



August 28, 2017

Advice Letter No. 328-E

(U 913 E)

California Public Utilities Commission

Attention: Energy Division
Advice Letter Filing Room 4005

SUBJECT: Request by Golden State Water Company, dba Bear Valley Electric Service, to the Commission to transfer utility property under Public Utilities Code 851, pursuant to General Order 173

Purpose

Golden State Water Company ("GSWC") respectfully requests an order from the California Public Utilities Commission ("Commission") authorizing GSWC to convey an easement under Public Utilities Code Section 851 to Sheryl J. Nelson Family Trust.

The conveyance of the subject property easement is being requested because it has never been used in utility operations and there are no future plans to do so. Additionally, the property owner has requested that the easement be relinquished.

The easement is located within Assessor's Parcel Number ("APN") 0311-491-04-0000, Lot 20 of Tract 12488-1. As shown on the map recorded at Book 235, Pages 53-61, in the records of the County Recorder of San Bernardino County, California. The easement is vacant, and has no public use.

GSWC believes that vacating this easement to Sheryl J. Nelson Family Trust will not affect GSWC's use and operation of its facilities on GSWC's remaining property. Utility service will not be affected as a result of Commission approval of this easement relinquishment transaction.

GSWC obtained this easement in 1957 and does not intend to use the subject property for utility operations. GSWC has provided a copy of the 1957 Grant of Easement attached hereto as Exhibit A.

Previous Advice Letter Filing

On July 24, 2015, GSWC filed Advice Letter 305-E to relinquish the aforementioned easement to the parties listed below. Advice Letter 305-E was approved with an effective date of August 25, 2015. After its approval, it was later determined that the appraisal provided in Advice Letter 305-E was for the sale of real property, not for the relinquishment of the easement. Upon discovery of this error, GSWC ceased any further action and the transaction was not completed.

In Advice Letter 328-E, GSWC is seeking to correct this error. The parties have been notified that the cost to relinquish the easement will be \$889.00, not the \$23,800.00 as originally appraised. Upon completion of this transaction, GSWC will relinquish any claim and interest in this easement (see e.g., draft Quitclaim Deed attached as Exhibit B).

Environmental Information

This easement will become part of the Sheryl J. Nelson Family Trust property. No environmental affects will arise as a result of this transaction. The conveyance of this property easement has no potential for causing a direct or indirect physical change in the environment, and would not be a project pursuant to the California Environmental Quality Act (CEQA). 14 C.C. R. § 15378.

Information Required Under General Order 173

GSWC provides the following information in compliance with General Order 173:

This transaction qualifies for advice letter treatment under General Order 173 as the property being transferred does not have a fair market value in excess of \$5 million.

1. Identity and addresses of all parties to the Proposed Transaction:

Golden State Water Company, Seller
DBA Bear Valley Electric Service
630 East Foothill Blvd.
San Dimas, California 91773
Telephone: (909) 394-3600
rkmoore@gswater.com

Sheryl J. Nelson Family Trust
42572 Juniper Drive
Big Bear Lake, CA 92315

2. A complete description of the property, including its present location, condition, and use:

GSWC obtained the easement in 1957 for \$1 (property, escrow, and taxes). The easement was first recorded in ratebase in 1957. The easement was never utilized. The existing land is not being used. The easement is located on Assessor's Parcel Number (APN) 0311-491-04-0000, Lot 20 of Tract 12488-1. As shown on the map recorded at Book 235, Pages 53-61, in the records of the County Recorder of San Bernardino County, California.

There is no street address for this easement (vacant lot).

3. Transferee's intended use of the property:

The Buyer intends to acquire the easement as an extension of their property.

4. A complete description of the financial terms of the proposed transaction:

As determined, the fair market value of the easement is \$889.00. This is the amount the easement is being relinquished for. A copy of the appraisal is attached as Exhibit C.

5. A description of how the financial proceeds of the transaction will be distributed:

GSWC request that the Commission allocate the financial proceeds in accordance with the Commission Decision No. 06-12-043), which determines GSWC's process for allocating gains (and losses) on the sale of certain utility assets.

6. A statement of the impact of the transaction on ratebase and any effect on the ability of the utility to serve customers and the public:

This transaction will not have an impact on ratebase and will not have any impact on service to GSWC customers or the public.

7. For sales of real property and depreciable assets, the original cost, present book value, and present fair market value, and a detailed description of how the fair market value was determined (e.g., appraisal):

This transaction does not involve real property or depreciable assets.

8. For leases of real property, the fair market rental value, and a detailed description of how the fair market rental value was determined, and any additional information necessary to show compliance with Section II.A.6 above.

This transaction does not involve a lease.

9. For easements or rights-of-way, the fair market value of the easement or right-of-way and a detailed description of the fair market value was determined.

In 1957, the easement was transferred to Golden State Water Company (The parent of Bear Valley Electric) for the sum of one dollar when Bear Valley Water and Bear Valley Electric Service severed their relationship. The present fair market value, as

determined by appraisal, states that the portion of the easement pertaining to Lot 20 is presently valued at \$889.00.

10. **A complete description of any recent past (within the prior two years) or anticipated future transactions that may appear to be related to the present transaction, such as sales or leases of real property that are located near the property at issue or that are being transferred to the same transferee; or for depreciable assets, sales of similar assets or sales to the same transferee:**

In a separate transaction, an easement on Lot 21 (adjacent property) was recently appraised at \$602. See Exhibit D.

11. **Sufficient information and documentation (including environmental review documentation) to indicate that all criteria set forth in rule 3 of General Order ("GO") 173 are satisfied:**

GSWC has provided information in this advice letter to satisfy the eligibility criteria under GO 173 in that:

- The activity proposed in the transaction will not require environmental reviews by the Commission as a Lead Agency.
- The transaction will not have an adverse effect on the public interest or on the ability of GSWC to provide safe and reliable service.
- The transaction will not materially impact the ratebase of GSWC.

12. **The filing utility may submit additional information to assist in the review of the advice letter, including recent photographs, scaled maps, drawings:**

GSWC has provided a copy of maps attached hereto as Exhibit E.

13. **Environmental Information:**

- a. **If the Applicant believes that the transaction is exempt from review under CEQA. If the applicant believes that the transaction is exempt from environmental review under a statutory or categorical exemption from CEQA, the applicant shall provide the following information:**

- (1) **Has the proposed transaction been found exempt from CEQA by another government agency?**

- (a) If yes, the applicant shall attach the Notice of Exemption to the advice letter and shall state the name of the applicable public agency, the date of the Notice of Exemption, and State Clearinghouse #.
 - (b) If no, the applicant shall state the specific CEQA exemption or exemptions that the applicant claims apply to the transaction, including citations to the applicable State CEQA Guideline(s) and/or statutes, and an explanation of why the applicant believes that each exemption applies. The applicant shall confirm that no exceptions to the claimed CEQA exemption(s) apply.
- b. **If the Applicant Believes That the Transaction Is Not a Project under CEQA.** If the applicant believes that the transaction is not a project under CEQA, the applicant shall include an explanation of its position.

This transaction is not a project under CEQA because there is no direct physical change in the environment, the owner of the property just wants GSWC to release the easement that is not being used to extend their backyard.

- c. **If Another Public Agency, Acting as the Lead Agency, Has Completed Environmental Review of the Project and the Applicant Believes that the Commission is a Responsible Agency under CEQA.** If another public agency, acting as the Lead Agency under CEQA, has completed an environmental review of the project and has approved the final CEQA documents, and the Commission is a Responsible Agency under CEQA, the applicant shall submit the following information to the Commission Energy Division CEQA Team:

- (1) The name, address, and phone number of the Lead Agency, the type of CEQA document that was prepared (Environmental Impact Report, Negative Declaration, Mitigated Negative Declaration), the date on which the Lead Agency approved the CEQA document, the date on which a Notice of Determination was filed:
- (2) A copy of all CEQA documents prepared by or for the Lead Agency regarding the project and the Lead Agency's resolution or other document approving the CEQA documents:
- (3) A list of section and page numbers for the environmental impacts, mitigation measures, and findings in the prior CEQA documents that relate to the approval sought from the Commission:
- (4) An explanation of any aspect of the project or its environmental setting which has changed since the issuance of the prior CEQA document:
- (5) A statement of whether the project will require approval by additional public agencies other than the Commission and the Lead Agency, and, if so, the name and address of each agency and the type of approval required.

Tier Designation

This advice letter is being submitted with a Tier 2 designation.

Effective Date

GSWC is requesting that this filing become effective upon regular statutory notice.

Notice and Protests

A protest is a document objecting to the granting in whole or in part of the authority sought in this advice letter.

A response is a document that does not object to the authority sought, but nevertheless presents information that the party tendering the response believes would be useful to the CPUC in acting on the request.

A protest must be mailed within 20 days of the date the CPUC accepts the advice letter for filing. The Calendar is available on the CPUC's website at www.cpuc.ca.gov. A protest must state the facts constituting the grounds for the protest, the effect that approval of the advice letter might have on the protestant, and the reasons the protestant believes the advice letter, or a part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the advice letter. The utility must respond to a protest with five days.

All protests and responses should be sent to:
California Public Utilities Commission, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

A copy of the protest should also be sent via e-mail to the attention of the ED Tariff Unit (EDTariffUnit@cpuc.ca.gov). ATTN: Tariff Unit

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

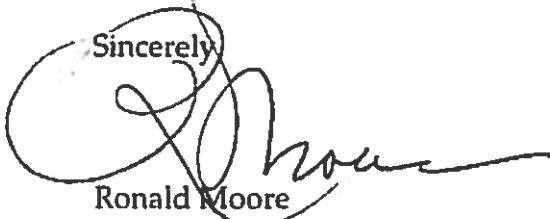
Copies of any such protests should be sent to this utility at:
Golden State Water Company
ATTN: Ronald Moore
630 East Foothill Blvd.
San Dimas, CA 91773
E-mail: regulatoryaffairs@gswater.com

If you have not received a reply to your protest within 10 business days, contact this person at (909) 394-3600 ext. 682.

No individuals or utilities have requested notification of filing of tariffs. A copy of this advice letter is being furnished to the entities listed to the GO 96-B service list for Bear Valley Electric Service via U.S. mail service and/or electronically via e-mail.

In accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice letter filing open for public inspection at Bear Valley Electric Service and Golden State Water Company Headquarters.

Sincerely

A handwritten signature in black ink, appearing to read "R. Moore", written over the word "Sincerely". The signature is fluid and cursive, with a large initial "R" and a long horizontal stroke at the end.

Ronald Moore
Regulatory Affairs Dept.
Golden State Water Company

c: James Loewen, CPUC – Energy Division
R. Mark Pocta, ORA
Sheryl J. Nelson Family Trust

GOLDEN STATE WATER COMPANY

DISTRIBUTION LIST

BEAR VALLEY ELECTRIC DIVISION

Agnes Roberts, Financial Analyst
Big Bear City Community Services District
agnes.roberts@bbccsd.org
Email Only

City Clerk
City of Big Bear Lake
39707 Big Bear Blvd.
P. O. Box 10000
Big Bear Lake, CA 92315

City Attorney
City of Big Bear Lake
39707 Big Bear Blvd.
P. O. Box 10000
Big Bear Lake, CA 92315

County Clerk
County of San Bernardino
385 N. Arrowhead Ave., 2nd Floor
San Bernardino, CA 92415-0140

County Counsel
County of San Bernardino
385 N. Arrowhead Ave., 4th Floor
San Bernardino, CA 92415-0140

Dave Morse
2436 Rivendell Lane
Davis, CA 95616
davidmorse9@gmail.com

Wade Reeser, VP Operations
Big Bear Mountain Resorts
P.O. Box 77, 880 Summit Blvd.
Big Bear Lake, CA 92315
Wreeser@Mammothresorts.com

Megan Somogyi
Goodin, MacBride, Squeri & Day, LLP
505 Sansome Street, Suite 900
San Francisco, CA 94111
MSomogy@goodinmacbride.com

Roman Nava
OPR Communications
mava@oprusa.com

Exhibit A

STATE OF CALIFORNIA

4438 1

FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) lawful money of the United States of America, receipt of which is hereby acknowledged, Ray Taylor Power Line Company, Grantor, do hereby grant to the Grantee, the Southern California Edison Company, its successors and assigns, a right of way and easement for the construction, maintenance, operation, inspection, repair, replacement and removal of electric lines and telephone lines and cables, including such additional circuits as said Grantee may from time to time hereafter require, upon and by means of one line of poles, with supporting structures, crossarms, wires, guys, anchors, fixtures and appurtenances, for the transmission of electric energy for any and all purposes for which the same may be used, and communication purposes, upon, over and across that certain real property situate in the County of San Bernardino, State of California.

The real property over, under and across which said easement and right of way is hereby granted is located in Section 17, T12N, R12E, S12E, 4th Meridian, San Bernardino County, California.

and more particularly described as follows:

North-west 1/4 corner Sec. 17 - T12N - R12E - S12E - 4th Meridian, San Bernardino County, California, being more particularly described as follows: Commence at a point on the west line of the said Section 17, thence due north 100 feet, thence due east 100 feet, thence due south 100 feet, thence due west 100 feet to true point of beginning.

The Grantee shall have the right to exercise the right of way hereby granted and keep the same free of brush, tree growth and any other obstructions to such extent as may be necessary to prevent contact or interference with said lines, and the operation thereof, and to protect persons from injury or death, and said lines and other property from fire, destruction or damage, and to enter upon and travel, including transport of materials, over and across the real property of Grantor, for any and all uses and purposes in the exercise of the right of way and easement rights herein granted; provided that such right shall be reasonably exercised and that the Grantee shall be liable for any damage negligently done by it to the said land and real property.

Public Record

44:38 2'

Page 2

STATE OF CALIFORNIA

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed this 20th day of May, 1977.

SEAL

BEAR VALLEY CENTRAL WATER SOCIETY

Julia R. May, Vice Pres

378

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

Douglas Black, Secretary

ON THIS 20th day of May, 1977

before me James P. Smith
a Notary Public in and for the County of
San Francisco, State of California, re-
siding therein, duly commissioned and
sworn, personally appeared

Julia R. May known to me to
be the Vice President and

Douglas Black known to me to
be the Secretary of the Bear Valley
Central Water Society, the corporation that
executed the within and foregoing instrument,
and known to me to be the persons who executed
said instrument on behalf of said corpora-
tion, and acknowledged to me that such corpora-
tion executed the same.

IN WITNESS WHEREOF, I have hereunto set my
hand and seal, this 20th day of May, 1977.

SEAL

James P. Smith
Notary Public in and for the County of
San Francisco, State of California.

San Francisco State Bar Association

ATTEST: JTB
SECRETARY

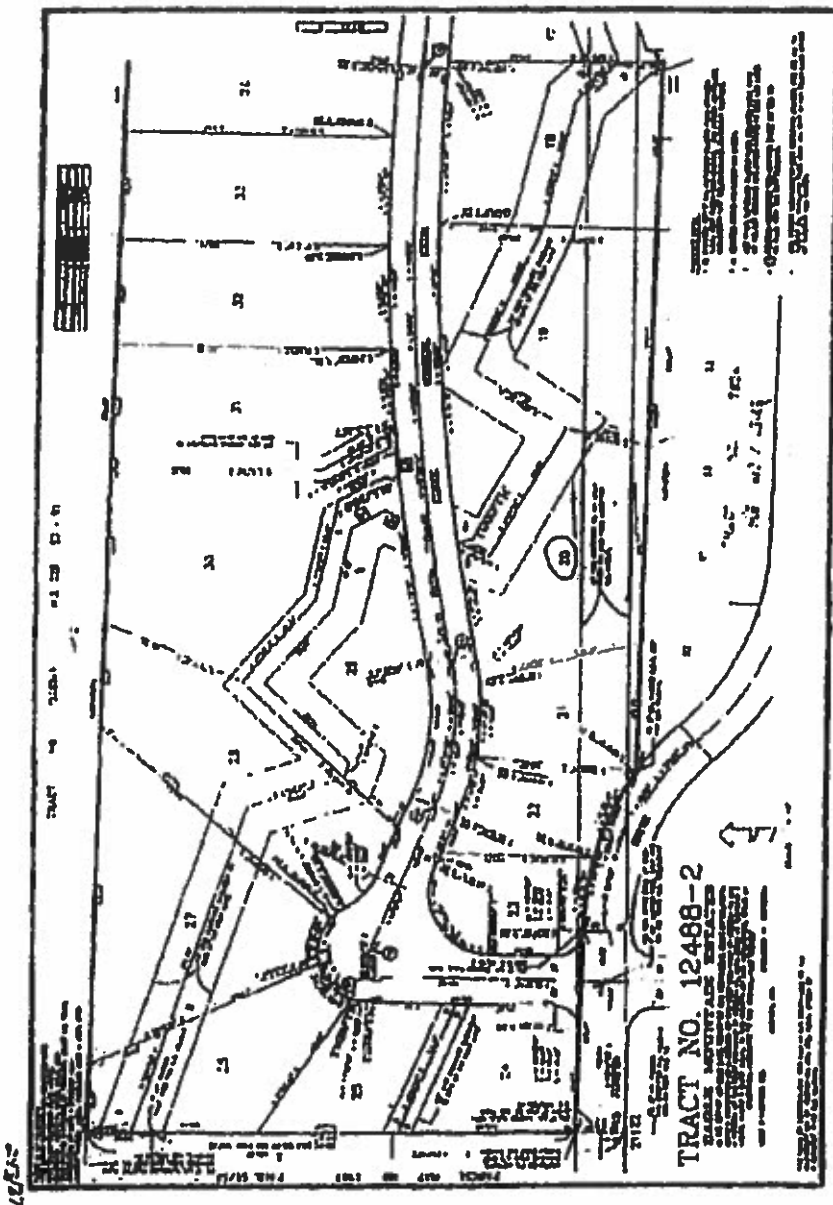
GRANTER

FOR 14 11 11 AM '73
44:38 per T
NOTARY PUBLIC

380

Charles Thompson

Public Record



TRACT NO. 12488-2

EXISTING BUILDINGS
 PROPOSED BUILDINGS
 EXISTING DRIVEWAYS
 PROPOSED DRIVEWAYS

12488-2

12488-2

Exhibit B

RECORDING REQUESTED BY:

Sheryl J. Nelson
Sheryl J. Nelson Family Trust 9/30/2010
42572 Juniper Drive
Big Bear Lake, CA 92315

WHEN RECORDED MAIL TO:

Sheryl J. Nelson
Sheryl J. Nelson Family Trust 9/30/2010
42572 Juniper Drive
Big Bear Lake, CA 92315

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ASSESSOR'S PARCEL NO: 0311-491-04

QUITCLAIM DEED

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$_____ County, City Tax is \$_____

- computed on full value of property conveyed, or
- computed on full less value of liens or encumbrances remaining at time of sale
- Unincorporated area City of Big Bear Lake

For a valuable consideration, receipt of which is hereby acknowledged,

Bear Valley Electric Service, a division of Golden State Water Company, a California corporation (formerly named "Southern California Water Company")

Hereby remises, releases, and forever quitclaims to:

Sheryl J. Nelson Family Trust dated September 30, 2010

The following described real property in the City of Big Bear Lake, County of San Bernardino, State of California:

As shown in Exhibit "A" attached hereto and made a part hereof.

Dated: _____

By: _____

Acknowledgement

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Bernardino)

On _____ before me, _____, a
Notary Public in and for said State, personally appeared _____ (who
proved to me the basis of satisfactory evidence) to be the person whose name is subscribed to the within
instrument and acknowledged to me that s/he executed the same in his/her authorized capacity, and that
by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted,
executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is
true and correct.

WITNESS my hand and official seal.

Signature _____

**Attachment to Quitclaim Deed
Exhibit "A"**

Grantor: Bear Valley Electric Service, a division of Golden State Water Company, a California Corporation. Golden State Water Company was formerly named "Southern California Water Company."
Grantee: Sheryl J. Nelson Family Trust dated September 30, 2010

Grantor is hereby relinquishing its Easement described below pertaining to the Parcel described below.

Legal Description of Subject Parcel:

Lot 20 of Tract No. 12488-2, as per plat recorded in Book 243 of Maps, Pages 83 through 92, inclusive, records of San Bernardino County, State of California.

Description of Relinquished Easement:

The relinquished easement is described in the Grant of Easement, dated May 20th, 1957, from Bear Valley Mutual Water Company, as Grantor, to Southern California Water Company, and its successors and assigns, as Grantee, pertaining to the above-described parcel, as recorded at Pages 1 and 2 of Book 4438 in the Official Records of the County Recorder for San Bernardino County, California.

The subject easement is described in the Grant of Easement as "a right of way and easement for the construction, maintenance, operation, inspection, repair, replacement and removal of electric lines and telephone lines and cables, including such additional circuits as said Grantee may from time to time in future require, upon and by means of one line of poles, with supporting structures, cross arms, wires, guys, anchors, fixtures and appurtenances, for the transmission of electric energy for any and all purposes for which the same may be used, and communication purposes, upon, over and across that certain real property" described below.

The 1957 Grant of Easement references the following property description: "South-west 1/4 corner Sec. 15 - T 2N - R 1 E, S.B.B. & M, being true point of beginning. Due west 50 feet, thence due north 40 feet, thence due east 1100 feet, thence due north 150 feet, thence due east 40 feet, thence due south 190 feet, thence due west 1090 feet to true point of beginning."

The easement being relinquished herein is that 40 foot wide portion of the above Grant of Easement that runs across the Subject Parcel described above.

Exhibit C

APPRAISAL REPORT

**On a Vacant Residential Lot
Located at
42569 Gold Rush Drive
APN 0311-491-04
Big Bear Lake, CA 92315**

Effective Date 11/30/16

**Prepared Exclusively For
Bear Valley Electric Service
42020 Garstin Drive
P.O. Box 1547
Big Bear Lake, CA 92315**

Prepared by

Steven R. Smith, MSREA, MAI, SRA, AG 2123

909-856-5841

SMITH REALTY ADVISORS

• Real Estate Consultants • Market Studies • Risk Analysis • Appraisals •
1881 Commercenter East #200, San Bernardino, CA 92408
909-856-6841, steves@srrea.com

12/13/16

Purpose:

To assess the fair market value of the unused and unnecessary electric utility easement on APN 0311-491-04-000, Lot 20 of tract 12488-1.

Intended Use and User:

To relinquish the easements to the property owners since Golden State Water Company does not intend to utilize the easements. The intended users are for the named client and the owner of the property, their estate agents or attorneys to be able to make an informed decision regarding the value of the easement. The parties known to me at this writing include Golden State Water Company, Sheryl J. Nelson Trust and Donald I Walker, Wayne and Belinda Evans, Fidelity National Title Group

Scope of Work:

The scope of work included a full exterior inspection of the property, the neighborhood and environs, the local market area, the MLS, Realist, and NDC Data, for market data.

Property Rights Appraised:

The Fee Simple interest in the property is being appraised as per client request.

Market Value Estimate:

Effective November 30, 2016 is estimated as follows:

Fee Simple Value of the Unencumbered Whole Property:

20,698	X	\$5.50	=	\$114,000
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Fee Simple Value of the Easement Encumbered Area:

6,465	X	\$ 5.50	=	\$ 35,558
Value of the Easement:		2.5% =		\$ 889

Exposure Time-Marketing Time:

Had the property been marketed within 5% of the appraised value during the 3-6-months prior to the appraisal date, it would have sold. If placed on the market now, it should sell within a 9-12 months.

The indicated value is the results of property inspections and valuation analysis which follows in a summary format. Sales and listings before the indicated dates of value were researched and analyzed. The concluded value is the most probable price within a likely range that the properties could have sold if they had been on the open market for sale prior to the effective date. Market conditions are dynamic and downward trending.

Respectfully,



Steven R. Smith, MSREA, MAI, SRA, AG2123, expires 5/1/17

Property Identification

The property is a residential lot located within the city limits of Big Bear Lake in the San Bernardino Mountains of Southern California. This location is the closest four season mountain resort area to the Los Angeles MSA.

Property Location

Address: 42569 Goldrush Drive	City: Big Bear Lake	Zip: 92315-
APN#: 0311-491-04-0-000	Use Code: Vacant Miscellaneous	County: San Bernardino
Tract: 12488-2	Census Tract: 112 03	Zone: R-1
Map Page/Grid: 4742 E5	Legal Desc: TRACT 12488-2 LOT 20 BOOK 243 PAGE 83	
Assessed Value: \$ 92,388	Tax Amount: 1,086.57	

Current Owner Information

Current Owner: NELSON FAMILY TRUST	Owner Address: PO BOX 6357 BIG BEAR LAKE, CA
Last Transaction: 08/25/2016	Deed Type: quitclaim/deed of trust
Amount:	Document: 0000344170

Last sale Information

Transferred From: Blue West Pickrell Living Trust	Seller Address:
Sale Date: 12/04/2013 / 10/17/2013	Prior Sale Date: 04/16/2010 / 02/11/2010
Most Recent Sale Price: \$91,000	Prior Sale Price: 24,000
Document Type: grant deed/deed of trust	Prior Document Type: grant deed/deed of trust

Lender Information

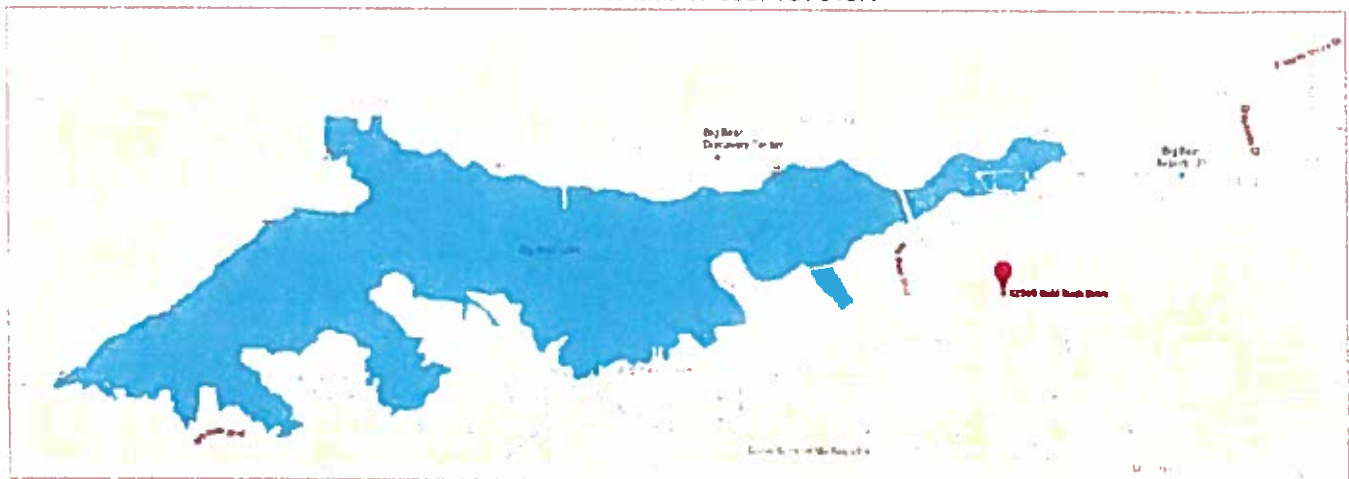
Lender: Blue West Pickrell Living Trust	Full/Partial: F
Loan Amount: \$81,900	Loan Type: conventional

Physical Information

Lot Size: 20,698

Flood Data

Panel Date: 2008-08-28	Comm/Panel 060731 -	Flood Zone: X
	Number: 06071C7315H	

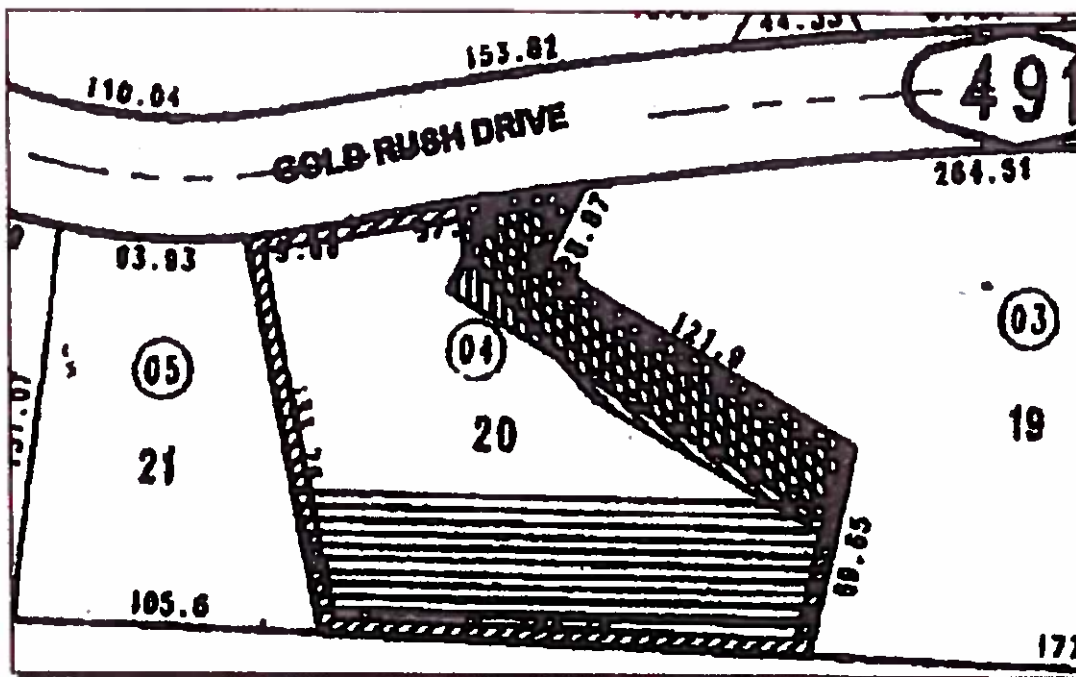


The property is situated in the eastern part of the City in an area known as Fox Farm which is almost exclusively a single family residential location, mixed with a few vacant residential lots. It is in project known as Castle Glen, which was a land sales regime 1997-2007. This was the first actual land sale subdivision in many years in the City. The homes that have

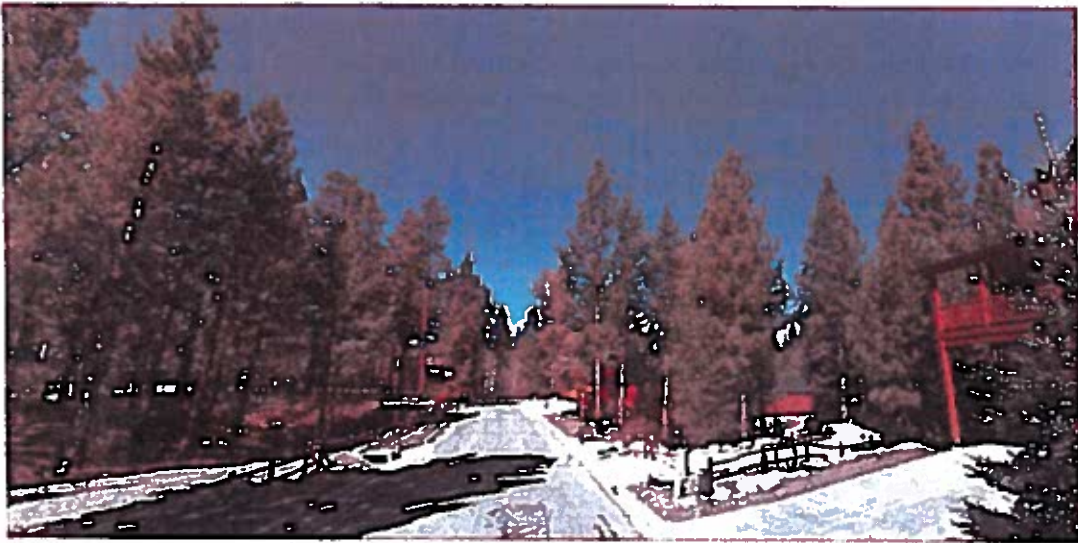
been built here are larger and newer than the general housing stock, creating good locational demand. This is a heavily treed area where the lots are good size. Locational demand is good.



The legal description of the easement (entirety) is described as follows: The 1957 Grant of Easement referenced the following property description: "South-west X corner Sec 15- T2N — R1E. S. B. B. & M being true point of beginning. Due west 50 feet, thence due north 40, feet, thence due east 1100 feet, thence due north 150 feet, thence due east 40 feet thence due south 190 feet, thence due west 1090 feet to true point of the beginning." This legal description describes the total pole easement beyond the legal boundaries of APN 0311.491-04-0000. There was no legal description of the poll easement (inside borders) of APN 0311-491-04-0000 presented to the appraiser for this assignment. There is a legal extraction (visual representation) provided by Fidelity National Title Company and contained in the prior appraisal report, that contains the width of the easement passing through the subject property. Using this facsimile as a boundary delimiter, a polygon sketch was scaled to represent the estimated square footage.



The lot is level with street grade, with an apparent slope and drainage easement along the size and rear. The reported lot size is 20,698 sq. ft. The identified BVES Poll Easement is estimated at 6,465 sq. ft.



Highest and Best Use

The property is vacant, zoned for residential development, and located in a residential neighborhood. The only allowable use is residential single family. Prices are increasing and have been for a couple of years. The highest and best use of the site would be to develop a single family home.

Valuation Analysis

The most relevant approach to valuation is the Direct Sales Comparison or Market Data Approach. This method works well when there is an active market for the product type. A search of recent recordings revealed several sales that were relevant or at least similar enough to draw comparisons. The following sales were found that were reported in the local Multiple Listing Service, where there was adequate information available. Additional property transfers/sales exist that were not found in the MLS, for which inadequate information on the transactions or property was available.

Street No.	Street Name	Date	Area	Zoning	L/C Price	Ac/LSqft	\$/SF	DOM
42340	Juniper Rd	9/30/2016	FOXF	R1	\$ 95,000	21,085	\$ 4.51	10
1564	Angels Camp Rd	8/31/2016	BBC	R1	\$ 180,000	22,000	\$ 8.18	124
0	Oriole DR	7/22/2016	BBL	RS	\$ 130,000	14,499	\$ 8.97	63
0	Alta Vista	5/13/2016	MOON	R1	\$ 75,000	7,508	\$ 9.99	11
42347	Juniper RD	5/13/2016	FOXF	R1	\$ 144,000	21,708	\$ 6.63	4
							Mean \$/SF: \$	7.66

	\$/SF	Date	Location	Size	Utility	Imps.	Total Adj.	Adj. \$/SF
1	\$ 4.51	0%	0%	0%	0%	0%	0%	\$ 4.51
2	\$ 8.18	0%	0%	0%	-10%	0%	-10%	\$ 7.36
3	\$ 8.97	0%	0%	-10%	-10%	0%	-20%	\$ 8.07
4	\$ 9.99	0%	-10%	-20%	-10%	0%	-40%	\$ 7.99
5	\$ 6.63	0%	0%	0%	0%	0%	0%	\$ 6.63
Mean Adj. \$/SF								\$ 6.91

Standard Deviation: \$ 1.46

The mean unadjusted Price Per Square Foot from these five recent sales was \$7.66/SF, the adjusted mean was \$7.17/SF. However, the

two sales within the subject project adjust to \$4.96 and \$6.63/SF. From this it is concluded that the unencumbered fee value of the subject is closest to \$5.50/SF. It should be noted that there are quite a number of Listings on the market for sale at higher prices, many of which have previously expired and been reduced but remain unsold. There is a large discrepancy between the sales prices and listing prices.

20,698	X	\$5.50	=	\$114,000
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There were no directly comparable properties found which would indicate the level of discount necessary to the value of this portion of the property. Agency interviews indicate the following discount levels are typical:

Type of Right	Value of Rights Taken	Value Remaining
Rights Taken Within Setback Area:	5% to 25%	75% to 95%
Sub-surface Rights Taken:	25% to 50%	50% to 75%
Slope Easement Taken:	25% to 50%	50% to 75%
Access to Property Taken:	50% to 90%	10% to 50%
Overhead Air Rights Taken:	10% to 50%	50% to 90%
Surface Rights Taken:	25% to 75%	75% to 25%
Rights Taken Within Dedication Area:	0% to 5%	95% to 100%
Rights Taken for Street:	95% to 100%	0% to 5%

The subject easement has been unused, there are no costs or delays associated with the owner being able to use it, to the limits of the side yard setbacks. The value of the recorded easement is believed to be no more than 2.5% of the fee value:


Value of the Easement:	2.5% =	\$	889
------------------------	--------	----	-----

Comparable 1

	ML#:	2160284	PRICE:	\$99,000
	AREA:	Fox Farm/ Gen Fo		
	PROP:		TYPE:	Lot & Land
	STATUS:	Sold		
	VIEW:			
	TOPO:	Downslope ,Partial Sideslope		
	FRONTAGE:			
	XSTREET:	STARVATION FLATS	ZIP:	92315
	CITY:	BIG BEAR LAKE		
	ADD: 42340 JUNIPER			

This is the most recent large lot sale within the subject neighborhood. It was listed much higher and took 231 days to sell. It sits on Starvation Flats road, which carries a stream of vehicular traffic, which may have had a major impact on the sale.

Comparable 2



1564 Angels Camp Rd, Big Bear 92314		STATUS: Closed	LIST/CLOSE: \$215,000/\$180,000 ↓
This is the most recent large lot sale in the City.			
	Comparable 3		ACRES: 0.51
			PRICE PER SQFT: \$8.18
			LOT(src): 0.51/22,000
			AREA: BBC - Big Bear City
			GROSS EQUITY:
			PRESENT LOANS AMOUNT:
			HAVE:
			DOM: 124
			SLC: Standard
			PARCEL #: 235068108
			LISTING ID: 216012230DA
			LIST \$ ORIG.: \$189,000
DESCRIPTION			
Spectacular Views from the top of Big Bear in High Timber Ranch. Build your dream home here...Corner buildable view lot with scenic views in any direction. Sellers have finally decided to part with this 1/2 acre gem of lot...the perfect location!			

This is the most recent larger lot sale in the City. It is heavily treed with conifers and hardwoods.

Comparable 3

0 Oriole Dr, Big Bear STATUS: Closed LIST/CLOSE: \$139,000/\$130,000 ↓

Cross Streets: Oak

ACRES: 0.333
 PRICE PER SQFT: \$8.97
 LOT(src): 0.333/14,499 (A)
 AREA: 289 - Big Bear Area
 GROSS EQUITY:
 PRESENT LOANS AMOUNT:
 HAVE:
 DOM: 63
 SLC: Standard
 PARCEL #: 0309183090000
 LISTING ID: EV16108522
 LIST \$ ORIG.: \$139,000

DESCRIPTION


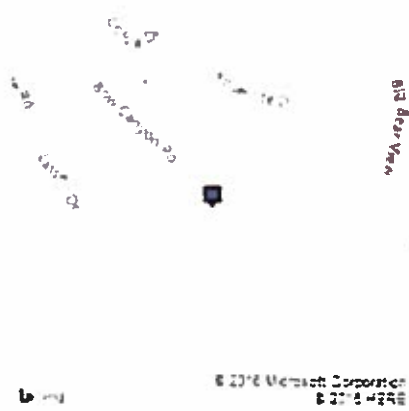
NO ADDRESS HAS BEEN ASSIGNED TO THIS PROPERTY YET. BEAUTIFUL LARGE LOT VERY CLOSE TO NATIONAL FOREST. QUIET, END OF STREET LOCATION. WELL-TREED AND SCENIC SETTING WITH GORGEOUS HOMES ON EITHER SIDE. FANTASTIC SPOT TO BUILD AN AWESOME NEW HOME.

This lot is much smaller so, on an \$/SF basis a -10% adjustment is warranted.

Comparable 4

43686 Ridge Crest Dr, Big Bear 92315 STATUS: Closed LIST/CLOSE: \$98,500/\$86,000 ↓

Moonridge or Club View toward Ridge Crest lot is between 43682 & 43690 Ridge Crest Cross Streets: Between Shasta & Bow Canyon



ACRES: 0.165
 PRICE PER SQFT: \$11.94
 LOT(src): 0.165/7,200 (A)
 AREA: MOON - Moonridge
 GROSS EQUITY: \$98,500
 PRESENT LOANS AMOUNT: \$0
 HAVE: vacant sfr lot
 DOM: 184
 SLC: Standard
 PARCEL #: 0310532050000
 LISTING ID: OC15245162
 LIST \$ ORIG.: \$98,500

DESCRIPTION

Wonderful location in Big Bear Lake's very desirable Moonridge Mountain Estates. Adjacent to Bear Mountain Ski Resort and Golf Course. Conveniently located close to Big Bear Elementary, Middle and High Schools as well as all the major shopping, dining and entertainment. Large easy to develop parcel with only a gentle up-slope from the street. Backs to open forest space in a wonderful setting. Can have a nice driveway and direct entrance to your home from the garage. There are homes already built on both sides of the lot. Water, sewer, natural gas, cable TV and internet are available in this neighborhood with utilities at the street.



This property is located very near the ski areas, allowing ski in, a major factor, -20% and backs to the national forest, -5%.

Comparable 5

0 ALTA VISTA, Big Bear 92315	STATUS: Closed	LIST/CLOSE: \$75,000/\$75,000
Cross Streets: DOUGLAS		
		<p>ACRES: 0.172 PRICE PER SQFT: \$9.99 LOT(src): 0.172/7,508 (A) AREA: MOON - Moonridge GROSS EQUITY: PRESENT LOANS AMOUNT: HAVE: DOM: 11 SLC: Standard PARCEL #: 2328451290000 LISTING ID: EV16073397 LIST \$ ORIG.: \$75,000</p>
<p>DESCRIPTION</p> <p>SUPREME SETTING! WAIT TILL YOU SEE THE VIEWS FROM THIS 60' X 125' WELL-TREED LOT WITH SOUTHERN EXPOSURE AND EASY YEAR-ROUND ACCESS.</p>		

This is a much smaller lot, which requires a downward adjustment for size of -10%. It is located closer to the ski areas, -5%. The indicated value from this sale is

Comparable 6

42347 Juniper Rd, Big Bear 92315	STATUS: Closed	LIST/CLOSE: \$159,900/\$144,000 ↓
Cross Streets: Starvation Flats		
		<p>ACRES: 0.498 PRICE PER SQFT: \$6.63 LOT(src): 0.498/21,708 (A) AREA: FOXF - Fox Farm GROSS EQUITY: PRESENT LOANS AMOUNT: HAVE: DOM: 4 SLC: Standard PARCEL #: 2328252110000 LISTING ID: PW16077504 LIST \$ ORIG.: \$159,900</p>

This lot is in the same neighborhood, has similar topography and is similar in size to the subject. It is the most relevant sale. It listed and sold within 4-days, indicating that the market for lots has strengthened, though not enough evidence was found to document or support a Time adjustment. This sale, when rounded, indicates a probable value for the subject in the \$7.00/SF range.

Market Value

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States 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.

Certifications

I do hereby certify that, except as otherwise noted in this report:

I have made a personal inspection of the property that is the subject of this report.

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

To the best of my knowledge and belief the statements of fact contained in this report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.

The analysis, opinions, and conclusions contained in this report are limited only by the reported assumptions and limiting conditions imposed by the terms of our assignment or by the undersigned and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.

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 in conformity conforms to the requirements of the code of professional ethics and standards of professional appraisal practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The Appraisal Institute has a voluntary program of continuing education requirements. I am certified through 2015 with their education requirement.


In accordance with the Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP), I have verified that my knowledge and experience is sufficient to allow me to competently complete this appraisal unless stated otherwise within this report.

This appraiser further certifies and agrees that:

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors

the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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



Steven R. Smith, MSREA, MAI, SRA
AG 2123, expires 5/1/17

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazard wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution, or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.



Smith
Realty
Advisors

936 SAN JACINTO STREET, REDLANDS, CA 92373

APPRAISAL RESUME: STEVEN R. SMITH, MSREA, MAI, SRA, AG 2123

MS IN REAL ESTATE APPRAISAL, BA IN REAL ESTATE FINANCE

FULL TIME APPRAISER SINCE 1976. PART TIME UNIVERSITY INSTRUCTOR IN REAL ESTATE AT CAL STATE UNIVERSITY.

PRIOR WORK EXPERIENCE INCLUDED LOAN SERVICING, LOAN ORIGINATION, LOAN ADMINISTRATION, TITLE INSURANCE SALES, REAL ESTATE SALE, MORTGAGE LENDING AND REAL ESTATE SALES MANAGEMENT.

APPRAISAL EXPERIENCE INCLUDES PERFORMING APPRAISALS AND MARKET STUDIES ON EXISTING, PROPOSED AND DISTRESSED PROPERTIES, NON-PERFORMING OR DESTABILIZED PROJECT.

COURT TESTIMONY EXPERIENCE INCLUDES A RANGE OF CIVIL AND CRIMINAL CASES, PROFESSIONAL LIABILITY CASES, MORTGAGE FRAUD AND REAL ESTATE FRAUD CASES; AS BOTH AN EXPERT WITNESS OR AS A REBUTTAL WITNESS.

DEPOSITION TESTIMONY HAS ALSO INCLUDED IRS AND EMINENT DOMAIN CASES. NO COURT TESTIMONY HAS BEEN PROVIDED IN EITHER OF THESE TYPES OF CASES AS EVERYONE HAS SETTLED.

SEMINARS CREATED AND DELIVERED INCLUDE:

MORTGAGE FRAUD AND THE APPRAISERS ROLE- AI-2005.

BUILDING TRANSFERABLE SKILL-SETS, AI - 2005.

PREDATOR LENDING, CLIENT PRESSURES & APPRAISAL FRAUD, 2004.

MORTGAGE FRAUD, CASES & CONSEQUENCES, 2002.

REAL ESTATE FRAUD, APPRAISERS LIABILITIES & RESPONSIBILITIES, 2000.

REAL ESTATE FRAUD & THE APPRAISERS ROLE, 2000, APPRAISAL REVIEW- SREA - 1989.

APPRAISER LIABILITY SEMINAR- SREA - 1988.

CAL LEAGUE OF SAVINGS INSTITUTIONS - APPRAISAL QUALITY CONTROL - 1988.

RESIDENTIAL APPRAISAL SEMINAR - AIREA - 1987.

BOSTON SAFE GUIDELINES - 1985-1988.

MORTGAGE BANKERS OF AMERICA-APPRAISAL REVIEW - 1984-86.

NARAMU-APPRAISAL REVIEW & FRAUD PREVENTION - 1984-1985.

UNIFORM APPRAISAL GUIDELINES - 1984-88.

99 POINT APPRAISAL REVIEW WORKSHOP - 1984-1986.

EXPERIENCE CREDIT WORKSHOP-USPAP COMPLIANCE, APPRAISAL INSTITUTE 1991.

USPAP COMPLIANCE, APMW, 1991.

ESTATE AND LUXURY HOME APPRAISAL REVIEW - APPRAISAL INSTITUTE - 1997.

SPECIALTIES INCLUDE: LUXURY HOMES, AND FORENSIC APPRAISAL REVIEW

CONTACT: 909 798 8855. WEB PAGE: [HTTP://SMITHREALTYADVISORS.BIZ](http://SMITHREALTYADVISORS.BIZ). EMAIL: SRSREA@YAHOO.COM

Exhibit D

APPRAISAL REPORT

**On a Vacant Residential Lot
Located at
Gold Rush Drive
APN 0311-491-05
Big Bear Lake, CA 92315**

Effective Date 12/02/16

**Prepared Exclusively For
Bear Valley Electric Service
42020 Garstln Drive
P.O. 8ox 1547
Big Bear Lake, CA 92315**

Prepared by

Steven R. Smith, MSREA, MAI, SRA, AG 2123

909-856-5841

SMITH REALTY ADVISORS

• Real Estate Consultants • Market Studies • Risk Analysis • Appraisals •
1881 Commercenter East #200, San Bernardino, CA 92408
909-856-6841, steves@srrea.com

12/13/16

Purpose:

To assess the fair market value of the unused and unnecessary electric utility easement on APN 0311-491-05-000, Lot 21 of tract 12488-1.

Intended Use and User:

To relinquish the easements to the property owners since Golden State Water Company does not intend to utilize the easements. The intended users are for the named client and the owner of the property, their estate agents or attorneys to be able to make an informed decision regarding the value of the easement. The parties known to me at this writing include Golden State Water Company, Wayne and Belinda Evans, Fidelity National Title Group

Scope of Work:

The scope of work included a full exterior inspection of the property, the neighborhood and environs, the local market area, the MLS, Realist, and NDC Data, for market data.

Property Rights Appraised:

The Fee Simple interest in the property is being appraised as per client request.

Market Value Estimate:

Effective November 30, 2016 is estimated as follows:

Fee Simple Value of the Unencumbered Whole Property:

11,189	X	\$6.25	=	\$ 70,000
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Fee Simple Value of the Easement Encumbered Area:

3,850	X	\$6.25	=	\$ 24,063
Value of the Easement:			2.5% =	\$ 602

Exposure Time-Marketing Time:

Had the property been marketed within 5% of the appraised value during the 3-6-months prior to the appraisal date, it would have sold. If placed on the market now, it should sell within a 9-12 months.

The indicated value is the results of property inspections and valuation analysis which follows in a summary format. Sales and listings before the indicated dates of value were researched and analyzed. The concluded value is the most probable price within a likely range that the properties could have sold if they had been on the open market for sale prior to the effective date. Market conditions are dynamic and downward trending.

Respectfully,



Steven R. Smith, MSREA, MAI, SRA, AG2123, expires 5/1/15

Property Identification

The property is a residential lot located within the city limits of Big Bear Lake in the San Bernardino Mountains of Southern California. This location is the closest four season mountain resort area to the Los Angeles MSA.

Property Location

Address: GOLD RUSH DR	City: BIG BEAR LAKE	Zip: 92315-
APN#: 0311-491-05-0-000	Use Code: Vacant Miscellaneous	County: San Bernardino
Tract: 12488-2	Census Tract: 112.03	Zone: R-1
Map Page/Grid: 4742/ E5	Legal Desc: TRACT 12488-2 LOT 21 BOOK 243 PAGE 83	
Total Assessed Value: 93,621	Tax Amount: 1,106.56	
Percent Improvement: 0.00	Tax Year: 2016	

Current Owner Information

Current Owner: EVANS,WAYNE R & BELINDA S	Owner Address: PO BOX 133216
City, State, Zip: BIG BEAR LAKE, CA, 92315-8917	Owner Occupied: No
Last Transaction: 01/09/2013	Deed Type:
Amount: 90,000	Document: 0000011789

Last sale Information

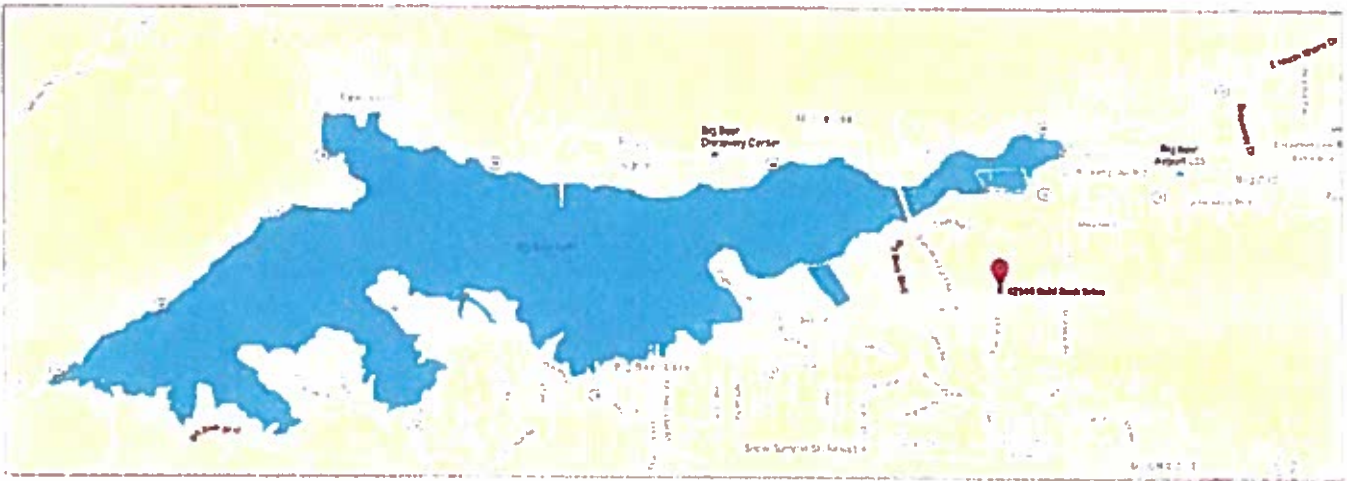
Transferred From: BLUE WEST OF PICKRELL TRUST	Seller Address:
Recording / Sale Date: 01/09/2013 / 12/05/2012	Prior Recording / Sale Date: 10/21/1997 /
Most Recent Sale Price: 90,000	Prior Sale Price: 49,000
Document Number: 0000011789	Prior Document No.: 0000385930
Document Type: grant deed/deed of trust	Prior Document Type: high liability

Physical Information

Lot Size: 11,189

Flood Data

Panel Date: 2008-08-28	Comm/Panel Number: 060731 - 06071C7315H	Flood Zone: X
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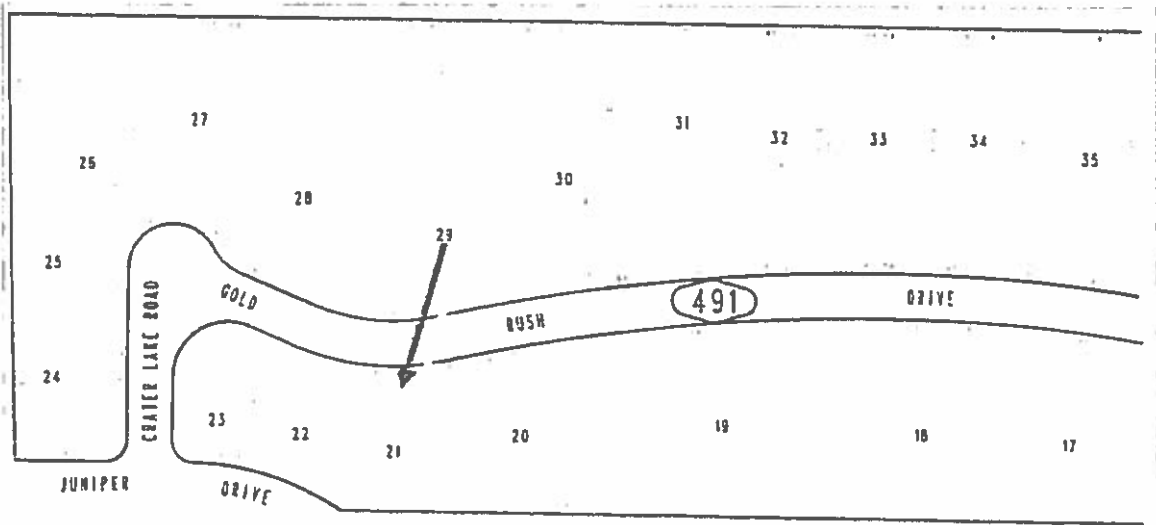
The property is situated in the eastern part of the City in an area known as Fox Farm which is almost exclusively a single family residential location, mixed with a few vacant residential lots. It is in project known as Castle Glen, which was a land sales regime 1997-2007. This was the first actual land sale subdivision in many years in the City. The homes that have been built here are larger and newer than the general housing stock, creating good locational demand. This is a heavily treed area where the lots are good size. Locational demand is good.



The legal description of the easement (entirety) is described as follows: The 1957 Grant of Easement referenced the following property description: "South-west X corner Sec 15- T2N — R1E. S. B. B. & M being true point of beginning. Due west 50 feet, thence due north 40, feet, thence due east 1100 feet, thence due north 150 feet, thence due east 40 feet thence due south 190 feet, thence due west 1090 feet to true point of the beginning." This legal description describes the total pole easement beyond the legal boundaries of APN 0311.491-04-0000. There was no legal description of the poll easement (inside borders) of APN 0311-491-04-0000 presented to the appraiser for this assignment. There is a legal extraction (visual representation) provided by Fidelity National Title Company and contained in the prior appraisal report, that contains the width of the easement passing through the subject property. Using this facsimile as a boundary delimiter, a polygon sketch was scaled to represent the estimated square footage.

The lot is level with street grade, with an apparent slope and drainage easement along the side and rear. The reported lot size is 11,189 sq. ft. The identified BVES Poll Easement is estimated at 3,850 sq. ft.





Highest and Best Use

The property is vacant, zoned for residential development, and located in a residential neighborhood. The only allowable use is residential single family. Prices are increasing and have been for a couple of years. The highest and best use of the site would be to develop a single family home.

Valuation Analysis

The most relevant approach to valuation is the Direct Sales Comparison or Market Data Approach. This method works well when there is an active market for the product type. A search of recent recordings revealed several sales that were relevant or at least similar enough to draw comparisons. The following sales were found that were reported in the local Multiple Listing Service, where there was adequate information available. Additional property transfers/sales exist that were not found in the MLS, for which inadequate information on the transactions or property was available.

Street No.	Street Name	Date	Area	Zoning	L/C Price	Ac/LSqft	\$/SF	DOM
42340	Juniper Rd	9/30/2016	FOXF	R1	\$ 95,000	21,085	\$ 4.51	10
1564	Angels Camp Rd	8/31/2016	BBC	R1	\$ 180,000	22,000	\$ 8.18	124
0	Oriole DR	7/22/2016	BBL	RS	\$ 130,000	14,499	\$ 8.97	63
0	Alta Vista	5/13/2016	MOON	R1	\$ 75,000	7,508	\$ 9.99	11
42347	Juniper RD	5/13/2016	FOXF	R1	\$ 144,000	21,708	\$ 6.63	4
							Mean \$/SF:	\$ 7.66

	\$/SF	Date	Location	Size	Utility	Imps.	Total Adj.	Adj. \$/SF
1	\$ 4.51	0%	0%	10%	0%	0%	10%	\$ 4.96
2	\$ 8.18	0%	0%	10%	-10%	0%	0%	\$ 8.18
3	\$ 8.97	0%	0%	0%	-10%	0%	-10%	\$ 8.07
4	\$ 9.99	0%	-10%	0%	-10%	0%	-20%	\$ 7.99
5	\$ 6.63	0%	0%	10%	0%	0%	10%	\$ 7.30
Mean Adj. \$/SF								\$ 7.30

Standard Deviation: \$ 1.35

The mean unadjusted Price Per Square Foot from these five recent sales was \$7.66/SF, the adjusted mean was \$7.30/SF. However, the two sales within the subject project adjust to \$4.96 and \$7.30/SF. From this it is concluded that the unencumbered fee value of the subject is closest to \$6.00/SF. It should be noted that there are quite a number of Listings on the market for sale at higher prices, many of which have previously expired and been reduced but remain unsold. There is a large discrepancy between the sales prices and listing prices.

11,189	X	\$6.25	=	\$ 70,000
3,850	X	\$6.25	=	\$ 24,063
Value of the Easement:			5% =	\$ 1,203


There were no directly comparable properties found which would indicate the level of discount necessary to the value of this portion of the property. Agency interviews indicate the following discount levels are typical:

Type of Right	Value of Rights Taken	Value Remaining
Rights Taken Within Setback Area:	5% to 25%	75% to 95%
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Rights Taken for Street:	95% to 100%	0% to 5%

The subject easement has been unused, there are no costs or delays associated with the owner being able to use it, to the limits of the side yard setbacks. The value of the recorded easement is believed to be no more than 2.5% of the fee value:


3,850	X	\$6.25	=	\$ 24,063
Value of the Easement:		2.5% =		\$ 602

Comparable 1

	ML#:	2160284	PRICE:	\$99,000
	AREA:	Fox Farm/ Gen Fo:		
	PROP:		TYPE:	Lot & Land
	STATUS:	Sold		
	VIEW:			
	TOPO:	Downslope ,Partial Sideslope		
	FRONTAGE:			
	XSTREET:	STARVATION FLATS	ZIP:	92315
	CITY:	BIG BEAR LAKE		
	ADD:	42340 JUNIPER		

This is the most recent large lot sale within the subject neighborhood. It was listed much higher and took 231 days to sell. It sits on Starvation Flats road, which carries a stream of vehicular traffic, which may have had a major impact on the sale.

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This is the most recent large lot sale in the City.			
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			GROSS EQUITY:
			PRESENT LOANS AMOUNT:
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			DOM: 124
			SLC: Standard
			PARCEL #: 235068108
			LISTING ID: 216012230DA
			LIST \$ ORIG: \$189,000
DESCRIPTION			
Spectacular Views from the top of Big Bear in High Timber Ranch. Build your dream home here...Corner buildable view lot with scenic views in any direction. Sellers have finally decided to part with this 1/2 acre gem of lot...the perfect location!			

This is the most recent larger lot sale in the City. It is heavily treed with conifers and hardwoods.

Comparable 3

0 Oriole Dr, Big Bear STATUS: Closed LIST/CLOSE: \$139,000/\$130,000 ↓

Cross Streets: Oak

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 PRICE PER SQFT: \$8.97
 LOT(src): 0.333/14,499 (A)
 AREA: 289 - Big Bear Area
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 PRESENT LOANS AMOUNT:
 HAVE:
 DOM: 63
 SLC: Standard
 PARCEL #: 0309183090000
 LISTING ID: EV16108522
 LIST \$ ORIG: \$139,000

DESCRIPTION



NO ADDRESS HAS BEEN ASSIGNED TO THIS PROPERTY YET. BEAUTIFUL LARGE LOT VERY CLOSE TO NATIONAL FOREST. QUIET, END OF STREET LOCATION. WELL-TREED AND SCENIC SETTING WITH GORGEOUS HOMES ON EITHER SIDE. FANTASTIC SPOT TO BUILD AN AWESOME NEW HOME.

This lot is much smaller so, on an \$/SF basis a -10% adjustment is warranted.

Comparable 4

43686 Ridge Crest Dr, Big Bear 92315 STATUS: Closed LIST/CLOSE: \$98,500/\$86,000 ↓

Moonridge or Club View toward Ridge Crest lot is between 43682 & 43690 Ridge Crest Cross Streets: Between Shasta & Bow Canyon



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 GROSS EQUITY: \$98,500
 PRESENT LOANS AMOUNT: \$0
 HAVE: vacant sfr lot
 DOM: 184
 SLC: Standard
 PARCEL #: 0310532050000
 LISTING ID: OC15245162
 LIST \$ ORIG: \$98,500

DESCRIPTION

Wonderful location in Big Bear Lake's very desirable Moonridge Mountain Estates. Adjacent to Bear Mountain Ski Resort and Golf Course. Conveniently located close to Big Bear Elementary, Middle and High Schools as well as all the major shopping, dining and entertainment. Large easy to develop parcel with only a gentle up-slope from the street. Backs to open forest space in a wonderful setting. Can have a nice driveway and direct entrance to your home from the garage. There are homes already built on both sides of the lot. Water, sewer, natural gas, cable TV and Internet are available in this neighborhood with utilities at the street.


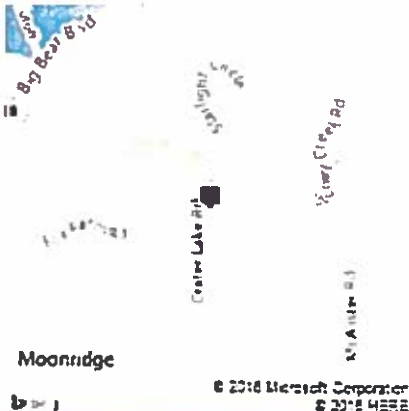
This property is located very near the ski areas, allowing ski in, a major factor, -20% and backs to the national forest, -5%.

Comparable 5

0 ALTA VISTA, Big Bear 92315	STATUS: Closed	LIST/CLOSE: \$75,000/\$75,000
Cross Streets: DOUGLAS		
		<p>ACRES: 0.172 PRICE PER SQFT: \$9.99 LOT(src): 0.172/7,508 (A) AREA: MOON - Moonridge GROSS EQUITY: PRESENT LOANS AMOUNT: HAVE: DOM: 11 SLC: Standard PARCEL #: 2328451290000 LISTING ID: EV16073397 LIST \$ ORIG.: \$75,000</p>
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">DESCRIPTION</div> <p>SUPREME SETTING! WAIT TILL YOU SEE THE VIEWS FROM THIS 60' X 125' WELL-TREED LOT WITH SOUTHERN EXPOSURE AND EASY YEAR-ROUND ACCESS.</p>		

This is a much smaller lot, which requires a downward adjustment for size of -10%. It is located closer to the ski areas, -5%. The indicated value from this sale is

Comparable 6

42347 Juniper Rd, Big Bear 92315	STATUS: Closed	LIST/CLOSE: \$159,900/\$144,000 ↓
Cross Streets: Starvation Flats		
		<p>ACRES: 0.498 PRICE PER SQFT: \$6.63 LOT(src): 0.498/21,708 (A) AREA: FOXF - Fox Farm GROSS EQUITY: PRESENT LOANS AMOUNT: HAVE: DOM: 4 SLC: Standard PARCEL #: 2328252110000 LISTING ID: PW16077504 LIST \$ ORIG.: \$159,900</p>

This lot is in the same neighborhood, has similar topography and is similar in size to the subject. It is the most relevant sale. It listed and sold within 4-days, indicating that the market for lots has strengthened, though not enough evidence was found to document or support a Time adjustment. This sale, when rounded, indicates a probable value for the subject in the \$7.00/SF range.

Market Value

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States 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.

Certifications

I do hereby certify that, except as otherwise noted in this report:

I have made a personal inspection of the property that is the subject of this report.

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

To the best of my knowledge and belief the statements of fact contained in this report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.

The analysis, opinions, and conclusions contained in this report are limited only by the reported assumptions and limiting conditions imposed by the terms of our assignment or by the undersigned and are my personal, impartial, and unbiased professional analysis, opinions, and conclusions.

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 in conformity conforms to the requirements of the code of professional ethics and standards of professional appraisal practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

The Appraisal Institute has a voluntary program of continuing education requirements. I am certified through 2015 with their education requirement.

In accordance with the Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP), I have verified that my knowledge and experience is sufficient to allow me to competently complete this appraisal unless stated otherwise within this report.

This appraiser further certifies and agrees that:

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors

the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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



Steven R. Smith, MSREA, MAI, SRA
AG 2123, expires 5/1/17

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazard wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer, consultants, professional appraisal organizations; any state or federally approved financial institution, or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.



Smith
Realty
Advisors

936 SAN JACINTO STREET, REDLANDS, CA 92373

APPRAISAL RESUME: STEVEN R. SMITH, MSREA, MAI, SRA, AG 2123

MS IN REAL ESTATE APPRAISAL, BA IN REAL ESTATE FINANCE

FULL TIME APPRAISER SINCE 1976. PART TIME UNIVERSITY INSTRUCTOR IN REAL ESTATE AT CAL STATE UNIVERSITY.

PRIOR WORK EXPERIENCE INCLUDED LOAN SERVICING, LOAN ORIGINATION, LOAN ADMINISTRATION, TITLE INSURANCE SALES, REAL ESTATE SALE, MORTGAGE LENDING AND REAL ESTATE SALES MANAGEMENT.

APPRAISAL EXPERIENCE INCLUDES PERFORMING APPRAISALS AND MARKET STUDIES ON EXISTING, PROPOSED AND DISTRESSED PROPERTIES, NON-PERFORMING OR DESTABILIZED PROJECT.

COURT TESTIMONY EXPERIENCE INCLUDES A RANGE OF CIVIL AND CRIMINAL CASES, PROFESSIONAL LIABILITY CASES, MORTGAGE FRAUD AND REAL ESTATE FRAUD CASES, AS BOTH AN EXPERT WITNESS OR AS A REBUTIAL WITNESS.

DEPOSITION TESTIMONY HAS ALSO INCLUDED IRS AND EMINENT DOMAIN CASES. NO COURT TESTIMONY HAS BEEN PROVIDED IN EITHER OF THESE TYPES OF CASES AS EVERYONE HAS SETTLED.

SEMINARS CREATED AND DELIVERED INCLUDE:

MORTGAGE FRAUD AND THE APPRAISERS ROLE- AI-2005,

BUILDING TRANSFERABLE SKILL-SETS, AI - 2005,

PREDATOR LENDING, CLIENT PRESSURES & APPRAISAL FRAUD, 2004.

MORTGAGE FRAUD, CASES & CONSEQUENCES, 2002.

REAL ESTATE FRAUD, APPRAISERS LIABILITIES & RESPONSIBILITIES, 2000.

REAL ESTATE FRAUD & THE APPRAISERS ROLE, 2000, APPRAISAL REVIEW- SREA - 1989.

APPRAISER LIABILITY SEMINAR- SREA - 1988.

CAL LEAGUE OF SAVINGS INSTITUTIONS - APPRAISAL QUALITY CONTROL - 1988.

RESIDENTIAL APPRAISAL SEMINAR - AIREA - 1987.

BOSTON SAFE GUIDELINES - 1985-1988.

MORTGAGE BANKERS OF AMERICA-APPRAISAL REVIEW - 1984-86.

NARAMU-APPRAISAL REVIEW & FRAUD PREVENTION - 1984-1985.

UNIFORM APPRAISAL GUIDELINES - 1984-88.

99 POINT APPRAISAL REVIEW WORKSHOP - 1984-1986.

EXPERIENCE CREDIT WORKSHOP-USPAP COMPLIANCE, APPRAISAL INSTITUTE 1991.

USPAP COMPLIANCE, APMW, 1991.

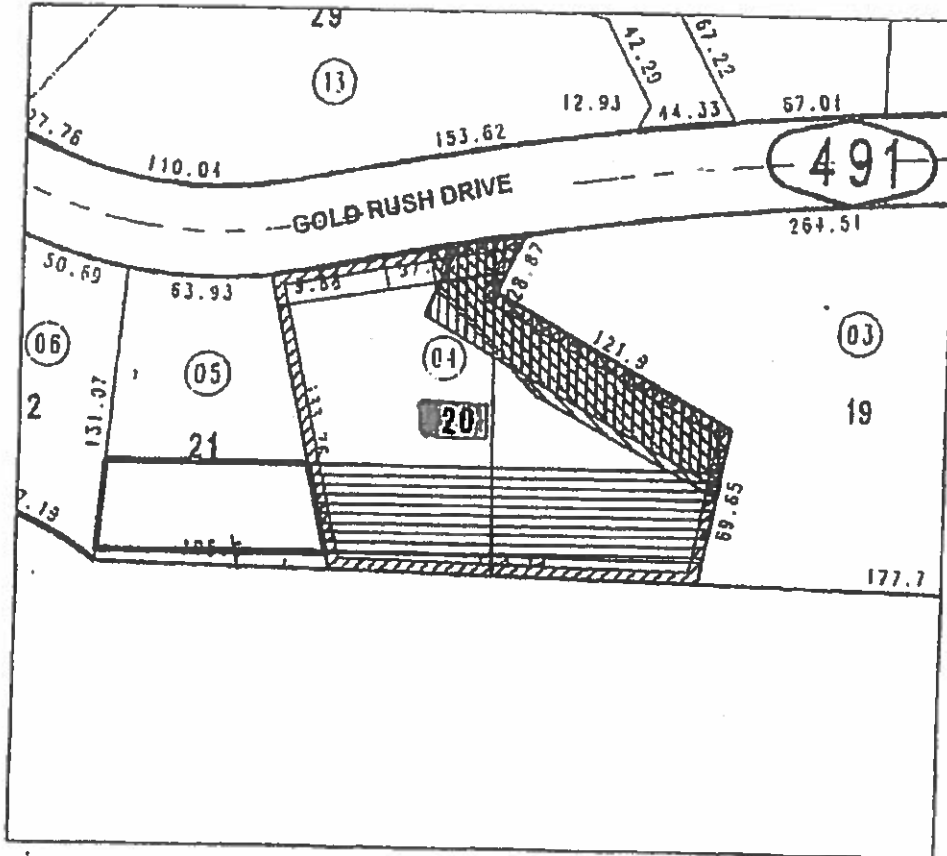
ESTATE AND LUXURY HOME APPRAISAL REVIEW - APPRAISAL INSTITUTE - 1997.





SPECIALTIES INCLUDE: LUXURY HOMES, AND FORENSIC APPRAISAL REVIEW

CONTACT: 909 798 8855, WEB PAGE: [HTTP://SMITHREALTYADVISORS.BIZ](http://SMITHREALTYADVISORS.BIZ), EMAIL: SRSREA@YAHOO.COM

Exhibit E

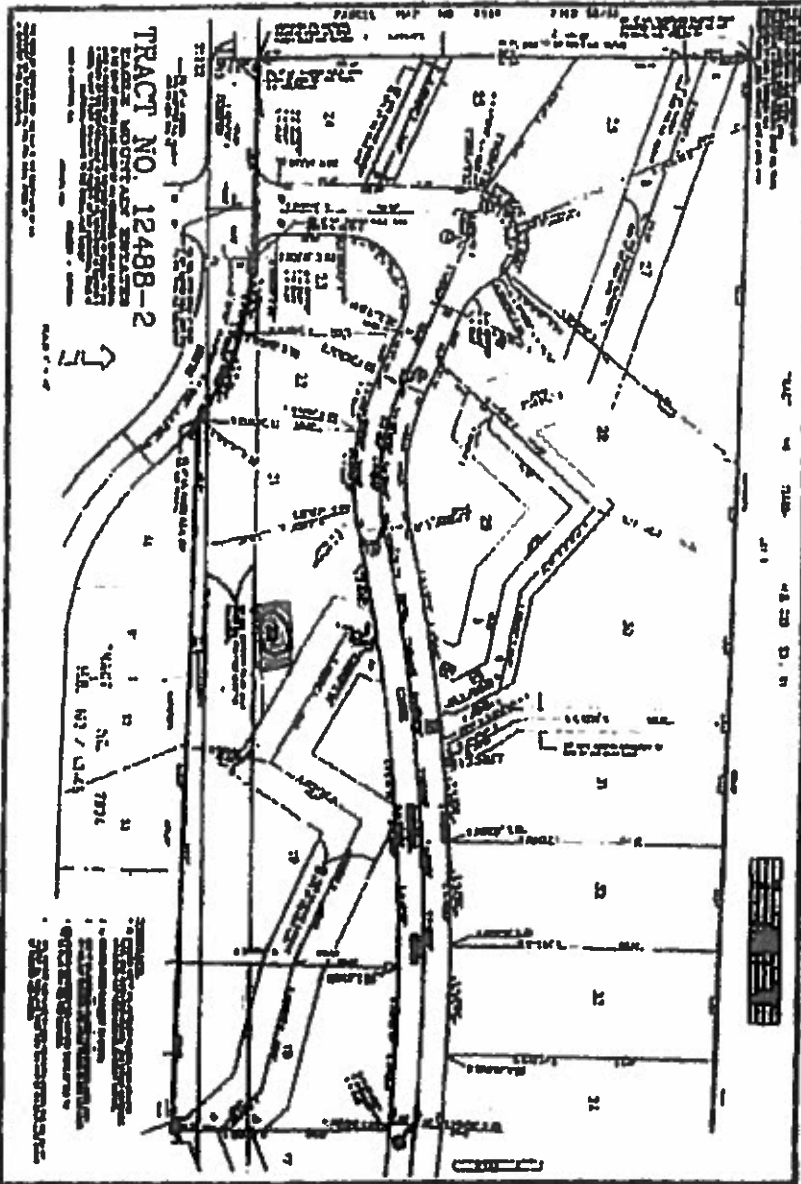
Scale 1 inch = 43.75 feet



- 
Item No. 11 - Easement for Pole Lines
 In Bk4438 Pg1 of Official Records
 Affects said portion as described in the document
- 
Item No. 12 - Easement for Drainage Purpose
 In Bk243 Pg83 of Tract Map
 Affects said portion as shown on the map
- 
Item No. 14 - Easement for Drainage Purpose
 In 10/21/1897 Insl # 97-385932 of Official Records
 Affects said portion as described in the document
- 
Item No. 14 - Easement for Public Utility
 In 10/21/1897 Insl # 97-385932 of Official Records
 Affects said portion as described in the document

Fidelity National Title Company 451 E Van Ness Ave. Suite # 302 San Bernardino, CA 92408 (909) 259-6889	Title Order No. 199918212, Preliminary Report dated October 8, 2013 Reference: 18-1848	Drawing Date: 10/20/13 - PM/1 Assessor's Parcel No.: 001-1-11-000-000
<small>Any discrepancies, mistakes or omissions in this map, whether in area, measurement or any other data shall be deemed corrected and corrected by the publisher's title plan for the purpose of insuring your land with reference to this map and the records. While this plan is believed to be correct, the Company</small>	This drawing is LIST 30 OF TRACT NO. 1724-3 AS PER PLAN RECORDED IN BOOK 343 OF MAPS, PAGES 14 THROUGH 91 ENCLAVE, RECORDS OF SAN BERNARDINO COUNTY	

10/1/82



20/07

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