Prospective Market Value
Development Rights at Angel Stadium of Anaheim
Volume 1 & 2
As of October 16, 2016
Prepared For
THE CITY OF ANAHEIM
Report Prepared April 2014
April 16, 2014

Mr. Tom Morton  
Executive Director  
Convention, Sports & Entertainment  
City of Anaheim  
800 W. Katella Avenue  
Anaheim, CA 92802

Re: Property Valuation Services  
Prospective Value of Development Rights at Angel Stadium of Anaheim  
Valued as of October 16, 2016

Dear Mr. Morton:

Pursuant to your request and authorization, we have completed our analysis and valuation of the Development Rights at the above-referenced property. The purpose of this analysis is to estimate the prospective market values appropriate for the Development Rights at Angel Stadium of Anaheim under each of two premises of value: 1) as if the Angel Stadium of Anaheim continues to be used for Major League Baseball play under the terms of a new or renewed lease (our “continued stadium use” premise), and 2) as if baseball operations terminate and the Angel Stadium of Anaheim is no longer available for Major League Baseball play (our “redevelopment” premise).

In this valuation, the Development Rights under the continued stadium use premise should be considered as the fee simple interest in the approximately 154 acre stadium site, subject to the obligations of (a) the stadium use of an approximate 20 acre stadium footprint and (b) the on-going parking needs of the Angel Stadium of Anaheim and other existing users of surface parking on the site. In our redevelopment premise analysis, the Development Rights consist of the fee simple interest in the 154 acre site subject to the on-going parking needs of other existing users, but without consideration of the stadium and its parking needs (because baseball operations are assumed to have ceased). This appraisal is being prepared in order to value the Development Rights incidental to the on-going negotiations between the City of Anaheim and Angels Baseball LP for an extension, renewal or new lease agreement covering the use of Angel Stadium of Anaheim. The intended users of this appraisal are the City of Anaheim, the members of its City Council and its negotiations team.

Our valuation date is prospective, at October 16, 2016. This is the earliest date of termination of the existing lease for Angel Stadium of Anaheim. You should note that under our continued stadium use premise, this appraisal does not value Angel Stadium of Anaheim, either the building improvements or the land beneath the stadium. Waronzof has not valued either the interest of the City of Anaheim or the tenant, Angels Baseball LP, in the existing lease agreement, or under any presently proposed terms and conditions. Under the redevelopment premise, the stadium site is included in the land area associated with the Development Rights, because baseball operations are presumed to have ceased.

The following summary report describes the investigation and analysis of market data leading to our conclusions of market value of the Development Rights. Our analysis and valuation methodology has included the use of the Land Residual Analysis Approach to Value and the Direct Sales Comparison Approach. Pursuant to the requirements of the Appraisal Foundation for summary valuation reports, the attached report includes descriptions of the Subject property, community and our valuation analysis. In preparing this
report, standard appraisal techniques have been used in conformity with the guidelines of the Uniform Standards of Professional Appraisal Practice as promulgated by The Appraisal Foundation.

We direct your attention to the Introduction, Property Description and Market Analysis sections of the attached appraisal report. It is your responsibility to read this report and to inform the appraiser of any errors or omissions of which you are aware prior to utilizing this report or making it available to any third party. Our valuation analysis relies on both hypothetical conditions and extraordinary assumptions. Please refer to the Introduction section of the report for a disclosure of these important assumptions.

Based upon our investigation and analysis, we have formed the opinion that the prospective market value of the fee simple Development Rights at Angel Stadium of Anaheim, under our continuing stadium use premise and under our redevelopment premise - as of October 16, 2016 – and incorporating hypothetical conditions and extraordinary assumptions about the property and the Development Rights, is:

**Continued Stadium Use Premise – Fee Simple Interest**

TWO HUNDRED & FORTY FIVE MILLION DOLLARS

$245,000,000

**Redevelopment Premise – Fee Simple Interest**

THREE HUNDRED AND TWENTY FIVE MILLION DOLLARS

$325,000,000

At your request, subsequent to the transmittal of our initial draft appraisal report, we have also valued the property and Development Rights under the assumption that the manner of conveyance is a long-term ground lease, and not a deed. Thus the property interest valued is properly referred to as a leasehold interest, and may also be referred to as a possessory interest. We have concluded that the value of the Development Rights will be affected if the manner of conveyance is via a long-term lease, versus via a deed (which conveys a fee simple interest).

Based upon this investigation and analysis, we have formed the opinion that the prospective market value of the leasehold or possessory interest in Development Rights at Angel Stadium of Anaheim, under our continuing stadium use premise and under our redevelopment premise - as of October 16, 2016 – and incorporating hypothetical conditions and extraordinary assumptions about the property and the Development Rights, is:

**Continued Stadium Use Premise – Leasehold Interest**

TWO HUNDRED & TWENTY FIVE MILLION DOLLARS

$225,000,000
Redevelopment Premise – Leasehold Interest

THREE HUNDRED MILLION DOLLARS

$300,000,000

The following report sets forth the identification of the property evaluated, property rights appraised, limiting conditions and assumptions of this analysis and report, pertinent facts about the Subject property, community area and current market conditions, an analysis of comparable property transactions, and the analysis of this data leading to the conclusions of value stated. Following this transmittal letter is an Executive Summary that briefly describes the findings of this analysis. Please note that this appraisal analysis does not consider or reflect, in any way, the costs (if any) associated with the material renovation and modernization of Angel Stadium of Anaheim.

Thank you for allowing us the opportunity to complete this interesting and challenging appraisal assignment for you. Please contact Timothy Lowe, MAI, CRE, FRICS at (310) 322-7744 with any questions or comments concerning this report.

Respectfully submitted,
EXECUTIVE SUMMARY

Location: 2000 Gene Autry Way
Anaheim, CA

Subject Property: APN: 232-011-041 and others

Property Owner: City of Anaheim

Principal Tenant: Angels Baseball LP

Property Rights Appraised: Fee Simple Interest and Leasehold Interest

Date of Value: October 16, 2016

Hypothetical Conditions: Yes. See page 12 of Introduction Section

Extraordinary Assumptions: Yes. See page 12 of Introduction Section

Highest and Best Use:
- As vacant: Mixed use development
- As improved: Mixed use development

Site Description:
- Land area: 154.61 acres
- Zoning: PTMU, City of Anaheim

Property Improvements: Angel Stadium of Anaheim; the Grove of Anaheim

Premises of Valuation: Continuing Stadium Use & Redevelopment

Valuation Analysis

Valuation Premise: Continuing Stadium Use

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<th>Fee Simple Interest</th>
<th>Redevelopment</th>
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</thead>
<tbody>
<tr>
<td>Land Residual Analysis:</td>
<td>$248,000,000</td>
</tr>
<tr>
<td>Sales Comparison Approach:</td>
<td>$241,600,000</td>
</tr>
</tbody>
</table>

Value Conclusion: $245,000,000 $325,000,000

Valuation Premise: Redevelopment

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<tr>
<th>Leasehold Interest</th>
<th>Leasehold Interest</th>
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<td>Value Conclusion:</td>
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| $300,000,000       |
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INTRODUCTION

The Subject property consists of approximately 153 acres of land that surrounds and contains Angel Stadium of Anaheim (the “Stadium”), as shown below in the accompanying aerial photograph. This land area consists of four identified parcels on land maps prepared in 2006 that are the source of our area estimates. Angel Stadium of Anaheim, located in the center of the parcels, contains an estimated 19.60 acres. The surrounding approximately 133 acres of land consists almost exclusively of surface parking and circulation for the Stadium, and also contains the City National Grove of Anaheim, an entertainment venue, and a heavy rail transit station serving Amtrak and Metrolink.

Subject Site

Located along the western boundary of the Subject property is an office building located on a fee simple pad site, and along the northern boundary of the parcel is an Amtrak rail station; both the office building and the Amtrak station use surface parking within the Subject property. The site presently provides an estimated 14,985 surface parking spaces. Under the terms of their existing lease for the Stadium, the tenant,
Continued Stadium Use Premise and Redevelopment Premise

Angels Baseball LP, is guaranteed 12,500 parking spaces for baseball events. Notably, the leased premises are the Stadium only, and not its parking field. The Stadium uses surface parking under rights granted in the Stadium lease, but the parking field is not actually part of the leased premises.

Under the entitlements identified in Anaheim’s Platinum Triangle Specific Plan, the “Stadium Parcel”, comprising our Subject property and the ground-leased office building site, are entitled for substantial mixed-use density as shown below:

Entitled for 5,175 dwelling units, 3,125,000 sf of office development and 3,120,368 sf of commercial space, the Specific Plan envisions the conversion of surface parking on the Subject property to structured parking and a high CBD-like density. Residential development, in particular, has resumed in the Platinum Triangle over the past two years, following a significant slowdown associated with the U.S. financial crisis and recession that occurred in 2008-2010.
Continued Stadium Use Premise and Redevelopment Premise

In 2013, discussions commenced between the City of Anaheim and Angels Baseball LP, the tenant under the Stadium lease, for lease extension or renewal. Angels Baseball LP operates a professional baseball team, The Los Angeles Angels of Anaheim, which is a Major League Baseball franchise. Under the terms of the existing lease agreement, Angels Baseball LP had an option to terminate the Stadium lease no earlier than October 15, 2016 and no later than October 15, 2017. The termination date of the existing lease, barring early termination, is December 31, 2029. By mutual agreement, the lease was amended in September 2013 to extend this termination right to the period beginning October 17, 2016 and ending October 16, 2019.

This lease amendment was related to the commencement of negotiations for a lease extension for the Stadium as described in a September 2013 Non-binding Memorandum of Understanding (the “MOU”). The MOU provided that Angels Baseball LP would waive its termination rights and agree to play baseball at the Stadium through 2057, and proposed a number of other modifications to the existing lease agreement. Significantly, under the non-binding MOU, Angels Baseball LP assumed the responsibility to “maintain, repair and provide capital upgrades for the Baseball Stadium to a standard to be agreed upon by the parties during negotiations on the Extended Lease, at ABLP’s expense.”

A second, non-binding MOU was also presented at that time, which provided for a ground lease of the Stadium District (effectively the parking field) to another affiliate of Angels Baseball LP, an entity called Pacific Coast Investors, LLC. Under the terms of this second non-binding MOU, Pacific Coast Investors, LLC would lease the Stadium District land for $1/year for a term of 66 years, under which the “Developer” (Pacific Coast Investors, LLC or its assigns) would “have full discretion and control of, and all rights to develop, improve, or otherwise alter the Stadium District, subject to existing entitlements and applicable law.”

Incidental to these on-going negotiations between the City of Anaheim and Angels Baseball LP, the City Council directed city staff to obtain an appraisal of the land covered by the second MOU to assist the Council, staff and negotiations team in better understanding the value of this land and the implications of parking obligations on property value. Because the Stadium District land is encumbered with a surface parking obligation (until such time as surface parking is converted to structured parking) the rights to the land after (or subject to) this conversion are commonly referred to as the “development rights”.

This appraisal analysis and accompanying report has been prepared under the direction of Tom Morton, Executive Director, Convention, Sports & Entertainment, City of Anaheim to address the request of the City Council for such an appraisal.
Continued Stadium Use Premise and Redevelopment Premise

More specifically, the appraisal assignment was scoped to include two value estimates:

1) a valuation of the Development Rights assuming renewal, extension or a new lease between the City and Angels Baseball LP which provides for long term play by the baseball team, and

2) a valuation of the Development Rights assuming the lease was not extended or renewed and that MLB baseball operations at Angel Stadium of Anaheim ceased (presumptively, a relocation by the baseball team to another city or stadium).

We refer to these two different scenarios as the “continued stadium use premise” and the “redevelopment premise”. In each case, the fee simple and leasehold property interest was valued, presuming that either a fee simple interest or a leasehold would be conveyed via a deed to real property.

Initially, the valuation date set by the scope of work was the last day of the recently-amended termination right, on or about October 16, 2019. This valuation date was subsequently changed by instruction from the City from the last day of the termination right to the first day of the termination right, on or about October 16, 2016. Additionally, the conditions of the assignment were amended to include the extraordinary assumption that the parking requirement of the Stadium would continue to be 12,500 spaces.

Subsequent to our transmittal of our initial draft report, we were requested to add value opinions for a long-term ground lease interest transaction (commonly called a “leasehold interest” or a “possessory interest”). In such a transaction, the Development Rights would be conveyed via a long-term ground lease. Because we concluded that there would be a material difference in the value of the Development Rights were a leasehold interest conveyed instead of a fee simple interest, we were asked to include value estimates assuming conveyance of the Development Rights via a long-term ground lease. We emphasize here, however, that our inclusion of a leasehold value does not mean or require that this interest be conveyed solely to Angels Baseball LP or its affiliate, Pacific Coast Investors, LLC. It simply means that the manner of conveyance of the Development Rights to any prospective buyer is via a long-term ground lease (i.e. a leasehold interest), instead of via a deed to real property (i.e. a fee simple interest).

Finally, we remind the reader that this appraisal does not include or consider the cost, if any, associated with the renovation or modification of Angel Stadium of Anaheim. Neither the cost of such renovations nor the financial responsibility for those expenditures are considered in this appraisal analysis and report.
Continued Stadium Use Premise and Redevelopment Premise

The Appraisal Analysis and Report

This analysis and report is presented in a summary format and has been organized into several sections. These sections include an Introduction, which contains background information regarding the Subject property and definitions used in the appraisal; the Property Description section, which contains descriptions of the Subject property; the Market Analysis section, which includes information regarding current market conditions; a brief discussion of the Highest and Best Use of the property and finally our Property Valuation analysis sections, which contain the methodology and valuation analyses used in this assignment. The reader should note that the pages of the appraisal report, in the upper right hand corner, note whether the report narrative is describing or valuing the property under one or the other premise of value. Descriptive portions of the appraisal that apply to both conditions are so noted.

Scope of the Valuation

Waronzof’s scope of work in this assignment has been determined based upon our consideration of:

<table>
<thead>
<tr>
<th>Scope of Work Assignment Elements</th>
<th>Appraiser Response</th>
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<tr>
<td>i) the client and any other intended user</td>
<td>The City of Anaheim, its City Council, and lease negotiations team.</td>
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<tr>
<td>ii) the intended use of the appraiser’s opinions and conclusions</td>
<td>To assist the City of Anaheim and its negotiations team in understanding the value of the Development Rights which may be conveyed to stadium tenant, Angels Baseball LP, incidental to the extension, renewal or new long term lease of Angel Stadium of Anaheim.</td>
</tr>
<tr>
<td>iii) the type and definition of market value</td>
<td>Prospective market value, in exchange, as of a future date.</td>
</tr>
<tr>
<td>iv) the effective date of the appraiser’s opinions and conclusions</td>
<td>October 16, 2016</td>
</tr>
<tr>
<td>v) the subject of the assignment and its relevant characteristics</td>
<td>The land surrounding Angel Stadium of Anaheim presently used by the stadium and others for surface parking, now entitled for residential and commercial development under the Platinum Triangle Specific Plan. This land is effectively burdened by the requirement to convert surface parking to structured parking in order to create development sites that are entitled under the Specific Plan. This analysis refers to the fee simple interest and the leasehold in the land, subject to these parking obligations, as the “Development Rights at Angel Stadium of Anaheim.”</td>
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</table>
continued stadium use premise and redevelopment premise

vi) assignment conditions

The Development Rights are valued under the continued stadium use and redevelopment premise to reflect the possible outcomes of successful or unsuccessful lease negotiations. Unsuccessful negotiations are presumed – in this appraisal only – to culminate in the relocation of the Los Angeles Angels of Anaheim, an affiliate of Angels Baseball LP.

Both hypothetical conditions and extraordinary assumptions are incorporated into this appraisal analysis.

Waronzof’s scope of work is then a reflection of the above assignment elements and our response to these elements.

Our scope of work has included the following:

• We inspected the neighborhood surrounding the Subject property to identify development trends and to identify the character of existing development.

• We inspected the Subject property to evaluate its history, physical characteristics and linkages to surrounding properties and the nearby community.

• We consulted with various knowledgeable market sources and used published information to assess present market conditions influencing similar properties in this market.

• We retained subject matter experts to assist us in the analysis and evaluation of residential (owner-occupied) housing and retail development conditions, as well as to assist in the evaluation of comparable land sales for our Sales Comparison Approach analysis.

• Field research was performed to identify sales (and current offerings) and leases (and current offerings) of improved properties, and to identify sales (and current offerings) of vacant land in the Subject’s market area. Where possible, each of the comparable sales was confirmed with the seller, the buyer or the broker, and inspected by a member of the appraisal team.

• We obtained a variety of information about market rental rates and residential prices in the Subject’s market area, as well as land development and building construction cost information for our land residual analysis.

• We consulted several sources of investor rate of return requirements for comparable investments. These rates were analyzed to develop
Continued Stadium Use Premise and Redevelopment Premise

the discount rate that was used to convert forecast residual cash flows into a value indication in our Land Residual Analysis.

We believe that our valuation analysis provides a credible and reliable estimate of market value and that our scope of work is both sufficient and clearly described. No relevant approach to value has been excluded. It is our intention that this valuation report conforms to USPAP standards as described for a summary appraisal report. Timothy R. Lowe, MAI, CRE, FRICS, complies with the competency provisions of USPAP as a consequence of his formal education, real estate appraisal education and training, and prior experience in the valuation and analysis of like and similar properties.

Identification of the Development Rights

The Development Rights are associated with several parcels of land comprising 154.61 acre located at Angel Stadium of Anaheim and comprising what is commonly referred to as the “Stadium Parcel”.

The address of the stadium is 2000 Gene Autry Way, Anaheim, CA 92806.

History & Ownership of the Property

No past transactions in the last five years have been reported.

Angels Baseball LP (and its predecessors) have been the tenant at Anaheim Stadium since its’ opening in 1966.

Purpose of the Valuation

The purpose of this analysis is to estimate the prospective market values appropriate for the Development Rights at Angel Stadium of Anaheim under each of two premises of value: 1) as if the Angel Stadium of Anaheim continues to be used for Major League Baseball play under the terms of a new or renewed lease (our “continued stadium use” premise), and 2) as if baseball operations terminate and the Angel Stadium of Anaheim is no longer available for Major League Baseball play (our “redevelopment” premise). Our valuation analysis includes an assumed conveyance of the Development Rights via a deed (i.e. a fee simple interest) and via a long-term ground lease (i.e. a leasehold interest).

Intended Users

This appraisal is being prepared in order to value the Development Rights incidental to the on-going negotiations between the City of Anaheim and Angels Baseball LP for an extension, renewal or new lease


**Continued Stadium Use Premise and Redevelopment Premise**

agreement covering the use of Angel Stadium of Anaheim. The intended users of this appraisal are the City of Anaheim, the members of its City Council and its negotiations team.

**Prior Service**

Waronzof has not valued the Subject property or the Development Rights at Angel Stadium of Anaheim at any time in the past. Waronzof has not provided any other form of consulting or property analysis services regarding this property or these Development Rights at time in the past, to any party.

**Relevant Dates**

**Effective Date of the Valuation Analysis**

October 16, 2016

**Property Inspection Date(s)**

The property was inspected on January 15, 2014 and on subsequent dates.

**Report Preparation Period**

January - April 2014

**Property Rights Valued**

*Fee Simple Interest*, subject to specific limitations associated with surface parking for Angel Stadium of Anaheim and other users, as well as use limitations.

*Leasehold Interest*, subject to specific limitations associated with surface parking for Angel Stadium of Anaheim and other users, as well as use limitations.
Definitions

Market Value

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.
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 sale1.

Limiting Conditions & Assumptions

1. The title to the Subject property is assumed to be marketable, and the Subject property is assumed to be free and clear of all liens and encumbrances.
2. No liability is assumed for matters that are legal or environmental in nature.
3. Ownership and management are assumed to be in competent and responsible hands.
4. No architectural or engineering study, property survey, soil study, or environmental investigation has been made, and no liability is assumed in connection with such matters. The described physical condition of any improvements is based on visual inspection only, and it is assumed that there are no hidden or unapparent physical conditions affecting value. Dimensions and areas supplied by others, or based upon field measurements, are subject to survey by qualified professional surveyors or architects.

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1 Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C - Appraisals, 34.42 Definitions [f]
Continued Stadium Use Premise and Redevelopment Premise

5. Any improvements are assumed to be in accordance with local zoning and building ordinances as well as all applicable federal, state, and local laws and regulations, except as noted. Any plans, diagrams or drawings provided are intended solely to facilitate understanding and are not meant to be used as reference in matters of survey. The legal description furnished should be verified with the aid of competent legal counsel.

6. The valuation will be prepared for the specific objective stated and shall not be used for any other purposes without the written permission of Waronzof Associates.

7. The signatories shall not be required to give further consultation or testimony, or appear in court or at any public hearing with reference to the property appraised, unless prior arrangements have been made by the Client with Waronzof Associates.

8. Unless otherwise stated, no responsibility is assumed for any damages sustained in connection with actual or potential deficiencies or hazards such as, but not limited to, inadequacies or defects in the structure, design, mechanical equipment or utility services associated with the improvements, air or water pollution, noise, flooding, storms or wind, traffic and other neighborhood hazards, radon gas, asbestos, natural or artificial radiation, or hazardous materials or toxic substances of any description, whether on or off the property appraised.

9. This report is intended to be read and used as a whole and not in parts. Separation of any section or page from the main body of the report is expressly forbidden and invalidates the report.

10. Any projections of future rents, expenses, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, yield rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of the appraisers. They represent only the judgment of the authors as to the assumptions likely to be used by purchasers and sellers active in the market place, and their accuracy is in no way guaranteed.

11. It is assumed that all necessary licenses, agreements, etc. remain in full force and effect in order to continue the operations of the Subject property as a going concern throughout the financial analysis period of this appraisal, unless otherwise noted.

12. Possession of this report does not carry with it the right of publication. It shall be used for its intended purpose only and by the parties to whom it is addressed. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the author. This applies particularly to value conclusions, the identity of the appraiser or firm with which
Continued Stadium Use Premise and Redevelopment Premise

it is connected, and any reference to the Appraisal Institute or MAI designation.

13. Property values are influenced by a large number of external factors. The information contained in the report comprises the pertinent data considered necessary to support the value estimate. We have not knowingly withheld any pertinent facts, but we do not guarantee that we have knowledge of all factors that might influence the value of the Subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the effective date of the appraisal.

14. The appraisers reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available.

15. The date of value to which the conclusions and opinions expressed in this report apply is set forth in the letter of transmittal and the appraisal document. In this prospective appraisal, the dollar amount of any value opinion rendered in this report is based upon the purchase power of the U.S. dollar existing on that prospective valuation date.

16. This appraisal report or valuation shall not be used in any matters pertaining to any real estate or other securities offering, registration, or exemption with any state or with the federal Securities and Exchange Commission.

17. If this report is placed in the hands of anyone other than the Client, the Client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way to be responsible for any cost incurred to discover or correct any deficiencies of any type present in the Subject property, physically, financially, and/or legally. The Client also agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenancy or any other part), Client will hold appraiser completely harmless from and against any liability, loss, cost or expense incurred or suffered by appraiser in such action, regardless of its outcome.

18. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
Special Assumptions & Conditions

**Hypothetical Conditions** – “that which is contrary to what exists but is supposed for purposes of the analysis”. The following conditions constitute hypothetical conditions of this appraisal:

- The existing Stadium lease is assumed to have ended as of the valuation date, having been either replaced by a new agreement (i.e. *continued stadium use premise*) or not replaced by any agreement (i.e. *redevelopment premise*).

- Certain lease reservations now in force are presumed not to continue, including those reservations for a fireworks protection or safety area, protection of viewshed from seats within the Stadium, use of surface parking for long-term storage, including dirt and/or turf, and other less frequent uses of the surface parking area for baseball, event and third-party use.

**Extraordinary Assumptions** – “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions”.

- Continuation of 12,500 spaces of surface and/or structured parking for the use of the Stadium for baseball events.

- Completion of ARC streetcar project by the end of 2019.

- Use of parking management district to coordinate parking and parking rates throughout the developed or redeveloped mixed-use development (Angels Baseball LP loses control of parking spaces but for the guaranty of parking spaces for baseball and event use, and retains a participation in parking profits equivalent to surface parking).

- Designation or eligibility of the Stadium District property as a transit oriented district, thereby affecting parking ratios and other on-site and district-wide parking requirements.

- Eligibility and formation of a new community facilities district to fund the capital construction cost of shared structured parking facilities on the Subject property and on-going maintenance and repairs for existing and new surface parking lots.

- Eligibility and formation of a new community facilities district to fund the capital construction cost of eligible infrastructure within the Subject property.

- Material renovation and modernization of Angel Stadium of Anaheim in character with recent generation MLB stadiums across the United States (*continued stadium use premise only*). The cost of such material renovation and modernization of Angel Stadium of Anaheim is not included or considered in this appraisal analysis and report.

- Modification of Existing Sportstown CC&R’s: As necessary, to conform to the appraiser’s conclusions of highest and best use (no material conflicts are anticipated).

Waronzof’s prospective estimate of market value is expressed in the context of these hypothetical conditions and transaction terms.
Certification of the Appraiser

The undersigned hereby certifies, except as otherwise noted in this report, that to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal unbiased professional analyses, opinions, and conclusions. No matters affecting the value conclusion have been knowingly withheld or omitted.

This report sets forth all of the limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analyses, opinions and conclusions contained in this report.

I have no present or prospective interest in the Subject property, and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report, including a minimum value, specific value or loan approval.

My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

At no time in the past has Timothy R. Lowe, MAI, CRE, FRICS performed an appraisal of the property that is the subject of this appraisal report, nor has he provided any form of consulting service on the property that is the subject of this appraisal report.

As of the date of this report, Timothy R. Lowe, MAI has completed the requirements of the continuing education program of the Appraisal Institute.

Mr. Lowe has inspected the Subject property.

I acknowledge the significant professional assistance of the following individuals: Brian Gross, Waronzof Associates, John Shumway, The Concord Group, Inc. (Newport Beach), Greg Stoffel, Stoffel & Associates (Irvine) and Karen Davidson, MAI, and Alana McKeag, Davidson Associates (Yorba Linda).

This appraisal report summarizes the investigation, analysis, and conclusions of Waronzof Associates.

Timothy R. Lowe, MAI, CRE, FRICS