



GRANITE APPRAISAL GROUP®

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18123 JOY CIRCLE, CHALLENGE CA 95925-9605

Written For:
Ken Walker – Pacific Direct Mortgage
1400 N Dutton Ave, #22
Santa Rosa CA 95401

FILE No.:
9469



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04/28/2025

Ken Walker - Pacific Direct Mortgage
1400 N Dutton Ave. #22
Santa Rosa CA 95401

RE: Appraisal Report #9469 (Appraisal Report – Summary Narrative Format)
“As-Is” Value Estimate: \$360,000.00

Project Name
Located at:
18123 Joy Circle
Challenge, California 95925-9605

As requested, I have conducted the necessary investigation and analysis for the purposes of estimating the current market value of the Fee Simple Interest “As-Is” for the above referenced property. This appraisal is in compliance with the Uniform Standards of Professional Appraisers Practice (USPAP), the Office of the Comptroller of the Currency’s (OCC) Minimum Standards, and the additional requirements set forth by the Appraisal Standards Board.

As a result of my investigation and analysis, subject to the assumptions and limiting conditions expressed in the attached appraisal report, it is my opinion that the current market value of the subject property’s Fee Simple Interest, as of April 16th, 2025, is as follows:

Fee Simple Interest: (AS-IS)	\$360,000.00
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The attached appraisal report contains the data and reasoning upon which this appraisal is based, together with necessary Certification and Limiting Conditions. **This is an Appraisal Report – prepared in a summary narrative format.**

Respectfully Submitted,

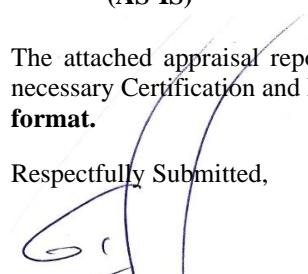

Gary G. Young SCREA
Candidate for Designation, Appraisal Institute
Certified General Appraiser
State of California #AG033542

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Introduction

This appraisal involves the evaluation of an existing mobile home park situated within the small rural town of Challenge, situated within Yuba County, California 95925-9605. Challenge is positioned approximately 80 miles northeast of the state capitol and the Sacramento Metropolitan area, and approximately 160 miles northeast of San Francisco, California.

The appraisal assignment involves the valuation of the subject in its “As-Is” condition as of the date of value.

The valuation analysis will utilize two of the three standard approaches to value – the Income Approach to Value and the Sales Comparison Approach to Value. These approaches will be discussed in more detail within the valuation section of this report.

The Cost Approach to Value was not utilized due to:

- 1) The lack of recent sales of vacant land which were considered to be highly comparable to the subject; and
- 2) The fact that very few buyers and sellers in the local and regional marketplace ever place any weight on the Cost Approach to Value in their determination of a sale or acquisition price on this type of commercial property.

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value. **It is understood that this appraisal is to be an Appraisal Report - Summary Narrative Format.**

Summary of Facts and Conclusions

OWNER OF RECORD: Title to the subject is reportedly in the name of Drew Melvin D and Suzette A.

PROPERTY TYPE: Existing, average condition, mobile home park designed for multiple-tenant occupancy.

LOCATION: East side of Joy Circle and northwest of La Porte Road
(18123 Joy Circle)
Challenge, California 95925-9605

FLOOD INSURANCE: The subject property is situated within a HUD identified Flood Area X.

EARTHQUAKE ZONE: The subject property is not situated within an Alquist – Priolo Earthquake (or “Fault Hazard”) Special Studies Zone.

GROSS BUILDING AREA: 2,042 SF (Barn-storage/laundry)

The GBA for the subject building improvements is unknown, according to assessor's public record; however, according to appraisers' measurements, the GBA for the subject building improvements is \pm 2,042 SF. For the purposes of this report, we have used appraisers' measurements.

The measurements and dwelling/building sketch supplied in the appraisal report are for appraiser purposes of comparison to the comparables sales analyzed in the Sales Comparison Analysis. The supplied sketch is not an architectural rendering of the subject dwelling and is not to be considered as such as the appraiser is not a licensed architect. The gross living area/gross building area stated in the report may or may not agree with the GLA published by the tax assessor, the MLS or the builder for the subject.

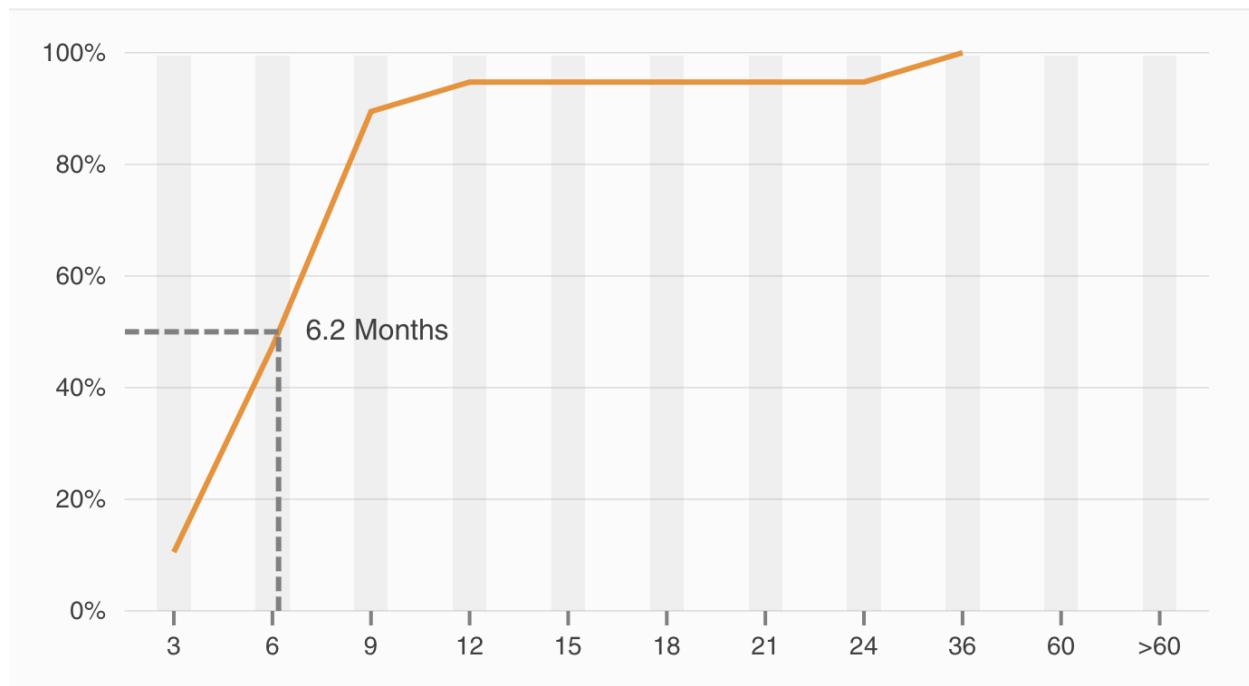
EFFECTIVE AGE/R.E.I.: 30 YEARS / Unknown

LAND AREA: 5.77 Acres (251,341 SF)

Marketing Time/Exposure Time

The final value estimate will be premised on the assumption that the subject property would sell in a four to eight-month exposure time period. This exposure period has been based on the available sales activity involving somewhat similar commercial properties in the local and regional marketing area using CoStar data.

Probability Of Selling In Months



ESTIMATING MARKETING TIME: Four to Eight Months

ESTIMATING EXPOSURE TIME: Four to Eight Months

DATE OF VALUE: April 16th, 2025 (the date of physical inspection by the appraiser).

Value Conclusion

Fee Simple Interest “As-Is” Premise: **\$360,000.00**

Property Identification

The subject property is identified as being situated on the east side of Joy Circle and northwest of La Porte Road, within the small rural town of Challenge, California. With a site address of 18123 Joy Circle, Challenge, CA, the subject property is also identified as being Yuba County/City of Challenge Assessor's Parcel (APN) Number 050-400-012-000. With a legal description of "PT S-20 T-19N R7E P-A LLA 06-26 ROS 07-26 91/01, according to the Official Map thereof."

Subject Three-Year Ownership History/Listing History

LAST MARKET SALE & SALES HISTORY					
Recording Date	07/06/2010	Deed Type	Grant Deed		
Settle Date	Tax: 06/29/2010 MLS: 07/06/2010	Owner Name	Drew Melvin D		
Sale Price	\$175,000	Owner Name 2	Drew Suzette A		
Document Number	8032	Seller Name	Fawcett Thomas & Alicia R		
Sale Type	Full	Title Company	Placer Title Co.		
Recording Date	07/06/2010	04/21/2004	08/09/2000	03/18/1997	03/05/1996
Settle Date	06/29/2010	04/08/2004	08/02/2000		
Sale Price	\$175,000	\$140,000	\$118,500	\$148,480	
Nominal					Y
Multi/Split Sale Type		Multi	Multiple	Multiple	
Owner Name	Drew Melvin D & Suzette A	Fawcett Thomas & Alicia R	Kolos John & Carol	Bernstein Leslie & Elaine	Cooley Trust
Seller Name	Fawcett Thomas & Alicia R	Kolos John & Carol	Bernstein Leslie & Elaine	Placer Foreclosure Inc (Te)	Cooley Clarence R & Betty J
Document Number	8032	6951	7774	2504	2275
Deed Type	Grant Deed	Grant Deed	Grant Deed	Foreclosure Deed	Deed
Title Company	Placer Title Co.	First American Title	Placer Title Co.	Placer Title Co.	

The subject's prior sale was on 07/06/2010 for \$175,000. No other transfers were noted in the last three years from the effective date of this report. The subject does not appear to have been listed for sale in the past year as per MLS.

Purpose/Function of the Appraisal

The purpose of this appraisal is to determine the current market value "As-Is" of the Fee Simple Interest for the subject property. The function of the appraisal report is to assist the client with regard to financial valuation and analysis purposes (i.e., refinance of the subject).

Property Rights Appraised

The property rights appraised are estimated in Fee Simple Interest, subject only to exceptions, easements, and rights-of-way of record. No personal property is valued in this report.

Assessment Reference and Taxes

The subject property is identified as Yuba County Assessor's Parcel Number 050-400-012-000. Current annual and supplement tax assessments for the 2024 tax years are approximately \$3,149, based on a current total assessed value of \$219,797 (\$169,561 - Land; \$50,236 - Improvements). The subject is situated in the Tax Code Area 064084. The preceding is for reference only.

Real Estate Assessment and Taxes				
Tax ID	Land	Improvements	Total	Taxes
050-400-012-000	\$169,561	\$50,236	\$219,797	\$3,149
Special Assessments			\$951.02	
Totals				\$3,149

In California, privately held real property is typically assessed at 100% of full cash value (which is interpreted to mean market value of the fee simple estate) as determined by the County Assessor. Generally, a reassessment occurs only when a property is sold (or transferred), or when new construction occurs (as differentiated from replacing existing construction).

Assessments for properties that were acquired before 1975-1976 were stabilized as of the tax year 1975-1976. Property taxes are limited by state law to 1% of the assessed value plus voter-approved obligations and special assessments. If no sale (or transfer) occurs or no new building takes place, assessments may not increase more than 2% annually.

Taxes are payable in two equal installments, which become delinquent after December 10 and April 10 respectively. The following table provides a summary of the current tax data and the effective tax rate for the subject according to the County Assessor.

Taxes will change in the event of a sale, transfer of the property, or if any new construction occurs and will be determined by the Assessor at the current market value.

Assumption and Limiting Conditions

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

The Appraiser assumes no responsibility for matters of a legal nature affecting property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable.

Responsible ownership and competent management are assumed.

The Appraiser has made no survey of the property and assumes no responsibility in connection with such matters. Any sketch or identified survey of the property included in this report is only for the purpose of assisting the reader to visualize the property.

The Appraiser is not required to give testimony or attendance in court by reason of this appraisal unless arrangements have been previously made therefore.

Any distribution of the valuation between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.

The information identified in this report as being furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed.

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

This appraisal report has been prepared for the use of the addressee only. No responsibility is assumed for its possession, use or reliance upon factual data, or conclusions, contained herein by anyone other than the addressee. The report is intended solely for the purpose herein stated. Specifically, this report is invalid for syndication purposes.

Special Assumptions and Limiting Conditions

- 1.) This appraisal assumes that the subject property is not affected by toxic waste or other potentially hazardous material resulting from past or present uses of the subject or nearby properties. Such a condition may or may not be present. The appraiser is not qualified to detect such substances; therefore, if there is reason to believe that hazardous materials are present on the property, the client should retain the services of a qualified professional in the field. The presence of such conditions could have a significant affect on value.
- 2.) The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. The appraiser has not made a specific compliance survey to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect upon the value of the property. Since the subject represents a relatively “older” property, which would be subject to current ADA standards, it is assumed that the subject property is in full compliance with all ADA guidelines.
- 3.) The subject property does not appear to have any land which would be considered “wetlands”: under normal guideline definitions provided by either the US Bureau of Reclamation, the US Corp. of Engineers, or the US Department of Fish and Wildlife Service. However, the Appraiser is not qualified to make a final determination in such matters. A qualified environmental engineer should be contacted should such a determination be deemed necessary by the lender and/or client.

Mutual Limitations of Liability

Appraiser and Client agree that the following mutual limitation of liability is agreed to in consideration of the fees to be charged and the nature of Appraiser's services under this Agreement. Appraiser and Client agree that to the fullest extent permitted by applicable law, each party's and its Personnel's maximum aggregate and joint liability to the other party for claims and causes of action relating to this Agreement or to appraisals or other services under the Agreement shall be limited to the total fees and costs charged by Appraiser for the services that are the subject of the claim(s) or cause(s) of action. This limitation of liability extends to all types of claims or causes of action, whether in breach of contract or tort, including without limitation claims/causes of action for negligence, professional negligence or negligent misrepresentation on the part of either party or its Personnel, but excluding claims/causes of action for intentionally fraudulent conduct, criminal conduct or intentionally caused injury. The Personnel of each party are intended third-party beneficiaries of this limitation of liability. "Personnel, "as used in this paragraph, means the respective party's staff, employee, contractors, members, shareholders and partners. Appraiser and Client agree that they each have been free to negotiate different terms than stated above or contract with other parties.

Although the borrower and/or third party may receive a copy of the appraisal, it does not mean that the borrower or third party is an "Intended User" as that term is defined in the appraisal report.

If the owner of the property appraised is not the intended user, then they may not have the right to use this report with any other lender(s) and/or individual(s) for any purpose.

The report proprietary data that remains the personal property of the signer and may not be removed from this report or transmitted to the third party without the signer's written permission. The Appraiser's personal responsibilities do not extend to a third party under any circumstances whatsoever. The Client agrees to notify the Appraiser of any error, omission, or invalid data herein within 15 days of receipt and to return the report along with all copies to the Appraisers for correction prior to any use whatsoever. Corrections will be made at the Appraiser's discretion.

Under no circumstances shall the Company or Appraiser's liability exceed the fee collected for this report. Thus, by acceptance of this report, the client acknowledges that a value opinion is the product of a professionally trained mind, but nevertheless is an opinion only and not a provable fact. As a personal opinion, valuation may vary between Appraisers based on the same facts. Thus, the appraiser warrants only that the value conclusion is the best opinion estimate as of the exact day of valuation.

China reported the first case of the Coronavirus" (COVID-19/Chinese Virus) in December 2019 with the virus reaching the United States in January 2020. "The Coronavirus" (COVID-19/Chinese Virus) outbreak was designated as a pandemic by the World Health Organization (WHO) on March 11, 2020. Based on our discussions with real estate brokers and investors as of the date of this report, the full impact of the outbreak on the regional real estate market is not known. However, we are currently working on, or are aware of,

several current real estate purchases that are moving forward as planned and that real estate is perceived to have far less risk than alternative investment vehicles, such as the stock market—which has experienced substantial fluctuation in the recent past. The fiscal stimulus along with vaccines set in place in 2020 from the federal government and the herd immunity are also being factored into the market, which is offering some virus-related certainty on a long-term basis. Currently war has broken out in Europe. Inflation is rising at a record pace due to federal spending. IN an effort to off-set the spending, the feds began raising interest rates in June of 2022. This continued at a record pace of 11 increases in 13 months. This is reported to be the highest rate in 22 years. These increases effectively stopped the single-family residential market and has resulted in 4 bank failures to date. Therefore, based on these considerations, we are of the opinion that adverse conditions are being reflected in the Yuba County real estate market at this time.”

Certification of Appraisal

The undersigned does hereby certify that, to the best of my knowledge the statements of facts contained in this report are true and correct.

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 and Standards of Professional Practice 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.

As of the date of this report, I (Gary Young) have completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute

I have made a personal inspection of the subject property.

I have no present or prospective interest in the appraised property, and I have no personal bias or personal interest with respect to the parties involved in this appraisal.

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

This analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice* and the requirements of the code of Professional Ethics and Standards of professional Practice of the Appraisal Institute.

The out-of-context quoting from or partial reprinting of this appraisal report is not authorized.

No one provided significant real property appraisal assistance to the person signing this certification. Savannah Young assisted in the preparation of graphics and market data maps, and in the assembly of the final appraisal report.

My engagement in this assignment was not contingent upon developing or reporting pre-determined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a pre-determined 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.

The appraisal assignment was not based on a requested, minimum valuation, a specific valuation, or the approval of a loan.

Further, neither all nor any part of this appraisal report shall be disseminated to the general public by use of media for public communication without the prior written consent of the undersigned.

I have performed appraisal services on the property within the three-year period immediately preceding acceptance of this assignment. The client was informed prior to accepting this assignment.

A handwritten signature in blue ink, appearing to read "GARY G. YOUNG".

Gary G. Young SCREA
Candidate for Designation, Appraisal Institute
State Certified General Real Estate Appraiser
State of California #AG033542

Scope of the Appraisal

The appraiser has been requested by the client Ken Walker with Pacific Direct Mortgage & Suzette Drew and Melvin Drew to provide an appraisal report on an existing, average condition mobile home park, situated at 18123 Joy Circle, within the city of Challenge, California 95925-9605.

The Client by Name is identified as the Lender/Client. No instruction was received on the appraisal assignment order or via other written communication at the time of engagement that prevents the naming of the Client. The Original Lender/Client is the only Intended User of this report. This is a Restricted Use Appraisal Report contains minimal detail and is intended to be relied upon by the client only, not any other party.

The appraisal report has been prepared so as to comply with the requirements of:

- 1.) Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- 2.) The Uniform Standards of Professional Appraisal Practice (USPAP) including the Ethics and Competency Provisions and promulgated by the Appraisal Standards Board of the Appraisers Foundation.
- 3.) Prepared in compliance with the Office of Comptroller of the Currency (OCC) minimum standards.
- 4.) The Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

The appraiser has the necessary experience, training, and knowledge to be qualified to be complete an appraisal of an existing, average condition mobile home park in accordance with the competency provisions of USPAP.

Savannah Young assisted in the preparation of graphics and in the assembly of the final appraisal report.

The scope of the appraisal required collecting primary and secondary data relative to the subject property. This has been analyzed and confirmed by the appraiser, whenever possible, leading to the value conclusion as set forth in this report. All data considered material to the appraisal was reported. Unless so specified, the appraisal does not consider personal property noted on the premises. A physical inspection of the subject property was made. The valuation process involved utilizing all techniques and procedures considered appropriate to the assignment. The scope of this appraisal has not been limited elsewhere in the report.

This is an Appraisal Report – Summary Narrative Format.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value

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.¹

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

As Is Market Value

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

Property Rights Definitions

The property rights appraised which are applicable to this assignment are 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.⁴

¹ Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

³ Compiled and summarized from several industry sources

⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Hypothetical Condition/Extraordinary Assumptions

Hypothetical Conditions:

A hypothetical condition is used when a property is appraised under a condition that is contrary to what is known by the appraiser to exist on the effective date of the assignment results

- ✓ None

Extraordinary Assumption:

An extraordinary assumption is an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. 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. (USPAP, 2010-2011 ed.) (Dictionary, 5th Edition)

- ✓ No title report was provided to the appraiser. The appraiser is making the extraordinary assumption the subject has deeded easement driveway access and has no hidden/unknown issues that would negatively affect market value. The appraiser reserves the right to amend this report if new information becomes available.

Market Area Map of Yuba County



Market Area Description: Yuba County

Yuba County is situated in the north-central region of California, forming part of the Sacramento Valley within the Central Valley. Established in 1850, the county spans approximately 644 square miles and is bordered by Butte, Sutter, Nevada, Placer, Sierra, and Plumas counties. The county seat is Marysville, a city rich in history and serving as a central hub for the region. Other notable communities include Wheatland, Olivehurst, Linda, and the unincorporated areas of Brownsburg, Challenge, and Forbestown.

Economic Profile

Yuba County's economy is multifaceted, with significant contributions from agriculture, manufacturing, retail, and public services. The median household income in 2023 was \$73,313, marking a 9.93% increase from the previous year. The county's strategic location, approximately 30 minutes north of Sacramento, provides residents with access to broader employment opportunities while maintaining a more affordable cost of living. Economic development initiatives focus on leveraging the county's natural resources, including water and energy, to attract investment and promote sustainable growth.

Housing Market

The housing market in Yuba County has experienced notable growth. As of February 2025, the median sale price for homes was \$460,000, representing a 7.4% increase year-over-year. The median price per square foot stood at \$268, up 2.9% from the previous year.

The county's housing inventory remains relatively tight, with homes spending an average of 72 days on the market, compared to 36 days the previous year. This trend indicates a competitive market, driven by increased demand and limited supply.

In March 2025, the median listing price was reported at \$470,000, with a median price per square foot of \$265. These figures underscore the county's growing appeal to homebuyers seeking affordability within proximity to urban centers.

Infrastructure and Transportation

Yuba County benefits from a network of transportation routes, including Highways 70 and 20, facilitating connectivity to neighboring regions. Public transportation services are available, and the county is served by the Yuba County Airport, accommodating general aviation needs.

Infrastructure development is a priority, with ongoing projects aimed at improving roadways, utilities, and public facilities to support the county's growth and enhance the quality of life for residents.

Education and Community Services

The county is served by several school districts, offering educational opportunities from elementary through high school. Higher education institutions are accessible in nearby regions, including Yuba College and California State University, Chico.

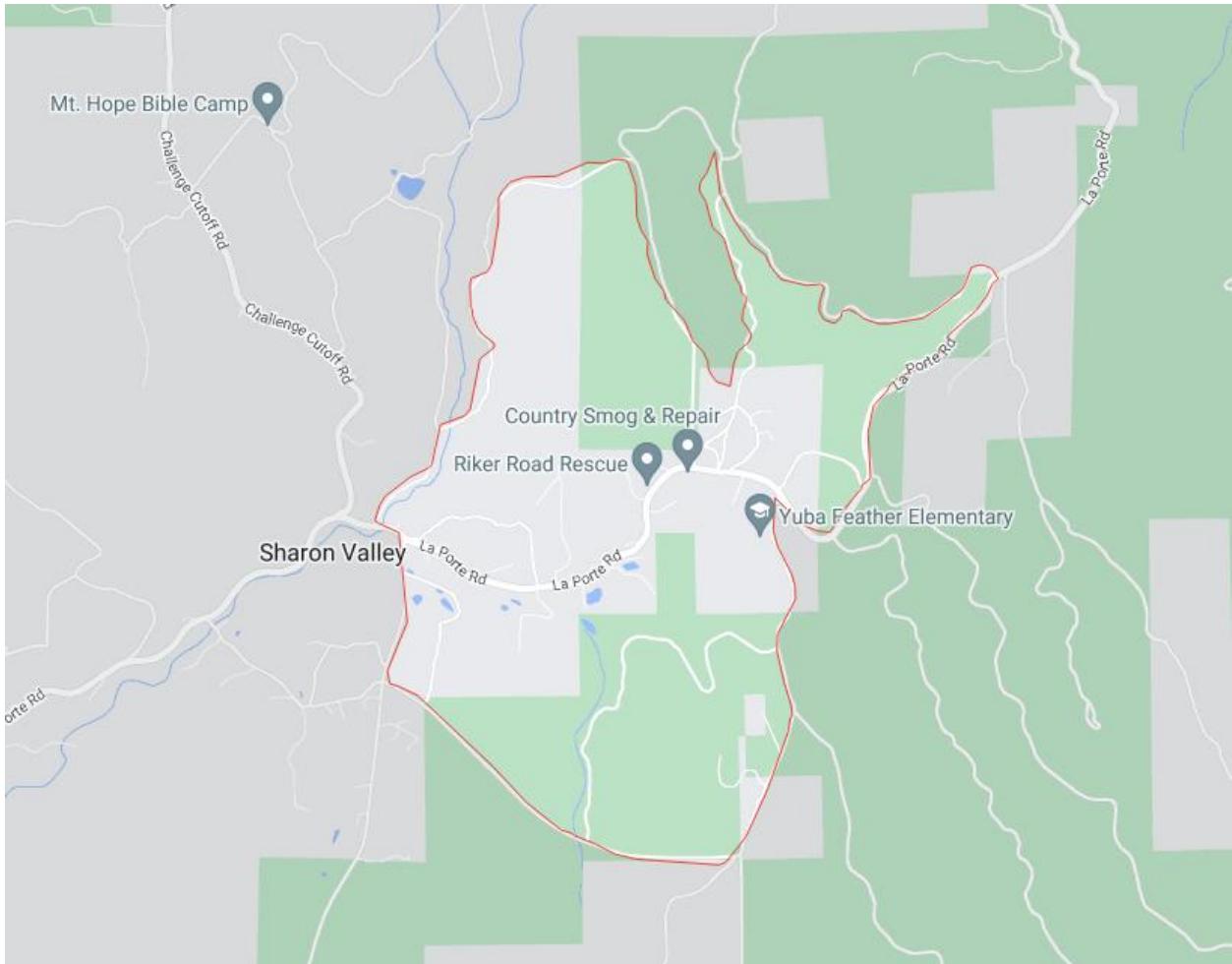
Top Employers in Yuba County

Employer Name	Location	Industry
Abraham Lincoln High School	Marysville	Schools
Adventist Health & Rideout	Marysville	Hospitals
APPEAL-DEMOCRAT	Marysville	Newspapers (publishers/Mfrs)
Bear River School	Wheatland	Schools
Bishop's Pumpkin Farm	Wheatland	Fruits & Vegetables & Produce-Retail
California Department-Trnsprtn	Marysville	State Government-Regulation & Administration-
Foodmaxx	Marysville	Grocers-Retail
Linda Elementary School	Marysville	Schools
Lindhurst High School	Olivehurst	Schools
Lone Tree School	Beale AFB	Schools
Marysville Care & Rehab Ctr	Marysville	Nursing & Convalescent Homes
Marysville Joint Unified Sch	Marysville	Schools
Pride Asset Protection Inc	Marysville	Security Guard & Patrol Service
RECOLOGY YUBA-SUTTER	Marysville	Solid Waste Collection
Shoei Foods USA Inc	Olivehurst	Importers (whls)
Toyota Amphitheatre	Wheatland	Concert Venues
Transportation Dept-Equipment	Marysville	State Government-Regulation & Administration-
United States Postal Svc	Marysville	Post Offices
Walmart Supercenter	Marysville	Department Stores
Wilbur Richard R Ranch	Linda	Ranches
Yuba County Health-Human Svc	Marysville	County Government-Social/Human Resources
Yuba County Public Works Dept	Marysville	Grading Contractors
Yuba County Sheriff	Marysville	Government Offices-County
Yuba County Water Agency	Marysville	Government Offices-County
Yuba Water Agency	Marysville	Flood Control Equipment

<https://www.labormarketinfo.edd.ca.gov/>

Neighborhood Description

The general neighborhood boundaries may be loosely described as Challenge. See Map for graphic description.



The major transportation arterials for the neighborhood include:

La Porte Road, which runs from Ramirez Road off Highway 70 looping through Bangour, Brownsville, Challenge, Clipper Mills, Strawberry Valley, La Porte back to Highway 70 in Quincy.

Neighborhood and community shopping services are provided by several facilities in the Challenge and Brownsville market areas. Regional shopping services in the area are provided by malls in the Roseville area. Police and fire protection for the neighborhood are considered adequate.

The subject neighborhood has been developed with a mixture of commercial, residential, and special purpose or public land uses. A majority of the developments within the subject's immediate neighborhood represent longstanding commercial and residential buildings that were developed at different phases since the late 19th Century.

In summary, the subject neighborhood represents a combination of relatively older, existing commercial and residential, development which has experienced some regentrification during the past several decades. Current land uses and development patterns within the subject's immediate neighborhood should display a similar land use pattern of mixed commercial and residential utilization, with periodic redevelopment of individual sites (remodeled/renovation/limited re-design) on an "infill" basis. Land values for commercially and residential zoned parcels within the area should remain somewhat stable.

Assessor's Parcel Map

**POR. SEC. 20, T.19N., R.7E., M. D. B. & M.
CEDAR BROOK MOBILE HOME PARK**

Tax Area Code
64-084

50-40

1" =
200'

14

14

11

10

11

MH

10

MH

14

14

MH

10

MH

DETAIL "A"

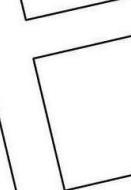
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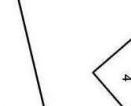
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DETAIL "A"
Not To Scale



6
MH

JOY

CIRCLE

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

**Assessor's Map Bk.50, Pg.40
County of Yuba, Calif.
YEAR - 10/80**

05/16

R.S. - Bk. 91, Pg. 1 (R.O.S. 07-26)
(L.L.A. 06-26)
R.S. - BK. 43, Pg. 13 (R.O.S.)

NOTE: This map was prepared for assessment purposes only, and is not intended to illustrate legal building sites or establish precedence over local ordinances. Official information concerning size or use of any parcel should be obtained from recorded documents and local governing agencies.

Site Description

The subject property is identified as being a single parcel of residentially (“A/RR”; Agricultural Rural Residential) zoned land which has been improved with a mobile home park.

The subject site contains a total gross land area of approximately 251,341 square feet (5.77 acres) and represents a somewhat irregular shaped parcel. Designated as Yuba County Assessor’s Parcel Number 050-400-012-000, the subject encompasses approximately 468 linear feet of Joy Circle, and a property depth of 688 +/- feet.

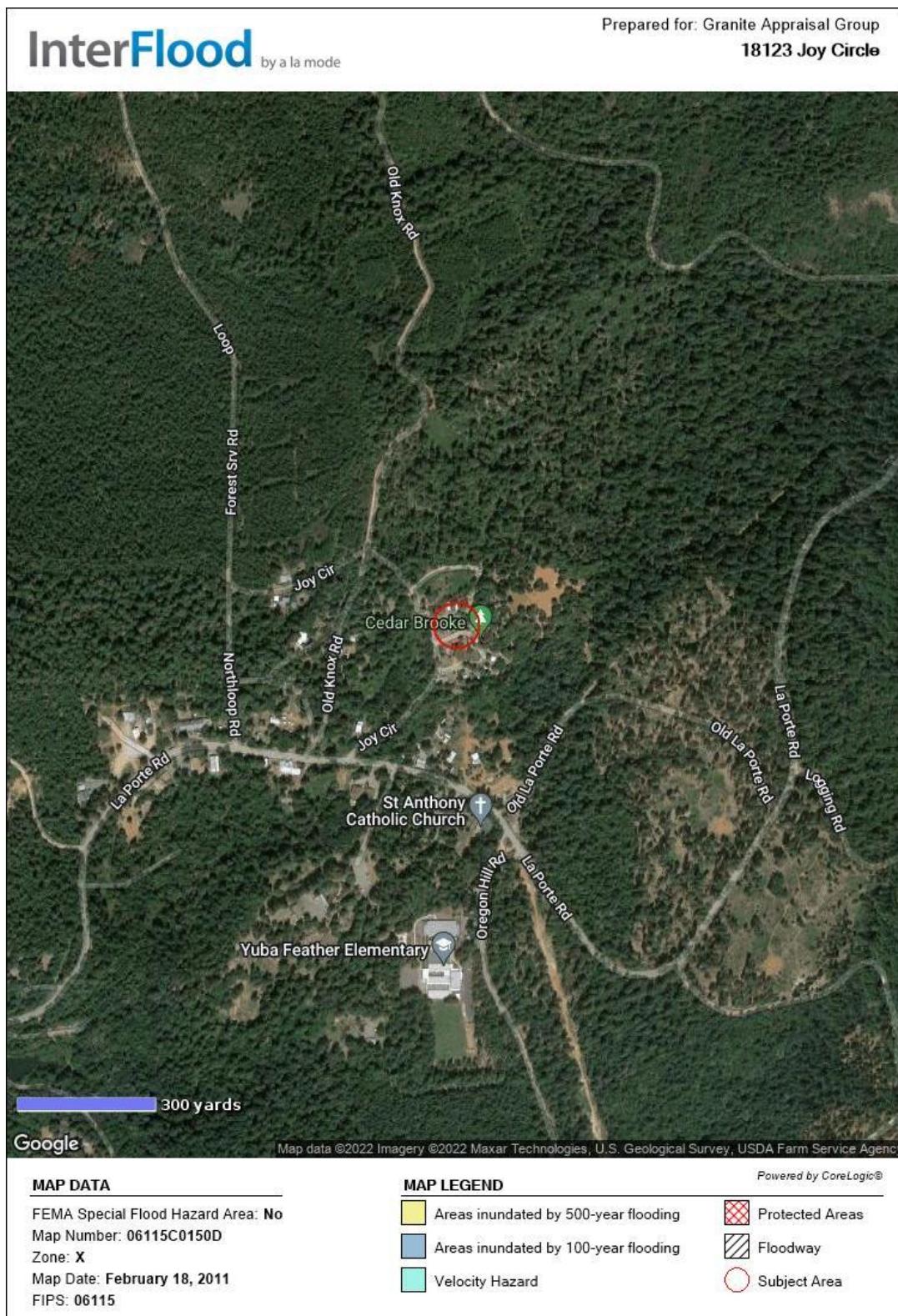
Primary access to the subject site is from a dedicated gravel driveway on Joy Circle. The public utilities available to the subject site include electricity and telephone. There does not appear to be any drainage problems associated with the subject site. Some private utilities are common in these rural areas.

Flood Hazard and Earthquake Data

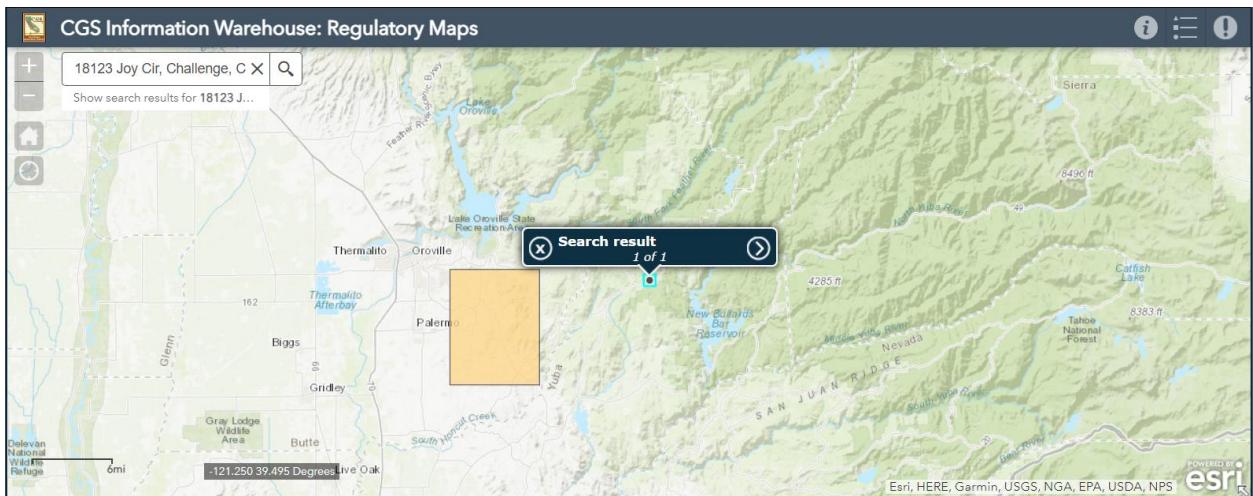
As previously mentioned, the subject property **is not** located within a federally designated 500-year flood hazard zone. According to Interflood, the subject site is positioned within a Zone “X” – “areas outside the 500-year flood zone”.

The subject **is not** located within an Alquist-Priolo Special Studies (Fault Hazard) Zone.

Flood Map



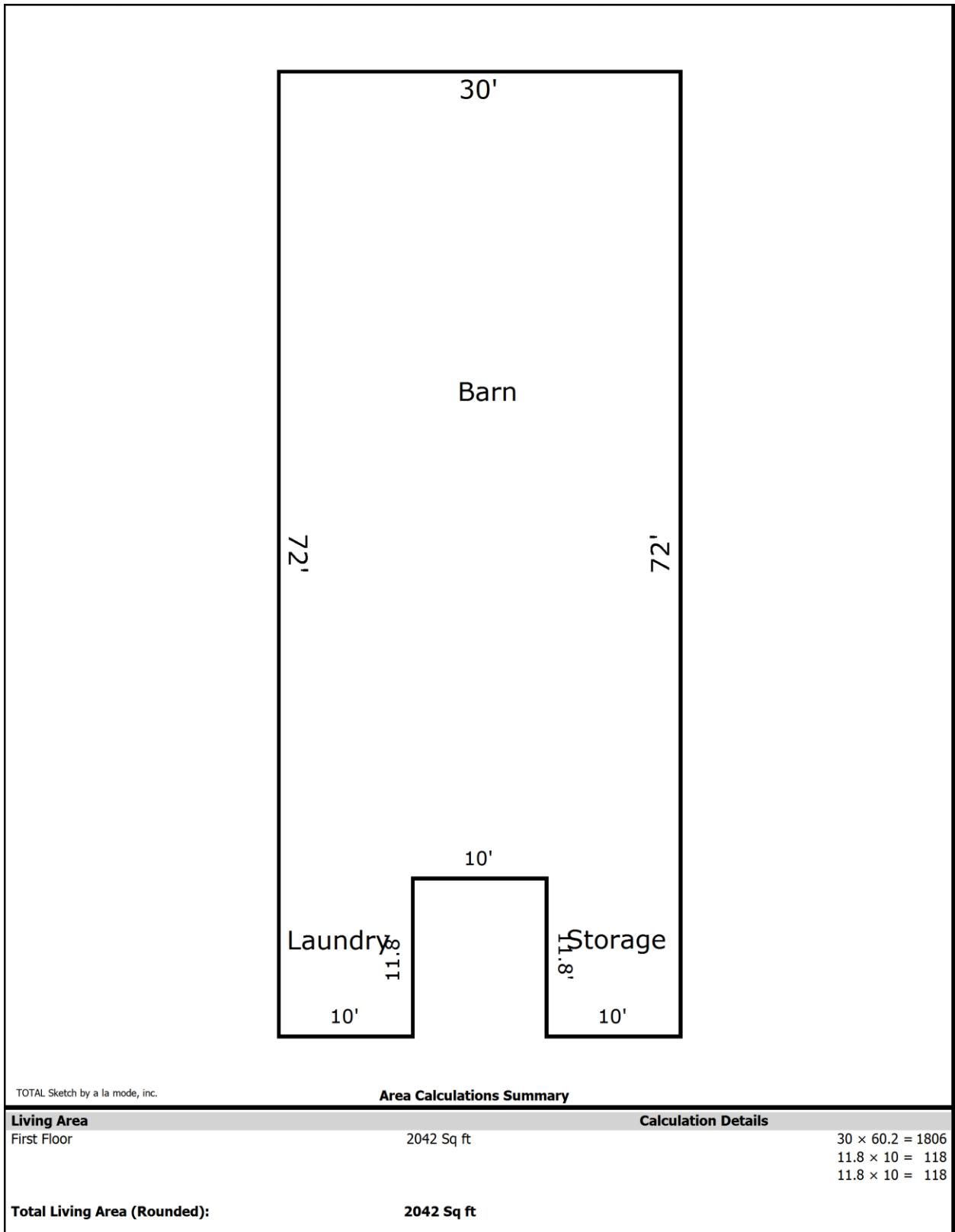
Alquist-Priolo Special Studies (Fault Hazard) Map



Improvement Description

Property Address	18123 Joy Circle, Challenge			
APN:	050-400-012-000			
Year Built:	Unknown		Effective Age:	30
Electricity:	Public:	X	Other:	
Gas:	Public		Other:	Propane
Sanitary Sewer:	Public:		Other:	Septic
Stories:	1			
Existing:	X	Proposed:	Construction:	
Configuration:	10-Space Mobile Home Park with Barn (laundry/storage)			
Exterior Walls:	Wood			
Roof Surface:	Composite			
Window Type:	Single pane (barn building)			
Flooring:	Raised/dirt (barn building)			
# of Spaces:	10	Total Square ft:	2,042 (barn)	
Additional Features:	The subject is dirt/gravel road with 10-spaces. The subject has a large (2,042 sf) barn that is used as storage and a common laundry room.			

Building Sketch



Photographs of The Subject Property



Subject Entry

Subject Street Scene



Space 1

Space 2



Subject Storage and Laundry Building

Laundry Room



Space 10

Subject Storage and Laundry Building Rear



Space 5

Space 8



Space 4

Subject Interior or Storage Building



Space 6

Zoning

RE: Residential Estate

“Rural Community district” means one or more of the following zoning districts: RC Rural Commercial, RR Rural Residential, or RE Residential Estate (located outside the Valley Growth Boundary).

Residential Estate (RE). The RE district recognizes parcels with the Natural Resources and Rural Community General Plan designations that have been subdivided into parcels less than five (5) acres in size. The regulations pertaining to these RE designated properties is located within Chapter 11.06, Rural Communities as they have the same development requirements as RE designated properties located within rural communities.

As per Kevin Perkins, Yuba County Planning Department the subject zoning RE (Residential Estate) and the current use is a grandfathered use.

Highest and Best Use

The current County of Yuba zoning designation for the subject property is “RE” (Residential Estate), a residential zoning designation.

Highest and Best Use is defined as “The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, and financially feasible and that results in the highest value” (Appraisal Institute, The Appraisal of Real Estate – Twelfth Edition Chicago, Illinois p. 305).

Typically, there are two types of highest and best use: highest and best use of the land as if vacant and available for development to highest and best use, and highest and best use of a property as presently improved. In case of land containing improvements, the existing use will continue until land value in its highest and best use exceeds the sum of the value of the entire property in this existing use and the cost to remove the improvements.

Four Tests of Highest and Best Use

The four tests of highest and best use are: (1) legally permissible (2) physically possible (3) financially feasible and (4) most profitable. The first two tests are interchangeable in order and, in many circumstances, the last two are combined. Steps Three and Four (financially feasible/most profitable) cannot be determined until the first two steps are analyzed.

- (1) legally permissible – The subject is a grandfathered use.
- (2) physically possible – The subject exists.

(3) financially feasible and (4) most profitable - Although a complete feasibility study is beyond the scope of this report, it appears that the current highest and best use of the site, based on the perceived lack of local housing and current demand.

It appears that the use of the site as an average condition mobile home park may well represent the interim highest and best use of the site.

Income Approach to Value

The basis for the Income Approach to Value is capitalized value of net operating income the property can reasonably be expected to produce. The first step in this analysis is the estimation of potential gross annual income at market rent, or the amount of rental the property probably would command in the open market, if it were offered for rent as of the valuation date.

Estimated market rent is then compared with actual or contract rent and a conclusion is made as to the significance of any difference, if any. If the difference is significant, there may be an affect on market value. If the difference is considered insignificant, market value is not affected.

The next step in the Income Approach to Value is the estimation of vacancy and other expenses to be deducted from potential gross annual income to arrive at net operating income. The final step involves the capitalization of net operating income into an indication of value utilizing an appropriate capitalization technique.

In estimating potential gross annual income for the subject property, the first step in the Income Approach to Value, a rental survey was conducted in the local marketplace for market data pertaining to current actual and asking rents for competitive space. The tabulation on the following page is indicative of comparable rental rates on similar space in the local marketplace.

Subject Lease/Rental Analysis

The rental rates are reflective of current or recent lease rates on somewhat comparable mobile home park spaces in the local and regional marketing area.

Our subject reported and proforma space rents are:

Reported Monthly Space Rents	
Space #	Monthly Rent
Space 1	\$400
Space 2	\$400
Space 3	\$400
Space 4	\$200 (Rent Reduced for Maintenance)
Space 5	<i>Vacant- \$400 Proforma</i>
Space 6	<i>Vacant- \$400 Proforma</i>
Space 7	\$385
Space 8	\$385
Space 9	\$400
Space 10	\$385
Total (Actual and Proforma)	\$3,755

\$3,755 monthly annualized to 12-months = \$45,060

Rent Comparable Analysis:

Park Name	Address	Space Rent
Cottonwood Oaks MHP	3850 Main St, Cottonwood	\$490
Artemis Meadows MHP	13029 Yuba-Nevada Rd, Dobbins	\$400
Lassen MHP	2875 Morseman Avenue, Chico	\$500
Riverview MH Community	11705 Parey Ave, Red Bluff	\$495
Colusa MHP	1450 Lake Ave, Colusa	\$450

All of the rental comparables are located in Northern California and were researched by the appraiser. Some properties are situated in slightly more desirable areas compared to the subject. The subject's rent on a price-per-space basis appears to fall on the lower end of the range indicated by the comparables. However, considering the subject's rural location, the current rent level is likely reflective of fair market value.

Spaces 5 and 6 are currently being marketed for \$425 per month. As this rate is on the upper end of the subject's rental range, the appraiser has applied a pro forma rent of \$400 per month for valuation purposes.

Lease Type

Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating expenses; also called full-service lease (Dictionary of Real Estate Appraisal 7th Edition)

Market Rent Reconciliation

Rental Comparable 1 is located in Cottonwood CA and appears to be slightly superior to the subject based on the images and photos from their website and space listing.

Rental Comparable 2 is similar to the subject and located in Dobbins CA being the closest in proximity to the subject.

Rental Comparable 3 is located in Chico CA and is superior in location given its proximity to Highway 99 and a larger city (Chico), hence being on the higher end of the rental comparables.

Rental Comparable 4 is located in Red Bluff CA and has some sites that range between \$495 and \$700 per space depending on lot size. A comparable rental price of \$495 per space was used as it appeared to be most similar to the subject.

Rental Comparable 5 is located in Colusa CA and trends towards the average of the comparables and is similar to the subject.

Rent Reconciliation Conclusion: These rental comparables offer a strong understanding of rental rates in various rural areas in Northern CA and are a fair assessment of rental spaces similar to the subject. Most weight has been given to rental comparable 2 as it's located closest to the subject and is similar in monthly rates at \$400 per space. The appraiser will use the current rental rates in place provided by the owner along with a proforma amount of \$400 per space for spaces 5 and 6.

Potential Gross Income Summary

The reported rents for the subject total \$3,755 monthly. \$3,755 monthly X 12-months = \$45,060 annually.

Other Income

Other Income (ancillary) is projected at \$100 per month (\$1,200 per year) for 4 spaces that purchase internet.

Vacancy and Collection Loss

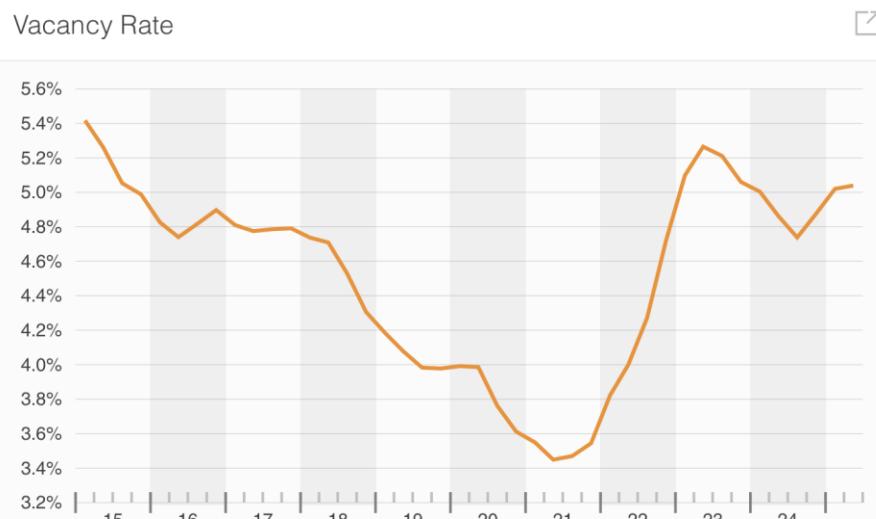
Observations are also made of competing vacancy and collection loss factors in relation to the Property's current level. Vacancy and collection loss is defined by the Appraisal Institute, *The Appraisal of Real Estate*, 11th edition (Chicago: Appraisal Institute, 1996), p.443. as follows:

Vacancy and collection loss is an allowance for reductions in potential income attributable to vacancies, tenant turnover, and nonpayment of rent.

Vacancy and collection loss is a factor developed in order to account for space that may not be leased at any given time. This allowance is typically based on a percentage of potential gross income and varies according to the type and characteristics of the property, tenant quality and perceived credit worthiness, supply and demand factors, and the general economic conditions surrounding the property. Ancillary income is typically dependent on the percent of occupancy and is added after a vacancy/collection adjustment.

Theoretically, the vacancy/collection estimate should reflect typical investor expectations over the specific holding period, supported by the market. Few investors realistically expect a 0% vacancy level over their projected holding period. Further, a 0% physical vacancy does not necessarily equal a similar economic vacancy, due to potential collection loss.

According to a CoStar analysis of the Yuba County/general market area for mobile home park submarket, the average vacancy rate is near 5.0%, as shown below.



Based on a review of market conditions and conversations with other local commercial real estate appraisers, and the fact that 2% is typical movement in a market, we have projected vacancy and collection loss at 5.00%.

Effective Gross Income

Potential Gross Income	\$45,060.00
Less: Vacancy & Collection Loss	5.00%
Subtotal	\$38,407.00
Other Income	\$1,200.00
Effective Gross Income	\$39,607

Expenses

The following Expense Summary table outlines the reported expenses for the Gross based leases.

Annual Expenses	
Expense	Cost
Department of Housing Fee	\$620.
Water Meter #1	\$1,200
Garbage	\$3,635
Insurance	\$1,106
Property Tax	\$3,149
Internet	\$125
Replacement Reserves	\$500
Property Management	Owner managed
Total Expenses	\$13,035

All expenses are as reported to the appraiser except Internet Service, Replacement Reserves, Maintenance and Property Management which were added and explained below.

Internet Service- A local estimate has been used based on the properties service area. The owner reported capturing \$25 per month from four renters and the expected monthly expense based on the market is expected to be about \$125 per month.

Replacement Reserves- Replacement reserves account for non-recurring expenses of major capital items. For the subject, this is estimated at \$200 per month given the property is likely to endure some expense items on an ongoing basis.

Property Management- Property management is likely to be owner managed.

Expense annualized = \$10,035

Net Operating Income

Effective Gross Income	\$39,607
Less: Expenses	\$13,035
Add: Expense Reimbursements	\$0
Net Operating Income	\$26,572

Capitalization Rate

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

$$\text{NOI} \div \text{Sale Price} = \text{Capitalization Rate}$$

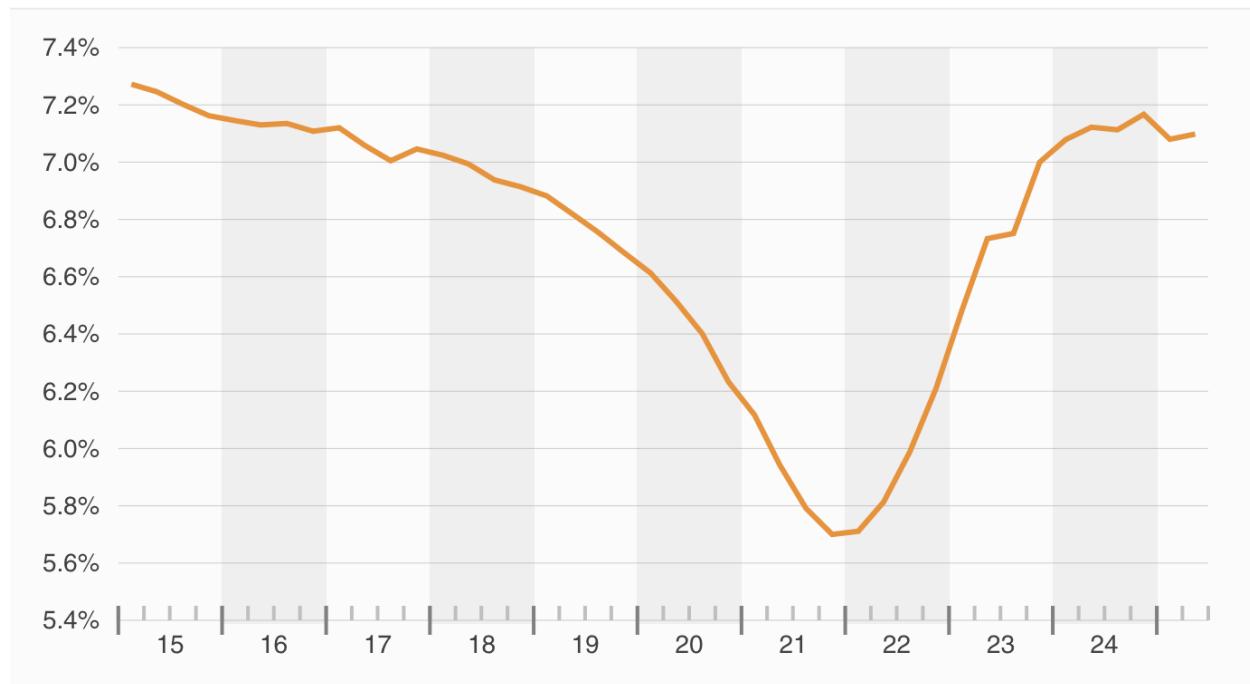
For example, if a property sells for \$500,000, and has a stabilized NOI of \$50,000, the indicated capitalization rate is 10%.

Market Extracted Rates

None of the comparable sales carried a capitalization rate.

The following table shows capitalization rates for mobile home properties within the Yuba County and expanded general market area.

Market Cap Rate



The average of the above capitalization rate survey is 7.15%

Based on conversations with commercial appraisers active in the subject market area, a typical capitalization rate for a mobile home park similar to the subject, in the subject neighborhood/market area, currently might be 7.25%.

Capitalization Rate Conclusion

Based on the above, we have concluded to a rate of 7.25%.

Capitalization to Value

$$\frac{\$26,572 \text{ (Net Operating Income)}}{7.25\% \text{ (Overall Capitalization Rate)}} = \$366,510$$

Rounded To: \$360,000.00

Direct Capitalization Analysis Conclusion

Based on the above analysis detailed above, as of April 16, 2025, we have reconciled to a direct capitalization approach value of:

Final Value by Direct Capitalization Approach

(Rounded) \$360,000.00

Sales Comparison Approach to Value

The Sales Comparison Approach to Value is based on an analysis of recent sales and/or listings of similar properties. When there is an abundance of relevant market data on properties similar to the subject in the immediate marketplace, in my investigation will be limited to the subject's local marketing area. However, when there is a lack of recent sales activity on similar property types, I must expand my normal parameters of research into neighboring or competing marketplaces.

Once the market area has been defined, an investigation is conducted to obtain all relevant market data pertaining to the recent sales and/or listings of comparable properties. The market data is then analyzed, and direct comparison is made of the sale property to the subject property.

Based on this comparison, adjustments to the selling prices of the comparable sales are made to allow for differences, such as time-value increases or decreases since the date of sale, age and/or condition of the improvements, construction quality, and location, resulting in an indication of value for the subject property, or the price for which the sale property would have sold had it been essentially the same as the subject property. The value indications are then analyzed, based on appropriate units of comparison, and the unit of comparison considered being the most applicable is then applied to the subject for an indication of value by the Sales Comparison Approach to Value. The method of comparison utilized in this analysis involves a price-per-space. The chart on the following page provides a summary of the sale and/or listing comparables which were given consideration in my estimation of value for the subject property.

Market Data Summary – Comparable Building Sales



COMPARABLE #1

13522 State Highway 36 E, Red Bluff						
Building Description:	10 Unit Mobile Home Park					
Construction Quality:	Average	Condition:	Average			
Effective Age:	30	Year Built:		1936 (renovated in 2020)		
Building Size: Number of Spaces:	2,041 SF 10					
APN	039-350-008-000					
Parking:	On-Site	Zoning:	C-2 Commercial			
Date of Sale:	04/18/2024	Sales Price/Per Space:	\$350,000	\$35,000		
Terms of Sale:	Cash	DOM:	257			
3 Year Ownership History:	Prior sale was on 10/20/2020 for \$80,000 as a Grant Deed.					
Information Sources:	CoStar/RealList/Loopnet					
Misc Comments:	This is a 10-unit mobile home park. This comparable is located within the competing Red Bluff market area. This property has city water and utilities.					



COMPARABLE #2

165 Russell Avenue, Susanville						
Building Description:	20 Unit Mobile Home Park					
Construction Quality:	Average	Condition:		Average		
Effective Age:	30	Year Built:		1969		
Building Size: Number of Spaces:	432 SF 20					
APN	105-252-001-000					
Parking:	On-Site	Zoning:	U (Unclassified)			
Date of Sale:	01/30/2024	Sales Price/Per Space:	\$490,000	\$24,500		
Terms of Sale:	Conventional	DOM:	205			
3 Year Ownership History:	Prior sale was on 03/31/2005 for \$425,000 as a Grant Deed.					
Information Sources:	CoStar/RealList/Loopnet					
Misc Comments:	This is a 20-unit mobile home park. This comparable is located within the competing Susanville market area. This comparable is located close to Main Street and near the Lassen County Fairgrounds.					



COMPARABLE #3

50 10 th Street, Colusa						
Building Description:	30 Unit Mobile Home Park					
Construction Quality:	Average	Condition:		Average		
Effective Age:	30	Year Built:		1950		
Building Size: Number of Spaces:	680 SF (SFR) 30					
APN	001-022-002-000/003/004					
Parking:	On-Site	Zoning:	CG (General Commercial)			
Date of Sale:	02/29/2024	Sales Price/Per Space:	\$800,000	\$26,666		
Terms of Sale:	Cash	DOM:	Unknown			
3 Year Ownership History:	Prior sale was on 12/29/2004 for \$577,000 as a Grant Deed.					
Information Sources:	CoStar/RealList/Loopnet					
Misc Comments:	This is a 30-unit mobile home park located in Colusa CA this comparable has a similar older building. This comparable is located within the Colusa market area and is said to have sold with some deferred maintenance.					



COMPARABLE #4

21498 Trefoil Lane, Cottonwood						
Building Description:	38 Unit Mobile Home Park					
Construction Quality:	Average	Condition:	Average+			
Effective Age:	30	Year Built:	N/A			
Building Size:	919 SF					
Number of Spaces:	38					
APN	090-450-003-000					
Parking:	On-Site	Zoning:	MHP (Mobile Home Park)			
Date of Sale:	06/28/2024	Sales Price/Per Space:	\$2,100,000	\$55,263		
Terms of Sale:	Conventional	DOM:	230			
3 Year Ownership History:	Prior sale was on 07/26/2023 for \$900,000 as a Grant Deed.					
Information Sources:	CoStar/RealList/Loopnet					
Misc Comments:	This is a 38-unit mobile home park. This comparable is located within the Redding/Cottonwood market area. This comparable is average + condition and appears to have additional storage space available to tenants.					

Sales Comparison Approach to Value Summary

Comparable Sale Adjustments

Property Rights

Accounts for leased fee, fee simple, leasehold, partial interest, etc. A transaction price is predicated on the real property interests conveyed. Many types of real estate, particularly income producing properties, are sold subject to existing leases. The revenue generating potential of a property is fixed or limited by the terms of an existing lease. In the valuation process, adjustments must be made to reflect the difference between contract rent and market rent and how this difference affects the property price. The rights appraised herein pertain to the Fee Estate.

The closed sales were Fee Simple estate; no adjustments are warranted.

Financing

Accounts for seller financing, or assumption of existing financing, at non-market terms. Adjustments for financing terms are warranted when a property is purchased using nonmarket financing arrangements. Non-market financing can include seller carried notes or assumable loans with interest rates below terms currently achievable. Consideration was given to the influence of financing terms and arrangements.

The financing terms appeared to be market oriented and equivalent to cash, hence no adjustments are applied.

Conditions of Sale

Accounts for extraordinary motivation of buyer or seller. An adjustment is warranted for condition of sale when a transaction involves atypical motivations that affect the price of the property.

We did not obtain any information which suggests distressed seller conditions or other unusual circumstances that would affect the property sales.

No adjustments were warranted for sale conditions.

Economic Trends

Accounts for changes in the economic environment over time that affect the appreciation and depreciation of real estate.

All comparables are recent and were sold in 2024.

No adjustments were warranted.

Location

Accounts for market or submarket area influences on sale price; surrounding land use influences. The economic location adjustment is a percentage adjustment that is estimated by reviewing income demographics by area.

The subject is located in Challenge/Brownsville/Forebstown (area 12506).

- There are currently 16 residential single-family homes for sales in this market area.
- Median sales price is \$300,000 as per 6-months of sales history.

Comparable 1 is located in Red Bluff.

Home values in Red Bluff, CA

Red Bluff is a city in California. There are 114 homes for sale, ranging from \$75K to \$775K.

- **\$399K** Median Listing Home Price
- **\$248** Median Listing Home Price/Sq Ft
- **\$335K** Median Sold Home Price

Comparable 2 is located in Susanville.

Home values in Susanville, CA

Susanville is a city in California. There are 80 homes for sale, ranging from \$94K to \$529K.

- **\$261K** Median Listing Home Price
- **\$184** Median Listing Home Price/Sq Ft
- **\$234K** Median Sold Home Price

Comparable 3 is located in Colusa

Home values in Colusa, CA

Colusa is a city in California. There are 16 homes for sale ranging from \$29K- \$1.9M.

- **\$549K** Median Listing Home Price
- **\$254** Median Listing Home Price/Sq Ft
- **\$490K** Median Sold Home Price

Comparable 4 is located in Cottonwood, CA

Home values in Cottonwood, CA

Cottonwood is a city in California. There are 78 homes for sale ranging from \$22k- \$18.9M.

- **\$398K** Median Listing Home Price
- **\$249** Median Listing Home Price/Sq Ft
- **\$360K** Median Sold Home Price

Due to the similar market areas and relatively similar residential home data, no adjustments were applied.

Age/Condition

Accounts for effective age and physical condition. Adjustments are required to reflect differences in age and condition of the building that affect the price of real estate. Typically age and condition are directly related, and an adjustment is appropriate because a buyer will make a deduction for increased age or unusual levels of depreciation.

The subject park year of construction is unknown, based on public record and appears to be in average condition.

The building improvements for Comparable 1 was constructed in 1936 according to public record but was renovated in 2020 and was sold in average condition.

The building improvements for Comparable 2 was constructed in 1969 according to public record and was sold in average condition.

The building improvements for Comparable 3 was constructed in 1950 according to public record and was sold in average condition.

The building improvements age for Comparable 4 are not available in public record and was sold in average+ condition.

Due to the possibly similar condition for all comparables except comparable 4 which is considered average + condition, no adjustments are warranted. Greater weight will be given to the comparables most similar in age and condition.

GBA/Space Count

Accounts for inverse relationship that often exists between building size and unit value. Typically, the price per square foot of a smaller building will be higher than the sales price per square foot of a larger building. This assumption is based upon the principle of "economy of scale," which is predicated upon the inverse relationship between size and price. Consequently, the smaller the size of a building, the higher the price per square foot. Adjustments for size are considered when there is a wide range in size between the comparable sales and the subject's building size.

The subject space count is 10.

The space count for Comparable 1 is 10.

The space count for Comparable 2 is 20.

The space count for Comparable 3 is 30.

The space count for Comparable 4 is 38.

Comparable 1 has a similar space count. The appraiser has attempted to adjust for the economies of scale of the larger space count comparables. Comparable 4 has a much larger

space count however was only used to bracket the subject's site size and will only being given supplemental weight.

Site Size

The subject site size is 5.77 acres.

Comparable 1 site size is 2.22 acres.

Comparable 2 site size is 1.03 acres.

Comparable 3 site size is 1.32 acres.

Comparable 4 site size is 9.90 acres.

Comparable 4 was used to bracket the subjects lot size. The subject and comparable 4 appear to have surplus land.

Quality

All the comparables appear to be of similar construction quality, relative to that of the subject; no adjustments were made.

Comparable Analysis

Comp	Address	Sales Date	Sales Price	Price Per Space	# of Spaces
C-1	3522 State Highway 36 E, Red Bluff	04/23/2024	\$350,000	\$35,000	10
C-2	165 Russell Avenue, Susanville	01/30/2024	\$490,000	\$24,500	20
C-3	50 10 th Street, Colusa	02/29/2024	\$800,000	\$26,666	30
C-4	21498 Trefoil Ln, Cottonwood	06/28/2024	\$2,100,000	\$55,263	38
Subject	18123 Joy Circle, Challenge	~	~	~	10

Adjustment Grid

Analysis Grid	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Address	18123 Joy Circle	35522 State Highway 36 E	165 Russell Ave.	50 10 th St.	21498 Trefoil Ln.
City	Challenge	Red Bluff	Susanville	Colusa	Cottonwood
State	CA	CA	CA	CA	CA
Date	N/A	04/23/2024	01/30/2024	02/29/2024	06/28/2024
Price	N/A	\$350,000	\$490,000	\$800,000	\$360,000
No. of Spaces	10	10	20	30	38
Price per Space	N/A	\$35,000	\$24,500	\$26,666	\$55,263
Transaction Adjustments					
Property Rights	N/A	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%
Financing	N/A	Private Financing 0.0%	Cash 0.0%	Cash 0.0%	Cash 0.0%
Conditions of Sale	N/A	Conventional 0.0%	Conventional 0.0%	Conventional 0.0%	Conventional 0.0%
Adjusted Price per Space		\$35,000	\$24,500	\$26,666	\$55,263
Market Trends Through 02/16/2022	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price per Space		\$35,000	\$24,500	\$26,666	\$55,263
Location Adjustment	Challenge	Red Bluff =	Susanville \$2,500 -\$1,667	Colusa -\$1,667	Cottonwood =
Age/Condition Adjustment	Average	Average =	Average =	Average =	Average+ -\$2,105
Site Size Adjustment	5.77	2.22 =	1.03 =	1.32 =	9.90 =
Number of Spaces Adjustment	10	10 =	20 \$2,000	30 \$1,333	38 \$1,053
Amenities Adjustment	Average	Average =	Average =	Average =	Average =
Quality Adjustment	Average	Average =	Average =	Average =	Average =
Adjusted Price per Unit		\$35,000	\$29,000	\$26,332	\$54,211

Comparable Value Ranges & Reconciled Value				
Number of Comparables:	4	Unadjusted	Adjusted	% Δ
	Low:	\$24,500	\$26,332	7.21%
	High:	\$55,263	\$54,211	1.92%
	Average:	\$35,357	\$36,136	2.18%
	Median	\$30,833	\$32,000	3.71%
	Reconciled Value/Unit Value:		\$36,000	
	Subject Size:		10	
	Indicated Value:		\$360,000	
	Reconciled Final Value:		\$360,000	

All adjustments were made on a price-per-space basis, using market reaction as the basis for the adjustments. Primary emphasis is placed on Comparable 1, as it is most similar in terms of the number of rentable spaces. Supplemental consideration is given to Comparables 2 and 3, which appear to be in similar condition to the subject. Comparable 4 is given minimal weight due to its significantly larger size; however, it serves as a useful indicator of value for a property of its size.

Accordingly, a final value indicator via the Sale Comparison Approach to Value is;

“As-Is”:

Price per Square Foot \$36,000 X 10-Spaces = **\$360,000**

Rounded To: \$360,000

Comparable Sales Location Map



Conclusion

The appraisal assignment involved the Fee Simple Interest valuation of the subject “As-Is” condition. As discussed in more detail within the valuation section of this report, our valuation analysis utilized two of the three standard approaches to value – the Income Approach to Value and the Sales Comparison Approach to Value. The Cost Approach to Value was not utilized due to 1.) the lack of recent sales of vacant land which were considered to be highly comparable to the subject and 2.) the fact that very few buyers and sellers in the local and regional marketplace ever place any weight on the Cost Approach to Value in their determination of a sale or acquisition price on this type of commercial property. **Note: In accordance with USPAP Standards rule 2-2 (a), the Cost Approach may be omitted if its development would not influence the final value conclusion; or if insufficient data is available with respect to establishing a reliable estimate of market value for the land under appraisal.** It is understood that this appraisal is to be a **Full Narrative Appraisal – Summary Report.**

The final value estimate was premised on the assumption that the subject property would sell in a four-to-eight-month marketing period. Although recent sales of highly comparable projects are somewhat limited in the local marketplace, this marketing period has been based on limited sales activity involving somewhat similar properties in the local and regional marketplace.

The Fee Simple (“as-is”) value indications from each of the utilized approaches to value are as depicted below:

“As-Is”	
Income Approach to Value:	\$360,000
Sales Comparison to Value:	\$360,000

In the Income Approach to Value, potential gross annual income is well supported by a rental survey of comparable facilities in the local marketplace. Our subject is currently at a 100% occupancy (as reported) and market reaction is typically from a capitalization rate applied to the current occupancy. The overall capitalization rate utilized is based on market data analysis and is relatively well supported by recent sales of similar properties. Since the income producing capability of the property would be of substantial concern to a potential investment purchaser, the Income Approach to Value has been given substantial weight in the final value estimate for the subject as an investment grade property.

In the Sales Comparison Approach to Value, adequate market data was available relating to sales and/or listings of relatively comparable mobile home parks in the local and competing marketing areas. However, due to the numerous (and sometimes very subjective) adjustments required for such items as location, age, condition, unit mix (single wide, RV, etc.) tend to reduce the reliability of this approach. Therefore, the Sales Comparison Approach to Value has been given supporting weight within the context of this analysis.

Therefore, based on the foregoing analysis, placing substantial weight on the Income Approach to Value, the estimated market value for the Fee Simple interest ("as-is") in the subject property, as of April 16th, 2025, is as depicted below:

"As-Is" Value:

**THREE HUNDRED SIXTY THOUSAND DOLLARS
(\$360,000)**

Aerial Photograph



MARKET DATA

Single Family Rental Sales 12506						
Date Range	Ave Sold Price	Med Sold Price	Ave GLA	Ave Lot Size Acres	DOM	# of Sales
Past 6-Month	\$329,182	\$300,000	2,016	6.84	79	11
2024	\$299,696	\$320,000	1,477	4.16	72	24
2023	\$323,706	\$270,000	1,510	7.31	38	17
2022	\$353,887	\$360,000	1,651	8.98	46	35

The above data is all sales activity within the local MLS for market area 12506. This market area covers Brownsville, Challenge and Forbestown. There are really too few sales to trend, but the data does suggest the past 6-months market may be surpassing 2023.

Appraiser's Resume

Gary G. Young SCREA

Candidate For Designation-Appraisal Institute



GRANITE APPRAISAL GROUP®

Certified General Real Estate Appraiser

- State of California Certified General Estate Appraiser License #AG033542
- State of Nevada Certified General Real Estate Appraiser License #A.0207799-CG
- State of Arizona Certified General Real Estate Appraiser License CGA-1033616
- State of Florida Certified General Estate Appraiser License #RZ4552

Appraisal Institute Candidate for Designation

Granite Appraisal Group

California - Nevada – Arizona – Florida

- Chief Appraiser

Broker: Granite Real Estate/Granite R.E. Commercial

- State of California Licensed Real Estate Broker #01493247

Managing Broker: Grace Capital

- Private Money Lender

Right of Way Appraiser

- Commercial Valuation and Right of Way/Easement Services & California High Speed Rail Project.

Instructor & Appraisal/Real Estate Course Development/Writer

- On-line and Classroom

Appraisal Valuation Expert Testimony & Court Preparation

- Recognized in the California Superior Court System (numerous counties)

United States Department of Justice

- Yellow Book Valuations and Review



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Short List of Clients

✓ Nevada County	✓ City of Redlands
✓ Clark County School District	✓ Nevada State Lands
✓ San Bernardino Housing Authority	✓ Yuba County
✓ USDA	✓ City of Turlock
✓ City of Auburn	✓ Carmichael Water District
✓ Cal Fire	✓ Head Start
✓ City of Lincoln	✓ Sacramento County

Appraiser's License



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Gary G. Young

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 033542

Effective Date: March 26, 2024
Date Expires: March 25, 2026

Angela Jemmott

Angela Jemmott, Bureau Chief, BREA

3075155

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 5th ed. 2010. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 7th ed. 2022. Print.

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (Dictionary, 5th Edition)

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 5th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
 - CAM can be a line-item expense for a group of items that can include maintenance of the

parking lot and landscaped areas and sometimes the exterior walls of the buildings.

- CAM can refer to all operating expenses.
- CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative

load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.

2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. The area maintained in common by all tenants, such as parking lots and common passages. The area is often defined in the lease and may or may not include all physical area to be paid for by all tenants. Items charged to common area maintenance may

include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 5th Edition)

3.

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 5th Edition)

Discount Rate

A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 5th Edition)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 5th Edition)

Effective Date

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised

would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

External Obsolescence

An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, tenant. (Dictionary, 5th Edition)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. 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. (USPAP, 2010-2011 ed.) (Dictionary, 5th Edition)

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. (Dictionary, 5th Edition)

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 5th Edition)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (The Appraisal of Real Estate, 13th Edition)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 5th Edition)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 5th Edition)

Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating expenses; also called full-service lease (Dictionary of Real Estate Appraisal 7th Edition)

Highest & Best Use

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

user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 5th Edition)

Highest and Best Use of Land or a Site as Though Vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual

landlord-tenant relationship (i.e., a lease). (Dictionary, 5th Edition)

Market Area

The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

Market Rent

The most probable rent that a property should bring is a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 5th Edition)

Market Value

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions

set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identification of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
- 3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

The International Valuation Standards Council defines market value for the determination of reasonable exposure and marketing time). (Dictionary, 5th Edition)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. (Dictionary, 5th Edition)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued

use; may be either functional or external. (Dictionary, 5th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 5th Edition)

Rentable Area

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 5th Edition)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 5th Edition)

Scope of Work

The type and extent of research and analyses in an assignment. (Dictionary, 5th Edition)

Stabilized Occupancy

An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary, 5th Edition)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 5th Edition)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary, 5th Edition)