APPRAISAL REPORT
OF A

22-Unit Apartment Property
1262 N Marks Avenue
Fresno, CA 93722

DATE OF VALUE

October 14, 2025 – As Is Value

PREPARED FOR

James Cannizzaro
1262 N Marks Avenue
Fresno, CA 93722

PREPARED BY

Adam J. Hardej, Jr. & Luis Lorca
BAAR REALTY ADVISORS

BAAR File No: 09-25-0758

November 4, 2025

James Cannizzaro
1262 N Marks Avenue
Fresno, CA 93722

RE: 22-Unit Apartment Property
1262 N Marks Avenue
Fresno (City & County), CA 93722
BAAR File No.: 09-25-0758

To Whom It May Concern:

At your request and authorization, BAAR Realty Advisors (BAAR) has prepared an Appraisal Report of the market value of the fee simple interest in the above-referenced real property. The subject property is more fully described, legally and physically, within the enclosed report. This appraisal report has been prepared for lending/credit underwriting purposes. The attached report sets forth the data, research, analyses, and conclusions for this appraisal.

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of and inseparable from this letter.

AS IS MARKET VALUE
Based on research and analysis contained in this report, it is estimated that the market value of the fee simple interest in the subject property, "as is" on October 14, 2025, was:

THREE MILLION ONE HUNDRED THOUSAND DOLLARS
($3,100,000)

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and The Financial Institution Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if BAAR can be of further service, please do not hesitate to contact us.

Respectfully Submitted,

BAAR REALTY ADVISORS
Appraisal Division

Adam J. Hardej, Jr., MAI
President & Chief Appraiser
CA Certified General RE Appr. AG018716
Adam@BAARrealtyadvisors.com
800-851-1855

Luis R. Lorca
Regional Manager & Senior Appraiser
CA Certified General RE Appr. AG030345

CERTIFICATION OF THE APPRAISER

We certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, such as the approval of a loan.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the Financial Institution Reform, Recovery, and Enforcement Act (FIRREA).
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. Adam J. Hardej, Jr. has completed the requirements of the continuing education program of the Appraisal Institute.
8. Luis Lorca (exterior) and David Harless made personal inspections of the property that is the subject of this report. Adam J. Hardej, Jr. has not inspected the subject.
9. No one provided significant professional assistance to the persons signing this report.
10. Adam J. Hardej, Jr. has extensive experience in the appraisal/review of similar property types.
11. Adam J. Hardej, Jr. and Luis Lorca are currently certified in the state where the subject is located.
12. We (Adam J. Hardej, Jr. & Luis Lorca) have performed professional services, as an appraiser or in any other capacity, regarding the property that is the subject of his report within the three-year period immediately preceding acceptance of this assignment.

Adam J. Hardej, Jr.
CA Cert Gen RE Appr, Lic AG018716
Exp. Date: 05/06/27

Luis R. Lorca
CA Cert Gen RE Appr, Lic AG030345
Exp. Date: 03/18/27

SUMMARY OF SALIENT FACTS

Location:	1262 N Marks Avenue, Fresno (City & County), CA 93722
Parcel Number:	449-291-09
Property Description:	One residentially zoned parcel improved with a 22-unit apartment property. Wood-framed improvements constructed circa 1992.
Highest and Best Use	
As Though Vacant:	Multi-Tenant Residential
As Improved:	Existing Apartment Use
Property Rights Appraised:	Fee Simple
Date of Value:	October 14, 2025 – As Is
Land Area	
Gross:	69,360 square feet or 1.5923 acre
Improvements	
Building Area (SF):	21,688 SF (GBA) / 21,359 SF (NRA)
Year Built:	1992
Condition:	Average
Exposure/Marketing Time:	6 months or less.
Valuation (As Complete)	
Cost Approach:	Not applied/applicable
Income Approach:	$2,950,000 ($191,890 NOI / 6.50% Cap Rate)
Sales Comparison Approach:	$3,150,000 ($140,000/Unit & 10.0 GRM)
Final Value	
Conclusion:	$3,100,000 -- As Is Value

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INTRODUCTION

PROPERTY IDENTIFICATION

The subject is comprised of one residentially zoned parcel that measures 69,360 square feet or 1.5923 acre. The property is improved with six structures that combined measure 21,688 square feet. The improvements are single-story wood-framed construction on a concrete slab foundation that were erected circa 1992. The property features 11 2-bedroom units, 10 3-bedroom units, and one 4-bedrooms units. The property is located at 1262 N Marks Avenue, Fresno (City & County), CA 93722. The Assessor's Parcel Number is 449-291-09. There are 24 carport spaces and 10 surface parking spaces. The information provided herein is derived from county records, inspection of the subject property, and data provided by the client.

OWNERSHIP AND PROPERTY HISTORY

According to public records, the subject is currently vested to:

GENEVIEVE CANNIZZARO TRUST

MARLENE F HOLTZCLAW TRUST

The subject has been vested in the same ownership family for several decades. Only inter-ownership transfers have occurred in the recent past. The current ownership is contemplating the sale of the subject. However, no listing of the subject is applicable.

The subject has not been listed for sale in the prior 36 months per review of Costar, Loopnet, and MLS.

LEGAL DESCRIPTION

The Preliminary Report, which would contain a legal description, was not provided for review. See current Preliminary Report for confirmation of legal description.

DATES OF INSPECTION AND VALUATION

The site was last inspected on October 14, 2025. The date of the as is value is the date of our most recent full inspection.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject property, in "as is" condition. Market value is defined as follows:

> Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means 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 knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are 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 own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [1]

As Is Market Value is stated as follows: An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of inspection.

INTENDED USE OF REPORT

This appraisal is for internal decision making/potential sale purposes and no other use.

INTENDED USERS OF REPORT

The intended user of this report is James Cannizzaro and their assigns.

PROPERTY RIGHTS APPRAISED

The value estimated represents the fee simple interest.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

The following steps were completed by BAAR for this assignment:

1. Analyzed regional, city, neighborhood, site, and improvement data.
2. Inspected the subject and the neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and city services.
4. Considered comparable improved sales, comparable improved building rental information, and comparable site sales. Confirmed data with principals, managers, or real estate agents representing principals, unless otherwise noted.
5. Analyzed the data to arrive at conclusions via each approach to value used in this report.
6. Reconciled the results of each approach to value employed into a probable range of market data and finally an estimate of value for the subject, as defined herein.
7. Estimated a reasonable exposure time associated with the value estimate.

The subject site and improvement descriptions are based on a personal inspection of the property, knowledge of construction techniques, and review of the relevant plat maps. The inspection is

[1] The definition of market value is taken from: The Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Third Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 1992 edition. This definition is also compatible with the OTS, RTC, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

not a substitute for thorough engineering studies. To develop the opinion of value, BAAR performed a complete and thorough appraisal process considering all approaches to value. This report fully conforms to appraisal guideline as defined by the Uniform Standards of Professional Appraisal Practice as of 2024/25.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Standards of Professional Appraisal Practice. In this appraisal, BAAR has considered all known applicable approaches to value, but utilized the sales comparison and income approaches per the scope of work identified by the client. The value conclusion reflects all known information about the subject property, market conditions, and available data.

This Appraisal Report incorporates a practical explanation of the data, reasoning and analysis that were used to develop the opinion of value. It also includes summarized descriptions of the subject property and the market for the subject property type. All data considered significant that was requested for this assignment was received by BAAR. David Harless assisted in setting up the inspection and taking some of the photographs during his interior inspection and George Murry has provided administrative assistance. As noted in the certification, Luis Lorca has also performed an inspection of the subject and performed market research, data confirmation and analysis in the completion of this appraisal report.

PERSONAL PROPERTY

Items of personal property are included in the analysis. The depreciated value of the FF&E is estimated at $1,500 per unit or $33,000. The depreciated value of the FF&E is included in the final value conclusion.

COMPETENCY

The appraiser notes and warrants that in accordance with the provisions of USPAP, they are competent to perform an appraisal of the property that is the subject of this appraisal analysis. Specifically, it is noted that as of the effective date of the appraisal Adam J. Hardej, Jr. and Luis Lorca have performed appraisals of apartment properties located in Fresno and throughout California. In preparation for this appraisal assignment, numerous individuals were interviewed with respect to the subject, the subject within the greater marketplace, and other factors as appropriate that would lead to a better understanding of the market and the subject's place therein. Given all of these factors, the appraisers believe that they are competent to perform the appraisal assignment in an appropriate manner on behalf of the client.

EXTRAORDINARY ASSUMPTIONS AND/OR HYPOTHETICAL CONDITIONS

The subject is an apartment property that is investor owned. Financial information related to the subject was provided and reconstructed herein. It is an Extraordinary Assumption of this report that the financial information is accurate and reflects the subject's current operating level.

Any changes to these Extraordinary Assumptions may lead to alternate values applying and their use may have affected the assignment results.

There are no Hypothetical Conditions within the report.

EXPOSURE/MARKETING TIME

Based upon a review of recent sales transactions in the subject market area and interviews with market participants, along with inspection and evaluation of the subject property, 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 As Is as of the date of value of this appraisal is estimated to be six (6) months. I forecast that this is a reasonable time of exposure under current market conditions to sell the subject at the appraised value. It is also necessary to estimate the appropriate "exposure time" which is defined as the amount of time from when a property is available for sale to the date on which it enters escrow. Based on a review of the above data, the "exposure time" and "marketing time" for the subject property are estimated to be the same.

SIGNIFICANT OBSERVATIONS, RECOMMENDATIONS AND IMPORTANT ISSUES:

None noted. See Extraordinary Assumptions herein.

AREA ANALYSIS

The dynamic nature of economic relationships within a market area has a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

Since real estate is an immobile asset, economic trends affecting its location quality in relation to other competing properties within its market area will also have a direct effect on its value as an investment. To accurately reflect such influences, it is necessary to examine the past and probable future trends, which may affect the economic structure of the market and evaluate their impact on the market potential of the subject. This section of the report is designed to isolate and examine the discernible economic trends in the region and neighborhood, which influence and create value for the subject property.

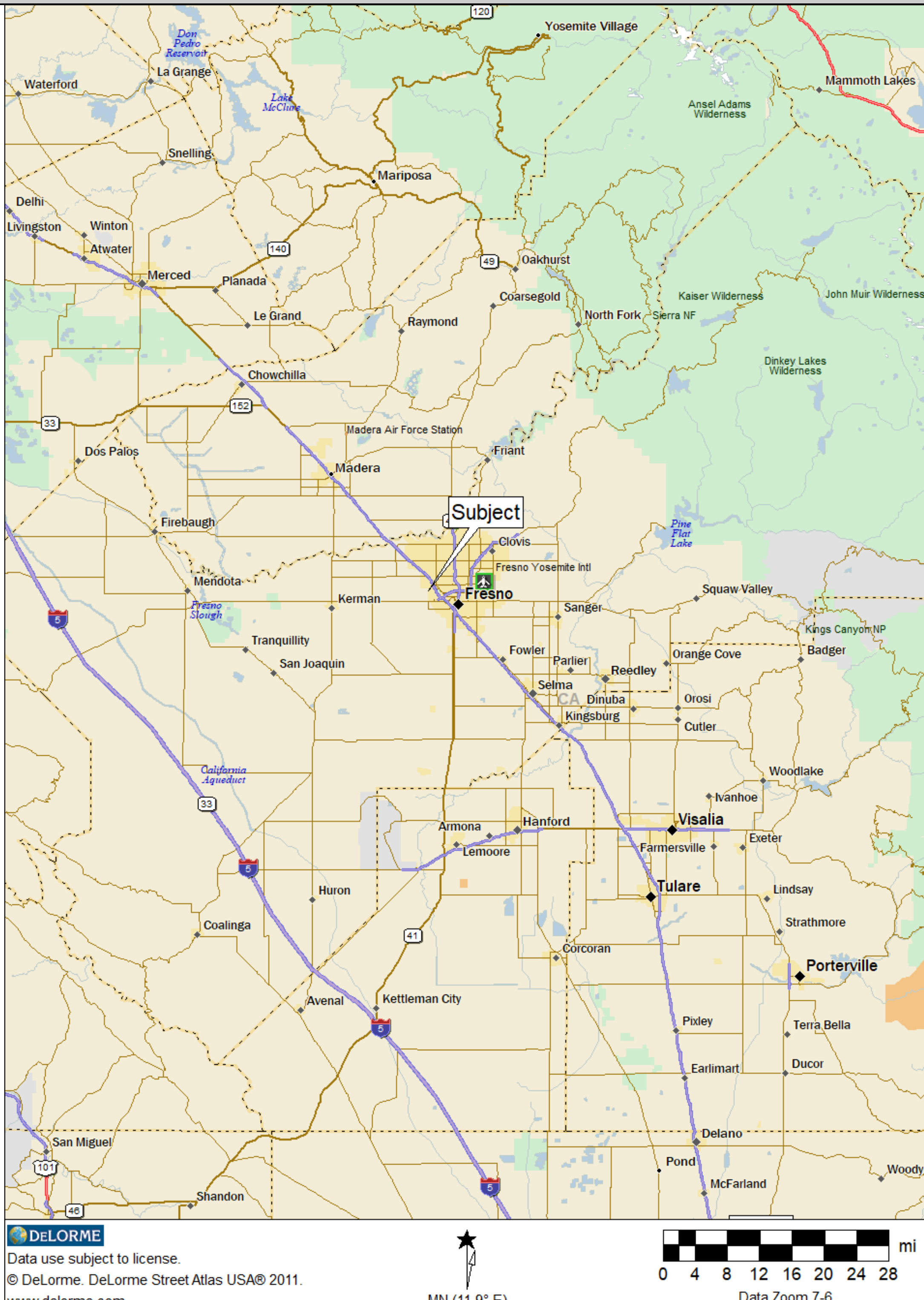
REGIONAL ANALYSIS

The Central Valley is 450 miles long, 40 to 60 miles wide, and contains 42,000 square miles. Geographically, the Central Valley can be divided into the northern Sacramento Valley (made up of ten counties) and the southern San Joaquin Valley (made up of eight counties).

As of 2021, the estimated population of the Central Valley was in excess of 6.5 million people, or about one-sixth of the state's population. The largest cities include: Fresno, Sacramento, Bakersfield, Stockton and Modesto, all with populations in excess of 200,000. Population growth has resulted from a combination of natural increase and migration. The Central Valley contains an abundance of undeveloped land, which is low in price relative to that in the more developed coastal areas. On the negative side, much of the land is prime agriculture land and there has been increasing resistance to the loss of farmland for development.

Much of the Central Valley is agricultural land and therefore has a seasonal employment base. State Government is the largest employer in the region. Other large employers include Sutter Health, Kaiser Permanente, Mercy Healthcare, Raley's Supermarkets, Hewlett-Packard, Pacific Bell, Packard Bell, Intel, UPS, Bank of America, NEC Electronics, US Computer Systems, Blue Diamond Growers, Campbell Soup Company, and the Sacramento Bee Newspapers. The economy has become increasingly diverse as technology companies seek lower cost locations as compared to the San Francisco Bay Area. This region also has a fairly well educated population base as compared to other regions within the State, but includes a large, unskilled migrant farm worker segment.

REGIONAL MAP



Compiled by: BAAR

FRESNO COUNTY

The Greater Fresno region is typically defined as all of Fresno County, Madera, Firebaugh and Chowchilla in Madera County; Hanford, Lemoore in Kings County; and Dinuba, Monson and Travers in Tulare County. This region is part of California's Central Valley, the nation's leading agricultural area with more than eleven million acres of irrigated land. The City of Fresno is located approximately 200 miles southeast of San Francisco and 225 miles north of Los Angeles.

Fresno is located in California's fertile central valley where agriculture is the main force of the area's economy; its agriculture output serves both the San Francisco and Los Angeles markets. Over 500 trucking and warehouse facilities support the areas operations as well as two railways. According to recent estimates, the Fresno Metropolitan Area has a population of 942,904.

Fresno has strong residential occupancy rates. Current occupancy rates are above 95% based on our discussions with local property managers and investors. Rental rates increased in recent years. Signs of market distress in the residential housing sector have appeared with median home prices in decline, notices of default and foreclosures at, or near, ten-year highs. Multi-family residential rental rates appear to be stable with moderate increases foreseen in the near future.

Two major freeways serve the Fresno region: Interstate 99 connects Sacramento to the north and Bakersfield, and other cities to the south. Interstate 5, located 35 miles west of the subject, is the main north-south route through the interior of California; it travels from Mexico to Canada. Highway 180 serves as the main east-west freeway in the Fresno area.

Fresno County's unemployment rate was at 8.1% as of December 2017. The relatively high unemployment rate is typical of the Central Valley where employment is heavily dependent to agriculture related jobs, which tend to be seasonal. The economic profile for Fresno County shows a broad range of employment opportunities in growing industries such as call centers and back office operations, light assembly, packaging, and distribution/warehousing. Other thriving sectors include medical, financial and technological support services.

ECONOMY

The Fresno economy added workers quicker than the national average every quarter from 2013–19, but as in the wider U.S., job losses soared thanks to the coronavirus pandemic and unemployment remains inflated.

Like virtually all of the Central Valley, agriculture drives the local economy. Fresno County's agricultural industry contributes around $8 billion annually to the California economy and supports roughly 20% of all local jobs; the metro Is one of the top-producing agricultural regions in the nation. However, the reliance on agriculture also exposes this area to fluctuations in the market and external forces such as the weather. The drought that California has been subject to in recent years caused farmers to increasingly tap into their well water reserves, which grew expenses for drilling deeper wells and pumping energy costs. Moreover, low water availability reduces crops, meat production, lower wages for employees, and higher food prices for consumers. Tariffs on crop exports to countries such as China create an added concern.

Leading up to the pandemic, education and health services was easily seeing the strongest job growth here before the sector shed approximately 7% of its workers between March and May of 2020 year because of the initial stay-at-home mandate. While many jobs have returned, education and health services lost more than 2,000 employees between December and January.

Employment was about 3% below the peak as of the Bureau of Labor Statistics February update. Trade, transportation, and utilities, largely thanks to retail trade, contracted by about 8% between February and May of 2021. However, employment as of the February jobs report was up compared to one year ago due to strong gains in transportation and warehousing. Leisure and hospitality jobs fell by roughly 37% between February and April of 2021, but with California relaxing social distancing mandates, a modest 800 jobs were added in March. Employment in leisure and hospitality remains about 25% below the Feb. 2020 peak.

Fresno typically sees little growth in office-using employment. Professional and business services and financial activities, two sectors predominantly made up of office-using jobs, were seeing limited gains even before the onset of the virus. The government also accounts for a number of office-using jobs and is one of the metro's largest employment nodes. That sector can typically be counted on to help buttress employment during downturns, but with tax revenue falling, government jobs are approximately 10% below the peak.

A boost for the local economy appears to be on the horizon, with Southwest Airlines announcing it plans to add service to Fresno Yosemite International Airport starting this spring. The airport brought more than $900 million to the region in 2019, and it is estimated that the presence of Southwest could increase that figure by $140 million.

Compared to its Central Valley counterparts, Fresno leads downtown revitalization. A $16 million federal grant to reconstruct the withering Fulton Mall Corridor jumpstarted development downtown. Once known as downtown's Main Street, two-way traffic roadways and bike paths have replaced the pedestrian mall while preserving many historical features. The project has improved downtown's accessibility, aesthetics, and commercial viability for current and prospective businesses. Chukchansi Park, home to the Fresno Grizzlies minor league baseball team, is located steps away from Fulton Mall. And Bitwise Industries, an ambitious startup reportedly responsible for creating roughly 1,000 tech jobs in the metro, occupies around 25,000 SF of office space at its nearby headquarters.

Economy

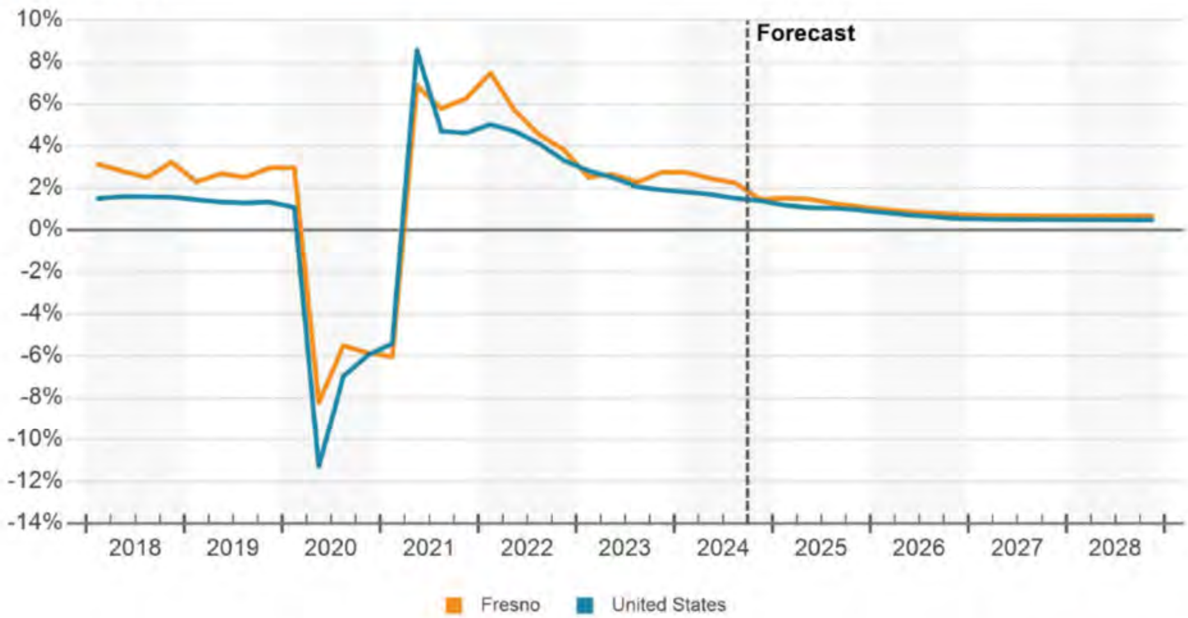
Fresno Retail

FRESNO EMPLOYMENT BY INDUSTRY IN THOUSANDS

	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
Industry	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	27	0.8	-0.97%	0.09%	0.97%	0.54%	0.38%	0.35%
Trade, Transportation and Utilities	78	1.1	1.82%	0.82%	2.26%	0.96%	0.56%	0.31%
Retail Trade	41	1.0	1.09%	0.52%	1.06%	0.17%	0.41%	0.21%
Financial Activities	13	0.5	-2.49%	0.46%	-0.20%	1.45%	0.12%	0.41%
Government	79	1.3	1.84%	1.80%	1.81%	0.66%	0.66%	0.49%
Natural Resources, Mining and Construction	24	1.1	1.58%	2.37%	5.05%	2.24%	0.87%	0.88%
Education and Health Services	88	1.3	3.95%	3.24%	4.37%	2.08%	1.23%	0.82%
Professional and Business Services	33	0.6	-0.15%	0.66%	0.42%	1.73%	0.60%	0.62%
Information	3	0.4	-4.54%	0.01%	-3.83%	0.93%	0.09%	0.56%
Leisure and Hospitality	39	0.9	-0.81%	1.51%	2.27%	1.39%	1.12%	0.93%
Other Services	15	1.0	3.87%	1.12%	2.58%	0.59%	0.67%	0.54%
Total Employment	**398**	**1.0**	**1.53%**	**1.41%**	**2.33%**	**1.29%**	**0.78%**	**0.59%**

Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

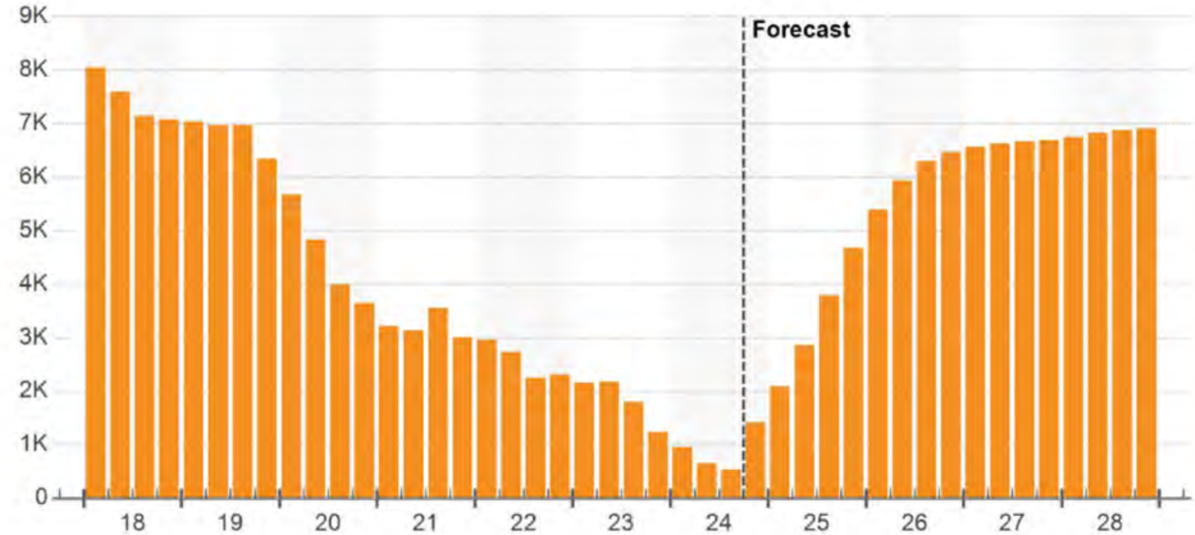


Source: Oxford Economics

Economy

Fresno Retail

NET POPULATION CHANGE (YOY)



DEMOGRAPHIC TRENDS

	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
Demographic Category	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,018,259	337,189,031	0.1%	0.6%	0.5%	0.5%	0.6%	0.5%
Households	332,731	132,457,609	0.3%	0.7%	0.9%	0.9%	0.7%	0.6%
Median Household Income	$74,469	$78,363	3.8%	2.3%	5.5%	3.9%	4.0%	3.7%
Labor Force	468,944	168,807,828	0.8%	0.6%	0.7%	0.8%	0.6%	0.4%
Unemployment	8.5%	4.2%	0.8%	0.5%	-0.3%	-0.2%	-	-

Source: Oxford Economics

POPULATION GROWTH

LABOR FORCE GROWTH

INCOME GROWTH

Source: Oxford Economics

CITY OF FRESNO

The subject property is located in Fresno, approximately 175 miles southeast of San Francisco on Highway 99. The city of Fresno encompasses roughly 100 square miles and is the largest community in the southern San Joaquin Valley with a population of approximately 501,362 as of July 2011. Fresno is nestled along Highway 99 in Fresno County and is considered by Forbes Magazine to be the 89th out of 200 cities for the Forbes 2000 “Best Places” list and was awarded an All-American City Award for 2000. Located in the center of the world’s richest agricultural region, Fresno is larger than both St. Louis and Atlanta.

Fresno is culturally diverse with over 85 languages spoken in the schools due to the influx of immigrant groups. Fresno is also in the midst of rapid growth, having doubled in size in less than 20 years. The greatest development emphasis is in the northern sector although most properties, including the subject’s area, are experiencing modest growth.

Agriculture is the predominant industry within the Fresno area. The area is also known as a distribution hub for trucking and warehousing firms. Two railways operate intermodal facilities in Fresno County and serve all points north, south and east. The nation's largest parcel carriers, UPS, FedEx and DHL, all operate out of the Fresno-Yosemite International Airport.

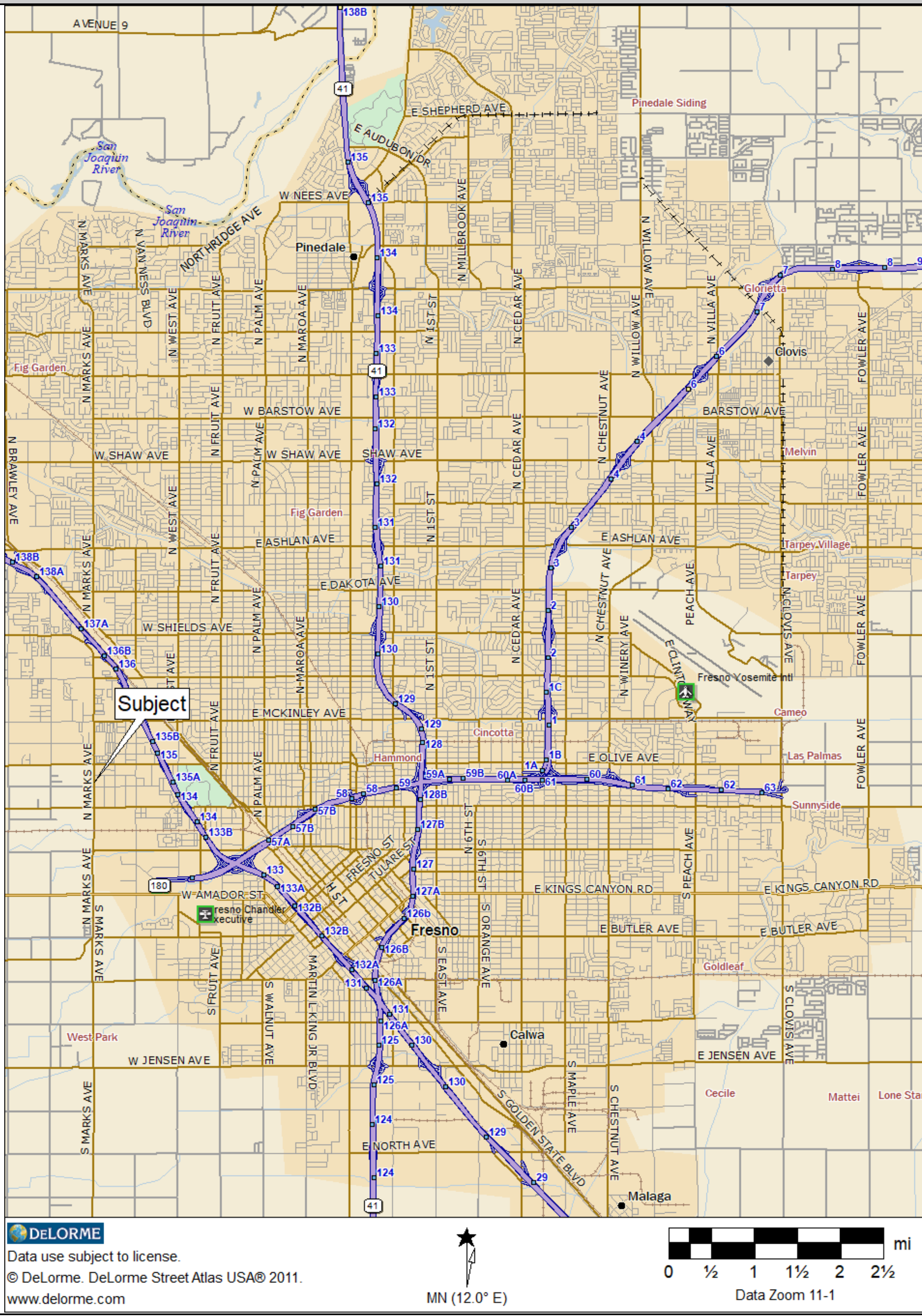
The following tables summarize the demographics from a 1, 3, and 5 mile radius of the subject.

Radius	1 Mile		3 Mile		5 Mile	
Population						
2029 Projection	8,145		108,191		270,924	
2024 Estimate	7,996		106,430		265,583	
2020 Census	7,921		106,653		261,196	
Growth 2024 - 2029	1.86%		1.65%		2.01%	
Growth 2020 - 2024	0.95%		-0.21%		1.68%	
2024 Population by Age	**7,996**		**106,430**		**265,583**	
Age 0 - 4	581	7.27%	7,546	7.09%	18,500	6.97%
Age 5 - 9	654	8.18%	8,045	7.56%	19,848	7.47%
Age 10 - 14	704	8.80%	8,788	8.26%	21,854	8.23%
Age 15 - 19	647	8.09%	8,250	7.75%	20,728	7.80%
Age 20 - 24	589	7.37%	7,553	7.10%	19,065	7.18%
Age 25 - 29	622	7.78%	7,917	7.44%	19,730	7.43%
Age 30 - 34	632	7.90%	8,593	8.07%	21,067	7.93%
Age 35 - 39	571	7.14%	8,154	7.66%	19,885	7.49%
Age 40 - 44	491	6.14%	7,076	6.65%	17,364	6.54%
Age 45 - 49	418	5.23%	6,018	5.65%	14,924	5.62%
Age 50 - 54	408	5.10%	5,530	5.20%	13,762	5.18%
Age 55 - 59	405	5.07%	5,116	4.81%	12,749	4.80%
Age 60 - 64	397	4.96%	5,122	4.81%	12,802	4.82%
Age 65 - 69	323	4.04%	4,469	4.20%	11,271	4.24%
Age 70 - 74	223	2.79%	3,325	3.12%	8,590	3.23%
Age 75 - 79	154	1.93%	2,313	2.17%	6,197	2.33%
Age 80 - 84	92	1.15%	1,310	1.23%	3,557	1.34%
Age 85+	86	1.08%	1,308	1.23%	3,691	1.39%
Age 65+	878	10.98%	12,725	11.96%	33,306	12.54%
Median Age	**31.60**		**33.00**		**33.10**	
Average Age	**33.80**		**34.70**		**35.00**	

Radius	1 Mile		3 Mile		5 Mile	
2024 Population by Occupation	**5,674**		**84,168**		**206,457**	
Real Estate & Finance	87	1.53%	2,098	2.49%	5,340	2.59%
Professional & Management	742	13.08%	16,490	19.59%	40,811	19.77%
Public Administration	139	2.45%	2,909	3.46%	6,927	3.36%
Education & Health	653	11.51%	10,236	12.16%	24,924	12.07%
Services	632	11.14%	10,048	11.94%	25,255	12.23%
Information	59	1.04%	679	0.81%	1,567	0.76%
Sales	397	7.00%	8,820	10.48%	23,685	11.47%
Transportation	13	0.23%	766	0.91%	2,339	1.13%
Retail	344	6.06%	4,771	5.67%	11,626	5.63%
Wholesale	99	1.74%	1,469	1.75%	3,203	1.55%
Manufacturing	272	4.79%	3,018	3.59%	7,507	3.64%
Production	628	11.07%	7,458	8.86%	17,016	8.24%
Construction	352	6.20%	4,312	5.12%	9,913	4.80%
Utilities	268	4.72%	3,388	4.03%	7,699	3.73%
Agriculture & Mining	442	7.79%	2,722	3.23%	6,870	3.33%
Farming, Fishing, Forestry	399	7.03%	2,430	2.89%	5,804	2.81%
Other Services	148	2.61%	2,554	3.03%	5,971	2.89%
2024 Worker Travel Time to Job	**2,896**		**42,538**		**103,439**	
<30 Minutes	1,826	63.05%	32,149	75.58%	78,583	75.97%
30-60 Minutes	963	33.25%	8,264	19.43%	19,869	19.21%
60+ Minutes	107	3.69%	2,125	5.00%	4,987	4.82%
2020 Households by HH Size	**2,376**		**34,348**		**82,826**	
1-Person Households	496	20.88%	8,156	23.75%	19,251	23.24%
2-Person Households	535	22.52%	8,464	24.64%	20,859	25.18%
3-Person Households	380	15.99%	5,558	16.18%	13,525	16.33%
4-Person Households	378	15.91%	5,033	14.65%	12,205	14.74%
5-Person Households	297	12.50%	3,568	10.39%	8,399	10.14%
6-Person Households	169	7.11%	2,030	5.91%	4,695	5.67%
7 or more Person Households	121	5.09%	1,539	4.48%	3,892	4.70%
2024 Average Household Size	**3.20**		**3.00**		**3.00**	
Households						
2029 Projection	2,439		34,782		85,947	
2024 Estimate	2,395		34,222		84,229	
2020 Census	2,377		34,349		82,827	
Growth 2024 - 2029	1.84%		1.64%		2.04%	
Growth 2020 - 2024	0.76%		-0.37%		1.69%	

Radius	1 Mile		3 Mile		5 Mile	
2024 Households by HH Income	**2,395**		**34,221**		**84,229**	
<$25,000	995	41.54%	9,980	29.16%	22,907	27.20%
$25,000 - $50,000	599	25.01%	7,410	21.65%	18,371	21.81%
$50,000 - $75,000	358	14.95%	5,783	16.90%	15,099	17.93%
$75,000 - $100,000	263	10.98%	4,025	11.76%	9,387	11.14%
$100,000 - $125,000	72	3.01%	2,598	7.59%	6,671	7.92%
$125,000 - $150,000	24	1.00%	1,630	4.76%	3,831	4.55%
$150,000 - $200,000	40	1.67%	1,464	4.28%	4,157	4.94%
$200,000+	44	1.84%	1,331	3.89%	3,806	4.52%
2024 Avg Household Income	**$47,003**		**$67,521**		**$70,514**	
2024 Med Household Income	**$33,699**		**$49,123**		**$51,350**	
2024 Occupied Housing	**2,396**		**34,222**		**84,229**	
Owner Occupied	1,070	44.66%	15,624	45.65%	37,896	44.99%
Renter Occupied	1,326	55.34%	18,598	54.35%	46,333	55.01%
2020 Housing Units	**1,812**		**34,205**		**86,393**	
1 Unit	1,060	58.50%	23,263	68.01%	57,391	66.43%
2 - 4 Units	376	20.75%	4,038	11.81%	11,291	13.07%
5 - 19 Units	205	11.31%	4,494	13.14%	11,140	12.89%
20+ Units	171	9.44%	2,410	7.05%	6,571	7.61%
2024 Housing Value	**1,070**		**15,623**		**37,896**	
<$100,000	586	54.77%	2,206	14.12%	4,261	11.24%
$100,000 - $200,000	112	10.47%	2,115	13.54%	5,321	14.04%
$200,000 - $300,000	147	13.74%	6,094	39.01%	12,437	32.82%
$300,000 - $400,000	120	11.21%	2,933	18.77%	7,549	19.92%
$400,000 - $500,000	48	4.49%	685	4.38%	3,356	8.86%
$500,000 - $1,000,000	36	3.36%	1,306	8.36%	4,086	10.78%
$1,000,000+	21	1.96%	284	1.82%	886	2.34%
2024 Median Home Value	**$91,296**		**$257,277**		**$275,307**	
2024 Housing Units by Yr Built	**2,530**		**36,185**		**89,310**	
Built 2010+	131	5.18%	1,909	5.28%	6,685	7.49%
Built 2000 - 2010	202	7.98%	3,229	8.92%	7,258	8.13%
Built 1990 - 1999	306	12.09%	3,333	9.21%	7,918	8.87%
Built 1980 - 1989	239	9.45%	3,165	8.75%	8,952	10.02%
Built 1970 - 1979	732	28.93%	5,642	15.59%	14,622	16.37%
Built 1960 - 1969	239	9.45%	4,977	13.75%	11,569	12.95%
Built 1950 - 1959	393	15.53%	6,179	17.08%	16,242	18.19%
Built <1949	288	11.38%	7,751	21.42%	16,064	17.99%
2024 Median Year Built	**1974**		**1967**		**1970**	

CITY MAP



Compiled by: BAAR

NEIGHBORHOOD

The subject is located in an unincorporates area of Fresno County that is just west of the incorporated area of the City of Fresno. The area includes low density uses and there are agricultural uses moving west. The properties in the area have average market appeal and average market acceptance. We estimate that the vacancy rate in the immediate area is between 4% and 8% for all uses. The neighborhood as well as its infrastructure is suburban. The properties in the area generally reflect fair to average levels of maintenance and condition and the market appeal and acceptance of the properties is average. The neighborhood is in the stable stage of its life cycle.

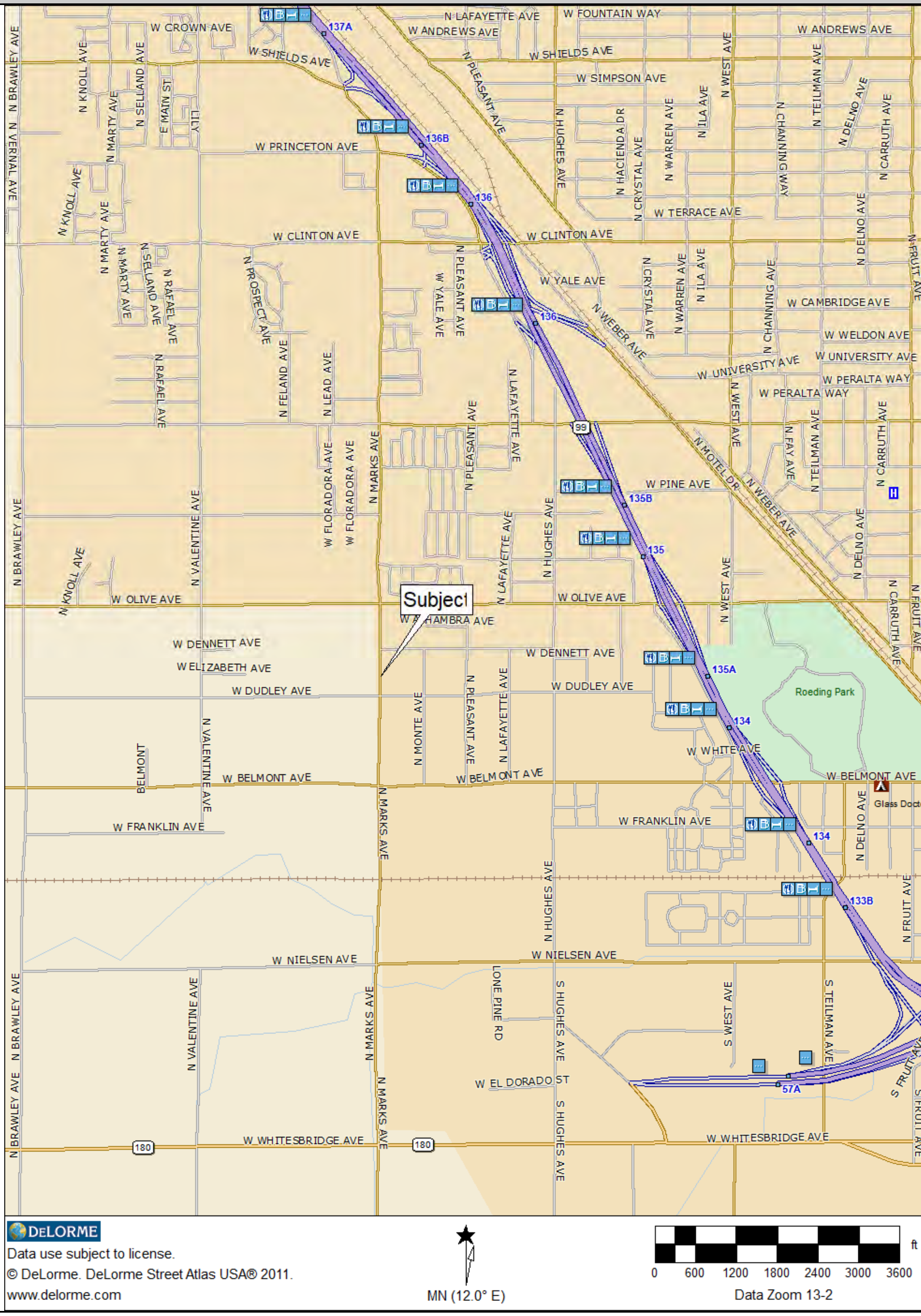
NEIGHBORHOOD RATINGS

	Ex	Gd	Av	Fr	Pr
Maintenance / Condition			X		
Property Compatibility			X		
Appeal / Appearance			X		
Protection / Adverse Influence			X		
Development Potential			X		
Rental Demand			X		
Transportation / Access			X		
Police / Fire Protection			X		

Conclusion

The neighborhood has features and qualities, which contribute to a positive demand for real estate. All utilities are available throughout the neighborhood and the improvements in the area are generally in average condition. The streets and other public areas are also in average condition, and parking is adequate. The subject property benefits from the features of the neighborhood. The subject is conveniently located and sufficiently supported by nearby uses.

NEIGHBORHOOD MAP



Compiled by: BAAR

MARKET OVERVIEW

With average asking rents of $1,470/unit, Fresno is one of the most cost-effective markets in California and remains on solid footing midway through 2025. Renters make up nearly half of Fresno's population, and the high proportion of renters is a driving factor behind the market's low vacancy rate of 4.7%, which sits roughly three percentage points below the national average.

The Fresno multifamily market recorded 470 units of absorption over the past year, roughly 40% lower than the five-year pre-pandemic average. The top end of the market continues to drive demand for the broader market with roughly 360 units in the 4 and 5 Star category absorbed in the past year. However, Fresno's 1 and 2 Star inventory has faced challenges in maintaining occupancies due to competition from new affordable housing projects that have recently delivered to the market or nearby markets. Demand in this category has pulled back by roughly -140 units in the past year.

Construction activity has slowed with 96 units underway, down from the peak of 1,600 units under construction in mid-2021. Local developers cite slower rent growth, and high construction and financing costs for the pullback in construction starts. Reduced construction and low vacancy have not resulted in upward pressure on rents, up by only 1.6% year over year, down from the high of 12.1% set in 21Q3. Low rents and slow population growth make Fresno a stable market with limited capacity for rapid increases in value or cash flows.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	6,395	5.3%	$2,005	$1,994	5	0	96
3 Star	20,270	4.4%	$1,586	$1,575	3	0	0
1 & 2 Star	29,967	4.7%	$1,228	$1,218	1	0	0
Market	**56,632**	**4.7%**	**$1,469**	**$1,459**	**9**	**0**	**96**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0% (YOY)	4.9%	4.3%	7.1%	2004 Q2	1.8%	2021 Q1
Absorption Units	470	360	125	1,139	2021 Q1	(680)	2001 Q4
Delivered Units	499	401	83	1,287	2022 Q3	23	2018 Q4
Demolished Units	0	7	3	66	2018 Q2	0	2025 Q3
Asking Rent Growth	1.6%	3.0%	2.3%	12.1%	2021 Q3	-5.0%	2009 Q4
Effective Rent Growth	1.5%	3.0%	2.3%	12.3%	2021 Q3	-5.1%	2009 Q4
Sales Volume	$108M	$134.5M	N/A	$385.9M	2018 Q3	$9.4M	2010 Q1

VACANCY

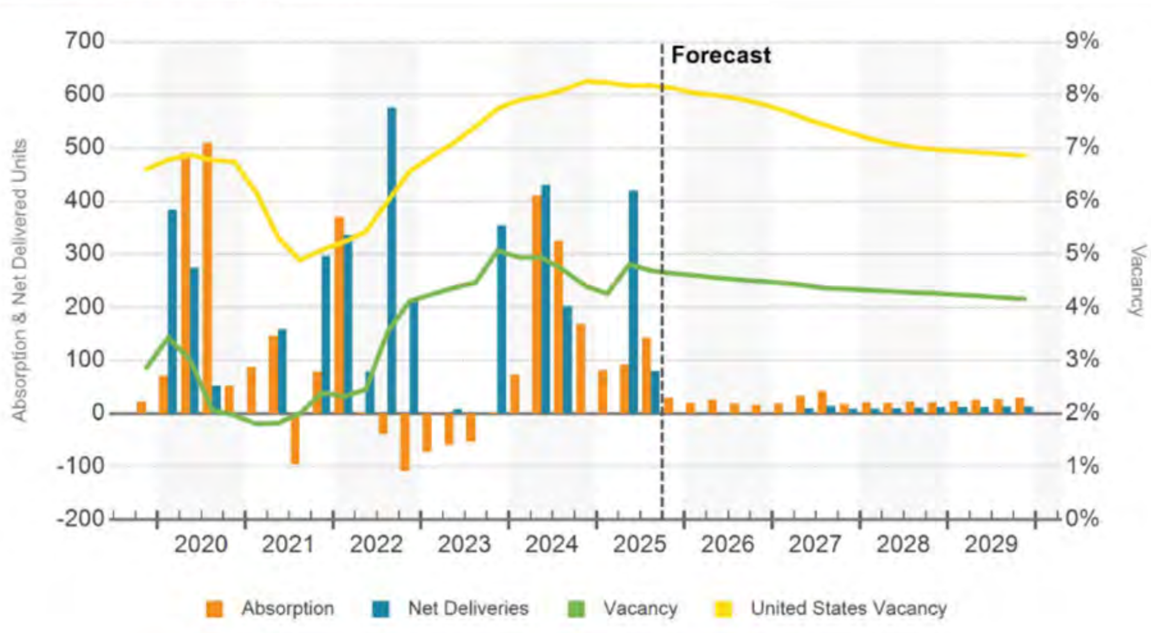
Demand has pulled back in recent quarters in the Fresno multifamily market. Annual net absorption remains healthy at 470 units, but the gains occurred in the second half of 2024. Since the beginning of 2025, net absorption has been essentially flat.

The recent pullback can be partially attributed to negative net absorption in the 1 and 2 Star category, which encompasses units that are on the more affordable side of the spectrum. Annual net absorption amounts to -140 units in this segment of the market. Landlords are competing with recently delivered affordable housing projects, located within the Fresno market or nearby.

Demand was concentrated in the luxury 4 & 5 Star segment with 360 units absorbed in the past year. New units delivering to the market at this price point have provided tenants with plenty of options. While demand has remained at healthy levels, the new supply has put upward pressure on vacancies. Vacancy in the 4 and 5 Star segment remains the most elevated at 5.3%. For comparison, vacancy in 3 Star properties sits at 4.4%, and vacancy in 1 and 2 Star properties sits at 4.7%.

Roughly 96 units are currently under construction, down from the peak of 1,600 units in mid 2021. The swift deceleration of new development will likely lead to a stable rental market in the year ahead, providing landlords with leverage to reduce concessions and raise rental rates.

ABSORPTION, NET DELIVERIES & VACANCY

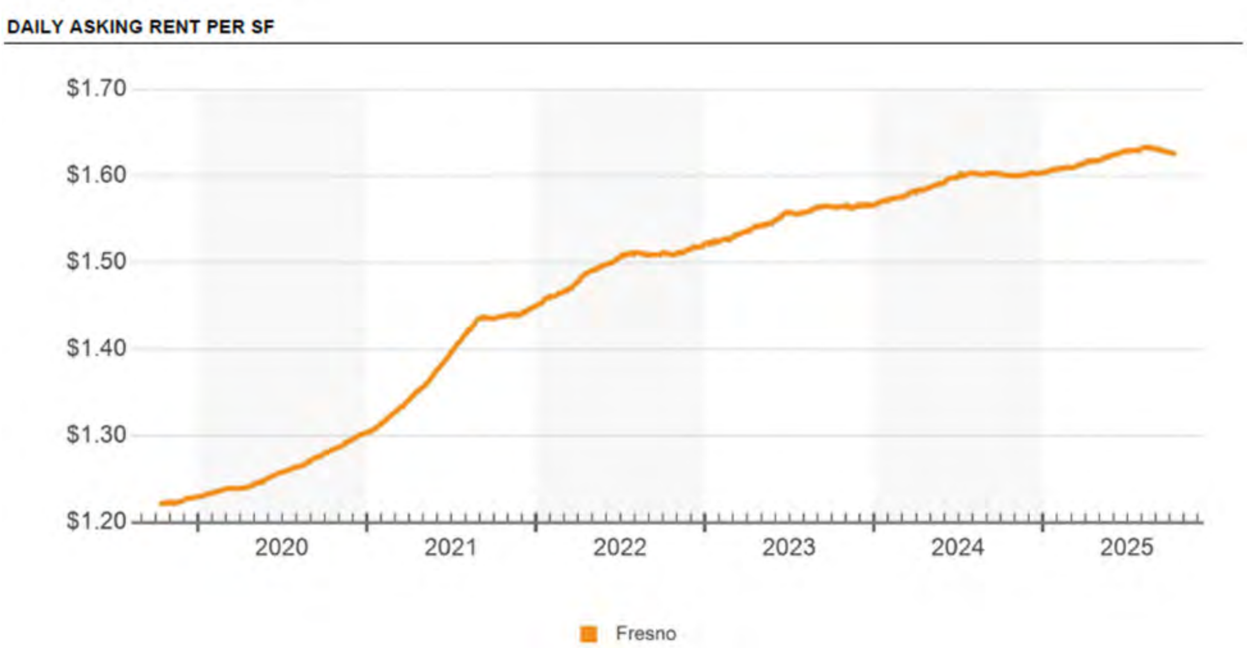


RENT

Reduced construction and low vacancy have not resulted in upward pressure on rents, up by only 1.6% year over year, down from the high of 12.1% set in 21Q3. With an average rent of $1,470/month, Fresno remains as an affordable option across California's markets.

Demand is concentrated at the top end of the market with roughly 360 units absorbed in the 4 and 5 Star category in the past year. Rents have held up best in this segment of the market, increasing by 1.6% annually.

Construction activity has downshifted. With little competition from new construction, properties are less reliant on leasing incentives to attract renters. Properties that were offering two months or more of free rent are now offering nothing. There are a handful of properties offering limited incentives, but nothing approaching the two months of free rent that was common when construction completions were high and net absorption was struggling. With a lack of supply side pressure in the year ahead, landlords with likely have more leverage to raise rates.



SALES

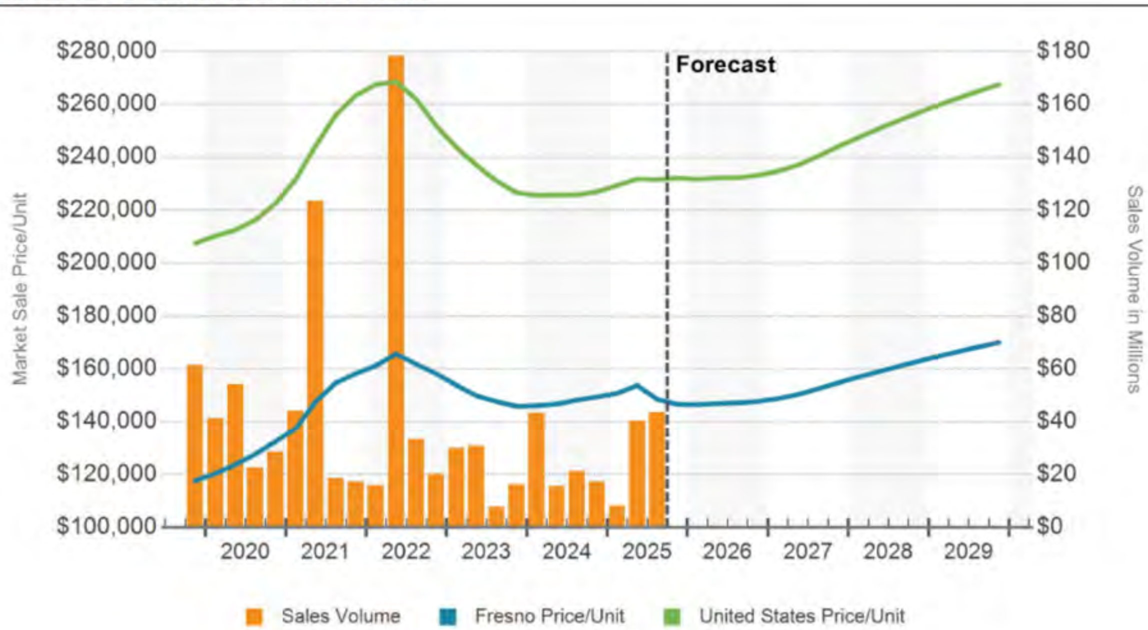
Fresno multifamily investment activity has pulled back, amounting to $108 million annually. Lower transaction levels are primarily a result of higher interest rates, but lackluster rent growth and increasing vacancy have contributed to the overall slowdown in activity.

Fresno is dominated by private investors, which have accounted for 85% of acquisitions over the past year. Unlike many other markets, that percentage has been relatively unchanged over the past year, with many of the same firms active.

The largest sale of 2024 occurred in March, when The Lofts at Stadium Square, located at 1577 East Bulldog Lane in the North Fresno Submarket, sold. The 3 Star, 232-unit property was built in 1974 but renovated in 2014. Consisting of one- and two-bedroom units, it was acquired as a debt assumption for $30 million ($129,000/unit). It was 100% leased when it traded to Graceada Partners, an extremely active private investor in Central Valley.

Most transactions are much smaller. Deals above $5 million have become rare, with only four closing in 2024. The lack of sales activity is mostly due to fears that valuations have yet to bottom out. Investor activity in the region is not expected to increase rapidly in 2025, as additional increases in cap rates are expected to rise throughout the remainder of the year.

SALES VOLUME & MARKET SALE PRICE PER UNIT



SITE ANALYSIS

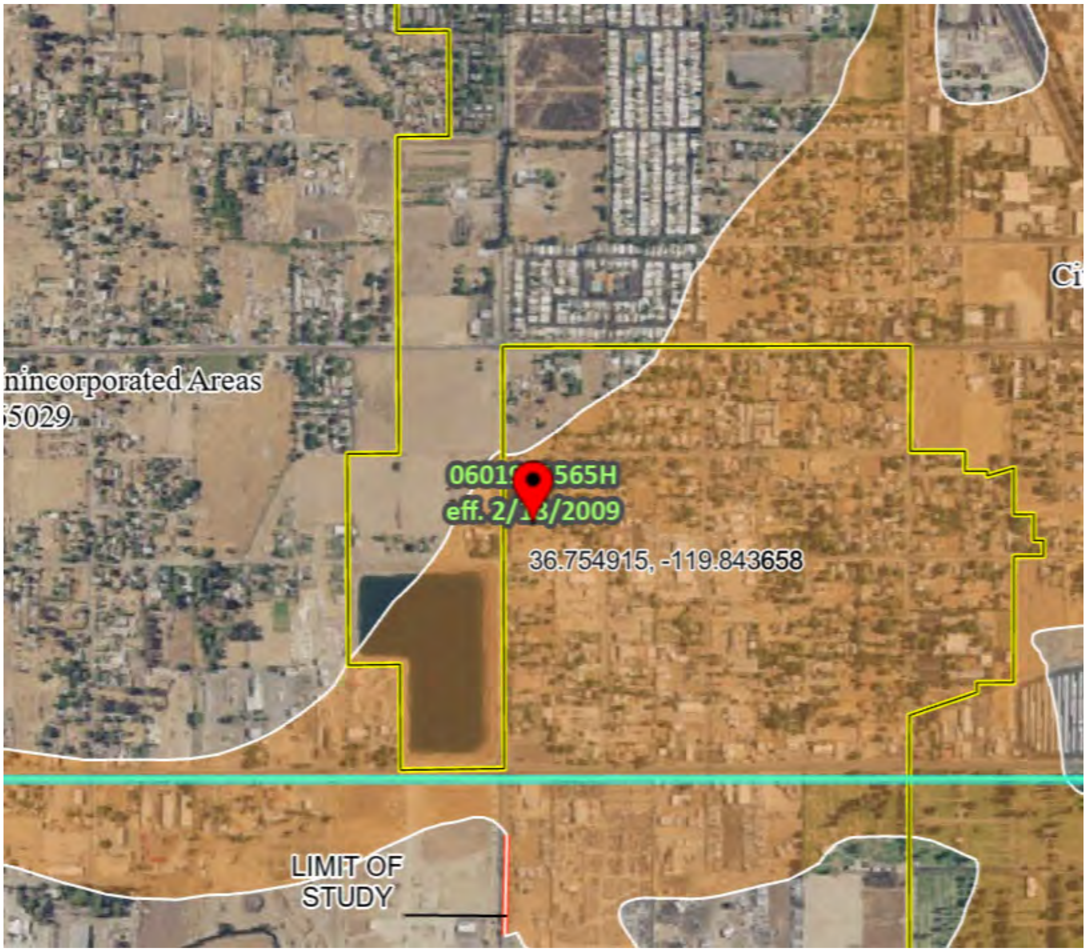
The Description of the site can be detailed as follows:

Location:	The subject is located at 1262 N Marks Avenue, Fresno (City & County), CA 93722.
Parcel Number:	449-291-09
Land Area[1]	69,360 square feet or 1.5923 acre
Shape and Frontage:	The subject has frontage along the east side of N Marks Avenue, a secondary agricultural and residential street in the subject's neighborhood. The parcel is rectangular in shape. See map below.
Topography and Drainage:	The parcel is basically level from street grade. Our investigation did not reveal any significant drainage problems.
Soils:	The soils are assumed adequate for the use.
Easements and Encroachments:	The Preliminary Report would contain specific reference to specific easements or record but was not provided for review. Only the potential for typical public were noted during the inspection. There does not appear to be any adverse easements or encroachments that would diminish the utility or marketability of the subject property. This valuation assumes that the market value of the subject property is not adversely affected by any easements, encroachments or other special conditions.
Covenants, Conditions, and Restrictions:	No private deeds or restricting covenants affecting development, other than zoning, were found to affect the site. This appraisal assumes that the subject will not be negatively encumbered by liens. The Preliminary Report would contain reference to specific CC&Rs of record but was not provided for review.
Utilities:	Combination of Public and Private
Flood Zone:	According to maps published by the Federal Emergency Management Agency (FEMA), the subject lies within a Zone X

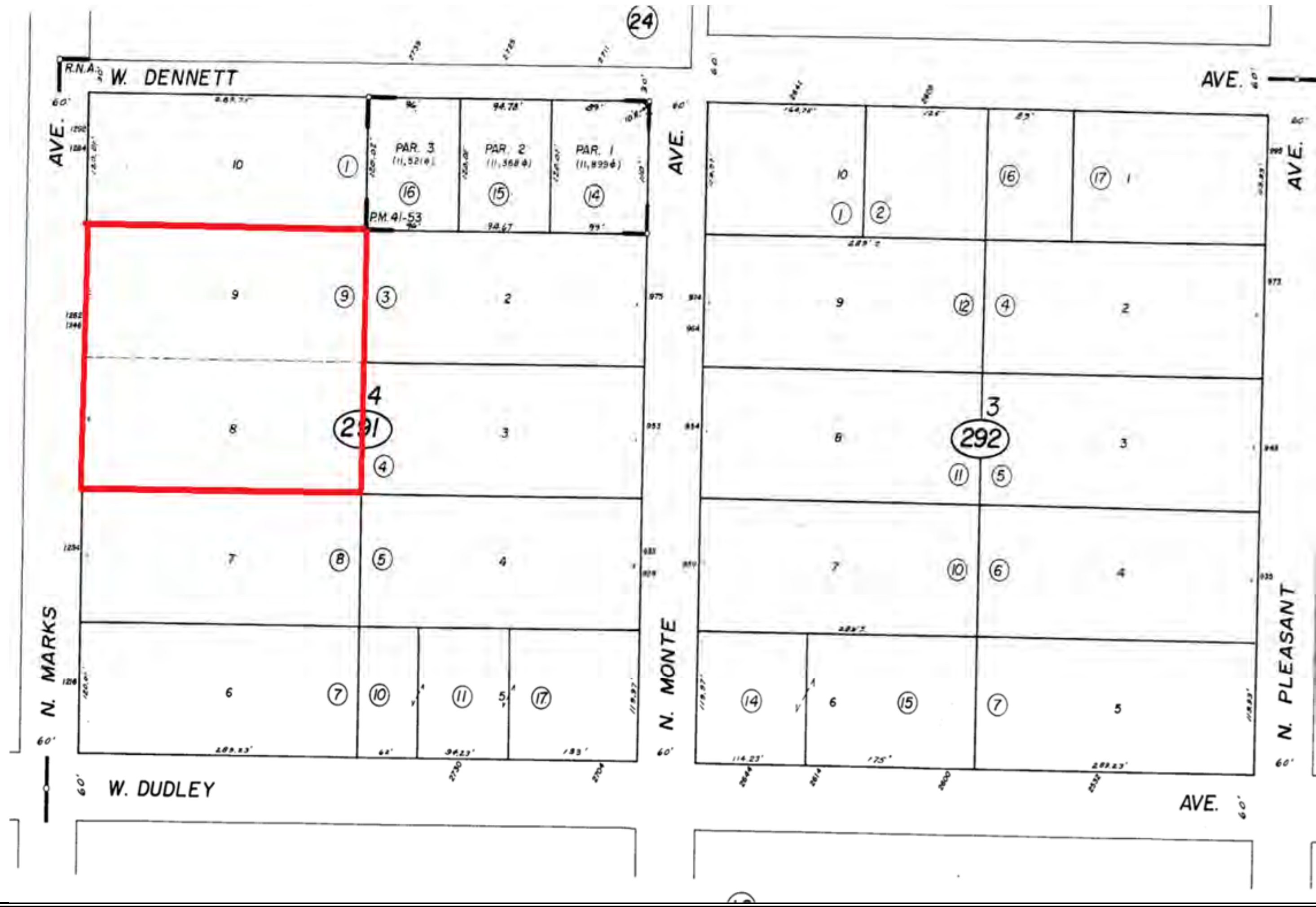
[1] Source: Plat Map

	as indicated on FEMA Community Map 06019C1565H, dated February 18, 2009. Flood insurance is not required but coverage is available. FEMA Zone X is defined as: “the area determined to be outside the 500-year flood and protected by levee from 100- year flood.”
Environmental Issues:	No evidence of hazardous waste or toxic materials was visible. The value estimate rendered in this report is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. No evidence of hazardous waste or toxic materials was visible. BAAR has no knowledge of the existence of these substances on or in the subject property. However, BAAR is not qualified to detect hazardous waste or toxic materials.
Earthquake Hazard:	The subject is not located in an Alquist Priolo special studies zone. However, the subject is located near active fault lines and has seismic risks. The properties in the area are under a similar influence.
Adjacent Properties	
North:	Low Density Residential
South:	Low Density Residential
East:	Low Density Residential
West:	Low Density Residential
Conclusion:	In summary, the site is comprised of one parcel that measures 69,360 square feet or 1.5923 acre. The site has frontage along a secondary residential street in the subject’s neighborhood. Visibility/exposure is considered typical for the area. There are no adverse soils conditions of which BAAR is aware. The shape of the parcel is rectangular and results in no specific development limitation. The topography is level and poses no specific development limitation. In conclusion, from a physical standpoint, the site is considered adequate for development allowable under the existing zoning.

FLOOD MAP



PARCEL MAP


W. DENNETT
AVE.
N. MARKS
AVE.
N. MONTE
AVE.
N. PLEASANT
AVE.
W. DUDLEY
AVE.
R.N.A.
PAR. 3
PAR. 2
PAR. 1
P.M. 41-53
4
291
3
292
24

IMPROVEMENT ANALYSIS

The property is improved with six structures that combined measure 21,688 square feet. The improvements are single-story wood-framed construction on a concrete slab foundation that were erected circa 1992. The property features 11 2-bedroom/1-Bath units, 10 3-bedroom/2-Bath units, and one 4-bedrooms/2-bath unit for a total unit count of 22. There are 24 carport spaces and 10 surface parking spaces. The following is a description of the improvements based on our physical inspection and knowledge of construction techniques.

Construction Class	The class of construction is the basic subdivision *in Marshall Valuation Service*[1], dividing all buildings into five basic groups by type of framing (supporting columns and beams), walls, floors, roof structure, and fireproofing. The subject is construction Class D
Competitive Rating	The subject is considered a Class D building in terms of quality as it is perceived in the marketplace.
Year Built:	Circa 1992
HVAC	Full HVAC units. Typical for area
Roof	Pitched on a wood beam system with composition shingle cover.
Electrical	The electrical system is assumed to be in adequate working order and adequate for the building.

[1] The primary feature of Class A buildings is the fireproofed structural steel frame, which may be welded, bolted, or riveted together. The fireproofing may be masonry, poured concrete, plaster, sprayed fiber, or any other type, which will give a high fire-resistant rating.

The primary characteristic of Class B Buildings is the reinforced concrete frame in which the columns and beams can be either formed or precast concrete. They may be mechanically stressed, and the structure is fire resistant.

Class C Buildings are characterized by masonry or reinforced concrete (including tilt-up) construction. The walls may be load-bearing, i.e., supporting roof and upper floor loads, or nonbearing with open concrete, steel, or wood columns, bents, or arches supporting the load.

Class D buildings are characterized by combustible construction. The exterior walls may be made up of closely spaced wood or steel studs as in the case of a typical frame house, with an exterior covering of wood siding, shingles, stucco, brick, stone veneer, or other materials. Otherwise, they may consist of an open skeleton wood frame on which some form of curtain wall is applied, including pre-engineered pole buildings.

Class S buildings are characterized by incombustible construction and prefabricated structural members. The exterior walls may be steel studs or an open steel skeleton frame with exterior single or sandwich wall coverings consisting of prefabricated or sheet siding.

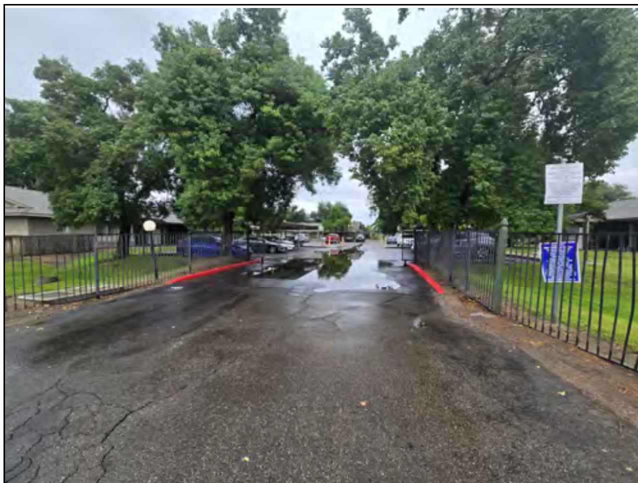
(Source: *Marshall Valuation Service*, August 1992, §1, p. 5-5.)

Floor Construction	Pier and post with sub flooring.
Floor Cover	Combination of hardwood, vinyl, laminate, carpet and tile that ranges in condition.
Bathrooms	One or two per unit.
Security System	Assumed adequate.
Windows	Vinyl hung double paned.
Lighting System	Predominantly ceiling mounted incandescent lights.
Common Area	Laundry Facilities
Parking	24 carport spaces and 10 open surface parking spaces.
Landscaping	Grass, trees, and shrubs. Adequately maintained.
ADA Compliance	Handicap access does appear to be available to all areas. Please refer to the specific limiting condition regarding ADA compliance.
Environmental Issues	No evidence of hazardous waste or toxic materials was visible. However, BAAR is not qualified to detect hazardous waste or toxic materials.
Deferred Maintenance:	No atypical deferred maintenance noted. The subject is valued in its current condition as of the effective date.
Economic Age and Life+	The subject was erected in 1992 for a chronological age of 33 years. The estimated effective age is approximately 20 years. According to the *Marshall Valuation Service* cost guide, buildings of this type and quality have an expected life of 55 years. Therefore, the remaining economic life (expected life minus effective age) is about 35 years consistent with BAAR's on-site observations. While BAAR observed nothing to suggest a different economic life, capital improvement programs can extend life beyond that stated above.

Quality/General Conditions Observed	The subject property conforms to competitors and substitutes in the area. Relative quality of construction is average. In its current condition, interior amenities are considered average to competing properties of the same approximate age. Appraisers observed no evidence of structural fatigue and improvements appear sound. BAAR is not qualified to determine structural integrity, however, and recommends that the reader rely upon an expert in this field for further determination.
FF&E	Personal property items associated with the subject's units have been included in the overall value. The depreciated FF&E is estimated at $33,000 or $1,500 per residential unit.
Conclusion/ Comments	The overall condition of the improvements is average-to-good.

IMPROVEMENT RATING					
Category	Exc	Good	Average	Fair	Poor
Appeal/Appearance		X	X		
Ceiling Height		X	X		
Construction Class		X	X		
Design		X	X		
Electrical		X	X		
Exterior Condition		X	X		
Exterior Walls		X	X		
Floor Construction		X	X		
Floor Cover		X	X		
Floor to Ceiling Height		X	X		
Foundation		X	X		
Frame		X	X		
Functionality/ Floor Plan		X	X		
HVAC		X	X		
Interior Condition		X	X		
Interior Partitions		X	X		
Landscaping		X	X		
Life Safety System		X	X		
Lighting		X	X		
Parking		X	X		
Plumbing		X	X		
Restrooms		X	X		
Roof Cover		X	X		
Tenant Improvements		X	X		
Windows		X	X		
Compiled by: BAAR					

SUBJECT PHOTOS



FRONT VIEW / ENTRANCE

EXTERIOR VIEW

EXTERIOR VIEW

EXTERIOR VIEW

CARPORT

SIDE VIEW

SUBJECT PHOTOS


EXTERIOR VIEW


EXTERIOR VIEW

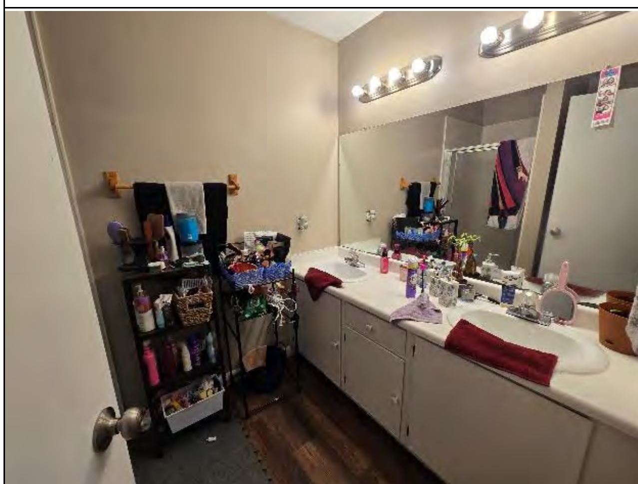
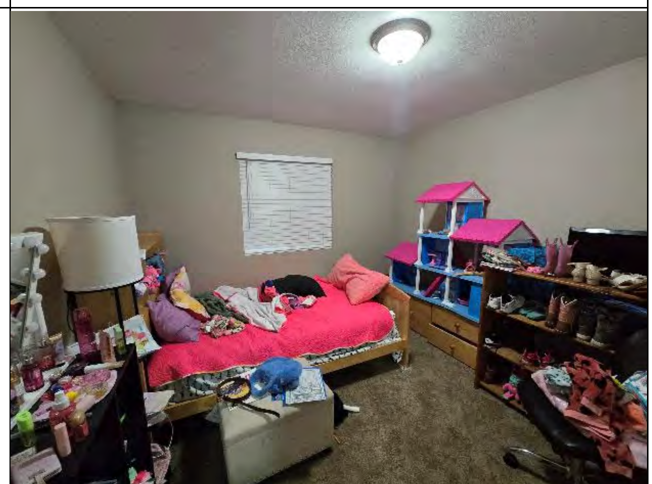
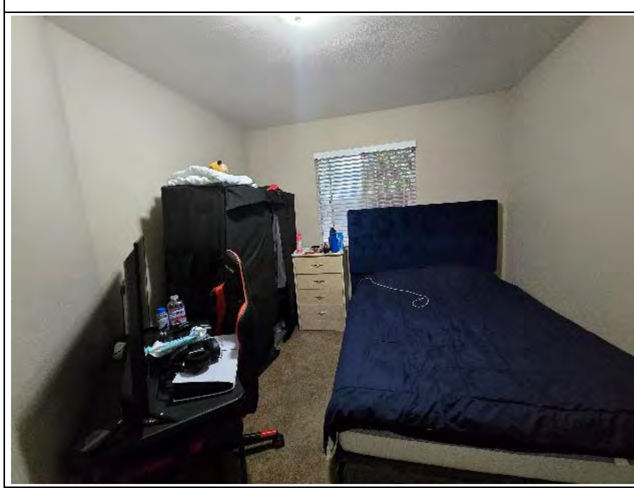
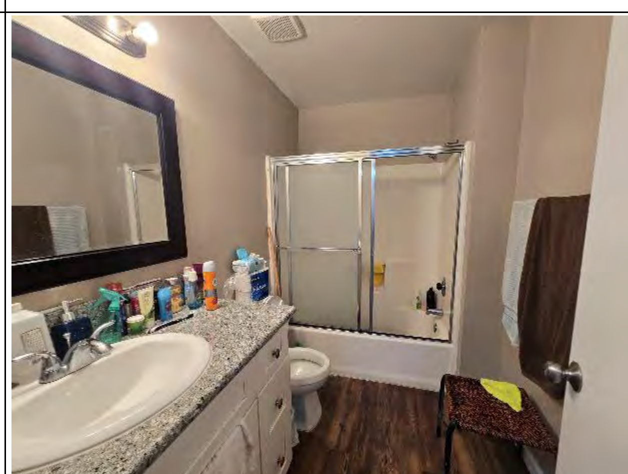

EXTERIOR VIEW


EXTERIOR VIEW


STREET SCENE


STREET SCENE

SUBJECT PHOTOS

	
KITCHEN	BATH
	
BATH	BEDROOM
	
BEDROOM	BATH

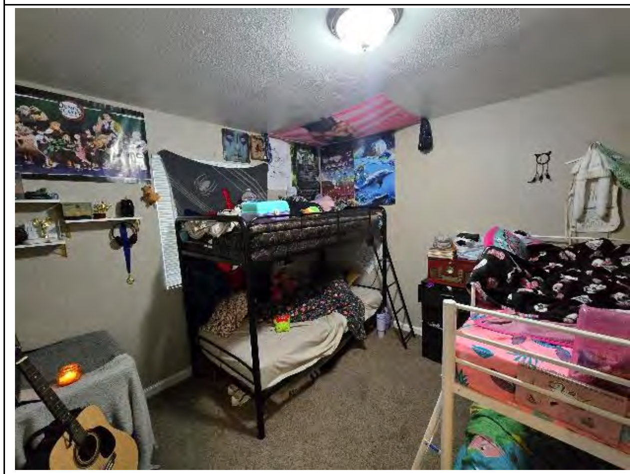
SUBJECT PHOTOS

KITCHEN

LIVING ROOM

BEDROOM

BEDROOM



BEDROOM

LAUNDRY ROOM

ZONING ANALYSIS

The following is the zoning description for the subject.

ZONING SUMMARY	
Current zoning:	R2A NB, Multi-Family Low Density with a Neighborhood Beautification Overlay Zone.
Legally conforming	Yes
Uses permitted:	Variety of residential, care home, civic, and related uses.
Zoning change	Not likely

Zoning Analysis and Conclusions

The R-2 and R-2-A zones identify areas appropriate for low density multi-family residential uses, in order to provide for light, privacy, air, safety, and insulation against transmission of sound. The R-2 and R-2-A zones are consistent with the Medium-High Density Residential land use designation of the General Plan. The allowable density is one unit per 2,175 square feet of land area. Based on the subject's lot size, the allowable number of units is 31 units. The subject's 22 unit configuration is allowable under the zoning density requirements.

The Neighborhood Beautification Overlay zone is intended to protect and preserve the integrity of the County neighborhoods within designated unincorporated areas, which have a history of and reputation for well-kept properties. The general welfare of the County and its neighborhoods is founded, in part, upon the appearance and maintenance of private properties and tree-lined streets. This overlay zone shall be identified by suffixing the letters “nb” next to the underlying zone's map symbol.

ZONING IMAGE

TAX AND ASSESSMENT DATA

The assessment and real property taxes shown on the table below for the current fiscal tax 2024/25-year.

Address	1262 N Marks Avenue
Parcel Number	449-291-09
Land	$306,000
Improvements	$2,244,000
Fixtures	$0
Personal Property	$0
Total Assessed Value	$2,550,000
Tax Rate	1.258898%
Annual Taxes	$32,102
Bond Assessments	$0
Direct Levies	$527
Total Taxes	$32,629
Delinquent Taxes	$0
Total Taxes	$32,629

In the State of California, real estate is assessed at 100 percent of market value as determined by the County Assessor's Office. The maximum tax rate cannot exceed 1 percent of the property's appraised value, plus any special assess. According to the Fresno County Tax Collector, property taxes for the subject are current.

Proposition 13 was passed by voters in June 1978 and substantially changed the taxation of real estate in California. This constitutional amendment rolled back the base year for assessment purposes to the tax year 1975-1976. Annual increases in assessed value are limited to 2 percent per year, regardless of the rate of inflation. Real estate is subject to re-appraisal to current market value upon a change in ownership or new construction.

Within the definition of "market value," the assumption is made that the subject property will be sold on the open market and, thus, the property is reassessed for tax purposes for this appraisal.

HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria that the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use is applied specifically to the use of a site as vacant. It is recognized that In cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use given the existing improvements (as improved). The existing use will continue, however, until the land value, in its highest and best use, exceeds that total value of the property under its existing use plus the cost of removing or altering the existing structure. Implied in the highest and best use is recognition of the contribution of a specific use to the community environment or to the community’s development goals, in addition to wealth maximization of individual property owners. Also implied is that the conclusion of highest and best use results from the appraiser’s judgment and analytical skill, i.e., that the use determined from the analysis represents an opinion, not a fact to be found.

Conclusion—“As If Vacant”

The subject site is zoned R2A NB, Multi-Family Low Density with a Neighborhood Beautification Overlay Zone by Fresno County. The development standards vary with improvement type but are generally associated with multi-tenant residential uses. The subject’s area is located in an unincorporated are of Fresno County that includes lower density uses. The subject site is well-served by offsite improvements, is good for a variety of uses. Therefore, among the uses that are legally permissible, physically possible and the most productive return to the subject property ("ideal" use of the subject site as vacant) is for multi-tenant residential use given the zoning and surrounding property uses.

Conclusion—“As Improved”

The subject property consists of a 22-unit apartment property. The subject is a legal and conforming use according to Fresno County zoning code. Therefore, the site’s highest and best use as improved is the existing apartment use that maximizes the return of the property. The most likely buyer is an investor given the unit count and configuration of the improvements.

APPRAISAL METHODOLOGY

The appraisal process is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed and interpreted into an estimate of value. In this process three basic approaches to value are considered: Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

The final step in the appraisal process is reconciliation -- a process by which BAAR analyzes alternative conclusions and selects a final value estimate from among two or more indications of value. BAAR weighs the relative significance, applicability and defensibility of each approach as it relates to the type of property being appraised.

THE COST APPROACH

The Cost Approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

Based on our analysis of the subject area, market participants are generally not buying, selling, investing, or lending with reliance placed on the methodology of the Cost Approach to establish the value. Furthermore, though considered, the Cost Approach is not deemed to render a reliable indication of value due to the imprecise nature of estimating the accrued physical, functional, or external depreciation affecting the improvements. Therefore, for this assignment, the Cost Approach has not been employed to render a value indication for the subject property.

SALES COMPARISON APPROACH

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences with the final estimate derived based on the general comparisons.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; (d) the absence of untypical conditions affecting the sales price. The sales researched in the local market were considered adequate and reliable. Therefore, this approach has been employed for this assignment.

INCOME CAPITALIZATION APPROACH

The methodology of the Income Capitalization Approach is to determine the income-producing capacity of the property on a stabilized basis by estimating market rent from comparable rentals, making deductions for vacancy and collection losses and building expenses, then capitalizing the net income at a market-derived rate to yield an indication of value. The capitalization rate represents the relationship between net income and value.

Related to the direct capitalization method is the discounted cash flow method. In this method of capitalizing future income to a present value, periodic cash flows (which consist of a net income less capital costs, per period) and a reversion (if any) are estimated and discounted to a present value. The discount rate is determined by analyzing current investor yield requirements for similar investments. This approach has been employed for this assignment as apartment properties are typically held by investors who are concerned with a property's income generating potential.

CONCLUSION

As noted above, the Income and Sales Approaches have been included in this valuation. The reconciled value is derived from these two approaches.

SALES COMPARISON APPROACH

The Market Data or Direct Sales Comparison Approach is a valuation technique based on sales and/or listings of properties similar to the subject. The Market Data Approach is most viable when an adequate number of similar type properties have been sold recently and/or are currently for sale on the open market. In comparing market sales of commercial properties, a number of units of comparison are available. The analysis will focus on the price per square foot as the value indicator most relevant to the subject property. To derive the unit value applicable to the subject property, the price per square foot of each comparable is adjusted to reflect differences in time of sale, location, physical attributes, and other relevant property characteristics.

MARKET SALES SURVEY

An investigation was made of sales and offerings of comparable properties in the relative market area of the subject property. The approach is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with the same utility. This approach is applicable when an active market provides sufficient quantity of reliable data that can be verified from authoritative sources. The sales summarized in the following page were selected as the most meaningful and relevant to the valuation of the subject. A map indicating the location of each comparable sale relative to the subject property is also presented below. The comparables are described in further detail below.

Adjustments to the per unit sale prices of the comparable properties are made in recognition of their relative differences in terms of dates of sale, locational, and physical characteristic differences.

Various adjustments are applied to the comparable data in correlating it to the subject property. An adjustment grid is presented below. It should be noted that the adjustment process is not intended to be a scientific approach in valuing the property but, rather, a clarification of the adjustment process. The mathematics do not control the final value conclusion, but they do provide guidance as to a range of value within which the value of the subject property would most likely fall.

The transactions cited in the analysis-closed escrow at various dates ranging from July 2024 to June 2025 and one active listing. The analysis is completed on the price per unit and the GRM.

SALE 1

SALE 1 is the transfer of a 47-unit property located just northeast of the subject in Fresno. The property was acquired by an all cash investor in a market transaction. The property required an adjustment for the superior location in an area of higher predominant values and rents. An adjustment for the higher unit county was made consistent with the principle of economies of scale. The property was similar enough to preclude further adjustment and the price per unit indicator is $146,489.

SALE 2

This is the transfer of a 14-unit property located just east of the subject. The property was originally listed for sale at $1,960,000 and was acquired by an investor with conventional financing. An adjustment for the lower unit county was made consistent with the principle of economies of scale was made. An adjustment for the inferior condition relative to the subject was necessary. An adjustment for the smaller average unit size was also applied and reflects the comparables 1-bedroom configuration for all units. The final adjusted price per unit indicator is $145,089.

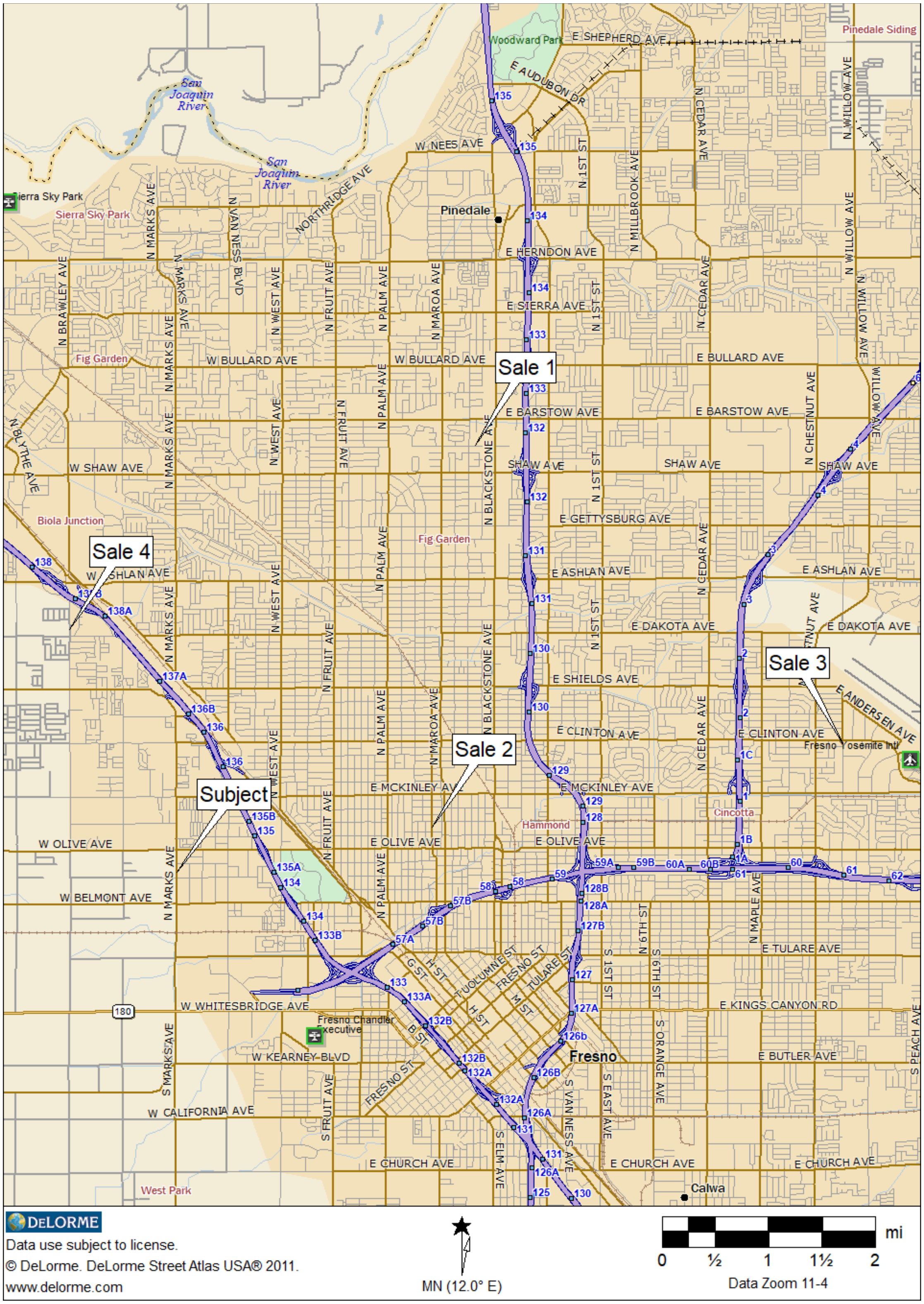
SALE 3

This is the transfer of a 12-unit property located just east of the subject. The property was acquired by an all cash investor in a market sale. An adjustment for the smaller unit count was applied consistent with the principle of economies of scale. An adjustment for the inferior condition was necessary as the property has not been updated in the recent past. An adjustment for the larger average unit size was necessary. The property is comprised of all 2-bedroom/2-bath units. The final adjusted price per unit indicator is $142,625.

SALE 4

SALE 4 is the listing of an 18-unit apartment property located just north of the subject in the same neighborhood. The property is like the subject and contains 11 similar 2-bedroom units and 7 3-bedroom units. The property was adjusted because of its active status to reflect the fact that most properties sell below list price. The comparable is similar enough to preclude further adjustment and the final adjusted price per unit indicator is $131,944.

COMPARABLE SALES MAP



SALES COMPARISON APPROACH

COMPARABLE APARTMENT SALES									
	SUBJECT	**SALE 1**		**SALE 2**		**SALE 3**		**SALE 4**	
ADDRESS	1262 N Marks Avenue	140 W San Jose Avenue		1334 N Wishon Avenue		2317 N Winery Avenue		3460 N Brawley Avenue	
CITY	Fresno	Fresno		Fresno		Fresno		Fresno	
APN	449-291-09	417-390-10		451-184-16		0279-017		433-550-17	
SALE PRICE	***	**$8,100,000**		**$1,625,000**		**$1,630,000**		**$2,500,000**	
PRICE/UNIT	***	**$172,340**		**$116,071**		**$135,833**		**$138,889**	
GRM	***	**11.91**		**11.11**		**9.03**		**10.55**	
RIGHTS CONV'D	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
ADJ. SALE PRICE	***	$8,100,000		$1,625,000		$1,630,000		$2,500,000	
FINANCING	***	All Cash		Conventional		Cash		Conv. Assumed	
ADJ. SALE PRICE	***	$8,100,000		$1,625,000		$1,630,000		$2,500,000	
COND. OF SALE	***	Market		Market		Market		Market	
CONCESSIONS	***	None		None		None		None	
ADJ. SALE PRICE	***	$8,100,000		$1,625,000		$1,630,000		$2,500,000	
DATE OF SALE	***	June-25		May-25		July-24		Active	-5%
ADJ. SALE PRICE	***	**$8,100,000**		**$1,625,000**		**$1,630,000**		**$2,375,000**	
SITE									
LOCATION	Average	Good	-20%	Average		Average		Average	
SIZE	69,360	97,139		27,225		20,909		60,060	
ZONING	R2A NB	RM-1		RM-3		RM-3		RS-5	
VISIBILITY	Average	Average		Average		Average		Average	
FAR	0.31	0.48		0.35		0.66		0.25	
BUILDING									
NUMBER OF UNITS	22	47	5%	14	-5%	12	-5%	18	
YEAR BUILT	1992	1986		1937		1969		1994	
UNIT MIX	See Narrative	See Narrative		All 1-Beds		All 2-Beds		11 (2-Beds) & 7 (3-Beds)	
GROSS BLDG. AREA	21,688	46,436		9,520		13,810		14,994	
CONDITION	Average-to-Good	Average-to-Good		Average	20%	Average	20%	Average-to-Good	
CONSTRUCTION TYPE	Wood	Wood		Wood		Wood		Wood	
TENANT APPEAL	Average	Average		Average		Average		Average	
AVERAGE UNIT SIZE	986	988		680	10%	1,151	-10%	833	
PARKING	1.55/Unit	1.58/Unit		1.5/Unit		1/Unit		1/Unit	
ADUSTED PRICE	***	**$6,885,000**	**-15%**	**$2,031,250**	**25%**	**$1,711,500**	**5%**	**$2,375,000**	**0%**
ADUSTED PRICE/UNIT	***	**$146,489**		**$145,089**		**$142,625**		**$131,944**	
GROSS INCOME	***	**$680,003**		**$146,250**		**$180,568**		**$237,000**	
NET OPERATING INCOME	***	**$400,950**		**$117,605**		**$110,626**		**$154,250**	
CAP. RATE	***	**4.95%**		**7.24%**		**6.79%**		**6.17%**	

Market Approach Reconciliation Value Indicator:

Sale Price Per Unit Conclusion

The preceding comparable sales represent the most recent sales activity of similar apartment properties in the subject's neighborhood. The comparables indicate an adjusted range from $131,944/Unit to $146,489/Unit with an average of $141,537/Unit. Equal weight is given to all the sales but ultimately an indicator near the average or $140,000/Unit has been applied.

SALES COMPARISON APPROACH MARKET VALUE ($/UNIT)				
Indicated $ /Unit		# of Units		Total
$140,000	X	22	=	$3,080,000
Source: BAAR				

Gross Rent Multiplier Conclusion

The comparable sales indicate a GRM range of 9.03 to 11.91 with an average of 10.65. It is noted that the GRM used in the comparable sales and for the subject is net of vacancy or the EGI figure. Accordingly, it is consistent with the data set. The analysis considers the top line income achievable for a potential investor. This method is used by many market participants (Brokers and Investors) as different parties are able to scale expenses and they are concerned with a top line revenue figure.

In the Income Approach, the subject's units have been projected based on actual and market rents. The rents in place are at or near market This warrants a GRM near the average or below. Ultimately, a GRM of 10.0 has been applied. In the Income Approach above, the subject's effective gross revenue was estimated at $320,091 ($346,044 PGI less 7.50% vacancy factor). The subject's value via the GRM is calculated as follows.

SALES COMPARISON APPROACH MARKET VALUE (GRM)				
Indicated Revenue		GRM		Total
$320,091	X	10.0	=	$3,200,907
		Rounded to		**$3,200,000**
Source: BAAR				

The subject has been valued via the $/Unit and the GRM, which yielded values of $3,080,000 and $3,200,000, respectively. Both techniques are used by market participants. Accordingly, both are given primary consideration. A final value indicator between the two and closer to the GRM or $3,150,000 is appropriate.

Value Conclusion by the Sales Approach "As Is"

The opinion of value for the subject property "as is", by the Sales Approach, as of October 14, 2025, was:

THREE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS

($3,150,000)

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is a procedure in appraisal analysis that converts anticipated benefits to be derived from the ownership of property into a present dollar value estimate. The Income Capitalization Approach is widely applied in appraising income-producing properties since they are typically purchased for investment purposes; the projected net income stream and capitalization rate are the critical factors affecting market value via this approach. There is a relationship between the trading of a sum of present dollars for the right to a stream of future dollars and the connecting link is the process of capitalization. The two common valuation techniques associated with the income approach are direct capitalization and discounted cash flow analysis. Steps in the Income Capitalization Approach include:

1. Estimate Annual Potential Gross Income (PGI)
2. Estimate Vacancy/Collection Loss and Derive Effective Gross Income (EGI)
3. Estimate Operating Expenses and Derive Net Operating Income (NOI)
4. Extract Appropriate Capitalization Rates from Market, Surveys and DSCR
5. Convert NOI Estimate into Property Value Estimate
6. Deduct Lease-up Costs and Rents Loss, if any, to Derive a Market Value

A value indication by the Income Capitalization Approach is arrived at in one of two fashions:

1. Dividing the stabilized net income before debt service, which the property is capable of producing by an appropriate capitalization rate. This form of capitalization is known as *Direct Capitalization* and is most applicable in circumstance in which a relatively uniform income stream is being analyzed; or
2. Projecting an income stream over a holding period and calculating the present worth of the net operating income or cash flow over the projected holding period, plus the present worth of the reversionary interest at the end of the holding period. Commonly known as yield capitalization or the *Discounted Cash Flow Analysis (DCF),* this form of capitalization is most applicable in the analysis of property with increasing income streams, decreasing income streams, or irregular income streams. Properties occupied under multiple lease contracts, especially for variable periods and terms, are best scrutinized with this technique.

METHODS APPLIED

The Income Approach involves conversion of future anticipated income into an estimate of market value. The appraiser has selected the direct capitalization method as most appropriate for use in this analysis. The first step in the direct capitalization process is to analyze and estimate annual potential gross income for the property, which may be based on actual contract rents or on the estimated market rent of the property. Either way, any difference between the two is recognized at some step in the valuation. The next step will be to project operating expenses for the upcoming 12 months to arrive at a projected net operating income figure. An appropriate capitalization rate will be determined from market data and net operating income will then be capitalized into an indication of value.

CALIFORNIA RENT CONTROL

California's rent control law, Assembly Bill (AB) 1482, caps annual rent increases at 5% plus the local Consumer Price Index (CPI) or 10%, whichever is lower, and requires "just cause" for eviction after a tenant has lived in a unit for 12 months. Most residential properties are covered, with exemptions for certain newer buildings, single-family homes not owned by corporations or investment trusts, and units already subject to stricter local rent control ordinances. The law is set to expire January 1, 2030, though proposals exist to make it permanent and expand its scope.

Statewide Rent Caps

- **How it works:** Landlords can't raise rent more than 5% plus the local CPI (inflation rate) or 10% total, whichever is lower, within a 12-month period.
- **Initial Rent:** Landlords can set any initial rent for a newly vacant unit.

"Just Cause" Eviction

- **Requirement:** After tenants have lived in a unit for 12 months, landlords can only evict them for a "just cause," which can be "at-fault" (e.g., non-payment of rent) or "no-fault" (e.g., landlord moving into the unit).
- **Protections:** This applies to both fixed-term leases and month-to-month tenancies.

Exemptions from AB 1482

- **New Construction:** Most housing built within the last 15 years is exempt.
- **Certain Single-Family Homes and Condominiums:** Single-family homes and condos are exempt unless they are owned by a corporation or real estate investment trust.

Notice Requirements

- **Local Ordinances:** Units already covered by a local rent control ordinance that is more stringent than the statewide law are subject to the local rules.

Rent Increases:

Landlords must provide at least 30 days' written notice for rent increases of 10% or less and at least 90 days' notice for increases over 10%.

Lease Disclosure:

- Leases for properties covered by AB 1482 must include a disclosure of these rights.

Important Dates

- The rent caps and eviction protections under AB 1482 are set to expire on January 1, 2030.

Local vs. State Law

City Ordinances:

More than 35 cities and counties in California have their own rent control ordinances. Fresno County does not have a rent control ordinance.

Stricter Law Prevails:

If a local ordinance provides stronger tenant protection than the state law, the stricter local ordinance takes precedence.

Subject Lease Terms

As noted above, the BAAR was provided with a rent roll for the subject. The rent roll showed that 21 of the 226 units were occupied and that of the occupied units several were occupied by Section 8 tenants. The variance in current rents is a function of length of tenants, updating of the unit, and unit orientation within the buildings. In order to determine what market rents are in the market, the following rental data was reviewed.

Apartments.com city rent summary, Zillow rental trends, Zumper city report, and local listing snapshots.

- **Studio: $900 – $1,150 / month**.
- **1-Bedroom: $1,000 – $1,450 / month**.
- **2-Bedroom: $1,300 – $1,900 / month**.
- **3-Bedroom: $1,800 – $2,600 / month**.
- **4-Bedroom: $2,000 – $2,850 / month**.

Based on the comparables and California's rent control laws, the actual rents are applied in the analysis. The use of actual rents is considered in the selection of a vacancy rate and capitalization rate below. For the subject's currently vacant unit, a market rent of $1,225 has been applied.

Potential Gross Income Conclusion

Potential Gross Income (PGI) is the total income a property can generate based on its lease income and reimbursements for CAM charges. The projected rents are detailed in the reconstructed rent roll below.

RECONSTRUCTED RENT ROLL -- 1262 N Marks Avenue, Fresno						
Unit #	**Unit Type**	**SF**	**Last Reported Rent**	**Section 8**	**End Date**	**Projected Rent**
101	3-Bedroom	1,056	$1,073	Yes	Monthly Assumed	$1,073
102	2-Bedroom	864	$957	No	Monthly Assumed	$957
103	3-Bedroom	1,056	$1,400	Yes	Monthly Assumed	$1,400
104	3-Bedroom	1,056	$1,595	No	Monthly Assumed	$1,595
105	2-Bedroom	864	$1,200	No	Monthly Assumed	$1,200
106	2-Bedroom	864	$0	No	Monthly Assumed	$1,225
107	3-Bedroom	1,056	$1,735	No	Monthly Assumed	$1,735
108	4-Bedroom	1,103	$1,575	No	Monthly Assumed	$1,575
109	2-Bedroom	864	$1,047	No	Monthly Assumed	$1,047
110	2-Bedroom	864	$933	No	Monthly Assumed	$933
111	3-Bedroom	1,056	$1,400	No	Monthly Assumed	$1,400
112	3-Bedroom	1,056	$1,480	Yes	Monthly Assumed	$1,480
113	2-Bedroom	864	$1,230	Yes	Monthly Assumed	$1,230
114	2-Bedroom	864	$1,280	Yes	Monthly Assumed	$1,280
115	3-Bedroom	1,056	$1,595	Yes	Monthly Assumed	$1,595
116	3-Bedroom	1,056	$1,595	Yes	Monthly Assumed	$1,595
117	2-Bedroom	864	$1,229	Yes	Monthly Assumed	$1,229
118	2-Bedroom	864	$1,200	Yes	Monthly Assumed	$1,200
119	3-Bedroom	1,056	$1,260	Yes	Monthly Assumed	$1,260
120	3-Bedroom	1,056	$1,260	Yes	Monthly Assumed	$1,260
121	2-Bedroom	864	$1,200	Yes	Monthly Assumed	$1,200
122	3-Bedroom	1,056	$1,268	No	Monthly Assumed	$1,268
		21,359		**No**		
Occupied	**100%**	**21,359**			**Monthly Income**	$28,737
Vacant	**0%**	**0**			**Other**	$100
Total	**100%**	**21,359**			**Total Monthly**	$28,837
					PGI	$346,044

Vacancy and Collection Loss

As indicated in the Market Overview section, the current vacancy rate in the market is between 3% and 9%. A market vacancy and collection loss of 7.50% has been applied and is associated with an estimated 4% vacancy and 3.5% collection loss. This equates to $25,953 and reflects how the subject would be underwritten by a typical investor and how peer appraisers would analyze the subject property.

Effective Gross Income

Effective Gross Income is calculated by subtracting vacancy and collection loss from PGI and equals $320,091.

Expenses

In order to estimate the value of the property by the Income Capitalization Approach, expenses must be deducted from effective gross income to arrive at a net operating income estimate. The projected rents are on MG terms with the owner responsible for operating expenses. Expenses have been projected based on figures provided by IREM, CoStar, the subject's historical figures, the appraiser's experience, and comparable properties in the market. The expenses have been estimated according to the following projections.

Maintenance: A review of data sources noted above, indicated that insurance expense in the market ranges from $0.85/SF to $2.00/SF. This expense is based on a market rate of $1.25/SF, which is below the historical figures that may include some capital expenditures.

Insurance: This expense is based on the historical figure plus a 3% CPI increase.

Property Taxes: This expense is based on the reconciled value in this section multiplied by the current tax rate plus special assessments.

Professional Fees: This expense is based on an aggregate annual figure of $1,600.

On-Site Manager: This expense is based on the historical figure plus a 3% CPI increase.

Utilities: This expense is projected based on the historical figure plus a 3% CPI increase.

Management Fees: A management fee must be considered for the subject property in that someone is responsible for overseeing operations of the building. Management fees are typically based on revenue generated at the property, with fees from 2% to 6% of effective gross rental income. In our analysis, we have used a market rate management fee of 4.0% of EGI and considers that the on-site manager salary is included above.

Reserves: This expense is projected based on a market rate of $375/Unit which equates to $0.38/SF and reflects the recent updating.

The expense estimate of $128,201 is equivalent to $5.91 per square foot or 40.1% of effective gross income and is supported by the range relative to similar buildings in the subject property's market area and generally similar to the averages noted in IREM. We have forecast the expenses as noted on the following table:

Income/Expense Analysis --1262 N Marks Avenue, Fresno		Historical 2023	Historical 2024	Annualized 2025	Appraisers Projections		
Total Building Area (sf)	21,688						
Net Rentable Area (sf)	21,359					$/sf	$/unit
Number of Units	22						
Potential Gross Income					**$346,044**	$15.96	$15,729
Vacancy & Loss	7.5%				$25,953	$1.20	$1,180
Effective Gross Income		**$264,504**	**$287,163**	**$301,554**	**$320,091**	**$14.76**	$14,550
Expenses					Expenses	$/sf	
Repairs/Maint./Cleaning		$37,673	$40,222	$31,811	$27,110	$1.25	$1,232
Insurance		$9,097	$9,692	$10,776	$11,099	$0.51	$505
Property Taxes		$20,222	$20,552	$24,651	$37,137	$1.71	$1,688
Professional Fees		$1,242	$1,545	$0	$1,600	$0.07	$73
On-Site Manager		$6,866	$6,867	$6,868	$7,074	$0.33	$322
Common Utilities		$22,692	$22,198	$22,453	$23,127	$1.07	$1,051
Off-site Mgmt Costs	4.0%	$12,003	$12,600	$13,000	$12,804	$0.59	$582
Reserves		$0	$0	$0	$8,250	$0.38	$375
Total Expenses		**$109,795**	**$113,676**	**$109,559**	**$128,201**	**$5.91**	**$5,827**
NOI		**$154,709**	**$173,487**	**$191,995**	**$191,890**	**$8.85**	**$8,722**

Net Operating Income

Annual net operating income is calculated by subtracting the expenses from the EGI. The estimated NOI for the subject is $191,890.

Capitalization Rate Selection

In order to derive a value indication for the subject, the Net Operating Income must be converted through the process of direct or yield capitalization. Direct capitalization is utilized in this appraisal because of the small number of tenants and the projected income stream is stable.

In active markets, an appropriate overall capitalization rate can be derived from market transactions. Below we have included the capitalization rates from investor sales.

CAPITALIZATION RATES FROM INVESTOR SALES						
Property Address	**City**	**Sale Price**	**# Of Units**	**Size**	**Sale Date**	**Cap Rate**
4419 E Hamilton Ave	Fresno	$1,825,000	16	21,828	9/22/2025	7.03%
140 W San Jose Ave	Fresno	$8,100,000	47	46,436	6/20/2025	4.95%
3765-3785 N Millbrook Ave	Fresno	$5,715,000	48	40,320	5/30/2025	6.34%
1334-1360 N Wishon Ave	Fresno	$1,625,000	14	9,520	5/30/2025	7.24%
3869 E Olive Ave	Fresno	$2,650,000	28	23,100	2/5/2025	5.65%
581 W Lincoln Ave	Clovis	$3,250,000	21	16,918	11/19/2024	5.60%
1030-1040 S 8th St	Fresno	$2,254,000	22	12,864	6/28/2024	5.49%
4621-4641 E Andrews Ave	Fresno	$2,250,000	23	16,795	4/30/2024	5.29%
409 S Waverly Ln	Fresno	$2,387,000	16	14,112	3/19/2024	5.00%
1312-1322 Bulldog Ln	Fresno	$2,500,000	16	12,240	Active	6.17%
					Minimum	4.95%
					Average	5.88%
					Median	5.63%
					Maximum	7.24%

Conclusion of Overall Capitalization Rate The comparable capitalization rates shown on the table above are from localized investor sales and indicated a range of 4.95% to 7.24% with an average of 5.88%. In considering a capitalization rate for the subject several factors were considered.

- The subject is analyzed using actual rents and the subject has operated as a stable property. Given this fact, a rate below the averages is appropriate.
- The subject is located in a more rural area in unincorporated Fresno County. This warrants a rate above the averages.
- Borrowing costs remain elevated relative to historical averages. This has increased investors yield requirements. This warrants a rate at the upper end of the range or above.

Considering these factors, a capitalization rate of 6.50% has been deemed appropriate.

RECONSTRUCTED OPERATING STATEMENT	
Potential Gross Income	$346,044
Less: Vacancy (3%)	($25,953)
Effective Gross Income	$320,091
Less: Operating Expenses	($128,201)
Net Operating Income	$191,890
Capitalization Rate	6.50%
Direct Capitalization Value	$2,952,152
Rounded to the nearest $10,000	**$2,950,000**

VALUE CONCLUSION BY THE INCOME APPROACH

The opinion of value for the subject property “as is”, via the Income Capitalization Approach, as of October 14, 2025, was:

TWO MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS

$2,950,000

RECONCILIATION OF VALUE

BAAR was instructed to estimate the market value of the fee simple interest in the subject property. The value conclusion for each applicable approach is summarized below.

SUMMARY OF VALUE CONCLUSIONS AS IS MARKET VALUE	
Cost Approach	Not Applied
Sales Comparison Approach	$3,150,000
Income Capitalization Approach	$2,950,000
Reconciled Value	**$3,100,000**
Source: BAAR	

The subject property has been analyzed using two approaches to value to find the "as is" market value. The Sales Approach is given primary weight due to the adequate number of comparable sales from the immediate vicinity and the fact that a GRM analysis was completed. The Income Approach is also given primary weight due to the subject's primary income generating appeal. A final value between the two or $3,100,000 is supported by the analysis above.

AS IS MARKET VALUE

Based on the foregoing analysis, it is concluded that the market value of the fee simple interest the subject property, "as is," as of October 14, 2025 was:

THREE MILLION ONE HUNDRED THOUSAND DOLLARS
($3,100,000)

A D D E N D U M

QUALIFICATIONS OF APPRAISERS / LICENSES
ASSUMPTIONS AND LIMITING CONDITIONS

APPRAISER RESUME

APPRAISER'S NAME: **Adam J. Hardej, Jr., MAI, ASA** TEL: 800-851-1855
FIRM NAME: **BAAR Realty Advisors** FAX: 800-851-1855
E-MAIL: Adam@BAARrealtyadvisors.com

Employment for the Last 20+ Years

BAAR Realty Advisors – Nationwide 2001 - Present
Principal/Owner – Full-Service Real Estate Appraisal & Consulting Firm

- Appraisal & Consulting
- Expert Witness & Litigation Support Services
- Estate Planning & Probate Related Valuation Services

Key Global Finance (wholly owned subsidiary of Keycorp) 1996 - 2001
Managing Director, VP of Underwriting and Acquisitions

- Direct national acquisitions, due diligence and underwriting in 20+ states.
- Acquired over $500 Million in delinquent receivables throughout US

CB Richard Ellis 1994 - 1996
Vice President, Regional Manager (CA, Central Valley) – Appraisal & Consulting Services

- Member Golf & Lodging Specialty Valuation Group

Education

MBA, THE HAAS SCHOOL OF BUSINESS, THE UNIVERSITY OF CALIFORNIA, Berkeley, CA 1989 - 1991
BA, Classics / Economics, BOWDOIN COLLEGE, Brunswick, ME 1979 - 1983

Appraisal Courses and Seminars for the last 20+ years (partial):

Appraisal Law	2 hrs	7/25	McKissock
Appraising Flex Bldgs	7 hrs	7/25	McKissock
Luxury Homes	7 hrs	9/24	McKissock
USPAP Update	7 hrs	5/24	McKissock
Fractional Interest Analysis	4 hrs	3/24	Appraisal Institute
Bias & Discrimination	4 hrs	1/24	McKissock
Comm'l Appraisal Review	7 hrs	7/23	McKissock
Appraising Ind. Bldgs	7 hrs	12/22	McKissock
USPAP Update	7 hrs	5/22	McKissock
The Cost Approach	7 hrs	12/21	McKissock
USPAP Update	7 hrs	5/20	McKissock
Advanced Land Valuation	7 hrs	3/18	Appraisal Institute
USPAP Update	7 hrs	12/17	MBREA
USPAP Update	7 hrs	12/15	MBREA
USPAP Update	7 hrs	4/14	Appraisal Institute
USPAP Update	7 hrs	3/12	Appraisal Institute
USPAP Update	7 hrs	2/10	Appraisal Institute
Expert Witness Testimony	7 hrs	02/10	McKissock
USPAP Update	7 hrs	02/10	Appraisal Institute
USPAP Update	7 hrs	05/08	Appraisal Institute
Appraising Nursing Homes	7 hrs	11/06	Appraisal Institute
Appraising from Blueprints	7 hrs	11/06	Appraisal Institute
USPAP Update	7 hrs	10/06	Appraisal Institute
Operating Expense Analysis	7 hrs	10/06	Appraisal Institute
Analyzing Distressed RE	4 hrs	10/06	Appraisal Institute
Appraisal Law	3 hrs	10/06	Appraisal Institute
National USPAP	7 hrs	2/06	Appraisal Institute
Business Practices/Ethics	8 hrs	1/06	Appraisal Institute
Appraising Gas/C-Stores	7 hrs	12/05	Appraisal Institute
Scope of Work	7 hrs	12/05	Appraisal Institute

Professional Licenses & Designations

- Certified General Appraiser – multiple states
- Designated Member of the Appraisal Institute – MAI
- Qualified Expert Witness: Real Estate and Municipal-based Receivables (i.e. tax liens) related cases

Business References: **Available upon request**

Going Concern Competence / Expertise Statement
We have completed no less than four going concern appraisals of equivalent special use property as the property being appraised, within the last 36 months, as identified in the Certification portion of the Appraisal Report.

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Adam J. Hardej

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 018716

Effective Date: May 7, 2025
Date Expires: May 6, 2027

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3081790

APPRAISER RESUME

APPRAISER'S NAME:	Luis Lorca	DIRECT:	831-887-0118
FIRM NAME:	BAAR Realty Advisors	MOBILE	415-412-9232
FIELD OFFICES:	San Francisco / Salinas	FAX:	415.358-5956
EMAIL:	luis@baarrealtyadvisors.com		

Mr. Lorca is an experienced real estate professional with over 10 years of experience in all property types.

PROFESSIONAL EXPERIENCE

BAAR REALTY ADVISORS – San Francisco & Salinas
2010-Present

Managing Director

- Appraisal & Consulting
- Expert Witness Services
- Business Valuations
- Private Money Investment Advisory
- Manage Field Appraisal Team
- Investment Advisory
- Tax Assessment Appeals

PROPERTY SCIENCES GROUP – Pleasant
2001-2010

Senior Analyst

- Commercial & Residential property appraisal expertise
- Expertise Across a Broad Range of Property Types
- Managed Litigation Support Team
- DCF Modeling
- Portfolio Valuation
- Assisted Proprietary Software Development Team

EDUCATION EXPERIENCE

- MBA, Saint Mary's College, Moraga, CA
- BS, International Business, University of San Francisco

PROFESSIONAL LICENSES & ACTIVITIES

- California Real Estate Broker's License (California)
- State Certified General Licensed Appraiser (California, Oregon, Washington)
- Appraisal Institute (Candidate for MAI Designation)

REFERENCES AVAILABLE

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Luis R. Lorca

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 030345

Effective Date: March 19, 2025
Date Expires: March 18, 2027

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3080899

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to total that would adversely affect marketability or value. BAAR is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. BAAR, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.

2. It is assumed that improvements have been constructed or will be constructed according to approved architectural plans and specifications and in conformance with recommendations contained in or based upon any soils report(s).

   Unless otherwise specifically noted in the body of this report, it is assumed: that any existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. BAAR professionals are not engineers and are not competent to judge matters of an engineering nature. BAAR has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of BAAR by ownership or management; BAAR inspected less than 100% of the entire interior and exterior portions of the improvements; and BAAR was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, BAAR reserves the right to amend the appraisal conclusions reported herein.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. BAAR has no knowledge of the existence of such materials on or in the property. BAAR, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

   We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to BAAR. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, BAAR has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable

areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, BAAR reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify BAAR of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions, which occur subsequent to the date of the appraisal. However, BAAR will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. BAAR assumes no private deed restrictions, limiting the use of the subject property in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. BAAR is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. BAAR does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of BAAR.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of BAAR to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of BAAR nor may this report or copies hereof be transmitted to third parties without said consent, which consent BAAR reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of BAAR which consent BAAR reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a “sale” or “offer for sale” of any “security”, as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. BAAR shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.

17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

18. No opinion is intended to be expressed on matters, which may require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to BAAR unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. BAAR assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal flood Insurance Program should be contacted to determine the actual need for flood Hazard Insurance.

19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor BAAR assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

20. BAAR assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.

21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.

23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, BAAR has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since BAAR has no specific information relating to this issue, nor is BAAR qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.

24. The liability of the authors of this appraisal report, BAAR Realty Advisors, and any other employees / contractors of BAAR Realty Advisors is limited to the fee collected for preparation of this appraisal report.

25. Acceptance of, and/or use of, this appraisal report constitutes acceptance of the above conditions.

SPECIFIC ASSUMPTIONS AND LIMITING CONDITIONS

1. The estimate of marketing time is less than six months based upon such items as statistical information about days on market; information gathered through sales verification; interviews of marketing participants; and anticipated changes in market conditions. The reasonable marketing time is a function of price, time, use, and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone.

2. This appraisal has been prepared from very limited property data provided by the client. Due to the lack of property specific descriptions and economic data from primary sources, BAAR was required to obtain information from best available sources, which included public records, owners, tenants and others. Every effort has been made to verify all information used within this report; however, it was in some instances necessary for BAAR to make critical assumptions to complete this assignment. BAAR reserves the right to amend its opinion of value at a later date should information become available which would significantly change the stated opinion of values.

   All value opinions expressed herein are as of the date of value. In some cases, facts or opinions are expressed in the present time. All opinions are expressed as of the date of value, unless specifically noted. The research and preparation of this appraisal took place in October 2025. The effective date of valuation is October 14, 2025 for the As Is Market Value. There are no events that must occur between the date of last inspection of the subject property and the date of valuation in order to conclude the value reported herein. Thus, the reported value is predicated on the specific assumption that the status of the property as of the date of valuation is not materially different that it was on the date of BAAR’S last inspection of the subject property. The appraisal is based on real estate and economic conditions as best perceived as of the date of the report.

3. The report and parts thereof and any additional material submitted, may not be used in any prospectus or printed material used in conjunction with the sale of securities or participation interests in Public Offering as defined under U.S. Security laws. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior consent of BAAR. The use of all or any part of this report in connection with real estate tax shelters, syndication of interests in real estate, the offering of securities, shares or partnership interests in real estate or any other public or private offering without the specific written consent of BAAR is not authorized. Neither the whole, nor any part of this report, nor any reference thereto may be included in any document, statement, appraisal or circular without the signatories’ prior written approval of the form and context in which it is to appear.

4. Any “after tax” income or investment analysis and resultant measures of return on investment are intended to reflect only the possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or Price paid. Any stated conclusion referred to as “Investment Value” should not be construed as being representative of “Market Value” since the prospectus of the Client may be based upon individual investment requirements, as distinguished from the concept of market value, which is impersonal and detached. Market value and investment value may coincide when a client’s investment criteria are consistent with prevailing market tends and conditions. In this instance, the two value estimates may be numerically identical, but the two types of value are not interchangeable. BAAR does not claim expertise in tax matters and advises the client to seek competent tax advice from a qualified income tax advisor.

5. The reasonable exposure time is six months or less based on current market conditions. The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. We also recognize the exposure time is different for various types of real estate and under various market conditions and that the reasonable exposure time should always incorporate the answer to the question, “For what kind of real estate at what value range?” rather than appear as a statement of an isolated time period.

6. This study is not being prepared for use in connection with litigation. Accordingly, no rights to expert testimony, pretrial or other conferences, deposition, or related services are included with this appraisal. If, as a result of this undertaking, BAAR or any of its principals, its appraisers or consultants are requested or required to provide any litigation services, such shall be subject to the provisions of BAAR’S engagement letter or, if not specified therein, subject to the reasonable availability of BAAR and/or said principals or appraisers at the time and shall further be subject to the party or parties requesting or requiring such services paying the then-applicable professional fees and expenses of BAAR either in accordance with the provisions of the engagement letter or arrangements at the time, as the case may be.

7. All data considered significant that was requested for this assignment was received by BAAR.

RENT ROLL AND HISTORICAL EXPENSES

Summary Rent Roll

Property: 1262 N Marks Ave

Current tenants in the period 01/01/25 - 12/31/25

Security Deposit based on date: 1/1/2025

Tenant Name	Unit	Sq Ft	Deposit Held	100% Rented	Vacancy Loss	Loss to Lease	Rent Charges	Misc Charges	Credits	Prior Balance	Total Charged	Total Paid	Credit Balances	Debit Balances
1262 N Marks Ave														
Takisha Davis	101Marks	1,056	1,100.00	19,800.00	0.00	13,822.00	5,978.00	4,236.00	0.00	479.00	10,214.00	10,693.00		0.00
DeShonna Graim	102Marks	864	600.00	18,000.00	0.00	8,430.00	9,570.00	190.00	0.00	119.00	9,760.00	9,667.00		212.00
Alexxine Muir	103Marks	1,056	1,550.00	19,800.00	4,014.25	428.06	7,130.00	1,720.00	-1,550.00	0.00	7,300.00	7,130.00		170.00
Desiree Blanco	103Marks	0	0.00	0.00	0.00	4,050.00	4,200.00	1,540.00	0.00	0.00	5,740.00	5,600.00		140.00
Jessica Ferrell	104Marks	1,056	1,595.00	19,800.00	0.00	3,850.00	15,950.00	0.00	0.00	-0.25	15,950.00	15,949.75		0.00
Anika Tejeda	105Marks	864	1,350.00	18,000.00	1,972.60	1,165.16	4,980.00	1,353.17	-1,350.00	0.00	4,983.17	4,983.17		0.00
Efero Bautista	105Marks	0	0.00	0.00	0.00	4,380.00	5,520.00	1,234.30	0.00	0.00	6,754.30	6,785.00	-30.70	
Itzel Garcia Garcia	106Marks	864	1,500.00	18,000.00	1,972.60	-96.77	12,000.00	2,610.00	-2,610.00	0.00	12,000.00	12,000.00		0.00
Kaylyn Cha	106Marks	0	0.00	0.00	0.00	48.39	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Valeria Olmeda	106Marks	0	0.00	0.00	0.00	2,544.52	1,520.00	1,200.00	0.00	0.00	2,720.00	1,200.00		1,520.00
Pia Session	107Marks	1,056	1,595.00	19,800.00	0.00	9,462.00	10,338.00	6,312.00	0.00	60.00	16,650.00	16,708.00		2.00
Alexander Garcia	108Marks	1,103	1,050.00	22,500.00	0.00	2,843.50	7,469.00	2,235.00	-1,050.00	-1,248.00	8,654.00	7,406.00		0.00
Diana Ortega	108Marks	0	0.00	0.00	0.00	6,675.00	5,512.50	1,575.00	0.00	0.00	7,087.50	7,087.50		0.00
Mia Moua	109Marks	864	600.00	18,000.00	0.00	7,530.00	10,470.00	0.00	0.00	0.00	10,470.00	10,470.00		0.00
Abby Yang	110Marks	864	1,150.00	18,000.00	5,079.45	594.00	8,256.00	1,365.00	-1,150.00	0.00	8,471.00	8,256.00		215.00
Genevieve Barela	110Marks	0	0.00	0.00	0.00	2,592.90	1,520.00	1,200.00	0.00	0.00	2,720.00	1,200.00		1,520.00
Angela Whatley	111Marks	1,056	1,500.00	19,800.00	1,681.64	9,320.50	579.50	11,328.79	-1,500.00	-95.40	10,408.29	10,312.89		0.00
Mark Theodore Legas	111Marks	0	0.00	0.00	0.00	4,050.00	4,200.00	2,810.00	0.00	0.00	7,010.00	7,010.00		0.00
Sonia Herrera	112Marks	1,056	1,150.00	19,800.00	0.00	15,256.00	4,544.00	9,584.00	0.00	501.94	14,128.00	14,544.00		85.94
Albemy Martinez	113Marks	864	950.00	18,000.00	0.00	5,900.00	12,100.00	0.00	0.00	95.00	12,100.00	12,195.00		0.00
Jose Barbosa	114Marks	864	0.00	18,000.00	12,427.40	2,980.00	2,320.00	1,200.00	0.00	0.00	3,520.00	2,400.00		1,120.00
Marivic Magale	114Marks	0	0.00	0.00	0.00	41.94	200.00	2,360.00	0.00	0.00	2,560.00	2,560.00		0.00
Nicole Lee	115Marks	1,056	1,595.00	19,800.00	0.00	3,850.00	15,950.00	0.00	0.00	0.00	15,950.00	15,205.00		745.00
Nicholas Ramirez	116Marks	1,056	1,595.00	19,800.00	0.00	3,850.00	15,950.00	318.00	0.00	0.00	16,268.00	16,109.00		159.00
Deneisha Atkins	117Marks	864	950.00	18,000.00	0.00	5,710.00	12,290.00	0.00	0.00	-1,229.00	12,290.00	11,061.00		0.00
Angela Romero	118Marks	864	0.00	18,000.00	7,545.21	6,100.00	4,300.00	1,200.00	0.00	0.00	5,500.00	5,500.00		0.00
Miguel Martinez	119Marks	1,056	800.00	19,800.00	0.00	7,200.00	12,600.00	0.00	0.00	0.00	12,600.00	12,600.00		0.00
Dia Xiong	120Marks	1,056	0.00	19,800.00	0.00	12,860.00	6,940.00	6,771.00	0.00	-1,116.00	13,711.00	12,603.00	-8.00	
Shauncei Williams	121Marks	864	0.00	18,000.00	9,665.75	4,074.19	4,200.00	1,200.00	0.00	0.00	5,400.00	5,400.00		0.00
Rachel Derby	122Marks	1,056	700.00	19,800.00	0.00	7,120.00	12,680.00	0.00	0.00	0.00	12,680.00	12,680.00		0.00
		21,359	21,330.00	420,300.00	44,358.90	156,631.39	219,267.00	63,542.26	-9,210.00	-2,433.71	273,599.26	265,315.31	-38.70	5,888.94

Totals for 1262 N Marks Ave **Total Units:** 22 **Vacant Units:** 0 **Vacant Rent:** 44,358.90 **Credit Balances:** 2 **Overall Balance:** 5,850.24

Totals for report	Sq Ft	Deposit Held	100% Rented	Vacancy Loss	Loss to Lease	Rent Charges	Misc Charges	Credits	Prior Balance	Total Charged	Total Paid	Credit Balances	Debit Balances

21,359	21,330.00	420,300.00	44,358.90	156,631.39	219,267.00	63,542.26	-9,210.00	-2,433.71	273,599.26	265,315.31	-38.70	5,888.94

Total Units: 22 **Vacant Units:** 0 **Vacant Rent:** 44,358.90 **Credit Balances:** 2 **Overall Balance:** 5,850.24

Rent Roll & Recurring Charges

Property: 1262 N Marks Ave

As of 10/15/25

Tenant	ID	Unit	Unit Type	RC
1262 N Marks Ave				
Takisha Davis	218	101Marks	APT	1,073.00
DeShonna Graim	219	102Marks	APT	957.00
Desiree Blanco	8781	103Marks	APT	1,400.00
Jessica Ferrell	6632	104Marks	APT	1,595.00
Efero Bautista	8505	105Marks	APT	1,200.00
Pia Session	6287	107Marks	APT	1,735.00
Diana Ortega	8625	108Marks	APT	1,575.00
Mia Moua	226	109Marks	APT	1,047.00
Mark Theodore Legaspi	8725	111Marks	APT	1,400.00
Sonia Herrera	1860	112Marks	APT	1,480.00
Alberny Martinez	2130	113Marks	APT	1,230.00
Nicole Lee	5867	115Marks	APT	1,595.00
Nicholas Ramirez	7069	116Marks	APT	1,595.00
Deneisha Atkins	1653	117Marks	APT	1,229.00
Angela Romero	8540	118Marks	APT	1,200.00
Miguel Martinez	236	119Marks	APT	1,260.00
Dia Xiong	237	120Marks	APT	1,260.00
Shauncei Williams	8631	121Marks	APT	1,200.00
Rachel Derby	470	122Marks	APT	1,268.00
Property Total				**25299.00**
Property Counts	**19**	**19**		**19**

Rent Roll & Recurring Charges (Summary)

Totals for 19 Tenants

Charge Type	Description	Customers	% Charged	% of Total $	Amount
RC	Rent Charge	19	100.0%	100.0%	25,299.00
				Total receipts:	**25,299.00**

Owner Profit & Loss

Property: 1262 N Marks Ave

Date Range: 01/01/23 - 12/31/23 (cash basis)

For REV TR AGR DTD 9-19-84 BETWEEN ALFRED AND GENEVIEVE CANNIZZARO TRUST A at 100% ownership

INCOME	
4100 Rental Income (non-posting)	
4101 Rental Income	246,643.20
4102 Laundry Income	35.86
4100 Total Rental Income (non-posting)	246,679.06
4120 Subsidized Housing Income (non-posting)	
4121 Housing Authority Payment	17,807.00
4120 Total Subsidized Housing Income (non-posting)	17,807.00
4300 Maintenance Income (non-posting)	2,856.56
TOTAL INCOME	**267,342.62**
EXPENSE	
5000 Management Fees Expense	12,003.00
5002 Attorney Fees/ Evictions	1,242.38
5011 Repairs and Maintenance	
5015 Locksmith	524.28
5017 Pest Control	3,020.00
5019 Yard Service	3,450.00
5028 Plumbing Repair	4,072.00
5029 Processing Fee - Repair	2,651.67
5031 Appliance Repair	2,810.60
5033 Electrical Repair	305.00
6006 Misc Repair	4,924.32
5035 Yard Repair	1,850.00
5037 Multi Repairs	2,448.00
5038 Processing Fee - Emergency	110.00
6019 Fence Repair	390.00
5039 Window/Screen Repair	423.00
5040 Maintenance	
6024 Fire Ext. Maintenance	15.82
5040 Total Maintenance	15.82
5047 Costless Plumbing Repair	5,956.00
5048 Costless HVAC Repair	1,274.00
5011 Other Repairs and Maintenance	3,448.00
5011 Total Repairs and Maintenance	37,672.69
5021 Taxes- Property	20,222.25
5022 Tenant Placement Fee	500.00
5023 Utilities	
5024 PG&E	807.92
5025 Water & Sewer	11,367.46
5026 Garbage	10,516.37
5023 Total Utilities	22,691.75
6000 Insurance Expense	9,097.00
6001 Property Loan	29,105.52
6002 On Site Manager Payroll Expense	6,866.25
6010 Unit Turn Expense	28,030.00
TOTAL EXPENSE	**167,430.84**
NET INCOME	**99,911.78**

NET INCOME SUMMARY

Income	267,342.62
Expense	-167,430.84
NET INCOME	**99,911.78**

Owner Profit & Loss

Property: 1262 N Marks Ave

Date Range: 01/01/24 - 12/31/24 (cash basis)

For REV TR AGR DTD 9-19-84 BETWEEN ALFRED AND GENEVIEVE CANNIZZARO TRUST A at 100% ownership

INCOME	
4100 Rental Income (non-posting)	
4101 Rental Income	238,878.20
4110 Late Fees	-143.00
4102 Laundry Income	67.40
4100 Total Rental Income (non-posting)	238,802.60
4120 Subsidized Housing Income (non-posting)	
4121 Housing Authority Payment	48,360.00
4120 Total Subsidized Housing Income (non-posting)	48,360.00
4300 Maintenance Income (non-posting)	
4302 Cleaning	495.00
4300 Other Maintenance Income (non-posting)	14,147.60
4300 Total Maintenance Income (non-posting)	14,642.60
TOTAL INCOME	**301,805.20**
EXPENSE	
5000 Management Fees Expense	12,600.00
5002 Attorney Fees/ Evictions	1,545.00
5003 Bank Fees	1.50
5011 Repairs and Maintenance	
5012 Cleaning Fee	590.00
5015 Locksmith	178.14
5016 Painting	450.00
5017 Pest Control	2,015.00
5019 Yard Service	3,500.00
5028 Plumbing Repair	495.00
5029 Processing Fee - Repair	2,162.68
5031 Appliance Repair	3,801.23
5032 Roof Repair	85.00
5033 Electrical Repair	795.00
6006 Misc Repair	310.00
5035 Yard Repair	1,365.00
6019 Fence Repair	6,050.00
5039 Window/Screen Repair	456.31
5040 Maintenance	
6024 Fire Ext. Maintenance	188.00
5040 Total Maintenance	188.00
5047 Costless Plumbing Repair	2,852.00
5048 Costless HVAC Repair	8,144.50
5011 Other Repairs and Maintenance	6,784.00
5011 Total Repairs and Maintenance	40,221.86
5021 Taxes- Property	20,552.26
5022 Tenant Placement Fee	3,000.00
5023 Utilities	
5024 PG&E	940.22
5025 Water & Sewer	10,110.13
5026 Garbage	11,147.84
5023 Total Utilities	22,198.19
6000 Insurance Expense	9,692.00
6001 Property Loan	34,558.42
6002 On Site Manager Payroll Expense	6,867.00
6010 Unit Turn Expense	67,670.00

TOTAL EXPENSE	**218,906.23**
NET INCOME	**82,898.97**

NET INCOME SUMMARY

Income	301,805.20
Expense	-218,906.23
NET INCOME	**82,898.97**

Owner Profit & Loss

Property: 1262 N Marks Ave

Date Range: 01/01/25 - 12/31/25 (cash basis)

For REV TR AGR DTD 9-19-84 BETWEEN ALFRED AND GENEVIEVE CANNIZZARO TRUST A at 100% ownership

INCOME	
4100 Rental Income (non-posting)	
4101 Rental Income	214,839.56
4102 Laundry Income	56.88
4100 Total Rental Income (non-posting)	214,896.44
4120 Subsidized Housing Income (non-posting)	
4121 Housing Authority Payment	36,399.29
4120 Total Subsidized Housing Income (non-posting)	36,399.29
4300 Maintenance Income (non-posting)	
4302 Cleaning	295.00
4300 Other Maintenance Income (non-posting)	7,367.50
4300 Total Maintenance Income (non-posting)	7,662.50
6014 Tenant Fine	500.00
4002 Repair Reimbursement	635.24
TOTAL INCOME	**260,093.47**
EXPENSE	
5000 Management Fees Expense	13,000.00
5003 Bank Fees	0.50
5011 Repairs and Maintenance	
5012 Cleaning Fee	595.00
5015 Locksmith	311.50
5017 Pest Control	1,945.00
5019 Yard Service	2,500.00
5028 Plumbing Repair	210.00
5029 Processing Fee - Repair	1,780.42
5031 Appliance Repair	4,773.40
5032 Roof Repair	650.00
5033 Electrical Repair	410.00
6018 Floor Repair/Replacement	259.00
6019 Fence Repair	529.00
5040 Maintenance	
6024 Fire Ext. Maintenance	535.55
5040 Total Maintenance	535.55
5047 Costless Plumbing Repair	5,086.50
5048 Costless HVAC Repair	1,323.00
5011 Other Repairs and Maintenance	5,601.00
5011 Total Repairs and Maintenance	26,509.37
5021 Taxes- Property	24,650.55
5022 Tenant Placement Fee	3,500.00
5023 Utilities	
5024 PG&E	1,110.29
5025 Water & Sewer	8,244.26
5026 Garbage	9,356.41
5023 Total Utilities	18,710.96
6000 Insurance Expense	10,776.00
6001 Property Loan	24,577.85
6002 On Site Manager Payroll Expense	5,722.50
6010 Unit Turn Expense	28,755.00
6038 Fire Inspection	347.00
TOTAL EXPENSE	**156,549.73**

NET INCOME	**103,543.74**

NET INCOME SUMMARY

Income	260,093.47
Expense	-156,549.73
NET INCOME	**103,543.74**