Appraisal Report

Single-Tenant Industrial/Flex Building
1954 Goodyear Avenue
Ventura, CA 93003

Prepared For

Mission Bank
1330 Truxtun Avenue
Bakersfield, CA 93301
Attn: Valerie Vickers
Credit Services Officer

Prepared By

Sean S. Yousofy, MAI, MRICS
Esra Rice

September 27, 2024

Reliance Valuation Group
4540 Kearny Villa Rd, Ste 110
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Mission Bank
1330 Truxtun Avenue
Bakersfield, CA 93301
Attn: Valerie Vickers
Credit Services Officer

RE: Single-Tenant Industrial/Flex Building
1954 Goodyear Avenue
Ventura, CA 93003

Ms. Vickers:

In accordance with your request, we have conducted an appraisal of the above-captioned property. The property is valued using generally accepted appraisal principles and theory. The report is intended to conform to the *Uniform Standards of Professional Appraisal Practice (USPAP)*, the *Financial Institutions Reform, Recovery and Enforcement Act (FIRREA)* standards, and the appraisal guidelines for Mission Bank.

At the request of the client, this Appraisal Report is written in conformance with the requirements of *USPAP Standards Rule 2-2(a)*. The appraisal service was performed in such a manner that the results of the analysis, opinion, or conclusion are that of a disinterested third party.

The purpose of this appraisal is to estimate the as-is leased fee market value of the subject. Additionally, an insurable replacement cost estimate has been provided at the client's request.

The subject consists of a Single-Tenant Industrial/Flex Building totaling 20,516 rentable square feet (SF). The subject improvements are situated on one tax lot totaling 39,120 SF. The site and improvements are described in the attached report. Based on our investigation and analysis of available information, the market value opinions of the property under the requested scenarios are as follows:

VALUE SCENARIO(S)	INTEREST APPRAISED	DATE	VALUE
As-Is Market Value	Leased Fee	September 23, 2024	$5,700,000

The estimate for the *non-market-value scenario* requested by the client is as follows:

VALUE SCENARIO(S)	DATE	ESTIMATE
Insurable Replacement Cost	September 23, 2024	$2,270,000

The use of the following extraordinary assumptions might have affected the assignment results.

Extraordinary Assumptions

Our as-is leased fee value opinion assumes 100% occupancy by the proposed tenant, Nexa3D, under all stipulations imposed by the executed lease agreement. Any alteration to the lease (i.e., expiration date, rental rate, renewal options, etc.) or default by the tenant will require reevaluation for value implications.

Additional Comments

- The subject has an average location with regard to surrounding development and general appeal of the market area.
- The subject is currently primarily occupied by the ownership, doing business as a church. Per the lease contract provided, it will be 100% leased starting December 2024 to Nexa3D, a manufacturer of polymer 3D printers. The tenant is currently in possession of the warehouse portion of the building, totaling 4,785 SF.
- The improvements consist of a 20,516-SF industrial/flex building that is made up of approximately 23% warehouse and 77% office/showroom finish.
- The most likely buyer profile of the subject is a local or regional investor.
- The building is good quality and in average condition.
- The subject site features average access, average exposure, and good freeway linkage.
- The property is located in Flood Zone X.
- The site is within Seismic Zone 4, which is the highest seismic hazard zone. However, the entire county and a majority of the state are within Zone 4. Per the California Geological survey, the subject is not in an Alquist-Priolo Earthquake Zone.
- **Please refer to our extensive discussion regarding the ongoing COVID-19 pandemic in the Market Analysis section.**

This valuation is subject to the conditions and comments presented in this report. If questions arise, please contact the undersigned.

Sincerely,

Reliance Valuation Group

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Document RVG24236

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INTRODUCTION

Name/Property Type:	Single-Tenant Industrial/Flex Building
Address:	1954 Goodyear Avenue, Ventura, CA 93003
Assessor Parcel Number (APN):	084-0-134-205
Site Description -	
Size:	0.90 acres (39,120 SF), per the County records
Topography:	Mostly level
Zoning:	MPD (Manufacturing Planned Development)
Seismic Zone:	4
Flood Zone:	X
External Influences:	No major externalities are noted.
Improvement Description -	
General Description:	The subject consists of a freestanding single-tenant industrial/flex building totaling 20,516 SF. The subject improvements are situated on one tax lot. The building was constructed in 2000. It consists of approximately 77% (15,731 SF) two-story office/showroom build-out with the remaining portion (4,785 SF) constituting warehouse space. The property features approximately 20' clear heights with two grade-level loading doors. Construction is concrete tilt-up with flat built-up composition roofing. The subject is good quality and in average condition. There is average landscaping at the periphery of the site. We noted no significant deferred maintenance items on our inspection. The building has an estimated remaining economic life of 35 years.
Quality:	Good
Condition:	Average
Year Built:	2000, per Costar
Highest & Best Use -	
As Vacant:	Industrial/Flex development
As Improved:	Continued use as-is
Premise / Rights Appraised:	As-Is Leased Fee Interest
Exposure Time:	Three to six months
Marketing Period:	Three to six months

Salient Income Conclusions -

Market Rent:	$1.56/SF/Mo (NNN)
Potential Gross Income (PGI):	$495,321
Vacancy & Collection Loss:	3.0%
Net Operating Income (NOI):	$350,623
Capitalization Rate (OAR):	6.00%

Effective Dates of Value: September 23, 2024

VALUATION SUMMARY

Cost Approach:	Not Applicable
Income Approach:	
Direct Capitalization:	$5,750,000
Sales Comparison Approach:	$5,550,000
As-Is Leased Fee Value Opinion:	**$5,700,000**
Insurable Replacement Cost Estimate:	**$2,270,000**

Internal File Number: RVG24236

SCOPE OF WORK

Report Organization

This report is designed to inform the reader of all factors influencing the property's value in a clear and concise manner. The Executive Summary section provides an overview of the property and general information related to this report. The Description sections briefly describe general area information and present detailed explanations of the site and improvements. The Market Analysis and Highest and Best Use sections establish the marketability of the subject and the premise on which the value estimate of the property is based. The Valuation section describes the appraisal methods used to estimate the various values of the property and includes comparable information, application of market information to the subject and valuation analysis. In the Analysis of Value Conclusions section, the relative merits of each approach are discussed, and the value conclusion is presented.

Purpose, Use, and Users of the Appraisal

The purpose of this appraisal is to estimate the as-is leased fee market value of the subject. Additionally, an insurable replacement cost estimate has been provided at the client’s request. The intended user is Mission Bank, the client. The intended use of this appraisal is to be used by the client for mortgage lending purposes. No other use or users are intended.

Definition of Market Value

This definition complies with the National Credit Union Administration (NCUA) per Title 12 CFR, Part 722-Appraisals / Interagency Appraisal and Evaluation Guidelines / Part 722-Appraisals, OCC (Office of the Comptroller of the Currency), FIRREA (Federal Institutions Reforms, Recovery and Enforcement Act), and USPAP (Uniforms Standards of Professional Appraisal Practice) as adopted by the Appraisal Foundation and the Appraisal Institute.

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Market Value is defined as:

> "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeable, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> 1. Buyer and seller are typically motivated;
> 2. Both parties are well informed or well advised, and acting in what they consider their best interests;
> 3. A reasonable time is allowed for exposure in the open market;
> 4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
> 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."[1]

Property Rights Appraised

Leased Fee Interest is defined in *The Dictionary of Real Estate Appraisal*, Appraisal Institute 5th Edition (2010), as:

> "A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship."

Subject Property Inspection

Date of Inspection:	September 23, 2024
Reliance Valuation Group Representative(s):	Esra Rice

Appraisal Development and Reporting Process

Preparation of this appraisal included an inspection of the subject property, reviewing assessor's maps, reviewing income and expense information, reviewing County records for information on taxes and assessments, inspecting the subject property neighborhood, gathering and confirming rent comparables and improved sales from immediate and competing neighborhoods, inspecting the exterior of all comparables utilized, analyzing supply and demand conditions in the area and applying traditional approaches to value to arrive at an indication of value for the subject property.

Sources of Information

The relevant market data was obtained from developers, real estate agents/brokers, appraisers, lenders, and various sources of secondary market data. In addition, representatives from various municipal offices were also contacted to obtain relevant market and/or property information.

Disclosure of Competency

We are aware of the competency provision of *USPAP*, and the author of this report meets the standards.

[1]Office *of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value.*

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Availability of Information

All necessary information was provided for this analysis, except for title report.

Personal Property

No personal property or intangible items are included in this valuation.

Deductions and Discounts

Income/rent loss until the tenant takes full possession of the building will be deducted in both approaches.

PRELIMINARY APPRAISAL INFORMATION

Legal Description

A title report with legal description was not provided. As such, the subject is further identified by the physical address and APN(s) referenced throughout this report. A copy of the legal description extracted from the deed is included in the addenda.

Sales History and Ownership

Current Owner – The subject is vested in Realty Church of Ventura, per RealQuest. The current ownership acquired the subject property in August 2012 for $2,708,000, per the County.

Three-Year Sales History – We are unaware of any other transaction or transfer of ownership involving the subject in the past three years.

Subject Sale Status – We are unaware of any current listing, pending sale or other transaction involving the subject.

Assessment and Tax Information

The subject's assessed values and property taxes for the current year are summarized in the following table.

2023/24 PROPERTY TAX AND ASSESSMENTS

APN	Land	Improvements	Total Assessment	Exemptions (Religious)	Total Taxable Value	x	Tax Rate	+	Special Assessments	=	Total Taxes
084-0-134-205	$656,187	$2,857,062	$3,513,249	-$3,513,249	$0		1.08950%		$462		$462
Total	**$656,187**	**$2,857,062**	**$3,513,249**	**-$3,513,249**	**$0**	**x**	**1.08950%**	**+**	**$462**	**=**	**$462**

Source: Ventura County Treasurer - Tax Collector

In California, reassessments of property values occur upon sale of a property due to the passage of Proposition 13 in July of 1978. If this has not occurred during the tax year, properties are limited to a maximum increase in assessed value of 2% per year. Taxes are based upon 1% of full cash value plus any amounts necessary to satisfy general obligation bonds or other indebtedness. The subject's current tax rate is **1.08950%** and direct assessments total **$462**.

Please note that the subject's taxable value amounts to $0 due to exemption, as the subject has been operating as a non-profit (religious) organization.

According to the Treasurer - Tax Collector, there are no delinquent taxes. Based on the scope of this assignment, any pending tax liens are not considered in the value conclusion.

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Due to California law, property taxes for the subject are projected in the Income Approach by multiplying the current tax rate by the indicated value, as the assessed value is tied directly to sale price. `

Exposure/Marketing Time

Exposure time is defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market."

Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments.

Exposure time is best established upon the experience of recent comparable sales and discussions with market participants. According to the *3rd Quarter 2024 PwC (formerly Korpacz) Real Estate Investor Survey®,* the average marketing time for the Pacific Region Warehouse Market was 3.1 months. One of the closed comparables used in the Sales Comparison Approach section reported marketing time of 137 days. Other recent sales of industrial buildings in the region indicate marketing times of approximately three to six months.

Based upon this information and considering the physical characteristics and location of the subject property, a reasonable estimate of exposure time for the subject is three to six months. A similar marketing period of three to six months is also concluded.

This appraisal is subject to the following assumptions and limiting conditions:

Extraordinary Assumption

Our as-is leased fee value opinion assumes 100% occupancy by the proposed tenant, Nexa3D, under all stipulations imposed by the executed lease agreement. Any alteration to the lease (i.e., expiration date, rental rate, renewal options, etc.) or default by the tenant will require reevaluation for value implications.

Hypothetical Conditions

None

General Assumptions

A title report with legal description was not provided. As such, the subject is identified by the address and parcel number referenced throughout this report. A survey has not been provided to the appraiser. If further verification is required, a survey by a registered surveyor is advised.

We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.

The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.

The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.

Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.

This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.

The signing appraisers are not required to provide expert or percipient witness testimony in court or deposition regarding the analysis or contents of this appraisal. If required by court or subpoena to appear as either experts or percipient witnesses, this constitutes a separate engagement and would require payment (from the client named in this report) at prevailing billing rates for the specified appraisers and their assistants as required for any preparation, travel, deposition and court testimony.

The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made, therefore the statements of value and all conclusions shall apply as of the dates shown herein.

The appraisers have no present or contemplated future interest in the property that is not specifically disclosed in this report.

Neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent or approval of the authors. This applies particularly to value conclusions and to the identity of the appraisers and the firm to which the appraisers are connected.

This report must be used in its entirety. Reliance on any portion of the report independent of others may lead the reader to erroneous conclusions regarding the property values. No portion of the report stands alone without approval from the authors.

The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.

The liability of Reliance Valuation Group, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.

The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, have made no investigation or analysis as to the presence of such materials, and expressly disclaim any duty to note the degree of fault. Reliance Valuation Group, its principals, agents and employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

The appraisers assume no responsibility for determining if the subject property complies with the Americans with Disabilities Act (ADA). Reliance Valuation Group, its principals, agents and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with ADA standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.

An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind is noted at any point, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.

A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.

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For leased properties, the analysis assumes any financial information that may have been provided for the appraisal, including rent rolls and historical income and expense statements, accurately reflects the current and historical operation of the property.

This report was completed without regard to race, color, religion, national origin, sex, marital status or any other prohibited basis, and does not contain references intended to be regarded as discriminatory.

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The subject is located in Greater Los Angeles, also referred to as the Los Angeles Basin. It is the most important of several regions in the State of California. This is the largest region in the State of California, which is the largest and one of the most economically and politically important states in the United States. The population of the greater Los Angeles metropolitan area has grown from 17.8 to 18.7 million since 2009 and accounts for nearly 50% of the state total.

The region is well served by several international airports, Amtrak (the national passenger rail service), and several east-west and north-south interstate highways. Intra-regional transportation service includes a network of freeways, a commuter rail system, several bus systems, and a small but growing system of "subway" and "light-rail" trains.

Population of Greater Los Angeles

The following table illustrates the population over the past five years for the state and the region.

GREATER LOS ANGELES POPULATION							
	2019	2020	2021	2022	2023	2024	% Inc. 19-24
California	39,695,376	39,648,938	39,303,157	39,078,674	38,940,231	39,061,058	-1.6%
Los Angeles (4,752 sq mi)	10,184,378	10,135,614	9,931,338	9,834,503	9,761,210	9,824,091	-3.5%
Orange (948 sq mi)	3,192,987	3,180,491	3,169,542	3,151,946	3,137,164	3,150,835	-1.3%
Riverside (7,303 sq mi)	2,422,146	2,440,719	2,424,587	2,430,976	2,439,234	2,442,378	0.8%
San Bernardino (20,105 sq mi)	2,168,964	2,175,424	2,182,343	2,180,777	2,182,056	2,181,433	0.6%
Ventura (2,208 sq mi)	**846,050**	**841,219**	**840,093**	**831,533**	**825,653**	**823,863**	**-2.6%**
Greater LA	**18,814,525**	**18,773,467**	**18,547,903**	**18,429,735**	**18,345,317**	**18,422,600**	**-2.1%**
% of State Total	**47.40%**	**47.35%**	**47.19%**	**47.16%**	**47.11%**	**47.16%**	

Source: CA Dept. of Finance

The population of the Greater Los Angeles region totaled 18,422,600 as of 2024. This is a 0.19% increase from 2023 and a 2.1% decrease over the last five years. The highest population increases over the past five years were seen in Riverside and San Bernardino Counties. The highest decrease was in Los Angeles County.

Ventura County

The subject is located in Ventura County, which is one of five counties within Greater Los Angeles. The following section discusses Ventura County in greater detail.

Geography

Ventura County is located on California's Pacific coast and forms the northwestern part of the Greater Los Angeles Area. It is often referred to as the Gold Coast and has a reputation of being one of the safest-populated and affluent places in the country.

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Ventura County is bordered by Santa Barbara County on the west, Kern County on the north, and Los Angeles County on the east/southeast. It had a separate identity from Los Angeles until well into the 1960s, and now has a fairly stable rate of population and housing growth. The Pacific Ocean provides the county's southwestern border with 42 miles of coastline. Other incorporated cities in the county include Simi Valley, Oxnard, Fillmore, Ojai, Port Hueneme, Oxnard, Santa Paula and Thousand Oaks. Ventura County covers 1,843 square miles and ranks 26th in size among California's 58 counties. Most of the northern half of the county is in the Los Padres National Forest. Mountain ranges created fertile valleys and broad alluvial basins, primarily in the southern half of the county. The high soil fertility and good drainage of the alluvial basin has helped the county become a leading agricultural producer.

Population

The California Department of Finance reports that Ventura County had a population of 823,863 persons as of January 2024, which is a 0.3% decrease since 2023. The city of Oxnard is the most populous city in the county, at 197,536 persons. There are 10 incorporated cities in the county, the populations of which are shown in descending order in the table to the right. The unincorporated portions of the county have an estimated population of 91,093.

VENTURA COUNTY TOP 10 MOST POPULOUS CITIES (2024)	
Oxnard	197,536
Simi Valley	124,029
Thousand Oaks	122,643
San Buenaventura	107,569
Camarillo	69,014
Moorpark	35,114
Santa Paula	31,355
Port Hueneme	20,916
Fillmore	17,061
Ojai	7,533

Source: CA Dept. of Finance

Transportation

The Ventura County area is well served by several major freeways and highways providing access to all areas in Southern California. US Highway 101 (Ventura Freeway) extends through the southwestern portion of the county and links the major cities of Ventura County to the Los Angeles metropolitan area and to Santa Barbara County. Running east from US 101, State Highway 126 passes through Santa Paula and Fillmore to connect with Interstate 5 and provides access to the San Fernando Valley. State Highway 118 runs between Saticoy and Los Angeles County. The Pacific Coast Highway (also known as State Highway 1) follows the coastline from Simi Valley south toward Los Angeles.

Port Hueneme, which is located northwest of Simi Valley, is the only deep draft harbor between Los Angeles and San Francisco. Established in 1937, the port encompasses approximately 320 acres of land operated by the Oxnard Harbor District. It processes close to two million tons of bulk fuel and general cargo each year and is the homeport of over sixty ships that support the local offshore oil industry.

There are two airports, one in Oxnard and one in Santa Paula that serve the county with commuter flights. The Ventura County Airport in Oxnard provides direct commuter service to Los Angeles International Airport with connecting flights to all major California and U.S. cities. The Santa Paula Airport does not provide regular passenger service.

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Home Prices

As of the most recent available data (August 2024), the median home price for Ventura County was $965,000. This represents a 5.5% increase over the past 12 months and is above the average appreciation experienced in Southern California as a whole during the same period. Home prices were increasing throughout the region between 2020 and early 2022. This was predominantly attributed to low interest rates as well as diminished supply. Signs of softer demand ensued the Federal Reserve's decision to implement interest rates hikes and quantitative tightening from mid-2022 through the end of 2023 due to rising inflation. However, appreciation rates once again spiked in the region during Q1 2024. A summary of median single-family home prices for the region and other counties in Southern California is shown on the following chart.

Southern California	Aug-24	Jul-24	Aug-23		Price MTM% Chg	Price YTY% Chg	Sales MTM% Chg	Sales YTY% Chg
Imperial	$410,640	$385,000	$336,500		6.7%	22.0%	32.3%	-21.2%
Los Angeles	$919,890	$909,010	$882,010	r	1.2%	4.3%	-3.2%	0.0%
Orange	$1,400,000	$1,390,000	$1,310,000		0.7%	6.9%	-6.5%	-7.3%
Riverside	$630,000	$650,000	$618,000		-3.1%	1.9%	-8.4%	-4.2%
San Bernardino	$515,000	$515,000	$495,000		0.0%	4.0%	-4.9%	-2.0%
San Diego	$1,010,000	$1,020,000	$1,000,000		-1.0%	1.0%	-4.7%	3.2%
Ventura	$965,000	$972,000	$915,000		-0.7%	5.5%	-10.5%	-13.8%

Source: California Association of Realtors

Unemployment

As of the most recent data available, the city unemployment rate is above that of the county, which has historically been the case. The following table summarizes the national, state, county, and city unemployment figures. ***We note that unemployment throughout the region, state and nation spiked in April 2020 due to the announcement of the coronavirus (COVID-19) outbreak and has since trended downward until 2023, when the trend reversed. The table below reflects the most recent non-preliminary data available at the local level. A dedicated discussion regarding the coronavirus outbreak can be found in the Market Analysis section.***

UNEMPLOYMENT TRENDS

Date	United States	California	Ventura County	City of Ventura
2018	3.9%	4.3%	3.8%	3.3%
2019	3.7%	4.2%	3.6%	3.1%
2020	8.1%	10.1%	8.7%	8.8%
2021	5.3%	7.3%	6.2%	5.9%
2022	3.5%	4.1%	3.7%	3.3%
2023	3.7%	4.8%	4.3%	3.9%
Aug-24	4.3%	5.9%	5.2%	4.9%
****Average**	**4.9%**	**6.1%**	**5.3%**	**5.0%**

**5-year avg between 2019 & 2023

Source: Bureau of Labor Statistics & California Employment Development

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Entertainment/Tourism

As previously mentioned, tourism in Los Angeles is an integral part of the economy. Southern California is one of the biggest tourist draws in the nation. As the movie and television center of the nation, it attracts people interested in studios, memorabilia, and the residences of the “stars” of nationally broadcast television shows and movies. The main concentrations of these attractions are Beverly Hills, Hollywood (especially the Hollywood Walk of Fame and the Chinese Theatre), and the West Side of Los Angeles.

There are over 70 miles of coastline, and the Venice Beach Boardwalk is the highest-grossing retail unit in the region. The weather, especially near and along the coastline, is moderate year-round.
There are several internationally renowned theme parks in Southern California, more than in any U.S. metropolitan area outside Orlando, Florida. These include Disneyland, Knott's Berry Farm, Magic Mountain, and Universal Studios.

The Staples Center, which opened in October 1999, is home to the Los Angeles Lakers, Clippers and Kings. This sports and entertainment arena has been an additional boon for tourism, as well as growth in Downtown Los Angeles. The total overnight visitor count to Los Angeles County in 2010 was estimated at 24 million. The MetroRail Red Line running from downtown to Hollywood and Universal Studios was completed in the year 2000. This serves as a quick link to several major tourist venues.

Regional Summary

The size, centrality, and dynamism of the Greater Los Angeles economic base have been conducive to its prosperity. The region is well positioned to continue economic leadership in the Pacific Rim. Ultimately, the positive features of Greater Los Angeles are considered sufficient to maintain the region as a leading commercial and economic center and should serve as a means of sustaining economic growth.

Though recent trends prior to the COVID-19 outbreak suggested favorable growth in the region, the ongoing pandemic has caused widespread uncertainty and appears to have interrupted recent, short-term trends. Additional information relating to the competitive position of the subject is provided in the Market Analysis section, along with an in-depth discussion regarding the COVID-19 outbreak and its effects on the local real estate market.

City of Ventura – Ventura, officially the City of San Buenaventura, is the county seat of Ventura County, California. Mission San Buenaventura was founded in 1782 nearby where it benefitted from the Ventura River. The town grew around the mission compound and incorporated in 1866. The mission and other historical buildings are at the center of a downtown that has become a cultural, retail, and residential district and visitor destination. Ventura lies along U.S. Route 101 between Los Angeles and Santa Barbara. The highway is now the Ventura Freeway, but the original route through town along Main Street has been designated El Camino Real, the historic pathway connecting the California missions. According to the State of California's Employment Development Department the America's Labor Market Information System (ALMIS) Employer Database, the major employers in the city are California State University, Coleman Welding, Community Memorial Health System and Community Memorial Hospital. The unemployment rate is 4.9% as of August 2024.

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Immediate Neighborhood – The subject is situated along the eastern elevation of Goodyear Avenue within a large industrial/commercial node, approximately 3¾ miles southeast of Downtown Ventura. It is situated less than ½-mile southwest of US Route 101 (US 101) and approximately 2¼ miles east of Pacific Ocean. There is a significant amount of agricultural land that spans from ¼-mile southwest of the subject, down and around to the south. Residential development dominates surrounding areas primarily to the north and east of the immediate node. A retail center, anchored by WinCo Foods, is located approximately ¼-mile north of the subject, while Ventura College is less than 1½ miles north. Santa Barabara is approximately 27 miles northwest of the subject, and Los Angeles is less than 40 miles east.

The immediate area is approximately 60% built-out with approximately 40% commercial/industrial uses and 60% residential uses. Overall, the subject conforms well to other properties in the area.

In order to narrow the analysis to the subject's market area, a demographic study has been performed. The following table summarizes current and projected population figures and current income characteristics within a one, three and five-mile radius of the subject.

MARKET AREA DEMOGRAPHICS

Description	1.0 Miles	3.0 Miles	5.0 Miles	Description	1.0 Miles	3.0 Miles	5.0 Miles
Population				**Income (2024)**			
2020 Total Population	**6,055**	68,123	203,333	Average Household Income	**$95,719**	$137,564	$131,224
2024 Total Population	**5,916**	68,123	204,823	Median Household Income	**$70,552**	$102,878	$101,084
2029 Total Population	**5,792**	67,316	204,684	Per Capita Income	**$38,199**	$52,974	$45,017
Change 2024-2029	**-2.10%**	-1.18%	-0.07%	**2024 Households by Income**			
Change 2020-2024	**-2.30%**	0.00%	0.73%	Household Income Base	**2,437**	26,367	70,150
Households				< $15,000	**9.2%**	7.2%	6.6%
2020 Households	**2,483**	26,157	69,079	$15,000 - $24,999	**4.1%**	3.3%	3.2%
2024 Households	**2,437**	26,368	70,151	$25,000 - $34,999	**6.6%**	4.8%	5.0%
2029 Households	**2,408**	26,377	71,047	$35,000 - $49,999	**9.3%**	7.8%	8.4%
Change 2024-2029	**-1.19%**	0.03%	1.28%	$50,000 - $74,999	**23.8%**	12.2%	12.9%
Change 2020-2024	**-1.85%**	0.81%	1.55%	$75,000 - $99,999	**13.7%**	12.9%	13.2%
Housing Units (2024)				$100,000 - $149,999	**16.4%**	20.3%	21.1%
Total Housing Units	**2,578**	28,167	74,875	$150,000 - $199,999	**9.8%**	13.3%	13.4%
Owner Occupied	**42.1%**	54.7%	51.4%	$200,000 +	**7.1%**	18.2%	16.2%
Renter Occupied	**52.4%**	38.9%	42.3%	**Median Home Value**			
Vacant Housing Units	**5.5%**	6.4%	6.3%	2024	**$524,306**	$825,080	$790,917
2022 Housing Units by Units in Structure				2029	**$670,775**	$913,850	$888,619
Total	**2,688**	18,023	29,340	Change 2024-2029	**27.94%**	10.76%	12.35%
1, Detached	**15.3%**	73.9%	73.0%	**2022 Housing Units by Year Structure Built**			
1, Attached	**34.1%**	2.3%	1.9%	Total	**2,688**	18,023	29,340
2	**0.4%**	0.7%	0.6%	2000 or later	**18.5%**	38.5%	39.4%
3 or 4	**10.2%**	3.9%	2.4%	1990 to 1999	**14.6%**	20.0%	19.0%
5 to 9	**8.9%**	4.2%	2.9%	1980 to 1989	**17.5%**	23.6%	20.9%
10 to 19	**6.4%**	1.0%	0.7%	1970 to 1979	**34.8%**	7.3%	9.4%
20 to 49	**2.4%**	0.4%	0.4%	1960 to 1969	**8.4%**	3.6%	4.8%
50 or more	**9.9%**	3.3%	2.3%	1959 or Earlier	**6.1%**	6.9%	6.6%
Mobile Home	**12.1%**	10.3%	15.7%	Median Year Structure Built	**1980**	1994	1994

Source: STDB Online

As noted in the previous table, nominal population growth is anticipated to occur in the subject's market area (five-mile radius) over the next few years.

Residential Development - There is a significant amount of residential development located in the subject's market area. Attached single-family uses comprise a majority of the residential development present in the subject's neighborhood. The residences in the subject's area are commonly in average to good condition and were typically built in the 1980s. Based on STDB figures, single-family residential homes in the immediate area have a median value of about $524,300.

Multi-family development is also present, and primarily consists of medium to high-density apartment complexes built in the 1970s or later. As shown in the previous table, homes in the immediate area are approximately 52% renter occupied.

Commercial Development - Commercial development in the area is primarily located throughout the subject's industrial node and along thoroughfares such as Victoria Avenue and Telephone Road. General commercial/industrial uses within proximity to the subject include industrial, flex and office development, retail stores, shopping centers, motels, and auto-related shops. Commercial buildings range from 10 to 50 years old and range from average to good condition.

Community Services/Transportation - Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). There are a number of parks, golf courses, and other recreational facilities in the area.

Summary - The subject is located in an established area of Ventura. Commercial developments are located along major thoroughfares. The subject property has an average location with respect to commercial services, thoroughfares, and community services. The overall appeal of the area is average for commercial development.

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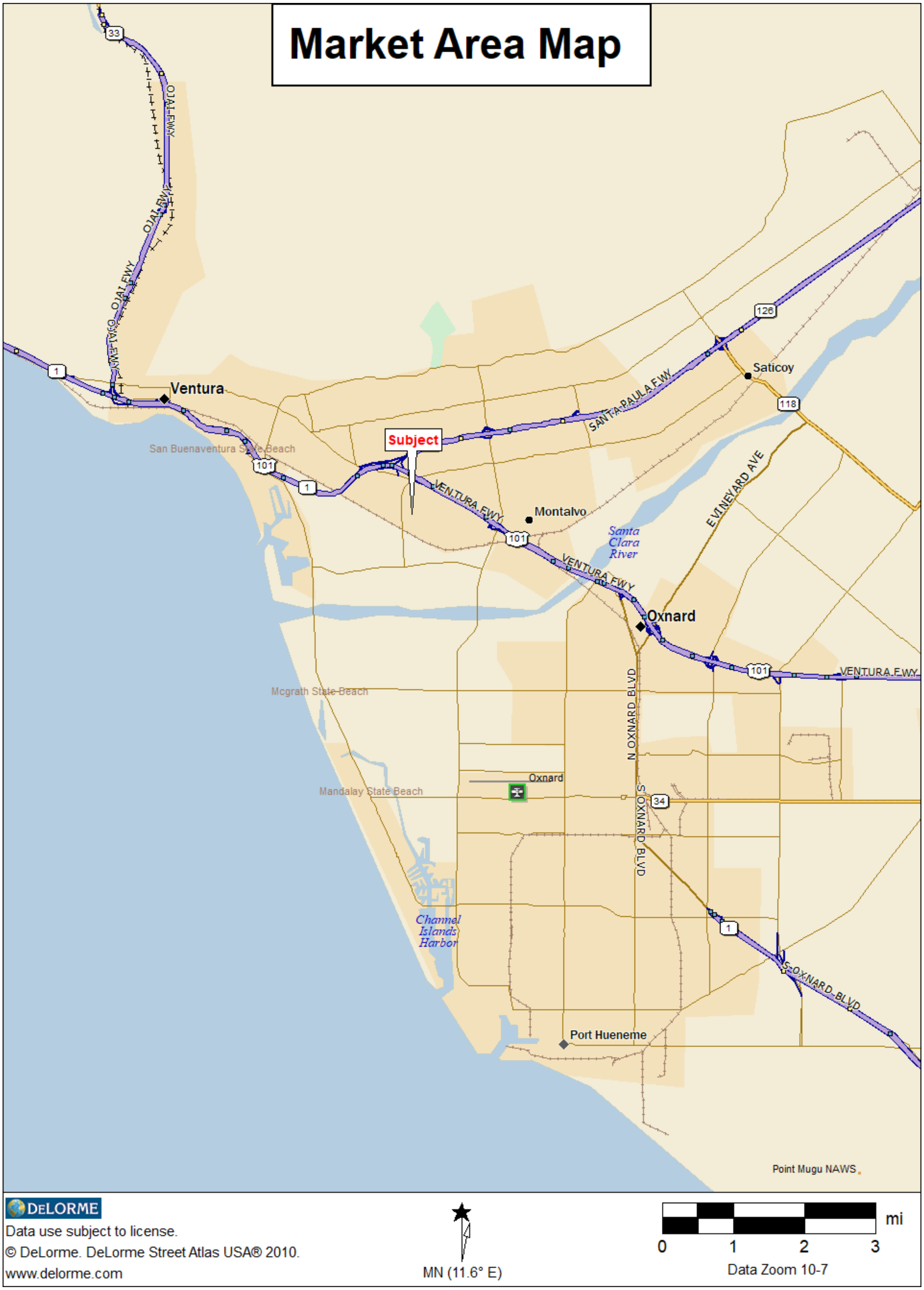
Market Area Map
Subject
Ventura
Saticoy
Montalvo
Oxnard
Port Hueneme
OJAI FWY
SANTA PAULA FWY
VENTURA FWY
E VINEYARD AVE
N OXNARD BLVD
S OXNARD BLVD
San Buenaventura State Beach
Mcgrath State Beach
Mandalay State Beach
Santa Clara River
Channel Islands Harbor
Point Mugu NAWS
DELORME
Data use subject to license.
© DeLorme. DeLorme Street Atlas USA® 2010.
www.delorme.com
MN (11.6° E)
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Data Zoom 10-7

SITE DESCRIPTION

Address:	1954 Goodyear Avenue, Ventura, CA 93003
APN:	084-0-134-205
Size:	The subject consists of one tax lot totaling 0.90 acres (39,120 SF), per County records.
Topography/Shape:	Mostly level /rectangular
Adjacent Properties -	
North:	Industrial/flex development
South:	Industrial development
East:	Industrial development
West:	Goodyear Avenue followed by industrial/flex development
Utilities:	All utilities are available to the site.
Street Improvements:	Goodyear Avenue is a two-lane, bi-directional connector street that is fully improved, except for traffic lights.
Accessibility:	Average
Exposure:	Average
Freeway Linkage:	Good; the subject is located less than ½-mile southwest of US 101.
Frontage:	The subject features direct street frontage along the east side of Goodyear Avenue.
Zoning:	According to the City of Ventura, the subject is zoned MPD (Manufacturing Planned Development). The zone provides areas in which a wide variety and complexity of industrial and manufacturing uses may function safely, efficiently, and harmoniously. The zone also regulates, with both general and specific development standards, a high level of site development and operational performance with due consideration to creating a quality industrial environment, enhancing views from main transportation routes, and protecting existing and future adjacent land uses. Other permitted uses include residential, office and agricultural. Minimum lot area is 21,780 square feet. The maximum floor area ratio is 0.50. Front setbacks are no less than 20 feet. Side setbacks for corner lots are no less than 20 feet on the street side, and no less than 10 feet on interior side of property. Maximum building height is 70 feet. For light industrial use, parking requirement is one space per 1,000 SF of gross floor area. Therefore, the subject appears to be a legal and conforming use.

Flood Plain: According to *CoreLogic*, the subject is located in Zone X, which is defined as "areas of minimal flood hazard from the principal source of flood in the area and determined to be outside of the 0.2 percent annual chance floodplain." A Flood Hazards Map is included at the end of this section.

Easements: No adverse easements or encroachments were observed during our inspection or noted within the preliminary title report provided. This appraisal assumes only typical easements and governmental restrictions exist, none of which are assumed to impact value. An A.L.T.A. survey or title report is recommended if further assurance is required.

Seismic Zone/Soils: The site is within Seismic Zone 4, which is the highest seismic hazard zone. However, the entire county and a majority of the state are within Zone 4. Per the California Geological survey, the subject is not in an Alquist-Priolo Earthquake Zone. No geotechnical study was provided; however, the soils appear to have adequate bearing capacity for low-rise structures based on the existing improvements and neighboring development.

Per our conversation with the County Assessor's office, the subject has not been retrofitted to comply with the *1997 Uniform Building Code*. We are not experts in this matter. We contacted the Seismic Safety Commission, and they were unable to confirm. No certification is given as to the subject's compliance to seismic building standards.

Site Rating: Overall, the subject is an average industrial site in terms of its zoning, location, exposure and access.

IMPROVEMENT DESCRIPTION

General Description: The subject consists of a freestanding single-tenant industrial/flex building totaling 20,516 SF. The subject improvements are situated on one tax lot. The building was constructed in 2000. It consists of approximately 77% (15,731 SF) two-story office/showroom build-out with the remaining portion (4,785 SF) constituting warehouse space. The property features approximately 20' clear heights with two grade-level loading doors. Construction is concrete tilt-up with flat built-up composition roofing. The subject is good quality and in average condition. There is average landscaping at the periphery of the site. We noted no significant deferred maintenance items on our inspection. The building has an estimated remaining economic life of 35 years.

Below is a brief description of the improvement components:

Size: 20,516 rentable/gross square feet per the lease document provided and confirmed by our measurements.

Construction: Concrete tilt-up

Year Built:	2000, per Costar
Age/Life Analysis -	
Actual Age:	24 years
Effective Age:	15 years
Economic Life:	50 years
Remaining Life:	35 years
Site Coverage:	43% (16,724 Building Footprint SF ÷ 39,120 Site SF), which is typical and adequate for this property type. No surplus or excess land is noted.
Exterior Walls:	Concrete
Roof Structure:	Flat
Interior Walls:	Painted drywall and concrete
Ceiling:	Open beam, acoustic tile and drywall
Floor Covering:	Laminate, polished concrete, tile and commercial grade carpet in the office areas and exposed concrete in the warehouse area.
Clear Heights:	20’
Column Spacing:	Adequate
Truck Loading Doors:	None
Grade Level Doors:	Two
Truck Maneuverability:	There is average truck maneuverability at the subject site.
Rail Access:	There is no direct rail access along the subject parcel.
Plumbing:	Plumbing is assumed to be adequate. There are four restrooms and a kitchenette at the subject.
Lighting & Electrical:	A majority of the lighting consists of hung fluorescent fixtures in the warehouse area and recessed fluorescent lighting in the office areas. The building has adequate electrical service.
Heating, Ventilation, & Air Conditioning (H.V.A.C.):	The building is heated and cooled by roof-mounted H.V.A.C. units.
Fire Sprinklers:	Fire sprinklers were noted upon inspection.

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Parking & Landscaping: We counted 30 parking spaces at the subject during our inspection, which corresponds to a ratio of 1.46 spaces per 1,000 SF of building area, which is typical for this property type in the area. Remaining portions of the site have average landscaping.

Quality/Condition: The construction quality is rated as good. The structural components appear to be in average condition. The interior improvements are average quality and in average condition.

ADA Compliance: No certification is given as to the subject's ADA compliance due to the vagueness of the law. Please refer to the Assumptions and Limiting Conditions for the full disclaimer.

Design and Functional Utility: The design and functional utility of the subject is average for single-tenant industrial/flex use.

Deferred Maintenance: None

Hazardous Materials/Asbestos: We have not conducted an independent investigation regarding this issue. This appraisal assumes that the site is free of all hazardous waste and toxic materials. Please refer to the Assumptions and Limiting Conditions section regarding this issue. If questions arise, further research is advised.

Disclaimer

The information presented is a basic description of the subject property improvements. This information is utilized in the valuation of the property. Reliance has been placed upon information provided by the client and an inspection of the property interior and exterior. It is assumed that there are no hidden defects, and that all structural components are functional and operational. If questions arise regarding the integrity of the structure or its operational components, it may be necessary to consult additional professional resources.

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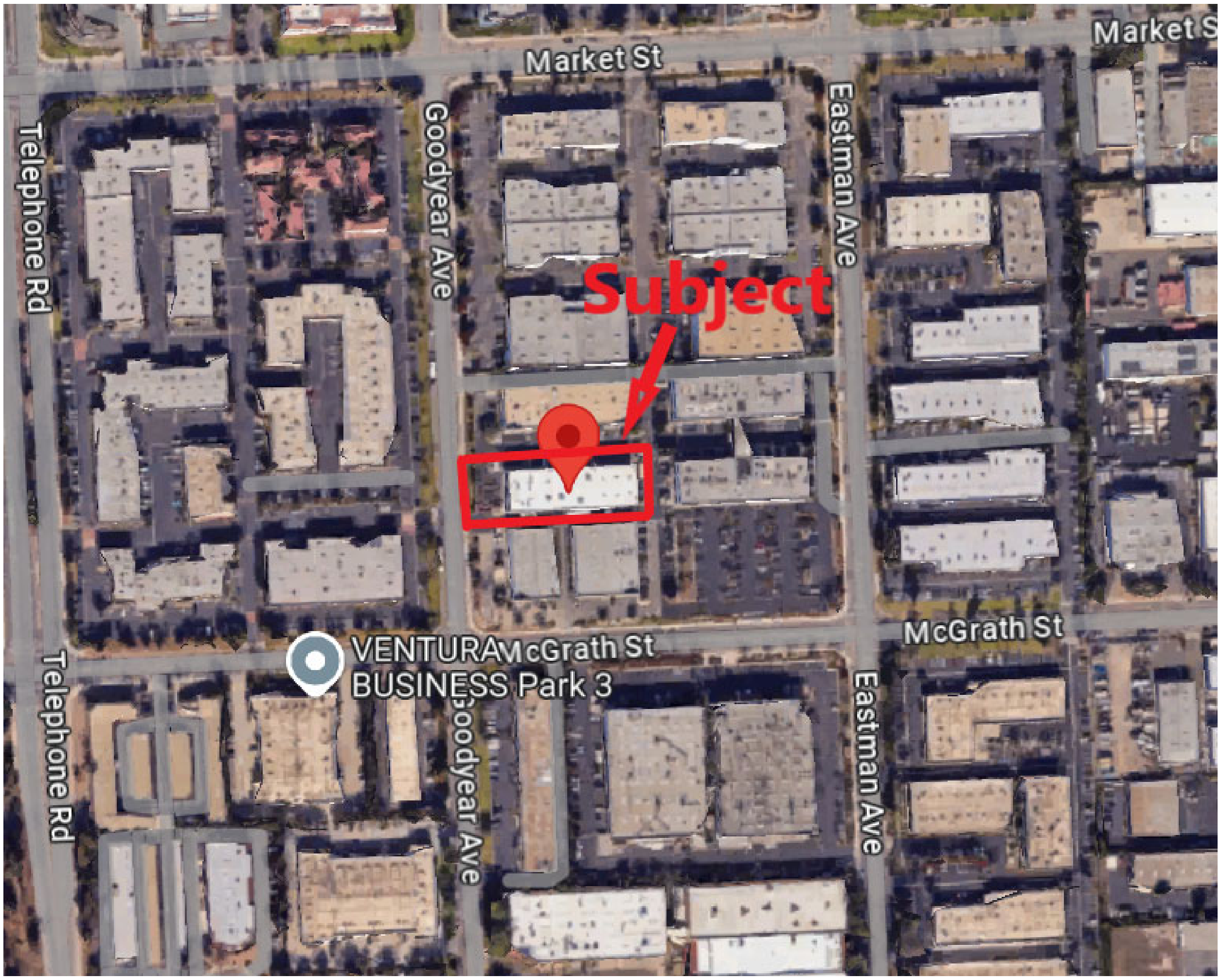
AERIAL VIEW



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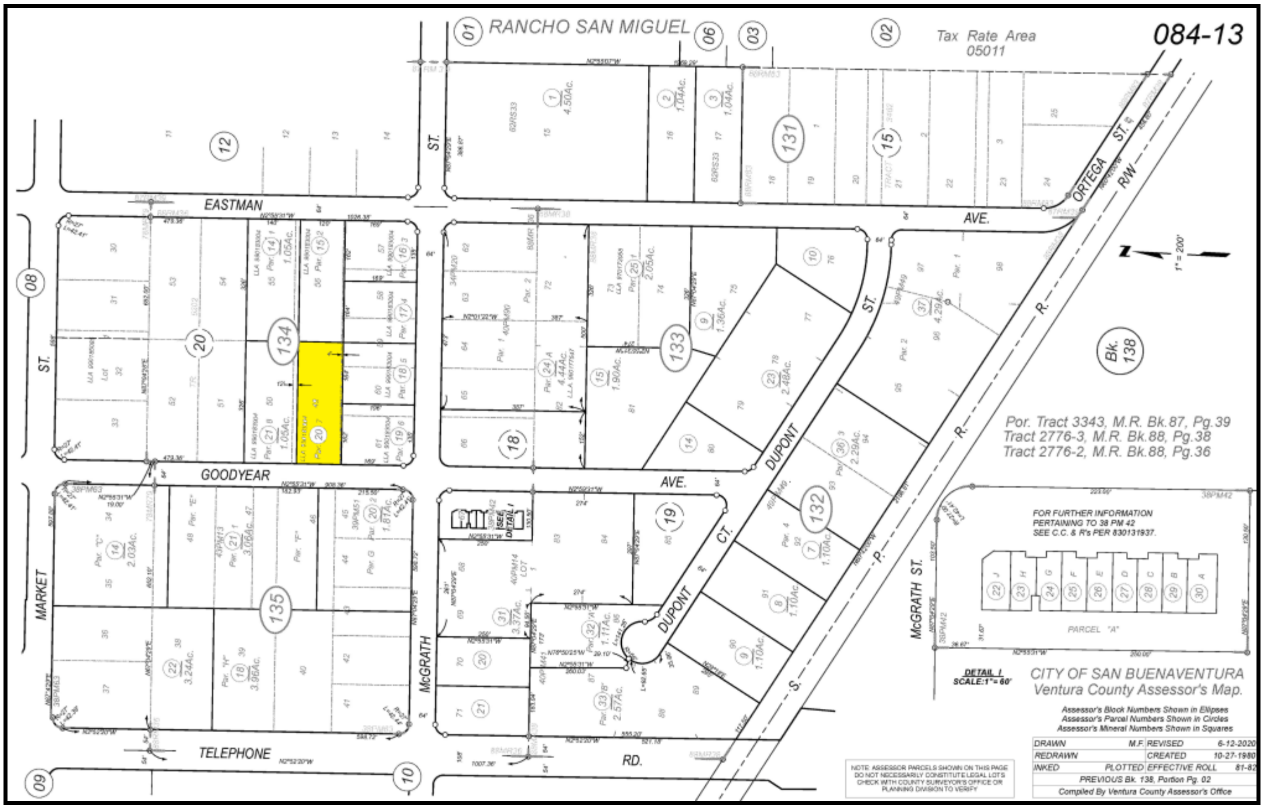
PLAT MAP



RANCHO SAN MIGUEL
Tax Rate Area 05011
084-13
EASTMAN
AVE.
GOODYEAR
AVE.
TELEPHONE
RD.
MARKET
ST.
McGRATH
DUPONT
ST.
DUPONT
CT.
ORTEGA ST.
McGRATH ST.
S. P. R. R.
R/W
Bk. 138
1" = 200'
Por. Tract 3343, M.R. Bk.87, Pg.39
Tract 2776-3, M.R. Bk.88, Pg.38
Tract 2776-2, M.R. Bk.88, Pg.36
FOR FURTHER INFORMATION PERTAINING TO 38 PM 42 SEE C.C. & R's PER 830131937.
PARCEL "A"
DETAIL I
SCALE:1"= 60'
CITY OF SAN BUENAVENTURA
Ventura County Assessor's Map.
Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles
Assessor's Mineral Numbers Shown in Squares
DRAWN M.F. REVISED 6-12-2020
REDRAWN CREATED 10-27-1980
INKED PLOTTED EFFECTIVE ROLL 81-82
PREVIOUS Bk. 138, Portion Pg. 02
Compiled By Ventura County Assessor's Office

FLOOD MAP

RiskMeter CoreLogic

1954 GOODYEAR AVE VENTURA, CA 93003

LOCATION ACCURACY: Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	060419	PANEL	0765E
PANEL DATE	January 20, 2010	MAP NUMBER	06111C0765E

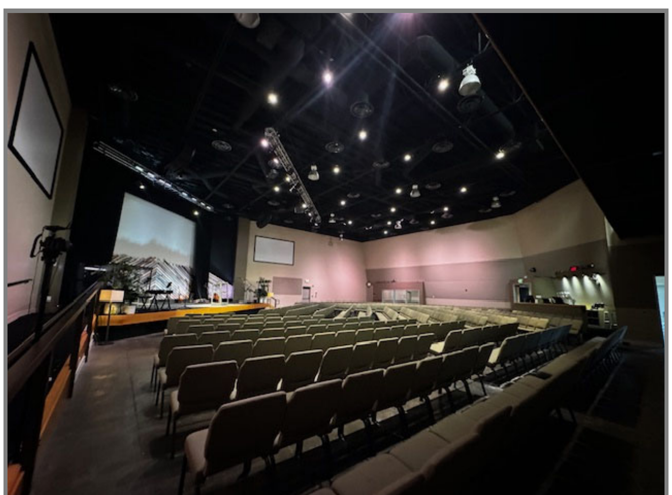
General exterior view


General exterior view


General exterior view

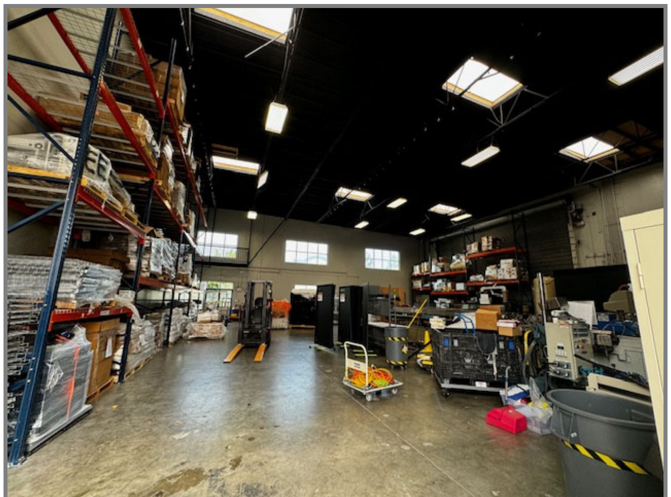

General exterior view

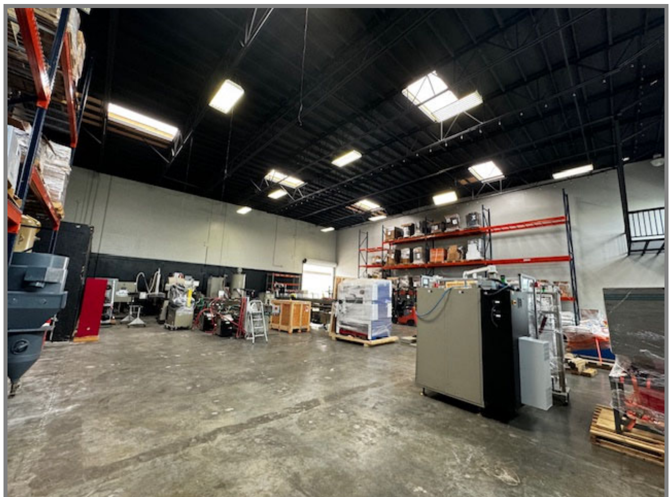
Typical interior view


Typical interior view


Typical interior view


Typical interior view


Typical interior view


Typical interior view


Looking north along Goodyear Avenue


Looking south along Goodyear Avenue

In this section, market conditions which influence the subject property are analyzed. The major factors requiring analysis are the supply and demand conditions in the subject property's market and submarket for industrial development. To analyze supply and demand in the subject property's market, we have relied on published studies by CoStar Property®. The subject property is located in the Ventura Submarket within the Ventura County Market. ***Q3 2024 figures reflect quarter-to-date data.***

Ventura County Market & Ventura Submarket (Industrial)

	SUPPLY		VACANCY	
Period	Market	Submarket	Market	Submarket
2019	66,179,737	11,235,471	3.28%	2.10%
2020	66,357,058	11,240,471	4.13%	3.08%
2021	66,846,384	11,173,070	2.63%	2.40%
2022	69,345,995	11,110,516	1.48%	0.90%
2023	69,750,957	11,110,516	2.58%	1.40%
Q1 2024	69,750,957	11,110,516	3.30%	2.40%
Q2 2024	69,776,738	11,110,516	3.30%	2.50%
Q3 2024	69,776,738	11,110,516	3.30%	2.60%

	AVERAGE ASKING RENT PSF/MO. (NNN)		NET ABSORPTION	
Period	Market	Submarket	Market	Submarket
2019	$0.71	$0.67	-780,119	79,965
2020	$0.73	$0.77	-270,226	-249,797
2021	$0.82	$1.01	2,217,375	264,706
2022	$0.94	$1.03	2,729,822	-50,078
2023	$1.17	$1.02	-657,569	-99,848
Q1 2024	$1.23	$0.98	-109,030	-92,580
Q2 2024	$1.26	$1.04	18,742	-7,367
Q3 2024	$1.20	$1.01	42,089	-13,709

Source: CoStar Property® *NNN = Triple Net* *Y-T-D = Year-to-Date*

Supply

As shown above, the market contains 69,776,738 square feet (SF) of industrial space. This is an increase from the 2023 total of 69,750,957 SF. Supply increased by 3,597,001 SF between 2019 and present. There is currently 855,601 SF under construction in the market (3Q 2024), which will increase supply by 1.23% at completion. The submarket contains 11,110,516 SF, a decrease of 124,955 SF, since 2019. There is no space currently under construction in the submarket (3Q 2024).

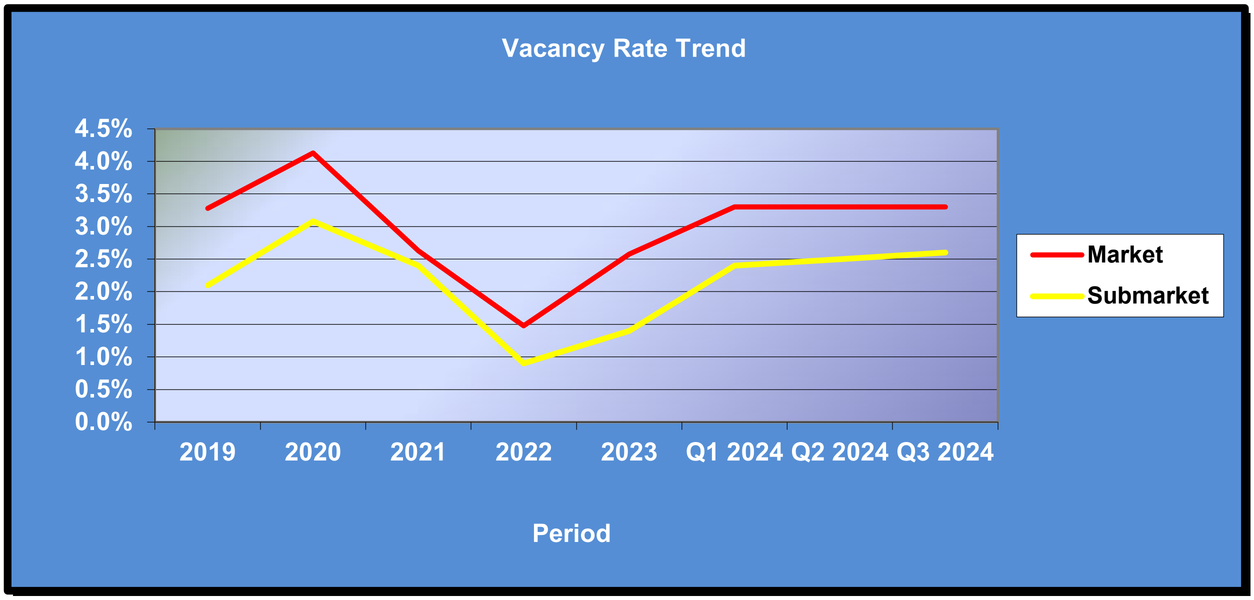
Demand

Demand for industrial properties is best indicated by trends in vacancy, asking rents and net absorption. Below is a discussion of each item:

Vacancy - Market vacancy averaged 3.30% (3Q 2024), up from the 2023 average of 2.58%. Market vacancy ranged from 1.48% to 4.13%, since 2019, with an average of 2.90%.

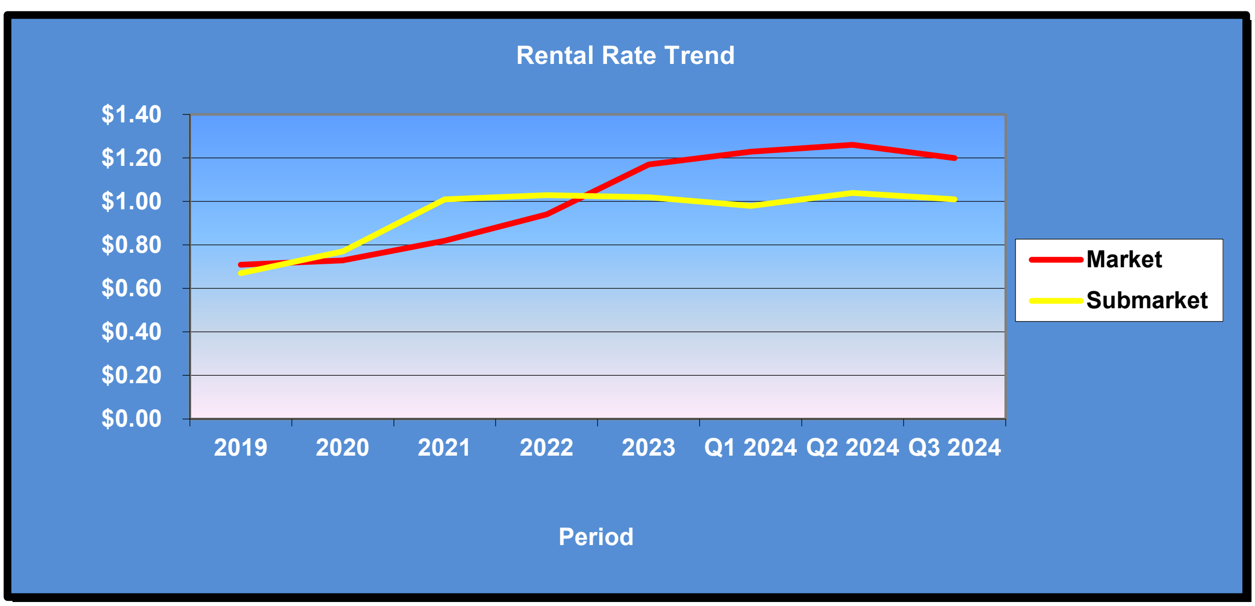
Submarket vacancy averaged 2.60% (3Q 2024), up from the 2023 average of 1.40%. Submarket vacancy ranged from 0.90% to 3.08%, since 2019, with an average of 2.06%.

The following graph illustrates historical vacancy trends in the market and submarket:



Asking Rents - The most recent quarter indicates the average asking industrial rent in the market is $1.20/SF per month (triple net). This is 2.6% higher than the 2023 average ($1.17/SF). Average asking rents ranged from $0.71/SF to $1.26/SF, with an average of $0.93/SF, since 2019. The submarket indicates average asking rent of $1.01/SF (3Q 2024). This is 1.0% lower than the 2023 average ($1.02/SF). Since 2019, average asking rents in the submarket ranged from $0.67/SF to $1.04/SF, with an average of $0.92/SF. Further discussion regarding market rent specific to the subject property is presented in the Income Approach Section.

The following graph illustrates historical rental rate trends in the market and submarket:



Net Absorption - Net absorption in the market totaled 42,089 SF (3Q 2024). Annual net absorption ranged from -780,119 SF to 2,729,822 SF, with an average of 647,857 SF (2019 - 2023). Total net absorption since 2019 is 3,191,084 SF. This is less than the total additions to supply (3,597,001 SF) over the same time. Net absorption in the submarket totaled -13,709 SF (3Q 2024). Annual net absorption ranged from -249,797 SF to 264,706 SF, with an average of -11,010 SF (2019 - 2023). Total net absorption in the submarket since 2019 is -168,708 SF. This is less than the total additions to supply (-124,955 SF) over the same time.

Summary & Conclusions

The preceding statistics indicate good demand in the submarket and market for industrial space. Vacancy rates generally remain stable with slight fluctuations in both sectors since 2019. The submarket indicates slightly stronger demand with lower vacancy rates and lower asking rents. Submarket vacancy remained below 4% historically. Asking rents increased 51% in the submarket and 73% in the market since 2019. Net absorption has been positive one out of the past five years in the submarket. Similar conditions are forecasted in the foreseeable future.

Though the 2020 data covers the initial phase of the pandemic, the long-term implications of COVID-19 on the industrial market statistics may not be evidenced for some time. Thus, examination of available macroeconomic data and interviews with local brokers and market participants are necessary to formulate plausible inferences and ramifications for the industrial sector and economy in general.

Supplementary Commentary - Coronavirus (COVID-19) Outbreak

Overview – The coronavirus (COVID-19) outbreak was designated as a pandemic by the World Health Organization (WHO) on March 11, 2020. Based on our discussions with real estate brokers and investors, as of the date of this report the full impact of the outbreak on the commercial real estate (CRE) market is becoming more known. In the past two years or so, we have worked on, or are aware of, a wide range of commercial real estate purchases that were consummated or are pending. Brokers are indicating that demand has diminished over the past year in particular as a result of rising interest rates and uncertainty of the future actions by the FED, as a result of the aftermath of the pandemic. However, real estate is perceived to have far less risk than alternative investment vehicles, such as the stock market, which experienced significant declines in the weeks after the outbreak announcement.

The unemployment throughout the region, state and nation spiked initially after the announcement of the coronavirus (COVID-19) outbreak, but has since generally trended downward until 2023, when the trend reversed. According to the Bureau of Labor Statistics, the national unemployment rate was 14.8% in April 2020. As of February 2024, the national unemployment rate was 3.9%. Job losses were highly concentrated in areas like the airline industry, restaurants, hotels, and real estate prior to the recovery. We note that significant fiscal stimulus from the federal government, including the stimulus package of $1.9 trillion, was enacted to offset unemployment and economic uncertainty in 2020. The American Rescue Plan Act of 2021 was the second largest fiscal stimulus package in modern American history and provided additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses.

The situation continues to evolve and any assumptions and/or predictions regarding long-term economic trends would be highly speculative at this point. We note that economic uncertainty is pervasive throughout the region, nation, and the world as a whole as the totality of the long-term impact on the economy continues to remain unclear even more than two years after the emergence of the pandemic.

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Retail – According to the 2nd Quarter 2024 *PriceWaterhouse Coopers* (PwC) survey, the U.S. retail sector has continued to experience tight vacancy, driven by a substantial increase in consumer spending during the pandemic. Retail construction appears under control, while continuous retail demolitions effectively remove outdated space from the sector. Per the PwC survey, 35 of the 80 metros analyzed are projected to experience recovery in 2024, showcasing robust demand and positive economic indicators. The recovery phase of the real estate cycle is expected to increasingly dominate the U.S. retail sector over the next four years. By the end of 2025, more than half of the metros analyzed are forecasted to be in recovery – growing to 60.0% for both 2026 and 2027.

Office – The ongoing reset in the U.S. office sector is evident and likely to continue for a while. The extended period of changing demand has led to office-using organizations now occupying less space per employee than ever before. Vacancy has reportedly reached a record high primarily due to a surge in sublet space. Despite an easing of recession fears, the outlook remains dim for the U.S. office sector for 2024 with little change in office attendance and tenant demand. By year-end 2024, the outlook by PwC places 81.0% of the 57 office metros analyzed in recession – declining to 70.0% by year-end 2025. Only five office metros are forecasted to be in expansion at some point in the next two years – Cleveland, Tampa, West Palm Beach, Miami, and Fort Lauderdale.

Industrial – Although the vacancy rate for the U.S. industrial sector is forecasted to stay below its 20-year average, the sector has slowed down in the past year. In light of economic uncertainties, retailers and wholesalers are exercising caution by temporarily halting inventory accumulation while U.S. imports have been declining. By year-end 2025, PwC forecasts a rising portion of industrial metros moving into contraction.

Government Stimulus Packages – The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, was a $2.2 trillion economic stimulus bill passed by Congress and signed into law by President Donald Trump on March 27, 2020, in response to the economic fallout of the COVID-19 pandemic in the United States. Unprecedented in size and scope, the legislation was the largest economic stimulus package in U.S. history, amounting to 10% of total U.S. gross domestic product. The Congressional Budget Office estimated that it would add $1.7 trillion to the deficits over the 2020–2030 period. Lawmakers referred to the bill as "Phase 3" of Congress's coronavirus response.

The first phase "was an $8.3 billion bill spurring coronavirus vaccine research and development" (the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020), which was enacted on March 6, 2020. The second phase was "an approximately $104 billion package largely focused on paid sick leave and unemployment benefits for workers and families" (the Families First Coronavirus Response Act), which was enacted on March 18, 2020. An additional $900 billion in relief was attached to the Consolidated Appropriations Act, 2021, which was passed by Congress on December 21, 2020, and signed by President Trump on December 27, after some CARES Act programs being renewed had already expired.

The American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package, was a $1.9 trillion economic stimulus bill passed by Congress and signed into law by President Joe Biden on March 11, 2021, to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. First proposed on January 14, 2021, the package built upon many of the measures in the CARES Act and in the Consolidated Appropriations Act, 2021.

The bill's economic-relief provisions were overwhelmingly geared toward low-income and middle-class Americans, who benefit from (among other provisions) the direct payments, the bill's expansion of low-income tax credits, child-care subsidies, expanded health-insurance access, extension of expanded unemployment benefits, food stamps, and rental assistance programs.

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The bill contained little direct aid to high income-earners, who largely retained their jobs during the COVID-19 economic shock and bolstered their savings. Biden's administration crafted the plan in part because economic aid to lower-income and middle-income Americans (who were more likely to immediately spend funds on bills, groceries, and housing costs to avoid eviction or foreclosure) was more likely to stimulate the U.S. economy than aid to higher-earners (who were more likely to save the money).

The Institute on Taxation and Economic Policy found that the stimulus bill's direct payments, child tax credit expansion, and earned income tax credit expansion boosted the income of the poorest one-fifth of Americans by nearly $3,590. Overall, about 70% of the bill's tax benefits went to households making under $91,000.

Summary – Regardless of what metric is used, commercial real estate has changed drastically since late March 2020. The pandemic initially caused rent deferrals, rent holidays, tenant bankruptcies, and a plethora of other problems for commercial landlords. Health guidelines around the pandemic changed paying tenants' needs, and temporary relief measures and demand destruction gave even non-paying tenants significant bargaining power. Retail rents were particularly hard hit as many brick-and-mortar businesses saw the consumer shift to online options and many businesses did not survive as a result. However, in-person shopping has since recovered at a steady pace and rents have rebounded to pre-pandemic levels.

The pandemic has led to longer-term shifts in companies' approach to leasing and renting space. Pushed to be innovative by the pandemic, many firms have found ways to be productive from home. This is most evident in the tech industry, where many companies have implemented permanent remote work or work-from-anywhere policies. The long-term future of office space is far from decided, however, many businesses seem to favor a blended model where the physical office space still plays a role for gathering and sharing ideas in person. As a result, many companies have downsized their office footprint to accommodate a smaller pool of in-office workers.

While office space faces long-term headwinds due to the pandemic, there are some sub-sectors within commercial real estate that experienced rapid price appreciation during the course of the pandemic. Warehousing related to e-commerce, self-storage spaces, and retail spaces leveraged to grocery and pharmacy rode out the pandemic based on the clientele they serve.

Currently, three vaccines are authorized and recommended to prevent COVID-19 in the United States. As of May 10, 2023 (most recent data available), about 81% of the U.S. population has received at least one COVID-19 vaccine shot as the pace of inoculations in the United States sharply climbs. The U.S. has surpassed the Biden administration's target of 100 million vaccine doses, with over 270 million people receiving at least one dose, more than 230 million vaccinated with two doses, and 109 million considered fully vaccinated (two doses plus booster shot).

Quantitative Tightening / Interest Rate Hikes

Fiscal and monetary policy initiatives were undertaken by the government and the Federal Reserve (FED) following the emergence of the COVID-19 pandemic. Such actions included, but were not limited to, drastic quantitative easing and interest rate reductions to historical lows, as well as state and federal stimulus funding and deferments to businesses, families and individuals (Paycheck Protection Program loans, grants, student loan deferments, rental abatements, etc.). These measures, coupled with supply chain issues ensuing the pandemic, were conducive to significant rises in the consumer price index (CPI), elevating the cost of living to levels not endured for approximately 40 years.

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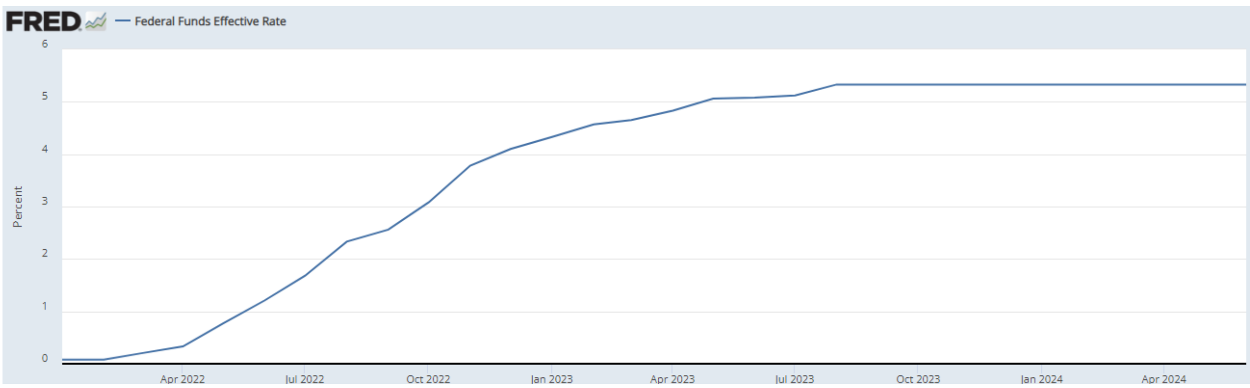
With CPI above the 9% mark, the FED enacted immediate quantitative tightening measures and interest rate hikes so as to put downward pressure on inflation. As illustrated on the following graph, the FED has implemented incremental rate increases ranging from 0 to 75 basis points in each of its meetings since the beginning of 2022, with the Federal Funds rate at 5.33% as of July 2024. This has, in turn, precipitated substantial residential and commercial mortgage rate increases, with rates varying from 6.50% to 7.30% over the past two months.

As a result, sale and refinance activity has declined drastically in the last 24 months. Though for-sale listings have increased in most markets, the pool of buyers has diminished. Economists, local brokers and market participants are generally of the opinion that high interest rates and uncertainty pertinent to future actions by the FED may continue to hamper activity in the commercial and residential real estate sectors through mid-to-late 2024, though there is popular sentiment for a pivot by the central bank by the end of 2024.



It is important to note that rising interest rates and quantitative tightening by the Federal Reserve's attempt to curb global inflation has the potential to adversely impact real estate in the next few years. Sale activity has declined significantly over the past two years due to a diminished buyer pool resulting from higher mortgage rates. Uncertainty surrounding the FED's future interest rate moves, the presidential election, and the national/global economy may continue to hinder activity through 2024.

Conclusion

The subject is currently primarily occupied by the ownership, doing business as a church. Per the lease contract provided, it will be 100% leased to Nexa3D, a manufacturer of polymer 3D printers, starting December 2024. The tenant is currently in possession of the warehouse portion of the building, totaling 4,785 SF. As previously noted, vacancy in the subject's submarket has ranged from 0.90% to 3.08%, since 2019, with an average of 2.06%. The current submarket average is reported at 2.60% (3Q 2024). Considering the aforementioned factors, the data suggests a stabilized vacancy factor between the historical submarket average and historical market average, or **3.0%** deemed to be appropriate and is used in our analysis. This rate reflects the anticipated rate that a potential buyer would assign based on the current use and market conditions.

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The highest and best use of a property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legal, physically possible, financially feasible, and marketable.

The highest and best use concept is based upon traditional appraisal theory and reflects the attitudes of typical buyers and sellers who recognize that value is predicated on future benefits. This theory is based upon the wealth maximization of the owner, with consideration given to community goals. A use which does not meet the needs of the public will not meet the above highest and best use criteria.

The highest and best use of the subject site as vacant and as improved is discussed below.

As Vacant

The legal factors influencing the highest and best use of the subject property are primarily government regulations such as zoning ordinances. The subject site is comprised of one parcel zoned for industrial uses. The site is generally level with average access and average exposure. Freeway linkage is good. Neighboring land uses include industrial/flex development. Financial feasibility, maximal productivity, marketability, legal, and physical factors have been considered. The subject is located in a submarket with good demand for industrial space. Based on such factors, the highest and best use as vacant is industrial/flex development.

As Improved

The legal factors influencing the highest and best use of the subject property are primarily governmental regulations such as zoning and building codes. The physical and location characteristics of the property have been previously discussed in this report. The subject appears to be a legal and conforming use. The building is good quality and in average condition, with average service amenities. Legal, physical, location and marketability factors support the industrial/flex use as the highest and best use of the subject. Therefore, the property “as is”, meets the physical and location criteria as the highest and best use of the property.

In addition to legal, physical and location considerations, analysis of the subject property "as improved" requires the treatment of alternative uses for the property. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and continued use "as is". Among the five alternative uses, the current single-tenant industrial/flex use is the Highest and Best Use of the subject property.

Buyer Profile - The most likely buyer profile of the subject is local or regional investor.

VALUATION METHODOLOGY

The appraisal process, which is applied to most real estate properties, is designed to evaluate all factors that influence value. Regional and market area information has been presented to inform the reader of general outside influences that may affect value. In addition, the site and improvements have been described in detail. The interaction of the site and improvements establishes the utility and desirability of the entire property. The Highest and Best Use section evaluates the effect of legal, physical, and market considerations that influence the use of the property. The following paragraphs discuss the various methods used to value the subject property.

Cost Approach - The Cost Approach is based upon the principle that the value of the property is significantly related to its physical characteristics, and that no one would pay more for a facility than it would cost to build a similar facility on a comparable site. Typically, investors do not utilize this approach for properties similar to the subject. Also, due to the age of the subject improvements and lack of recent land sales in the area, the Cost Approach is less reliable. As such, this approach has not been employed. The omission of the Cost Approach does not diminish the credibility of the final value conclusion. An insurable replacement cost estimate spreadsheet is presented in the addenda, per the client's request.

Income Approach - The Income Approach is based on the premise that properties similar to the subject are income producing, and that investors purchase these properties based upon their income-producing ability. In the Income Approach, market rents for the subject property are estimated, the applicable operating expenses are deducted, and the resulting net income is capitalized into a value estimate. The Income Approach is based on an analysis of information extracted from the market and provides a brief comparison of the subject to properties of similar character and income-producing ability.

Sales Comparison Approach - This approach is based on the principle of substitution. This principle states that no one would pay more for the subject property than the value of similar property in the market. This approach analyzes sales of comparable properties with regard to the nature and condition of each sale. Comparisons are made for varying physical characteristics.

Analysis of Value Conclusions – The approaches used to value the subject property will be correlated into a final as-is leased fee market value opinion in the Analysis of Value Conclusions section.

Income Capitalization Approach

The first step in the Income Capitalization Approach is to estimate the subject's potential gross income, (PGI) which is derived by comparing the subject property with other similar development in the area.

Potential Gross Rental Income

Most of potential gross income (PGI) consists of rental income. Potential gross income is projected based on market rent, which is determined by an analysis of other similar buildings in the immediate area. The following market rent analysis is conducted on a dollar per square foot per month basis, reflecting market behavior.

Selection of Comparables

Six rent comparables are used in this analysis. *We note that there has been a lack of recent transactions of similar properties in the subject's immediate area; therefore, we expanded our search parameters further in distance and time*. The six selected comparables are situated within a 19¼-mile radius of the subject. Three of the comparables is located within a 6½-mile radius. The comparables bracket the subject in location and physical characteristics.

Adjustments

Adjustments for lease conditions are made (if applicable) directly in the Rent Comparable Summation Table. Adjustments for location and other physical characteristics are very subjective; therefore, the comparables are analyzed qualitatively.

Presentation

A Rent Comparable Summation Table and location map are shown on the next two pages. Following the map are photographs of the comparables, an analysis of the data, and conclusion for the subject.

RENT COMPARABLES SUMMATION TABLE

No.	Identification/Location	Tenant(s)/Space Type	Lease Start Date	Term (Months)	Size (SF)	Rent/SF Per Month	**Lease Structure	Adjusted NNN Rent	TIs per SF & Concessions	Escalations	Building Profile
1	**Single-Tenant Industrial Building** 741 Flynn Rd Camarillo, CA	IS	Apr-23 (renewal)	120	48,176	$0.88	NNN	**$0.88**	5 months	3%/Yr	Year Built: 1984 Bldg SF: 48,176 Office % 80% Clear Height: 22' Parking Ratio: 2.30 Site Size (Acres): 1.90 Site Coverage: 29% Loading Doors: 2 GL, 0 DH
2	**Multi-Tenant Industrial Building** 5725 Olivas Park Dr Ventura, CA	AG Millworks	Nov-24	36	12,240	$1.35	IG	**$1.07**	2 months	4%/Yr	Year Built: 2006 Bldg SF: 25,485 Office % 10% Clear Height: 21' Parking Ratio: 1.80 Site Size (Acres): 1.73 Site Coverage: 34% Loading Doors: 2 GL, 1 DH
3	**Single-Tenant Industrial Building** 5105 Maureen Ln Moorpark, CA	Ultron Systems Inc	Dec-23	60	24,310	$1.15	NNN	**$1.15**	N/A	3%/Yr	Year Built: 1988/2000 Bldg SF: 24,310 Office % 25% Clear Height: 20' Parking Ratio: Adequate Site Size (Acres): 1.11 Site Coverage: 50% Loading Doors: 2 GL, 0 DH
4	**Single-Tenant Industrial Building** 2359 Knoll Dr Ventura, CA	Confidential	May-23	60	16,500	$1.15	NNN	**$1.15**	2 months	4%/Yr	Year Built: 2006 Bldg SF: 16,500 Office % 20% Clear Height: 20' Parking Ratio: 0.73 Site Size (Acres): 1.14 Site Coverage: 33% Loading Doors: 4 GL, 0 DH
5	**Multi-Tenant Flex Building** 1690 Universe Cir Oxnard, CA	SSG	Jul-24	60	14,000	$1.50	NNN	**$1.50**	2.5 months	3.5%/Yr	Year Built: 1987/2017 Bldg SF: 34,000 Office % 100% Clear Height: 20' Parking Ratio: 3.97 Site Size (Acres): 2.20 Site Coverage: 18% Loading Doors: N/A
6	**Single-Tenant Industrial Building** 1304 Newbury Rd Newbury Park, CA	Big Brand Tire & Service	Feb-22	240	11,328	$1.79	NNN	**$1.79**	None	2%/Yr	Year Built: 1976 Bldg SF: 11,328 Office % 10% Clear Height: 16' Parking Ratio: 4.50 Site Size (Acres): 1.07 Site Coverage: 12% Loading Doors: 9 GL, 0 DH
	Subject Property 1954 Goodyear Avenue Ventura, CA	Nexa3D	Dec-24	120	20,516	$1.56	NNN	**$1.56**	None	3%/Yr	Year Built: 2000 Bldg SF: 20,516 Office % 77% Clear Height: 20' Parking Ratio: 1.46 Site Size (Acres): 0.90 Site Coverage: 43% Loading Doors: 2 GL, 0 DH

Lease Structure: FS = Full Service, IG = Industrial Gross, NNN = Triple Net, Mod. NNN = Modified Triple Net


Rent Comparables Map
Hopper Mountain
Ojai
Oak View
Casitas Springs
Sespe
Fillmore
Santa Paula
Santa Paula
Saticoy
Ventura
Subject
Montalvo
Comp 4
Comp 2
Oxnard
Somis
Comp 1
Camarillo
Camarillo
Oxnard Air Force Base
Comp 3
Moorpark
Arroyo Simi
Comp 6
Newbury Park
Oxnard
Comp 5
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Point Mugu NAWS
Pacific Missile Test Center
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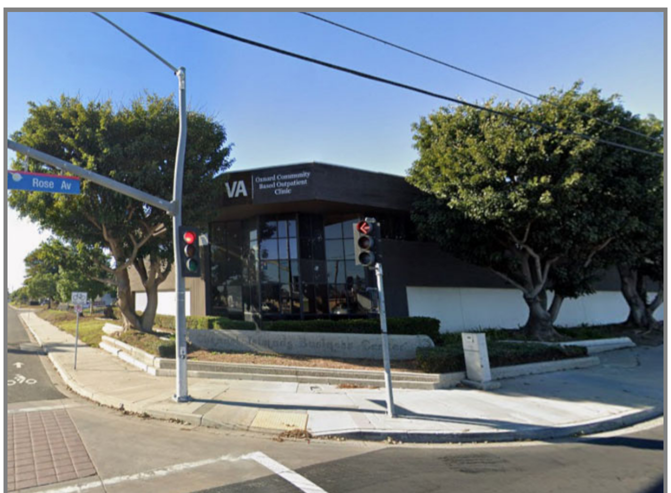
RENT COMPARABLES PHOTOGRAPHS


Rent Comparable 1


Rent Comparable 2


Rent Comparable 3


Rent Comparable 4



Rent Comparable 5


Rent Comparable 6

Discussion of Rent Comparables

Rent Comparable 1 ($0.88/SF/Mo) is the April 2023 lease renewal of a larger (48,176 SF) single-tenant industrial/flex building that is located approximately 12 miles east of the subject in a slightly less desirable location in Camarillo. The two-story building was constructed in 1984 (inferior) and is similar in regard to quality, while condition is inferior. Access and exposure are superior, while freeway linkage is similar. It features a similar parking ratio. Loading door count and clear heights are similar. Office build-out is similar at 80%. Overall, this is a **low indicator** due primarily to location, condition and size (economies of scale).

Rent Comparable 2 ($1.07/SF/Mo) is the November 2024 lease of a smaller (12,240 SF) industrial space within a multi-tenant industrial building situated approximately 1¼ miles southeast of the subject in a similar location. Appeal is inferior as part of a multi-tenant building. It was constructed in 2006 and is similar in regard to age, quality and condition. Access and exposure are superior, while freeway linkage is similar. The property has a similar parking ratio. Loading door count and clear heights are similar. Office build-out is inferior at 10%. The quoted industrial gross (IG) rent has been adjusted downward $0.28/SF/Mo based on actual expenses and market parameters to reflect triple net (NNN) terms. Overall, this is a **low indicator** due primarily to build-out and appeal.

Rent Comparable 3 ($1.15/SF/Mo) represents the December 2023 lease of a slightly larger single-tenant industrial building located 19¼ miles east of the subject in a generally similar location in Moorpark with similar asking rents. The single-story building was constructed in 1988, renovated in 2000, and is similar in regard to quality and condition. Access and exposure are similar, while freeway linkage is inferior. The parking and site coverage ratios are similar. Loading door count and clear heights are similar. Office build-out is inferior at 25%. Overall, this is a **low indicator** due primarily to build-out.

Rent Comparable 4 ($1.15/SF/Mo) is the May 2023 lease of a slightly smaller (16,500-SF) single-tenant industrial building that is located less than ¾-mile east of the subject in a similar area. The two-story building was constructed in 2006 and is inferior in regard to quality, while condition is similar. Access, exposure and freeway linkage are similar. The property features an inferior parking ratio. Loading door count and clear heights are similar. Office build-out is inferior at 20%. Overall, this is a **low indicator** due primarily to build-out.

Rent Comparable 5 ($1.50/SF/Mo) is the July 2024 of a smaller (14,000-SF) office space within a larger multi-tenant flex development that is located 6½ miles south of the subject in a generally similar location in Oxnard. Appeal is inferior as part of a multi-tenant building. The building was constructed in 1987, renovated in 2017, and is similar in regard to quality and condition. Access and freeway linkage are similar, while exposure is superior. The property features a superior parking ratio. Build-out is similar. Overall, this is a **reasonably good to slightly low indicator**.

Rent Comparable 6 ($1.79/SF/Mo) is the February 2022 of a smaller (11,328-SF) single-tenant industrial/automotive building. It is located 19¼ miles southeast of the subject in a superior location with superior asking rents. The single-story building was constructed in 1976 (inferior) and is inferior in regard to quality and condition. Access, exposure and freeway linkage are similar. The property features a superior parking ratio. The loading door count is superior, but clear heights and office build-out are inferior. Overall, this is a **high indicator** due primarily to location and size (economies of scale).

Analysis of Contract Rent and Market Rent Conclusion

The subject's pending contract rent is summarized in the following table.

SUBJECT RENT ROLL										
Tenant	Sq.Ft.	Monthly Rent	Current Rent Per SF/Mo	Current Lease Period Commence	Current Lease Period Expire	Expense Structure	Rental Escalations	Renewal Options	Market Rent/SF/Mo
Nexa3D	20,516	$32,000	$1.56	Dec-24	May-27	NNN	3%/Yr	None	$1.56
Total / Weighted Average	**20,516**	**$32,000**	**$1.56**						**$1.56**

As previously noted, the subject is currently primarily occupied by the ownership, doing business as a church. Per the lease contract provided, it will be 100% leased to Nexa3D, starting December 1, 2024, at a contract rate of $1.56/SF/Mo NNN (triple net). The tenant is currently in possession of the warehouse portion of the building, totaling 4,785 SF, and pays $6,700/Mo or $1.40/SF/Mo MG (modified gross), which amounts to an adjusted NNN rent of $0.95/SF/Mo, until they take full possession of the building in December 2024. The subject's initial 30-month lease term is scheduled to expire in May 2027. Rental escalations are 3% annually.

According to the lease, the tenant will pay half rent in December 2024 and January 2025. The abated rent amounts to a full month's rent, or $32,000. Therefore, the rent/income loss of **$90,000** (rounded) due to abated rent (1 month) and the rent deficiency until the full possession of the building occurs (2 months) will be deducted in both approaches to value.

[($32,000 x 3 months) – ($0.95/SF/Mo x 4,785 SF x 2 months) = $86,909]

The five selected rent comparables indicate an adjusted range of rents from $0.88/SF/Mo to $1.79/SF/Mo (NNN). Low end of the comparables is formed by a significantly larger building in a less desirable location. The remaining comparables provide a reasonably good indication of current market rent for the subject. Considering the subject's location, access, exposure, size, age, and other physical characteristics, a market rent between Comparables 5 and 6 is suggested as appropriate by the data and our conversations with area brokers. Contract rent, which falls within this range, is deemed to be reflective of market rent and; thus, we have used the pending contract rent to project potential gross income.

Reimbursable Expense Income

The estimated market rent for the subject is based upon a triple net (NNN) expense structure in which the tenant is responsible for all reimbursable operating expenses, except management and reserves. This methodology is reflective of how industrial properties like the subject are marketed for sale.

Vacancy & Collection Loss

This category accounts for the period between tenants when the subject is vacant.

The estimate of vacancy and credit loss is over a typical holding period of the property and is not over a short term. It also includes "vacancy lag", which is the time necessary to release space after a vacancy occurs. As concluded in the Market Analysis section, we have estimated stabilized vacancy and credit loss at **3.0%**. This reflects the anticipated rate a potential buyer would assign in a market such as the subjects.

Operating Expenses

As historical operating expense information was not provided for the subject, market parameters have been used to project expenses. However, the sensitivity of the expense allocation is minimal to the net cash flow, as taxes, insurance, and common area maintenance will be reimbursed by the tenant under the triple net (NNN) expense structure of the lease.

Reimbursable Expenses

Property Taxes & Direct Assessments – As discussed in the Preliminary Appraisal Information section, property taxes are estimated at the current tax rate of **1.08950%** multiplied by the value indication of this approach per Proposition 13. Direct assessments are projected to be similar to the current amount of **$462**. The reader should reference the property tax discussion in the Preliminary Appraisal Information section for a detailed explanation of property taxes and assessed values in California. *It is assumed the subject property will no longer benefit from tax exemption.*

Insurance – This expense covers premiums for property and liability insurance. This expense typically ranges from $0.20/SF/Yr to $0.50/SF/Yr for properties similar in age, size and condition. We conclude **$0.35/SF/Yr**, which falls in the middle of market parameters.

Common Area Maintenance (CAM) Fees – This covers repairs & maintenance to the building and common area maintenance, utilities and other miscellaneous common area fees. This expense typically ranges from $1.00/SF/Yr to $3.00/SF/Yr for similar properties in the market. Considering the subject's condition and extent of common areas, a rate of **$2.00/SF/Yr** is used for this analysis.

Non-Reimbursable Expenses

Professional Management Fees – Professional management fees are incurred to provide for periodic contact with the tenants, collection of rents, supervision of required maintenance and replacement items, etc. Management fees are typically 1% to 5% of effective gross income (EGI), depending upon the size of the facility, number of tenants and rent level structure. The subject is a single-tenant development and management duties will be minimal; therefore, a management fee of **3.0%** is concluded.

Reserves – This is not an annual cash flow, but an allocation to cover structural repairs. Buyers and sellers in the market typically assign reserves at 1% to 2% of effective gross income (EGI), or $0.10 to $0.40 per square foot of building area per year. We have used **$0.20/SF/Yr**, which equates to **0.9% of EGI**, given the subject's age and condition.

Leasing commissions and tenant improvement costs - These are real expenses experienced by property owners over the life of the improvements. However, these expenses are not typically recognized as a stabilized operating expense by typical buyers and sellers in the marketplace, and therefore, are not treated in the direct capitalization approach.

Expense/NOI Conclusion

An Income Capitalization Approach Summation Table summarizing the preceding income and expense conclusions is shown at the end of this section.

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Direct Capitalization

The next step in the Income Capitalization Approach is capitalization of net income into an expression of value. Direct capitalization is a method used to convert a single year's income estimate into a value indication. This conversion is accomplished in one step by dividing the income estimate by an appropriate capitalization rate (also known as overall rate or OAR).

In direct capitalization, no precise allocation is made between the return on and the return of capital because the method does not simulate investor assumptions or forecasts concerning the holding period, the pattern of income, or changes in value of the original investment. However, a satisfactory rate of return for the investor and recapture of the capital invested are implicit in the capitalization rates applied in direct capitalization because they are derived from similar investment properties.

The capitalization rates reflect the relationship between income and value and are derived from market data. It is essential that the properties used as comparables reflect risk, income, expense, and physical and location characteristics that are similar to the property being appraised. Consequently, capitalization rates must be extracted from properties that reflect similar income-expense ratios, risk characteristics, and expectations as to change in income and value over a typical investment-holding period.

In this analysis, the basic formula for direct capitalization is net annual income divided by overall rate of return (R_O) equals value. Various techniques are available to determine appropriate overall rates. These include:

1. derivation from comparable sales
2. derivation from effective gross income multipliers
3. band of investment - mortgage and equity components
4. band of investment - land and building components
5. the debt coverage formula

Based upon availability of applicable information, only one of the preceding methods is utilized in this analysis: derivation from comparable sales. National surveys, where appropriate, are also used to provide support.

Derivation from comparable sales - Capitalization rates are derived from sales by dividing the net income by the sale price. This analysis illustrates what purchasers are willing to pay for the net income available from competitive properties. In concluding a capitalization rate for the subject property, a bracketing process is used reflecting the superior or inferior income-producing characteristics of each sale. Lower rates are often caused by strong competition, which depress rents, or low occupancy levels. On the other hand, buyers sometimes purchase industrial facilities at a low capitalization rate because of the upside potential, i.e., rents are below market.

The OAR statistics from two of the comparables used in the Sales Comparison Approach and several supplemental sales within 90-mile radius of the subject are summarized in the following table.

OAR COMPARABLES							
Comp #	Identification/Location	Sale Date	Size (SF)	Year Built	NOI	Sale Price	OAR
3	**Single-Tenant Industrial Building** 5105 Maureen Ln Moorpark, CA	In Escrow	24,310	1988/2000	$336,000	$6,250,000	5.38%
5	**Single-Tenant Flex Building** 2493 Portola Rd Ventura, CA	Oct-23	17,061	1986	$406,000	$5,580,000	7.28%
- -	**Multi-Tenant Office Building** 3639 E Harbor Blvd Ventura, CA	Jun-24	27,856	1984	$280,500	$5,500,000	5.10%
- -	**Multi-Tenant Industrial Building** 1833 S. Mountain Ave Monrovia, CA	Mar-24	21,417	1985	$370,336	$5,680,000	6.52%
- -	**Single-Tenant Industrial Building** 2680 Pomona Blvd Pomona, CA	Jan-24	11,935	1977	$148,500	$2,750,000	5.40%
- -	**Single-Tenant Industrial Building** 520 E Rancho Vista Blvd Palmdale, CA	Dec-23	13,432	1999	$96,444	$1,750,000	5.51%
- -	**Single-Tenant Industrial Building** 11633 Tuxford St Sun Valley, CA	Nov-23	3,200	1990	$84,975	$1,475,000	5.76%
- -	**Single-Tenant Industrial Building** 1105 S Blosser Rd Santa Maria, CA	Sep-23	15,400	1981	$220,500	$3,150,000	7.00%
- -	**Single-Tenant Industrial Development** 320 W. Stanley Ave Ventura, CA	Listing	34,633	1962	$354,228	$6,100,000	5.81%
- -	**Two-Tenant Industrial Building** 906-1000 Factory Ln Oxnard, CA	Listing	54,352	1970	$519,750	$9,450,000	5.50%
						Mean	5.93%
						Median	5.64%
					3Q 2024	2Q 2024	3Q 2023
	PWC Real Estate Investor Survey Pacific Region Warehouse Market		OAR Range OAR Avg.	OAR Range OAR Avg.	4.50% -6.50% 5.44%	4.50% -7.00% 5.60%	4.25% -6.00% 5.00%

The comparables listed in the preceding table indicate a range of capitalization rates from 5.10% to 7.28%, with an average of 5.93% and median of 5.64%.

National Investor Survey - The 3rd *Quarter 2024 Pricewaterhouse Coopers (PwC) Survey*, formerly known as *Korpacz*, reports capitalization rates for the Pacific Region Warehouse Market ranging from 4.50% to 6.50%, with an average of 5.44%. The average has increased 44 basis points over the past 12 months and decreased 16 basis points since last quarter.

Pinpointing the applicable cap rate for the subject using national survey data is somewhat subjective. While national survey data has limited direct application for the subject property, it helps establish macro trends for this category of investment property.

Capitalization Rate Conclusion – For this analysis, primary emphasis is placed on market extraction. Taking into consideration the subject's location, tenancy and physical characteristics, as well as the tenancy and the length of the term, the data suggests a capitalization rate similar to the comparable average, or **6.00%**, to be appropriate for the subject. This is well supported by the OAR comparables, PwC Survey and our discussions with area brokers, including Jeffrey M. Crocker with Kidder Matthews, who suggested capitalization rate of 6.00% to be appropriate for the subject, assuming stabilized occupancy and market rent.

Summary

On the following page is the Income Capitalization Approach Summation Table, which summarizes the information discussed in this section of the report. The indicated leased fee value excluding the rent loss by this approach is $5,840,000 (rounded). Deducting the rent/income loss of $90,000, calculated previously in this section, renders an **as-is leased fee market value** of ($5,840,000 leased fee value excluding rent/income loss - $90,000 rent/income loss):

$5,750,000

INCOME CAPITALIZATION SUMMATION TABLE

Income Items	Square Feet	Rent Per SF/Mo	Monthly Rent	Annual Rent	
Rental Income					
Nexa3D	20,516	$1.56	$32,000	$384,000	
Total Rental Income	**20,516**	**$1.56**	**$32,000**	**$384,000**	
Expense Reimbursements			$9,277	$111,321	
Total Additional/Other Income			**$9,277**	**$111,321**	
POTENTIAL GROSS INCOME (PGI)				**$24.14/SF**	**$495,321**
Vacancy & Credit Loss					
Rental Income		3%	$960	$11,520	
Additional/Other Income		3%	$278	$3,340	
Total		**3.0%**	**$1,238**	**$14,860**	
EFFECTIVE GROSS INCOME (EGI)				**$23.42/SF**	**$480,461**
Estimated Expense Items	**% of PGI**	**% of EGI**	**Total**	**Per SF**	
Real Estate Taxes*	12.6%	13.0%	**$62,646**	$3.05	
Additional Tax Charges*	0.1%	0.1%	**$462**	$0.02	
Insurance*	1.4%	1.5%	$7,181	**$0.35**	
Repairs & Maintenance/CAM*	8.3%	8.5%	$41,032	**$2.00**	
Management Fee	2.9%	**3.0%**	$14,414	$0.70	
Reserves	0.8%	**0.9%**	$4,103	**$0.20**	
Total	**26.2%**	**27.0%**	**$129,838**	**$6.33**	
NET OPERATING INCOME (NOI)				**$17.09/SF**	**$350,623**

Valuation of Income	NOI	Divided by	Cap. Rate	Equals	Value
	$350,623	÷	6.00%	=	$5,843,725

Leased Fee Value Excluding Rent Loss (R/O)		**$5,840,000**
Rent Loss (R/O)		**-$90,000**
ESTIMATED VALUE (rounded)	**$280.27/SF**	**$5,750,000**

* Reimbursable expenses

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In this section, the market value of the subject property will be estimated by direct comparison analysis. Direct comparison analysis compares improved sales to the subject property on a price per square foot basis. The price per square foot is based upon the physical characteristics of the property, and care must be taken in the comparable selection process.

Comparable Selection

A search has been made for recent sales of similar quality/condition buildings for comparison. *We note that there has been a lack of recent transactions of similar properties in the subject's immediate area; therefore, we expanded our search parameters.* Five comparables have been selected for this analysis, all of which are located within a 19¼-mile radius of the subject. Three of the selected comparables are located a ¾-mile radius. The comparables bracket the subject in location and physical characteristics.

Adjustments

Adjustments for property rights conveyed, financing and conditions of sale, market conditions, location, quality, condition and other physical characteristics are made following a discussion of the comparables. When analyzing the comparables, primary consideration was given to: (1) physical characteristics such as age and condition; (2) location; (3) construction quality; and (4) utility.

Presentation

On the following page, an Improved Sales Summation Table is presented, which summarizes the sales used in this analysis. An Improved Sales Location Map and photographs of each comparable are also provided. Following the photographs are a discussion of each comparable and adjustment analysis.

IMPROVED SALES SUMMATION TABLE

LOCATION	Subject	COMP. NO. 1	COMP. NO. 2	COMP. NO. 3	COMP. NO. 4	COMP. NO. 5
Identification:	**Single-Tenant Industrial/Flex Bldg**	**Three-Tenant Industrial Building**	**Multi-Tenant Industrial Building**	**Single-Tenant Industrial Building**	**Single-Tenant Flex Building**	**Single-Tenant Flex Building**
Street Address:	1954 Goodyear Avenue	1622 Walter St	1792 Callens Rd	5105 Maureen Ln	5456 Endeavor Ct	2493 Portola Rd
City, State:	Ventura, CA	Ventura, CA	Ventura, CA	Moorpark, CA	Moorpark, CA	Ventura, CA
SALE INFORMATION						
Buyer:	--	1622 Walter Street LIC	1792 Callens Rd LIC	N/A	Kretek International IncxGen	9740 Cozycroft LLC
Seller:	--	M&R Properties LLC	M&R Properties LLC	N/A	5456 Endeavor LLC	Security Eat 727 Inc
Sale Date:	--	Jul-24	Jul-24	In Escrow	Sep-23	Oct-23
Document No:	--	50118	50093	N/A	60153	72804
Conditions of Sale:	--	None	Below Stabilized Occupancy	None	Below Market Rent	None
Rights Transferred:	--	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Financing:	--	All cash to seller	All cash to seller	All cash to seller	All cash to seller	All cash to seller
Market Time:	--	N/A	N/A	125	108	137
Sale Price:	--	$3,250,000	$2,650,000	$6,400,000	$6,702,500	$5,580,000
Cash Equivalent Sale Price:	--	$3,250,000	$2,650,000	$6,250,000	$6,702,500	$5,580,000
PHYSICAL CHARACTERISTICS						
Site Size (Acres):	0.90	1.07	0.61	1.11	1.25	1.00
Zoning:	MPD	M1	M1	M2	M2	MPD
Year Built:	2000	1990	1985	1988/2000	1998	1986
Construction Type:	Concrete Tilt-up	Masonry	Masonry	Concrete tilt-up	Concrete tilt-up	Reinforced Concrete
Building Size (RSF):	20,516	14,800	11,900	24,310	22,341	17,061
Tenancy:	Single-tenant	Multi-tenant	Multi-tenant	Single-tenant	Single-tenant	Single-tenant
Grade Level/Dock High Doors:	2 GL, 0 DH	11 GL, 0 DH	5 GL, 0 DH	2 GL, 0 DH	2 GL, 0 DH	2 GL, 0 DH
Office Finish:	77%	5%	15%	25%	18%	80%
Clear Heights	20'	15-18'	13'	20'	22'	14-16'
Site Coverage:	43%	29%	45%	50%	41%	39%
Parking Ratio:	1.46	2.70	1.93	1.89	2.46	1.99
Quality:	Good	Above Average	Above Average	Good	Good	Above Average
Condition:	Average	Average	Average	Average	Above Average	Average
ANALYSIS						
Occupancy:	100%	100%	75%	100%	100%	100%
NOI:	$350,623	N/A	N/A	$336,000	N/A	$406,000
NOI/SF:	$17.09	N/A	N/A	$13.82	N/A	$23.80
Overall Rate (OAR):	--	N/A	N/A	5.38%	N/A	7.28%
Sale Price/RSF:	--	**$220**	**$223**	**$257**	**$300**	**$327**
CONFIRMATION						
Name:	N/A	Jeffrey M. Crocker	Jeffrey M. Crocker	Grant Fulkerson	Joe Jusko	George Prince
Company:	N/A	Kidder Matthews	Kidder Matthews	Lee & Associates	Lee & Associates	Prince Commercial
Source:	N/A	Listign Broker	Listign Broker	Listing Broker	Listing Broker	Listing Broker

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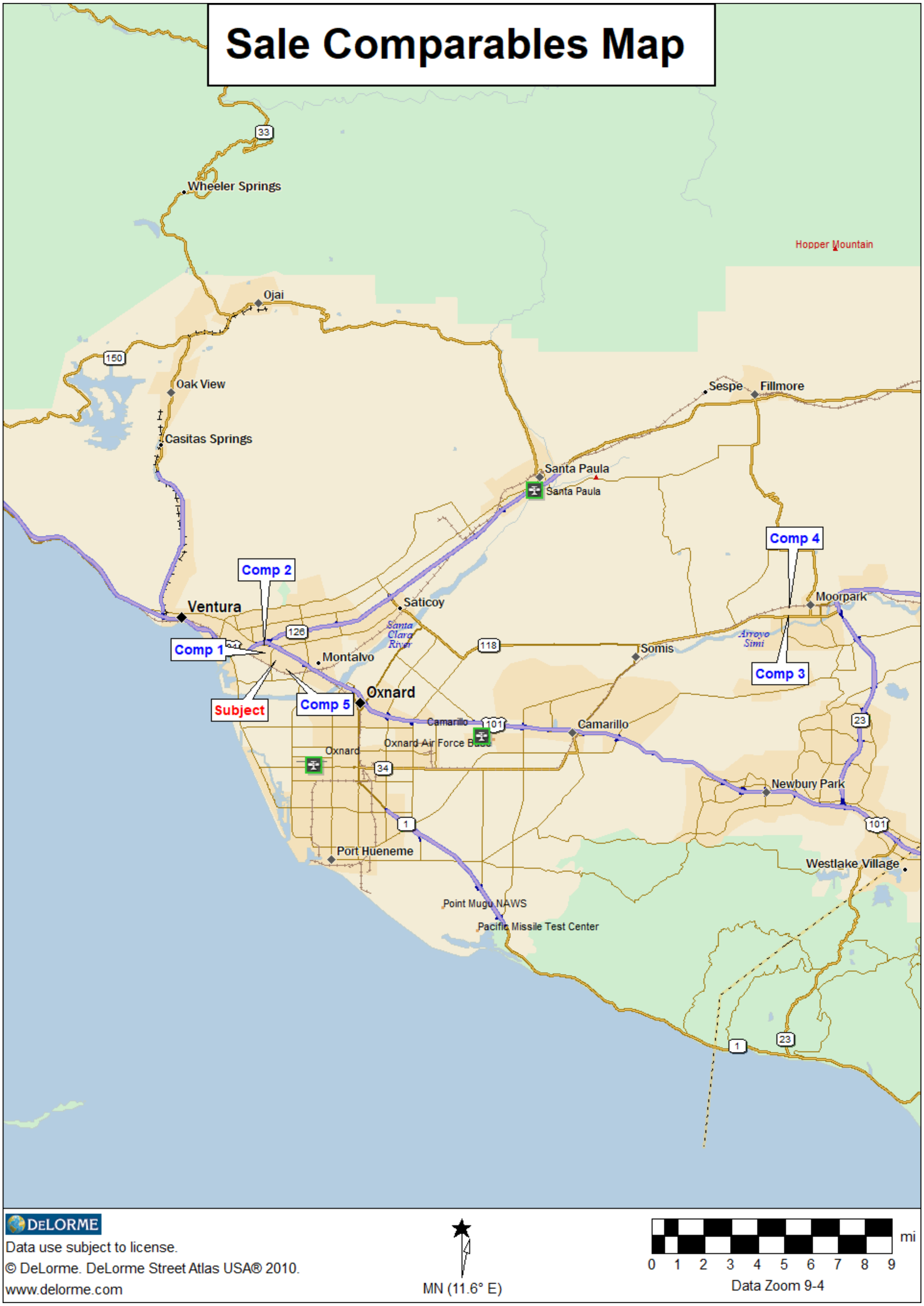
Sale Comparables Map
Wheeler Springs
Ojai
Oak View
Casitas Springs
Hopper Mountain
Sespe
Fillmore
Santa Paula
Santa Paula
Comp 4
Comp 2
Moorpark
Ventura
Saticoy
Comp 1
Santa Clara River
Montalvo
Somis
Arroyo Simi
Comp 3
Subject
Comp 5
Oxnard
Camarillo
Camarillo
Oxnard Air Force Base
Oxnard
Newbury Park
Port Hueneme
Westlake Village
Point Mugu NAWS
Pacific Missile Test Center
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0 1 2 3 4 5 6 7 8 9
Data Zoom 9-4

Sale Comparables Photographs


Sale Comparable 1


Sale Comparable 2


Sale Comparable 3


Sale Comparable 4


Sale Comparable 5

Discussion of Sale Comparables

Comparable 1 ($220/SF) is the July 2024 sale of a smaller (14,800-SF) three-tenant industrial building located approximately ½-mile northwest of the subject in a similar location. The single-story (superior appeal) building was constructed in 1990 (inferior) and is slightly inferior in regard to quality, while condition is similar. Access, exposure and freeway linkage are similar. Loading door count is superior, but office build-out and clear heights are inferior. The development features a superior parking ratio. It was 100% leased at the time of sale. After adjustments, the comparable has an adjusted price of **$223/SF**.

Comparable 2 ($223/SF) is the older July 2024 sale of a smaller (11,900-SF) multi-tenant industrial building located approximately ¾-mile northwest of the subject in a similar location. The single-story (superior appeal) building was constructed in 1985 (inferior) and is inferior in regard to quality, but condition is similar. Access and exposure are superior, while freeway linkage is similar. Office build-out and clear heights are inferior, loading door count is similar. The parking and site coverage ratios are similar. It was 75% leased at the time of sale. An upward adjustment for conditions of sale has been applied for below stabilized occupancy. After adjustments, the comparable has an adjusted price of **$240/SF**.

Comparable 3 ($257/SF) is the slightly larger (24,310-SF) single-tenant industrial building that is currently in escrow. It is located 19¼ miles east of the subject in a generally similar location in Moorpark with similar asking rents. Access and exposure are similar, while freeway linkage is inferior. The single-story (superior appeal) building was constructed in 1988 (inferior), renovated in 2000, and is similar in regard to quality and condition. Office build-out is inferior, but clear heights and loading door count are similar. The listing broker noted the property has been listed for $6.4 Million ($263/SF), and the pending purchase price is $6.25 Million (257/SF), which is reflected in the cash equivalent sale price. After adjustments, the comparable has an adjusted price of **$296/SF**.

Comparable 4 ($300/SF) is the older September 2023 (market conditions adjustment) sale of a similar-sized, single-tenant industrial building that is located 19¼ miles east of the subject in a similar Moorpark location. Access and exposure are similar, but freeway linkage is inferior. The two-story building was constructed in 1998 and is similar in regard to quality, but condition is slightly superior. It has similar loading door count with similar clear heights. Office build-out is inferior at 18%, but the broker noted that it consisted of lab finishes. The development features a superior parking ratio, while site coverage is similar. It was 100% occupied by POM Medical, a national tenant, at the time of sale. Tenancy is superior. The broker also noted that the rent was about 10% below market (conditions of sale adjustment), and there was approximately two years left on the lease. After adjustments, the comparable has an adjusted price of **$314/SF**.

Comparable 5 ($327/SF) is the older October 2023 (market conditions adjustment) sale of a slightly smaller (17,061-SF) single-tenant flex building located ½-mile southeast of the subject in a similar location. The single-story (superior appeal) building was constructed in 1986 (inferior) and is inferior in regard to quality, while condition is similar. Access is superior, but exposure and freeway linkage are similar. It was 100% leased by US Fish & Wildlife Service on long-term lease that had approximately five years remaining. Tenancy is superior. The property features similar parking ratio and site coverage. Office build-out and loading door count are similar, but clear heights are inferior. After adjustments, the comparable has an adjusted price of **$303/SF**.

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Adjustment Grid

Based on the previous analysis, the comparables are adjusted for major differences from the subject. The adjustments are not intended to be exact measurements of the differences, but an attempt to bracket the reasonable range of conclusions. A grid outlining the adjustments applied to the comparables is provided below.

IMPROVED SALE ADJUSTMENT GRID					
Comp #	1	2	3	4	5
Unadjusted Price/SF	**$220**	**$223**	**$257**	**$300**	**$327**
Property Rights	0.0%	0.0%	0.0%	0.0%	0.0%
Financing	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale	0.0%	5.0%	0.0%	10.0%	0.0%
Market Conditions	0.0%	0.0%	0.0%	3.0%	3.0%
Subtotal	***$220***	***$234***	***$257***	***$339***	***$337***
Location	0.0%	0.0%	0.0%	0.0%	0.0%
Tenancy	0.0%	0.0%	0.0%	-10.0%	-10.0%
Size	-5.0%	-7.5%	2.5%	0.0%	-2.5%
Age/Quality/Condition	5.0%	5.0%	2.5%	-2.5%	5.0%
Appeal	-2.5%	-2.5%	-2.5%	0.0%	-2.5%
Office Build-Out	10.0%	10.0%	10.0%	5.0%	0.0%
Clear Height	1.5%	2.5%	0.0%	0.0%	2.5%
Loading Doors	-5.0%	0.0%	0.0%	0.0%	0.0%
Access/Exposure	0.0%	-5.0%	0.0%	0.0%	-2.5%
Linkage	0.0%	0.0%	2.5%	2.5%	0.0%
Parking/site coverage	-2.5%	0.0%	0.0%	-2.5%	0.0%
Total Adjustments	**1.5%**	**2.5%**	**15.0%**	**-7.5%**	**-10.0%**
Final Adjusted Price/SF	**$223**	**$240**	**$296**	**$314**	**$303**

Range	**$223**	**to**	**$314**
Average	**$275**		
Median	**$296**		

Summary

After adjustments, the comparables indicate a slightly narrower range from $223/SF to $314/SF, with an average of $275/SF and median of $296/SF. Emphasizing key elements such as market conditions, location, size, age, quality and condition, the data suggests a price per square foot similar to the adjusted average of the comparables, or **$275/SF**, to be appropriate. Therefore, the **as-is leased fee market value - excluding the rent/income loss** by this approach is **$5,640,000** ($275/SF x 20,516 SF; rounded). Deducting the rent/income loss of $90,000, calculated previously in this section, renders an **as-is leased fee market value** of ($5,640,000 leased fee value excluding rent loss - $90,000 rent loss):

$5,550,000

ANALYSIS OF VALUE CONCLUSIONS

The Analysis of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. The following values are indicated by the various approaches:

As-Is Leased Fee Value Indications

Cost Approach:	N/A
Income Capitalization Approach:	$5,750,000
Sales Comparison Approach:	$5,550,000

The Cost Approach has not been presented as discussed previously.

The Income Capitalization Approach most closely resembles the type of analysis utilized by investors in income-producing properties. Most participants involved in buying and selling investment commercial properties are mainly concerned with the income-producing capability of the property. As the Income Approach contains average to good samples of income, expense and capitalization rate data, it is assigned primary weight.

The Sales Comparison Approach is based on a comparison of similar properties that have sold recently in the subject's market. A comparative analysis of the sale price per square foot is used in the Sales Comparison Approach. The strength of this approach depends on the quality and comparability of the market data. The more reliable the comparable sales data, the more accurate the value estimate. This approach contains average to good quality data and is assigned secondary weight.

After considering all factors relevant to the valuation of the subject property, the final market value opinion of the **as-is leased fee interest**, as of September 23, 2024, is:

$5,700,000

Certification of Appraisal

We certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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 Appraisal Institute *Code of Professional Ethics* and *Standards of Professional Appraisal Practice*, which include the *Uniform Standards of Professional Appraisal Practice*.
- The signing appraisers have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- Esra Rice inspected the subject and conducted research, analysis and writing of the appraisal report. Sean S. Yousofy, MAI, MRICS, reviewed the appraisal report.
- Dilek Yilmaz provided significant real property appraisal assistance to the persons signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Esra Rice has completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.
- As of the date of this report, Sean S. Yousofy, MAI, MRICS, has completed the continuing education program for Designated Members of the Appraisal Institute.

Sean S. Yousofy

Sean S. Yousofy, MAI, MRICS
Certified General Real Estate Appraiser
State of California License AG042008

Esra Rice
Certified General Real Estate Appraiser
State of California License 3006719

ADDENDA

Engagement Letter
Legal Description
Insurable Replacement Cost
Qualifications & Licenses

MISSION BANK

September 18, 2024

Reliance Valuation Group
Attn: Sean S. Yousofy, Executive Managing Director
4540 Kearney Villa Road, Suite 110
San Diego, CA 92123

Regarding:	Request for an Appraisal of Real Property
Borrower:	**Reality Church of Ventura**
Property Location:	**1954 Goodyear Avenue** **Ventura CA 93003**

Dear Mr. Yousofy:

Mission Bank requests that you *develop* an *appraisal* of the *real property* described above. The purpose of this *appraisal* is to *develop* an opinion of *market value,* as this term is defined in federal banking regulations. These regulations require that this report to contain an opinion of the "**As-Is lease fee**" market value of this property. **Appraisal report to include Rental Survey and Operating Statement.**

The *assignment results* are to report in the form of an *appraisal report* in narrative format prepared in accordance with requirements of Standards Rule 2-2(a) of the USPAP.

This *appraisal* is to be *developed* for Mission Bank, which is a *federally regulated financial institution,* for use in a *federally related lending transaction.* Your scope of work is required to be consistent with this *intended use* and *intended users.*

Bank acknowledges that Appraiser shall determine the appropriate valuation types to be utilized in determining market value for the Appraisal Report. **However, should You determine that either a "Sales Approach" or "Income Approach" is not an applicable valuation method for this particular Appraisal Assignment, you are to immediately notify Valerie Vickers in writing and await further direction before proceeding with the appraisal engagement**.

Your appraisal and your report must comply at minimum with federal bank regulatory requirements memorialized in the ***Interagency Appraisal and Evaluation Guidelines,*** which include the requirement to comply with the USPAP Standards Rules. **Appraisal Report must also include the Insurable Value, Replacement Cost Value or Actual Cost Value (whichever is applicable) of each structure even if said value is zero.**

The following documents are attached to this assignment letter:

Property Address:	1954 Goodyear Avenue, Ventura CA 93003
Property Description:	CRE: 20,516 square feet of industrial space, currently being used as an office, church and storage.
APN # (s):	084-0-134-205
Items to be Provided:	Prelim and Lease

MISSION BANK

Other Notes:	All three approaches (Cost, Income & Sales) to value to be included
Property Access Contact:	Tim Chaddick 805-947-5010 tim@realityventura.com
Mission Bank Contact:	Valerie Vickers vickersv@missionbank.bank

You have agreed to complete the appraisal report within **7 business days** from the date of this letter for a fee of **$3,250.00** and to deliver one copy of each appraisal, via e-mail to *vickersv@missionbank.bank* by the date specified below.

You agree to respond to any requests for revisions resulting from compliance reviews within three calendar days. You are herewith authorized to communicate directly with the bank's reviewer, regarding all matters of regulatory compliance.

Please advise Valerie Vickers for Mission Bank immediately if you are not able to deliver this appraisal report to the bank by **September 27, 2024**

Mission Bank by:

Valerie Vickers

Valerie Vickers, Credit Services Officer

Date 09/18/2024

Assignment Accepted by:

Sean S. Yousofy

Appraiser Signature/Title

Date 9/19/2024

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF San Buenaventura, COUNTY OF Ventura, STATE OF CA AND IS DESCRIBED AS FOLLOWS:

That portion of Lots 49, 59, 60 and 61 of Tract No. 2776-2, in the City of San Buenaventura, County of Ventura, State of California, as per map recorded in Book 88 Page 36 of Maps, shown as Parcel 7 of Lot Line Adjustment No. ALD-831, recorded September 27, 1999, as Document No. 99-183004 of Official Records, all in the office of the county recorder of said county.

Except from Lots 49, 60 and 61, being that portion of said land lying within the land conveyed to John Taft Electric Company, a California corporation, by a deed recorded June 30, 1977 in Book 4885, Page 889 of Official Records, one-half of all oil, gas and other hydrocarbon or mineral substances in, on and under said land without, however, the right of surface entry upon the surface of said land or the subsurface thereof to a depth of 500 feet from the surface thereof for the purposes of exploring for, drilling, boring, marketing or removing said substances, as reserved by Harried Emma Piduck Wenig, et al,, in said deed.

APN: 084-0-134-205

INSURABLE REPLACEMENT COST ESTIMATE

PROPERTY:	Single-Tenant Industrial/Flex Building
LOCATION:	1954 Goodyear Avenue Ventura, CA
PROPERTY DESCRIPTION:	Single-Tenant Industrial/Flex Building

Marshall & Swift Calculations

Component		Industrials , Light Manufacturing(494)
Size		20,516
Class		C
Marshall Valuation Service Reference:		Sec 14; Pg 14 Feb-22
Base Cost:	$	92.00
Plus (PSF)		
Perishable Site	$	-
Sprinklers	$	3.65
Subtotal:	$	95.65
Multipliers		
Number of Stories:		1.00
Height Per Story:		1.00
Perimeter:		0.95
Calculator Cost:		1.12
Local:		1.21
Non-Perishable Items:		0.90
Adjusted Cost PSF:	$	110.71
Estimated Insurable Replacement Cost:		$2,270,000

Total (Rounded)	**$**	**2,270,000**

Insurance coverage is usually specific to a given project. We have not been provided with the specific policy requirements, which limits the reliability of the conclusion. Insurable value is a matter of underwriting as opposed to valuation. Users of this report should not construe the conclusion of insurable value to be an indication of market value. Additionally, the cost estimate only pertains to the subject condo unit and the true cost would likely be higher if more than one unit is destroyed.

It is also noted that the insurable estimate is made using base costs and multiplier adjustments for market conditions and location from *Marshall Valuation Service*, which is assumed to accurately reflect replacement cost of the subject. We assume no liability as to the subject's insurable replacement cost and recommend that an estimate from a reputable insurance company be obtained if further assurance is required.

Sean S. Yousofy, MAI, MRICS

MANAGING PARTNER
Valuation & Advisory Services

RELIANCE VALUATION GROUP

Sean S. Yousofy, MAI, MRICS, has appraised and imparted consultation on a plethora of property types with various levels of complexity. Examples include prominent high-rise office buildings, power retail centers, residential subdivisions, hotels, multi-family apartment complexes, industrial headquarters/business parks, self-storage facilities, mobile home parks, single-tenant net-leased buildings, vacant land and mixed-use developments. Mr. Yousofy possesses competency and experience in multifarious geographical market areas from coast-to-coast, including, but not limited to, California, Arizona, Nevada, Utah, Colorado, Texas, New York, Virginia, Pennsylvania, Georgia, Florida, Wisconsin, Michigan, Ohio and Illinois.

Sean S. Yousofy, MAI, MRICS, served as the Managing Director of the Los Angeles, San Diego and Carlsbad offices of PGP Valuation / Colliers International from June 2001 to August 2011. Mr. Yousofy was elected *Appraiser of the Year* in 2009 and earned the honor as *Top Firmwide Producer* during 2004 and 2005 at PGP Valuation / Colliers International. Mr. Yousofy's group of seven appraisers was recognized as the firm's Most Valuable Team, an accreditation predicated on the highest levels of production and quality, for four consecutive years.

In August 2011, Sean S. Yousofy, MAI, MRICS, joined Reliance Valuation Group (RVG). As the Executive Managing Director of the San Diego office of RVG, Mr. Yousofy strives to engender a productive and amicable working environment for employees, ameliorate existing relationships with renowned clients, foster new affinities and promulgate firm endeavors.

Professional Affiliations & Accreditations

Member – Appraisal Institute
MRICS Member – Royal Institution of Chartered Surveyors

Education

Graduate: University of California San Diego (UCSD) – 2001
Degrees: Bachelor of Arts in Economics

Appraisal Institute Courses:

- Course 510, Advanced Income Capitalization
- Course 550, Advanced Applications
- Course 540, Report Writing and Valuation Analysis
- Course 530, Advanced Sales Comparison and Cost Approaches
- Course 410, 15-Hour National USPAP
- Course 400G, General Market Analysis and Highest & Best Use
- Course 310, Basic Income Capitalization
- Course 101, Basic Appraisal Procedures
- Course 100, Basic Appraisal Principles

Other Related Courses - University of California San Diego (UCSD):

- Course 120A, Advanced Econometrics
- Course 120B, Advanced Econometrics
- Course 120C, Advanced Econometrics
- Course 100A, Advanced Microeconomics
- Course 100B, Advanced Microeconomics
- Course 100C, Advanced Microeconomics
- Course 111, Monetary Economics
- Course 10A, Calculus
- Course 10B, Calculus
- Course 10C, Calculus

Real Estate Experience

Company: PGP Valuation / Colliers International
Position: Managing Director
Duration: June 2001 to August 2011

Company: Reliance Valuation Group (RVG)
Position: Managing Partner
Duration: August 2011 to Current

State Certifications

Arizona
California
Georgia
Nevada
Illinois
Texas
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Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Shoeyb S. Yousofy

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: AG 042008

Effective Date: February 2, 2023
Date Expires: February 1, 2025

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3069172

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Esra Rice

VALUATION SPECIALIST
VALUATION & ADVISORY SERVICES

Esra Rice is actively involved in commercial real estate appraisals throughout California. She has appraised a wide variety of property types including office buildings, industrial developments, power retail centers, net-leased developments, medical office buildings, auto-related developments, mixed-use developments, vacant land, and multi-family apartment complexes. Esra is a Certified General Appraiser in California and continues to strengthen her credentials through continuing education courses and seminars, while actively pursuing MAI designation.

EDUCATION

Graduate: Istanbul University – 2008
Degree: Bachelor of Arts in Business Administration

Appraisal Institute Courses:

- General Income Capitalization 1 & 2
- General Sales Comparison Approach
- General Report Writing and Valuation Analysis
- General Site Valuation & Cost Approach
- 15-Hour National USPAP
- General Market Analysis and Highest & Best Use
- General Site Valuation & Cost Approach
- Basic Appraisal Principles
- Basic Appraisal Procedures

Other Related Courses – Istanbul University:

- Statistics
- Statistical Analysis
- Macroeconomics
- Microeconomics

REAL ESTATE EXPERIENCE

Company: Reliance Valuation Group (RVG)
Position: Appraiser
Duration: June 2016 to Current

STATE CERTIFICATIONS

California

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Esra Y. Rice

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: 3006719

Effective Date: August 13, 2023
Date Expires: August 12, 2025

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3072595

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