

PARTIAL OWNER-USER MIXED USE PROPERTY

3990 Broadway
Eureka, California 95503

APPRAISAL REPORT

Date of Report: April 3, 2025

Colliers File #: SMF250234

Client File #: 02-25-2722



PREPARED FOR
Monica Clark
Appraisal Department
Tri Counties Bank
63 Constitution Drive
Chico, CA 95973

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

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63 Constitution Drive
Chico, CA 95973

RE: Partial Owner-User Mixed Use Property
3990 Broadway
Eureka, California 95503

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Ms. Clark:

This appraisal report satisfies the scope of work and requirements agreed upon by Tri Counties Bank and Colliers International Valuation & Advisory Services. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's leased fee interest. The following table conveys the final opinions of market value of the subject property that are developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Leased Fee	March 11, 2025	\$8,380,000
Prospective Value Upon Stabilization	Leased Fee	September 11, 2025	\$8,700,000

The subject is a multi-tenant mixed use property totaling 61,746 SF of NRA located on a 5.19-acre site at 3990 Broadway in Eureka, California. The bulk of the subject improvements were originally built in 1950 and renovated in 2012 and 2022. We have estimated an overall average condition for the property, with an estimated remaining economic life of 30 years based on our estimate.

The subject is comprised of six buildings. Building 1 is a two-story structure, is the largest on the property with 30,400 SF of NRA and has been partially renovated. It is partially owner-occupied with a mix of retail, office, and warehouse space. Building 2 is comprised of 9,500 SF of NRA with three tenant spaces, has been partially renovated, and is entirely warehouse space. Building 3 has 8,300 SF of NRA with two tenant spaces. This

building has been completely renovated and is entirely warehouse space. Building 4 has 9,400 SF of NRA and has also been completely renovated. This building has three tenant spaces and is comprised of first floor warehouse and second floor office space. Building 5 has 3,800 SF of warehouse space. This is a one tenant building that is original construction (1950). Building 6 is a 346 SF structure located at the front of the property along Broadway. This building has one tenant space and was constructed in 2013. There is an abundance of site area at the north end of the parcel that is partially paved. There are currently three tenants leasing yard space.

The subject property has a multi-tenant design that is currently partially owner-occupied, and has a current occupancy level of 74.4%, which is below the stabilized occupancy level estimate of 95.0% that was developed in this appraisal.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards and the appraisal guidelines of Tri Counties Bank.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinions of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

The net rentable area of the building is based upon a review of the site area map provided by the owner. Architectural measurements were not available for review. The net rentable area and gross building area indicated are assumed to be correct. If the subject's actual net rentable area and gross building area differ from that which has been relied upon the assignment results may be impacted.

We were not supplied with historical income and expense documents. Additionally, the Local Mow Man leases 5,300 SF of warehouse space as well as 34,950 SF yard space. The lease document and rent roll indicate a total amount for this tenant's leased spaces, not a rental amount for each. We approximated the warehouse space contract rent for Local Mow Man by determining a market rent for the yard space and deducting that from the total rent paid per month by this tenant. If the subject's actual rental income and property owner expenses differ from that which has been relied upon the assignment results may be impacted.

The subject has delinquent taxes. We assume a clear and marketable title of the subject property and have not considered any delinquent taxes in our analysis. A change to this assumption would impact assignment results.

Colliers International has not observed, yet is not qualified to detect, the existence of potentially hazardous material or underground storage tanks, which may be present on or near the site. We are aware of prior contamination at the site, which has been remediated. We assume that there is no further action necessary for this mediation and no further cost associated with these factors. For this appraisal, Colliers International has specifically assumed that any hazardous materials and/or underground storage tanks do not affect the property, which may be present on or near the property.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**

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GENERAL INFORMATION

Property Name	Partial Owner-User Mixed Use Property
Property Type	Industrial - Flex Property
Address	3990 Broadway
City	Eureka
State	California
Zip Code	95503
County	Humboldt
Market	Humboldt County
Latitude	40.770917
Longitude	-124.192588
Number Of Parcels	2
Assessor Parcels	019-241-002-000 and 019-251-002-000
Total Taxable Value	\$1,745,832
Census Tract Number	0004.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	5.19	225,859
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	5.19	225,859
Topography	Level below street grade	
Shape	Irregular	
Access	Average	
Exposure	Good	
Current Zoning	Service Commercial - Coastal District (CS-CZ)	
Flood Zone	Zone X (Unshaded) & Zone AE	
Seismic Zone	Highest Risk	

IMPROVEMENT INFORMATION

Net Rentable Area (NRA)	61,746 SF
Gross Building Area SF (GBA)	62,496 SF
Total Number Of Stories	1 to 2
Year Built	1950
Year Renovated	2022 (Partial Only - Certain Structures)
Quality	Average
Condition	Average
Land To Building Ratio	3.6 : 1
Site Coverage Ratio	22.4%
Parking Type	Surface
Number of Parking Spaces	65
Parking Ratio (Spaces/1,000SF NRA)	1.1/1,000 SF NRA
Clear Height (Feet)	14 to 20 Feet
Grade Doors	30

HIGHEST & BEST USE

As Vacant	Hold For Future Commercial Development
As Improved	Continued Mixed-Use

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	12 Months or Less
Marketing Period	12 Months or Less

TENANCY INFORMATION

Tenancy	Multi-Tenant Partially Owner-Occupied
Occupancy	74.4%
Occupied SF	45,946 SF
Vacant SF	15,800 SF
Number of Tenants in Occupancy	18
Number Of Vacant Spaces	3
Direct Capitalization NOI	\$565,819

VALUATION SUMMARY

VALUATION INDICES	AS-IS MARKET VALUE	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	LEASED FEE	LEASED FEE
DATE OF VALUE	MARCH 11, 2025	SEPTEMBER 11, 2025

INCOME CAPITALIZATION APPROACH

Direct Capitalization	\$8,380,000	\$8,700,000
Direct Capitalization \$/SF	\$136/SF	\$141/SF
NOI Proforma	\$565,819	\$565,819
NOI \$/SF	\$9.16/SF	\$9.16/SF
Capitalization Rate	6.50%	6.50%
INCOME CONCLUSION	\$8,380,000	\$8,700,000
Income Conclusion \$/SF	\$136/SF	\$141/SF

SALES COMPARISON APPROACH

SALES CONCLUSION	\$8,320,000	\$8,640,000
Sales Conclusion \$/SF	\$135/SF	\$140/SF

FINAL VALUE CONCLUSION

FINAL VALUE	\$8,380,000	\$8,700,000
\$/SF	\$136/SF	\$141/SF

AERIAL PHOTOGRAPH



SUBJECT PHOTOGRAPHS



TYPICAL EXTERIOR VIEW



TYPICAL EXTERIOR VIEW



TYPICAL EXTERIOR VIEW



TYPICAL EXTERIOR VIEW



TYPICAL EXTERIOR VIEW



TYPICAL EXTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



TYPICAL INTERIOR VIEW



YARD SPACE VIEW



YARD SPACE VIEW



YARD SPACE VIEW



PARKING AREA VIEW



BROADWAY NORTH VIEW



BROADWAY SOUTH VIEW

PROPERTY IDENTIFICATION

The subject is a multi-tenant mixed use property totaling 61,746 SF of NRA located on a 5.19-acre site at 3990 Broadway in Eureka, California. The bulk of the subject improvements were originally built in 1950 and renovated in 2012 and 2022. We have estimated an overall average condition for the property, with an estimated remaining economic life of 30 years based on our estimate.

The assessor's parcel numbers are: 019-241-002-000 and 019-251-002-000. The legal description of the subject property is presented in the Addenda within the preliminary title report.

That real property located partly in the Southwest Quarter of Section 33, Township 5 North, Range 1 West, Humboldt Meridian, and partly in Roberts Addition to Bucksport bounded and described as follows:

PARCEL ONE:

BEGINNING at a point on the present Westerly line of the State Highway, 834.74 feet South and 168.02 feet West of City of Eureka Monument No. 78;

and thence running along the Westerly line of said Highway, South 8 degrees 01 minute West 225 feet to a point, which is 15 feet Northerly from the Northerly line of the Associated Oil Company's property, as described in Deed recorded in Book 177 of Deeds, Page 387, Humboldt County Records;

thence parallel with the Northerly line of said Associated Oil Company's property and 15 feet distant therefrom North 78 degrees 22 minutes West 239.25 feet;

thence North 73 degrees 44 minutes West 192.57 feet;

thence North 75 degrees 08 minutes West 143.52 feet;

thence North 77 degrees 42 minutes West 163 feet, more or less, to the Easterly line of the right of way of the Northwestern Pacific Railroad Company;

thence following the Easterly boundary of said right of way, North 0 degrees 01 minute West 220.91 feet;

thence South 77 degrees 04 minutes East 768.12 feet, more or less, to the point of beginning.

PARCEL TWO:

COMMENCING at a point being the intersection of the Westerly line of State Highway No. 101 with the Southerly line of Press Lane in Section 33, Township 5 North, Range 1 West, Humboldt Meridian;

thence along the Southerly line of Press Lane, North 78 degrees 22 minutes West a distance of 238.143 feet to a point;

thence North 73 degrees 44 minutes West a distance of 34.83 feet to a point of beginning in the Southerly line of Press Lane;

thence, from this point of beginning North 73 degrees 44 minutes West along the Southerly line of Press Lane a distance of 158.17 feet;

thence along the Southerly line of Press Lane, North 75 degrees 8 minutes West a distance of 143.0 feet;

thence along the Southerly line of Press Lane, North 77 degrees 42 minutes West, a distance of 159.47 feet to a point in the Easterly right of way of the Northwestern Pacific Railroad;

thence South 0 degrees 2 minutes East along the Easterly line of the Northwestern Pacific Railroad right of way, a distance of 363.96 feet to a point;

thence on a curve to the right with the center bearing South 66 degrees 3 minutes East and radius of 418.38 feet a distance of 544.928 feet to a point;

thence North 9 degrees 49 minutes East, a distance of 5.22 feet to the point of beginning.

SCOPE OF WORK

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

- The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends.
- The appraisers confirmed and analyzed legal and physical features of the subject, and how they impact the functionality and overall competitive position of the property.
- Clayton Hansen, a CIVAS representative, observed the subject property accompanied by an ownership representative. The roof was not viewed beyond what is visible from the interior ceiling and street level exterior. No crawlspaces or mechanical rooms were observed.
- The bulk of the subject improvements are retail and industrial in nature. As such, the appraisers completed a retail supply/demand market analysis of the Humboldt County market and an industrial supply/demand market analysis of the Humboldt County market. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraisers conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant and As-Improved.
- The appraisers confirmed and analyzed financial features of the subject property. This information, as well as trends established by confirmed market indicators, was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Income (Direct Capitalization) and Sales Comparison approaches to value, which were adjusted and reconciled as appropriate.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- Clayton Hansen, a CIVAS representative, provided significant real property appraisal assistance to appraisers signing this certification. Assistance included performing the on-site observation of the subject property.
- Cory Strauss provided significant real property appraisal assistance to the appraisal signing this certification. Assistance included performing portions of the analysis.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Humboldt County Tax Collector's Online System
Zoning Information	City of Eureka Zoning Code
Site Size Information	Humboldt County Property Records
Building Size Information	Site Area Map With Building Sizes
Flood Map	InterFlood
Demographics	Esri ArcGIS®
Comparable Information	See Comparable Datasheets for details
Legal Description	Grant Deed from Humboldt County Register of Deeds
Preliminary Title Report	Prepared by Fidelity National Title Company on February 20, 2025
Rent Roll (Dated 3/1/2025)	Owner
Site Plan with Suite Sizes	Owner

SUBJECT PROPERTY OBSERVATION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property observation.

SUBJECT PROPERTY OBSERVATION			
APPRAISER	OBSERVED	EXTENT	DATE OF OBSERVATION
Rebekah Dunn, MAI	No	-	-
Jeffrey Shouse, MAI, CRE	No	-	-

CLIENT IDENTIFICATION

The client of this specific assignment is Tri Counties Bank.

PURPOSE

The purpose of this appraisal is to develop opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's leased fee interest.

INTENDED USE

The intended use of this appraisal is to assist the client with a potential loan that would be collateralized by this asset. The report is not intended for any other use. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone. This report is specifically not intended for any litigation, arbitration, or any other alternative dispute resolution.

INTENDED USERS

Tri Counties Bank is the only intended user of this report. Use of this report by Third Parties and other unintended users is not permitted. No purchaser or sellers of the subject property, nor any borrower, are intended users of this appraisal and no such parties should use or rely on this appraisal for any purpose.

ASSIGNMENT DATES

Date of Report	April 3, 2025
Date of Observation	March 11, 2025
Valuation Date - As-Is	March 11, 2025
Valuation Date - Prospective At Stabilization	September 11, 2025

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY

Current Owner

The subject title is currently recorded in the name of Roger D. Kirkpatrick who acquired title to the property on June 8, 2015 as improved for \$1,236,000, as recorded in document number 2015-011002-2 of the Humboldt County Deed Records.

We note, since the acquisition of the subject in June 2015, the owner has invested a significant amount of capital towards renovating a considerable amount of the structures. Additionally, per a discussion with Jb Mathers with Coldwell Banker Commercial, a local broker who has assisted the owner with the leasing of the subject, the property was vacant when it was purchased in 2015.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current owner revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sale Status

Research of the applicable public records, private data services and an interview of the current owner revealed that the subject property is not under a current agreement of sale or option and is not currently offered for sale on the open market.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the definition of Market Value is applicable. The definition of Market Value, along with all other applicable definitions for this assignment, is located in the Valuation Glossary section of the Addenda (see Interagency Guidelines definition).

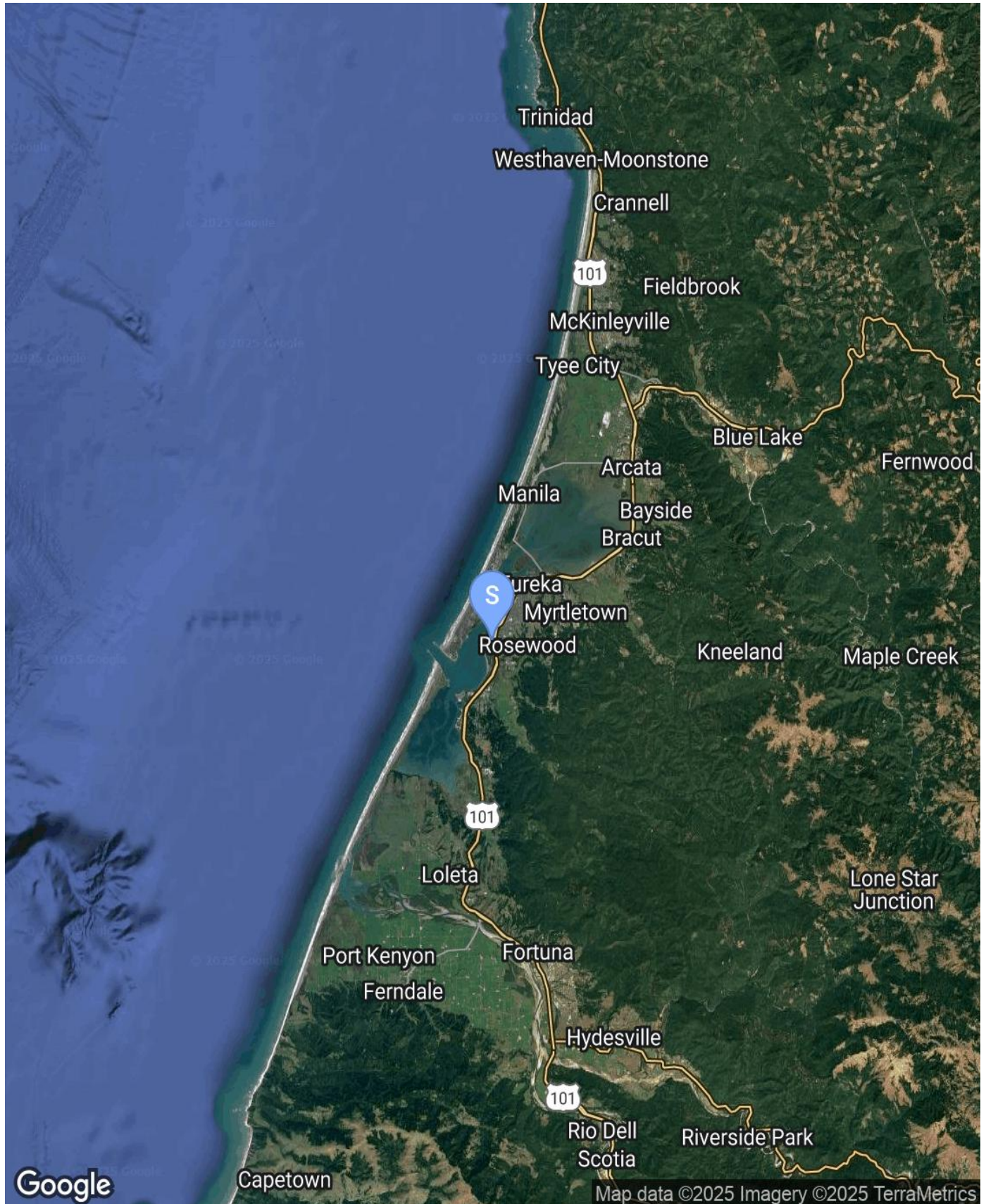
PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the leased fee interest.

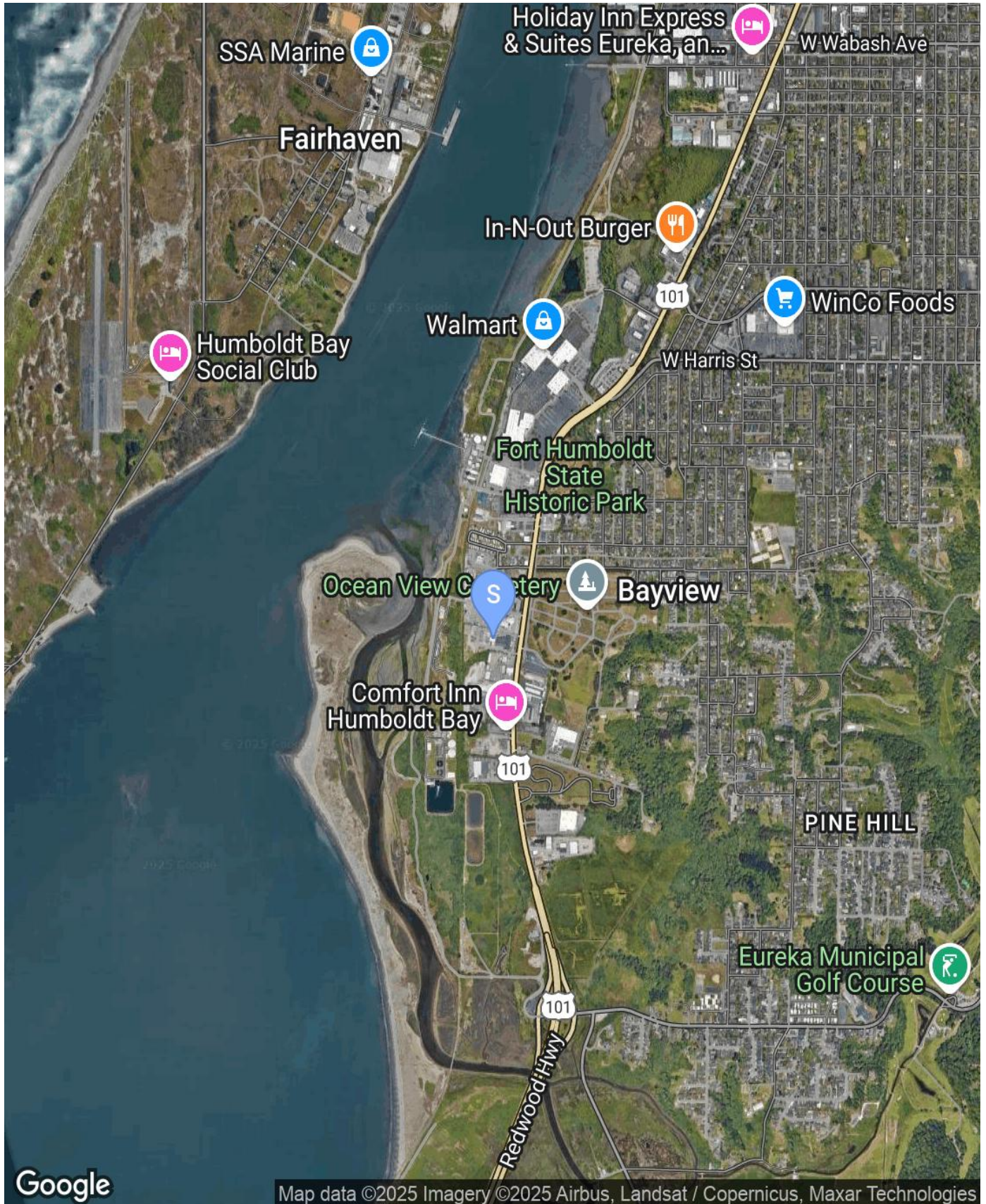
VALUE SCENARIOS

The valuation scenarios developed in this appraisal report include the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's leased fee interest.

REGIONAL MAP



LOCAL AREA MAP



REGIONAL ANALYSIS

Humboldt County is in the northern coast of California. According to the 2021 census, its population was 136,310. The county seat is Eureka. Other cities in the county include Arcata, Blue Lake, Fortuna, Trinidad and Ferndale. The area is bordered by the counties of Del Norte to the north, Siskiyou to the northeast, Trinity to the east and Mendocino to the south. The county is served by U.S. Route 101, and State Routes 36, 96, 169, 200 and 254. Air transportation is provided by the Arcata-Eureka Airport in McKinleyville, north of Arcata. Port of Humboldt Bay is on California's second largest natural bay.



Humboldt County's economy specializes in agriculture/forestry/fishing/hunting, arts/entertainment/ recreation and public administration. The county is known for its redwood trees, with acres of redwood timberland making it a top timber producer in the state. Family operated dairy farms in the county also play an important role in the county's economy. The largest industries are healthcare/social assistance, retail trade and educational services. The highest paying industries in the county are utilities, mining/quarrying/oil/gas extraction and transportation & warehousing. Humboldt County is a rural area with approximately 110 miles of coastline. The county has eight Indian reservations, two reserves, several parks/recreational areas and beaches, and it is home to the Humboldt Bay National Wildlife Refuge. The area also has national protected areas which include King Range National Conservation Area and Redwood National and State Parks.

DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by Esri ArcGIS®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodologies, are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

REGIONAL AREA DEMOGRAPHICS							
DESCRIPTION	US	CA	COUNTY	DESCRIPTION	US	CA	COUNTY
POPULATION				HOUSING UNITS			
2020 Population	331,839,624	39,556,486	136,414	Owner Occupied	84,133,084	7,492,422	31,081
2024 Population	338,440,954	39,530,491	135,254	Renter Occupied	46,583,487	6,149,049	25,200
2029 Population	344,873,411	39,717,178	134,667	HOME VALUES			
2020-2024 CAGR	0.49%	(0.02%)	(0.21%)	Average	\$459,105	\$895,360	\$581,811
2024-2029 CAGR	0.38%	0.09%	(0.09%)	Median	\$355,577	\$747,132	\$538,441
POPULATION DENSITY				AVERAGE HOUSEHOLD INCOME			
2024 Per Square Mile	95.8	253.6	37.9	2024	\$113,185	\$139,308	\$89,117
2029 Per Square Mile	97.6	254.8	37.7	2029	\$130,581	\$160,782	\$101,832
NUMBER OF HOUSEHOLDS				2024-2029 CAGR	2.90%	2.91%	2.70%
2024 Households	130,716,571	13,641,471	56,281	MEDIAN HOUSEHOLD INCOME			
2029 Households	134,930,577	13,903,885	56,242	2024	\$79,068	\$97,646	\$61,644
2024-2029 CAGR	0.64%	0.38%	(0.01%)	2029	\$91,442	\$111,538	\$71,660
AVERAGE HOUSEHOLD SIZE				2024-2029 CAGR	2.95%	2.70%	3.06%
2024	2.53	2.83	2.33	PER CAPITA INCOME			
2029	2.50	2.79	2.32	2024	\$43,829	\$48,206	\$37,172
2024-2029 CAGR	(0.24%)	(0.28%)	(0.09%)	2029	\$51,203	\$56,418	\$42,619
				2024-2029 CAGR	3.16%	3.20%	2.77%

Source: Esri ArcGIS®

Population

According to Esri ArcGIS®, a Geographic Information System (GIS) Company, Humboldt County had a 2024 population of 135,254 and experienced an annual growth rate decrease of 0.2%, which was lower than the California annual growth rate decrease of 0.02%. The county accounted for 0.3% of the total California population (39,530,491). Within the county the population density was 37.9 people per square mile compared to the higher California population density of 253.6 people per square mile and the higher United States population density of 95.8 people per square mile.

Education

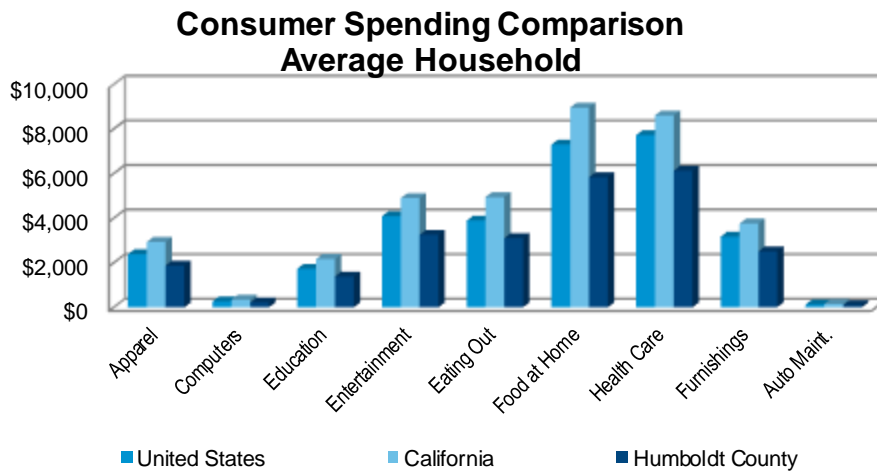
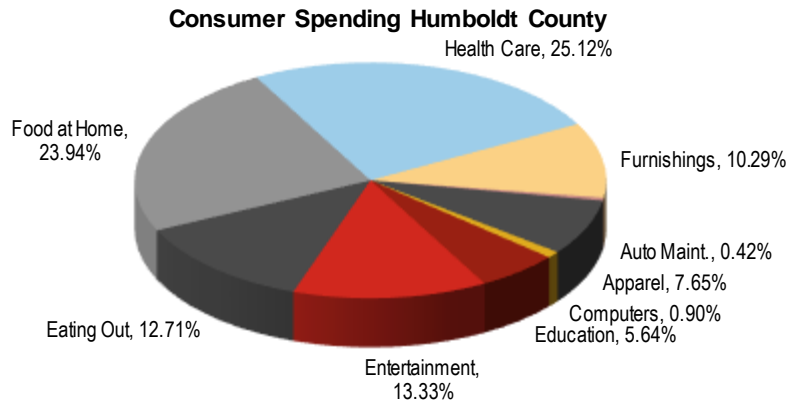
Humboldt County is home to Humboldt State University, a public university in Arcata. The university had an endowment of \$42.3 million in 2023 and an annual enrollment of approximately 5,900 students. Humboldt State University is divided into three colleges: the College of Arts, the College of Natural Resources, and the College of Professional Studies.

Household Trends

The 2024 Households number of households in the county was 56,281. The number of households in the county is projected to decrease by 0.01% annually, reducing the number of households to 56,242 by 2029 Households. The 2024 average household size for the county was 2.33, which was 7.91% smaller than the United States average household size of 2.53 for 2024. The average household size in the county is anticipated to decrease by 0.09% annually, reducing the average household size to 2.32 by 2029. Humboldt County had 44.78% renter occupied units, compared to the higher 45.08% in California and the lower 35.64% in the United States.

Income Trends

The 2024 median household income for the county was \$61,644, which was 22.04% lower than the United States median household income of \$79,068. The median household income for the county is projected to grow by 3.06% annually, increasing the median household income to \$71,660 by 2029. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the county's cost of living is 108 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

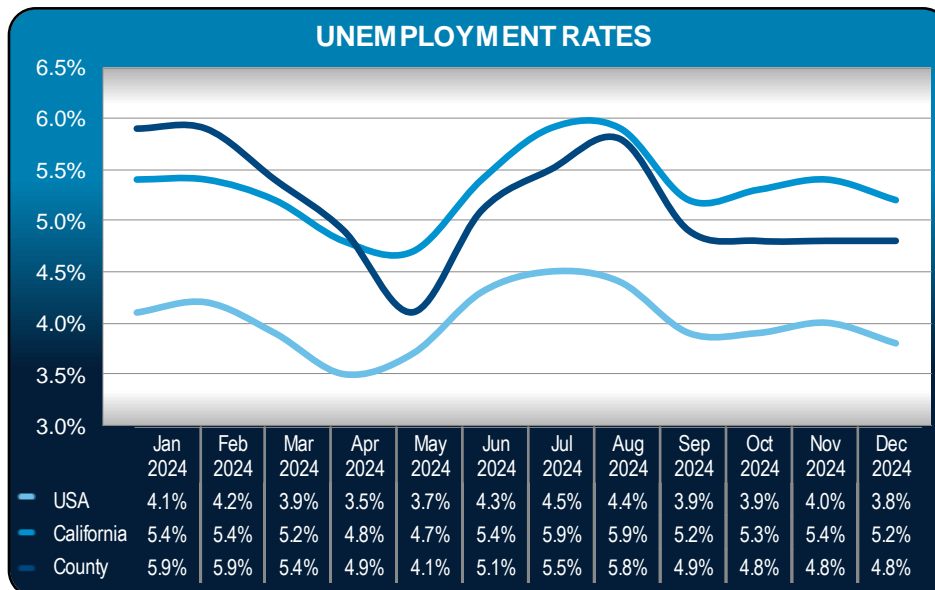


EMPLOYMENT

Total employment has increased annually over the past decade in the state of California by 0.8% and decreased annually by 0.2% in the county. From 2022 to 2023 unemployment increased in California by 0.4% and increased by 0.5% in the county. In the state of California unemployment has decreased over the previous month by 0.2% and has not experienced any change in the county.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2014 - 2023							
TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	California		Humboldt County, CA		United States*	California	Humboldt County, CA
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2014	17,282,882	2.2%	58,036	0.6%	6.2%	7.6%	6.7%
2015	17,670,862	2.2%	58,782	1.3%	5.3%	6.2%	5.6%
2016	17,996,065	1.8%	59,338	0.9%	4.9%	5.5%	4.9%
2017	18,278,266	1.6%	59,842	0.8%	4.4%	4.8%	4.2%
2018	18,485,264	1.1%	60,272	0.7%	3.9%	4.3%	3.6%
2019	18,621,924	0.7%	59,868	(0.7%)	3.7%	4.1%	3.6%
2020	17,039,764	(8.5%)	54,656	(8.7%)	8.1%	10.1%	8.5%
2021	17,564,851	3.1%	55,072	0.8%	5.3%	7.3%	6.3%
2022	18,393,880	4.7%	56,694	2.9%	3.6%	4.3%	4.1%
2023	18,551,783	0.9%	57,189	0.9%	3.6%	4.7%	4.6%
CAGR	0.8%	-	(0.2%)	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



The preceding chart depicts unemployment trends in the county, California, and the U.S. Overall levels of unemployment in the county were consistent throughout the past three months. By the end of December 2024, unemployment in the county was 0.4% lower than California’s and 1.0% higher than the national average.

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Humboldt County Department of Health & Human Services	1,000-4,999	Public Administration
Providence St. Joseph Hospital - Eureka	1,000-4,999	Healthcare/Social Assistance
Sun Valley Floral Farms	500-999	Agriculture/Forestry
City of Eureka	250-499	Public Administration
Green Diamond Resource Company	250-499	Agriculture/Forestry
Humboldt County Social Service	250-499	Healthcare/Social Assistance
Mad River Community Hospital	250-499	Healthcare/Social Assistance
New market International, Inc.	250-499	Professional/Scientific/Technical Services
Bettendorf Trucking	250-499	Transportation/Warehousing
Blue Lake Casino & Hotel	250-499	Accommodation/Food Services

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

The preceding chart depicts the top employers in Humboldt County. Principal employers are spread throughout diverse sectors, including public administration, healthcare/social assistance, and agriculture/forestry. One of the largest employers is the Humboldt County Department of Health & Human Services, a government agency providing health and human services to the community. Another prominent employer is Providence St. Joseph Hospital - Eureka, a 138-bed, Level III trauma center part of Providence Health and Services. Sun Valley Floral Farms, a wholesale florist offering premium fresh-cut flowers with distribution nationwide, is also among the top employers.

TRANSPORTATION SYSTEMS

The county is served by U.S. Route 101, and State Routes 36, 96, 169, 200 and 254. U.S. Highway 101 is the primary transportation arterial running through Humboldt County. The highway converges with Broadway Street, 5th Street and 6th Street through Eureka. Humboldt Transit Authority operates two fixed route transit bus systems. Redwood Transit System provides intercity service between Trinidad and Garberville and Eureka Transit Service, operated in the City of Eureka, provides local service on four scheduled routes in Eureka and its adjacent unincorporated communities.

AIRPORT STATISTICS

The following chart summarizes the local airport statistics.

REDDING MUNICIPAL AIRPORT (RDD)		
YEAR	ENPLANED PASSENGERS	% CHG
2013	24,875	-
2014	23,170	(6.9%)
2015	30,852	33.2%
2016	43,414	40.7%
2017	42,361	(2.4%)
2018	42,775	1.0%
2019	51,639	20.7%
2020	19,270	(62.7%)
2021	58,295	202.5%
2022	98,725	69.4%
2023	87,670	(11.2%)

Source: U.S. Department of Transportation

The decrease in enplaned passengers in 2020 is due to the impacts of the COVID-19 pandemic.

SUMMARY

The Humboldt County area is a sparsely populated coastal county primarily characterized by the Eureka/Arcata community. The area's economy is in transition away from its dependence on forestry-related products and the commercial fishing industry. Government, retail trade, and general/health services are taking over as the largest employment sectors for the county. The presence of Humboldt State University and College of the Redwoods attracts a steady stream of students, faculty, and staff, creating demand for housing and services, particularly in Arcata and Eureka. The region's natural beauty and recreational opportunities also contribute greatly to its appeal and tourism. As a result, Humboldt County benefits from a generally stable population and shifting economic drivers.

LOCAL AREA ANALYSIS

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. Below are insights into the local area based on fieldwork, interviews, demographic data, and experience working in this market.

LOCAL AREA PROFILE

The subject property is located approximately three miles south of downtown Eureka near the edge of development, just east of the North Bay Channel and west of Broadway (US 101). The immediate area has a mix of industrial, retail, service commercial, and hospitality developments concentrated along Broadway (US 101). The map below outlines the subject property and surrounding uses:



DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by Esri ArcGIS®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodologies, are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS								
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES	
POPULATION				AVERAGE HOUSEHOLD INCOME				
2010 Population	4,422	35,863	47,287	2024	\$66,687	\$87,693	\$90,352	
2020 Population	4,568	35,781	46,906	2029	\$78,156	\$100,119	\$102,965	
2024 Population	4,587	35,409	46,469	Change 2024-2029	17.20%	14.17%	13.96%	
2029 Population	4,596	35,319	46,284	MEDIAN HOUSEHOLD INCOME				
Change 2010-2020	3.30%	(0.23%)	(0.81%)	2024	\$45,768	\$61,750	\$64,007	
Change 2020-2024	0.42%	(1.04%)	(0.93%)	2029	\$53,092	\$71,427	\$74,176	
Change 2024-2029	0.20%	(0.25%)	(0.40%)	Change 2024-2029	16.00%	15.67%	15.89%	
NUMBER OF HOUSEHOLDS				PER CAPITA INCOME				
2010 Households	1,717	14,605	19,482	2024	\$26,237	\$36,681	\$37,735	
2020 Households	1,785	14,726	19,425	2029	\$30,846	\$42,022	\$43,140	
2024 Households	1,802	14,729	19,381	Change 2024-2029	17.57%	14.56%	14.32%	
2029 Households	1,811	14,746	19,370	HOUSEHOLDS BY INCOME (2022)				
Change 2010-2020	3.96%	0.83%	(0.29%)	Less than \$15,000	17.86%	11.11%	11.69%	
Change 2020-2024	0.95%	0.02%	(0.23%)	\$15,000 - \$24,999	9.42%	9.27%	8.85%	
Change 2024-2029	0.50%	0.12%	(0.06%)	\$25,000 - \$34,999	18.07%	11.62%	11.37%	
HOUSING UNITS				\$35,000 - \$49,999	14.07%	12.66%	12.21%	
Owner Occupied	953	7,413	10,083	\$50,000 - \$74,999	12.01%	15.13%	15.22%	
Renter Occupied	849	7,316	9,298	\$75,000 - \$99,999	5.63%	12.17%	12.05%	
HOUSING UNITS BY YEAR BUILT				\$100,000 - \$149,999	16.07%	16.31%	16.00%	
Built 2020 or Later	0	13	27	\$150,000 - \$199,999	4.60%	6.18%	6.64%	
Built 2010 to 2019	24	170	330	\$200,000 or More	2.22%	5.55%	5.97%	
Built 2000 to 2009	104	590	806	HOUSING BY UNITS IN STRUCTURE				
Built 1990 to 1999	213	1,509	2,196	1, Detached	1,154	10,842	14,475	
Built 1980 to 1989	278	1,651	2,531	1, Attached	82	646	944	
Built 1970 to 1979	357	1,968	2,493	2	159	729	791	
Built 1960 to 1969	95	2,037	2,612	3 or 4	98	1,174	1,422	
Built 1950 to 1959	463	2,565	3,535	5 to 9	17	1,111	1,408	
Built 1940 to 1949	171	1,332	1,627	10 to 19	34	193	289	
Built 1939 or Earlier	182	4,045	4,780	20 to 49	0	306	392	
HOME VALUES				50 or More	45	124	295	
Average	\$353,381	\$493,265	\$530,721	Mobile Home	169	626	767	
Median	\$329,048	\$449,906	\$473,629	Boat, RV, Van, etc.	129	132	152	

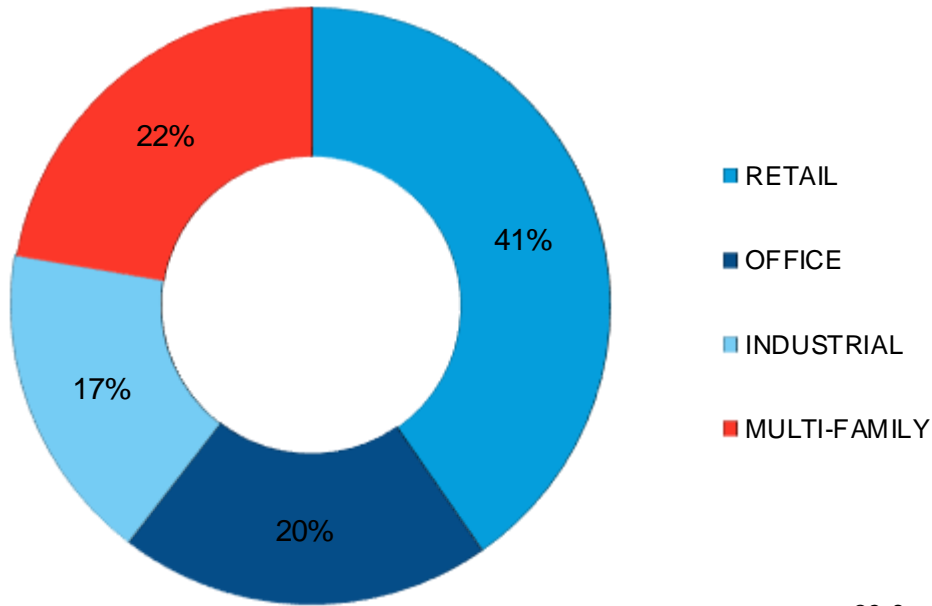
Source: Esri ArcGIS®

As noted in the preceding table, population is anticipated to decline in the subject’s neighborhood (three-mile radius) between 2024 and 2029 given the tertiary nature of the immediate area. The average and median household income levels in the subject’s neighborhood are \$87,693 and \$61,750, respectively. Of the 14,729 households within the subject’s neighborhood, 27.3% have an income base between \$50,000 and \$100,000 and 28.0% are above \$100,000.

Predominant Land Uses

Significant development in the immediate area consists of primarily retail and office developments. The local area has a mix of commercial uses nearby and the composition is shown in the following graph.

COMMERCIAL AREA COMPOSITION



©CoStar

RESIDENTIAL DEVELOPMENT

There is a moderate amount of residential development located in the subject’s immediate neighborhood. Residential uses include predominantly single-family homes and apartment complexes. Housing in the area is 50.3% owner-occupied and 49.7% renter-occupied. The residences in the area range from being in fair to good condition and were primarily built before the 2000’s. Esri ArcGIS® reports average and median home values in the subject’s neighborhood to be \$493,265 and \$449,906 respectively (Esri ArcGIS® 2025).

The following graph shows the Zillow Home Value Index (ZHVI) for the subject zip code which is the mid-point of estimated home values for the area. Half the estimated home values are above this number and half are below. Per Zillow, the average home value in the subject zip code is \$421,458 which is a 1.1% decrease over the last year.

95503 Housing Market Overview

- 📈 -- 1-year Market Forecast

- 68** For sale inventory (February 28, 2025)

- 19** New listings (February 28, 2025)

- Median sale to list ratio

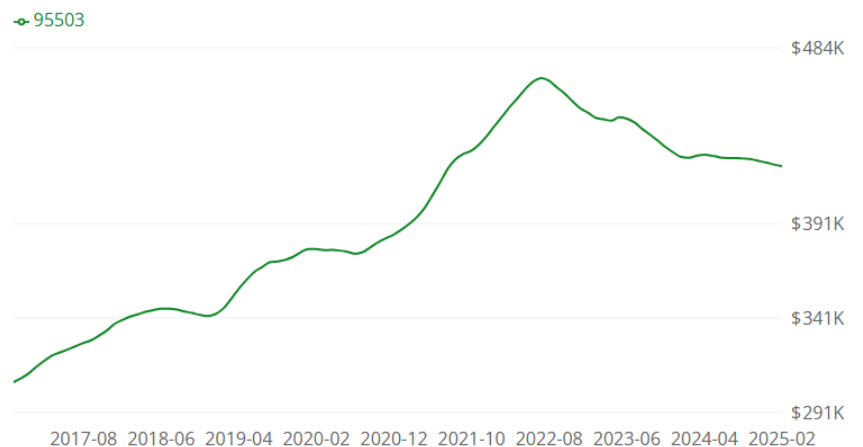
- Median sale price (January 31, 2025)

- \$486,817** Median list price (February 28, 2025)

- Percent of sales over list price

- Percent of sales under list price

- Median days to pending



Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

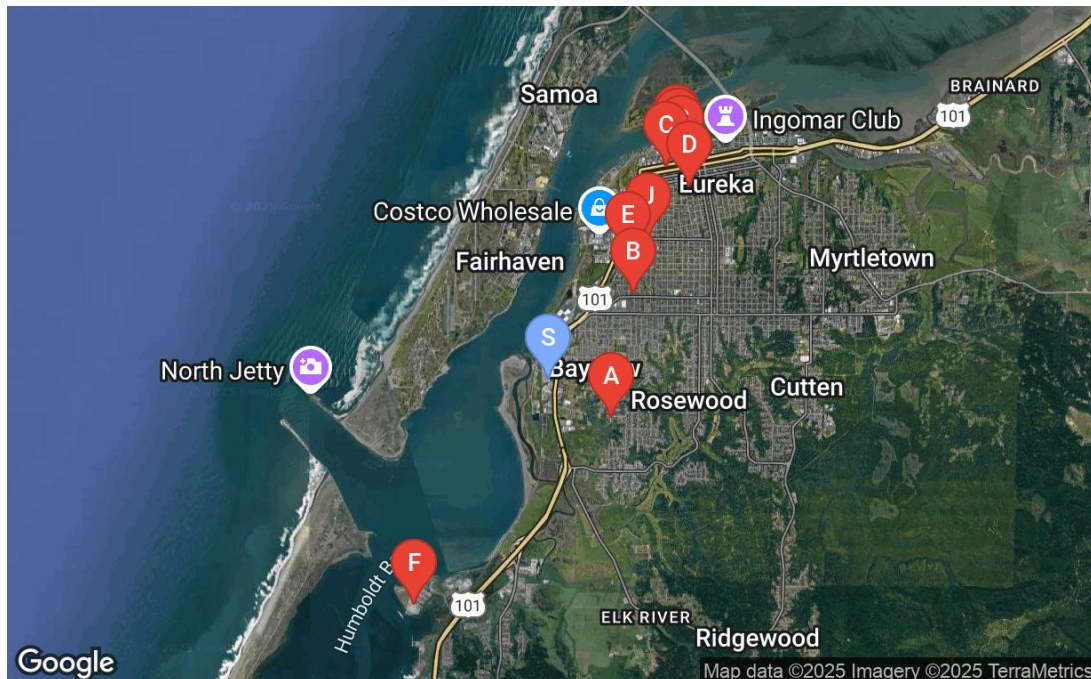
MULTI-FAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
B	7	165,652	1992
C	85	810,984	1948
TOTAL	92	976,636	1951

Source: CoStar

The three largest multi-family properties are at 904 Alpha Street, 515 W Creighton Street and 108 4th Street with NRAs of 100,000 SF, 63,616 SF and 50,000 SF, respectively. The closest large multi-family property in proximity to the subject is at 904 Alpha Street. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTI-FAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Pine Hill Village	0.7 Miles	A	B	100,000	4	2022
Henderson Village Apartments	1.2 Miles	B	C	63,616	2	-
Bayview Heights	2.5 Miles	C	C	50,000	3	2020
The Lodge at Eureka	2.4 Miles	D	C	45,000	2	2023
Eureka Family Housing Site A	1.5 Miles	E	C	38,600	2	-
Multi-family Building	2.6 Miles	F	C	38,000	0	-
Eureka Central Apartments	2.6 Miles	G	C	29,084	4	1902
Multi-family Building	2.7 Miles	H	B	24,000	4	2024
Multi-family Building	2.6 Miles	I	C	20,120	2	-
Multi-family Building	1.7 Miles	J	B	19,800	2	1982

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

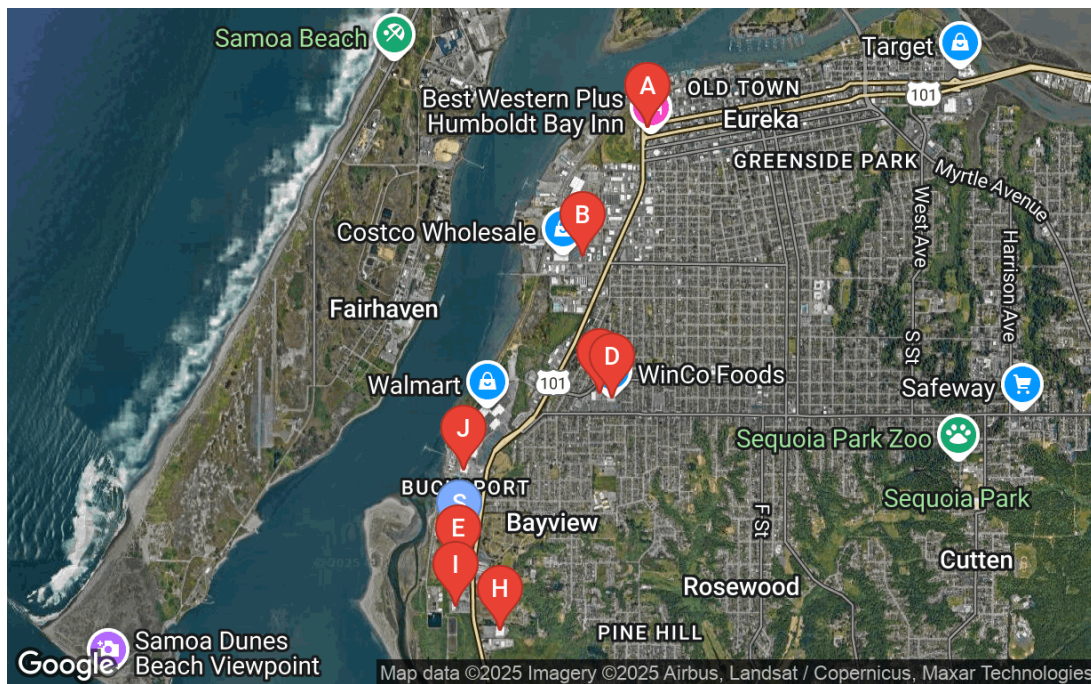
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	236	1,764,517	1951	100.0	-
TOTAL	236	1,764,517	1951	100.0	-

Source: CoStar

The three largest retail properties are at 3300 Broadway Street, 1006 W Wabash Avenue and 800 W Harris Street with NRAs of 515,912 SF, 121,911 SF and 85,764 SF, respectively. The closest large retail property in proximity to the subject is at 4100 Broadway Street with an NRA of 66,880 SF. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Bayshore Mall	2.3 Miles	A	Regional Mall	515,912	100.0	1987	N/Av
Retail Building	1.6 Miles	B	General Retail	121,911	100.0	-	N/Av
The Eureka Mall	1.0 Miles	C	Community Center	85,764	59.3	1967	\$1.00
The Eureka Mall	1.1 Miles	D	Community Center	82,490	100.0	1960	N/Av
Retail Building	0.1 Miles	E	General Retail	66,880	100.0	-	N/Av
Bayshore Mall	2.3 Miles	F	Regional Mall	61,935	100.0	1987	N/Av
Bayshore Mall	2.3 Miles	G	Regional Mall	60,964	100.0	1987	N/Av
Retail Building	0.5 Miles	H	General Retail	55,000	100.0	1988	N/Av
Retail Building	0.3 Miles	I	General Retail	47,842	100.0	-	N/Av
Bayshore Mall	0.4 Miles	J	Regional Mall	45,645	100.0	1987	N/Av

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

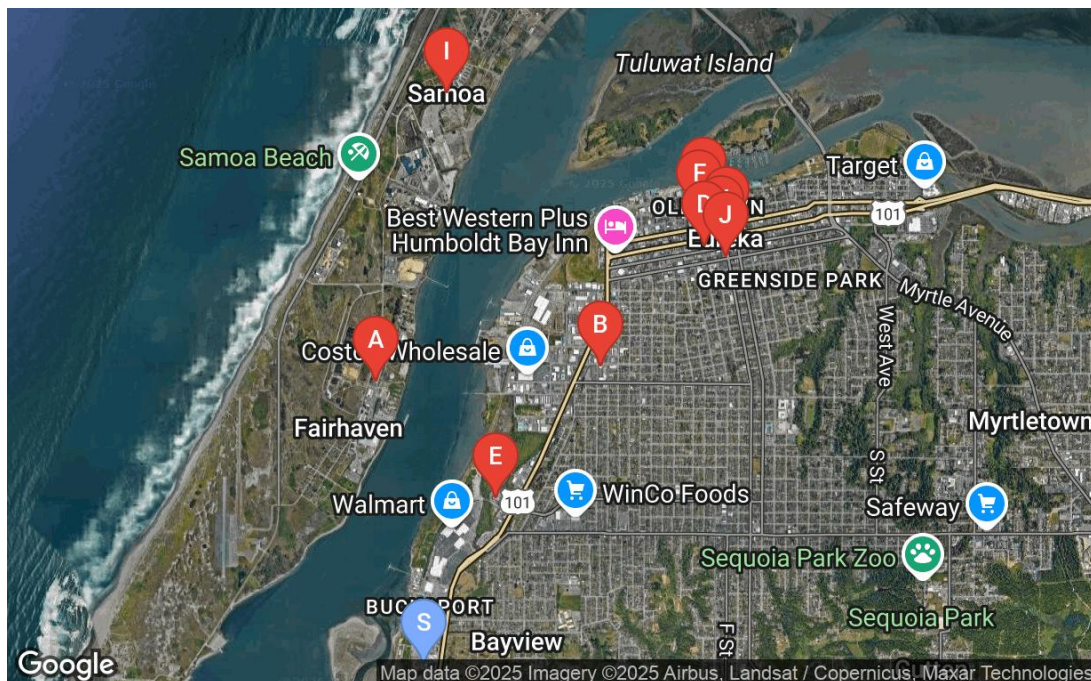
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
B	20	351,166	1949	95.0	\$1.50
C	56	528,820	1948	97.5	\$1.33
TOTAL	76	879,986	1948	96.9	\$1.37

Source: CoStar

The three largest office properties are at 1900 Bendixsen Street, 1656 Union Street and 525 2nd Street with NRAs of 159,096 SF, 78,120 SF and 47,614 SF, respectively. The closest large office property in proximity to the subject is at 1330 Bayshore Way with an NRA of 31,534 SF. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Office Building	1.4 Miles	A	B	159,096	100.0	-	N/Av
CA Dept. of Transportation	1.7 Miles	B	C	78,120	100.0	1953	N/Av
Office Building	2.7 Miles	C	C	47,614	100.0	-	N/Av
Office Building	2.5 Miles	D	B	35,306	100.0	1917	N/Av
Office Building	0.9 Miles	E	C	31,534	100.0	1992	N/Av
Office Building	2.7 Miles	F	C	26,342	100.0	-	N/Av
Office Building	2.7 Miles	G	B	25,255	0.0	1920	\$1.50
Office Building	2.6 Miles	H	C	22,176	100.0	-	N/Av
Office Building	2.9 Miles	I	B	21,700	100.0	-	N/Av
Office Building	2.6 Miles	J	B	20,000	100.0	1900	N/Av

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

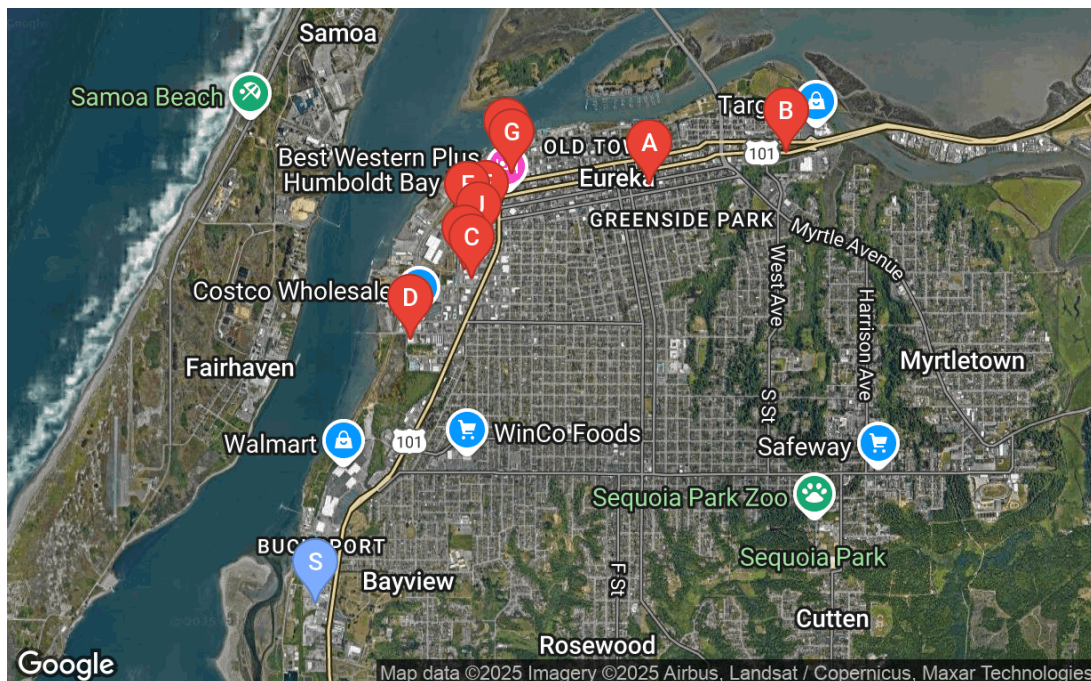
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	56	660,502	1952	95.8	\$0.96
Flex	11	94,928	1952	87.0	\$0.66
TOTAL	67	755,430	1952	94.4	\$0.91

Source: CoStar

The three largest industrial properties are at 930 6th Street, 4475 Us-101 and 642 W 14th Street with NRAs of 49,536 SF, 37,525 SF and 36,928 SF, respectively. The closest large industrial property in proximity to the subject is at 1115 W Del Norte Street with an NRA of 27,551 SF. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Industrial Building	2.7 Miles	A	Flex	49,536	57.5	1998	\$0.62
Industrial Building	3.3 Miles	B	Industrial	37,525	100.0	-	N/Av
Industrial Building	1.8 Miles	C	Industrial	36,928	100.0	-	N/Av
Industrial Building	1.4 Miles	D	Industrial	27,551	100.0	-	N/Av
Industrial Building	2.1 Miles	E	Industrial	24,700	100.0	-	N/Av
Industrial Building	2.1 Miles	F	Industrial	20,993	100.0	-	N/Av
Industrial Building	2.4 Miles	G	Industrial	20,539	21.1	1900	\$0.69
Industrial Building	1.8 Miles	H	Industrial	18,900	100.0	1971	N/Av
Industrial Building	2.4 Miles	I	Industrial	17,937	100.0	-	N/Av
Industrial Building	2.0 Miles	J	Industrial	17,600	100.0	1977	N/Av

Source: CoStar



COMMUNITY SERVICES/TRANSPORTATION

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The nearest fire station is the Humboldt Bay Fire Station #3 located within one mile north along Ocean Avenue. The nearest hospital is the St Joseph Hospital, located approximately three miles northeast of the subject along Harrison Avenue. The nearest police station is the Eureka Police Department, located approximately three miles north of the subject along 6th Street. The subject belongs to the Eureka Cities School District, home to three elementary schools, two middle schools, and two high schools.

Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
US 101	north-south	Local Highway	The subject property fronts this street.
State Route 299	east-west	Local Highway	This is within 12 miles of the subject property.
State Route 36	east-west	Local Highway	This is within 18 miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Elk River Road	north-south	Secondary Arterial	This is just down the street from the subject property.
W Harris Street	east-west	Secondary Arterial	This is within one mile of the subject property.

Public transportation is available near the subject property. The immediate area is served by the Eureka Transit Service, with the nearest bus stop located just north of the subject at Broadway and McCullens Avenue.

SUMMARY

The subject property is located approximately three miles south of downtown Eureka near the edge of development, just east of the North Bay Channel and west of Broadway (US 101). Commercial developments are found along major thoroughfares, notably Highway 101 and in Downtown Eureka, and are easily accessible from the surrounding neighborhoods. The subject has convenient access to nearby commercial services, thoroughfares, public transportation, and community services. The subject’s market area is anticipated to experience limited growth in the upcoming few years. Overall, the condition and appeal of the neighborhood is generally average, and the area has demographics that support the subject’s use.

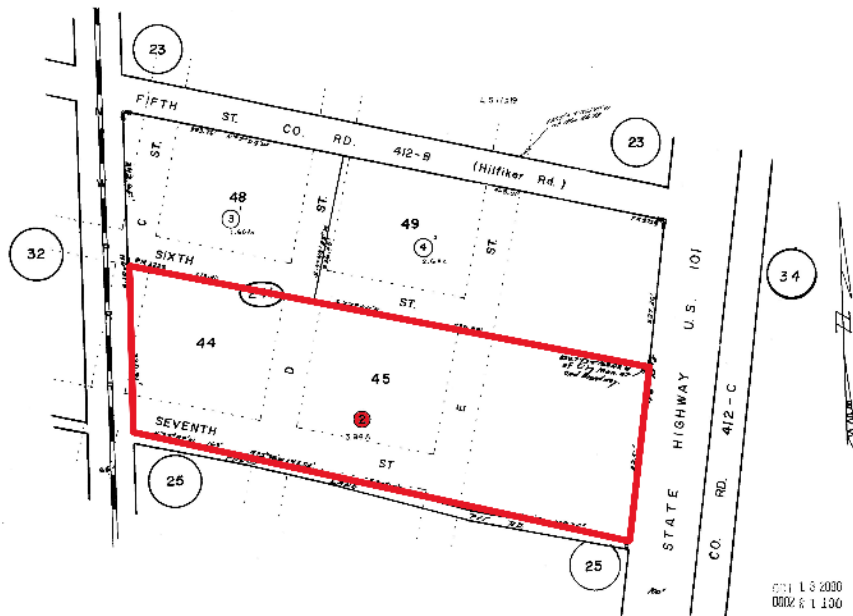
PARCEL MAP APN 019-241-002

PTN SEC 33, 5N 1W

19-24
T.C.A.B.I-002
1" = 100'
4/11/82

PM 222b of PM Br 20, Page 74-75

421

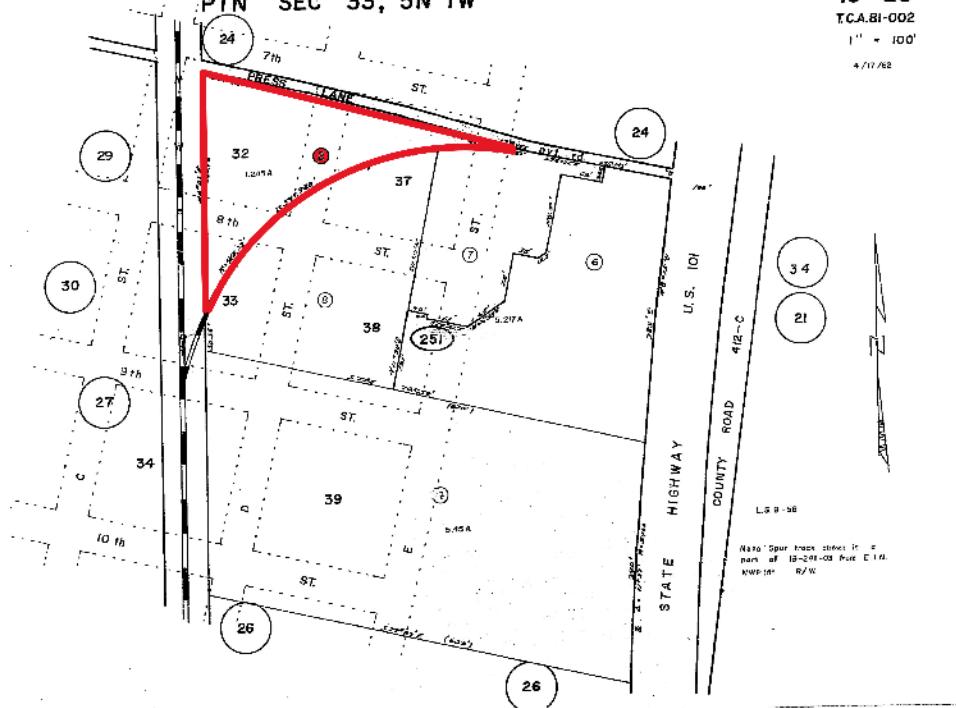


PARCEL MAP APN 019-251-002

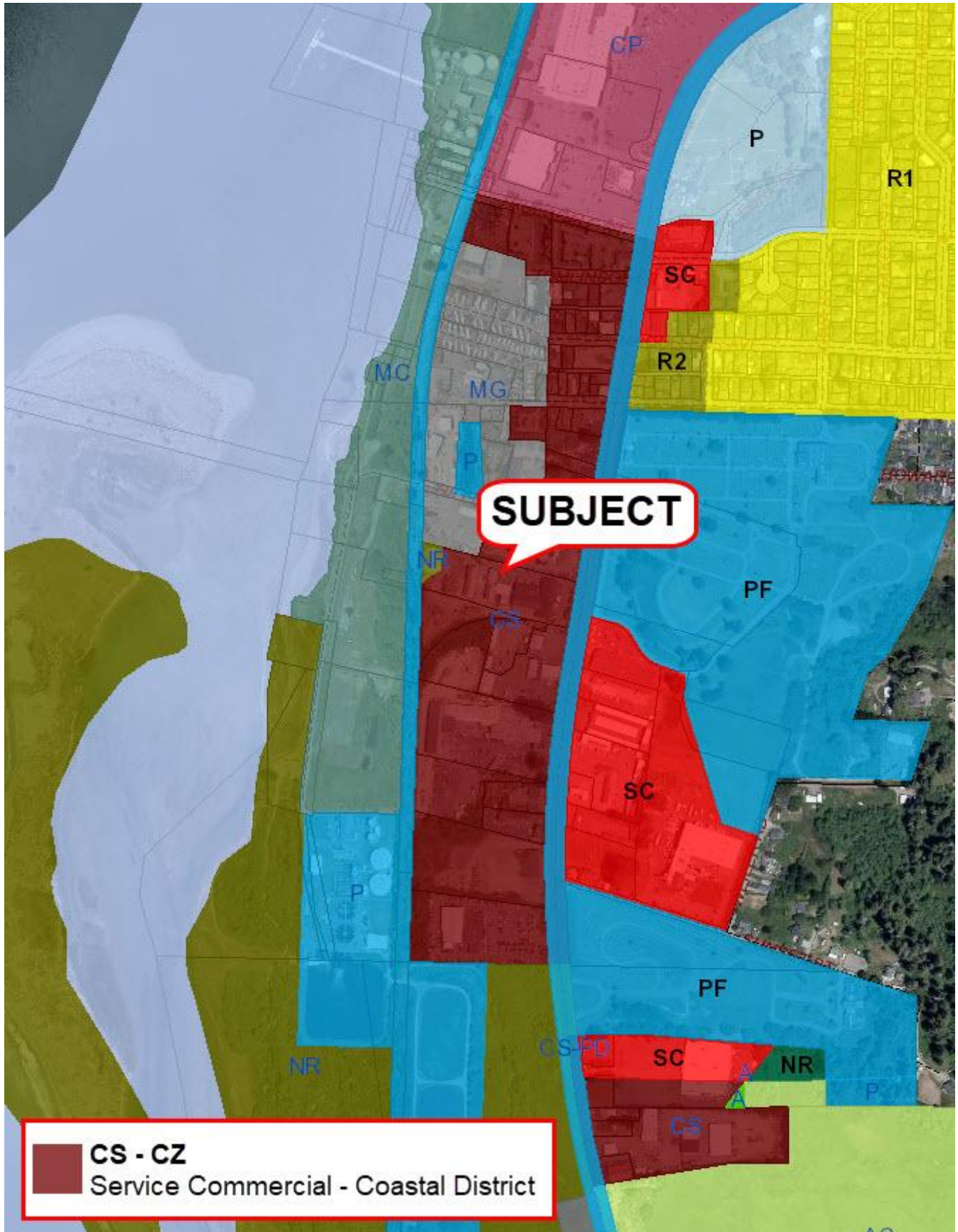
PTN SEC 33, 5N 1W

19-25
T.C.A.B.I-002
1" = 100'
4/11/82

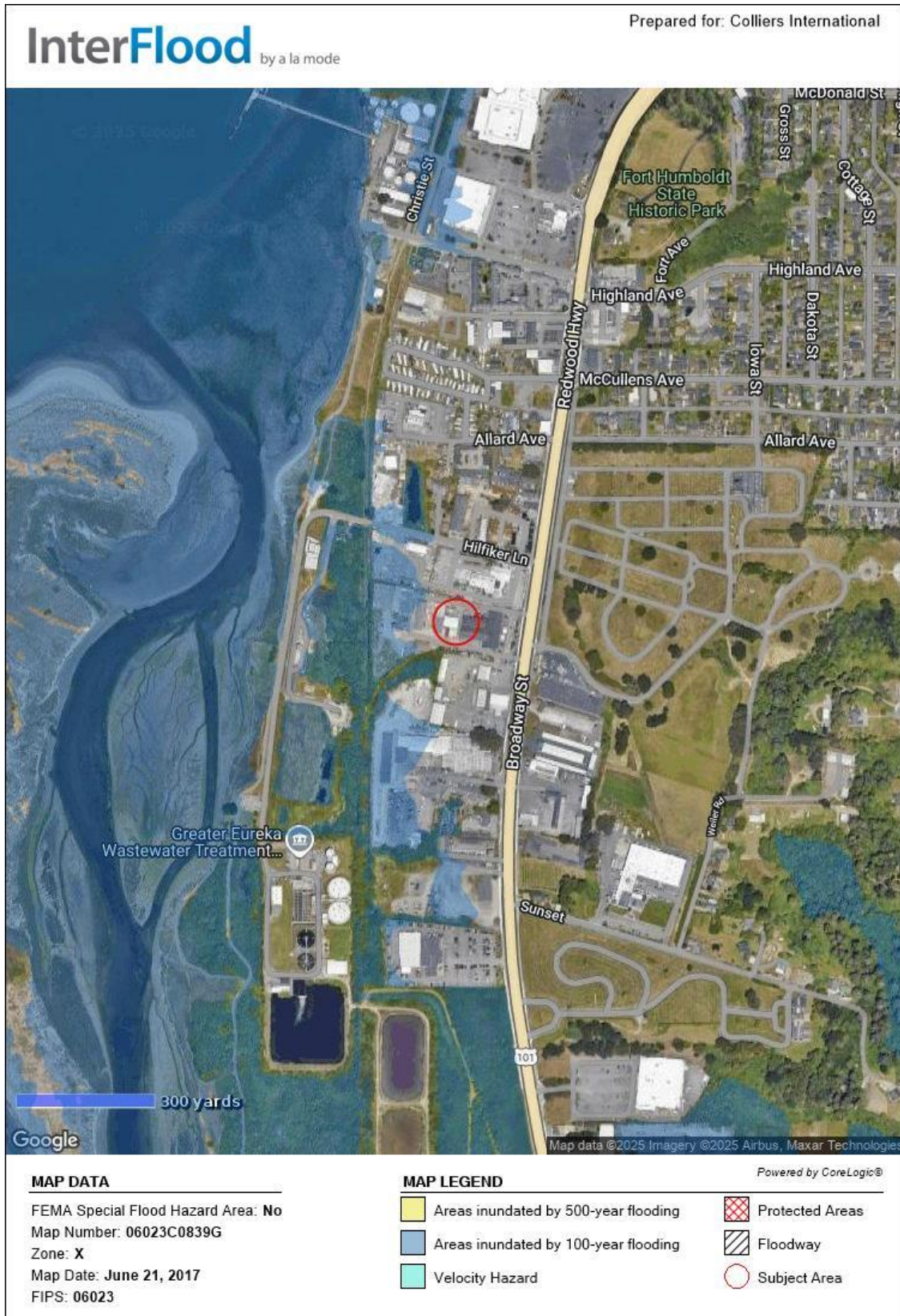
422



ZONING MAP



FLOOD MAPS

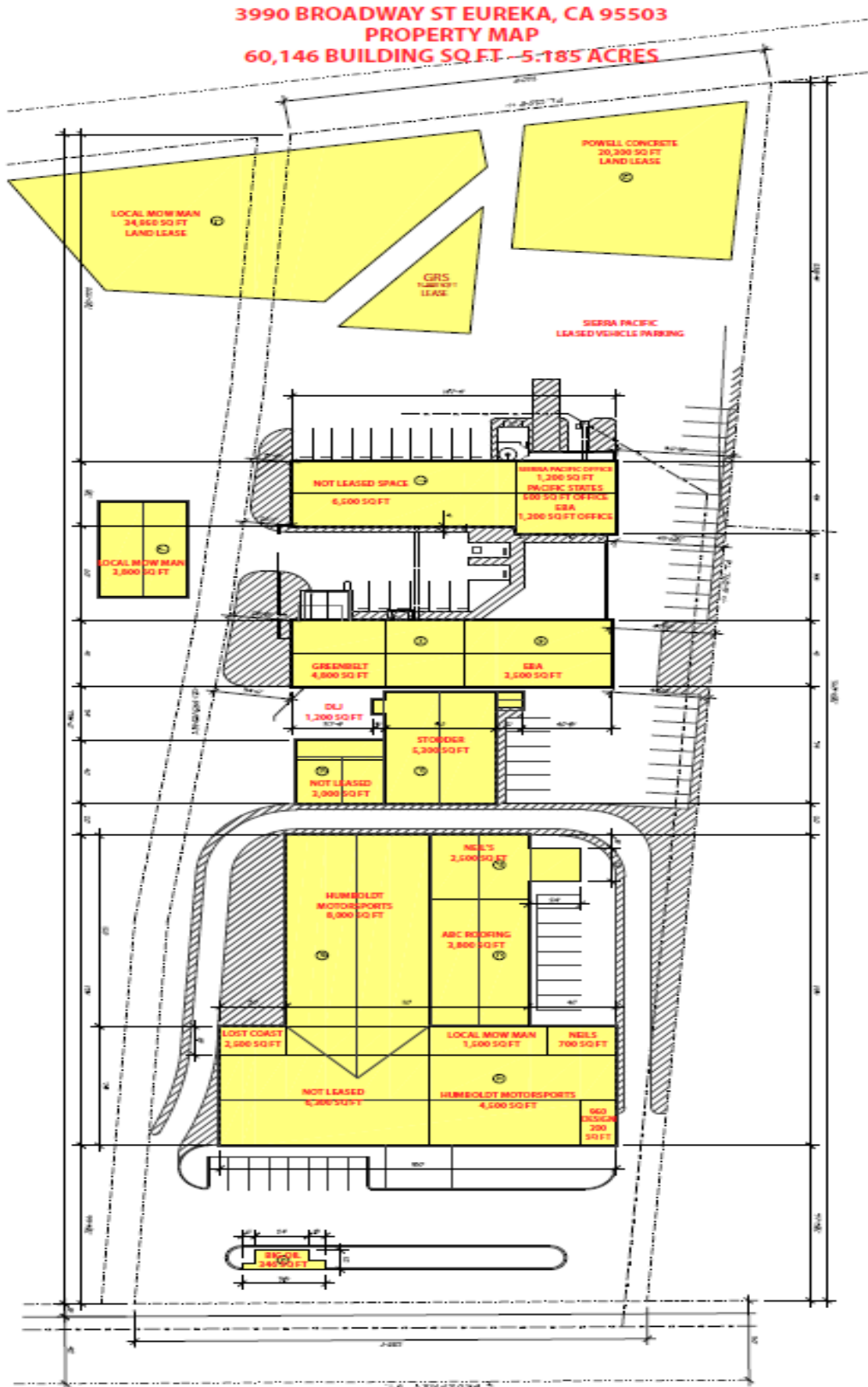


The majority of APN 019-241-002 is within an X unshaded flood zone. A small eastern portion of APN 019-251-002 is within an X unshaded flood zone.



A small portion of the western side of APN 019-241-002 is within an AE flood zone. The majority of APN 019-251-002 is within an AE flood zone.

SITE PLAN WITH SQUARE FOOTAGES



SITE DESCRIPTION

General Description

The subject site consists of two parcels. As noted below, the subject site has a combined 227,383 SF (5.22 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements.

Assessor Parcels

See Multiple Parcel Chart For Breakdown

Number Of Parcels

2

Land Area	Acres	Square Feet
Primary Parcel	5.19	225,859
Unusable Land	0.00	0
Excess Land	0.00	0
Surplus Land	0.00	0
Total Land Area	5.19	225,859

Shape

See Multiple Parcel Chart For Breakdown

Topography

Level below street grade

Drainage

Assumed Adequate

Utilities

All available to the site

Street Improvements	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetlights	Center Lane	Gutters
Broadway	Primary Street	two-way	four-lane	major arterial	✓	✓	✓	✓	✓

Frontage

The subject has 225 feet of frontage on Broadway Street.

Traffic Counts

LOCATION	DATE	SOURCE	COUNT	
Broadway	Allard Avenue	2022	TrafficMetrix	32,725
TOTAL				32,725

MULTIPLE PARCEL SITE DESCRIPTION GRID

PARCEL	USABLE		TOTAL		FRONTING STREET	SHAPE	FLOOD PLAIN
	SF	AC	SF	AC			
019-241-002-000	171,626	3.94	171,626	3.94	Broadway	Generally Rectangular	Zone X (Unshaded) & Zone AE
019-251-002-000	54,232	1.25	54,232	1.25	Broadway	Irregular	Zone X (Unshaded) & Zone AE
TOTAL	225,859	5.19	225,859	5.19			

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Mixed-use industrial/retail development
- › **South** - Mixed-use industrial/retail developments
- › **East** - Broadway Street, Oceanview Cemetery, Retail Development
- › **West** - Vacant Land & Industrial developments

Accessibility

Average - The subject site is accessible via two full access curb cuts along Broadway (US 101). State Routes 36 and 299 are major transportation arterials within proximity to the subject, providing linkage to the surrounding area.

Exposure

Good - The subject has a mid-block location with adequate frontage along Broadway, also known as US 101, the primary north-south arterial for the western coastal region of the United States. US 101 provides access as far south as Los Angeles, CA and as far north as Seattle, Washington.

Seismic

The U.S. Geological Survey (USGS) produces a seismic hazards map that is considered the standard map for assessing seismic risk. According to the USGS map, the subject property is considered to be within a Highest Risk zone.

Additionally, the California Geological Survey has another mapping program as a part of the Alquist-Priolo Earthquake Fault Zoning Act of 1972. As a part of this law, property owners are required to formally disclose that their property lies within the fault zones defined by the California Geological Survey, before selling the property. According to California Geological Survey, the subject is not located within 1,000 feet of an Alquist-Priolo Fault Zone.

**Flood Zone**

As discussed, the subject parcels are within two flood zones. Zone X (Unshaded). This is referenced by Community Number 060062, Panel Number 06023C0839G, dated June 21, 2017. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

Zone AE. This is referenced by Community Number 060062, Panel Number 06023C0839G, dated June 21, 2017. Zone AE is a High Risk Special Flood Hazard Area (SFHA). Special Flood Hazard Areas represent the area subject to inundation by 1-percent-annual chance flood. Structures located within the SFHA have a 26-percent chance of flooding during the life of a standard 30-year mortgage. Federal floodplain management regulations and mandatory flood insurance purchase requirements apply in these zones. Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. BFEs are shown within these zones. (Zone AE is used on new and revised maps in place of Zones A1–A30.)

Easements

Based on the provided preliminary title report, and an on-site inspection, no adverse easements or encumbrances were noted. The preliminary title report mentions easements in favor of the City of Eureka for underground sewage and drainage pipelines and an easement for power pole lines and overhead electric lines. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Please note that there is a deed restricting the subject uses to office, commercial and industrial, due to prior environmental contamination. This runs with the land and would encumber any buyer. Given the concluded highest and best use and surrounding uses, this does not have an impact over the remaining economic life of the subject property.

Soils

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer. Colliers International has not observed, yet is not qualified to detect, the existence of potentially hazardous material or underground storage tanks, which may be present on or near the site. The existence of hazardous materials or underground storage tanks may have an effect on the value of the property. For this appraisal, Colliers International has specifically assumed that any hazardous materials and/or underground storage tanks do not affect the property, which may be present on or near the property.

Site Rating

Overall, the subject site is considered a good commercial site in terms of its location, exposure, and access to employment, education and shopping centers, recognizing its mid-block location along Broadway (US 101) a major north-south arterial for the pacific coastal region of Northern California.

IMPROVEMENT DESCRIPTION

The information presented below is a basic description of the existing improvements using sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted.

Property Type	Industrial - Flex Property
Design	Multi-Tenant Partially Owner-Occupied - 21 Tenant Spaces
Number of Buildings	6
Number of Stories	1 to 2
Net Rentable Area (NRA)	61,746 SF
Gross Building Area (GBA)	62,496 SF
Floor Plate	50,500 SF
Clear Height	14 to 20 Feet
Grade Level Doors	30
Site Coverage Ratio	22.4%
Land to Building Ratio	3.6 : 1
Parking	65 (Surface) 1.1/1,000 SF NRA
Year Built	1950
Year Renovated	2022 (Partial Only - Certain Structures)
Age/Life Analysis	
Actual Age	75 Years
Effective Age	20 Years
Economic Life	50 Years
Remaining Life	30 Years
Quality	Average
Condition	Average

MULTIPLE BUILDING DESCRIPTION GRID

BUILDING	GBA	NRA	SITE COV	YEAR BUILT	YEAR RENOV.	EFF. ECON. REM.			QUALITY	CONDITION
						AGE	LIFE	LIFE		
Building 1	30,900	30,400	22%	1950	2012	20	45	25	Average	Average
Building 2	9,500	9,500	22%	1950	2022 (Partial)	20	45	25	Average	Average
Building 3	8,300	8,300	22%	1950	2022	10	45	35	Average	Good
Building 4	9,650	9,400	22%	1950	2022	10	45	35	Average	Good
Building 5	3,800	3,800	22%	1950		30	45	15	Average	Fair
Building 6	346	346	22%	2013		20	45	25	Average	Average
TOTAL	62,496	61,746								

Basic Construction	A combination of wood frame and steel frame buildings
Foundation	Poured concrete slab
Framing	A combination of wood and steel framing (building specific)
Exterior Walls	Primarily corrugated metal siding

Roof	A mix of shingle and metal roofing. The roofs were not observed. No leaks were observed/reported.
Insulation	Assumed to be standard and to code for both walls and ceilings
Heating	Mixed. Building specific
Air Conditioning	Mixed. Building specific
Lighting	Fluorescent and LED
Interior Walls	A combination of drywall, sheetrock, and wood / metal paneling
Electrical	Assumed adequate and to-code.
Ceilings	A combination of acoustical tile, drywall, wood paneling, and exposed
Windows	Standard windows; glass in aluminum frames
Doors	Mixed plate glass and solid core in metal frames
Flooring	Mixed commercial grade carpet, concrete tile, laminate, polished concrete and rough concrete
Plumbing	Standard plumbing for a commercial/flex property with an adequate number of restrooms
Fire Protection	The subject has smoke alarms but does not have a fire sprinkler system.
Security	Video surveillance
Stairwells	Multiple interior stairwells (Building 1 and 4 specific)
Site Improvements	Asphalt paving, concrete sidewalks, concrete curbing, pole mounted lights and low maintenance natural landscaping
Buildings/Structures	The subject is comprised of six buildings. Building 1 is a two-story structure, is the largest on the property with 30,400 SF of NRA and has been partially renovated. It is partially owner-occupied with a mix of retail, office, and warehouse space. Building 2 is comprised of 9,500 SF of NRA with three tenant spaces, has been partially renovated, and is entirely warehouse space. Building 3 has 8,300 SF of NRA with two tenant spaces. This building has been completely renovated and is entirely warehouse space. Building 4 has 9,400 SF of NRA and has also been completely renovated. This building has three tenant spaces and is comprised of first floor warehouse and second floor office space. Building 5 has 3,800 SF of warehouse space. This is a one tenant building that is original construction (1950). Building 6 is a 346 SF structure located at the front of the property along Broadway. This building has one tenant space and was constructed in 2013. There is an abundance of site area at the north end of the parcel that is partially paved. There are currently three tenants leasing yard space.
Signage	There is a monument style sign along Broadway and signage space on the building façade.

Parking

The subject property has an asphalt paved parking lot that is in average condition. The subject's parking lot provides a ratio of 1.1 spaces per 1,000 SF, noting there is an ample amount of additional site area that could be used for additional parking. The subject's parking is within market standards and meets the zoning requirement for the subject's use.

Deferred Maintenance

The subject property has an ongoing maintenance program in place. As discussed, a sizeable portion of the property has been renovated since the 2015 acquisition. Building 5 and a portion of Building 2 are original construction, in fair condition, but are still functional. Per a discussion with the owner, his intentions are to renovate the remaining structures in the future. Based on our interview with the property owner and the onsite observation by the field appraiser, no observable deferred maintenance exists.

Functional Design

The subject improvements offer average to good utility to the owner and tenants. The site coverage and parking ratios are within market standards. Overall, the subject has a functional design considering the site and building configurations.

ASSESSMENT & TAXATION

The subject property is located within the Humboldt County municipality. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2024-2025			Tax Rate	1.049%	
Tax Rate Area	003011			Taxes Current	No	
Taxes SF Basis	Net Rentable Area					
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
019-241-002-000	\$883,707	\$626,477	\$1,510,184	\$0	\$1,510,184	\$15,842
019-251-002-000	\$206,195	\$29,453	\$235,648	\$0	\$235,648	\$2,472
Totals	\$1,089,902	\$655,930	\$1,745,832	\$0	\$1,745,832	\$18,314
Total/SF	\$17.65	\$10.62	\$28.27	\$0.00	\$28.27	\$0.30
Additional Tax Charges						
Parcel 019-251-002-000						
Penalty & Cost						\$124
Fees						\$12
Total Additional Tax Charges						\$136
Total Additional Tax Charges Per SF						\$0.00
Total Base Tax & Additional Tax Charges						\$18,449
Total Base Tax & Additional Tax Charges Per SF						\$0.30

Source: Humboldt County Assessment & Taxation

Subject Property Analysis

The total taxable value for the subject property is \$1,745,832 or \$28.27/SF. There are no exemptions in place. Total taxes for the property are \$18,449 or \$0.30/SF.

In California, reassessments of property values occur upon the sale of a property due to the passage of Proposition 13 in July of 1978. If this has not occurred during the tax year, properties are limited to a maximum increase in assessed value of 2% per year. Taxes are based upon 1% of full cash value plus any amounts necessary to satisfy general obligation bonds or other indebtedness. In the valuation section, property taxes for the subject are estimated by applying the current tax rate to the concluded value since the stabilized property taxes are calculated by assuming a sale at market value per Proposition 13.

According to the Humboldt County tax collector's online system, taxes are not current as of the date of this report. We assume a clear and marketable title of the subject property (see Extraordinary Assumption).

Tax Comparables

Real estate taxes in California are set based on market value at the time of sale rather than market value as of the current date. With real estate values generally increasing since Proposition 13 was originated in 1978, it is common for California properties that have been owned for a significant period of time to have a lower real estate tax burden than a property that was recently sold. Therefore, tax comparables are not commonly used in the state of California.

ZONING ANALYSIS

The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	City of Eureka Planning & Zoning Department
Current Zoning	Service Commercial - Coastal District (CS-CZ)
Permitted Uses	Uses including but not limited to: offices including administrative, business and professional offices, except medical and dental offices, retail uses and services including automobile supply stores, and motorcycle sales and services, warehouses except for the storage of fuel or flammable liquids, recreational facilities, lodging
Current Use	Mixed-use commercial flex space
Is Current Use Legally Permitted	Yes
Zoning Change	Not Likely

ZONING REQUIREMENTS	
Conforming Use	The existing improvements represent a legal conforming use within this zone.
Dimensional Requirements	All dimensional requirements are approved by the zoning
Parking Requirement	
Spaces Required	62
Spaces Provided	65

Source: City of Eureka Planning & Zoning Department

Zoning Conclusions

According to the City of Eureka zoning code, the CS zoning district "is an intensive commercial district primarily located in or adjacent to highly visible areas, and provides for local, regional and visitor needs. Development accommodates vehicles in a manner that supports an attractive streetscape and pedestrian-friendly environment." Based on the appraisers' interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed.

As noted, the subject does have a deed restriction that would limit any residential, hospital uses, or limit how much ground can be disturbed. Given the zoning and existing improvements, this does not have a significant impact over the remaining economic life.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of my analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through my due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

MARKET ANALYSIS

The bulk of the subject improvements are retail and industrial in nature. As such, this section provides a study of retail supply/demand conditions for the Humboldt County market and an industrial supply/demand market analysis of the Humboldt County market. These findings are used to support our conclusions for the competitive position, general vacancy, and exposure period for the subject property.

Below is a list of the various sections covered in the following office Market Analysis:

- › Humboldt County Retail Market
- › Humboldt County Industrial Market
- › Inflation Impact / Macroeconomy Overview
- › Buyer Profile
- › Exposure Time & Marketing Period

HUMBOLDT COUNTY RETAIL MARKET OVERVIEW

The following is an analysis of supply/demand trends in the Humboldt County retail market using information provided by CoStar. The table below presents historical data for key market indicators.

HUMBOLDT COUNTY HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2015	6,445,696 SF	0 SF	(14,755) SF	2.5%	\$.82/SF
2016	6,477,496 SF	31,800 SF	44,893 SF	2.7%	\$.92/SF
2017	6,505,976 SF	28,480 SF	17,654 SF	2.3%	\$1.01/SF
2018	6,548,230 SF	42,254 SF	12,016 SF	3.3%	\$.93/SF
2019	6,565,664 SF	17,434 SF	78,838 SF	1.9%	\$.94/SF
2020	6,575,531 SF	9,867 SF	36,681 SF	1.7%	\$1.14/SF
2021	6,575,531 SF	0 SF	(28,592) SF	2.1%	\$1.11/SF
2022	6,575,531 SF	0 SF	19,844 SF	1.5%	\$1.08/SF
2023	6,576,639 SF	1,108 SF	(11,968) SF	1.8%	\$1.13/SF
2024	6,591,799 SF	15,160 SF	516 SF	2.2%	\$.96/SF
CAGR	0.2%	-	-	-	1.6%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

Over the past ten years the Humboldt County retail market inventory increased by 2.3%. Further there was positive absorption (2.4% change), slight decrease in the vacancy (0.3% change) and increase of the asking average rent (17.5% change). From 2016 through 2020 the market saw positive net absorption, overall decreased vacancy, and an overall increase in asking rent. From 2021 to 2024, net absorption was negative, vacancy increased slightly, and asking rent decreased.

Market participants were interviewed to discuss retail rental trends in the subject’s immediate area. The consensus was that retail rental rates are property specific and highly dependent on location and whether or not they have direct frontage along US 101. Properties with direct frontage along Broadway (US 101) command a significant premium over other properties. There are very few, if any, larger retail suites in the subject’s immediate area. Larger sized retail suites are in high demand along this corridor, which adds upward pressure on an achievable rental rate. Additionally, asking rents were generally flat in 2024, contrary to what CoStar indicates.

The following table summarizes the trailing four quarter performance of the Humboldt County submarket.

HUMBOLDT COUNTY TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2024 Q1	6,579,799 SF	3,160 SF	(71,851) SF	2.9%	\$.98/SF
2024 Q2	6,591,799 SF	12,000 SF	64,941 SF	2.1%	\$1.02/SF
2024 Q3	6,591,799 SF	0 SF	16,008 SF	1.9%	\$.89/SF
2024 Q4	6,591,799 SF	0 SF	(8,582) SF	2.0%	\$.96/SF

Source: Costar®

Over the past four quarters the Humboldt County retail market has experienced a moderate increase of supply. There was also positive net absorption, decrease in vacancy and flat asking rent in the marketplace.

Per our discussions with market participants, the subject's retail suites would command a significant premium within the market given the location along Broadway (US 101), and the larger size of the suites (4,500 SF to 6,300 SF).

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

HUMBOLDT COUNTY MARKET TREND ANALYSIS			
	Q4 2024	2024	Last 10
Total SF	6,591,799	6,591,799	6,543,809
Vacant SF	133,242	146,997	143,702
Market Vacancy	2.0%	2.2%	2.2%
Construction Growth Rate	0.0%	0.2%	0.2%
Absorption Rate	(0.1%)	0.01%	0.2%
Average Asking Rent/SF	\$.96	\$.96	\$1.00

Source: Costar®

Vacancy

The Q4 2024 vacancy (2.0%) is slightly lower than last year (2.2%) and slightly lower than the average vacancy over the past ten years (2.2%). The historic vacancy trend indicates stable long-term demand for retail space in the Humboldt County market.

Supply

There was no new inventory added during Q4 2024, whereas the growth rate was 0.2% last year. Over the past ten years the Humboldt County retail market grew at a CAGR of 0.2%. Per CoStar, there is one retail project under construction in the Humboldt County retail market totaling 3,183 SF that represents 0.05% of supply that will be added in the near term.

HUMBOLDT COUNTY RETAIL CONSTRUCTION ACTIVITY SUMMARY			
STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	1	3,183	0.05%

Source: Costar®

Absorption

During Q4 2024 net absorption was negative 0.1% and net absorption was 0.01% over the last year. The Humboldt County retail market has established an overall trend of positive absorption (0.2%) over the past ten years.

Humboldt County Market Conclusion

Based on the appraisers' analysis, the Humboldt County retail market demonstrates stable fundamentals. Historically the market has seen low vacancy around or below 3%. Per CoStar, asking rents were generally flat from 2020 to 2023 and decreased in 2024. Over the last four quarters the market has seen positive net absorption, decreased vacancy, and flat asking rent. It is expected that the market will continue to see stable demand, with continued low vacancy and stable asking rents.

As discussed, there are very few, if any, larger retail suites in the subject's immediate area. Larger sized retail suites are in high demand along the Broadway (US 101) corridor, which adds upward pressure on an achievable rental rate. According to discussions with market participants, the subject's larger sized retail suites with direct frontage along Broadway (US 101) would command a significant premium within the market.

HUMBOLDT COUNTY INDUSTRIAL MARKET OVERVIEW

The following is an analysis of supply/demand trends in the Humboldt County industrial market using information provided by CoStar. The table below presents historical data for key market indicators.

HUMBOLDT COUNTY HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2015	4,105,654 SF	5,445 SF	(16,708) SF	3.7%	\$.43/SF
2016	4,139,926 SF	34,272 SF	117,982 SF	2.1%	\$.42/SF
2017	4,139,926 SF	0 SF	31,020 SF	1.1%	\$.71/SF
2018	4,160,793 SF	20,867 SF	28,837 SF	0.8%	\$1.00/SF
2019	4,174,163 SF	13,370 SF	(134,181) SF	3.4%	\$1.03/SF
2020	4,592,163 SF	418,000 SF	402,341 SF	4.5%	\$.51/SF
2021	4,592,163 SF	0 SF	163,054 SF	2.0%	\$.62/SF
2022	4,592,163 SF	0 SF	(68,949) SF	1.7%	\$1.04/SF
2023	4,606,563 SF	14,400 SF	(92,050) SF	2.1%	\$1.00/SF
2024	4,606,563 SF	0 SF	74,182 SF	3.2%	\$.81/SF
CAGR	1.2%	-	-	-	6.5%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

Over the past ten years the Humboldt County industrial market inventory increased by 12.3%. Further there was positive absorption (12.3% change), slight decrease in the vacancy (0.5% change) and considerable increase of the asking average rent (87.2% change). Humboldt County is a remote and tertiary market area with a small sample size and very low vacancy. As such, trend analysis is often skewed by what product is on the market. In general, the market has improved over the past ten years with vacancy remaining near 3% and asking rents trending upwards.

From 2015 to 2018, the market improved with positive net absorption, decreased vacancy, and increased asking rent.

The following table summarizes the trailing four quarter performance of the Humboldt County submarket.

HUMBOLDT COUNTY TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2024 Q1	4,606,563 SF	0 SF	(2,464) SF	4.3%	\$.81/SF
2024 Q2	4,606,563 SF	0 SF	73,637 SF	2.7%	\$.83/SF
2024 Q3	4,606,563 SF	0 SF	(16,911) SF	3.1%	\$.83/SF
2024 Q4	4,606,563 SF	0 SF	19,920 SF	2.6%	\$.75/SF

Source: Costar®

Over the past four quarters the Humboldt County industrial market has experienced no growth of supply. There was also positive net absorption, decrease in vacancy and decrease of asking rent in the marketplace per CoStar. Market participants interviewed for this assignment indicate that rents have been relatively flat over the past four quarters.

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

HUMBOLDT COUNTY MARKET TREND ANALYSIS			
	Q4 2024	2024	Last 10
Total SF	4,606,563	4,606,563	4,371,008
Vacant SF	121,123	146,489	106,215
Market Vacancy	2.6%	3.2%	2.4%
Construction Growth Rate	0.0%	0.0%	1.2%
Absorption Rate	0.4%	1.6%	1.1%
Average Asking Rent/SF	\$.75	\$.81	\$.76

Source: Costar®

Vacancy

The Q4 2024 vacancy (2.6%) is lower than last year (3.2%) and slightly higher than the average vacancy over the past ten years (2.4%). The historic vacancy trend indicates stable long-term demand for industrial space in the Humboldt County market.

Supply

There was no new inventory added during Q4 2024, nor were there any new deliveries in the last year. Per CoStar, there are currently no new industrial projects under development in the Humboldt County market.

Absorption

During Q4 2024 net absorption was 0.4% and net absorption was 1.6% over the last year. The Humboldt County industrial market has established an overall trend of positive absorption (1.1%) over the past ten years.

Humboldt County Market Conclusion

Based on the appraisers’ analysis, the Humboldt County industrial market is demonstrating relatively stable fundamentals. Historically the market has seen low vacancy near or below 3%. Over the past four years, the market has experienced some instability, however vacancy remained below 4%. Asking rents peaked in 2022 and have decreased slightly Per CoStar. Over the last four quarters the market has seen positive net absorption, decreasing vacancy, and relatively flat asking rents per discussions with market participants. It is expected that the market will continue to see stable demand, with continued low vacancy and stable asking rents.

INFLATION IMPACT / MACROECONOMY OVERVIEW

Over the past two years, macroeconomic conditions have slowed commercial real estate activity and tightened debt markets. GDP growth has moderated. CPI trends indicate a continued but slower pace of inflation, reflecting the impact of tighter monetary policy. Inflation reached a high of 9.1% in June 2022 and declined to 2.7% in November 2024. Although above the goal of 2.0% targeted as normal for a healthy economy, the inflation break

has paved the way for a shift in interest rates. With employment growth slowing, the unemployment rate reached 4.0% in November 2024. Macroeconomic changes of this nature suggest a softening economy or the potential for recession. In July 2024, bond markets began pricing to suggest federal funds rate cuts were imminent.

In the September 2024 meeting, the Federal Reserve cut interest rates by 50 basis points, bringing its benchmark interest rate down to 4.75% to 5.00%. This was followed by two additional 25 basis point cuts in November 2024 and December, bringing the benchmark interest rate down to 4.25% to 4.50%.

The higher cost of capital weighed on investment decisions in the real estate market from midyear 2022 through early 2024 was reflected in transactions that closed through much of the 4Q24. As rates leveled in summer 2024 and began contracting with market participants anticipating further rate contractions and more favorable capital markets conditions looking forward, transaction activity in the form of recapitalizations, refinancing, and outright sales transactions, began to improve in August 2024, along with general market sentiment. The market for commercial real estate is still adjusting to these changes and their impact is likely to lag and not likely to be fully reflected in transaction activity until later in 2025.

Inflation

There are two specific macroeconomic factors influencing valuation – inflation and interest rates. Inflation peaked in mid-2022 and has moderated between 2 and 4 percent since May 2023. The Federal Reserve is highly attentive to inflation risks and considers the current level of inflation to be elevated. Their goal is to maximize employment and keep inflation at 2 percent over the long run through the adjustment of the federal funds rate. The Federal Reserve instituted a 50 basis point decrease in September 2024, a 25 basis point decrease in November 2024, and an additional 25 basis point decrease in December 2024. Forecasts project fewer rate cuts in 2025 with no change in January 2025 and with low probability for rate change at the March 2025 meeting. Changes in the federal funds rate since March 2022 are listed in the chart below.

FED INTEREST RATE HIKES IN 2022-2024

FOMC Meeting Date	Quarter	Rate Change (bps)	Federal Funds Rate
December 18, 2024	4Q 2024	-25	4.25% to 4.50%
November 7, 2024	4Q 2024	-25	4.50% to 4.75%
September 18, 2024	3Q 2024	-50	4.75% to 5.00%
September 2023 - July 2024	3Q 2023 - 2Q 2024	+0	5.25% to 5.50%
July 26, 2023	3Q 2023	+25	5.25% to 5.50%
May 3, 2023	2Q 2023	+25	5.00% to 5.25%
March 22, 2023	1Q 2023	+25	4.75% to 5.00%
February 1, 2023	1Q 2023	+25	4.50% to 4.75%
December 14, 2022	4Q 2022	+50	4.25% to 4.50%
November 2, 2022	4Q 2022	+75	3.75% to 4.00%
September 21, 2022	3Q 2022	+75	3.00% to 3.25%
July 27, 2022	3Q 2022	+75	2.25% to 2.50%
June 16, 2022	2Q 2022	+75	1.50% to 1.75%
May 5, 2022	2Q 2022	+50	0.75% to 1.00%
March 17, 2022	1Q 2022	+25	0.25% to 0.50%

Source: Forbes

Further details regarding the inflation, the Federal Funds Rate and the US Treasury rate are included in the Income Approach.

BUYER PROFILE

The most likely buyer of the subject is an owner/user or investor. Sale transaction volume has slowed over the past 24 months, given the impact of interest rates on buyer purchasing power. There is measurable demand for this asset class as indicated by the comparables used in the Sales Comparison Approach. The subject has been

partially owner-occupied since it was acquired in 2015 and is located in a market that is primarily owner-user driven. However, given the size, number of tenants, and term remaining on most leases in place, the subject would primarily appeal to investors. Given the size of the subject, market area, and based on the design and functional utility of the subject, the most likely purchaser is an investor.

STABILIZED VACANCY

The vacancy in the Humboldt County retail market, as of Q4 2024, was 2.0%. The Q4 2024 vacancy in the Humboldt County industrial market was 2.6% according to CoStar. The average vacancy in the retail market was 2.4% over the past ten years and was 2.2% over the last ten years in the industrial market.

A 5% to 10% vacancy/credit loss factor is typically used by investors for comparable properties, depending on market specifics and location. The vacancy and collection loss conclusion must represent a long-term trend applied over the holding period of the property (estimated at ten years).

The subject property is 74.4% occupied with three vacant spaces. Per a discussion with the owner, the vacant retail suite and the large vacant warehouse space in Building 4 are still being renovated and are not ready for tenancy. He has had discussions with multiple interested parties for both suites. Combined these two suites represent 12,800 SF or 20.7% of the total NRA.

The subject is located in a retail and industrial market area with low vacancy, currently 2.0% for retail and 2.6% for industrial. Based on the preceding analysis, a vacancy/credit loss of 5% is concluded for the subject property, which reflects the actions of buyers and sellers in this market.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys. The following table summarizes the information that was taken into consideration to develop an estimate of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD						
SOURCE	QUARTER	RANGE		AVG	LAST Q	LAST YR
PriceWaterhouse Coopers						
Pacific Region Warehouse	1Q 25	1.0	to 5.0	3.0	3.1	3.3
Comparable Sales Dataset		1.0	to 18.0	7.3		
AVERAGE		1.0	to 11.5	5.1	3.1	3.3

The preceding information generally supports an exposure time range from one to 26 months for similar properties. The availability of acquisition financing also factors into exposure time and marketing period. Our review of the local capital market indicate that adequate financing options would have been available to consummate a sale of the subject on the date of value.

The Comparable Sales Dataset offers the most reliable average at 7.3 months. Given the tertiary nature of the subject, a conclusion at the higher-end of the ranges presented is warranted.

Exposure Time Conclusion

12 Months Or Less

Marketing Period Conclusion

12 Months Or Less

HIGHEST AND BEST USE ANALYSIS

This section develops the highest and best use of the subject property as-vacant and as-improved. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

As-Vacant Analysis

Permitted uses of the subject's Service Commercial - Coastal District (CS-CZ) zoning were listed in the Zoning Analysis section. Regarding physical characteristics, the subject site is irregular in shape and has level topography with average access and good exposure. The subject site has frontage on a commercial collector. The immediate area is developed with office, retail, and industrial development along major arterials that is interspersed with multi-family complexes and single-family residential development removed from arterials.

The subject is located approximately three miles south of downtown Eureka near the edge of development with an abundance of vacant land just south of the subject's location. The subject's retail and industrial markets have experienced limited new construction over the past four years and past four quarters. Higher interest rates during the past 24 months have increased the cost of financing, thereby discouraging new development. It is unlikely that any speculative development would occur in the subject's market

Based on our observations of land development trends for sites with similar zoning and physical characteristics as the subject and analysis of current supply/demand trends, the highest and best use of the subject site as-vacant is hold for future commercial development.

As-Improved Analysis

The subject's mixed commercial use (as-improved) is permitted outright by the CS-CZ zoning. The legal factors influencing the highest and best use of the subject property support the existing use. The bulk of the subject improvements were originally built in 1950 and renovated in 2012 and 2022. We have estimated an overall average condition for the property, with an estimated remaining economic life of 30 years based on our estimate. The project is of average quality construction and in average condition, with adequate service amenities. Legal, physical, locational and marketability factors support the existing use as the highest and best use of the subject site.

In addition to legal, physical and locational considerations, analysis of the subject property as-improved requires the treatment of alternative uses for the property. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and the subject's use "as-improved". In general supply/demand conditions and immediate market area trends support viable short and long-term operations of the subject's use as-improved. Among the five alternative uses, continued mixed commercial use is the Highest and Best Use of the subject property as-improved.

VALUATION METHODS

The following presentation of the appraisal process deals directly with the valuation of the subject property. The paragraphs below describe the standard approaches to value that were considered for this analysis.

Income Approach

The two fundamental methods of this valuation technique include Discounted Cash Flow and Direct Capitalization.

Characteristics specific to the subject property warrant that this valuation technique is developed. Development of the Income Approach is a specific scope requirement of this assignment. The subject is an investment property; therefore, the Income Approach represents the decision making process of knowledgeable buyers and sellers of this property type. The Direct Capitalization method is used in this analysis. Discounted Cash Flow analysis does not contribute substantially to estimating value beyond the direct capitalization method and is not used in this analysis.

Sales Comparison Approach

Characteristics specific to the subject property warrant that this valuation technique to be developed. Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Sufficient sales data is available to provide a credible value estimate by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

Land Valuation

Characteristics specific to the subject property do not warrant that a site value is developed. Development of the subject site value is not a specific scope requirement of this assignment. Therefore, this appraisal does not provide valuation of the subject site.

Cost Approach

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Development of the Cost Approach is not a specific scope requirement of this assignment. The Cost Approach has limited applicability due to the age of the improvements and lack of market based data to support an estimate of accrued depreciation. Knowledgeable buyers and sellers typically do not rely on this valuation technique for properties similar to the subject. Based on the preceding information, the Cost Approach will not be presented.

Reconciliation of Value Conclusions

The Income (Direct Capitalization) and Sales Comparison approaches are used to value the subject property, which will be reconciled into the final opinions of market value in the Analysis of Value Conclusions section.

INCOME APPROACH

As previously discussed within the Valuation Methods section, the Direct Capitalization method is used in this analysis, and Discounted Cash Flow analysis is not developed.

DIRECT CAPITALIZATION

The first step in the direct capitalization method is to estimate the subject's durable rental income through reconciliation of the subject's in-place lease terms and market rent analysis. Next, we analyze other income items including reimbursements and miscellaneous revenue. Then, vacancy allowance and operating expenses are estimated based on analysis of the subject and market indicators. Finally, the resulting net operating income is capitalized at an appropriate supported rate. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

RENTAL INCOME ANALYSIS

In this section, we developed an opinion of the subject's rental income through examination of subject lease terms and market rent analysis. The rental income conclusion was reconciled taking into account such items as durability of in-place contract rents, lease escalations and market terms as measured by rent comparables.

Rent Roll

The following Rent Roll Summary reflects a breakdown of the individual tenant spaces and a snapshot of in-place contract rents including lease term, expense structure and base rent.

RENT ROLL SUMMARY												AS OF MARCH 2025	
SUITE	TENANT NAME	TOTAL NRA (SF)	% OF NRA	TENANT GROUP	LEASE TERMS			EXPENSE STRUCTURE	CURRENT BASE RENT		YEARLY ESC.		
					START	END	YEARS		\$/SF(MO.)	\$/SF(YR.)		ANNUAL	
1	Madrone Business Sevcies	400	0.6%	Office	1/25	12/26	2.0	Full Service	\$1.25	\$15.00	\$6,000	Flat	
2	Humboldt Motorsports (Owner-User)	4,500	7.3%	Retail	Owner-User		-	Owner-User	Owner-User		-	-	
3	Humboldt Motorsports (Owner-User)	8,000	13.0%	Warehouse	Owner-User		-	Owner-User	Owner-User		-	-	
3	ABC Roofing	3,800	6.2%	Auto/Shop	5/23	4/28	5.0	Full Service	\$0.92	\$11.05	\$42,000	Flat	
4	Big Oil & Tire	346	0.6%	Other	9/23	11/28	5.3	Full Service	-	-	Incl. As Other Inc.	3%	
5	EBA Engineering	4,700	7.6%	Warehouse	1/25	2/27	2.1	Full Service	\$0.64	\$7.66	\$36,000	Flat	
6	Sierra Pacific Consulting	1,200	1.9%	Office	1/25	12/26	2.0	Full Service	\$2.50	\$30.00	\$36,000	Flat	
7	Green Belt Electric	4,800	7.8%	Warehouse	1/25	12/26	2.0	Full Service	\$0.58	\$7.00	\$33,600	Flat	
8	Stodder Electric	5,300	8.6%	Warehouse	MTM	MTM	MTM	Full Service	\$0.32	\$3.85	\$20,400	N/Ap	
9	Lost Coast Science	2,500	4.0%	Warehouse	9/21	8/26	5.0	Full Service	\$0.60	\$7.20	\$18,000	Flat	
10	Neils Specialty Sound	3,200	5.2%	Warehouse	MTM	MTM	MTM	Full Service	\$0.47	\$5.63	\$18,000	N/Ap	
11	Pacific States	500	0.8%	Office	1/25	12/26	2.0	Full Service	\$1.40	\$16.80	\$8,400	Flat	
12	DLJ	1,200	1.9%	Auto/Shop	MTM	MTM	MTM	Full Service	\$1.00	\$12.00	\$14,400	N/Ap	
13	960 Design	200	0.3%	Office	1/25	12/26	2.0	Full Service	\$2.50	\$30.00	\$6,000	Flat	
14	Local Mow Man Warehouse Space	5,300	8.6%	Warehouse	5/22	5/27	5.0	Full Service	\$0.54	\$6.48	\$34,344	Flat	
Yard	Local Mow Man Yard Space	34,950	-	Yard Space	5/22	5/27	5.0	Full Service	\$0.15	\$1.80	\$62,904	Flat	
Yard	GRS Construction	15,000	-	Yard Space	MTM	MTM	MTM	Full Service	\$0.10	\$1.20	\$18,000	Flat	
Yard	Powell Concrete	20,300	-	Yard Space	MTM	MTM	MTM	Full Service	\$0.02	\$0.30	\$6,000	Flat	
OCCUPIED SUBTOTALS		45,946	74.4%						\$0.65	\$7.84	\$360,048		
15	Vacant Retail Suite	6,300	10.2%	Retail									
16	Vacant Warehouse Space	3,000	4.9%	Warehouse									
17	Vacant Warehouse Space	6,500	10.5%	Warehouse									
VACANT SUBTOTALS		15,800	25.6%										
TOTAL NRA		61,746	100.0%						\$0.49	\$5.83	\$360,048		

As indicated in the preceding table the subject property contains 61,746 SF of NRA of which 45,946 SF is currently occupied, and 15,800 SF is currently vacant. The current occupancy level of 74.4% is below the stabilized occupancy level estimate of 95.0% that was developed in this appraisal. It is noted, the subject yard spaces are exterior and unenclosed and not included in the NRA of the subject.

The subject is leased on a full-service gross basis with each tenant paying only a base rent. The landlord is responsible for all operating costs including real estate taxes, insurance, CAM, utilities, and management fees.

There are two suites that are owner-occupied, as well as three suites and two yard spaces that are leased on a month-to-month basis.

Big Oil & Tire occupies Building 6 (Suite 4). Per discussions with the owner and to the best of our knowledge, this space was built out to qualify as a commissary. Big Oil & Tire has 13 stations across Northern California and is required to have a commissary space. There is an extremely limited number of spaces like Suite 4 that qualify as a commissary space across the state with little to no comparable data available. As such, we include the NRA in the subject's total NRA but add the rental income as Other income.

As discussed, Local Mow Man leases 5,300 SF of warehouse space as well as 34,950 SF yard space. Per the lease agreement, the combined rate for these spaces is \$8,100/month or \$97,200/year. The lease document does not bifurcate the warehouse rate and yard space rate. We approximated the warehouse space contract rent for Local Mow Man by determining a market rent for the yard space and deducting that from the total rent paid per month by this tenant.

The following table presents yard lease comparables in the greater market areas to develop a market rate for the subject yard spaces.

YARD RENT COMPARABLES							
COMP	CITY/STATE	SF	ACRE	IMPROVEMENTS	LEASE COMMENCEMENT	TERM (Mos.)	\$/SF
1	Willits, CA	4,585	0.11	Paved/None	8/1/2024	12	\$0.17
2	Anderson, CA	87,120	2.00	Paved/None	6/1/2023	36	\$0.15
3	Ukiah, CA	20,038	0.46	Gravel/Small Office	Listing	Market	\$0.13
4	Reno, NV	37,026	0.85	Paved/Lighting	Listing	Market	\$0.23
5	Reno, NV	17,860	0.41	Paved/Lighting	Listing	Market	\$0.21
6	Sacramento, CA	33,000	0.76	Paved/Lighting	8/1/2022	36	\$0.20
Average							\$0.18
Yard Rent Conclusion	Eureka, CA	15,000 to 34,950	0.34 to 0.80	Gravel/Paved			\$0.15/SF

Per a discussion with Jb Mathers with Coldwell Banker Commercial, a local Eureka broker, there are very few yard spaces available or leased in the subject's area. Local brokers often use regional comparables to help determine what a Eureka yard space would lease for. Jb indicated that yard spaces can vary and depend on the amount of improvements (dirt, gravel, paving, lighting etc.) and location. In his opinion, the subject's yard rents would range from \$0.15/SF to \$0.20/SF.

In the table above, the low end of the range is Comparable 3, which is a listing that will likely be negotiated to a lesser rate. This comparable is also located in an inferior market area. The high end of the range is represented by Comparables 4, 5 and 6. These comparables are fully paved, provide lighting, and are located in superior market areas. Comparables 1 and 2 are located in similar market areas. Comparable 1 is smaller, while Comparable 2 is larger. These comparables generally provide good indicators for the subject's yard spaces.

The subject's yard spaces range from 15,000 SF to 34,950 SF. Due to economies of scale, the subject's spaces would likely command a rental rate slightly below Comparable 1. Comparable 2 is larger, suggesting a rental rate above \$0.15/SF for the subject's yard spaces, however this comparables is fully paved, whereas the subject's spaces are partially paved. Based on the preceding, we conclude a market rate of \$0.15/SF for the subject's yard spaces.

Using \$0.15/SF/Month as a market rental rate for the yard spaces, we can calculate an approximate rental rate for Local Mow Man's warehouse square footage.

- \$0.15/SF * 34,950 SF = \$5,242/Month (Yard Rent)
- \$8,100/Month (combined rent from the lease document) - \$5,242/Month (Market Rate Yard Rent) = \$2,858/Month attributed to the warehouse space.
- \$2,858/Month / 5,300 SF (Warehouse Space) = \$0.54/SF/Month FSG

Please note, we have relied upon our market rent analysis for the yard space rental rate in order to determine an approximate rental rate for Local Mow Man's warehouse space. Please refer to the Extraordinary Assumptions section for additional details.

Rent Roll by Tenant Category

The following table summarizes the subject asset by its various tenant categories. The analysis breaks each category down by size and number of spaces and provides the average in-place contract rent.

RENT ROLL BY TENANT CATEGORY								AS OF MARCH 2025		
TENANT CATEGORY	SPACE SUMMARY (SF)			%	NUMBER OF SPACES			OCCUPIED SPACE CURRENT BASE RENT		
	OCCUPIED	VACANT	TOTAL		OCCUPIED	VACANT	TOTAL	\$/SF(MO.)	\$/SF(YR.)	ANNUAL
Retail	4,500	6,300	10,800	41.7%	1	1	2	\$0.00	\$0.00	\$0
Warehouse	33,800	9,500	43,300	78.1%	7	2	9	\$0.40	\$4.74	\$160,344
Office	2,300	0	2,300	100.0%	4	0	4	\$2.04	\$24.52	\$56,400
Yard Space	70,250	0	70,250	-	3	0	3	\$0.10	\$1.24	\$86,904
Auto/Shop	5,000	0	5,000	100.0%	2	0	2	\$0.94	\$11.28	\$56,400
Other	346	0	346	100.0%	1	0	1	Incl. As Other Inc.		
TOTAL & AVGS	45,946	15,800	61,746	74.4%	18	3	21	\$0.65	\$7.84	\$360,048

As discussed, the subject's Yard spaces are exterior, unenclosed spaces, that are not included in the NRA of the subject.

Recent Leasing Activity

Recent leasing activity in the subject property is summarized below. This is presented by tenant category to assist in developing an opinion of market rent and correlating leasing assumptions for each tenant category.

RECENT LEASING ACTIVITY							NOVEMBER 2023 TO MARCH 2025				
TENANT	TOTAL	LEASE TERMS			EXPENSE	CURRENT BASE RENT			MONTHS	TV/SF	
	NRA (SF)	START	END	YEARS	STRUCTURE	\$/SF(MO.)	\$/SF(YR.)	ANNUAL	FREE	OFFERED	
Madrone Business Services	400	1/25	12/26	2.0	Full Service	\$1.25	\$15.00	\$6,000	0.0	\$0	
EBA Engineering	4,700	1/25	2/27	2.1	Full Service	\$0.64	\$7.66	\$36,000	0.0	\$0	
Sierra Pacific Consulting	1,200	1/25	12/26	2.0	Full Service	\$2.50	\$30.00	\$36,000	0.0	\$0	
Green Belt Electric	4,800	1/25	12/26	2.0	Full Service	\$0.58	\$7.00	\$33,600	0.0	\$0	
Pacific States	500	1/25	12/26	2.0	Full Service	\$1.40	\$16.80	\$8,400	0.0	\$0	
960 Design	200	1/25	12/26	2.0	Full Service	\$2.50	\$30.00	\$6,000	0.0	\$0	
TOTAL & AVGS	11,800			2.0		\$0.89	\$10.68	\$126,000			

Asking Rent

Per a discussion with the owner, the vacant retail suite and the large vacant warehouse space in Building 4 are still being renovated and are not ready for tenancy. He has had discussions with multiple interested parties for both suites. However, these discussions are still premature, and no firm offers have been made.

Pending Leasing Activity

To our knowledge, there are currently no pending leases within the subject property.

MARKET RENT ANALYSIS

This section examines competitive comparable properties within the marketplace to establish our opinion of market rent for the subject property. This allows for a comparison of the subject property’s contract to what is attainable in the current market.

The subject is located in Eureka, CA. This location is tertiary in nature with fewer rental properties that are similar to the subject property. As such, our comparable search for all MLA categories was expanded to include nearby and similar submarket areas.

Our market rent conclusion is based on a full service gross structure, where the tenants pay a base rent and the landlord is responsible for all operating expenses including real estate taxes, insurance, common area maintenance, utilities, and management fees.

Adjustment Process

Quantitative adjustments are made to the comparable leases. The following adjustments or general market trends were considered for the basis of market rent analysis.

Transactional Adjustments If warranted, the comparable leases were adjusted for varying lease structures, atypical concessions, and market conditions.

These adjustments are further discussed below each adjustment grid.

Property Adjustments Quantitative percentage adjustments were made for location and physical characteristics such as size, quality/appeal, age/condition, exposure, access, parking ratio, and clear height (if applicable). It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a market rent opinion for the subject property.

The following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	March 2025	(As-Is)	0%

As previously discussed in the Market Analysis section, market participants interviewed for this assignment indicate that rents have been stable over the past two years and past four quarters in the Humbolt County retail market. As such, no market conditions adjustment is applied.

ANALYSIS OF COMPARABLE RETAIL/OFFICE LEASES

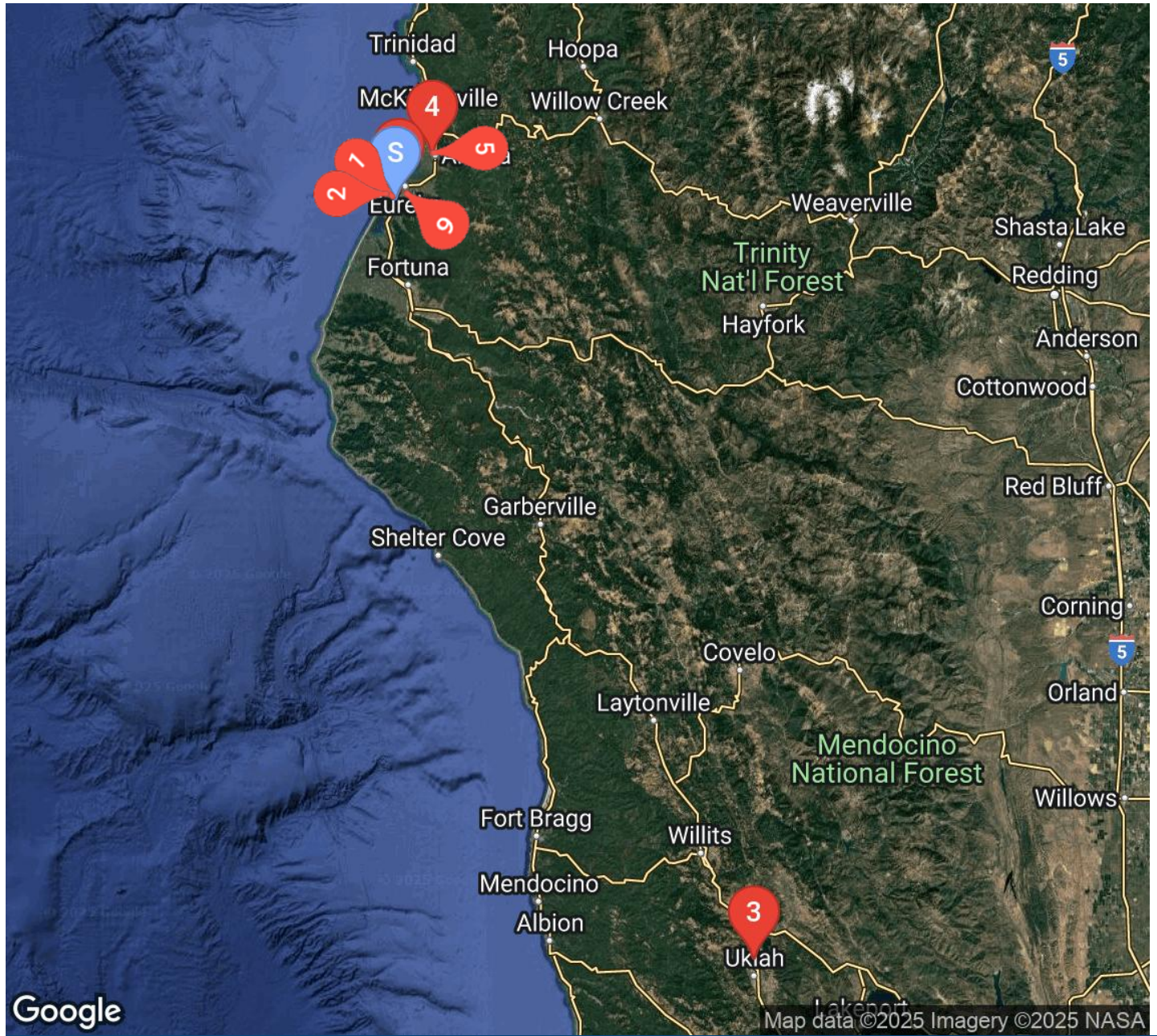
The Retail/Office lease analysis is used to derive an opinion of market rent and correlating leasing assumptions for the Retail and Office MLA categories. The following pages present a summation table of the comparables selected for this analysis, a location map and comparable photographs, the lease comparable adjustment process and our market rent conclusion.

We note, Comparables 1-3 are used to analyze the subject’s Retail suites and Comparables 4-6 are used to analyze the subject’s office suites.

RETAIL/OFFICE LEASE SUMMATION TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5	LEASE 6
Name	Partial Owner-User Mixed Use Property	Automotive/Shop	Retail/Office	Freestanding Retail	Mixed Use Property	Mad River Office	US Department of Forestry
Address	3990 Broadway	2401 Broadway Street	2194 Central Avenue	2350 North State Street	401 I Street	3798 Janes Road	1330 Bayshore Way
City	Eureka	Eureka	McKinleyville	Ukiah	Arcata	Arcata	Eureka
State	CA	CA	CA	CA	CA	CA	CA
Zip	95503	95501	95519	95482	95521	95521	95501
PHYSICAL INFORMATION							
Property Type	Industrial	Retail	Retail	Retail	Office	Office	Office
NRA	61,746	6,042	1,600	6,440	23,412	24,223	31,534
Parking Ratio	1.1	1.7	6.8	3.5	.9	4.4	4.0
Year Built	1950/2022 (Partial)	2005	1970	1991	1953	1980/2024	1992
LEASE INFORMATION							
Tenant Name		Automotive Repairs Solutions	Listing	Cloud 7	Listing	Humboldt Senior Resource Ctr	CA Dept. of Rehabilitation
Commencement Date		1/2/2025	Listing	11/1/2023	Listing	7/1/2024	1/1/2023
Lease Status		Signed	Signed	Signed	Listing	Signed	Signed
Rate Type		FSG	MG	MG	FSG	MG	FSG
Size (SF)	Retail - 4,500 SF - 6,300 SF Office - 200 SF - 1,200 SF	2,700	1,600	2,000	250	1,600	4,935
Term (Yrs)		3.0	5.0	3.0	2.0	5.0	5.0
Rent (\$/SF/Mo.)		\$1.09	\$1.35	\$1.75	\$2.50	\$2.00	\$2.37
Avg. Escalation/Yr		2.0%	2.0%	3.0%	3.0%	3.0%	4.0%
Concessions		None	None	None	None	None	None
TI's (\$/SF)		None	None	None	None	None	None

COMPARABLE RETAIL/OFFICE LEASE MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	TENANT	LEASE DATE	SF	\$/SF
SUBJECT	-	3990 Broadway, Eureka, CA	-	-	-	-
No. 1	1.2 Miles	2401 Broadway Street, Eureka, CA	Automotive Repairs Solutions	1/2/2025	2,700	\$1.09
No. 2	1.2 Miles	2194 Central Avenue, McKinleyville, CA	Listing	Listing	1,600	\$1.35
No. 3	121.6 Miles	2350 North State Street, Ukiah, CA	Cloud 7	11/1/2023	2,000	\$1.75
No. 4	8.5 Miles	401 I Street, Arcata, CA	Listing	Listing	250	\$2.50
No. 5	10.1 Miles	3798 Janes Road, Arcata, CA	Humboldt Senior Resource Ctr	7/1/2024	1,600	\$2.00
No. 6	0.9 Miles	1330 Bayshore Way, Eureka, CA	CA Dept. of Rehabilitation	1/1/2023	4,935	\$2.37

COMPARABLE RETAIL/OFFICE RENT PHOTOGRAPHS



COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4



COMPARABLE 5



COMPARABLE 6

RETAIL/OFFICE LEASE ADJUSTMENT TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5	LEASE 6
Name	Partial Owner-User Mixed Use Property	Automotive/Shop	Retail/Office	Freestanding Retail	Mixed Use Property	Mad River Office	US Department of Forestry
Address	3990 Broadway	2401 Broadway Street	2194 Central Avenue	2350 North State Street	401 I Street	3798 Janes Road	1330 Bayshore Way
City	Eureka	Eureka	McKinleyville	Ukiah	Arcata	Arcata	Eureka
NRA	61,746	6,042	1,600	6,440	23,412	24,223	31,534
Parking Ratio	1.1	1.7	6.8	3.5	.9	4.4	4.0
Year Built	1950/2022 (Partial)	2005	1970	1991	1953	1980/2024	1992

LEASE INFORMATION

Tenant Name		Automotive Repairs Solutions	Listing	Cloud 7	Listing	Humboldt Senior Resource Ctr	CA Dept. of Rehabilitation
Commencement Date		1/2/2025	Listing	11/1/2023	Listing	7/1/2024	1/1/2023
Lease Type		New	New	New	Listing	New	Renewal
Lease Status		Signed	Signed	Signed	Listing	Signed	Signed
Rate Type		FSG	MG	MG	FSG	MG	FSG
Size (SF)	Retail - 4,500 SF - 6,300 SF Office - 200 SF - 1,200 SF	2,700	1,600	2,000	250	1,600	4,935
Term (Yrs)		3.0	5.0	3.0	2.0	5.0	5.0
Rent (\$/SF/Mo.)		\$1.09	\$1.35	\$1.75	\$2.50	\$2.00	\$2.37
Avg. Escalation/Yr		2.0%	2.0%	3.0%	3.0%	3.0%	4.0%
Concessions		None	None	None	None	None	None
TI's (\$/SF)		None	None	None	None	None	None

TRANSACTIONAL ADJUSTMENTS

Lease Type	\$0.00	\$0.10	\$0.10	\$0.00	\$0.00	\$0.10	\$0.00
Concessions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions¹/Cond. Of Lease	0%	-5%	0%	-5%	0%	0%	0%
Subtotal Eff Rent	\$1.09	\$1.38	\$1.85	\$2.38	\$2.10	\$2.37	

PROPERTY ADJUSTMENTS

Location	0%	0%	-3%	0%	0%	0%
Size	-3%	-5%	-3%	0%	5%	10%
Quality/Appeal	5%	-10%	-10%	0%	0%	-10%
Age/Condition	-5%	0%	0%	5%	-5%	0%
Exposure	0%	5%	0%	0%	5%	5%
Access	0%	0%	0%	0%	0%	0%
Parking Ratio	5%	-5%	-5%	0%	-5%	-5%
Subtotal Property Adj	2%	-15%	-21%	5%	0%	0%

TOTAL ADJUSTED RENT	\$1.11	\$1.17	\$1.46	\$2.50	\$2.10	\$2.37
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STATISTICS	UNADJUSTED	ADJUSTED	MARKET CONCESSIONS ¹	
LOW	\$1.09	\$1.11	Lease Type	Full Service
HIGH	\$2.50	\$2.50	Free Rent	0 - 3 Mos.
MEDIAN	\$1.88	\$1.78	TI's	\$0/SF - \$15/SF
AVERAGE	\$1.84	\$1.79		

¹ Market Conditions Adjustment - Compound annual change in market conditions: 0%

Date of Value (for adjustment calculations): 3/11/25

Retail/Office Lease Analysis

The subject suites are analyzed on a full-service basis. Comparables 2, 3, and 5 are adjusted upward to reflect a FSG structure. This accounts for utilities primarily and any minor R&M. Comparables 2 and 4 are adjusted downward for conditions of lease, as these are current listings. The following details the applicable property adjustments.

- Location – Comparables 1, 2 and 4-6 are located in the subject’s Eureka/Arcata area and do not require a location adjustment. Comparable 3 is located Ukiah and a slight downward adjustment is applied.
- Size – Based on economies of scale, a premium is typically paid on a per square foot basis for smaller properties, while a discount is applied to larger properties (or suites). The subject’s retail suites range

from 4,500 SF to 6,300 SF. Comparables 1-3 are smaller and adjusted downward for size. The subject's office suites range in size from 200 SF to 1,200 SF. Comparables 5 and 6 are larger and adjusted upward for size.

- Quality/Appeal – Comparables 4-5 are standard professional office suites that do not warrant quality/appeal adjustments when compared to the subject's office suites. Comparable 6 is adjusted downward for superior quality/appeal. The subject's retail suites are showroom suites, which front Highway 101. Comparable 1 has more industrial influence and is adjusted upward slightly. Comparables 2 and 3 have more retail/office elements and are adjusted downward.
- Age/Condition – Comparable 4 is older than the subject's office suites and is adjusted upward. Comparable 5 is adjusted downward for age/condition. Comparable 1 is adjusted downward for superior age/condition.
- Exposure – Comparables 2, 5, and 6 are located along arterials with fewer traffic counts requiring upward adjustment.
- Access – No access adjustments are needed or warranted.
- Parking Ratio – Comparables 1-3, 5 and 6 are adjusted downward for superior parking ratio.

RETAIL/OFFICE SPACE MARKET RENT CONCLUSION

Comparables 1-3 are used to analyze the subject's Retail MLA suites and provide a range of \$1.11/SF to \$1.46/SF with a median of \$1.17/SF and an average of \$1.25/SF. All of the comparables require a similar amount of gross adjustment and are given primary weight. We did consider discussions with market participants, which noted that Highway 101 exposure would command a premium. However, there is little evidence that this commands a significant premium, as noted by market participants, with respect to comparable data (notably Comparable 1). As such, a conclusion near the central tendencies of the comparables is made at \$1.15/SF.

Comparables 4-6 are used to analyze the subject's Office MLA suites and provide a range of \$2.10/SF to \$2.37/SF with a median of \$2.37/SF and an average of \$2.32/SF. A conclusion within the range of the central tendencies is made at \$2.35/SF.

The following table summarizes the analysis of the comparables leases and the Retail/Office market rent conclusion.

RETAIL/OFFICE LEASE CONCLUSION TABLE								
LEASE	LEASE RATE	ADJUSTMENT				NET ADJ %	GROSS PROP ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$1.09	\$0.00	\$1.09	2%	\$1.11	2%	18%	PRIMARY
2	\$1.35	\$0.03	\$1.38	-15%	\$1.17	-13%	25%	PRIMARY
3	\$1.75	\$0.10	\$1.85	-21%	\$1.46	-17%	21%	PRIMARY
4	\$2.50	(\$0.12)	\$2.38	5%	\$2.50	0%	5%	PRIMARY
5	\$2.00	\$0.10	\$2.10	0%	\$2.10	5%	20%	PRIMARY
6	\$2.37	\$0.00	\$2.37	0%	\$2.37	0%	30%	PRIMARY
LOW	\$1.11					AVERAGE		\$1.79
HIGH	\$2.50					MEDIAN		\$1.78
		AVERAGE CONTRACT	ASKING	ACHIEVABLE MRKT RANGE			CONCLUSION	
Retail		-	N/Ap	\$1.11 - \$1.46			\$1.15	
Office		\$2.04	N/Ap	\$2.15 - \$2.61			\$2.35	

¹Cumulative ²Additive (Includes Tenant Adjustments)

ANALYSIS OF COMPARABLE WAREHOUSE/SHOP LEASES

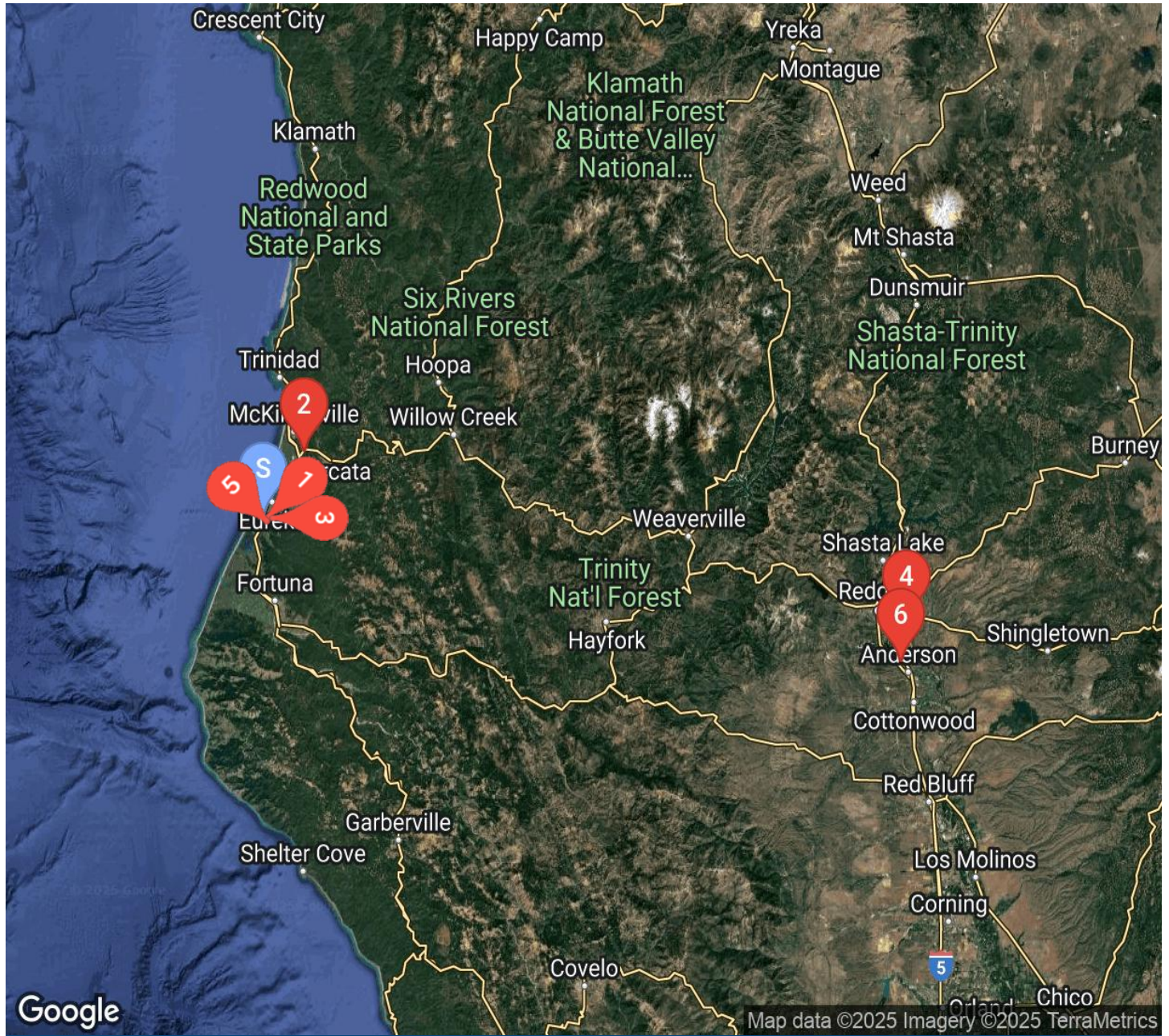
The Warehouse/Shop lease analysis is used to derive an opinion of market rent and correlating leasing assumptions for the Warehouse and Auto/Shop MLA categories. The following pages present a summation table of the comparables selected for this analysis, a location map and comparable photographs, the lease comparable adjustment process and our market rent conclusion.

Our lease structure adjustments are based on our concluded expenses presented later in this analysis.

WAREHOUSE/SHOP LEASE SUMMATION TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5	LEASE 6
Name	Partial Owner-User Mixed Use Property	Warehouse	Multi-Tenant Industrial	3132 Jacobs Avenue	Industrial Building	Automotive/Shop	Multi Tenant Industrial
Address	3990 Broadway	1825 3rd Street	65 Ericson Court	3132 Jacobs Ave	8938 Airport Road	2401 Broadway Street	6200 Stainless Way
City	Eureka	Eureka	Arcata	Eureka	Redding	Eureka	Anderson
State	CA	CA	CA	CA	CA	CA	CA
Zip	95503	95501	95521	95501	96002	95501	96007
PHYSICAL INFORMATION							
Property Type	Industrial	Warehouse	Warehouse	Warehouse	Auto/Shop	Auto/Shop	Auto/Shop
NRA	61,746	2,400	11,480	20,000	8,175	6,042	42,000
Parking Ratio	1.1	.8	1.2	1.0	2.0	1.7	1.0
Year Built	1950/2022 (Partial)	1959	2001	1990	1999	2005	1984
Clear Height	WH - 20 Feet Auto/Shop - 14 Feet	14 Feet	16 Feet	20 Feet	14 Feet	20 Feet	16 Feet
LEASE INFORMATION							
Tenant Name		Andrew Hancock	Root & Bone	Highway Specialty Co	Motion Industries, Inc.	Automotive Repairs	The Cage
Commencement Date		10/1/2024	9/1/2024	8/1/2024	2/1/2025	1/2/2025	2/1/2024
Lease Status		Signed	Signed	Signed	Signed	Signed	Signed
Rate Type		MG	MG	MG	MG	FSG	NNN
Size (SF)	WH - 2,500 SF - 8,000 SF Shop - 1,200 SF to 3,800 SF	2,400	3,600	6,000	2,250	2,700	5,903
Term (Yrs)		3.0	2.0	3.1	2.0	3.0	3.0
Rent (\$/SF/Mo.)		\$0.88	\$0.80	\$0.63	\$1.07	\$1.09	\$0.70
Avg. Escalation/Yr		2.0%	3.0%	3.0%	3.0%	2.0%	3.0%
Concessions		None	None	1 Mos.	None	None	None
TI's (\$/SF)		None	None	None	None	None	None

COMPARABLE WAREHOUSE/SHOP LEASE MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	TENANT	LEASE DATE	SF	\$/SF
SUBJECT	-	3990 Broadway, Eureka, CA	-	-	-	-
No. 1	3.2 Miles	1825 3rd Street, Eureka, CA	Andrew Hancock	10/1/2024	2,400	\$0.88
No. 2	11.1 Miles	65 Ericson Court, Arcata, CA	Root & Bone	9/1/2024	3,600	\$0.80
No. 3	3.9 Miles	3132 Jacobs Ave, Eureka, CA	Highway Specialty Co	8/1/2024	6,000	\$0.63
No. 4	100.2 Miles	8938 Airport Road, Redding, CA	Motion Industries, Inc.	2/1/2025	2,250	\$1.07
No. 5	1.2 Miles	2401 Broadway Street, Eureka, CA	Automotive Repairs Solutions	1/2/2025	2,700	\$1.09
No. 6	100.4 Miles	6200 Stainless Way, Anderson, CA	The Cage	2/1/2024	5,903	\$0.70

COMPARABLE WAREHOUSE/SHOP RENT PHOTOGRAPHS



COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4



COMPARABLE 5



COMPARABLE 6

WAREHOUSE/SHOP LEASE ADJUSTMENT TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5	LEASE 6
Name	Partial Owner-User Mixed Use Property	Warehouse	Multi-Tenant Industrial	3132 Jacobs Avenue	Industrial Building	Automotive/Shop	Multi Tenant Industrial
Address	3990 Broadway	1825 3rd Street	65 Ericson Court	3132 Jacobs Ave	8938 Airport Road	2401 Broadway Street	6200 Stainless Way
City	Eureka	Eureka	Arcata	Eureka	Redding	Eureka	Anderson
NRA	61,746	2,400	11,480	20,000	8,175	6,042	42,000
Parking Ratio	1.1	.8	1.2	1.0	2.0	1.7	1.0
Year Built	1950/2022 (Partial)	1959	2001	1990	1999	2005	1984
Clear Height	WH - 20 Feet Auto/Shop - 14 Feet	14 Feet	16 Feet	20 Feet	14 Feet	20 Feet	16 Feet

LEASE INFORMATION

Tenant Name	Andrew Hancock	Root & Bone	Highway Specialty Co	Motion Industries, Inc.	Automotive Repairs Solutions	The Cage	
Commencement Date	10/1/2024	9/1/2024	8/1/2024	2/1/2025	1/2/2025	2/1/2024	
Lease Status	Signed	Signed	Signed	Signed	Signed	Signed	
Rate Type	MG	MG	MG	MG	FSG	NNN	
Size (SF)	WH - 2,500 SF - 8,000 SF Shop - 1,200 SF to 3,800 SF	2,400	3,600	6,000	2,250	2,700	5,903
Term (Yrs)	3.0	2.0	3.1	2.0	3.0	3.0	
Rent (\$/SF/Mo.)	\$0.88	\$0.80	\$0.63	\$1.07	\$1.09	\$0.70	
Avg. Escalation/Yr	2.0%	3.0%	3.0%	3.0%	2.0%	3.0%	
Concessions	None	None	1 Mos.	None	None	None	
TI's (\$/SF)	None	None	None	None	None	None	

TRANSACTIONAL ADJUSTMENTS

Lease Type	\$0.10	\$0.10	\$0.10	\$0.10	\$0.00	\$0.35
Concessions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions¹	0%	0%	0%	0%	0%	0%
Subtotal Eff Rent	\$0.98	\$0.90	\$0.73	\$1.17	\$1.09	\$1.05

PROPERTY ADJUSTMENTS

Location	0%	0%	0%	0%	0%	0%
Size	0%	0%	0%	0%	0%	5%
Quality/Appeal	-10%	-10%	0%	-10%	-10%	0%
Age/Condition	0%	-5%	0%	-5%	-5%	0%
Exposure	5%	5%	5%	0%	-5%	5%
Access	0%	0%	0%	0%	0%	0%
Parking Ratio	0%	0%	0%	0%	0%	0%
Clear Height	5%	3%	0%	0%	-5%	0%
Subtotal Property Adj	0%	-7%	5%	-15%	-25%	10%

TOTAL ADJUSTED RENT	\$0.98	\$0.84	\$0.77	\$0.99	\$0.82	\$1.16
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STATISTICS	UNADJUSTED	ADJUSTED	MARKET CONCESSIONS ¹	
LOW	\$0.63	\$0.77	Lease Type	Full Service
HIGH	\$1.09	\$1.16	Free Rent	0 - 3 Mos.
MEDIAN	\$0.84	\$0.91	TI's	\$0/SF - \$10/SF
AVERAGE	\$0.86	\$0.93		

¹ Market Conditions Adjustment - Compound annual change in market conditions: 0%

Date of Value (for adjustment calculations): 3/11/25

Comparables 1-4 are leased on a modified gross basis with the tenant paying for utility expenses directly. These comparables are adjusted upward \$0.10/SF to reflect a full service gross structure.

Comparable 6 is leased on a triple net basis with the tenant reimbursing for all operating expenses. This comparable is adjusted upward \$0.35/SF to reflect a full service-gross lease structure.

Warehouse/Shop Lease Analysis

- Location – Comparables 1-3 and 5 are located in the subject’s Eureka/Arcata area and do not require a location adjustment. Comparables 4 and 6 are located in submarkets with similar rents compared to the subject’s submarket. As such, no adjustment is applied to these comparables.

- Size – Based on economies of scale, a premium is typically paid on a per square foot basis for smaller properties, while a discount is applied to larger properties (or suites). The subject’s warehouse suites range from 2,500 SF to 8,000 SF. No size adjustments are needed for Comparables 1-3. The subject’s auto/shop suites range in size from 1,200 SF to 3,800 SF. Comparable 6 is larger and is adjusted upward for size.
- Quality/Appeal – Comparables 1, 4 and 5 have full HVAC, whereas the subject’s warehouse and auto/shop spaces do not. As such, Comparables 1, 4 and 5 are adjusted downward for superior quality/appeal. Comparable 2 has superior construction quality requiring downward adjustment.
- Age/Condition – Comparables 2, 4, and 5 are adjusted downward for superior age/condition.
- Exposure – Comparables 1-3 and 6 are all located along arterials with fewer traffic counts requiring upward adjustment for inferior exposure.
- Access – No access adjustments are needed or warranted.
- Parking Ratio – No parking ratio adjustments are needed.
- Clear Height – Comparables 1 and 2 have lower clear heights, a premium in the marketplace, and upward adjustments are made to these comparables. Comparable 5 has a higher clear height compared to the subject’s auto/shop spaces and a downward adjustment is made.

WAREHOUSE/SHOP SPACE MARKET RENT CONCLUSION

Comparables 1-3 are used to analyze the subject’s Warehouse MLA suites and provide a range of \$0.77/SF to \$0.98/SF with a median of \$0.84/SF and an average of \$0.86/SF. All of the comparables require a similar amount of gross adjustment and are given primary weight. A conclusion of \$0.85/SF/Month FSG is made for the Warehouse MLA.

Comparables 4-6 are used to analyze the subject’s Auto/Shop MLA suites and provide a range of \$0.82/SF to \$1.16/SF with a median of \$0.99/SF and an average of \$0.99/SF. All of the comparables require a similar amount of gross adjustment and are given primary weight. A conclusion of \$1.00/SF/Month FSG is made for the Auto/Shop MLA.

The following table summarizes the analysis of the comparables leases and the Warehouse/Shop market rent conclusion.

WAREHOUSE/SHOP LEASE CONCLUSION TABLE								
LEASE	LEASE RATE	ADJUSTMENT				NET ADJ %	GROSS PROP ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$0.88	\$0.10	\$0.98	0%	\$0.98	11%	20%	PRIMARY
2	\$0.80	\$0.10	\$0.90	-7%	\$0.84	5%	23%	PRIMARY
3	\$0.63	\$0.10	\$0.73	5%	\$0.77	22%	5%	PRIMARY
4	\$1.07	\$0.10	\$1.17	-15%	\$0.99	-7%	15%	PRIMARY
5	\$1.09	\$0.00	\$1.09	-25%	\$0.82	-25%	25%	PRIMARY
6	\$0.70	\$0.35	\$1.05	10%	\$1.16	66%	10%	PRIMARY
LOW	\$0.77					AVERAGE		\$0.93
HIGH	\$1.16					MEDIAN		\$0.91
		AVERAGE CONTRACT	ASKING	ACHIEVABLE MRKT RANGE		CONCLUSION		
Warehouse		\$0.40	N/Ap	\$0.77 - \$0.98		\$0.85		
Auto/Shop		\$0.94	N/Ap	\$0.82 - \$1.16		\$0.95		

¹Cumulative ²Additive (Includes Tenant Adjustments)

POTENTIAL GROSS RENT

Our analysis and conclusions of the subject’s potential gross rent are detailed as follows:

POTENTIAL GROSS RENT SUMMARY										AS OF MARCH 2025
OCCUPIED SPACE										
TENANT	TOTAL NRA (SF)	% OF NRA	TENANT CATEGORY	CONTRACT RENT	MARKET RENT	CONTRACT V MARKET	BASIS FOR PROFORMA	RENT FORECAST		
								\$/SF(MO.)	\$/SF(YR.)	ANNUAL
Madrone Business Sevicees	400	0.6%	Office	\$1.25	\$2.35	53%	Market	\$2.35	\$28.20	\$11,280
Humboldt Motorsports (Owner-User)	8,000	13.0%	Warehouse	Owner-User	\$0.85	-	Market	\$0.85	\$10.20	\$81,600
Humboldt Motorsports (Owner-User)	4,500	7.3%	Retail	Owner-User	\$1.15	-	Market	\$1.15	\$13.80	\$62,100
ABC Roofing	3,800	6.2%	Auto/Shop	\$0.92	\$0.95	97%	Contract	\$0.92	\$11.05	\$42,000
Big Oil & Tire	346	0.6%	Other	-	-	-	Contract	Incl. As Other income		
EBA Engineering	4,700	7.6%	Warehouse	\$0.64	\$0.85	75%	Market	\$0.85	\$10.20	\$47,940
Sierra Pacific Consulting	1,200	1.9%	Office	\$2.50	\$2.35	106%	Contract	\$2.50	\$30.00	\$36,000
Green Belt Electric	4,800	7.8%	Warehouse	\$0.58	\$0.85	69%	Market	\$0.85	\$10.20	\$48,960
Stodder Electric	5,300	8.6%	Warehouse	\$0.32	\$0.85	38%	Market	\$0.85	\$10.20	\$54,060
Lost Coast Science	2,500	4.0%	Warehouse	\$0.60	\$0.85	71%	Market	\$0.85	\$10.20	\$25,500
Neils Specialty Sound	3,200	5.2%	Warehouse	\$0.47	\$0.85	55%	Market	\$0.85	\$10.20	\$32,640
Pacific States	500	0.8%	Office	\$1.40	\$2.35	60%	Market	\$2.35	\$28.20	\$14,100
DLJ	1,200	1.9%	Auto/Shop	\$1.00	\$0.95	105%	Market	\$0.95	\$11.40	\$13,680
960 Design	200	0.3%	Office	\$2.50	\$2.35	106%	Contract	\$2.50	\$30.00	\$6,000
Local Mow Man Warehouse Space	5,300	8.6%	Warehouse	\$0.54	\$0.85	64%	Market	\$0.85	\$10.20	\$54,060
Local Mow Man Yard Space	34,950	-	Yard Space	\$0.15	\$0.15	100%	Contract	\$0.15	\$1.80	\$62,904
GRS Construction	15,000	-	Yard Space	\$0.10	\$0.15	67%	Market	\$0.15	\$1.80	\$27,000
Powell Concrete	20,300	-	Yard Space	\$0.02	\$0.15	16%	Market	\$0.15	\$1.80	\$36,540
OCCUPIED SUBTOTALS	45,946	74.4%	-			-	-	\$1.19	\$14.29	\$656,364
VACANT SPACE										MARKET POTENTIAL RENT (1)
Vacant Retail Suite	6,300	10.2%	Retail	-	\$1.15	-	Market	\$1.15	\$13.80	\$86,940
Vacant Warehouse Space	3,000	4.9%	Warehouse	-	\$0.85	-	Market	\$0.85	\$10.20	\$30,600
Vacant Warehouse Space	6,500	10.5%	Warehouse	-	\$0.85	-	Market	\$0.85	\$10.20	\$66,300
VACANT SUBTOTALS	15,800	25.6%						\$0.97	\$11.64	\$183,840
TOTAL	61,746	100.0%						\$1.13	\$13.61	\$840,204

(1) Potential rent at current market levels, reflected on an annual basis.

In the table above, we applied contract rents to occupied spaces that represent durable income (within 10% of market levels). Market rents were applied to vacant spaces, the owner-user spaces, the month-to-month tenants, and to the occupied spaces that are not within market levels.

Our conclusions of the subject’s rental income in relationship to historical rental income are detailed as follows:

TOTAL RENTAL INCOME

YEAR	TOTAL	\$/SF	%EGI	ANALYSIS
PROFORMA	\$656,364	\$10.63	101.2%	The projection is based on contract rents to occupied spaces that represent durable income (within 10% of market levels). Market rents were applied to vacant spaces, the owner-user spaces, the month-to-month tenants, and to the occupied spaces that are not within market levels.

The subject’s actual contract rents were compared with market rents within the previously presented Potential Gross Rent Summary table. Overall, the contract rents within the subject property primarily below market and not considered to be representative of market levels, which will be factored into our rate selections later in this analysis.

INCOME & EXPENSE ANALYSIS

In this section, we estimate additional revenue sources, vacancy and credit loss, and applicable operating expenses. As discussed, we were not provided with historical income and expense data for the subject property. The following table summarizes the historical operations of the subject property, along with our estimate of income and expenses on a stabilized basis. Our pro forma expenses are based off of expense comparables presented later in this analysis.

SUBJECT OPERATING HISTORICALS			
YEAR	COLLIERS FORECAST		
	PROFORMA		
INCOME ITEMS	TOTAL	\$/SF	%EGI
Base Contract Income	\$656,364	\$10.63	101.2%
TOTAL RENTAL INCOME	\$656,364	\$10.63	101.2%
MISCELLANEOUS			
Other	\$36,000	\$0.58	5.6%
TOTAL MISCELLANEOUS	\$36,000	\$0.58	5.6%
TOTAL GROSS INCOME	\$692,364	\$11.21	106.8%
General Vacancy	(\$43,810)	(\$0.71)	(6.8%)
Credit & Collection Loss	\$0	-	0.0%
EFFECTIVE GROSS INCOME	\$648,554	\$10.50	100.0%
EXPENSE ITEMS			
Real Estate Taxes	(\$91,263)	(\$1.48)	(14.1%)
Property Insurance	(\$21,611)	(\$0.35)	(3.3%)
Common Area Maintenance	(\$49,397)	(\$0.80)	(7.6%)
Utilities	(\$61,746)	(\$1.00)	(9.5%)
Management Fees	(\$33,296)	(\$0.54)	(5.1%)
Reserves	(\$9,262)	(\$0.15)	(1.4%)
TOTAL EXPENSES	(\$266,575)	(\$4.32)	(41.1%)
NET OPERATING INCOME	\$381,979	\$6.19	58.9%

Other Income

Our analysis and conclusions of the subject's additional revenue are detailed as follows:

OTHER INCOME				
YEAR	TOTAL	\$/SF	%EGI	ANALYSIS
PROFORMA	\$36,000	\$0.58	5.6%	As previously mentioned, the subject also has the Building 6 (Suite 4) tenant space that is not commonly analyzed through analysis of rent comparables. This tenant pays a monthly rent of \$3,000/Month FSG or \$36,000/Year. Given the extremely limited number of spaces like Suite 4 that qualify as a commissary space across the state with little to no comparable data available, we include the NRA in the subject's total NRA but add the rental income as Other income.

Expense Reimbursements

Based on our analysis of the subject leases and historical operations, there are no expense reimbursements present. The base lease payments are inclusive of all operating expenses, which are paid in full by the subject owner.

VACANCY AND CREDIT LOSS

General vacancy was discussed in depth in the market analysis section of this report. Please reference that discussion for a full analysis. Our vacancy and credit loss conclusions are summarized in the following table and are intended to mirror behavior of typical purchasers of the subject.

VACANCY & CREDIT LOSS	
General Vacancy Rate	5.0%
Credit Loss Conclusion	0.0%
Total	5.0%

ANALYSIS OF OPERATING EXPENSES

The pro forma operating expenses for the subject property were presented previously. The following chart summarizes comparable expenses used in this analysis.

EXPENSE COMPARABLES															
COMPARABLE	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5		COMP 6		LOW	HIGH	AVG
City	Eureka		Redding		Chico		Arcata		Redding		Sacramento		-	-	-
State	CA		CA		CA		CA		CA		CA		-	-	-
Expense Year	2024		2024		2023		2024		2022		2023		2022	2024	2024
Actual/Budget	Actual		Actual		Actual		Actual		Proforma		Actual		-	-	-
Net Rentable Area	39,500		11,608		65,630		22,035		9,790		139,697		9,790	139,697	48,043
Year Built	1953		1992		1977 & 1986		1981		1983 & 2006		1989		1953	1992	1979
EFFECTIVE GROSS INCOME	\$7.38		\$8.55		\$9.77		\$7.70		\$15.13		\$12		\$7	\$15	\$10
EXPENSE ITEMS	\$/SF	%EGI	\$/SF	%EGI	\$/SF	%EGI	\$/SF	%EGI	\$/SF	%EGI	\$/SF	%EGI	LOW	HIGH	AVG
Real Estate Taxes	\$0.78	10.5%	\$1.10	12.9%	\$0.91	9.3%	\$0.38	4.9%	\$1.69	11.1%	\$1.23	10.1%	\$0.38	\$1.69	\$1.01
Property Insurance	\$0.15	2.0%	\$0.30	3.5%	\$0.88	9.0%	\$0.36	4.7%	\$0.41	2.7%	\$0.39	3.2%	\$0.15	\$0.88	\$0.42
Common Area Maintenance	\$0.04	0.5%	\$0.17	2.0%	\$0.71	7.2%	\$0.23	3.0%	\$0.37	2.4%	\$2.72	22.3%	\$0.04	\$2.72	\$0.71
Utilities	\$0.62	8.5%	\$1.07	12.5%	\$0.15	1.5%	\$0.90	11.7%	\$0.41	2.7% Incl. Above	-	-	\$0.15	\$1.07	\$0.63
Management Fees	\$0.30	4.0%	\$0.26	3.0%	\$0.59	6.0%	\$0.17	2.2%	\$0.74	4.9%	\$0.47	3.8%	\$0.17	\$0.74	\$0.42
%EGI	4.0%		3.0%		6.0%		2.2%		4.9%		3.8%		2.2%	6.0%	4.0%
Reserves	-	-	\$0.10	1.2%	-	-	-	-	-	-	-	-	\$0.10	\$0.10	\$0.10
TOTAL EXPENSES (\$/SF)	\$1.89	25.6%	\$3.00	35.1%	\$3.23	33.1%	\$2.05	26.6%	\$3.61	23.8%	\$4.81	39.4%	\$1.89	\$4.81	\$3.10

CONCLUSION OF OPERATING EXPENSES

In the following section we discuss the individual expense conclusions for the subject property.

EXPENSE CONCLUSIONS				
EXPENSE	%EGI	\$/SF	TOTAL	COMMENT
Real Estate Taxes	11.0%	\$1.48	\$91,263	The concluded amount is based on California's Proposition 13, which reflects a stabilized assessed value multiplied by the current ad valorem tax rate, plus special assessments. Please refer to the Assessments and Taxes section for additional details.
Property Insurance	2.6%	\$0.35	\$21,611	This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, equipment and bonding of employees. The conclusion is bracketed the expense comparables.
Common Area Maintenance	5.9%	\$0.80	\$49,397	This consists of all expenses related to the common area maintenance of the subject including the costs of utilities, service contracts, security, and maintenance materials and supplies purchased for the subject. The conclusion is made based on and bracketed by the expense comparables.
Utilities	7.4%	\$1.00	\$61,746	This expense consists of the cost of all electricity, gas, and water utilities used at the subject including exterior lighting. The conclusion is based on and bracketed by the expense comparables.
Management Fees	4.0%	\$0.54	\$33,296	This expense reflects the professional management service for the subject. Management fees typically range between 3% and 5% of effective gross income for similar properties. The concluded amount is based on 4% of the concluded Effective Gross Income and is based on known market averages and considers the subject's investment profile (with smaller suite mixed-use product)
Reserves	1.1%	\$0.15	\$9,262	Reserves range from \$0.10/SF to \$0.30/SF for similar properties. A \$0.10/SF conclusion is made for the subject property based on the subject's age, size, and current condition.
TOTAL EXPENSES	32.0%	\$4.32	\$266,575	The subject's pro forma expenses are bracketed by the expense comparables on a % of EGI and \$/SF basis. Based on the available data, our concluded expenses are reasonable and supported.

DEVELOPMENT OF CAPITALIZATION RATE

In developing our opinion of the capitalization rate, also known as overall rate (OAR), the following techniques were used:

- Comparable Sales
- Supplemental Comparable Sales
- Investor Surveys
- Band of Investment Technique

Comparable Sales

The following table presents a summary of the comparable sales used ahead in the Sales Comparison Approach, and the capitalization rates from each of those sales. We have included additional sales (Comparables 7 thru 19) to further support capitalization rate trends for the subject property.

CAPITALIZATION RATE COMPARABLES (OAR)								
NAME	CITY	ST	SALE DATE	YR BLT	NRA	\$/SF	NO/SF	CAP RATE
1 Multi Tenant Industrial	Sacramento	CA	Listing	1976	32,255	\$159	\$9.92	6.24%
2 BMW of Humboldt	McKinleyville	CA	May 21, 2024	1992 & 2015	12,290	\$220	-	N/Ap
3 AMain Hobbies	Chico	CA	November 20, 2024	1989	111,388	\$118	\$7.62	6.45%
4 Motorcycle Dealership	Eureka	CA	October 20, 2023	2006	19,800	\$177	-	N/Ap
5 Retail/Industrial Bld.	Ukiah	CA	July 25, 2022	-	30,057	\$115	-	N/Ap
ADDITIONAL COMPS								
6 Industrial Property	Fresno	CA	Listing	1983	114,964	\$109	\$6.56	6.04%
7 Industrial/Service Commercial	Madera	CA	Listing	1977	14,100	\$262	\$15.74	6.00%
8 Industrial/Service Commercial	Sacramento	CA	Listing	1962	25,695	\$167	\$10.11	6.04%
9 Flex Property	Sacramento	CA	December 20, 2024	1989	139,697	\$131	\$8.71	6.65%
10 Industrial/Service Commercial	Castroville	CA	October 22, 2024	1987	21,500	\$232	\$14.61	6.29%
11 Industrial/Service Commercial	Sacramento	CA	August 24, 2024	1989	12,100	\$256	\$16.41	6.41%
12 Industrial Warehouse	Madera	CA	May 22, 2024	1990	139,200	\$103	\$6.76	6.58%
13 Industrial/Service Commercial	Redding	CA	January 11, 2024	1982	6,900	\$65	\$4.23	6.48%
14 Industrial/Service Commercial	Grass Valley	CA	August 21, 2023	1986	4,864	\$158	\$10.17	6.43%
LOW			July 25, 2022					6.00%
HIGH			December 20, 2024					6.65%
AVERAGE			March 18, 2024					6.33%
MEDIAN			May 21, 2024					6.41%
SUBJECT	Eureka	CA		1950	61,746		\$9.16	

Comparables 1, 7, 8, and 9 are active listings that will likely sell for less than the asking price, effectively increasing an achievable capitalization rate. Comparable 1 is a similar investment profile and provides a low-rate indication at 6.24%. The remaining comparables provide low rate indications at 6.04% and 6.0% respectively.

Comparables 9 and 12 are significantly larger assets compared to the subject, noting that smaller assets tend to show capitalization compression compared to larger properties. These comparables provide high rate indications for the subject at 6.65% and 6.58% respectively.

The remaining comparables provide a range of 6.29% to 6.48%. The subject is located in a niche market, with less risk to substantial future growth due to difficulties with development (labor, restrictions, and nature of the slow growth). The subject has been recently renovated with respect to some buildings and fronts Highway 101. However, it is a mixture of older properties, with a smaller-suite, multi-use, multi-tenant concept, which drives up

the achievable rate. As such, a conclusion near the higher-end of the adjusted comparable range (6.29%-6.48%) at 6.5%.

Investor Surveys

The following table provides capitalization rate statistics as surveyed by investors that we considered to be relevant to the subject property.

CAPITALIZATION RATE SURVEYS (OAR)					
SOURCE	QUARTER	RANGE	AVG	LAST Q	LAST YR
PriceWaterhouse Coopers					
Pacific Region Warehouse	1Q 25	4.75% to 6.50%	5.38%	5.41%	5.45%
Real Capital Analytics					
Tertiary West Industrial	4Q 24		6.27%	5.15%	6.31%
AVERAGE		4.75% to 6.50%	5.82%	5.28%	5.88%

The Pacific Region Warehouse average is more representative of mega distribution centers and is less applicable to the subject property. The Tertiary West Industrial average is more applicable given the subject's location within a western tertiary market location. A conclusion near this average is supported for the subject property.

Band of Investment Technique

Most properties are purchased with debt and equity capital; therefore, the overall capitalization rate must satisfy the market return requirements of both investment positions. Available financing information from lenders and the sales comparables indicates the following terms:

BAND OF INVESTMENT ASSUMPTIONS	
Loan Amortization Period	35 Years
Interest Rate	5.50%
Loan-to-Value (LTV) Ratio	75%
Mortgage Constant	6.44%

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

BAND OF INVESTMENT CALCULATION					
Mortgage Component	75%	x	6.44%	=	4.833%
Equity Component	25%	x	7.00%	=	1.750%
Indicated Capitalization Rate					6.583%
INDICATED CAPITALIZATION RATE					6.58%

Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk of the investment or they will not make funds available. Lenders also require that the principal amount of the loan be repaid through amortization payments. Similarly, equity investors must anticipate receiving a competitive equity cash return commensurate with the perceived risk or they will invest their funds elsewhere. The band of investment provides a static reflection of capitalization rate indication but does not reflect the forward-looking anticipation by investors for rent growth and asset appreciation that results in increased positive leverage. As a result, the band of investment indication tends to reflect the ceiling of potential capitalization rates. However, this does provide a good indication as to trends in lending that may materially impact real estate markets.

Debt Coverage Ratio Technique

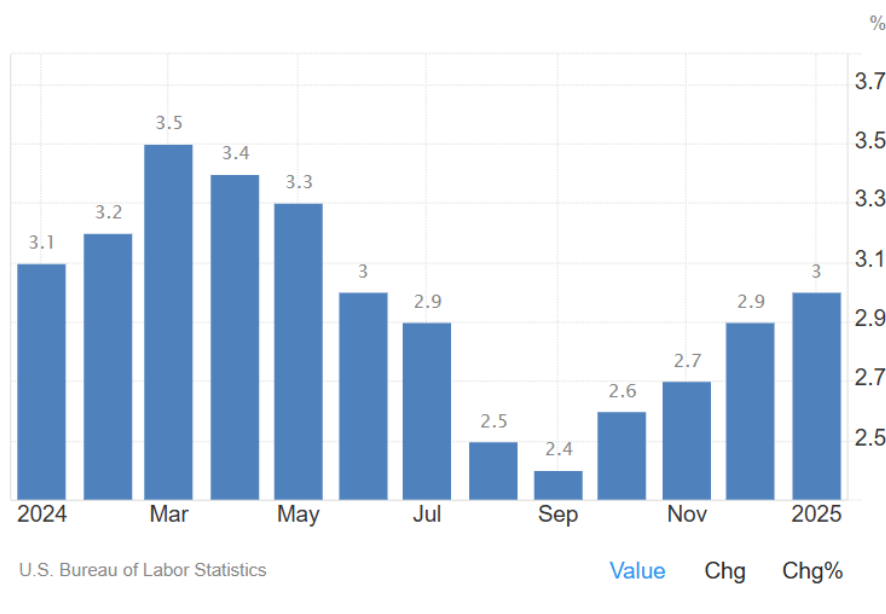
An alternate method to calculating capitalization rates based on financing metrics is the Debt Coverage Ratio method, which uses the relationship between the DCR, LTV, and mortgage constant to conclude to a rate value.

Based on the assumptions previously discussed, we have concluded to a DCR of 1.35, an LTV of 75% and a mortgage constant of 6.44%. The following calculation indicates the cap rate conclusion by this method:

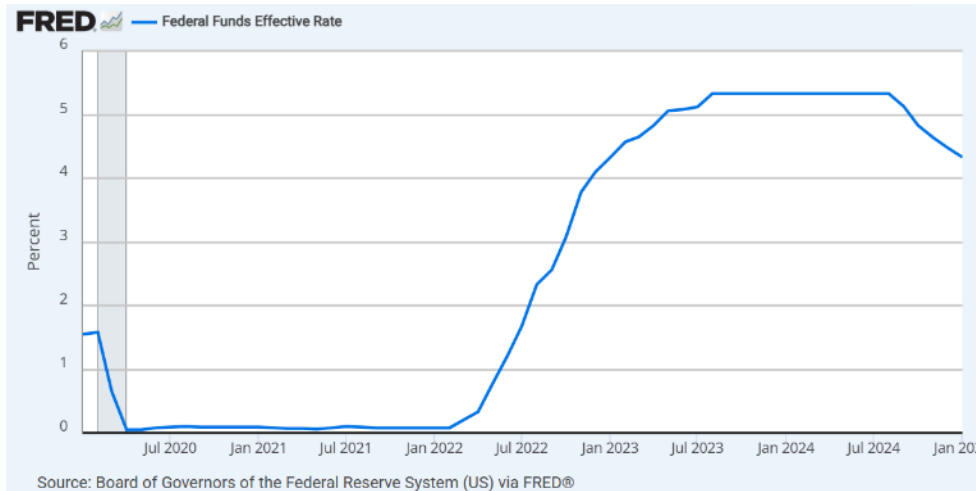
DEBT COVERAGE RATIO CALCULATION	
Debt Coverage Ratio	1.35
Interest Rate	75%
Mortgage Constant	6.44%
INDICATED CAPITALIZATION RATE	6.52%

Inflation Impact / Macroeconomy Overview

Over the past several years, macroeconomic conditions have slowed commercial real estate activity and tightened debt markets. GDP growth has moderated. CPI trends indicate a continued but slower pace of inflation, reflecting the impact of tighter monetary policy. Inflation reached a high of 9.1% in June 2022 and recent low of 2.4% in September 2024, however, it has ticked upwards in early 2025 and is currently hovering around 3%. Although above the goal of 2.0% targeted as normal for a healthy economy, the inflation break has paved the way for a shift in interest rates. With employment growth slowing, the unemployment rate reached 4.2% in August 2024 and has remained around 4% since. Macroeconomic changes of this nature suggest a softening economy or the potential for recession. In July 2024, bond markets began pricing in anticipation of forthcoming federal funds rate cuts. The Federal Funds rate was lowered three times in 2024. Some economists project further cuts in 2025 given inflation remains above the 2.0% target; however, others predict the central bank may monitor inflation pass throughs as tariffs may be imposed by the new administration. The following charts summarize the current inflation rates in the United States.



Federal Funds Effective Rate



The Federal Reserve announced three consecutive rate cuts in 2024 under the continued goal to reach 2% inflation objective. Forecasts project fewer rate cuts in 2025 with no change in January 2025 and with low probability for rate change at the March 2025 meeting.

The higher cost of capital and future uncertainty of rising rates weighed on investment decisions in the real estate market from mid-year 2022 through mid-year 2024 and was reflected in transactions that closed through much of the 3Q24. As rates leveled in summer 2024 and began contracting with market participants anticipating further rate contractions and more favorable capital markets conditions looking forward, transaction activity in the form of recapitalizations, refinancing, and outright sales transactions, began to improve in August 2024, along with general market sentiment. The market for commercial real estate is still adjusting to these changes and their impact is likely to lag and not likely to be fully reflected in transaction activity in the early quarters of 2025.

Impact of Treasury Rate Changes

As of late September 2024, the 10-Year Treasury was near 3.75%. This marks a decrease from a high of 5% in the 4th Quarter of 2023 and a trend in the 4.25 to 4.5% range through the first half of 2024. The rapid decline of the 10-year treasury in late July reflects the lowest level since June 2023. After the federal funds rate reduction and election results, the rate has fluctuated. As of late February 2025, the rate was near 4.33%.

4.398% ▼ -0.022



The initial drop was a catalyst for increased transaction volume. Initial feedback from investors conveys that the lower 10-year treasury reflects the market's anticipation of what the Federal Reserve will continue to do relative to the Federal Funds Rate. Nonetheless, the 10-year Treasury is a benchmark for lending and has resulted in lower lending rates along with more favorable LTV levels, which is anticipated to have an influence on buyer/seller actions, as has been conveyed in general by active investment sales brokers and investors.

The outcome of those actions remains to be seen along with how the economic factors driving the rate adjustments may impact investor demand going forward, but generally speaking, these favorable capital markets adjustments have narrowed the timeframe by which an asset can conceivably achieve positive leverage. As rates have fluctuated past the initial drop, higher financing costs lead to reduced access to capital and potentially lower transaction volume as the market looks for future reduction or stabilization. We have interviewed market participants to obtain specific feedback on how rate changes have impacted sales of similar assets and weighed the adjustment in our capitalization rate analysis and conclusion, recognizing more clarity on the market's adjustment will take more time to fully manifest.

Capitalization Rate Conclusion

Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion.

CAPITALIZATION RATE CONCLUSION (OAR)						
SOURCE	QUARTER RANGE		AVG	LAST Q	LAST YR	
Comparable Sales	6.24%	to 6.45%	6.35%	-	-	
Supplemental Comparable Sales	6.00%	to 6.65%	6.32%	-	-	
Investor Surveys	1Q 25	4.75%	to 6.50%	5.82%	5.28%	5.88%
Band of Investment Technique			6.58%	-	-	
Debt Coverage Ratio			6.52%	-	-	
AVERAGE	5.66%	to 6.53%	6.27%	5.28%	5.88%	
CAPITALIZATION CONCLUSION	6.50%					

For investments of the subject's general size and price, and when sales activity is brisk with relative market stability, the Market Extraction Method is most often relied upon by buyers and sellers to develop cap rate decisions. In this analysis, sufficient recent sales data was available, indicating strong support for the capitalization rate developed by the Market Extraction Method.

Positives reflected within capitalization rate conclusion:

- › The subject is located within a concentration of complementary uses.
- › The subject is a high-profile location along Broadway (US 101), the primary commercial corridor in the immediate area.
- › A considerable portion of the subject property has been renovated since 2015 and is in average overall condition.
- › The subject is located in a niche market, with less risk to substantial future growth due to difficulties with development (labor, restrictions, and nature of the slow growth).

Negatives reflected within capitalization rate conclusion:

- › As the subject continues to age, capital expenditures and repairs may place downward pressure on achievable NOI.
- › Relatively nominal income upside is observed as we modeled market rent as the basis of the income conclusions for most of the subject's suites.
- › The subject is a smaller-suite, multi-tenant concept, with older improvements (despite their upkeep condition). This generally places upward pressure on the achievable rate.

- › Current interest rates are still at a low level compared to previous decades. However, the velocity and impact of rapidly rising inflation and increasing interest rates (compared to previous months) has forced the market into a transition at this time. The Federal Reserve began a series of consecutive monthly interest rate hikes that started in March 2022 and is uncommon (unseen since the 1980s). As of the date of this report, the federal funds rate (federal funds target rate) has increased over 250 basis points (bps), with the most recent decreases of 50 bps in September 2024, 25 bps in November, and another decrease of 25 bps in December and is currently near 4.33% as of late February 2025.
- › Currently, treasury yield rate curves have increased significantly over the past 12 months. In January 2022, the 10-year treasury rate was 1.73% and as of early March 2025, the rate was 4.16%. This marks a significant increase to the cost of capital and interest rates relative to January 2022.

DIRECT CAPITALIZATION CONCLUSION

The table below summarizes the direct capitalization method and the Income Approach Value conclusion.

DIRECT CAPITALIZATION SUMMATION TABLE					
INCOME ITEMS	%PGI	%EGI	\$/SF(MO.)	\$/SF(YR.)	TOTAL
Base Contract Income			\$1.19	\$14.29	\$656,364
Market Rent Vacant Space			\$0.97	\$11.64	\$183,840
TOTAL RENTAL INCOME			\$1.13	\$13.61	\$840,204
MISCELLANEOUS REVENUE					
Other			\$0.05	\$0.58	\$36,000
TOTAL MISCELLANEOUS			\$0.05	\$0.58	\$36,000
POTENTIAL GROSS INCOME (PGI)	100.0%	100.0%	\$1.18	\$14.19	\$876,204
VACANCY & CREDIT LOSS					
General Vacancy		(5.0%)	(\$0.06)	(\$0.71)	(\$43,810)
TOTAL VACANCY & CREDIT LOSS		(5.0%)	(\$0.06)	(\$0.71)	(\$43,810)
EFFECTIVE GROSS INCOME (EGI)	95.0%	100.0%	\$1.12	\$13.48	\$832,394
EXPENSE ITEMS					
Real Estate Taxes	(10.4%)	(11.0%)	(\$0.12)	(\$1.48)	(\$91,263)
Property Insurance	(2.5%)	(2.6%)	(\$0.03)	(\$0.35)	(\$21,611)
Common Area Maintenance	(5.6%)	(5.9%)	(\$0.07)	(\$0.80)	(\$49,397)
Utilities	(7.0%)	(7.4%)	(\$0.08)	(\$1.00)	(\$61,746)
Management Fees	(3.8%)	(4.0%)	(\$0.04)	(\$0.54)	(\$33,296)
Reserves	(1.1%)	(1.1%)	(\$0.01)	(\$0.15)	(\$9,262)
TOTAL EXPENSES	(30.4%)	(32.0%)	(\$0.36)	(\$4.32)	(\$266,575)
NET OPERATING INCOME (NOI)	64.6%	68.0%	\$0.76	\$9.16	\$565,819
Capitalization Rate					6.50%
Capitalized Value					\$8,704,912
PROSPECTIVE VALUE UPON STABILIZATION				\$141/SF	\$8,700,000
Lease- Up Costs				From Lease-Up Analysis	
Rent Loss	(6.0%)	(6.3%)	(\$0.07)	(\$0.86)	(\$52,800)
Tenant Improvements	(7.9%)	(8.3%)	(\$0.09)	(\$1.13)	(\$69,500)
Leasing Commissions	(4.4%)	(4.6%)	(\$0.05)	(\$0.62)	(\$38,310)
Free Rent	(1.5%)	(1.5%)	(\$0.02)	(\$0.21)	(\$12,770)
Total Lease-Up Costs	(19.8%)	(20.8%)	(\$0.23)	(\$2.81)	(\$173,380)
Entrepreneurial Profit	(3.0%)	(3.1%)	(\$0.04)	(\$0.42)	(\$26,007)
TOTAL LEASE-UP COSTS	(22.8%)	(24.0%)	(\$0.27)	(\$3.23)	(\$199,387)
INDICATED VALUE				\$138/SF	\$8,500,000
Below Market Rent Adjustment	(13.7%)	(14.4%)	(\$0.16)	(\$1.94)	(\$119,685)
AS-IS MARKET VALUE				\$136/SF	\$8,380,000

Rounded to nearest \$10,000

ADJUSTMENTS TO VALUE

To reflect conditions in effect at the subject property as the date of value, adjustments to the capitalized value were necessary for lease up costs and below market rent. The following discussion summarizes our support of the value adjustments.

Lease-Up Analysis

Regarding lease-up costs, the subject property has a current occupancy level of 74.4%, which is below our stabilized occupancy level estimate of 95.0%. As such, lease-up costs associated with the subject achieving stabilization are warranted in arriving to the As-Is Market Value. Based on our research of prevailing supply/demand conditions and the subject's competitive position in the marketplace, we have projected a period of 6 months for the vacant space to be absorbed.

The following table summarizes our analysis of lease-up costs for current vacancies. There are 3 vacant tenant suites, and 2 tenant suites will be leased to reach stabilized occupancy. The lease-up cost analysis calculates rent loss, tenant improvements (noting Suite 15 is a retail suite that will require a much higher level of TI build out compared to Suite 17 a warehouse suite), leasing commissions and free rent based on our market leasing assumptions previously supported in the Market Rent Analysis section.

The lease-up costs reflect the actual costs associated with leasing up the vacant space. When warranted an additional provision for entrepreneurial profit is used to mirror investor behavior related to risks of investing in a property with vacancy. The subtotaled lease-up costs were adjusted 15.0% to account for entrepreneurial profit incentive.

LEASE-UP COSTS													
VACANT SUITE	SF	MARKET RENT		RENT LOSS		TENANT IMPV.		LEASING COMMISSION		FREE RENT		TOTAL COST	
		\$/MO	\$/YR	MONTH	COST	TI\$/SF	COST	TERM FEE	COST	MOS.	COST		
15	6,300	\$1.15	\$13.80	5	\$36,225	\$10	\$63,000	5	5%	\$21,735	1	\$7,245	\$128,205
17	6,500	\$0.85	\$10.20	3	\$16,575	\$1	\$6,500	5	5%	\$16,575	1	\$5,525	\$45,175
SUBTOTAL					\$52,800	\$69,500	\$38,310	\$12,770					\$173,380
Entrepreneurial Profit @ 15.0%												\$26,007	
TOTAL LEASE UP COSTS												\$199,387	

Rounded to nearest \$1

Below Market Rent Adjustment

We previously presented and discussed the below market rents in place for the subject property. The following discussion summarizes our support of the value adjustment.

NET PRESENT VALUE OF CONTRACT RENT

DISCOUNT RATE	0.00%					YEAR	2025	2026	2027
						MONTHS	12	12	1
						PERIOD	1	2	3
		SF	\$/SF/MO.	\$/SF/YR.	ESCALATIONS	ANNUAL RENT			
Madrone Business Services		400							
BEGIN	1/6/2025	CONTRACT	\$1.25	\$15.00	0.00%	\$6,000	\$4,500	\$0	
END	12/31/2026	MARKET	\$2.35	\$28.20	0.00%	\$11,280	\$8,460	\$0	
DIFFERENCE						(\$5,280)	(\$3,960)	\$0	
EBA Engineering		4,700							
BEGIN	1/2/2025	CONTRACT	\$0.64	\$7.66	0.00%	\$36,000	\$30,000	\$0	
END	2/2/2027	MARKET	\$0.85	\$10.20	0.00%	\$47,940	\$39,950	\$0	
DIFFERENCE						(\$11,940)	(\$9,950)	\$0	
Green Belt Electric		4,800							
BEGIN	1/2/2025	CONTRACT	\$0.58	\$7.00	0.00%	\$33,600	\$25,200	\$0	
END	12/31/2026	MARKET	\$0.85	\$10.20	0.00%	\$48,960	\$36,720	\$0	
DIFFERENCE						(\$15,360)	(\$11,520)	\$0	
Lost Coast Science		2,500							
BEGIN	9/2/2021	CONTRACT	\$0.60	\$7.20	0.00%	\$18,000	\$7,500	\$0	
END	8/31/2026	MARKET	\$0.85	\$10.20	0.00%	\$25,500	\$10,625	\$0	
DIFFERENCE						(\$7,500)	(\$3,125)	\$0	
Pacific States		500							
BEGIN	1/2/2025	CONTRACT	\$1.40	\$16.80	0.00%	\$8,400	\$6,300	\$0	
END	12/31/2026	MARKET	\$2.35	\$28.20	0.00%	\$14,100	\$10,575	\$0	
DIFFERENCE						(\$5,700)	(\$4,275)	\$0	
Local Mow Man Warehouse Space		5,300							
BEGIN	5/2/2022	CONTRACT	\$0.54	\$6.48	0.00%	\$34,344	\$34,344	\$2,862	
END	5/3/2027	MARKET	\$0.85	\$10.20	0.00%	\$54,060	\$54,060	\$4,505	
DIFFERENCE						(\$19,716)	(\$19,716)	(\$1,643)	
POTENTIAL GROSS INCOME (PGI)						(\$65,496)	(\$52,546)	(\$1,643)	
NET OPERATING INCOME (NOI)						(\$65,496)	(\$52,546)	(\$1,643)	
NET CASH FLOW						(\$65,496)	(\$52,546)	(\$1,643)	
PV FACTOR @ 0.00%						1.0000	1.0000	1.0000	
PRESENT VALUE						(\$65,496)	(\$52,546)	(\$1,643)	
NET PRESENT VALUE						(\$119,685)			
NET PRESENT VALUE OF CONTRACT RENT (ROUNDED)						(\$119,685)			

Rounded to nearest \$1

In the table above, the below market rents for Madrone Business Services, EBA Engineering, Green Belt Electric, Lost Coast Science, Pacific States, and Local Mow Man (warehouse suite) are displayed with each tenant's remaining lease term. Per a review of the rent roll, each tenant's lease agreement is flat with no annual escalations. Rent growth is modeled at 0% for the market rent, which considers that rents have been relatively flat over the past two years and four quarters in the subject's retail and industrial markets and is consistent with our market rent analyses.

As the rent loss spans multiple years, we considered a potential minor discount rate. However, we did not discount this adjustment, noting that several MTM tenants were placed at market.

Total Adjustments to Value

The preceding value adjustments were applied consistently to all approaches to value that were developed in this appraisal.

INCOME APPROACH CONCLUSION

The following table summarizes the opinions for market value that were developed by the direct capitalization method of the income approach.

VALUATION INDICES	AS-IS MARKET VALUE	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	LEASED FEE	LEASED FEE
DATE OF VALUE	MARCH 11, 2025	SEPTEMBER 11, 2025
INCOME CAPITALIZATION APPROACH		
Direct Capitalization	\$8,380,000	\$8,700,000
Direct Capitalization \$/SF	\$136/SF	\$141/SF
NOI Proforma	\$565,819	\$565,819
NOI \$/SF	\$9.16/SF	\$9.16/SF
Capitalization Rate	6.50%	6.50%
INCOME CONCLUSION	\$8,380,000	\$8,700,000
Income Conclusion \$/SF	\$136/SF	\$141/SF

SALES APPROACH

The Sales Comparison Approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison. The most relevant unit of comparison is the price per square foot of NRA, as it best reflects the analysis used by buyers and sellers in this market for improved properties with similar design and utility.

As discussed, the subject is located in the tertiary market area of Eureka, CA. We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In an effort to bracket the subject's unique utility (industrial/service commercial, retail/showroom, office, warehouse, and additional yard space) we have selected a variety of comparables.

Comparable 1 most directly assesses the subject's smaller suite concept, which drives up the achievable NOI and price/SF, but creates more risk. Comparables 2 and 4 are two dealership comparables with retail showroom and service commercial components located in the subject's market area. Comparable 3 is an industrial storage property with additional yard space. Comparables 5 and 6 are more industrial properties.

Adjustment Process

The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments including property rights transferred, financing terms, conditions of sale, expenditures after purchase and market conditions. The following table summarizes the market conditions adjustment applied in this analysis.

Comparable 2 is the sale of an automobile dealership within the subject's market area that includes two fee simple parcels and the leasehold rights of an adjacent parcel that is leased by the seller. The dealership's retail showroom/office building is located on the fee simple parcels, while the auto service/repair building that is used in conjunction with the auto dealership is located on the leasehold parcel. As discussed, the subject has a wide range of uses and build out, with a unique tertiary location. There are few if any comparable properties regionally and even fewer in the subject's market area. Comparable 2 is similar to the subject in regard to location, warehouse space, auto/shop space, retail showroom/office space, and additional site area and warrants consideration in this analysis. Although we were unable to confirm the ground rent and extract an adjustment amount, we recognize that the leasehold component of this sale is inferior to a leased fee sale. As such, we adjust Comparable 2 upwards for inferior property rights.

Comparable 1 is an active listing, not a closed sale. Given the typical negotiation between buyer and seller, this comparable will likely sell for less than the asking price. As such, a downward adjustment is applied for conditions of sale.

Comparable 5 occurred in 2022 and has a minor downward adjustment for market conditions. The remaining comparables are relatively recent sales and no adjustment is applied.

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, quality/appeal, age/condition, exposure, access, site area, clear height, and economics (if applicable). It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject.

Presentation

The following Sales Summation Table, Location Map and photographs summarize the improved sales data. Following these items, the comparable sales are adjusted for applicable elements of comparison and the opinion of value by the Sales Comparison Approach is concluded.

IMPROVED SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Partial Owner-User Mixed Use Property	Multi Tenant Industrial	BMW of Humboldt	AMain Hobbies	Motorcycle Dealership	Retail/Industrial Bld.	Industrial Building
Address	3990 Broadway	5753 Auburn Blvd	1781 Central Avenue	2860 Fair Street	2500 6th Street	303 Talmage Road	4260 N State St
City	Eureka	Sacramento	McKinleyville	Chico	Eureka	Ukiah	Ukiah
State	CA	CA	CA	CA	CA	CA	CA
Zip	95503	95841	95519	95928	95501	95482	95482
County	Humboldt	Sacramento	Humboldt	Butte	Humboldt	Mendocino	Mendocino

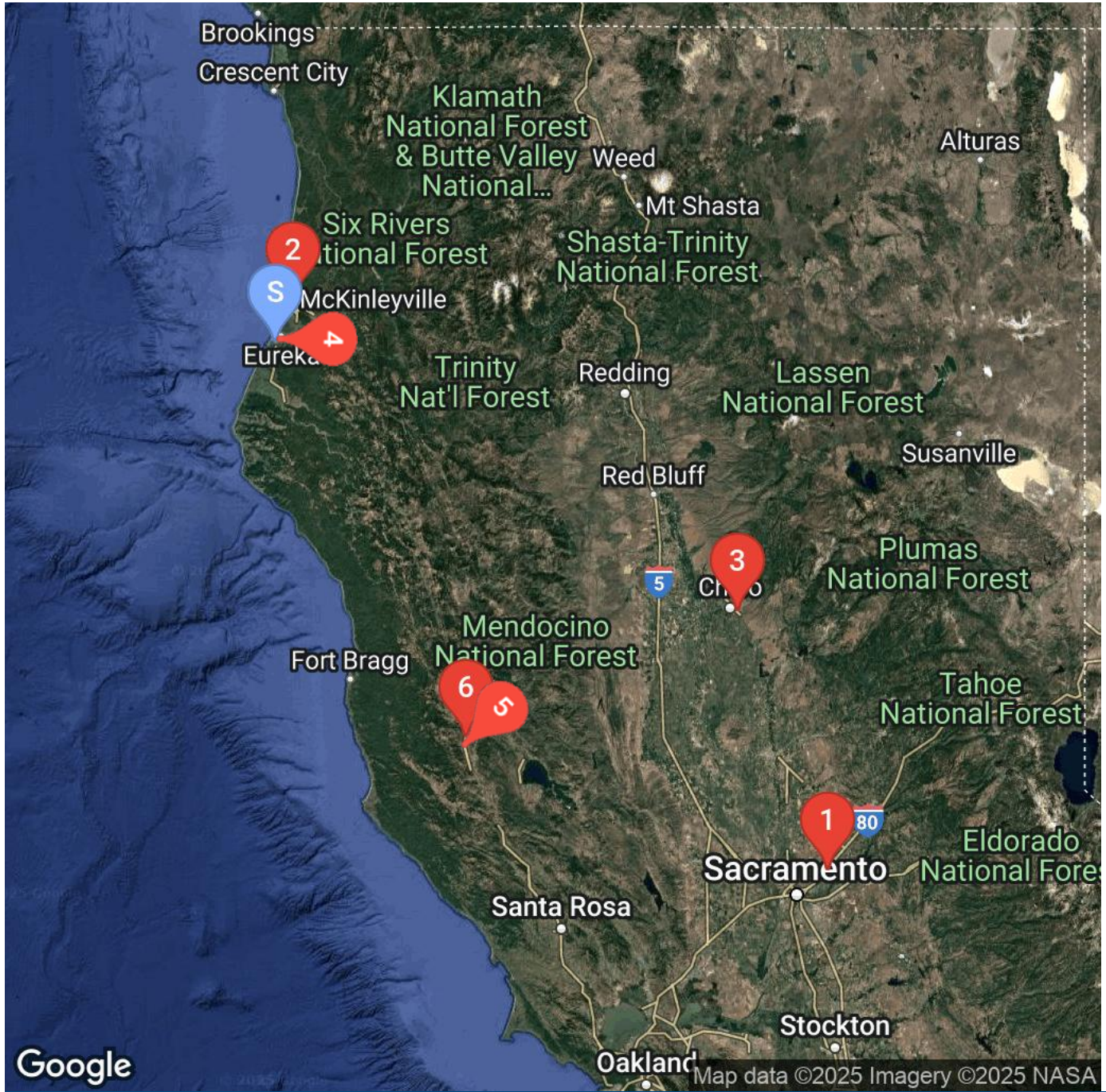
PHYSICAL INFORMATION

Property Type	Industrial	Industrial	Retail/Industrial	Industrial	Retail/Industrial	Retail/Industrial	Industrial
NRA (SF)	61,746	32,255	12,290	111,388	19,800	30,057	29,232
Land Area (AC)	5.2	2.1	4.3	16.4	2.7	2.0	6.1
Land Area (SF)	225,859	90,169	188,138	712,206	116,305	87,120	267,023
Parking Ratio	1.1	1.8	5.0	2.2	1.5	1.0	1.8
Year Built	1950/2022 (Partial)	1976	1992 & 2015	1989	2006	-	1970
Clear Height	WH - 20 Feet Auto/Shop - 14 Feet	16 Feet	14 Feet	24 Feet	20 Feet	20 Feet	16-20 Feet

SALE INFORMATION

Date		Listing	5/21/2024	11/20/2024	10/20/2023	7/25/2022	6/28/2024
Status		Listing	Recorded	Recorded	Recorded	Recorded	Recorded
Recording Number		TBD	7817	30192	13797	8887	5275
Marketing Period		7 Mos.	N/Av	1 Mos.	3 Mos.	N/Av	18 Mos.
Rights Transferred		Leased Fee	Fee Simple & Leasehold	Leased Fee	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$5,127,000	\$2,700,000	\$13,156,000	\$3,500,000	\$3,450,000	\$3,250,000
Analysis Price		\$5,127,000	\$2,700,000	\$13,156,000	\$3,500,000	\$3,450,000	\$3,250,000
\$/SF NRA		\$159	\$220	\$118	\$177	\$115	\$111
NO/SF NRA	\$9.16	\$9.92	N/Av	\$7.62	N/Av	N/Av	N/Av
Occupancy	74.4%	100.0%	0.0%	100.0%	100.0%	100.0%	100.0%
Capitalization Rate		6.24%	N/Av	6.45%	N/Av	N/Av	N/Av

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	OCC.	SALE DATE	OAR	\$/SF
SUBJECT	-	3990 Broadway, Eureka, CA	-	-	-	-
No. 1	210.1 Miles	5753 Auburn Blvd, Sacramento, CA	100.0%	Listing	6.24%	\$159.00
No. 2	12.5 Miles	1781 Central Avenue, McKinleyville, CA	0.0%	5/21/2024	N/Ap	\$220.00
No. 3	145.9 Miles	2860 Fair Street, Chico, CA	100.0%	11/20/2024	6.45%	\$118.00
No. 4	3.4 Miles	2500 6th Street, Eureka, CA	100.0%	10/20/2023	N/Ap	\$177.00
No. 5	124.6 Miles	303 Talmage Road, Ukiah, CA	100.0%	7/25/2022	N/Ap	\$115.00
No. 6	120.1 Miles	4260 N State St, Ukiah, CA	100.0%	6/28/2024		\$111.00

COMPARABLE SALES PHOTOGRAPHS



COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4



COMPARABLE 5



COMPARABLE 6

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Partial Owner-User Mixed Use Property	Multi Tenant Industrial	BMW of Humboldt	AMain Hobbies	Motorcycle Dealership	Retail/Industrial Bld.	Industrial Building
Address	3990 Broadway	5753 Auburn Blvd	1781 Central Avenue	2860 Fair Street	2500 6th Street	303 Talmage Road	4260 N State St
City, State	Eureka, CA	Sacramento, CA	McKinleyville, CA	Chico, CA	Eureka, CA	Ukiah, CA	Ukiah, CA
Zip	95503	95841	95519	95928	95501	95482	95482
NRA (SF)	61,746	32,255	12,290	111,388	19,800	30,057	29,232
Land Area (AC)	5.2	2.1	4.3	16.4	2.7	2.0	6.1
Land Area (SF)	225,859	90,169	188,138	712,206	116,305	87,120	267,023
Parking Ratio	1.1	1.8	5.0	2.2	1.5	1.0	1.8
Year Built	1950/2022 (Partial)	1976	1992 & 2015	1989	2006	-	1970
Clear Height	WH - 20 Feet Auto/Shop - 14 Feet	16 Feet	14 Feet	24 Feet	20 Feet	20 Feet	16-20 Feet
Site Coverage	22%	36%	7%	16%	17%	35%	11%

SALE INFORMATION

Date	Listing	5/21/2024	11/20/2024	10/20/2023	7/25/2022	6/28/2024
Status	Listing	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred	Leased Fee	Fee Simple & Leasehold	Leased Fee	Fee Simple	Fee Simple	Fee Simple
Analysis Price	\$5,127,000	\$2,700,000	\$13,156,000	\$3,500,000	\$3,450,000	\$3,250,000
\$/SF NRA	\$159	\$220	\$118	\$177	\$115	\$111
NOI/SF NRA	\$9.16	\$9.92	N/Ap	\$7.62	N/Ap	N/Av
Occupancy	74.4%	100.0%	0.0%	100.0%	100.0%	100.0%

TRANSACTIONAL ADJUSTMENTS

Property Rights	0%	10%	0%	0%	0%	0%
Financing	0%	0%	0%	0%	0%	0%
Conditions of Sale	-10%	0%	0%	0%	0%	0%
Expenditures After the Sale	0%	0%	0%	0%	0%	0%
Market Conditions¹	0%	0%	0%	0%	-3%	0%
Subtotal Transactional Adj Price	\$143	\$242	\$118	\$177	\$112	\$111

PROPERTY ADJUSTMENTS

Location	-10%	0%	-10%	0%	-3%	-3%
Size	-5%	-10%	5%	-5%	-5%	-5%
Quality/Appeal	0%	-15%	10%	-10%	5%	10%
Age/Condition	0%	-10%	0%	-10%	0%	0%
Exposure	0%	0%	10%	10%	5%	5%
Access	0%	0%	5%	0%	0%	0%
Site Area	10%	-5%	0%	0%	10%	-3%
Clear Height	2%	2%	-2%	0%	0%	0%
Economics	5%	0%	0%	0%	0%	0%
Subtotal Property Adjustment	2%	-38%	18%	-15%	12%	4%
TOTAL ADJUSTED PRICE	\$146	\$150	\$139	\$150	\$125	\$115

<u>STATISTICS</u>	<u>UNADJUSTED</u>	<u>ADJUSTED</u>
LOW	\$111	\$115
HIGH	\$220	\$150
MEDIAN	\$139	\$143
AVERAGE	\$150	\$138

Date of Value (for adjustment calculations): 3/11/25

SALES COMPARABLE ANALYSIS

The transactional adjustments were previously discussed. The following details the applicable property adjustments:

- Location – Comparables 2 and 4 are located in the subject's market area and require no location adjustment. Comparables 5 and 6 are located in Mendocino, an area that commands higher rents requiring a downward adjustment for superior location. Comparables 1 and 3 have superior locations and are adjusted downward.
- Size – Based on economies of scale, Comparables 1, 2 and 4-6 are smaller than the subject and are adjusted downward for size. Comparable 3 is adjusted upward for size.
- Quality/Appeal – Comparables 2 and 4 have higher quality showrooms and downward adjustments are applied. Comparables 3, 5, and 6 are more industrial in nature and do not have smaller suite concepts, which drives down the achievable NOI on a per square foot basis. This is somewhat offset by different risk factors. However, we do consider slight upward adjustments to these comparables.
- Age/Condition – Comparables 2 and 4 are in overall superior condition compared to the subject requiring downward adjustment for superior age/condition.
- Exposure – Comparables 3-6 are located along arterials with fewer traffic counts requiring upward adjustment. It is noted that Comparable 4 has no direct street frontage.
- Access – Comparable 3 is adjusted upward for inferior access.
- Site Area – The subject has a large amount of unimproved site area with the capacity for yard space income at the rear of the property. This adjustment considers the comparables total site area relative to the subject's total site area and the potential for additional yard area income. Comparables 1 and 5 warrant upward adjustment. Comparables 2 and 6 are adjusted downward.
- Clear Height – Comparables 1 and 2 have a lower clear height, a premium in the marketplace, and require an upward adjustment. Comparable 3 is adjusted downward for superior clear height.
- Economics – Comparable 1 has below market rent and a slight upward adjustment is applied.

SALES COMPARISON APPROACH CONCLUSION

The comparables provide an adjusted range of \$115/SF to \$150/SF, with a median of \$143/SF and an average of \$138/SF. Comparable 1 is a current listing and is given secondary weight. A conclusion near the central tendencies of the primary comparables is made at \$140/SF. The previously discussed lease up costs and below market rent adjustments are deducted below the line.

The following table summarizes the analysis of the comparables, reports the reconciled price per NRA value conclusion, and presents the concluded value of the subject property.

SALES COMPARISON APPROACH CONCLUSION (NRA)

COMP	ANALYSIS		ADJUSTMENT			NET	GROSS PROP	OVERALL
	PRICE	TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL	ADJ %	ADJ %	COMPARISON
1	\$159	-10%	\$143	2%	\$146	-8%	32%	SECONDARY
2	\$220	10%	\$242	-38%	\$150	-32%	42%	PRIMARY
3	\$118	0%	\$118	18%	\$139	18%	42%	PRIMARY
4	\$177	0%	\$177	-15%	\$150	-15%	35%	PRIMARY
5	\$115	-3%	\$112	12%	\$125	9%	28%	PRIMARY
6	\$111	0%	\$111	4%	\$115	4%	26%	PRIMARY
LOW	\$115						AVERAGE	\$138
HIGH	\$150						MEDIAN	\$143
			SUBJECT SF		\$/SF CONCLUSION			VALUE
PROSPECTIVE VALUE UPON STABILIZATION			61,746	x	\$140/SF	=		\$8,640,000
Lease- Up Costs							From Lease-Up Analysis	
	Rent Loss							(\$52,800)
	Tenant Improvements							(\$69,500)
	Leasing Commissions							(\$38,310)
	Free Rent							(\$12,770)
	Total Lease-Up Costs							(\$173,380)
	Entrepreneurial Profit							(\$26,007)
	TOTAL LEASE-UP COSTS							(\$199,387)
INDICATED VALUE					\$137/SF			\$8,440,000
	Below Market Rent Adjustment							(\$119,685)
AS-IS MARKET VALUE					\$135/SF			\$8,320,000

¹Cumulative ²Additive

Rounded to nearest \$10,000

RECONCILIATION OF VALUE CONCLUSIONS

The Analysis of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

As previously discussed, the **Cost Approach** was not presented in this analysis. The exclusion of the Cost Approach does not diminish the credibility of the value conclusion.

The price per square foot method has been presented in the **Sales Comparison Approach**. There have been recent sales of properties similar to the subject in the market area in the current market conditions, which increases the validity of this approach. The subject has a very unique build out and use profile. The subject is also located in a tertiary market area with few if any true comparable properties regionally, as well as locally. The difficulty in comparing it to other properties resulted in a lower quality of data for the Sales Comparison Approach. Recognizing the subject property appeals primarily to investors, investors typically weight the Income Approach. However, this approach does provide a reasonable method of crosschecking. Based on the preceding, supporting weight is given to the Sales Comparison Approach in this analysis.

The **Income Approach** to value is generally considered to be the best and most accurate measure of the value of income-producing properties. In this analysis, the Direct Capitalization analysis was developed. The value estimate by this approach best reflects the analysis that knowledgeable buyers and sellers carry out in their decision-making processes regarding this type of property. The subject primarily appeals to investors, who weigh the Income Approach. Therefore, primary weight is given to the Income Approach in this analysis.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

ANALYSIS OF VALUE CONCLUSIONS		
VALUATION INDICES	AS-IS MARKET VALUE	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	LEASED FEE	LEASED FEE
DATE OF VALUE	MARCH 11, 2025	SEPTEMBER 11, 2025
Sales Comparison Approach	\$8,320,000	\$8,640,000
Income Approach	\$8,380,000	\$8,700,000
FINAL VALUE CONCLUSION	\$8,380,000	\$8,700,000
\$/SF	\$136/SF	\$141/SF
Exposure Time	12 Months or Less	
Marketing Period	12 Months or Less	

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signers of this report have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Rebekah Dunn, MAI has 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. Jeffrey Shouse, MAI, CRE has 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.
- The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The 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.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Rebekah Dunn, MAI did not observe the property that is the subject of this report. Jeffrey Shouse, MAI, CRE did not observe the property that is the subject of this report. Clayton Hansen observed the property that is the subject of this report.
- Clayton Hansen, a CIVAS representative, provided significant real property appraisal assistance to appraisers signing this certification. Assistance included performing the on-site observation of the subject property.
- Cory Strauss provided significant real property appraisal assistance to the appraisal signing this certification. Assistance included performing portions of the analysis.

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 Rebekah Dunn, MAI and Jeffrey Shouse, MAI, CRE completed the continuing education program for Designated Members of the Appraisal Institute.



Rebekah Dunn, MAI
 Senior Valuation Services Director
 Certified General Real Estate Appraiser
 State of California License #3004728
 +1 916 724 5508
 rebekah.dunn@colliers.com

April 3, 2025
 Date



Jeffrey Shouse, MAI, CRE
 Executive Vice President | Western US
 Certified General Real Estate Appraiser
 State of California License #AG026208
 +1 916 724 5531
 jeffrey.shouse@colliers.com

April 3, 2025
 Date

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

- The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal

injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties, or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site observation of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual observation, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Engagement Letter
Preliminary Title Report
Rent Roll
Site Plan With Suite Sizes
Valuation Glossary
Qualifications of Appraisers
Qualifications of Colliers International Valuation & Advisory Services



TRI COUNTIES BANK

TRANSMITTAL SHEET

To: Jeff

DATE: 03-07-25

FROM: Appraisal Department – Monica Clark
Tri Counties Bank

PH. (530) 879-4263

Reference #02-25-2684

Comments: Attached Herewith:

Engagement Letters
Appraisal Content Requirements
Supporting docs to follow

Please email back a copy of the signed confirmation. Thank you! Monica

CONFIDENTIALITY NOTICE

The documents accompanying this facsimile transmission may be intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any information is strictly **PROHIBITED**. If you have received this transmission in error, please immediately notify us by telephone and mail the original transmission to us. Thank you.

Monica Clark
Appraisal Department

March 7, 2025

Jeff Shouse
1508 Eureka Rd Ste 250
Roseville, Ca 95661

RE: Appraisal of property located at 3990 Broadway St. Eureka, CA. – Humboldt County

Borrower: Roger Kirkpatrick Ref# 02-25-2722

Dear Jeff Shouse,

This letter will confirm your agreement to perform an appraisal of the "as is" and "at stabilized" value for the above referenced property for Tri Counties Bank. The FIRREA guidelines (copy attached) and the supplemental standards of the appraisal regulations will be followed in the preparation of this report. **You have further agreed to review a copy of the preliminary title report as part of this engagement.** Please contact Monica Clark at (530)879-4263 for any additional information you may need. For inspection please contact Roger Kirkpatrick (707)599-1793. Email ca_mototech@yahoo.com

I have agreed that the fee for this appraisal **will not exceed \$5,000** and the PDF of the report will be Emailed to us to: appraisaldept@tcbk.com, **no later than March 21, 2025**. Your capacity in providing this appraisal is that of an independent contractor. Therefore, you are not authorized to represent yourself as a Bank employee or agent. You are encouraged to contact the Bank with any questions you may have regarding this engagement. Please do not proceed with the appraisal until all questions have been answered to your satisfaction. I can be reached at (530) 879-4263.

Sincerely,

Monica Clark, Appraisal Department

.....
APPRAISER'S CONFIRMATION

PLEASE Email BACK A COPY OF THIS REQUEST AS CONFIRMATION OF YOUR ACCEPTANCE OF THIS ASSIGNMENT. I HEREBY ACCEPT THIS ASSIGNMENT AS PER PROVISIONS CONTAINED IN THIS LETTER AND FIRREA GUIDELINES AS PROVIDED TO ME.



03.07.25



Appraiser

Date

Signatory Appraiser: Sam Jolly

Tri Counties Bank is an FDIC insured institution therefore its appraisals must comply with legal requirements of Title XI FIRREA as well as minimum Tri Counties Bank appraisal requirements as follows:

- Your appraisal must conform to current USPAP standards adopted by the Appraisal Foundation.
- You must disclose the extent of your experience, licenses/certificates you hold and license expiration date.
- The appraisal must be based on market value, defined to be the most probable price a property would bring in a competitive and open market under all condition's requisite to a fair sale when both buyer and seller act prudently and knowledgeably, assuming that price is not affected by other than customary market factors. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title when:
 - 1) Buyer and seller are typically motivated.
 - 2) Both parties are well informed and are acting in what they consider their best interests.
 - 3) A reasonable time is allowed to offer the property on the open market.
 - 4) Payment is made in cash in U.S. dollars, or by comparable arrangements.
 - 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.

The source of this definition must be referenced.

- The appraisal must be a written format which satisfies the information requirements of this letter. Also, the appraisal must be written so that it can be readily understood by a third party not involved in this transaction.
- The appraisal must include a sales history of the property for one year if the property is a one-to-four family residential unit. Otherwise, the appraisal must include a sales history of the property for 3 years.
- The appraisal must include an assessment of a reasonable marketing period for the property.
- The appraisal must assess market trends affecting the value of the property.
- The appraisal must analyze and report deductions and discounts due to proposed construction, completed properties that are partially leased, leased at other than market rents, or tract developments with unsold units.
- The report must certify that the assignment was not based on a requested minimum value or loan approval.
- The appraisal must contain all information necessary to enable its reader to understand the basis and support for your opinion of value.
- A legal description of the property must be included in appraisal. This description is in addition to (and not in lieu of) any other descriptions that might also be required.
- The appraisal must identify and separately value all personal property, fixtures, or intangible items that are not real property but are included in the appraised value.
- The appraisal must follow proper methodology in applying the Sales Comparison, Income Capitalization and Cost Approaches to value and reconciles these approaches as appropriate. If one or more of these approaches to value is excluded, the reasoning and justification must be explicitly stated.
- The appraisal must discuss any special financing terms affecting the value of the property. If no financing terms exist which would affect the value of the property, such should be stated within the appraisal.
- The appraisal must disclose the date of the physical inspection of the property by the appraiser.

If information pertinent to the completion of an appraisal is unavailable, that should be disclosed and explained.

Confidentiality: Tri Counties Bank is your client, and this assignment has been engaged in the strictest confidence. In the course of performing this assignment, the appraiser may have access to or be provided information and/or documentation that is confidential or proprietary in nature. Tri Counties Bank places high priority on the privacy and security of our customers' confidential information. Under USPAP, the Gramm-Leach-Bliley Act of 1999 and other Federal Laws, information that has been provided related to a borrower's financial condition and other "non-public personal information" shall be handled in a confidential manner. You agree to keep all such information confidential and take reasonable steps to safeguard such information. Any information provided by Tri Counties Bank, the borrower, or any other non-public source can only be used to provide the specific services you are hired to perform. Unless authorized by the undersigned, you cannot disclose confidential or proprietary data including contents or purpose of the report, or the value conclusion to anyone other than the undersigned. This prohibition includes the property owner, our borrower, or anyone directly or indirectly connected to this transaction.

Title Report

Tri Counties Bank
836 East Cypress Avenue
Redding, CA 96002
Attn: Peggy Johndrow

Escrow Officer: Nikki Naughton
Email: nikki.naughton@fnf.com
File No.: FHBT-2012500250S
Escrow No.: FHBT-2012500250 -NN

Property Address: 3990 Broadway, Eureka, CA

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Fidelity National Title Company OF CALIFORNIA

PRELIMINARY REPORT

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

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

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

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Fidelity National Title Insurance Company, a Florida corporation.

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

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

Fidelity National Title Insurance Company

By:

Michael J. Nolan, President

Attest:

Marjorie Nemzura, Secretary

Countersigned By:

Gary Duncan
Authorized Officer or Agent



Visit Us on our Website: www.fntic.com



ISSUING OFFICE: 930 Sixth St, #200, Eureka, CA 95501

FOR SETTLEMENT INQUIRIES, CONTACT:
Fidelity National Title Company of California
930 Sixth Street, Suite 200 • Eureka, CA 95501
(707)442-5785 • FAX (707)445-2656

***Another Prompt Delivery From Fidelity National Title Company of California Title Department
Where Local Experience And Expertise Make A Difference***

PRELIMINARY REPORT

Title Officer: Melinda Moffitt
Email: Melinda.Moffitt@titlegroup.fntg.com
Title No.: FHBT-2012500250S

Escrow Officer: Nikki Naughton
Email: nikki.naughton@fnf.com
Escrow No.: FHBT-2012500250 -NN

TO: Tri Counties Bank
836 East Cypress Avenue
Redding, CA 96002
Attn: Peggy Johndrow

PROPERTY ADDRESS(ES): 3990 Broadway, Eureka, CA

EFFECTIVE DATE: February 20, 2025 at 07:30 AM

The form of policy or policies of title insurance contemplated by this report is:

ALTA Loan Policy 2021 Extended

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

Roger D. Kirkpatrick, Trustee of the Roger D. Kirkpatrick 2021 Trust

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): [019-241-002-000](#) and [019-251-002-000](#)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF EUREKA, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

THAT REAL PROPERTY LOCATED PARTLY IN THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 5 NORTH, RANGE 1 WEST, HUMBOLDT MERIDIAN, AND PARTLY IN ROBERTS ADDITION TO BUCKSPORT BOUNDED AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF THE STATE HIGHWAY, 834.74 FEET SOUTH AND 168.02 FEET WEST OF CITY OF EUREKA MONUMENT NO. 78;
AND THENCE RUNNING ALONG THE WESTERLY LINE OF SAID HIGHWAY, SOUTH 8 DEGREES 01 MINUTE WEST 225 FEET TO A POINT, WHICH IS 15 FEET NORTHERLY FROM THE NORTHERLY LINE OF THE ASSOCIATED OIL COMPANY'S PROPERTY, AS DESCRIBED IN DEED RECORDED IN [BOOK 177 OF DEEDS, PAGE 387](#), HUMBOLDT COUNTY RECORDS;
THENCE PARALLEL WITH THE NORTHERLY LINE OF SAID ASSOCIATED OIL COMPANY'S PROPERTY AND 15 FEET DISTANT THEREFROM NORTH 78 DEGREES 22 MINUTES WEST 239.25 FEET;
THENCE NORTH 73 DEGREES 44 MINUTES WEST 192.57 FEET;
THENCE NORTH 75 DEGREES 08 MINUTES WEST 143.52 FEET;
THENCE NORTH 77 DEGREES 42 MINUTES WEST 163 FEET, MORE OR LESS, TO THE EASTERLY LINE OF THE RIGHT OF WAY OF THE NORTHWESTERN PACIFIC RAILROAD COMPANY;
THENCE FOLLOWING THE EASTERLY BOUNDARY OF SAID RIGHT OF WAY, NORTH 0 DEGREES 01 MINUTE WEST 220.91 FEET;
THENCE SOUTH 77 DEGREES 04 MINUTES EAST 768.12 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

PARCEL TWO:

COMMENCING AT A POINT BEING THE INTERSECTION OF THE WESTERLY LINE OF STATE HIGHWAY NO. 101 WITH THE SOUTHERLY LINE OF PRESS LANE IN SECTION 33, TOWNSHIP 5 NORTH, RANGE 1 WEST, HUMBOLDT MERIDIAN;
THENCE ALONG THE SOUTHERLY LINE OF PRESS LANE, NORTH 78 DEGREES 22 MINUTES WEST A DISTANCE OF 238.143 FEET TO A POINT;
THENCE NORTH 73 DEGREES 44 MINUTES WEST A DISTANCE OF 34.83 FEET TO A POINT OF BEGINNING IN THE SOUTHERLY LINE OF PRESS LANE;
THENCE, FROM THIS POINT OF BEGINNING NORTH 73 DEGREES 44 MINUTES WEST ALONG THE SOUTHERLY LINE OF PRESS LANE A DISTANCE OF 158.17 FEET;
THENCE ALONG THE SOUTHERLY LINE OF PRESS LANE, NORTH 75 DEGREES 8 MINUTES WEST A DISTANCE OF 143.0 FEET;
THENCE ALONG THE SOUTHERLY LINE OF PRESS LANE, NORTH 77 DEGREES 42 MINUTES WEST, A DISTANCE OF 159.47 FEET TO A POINT IN THE EASTERLY RIGHT OF WAY OF THE NORTHWESTERN PACIFIC RAILROAD;
THENCE SOUTH 0 DEGREES 2 MINUTES EAST ALONG THE EASTERLY LINE OF THE NORTHWESTERN PACIFIC RAILROAD RIGHT OF WAY, A DISTANCE OF 363.96 FEET TO A POINT;
THENCE ON A CURVE TO THE RIGHT WITH THE CENTER BEARING SOUTH 66 DEGREES 3 MINUTES EAST AND RADIUS OF 418.38 FEET A DISTANCE OF 544.928 FEET TO A POINT;
THENCE NORTH 9 DEGREES 49 MINUTES EAST, A DISTANCE OF 5.22 FEET TO THE POINT OF BEGINNING.

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2025-2026.
2. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area: 003-011
[Tax Identification No.:](#) [019-241-002-000](#)
Fiscal Year: 2024-2025
1st Installment: \$7,920.91 Paid
2nd Installment: \$7,920.91 Open
Land: \$883,707.00
Improvements: \$450,477.00
Personal Property: \$176,000.00

Affects: Parcel One

3. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2023-2024.

[Tax Identification No.:](#) [019-241-002-000](#)
Default No.: DEF240000304
Default Date: June 30, 2024

Amounts to redeem for the above-stated fiscal year (and subsequent years if any) are:

Amount: \$9,764.65 by March 31, 2025
Amount: \$9,882.10 by April 30, 2025

Affects: Parcel One

4. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area: 003-011
[Tax Identification No.:](#) [019-251-002-000](#)
Fiscal Year: 2024-2025
1st Installment: \$1,235.94 Delinquent + Penalty \$135.59
2nd Installment: \$1,235.94 Open
Land: \$206,195.00
Improvements: \$29,453.00

Affects: Parcel Two

EXCEPTIONS
(continued)

- 5. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2023-2024.

Tax Identification No.: [019-251-002-000](#)
Default No.: DEF240000305
Default Date: June 30, 2024

Amounts to redeem for the above-stated fiscal year (and subsequent years if any) are:

Amount: \$1,599.03 by March 31, 2025
Amount: \$1,617.31 by April 30, 2025

Affects: Parcel Two

- 6. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
- 7. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.
- 8. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

EXCEPTIONS
(continued)

9.
 - A. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
 - B. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
 - C. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
 - D. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
 - E. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
 - F. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
 - G. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.
10. Any claim that any portion of the land is below the ordinary high water mark where it was located prior to any artificial or avulsive changes in the location of the shoreline or riverbank.
11. Any rights, interests, or easements in favor of the public, which exist or are claimed to exist over any portion of said land covered by water, including a public right of access to the water.
12. Any claim that any portion of the land is or was formerly tidelands or submerged lands.
13. Rights of others in and to any portion of said land that may be included within the lines of Press Lane as traveled.
14. Rights, title and interest in and to a railroad spur line running along the Southerly line of said land.

EXCEPTIONS
(continued)

15. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of Eureka
 Purpose: Underground sewage and drainage pipe lines
 Recording Date: September 6, 1972
 Recording No.: 15678, [Book 1155, Page 158, of Official Records](#)
 Affects: A ten foot wide strip of land lying parallel, adjacent and Westerly of the Westerly right of way line of U.S. Highway 101, also known as Broadway, as it existed June 15, 1971, extending between the Northerly and Southerly boundaries of said Parcel One.
16. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of Eureka
 Purpose: Underground sewage and drainage pipe lines
 Recording Date: September 6, 1972
 Recording No.: 15681, [Book 1155, Page 167, of Official Records](#)
 Affects: A ten foot wide strip of land lying parallel, adjacent and Westerly of the Westerly right of way line of U.S. Highway 101, also known as Broadway, as it existed June 15, 1971, extending between the Northerly and Southerly boundaries of said Parcel One.
17. The effect of a variation in the bearings and distances shown on the Parcel Map No. 3225 in [Book 30 of Parcel Maps, Page 74](#), with those shown in/on the description herein.
18. The effect of a variation in the bearings and distances shown on the Record of Survey recorded in [Book 62 of Surveys, Page 87](#), with those shown in/on the description herein.
19. Any rights, interests or claims which may exist or arise by reason of the following matters disclosed by the Record of Survey recorded in [Book 62 of Surveys, Page 87](#):
- (a) The fact that a fence lies South of the North line, East of the West line and North of the South line of said land.
- (b) Easements for power pole lines and overhead electric lines.
20. A deed of trust to secure an indebtedness in the amount shown below,
- Amount: \$1,086,000.00
 Dated: June 4, 2015
 Trustor/Grantor: Roger Kirkpatrick, an unmarried man
 Trustee: Humboldt Land Title Company, a California corporation
 Beneficiary: Daniel A. Matthews, a married man as his separate property
 Loan No.: Not shown
 Recording Date: June 8, 2015
[Recording No.:](#) [2015-011003-5, of Official Records](#)

EXCEPTIONS
(continued)

An assignment of the beneficial interest under said deed of trust which names:

Assignee: Daniel A. Matthews and Sue Matthews, husband and wife, as community property, and as Trustees, and the Subsequent Trustees, of the Matthews Family Trust, dated September 16, 2015
 Loan No.: Not shown
 Recording Date: October 16, 2015
Recording No.: [2015-019881-2, of Official Records](#)

21. Matters contained in that certain document

Entitled: Covenant and Environmental Restriction on Property
 Dated: May 13, 2021
 Executed by: Roger Kirkpatrick and California Regional Water Quality Control Board, North Coast Region, by Matthias St John, Executive Officer
 Recording Date: May 20, 2021
Recording No.: [2021-011431, of Official Records](#)

Reference is hereby made to said document for full particulars.

22. Any invalidity or defect in the title of the vestees in the event that the trust referred to herein is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.

If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a Trust Certification pursuant to California Probate Code Section 18100.5.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

23. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

24. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

25. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

Party(ies): Roger D. Kirkpatrick, Trustee of the Roger D. Kirkpatrick 2021 Trust

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

EXCEPTIONS
(continued)

26. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF EXCEPTIONS

NOTES

- Note 1.** Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a Commercial Property, known as 3990 Broadway, Eureka, CA, to an Extended Coverage Loan Policy.
- Note 2.** Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
- Note 3.** Note: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.
- Note 4.** Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
- Note 5.** The application for title insurance was placed by reference to only a street address or tax identification number. The proposed Insured must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed Insured must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.
- Note 6.** Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
- Note 7.** Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of a Company agent, an authorized employee of the insured lender, or by using Bancserv or other Company-approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.
- Note 8.** Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
- Note 9.** Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

END OF NOTES



Inquire before you wire!

WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:

<http://www.fbi.gov>

Internet Crime Complaint Center:

<http://www.ic3.gov>

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Effective January 1, 2025

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g., Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g., loan or bank account information);
- biometric data (e.g., fingerprints, retina or iris scans, voiceprints, or other unique biological characteristics; and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for these main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To prevent and detect fraud;
- To maintain the security of our systems, tools, accounts, and applications;
- To verify and authenticate identities and credentials;
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.
- To provide reviews and testimonials about our services, with your consent.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to affiliated or nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to affiliated or nonaffiliated third parties with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

State-Specific Consumer Privacy Information:

For additional information about your state-specific consumer privacy rights, to make a consumer privacy request, or to appeal a previous privacy request, please follow the link [Privacy Request](#), or email privacy@fnf.com or call (888) 714-2710.

Certain state privacy laws require that FNF disclose the categories of third parties to which FNF may disclose the Personal Information and Browsing Information listed above. Those categories are:

- FNF affiliates and subsidiaries;
- Non-affiliated third parties, with your consent;
- Business in connection with the sale or other disposition of all or part of the FNF business and/or assets;

- Service providers;
- Law endorsement or authorities in connection with an investigation, or in response to a subpoena or court order.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (fnf.com/california-privacy) or call (888) 413-1748.

For Nevada Residents: We are providing this notice pursuant to state law. You may be placed on our internal Do Not Call List by calling FNF Privacy at (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. For further information concerning Nevada's telephone solicitation law, you may contact: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: aginqueries@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes. For additional information about your Oregon consumer privacy rights, or to make a consumer privacy request, or appeal a previous privacy request, please email privacy@fnf.com or call (888) 714-2710

FNF is the controller of the following businesses registered with the Secretary of State in Oregon: Chicago Title Company of Oregon, Fidelity National Title Company of Oregon, Lawyers Title of Oregon, LoanCare, Tigor, Title Company of Oregon, Western Title & Escrow Company, Chicago Title Company, Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Fidelity National Title Insurance Company, Liberty Title & Escrow, Novare National Settlement Service, Tigor Title Company of California, Exos Valuations, Fidelity & Guaranty Life, Insurance Agency, Fidelity National Home Warranty Company, Fidelity National Management Services, Fidelity Residential Solutions, FNF Insurance Services, FNTG National Record Centers, IPEX, Mission Servicing Residential, National Residential Nominee Services, National Safe Harbor Exchanges, National Title Insurance of New York, NationalLink Valuations, NexAce Corp., ServiceLink Auction, ServiceLink Management Company, ServiceLink Services, ServiceLink Title Company of Oregon, ServiceLink Valuation Solutions, Western Title & Escrow Company

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is

necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions or would like to correct your Personal Information, visit FNF's [Privacy Request](#) website or contact us by phone at (888) 714-2710, by email at privacy@fnf.com, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 (11-09-18)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART II

(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)

ATTACHMENT ONE (CONTINUED)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE OWNER'S POLICY (02-04-22)

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE

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

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

PART I

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

PART II

(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)

**ATTACHMENT ONE
(CONTINUED)**

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (7-01-21)
EXCLUSIONS FROM COVERAGE**

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

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, or regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by You;
 - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
 - c. resulting in no loss or damage to You;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
 - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
 4. Lack of a right:
 - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
 - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.

Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
 5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 30.
 7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
 9. Any lien on Your Title for real estate taxes or assessments, imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a or 27.
 10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

LIMITATIONS ON COVERED RISKS

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

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

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

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

**ATTACHMENT ONE
(CONTINUED)**

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

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

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

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

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

ATTACHMENT ONE (CONTINUED)

ALTA OWNER'S POLICY (07-01-2021) EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE

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

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

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

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

ATTACHMENT ONE (CONTINUED)

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE

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

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

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

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies

CTC - Chicago Title Company
CLTC - Commonwealth Land Title Company
FNTC - Fidelity National Title Company
FNTCCA - Fidelity National Title Company of California
TICOR - Ticor Title Company of California
LTC - Lawyer's Title Company
SLTC - ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC - Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Co.
FNTIC - Fidelity National Title Insurance Co.
NTINY - National Title Insurance of New York

Available Discounts

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, CLTIC, FNTIC, NTINY)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty percent (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

DISASTER AREA TRANSACTIONS (CTIC, CLTIC, FNTIC, NTINY)

This rate is available for individuals or entities that were victims of a national or state disaster. The rate can be used for a Lender's Policy (Standard or Extended), or an Owner's Policy (Standard or Homeowners coverage). To qualify for this rate, the applicant must, prior to the closing of the applicable transaction, make a written request, including a statement meeting the following criteria:

- A. The subject property is in a disaster area declared by the government of the United States or the State of California.
- B. The subject property was substantially or totally destroyed in the declared disaster.
- C. The subject property ownership has not changed since the time of the disaster.

The rate will be fifty percent (50%) of the applicable rate, and the transaction must be completed within sixty (60) months of the date of the declaration of the disaster.

Notice of Available Discounts

(continued)

DISASTER AREA ESCROWS (CTC, CLTC, FNTC, TICOR, LTC)

This rate is available for individuals or entities that were victims of a national or state disaster. The rate can be used for a loan or a sale escrow transaction. To qualify for this rate, the applicant must, prior to the closing of the applicable transaction, make a written request, including a statement meeting the following criteria:

- A. The subject property is in a disaster area declared by the government of the United States or the State of California.
- B. The subject property was substantially or totally destroyed in the declared disaster.
- C. The subject property ownership has not changed since the time of the disaster.

The rate will be fifty percent (50%) of the applicable rate, and the transaction must be completed within sixty (60) months of the date of the declaration of the disaster. Standard minimum charge applies based upon property type. No other discounts or special rates, or combination of discounts or special rates, shall be applicable. Applies to a single transaction per property.

This rate is applicable to the following Zones/Counties:

Zone 1.A: Orange County

Zone 1.B: Riverside and San Bernardino Counties

Zone 2: Los Angeles County

Zone 3: Ventura County

Zone 10: San Diego County

Zone 12: Imperial County

If used for a sale transaction, the application of this rate assumes the charge for the Residential Sale Escrow Services (RSES) fee will be split evenly between buyer and seller. As such and regardless of how the calculated applicable RSES will be split between the disaster victim and the other principal, the rate will be applied only to one half (1/2) of the calculated applicable RSES fee, regardless of whether the disaster victim is paying half (1/2) of the RSES fee (as is customary) or paying the entire fee. The rate under this provision will be fifty percent (50%) of disaster victims' one half (1/2) portion only and shall not apply to any portion paid by non-disaster victim. Additional services will be charged at the normal rates.

MILITARY DISCOUNT RATE (CTIC, CLTIC, FNTIC)

Upon the Company being advised in writing and prior to the closing of the transaction that an active duty, honorably separated, or retired member of the United States Military or Military Reserves or National Guard is acquiring or selling an owner occupied one-to-four family property, the selling owner or acquiring buyer, as applicable, will be entitled to a discount equal to fifteen percent (15%) of the otherwise applicable rates such party would be charged for title insurance policies. Minimum charge: Four Hundred Twenty-Five And No/100 Dollars (\$425.00)

The Company may require proof of eligibility from the parties to the transaction verifying they are entitled to the discount as described. No other discounts or special rates, or combination of discounts or special rates, shall be applicable.

MILITARY RATE (SLTC)

A discount of twenty percent (20%) off the purchase transaction closing and settlement fee or a discount of One Hundred And No/100 Dollars (\$100.00) off the refinance closing and settlement fee, will be applied when the loan is guaranteed by the United States Veterans Administration and the escrow fee is being paid by the consumer and is listed as paid by borrower on the Closing Disclosure and final Settlement Statement.

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries, and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

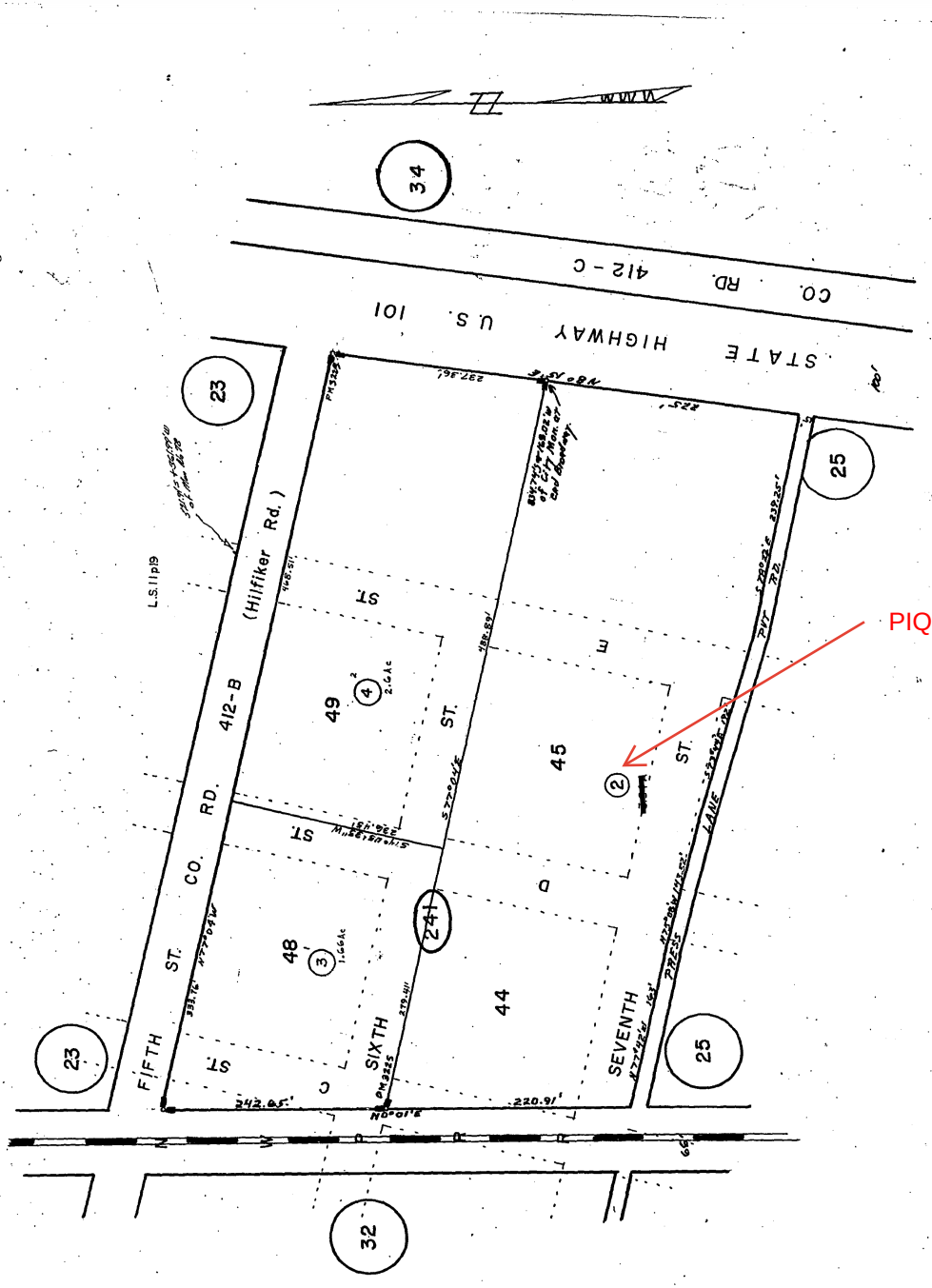
PTN SEC 33, 5N 1W

19-24

T.C.A. 81-002

4/17/82

100'



PM 3225 of PM Bk. 30, Pgs 74-75
RS, Bk 62 of surveys, Pg 87

421

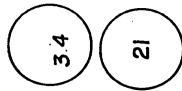
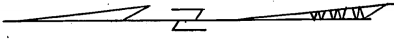
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19-25

T.C.A. 81-002



4/17/52

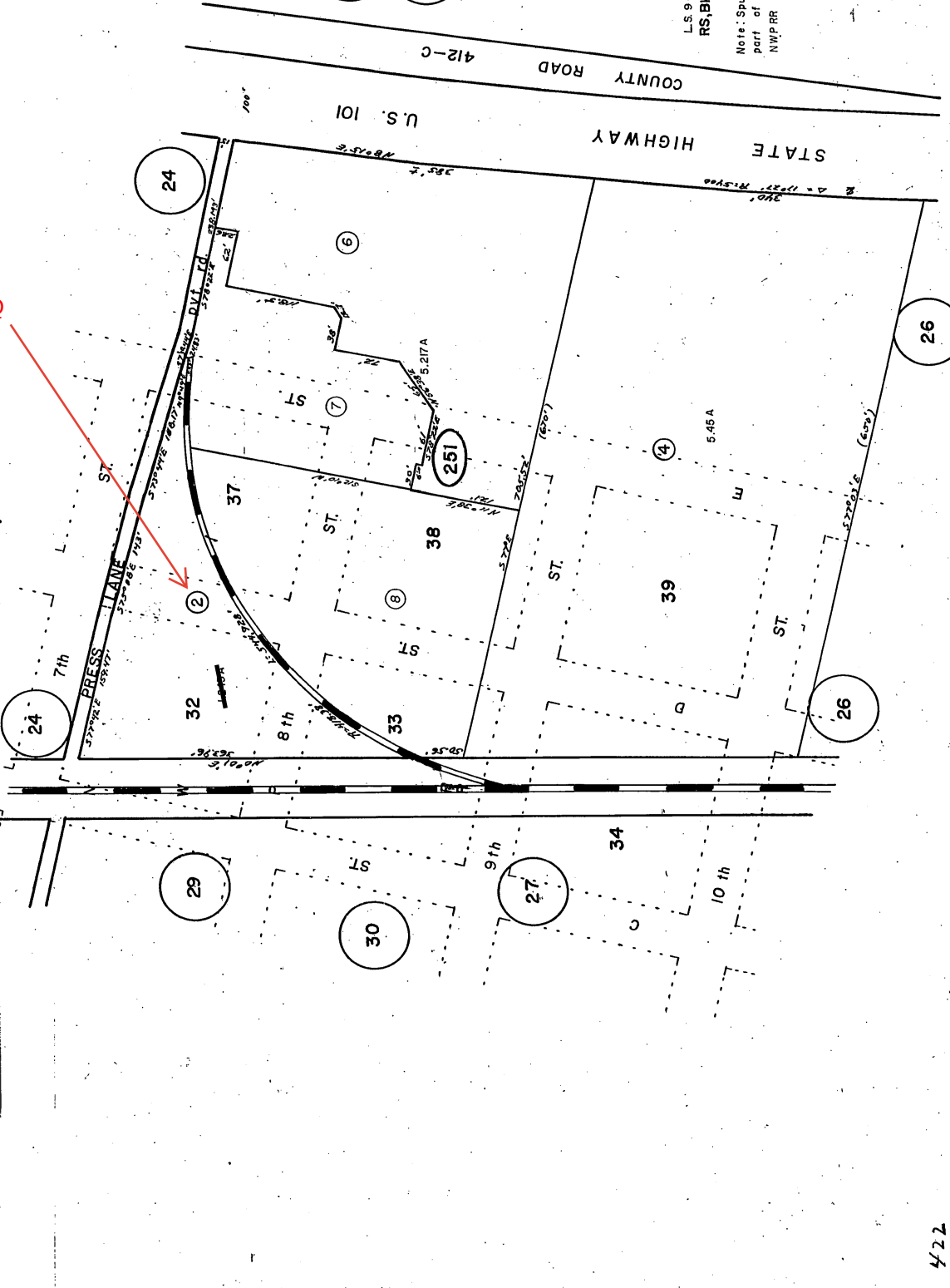


L.S. 9-58
RS, BK 62 of surveys, P 987

Note: Spur track shown is a
part of 19-241-03 from E.L.N.
NW/PR R/W

PIQ

PTN SEC 33, 5N 1W



422

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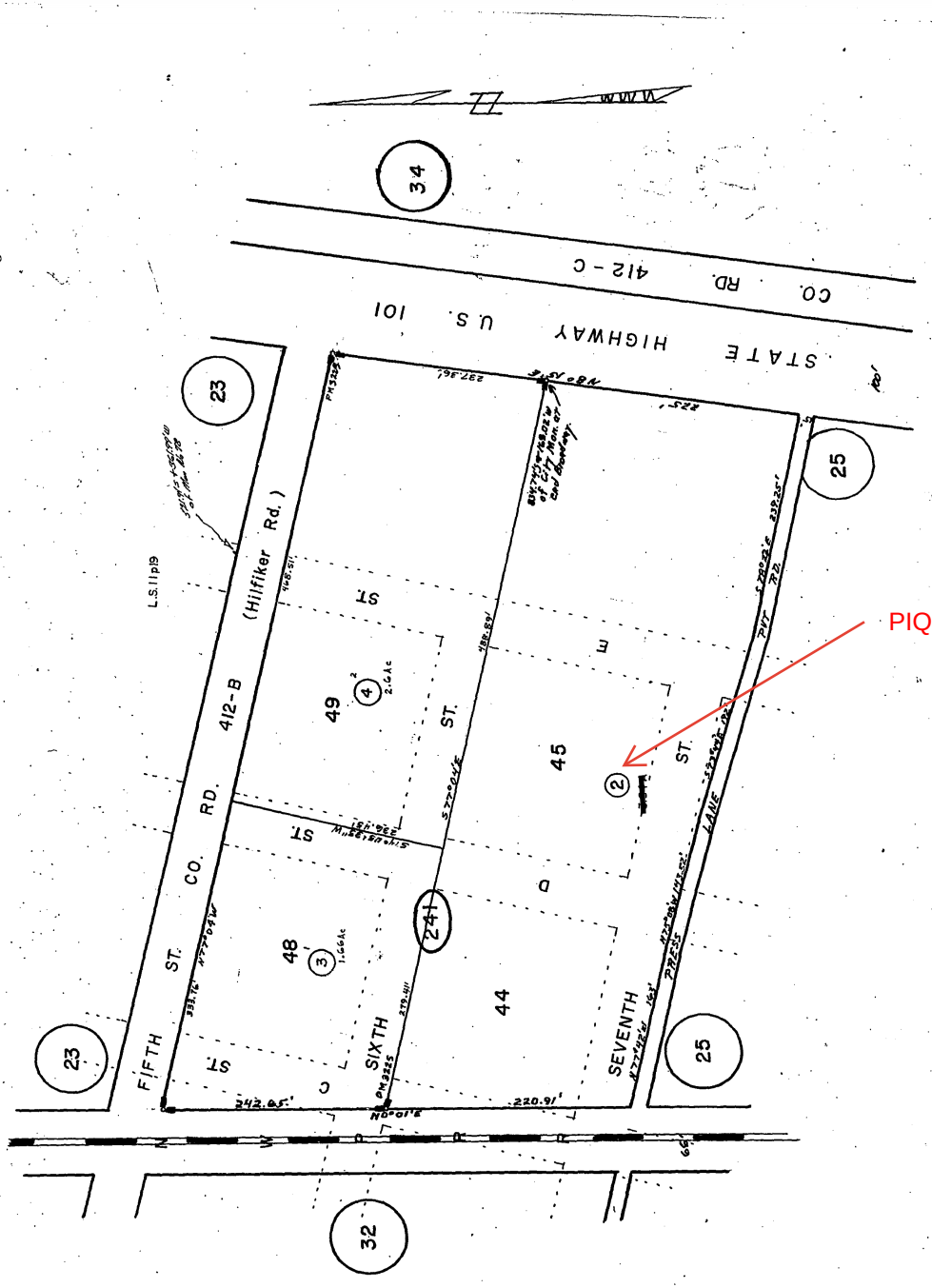
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19-24

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100'



PM 3225 of PM Bk. 30, Pgs 74-75
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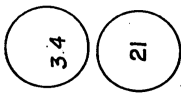
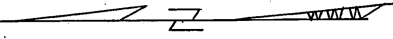
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T.C.A. 81-002



4/17/52



L.S. 9-58
RS, BK 62 of surveys, P 987

Note: Spur track shown is a part of 19-241-03 from E.L.N. NW/4 R/W

PIQ

PTN SEC 33, 5N 1W

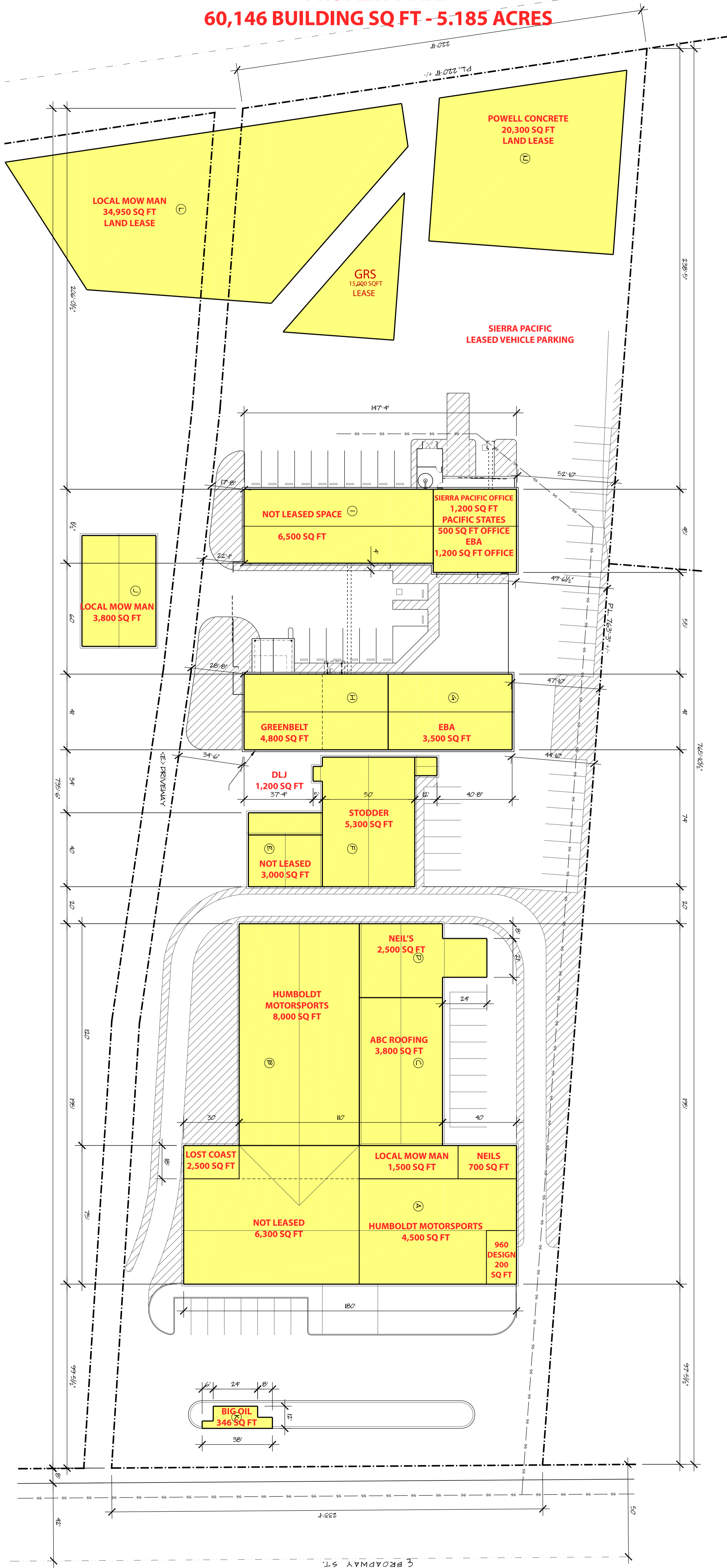


422

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Tenant	Monthly Rent
Local Mowman	\$8,100.00
Humboldt Motorsports	\$5,000.00
ABC Roofing	\$3,500.00
Big Oil & Tire	\$3,000.00
EBA Engineering	\$3,000.00
Sierra Pacific	\$3,000.00
Green Belt Electric	\$2,800.00
Stodder Electric	\$1,700.00
Lost Coast Science	\$1,500.00
Neil Specialty Sound	\$1,500.00
DMFG	\$1,200.00
Pacific Empire	\$700.00
960 Design	\$500.00
Powell Concrete	\$500.00
Madrone Business	\$500.00
Vacancy (4,800sqft, \$4,000 a month)	
Total	\$36,500.00

3990 BROADWAY ST EUREKA, CA 95503
PROPERTY MAP
60,146 BUILDING SQ FT - 5.185 ACRES



Valuation Glossary 2024

Unless specified otherwise, these definitions were extracted or paraphrased from the following sources or publications:

- The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).
- Uniform Standards of Professional Appraisal Practice, 2020-2023 Edition (USPAP).
- The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

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. *(Dictionary)*

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

Common Area

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. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, 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)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real estate contribute to property value. *(Dictionary)*

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)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

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

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

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

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. *(Dictionary)*

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. *(Dictionary)*

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

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)*

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that

the permissible floor area of a building is twice the total land area. *(Dictionary)*

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

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. *(Dictionary)*

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. *(Dictionary)*

Going-concern

An established and operating business having an indefinite future life. *(Dictionary)*

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. *(Dictionary)*

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 market area of the type of property involved. *(Dictionary)*

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)*

Gross Living Area (GLA)

Total area of finished, above-grade residential space area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market

participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

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

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(Dictionary)*

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Estate

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

Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

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

Market Value (Interagency Guidelines)

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. (12 CFR, Part 34, Subpart C - Appraisals, 34.42(h)).

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. (Dictionary)

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. (Dictionary)

Net Net Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN lease, triple net lease, or fully net lease*. (Dictionary)

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. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (15th 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)

Off-site Costs

Costs incurred in the development of a project excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. (Dictionary)

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. (Dictionary)

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. (15th Edition)

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. (Dictionary)

Parking Ratio

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

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. (Dictionary)

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. (Dictionary)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. (Dictionary)

Qualitative Adjustment

An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. (Dictionary)

Quantitative Adjustment

In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. *(Dictionary)*

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Replacement Cost for Insurance Purposes

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(Dictionary)*

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion

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

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

- The extent to which the property is identified;
- The extent to which tangible property is inspected;
- The type and extent of data researched; and
- The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. *(Dictionary)*

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. *(Dictionary)*

Surplus Land

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

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed 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)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (*PGI*) made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*



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Rebekah Dunn, MAI

Area of Expertise

Rebekah Dunn is a Senior Valuation Services Director in the Sacramento office of Colliers International Valuation & Advisory Services. Rebekah grew up in Sacramento, CA and attended the University of California, Santa Barbara, where she received a bachelor's degree in History and Political Science.

Rebekah provides commercial appraisal services for a variety of improved and vacant real estate properties. Her valuation experience includes all standard property types including office, industrial, retail, multi-family and land. In addition, she has experience with subdivision development projects and going-concern properties (specifically car washes). Rebekah has provided appraisal services for lending, development feasibility, and foreclosure support for proposed and existing properties.

Affiliations or Memberships

Designated Member of the Appraisal Institute, Northern California Chapter
Certified General Real Estate Appraiser

Education or Qualifications

Bachelor of Arts, History and Political Science, University of California Santa Barbara (Honors)

State Certifications

California
Nevada

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United States



Representative Projects

Office

- Pacific Research Center | 1,400,000 SF | Bio/Life Science Campus
- San Mateo Bay Center | 300,000 SF | Mid-Rise Office
- Market Square | 319,000 SF | Class A Office Rehabilitation
- Palo Alto Technology Center | 260,000 SF | Suburban Creative Office
- 3rd Street Office | 320,000 SF | Proposed Office - Port Land

Retail

- Country Club Plaza | 220,000 SF | Repositioned Regional Mall
- Crossing at Tahoe Valley | 46,000 SF | Retail Center
- Marin Gateway | 180,000 SF | Anchored Center
- Lincoln Center | 303,000 SF | Lifestyle Center
- Soaring Ranch | 60,000 SF | Tahoe Region Anchored Center
- Santa Rita Plaza | 125,000 SF | Anchored Retail Center - Leasehold

Multifamily

- Proposed Lake Tahoe Condominiums | 49 Units | Lake View Condominiums
- Shipyard Condominiums | 109 Units | Proposed Bay Area Condominiums
- SF Condominiums | 130 Units | Proposed Mixed-Use Development
- Central Coast Condominiums | Mixed-Use | Proposed Redevelopment Project

Industrial

- West Sacramento Ind. | 625,000 SF | Repositioned Industrial/Cold Storage
- Southport Industrial | 425,000 SF | Proposed Distribution/Warehouse
- East Bay FBO | 75,000 SF | Proposed Aviation Expansion - Going Concern
- Reno Distribution | 750,000 SF | Warehouse/Distribution Portfolio

Land

- Metro Air Park | 25-Acre | Future Commercial Development Analysis
- Bridle Gate Subdivision | 29 Acres | Residential Subdivision
- North Village Subdivision | 250-Lots | Multi-Phase Residential Development
- Sutter Park Triangle | Mixed-Use | Proposed Urban Mixed-Use Development



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

Rebekah E. Dunn

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: 3004728

Effective Date: August 17, 2023
Date Expires: August 16, 2025


Angela Jemmott, Bureau Chief, BREA

3072657



Executive Vice President | Western US
Valuation & Advisory Services

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Jeffrey R. Shouse, MAI, CRE

Area of Expertise

Jeffrey R. Shouse is currently the Executive Vice President | Western US. He joined Colliers International Valuation & Advisory Services in January 1998. His primary focus is on the valuation of mobile home parks, self-storage facilities, and multifamily developments. Over the last several years, Jeff has appraised these property types in all 50 states. His clients include lenders, developers, owners, attorneys, insurance companies, and redevelopment groups.

Jeff was raised in Sacramento, California. After high school graduation, he attended Utah Valley State College where he received an associate degree. He then attended Brigham Young University and California State University, Sacramento, receiving a bachelor's degree.

Jeff is also the Self-Storage Practice Leader for CVAS. His national team consists of approximately 30 senior appraisers that focus on storage, strategically aligned throughout the country. The Self-Storage team has been able to complete approximately 5,000 assignments over the last three years, which included several market and feasibility studies, consulting and litigation assignments, and portfolios.

Jeff organizes a quarterly self-storage newsletter that includes articles and opinions from developers, owners, operators and brokers throughout the industry. He has had several speaking assignments over the years with state and national associations.

Affiliations or Memberships

- Designated Member of the Appraisal Institute
- CRE Designation - Counselors of Real Estate
- Boy Scouts of America
- Sacramento-Sierra Chapter of the Appraisal Institute
- Western Manufactured Housing Communities Association (WMA)
- National Manufactured Housing Congress (NMHC)
- California Self Storage Association (CSSA)
- Self-Storage Association (SSA)
- Inside Self Storage (ISS)

Recognition

- Terry Gardner Spirit Award (2008)
- Top Producer (2010)
- Colliers International Innovation Award
Innovation Award (2012)

Education or Qualifications

Bachelor of Science Degree,
California State University,
Sacramento

Utah Valley State College

Brigham Young University

State Certifications

Arizona

California

Idaho

Nevada

Utah

Washington



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

Jeffrey R. Shouse

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:

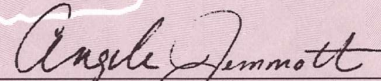
“Certified General Real Estate Appraiser”

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

BREA APPRAISER IDENTIFICATION NUMBER: AG 026208

Effective Date: April 11, 2023

Date Expires: April 10, 2025



Angela Jemmott, Bureau Chief, BREA

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Valuation & Advisory Services

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Valuation & Advisory Services

Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

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Commitment to high-end client service, coupled with Colliers' unparalleled market intelligence and resources, differentiates us as the firm of choice in the real estate industry.

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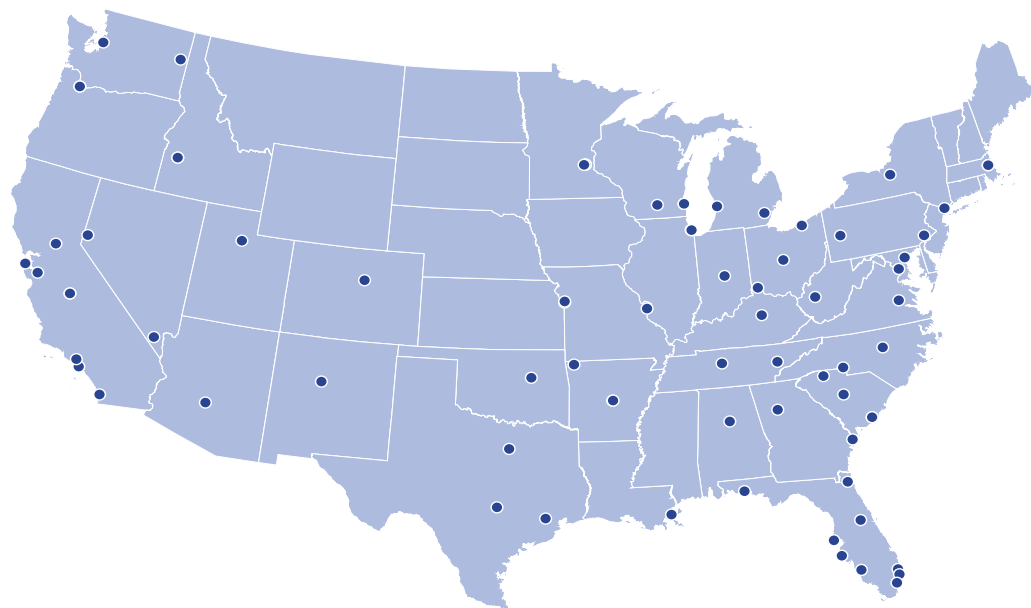
Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

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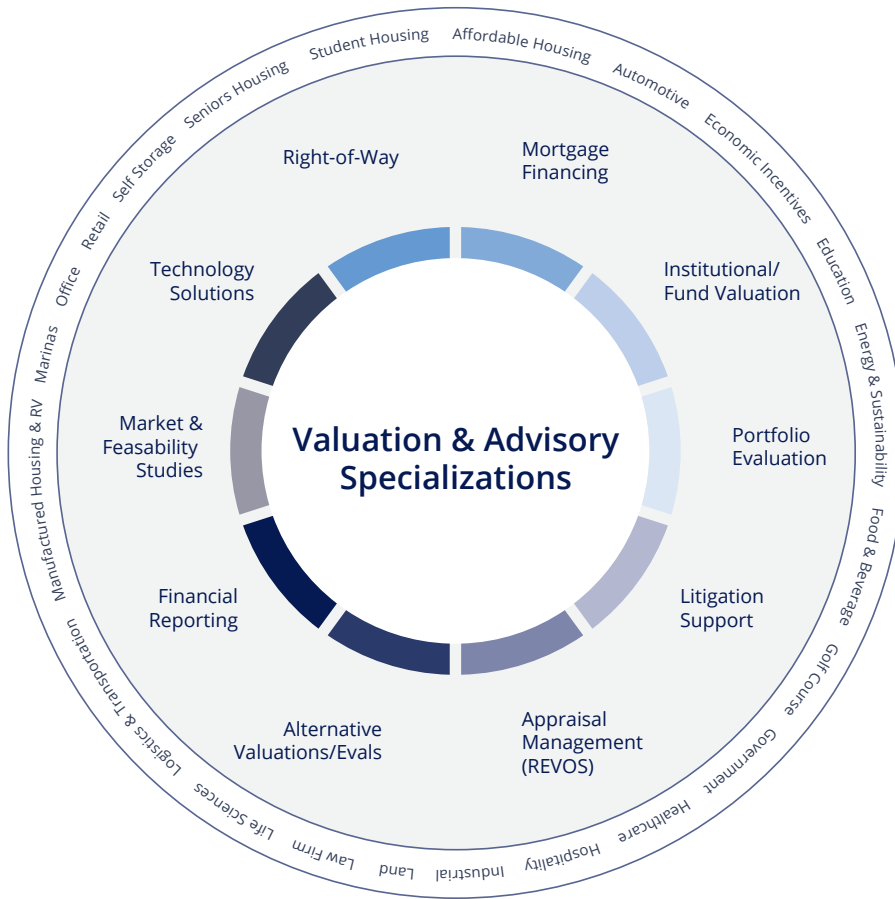
Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

INFORMATION

Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers' valuation and advisory reports give our clients the information they need to make better business decisions.



What We Do



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licensed appraisers and staff



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market locations across the country

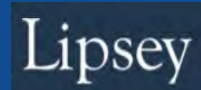
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top female-friendly
companies.



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Our Experts

To learn more about our Regional and Market Valuation Experts, please click on or scan the QR code.



Why work with Colliers?



We act as an extension of your team.

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We are both results and process-driven.

From the first handshake to the last, we manage the valuation process to minimize disruption, mitigate risk and mediate competing perspectives so that you can focus on what you do best. You can count on us to stay focused on your priorities.



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