

Principal	DANIEL R. KETCHAM & ASSOCIATES	Broker License
Daniel R. Ketcham, SRA, MAI, SR/WA	Telephone 530.477.8056	California 00660553
Designated Member	11693 Brunswick Pines Road	Appraisal License
Appraisal Institute &	Grass Valley, CA 95945-9043	General Certified
International Right of Way Association	E-mail Dan@KetchamAppraisal.com	California AG001511

Specialist in Appraisal of Nevada County Commercial & Residential Real Estate

November 6, 2020

Cathy Dykstra  
P.O. Box 2550  
Nevada City, California 95959

Re: Appraisal of Vacant Land  
2611 Nevada City Highway  
Grass Valley, California 95945

Dear Cathy:

In fulfillment of our appraisal engagement, we are pleased to transmit herewith a report of our Fair Market Value appraisal as of November 6, 2020, as to County owned land that is contiguous to your parcel as located at 2611 Nevada City Highway, Grass Valley, California. Our objective has been to form an opinion as to the value of the specified area of 6,481 square feet as being considered for acquisition. This specific land area is depicted on the plat following entitled Exhibit "B" and Legal Description, as prepared by Nevada City Engineering, Inc. As is noted, the area proposed for acquisition and merger into your parcel under ownership comprises 6,481 square feet. This same area has historically been utilized for customer parking in conjunction with the existing occupancy of the improvements located on your parcel. It is noted that the majority of same area is improved with asphalt paved parking (depicted on the Exhibit "B" plat). These improvements have specifically not been considered within the scope of our valuation analysis, as it is believed that these specific site improvements were completed by either yourself, or prior ownership of your property, and therefore, neither improved nor paid by the County of Nevada. In developing our opinion of the parcel sought for acquisition, it is important to properly recognize that the 6,481 square feet does not constitute a separate legal parcel and could not be sold or transferred unto itself. It is a parcel that is configured in design solely for the purpose of transfer via merger into your parcel. This concept is highly relevant to the implementation of property valuation methodology. In essence, we have embraced California eminent domain practice and methodology for the specific purpose of forming our opinion of value. In California, if a condemning agency were to seek acquisition of this specific 6,481 square feet (assuming already merged and a part of your parcel ownership) the applicable valuation methodology would be to value the 6,281 square feet as if a "part of the whole". This prescribed valuation methodology legally assumes (by CA statute) that the value of the parcel acquired is measured as part of the whole. For illustration purpose, if a one acre parcel were valued at \$43,560, the derived unit value would be \$1.00 per square foot (\$43,560 / 43,560 SF). Almost without exception, this is the very methodology to be used by a California public agency to compensate a property owner when seeking property or land via eminent domain. In the matter under study, the exact inverse is present, wherein the proposed acquisition is from a public agency and the salient valuation question is what is the fair market value of the 6,481 square feet when merged or added to your property? What is the equitable value to your parcel when this county-owned acreage is added to your parcel? It is our opinion that the proper measure is applying the very same unit value as is demonstrated by appraisal of your parcel. Thus, this has been our valuation objective, or that to develop an opinion of your parcel (unimproved land only) and then apply the derived and relevant unit value (value per square foot in this instance) to the property proposed for acquisition. Again, we must emphasize that this represents methodology that we routinely use in our practice wherein we value both fee and easement acquisitions for other public agencies (namely Nevada Irrigation District - see summary of such assignments as contained in my CV attached hereto).

For this purpose, we have conducted an appraisal of the underlying land value of your parcel and presented the analysis in the report following. Therein, you will find and note the methodology that supports the value opinion of your land only to be \$85,000 or \$2.50 per square foot. Utilizing this relevant and applicable unit value and applying it to the sought area, provides for an opinion of value to be \$16,202 (6,482 SF x \$2.50/PSF).

Based on our valuation analysis and subject to the assumptions and limiting conditions set forth in this report, we have formed the following opinion of value of area sought for acquisition in fee to be:

SIXTEEN THOUSAND TWO HUNDRED DOLLARS  
(\$16,200.00)

Page Two  
Cathy Dykstra  
November 6, 2020

Finally, our comment is relevant as to the methodology as developed and presented by Kevin Nelson, P.E. on behalf of the County of Nevada, that you have asked us to review. First and foremost, it must clearly be understood that the methodology used by Mr. Nelson does not in any way reflect accepted appraisal methodology and therefore, does not constitute a market value appraisal. Accordingly, the value as set forth and stated in his report does not constitute an opinion or expression as to "fair market value" which is otherwise needed and required in this matter. In summary, we note that the analysis consists of a tabulation as to the assessed valuation for land only of twenty-one parcels within an area proximal to your property. Four parcels were eliminated (being 2 high and 2 low), then an average of the remaining 17 was derived, and a "cost / acre" was derived. Inasmuch as this methodology relies solely on the assessed valuation of random nearby parcels, the stated conclusion of \$154,912 per acre has absolutely no direct market orientation. Moreso and specifically, in California the assessed valuation is predicated on Proposition 13 that results over time of the assessed valuation not emulating or reflecting current market value. Although we applaud Mr. Nelson in his intent and endeavor to develop an indication of value for the sought acreage, the technique is clearly flawed relative to providing the proper foundation of "fair market value" opinion. Accordingly, we advise you and the County of Nevada to not place any weight to the Nelson "value" for the cited reasons. Market Value must be a reflection of the actions of market participants (e.g. represented by a study of sales of similar properties) and not assessed valuation for property tax purposes.

This appraisal analysis and report has been prepared in accordance with the 2020-2021 Edition of the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation, and the 2008 Edition of the Code of Professional Ethics and Supplemental Standards of Professional Appraisal Practice of the Appraisal Institute of which I, Daniel R. Ketcham, am a Designated Member in good standing.

This report was specifically prepared for, and our professional fee is billed, to Cathy Dykstra. It is intended only for use by you in providing the basis of a purchase offer for the stated property interest. It may not be distributed to, or relied upon, by other persons or entities other than County of Nevada, your legal counsel, without our authorized and written permission. Possession of this report does not entitle the client any right of reproduction for dissemination to third parties. This transmittal letter must remain attached to the report in order for the value opinion set forth to be considered valid.

Finally, it is our objective to prepare a satisfactory appraisal report that accomplishes three objectives:

- \* to adequately describe the appraisal property and appraised easement interest to be acquired.
- \* to clearly reveal the appraisal valuation process.
- \* to support the value conclusion in a reasonable manner.

We trust that you will find the following summary report has accomplished these cited objectives and we thank you for allowing us the opportunity of serving you in this important matter.

Respectfully submitted,

Daniel R. Ketcham, MAI, SRA, SR/WA  
California Certified General AG001511

**APPRAISAL OF**



Vacant Land

**LOCATED AT:**

2611 Nevada City Highway  
Grass Valley, CA 95945

**FOR:**

Client - Cathy Dykstra  
P.O. Box 2550  
Nevada City, California

**BORROWER:**

N/A

**AS OF:**

November 6, 2020

**BY:**

Daniel R. Ketcham, SRA, MAI, SR/WA  
Daniel R. Ketcham & Associates

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Specialist in Appraisal of Nevada County Commercial & Residential Real Estate

November 6, 2020

Cathy Dykstra  
P.O. Box 2550  
Nevada City, California 95959

Re: Appraisal of Vacant Land  
2611 Nevada City Highway  
Grass Valley, California 95945

SUMMARY OF IMPORTANT FACTS & CONCLUSIONS

APPRAISED PROPERTY: 2611 Nevada City Highway, Nevada County, CA, 95975

APN: 035-221-010-000

DATE OF REPORT: November 6, 2020

EFFECTIVE DATE: November 6, 2020

CLIENT: Cathy Dykstra

INTENDED USER: Cathy Dykstra and County of Nevada

INTENDED USE: Valuation for acquisition study purposes only

PROPERTY INTEREST: Fee Simple

REPORT TYPE: Appraisal Report - Form-style

ASSUMPTIONS & LIMITING CONDITIONS: This assignment was conducted, and the report presented, subject to certain assumptions and limited conditions as contained herein. The use and acceptance of this report indicates and affirms that the client accepts these assumptions and limiting conditions.

SALE HISTORY: Appraised property has been under continuous related ownership for over eight years. Research of the applicable public records, private data services and an interview of the current owner, revealed that the appraised property is not under current agreement or option and is not offered for sale on the open market. Additionally, according to these sources, the appraised property has not been transferred during the past three years.

VALUATION  
METHODOLOGY: Sales Comparison

HIGHEST AND  
BEST USE: Land only - Commercial or Office/Professional

OPINION OF  
MARKET VALUE: \$85,000

EXPOSURE TIME: Less than 6 months

Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		

PROPERTY DESCRIPTION

Lot Size: .78 acres or 33,976 square feet.

Utility Service: This parcel has all customary utility services available to it including electricity and natural gas via PG&E, water from NID, and sewer service via the City of Grass Valley.

Zoning: Corporate Business Park (CBP), City of Grass Valley

Topography: Downsloping from street grade.

Tree Cover: Parcel is noted to contain a variety of conifer and hardwood tree species scattered across the property, but namely pines and cedars.

Access: Paved public road - no off-site improvements such as curb, gutter, sidewalk. See included photographs herein.

Improvements: From the Assessor records, it is noted that the property is improved with a single structure, having most likely originated as a residence (circa 1930) and that which has been converted to commercial use over the years. Today, the structure reportedly comprises 2,172 square feet (per Assessor - unverified) and is occupied by two tenants. There is paved parking located on both levels serving the tenants, with the upper parking area being the specific area of valuation study of this appraisal report.

Comments: Property location represents the most northerly parcel as situated within the City of Grass Valley and resulted in a planned annexation as to this portion within what was former County of Nevada jurisdiction. Location is considered to be transitional from the mixed use (commercial and residential) as located to the southwest and those uses situated on Nevada City Highway. Uses immediately to the north and east (across Highway 49/20 and located on Banner Lava Cap Road) are residential. Cited condition of topography would make this parcel expensive to develop if vacant today. It is noted that the existing improvement was developed terracing the descending southerly slope. Commercial land developers recognize existing topographic conditions of a parcel and the projected added development cost is usually factored into that which they can afford to pay for the vacant parcel.

Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		

SCOPE OF THE APPRAISAL DEVELOPMENT & REPORTING PROCESS

The type and extent of research and analyses in the appraisal or appraisal review assignment is known as the Scope of Work (USPAP 2020-2021 Ed.: p. 5). The competency necessary to determine an appropriate scope of work within the allowed flexibility resides with the appraiser. Therefore, while it is common and reasonable for the client to provide input to the appraiser regarding a desired scope of work, the responsibility for determining the appropriate scope of work resides with the appraiser (see Advisory Opinion 28: pp. 136-139). This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, this appraisal contains the summaries of the appraiser's findings with an explanation of the data, reasoning, and analysis that were used to develop the opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the intended use. The appraiser is not responsible for unauthorized use of this report. There were no other unusual assignment conditions imposed relating to this appraisal.

The development and reporting process of the appraisal encompasses the necessary research and analysis to prepare a report in accordance with the intended use, per USPAP.

In regard to the appraised property, this involved the following steps:

1. Identification of the appraisal problem, the intended use, intended users, and the type of opinion sought.
2. The identification of the property to be appraised is based on information provided by the client.
3. A site visit of the property was conducted on November 5, 2020 to identify relevant physical and locational characteristics of the property.
4. Investigation of ownership of record, recorded transactions, zoning, etcetera, were made to further understand more about the property.
5. Data collection and analysis of current market conditions affecting the county's real estate market on a local level was conducted. This included, but was not limited to, the review and analysis of data pertaining to supply and demand for real estate properties, current interest rates, buyer preferences, and economic forecasts.
6. The research was conducted for pertinent and appropriate sales and listings. The market data was collected from the appraiser's office files, public records, brokers and the multiple listing services from the Nevada County Association of Realtors. Records of the Nevada County Assessor's Office were used to verify recordation of transactions. Transaction information was collected and verified through informed parties to the transaction to the degree that we are comfortable with the reliability of the data.
7. The information gathered was analyzed, and comparisons were made between properties with similar attributes and characteristics to the appraised property. Economic, as well as non-economic, factors were identified and appropriately considered. The cited valuation methods were implemented, and a final opinion of market value for the specific property interest, or that of fee simple, is provided.

DEFINITIONS

Intended Use: the use(s)of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communications with the client at the time of assignment (USPAP: p. 4).

Intended User: the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on the basis of communication with the client at the time of assignment (USPAP: p. 4). The appraiser has not identified any purchaser, borrower or seller as an intended user of this appraisal. Receipt of a copy of the appraisal by such a party or any other third party does not mean that the party is an intended user of the appraisal. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use. This appraisal report should not serve as the basis for any property purchase decision or any appraisal contingency in a purchase agreement relating to the property.

Personal Inspection: a physical observation performed to assist in identifying relevant property characteristics in valuation service. An appraiser's inspection is typically limited to those things readily observable without the use of special testing or equipment. An inspection by an appraiser is not the equivalent of an inspection by an inspection professional (e.g., structural engineer, home inspector, or art conservator) (USPAP 2020-2021 Ed.: p.5).

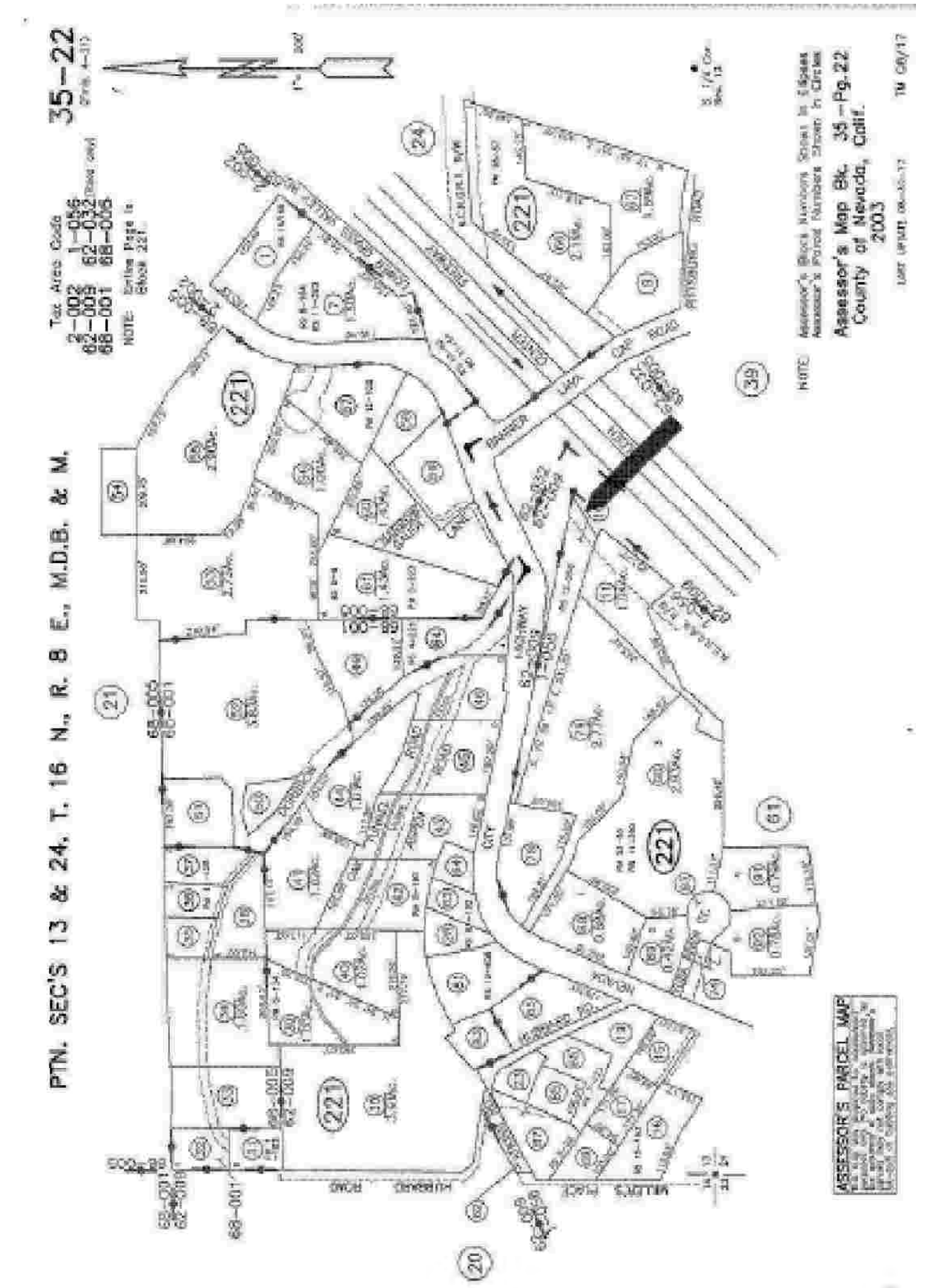
Effective Date: the date to which an appraiser's analyses, opinions, and conclusions apply; also referred to a date of value (USPAP 2020-2021 Ed.: p. 4).

OWNERSHIP AND PROPERTY HISTORY

Based on my review of the Nevada County Assessor's Tax Roll, I have noted that the property is vested under Cathy Dykstra, Trustee (via deed recorded February 14, 2012, Doc. 3936) and has been under continuous related ownership for over eight years.

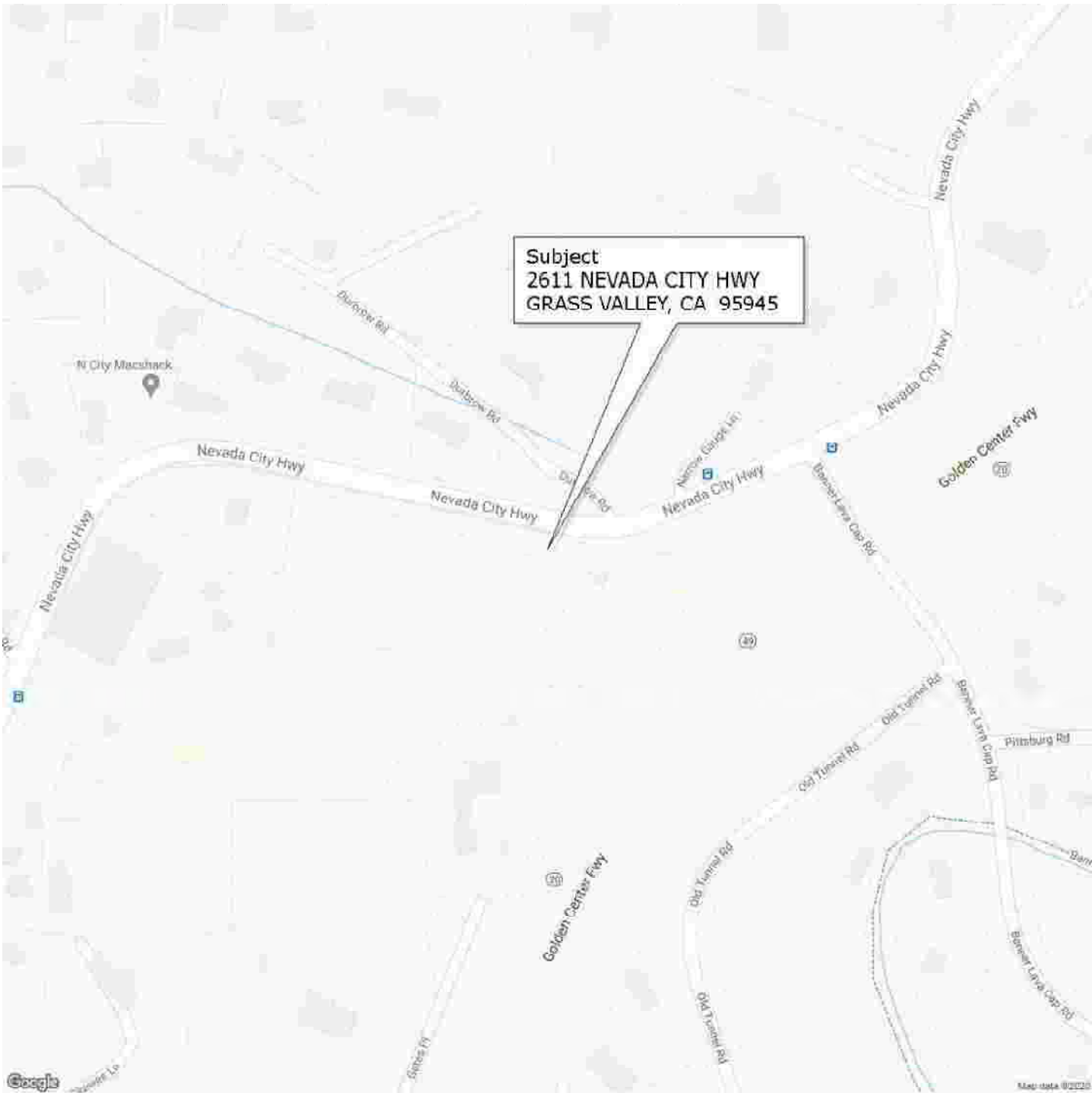
PLAT MAP

Borrower: N/A	File No.: 1760
Property Address: 2611 Nevada City Highway	Case No.: N/A
City: Grass Valley	State: CA
Lender: Client - Cathy Dykstra	Zip: 95945



FLOOD MAP

Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		



FLOOD INFORMATION

Community: CITY OF GRASS VALLEY  
Property is NOT in a FEMA Special Flood Hazard Area  
Map Number: 06057C0631E  
Panel: 06057C0631  
Zone: X  
Map Date: 02-03-2010  
FIPS: 06057  
Source: FEMA DFIRM

LEGEND

-  = FEMA Special Flood Hazard Area - High Risk
-  = Moderate and Minimal Risk Areas
- Road View:
  -  = Forest
  -  = Water

Sky Flood™

No representation or warranty is made by any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.



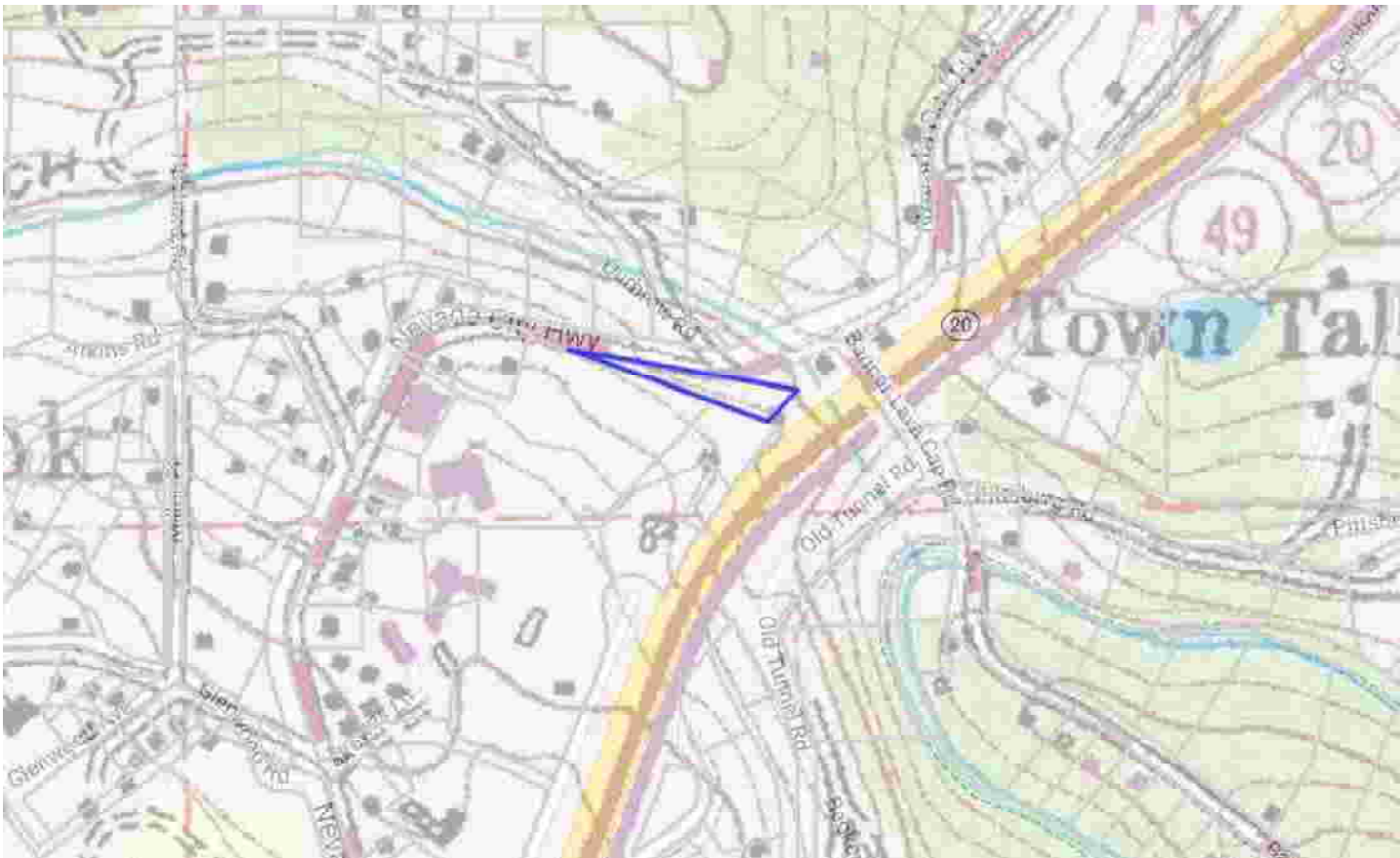
Aerial Photograph Depicting Appraised Property

Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		



Topographic Map Depicting Appraised Property

Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		



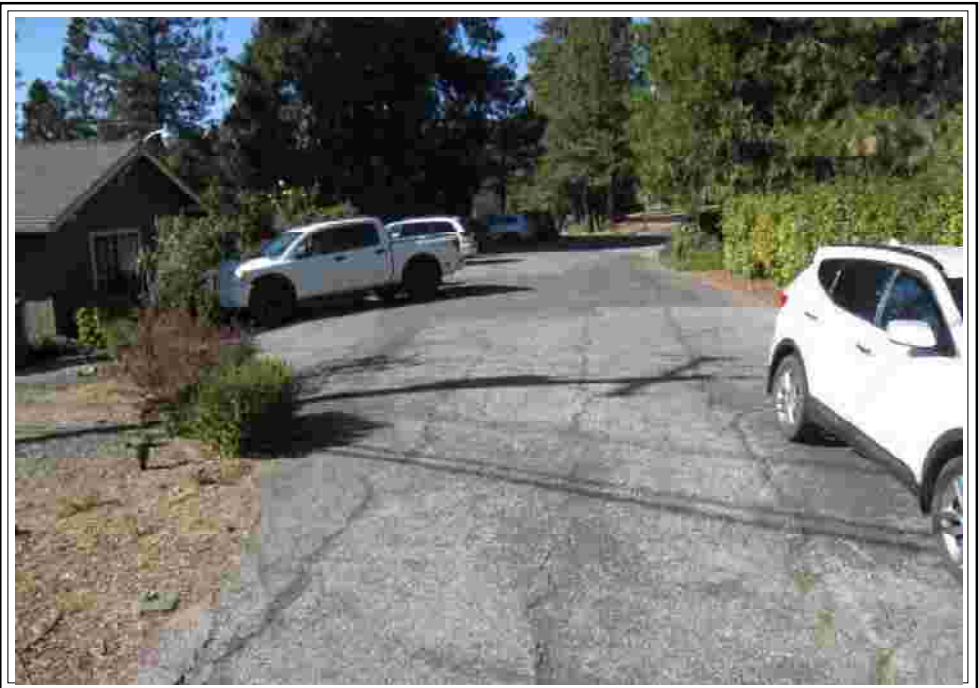
SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		



FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: November 6, 2020  
Appraised Value: \$ 85,000



REAR VIEW OF  
SUBJECT PROPERTY



STREET SCENE



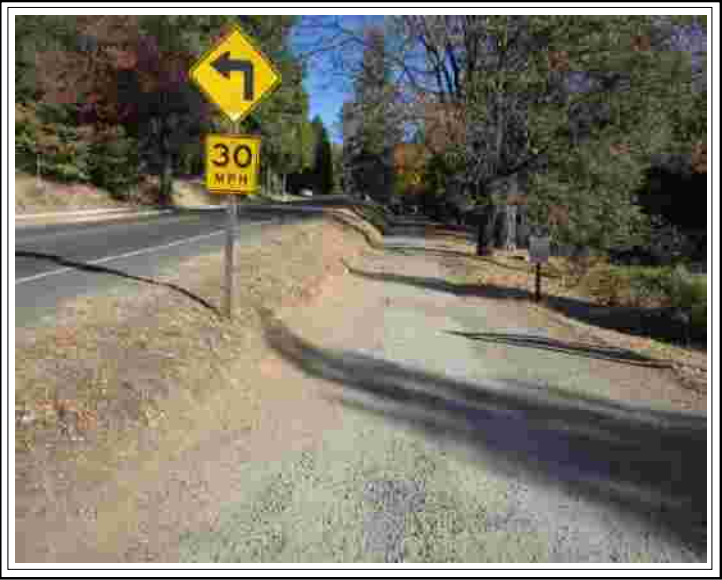
Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		



Looking southwest along Nevada City Highway.



Looking westerly over the westerly extension of the appraised property.



Looking northeast at lower driveway serving the improvement on appraised property.



Looking easterly at site utilization on lower portion of appraised property.

Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		



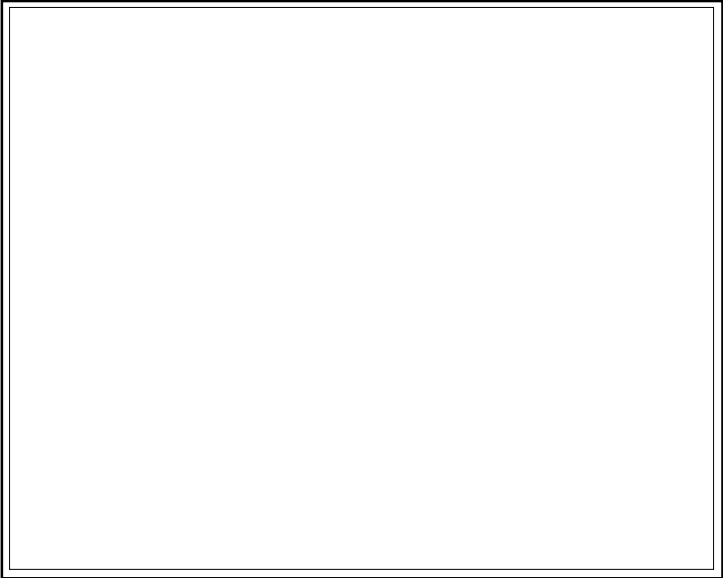
Southerly view from rear of appraised property overlooking State Highway 49 on left.



Easterly view over property area sought for acquisitor.



Westerly view over property area sought for acquisition.





# Summary Appraisal Report • Land

Appraisal Company: Daniel R. Ketcham &amp; Associates

Address: 11693 Brunswick Pines Road, Grass Valley, California 95945

Phone: 530-477-8056

Fax:

Website: www.KetchamAppraisal.com

Appraiser: Daniel R. Ketcham, SRA

AI Membership (if any): ☒ SRA ☒ MAI ☐ SRPAAI Affiliation (if any): ☐ Candidate for Designation ☐ Practicing Affiliate

Other Professional Affiliation: IRWA-SR/WA

E-mail: Dan@KetchamAppraisal.com

Co-Appraiser:

AI Membership (if any): ☐ SRA ☐ MAI ☐ SRPAAI Affiliation (if any): ☐ Candidate for Designation ☐ Practicing Affiliate

Other Professional Affiliation:

E-mail:

Client: Client - Cathy Dykstra

Contact: Cathy Dykstra

Address: 2611 Nevada City Highway, Grass Valley, California 95945

Phone:

Fax:

E-mail:

## SUBJECT PROPERTY IDENTIFICATION

Address: 2611 Nevada City Highway

City: Grass Valley

County: Nevada

State: CA

Zip: 95945

Legal Description: See Acquisition Deed or Title Report.

Tax Parcel #: 035-221-010-000

RE Taxes: N/A

Tax Year: N/A

Use of the Real Estate As of the Date of Value: Vacant - Presumed

Use of the Real Estate Reflected in the Appraisal: Commercial

Opinion of highest and best use (if required): Commercial - Office/Professional

## SUBJECT PROPERTY HISTORY

Owner of Record: Cathy Dykstra, Trustee

Description and analysis of sales within 3 years (minimum) prior to effective date of value: Research of the applicable public records and private data services revealed that the appraised property was not under current agreement or option and was not offered for sale on the open market as of the effective date of opinion. Additionally, according to these sources, the appraised property had not been transferred during the past three years.

Description and analysis of agreements of sale (contracts), listings, and options: N/A

## RECONCILIATIONS AND CONCLUSIONS

Indication of Value by Sales Comparison Approach

\$ 85,000

Indication of Value by Cost Approach

\$ N/A

Indication of Value by Income Approach

\$ N/A

Final Reconciliation of the Methods and Approaches to Value: In this instance, the most applicable and relevant approach to value is that of the Sales Comparison Approach and that which has appropriately been applied and relied upon in this valuation analysis. This methodology best reflects the actions of informed Buyers and Sellers in this market and for this property type. Accordingly, it is the most reliable indicator of value.

Opinion of Value as of: November 6, 2020

\$ 85,000

Exposure Time: Less than 6 months

The above opinion is subject to: ☒ Hypothetical Conditions and/or ☒ Extraordinary Assumptions cited on the following page.

\* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute makes no representations, warranties or guarantees as to, and assumes no responsibility for, the data, analysis or work product provided by the individual appraiser(s) in the specific contents of the AI Reports®.

Client:	Client - Cathy Dykstra	Client File #:	N/A
Subject Property:	2611 Nevada City Highway	Appraisal File #:	1760

#### ASSIGNMENT PARAMETERS

Intended User(s): Cathy Dykstra and County of Nevada

Intended Use: Valuation for acquisition study purposes only

***This report is not intended by the appraiser for any other use or by any other user.***

Type of Value: Fee Simple

Effective Date of Value: November 6, 2020

Interest Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other:

**Hypothetical Conditions:** (A hypothetical condition is that which is contrary to what exists, but is asserted by the appraiser for the purpose of analysis. Any hypothetical condition may affect the assignment results.) As it has been the objective of this valuation analysis to value a specific parcel of land to be acquired and merged into the existing parcel under ownership of the Client, the methodology necessitates the development of an opinion of "unimproved land" only. Therefore, this analysis as presented herein assumes and studies the parcel as if unimproved. As this is contrary to fact (as is improved), this analysis has been predicated on the Hypothetical Condition that the parcel is vacant or unimproved. The use and acceptance of this report indicates and affirms that the client accepts these Extraordinary Assumption(s) and Hypothetical Condition(s) on which the valuation analysis has been based.

**Extraordinary Assumptions:** (An extraordinary assumption is directly related to a specific assignment and presumes uncertain information to be factual. If found to be false this assumption could alter the appraiser's opinions or conclusions. Any extraordinary assumption may affect the assignment results.)

The use of an extraordinary assumption might have affected the assignment results.

In accordance with Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP), this is a summary appraisal report.

#### SCOPE OF WORK

Definition: The scope of work is the type and extent of research and analysis in an assignment. Scope of work includes the extent to which the property is identified, the extent to which tangible property is inspected, the type and extent of data research, and the type and extent of analysis applied to arrive at credible opinions or conclusions. The specific scope of work for this assignment is identified below and throughout this report.

Scope of Subject Property Inspection / Data Sources Utilized	Approaches to Value Developed
<b>Appraiser:</b> Property Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Date of Inspection: 11/5/2020 Describe Scope of Property Inspection, Source of Area Calculations and Data Sources Consulted: Photographs, public records, Nevada County Multiple Listing Service, Parcel Quest	<b>Cost Approach:</b> <input type="checkbox"/> Is necessary for credible results and is developed in this analysis <input checked="" type="checkbox"/> Is not necessary for credible results; not developed in this analysis <input type="checkbox"/> Is not necessary for credible results but is developed in this analysis  <b>Sales Comparison Approach:</b> <input checked="" type="checkbox"/> Is necessary for credible results and is developed in this analysis <input type="checkbox"/> Is not necessary for credible results; not developed in this analysis <input type="checkbox"/> Is not necessary for credible results but is developed in this analysis  <b>Income Approach:</b> <input type="checkbox"/> Is necessary for credible results and is developed in this analysis <input checked="" type="checkbox"/> Is not necessary for credible results; not developed in this analysis <input type="checkbox"/> Is not necessary for credible results but is developed in this analysis
<b>Co-Appraiser:</b> Property Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No Date of Inspection: Describe Scope of Property Inspection, Source of Area Calculations and Data Sources Consulted:	

Additional Scope of Work Comments: See attached Narrative Addenda for Scope of Work comments.

Significant Real Property Appraisal Assistance: ☒ None ☐ Disclose Name(s) and contribution: N/A

Client:	Client - Cathy Dykstra	Client File #:	N/A
Subject Property:	2611 Nevada City Highway	Appraisal File #:	1760

## MARKET AREA ANALYSIS

<b>Location</b> <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	<b>Built Up</b> <input type="checkbox"/> Under 25% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Over 75%	<b>Growth</b> <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	<b>Supply &amp; Demand</b> <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	<b>Value Trend</b> <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Decreasing	<b>Typical Marketing Time</b> <input type="checkbox"/> Under 3 Months <input checked="" type="checkbox"/> 3-6 Months <input type="checkbox"/> Over 6 Months
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<b>Neighborhood Single Family Profile</b>			<b>Neighborhood Land Use</b>		<b>Neighborhood Name:</b> North end of Glenbrook District
Price N/A	Age N/A		1 Family 25 %	Commercial 25 %	PUD <input type="checkbox"/> Condo <input type="checkbox"/> HOA: \$ /
N/A	Low	N/A	Condo %	Vacant 50 %	Amenities: _____
N/A	High	N/A	Multifamily %		
N/A	Predominant	N/A			

Market area description and characteristics: Immediate area or district is best described as transitional inasmuch as over the past five to six decades, the former residential uses (noted along Nevada City Highway) have been slowly being converted to office/professional uses. Similarly, the former Meeks Lumber (Pendola Lumber Mill/Hardware store) has been redeveloped (removal for the most part) and today is, in part, occupied by the more newly developed Tractor Supply and several remaining ready to build large commercial pads (vacant parcels) are available for sale. The area immediately to the north is locally known as "Towntalk" and geographically (highest elevation) Grass Valley and Nevada City. Further to the north (within the City of Nevada City), the former National Guard Armory was acquired by the Nevada County Historical Society (circa 2013) and today houses the Searls Historical Research Library. A large nearby vacant parcel (Cashin 's Field) is presently proposed for development of a 56 unit apartment complex, Land use changes in this area are slow, generally taking a period of many decades rather than years. Boundaries of the district include Highway 49/20 that is contiguous to the east, the eastern side of Glenbrook Commercial District (Brunswick Road at Nevada City Highway), and residential uses and neighborhoods that dominate the lands west and north of Nevada City Highway. As described, the appraised parcel is located on the northerly "fringe" of a slowly evolving commercial district and as such is best characterized as a "secondary" commercial land use area. This location factor will be properly assessed in the proper selection of appropriate market data for the Comparison analysis to follow.

The local commercial land market has essentially been very static or flat relative to value over the past decade. The ever increasing cost of development has effectively repressed value growth. Accordingly, those sales having occurred chronologically several years ago will not be adjusted for any change in market conditions as there has been none.

## SITE ANALYSIS

Dimensions: See attached plat map	Area: .78 Acres
View: None	Shape: Irregular
Drainage: Adequate	Utility: Fair

<b>Site Similarity/Conformity To Neighborhood</b>		<b>Zoning/Deed Restriction</b>	
Size: <input checked="" type="checkbox"/> Smaller than Typical <input type="checkbox"/> Typical <input type="checkbox"/> Larger than Typical	View: <input type="checkbox"/> Favorable <input checked="" type="checkbox"/> Typical <input type="checkbox"/> Less than Favorable	Zoning: CBC - Corporate Business Park <input type="checkbox"/> Legal <input type="checkbox"/> No zoning <input checked="" type="checkbox"/> Legal, non-conforming <input type="checkbox"/> Illegal	Covenants, Condition & Restrictions: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown Documents Reviewed <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Ground Rent: \$ /

<b>Utilities</b>		<b>Off Site Improvements</b>	
Electric <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other PG&E		Street <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private Asphalt Paved	
Gas <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other PG&E		Alley <input type="checkbox"/> Public <input type="checkbox"/> Private None	
Water <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other N.I.D.		Sidewalk <input type="checkbox"/> Public <input type="checkbox"/> Private None	
Sewer <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other City of Grass Valley		Street Lights <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private Stanchion	

Site description and characteristics: See Attached Addendum

## HIGHEST AND BEST USE ANALYSIS

☒ Present Use ☐ Proposed Use ☐ Other \_\_\_\_\_

Summary of highest and best use analysis: Based upon the current zoning, this site is limited to a commercial use and therefore, I have concluded that the highest and best use as if vacant is for an office/professional-type use.



## ADDENDUM

Borrower: N/A

File No.: 1760

Property Address: 2611 Nevada City Highway

Case No.: N/A

City: Grass Valley

State: CA

Zip: 95945

Lender: Client - Cathy Dykstra

### Site Description and Characteristics:

Property location represents the most northerly parcel as situated within the City of Grass Valley and resulted in a planned annexation as to this portion within what was former County of Nevada jurisdiction. Location is considered to be transitional from the mixed use (commercial and residential) as located to the southwest and those uses situated on Nevada City Highway. Uses immediately to the north and east (across Highway 49/20 and located on Banner Lava Cap Road) are residential. Cited condition of topography would make this parcel expensive to develop if vacant today. It is noted that the existing improvement was developed terracing the descending southerly slope. Commercial land developers recognize existing topographic conditions of a parcel and the projected added development cost is usually factored into that which they can afford to pay for the vacant parcel.

Commercial Parcel Comparables - City of Grass Valley					
Comparable # Location APN	Zoning/ Use	Parcel Size (acres)	Sale Date	Sale/Offer Price \$ per Acre \$ per SF	Comments
Appraised Acreage NC Highway City GV 035-221-010	Corp. Business Center (CPC)	±.78 acre 33,976	11/20 Appraisal Date	n.a.	Historic commercial use, office professional; irregular shaped parcel that limits utility; City services including sewer, water, PG&E electrical & natural gas; favorable public road frontage.
(LC-1) Brunswick Road City of GV 35-550-06	OP or Office Professional Retail/Comm. Bank Branch	1.79 acres	6/17	\$270,000 \$150,838/Acre \$3.46/PSF	Acquired for bank branch development. Irregular-shaped parcel with significant off-site development cost. Very favorable street frontage and exposure.
(LC-2) Whispering Pines City of GV 09-680-25,26 +	WP- SP Commercial Vacant	3.25 acres	10/20 For Sale	\$150,000 \$1.06/PSF	Location is Whispering Pines Business Park. Stated offer price does not include nominal balance bond debt; off-sites completed.
(LC-3) Whispering Pines City of GV 09-690-031	WP- SP Commercial Vacant	1.85 acres	2/19	\$107,000 \$0.73/PSF	Location is Whispering Pines Business Park. Sale price does include assumed bond debt. Good frontage, but will require access development due to steep topo; off-sites completed.
(LC-4) La Barr Meadow City of GV 022-150-13, 14	Commercial (C-2) Vacant	1.31 acres	11/18	\$50,000 \$0.88/PSF	Newly annexed area, south of downtown GV; fronts on Hwy.; requires sewer line extension for improved use and off-sites development.
(LC-5) East Main St. City of GV 009-230-015	Commercial (NC-Flex) Vacant	.68 acre	11/17	\$83,000 \$2.80/PSF	Former CA Restaurant site that imp. destroyed by fire; On-site parking improvements remain; Hwy. 49 exposure. City of GV purchased.
(LC-6) East Main St. City of GV 009-190-07	Commercial (C-3) Auto Sales Lot	.39 acre	7/19	\$80,000 \$4.71/PSF	Existing asphalt paved parcel used for car sales; off-sites completed; site remediated of contamination prior to sale..
(LC-7) S. Auburn St. City of GV 029-161-010	Commercial (NC-Flex)	.33 acre	11/18	\$166,000 \$11.56/PSF	Vacant parcel, with off-sites completed; plans and approvals for proposed mixed use project.
(LC-8) Old Tunnel City of GV 035-400-054	Office/Prof. (OP)	5.00 acres 2.5 est. net useable	10/18	\$220,000 \$1.01/PSF gross \$2.02/PSF useable	Off-sites completed; steep topo constraints will limit use & significantly increase site development cost; estimated 50% site use potential.
(LC-9) Railroad Ave. City of GV 009-240-023	Commercial (C-3) Vacant	1.00 acres	4/17	\$200,000 \$4.59/PSF	Level fully useable ready to build parcel with off-site improvements completed; Hwy. 49 exposure; developed with auto repair facility.
(LC-10) E. Berryhill Dr. City of GV 009-190-036	Commercial (NC-Flex)	2.02 acres	10/20 For Sale	\$198,000 \$2.25/PSF	Vacant parcel; lacks street frontage & will require off-sites;

Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		

MARKET DATA SELECTION CONSIDERATIONS

On the prior page, a summary of ten comparative commercial land sales, or offering for sale, has been tabulated for presentation. Due to perceived similarity of both zoning and use potential, this pool of data has been developed for my consideration in use for further comparative study and for the benefit of the client and report users to more fully comprehend the scope of this local commercial land market. Also, it is deemed important that the reader of this report more fully understands why certain comparable property were essentially "deselected" and/or determined to not exhibit the best or similar site characteristics and therefore were eliminated for further comparison study.

Land Comparable One is located on the east side of Glenbrook Commercial District and is the sale of a parcel enjoying excellent exposure on Brunswick Road and having direct access to same. As sold at \$3.46/PSF, this property is judged to be significantly superior to the appraisal parcel and therefore not used as a direct comparison.

Land Comparable Two is located within the Whispering Pines Business Park enjoying good exposure on Whispering Pines Lane. This parcel (two legal parcels, being offered as one) is currently offered for sale at \$1.06/PSF. Due to the combined aspect of the larger acreage content and offering for sale, this comparable will not be used as s direct comparison.

Land Comparable Three is also located within the Whispering Pines Business Park enjoying good exposure on Whispering Pines Lane. This parcel was sold in conjunction with the contiguous parcel for a total of \$107,000 for the combined 3.36 acres and with the average price of \$0.73/PSF. Stated price includes estimated assumed bond balance. Inasmuch as this property sale is one of a few consummated sales, it will be used as a direct comparison.

Land Comparable Four is also a fairly recent sale as located on the southernmost extension of Grass Valley and physically has several notable similar characteristics, including size, shape and proximity and frontage on State Highway 49. However, the parcel yet lacks sewer service that is otherwise needed or required for improved development and this future cost is reflected in the price paid at \$0.88/PSF. For this reason, this sale will not be further utilized for direct comparison.

Land Comparable Five is located in the Hill's Flat Commercial District, Grass Valley and is the site of the former California Restaurant (having been demolished by fire). Notable site characteristics include similar topographic features, State Highway 49 exposure and similarity of site size. Having sold at \$2.80/PSF, this sale will indeed be further considered for direct comparison.

Land Comparable Six is also located in the Hills Flat Commercial District, and references the sale of a smaller .39 acre parcel having sold for \$4.71/PSF. This parcel was mostly asphalt paved at the time of sale and therefore, ready for the planned use by the Buyer for car sales. Site improvements that included both off-sites (curb, gutter, sidewalks) and asphalt paving (cover ??? SF) contributed to the cited price paid. Due to these cited site improvements, this sale will not be used for further direct comparison.

Land Comparable Seven is located just off the downtown commercial core and along the mixed use area of S. Auburn Street. Originally acquired for development of a professional dentist office, the most recent use proposals included an approved mixed use of commercial and residential. This indicated price paid at \$11.56/PSF is felt to have been influenced by the development approvals and as the sale has no direct verification, this sale will not be used for further comparison.

Land Comparable Eight is located nearby on Old Tunnel Road and is a significantly larger parcel having been acquired by the County of Nevada for use and development of a planned transitional housing facility. Significant topographic features of this parcel render it to be (estimated) only 50 percent useable. On this basis, the price paid of \$1.01/PSF would be adjusted upward to say, \$2.02/PSF. Although deemed an informative value indicator, due to the significantly parcel size, this sale will not be further use for comparison.

Land Comparable Nine is located on the east side of Highway 49, south of Idaho Maryland Road and is sandwiched between Hill's Flat Lumber to the north east and 49'er Fun Park (amusement) to the west.

Land Comparable Ten is located east of E. Main Street and on the north side of Berryhill Drive, and directly east of the Fisher Towing yard and lacks any form of street exposure. This is a very "raw" commercially zoned parcel that will require significant off-site improvements and infrastructure development. Furthermore, the indicated price of \$2.25/PSF is an asking price only and is therefore deemed inconclusive as a reliable value indicator. For these cited reason, this land comparable will not be used for further direct comparison.

Client:	Client - Cathy Dykstra	Client File #:	N/A
Subject Property:	2611 Nevada City Highway	Appraisal File #:	1760

## SITE VALUATION

### Site Valuation Methodology

☒ **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, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables 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 an adequate supply of comparable sales are available.

☐ **Market Extraction:** A method of estimating land value in which the depreciated cost of the improvements on the improved property is estimated and deducted from the total sale price to arrive at an estimated sale price for the land; most effective when the improvements contribute little to the total sale price of the property.

☐ **Alternative Method:** (Describe methodology and rationale)

### Site Valuation

ITEM	SUBJECT	COMPARISON 1		COMPARISON 2		COMPARISON 3	
Address	2611 Nevada City Highway Grass Valley, California	341 E. Main Street Grass Valley, California		Whispering Pines Lane Grass Valley, California		340 Railroad Avenue Grass Valley, California	
Proximity to Subject		Approx. 1.96 miles Southwest		Approx. 1.44 miles Southeast		Approx. 1.78 miles Southwest	
Data Source/ Verification		Agent/Public Records APN 009-230-015-000		Agent/Public Records APN 009-690-031-000		Agent/Public Records APN 009-240-023-000	
Sales Price	Objective		\$83,000		\$59,000		\$200,000
Price / PSF	\$0.00		\$2.80		\$0.73		\$4.59
Sale Date	Insp. 11/5/2020	11/28/17 COE		2/12/19 COE		6/8/18 COE	
Location	Average	Similar		Similar		Similar	
Site Size	.78 Acres	.68 Ac./Similar		1.85 Ac./Inferior		1.0 Ac./Similar	
Site View	Average	Similar		Inferior		Superior	
Site Improvements	None	Parking/Superior		Similar		Similar	
Access	Average	Similar		Inferior		Similar	
Topography	Sloping	Similar		Similar		Superior	
Utilities	Full	Equal		Equal		Equal	
Off-sites	None	Similar		Similar		Similar	
Exposure	Street/Highway	Similar		Inferior		Similar	
Net Adjustment		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$0.50		<input type="checkbox"/> + <input type="checkbox"/> - \$1.25		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$2.00	
Indicated Value		Net Adj. -17.9 %		Net Adj. 171.2 %		Net Adj. -43.6 %	
		Gross Adj. 17.9 % \$2.30		Gross Adj. 171.2 % \$1.98		Gross Adj. 43.6 % \$2.59	
Prior Transfer History	No sales in prior 36 months/PQ	No sales in prior 36 months. Parcel Quest		No sales in prior 36 months. Parcel Quest		No sales in prior 36 months. Parcel Quest	

Site Valuation Comments: Focus has been on identifying land sales that are both physically similar, but also exhibit a similarity of locational attributes. Accordingly, the sale data presented is considered to be the best available evidence of market data for direct comparative purposes.

Site Valuation Reconciliation: The three land sales presented for comparison analysis provide an adjusted range from \$1.98 to \$2.59/PSF with major weight placed on Comparables One and Three due to the most similarity of parcel size, location, exposure and topography and that collectively demonstrate a closer value range from \$2.30 to \$2.59/PSF. Affording both indicators relatively equal weight, I have developed a final opinion of value for the appraised property to be \$2.50/PSF and that when applied to the 33,976 square feet of site area provides a value indication of \$85,000 rounded (\$2.50/PSF x 33,976 SF = \$84,940).

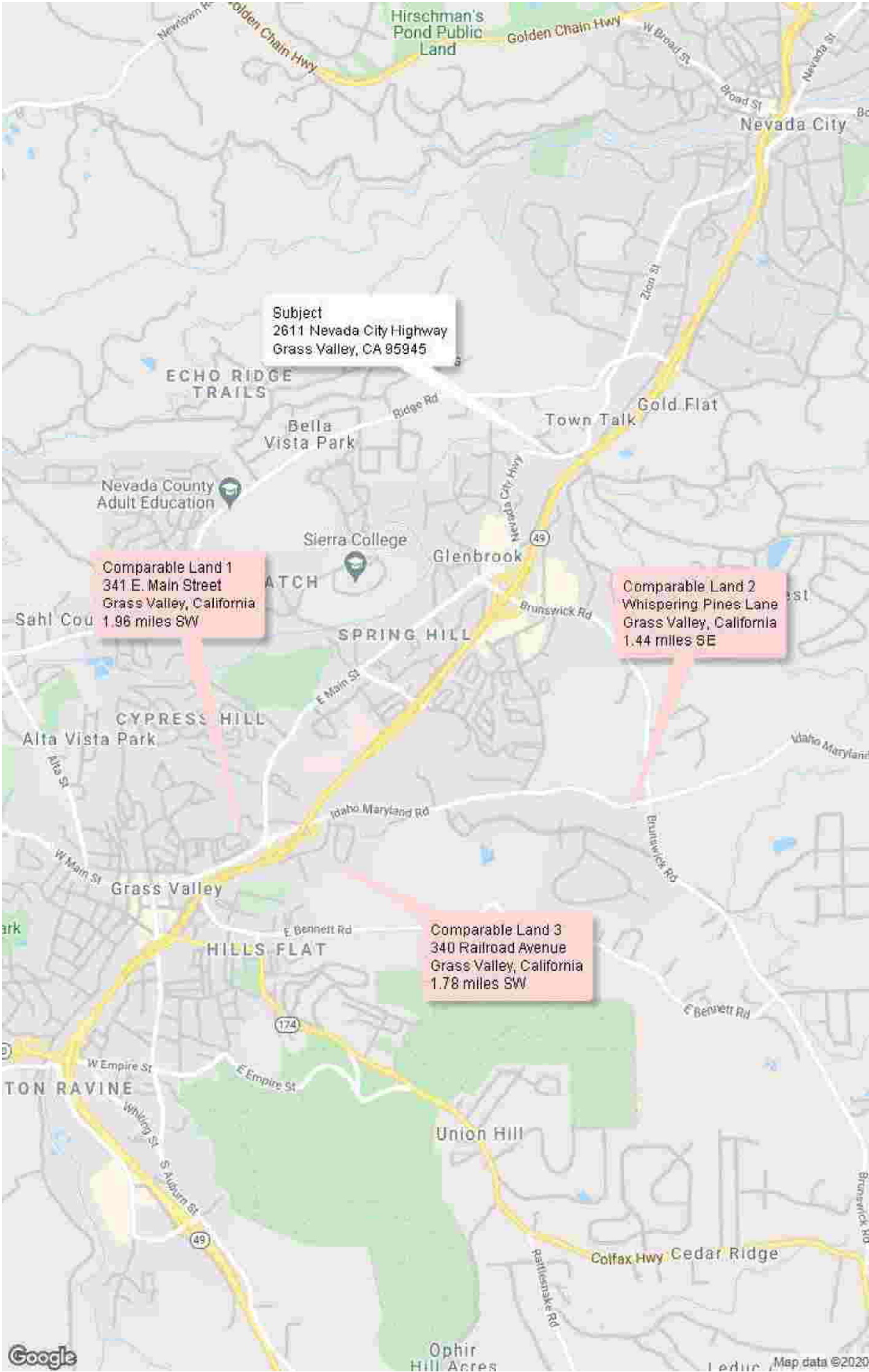
### Opinion of Site Value

\$ 85,000

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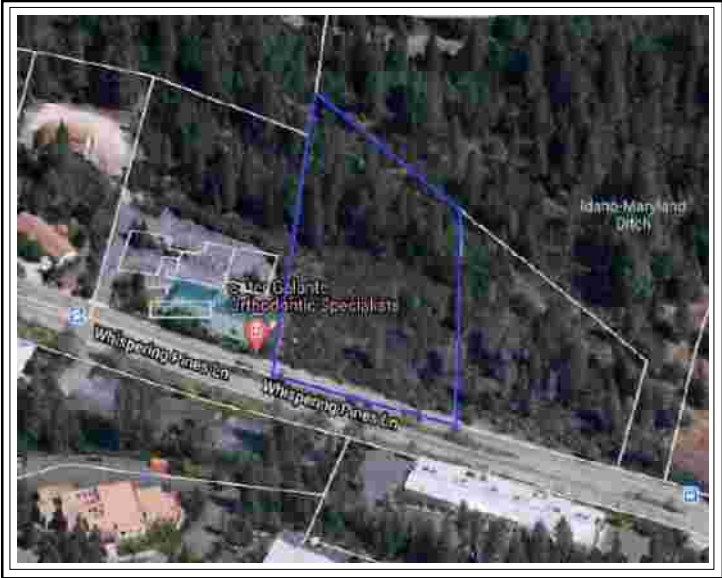
LOCATION MAP

Borrower: N/A	File No.: 1760
Property Address: 2611 Nevada City Highway	Case No.: N/A
City: Grass Valley	State: CA
Lender: Client - Cathy Dykstra	Zip: 95945





Topographic Map of Sale Comparable One

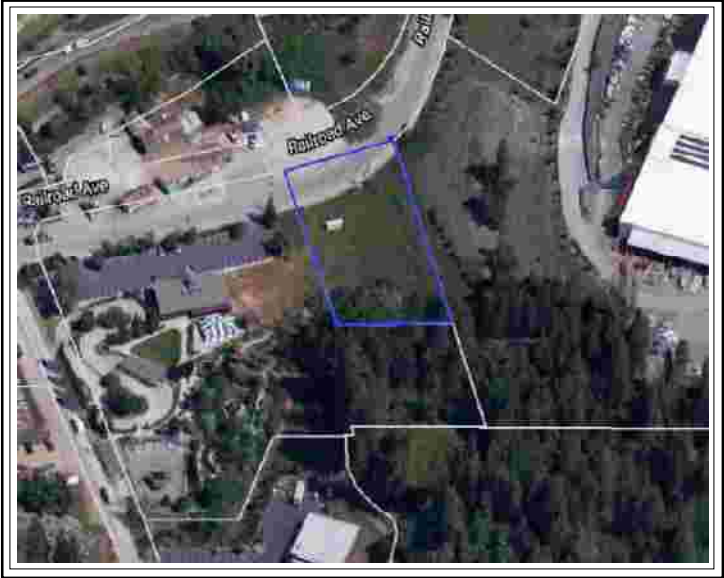


A topographic map of the Boise, Idaho area. The map shows the Boise River flowing through the center. To the left, the Idaho-Maryland border is indicated. Key landmarks include 'The Academy' (a building icon), 'Navajo County Public Health' (a building icon), 'Horrigan County Superintendent of' (a building icon), and 'Cedar Valley Orthodontic Specialists' (a red text label). A blue polygon highlights a specific area on the riverbank. A red '25' is visible on the map. The map also shows contour lines, a 'DITCH', and a 'BM 2600' (benchmark). A red arrow points to a location on the riverbank near the 'Cedar Valley Orthodontic Specialists' label.

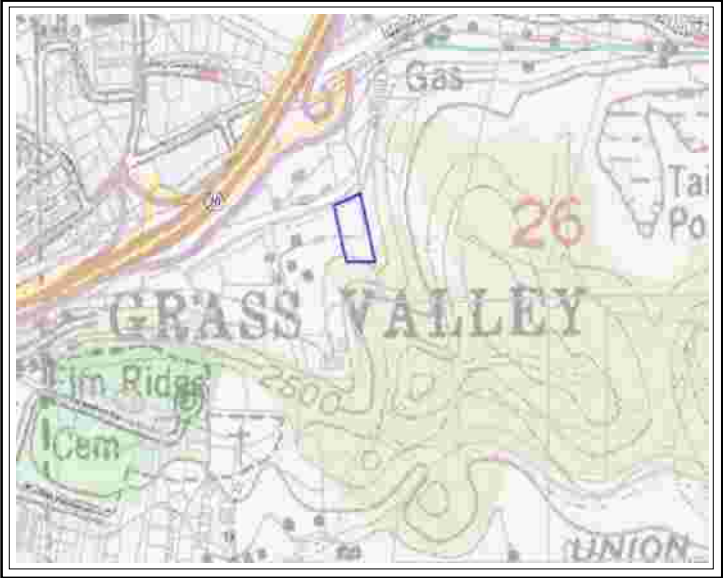
Topographic Map of Sale Comparable Two



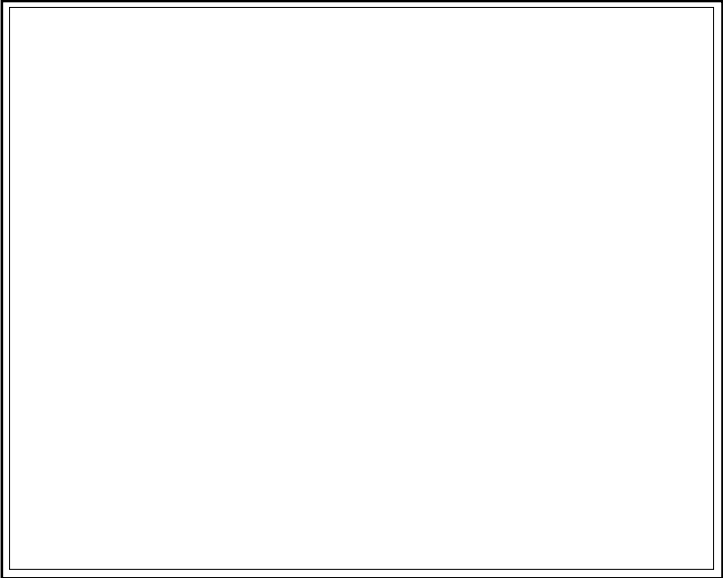
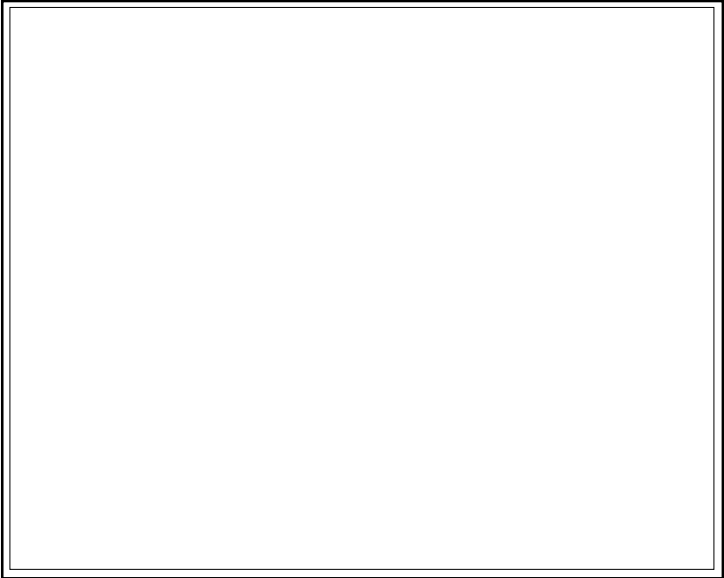
Borrower: N/A		File No.: 1760
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Lender: Client - Cathy Dykstra		



Aerial Photograph of Sale Comparable Three



Topographic Map of Sale Comparable Three



<b>Client:</b>		<b>Client File #:</b>	N/A
<b>Subject Property:</b>	2611 Nevada City Highway	<b>Appraisal File #:</b>	1760

## STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. I will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraisers written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains \_\_\_\_\_ pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

## VALUE DEFINITION

☒ **Market Value Definition (below)**

☐ **Alternate Value Definition (attached)**

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

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

Source: *The Dictionary of Real Estate Appraisal*, 4th ed., Appraisal Institute

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Client:		Client File #:	N/A
Subject Property:	2611 Nevada City Highway	Appraisal File #:	1760

## APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the use of this appraisal.
- 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.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

☒ None ☐ Name(s)

As previously identified in the Scope of Work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

Property Inspected by Appraiser ☒ Yes ☐ No  
Property Inspected by Co-Appraiser ☐ Yes ☐ No

## ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS

### Appraisal Institute Member Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

### Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☒ have / ☐ have not completed the continuing education program of the Appraisal Institute.

### Designated Appraisal Institute Member Certify:

- As of the date of this report, I ☐ have / ☐ have not completed the continuing education program of the Appraisal Institute.

### APPRAISER:

Signature *Daniel R. Ketcham*

Name Daniel R. Ketcham, SRA, MAI Report Date 11/6/2020

☐ Trainee ☒ Licensed ☐ Certified Residential ☐ Certified General

License # AG001511 State CA

Expiration Date 9/13/22

### CO-APPRAISER:

Signature \_\_\_\_\_

Name \_\_\_\_\_ Report Date \_\_\_\_\_

☐ Trainee ☐ Licensed ☐ Certified Residential ☐ Certified General

License # \_\_\_\_\_ State \_\_\_\_\_

Expiration Date \_\_\_\_\_

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Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		

APPRAISAL CERTIFICATION -- ADDENDA

To the best of my knowledge and belief, the statements of fact contained in this appraisal report, and upon which the opinions, analyses, and conclusions expressed herein are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties or property involved with this assignment. My engagement in this assignment and my compensation for same is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the opinion of value, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal. Furthermore, my opinion of value, as well as other opinions expressed herein, is not based on a requested minimum value, a specific value, or approval of a loan.

My analyses and opinions were developed and this appraisal report has been prepared in accordance with the standards and reporting requirements of the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation and the Code of Professional Ethics of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I, the undersigned, have made a personal on-site/off-site inspection of the property that is the subject of this report. No one provided significant real property assistance to the persons signing this report.

As of the date of this report, Daniel R. Ketcham is a California Certified General Real Estate Appraiser (#AG001511); is a member of the Appraisal Institute (#7592); is a member of the International Right of Way Association (#4174); and has completed the requirements and is current as to the continuing education program and requirements for each membership or license. Furthermore, I, Daniel R. Ketcham, have received the proper training and possess the necessary professional experience to appraise the property that is the subject of this appraisal. Therefore, I am professionally competent to appraise this property.

I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

STATEMENT OF ADDITIONAL ASSUMPTIONS AND LIMITING CONDITIONS

This assignment was conducted, and the report presented, subject to certain assumptions and limited conditions as contained herein. The use and acceptance of this report indicates and affirms that the client accepts these assumptions and limiting conditions.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report. Furthermore, it is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authorities from any local, state, or national government or private entity or organizations have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, agricultural chemicals or mold, which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances or conditions. If the presence of substances such as asbestos, urea-formaldehyde foam insulation, mold or other hazardous substances or environmental conditions may affect the value of the property, the value estimate is predicated on the assumption that there is no such condition on or in the property or in proximity thereto that would cause a loss in value. The appraised is not qualified to determine the cause of the mold, the type of mold or whether the mold might pose any rick to the property or its inhabitants. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. If so desired, the client is urged to retain an expert in this field.

Possession of this original report does not carry with it the right of publication. It is not intended, and may not be used, for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser. I do not authorize out of context quoting nor partial reprinting of the report. In the event this report is transmitted to a third party with my written permission, it is required that such a party be made cognizant of any and all limiting conditions resulting from the basis of my employment and discussions related thereto, as well as those set forth herein. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party and they are not my client and the intended user of the report.

The submission of this report constitutes completion of the service authorized. It is submitted upon the condition that the client will provide the appraiser customary compensation relative to any subsequent, required deposition, conferences, additional preparation, or testimony.

Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to valuation conclusions, the identify of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute, the International Right of Way Association, or to the MAI, SRA, or SR/WA designations.

Borrower: N/A		File No.: 1760
Property Address: 2611 Nevada City Highway		Case No.: N/A
City: Grass Valley	State: CA	Zip: 95945
Lender: Client - Cathy Dykstra		

This report is based, in part, upon information assembled from a wide range of sources, and, therefore, the incorporated data cannot be guaranteed in any fashion. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification as to engineering, construction and structural data, title and use restrictions, zoning, and proposed public and private projects in the area. Therefore, the appraiser reserves the right to make such adjustments to the valuation herein reported as may be required by consideration of additional data that may become available.

Due to the rural location of the appraised property and applicable comparable sales, it is often difficult or impossible to obtain meaningful picture images of comparable sale improvements. Homes on rural property are often behind locked gates and cannot be viewed from the street. Furthermore, pictures taken of a particular comparable sale for the purpose of marketing often present a more accurate representation of the property as to style and home condition at the time of sale, than that which may be viewed by this appraiser at a later date. Therefore, pictures as presented in the local Multiple Listing Service are often utilized by this appraiser and similarly presented within this report.

As it has been the objective of this valuation analysis to value a specific parcel of land to be acquired and merged into the existing parcel under ownership of the Client, the methodology necessitates the development of an opinion of "unimproved land" only. Therefore, this analysis as presented herein assumes and studies the parcel as if unimproved. As this is contrary to fact (as is improved), this analysis has been predicated on the Hypothetical Condition that the parcel is vacant or unimproved. The use and acceptance of this report indicates and affirms that the client accepts these Extraordinary Assumption(s) and Hypothetical Condition(s) on which the valuation analysis has been based.

## APPRAISER'S CURRICULUM VITAE

Daniel R. Ketcham, MAI, SRA, SR/WA

*Just as no two properties are alike, no two appraisers are alike - it is the appraiser's professional experience, judgment and qualifications that will make the difference.*

### EDUCATIONAL BACKGROUND

California State University Long Beach, Bachelor of Science in Business Administration - emphasis in Finance & Real Estate.

Orange Coast College, Associate of Arts & Certificate of Achievement in California Real Estate.

Courses successfully completed with the Appraisal Institute (AI) include Appraisal Principles, Methods & Techniques, Capitalization Theory & Techniques, Case Studies, Valuation Analysis & Report Writing, Standards of Professional Practice, Single Family Residential Appraisal, Fundamentals of Separating Real Property, Personal Property, & Intangible Business Assets, and Introduction to Green Buildings – Principles & Concepts.

Litigation Certificate of Completion having successfully completed the following required AI specialized courses: Litigation Appraising: Specialized Topics & Applications, Condemnation Appraising: Principles & Applications, The Appraiser as an Expert Witness Preparation & Testimony.

Courses successfully completed from the International Right of Way Association (IRWA) include Problems in the Valuation of Partial Acquisitions, Easement Valuation, Legal Aspects of Easements, Valuation of Contaminated Properties, Appraisal of Partial Acquisitions, Communications in Real Estate Acquisition, Bargaining Negotiations, Engineering, Appraisal & Law sections of Principles of Real Estate Acquisition, Property Descriptions, and Engineering Plan Development & Application.

Continuing Education Seminars attended via AI & IRWA: USPAP Standards Update 12/19, Federal/CA Laws 9/19, AI Litigation Conference 5/19, AI Business Ethics & Practice 4/19, AI Regional Economic Forecast 1/19, AI Conference multiple topic 10/19, AI Conference multiple topics 3/18, AI Litigation Conference 5/17, IRWA Conference multiple topics 3/17, USPAP Update Course 6/16, AI Statistics 9/15, Appraiser Liability 9/15, Spring Litigation Conference 5/14, Economic Forecast 1/14, Detrimental Conditions in Real Estate 10/13, 2013 Litigation Conference AI - Trial Exhibits, Subsurface Easements, & Managing Litigation Process 5/13, Business Practices & Ethics (5/13), Fed. & CA Statutory & Reg. Laws (11/12), USPAP Standards Update 5/12, Uniform Standards for Federal Land Acquisitions (Yellow Book) 9/10, IRS Valuation Summit 06/10, USPAP Standards 1/10, Valuation of Easements & Partial Interest in Condemnation 9/09, 2009 Economic Forecast 1/09, USPAP Standards Update 6/08, 2008 Litigation Conference AI – Temporary Construction Easements, Severances Damages, and Preparing for Trial 5/08, Attacking & Defending An Appraisal in Litigation 10/07, Essentials: Current Issues & Misconceptions in Appraisal 10/07, Business Practices & Ethics 9/07, Understanding Environmental Contamination in Real Estate 10/06, California Eminent Domain Appraisal Practice 4/06, Conservation Easements 11/05, Subdivision Valuation & Special Purpose Properties 10/05, California Eminent Domain Case Update 9/05, Current Issues & Essentials of Appraising 4/04, Uniform Standards Update 12/03, Appraisal Litigation Practice & Courtroom Management 4/03, Scope of Work 3/03, Appraisal Consulting 11/02, Eminent Domain Appraisal Review 10/02, Standards of Professional Practice Part C 3/01.

### PROFESSIONAL LICENSES

Appraisal License - Certified General in California (AG001511) issued by Bureau of Real Estate Appraisers; Real Estate Broker License in California (00660553) issued by Bureau of Real Estate.

### PROFESSIONAL AFFILIATIONS & DESIGNATIONS

Designated Member Appraisal Institute (MAI #7592 & SRA #1866); Designated Member of the International Right of Way Association (SR/WA #4174); REALTOR®, Nevada County Association of Realtors; member of Gold Country Estate Planning Council.

Appraisal Institute designated members make a commitment to advanced education and defined ethical requirements. The MAI designation is held by appraisers who are experienced in the valuation and evaluation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions. The SRA designation is held by appraisers who are experienced in the analysis and valuation of residential property. The Senior Right of Way Professional (SR/WA) is the most prestigious professional designation granted by the International Right of Way Association to those right of way professionals who have achieved professional status through experience, education, and examination.

### COURT QUALIFICATION

Experienced and qualified as an expert witness in real estate valuation in various California Superior Courts and United States Bankruptcy Courts. Former appointment by the Eastern District California United States Bankruptcy Court as a Resolution Dispute Advocate.

### SCOPE OF EXPERIENCE

Appraisal experience includes valuation of all types and classifications of real property including unimproved development land, single and multi-family residential, commercial, office, retail, and industrial properties. Geographic area of practice emphasis is Northern California and Sierra Foothills. A primary focus of our practice is the appraisal of partial interest for right-of-way acquisition and appraisal of going concern interest wherein the value of a business is an integral part of the real property interest (e.g. service stations, racquet & tennis clubs, etc). Other practice services include litigation support and appraisal services rendered in conjunction with litigated and eminent domain matters, consultation services in conjunction with the feasibility analysis of proposed development, and/or purchase acquisitions or sale dispositions, and estate planning matters.

### NOTABLE PROFESSIONAL & PERSONAL EXPERIENCE

Currently serves as Advisor for Candidates for Designation (both General & Residential) for Appraisal Institute (AI), 2010-2019 President Board of Directors - Nevada County Historical Society; 2009 Treasurer & Program Chair Historical Society; 2003-2008 member the Board of Directors, Golden Empire Council of Boy Scouts of America; Founding Scoutmaster Boy Scout Troop 855, and Unit Commissioner for Cub Scout Pack 855 - Grass Valley; 1998 President of Board of Directors Chapter 27 of IRWA; 1994 President of Board of Directors Nevada County Big Brothers Big Sisters; past instructor Community College level and for the AI; served on both General and Residential Admissions Review Committees for the Sacramento Sierra Chapter AI and National Review & Counseling and Ethics Committees of the AI; regular contributor to the Gold Country Real Estate Showcase as published by Grass Valley Union newspaper, writing on contemporary real estate issues; past guest speaker for the Nevada County Engineers Association and the Gold Country Estate Planning Council; Big Brother from 1982-88. Recipient of the following awards & recognitions: Boy Scouts of America 2003 Silver Beaver Award, Golden Empire Council, 2000 Silver Bear Award Gold Country District, Boy Scouts of America; 1997 Member of the Year, IRWA Chapter 27; 1997 Pack 855 Unit Scouter of the Year; 1987 Big Brother of the Year for Orange County; BSA Sea Exploring "Quartermaster" 1973 (highest earned rank in Sea Scouting).

## SUMMARY OF SELECTED CLIENTS OF

### DANIEL R. KETCHAM & ASSOCIATES

#### GOVERNMENTAL or MUNICIPAL AGENCIES

California Dept. Transportation (Caltrans)  
County of Nevada  
City of Grass Valley  
City of Nevada City  
Pacific Gas & Electric Co. (PG&E)  
Placer County Water Agency  
Nevada Irrigation District  
Wildlife Conservation Board – State of CA  
USDA - Rural Development  
County of Yuba

Sierra Joint Community College District  
Nevada Union Joint High School District  
Placer High School District  
Yuba River Charter School  
Nevada City Elementary School District  
Union Hill School District  
Twin Ridges School District  
Woolman School – Sierra Friends  
Nevada County Fair Board  
UC Davis Alumni Association

#### ATTORNEYS AT LAW

##### Attorney

Steven Spiller & Clarence McProud  
John Bilheimer & Alan Haley  
Charles Compton & Ray Shine  
Paul Aronowitz & Lawrence E. Skidmore  
Robert Murphy  
Anthony Soares  
Mike McGuire  
Gregory Fayard  
Samuel Emerson  
Jeffery Galvin

##### Individual Attorneys

Jennifer Wilkerson  
Charles Farrar  
Richard Keene  
Scott Browne  
Andrew Harris  
Richard Hawkins

##### Law Firm of

Spiller & McProud, Nevada City  
Haley & Bilheimer, Nevada City  
Compton Shine, Grass Valley  
Aronowitz & Skidmore, Auburn  
Kronick, Moskovitz, Tiedemann & Girard, Sacramento  
Minasian, Meith, Soares, Sexton & Cooper, LLP, Chico  
Special Counsel, Archer Norris, Sacramento  
Hansen, Kohls, Jones, Sommer & Jacob, LLP, Rocklin  
Best Best & Krieger, Sacramento  
Downey Brand LLP, Sacramento

Steven & Matt Haas  
Scott Richert  
Diane Iglesias  
Ann Armstrong  
Susan Corcoran  
Nancy Christie

#### FINANCIAL INSTITUTIONS

Bank of America  
West America Bank  
Tri Counties Bank  
Union Bank

Wells Fargo Trust Department  
Federal Deposit Insurance Corporation  
Resolution Trust Corporation  
Federal National Mortgage Association

#### CORPORATIONS & ORGANIZATIONS

First American Title Insurance  
Trust of Public Lands  
Placer Land Trust  
Valuation Administrators  
Trans America Relocation  
Newmont Mining Corporation - Nevada  
Universal Field Services

Bear Yuba Land Trust  
Placer Title Insurance Company  
Allstate Insurance Company  
Sierra County Land Trust  
Calvary Bible Church - Grass Valley  
Lowell Robinson - Robinson Enterprises  
Ross Guenther - Emperor Gold Corporation

#### INDIVIDUALS

Jim Didion – former owner of CB Commercial  
Mike & Maureen Merrill, Northview Estate  
Lance & Julia Amaral - North Star Mine Holdings  
Bob Nix - Gateway Commercial Center

Patty Irish - GP, Ninety-Five Ten Partnership  
Ken Myers & Jerry Sakai – Altair Subdivision  
Bruce Ivy - Earth Song & Button Works  
Charlie Maier - Maier Manufacturing

SUMMARY OF VALUATION ASSIGNMENTS

As completed by Daniel R. Ketcham &amp; Associates

<u>PROPERTY</u>	<u>CLIENT/ASSIGNMENT</u>
<u>Industrial / Rural Residential</u>	Retained legal counsel to provide appraisal review services for an estate trustee on property located in Nevada and Sierra Counties.
<u>Commercial / Industrial</u>	Retained owner to prepared rental value of Tripp's Auto Body facility Grass Valley, Nevada County.
<u>Easement Valuation</u>	Retained Nevada Irrigation District to prepare appraisal of fee and easement on two parcels for proposed facilities located in the Rough & Ready area, Nevada County.
<u>Multi-Tenant Office</u>	Retained property ownership to prepare appraisal of multi-tenant professional office property, Nevada City.
<u>Multi-Use Rural Parcel</u>	Retained Fiduciary to prepare appraisal on rural multi-use parcel, that includes residential, retail/commercial, and timber management/production.
<u>Multi-Tenant Industrial</u>	Retained Federal Court appointed Referee in a partition matter to prepare appraisal of multi-tenant of pipeline easements crossing five parcels located in the Penn Valley, Nevada County.
<u>Easement Valuation</u>	Retained Nevada Irrigation District to prepare appraisal of pipeline easement crossing large parcel adjacent to Lake Wildwood and located in the Penn Valley, Nevada County.
<u>Lake Front Home Site</u>	Retained by joint legal counsel to prepare appraisal of large residential parcel on Lower Scotts Flat Lake, Nevada County. Legal access to parcel was point of legal contention.
<u>Equestrian Training Facility</u>	Retained by legal counsel to prepare a retrospective appraisal of large horse breeding and training facility, including two high quality homes, as located in Nevada County.
<u>Office Building</u>	Retained by Trustee to appraise market value of small single tenant occupancy office building, as located in downtown Grass Valley.
<u>Easement Valuation</u>	Retained Westcor Title to prepare appraisal of residential parcel wherein value impact of missed pipeline easement use was studied, Loomis area, Placer County.
<u>Easement Valuation</u>	Retained legal counsel to prepare appraisal of two residential parcels wherein value impact of proposed shared driveway easement use was studied, Nevada County.
<u>Easement Valuation</u>	Retained Westcor Title to prepare appraisal of residential parcel wherein value impact of missed shared driveway easement use was studied, south Nevada County.
<u>Easement Valuation</u>	Retained Westcor Title to prepare appraisals of two residential parcels wherein value impact of missed shared driveway easement use was studied, Nevada City, Nevada County.
<u>Fire Station Site</u>	Retained by the Higgin's Fire District to appraise a site under study for possible sale to Calfire for site redevelopment into a new facility.
<u>Placer County Rural Development Acreage</u>	Retained by property ownership and Placer County Land Trust to provide appraisal service in studying a large residential development parcel located west of the Forest Hill area, Placer County, for possible acquisition by the land trust. Parcel enjoyed a subdivision proposal, but no entitlements.

<u>Placer County Rural Recreation Sites</u>	Retained by property ownership and Placer County Land Trust to provide appraisal services in studying approximately 18 parcels for possible acquisition by the land trust. Several differing highest and best uses between the various parcels under study.
<u>Highway 174 Right of Way</u>	Provided appraisal review services for two property owners in conjunction with proposed right of way acquisition by Caltrans. Reports reviewed were prepared by Caltrans staff.
<u>Sierra County Rural Recreation Sites</u>	Retained by Sierra County Land Trust to provide appraisal and consulting services in studying approximately ten parcels for possible acquisition.
<u>Commercial Site</u>	Retained mutually by legal counsel to prepare appraisal of the Ridge Racquet Club parcel, Grass Valley. Additional appraisal review services were provided and court testimony in this marital dissolution matter.
<u>Easement Valuation</u>	Retained Nevada Irrigation District to prepare appraisals of pipeline easements crossing five parcels located in the Penn Valley, Nevada County.
<u>Easement Valuation</u>	Retained Nevada Irrigation District to prepare appraisal of pipeline easement to encumber a portion of one parcel located in the south Nevada County.
<u>Utility Easement Valuation</u>	Retained Westcor Title Company to provide appraisal services in conjunction with a title insurance claim pertaining to utility line that bisects a residential site. Study was to develop opinion as to diminution in value attributable to possible change in highest and best use, Nevada County.
<u>Rural Residential Site</u>	Retained by ownership to prepare appraisals on a rural residential parcel containing a large lake and formerly used for a hunting, as located in Yuba County.
<u>Combie Road Widening Project</u>	Provided review valuation service to project engineer conjunction with proposed site acquisition by County of Nevada.
<u>Automotive Repair Building</u>	Retained by owner to appraise the market rental value, as located in Grass Valley.
<u>Easement Valuation</u>	Retained Nevada Irrigation District to prepare appraisals of pipeline easements crossing three parcels located in the south Nevada County.
<u>Easement Valuation</u>	Retained Nevada Irrigation District to prepare appraisals of canal easements crossing two parcels located in the south Nevada County.
<u>Commercial Site</u>	Retained by owner (a non-profit Foundation) to appraise a large commercial parcel as located in the City of Nevada City.
<u>Access Easement Valuation</u>	Retained property owner to provide appraisal review services in conjunction with a title insurance claim with First American Title. Study was to develop opinion as to diminution in value attributable to loss of a specific access easement, Nevada County.
<u>Retail/Commercial Building</u>	Retained by successor trustee to appraise the fee interest in a retail building for estate accounting, as located in Grass Valley.