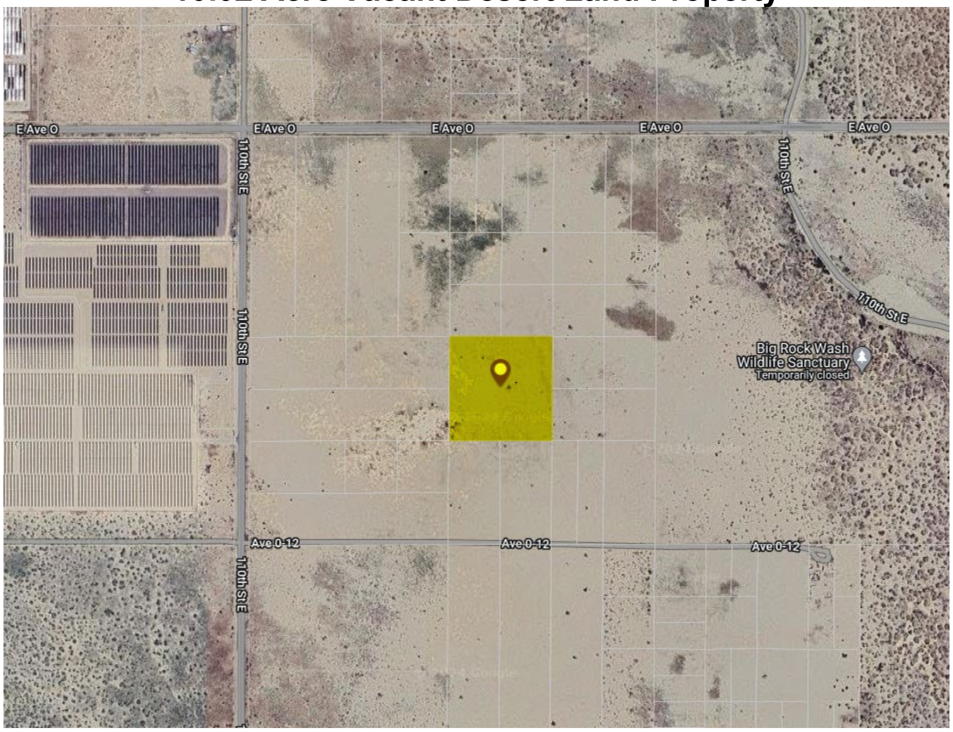
RESTRICTED APPRAISAL REPORT

10.0± Acre Vacant Desert Land Property



Located at:

Southeast Quadrant of East Ave O & 110th Street East
East Palmdale, Antelope Valley Los Angeles County, CA 93591
(Assessor's Parcel Number: 3078-017-015)

As of:

October 5, 2024
(Effective Date of Value)

Prepared for:

Michael Tanaka (Client/Property Owner)
1637 Avenida Entrada
San Dimas, CA 91773
(626) 536-6458

Prepared by:

Daryl Johnson
California State Certified General Appraiser
"The Land Appraiser"
P.O. Box 1021
Acton, California
(661) 305-6480

LETTER OF TRANSMITTAL

October 17, 2024

Michael Tanaka (Client/Property Owner)
1637 Avenida Entrada
San Dimas, CA 91773
(626) 536-6458
miket818@aol.com

RE: APPRAISAL OF A 10.0± ACRE VACANT DESERT LAND PARCEL
LOCATED AT: SOUTHEAST QUADRANT OF E AVE O & 110TH ST EAST,
EAST PALMDALE, ANTELOPE VALLEY
LOS ANGELES COUNTY, CA 93591
APN: 3078-017-015

Michael Tanaka:

In accordance with your request and authorization, I have conducted the analysis and investigation necessary to express my opinion of Market Value applicable to the Fee Simple Interest of the property referenced above, herein referred to as the subject property. The value reflected in the appraisal report is for the property as a whole and does not address any partial or fractional ownership interest. Per your instruction the date of value is current, as of October 5, 2024.

The intended use of the appraisal report will be for your exclusive personal use and guidance as a benchmark to list the property for sale on the open market. Distribution and use of the report is limited to you, identified as the client. There are no other intended users or uses of the appraisal report.

The appraisal report is written intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) under the reporting requirements set forth under Standards Rule 2-2(b), **Restricted Appraisal** Report. This report type limits the use to the client and named intended users. It should be noted that a **Restricted Appraisal** may not contain supporting rationale for all of the opinions and conclusions set forth in the report.

I certify that I have no present or contemplated future interest in the property appraised and that I have no personal interest or bias with respect to the subject matter or the parties involved in this appraisal, and that no one other than the undersigned prepared the analyses, conclusions, and opinions concerning the real estate that are set forth in this appraisal report.

I do not authorize the out-of-context quoting from, or partial reprinting of, any portion of this appraisal report. Further, neither all nor any part of this appraisal may be disseminated to the general public by the use of media or public communication without the prior written consent of the appraiser signing this report.

Based upon the analysis presented herein combined with my expertise and best judgement I have estimated the Market Value applicable to the fee simple interest of the subject property as of October 5, 2024, to be;

$30,000

(THIRTY THOUSAND DOLLARS)

Respectfully submitted,

DARYL JOHNSON
CA State Certified General Appraiser
License No. AG036857

Attachments: Appraisal Report

GENERAL ASSUMPTIONS
AND LIMITING CONDITIONS

Unless specified otherwise in the text of this report, the following assumptions and general limiting conditions apply.

NO. 1

This appraisal report has been prepared intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) requirements set forth under Standards Rule 2-2(b), ***Restricted Appraisal***. This report type limits the use to the client and named intended users. It should be noted a **Restricted Appraisal** may not contain supporting rationale for all of the opinions and conclusions set forth in the report. The scope of work and depth of discussion contained in this report is specific to the needs of the client. Additional supporting documentation concerning the data, reasoning, and analyses are retained in my files.

NO. 2

Unless otherwise stated, the value estimates in this appraisal represent the opinion of the Market Value or the Value Defined AS OF THE DATE SPECIFIED. The value of real estate is affected by national and local economic conditions, and consequently will vary with future changes in such conditions. Furthermore, appraisals are the result of an inexact science, and that estimated Market Value is dependent upon conditions and perceptions of Market Value that are likely to change over time. This valuation represents an opinion estimate only and is not intended to be a guarantee or assurance of resale value.

NO. 3

The value estimate in this appraisal report is gross, without consideration given to any encumbrance, restriction or question of title, unless otherwise specified. I assume no responsibility for matters legal in character, nor do I render any opinions as to title, which is assumed to be good and marketable. All existing liens and encumbrances have been disregarded, and the property is appraised as though free and clear, under responsible ownership and competent management. The legal description is assumed to be correct.

NO. 4

This appraisal report covers only the property described, and any values or rates utilized are not to be construed as applicable to any other property, however similar the properties might be. The distribution of the total valuation in this report between land and improvements (if any) applies only under the existing or proposed program of utilization. Separate valuations for land and building must not be used in connection with any other appraisal and are invalid if so used.

NO. 5

I assume that the utilization of the land is within the boundaries or property lines and that no encroachments or trespass exist unless specifically noted in the records and data sources utilized. I have made no survey of the property, nor has a survey been provided. All references to dimensions are based on data obtained from public records or other sources thought reliable, but accuracy cannot be guaranteed.

NO. 6

I have not been provided with any certified soils or geological report of the subject property. Therefore, I have noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) discovered during my research of the subject property, or that I became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, I have no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, pest infestation, etc.) that would make the property more or less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied, regarding the condition of the property. I will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards and construction, the appraisal report must not be considered as an environmental assessment or any other inspection of the property.

NO. 7

Any maps, sketches, reproductions, or photographs included in this report are only for illustration and as an aid in visualizing the property.

NO. 8

I have not been provided with covenants, restrictions or bylaws applicable to the subject. I have assumed that they will be comparable to those of projects reviewed in my analysis.

NO. 9

This report contains a section entitled “Ownership History” which describes the recent title history of the subject property. This should not be construed as a title search or report of title. The appraiser renders no opinion as to title, which is assumed to be good and marketable.

NO. 10

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report. Required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government, private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

NO. 11

All of the facts, conclusions and observations contained herein are consistent with information available as of the date of valuation. The value of real estate is affected by many related and unrelated economic conditions, local and national. I, therefore, assume no liability for any unforeseen change in the economy.

NO. 12

An assumption has been made that there are no regulations of any government entity to control or restrict the use of the property unless specifically referred to in this report.

NO. 13

The signatories herein shall not be required to give further consultation or testimony or attend court or be at any governmental hearing with reference to the subject property unless prior arrangements have been made for such employment.

NO. 14

No environmental impact studies were ordered or made in conjunction with this appraisal investigation; therefore, no responsibility is assumed by the appraiser for any factors that might be disclosed as the result of such studies that could influence the opinion or values set forth in the appraisal report. In the absence of such studies, the appraiser hereby reserves the right to review, alter, revise and/or rescind this appraisal or any part thereof, based on the subsequent environmental impact studies.

NO. 15

Neither all nor any part of the content of the report or copies thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, reference to any professional organizations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client specified in the report without the previous written consent of the appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without written consent and approval of the appraiser.

NO. 16

To the extent possible within time and resource constraints, the undersigned (and those working under the supervision and direction of the undersigned) confirmed or verified recorded data with private sources judged to be informed and reliable. Following standard professional real estate market analysis procedures, verification with a knowledgeable individual was accepted as confirmation of public record data. When verification was not possible, the formal, official public record data was accepted as correct.

NO. 17

No determination has been made concerning the existence of any latent or claimed defects on the property. Such defects could include UFFI, asbestos, ground water contamination, radon gas, lead-based paint, soil contamination, toxic or radioactive waste, geological or topographic defects, flood hazards or any other unnamed hazards. I assume no responsibility for the presence of such defects on the property. In the absence of such studies, the appraiser hereby reserves the right to review, alter, revise and/or rescind this appraisal or any part thereof, based on the subsequent environmental impact studies.

NO. 18

Individual and respective liability associated with the signers of this report is limited to the fee(s) collected for conducting the study and preparing the report. I assume no responsibility or accountability to any third party.

NO. 19

The appraiser reserves the right to alter and/or correct any portion of this report should an error be discovered. Furthermore, in a situation whereby subsequent information is discovered after completion of the report that would change the final opinion of value, the appraiser reserves the right to add or amend this data and change the report as deemed necessary.

NO. 20

I assume that acceptance of and/or use of this report constitutes acceptance of the foregoing general assumptions and limiting conditions.

EXECUTIVE SUMMARY

Report Type	Restricted Appraisal Report
Intended Use	Use as a benchmark for potential sale
Intended User	Michael Tanaka (Client/Owner)
Subject Location	SE Quad : E Ave E & 110th St E East Palmdale, Los Angeles County CA 93591
Assessor's Parcel Number	3078-017-015
Property Type	Raw Undeveloped Rural Land
Land Area	10.0± Net Acres (Per Assessor's Plat)
Zoning:	IL (Light Industrial) City of Palmdale
Tax Area	4709
Census Tract	9103.02
Legal Description (Assessor)	SEE PROPERTY PROFILE EXHIBIT
Valuation Estimate	Market Value
Interest(s) Appraised	Fee Simple
Critical Dates	
Date of Report	October 17, 2024
Date of Value	October 5, 2024

Value Conclusions		**Market Value**
Sales Comparison Approach		$30,000
Cost Approach		Not Applicable
Income Approach		Not Applicable
Reconciled Estimate of Market Value		**$30,000**

<u>This Restricted Appraisal was performed without the use of extraordinary assumptions or hypothetical conditions. **</u>**

INTRODUCTION

CLIENT

Michael Tanaka (Client/Property Owner)
1637 Avenida Entrada
San Dimas, CA 91773
(626) 536-6458
miket818@aol.com

APPRAISER

Daryl Johnson,
California State Certified General Real Estate Appraiser
OREA NO. AG036857

SUBJECT PROPERTY IDENTIFICATION

The subject property consists of a square 10.0± acre vacant land parcel located at the southeast quadrant of East Avenue O and 110th Street East, East Palmdale, Antelope Valley, Los Angeles County, California, 93591.
The assessor's parcel number (APN) is 3078-017-015.

INTENDED USE AND INTENDED USER OF THE APPRAISAL

The intended use is for the client/owner use exclusively for assistance and guidance as a benchmark to list the property for sale on the open market. There are no other intended users or intended uses of this report. The report is strictly limited to use by the client.

EFFECTIVE DATE OF VALUE

October 5, 2024

DATE OF THE REPORT

October 17, 2024

INTEREST VALUED

The interest appraised herein is the Fee Simple Estate. *The Appraisal of Real* defines the "Fee Simple Estate" as follows: *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

MARKET VALUE DEFINED

The Dictionary of Real Estate Appraisal, (page 142, 6th Edition, 2015, Appraisal Institute) defines Market Value as:

The most probable price that 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 are the consummation of a sale as of 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 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; and
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 sale.

The price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs or credits incurred in the transaction.

PROPERTY OWNERSHIP AND HISTORY

According to Core Logic public record data service, the subject is owned by Sandvil Inc. <u>** This history should not be construed as a title search or report. I assume the title is good and marketable, however recommend that an attorney be consulted with respect to title matters and ownership.</u>

Subject Parcel Public Records Property Profile

8 Alpine Ct, Palmdale, CA 93551, Los Angeles County Expired Listing

APN: 3078-017-015 CLIP: 2132705664

OWNER INFORMATION

Owner Name	**Tanaka Michael K (Te) & Linda**	Tax Billing City & State	**San Dimas, CA**
Owner Name 2	**Tanaka Trust**	Tax Billing Zip	**91773**
Mail Owner Name	**Michael K & Linda S Tanaka**	Tax Billing Zip+4	**4066**
Tax Billing Address	**1637 Avenida Entrada**		

COMMUNITY INSIGHTS

Median Home Value	**$524,168**	School District	**KEPPEL UNION ELEMENTARY**
Median Home Value Rating	**7 / 10**	Family Friendly Score	**56 / 100**
Total Crime Risk Score (for the neighborhood, relative to the nation)	**55 / 100**	Walkable Score	**15 / 100**
Total Incidents (1 yr)	**125**	Q1 Home Price Forecast	**$539,689**
Standardized Test Rank	**22 / 100**	Last 2 Yr Home Appreciation	**22%**

LOCATION INFORMATION

Zip Code	**93551**	Census Tract	**9103.02**
Zoning	**PDA2***	Topography	**Rolling/Hilly**
School District	**Antelope Vly Un**	Township Range Sect	**6N-10-15**
Comm College District Code	**Antelope Vly**	Within 250 Feet of Multiple Flood Zone	**No**

TAX INFORMATION

APN	**3078-017-015**	Water Tax Dist	**Antelope Val E Kern**
Tax Area	**4709**	Fire Dept Tax Dist	**Consolidated Co**
Lot	**15**		
Legal Description	**10 MORE OR LESS ACS NW 1/4 OF SE 1/4 OF NW 1/4 OF LOT 15**		

ASSESSMENT & TAX

Assessment Year	2023	2022	2021
Assessed Value - Total	**$164,104**	**$160,887**	**$157,733**
Assessed Value - Land	**$164,104**	**$160,887**	**$157,733**
YOY Assessed Change ($)	**$3,217**	**$3,154**	
YOY Assessed Change (%)	**2%**	**2%**	

Tax Year	Total Tax	Change ($)	Change (%)
2021	**$1,819**		
2022	**$1,849**	**$29**	**1.62%**
2023	**$1,882**	**$33**	**1.8%**

Special Assessment	Tax Amount
La Co Fire Dept 32	**$24.80**
Total Of Special Assessments	**$24.80**

CHARACTERISTICS

County Land Use	**Desert-Vacant**	Lot Acres	**10.2487**
Universal Land Use	**Desert**	Lot Area	**446,434**

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

The scope of work of this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report, including the definition of Market Value set forth in this report, statement of assumptions and limiting conditions, and certifications. The scope of work is typically developed before and during the appraisal process with the input of the client; however, the appraiser has the responsibility for the production of a credible appraisal report. This appraisal was completed to develop an opinion of the Market Value of the subject property. In this regard, the following investigation inquiries were made:

1. A preliminary search of available resources was made to determine market trends, influences, and other significant factors pertinent to the subject property.
2. Research was performed following recognized methods of appraisal practice. Although due diligence was conducted to the best extent possible, the appraiser is not an expert with issues related to ground water contamination, radon gas, soil contamination, toxic or radioactive waste, geological or topographic defects, flood hazards, or any other unnamed hazards. Research and collection of pertinent data (active listing and closed sales were obtained from the California Regional MLS, Core Logic Public Records Data Service, and interviews with listing and selling agents), contained in this report are present in the subject's marketing area and are in sufficient quantity to express an opinion of value as defined herein.
3. An analysis of the data collected during the data investigation process was completed as deemed appropriate for this assignment, and the applicable value approaches are contained within this report.

<u>Due to the type of property, location, and intended use of the report, a physical site observation was not necessary for credible assignment results, nor was it part of the scope of work for this assignment.</u>

This **Restricted Appraisal Report** has been prepared intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) requirements set forth under Standards Rule 2-2(b). <u>This report type limits the use to the client and named intended users. It should be noted that a Restricted Appraisal may not contain supporting rationale for all of the opinions and conclusions set forth in the report.</u>

APPRAISAL APPROACHES TO VALUE

Three valuation approaches are available and in common usage; the Sales Comparison Approach, the Income Capitalization Approach, and the Cost Approach. The three approaches are performed independently of one another and are based on somewhat different principles. All approaches are based on market data and attempt to solve the same appraisal problem. Essentially, all approaches adopt the principle of substitution, which states that a reasonable and prudent purchaser will not pay more for a property than the cost of acquiring a substitute property.

In this Appraisal Report, one approach to value was considered applicable and deemed most reliable to formulate a credible opinion of market value. The application of the Direct Sales Comparison Approach was used exclusively due to the fact the market participants rely on this approach most often for valuing vacant land properties.

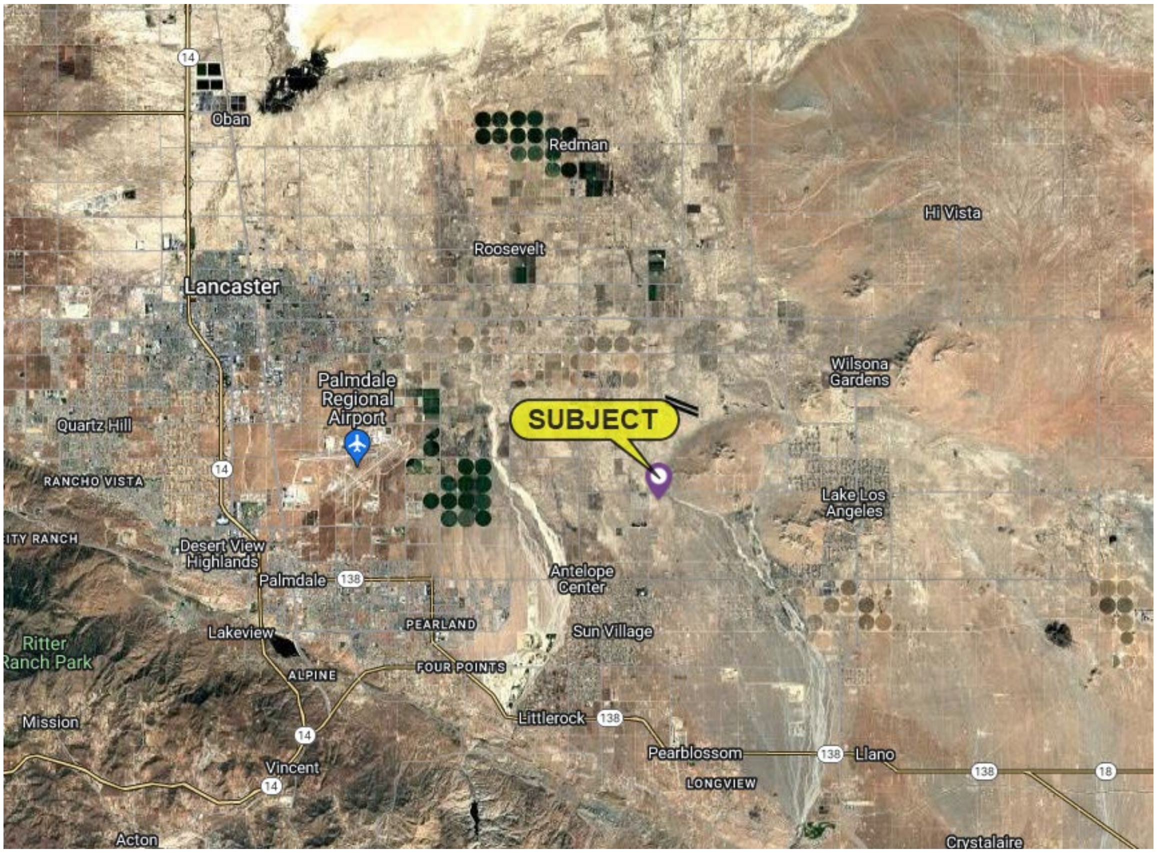
The Income Approach was not applicable because the subject is not leased in addition to the lack of rental data for the subject's immediate market area.

The Cost Approach was not utilized due to the fact the subject consists of raw vacant land.

REGIONAL SNAPSHOT

The subject is located in the southeastern section of the Antelope Valley (AV) within the city limits of East Palmdale. The region is accessed by State Routes 14 and 138. The subject's immediate surrounding area is zoned for future industrial per the city zoning map. However, development in this section of the city is extremely limited, consisting of some small size solar farms and a few older rural residential dwellings. The remaining area is primarily substantial amounts of raw undeveloped land. The desert town of Lake Los Angeles is east of the subject and Littlerock positioned to the south. Lack of infrastructure is also a primary factor that limits development in the area.

LOCATION MAP



Once considered a "bedroom" community to the larger San Fernando Valley, over time the AV region has grown in size to form its own economic base; however, an estimated 71,000 people still commute primarily on State Route 14 southwest to the greater Los Angeles area.

Given the significant presence of the aeronautics industry, the regional economy has been somewhat more dependent upon the U.S. and global economies, compared with other Southern California counties. In addition, the other three main drivers of the high desert regional economy are housing, construction, and manufacturing. All of these industries will ultimately determine the strength of the region's economy over the short term and, more importantly, the long term.

Land Investment Market

The majority of raw land purchases are speculative in nature as investors tend to buy and hold for extended periods, commonly referred to as land banking purposes. Land speculators in the region anticipate the expansion of the cities of Lancaster and Palmdale to impact land value and potentially spur development in sections within the sphere of influence within the Antelope Valley.

There has been a two-tiered land investment market in the Mojave Desert for several decades due to the vast amounts of undeveloped raw scrub land and presence of “land dealers”. For many years, land dealers have been in the practice of purchasing raw land and reselling parcels to out-of-area buyers.

These can include out-of-state and even out-of-the-country investors. The buyers are typically not well informed as to land values in the region and often solicited on potential growth patterns that are not realistic for the area. The parcels are often purchased by the land brokers at tax sales or directly from distressed or unknowledgeable sellers who are contacted by the dealers directly. These parcels are often resold within a very short time for two or three times more than the recent purchase price; in some cases to several buyers as cotenant ownership.

As result of the circumstances surrounding these types of sale transactions by land brokers, the sales do not meet the definition of an “arm's length transaction” and therefore are not considered for comparison in this report. However, the purchases by land dealers might be relied upon to estimate the subject’s market value. In the comparable sales analysis used in this report, importance was placed on using sales that were professionally marketed for sale in the local multiple listing service.

After the 2007 recession, vacant land values in the high desert had dropped by as much as 50 percent or more, since the economic and real estate market downturn. Demand for raw land was down due in part to the large inventory of developed properties for sale, whereby active listings to closed sales was 4 to 1.

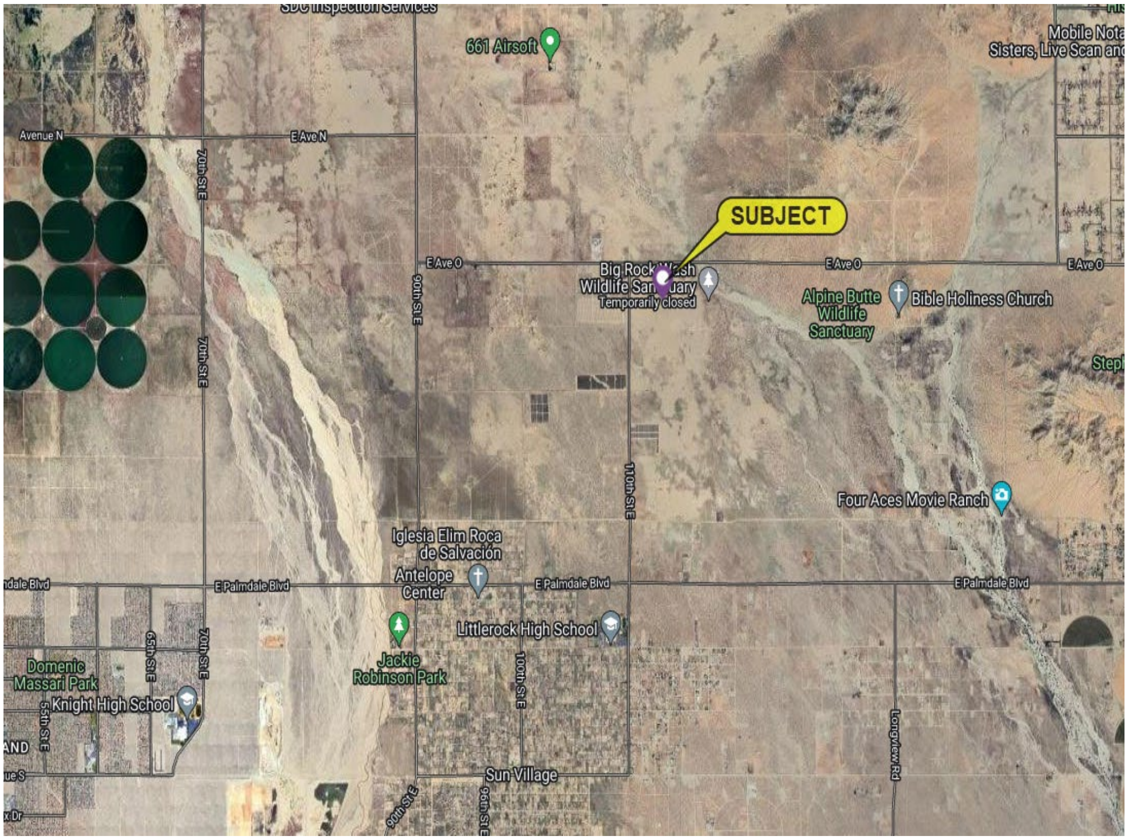
Within the more rural sections of the Antelope Valley, there have been minimal new constructions projects in the area. Beginning in about mid-2020, the AV land market has picked up considerably. Demand for housing coupled with inflation concerns are what many brokers and investors in the industry believe is driving land values to higher levels. However, not all land properties have seen increases. Land properties situated in more remote locations that are further distance from the sphere of influence and with less development potential have not experienced the same increases for parcels within, or closer to, existing development.

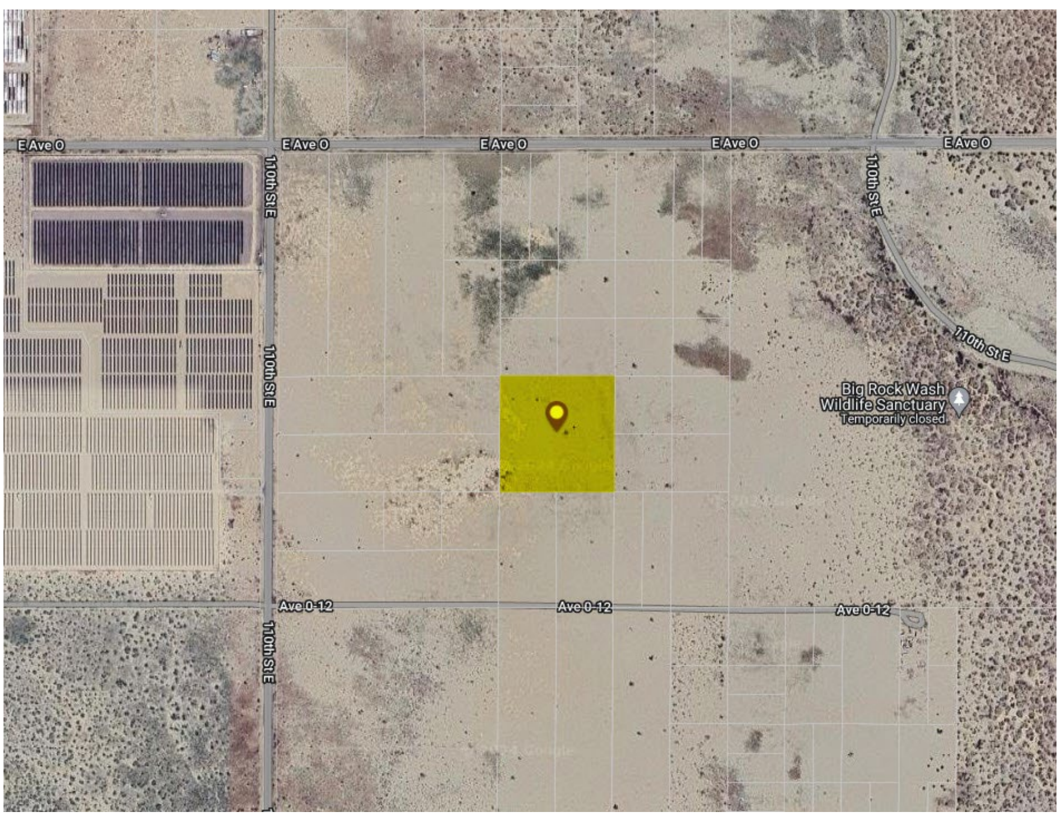
<u>The nation is currently experiencing economic recovery from the pandemic coupled with historically high inflation and commodity prices. As of the date of this report, it is unclear if there will be any immediate impact on land speculation and development in the subject market area.</u>

SUBJECT DESCRIPTION SUMMARY

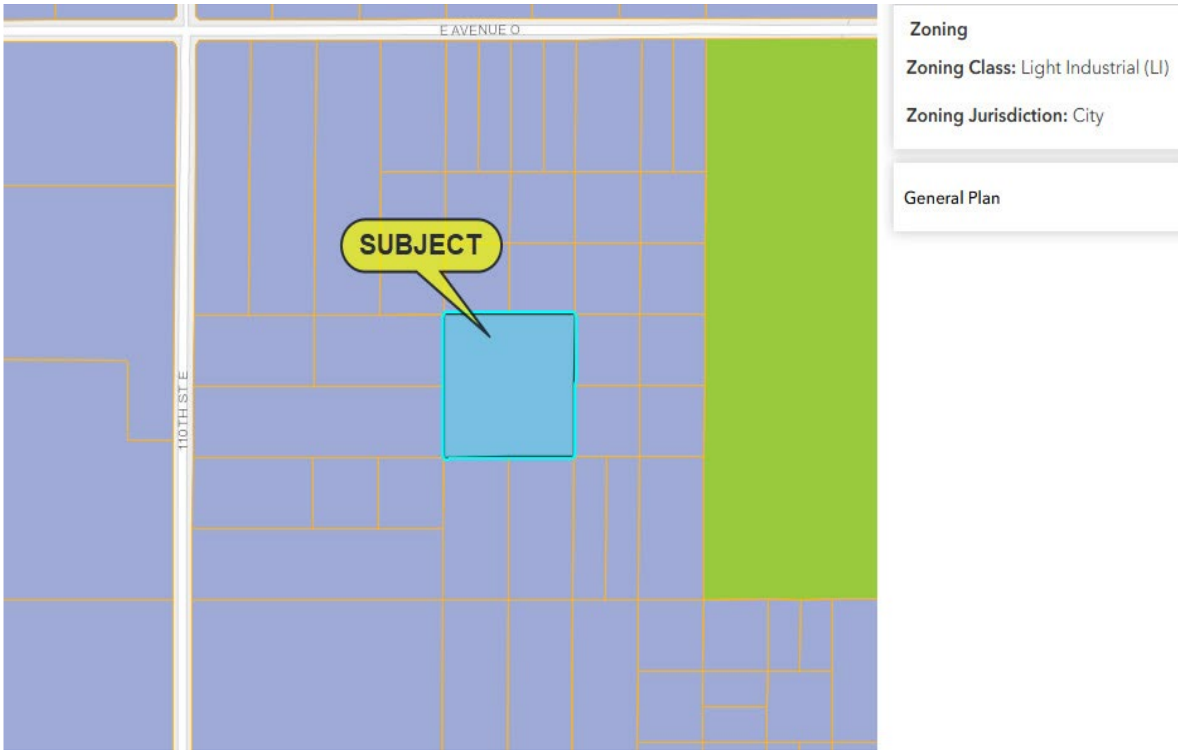
Physical Description	Located at the southeast Quadrant of E Ave O & 110th Street East East Lancaster, California 93591
Legal Description	10 MORE OR LESS ACS NW ¼ OF SE ¼ OF NW ¼ OF LOT 15 (Per Public Records Profile)
Assessor's Parcel Number	3078-017-015
Site Size	10.0± Acres (per Assessor's Plat Map)
Site Shape	Square
Width- **Depth**	660 Ft (Approx) 660 Ft (Approx)
Access	None marked
Topography	Semi level desert plain
Flood Zone	Zone 'X' Panel Map #06037C0706F Panel Map date 09/26/2008
Utilities	Electrical power poles on paved road at subject's north boundary
Zoning	IL- Light Industrial (City of Lancaster)
Soil Conditions	The site appears to have adequate drainage. The client has not provided the appraiser with a soils report. Therefore, it is assumed that the site has sufficient load bearing capacity, and that drainage is adequate. Interested parties should contact a soils engineer or other qualified professional.
Environmental & Toxic Contamination	It is assumed there is no environmental/toxic contamination impacting the subject site. The subject property is assumed to be free and clear of any such contamination and has been appraised to be in pristine condition. I EMPHASIZE TO THE USER OF THIS REPORT THAT THE APPRAISER IS NOT QUALIFIED TO DETECT SUCH SUBSTANCES, AND IT IS AN EXPRESS ASSUMPTION OF OUR ANALYSIS THAT THE SUBJECT IS A CLEAN SITE WITH NO CONTAMINATION OR TOXICITY.
Earthquake/Seismic Risk	The subject property is not within an Alquist-Priolo Special Study Zone for seismic activity. Since the subject site is located in Southern California, there is some degree of earthquake hazard at the subject location. It is recommended that any interested party obtain a complete geological study to determine any potential hazard specifically germane to the subject locale.
Oil-Mineral Rights	No Data Provided
Biological	No Data Provided
Easements-Encumbrances-Encroachments-Restrictions	None disclosed or discovered
Comments	Remote east section of the valley with no utilities. Outside the immediate sphere of influence.

SUBJECT AERIAL PHOTOs

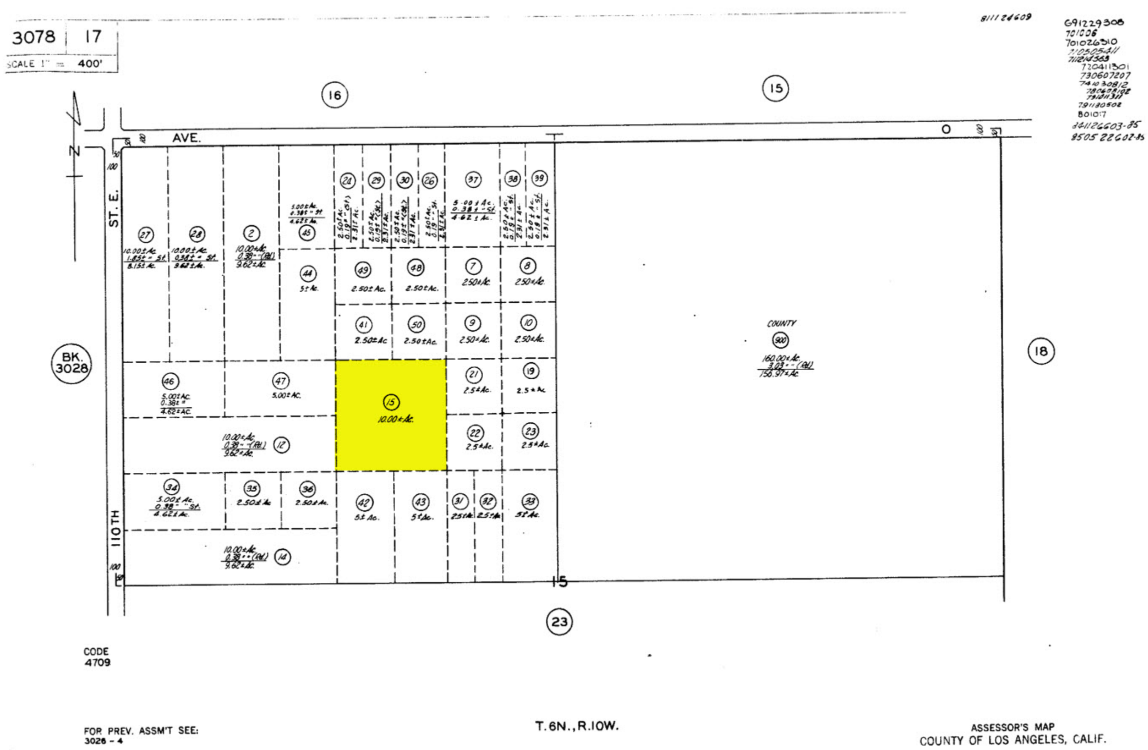




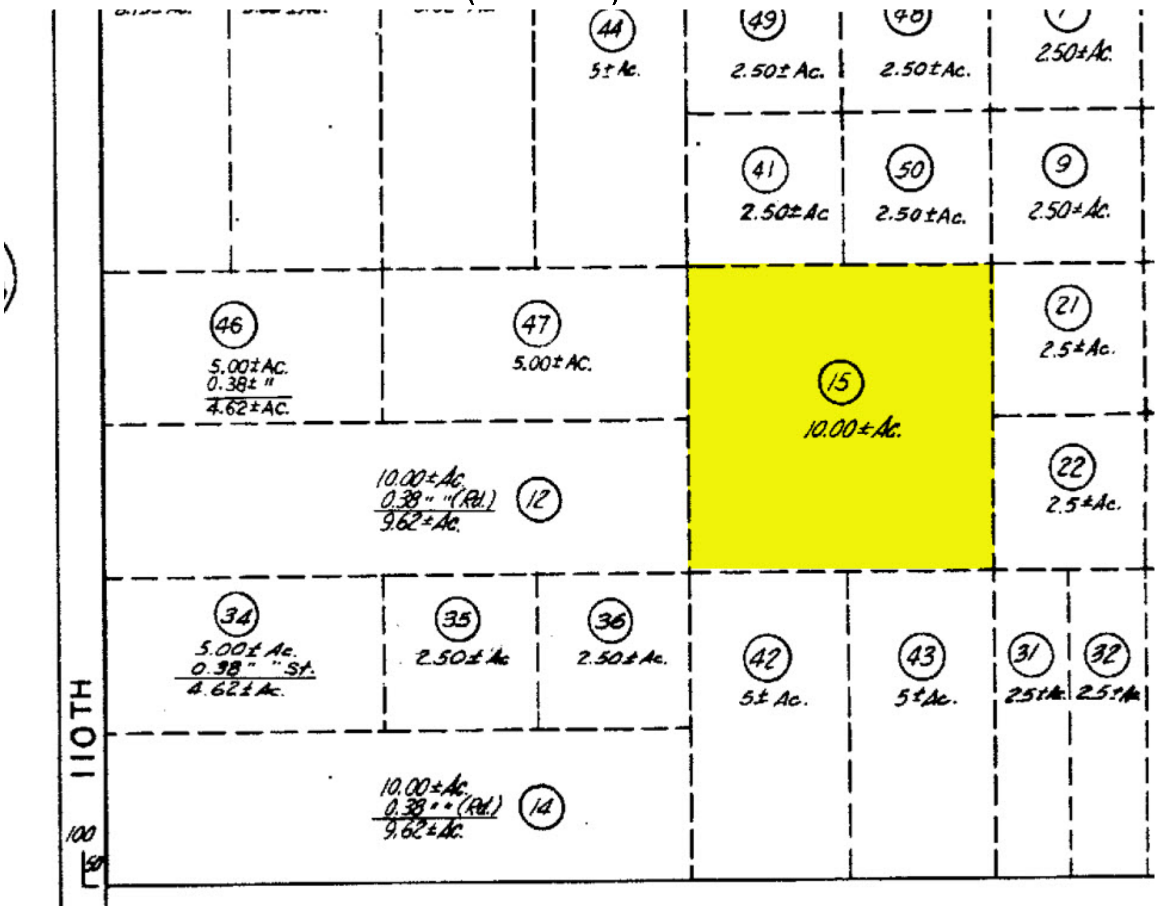
SUBJECT ZONING MAP



SUBJECT PLAT MAP
(BROAD-VIEW)



SUBJECT PLAT MAP
(CLOSE UP)



HIGHEST & BEST USE (HBU)

Highest and Best Use may be defined as follows:

> *"The reasonable, probable, and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."*[i]

Four Tests of Highest & Best Use

Test 1	Test 2	Test 3	Test 4
Legally Permissible	**Physically Possible**	**Financially Feasible**	**Maximally Productive**
What can the land legally be used for given current zoning and building codes, environmental regulations, historic district controls, private and other restrictions?	Of the legal uses permitted, which are most appropriate physically given the size, shape, area, terrain, condition, and overall utility of the property?	Among the legally permissible and physically possible uses, which are likely to produce a positive financial return?	From the potential uses that are financially feasible, which yields the highest returns?

As Vacant: The subject consists of a single 10.0± net acre vacant rural industrial zoned land parcel situated within a remote rural section of East Palmdale. Depending on market conditions, a feasibility study would need to be performed to investigate all the variables with respect to industrial development. However the current economic environment indicates **the highest and best use would be to hold for investment.**

As Improved: Not Applicable

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[i] Source: The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002).

VALUATION SECTION

The purpose of the appraisal is to provide an estimated opinion of Market Value for the subject as of the date of October 5, 2024. This opinion is based on the hypothetical sale of the subject as of the effective date of value. The property rights appraised assume fee simple title ownership with no adverse encumbrances other than typical covenants, restrictions, and easements.

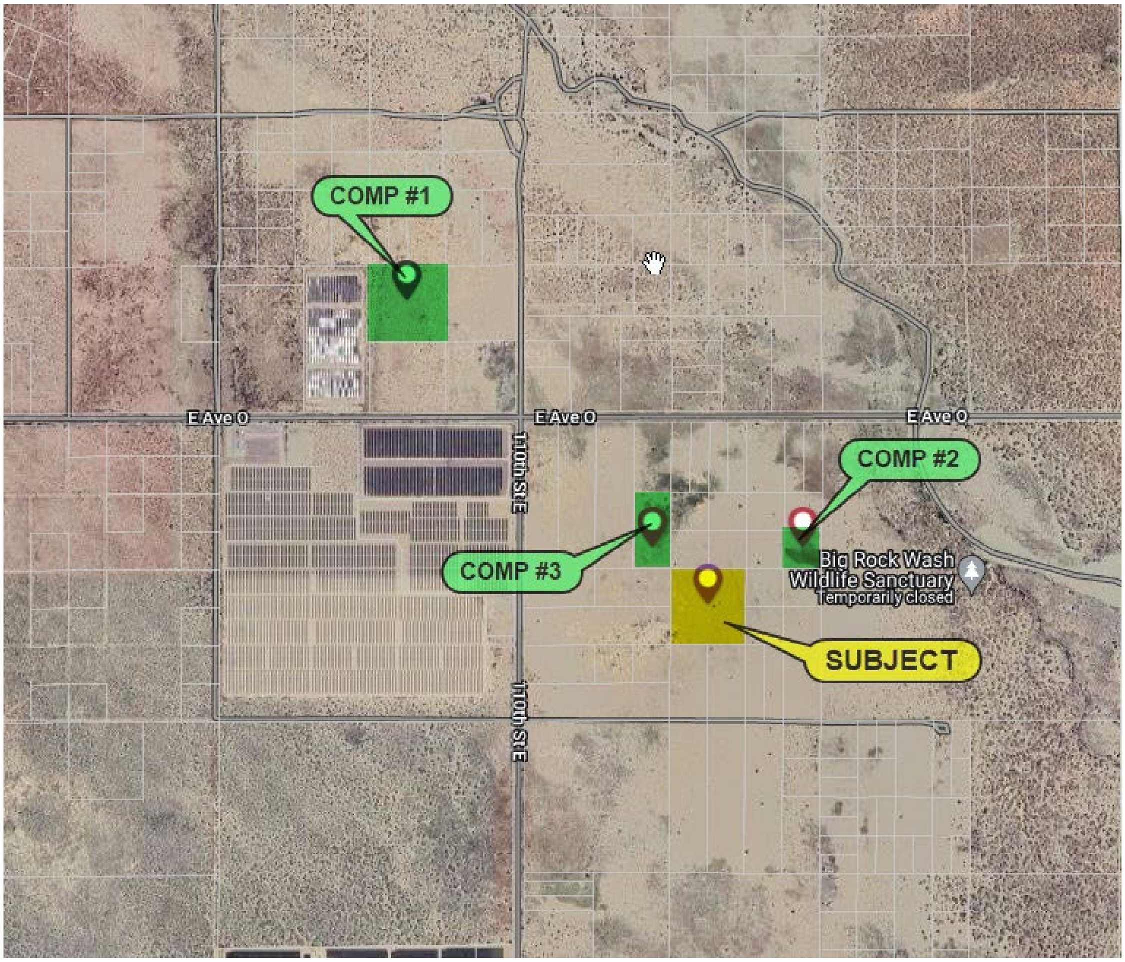
In conducting my valuation of the subject property, I have utilized only the Sales Comparison Approach (SCA), since this is the approach most commonly used to value vacant land properties. This is the only approach necessary for a credible result, given the scope of assignment, highest and best use and type of value sought. The cost approach and income approaches are not typically utilized by market participants to value such properties and therefore are not applicable.

The SCA utilizes a mixture of several proximately located transactions from the subject's local trade area. The data items bracket the subject in terms of location, physical aspects, Highest & Best Use potential, development appeal, etc. The data items are compared to the subject, analyzed, and, if applicable, adjusted to reflect distinctions in key features of comparison such as location, date of sale, condition of sale, parcel size, zoning and development potential, topography, utility status, parcel shape, etc.

Comparable Sales Summary

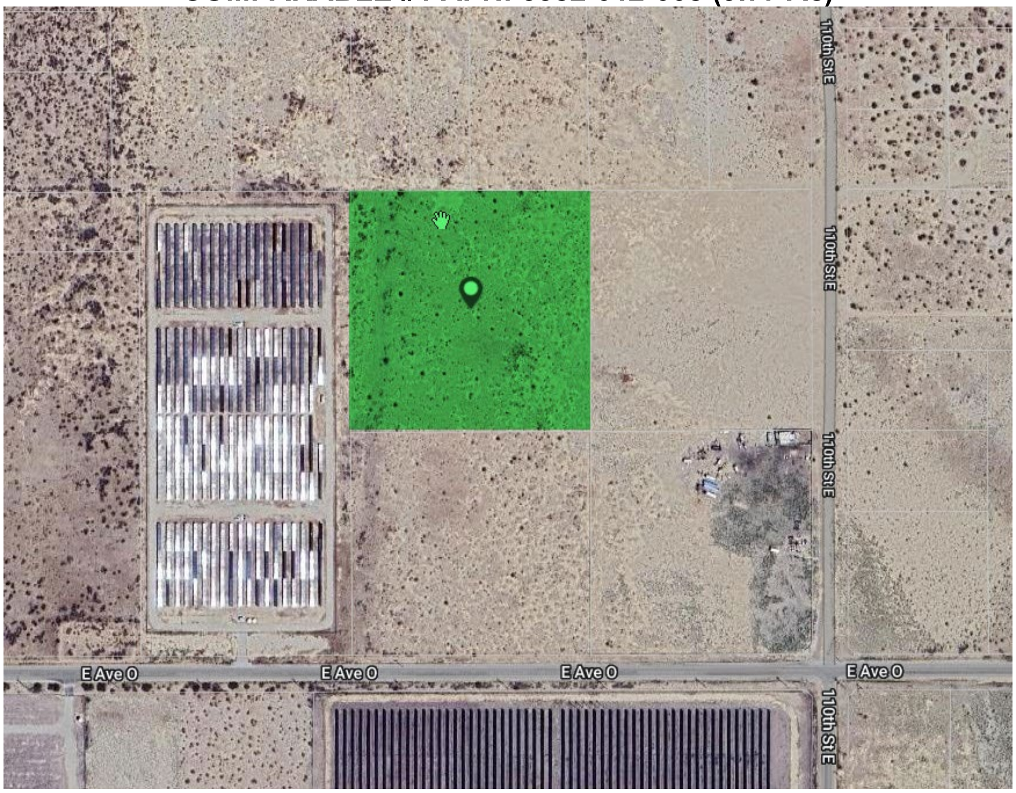
In the present case, the subject and data items have been analyzed based on sales of other similar vacant land properties in the subject's trade area. Search parameters focused on land sales discovered in the East Palmdale within the same industrial zoned district of east Palmdale. Search parameters extended approximately 36 months prior to the effective date of value in order to obtain a sufficient population of data. Although sales data was extremely limited, three closed sales were discovered that share similar characteristics of the subject and in my opinion would appeal to the same class of investor or land speculator. These comparable properties were deemed most appropriate to use as a basis in formulating an opinion of value for the subject property. The map exhibit on the following page shows the proximity of the comparable properties to the subject within the same eastern corridor approximate 1 -mile radius.

COMPARABLE LAND SALES MAP

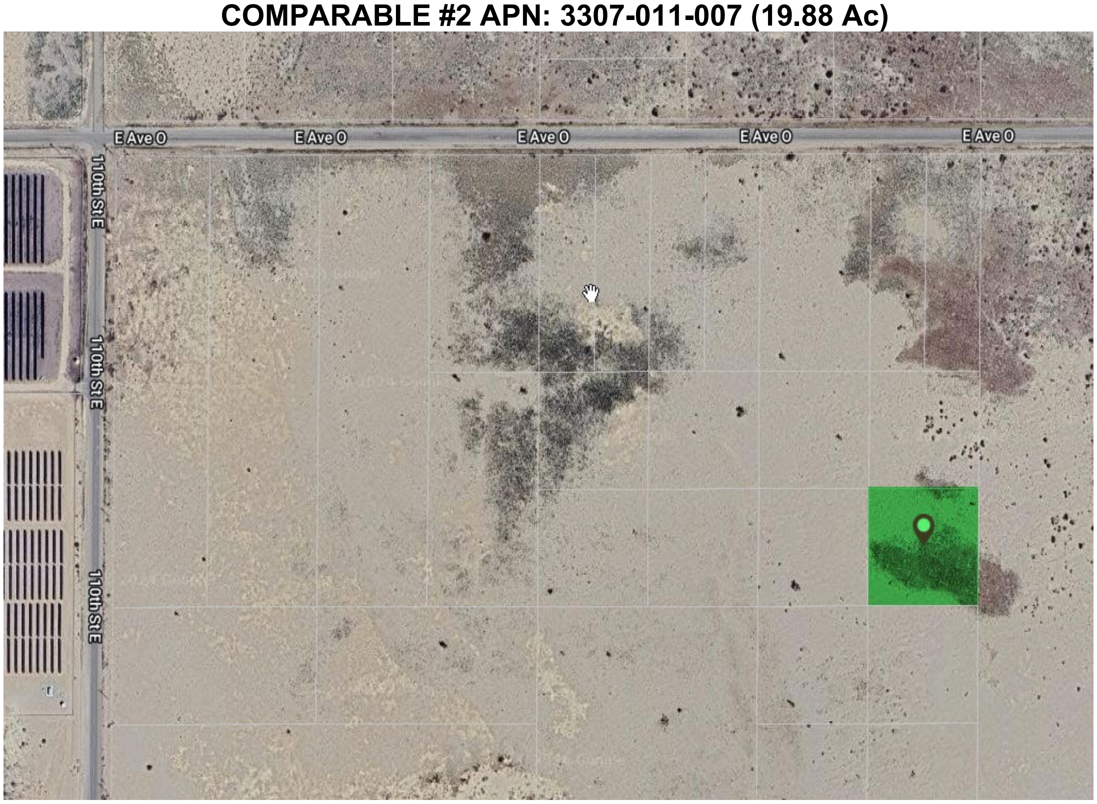


COMPARABLE VACANT LAND SALES TABLE											
SOLD Comp #	Location	Original Ask Price	Days on Market	Sale Price	Sale Date	Sale Type	Zoning	Land Area Net SF	Land Area Net Ac	Price PSF	Sale Price Acre
1	NW Quad East Ave O & 110th St East East Palmdale, CA 93591 APN: 3077-009-046	N/A	N/A Off Market Sale	$34,000	Sep-24	Standard	LI-Light Industrial	435,600	**10.00**	$0.08	**$3,400**
2	SE Quad East Ave O & 110th St East East Palmdale, CA 93591 APN: 3078-017-010	$10,000	163	$8,000	May-22	Standard	LI-Light Industrial	111,514	**2.56**	$0.07	**$3,125**
3	SE Quad East Ave O & 110th St East East Palmdale, CA 93591 APN: 3078-017-044	$13,000	29	$13,000	Jul-21	Standard	LI-Light Industrial	222,592	**5.11**	$0.06	**$2,544**
SUBJECT	**SE Quad East Ave O & 110th St East East Palmdale, CA 93591 APN: 3078-017-015**	**Date of Value October 5, 2024**					**LI-Light Industrial**	**435,600**	**10.00**		

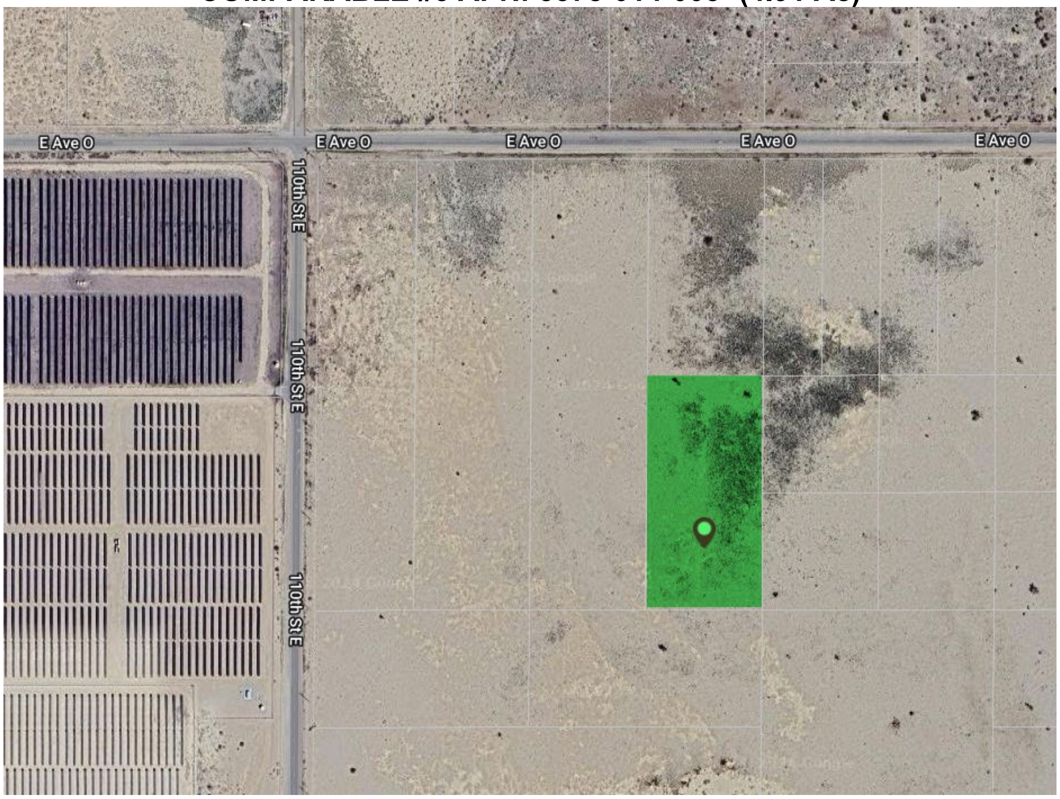
COMPARABLE #1 APN: 3382-012-008 (9.77 Ac)



COMPARABLE #2 APN: 3307-011-007 (19.88 Ac)



COMPARABLE #3 APN: 3378-014-003- (4.91 Ac)



The three sales were discovered in the regional Greater Antelope Valley with an 36-month period prior to the date of value. The parcels are located within the same industrial district as the subject. All the properties are similar to the subject in one or more characteristics, and together serve as a reasonable comparison pool for establishing an indication of value for the subject property. Examination of the sales data indicates the transactions were "arm's length," reported to be cash transactions with no concessions. The sales all involved fee simple property rights.

All the comparables share the same IL light industrial zoning and like the subject, do not have direct road access. The comparables are within the similar acreage size category and range from approximatley 2.5 acres to 10 acres.

The differences are primarily sizeand date of sale. Price per acre is the unit of comparison most utilized for vacant rural land properties. The comparable properties have a very tight price per acre range from approximately $2,500, $3,100, and $3,400.

CONCLUSION OF VALUE

In the case at hand, no single comparable was weighted more than another as all the comparables combine to form a range of value for the subject. A price per acre near the mid-point of $3,000 was considered most reasonable for the subject. Therefore by multiplying the concluded price per acre, $3,00 x the subject property size of 10.0± acres, a land value of $$30,000 is reached.

Market Value conclusion of value as of the effective date of value: October 5, 2024:

$30,000

(THIRTY THOUSAND DOLLARS)

EXPOSURE/MARKETING TIME

The value conclusion in this appraisal, which is stated as of the cited date of valuation, presumes (retroactively) that the subject has had sufficient time and exposure on the market to facilitate a sale as of the valuation date. This reflects my estimation (and presumption) of Exposure Time.

Conversely, I recognize that if the asset were put on the market for sale contemporaneously with this appraisal, it would take some degree of time (prospective) to achieve a sale. This prospective estimate is termed Marketing Time. The concept marketing versus exposure time is visually noted below:

Based on my review of current pending sales and recent closed sales cited in the Regional Multiple Listing Service (GAVAR), the source reveals a common exposure time frame in the subject market area prior to the effective date of value was 4 to 9 months.

ADDENDA

Appraiser Qualifications

Certification

Daryl Johnson
Real Estate Appraisal Services
Statement of Qualifications

Industry Education Certifications	California State Certified General Real Estate Appraiser License# AG036857 Federal Housing Administration (FHA) Approved Appraiser Federal Housing & Urban Development (HUD) Approved Appraiser Vale Technical Institute, Fresno CA Completed numerous California OREA Approved Real Estate Courses
Professional Experience	President/Owner, Daryl Johnson Appraisal Services Real Estate Appraisal/Property Damage Appraisal Real Estate Appraisal Reports for Residential, Commercial, Industrial, and Vacant Land properties to include Rural Properties and Undeveloped Land. *Associate – Urban Land Economics Group, Lancaster CA* *Valuation services for the Cities of Palmdale and Lancaster Redevelopment Agencies.*
Territories	Counties of: Los Angeles, San Bernardino, Kern, Riverside, San Diego
Affiliations **(Past & Present)**	Appraisal Institute Associate Member Integrity – Organization for Real Estate Professionals Antelope Valley Appraisers Group President, Victor Valley Appraisers Association Real Estate Appraisers Association
Lender Approved **(Past & Present)**	Wells Fargo Corporate & Investment Bank Paramount Residential Mortgage Group Provident Funding
Services	Commercial, Residential & Industrial Appraisal Reports FHA/HUD Appraisals Manufactured Home Appraisal /Construction Inspection Complex and Unique Properties Vacant Land & Rural Properties Appraisal Appraisals for Trust, Estate Planning, and Probate ***Property Valuation for Roth IRA Conversion***
Expert Witness	Los Angeles Superior Court San Diego Superior Court

CERTIFICATION

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

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

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions. I certify that I am competent to appraise the subject property.

I have no present or prospective interest in the property that is the subject of this report, 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 analysis, opinions, or conclusions in, or the use, of this report.

My engagement in this assignment was not contingent upon the development or reporting of a predetermined value.

Due to the type of property, location, and intended use of the report, a physical site observation was not necessary for credible assignment results, nor was it part of the scope of work for this assignment.

No one provided research and analytical expertise to the person(s) signing this report.

I have not previously performed any services, either as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year time period immediately preceding acceptance of this assignment.

The appraisal analysis and opinions, as well as the development and reporting of this report, have been prepared in conformance with the Uniform Standards of Professional Appraisal Practice.

Daryl Johnson
CA State Certified General Appraiser
License No. AG036857

October 17, 2024