

An Appraisal Report of the:  
**ROURKE PROPERTIES**  
**TULARE COUNTY,**  
**CALIFORNIA**

An Appraisal Report of the:

**ROURKE PROPERTIES**

**Subject #1 (Hamada): ±40.00 Acres of Recreational / Dry Pastureland / Rural Residential Homesite**

**Subject #2 (Tyler): ±19.16 Acres of Recreational / Dry Pastureland / Rural Residential Homesite**

**Subject #3 (Nichols): ±18.55 Acres of Recreational / Dry Pastureland / Rural Residential Homesite**

Located At:

**Kennedy Meadows  
Tulare County, CA**

Effective (Retrospective) Date of Appraisal:

**Subject #1 (Hamada): Retrospective 07/26/2005**

**Subject #2 (Tyler): Retrospective 05/03/2006**

**Subject #3 (Nichols): Retrospective 01/31/2006**

Appraisal Report

Prepared By:

**Kay J. Austin & Randal H. Edwards, ARA**



**Edwards, Lien & Toso, Inc.  
Agricultural Appraisers & Consultants  
8408 N. Lander Avenue  
Hilmar, California 95324  
(209) 634-9484**

July 6, 2021

RE: Real Estate Appraisal of the Rourke Properties, Kennedy Meadows, Tulare County, CA.

Pursuant to our agreement, we have prepared an appraisal report providing our opinion of the retrospective market values of the Rourke Properties. Properties are located in Kennedy Meadows, Tulare County. It is our understanding that the purpose of these appraisals is to establish the retrospective fair market values of the subject properties in order to aid in an estate tax planning/settlement function. It is also understood that the client and intended user of this appraisal report are those persons addressed above.

Basic scope of work included a physical inspection of the subject properties, assembling/inspection of relevant data, analysis of data and preparation of this appraisal report for submission to you. All appraisal industry accepted approaches to value were considered and those applicable approaches processed within this report.

Based upon our inspection, investigation and supported analysis, we have arrived at individual "As Is" Retrospective fair market values for the properties would have been:

| SUBJECT # | ASSESSORS PARCEL NO. | EFFECTIVE DATE OF APPRAISAL | ACRES | LAND USE                   | "AS-IS" FAIR MARKET VALUE |
|-----------|----------------------|-----------------------------|-------|----------------------------|---------------------------|
| 1-Hamada  | 310-140-006          | 7/26/2005                   | 40.00 | Recreational / Dry Pasture | \$120,000                 |
| 2-Tyler   | 328-100-032          | 5/03/2006                   | 19.16 | Recreational / Dry Pasture | \$57,000                  |
| 3-Nichols | 328-100-033          | 1/31/2006                   | 18.55 | Recreational / Dry Pasture | \$50,000                  |

Supporting data, analysis and conclusions upon which this value opinion is based are contained in the accompanying report and in the appraisal work file. Reliance on the valuation is valid only within the context of the entire report and within the assumptions and limiting conditions stated herein. We trust you will find the report complete and to your satisfaction.

Respectfully submitted,




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 Kay J. Austin  
 CA CGREA #AG027156




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 Randal H. Edwards, ARA  
 CA CGREA #AG004002

|                          |
|--------------------------|
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**Addendum & Appraisers' Qualifications**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

In completing this appraisal assignment, the following definitions, conditions and assumptions were presumed by the appraiser and are limitations to the appraiser's opinions:

1. Information furnished by owners, tenants, parties to sales, lien holders, or others is assumed to be accurate and reliable. Drawings or plats are provided only to assist the reader in visualizing the subject properties and is not represented as an engineer's work product, or for legal reference.
2. It is assumed all applicable zoning, use regulations, and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the report.
3. No responsibility is assumed for hidden or in-apparent conditions of soil, sub-soil, or structures that could have an effect on value. If such conditions are discovered, the final value is contingent upon verification and/or correction by a qualified expert. Any mineral deposits and rights thereto are included in the subject properties of this appraisal, except where may be excluded. However, unless specifically cited, no value has been allocated to those mineral deposits or rights.
4. The legal description(s) used were based on documents provided by the requesting party. Unless otherwise noted, the legal description(s) have been relied on and the properties are appraised as though free of all liens, leases, and encumbrances.
5. Water requirements and information provided has been relied on and, unless otherwise noted, it is assumed all water rights to the property have been secured, that there are no adverse easements or encumbrances with regard to Bureau of Reclamation regulations, and that the irrigation and domestic water and drainage system components, including distribution equipment and piping are real estate or real estate fixtures which convey with the land.
6. The values reported are based on the cited Market Value definition, with the conditions of marketing being considered as normal market conditions.
7. While the appraiser has inspected the subject properties and performed his due diligence, he is not qualified to detect hazardous substances whether by visual inspection or otherwise, not qualified to determine the effect, if any of known or unknown substances present. Unless otherwise stated, the final value estimate is based on the subject properties being free of hazardous waste contamination. Parties desiring more precise and reliable information may wish to engage a professional environmental consultant to conduct an environmental assessment. Should such assessment indicate an adverse condition is present that has not been addressed by this appraisal; the conclusion of this appraisal may need revision.

**ASSUMPTIONS & LIMITING CONDITIONS, continued**

8. This report is not represented as a warranty as to value or conclusions and use of this report or reliance of the conclusion expressed in it is at the client's discretion; compliance with the standards or requirements of entities or parties not stated herein, and users of this report are noticed that use of this report for other than the function for which it was prepared is beyond the scope of the analysis and the intent of the appraiser and Edwards, Lien & Toso, Inc.
9. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made at a reasonable time in advance.
10. This report has been prepared for the use of the client, for the purpose and to serve the function specified in the report, in accordance with the scope of work set forth in the services agreement; and it is the intent of the appraisers that this report meet the standards of The Appraisal Foundation as well as any professional organization in which the appraiser is a member. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to value, identity of the appraiser, professional designations, reference to any professional appraisal organization, or Edwards, Lien & Toso, Inc.) shall be used by anyone but the client specified in the report without the prior written consent of Edwards, Lien & Toso, Inc. This report is subject to review by duly appointed authorities representing any professional appraisal organization in which the appraiser is a member.
12. Other special/extraordinary/hypothetical limiting conditions, assumptions, or criteria:
  - A. A current preliminary title report was not provided for review by this appraiser. Therefore, the appraiser couldn't make an absolute determination as to actual deed restrictions or easements encumbering the subject properties. The stated values are based on the Extraordinary Assumption that the subject properties have typical easements for area agricultural properties, mainly limited to public utilities, access easements, and mineral right related issues. Should a current preliminary title report indicate a significant encumbrance on the subject properties, the stated values in this report may be subject to subsequent revision.
  - B. Few details of the subject properties were available, and a limited inspection was made from the roadside. The appraisers consulted county records, as well as spoke with local Realtors and others familiar with the local area, to gain information regarding the subject parcels. An extraordinary assumption is made that the information obtained from others is accurate as to the effective date of appraisal, particularly regarding any wells or other improvements on site. Information contrary to that contained within our report could change the outcome of our valuation, which upon receipt of new information, the appraisers reserve the right to revise the stated information and values contained within this report.

## CERTIFICATION OF APPRAISAL

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the properties that are the subjects of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to the in the properties that are the subjects of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*, the *Code of Ethics* set forth by the *American Society of Farm Managers and Rural Appraisers*.
8. I have made a personal inspection of the properties that are the subjects of this report.
9. No one provided significant real property appraisal assistance to the person signing this certification.
10. I have performed no services, as an appraiser or in any other capacity, regarding the in the properties that are the subjects of this report within the three-year period immediately preceding acceptance of this assignment.
11. I, Kay J. Austin, am currently a California State Certified General Real Estate Appraiser (#AG027156), an independent contractor to the agricultural appraisal firm of Edwards, Lien & Toso, Inc. and Associate member of the American Society of Farm Managers and Rural Appraisers.

  
 \_\_\_\_\_  
**Kay J. Austin**

CGREA State of California (No. AG027156)

**Date: 7/06/2021**

## CERTIFICATION OF APPRAISAL

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the in the properties that are the subjects of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to the in the properties that are the subjects of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*, the *Code of Ethics* set forth by the *American Society of Farm Managers and Rural Appraisers*.
8. I have not made a personal inspection of the properties that are the subjects of this report.
9. No one provided significant real property appraisal assistance to the person signing this certification.
10. I have performed no services, as an appraiser or in any other capacity, regarding the properties that are the subjects of this report within the three-year period immediately preceding acceptance of this assignment.
11. The use of this report is subject to requirements of the American Society of Farm Managers and Rural Appraisers relating to review by their duly authorized representatives. However, any such use shall observe the confidential nature of the report.
12. I, Randal H. Edwards, ARA, am currently President and CEO of the agricultural appraisal firm of Edwards, Lien & Toso, Inc., a California State Certified General Real Estate Appraiser (#AG004002) being an Accredited member of the American Society of Farm Managers and Rural Appraisers, having completed the required education and testing for Accreditation.



\_\_\_\_\_  
Randal H. Edwards, ARA  
CA CGREA #AG004002

Date: 7/06/2021

|                                 |
|---------------------------------|
| <b>SUMMARY OF SALIENT FACTS</b> |
|---------------------------------|

|                                      |   |
|--------------------------------------|---|
| <b>Property Name:</b>                | Rourke Trust- DOS Subject 1 (Hamada)  |
| <b>Assessor's Parcel Number(s):</b>  | 310-140-009   |
| <b>Property Address / Location:</b>  | Physical address on record is 98081 Kennedy Meadows Road, Kennedy Meadows, CA 93527 |
| <b>Land Area/Property Size:</b>      | 40.00 Assessed Acres  |
| <b>Land Use:</b>                     | Recreational / Dry Pasture / Rural Residential Homesite                             |
| <b>Structural/Site Improvements:</b> | None  |
| <b>Non-Agricultural Influence:</b>   | Recreational / Rural Residential  |
| <b>Flood Zone Rating:</b>            | Flood Zone "X"  |
| <b>Census Tract:</b>                 | 27.00 / 5   |
| <b>Zoning:</b>                       | MR-217, Mountain Residential Zone   |
| <b>Utilities:</b>                    | None  |
| <b>Highest and Best Use:</b>         | Recreational / Dry Pasture / Rural Residential                                      |
| <b>Interest Appraised:</b>           | Fee Simple  |
| <b>Value Indicators (Rounded):</b>   | <b><u>"As Is" Fair Market Value</u></b>   |
| <b>Sales Comparison Approach</b>     | \$120,000   |
| <b>Cost Approach</b>                 | N/A (Excluded)  |
| <b>Income Approach</b>               | N/A (Excluded)  |
| <b>Value Conclusion:</b>             | <b>\$120,000</b>  |
| <b>Date of Appraisal:</b>            | Retrospective July 26, 2005   |

|                                 |
|---------------------------------|
| <b>SUMMARY OF SALIENT FACTS</b> |
|---------------------------------|

|                                      |   |
|--------------------------------------|---|
| <b>Property Name:</b>                | Rourke Trust- DOS Subject 2 (Tyler)   |
| <b>Assessor's Parcel Number(s):</b>  | 328-100-032   |
| <b>Property Address / Location:</b>  | Physical address on record is 10416 Kennedy Meadows Road, Kennedy Meadows, CA 93527 |
| <b>Land Area/Property Size:</b>      | 19.16 Assessed Acres  |
| <b>Land Use:</b>                     | Recreational / Dry Pasture / Rural Residential                                      |
| <b>Structural/Site Improvements:</b> | None  |
| <b>Non-Agricultural Influence:</b>   | Recreational / Rural Residential  |
| <b>Flood Zone Rating:</b>            | Flood Zone "X"  |
| <b>Census Tract:</b>                 | 27.00 / 5   |
| <b>Zoning:</b>                       | MR-217, Mountain Residential Zone   |
| <b>Utilities:</b>                    | None  |
| <b>Highest and Best Use:</b>         | Recreational / Dry Pasture / Rural Residential                                      |
| <b>Interest Appraised:</b>           | Fee Simple  |
| <b>Value Indicators (Rounded):</b>   | <b><u>"As Is" Fair Market Value</u></b>   |
| <b>Sales Comparison Approach</b>     | \$57,000  |
| <b>Cost Approach</b>                 | N/A (Excluded)  |
| <b>Income Approach</b>               | N/A (Excluded)  |
| <b>Value Conclusion:</b>             | <b>\$57,000</b>   |
| <b>Date of Appraisal:</b>            | Retrospective May 03, 2006  |

|                                 |
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| <b>SUMMARY OF SALIENT FACTS</b> |
|---------------------------------|

|                                      |  |
|--------------------------------------|--|
| <b>Property Name:</b>                | Rourke Trust- DOS Subject 3 (Nichols)  |
| <b>Assessor's Parcel Number(s):</b>  | 328-100-026  |
| <b>Property Address / Location:</b>  | Located along the east side of Sherman Pass Road, southeast of Kennedy Meadows located in Tulare County. No address on record. |
| <b>Land Area/Property Size:</b>      | 18.55 Assessed Acres   |
| <b>Land Use:</b>                     | Recreational / Dry Pasture / Rural Residential Homesite  |
| <b>Structural/Site Improvements:</b> | None   |
| <b>Non-Agricultural Influence:</b>   | Recreational / Rural Residential Homesite  |
| <b>Flood Zone Rating:</b>            | Flood Zone "X"   |
| <b>Census Tract:</b>                 | 27.00 / 5  |
| <b>Zoning:</b>                       | MR-217, Mountain Residential Zone  |
| <b>Utilities:</b>                    | None   |
| <b>Highest and Best Use:</b>         | Recreational / Dry Pasture / Rural Residential Homeiste  |
| <b>Interest Appraised:</b>           | Fee Simple   |
| <b>Value Indicators (Rounded):</b>   | <b><u>"As Is" Fair Market Value</u></b>  |
| <b>Sales Comparison Approach</b>     | \$50,000   |
| <b>Cost Approach</b>                 | N/A (Excluded)   |
| <b>Income Approach</b>               | N/A (Excluded)   |
| <b>Value Conclusion:</b>             | <b>\$50,000</b>  |
| <b>Date of Appraisal:</b>            | Retrospective January 31, 2006   |

## **INTRODUCTION**

### **PURPOSE OF APPRAISAL**

The purpose of this document is to provide the retrospective “as-is” fee simple fair market values of the properties being appraised.

### **CLIENT, INTENDED USER AND INTENDED USE OF THE APPRAISAL**

Intended use is for estate settlement / estate planning purposes of the subject properties; particularly to determine if the sale transactions as of the effective date of appraisal, were at market values. Intended user and client of this report is Rourke Trust, Ellie Page Trustee, c/o Page Fiduciary Services, Attn: Liz Lane. This appraisal report was developed for the exclusive use of the aforementioned client for the intended use stated in this report. Use of or reliance on this appraisal by any other party is inappropriate, and is entirely at the risk and discretion of such third party without warranty of any kind.

### **EFFECTIVE DATE OF APPRAISAL AND PROPERTY INSPECTION**

The retrospective dates of market value for the subject properties are Subject #1 (Hamada): Retrospective 07/26/2005, Subject #2 (Tyler): Retrospective 05/03/2006 and Subject #3 (Nichols): Retrospective 01/31/2006. The inspection date was June 2, 2021 and the report date is July 6, 2021, which is the completion date of the report.

### **PROPERTY RIGHTS APPRAISED**

This valuation assignment called for the fee simple ownership interest in the subject property. This real property interest is defined as follows:

**Fee Simple Estate:** *“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<sup>1</sup>*

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<sup>1</sup> The Dictionary of Real Estate Appraisal, Fifth Edition, p. 140

## **COMPETENCY OF THE APPRAISERS**

Appraiser, **Kay J. Austin**, has been specifically educated in the appraisal of agricultural properties and is experienced in the appraisal of the property types under analysis in this report. Appraiser has been licensed since 1999, appraising residential and commercial properties, with experience appraising agricultural properties since 2010. Appraiser is an associate member of the American Society of Farm Managers and Rural Appraisers. The appraiser has been certified by the State of California as a Certified General Real Estate Appraiser, Certificate Number AG027156. Please refer to the appraisers' qualifications sheet included in the Addendum of this report for additional details.

Appraiser, **Randal H. Edwards, ARA**, has been specifically educated in the appraisal of agricultural properties and is experienced in the appraisal of the property types under analysis in this report since 1989. The appraiser has been awarded the professional designation of Accredited Rural Appraiser (ARA), the highest rank, and the only title conferred on rural appraisers by the American Society of Farm Managers and Rural Appraisers. The appraiser has been certified by the State of California as a Certified General Real Estate Appraiser, Certificate Number AG004002. Please refer to the appraiser's qualifications sheet included in the Addendum of this report for additional details.

## DEFINITIONS OF VALUE

**Fair Market Value for estate tax purposes:** The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property the sale price in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate.<sup>2</sup>

**Retrospective Value Opinion:** "A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiations, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."<sup>3</sup>

*The date of a value estimate must be specified because the forces that influence real property value are constantly changing. Although conditions observed at the time of the appraisal may persist for a considerable time after that date, an estimate of value is considered valid only for the exact date specified. Market value is generally seen as a reflection of market perceptions of future economic conditions, and these perceptions are based on market evidence at a specific point in time. A sudden change in economic conditions at a particular time can dramatically influence value. In some cases, a valuation as of a date in the past is required. In order to ascertain a value as of the specified date, all relevant data as of the date of value must be considered.*

**"Extraordinary Assumption"** an assumption, direction related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions<sup>4</sup>.

**Comment:** Extraordinary assumptions presume as fact otherwise uncertain information 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.

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<sup>2</sup> Valuation of property; in general., 26 C.F.R. Ch. I § 20.2031-1 (2009)

<sup>3</sup> Retrospective Value Opinion. (2010). The Dictionary of Real Estate Appraisal (p. 171, 5<sup>th</sup> ed.). Chicago: Appraisal Institute.

<sup>4</sup>The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, 2010-2011 Edition, United States: Appraisal Standards Board, 2010, page U-3.

## SCOPE OF WORK

### PROPERTY IDENTIFICATION:

#### Physical Characteristics:

In this appraisal assignment, an unaccompanied physical inspection of the real properties being appraised was performed by appraiser, Kay J. Austin. Client provided minimal basic detail regarding the subject properties. In addition, Ms. Coleen Rourke provided some historical information as well as details regarding improvements on site. This process allowed the appraisers to gain adequate information regarding the subject properties under analysis.

#### Legal Characteristics:

Documentation provided by the client and that readily available from public records was relied upon for information regarding legal descriptions, vesting, easements, covenants, restrictions, and other encumbrances. Research of the presence of such items was not performed independently. A current preliminary title report was not provided to the appraiser, to verify exceptions to title, legal descriptions and property vesting.

This valuation pertains only to the land, site improvements, and fixtures (as applicable) and does not include value in a business or other assets of a business. This excludes any subsurface, oil, gas, or mineral rights inherent to the subject properties.

#### Economic Characteristics:

Subject properties are vacant open land.

### TYPE AND EXTENT OF DATA RESEARCHED:

The market areas pertinent to the subject properties have been determined. Appraisers conducted research within that market area for comparable sales of competing agricultural and rural residential properties occurring over the last several years prior to the date of appraisal. We collected and verified data relative to the subject properties, i.e. sales, rents, listings, etc. Sources for this information included various Assessors, Records and Planning Departments, local real estate brokers/agents, other appraisers and Edwards, Lien & Toso, Inc. plant data.

## **SCOPE OF WORK, continued**

### **TYPE AND EXTENT OF ANALYSIS APPLIED:**

To preface this discussion, the appraisers will test and make a determination of the highest and best use to estimate how to solve the appraisal problems. Furthermore, we will apply the appropriate valuation technique(s) to determine the retrospective “as is” fee simple fair market value of each of the properties.

Actual valuation portions of this assignment may involve the collection and analysis of data typically utilized in three common approaches to value. These include the sales comparison approach, the cost approach and the income approach. It is important to reiterate at this point that the value conclusion stated is contingent upon the assumptions and limiting conditions found on the previous pages; and only the most appropriate approaches to value are presented within the report.

Highest and Best Use was determined under the industry accepted definition and criteria with feasibility of alternative uses examined.

Value opinions arrived in the report is based upon review and analysis of the market conditions affecting the real property values, including land values, attributes of competitive properties, and sale data of agricultural properties.

All approaches to value were considered, with the single most applicable approach processed within the individual valuation sections. Refer to Valuation Methodology sections of this report for further discussion.

### **SUMMARY:**

In addition to the previously described Scope of Work, throughout the appraisal report, we have documented the appraisal process.

## MARKET AREA DESCRIPTION AND ANALYSIS

### TULARE COUNTY, CALIFORNIA

Tulare County is one of the larger counties in California, covering approximately 4,824 square miles within the heart of the Southern San Joaquin Valley. Tulare County is bounded on the north by Fresno County on the south by Kern County. Tulare County is bounded on the west by Kings County on the east by Inyo County. The beginning of the Sierra-Nevada range and foothills, located in the middle of Tulare County are exceptions to the general topography of rich, level farmland in the middle to western portions of the county.

Tulare County's climate is distinctively semi-arid with annual precipitation averaging  $\pm 9.00$  inches, occurring mainly during winter months. The summers are hot with little precipitation and temperatures range from 70 to over 100 degrees Fahrenheit. The winters average 35 to 58 degrees Fahrenheit and foggy periods are frequent.

While agriculture provides for the county's financial base, Tulare County has a broad range of related and non-related industries. Industries, which strongly depend on agriculture, such as food processing, wholesale trade, and transportation have also attained record setting expansions. At the same time, non-agricultural related activities, including numerous service and manufacturing industries, have contributed to the county's stability and growth.

All major forms of transportation can be found in the Tulare County. State Highway 99 passes north and south through the county, while State Highway 198 passes east and west. State Highways 190, 63, 65, and 137 also provide for access to and from each community to the major highway / interstate system. Interstate 5 is located 40 miles west of the western Tulare County line. Several major rail carriers, such as BNSF, Union Pacific, and San Joaquin Valley Rail, provide Tulare County industries and residents with connections to a large railway network. The Visalia Municipal Airport offers both passenger (United Express) and freight air service. Small airports are also located at Tulare Municipal and Porterville Municipal Airport. Local, interstate, and intrastate bus lines also service the Visalia area. The reported population is summarized in the following table.

| County/City          | Total Population |         | % Change |
|----------------------|------------------|---------|----------|
|                      | 2019             | 2020    |          |
| <b>Tulare County</b> | 476,588          | 479,977 | 0.7      |
| Dinuba               | 25,689           | 25,994  | 1.2      |
| Exeter               | 11,009           | 11,030  | 0.2      |
| Farmersville         | 11,396           | 11,399  | 0.0      |
| Lindsay              | 13,153           | 13,154  | 0.0      |
| Porterville          | 59,490           | 59,655  | 0.3      |
| Tulare               | 66,457           | 67,834  | 2.1      |
| Visalia              | 137,696          | 138,649 | 0.7      |
| Woodlake             | 7,691            | 7,773   | 1.1      |
| Balance of County    | 144,007          | 144,489 | 0.3      |

Source: CA. Department of Finance

**GENERAL AREA DATA - TULARE COUNTY, continued****KENNEDY MEADOWS**

Subject is located in the unincorporated community of Kennedy Meadows. Kennedy Meadows is a portion of the Kern Plateau in the southern section of the Sierra Nevada Mountain Range in Tulare County. It is a mixture of private and public land, surrounded by wilderness and national forest. It is bounded by the Golden Trout Wilderness to the north and west, by the South Sierra Wilderness to the east and by the Domeland Wilderness to the south.

There are two well known businesses in the area. Kennedy Meadows General Store is the world-famous destination of hikers on the Pacific Crest Trail (PCT) which passes a few hundred yards from the store, along the South Fork of the Kern River. The store holds large quantities of resupply boxes forwarded by the northbound thru-hikers, as well as providing goods for local residents and campers. There is also a grill open seasonally. The other business is Grumpy Bears Retreat, providing a restaurant, as well as hiker services of showers, laundry facilities, dry camping and hiker resupply box acceptance. Kennedy Meadows is the 700 mile marker from the southernmost point of the PCT.

Kennedy Meadows Campground is 3 miles north of Kennedy Meadows proper. Twenty minutes to the west is the beginning of the "high country", with Fish Creek and Troy Meadows Campgrounds. Forest Service Roads are open seasonally, including Sherman Pass Road, which connects from Hwy 395 to the east to Mountain Hwy 99 north of Kernville, to the west.

The area is characterized by both recreational use or second home properties, as well as year-round residents. Parcels vary in size from primarily 5 to 40 acres in size, with occasional 100+ acre parcels intermixed. Limited services are available locally, as described above, with expanded services available in Inyokern, 40 miles southeast; with regional services available in Ridgecrest, 50 miles southeast.

## **CURRENT MARKET TRENDS**

### **RECREATIONAL LAND TREND ANALYSIS**

The market trend in mountain / recreational communities throughout 2005 and 2006 mirrored much of what occurred in California with regards to residential markets. Nearly all markets experienced a significant shift upwards in value during the 2005 and 2006 calendar years. The beginning of 2007 ushered in a drastically and fast-changing market, and by 2008, a rather hard landing was predicted for most markets. In retrospect, it was worse than anticipated as many residences lost over 50% of their value in just two-three years. The ensuing sub-prime loan market was at least partly to blame for the real estate recession, which turned into a worldwide recession.

The subject immediate market area includes the small community of Kennedy Meadows, a rural mountain community, surrounded by wilderness and national forest. Remote areas such as the subject community experienced similar market activity as more populated areas, however at a slightly slower pace of acceleration as well as decline. Local Realtors indicate there were several years of minimal activity, however for the most part, in a typical market environment, the area will experience slow, but steady market activity. Most participants in the subject area are second home buyers, primarily from surrounding communities, as well as from Southern California markets.

**SUBJECT #1-HAMADA**

## **GENERAL PROPERTY DESCRIPTION**

### **DETAILS OF PRESENT LAND USE**

Subject property consists of one assessor's tax parcel totaling ±40.00 assessed acres. Subject land, as of the retrospective date of value, was unimproved open land. Topography is rolling to hilly, with minimal coverage of rock outcroppings, trees and brush. Subject is located near the Pacific Crest Trail (PCT) and the South Fork of the Kern River. Subject parcel has a very good view of the surrounding Sequoia National Forest, with views to both the north and south of the river canyon and picturesque mountain views, which are highly desired by both recreation and rural residential users.

Surrounding uses consist of open recreational land, dry pasture and rural residential use, with commercial use of the Kennedy Meadows General Store, directly southeast, at the intersection of Kennedy Meadows and Sherman Pass Roads.

### **LEGAL DESCRIPTION**

A full legal description was not provided to the appraiser. Property was identified by assessor's parcel number(s), confirmed with county records and assessor's maps.

### **OWNERSHIP**

According to the property profile records indicated by CoreLogic RealQuest® Professional (online property information database reporting county records), the subject is vested in the following ownership:

**KENNETH A HAMADA / DOROTHY M HAMADA**

### **THREE-YEAR TITLE HISTORY**

According to the client, the property had been under the same family ownership for well over three years prior to the effective date of value. No transfers, leases or listings within the same time period. Property was reportedly sold without benefit of a Broker or exposure on the open market. Property was sold in a direct transaction for \$120,000 or \$3,000 per acre.

### **TENURE & OCCUPANCY**

As of the date of this appraisal report, the subject was open vacant land. Since the purchase of the property, the owners have constructed a single family residence.

### **LOCATION AND ACCESS**

Subject property is located along the west side of Kennedy Meadows Rd., north of Sherman Pass Rd, physical address on record is 98081 Kennedy Meadows Rd, Kennedy Meadows, CA. Access to the subject is obtained via Kennedy Meadows Road, a county-maintained highway, with no curbs, gutters or sidewalks.

### **SHAPE, TOPOGRAPHY AND ELEVATION**

Parcel is square in shape with rolling to hilly topography. Elevation of the subject property is approximately 7,000-7,600 feet above mean sea level. Properties in the general vicinity are similar in comparison based on the provided USGS Topography map in the Addendum section of the report.

### **UTILITIES AND SERVICES**

There are no utilities or services available. There are no urban sewers or water services available to the subject property. Police and fire protection is provided by County and State agencies. Garbage collection and propane services are limited from private companies. Land use in this area is seasonal, with generators utilized for power, springs and wells for water.

### **ZONING AND TRENDS**

Subject is a conforming use. General Plan designated as Mixed Use. The subject property is located in "MR-217", Mountain Residential Zone. "MR-217" zoning is intended primarily for the mountain areas of Tulare County where residential uses may be located in environmentally sensitive surroundings. Based on the factors mentioned above, it is unlikely that the zoning will be changed in the immediate future.

### **FEDERAL FLOOD HAZARD**

Subject property is located within Flood Zone "X". This determination is according to the FEMA Federal Insurance Rate Map, Tulare County, Community Panel No. 06107C1825E, effective date of June 16, 2009. Flood Zone "X" is designated to areas determined to be outside the 0.2% annual chance floodplain.

### **FAULT-RUPTURE HAZARDS**

According to the California Department of Conservation Geological Survey's Earthquake Fault Zones, Special Publication 42 revised in 2018, the subject property is not located within an Alquist-Priolo Earthquake Fault Zone.

### WETLANDS

Subject property does not appear to be located within any known designated wetland areas. No known issues pertaining to wetland designations or any other sensitive habitat areas were reported by the client.

### FUEL TANK/ENVIRONMENTAL CONCERNS

No fuel storage tanks, or apparent evidence thereof, were noted to be on the subject property as of the effective date of appraisal. Although due diligence was performed, the appraisers are not experts in this environmental field. It is recommended that if additional information is required, an environmental assessor is retained to perform an environmental audit on the subject property to ensure that all health, safety, and environmental standards are being met. It should also be known that the appraisers are not qualified to accurately judge the condition of the soils or environmental hazards which may exist or the structural integrity of any of the improvements, if available. The assessment of these items is beyond the scope of this appraisal.

### SOIL DETAILS

According to the Natural Resources Conservation Service (NRCS) using the mapping tools found on the USDA's Web Soil Survey website, this subject area has no available soil data available. Typical mountain soils suited to forest production and for development of structural improvements.

### DRAINAGE

Natural contour and topography of the property provide adequate drainage.

### ASSESSMENTS AND TAXES

The acreage, current 2020/2021 assessments and taxes for the total subject property, per the county assessor's office are as follows:

| <b>ASSESSMENTS</b> |              |                  |                     |              |                  | <b>TAXES<br/>TOTAL</b> |
|--------------------|--------------|------------------|---------------------|--------------|------------------|------------------------|
| <b>APN</b>         | <b>ACRES</b> | <b>LAND</b>      | <b>IMPROVEMENTS</b> | <b>OTHER</b> | <b>TOTAL</b>     |                        |
| 310-140-009        | 40.00        | \$149,950        | \$116,469           | \$0          | \$266,419        | \$3,094.62             |
| <b>TOTALS</b>      | <b>40.00</b> | <b>\$149,950</b> | <b>\$116,469</b>    | <b>\$0</b>   | <b>\$266,419</b> | <b>\$3,094.62</b>      |

### **DEED RESTRICTIONS**

A preliminary title report was not provided. As such, the appraiser was unable to determine if any restrictions were in place other than typical utilities and/or road concerns. It is extraordinarily assumed that there were no easements, restrictions or “clouds” on title that would have affected the value of the subject. The appraisers direct the reader to the Assumptions and Limiting Conditions, item #12, other special/extraordinary/hypothetical limiting conditions, assumptions, or criteria for additional details.

### **AGRICULTURAL PRESERVE DESCRIPTION**

According to Tulare County, the subject property is not enrolled in the Agricultural Preserve program (Williamson Act).

In the early 1960s agricultural property tax burdens resulting from rapid land value appreciation became so great that in 1965, the Legislature passed the California Land Conservation Act, also known as the Williamson Act. The Act allows local governments to assess agricultural landowners based upon the income-producing value of their property, rather than the “highest and best use value” which had previously been the rule. The legislature intended that the act help farmers by providing property tax relief and by discouraging the unnecessary and premature conversion of agricultural land to non-agricultural uses. Under the act, agricultural preserve contracts are automatically renewed each year for 10 years unless either the landowner or local government has notified the other of its intention not to renew the contract. Following the notice of non-renewal, taxes gradually return to the level charged on equivalent, non-restricted property, although the land uses remain restricted until the contract expires (10 years after notice of non-renewal).

### **DESCRIPTION OF IMPROVEMENTS**

Subject property was structurally unimproved as of the effective date of appraisal.

## HIGHEST AND BEST USE

### HIGHEST AND BEST USE DEFINITION

In the valuation of the subject properties, considerations have been given to their highest and best use. The highest and best use analysis involved a study of the present uses of the subject properties, uses of surrounding properties, and zoning availability for the subjects. The highest and best use of the subject property is analyzed both on the basis of being improved, and as if vacant.

In the most recent edition of Appraisal of Real Estate by the Appraisal Institute defines highest and best use as:

- 1) *"The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal.*
- 2) *The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.*
- 3) *The most profitable use.*

*Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats, and the like." . . . "It is to be recognized that in cases where the site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use." (Real Estate Terminology, p. 107)*

### HIGHEST & BEST USE ANALYSIS

Generally, the highest and best use for a property is estimated after considering four factors. These factors are, in sequence, (1) the subject use is legally permissible, (2) the subject use is physically possible, (3) the subject use is financially feasible, and (4) the subject use is maximally productive. The appraisers will take these items in sequence.

## **AS VACANT**

**Legally Permissible** – Subject property is located in an area that historically has been devoted to rural residential, recreational and dry pasture use. Subject consists of one single parcel, zoned Mountain Residential Zone. As vacant, recreational, rural homesite or dry pasture use, with the potential for residential/farmstead improvements complies with the existing county zoning designation as well as surrounding land uses.

**Physically Possible** – An unimproved use of the subject property for recreational, rural residential use is physically possible. Dry pasture use is physically possible; however, fencing would be needed.

**Financially Feasible** – Unimproved use of the subject property for recreational use, dry pasture use or a rural homesite with the potential for residential/farmstead improvements is considered financially feasible due to the physical factors of soils, climate, and terrain.

**Maximally Productive** - Given the topography, access and location, an unimproved use of the subject property as recreational, dry pasture, or rural homesite use, with the potential for residential/farmstead improvements is considered the most maximally productive use.

**Conclusion** - Highest and best use of the subject property as unimproved, is use as recreational, dry pasture, or rural homesite.

## **AS IMPROVED**

**Conclusion** – Subject is unimproved, thus the Highest and Best Use of this property as improved is use as recreational, dry pasture, or rural homesite.

## VALUATION METHODOLOGY

Appraisers typically utilize three common approaches in estimating the market value of real property. These approaches are known as the sales comparison approach, the cost approach and the income approach.

In order to perform these analyses, it is necessary that certain data be available which will allow the processing of each of the individual approaches.

**Cost Approach** provides an indication of market value through the summation of 1) the estimated value of the site or land with 2) an independent estimate of the replacement or reproduction costs of the subject improvements less an accounting for depreciation from all causes. This depreciation includes any physical deterioration due to age or wear and tear of the buildings as well as any functional or economic obsolescence suffered by the property.

**Sales Comparison Approach** provides an indication of value for a property through the comparison of the subject with recent sales of properties that are similar in location, highest and best use, quality, size, age, etc.

**Income Approach** provides an indication of a property's market value by comparing that property with other similar properties, which have recently been leased or rented to provide an indication of an economic rent level for the subject. From the estimate of economic rent, potential annual income can be anticipated. This potential annual income is then reduced to an estimate of net operating income by subtracting an anticipated vacancy and collection loss and appropriate operating expenses as applicable. Capitalization of this net operating income provides an indication of market value by what is referred to as "direct capitalization". Here again, a considerable amount of data is necessary to provide a reliable indication of market value.

With the above objectives in mind, research was undertaken in an attempt to find recent sales of properties which could be considered similar enough to the subject property and which would, after analysis, yield accurate indications of retrospective market value.

**Final Reconciliation:** The last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a final range of value or a single point estimate.<sup>5</sup>

The reconciliation process represents a weighing of the indicators derived from the approaches to value as to the indicator's reliability and applicability to the appraisal problem at hand. A final value conclusion is then estimated based on the available data and the appraiser's experience in appraising the type of property under analysis.

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<sup>5</sup> Final Reconciliation. (2010). The Dictionary of Real Estate Appraisal (p. 79, 5<sup>th</sup> ed.). Chicago: Appraisal Institute.

## **VALUATION METHODOLOGY, continued**

Generally, in the appraisal of rural residential or commercial property, the sales comparison approach is most often utilized. This is typically due to the availability of recent market sales in the general or expanded subject area. This method is recognized as the valuation approach, which best illustrates the motivation of market participants, buyers and sellers, in the market environment for the subject property. This approach provides an indication of value for a property through the comparison of the subject with recent sales of properties that are similar in location, highest and best use, quality, size, age, etc. With this objective in mind, research was undertaken in an attempt to find recent sales of properties, which could be considered similar enough to the subject and which would, after analysis, yield accurate indications of retrospective market value as of the effective date of appraisal. A limited, yet adequate set of comparable properties were found to develop this approach to value. It is noted that very little market data was discovered through the local multiple listing service. Surrounding areas were therefore analyzed to further determine market conditions of the expanded market area, in order to validate the accuracy of data found via county records and recorded deeds. The appraisers felt that adequate data was discovered to produce credible results via the sales comparison approach.

Because cost and market values closely relate when properties are new, the cost approach is important in estimating the market value of new or relatively new improvements. The approach is especially persuasive when land value is well supported and the improvements are new or suffer only minor accrued depreciation and, therefore, represent a use that approximates the highest and best use of the land as though vacant. The cost approach is also used to estimate the market value of proposed construction, special-purpose properties, and other properties that are not frequently exchanged in the market. Subject property is unimproved. As such the cost approach is not applicable and was not utilized in the development of the value conclusion.

The subject property could be utilized as a dry grazing unit; however, fencing is needed. Although the additional income possibility is an attractive marketing aspect for the recreational or rural residential buyer, the typical buyer of this type of property is more interested in the lifestyle associated with the recreational or rural residential aspect of the property rather than its' income producing capabilities as dry pasture. We have therefore determined the income approach is not applicable and remains unprocessed.

In summary, a single approach to value is utilized. The sales comparison approach was deemed most credible and applicable to retrospectively value the subject property and is applied within this specific appraisal assignment.

## **SALES COMPARISON APPROACH**

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently; applying appropriate units of comparison, and making adjustments to the sale prices of the comparable sales based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.

Sales comparison approach to value uses sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is often accomplished using a physical unit of comparison such as a price per acre, per site, price per square foot or an economic unit of comparison, such as a gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sales and then the units of comparison are applied to yield a value indicator for the subject property.

Valuation through this approach utilizes a bracketing technique or relative comparison analysis. Absolute, dollar quantitative adjustments are not realistic through matched pair analyses within this imperfect market. Viewing the subject property in relation to the cited sales provides the greatest support through this sales comparative process. All adjustments are considered qualitative and retained in the appraisal office work files.

Presented sales are all located in the immediate market area, centered around the community of Kennedy Meadows. Terms and motivation behind the sales were confirmed with a principle to each transaction where possible, or through county records and recorded deeds. It is noted that very little data was available via the local multiple listing service (mls). Two Realtors were consulted to run searches, with no mls sales data in the immediate Kennedy Meadows area located. The appraisers were therefore limited to data discovered through county records. Inspection of each sale was made from the street, as well as via aerial views on Google Earth. Tulare County Environmental Health Department was also contacted to confirm well information, however due to Covid-19 and short staffing, this information could not be obtained prior to completion of the report.

Presented comparable sales were selected among a very limited group of retrospective data in the valuation of the subject property by sales comparison. Sales information is cited and analyzed in the following grid resulting in a per unit, per acre of land area range of value applicable to the subject property. Comparable sales location maps are located in the report Addendum.

**COMPARISON ANALYSIS**

|  | <b>DOS 1</b>            | <b>COMPARATIVE LAND SALES</b> |                  |                  |                |                |
|--|-------------------------|-------------------------------|------------------|------------------|----------------|----------------|
|  | <b>SUBJECT</b>          | Sale R1                       | Sale R2          | Sale R3          | Sale R4        | Sale R5        |
| Buyer Name                               | <b>Hamada</b>           | Foster                        | Vieira           | Granger          | Bombard        | Louck          |
| Seller Name                              | <b>Rourke</b>           | Redmann                       | Taggart          | Genochio         | Hinton         | Griffin        |
| Sale Recording Date                      | <b>7/26/2005</b>        | 9/22/2004                     | 3/29/2004        | 9/22/2003        | 3/15/2002      | 10/2/2007      |
| Document No.                             | <b>79053</b>            | 96121                         | 28477            | 90774            | 19395          | 86700          |
| County                                   | <b>Tulare</b>           | Tulare                        | Tulare           | Tulare           | Tulare         | Tulare         |
| Location                                 | <b>Kennedy Mdws</b>     | Kennedy Mdws                  | Kennedy Mdws     | Kennedy Mdws     | Kennedy Mdws   | Kennedy Mdws   |
| Assessor's Parcel No.                    | <b>310-140-009</b>      | 310-010-007                   | 310-230-012      | 310-030-009      | 310-160-021    | 310-170-008    |
| Gross Ac/Size                            | <b>40.00</b>            | 20.41                         | 19.89            | 20.04            | 20.62          | 100.00         |
| Terms/Financing                          | <b>Private / Cash</b>   | Private / Cash                | Private / Cash   | Private / Cash   | Private / Cash | Private Fin.   |
| Sale Price                               | <b>\$120,000</b>        | \$35,000                      | \$40,000         | \$50,000         | \$58,500       | \$295,000      |
| Structural Improvements                  | <b>\$0</b>              | \$0                           | \$0              | \$0              | \$0            | \$0            |
| Adjusted Land Price                      | <b>\$120,000</b>        | \$35,000                      | \$40,000         | \$50,000         | \$58,500       | \$295,000      |
| Mkt. Adj. Land \$/Ac                     | <b>\$3,000</b>          | \$1,715                       | \$2,011          | \$2,495          | \$2,837        | \$2,950        |
| <b>PROPERTY CHARACTERISTICS</b>          |                         |                               |                  |                  |                |                |
| Conditions of Sale                       | <b>Market</b>           | Market                        | Market           | Market           | Market         | Market         |
| Market Conditions                        | <b>7/26/2005</b>        | +/-10 mos                     | +/-16 mos        | +/-22 mos        | +/-40 mos.     | +/-5 mos.      |
| Location                                 | <b>Kennedy Mdws</b>     | Kennedy Mdws                  | Kennedy Mdws     | Kennedy Mdws     | Kennedy Mdws   | Kennedy Mdws   |
| Size (Acres)                             | <b>40.00</b>            | 20.41                         | 19.89            | 20.04            | 20.62          | 100.00         |
| Access / Road Frontage                   | <b>Paved / Avg</b>      | Min. Dirt / Avg               | Dirt / Avg       | Dirt / Avg       | Dirt / Avg     | Dirt / Avg     |
| Topography                               | <b>Rolling / Hilly</b>  | Hilly                         | Hilly / Steep    | Rolling / Hilly  | Hilly          | RIng / Hilly   |
| View                                     | <b>Very Good</b>        | Average                       | Good             | Good             | Avg            | Good           |
| Native cover                             | <b>Open to Moderate</b> | Dense                         | Open             | Open to Moderate | Dense          | Open to Mod.   |
| Water                                    | <b>None</b>             | None                          | None             | None             | None           | Creek          |
| Add'l Amenities                          | <b>Near River</b>       | None                          | None             | None             | None           | Meadow         |
| <b>ELEMENTS OF COMPARISON - PER ACRE</b> |                         |                               |                  |                  |                |                |
| Indicated Land \$/SF                     | <b>SUBJECT</b>          | \$1,715                       | \$2,011          | \$2,495          | \$2,837        | \$2,950        |
| Conditions of Sale                       | <b>Market</b>           | SIMILAR                       | SIMILAR          | SIMILAR          | SIMILAR        | SIMILAR        |
| Market Conditions                        | <b>7/26/2005</b>        | "                             | "                | "                | "              | "              |
| Location                                 | <b>Kennedy Mdws</b>     | "                             | "                | "                | "              | "              |
| Size (Acres)                             | <b>40.00</b>            | "                             | "                | "                | "              | SL INF         |
| Access / Road Frontage                   | <b>Paved / Avg</b>      | "                             | SL INF           | SL INF           | SL INF         | SL INF         |
| Topography                               | <b>Rolling / Hilly</b>  | "                             | SL INF           | SIMILAR          | SL INF         | SIMILAR        |
| View                                     | <b>Very Good</b>        | SL INF                        | SIM-SL INF       | SIM-SL INF       | SL INF         | SIM-SL INF     |
| Native cover                             | <b>Open to Moderate</b> | SL INF                        | SIMILAR          | SIMILAR          | SL INF         | SIMILAR        |
| Water                                    | <b>None</b>             | SIMILAR                       | "                | "                | SIMILAR        | SL SUP         |
| Add'l Amenities                          | <b>Near River</b>       | SL INF                        | SL INF           | SL INF           | SL INF         | SIMILAR        |
| Overall Comparison                       | <b>To Determine</b>     | <b>INFERIOR</b>               | <b>INFERIOR</b>  | <b>SL INF</b>    | <b>SL INF</b>  | <b>SL INF</b>  |
| Value Indication                         |                         | <b>more than</b>              | <b>more than</b> | <b>sl more</b>   | <b>sl more</b> | <b>sl more</b> |
| of Subject Land\$/SF:                    |                         | <b>\$1,715</b>                | <b>\$2,011</b>   | <b>\$2,495</b>   | <b>\$2,837</b> | <b>\$2,950</b> |

**COMPARISON ANALYSIS, cont.**

| <b>COMPARATIVE LAND SALES - ROURKE SALES</b> |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
|  | <b>DOS 1</b>    | <b>DOS 2</b>    | <b>DOS 3</b>    |
| Buyer Name                                   | Hamada          | Tyler           | Nichols         |
| Seller Name                                  | Rourke          | Rourke          | Rourke          |
| Sale Recording Date                          | 7/26/2005       | 5/3/2006        | 1/31/2006       |
| Document No.                                 | 79053           | 46598           | 9140            |
| County                                       | Tulare          | Tulare          | Tulare          |
| Location                                     | Kennedy Mdws    | Pine Pass       | Pine Pass       |
| Assessor's Parcel No.                        | 310-140-009     | 328-100-032     | 328-100-033     |
| Gross Ac/Size                                | 40.00           | 19.16           | 18.55           |
| Terms/Financing                              | Private / Cash  | Private / Cash  | Private / Cash  |
| Sale Price                                   | \$120,000       | \$57,000        | \$50,000        |
| Structural Improvements                      | \$0             | \$0             | \$0             |
| Adjusted Land Price                          | \$120,000       | \$57,000        | \$50,000        |
| <b>Mkt. Adj. Land \$/Ac</b>                  | <b>\$3,000</b>  | <b>\$2,975</b>  | <b>\$2,695</b>  |
| <b>PROPERTY CHARACTERISTICS</b>              |                 |                 |                 |
| Conditions of Sale                           | Market          | Market          | Market          |
| Market Conditions                            | Current         | Current         | Current         |
| Location                                     | Kennedy Mdws    | Pine Pass       | Pine Pass       |
| Size (Acres)                                 | 40.00           | 19.16           | 18.55           |
| Access / Road Frontage                       | Paved / Avg     | Paved / Avg     | Paved / Avg     |
| Topography                                   | Rolling / Hilly | Rolling / Hilly | Rolling / Hilly |
| View   | Very Good       | Average         | Average         |
| Native cover                                 | Open to Mod.    | Open to Mod.    | Open to Mod.    |
| Water  | None            | None            | None            |
| Add'l Amenities                              | Near River      | None            | None            |

### SALES COMPARISON ANALYSIS COMMENTS

Subject property is comprised of a 40-acre parcel, with very good views of the surrounding mountain area and located close to the South Fork of the Kern River, as well as the Pacific Crest Trail. Subject is well suited for rural residential or recreational use.

Presented sales include 5 sales within the immediate Kennedy Meadows market area. Adjustments were made for differences in access, with paved roads more desirable than dirt/gravel access; topography, views, native cover, water sources, as well as additional amenities such as proximity to the river, and/or meadow areas.

All sales are rated slightly inferior for lack of close proximity to the river, with the exception of Sale 5, which is located in a meadow setting, which is felt to offset this amenity.

Sales 1 through 4 are smaller  $\pm 20$ -acre parcels, whereas Sale 5 is a larger  $\pm 100$ -acre parcel. No sales of 40-acre parcels could be located. It was determined in the more current valuation of surrounding parcels, that 20-acre parcels and 40-acre parcels experience similar market appeal, with no premium given for the difference in this size acreage. These sales were therefore considered comparable to the subject with no adjustment necessary.

Sale 1 was rated slightly inferior with regards to topography and view, as well as lacking close proximity to the river. Sale 2 has a slightly inferior dirt/gravel road access, hilly to steep terrain and similar to slightly inferior view. Sale 3 also had dirt/gravel access, and similar to slightly inferior views. Sale 4 had dirt/gravel access, slightly inferior views, as well as heavier coverage of trees/brush, as well as steeper terrain. Sale 4 seemed to be somewhat of an outlier, based on these features, thus was given slightly less weight in determining the final value, due to lack of detailed information of the sale. Sale 5, the larger sized parcel, was rated slightly inferior for parcel size, access, and view, however rated slightly superior for a seasonal creek running through the parcel.

The range in values reflected by the 5 cited sales ranges from say \$1,700 per acre to \$2,950 per acre. In addition to these 5 sales, we have presented the Rourke sales in a separate grid. As the assignment was to determine if the Rourke sales were at market levels, it was felt best to exclude them from the original sales grid. The three sales however, while at the upper end of the value range, appear to fall within a reasonable range of value. Subject 1 is noted to offer several amenities which would set it at the upper end of the value range, with the proximity to the river and PCT, as well as the views afforded by the location and terrain of the parcel, elevating the land just enough to create very good views.

Pursuant to the preceding analysis, it is the appraiser's opinion that the subject should be valued at the top of the value range of the overall data. Based on the data presented herein, the subject appears to have sold at market levels as of the effective date of value, and is retrospectively reconciled as follows:

| Land Use   | Size Acres | Unit  | Indicated Unit Value (\$) | Total Value      |
|--|------------|-------|---------------------------|------------------|
| Open Land  | 40.00      | Acres | \$3,000                   | \$120,000        |
| <b>Total Rounded Value by the Sales Comparison Approach:</b> |            |       |                           | <b>\$120,000</b> |

## RECONCILIATION AND FINAL VALUE CONCLUSION

The three approaches to value accepted by the appraisal industry were considered and one processed to retrospectively value the subject property. A brief discussion of the three approaches and indicated values, as processed and applicable, follows:

- **Sales Comparison Approach** is based on the principle of substitution. Actual sales of similar properties in the subject area were analyzed and adjusted to indicate the retrospective value of the subject property. Application of this incremental value consideration was applied to the subject acreage resulting in a rounded value indication by the sales comparison approach of:

**\$120,000**

- **Cost Approach** to value is based on the premise that a buyer will pay no more for a property than the replacement or reproduction cost new (RCN) of a similar improvement(s), less all forms of depreciation, plus land value and assuming the process can be accomplished without undue delay. The subject property includes older structural improvements. Subject property is unimproved, thus the cost approach was not considered to have application within this marketplace and remains unprocessed.

**N/A - EXCLUDED**

- **Income Approach** is based on the anticipation of future income streams, which will reflect value by applying capitalization rates derived from the analysis of comparable sales. As previously discussed, this approach is not considered applicable and remains unprocessed.

**N/A - EXCLUDED**

**RECONCILIATION AND FINAL VALUE CONCLUSION, continued**

In summary, the appraisers have processed and presented the single most credible approach to retrospectively value the subject property. Sales Comparison approach is deemed the most reliable indicator of value. Cost and income approaches were not processed as discussed. Market data (retrospective) included was deemed sufficient to provide a relatively sound basis for comparison within the sales comparison approach. Motivation of buyers in the market environment is well represented by the sales comparison approach. Final retrospective value opinion conclusion is exclusively reconciled to the sales comparison value indicator.

**ROURKE SUBJECT #1 (HAMADA) PROPERTY  
RETROSPECTIVE TO 07/26/2005  
“AS-IS” FAIR MARKET VALUE WOULD HAVE BEEN:**

**\$120,000**

**SUBJECT #2-TYLER**

## **GENERAL PROPERTY DESCRIPTION**

Subject property consists of one assessor's tax parcel totaling 19.16 assessed acres. Subject is located southeast of Kennedy Meadows, in an area commonly known as Pine Pass. Subject land, as of the retrospective date of value, was open vacant land. Topography is rolling to hilly, with open to moderate coverage of low-lying brush and pines. Surrounding uses are similar, consisting of recreational use, rural residential use and open land.

### **LEGAL DESCRIPTION**

A legal description was not provided to the appraiser. Property was identified by assessor's parcel number(s), confirmed with county records and assessor's maps.

### **OWNERSHIP**

According to the property profile records indicated by CoreLogic RealQuest® Professional (online property information database reporting county records), the subject is vested in the following ownership:

#### **TYLER FAMILY TRUST**

### **THREE-YEAR TITLE HISTORY**

According to the client, the property had been under the same family ownership for well over three years prior to the effective date of value. No transfers, leases or listings within the same time period. Property was reportedly sold without benefit of a Broker or exposure on the open market. Property was sold in a direct transaction for \$57,000 or \$2,975 per acre.

### **TENURE & OCCUPANCY**

As of the date of this appraisal report, the subject was open vacant land. Since the purchase of the property, the owners have constructed a small home and garage.

### **LOCATION AND ACCESS**

Subject is located along the east side of Kennedy Meadows Rd. (aka Sherman Pass Rd.), southeast of Kennedy Meadows, in an area commonly known as Pine Pass. Physical address on record is 10416 Kennedy Meadows Rd, Kennedy Meadows, CA. Access to the subject is obtained via Sherman Pass Road. This is a paved two-lane roadway, considered average for the area, which is county standard maintained, with no curbs, gutters or sidewalks.

### **SHAPE, TOPOGRAPHY AND ELEVATION**

Parcel is an irregular in shape. Elevation of the subject property is approximately 7000-7600 feet above mean sea level. Properties in the general vicinity are similar in comparison based on the provided USGS Topography map in the Addendum section of the report.

### **UTILITIES AND SERVICES**

There are no utilities or services available. There are no urban sewers or water services available to the subject property. Police and fire protection is provided by County and State agencies. Garbage collection and propane services are limited from private companies. Land use in this area is seasonal, with generators utilized for power, springs and wells for water.

### **ZONING AND TRENDS**

Subject is a conforming use. General Plan designated as Mixed Use. The subject property is located in "MR-217", Mountain Residential Zone. "MR-217" zoning is intended primarily for the mountain areas of Tulare County where residential uses may be located in environmentally sensitive surroundings. Based on the factors mentioned above, it is unlikely that the zoning will be changed in the immediate future.

### **FEDERAL FLOOD HAZARD**

Subject property is located within Flood Zone "X". This determination is according to the FEMA Federal Insurance Rate Map, Tulare County, Community Non-Printed Panel No. 06107C2175E, dated of June 16, 2009. Flood Zone "X" is designated to areas determined to be outside the 0.2% annual chance floodplain.

### **FAULT-RUPTURE HAZARDS**

According to the California Department of Conservation Geological Survey's Earthquake Fault Zones, Special Publication 42 revised in 2018, the subject property is not located within an Alquist-Priolo Earthquake Fault Zone.

### **WETLANDS**

Subject property does not appear to be located within any known designated wetland areas. No known issues pertaining to wetland designations or any other sensitive habitat areas were reported by the client.

## FUEL TANK/ENVIRONMENTAL CONCERNS

No fuel storage tanks, or apparent evidence thereof, were observed on the subject property. Although due diligence was performed, the appraisers are not experts in this environmental field. It is recommended that if additional information is required, an environmental assessor is retained to perform an environmental audit on the subject property to ensure that all health, safety, and environmental standards are being met. It should also be known that the appraisers are not qualified to accurately judge the condition of the soils or environmental hazards which may exist or the structural integrity of any of the improvements, if available. The assessment of these items is beyond the scope of this appraisal.

## SOIL DETAILS

According to the Natural Resources Conservation Service (NRCS) using the mapping tools found on the USDA's Web Soil Survey website, this subject area has no available soil data available. Typical mountain soils suited to forest production and for development of structural improvements.

## DRAINAGE

Natural contour and topography of the property provide adequate drainage.

## ASSESSMENTS AND TAXES

The acreage, current 2020/2021 assessments and taxes for the total subject property, per the county assessor's office are as follows:

| <b>ASSESSMENTS</b> |              |                 |                     |              |                  | <b>TAXES<br/>TOTAL</b> |
|--------------------|--------------|-----------------|---------------------|--------------|------------------|------------------------|
| <b>APN</b>         | <b>ACRES</b> | <b>LAND</b>     | <b>IMPROVEMENTS</b> | <b>OTHER</b> | <b>TOTAL</b>     |                        |
| 328-100-032        | 19.16        | \$71,225        | \$109,388           | \$0          | \$180,613        | \$2,032.20             |
| <b>TOTALS</b>      | <b>19.16</b> | <b>\$71,225</b> | <b>\$109,388</b>    | <b>\$0</b>   | <b>\$180,613</b> | <b>\$2,032.20</b>      |

## DEED RESTRICTIONS

A preliminary title report was not provided. As such, the appraiser was unable to determine if any restrictions were in place other than typical utilities and/or road concerns. It is extraordinarily assumed that there were no easements, restrictions or "clouds" on title that would have affected the value of the subject.

### **AGRICULTURAL PRESERVE DESCRIPTION**

According to Tulare County, the subject property is not enrolled in the Agricultural Preserve program (Williamson Act).

In the early 1960s agricultural property tax burdens resulting from rapid land value appreciation became so great that in 1965, the Legislature passed the California Land Conservation Act, also known as the Williamson Act. The Act allows local governments to assess agricultural landowners based upon the income-producing value of their property, rather than the “highest and best use value” which had previously been the rule. The legislature intended that the act help farmers by providing property tax relief and by discouraging the unnecessary and premature conversion of agricultural land to non-agricultural uses. Under the act, agricultural preserve contracts are automatically renewed each year for 10 years unless either the landowner or local government has notified the other of its intention not to renew the contract. Following the notice of non-renewal, taxes gradually return to the level charged on equivalent, non-restricted property, although the land uses remain restricted until the contract expires (10 years after notice of non-renewal).

### **DESCRIPTION OF IMPROVEMENTS**

Subject property was structurally unimproved as of the effective date of appraisal. A small residence and garage were constructed in 2020 according to county records.

## HIGHEST AND BEST USE

### HIGHEST AND BEST USE DEFINITION

In the valuation of the subject properties, considerations have been given to their highest and best use. The highest and best use analysis involved a study of the present uses of the subject properties, uses of surrounding properties, and zoning availability for the subjects. The highest and best use of the subject property is analyzed both on the basis of being improved, and as if vacant.

In the most recent edition of Appraisal of Real Estate by the Appraisal Institute defines highest and best use as:

- 1) *"The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal.*
- 2) *The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.*
- 3) *The most profitable use.*

*Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats, and the like." . . . "It is to be recognized that in cases where the site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use." (Real Estate Terminology, p. 107)*

### HIGHEST & BEST USE ANALYSIS

Generally, the highest and best use for a property is estimated after considering four factors. These factors are, in sequence, (1) the subject use is legally permissible, (2) the subject use is physically possible, (3) the subject use is financially feasible, and (4) the subject use is maximally productive. The appraisers will take these items in sequence.

**AS VACANT**

**Legally Permissible** – Subject property is located in an area that historically has been devoted to rural residential, recreational and dry pasture use. Subject consists of one single parcel, zoned Mountain Residential Zone. As vacant, recreational, rural homesite or dry pasture use, with the potential for residential/farmstead improvements complies with the existing county zoning designation as well as surrounding land uses.

**Physically Possible** – An unimproved use of the subject property for recreational, rural residential use is physically possible. Dry pasture use is physically possible; however, fencing would be needed.

**Financially Feasible** – Unimproved use of the subject property for recreational use, dry pasture use or a rural homesite with the potential for residential/farmstead improvements is considered financially feasible due to the physical factors of soils, climate, and terrain.

**Maximally Productive** - Given the topography, access and location, an unimproved use of the subject property as recreational, dry pasture, or rural homesite use, with the potential for residential/farmstead improvements is considered the most maximally productive use.

**Conclusion** - Highest and best use of the subject property as unimproved, is use as recreational, dry pasture, or rural homesite.

**AS IMPROVED**

**Conclusion** – Subject is unimproved, thus the Highest and Best Use of this property as improved is use as recreational, dry pasture, or rural homesite.

## VALUATION METHODOLOGY

Appraisers typically utilize three common approaches in estimating the market value of real property. These approaches are known as the sales comparison approach, the cost approach and the income approach.

In order to perform these analyses it is necessary that certain data be available which will allow the processing of each of the individual approaches.

**Cost Approach** provides an indication of market value through the summation of 1) the estimated value of the site or land with 2) an independent estimate of the replacement or reproduction costs of the subject improvements less an accounting for depreciation from all causes. This depreciation includes any physical deterioration due to age or wear and tear of the buildings as well as any functional or economic obsolescence suffered by the property.

**Sales Comparison Approach** provides an indication of value for a property through the comparison of the subject with recent sales of properties that are similar in location, highest and best use, quality, size, age, etc.

**Income Approach** provides an indication of a property's market value by comparing that property with other similar properties, which have recently been leased or rented to provide an indication of an economic rent level for the subject. From the estimate of economic rent, potential annual income can be anticipated. This potential annual income is then reduced to an estimate of net operating income by subtracting an anticipated vacancy and collection loss and appropriate operating expenses as applicable. Capitalization of this net operating income provides an indication of market value by what is referred to as "direct capitalization". Here again, a considerable amount of data is necessary to provide a reliable indication of market value.

With the above objectives in mind, research was undertaken in an attempt to find recent sales of properties which could be considered similar enough to the subject property and which would, after analysis, yield accurate indications of retrospective market value.

**Final Reconciliation:** The last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a final range of value or a single point estimate.<sup>6</sup>

The reconciliation process represents a weighing of the indicators derived from the approaches to value as to the indicator's reliability and applicability to the appraisal problem at hand. A final value conclusion is then estimated based on the available data and the appraiser's experience in appraising the type of property under analysis.

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<sup>6</sup> Final Reconciliation. (2010). The Dictionary of Real Estate Appraisal (p. 79, 5<sup>th</sup> ed.). Chicago: Appraisal Institute.

## **VALUATION METHODOLOGY, continued**

Generally, in the appraisal of rural residential or commercial property, the sales comparison approach is most often utilized. This is typically due to the availability of recent market sales in the general or expanded subject area. This method is recognized as the valuation approach, which best illustrates the motivation of market participants, buyers and sellers, in the market environment for the subject property. This approach provides an indication of value for a property through the comparison of the subject with recent sales of properties that are similar in location, highest and best use, quality, size, age, etc. With this objective in mind, research was undertaken in an attempt to find recent sales of properties, which could be considered similar enough to the subject and which would, after analysis, yield accurate indications of retrospective market value as of the effective date of appraisal. A limited, yet adequate set of comparable properties were found to develop this approach to value. It is noted that very little market data was discovered through the local multiple listing service. Surrounding areas were therefore analyzed to further determine market conditions of the expanded market area, in order to validate the accuracy of data found via county records and recorded deeds. The appraisers felt that adequate data was discovered to produce credible results via the sales comparison approach.

Because cost and market values closely relate when properties are new, the cost approach is important in estimating the market value of new or relatively new improvements. The approach is especially persuasive when land value is well supported and the improvements are new or suffer only minor accrued depreciation and, therefore, represent a use that approximates the highest and best use of the land as though vacant. The cost approach is also used to estimate the market value of proposed construction, special-purpose properties, and other properties that are not frequently exchanged in the market. Subject property is unimproved. As such, the cost approach is not applicable and was not utilized in the development of the value conclusion.

The subject property could be utilized as a dry grazing unit; however, fencing is needed. Although the additional income possibility is an attractive marketing aspect for the recreational or rural residential buyer, the typical buyer of this type of property is more interested in the lifestyle associated with the recreational or rural residential aspect of the property rather than its' income producing capabilities as dry pasture. We have therefore determined the income approach is not applicable and remains unprocessed.

In summary, a single approach to value is utilized. The sales comparison approach was deemed most credible and applicable to retrospectively value the subject property and is applied within this specific appraisal assignment.

## **SALES COMPARISON APPROACH**

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently; applying appropriate units of comparison, and making adjustments to the sale prices of the comparable sales based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.

Sales comparison approach to value uses sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is often accomplished using a physical unit of comparison such as a price per acre, per site, price per square foot or an economic unit of comparison, such as a gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sales and then the units of comparison are applied to yield a value indicator for the subject property.

Valuation through this approach utilizes a bracketing technique or relative comparison analysis. Absolute, dollar quantitative adjustments are not realistic through matched pair analyses within this imperfect market. Viewing the subject property in relation to the cited sales provides the greatest support through this sales comparative process. All adjustments are considered qualitative and retained in the appraisal office work files.

Presented sales are all located in the immediate market area, centered around the community of Kennedy Meadows. Terms and motivation behind the sales were confirmed with a principle to each transaction where possible, or through county records and recorded deeds. It is noted that very little data was available via the local multiple listing service (mls). Two Realtors were consulted to run searches, with no mls sales data in the immediate Kennedy Meadows area located. The appraisers were therefore limited to data discovered through county records. Inspection of each sale was made from the street, as well as via aerial views on Google Earth. Tulare County Environmental Health Department was also contacted to confirm well information, however due to Covid-19 and short staffing, this information could not be obtained prior to completion of the report.

Presented comparable sales were selected among a very limited group of retrospective data in the valuation of the subject property by sales comparison. Sales information is cited and analyzed in the following grid resulting in a per unit, per acre of land area range of value applicable to the subject property. Comparable sales location maps are located in the report Addendum.

**COMPARISON ANALYSIS**

|  | <b>DOS 2</b>            | <b>COMPARATIVE LAND SALES</b> |                |                  |                |                |
|--|-------------------------|-------------------------------|----------------|------------------|----------------|----------------|
|  | <b>SUBJECT</b>          | Sale R1                       | Sale R2        | Sale R3          | Sale R4        | Sale R5        |
| Buyer Name                               | <b>Tyler</b>            | Foster                        | Vieira         | Granger          | Bombard        | Louck          |
| Seller Name                              | <b>Rourke</b>           | Redmann                       | Taggart        | Genochio         | Hinton         | Griffin        |
| Sale Recording Date                      | <b>5/3/2006</b>         | 9/22/2004                     | 3/29/2004      | 9/22/2003        | 3/15/2002      | 10/2/2007      |
| Document No.                             | <b>46598</b>            | 96121                         | 28477          | 90774            | 19395          | 86700          |
| County                                   | <b>Tulare</b>           | Tulare                        | Tulare         | Tulare           | Tulare         | Tulare         |
| Location                                 | <b>Pine Pass</b>        | Kennedy Mdws                  | Kennedy Mdws   | Kennedy Mdws     | Kennedy Mdws   | Kennedy Mdws   |
| Assessor's Parcel No.                    | <b>328-100-032</b>      | 310-010-007                   | 310-230-012    | 310-030-009      | 310-160-021    | 310-170-008    |
| Gross Ac/Size                            | <b>19.16</b>            | 20.41                         | 19.89          | 20.04            | 20.62          | 100.00         |
| Terms/Financing                          | <b>Private / Cash</b>   | Private / Cash                | Private / Cash | Private / Cash   | Private / Cash | Private Fin.   |
| Sale Price                               | <b>\$57,000</b>         | \$35,000                      | \$40,000       | \$50,000         | \$58,500       | \$295,000      |
| Structural Improvements                  | <b>\$0</b>              | \$0                           | \$0            | \$0              | \$0            | \$0            |
| Adjusted Land Price                      | <b>\$57,000</b>         | \$35,000                      | \$40,000       | \$50,000         | \$58,500       | \$295,000      |
| Mkt. Adj. Land \$/Ac                     | <b>\$2,975</b>          | \$1,715                       | \$2,011        | \$2,495          | \$2,837        | \$2,950        |
| <b>PROPERTY CHARACTERISTICS</b>          |                         |                               |                |                  |                |                |
| Conditions of Sale                       | <b>Market</b>           | Market                        | Market         | Market           | Market         | Market         |
| Market Conditions                        | <b>5/3/2006</b>         | +/-10 mos                     | +/-16 mos      | +/-22 mos        | +/-40 mos.     | +/-5 mos.      |
| Location                                 | <b>Pine Pass</b>        | Kennedy Mdws                  | Kennedy Mdws   | Kennedy Mdws     | Kennedy Mdws   | Kennedy Mdws   |
| Size (Acres)                             | <b>19.16</b>            | 20.41                         | 19.89          | 20.04            | 20.62          | 100.00         |
| Access / Road Frontage                   | <b>Paved / Avg</b>      | Min. Dirt / Avg               | Dirt / Avg     | Dirt / Avg       | Dirt / Avg     | Dirt / Avg     |
| Topography                               | <b>Rolling / Hilly</b>  | Hilly                         | Hilly / Steep  | Rolling / Hilly  | Hilly          | RIng / Hilly   |
| View                                     | <b>Average</b>          | Average                       | Good           | Good             | Avg            | Good           |
| Native cover                             | <b>Open to Moderate</b> | Dense                         | Open           | Open to Moderate | Dense          | Open to Mod.   |
| Water                                    | <b>None</b>             | None                          | None           | None             | None           | Creek          |
| Add'l Amenities                          | <b>None</b>             | None                          | None           | None             | None           | Meadow         |
| <b>ELEMENTS OF COMPARISON - PER ACRE</b> |                         |                               |                |                  |                |                |
| Indicated Land \$/SF                     | <b>SUBJECT</b>          | \$1,715                       | \$2,011        | \$2,495          | \$2,837        | \$2,950        |
| Conditions of Sale                       | <b>Market</b>           | SIMILAR                       | SIMILAR        | SIMILAR          | SIMILAR        | SIMILAR        |
| Market Conditions                        | <b>5/3/2006</b>         | "                             | "              | "                | "              | "              |
| Location                                 | <b>Pine Pass</b>        | SIM-SL SUP                    | SIM-SL SUP     | SIM-SL SUP       | SIM-SL SUP     | SIM-SL SUP     |
| Size (Acres)                             | <b>19.16</b>            | SIMILAR                       | SIMILAR        | SIMILAR          | SIMILAR        | SIMILAR        |
| Access / Road Frontage                   | <b>Paved / Avg</b>      | "                             | SL INF         | SL INF           | SL INF         | SL INF         |
| Topography                               | <b>Rolling / Hilly</b>  | SIM-SL INF                    | SL INF         | SIMILAR          | SL INF         | SIMILAR        |
| View                                     | <b>Average</b>          | SIMILAR                       | SL SUP         | SL SUP           | SIMILAR        | SL SUP         |
| Native cover                             | <b>Open to Moderate</b> | SL INF                        | SIMILAR        | SIMILAR          | SL INF         | SIMILAR        |
| Water                                    | <b>None</b>             | SIMILAR                       | "              | "                | SIMILAR        | SL SUP         |
| Add'l Amenities                          | <b>None</b>             | "                             | "              | "                | "              | SL SUP         |
| Overall Comparison                       | <b>To Determine</b>     | SL INF                        | SIM-SL INF     | SIM-SL SUP       | SL INF         | SL SUP         |
| Value Indication                         |                         | sl more                       | = to sl more   | = to sl less     | sl less        | sl less        |
| of Subject Land\$/SF:                    |                         | <b>\$1,715</b>                | <b>\$2,011</b> | <b>\$2,495</b>   | <b>\$2,837</b> | <b>\$2,950</b> |

**COMPARISON ANALYSIS, cont.**

| <b>COMPARATIVE LAND SALES - ROURKE SALES</b> |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
|  | <b>DOS 1</b>    | <b>DOS 2</b>    | <b>DOS 3</b>    |
| Buyer Name                                   | Hamada          | Tyler           | Nichols         |
| Seller Name                                  | Rourke          | Rourke          | Rourke          |
| Sale Recording Date                          | 7/26/2005       | 5/3/2006        | 1/31/2006       |
| Document No.                                 | 79053           | 46598           | 9140            |
| County                                       | Tulare          | Tulare          | Tulare          |
| Location                                     | Kennedy Mdws    | Pine Pass       | Pine Pass       |
| Assessor's Parcel No.                        | 310-140-009     | 328-100-032     | 328-100-033     |
| Gross Ac/Size                                | 40.00           | 19.16           | 18.55           |
| Terms/Financing                              | Private / Cash  | Private / Cash  | Private / Cash  |
| Sale Price                                   | \$120,000       | \$57,000        | \$50,000        |
| Structural Improvements                      | \$0             | \$0             | \$0             |
| Adjusted Land Price                          | \$120,000       | \$57,000        | \$50,000        |
| <b>Mkt. Adj. Land \$/Ac</b>                  | <b>\$3,000</b>  | <b>\$2,975</b>  | <b>\$2,695</b>  |
| <b>PROPERTY CHARACTERISTICS</b>              |                 |                 |                 |
| Conditions of Sale                           | Market          | Market          | Market          |
| Market Conditions                            | Current         | Current         | Current         |
| Location                                     | Kennedy Mdws    | Pine Pass       | Pine Pass       |
| Size (Acres)                                 | 40.00           | 19.16           | 18.55           |
| Access / Road Frontage                       | Paved / Avg     | Paved / Avg     | Paved / Avg     |
| Topography                                   | Rolling / Hilly | Rolling / Hilly | Rolling / Hilly |
| View   | Very Good       | Average         | Average         |
| Native cover                                 | Open to Mod.    | Open to Mod.    | Open to Mod.    |
| Water  | None            | None            | None            |
| Add'l Amenities                              | Near River      | None            | None            |

### SALES COMPARISON ANALYSIS COMMENTS

Subject property is comprised of a 19.16-acre parcel, located southeast of Kennedy Meadows, in an area commonly known as Pine Pass. Property is well suited for rural residential, dry pasture or recreational use.

Presented sales include 5 sales within the immediate Kennedy Meadows market area. Kennedy Meadows "proper", affords a slightly superior rural residential appeal as compared to the Pine Pass area, being surrounded by the more aesthetically pleasing meadow areas. Adjustments were made for differences in access, with paved roads more desirable than dirt/gravel access; topography, views, native cover, water sources, as well as additional amenities such as proximity to the river, and/or meadow areas.

Sales 1 through 4 are similar sized  $\pm 20$ -acre parcels, whereas Sale 5 is a larger  $\pm 100$ -acre parcel. Due to the vast size difference, a slightly inferior rating is applied to Sale 5 for economies of scale, in that the total dollar investment for the larger parcel will typically result in a lower price per acre. It is duly noted that this sale is at the top of the range, however this is felt to be due to the additional amenities this sale affords, such as seasonal creek, views and meadow areas.

Sale 1 was rated similar to slightly inferior with regards to topography, and slightly inferior with regards to very dense coverage. Sale 2 has a slightly inferior dirt/gravel road access, hilly to steep terrain, however offset by a slightly superior view. Sale 3 also had dirt/gravel access, and slightly superior views. Sale 4 had dirt/gravel access, heavier coverage of trees/brush, as well as steeper terrain. Sale 4 seemed to be somewhat of an outlier, based on these inferior features, however falling at the upper end of the value range. We have therefore given this sale slightly less weight in determining the final value, due to lack of detailed information of the sale. Sale 5, the larger sized parcel, was rated slightly inferior for parcel size and access, however slightly superior for view, meadow area and seasonal creek running through the parcel.

The range in values reflected by the 5 cited sales ranges from say \$1,700 per acre to \$2,950 per acre. In addition to these 5 sales, we have presented the Rourke sales in a separate grid. As the assignment was to determine if the Rourke sales were at market levels, it was felt best to exclude them from the original sales grid. The three sales however, while at the upper end of the value range, appear to fall within a reasonable range of value.

Pursuant to the preceding analysis, it is the appraiser's opinion that the subject should be valued at the upper end of the value range of overall data. Based on the data presented herein, the subject appears to have sold at market levels as of the effective date of value, and is retrospectively reconciled as follows:

| Land Use   | Size Acres | Unit  | Indicated Unit Value (\$) | Total Value     |
|--|------------|-------|---------------------------|-----------------|
| Open Land  | 19.16      | Acres | \$2,975                   | \$57,001        |
| <b>Total Rounded Value by the Sales Comparison Approach:</b> |            |       |                           | <b>\$57,000</b> |

## RECONCILIATION AND FINAL VALUE CONCLUSION

The three approaches to value accepted by the appraisal industry were considered and one processed to retrospectively value the subject property. A brief discussion of the three approaches and indicated values, as processed and applicable, follows:

- **Sales Comparison Approach** is based on the principle of substitution. Actual sales of similar properties in the subject area were analyzed and adjusted to indicate the retrospective value of the subject property. Application of this incremental value consideration was applied to the subject acreage resulting in a rounded value indication by the sales comparison approach of:

**\$57,000**

- **Cost Approach** to value is based on the premise that a buyer will pay no more for a property than the replacement or reproduction cost new (RCN) of a similar improvement(s), less all forms of depreciation, plus land value and assuming the process can be accomplished without undue delay. The subject property includes older structural improvements. Subject property is unimproved; thus the cost approach was not considered to have application within this marketplace and remains unprocessed.

**N/A - EXCLUDED**

- **Income Approach** is based on the anticipation of future income streams, which will reflect value by applying capitalization rates derived from the analysis of comparable sales. As previously discussed, this approach is not considered applicable and remains unprocessed.

**N/A - EXCLUDED**

**RECONCILIATION AND FINAL VALUE CONCLUSION, continued**

In summary, the appraisers have processed and presented the single most credible approach to retrospectively value the subject property. Sales Comparison approach is deemed the most reliable indicator of value. Cost and income approaches were not processed as discussed. Market data (retrospective) included was deemed sufficient to provide a relatively sound basis for comparison within the sales comparison approach. Motivation of buyers in the market environment is well represented by the sales comparison approach. Final retrospective value opinion conclusion is exclusively reconciled to the sales comparison value indicator.

**ROURKE SUBJECT #2 – TYLER PROPERTY  
RETROSPECTIVE TO 05/03/2006  
“AS-IS” FAIR MARKET VALUE WOULD HAVE BEEN:**

**\$57,000**

**SUBJECT #3-NICHOLS**

## **GENERAL PROPERTY DESCRIPTION**

### **DETAILS OF PRESENT LAND USE**

Subject property consists of one assessor's tax parcel totaling 18.55 assessed acres. Subject is located southeast of Kennedy Meadows, in an area commonly known as Pine Pass. Subject land, as of the retrospective date of value, was open vacant land. Topography is rolling to hilly, with open to moderate coverage of low-lying brush and pines. Surrounding uses are similar, consisting of recreational use, rural residential use and open land.

### **LEGAL DESCRIPTION**

A legal description was not provided to the appraiser. Property was identified by assessor's parcel number(s), confirmed with county records and assessor's maps.

### **OWNERSHIP**

According to the property profile records indicated by CoreLogic RealQuest® Professional (online property information database reporting county records), the subject, as of the effective date of appraisal, was vested in the following ownership:

#### **NICHOLS, WILLIAM E. & JEANNE E.**

(Property was subsequently sold and currently held in the name of Oren Meyers)

### **THREE-YEAR TITLE HISTORY**

According to the client, the property had been under the same family ownership for well over three years prior to the effective date of value. No transfers, leases or listings within the same time period. Property was reportedly sold without benefit of a Broker or exposure on the open market. Property was sold in a direct transaction for \$120,000 or \$3,000 per acre.

### **TENURE & OCCUPANCY**

As of the date of this appraisal report, the subject was open vacant land. Since the purchase of the property, the owners have constructed a single family residence.

### **LOCATION AND ACCESS**

Subject is located along the east side of Kennedy Meadows Rd. (aka Sherman Pass Rd.), southeast of Kennedy Meadows, in an area commonly known as Pine Pass. Physical address on record is 10416 Kennedy Meadows Rd, Kennedy Meadows, CA. Access to the subject is obtained via Sherman Pass Road. This is a paved two-lane roadway, considered average for the area, which is county standard maintained, with no curbs, gutters or sidewalks.

### **SHAPE, TOPOGRAPHY AND ELEVATION**

Parcel is irregular in shape with undulating topography. Elevation of the subject property is approximately 7,000-7,600 feet above mean sea level. Properties in the general vicinity are similar in comparison based on the provided USGS Topography map in the Addendum section of the report.

### **UTILITIES AND SERVICES**

There are no utilities or services available. There are no urban sewers or water services available to the subject property. Police and fire protection is provided by County and State agencies. Garbage collection and propane services are limited from private companies. Land use in this area is seasonal, with generators utilized for power, springs and wells for water.

### **ZONING AND TRENDS**

Subject is a conforming use. General Plan designated as Mixed Use. The subject property is located in "MR-217", Mountain Residential Zone. "MR-217" zoning is intended primarily for the mountain areas of Tulare County where residential uses may be located in environmentally sensitive surroundings. Based on the factors mentioned above, it is unlikely that the zoning will be changed in the immediate future.

### **FEDERAL FLOOD HAZARD**

Subject property is located within Flood Zone "X". This determination is according to the FEMA Federal Insurance Rate Map, Tulare County, Community Non-Printed Panel No. 06107C2175E, effective date of June 16, 2009. Flood Zone "X" is designated to areas determined to be outside the 0.2% annual chance floodplain.

### **FAULT-RUPTURE HAZARDS**

According to the California Department of Conservation Geological Survey's Earthquake Fault Zones, Special Publication 42 revised in 2018, the subject property is not located within an Alquist-Priolo Earthquake Fault Zone.

### WETLANDS

Subject property does not appear to be located within any known designated wetland areas. No known issues pertaining to wetland designations or any other sensitive habitat areas were reported by the client.

### FUEL TANK/ENVIRONMENTAL CONCERNS

No fuel storage tanks, or apparent evidence thereof, were observed on the subject property. Although due diligence was performed, the appraisers are not experts in this environmental field. It is recommended that if additional information is required, an environmental assessor is retained to perform an environmental audit on the subject property to ensure that all health, safety, and environmental standards are being met. It should also be known that the appraisers are not qualified to accurately judge the condition of the soils or environmental hazards which may exist or the structural integrity of any of the improvements, if available. The assessment of these items is beyond the scope of this appraisal.

### SOIL DETAILS

According to the Natural Resources Conservation Service (NRCS) using the mapping tools found on the USDA's Web Soil Survey website, this subject area has no available soil data available. Typical mountain soils suited to forest production and for development of structural improvements.

### DRAINAGE

Natural contour and topography of the property provide adequate drainage.

### ASSESSMENTS AND TAXES

The acreage, current 2020/2021 assessments and taxes for the total subject property, per the county assessor's office are as follows:

| ASSESSMENTS   |              |                 |                |            |                 | TAXES<br>TOTAL  |
|---------------|--------------|-----------------|----------------|------------|-----------------|-----------------|
| APN           | ACRES        | LAND            | IMPROVEMENTS   | OTHER      | TOTAL           |                 |
| 328-100-033   | 18.55        | \$62,479        | \$4,285        | \$0        | \$66,764        | \$855.18        |
| <b>TOTALS</b> | <b>18.55</b> | <b>\$62,479</b> | <b>\$4,285</b> | <b>\$0</b> | <b>\$66,764</b> | <b>\$855.18</b> |

## **DEED RESTRICTIONS**

A preliminary title report was not provided. As such, the appraiser was unable to determine if any restrictions were in place other than typical utilities and/or road concerns. It is extraordinarily assumed that there were no easements, restrictions or “clouds” on title that would have affected the value of the subject. The appraisers direct the reader to the Assumptions and Limiting Conditions, item #12, other special/extraordinary/hypothetical limiting conditions, assumptions, or criteria for additional details.

## **AGRICULTURAL PRESERVE DESCRIPTION**

According to Tulare County, the subject property is not enrolled in the Agricultural Preserve program (Williamson Act).

In the early 1960s agricultural property tax burdens resulting from rapid land value appreciation became so great that in 1965, the Legislature passed the California Land Conservation Act, also known as the Williamson Act. The Act allows local governments to assess agricultural landowners based upon the income-producing value of their property, rather than the “highest and best use value” which had previously been the rule. The legislature intended that the act help farmers by providing property tax relief and by discouraging the unnecessary and premature conversion of agricultural land to non-agricultural uses. Under the act, agricultural preserve contracts are automatically renewed each year for 10 years unless either the landowner or local government has notified the other of its intention not to renew the contract. Following the notice of non-renewal, taxes gradually return to the level charged on equivalent, non-restricted property, although the land uses remain restricted until the contract expires (10 years after notice of non-renewal).

## **DESCRIPTION OF IMPROVEMENTS**

Subject property was structurally unimproved as of the effective date of appraisal.

## HIGHEST AND BEST USE

### HIGHEST AND BEST USE DEFINITION

In the valuation of the subject properties, considerations have been given to their highest and best use. The highest and best use analysis involved a study of the present uses of the subject properties, uses of surrounding properties, and zoning availability for the subjects. The highest and best use of the subject property is analyzed both on the basis of being improved, and as if vacant.

In the most recent edition of Appraisal of Real Estate by the Appraisal Institute defines highest and best use as:

- 1) *"The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal.*
- 2) *The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.*
- 3) *The most profitable use.*

*Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitats, and the like." . . . "It is to be recognized that in cases where the site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use." (Real Estate Terminology, p. 107)*

### HIGHEST & BEST USE ANALYSIS

Generally, the highest and best use for a property is estimated after considering four factors. These factors are, in sequence, (1) the subject use is legally permissible, (2) the subject use is physically possible, (3) the subject use is financially feasible, and (4) the subject use is maximally productive. The appraisers will take these items in sequence.

## **AS VACANT**

**Legally Permissible** – Subject property is located in an area that historically has been devoted to rural residential, recreational and dry pasture use. Subject consists of one single parcel, zoned Mountain Residential Zone. As vacant, recreational, rural homesite or dry pasture use, with the potential for residential/farmstead improvements complies with the existing county zoning designation as well as surrounding land uses.

**Physically Possible** – An unimproved use of the subject property for recreational, rural residential use is physically possible. Dry pasture use is physically possible; however, fencing would be needed.

**Financially Feasible** – Unimproved use of the subject property for recreational use, dry pasture use or a rural homesite with the potential for residential/farmstead improvements is considered financially feasible due to the physical factors of soils, climate, and terrain.

**Maximally Productive** - Given the topography, access and location, an unimproved use of the subject property as recreational, dry pasture, or rural homesite use, with the potential for residential/farmstead improvements is considered the most maximally productive use.

**Conclusion** - Highest and best use of the subject property as unimproved, is use as recreational, dry pasture, or rural homesite.

## **AS IMPROVED**

**Conclusion** – Subject is unimproved, thus the Highest and Best Use of this property as improved is use as recreational, dry pasture, or rural homesite.

## VALUATION METHODOLOGY

Appraisers typically utilize three common approaches in estimating the market value of real property. These approaches are known as the sales comparison approach, the cost approach and the income approach.

In order to perform these analyses it is necessary that certain data be available which will allow the processing of each of the individual approaches.

**Cost Approach** provides an indication of market value through the summation of 1) the estimated value of the site or land with 2) an independent estimate of the replacement or reproduction costs of the subject improvements less an accounting for depreciation from all causes. This depreciation includes any physical deterioration due to age or wear and tear of the buildings as well as any functional or economic obsolescence suffered by the property.

**Sales Comparison Approach** provides an indication of value for a property through the comparison of the subject with recent sales of properties that are similar in location, highest and best use, quality, size, age, etc.

**Income Approach** provides an indication of a property's market value by comparing that property with other similar properties, which have recently been leased or rented to provide an indication of an economic rent level for the subject. From the estimate of economic rent, potential annual income can be anticipated. This potential annual income is then reduced to an estimate of net operating income by subtracting an anticipated vacancy and collection loss and appropriate operating expenses as applicable. Capitalization of this net operating income provides an indication of market value by what is referred to as "direct capitalization". Here again, a considerable amount of data is necessary to provide a reliable indication of market value.

With the above objectives in mind, research was undertaken in an attempt to find recent sales of properties which could be considered similar enough to the subject property and which would, after analysis, yield accurate indications of retrospective market value.

**Final Reconciliation:** The last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a final range of value or a single point estimate.<sup>7</sup>

The reconciliation process represents a weighing of the indicators derived from the approaches to value as to the indicator's reliability and applicability to the appraisal problem at hand. A final value conclusion is then estimated based on the available data and the appraiser's experience in appraising the type of property under analysis.

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<sup>7</sup> Final Reconciliation. (2010). The Dictionary of Real Estate Appraisal (p. 79, 5<sup>th</sup> ed.). Chicago: Appraisal Institute.

## **VALUATION METHODOLOGY, continued**

Generally, in the appraisal of rural residential or commercial property, the sales comparison approach is most often utilized. This is typically due to the availability of recent market sales in the general or expanded subject area. This method is recognized as the valuation approach, which best illustrates the motivation of market participants, buyers and sellers, in the market environment for the subject property. This approach provides an indication of value for a property through the comparison of the subject with recent sales of properties that are similar in location, highest and best use, quality, size, age, etc. With this objective in mind, research was undertaken in an attempt to find recent sales of properties, which could be considered similar enough to the subject and which would, after analysis, yield accurate indications of retrospective market value as of the effective date of appraisal. A limited, yet adequate set of comparable properties were found to develop this approach to value. It is noted that very little market data was discovered through the local multiple listing service. Surrounding areas were therefore analyzed to further determine market conditions of the expanded market area, in order to validate the accuracy of data found via county records and recorded deeds. The appraisers felt that adequate data was discovered to produce credible results via the sales comparison approach.

Because cost and market values closely relate when properties are new, the cost approach is important in estimating the market value of new or relatively new improvements. The approach is especially persuasive when land value is well supported and the improvements are new or suffer only minor accrued depreciation and, therefore, represent a use that approximates the highest and best use of the land as though vacant. The cost approach is also used to estimate the market value of proposed construction, special-purpose properties, and other properties that are not frequently exchanged in the market. Subject property is unimproved. As such, the cost approach is not applicable and was not utilized in the development of the value conclusion.

The subject property could be utilized as a dry grazing unit; however fencing is needed. Although the additional income possibility is an attractive marketing aspect for the recreational or rural residential buyer, the typical buyer of this type of property is more interested in the lifestyle associated with the recreational or rural residential aspect of the property rather than its' income producing capabilities as dry pasture. We have therefore determined the income approach is not applicable and remains unprocessed.

In summary, a single approach to value is utilized. The sales comparison approach was deemed most credible and applicable to retrospectively value the subject property and is applied within this specific appraisal assignment.

## SALES COMPARISON APPROACH

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently; applying appropriate units of comparison, and making adjustments to the sale prices of the comparable sales based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.

Sales comparison approach to value uses sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is often accomplished using a physical unit of comparison such as a price per acre, per site, price per square foot or an economic unit of comparison, such as a gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sales and then the units of comparison are applied to yield a value indicator for the subject property.

Valuation through this approach utilizes a bracketing technique or relative comparison analysis. Absolute, dollar quantitative adjustments are not realistic through matched pair analyses within this imperfect market. Viewing the subject property in relation to the cited sales provides the greatest support through this sales comparative process. All adjustments are considered qualitative and retained in the appraisal office work files.

Presented sales are all located in the immediate market area, centered around the community of Kennedy Meadows. Terms and motivation behind the sales were confirmed with a principle to each transaction where possible, or through county records and recorded deeds. It is noted that very little data was available via the local multiple listing service (mls). Two Realtors were consulted to run searches, with no mls sales data in the immediate Kennedy Meadows area located. The appraisers were therefore limited to data discovered through county records. Inspection of each sale was made from the street, as well as via aerial views on Google Earth. Tulare County Environmental Health Department was also contacted to confirm well information, however due to Covid-19 and short staffing, this information could not be obtained prior to completion of the report.

Presented comparable sales were selected among a very limited group of retrospective data in the valuation of the subject property by sales comparison. Sales information is cited and analyzed in the following grid resulting in a per unit, per acre of land area range of value applicable to the subject property. Comparable sales location maps are located in the report Addendum.

**COMPARISON ANALYSIS**

|                         | <b>DOS 3</b>            | <b>COMPARATIVE LAND SALES</b>            |                |                  |                |                |
|-------------------------|-------------------------|--|----------------|------------------|----------------|----------------|
|                         | <b>SUBJECT</b>          | Sale R1                                  | Sale R2        | Sale R3          | Sale R4        | Sale R5        |
| Buyer Name              | <b>Nichols</b>          | Foster                                   | Vieira         | Granger          | Bombard        | Louck          |
| Seller Name             | <b>Rourke</b>           | Redmann                                  | Taggart        | Genochio         | Hinton         | Griffin        |
| Sale Recording Date     | <b>1/31/2006</b>        | 9/22/2004                                | 3/29/2004      | 9/22/2003        | 3/15/2002      | 10/2/2007      |
| Document No.            | <b>9140</b>             | 96121                                    | 28477          | 90774            | 19395          | 86700          |
| County                  | <b>Tulare</b>           | Tulare                                   | Tulare         | Tulare           | Tulare         | Tulare         |
| Location                | <b>Pine Pass</b>        | Kennedy Mdws                             | Kennedy Mdws   | Kennedy Mdws     | Kennedy Mdws   | Kennedy Mdws   |
| Assessor's Parcel No.   | <b>328-100-033</b>      | 310-010-007                              | 310-230-012    | 310-030-009      | 310-160-021    | 310-170-008    |
| Gross Ac/Size           | <b>18.55</b>            | 20.41                                    | 19.89          | 20.04            | 20.62          | 100.00         |
| Terms/Financing         | <b>Private / Cash</b>   | Private / Cash                           | Private / Cash | Private / Cash   | Private / Cash | Private Fin.   |
| Sale Price              | <b>\$50,000</b>         | \$35,000                                 | \$40,000       | \$50,000         | \$58,500       | \$295,000      |
| Structural Improvements | <b>\$0</b>              | \$0                                      | \$0            | \$0              | \$0            | \$0            |
| Adjusted Land Price     | <b>\$50,000</b>         | \$35,000                                 | \$40,000       | \$50,000         | \$58,500       | \$295,000      |
| Mkt. Adj. Land \$/Ac    | <b>\$2,695</b>          | \$1,715                                  | \$2,011        | \$2,495          | \$2,837        | \$2,950        |
|                         |                         | <b>PROPERTY CHARACTERISTICS</b>          |                |                  |                |                |
| Conditions of Sale      | <b>Market</b>           | Market                                   | Market         | Market           | Market         | Market         |
| Market Conditions       | <b>1/31/2006</b>        | +/-10 mos                                | +/-16 mos      | +/-22 mos        | +/-40 mos.     | +/-5 mos.      |
| Location                | <b>Pine Pass</b>        | Kennedy Mdws                             | Kennedy Mdws   | Kennedy Mdws     | Kennedy Mdws   | Kennedy Mdws   |
| Size (Acres)            | <b>18.55</b>            | 20.41                                    | 19.89          | 20.04            | 20.62          | 100.00         |
| Access / Road Frontage  | <b>Paved / Avg</b>      | Min. Dirt / Avg                          | Dirt / Avg     | Dirt / Avg       | Dirt / Avg     | Dirt / Avg     |
| Topography              | <b>Rolling / Hilly</b>  | Hilly                                    | Hilly / Steep  | Rolling / Hilly  | Hilly          | RIng / Hilly   |
| View                    | <b>Average</b>          | Average                                  | Good           | Good             | Avg            | Good           |
| Native cover            | <b>Open to Moderate</b> | Dense                                    | Open           | Open to Moderate | Dense          | Open to Mod.   |
| Water                   | <b>None</b>             | None                                     | None           | None             | None           | Creek          |
| Add'l Amenities         | <b>None</b>             | None                                     | None           | None             | None           | Meadow         |
|                         |                         | <b>ELEMENTS OF COMPARISON - PER ACRE</b> |                |                  |                |                |
| Indicated Land \$/SF    | <b>SUBJECT</b>          | \$1,715                                  | \$2,011        | \$2,495          | \$2,837        | \$2,950        |
| Conditions of Sale      | <b>Market</b>           | SIMILAR                                  | SIMILAR        | SIMILAR          | SIMILAR        | SIMILAR        |
| Market Conditions       | <b>1/31/2006</b>        | "  | "              | "                | "              | "              |
| Location                | <b>Pine Pass</b>        | SIM-SL SUP                               | SIM-SL SUP     | SIM-SL SUP       | SIM-SL SUP     | SIM-SL SUP     |
| Size (Acres)            | <b>18.55</b>            | SIMILAR                                  | SIMILAR        | SIMILAR          | SIMILAR        | SIMILAR        |
| Access / Road Frontage  | <b>Paved / Avg</b>      | "  | SL INF         | SL INF           | SL INF         | SL INF         |
| Topography              | <b>Rolling / Hilly</b>  | SIM-SL INF                               | SL INF         | SIMILAR          | SL INF         | SIMILAR        |
| View                    | <b>Average</b>          | SIMILAR                                  | SL SUP         | SL SUP           | SIMILAR        | SL SUP         |
| Native cover            | <b>Open to Moderate</b> | SL INF                                   | SIMILAR        | SIMILAR          | SL INF         | SIMILAR        |
| Water                   | <b>None</b>             | SIMILAR                                  | "              | "                | SIMILAR        | SL SUP         |
| Add'l Amenities         | <b>None</b>             | "  | "              | "                | "              | SL SUP         |
| Overall Comparison      | <b>To Determine</b>     | SL INF                                   | SIM-SL INF     | SIM-SL SUP       | SL INF         | SL SUP         |
| Value Indication        |                         | sl more                                  | = to sl more   | = to sl less     | sl less        | sl less        |
| of Subject Land\$/SF:   |                         | <b>\$1,715</b>                           | <b>\$2,011</b> | <b>\$2,495</b>   | <b>\$2,837</b> | <b>\$2,950</b> |

**COMPARISON ANALYSIS, cont.**

| <b>COMPARATIVE LAND SALES - ROURKE SALES</b> |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
|  | <b>DOS 1</b>    | <b>DOS 2</b>    | <b>DOS 3</b>    |
| Buyer Name                                   | Hamada          | Tyler           | Nichols         |
| Seller Name                                  | Rourke          | Rourke          | Rourke          |
| Sale Recording Date                          | 7/26/2005       | 5/3/2006        | 1/31/2006       |
| Document No.                                 | 79053           | 46598           | 9140            |
| County                                       | Tulare          | Tulare          | Tulare          |
| Location                                     | Kennedy Mdws    | Pine Pass       | Pine Pass       |
| Assessor's Parcel No.                        | 310-140-009     | 328-100-032     | 328-100-033     |
| Gross Ac/Size                                | 40.00           | 19.16           | 18.55           |
| Terms/Financing                              | Private / Cash  | Private / Cash  | Private / Cash  |
| Sale Price                                   | \$120,000       | \$57,000        | \$50,000        |
| Structural Improvements                      | \$0             | \$0             | \$0             |
| Adjusted Land Price                          | \$120,000       | \$57,000        | \$50,000        |
| <b>Mkt. Adj. Land \$/Ac</b>                  | <b>\$3,000</b>  | <b>\$2,975</b>  | <b>\$2,695</b>  |
| <b>PROPERTY CHARACTERISTICS</b>              |                 |                 |                 |
| Conditions of Sale                           | Market          | Market          | Market          |
| Market Conditions                            | Current         | Current         | Current         |
| Location                                     | Kennedy Mdws    | Pine Pass       | Pine Pass       |
| Size (Acres)                                 | 40.00           | 19.16           | 18.55           |
| Access / Road Frontage                       | Paved / Avg     | Paved / Avg     | Paved / Avg     |
| Topography                                   | Rolling / Hilly | Rolling / Hilly | Rolling / Hilly |
| View   | Very Good       | Average         | Average         |
| Native cover                                 | Open to Mod.    | Open to Mod.    | Open to Mod.    |
| Water  | None            | None            | None            |
| Add'l Amenities                              | Near River      | None            | None            |

### SALES COMPARISON ANALYSIS COMMENTS

Subject property is comprised of a 18.55-acre parcel, located southeast of Kennedy Meadows, in an area commonly known as Pine Pass. Property is well suited for rural residential, dry pasture or recreational use.

Presented sales include 5 sales within the immediate Kennedy Meadows market area. Kennedy Meadows "proper", affords a slightly superior rural residential appeal as compared to the Pine Pass area, being surrounded by the more aesthetically pleasing meadow areas. Adjustments were made for differences in access, with paved roads more desirable than dirt/gravel access; topography, views, native cover, water sources, as well as additional amenities such as proximity to the river, and/or meadow areas.

Sales 1 through 4 are similar sized  $\pm 20$ -acre parcels, whereas Sale 5 is a larger  $\pm 100$ -acre parcel. Due to the vast size difference, a slightly inferior rating is applied to Sale 5 for economies of scale, in that the total dollar investment for the larger parcel will typically result in a lower price per acre. It is duly noted that this sale is at the top of the range, however this is felt to be due to the additional amenities this sale affords, such as seasonal creek, views and meadow areas.

Sale 1 was rated similar to slightly inferior with regards to topography, and slightly inferior with regards to very dense coverage. Sale 2 has a slightly inferior dirt/gravel road access, hilly to steep terrain, however offset by a slightly superior view. Sale 3 also had dirt/gravel access, and slightly superior views. Sale 4 had dirt/gravel access, heavier coverage of trees/brush, as well as steeper terrain. Sale 4 seemed to be somewhat of an outlier, based on these inferior features, however falling at the upper end of the value range. We have therefore given this sale slightly less weight in determining the final value, due to lack of detailed information of the sale. Sale 5, the larger sized parcel, was rated slightly inferior for parcel size and access, however slightly superior for view, meadow area and seasonal creek running through the parcel.

The range in values reflected by the 5 cited sales ranges from say \$1,700 per acre to \$2,950 per acre. In addition to these 5 sales, we have presented the Rourke sales in a separate grid. As the assignment was to determine if the Rourke sales were at market levels, it was felt best to exclude them from the original sales grid. The three sales however, while at the upper end of the value range, appear to fall within a reasonable range of value.

Pursuant to the preceding analysis, it is the appraiser's opinion that the subject should be valued at the upper end of the value range of overall data. Based on the data presented herein, the subject appears to have sold at market levels as of the effective date of value, and is retrospectively reconciled as follows:

| Land Use   | Size Acres | Unit  | Indicated Unit Value (\$) | Total Value     |
|--|------------|-------|---------------------------|-----------------|
| Open Land  | 18.55      | Acres | \$2,695                   | \$49,992        |
| <b>Total Rounded Value by the Sales Comparison Approach:</b> |            |       |                           | <b>\$50,000</b> |

## RECONCILIATION AND FINAL VALUE CONCLUSION

The three approaches to value accepted by the appraisal industry were considered and one processed to retrospectively value the subject property. A brief discussion of the three approaches and indicated values, as processed and applicable, follows:

- **Sales Comparison Approach** is based on the principle of substitution. Actual sales of similar properties in the subject area were analyzed and adjusted to indicate the retrospective value of the subject property. Application of this incremental value consideration was applied to the subject acreage resulting in a rounded value indication by the sales comparison approach of:

**\$50,000**

- **Cost Approach** to value is based on the premise that a buyer will pay no more for a property than the replacement or reproduction cost new (RCN) of a similar improvement(s), less all forms of depreciation, plus land value and assuming the process can be accomplished without undue delay. The subject property includes older structural improvements. Subject property is unimproved; thus, the cost approach was not considered to have application within this marketplace and remains unprocessed.

**N/A - EXCLUDED**

- **Income Approach** is based on the anticipation of future income streams, which will reflect value by applying capitalization rates derived from the analysis of comparable sales. As previously discussed, this approach is not considered applicable and remains unprocessed.

**N/A - EXCLUDED**

**RECONCILIATION AND FINAL VALUE CONCLUSION, continued**

In summary, the appraisers have processed and presented the single most credible approach to retrospectively value the subject property. Sales Comparison approach is deemed the most reliable indicator of value. Cost and income approaches were not processed as discussed. Market data (retrospective) included was deemed sufficient to provide a relatively sound basis for comparison within the sales comparison approach. Motivation of buyers in the market environment is well represented by the sales comparison approach. Final retrospective value opinion conclusion is exclusively reconciled to the sales comparison value indicator.

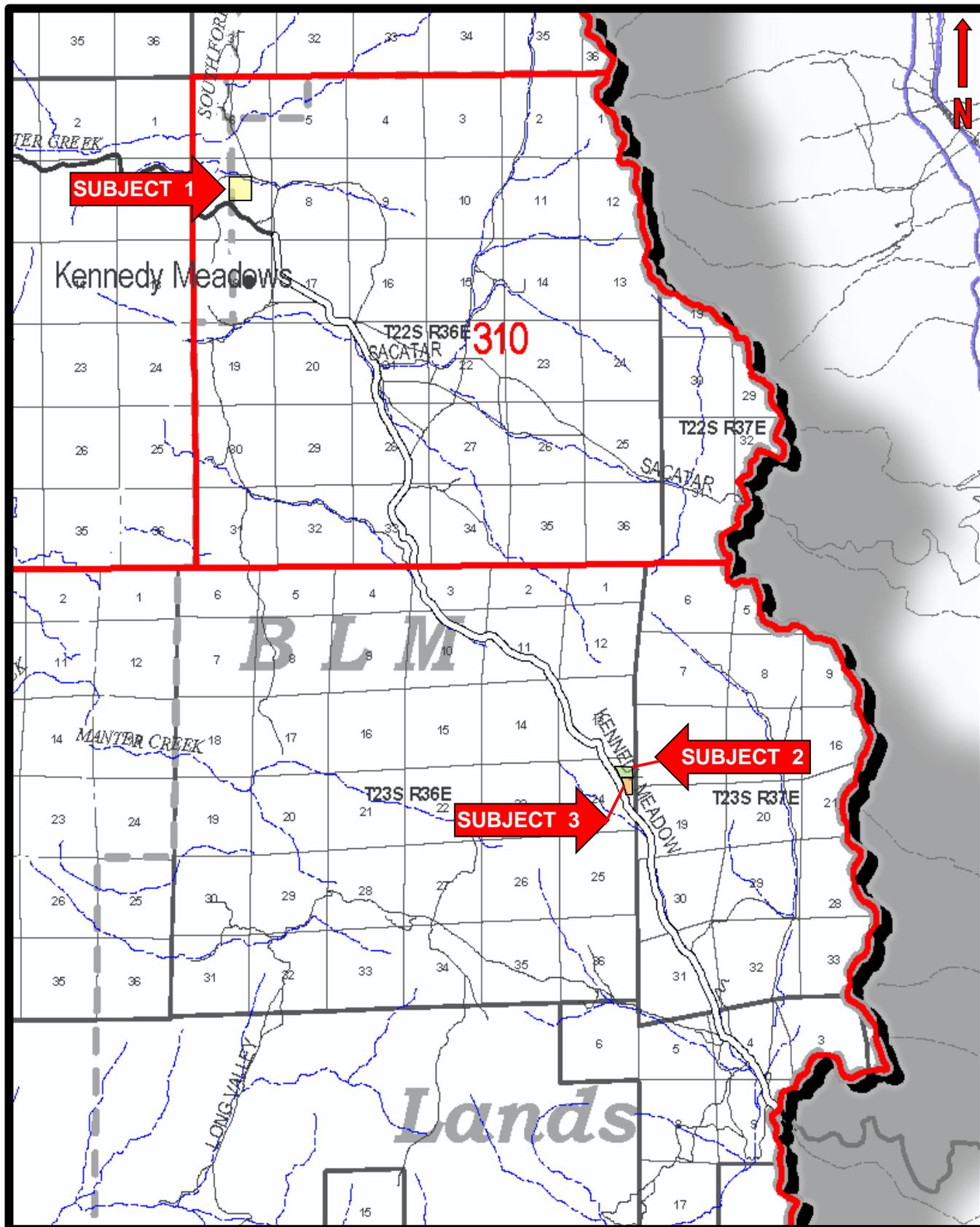
**ROURKE SUBJECT #3 – NICHOLS PROPERTY  
RETROSPECTIVE TO 01/31/2006  
“AS-IS” FAIR MARKET VALUE WOULD HAVE BEEN:**

**\$50,000**

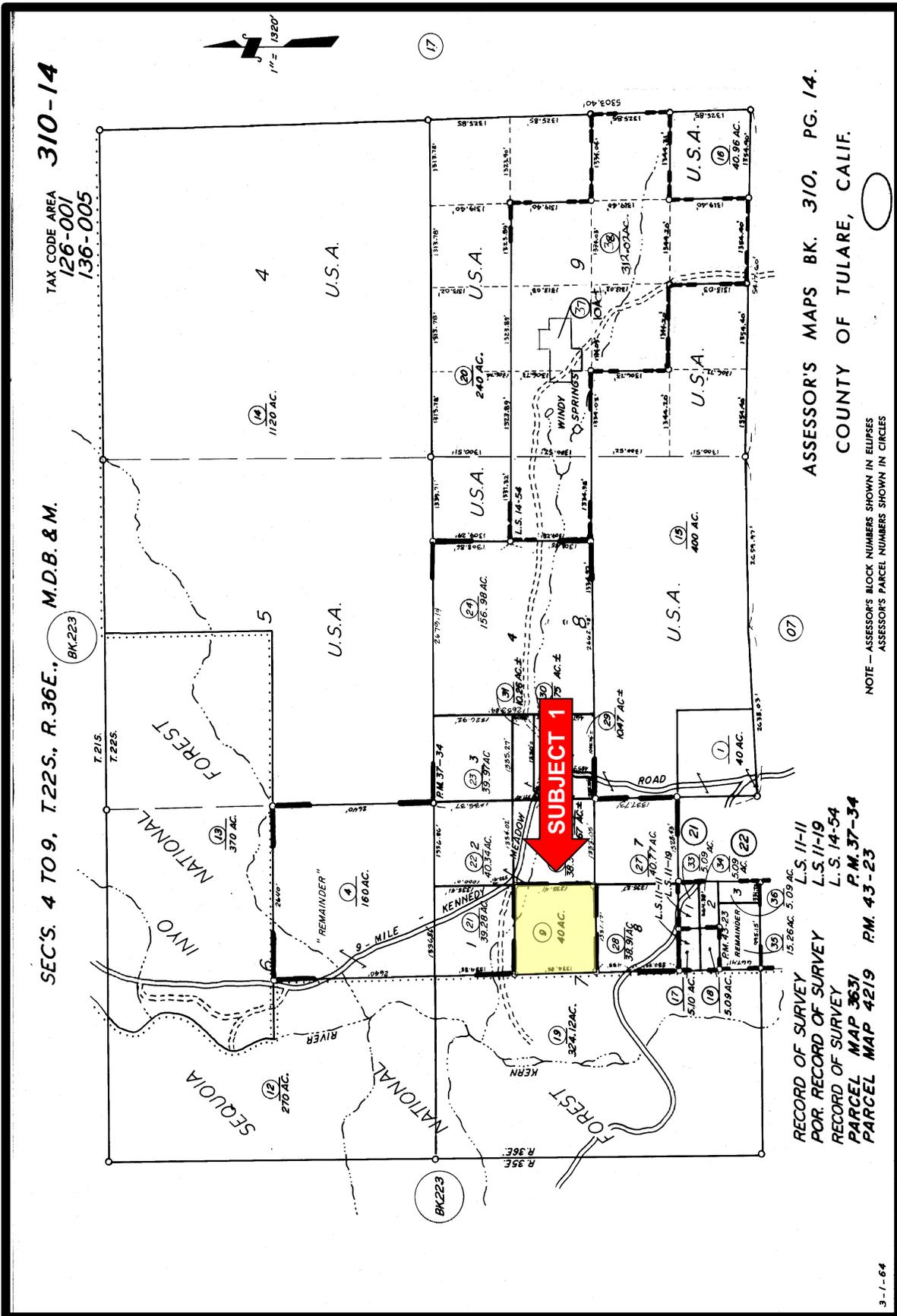
# **ADDENDUM**

- **MARKET AREA LOCATION MAPS**
- **SUBJECT ASSESSOR'S PARCEL MAP(S)**
- **TOPOGRAPHY MAP(S)**
- **FEMA FLOOD MAP(S)**
- **SUBJECT AERIAL PLAT MAPS**
- **SUBJECT PHOTOGRAPHS**
- **SALES LOCATION MAP(S)**
- **APPRAISER'S QUALIFICATIONS**

# MARKET AREA LOCATION MAP



# SUBJECT ASSESSOR'S PARCEL MAP

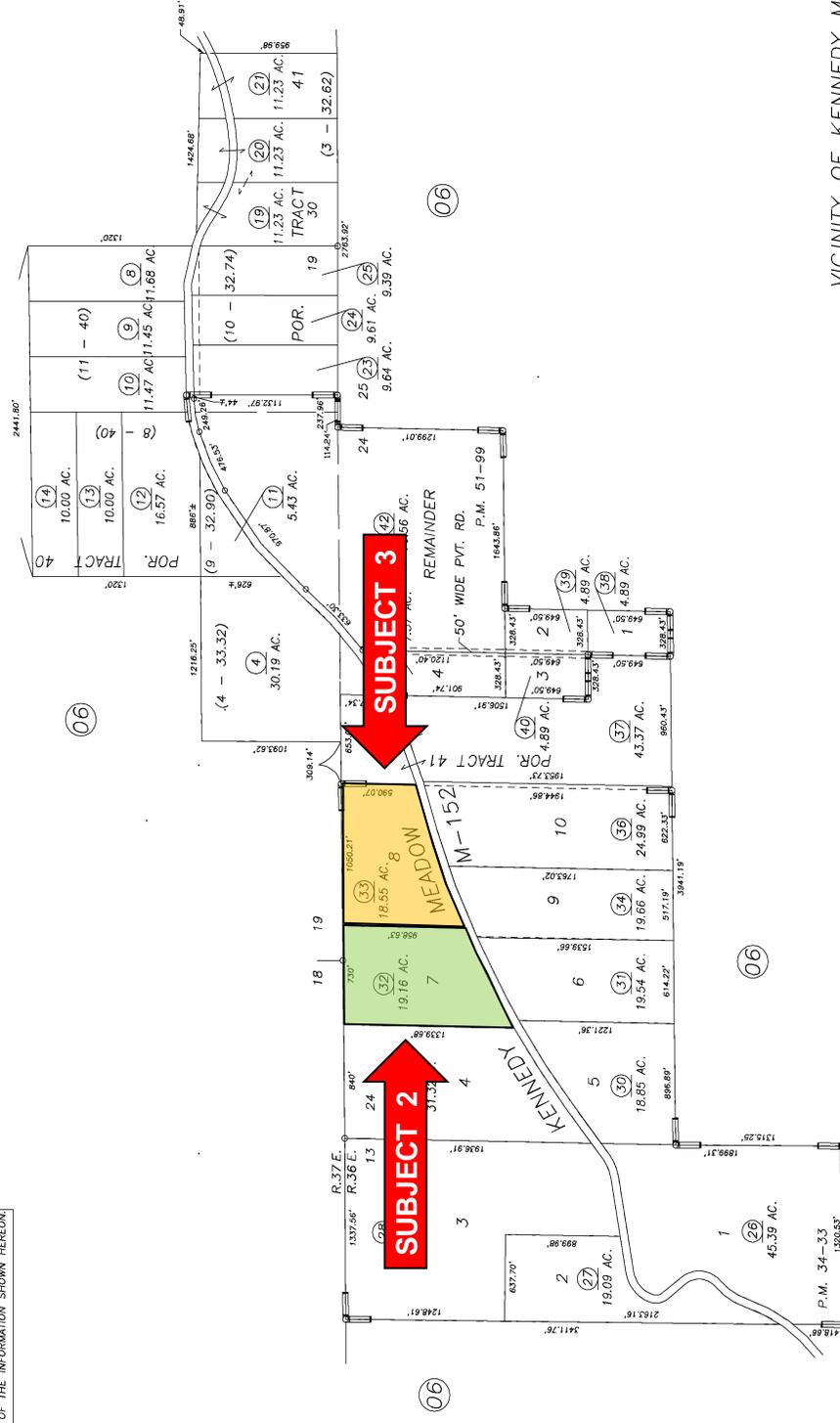
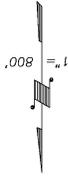


# SUBJECT ASSESSOR'S PARCEL MAP

Tax Area Code **328-10**  
095-001

POR. SEC. 13 & 24 T.23S., R.36E. M.D.B.& M.  
AND POR. SEC 19 & 30 T.23S., R.37E., M.D.B.& M.

**DISCLAIMER**  
THIS MAP WAS PREPARED FOR LOCAL PROPERTY ASSESSMENT PURPOSES ONLY AND THE PARCELS SHOWN HEREON MAY NOT BE EXACTLY THE SAME AS THE SUBDIVISION ORDINANCES, AND NO LIABILITY WILL BE ASSUMED FOR ANY OF THE INFORMATION SHOWN HEREON.



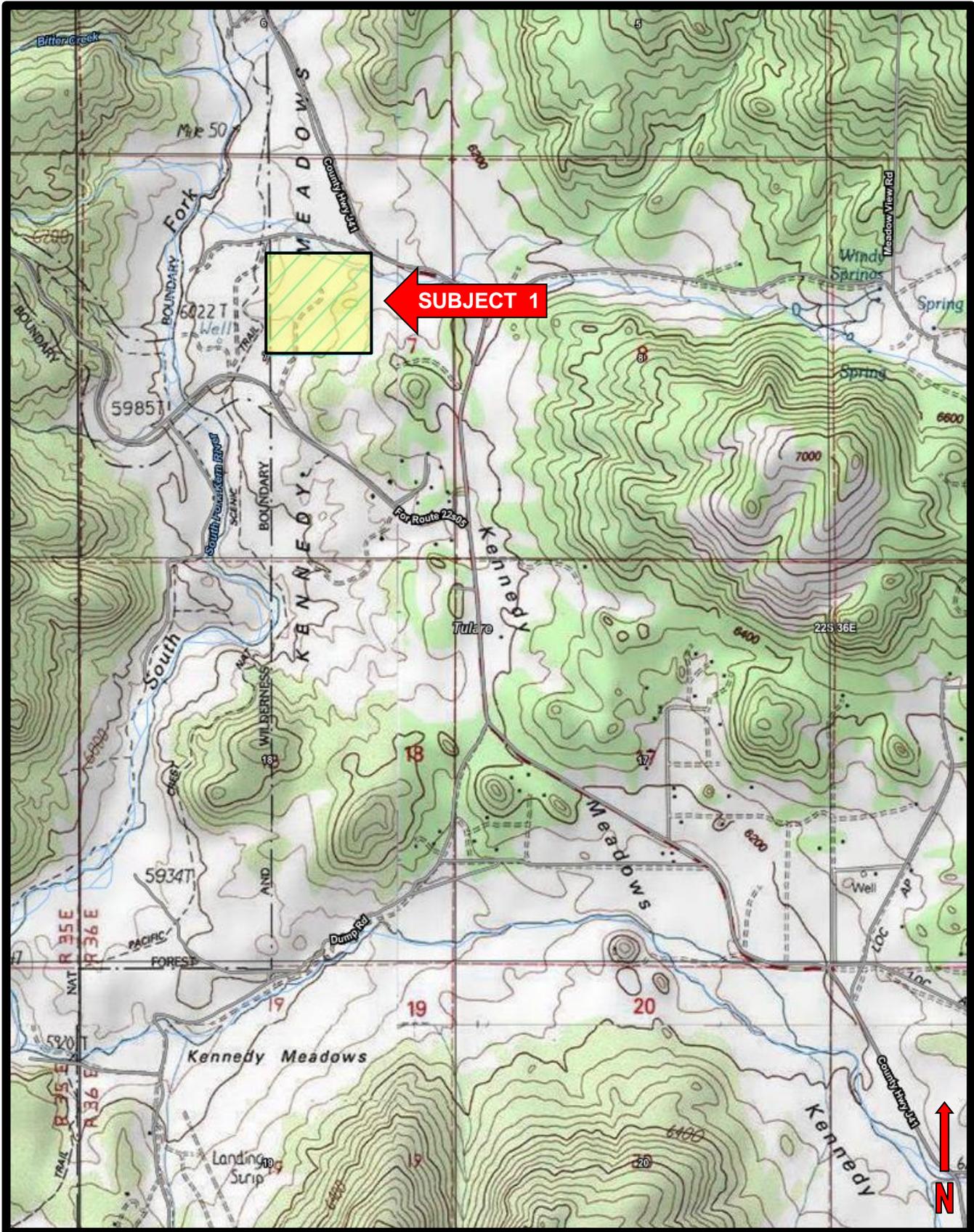
VICINITY OF KENNEDY MEADOWS  
ASSESSOR'S MAPS BK.328 , PG.10  
COUNTY OF TULARE, CALIFORNIA, U.S.A.

PARCEL MAP 3331, P.M. 34-33  
PARCEL MAP 5092, P.M. 51-99

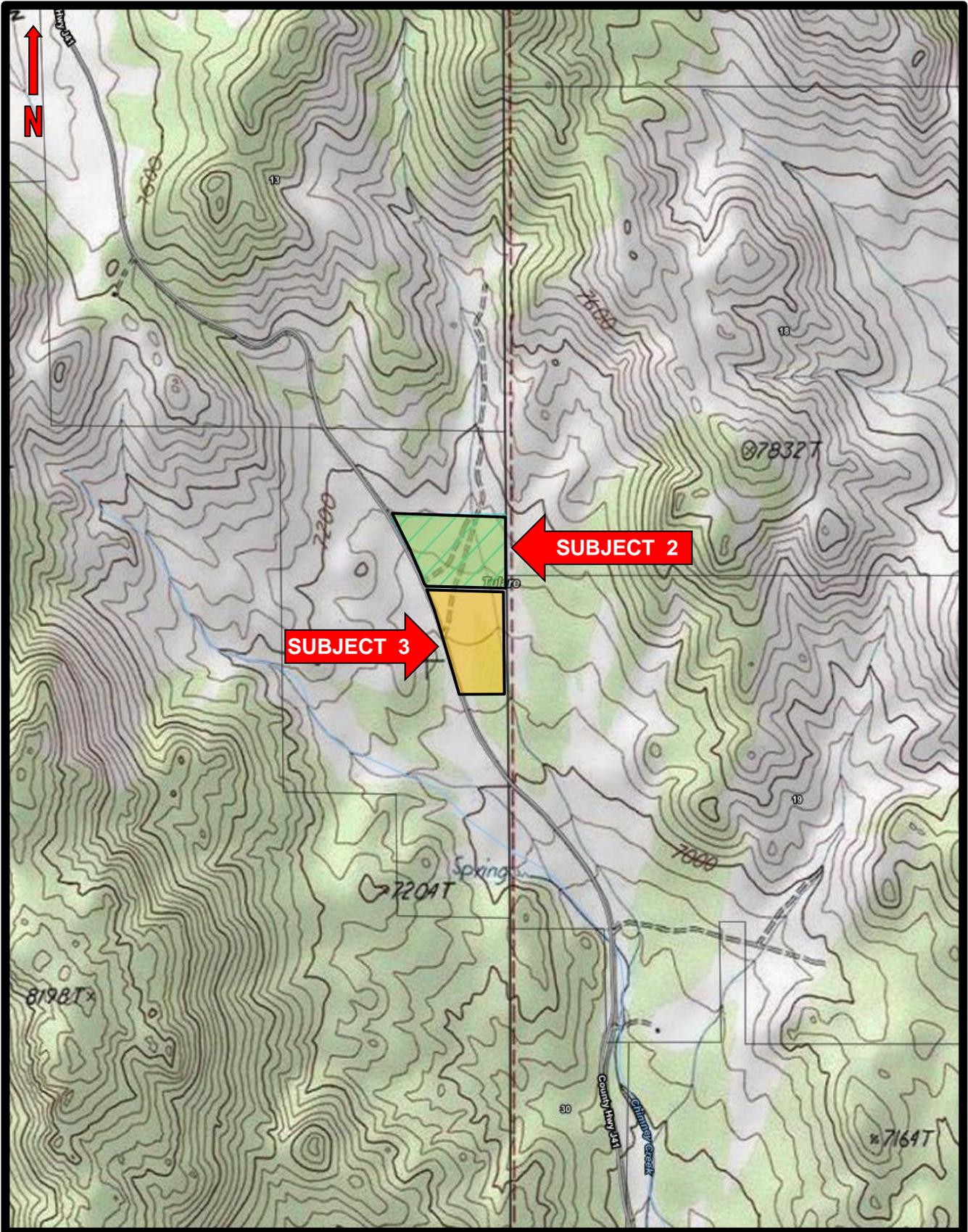
NOTE: Assessor's Parcel Numbers Shown in Circles (1) 123  
Assessor's Block Numbers Shown in Ellipses ( ) 123

|              |          |           |      |
|--------------|----------|-----------|------|
| 2013-0068747 | REVISION | 6/24/2014 | ARP  |
|              | DATE     |           | TECH |

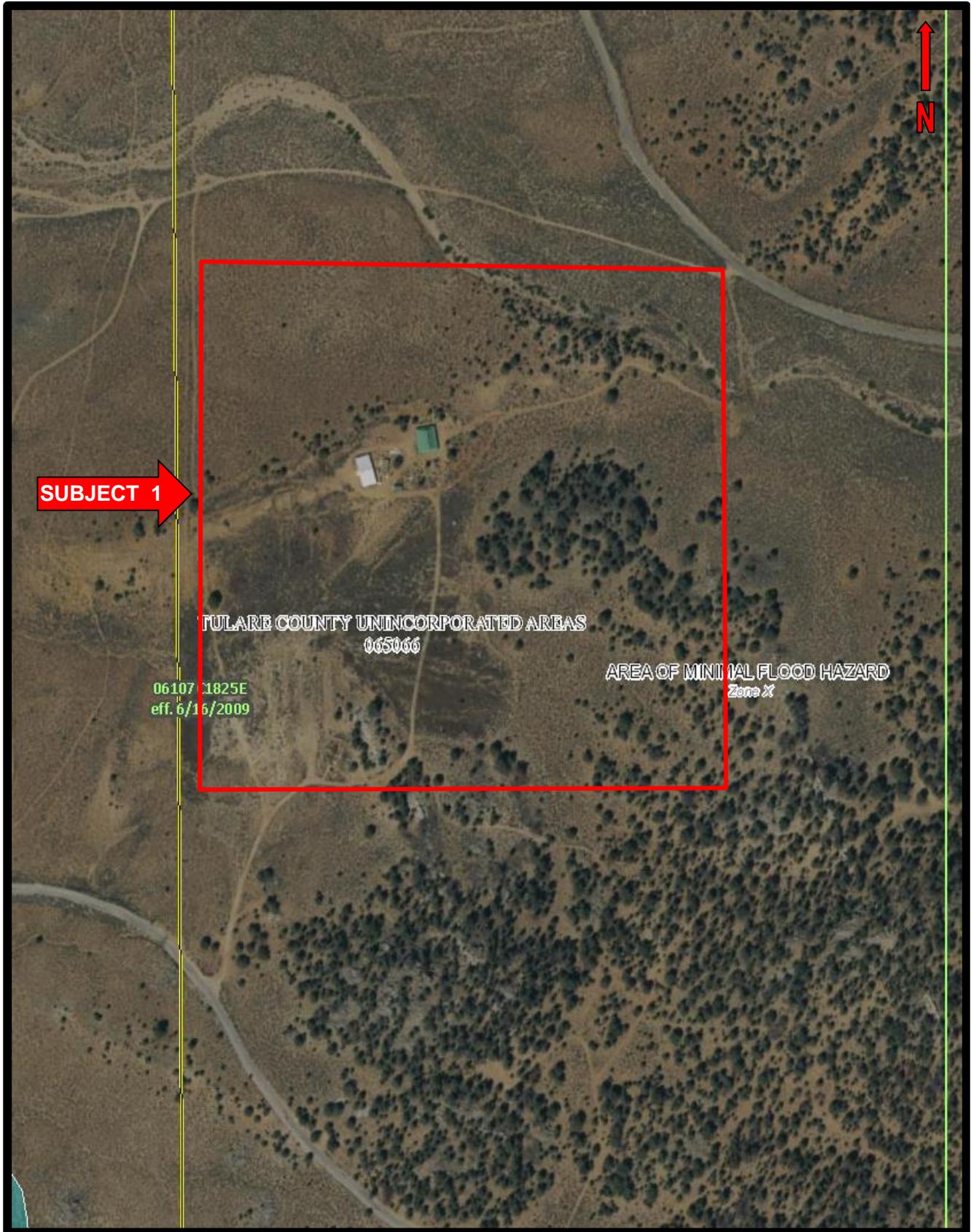
# TOPOGRAPHY MAP



# TOPOGRAPHY MAP

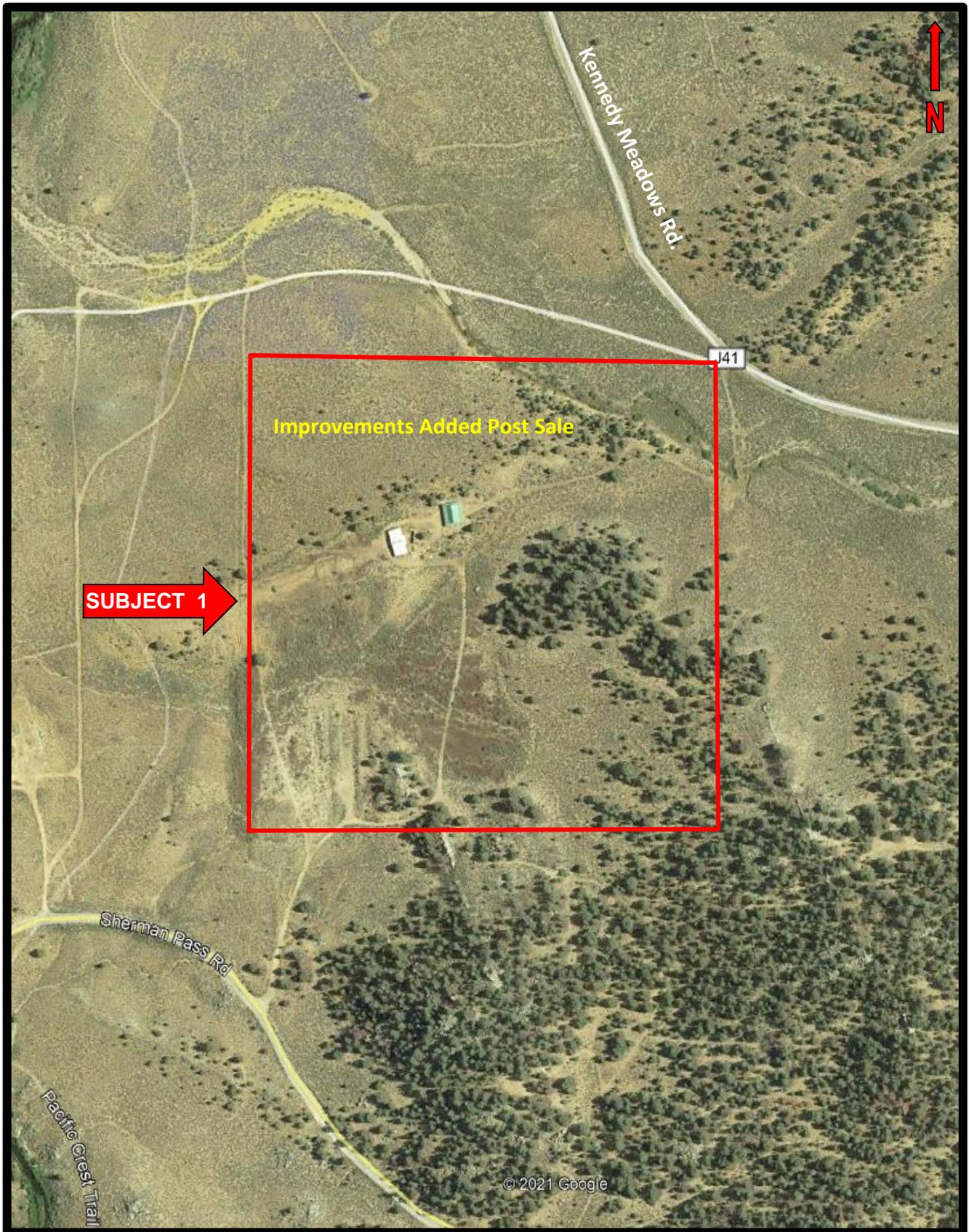


# FEMA FLOOD MAP

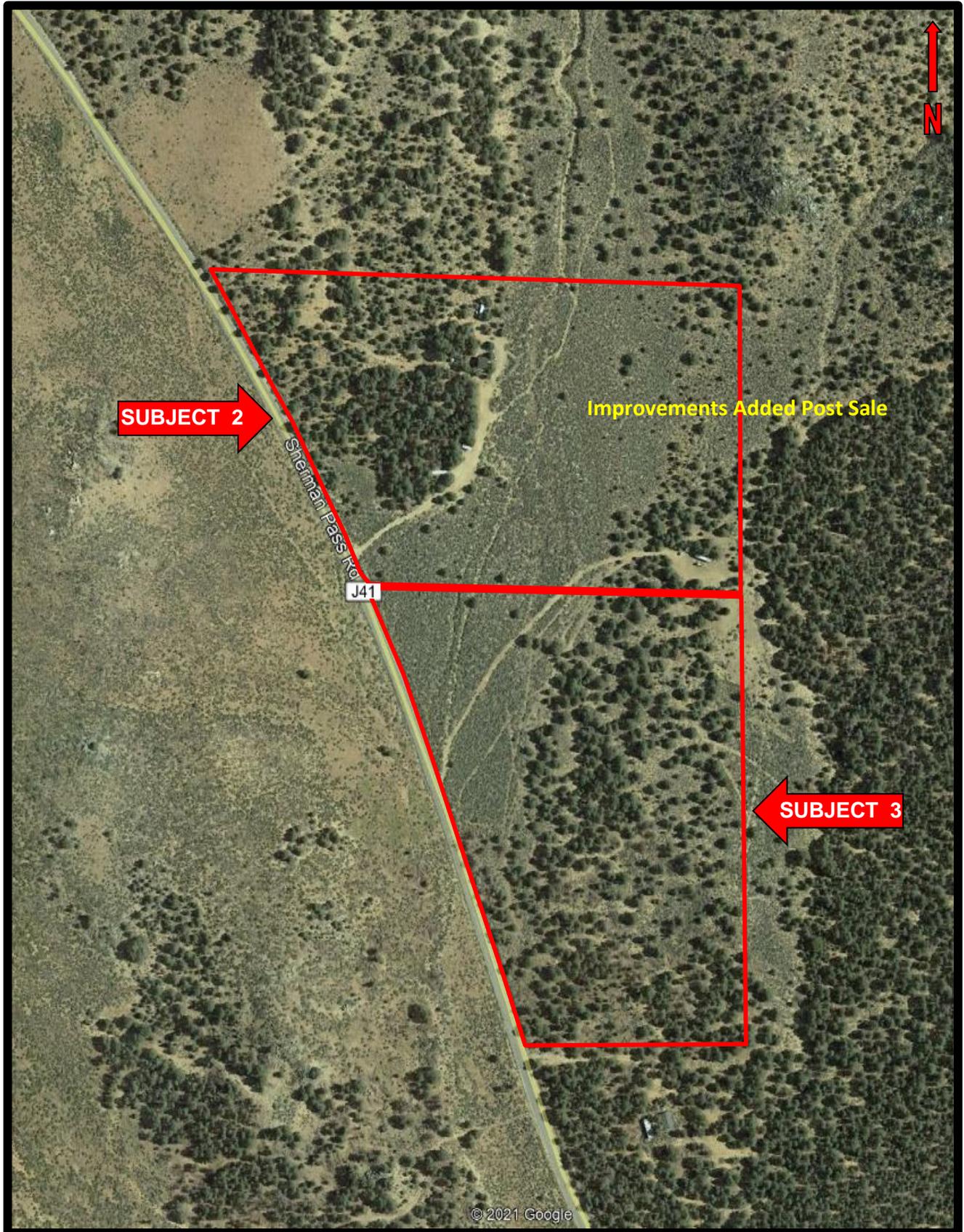


06107 1825E  
eff. 6/16/2009

# SUBJECT AERIAL / PLAT MAP



# SUBJECT AERIAL / PLAT MAP



# SUBJECT PHOTOGRAPHS



DOS SUBJECT 1



DOS SUBJECT 1



DOS SUBJECT 2



DOS SUBJECT 2

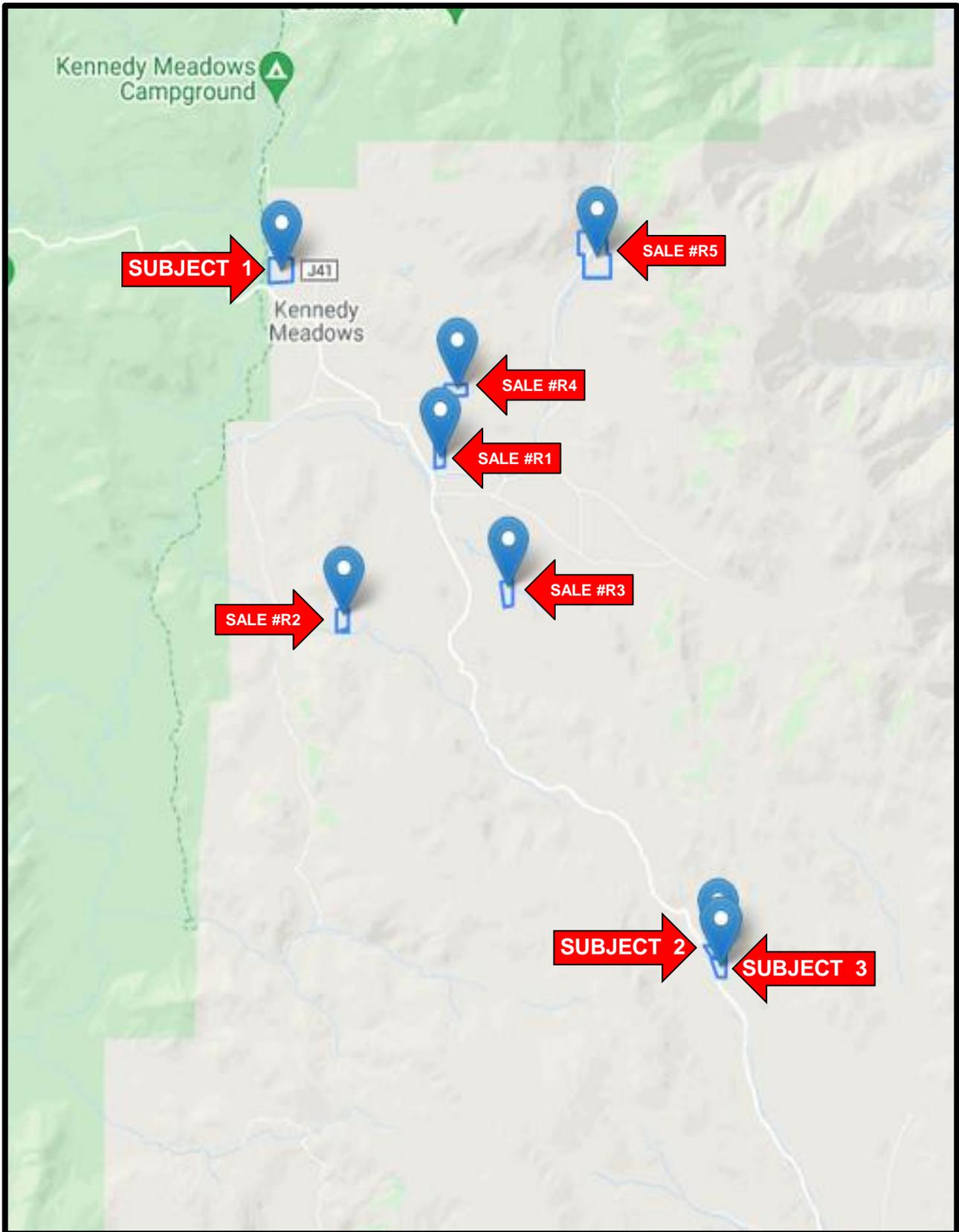


DOS SUBJECT 3



DOS SUBJECT 3

# COMPARABLE SALES LOCATION MAP - DOS



**KAY J. AUSTIN**  
**Senior Appraiser**  
**Edwards, Lien & Toso, Inc.**  
***Agricultural Appraisers & Consultants***

8408 N. Lander Avenue, Hilmar, California 95324  
Phone: (209)634-9484 • Fax: (209)634-0765 • Mobile: (559)593-2277  
e-mail: [kay@eltappraisers.com](mailto:kay@eltappraisers.com) • [www.eltappraisers.com](http://www.eltappraisers.com)

**EDUCATION:** FRESNO CITY COLLEGE, FRESNO 1992 - 1994

**PROFESSIONAL APPRAISAL WORK EXPERIENCE:**

2012 to Present EDWARDS, LIEN & TOSO, INC., Agricultural Appraisers & Consultants – Independent Appraiser, HILMAR, CA  
2008 to 2012 BAAR REALTY ADVISORS -- Commercial Real Estate Services - Independent Appraiser/Central Valley Regional Manager - TOLLHOUSE, CA  
2004 to 2012 KAY AUSTIN APPRAISALS – Commercial and Residential Property Appraisals - Owner/Senior Appraiser -- TOLLHOUSE, CA  
1994 to 2004 CW PAGE & ASSOCIATES -- Real Estate Services – Senior Appraiser / Licensed Real Estate Agent - CLOVIS, CA

**LICENSURES, ADDITIONAL EDUCATION AND TRAINING:**

- State of California OREA Certified General Real Estate Appraiser #AG027156 (expiration 09/23/21)

**American Society of Farm Managers and Rural Appraisers Courses, Appraisal Institute & Others**

ASFMRA Nuts & Bolts of Calif. Water Supply System, Quality Regulations & Laws  
ASFMRA Cannabis Operations & Valuation  
ASFMRA Soils Seminar  
ASFMRA Valuation of Conservation Easements & Other Partial Interests  
ASFMRA Valuation of Lease Interests  
ASFMRA Agriculture Property Transactions  
Laws and Regulations for California Appraisers  
ASFMRA Best in Business Ethics  
ASFMRA Succession and Estate Planning  
ASFMRA Highest and Best Use Seminar  
Real Estate Investment Analysis  
California Conservation Easements  
Litigation Appraisal  
Vineyard Valuation  
Land Valuation Assignments & Adjustments  
ASFMRA Best Practices for Rural Property Appraisals  
ASFMRA Permanent Plantings In Changing Markets  
ASFMRA Income Approach Seminar  
ASFMRA Appraisal Through the Eyes of the Reviewer  
National USPAP Update  
Appraising Manufactured Homes  
REO Appraisals  
Statistics Review with Appraisal Applications

Additional ASFMRA courses scheduled and regular attendance of the California Chapter annual meetings.

**PROFESSIONAL MEMBERSHIPS AND AFFILIATIONS:**

- Associate Member of the American Society of Farm Managers and Rural Appraisers, California Chapter

**REFERENCES ARE AVAILABLE UPON REQUEST**

**RANDAL H. EDWARDS, ARA**  
**President / CEO**

**Edwards, Lien & Toso, Inc. and ELT Ranch Properties, Inc.**

***Agricultural Appraisal & Brokerage Services***

8408 N. Lander Avenue, Hilmar, California 95324

Phone: (209) 634-9484 • Fax: (209) 634-0765 • e-mail: [randy@eltappraisers.com](mailto:randy@eltappraisers.com) • [www.eltappraisers.com](http://www.eltappraisers.com)

**EDUCATION:** CALIFORNIA STATE UNIVERSITY, FRESNO (FRESNO STATE)  
Bachelor of Science Degree, 1988 Major: Agricultural Business  
Undergraduate Concentrations: Real Estate, Ag. Law, Animal Science & Viticulture

**PROFESSIONAL APPRAISAL WORK EXPERIENCE:**

2001 to Current Edwards, Lien & Toso, Inc. and ELT Ranch Properties, Inc. - Agricultural Appraisal and Brokerage Services. President/CEO, Senior Appraiser and Broker, Hilmar, CA

1997 to 2001 Edwards Appraisal Service – Ag. Appraiser/Owner-Operator, Hilmar, CA

1991 to 1997 Farm Credit System – Senior Agricultural Appraiser  
Central Valley PCA – Appraisal Services, Turlock, CA

1989 to 1991 USDA, Farmers Home Administration - Assistant County Supervisor, Bakersfield, CA

**LICENSURES, ADDITIONAL EDUCATION AND TRAINING:**

- State of California OREA Certified General Real Estate Appraiser #AG004002 (expiration 01/16/23)
- State of California DRE Licensed Real Estate Broker #01424270 (expiration 05/19/24)
- Certified Completion of AI/ASFRMA/ASA Valuation of Conservation Easements Certification Program

**American Society of Farm Managers and Rural Appraisers**

Course A-10, Fundamentals of Rural Appraisal  
Course A-12 (I, II & III), ASFMRA Ethics, USPAP & Revisions to USPAP (current on cycle)  
Course, Federal and California State Appraisal Laws and Regulations (current on cycle)  
Course A-15, Report Writing  
Course A-20, Principles of Rural Appraisal  
Course A-25, Eminent Domain  
Course A-27, Income Capitalization, Unleveraged  
Course A-29, Highest and Best Use  
Course A-30, Advanced Rural Appraisal

**Seminars:** Appraising Fractional Interests, Lease Valuation, Livestock Ranch Appraisal I & II, Advanced Sales Confirmation & Analysis, Appraising Permanent Plantings In Changing Markets, Packing/Processing/Cold Storage Facility Valuation, Environmental Due Diligence, Timber Valuation, Yellow Book (UASFLA), Water Rights, Appraising Agricultural Land in Transition, Scope of Work, Conservation Easements, Dairy Facility Appraising (Instructor), Fair Value Accounting and the Appraisal Profession, Vineyard Valuation, Best Practices for Rural Property Appraisals, Appraisal Through the Eyes of the Reviewer, Estate Planning/Gifting, CA Interactive Dairy Update (Instructor), Succession and Estate Planning, CA Land Conservation, CA Rural Valuation Case Studies (Instructor), Rapid Fire Case Studies 2013, CA Central Coast Water, Liability Issues for Appraisers, Technology Applications in Appraisal-Google Earth, Real Estate Appraisal Trainee/Supervisor, CA Water & Ag – SGMA & SB88, The Nuts and Bolts of California's Water Supply System, Rapid Fire Case Studies 2019.

**California State University, Fresno & Cal Poly, San Luis Obispo**

|                        |                              |
|------------------------|------------------------------|
| Agricultural Appraisal | Ag. Finance                  |
| Ag. Computers          | Ag. Law and Advanced Ag. Law |
| Real Estate Principles | Ag. Business Organization    |
| Managerial Accounting  | Farm Management              |
| Statistics             | Ag. Economics                |

Additional ASFMRA courses scheduled and regular attendance of National & California Chapter meetings.

**PROFESSIONAL MEMBERSHIPS AND AFFILIATIONS:**

- Accredited Member of the American Society of Farm Managers and Rural Appraisers. California Chapter ASFMRA '06-'07 Past President, '04 Spring Outlook Forum Chairman, '93-'96 Education Chairman, '93-'15 Region 3 Land & Lease Trends Chairman, '10-'15 Awards Co-Chair.
- CSU Fresno: Agricultural Business Advisory Board (Past Board) and Ag One
- Holy Rosary/St. Mary's Parish: Exec. Committee, Finance Council & Y.L.I. #44 (Current & Past Boards)
- Member of San Joaquin Valley Ag. Lenders Society (Past Board)
- Member California Holstein Association & Member California Jersey Cattle Association
- Member Merced Subbasin GSA Advisory Committee (Current Board)
- Member Merced County Sheriff's Posse (Current and Past Boards)

REFERENCES ARE AVAILABLE UPON REQUEST