APPRAISAL REVIEW AND
APPRAISAL REPORT

EASTWOOD MEADOWS
MOBILE HOME COMMUNITY
2550 E. VALLEY PARKWAY
ESCONDIDO, CALIFORNIA

APPRAISED FOR
Belinda Rojas
Program Administrator,
Mobilehome Rent Control Administration
City of Escondido
201 N. Broadway
Escondido, CA 92025

DATE OF REPORT
January 13, 2022

DATE OF RENTAL VALUE
December 13, 2021

APPRAISED BY
Anderson & Brabant, Inc.
353 W. 9th Avenue
Escondido, California 92025

File No. 21-088
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January 13, 2022

Belinda Rojas  
Program Administrator,  
Mobilehome Rent Control Administration  
City of Escondido  
201 N. Broadway  
Escondido, CA 92025

Dear Ms. Rojas:

As requested, I have completed a rental analysis of Eastwood Meadows Mobile Home Community, a 129 space mobile home park located within the city of Escondido, California. The objective of the appraisal assignment was to provide opinions of rental value relating to a Long-Form Mobilehome Park Application for Space Rent Increase for a proposed rent increase at Eastwood Meadows. In that connection I completed a review of an appraisal report by John Neet, MAI, that was submitted with the application for a rent increase, and in addition, I have provided my own opinion of the average rental value of spaces at Eastwood Meadows Mobile Home Community as of December 13, 2021.

It is my understanding that the appraisal report will be utilized in a hearing of the Mobilehome Park Rental Review Board of the City of Escondido. Discussions of my analyses as well as my final conclusions are included in the attached report.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation. In addition, the written report has been prepared as a combination Review and Appraisal report in accordance with Standards Rules 2-2 and 4-2, adopted by the Appraisal Standards Board. The appraisal is subject to certain assumptions and limiting conditions as set forth in the attached report.

Respectfully submitted,

ANDERSON & BRABANT, INC.

[Signature]  
James Brabant, MAI  
Certified General Real Estate Appraiser  
BREA Appraiser No. AG 002100
ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following special assumptions and limiting conditions:

1. This is a combination Appraisal Review and Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rules 2-2 and 4-2 of the Uniform Standards of Professional Appraisal Practice. As such, it presents summary discussions of the subject property, data, reasoning, and analyses that were used in the appraisal process to develop the appraisers’ opinions of value. Additional supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser’s file. The depth of discussion contained in this report is specific for the needs of the client and for the intended use stated in this report. Anderson & Brabant, Inc. is not responsible for unauthorized use of this report.

2. Information regarding the physical characteristics of the subject property and comparable parks was obtained from physical inspections conducted during the week of December 13 to 17, 2021. Inspections of these parks were also made in previous years in connection with other assignments for the City of Escondido. Information pertaining to the rents at the subject park and comparable parks, was obtained from records provided by the City of Escondido and from some park representatives.

3. An assumption of this report is that the utility systems in Eastwood Meadows were adequate as of the date of value.

This appraisal is subject to the following general assumptions and limiting conditions:

1. It is assumed that information furnished to us by our client, including maps, leases, and legal descriptions is substantially correct.

2. No responsibility is assumed for matters legal in character, nor do we render an opinion as to title. It is understood that the park owner has a fee interest in the property and leases the spaces to the residents.

3. It is assumed that the property is readily marketable, free of all liens and encumbrances except any specifically discussed herein, and under responsible ownership and management.

4. Photographs, plat and maps furnished in this appraisal are to assist the reader in visualizing the property. No survey of the property has been made, and no responsibility has been assumed in this matter.

5. Soils engineering studies have not been provided to Anderson & Brabant, Inc. It is therefore assumed that there are no hidden or unapparent conditions of the property such as hazardous or toxic wastes and/or other subsoil conditions which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which might be required to discover such factors.

6. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials.
7. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the properties. The appraisers’ opinions of value are predicated on the assumption that there is no such material on or in the properties that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraisers’ descriptions and resulting comments are the result of the routine observations made during the appraisal process.

8. Disclosure of the contents of this appraisal report is governed by the by-laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval of Anderson & Brabant, Inc.

9. The submission of this report constitutes completion of the services authorized. It is submitted on the condition that the client will provide the appraiser customary compensation relating to any subsequent required depositions, conferences, additional preparation or testimony.

10. The opinions of value are of surface rights only and the mineral rights, if any, have been disregarded.

11. No warranty is made as to the seismic stability of the subject property.

12. It is assumed that all applicable zoning and land use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

13. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the opinions of value contained in this report are based.

14. It is assumed that the utilization of the land or improvements is within the boundaries or property lines of the properties described and that there is no encroachment or trespass unless otherwise stated in this report.

15. The Americans with Disability Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in our analysis.
APPRAISER’S CERTIFICATE

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

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

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

3. I have no present or prospective future interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in 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.

6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

7. I certify that, to the best of my knowledge and belief, my analyses, opinions and conclusions were developed, and this Report complies with, the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute, and provisions of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

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

9. I have made a personal inspection of the property that is the subject of this report.

10. Patricia Haskins provided significant professional assistance to the person signing this report, including research, compiling information regarding comparable parks and report preparation.

11. As of the date of this report, I, James L. Brabant, have completed the continuing education program for Designated Members of the Appraisal Institute.

12. I have not provided any service regarding the subject property in the three years immediately preceding acceptance of this assignment, as an appraiser or in any capacity.

James Brabant, MAI
State Certification No. AG002100

January 13, 2022
Date

Anderson & Brabant, Inc.
INTRODUCTION

IDENTIFICATION OF THE PROPERTY

The subject property is Eastwood Meadows Mobile Home Community, a 129 space mobile home park located at 2550 East Valley Parkway within the City of Escondido. This is a rental park that is subject to the City of Escondido’s Mobilehome Rent Control Ordinance.

Ownership

According to public records the subject property is currently vested in the name of Eastwood Meadows M H P, LLC.

PURPOSE OF THE ASSIGNMENT

The purpose of this appraisal assignment is to provide opinions of rental value relating to a LONG-FORM MOBILEHOME PARK APPLICATION FOR SPACE RENT INCREASE for a proposed rent increase at Eastwood Meadows. The application, dated August 26, 2021, was submitted by Keith Casenhiser of the law offices of BESSIRE AND CASENHISER, INC., on behalf of the park owner and requests rent increases for 79 spaces.

Specifically, I have provided a review of an appraisal report by John Neet, MAI, that was included in the application package (Attachment 5 to the Application). His report was dated September 28, 2020, with a date of value of September 1, 2020. His report includes an opinion of the market rental value of the spaces in Eastwood Meadows MH Community.

In addition, I have provided my own opinion of the rental value of the spaces in Eastwood Meadows as of December 13, 2021. I am purposely avoiding the term “market rental value” as that term is not utilized in the factors that shall be considered in the City’s Rent Control Ordinance. Rental value is a broad term that is not defined by the Appraisal Institute and the appraiser utilizing it must provide the definition that is used in his report.

In this report, rental value is considered to be indicated by the rents being lawfully charged at comparable parks in Escondido. Reference is made to Section 29-104 of the ordinance that contains a list of the factors that shall be considered in the determination of a permitted rent increase. Factor 2 is as follows: “The rent lawfully charged for comparable mobilehome spaces in the City of Escondido.”

Seven of the nine comparable parks I have utilized have a combination of spaces that are subject to the Ordinance (Controlled Rents) and spaces that have long term leases that are exempt from the Ordinance. I have included both rental categories from the comparable parks in my analysis since both are “lawfully charged” rents.

It should also be noted that both my conclusion of rental value and Neet’s conclusion of market rental value are conclusions about the “average” rent of the spaces in Eastwood Meadows. It is recognized that there are differences in the size, view and location of the spaces that could produce different conclusions with a range of rent, if we were valuing the spaces individually. However, for this assignment we are looking at the overall average rent of the spaces in Eastwood Meadows.
INTENDED USE AND INTENDED USERS

My client for this assignment is the City of Escondido. The intended users of this report are considered to be my client and the City’s representatives. It is understood that this appraisal report has been prepared for a hearing of the Mobilehome Park Rental Review Board, which in this case is the City Council. The hearing will also include representatives of the park owner and the park residents. No responsibility is assumed for the unintended use of this report.

USPAP COMPETENCY PROVISION

We, the offices of Anderson & Brabant, Inc., and specifically James Brabant, MAI, have the knowledge and experience to complete this appraisal assignment and have appraised this property type before. Please refer to the appraiser’s experience data included in the Addenda for additional information.

SCOPE OF WORK

In preparing this appraisal, the following steps were taken.

- The Long-Form Application for Space Rent Increase for Eastwood Meadows was reviewed. That included a review of the appraisal report by John Neet, MAI.
- Additional documents provided by the City of Escondido were reviewed including copies of Mobilehome Park Annual Rent Control Survey (2021-2022).
- Discussions of the scope of my assignment with representatives of the City of Escondido including Karen Youel, Belinda Rojas, and Jonathan Lung.
- The Mobilehome Rent Control Ordinance of the City of Escondido was reviewed.
- Rents were researched for comparable parks in the City of Escondido.
- Physical inspections of the subject property and comparable rental parks were conducted during the week of December 13 to 17, 2021, as well as various dates in prior years.
- A rent study was completed comparing the space rent in the subject park to comparable parks in the City of Escondido.
- The appraisal report was prepared.

This is a combination Appraisal Review and Appraisal Report that includes my own opinions of rental value and, as such, complies with Standards 2 and 4 of the Uniform Standards of Professional Appraisal Practice (USPAP). The report presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinions of value. Supporting documentation concerning the data, reasoning and analyses may be found in the appraiser’s files. The information contained in this report is specific to the needs of the client and any other intended users for the intended use as stated in this report. The appraisers are not responsible for unauthorized use of this report.

DATE OF REPORT

The report date is January 13, 2022.
DATE OF VALUE

My opinion of rental value is as of December 13, 2021. It should be noted that the date of value in Neet’s report is September 1, 2020.

SALES HISTORY

According to public records the subject property was purchased July 19, 2018, at a price of $9,400,000.
CITY AND NEIGHBORHOOD DESCRIPTION

The subject property is located in the City of Escondido in the northerly portion of San Diego County. Escondido is the fourth largest city in the county with a January 2021 population of 151,688, down slightly from the January 2020 population of 151,803. The total population in the city has increased by about 5.4 percent since January 2010 when the reported population was 143,911. Compared with other cities in the county, Escondido ranks in population behind only San Diego (1,411,034), Chula Vista (274,449), and Oceanside (176,754). Escondido is accessed by Interstate 15, the primary inland route from San Diego to other inland areas of Southern California; and State Route 78, which extends westerly from Escondido to Interstate 5 and easterly to the inland parts of the county. The Escondido area is also linked to the coast by Del Dios Highway (County Highway S6), a two-lane highway that passes through Rancho Santa Fe and extends to the coastal communities of Del Mar and Solana Beach. The City of San Marcos is located to the west of Escondido, along Highway 78. To the immediate south of the city, to the south of Lake Hodges and positioned along Interstate 15, is the San Diego community of Rancho Bernardo. The areas to the east and north of the City of Escondido are unincorporated sections of the county and are generally rural in character.

Eastwood Meadows Mobile Home Community is in the northeast portion of the City of Escondido, on the northwest side of East Valley Parkway between North Citrus Avenue and Bear Valley Parkway. There are five mobile home parks along this portion of East Valley Parkway, including Mobilepark West that is adjacent to the northeast of the subject property. Other uses in immediate area include single and multi-family residential to the northwest and southwest. Across East Valley Parkway is a senior multi-family project, a church and a Ralphs center that also includes KFC, Subway, CVS and other retail uses. Adjacent to the southwest of the subject property is a mostly undeveloped property that has a few older residences and other outbuildings that appear to be utilized for some type of commercial or industrial use and storage.

The subject property is reasonably convenient to most services and the neighborhood is considered to be an adequate location for a mobile home park.

MOBILE HOME MARKET

As of January 1, 2021, the State Department of Finance reports that approximately 7.7 percent of the total housing units within the City of Escondido were mobile homes. The City of Escondido reports that there are a total 19 mobile home parks under the provisions of rent control totaling 2,519 spaces. According to the 2021 Mobilehome Park Annual Rent Control Surveys provided by park owners to the City, the 9 parks used for direct comparison to the subject plus the subject park reported 5 vacancies out of a total of 1,563 spaces, as of the date of survey. This calculates to approximately 0.3 percent of the total spaces with eight parks (including the subject) reporting no vacancies.

Most existing mobile home parks in the City were built in the 1960’s or 1970’s. No new parks have been built in recent years.

MOBILHOME RENT CONTROL ORDINANCE

The Mobilehome Rent Control Ordinance was enacted by the City of Escondido in 1988. The Ordinance established a comprehensive program for the purpose of regulation of space rents in mobile home parks and limits the rent increases that may be charged by park owners. The five
members of the City Council of the City of Escondido serve as the Mobilehome Park Rental Review Board.

Under the terms of this Ordinance a park owner may use a “Short-form Application” or a “Long-form Application” for a proposed rent increase. On June 24, 2020, a vacancy control rent cap went into effect that is a condition of using the short-form process. In this case, the Long-form Application has been utilized that is dated August 26, 2021. The Application requests a rent increase for 79 of the 129 spaces in the park. Section 29-104 of the ordinance contains a list of the factors that shall be considered in the determination of a permitted rent increase. Factor 2 is relevant for this appraisal and reads as follows: “The rent lawfully charged for comparable mobilehome spaces in the City of Escondido.”
The subject property is outlined in red.
Eastwood Meadows, Escondido, California

 SUBJECT PROPERTY PHOTOGRAPHS

Park Entrance From East Valley Parkway

Typical Interior Street
SUBJECT PROPERTY PHOTOGRAPHS

View Across Pool Toward Clubhouse

Multi-Purpose Room in Clubhouse
Eastwood Meadows, Escondido, California

SUBJECT PROPERTY PHOTOGRAPHS

Kitchen in Clubhouse

Exercise Room in Clubhouse

Anderson & Brabant, Inc.
Eastwood Meadows, Escondido, California

SUBJECT PROPERTY PHOTOGRAPHS

BBQ and Picnic Area

Children’s Play Area
SUBJECT PROPERTY DESCRIPTION

Park Name: Eastwood Meadows Mobile Home Community
Address: 2550 East Valley Parkway, Escondido, California
Assessor’s Parcel Numbers: 231-040-03-00 and 231-040-28-00
Owner: Eastwood Meadows M H P, LLC
No. of Spaces: 129 total spaces in the park. Increases requested for 79 spaces.
Park Type: All age
Size/Density: 13.91 acres gross/ 9.3 dwelling units per acre.
Topography: Mostly level.
Year Built: 1971
Home Type: Mostly double-wide homes (119), with 10 single-wides. A total of 85 spaces are subject to the Rent Control Ordinance while 44 spaces have long-term leases and are exempt from the Ordinance.
Views: None
Amenities: Average size clubhouse with multi-purpose room, kitchen, exercise room with workout equipment, and two restrooms. Also, a swimming pool, wading pool, BBQ area, and children’s play equipment. There is a separate laundry room and carwash. In addition, there is a small, fenced RV storage area.
Occupancy: 100% occupied
Rental Rates: According to documents provided by the City, the space rents at Eastwood Meadows, as of August 1, 2021, range from $331 to $890 per month with an overall average of $652 per month.
Utilities Included: Water is currently included in the rent. All other utilities are paid by the residents. There is a plan to install water meters and have the residents pay for water.
Comments: This is a good quality park that was in good condition on the date of my inspection on December 13, 2021.
ANALYSES AND CONCLUSIONS

COMMENTS ON NEET’S OPINION OF MARKET RENT AS OF SEPTEMBER 1, 2020

Mr. Neet’s appraisal includes his opinion that the market rental value of the spaces at Eastwood Meadows MH Community, as of September 1, 2020, was $1,270 per month, including water. Although on page 5 of Neet’s report, under the heading Purpose of the Appraisal, he states that the purpose of this appraisal is to estimate the “market value” of the subject property, the opinion he renders is “market rent” not “market value.” The definition of “market value” is on page 11, along with other definitions. However, the definition of “market rental value” or “market rent” does not appear to be anywhere in his report.

The term “market rent” or “market rental value” also does not appear in the list of factors in the City’s rent control ordinance that shall be considered by the board. In addition, the City has clearly recognized that the rents at most of the mobile home spaces subject to the rent control ordinance will not be at a market rate. This can be seen in the addition of Subsection 12M to Exhibit A of the RRB Resolution No. 2020-04R that went into effect June 24, 2020. In Paragraph 3, it states that “…space rent may be increased to market rate when a park owner also owns the mobilehome or no mobilehome sits on a space.” Obviously, the assumption is that the spaces subject to the ordinance are below market. Thus, there is no justification for estimating market rent for the spaces considered in this application. It is simply not relevant to Factor 2 of the ordinance.

The applicable standard for this analysis is Section 29-104(g) (2) which reads as follows: “The rent lawfully charged for comparable mobilehome spaces in the City of Escondido.” That document does not guarantee, or even imply, that “market rent” is a standard to be utilized in the determination of an allowable rent increase. It should be noted that the park owner has not requested that the rents at the 79 spaces be increased to Neet’s opinion of market rent. In fact his requested increase is far lower, to a maximum of $890 per month.

In the following sections of this report I have prepared my opinion of the rental value of spaces, based on a comparison of Eastwood Meadows with rents at comparable parks in Escondido that is consistent with the ordinance.

METHODOLOGY

As previously stated, the purpose of this appraisal assignment is to provide an opinion of the space rental value relating to an application for a space rent increase at 79 spaces in Eastwood Meadows. Specifically, I will provide an opinion of the current average rental value of spaces at Eastwood Meadows in comparison with rents at other mobile home parks in Escondido. The rental value opinion includes water, while all other utilities are paid by the home owner.

The park owners have filed an application requesting a space rent increase of varying amounts. The proposed increases would range from $50 to $200 with an average increase of $183.86 per month. I have obtained space rental data from nine parks in Escondido that have been compared to Eastwood Meadows. I have included both controlled rents and those that are subject to long-term leases, as both are “lawfully charged” rents.

Anderson & Brabant, Inc.
As can be seen from the Summary of Comparable Rentals on page 20 there are large ranges in the rents at each park, with substantial differences resulting from a variety of factors that are not strictly resulting from the physical characteristics of each park. This is also true of the rents at Eastwood Meadows. Therefore, in this analysis, I will not be focusing on either the low end of the ranges or the high end, but rather on the overall average rent at each park. I believe this is the fairest way to analyze the data as the City cannot favor either the park owner or the park residents. The final result will be my opinion of the current overall average rental value of spaces in Eastwood Meadows.
<table>
<thead>
<tr>
<th>Comp No</th>
<th>Park Name/ Address</th>
<th>No Spaces</th>
<th>Year Built</th>
<th>Size (Acres)</th>
<th>Density (DU/AC)</th>
<th>Occupancy</th>
<th>Monthly Rent (Rent Control Spaces)</th>
<th>Monthly Rent (Spaces on Leases)</th>
<th>Overall Avg Monthly Rent</th>
<th>Utilities Included</th>
<th>Park Type</th>
<th>Quality/ Condition</th>
<th>Amenities/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subj</td>
<td>Eastwood Meadows 2550 E. Valley Parkway Encinitas</td>
<td>129</td>
<td>1971</td>
<td>13.91</td>
<td>9.3</td>
<td>100.0%</td>
<td>$331-890</td>
<td>$595</td>
<td>$626-840</td>
<td>Water</td>
<td>All-Age</td>
<td>Good/ Good</td>
<td>Pool, swimming pool, clubhouse, BBQ, car wash, playground, laundry</td>
</tr>
<tr>
<td>1</td>
<td>Carefree Ranch 211 No. Citrus Street Encinitas</td>
<td>184</td>
<td>±1970</td>
<td>20.02</td>
<td>9.2</td>
<td>98.4%</td>
<td>$407-714</td>
<td>$532</td>
<td>$438-750</td>
<td>None</td>
<td>Senior</td>
<td>Good/ Good</td>
<td>Clubhouse, pool, spa, shuffleboard, car wash, laundry, guest house</td>
</tr>
<tr>
<td>2</td>
<td>Casa de Amigos 1751 W. Cuyamaca Parkway Encinitas</td>
<td>138</td>
<td>1976</td>
<td>21.5</td>
<td>6.4</td>
<td>100.0%</td>
<td>$618-877</td>
<td>$696</td>
<td>$555-877</td>
<td>None</td>
<td>Senior</td>
<td>Good/ Good</td>
<td>Clubhouse, pool, spa, BBQ, shuffleboard, laundry. Some area views and open space areas.</td>
</tr>
<tr>
<td>3</td>
<td>Town &amp; Country Club Park 2280 East Valley Parkway Encinitas</td>
<td>155</td>
<td>1968</td>
<td>18.86</td>
<td>8.2</td>
<td>99.4%</td>
<td>$402-718</td>
<td>$569</td>
<td>$555-877</td>
<td>None</td>
<td>Senior</td>
<td>Good/ Good</td>
<td>Clubhouse, pool, spa, sauna, shuffleboard, small dog run, laundry</td>
</tr>
<tr>
<td>4</td>
<td>Imperial Encinita Mfg 2300 E. Valley Parkway Encinitas</td>
<td>250</td>
<td>1967</td>
<td>29.75</td>
<td>8.4</td>
<td>100.0%</td>
<td>$282-787</td>
<td>$562</td>
<td>$577-838</td>
<td>None</td>
<td>Senior</td>
<td>Good/ Good</td>
<td>2 Clubhouses, 2 pools, spa, shuffleboard, 2 laundry rooms</td>
</tr>
<tr>
<td>5</td>
<td>Mobile Park West 2700 E. Valley Parkway Encinitas</td>
<td>314</td>
<td>1971</td>
<td>36.68</td>
<td>8.6</td>
<td>100.0%</td>
<td>$296-890</td>
<td>$593</td>
<td>$324-849</td>
<td>Water</td>
<td>All-Age</td>
<td>Good/ Good</td>
<td>Clubhouse, pool, spa, sauna, BBQ, car wash, basketball court, 2 laundry rooms</td>
</tr>
<tr>
<td>6</td>
<td>Sundance MHP 2550 No. Broadway Encinitas</td>
<td>88</td>
<td>1977</td>
<td>13.73</td>
<td>6.4</td>
<td>100.0%</td>
<td>$750-1,365</td>
<td>$843 (20 Spaces)</td>
<td>$920-1,453</td>
<td>None</td>
<td>Senior</td>
<td>Good/ Good</td>
<td>Clubhouse, pool, spa, sauna, shuffleboard, laundry, greenbelt</td>
</tr>
<tr>
<td>7</td>
<td>Ponderosa MHP 1575 W. Valley Parkway Encinitas</td>
<td>104</td>
<td>±1972</td>
<td>12.14</td>
<td>8.6</td>
<td>100.0%</td>
<td>$444-1,263</td>
<td>$833</td>
<td>$969-1,317</td>
<td>None</td>
<td>All-Age</td>
<td>Good/ Good</td>
<td>Clubhouse, pool</td>
</tr>
<tr>
<td>8</td>
<td>Green Tree Mobile Estates 1301 S. Hale Avenue Encinitas</td>
<td>104</td>
<td>±1979</td>
<td>16.03</td>
<td>6.5</td>
<td>100.0%</td>
<td>$358-800</td>
<td>$637</td>
<td>$645-702</td>
<td>None</td>
<td>All-Age</td>
<td>Good/ Good</td>
<td>Clubhouse, pool, laundry. Some area views</td>
</tr>
<tr>
<td>9</td>
<td>Moornglow MHP 900 Homestead Avenue Encinitas</td>
<td>97</td>
<td>±1968</td>
<td>13.42</td>
<td>7.2</td>
<td>100.0%</td>
<td>$238-650</td>
<td>$501</td>
<td>None</td>
<td>None/ W.S.T in. rent of 20 spaces</td>
<td>All-Age</td>
<td>Good/ Good</td>
<td>Clubhouse, pool, playground. Some area views and a small greenbelt area</td>
</tr>
</tbody>
</table>
ANALYSIS OF SPACE RENT

Of the 129 spaces at Eastwood Meadows, 85 spaces are subject to rent control while 44 spaces are on long-term leases that are exempt from rent control. As of August 1, 2021, the space rent at the subject park ranged from $331 to $890 per month with an overall average of $652 per month. Increases have been requested for 79 of the spaces subject to rent control. I am providing an opinion of the average rental value of the 129 spaces in the park that includes the 79 spaces where increases are proposed.

I have researched space rents at nine (9) parks in Escondido ranging in size from 88 spaces to 314 spaces and in year built from the late 1960s to the late 1970s. Five of the parks are age-restricted (senior) and four are all-age. Like the subject, all nine parks are rated good in terms of quality and condition. While they all have the same rating, there are some differences in amenities and density, etc., with some parks being slightly superior and some being slightly inferior. A summary of the comparable rentals is on the previous page.

The average space rents at the nine comparable parks range from $501 to $1,160 per month with an overall average of $699 per month.

This data demonstrates the fact that space rent levels in Escondido are not always consistent with the amenities and other physical characteristics of the parks. Since the large ranges in rents at the various parks are clearly not based solely on differences in the amenities and other physical characteristics, it would not be appropriate to make adjustments for those factors. A reasonable approach would be to consider the average rent at all nine of the comparable parks. There is nothing in the ordinance that suggests that an appraiser should put more weight on the lower end or the higher end of the ranges in rents. My conclusion of rental value is an overall average that includes all of the spaces in Eastwood Meadows. However, there is one difference in the rental agreements at the various parks that does require adjustment; and that is the inclusion of utilities/services at the parks. The rents at Eastwood Meadows include water while there are variations at some of the comparable parks. Following is a table that includes adjustments for utilities, where necessary.

<table>
<thead>
<tr>
<th>Comp No.</th>
<th>Park Name/Address</th>
<th>No. Spaces</th>
<th>Year Built</th>
<th>Overall Avg. Monthly Space Rent</th>
<th>Utilities Included</th>
<th>Adjustment for Utilities</th>
<th>Adjusted Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subj</td>
<td>Eastwood Meadows</td>
<td>129</td>
<td>1971</td>
<td>$652</td>
<td>Water</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Carefree Mobile Home Ranch</td>
<td>184</td>
<td>±1970</td>
<td>$607</td>
<td>None</td>
<td>$25</td>
<td>$622</td>
</tr>
<tr>
<td>2</td>
<td>Casa de Amigos</td>
<td>138</td>
<td>1978</td>
<td>$698</td>
<td>None</td>
<td>$25</td>
<td>$723</td>
</tr>
<tr>
<td>3</td>
<td>Town &amp; Country Club Park</td>
<td>155</td>
<td>1968</td>
<td>$569</td>
<td>None</td>
<td>$25</td>
<td>$594</td>
</tr>
<tr>
<td>4</td>
<td>Imperial Escondido ME</td>
<td>250</td>
<td>1967</td>
<td>$588</td>
<td>None</td>
<td>$25</td>
<td>$613</td>
</tr>
<tr>
<td>5</td>
<td>Mobile Park West</td>
<td>314</td>
<td>1971</td>
<td>$632</td>
<td>Water</td>
<td>$0</td>
<td>$632</td>
</tr>
<tr>
<td>6</td>
<td>Sundance MHP</td>
<td>88</td>
<td>1977</td>
<td>$1,160</td>
<td>None</td>
<td>$25</td>
<td>$1,185</td>
</tr>
<tr>
<td>7</td>
<td>Ponderosa MHP</td>
<td>104</td>
<td>±1972</td>
<td>$899</td>
<td>None</td>
<td>$25</td>
<td>$924</td>
</tr>
<tr>
<td>8</td>
<td>Green Tree ME</td>
<td>104</td>
<td>±1979</td>
<td>$637</td>
<td>None</td>
<td>$25</td>
<td>$662</td>
</tr>
<tr>
<td>9</td>
<td>Moonglow MHP</td>
<td>97</td>
<td>±1968</td>
<td>$501</td>
<td>None/W,S,T incl in rent of 20 spaces</td>
<td>$12</td>
<td>$513</td>
</tr>
<tr>
<td>Average of 9 Comparable Parks</td>
<td></td>
<td></td>
<td></td>
<td>$699</td>
<td></td>
<td></td>
<td>$720</td>
</tr>
</tbody>
</table>

Before adjustment for utilities, the overall average of the nine parks is $699 per month. After adjustment for utilities, the overall average rent of the nine parks is $720 per month. There
are two parks (Sundance MHP and Ponderosa MHP) that have significantly higher average rents of $1,160 and $899, respectively than the remaining seven parks which produced average rents ranging from $501 to $698. Due to the wide range of average rents, I have calculated an overall weighted average of all nine comparable parks that takes into account the number of spaces in each park. The weighted average of the nine comparable rental parks is $683 per month (rounded).

Therefore, after a consideration of the comparable data, it is my opinion that the average rental value of spaces at Eastwood Meadows Mobile Home Community, as of December 13, 2021, is $683 per month, including water. This amount is $31 per month higher than the actual average rent of $652 as of that date.

As previously discussed, my opinion of the current overall average rental value of spaces at Eastwood Meadows applies to all 129 spaces in the park. However, the 44 spaces subject to long-term leases cannot be increased. In addition, the park owner is not requesting to increase the six spaces that are already at the highest rent in the park at $890 per month. This leaves the remaining 79 spaces that have proposed rent increases to absorb the escalation necessary to achieve an overall average rent of $683 per month. An average increase of approximately $51 per space (rounded) for the 79 spaces is available to bring the overall average rent for all 129 spaces up to $683 per month. Of course the park owner can decide how much of an increase he would request for each of the 79 spaces depending on the decision of the Rental Review Board. The calculations are shown in the following chart.

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Spaces</td>
<td>129</td>
<td>$683</td>
<td>$88,107</td>
</tr>
<tr>
<td>Existing Leased Spaces - No Proposed Increases</td>
<td>44</td>
<td>$761.37</td>
<td>$33,500</td>
</tr>
<tr>
<td>Existing Rent Control Spaces - No Proposed Increases</td>
<td>6</td>
<td>$890.00</td>
<td>$5,340</td>
</tr>
<tr>
<td>Less Total Spaces with no Proposed Increases</td>
<td>50</td>
<td></td>
<td>$38,840</td>
</tr>
<tr>
<td>Remaining Spaces</td>
<td>79</td>
<td></td>
<td>$40,267</td>
</tr>
<tr>
<td>Available Avg. Rent for Spaces with Proposed Increases</td>
<td></td>
<td></td>
<td>$623.63 per space</td>
</tr>
<tr>
<td>Less Existing Avg. Rent for 79 Spaces with Proposed Increases</td>
<td></td>
<td></td>
<td>$572.67 per space</td>
</tr>
<tr>
<td>Average Available Increase for 79 spaces</td>
<td></td>
<td></td>
<td>$50.96 per space</td>
</tr>
<tr>
<td>Rounded</td>
<td></td>
<td></td>
<td>$51.00 per space</td>
</tr>
</tbody>
</table>

**SUMMARY OF FINAL CONCLUSIONS**

The following are my value conclusions for Eastwood Meadows Mobile Home Community, as of December 13, 2021.

Average Rental Value per Space (Including Water): $683 per month

Average Available Monthly Increase for 79 spaces: $51 per space
Addenda
QUALIFICATIONS OF THE APPRAISER

James Brabant, MAI
Anderson & Brabant, Inc.
353 W. Ninth Avenue
Escondido, CA 92025
(760) 741-4146 Ext. 312
Email: jlbbrabant@aol.com

I. Resident of San Diego County since 1977

II. Educational Background:
   A. University of Southern California, B.S. degree in Real Estate — 1960
   B. School of Theology at Claremont, Master of Theology — 1966
   C. Professional Education Completed:
      1. Appraisal Institute
         a. "Basic Appraisal Principles, Methods and Techniques" — Course I-A
         b. "Capitalization Theory and Techniques" — Course I-B
         c. "Urban Properties" — Course II
         d. "Investment Analysis" — Course IV
         e. "Standards of Professional Practice"
         f. "Litigation Valuation"
         g. Special Applications of Appraisal Analysis Course 301
      2. Lincoln Graduate Center
         a. Manufactured Housing Appraisal Course 669
      3. Continuing Education (Partial List):
         USPAP Course and Updates (every two years)
         Four Hour Federal and State Laws, 1/16
         Fundamentals of Separating Real Property, Personal Property, and Intangible
         Business Assets 4/12
         Eminent Domain Case Update, 10/95, 3/97, 10/07, 4/10
         Business Practice and Ethics, 6/07, 7/12
         San Diego Apartment & Housing Seminar, 10/98, 5/07, 9/11
         Appraiser as Expert Witness, 12/06
         Deal and Development Analysis – Downtown S.D., 9/05
         Litigation Seminar, 11/04, 11/07, 11/10
         Appraising Manufactured Housing, 1/04
         Economic and Real Estate Forum, 09/02
         Gramm-Leach-Bliley Act, 10/01
         Condemnation on Trial (Participant), 5/00
         Digging Into Ground Leases, 2/15
         Unique Appraisal Assignments (Participant), 2/14
         Appraisal of Partial Interests; 6/98
         Vineyard Valuation, 11/12
         Downtown San Diego Development, 9/15
III. **Professional Affiliations:**
   A. Member, Appraisal Institute, MAI (1985 President, San Diego Chapter)
   B. Realtor Member, North County Association of Realtors
   C. Member, International Right of Way Association
   D. Real Estate Brokers License, State of California
   E. Teaching Credential, State of California, Community College Level
   F. Certified General Real Estate Appraiser (AG002100)
      Office of Real Estate Appraisers, State of California

IV. **Appraisal Experience:**
   Co-Owner — Anderson & Brabant, Inc., Since 1979
   Appraisal Manager — California First Bank, Huntington Beach, California, 1974 - 1977
   Staff Appraiser — California First Bank, San Diego, California, 1972 - 1974
   Staff Appraiser — O. W. Cotton Co., San Diego, California, 1970 - 1972
   Staff Appraiser — Davis Brabant, MAI, Huntington Park, California, 1960 - 1962

V. **Teaching Experience:**
   Southwestern College, Chula Vista, California, "Real Estate Appraisal"

VI. **Expert Witness:**
   Superior Court, San Diego, Los Angeles, Riverside, and San Bernardino Counties
   Rent Control Hearings: Oceanside, Escondido, Ventura, Concord, Yucaipa, Carpenteria, Palmdale,
      San Marcos, Carson
   Various Arbitration Hearings
   Assessment Appeals Board, Riverside County, San Diego County and Orange County
   Federal Bankruptcy Court, San Diego County & Santa Barbara County
   United States District Court – Northern District of California

VII. **Types of Appraisals:**
   Residential Property: Single-family residence, condominiums, apartments,
      subdivisions, existing and proposed
   Commercial Property: Office buildings, shopping centers, office condominiums, etc.,
      existing and proposed
   Industrial Property: Single/multi-tenant, business parks, etc., existing and proposed
   Vacant Land: Industrial, commercial, residential, and rural
   Agricultural: Ranches, avocado and citrus groves, etc.
   Special Purpose Appraisals: Leasehold estates, possessory interest, historical appraisals, etc.
   Mobile Home Parks: For a variety of purposes including rent hearings, park closure,
      park conversions, failure to maintain litigation, etc.
Qualifications of the Appraiser — James Brabant, MAI
Page Three

VIII. Partial List of Appraisal Clients:

Banks
Bank of America
Bank of New York
City National Bank
Downey Savings
Fidelity Federal Bank
First Interstate Bank
First Pacific National Bank
Flagship Federal Savings
Great Western Bank
Industrial Bank of Japan
Palomar Savings & Loan
Redlands Federal Bank
Torrey Pines Bank
Union Bank of California
Wells Fargo Bank

Government Agencies and Municipalities
California Department of
Transportation/Caltrans
Carlsbad Municipal Water District
City of Carlsbad
City of Chula Vista
City of Colton
City of Concord
City of Escondido
City of Laguna Beach
City of La Mesa
City of Salinas
City of San Bernardino
City of San Diego
City of San Marcos
City of Vista
City of Yucaipa
County of San Diego
Fallbrook Public Utility District
Metropolitan Water District
Oceanside Unified School District
Pacific Telephone
Poway Municipal Water District
Ramona Unified School District
SANDAG (San Diego Assoc. of Govts.)
San Diego County Water Authority
San Diego Unified Port District
San Marcos Unified School District
U.S. Dept. of the Interior
  Bureau of Indian Affairs
U.S. Department of Justice

Law Firms
Asaro, Keagy, Freeland & McKinley
Best, Best & Krieger
Daley & Heft
Endeman, Lincoln, Turek & Heater
Foley, Lardner, Weissburg & Aronson
Fulbright & Jaworski
Gray, Cary, Ware & Freidenrich
Higgs, Fletcher & Mack
Latham & Watkins
Lounsbury, Ferguson, Altona & Peak
Luce, Forward, Hamilton & Scripps
McDonald & Allen
McMinnis, Fitzgerald, Rees, Sharkey & McIntyre
O'Melveny & Meyers
Post, Kirby, Noonan & Sweat
Procopio, Cory, Hargreaves & Savitch
Rutan & Tucker
Singer, Richard
Sullivan Wertz McDade & Wallace
Tatro & Zamoyski
Thorsnes Bartolotta & McGuire
Worden Williams, APC

Title Companies
Chicago Title
Fidelity National Title Insurance
First American Title
St. Paul Title
Title Insurance & Trust

Others
Avco Community Developers
Coldwell Banker
Dixieline Lumber
Golden Eagle Insurance
National Steel & Shipbuilding Co.
Northern San Diego County Hospital District
Prudential Insurance Corp.
Rosenow, Speracek, Group
San Diego Gas & Electric Co.
San Luis Rey Downs (Vessels)
Steefel, Levitt & Weiss
Tellwright-Campbell, Inc.
Transamerica Relocation Service
Vedder Park Management