

November 21, 2023

ABI Create, LLC

c/o Debra S. Sixta
Mohave Integrity Real Estate Services
2716 Stockton Hill Road
Kingman, AZ 86401

RE: An appraisal report of 62.98 acres of commercial land with improvements located at 9570 W. Fietz Avenue in Golden Valley, AZ. **KB Valuation Services File No. 2023-KB0187.**

Dear Ms. Sixta,

I have made a site visit and appraisal of the above referenced real property. The date of valuation is November 7, 2023, and the date of this report is November 21, 2023. The object of this investigation has been to estimate the following value for the subject property:

- ☐ Market value "as is" on the appraisal date of each of the subject property
- ☒ Based on the findings of my investigation, I have estimated the "as is" fee simple **market value** of subject property, as of November 7, 2023, to be:

ONE MILLION SIX HUNDRED AND TEN THOUSAND DOLLARS
(\$1,610,000)

This value estimate is based upon an **exposure period of 12 months or less** and does not include any tangible or intangible personal property or business value.

The client of this assignment is **ABI Create, LLC**. The **intended use** of this appraisal report is to assist the intended user with purchase decisions. The **intended user** of this appraisal report is **ABI Create, LLC**. This report may not be used for any other reason, nor is it intended for use by any other entity than the party for which it was prepared. This report may not be used for the sale of partial property interests (limited, general partnership, or syndication) unless specifically authorized by the appraiser.

This appraisal has been prepared in conformity with the current requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP 2020-2023).

November 21, 2023

ABI Create, LLC
c/o Debra S. Sixta
Mohave Integrity Real Estate Services
2716 Stockton Hill Road
Kingman, AZ 86401

RE: An appraisal report of 62.98 acres of commercial land with improvements located at 9570 W. Fietz Avenue in Golden Valley, AZ. **KB Valuation Services File No. 2023-KB0187.**

Dear Ms. Sixta,

I have made a site visit and appraisal of the above referenced real property. The date of valuation is November 7, 2023, and the date of this report is November 21, 2023. The object of this investigation has been to estimate the following value for the subject property:

- ☐ Market value "as is" on the appraisal date of each of the subject property
- ☒ Based on the findings of my investigation, I have estimated the "as is" fee simple **market value** of subject property, as of November 7, 2023, to be:

ONE MILLION SIX HUNDRED AND TEN THOUSAND DOLLARS

(\$1,610,000) + 127,818 (5 extra acres) = **\$1,737,818**

This value estimate is based upon an **exposure period of 12 months or less** and does not include any tangible or intangible personal property or business value.

The client of this assignment is **ABI Create, LLC**. The **intended use** of this appraisal report is to assist the intended user with purchase decisions. The **intended user** of this appraisal report is **ABI Create, LLC**. This report may not be used for any other reason, nor is it intended for use by any other entity than the party for which it was prepared. This report may not be used for the sale of partial property interests (limited, general partnership, or syndication) unless specifically authorized by the appraiser.

This appraisal has been prepared in conformity with the current requirements of the Appraisal Foundation as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP 2020-2023).

Extraordinary Assumption

The owner reported that there are 642 irrigated trees planted on the property. This appraisal assumes this to be correct. Should this assumption be found to be incorrect, it could have impacted my value conclusions.

This valuation is based upon the attached report and all the assumptions and limiting conditions contained therein, including the understanding that I have no control of the utilization of this appraisal by its subsequent readers. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which he is connected) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval of the undersigned.

The narrative report that follows sets forth the data and analyses upon which my conclusions are based.

Sincerely,



Brian D. Mills, MAI
Arizona Cert. General
Real Estate Appraiser No. 31149
brian@kbvaluation.com

AN APPRAISAL REPORT

9570 W. FIETZ AVENUE, GOLDEN VALLEY, MOHAVE COUNTY, AZ 86413

APN: 351-01-024, 025, 026, 019

Client: *ABI Create, LLC*

**Real Property
Interest Appraised:** Fee Simple

Pertinent Dates:

| | |
|--------------------------|-------------------|
| Date of Report: | November 21, 2023 |
| Date of Inspection: | November 7, 2023 |
| Effective Date of Value: | November 7, 2023 |

Intended Users: *ABI Create, LLC*

Intended Use: The intended use of this appraisal report is with purchase decisions. This report may not be used for any other reason, nor is it intended for use by any other entity than the party for which it was prepared. This report may not be used for the sale of partial property interests (limited, general partnership, or syndication) unless specifically authorized by the appraiser.

Scope of Work:

As part of this appraisal, I have completed the following steps to gather, confirm, and analyze the data.

- Physically viewed the interior and exterior of the subject property and toured the immediate environs and market area;
- Collected factual information about the subject and the surrounding market and confirmed that information with various sources;
- Prepared a highest and best use analysis of the subject site as if vacant and as improved;
- Collected and confirmed market information needed to develop a credible opinion of value;
- Prepared an appraisal report setting forth the conclusion derived in this analysis.

Current Ownership, Sales History, Status

The current owner of the subject property is listed in public records as Bruce Perlowin. There have been no sales or transfers involving the subject during the past three years for parcels 351-01-024, 025, and 026. Parcel 351-01-019 was purchased in October 2021 by SpreadPeace.org, Inc. from Gold Mountain North, LLC for \$150,000. Title was deeded to Bruce Perlowin in March 2022 in an owner related transfer. The subject is currently listed on the open market for \$2,287,812 with a local real estate sales company. The initial listing price was \$1,200,000 on February 9, 2023 and was subsequently increased to the current asking price \$2,287,812 in October 2023. Total marketing time has been 279 days.

Legal Description¹

[351-01-024] - T23n R20w Sec 1 Par 1 As Shown On Rs 27/48 Replatted As Par 1-A O N Pp 034/073 Cont 14.62 Acres 351-01-023 (351-01-024, 025, 026, 027 & 028) 2014 Tax Roll

[351-01-025] - T23n R20w Sec 1 Par 1 As Shown On Rs 27/48 Replatted As Par 1-B O N Pp 034/073 Cont 5.68 Acres 351-01-023 (351-01-024, 025, 026, 027 & 028) 2014 Tax Roll

[351-01-026] - T23n R20w Sec 1 Par 1 As Shown On Rs 27/48 Replatted As Par 1-C O N Pp 034/073 Cont 5.18 Acres 351-01-023 (351-01-024, 025, 026, 027 & 028) 2014 Tax Roll

[351-01-019] - T23n R20w Sec 1 Par 2 As Shown On Rs 27/48 Rec 1/25/2005 2005-784 4 Cont 37.5 Acres 351-01-014 (351-01-018 & 019) 2009 Tax

Market Value Definition

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).

Definition of Fee Simple Estate

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."²

Definition of Leased Fee Interest

"The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires."³

¹ Obtained from public records

² Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).

³ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).

Definition of Extraordinary Assumption

"An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions."⁴

Definition of "As Is"

"The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date."⁵

Definition of Exposure Time

Exposure Time is defined as the: *an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.*

Appraisal Standards Board (ASB), USPAP 2020-2023, Page 4

In this appraisal report, the exposure period for the subject property is estimated to be 12 months or less. This conclusion is predicated upon telephone interviews with market participants, consideration of current market conditions, and an evaluation of the historical marketing periods of comparable sales information analyzed during the preparation of this report.

Definition of Marketing Time

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.⁶

The sales considered did indicate sufficient demand exists to presume the subject property could be marketed successfully under the supplied definitions of value within 12 months or less. This estimate, however, assumes any disposition of the subject property is in its "as is" condition, and that the pricing of any marketing effort is near the value estimated within this report. This estimate also assumes no material changes (either up or down) in market conditions. (Exposure Period precedes the date of valuation, whereas Marketing Time follows the date of valuation).

⁴ USPAP, *Uniform Standard of Professional Appraisal Practice*, 2020-2022 Edition, Page 4.

⁵ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).

⁶ Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).

Property Description

| | | | | | | | | | | | |
|----------------------------|---|----------------------------|-------------------|----------------------|-------------------|-------------|----------------|----------------------|------------------------|----------------------|-------------------|
| Site Area: | 62.98 acres or 2,743,409 square feet | | | | | | | | | | |
| Type: | Commercial dome building with numerous site improvements including landscaping, fencing, approximately 642 fruit trees, well, water tanks, solar panels, wind solar cameras, and irrigation system. | | | | | | | | | | |
| Zoning: | C-RE, Commercial Recreational, Mohave County [351-01-024] A-R, Agricultural-Residential, Mohave County [351-01-025, 026, 019]. According to the county planning and zoning department, these parcels could easily be rezoned to C-RE due to the precedent set by parcel 351-01-024. | | | | | | | | | | |
| Frontage: | Along Jackrabbit Road | | | | | | | | | | |
| Topography: | Level | | | | | | | | | | |
| Utilities: | Solar electric, well system, septic system | | | | | | | | | | |
| Flood Zone: | FEMA panel 04015C3975G, dated November 18, 2009. According to this map, the subject is not in the 100- or 500-year floodplain as it lies within flood Zone X. | | | | | | | | | | |
| Building Size: | <table> <tr> <td>Permanent Dome / Restroom:</td><td>1,246 square feet</td></tr> <tr> <td>Temporary Domes (5):</td><td>3,747 square feet</td></tr> <tr> <td>Well House:</td><td>56 square feet</td></tr> <tr> <td><u>Solar Canopy:</u></td><td><u>600 square feet</u></td></tr> <tr> <td>Gross Building Area:</td><td>5,668 square feet</td></tr> </table> | Permanent Dome / Restroom: | 1,246 square feet | Temporary Domes (5): | 3,747 square feet | Well House: | 56 square feet | <u>Solar Canopy:</u> | <u>600 square feet</u> | Gross Building Area: | 5,668 square feet |
| Permanent Dome / Restroom: | 1,246 square feet | | | | | | | | | | |
| Temporary Domes (5): | 3,747 square feet | | | | | | | | | | |
| Well House: | 56 square feet | | | | | | | | | | |
| <u>Solar Canopy:</u> | <u>600 square feet</u> | | | | | | | | | | |
| Gross Building Area: | 5,668 square feet | | | | | | | | | | |
| Construction: | The permanent dome has concrete flooring with 4" GigaCrete and ThermaShield walls, a bathroom, and a shower. The temporary domes have metal struts with uninsulated polyurethane covers and dirt flooring. | | | | | | | | | | |
| Year Built: | The improvements were constructed in approximately 2014 and are in fair to average condition. | | | | | | | | | | |

Property Rating

| | Excellent | Good | Average | Fair |
|---------------|-----------|------|---------|------|
| Location | | | X | |
| Accessibility | | | X | |
| Topography | | X | | |
| Utilities | | | | X |
| Condition | | | X | X |
| Quality | | | X | |

Area Overview

Golden Valley / Kingman is located in northwestern Arizona at the intersection of Interstate 40 and U.S. 93. Kingman is situated in the Hualapai Valley between the Cerbat and Hualapai Mountain Ranges at an elevation of 3,400 feet. The city of Kingman was established in the early 1880s by Lewis Kingman who located the route of the Santa Fe Railway. It was incorporated in 1952 and has served as county seat of Mohave County since 1887.

The community of Golden Valley lies in the Sacramento Valley, separated from the larger neighboring cities of Kingman and Bullhead City by the surrounding mountain ranges. Arizona State Route 68 runs through the heart of Golden Valley, connecting it to Kingman and Bullhead City, which lie on each end of the route. Arizona 68 also functions as Golden Valley's "main street." At the eastern end of Golden Valley, Arizona 68 terminates at U.S. Route 93, which leads to Kingman to the south, or Las Vegas to the north.

Because of its close proximity to Kingman, and its residents' reliance on Kingman's grocery and retail stores for everyday necessities, Golden Valley can be considered part of the Kingman community. However, residents of Golden Valley also rely on employment in Bullhead City and Laughlin, linking Golden Valley to those communities as well.

Kingman is a regional trade, service and distribution center for northwestern Arizona. Its strategic location relative to Los Angeles, Las Vegas, Phoenix, Laughlin and the Grand Canyon has made tourism, manufacturing/distribution, and transportation its leading industries.

Favorable Arizona taxes, I-40, Burlington Northern Santa Fe Railway mainline, and the proximity to the California market make Kingman a prime site for industries and distributors. The fully developed Airport Industrial Park, with reasonable land costs, is attracting the attention of manufacturers and distributors who wish to establish facilities to serve the Western states.

As of 2023, the ESRI population for a radius of 20 miles from the subject was reported at 19,166.

| Summary | Census 2010 | Census 2020 | 2023 | 2028 |
|--------------------------------------|-------------|--------------|-----------------|--------|
| Population | 18,265 | 18,699 | 19,166 | 20,310 |
| Households | 8,236 | 8,743 | 9,096 | 9,832 |
| Families | 5,140 | 5,237 | 5,613 | 6,082 |
| Average Household Size | 2.22 | 2.14 | 2.11 | 2.07 |
| Owner Occupied Housing Units | 6,266 | 6,770 | 7,656 | 8,456 |
| Renter Occupied Housing Units | 1,968 | 1,973 | 1,440 | 1,376 |
| Median Age | 53.7 | 59.9 | 58.5 | 59.8 |
| Trends: 2023-2028 Annual Rate | Area | State | National | |
| Population | 1.17% | 0.53% | 0.30% | |
| Households | 1.57% | 0.76% | 0.49% | |
| Families | 1.62% | 0.78% | 0.44% | |
| Owner HHs | 2.01% | 0.97% | 0.66% | |
| Median Household Income | 3.64% | 3.00% | 2.57% | |

Based on my observations of the Golden Valley / Kingman community, I believe that the subject neighborhood is still in the growth phase of its life cycle. Median housing prices have increased over the past ten years. County unemployment has declined to 4.7% since the peak of 14.0% during the great recession. In my opinion, the area should retain its appeal as a good place to live and work over the years.