

APPRAISAL OF:
MIXED USE COMMERCIAL PROPERTY
1718 NORTHCREST DRIVE
CRESCENT CITY, CA
APN: 116-172-045



October 31, 2023

Prepared for: Mr. David Blackmon, Lumen Mortgage

PHILLIS APPRAISAL SERVICE.....
Commercial Real Estate Appraisal

May 17, 2023

David Blackmon
Lumen Mortgage
920 SW 6th Avenue, Suite 1200
Portland, OR 97204

RE: Mixed-use Commercial Property
1718 Northcrest Drive, Crescent City, CA
APN 116-172-045

Dear Mt. Blackmon:

In accordance with your recent request and authorization, I have completed the necessary investigation and analysis to appraise the above referenced real property near Crescent City, CA. The appraisal was made for the purpose of estimating the market value of the "as-complete" fee simple interest in the subject property as of October 31, 2023, the reported completion date for the subject property improvements.

The accompanying report describes the area, neighborhood, site, market conditions, highest and best use, and the method of appraisal. It contains pertinent data considered in reaching my value conclusion. Please note in particular, the Assumptions and Limiting Conditions on Pages General Limiting Conditions found on pages 42-44.

Based upon my inspection, investigation, and analyses undertaken, I have formed the opinion that as of October 31, 2023, and subject to the definition of value, assumptions, and limiting conditions and certification contained in the report, the subject property has an "as-complete" fee simple market value of

SIX HUNDRED TEN THOUSAND DOLLARS

(\$610,000)

(As- Complete, Subject to Hypothetical Condition)

David Blackmon
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The appraisal report was completed in conformity with and subject to the Code of Professional Ethics of the Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute, and Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal is intended to conform to the regulations and restrictions as promulgated by the Appraisal Institute and Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIREA) and the Uniform Standards of Professional Appraisal Practice.

Please feel free to contact me if you wish to discuss this report further, have any questions, or need any additional information.

Respectfully submitted,

Richard Phillis

Richard Phillis
CA# AG3000783

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Area Map, Neighborhood Map, Assessor Parcel Map, Aerial Photo, Zoning Map
Preliminary Title Report dated January 12, 2023, Photos of Subject Property
Site Plan, Building Sketches and Square Footage Calculations, Contractor’s Estimate
Comparable Sales Location Map & Sale Data Sheets, Qualifications of the Appraiser

SUMMARY OF SALIENT FACTS

Property Appraised:	1718 Northcrest Drive, Crescent City, California APN 116-172-045
Purpose of the Appraisal:	Estimate Market Value – As Complete
Intended Use of the Report:	Making a Lending Decision
Property Rights Appraised:	Fee Simple
Appraisal Premise:	As-Is Value
Date of Inspection:	May 5, 2023
Date of Value:	May 5, 2023
Date of Report:	May 17, 2023
Highest and Best Use:	
As if vacant:	Commercial Uses
As Improved:	Mixed-use Commercial
Exposure Period:	1-6 Months
Marketing Period:	1-6 Months
Remaining Economic Life:	35 Years
Personal Property,	None
Value Conclusion As-Is:	\$610,000
APN: 116-172-045	(As- Complete, Subject to Hypothetical Condition)

INTRODUCTION

Introductory Summary

The subject of this appraisal is located at 1718 Northcrest Drive near Crescent City, California. It consists of one assessor parcel, APN 116-172-045, which is about 30,450 square feet in size or 0.70 acres of land area. The subject parcel is situated on the west side of Northcrest Drive in Del Norte County California, about 1,300 feet north of the intersection of Northcrest Drive and East Washington Boulevard. It is improved with a 1,064 sf office building and a 1,238 sf two bedroom one bath single family residence with an attached garage. The potential buyer is proposing a two phase improvement plan for the property. The first phase is to build a 3,000 sf self-storage building on the subject property and renovate the single family dwelling which is currently considered to be in only fair condition. The second phase is to construct a 1,400 sf self-storage building. At the direction of the client, this is a prospective appraisal of the phase 1 “as-complete” value of the subject property assuming the dwelling renovation and 3,000 sf storage facility construction will be completed by the reported date of October 31, 2023, which is the effective date of this report. This requires the use of a Hypothetical Condition to obtain credible results. The highest and best use of the property is continued use of the subject as a mixed-use commercial property. This prospective appraisal is of the subject real property, with no items of personal property included.

Property Identification

The subject is identified as Assessor’s Parcel APN 116-172-045 located at 1718 Northcrest Drive near Crescent City in Del Norte County, California. A preliminary title report with a legal description dated January 12, 2023, was provided to the appraiser and is included in the Addendum. The legal description along with other identifying maps serve to adequately identify the subject property and are included in the addendum.

Property Ownership and History

According to the Preliminary Title Report, the subject is vested in;

DEAN & LAURA LUMIBAO

The subject property has been under its current ownership for about eight months. It was purchased on September 9, 2022, for \$175,000. The buyer is identified as Dean and Laura Lumibao and the seller is identified as Barbra Jesion. Based on similar sales, the purchase price of \$175,000 appears to be within the range of sale prices seen for similar types of properties in the condition of the subject at the time of sale.

The subject property is currently under a purchase contract for \$275,000. The buyer is identified as Brian Cinkutis and the seller is identified as Dean and Laura Lumibao. Based on similar sales, the purchase price of \$275,000 appears to be at the higher end of the range of sale prices seen for similar types of properties. No other sales of the subject property were detected within the last three years.

The subject property was inspected and photographed by Richard Phillis, Appraiser, on May 5, 2023. Comparable property sales were obtained from public records and other sources including multiple listing services, realtors, appraisers, County assessors, and buyers/sellers in Del Norte County, California, and confirmed with principals involved in the transactions where possible. The subject property was analyzed as it relates to the market, taking into full account local market conditions, development potential/constraints, and functional utility of the site and improvements.

Interviews were conducted with parties familiar with the subject property, including the selling agent, Mary Messel, and local realtors, property managers, buyers, and sellers.

Use and User of the Appraisal

It is my understanding that the appraisal will be used by the client, Salas Financial and Redwood Capital Bank, for use in making a lending decision. No other use of this appraisal is authorized by the appraiser.

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value as defined by the Office of the Controller of the Currency under 12CFR Part 34 Subpart C.

Property Inspection

The property was inspected on May 5, 2023, by appraiser Richard Phillis.

Date of Value

The appraisal is dated October 31, 2023, which is the reported date for the completion of the subject Phase 1 dwelling renovation and 3,000 sf storage building.

Date of Appraisal

The report is dated May 17, 2023, which is the date that the appraisal was executed by the appraiser and submitted to the client.

Competency

The appraiser, Mr. Richard Phillis, has had extensive experience in appraising commercial properties located in Del Norte and Humboldt Counties. No steps to competency were required.

Appraisal Development Guidelines

This assignment required the physical inspection of the property and the surrounding neighborhood, and the collection, verification, and analysis of comparable market data to estimate the highest and best use of the property and the defined value. My findings are developed using complete appraisal methodology, and are reported in a summary report format.

The appraisal report was completed in conformity with and subject to the Code of Professional Ethics of the Appraisal Institute, Standards of Professional Appraisal Practice of the Appraisal Institute, and Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal is intended to conform to the regulations and restrictions as promulgated by the Appraisal Institute and Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIREA) and the Uniform Standards of Professional Appraisal Practice.

Property Rights Appraised

Dictionary of Real Estate Appraisal, authored by the American Institute of Real Estate Appraisers, defines the following types of property rights:

"Fee simple estate" is defined by the Appraisal Institute as "absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation."

The fee simple interest in the subject is appraised using market rents established through a market rent survey and cost estimates from Marshall and Swift valuations.

Definition of Market Value

The Office of the Comptroller of the Currency (under 12 CFR, Part 34, Subpart C-Appraisals, 34.42) defines Market Value as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and 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."

Hypothetical Condition

As of the date of inspection the renovated office and unrenovated 2/1 residential dwelling currently exist on the subject property. At the direction of the client, the subject property is appraised as if the dwelling were renovated, and the 3,000 sf self-storage facility construction were complete which is contrary to what is known to exist. This is a hypothetical condition, which is defined by the 4th Edition of the Dictionary of Real Estate Appraisal, authored by the Appraisal Institute, as: “That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends, or about the integrity of data used in an analysis.” This is a hypothetical condition, but one which is necessary for purposes of reasonable analysis and which its use results in a credible conclusions.

AREA DESCRIPTION

The North Coast region of California is characterized by the rugged Pacific coastline, heavily forested lands, and relatively sparse population. The region includes Mendocino, Humboldt, and Del Norte Counties, and also extends into the Southern Oregon coast. The specific location of the subject property is 1718 Northcrest Drive near the City of Crescent City in Del Norte County.

Del Norte County is the most northerly county in California and is situated on the Pacific Ocean. It extends from just south of the mouth of the Klamath River to the Oregon border. Del Norte County has some 1,068 square miles of land area, of which over 80% is forested, mountainous land. Slightly over 70% of the total land area is owned by federal, state, or local government, or by special districts. Del Norte County lies about 350 miles North of San Francisco and 325 miles South of Portland. The County's population in 2000 was approximately 28,000 persons, including about 3,300 inmates at Pelican Bay State Prison.

Crescent City is the only incorporated city in Del Norte County. It is the county seat, as well as the hub of most economic, governmental, social, and cultural activity in the county. Over half of the population of Del Norte County lives in the greater Crescent City area.

Population and Growth Trends

Due to its isolation and economic fragility, population growth in Del Norte County has lagged behind the balance of the state in recent years. A summary of Del Norte County population is shown in the following table;

Del Norte County Population Trends, 2010-2020			
	<u>2010</u>	<u>2020</u>	<u>% Change</u>
Crescent City	7,527	6,676	-11.31%
Unincorporated Areas	19,944	28,100	40.89%
County Total	27,471	34,776	26.59%

Source: California Dept Of Finance

While the population of Crescent City has recently declined, the population in the outlining areas of the county actually increased. However, the overall county population increased by only 27 percent over the last ten years. Net of the prison's 3,300 inmates, Del Norte County ranks 49th out of 58 California counties in population. Historically, Del Norte County has had a small to moderate growth in the general population implying that demand for goods and services,

including real estate, is also small to moderate. This long term “slow growth” trend is expected to continue into the foreseeable future despite recent population declines.

Employment

Del Norte County suffers from high unemployment due to a decline in its resource based economy. Prisons, tourism, and urban refugees are hoped by the locals to provide new employment growth in the future. Within the County, there is some economic dislocation and deterioration of the downtown retail base due to the recent influx of major discount retailers. While no major new growth in employment or economic activity is likely in the near term, the deterioration in economic conditions has stabilized. Given the large tracts of land owned by the state and federal governments, and with the addition of Pelican Bay State Prison in 1992, government is the largest employer in the County. The primary sectors of employment in 2020 were as follows:

Del Norte County Employment Trends, 2010-2022				
<u>Sector</u>	<u>2010</u>	<u>2022</u>	<u>% Change</u>	<u>% of Total</u>
Agriculture	340	130	-61.76%	1.56%
Mining, Logging, & Construction	210	270	28.57%	3.24%
Manufacturing	100	220	120.00%	2.64%
Trade, Trans, & Utilities	1,100	1,130	2.73%	13.55%
Information	100	50	-50.00%	0.60%
Financial Activities	200	140	-30.00%	1.68%
Professional & Business Services	180	160	-11.11%	1.92%
Education & Health Services	1,480	1,650	11.49%	19.78%
Leisure & Hospitality	830	810	-2.41%	9.71%
Other Services	100	130	30.00%	1.56%
Government	<u>4,130</u>	<u>3,650</u>	<u>-11.62%</u>	<u>43.76%</u>
Industry Employment Total	8,770	8,340	-4.90%	100%

Source: California Employment Dev. Dept.

The manufacturing, education & health services, other services, and hospitality sectors have expanded significantly due to a small manufacturing base and increased tourism and the expanded retail opportunities provided by the Home Depot, WalMart, Big 5, and CVS stores, as well as development of several fast food and more formal restaurant establishments. Many of these jobs are part time and the wage structure is generally low.

It is significant to note that the government sector comprises over 43% of the workforce, including Pelican Bay State Prison. A large governmental presence provides some stability in an otherwise “fragile” economy.

Unemployment in Del Norte County tends to hover several points higher than the statewide average. The unemployment rate in 2019 is reported at 4.3%, compared to the statewide average of 3.9% and the national unemployment rate of 3.5. Wages and salaries in Del Norte County are typically lower than in the balance of the state. Median household income for the period 2022 was \$49,981, compared to the state figure of \$80,300 or the overall US figure of \$78,813 resulting in Del Norte County being considered relatively “poor” by national or state standards.

Environment

Del Norte County is known for its outdoor activities that accompany the beautiful forests, beaches, and rivers. Parks in the area include a wide variety of oceanfront and inland facilities owned by the state or federal government. Approximately 83% of the county’s land is in public ownership. Major rivers flowing toward the Pacific include the Klamath and Smith Rivers, both internationally known for annual salmon and steelhead runs. Most of the eastern portion of the county is comprised of US Forest Service lands within the Six Rivers National Forest.

The local weather is generally moderate, with frequent fog, and moderate to heavy precipitation. Snowfall is generally limited to the mountainous areas of the County, and rarely occurs in the coastal plain.

The quality of life in Del Norte County is in many ways superior to other areas of California. In fact, the remoteness, the clean air, and the availability of some cosmopolitan amenities in a rural setting have attracted many people, particularly retirees, from large urban areas. These people are attempting to escape the malaise of modern urban life, without realizing that they often bring it with them.

Transportation

Major highways in the County are U.S. Highway 101, traveling North/South along the coast, and U.S. Highway 199, traveling east from Crescent City to Grants Pass in south/central Oregon. There is the port of Crescent City, which supports a local commercial fishing fleet as well as a large recreational presence.

The highway system through the rugged north coast terrain results in frequent highway closures, particularly for slides. Summers are generally spent fixing the road damage done during the winter. Travel delays are therefore expected at all times of the year when going to or leaving Del Norte County.

Highway 101 traverses through the easterly portion of Crescent City. Northbound traffic is a two lane one way street along "M" Street in the downtown area, and turns to freeway about a mile north of town. Similarly, southbound traffic is on "L" Street, but becomes a single lane highway just south of town. Development of strip commercial has taken place along the Hwy 101 corridor.

Summary & Conclusions

In summary, Del Norte County is located in northwestern California along the Pacific Ocean. Its economic base was historically the timber industry, however, currently the largest sector of the economy is the public sector. Other major industries include fishing, services, retail, and tourism. Development patterns include strip commercial along Highway 101 in the downtown and relocation of retail and services from the traditional downtown area to the Northcrest Drive/Washington Blvd. area. The County's numerous parks, rivers, and beaches make outdoor activities and tourism very popular. No major developments are anticipated that will result in rapid growth or a change from the slightly underdeveloped character of the area. The long term outlook is for a continuation of historical trends of modest population growth, moderately high unemployment, low incomes and a large governmental presence.

NEIGHBORHOOD DESCRIPTION

The entire city of Crescent City and adjacent outlying areas is considered to be the neighborhood for purposes of this appraisal. The City of Crescent City is the county seat for Del Norte County, and is the hub of cultural, political, and economic activity for the county. Located directly on Crescent Bay, the City reflects a seagoing atmosphere as fishing and timber processing/export have historically been major local industries. The population of Crescent City proper was 6,676 persons in 2020, however, it is estimated that over half of the population of Del Norte County, at 34,776 persons, lives in or adjacent to the city limits.

Highway 101 traverses through the easterly portion of Crescent City. Northbound traffic is a two lane one way street along "M" Street in the downtown area, and turns to freeway about a mile north of town. Similarly, southbound traffic is on "L" Street, but becomes a single lane highway just south of town. Development of the commercial strip has taken place along the Hwy 101 corridor, including a McDonald's, CVS, Tractor Supply, Safeway, Walgreens, and other smaller retail and visitor serving businesses.

The downtown area lies west of Hwy 101 and east of the Pacific Ocean. The entire downtown area was destroyed by a Tsunami in 1964, and has been rebuilt since. Most of the structures in the area were built in the mid-to late 1960's. It is the major commercial and governmental area of the City, and includes the new County Courthouse, City Hall, Redwood National Park, and various other smaller public agency offices.

Retail and other service business development has gradually been relocating from downtown to the Northcrest Drive area (to the north of the downtown). Northcrest Drive was US Highway 101 up until about 25 years ago. At that time, the highway was moved to its current location going in a northeasterly direction from Crescent City. Northcrest Drive has been a very popular roadway for through traffic leading to and from Crescent City from the north. Various residential and commercial uses have been developed over a long period of time. In fact, most of the new commercial development in Crescent City over the last five years or so has occurred in the general area of Northcrest Drive and Washington Boulevard. This includes the new Sutter Coast Hospital and WalMart on Washington Boulevard, between Northcrest Dr. and Hwy 101, and several new small office and/or retail properties.

Highway 101 separates from Northcrest Drive at the "Y", just north of the Del Norte County fairgrounds. There is extensive local use of Highway 101, by those persons that live, work, or visit the east or northern part of the county. Highway 101 intersects with Highway 199 about 3 miles north of Crescent City. Highway 199 connects to Grants Pass, Medford, and other southern Oregon locations, and ultimately joins Highway 5. Highway 101 also provides a coastal route from Washington State into California. Overall, Highway 101 is used extensively by locals, and also is a major link in the state/federal highway system.

The Washington Boulevard and Highway 101 area has been the focus of recent development in Crescent City. There is adequate vacant land available. Municipal services have already been extended to the general area, and there is a heavy traffic count. Major retailers and medical

facilities have tended to bring other business with them. Overall, to the extent that development will continue in the future, it is most likely to happen in the north Crescent City area.

Subject Location Within the Neighborhood

The community of Crescent City is spread over a large geographical area. Although there is a denser population within the city limits, a significant proportion of the local population live within several miles to the north or east of the city limits. Crescent City, including the surrounding outlying areas, is the neighborhood considered in this appraisal.

The subject is located at 1718 Northcrest Drive, near the city limits of the city of Crescent City. This location is situated about 4 blocks north of city limits of Crescent City. Northcrest Drive accommodates moderate to high levels of traffic, making the subject property a good location for commercial uses.

Immediate neighborhood influences include Sutter Coast Hospital, Indian Health Services, auto repair shops, a mobile home park, self-storage facilities, a house of worship, the East and West Washington commercial corridor, and single family residential developments.

Analysis and Conclusions

In summary, the subject property is located along the major traffic artery of Northcrest Drive near Crescent City within an area of varied commercial activities. The subject property has good access with average visibility along a major commercial thoroughfare.

MARKET CONDITIONS

There are no formal statistics available on the stock or occupancy of mix-use commercial space or vacancies in the neighborhood. In the absence of statistical data, the following analysis is based on the appraiser's knowledge of the market for similar properties, as supplemented by discussions with knowledgeable participants in the market and government agencies. A recent windshield survey of the subject neighborhood supports an overall estimate of commercial vacancy in the area at about 5%.

Marketing Time

Exposure time is defined by the Appraisal Standards Board as “the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.” The reasonable exposure period is a function of price, time, and use, not an isolated estimate of time alone. The opinion of value herein is predicated on the exposure time and is not based on the marketing time.

The subject is a mixed-use commercial property comprised of office, residential and self-storage structures that are currently vacant. The three closed sales used in this report ranged from 56 to 116 days on the market. It is common in this market for commercial sales to exhibit longer listing times of up to several years. The average days on the market for the three closed sales used in this report is about 80 days. If actively marketed by a competent agent and properly priced, I estimate the subject property could have been sold after exposure to the market of 1-6 months.

Marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of appraisal. In this case, there are no factors to indicate a significant difference between a reasonable exposure period and a reasonable marketing time. Therefore, marketing time is also estimated at 1-6 months for the subject property.

Market Trends

Commercial property sales in Crescent City have been moderate with most selling within 180 days when property priced. The Coronavirus (COVID-19) pandemic appears to be diminishing and restrictions have now been lifted. However, the long and short term effects that occurred in financial markets, due to the pandemic and the effect it will have on markets and the subject property is difficult to discern. Recent interest rate increases will slow market activity due to fewer qualified buyers in the market. The value opinion contained in this appraisal is based on findings of an analysis of market data available to the appraiser at the time of the assignment. The current lack of confidence in the local, national, and global economy tends to feed uncertainty about future trends. Many buyers are still proceeding cautiously for fear of a ripple effect that could impact rental and vacancy rates which would likely affect property values.

SITE CHARACTERISTICS

Physical Description

The subject property is comprised of Assessor Parcel Number 116-172-045 located at 1718 Northcrest Drive near the city of Crescent City, in Del Norte County, California. The site is essentially level, rectangular shape, and contains approximately 0.7 acres, or 30,450 square feet of land area. The following table summarizes the assessor parcel number, improvements, zoning, and size of the subject property.

APN, IMPROVEMENTS, ZONING, LOT SIZE				
1718 NORTHCREST DRIVE, CRESCENT CITY, CA				
			Approx Lot	Approximate
APN	Improvements	Zoning	Size (Acres)	Lot Size
116-172-045	Office, SFR, & Stoarge Building	C-2	0.70	30,450
			0.70	30,450

Assessed Value and Taxes

The property is listed on the assessment rolls at the Del Norte County Assessor's Office for 2022/23 as follows:

<u>APN</u>	<u>116-172-045</u>
Land	\$ 152,756
Improvements	\$ 121,193
Personal Property/FF&E	\$ 0
Total	\$ 273,949
Tax Rate Area	051-039
Taxes – 2022/2023	\$ 3,163.48

The tax rate for the subject is typical for the area and neither provides any particular incentive nor deduction to a potential buyer.

Access and Visibility

Access to the site is considered to be good from both directions of Northcrest Drive which is where the subject driveway is situated. The property is visible to traffic traveling in either direction on Northcrest Drive. However, the subject tree on the southeast corner of the property reduces the visibility of the subject while traveling north Northcrest Drive.

Parking

There are approximately 5 asphalt paved parking spaces that occupy the eastern portion of the subject property for the office building and about 2 paved parking spaces on the driveway to the dwelling. No paving or parking plan was provided for the self-storage facility, it is assumed that

adequate space will be provided for unloading and loading of the self-storage occupant's personal property. Street parking is also available in both directions along Northcrest Drive in the vicinity of the subject.

Utilities

Typical municipal utilities are available at the site, and have sufficient capacity for the existing use or any other use that might be made of the site. The city of Crescent City provides sanitary sewer, storm water systems, and police and fire protection services. Water is provided by an on-site well. Electricity is provided by Pacific Power and Verizon provides local telephone service. Propane and trash removal services are available from local vendors.

Soil and Environmental Factors

No soils report has been provided. However, the site is essentially level, and the subject and adjoining sites are improved. This would indicate that there are adequate soil and subsoil conditions for the present or possible future use. The value conclusion assumes that there are no hidden or unapparent conditions which would make the site more or less valuable.

Flood Hazard

The subject property is located in FEMA Zone X, as shown on Community Panel No. 06015C0214F, dated August 2, 2017. The subject property is not within the FEMA 100 year flood hazard zone nor is it within the Tsunami evacuation zone.

Easements or Encumbrances

A preliminary title report dated January 12, 2023, has been provided which includes a legal description and is included in the Addendum. The exceptions listed on the report have been reviewed. No easements, encroachments or encumbrances were noted during the site inspection, nor are any assumed. This appraisal makes the assumption that there are no significant easements, encroachments, or encumbrances that would significantly affect the value of the subject.

Site Utility

The site has good utility for its current and proposed improvements. By all accounts, this is a desirable building site for any use allowed by zoning. The subject property areas not improved with a structure are either paved parking areas or lawn.

Zoning

The site is zoned as C-2, Light Commercial. This district classification is designed to be applied to areas such as small community shopping centers and business districts which cater to quiet enclosed businesses which are accessory to residential, urban, or suburban living. Shops and services which cater to residential needs are to be encouraged to the exclusion of other businesses.

Uses permitted shall be as follows: Hotels, motels, clubs and lodge halls, hospitals, sanitariums and clinics, retail stores and shops of a light commercial character and conducted within a building including appliance stores, bakeries, banks, barber shops, beauty parlors, boat and trailer sales yards, book stores, bus terminals, cleaner and laundry agencies, commercial recreation facilities, department stores, dress shops, drug stores, furniture stores, grocery stores, general merchandising establishments, laundrettes, millinery shops, new and used car sales, office buildings, professional offices, real estate offices, regional shop-ping centers, restaurants, refreshment stands, service stations, shoe shops, storage garages, studios, theaters, tailor shops, and other uses which are of similar character to those enumerated and which will not be detrimental or obnoxious to the neighborhood in which they are to be located, except those which contain department store, variety store or dry goods sales area of greater than five thousand square feet agriculture where site area is one acre or more accessory buildings and accessory uses appurtenant to a permitted use.

Uses permitted with a use permit shall be as follows: public and quasi-public uses, mobile home parks, mobile home or a manufactured home, single-family residences, multiple dwellings and dwelling groups subject to the height limit, building site area, average lot width and yard requirements specified for R-3 districts.

Minimum lot area shall be none where both a public or mutual water supply and public sanitary system is available, and twelve thousand square feet where both public or mutual water supply and public sanitary system are not available. Where water and sanitary facilities are contained on the property, all state and county health regulations shall apply. The minimum lot width is twenty-five feet. Percentage of lot coverage permitted shall be up to one hundred percent of the building site where both a public or mutual water supply and public sanitary system are available. Where water and sanitary facilities are contained on the property adequate yard space shall be provided. Front yards shall be none, except as provided in Section 20.48.090. On corner lots or where frontage in a block is partially in an R district, the front yard shall be one-half that required in such R district, or not less than ten feet. Side yards shall be none, except where the side of a lot abuts upon the side of a lot in an R district, in which case the abutting side yard shall be not less than five feet. Where the side yard on the street side of a corner lot abuts on an R district, the side yard on the street side shall comply with the standard corner lot setbacks adjacent to key lots. There is no minimum rear yard setback.

Conclusion

The subject has no detrimental site characteristics that would limit its value or marketability. Rather, this is an appropriate site for development of appropriate uses allowed by zoning. The subject is considered to be a legal conforming use property under current zoning.

DESCRIPTION OF IMPROVEMENTS

General Description

The subject parcel located at 1718 Northcrest Drive is presently improved with an office building and a single family residence with an attached garage of which there are planned renovations. There is also a planned 3,000 sf self-storage building which is included in this valuation for a phase 1 “as-complete” valuation. This appraisal report uses a **Hypothetical Condition** assuming the dwelling will be renovated, and the 3,000 sf self-storage facility construction will be completed by October 31, 2023. Building sketches of the subject existing and proposed phase 1 improvements are included in the Addendum.

1718 Northcrest Drive Office

This building is 28 X 38 feet in size consisting of approximately 1,064 sf of gross building area. It has two entry doors on the front and back of the building and two electric meters. It is currently configured one or two occupant having only one restroom. It has a slab foundation, wood framing, vinyl and aluminum windows, painted T-111 siding, two metal framed glass entry doors, and two metal doors, and a composition shingle roof. It was recently renovated.

The interior finishes consist of carpeted flooring in the office spaces and vinyl flooring in the restroom. The walls and ceilings are finished with painted textured sheetrock throughout the building. The subject is illuminated with ceiling mounted fluorescent and LED fixtures. The plumbing and electrical appear to be standard. Heat may be provided by electrical plug in space heaters. It is considered to be in overall good condition.

Single Family Dwelling with an attached Garage

The subject dwelling is irregular in shape and consists of about 1,238 sf of gross living area which includes, a kitchen, living room, two bedrooms, a bath, and a laundry room.

It has a concrete perimeter foundation, wood framing, wood casement and aluminum windows, painted horizontal wood lap siding, and a composition shingle roof with some plastic gutters and downspouts.

The interior finishes consists of vinyl flooring and painted textured sheetrock on the walls and ceilings. The kitchen cabinets have been removed along with the countertops and sink. It is illuminated with ceiling mounted fluorescent fixtures. The living room features a fireplace which does not appear to have been used. There is an electrical plug-in heater in front of the fireplace. The plumbing and electrical do not appear to be fully functional as of the day of inspection. It is considered to be in only fair condition. However, the appraiser was advised that the dwelling would be renovated to code and in good condition by the effective date of this appraisal which is October 31, 2023.

Proposed Self-Storage Building

The proposed self-storage building is 20 X 150 feet in size consisting of 3,000 sf of gross building area and configured for 21 self-storage units. It has a concrete slab foundation, metal framing, painted metal siding, metal roll-up doors, and a painted metal roof. The interior storage units will have concrete floors, and metal walls. It is illuminated by ceiling mounted LED fixtures. The improvement plans reportedly call for a security gate, fencing, and asphalt paving. It is new construction and considered to be in good condition.

The Table below summarizes the subject improvements.

SUBJECT IMPROVEMENT SUMMARY	
MIXED USE COMMERCIAL PROPERTY	
1718 NORTHCREST DRIVE, CRESCENT CITY, CA	
	Total Gross
Building	Building Area
Commercial Office	1,064
Proposed Phase 1 Storage Units	3,000
SFR	1,238
Attached Garage	306
Total GBA :	5,608
Note: square footages derived from building sketches based on appraiser's measurements	

There are three electric meters with a proposed fourth meter for the storage facility. Water is provided by an on-site well maintained by the subject property owner. The owner pays for electric, water, sewer, property taxes, and insurance. The property is currently vacant.

Actual/Effective Age & Depreciation Estimate

The total economic life for average quality, wood frame, Class D and Class S commercial buildings, based on the Marshall & Swift Valuation Service life expectancy guidelines, is 50 years for commercial buildings and 60 years for residential buildings. However, local buildings often far outlive the life expectancy guidelines, with many buildings in the area over 100 years old and still completely functional. The subject buildings vary in age from 76 years to new construction. The office and dwelling will be renovated, and the storage building is new construction as of the effective date of this report. Due to being updated and renovated, the buildings are functional for office, residential, and self-storage uses. The subject structures have a blended effective age of 15 years. Therefore, the remaining economic life is estimated at 35 years for the subject structure.

Significant items of deferred maintenance that needed immediate repair were noted for the dwelling during the site inspection. It is assumed the renovations will be complete as of October 31, 2023. The interior finishes will be in good condition as of the effective date of this report. In terms of functional utility, the subject improvements are consistent with the

design and theme of similar mixed-use properties and remain quite functional for their intended purpose. No items of external obsolescence were noted.

Conclusion

The subject improvements are currently vacant. The office is in good condition and the planned dwelling renovation and construction of the storage building results in a desirable commercial property. The buildings are average in terms of quality of construction and are assumed to be in overall good condition as of the effective date of this report. No detrimental conditions are assumed with respect to the subject improvements upon completion of the planned phase 1 improvements. No items of functional or external obsolescence were noted.

HIGHEST AND BEST USE

Definition

Highest and best use is defined as follows:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."

The definition above applies specifically to the highest and best use of the land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use of the land as if vacant may very well be different than the existing use. The existing use will continue, however, unless and until the land value at its highest and best use exceeds the total value of the property in its existing use, plus demolition costs.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals, in addition to wealth maximization of individual property owners.

Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premises upon which value is based. In the context of the most probable selling price (market value) another appropriate term to reflect highest and best use would be the most probable use. In the context of investment value, an alternative term would be most profitable use.

Highest and best use is the most important and fundamental step in the valuation process. The conclusions in this section will provide the basis for the valuation section. The highest and best use analysis examines four factors of the site as though vacant, and of the property as improved. These four factors are:

1. Legally permissible uses
2. Physically possible uses
3. Financially feasible uses
4. Maximally productive uses

As each step is considered, the options are reduced for the succeeding step. Finally, a maximally productive use is determined.

Highest and Best Use As Vacant

The first test for highest and best use is legal permissibility, that is, what are the uses that the local zoning will allow. In this instance, the zoning is C-2, Light Commercial, under the jurisdiction of the County of Del Norte. This zoning allows for a variety of commercial and residential uses, as previously discussed.

The site is physically suitable for a wide range of possible developments. Given the size of the site, a small to medium sized structure or structures would be appropriate and could physically fit on the site. The subject and other properties in the immediate area have been supporting improvements for decades and there is no evidence of structural failure due to soil conditions.

In terms of financial feasibility, it should be noted that there have been several commercial, residential, and office properties constructed in the last 20 years in Crescent City, most notably in the East Washington Boulevard area north of town, where a new hospital, medical offices, Walmart, Home Depot, and real estate offices have been developed. Along the major Highway 101 commercial strip, several newer fast food restaurants, CVS, Big Five, and Auto Zone retail buildings have been constructed within the last 10 years, filling in between older commercial structures as well as additional residential dwellings around the Crescent City area. These factors indicate such development would be financially feasible.

Maximal profitability means that the use results in the greatest value. No uses other than small to medium scale commercial and residential uses have been identified. Therefore, I am of the opinion that commercial uses are the highest and best use as vacant.

Highest and Best Use As Improved

The tests for highest and best use of the subject “as improved” are the same as for the subject “as vacant.” However, in this case the improvements as they presently exist are taken into consideration. The subject is improved with an office, a residential dwelling, and a small storage facility building. No uses other than the continued use of the subject have been identified above as meeting all of the highest and best use criteria. In my opinion, continued mixed-use commercial and residential use is the highest and best use of the subject property as improved. This use is also the historical use of the subject property.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based upon the assumption that a prudent buyer would not pay more for a property than it would cost to acquire a comparable substitute property. Since no two properties are ever identical, the necessary adjustments for differences in amenities, physical characteristics, location, size, and market appeal are a function of appraisal experience and judgment. The problem with this approach is that the motives of various purchasers and sellers vary, depending upon their need for cash, their tax position, their personal likes and dislikes, available financing, and a host of other factors which must be taken into consideration.

I used a Sales Comparison Approach to form an opinion of market value for the subject. In order to make an estimate of the market value under this approach, it is imperative to use a unit(s) of comparison that is commonly accepted by buyers and sellers who are engaged in trading this particular type of real estate. In this case, the most appropriate unit of comparison is the sale price per square foot.

In order to compensate for differences between the subject and comparable sales, I considered percentage adjustments for the following attributes:

- property rights conveyed
- financing terms (cash equivalency)
- conditions of sale (arm's length transaction or other special considerations)
- market conditions (changes in value due to elapsed time)
- location
- physical characteristics (such as size, view or other amenities, terrain, soils conditions, or access)

Adjustments are always made to the comparable, not the subject. If the comparable is inferior to the subject in some way, its value is adjusted upward. If the comparable is superior to the subject in some way, its value is adjusted downward.

In forming an opinion of value for the subject property under the Sales Comparison Approach, I sought information on recent sales of similar properties to reflect the office, residential, and self-storage components the subject features. Three recent sales of commercial properties were found which provide reasonable indications of value for the subject. All of the sales are located in the Crescent City market like the subject.

Some of the sales are inferior or superior to the subject in terms of access/exposure, size, and parking. Each of the comparable sales is adjusted for one or more of these items. The best available sales were used.

No adjustments are made for market conditions because the sales relied upon are relatively recent sales, and also because no significant changes in sale prices of mixed-use commercial type properties have been discernible within the last year in the Crescent City area.

All of the sales described were cash to the seller, or were the cash equivalent if seller financing was involved. Data sheets for the sales are presented in the Addendum. The results of this study are summarized in the table as shown on page 25, and discussed briefly below.

Comparable Sale No. 1: is the October 2022 sale of a commercial property located at 349 G Street in Crescent City about 1.8 air miles south of the subject. This property consists of a 1,300 sf commercial office building. It is in average condition and of average quality and features about 5 on-site paved parking spaces. This sale reflects the office component value of the subject. It sold for \$125,000 or about \$96.15 per square foot of gross building area. It is similar to the subject in terms of location, age/condition, access/exposure, size, building to site ratio, and use potential. It is superior to the subject in terms of utilities featuring public water, warranting a downward adjustment for this item. After adjusting for the superior utilities, this sale suggests a value for the subject property of \$86.54 per square foot of gross building area.

Comparable Sale No. 2: is the September 2022 sale of a commercial property located at 1607 5th in Crescent City about 1.7 air miles south of the subject. This property consists of a 2,992 sf mixed-use commercial office and residential building. It is in average condition and of average quality and features about 21 on-site paved parking spaces. This sale reflects the office and residential component values of the subject. It sold for \$395,000 or about \$132.02 per square foot of gross building area. It is similar to the subject in terms of location, age/condition, size, building to site ratio, and use potential. It is inferior to the subject in terms of exposure lacking major roadway frontage like the subject, warranting an upward adjustment for this item. It is superior to the subject in terms of utilities featuring public water, warranting a downward adjustment for this item. It is superior to the subject in terms of parking featuring 21 paved on-site spaces, warranting a downward adjustment for this item. After adjusting for the inferior exposure, the superior utilities, and the superior parking, this sale suggests a value for the subject property of \$118.82 per square foot of gross building area.

Comparable Sale No. 3: is the June 2022 sale of a commercial property located at 320 Arnett Street in Crescent City adjacent to the southwest corner of the subject. This property consists of a 10,650 sf commercial storage facility. It is in average condition and of average quality and features about 3 on-site paved parking spaces plus sufficient room for loading and unloading of storage items. This sale reflects the self-storage component value of the subject. It sold for \$1,150,000 or about \$107.98 per square foot of gross building area. It is similar to the subject in terms of location, age/condition, building to site ratio, utilities, and use potential. It is inferior to the subject in terms of exposure lacking major roadway frontage like the subject, warranting an upward adjustment for this item. It is larger than the subject, warranting an upward adjustment for this item. After adjusting for the inferior exposure and the larger size, this sale suggests a value for the subject property of \$129.58 per square foot of gross building area.

Reconciliation and Value Conclusion

In terms of providing indicators of the value of the subject property, Sales 1-3 are pertinent sales. The closed sales provide a range of adjusted unit prices from \$86.54 to \$129.58 per square foot of gross building area. The average adjusted sale price for closed sales 1-3 is \$111.64 per square foot of gross building area. The sales are summarized in the following table.

1718 NORTHCREST DRIVE, CRESCENT CITY, CA				
	SUBJECT	SALE 1	SALE 2	SALE 3
Bldg. Size - SF	5,608	1,300	2,992	10,650
Price/SF	N/A	\$96.15	\$132.02	\$107.98
Adj. Price/SF	N/A	\$86.54	\$118.82	\$129.58

Sale 1 is the most recent sale and required the fewest adjustments, but it is features superior utilities suggesting that the subject should be valued for less than \$96.15 per sf of gross building area. Sale 2 is the most similar in size to the subject and a mixed-use property like the subject, but features superior parking suggesting that the subject should be valued for less than \$132.02 per sf of gross building area. Sale 3 is the closest proximal sale, but it is inferior in terms of exposure and larger in size suggesting that the subject should be valued for more than \$107.98 per sf of gross building area.

None of Sales 1-3 is considered to provide a better indication of the subject's value than the other sales, but each sale does provide a reasonable indication of the value of the subject. After considering the above factors, and with about equal weight given to each of Sales 1-3, a mid-range figure of \$110 per square foot is selected for the subject per square foot value. The calculation for the subject value is shown below:

$$5,608 \text{ SF} @ \$110 \text{ per SF} = \$616,880$$

Opinion of Value via the Sales Comparison Approach (Rounded): \$615,000

(Subject to Hypothetical Condition)

COMPARABLE SALES ANALYSIS				
MIXED USE COMMERCIAL PROPERTY				
1718 NORTHCREST DRIVE, CRESCENT CITY, CA				
	<u>SUBJECT</u>	<u>SALE 1</u>	<u>SALE 2</u>	<u>SALE 3</u>
	116-172-045	118-130-027	118-100-024	116-160-007
	1718 Northcrest Dr.	349 G ST.	1607 5th St	320 Armet St.
Address	<u>Crescent City</u>	<u>Crescent City</u>	<u>Crescent City</u>	<u>Crescent City</u>
Sale Price	N/A	\$125,000	\$395,000	\$1,150,000
Type of Property	Mixed Use Commercial	Office	Office & Residence	Self Storage
Adjustments to Sales Price:				
Property Rights	Fee Simple	\$0	\$0	\$0
Conditions of Sale	Market	\$0	\$0	\$0
Financing	Typical	\$0	\$0	\$0
Expenditures After Sale	None	\$0	\$0	\$0
Adjusted Sales Price	N/A	\$125,000	\$395,000	\$1,150,000
Bldg. Size - SF	5,608	1,300	2,992	10,650
Site Size - SF	30,450	4,920	37,026	21,560
Sales Price/SF	N/A	\$96.15	\$132.02	\$107.98
OAR	N/A	6.58%	7.44%	6.14%
Date of Sale	N/A	Oct-22	Sep-22	Jun-22
Adjustment		0%	0%	0%
Location	Average	Equal	Equal	Equal
Adjustment		0%	0%	0%
Quality	Average	Equal	Equal	Equal
Adjustment		0%	0%	0%
Age/Condition	37/Average	Equal	Equal	Equal
Adjustment		0%	0%	0%
Access/Exposure	Good/Avg	Equal	Inferior	Inferior
Adjustment		0%	10%	10%
Building Size (SF)	5,608	1,300	2,992	10,650
Adjustment		0%	0%	10%
Building/Site Ratio	18%	26%	8%	49%
Adjustment		0%	0%	0%
Utilities	Private Water	Public Water	Public Water	Private Water
Adjustment		-10%	-10%	0%
Parking	5 Paved Parking	5 Paved Parking	21 Paved Spaces	3 Paved Spaces
Adjustment		0%	-10%	0%
Total Net Adjustments		-10%	-10%	20%
Adjusted \$/SF	N/A	\$86.54	\$118.82	\$129.58

INCOME APPROACH

There are two basic approaches to capitalizing income into value. The first is direct capitalization, which converts a single year's income expectancy (or an annual average of several years' income expectancies) into an indication of value in one direct step, either by dividing the income estimate by the appropriate income rate, or by multiplying the income estimate by an appropriate factor. Direct capitalization does not explicitly differentiate between the return on and the return of capital, because investor assumptions are not specified. However, it is implied that the selected rate will satisfy a typical investor and that the prospects for future monetary benefits, over and above the amount originally invested, are sufficiently attractive. The direct capitalization method is appropriate when there are a sufficient number of highly comparable properties from which to derive the proper capitalization rate. This rate can also be calculated through various residual techniques, or by converting certain lending ratios and standards into a capitalization rate. This rate is then applied to the income generated by the subject property to obtain an estimate of value.

The second method is the discounted cash flow technique, which provides a means of isolating differences in the timing and size of periodic cash flows to a real estate investor and reducing this income plus any future reversion benefit to a present value. This method is profit or yield oriented, simulating typical investor assumptions with formulas that calculate the present value of expected benefits assuming specified profit or yield requirements. This method is appropriate when the key assumptions and investment criteria of the typical investor for a property such as the subject are known or can be reasonably derived. Such a projection is also appropriate when there is no actual operating data to rely on, since it provides an analysis of the probable cash flows over time. In addition, this technique is effective when there are no direct capitalization rates to be derived from sales of comparable properties.

For this assignment, it is felt that the direct capitalization method is more reliable due to the accessibility of the appropriate data, and since it more closely simulates buyers' assumptions in this market.

Several intermediate steps are involved in the direct capitalization method. First, the potential gross annual income at market rent is estimated, which is the amount of rental income the property would reasonably be expected to command in the open market if it were offered for rent as of the date of valuation. Estimated rent is then compared to actual rent (if any), and a conclusion is made as to the significance of any difference.

The next step involves the estimation of vacancy and other expenses to be deducted from potential gross income to arrive at net operating income (NOI). The final step involves the capitalization of net income into a value indication utilizing an appropriate capitalization rate.

Market Rental Value Estimate

Current Actual Rent

The subject is currently vacant and therefore generating \$0 rental income. The office has been renovated and is considered to be in good condition. The 2/1 residential dwelling will reportedly be renovated, and the phase 1 storage facility built by the effective date of this report which is October 31, 2023. In order to estimate a value for the subject based its income potential, a survey for office, residential, and self-storage units in the local Crescent City market has been conducted. The subject will be appraised using market rental rates established from the rental survey below.

Market Rental Value Estimate

The subject property consists of a total of three structures as previously discussed. A rental survey has been conducted to obtain market data pertaining to current actual and asking rents for competitive rentals from Crescent City that provide an indication of the range of market rents for similar properties. The results of this survey are shown in the Table on page 30 below.

Comparable Rental No. 1: is the 1,000 sf office rental at 385 M Street in Crescent City, about 1.5 miles south of the subject. The unit is similar to the subject office space in most respects, and it rents for \$1,200 or about \$1.20 per sf per month. It is superior to the subject featuring a private bath and is adjusted downward accordingly. After adjusting for the private bath, this rental suggests a market rent for subject office rental of \$1,140 per month.

Comparable Rental No. 2: is the 1,600 sf office rental at 377 M Street in Crescent City, about 1.4 miles south of the subject. The unit is similar to the subject office space in most respects, and it rents for \$1,800 or about \$1.13 per sf per month. It is superior to the subject featuring a private bath and is adjusted downward accordingly. After adjusting for the private bath, this rental suggests a market rent for subject office rental of \$1,710 per month.

Comparable Rental No. 3: is the 5 X 10 self-storage unit at 1565 Rail Road Avenue in Crescent City, about a mile southeast of the subject. The unit is similar to the subject 50 sf self-storage spaces in most respects, and it rents for \$60 per month. With no adjustments made, this rental suggests a market rent for subject 5 X 10 storage units of \$60 per month.

Comparable Rental No. 4: is the 5 X 10 self-storage unit at 1600 Breen Street in Crescent City, about 1 mile south of the subject. The unit is similar to the subject 50 sf self-storage spaces in most respects, and it rents for \$70 per month. With no adjustments made, this rental suggests a market rent for subject 5 X 10 storage units of \$70 per month.

Comparable Rental No. 5: is the 10 X 20 self-storage unit at 1565 Rail Road Avenue in Crescent City, about 1 mile southeast of the subject. The unit is similar to the subject 200 sf self-storage spaces in most respects, and it rents for \$195 per month. With no adjustments made, this rental suggests a market rent for subject 10 X 20 storage units of \$195 per month.

Comparable Rental No. 6: is the 10 X 20 self-storage unit at 320 Arnett St. in Crescent City, about adjacent to the southwest corner of the subject. The unit is similar to the subject 200 sf self-storage spaces in most respects, and it rents for \$205 per month. With no adjustments made, this rental suggests a market rent for subject 10 X 20 storage units of \$205 per month.

Comparable Rental No. 7: is the month to month 2/1 rental at 585 El Dorado Street in Crescent City, about 1.6 miles southwest of the subject. The unit is similar to the subject 2/1 residential unit in most respects, and it rents for \$1,100 per month. It features public water which the subject lacks and is adjusted downward accordingly. After adjusting for the superior utilities, this rental suggests a market rent for subject 2/1 rental of \$1,045 per month.

Comparable Rental No. 8: is the month to month 2/1 rental at 575 Glenn Street in Crescent City, about 1.5 miles southwest of the subject. The unit is similar to the subject 2/1 residential unit in most respects, and it rents for \$1,275 per month. It features public water which the subject lacks and a two stall garage compared to the subject's single stall garage and is adjusted downward for each of these items. After adjusting for the superior utilities and the two stall garage, this rental suggests a market rent for subject 2/1 rental of \$1,148 per month.

Comparable rentals 1-2 indicate a market range of adjusted rent of \$1,140 to \$1,710 per month for subject 1,064 sf office space. Since the subject office space has only one common restroom, a rate toward the lower end of the range is appropriate for the subject. Therefore, an applicable market rental rate of \$1,300 per month is selected for the subject office space and will be applied in the projected market income estimate.

Comparable rentals 3-4 indicate a market range of adjusted rent of \$60 to \$70 per month for subject 5 X 10 self-storage spaces. Since the subject self-storage spaces will be new construction with fenced and gated security similar to the comparable rentals, a mid-range rate is appropriate for the subject. Therefore, an applicable market rental rate of \$65 per month is selected for the subject 5 X 10 self-storage spaces and will be applied in the projected market income estimate.

Comparable rentals 5-6 indicate a market range of adjusted rent of \$195 to \$205 per month for subject 10 X 20 self-storage spaces. Since the subject self-storage spaces will be new construction with fenced and gated security similar to the comparable rentals, a mid-range rate is appropriate for the subject. Therefore, an applicable market rental rate of \$200 per month is selected for the subject 10 X 20 self-storage spaces and will be applied in the projected market income estimate.

Comparable rentals 7-8 indicate a market range of adjusted rent of \$1,045 to \$1,148 per month for subject 2/1 residential dwelling. Since the subject is assumed to be renovated similar to the comparable rentals, a mid-range rate is appropriate for the subject 2/1 dwelling. Therefore, an applicable market rental rate of \$1,100 per month is selected for the subject 2/1 dwelling and will be applied in the projected market income estimate.

The Table below summarizes the potential gross annual income for the subject property.

PROJECTED INCOME AT MARKET RENTS			
MIXED USE COMMERCIAL PROPERTY			
1718 NORTHCREST DRIVE, CRESCENT CITY, CA			
Building	Tenant	# and Rate Per Unit	Market Rent
Office	Vacant	1064 SF	\$1,300
5X10 Storage Units	Proposed	10 at \$65	\$650
10X20 Storage Units	Proposed	13 at \$200	\$2,600
SFR	Vacant	2/1	\$1,100
Month to Month & Leased Rentals			
Projected Monthly Income:			\$5,650
			x12
Projected Gross Annual Income:			\$67,800
Note: square footages are estimates only			

The sum of all the estimated market rents amounts to \$5,650 per month, or **\$67,800** per year projected potential gross income. Potential gross income is estimated based on market rental rates over the twelve months following the date of the appraisal. This method of calculating rental income is most prevalent in the local market and is consistent with the method used to derive overall capitalization rates from the comparable sales data.

COMPARABLE RENTAL ANALYSIS									
1718 NORTHCREST DRIVE, CRESCENT CITY, CA									
MIXED-USE RENTALS									
	Subject	Rental #1	Rental #2	Rental #3	Rental #4	Rental #5	Rental #6	Rental #7	Rental #8
	Residential	Office	Office	Storage 5X10	Storage 5X10	Storage 10X20	Storage 10X20	Residential	Residential
	1718 Northcrest Dr.	385 M St	377 M St	1565 Railroad Ave	1600 Breen St	1565 Railroad Ave	320 Arnett St.	585 El Dorado St	575 Glenn St.
	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City
Rental Spaces	Office, Storage, & SFR SF	1,000	1,600	50	50	200	200	2/1	2/1
Owner Pays:	A,B,C,D,E	A,B,C,D,E	A,B,C,D,E	A,B,C,D,E	A,B,C,D,E	A,B,C,D,E	A,B,C,D,E	A,B,C,D	A,B,C,D
Lease Date	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lease Term	Mo. To Mo.	Mo. To Mo.	Mo. To Mo.	Mo. To Mo.	Mo. To Mo.	Mo. To Mo.	Mo. To Mo.	Mo. To Mo.	Mo. To Mo.
Current Rent	N/A	\$1,200	\$1,800	\$60	\$70	\$195	\$205	\$1,100	\$1,275
Avg. Rent/SF Net	N/A	\$1.20	\$1.13	\$1.20	\$1.40	\$0.98	\$1.03	N/A	N/A
Location	Average	Equal	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Condition	Average	Equal	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Parking	On-Site	Equal	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Quality	Average	Equal	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Other		Private Restroom	Private Restroom	Equal	Equal	Paved	Paved	Public Water	Public Water 2 Stall Gar
Owner Pays:	A-Property Taxes B-Property Insurance	C-Structural Maint. D-Grounds Maint.	E-Water/Sewer F-Utilities	G-Garbage H-Janitorial					
LEASE ADJUSTMENT GRID									
	Subject	Rental #1	Rental #2	Rental #3	Rental #4	Rental #5	Rental #6	Rental #7	Rental #8
	1718 Northcrest Dr.	385 M St	377 M St	1565 Railroad Ave	1600 Breen St	1565 Railroad Ave	320 Arnett St.	585 El Dorado St	575 Glenn St.
	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City	Crescent City
Actual \$/ Mo.		\$1,200	\$1,800	\$60	\$70	\$195	\$205	\$1,100	\$1,275
Owner Pays:	Various	A,B,C,D,E	A,B,C,D,E	A,B,C,D,E	A,B,C,D,E	A,B,C,D,E	A,B,C,D,E	A,B,C,D	A,B,C,D
Adjustment		0%	0%	0%	0%	0%	0%	0%	0%
Location	Average	Equal	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Adjustment		0%	0%	0%	0%	0%	0%	0%	0%
Condition	Average	Equal	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Adjustment		0%	0%	0%	0%	0%	0%	0%	0%
Parking	On-Site	Equal	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Adjustment		0%	0%	0%	0%	0%	0%	0%	0%
Quality	Average	Equal	Equal	Equal	Equal	Equal	Equal	Equal	Equal
Adjustment		0%	0%	0%	0%	0%	0%	0%	0%
Other		Private Restroom	Private Restroom	Equal	Equal	Paved	Paved	Public Water	Public Water 2 Stall Gar
Adjustment		-5%	-5%	0%	0%	0%	0%	-5%	-10%
Total Net Adjustments	N/A	-5%	-5%	0%	0%	0%	0%	-5%	-10%
Adjusted \$/SF	N/A	\$1,140	\$1,710	\$60	\$70	\$195	\$205	\$1,045	\$1,148

Analysis of Expenses

The next step in direct capitalization involves estimation of expenses to be deducted from potential gross income. Expense estimates for the subject are derived both from market and/or file data for other similar properties. It is assumed that the subject office, 2/1 dwelling and storage units will be rented on a month to month basis and the landlord will be responsible for paying the property insurance, real estate taxes, management expense, the electrical service for the storage units, structural repairs, maintenance, water, trash removal, and yard maintenance. The tenants are responsible for paying for their electrical service, private cell phones, internet service, etc. Each item of expense is discussed below.

Vacancy & Collection Losses

Vacancy and collection loss is an allowance deducted from the stabilized gross income estimate due to spaces being vacant, or for collection losses from tenants over time. The analysis of commercial residential rental properties and discussions with participants in the market results in an estimated vacancy rate for the subject at 5% or about \$3,390.

Insurance

The landlord is responsible for maintaining a fire and general liability insurance policy. The subject buildings vary in age, but they are located near to the city limits of Crescent City only about 0.4 miles north of the W Washington Boulevard fire station. No insurance data was provided to the appraiser. Based on file data for similar properties, an estimated insurance expense of \$2,500 is applied to the subject property.

Real Estate Taxes

Real estate taxes in California are limited to 1% of assessed value, plus bonded indebtedness, if any. The assessor can increase the assessed value of a property that has not been sold by a maximum of 2% annually. The assessment can be brought to current market value at such time that a property is sold.

Since the purpose of this appraisal is to estimate market value, and since the definition of market value presumes a sale of the property, the appraisal problem involves estimation of taxes based on a hypothetical sale at the appraised value, which is unknown at this point.

Previously in this report, the market value of the subject property was estimated to be \$615,000 via the Sales Comparison Approach. The tax rate for subject is about 1.15 percent. In the case of the subject, the tax is therefore obtained by applying the property tax rate to the estimate of value of \$615,000, for a projected property tax expense of about \$7,073 per year for the subject property.

Property Management Fees

Management charges for commercial properties in the greater Del Norte and Humboldt Bay area are typically 6% to 10% of effective gross income. Higher fees are usually charged for multi-tenant properties, and when shorter term leases are in place. With respect to the subject, a rate toward the higher of the range at 10% is used to reflect the fact that there will be multiple self-storage tenants most of which are likely to be medium term tenants. Ten percent of the projected effective gross income amounts to about \$6,441. The management fee includes collecting rents, lease up costs, and minor professional services.

Reserves and Misc.

No reserves or contingency fund for miscellaneous costs are presently being set aside for the subject property. Still, this is a cost to the property that should be included for ongoing incidental costs. Many investors pool reserves in an overall property fund rather than set up specific accounts for each property. Therefore, the reserve for replacement and miscellaneous costs is set at 2% of the effective gross income or about \$1,288 for the subject property.

Repairs/Maintenance

The subject building is expected to require ongoing expenses for repairs and maintenance as is typical for rental units. However, the subject rental units will be recently renovated or new construction. No expense information specific to the subject property was provided to the

appraiser. Based on the file data from similar properties, repairs and maintenance expense for the subject property is estimated at \$1,200 per year for repairs and maintenance.

Utilities

The electricity for the storage units, water and sewer service for the entire subject property will be paid by the owner, which is currently the situation for the subject. No expense data specific to the subject property was provided to the appraiser. Based on the file data from similar properties, the utility expenses for the subject property is estimated at \$1,200 per year for electric, and water and sewer.

Trash Removal

The cost of trash removal for the subject property will likely be paid by the owner, which is typical for mixed-use properties like the subject. No expense data specific to the subject property was provided to the appraiser. Based on the file data from similar properties, the trash removal expense for the subject property is estimated at \$1,500 per year for subject property.

Yard Maintenance

The subject property has a paved parking lot for the office, a driveway to the subject garage, and a paved driveway to access the storage units that will require minimal maintenance. However, the lawn and landscaping which includes trees and shrubs will require ongoing maintenance. Based on the file data from similar properties, the yard maintenance expense for the subject property is estimated at \$1,250 per year for subject property.

Summary of Expense Estimates

The total expenses are estimated at about \$22,452 per year, and the operating expense ratio is estimated at about 34.86% of effective gross income which is within the range commonly observed in the local rental market for mixed-use properties like the subject.

Direct Capitalization

The final step in direct capitalization involves capitalization of net operating income into a value indication by the use of an overall capitalization rate ("cap rate", or "OAR") calculated by dividing the sale property's estimated net operating income (NOI) by the sales price.

In estimating the appropriate overall capitalization rate, an investigation was conducted for market data pertaining to recent sales of reasonably comparable properties. These sales are identified in the Sales Comparison Approach, and are summarized for the present purpose as follows:

CAPITALIZATION RATE SUMMARY				
1718 NORTHCREST DRIVE, CRESCENT CITY, CA				
	SUBJECT	SALE 1	SALE 2	SALE 3
Bldg. Size - SF	5,608	1,300	2,992	10,650
Date of Sale	N/A	Oct-22	Sep-22	Jun-22
OAR	N/A	7.57%	7.44%	6.14%

The range indicated by the comparable sales is 6.14% to 7.57%. The average capitalization rate indicated by the three sales is about 7.05%. For selection of the appropriate capitalization rate for the subject, an important item to consider is the fact that the subject buildings are in average to good condition and of average quality. Sale 1 is the most recent sale, but it features superior utilities suggesting a cap rate of more than 7.57 percent. Sale 2 has superior utilities and parking suggesting an OAR of more than 7.44 percent. Sale 3 lacks major roadway frontage which the subject features suggesting a rate of less than 6.14 percent. After considering the conflicting factors discussed above, and with approximately equal weight given to each of Sales 1-3, a mid-range capitalization rate of 7.0% is selected for application to the subject, which takes into account the renovated condition and new construction of the subject improvements as well as the major roadway frontage of the subject.

This rate is then applied to the first year of stabilized net operating income as estimated for the subject. Net operating income is shown in the Income Approach Summary for the subject property on the following page.

<u>INCOME APPROACH SUMMARY</u>			
<u>MIXED USE COMMERCIAL PROPERTY</u>			
1718 NORTHCREST DRIVE, CRESCENT CITY, CA			
<u>STABILIZED RENTAL INCOME</u>			
	GROSS POTENTIAL INCOME (as previously elaborated)		\$67,800
	LESS: VAC & COLLECTION LOSS @	5%	-\$3,390
	EFFECTIVE GROSS INCOME		\$64,410
<u>OPERATING EXPENSES</u>			
	Property Insurance		\$2,500
	Property Taxes*		\$7,073
	Property Management		\$6,441
	Reserves & Misc.		\$1,288
	Repairs & Maintenance		\$1,200
	Utilities (Electric, water, & sewer)		\$1,200
	Trash Removal		\$1,500
	Yard Maintenance		\$1,250
	TOTAL OPERATING EXPENSES		-\$22,452
	Expenses as Percent of Effective Gross Income =	34.86%	
	NET OPERATING INCOME		\$41,958
<u>CAPITALIZATION</u>			
	@	7.00%	Capitalization Rate
			\$599,400
			Rounded to: \$600,000

Conclusion - Direct Capitalization for Subject Mixed-use Rental Property

Applying the selected capitalization rate of 7.0% to the indicated Net Operating Income of \$41,598 provides an indication of value of the subject of \$599,400.

Rounded to: \$600,000 (Opinion of Value via Income Approach)

COST APPROACH

Development of a Cost Approach to value is a two-step process. The first step is to estimate the present land value of the site as if vacant. The next step is ordinarily to estimate the cost of replacing the existing improvements and adding the depreciated value to the estimated value of the site. At the direction of the client, the second step will value the subject property as if the dwelling were renovated and the proposed self-storage building construction was complete. Also included is the site preparation, paving, and fencing which will then be added to the estimated value of the site to arrive at the as-complete estimate of value.

Site Valuation

Land value is typically estimated by comparing the site with similar parcels of vacant land that have recently sold. The reliability of the findings indicated in this section of the Cost Approach is directly related to the degree of similarity between the property being appraised and the properties with which it is being compared. Adjustments to the sale prices are customarily made for differences involving date of sale, motivational factors, and unusual financing terms, as well as restrictions imposed by zoning, and especially for differences in size, topography, and location.

In order to make an estimate of the market value of the land under this approach, it is imperative to use a unit of comparison that is commonly accepted by those buyers and sellers who are actively engaged in trading this particular type of real estate. In this case, the price per square foot of land area is the appropriate unit of comparison.

In forming an opinion of value for the subject property under the Sales Comparison Approach, we sought information on recent sales of similar properties. The local market has been exceptionally slow with respect to sales of vacant commercial land, with few sales over the last several years. Three closed sales of similar properties were identified. The best comparable sales available were used in this analysis. However, due to the small number of commercial land sales available, it was necessary to use some sales that occurred slightly more than a year ago.

The market has exhibited continued slight escalation in real estate prices and rents, and declining capitalization rates since bottoming out in 2011 but sales are still slow. It has been difficult recently to determine exactly what the rate of increase in values has been, mostly due to the small number of sales for vacant commercial property types.

Sale 5: is the January 2022 sale of a vacant +/- 43,560 sf commercial parcel located at 1699 Northcrest Drive in Crescent City, about 100 feet east of the subject. It sold for \$250,000 or about \$5.74 per sf of raw land. It is similar to the subject in terms of location, size, topography, utilities, exposure, zoning, and use potential. With no adjustments made, this sale suggests a unit value for the subject of 5.74 per square foot of land area.

Sale 6: is the January 2022 sale of a vacant +/- 43,560 sf commercial parcel located at 1695 Northcrest Drive in Crescent City, about 200 feet southeast of the subject. It sold for \$250,000 or about \$5.74 per sf of raw land. It is similar to the subject in terms of location, size,

topography, utilities, exposure, zoning, and use potential. With no adjustments made, this sale suggests a unit value for the subject of 5.74 per square foot of land area.

Sale 7: is the April 2022 sale of a +/- 57,934 sf vacant commercial/industrial parcel located at 3rd and N Streets in Crescent City, about 1.6 air miles south of the subject. It sold for \$137,500 or about \$2.37 per sf of raw land. It is similar to the subject in terms of location, topography, utilities, site improvements zoning, and use potential. It is larger than the subject, warranting an upward adjustment for this item. It is inferior to the subject in terms of exposure lacking major roadway frontage, warranting an upward adjustment for this item. After adjusting for the larger size and the inferior exposure, this sale suggests a unit value for the subject of \$2.85 per square foot of land area.

All three sales provide a reasonable estimation of the subject’s value. All have commercial zoning that allows for commercial uses; thus, they all share development potential with the subject. The sales are summarized in the following table.

SUMMARY LAND SALE ADJUSTMENT GRID					
1718 NORTHCREST DRIVE, CRESCENT CITY, CA					
	SUBJECT	Sale 4	Sale 5	Sale 6	
Site Size (SF)	30,450.0	43,560	43,560	57,934	
Price/SF (raw land)	N/A	\$5.74	\$5.74	\$2.37	
Adj. Price/SF (raw land)	N/A	\$5.74	\$5.74	\$2.85	

Comparable Sales 1-3 indicate a range of values from \$2.85 to \$5.74 per square foot with an average value of \$4.78 per square foot. Sales 1 and 2 are the closest proximal sales being situated across Northcrest Drive from the subject. Sale 3 is the most recent sale however it is larger than the subject and the furthest distance from the subject. Considering the factors discussed above and with more weight given to sales 1 and 2 being located across the street from the subject, a mid-range figure of \$5.00 per square foot is selected to be applied to the subject property.

With the above in mind, I conclude that the indicated land value of the subject parcel site is:

30,450 SF @ \$5 per SF = \$ 152,250

COMMERCIAL LAND SALE ADJUSTMENT GRID					
1718 NORTHCREST DRIVE, CRESCENT CITY, CA					
		SUBJECT	Sale 4	Sale 5	Sale 6
APN		<u>116-172-045</u>	<u>116-160-058</u>	<u>116-160-059</u>	<u>118-090-001 & 002</u>
Address		<u>1718 Northcrest Dr.</u> Crescent City	<u>1699 Northcrest Dr.</u> Crescent City	<u>Northcrest Dr.</u> Crescent City	<u>3rd & N Street</u> Crescent City
Sales Price		N/A	\$250,000	\$250,000	\$137,500
Allocation to Improvements			\$0	\$0	\$0
Allocation to Land			\$250,000	\$250,000	\$137,500
Size (SF)		30,450	43,560	43,560	57,934
Price per SF (raw land)		N/A	\$5.74	\$5.74	\$2.37
Buyer:		N/A	United Indian Health	United Indian Health	Bernardo
Seller:		N/A	Benner	Brattain	Reservation Ranch
Rec. Doc. No		N/A	2022-0205	2022-0206	2022-1727
Verified By:		N/A	JB Mathers Realtor	JB Mathers Realtor	Franco Bernardo Buyer
Adjustments to Sales Price					
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment			\$0	\$0	\$0
Financing		Cash Equiv.	Cash Equiv.	Cash Equiv.	Cash Equiv.
Adjustment			\$0	\$0	\$0
Conditions of Sale		Market	Market	Market	Market
Adjustment			\$0	\$0	\$0
Post Sale Expenditures		N/A	None	None	None
Adjustment			\$0	\$0	\$0
Adjusted Sales Price			\$250,000	\$250,000	\$137,500
Adjusted Price/SF		N/A	\$5.74	\$5.74	\$2.37
Date of Sale		N/A	Jan-22	Jan-22	Apr-22
Adjustment			0%	0%	0%
Location		Average	Equal	Equal	Equal
Adjustment			0%	0%	0%
Size - SF		30,450	43,560	43,560	57,934
Adjustment			0%	0%	10%
Topography/Shape		Level	Equal	Equal	Equal
Adjustment			0%	0%	0%
Utilities		Pvt Well	Equal	Equal	Equal
Adjustment			0%	0%	0%
Access/Exposure		Good / Average	Equal / Equal	Equal / Equal	Equal / Inferior
Adjustment			0%	0%	10%
Zoning		Commercial	Equal	Equal	Equal
Adjustment			0%	0%	0%
Other			Equal	Equal	Equal
Adjustment			0%	0%	0%
Total Adjustments		N/A	0%	0%	20%
Adjusted Price/SF		N/A	\$5.74	\$5.74	\$2.85

Valuation of Existing and Proposed Improvements

As previously discussed, there is an existing office with a paved parking area, a 2/1 residential dwelling in need of renovation, and a proposed 3,000 sf self-storage building. The self-storage building will be located near the northern boundary of the western portion of the subject property and will reportedly include a gated fence and paved access.

In order to estimate the construction cost for the existing office, the renovated dwelling, and the proposed self-storage building I have obtained cost factors from the Marshall and Swift Valuation Manual, published by Marshall and Swift, for average quality, Class D and Class S, one story wood frame office and residential structures and one story metal frame self-storage buildings. The cost estimates are taken from the Calculator Section 12, 14 and 15, these numbers have been further adjusted for perimeter, local, and current cost multipliers.

The Marshall and Swift figures include most soft costs such as architectural and engineering, interest and insurance during construction, and contractor's profit and overhead. They do not include real estate taxes during construction, and marketing costs. These have been estimated, and are shown in the Cost Approach Summary as shown on page 40. Also included there is the developer's profit, which is estimated at 10% of total hard costs.

The contractor's estimate for the proposed phase 1 self-storage building amounted to a total of \$95,150. This figure includes the site preparation, yard improvements including paving, fencing, and the construction of the new self-storage building. The cost of these same items, as estimated using the Marshall & Swift Valuation Manual, is estimated at \$121,140 for the proposed self-storage improvements. The Marshall & Swift estimate is approximately 20% higher than the contractor's estimate. The contractor's estimate is included in the Addendum.

The contractor's estimate for the renovation of the existing 2/1 dwelling amounted to a total of \$72,845. This figure reportedly includes the attached garage as well as the dwelling itself both of which are in need of floor, wall, and ceiling refinishing as well as new doors, windows and plumbing and electrical upgrades to bring the dwelling up to a habitable condition. The cost of a similar sized dwelling, using the Marshall & Swift Valuation Manual, is estimated at \$193,609 for a similar sized dwelling. It should be noted that the Marshall & Swift estimate includes underground work, ground preparation, foundation, and framing, all of which is pre-existing in the subject dwelling. The contractor's \$72,845 estimate appears to be reasonable for the subject dwelling and is included in the Addendum.

Depreciation

The subject property includes an existing office building, a 2/1 dwelling in need of renovation and construction of a 3,000 sf self-storage building. Based on my analysis of the improvements, I have considered the amount and type of loss in value due to the following forms of depreciation and obsolescence.

Physical Depreciation: Physical depreciation is a loss in value attributed to general wear and tear of the improvements due to age, use, and/or inadequate maintenance. In regard to the subject existing office building and 2/1 dwelling as renovated, the physical depreciation is estimated at 10%. With regard to the proposed new self-storage

improvement, there will not be any physical depreciation at the time of completion, and the remaining blended economic life is estimated to be 35 years. Physical depreciation is estimated at 10% of total hard costs for the existing office and 2/1 dwelling buildings and 0% of total hard costs for the proposed new self-storage building.

Functional Obsolescence: Functional obsolescence is loss in value due to deficiencies within or on the subject property that impair optimum utilization of the property. Causes for such losses in value include poor floor plan or design, and/or functional inadequacy or overcapacity in style and/or construction which often occurs as a result of changing market tastes and standards. The subject existing office, dwelling, and proposed new self-storage building are well suited for their existing and proposed uses, and no deduction for this item is warranted.

External Obsolescence External obsolescence is defined as loss in value from influences outside of the property itself over which ownership has no control. Some examples of these influences are population shifts, significant changes in the economy that may reduce the market for a certain property or alter its desirability from an investment standpoint, transitions in the character of land development in the immediate environment of the property, etc. Other forms of external obsolescence may include governmental restrictions and excessive taxes. My analysis indicates that the property is well suited for its proposed use. Thus, no deduction for external obsolescence is warranted.

Summary

The estimated land value of the subject is \$152,250. This value is added to the estimated “as-complete” improvement value to derive a value of the subject property as complete pursuant to the Cost Approach. The resulting values are shown in the table below assuming the subject dwelling will be renovated, and the proposed phase 1 self-storage unit construction will be completed by October 31, 2023, which is the effective date of this report.

COST APPROACH SUMMARY		AS COMPLETE			
1718 NORTHCREST DRIVE, CRESCENT CITY, CA					
HARD COSTS					
		<u>Sect. 15</u>	<u>Sect. 12</u>	<u>Sect. 12</u>	<u>Sect. 14</u>
		<u>Avg. Cost</u>	<u>Avg. Cost</u>	<u>Avg. Cost</u>	<u>Avg. Cost</u>
		<u>Class D</u>	<u>Class D</u>	<u>Class D</u>	<u>Class S</u>
		<u>Office Building</u>	<u>Residence</u>	<u>Attached Garage</u>	<u>Self Storage Building</u>
		<u>Existing</u>	<u>Proposed Renovations</u>	<u>Proposed Renovations</u>	<u>Proposed Construction</u>
Base		\$97.50	\$135.00	\$45.50	\$21.75
Adjustments					
Perimeter		1.21	1.00	1.00	1.27
Story Height		0.90	0.90	0.90	0.89
Current Cost		1.06	0.99	0.99	1.12
Location		1.19	1.19	1.19	1.19
Adjusted Unit Cost		\$133.93	\$143.14	\$48.24	\$32.58
Less: Unit Adjustments					
HVAC		\$0.00	\$0.00	\$0.00	\$0.00
Sprinklers		\$0.00	\$0.00	\$0.00	\$0.00
Elevator		\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Unit Cost		\$133.93	\$143.14	\$48.24	\$32.58
		x	x	x	x
x Square Feet		1,064	1,238	306	3,000
TOTAL BLDG COSTS		\$142,502	\$177,207	\$14,761	\$97,740
Yard Costs					
Paving, Fencing, Concrete, Landscaping (Bulk)		\$2,887	\$0	\$1,640	\$23,400
TOTAL CONSTRUCTION COSTS		\$145,389	\$177,207	\$16,401	\$121,140
					\$460,137
SOFT COSTS					
Marketing Costs		\$0	\$0	\$0	\$500
Real Estate Taxes		\$3,163	\$837	Included with House	\$1,532
	TOTAL SOFT COSTS				\$6,032
TOTAL HARD & SOFT COSTS					
					\$466,169
Plus: Developer's Profit @	10%	\$0	\$6,622	Included with house	\$12,114
					\$18,736
REPLACEMENT COST NEW					
					\$484,905
Less: Accrued Depreciation					
	Physical Deterioration	10%	10%	10%	0%
		\$14,539	\$17,721	\$1,640	\$0
	Functional Obsolescence	0%	0%	0%	0%
	External Obsolescence	0%	0%	0%	0%
					\$0
DEPRECIATED VALUE OF IMPROVEMENTS					
				Total Improvement Value less Depreciated Value:	\$451,006
				Plus: Land Value	\$152,250
INDICATED VALUE - COST APPROACH					
				Total Land and Depreciated Value:	\$603,256
				As-Complete Project Value:	\$603,256

Cost Approach Value: \$603,256

Rounded to: \$605,000 (Opinion of Value via Cost Approach)

(Subject to Hypothetical Condition)

RECONCILIATION AND FINAL VALUE CONCLUSION

The three approaches to value have produced the following results:

Cost Approach	\$	605,000
Sales Comparison Approach	\$	615,000
Income Approach	\$	600,000

The Cost Approach is relevant to the subject because the subject property will have a new self-storage building that will have no depreciation upon completion and also a recently renovated office and 2/1 residential dwelling. There have been only a limited number of commercial land sales in the area in the last several years, but there are still enough to get a good indication of the land value. The cost estimated from Marshall and Swift are current and considered reliable. Thus, the Cost Approach is relevant. Overall, the Cost Approach is applicable to the subject, but it is not given as much weight as the Sales Comparison Approach in the final reconciliation.

The breadth and quality of the sales used in the Sales Comparison Approach is adequate to support an estimate of value. An adequate number of recent relevant sales are available to use as comparable sales. The sales are commercial properties with office, residential, and self-storage uses like the subject, and they represent a cross-section of relevant sales in the Crescent City market that are configured and used similar to the subject property. In the case of the subject, the Sales Comparison Approach is given slightly more weight in arriving at the value conclusion.

Data on capitalization rates is adequate and there are a limited number of sales available. Market rent for the subject office, residential and self-storage units is reasonably well-supported with a sufficient number of comparable rentals found in the immediate area. However, the subject property income is only an estimated amount because the subject property generates no rental income. The expense data is also estimated because very little expense data specific to the subject was provided. Thus, the lack of actual income and expense data weakens the Income Approach. Therefore, due to the income and expense data being estimated rather than actual, the Income Approach is given slightly less weight than the Sales Approach.

In view of the above, and with slightly more weight given to the Sales Comparison Approach but with strong support from both the Income and Cost Approaches, the final value conclusion of the fee simple interest in the subject property, as-complete, as of October 31, 2023, subject to the stated definitions of value, assumptions, limiting conditions, and certifications, is:

SIX HUNDRED TEN THOUSAND DOLLARS

(\$610,000) (As-is, Fee Simple Interest)

(Subject to Hypothetical Condition)

STATEMENT OF LIMITING CONDITIONS AND ASSUMPTIONS

The Certification of the Appraiser appearing in this appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth in the report:

General Assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment noted.
11. The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions, unless otherwise noted. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection

of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.

12. Any and all information concerning the property furnished to the appraiser by or on behalf of the client is assumed to be accurate and correct.
13. Information provided by such informed local sources as governmental agencies, financial institutions, realtors, buyers, sellers, and others, was weighed in the light with which it was supplied and cross-checked by secondary sources whenever possible; however, no responsibility is assumed for possible misinformation.
14. This appraisal report has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his/her own risk.
15. The appraiser assumes no responsibility for determining if the subject property complies with the Americans with Disabilities Act (ADA). The appraiser shall not be liable for any costs, expenses, assessments, penalties or diminution of value resulting from non-compliance. The appraisal assumes that the property meets an acceptable level of compliance with ADA standards. If the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and timing of the costs to correct (if appropriate) were known today, they would be deducted from the concluded value.
16. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
17. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it might not include full discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client, and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
18. The appraiser has relied to some extent upon information provided by the client including neighborhood and land use information.
19. A preliminary title report dated January 12, 2023, was provided by the client to the appraiser. For purposes of this appraisal, the assumption is made that there are no easements, encroachments, or encumbrances which would adversely affect the value or marketability of the subject property. The preliminary title report is included in the Addendum.

20. No soils report has been provided to the appraiser. This appraisal assumes that there are no adverse soil conditions, including contamination, which would significantly affect the value of the subject.

21. No survey of the subject site was provided to the appraiser. It is assumed that the estimated site size is reasonably accurate.

22. This appraisal use a Hypothetical Condition assuming the subject dwelling will be renovated, and self-storage structure will be built. This is contrary to what is known to exist but is assumed to obtain credible valuation results.

General Limiting Conditions:

1. Possession of this report, or a copy thereof, does not carry with it the right of publication. This appraisal report has been prepared for the use of the addressee only. No responsibility is assumed for its possession, use, or reliance upon factual data, or conclusions, contained herein by anyone other than the addressee. The report is intended solely for the purpose stated herein.

2. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

3. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

4. The "Opinion of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

CERTIFICATION

I certify that, to the best of my knowledge and belief with respect to the real property located at:

1718 Northcrest Drive, Crescent City, California, APN 116-172-045

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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.

I have made a personal inspection of the property that is the subject of this report. No one provided significant real property appraisal assistance to the person signing this certification. I have not performed any professional services in connection with the subject property within the last three years.

The analyses, opinions, and conclusions contained in this report have been developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Practice of the Appraisal Institute.

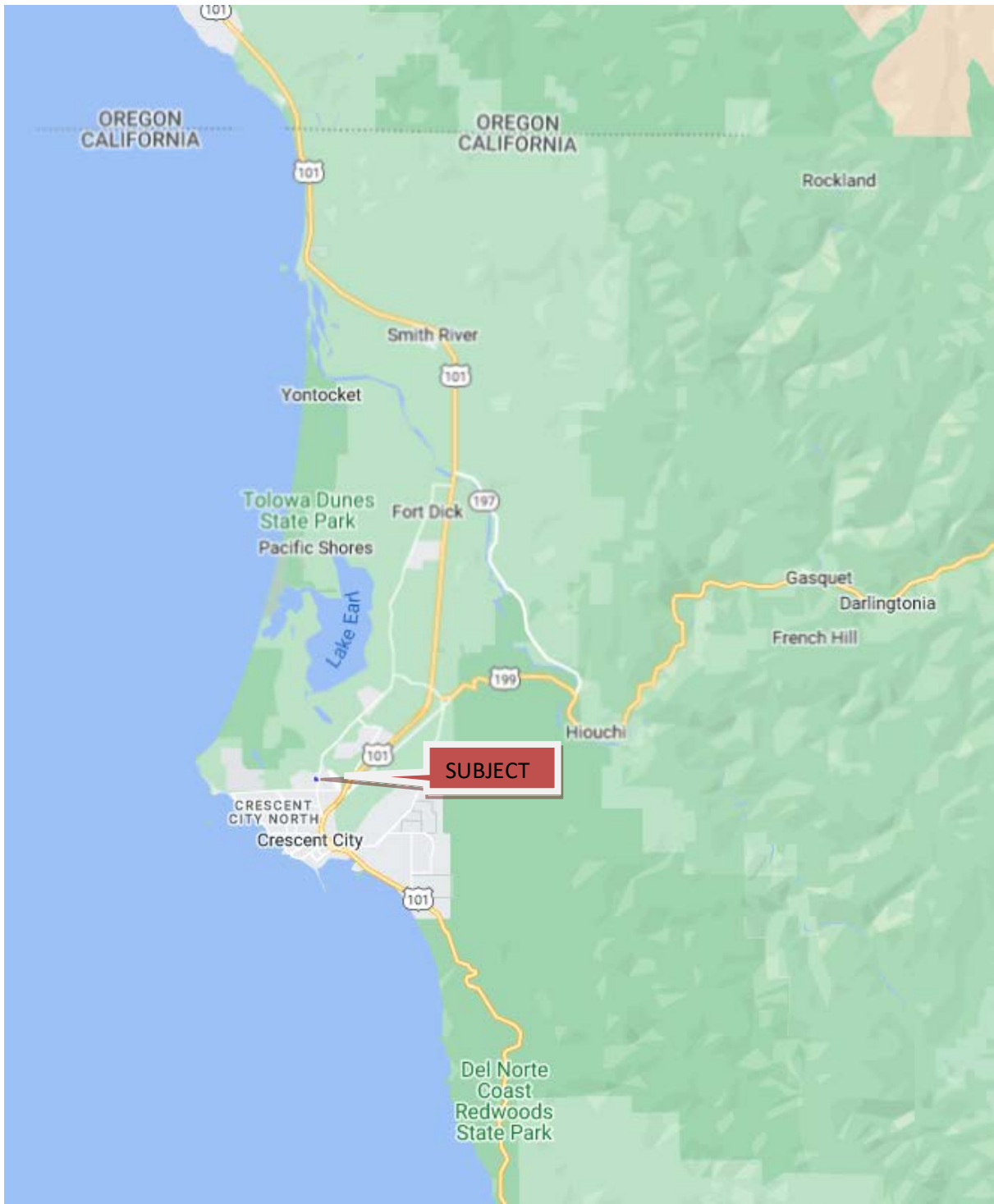
Respectfully submitted,



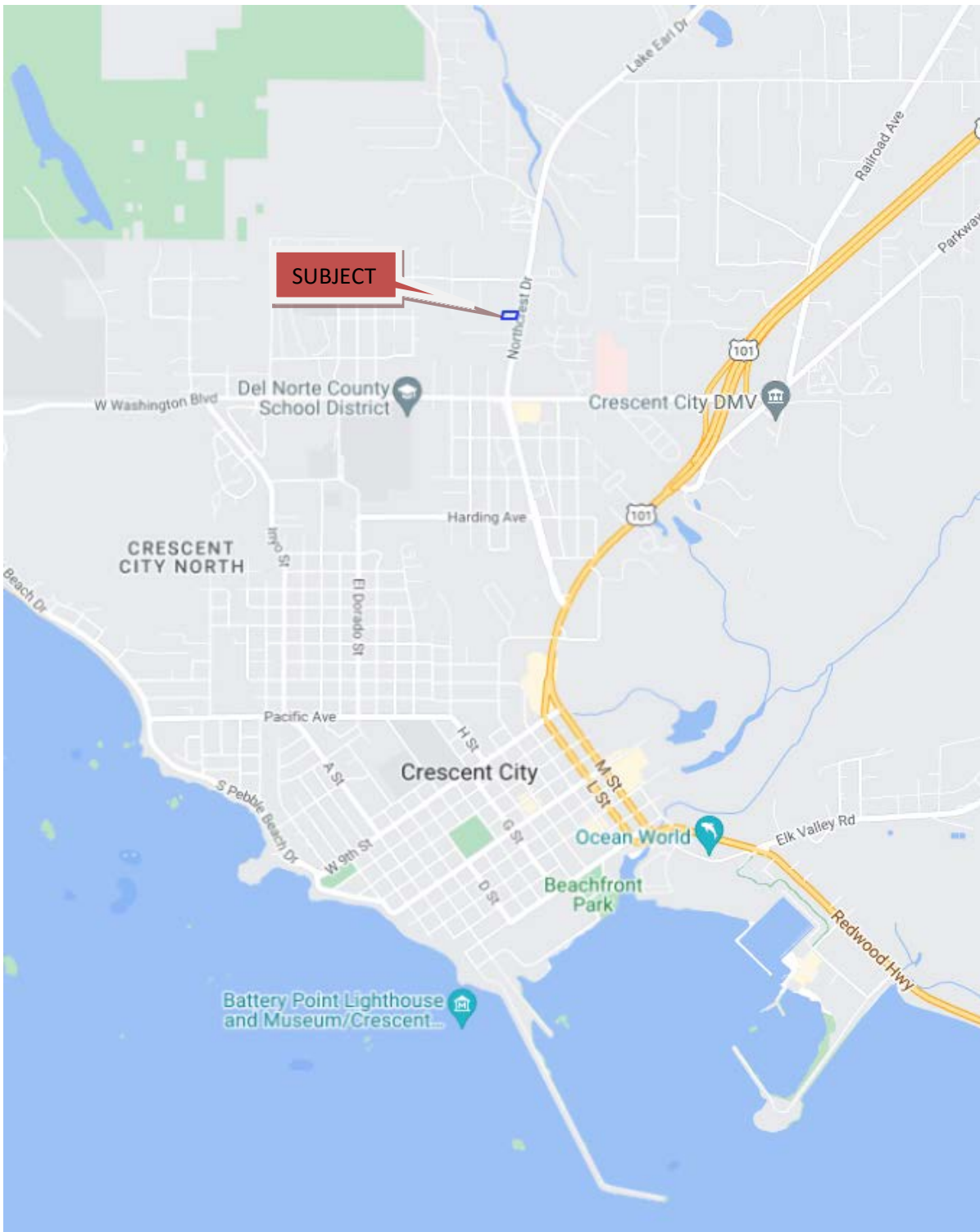
Richard Phillis
CA# AG3000783

ADDENDA

Area Map, Neighborhood Map, Assessor Parcel Map, Aerial Photo, Zoning Map
Preliminary Title Report dated January 12, 2023, Photos of Subject Property
Site Plan, Building Sketches and Square Footage Calculations, Contractor's Estimate
Comparable Sales Location Map & Sale Data Sheets, Qualifications of the Appraiser



AREA MAP



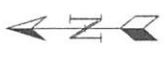
NEIGHBORHOOD MAP

116-17

Tax Area
051-038
051-039

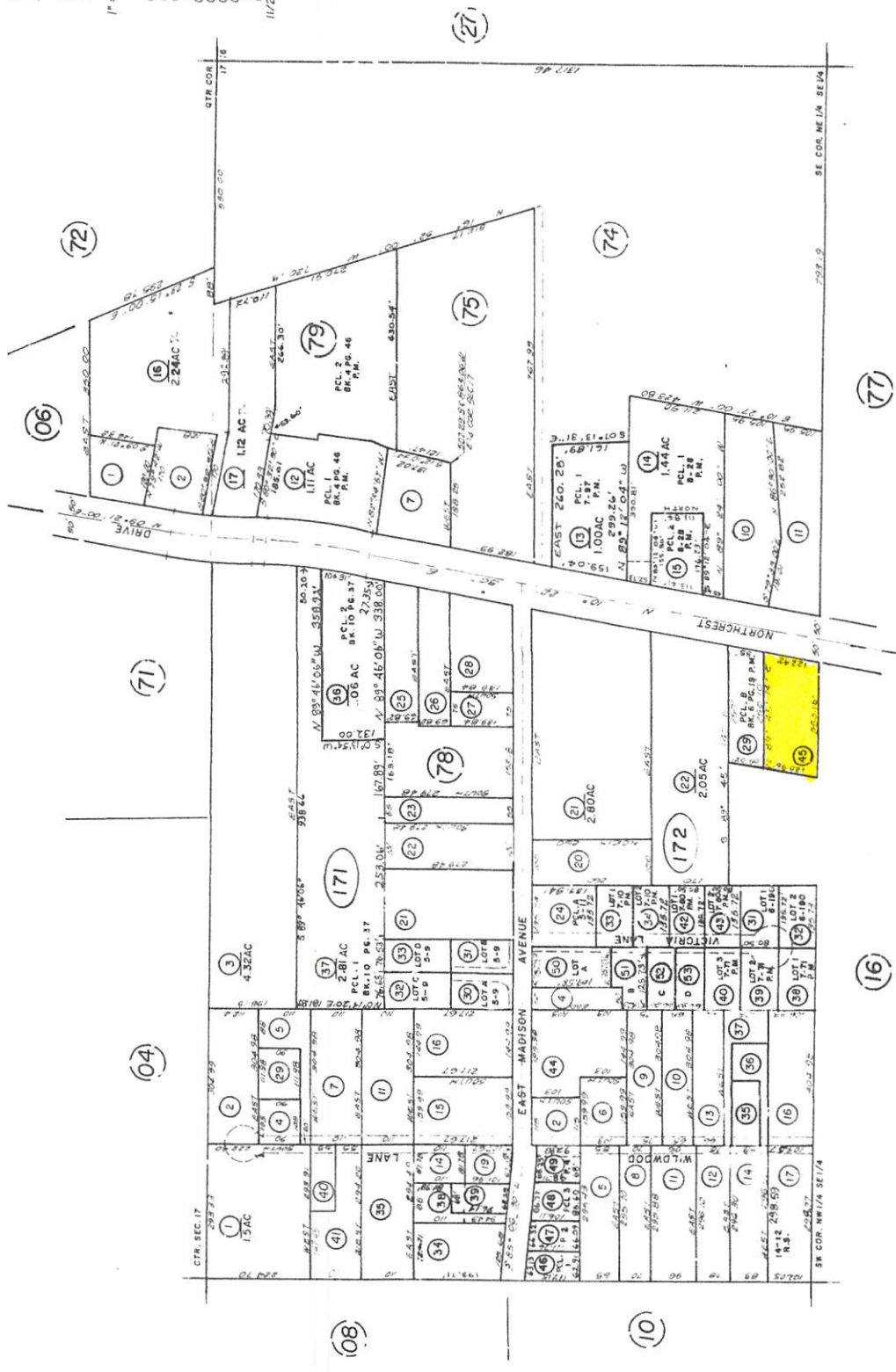
N 1/2 SE 1/4 & POR. NE 1/4 SEC. 17, T 16 N, R 1 W, H.B.&M.

This is not an official map and is intended for assessment purposes only.



1" = 200'

- 0123
- 1245
- 0891
- 1015
- 0157
- 0778
- 0378
- 0478
- 1101
- 0512
- 11/20/2019

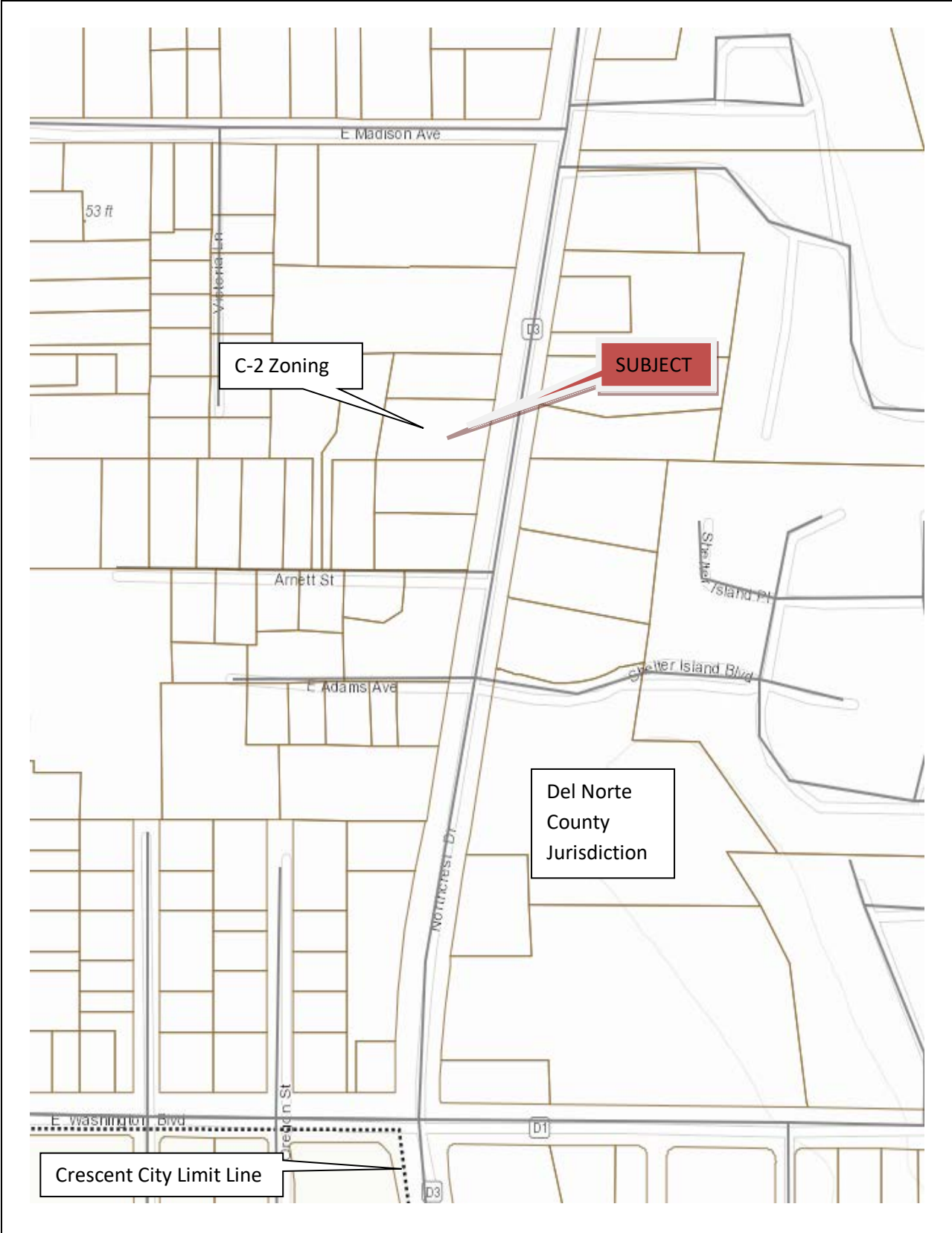


Assessor's Map Bk. 116 - Pg. 17
County of Del Norte, Calif.

NOTE: Assessor's Parcel Numbers Shown in Circles.
Assessor's Block Numbers Shown in Ellipses.



AERIAL PHOTO



DEL NORTE COUNTY ZONING MAP



First American Title™

First American Title Company

1900 Churn Creek Road, Suite 101
Redding, CA 96002

California Department of Insurance License No. 151

Escrow Officer: Louise Vitellaro
Phone: (530)691-5004
Fax No.: (866)887-0452
E-Mail: lvitellaro@firstam.com

E-Mail Loan Documents to: ReddingEdocs.ca@firstam.com

Buyer: KCLC3 Properties LLC
Owner: Dean Lumibao and Laura Lumibao
Property: 1718 Northcrest Drive
Crescent City, CA 95531

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

Please be advised that any provision contained in this document, or in a document that is attached, linked or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of January 12, 2023 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

DEAN LUMIBAO AND LAURA LUMIBAO, HUSBAND AND WIFE AS JOINT TENANTS

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2023-2024, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2022-2023.

First Installment:	\$1,739.91, PAID
Penalty:	\$0.00
Second Installment:	\$1,581.74, OPEN
Penalty:	\$0.00
Tax Rate Area:	051039
A. P. No.:	116-172-045-000

3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. The new lender, **if any**, for this transaction may be a Non-Institutional Lender. If so, the Company will require the Deed of Trust to be signed before a **First American approved notary**.
5. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.
6. Rights of parties in possession.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) COMMERCIAL STRUCTURE known as 1718 NORTHCREST DRIVE, CRESCENT CITY, CALIFORNIA.
2. According to the public records, there has been no conveyance of the land within a period of twenty four months prior to the date of this report, except as follows:

A document recorded SEPTEMBER 09, 2022 as INSTRUMENT NO. 2022-0003851 of Official Records.

From: BARBARA A JESION, AN UNMARRIED WOMAN
To: DEAN LUMIBAO AND LAURA LUMIBAO, HUSBAND AND WIFE AS JOINT
TENANTS

3. We find no outstanding voluntary liens of record affecting subject property. Disclosure should be made concerning the existence of any unrecorded lien or other indebtedness which could give rise to any possible security interest in the subject property.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Del Norte, State of California, described as follows:

THAT REAL PROPERTY LOCATED IN SECTION 17, TOWNSHIP 16 NORTH, RANGE 1 WEST, HUMBOLDT MERIDIAN, DEL NORTE COUNTY CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL "A" AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE DEL NORTE COUNTY RECORDER ON APRIL 27, 1987 IN BOOK 6 OF PARCEL MAPS, PAGE 19.

ALSO THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE NORTHWEST CORNER OF PARCEL "A" AS SHOWN ON THE MAP FILED IN THE OFFICE OF THE DEL NORTE COUNTY RECORDER ON APRIL 27, 1987 IN BOOK 6 OF PARCEL MAPS, PAGE 19 AND RUNNING;

(1) THENCE NORTH 10 DEGREES 26 MINUTES 44 SECONDS EAST, A DISTANCE OF 50.78 FEET TO THE SOUTHWEST CORNER OF PARCEL "B" PER SAID PARCEL MAP;

(2) THENCE SOUTH 89 DEGREES 45 MINUTES 14 SECONDS EAST, ALONG THE SOUTH LINE OF SAID PARCEL "B", A DISTANCE OF 250.10 FEET TO THE SOUTHEAST CORNER THEREOF;

(3) THENCE LEAVING SAID SOUTH LINE, SOUTH 10 DEGREES 22 MINUTES 30 SECONDS WEST, A DISTANCE OF 50.77 FEET TO THE NORTHEAST CORNER OF PARCEL "A" PER SAID PARCEL MAP;

(4) THENCE NORTH 89 DEGREES 45 MINUTES 14 SECONDS WEST, ALONG THE NORTH LINE OF SAID PARCEL "A", A DISTANCE OF 250.16 FEET TO THE POINT OF BEGINNING.

THE ABOVE FOUR (4) COURSES DESCRIBE A PORTION OF PARCEL "C" PER SAID PARCEL MAP.

THE ABOVE DESCRIBED LAND IS A TOTAL PARCEL AFTER A BOUNDARY ADJUSTMENT. REFER TO DEL NORTE COUNTY PLANNING COMMISSION MEETING OF APRIL 4, 2001, APPLICATION NUMBER AB0011.

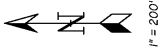
APN: 116-172-045-000

116-17

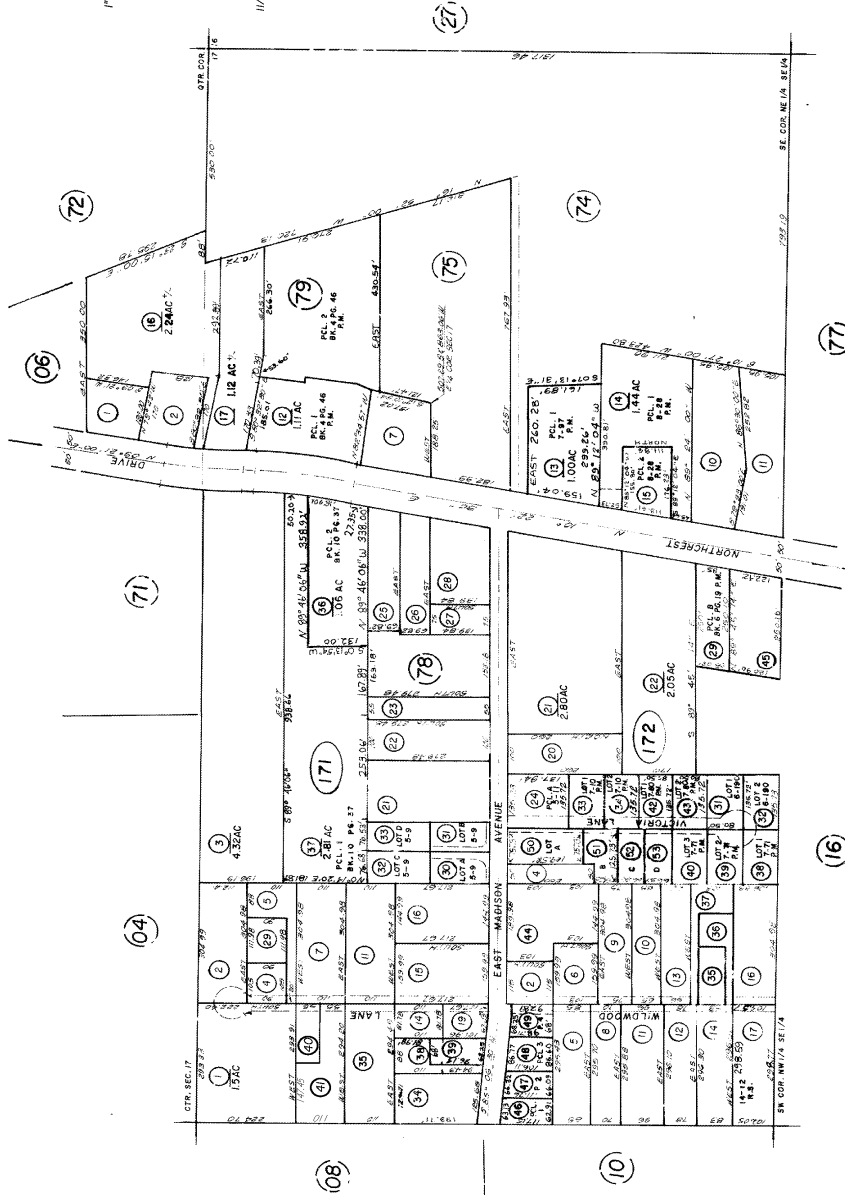
Tax Area
051-038
051-039

N 1/2 SE 1/4 & POR. NE 1/4 SEC. 17, T 16 N, R 1 W, H.B.&M.

This is not an official map and is
intended for assessment purposes only.



- 0133
- 1245
- 0891
- 0627
- 0778
- 0378
- 1101
- 0512
- 11/20/2019



Assessor's Map Bk. 116 - Pg. 17
County of Del Norte, Calif.

NOTE: Assessor's Parcel Numbers Shown in Circles.
Assessor's Block Numbers Shown in Ellipses.

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)
CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE [(07-01-2021) v. 01.00]
EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy and We will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, or regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by You;
 - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
 - c. resulting in no loss or damage to You;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
 - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
4. Lack of a right:
 - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
 - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.
Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 30.
7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
9. Any lien on Your Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a. or 27.
10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$2,500 (whichever is less)	\$10,000
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 19:	1% of Policy Amount Shown on Schedule A or \$5,000 (whichever is less)	\$25,000
Covered Risk 21:	1% of Policy Amount Shown on Schedule A or \$2,500 (whichever is less)	\$5,000

ALTA OWNER'S POLICY [(07-01-2021) V. 01.00]
CLTA STANDARD COVERAGE OWNER'S POLICY [(02-04-22) V. 01.00]
 EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
 5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
 6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
 7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7. The 2021 CLTA Standard Coverage Owner's Policy will include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas,

uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as numbers 1 through 7.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



Street scene looking west along Northcrest Drive. The subject property office is the yellow structure in the center of photo. The proposed storage facility will be situated to the right of the office near the fence line



View of the subject office building. The garage which is attached to the single family dwelling can be seen to the left of the office

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



Looking west at the east (front) side of the subject office structure



View of the east and north sides of the subject office

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



Interior view of the north room of the subject office



Interior view of the subject office south room with carpet roll to soon be installed

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



Interior view of the one subject office building restroom



View of the two subject office electrical service meters

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



North side view of the subject 2/1 dwelling



South side view of one of the subject 2/1 dwelling and attached garage

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



North and west side views of the subject dwelling



Interior view of the subject dwelling living room

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



Interior view of the subject dwelling kitchen and dining area



Interior view of one of the subject dwelling front bedroom

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



Interior view of the subject dwelling back bedroom



Interior view of the subject dwelling bath

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



Interior view of subject dwelling laundry room



Interior view of the subject single stall attached garage

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



View looking north from the southwest corner of the property. The subject western boundary is near the wood fence on the left of photo



View looking west at the approximate location of the proposed 3,000 sf storage facility. The subject northern boundary is near the wood fence line on the right of photo

COMMERCIAL APPRAISAL
1718 NORTHCREST DRIVE, CRESCENT CITY, CA
SUBJECT PHOTOS



View of the subject 2/1 dwelling electrical service meter



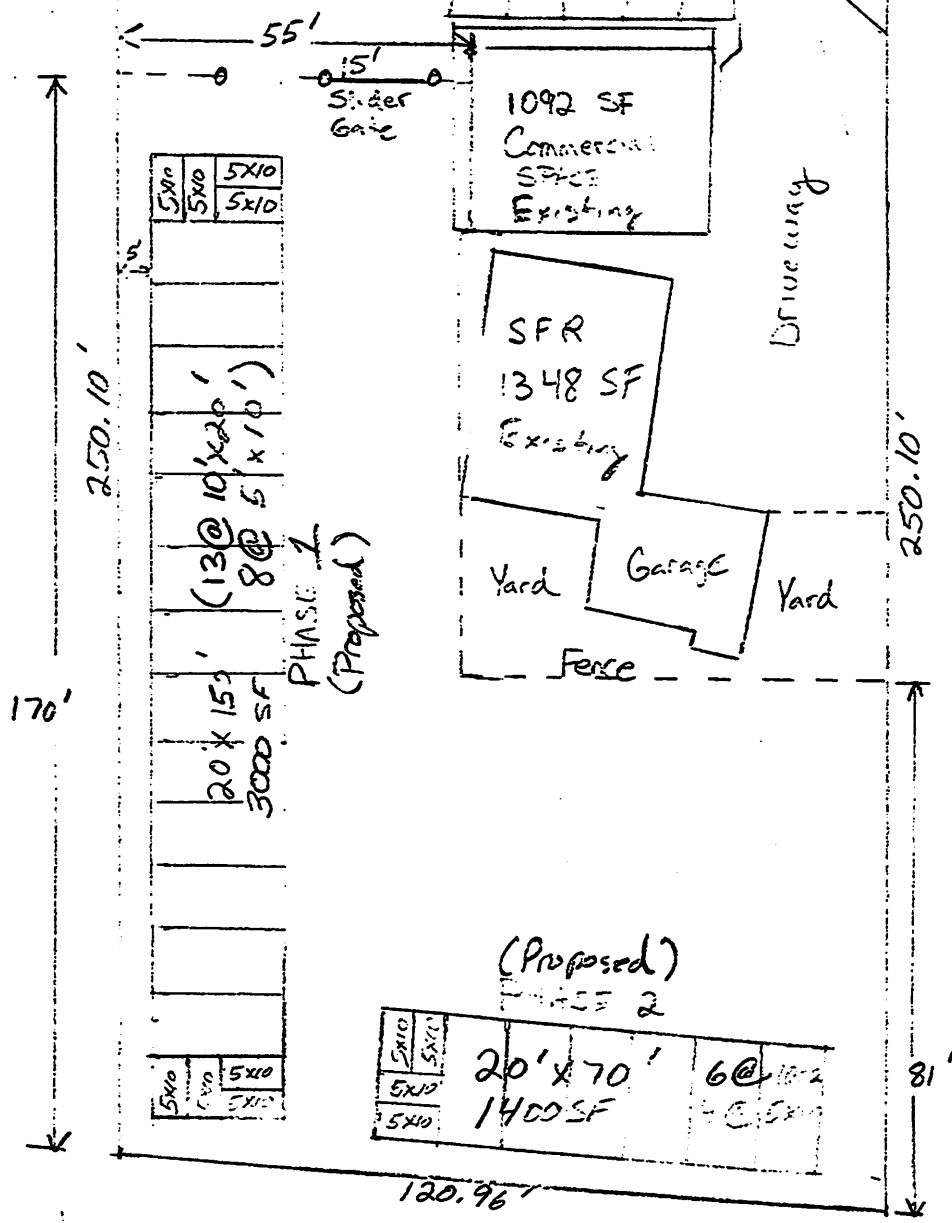
View of the subject sanitary sewer cover near the subject Northcrest Drive frontage

E Northcrest Drive

50' ROW

122.42'

1718 Northcrest Dr
Prescott City, CA 95551
APN- 116-172-045



5x10	5x10	5x10
5x10	5x10	5x10

(13 @ 10' x 20')
(8 @ 5' x 10')

20' x 15'
3000 SF

PHASE 1
(Proposed)

(Proposed)
PHASE 2

5x10	5x10
5x10	5x10
5x10	5x10

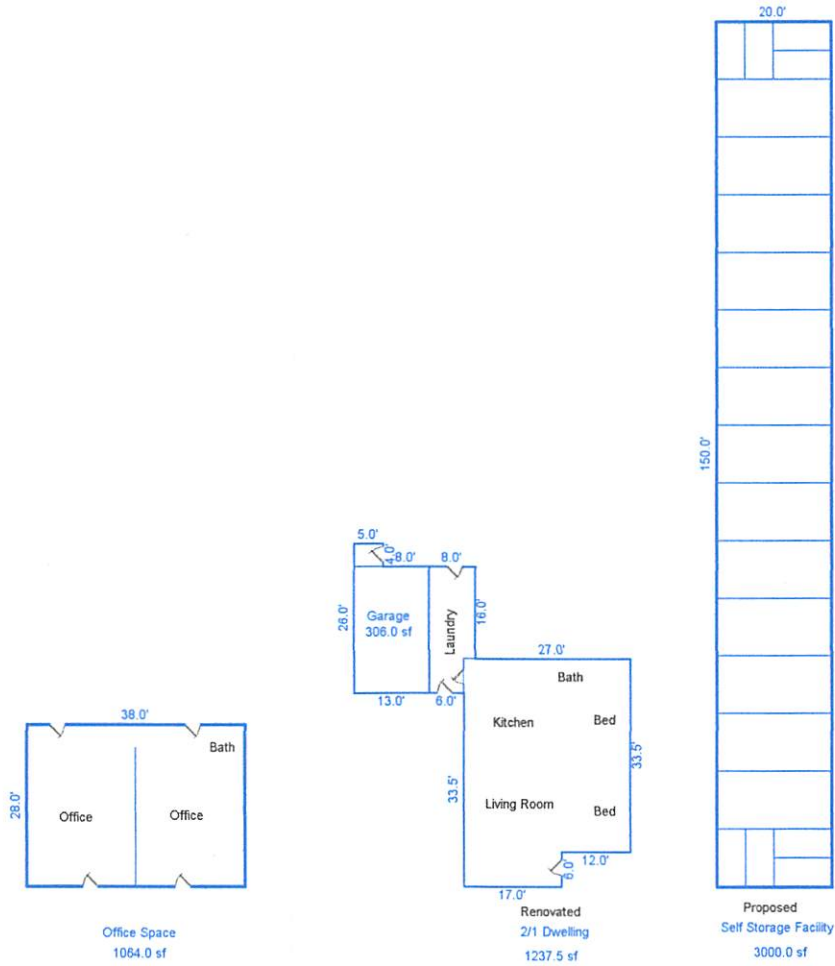
20' x 70'
1400 SF

SKETCH/AREA TABLE ADDENDUM

SUBJECT INFO

File No.: _____ Parcel No.: _____
 Property Address: 1718 Northcrest Drive
 City: Crescent City County: _____ State: CA ZipCode: _____
 Owner: _____
 Client: _____ Client Address: _____
 Appraiser Name: _____ Inspection Date: _____

SKETCH



Sketch by Apex Sketch

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	Office Space	1.0	1064.0	132.0	1064.0
GBA2	Self Storage Facili	1.0	3000.0	340.0	3000.0
GLA1	2/1 Dwelling	1.0	1237.5	181.0	1237.5
GAR	Garage	1.0	306.0	78.0	306.0

COMMENT TABLE 1

COMMENT TABLE 2

COMMENT TABLE 3

Net LIVABLE (rounded) 1,238
 Net BUILDING (rounded) 4,064

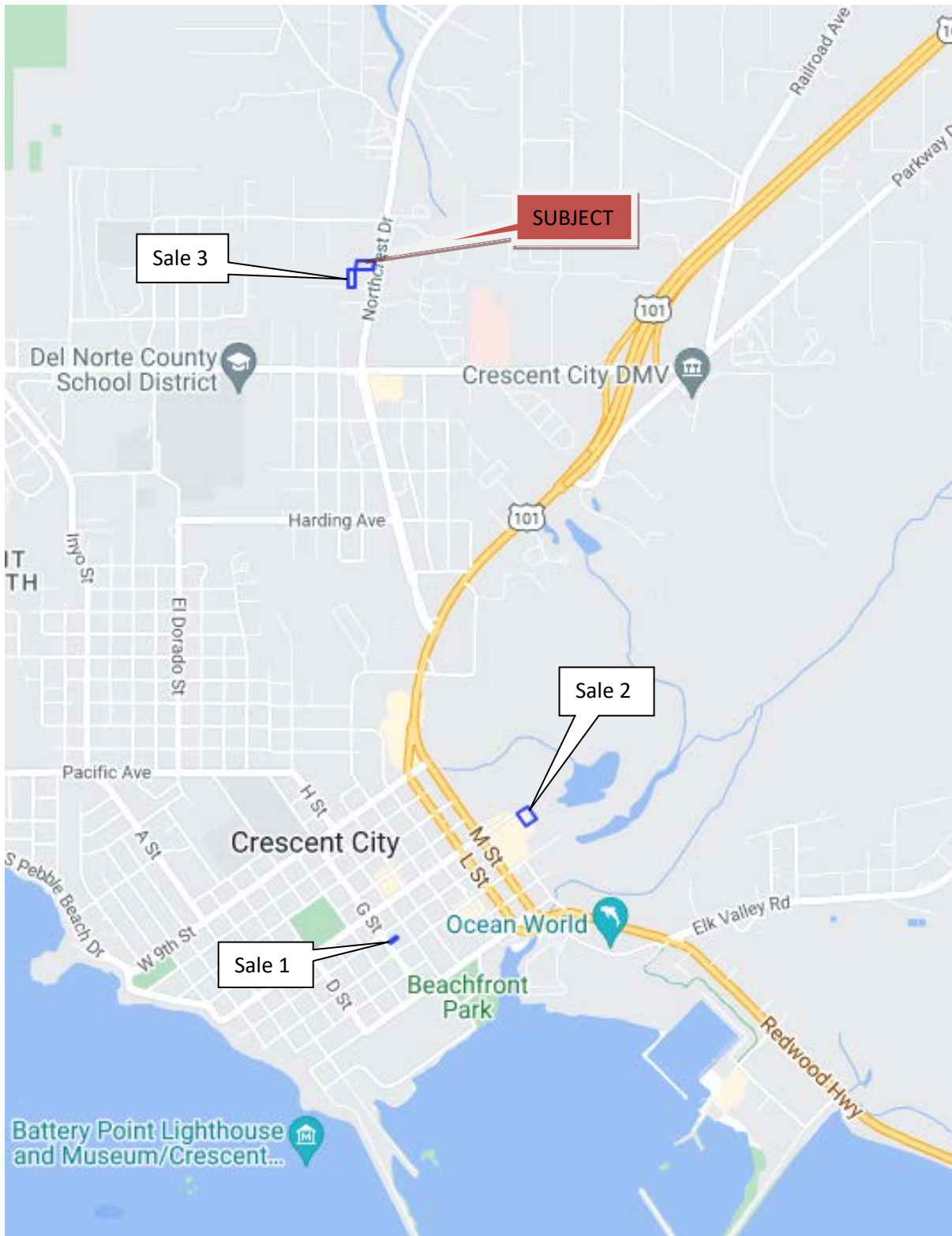
4/24/2023

1718 Northcrest Drive
Crescent City, CA 95531

Procure Property	275,000
Renovate SFR	72,845
Phase 1 Storage 3000SF	95,150
Total Project	370,150
Borrower Injection %30	111,045

Phase 1 Storage Units, 3000 SF

<u>Item</u>	<u>Description</u>	<u>Cost</u>
1	Supply Bulding & Erect @\$19/ SF	\$57,000
2	Concrete Slab 65 CY @ 150	\$9,750
3	Concrete Formwork and Labor	\$5,000
4	Site Work/Improvements	\$14,400
5	Fencing/Gate	<u>\$9,000</u>
	Total	\$95,150



COMPARABLE SALES LOCATION MAP

COMPARABLE SALE NO. 1

LOCATION: 349 G Street, Crescent City, Del Norte County, CA
APN: 118-130-027
PARCEL SIZE: +/- 4,920 SF
BUILDING SIZE: 1,300 sf wood framed structure
ZONING: Commercial
TOPOGRAPHY: Level
IMPROVEMENTS: Wood framed office structure c.1956. It is considered to be of average quality construction and in average condition and features 5 on-site paved parking spaces.

SALE DATE: October 20, 2022
SALE PRICE: \$ 125,000 **PRICE BLDG./SQ. FT.:**\$96.15

FINANCING: Conventional

CONFIRMED: Dave Powell – Realtor
GRANTOR: Dauber
GRANTEE: Navarro
VOL/PAGE: 2022-04579

REMARKS: This is the October 2022 sale of a commercial property consisting of 4,920 SF of land area that is improved with a 1,300 sf wood framed office. It is of average quality and in average condition. It has 5 paved on-site parking spaces. The zoning is commercial, all public utilities are present, with moderate to high traffic counts. Estimated OAR based on realtor data is 7.57% DOM:56



COMPARABLE SALE NO. 2

LOCATION: 1605 5th Street, Crescent City, Del Norte County, CA
APN: 118-100-024
PARCEL SIZE: +/- 37,026 SF
BUILDING SIZE: 2,992 sf wood framed structure
ZONING: Commercial
TOPOGRAPHY: Level
IMPROVEMENTS: Wood framed office and residential structure c.1980. It is considered to be of average quality construction and in average condition and features 21 on-site paved parking spaces.

SALE DATE: September 27, 2022
SALE PRICE: \$ 395,000 **PRICE BLDG./SQ. FT.:**\$132.02

FINANCING: Private 1st Mortgage

CONFIRMED: Jim Nelson – Realtor
GRANTOR: Taylor
GRANTEE: Guinther
VOL/PAGE: 2022-04025

REMARKS: This is the September 2022 sale of a commercial property consisting of 37,026 SF of land area that is improved with a 2,995 sf wood framed office and residential structure. It is of average quality and in average condition. It has 21 paved on-site parking spaces. The zoning is commercial, all public utilities are present, with low traffic counts. Estimated OAR based on realtor data is 7.44% DOM:116



COMPARABLE SALE NO. 3

LOCATION: 320 Arnett Street, Crescent City, Del Norte County, CA
APN: 116-160-007
PARCEL SIZE: +/- 21,560 SF
BUILDING SIZE: 10,650 sf wood framed structure
ZONING: Commercial
TOPOGRAPHY: Level
IMPROVEMENTS: Metal framed self-storage buildings c.2005. It is considered to be of average quality construction and in good condition and features 3 on-site paved parking spaces and paved driveway to access all storage units.

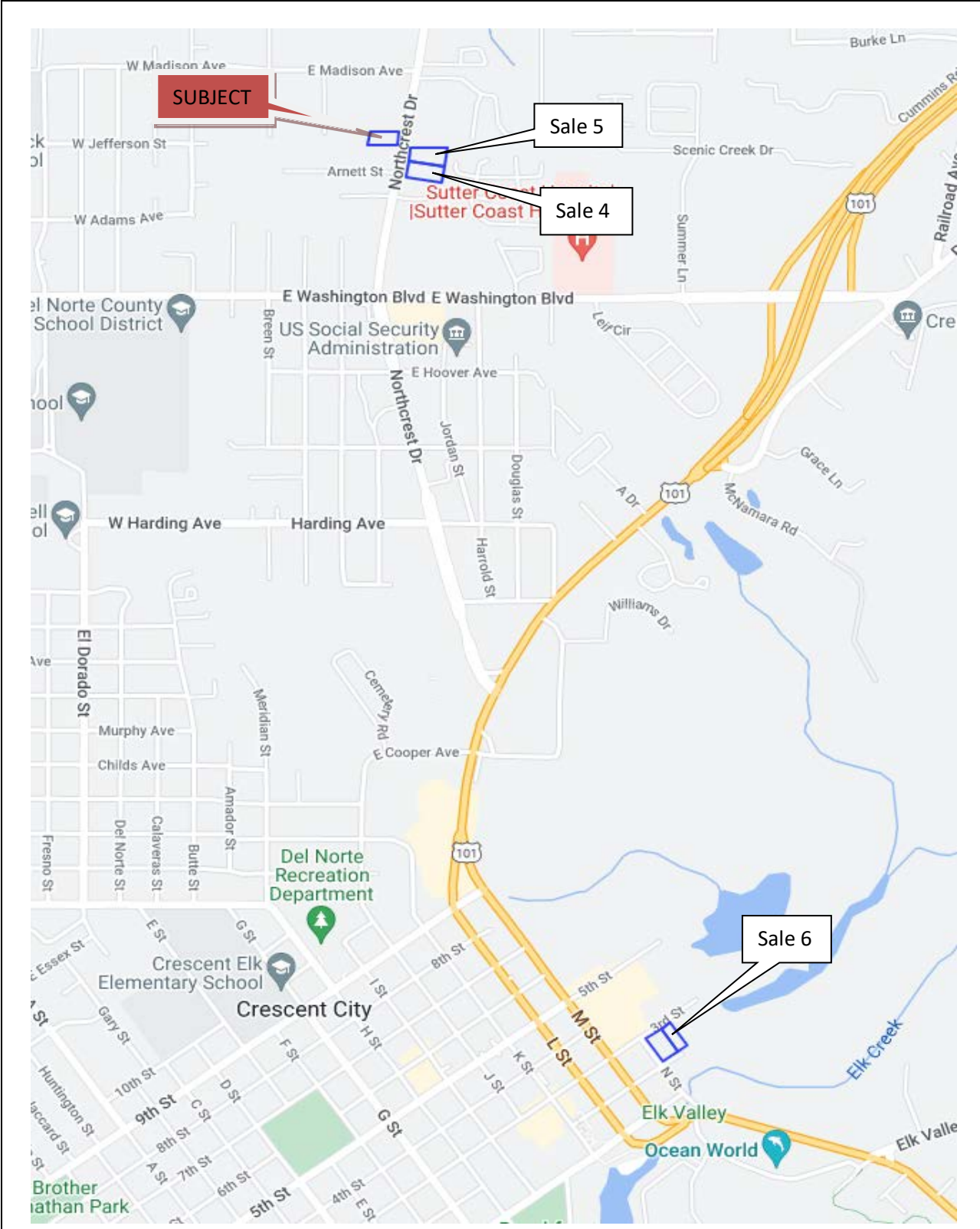
SALE DATE: June 21, 2022
SALE PRICE: \$ 1,150,000 **PRICE BLDG./SQ. FT.:**\$107.98

FINANCING: Private 1st Mortgage for \$ 850,000;
Balance Cash

CONFIRMED: Kevin Hawkins – Realtor
GRANTOR: Harms
GRANTEE: Nelson
VOL/PAGE: 2022-02522

REMARKS: This is the June 2022 sale of a commercial property consisting of 21,560 SF of land area that is improved with a metal framed self-storage facility consisting of 81 storage units. It is of average quality and in average condition. It has 3 paved on-site parking spaces and driveway access to all units. The zoning is commercial, all public utilities are present, with low traffic counts. Estimated OAR based on realtor data is 6.14% DOM:69





COMPARABLE SALES LOCATION MAP

COMPARABLE SALE NO. 4

LOCATION: 1699 Northcrest Drive, Crescent City, Del Norte County, CA
APN: 116-160-058
PARCEL SIZE: +/- 43,560 SF
BUILDING SIZE: Vacant
ZONING: Commercial
TOPOGRAPHY: Level
IMPROVEMENTS: None

SALE DATE: January 14, 2022
SALE PRICE: \$ 250,000 **PRICE /SQ. FT.:**\$5.74

FINANCING: Cash

CONFIRMED: JB Mathers – Realtor
GRANTOR: Benner
GRANTEE: United Indian Health Services
VOL/PAGE: 2022-00205

REMARKS: This is the January 2022 sale of a vacant commercial property consisting of 43,560 SF. The zoning is commercial, all public utilities are available at the street, with moderate to high traffic counts. DOM:1



COMPARABLE SALE NO. 5

LOCATION: Northcrest Drive, Crescent City, Del Norte County, CA
APN: 116-160-059
PARCEL SIZE: +/- 43,560 SF
BUILDING SIZE: Vacant
ZONING: Commercial
TOPOGRAPHY: Level
IMPROVEMENTS: None

SALE DATE: January 14, 2022
SALE PRICE: \$ 250,000 **PRICE /SQ. FT.:**\$5.74

FINANCING: Cash

CONFIRMED: JB Mathers – Realtor

GRANTOR: Brattain

GRANTEE: United Indian Health Services

VOL/PAGE: 2022-00206

REMARKS: This is the January 2022 sale of a vacant commercial property consisting of 43,560 SF. The zoning is commercial, all public utilities are available at the street, with moderate to high traffic counts. DOM:1



COMPARABLE SALE NO. 6

LOCATION: SE Corner of 3rd & N Streets, Crescent City, Del Norte County, CA
APN: 118-090-001 & 002
PARCEL SIZE: +/- 57,934 SF
BUILDING SIZE: Vacant
ZONING: Commercial
TOPOGRAPHY: Level
IMPROVEMENTS: None

SALE DATE: April 20, 2022
SALE PRICE: \$ 137,000 **PRICE /SQ. FT.:**\$2.37

FINANCING: Cash

CONFIRMED: Franco Bernardo – Buyer

GRANTOR: Reservation Ranch

GRANTEE: Bernardo

VOL/PAGE: 2022-01727

REMARKS: This is the April 2022 sale of two vacant commercial parcels consisting of 57,934 SF. The zoning is commercial, all public utilities are available at the street, with low traffic counts.
DOM:1



QUALIFICATIONS OF THE APPRAISER - RICHARD A. PHILLIS

PHILLIS APPRAISAL SERVICE

Commercial Real Estate Appraisal

448 Camp Weott Road
Ferndale CA 95536
(707)496-4475

ACCREDITATION:

2017 I have been licensed by the California Bureau of Real Estate Appraisers as a "Certified General Real Estate Appraiser" as Appraiser # AG3000783

EDUCATION:

1993 Bachelor of Science degree in Business with an emphasis in Accounting and Finance received from California State University at Humboldt

RECENT PROFESSIONAL EDUCATION Successfully completed the following classes:

<u>Date</u>	<u>Course</u>	<u>Sponsor</u>	<u>Location</u>
2023	2022-2023 USPAP Update	McKissock	Ferndale, CA
2023	Laws & Regulations for Ca. Appraisers	McKissock	Ferndale, CA
2021	2020-2021 USPAP Update	McKissock	Ferndale, CA
2020	Laws & Regulations for Ca. Appraisers	McKissock	Ferndale, CA
2020	2020-2021 USPAP Update	McKissock	Ferndale, CA
2019	Green Buildings: Principles & Concepts	Appraisal Institute	Fairbanks, AK
2019	Green Buildings: Appraisal Case Studies	Appraisal Institute	Fairbanks, AK
2019	2018-2019 USPAP Update	McKissock	Ferndale, CA
2017	Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications	Appraisal Institute	Sacramento, CA
2016	2016-2017 USPAP Update	McKissock	Ferndale, CA
2016	Expert Witness for Commercial Appraisals	McKissock	Ferndale, CA
2015	General Market Analysis Highest and Best Use	McKissock	Ferndale, CA
2015	General Sales Comparison Approach	McKissock	Ferndale, CA
2014	General Income Approach Part 1	Appraisal Institute	Ferndale, CA
2014	General Income Approach Part 2	Appraisal Institute	Ferndale, CA
2014	General Site Valuation and Cost Approach	Appraisal Institute	Ferndale, CA
2014	2014-2015 USPAP Update	McKissock	Ferndale, CA
2014	General Report Writing & Case Studies	McKissock	Ferndale, CA
2013	Selected Topics in Appraisal Course	Allied	Ferndale, CA
2013	Statistics, Modeling, and Finance	Allied	Ferndale, CA
2012	Residential Sales Comparison & Income Approach	Allied	Ferndale, CA
2012	2012-2013 USPAP Update	Allied	Ferndale, CA
2012	Real Estate Appraisal Course	Allied	Ferndale, CA
2012	Residential Market Analysis & Highest and Bes Use	Allied	Ferndale, CA
2012	Residential Site Valuation & Cost Approach	Allied	Ferndale, CA