAUSD Inspector
06/10/15	Wells Fargo CC- Other	01.0	6290		371.53	HP printer
06/16/15	Cusiel Environmental Services Inc.	01.0	6290		22,075.80	Services 3/17-5/1/15
07/24/15	Office Depot	01.0	6290	34.15		Supplies
08/13/15	Office Depot	01.0	6290	21.79		Business Card holder
04/14/16	Quill Corporation	01.0	4400		196.38	4 PC Youth Sealing
04/14/16	Wells Fargo CC- FFAE	01.0	4400		217.89	10- Keyboard & Mouse
05/17/16	Wells Fargo CC- FFAE	01.0	4400		2,771.90	CLASSROOM CARPETS
05/31/16	The Chandler Company	01.0	4400		19,483.63	Deposit on planters
05/08/16	Wells Fargo CC- FFAE	01.0	4400		1,538.66	HP- 10 computer monitors
06/15/16	LightSpeed Systems Corporation	01.0	4400		15,307.00	Content filtering- Servers
06/29/16	Wells Fargo CC- FFAE	01.0	4400		1,526.89	Best Buy- 10 HP M201dw printers
06/29/16	Quill Corporation	01.0	4400		179.74	10 Logitech wireless keyboards & mouse
07/12/16	Wells Fargo CC- FFAE	01.0	4400		893.52	American Floor Mats- 40 Warning entrance mats
07/13/16	Wells Fargo CC- FFAE	01.0	4400		1,155.97	Digital Buyer- Shredder
07/29/16	Belson Outdoor, LLC	01.0	4400		21,516.56	52 benches and tables
08/02/16	Wells Fargo CC- FFAE	01.0	4400		3,051.78	Best Buy- 10 HP LaserJet Pro m201dw
08/02/16	Wells Fargo CC- FFAE	01.0	4400		599.11	Walmart- 22 Samsung DVD players
08/02/16	Wells Fargo CC- FFAE	01.0	4400		57.49	Best Buy- Amazon Fire
08/02/16	Wells Fargo CC- FFAE	01.0	4400		141.69	Amazon Echo
08/02/16	Wells Fargo CC- FFAE	01.0	4400		65.39	Best Buy- CD Boombox
08/15/16	The Chandler Company	01.0	4400		19,483.63	Balance of payment for planters
08/25/16	PEVO, Inc.	01.0	4400		642.06	7 document cameras
08/31/16	Supplies	01.0	4400		1,221.47	28 Qt trash cans-(60) Lids 55 gallon-(6)- doll/-(6)-32 gal container(12)

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:
09/07/16	Wells Fargo CC- FF&E	01.0	4400	10470		1,324.15 Staples- 18 sets tables and chairs
09/07/16	Wells Fargo CC- FF&E	01.0	4400	10471		329.17 Best Buy- HP LaserJet MFP M477FNW
09/20/16	Wells Fargo CC- FF&E	01.0	4400	10477		1,780.00 SQ Movers- Move from ACES 2 to new school site
09/23/16	Dell Marketing L.P. FF&E	01.0	4400	10478		19,404.33 30- Dell Latitude 3470
09/30/16	APS USA Laminating Supplies	01.0	4400	10479		3,853.08 Laminator, cart, cutter set and storage
10/06/16	Discount Two-Way Radio Corp.	01.0	4400	10480		4,737.58 24- BR200 Radios
10/18/16	CDW Government Inc.	01.0	4400	10484		96,688.32 385- ACER C740 Chromebooks
10/18/16	School Outfitters	01.0	4400	10485		587.70 Horizontal Butcher paper rack
10/18/16	Staples	01.0	4400	10486		2,429.75 12- 32 gallon dome lid
10/25/16	Wells Fargo CC- FF&E	01.0	4400	10489		2,274.14 Global Industries- barricades, pallet jack and hand trucks
11/01/16	Pac-Van Inc	01.0	4400	10496		7,488.30 2 Storage combiners
11/01/16	Staples	01.0	4400	10497		1,024.97 60- Wastepaper baskets- 12- 32 gallon containers- 14- brass obly
11/01/16	ACP, LLC	01.0	4400	10491		2,745.00 3000- Fuzzy fee chair glides
11/08/16	Wells Fargo CC- FF&E	01.0	4400	10504		1,534.75 Amazon- 10 Kindles
11/08/16	Herz Furniture	01.0	4400	10499		86,280.43 Furniture
11/08/16	School Outfitters	01.0	4400	10500		26,936.08 21- Lateral file cabinets
11/08/16	Viroo Inc.	01.0	4400	10501		39,597.91 Furniture
11/08/16	Wells Fargo CC- FF&E	01.0	4400	10502		401.09 Storage PICO rental for equipment
11/14/16	Office Team	01.0	4400	10508		1,155.38 Labor setup computer carts
11/14/16	Supplies	01.0	4400	10509		49,672.95 Furniture
11/16/16	CCI	01.0	4400	10512		4,358.50 Movers-Setup Furniture
11/21/16	Wells Fargo CC- FF&E	01.0	4400	10514		1,275.47 Home Depot- 2 Refrigerators
11/28/16	PC & Mac Exchange	01.0	4400	10515		31,312.43 23- 40 bay computer carts
12/01/16	ACP, LLC	01.0	4400	10516		955.00 1000- Fuzzy Feet
12/01/16	CCI	01.0	4400	10517		1,317.00 Moving- cleanup
12/02/16	CDW Government, Inc.	01.0	4400	10519		9,817.50 305- Chrome licenses
12/07/16	CCI	01.0	4400	10521		295.00 Setup equipment and furniture
12/12/16	Wells Fargo CC- FF&E	01.0	4400	10524		358.51 American Floor Mats- 8 Walking entrance mats
12/12/16	Wells Fargo CC- FF&E	01.0	4400	10525		308.46 Amazon- HP LaserJet Pro MFP M426fdw
12/12/16	Wells Fargo CC- FF&E	01.0	4400	10528		430.41 Best Buy- 3 Kindles
12/16/16	Diamond Technologies Inc.	01.0	4400	10531		1,829.66 Consultations
12/16/16	FEDEx - Furniture School Outfitters	01.0	4400	10532		80.25 Urigate delivery- Furniture
12/29/16	Dell Marketing L.P.	01.0	4400	10534		431.38 Storage fees- Furniture
01/11/17	Wells Fargo CC- FF&E	01.0	4400	10537		3,695.40 9 OptiFlex 3020M desktop computers
01/27/17	AAA SOLAR ELECTRIC INC.	01.0	4400	10543		1,088.91 Dewalt Honda GX350
02/09/17	Wells Fargo CC- FF&E	01.0	4400	10546		5,884.02 31 Access Points
03/23/17	FEAR Interior Woodworks, Inc	01.0	4400	10555		854.77 Zetech- HON 34000 desk
04/06/17	ACP Direct	01.0	4400	10557		521.21 25 Staples
08/05/12	Gigamon	01.0	6400	10312		2,842.13 Labomic Headphones 105,402.93 HP 5406R Switch- (8) HP 2530 Ethernet switches

PROJECT EXPENDITURES

School District:	The Accelerated School	County:	Los Angeles	Project Number:	Accelerated Charter Elementary School - New Construction (ACES-New)	Report Number:					
				Project Name:							
09/24/15	Gigamon	01.0	6400			36,728.09					
11/04/15	Quinton Systems Inc	01.0	6400			HP DL-380, Seac Wall, Trip Lite Smart memory, HP-1M sourcing and home					
11/06/15	Quinton Systems Inc	01.0	6400			16,215.25 Eligible materials for ERATE- Cabling					
12/28/15	Coper Headquarters Inc.	01.0	6400			3,514.09 Structure cable materials					
05/25/16	Intelli-Flex Communications	01.0	6400			29,859.93 Sharp copiers					
06/22/16	Quinton Systems Inc	01.0	6400			9,958.48 Pre fund deposit					
07/19/16	Standarmon.com	01.0	6400			11,967.95 Charge Order- Cabling					
08/25/16	CDW Government Inc.	01.0	6400			3,970.05 21 Tabletop pedestals					
09/01/16	Quinton Systems Inc	01.0	6400			100,240.32 23-AP-70 Interactive Boards					
10/18/16	Wells Fargo-Capitalized	01.0	6400			5,545.80 Labor for cabling					
10/25/16	Wells Fargo-Capitalized	01.0	6400			1,372.71 Amazon- 14 HDMI cables- Interactive Boards					
11/08/16	Wells Fargo-Capitalized	01.0	6400			9,912.35 Gadget- Scissor lift					
11/08/16	Wells Fargo-Capitalized	01.0	6400			492.24 Amazon-21- Quikhold safety straps- Interactive board					
11/14/16	Intelli-Flex Communications	01.0	6400			690.27 Amazon- 7 HDMI cables- Interactive board					
12/12/16	Wells Fargo-Capitalized	01.0	6400			9,276.68 Avaya IP Office phone system					
12/12/16	Wells Fargo-Capitalized	01.0	6400			169.41 Amazon- 5 USB cables- 1 8-Port Rack mount- Server					
12/29/16	Dell Marketing L.P.- Capitalized	01.0	6400			272.39 Staples- 10 MK520 wireless keyboards- Interactive boards					
01/24/17	Quinton Systems Inc	01.0	6400			9,443.75 23 Dell OptiFlex desktop computers					
03/01/17	Intelli-Flex Communications	01.0	6400			53,064.01 CCTV Cameras					
03/31/17	Intelli-Flex Communications	01.0	6400			3,977.52 Telephone project completion					
						1,241.27 SIP call routing					
						Total Project Costs:					
				Totals	4,294,229.02	3,785,157.28	27,090,887.24	777,220.54	22,933.19	921,146.36	36,671,573.63