



APPRAISAL REVIEW SERVICES AND CONSULTATION

Proctor Valley GDCI Property, Otay Ranch

San Diego County, CA 91935

Review of the Fair Market Value of the Fee Simple Interest
Proctor Valley GDCI Property, Otay Ranch
Date of Value May 1, 2023

PREPARED BY

Lance W. Doré, MAI, FRICS

The Doré Group
3990 Old Town Ave., Suite B104
San Diego, California 92110

File No. TDG 2023 112



August 24, 2023

Rebecca J. Fris, Acting Executive Director
Wildlife Conservation Board
P.O. Box 944209
Sacramento, California 94244-2090

RE: Appraisal Review Services
Proctor Valley GDCI Property
Otay Ranch, San Diego County, CA 91935

Dear Mrs. Fris:

Pursuant to your request, I have performed an appraisal review of the above-referenced property as more particularly described in the review report to follow. The intended user of the appraisal review is the client, Wildlife Conservation Board, Ms. Rebecca J. Fris. The intended use of this review is to provide the client with due diligence regarding an appraisal completed by Robert P. Caringella, MAI, SRA, AI-GRS and Alison E. Roach, MAI, SRA on May 1, 2023 (effective date of value).

A review of an appraisal is intended to determine if the appraisal report leads the reader to a logical and reasonable conclusion of the indicated value by means determined by the adequacy and appropriateness of the data, as well as the analysis leading to the final value. The review process falls under Standard 3 of the *Uniform Standards of Professional Appraisal Practice* and *State of California Department of General Services Appraisal Guidelines*. If a rebuttal/updated value is required, portions of USPAP Standard 1 are invoked; however, the process is governed under Standard 3(g).

VALUE AND REVIEW SUMMARY

I did inspect the subject property on August 15, 2023 with Chris Basilevac with The Nature Conservancy, and I am familiar with the general market area and have completed similar assignments within San Diego County and Southern California.

The conclusions of this review are subject to the Assumptions and Limiting Conditions attached. After reviewing the appraisal report the ability to find the appraisal credible and leads the reviewer to a logical conclusion of the value.

Rebecca J. Fris, Acting Executive Director
Wildlife Conservation Board
August 24, 2023
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I appreciate the opportunity of submitting this appraisal review. Please call if I may be of further service.

Respectfully submitted,
The Doré Group, Inc.



Lance W. Doré, MAI, FRICS
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SUMMARY OF FACTS REVIEW

DATE OF REVIEW:	August 24, 2023
PROPERTY LOCATION:	Proctor Valley GDCI Property Otay Ranch, San Diego County, CA 91935
RECONCILED VALUE:	Sales Comparison Approach - \$60,000,000
PROPERTY TYPE:	Vacant Land
GROSS LAND AREA:	1,291.11± acres
INTEREST(S) VALUED:	Fee Simple
APPRAISER(S):	Robert P. Caringella, MAI, SRA, AI-GRS and Alison E. Roach, MAI, SRA
INSPECTION:	Robert P. Caringella, MAI, SRA, AI-GRS and Alison E. Roach, MAI, SRA inspected the property
REVIEW APPRAISER:	Lance W. Doré, MAI, FRICS

IDENTIFICATION OF PROPERTY

The property is identified as Proctor Valley GDCI Property and includes 1,291.11± acres of raw land located along Proctor Valley Road within the 7,895-acre Proctor Valley Parcel of Otay Ranch, planning area of Jamul/Dulzura and Otay Ranch, in unincorporated San Diego County. The property can be legally identified using APNs from San Diego County or by referring to the lengthy legal description rendered in the preliminary title report included in the addenda of the appraisal conducted by Robert P. Caringella, MAI, SRA, AI-GRS, and Alison E. Roach, MAI, SRA. The APNs of the subject property include:

APN	APN	APN	APN
597-020-06	597-020-10	597-140-04	597-140-05
597-150-03	597-150-07	597-150-08	597-150-12
597-150-13	597-190-23	598-010-02	598-020-04
597-020-06	598-021-02	598-070-07	598-070-09

Two tentative maps were previously approved for the subject property. In 2019, a tentative map for 1,119 residential units was approved and later vacated by the San Diego Superior Court. In 2020, an alternative tentative map was approved for 1,266 residential units. This plan contemplated a land swap between GDCI and the California Department of Fish and Wildlife. The 2020 approval was subject to this land swap occurring, and ultimately the swap did not occur, and the plan did not move forward.

OWNERSHIP OF PROPERTY

GDCI Proctor Valley, L.P., a Delaware Limited Partnership

INTENDED USE AND INTENDED USERS OF THE APPRAISAL REVIEW

The client and intended user of the appraisal review report is the client, Wildlife Conservation Board. The intended use of the appraisal was for the potential purchase of the property for preservation uses. The intended use of this review is to provide the client with due diligence regarding an appraisal completed by Robert P. Caringella, MAI, SRA, AI-GRS and Alison E. Roach, MAI, SRA, May 1, 2023 (effective date of value).

MARKET VALUE

The definition of market value adopted by the appraiser is from *the Uniform Appraisal Standards for Federal Land Acquisitions, UASFLA*.

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.

PURPOSE OF REVIEW

The purpose of this review was to evaluate the referenced appraisal report for adherence to the *Uniform Standards of Professional Appraisal Practice (USPAP) review Standard 3* and the *California Department of General Services*, and to assist the client with due diligence with respect to this property.

REPORTS UNDER REVIEW

Effective Date of Value: May 1, 2023 | Date of Report: June 12, 2023

EFFECTIVE DATE OF REVIEW

The effective date of the review is August 24, 2023.

PROPERTY RIGHTS REVIEWED

Property rights appraised consists of the fee simple interest for the subject land.

SCOPE OF REVIEW

This Appraisal Review is performed under the provision of Standard 3 of USPAP and complies with minimum standards and required contents as set forth in Standards Rules 3-1 and 3-2 of USPAP. The review process serves as a tool to make an objective assessment of the reasonableness of the reports and the conclusion of value(s) considering requirements set by USPAP and the California Department of General Services Appraisal Guidelines. This review is to assess the completeness and reasonableness of the documentation and value conclusion contained in the appraisal reports under review. The reviewer performed a physical inspection of the subject property on August 15, 2023 with Chris Basilevac with The Nature Conservancy. The review appraiser did not inspect the comparables used in the appraisal report. The reviewer has assumed that the information provided by the appraiser for the subject property and comparable sales is correct and reliable.

The analysis, opinions and conclusions presented in this review were based solely on the data contained in the referenced appraisal report, which was presumed reliable for any factual subject information. It was also assumed that no errors in the data nor undisclosed conditions of the property or the marketplace exist that would be apparent only from additional extensive research.

The scope of this review does include some primary testing of the accuracy of data reported by the appraiser(s). The issues discussed here involve judgment by the reviewer. Statements made here conform to the specific requirements set forth by Standard Rule 3-1 (a), (b), (c), (d), (e) and (f), and Standards Rule 3-2 (a), (b), (c), (d) and (e) of Uniform Standards of Professional Appraisal Practice (USPAP).

The referenced appraisal report was reviewed and analyzed to form an opinion and develop reasons for any disagreement as to the:

1. Adequacy and relevance of the data and the propriety of any adjustments to the data;
2. Appropriateness of the appraisal methods and techniques used; and
3. Correctness and appropriateness of the analysis, opinions, and/or conclusions in the report being reviewed.

The reviewed appraisal report considered vacant land sales in order to develop a fair market value for the subject. This approach to value is a recognized methodology for vacant land.

Review comments will follow with discussions and comments related to various appraisal issues. The appraiser has referenced the appropriate areas in the *USPAP* where standards or ethics are considered. The review process assumes that the reader of this review has read the appraisal report and is cognizant of its contents, analysis, and value conclusions.

REVIEW COMMENTS

OVERVIEW

The purpose of the appraisal review was to consider if the value reported was supported with the data presented in this appraisal report. The appraisal used a recognized appraisal method, the Sales Comparison Approach, to estimate the current market value for the subject. There was one data set that reflect the conclusion of Proctor Valley GDCI Property. A summary of the dataset is as follows:

Vacant Land – Gross Acres

The Sales Comparison Approach had an unadjusted price per gross acre range from \$18,162 to \$176,442. The overall prices ranged from \$21,261,500 to \$150,000,000. The total acres ranged from 169.75 to 1,985.00. The comparables had sales dates ranging from March 2014 to November 2022. The appraiser reconciled at \$46,472 per acre for 1,291.11 acres, or \$60,000,000.

Vacant Land – Net Acres

The Sales Comparison Approach had an adjusted price per net acre range from \$40,359 to \$541,078. The total net acres ranged from 45.28 to 870.00. The concluded net price per acre was \$90,000 for 700 net acres. The price per net acre analysis reconciled a value of \$63,000,000.

Vacant Land – Price per Unit

The Sales Comparison Approach had an unadjusted price per unit range from \$17,599 to \$143,275. The total units ranged from 99 to 3,500. A tentative map was approved for 1,119 residential units. The concluded price per unit was \$50,000 to \$55,000. The price per unit analysis is supportive of the reconciled value \$55,950,000 to \$61,545,000.

Vacant Land – Overall Price

A supplemental analysis was completed for the threshold of effective purchasing power reflected in the overall price tolerance in the market. The appraisal summarized 7 transactions for residential development (various stages) that ranged from \$21,261,500 to \$150,000,000. The reconciled value for the subject at \$60,000,000 was bracketed in the market.

Overall, the Highest and Best Use was supported and the comparable data exhibited a similar highest and best use of the subject. The data was well presented and analyzed.

REVIEWER CONCLUSIONS

The conclusions of this review are subject to the Assumptions and Limiting Conditions attached. After reviewing the appraisal report the ability to find the appraisal credible and leads the reviewer to a logical conclusion of the value.

CERTIFICATE OF REVIEW

I certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct;
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. I have no present or prospective interest in the property that is the subject of this review report, and have no personal interest with respect to the parties involved;
4. I have performed no services, as an appraiser, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results;
7. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions, or the use of this review;
8. My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review;
9. My analyses, opinions, and conclusions were developed, and this review report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*;
10. The reported analyses, opinions and conclusions were developed, and this review report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
11. That the use of this review memorandum is subject to the requirements of the Appraisal Institute relating to review by its duly authorized authorities;
12. No one provided significant professional assistance to the persons signing this review report;
13. Mr. Doré, MAI, FRICS has personally inspected the subject property on August 15, 2023 of the report under review; and has not inspected the comparables;
14. As of the date of this report, Lance W. Doré, MAI, FRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
15. I have the competency to review this type of property;
16. The scope of this assignment is limited to a review of the appraisal document; and
17. The date of the review was August 24, 2023

Respectfully submitted,



Lance W. Doré, MAI, FRICS
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SPECIFIC ASSUMPTIONS AND LIMITING CONDITIONS

1. The review appraiser assumed no responsibility for any hazardous waste and/or toxic materials. Such a 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 property. The review memorandum was predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them.
2. The analysis, opinions and conclusions presented in this review were based solely on the data contained in the referenced appraisal report, which was presumed reliable for any factual subject information. It was also assumed that no errors in the data nor undisclosed conditions of the property or the marketplace exist that would be apparent only from additional extensive research.
3. The review appraiser assumes all Extraordinary Assumptions and Hypothetical Conditions used in the appraisal, if any, are valid and reasonable for the Scope of Work and Assignment Conditions. If any of the Extraordinary Assumptions and Hypothetical Conditions are void the values may significantly change.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. The effective date (date of value) to which the opinions expressed in this review report apply, is set forth in the letter of transmittal located in the appraisal report under review. The review appraisers assume no responsibility for economic or physical factors occurring at some later date which may affect the opinions herein stated.
2. No opinion is intended to be expressed for legal matters or matters that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the review report.
3. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions except those specifically discussed in the appraisal report under review.
4. No engineering survey has been made by the review appraiser. Except as specifically stated, data relative to size and area was taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist. Maps, plats, and exhibits included herein (if any) are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
5. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights and the property is not subject to surface entry for the exploration or removal of such materials except as may be expressly stated in any title report contained in the appraisal report that is the subject of this review.
6. This review is intended solely for the internal use of the addressee or its assigns. Neither all nor any part of the contents of this Appraisal Review Report shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the signatory review appraiser. Possession of this review or a copy thereof does not carry with it the right of publication.
7. This review constitutes a limited assignment and should not be construed as an appraisal of the subject property. Unless otherwise agreed to in writing, I am not required to give testimony, respond to any subpoena, or attend any court, governmental, or other hearings with reference to the subject property.
8. Unless stated otherwise in my review, the analyses, opinions, and conclusions in this review report are based solely on the data, analyses, and conclusions contained in the appraisal report under review. It is assumed that the data is representative of existing market data. Any additional market data obtained for this review was noted. All of the assumptions and limiting conditions contained in the appraisal report under review are also assumptions and limiting conditions of this review unless otherwise stated.