

Attachment 7

Appraisal Report: Appraisal of Parcel B Lands, Pacific Power and Light Company

APPRAISAL REPORT



Klamath River, Iron Gate, Copco Lake
Siskiyou County, California 96064
APNs: 041-070-110, 041-070-080, 041-070-050, et. al.,

Date of Value: April 6, 2022

Date of Report: April 14, 2022

BRI 21-167

BRI **BENDER
ROSENTHAL
INCORPORATED**

2825 Watt Avenue, Suite 200 Sacramento, California 95821 | www.benderrosenthal.com | 916.978.4900

April 14, 2022

Laura Hazlett
Chief Operations Officer
Klamath River Renewal Corporation
2001 Addison St. #317
Berkeley, CA 94704

Re: Appraisal of Parcel B Lands, Pacific Power and Light Company
Klamath River, Copco Lake, Iron Gate
Siskiyou County, California

Dear Ms. Hazlett,

As you have requested in your engagement letter, we have appraised the property owned by Pacific Power and Light Company located within and around Iron Gate reservoir, Copco Lake, and the Klamath River in Siskiyou County. Specifically, the subject consists of 29 parcels, totaling approximately 6,926.96± acres. The purpose of the appraisal is to provide the market value of the fee simple interest of the subject. The intended use of the appraisal is for internal analysis regarding ownership transfer of the subject from private to a public entity. The current assessed values include both land and facilities; however, the appraisal assignment is to determine the land value of the identified parcels within this report. The client is Klamath River Renewal Corporation. The intended user of the report is Klamath River Renewal Corporation and the Federal Energy Renewal Commission (FERC), we understand that the client may file this report with the Federal Energy Regulatory Commission in support of its application to surrender of the license for the Lower Klamath Project, FERC No. 14803.

This appraisal is communicated in a "Restricted Appraisal" report format. As such, the appraiser's opinions and conclusions presented in the report may not be properly understood without additional information located within the appraiser's work file. Furthermore, it is understood that the client has intimate knowledge of facts regarding the subject property which are therefore not explicitly expressed in the report, and for this reason the use of the report is exclusively limited to the intended users. The conclusions to our analysis are provided in the following document.

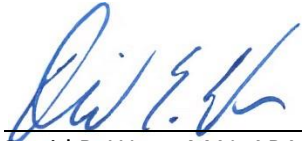
Per discussions with the client, the Sales Comparison Approach is the only approach to value utilized in the report. The exclusion of the Cost and Income Approaches does not impact the credibility of the conclusions of the report, as similar properties typically transfer to owner/users.

The report includes the results of the investigation, data, and analysis used to derive our conclusions. The appraisal is prepared in conformance with, and subject to, the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which fully incorporate the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. The appraisal is a credible appraisal, as defined in the USPAP. The contents of the appraisal and final estimate of value

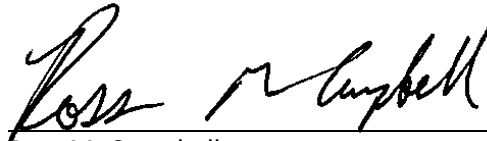
will be subject to the attached statement of Assumptions and Limiting Conditions. The undersigned conducted the appraisal and prepared the report.

We are pleased to have this opportunity to provide you with professional appraisal services.

BENDER ROSENTHAL, INC.



David B. Wraa, MAI, ARA, AI-GRS
Certified General Real Estate Appraiser
California Certificate No. AG023713



Ross M. Campbell
Certified General Real Estate Appraiser
California Certificate No. 3003418

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INTRODUCTION

SCOPE OF WORK

The appraisal assignment is to estimate the market value of the fee simple interest of the subject property. The date of value is, April 6, 2022. The date of the report is the date of transmittal to the client, April 14, 2022.

VALUATION / RESEARCH OVERVIEW

The following is an overview of the valuation process and research involved for the subject property. The valuation of the property involved an investigation and analysis of the neighborhood, as well as the entire regional area, for social, economic, governmental, and environmental forces and trends that affect or could influence property values.

- The property was inspected on October 7, 2021, by Ross Campbell, with Bender Rosenthal, Inc.
- Research the area, community, and neighborhood to determine market influences/conditions.
- Research of public records to verify information about the subject property to ensure it is factually accurate and that there are no terms or additional influences that affect price or value.
- Research zoning and general plan information obtained from the Siskiyou County Planning Department and other department websites.
- Review of applicable flood and seismic hazard areas from appropriate source data.
- Review public records obtained from the various city and county governmental agencies including the Planning Department and Assessor's Office.
- Research of comparable properties through sources including MLS as well as discussions with market participants.
- Discussions with real estate agents and buyers/sellers in the area.
- Conclude with the market value of the subject through application of the Sale Comparison Approach.
- Write the report.

Alysia Corey (née Ballantyne) provided significant assistance in the preparation of this report including determination of the appraisal problem, collection and analysis of the data and valuation analysis in this report under the direct supervision of Ross Campbell.

DEFINITIONS USED IN THE REPORT

Market Value

Source: Office of the Comptroller of the Currency. CFR Title 12, Part 34, Subpart C, § 34.42 Definitions (g).

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:

- A) Buyer and seller are typically motivated;
- B) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- C) A reasonable time is allowed for exposure in the open market;
- D) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- E) 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.

PROPERTY RIGHTS DEFINED

Fee Simple Estate

Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, 6th Edition, P. 90.

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.

Exposure Time

Source: Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition, Page 4.

Exposure Time is defined as: 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.

We have estimated an exposure time of 12 to 18 months for the subject based on the comparable sales, additional sales, and discussions with market participants.

Extraordinary Assumption

Source: Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, P. 4.

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.

Hypothetical Consideration

Source: Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, P. 4.

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.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Note to Reader: The subject property is subject to the following extraordinary assumptions and/or hypothetical conditions, which might have affected the assignment results.

EXTRAORDINARY ASSUMPTION

1. Preliminary title reports were not provided for review. This appraisal assumes that there are no conditions of title associated with the subject property that will impact the utility, desirability, marketability, market value of the subject property.

HYPOTHETICAL CONDITIONS

None

PROPERTY IDENTIFICATION AND SUMMARY OF SALIENT FACTS

Property Location

Klamath River, Iron Gate, Copco Lake
Siskiyou County, California 96064

Assessor's Parcel Number(s)

041-070-110, 041-070-080, 041-070-050, 041-060-140,
041-060-090, 041-060-060, 041-050-020, 041-040-320,
041-040-160, 041-030-290, 041-030-280, 041-030-270,
041-030-250, 041-030-240, 041-030-230, 041-030-200,
041-030-190, 041-030-180, 041-030-170, 004-360-040,
004-050-390, 004-050-380, 004-050-100, 004-050-060,
004-050-010, 004-040-060, 004-040-010, 004-030-070,
004-030-020

Note: The property is assessed by the State Board of Equalization that includes the subject and several other parcels under the subject ownership. The appraisal assignment is to determine the land value for the specified Assessor's parcels noted above.

Property Description

The subject property consists of 29 separate parcels which are operated together by one ownership. The subject totals approximately 6,926.96 acres located along the Klamath River and within Iron Gate Reservoir and Copco Lake.

Utilities

There are no utilities to the site. The subject has access to natural waterways providing seasonal irrigation.

Topography

The topography varies throughout the subject parcels; however, the property is mainly sloping to steeply sloping.

Sale History

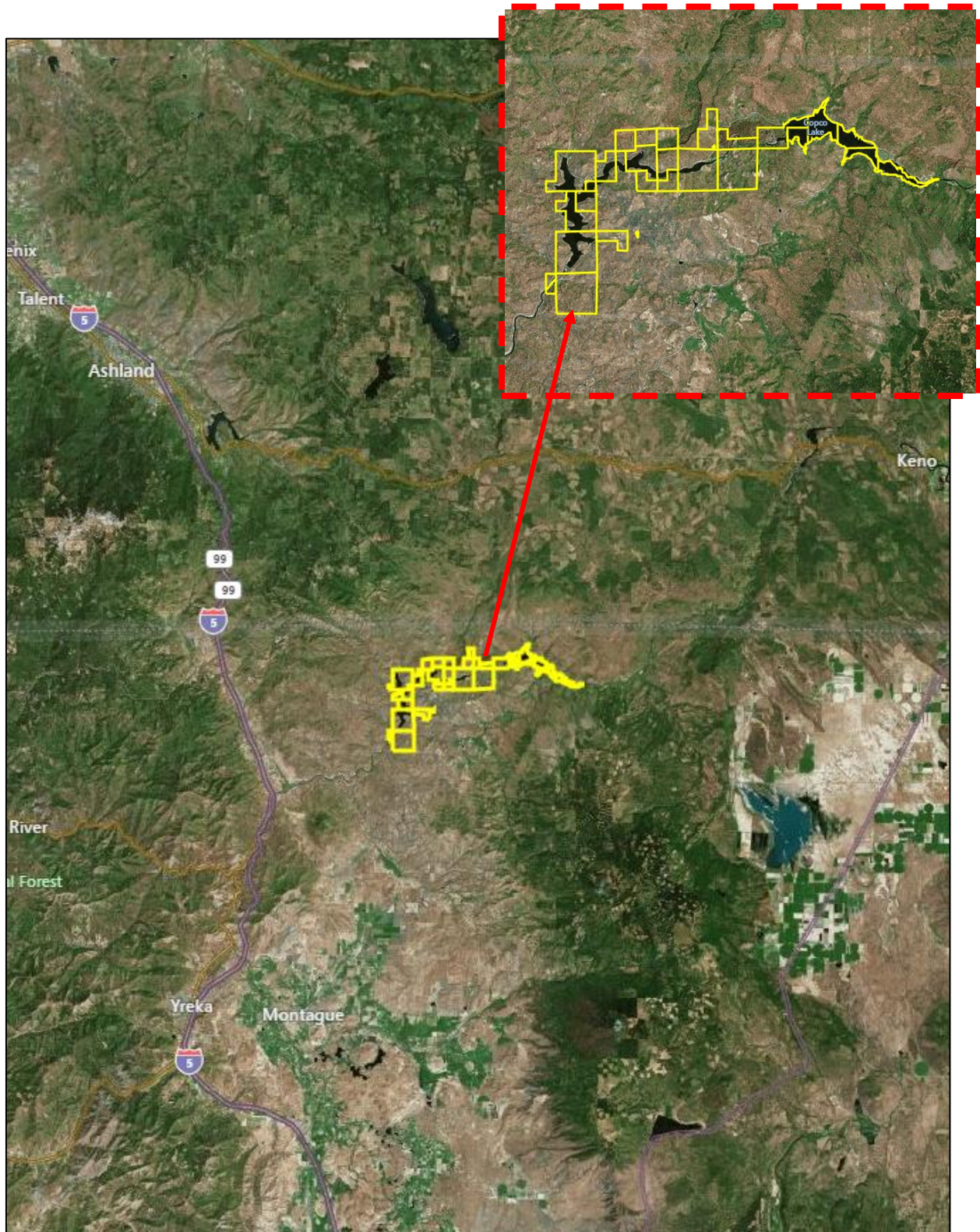
To the best of our knowledge, the property has not been involved with any arms-length transfers within the last three years, nor is the property listed for sale. However, the tenant indicated the property owner has approached him to purchase the property and that is why the appraisal is being done.

Property Taxes

In California, the State Board of Equalization assesses all real and personal property owned by railroads and utilities. The subject owner receives a tax bill from the SBE that includes all of the ownership with no specific breakdown by assessor's parcel. However, tax rates for the surrounding parcels are between 1.0495% and 1.1947% of assessed property values.

Based on the concluded market value of the subject land, the estimated tax bill is \$29,386 to \$33,452.

AERIAL PHOTOGRAPH



VALUATION

VALUATION PREMISE

Information considered relevant to the appraisal assignment has been described in the report, and data pertaining to value have been analyzed using one of the three traditional approaches to value, consisting of the Sales Comparison Approach. The Cost Approach was not utilized to value the subject as the subject is land only. The Income Approach was not included because similar properties typically transfer to owner-users. The reliability of this appraisal report is not considered to be affected by the exclusion of the Cost and Income Approaches. The property is appraised under the current market value as the property exists on the date of value.

The highest and best use of the subject is for recreational land, with potential for grazing use. Discussions with market participants and a review of comparable data indicate that it is maximally productive for the subject to be sold off in approximately 1,000-acre economic units. The subject is already parceled into several APNs which could be grouped together and sold. Therefore, it is not necessary to re-parcel the subject site. It is noted that since the marketing time for an approximately 1,000 acre property is 12 to 18 months it will take some time for the entire subject to be absorbed by the market. With that in mind the data gathered shows 4,400 plus acres of similar land transacting over a 3 year period. Considering the size of the subject it will likely take approximately 5 years for the market to absorb the entirety of the subject lands.

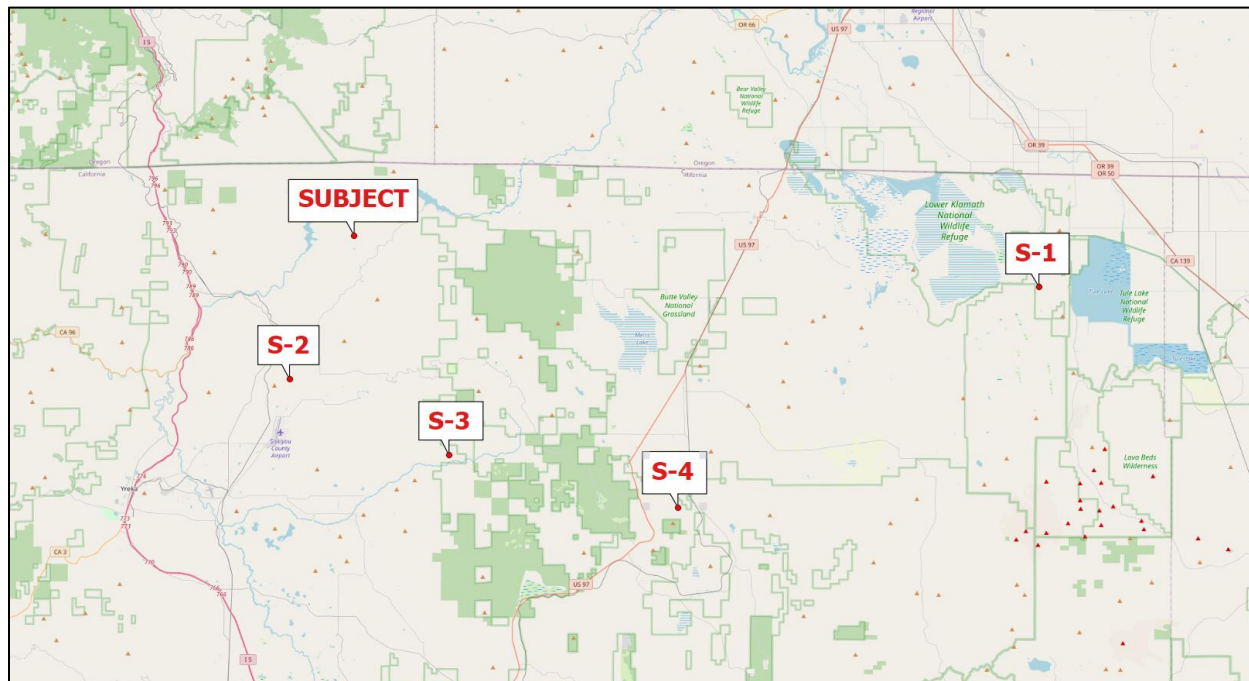
SALE COMPARISON APPROACH TO VALUE

In the Sales Comparison Approach to value, the subject property should be compared to other similar properties that have recently sold in the market area. The sales all reflect large acre recreational, hunting, and grazing land within the subject's Siskiyou County Region. Due to the remote location and slow-moving market in this region, our search for comparable sales was expanded temporally and geographically. All the sale properties were compared based on price per acre, consistent with the market. The comparables are presented in the following table.

COMPARABLE SALES SUMMARY TABLE

Sale #	Location	Seller	Sale Date	Sale Price	Size (AC)	Price / AC
DC #	APN No. (s)	Buyer	Doc #			
S-1 6446	Brownell Lava Bed Road Tulelake, Siskiyou County, CA APNs: 001-080-320, 001-080-310, 001-080-221, 001-090-011, 001-080-300	The 1994 William R. Moore Revocable Living Trust, et al Modoc Nation	09/10/2021 0009772	\$734,500	1,360.00	\$540
S-2 6444	9011 Airport Road Montague, Siskiyou County, CA APNs: 041-140-140, 041-140-150;170;230 & 041-170-030	Nigel Macrae and Holly Macrae Diamond X Ranch, LLC	09/30/2020 0009181	\$750,000	919.10	\$816
S-3 6445	17207 Ball Mountain Road Montague, Siskiyou County, CA APNs: 011-010-160, 011-010-130	Morley C. Meredith and Linda A. Meredith Peter L. Osteyee	09/27/2019 0008060	\$350,000	799.20	\$438
S-4 6443	Old State Highway MacDoel, Siskiyou county, CA APNs: 011-280-110, 011-280-160, 011-280-280, 011-280-300, 011-390-070, 011-390-080, 011-390-100, 011-390-130, 011-390-170, 011-390-220, 011-390-240, 011-390-250, 011-390-270, 011-390-280, 011-420-010, 011-280-320, 011-280-380, 011-280-070	JWTR, LLC Michael Hester.	09/06/2019 0007449	\$499,000	1,331.70	\$375
SUBJECT	Lakeview Road, Klamath River Siskiyou County, CA APNs: 041-070-110, 041-070-080, 041-070-050, 041-060-140, 041-060-090, 041-060-060, 041-050-020, 041-040-320, 041-040-160, 041-030-290, 041-030-280, 041-030-270, 041-030-250, 041-030-240, 041-030-230, 041-030-200, 041-030-190, 041-030-180, 041-030-170, 004-360-040, 004-050-390, 004-050-380, 004-050-100, 004-050-060, 004-050-010, 004-040-060, 004-040-010, 004-030-070, 004-030-020,	Appraisal	---	---	6,926.96 (to be sold in approx. 1,000 acre economic units)	---

COMPARABLE SALES MAP



The subject and comparables are arrayed in the following table.

Comparable	Price / Acre
S-2	<\$816
S-1	<\$540
<i>Subject Property range between \$438 and \$540 per acre</i>	
S-3	>\$438
S-4	>\$375

All comparable sales represent large-acre sales of recreational land purchased for hobbies such as hunting, fishing, and camping. Sales at the higher end of the range had potential for minor agricultural uses such as grazing or row crops. It is noted that the property would likely be sold off in pieces of approximately 1,000 acres, similar to market sales. The average exposure period for properties of 800 acres or more is approximately 12 to 18 months. Specifically, if the subject was 1,000 acres it would be bracketed by Comparable S-3 (\$438/AC) and Comparable S-1 (\$540/AC). Comparable S-1, while larger in size, represents property with more agricultural potential, having a well and farming history. Comparable S-3 also had some utilities; however, the property has a steep topography and no potential for grazing use. Overall, based on the offsetting inferior and superior characteristics of the bracketing comparables, a value of \$500 per acre, would be appropriate for a 1,000 acre property.

As previously discussed, the subject would likely take on the order of 5 years for the entirety of the subject lands to be absorbed by the market. As such a discount on the value of \$500 per acre for the 1,000 acre property is appropriate. Based on the market and the amount of exposure time needed to sell all the subject lands a conclusion of value for the subject of \$400 per acre is considered appropriate.

The indicated market value by the Sales Comparison approach is shown below.

6,926.96 Acres x \$400 / AC	=	\$	2,770,784
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Rounded		\$	2,800,000
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Therefore, the market value of the fee simple interest of the subject property, as of April 6, 2022, subject to the extraordinary and general assumptions and the conditions included in this report, is:

Two Million, Eight Hundred Thousand Dollars
\$2,800,000


APPENDIX

APPRAISERS' CERTIFICATIONS

APPRAISER'S CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased and professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. Alysia Corey (nee Ballantyne) significant assistance in the preparation of this report including determination of the appraisal problem, collection and analysis of the data, highest and best use analysis, valuation analysis, and the reconciliation in this report under the direct supervision of the undersigned.
11. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
12. I made a personal inspection of the impact area that is the subject of this report.



David B. Wraa, MAI, ARA, AI-GRS
Certified General Real Estate Appraiser
California Certificate No. AG023713

APPRAISER'S CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased and professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the impacted parcels that are the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the impacted parcels that are the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
9. Alysia Corey (nee Ballantyne) significant assistance in the preparation of this report including determination of the appraisal problem, collection and analysis of the data, highest and best use analysis, valuation analysis, and the reconciliation in this report under the direct supervision of the undersigned.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the continuing education program of the Bureau of Real Estate Appraisers.
12. I have made a personal inspection of the impact area that is the subject of this report.



Ross M. Campbell

Certified General Real Estate Appraiser
California Certificate No. 3003418

APPRAISERS' QUALIFICATIONS

PROFESSIONAL QUALIFICATIONS



YEARS OF EXPERIENCE

32 Years (18 with BRI)



EDUCATION

BS, Agricultural Science and
Management,
University of California, Davis, CA



PROFESSIONAL REGISTRATIONS

California Certified General
Real Estate Appraiser
AG 023713

Nevada Certified General
Real Estate Appraiser
A.0207023-CG



PROFESSIONAL AFFILIATIONS

Sacramento-Sierra Chapter of
Appraisal Institute, Past President



DESIGNATIONS

MAI and AI-GRS, Appraisal Institute

Accredited Rural Appraiser (ARA)
American Society of Farm Managers
and Rural Appraisers, Inc.

DAVID B. WRAA, MAI, ARA, AI-GRS

President of BRI

David B. Wraa, MAI, ARA, AI-GRS has been involved in real estate appraising and consulting since 1989. His professional experience in real estate appraisal encompasses an extensive range of property types. He is a member of the Appraisal Institute with the MAI and AI-GRS designations, a member of the American Society of Farm Managers and Rural Appraisers with the designation of ARA, and a Certified General Real Estate Appraiser in the State of California and the State of Nevada. Dave is a guest lecturer each year in the UC Davis appraisal class and presents annually at the Public Real Estate Transactions course.

Dave is a former President of the Sacramento-Sierra Chapter of the Appraisal Institute, as well as the past Education Chair and Secretary Treasurer for the chapter. Prior to his career in real estate, Dave attended UC Davis, majoring in Agricultural Science and Management (Bachelor of Science degree). Upon graduation, he immediately entered the appraisal field with a specialty in wineries and vineyards (1989-1995).

REPRESENTATIVE VALUATIONS INCLUDE

Industrial – Existing and proposed industrial properties including distribution warehouses, storage warehouses, light industrial/manufacturing and research and development properties.

Office – Existing and proposed office developments for lending institutions and owners.

Retail – Proposed and existing shopping centers, free standing buildings, mixed-use buildings, and restaurants.

Multi-Family Residential – Existing and proposed apartment complexes.

Medical – Existing and proposed medical clinics and dental offices.

Residential – Proposed and existing residential subdivisions throughout the Central Valley.

Agricultural – Vineyards, wineries, orchards, field/row crop land, and rural residential properties.

Special Use Properties – Special use properties include churches and self-storage facilities.

Land – Various types of land appraised such as commercial land, retail pad sites, residential land, transitional land, and agricultural/rural residential land.

Eminent Domain – Improved and unimproved properties involving full and partial takings for municipalities, quasi-public companies, developers, and property owners.

Litigation – Valuations performed on various property types for eminent domain, arbitration, and divorce cases.

PROFESSIONAL QUALIFICATIONS



YEARS OF EXPERIENCE

11 Years (with BRI since 2011)



EDUCATION

BA, Economics
University of California
Davis, California

BA, Sociology: Organizational
Studies
University of California
Davis, California



PROFESSIONAL REGISTRATIONS

California Certified General
Real Estate Appraiser
AG 3003418



PROFESSIONAL AFFILIATIONS

Sacramento-Sierra Chapter of
Appraisal Institute

ROSS CAMPBELL

Appraiser

Ross Campbell has been involved in real estate appraising and consulting since 2011. His professional experience in real estate appraisal encompasses a broad range of property types including industrial, office, retail, single family, multi-family, residential subdivisions, agricultural, transitional, and various types of land. Ross also has right of way experience involving both partial and full acquisitions, complex damage/benefit analysis, crop loss scenarios, transportation and utility projects. Over the course of his career he has worked on several specialty property types/projects of note which encompass cell tower sites, water related use properties (both inland and oceanfront), mitigation work, contamination issues, corridor valuations, title claims, conservation easements, and shelter valuation.

Ross received his Bachelor's degrees in Economics and Sociology: Organizational Studies, respectively, from The University of California at Davis. He continues his education with courses from the Appraisal Institute and the International Right of Way Association in pursuit of a professional designation.

REPRESENTATIVE VALUATIONS INCLUDE

Industrial – Existing and proposed distribution, storage, and research and development properties.

Office – Existing and proposed general-office, medical-office, and dental-office developments.

Retail – Existing and proposed shopping centers, mixed-use buildings, and restaurants.

Single-Family Residential – Existing and proposed residential subdivisions.

Multifamily Residential – Existing and proposed apartment complexes and condominiums.

Agricultural – Field and row crops, conservation easements, and rural-residential properties.

Land – Retail, office, residential, industrial, transitional, and agricultural land.

Special Use – Cell tower sites, water related sites, transportation and utility corridors.

Eminent Domain – Improved and unimproved properties involving full and partial acquisitions.