

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

X ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 000-56111

INTERNATIONAL LAND ALLIANCE, INC.

(Exact name of small business issuer as specified in its charter)

Wyoming
(State or other jurisdiction of incorporation)

46-3752361

(IRS Employer Identification No.)

350 10th Avenue, Suite 1000, San Diego, CA 92101
(Address of principal executive offices) (Zip Code)

(877) 661-4811
(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value \$0.001	ILAL	OTCMKTS

Indicate by check mark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No X

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes X No

Indicate by check mark whether the registrant is a large-accelerated filer, an accelerated filer, non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large-accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer Non-accelerated filer X Smaller reporting company X
Emerging growth company X

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No X

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$22,195,117 based upon the price \$1.10 at which the common stock was last sold as of June 30, 2021, the last business day of the registrant's most recently completed second fiscal year, multiplied by the approximate number of shares of common stock held by persons other than executive officers, directors and five percent stockholders of the registrant without conceding that any such person is an "affiliate" of the registrant for purposes of the federal securities laws.

As of April 15, 2022, there were 33,714,041 shares of Common Stock, \$0.001 par value, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

The information contained in this Report includes some statements that are not purely historical and that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as such, may involve risks and uncertainties. These forward-looking statements relate to, among other things, expectations of the business environment in which we operate, perceived opportunities in the market and statements regarding our mission and vision. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. You can generally identify forward-looking statements as statements containing the words "anticipates," "believes," "continue," "could," "estimates," "expects," "intends," "may," "might," "plans," "possible," "potential," "predicts," "projects," "seeks," "should," "will," "would" and similar expressions, or the negatives of such terms, but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking statements involve risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. The forward-looking statements contained herein are based on various assumptions, many of which are based, in turn, upon further assumptions. Our expectations, beliefs and forward-looking statements are expressed in good faith on the basis of management's views and assumptions as of the time the statements are made, but there can be no assurance that management's expectations, beliefs or projections will result or be achieved or accomplished.

In addition to other factors and matters discussed elsewhere herein, the following are important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements: technological advances, impact of competition, dependence on key personnel and the need to attract new management, effectiveness of cost and marketing efforts, acceptances of products, ability to expand markets and the availability of capital or other funding on terms satisfactory to us, and the continuing impact of Covid-19. We disclaim any obligation to update forward-looking statements to reflect events or circumstances after the date hereof.

PART I

Item 1. Description of Business.

International Land Alliance, Inc. (the "Company") was incorporated under the laws of the State of Wyoming on September 26, 2013 (inception). On June 30, 2011, International Land Alliance, SA De CV ("ILA Mexico") was formed as a Mexican corporation to acquire from Baja Residents Club, S.A., a related-party Mexican corporation, 497 acres south of San Felipe, Baja California, known as the Oasis Park project and 20 acres in Ensenada, Baja California, known as the Valle Divino project. On October 1, 2013 Roberto Jesus Valdez, Jason A. Sunstein and Elizabeth Roemer transferred their interest in Oasis Park and Valle Divino real estate projects to ILA Mexico in exchange for 7,500 shares of ILA Mexico. On October 1, 2013, we issued 3,750,000 shares of our common stock to Roberto Jesus Valdez, 3,750,000 shares of our common stock to Jason Sunstein and 1,000,000 shares of our common stock to Elizabeth Roemer in exchange for all of the outstanding shares of ILA Mexico. As a result of this transaction, ILA Mexico became our wholly owned subsidiary.

On March 5, 2019, the Company received its trading symbol "ILAL" from FINRA. On April 4, 2019, the Company was approved to have its common stock traded on the OTCQB. On April 12, 2019, the Company became eligible for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States.

On March 18, 2019, the Company acquired real property located in Hemet, California, which included approximately 80 acres of land and two structures for \$1.1 million. The property includes the main parcel of land with existing structures along with three additional parcels of land which are vacant lots to be used for the purpose of development. The Company was generating lease income from this property up until October 1, 2021, at which point, the Company recognized revenue from the sale of 20 acres of land pursuant to ASC 606.

In October 2019, the Company entered into an agreement with Valdeland, S.A. de C.V.("Valdeland"), a Mexican corporation controlled by our CEO, Robert Valdes, to acquire 1 acre of land at the Bajamar Ocean Front Golf Resort in Ensenada, Baja California, known as the Plaza Bajamar. The transfer of title to for this project is subject to approval from the Mexican government in Baja California. Although management believes that the transfer of title to the land will be approved and transferred by the end of our second fiscal quarter of 2022, there is no assurance that such transfer of title will be approved in that time frame or at all.

On July 2020, the Company filed the Articles of Organization with the California Secretary of State for Emerald Grove Estates, LLC ("Emerald Estates"). Emerald Estates is a wholly

owned subsidiary of the Company. The purpose of Emerald Estates is agriculture and land development. On January 27, 2021, Jason Sunstein and ILAL granted the deed of the property in Sycamore Road, Hemet, California to Emerald Grove Estates LLC.

On October 25, 2020, the Company entered into a business agreement with A&F Agriculture LLC ("A&F"), in which the parties agreed to operate a business for the purpose of commercially cultivating industrial hemp at the Company's property in Southern California. A&F will be the managing party of the business agreement. The Company will provide A&F with the land and water supply for the purpose of the cultivation. All revenue and expenses associated with the cultivation will be split equally among parties. Franck Ingrande is the Manager of A&F and is also the President of the Company.

On December 14, 2021, the Company executed a rescission agreement with A&F, which terminated any and all of its interest, directly or indirectly, in the lease of a small portion of its land in Southern California for the growing of hemp. The Company, who is a developer of land for resorts and commercial buildings, will begin subdividing the property for the construction of residential homes. The Company was never in the hemp business and acted strictly as a lessor. Pursuant to the rescission agreement the Company will be paid \$150,000 over the next two years, which includes \$100,000 previously loaned to the venture for the purposes of improvements to the property.

On March 29, 2021, the Company executed a Letter of Intent (the "LOI") to acquire two parcels of land in Rosarito Beach, Baja California, Mexico, with total surface area of roughly 32 acres valued at approximately \$6 million. The all-stock transaction includes plans and permits for an existing 450-homesite project situated near the Pacific Ocean, with existing sales averaging \$50,000 per residential plot. The LOI includes the accounts receivable for plots sold and the remaining unsold plots. The closing is subject to standard conditions including, completion of due diligence by both parties and the negotiation and execution of mutually acceptable definitive documents. The Agreement merely represents the present understanding with respect to the intended acquisition transaction and is not binding upon the parties. Due to continuing impact of Covid-19, the Seller's ability to subdivide the master parcel has been delayed. Due to continued impact of COVID-19, the seller was not able to get the subdivision permits and the time outlined in the LOI expired, as such the Company is no longer pursuing this opportunity.

Overview

We are a residential land development company with target properties located primarily in the Baja California Northern region of Mexico. Our principal activities are purchasing properties, obtaining zoning and other entitlements required to subdivide the properties into residential and commercial building lots, securing financing for the purchase of the lots, improving the properties' infrastructure and amenities, and selling the lots to homebuyers, retirees, investors, and commercial developers. We offer the option of financing (i.e. taking a promissory note from the buyer for all or part of the purchase price) with a guaranteed acceptance on any purchase for every customer.

Industry Overview

Mexico's real estate industry has experienced a wave of growth brought about by foreign investment with the creation of investment trusts in 1993 ("fideicomiso") and significant changes in regulations, primarily NAFTA in 1994, along with competitive land prices and the significant expansion of new business centers and factories ("Maquiladoras") across the country over the last 10 years.

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Most recently, this continued growth was fueled by Mexico's enormously strong domestic market, particularly the rising middle class. In 2018, the country's middle class was estimated to account for almost half of the total households, at about 16 million. They are expected to continue growing, with about 3.8 million more households projected to move into the middle class by 2030. Moreover, most Mexicans who move generally prefer to buy rather than to rent. Around 82% of Mexicans want to buy a property, as opposed to 18% that prefer to rent, according to Lamudi's recent Real Estate Market Report 2018.

In addition to a strong domestic market, demand has also been fueled by international buyers from California seeking affordable retirement alternatives. Due to a serious housing shortage, CoreLogic data show the median price of a Southern California home, or the price at the midpoint of all sales, was \$706,000 in February 2022, up 15.4% from February 2021. That's a 12-month gain of \$94,000, equivalent to a price hike of \$1,800 every week. Prices hit or tied all-time highs in all but one county, Los Angeles, in the six-county region.

Market Opportunity

For years, U.S. and Canadian retirees have flocked to Mexico as an alternative overseas retirement destination that was affordable, offered desirable weather and was close to their communities of origin in North America. These attributes have made Mexico the top overseas retirement destination for older Americans, resulting in a building boom that reached its peak in 2005/06 and stretched from Playas de Tijuana-Rosarito and Los Cabos along the Baja California peninsula and from Puerto Peñasco, Sonora to Mazatlán, Sinaloa. In southern Mexico, the real estate focus has been on expanding the Cancún corridor to the Riviera Maya.

Mexico remains a viable retirement option for Americans aged 50 years and over, offering a reduced cost of living, lower health care expenses, and proximity to friends and family in the United States. In addition, over half of survey respondents observed that their motivation to purchase a home in Mexico was based on their desire to have a home on or near the coast that would otherwise be unattainable in the United States.

In addition to U.S. and Canadian citizens, Baja California has seen a noticeable increase in business from Japan and Europe. With the interest in Baja expected to continue along with Mexico's overall economic growth, we will be well positioned to offer prospective homebuyers and investors a luxurious residence with breathtaking views for an affordable price.

Target Market

The Company's projects will be marketed toward residents of the United States and Canada. Specifically, we will target the influx of Maquiladoras (manufacturing facilities run by a foreign company) moving to Mexico as well as the residents of California, Texas, Arizona and Washington for the purpose of appealing to their need for a second home or retirement property within driving distance from Southern California. The targeted market includes residents making over \$50,000 or a combined household income of \$150,000.

Our target home buyers are typically professionals who own an existing property. Many are married without children or married with several children. The target audience enjoys a vacation away from home and often seeks information regarding villas or condominiums as a second home or vacation destination. We plan to provide them with an affordable location for a vacation home in a community that surpasses all their expectations.

Growth Strategy

We believe that growth of homebuilders in Mexico has created opportunities for smaller companies with long-term experience and relationships in their local markets. We believe that we can utilize our many strengths to benefit our target market. These strengths include:

- better knowledge of local demand;
- superior understanding of the entitlement and acquisition process;
- affordable high-quality homes and aggressive marketing;
- long term relationships with local regulatory authorities, landowners, designers, and contractors; and
- faster and less cumbersome financing processes.

It is our plan to utilize these advantages to move more quickly and address the needs of those in our target market, especially retirees looking to purchase a home in Mexico.

Competition

The Mexican public real estate market is fragmented and highly competitive. We compete with numerous developers, builders, and others for the acquisition of property and with local, regional, and national developers, homebuilders, and others with respect to the sale of residential properties. We also compete with builders and developers to obtain financing on commercially reasonable terms.

The Company is also subject to competition from other entities engaged in the business of resort development, sales and operation, including vacation interval ownership, condominiums, hotels and motels. Some of the world's most recognized lodging, hospitality and entertainment companies have begun to develop and sell resort properties in the Baja California area. Many of these entities possess significantly greater financial, marketing and other resources than those of the Company. Management believes that recent regulatory developments in the electricity industry and overall growth in the Mexican economy will increase competition in the real estate investment industry.

The Company is in the process of acquiring properties, as well as developing its marketing and sales strategy. The Company is also developing an interactive website and help center to answer questions from potential home buyers.

Intellectual Property

We currently have no patents, copyrights, trademarks and/or service marks, nor do we have any plans to file applications for such rights.

Government Regulation

The housing and land development industries are subject to increasing environmental, building, zoning, and real estate sales regulations by various authorities. Such regulations affect home building by specifying, among other things, the type and quality of building materials that must be used, certain aspects of land use and building design. Some regulations affect development activities by directly affecting the viability and timing of projects.

We must obtain the approval of numerous governmental authorities that regulate such matters as land use and level of density, the installation of utility services, such as water and waste disposal, and the dedication of acreage for open space, parks, schools and other community purposes. If these authorities determine that existing utility services will not adequately support proposed development, building moratoria may be imposed. As a result, we use substantial resources to evaluate the impact of government restrictions imposed upon new residential development. Furthermore, as local circumstances or applicable laws change, we may be required to obtain additional approvals or modifications of approvals previously obtained or we may be forced to stop work. These increasing regulations may result in a significant increase in resources between our initial acquisition of land and the commencement and the completion of developments. In addition, the extent to which we participate in land development activities subjects us to greater exposure to regulatory risks.

Additionally, the Mexican real estate industry is subject to substantially different regulation than the U.S. real estate industry. The Mexican constitution of 1917 prohibited foreign ownership of residential real property within approximately 31 miles (approximately 50 km) of any coastline and 62 miles (approximately 100 km) of its natural borders. All of Baja California is included in this "restricted zone." In 1971 (further expanded in 1989 and 1993) provisions were made for a mechanism that would allow foreigners to own property in the "restricted zone." Within the "restricted zone," a foreigner can purchase the beneficial interest in real property through a bank trust or "fideicomiso." Thus, virtually all property in Mexico is available for purchase by foreigners, keeping in mind that the fideicomiso, or bank trust, must be used when acquiring property within the restricted zone.

In this bank trust, the buyer of the property is designated as the "fideicomisario" or the beneficiary of the trust. While legal title is held by the bank, (specifically the trustee of the trust or the "fiduciario.") the trustee must administer the property in accordance with the instructions of the buyer (the beneficiary of the trust). The property is not an asset of the bank and the trustee is obligated to follow every lawful instruction given by the beneficiary to perform legal actions, i.e. rent it, make improvements, sell it, etc.

As long as the foreign buyer of the property adheres to laws and ordinances of Mexico and agrees not to invoke the protection of the government of his country, he may exercise the same rights as a Mexican national with regard to the use of his property.

Employees

As of the date of this filing, we have four employees, three of whom are the Company's executive officers.

We have, currently and will continue to use independent contractors to assist us in marketing and selling our products.

Recent Developments

Subsequent to December 31, 2021, the Company issued 814,714 shares of common stock pursuant to a consulting agreement executed on April 1, 2016, with an estimated fair value of approximately \$447,000. Such issuance relates to advisory services in connection with potential acquisitions, product development, marketing & promotion of the Company's real estate properties. Such liability was included in accounts payable and accrued liabilities in the Company's consolidated balance sheet as of December 31, 2021.

Subsequent to December 31, 2021, the Company executed a consulting and real estate sales agreement with an initial six-month term. Pursuant to such contract, the Company issued 600,000 options to purchase common stock of the Company at \$0.001 strike price. The consultant immediately exercised the options and the Company issued 600,000 shares of Common Stock.

Subsequent to December 31, 2021, the Company executed three securities purchase agreements with three investors, which included (i) the issuance of three promissory notes for total principal amount of \$616,200 and net funding of \$522,500 and (ii) 687,500 warrants to purchase an equivalent number of Common Stock at a strike price of \$0.80. In connection with the securities purchase agreements, the Company also issued a total of 450,000 commitment shares fully earned on issuance. Two of the promissory notes are convertible into the Company's common stock at a fixed conversion rate upon an event of default. One of the convertible notes, is convertible at a discounted price to the closing bid price of the Company.

COVID-19 Pandemic

In December 2019, an outbreak of a novel strain of coronavirus originated in Wuhan, China ("COVID-19") and has since spread worldwide, including to the United States (the "U.S.") and Mexico, posing public health risks that have reached pandemic proportions (the "COVID-19 Pandemic"). The outbreak of COVID-19 (in particular the new and evolving strains) continues to grow both in the U.S., Mexico and globally and related government and private sector responsive actions may adversely affect our business operations. The outbreak of COVID-19 affected our sales process with travel limitations imposed by the State of California and the U.S. for international border crossing. This limits sales prospects from visiting our properties in Baja California from our primary target market, Southern California. This outbreak has also resulted in reduced customer traffic from surrounding areas within Baja California and the temporary reduction of sales office operating hours. These developments have negatively impacted sales and gross margin. While management reasonably expects the COVID-19 outbreak to negatively impact the Company's financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Item 1A. Risk Factors.

An investment in our securities is highly speculative and subject to numerous and substantial risks. Readers are encouraged to review these risks carefully before making any investment decision.

In addition to the other information provided in this filing, you should carefully consider the following risk factors in evaluating our business before purchasing any of our common stock. All material risks are discussed in this section.

Risks Related to Our Company

There is substantial doubt about our ability to continue as a going concern. If we do not continue as a going concern, investors will lose their entire investment.

The Company has accumulated deficit of \$14,703,818 as of December 31, 2021, and never operated at a profit and its loss for the year ended December 31, 2021, was \$5,062,062. This loss and deficit may impact the future of the Company in many ways including, but not limited to, making it more difficult to borrow money, sell stock or to maintain a good trading price for our common stock.

Our financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Our auditor's report reflects that the ability of the Company to continue as a going concern is dependent upon our ability to repay or refinance our obligations, to raise additional capital and, ultimately, the achievement of significant operating revenues. If we are unable to continue as a going concern, stockholders will lose their investment. We will be required to seek additional capital to fund future growth and expansion. No assurance can be given that such financing will be available or, if available, that it will be on commercially favorable terms. Moreover, favorable financing may be dilutive to investors.

The impact of any deterioration in the U.S. economy as a result of the coronavirus (COVID-19) outbreak may negatively affect our business.

A continued deterioration in the U.S. economy as a result of the coronavirus outbreak could result in continued turmoil. The continued impact of this event on our business and the severity of an economic crisis is uncertain. It is possible that a crisis (such as the coronavirus outbreak) in the U.S. economy could continue to adversely affect our business, vendors and prospects as well as our liquidity and financial condition.

If COVID-19, or another highly infectious or contagious disease is not successfully contained, we could experience a material adverse effect on our business, financial condition, results of operations and cash flow. Among the factors outside our control that are likely to affect the impact the COVID-19 pandemic will ultimately have on our business are:

- the pandemic's course and severity;
- the direct and indirect results of the pandemic, such as recessionary economic trends, including with respect to employment, wages and benefits, discretionary income for recreational travel and commercial activity;
- political, legal and regulatory actions and policies in response to the pandemic, including the effects of restrictions on commerce or other public activities, moratoria and restricted international travel particularly to Mexico;
- the timing, magnitude and effect of public spending, directly or through subsidies, its direct and indirect effects on commercial activity and incentives of employers and individuals to resume or increase employment, wages and benefits and commercial activity;
- the timing and availability of direct and indirect governmental support for various financial assets, including mortgage loans, and possible related distortions in market values and liquidity for such assets whose markets have or are assumed to have government support versus possibly similar assets that do not;
- potential longer-term effects of increased government spending on the interest rate environment and borrowing costs for non-governmental parties;
- the ability of our employees and our third-party vendors to work effectively during the course of the pandemic; and
- potential longer-term shifts toward telecommuting and telecommerce;

We are continuing to monitor the spread of COVID-19, new novel strains and related risks, although the rapid development and fluidity of situation precludes any prediction as to its ultimate impact on us. However, if the spread continues, cities and states re-institute travel restrictions, shut downs or other mandates, such impact could grow and our business, financial condition, results of operations and cash flows could be materially adversely affected.

Our Certificate of Incorporation and Bylaws limit the liability of, and provide indemnification for, our officers and directors.

Our Certificate of Incorporation generally limits our officers' and directors' personal liability to the Company and its stockholders for breach of fiduciary duty as an officer or director except for breach of the duty of loyalty or acts or omissions not made in good faith, or which involve intentional misconduct or a knowing violation of law. Our Certificate of Incorporation and Bylaws, provide indemnification for our officers and directors to the fullest extent authorized by the Wyoming Business Corporation Act against all expense, liability, and loss, including attorney's fees, judgments, fines excise taxes or penalties and amounts to be paid in settlement reasonably incurred or suffered by an officer or director in connection with any action, suit or proceeding, whether civil or criminal, administrative or investigative (hereinafter a "Proceeding") to which the officer or director is made a party or is threatened to be made a party, or in which the officer or director is involved by reason of the fact that he is or was an officer or director of the Company, or is or was serving at the request of the Company whether the basis of the Proceeding is an alleged action in an official capacity as an officer or director, or in any other capacity while serving as an officer or director. Thus, the Company may be prevented from recovering damages for certain alleged errors or omissions by the officers and directors for liabilities incurred in connection with their good faith acts for the Company. Such an indemnification payment might deplete the Company's assets. Stockholders who have questions regarding the fiduciary obligations of the officers and directors of the Company should consult with independent legal counsel. It is the position of the Securities and Exchange Commission that exculpation from and indemnification for liabilities arising under the Securities Act of 1933, as amended, and the rules and regulations there under, is against public policy and therefore unenforceable.

We will need additional capital, which we may be unable to obtain.

Our capital requirements in connection with our development activities of our residential property's operations have been and will continue to be significant. As of December 31, 2021, we do expect to require additional funding in order to continue development, construction of model homes, infrastructure and amenities and marketing activities associated with our different properties. Our current cash position will not be sufficient to fund any future plans and to accelerate our commercialization efforts. There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all.

We have a potential conflict of interest with a company controlled by one of our officers and directors.

We have and will continue to enter into agreements with firms owned or controlled by our officers and directors. A conflict of interest will arise should a dispute occur with the respect of our rights and obligations pursuant to the agreements and those firms. Under Wyoming law a conflict of interest transaction is not voidable if the transaction was fair at the time it was entered into or is approved in advance by the vote of the board of directors not having an interest in the transaction if the material facts of the transaction and the director's interest are disclosed or known to the board prior to the vote. Each officer and director owe a fiduciary duty to the Company to present business opportunities to the Company. We do not believe, however, that the fiduciary duties or contractual obligations of our officers or directors to other entities will materially affect our ability to identify and pursue business opportunities or to complete our initial business objectives.

We are dependent on the sale of our securities or debt to fund our operations.

We are dependent on the sale of our securities or debt to fund our operations and will remain so until we generate sufficient revenues to pay for our operating costs. Our officers and directors have made no written commitments with respect to providing a source of liquidity in the form of cash advances, loans and/or financial guarantees. There can be no guarantee that we will be able to successfully sell our equity or debt securities.

Our lack of operations makes evaluating our business difficult.

We have almost seven years of operational history. Accordingly, our operations are subject to the risks inherent in the establishment of a new business enterprise, including access to capital, successful implementation of our business plan and limited revenue from operations. We cannot assure you that our intended activities or plan of operation will be successful or result in revenue or profit to us and any failure to implement our business plan may have a material adverse effect on the business of the Company.

To be profitable, we must:

- develop and identify new prospective purchasers of our real estate;
- compete with larger, more established competitors in the real estate development industry;
- maintain and enhance our brand recognition; and
- adapt to meet changes in our markets and competitive developments.

We may not be successful in accomplishing these objectives. Further, our lack of operating history makes it difficult to evaluate our business and prospects. Our prospects must be considered in light of the risks, uncertainties, expenses and difficulties frequently encountered by companies in their early stages of development, particularly companies in highly competitive industries. The historical information in this report may not be indicative of our future financial condition and future performance. For example, we expect that our future annual growth rate in revenues will be moderate and likely be less than the growth rates experienced in the early part of our history.

Risks Related to Our Business

There is no guarantee that the Company will be able to complete development of its proposed properties and profitably sell any units.

The Company has acquired properties and thereafter, the Company intends to construct and develop proposed resort properties as well as other residential and commercial property. There can be no assurance that the Company will complete the expected development plans or undertake to develop other resorts or complete such development if undertaken. Risks associated with the Company's development and construction activities may include the risks that: (i) acquisition and/or development opportunities may be abandoned; (ii) construction costs of a property may exceed original estimates, possibly making the resort uneconomical or unprofitable; and (iii) construction may not be completed on schedule, resulting in decreased revenues and increased carrying cost such as taxes and interest expense. In addition, the Company's construction activities will typically be performed by third-party contractors, the timing, quality and completion of which the Company will be unable to control.

Investors will have no discretion in management's real estate investment decisions.

Our management will have complete discretion in making investments on our behalf in a range of real estate, which may include all types of properties. Consequently, prospective investors will not be able to evaluate for themselves the merits of the specific properties that may be acquired in the future and may not like the properties acquired. You will not be entitled to a return of your investment if you do not approve the properties purchased. Our investment decisions are not made through reliance on sophisticated mathematical models or arbitrage programs. Instead, investors are relying on the judgment of our management alone to locate suitable properties that meet our investment criteria.

Our proposed ownership of real estate may result in losses if demand for property declines.

From our current real estate projects and any future real estate project acquired, we will be subject to risks incident to the ownership of real estate, including: changes in general economic or local conditions, such as a decrease in demand for residential, commercial and industrial space due to a decrease in population or employment or changes in technology or adverse downturns in the general economy; changes to preferences that reduce the attractiveness of our properties to end users; fluctuation in mortgage rates, building ownership or operating expenses; rises and falls in undeveloped land values; costs of infrastructure, construction or other development costs; changes in supply or demand of competing properties in an area; changes in interest rates, zoning and other governmental regulations and availability of permanent mortgage funds that may render the sale of a property difficult or unattractive; increases in the cost of adequate maintenance, insurance and other operating costs, including real estate taxes, associated with one or more properties, which may occur even when a property is not generating revenue; inflation; and changes in tax laws and rates. A negative change in any of these risks could reduce the demand for any properties we may acquire and a reduction in demand could result in a loss to us in the operation of or upon the sale of any such properties we may acquire.

Property improvement costs are difficult to estimate and if costs exceed our budget, we may lose money on the development and sale of a property.

Acquisition of any properties for improvement, repositioning and sale entails risks such as those contemplated by us that include the following, any of which could adversely affect our financial performance and the value of your investment: Our estimate of the costs of improving or repositioning an acquired property may prove to be too low, and, as a result, the property may fail to meet our estimates of the profitability of the property, either temporarily or for a longer time. Our pre-acquisition evaluation of each new investment may not detect certain requirements, limitations, defects or necessary improvements until after the property is acquired, which could significantly increase our total costs.

Our real estate development strategies may not be successful which could reduce our revenues or lead to the loss of your investment.

We may in the future engage in development activities to the extent attractive development projects become available. To the extent that we engage in development activities, we will be subject to risks associated with those activities that could adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the market price of, our common stock, including, but not limited to:

- development projects in which we have invested may be abandoned and the related investment will be impaired;
- we may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations;
- we may not be able to obtain land on which to develop;
- we may not be able to obtain financing for development projects, or obtain financing on favorable terms;
- construction costs of a project may exceed the original estimates or construction may not be concluded on schedule, making the project less profitable than originally estimated or not profitable at all (including the possibility of contract default, the effects of local weather conditions, the possibility of local or national strikes and the possibility of shortages in materials, building supplies or energy and fuel for equipment);
- upon completion of construction, we may not be able to obtain, or obtain on advantageous terms, permanent financing for activities that we financed through construction loans; and

- we may not achieve sufficient occupancy levels and/or obtain sufficient rents to ensure the profitability of a completed project.

Moreover, substantial development activities, regardless of their ultimate success, typically require a significant amount of management's time and attention, diverting their attention from our other operations.

The real estate market is cyclical, and a downturn of the market could increase the risk of loss of your investment.

Investment in real estate involves a high degree of business and financial risk, which can result in substantial losses and accordingly should be considered speculative. The market for property in Mexico and the United States tends to be cyclical, with periods in which the prices of properties rise and fall. Prices have fallen in the past and have done so for a significant period of time. Any downturn in the real estate market in the U.S. or Mexico may have a negative effect on our operations and reduce any return generated upon the sale of our property.

Many real estate costs are fixed and must be paid even if the property is not generating revenue which could increase your risk of loss of your investment.

Our financial results depend primarily on being able to add value and then sell properties to others on favorable terms. Many costs associated with real estate investment, such as debt service, real estate taxes and maintenance costs, generally are not reduced even when a property is not fully improved or used. Thus, even a small increase in the time to which a real estate property can be sold can result in a significant increase in the carry costs of the property. New properties that we may acquire may not produce any significant revenue immediately, and the cash flow from existing operations may be insufficient to pay the operating expenses and debt service associated with that property until the property is sold.

Because there is no liquid market for our properties, we may be unable to sell a property when it planned to, which could increase your risk of loss of your investment.

Liquidity relates to our ability to sell a property in a timely manner at a price that reflects the fair value of that property. The illiquidity of properties may adversely affect our ability to dispose of such properties in a timely manner and at a fair price at times when we deem it necessary or advantageous. The timing and likelihood of liquidation events is uncertain and unpredictable and affected by general economic and property-specific conditions. There may not be a market, or the market may be very limited, for the real estate that we will try to sell, even though we will make appropriate efforts to cover the available market. Investments in real properties are generally not liquid. We may not be able to dispose of future properties within its anticipated time schedule and the sales of such properties may not be made at the prices projected by us.

We are subject to zoning and environmental controls that may restrict the use of our property.

Governmental zoning and land use regulations may exist or be promulgated that could have the effect of restricting or curtailing certain uses of our real estate. Such regulations could adversely affect the value of any of our properties affected by such regulations. In recent years real estate values have also sometimes been adversely affected by the presence of hazardous substances or toxic waste on, under or in the environs of the property. A substance (or the amount of a substance) may be considered safe at the time the property is purchased but later classified by law as hazardous. Owners of properties have been liable for substantial expenses to remedy chemical contamination of soil and groundwater at their properties even if the contamination predated their ownership. Although we intend to exercise reasonable efforts to assure that no properties are acquired that give rise to such liabilities, chemical contamination cannot always be detected through readily available means, and the possibility of such liability cannot be excluded.

Under various foreign, federal, state and local laws, ordinances and regulations, we may be required to investigate and clean up certain hazardous or toxic substances released on or in properties we own or operate, and also may be required to pay other costs relating to hazardous or toxic substances. This liability may be imposed without regard to whether we knew about the release of these types of substances or were responsible for their release. The presence of contamination or the failure to remediate property contaminations at any of our properties may adversely affect our ability to sell or lease the properties or to borrow using the properties as collateral. The costs or liabilities could exceed the value of the affected real estate. We have not been notified by any governmental authority, however, of any non-compliance, liability or other claim in connection with any of our properties, and we are not aware of any other environmental condition with respect to any of our properties that management believes would have a material adverse effect on our business, assets or results of operations taken as a whole.

Although we will attempt to determine the environmental condition of each property as part of our due diligence, we cannot be certain that this investigation will reveal all conditions that may impose an obligation on us to mitigate the environmental condition. If we were subject to environmental liability, which could be imposed based on our ownership of its property; such liability could adversely affect the value of your investment.

We may be subject to partially uninsured losses that may require substantial payments which could reduce the value of your investment.

We currently carry a \$2,000,000 general liability policy for the Company. On Emerald Grove we have a comprehensive homeowner's policy which also extends to the three (3) vacant parcels. Any ILA, vacant lot buyers or homebuyers will be encouraged to carry their own individual insurance policies. In addition, if losses occur, they may exceed insurance policy limits, and policies may contain exclusions with respect to various types of losses or other matters. Consequently, all or a portion of our properties may not be covered by disaster insurance and insurance may not cover all losses which could reduce the value of your investment.

We cannot control certain factors affecting the performance and value of a property, which may cause the value of that property and your investment to decline.

The economic performance and value of our real estate assets will be subject to the risks described below that are normally associated with changes in national, regional, and local political, economic and market conditions. These factors may adversely affect the ability of our customers to buy our real estate. Other local economic conditions that may affect the performance and value of the properties include the local economy of a given real estate project; competition for buyers, including competition based on attractiveness and location of the property; and the quality of amenities a project has to offer. In addition, other factors may affect the performance and value of a property adversely, including changes in laws and governmental regulations (including those governing usage, zoning and taxes), changes in interest rates (including the risk that increased interest rates may result in a decline in the liquidity of our properties), declines in housing or commercial property purchases and the availability of financing. Adverse changes in any of these factors, each of which is beyond our control, could reduce the cash flow that we receive from our properties, and adversely affect the value of your investment.

If we choose to carry debt, inability to make secured debt payments could result in loss of mortgaged property and reduce the value of your investment.

The Company carries secured and unsecured promissory notes. Debt financing carries many risks, including refinancing difficulties, loss of mortgaged properties, reduced ability to obtain new financing and increases in interest. We may choose to use debt financing in connection with future properties. If we cannot meet our secured debt obligations, the lender could take the collateral and we would lose both the secured property and the income, if any, it produces. Foreclosure on mortgaged properties or an inability to refinance existing indebtedness would likely have a negative impact on our financial condition and results of operations. We could have to pay substantial legal costs in connection with foreclosure of a property, and thus be subject to a deficiency judgment if the foreclosure sale amount is insufficient to satisfy the mortgage.

Rising interest rates could adversely affect our interest expense and cash flow and reduce the value of your investment.

We may borrow money at variable interest rates in the future to finance operations. Increases in interest rates would increase our interest expense on our variable rate debt, which

would adversely affect cash flow and our ability to service our debt and make distributions to us.

Our lack of an established brand name and relative lack of resources could negatively impact our ability to effectively compete in the real estate market, which could reduce the value of your investment.

We do not have an established brand name or reputation in the real estate business. We also have a relative lack of resources to conduct our business operations. Thus, we may have difficulty effectively competing with companies that have greater name recognition and resources than we do. Presently, we have no patents, copyrights, trademarks and/or service marks that would protect our brand name or our proprietary information, nor do we have any current plans to file applications for such rights. Our inability to promote and/or protect our brand name may have an adverse effect on our ability to compete effectively in the real estate market.

We may make changes to our business, investment, leverage and financing strategies without stockholder consent, which could reduce the value of your investment.

Our discussions with various individuals concerning various properties or projects have included general discussions of acquiring properties directly either ourselves or in a joint venture with others or of developing properties either ourselves or in a joint venture with others. There is no limitation in the amount of funds we may invest in either property acquisition or property development. There is no limitation on or percentage allocation of funds or assets between property acquisition and property development, or between 100% ownership and joint venture ownership. Further, as the market evolves, we may change our business, investment and financing strategies without a vote of, or notice to, our stockholders, which could result in our making investments and engaging in business activities that are different from, and possibly riskier than, the investments and businesses described in this filing. In particular, a change in our investment strategy, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to interest rate risk, default risk and real estate market fluctuations. In addition, we may in the future use leverage at times and in amounts deemed prudent by our management in its discretion, and such decision would not be subject to stockholder approval. Changes to our strategies with regards to the foregoing could materially and adversely affect our financial condition, results of operations.

We depend heavily on key personnel, and turnover of key senior management could harm our business.

Our future business and results of operations depend in significant part upon the continued contributions of our Chief Executive Officer and Chief Financial Officer. If we lose their services or if they fail to perform in their current position, or if we are not able to attract and retain skilled employees as needed, our business could suffer. Significant turnover in our senior management could significantly deplete our institutional knowledge held by our existing senior management team. We depend on the skills and abilities of these key officers in managing the product acquisition, marketing and sales aspects of our business, any part of which could be harmed by turnover in the future.

Our future results and reputation may be affected by litigation or other liability claims.

We have procured a \$2,000,000 general liability insurance policy for our business. In addition, we procured a \$1,000,000 Executive and Corporate Securities Liability policy ("D&O"). To the extent that we suffer a loss of a type which would exceed our limit, we could incur significant expenses in defending any action against us and in paying any claims that result from a settlement or judgment against us. Adverse publicity could result in a loss of consumer confidence in our business or our securities.

We may be subject to regulatory inquiries, claims, suits prosecutions which may impact our profitability.

Any failure or perceived failure by us to comply with applicable laws and regulations may subject us to regulatory inquiries, claims, suits and prosecutions. We can give no assurance that we will prevail in such regulatory inquiries, claims, suits, and prosecutions on commercially reasonable terms or at all. Responding to, defending and/or settling regulatory inquiries, claims, suits, and prosecutions may be time-consuming and divert management and financial resources or have other adverse effects on our business. A negative outcome in any of these proceedings may result in changes to or discontinuance of some of our services, potential liabilities or additional costs that could have a material adverse effect on our business, results of operations, financial condition, and future prospects.

We are vulnerable to concentration risks because we intend to focus on the residential rather than commercial market.

We intend to focus on residential rather than commercial properties. Economic shifts affect residential and commercial property markets, and thus our business, in different ways. A developer with diversified projects in both sectors may be better able to survive a downturn in the residential market if the commercial market remains strong. Our focus on the residential sector can make us more vulnerable than a diversified developer.

Risks Related to Our Mexican Operations

General economic conditions in Mexico may have an adverse effect on our operations and reduce our revenues.

General economic conditions in Mexico have an impact on our business and financial results. The global economy in general and in Mexico remains uncertain. Weak economic conditions could result in lower demand for our properties, resulting in lower sales, earnings, and cash flows.

The value of our securities may be affected by the foreign exchange rate between U.S. dollars and the currency of Mexico.

The value of our common stock may be affected by the foreign exchange rate between U.S. dollars and the currency of Mexico, and between those currencies and other currencies in which our revenues and assets may be denominated. For example, to the extent that we need to convert U.S. dollars into the currency of Mexico for our operational needs, should the currency of Mexico appreciate against the U.S. dollar at that time, our financial position, the business of the Company, and the price of our common stock may be harmed. Conversely, if we decide to convert the currency of Mexico into U.S. dollars for the purpose of declaring dividends on our common stock or for other business purposes and the U.S. dollar appreciates against the currency of Mexico, the U.S. dollar equivalent of our earnings from our subsidiaries in Mexico would be reduced.

We are subject to anti-corruption laws in the jurisdictions in which we operate, including the U.S. Foreign Corrupt Practices Act (the "FCPA"), as well as trade compliance and economic sanctions laws and regulations. Our failure to comply with these laws and regulations could subject us to civil and criminal penalties, harm our reputation and materially adversely affect our business, financial condition and results of operations.

Doing business in Mexico requires us to comply with the laws and regulations of numerous jurisdictions. These laws and regulations place restrictions on our operations and business practices. In particular, we are subject to the FCPA, which generally prohibits companies and their intermediaries from providing anything of value to foreign officials for the purpose of obtaining or retaining business or securing any improper business advantage, along with various other anti-corruption laws. As a result of doing business in Mexico, we are exposed to a heightened risk of violating anti-corruption laws. Although we have implemented policies and procedures designed to ensure that we, our employees and other intermediaries comply with the FCPA and other anti-corruption laws to which we are subject, there is no assurance that such policies or procedures will work effectively all of the time or protect us against liability under the FCPA or other laws for actions taken by our employees and other intermediaries with respect to our business or any businesses that we may acquire. Any continued international expansion, and any development of new partnerships and joint venture relationships worldwide, increase the risk of FCPA violations in the future.

Violations of anti-corruption laws, export control laws and regulations, and economic sanctions laws and regulations are punishable by civil penalties, including fines, as well as criminal fines and imprisonment. If we fail to comply with the FCPA or other laws governing the conduct of international operations, we may be subject to criminal and civil penalties and other remedial measures, which could materially adversely affect our business, financial condition, results of operations and liquidity. Any investigation of any

Our operations may be affected by social instability in Mexico.

Because we have Mexican operations, we are subject to social instability risks which could materially adversely affect our business and our results of operations. Specifically, our business is exposed to the risk of crime that is currently taking place in certain areas in Tijuana. Recent increases in kidnapping and violent drug related criminal activity in Mexico, and in particular Mexican States bordering the United States, may adversely affect our ability to carry on business safely.

Risks Related to Our Common Stock

We will be subject to penny stock regulations and restrictions, and you may have difficulty selling shares of our common stock.

The SEC has adopted regulations which generally define so-called "penny stocks" to be an equity security that has a market price less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exemptions. We are a "penny stock", and we are subject to Rule 15g-9 under the Exchange Act, or the "Penny Stock Rule". This rule imposes additional sales practice requirements on broker-dealers that sell such securities to persons other than established customers. For transactions covered by Rule 15g-9, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. As a result, this rule may affect the ability of broker-dealers to sell our securities and may affect the ability of purchasers to sell any of our securities in the secondary market.

For any transaction involving a penny stock, unless exempt, the rules require delivery, prior to any transaction in a penny stock, of a disclosure schedule prepared by the SEC relating to the penny stock market. Disclosure is also required to be made about sales commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements are required to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stock.

We may qualify for an exemption from the Penny Stock Rule. In any event, even if our common stock were exempt from the Penny Stock Rule, we would remain subject to Section 15(b)(6) of the Exchange Act, which gives the SEC the authority to restrict any person from participating in a distribution of penny stock, if the SEC finds that such a restriction would be in the public interest.

Because we do not have an audit or compensation committee, shareholders will have to rely on the entire board of directors, none of which are independent, to perform these functions.

We do not have an audit or compensation committee comprised of independent directors. These functions are performed by the board of directors as a whole. No members of the board of directors are independent directors. Thus, there is a potential conflict in that board members who are also part of management will participate in discussions concerning management compensation and audit issues that may affect management decisions.

Our directors own a significant percentage of our outstanding voting securities which could reduce the ability of minority shareholders to effect certain corporate actions.

Our Chief Executive Officer and Director Roberto Valdes, and our Chief Financial Officer and Director Jason Sunstein, together own 8,481,813 shares of common stock, or approximately 29% of our outstanding voting securities. As a result, currently, and after the filing, they will possess a significant influence and can elect a majority of our board of directors and authorize or prevent proposed significant corporate transactions. Their ownership and control may also have the effect of delaying or preventing a future change in control, impeding a merger, consolidation, takeover or other business combination or discourage a potential acquirer from making a tender offer.

Because our directors hold a significant amount of our shares of common stock, it may not be possible to have adequate internal controls.

Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404") requires our management to report on the operating effectiveness of the Company's Internal Controls over financial reporting. We must establish an ongoing program to perform the system and process evaluation and testing necessary to comply with these requirements. However, because our Directors, Roberto Valdes and Jason Sunstein, control approximately 29% of our outstanding voting securities, will continue to own a significant percentage of our voting securities, it may not be possible to have adequate internal controls. We cannot predict what effect this will have on our stock price.

We may, in the future, issue additional shares of common stock, which would reduce investors' percent of ownership and may dilute our share value.

Our Articles of Incorporation authorize the issuance of 75,000,000 shares of common stock. As of the date of this report we had 33,714,041 shares of common stock outstanding. Accordingly, we may issue approximately 41,285,959 additional shares of common stock subject to limitation on reserve amounts for other securities outstanding. The future issuance of common stock may result in substantial dilution in the percentage of our common stock held by our then existing shareholders. We may value any common stock issued in the future on an arbitrary basis. The issuance of common stock for future services or acquisitions or other corporate actions may have the effect of diluting the value of the shares held by our investors and might have an adverse effect on any trading market for our common stock.

We are subject to compliance with securities law, which exposes us to potential liabilities, including potential rescission rights.

We may offer to sell our common stock to investors pursuant to certain exemptions from the registration requirements of the Securities Act of 1933, as well as those of various state securities laws. The basis for relying on such exemptions is factual; that is, the applicability of such exemptions depends upon our conduct and that of those persons contacting prospective investors and making the offering. We may not seek any legal opinion to the effect that any such offering would be exempt from registration under any federal or state law. Instead, we may elect to rely upon the operative facts as the basis for such exemption, including information provided by investor themselves.

If any such offering did not qualify for such exemption, an investor would have the right to rescind its purchase of the securities if it so desired. It is possible that if an investor should seek rescission, such investor would succeed. A similar situation prevails under state law in those states where the securities may be offered without registration in reliance on the partial preemption from the registration or qualification provisions of such state statutes under the National Securities Markets Improvement Act of 1996. If investors were successful in seeking rescission, we would face severe financial demands that could adversely affect our business and operations. Additionally, if we did not in fact qualify for the exemptions upon which we relied, we may become subject to significant fines and penalties imposed by the SEC and state securities agencies.

Because we do not intend to pay any cash dividends on our common stock, our stockholders will not be able to receive a return on their shares unless they sell them.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them. There is no assurance that stockholders will be able to sell shares when desired.

We expect to experience volatility in the price of our common stock, which could negatively affect stockholders' investments.

The trading price of our common stock may be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. The stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with securities traded in those markets. Broad market and industry factors may seriously affect the market price of companies' stock, including ours, regardless of actual operating performance. All of these factors could adversely affect your ability to sell your shares of common stock or, if you are able to sell your shares, to sell your shares at a price that you determine to be fair or favorable.

Financial Industry Regulatory Authority ("FINRA") sales practice requirements may also limit a stockholder's ability to buy and sell our common stock, which could depress the price of our common stock.

FINRA has adopted rules that require a broker-dealer to have reasonable grounds for believing that the investment is suitable for that customer before recommending an investment to a customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. Thus, the FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our shares of common stock, have an adverse effect on the market for our shares of common stock, and thereby depress our price per share of common stock.

Anti-takeover effects of certain provisions of Wyoming state law may hinder a potential takeover of us.

Wyoming has a business combination law that prohibits certain business combinations between Wyoming corporations and "interested stockholders" for two years after an "interested stockholder" first becomes an "interested stockholder," unless the corporation's board of directors approves the combination in advance. For purposes of Wyoming law, an "interested stockholder" is any person who is (i) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation or (ii) an affiliate or associate of the corporation and at any time within the three previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term "business combination" is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquirer to use the corporation's assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders.

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The effect of Wyoming's business combination law is potentially to discourage parties interested in taking control of us from doing so if they cannot obtain the approval of our Board. Both of these provisions could limit the price investors would be willing to pay in the future for shares of our common stock.

Our stock is thinly traded, so you may be unable to sell your shares at or near the quoted bid prices if you need to sell a significant number of your shares.

The shares of our common stock are thinly traded on the OTCQB Marketplace, meaning that the number of persons interested in purchasing our common stock at or near bid prices at any given time may be relatively small or non-existent. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give you any assurance that a broader or more active public trading market for our common stock will develop or be sustained, or that current trading levels will be sustained. Due to these conditions, we can give you no assurance that you will be able to sell your shares at or near bid prices or at all if you need money or otherwise desire to liquidate your shares.

Shares eligible for future sale may adversely affect the market.

From time to time, certain of our stockholders may be eligible to sell all or some of their shares of common stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144 promulgated under the Securities Act, subject to certain limitations. In general, pursuant to amended Rule 144, non-affiliate stockholders may sell freely after six months subject only to the current public information requirement. Affiliates may sell after six months subject to Rule 144 volume, manner of sale (for equity securities), and current public information and notice requirements. Any substantial sales of our common stock pursuant to Rule 144 may have a material adverse effect on the market price of our common stock.

We could issue additional common stock, which might dilute the book value of our common stock.

Our Board of Directors has authority, without action or vote of our shareholders, to issue all or a part of our authorized but unissued shares. Such stock issuances could be made at a price that reflects a discount or a premium from the then-current trading price of our common stock. In addition, in order to raise capital, we may need to issue securities that are convertible into or exchangeable for a significant amount of our common stock. These issuances would dilute the percentage ownership interest, which would have the effect of reducing your influence on matters on which our shareholders vote and might dilute the book value of our common stock.

Our common stock could be further diluted as a result of the issuance of convertible securities, warrants or options.

In the past, we have issued convertible securities (such as convertible debentures and notes), warrants and options in order to raise money or as compensation for services and incentive compensation for our employees and directors. We have shares of common stock reserved for issuance upon the exercise of certain of these securities and may increase the shares reserved for these purposes in the future. Our issuance of these convertible securities, options and warrants could affect the rights of our stockholders, could reduce the market price of our common stock or could result in adjustments to exercise prices of outstanding warrants (resulting in these securities becoming exercisable for, as the case may be, a greater number of shares of our common stock), or could obligate us to issue additional shares of common stock to certain of our stockholders.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our corporate headquarters are located in leased office facilities at 350 10th Ave., Suite 1000, San Diego, CA 92101. Because of the nature of our real estate development operations, significant amounts of property are held as inventory in the ordinary course. Such properties are not included in response to this Item.

Item 3. Legal Proceedings.

The Company presently is not a party to, nor is management aware of, any pending, legal proceedings.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

On March 5, 2019, the Company received its trading symbol from FINRA "ILAL". On April 4, 2019, the Company was approved to have its common stock traded on the OTCQB. On April 12, 2019, the Company became eligible for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States.

As of April 14, 2022, there were 207 holders of record of our common stock. As of such date, 33,714,041 shares of our common stock were issued and outstanding.

Market for Common Equity

Our common stock is quoted on the OTC Bulletin Board ("OTCQB") under the symbol "ILAL". The following table sets forth the high and low bid prices for our common stock for the two most recently completed fiscal years. Such prices are based on inter-dealer prices, without retail mark-up, markdown, or commission, and may not necessarily represent actual transactions.

Fiscal 2020	Low	High
First Quarter	\$ 0.06	\$ 1.41
Second Quarter	\$ 0.35	\$ 0.85
Third Quarter	\$ 0.25	\$ 0.66
Fourth Quarter	\$ 0.30	\$ 0.59

Fiscal 2021	Low	High
First Quarter	\$ 0.35	\$ 1.84
Second Quarter	\$ 0.84	\$ 1.52
Third Quarter	\$ 0.53	\$ 1.20
Fourth Quarter	\$ 0.35	\$ 1.02

Repurchases of Equity Securities

None.

Equity Compensation Plan Information

2020 Plan

Plan category	(a)	(b)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	
Equity compensation plans not approved by security holders	-	-	-
Equity compensation plans approved by security holders	1,700,000	\$ 0.33	1,300,000
Total	1,700,000	\$ 0.33	1,300,000

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2019 Plan

Plan category	(a)	(b)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	
Equity compensation plans not approved by security holders	2,150,000	\$ 0.48	850,000
Equity compensation plans approved by security holders	-	-	-
Total	2,150,000	\$ 0.48	850,000

Brief Description of equity compensation plan.

On February 11, 2019, the Company's Board of Directors approved a 2019 equity incentive Plan (the "2019 Plan"). In order for the 2019 plan to grant "qualified stock options" to employees, it requires approval by the Company's shareholders within 12 months from the date of the 2019 Plan. The 2019 Plan was never approved by the shareholders. Therefore, any options granted under the 2019 Plan prior to shareholders' approval will be "non-qualified". Pursuant to the 2019 Plan, the Company has reserved a total of 3,000,000 shares of the Company's common stock under the Plan. The Company has issued 1,350,000 options under the 2019 Plan during the year ended December 31, 2020.

The Company has issued 2,150,000 options under the 2019 Plan with a weighted average strike price of \$0.48 during the year ended December 31, 2021. The Company has a total of 2,150,000 options issued and outstanding as of December 31, 2021.

On August 26, 2020, the Company's Board of Directors approved the 2020 Equity Plan. The Company has reserved a total of 3,000,000 shares of the Company's authorized common stock for issuance under the 2020 equity plan. The 2020 Equity Plan enables the Company's board of directors to provide equity-based incentives through grants of awards to the Company's present and future employees, directors, consultants, and other third-party service providers. The Company has issued 1,700,000 options under the 2020 Plan during the year ended December 31, 2020.

The Company has issued 1,000,000 options under the 2020 Plan during the year ended December 31, 2021, of which 1,000,000 were exercised and converted to an equivalent number of Common Stock for total consideration of \$50,000. The Company has a total of 1,700,000 options issued and outstanding as of December 31, 2021.

Penny Stock Considerations

Because of the possible low price of our securities and certain other factors, many brokerage firms may not be willing to effect transactions in these securities and some market makers have declined to make a market for our common stock. Purchasers and holders of our securities should be aware that any market that develops in our stock may be subject to the penny stock restrictions.

Transfer Agent

Globex Transfer, LLC, located at 780 Deltona Blvd., Ste. 202, Deltona FL 32725 is the registrar and transfer agent for our common stock.

Recent Sales of Unregistered Securities

See Note 10 to the consolidated financial statements for disclosure of the issuance of unregistered securities for the year ended December 31, 2021.

Subsequent to December 31, 2021, the Company issued 814,714 shares of common stock pursuant to a consulting agreement executed on April 1, 2016, with an estimated fair value of approximately \$447,000.

Subsequent to December 31, 2021, the Company executed three securities purchase agreements with three investors, and issued 450,000 commitment shares fully earned on issuance.

Additional Information

We are a fully reporting issuer, subject to the Securities Exchange Act of 1934. Our Quarterly Reports, Annual Reports, and other filings can be obtained from the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549, on official business days during the hours of 10 a.m. to 3 p.m. You may also obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The Commission maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission at <http://www.sec.gov>. Our internet website address is <https://ila.company>.

Item 6. Selected Financial Data.

Not required under Regulation S-K for "smaller reporting companies."

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.

This Annual Report on Form 10-K contains forward-looking statements. Our actual results could differ materially from those set forth as a result of general economic conditions and changes in the assumptions used in making such forward-looking statements. The following discussion and analysis of our financial condition and results of operations should be read together with the audited financial statements and accompanying notes and the other financial information appearing elsewhere in this Annual Report on Form 10-K. The analysis set forth below is provided pursuant to applicable Securities and Exchange Commission regulations and is not intended to serve as a basis for projections of future events.

Overview of Our Company

International Land Alliance, Inc. was incorporated pursuant to the laws of the State of Wyoming on September 26, 2013. We are based in San Diego, California. We are a residential land development company with target properties located primarily in the Baja California Northern region of Mexico and Southern California. Our principal activities are purchasing properties, obtaining zoning and other entitlements required to subdivide the properties into residential and commercial building lots, securing financing for the purchase of the lots, improving the properties' infrastructure and amenities, and selling the lots to homebuyers, retirees, investors, and commercial developers. We offer the option of financing (i.e. taking a promissory note from the buyer for all or part of the purchase price) with a guaranteed acceptance on any purchase for every customer.

Overview

The real estate market in the Northern Baja California has continued to significantly improve and has fully recover from the negative impact of Covid-19. The housing prices has continued to rise in the Southwest U.S., and inventory has remained severely low, which generated additional attraction from home buyers seeking second homes or vacation homes.

The Company's current portfolio includes residential, resort and commercial properties comprising of the following projects:

- **Oasis Park Resort** is a 497-acres master planned real estate community including 1,344 residential home sites, south of San Felipe, Baja California that offers 180-degree sea and mountain views. In addition to the residential lots, there is a planned boutique hotel, a spacious commercial center, and a nautical center. The Company recently allowed prospective homeowners and existing lot holders to tour the property again, which resulted in multiple sales closings and commitments for new home construction. 75 of the 1,344 planned residential lots were pre-sold to initial stakeholders. The Company has made significant progress on the project, which included the completion of the two-mile access road and the community entrance structure. The Company also started construction of the waterfront clubhouse, and model homes. During the fiscal year ended December 31, 2021, the Company sold 3 home sites and received a down payment on the first new home construction.
- **Valle Divino** is a self-contained solar 650-home site project in Ensenada, Baja California, with test vineyard at the property. This resort includes 137 residential lots and 3 commercial lots on 20 acres of land. This represents an estimated \$60 million in gross sales opportunity.

- **Plaza Bajamar Resort** is an 80-unit project located at the internationally-renowned Bajamar Ocean front hotel and golf resort. The Bajamar oceanfront golf resort is a master planned golf community located 45 minutes south of the San Diego-Tijuana border along the scenic toll road to Ensenada. The first Phase will include 22 "Merlot" 1,150 square-foot single-family homes that features two bedrooms and two baths. The home includes two primary bedroom suites - one on the first floor and one upstairs, as well as fairway and ocean views from a rooftop terrace. The Merlot villas will come with the installation of solar packages.
- **Emerald Grove Estates** is the Company's newly renovated Southern California property, used for organized events at this 8,000 square foot event venue.

Equity-method investment:

- Rancho Costa Verde ("RCVD") is a 1,100-acre master planned second home, retirement home and vacation home real estate community located on the east coast of Baja

California. RCV is a self-sustained solar powered green community that takes advantage of the advances in solar and other green technology. In May 2021, the Company acquired a 25% investment in RCV in exchange for \$100,000 and 3,000,000 shares of the Company's common stock, and such investment was recorded as an equity-method investment in the Company's condensed consolidated financial statements.

During the fiscal year ended December 31, 2021:

- The Company executed residential plot sales agreements for its Valle Divino project and accepted several reservations for home sales to purchase twenty percent (20%) inventory for phase I project at its Plaza Bajamar. To avoid paying multiple title transfer fees and the extended time for each recording, the seller for both parcels, Valdeland, S.A. de C.V., an entity controlled by the Company's Chief Executive Officer, is in the process of creating a master bank trust. This will provide the Company through its Mexican's subsidiary, International Land Alliance, S.A. de C.V., the rights, and interest to each property, including buildings and improvements. As demonstrated from the Company's Oasis Park Resort, this will also potentially allow the Company to record revenue from its Valle Divino and Plaza Bajamar projects, as sales are made, and individual trusts are established for each buyer, pending further review of Mexican trust law. The Company expects to have this trust established by the end of second fiscal quarter of 2022. As of December 31, 2021, the Company received approximately \$102,164 from plot sales, which are currently reported as contract liability in the Company's consolidated balance sheet until individual trusts are established and title transferred to the buyer. The Company broke ground on the Valle Divino development in July 2020 and completed its first stage of construction in January 2021 and started reservations of residential lots. The Company has a dedicated partner for solar-plus-storage power solutions at its properties, CleanSpark, Inc., which serves as the Company's exclusive partner for the installation of solar solutions across its portfolio, including the model homes at Plaza Bajamar. The Company commenced construction of a model home, and a clubhouse for wine tasting.
- The Company partnered with Clean Spark, Inc. to successfully deploy a microgrid on the Company's model home at Plaza Bajamar, and established plan to outfit all units at the property, as well all units at Valle Divino with solar micro grid installations.
- Resumed construction and service work at Oasis Park Resort for Phase I of the project.
- Reopened the Company's newly renovated event center at its Emerald Grove Estates property in Southern California. The Company entered into a contract to sell a vacant 20-acre parcel of the property for approximately \$630,000. The property includes the main parcel of land with existing structures along with three additional parcels of land which are vacant plots.
- Continued our research and marketing efforts to identify potential home buyers in the United States, Canada, Europe, and Asia. Through the formation of a partnership with a similar development company in the Baja California Norte Region of Mexico, we have been able to leverage additional resources with the use of their established and proven marketing plan which can help us with sophisticated execution and the desired results for residential plot sales and development.
- Title of Oasis Park Resort in San Felipe was assumed during 2019. As progress continues on the development of the Oasis Park Resort, we are expecting the transfer of title on the Villas del Enologo in Rancho Tecate, Valle Divino in Ensenada, Baja California and Plaza Bajamar in Ensenada, Baja California during the Company second fiscal quarter of 2022, as we continue to follow the necessary steps to complete this legal process.
- Continued efforts to secure financing and strengthen balance by closing a \$2.0 million financing with accredited institutional investors and paid off a \$500,000 bridge loan in full.
- Completed the refinancing of our existing first and second mortgage loans on the 80 acres of land and existing structure of our Emerald Grove property for aggregate principal amount of \$1,787,000, which provided a net funding of approximately \$387,000.

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Results of Operations for the year ended December 31, 2021, compared to the year ended December 31, 2020

	For the years ended	
	December 31, 2021	December 31, 2020
Revenues and lease income	\$ 522,696	\$ 8,290
Cost of revenues	67,806	-
Gross profit	454,890	8,290
Operating expenses		
Sales and marketing	1,782,000	122,726
General and administrative expenses	2,875,818	2,023,321
Total operating expenses	4,657,818	2,146,047
Loss from operations	(4,202,928)	(2,137,757)
Other income (expense)		
Other income (expense)	91,624	(57,697)
Loss from equity-method investment	(168,170)	-
Interest income	18,234	-
Interest expense	(800,822)	(471,344)
Total other expense	(859,134)	(529,041)
Net loss	\$ (5,062,062)	\$ (2,666,798)

Revenues

Our total revenue reported for the year ended December 31, 2021, was \$522,696, compared with \$8,290 for the year ended December 31, 2020.

During the year ended December 31, 2021, the Company recognized \$496,797 related to the sale of 20 acres of vacant land and associated improvements located at the Emerald Grove property in Hemet, California, and \$25,899 in rental income activities related to IntegraGreen as the transaction was previously accounted for pursuant to ASC 842.

Cost of Revenues

Our total cost of revenues for the year ended December 31, 2021, was \$67,806 compared with \$0 for the year ended December 31, 2020. The change is a result of the cost of associated with the cost of the 20 acres of land sold to IntegraGreen.

Operating Expenses

Operating expenses increased to \$4,657,818 for the year ended December 31, 2021, from \$2,146,047 for the year ended December 31, 2020. The detail by major category is reflected in the table below.

Sales and marketing costs increased by \$1,659,274 for the year ended December 31, 2021, primarily due to the fair value of options issued pursuant to a consulting and real estate sales agreement, which were granted during the year ended December 31, 2021. The Company also granted common shares with a fair value of approximately \$447,000 with regards to consulting and advisory services on M&A, marketing & promotions of the Company real estate projects.

General and administrative costs increased by \$852,497 for the year ended December 31, 2021, primarily due to compensation expense resulting from new employment contracts for our President, investors relations, and stock-based compensation.

Other expense

Other expense increased by \$330,093 to \$859,134 for the year ended December 31, 2021, from \$529,041 for the year ended December 31, 2020. Such increase is primarily due to interest expense which increased by \$329,478 and by the loss from the Company's share in the equity of its equity-method investee for \$168,170, offset by the reversal of default penalties on promissory notes for \$100,000 recorded in other income, interest income from the financing component of the lot sale to Integragreen for approximately \$18,000.

Net Loss

We finished the year ended December 31, 2021, with a net loss of \$5,062,062, as compared to a loss of \$2,666,798 for the year ended December 31, 2020, which is primarily the result of increased compensation to our officers, stock-based compensation, investors relations, interest expense incurred and the loss from our equity-method investment during the fiscal year ended December 31, 2021.

The factors that will most significantly affect future operating results will be:

- The acquisition of land with lots for sale.
- The sale price of future lots, compared to the sale price of lots in other resorts in Mexico.
- The cost to construct a home on the lots to be transferred, and the quality of construction.
- The quality of our amenities.
- The effectiveness of our sales and marketing strategies.
- The global economy and the demand for vacation homes.
- The on-going effect of COVID-19 on the US and Global economy.
- The access to capital financing to continue the development of our existing projects and acquire new projects.

Other than the foregoing we do not know of any trends, events or uncertainties that have had, or are reasonably expected to have, a material impact on our revenues or expenses.

Capital Resources and Liquidity

Cash and cash equivalents were approximately \$56,600 at December 31, 2021. As shown in the accompanying consolidated financial statements, we recorded a loss of \$5,062,062 and \$2,666,798 for the years ended December 31, 2021, and 2020, respectively. Our working capital deficit at December 31, 2021 was approximately \$2,118,600 and net cash flows used in operating activities for the year ended December 31, 2021, were approximately \$1,036,000. These factors and our limited ability to raise additional capital to accomplish our objectives, raise substantial doubt about our ability to continue as a going concern. We expect our expenses will continue to increase during the foreseeable future as a result of increased operations and the development of our current business operations. We anticipate generating continued revenues over the next twelve months as we continue to market the sale of lots held for sale, now having assumed title of our Oasis Park Resort property and expect to assume title to our other properties; however, there can be no assurance that such revenue will be sufficient to cover our expenses. Consequently, we expect to be dependent on the proceeds from future debt or equity investments to sustain our operations and implement our business plan. If we are unable to raise sufficient capital, we will be required to delay or forego some portion of our business plan, which would have a material adverse effect on our anticipated results from operations and financial condition. There is no assurance that we will be able to obtain necessary amounts of capital or that our estimates of our capital requirements will prove to be accurate.

We presently do not have any significant credit available, bank financing or other external sources of liquidity. Due to our operating losses, our operations have not been a significant source of liquidity. We will need to acquire other profitable properties or obtain additional capital in order to expand operations and become profitable. In order to obtain capital, we may need to sell additional shares of our common stock or borrow funds from private lenders. There can be no assurance that we will be successful in obtaining additional funding.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities may result in dilution to existing stockholders. If additional funds are raised through the issuance of debt securities, these securities may have rights, preferences, and privileges senior to holders of common stock and the terms of such debt could impose restrictions on our operations. Regardless of whether our cash assets prove to be inadequate to meet our operational needs, we may seek to continue to compensate providers of services by issuance of stock in lieu of cash, which may also result in dilution to existing shareholders. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect significant amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing.

No assurance can be given that sources of financing will be available to us and/or that demand for our equity/debt instruments will be sufficient to meet our capital needs, or that financing will be available on terms favorable to us. If funding is insufficient at any time in the future, we may not be able to take advantage of business opportunities or respond to competitive pressures or may be required to reduce the scope of our planned development, any of which could have a negative impact on our business and operating results. In addition, insufficient funding may have a material adverse effect on our financial condition, which could require us to:

- Curtail our operations significantly, or
- Seek arrangements with strategic partners or other parties that may require us to relinquish significant rights to our development of resorts and correlated services, or
- Explore other strategic alternatives including a merger or sale of our Company.

Operating Activities

Net cash flows used in operating activities for the year ended December 31, 2021, was \$1,035,678, which resulted primarily due to the loss of \$5,062,062 offset by stock-based compensation of \$2,129,266, fair value of shares issued as settlement of debt of \$103,470, the fair value of commitment shares issued with convertible notes for \$136,800, fair value

of shares issued for service for \$387,108, depreciation expense of \$49,673, amortization of debt discount for \$296,541, loss from equity-method investment of \$168,170, and change in assets and liabilities of approximately \$676,674.

Net cash flows used in operating activities for the year ended December 31, 2020, was \$709,754, which resulted primarily due to the loss of \$2,666,798 offset by debt discount amortization expense of \$202,148, depreciation and amortization of \$45,874, and stock-based compensation of \$956,447

Investing Activities

Net cash flows used in investing activities was \$722,050 for the year ended December 31, 2021. The funds were used for the development of the commercial agriculture at Emerald Grove resort for \$100,000, cash consideration of \$100,000 for the acquisition of 25% of RCV accounted for as its equity-method investment and approximately \$522,050 for construction at the Company's projects.

Net cash flows used in investing activities was \$103,000 for the year ended December 31, 2020. The funds were used for the acquisition and development of the Emerald Grove property and Plaza Bajamar property.

Financing Activities

Net cash flows provided by financing activities for the year ended December 31, 2021, was \$1,801,147 primarily from cash proceeds from issuance of promissory notes for aggregate amount of \$1,186,685, net funding from refinancing of approximately \$368,736, sale of common stocks of \$1,804,750, exercise of warrants and options for \$100,000, and offset by repayment on a promissory note of \$1,659,024.

Net cash flows provided by financing activities for the year ended December 31, 2020, was \$653,399 primarily from cash proceeds from sale of common stocks and warrants of \$125,000, and cash proceeds from sale of common stock, warrants and plots of land promised to investors, net of expenses of \$228,395, cash proceeds from warrant and option exercise of \$81,308 and cash proceeds from note payable of \$406,317.

As a result of these activities, we experienced an increase in cash and cash equivalents of approximately \$43,400 for the years ended December 31, 2021, and a decrease in cash and cash equivalents of \$159,355 for the year ended December 31, 2020. Our ability to continue as a going concern is still dependent on our success in obtaining additional financing from investors.

Critical Accounting Policies

In December 2001, the SEC requested that all registrants list their "critical accounting policies" in the Management Discussion and Analysis. The SEC indicated that a "critical accounting policy" is one which is both important to the portrayal of a company's financial condition and results, and requires management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our accounting policies are disclosed in Note 2 of our audited consolidated financial statements included herein. We consider the following accounting policies critical to the understanding of the results of our operations:

- Going concern. It requires to rely on management's representation on financial forecast.
- Revenue recognition. It requires judgement to determine when a contract exists, when performance obligations are met and the estimated variable consideration if any.
- Issuance of debt with attached financial instruments. Some instruments carry embedded features that require bifurcation from host instrument and accounting as derivative liability.
- Accounting of the Company's equity-method investment. Indeed, it requires judgement by management to determine whether there is significant influence or control over the Company's investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

Off-balance Sheet Arrangements

Since our inception through December 31, 2021, we have not engaged in any off-balance sheet arrangements.

Recent Accounting Pronouncements

The recent accounting pronouncements that are material to our financial statements are disclosed in Note 1 of our consolidated audited financial statements included herein.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

Not required under Regulation S-K for "smaller reporting companies."

Item 8. Financial Statements and Supplementary Data.

Our audited consolidated financial statements are set forth in this Annual Report beginning on page F-1.

INTERNATIONAL LAND ALLIANCE, INC. INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm (PCAOB ID No: 200)	F-2
Consolidated Balance Sheets as of December 31, 2021, and 2020	F-3
Consolidated Statements of Operations for the Years Ended December 31, 2021, and 2020	F-4
Consolidated Statement of Changes in Stockholders' Equity (Deficit) for the Years Ended December 31, 2021, and 2020	F-5
Consolidated Statements of Cash Flows for the Years Ended December 31, 2021, and 2020	F-6
Notes to Financial Statements	F-7 to F-28

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of International Land Alliance, Inc. (the "Company") as of December 31, 2021, and 2020, the related consolidated statements of operations, changes in stockholders' equity (deficit), and cash flows for each of the years then ended, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021, and 2020, and the consolidated results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has experienced recurring losses from operations, has limited financial resources to repay its obligations and will require substantial new capital to execute its business plans, which raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of a Matter – Significant Related Party Transactions.

As described in Notes 3, 4, 5, 6, 7 and 8, the Company engages in substantial real estate activities between the Company and other entities controlled by an officer of the Company. The Company has also borrowed funds from an entity controlled by other officers of the Company.

/s/ HASKELL & WHITE LLP

We have served as the Company's auditor since 2019.

Irvine, California
April 15, 2022

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**INTERNATIONAL LAND ALLIANCE, INC.
CONSOLIDATED BALANCE SHEETS**

	December 31, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	\$ 56,590	\$ 13,171
Accounts Receivable	314,090	-
Prepaid and other current assets	251,665	225,199
Total current assets	622,345	238,370
Land	203,419	271,225
Land Held for Sale	647,399	647,399
Buildings, net	915,884	860,594
Furniture and equipment, net	2,682	-
Construction in Process	852,020	353,000
Note Receivable	100,000	-
Accrued interest on note receivable	3,234	-
Equity-method investment	2,511,830	-
Other non-current assets	-	34,693
Total assets	<u>\$ 5,858,813</u>	<u>\$ 2,405,281</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,656,533	\$ 869,864
Contract liability	126,663	111,684
Deposits	20,000	95,000
Promissory notes, net of debt discounts	102,762	1,875,164
Promissory notes, net discounts – Related Party	834,984	361,989
Total current liabilities	<u>2,740,942</u>	<u>3,313,701</u>
Promissory notes, net of current portion	<u>1,735,538</u>	<u>-</u>

Total liabilities		4,476,480		3,313,701
Commitments and Contingencies (Note 9)		-	-	-
Preferred Stock Series B (Temporary Equity)		293,500		293,500
Stockholders' equity (deficit)				
Preferred stock; \$0.001 par value; 2,000,000 shares authorized; 28,000 Series A shares issued and outstanding as of December 31, 2021, and December 31, 2020.	28		28	28
1,000 Series B shares issued and outstanding as of December 31, 2021, and December 31, 2020.	1		1	1
Common stock; \$0.001 par value; 75,000,000 shares authorized; 31,849,327 and 23,230,654 shares issued and outstanding as of December 31, 2021, and December 31, 2020, respectively.	31,850		23,231	23,231
Additional paid-in capital	15,760,772		8,705,620	8,705,620
Stock payable (receivable)	-		(289,044)	(289,044)
Accumulated deficit	(14,703,818)		(9,641,756)	(9,641,756)
Total stockholders' equity (deficit)	1,088,833		(1,201,920)	(1,201,920)
Total liabilities and stockholders' equity (deficit)	\$ 5,858,813		\$ 2,405,281	

The accompanying notes are an integral part of these consolidated financial statements.

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**INTERNATIONAL LAND ALLIANCE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the Years Ended,	
	December 31, 2021	December 31, 2020
Revenues and lease income	\$ 522,696	\$ 8,290
Cost of revenue	67,806	-
Gross profit	454,890	8,290
Operating expenses		
Sales and marketing	1,782,000	122,726
General and administrative expenses	2,875,818	2,023,321
Total operating expenses	4,657,818	2,146,047
Loss from operations	(4,202,928)	(2,137,757)
Other income (expense)		
Other income (expense)	91,624	(57,697)
Loss from equity-method investment	(168,170)	-
Interest Income	18,234	-
Interest expense	(800,822)	(471,344)
Total other expense	(859,134)	(529,041)
Net loss	\$ (5,062,062)	\$ (2,666,798)
Intrinsic value of the Series B Preferred stock beneficial conversion feature	\$ -	\$ (293,500)
Net loss attributable to common shareholders	\$ (5,062,062)	\$ (2,960,298)
Loss per common share - basic and diluted	\$ (0.18)	\$ (0.14)
Weighted average common shares outstanding - basic and diluted	28,186,226	21,793,535

The accompanying notes are an integral part of these consolidated financial statements.

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**INTERNATIONAL LAND ALLIANCE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)**

	Series A		Series B		Additional			Total Stockholders' Equity (Deficit)
	Preferred Stock	Preferred Stock	Common Stock	Paid-in Capital	Stock payable	Accumulated Deficit		
	Shares	Amount	Shares	Amount	Shares	Amount	\$	
Balance, December 31, 2019	28,000	\$ 28	1,000	\$ 1	20,614,289	\$ 20,615	\$ 6,702,750	\$ 127,858
Common stock, warrants and options issued for services	-	-	-	-	750,000	750	1,365,485	(409,788)
Common stock, warrants and plots promised for cash, net	-	-	-	-	750,160	750	195,133	32,512
Common stock issued for warrant/options exercise	-	-	-	-	187,615	188	81,120	-
Stock issued in connection with debt	-	-	-	-	171,923	171	126,889	(97,858)
								\$ (123,706)

Common stock, warrants and options sold for cash	-	-	-	-	506,667	507	154,493	(30,000)	-	125,000
Common stock to be issued with promissory notes	-	-	-	-	-	-	-	88,232	-	88,232
Common stock issued with Land acquisition	-	-	-	-	250,000	250	149,750	-	-	150,000
Dividend on Series B Preferred	-	-	-	-	-	-	(70,000)	-	-	(70,000)
Net loss	-	-	-	-	-	-	-	-	(2,666,798)	(2,666,798)
Balance, December 31, 2020	<u>28,000</u>	<u>\$ 28</u>	<u>1,000</u>	<u>\$ 1</u>	<u>23,230,654</u>	<u>\$ 23,231</u>	<u>\$ 8,705,620</u>	<u>\$ (289,044)</u>	<u>\$ (9,641,756)</u>	<u>\$(1,201,920)</u>
Common stock issued for services	-	-	-	-	595,946	596	351,224	35,289	-	387,109
Common stock issued for cash	-	-	-	-	140,000	140	64,860	-	-	65,000
Common stock issued for warrant/options exercise	-	-	-	-	1,160,000	1,160	98,840	-	-	100,000
Common stock, warrants and plots promised for cash, net	-	-	-	-	170,000	170	61,863	(32,512)	-	29,521
Common stock issued against accrued interest due to related party	-	-	-	-	29,727	30	10,969	-	-	10,999
Commitment shares issued with promissory notes	-	-	-	-	370,000	370	267,330	-	-	267,700
Common stock for debt settlement	-	-	-	-	153,000	153	97,050	6,267	-	103,470
Common stock issued with equity-method	-	-	-	-	3,000,000	3,000	2,577,000	-	-	2,580,000
Common stock issued with cash, net of offering costs	-	-	-	-	3,000,000	3,000	1,736,750	-	-	1,739,750
Dividend on Series B Preferred	-	-	-	-	-	-	(60,000)	-	-	(60,000)
Stock-based compensation	-	-	-	-	-	-	1,849,266	280,000	-	2,129,266
Net loss	-	-	-	-	-	-	-	-	(5,062,062)	(5,062,062)
Balance, December 31, 2021	<u>28,000</u>	<u>\$ 28</u>	<u>1,000</u>	<u>\$ 1</u>	<u>31,849,327</u>	<u>\$ 31,850</u>	<u>\$ 15,760,772</u>	<u>\$ -</u>	<u>\$ (14,703,818)</u>	<u>\$1,088,833</u>

The accompanying notes are an integral part of these consolidated financial statements.

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INTERNATIONAL LAND ALLIANCE, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended,	
	December 31, 2021	December 31, 2020
Cash Flows from Operating Activities		
Net loss	\$ (5,062,062)	\$ (2,666,798)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	2,129,266	956,447
Fair value of shares issued for debt settlement/modification	103,470	-
Fair value of commitment shares	136,800	-
Fair value of shares issued for services	387,108	-
Loss on debt extinguishment	10,876	-
Depreciation and amortization	49,673	45,874
Loss from equity-method investment	168,170	-
Amortization of debt discount	296,541	202,148
Changes in assets and liabilities		
Accounts Receivable	(314,089)	-
Prepaid and other current assets	80,755	(75,199)
Other non-current assets	34,693	(24,153)
Accrued interest on note receivable	(3,234)	-
Cost of land sold	67,806	-
Accounts payable and accrued interest	909,049	777,823
Contract liability	44,500	61,684
Deposit	(75,000)	12,420
Net cash used in operating activities	<u>(1,035,678)</u>	<u>(709,754)</u>
Cash Flows from investing		
Cash payment to collaborative agreement	(100,000)	-
Equity-method investee acquisition	(100,000)	-
Building and Construction in Progress acquisition	(522,050)	(103,000)
Net cash used in investing activities	<u>(722,050)</u>	<u>(103,000)</u>
Cash Flows from Financing Activities		
Company expenses paid by investor through promissory note	-	16,815
Common stock and warrants sold for cash	1,804,750	125,000
Common stock, warrants and plots promised for cash, net	-	228,395
Common stock issued for warrant exercise	100,000	81,308
Cash payments on promissory notes – related party	(676,938)	(76,000)
Cash payments on promissory notes	(982,086)	(128,437)
Cash proceeds from promissory notes	288,874	406,318
Cash proceeds from refinancing	368,736	-
Cash proceeds promissory notes – Related party	897,811	-
Net cash provided by financing activities	<u>1,801,147</u>	<u>653,399</u>
Net increase (decrease) in Cash	43,419	(159,355)
Cash, beginning of period	<u>13,171</u>	<u>172,526</u>
Cash, end of period	<u>\$ 56,590</u>	<u>\$ 13,171</u>

Supplemental disclosure of cash flow information

Cash paid for interest	\$ 152,979	\$ 151,874
Cash paid for income tax	\$ -	\$ -
Non-Cash investing and financing transactions		
Fair value of shares issued for land acquisition	\$ 29,521	\$ 150,000
Dividend on Series B	\$ 60,000	\$ 70,000
Additions to fixed assets paid by investor	\$ 84,614	\$ 25,679
Accounts payable paid by investor	\$ 25,462	\$ 69,319
Original Issue Discount	\$ -	\$ 33,500
Debt discount	\$ -	\$ 43,385
Cancellation of previously issued common stock	\$ 315,288	\$ -
Accrued interest on notes paid by related party	\$ 30,934	\$ -
Common stock issued with debt modification	\$ 8,970	\$ -
Common stock issued in settlement of related party debt	\$ 10,999	\$ -
Common stock issued as consideration for equity-method investment	\$ 2,580,000	\$ -
Payment of promissory notes by related party	\$ 111,110	\$ -
Commitment shares issued with promissory notes	\$ 130,900	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

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INTERNATIONAL LAND ALLIANCE, INC.
Notes to Financial Statements
For the Years Ended December 31, 2021, and 2020

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

International Land Alliance, Inc. (the "Company") was incorporated under the laws of the State of Wyoming on September 26, 2013 (inception). The Company is a residential land development company with target properties located in the Baja California, Northern region of Mexico and Southern California. The Company's principal activities are purchasing properties, obtaining zoning and other entitlements required to subdivide the properties into residential and commercial building plots, securing financing for the purchase of the plots, improving the properties infrastructure and amenities, and selling the plots to homebuyers, retirees, investors, and commercial developers.

On March 5, 2019, the Company received its trading symbol "ILAL" from FINRA. On April 4, 2019, the Company was approved to have its common stock traded on the OTCQB. On April 12, 2019, the Company became eligible for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States. The DTC is a subsidiary of the Depository Trust & Clearing Corporation and manages the electronic clearing and settlement of publicly traded companies. Securities that are eligible to be electronically cleared and settled through DTC are considered "DTC eligible." This electronic method of clearing securities creates efficiency of the receipt of stock and cash, and thus accelerates the settlement process for investors and brokers, enabling the stock to be traded over a much wider selection of brokerage firms by coming into compliance with their requirements. Being DTC eligible has greatly simplified the process of trading and transferring the Company's common shares on the OTCQB.

On October 25, 2020, the Company entered into a business agreement with A&F Agriculture LLC ("A&F"), in which the parties agreed to operate a business for the purpose of commercially cultivating industrial hemp at the Company's property in Southern California. A&F will be the managing party of the business agreement. The Company will provide A&F with the land and water supply for the purpose of the cultivation. All revenue and expenses associated with the cultivation will be split equally among parties. Franck Grande is the Manager of A&F and is also the President of the Company.

On December 14, 2021, the Company executed a rescission agreement with A&F, which terminated any and all of its interest, directly or indirectly, in the lease of a small portion of its land in Southern California for the growing of hemp. The Company, who is a developer of land for resorts and commercial buildings, will begin subdividing the property for the construction of residential homes. The Company was never in the hemp business and acted strictly as a lessor. Pursuant to the rescission agreement the Company will be paid \$150,000 over the next two years, which includes \$100,000 previously loaned to the venture for the purposes of improvements to the property.

Going Concern

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

Management evaluated all relevant conditions and events that are reasonably known or reasonably knowable, in the aggregate, as of the date the consolidated financial statements were available to be issued and determined that substantial doubt exists about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on the Company's ability to generate revenues and raise capital. The Company has faced significant liquidity shortages as shown in the accompanying financial statements. As of December 31, 2021, the Company's current liabilities exceeded its current assets by approximately \$2,118,600. The Company has recorded a net loss of \$5,062,062 for the year ended December 31, 2021, has an accumulated deficit of approximately \$14,703,800 as of December 31, 2021. Net cash used in operating activities for the year ended December 31, 2021, was approximately \$1,036,000. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company is currently raising additional capital through debt and equity in order to continue the funding of its operations, which may have the effect of diluting the holdings of existing shareholders.

Management anticipates that the Company's capital resources will significantly improve if its plots of land gain wider market recognition and acceptance resulting in increased plot sales. If the Company is not successful with its marketing efforts to increase sales and weak demand for purchase of plots continues, the Company will continue to experience a shortfall in cash, and it will be necessary to further reduce its operating expenses in a manner or obtain funds through equity or debt financing in sufficient amounts to avoid the need to curtail its future operations subsequent to December 31, 2021. The direct impact of these conditions is not fully known.

However, there can be no assurance that the Company would be able to secure additional funds if needed and that if such funds were available on commercially reasonable terms or in the necessary amounts, and whether the terms or conditions would be acceptable to the Company. In such case, the reduction in operating expenses might need to be substantial in order for the Company to generate positive cash flow to sustain the operations of the Company. (See Note 10 regarding subsequent events).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Company are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, ILA Fund I, LLC (the "ILA Fund"), a company incorporated in the State of Wyoming and International Land Alliance, S.A. de C.V., a company incorporated in Mexico ("ILA Mexico"), Emerald Grove Estates LLC, incorporated in the State of California. ILA Fund includes cash as its only assets with minimal expenses as of December 31, 2021. The sole purpose of this entity is strategic funding for the operations of the Company. ILA Mexico has lots held for sale for the Oasis Park Resort, no liabilities, and minimal expenses as of December 31, 2021. All intercompany balances and transactions are eliminated in consolidation.

The Company's consolidated subsidiaries and/or entities were as follows:

Name of Consolidated Subsidiary or Entity	State or Other Jurisdiction of Incorporation or Organization	Attributable Interest
ILA Fund I, LLC	Wyoming	100%
International Land Alliance, S.A. de C.V. (ILA Mexico)	Mexico	100%
Emerald Grove Estates, LLC	California	100%

Investments - Equity Method

The Company accounts for equity method investments at cost, adjusted for the Company's share of the investee's earnings or losses, which are reflected in the consolidated statements of operations. The Company periodically reviews the investments for other than temporary declines in fair value below cost and more frequently when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. As of December 31, 2021, Management believes the carrying value of its equity method investments were recoverable in all material respects.

Use of Estimates

The preparation of financial statements in conformity with US. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management regularly evaluates estimates and assumptions related to the valuation of assets and liabilities. Management bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from management's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. Significant estimates include:

- Liability for legal contingencies.
- Useful lives of building.
- Assumptions used in valuing equity instruments.
- Deferred income taxes and related valuation allowance.
- Going concern.
- Assessment of long-lived asset for impairment.
- Significant influence or control over the Company's equity-method investee.
- Revenue recognition.

Segment Reporting

The Company operates as one reportable segment under ASC 280, Segment Reporting. The Chief Operating Decision Maker ("CODM") regularly reviews the financial information of the Company at a consolidated level in deciding how to allocate resources and in assessing performances.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2021, and 2020, respectively.

Fair value of Financial Instruments and Fair Value Measurements

Accounting Standards Codification ("ASC") 820 *Fair Value Measurements and Disclosures*, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

As defined by ASC 820, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale, which was further clarified as the price that would be received to sell an asset or paid to transfer a liability ("an exit price") in an orderly transaction between market participants at the measurement date.

The reported fair values for financial instruments that use Level 2 and Level 3 inputs to determine fair value are based on a variety of factors and assumptions. Accordingly, certain fair values may not represent actual values of the Company's financial instruments that could have been realized as of December 31, 2021, or that will be recognized in the future, and do not include expenses that could be incurred in an actual settlement. The carrying amounts of the Company's financial assets and liabilities, such as cash, accounts receivable, prepaid and other current assets, accounts payable and accrued liabilities, contracts liability, deposits, promissory notes, net of debt discounts and promissory notes related party approximate fair value due to their relatively short maturities. Equity-method investment is recorded at cost, which approximates its fair value since the consideration transferred includes cash and a non-monetary transaction, in the form of the Company's common stock, which was valued based on a combination of a market and asset approach.

Cost Capitalization

The cost of buildings and improvements includes the purchase price of the property, legal fees, and other acquisition costs. Costs directly related to planning, developing, initial leasing and constructing a property are capitalized and classified as Buildings in the Consolidated Balance Sheets. Capitalized development costs include interest, property taxes, insurance, and other direct project costs incurred during the period of development are also capitalized.

A variety of costs are incurred in the acquisition, development, and leasing of properties. After determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete, and capitalization must cease involves a degree of judgment. Our capitalization policy on development properties is guided by *ASC 835-20 Interest – Capitalization of Interest* and *ASC 970 Real Estate - General*. The costs of land and buildings under development include specifically identifiable costs. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy or sale upon the receipt of certificates of occupancy, but no later than one year from cessation of major construction activity. We cease capitalization on the portion (1) substantially completed and (2) occupied or held available for occupancy, and we capitalize only those costs associated with the portion under construction.

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Land Held for Sale

The Company considers properties to be assets held for sale when (1) management commits to a plan to sell the property; (2) the property is available for immediate sale in its present condition and (3) the property is actively being marketed for sale at a price that is reasonable given our estimate of current market value. Upon designation of a property as an asset held for sale, we record the property's value at the lower of its' carrying value or its estimated net realizable value.

Land and Buildings

Land and buildings are stated at cost. Depreciation is provided by the use of the straight-line and accelerated methods for financial and tax reporting purposes, respectively, over the estimated useful lives of the assets. Buildings have an estimated useful life of 20 years. Land is an indefinite lived asset that is stated at cost at date of acquisition.

Revenue Recognition

On January 1, 2018, the Company adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes the revenue recognition requirements in ASC Topic 605, *Revenue Recognition*. Results for reporting periods beginning after January 1, 2018, are presented under Topic 606.

Under Topic 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. The new guidance sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in U.S. GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects to receive in exchange for the goods or services. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in the prior accounting guidance.

The Company determines revenue recognition through the following steps:

- identification of the agreement, or agreements, with a buyer and/or investor;
- identification of the performance obligations in the agreement for the sale of lots including delivering title to the property being acquired from ILA;
- determination of the transaction price;
- allocation of the transaction price to the lots purchased when issued with equity or warrants to purchase equity in the Company; and
- recognition of revenue when, or as, we satisfy a performance obligation such as delivering title to lots purchased.

Revenue is measured based on considerations specified in the agreements with our customers. A contract exists when it becomes a legally enforceable agreement with a customer. The contract is based on either the acceptance of standard terms and conditions as stated in our agreement of lot sales or the execution of terms and conditions contracts with third parties and investors. These contracts define each party's rights, payment terms and other contractual terms and conditions of the sale. Consideration was historically paid prior to transfer of title as stated above and in future land sales, the Company plans to transfer title to buyers at the time consideration has been transferred if the acquisition of the property has been completed by the Company. The Company applies judgment in determining the customer's ability and intention to pay, however collection risk is mitigated through collecting payment in advance or through escrow arrangements.

A performance obligation is a promise in a contract or agreement to transfer a distinct product or item to the customer, which for us is transfer of title to our buyers. Performance obligations promised in a contract are identified based on the property that will be transferred to the customer that are both capable of being distinct and are distinct in the context of the contract, whereby the transfer of the property is separately identifiable from other promises in the contract. We have concluded the sale of property and delivering title is accounted for as the single performance obligation.

The transaction price of a contract is allocated to each distinct performance obligation and recognized as revenue when or as the customer receives the benefit of the performance obligation. The transaction price is determined based on the consideration to which we will be entitled to receive in exchange for transferring title to the customer.

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The Company recognizes revenue when it satisfies a performance obligation in a contract by transferring control over property to a customer when land title is legally transferred by the Company. The Company's principal activities in the real estate development industry which it generates its revenues is the sale of developed and undeveloped land.

On September 30, 2019, the Company entered into a contract for deed agreement "Agreement" with IntegraGreen whose principal is also a creditor. Under the agreement the Company agreed to the sale of 20 acres of vacant land and associated improvements located at the Emerald Grove property in Hemet, California for a total purchase price of \$630,000, \$63,000 was paid upon execution and the balance is payable in a balloon payment on October 1, 2026, with interest only payments of \$3,780 due on the 1st of each month beginning April 1, 2020. During the duration of the Agreement the Company retains title and is allowed to encumber the property with a mortgage at its discretion, however IntegraGreen has the right to use the property. The Company may also evict IntegraGreen from the premises in the case of default under the agreement. Effective on October 1, 2021, the Company determined that the agreement met the definition of a contract pursuant to the guidance in ASU 2014-09 and recognized to revenue approximately \$496,800.

Prior to October 1, 2021, the Company's management deemed that there was an embedded lease feature in the Agreement in accordance with ASC 842. The interest earned and accrued of the carry-back financing amounted to \$25,899 and were recognized as lease income during the year ended December 31, 2021

Advertising Costs

The Company expenses advertising costs when incurred. Advertising costs incurred amounted to \$0 and \$123,000 for the years ended December 31, 2021, and 2020, respectively.

Debt issuance costs and debt discounts

Debt issuance costs and debt discounts are being amortized over the lives of the related financings on a basis that approximates the effective interest method. Costs and discounts are presented as a reduction of the related debt in the accompanying consolidated balance sheets.

Stock-Based Compensation

The fair value of stock options is estimated on the grant date using the Black-Scholes option pricing model, based on weighted average assumptions. Expected volatility is based on historical volatility of our common stock. The Company has elected to use the simplified method described in the Securities and Exchange Commission Staff Accounting Bulletin Topic 14C to estimate the expected term of employee stock options. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The value of stock awards is determined using the fair value of the Company's common stock on the date of grant. Following the adoption of Accounting Standards Update ASU 2016-09, the Company elected to account for forfeitures as they occur. Any compensation cost previously recognized for an unvested award that is forfeited because of a failure to satisfy a service condition is reversed in the period of the forfeiture. Compensation expense is recognized on a straight-line basis over the requisite service period of the award. Stock-based compensation includes the fair value of options, warrants and restricted stocks issued to employees, directors, and non-employees.

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Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, *Income Taxes*. The asset and liability method provide that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, and for operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Management makes estimates and judgments about our future taxable income that are based on assumptions that are consistent with our plans and estimates. Should the actual amounts differ from our estimates, the amount of our valuation allowance could be materially impacted. Any adjustment to the deferred tax asset valuation allowance would be recorded in the income statement for the periods in which the adjustment is determined to be required. Management does not believe that it has taken any positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

Loss Per Share

The Company computes loss per share in accordance with ASC 260 – *Earnings per Share*. ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the consolidated statements of operations. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible notes payable using the if-converted method. Diluted EPS excludes all dilutive potential shares if their effect is antidilutive. During periods of net loss, all common stock equivalents are excluded from the diluted EPS calculation because they are antidilutive. A beneficial conversion feature that arises from a contingent conversion feature has no accounting impact until the contingency occurs. The Company evaluated whether it is necessary to recognize a beneficial conversion feature by comparing the adjusted effective conversion price of the convertible preferred stock with the commitment-date fair value of the entity's common stock. The Company determined that a beneficial conversion feature existed, and recognized the beneficial conversion feature, creating a discount on the convertible preferred stock instrument. This discount was amortized in accordance with ASC 470-20-35-7. The amortization of the discount created by a beneficial conversion feature recognized as a result of the resolution of a contingency is treated as a dividend that reduced net income in arriving at income available to common stockholders.

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Securities that are excluded from the calculation of weighted average dilutive common shares, because their inclusion would have been antidilutive are:

	For the year ended December 31, 2021	For the year ended December 31, 2020
Options	3,850,000	2,900,000
Warrants	3,180,000	460,000
Total potentially dilutive shares	<u>7,030,000</u>	<u>3,360,000</u>

Concentration of Credit Risk

The Company maintains its cash in bank and financial institution deposits that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts through December 31, 2021. All of the Company accounts receivable is concentrated with one customer.

Recently Issued Accounting Pronouncements Not Yet Adopted

In August 2020, the FASB issued ASU No. 2020-06 ("ASU 2020-06") "Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity." ASU 2020-06 simplifies the accounting for convertible instruments by reducing the number of accounting models for convertible debt instruments and convertible preferred stock. Limiting the accounting models results in fewer embedded conversion features being separately recognized from the host contract as compared with current GAAP. Convertible instruments that continue to be subject to separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in capital. In addition, ASU 2020-06 amends the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. The Amendments also affects the diluted EPS calculation for instruments that may be settled in cash or shares and for convertible instruments. The amendments are effective for public entities excluding smaller reporting companies for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods. The Company is currently evaluating the potential impact of the Update on its financial statements.

In February 2016, the FASB issued ASU 2016-02 (Topic 842), Leases, and issued subsequent amendments to the initial guidance or implementation guidance including ASU 2017-13, 2018-01, 2018-10, 2018-11, 2018-20 and 2019-01 (collectively, including ASU 2016-02, "ASC 842"), which supersedes the guidance in topic ASC 840, Leases. The new standard requires lessees to classify leases as either finance or operating based on whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether related expenses are recognized based on the effective interest method or on a straight-line basis over the term of the lease. For any leases with a term of greater than 12 months, ASU 2016-02 requires lessees to recognize a lease liability for the obligation to make the lease payments arising from a lease, and a right-of-use asset for the right to use the underlying asset for the lease term. An election can be made to account for leases with a term of 12 months or less similar to existing guidance for operating leases under ASC 840.

The new standard will also require new disclosures, including qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. For Emerging Growth Companies like ILA, ASU No. 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2021. Early adoption is permitted. Management is in the initial stage of its assessment of the new standard and is currently evaluating the quantitative impact of adoption, and the related disclosure requirements. Management expects that the adoption will result in the recognition of right-of-use assets and lease liabilities that were not previously recognized, which will increase total assets and liabilities on the Company's balance sheet. The Company does not expect the adoption of Topic 842 to have a material impact to the statements of operations or to have any impact on its cash flows from operating, investing, or financing activities.

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NOTE 3 – ASSET PURCHASE AND TITLE TRANSFER

Emerald Grove Asset Purchase

On July 30, 2018, Jason Sunstein, the Chief Financial Officer, entered into a Residential Purchase Agreement ("RPA" or "the Agreement") to acquire real property located in Hemet, California, which included approximately 80 acres of land and a structure for \$1.1 million from an unrelated seller. The property includes the main parcel of land with an existing structure along with three additional parcels of land which are vacant lots to be used for the purpose of development "vacant lots". The purpose of the transaction was as an investment in real property to be assigned to the Company subsequent to acquisition. The property was acquired by Mr. Sunstein since it was required by the seller to transfer the property for consideration to an individual versus a separate legal entity. The transaction closed on March 18, 2019, and the consideration included a loan financed in the amount of \$605,000 in addition to cash consideration of \$524,613 which came from a portion of funds loaned by investors of the Company to be repaid as interest bearing notes payable. On March 18, 2019, Mr. Sunstein assigned the deed of the property to the Company. The mortgage obligation was assumed by the Company, as approved by the Board of Directors in March 2019. The mortgage loan was not assigned to the Company by the lender, however the lender acknowledged that the transfer of the property to the Company did not trigger an event of default. The Company recorded the assets acquired and liabilities assumed at fair value on the date of assignment and assumption. The Company completed the refinancing of its existing first and second mortgage loans on the 80 acres of land and existing structure of its Emerald Grove property for aggregate principal amount of \$1,787,000, which provided a net funding of approximately \$387,000 during the first fiscal quarter of 2021.

During the year ended December 31, 2021, the Company recognized \$496,797 of revenue related to the sale of 20 acres of vacant land and associated improvements located at the Emerald Grove property in Hemet, California, to IntegraGreen.

The Company has included all allowed acquisition costs of \$22,050 in the value of the capitalized assets. The building and land asset values were assigned using a purchase price allocation based on the appraised land values. The total of the consideration plus acquisition costs assets of \$1,122,050 was allocated to land and building in the following amounts: \$271,225 – Land; \$850,826 – Building. The land is an indefinite long-lived asset that were assessed for impairment as a grouped asset with the building on a periodic basis. The building has an estimated useful life of 20 years and is being depreciated on a straight-line basis.

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Oasis Park Title Transfer

On June 18, 2019, Baja Residents Club SA de CV ("BRC"), a related party with common ownership and control by our CEO, Robert Valdes, transferred title to the Company for the Oasis Park property which was part of a previously held land project consisting of 497 acres to be acquired and developed into Oasis Park resort near San Felipe, Baja. It was previously subject to approval by the Mexican government in Baja, California which was finalized in June 2019. As consideration for the promise to transfer title, the Company previously issued 7,500,000 shares of founder's common stock that was valued at \$750,000 or \$0.10 per common share. No prior accounting was recorded for this issuance pending resolution of the contingency to transfer title, which was resolved during the year ended December 31, 2019. A portion of this value was allocated to the Oasis Park resort and a portion was allocated to other properties as the Company continues to receive transfer of title. ILA recorded the property held for sale on its balance sheet in the amount of \$670,000 and accordingly reduced the value as lots are sold. As of December 31, 2021, and 2020, the Company reported a balance for assets held for sale of \$647,399.

The Company transferred title to individual plots of land to the investors since the Company received this approval of change in transfer of title to the ILA. As such, the Company recognized revenue for the plot sales previously executed during the year ended December 31, 2019.

During the year ended December 31, 2021, the Company sold three (3) lots to an affiliate related party of the Company for a total purchase price of \$120,000, of which \$19,500 was funded as of December 31, 2021. The amount funded was recorded and reported under contract liability in the Company's consolidated financial statements as of December 31, 2021, as the collectability terms were not sufficiently satisfied to qualify for recognition of revenue.

During the year ended December 31, 2021, the Company received a down payment in the amount of \$20,000 on the first new home construction to build a two bedroom/two-bathroom home at the Oasis Park Resort. Such amount was recorded and reported under Deposits in the Company's consolidated financial statements.

NOTE 4 – LAND AND BUILDING

Land and buildings, net as of December 31, 2021, and 2020:

	<u>Useful life</u>	December 31, 2021	December 31, 2020
Land – Emerald Grove		\$ 203,419	\$ 271,225
Land held for sale – Oasis Park		\$ 647,399	\$ 647,399
Construction in Process (Divino – Bajamar)		\$ 852,020	\$ 353,000
Furniture & equipment	5 years	\$ 2,682	\$ -
Building – Emerald Grove	20 years	1,048,138	943,175
Less: Accumulated depreciation		(132,254)	(82,581)
Building, net		\$ 915,884	\$ 860,594

Depreciation expense was \$49,673 and \$45,874 for the year ended December 31, 2020, and 2020, respectively.

Valle Divino

The Valle Divino is the Company's premier wine country development project in Ensenada, Baja California. This land project consists of 20 acres to be acquired from Baja Residents Club, a Company controlled by our Chief Executive Officer and developed into Valle Divino resort, the acquisition of title to the land for this project is subject to approval from the Mexican government in Baja, California. The Company broke ground of the Valle Divino development in July 2020 and has commenced site preparation for two model homes including a 1-bedroom and 2- bedroom option. The first Phase of the development includes 187 homes. This development will also have innovative microgrid solutions by our partner to power the model home and amenities.

The Company funded the construction by an additional \$312,000 during the year ended December 31, 2021. The construction contractor is also an entity controlled by our Chief Executive Officer. Construction began during the year ended December 31, 2020. The balance of construction in process for Valle Divino totaled \$356,275 and \$44,500 as of December 31, 2021, and 2020, respectively.

As of December 31, 2021, the Company almost completed construction of the club house, the wine tasting room and sales office in anticipation of beginning site tours. As of December 31, 2021, the company has presold 13 units, proceeds of which were recorded under contract liability in the Company's consolidated financial statements, since the Company has not met the criteria for the existence of a contract pursuant to ASC 606.

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Plaza Bajamar

This project is located within the internationally renowned Bajamar Ocean Front Hotel and golf resort. The Company partnered with CleanSpark to provide sustainable, advanced solar-plus-storage power solutions. The Company has completed a 2BR/2BA model home, an enhanced entrance, and interior roads as well as site preparation for four (4) new homes adjacent to the model home. The Company is moving to the next stage, which will provide all units in the property with solar microgrid installations.

In November and December 2019, \$250,000 was paid to the Company's Chief Executive Officer, Roberto Valdes, \$ 150,000 for constructing two model Villas at our planned Plaza Bajamar development. The Company has not yet taken title to this property, which is currently owned by Valdeland, S.A. de C.V., an entity controlled by Roberto Valdes. The Company intends to purchase the land from this entity and has paid \$100,000 to Roberto Valdes as a down payment for this purchase. The \$150,000 is the total construction cost budget that is intended to pay the construction contractor. For the year ended December 31, 2020, the Company has issued the 250,000 shares of the Company's common stock for total amount of \$150,000 reported under Prepaid and other current assets in the consolidated balance sheets.

The Company funded the construction by an additional \$111,000 during the year ended December 31, 2021. The construction contractor is also an entity controlled by Roberto Valdes. Construction began during the year ended December 31, 2020. The balance of construction in process for Plaza Bajamar totaled \$419,147 and \$308,500 as of December 31, 2021, and 2020, respectively.

NOTE 5 – RELATED PARTY TRANSACTIONS

Chief Executive Officer

Effective January 1, 2020, the Company executed an employment agreement with its Chief Executive Officer.

The Company has not paid any salary to its Chief Executive Officer for the year ended December 31, 2021. The Company has accrued \$135,232 of compensation costs in relation to the employment agreement. The balance owed is \$265,463 as of December 31, 2021.

On October 2, 2021, the Company issued 500,000 stock options under the 2019 Plan with a strike price of \$0.50, vesting six months after issuance with contractual term of 5 years for estimated fair value of \$270,000.

The Company paid to its Chief Executive Officer salary for services directly related to continued operations of \$5,000 for the year ended December 31, 2020. The Company has accrued \$135,232 of compensation costs in relation to the employment agreement. The balance owed is \$130,232 as of December 31, 2020.

Chief Financial Officer

Effective January 1, 2020, the Company executed an employment agreement with its Chief Financial Officer.

The Company paid to its Chief Financial Officer salary compensation for services directly related to continued operations of \$25,667 for the year ended December 31, 2021. The Company has accrued \$135,232 of compensation cost in relation to the employment agreement. The balance owed is \$174,205 as of December 31, 2021.

The Company paid to its Chief Financial Officer salary compensation for services directly related to continued operations of \$64,971 for the year ended December 31, 2020. The Company has accrued \$135,232 of compensation cost in relation to the employment agreement. The balance owed is \$70,261 as of December 31, 2020.

On October 2, 2021, the Company issued 500,000 stock options under the 2019 Plan with a strike price of \$0.50, vesting six months after issuance with contractual term of 5 years for estimated fair value of \$270,000.

The Company's Chief Financial Officer is also the managing member of Six Twenty Management LLC, an entity that has been providing ongoing capital support to the Company (See Note 7).

The Company's Chief Financial Officer also facilitated the Emerald Grove asset purchase as described in Note 3.

President

On May 10, 2021, the Company executed an employment agreement with Frank Ingrande, the Company's President, for total annual compensation of \$120,000. Pursuant to his employment agreement, the Company also issued 50,000 shares of common stock of the Company for total fair value of \$66,000.

On October 2, 2021, the Company issued 250,000 stock options under the 2019 Plan with a strike price of \$0.50, vesting six months after issuance with contractual term of 5 years for estimated fair value of \$135,000.

Frank Ingrande is the co-founder and owner of 25% of the Company's equity-method investee RCVD.

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NOTE 6 – PROMISSORY NOTES

Promissory notes consisted of the following at December 31, 2021, and 2020:

	December 31, 2021	December 31, 2020
Note payable, due August 2020 – past maturity/settled	\$ 24,785	\$ 36,606
Note payable, 10% interest, due March 2020 – past maturity	1,500	1,500
Note Payable, 15% interest, due March 2021- past maturity	76,477	126,477
Note payable, 12% interest, due February 2023	1,787,000	-
Note payable, secured, 10% interest, due October 2021	-	975,000
Note payable, 15% interest, due December 2020	-	50,000
Note payable, 15% interest, due December 2020	-	50,000
Note payable, 15% interest, due December 2020	-	100,000
Note payable, 15% interest, due December 2020	-	100,000
Note payable, 15% interest, due December 2020	-	20,000
Note payable, 15% interest, due December 2020	-	25,000
Note payable, 13% interest, due December 2021	-	128,884
Note Payable, 12% interest, due June 2021	-	166,733
Note payable, 0% interest, due December 2020	-	142,100
Note Payable, 12% interest, due February 2021	-	10,000
Total Notes Payable	<hr/> \$ 1,889,762	<hr/> \$ 1,932,300
Less discounts	<hr/> (51,462)	<hr/> (57,136)
 Total Promissory notes, net of discount	 1,838,300	 1,875,164
Less current portion	<hr/> (102,762)	<hr/> (1,875,164)
 Total Promissory notes, net of discount - long term	 <hr/> \$ 1,735,538	 <hr/> \$ -

Interest expense related to the amortization of the associated debt discount for the year ended December 31, 2021, and 2020 was \$296,541 and \$126,521, respectively.

During the year ended December 31, 2021, the Company incurred \$122,450 of interest related to these notes and paid \$117,779 in cash and \$13,334 was paid by a related party on behalf of the Company.

Redwood Trust

On January 21, 2021, the Company refinanced its existing first and second mortgage loans on the 80 acres of land and the structure located at Sycamore Road in Hemet, California for aggregate amount of \$1,787,000, carrying coupon at twelve (12) percent, payable in monthly interest installments of \$17,870 starting on September 1st, 2021, and continuing monthly thereafter until maturity on February 1st, 2023, at which time all sums of principal and interest then remaining unpaid shall be due and payable. The balloon payment promissory note is secured by deed of trust. Upon execution, the Company paid \$53,610 of loan origination fees, presented as debt discount in the consolidated balance sheets, and prepaid six (6) months of interest only installments totaling \$107,220, presented as Prepaid and other current assets in the consolidated balance sheets. The total amount of prepaid interest has been fully recognized as interest expense during the year ended December 31, 2021. The refinanced amount paid off the first and second mortgage loans with a net funding to the Company of approximately \$387,000, net of finders' fees.

Promissory Notes

Cash Call, Inc.

On March 19, 2018, the Company issued a promissory note to CashCall, Inc. for \$75,000 of cash consideration. The note bears interest at 94%, matures on August 1, 2020. The Company also recorded a \$7,500 debt discount due to origination fees due at the beginning of the note. During the years ended December 31, 2021, and 2020, the Company amortized \$0 and \$1,617 of the debt discount into interest expense, leaving a remaining total debt discount on the note of \$0. On December 12, 2019, the loan and outstanding interest was settled for \$52,493. As a result of the settlement, the Company recorded a gain on settlement of debt of \$64,075 for the year ended December 31, 2019. The Company paid down \$11,821 and \$10,054 of the principal during the year ended December 31, 2021, and 2020, respectively. As of December 31, 2021, and 2020, the remaining principal balance was \$24,785 and \$36,606, respectively. The Company has not incurred any interest expense related to this promissory note during the year ended December 31, 2021, and 2020.

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Convertible Notes

Labrys Fund LP

On February 25, 2021, the Company entered into a convertible promissory note pursuant to which it borrowed \$500,000, net of an issuance costs of \$25,500 and original issuance discount of \$50,000. Interest under the convertible promissory note is 12% per annum, and the principal and all accrued but unpaid interest is due on February 25, 2022. Additionally, as an incentive to the note holder, the note includes the issuance of 85,000 commitment shares of common stock with fair value of approximately \$131,000 and additional 250,000 shares that must be returned to the Company if the note is fully repaid and satisfied on or prior to the maturity date. The note is convertible upon an event of default after the issuance date at the noteholder's option into shares of our common stock at a fixed conversion price equal to \$1.00, subject to standard anti-dilutive rights. Portion of the proceeds were used to retire an existing convertible note with Labrys for total amount of approximately \$135,000. During the year ended December 31, 2021, Six Twenty Management (related party) paid, on behalf of the Company, the first and second installments for total amount of \$124,444, of which \$111,110 was applied against the principal and \$13,334 against accrued interest. During the year ended December 31, 2021, the Company paid \$435,556, of which \$388,885 was applied against the principal and \$46,671 against accrued interest. The balance owed to Labrys Fund LP is \$0 as of December 31, 2021.

NOTE 7 – PROMISSORY NOTES – RELATED PARTIES

Related party promissory notes consisted of the following at December 31, 2021, and 2020:

	December 31, 2021	December 31, 2020
RAS Real Estate LLC – Past maturity	\$ 365,590	\$ 361,989
Six-Twenty Management LLC – On demand	447,317	-
Lisa Landau – On demand	22,077	-
Total On demand notes, net of discount	<u>\$ 834,984</u>	<u>\$ 361,989</u>

Six Twenty Management LLC ("Six-Twenty")

On March 31, 2021, the Company executed a non-convertible promissory note with a related party for an initial amount funded of \$288,611 and carrying a coupon of eight percent (8%) and a maturity of twelve month. Six-Twenty subsequently funded the Company for additional cash of \$609,200. During the year ended December 31, 2021, the Company paid \$544,468 in cash towards the non-convertible promissory note. Six-Twenty paid two of the installments related to the Labrys note (See Note 6) for total amount of \$124,444 and the Company paid \$30,470 of expenses related to the related party, which decreased the principal owed. As of December 31, 2021, the balance owed to Six-Twenty totals \$447,317 and accrued interest amounts to \$24,354.

RAS, LLC (past maturity)

On October 25, 2019, the Company issued a promissory note to RAS, LLC "RAS", a company controlled by an employee, which is a relative to the Company's Chief Financial Officer for \$440,803. The proceeds of the note were largely used to repay shareholder loans and other liabilities. The loan bears interest at 10%, and also carries a default coupon rate of 18%. The loan matured on April 25, 2020, is secured by 2,500,000 common shares and a Second Deed of Trust for property in Hemet, CA (Emerald Grove). Additionally, as an incentive to the note holder, the Company is required to issue to the holder 132,461 shares of common stock valued at \$97,858, which was recorded as a debt discount as of December 31, 2019. The outstanding balance is \$365,589 and \$361,989 at December 31, 2021, and 2020, respectively. As of December 31, 2021, and 2020, \$0 and \$79,987 of the discount has been amortized and the note is shown less unamortized discount of \$0.

As of December 31, 2019, the shares have not been issued and recorded as stock payable. The shares were issued in May 2020 and have been removed from stock payable as of December 31, 2020. Interest expense for the year ended December 31, 2021, and 2020 was \$64,590 and \$61,255, respectively. During the year ended December 31, 2021, the Company issued 29,727 shares of common stock against \$10,999 of accrued interest. During the year ended December 31, 2021, the Company paid in cash \$30,800 of interest and \$17,600 was paid directly by RAS to the creditor, which increased the principal owed to RAS as of December 31, 2021.

Lisa Landau

Lisa Landau is a relative to the Company's Chief Financial Officer. Lisa Landau has advanced approximately \$84,600 of additional improvements at Emerald Grove and \$25,462 of corporate expenses. The Company has repaid \$88,000 in cash during the year ended December 31, 2021, which leaves a principal balance of \$22,077 as of December 31, 2021. The advances are on demand but do not carry any interest coupon.

NOTE 8 – EQUITY METHOD INVESTMENT

In May 2021, the Company acquired a 25% investment in Rancho Costa Verde Development, LLC ("RCVD") in exchange for 3,000,000 shares of the Company's common stock at a determined fair value of \$0.86 per share and \$100,000 in cash for total consideration of \$2,680,000. The fair value of the non-monetary exchange was determined based on a valuation report obtained from an independent third-party valuation firm. The fair value of the Company's common stock was determined based on weighted combination of market approach and asset approach. The market approach estimates fair value based on a weighted average between the listed price of the Company's common share and the Company's recent private transaction adjusted for a lack of marketability discount.

The investment has been accounted for under the equity method. It was determined that the Company does not have the power to direct the activities that most significantly impact RCVD's economic performance, and therefore, the Company is not the primary beneficiary of RCVD and RCVD has not been consolidated under the variable interest model.

Rancho Costa Verde is a 1,100-acre master planned second home, retirement home, and vacation home real estate community located on the east coast of Baja California, Mexico. RCVD is a self-sustained solar powered green community that takes advantage of the advances in solar and other green technology.

The investment was recorded at cost, which was determined to be \$2,680,000. A total of 3,000,000 shares of common stock were issued as of December 31, 2021.

The following represents summarized financial information of RCVD for the year ended December 31, 2021:

Income statement	2021
Revenue	\$ 2,071,364
Cost of goods sold	587,520
Gross margin	<u>1,483,844</u>
Operating expenses	(1,510,881)
Interest expense	(645,642)
Net loss	<u>\$ (672,679)</u>

Balance sheet

Current assets	\$ 2,204,129
Non-current assets	\$ 4,783,210
Current liabilities	\$ 1,026,660
Non-current liabilities	\$ 14,038,220

Based on its 25% equity investment, the Company has recorded a loss from equity investment of \$168,170 for the year ended December 31, 2021, which has reduced the carrying value of the investment as of December 31, 2021, to \$2,511,830. Management determined that the carrying value of the investment was not impaired at December 31, 2021 due to the underlying appreciation of the land.

NOTE 9 – COMMITMENTS AND CONTINGENCIES*Commitment to Purchase Land*

The land project consisting of 20 acres to be acquired from Baja Residents Club (a Company controlled by our CEO Roberto Valdes) and developed into Valle Divino resort in Ensenada, Baja California, the acquisition of title to the land for this project is subject to approval from the Mexican government in Baja, California. Although management believes that the transfer of title to the land will be approved before the end of the Company third fiscal quarter of 2022, there is no assurance that such transfer of title will be approved in that time frame or at all. The Company has promised to transfer title to the plots of land to the investors who have invested in the Company once the Company receives an approval of change in transfer of title to the Company. As of December 31, 2021, and 2020, the Company has entered into thirteen (13) and twelve (12) contracts for deed agreements to sell lots of land, respectively. The proceeds are presented under contract liability in the consolidated balance sheets as of December 31, 2021, and 2020.

Land purchase- Plaza Bajamar

On September 25, 2019, the Company, entered into a definitive Land Purchase Agreement with Valdeland, S.A. de C.V., a Company controlled by our CEO Roberto Valdes, to acquire approximately one acre of land with plans and permits to build 34 units at the Bajamar Ocean Front Golf Resort located in Ensenada, Baja California. Pursuant to the terms of the Agreement, the total purchase price is \$1,000,000, payable in a combination of preferred stock (\$600,000); common stock (\$250,000/250,000 common shares at \$1.00/share); a promissory note (\$150,000); and an initial construction budget of \$150,000 payable upon closing. A recent appraisal valued the land "as is" for \$1,150,000. The closing is subject to obtaining the necessary approval by the City of Ensenada and transfer of title, which includes the formation of a wholly owned Mexican subsidiary. As of December 31, 2021, and 2020, the agreement has not closed.

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Commitment to Sell Land

On September 30, 2019, the Company entered into a contract for deed agreement "Agreement" with IntegraGreen whose principal is also a creditor. Under the agreement the Company agreed to the sale of 20 acres of vacant land and associated improvements located at the Emerald Grove property in Hemet, California for a total purchase price of \$630,000, \$63,000 was paid upon execution and the balance is payable in a balloon payment on October 1, 2026, with interest only payments of \$3,780 due on the 1st of each month beginning April 1, 2020. During the duration of the Agreement the Company retains title and is allowed to encumber the property with a mortgage at its discretion, however IntegraGreen has the right to use the property. The Company may also evict IntegraGreen from the premises in the case of default under the agreement.

Due to the nature of the Agreement, the Company's management deemed that there was an embedded lease feature in the agreement in accordance with ASC 842. As a result, the initial payment of \$63,000 was classified as a deposit. Upon an event of default in which case the payment is non-refundable, and the Company no longer has any obligation to provide access to the land. The interest payments will be recognized monthly as lease income. During the year ended December 31, 2021, and 2020, the Company recognized \$25,899 and \$42,303 in lease income, respectively. Lease income is presented as revenue in the consolidated statements of operations.

Effective on October 1, 2021, the Company determined that the agreement met the definition of a contract pursuant to the guidance in ASU 2014-09 and recognized to revenue approximately \$496,800.

Valle Divino

On October 2, 2019, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 lot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$50,000, \$25,000 was paid upon execution and the balance was paid on October 7, 2019. The total cash proceeds of \$50,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$39,282; and plot of land was valued at \$10,718, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020.

On November 6, 2019, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 lot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$35,080, \$10,000 was paid upon execution, \$9,580 was paid on December 23, 2019, and the balance is due on February 4, 2020. The total cash proceeds of \$35,080 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$25,258; and plot of land was valued at \$9,822, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020. The shares were issued on May 1, 2020.

On January 13, 2020, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 2 lots of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$40,000, paid upon execution. The total cash proceeds of \$40,000 was allocated based upon the relative fair value of the shares and two (2) promised plots of land in the following amounts: shares were valued at \$23,780; and plot of land was valued at \$16,220, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020. The shares were issued on May 1, 2020.

On January 24, 2020, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 lot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$25,000, paid upon execution. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$16,174; and plot of land was valued at \$8,826, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020. The shares were issued on May 1, 2020.

On March 25, 2020, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 lot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$25,000, paid upon execution. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$16,174; and plot of land was valued at \$8,826, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020. The shares were issued on April 3, 2020.

On April 28, 2020, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 lot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$25,000, paid upon execution. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$16,174; and plot of land was valued at \$8,826, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020.

On June 19, 2020, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 lot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$25,000, paid upon execution. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$16,174; and plot of land was valued at \$8,826, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020.

On July 14, 2020, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 lot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$29,623, paid upon execution. The total cash proceeds of \$29,623 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$20,797; and plot of land was valued at \$4,203, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020.

On September 30, 2020, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 lot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$25,000, paid upon execution. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares, one (1) promised plot of land and warrants in the following amounts: shares were valued at \$12,882; warrants were valued at \$9,189 and plot of land was valued at \$2,929, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020.

On October 23, 2020, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 lot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$15,000, paid upon execution. The total cash proceeds of \$15,000 was allocated to the plot of land, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020.

On December 8, 2020, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 2 lots of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$50,000, paid upon execution. The total cash proceeds of \$50,000 was allocated based upon the relative fair value of the shares and two (2) promised plot of land in the following amounts: shares were valued at \$32,512; and the plots of land was valued at \$17,488, which was classified as a contract liability on the balance sheet as of December 31, 2021, and 2020. The shares were issued on January 1, 2021.

During the year ended December 31, 2021, the Company entered into a contract for deed agreement with a third-party investor. Under the contract the Company agreed to the sale of 1 plot of vacant land and associated improvements located at the Valle Divino property in Ensenada, Mexico for a total purchase price of \$35,000, paid upon execution. The total cash proceeds of \$35,000, of which \$5,479 was allocated to the one promised plot of land. 70,000 shares of common stock were included in the contract for deed.

Oasis Park Resort construction budget

During the year ended December 31, 2021, the Company engaged a general contractor to complete phase I of the project including the two-mile access road and the community entrance structure. Contractor also commenced phase II construction including the waterfront clubhouse, casitas and model homes. The total budget was established at approximately \$512,000, of which \$76,500 has been paid, leaving a firm commitment of approximately \$435,500 as of December 31, 2021.

Litigation Costs and Contingencies

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business. Management is currently not aware of any such legal proceedings or claims that could have, individually or in the aggregate, a material adverse effect on our business, financial condition, or operating results.

NOTE 10 – STOCKHOLDERS’ EQUITY

The Company’s equity at December 31, 2021 consisted of 75,000,000 authorized common shares and 2,000,000 authorized preferred shares, both with a par value of \$0.001 per share. As of December 31, 2021, and 2020, there were 31,849,327 and 23,230,654 shares of common stock issued and outstanding, respectively. As of December 31, 2021, and December 31, 2020, 28,000 shares of Series A Preferred Stock were issued and outstanding and 1,000 shares of Series B Preferred Stock were issued and outstanding, respectively.

On August 26, 2020, the Company’s shareholders of record approved the increase of the Company’s authorized common stock, par value \$ 0.001, from 75,000,000 shares to 100,000,000 shares and the holders of a majority of the Company’s outstanding voting securities approved the Company’s 2020 Equity Plan. On October 14, 2021, the Board of Directors approved an amendment to the Company’s articles of incorporation to increase the Company’s authorized common stock, par value \$ 0.001 from 75,000,000 shares to 150,000,000 and to effect a reverse split in a ratio of not less than 1 for 2 and not more than 1 for 12. The Company has not yet amended its articles of incorporation at December 31, 2021, pending definitive terms of a contemplated financing transaction.

The Company has reserved a total of 3,000,000 shares of the authorized common stock for issuance under the 2020 Equity Plan. As of December 31, 2021, ILA has issued 1,700,000 stock options convertible into an equivalent number of common stock but has not issued any shares under the 2020 Equity Plan.

On February 11, 2019, the Company’s Board of Directors approved a 2019 Equity Incentive Plan (the “2019 Plan”). In order for the 2019 Plan to grant “qualified stock options” to employees, it required approval by the Corporation’s shareholders within 12 months from the date of the 2019 Plan. The 2019 Plan was never approved by the shareholders. Therefore, any options granted under the 2019 Plan prior to shareholder approval will be “non-qualified”. Pursuant to the 2019 Plan, the Company has reserved a total of 3,000,000 shares of the Company’s common stock to be available under the 2019 Plan. As of December 31, 2021, and 2020, ILA has granted 2,150,000 and 3,050,000 options, respectively.

All shares of common stock issued during the years ended December 31, 2021, and 2020, were unregistered.

Common Stock Issued for Services

On May 19, 2021, the Company issued 200,000 shares per a consulting agreement valued at \$280,000.

During the year ended December 31, 2021, the Company issued 50,000 shares to the Company’s President in accordance with an executed employment agreement valued at \$66,000.

During the year ended December 31, 2021, the Company issued an aggregate of 100,000 shares to two consultants in accordance with executed consulting and real estate sales agreements valued at \$132,000.

During the year ended December 31, 2021, the Company issued 45,946 shares per advisory agreement with registered broker-dealer valued at \$61,108.

During the year ended December 31, 2021, the Company issued 100,000 shares pursuant to a finders’ fee agreement valued at \$64,000.

During the year ended December 31, 2021, the Company issued 100,000 shares pursuant to a service agreement valued at \$64,000.

On January 1, 2020, the Company issued 50,000 shares of common stock and 150,000 warrants for services valued at \$50,000 and \$186,748, respectively, for total amount of \$236,748.

On July 1, 2020, the Company issued 1,200,000 performance-based stock options to purchase an equivalent number of common shares to one consultant with exercise price ranging from \$0.25 to \$1.00. The grant date fair value of these options was \$348,954, of which \$193,804 was recognized as performance was either met or probable of achievement for the year ended December 31, 2020. During the year ended December 31, 2021, the parties cancelled the performance-based stock options and approximately \$103,000 of stock-based compensation was reversed.

On July 6, 2020, the Company issued 400,000 shares of common stock for consulting services valued at \$192,600.

On September 25, 2020, the Company issued 100,000 shares of common stock valued at \$51,000 to renew a service agreement.

Common Stock Issued for Cash

On February 22, 2021, the Company received cash of \$45,000 for 100,000 shares of common stock. These shares were issued on April 1, 2021.

On May 7, 2021, the Company received cash of \$20,000 for 40,000 shares of common stock.

On March 12, 2020, the Company received cash proceeds of \$10,000 for 20,000 shares of common stock. These shares were issued on May 1, 2020.

On May 4, 2020, the Company received cash proceeds of \$9,000 for 20,000 shares of common.

On May 1, 2020, the Company received cash proceeds of \$10,000 for 20,000 shares of common stock.

On May 5, 2020, the Company received cash proceeds of \$10,000 for 40,000 shares of common from warrant exercise. The shares were issued on August 3, 2020.

On May 16, 2020, the Company received cash proceeds of \$16,000 for 40,000 shares of common.

On May 18, 2020, the Company received cash proceeds of \$20,000 for 80,000 shares of common. The shares were issued on August 3, 2020.

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On May 18, 2020, the Company received cash proceeds of \$15,000 for 60,000 shares of common. The shares were issued on August 3, 2020.

On July 23, 2020, the Company received cash proceeds of \$7,500 for 30,000 shares of common stock by a third-party investor.

On August 26, 2020, the Company received cash proceeds of \$10,000 for 40,000 shares of common stock to be issued. The shares were issued on October 23, 2020.

On September 18, 2020, the Company received cash proceeds of \$7,500 for 30,000 shares of common stock to be issued. The shares were issued on October 23, 2020.

On October 21, 2020, the Company received cash proceeds of \$10,000 for 40,000 shares of common stock to be issued.

On November 5, 2020, the Company received cash proceeds of \$10,000 for 40,000 shares of common stock to be issued.

Common Stock Issued from warrants and options exercise.

During the year ended December 31, 2021, the Company issued 160,000 shares of common stock for total consideration of \$50,000 from warrants exercise.

During the year ended December 31, 2021, the Company issued 1,000,000 shares of common stock from option exercise for total consideration of \$50,000.

On January 31, 2020, the Company granted 150,000 stock options for services valued at \$173,951. The exercise price of outstanding options for common stock was \$0.50 per option, and the term of exercise of the outstanding options was one year from the date of grant. During the year ended December 31, 2020, 137,615 option were exercised for \$68,808. The Company cancelled 12,385 of the remaining unexercised options at December 31, 2020.

On January 21, 2020, the Company received cash proceeds of \$20,000 for 40,000 shares of common stock in an option exercise by a third-party investor.

On February 26, 2020, the Company received cash proceeds of \$20,000 for 40,000 shares of common stock in an option exercise by a third-party investor.

On February 28, 2020, the Company received cash proceeds of \$20,000 for 40,000 shares of common stock in an option exercise by a third-party investor.

On March 2, 2020, the Company received cash proceeds of \$8,808 for 17,615 shares of common stock to be issued in an option exercise by a third-party investor. The shares were issued on May 19, 2020.

On June 20, 2020, the Company received cash proceeds of \$12,500 following a warrant exercise for 50,000 shares of common stock.

Common Stock sold with a Promise to Deliver Title to Plot of Land and Warrants

On December 8, 2020, the Company received cash proceeds of \$20,000 for 50,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$20,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$11,890; and plot of land was valued at \$8,110. The shares were issued on March 1, 2021.

On December 31, 2020, the Company received cash proceeds of \$30,000 for 50,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$30,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$20,622; and plot of land was valued at \$9,378. The shares were issued on March 1, 2021.

On April 22, 2021, the Company received cash proceeds of \$35,000 for 70,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$35,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$29,521; and plot of land was valued at \$5,479.

On October 10, 2019, the Company received cash proceeds of \$50,000 for 100,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$50,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$39,282; and plot of land was valued at \$10,718. The shares were issued on May 1, 2020.

On November 6, 2019, the Company received cash proceeds of \$35,080 for 70,160 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$35,080 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$25,258; and plot of land was valued at \$9,822. The shares were issued on May 1, 2020.

On January 13, 2020, the Company received cash proceeds of \$40,000 for 80,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached two (2) plots of land. The total cash proceeds of \$40,000 was allocated based upon the relative fair value of the shares and two (2) promised plots of land in the following amounts: shares were valued at \$23,780; and plot of land was valued at \$16,220. The shares were issued on May 1, 2020.

On January 13, 2020, the Company received cash proceeds of \$50,000 for 100,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached two (2) plots of land. The total cash proceeds of \$50,000 was allocated based upon the relative fair value of the shares and two (2) promised plots of land in the following amounts: shares were valued at \$39,282; and plot of land was valued at \$10,718. The shares were issued on May 1, 2020.

On January 24, 2020, the Company received cash proceeds of \$25,000 for 50,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$16,174; and plot of land was valued at \$8,826. The shares were issued on May 1, 2020.

On March 25, 2020, the Company received cash proceeds of \$25,000 for 50,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$16,174; and plot of land was valued at \$8,826. The shares were issued on April 3, 2020.

On April 01, 2020, the Company received cash proceeds of \$25,000 for 50,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$16,174; and plot of land was valued at \$8,826.

On June 25, 2020, the Company received cash proceeds of \$25,000 for 100,000 shares of common stock and 100,000 one-year warrants to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land and one (1) promised plot of land in the following amounts: shares and warrants were valued at \$16,174; and plot of land was valued at \$8,826.

On July 14, 2020, the Company received cash proceeds of \$25,000 for 150,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares and warrants were valued at \$20,797; and plot of land was valued at \$4,203.

On November 15, 2020, the Company received cash proceeds of \$25,000 for 100,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land and warrants. The total cash proceeds of \$25,000 was allocated based upon the relative fair value of the shares, the warrants and one (1) promised plot of land in the following amounts: shares were valued at \$12,882; warrants were valued at \$9,189 and plot of land was valued at \$2,929.

On December 8, 2020, the Company received cash proceeds of \$20,000 for 50,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$20,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$11,890; and plot of land was valued at \$8,110. As of December 31, 2020, the shares had not been issued and were recorded as stock payable.

On December 31, 2020, the Company received cash proceeds of \$30,000 for 50,000 shares of common stock to be issued to a third-party investor. In conjunction with this sale of shares, the Company also attached one (1) plot of land. The total cash proceeds of \$30,000 was allocated based upon the relative fair value of the shares and one (1) promised plot of land in the following amounts: shares were valued at \$20,622; and plot of land was valued at \$9,378. As of December 31, 2020, the shares had not been issued and were recorded as stock payable.

Common Stock Issued for debt settlement

On December 31, 2020, the Company executed amendments to promissory notes with six (6) existing investors to extend the maturity date for the issuance of an aggregate of 23,000 shares of common stock with a fair value of approximately \$10,000. These shares were issued on January 1, 2021.

On January 1, 2021, the Company issued an aggregate of 95,000 shares of common stock in conjunction with previously executed promissory notes. These shares were previously recorded as stock payable for aggregate fair value of approximately \$75,600.

On January 1, 2021, the Company issued an aggregate of 23,000 shares of common stock in conjunction with executed amendments to previously executed promissory notes. These shares were issued with an estimated fair value of \$8,970.

On January 1, 2021, the Company issued 29,727 shares of common stock with fair value of \$10,999 as payment for accrued interest related to a promissory note with related party.

On February 25, 2021, the Company issued 85,000 shares of common stock as commitment shares in accordance with the terms of one of its senior secured self-amortization convertible note with aggregate fair value of \$130,900.

On July 1, 2021, the Company issued an aggregate of 35,000 shares of common stock in conjunction with executed amendments to previously executed promissory notes. These shares were issued with an estimated fair value of \$12,605.

During the year ended December 31, 2021, the Company issued 285,000 shares of common stock with fair value of \$136,800 following a late remittance of an installment related to a prior self-amortization note.

On June 4, 2020, the Company issued 39,462 shares valued at \$29,202 in connection with securing a loan from a third-party.

Common Stock Issued for equity-method investment

On May 14, 2021, the Company issued 3,000,000 shares of common stock with a fair value of \$2,580,000 for the acquisition of 25% of the membership interest of Rancho Costa Verde Development (See note 8).

Common Stock issued following registered offering (July 2021 offering)

On July 26, 2021, the Company entered into securities purchase agreements with certain institutional and accredited investors for the issuance and sale of 3,000,000 shares of the Company's common stock at a closing price of \$0.68 per share. The issuance also includes an equivalent number of warrants convertible into an equivalent number of the Company's common stock at a strike price of \$0.68. The gross proceeds of the financing were \$2,040,000 and the net proceeds were approximately \$1,800,000.

Common Stock Issued with Land Acquisition

On September 30, 2020, the Company issued 250,000 shares of common stock valued at \$150,000 to Valdeland, S.A. de C.V., a Company controlled by its Chief Executive Officer, Roberto Valdes, towards the acquisition of Plaza Bajamar (Note 9).

Preferred Stock

On November 6, 2019, the Company authorized and issued 1,000 shares of Series B Preferred Stock ("Series B") and 350,000 shares of common stock to CleanSpark Inc. in a private equity offering for \$500,000. Management determined that the Series B should not be classified as liability per the guidance in ASC 480 Distinguishing Liabilities from Equity as of December 31, 2019, even though the conversion would require the issuance of variable number of shares since such obligation is not unconditional. As of December 31, 2021, and 2020, Management recorded the value attributable to the Series B of \$293,500 as temporary equity on the consolidated balance sheet since the instrument is contingently redeemable at the option of the holder. The Company recognized the beneficial conversion feature ("BCF") that arises from a contingent conversion feature, since the instrument reached maturity during the year ended December 31, 2020. The Company recognized such BCF as a discount on the convertible preferred stock. The amortization of the discount created by a BCF recognized as a result of the resolution of the contingency is treated as a deemed dividend that reduced net income in arriving at income available to common stockholders. The holder can convert the Series B into shares of common stock at a discount of 35% to the market price.

The terms and conditions of the Series B include an in-kind accrual feature, which provides for a cumulative accrual at a rate of 12% per annum of the face amount of the Series B. The Company has recognized \$60,000 of dividend on Series B during the fiscal year ended December 31, 2021, aggregating the total accrual to \$130,000 since November 6, 2019. Such amount has been reported in Additional Paid In Capital on the Company's consolidated balance sheets.

The Securities Purchase Agreement ("SPA") states that the in-kind accrual rate should be increased by 10% per annum upon each occurrence of an event of default. In addition, the SPA further states that the conversion price initially set at a discount of 35% to the market price should be further increased by additional 10% upon each occurrence of an event of default. At the date of this Annual Report, CleanSpark claims that the Company was in default in three instances triggering further discount to the market price for the conversion feature and additional accrual rate. The Company believes that it has never been in default of any covenant pursuant to the terms of the Securities Purchase Agreement. The Company has not been served with any notice of default stating the specific default events. As of the date of the filing of this Annual Report, the parties are cooperating to resolve this matter.

The Company did not issue any share of preferred stock during the years ended December 31, 2021, and 2020.

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Stock Options

A summary of the Company's option activity during the year ended December 31, 2021, is presented below:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contract Term (Year)</u>
Outstanding at December 31, 2020	2,900,000	\$ 0.43	3.35
Granted	3,150,000	0.30	3.43
Exercised	(1,000,000)	0.05	1.00
Forfeit/Canceled	(1,200,000)	0.58	0.50
Outstanding at December 31, 2021	3,850,000	\$ 0.41	4.30
 Exercisable at December 31, 2021	 <u>1,487,500</u>		

A summary of the Company's option activity during the year ended December 31, 2020, is presented below

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contract Term (Year)</u>
Outstanding at December 31, 2019	-	\$ -	-
Granted	3,050,000	0.44	3.62
Exercised	(137,615)	0.50	0.87
Forfeit/Canceled	(12,385)	0.50	-
Outstanding at December 31, 2020	2,900,000	\$ 0.43	3.35
 Exercisable at December 31, 2020	 <u>400,000</u>		

Options outstanding as of December 31, 2021, and 2020, had aggregate intrinsic value of \$716,000 and \$158,000, respectively. At December 31, 2021, the total unrecognized deferred share-based compensation expected to be recognized over the remaining weighted average vesting periods of 0.24 years for outstanding grants was approximately \$0.7 million. At December 31, 2020, the total unrecognized deferred share-based compensation expected to be recognized over the remaining weighted average vesting periods of 1.1 years for outstanding grants was approximately \$0.6 million.

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The following table summarizes information about stock options outstanding and vested at December 31, 2021:

Exercise Prices	Options Outstanding				Options Vested			
	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contractual Life (In years)	Weighted Average Exercise Price	Number of Options	Weighted Remaining Contractual Life (In years)	Weighted Average Exercise Price	
\$ 0.33	1,700,000	1,487,500	3.65	0.33	1,487,500	3.65	0.33	
\$ 0.43	600,000	-	4.99	0.43	-	-	-	
\$ 0.50	1,550,000	-	4.75	0.50	-	-	-	
	<u>3,850,000</u>	<u>1,487,500</u>	<u>4.30</u>	<u>\$ 0.41</u>	<u>1,487,500</u>	<u>3.65</u>	<u>\$ 0.33</u>	

The Company measured equity-based compensation using the Black-Scholes option valuation model using the following assumptions:

	For Years Ending December 31,	
	2021	2020
Expected term	2.75 years	2-3 years
Market price	\$ 0.43 - 0.50	\$ 0.33 - 0.69
Expected volatility	159% - 162%	150% - 160 %
Expected dividends	None	None
Risk-free interest rate	0.38% - 0.87%	0.18% - 0.19%
Forfeitures	None	None

Warrants

A summary of the Company's warrant activity during the year ended December 31, 2021, is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contract Term (Year)
Outstanding at December 31, 2020	460,000	\$ 0.38	0.70
Granted	3,180,000	0.69	5.08
Exercised	(160,000)	0.31	0.23
Forfeit/Canceled	(300,000)	0.42	-
Outstanding at December 31, 2021	<u>3,180,000</u>	<u>\$ 0.69</u>	<u>5.08</u>
Exercisable at December 31, 2021	<u>3,180,000</u>		

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The Company used the following assumptions to value the warrants issued during the year ended December 31, 2021:

December 2021 Warrants

Risk free rate	0.73%
Market price per share	\$ 1.06
Life of instrument in years	5.50 years
Volatility	164.6%
Dividend yield	0%

NOTE 11 – INCOME TAX

Significant components of the Company's deferred tax assets and liabilities for federal and state income taxes as of December 31, 2021, and 2020 are as follows:

	December 31, 2021	December 31, 2020
Deferred tax assets:		
Stock compensation	\$ 435,685	\$ 139,198
Accruals	165,222	57,927
Net operating loss carry forward	2,314,746	2,011,604
Total gross deferred tax assets	2,915,653	2,208,729
Less - valuation allowance	(2,915,653)	(2,208,729)
Net deferred tax assets	\$ -	\$ -

As of December 31, 2021, and 2020, the Company had gross federal net operating loss carryforwards of approximately \$11,023,000 and \$9,579,000, respectively. Management expects the limitation placed on the federal net operating loss carryforwards prior to the ownership change will likely expire unused. As of December 31, 2021, all tax years are open for examination by the taxing authorities.

Due to the enactment of the Tax Reform Act of 2017, the corporate tax rate for those tax years beginning with 2018 has been reduced to 21%.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events pursuant to the issuance of the consolidated financial statements and has determined that, other than listed above, no other

reportable subsequent events exist through the date of these consolidated financial statements.

Subsequent to December 31, 2021, the Company issued 814,714 shares of common stock pursuant to a consulting agreement executed on April 1, 2016, with an estimated fair value of approximately \$447,000. Such issuance relates to advisory services in connection with potential acquisitions, product development, marketing & promotion of the Company's real estate properties. Such liability was included in accounts payable and accrued liabilities in the Company's consolidated balance sheet as of December 31, 2021.

Subsequent to December 31, 2021, the Company executed a consulting and real estate sales agreement with an initial six-month term. Pursuant to such contract, the Company issued 600,000 options to purchase common stock of the Company at \$0.001 strike price. The consultant immediately exercised the options and the Company issued 600,000 shares of Common Stock.

Subsequent to December 31, 2021, the Company executed three securities purchase agreements with three investors, which included (i) the issuance of three promissory notes for total principal amount of \$616,200 and net funding of \$522,500 and (ii) 687,500 warrants to purchase an equivalent number of Common Stock at a strike price of \$0.80. In connection with the securities purchase agreements, the Company also issued a total of 450,000 commitment shares fully earned on issuance. Two of the promissory notes are convertible into the Company's common stock at a fixed conversion rate upon an event of default. One of the convertible notes, is convertible at a discounted price to the closing bid price of the Company.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.

Not Applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, we have carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report, being December 31, 2021. This evaluation was carried out under the supervision of, and with the participation of, our management, including our Chief Executive Officer and Chief Financial Officer.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Based upon that evaluation, we have concluded that our disclosure controls and procedures are not effective as of the end of the period covered by this annual report due to the material weaknesses indicated below. We intend to implement additional procedures to improve disclosure controls.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934). Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

As a result of this assessment, management concluded that, as of December 31, 2021, our internal control over financial reporting was not effective. Our management identified the following material weaknesses in our internal control over financial reporting, which are indicative of many small companies with limited personnel:

- Lack of qualified and sufficient personnel, and processes to adequately and timely identify any and all required public disclosures.
- Deficiencies in the period-end reporting process and accounting policies.
- Inadequate internal controls over the application of new accounting principles or the application of existing accounting principles to new transactions.
- Inadequate internal controls relating to the authorization, recognition, capture, and review of transactions, facts, circumstances, and events that could have a material impact on the Company's financial reporting processes.
- Inadequate controls over maintenance of records.

Management has assigned a priority to the short-term and long-term improvement of our internal control over financial reporting.

The Company plans to:

- Continue to outsource the bookkeeping and technical accounting functions to external consulting firms due to the lack of internal resources.
- Emphasize the importance of, and monitor the sustained compliance with, the execution of our internal controls over financial reporting.
- Work with our third-party service provider to ensure that our accounting and reporting for income taxes are timely and accurate

CHANGES IN INTERNAL CONTROLS

No change in our system of internal control over financial reporting occurred during the period covered by this report, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance.

Our Bylaws provide that the Board of Directors shall consist of no more than three (3) directors. Each director of the Company serves until his successor is elected and qualified, subject to removal by the Company's shareholders. Each officer holds office for such term and exercises such powers and performs such duties as are determined by the Board of Directors.

Name	Age	Position
Roberto Jesus Valdes	53	Principal Executive Officer and a Director.
Jason Sunstein	50	Principal Financial and Accounting Officer and a Director.
Frank Ingrande	59	President

Roberto Jesus Valdes

Mr. Valdes has been the President of Grupo Valcas, Baja Residents Club, S.A. de, C.V. since 2004, and was the Assistant in the Grupo Valcas Design Department from 1989 to 1991. From 1991 through 2004, Mr. Valdes was a member of the Board of Directors, DUBCSA – Bajamar Ocean Front Resort Master Developer. During his term as a director, he acted as Project Director for Grupo Valcas. His projects have included:

- La Serena Condominiums, Ensenada, 1992-1994
- La Quinta Bajamar Condominiums, Ensenada, 1994-1996
- Oceano at Bajamar residential development, Ensenada, 1996-1998
- Oceano Diamante residential development, Ensenada, 2000
- Costa Bajamar condominiums, Ensenada, 2004-2005

Mr. Valdes has been one of our officers and directors since October 2013.

Jason Sunstein

Mr. Sunstein brings finance, mergers and acquisitions and general management experience. Since 1989, he has participated in a broad variety of both domestic and international structured investments and financings, ranging from debt and preferred stock to equity and developmental capital across a wide variety of infrastructure and corporate financings. He has been involved in numerous start-ups, turnarounds and public companies. Mr. Sunstein serves as on the Board of Directors of several public and private companies. In December 2014 Mr. Sunstein filed for Chapter 7 bankruptcy, and it was discharged May 2015. He attended San Diego State University where he majored in Finance and has held NASD Series 7 (General Securities Representative) and Series 63 licenses.

Mr. Sunstein has been one of our officers and directors since October 2013.

Frank Ingrande

Mr. Ingrande is the Co-founder of Rancho Costa Verde Development, the Company's equity-method investee. He is a native San Diego resident with over 30 years of experience in the second-home industry and more than 20 years in the second-home market in Mexico. Mr. Ingrande has direct experience in acquiring, developing, and marketing real estate in Mexico. His educational background includes a Bachelor of Business Administration degree and a Master of Business Administration degree with an emphasis in Entrepreneurship and International Business from the University of San Diego. Mr. Ingrande holds a California Real Estate Salesperson License.

Term of Office

All officers and directors listed above will remain in office until the next annual meeting of our stockholders, and until their successors have been duly elected and qualified or until removed from office in accordance with our bylaws. There are no agreements with respect to the election of Directors. We have not compensated our directors for service on our Board of Directors, any committee thereof, or reimbursed for expenses incurred for attendance at meetings of our Board of Directors and/or any committee of our Board of Directors. Officers are appointed annually by our Board of Directors and each Executive Officer serves at the discretion of our Board of Directors. We do not have any standing committees. Our Board of Directors may in the future determine to pay Directors' fees and reimburse Directors for expenses related to their activities.

None of our officers and/or Directors have filed any bankruptcy petition, been convicted of or been the subject of any criminal proceedings or the subject of any order, judgment or decree involving the violation of any state or federal securities laws within the past five (5) years.

Board Committees

Audit Committee

We do not have a standing audit committee of the Board of Directors. Management has determined not to establish an audit committee at present because of our limited resources and limited operating activities do not warrant the formation of an audit committee or the expense of doing so. We do not have a financial expert serving on the Board of Directors or employed as an officer based on management's belief that the cost of obtaining the services of a person who meets the criteria for a financial expert under Item 401(e) of Regulation S-B is beyond its limited financial resources.

Code of Ethics

To date, we have not adopted a Code of Ethics applicable to our principal executive officer and principal financial officer. The Company does not believe that a formal written code of ethics is necessary at this time. We expect that the Company will adopt a code of ethics if and when the Board of Directors deems it is necessary.

Our directors will serve until the next annual meeting of shareholders or until their successors are duly elected and have qualified. Officers hold their positions at the pleasure of the board of directors, absent any employment agreement, of which none currently exists or is contemplated. There is no arrangement or understanding between any person pursuant to which any director or officer was or is to be selected as a director or officer, and there is no arrangement, plan or understanding as to whether non-management shareholders will exercise their voting rights to continue to elect directors to our board. There are also no arrangements, agreements or understandings between non-management shareholders that may directly or indirectly participate in or influence the management of our affairs. Our Board of Directors does not have any committees at this time.

Potential Conflicts of Interest

Since we do not have an audit or compensation committee comprised of independent directors or any independent directors on our board, the functions that would have been performed by such committees are performed by our directors. Thus, there is a potential conflict of interest in that our directors and officers have the authority to determine issues concerning management compensation and audit issues that may affect management decisions. We have disclosed throughout this Annual Report all potential Conflicts of interest involving the Company's executive officers as disclosed in notes 3, 4 5, 7, 8 and 9. We are not aware of any other conflicts of interest with any of our executives or directors.

Director Independence

Our board of directors has undertaken a review of the independence of each director and considered whether any director has a material relationship with us that could compromise his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, our board of directors determined that our directors do not meet the independence requirements, according to the applicable rules and regulations of the SEC.

Corporate Governance

There have been no changes in any state law or other procedures by which security holders may recommend nominees to our board of directors. In addition to having no nominating committee for that purpose, we currently have no specific audit committee and no audit committee financial expert. Based on the fact that our current business affairs are simple, any such committees are excessive and beyond the scope of our business and needs.

Family Relationships

Mr. Sunstein and Ms. Landau are brother and sister. Ms. Landau is a former executive officer and former Secretary of the Company and a shareholder of the Company. The Company issued a promissory note to RAS, LLC "RAS", a company controlled by Ms. Landau.

Indemnification of Executive Officers and Directors

Section 17-16-856 of the Wyoming Business Corporation Act provides that any director or officer of a Wyoming corporation may be indemnified against judgments, penalties, fines, settlements and reasonable expenses actually incurred by him in connection with or in defending any action, suit or proceeding in which he is a party by reason of his position, so long as it shall be determined that he conducted himself in good faith and that he reasonably believed that his conduct was in the corporation's best interest and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. If a director or officer is wholly successful, on the merits or otherwise, in connection with such proceeding, such indemnification is mandatory.

Currently we do not maintain any directors' and officers' liability insurance covering our directors and officers against expenses and liabilities arising from certain actions to which they may become subject by reason of having served in such role.

At present, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents where indemnification will be required under California law. We are not aware of any threatened litigation or preceding that might result in a claim for such indemnification.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the provisions described above, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than our payment of expenses incurred or paid by our director, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Item 11. Executive Compensation.

SUMMARY COMPENSATION TABLE

We do not offer retirement benefit plans to our executive officers, nor have we entered into any contract, agreement, plan or arrangement, whether written or unwritten, that provides for payments to a named executive officer at, or in connection with, the resignation, retirement or other termination of a named executive officer, or a change in control of the company or a change in the named executive officer's responsibilities following a change in control. We do not have any standard arrangement for compensation of our directors for any services provided as director, including services for committee participation or for special assignments.

The Company does not have a compensation committee. Given the nature of the Company's business, its limited stockholder base and the current composition of management, the board of directors does not believe that the Company requires a compensation committee at this time.

The information required by Regulation S-K Item 407(e)(4), "Compensation Committee Interlocks and Insider Participation," and Item 407(e)(5), "Compensation Committee Report," is not required because the Company is a smaller reporting company.

The following table sets forth information regarding each element of compensation that we paid or awarded to our named executive officers, for the two fiscal years ended December 31, 2021, and 2020, which includes cash compensation, stock options awarded and all other compensation:

Name and Principal Position	Year Ended Dec. 31	Salary/Fees (\$)(2)	Bonus (\$)	Stock Awards (\$)(4)	Option Awards (\$)(1)(3)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Roberto Jesus Valdez, CEO	2021	135,232	-	-	270,000	-	-	-	405,232
	2020	135,232	-	-	206,626	-	-	-	341,858
Jason Sunstein, VP Finance, CFO, Director	2021	135,232	-	-	270,000	-	-	-	405,232
	2020	135,232	-	-	206,626	-	-	-	341,858
Frank Ingrande, President	2021	86,423	-	66,000	134,937	-	-	-	287,423
	2020	-	-	-	-	-	-	-	-

(1) On August 26, 2020, the Company awarded to our named executive officers each 750,000 options under the 2020 Plan, with strike price of \$0.33, contractual term of five years with a vesting schedule of 25% six months after the grant date and 75% on a monthly basis over the twelve-month period following the first six months after the date of grant. The call option was valued at \$0.28.

(2) Effective January 1, 2020, the Company executed employment agreements with our Chief Executive Officer and Chief Financial Officer. The base salary is in the amount of \$120,000 per annum, a \$500 monthly auto stipend and four weeks of paid vacation.

- (3) On October 2, 2021, the Company awarded 500,000 options to each our Chief Executive Officer and Chief Financial Officer and 250,000 options to our President under the 2019 Plan, with strike price of \$0.50, contractual term of five years with a vesting schedule of 100% six months after the grant date. The call option was valued at \$0.54.
- (4) In May 2021, the Company issued 50,000 shares of common stock valued at \$66,000 pursuant to employment agreement.

Employment Agreement

Effective January 1, 2020, we have entered into employment agreements with our executive officers and their compensation is determined at the discretion of our Board of Directors.

The Company entered into an employment agreement with the Chief Executive Officer on January 1, 2020, to perform the duties and responsibilities as may be assigned. The base salary is in the amount of \$120,000 per annum, a \$500 monthly auto stipend, and four weeks of paid vacation.

The Company entered into an employment agreement with the Chief Financial Officer on January 1, 2020, to perform the duties and responsibilities as may be assigned. The base salary is in the amount of \$120,000 per annum, a \$500 monthly auto stipend, and four weeks of paid vacation.

The Company entered into an employment agreement with the President on May 10, 2021. The base salary is in the amount of \$120,000 per annum, a \$500 monthly auto stipend, and four weeks of paid vacation and an incentive bonus of 50,000 shares of common stock pursuant to S-8.

Stock Option Plan – 2019 Equity Incentive Plan

On February 11, 2019, the Company's Board of Directors approved a 2019 Equity Incentive Plan (the "2019 Plan"). In order for the 2019 Plan to grant "qualified stock options" to employees, it required approval by the Corporation's shareholders within 12 months from the date of the 2019 Plan. The 2019 Plan was never approved by the shareholders. Therefore, any options granted under the 2019 Plan prior to shareholder approval will be "non-qualified".

Pursuant to the 2019 Plan, the Company has reserved a total of 3,000,000 shares of the Company's common stock to be available under the plan.

As of December 31, 2021, and 2020, ILA has 2,150,000 and 1,200,000 options issued and outstanding, respectively.

During the year ended December 31, 2021, the Company has issued 1,550,000 options at a strike price of \$0.50, which vest six months after issuance and contractual term of 5 years.

During the year ended December 31, 2021, the Company has issued 600,000 options at a strike price of \$0.43, which vest 50% three months after issuance with the remaining 50% in September 2022, with a contractual term of 5 years.

On December 1, 2021, the Company executed a stock option cancellation agreement with one option holder pursuant to a previously executed consulting agreement entered into on May 5, 2020, under which both parties agree to cancel 1,200,000 performance options as none of the underlying milestones were met.

The Company recognized \$361,884 of stock-based compensation related to the 2019 Plan options during the year ended December 31, 2021.

Stock Option Plan – 2020 Equity Plan

On August 26, 2020, the Company's Board of Directors approved a 2020 Equity Plan (the "2020 Plan"). The 2020 Plan enables the Board of Directors to provide equity-incentives through grants of awards to the Company's present and future employees, directors, consultant, and other third-party service providers. The 2020 Equity Plan authorizes the grant of Incentive Stock Options ("ISO") and Non-Qualified Stock Options ("NSO"). Pursuant to the 2020 Plan, the Company has reserved a total of 3,000,000 shares of the Company's common stock to be available under the plan.

During the year ended December 31, 2021, the Company issued 1,000,000 options under the 2020 Plan, of which 1,000,000 were converted into common stock for total consideration of \$50,000 from exercise. The Company recognized \$1,487,382 of stock-based compensation related to the 2020 Plan options during the year ended December 31, 2021.

As of December 31, 2021, and 2020, ILA has 1,700,000 options issued and outstanding.

Employee Pension, Profit Sharing, or other Retirement Plans

We do not have a defined benefit, pension plan, profit sharing or other retirement plan, although we may adopt one or more of such plans in the future.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following tables set forth the ownership, as of the date of this filing, of our common stock by each person known by us to be the beneficial owner of more than 5% of our outstanding common stock, our directors, and our executive officers and directors as a group. To the best of our knowledge, the persons named have sole voting and investment power with respect to such shares, except as otherwise noted. There are not any pending or anticipated arrangements that may cause a change in control.

The information presented below regarding beneficial ownership of our voting securities has been presented in accordance with the rules of the Securities and Exchange Commission and is not necessarily indicative of ownership for any other purpose. Under these rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares the power to vote or direct the voting of the security or the power to dispose or direct the disposition of the security. A person is deemed to own beneficially any security as to which such person has the right to acquire sole or shared voting or investment power within 60 days through the conversion or exercise of any convertible security, warrant, option or other right. More than one person may be deemed to be a beneficial owner of the same securities. The percentage of beneficial ownership by any person as of a particular date is calculated by dividing the number of shares beneficially owned by such person, which includes the number of shares as to which such person has the right to acquire voting or investment power within 60 days, by the sum of the number of shares outstanding as of such date plus the number of shares as to which such person has the right to acquire voting or investment power within 60 days. Consequently, the denominator used for calculating such percentage may be different for each beneficial owner. Except as otherwise indicated below and under applicable community property laws, we believe that the beneficial owners of our common stock listed below have sole voting and investment power with respect to the shares shown. The percentage of shares is based on 33,714,041 shares issued and outstanding on April 14, 2022.

Name	# of Shares of Common Stock	Percentage
Roberto Jesus Valdes	4,820,105	14%
Jason Sunstein *	4,974,208	15%
Frank Ingrande	50,000	0%

* Jason A. Sunstein Family Investments, LLC is the record holder of these shares. Jason Sunstein controls Jason A. Sunstein Family Investments, LLC.

We are not aware of any person who owns of record, or is known to own beneficially, five percent or more of the outstanding securities of any class of the issuer, other than as set forth above. There are no classes of stock other than common stock issued or outstanding.

There are no current arrangements which will result in a change in control.

Item 13. Certain Relationships and Related Transactions and Director Independence.

Related Party Transactions

Please see Note 3, 4, 5, 7 and 8 to the financial statements for a description of our related party transactions.

Director Independence

Our Common Stock is not quoted or listed on any national exchange or interdealer quotation system with a requirement that a majority of our board of directors be independent and therefore, the Company is not subject to any director independence requirements. Under NASDAQ Rule 5605(a)(2)(A), a director is not considered to be independent if he or she is also an executive officer or employee of the corporation. Under such definition our three officers and directors would not be considered an independent director.

Item 14. Principal Accountant Fees and Services.

The following table presents fees for professional services rendered by Haskell & White, LLP for the years ended December 31, 2021, and 2020:

	Year ended December 31,	
	2021	2020
Audit Fees	\$ 95,200	\$ 102,500
Audit-Related Fees	\$ 7,500	\$ -
Tax Fees	\$ -	\$ -
All Other Fees	\$ -	\$ -

Pre-Approval Policy

Our Board of Directors as a whole pre-approves all services provided by Haskell & White LLP. For any non-audit or non-audit related services, the Board of Directors must conclude that such services are compatible with the independence as our auditors.

PART IV

Item 15. Exhibits; Financial Statement Schedules.

Exhibit Number	Description of Exhibit
3.1	Articles of Incorporation of the Registrant (Incorporated by reference from exhibit 3.1 to our registration statement on form S-1 filed with the SEC on February 11, 2016)
3.2	Bylaws of the Registrant (Incorporated by reference from exhibit 3.2 to our registration statement on form S-1 filed with the SEC on February 11, 2016)
10.1	Share Exchange Agreement with ILA Mexico (Incorporated by reference from exhibit 10.1 to amendment #1 to our registration statement on form S-1 filed with the SEC on November 10, 2016)
10.2	Letter Agreement with Grupo Valcas/Baja Residents Club, S.A. de C.V. (Incorporated by reference from exhibit 10.2 to amendment #1 to our registration statement on Form S-1 filed with the SEC on November 10, 2016)
23.1*	Consent of Haskell & White LLP
31.1*	Certification of Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002
32.1*	Certification of CEO and CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following materials from the Company's Annual report for the period ended December 31, 2021, formatted in Extensible Business Reporting Language (XBRL).
101.INS	Inline XBRL Taxonomy Extension Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herein.

In accordance with the Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 15th day of April 2022.

INTERNATIONAL LAND ALLIANCE, INC.

By: /s/ Roberto Jesus Valdes
Name: Roberto Jesus Valdes
Title: Principal Executive Officer

In accordance with the requirements of the Securities and Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities indicated on the dates stated.

Signature

/s/ Roberto Jesus Valdes

Roberto Jesus Valdes
President, Principal Executive Officer, and a director

Dated: April 15, 2022

/s/ Jason Sunstein

Jason Sunstein
Principal Financial and Accounting Officer and a director

Dated: April 15, 2022

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EXHIBIT INDEX

Exhibit

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101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herein.

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference to the Registration Statement on Form S-8 (No. 333-230043) of International Land Alliance, Inc. (the “Company”) of our report dated April 15, 2022, relating to our audit of the Company’s consolidated financial statements as of December 31, 2021, and for the year then ended included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

Our report dated April 15, 2022, contains an explanatory paragraph that states the Company has experienced recurring losses from operations, has limited financial resources to repay its obligations and will require substantial new capital to execute its business plans. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ HASKELL & WHITE LLP

Irvine, California
April 15, 2022

CERTIFICATION

I, Roberto Jesus Valdes, certify that:

1. I have reviewed this annual report on Form 10-K of International Land Alliance, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Roberto Jesus Valdes

Roberto Jesus Valdes
Principal Executive Officer and Director
April 15, 2022

CERTIFICATION

I, Jason Sunstein, certify that:

1. I have reviewed this annual report on Form 10-K of International Land Alliance, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jason Sunstein

Jason Sunstein
 Principal Financial and Accounting Officer and a Director
 April 15, 2022

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the report of International Land Alliance, Inc. (the "Company") on Form 10-K for the period ending December 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Roberto Jesus Valdes

Roberto Jesus Valdes
Principal Executive Officer and a Director
April 15, 2022

/s/ Jason Sunstein

Jason Sunstein
Principal Financial and Accounting Officer and a Director
April 15, 2022
