



COUNTY OF LAKE
SPECIAL DISTRICTS ADMINISTRATION
230 N Main Street
Lakeport, California 95453
Telephone 707-263-0119
Fax 707-263-3836

Robin Borre
Special Districts Administrator

October 28, 2024

Patrick Sullivan
Treasurer/Tax Collector
County of Lake
255 N. Forbes Street Room 215
Lakeport, California 95453

Attn: Gregory Peters, Deputy Tax Collector

RE: Tax Sale Properties

Dear Mr. Sullivan,

On behalf of Special Districts, we would like to make the following offer on tax sale property.

Property APN/Address	Acres	Offer Price
028-251-090; 371 Crystal Lake Way, Lakeport	4.88 acres	\$30,000.00
Total Offer		\$30,000.00

Enclosed please find additional information including the Application to Purchase Tax Defaulted Property for all parcels and an appraisal. This purchase is grant funded for the acquisition of a well site for North Lakeport.

I look forward to working with your office to complete this transaction.

Sincerely,

Robin Borre
Special Districts Administrator

Enclosures

APPLICATION TO PURCHASE TAX DEFAULTED PROPERTY

This application must be completed by an eligible purchasing entity to commence purchase of tax defaulted property by agreement sale from the county under applicable provisions of the California Revenue and Taxation Code. Complete the following sections and supply supporting documentation accordingly. Prior to purchase approval the county may require the applicant submit additional information or documentation. **Completion of this application does not guarantee purchase approval.**

For county use only:

1. Date application received: (date) 2. If applicable, date written objection to Chapter 7 tax sale was received: (date)

Applicant must complete Sections A through D.

A. Purchaser Information

1. Name of organization: Special Districts

2. Corporate structure:

Nonprofit organization

Public Agency (please select type of public agency)

A taxing agency, revenue district, or special district

The State or County

B. Property Status and Use Information

1. Is the parcel currently approved for a Chapter 7 tax sale as of the date of this application?

Yes No

If yes, a written objection must be included with the application. If a written objection was submitted to the county prior to application, what is the date of the objection? (date of objection)

2. The purpose of the purchase: (check one box only)

For low income housing

To otherwise serve low income persons

To preserve open spaceli

To preserve a lien

For public purpose: Well Site for North Lakeport Water

C. Property Information

Provide the following information. (If more space is needed exhibits may be attached)

1. County where the parcel(s) is located: Lake

2. Assessor's Parcel Number (APN): 028-251-090, 371 Crystal Lake Way, Lakeport
CA

CI. Acknowledgement

Identification and signature of the purchasing entity's authorized officer:

Robin Borre

Special Districts Administrator

Print Name

Print Title

October 28 2024

Date

Authorized Signature



Tax

Find a parcel or address



Default County,

Parcels CA



Hartley Ext

Keating Ave

Wright Ln

Wright Ln

Stubbs St

Alterra Dr

Alterra Dr

Crystal Lake Way

Spanner Ln

Hartley Rd.

Lizzi Ln

Patocchi Ct

Howard Ave

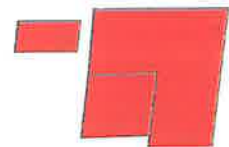
Katie

-122.915 39.072 Degrees

300ft

North Ave

Casupaloo Dr



APPRAISAL REPORT



Byron Kenneth Orner Property
371 Crystal Lake Way, Lakeport, California 95453
APN: 028-251-090-000

Date of Value: September 4, 2024

Date of Report: September 13, 2024

BRI 24-295

BRI BENDER
ROSENTHAL
INCORPORATED

2825 Watt Avenue, Suite 200 Sacramento, California 95821 | www.benderrosenthal.com | 916.978.4900



September 13, 2024

Robin Borre
Special Districts Administrator
Lake County Specialty District
230 N Main St
Lakeport, CA 95453

RE: Appraisal Report
Byron Kenneth Orner Property
371 Crystal Lake Way, Lakeport, California 95453
APN: 028-251-090-000

Bender Rosenthal, Inc. File No: 24295A

Ms. Borre:

Bender Rosenthal, Inc. is proud to present the appraisal that satisfies the agreed upon scope of work with Lake County Specialty District. The subject property is located at 371 Crystal Lake Way, Lakeport, CA and consists of 4.88 acres of vacant land.

As you have requested in your engagement letter, we have appraised the above identified property. The purpose of the appraisal assignment is to determine the as-is fair market value (fee simple estate). The intended use of this report is for internal decision-making purposes. Our client and the intended user of this report is Lake County Specialty District.

The following table conveys the final opinion of value that is developed in this appraisal:

MARKET VALUE CONCLUSION			
VALUATION SCENARIO	INTEREST APPRAISED	EFFECTIVE DATE	VALUE
As-Is Fair Market Value	Fee Simple Estate	September 4, 2024	\$150,000

This is an appraisal report as defined by USPAP. As such, it presents sufficient data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. The depth of discussion contained in this report is specific to the needs of the client and of the intended use stated in this report. The following report sets forth the descriptive and factual data, the assumptions and conditions affecting the appraisal, and the findings and analyses that lead to and support our value opinion. The appraisers are not responsible for unauthorized use of this report. Every effort has been made to conform to the Standards of Professional Practice of the Appraisal Institute, which fully incorporate the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. The undersigned conducted the appraisal and prepared the report.

EXTRAORDINARY ASSUMPTIONS

1. A preliminary title report was not provided by the client for review. In the absence of a title report we assume there are no easements or encumbrances which would impact the marketability or sale of the property.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

If there are any specific questions or concerns regarding the attached appraisal report, or if Bender Rosenthal, Inc. can be of additional assistance, please contact the individuals listed below.

Respectfully Submitted,

BENDER ROSENTHAL, INC.



Lawrence Clark
Appraiser
Certified General Real Estate Appraiser
California License No. 3011366
Expiration Date 5/11/2025
916-978-4900
L.clark@benderrosenthal.com



David Houghton, MAI
Appraisal Manager
Certified General Real Estate Appraiser
California License No. AG039402
Expiration Date 12/26/2025
(916) 978-4900
d.houghton@benderrosenthal.com

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EXECUTIVE SUMMARY

PROPERTY IDENTIFICATION

Name	028-251-090
Address	371 Crystal Lake Way
City, State Zip	Lakeport, California 95453
County	Lake County
MSA	Lake County
Market / Submarket	Lake Port
Geocode	39.069806,-122.916696
Census Tract	06-033-000401

SITE DESCRIPTION

Number of Parcels	1	
Assessor Parcel Number	028-251-090-000	
Land Area	Square Feet	Acres
Usable	212,573	4.88
Total	212,573	4.88
Zoning	R-3	
Shape	Trapezoid	
Topography	Sloping	
Flood Zone	X	
Seismic Zone	No	

HIGHEST & BEST USE

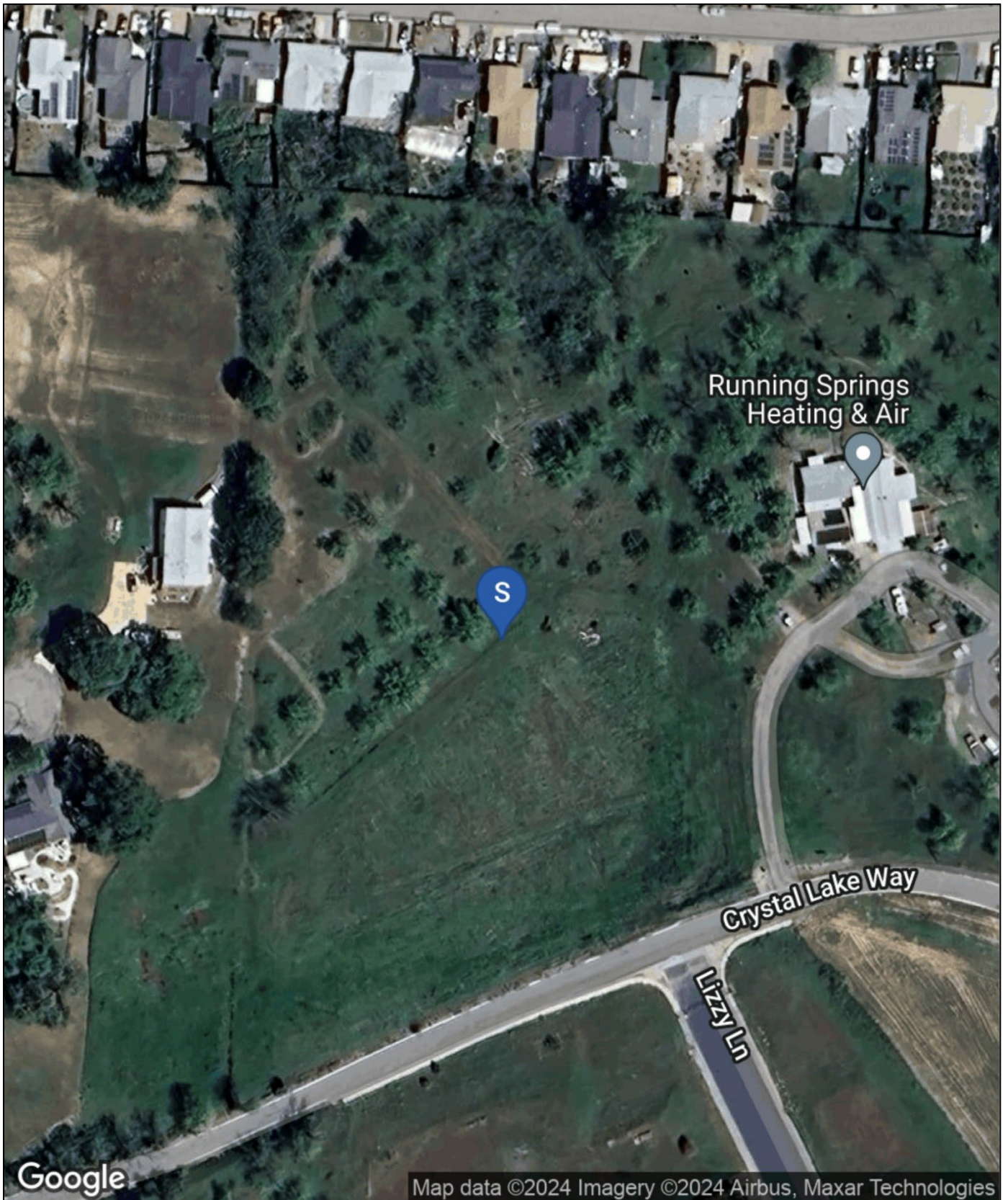
Proposed Construction	No
As Vacant	Single Family Development

VALUE CONCLUSION

VALUATION SCENARIOS	As-Is Fair Market Value
Interest	Fee Simple Estate
Effective Date	September 4, 2024
Sales Comparison Approach	\$150,000

FINAL VALUE CONCLUSION **\$150,000**

AERIAL PHOTOGRAPH



SUBJECT PROPERTY PHOTOGRAPHS



View of subject property from Crystal Lake Drive facing north.



View of subject property and southern property line from Crystal Lake Drive.

SUBJECT PROPERTY PHOTOGRAPHS



View of subject property and sloping topography.

IDENTIFICATION OF ASSIGNMENT

PROPERTY IDENTIFICATION

The subject property consists of a vacant parcel which totals 4.88 acres in size and is located at 371 Crystal Lake Way in Lakeport California. The site has a fairly rectangular shape and sloping topography leading up from Crystal Lake Way. There are no utilities stubbed to the site. The property is zoned R-3, which allows for a range of high density residential uses.

LEGAL DESCRIPTION

A detailed legal description was not provided.

CLIENT IDENTIFICATION

The client of this specific assignment is Lake County Specialty District.

INTENDED USE & INTENDED USERS

The intended use of this assignment is for internal decision making regarding the potential acquisition of the site. The intended user is Lake County Specialty District.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Fair Market Value (Fee Simple Estate).

PERSONAL PROPERTY & BUSINESS INTANGIBLE

There is no personal property (FF&E) included in this valuation.

PROPERTY AND SALES HISTORY

CURRENT OWNER

Byron Kenneth Orner, Trustee of the Byron Kenneth Orner Revocable Trust Of 2005, per the most recent grant deed dated October 26, 2005, Doc# 2005-031886. A copy of the grant deed can be found in the appendix.

THREE-YEAR SALES HISTORY

According to county records there has been no transfer of ownership for the subject property in the past three years and there is no known pending sale or listing of the subject.

DEFINITION OF MARKET VALUE

FAIR MARKET VALUE

[Source: Section 1263.320 of the Code of Civil Procedure]

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

The Code goes on to say that:

The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following:

- A) The project for which the property is taken.
- B) The eminent domain proceeding in which the property is taken.
- C) Any preliminary actions of the plaintiff relating to the taking of the property.

All other appraisal definitions can be found in the appendix.

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple estate interest.

FEE SIMPLE INTEREST

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.¹

VALUE SCENARIOS

AS-IS MARKET VALUE

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.²

¹ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

² The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

SCOPE OF WORK

The scope of work for this appraisal assignment is outlined below:

- ▶ The appraisal analyzes the regional and local area profiles including employment, population, household income and real estate trends. The local area was inspected to consider external influences on the subject.
- ▶ The appraisal analyzes legal and physical features of the subject including site size, improvement size, flood zone, seismic zone, site zoning, easements, encumbrances, site access and site exposure.
- ▶ The appraisal includes a single-family residential market analysis for the Lake County market and Lake Port submarket using vacancy, absorption, supply and rent data. Conclusions were drawn for the subject's competitive position given its physical and locational features, current market conditions and external influences.
- ▶ The appraisal includes a Highest and Best Use analysis, and conclusions have been completed for the highest and best use of the subject property As Vacant. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject site.
- ▶ In selecting applicable approaches to value, the appraisers considered the agreed upon appraisal scope and assessed the applicability of each traditional approach given the subject's characteristics and the intended use of the appraisal. As a result, this appraisal developed a sales comparison approach. The values presented represent the As-Is Market Value (Fee Simple Estate).
- ▶ The assignment was prepared as an Appraisal Report in accordance with USPAP Standards Rules 2, with the analysis stated within the document and representing a brief level of analysis.
- ▶ The authors of this report are aware of the Competency Rule of USPAP and meet the standards.

ASSISTANCE PROVIDED

Nicholas Maniscalco provided significant assistance in the preparation of this report including determination of the appraisal problem, collection and analysis of the data, highest and best use analysis, valuation analysis, and the reconciliation in this report under the direct supervision of the undersigned.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

INFORMATION PROVIDED	
Property Assessment & Tax	Lake County Assessor
Zoning & Land Use Planning	City of Lakeport Zoning
Site Size	Lake County Assessor
Building Size	Lake County Assessor
Supply & Demand	CoStar
Flood Map	FEMA
Demographics	STDB On-Line
Comparable Information	MLS Public Records Confirmed by Local Agents
Legal Description	Not Provided

As part of the general assumptions and limiting conditions, the subject is assumed to have no adverse easements, significant items of deferred maintenance, or be impacted by adverse environmental conditions.

SUBJECT PROPERTY INSPECTION

PROPERTY INSPECTION				
APPRAISER	INSPECTED	EXTENT	DATE	ROLE
Lawrence Clark	Yes	Exterior of frontage	September 4, 2024	Primary Appraiser
David Houghton, MAI				Appraiser
Nicholas Maniscalco				Assistant

The property was inspected by the public rights of way. Per the client the appraisal is confidential, and we have been instructed not to contact the owners.

ASSUMPTIONS & LIMITING CONDITIONS

This appraisal report and the value estimates it contains are expressly subject to the following assumptions and/or limiting conditions.

1. Title to the property is marketable.
2. No survey of the property has been made by the appraisers and property lines as they appear on the ground are assumed to be correct.
3. Data, maps, and descriptive data furnished by the client or his/her representatives are accurate and correct.
4. No responsibility is assumed for matters of law or legal interpretation.
5. No conditions exist that would affect the use and value of the property, which are not discoverable through normal, diligent investigation.
6. The valuation is based on information from sources believed reliable, and that such information is correct and accurately reported.
7. The value estimate is made subject to the purpose, date, and definition of value.
8. The report is to be considered in its entirety and use of only a portion will invalidate the appraisal.
9. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraiser's estimate of highest and best use.
10. Possession of this report or a copy does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Bender Rosenthal, Inc., and then only with proper qualifications.
11. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. No part of this narrative report may be reproduced by any means nor disseminated to the public in any way without the prior written consent of Bender Rosenthal, Inc.
12. Any person or entity who obtains or reads this report, or a copy, other than the client specified in this report, expressly assumes all risk of damages to themselves or third persons arising out of reliance on this report and waives the right to bring any action based on the appraisal, and neither the appraisers nor the appraisal firm shall have any liability to any such person or entity.
13. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described in this report unless prior arrangements have been made.
14. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property.
15. The property appraised may or may not be subject to the Americans with Disabilities Act of 1990 (ADA). Title III of this act provides for penalties for discrimination in failing "to remove architectural barriers in existing facilities [unless] an entity can demonstrate that the removal is not readily achievable." Unless otherwise noted in this appraisal, it is assumed that the property appraised is not substantially impacted by this law.

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

17. It is assumed that the property appraised is competently managed and marketed.

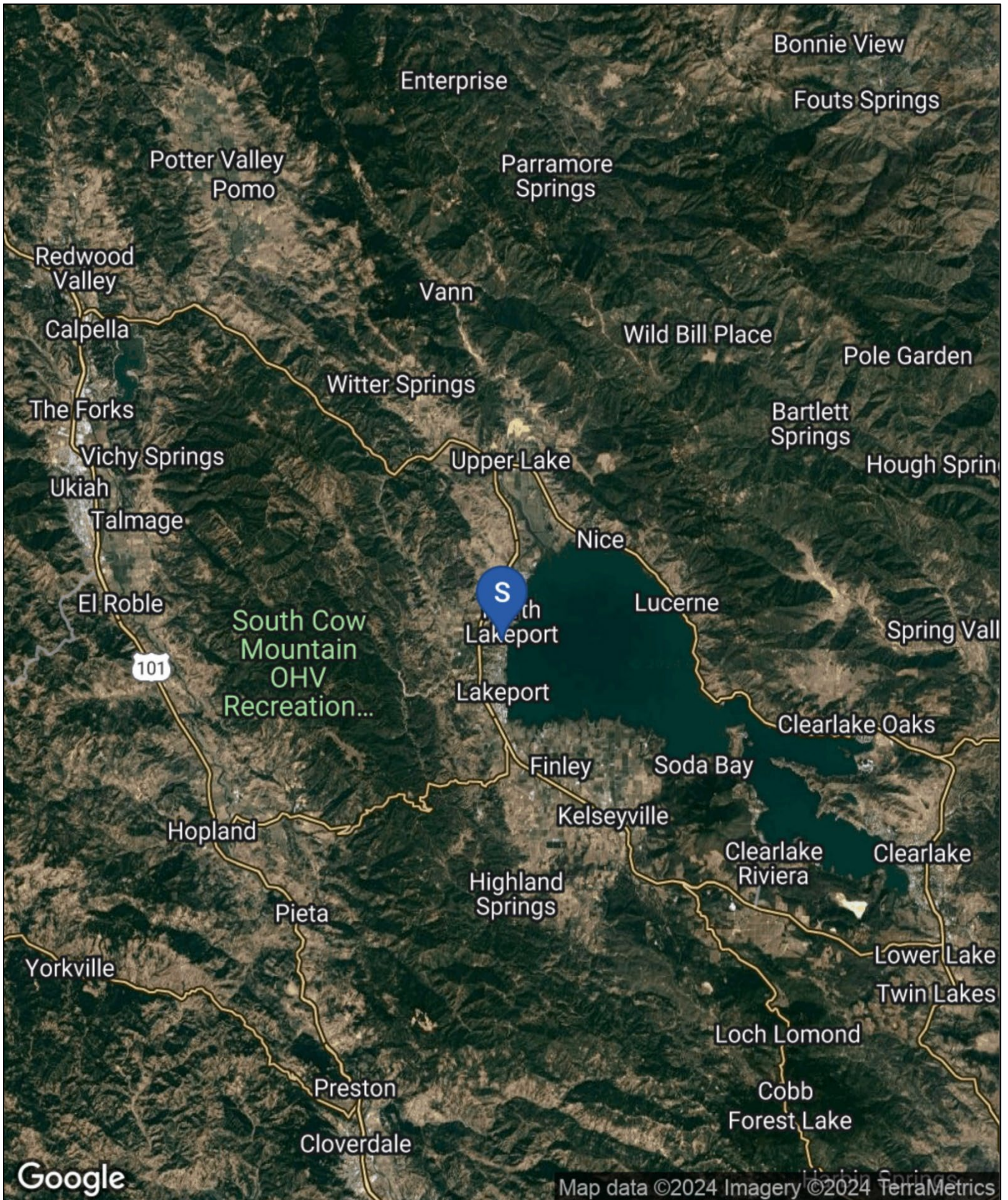
EXTRAORDINARY ASSUMPTIONS

1. A preliminary title report was not provided by the client for review. In the absence of a title report we assume there are no easements or encumbrances which would impact the marketability or sale of the property.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

REGIONAL AREA MAP



REGIONAL AREA ANALYSIS

INTRODUCTION

In order to understand the subject’s position in the area or region, we have undertaken a brief analysis in order to determine how trends—both historical and projected—in population, employment, personal income, consumer spending, and housing impact supply and demand and influence the subject’s area directly and indirectly. This analysis first begins on a broader spectrum, and without respect to the subject itself, and is highlighted in the Regional Area Analysis. Secondly, we undertake a more narrowly focused study of the aforementioned attributes as they relate directly to the subject and the subject’s neighborhood. This discussion is presented in the forthcoming Local Area Analysis.

GEOGRAPHIC CONSIDERATIONS

The subject property is located in Lake County. Lake County lies within the north central portion of California approximately 100 miles north of San Francisco, 90 miles northwest of Sacramento, and 35 miles east of the Pacific Ocean. Lake County is bound by Mendocino County to the west, Yolo, Colusa, and Glenn Counties to the east, and Sonoma and Napa counties to the south. The County derives its name from Clear Lake, located in the central portion of the County. Clear Lake is the largest natural freshwater lake wholly within California. Clear Lake has long dealt with environmental issues such as algae blooms and mercury contamination.

ACCESS AND TRANSPORTATION

The major roadways that traverse the County include State Route 20, which joins with Highway 101 and Interstate 5, and State Routes 29, 53, and 175. Public bus service is operated by Lake Transit.

POPULATION

The state currently has a population of over 39 million and a gross domestic product that, if compared to other nations, ranks fifth overall globally. According to the California Department of Finance, the current regional population is 67,001, which is 0.17% of California's total population. The following table presents historical population data for the region as well as the state, per the California Department of Finance population estimates.

Historical Population Estimates									
Area	1/1/2014	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024	% Change 2023-2024	% Change 2014-2024
Lake County	66,484	67,902	68,144	67,778	67,597	66,698	67,001	0.45%	0.78%
State Total	38,513,119	39,503,656	39,535,623	39,327,868	39,114,785	39,061,058	39,128,162	0.17%	1.60%

Source: California Department of Finance

Lake County is the 41st most populated county in California out of 58 Counties. The population has slowly been increasing since 2014. Lake County is a generally rural area with the majority of the population being concentrated in Lakeport. As depicted in the previous table, Lake County experienced a higher rate of year-over-year population growth between 2023 and 2024. A primary contributing factor to past population growth has been in-migration from urbanized coastal regions.

Population Projections

Area	2024	2030	2035	2040	2045	2050	2055	2060	% Change 2024-2060
Lake County	67,001	68,446	68,121	67,564	67,113	67,065	67,466	68,525	2.27%
State Total	39,128,162	39,430,871	39,872,787	40,106,449	40,152,224	40,049,519	39,823,165	39,508,492	0.97%

Source: California Department of Finance

The most recent figures show that the state of California’s population is expected to grow at an extremely slow pace into the foreseeable future, with a growth rate of less than 1% between the 2024 estimate and the 2060 projection. Lake County is expected to grow 2.27% over the same period. The difference is likely due to people leaving more expensive coastal areas in the state, favoring more affordable inland areas.

INCOME

Incomes in Lake County are notable lower than the State of California as a whole. The 2024 median household income in Lake County is about 55% as high as the state. The average household income is about 58% of the state rate and the per capita income is about 67% of the state rate, as shown in the following table.

Income Statistics

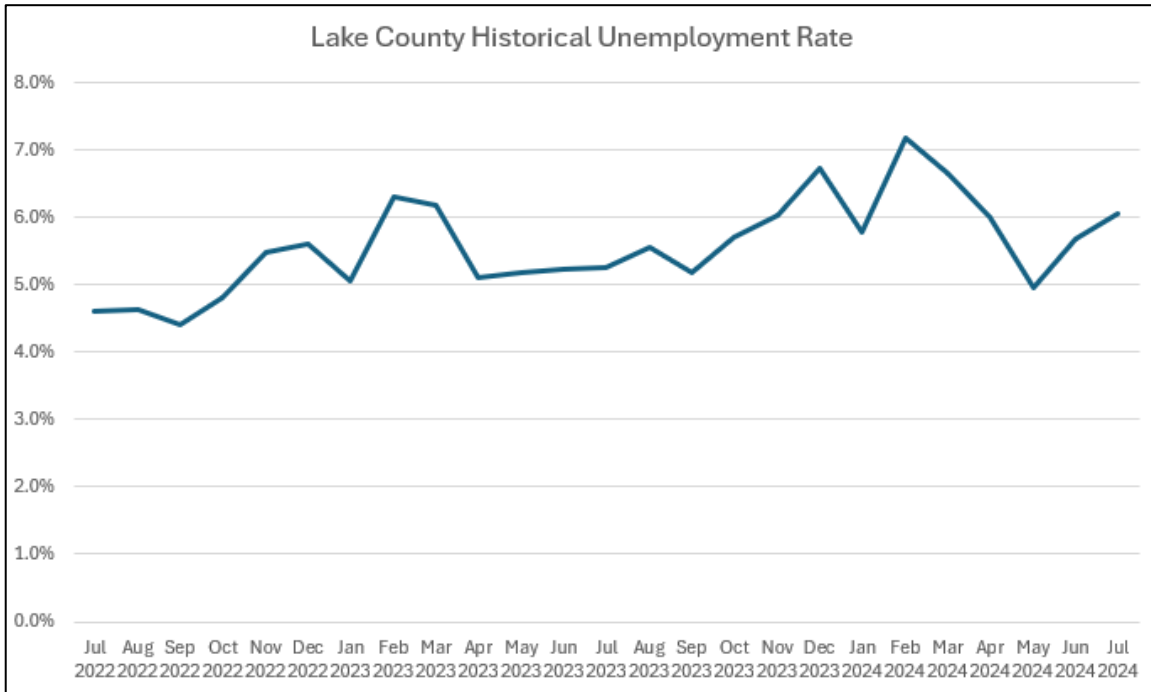
	Lake County		California	
	2024	2024-2029 Projected Increase	2024	2024-2029 Projected Increase
Median Household Income	\$54,086	9.70%	\$97,646	14.23%
Average Household Income	\$80,421	14.49%	\$139,308	15.41%
Per Capita Income	\$32,477	13.65%	\$48,206	17.04%

Source: STDB

Not only are the current income figures in Lake County lower than the state as a whole, the projected increases into 2029 are lower than those for the state.

UNEMPLOYMENT

The unemployment rate in Lake County was 4.6 percent in July 2024, unchanged from the prior month and below the year-ago estimate of 5.3 percent. This compares with an unadjusted unemployment rate of 5.8 percent for California and 4.5 percent for the nation during the same period.

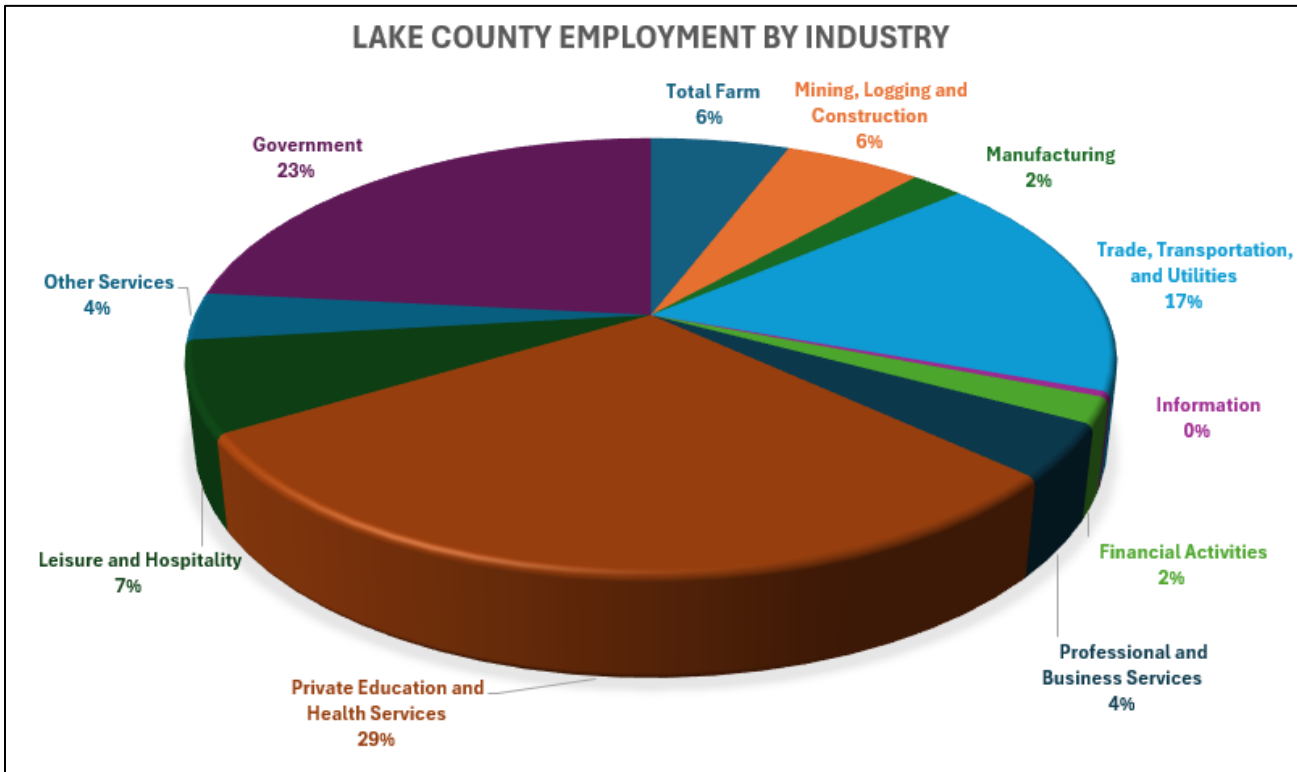


Source: California Employment Development Department, Labor Market Information, Published August 16, 2024.

Lake County has seen some fluctuations in its unemployment rate over the last two years. Lake County's unemployment rate hit a high point in January 2024, with declines observed throughout the first quarter of the year, with some more recent increases. The most recent data shows the unemployment rate in the County is lower than the State average.

INDUSTRY EMPLOYMENT

The following chart illustrates the employment by industry within Lake County.



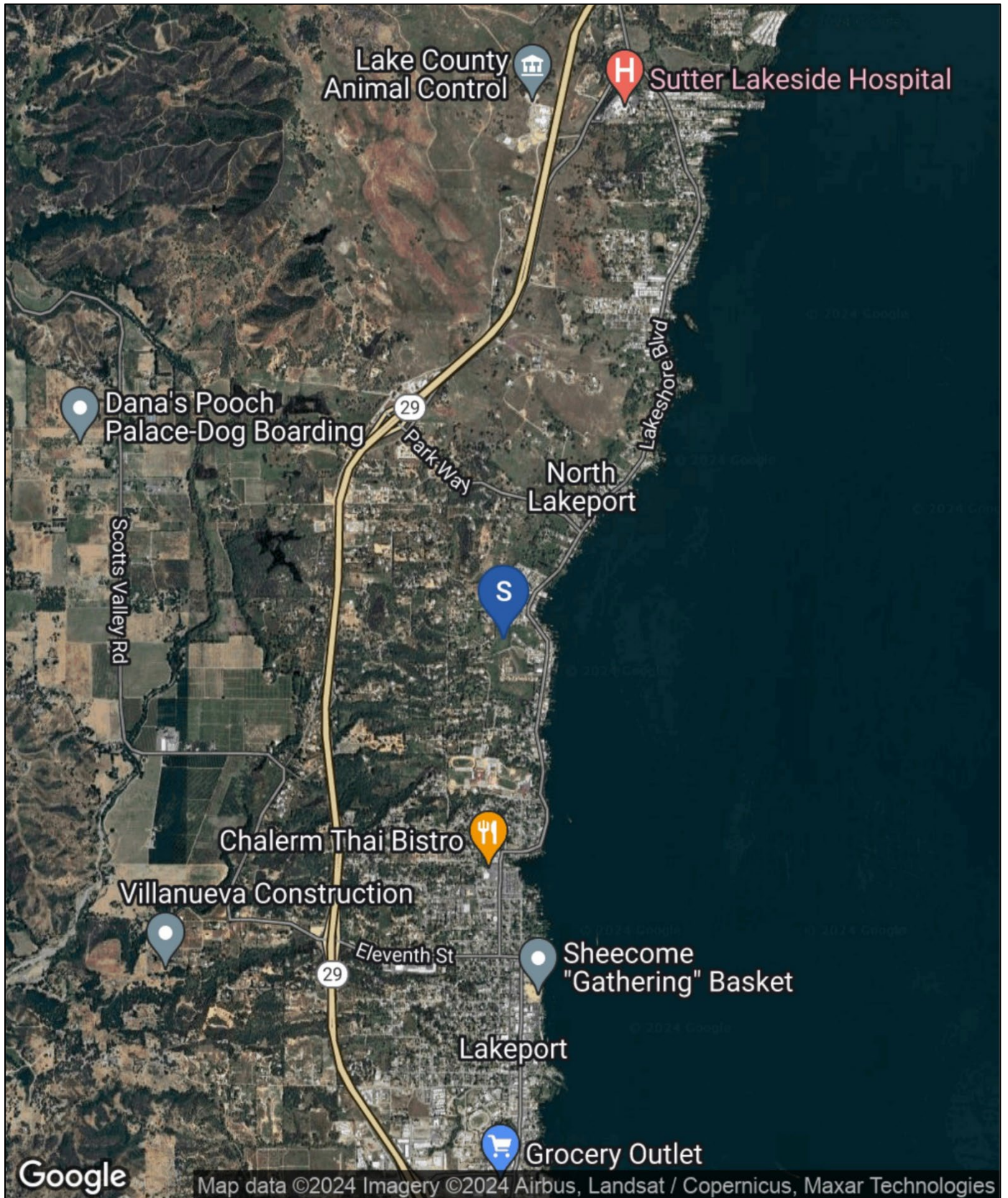
Source: California Employment Development Department, July 2024 data, Published August 16, 2024.

The Private Education and Health Services sector is the largest employment sector in Lake County, accounting for 29% of total employment. This is followed by Government at 23%; and Trade, Transportation, and Utilities at 17%. The county has relatively small Information and Financial sectors. Some of the farming in the region is viticultural. Per the Lake County Winery Association, the County is home to nine recognized sub-appellations with over 160 winegrowers and over 30 wineries.

CONCLUSION

Lake County is a rural community in Northern California located around Clear Lake, the largest freshwater lake wholly within the State of California. The County has a population equal to 0.17% of California’s total population. Lake County is projected to experience higher population growth compared to the state as a whole. The most recent data shows a lower unemployment rate in Lake County compared to the state average. Income figures for Lake County are notably lower than the state as a whole, and projections show that they will grow at a slower pace than the state at least into 2029. Overall, these figures suggest a mixed outlook for Lake County into the foreseeable future, with continued population growth, but relatively low income potential.

LOCAL AREA MAP



LOCAL AREA ANALYSIS

INTRODUCTION

The subject property is located in the census-designated place of North Lakeport. Additional description of the surrounding neighborhood and those factors impacting the subject are presented in the following paragraphs.

DEMOGRAPHICS

The following information reflects the demographics for the subject’s area. The subject property is located near Clear Lake, so significant portions of the 1, 3, and 5-mile radii are located within the Lake and limit the amount of demographic data.

LOCAL AREA DEMOGRAPHICS									
DESCRIPTION	1 MILE	3 MILE	5 MILE	COUNTY	DESCRIPTION	1 MILE	3 MILE	5 MILE	COUNTY
POPULATION TOTAL					HOUSEHOLDS				
2010 Census	2,306	8,886	11,351	64,665	2010 Census	965	3,674	4,702	26,548
2020 Census	2,370	9,371	12,007	68,163	2020 Census	980	3,924	5,005	27,622
2024 Estimate	2,500	9,567	12,178	68,523	2024 Estimate	1,001	3,981	5,047	27,661
2029 Projection	2,571	9,693	12,290	68,841	2029 Projection	1,015	4,010	5,059	27,586
Δ 2010-2020	2.78%	5.46%	5.78%	5.41%	Δ 2010-2020	1.55%	6.80%	6.44%	4.05%
Δ 2020-2024	5.49%	2.09%	1.42%	0.53%	Δ 2020-2024	2.14%	1.45%	0.84%	0.14%
Δ 2024-2029	2.84%	1.32%	0.92%	0.46%	Δ 2024-2029	1.40%	0.73%	0.24%	(0.27%)
Total Daytime Population	1,948	11,816	14,613	63,861	HOUSEHOLDS BY INCOME (2024 ESTIMATE)				
HOUSING UNITS					<\$15,000	8.9%	13.5%	14.5%	13.9%
Total (2024 Estimate)	1,145	4,558	5,850	34,564	\$15,000 - \$24,999	3.5%	8.0%	9.2%	9.8%
Owner Occupied	56.7%	57.9%	58.0%	55.3%	\$25,000 - \$34,999	8.7%	6.4%	6.3%	7.4%
Renter Occupied	30.7%	29.5%	28.3%	24.7%	\$35,000 - \$49,999	14.6%	13.4%	13.0%	14.3%
Vacant Housing Units	12.6%	12.7%	13.7%	20.0%	\$50,000 - \$74,999	22.1%	19.6%	19.0%	19.7%
Total (2029 Projection)	1,155	4,587	5,862	34,462	\$75,000 - \$99,999	6.0%	7.8%	8.4%	8.5%
Owner Occupied	58.5%	58.9%	58.9%	56.0%	\$100,000 - \$149,999	20.7%	14.2%	13.2%	14.9%
Renter Occupied	29.4%	28.5%	27.4%	24.1%	\$150,000 - \$199,999	9.3%	6.9%	6.1%	5.4%
Vacant Housing Units	12.1%	12.6%	13.7%	20.0%	\$200,000+	6.3%	10.3%	10.4%	5.9%
AVERAGE HOUSEHOLD INCOME					AVERAGE HOUSEHOLD SIZE				
2024 Estimate	\$93,922	\$97,073	\$95,056	\$80,421	2024 Estimate	2.49	2.34	2.35	2.46
2029 Projection	\$104,354	\$108,151	\$107,403	\$92,077	2029 Projection	2.52	2.36	2.37	2.48
Δ 2024-2029	11.11%	11.41%	12.99%	14.49%	Δ 2024-2029	1.20%	0.85%	0.85%	0.81%
MEDIAN HOUSEHOLD INCOME					MEDIAN HOME VALUE				
2024 Estimate	\$63,765	\$58,779	\$57,089	\$54,086	2024 Estimate	\$422,464	\$422,368	\$428,397	\$369,678
2029 Projection	\$69,628	\$63,541	\$62,285	\$59,331	2029 Projection	\$431,010	\$432,335	\$441,876	\$390,645
Δ 2024-2029	9.19%	8.10%	9.10%	9.70%	Δ 2024-2029	2.02%	2.36%	3.15%	5.67%
PER CAPITA INCOME					AVERAGE HOME VALUE				
2024 Estimate	\$37,193	\$40,637	\$39,439	\$32,477	2024 Estimate	\$471,379	\$449,071	\$451,982	\$421,241
2029 Projection	\$40,757	\$45,018	\$44,260	\$36,911	2029 Projection	\$493,296	\$466,685	\$471,459	\$447,085
Δ 2024-2029	9.58%	10.78%	12.22%	13.65%	Δ 2024-2029	4.65%	3.92%	4.31%	6.14%

Source: Sites To Do Business Online

POPULATION

The estimate provided by ESRI for the current 2024 population within the subject neighborhood’s 3 mile radius is 9,567 representing a 2.09% change since 2020. ESRI’s 2020 population estimate for the subject’s 5 mile radius is 12,178, which represents a 1.42% change since 2020.

Looking forward, ESRI estimates that the population within the subject neighborhood's 3 mile radius is forecasted to change to 9,693 by the year 2029. As for the broader area, ESRI forecasts that the population within the subject's 5 mile radius will change to 12,290 over the next five years. The population estimates for the next five years within the subject's 5 mile radius represents a 0.92% change as well as a 2.84% change within the subject's 1 mile radius for the same period.

HOUSEHOLDS

The estimates provided by ESRI indicate that the number of households within the subject neighborhood's 3 mile radius is 3,981, which is a 1.45% change since 2020. Within the subject's broader 5 mile radius, ESRI estimates that the number of households is 5,047, a 0.84% change over the same period of time.

By the year 2029, the estimates provided by ESRI indicate that the number of households within the subject neighborhood's 3 mile radius will change by 0.73% to 4,010 households. Additionally, ESRI's estimate for total households over the next five years within the subject's broader 5 mile radius indicates an expected change of 0.24% which will result in a total household estimate of 5,059.

Looking back, the number of households in the subject neighborhood's 3 mile radius changed 6.80% during the ten-year period of 2010 to 2020. Since then it has changed by 1.45%.

INCOME

Income estimates provided by ESRI for the subject neighborhood's 3 mile radius indicates that the median household income is \$58,779 and that the average household income is \$97,073. Further, the estimates provided by ESRI indicate that, for the subject's broader 5 mile radius the median household income is \$57,089, and the average household income is \$95,056. Given that there are reportedly 5,047 households in the subject's 5 mile radius, it is estimated that the local effective buying income is around \$479,747,632.

LAND USE

The subject property is located in a neighborhood primarily characterized by single-family residential properties. Clear Lake is located less than a quarter mile to the east of the subject. Some hotels are located along Lakeshore Boulevard, near the lake and Clear Lake High School is located about 0.6 miles to the south. Further to the south is the central business district of the City of Lakeport, with land uses including a higher concentration of residential development; commercial uses such as stores, restaurants, and service commercial; and medical clinics.

ACCESS/PUBLIC TRANSPORTATION

There are two main access points into the neighborhood. Lakeshore Boulevard runs in a generally north-south direction along the neighborhood's eastern boundary near Clear Lake and eventually runs into the City of Lakeport to the south. State Route 29 is located along the neighborhood's western boundary and generally runs in a north-south direction and eventually links with other highways which provide access to neighboring regions. Bus service in the neighborhood is operated by Lake Transit. Overall, access within the neighborhood is average for the region.

LOCAL AREA SUMMARY

The subject is located in a primarily residential neighborhood within nearby proximity to the City of Lakeport which has a blend of residential, commercial, and community uses. One defining feature of the local area is the proximity to Clear Lake. Demographic data from the neighborhood indicate that the local area has higher incomes compared to the County as a whole and superior near-to-mid-term population growth projections, suggesting a relatively positive outlook into the foreseeable future.

SITE DESCRIPTION

The subject property consists of one parcel with a total site area of 212,573 SF (4.88 AC) which is based on information obtained from Lake County Assessor. The following summaries the salient characteristics of the subject site.

Address	371 Crystal Lake Way, Lakeport, California.	
Census Tract	06-033-000401	
Number of Parcels	1	
Assessor Parcel	028-251-090-000	
Land Area	Square Feet	Acres
Economic Unit (Primary) Site Size	212,573	4.88
Usable Site Size	212,573	4.88
Total Land Area	212,573	4.88
Excess/Surplus Land	No	
Corner	No	
Site Topography	Sloping	
Site Shape	Trapezoid	
Site Grade	At and above street grade	
Site Quality	Average	
Site Access	Average	
Site Exposure	Average	
Site Utility	Average	
Utilities	Along street	
Comments	028-251-090-000 - ;	

ADJACENT PROPERTIES

The subject is located within a residential neighborhood. Adjacent uses include a mixture of single-family residences on smaller 0.14 - 0.22-acre parcels as well as rural residences on 3–7 acre parcels. Additionally, there are several mobile home communities located near to the subject.

Accessibility	Access to the subject site is considered average overall.
Exposure & Visibility	Exposure and visibility are considered average.
Flood Plain	Zone X (Unshaded). Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local storm water drainage

systems are not normally considered in a community’s flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25% of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1% and 0.2% annual chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

Seismic

The subject is in a low risk area.

Easements

A preliminary title report was not available for review. During the property inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there are no adverse easements present. If questions arise, further research is advised.

Implied Dedication

The subject property has been under the same ownership for an extended period of time and is vacant land. There has been no historic public use of the property. A review of historical imagery does not indicate that any portion of the property is utilized by the public or any public entities. Therefore, there is no implied dedication.

Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the Subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer. A search of the state Geotracker website does not list any LUST cleanup sites within 1,000 feet of the subject property.

Taxes & Assessment

According to Lake County, real estate taxes for the subject property are not current as of the date of this report. Lake County Assessor’s records show the following assessed values (2023-2024 tax year) and direct assessments.

ASSESSMENT & TAXES (2023)						
TAX RATE AREA					TAX RATE	#DIV/0!
ASSESSOR PARCEL #	LAND	IMPROVEMENTS	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
028-251-090-000	\$83,992	\$0	\$83,992	\$0	\$0	\$937.11
ADDITIONAL TAX CHARGES						
Lake Co VCD & Mosquito						\$2.76
Fire Lakeport						\$66.50
Total Additional Tax Charges \$/Total Land Area / Total						\$69.26
TOTAL BASE TAX \$/TOTAL LAND AREA / \$ TOTAL						\$1,006.37

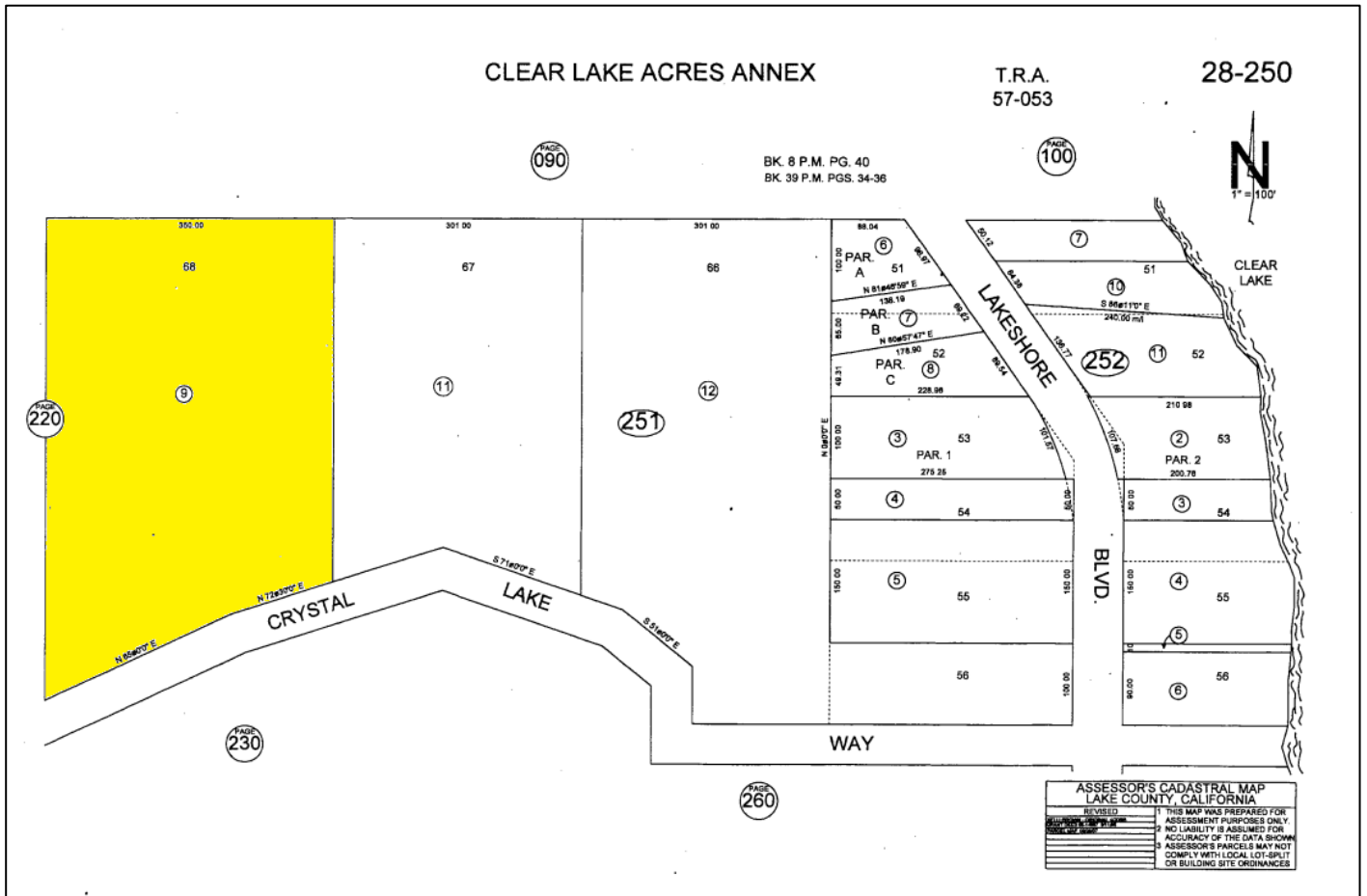
Source: Lake County Assessment & Taxation

The property is subject to several minimal direct assessments. Overall, the direct assessments are minimal and generally typical of other properties in the area, as well as the sale comparables presented later in this report, and appear appropriate.

Site Conclusion

Overall the subject property consists of 4.88 acres of vacant land. The parcel is generally rectangular in shape and has an upwards slope from the roadway. The site is ideal for rural residential uses similar to surrounding properties. Utilities would need to be pulled from the roadway for future development.

PLAT MAP



ZONING

R3 (MULTI-FAMILY RESIDENTIAL ZONE)

Per Lake County, the subject is located in the High Density Residential (R3) zoning area, per the city of Lakeport. The R-3 zoning is intended to establish areas for high density residential development allowing for living accommodations ranging from duplex units to apartment buildings and condominiums. Allowed uses include, Duplexes, triplexes, fourplexes, apartment buildings, multifamily dwelling groups, and condominiums as well as, Residential accessory uses and accessory structures. Private swimming pools, tennis courts, and similar recreational amenities. Small family nonresidential day care licensed for eight or fewer persons. Public parks, playgrounds, and recreational facilities. Small scale offices serving the multifamily residential complex.

A conditional use permit would also allow for mobile home parks, one single-family dwelling or manufactured home if it is to replace a previously existing dwelling and those uses permitted in the R-2 district. The Lake County planning department stated that a use permit would depend on surrounding uses. Given the subjects surrounding single family and rural residential uses it is considered likely that a use permit for a single-family home would be approved.

GENERAL PLAN

The subject property's general plan land use is HDR, High density residential.

This land use category is designed to provide for areas of multifamily residential uses that include a wide range of living accommodations, including duplexes, townhouses, and apartments. This designation is appropriate in community areas where a full range of urban services are available (including public water and sewer, adequate circulation facilities, and adequate public services) and where the level of development is compatible with the surrounding neighborhood. This designation is only located within Community Growth Boundaries. The general plan designation conforms with the zoning. However, the zoning also allows for more residential uses including single family home with a permit which the planning department stated would be an allowable use.

DISCUSSIONS WITH MARKET PARTICIPANTS

The subject property is zoned R-3 which allows for a number of multi-family residential uses from duplexes to apartments. Additionally, with a conditional use permit a single-family home can be developed. Market conditions for multi-family development have weakened over the last several years due to high lending rates and construction costs. This has resulted in significantly less new speculative development as developers and builders are more cautious. Due to the subject's location and surrounding uses it does not appear to support multi-family development while there is ongoing steady demand for sites similar to the subject for single family development. For this reason, we interviewed brokers active in the subject's market area to see the demand for each use and what buyers are looking for in the market.

Brokers indicated that it can be hard selling R-3 zoned properties due to the need for a conditional use permit or rezoning for single family use. However, it was reported that there is little multi-family being developed in the area and what is being developed are rural single-family residences. Additionally, given the subject's location, topography and lack of utilities a developer or investor would not be interested in the site for development of multifamily use. The few new multi-family developments around Clearlake are located near the center of nearby towns and cities.

Given the location and physical attributes of the subject, property market participants indicated that the most probable use would be for development of a single-family residence. While this would need a conditional use permit or zoning change this is possible. For these reasons we have included a market overview of the current single family residential market on the following pages.

RESIDENTIAL MARKET ANALYSIS

In this section, market conditions which influence the subject property are analyzed. The subject property represents residential land in Lakeport, a census-designated place (CDP) in Lake County. As such, an overview of the single-family residential market conditions including supply and demand characteristics can be seen below.

SUPPLY INDICATORS

EXISTING HOUSING

Site to Do Business indicates that Lake County has a total population of 68,841 persons and there are currently 34,564 housing units. The following tables illustrate the proportion of housing units which are owner-occupied, renter-occupied, and vacant.

Lake County Housing Summary

Housing Unit Summary	
2000 Housing Units	32,528
Owner Occupied Housing Units	52.0%
Renter Occupied Housing Units	21.7%
Vacant Housing Units	26.3%
2010 Housing Units	35,492
Owner Occupied Housing Units	49.2%
Renter Occupied Housing Units	25.6%
Vacant Housing Units	25.2%
2020 Housing Units	34,220
Owner Occupied Housing Units	54.4%
Renter Occupied Housing Units	26.3%
Vacant Housing Units	19.3%
2024 Housing Units	34,564
Owner Occupied Housing Units	55.3%
Renter Occupied Housing Units	24.7%
Vacant Housing Units	20.0%
2029 Housing Units	34,462
Owner Occupied Housing Units	56.0%
Renter Occupied Housing Units	24.1%
Vacant Housing Units	20.0%

Source: Site to do Business, Area of Interest: Lake County

55.3% of the housing units in Lake County are owner-occupied, while 24.7% of units are renter-occupied, and the remaining 20.0% of units are vacant, which is a high proportion.

FUTURE ADDITIONS TO HOUSING SUPPLY

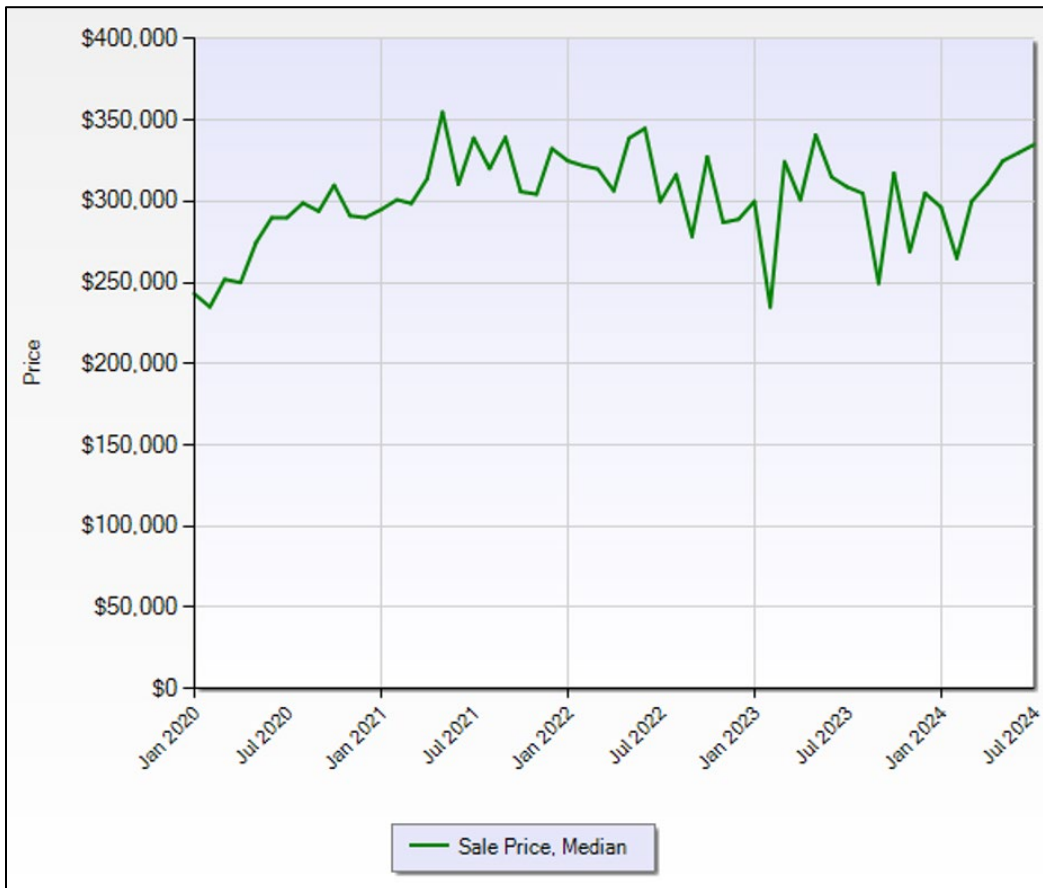
Looking forward to 2029, STDB projects that the housing supply in Lake County will consist of 34,462 unit, a decrease of 0.30%. Possible reasons for this slight decline include the large amount of residential vacancy and the poor condition of some of the housing stock.

DEMAND INDICATORS

SALE PRICES

One of the more pertinent measures of demand is sale prices. If sales prices are rising, it is likely that demand is increasing. Conversely, if sales prices are falling, it is likely that demand is decreasing. By tracking changes in sales prices over time, we can get a good idea of how demand for the residential markets are changing.

The CRMLS data shows the median sale prices for homes in Lake County. The most recent data shows a median sale price of \$335,000 for July of 2024, which is 8.41% higher than July of 2023 and 15.52% higher than July of 2020.

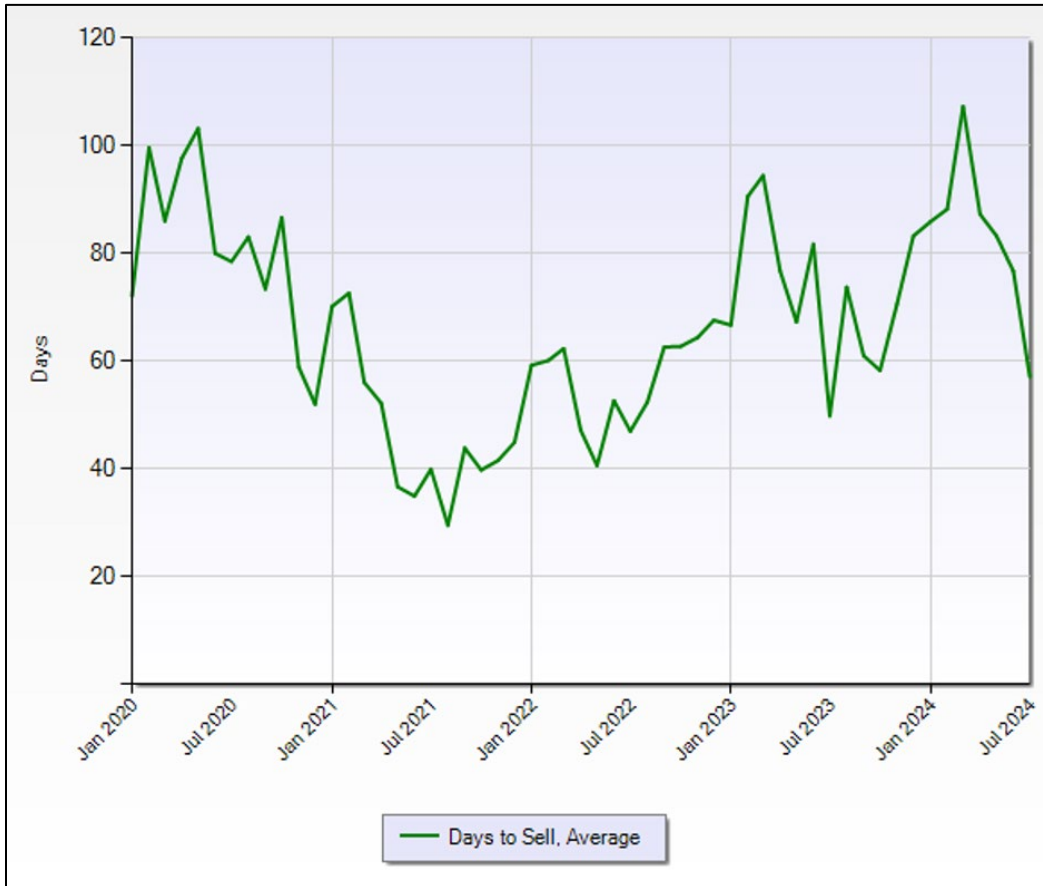


Source: CRMLS

As can be seen in the previous chart, there have been cyclical fluctuations with sales. Summertime typically represents a more active market compared to wintertime.

DAYS ON MARKET

Days on market (DOM) is the number of days a property has been listed for sale on the market before it is sold. DOM is a useful metric for tracking demand for real estate, as it can indicate how quickly homes are selling in a particular area. In general, a shorter DOM indicates higher demand for real estate in a particular area. Conversely, a longer DOM indicates lower demand for real estate in a particular area.

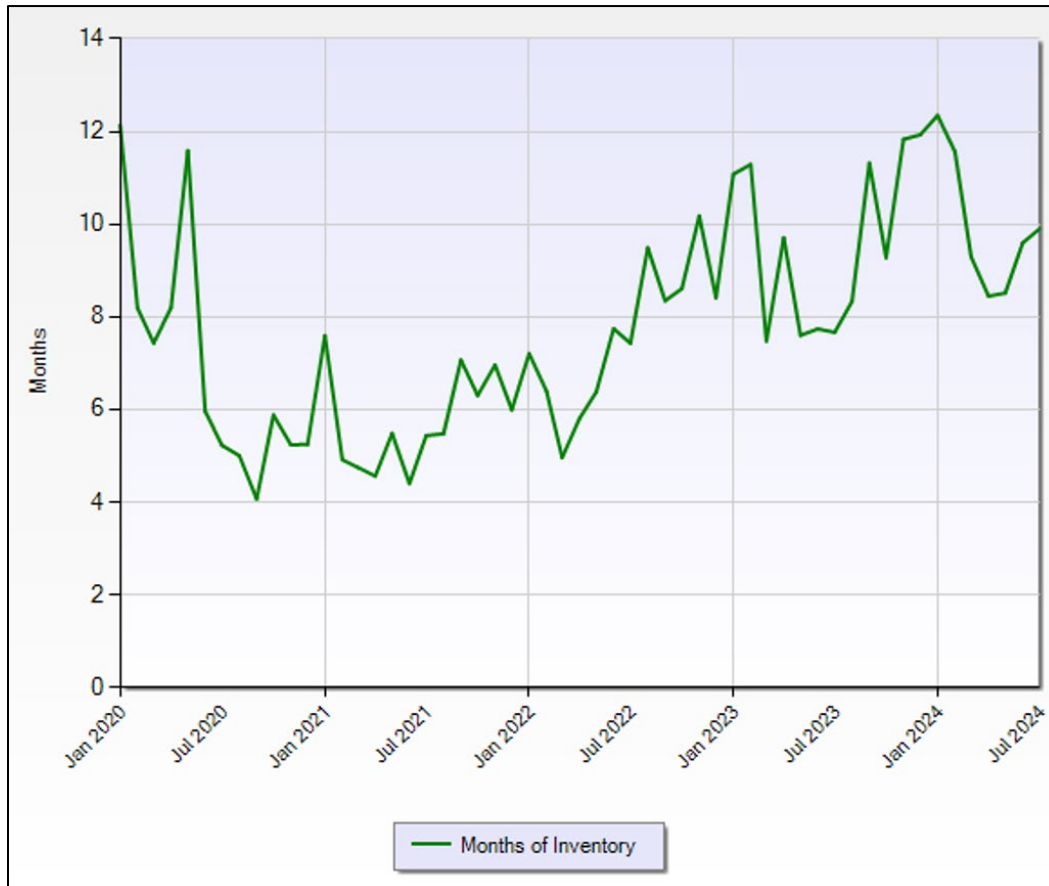


Source: CRMLS

The most recent data shows that homes listed in Lake County take an average of 57 days to sell. This amount has largely fluctuated in the last four years, reaching lows of 35 in June of 2021 and highs of 107 in March of 2024. One factor to consider is the increase in interest rates since spring of 2022, which have effectively caused payments to increase. In many markets, the increase in interest rates have caused many people to be “married to their low rates” and not consider listing their homes, causing homes to be quickly absorbed because there is a low amount of alternative product available. The fact that Lake County has seen a general increase in days on market over this time suggests that cost has a heavy impact on demand in the area. Lake County has generally seen significant decreases in the number of days on market during the summer, which is correlated to a more active time of the year for housing sales.

AVAILABILITY OF LISTINGS/ MONTHS OF INVENTORY

At any given point in time, the number of active listings is also an important factor in determining other competition for a property, and when there are more active listings, it is common for there to be less competition (waning demand). provides a clear picture of how long it would take for the current inventory to be sold based on the current sales pace. A balanced market can often be thought of as having anywhere between 4 to 6 months of inventory, a buyer's market is when the months of inventory exceeds 6 months, and a seller's market is when there is below 4 months of inventory.



Based upon the most recent data, there are 10 months of inventory on the market. This represents a 25% increase from one year prior and double the amount four years prior, suggesting a high supply of available homes on the market relative to demand.

MARKET ANALYSIS CONCLUSION

Lake County consists of a large quality of vacation and rental properties which is the reason for such a high vacancy rate. While the market is still moving, brokers indicated that exposure times have risen and there are less sales due to high rates. However, the market is also generally oversupplied with homes which is one reason for lower values than other neighboring regions which may also deter new development.

HIGHEST & BEST USE

Highest and best use may be defined as the reasonably probable use of property that results in the highest value.

There are four criteria used in the highest and best use analysis process. These are:

1. Legally Permissible Use

What uses are permitted legally under existing zoning, building codes, historic district controls, environmental regulations, deed (private) restrictions, and long-term lease provisions on the site in question?

2. Physically Possible Use

What uses of the site are physically possible, given its size, shape, area, terrain, soils composition, accessibility, assembly potential, and risk potential from natural disasters?

3. Financially Feasible Use

Which possible and permissible uses will produce a positive net return to the owner of the property?

4. Maximally Productive Use

Among the feasible uses, which use will produce the highest residual land value consistent with the rate of return warranted by the market for that use?

Since improved properties sometimes do not, in fact, contain the improvements that would generate the greatest return to the land, the highest and best use of the land as if it were vacant, as well as the highest and best use of the property as it is currently improved, normally are considered. In extreme cases, this analysis will call into question whether the existing improvements should be preserved. Usually, however, the analysis shows that if a property is already improved, the continuing use of the existing improvements yields more total return to the land than does the razing of the improvements in favor of alternative uses.

We first evaluate the highest and best use of the subject property as an undeveloped site zoned for residential uses. Single the subject is vacant land there is no development of a highest and best use as improved. uses.

LEGALLY PERMISSIBLE USES

Possible uses are constrained by legal restrictions on a property both private and public. As previously discussed, the subject property is zoned R3 (Multi-family Residential) by City of Lakeport. The R-3 zoning is intended to establish areas for high density residential development allowing for living accommodations ranging from duplex units to apartment buildings and condominiums. Allowed uses include, Duplexes, triplexes, fourplexes, apartment buildings, multifamily dwelling groups, and condominiums as well as, residential accessory uses and accessory structures. This conforms with the High-Density general plan land use designation. Additionally, development of a single-family home is allowable with a condition use permit or re-zoning of the subject property. The city planning department indicated that this would be possible, however the exact cost and timeline was unclear and would depend on surrounding uses.

The legal uses of the subject site as though vacant are all those uses allowed in the R-3 zoning include a variety of multi-family development as well as a single-family home with a condition use permit.

PHYSICAL POSSIBLE USES

The size, topography, and location of the subject are important factors in determining the use of the property. The size of the site can significantly affect the type of development that is possible, as the “economies of scale” notion often comes into play. The subject consists of a trapezoid site with average overall utility. The subject totals 4.88 acres in size and has a generally rectangular shape. There are no utilities stubbed to the site and no access to municipal sewer services. The site’s topography has a gentle to moderate slope upwards away from the street frontage. The property is surrounded by single family rural residential sites. Given the topography of the site and lack of city sewer it is unlikely that a multi-family development such as townhomes or an apartment building would be constructed.

Overall, the physically possible uses are considered to be all those allowable uses under the zoning. However, due to the subject’s location, topography and access to utilities it is unlikely that a medium to high density multi-family development is unlikely. However, a single-family home, duplex or low-density multi-family development are possible.

FINANCIALLY FEASIBLE USES

A proposed property improvement must be able to deliver an income return that, in turn, generates a fair market value sufficient to pay for the developmental costs, the undertaking of the risks involved, and a profit appropriate for the development.

Market participants indicated that there is low demand for multi-family land and given the subject’s location an investor or developer would not likely be interested in the site. Additionally, due to current financing and construction costs speculative development has significantly slowed down. However, as previously mentioned in the Market Analysis section of this report indicates ongoing demand for single-family homes. Although the market is generally over supplied with single-family homes and due to current financing and construction costs there are still buyers for land to develop a single-family home. Given demand in the subject’s market area the financially feasible use of the property would be for single family development. However, due to current market conditions the timing of development could be protracted into the mid-term 1-3 years.

MAXIMALLY PRODUCTIVE USE

The maximally productive use of the subject as vacant is for future single-family development. It is noted that a conditional use permit would need to be obtained from the county. The most probable buyer would be an owner user who plans to develop a residence on the property.

VALUATION METHODS

VALUATION METHODS AND CONSIDERATIONS

The initial stages of the appraisal process include the investigation, organization, and analysis of relevant market data and other information that relate to the fair market value of the subject property. Factors discussed previously that influence value include the Lake County region demographics and economic conditions, neighborhood characteristics and features, the market for similar residential land, and subject property attributes. All of these need to be considered when rendering the highest and best use conclusion. After a highest and best use conclusion has been made, the possibilities for the property have been sufficiently narrowed so that a proper valuation process can be pursued. This section of the report contains the comparable data, the interpretation, analysis, and processing of these data and the conclusions reached about the property's fair market value.

An appraisal of an improved property typically utilizes up to three valuation approaches:

- The Replacement Cost Approach to Value
- The Sales Comparison Approach to Value
- The Income Capitalization Approach to Value

COST APPROACH

The Cost Approach to Value usually involves estimation of the land value through the sales comparison approach. Then, we estimate the replacement cost of the improvements as if they were new, less a deduction for depreciation, which is computed after analyzing the deficiencies or disadvantages of the existing building compared to a new building. Depreciation, however, is subjective and difficult to support in the market. The Cost Approach is generally considered a good approach for new or proposed improvements. However, the subject consists of vacant land and for this reason the cost approach is not applicable.

SALES COMPARISON APPROACH

In the Sales Comparison Approach to Value, the subject property should be compared to other similarly improved properties that have recently been sold in the market area. The respective sale prices of the comparable properties are adjusted, quantitatively, if possible, based on market data, but at least subjectively based on the appraiser's knowledge of market behavior, in order to derive an indication of fair market value. All sale and listing properties were compared based on price per site, consistent with the market. This approach is a logical one for this appraisal assignment as land almost always sells based upon this approach.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach to Value is based on the assumption that there is a relationship between the amount of income a property will produce and its value. This approach involves estimating the annual net income the property will earn and converting it into value. This process, called capitalization, is accomplished by dividing the net income, before payment of debt service, by a capitalization rate. This rate will vary as a result of such factors as risk, time, interest or capital investment, and recapture of the depreciating asset. The direct capitalization methodology is not appropriate for this assignment as the subject property is vacant land. appropriate for this assignment given that similar properties are operated as a leased investment.

SITE VALUATION

INTRODUCTION

In the Sales Comparison Approach, the value of a property is estimated by comparing it with similar, recently sold properties in the surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set by the cost of buying an equally desirable property, assuming that no costly delay occurs in making the substitution. All the sale properties were compared based on price per site, consistent with the market.

COMPARABLE SELECTION

Through the analysis of sales of verified arm's-length transactions, market value and price trends are identified. The sales utilized are comparable to the subject in physical, functional, and economic characteristics.

A concerted effort was made to locate sales of similar residential land sales in the subjects' market area. We searched sales of vacant residential land which sold with a similar highest and best use as the subject for single family development. Due to the lack of recent sales in the subject's immediate market area our search was expanded geographically to include all of Clear Lake. Overall, the comparables utilized in this report are considered the most appropriate sales available for analysis.

With regard to elements of comparison, the comparables were analyzed in terms of property rights, financing, conditions of sale, changes in market conditions, location, access, exposure, view amenities, entitlements, and timeline to development.

A map of the comparable sales and summary table are on the following pages, followed by a discussion of the comparable sales and comparison to the subject property.

LAND SALES COMPARISON TABLE

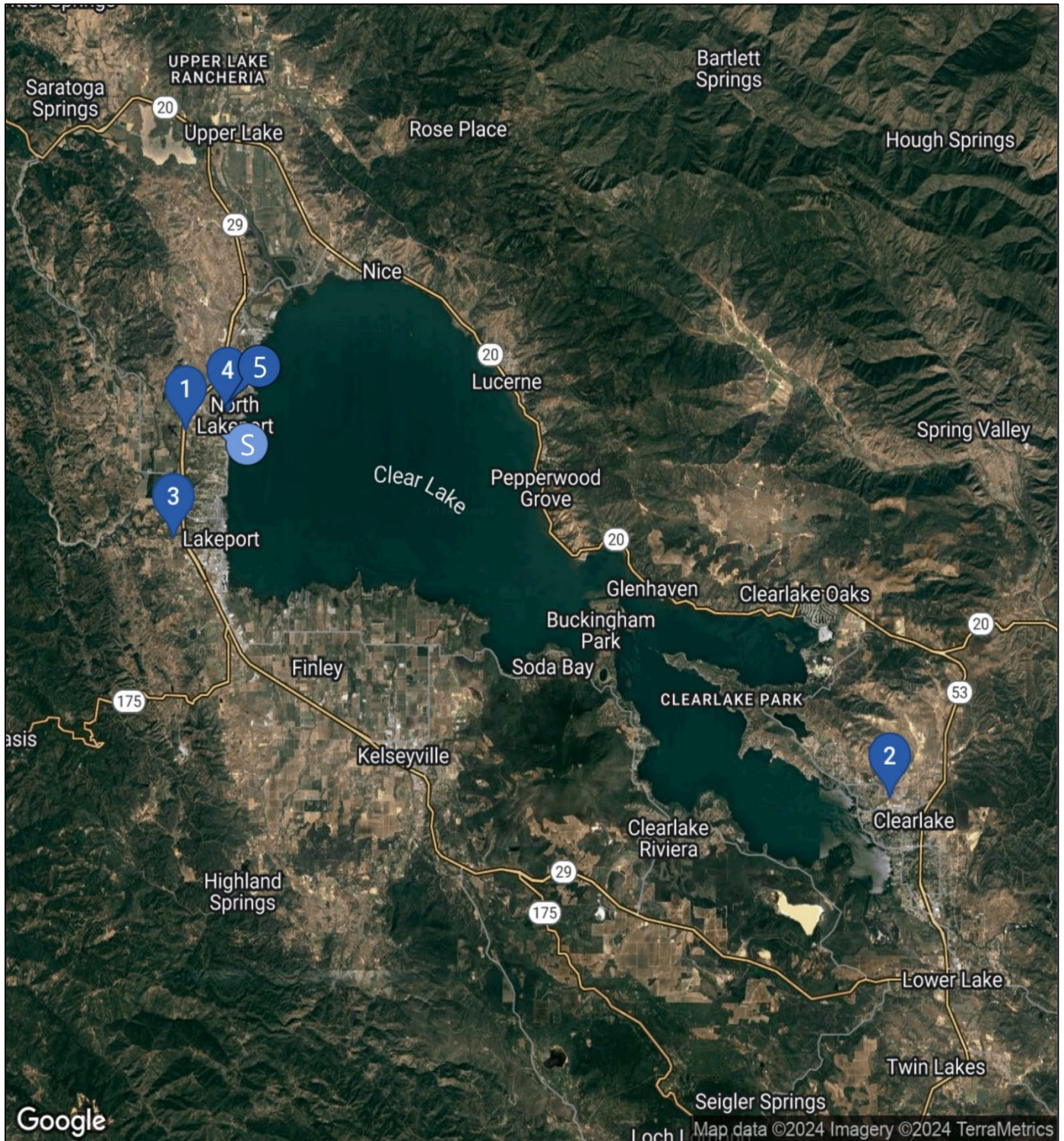
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5
Name	Byron Kenneth Orner Property 371 Crystal Lake	Residential Land in Lakeport	Residential Land Sale	015-009-290	Residential Land in Lakeport	Residential Land in Lakeport
Address	Way	3068 Hill Rd E	14775 Burns Valley Rd	79 Crawford Ct	335 Lakeview Rd	370 Lakeview Rd
City	Lakeport	Lakeport	Clearlake	Lakeport	Lakeport	Lakeport
State	CA	CA	CA	CA	CA	CA
Zip	95453	95453	95422	95453	95453	95453
County	Lake	Lake	Lake	Lake	Lake	Lake
Submarket	Lake Port	Lakeport	Burns Valley Rd	Lakeport	Lakeport	Lakeport
Parcel	028-251-090-000	005-018-190-000	010-026-410-000	015-009-290	028-031-60, 028-031-61	028-031-680-000

SALE INFORMATION

Transaction Price	\$115,000	\$120,000	\$125,000	\$220,000	\$249,500
Property Rights ¹	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing ²	Cash to Loan	Cash	Cash	Cash	Cash
Sale Conditions ³	Arm's Length	Arm's Length	Transaction	Arm's Length	Arm's Length
Expenditures After Sale ⁴	\$0	\$0	\$0	\$0	\$0
Market Conditions ⁵	6/14/2024	3/5/2024	1/23/2023	3/25/2022	3/8/2022
Sale Status	Recorded	Recorded	Recorded	Recorded	Recorded
Recording Number	6025	2290	715	4147	3230
Marketing Status	Open Market	Open Market	Open Market	Open Market	Open Market
Marketing Period (Months)	0.5 Months	0.2 Months	N/A	0.5 Months	8.3 Months

PHYSICAL INFORMATION

Square Feet	212,573	180,774	172,062	176,854	391,605	621,253
Acres	4.9	4.2	4.0	4.1	9.0	14.3
Location	Average	Below Average	Below Average	Below Average	Average	Average
Access	Average	Above Average	Average	Average	Average	Average
Exposure	Average	Above Average	Average	Average	Average	Average
Shape	Trapezoid	Generally Rectangular	Irregular	Irregular	Irregular	Irregular
Zoning	R3	SR-SC	MUX	SR	SR	R3
Topography	Sloping	Level to Sloping	Level	Level	Sloping	Sloping

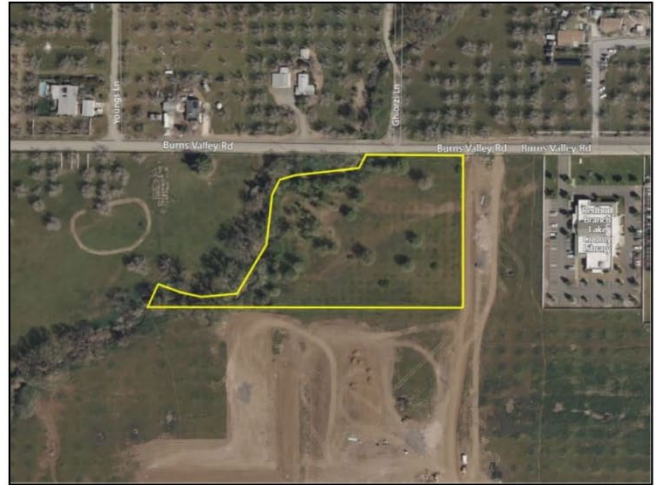


COMPARABLE	LABEL	ADDRESS	MILES FROM SUBJECT
COMPARABLE 1	1	3068 Hill Rd E, Lakeport, CA, 95453	
COMPARABLE 2	2	14775 Burns Valley Rd, Clearlake, CA, 95422	
COMPARABLE 3	3	79 Crawford Ct, Lakeport, CA, 95453	
COMPARABLE 4	4	335 Lakeview Rd, Lakeport, CA, 95453	
COMPARABLE 5	5	370 Lakeview Rd, Lakeport, CA, 95453	

LAND SALE EXHIBITS



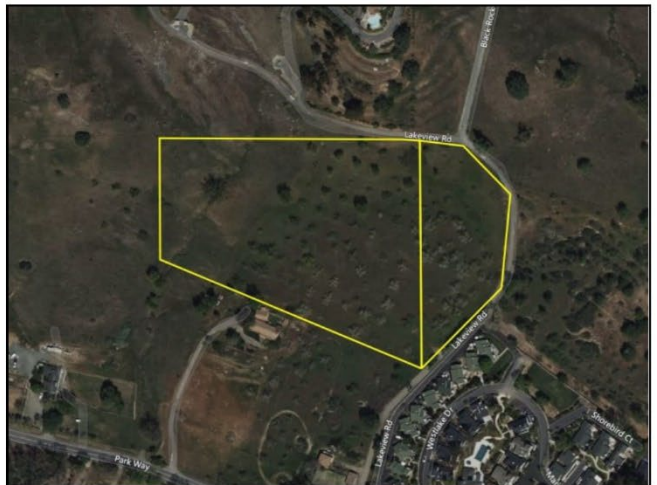
COMPARABLE 1



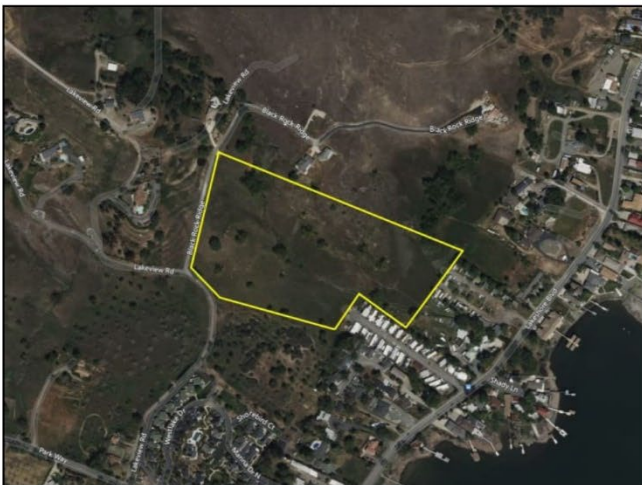
COMPARABLE 2



COMPARABLE 3



COMPARABLE 4



COMPARABLE 5

COMPARABLE LAND SALE DISCUSSION

Clearly, the results of the analysis of each comparable are not absolute; therefore, the appraiser considers the strengths and weaknesses of the analysis in the reconciliation process by giving more or less weight to specific comparable properties. In the analysis of the individual comparables, property characteristics identified that could have an impact on value are considered. Qualitative adjustments will be considered during the individual comparable write-ups.

It was reported that the sales were either cash or cash equivalent and there were no unusual conditions of sale, unless noted. With regard to changes in market conditions, the comparable sales range in date from March of 2022 to June of 2024. Market participants have indicated that the market has been generally stable over this time period. However, sales have slowed down slightly over the last year leading to longer exposure times.

The following is a discussion of each comparable sale used.

Land Sale 1

This is the sale of a 4.15-acre residential lot located at 3068 Hill Rd E in Lakeport. Hill Rd E is adjacent and parallel to State Route 29, across the street from this property. Surrounding land uses are predominantly single-family residential. The site is zoned SR-RC (Suburban Reserve – Scenic Combining District). The parcel is generally rectangular in shape. The majority of the property has level topography, along with some sloping. Some old walnut trees were planted on the property. No utilities were stubbed to site, although powerlines are present along the street frontage and multiple neighboring properties are improved. An old well was present on the property, although it was not in working condition. There were no entitlements at the time of sale. This property sold on June 14, 2024 for \$115,000. The original asking price was approximately \$135,000 to \$140,000. The price was ultimately reduced because the well had failed. The buyer intended to use the property for cattle and to develop a single-family residence. This sale was confirmed with the listing broker.

This comparable is the most recent sale presented and best reflects current market conditions. The comparable has a superior zoning to the subject property. However, the comparable is smaller in size than the subject which is slightly inferior. Additionally, the comparable has an inferior location when compared to the subject (near the highway). Overall, primarily due to the comparables location it is considered inferior to the subject indicating a value above \$115,000.

Land Sale 2

This is the sale of a 3.95 acre parcel located at 14775 Burns Valley Rd in Clearlake. Land uses in the surrounding area include large lot single-family residences, orchards, multifamily residential, a library, and commercial uses. This site is zoned MUX (Mixed Use). The parcel has an irregular shape and large areas of the parcel along the east and west are in flood zones. Approximately 1.43 acres in the central portion of the property is within low-risk Flood Zone X (unshaded). The topography is level and several trees are on the property and there was some wire fencing. Utilities were in the street. There were no entitlements at the time of sale. This property sold on March 5, 2024 for \$120,000 in a cash transaction. The buyer intended to build a single-family residence on the property. This sale was confirmed with the listing broker.

This comparable is smaller in size than the subject which is inferior. The comparable also has an inferior location to the subject property. Additionally, the comparable is within an inferior flood zone. Overall, this comparable has several inferior characteristics to the subject indicating a value above \$120,000 for the subject property.

Land Sale 3

This is the sale of a 4.06-acre vacant rural residential lot located at 79 Crawford Court in Lakeport, within unincorporated Lake County. The surrounding area is predominantly characterized by single-family residences. The parcel is mostly rectangular in shape, aside from a curved cutout along the cul-de-sac. There is some rolling topography, although the majority of the site is level. This property is zoned SR-SC (Suburban Reserve – Scenic Combining District). A basic storage shed was present on the property at the time of sale. The seller previously worked on building plans, although there were no active plans at the time of sale. This property sold on January 23, 2023 for \$125,000, or \$0.71 per square foot in a cash transaction. The buyer intended to build a single-family residence on the property. The seller paid a school tax for construction up to 3,400 square feet, which cost about \$3,500 to \$4,000. The buyer was not very concerned with the school tax, although this was positive overall. This sale was confirmed with the listing broker.

The comparable has a superior zoning to the subject. The also comparable has superior topography to the subject. However, the comparable is slightly smaller than the subject which is inferior. Additionally, the comparable is has an inferior location to the subject. Overall, this comparable has several offsetting characteristics but due to its inferior location is considered inferior to the subject.

Land Sale 4

This is the sale of two adjacent parcels totaling 8.99 acres located at 335 Lakeview Drive in Lakeport. Land uses in the surrounding area include both large and small lot single-family residential development, as well as nearby mobile home parks, and undeveloped parcels. Clear Lake is about 1,200 feet to the east. The site is zoned SR (Suburban Reserve). The property has an irregular shape and rolling topography. The property had a well in unknown condition and needed a septic system. Other utilities were in the street. There were no entitlements at the time of sale. This property sold on March 25, 2022 for \$220,000 in a cash transaction. The buyer purchased another large parcel across the street around the same time from a different seller. The buyer intended to use one of the properties to build a house and the other for extra privacy.

This comparable has a similar sloping topography to the subject and best reflects the subject physically. The comparable is also located very close to the subject. However, the comparable has a superior zoning and larger size to the subject property. While this comparable is considered most locationally and physically similar to the subject primarily due to its larger size it is considered superior to the subject. This sale was confirmed with the listing broker.

Land Sale 5

This is the sale of a 14.262-acre parcel located at 370 Lakeview Rd in Lakeport. The property has a corner location with frontage along both Lakeview Road and Black Rock Ridge. Land uses in the surrounding area include single-family residential on both large and small lots, mobile home parks, multifamily residential, a motel, and undeveloped land. The property has a slightly irregular shape and rolling topography with some flat space, lake views and mature trees. Utilities are in the street. The property has cinder block tanks for spring water which was a positive attribute. There is an optional HOA with beach access nearby. This property was sold on March 8, 2022, for \$249,500 in a cash transaction.

The buyer purchased another property across the street around the same time from a different seller. The buyer intended to use one of the properties to build a house and the other for extra privacy. This sale was confirmed with the listing broker.

This comparable has the same zoning and highest and best use as the subject property. However, the comparable has several superior characteristics such as its significantly larger size and superior location. Overall, primarily due to the significantly larger size, a value well below \$249,500 is considered appropriate for the subject property.

LAND VALUE CONCLUSION

Based on the foregoing discussion, the land sale comparables indicate a value subject property between \$115,000 and \$249,500 on a per site unit, as consistent with the market.

Comparable	Price / SF
LS-5	<\$249,500
LS-4	<\$220,000
Subject Range From \$125,000 to \$220,000 per site	
LS-3	<\$125,000
LS-2	<\$120,000
LS-1	>\$115,000

The subject is bracketed by LS 3 and LS 4 which provide a range from \$125,000 to \$220,000 with a midpoint of \$172,500. While the range is fairly wide both comparables share multiple similarities and offsetting characteristics. Although LS-4 is more similar to the subject physically it is considered superior due to its larger size and superior zoning. While LS-3, while more similar in size to the subject, is considered inferior based upon its location. Overall, LS-3 is given more weight in our analysis due to its size indicating a value below the midpoint of \$150,000 on a per site basis.

Therefore, the fair market value of the Fee Simple Estate interest of the subject property, as of September 4, 2024, subject to the extraordinary and general assumptions and the conditions included in this report, is:

VALUE CONCLUSION	
VALUATION SCENARIOS	As-Is Fair Market Value
Interest	Fee Simple Estate
Effective Date	September 4, 2024
Sales Comparison Approach	\$150,000
FINAL VALUE CONCLUSION	\$150,000

APPENDIX

APPRAISER'S CERTIFICATION

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased and professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. I have made a personal inspection of the property that is the subject of this report.
12. I have not revealed the findings and results of this appraisal to anyone other than the proper officials of the client and I will not do so unless and until authorized by the client, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.
13. Such appraisal has been made in conformity with the appropriate California laws, Title VI of the 1964 Civil Rights Act, and regulations, policies, and procedures applicable to appraisal of right of way.
14. To the best of my knowledge, no portion of the value of the property appraised consists of items which are non-compensable under the established laws of California. It is my understanding that federal funds may be involved in the project that pertains to the subject of this report.
15. Nicholas Maniscalco provided significant assistance in the preparation of this report including collection and analysis of the data, highest and best use analysis, valuation analysis, and the reconciliation in this report under the direct supervision of the undersigned.

16. My opinion of the total fair market value of the appraised property identified in this report was derived without collusion, coercion or direction as to value.



Lawrence Clark

Appraiser

State Certified General Real Estate Appraiser

California License No. 3011366

Expiration Date 5/11/2025

916-978-4900

L.clark@benderrosenthal.com

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased and professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the continuing education program for Designated Appraisers of the Appraisal Institute.
12. I have not made a personal inspection of the property that is the subject of this report.
13. I have not revealed the findings and results of this appraisal to anyone other than the proper officials of the client and I will not do so unless and until authorized by the client, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.
14. Such appraisal has been made in conformity with the appropriate California laws, Title VI of the 1964 Civil Rights Act, and regulations, policies, and procedures applicable to appraisal of right of way.
15. To the best of my knowledge, no portion of the value of the property appraised consists of items which are non-compensable under the established laws of California. It is my understanding that federal funds may be involved in the project that pertains to the subject of this report.

16. Nicholas Maniscalco provided significant assistance in the preparation of this report including determination of the appraisal problem, collection and analysis of the data, highest and best use analysis, valuation analysis, and the reconciliation in this report under the direct supervision of the undersigned.
17. My opinion of the total fair market value of the appraised property identified in this report was derived without collusion, coercion or direction as to value.



David Houghton, MAI

Appraisal Manager

State Certified General Real Estate Appraiser

California License No. AG039402

Expiration Date 12/26/2025

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DEFINITIONS

DEFINITIONS

Definition of an Appraisal

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition P. 9

The act or process of developing an opinion of value, an opinion of value.

Market Value

Source: Office of the Comptroller of the Currency. CFR Title 12, Part 34, Subpart C, § 34.42 Definitions

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value

Source: The Appraisal of Real Estate (Fifteenth Edition), Appraisal Institute, Chicago, Illinois, 2020, P. 48

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

Fair Market Value

Source: Section 1263.320 of the Code of Civil Procedure

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

The Code goes on to say that:

The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following:

- A) The project for which the property is taken.
- B) The eminent domain proceeding in which the property is taken.
- C) Any preliminary actions of the plaintiff relating to the taking of the property.

Fair Market Value

Source: IRS Regulation 20.2031-1

The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property the sale price in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate.

Market Rent

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition, P. 117

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).

Full Interest Analysis.

The acquisition of all property rights using the applicable valuation methodology.

Partial Acquisition Interest Analysis.

The partial acquisition interest analysis starts with an opinion of fair market value for the undivided fee interest of the larger parcel using the most applicable method for valuing similar properties. Once the larger parcel value is estimated the following partial acquisition appraisal methodology is utilized:

- Value of the part acquired is based on the contributory value in the larger parcel.
- Value of the remainder parcel as part of the larger parcel, is based on its contributory value developed in the larger parcel.
- Value the remainder parcel, after the acquisition and before benefits. When this value is compared to the value of remainder as part of the larger parcel any loss in market value is the measure of damages.

- Value the remainder parcel, after the acquisition with benefits. When this value is compared to the value of the remainder without benefits any gain in market value is the measure of benefits.
- The opinion of fair market value includes the value of the partial acquisition and the net damages.

Unit Rule

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition, P. 197

A valuation premise often applicable in condemnation appraisals. The unit rule has two aspects, the first dealing with ownership interests and the second dealing with physical components. The first aspect of the rule, also referred to as the *undivided fee rule*, requires that property be valued as a whole rather than by the sum of the values of the various interests into which it may have been carved (such as lessor and lessee, life tenant and remainderman, and mortgagor and mortgagee, etc.). This is an application of the principle that it is the property, not the interests, that is being acquired.

The second aspect of the rule is that different physical elements or components of a tract of land (such as the value of timber and the value of minerals on the same land) are not to be separately valued and added together.

Undivided Fee Rule

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition, P. 196

In condemnation appraisal, a rule that states that property is to be valued as if the title were held by a single entity, even if the real property is divided into more than one estate owned by more than one individual or entity.

Retrospective Value Opinion

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition, P. 166

value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

Investment Value

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition, P. 99

1. The value of a property to a particular investor or class of investors based on the investor’s specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Extraordinary Assumption

Source: Uniform Standards of Professional Appraisal Practice, 2024 Edition, P. 4

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

Hypothetical Condition

Source: Uniform Standards of Professional Appraisal Practice, 2024 Edition, P. 4

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Jurisdictional Exception

Source: Uniform Standards of Professional Appraisal Practice, 2024 Edition, P. 5.

An assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.

"As Is." The state, condition, or premise in which all existing and known future enhancements, faults, encumbrances, and conditions affecting the property rights being appraised are recognized and taken into account in the valuation process. For instance, the value effect of present or future bond encumbrances, likely extraordinary building costs, etc., would be evaluated. The value is based upon the conditions observed upon the most recent inspection, and as the property physically and legally exists without hypothetical conditions, assumptions, or qualifications. The "as is" condition is usually the state in which a property is available for purchase.

Leased Fee Estate

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition, P. 105

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

Leasehold Estate

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition, P. 105

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Stabilized

A state, condition, or premise under which a property is operating in a normal or usual way: occupancy is at a level that might be expected for an extended period of time, rents are being collected at normal and typical rates (i.e., initial lease-up rent concessions and extraordinary tenant improvement costs have been amortized) and operating expenses have normalized (taxes are fully assessed, etc.).

Exposure Time

Source: Uniform Standards of Professional Appraisal Practice, 2024 Edition, P. 4

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Larger Parcel

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition P. 105

In governmental land acquisitions and in valuation of charitable donations of partial interests in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.

Temporary Easement

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition P. 190

An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner.

Damage to Remainder

Source: Section 1263.420 of the Code of Civil Procedure

Damage to the remainder is the damage, if any, caused to the remainder by either or both of the following:

- (a) The severance of the remainder from the part taken.
- (b) The construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the damage is caused by a portion of the project located on the part taken.

Benefit to Remainder

Source: Section 1263.430 of the Code of Civil Procedure

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

Easement

Source: The Appraisal of Real Estate (Fifteenth Edition), Appraisal Institute, Chicago, Illinois, 2020, P. 64

An easement is an interest in real estate that transfers use, but not ownership, of a portion of an owner's property. Easements usually permit a specific portion of a property to be used for identified purposes, such as access to an adjoining property or as the location of a certain underground utility.

Conservation Easement

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition P. 38

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement.

Compensation

Source: Section 1263.310 of the Code of Civil Procedure

Compensation shall be awarded for the property taken. The measure of this compensation is the fair market value of the property taken.

Surplus Land

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition P. 186

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Improvements Pertaining to the Realty

Source: Section 1263.205 of the Code of Civil Procedure.

include any machinery or equipment installed for use on property taken by eminent domain, or on the remainder if such property is part of a larger parcel, that cannot be removed without a substantial economic loss or without substantial damage to the property on which it is installed, regardless of the method of installation. In determining whether particular property can be removed "without a substantial economic loss" within the meaning of this section, the value of the property in place considered as a part of the realty should be compared with its value if it were removed and sold.

...the Appraisal Institute

The Appraisal Institute is a national organization of appraisers that self-regulates its members, and the undersigned are designated Members of the Appraisal Institute (MAI). A Member must adhere to the Institute's ethics code and standards.

The U.S. congress has tasked the Appraisal Foundation to set standards and procedures with which state-certified appraisers must comply when appraising property interests involved in federally regulated transactions.

Excess Land

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition, P. 66

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

Leased Fee Interest

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition, P. 105

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

Highest and Best Use

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition P. 88

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)
4. [For fair value determination] The use of a nonfinancial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (for example, a business) within which the asset would be used. (FASB Glossary) The highest and best use of a nonfinancial asset takes into account the use that is physically possible, legally permissible, and financially feasible. (FASB 820-10-35-10B). The highest and best use of a nonfinancial asset establishes the valuation premise used to measure the fair value of the asset, as follows: (a) The highest and best use of a nonfinancial asset might provide maximum value to market participants through its use in combination with other assets as a group (as installed or otherwise configured for use) or in combination with other assets and liabilities (for example, a business). (b) The highest and best use of the asset might provide maximum value to market participants on a standalone basis. (FASB 820-10-35-10E)

Value in Use

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 7th Edition P. 201

1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for contributory value or use value.

Across the Fence (ATF) Method

Source: *The Dictionary of Real Estate Appraisal*, Appraisal Institute, 7th Edition P. 3

A land valuation method used in the appraisal of corridors. The across-the-fence method is used to develop a value opinion based on comparison to abutting land.

Special-Purpose Property

Source: *The Dictionary of Real Estate Appraisal*, Appraisal Institute, 7th Edition P. 178

An improved property with a unique physical design, special construction materials, or a layout that particularly adapts its utility to the use for which it was built and may be costly to modify to another use; also called a *special-design property*.

Police Power

Source: *The Dictionary of Real Estate Appraisal*, Appraisal Institute, 7th Edition P. 144

The inherent power of government to regulate property in order to protect public health, safety, and general welfare.

Transportation Corridor

Source: *Caltrans Right of Way Manual*, Section 7.13.60.00 (Rev 1/2014)

A corridor which includes existing operating and nonoperating railroad property with reasonably probable future transportation uses, including railroad tracks, excess width, utility lines, pipelines, fiber-optic lines, etc. These uses must not be speculative.

Operating Railroad Property

Source: *Caltrans Right of Way Manual*, Section 7.13.60.00 (Rev 1/2014)

The property necessary for operation of rail service over the railroad right of way. The area covered by the nonabandoned tracks plus the minimum additional clearance width as set by the Public Utilities Commission (PUC) and/or the safety standards set by the railroad. It may include switching yards, station sites and their parking lots, and crossing gates and associated equipment. All operating railroad property is located within a transportation corridor.

Non-Operating Railroad Property

Source: *Caltrans Right of Way Manual*, Section 7.13.60.00 (Rev 1/2014)

Anything other than operating railroad property; i.e., property which is not required to operate rail service on a right of way. This may include unused right of way where track has been removed, area required for flood protection, grading, land leased to others, administrative properties, etc. It is important to note that railroad property converted to hiking or biking trails might not change the “transportation corridor” status.

COMPARABLE DATA SHEETS

Residential Land in Lakeport

Comparable 1

Sale Information

Buyer	Eric Campbell and Joan Campbell
Seller	Ellen L. Morris
Sale Date	6/14/2024
Transaction Status	Recorded
Sale Price	\$115,000
Analysis Price	\$115,000
Recording Number	006025
Rights Transferred	Fee Simple
Financing	Cash to Loan
Conditions of Sale	Arm's Length
Marketing Time	14 days

Property

Land Area	4.15 Acres (180,774 SF)
Number of Parcels	1
Zoning	SR-SC
Shape	Generally Rectangular
Topography	Level to Sloping
Corner	No
Off-Site Improvements	None.
View	No
Utilities	Not stubbed to site. Power lines along street frontage and neighboring properties are developed.
Easements	No significant easements known.
Environmental	Per GeoTracker, no cleanup sites on this property. One closed cleanup site within 1,000 feet.
Frontage	225' Hill Rd E
Flood Zones	Zone X (Unshaded)

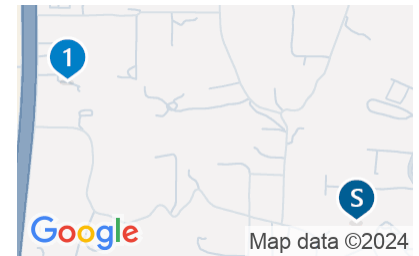


3068 Hill Rd E
Lakeport, CA 95453

County
Lake

Submarket
Lakeport

APN
005-018-190-000



Confirmation

Name	Paige Hotchkiss
Company	Better Homes & Gardens - Wine Contry Group
Phone Number	(707) 720-6299
Affiliation	Buyer's Agent
Date	9/4/2024

Remarks

This is the sale of a 4.15-acre residential lot located at 3068 Hill Rd E in Lakeport. Hill Rd E is adjacent and parallel to State Route 29, across the street from this property. Surrounding land uses are predominantly single-family residential. The site is zoned SR-RC (Suburban Reserve – Scenic Combining District). The parcel is generally rectangular in shape. The majority of the property has level topography, along with some sloping. Some old walnut trees were planted on the property. No utilities were stubbed to site, although powerlines are present along the street frontage and multiple neighboring properties are improved. An old well was present on the property, although it was not in working condition. There were no entitlements at the time of sale. This property sold on June 14, 2024 for \$115,000. The original asking price was approximately \$135,000 to \$140,000. The price was ultimately reduced because the well had failed. The buyer intended to use the property for cattle and to develop a single-family residence.

Residential Land Sale

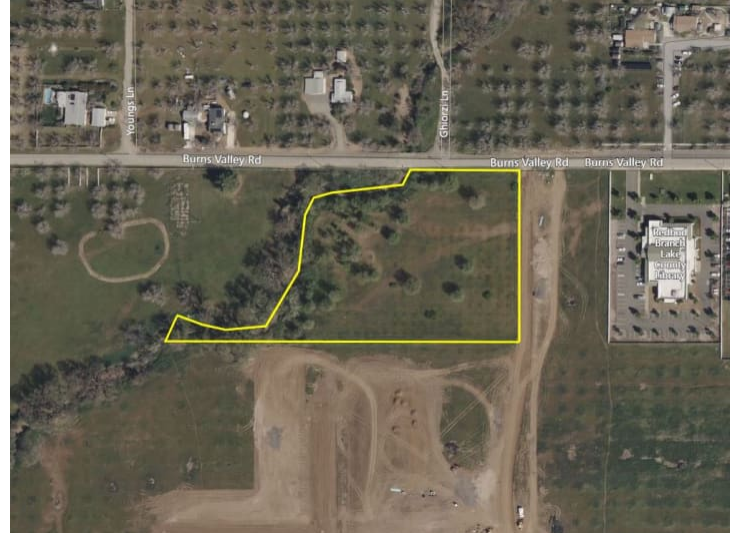
Comparable 2

Sale Information

Buyer	Cirilo Padilla Gomez and Laura Gallegos Delgadillo
Seller	The Losh Moora Revocable Trust
Sale Date	3/5/2024
Transaction Status	Recorded
Sale Price	\$120,000
Analysis Price	\$120,000
Recording Number	002290
Rights Transferred	Fee Simple
Financing	Cash
Conditions of Sale	Arm's Length
Marketing Time	7 days

Property

Land Area	3.95 Acres (172,062 SF)
Number of Parcels	1
Zoning	MUX
Shape	Irregular
Topography	Level
Corner	No
Off-Site Improvements	None.
View	Yes
Utilities	In street.
Easements	No significant easements known.
Environmental	Per GeoTracker, no cleanup sites on this property. One closed cleanup site within 1,000 feet.
Frontage	230' Burns Valley Rd
Flood Zones	Zone AE, Zone AO, Zone X (Shaded), Zone X (Unshaded)

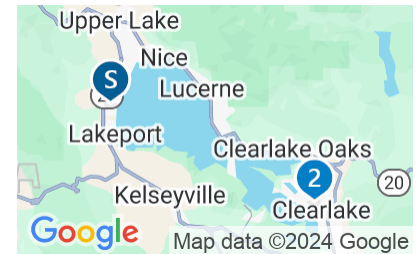


14775 Burns Valley Rd
Clearlake, CA 95422

County
Lake

Submarket
Burns Valley Rd

APN
010-026-410-000



Confirmation

Name	August Schmitt
Company	August Schmitt Realty
Phone Number	(707) 799-0443
Affiliation	Listing Agent
Date	9/5/2024

Remarks

This is the sale of a 3.95 acre parcel located at 14775 Burns Valley Rd in Clearlake. Land uses in the surrounding area include large lot single-family residences, orchards, multifamily residential, a library, and commercial uses. This site is zoned MUX (Mixed Use). The parcel has an irregular shape and large areas of the parcel along the east and west are in flood zones. Approximately 1.43 acres in the central portion of the property is within low risk Flood Zone X (unshaded). The topography is level and several trees are on the property and there was some wire fencing. Utilities were in the street. There were no entitlements at the time of sale. This property sold on March 5, 2024 for \$120,000, or \$0.70 per square foot in a cash transaction. The buyer intended to build a single-family residence on the property.

Residential Land Sale

Comparable 3

Sale Information

Buyer	Ronald Lee/ Caroline Christine Hall
Seller	Dustin Wulliam Burger
Sale Date	1/23/2023
Transaction Status	Recorded
Sale Price	\$125,000
Analysis Price	\$125,000
Recording Number	000715
Rights Transferred	Fee Simple
Financing	Cash
Conditions of Sale	Arm's Length Market Transaction

Property

Land Area	4.06 Acres (176,854 SF)
Number of Parcels	1
Zoning	Suburban Reserve - Scenic Combining District
Shape	Irregular
Topography	Level
Off-Site Improvements	None, per view at the end of the street.
View	Yes
Utilities	Well available but no other utilities on-site
Easements	No significant easements known.
Environmental	Per GeoTracker, no cleanup sites on this property and none within 1,000 feet.
Frontage	390' Crawford Ct
Flood Zones	Zone X (Unshaded)

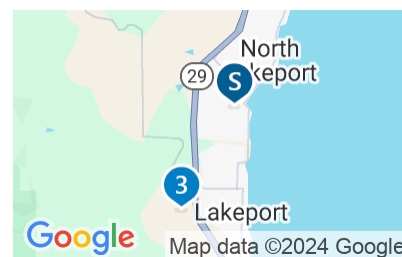


79 Crawford Ct
Lakeport, CA 95453

County
Lake

Submarket
Lakeport

APN
015-009-290



Confirmation

Name	Hannah Wright
Company	Konocti Realty
Phone Number	707-671-3604
Affiliation	Listing Agent
Date	3/20/2023

Remarks

This is the sale of a 4.06-acre vacant rural residential lot located at 79 Crawford Court in Lakeport, within unincorporated Lake County. The surrounding area is predominantly characterized by single-family residences. The parcel is mostly rectangular in shape, aside from a curved cutout along the cul-de-sac. There is some rolling topography, although the majority of the site is level. This property is zoned SR-SC (Suburban Reserve – Scenic Combining District). A basic storage shed was present on the property at the time of sale. The seller previously worked on building plans, although there were no active plans at the time of sale. This property sold on January 23, 2023 for \$125,000, or \$0.71 per square foot in a cash transaction. The buyer intended to build a single-family residence on the property. The seller paid a school tax for construction up to 3,400 square feet, which cost about \$3,500 to \$4,000. The buyer was not very concerned with the school tax, although this was positive overall.

Residential Land in Lakeport

Comparable 4

Sale Information

Buyer	Duncan Wilson and Michelle Wilson
Seller	The John R. Del Signore Trust
Sale Date	3/25/2022
Transaction Status	Recorded
Sale Price	\$220,000
Analysis Price	\$220,000
Recording Number	004147
Rights Transferred	Fee Simple
Financing	Cash
Conditions of Sale	Arm's Length
Marketing Time	15 days

Property

Land Area	8.99 Acres (391,605 SF)
Number of Parcels	2
Zoning	SR
Shape	Irregular
Topography	Rolling
Corner	No
Off-Site Improvements	No.
View	Yes
Utilities	As of 2022 sale, needed spetic, well was in unknown condition, utilities in street.
Easements	No significant easements known.
Environmental	Per GeoTracker, no cleanup sites on this property and none within 1,000 feet.
Frontage	860' Lakeview Rd
Flood Zones	Zone X (Unshaded)

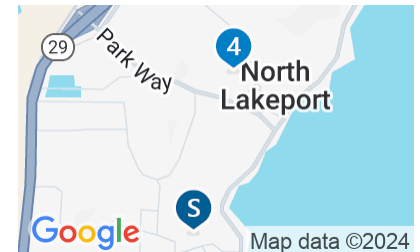


335 Lakeview Rd
Lakeport, CA 95453

County
Lake

Submarket
Lakeport

APN
028-031-60, 028-031-61



Confirmation

Name	Cassie Pivniska
Company	Pivniska Real Estate Group
Phone Number	(707) 245-6514
Affiliation	Buyer/Seller Agent
Date	9/3/2024

Remarks

This is the sale of two adjacent parcels totaling 8.99 acres located at 335 Lakeview Drive in Lakeport. Land uses in the surrounding area include both large and small lot single-family residential development, as well as nearby mobile home parks, and undeveloped parcels. Clear Lake is about 1,200 feet to the east. The site is zoned SR (Suburban Reserve). The property has an irregular shape and rolling topography. The property had a well in unknown condition and needed a septic system. Other utilities were in the street. There were no entitlements at the time of sale. This property sold on March 25, 2022 for \$220,000 in a cash transaction. The buyer purchased another large parcel across the street around the same time from a different seller. The buyer intended to use one of the properties to build a house and the other for extra privacy.

Residential Land in Lakeport

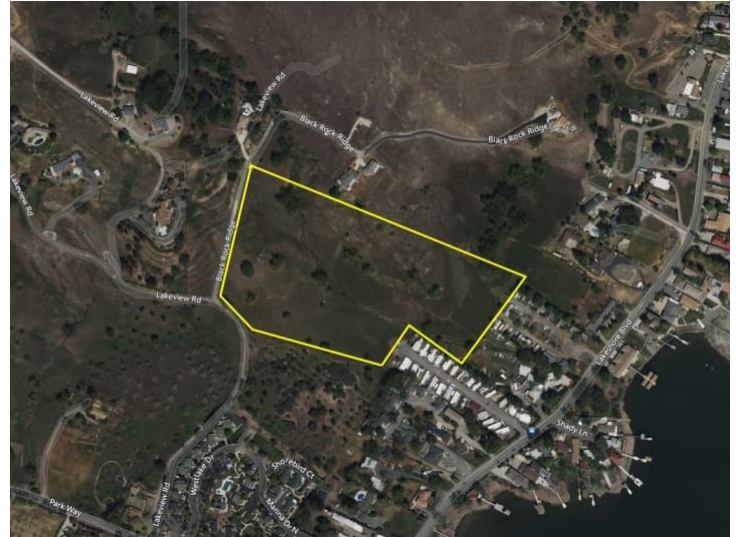
Comparable 5

Sale Information

Buyer	Duncan A. Wilson and Michelle M. Wilson
Seller	The Lord Revocable Trust
Sale Date	3/8/2022
Transaction Status	Recorded
Sale Price	\$249,500
Analysis Price	\$249,500
Recording Number	003230
Rights Transferred	Fee Simple
Financing	Cash
Conditions of Sale	Arm's Length
Marketing Time	250 days

Property

Land Area	14.262 Acres (621,253 SF)
Number of Parcels	1
Zoning	R3
Shape	Irregular
Topography	Rolling
Corner	Yes
Off-Site Improvements	None.
View	Water
Easements	No significant easements known.
Environmental	Per GeoTracker, no cleanup sites on this property and none within 1,000 feet.
Frontage	210' Lakeview Rd, 580' Black Rock Ridge
Flood Zones	Zone X (Unshaded)

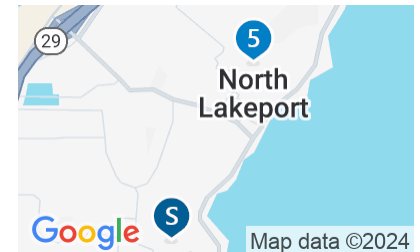


370 Lakeview Rd
Lakeport, CA 95453

County
Lake

Submarket
Lakeport

APN
028-031-680-000



Confirmation

Name	Laura Vaughn
Company	Compass
Phone Number	(415) 660-9955
Affiliation	Buyer/Seller's Agent
Date	9/5/2024

Remarks

This is the sale of a 14.262-acre parcel located at 370 Lakeview Rd in Lakeport. The property has a corner location with frontage along both Lakeview Road and Black Rock Ridge. Land uses in the surrounding area include single-family residential on both large and small lots, mobile home parks, multifamily residential, a motel, and undeveloped land. The property has a slightly irregular shape and rolling topography with some flat space, lake views and mature trees. Utilities are in the street. The property has cinder block tanks for spring water which was a positive attribute. There is an optional HOA with beach access nearby. This property sold on March 8, 2022 for \$249,500, or \$0.40 per square foot in a cash transaction. The buyer purchased another property across the street around the same time from a different seller. The buyer intended to use one of the properties to build a house and the other for extra privacy.

QUALIFICATIONS OF APPRAISER



LAWRENCE CLARK

Certified General Appraiser

Lawrence Clark has provided research and valuation support to the appraisal department as a research analyst since 2020 and became licensed in 2023. Lawrence has experience with several property and project types including industrial, office, retail, single-family, multi-family, agricultural, transitional, and various types of land. Lawrence also has right of way experience involving both partial and full acquisitions, complex damage/benefit analysis, transportation and utility projects. Over the course of his career, he has worked on many income-producing properties specifically including quick service and casual dining restaurants.

Lawrence received his bachelor's degree in Business Administration: Finance, from California State University at Sacramento. He continues his education with courses from the Appraisal Institute and the International Right of Way Association in pursuit of a professional designation.



EXPERIENCE

4 Years (with BRI since 2020)



EDUCATION

B.S. Business Finance, California State University Sacramento



LICENSES

Certified General Appraiser License
CA, 3011366
CA Real Estate Salesperson, License
#02213598



DESIGNATIONS

Pursuing professional Designation

REPRESENTATIVE VALUATIONS INCLUDE

Industrial – Existing and proposed industrial properties including distribution warehouses, storage warehouses, light industrial/manufacturing and research and development properties.

Office – Existing and proposed office developments for lending institutions and owners.

Retail – Proposed and existing shopping centers, free standing buildings, mixed-use buildings, and restaurants.

Multi-Family Residential – Existing and proposed apartment complexes.

Medical – Existing and proposed medical clinics and dental offices.

Agricultural – Vineyards, wineries, orchards, field/row crop land, and rural residential properties.

Special Use Properties – Special use properties include churches and self-storage facilities.

Land – Various types of land appraised such as commercial land, retail pad sites, residential land, transitional land, and agricultural/rural residential land.

Eminent Domain – Improved and unimproved properties involving full and partial takings for municipalities, quasi-public companies, developers, and property owners.

Conservation Easements – Proposed land rights acquisitions for agricultural and habitat preservation purposes.

Quick Service Restaurants – Existing and proposed quick service and casual dining restaurant properties.

Litigation – Fee simple, leased fee, and leasehold interest in ground leases.



DAVID HOUGHTON, MAI

Appraisal Manager

David Houghton is an Appraisal Manager with Bender Rosenthal (BRI). He has been involved in real estate appraising since 2005 and is a Certified General Appraiser in the State of California. He has professional experience appraising a wide range of property types, including industrial, office, medical office, retail, multifamily, condemnation, right of way, residential subdivisions, and various agricultural/rural residential property types. Between 2007 and 2014 he worked exclusively on low income housing appraisal assignments. While focused on that specialty, David gained experience appraising affordable housing and conducting market studies for Low Income Housing Tax Credit (LIHTC) developers. In 2014, he began working with BRI and has since shifted his focus and expertise into right of way appraisal assignments.

David has appraised properties and completed market studies throughout Southern and Northern California, Washington, Hawaii, and Nevada, with the bulk of the experience in Southern and Northern California.



EXPERIENCE

19 Years (with BRI since 2014)



EDUCATION

B.S. Science of Business Management,
University of Phoenix, Phoenix, AZ



LICENSES

Certified General Appraiser License
CA, AG039402



AFFILIATIONS

Northern California Chapter of
Appraisal Institute
MAI, Appraisal Institute



DESIGNATIONS

MAI, Appraisal Institute

REPRESENTATIVE VALUATIONS INCLUDE

Industrial – Existing and proposed industrial properties including distribution warehouses, storage warehouses, light industrial/manufacturing and research and development properties.

Office – Existing and proposed office developments for lending institutions and owners.

Retail – Proposed and existing shopping centers, free standing buildings, mixed-use buildings, and restaurants.

Multi-Family Residential – Existing and proposed apartment complexes.

Residential – Proposed and existing residential subdivisions throughout the Central Valley.

Agricultural – Vineyards, wineries, orchards, field/row crop land, and rural residential properties.

Mixed Use Properties – Existing and proposed mixed use properties in Northern and Southern California.

Land – Various types of land appraised such as commercial land, retail pad sites, residential land, transitional land, and agricultural/rural residential land.

Eminent Domain – Improved and unimproved properties involving full and partial takings for municipalities, quasi-public companies, developers, and property owners.

Multi-family Market Studies – Existing and proposed multi-family LIHTC/ HUD/USDA properties in Northern and Southern California, the state of Washington, New Mexico, Nevada and Hawaii.

Subdivision – Proposed residential subdivisions in Sacramento Region and Central Valley.