



A RESTRICTED APPRAISAL REPORT OF

Real Property, Water Rights, and Business Personal Property

Owned by Sheep Creek Water Company

LOCATED AT

Various Locations in

San Bernardino and Los Angeles Counties, California

PREPARED FOR

Sheep Creek Water Company C/O

Mr. Michael D. Davis, Esq.

Gresham Savage Nolan & Tilden, PC

550 E. Hospitality Ln, Ste 300

San Bernardino, California 92408

EFFECTIVE DATE OF VALUE

April 8, 2019

DATE OF REPORT

June 14, 2019

PREPARED BY

Andrew J. Johnson, MAI, SRA, ASA, MBA, CVA, CMEA

Valuation Source

5510 S. Fort Apache Rd, Ste 22

Las Vegas, NV 89148

June 14, 2019

Sheep Creek Water Company C/O
Mr. Michael D. Davis, Esq.
Gresham Savage Nolan & Tilden, PC
550 E. Hospitality Ln, Ste 300
San Bernardino, California 92408

Re: Appraisal of Real Property, Water Rights, and Business Personal Property
Located at Various Locations in San Bernardino and Los Angeles Counties, California

Dear Mr. Davis:

According to your request, I have made the necessary analysis to appraise the above referenced property, and have communicated my findings in a Restricted Appraisal Report format. ***The contextual meaning of "Restricted" is that this report is intended for use by the client only. The rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile.*** While other parties may be granted access to the appraisal, its use by any other party, for any other use, purpose, or effective date is not intended.

The purpose of the following report is to develop opinions of the fair market value of the fee simple interest in various assets owned by Sheep Creek Water Company as of April 8, 2019, a current date of value. Sheep Creek Water Company is the client for this appraisal, care of Mr. Michael Davis, Esq. with Gresham Savage Nolan & Tilden, PC. The intended use of the report is internal documentation and negotiations by the client. This appraisal is for internal use only. The client is the sole intended user of this appraisal.

The assets being appraised include:

Real Property

- 6666 Hwy 2, Wrightwood, California – APN 0356-021-02-0000; 14.49 Acres; Includes Wells 2A, 3A, 4A, 5 & 8; Tanks 5 & 7
- 7788 Serrano Rd, Pinon Hills, California – APN 3037-301-01-0000; 40.00 Acres; Vacant Land (No Improvements)
- 4200 Sunnyslope Rd, Phelan, California – APN 3066-321-26-1000; 4.39 Acres; Main Office & Shop; Storage Yard; Includes Tanks 2, 4 and 8
- 4625 Walnut Rd, Phelan, California – APN 3069-321-18-0000; 2.50 Acres; Includes Well 11
- 263rd St, Black Butte, California (L.A. County) – APN's 3089-012-004 & -008; 2.36 Acres; Includes Well 10 (Not in Service)
- Tank 3 (Located on 80' x 80' Easement)
- Tank 6 (Located on 208' x 208' Easement)

*Note to the reader: Wells and tanks above are referenced according to a spreadsheet from Sheep Creek Water Company containing current well and tank information. There are no wells identified as 'Well 1', 'Well 6' or 'Well 7' in the current inventory. Further, Well 9 was never completed. No value is given to Well 9 (never completed); Additionally, Tank 1 was demolished and is no longer part of the active tank inventory.

Water Rights

- 4 Cubic Feet per Second or 2,895.87 Acre-Feet Annually of Water Rights; Application ID Z000718; Certified June 12, 1917; License Issued September 9, 1918; San Bernardino County, California

Business Personal Property

- 12 Items Total; Six Trucks, Three Trailers, Backhoe & Skip Loader, Generator
- Water Mains, Fire Hydrants, and Regulators (Installed)

This appraisal has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers, as well as the requirements of the client.

This appraisal is qualified by certain definitions, limiting conditions, and certifications that are set forth in the attached report. The analysis contained in the report that follows is presented in restricted report format. Based on my analysis, the opinions of the fair market values of the subject assets, as set forth, documented, and qualified in the attached report under conditions prevailing on the effective valuation date, are:

Description	Type	Perspective	Type	Date	Interest	Conclusion
6666 Hwy 2	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$730,000
7788 Serrano Rd	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$60,000
4200 Sunnyslope Rd	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$2,390,000
4625 Walnut Rd	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$190,000
263rd St	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$80,000
Tanks 3 & 6	Water Storage/Easement	Current	Fair Market Value	4/8/2019	Fee Simple	\$330,000
Mains, Hydrants, Regulators	Piping & Related	Current	Fair Market Value	4/8/2019	Fee Simple	\$6,790,000
Vehicles & Equipment	Personal Property	Current	Fair Market Value	4/8/2019	Fee Simple	\$250,000
2,895.87 Acre-Feet	Water Rights	Current	Fair Market Value	4/8/2019	Fee Simple	\$13,030,000
Aggregate Asset Value		Current	Fair Market Value	4/8/2019	Fee Simple	\$23,850,000

*Aggregate Asset Value is the sum of the various asset values rounded to the nearest \$10,000

*Note to the reader: Current replacement cost data used in the analysis and valuation of the subject wells, tanks, water mains, hydrants, and regulators were obtained from a recent version of Marshall & Swift Cost Explorer, a periodic survey of current construction costs frequently relied upon by appraisers and insurance professionals. Communications with the client and those familiar with construction costs in the subject area indicate that current replacement costs for the various subject components may exceed the costs cited in Marshall & Swift; however, specific current estimates by a qualified professional were unable to be obtained. I acknowledge that current replacement costs may exceed those noted in Marshall & Swift which may have lead to a higher valuation of these assets.

The afore mentioned value(s) are for the assets only and exclude consideration of goodwill or bulk value, and are subject to the following extraordinary assumptions and/or hypothetical conditions:

Extraordinary Assumptions:

Descriptive information regarding the subject water rights, including ownership, duty (acre feet), permit/certificate numbers and information, point of diversion and place of use were obtained from State of California public records and are assumed to be accurate. The subject is assumed to have a clear title and under the ownership of Sheep Creek Water Company. The subject water rights are assumed to be in good standing with all applicable governing bodies, being marketable. While reasonable, the use of assumptions may have impacted the assignment results.

Hypothetical Conditions:

There are no hypothetical conditions used in this appraisal.

I appreciate the opportunity to be of service to you. If you have any further questions or concerns, please don't hesitate to call or email.

Sincerely,



Andrew J. Johnson, MAI, SRA, ASA, MBA, CVA, CMEA
Principal, Valuation Source
Real Estate. Businesses. Machinery & Equipment.
California Certified General Appraiser License 3002458
License Expires: August 7, 2020

Table of Contents

Restricted Appraisal Report.....	6
Real Estate Valuation Data	15
Summary of Asset Values	58
Certification.....	59
Assumptions and Limiting Conditions – Real Estate	60
Assumptions and Limiting Conditions - Equipment.....	62
Addenda	66
Property, Well, and Tank Information	67
Real Estate Parcel Maps & Aerial Photographs.....	70
Engagement Letter.....	76
Appraiser’s Qualifications	85

Restricted Appraisal Report

Client

Sheep Creek Water Company, C/O Mr. Michael D. Davis, Esq.; Gresham Savage Nolan & Tilden, PC

Use Restriction

This assignment is communicated as a Restricted Appraisal Report, as defined by USPAP. The use of this report is restricted to the client and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's work file.

Intended Use

The intended use of the appraisal is for internal documentation and negotiations

Identification of Real Estate

Property Addresses, Parcel Numbers, and Types

The properties have various locations in San Bernardino and Los Angeles Counties, California. The property types include vacant land, land improved with wells, water storage tanks, and miscellaneous improvements, and the main office/shop, storage yard, and tanks for Sheep Creek Water Company. The property addresses, parcel number, and types are more specifically identified in the following table:

Address/Location	Parcel Number(s)	Type
1 6666 Hwy 2, Wrightwood	0356-021-02-0000	Land; Wells 2A, 3A, 4A, 5 & 8; Tanks 5 & 7
2 7788 Serrano Rd, Pinon Hills	3037-301-01-0000	Vacant Land (No Improvements)
3 4200 Sunnyslope Rd, Phelan	3066-321-26-0000	Main Office & Shop, Storage Yard, Tanks 2, 4 & 8
4 4625 Walnut Rd, Phelan	3069-321-18-0000	Land; Well 11
5 263rd St, Black Butte	3089-012-004 & -008	Land; Well 10 (Not in Service)

Legal Description

The legal descriptions, as available, were found in Realquest and/or San Bernardino County records and are summarized as follows:

Address/Location	Legal Description
1 6666 Hwy 2, Wrightwood	N 1/2 SE 1/4 SE 1/4 Sec 4 TP3N R7W Ex Hwy 14.49AC
2 7788 Serrano Rd, Pinon Hills	SW 1/4 NW 1/4 Fractl Sec 35 TP4N R7W 40 AC
3 4200 Sunnyslope Rd, Phelan	No Legal Available; Refer to APN & Parcel Map
4 4625 Walnut Rd, Phelan	NW 1/4 SE 1/4 SW 1/4 SE 1/4 Sec 12 TP4N R7W 2.5 AC ML
5 263rd St, Black Butte	2.36 AC S 1/2 S 1/2 NE 1/4 NE 1/4 NE 1/4 TP5N R8W

Improvements

Improvements on the subject properties include wells, water storage tanks, main office and shop buildings, and minor miscellaneous improvements. The improvement details by property are summarized as follows:

#	Address/Improvements	Description/Notes
1	6666 Hwy 2, Wrightwood	14.49-Acre Site
	Well 2A	Drilled in 2011; 725' Deep; 16" Casing
	Well 3A	Drilled in 2001; 500' Deep; 16" Casing
	Well 4A	Drilled in 2004; 500' Deep; 16" Casing
	Well 5	Drilled in 1993; 495' Deep; 10" Casing
	Well 8	Drilled in 2005; 480' Deep; 16" Casing
	Tank 5	Built in 1985; 38.7' Diameter; 16' High; Bolted Steel; 147,000-Gallon Capacity
	Tank 7	Built in 1993; 103' Diameter; 16' High; Welded Steel; 1,000,000-Gallon Capacity
2	7788 Serrano Rd, Pinon Hills	40.00-Acre Site; Vacant/No Improvements
3	4200 Sunnyslope Rd, Phelan	4.39-Acre Site
	Main Office & Shop	1,250-square foot freestanding office building and 690-square foot attached garage/shop
	Old Office Building	936-square foot freestanding office building
	Tank 2	Built in 1979; 55' Diameter; 24' High; Bolted Steel; 428,000-Gallon Capacity
	Tank 4	Built in 1984; 55' Diameter; 24' High; Bolted Steel; 428,000-Gallon Capacity
	Tank 8	Built in 2009; 150' Diameter; 27' High; Welded Steel; 3,000,000-Gallon Capacity
4	4625 Walnut Rd, Phelan	2.50-Acre Site
	Well 11	Drilled in 2018; 1,500' Deep; 14" to 16" Casing

5	263 rd St, Black Butte	2.36-Acre Site
	Well 10	Drilled in 2007; 850' Deep; 16" Casing
6	Tank 3 (Located on 80' x 80' Easement)	Built in 1983; 47.3' Diameter; 16' High; Bolted Steel; 210,000-Gallon Capacity
	Tank 6 (Located on 208' x 208' Easement)	Built in 1989; 80.2' Diameter; 24' High; Bolted Steel; 912,000-Gallon Capacity

Identification of Water Rights

The subject water rights were identified in public records as being 4 cubic feet per second; which translates to 2,895.87 Acre Feet Annually. The water rights are documented under Application No. Z000718 which was Certified June 12, 1917 with license issued September 9, 1918 and San Bernardino County, California. The Point of Diversion ID is 25638, being in the Southeast ¼ of the Southeast ¼ of Section 4, Township 3 North, Range 7 West. Per the Point of Diversion aerial map (public records), the location appears to be at 6666 Hwy 2 in Wrightwood which is one of the subject properties being appraised.

Identification of Business Personal Property

The subject business personal property consists of 12 equipment items as well as water mains, fire hydrants, and regulators owned and maintained by the client company (Sheep Creek Water Company). The water mains, fire hydrants, and regulators are appraised and considered on the premise of fair market value-installed as business personal property and exclude any easement rights in the real estate into which they are installed. The equipment items are identified as follows:

Item No.	Description/Use	Serial Number	Year	Manufacturer	Model	Mileage/Hours	Condition
1	Dump Truck	AA185JHA11914	1979	International	-	121,435	Good
2	Trailer	CA532362	1988	SPCNS	-	N/A	Good
3	Water Truck	1HSGKGRNOMH348640	1991	Detroit Diesel	-	73,124	Good
4	Backhoe	443282	1997	JCB	214 Site Master	5,197	Good
5	Generator Trailer/Fuel Tank	1T9A6172X1M615018	2001	Tramont	-	N/A	Good
6	Pipe & Material Trailer	4ZBD022045R008544	2005	Aztec	20' Deckover Trailer	N/A	Good
7	Work Truck	1FTFW1EF0DFB10271	2013	Ford	F150 4x4 Crew Cab	89,824	Good
8	Work Truck	1FTBF2B62DEA33983	2013	Ford	F250 4x4 Regular Cab	68,842	Good
9	Skip Loader	NGC737014	2016	Case	570N EP- Tier 4 Final	339	Good
10	Work Truck	1FTMF1EP2HKC99454	2017	Ford	F150 4x4 Regular Cab	19,161	Good
11	Work Truck	1GC5KYCY0JZ275459	2018	Chevrolet	3500 4x4 Double Cab	12,480	Good
12	Emergency Power	70737	2001	John Deere	150 Kw Genset Generator	130	Good

The water mains, fire hydrants, and regulators are identified as follows:

Item	Qty	Unit
1.25" Galvanized	330	Lin Ft
1.5" Galvanized	700	Lin Ft
2" Galvanized	375	Lin Ft
4" OD Wrapped Steel	60,796	Lin Ft
4" Schedule 40 PVC	67,423	Lin Ft
4" AC Pipe	4,235	Lin Ft
4" C-900 PVC	77	Lin Ft
6" OD Wrapped Steel	27,717	Lin Ft
6" AC Pipe	5,280	Lin Ft
6" Schedule 40 PVC	42,199	Lin Ft
6" C-900 PVC	31,135	Lin Ft
8" OD Wrapped Steel	7,920	Lin Ft
8" Standard Steel	130	Lin Ft
8" C-900 PVC	96,317	Lin Ft
10" OD Wrapped Steel	6,065	Lin Ft
10" Schedule 40 PVC	8,368	Lin Ft
10" AC Class 75 - 200	9,643	Lin Ft
10" C-900 PVC	4,589	Lin Ft
12" C-900 PVC	7,226	Lin Ft
12" Standard Steel	2,555	Lin Ft
14" Concrete	2,730	Lin Ft
Dry Barrel Fire Hydrants	276	EA
Wet Barrel Fire Hydrants	2	EA
Meters/Regulators	43	EA

Interest Appraised

For the real property, water rights, and business personal property being appraised, the interest valued is the fee simple interest or the fee simple estate. The Dictionary of Real Estate Appraisal, 6th Edition defines Fee Simple Estate as: 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.

Type, Source, and Definition of Value

The type of value is Fair Market Value. Fair market value is defined in *IRS Revenue Ruling 59-60*, as: "The price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts."

Effective Date of Appraisal

The effective date of this appraisal is April 8, 2019, a current date of value.

Date of Report

The date of this report is June 14, 2019.

Scope of Work

Identification of Property

The subject real estate is identified by various San Bernardino County and Los Angeles County Assessor's Parcel numbers, legal descriptions found in public records or Realquest, Assessor's Parcel Maps, GIS data, data provided by the client, and other reliable sources

The subject water rights are identified by publicly-available information in State of California public records.

The subject business personal property, including vehicles, equipment, water mains, fire hydrants, and regulators were identified using lists provided by the client.

Inspection of Property

A personal inspection of the real estate, business personal property, and water tanks located at 4200 Sunnyslope Rd in Phelan, California was conducted on April 8, 2019. The inspection consisted of a casual walk-through of the site and buildings with photographs taken. The building sizes were obtained from appraiser measurements taken during the site visit. During the site visit, available vehicles and equipment items were identified and mileage and/or hours was personally documented. The remaining real estate properties were not inspected as a physical inspection was not necessary to produce credible assignment results.

Data Researched

- Legal and physical characteristics regarding the subject real estate were identified using one or more of the following sources:
County public records, GIS data, recorded deeds (if available), recorded surveys (if available), title report (if available), and data provided by the client
Characteristics of the water rights were identified using public records
Characteristics of the business personal property were identified using lists provided by the client
- Economic characteristics regarding the company assets (real estate, water rights, and personal property) were identified through analysis of information supplied by the client, competitive similar properties throughout the market area and/or comparable/similar market areas, and analysis of comparable water rights, or similar sold items (equipment)

- Data regarding national, regional, and local economic conditions was obtained from one or more of the following sources:
The Appraisal Journal, Costar Comps and Property data, Site to do Business/ESRI data, public records, local newspapers, journals, or magazines; local real estate professionals; other reliable sources
- Data regarding comparable sale and/or lease transactions was obtained from one or more of the following sources:
CoStar Comps, Loopnet, California Regional MLS, public records, various online data sources, and/or conversations with market participants, knowledgeable professionals or market participants, or other reliable sources of information

Appraisal Methods/Techniques

Techniques Used

The subject assets were appraised through development of the Market Approach and/or Cost Approach. For the vacant land properties, only the Market Approach was developed which included comparison of the subject property(s) to recently-sold comparable vacant land properties on the basis of price paid per acre of land area. A qualitative comparison was made between the subject(s) and land sales based on various relevant elements of comparison and the subject(s) was reconciled to a point value estimate (per acre; then multiplied by the value per acre).

The office building and shop space on Sunnyslope Rd was valued using a 5 to 1 land-to-building ratio using the Market Approach. This included direct comparison to recently-sold similar office (or industrial) buildings based on price per square foot of rentable building area. A quantitative comparison was made between the subject buildings and improved sales based on various relevant elements of comparison and the subject was reconciled to a point value estimate (per square foot, then multiplied by the rentable building area). The remaining site area for the Sunnyslope Rd property was valued using the Market Approach (site valuation), with the Cost Approach developed for valuation of the water tanks.

The Cost Approach was developed for the valuation of 6666 Hwy 2, Wrightwood; 4200 Sunnyslope Rd, Phelan; 4625 Walnut Rd, and 263rd St land with an onsite well; and for Tanks 3 and 6 (located on easements), and also for valuation of the water mains, hydrants, and regulators. This approach includes estimate of replacement cost using recent Marshall & Swift data, plus soft costs and less accrued depreciation. Depreciation was applied using the age/life method. No entrepreneurial incentive is added since the typical buyer is a water district, municipality, quasi-municipal entity, or non-profit company.

The water rights are valued using the Market Approach. This consisted of research of the area and interviews conducted with people knowledgeable regarding water rights transactions that have occurred within the past several years. Water rights sales are analyzed based on price paid per acre foot annually. The subject water rights are concluded to a 'per acre foot' value, then multiplied by the total annual duty in acre-feet.

The equipment (trucks and equipment) are valued using the Market Approach. This involved locating sales and/or listings of similar items using various online data sources.

The various approaches developed by asset type are summarized as follows:

#	Address/Identification	Approaches Developed
1	6666 Hwy 2, Wrightwood	Market Approach (site valuation); Cost Approach (water storage tanks & wells)
2	7788 Serrano Rd, Pinon Hills	Market Approach (site valuation)
3	4200 Sunnyslope Rd, Phelan	Market Approach (site valuation; value of buildings); Cost Approach (water storage tanks)
4	4625 Walnut Rd, Phelan	Market Approach (site valuation); Cost Approach (Well 11)
5	263 rd St, Black Butte	Market Approach (site valuation); Cost Approach (Well 10)
6	Tanks 3 and 6 (located on easements)	Cost Approach
7	Water Rights	Market Approach
8	Equipment (Trucks/Equipment)	Market Approach
9	Water Mains, Hydrants, Regulators	Cost Approach

Approaches Not Developed & Reason for Exclusion

The income approach was not developed for any of the assets valued, since the assets are not generally income-producing and/or are not typically purchased based upon income. Development of the income approach was not necessary to produce credible assignment results.

The cost approach was not developed for vacant land properties due to lack of improvements. Further, the cost approach is not applicable to water rights and is not necessary in the valuation of equipment and vehicles when an adequate number of resale or used items exists.

Value Conclusions Reached

The value conclusions for the various subject assets are summarized as follows:

Description	Type	Perspective	Type	Date	Interest	Conclusion
6666 Hwy 2	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$730,000
7788 Serrano Rd	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$60,000
4200 Sunnyslope Rd	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$2,390,000
4625 Walnut Rd	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$190,000
263rd St	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$80,000
Tanks 3 & 6	Water Storage/Easement	Current	Fair Market Value	4/8/2019	Fee Simple	\$330,000
Mains, Hydrants, Regulators	Piping & Related	Current	Fair Market Value	4/8/2019	Fee Simple	\$6,790,000
Vehicles & Equipment	Personal Property	Current	Fair Market Value	4/8/2019	Fee Simple	\$250,000
2,895.87 Acre-Feet	Water Rights	Current	Fair Market Value	4/8/2019	Fee Simple	\$13,030,000
Aggregate Asset Value		Current	Fair Market Value	4/8/2019	Fee Simple	\$23,850,000

*Aggregate Asset Value is the sum of the various asset values rounded to the nearest \$10,000

The aggregate asset value is simply a sum of the various asset values and is not intended to be a bulk value estimate.

Work File Reference

The rationale for how the appraiser arrived at the opinions and conclusions set forth in this restricted appraisal report may not be understood properly without additional information in the appraiser’s work file.

Use on Effective Date

The subject real estate was used as part of on-going operation of Sheep Creek Water Company on the effective date. Specifically, 6666 Hwy 2, 7788 Serrano Rd, 4625 Walnut Rd, 263rd St land, and Tanks 3 and 6 were used as vacant land, wells, and water storage on the effective date of value. 4200 Sunnyslope Rd was used as office, yard space, and water storage on the effective date of value. The water rights were used to supply water to the various connections within the water district. The equipment and vehicles were used as part of the water company operation. The water mains, hydrants, and regulators served as the water distribution system.

Use Reflected in Appraisal

The use reflected in the appraisal is the same as the use on the effective date for the various assets appraised.

Highest and Best Use

As Vacant

The highest and best use of the real estate as vacant is to hold until new development becomes feasible

As Improved

The highest and best use of the various assets (real estate, water rights, and personal property) is for continued use in conjunction with the operation of a water company.

The most probable buyer of the assets is a water company or authority, municipality, quasi-municipal entity, or non-profit entity that would continue to operate as a water company.

Extraordinary Assumptions

Descriptive information regarding the subject water rights, including ownership, duty (acre feet), permit/certificate numbers and information, point of diversion and place of use were obtained from State of California public records and are assumed to be accurate. The subject is assumed to have a clear title and under the ownership of Sheep Creek Water Company. The subject water rights are assumed to be in good standing with all applicable governing bodies, being marketable. While reasonable, the use of assumptions may have impacted the assignment results.

Other Information

The following pages contain information not required by USPAP for a Restricted Appraisal Report; however, this information has been included as a courtesy to the reader to allow greater understanding of characteristics of the assets appraised and the rationale for how the appraiser arrived at the opinions and conclusions.

Real Estate Valuation Data

1 – 6666 Hwy 2, Wrightwood, California

Comparable Land Sales Summary Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Identification					
<i>Physical Address</i>	6666 Hwy 2	Hillside Pl/Green Rd	Buckwheat Rd	8140 Green Rd	7972 Hwy 138
<i>Parcel Number(s)</i>	0356-021-02	3036-041-03	3067-401-03	3036-061-10	3037-291-16
<i>City/Town</i>	Wrightwood	Pinon Hills	Pinon Hills	Pinon Hills	Phelan
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction					
<i>Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	8/14/2018	8/31/2018	10/29/2018	12/14/2018
<i>Sale or Analysis Price</i>	-	\$41,000	\$50,000	\$40,000	\$180,000
<i>Document #</i>	-	296903	324595	393996	463340
<i>Financing</i>	-	All Cash	All Cash	All Cash	All Cash
<i>Conditions of Sale</i>	-	Normal	Normal	Normal	Normal
<i>Marketing Time</i>	-	55 Days	343 Days	0 Days	634 Days
<i>Data Source/Verification</i>	-	MLS# 501591	MLS# WS17221015	MLS# 506618	MLS# 483281
Physical Attributes					
<i>Sq. Ft.</i>	631,184	393,346	408,157	217,800	669,517
<i>Acres</i>	14.490	9.030	9.370	5.000	15.370
<i>Shape</i>	Irregular/Functional	Mostly Rectangular	Rectangular	Rectangular	Rectangular
<i>Frontage</i>	Direct/Paved	Direct/Paved	Direct/Paved	Direct/Paved	Direct
<i>Utilities</i>	See Comments	Water/Power	None	To Site/Well	To Site
<i>Off-Site Improvements</i>	Average/Typical	Average/Typical	Average/Typical	Average/Typical	Average/Typical
<i>On-Site Improvements</i>	Fencing	None	None	None	Horse Improvements
<i>Topography</i>	Level to Uneven	Level to Uneven	Mostly Level	Level to Uneven	Level to Uneven
<i>Zoning</i>	RC, Resource Conservation	RL, Rural Living	IC, Community Industrial	RL, Rural Living	RL, Rural Living
Unit Prices					
<i>Sale Price</i>	-	\$41,000	\$50,000	\$40,000	\$180,000
<i>Price/Acre</i>	-	\$4,540	\$5,336	\$8,000	\$11,711

Comparable Land Sales – Aerial Photographs



Land Sale 1



Land Sale 2



Land Sale 3



Land Sale 4

Comparable Land Sales Adjustment Summary Table

Subject	Sale 1	Sale 2	Sale 3	Sale 4	
Identification					
<i>Physical Address</i>	6666 Hwy 2	Hillside Pl/Green Rd	Buckwheat Rd	8140 Green Rd	7972 Hwy 138
<i>Parcel Number(s)</i>	0356-021-02	3036-041-03	3067-401-03	3036-061-10	3037-291-16
<i>City/Town</i>	Wrightwood	Pinon Hills	Pinon Hills	Pinon Hills	Phelan
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA
<i>Property Rights</i>	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<i>Transaction</i>					
<i>Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	8/14/2018	8/31/2018	10/29/2018	12/14/2018
<i>Sale or Analysis Price</i>	-	\$41,000	\$50,000	\$40,000	\$180,000
<i>Sq. Ft. (Net)</i>	631,184	393,346	408,157	217,800	669,517
<i>Acres (Net)</i>	14.490	9.030	9.370	5.000	15.370
<i>Zoning</i>	RC, Resource Conservation	RL, Rural Living	IC, Community Industrial	RL, Rural Living	RL, Rural Living
<i>Unit Prices</i>					
<i>Sale Price</i>	-	\$41,000	\$50,000	\$40,000	\$180,000
<i>Price/Acre</i>	-	\$4,540	\$5,336	\$8,000	\$11,711
<i>Selected Unit of Comparison</i>					
<i>Price/Acre</i>		\$4,540	\$5,336	\$8,000	\$11,711
<i>Less: Water/Imp Value</i>		-\$554	\$0	-\$3,000	-\$5,921
<i>Adjusted Price/Acre</i>		\$3,987	\$5,336	\$5,000	\$5,791
Adjustments					
Transaction Adjustments					
Property Rights					
Terms/Financing					
Conditions of Sale					
Expenditures After Purchase					
Market Conditions	4/8/2019				
Property Adjustments					
Location					
Frontage/Exposure/Visibility					
Size					
Shape/Utility					
Topography			-		
Economic Characteristics					
Utilities					
Offsite Improvements					
Onsite Improvements					
Zoning/Land Use Plan			-		
Total Number of Adjustments:		0	2	0	0
Relative Comparison to Subject:		Similar	Superior	Similar	Similar

Downward consideration is warranted for Land Sale 2 for superior more level topography and superior zoning.

Land Valuation Summary

Land Valuation Summary	
Subject Land Area (Acres)	14.49
Concluded Value/Acre	\$5,000
Value Indication	\$72,450
Rounded to:	\$72,000

Cost Approach

Direct Costs

Direct Cost Estimate - Site Improvements				
Item	Qty	Unit	Unit Cost	Total Cost
Tank 5	1	EA	\$140,000	\$140,000
Tank 7	1	EA	\$897,000	\$897,000
Well 2A	1	EA	\$72,500	\$72,500
Well 3A	1	EA	\$50,000	\$50,000
Well 4A	1	EA	\$50,000	\$50,000
Well 5	1	EA	\$27,225	\$27,225
Well 8	1	EA	\$48,000	\$48,000
Total Direct Site Improvements Cost:				\$1,284,725

Soft Costs

Soft Costs	
Legal and Accounting	\$5,000
Construction Loan Interest	\$94,967
Financing Fees (3.25% of Loan Amount)	\$35,073
Total Soft Costs	\$135,040
Percentage of Direct Costs	10.5%

Soft Costs and Incentive

Soft Costs and Entrepreneurial Incentive		
Direct Building Costs:		\$0
Direct Site Improvement Costs:		\$1,284,725
Total Direct Costs:		\$1,284,725
Soft Costs		
Item	% Direct Costs	\$ Amount
Soft Costs	10.5%	\$135,040
Total Soft Costs	10.5%	\$135,040
Replacement Cost Before Profit:		\$1,419,765
	% RCBP	
Plus: Entrepreneurial Incentive @	0.0%	\$0
Total Replacement Cost New:		\$1,419,765

Depreciation

Depreciation - Site Improvements								
Item:	Tank 5	Tank 7	Well 2A	Well 3A	Well 4A	Well 5	Well 8	Total
Quantity:	1	1	1	1	1	1	1	-
Unit:	EA	EA	EA	EA	EA	EA	EA	-
Unit Cost:	<u>\$140,000</u>	<u>\$897,000</u>	<u>\$72,500</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$27,225</u>	<u>\$48,000</u>	
Total Direct Cost:	\$140,000	\$897,000	\$72,500	\$50,000	\$50,000	\$27,225	\$48,000	\$1,284,725
Plus: Soft Costs:	<u>\$14,716</u>	<u>\$94,285</u>	<u>\$7,621</u>	<u>\$5,256</u>	<u>\$5,256</u>	<u>\$2,862</u>	<u>\$5,045</u>	\$135,040
Replacement Cost Before Profit:	\$154,716	\$991,285	\$80,121	\$55,256	\$55,256	\$30,087	\$53,045	\$1,419,765
Plus: Entrepreneurial Incentive:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Replacement Cost New:	\$154,716	\$991,285	\$80,121	\$55,256	\$55,256	\$30,087	\$53,045	\$1,419,765
Effective Age:	34	26	8	18	14	26	14	-
Economic Life:	50	50	28	28	28	28	28	-
Depreciation %:	68.0%	52.0%	28.6%	64.3%	50.0%	92.9%	50.0%	-
Remaining Life:	16	24	20	10	14	2	14	-
Depreciation								
Physical								
Curable (Deferred Maintenance):	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incurable (Long-Lived Physical):	<u>\$105,207</u>	<u>\$515,468</u>	<u>\$22,892</u>	<u>\$35,521</u>	<u>\$27,628</u>	<u>\$27,938</u>	<u>\$26,523</u>	\$761,176
Total Physical Depreciation:	\$105,207	\$515,468	\$22,892	\$35,521	\$27,628	\$27,938	\$26,523	\$761,176
Functional Obsolescence								
Curable:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incurable:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Total Functional Obsolescence:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
External Obsolescence								
Curable:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Incurable:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Total External Obsolescence:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Depreciation (Site Improvements):	\$105,207	\$515,468	\$22,892	\$35,521	\$27,628	\$27,938	\$26,523	\$761,176

Value Summary and Conclusion – 6666 Hwy 2, Wrightwood, California

Cost Approach Summary Table		
Replacement Cost		
Site Improvements		
Tank 5 @	1 EA	\$140,000
Tank 7 @	1 EA	\$897,000
Well 2A @	1 EA	\$72,500
Well 3A @	1 EA	\$50,000
Well 4A @	1 EA	\$50,000
Well 5 @	1 EA	\$27,225
Well 8 @	1 EA	\$48,000
Total		\$1,284,725
Total Direct Costs		\$1,284,725
Plus: Total Soft Costs		\$135,040
Replacement Cost Before Profit		\$1,419,765
Plus: Entrepreneurial Incentive		\$0
Total Replacement Cost New:		\$1,419,765
Depreciation (Building and Site Improvements)		
Physical		
Curable		\$0
Incurable		\$761,176
Functional		
Curable		\$0
Incurable		\$0
External		
Curable		\$0
Incurable		\$0
Total Depreciation:		\$761,176
Depreciated Cost of Building and Site Improvements:		\$658,589
Plus: Site Value:		\$72,000
Cost Approach Value		\$730,589
Rounded To:		\$730,000

2 – 7788 Serrano Rd, Pinon Hills, California

Comparable Land Sales Summary Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Identification					
<i>Physical Address</i>	7788 Serrano Rd	Beekley Rd/Arcadia St	Sheep Creek Rd/Sierra Rd	Sheep Creek Rd/Travels Rd	Eaby Rd
<i>Parcel Number(s)</i>	3037-301-01	3099-561-03	3069-091-15	3130-081-02	3037-391-07
<i>City/Town</i>	Pinon Hills	Phelan	Phelan	Phelan	Phelan
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction					
<i>Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	10/31/2017	12/20/2018	8/10/2017	2/23/2018
<i>Sale or Analysis Price</i>	-	\$44,500	\$210,000	\$80,000	\$55,000
<i>Document #</i>	-	450476	469553	326507	66258
<i>Financing</i>	-	Cash/Private Loan	All Cash	Cash/Private Loan	All Cash
<i>Conditions of Sale</i>	-	Normal	Normal	Normal	Normal
<i>Marketing Time</i>	-	36 Days	560 Days	192 Days	212 Days
<i>Data Source/Verification</i>	-	MLS# 484076	MLS# 486123	MLS# 481244	MLS# OC17151435
Physical Attributes					
<i>Sq. Ft.</i>	1,742,400	872,942	1,634,806	838,530	1,742,400
<i>Acres</i>	40.000	20.040	37.530	19.250	40.000
<i>Shape</i>	Rectangular	Rectangular	Rectangular	Rectangular	Rectangular
<i>Frontage</i>	Direct/Dirt Rd	Direct/Paved	Direct/Paved	Direct/Paved	None/Dirt Trail
<i>Utilities</i>	See Comments	Water/Power	Water/Power	None	None
<i>Off-Site Improvements</i>	None	Average/Typical	Average/Typical	Average/Typical	None
<i>On-Site Improvements</i>	None	None	None	None	None
<i>Topography</i>	Level to Rolling	Mostly Level	Mostly Level	Mostly Level	Level to Uneven
<i>Zoning</i>	RL, Rural Living	RL, Rural Living	RL, Rural Living	RL, Rural Living	RL, Rural Living
Unit Prices					
<i>Sale Price</i>	-	\$44,500	\$210,000	\$80,000	\$55,000
<i>Price/Acre</i>	-	\$2,221	\$5,596	\$4,156	\$1,375

Comparable Land Sales – Aerial Photographs



Land Sale 1



Land Sale 2



Land Sale 3



Land Sale 4

Comparable Land Sales Adjustment Summary Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Identification					
<i>Physical Address</i>	7788 Serrano Rd	Beekley Rd/Arcadia St	Sheep Creek Rd/Sierra Rd	Sheep Creek Rd/Travels Rd	Eaby Rd
<i>Parcel Number(s)</i>	3037-301-01	3099-561-03	3069-091-15	3130-081-02	3037-391-07
<i>City/Town</i>	Pinon Hills	Phelan	Phelan	Phelan	Phelan
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA
<i>Property Rights</i>	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<i>Transaction</i>					
<i>Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	10/31/2017	12/20/2018	8/10/2017	2/23/2018
<i>Sale or Analysis Price</i>	-	\$44,500	\$210,000	\$80,000	\$55,000
<i>Sq. Ft. (Net)</i>	1,742,400	872,942	1,634,806	838,530	1,742,400
<i>Acres (Net)</i>	40.000	20.040	37.530	19.250	40.000
<i>Zoning</i>	RL, Rural Living	RL, Rural Living	RL, Rural Living	RL, Rural Living	RL, Rural Living
<i>Unit Prices</i>					
<i>Sale Price</i>	-	\$44,500	\$210,000	\$80,000	\$55,000
<i>Price/Acre</i>	-	\$2,221	\$5,596	\$4,156	\$1,375
<i>Selected Unit of Comparison</i>					
<i>Price/Acre</i>		\$2,221	\$5,596	\$4,156	\$1,375
Adjustments					
Transaction Adjustments					
Property Rights					
Terms/Financing					
Conditions of Sale					
Expenditures After Purchase					
Market Conditions	4/8/2019				
Property Adjustments					
Location					
Size					
Shape/Utility					
Topography		--	--	--	-
Economic Characteristics					
Easements		++			
Utilities		-	-	+	+
Offsite Improvements					
Onsite Improvements					
Zoning/Land Use Plan					
Total Number of Adjustments:		3	2	2	2
Relative Comparison to Subject:		Superior	Superior	Superior	Similar

Downward consideration is warranted for all four land sales for superior more level topographs. Land Sale 1 has an easement which traverses near the center of the site and upward consideration is warranted. Sales 1 and 2 include superior access to water and power and downward consideration is warranted. Land Sales 3 and 4 have inferior access to utilities and upward consideration is warranted.

Value Summary and Conclusion - 7788 Serrano Rd, Pinon Hills, California

Land Valuation Summary	
Subject Land Area (Acres)	40.00
Concluded Value/Acre	\$1,500
Value Indication	\$60,000
Rounded to:	\$60,000

3 – 4200 Sunnyslope Rd, Phelan, California

Comparable Improved Sales Summary Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Identification					
<i>Location/Address</i>	4200 Sunnyslope Rd	14297 Amargosa Rd	44250 Division St	15432 7th St	45051 Trevor Ave
<i>Parcel Number</i>	3066-321-26- 1000	0396-143-06	3141-006-006	0478-102-10	3138-009-036
<i>City/Town</i>	Phelan	Victorville	Lancaster	Victorville	Lancaster
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	Los Angeles/CA	San Bernardino/CA	Los Angeles/CA
<i>Use at Sale</i>	Office/General	Office/General	Office/General	Office/General	Office/General
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction					
<i>Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	6/26/2017	2/15/2018	8/17/2018	11/30/2018
<i>Sale or Analysis Price</i>	-	\$295,000	\$275,000	\$190,000	\$210,000
<i>Grantor</i>	-	George & Mary Newton Trust	Harlan J. Herle	Butterfield Living Trust	Vidal & Lucia Rodriguez
<i>Grantee</i>	-	Michael D. Lewis	Rami Darghalli Living Trust	Sisu Group	Jose Barrera
<i>Document #</i>	-	260551	156419	302512	1209667
<i>Financing</i>	-	All Cash	All Cash	Cash/Private Loan	Cash/Private Loan
<i>Conditions of Sale</i>	-	Normal	Normal	Normal	Normal
<i>Expenditures After Purchase</i>	-	\$0	\$0	\$0	\$0
<i>Marketing Time</i>	-	N/Avail.	N/Avail.	441 Days	362 Days
Physical Attributes					
Building					
<i>Sq. Ft. (Gross)</i>	2,186	4,200	3,630	2,500	4,381
<i>Sq. Ft. (Rentable)</i>	2,186	4,200	3,630	2,500	4,381
<i>Effective Age</i>	25	25	25	25	25
<i>Construction Quality</i>	Average	Average	Average	Average	Average
<i>Design and Appeal</i>	Average/ Typical	Average/ Typical	Average/ Typical	Average/ Typical	Average/ Typical
<i>Non-Realty Components</i>	None	None	None	None	None
<i>Buyer's Intended Use</i>					
Unit Prices					
<i>Sale Price</i>	-	\$295,000	\$275,000	\$190,000	\$210,000
<i>Price/Sq. Ft. (Rentable)</i>	-	\$70.24	\$75.76	\$76.00	\$47.93

Comparable Improved Sales -Photographs



Improved Sale 1



Improved Sale 2



Improved Sale 3



Improved Sale 4

Comparable Improved Sales Adjustment Summary Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Identification					
<i>Location/Address</i>	4200 Sunnyslope Rd	14297 Amargosa Rd	44250 Division St	15432 7th St	45051 Trevor Ave
<i>Parcel Number</i>	3066-321-26- 1000	0396-143-06	3141-006-006	0478-102-10	3138-009-036
<i>City/Town</i>	Phelan	Victorville	Lancaster	Victorville	Lancaster
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	Los Angeles/CA	San Bernardino/CA	Los Angeles/CA
<i>Use at Sale</i>	Office/General	Office/General	Office/General	Office/General	Office/General
<i>Property Rights</i>	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<i>Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	6/26/2017	2/15/2018	8/17/2018	11/30/2018
<i>Sale or Analysis Price</i>	-	\$295,000	\$275,000	\$190,000	\$210,000
<i>Physical Attributes</i>					
<i>Sq. Ft. (Gross)</i>	2,186	4,200	3,630	2,500	4,381
<i>Sq. Ft. (Rentable)</i>	2,186	4,200	3,630	2,500	4,381
<i>Year Built</i>	0	0	0	0	0
<i>Effective Age</i>	25	25	25	25	25
<i>Price/Sq. Ft. (Rentable)</i>		\$70.24	\$75.76	\$76.00	\$47.93
Adjustments					
Transaction Adjustments					
Property Rights		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
		\$70.24	\$75.76	\$76.00	\$47.93
Terms/Financing		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
		\$70.24	\$75.76	\$76.00	\$47.93
Conditions of Sale		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
		\$70.24	\$75.76	\$76.00	\$47.93
Expenditures After Purchase		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
		\$70.24	\$75.76	\$76.00	\$47.93
Market Conditions	4/8/2019	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
		\$70.24	\$75.76	\$76.00	\$47.93
Property Adjustments					
Location		\$0.00	\$0.00	\$0.00	\$0.00
Size		\$0.00	\$0.00	\$0.00	\$0.00
Parking		\$0.00	\$0.00	\$0.00	\$0.00
Effective Age/Condition		\$0.00	\$0.00	\$0.00	\$0.00
Quality, Design, & Appeal		\$0.00	\$0.00	\$0.00	\$25.00
Zoning/Use		\$0.00	\$0.00	\$0.00	\$0.00
Economic Characteristics		\$0.00	\$0.00	\$0.00	\$0.00
Non-Realty Components		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Adjusted Unit Price		\$70.24	\$75.76	\$76.00	\$72.93
Overall Gross Adjustment (%)		<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>52.2%</u>
Overall Net Adjustment (%)		<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>52.2%</u>

Sale 4 has significantly inferior quality, design, and appeal and is adjusted upward \$25.00/SF.

Industrial/Flex Sales Considered (for Garage Value)

#	Address	Sale Date	Sale Price	Sq. Ft.	Price/Sq. Ft.
1	17331 Eucalyptus St, Hesperia	10/15/2018	\$280,000	4,472	\$62.61
2	12180 Ridgecrest Rd, #512, Victorville	9/12/2017	\$114,000	2,012	\$56.66
3	16688 Juniper St, Hesperia	4/3/2017	\$140,000	2,040	\$68.63
4	15970 Yucca St, Hesperia	1/19/2017	\$108,500	2,400	\$45.21

Office-Shop Building Valuation Summary

Sales Comparison Approach Summary	
Subject Size (Sq. Ft.)	2,186
Concluded Value (Per Sq. Ft.)	<u>\$75.00</u>
Value Indication	\$163,950
Rounded Office Value	\$164,000
Garage Size (Sq. Ft.)	690
Concluded Value (Per Sq. Ft.)	\$50.00
Value Indication	\$34,500
Rounded Garage Value	\$35,000
Total Value	\$199,000
Rounded to:	\$199,000

Note: The preceding value is for the office-shop buildings based on a 5 to 1 land-to-building ratio (includes 5 to 1 land serving the buildings). The balance of the site is yard space and vacant land with water tanks and is valued through comparison to sold land properties and the cost approach for the water tanks (see following pages).

Comparable Land Sales Summary Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Identification					
<i>Physical Address</i>	4200 Sunnyslope Rd	SW Phelan Rd/Monte Vista Rd	NWC Phelan Rd/Mango St	NW Hopland St/Amethyst Rd	SE Redondo Rd/Primrose St
<i>Parcel Number(s)</i>	3066-321-26-1000	3066-331-15	3066-041-07	0455-052-40	3128-271-02
<i>City/Town</i>	Phelan	Phelan	Phelan	Adelanto	Adelanto
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction					
<i>Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	10/4/2017	12/11/2017	5/30/2018	5/11/2018
<i>Sale or Analysis Price</i>	-	\$650,000	\$110,000	\$145,000	\$160,000
<i>Document #</i>	-	411137	522811	195275	173466
<i>Financing</i>	-	All Cash	Private Loan	Cash/Private Loan	Cash/Private Loan
<i>Conditions of Sale</i>	-	Normal	Normal	Normal	Normal
<i>Marketing Time</i>	-	86 Days	2 Days	41 Days	112 Days
<i>Data Source/Verification</i>	-	MLS# 478476	MLS# 485489	Costar, Realquest	Costar, Realquest
Physical Attributes					
<i>Sq. Ft.</i>	180,298	391,052	80,779	217,800	204,296
<i>Acres</i>	4.139	8.977	1.854	5.000	4.690
<i>Shape</i>	Rectangular	Rectangular	Rectangular	Rectangular	Rectangular
<i>Frontage</i>	Direct/Paved	Direct/Paved	Direct/Paved	Direct/Paved	Direct/Paved
<i>Utilities</i>	To Site	To Site	To Site	Power	Power
<i>Off-Site Improvements</i>	Avg/Typical	Avg/Typical	Avg/Typical	Avg/Typical	Avg/Typical
<i>On-Site Improvements</i>	'As If Vacant'	None	None	None	None
<i>Topography</i>	Level	Level	Level	Level	Level
<i>Zoning</i>	-	CG, Commercial General	CS, Commercial Service	LM, Light Manufacturing	MI, Industrial
Unit Prices					
<i>Sale Price</i>	-	\$650,000	\$110,000	\$145,000	\$160,000
<i>Price/Acre</i>	-	\$72,405	\$59,317	\$29,000	\$34,115

Comparable Land Sales – Aerial Photographs



Land Sale 1



Land Sale 2



Land Sale 3



Land Sale 4

Comparable Land Sales Adjustment Summary Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Identification					
<i>Physical Address</i>	4200 Sunnyslope Rd	SW Phelan Rd/Monte Vista Rd	NWC Phelan Rd/Mango St	NW Hopland St/Amethyst Rd	SE Redondo Rd/Primrose St
<i>Parcel Number(s)</i>	3066-321-26-1000	3066-331-15	3066-041-07	0455-052-40	3128-271-02
<i>City/Town</i>	Phelan	Phelan	Phelan	Adelanto	Adelanto
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA
<i>Property Rights</i>	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<i>Transaction Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	10/4/2017	12/11/2017	5/30/2018	5/11/2018
<i>Sale or Analysis Price</i>	-	\$650,000	\$110,000	\$145,000	\$160,000
<i>Sq. Ft. (Net)</i>	180,298	391,052	80,779	217,800	204,296
<i>Acres (Net)</i>	4.139	8.977	1.854	5.000	4.690
<i>Zoning</i>	-	CG, Commercial General	CS, Commercial Service	LM, Light Manufacturing	MI, Industrial
<i>Unit Prices</i>					
<i>Sale Price</i>	-	\$650,000	\$110,000	\$145,000	\$160,000
<i>Price/Acre</i>	-	\$72,405	\$59,317	\$29,000	\$34,115
<i>Selected Unit of Comparison Price/Acre</i>		\$72,405	\$59,317	\$29,000	\$34,115
Adjustments					
Transaction Adjustments					
Property Rights					
Terms/Financing					
Conditions of Sale					
Expenditures After Purchase					
Market Conditions	4/8/2019				
Property Adjustments					
Location		-		+	+
Size			-		
Shape/Utility					
Topography					
Economic Characteristics					
Easements					
Utilities				+	+
Offsite Improvements					
Onsite Improvements					
Zoning/Land Use Plan					
Total Number of Adjustments:		1	1	2	2
Relative Comparison to Subject:		Superior	Superior	Inferior	Inferior

Sale 1 is a superior location with superior exposure and downward consideration is warranted. Sales 3 and 4 are inferior more rural locations and upward consideration is warranted. Sale 2 is significantly smaller and downward consideration is warranted for size/scale. Sales 3 and 4 have inferior access to utilities and upward consideration is warranted.

Excess Land Valuation Summary

Land Valuation Summary	
Subject Land Area (Acres)	4.14
Concluded Value/Acre	\$50,000
Value Indication	\$206,954
Rounded to:	\$207,000

Note: Land area above consists of the total site area for 4200 Sunnyslope Rd, less the land area directly serving the buildings (based on a 5 to 1 land-to-building ratio)

Cost Approach

Direct Costs

Direct Cost Estimate - Site Improvements				
Item	Qty	Unit	Unit Cost	Total Cost
Tank 2	1	EA	\$325,000	\$325,000
Tank 4	1	EA	\$325,000	\$325,000
Tank 8	1	EA	\$2,039,000	\$2,039,000
Total Direct Site Improvements Cost:				\$2,689,000

Soft Costs

Soft Costs	
Legal and Accounting	\$5,000
Construction Loan Interest	\$198,771
Financing Fees (3.25% of Loan Amount)	\$73,410
Total Soft Costs	\$277,181
Percentage of Direct Costs	10.3%

Soft Costs and Incentive

Soft Costs and Entrepreneurial Incentive			
Direct Building Costs:			\$0
Direct Site Improvement Costs:			\$2,689,000
Total Direct Costs:			\$2,689,000
	Soft Costs		
Item		% Direct Costs	\$ Amount
Soft Costs		10.3%	\$277,181
Total Soft Costs		10.3%	\$277,181
Replacement Cost Before Profit:			\$2,966,181
		% RCBP	
Plus: Entrepreneurial Incentive @		0.0%	\$0
Total Replacement Cost New:			\$2,966,181

Depreciation

Depreciation - Site Improvements				
Item:	Tank 2	Tank 4	Tank 8	Total
Quantity:	1	1	1	-
Unit:	EA	EA	EA	-
Unit Cost:	<u>\$325,000</u>	<u>\$325,000</u>	<u>\$2,039,000</u>	
Total Direct Cost:	\$325,000	\$325,000	\$2,039,000	\$2,689,000
Plus: Soft Costs:	<u>\$33,501</u>	<u>\$33,501</u>	<u>\$210,179</u>	\$277,181
Replacement Cost Before Profit:	\$358,501	\$358,501	\$2,249,179	\$2,966,181
Plus: Entrepreneurial Incentive:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Replacement Cost New:	\$358,501	\$358,501	\$2,249,179	\$2,966,181
Effective Age:	40	35	10	-
Economic Life:	50	50	50	-
Depreciation %:	80.0%	70.0%	20.0%	-
Remaining Life:	10	15	40	-
Depreciation				
Physical				
Curable (Deferred Maintenance):	\$0	\$0	\$0	\$0
Incurable (Long-Lived Physical):	<u>\$286,801</u>	<u>\$250,951</u>	<u>\$449,836</u>	\$987,587
Total Physical Depreciation:	\$286,801	\$250,951	\$449,836	\$987,587
Functional Obsolescence				
Curable:	\$0	\$0	\$0	\$0
Incurable:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Total Functional Obsolescence:	\$0	\$0	\$0	\$0
External Obsolescence				
Curable:	\$0	\$0	\$0	\$0
Incurable:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Total External Obsolescence:	\$0	\$0	\$0	\$0
Total Depreciation (Site Improvements):	\$286,801	\$250,951	\$449,836	\$987,587

Cost Approach Summary

Cost Approach Summary Table		
Replacement Cost		
Site Improvements		
Tank 2 @	1 EA	\$325,000
Tank 4 @	1 EA	\$325,000
Tank 8 @	1 EA	\$2,039,000
Total		\$2,689,000
Total Direct Costs		\$2,689,000
Plus: Total Soft Costs		\$277,181
Replacement Cost Before Profit		\$2,966,181
Plus: Entrepreneurial Incentive		\$0
Total Replacement Cost New:		\$2,966,181
Depreciation (Building and Site Improvements)		
Physical		
Curable		\$0
Incurable		\$987,587
Functional		
Curable		\$0
Incurable		\$0
External		
Curable		\$0
Incurable		\$0
Total Depreciation:		\$987,587
Depreciated Cost of Building and Site Improvements:		\$1,978,594
Plus: Site Value:		\$207,000
Cost Approach Value (Excess Land & Tanks)		\$2,185,594
Rounded To:		\$2,190,000

Value Summary and Conclusion - 4200 Sunnyslope Rd, Phelan, California

Value Conclusion	
Excess Land & Tanks	\$2,190,000
Office & Shop Bldgs	\$199,000
Total Value	\$2,389,000
Rounded Value	\$2,390,000

4 – 4625 Walnut Rd, Phelan, California

Comparable Land Sales Summary Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Identification					
<i>Physical Address</i>	4625 Walnut Rd	12020 Valle Vista Rd	SWC Gorgonio Rd/Buttonwood Rd	9339 Centola Rd	SEC Alta Mesa Rd/4th St
<i>Parcel Number(s)</i>	3069-321-18	3069-311-13	3069-351-03	3066-571-27	3071-051-15
<i>City/Town</i>	Phelan	Phelan	Phelan	Phelan	Baldy Mesa
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction					
<i>Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	2/27/2019	1/24/2019	11/21/2018	10/23/2018
<i>Sale or Analysis Price</i>	-	\$20,000	\$45,000	\$47,500	\$23,000
<i>Document #</i>	-	62079	24385	436488	387024
<i>Financing</i>	-	All Cash	All Cash	All Cash	Cash/Private Loan
<i>Conditions of Sale</i>	-	Normal	Normal	Normal	Normal
<i>Marketing Time</i>	-	49 Days	655 Days	10 Days	106 Days
<i>Data Source/Verification</i>	-	MLS# 506830	MLS# CV17063334	MLS# 505984	MLS# 500388
Physical Attributes					
<i>Sq. Ft.</i>	108,900	108,900	90,169	86,684	119,790
<i>Acres</i>	2.500	2.500	2.070	1.990	2.750
<i>Shape</i>	Rectangular	Rectangular	Rectangular	Rectangular	Mostly Rectangular
<i>Frontage</i>	Direct/Dirt Rd	Direct/Paved	Direct/Paved	Direct/Dirt Rd	Direct/Dirt Rd
<i>Utilities</i>	Water/Power	Water/Power	Water/Power/Bond Paid	Water/Power	Water/Power
<i>Off-Site Improvements</i>	None	Average/Typical	Average/Typical	Average/Typical	None
<i>On-Site Improvements</i>	Well	None	None	Slab, Plumbing, Septic	None
<i>Topography</i>	Mostly Level	Mostly Level	Mostly Level	Mostly Level	Mostly Level
<i>Zoning</i>	RL, Rural Living	RL, Rural Living	RL, Rural Living	RS, Residential Suburban	RL, Rural Living
Unit Prices					
<i>Sale Price</i>	-	\$20,000	\$45,000	\$47,500	\$23,000
<i>Price/Acre</i>	-	\$8,000	\$21,739	\$23,869	\$8,364

Comparable Land Sales – Aerial Photographs



Land Sale 1



Land Sale 2



Land Sale 3



Land Sale 4

Comparable Land Sales Adjustment Summary Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Identification					
<i>Physical Address</i>	4625 Walnut Rd	12020 Valle Vista Rd	SWC Gorgonio Rd/Buttonwood Rd	9339 Centola Rd	SEC Alta Mesa Rd/4th St
<i>Parcel Number(s)</i>	3069-321-18	3069-311-13	3069-351-03	3066-571-27	3071-051-15
<i>City/Town</i>	Phelan	Phelan	Phelan	Phelan	Baldy Mesa
<i>County/State</i>	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA	San Bernardino/CA
<i>Property Rights</i>	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<i>Transaction Status</i>	Subject	Sold	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	2/27/2019	1/24/2019	11/21/2018	10/23/2018
<i>Sale or Analysis Price</i>	-	\$20,000	\$45,000	\$47,500	\$23,000
<i>Sq. Ft. (Net)</i>	108,900	108,900	90,169	86,684	119,790
<i>Acres (Net)</i>	2.500	2.500	2.070	1.990	2.750
<i>Zoning</i>	RL, Rural Living	RL, Rural Living	RL, Rural Living	RS, Residential Suburban	RL, Rural Living
<i>Unit Prices</i>					
<i>Sale Price</i>	-	\$20,000	\$45,000	\$47,500	\$23,000
<i>Price/Acre</i>	-	\$8,000	\$21,739	\$23,869	\$8,364
<i>Selected Unit of Comparison Price/Acre</i>		\$8,000	\$21,739	\$23,869	\$8,364
Adjustments					
Transaction Adjustments					
Property Rights					
Terms/Financing					
Conditions of Sale					
Expenditures After Purchase					
Market Conditions	4/8/2019				
Property Adjustments					
Location					
Size					
Shape/Utility					
Topography					
Economic Characteristics			-		
Easements					
Utilities					
Offsite Improvements					
Onsite Improvements				-	
Zoning/Land Use Plan					
Total Number of Adjustments:		0	1	1	0
Relative Comparison to Subject:		Similar	Superior	Superior	Similar

Value Summary and Conclusion – 4625 Walnut Rd, Phelan, California

Land Valuation Summary	
Subject Land Area (Acres)	2.50
Concluded Value/Acre	\$8,250
Value Indication	\$20,625
Rounded to:	\$21,000

Cost Approach

Direct Costs

Direct Cost Estimate - Site Improvements				
Item	Qty	Unit	Unit Cost	Total Cost
Well 11	1	EA	\$150,000	\$150,000
Total Direct Site Improvements Cost:				\$150,000

Soft Costs

Soft Costs	
Legal and Accounting	\$5,000
Construction Loan Interest	\$11,088
Financing Fees (3.25% of Loan Amount)	\$4,095
Total Soft Costs	\$20,183
Percentage of Direct Costs	13.5%

Soft Costs and Incentive

Soft Costs and Entrepreneurial Incentive			
Direct Building Costs:			\$0
Direct Site Improvement Costs:			\$150,000
Total Direct Costs:			\$150,000
Soft Costs			
Item		% Direct Costs	\$ Amount
Soft Costs		13.5%	\$20,183
Total Soft Costs		13.5%	\$20,183
Replacement Cost Before Profit:			\$170,183
		% RCBP	
Plus: Entrepreneurial Incentive @		0.0%	\$0
Total Replacement Cost New:			\$170,183

Depreciation

Depreciation - Site Improvements		
Item:	Well 11	Total
Quantity:	1	-
Unit:	EA	-
Unit Cost:	<u>\$150,000</u>	
Total Direct Cost:	\$150,000	\$150,000
Plus: Soft Costs:	<u>\$20,183</u>	\$20,183
Replacement Cost Before Profit:	\$170,183	\$170,183
Plus: Entrepreneurial Incentive:	<u>\$0</u>	\$0
Replacement Cost New:	\$170,183	\$170,183
Effective Age:	1	-
Economic Life:	50	-
Depreciation %:	2.0%	-
Remaining Life:	49	-
Depreciation		
Physical		
Curable (Deferred Maintenance):	\$0	\$0
Incurable (Long-Lived Physical):	<u>\$3,404</u>	\$3,404
Total Physical Depreciation:	\$3,404	\$3,404
Functional Obsolescence		
Curable:	\$0	\$0
Incurable:	<u>\$0</u>	\$0
Total Functional Obsolescence:	\$0	\$0
External Obsolescence		
Curable:	\$0	\$0
Incurable:	<u>\$0</u>	\$0
Total External Obsolescence:	\$0	\$0
Total Depreciation (Site Improvements):	\$3,404	\$3,404

Value Summary and Conclusion – 263rd St, Black Butte, California

Cost Approach Summary Table		
Replacement Cost		
Site Improvements		
Well 11 @	1 EA	\$150,000
Total		<u>\$150,000</u>
Total Direct Costs		\$150,000
Plus: Total Soft Costs		<u>\$20,183</u>
Replacement Cost Before Profit		\$170,183
Plus: Entrepreneurial Incentive		<u>\$0</u>
Total Replacement Cost New:		\$170,183
Depreciation (Building and Site Improvements)		
Physical		
Curable		\$0
Incurable		\$3,404
Functional		
Curable		\$0
Incurable		\$0
External		
Curable		\$0
Incurable		<u>\$0</u>
Total Depreciation:		\$3,404
Depreciated Cost of Building and Site Improvements:		\$166,779
Plus: Site Value:		<u>\$21,000</u>
Cost Approach Value		\$187,779
Rounded To:		\$190,000

5 - 263rd St, Black Butte, California

Comparable Land Sales Summary Table

	Subject	Sale 1	Sale 2	Sale 3
Identification				
<i>Physical Address</i>	SW E Ave V/263rd St	262nd St/W12	Pearblossom Hwy/243rd St	263rd St/t8
<i>Parcel Number(s)</i>	3089-012-004 & - 008	3089-021-015	3089-023-041	3032-012-065
<i>City/Town</i>	Black Butte	Black Butte	Black Butte	Black Butte
<i>County/State</i>	Los Angeles/CA	Los Angeles/CA	Los Angeles/CA	Los Angeles/CA
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction				
<i>Status</i>	Subject	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	4/18/2019	9/13/2018	5/30/2018
<i>Sale or Analysis Price</i>	-	\$7,500	\$4,500	\$5,500
<i>Document #</i>	-	343714	940922	533589
<i>Financing</i>	-	All Cash	All Cash	All Cash
<i>Conditions of Sale</i>	-	Normal	Normal	Normal
<i>Marketing Time</i>	-	41 Days	70 Days	140 Days
<i>Data Source/Verification</i>	-	MLS# CV19040854	MLS# SR18130308	MLS# PW17269142
Physical Attributes				
<i>Sq. Ft.</i>	102,775	166,065	98,649	57,943
<i>Acres</i>	2.359	3.812	2.265	1.330
<i>Shape</i>	Rectangular	Rectangular	Rectangular	Rectangular
<i>Frontage</i>	Direct/Dirt Rd	Direct/Dirt Rd	Direct/Paved	Direct/Dirt Rd
<i>Utilities</i>	Power	Power	Power	Power
<i>Off-Site Improvements</i>	None	None	None	None
<i>On-Site Improvements</i>	Inactive Well	None	None	None
<i>Topography</i>	Mostly Level	Mostly Level	Mostly Level	Mostly Level
<i>Zoning</i>	LCA11	LCA11	LCA11	LCA12
Unit Prices				
<i>Sale Price</i>	-	\$7,500	\$4,500	\$5,500
<i>Price/Acre</i>	-	\$1,967	\$1,987	\$4,135

Comparable Land Sales – Aerial Photographs



Land Sale 1



Land Sale 2



Land Sale 3

Comparable Land Sales Adjustment Summary Table

	Subject	Sale 1	Sale 2	Sale 3
Identification				
<i>Physical Address</i>	SW E Ave V/263rd St	262nd St/W12	Pearblossom Hwy/243rd St	263rd St/t8
<i>Parcel Number(s)</i>	3089-012-004 & -008	3089-021-015	3089-023-041	3032-012-065
<i>City/Town</i>	Black Butte	Black Butte	Black Butte	Black Butte
<i>County/State</i>	Los Angeles/CA	Los Angeles/CA	Los Angeles/CA	Los Angeles/CA
<i>Property Rights</i>	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<i>Transaction</i>				
<i>Status</i>	Subject	Sold	Sold	Sold
<i>Sale or Analysis Date</i>	4/8/2019	4/18/2019	9/13/2018	5/30/2018
<i>Sale or Analysis Price</i>	-	\$7,500	\$4,500	\$5,500
<i>Sq. Ft. (Net)</i>	102,775	166,065	98,649	57,943
<i>Acres (Net)</i>	2.359	3.812	2.265	1.330
<i>Zoning</i>	LCA11	LCA11	LCA11	LCA12
<i>Unit Prices</i>				
<i>Sale Price</i>	-	\$7,500	\$4,500	\$5,500
<i>Price/Acre</i>	-	\$1,967	\$1,987	\$4,135
<i>Selected Unit of Comparison</i>				
<i>Price/Acre</i>		\$1,967	\$1,987	\$4,135
Adjustments				
Transaction Adjustments				
Property Rights				
Terms/Financing				
Conditions of Sale				
Expenditures After Purchase				
Market Conditions	4/8/2019			
Property Adjustments				
Location				
Size				
Shape/Utility				
Topography				
Economic Characteristics				
Easements				
Utilities				
Offsite Improvements				
Onsite Improvements				
Zoning/Land Use Plan				
Total Number of Adjustments:		0	0	0
Relative Comparison to Subject:		Similar	Similar	Similar

Value Summary and Conclusion – 263rd St, Phelan, California

Land Valuation Summary	
Subject Land Area (Acres)	2.36
Concluded Value/Acre	\$2,000
Value Indication	\$4,719
Rounded to:	\$4,700

Cost Approach

Direct Costs

Direct Cost Estimate - Site Improvements				
Item	Qty	Unit	Unit Cost	Total Cost
Well 10	1	EA	\$85,000	\$85,000
Total Direct Site Improvements Cost:				\$85,000

Soft Costs

Soft Costs	
Legal and Accounting	\$5,000
Construction Loan Interest	\$6,283
Financing Fees (3.25% of Loan Amount)	\$2,321
Total Soft Costs	\$13,604
Percentage of Direct Costs	16.0%

Soft Costs and Incentive

Soft Costs and Entrepreneurial Incentive			
Direct Building Costs:			\$0
Direct Site Improvement Costs:			\$85,000
Total Direct Costs:			\$85,000
Soft Costs			
Item		% Direct Costs	\$ Amount
Soft Costs		16.0%	\$13,604
Total Soft Costs		16.0%	\$13,604
Replacement Cost Before Profit:			\$98,604
		% RCBP	
Plus: Entrepreneurial Incentive @		0.0%	\$0
Total Replacement Cost New:			\$98,604

Depreciation

Depreciation - Site Improvements		
Item:	Well 10	Total
Quantity:	1	-
Unit:	EA	-
Unit Cost:	<u>\$85,000</u>	
Total Direct Cost:	\$85,000	\$85,000
Plus: Soft Costs:	<u>\$13,604</u>	\$13,604
Replacement Cost Before Profit:	\$98,604	\$98,604
Plus: Entrepreneurial Incentive:	<u>\$0</u>	\$0
Replacement Cost New:	\$98,604	\$98,604
Effective Age:	12	-
Economic Life:	50	-
Depreciation %:	24.0%	-
Remaining Life:	38	-
Depreciation		
Physical		
Curable (Deferred Maintenance):	\$0	\$0
Incurable (Long-Lived Physical):	<u>\$23,665</u>	\$23,665
Total Physical Depreciation:	\$23,665	\$23,665
Functional Obsolescence		
Curable:	\$0	\$0
Incurable:	<u>\$0</u>	\$0
Total Functional Obsolescence:	\$0	\$0
External Obsolescence		
Curable:	\$0	\$0
Incurable:	<u>\$0</u>	\$0
Total External Obsolescence:	\$0	\$0
Total Depreciation (Site Improvements):	\$23,665	\$23,665

Value Summary and Conclusion – 263rd St, Black Butte, California

Cost Approach Summary Table		
Replacement Cost		
Site Improvements		
Well 10 @	1 EA	\$85,000
Total		<u>\$85,000</u>
Total Direct Costs		\$85,000
Plus: Total Soft Costs		<u>\$13,604</u>
Replacement Cost Before Profit		\$98,604
Plus: Entrepreneurial Incentive		<u>\$0</u>
Total Replacement Cost New:		<u>\$98,604</u>
Depreciation (Building and Site Improvements)		
Physical		
Curable		\$0
Incurable		\$23,665
Functional		
Curable		\$0
Incurable		\$0
External		
Curable		\$0
Incurable		<u>\$0</u>
Total Depreciation:		<u>\$23,665</u>
Depreciated Cost of Building and Site Improvements:		<u>\$74,939</u>
Plus: Site Value:		<u>\$4,700</u>
Cost Approach Value		\$79,639
Rounded To:		<u>\$80,000</u>

6 - Tanks 3 and 6

Cost Approach

Direct Costs

Direct Cost Estimate - Site Improvements				
Item	Qty	Unit	Unit Cost	Total Cost
Tank 3	1	EA	\$180,000	\$180,000
Tank 6	1	EA	\$625,000	\$625,000
Total Direct Site Improvements Cost:				\$805,000

Soft Costs

Soft Costs	
Legal and Accounting	\$5,000
Construction Loan Interest	\$59,506
Financing Fees (3.25% of Loan Amount)	\$21,977
Total Soft Costs	\$86,482
Percentage of Direct Costs	10.7%

Soft Costs and Incentive

Soft Costs and Entrepreneurial Incentive			
Direct Building Costs:			\$0
Direct Site Improvement Costs:			\$805,000
Total Direct Costs:			\$805,000
	Soft Costs		
Item		<u>% Direct Costs</u>	<u>\$ Amount</u>
Soft Costs		10.7%	\$86,482
Total Soft Costs		10.7%	\$86,482
Replacement Cost Before Profit:			\$891,482
		<u>% RCBP</u>	
Plus: Entrepreneurial Incentive @		0.0%	\$0
Total Replacement Cost New:			\$891,482

Depreciation

Depreciation - Site Improvements			
Item:	Tank 3	Tank 6	Total
Quantity:	1	1	-
Unit:	EA	EA	-
Unit Cost:	<u>\$180,000</u>	<u>\$625,000</u>	
Total Direct Cost:	\$180,000	\$625,000	\$805,000
Plus: Soft Costs:	<u>\$19,338</u>	<u>\$67,144</u>	\$86,482
Replacement Cost Before Profit:	\$199,338	\$692,144	\$891,482
Plus: Entrepreneurial Incentive:	<u>\$0</u>	<u>\$0</u>	\$0
Replacement Cost New:	\$199,338	\$692,144	\$891,482
Effective Age:	36	30	-
Economic Life:	50	50	-
Depreciation %:	72.0%	60.0%	-
Remaining Life:	14	20	-
Depreciation			
Physical			
Curable (Deferred Maintenance):	\$0	\$0	\$0
Incurable (Long-Lived Physical):	<u>\$143,523</u>	<u>\$415,287</u>	\$558,810
Total Physical Depreciation:	\$143,523	\$415,287	\$558,810
Functional Obsolescence			
Curable:	\$0	\$0	\$0
Incurable:	<u>\$0</u>	<u>\$0</u>	\$0
Total Functional Obsolescence:	\$0	\$0	\$0
External Obsolescence			
Curable:	\$0	\$0	\$0
Incurable:	<u>\$0</u>	<u>\$0</u>	\$0
Total External Obsolescence:	\$0	\$0	\$0
Total Depreciation (Site Improvements):	\$143,523	\$415,287	\$558,810

Value Summary and Conclusion - Tanks 3 and 6

Cost Approach Summary Table		
Replacement Cost		
Site Improvements		
Tank 3 @	1 EA	\$180,000
Tank 6 @	1 EA	\$625,000
@	0 EA	\$0
Total		<u>\$805,000</u>
Total Direct Costs		\$805,000
Plus: Total Soft Costs		<u>\$86,482</u>
Replacement Cost Before Profit		\$891,482
Plus: Entrepreneurial Incentive		<u>\$0</u>
Total Replacement Cost New:		\$891,482
Depreciation (Building and Site Improvements)		
Physical		
Curable		\$0
Incurable		\$558,810
Functional		
Curable		\$0
Incurable		\$0
External		
Curable		\$0
Incurable		<u>\$0</u>
Total Depreciation:		\$558,810
Depreciated Cost of Building and Site Improvements:		\$332,672
Cost Approach Value (Tanks 3 & 6)		\$332,672
Rounded To:		\$330,000

7 – Water Mains, Fire Hydrants, Regulators

Cost Approach

Direct Costs

Direct Cost Estimate - Site Improvements				
Item	Qty	Unit	Unit Cost	Total Cost
1.25" Galvanized	330	Lin Ft	\$20.00	\$6,600
1.5" Galvanized	700	Lin Ft	\$23.75	\$16,625
2" Galvanized	375	Lin Ft	\$29.25	\$10,969
4" OD Wrapped Steel	60,796	Lin Ft	\$44.00	\$2,675,024
4" Schedule 40 PVC	67,423	Lin Ft	\$21.05	\$1,419,254
4" AC Pipe	4,235	Lin Ft	\$36.00	\$152,460
4" C-900 PVC	77	Lin Ft	\$21.10	\$1,625
6" OD Wrapped Steel	27,717	Lin Ft	\$55.50	\$1,538,294
6" AC Pipe	5,280	Lin Ft	\$45.13	\$238,260
6" Schedule 40 PVC	42,199	Lin Ft	\$24.80	\$1,046,535
6" C-900 PVC	31,135	Lin Ft	\$24.80	\$772,148
8" OD Wrapped Steel	7,920	Lin Ft	\$73.00	\$578,160
8" Standard Steel	130	Lin Ft	\$67.50	\$8,775
8" C-900 PVC	96,317	Lin Ft	\$36.75	\$3,539,650
10" OD Wrapped Steel	6,065	Lin Ft	\$110.00	\$667,150
10" Schedule 40 PVC	8,368	Lin Ft	\$47.63	\$398,526
10" AC Class 75 - 200	9,643	Lin Ft	\$94.00	\$906,442
10" C-900 PVC	4,589	Lin Ft	\$47.63	\$218,551
12" C-900 PVC	7,226	Lin Ft	\$65.50	\$473,303
12" Standard Steel	2,555	Lin Ft	\$118.00	\$301,490
14" Concrete	2,730	Lin Ft	\$39.50	\$107,835
Dry Barrel Fire Hydrants	276	EA	\$1,000.00	\$276,000
Wet Barrel Fire Hydrants	2	EA	\$1,000.00	\$2,000
Meters/Regulators	43	EA	\$1,000.00	\$43,000
Total Direct Site Improvements Cost:				\$15,398,675

Soft Costs

Soft Costs	
Legal and Accounting	\$25,000
Construction Loan Interest	\$1,138,270
Financing Fees (3.25% of Loan Amount)	\$420,384
Total Soft Costs	\$1,583,654
Percentage of Direct Costs	10.3%

Soft Costs and Incentive

Soft Costs and Entrepreneurial Incentive			
Direct Building Costs:			\$0
Direct Site Improvement Costs:			\$15,398,675
Total Direct Costs:			\$15,398,675
	Soft Costs		
<u>Item</u>		<u>% Direct Costs</u>	<u>\$ Amount</u>
Soft Costs		10.3%	\$1,583,654
Total Soft Costs		10.3%	\$1,583,654
Replacement Cost Before Profit:			\$16,982,329
		<u>% RCBP</u>	
Plus: Entrepreneurial Incentive @		0.0%	\$0
Total Replacement Cost New:			\$16,982,329

Depreciation

Depreciation - Site Improvements		
Total Direct Cost:	\$15,398,675	\$15,398,675
Plus: Soft Costs:	<u>\$1,583,654</u>	\$1,583,654
Replacement Cost Before Profit:	\$16,982,329	\$16,982,329
Plus: Entrepreneurial Incentive:	<u>\$0</u>	\$0
Replacement Cost New:	\$16,982,329	\$16,982,329
Effective Age:	30	-
Economic Life:	50	-
Depreciation %:	60.0%	-
Remaining Life:	20	-
Depreciation		
Physical		
Curable (Deferred Maintenance):	\$0	\$0
Incurable (Long-Lived Physical):	<u>\$10,189,397</u>	\$10,189,397
Total Physical Depreciation:	\$10,189,397	\$10,189,397
Functional Obsolescence		
Curable:	\$0	\$0
Incurable:	<u>\$0</u>	\$0
Total Functional Obsolescence:	\$0	\$0
External Obsolescence		
Curable:	\$0	\$0
Incurable:	<u>\$0</u>	\$0
Total External Obsolescence:	\$0	\$0
Total Depreciation (Site Improvements):	\$10,189,397	\$10,189,397

Value Summary and Conclusion – Water Mains, Fire Hydrants, Regulators

Cost Approach Summary Table		
Replacement Cost		
Site Improvements		
1.25" Galvanized @	330 Lin Ft	\$6,600
1.5" Galvanized @	700 Lin Ft	\$16,625
2" Galvanized @	375 Lin Ft	\$10,969
4" OD Wrapped Steel @	60,796 Lin Ft	\$2,675,024
4" Schedule 40 PVC @	67,423 Lin Ft	\$1,419,254
4" AC Pipe @	4,235 Lin Ft	\$152,460
4" C-900 PVC @	77 Lin Ft	\$1,625
6" OD Wrapped Steel @	27,717 Lin Ft	\$1,538,294
6" AC Pipe @	5,280 Lin Ft	\$238,260
6" Schedule 40 PVC @	42,199 Lin Ft	\$1,046,535
6" C-900 PVC @	31,135 Lin Ft	\$772,148
8" OD Wrapped Steel @	7,920 Lin Ft	\$578,160
8" Standard Steel @	130 Lin Ft	\$8,775
8" C-900 PVC @	96,317 Lin Ft	\$3,539,650
10" OD Wrapped Steel @	6,065 Lin Ft	\$667,150
10" Schedule 40 PVC @	8,368 Lin Ft	\$398,526
10" AC Class 75 - 200 @	9,643 Lin Ft	\$906,442
10" C-900 PVC @	4,589 Lin Ft	\$218,551
12" C-900 PVC @	7,226 Lin Ft	\$473,303
12" Standard Steel @	2,555 Lin Ft	\$301,490
14" Concrete @	2,730 Lin Ft	\$107,835
Dry Barrel Fire Hydrants @	276 EA	\$276,000
Wet Barrel Fire Hydrants @	2 EA	\$2,000
Meters/Regulators @	43 EA	\$43,000
Total		\$15,398,675
Total Direct Costs		\$15,398,675
Plus: Total Soft Costs		<u>\$1,583,654</u>
Replacement Cost Before Profit		\$16,982,329
Plus: Entrepreneurial Incentive		<u>\$0</u>
Total Replacement Cost New:		\$16,982,329
Depreciation (Building and Site Improvements)		
Physical		
Curable		\$0
Incurable		\$10,189,397
Functional		
Curable		\$0
Incurable		\$0
External		
Curable		\$0
Incurable		<u>\$0</u>
Total Depreciation:		\$10,189,397
Depreciated Cost of Building and Site Improvements:		\$6,792,932
Cost Approach Value (Tanks 3 & 6)		\$6,792,932
Rounded To:		\$6,790,000

8 – Vehicles and Equipment

Value Summary and Conclusion – Vehicles and Equipment

Item No.	Description/Use	Serial Number	Year	Manufacturer	Model	Mileage/Hours	Condition	Primary Approach	Fair Market Value
1	Dump Truck	AA185JHA11914	1979	International	-	121,435	Good	Market	\$10,000
2	Trailer	CA532362	1988	SPCNS	-	N/A	Good	Market	\$4,000
3	Water Truck	1HSGKGRNOMH348640	1991	Detroit Diesel	-	73,124	Good	Market	\$14,500
4	Backhoe	443282	1997	JCB	214 Site Master	5,197	Good	Market	\$22,000
5	Generator Trailer/Fuel Tank	1T9A6172X1M615018	2001	Tramont	-	N/A	Good	Market	\$25,000
6	Pipe & Material Trailer	4ZBD022045R008544	2005	Aztec	20' Deckover Trailer	N/A	Good	Market	\$5,000
7	Work Truck	1FTFW1EF0DFB10271	2013	Ford	F150 4x4 Crew Cab	89,824	Good	Market	\$14,500
8	Work Truck	1FTBF2B62DEA33983	2013	Ford	F250 4x4 Regular Cab	68,842	Good	Market	\$21,000
9	Skip Loader	NGC737014	2016	Case	570N EP- Tier 4 Final	339	Good	Market	\$43,000
10	Work Truck	1FTMF1EP2HKC99454	2017	Ford	F150 4x4 Regular Cab	19,161	Good	Market	\$24,500
11	Work Truck	1GC5KYCY0JZ275459	2018	Chevrolet	3500 4x4 Double Cab	12,480	Good	Market	\$39,000
12	Emergency Power	70737	2001	John Deere	150 Kw Genset Generator	130	Good	Market	\$25,000
Total Fair Market Value									\$250,000

9 – Water Rights

Water Rights Value Summary and Conclusion

To estimate the value of the subject water rights, I interviewed people familiar with the subject area and water rights transactions over the past several years. The subject is a rural area and there have been few sales of water rights over the past several years. Based on my research, I was able to identify a few sales:

1. 2,335 acre feet annually of water rights were sold from Meadowbrook Dairy to a water district in 2012 for a total cost of \$10,801,261 or \$4,626 per acre foot. According to a person familiar with the transaction, some land was indicated to have been included in the purchase; however, the land was afforded minimal value as the intent was to acquire the water rights
2. 929 acre feet annually of water rights were sold from Aqua Capital Management to a water district in 2015 for a total cost of \$2,554,750 or \$2,750 per acre foot. According to a person familiar with the transaction, the price was considered to be below market as there was only one buyer in the subarea
3. During a March 27, 2019 board meeting, the Mojave Basin Area Watermaster board approved the sale of 30 acre-feet in the Alto Subarea from Beinschroth Family Trust to California Desert Land Conservancy dba Mojave Desert Land Trust for \$4,750 per acre foot

It is noted the subject water rights are located outside the adjudicated area and are not subject to 'ramp down'. This is a beneficial factor impacting the value of the subject water rights. Based on the preceding water rights sales and analysis, a value of \$4,500 per acre-foot is reasonable and well-supported for the subject. This multiplies out to \$13,031,415 or \$13,030,000 Rounded.

Summary of Asset Values


The values for the subject assets are summarized in the following table:

Description	Type	Perspective	Type	Date	Interest	Conclusion
6666 Hwy 2	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$730,000
7788 Serrano Rd	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$60,000
4200 Sunnyslope Rd	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$2,390,000
4625 Walnut Rd	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$190,000
263rd St	Real Estate	Current	Fair Market Value	4/8/2019	Fee Simple	\$80,000
Tanks 3 & 6	Water Storage/Easement	Current	Fair Market Value	4/8/2019	Fee Simple	\$330,000
Mains, Hydrants, Regulators	Piping & Related	Current	Fair Market Value	4/8/2019	Fee Simple	\$6,790,000
Vehicles & Equipment	Personal Property	Current	Fair Market Value	4/8/2019	Fee Simple	\$250,000
2,895.87 Acre-Feet	Water Rights	Current	Fair Market Value	4/8/2019	Fee Simple	\$13,030,000
Aggregate Asset Value		Current	Fair Market Value	4/8/2019	Fee Simple	\$23,850,000

Certification

I 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 interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have not previously provided services, as an appraiser or in any other capacity, regarding the subject properties within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the subject properties 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 for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value 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.
8. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I personally inspected the property at 4200 Sunnyslope Rd and some of the equipment and vehicles. The remaining properties and some items were not inspected.
10. No one provided significant professional assistance in the development or reporting of this appraisal.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP); as well as the Principles of Practice and Code of Ethics of the American Society of Appraisers.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, I have completed the continuing education program of the Appraisal Institute. The American Society of Appraisers has a mandatory reaccreditation program for all of its designated members. I am in compliance with that program.



Andrew J. Johnson, MAI, SRA, ASA, MBA, CVA, CMEA
CA Certified General Appraiser 3002458
License Expires: August 7, 2020

Assumptions and Limiting Conditions – Real Estate

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent upon the following general assumptions and limiting conditions:

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in this report.
3. Responsible ownership and/or competent property management (if applicable) are assumed, unless otherwise stated.
4. The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures (if applicable) that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered.
9. It is assumed that all required licenses, certificates of occupancy or legislative or administrative authority from any local, state, or national governmental or private entity organization have been or can be obtained or renewed for any use on which the value opinions contained in this report are based.
10. Any sketch (if applicable) may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated. No survey has been made for the purpose of this report.
11. It is assumed that the utilization of the land and improvements (if applicable) is within the boundaries or property lines of the property described and that there is no encroachment or trespasses unless otherwise stated.
12. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility or presence of such substances should not

be taken as confirmation of the presence of hazardous waste and/or toxic materials. 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 property. The appraisers' value opinions are predicated on the assumption that there is no such material on or in the property 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.

13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with 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 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. Therefore, it is assumed that the property complies with all ADA requirements.
14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution of any or the total valuation of this report between land and improvements applies under the stated program of utilization. The separate allocations for land and buildings (if applicable) must not be used in conjunction with any other appraisal and are invalid if so used.
16. Possession of this report or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with the properly written qualification and only in its entirety.
17. Neither all nor any of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraisers.
18. Prospective values (if applicable) are predicated upon stable market conditions unless otherwise stated. The appraisers cannot be held responsible for unforeseeable events that may alter market conditions prior to the effective date of the appraisal.

Assumptions and Limiting Conditions - Equipment

1. This valuation is subject to the following general assumptions and limiting conditions:
2. All facts and data set forth in this report are true and correct to the best of the appraiser's knowledge.
3. The fee for this report is not contingent upon the values reported. There have been no guarantees associated with this fee and no liability can be intimated or assumed in any manner.
4. This report is to be used for the stated purpose and intended use, by the stated intended user(s) and as of the stated effective date. The appraiser reserves the right to recall all copies of this report to correct any omission or error.
5. Physical condition in most instances has been determined by observation or indication by others. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature which may affect value, nor for any expertise required to disclose such conditions.
6. No consideration has been given to liens or encumbrances which may or may not be against the appraised property. This appraisal assumes a free and clear title for all property appraised.
7. No investigation of legal fee or title to the property has been made and the claim to the property and current ownership is assumed to be valid.
8. Neither the appraiser nor any officer or employee of the appraiser's company has any financial interest in the property appraised, unless specifically noted.
9. No additional values or appraisals have been made in regard to such intangibles as patents, rights to manufacture, trademarks, goodwill, going concern value, etc.
10. This report has been prepared in conformity with the Principles of Good Practice and Code of Ethics of NEBB Institute.
11. Other limitations, if any, are clearly defined and individually set out at that point related to the subject within the body of this report.
12. Neither all nor any part of the contents of this report, or copy thereof, shall be reproduced for any purpose other than stated in the report, nor shall it be made publicly available, available to another appraiser, or available to any other parties without the written consent of the appraiser.
13. For all appraisals subject to satisfactory completion, repairs, or alterations, this report and value conclusions are contingent upon completion of the improvements in a workmanlike manner.

14. Information, estimates and opinions furnished to the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for the accuracy of such items furnished to the appraiser can be assumed by the appraiser. No liability or responsibility is expressed for results from actions taken by anyone as a result of this report. Further, there is no accountability, obligation, or liability to any third party.
15. Matters of a legal nature or tax consequences have not necessarily been considered in this report. The reader should consult a competent attorney or other professional for information and opinions relative to legal or tax matters.
16. In many instances, the appraiser is given information regarding machinery and equipment concerning repairs, accessories, condition, etc., which may or may not be verifiable by the appraiser for a variety of reasons. In such cases, the appraiser must rely on information provided to him in searching for comparative data. The appraiser disclaims any responsibility if given erroneous information by any party.
17. Machinery and equipment appraisers are called on for price evaluation and verification for equipment from many different types of businesses. While machinery and equipment appraisers are not generally authorities in every type of business and/or industry, the appraiser has endeavored to use sound and accepted methodologies in any assignment. Conversations with those dealing daily in a specific field are often conducted, and all final evaluations are founded on prudence and best effort on the part of the appraiser. Due to the number of items appraised, many details used in estimating, yet not considered essential to this report, have been omitted.
18. The appraiser has endeavored to use due diligence in all market comparisons. If possible, three comparisons of similar items are sought after in order to provide for a sound value determination via the sales comparison approach. At times, it is not possible to find any direct sales of items that have sold. In these cases, the appraiser has relied heavily on items offered for sales and/or comments and testimony from sources considered reliable (dealers, auctioneers, manufacturers, wholesalers, etc.) in arriving at the final value estimate.
19. The appraiser has based his opinion on certain assumptions arising during the analysis and valuation. If additional or more reliable data were to come available after the report is delivered, the appraiser reserves the right to revisit the valuation and make any required adjustments to the concluded values.
20. Nomenclature and identification of tangible assets are assumed by the writer to be accurate, but no guarantee is made in this regard.

21. An appraisal is an opinion of value. When the amount is considered reasonable and proper under the concept of a definition, then it is applied. For this reason, the value is, in many cases, a rounded number.
22. In most cases, piece of equipment is itemized. Certain areas require a group estimate (e.g. support items, FF&E, electronic support items), in which case the listings are sometimes shown or grouped together and valued as a whole. This method is applied in nominal value areas less significant to overall value or in areas where there is difficulty in accessing a complete description of numerous nominal items. In such circumstances, the additional time to account for the nominal items is not justified in regard to the capital items being valid. The appraiser has made every effort to account for as many of the items as possible in order to perform the amount of due diligence necessary for a reasonable and accurate valuation.
23. It is assumed that all items appraised have standard features commensurate with normal operation. For instance, machine tools would include, but would not be limited to: belt guards, foot pedals, magnetic or standard starters, switch-gear, safety equipment, wiring, piping and controls, electrical, pneumatic or hydraulic systems, or other peripheral items considered standard for operating the indicated model or type of equipment. This type of detailed listing is not described for each machine due to repetition, time, cost, and wordiness. An attempt is made, however, to indicate any non-standard features at an appropriate point within the study.
24. The valuation concept used in this report is one agreed upon by the client and should not be considered a recommendation by the appraiser as to what might result in any later application of the concept. Concept probability or feasibility is beyond the scope of this appraisal. The user of the report is to determine the probability of occurrence. The appraisal provides an opinion of value under an assumed set of circumstances, as requested and mutually agreed upon between the client and appraiser.
25. Description of items made a part of this report is believed to be correct. Any errors or omission were unintentional and should not affect the value assignment. Description is made with the attempt of allowing reasonable identification although it may not allow specific item identification in all cases unless company number tagging is utilized. Examples of this would be in such areas as cabinets, shelving, file cabinets, various hand tools, and smaller unmarked equipment. In some cases, identification numbers cannot be found.
26. In some cases, an appraiser may indicate that certain equipment was observed in operation. This qualification is applicable only to specific pieces of equipment and should not be construed that other equipment was also observed in operation, unless specifically stated in the report.

27. The subject equipment may or may not conform to OSHA standards (Occupational Safety & Health Administration). The sole responsibility for conforming rests with the owner of the subject equipment and may not necessarily affect the final estimate of value reported herein.
28. Any controversy arising out of or relating to this report shall be settled by arbitration in accordance with the rules, then in effect, of the American Arbitration Association. In the unlikely event that differences concerning the appraiser's services or fees should arise, that are not resolved by mutual agreement, the appraiser's liability for this engagement will be limited, at most, to a return of the fees received for the assignment.
29. As stated, this appraisal develops an opinion of value based upon reported condition. If it is the client's desire to verify physical condition and/or needed repair of the items appraised, the client should consult a qualified mechanic/technician. To determine actual mechanical condition is outside of the appraiser's expertise and the scope of this assignment. If the condition of the equipment is other than as reported to the appraiser, the estimated value could be unreliable. The appraiser reserves the right to revisit the analysis and value conclusions if additional information comes forward as to condition or other factors which could affect value.
30. This appraisal is not to be used for insurance purposes unless specifically stated within the body of this report.

Addenda

Property, Well, and Tank Information

Sheep Creek Water Company

4200 Sunnyslope Rd
Phelan, California 92371

Land Information

Property Address	APN	Property Size	Property Use		
6666 State Hwy 2	0356-021-02-0000	14.9 Acres	Wells- 2A, 3A, 4A ,5 & 8 Tanks- 5 & 7		
Serrano Rd	3037-301-01-0000	40 Acres	Vacant- Old Reservoir		
4200 Sunnyslope Rd	3066-321-26-1000	5 Acres	Office, Storage Yard Tanks- 2, 4 & 8		
4625 Walnut Rd	3069-321-18-0000	2.5 Acres	Well 11		
263rd	3089-012-004	1.09 Acres	Well 10		
263rd	3089-012-008	1.09 Acres	Vacant		
Easement		80' x 80'	Tank 3	With additional 10' pipeline easement	
Easement		208' x 208'	Tank 6	With additional 30' pipeline easement	
Tunnel/Wrightwood Well Field	3,000 Acre Feet Water Right within Swarthout Canyon				

Sheep Creek Water Company

4200 Sunnyslope Rd
Phelan, California 92371

TANK INFORMATION

Tank Name	Year Built	Tank Diameter	Tank Height	Tank Construction	Tank Capacity	Date Last Inspection	Date Last Cleaning
Tank 1	1959			Corrugated Steel	Out of Service- Equipment Storage		
Tank 2	1979	55	24	Bolted Steel	428,000	Nov-18	Nov-18
Tank 3	1983	47.3	16	Bolted Steel	210,000	Nov-18	Nov-18
Tank 4	1984	55	24	Bolted Steel	428,000	Nov-18	Nov-18
Tank 5	1985	38.7	16	Bolted Steel	147,000	Nov-18	Nov-18
Tank 6	1989	80.2	24	Bolted Steel	912,000	Nov-18	Nov-18
Tank 7	1993	103	16	Welded Steel	1,000,000	Nov-18	Nov-18
Tank 8	2009	150	27 with knuckle	Welded Steel	3,000,000	Nov-18	Nov-18

Sheep Creek Water Company

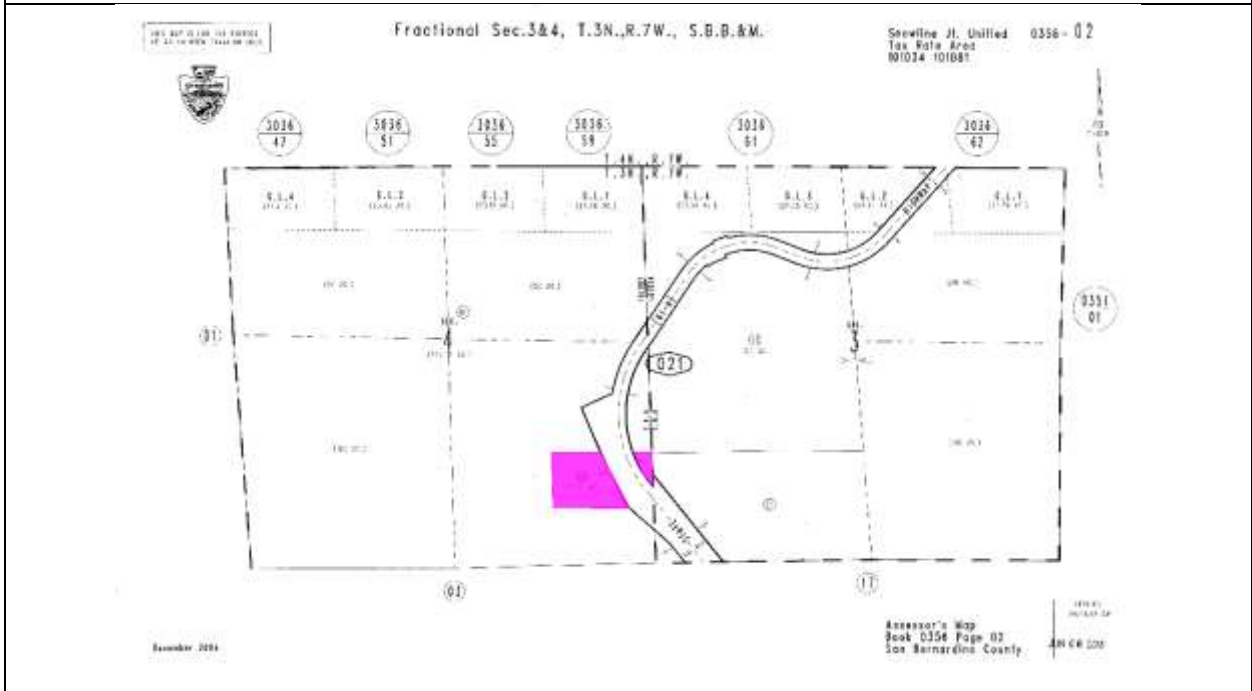
4200 Sunnyslope Rd
Phelan, California 92371

WELL & PUMP INFORMATION

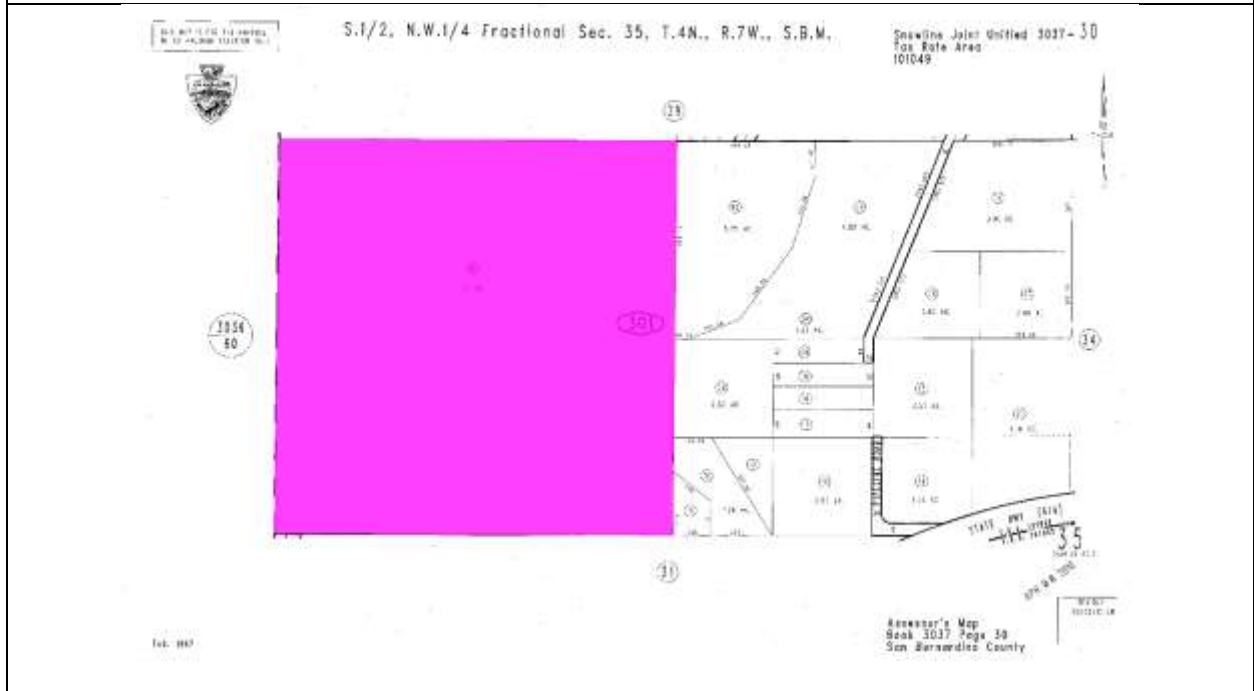
Source Name	Date Well Drilled	Well Depth	Casing Size	Pump Depth	Pump Type	Horse Power	Column Size	Boths	Bowl Diameter	Drive	
1 TUNNEL-		242'	Gravity Flow								
2 WELL #2A-	2011	725'	16" Triple Row Mi-slot	505'	Vert Turbine- Oil Lube	50	6"	9RCLC- 9 stage	9.25"	Toshiba 300hp VFD	
3 WELL #5-	1993	495'	10" Mi-slot open hole	420'	Vert Turbine- Oil Lube	60	6"	9TLC- 10 stage	9.25"	Toshiba 100hp VFD	
4 WELL #3A-	2001	500'	16" -CB full-lb lowered	460'	Vert Turbine- Oil Lube	100	8"	11-CMC- 7 stage	11"	Toshiba 150hp VFD	
5 WELL #4A-	2004	500'	16" - Mi-slot	440'	Vert Turbine- Oil Lube	150	10"	Unknown- 6 stage	12"	Toshiba 150hp VFD	
6 WELL #8-	2005	480'	16"- Double Row Mi-slot	440'	Vert Turbine- Oil Lube	150	8"	12-RALC- 6 stage	11.6"	Toshiba 150hp VFD	
7 WELL #9-	2006	470'	16"- Double Row Mi-slot	Well never completed due to nop water during test pump. 5 gpm							
8 WELL #10-	2007	850'	16"- Double Row Mi-slot	Well inactive- Never completed due to Antelope Valley Adjudication and distance to the Sheep Creek Service area							
9 WELL #11-	2018	1,500'	850' 16"- Blank 500' 14" Lowered	1,100'	Submersible with PVC Shroud	150	5"	STS 12 stage End Pump	8"	Toshiba 200hp VFD	

Real Estate Parcel Maps & Aerial Photographs

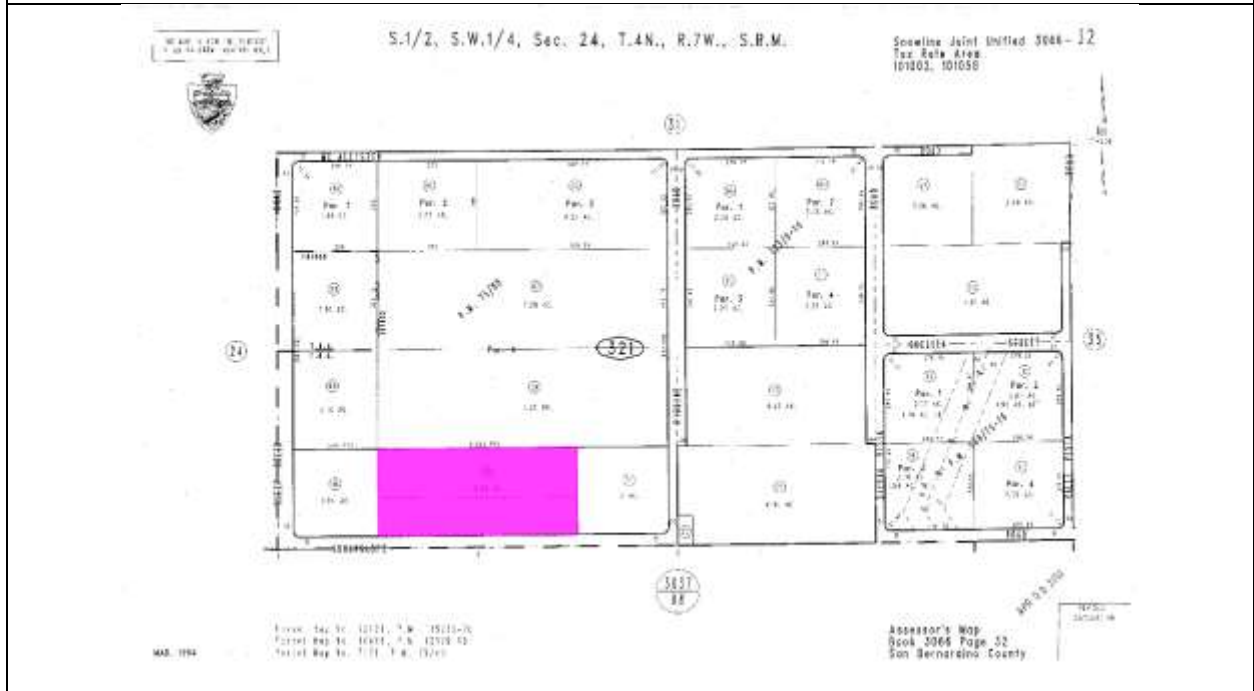
1 - 6666 Hwy 2 Parcel Map and Aerial Photograph



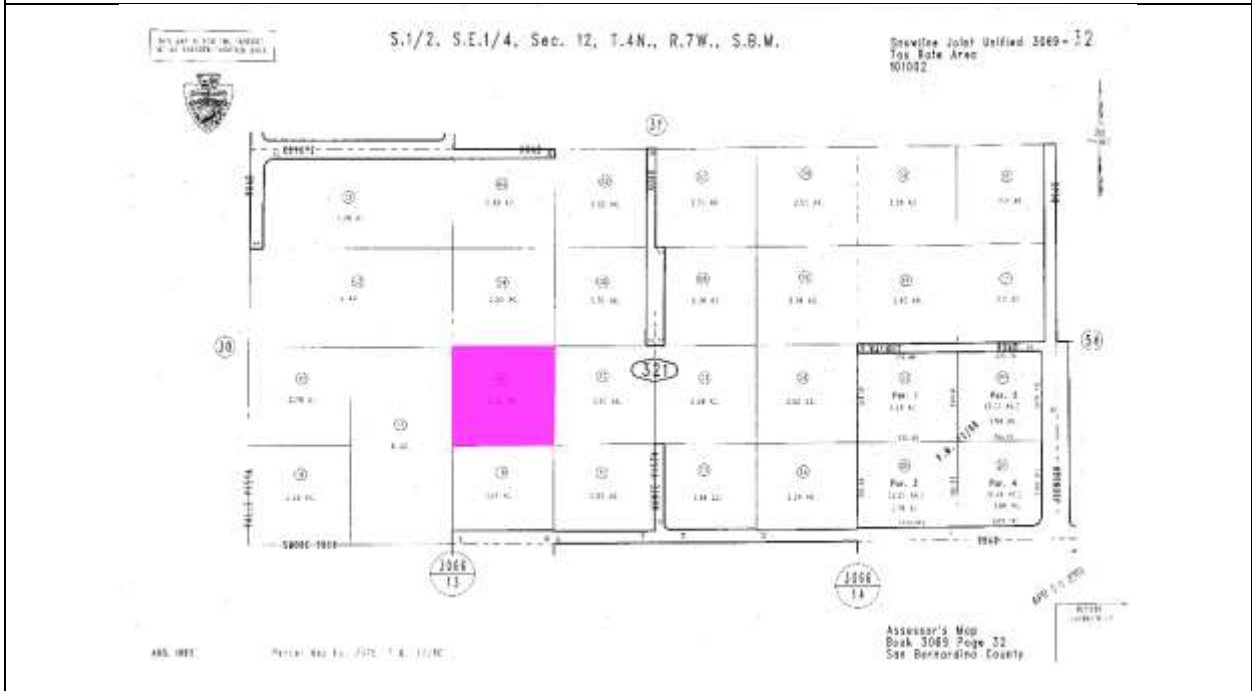
2 – 7788 Serrano Rd Parcel Map and Aerial Photograph



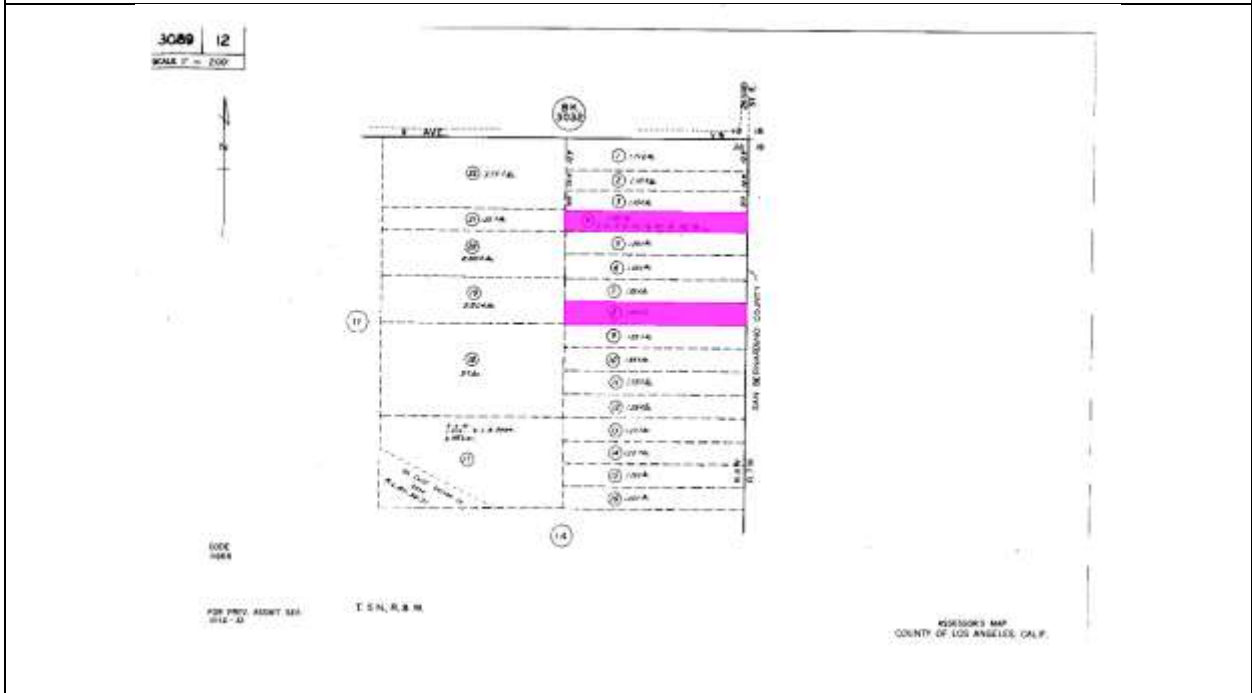
3 – 4200 Sunnyslope Rd Parcel Map and Aerial Photograph



4 - 4625 Walnut Rd Parcel Map and Aerial Photograph



5 - 263rd St Parcel Map and Aerial Photograph



Engagement Letter

March 12, 2019

VIA FEDERAL EXPRESS

Andrew J. Johnson
Valuation Source
5510 S. Fort Apache Rd., Ste. 22
Las Vegas, NV 89148

Re: **Sheep Creek Water Company**
• **Signed Engagement Letter for Appraisal Services**
• **Payment of Retainer**

Dear Andrew:

Regarding the Sheep Creek Water Company appraisal, and consistent with our telephone conversation this morning, enclosed please 1) find the signed engagement letter, and 2) our Firm's Client Trust Account Check No. 19127 in the amount of \$10,000.00, as the Retainer for your appraisal services. As we agreed, the retainer is 50% of your professional fee, and the remaining balance will be due upon completion of the appraisal, consistent with the terms of the engagement letter. Thank you for your assistance in this matter.

Very truly yours,



Ernest E. Riffenburgh, of
GRESHAM SAVAGE
NOLAN & TILDEN,
A Professional Corporation

EER:vcu

Enclosure

cc (via e-mail only): Mark A. Ostoich, Esq.
Michael D. Davis, Esq.



SAN BERNARDINO: 550 East Hospitality Lane, Suite 300 • San Bernardino, California 92408
RIVERSIDE: 3649 Mission Inn Avenue, First Floor Rotunda • Riverside, California 92501
SAN DIEGO: 550 West C Street, Suite 1810 • San Diego, California 92101
GreshamSavage.com

Class. 101 Payment of Invoice #3700
9030-013 - 3610239.2

Valuation Source

Real Estate. Businesses. Machinery & Equipment.

(805) 209-9782 – CA Direct

(702) 496-9923 – NV Direct

(888) 261-3292 - Fax

March 7, 2019

Sheep Creek Water Company
C/O

~~Mr. Derek Hoffman~~ — MICHAEL D. DAVIS, ESQ.

~~Senior Associate~~ — ERNEST E. RIFFENBURGH, ESQ.

Gresham Savage Nolan & Tilden, PC

550 E. Hospitality Ln, Ste 300

San Bernardino, California 92408

909-890-4499

~~derek.hoffman@greshamsavage.com~~

Michael.Davis

Ernest.Riffenburgh@greshamsavage.com

Appraiser:

Andrew J. Johnson, MAI, SRA, ASA, MBA, CVA, CMEA

Valuation Source

805-209-9782 – CA Direct

702-496-9923 – NV Direct

888-261-3292 - Fax

andrew@valsorceusa.com

Client hereby engages Appraiser to complete an appraisal assignment as follows:

PROPERTY IDENTIFICATION

The appraiser will determine the Fair Market Value of the assets owned by Sheep Creek Water Company. These assets are indicated to include:

Real Property (includes wells, permanently attached tanks and structures, easements, and water rights)

- 6666 State Hwy 2 (APN 0356-021-02-0000)
- Serrano Rd (APN 3037-301-01-0000)
- 4200 Sunnyslope Rd (APN 3066-321-26-1000)
- 4625 Walnut Rd (APN 3069-321-18-0000)
- 263rd St (APNs 3089-012-004 and -008)
- 2 Easements (for Tanks 3 and 6)
- 3,000± acre-feet annually of water rights within Swarthout Canyon (Permit/Certificate Numbers to be provided)

Equipment

- Vehicles, trailers, and equipment itemized on a spreadsheet provided by the client

- Pressure regulators
- Water mains/water lines

PROPERTY TYPE

Water company assets and equipment

INTEREST VALUED

Fee Simple

INTENDED USERS

Client only

INTENDED USE

Internal documentation and negotiations

TYPE OF VALUE

Definition of Fair Market Value

The engagement will use fair market value as the standard of value. Fair Market Value is defined in Section 25.2512-1 of U.S. Treasury regulations (Gift Tax Regulations) as:

"The price at which such property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell, and both having reasonable knowledge of relevant facts."

DATE OF VALUE

Current date

ADDITIONAL PROPERTY TO BE VALUED

None

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS

- The water rights owned/held by the subject company are assumed to be in good standing with all applicable governing bodies, being marketable and able to be sold/transferred at the owners' discretion
- All valued assets are assumed to be owned by Sheep Creek Water Company
- Unless stated, all equipment is assumed to be in good/working condition
- Certain real property assets secure a loan from an existing shareholder of the company

APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers

ANTICIPATED SCOPE OF WORK

Site visit:

It is recommended the client accommodate and/or accompany the appraiser for a partial tour and viewing of the company assets. An inspection is not however necessary to produce credible assignment results

Valuation approaches:

Sales Comparison Approach; Cost or Income approach as/if applicable

APPRAISAL REPORT

Report option:

Restricted Appraisal Report(s)

Form or format:

Narrative

Requested Items

- Depreciation schedule

CONTACT FOR PROPERTY ACCESS, IF APPLICABLE

~~Not applicable~~ MICHAEL D. DAVIS OR ERNEST E. RIFFENBURGH

PROPOSED IMPROVEMENTS

None

PROPERTIES UNDER CONTRACT FOR SALE

If the property appraised is currently under contract for sale, Client shall provide to Appraiser a copy of said contract including all addenda.

DELIVERY DATE

6 to 8 weeks from the date this letter is signed, and payment is received

DELIVERY METHOD

A pdf copy (or copies) will be emailed when the appraisal(s) is/are complete.

PAYMENT TO APPRAISER

\$20,000; 50% requested upon commencement. The balance is due prior to release of the completed appraisal report

WHEN APPRAISER'S OBLIGATIONS ARE COMPLETE

Appraiser's obligations pursuant to this Agreement are complete when the Appraisal Report in the form specified in this Agreement is delivered to Client pursuant to this Agreement. Appraiser agrees to be responsive to Client's legitimate inquiries regarding the contents of the report after delivery.

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the appraisal services rendered by Appraiser as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Appraiser's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect.

CLIENT'S DUTY TO INDEMNIFY APPRAISER

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser.


(Signature)

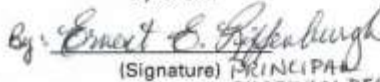
Andrew J. Johnson, MAI, SRA, ASA, MBA, CVA, CMEA

(Printed name)

March 7, 2019

(date)

By Client:

By: 
(Signature) PRINCIPAL SHAREHOLDER

GRESHAM SAVAGE NOLAN & TILDEN, P.C.

(Printed name)

Mar. 12, 2019

(date)

Appraiser's Qualifications



Real Estate Appraisal. Business Valuation. Machinery & Equipment Appraisal. Fractional Ownership Interests.

ANDREW J. JOHNSON, MAI, SRA, ASA, MBA, CVA, CMEA

833-698-2583 – Toll Free Direct

888-261-3292 – Fax

Andrew@ValSourceUSA.com

BIO:



Andrew Johnson is the founder and principal of Valuation Source, a professional valuation firm which conducts valuations of all types of real estate, businesses, and machinery & equipment; as well as fractional ownership interests.

Andrew began his career as a valuation professional in 2004 after serving as an active duty member of the United States Air Force. Since then, Andrew has gained extensive experience appraising a variety of property types and business interests.

Andrew is a Certified General Appraiser and holds the MAI and SRA designations in real estate appraisal from the Appraisal Institute, the ASA designation in real estate appraisal from the American Society of Appraisers, as well as the CVA designation for business valuation from the National Association of Certified Valuators and Analysts; and the CMEA designation for machinery & equipment appraisal from the NEBB Institute.

Andrew conducts valuations for a variety of purposes, including estate tax, probate, divorce, litigation, financing, review, and other matters.

Professional Affiliations:

MAI Member of the Appraisal Institute	Appraisal Institute
SRA Member of the Appraisal Institute	Appraisal Institute
Accredited Senior Appraiser – Real Property	American Society of Appraisers
Certified Valuation Analyst – Business Valuation	NACVA
Certified Machinery & Equipment Appraiser	NEBB Institute

Appraisal Experience and Background:

- Andrew was a self-employed fee appraiser from 2004 to 2007, doing business as 'Johnson & Associates'
- In 2011, Andrew joined Valbridge Property Advisors as a senior appraiser
- In 2014, Andrew founded Valuation Source, currently serving as principal appraiser



Real Estate Appraisal. Business Valuation. Machinery & Equipment Appraisal. Fractional Ownership Interests.

Appraisal Education:

Real Estate Appraisal Courses

Site Valuation & Cost Approach	Appraisal Institute – 2009
Sales Comparison Approach	Appraisal Institute – 2009
Advanced Sales Comparison/Cost Approach	Appraisal Institute – 2009
Report Writing and Case Studies	Appraisal Institute – 2010
Advanced Income Capitalization	Appraisal Institute – 2010
Advanced Market Analysis & Highest and Best Use	Appraisal Institute – 2011
Advanced Concepts and Case Studies	Appraisal Institute – 2011
Marketability Studies – Basic Applications	Appraisal Institute – 2011
Marketability Studies – Advanced Applications	Appraisal Institute – 2011
Appraising Convenience Stores	Appraisal Institute – 2014
Small Hotel/Motel Valuation	Appraisal Institute – 2014
Eminent Domain & Condemnation	Appraisal Institute – 2017
Uniform Standards for Federal Land Acquisitions	Appraisal Institute - 2017

Business Valuation Courses

Business Valuation Certification & Training Center	NACVA - 2013
Common Sense and the S Corp Value Question	NACVA – 2017
How to Avoid a Speculative Company Specific Risk Premium	NACVA – 2017
Matching Fundamental Risk & Return	NACVA – 2017
The Sanity Check	NACVA – 2017
Valuation in Disputes	NACVA – 2017
Valuing Complex Family Limited Partnerships	NACVA – 2017
Why a 75% DLOM May be Too Low and How to Defend It	NACVA - 2017
Commercial Reasonableness of Physician Compensation	NACVA - 2017
In Divorce Valuations Who Owns the Personal Goodwill?	NACVA - 2017
Top Five Financial Issues in High Net-Worth Divorces	NACVA - 2017
How and When to Implement a Discount for Lack of Control	NACVA - 2017

Machinery & Equipment Appraisal Courses

Machinery & Equipment Certification Training	NEBB Institute - 2014
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Real Estate Appraisal. Business Valuation. Machinery & Equipment Appraisal. Fractional Ownership Interests.

Formal Education:

Bachelor's Degree in Business/Finance	University of Phoenix - 2008
Master's Degree in Business Administration	University of Phoenix - 2014

Types of Property/Interests Appraised (Partial List):

Single-Family Homes	Mineral Rights	Industrial
Mobile Home/RV Parks	Apartments	Vacant Land
Retail	Shopping Centers	Fast Food
Full Service Restaurants	Carwashes	Condominiums
Rural Property & Water Rights	Easements/Rights-of-Way	Ministorage
Custom Homes	Gas Stations/C-Stores	Day Care Facilities
Office Buildings	Hotels/Motels	Industrial Yards
Assisted Living Facilities	Special Use Properties	Mixed-Use Properties
Religious Facilities	Tenant in Common Interests	Various Other Types
Fractional Ownership Interests	FLP Interests	Operating Companies
Holding Companies	Machinery & Equipment	

Types of Appraisal Engagements (Partial List):

Mortgage Lending/Underwriting	Condemnation
Tax Appeals	Asset Management
Loan Re-Valuations	Purchases
Litigation	Probate
Estate Planning, Tax Purposes	Foreclosures
New Construction	Portfolio Management
Gift Tax	Pre-Listing

Qualifications:

Certified General Appraiser 3002458	State of California
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Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Andrew J. Johnson

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3002458

Effective Date: August 8, 2018
Date Expires: August 7, 2020


Jim Martin, Bureau Chief, BREA

3042039

THIS DOCUMENT CONTAINS A TRUE WATERMARK. HOLD UP TO LIGHT TO SEE "CHAIN LINK"