



Epic Land Solutions, Inc. 

APPRAISAL REPORT

Single-Family Residential Property

ADDRESS: 50021 Balboa Street, Coachella, CA 92236
APN: 768-160-001
DATE OF REPORT: October 27, 2022
DATE OF VALUE: September 28, 2022

Prepared For:
Melissa Mann, Asst Project Mgr.
Epic Land Solutions, Inc.
3850 Vine Street Suite 200
Riverside, CA 92507

Prepared By:
Epic Land Solutions, Inc.
16496 Bernardo Center Dr. Suite 207
San Diego, CA 92128

Epic Land Solutions, Inc.

16496 Bernardo Center Drive., Suite 207
San Diego, CA 92128
Ph: 619-573-6048

October 27, 2022

Melissa Mann, Asst Project Manager
Epic Land Solutions, Inc.
3850 Vine Street, Suite 200
Riverside, CA 92507
Email: mmann@epicland.com

Re: Single-Family Residential Property Appraisal
50021 Balboa Street
Coachella, CA 92236
APN: 768-160-001

Dear Melissa,

At your request and authorization, I have prepared a summary appraisal report of the market value for the above referenced real property. I have provided the market value of the subject' leased fee estate on an "as is" basis as of the date of property inspection. Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. Your attention is directed to the Addenda which contains the assumptions and limiting conditions.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed, and this report has been prepared, in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics of the Appraisal Institute.

The appraisal has been completed subject to the Assumptions & Limiting Conditions contained within the report. Extraordinary Assumptions and Hypothetical Conditions, if any, may have an impact on the assignment results.

By virtue of my experience and based upon my investigation, it is my opinion that the market value of the subject property as of September 28, 2022, is:

\$350,000

Please refer to the attached appraisal report, plus exhibits, for a summary of the supporting documentation of the value estimate contained herein.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kent J. Carpenter". The signature is stylized with a large, circular flourish at the end.

Kent J. Carpenter, MAI
Certified General Real Estate Appraiser
Senior Appraiser
Epic Land Solutions, Inc.
California License AG003087

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Introduction

Executive Summary

| | |
|---|---|
| Property Address: | 50021 Balboa Street, Coachella, CA 92236 |
| APN(s): | 768-160-001 |
| Property Type: | Single-Family Residential |
| Report Format: | Narrative |
| Date of Appraisal Report: | October 27, 2022 |
| Date of Value: | September 28, 2022 |
| Date of Site Inspection: | September 28, 2022 |
| Real Estate Interest Appraised: | Fee Simple |
| Function of the Appraisal: | Basis for property acquisition |
| Location: | The subject is located in an area west of Highway 111 that is characterized primarily by single family homes and neighborhood support amenities such as schools, parks and shopping. |
| Improvements Description: | Single-story 3BR 2BA home containing 1,288 square feet and built in 1967. The home has a 1 car garage and is of average quality and condition for the neighborhood. |
| Site Description: | The site is rectangular in shape and contains 7,052 square feet. The property is a corner lot and has frontage on both Avenue 50 and Balboa Street. Access to the property is from Balboa Street. |
| Zoning: | R-S (Residential Single-Family) |
| Community Plan: | Suburban Neighborhood |
| Highest and Best Use "As Is": | Continued use of existing improvements |
| Highest and Best Use "As if Vacant": | Development of a single-family residence |
| Concluded Market Value: | \$350,000 |
| Extraordinary Assumptions and Hypothetical Conditions: | 1. No interior inspection of the home was undertaken. The property was inspected from the property lines and relied on public information and photos for the interior description. |

Overview of Appraisal

Purpose of Appraisal

The purpose of this appraisal is to estimate the fair market value and just compensation associated with the portion to be acquired of the subject parcel under the reporting requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), as defined by the Appraisal Foundation.

Intended User

The intended user of this appraisal report is the client, Ms. Melissa Mann, Assistant Project Manager with Epic Land Solutions, Inc. There are no other intended users. Anyone else using or relying on this appraisal is considered an unintended user and no fiduciary obligation is owed by the appraiser to that party

Intended Use

The intended use of this appraisal report is for acquiring the property to facilitate the road widening of Avenue 50. The appraisal cannot be used for evaluation for collateral for a loan, collateral for bond funding, appealing taxes, submission to Superior Court for condemnation, etc.

Definition of Market Value

The following definitions and discussions are extracted from the State of California Code of Civil Procedure, Title 7, Eminent Domain Law, Chapter 9.

Fair Market Value - CCP Section 1263.320

- 1) (a) "The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purpose for which the property is reasonably adaptable and available.
- (b) The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable."

Fair Market Value of Property Taken - CCP Section 1263.330

- 1) The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following:
 - (a) The project for which the property is taken.
 - (b) The eminent domain proceeding in which the property is taken.
 - (c) Any preliminary actions of the plaintiff relating to the taking of the property.

Compensation for Injury to Remainder - CCP Section 1263.410

- 1) (a) "Where the property acquired is part of a larger parcel, in addition to the compensation awarded pursuant to Article 4 (discussed above), for the part taken, compensation shall be awarded for the injury, if any, to the remainder.
- (b) Compensation for injury to the remainder is the amount of the damage to the remainder reduced by the amount of benefit to the remainder. If the

amount of benefit to the remainder equals or exceeds the amount of the damage to the remainder, no compensation shall be awarded under this article. If the amount of the benefit to the remainder exceeds the amount of damage to the remainder, such excess shall be deducted from the compensation provided in Section 1263.510 (Compensation for Loss of Goodwill), if any, but shall not be deducted from the compensation required to be awarded for the property taken for from the other compensation required by this chapter."

Damages - CCP Section 1263.420

- 1) Damage to the remainder is the damage, if any, caused by either or both of the following:
 - (a) "The severance of the remainder from the part taken.
 - (b) The construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the damage is caused by a portion of the project located on the part taken."

Benefits - CCP Section 1263.430

- 1) Benefit to the remainder is the benefit, if any, caused by the construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the benefit is caused by a portion of the project located on the part taken.

Delay – CCP Section 1263.440

- 1) (a) The amount of any damage to the remainder and any benefit to the remainder shall reflect any delay in the time when the damage or benefit caused by the construction and use of the project in the manner proposed by the plaintiff will actually be realized.
 - (b) The value of the remainder on the date of valuation, excluding prior changes in value as prescribed in Section 1263.330, shall serve as the base from which the amount of any damage and the amount of any benefit to the remainder shall be determined.

Project as Proposed – CCP Section 1263.450

Compensation for injury to the remainder shall be based on the project as proposed. Any features of the project which mitigate the damage or provide benefit to the remainder, including but not limited to easements, crossings, underpasses, access roads, fencing, drainage facilities, and cattle guards, shall be taken into account in determining the compensation for injury to the remainder.

Date of the Appraisal

The effective date of value is September 28, 2022, with the date of this appraisal report being October 27, 2022.

Owner of Record & Property History

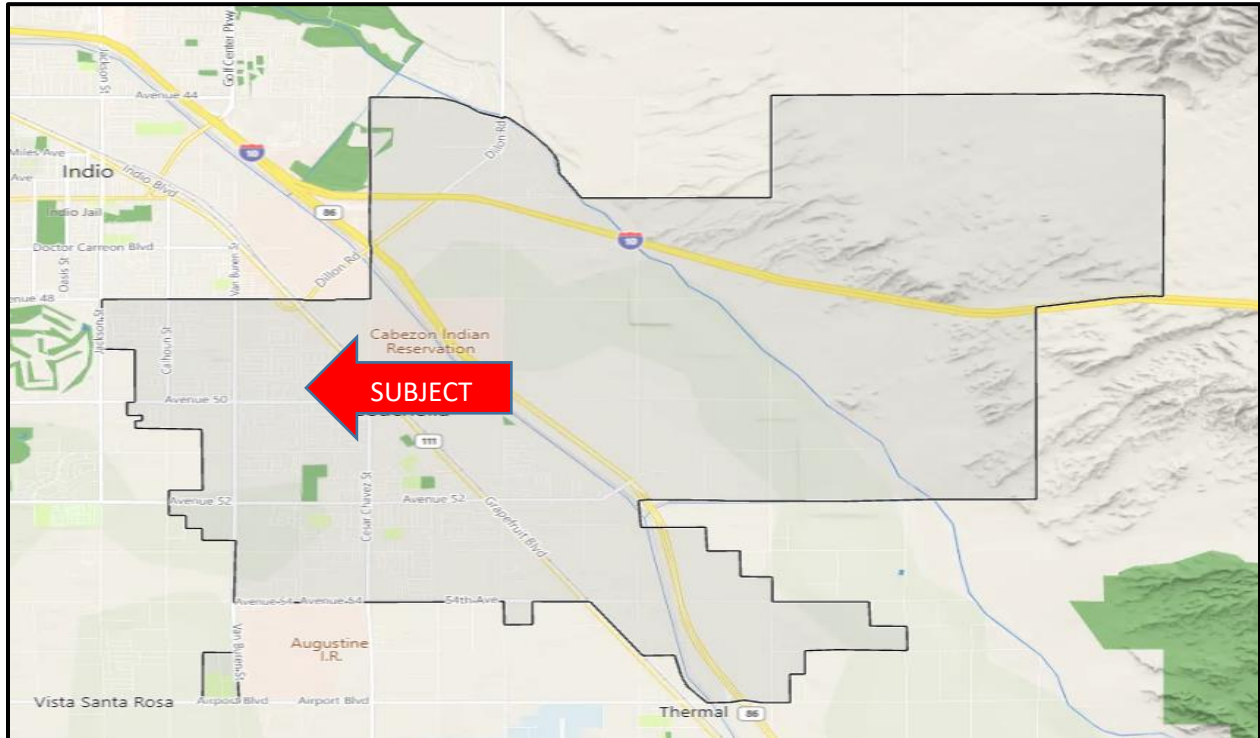
According to submitted title report, the subject is currently owned by RMM Investment Capital, LLC. The property has not experienced an arms-length transactions within the past three years.

Scope of Work

In order to complete this assignment, I identified all assignment conditions; determined an appropriate scope of work; collected general and specific data on the district, neighborhood, market area, subject property and comparable properties; analyzed the data gathered; applied the appropriate approaches to value; and reconciled all indications of value into a final value estimate. My investigation, value opinion and analyses comply with the Uniform Standards of Professional Appraisal Practice and is unbiased and impartial. No predetermined value or opinion formed the basis of any conclusions stated in this appraisal. The depth of the investigation and analysis is meant to be in keeping with the purpose and intended use of the appraisal.

Neighborhood Description

The subject is located within the western central portion of the city of Coachella as shown on the following map.



Coachella Valley

The Coachella Valley is an arid rift valley in the Colorado Desert of Southern California's Riverside County. The valley may also be referred to as Greater Palm Springs due to the prominence of the city of Palm Springs. The valley extends approximately 45 mi southeast from the San Geronio Pass to the northern shore of the Salton Sea and the neighboring Imperial Valley, and is approximately 15 mi wide along most of its length. It is bounded on the northeast by the San Bernardino and Little San Bernardino Mountains, and on the southwest by the San Jacinto and Santa Rosa Mountains.

The valley is notable as the location of several wintertime resort cities, especially Palm Springs, that have become popular destinations for snowbirds—people who live in cold climates and seek out warmer weather during winters. The valley is also known for a number of annual events, including the Coachella Valley Music and Arts Festival, the Stagecoach Country Music Festival, and the Riverside County Fair and National Date Festival, all held in Indio. Other events include the Palm Springs Modernism Week, Palm Springs International Film Festival, the ANA Inspiration and Desert Classic golf tournaments, and the Indian Wells Masters tennis tournament.

In addition to Palm Springs and the area's largest city Indio, the valley is home to the resort cities of Cathedral City, Indian Wells, La Quinta, Palm Desert, and Rancho Mirage. Because the valley is a major winter destination, its population fluctuates from almost 500,000 in April to around 200,000 in July and around 800,000 by January. It was estimated in 2013 that 3.5 million conventioners and tourists visit the valley each year.

The Coachella Valley connects with the Greater Los Angeles area to the west via the San Geronio Pass, a major transportation corridor, traversed by Interstate 10 and by the Union Pacific Railroad. The Coachella Valley is sometimes called the Desert Empire^[4] to differentiate it from the broader Inland Empire.

The area is surrounded on the southwest by the Santa Rosa Mountains, by the San Jacinto Mountains to the west, the Little San Bernardino Mountains to the east and San Geronio Mountain to the north. These mountains peak at around 11,000 feet and tend to average between 5,000 and 7,000 feet. Elevations on the Valley floor range from 1,600 feet above sea level at the north end of the Valley to 250 feet below sea level around Mecca. In the summer months daytime temperatures range from 104 °F to 112 °F and nighttime lows from 75 °F to 86 °F. During winter, the daytime temperatures range from 68 °F to 88 °F and corresponding nights range from 46 °F to 65 °F making it a popular winter resort destination. The surrounding mountains create Thermal Belts in the immediate foothills of the Coachella Valley, leading to higher night-time temperatures in the winter months, and lower daytime temps during the summer months. Due to its warm year-round climate the region's agricultural sector produces fruits such as mangoes, figs and dates.

The Valley is the northwestern extension of the Sonoran Desert to the southeast, and as such, is extremely arid. Most precipitation falls during the winter months from passing mid-latitude frontal systems from the north and west, nearly all of it as rain, but with snow atop the surrounding mountains. Rain also falls during the summer months as surges of moisture from both the Gulf of Mexico and the Gulf of California are drawn into the area by the desert monsoon. Occasionally, the remnants of a Pacific tropical cyclone can also affect the valley.

The irrigation of over 100,000 acres of the Valley since the early 20th century has allowed widespread agriculture. In its 2006 annual report, the Coachella Valley Water District listed the year's total crop value at over \$576 million or almost \$12,000 per acre. The Coachella Canal, a concrete-lined aqueduct built between 1938 and 1948 as a branch of the All-American Canal, brings water from the Colorado River to the Valley. The Colorado River Aqueduct, which provides drinking water to Los Angeles and San Diego, crosses the northeast end of the Valley along the base of the Little San Bernardino Mountains (the Joshua Tree National Park).

The San Andreas Fault traverses the Valley's east side. Because of this fault, the Valley has many hot springs. The Santa Rosa Mountains to the West are part of the Elsinore Fault Zone. The results of a prehistoric sturzstrom can be seen in Martinez Canyon. The Painted Canyons of Mecca feature smaller faults as well as Precambrian, Tertiary and Quaternary rock formations, unconformities, badlands and desert landforms. Fault lines cause hot water springs or geysers to rise from the ground. These natural water sources made habitation and development possible in the otherwise inhospitable desert environment of the Coachella Valley. Major earthquakes have affected the Coachella Valley.

The Coachella Valley contains nine cities and various unincorporated communities.

| City | Population ^[34] (2020 census) |
|---------------------|---|
| Cathedral City | 51,493 |
| Coachella | 41,941 |
| Desert Hot Springs | 32,512 |
| Indian Wells | 4,757 |
| Indio | 89,137 |
| La Quinta | 37,558 |
| Palm Desert | 51,163 |
| Palm Springs | 44,575 |
| Rancho Mirage | 16,999 |
| Cities Total | 370,135 |

As of 2010 the valley produced agricultural products worth about \$600 million.

The valley is the primary date-growing region in the United States, responsible for nearly 95 percent of the nation's crop and is celebrated each year in Indio during the Riverside County Fair and National Date Festival. The earliest attempt at growing dates came about in 1890 when the United States Department of Agriculture (USDA) imported date palm shoots from Iraq and Egypt. Sixty-eight shoots were distributed across the Southwest U.S. in Las Cruces, New Mexico, Yuma, Arizona, Phoenix, Arizona, and several California cities: Indio, Pomona near Los Angeles, Tulare and National City near San Diego. The imports were almost all male seedlings and produced poor fruit. The Coachella Valley showed promise, so USDA horticulturist Bernard Johnson planted a number of shoots that he brought back from Algeria in September 1903. On his own initiative, Johnson imported more shoots from Algeria in 1908 and again in 1912. The area's entire date industry can be traced back to those original USDA experiments near present-day Mecca. Date palms were grown from present-day Cathedral City to the Salton Sea, but most date groves were overtaken by development by the 1990s. Today, nearly all of the date groves are in the "East Valley" area south of Indio, near Coachella and east of La Quinta.

Other agricultural products cultivated in the Coachella Valley include fruits and vegetables, especially table grapes, citrus fruits such as lemons, limes, oranges and grapefruit; onions and leeks; and peppers. The valley floor served to grow bounties of alfalfa, artichokes, avocados, beans, beets, cabbage, carrots, corn, cotton, cucumbers, dandelions (salad greens), eggplant, figs, grains (i.e. barley, oats, rye and wheat; plus rice fields kept wet or moist in the Salton Sea area), hops, kohlrabi, lettuce, mangoes, nectarines and peaches, persimmons, plums and prunes, pomegranate, potatoes, radishes, spinach, strawberries, sugar cane, tomatoes, a variety of herbs and spices, and other vegetable crops. The Coachella grapefruit originated in the region. The city of Coachella is the primary shipping point for agricultural goods. Domesticated grasses, flowers and trees are widely grown for warm-weather or desert climates and sold for use in golf courses and landscape.

Only 10 percent of the Coachella Valley residents were born/raised in the area, according to the 2000 census, a much lower percentage than found in most parts of the U.S. Agriculture is a founding block of the majority of the "oldtimer" residents, whose parents and grandparents came to the area as farmers and laborers transformed the eastern parts of the valley from a hot sandy desert into a green fertile place with a year-round growing season. The Coachella Valley's agricultural development is due to irrigation: water was drawn from an underground aquifer created when the valley was under a fresh water lake in the last ice age (over 10,000 years ago); and from the All-American Canal, completed in the late 1940s, which brought large supplies of water from the Colorado River. Recent growth of fish

farming or "aquaculture" in Mecca near the Salton Sea brings new promise to the local economy, especially to efforts to restore the ailing ecology of the large saltwater lake.

City of Coachella

Coachella is in Riverside County, California; it is the easternmost city and namesake of the Coachella Valley, in Southern California's Colorado Desert. Coachella is one of California's fastest-growing cities; when it incorporated in 1946, it had 1,000 residents. By the 2020 census the population had grown to 41,941. The city is officially bilingual in English and Spanish, with 90% of residents speaking Spanish.

Downtown Coachella is under renovation as the area experiences an economic boom which has brought increasing numbers of people in the city – *Pueblo Viejo* (the old neighborhood) as locals of Hispanic origin sometimes call it. Despite its image for Mexican immigration, a large percentage are US citizens, born and raised in Coachella. A multi-generational Mexican American subculture has taken root in the town. Additionally, since 2000, thousands of single-family homes and multi-unit apartment complexes have been built at a fast pace, as the city's population soared, having more than doubled in just a decade.

Coachella expanded recreational and social activities for which residents once had to drive 10 or 20 miles west. The city has a recreation center, a Boys and Girls Club center, and a boxing club in Bagdouma Park. There are two dance clubs and the Corona Yacht Club located near Spotlight 29 casino; two new golf courses (Desert Lakes and the Vineyards) attract many retirees, RV owners, and local business people.

Coachella is served by the Coachella Valley Unified School District, based in Thermal, California. Its main high school is Coachella Valley High School (with 2900 students) followed by a new high school, Desert Mirage High School, about 5 miles to the south; its three middle schools are Cahuilla Desert Academy, Toro Canyon, and Bobby Duke. Elementary schools include Cesar Chavez, Coral Mountain Academy, Palm View, Peter Pendleton, Valle Del Sol, Valley View, Westside and in nearby Thermal, John Kelley.

Near Coachella, a new four-lane expressway, State Route 86, was built for international trucking from Mexicali, Mexico to Los Angeles or Arizona. Referred to as the "NAFTA highway" (in reference to the North American Free Trade Agreement took effect in 1994), it replaces an older and less safe two-lane road that was known for its many auto accidents.

According to the city's 2020 Comprehensive Annual Financial Report, the largest employers are:^[17]

| # | Employer | Employees |
|----|--|-----------|
| 1 | Coachella Valley Unified School District | 530 |
| 2 | Spotlight 29 Casino | 496 |
| 3 | Ernie Ball | 380 |
| 4 | Augustine Casino | 314 |
| 5 | Armtec Defense | 236 |
| 6 | Valley Pride | 200 |
| 7 | Coachella Valley Water District | 194 |
| 8 | Teserra Outdoors | 156 |
| 9 | Cardenas Market | 118 |
| 10 | Reyes Coca-Cola Bottling | 103 |

Subject Property and Description

Aerial View of Subject Property



Location of subject property is approximate.

Subject Property Photographs

Photograph 1



Front of house from street

Photograph 2



Updated Kitchen from marketing brochure

Photograph 3



Kitchen from marketing brochure

Photograph 4



Street scene with subject at right

Photograph 5



Looking east along Ave 50 with subject straight ahead

Photograph 6



Backyard from marketing brochure

Photograph 7



Looking west along Avenue 50 with subject at left

Photograph 8



Dining Area from marketing brochure

Photograph 9



Covered patio from marketing brochure

Photograph 10



Bathroom from marketing brochure

Photograph 11



Garage and front yard

Photograph 12



Landscaping

Site Description

General Site Information

Address: 50021 Balboa Street, Coachella, CA 92236

Location: Located in the West Coachella neighborhoods, west of Highway 111.

Legal Description ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 18 OF TRACT NO. 3430, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, IN [BOOK 55, PAGES 67](#) AND 68 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Current Owner(s): RMM Investment Capital, LLC

3 Year Sales History: There have been no arms-length transactions affecting the property during the past three years.

Zoning: R-S (Residential Single Family); Uses allowed by right within this zone include single-family detached dwellings, family day care homes, public parks/playgrounds, temporary subdivision sales offices, and licensed day care centers for five or less children.

Assessor Parcel No: 768-160-001

Assessed Value Land: \$39,634

Assessed Value Imp: \$79,270

Total Assessed Value: \$118,904

Assessment Year: 2021-22

Taxes: \$2,607

Physical Characteristics of the Site

Total Site Area: 7,052 square feet (per engineer's plat)

Frontage: Avenue 50 & Balboa Street

Shape: Nearly rectangular

Topography: Level at street grade

Access: Balboa Street

Easements: Submitted title report shows the following notable exceptions: public utilities easement over portion of land, property lies within the boundaries of a project area within the redevelopment agency, delinquent taxes in 2020-2021, pending court action in the past, and property was used as collateral on a 1,450,000 deed of trust from Community Valley Bank in 2016. The appraisal assumes that none of these exceptions would have a negative impact on its

value upon sale, and that the property would sell free and clear of any onerous liens and encumbrances.

Encroachments: None noted with appraisal assuming none exist.

Utilities to Site: All utilities in adjoining road & connected

Sidewalk, Curbs and Gutters: Installed along Arizona Street

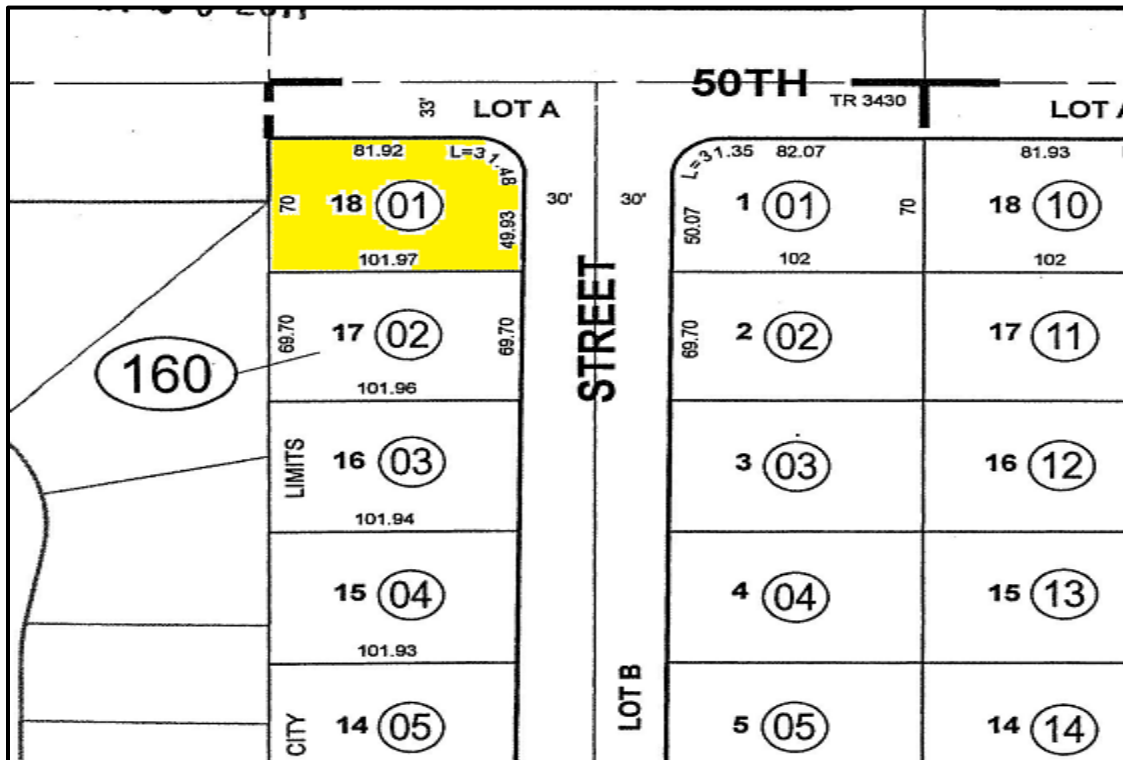
Flood Designation: Zone X (Map 060249 – 06065C2270H) dated March 6, 2018, indicating an area determined to be outside of the 100-year and 500-year floodplains.

Environmental/Soils: There was nothing discovered which would indicate there are environmental issues associated with the subject property. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous material may affect the value of the subject property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value.

Subsurface Conditions: Unknown

Plat Map

Following is a plat map showing the size, shape and location of the subject property.



Legal Description

EXHIBIT "A"
ACQUISITION IN FEE

THAT REAL PROPERTY IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL "A"

ALL OF LOT 18 OF TRACT NO. 3430, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 55, PAGES 67 AND 68 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO KNOWN AS:

50021 BALBOA STREET, COACHELLA, CA 92236

APN: 768-160-001

AREA:

7052 SQ. FT.± (0.16 ACRES ±)

AS SHOWN ON EXHIBIT "B", ATTACHED HERETO AND MADE PART HEREOF.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION

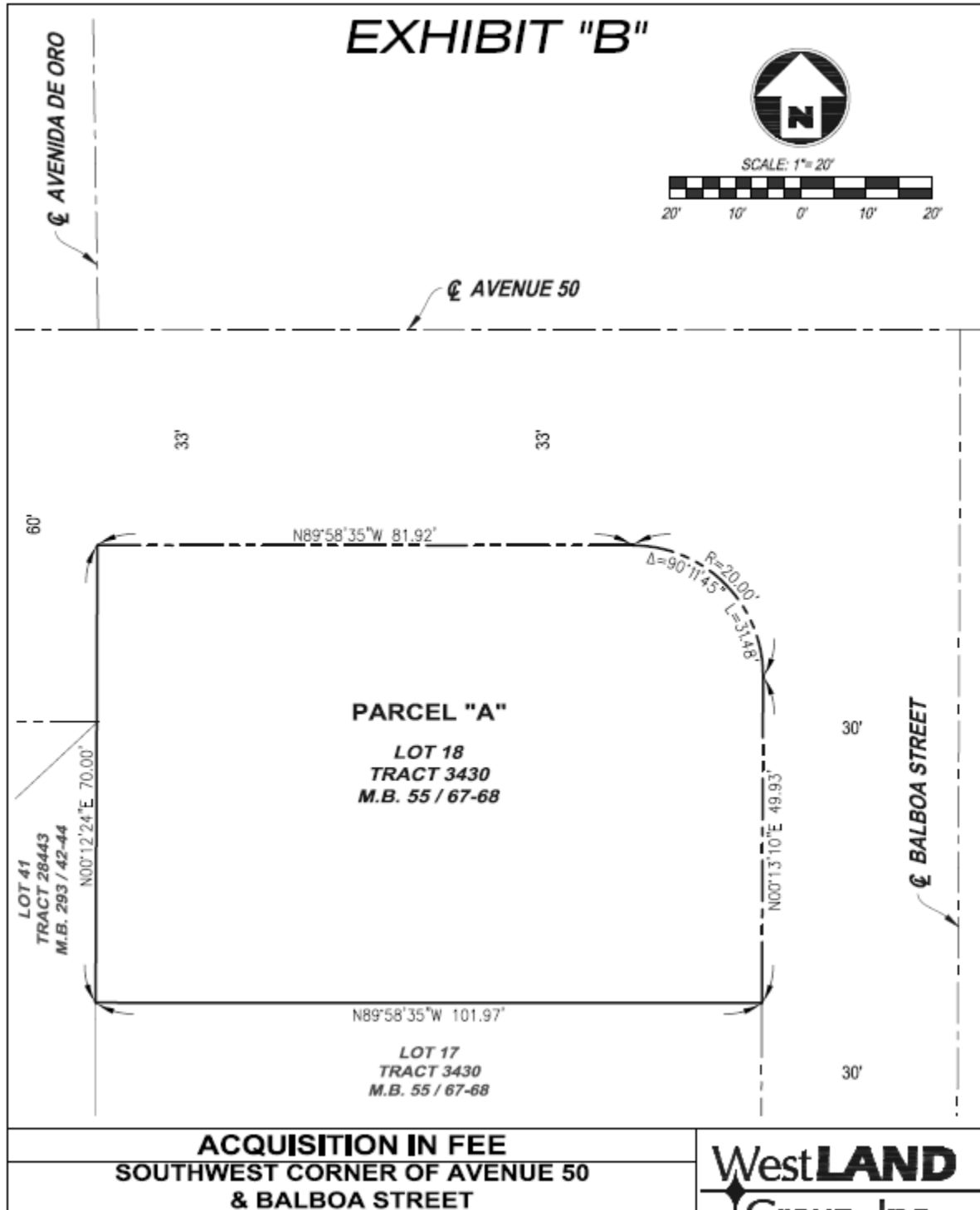


CHARLES D. PLUTA

9/11/2020
DATE



Plat Map



Improvements Description

According to public information, with the exterior description of the home confirmed by inspection, the subject property is described as follows:

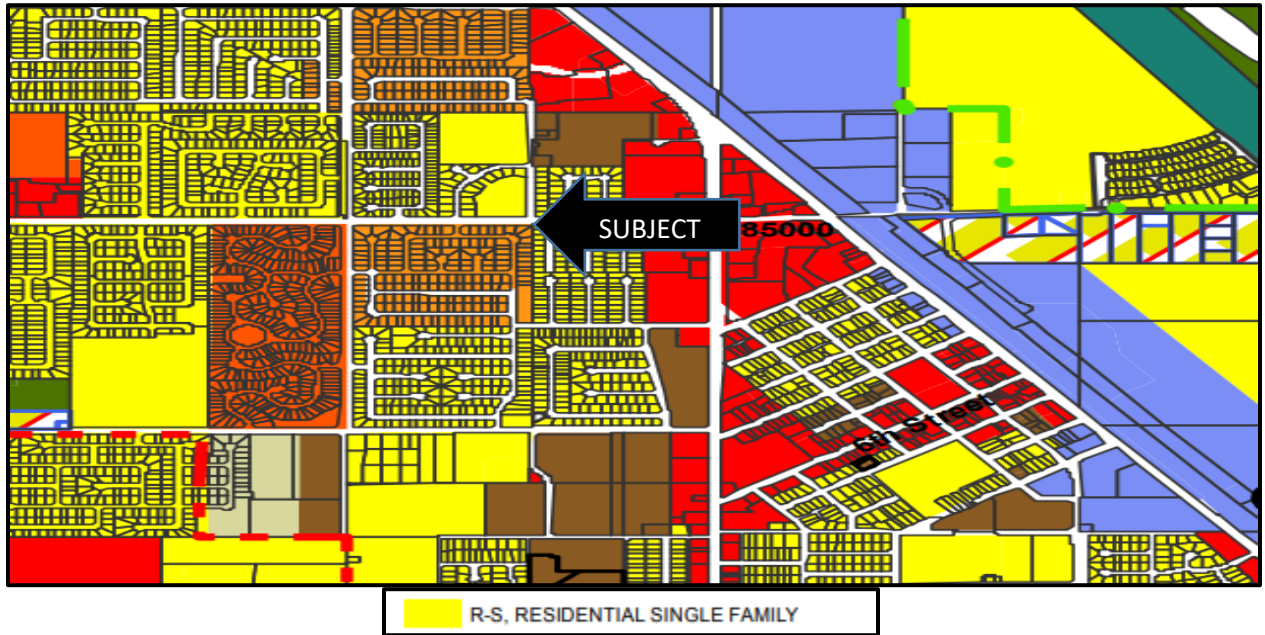
- Remodeled in recent years (new fixtures/appliances in kitchen & bathroom)
- Attached garage with 2 parking spaces
- Laundry area inside homes
- 3 bedrooms and 2 full bathrooms
- Central heating and air conditioning
- Single story design
- Average level of landscaping (grass & mature tree)
- Vertical board perimeter fence
- Block enclosure wall at front entry
- Covered patio
- Wood frame and stucco construction
- Composition shingle roof
- Fixed vinyl windows

General Plan Land Use & Zoning

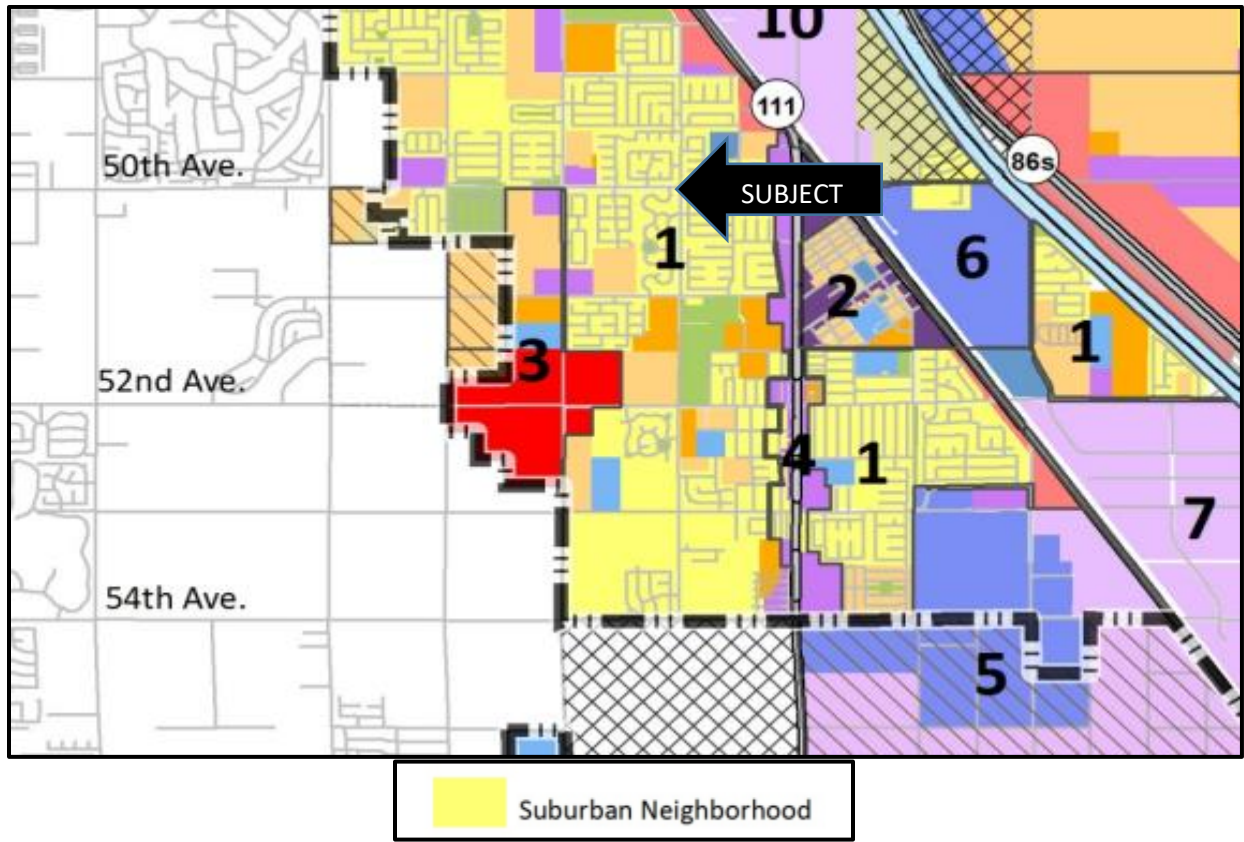
The zoning characteristics for the subject property are summarized below:

| Zoning Summary | |
|------------------------------|--|
| Current Zoning: | R-S (Residential Single-Family); This zone is intended to provide areas within the city where development is limited to low-density concentrations of single-family dwellings, and to stabilize and protect the residential character of such areas. It has the further purpose of the provision of community facilities needed to complement urban residential areas and for institutions which require a residential environment, to minimize traffic congestion, and to avoid an overload of utilities designed to service only low-density residential uses. |
| Permitted Uses: | Uses allowed by right within this zone include single-family detached dwellings, family day care homes, public parks/playgrounds, temporary subdivision sales offices, and licensed day care centers for five or less children. |
| Zoning Change: | Not likely |
| Development Standards | |
| Minimum Lot Size: | 7,200 square feet |
| Minimum Width: | 60 feet |
| Minimum Depth: | 100 feet |
| Minimum Setbacks: | |
| Front: | 15 feet |
| Rear: | 20 feet |
| Side: | 5-10 feet |
| Maximum Building Height: | 30 feet |
| Maximum Density | 1 dwelling unit per lot |

Zoning Map



General Plan Map



Valuation Analysis

Highest and Best Use

The highest and best use of any property depends upon the physical and legal restrictions imposed by the size, shape, location and zoning of the site, and the size, siting, quality and condition of the improvements. An improved site like the subject property would be analyzed for its highest and best use on both an “as though vacant” and “as-improved” basis. Considerations under each of these analyses will include uses that are (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive.

As Though Vacant

Physically Possible - The subject property is of sufficient size to be a developable site. It is of typical size to other parcels in the immediate neighborhood and has good frontage and access from Balboa Street. Additionally, it has frontage on Avenue 50 and has utilities immediately available and connected.

Legally Permissible - The subject is zoned R-S (Residential Single-Family). This zone is intended to provide areas within the city where development is limited to low-density concentrations of single-family dwellings, and to stabilize and protect the residential character of such areas. Uses allowed by right within this zone include single-family detached dwellings, family day care homes, public parks/playgrounds, temporary subdivision sales offices, and licensed day care centers for five or less children.

Financially Feasible – The surrounding uses, size and access to and from the property would render development of a variety of uses possible. However, based primarily on immediate land use patterns, the maximally productive use of the site would be for development of the property with a single-family residence.

Maximally Productive – Considering the legally permissible, physically possible and financially feasible uses in the current market, the highest and best use is for development of the property with a single-family residence.

As Improved

The subject property is improved with a single-story 3BR 2BA home containing 1,288 square feet and built in 1967. The home has a 1 car-garage and is of average quality and condition for the neighborhood. The property is consistent in quality, design and condition to the single-family homes in the area. Additionally, the property has been adequately maintained. At the present time, the improvements contribute value to the property above land value. As such, it is concluded that the highest and best use of the subject, as improved, is for continued use as a single-family residence.

Appraisal Procedures Followed, Methodologies

For the appraisal of the subject property, the sales comparison approach is the primary method of valuation.

The sales comparison approach derives a market value opinion by making a comparative analysis of recently sold properties having similar physical and economic characteristics to the property being appraised. Each sale property is compared to the subject property focusing on similarities and differences that influence value. This approach was applied in the valuation of the subject property.

The income capitalization approach is a method of valuation suited for investment properties because the foundation of the estimate is anticipated income, which is the primary reason investors buy this type of property. The price they are willing to pay is directly related to the income it is capable of producing and its prospect for change in value. As the subject' immediate market is for owner-user occupancy, the income approach will not be undertaken in valuing the subject property, as this approach would not be used in the marketing of the property. Current market participants are purchasing properties similar to the subject property based on a sales comparison approach only. The cost approach was not employed in the valuation of the subject property because the subject property contains very old improvements, has a significant amount of depreciation that is difficult to measure, and buyers are not purchasing properties like the subject based on a depreciated replacement cost analysis.

Sales Comparison Approach

Several sales have been selected to process the sales comparison approach to value. On a following page is a summary of the market data. After this is a discussion of each of the sales, comparing each to the subject property for each relevant element of comparison and from this analysis an appropriate value indication is concluded in the reconciliation section of the appraisal report.

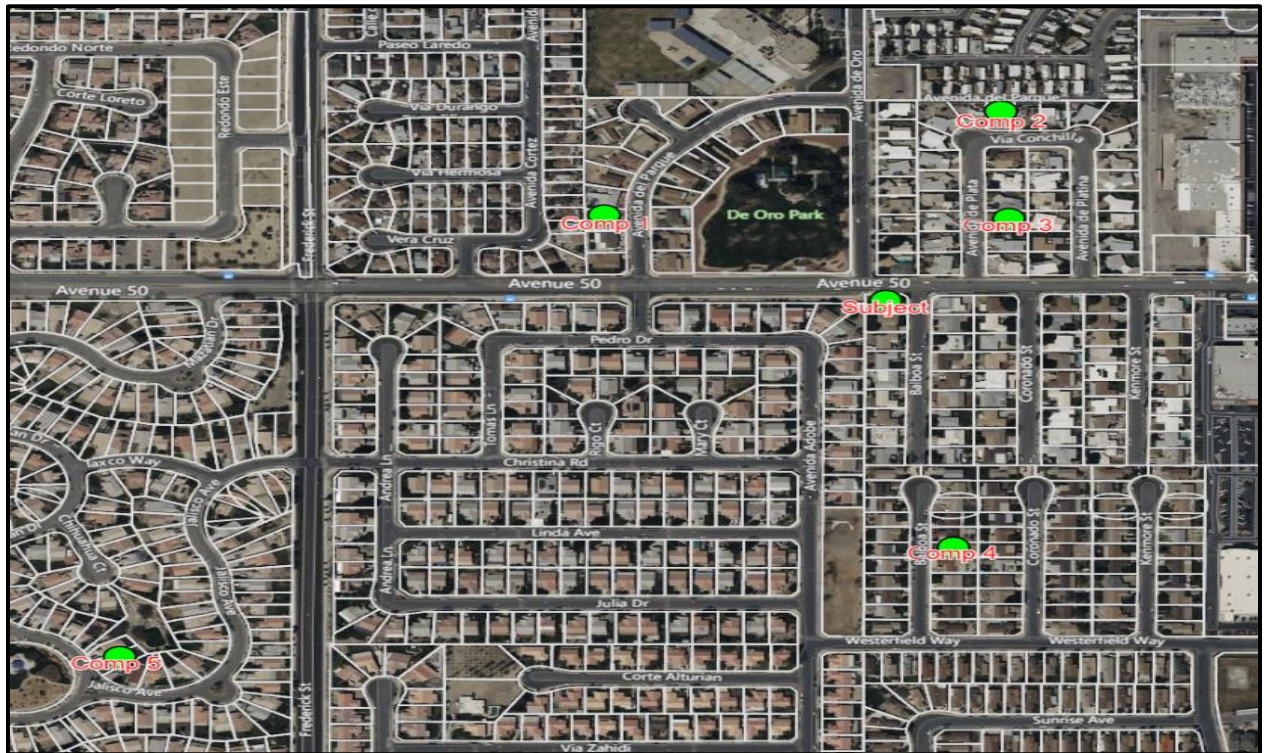
The sale properties are all located within the subject's immediate market area and are considered good alternative to a purchase of the subject property. All sales occurred in 2021 and are considered suitable alternative for a buyer interested in purchasing the subject property. The properties range in size from 1,100 to 1,755 square feet which brackets the size of the subject property. Overall, this is considered a very reasonable data set from which to estimate the market value of the subject property.

Comparable Sales Summary

IMPROVED COMPARABLES SUMMARY

| | Subject | 1 | 2 | 3 | 4 | 5 |
|-----------------------------------|---------------------------|--------------------------|--------------------------|--------------------------|----------------------------------|---------------------------------|
| Location | 50021 Balboa Street | 49963 Avenida Del Parque | 84811 Via Conchilla | 49938 Avenida De Plata | 50370 S. Balboa Street | 50498 Saltillo Circle |
| Community/Sub-Market | Coachella | Coachella | Coachella | Coachella | Coachella | Coachella |
| Zip Code | 92236 | 92236 | 92236 | 92236 | 92236 | 92236 |
| Assessor Parcel No. | 768-160-001 | 603-401-006 | 603-281-019 | 603-282-004 | 768-170-017 | 768-101-002 |
| Land Area (SF) | 7,052 | 7,840 | 7,405 | 7,841 | 6,098 | 6,534 |
| Livable Building Area (SF) | 1,288 | 1,280 | 1,755 | 1,443 | 1,100 | 1,363 |
| BR/BA | 3/2 | 3/2 | 3/1.50 | 3/2 | 3/2 | 4/2 |
| Parking | 2-car garage | 2-car carport | 2-car carport | 2-car garage | 2-car garage | 2-car garage |
| Year Built/Condition | 1967/Average | 1976/Average | 1960 Average | 1960/Fair | 1986/Average | 2004/Average |
| Quality/Design/Appeal | Average | Average | Average | Fair | Average | Good |
| Seller | -- | Ronny, Virginia Vasquez | Jay F. Vieto, et al. | Gloria E. Valenzuela | Roberto Seym | Alejandro Rubio, et al. |
| Buyer | -- | Raul Botello Vargas | Jose Manuel Cuevas Silva | Bianca R. Galvan, et al. | Julia Ramirez Valenzuela, et al. | Vicente Cordova Aguirre, et al. |
| Document No. | -- | 21-0487256 | 21-0765589 | 22-0357270 | 22-0228734 | 22-0014400 |
| DOV/Recording Date | 9/28/2022 | 8/13/2021 | 12/30/2021 | 8/12/2022 | 5/19/2022 | 1/10/2022 |
| Financing | Assume All Cash to Seller | All Cash to Seller | All Cash to Seller | All Cash to Seller | All Cash to Seller | All Cash to Seller |
| Sale Price | -- | \$315,000 | \$325,000 | \$335,000 | \$355,000 | \$365,000 |
| Price Per SF | -- | \$246.09 | \$185.19 | \$232.16 | \$322.73 | \$267.79 |

Market Data Map



Market Data Description

All of the comparables are located in the immediate vicinity of the subject property. A brief summary of the comparables follows.

Comp No. 1- This is the sale of a 3BR 2BA home that was built in 1976 and which has a 2-car carport. The floor plan has a bonus/family room with a wood burning fireplace, with most the windows having been replaced. The floor plan has a good size living room with slider leading to the backyard. The backyard has plenty of space on each side to pull in a recreational or utility vehicle. The home is equipped with both central air & wall units.

Comp No. 2 - This is the sale of a 3BR 1.52BA home that was built in 1960 and which has a 2-car carport. This home has a large living room kitchen and dining area and a bonus room which has just been remodeled with new flooring and a new window. Laminate flooring has been laid in the dining area and two of the bedrooms. The air conditioning unit is three years old, double pane windows are two years old and one of the water heaters is two years old. The size of the lot is 7,405 square feet.

Comp No. 3 – This is the sale of a 3BR 2BA house that contains 1,443 square feet and was built in 1960. The home is in the immediate vicinity of the subject property but is considered inferior in design appeal. The home sold on an as-is basis, with the home requiring some work to bring it up to the level of surrounding homes. The lot size of this property is 7,841 square feet.

Comp No. 4 - This is the sale of a 3 bedroom, 2 bath home that was built in 1986 and contains approximately 1,100 square feet of floor space. This property has a lot size of 6,098 square feet and is centrally located in the City of Coachella (same street as subject property) near the Cardenas Shopping center. The home offers 3 bedrooms and two bathrooms, has a relatively big backyard, and a built-in patio porch. Additionally, there is a privately gated large front yard.

Comp No. 5 This is the sale of a 4 bedroom, 2 bath home that was built in 2004 and contains approximately 1,363 square feet of floor space. This property has a lot size of 6,534 square feet. The home is in the Immediate are of the subject property and offers laminate flooring, granite counters, white kitchen cabinets, stainless steel appliances, and shutters throughout. The bathroom has been upgraded with a tiled shower. The property has a good-sized back yard.

Adjustment Considerations

A summary of the adjustment analysis comparing the comparables to the subject is shown on the following page. Primary adjustments pertained to location, design/appeal, home size, lot size, age/condition, BR/BA count and parking. The adjustments were made on a subjective basis intended to recognize similarities and dissimilarities of the comparables compared to the subject.

IMPROVED COMPARABLES ANALYSIS

| Subject | 1 | 2 | 3 | 4 | 5 | |
|------------------------------------|---------------------|--------------------------|----------------------|------------------------|------------------------|-----------------------|
| Location | 50021 Balboa Street | 49963 Avenida Del Parque | 84811 Via Conchilla | 49938 Avenida De Plata | 50370 S. Balboa Street | 50498 Saltillo Circle |
| Zip Code | 92116 | 92105 | 92105 | 92105 | 92105 | 92105 |
| Community/Sub-Market | Coachella | Coachella | Coachella | Coachella | Coachella | Coachella |
| DOV/Recording Date | 12/8/2019 | 8/13/2021 | 12/30/2021 | 8/12/2022 | 5/19/2022 | 1/10/2022 |
| Sale Price | -- | \$315,000 | \$325,000 | \$335,000 | \$355,000 | \$365,000 |
| Home Size (SF) | 1,288 | 1,280 | 1,755 | 1,443 | 1,100 | 1,363 |
| BR/BA | 3/2 | 3/2 | 3/1.50 | 3/2 | 3/2 | 4/2 |
| Parking | 2-car garage | 2-car carport | 2-car carport | 2-car garage | 2-car garage | 2-car garage |
| Age/Condition | 1967/Average | 1976/Average | 1960 Average | 1960/Fair | 1986/Average | 2004/Average |
| Land Area (SF) | 7,052 | 7,840 | 7,405 | 7,841 | 6,098 | 6,534 |
| Transaction Adjustments | | | | | | |
| Property Rights Conveyed | | Similar | Similar | Similar | Similar | Similar |
| Financing Terms | | Similar | Similar | Similar | Similar | Similar |
| Conditions of Sale | | Similar | Similar | Similar | Similar | Similar |
| Time/Market Conditions | | Similar | Similar | Similar | Similar | Similar |
| Comparison | | Similar | Similar | Similar | Similar | Similar |
| Physical Adjustments | | | | | | |
| Location | | Similar | Similar | Similar | Similar | Similar |
| Design/Appeal | | Inferior | Inferior | Inferior | Similar | Superior |
| Home Size (SF) | | Similar | Superior | Superior | Inferior | Superior |
| Lot Size (SF) | | Similar | Similar | Similar | Inferior | Inferior |
| Age/Condition | | Inferior | Similar | Similar | Superior | Superior |
| BR/BA Count | | Similar | Inferior | Similar | Similar | Superior |
| Parking | | Inferior | Inferior | Similar | Similar | Similar |
| Overall Physical Adjustment | | Inferior | Inferior | Inferior | Similar | Superior |
| Adjusted Price | | >\$315,000 | >\$325,000 | >\$335,000 | =\$355,000 | <\$365,000 |

Price Comparison

| | |
|-----------------|-----------|
| No. Comparables | 5 |
| Maximum | \$365,000 |
| Minimum | \$315,000 |

Sales Comparison Conclusion

Based on the above analysis, a value of \$350,000 is concluded for the subject property.

Certification

The undersigned appraiser certifies that, to the best of his knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
- I have no present, prospective, direct or indirect interest in the property that is the subject of this report, nor personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- 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 Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- Kent J. Carpenter, MAI has made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the appraiser signing this certification.
- The appraiser signing this appraisal report has not provided an appraisal of the subject property in the three years immediately preceding acceptance of this assignment. There have been no other services, as an appraiser, or in any other capacity, in the previous three years.
- As of the date of this report, Kent Carpenter, MAI, has completed the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Very Truly Yours,



Kent J. Carpenter, MAI
Epic Land Solutions, Inc.
Certified General Real Estate Appraiser
California License AG003087

Sale Comparables

Comparable 1 Photo



Comparable 2 Photo



Comparable 3 Photo



Comparable 4 Photo



Comparable 5 Photo



Addenda

Assumptions and Limiting Conditions

This report is made expressly subject to the standard assumptions and conditions which are a normal part of any real estate appraisal.

1. The term "Market Value", as used in this report is defined previously.
2. The date of value to which the conclusions and opinions expressed in this report apply, is as set forth previously in this letter. Further, the dollar amount of any value opinion rendered in this report is based upon the purchasing power of the American dollar existing on that date.
3. The appraiser assumes no responsibility for economic or physical factors which may affect the opinions in this report which occur after the date of this letter transmitting the report.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.
6. No opinion as to title is rendered. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
7. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that may be required to discover them.
8. The property is appraised assuming it to be in full compliance with all applicable federal, state, and local environmental regulations and laws, unless otherwise stated.
9. The property is appraised assuming that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise stated.
10. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based, unless otherwise stated.
11. No engineering survey has been made by the appraisers. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.
12. No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials except as expressly stated.
13. Maps, plats and exhibits included in this part are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.

14. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers
15. That possession of this report, or a copy of it, 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 appraiser, and in any event only with proper written qualification and only in its entirety.
16. Unless specifically stated, this appraisal does not take into consideration the possibility of the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances and/or underground storage tank (hazardous material), or the cost of encapsulation or removing thereof. Should the client have concern over the existence of such substances on the property, we consider it imperative for you to retain the services of a qualified independent engineer or contractor to determine the existence and extent of any hazardous materials, as well as the cost associated with any required or desirable treatment or removal thereof.