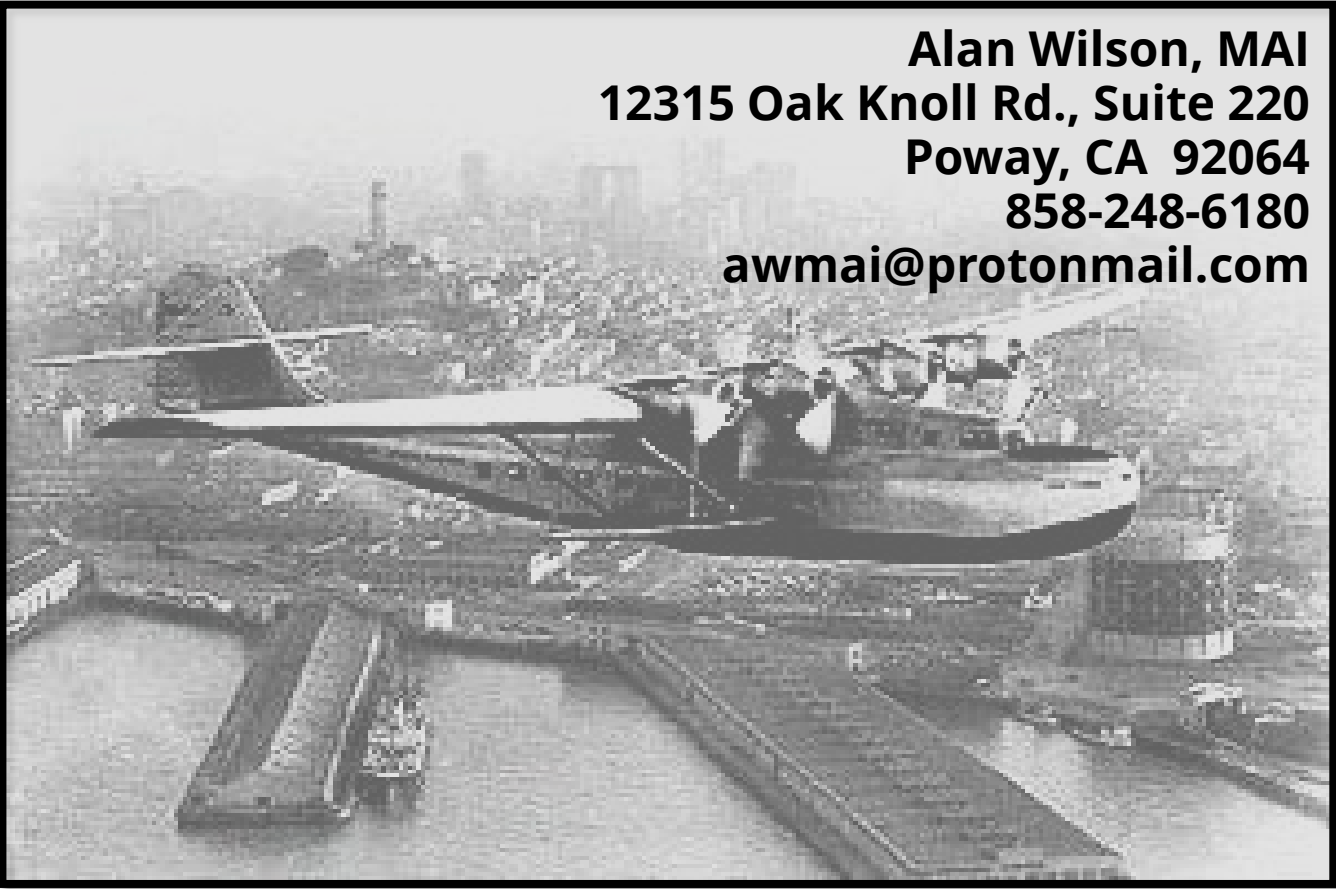


Appraisals of SBP and L52

January 23, 2020

Appraiser/Tenant “Kickoff” Meeting



Alan Wilson, MAI
12315 Oak Knoll Rd., Suite 220
Poway, CA 92064
858-248-6180
awmai@protonmail.com

My Background

Education

- SDSU, Graduate School of Business Administration
- UCLA, B.A.

Experience

- 40 years in appraisal field
- Business owner for 35 years
- 30 years of airport appraisal experience
- Over 60 airport appraisal assignments
- Exclusively engaged in airport appraisals for last three years

Alan M. Wilson, MAI
Partial List of Aviation Real Estate Appraisal Assignments

Year	Property Reference Airport Location	Description	Purpose	Client
2019	US Border Patrol Facility Brown Field San Diego, CA	Temporary fuel storage facility, utility line extensions and temporary offices	Estimate market ground rent	City of San Diego
2019	Rapid City Regional Rapid City, South Dakota	Land with HABU for Storage, SASO, & FBO	Estimate market ground rent for all three property types	City of Rapid City
2019	Coast Air FBO Montgomery-Gibbs Executive San Diego, CA	110,000 SF of storage & maint. hangars; office & classroom	Estimate leasehold market value for proposed FBO const.	First Choice Bank
2019	Advanced Air Montgomery-Gibbs Executive San Diego, CA	9,000 SF maintenance hangar	Estimate market rent	City of San Diego
2019	SDPD Air Support Hangar Montgomery-Gibbs Executive San Diego, CA	10,000 SF maintenance hangar	Estimate market rent	City of San Diego
2019	Gibbs Flying Service Montgomery-Gibbs Executive San Diego, CA	25-acre FBO site	Estimate market ground rent	City of San Diego
2019	Experimental Aircraft Assoc. Brown Field San Diego, CA	2.5 acres of aviation land with drainage issues	Estimate market ground rent	City of San Diego
2019	Ramp 5 FBO Brown Field San Diego, CA	Four acres of aviation land	Estimate market ground rent	City of San Diego
2019	Air Force Plant 4 Fort Worth, TX	7.5 million-SF Lockheed-Martin manufacturing facility	Estimate facility market rent	U.S. Navy (subcontract)
2019	Air Force Plant 6 Marietta, GA	7.5 million-SF Lockheed-Martin manufacturing facility	Estimate facility market rent	U.S. Navy (subcontract)
2018	Crownair Montgomery-Gibbs Executive San Diego, CA	12 executive hangars	Estimate leasehold market value	Crownair

Property Reference				
Year	Airport Location	Description	Purpose	Client
2018	WWII-era hangar Hemet-Ryan Hemet, CA	Maintenance hangar	Estimate market rent as part of proposed FBO	County of Riverside EDA
2018	Spiders Aircraft Montgomery-Gibbs Executive San Diego, CA	WWII era maintenance hangar	Estimate market rent	City of San Diego
2017	Chino Municipal Chino, CA	18 storage hangars	Estimate market value "in bulk" for loan purposes	Pacific Premier Bank
2017	Crownair Montgomery-Gibbs Executive San Diego, CA	12 executive hangars	Estimate leasehold market value	Crownair
2016	Crownair Montgomery Field San Diego, CA	12 executive hangars	Estimate leasehold market value	Crownair
2015	FAA Flight Service Station Montgomery Field San Diego, CA	Flex industrial/office building to be renovated for fire rescue	Estimate market rent	City of San Diego
2015	40 acres of land Chino Municipal Chino, CA	Three parcels inside the fence and one outside the fence	Estimate market ground rent for potential release from aviation use	County of San Bernardino
2015	Hemet-Ryan Hemet, CA	Generic aviation- restricted land	Estimate market ground rent	County of Riverside EDA
2015	Jacqueline Cochran Thermal, CA	Generic aviation- restricted land	Estimate market ground rent for parcels having access to heavy and light ramps	County of Riverside EDA
2015	French Valley Temecula, CA	Generic aviation- restricted land	Estimate market ground rent	County of Riverside EDA
2014	Premier Jet #17 McClellan-Palomar Carlsbad	Storage hangar	Estimate leasehold market value for assessment purposes	Owner
2014	Safari Aviation Gillespie Field El Cajon, CA	Storage and maintenance hangars	Estimate leasehold market value for partnership purposes	Owner
2014	McClellan-Palomar Carlsbad	Aviation-restricted land subject to subsidence	Estimate market ground rent for arbitration purposes	Palomar Airport Pilots' Association

Property Reference				
Year	Airport Location	Description	Purpose	Client
2013	Boeing, Lockheed and Northrop-Grumman leaseholds Air Force Plant 42 Palmdale, CA	Storage and maintenance and manufacturing hangars	Estimate market rent for improvements	U.S. Navy (subcontract)
2012	Borrego Valley Borrego Springs, CA	30-foot-wide strip of land within the RPZ	Estimate market ground rent for utility easement	County of San Diego
2012	McClellan-Palomar Carlsbad	Aviation-restricted land subject to subsidence	Estimate market ground rent	Palomar Airport Pilots' Association
2012	San Luis Obispo County Regional San Luis Obispo, CA	Generic storage, SASO and full-service FBO parcels	Estimate market ground rent for each of three categories	County of San Luis Obispo
2012	Oceano Oceano, CA	Generic storage, SASO and full-service FBO parcels	Estimate market ground rent for each of three categories	County of San Luis Obispo
2011	Boeing, Lockheed and Northrop-Grumman leaseholds Air Force Plant 42 Palmdale, CA	Storage and maintenance and manufacturing hangars	Estimate market rent for improvements	U.S. Navy (subcontract)
2010	McClellan-Palomar Carlsbad, CA	Generic aviation-restricted land	Estimate market ground rent	County of San Diego
2010	Marine Corps Air Station Yuma, AZ	Runway and adjacent land	Estimate fee simple value of land under runway	U.S. Navy (subcontract)
2010	Magellan FBO McClellan-Palomar Carlsbad, CA	FBO land parcel	Estimate impact of ground lease modifications on leasehold value	Magellan Aviation
2009	Gillespie Field El Cajon, CA	Generic aviation-restricted land	Estimate market ground rent	Gillespie Field Lessees' Assoc.
2007	Proposed FBO Montgomery Field San Diego, CA	16.69 acres of aviation-restricted land	Feasibility study for proposed construction	Square One Development
2007	Civic Helicopters McClellan-Palomar Carlsbad, CA	Hangar and offices on 1.14 acres	Estimate facility and ground rent	County of San Diego
2005	Scaled Composites Mojave Mojave, CA	Heavy maintenance hangar	Estimate leasehold market value	Scaled Composites, Inc.

Property Reference				
Year	Airport Location	Description	Purpose	Client
2004	Border Patrol Offices Brown Field San Diego, CA	Office building	Estimate leasehold market value and fair market rent	City of San Diego
2004	BAE Systems Hangar Mojave Mojave, CA	Heavy maintenance hangar, warehouse, flex building	Estimate leasehold market value for potential sale	BAE Systems
2004	McClellan Palomar Carlsbad, CA	Generic aviation-restricted land	Estimate market ground rent	County of San Diego
2003	Gillespie Field El Cajon, CA	Generic aviation-restricted land	Estimate market ground rent	County of San Diego
2003	Magellan FBO McClellan-Palomar Carlsbad, CA	Proposed redevelopment of full service FBO	Feasibility study	Magellan Group
2003	Gibbs Flying Service Montgomery Field San Diego, CA	Full service FBO	Estimate market ground rent and evaluate a proposed ground lease extension	Gibbs Flying Service
2002	Jet Source and Ocean Air FBOs McClellan Palomar Carlsbad, CA	Two existing FBOs	Estimate leasehold market value for loan purposes	California Bank & Trust
2001	Mercury Air Center and Media Aviation FBOs Burbank/Glendale/Pasadena Burbank, CA	Two existing FBOs	Estimate leasehold market value of the combined entities for loan purposes	Bank of America
2001	Avtel Services Mojave Mojave, CA	Heavy transport maintenance hangar	Estimate leasehold market value for loan purposes	Bank of America
2001	Media Aviation FBO Burbank/Glendale/Pasadena Burbank, CA	Existing FBO	Estimate leasehold market value for loan purposes for a pending sale	Bank of America
2001	Fallbrook Air Park Fallbrook, CA	Generic aviation-restricted land	Estimate market ground rent	County of San Diego
2000	Marshall Avenue Extension Gillespie Field El Cajon, CA	Aviation-restricted land to be used for road extension	Estimate fair market value for FAA release from aviation use	County of San Diego
2000	Borrego Valley Borrego, CA	Generic aviation-restricted land	Estimate market ground rent	County of San Diego
1999	Federal Express City Station Imperial Imperial, CA	Proposed air freight sorting and distribution facility	Estimate leasehold market value upon completion	Bank of America
1999	Marine Corps Air Station, Miramar San Diego, CA	Limited use land within boundaries	Estimate market ground rent	U.S. Marine Corps County of San Diego

Property Reference				
Year	Airport Location	Description	Purpose	Client
1998	SCIF leasehold McClellan Palomar Carlsbad, CA	FBO	Estimate market ground rent and leasehold market value	County of San Diego
1998	Fallbrook Air Park Fallbrook, CA	Generic aviation- restricted land	Estimate market ground rent	County of San Diego
1998	Safari Aviation East FBO Gillespie Field El Cajon, CA	Proposed executive hangars	Estimate leasehold market value for loan purposes	Grossmont Bank
1996	Media Aviation FBO Burbank/Glendale/Pasadena Burbank, CA	Existing and Proposed FBO	Estimate leasehold market value for loan purposes	Wells Fargo Bank
1994	Border Patrol facility Imperial Imperial, CA	Hangar	Estimate leasehold market value for loan purposes	Bank of America
1994	Safari Aviation FBO Gillespie Field El Cajon, CA	Existing FBO	Estimate leasehold market value for partnership buyout and loan purposes	FBO Owner and Grossmont Bank
1993	Mission West Aviation FBO McClellan Palomar Carlsbad, CA	Full service FBO	Estimate leasehold market value for loan purposes	Wells Fargo Bank
1993	Vallas leasehold McClellan Palomar Carlsbad, CA	Helicopter maintenance facility	Estimate leasehold market value for loan purposes	Bank of America
1990	Executive Air / Critical Air Montgomery Field San Diego, CA	Existing and proposed FBO construction	Estimate leasehold market value "asis"; feasibility study for proposed construction	Leasehold owner (subcontract)

Scope of Work

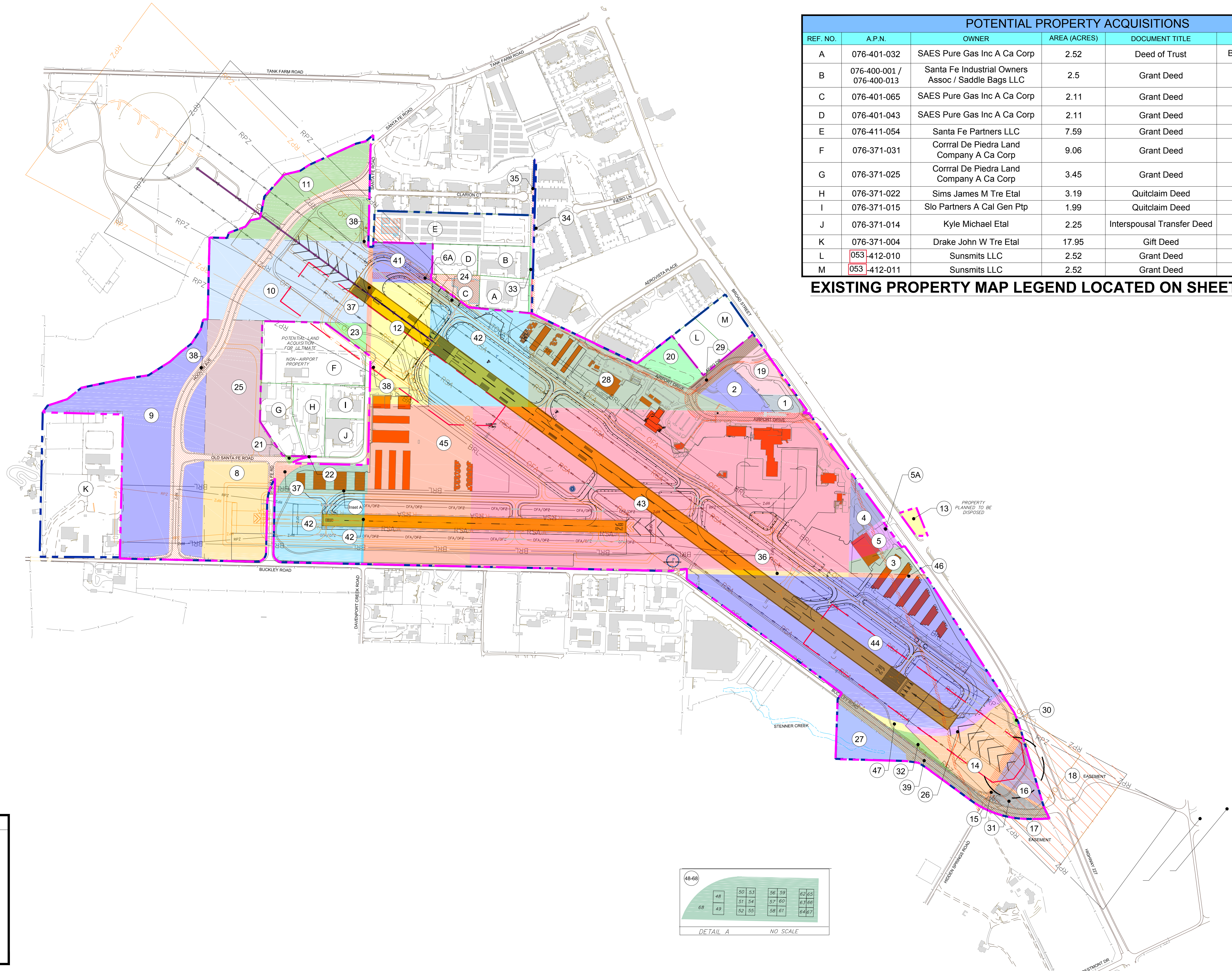
“The purpose of this appraisal is to determine FMV and applicable range of fair market rental rates for airport land and improvements used for aeronautical, non-aeronautical, commercial and non-commercial airport entities at both the San Luis Obispo County Regional Airport (SBP) and the Oceano Airport (L52). The appraisal will be used as the valuation methodology for subsequent fair market value determinations.”

Aeronautical Properties to be Appraised at SBP

1. The base fair market land rent and FMV for: a) Full Fixed Based Operator (FBO), b) Specialty Shop and c) Aircraft Storage.
2. FMV and applicable range of fair market rental rates, as well as the sale of improvements, for County-owned Hangars (T-hangars and box hangars) at Site N.
3. Fair market rental rates for Tie Down Spaces at SBP, for both general aviation and aviation related commercial operations.
4. FMV and applicable range of fair market rental rates of the SBP Old Terminal Building
5. FMV and applicable range of fair market rental rates for airport property, currently leased to Concessionaire, the Spirit of San Luis Restaurant.

Non-Aeronautical Properties to be Appraised at SBP

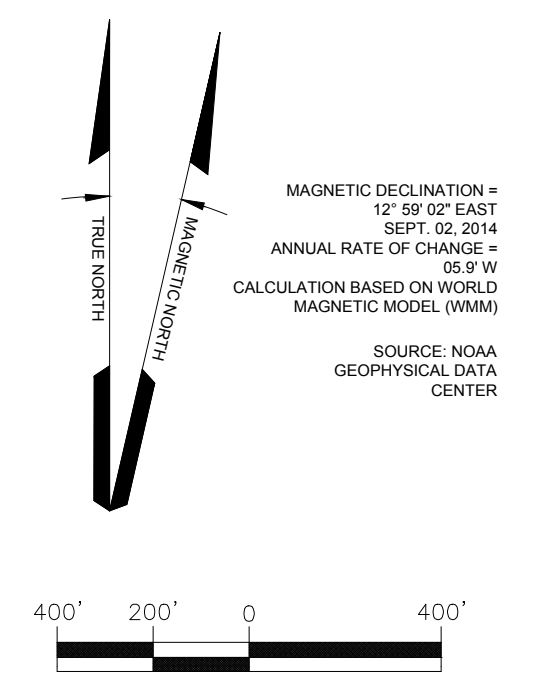
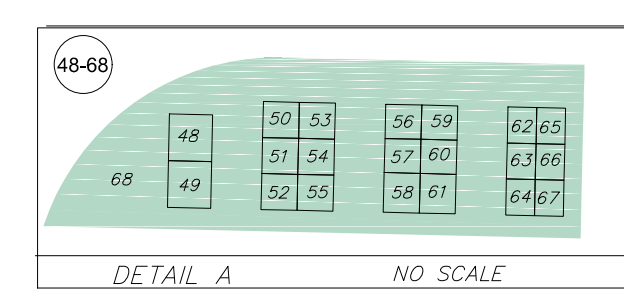
6. FMV and applicable range of fair market rental rates of non-aeronautical airport property APN 76-063-033 (#27 on Appendix G) 3.49 acres.
7. FMV and range of applicable fair market rental rates for non-aeronautical use of airport property APN 76-371-026 (#9 on Appendix G) 23.54 acres.
8. FMV and range of applicable fair market rental rates for non-aeronautical use of airport property APN 076-371-018. (#25 on Appendix G).
9. Fair market rental rates for placement of Cell Tower on airport property, premises located at 076-401-064 (PTN) current footprint of existing cell tower 792 square feet.



POTENTIAL PROPERTY ACQUISITIONS					
REF. NO.	A.P.N.	OWNER	AREA (ACRES)	DOCUMENT TITLE	EXISTING FACILITIES
A	076-401-032	SAES Pure Gas Inc A Ca Corp	2.52	Deed of Trust	Business Improvements, Land
B	076-400-001 / 076-400-013	Santa Fe Industrial Owners Assoc / Saddle Bags LLC	2.5	Grant Deed	Condo Subdivision
C	076-401-065	SAES Pure Gas Inc A Ca Corp	2.11	Grant Deed	Business Improvements
D	076-401-043	SAES Pure Gas Inc A Ca Corp	2.11	Grant Deed	Business Improvements
E	076-411-054	Santa Fe Partners LLC	7.59	Grant Deed	Mini-Storage
F	076-371-031	Corral De Piedra Land Company A Ca Corp	9.06	Grant Deed	Commercial / Industrial
G	076-371-025	Corral De Piedra Land Company A Ca Corp	3.45	Grant Deed	Land
H	076-371-022	Sims James M Tre Etal	3.19	Quitclaim Deed	Land
I	076-371-015	Slo Partners A Cal Gen Ptp	1.99	Quitclaim Deed	Land
J	076-371-014	Kyle Michael Etal	2.25	Interspousal Transfer Deed	Land
K	076-371-004	Drake John W Tre Etal	17.95	Gift Deed	Residence
L	053-412-010	Sunsmits LLC	2.52	Grant Deed	Land
M	053-412-011	Sunsmits LLC	2.52	Grant Deed	Land

EXISTING PROPERTY MAP LEGEND LOCATED ON SHEET 20

LEGEND	
SYMBOL	ITEM
	EXISTING AIRPORT PROPERTY LINE
	ULTIMATE AIRPORT PROPERTY LINE
	EXISTING OFF-AIRPORT PARCEL
	RUNWAY PAVEMENT
	BUILDINGS ON-AIRPORT
	BUILDINGS OFF-AIRPORT
	EXISTING CONFIGURATION
	ULTIMATE CONFIGURATION
	BUILDING RESTRICTION LINE (BRL)



	<p>9841 AIRPORT BLVD. SUITE #1030 LOS ANGELES, CA 90045 (310) 692-2050 www.rsandh.com</p>	Drafted By: LV-TM-GH-RG	No. 1 Revision ALP Update AIP # 3-06-0228-041-2013	By RS&H App. JPJ Date June 2017	Prepared For: San Luis Obispo County	SAN LUIS OBISPO COUNTY REGIONAL AIRPORT SAN LUIS OBISPO COUNTY, CALIFORNIA	AIP Project No. 3-06-0228-041-2013
		Checked By: DC	DISCLAIMER: THE PREPARATION OF THESE DOCUMENTS WAS FINANCED IN PART THROUGH A PLANNING GRANT FROM THE FEDERAL AVIATION ADMINISTRATION AS PROVIDED UNDER SECTION 505 OF THE AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982, AS AMENDED. THE CONTENTS DO NOT NECESSARILY REFLECT THE OFFICIAL VIEWS OR POLICY OF THE FAA. ACCEPTANCE OF THESE DOCUMENTS BY THE FAA DOES NOT IN ANY WAY CONSTITUTE A COMMITMENT ON THE PART OF THE UNITED STATES TO PARTICIPATE IN ANY DEVELOPMENT DEPICTED HEREIN NOR DOES IT INDICATE THAT THE PROPOSED DEVELOPMENT IS ENVIRONMENTALLY ACCEPTABLE IN ACCORDANCE WITH APPROPRIATE PUBLIC LAWS.				AIRPORT PROPERTY MAP - EXHIBIT A
		Approved By: JPJ	KEVIN BUMEN, C.A.E., C.M., DIRECTOR OF AIRPORTS Date		Scale: 1"= 400'	Date: June 2017	

Aeronautical Properties to be Appraised at L52

10. FMV and fair market ground rental rates for a) Full Fixed Based Operator (FBO), b) Specialty Shop and c) Aircraft Storage.
11. FMV fair market rental rates for County owned hangars and buildings at L52 (base fair market rent and sale of improvements).
12. Fair market rental rates for Tie Down Spaces both general aviation and aviation-related commercial operations.

Non-Aeronautical Properties to be Appraised at L52

13. Fair market rental rates for Pismo Coast Village, for non-aeronautical use of off airport property (property is currently used for RV storage space).
14. FMV and applicable fair market rental rate for residence located 561 Airpark Drive

When and Where

Draft appraisal reports are scheduled to be completed by May 11, 2020.

The majority of my research will be done from my office in San Diego, but it is likely that I will be visiting the two subject airports and some of the comparable airports on more than one occasion after today.

METHODOLOGY

Appraisals of each individual lease parcel will NOT be made. Instead, a “typical” parcel representative of each use category (which may or may not coincide with an actual parcel) will be identified and used for comparison purposes.

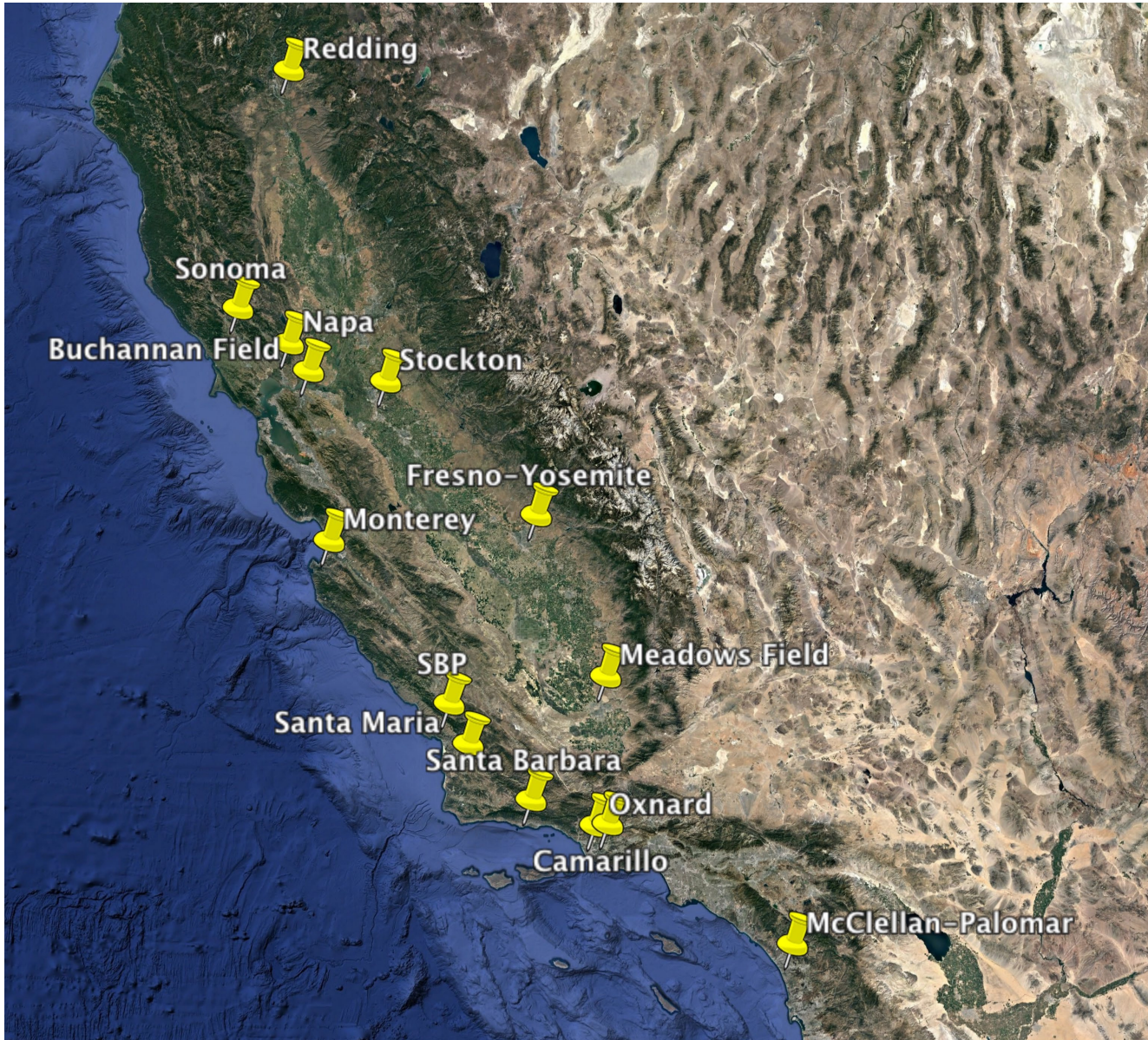
The mechanism for the appraisal of market rent is shown in the “standard aviation ground lease” provided in the RFP.

Comparative Analysis

“The market areas for determining comparable values shall be the area, inclusive of Monterey and Camarillo, from the shoreline to 40 miles easterly, commercial and industrial market areas, that are on airports. In the event that there are no recent comparables within three years of the appraisal date, than (sp.) the parties agree that other comparable California airports may be used for purposes of determining comparable values. Factors to determine comparable airports may include, but will not be limited to, general and commercial aviation operations and economic demographics of the surrounding community.”

Potentially Comparable Airports

Santa Maria	Commercial Non-hub
Redding	Commercial Non-hub
Buchanan Field	Commercial Non-hub
Charles Schulz	Commercial Non-hub
Meadows Field	Commercial Non-hub
Camarillo	GA Reliever
Fresno-Yosemite	Commercial Non-hub
Napa County	GA Reliever
Monterey	Commercial Non-hub
Stockton Metro	Commercial Non-hub
Santa Barbara	Commercial Non-hub
Oxnard	GA Reliever
McClellan-Palomar	Commercial Non-hub



APPRAISER'S CRITERIA FOR COMPARABLE AIRPORT SELECTION

Geographic location (FAA's Western Pacific Region)

FAA facility classification

Operations (number and type)

Based aircraft (number and type)

Activity levels (number and type)

Ratio of GA to total op's

Ratio of GA op's to based aircraft

Factors in the Rating Process

- Airport infrastructure (runways, tower, ILS)
- Airport acreage
- Fuel sales (by volume and type)
- Fuel prices
- Jets as % of based aircraft
- Demographics
- Development activity on and off-airport
- Activity characteristics and trends
- Tenant capital investment requirement
- Airport financial condition

Individual Lease Considerations

- Lease date
- How was the rent negotiated?
- Presence or absence of reversion clause
- Tenant's capital investment requirement
- Ground rent structure (increases, caps, term)
- Physical condition of site (paving, utilities)
- Location of site on airport
- Allowable use(s)

Example Rating Continuum – FBO

TENANT / FACILITY	RENT/AC./MO.	RATING
AMAZONIC, INC. SUPERPORT	\$4,000	SUPERIOR
FRIENDLY FBO, INC. SUBJECTPORT	WHERE ART MEETS SCIENCE	SUBJECT AIRPORT
TYPI-TENANT, LLC AVERAGEPORT	\$3,000	INFERIOR
WYNKEN, BLYNKEN & NOD FUEL SLEEPYPORT	\$2,000	INFERIOR

Thank you! Questions?



SBP, 1963