

June 5, 2023

Lee Harris, Trustee
EFTFTB, LLC
2020 Main Street, Suite 780
Irvine, CA 92614

Re: Acquisition of a Partial Property Fee Acquisition in real property located in the City of Lake Forest, California; Assessor Parcel No. 614-021-34 (Portion)

Dear Mr. Harris:

The City of Lake Forest (hereinafter referred to as the "City"), is proposing to widen Jeronimo Road at the intersection of Jeronimo Road and El Toro Road, hereinafter referred to as the "Jeronimo Road Widening Improvement Project". The acquisition of a portion of your property is being considered for the Jeronimo Road Widening Improvement Project. The City has retained Paragon Partners Consultants, Inc. to negotiate a Partial Property Fee Acquisition on the real property you own located at 25092 Farthing Street in the City of Lake Forest.

Pursuant to Section 7267.2 of the California Government Code, this letter constitutes the City's offer of total just compensation for the above-referenced property, subject to the terms and conditions below.

The City of Lake Forest has determined the amount of just compensation for the property identified in the attached Exhibit "A" and "B" (Partial Property Fee Acquisition) and Site Improvements to be the sum of **THREE HUNDRED TWELVE THOUSAND DOLLARS (\$312,000.00)** which consists of \$233,036.00 for a Partial Property Fee Acquisition of 3,427 square feet and \$78,998.00 for Site Improvements. The City's offer represents what the City has determined to be the fair market value of your property.

It is the City's hope that our offer is agreeable to you and that the acquisition can begin immediately. The City's offer will be subject to approval by the City Council and your ability to deliver unencumbered title. This offer is also based on the assumption that the property is free of contamination and requires no remediation. If contamination is found, this offer will be subject to amendment.

Should you elect to have an independent appraisal completed in addition to the appraisal conducted by the City, you may be eligible to be reimbursed up to \$5,000.00 of the appraisal cost. In order to receive any reimbursement, the appraiser you choose must be licensed with the Office of Real Estate Appraisers (OREA) and you must submit your reimbursement request in writing to the City. Copies of the appraisal report, and invoice for completed work by the appraiser must be provided to Paragon Partners Consultants, Inc. concurrent with submission of the appraisal cost reimbursement request. The cost must be reasonable and justifiable.

It is our sincere desire that the Partial Property Fee Acquisition can be acquired amicably, expeditiously, and by cooperative negotiation. Government Code §7267.1 provides that a public entity shall make every reasonable effort to expeditiously acquire real property by negotiation rather than by litigation in the form of an eminent domain action. Please consider this offer as being made in the spirit of avoiding litigation, and not as an admission of value. To this end, California Government Code §7267.2(a) provides that prior to initiating negotiations for the acquisition of real property that the City shall:

- Make an offer to the owner of record to acquire the property for the full amount that the public entity has established as just compensation, which offer is not less than the public entity's appraisal of the fair market value of the property; and
- Provide the owner with a written statement of, and summary of the basis for, the amount established as just compensation.

If for any reason you are not satisfied with this offer of just compensation, and have relevant information regarding the value of the Partial Property Fee Acquisition that you would like the City to consider, please contact Colin Valles at the number set forth in this letter.

In addition, you should be aware that in the event negotiations fail to result in agreement, and the City decides to proceed with acquisition of the Partial Property Fee Acquisition through eminent domain, you will have the right to have the amount of just compensation to be paid by the City for the Partial Property Fee Acquisition determined by a court of law. In addition, the offer made herein, and further correspondence related thereto will not be admissible in evidence in any eminent domain proceeding to determine the compensation to be paid, which may subsequently be instituted for acquisition of the subject property, or in any other action, pursuant to provisions of California Evidence Code §1152 and 1154.

If you wish to accept this offer or if you have any questions or wish to discuss this matter further, please feel free to contact Colin Valles at 714-379-3376 ext. 119 or via email at cvalles@paragon-partners.com.

Sincerely,

Thomas Wheeler, P.E.
Director of Public Works/City Engineer

Enclosures: Preliminary Title Report Issued by Title Company
Appraisal Summary Statement
Exhibit "A" and "B" (Partial Property Fee Acquisition)
Purchase and Sale Agreement
W-9 Form

Cc: Jim Harrison, Lyon Living Management