3,4,4 (2024) FY-053

I. EXECUTIVE SUMMARY

The DEER CREEK & TULE RIVER AUTHORITY is requesting LAND ACQUISITION funding in the amount of $202,400 for the construction of A WETLANDS WATERFOWL HABITAT ENHANCEMENT PROJECT.

The Deer Creek and Tule River Authority is a joint powers Authority located in Tulare County in California's San Joaquin Valley comprised of the following members: Lower Tule River Irrigation District, Pixley Irrigation District, Porterville Irrigation District, Saucelito Irrigation District, Stone Coral Irrigation District and Terra-Bella Irrigation District. All six members are irrigation Districts located within the Friant Division of the Central Valley Project and combined encompass over 200,000 acres . The Authority's primary purpose is the joint exercise of the powers of the Authority members in order to facilitate more efficient operations and management of their activities. Integral to this purpose is the joint conjunctive management of the Authority members surface and groundwater supplies. The Authority members receive their surface water from local streams and rivers in addition to the Bureau of Reclamation Friant-Kern facilities. Total surface water available to the members during a one year period has ranged from less than 35,000 acre-feet to more than 550,000. Average depth to ground water has ranged from less than 50 feet to depths greater than 300 feet. The physical layout of the Authority includes rolling hills covered with citrus in the east to flatland field crops in the west.

The southern San Joaquin Valley used to contain approximately 5 million acres of wetlands, sloughs, vernal pools and associated riparian habitats along its few rivers and creeks. However, with the advent of agricultural, urban and industrial developments, most of these have been lost, to a far greater degree than anywhere else in the Great Central Valley. Only about 17,000 acres of wetlands remain in the southern San Joaquin Valley, and these include federal wildlife refuges, where the habitats are far from natural and they are minimal in size. The majority of the existing wetlands enhancement projects have occurred in the northern Central Valley. The southern San Joaquin Valley has experienced the fewest number of restoration projects, in spite of having the greatest percentage of habitat losses. Enhancing and restoring wetland and riparian values and functions in the southern San Joaquin Valley can play a significant role in the restoring, maintenance and enhancement of overall waterfowl, shorebird and neotropical migrant bird species.

Opportunities to restore or rehabilitate natural wetlands habitats in the southern San Joaquin Valley may appear limited. However, virtually hundreds of opportunities abound to enhance existing or to develop new agricultural water facilities and associated areas to help establish wetlands and enhance artificial areas which have widespread positive impacts on declining waterfowl, including ducks and shorebirds. In addition, improvements on existing or developing reserves (Coles Levee Ecosystem Preserve, Yaudanchi Ecological Reserve), and numerous other private sites have the potential to increase waterfowl and neotropical bird populations on a broad scale. This project has the potential to demonstrate how a wide variety of environmental

benefits can be successfully developed and integrated into a typical water management project. This proposed project is to enhance the wetland and riparian values and functions of the Deer Creek recharge basin and Deer Creek for both habitat and wildlife. This project is planned to illustrate the numerous benefits of implementing such a project, not only to the local area, the Deer Creek watershed, but for the entire Southern San Joaquin Valley in terms of encouraging others to duplicate similar projects. This project is designed to ensure water availability at the appropriate times of year for fall and winter migrating birds, local breeding waterfowl, and a diversity of water dependent wildlife including listed species. Management will simulate seasonal wetlands. The ponds, berms and surrounding habitats, as appropriate, will be enhanced to provide food, nesting and resting cover. In addition, baseline and ongoing project monitoring will be conducted to help determine the best approach for developing additional ponds, for managing these ponds and to evaluate the effectiveness of the management approach.

The project will help restore a more natural hydrologic system along Deer Creek, by creating overland riparian flow, restoring and enhancing stream side and wetland and riparian habitat. A pond will be used to divert water for these purposes, concomitant with the re-establishment of a primary flood plain and riparian wetlands. The project would allow conjunctive use of the project site. This would include re-vegetation, restoration of land form, use of riparian vegetation to dissipate stream energy associated with flood flows which would result in a reduction of erosion and improvement of water quality, filter sediment, capture bedload and aid flood plain development, improve flood water retention and groundwater recharge, development of root masses that stabilize stream banks against cutting action, development of diverse ponding and channel characteristics for waterfowl breeding and to support greater biological diversity. This would result in the restoration of both riparian and wetland habitats, of which most in Tulare and adjacent southern San Joaquin Valley counties have been eliminated.

Ultimately, this project is envisioned as being the first to help establish a Coordinated Resource Management Plan (CRMP) for the Deer Creek watershed. The CRMP would be spearheaded by the Deer Creek and Tule River Authority. Investigation into the use of the CRMP process for the purposes of the above goals and for others to expand these ideas to additional areas in the watershed is already underway.

II. TITLE PAGE

DEER CREEK & TULE RIVER AUTHORITY

SMALLWOOD BASIN

A WETLANDS WATERFOWL HABITAT ENHANCEMENT PROJECT

Applicant: Deer Creek & Tule River Authority
P.O. Box 4388 / 16563 Road 168
Porterville, CA 93258
209-686-4716 Fax: 209-686-0151
Email: LTID@aol.com

Organization: Joint Powers Authority - California Water Code Sections 10750 et. seq.
Tax Status: Non-profit Tax Exempt

President: Benjamin R. Serafin
Management: Roger W. Robb
Daniel G. Vink

Biologist: M.H. Wolfe
P.O. Box 10254
Bakersfield, CA 93389
805-837-1169
Email: YakimaPark@aol.com

RFP Types: Land Acquisition

III. PROJECT DESCRIPTION

A. Project Approach

The project is being developed to begin with the short-term goal of developing fall and winter migrating bird habitat, particularly for waterfowl and shorebirds. This is being pursued by an immediate acquisition of land and the eventual construction of permanent levies and diversion structures. The district typically supplies water to the ponds from February through April. Additional water for brooding birds would be needed from May through July 15 of each year, depending upon climatic conditions.

Monitoring is not envisioned as a separate project phase, but as an integral overall part of the project. Day-to-day project management, additional needed work and evaluations for continuing or revising the project cannot properly occur without monitoring. Each phase, from the development of preliminary baseline data for comparison, through establishment of the ponds and post pond establishment will be conducted. These will include both terrestrial and aquatic phases. Included will be aquatic invertebrates, flora, terrestrial vegetation, birds and other wildlife.

1.1 Immediate Fall/Winter Waterfowl Habitat Improvement

1.1.1 Pond Design

An initial site meeting will be held in August with potential partners to discuss the possibilities. At that meeting, an approach for the pond design will be discussed. This design must allow for increased flexibility for water management for all purposes which include Fall/Winter migrating waterfowl habitat, brooding habitat, water recharge and flood control.

1.1.2 Initial Re-vegetation and Site Enhancement

1.1.2.1 Dividing berms

The new pond dividing berms will be seeded with perennial native grasses for stabilization, cover, and ultimately, nesting cover for birds which prefer nesting in intermediate to tall grasses. Native wetland species will be encouraged, while elimination of noxious and other alien weeds will be controlled. Control may be implemented through use of re-vegetation, the chemicals Roundup or Rodeo, mowing or other appropriate means. The use of alkali wild rye, alkali sacaton, California brome and blue wild rye are being considered for use in re-vegetation of the berms and parts of the existing levees.

1.1.2.2 Dryland wheat

Dryland wheat is planned to be continued on the surrounding properties. Many waterfowl like nesting and feeding in such sites.

1.1.2.3 Right-of-way habitat enhancement

A mixture of native forbs, grasses and shrubs will be planted on the canal right-of-way to help reduce the growth of alien and noxious weeds for which chemical and mechanical controls are presently implemented. This involves about one acre between the pond levee and the base of the Friant-Kern Canal bank.

1.1.3 Water

In a normal year, water is applied to the pond in February through April for groundwater recharge, conjunctive use and water conservation. These costs are being covered by the districts. Sometimes flood water may be available. For the purposes of this project in general, approximately 750 acre feet per month of additional water will be necessary to provide a full spectrum of Fall/Winter migratory bird habitat enhancement. When possible, natural Deer Creek flow will be used. However, to meet all the waterfowl habitat requirements, even in normal years it is likely a combination of waters may be necessary. During dry years, the potential exists for emergency groundwater pumping.

1.1.4 Design New Pond and Habitat

Use of the new pond is anticipated to commence in the Fall of 1997. This pond and the adjacent habitats will have the primary purpose of enhancing flood control, which will be accomplished not only through increased groundwater recharge and peak flow reduction, but through overland riparian and wetland flows created by the restoration of a more natural flood plain in conjunction with the pond. The pond will also be used for wetland and waterfowl habitat enhancements.

B Project Location

The proposed site is located in Tulare County. The project will be operated by the Deer Creek and Tule River Authority. It is located on about 90 acres in the north half of Section 31, T22S, R27E of the Ducor USGS Quadrangle. The site is bound on the west by the Friant Kern Canal, paralleling Avenue 208, and is north of Deer Creek and disturbed adjacent ruderal and degraded riparian habitat remnants. It is adjacent to about 80 acres of existing habitat ponds also monitored by the Deer Creek & Tule River Authority. The balance of the surrounding area is comprised of dryland wheat, vineyards, and non-native grass rangeland. The general area layout and the pond layout is illustrated in Exhibit A and B.

C. Expected Benefit

This proposal involves a land acquisition for a project which conforms to three of the implementation objectives of the Ecosystem Restoration Program Plan are to "restore basic hydraulic conditions to reactivate and maintain ecological process" for the Central Valley, to "improve flood plains along rivers and streams" and to contribute to the improvement of the Bay-Delta hydraulics. All the Central Valley watershed systems, including the San Joaquin River, its rivers and intermittent tributaries, and the intermittent tributaries to the Tulare Lake Basin, and even the Kern River basin and its intermittent tributaries, are all a part of the hydrologic system which feeds the Bay-Delta. As much of the system is intermittent, in average and above average years of snow melt and precipitation restoration of groundwater, maintenance of alluvial hydraulic connectivity and overland riparian and flood flows become very important throughout the system. In occasional above average years, the overflow of the Kern River and southern San Joaquin valley drainages, Buena Vista and Kern lakes into Tulare Lake, the San Joaquin River Basin and ultimately Bay-Delta, play an important role in the long-term wetting, flushing and sustainability of the Bay-Delta and Central Valley stream and wetland systems, with which this area is both directly and indirectly connected through its hydrological and biological systems. Stressors, species, habitats and proposed restoration actions for this project are summarized in Table 1.

Table 1. Summary of pertinent stressor, species, habitats and planned actions.

Stressors	Habitat	Species	Restoration Action
1. Hydrographic alteration 2. Flood plain changes hydrological isolation of flood plain/marsh plain 3. Physical isolation of flood plain/marsh plain 4. Undesirable species interactions 5. Land use and grazing	<u>Phase II</u> • wetland • seasonal wetland • aquatic <u>Phase III</u> • riparian	<u>Phase II</u> • waterfowl • shorebirds • sandhill crane • riparian wildlife guild • neotropical migratory bird guild • white-tailed kite <u>Phase III</u> • western pond turtle	<u>Phase I</u> • land acquisition <u>Phase II</u> • re-regulation or management of water to provide appropriate fall/winter waterfowl habitat • construction of reservoirs • *restoration of intermittent* natural channels • revegetation of berms and uplands with native species for waterfowl brood habitat • planting of large trees and shrubs for raptors and neotropical migrants • environmental education • recreational opportunities (birding, hunting?) • grazing management • fencing <u>Phase III</u> • Develop CRMP/watershed management • Deer Creek riparian enhancement/exotic removal/recharge/flood overflow

This project addresses a portion of the southern San Joaquin Valley watershed, although outside the geographic scope on the map, is fully within the CalFed solution area and is below the "upper watersheds" as defined in the Ecosystem Restoration Pogram Plan (ERPP). This project is one of several planned San Joaquin Valley demonstration projects which will address hydrographic alterations throughout the entire watershed. The San Joaquin Valley has lost more wetland habitat than any other part of the Central Valley, and used to support vast flocks of migratory waterfowl, shorebirds and other species. However, most of these lands have been drained and converted to agriculture and urbanization. Although impacted the most, the least amount of restoration and habitat enhancement has been initiated in this region. As the southern valley does not necessary have the same drought periods as northern California and the northern Central Valley, restoring these habitats throughout the San Joauqin Valley is essential relative to restoring a healthy ecosystem for shorebirds and waterfowl, not to mention their importance relative to restoring an overall healthy hydrograph and groundwater balance.

Current practice by most is generally to "clean farm" levees, recharge and equalizing basins or allow natural invasion by exotics. If all water districts, or even if a majority of water districts and their growers enhanced their canals, ditches, and recharge and equalizing basins by re-regulating flows, increasing conjunctive use, revegetation and appropriate management for affected species, the entire biological physiognomy and agro-ecosystem would be improved, not only hydrologically, but also for waterfowl, shorebirds, riparian, and upland species.

Potential for restoration of the historic Tulare Lake Basin on a large scale is limited because of high agricultural value. Consequently, the alternative is to enhance other areas where restoration potential has not already been eliminated or reduced. This project will enable the ultimate creation of about 70 acres of new aquatic habitat suitable for waterfowl and shorebirds and will result in the enhancement of five acres of riparian and creation of five acres of new wetland habitats. The existing intermittent drainages associated with Deer Creek will be enhanced to the extent of their length through the project area.

In Phase IV, with the development of a Coordinated Resource Management Planning Program (CRMP) five acres of riparian habitat would be enhanced directly through the project site and additional acreages would be anticipated to be enhanced by CRMP partners. Exotic aquatic species would be removed and/or control initiated on a watershed scale. Secondary benefits will evolve with the elevation of public awareness of watershed, hydrologic and habitat enhancements. Site specific environmental interpretive displays can be developed at a public assessable location describing the project. Public recreational options, such as birding, will be increased with the presence of habitat.

This project is related to a variety of others and is consistent with the Riparian Habitat Joint Venture, pursuing goals to restore, protect and enhance our fragmented riparian habitat, and with the North American Waterfowl Plan. This type of leadership will result

in a domino effect over time of numerous similar and related efforts. The project has short term and long term benefits with the ability to contribute to minimizing limiting factors for waterfowl and shorebirds, in addition to other species of concern, such as the western pond turtle, tiger salamander and spiny sepaled button celery and other species which are not reflected as priority species for the Category III funding, but which are important relative to the San Joaquin Valley multi-species recovery efforts, regional county Habitat Conservation Plans in progress (Kern and Tulare counties), and the implementation of the Long Range Conservation Plan under the Friant Long Term Contract Biological Opinion. This project also would dovetail with the Friant Water Users Authority (FWUA) ongoing vegetation management program which is experimenting with the use of native perennial species for weed and pest control, erosion and habitat enhancement. This project, which is a partnership among the Friant Water Users Authority, Department of Pesticide Regulation, California Department of Fish and Game, US Bureau of Reclamation and the Tulare County Farm Bureau, is currently developing a broad public outreach program, involving private landowners in addition to agency partners. This project would be able to further demonstrate the effectiveness of the use of revegetation with native perennial species which has not been previously done in the San Joaquin Valley to any extent.

Relative to CALFED non-ecosystem benefits, this project, in combination with others planned, will contribute to helping to re-establish the overall system integrity. The reservoirs will also contribute to increased water use efficiency, and increased power efficiency. In addition, any time areas are revegetated versus being maintained in a clean farmed condition as they are now, water quality of both surface and ground waters will be improved.

D. Biological Justification

As described under expected benefits, the need for the project is significant. Existing conditions are that most of the non-ecosystem not cultivated is maintained in a "clean farmed" condition, which is conducive to only a few species, many of which are pests, e.g. California ground squirrel. Other possible approaches for a demonstration project of which this part, which could result in large scale long-term changes, are not socially or economically acceptable at this time.

The expected benefits are based on observations of a few species occupying the fragmented, small pieces of wetland and aquatic habitats present, records of species present in a few ponds which are not clean farmed and the historical ecology of the area. The benefits of the project will be long-term with proper site management and monitoring. Population sizes can be anticipated to reflect natural climatic cycles. The conjunctive use should enhance the ecosystem function and process. Basin-wide implementation of this type of project can be expected to result in increased water

management flexibility, and likely increased water availability throughout the watershed, especially in drought years.

This is a continuing project. Some surrounding basins are already built, although vegetation enhancement is necessary, some wetland species have naturally invaded previously constructed sites. The amount spent to date on this existing projects is approximately $100,000.00. Documentation of work to date may be found described in previous environmental assessments developed for the program.

E. Proposed scope of work

Phase I (Immediate Fall/Winter Waterfowl Habitat Improvement)

The phase one work as outlined in the project description will be conducted primarily by the Deer Creek & Tule River Authority staff. The Authority will continue to generate financial and technical performance reports as published in its annual report

Phase II (Establishment of Brood Habitat)

An average 25 percent of the pond, with a minimum of ten percent of the pond surface water, is needed for brood habitat from March 1 through the middle of July. As the ponds typically have water in them through April, this requires extra water for the months of May through July. The pond will be managed to help ensure the enhancement and protection of waterfowl and water conservation.

In dry years, if water will not be available for brood habitat, no water will be placed in the pond during that period if it cannot be maintained through fledgling, unless required because of flood control or other unusual water management conditions. The method and cost of supplying emergency water through groundwater pumping in the unexpected event the water supply is lost or interrupted during the period of brood use will be investigated.

An agreement is anticipated to be negotiated with the adjacent dryland wheat farmers to prevent adverse impacts to nesting waterfowl. A vegetation management plan for the site which will enhance habitat and provide adequate food and cover for protection from predators will need to be developed and implemented. Riparian habitat enhancement will include tree and shrub plantings.

Phase III (Development of Public Opportunities)

Although the potential for development of public opportunities exists, they necessarily must follow site development. Consultations with the California Department of Fish and

Game (CDFG), local and regional schools and other interested parties will commence during this period to explore reasonable and feasible opportunities, considering adjacent land uses, ongoing land uses and public access and safety. Many of these types of activities likely would best be developed through the CRMP process, since they not only involve the partners, but also the local and regional public.

These types of enhanced basins may be used for the development of environmental educational opportunities for local and regional schools. Botany, wildlife, waterfowl, conservation, neotropical birds, endangered species, biodiversity, agriculture and water needs are all subjects possible for treating. Tours and/or the development of nature trail(s), brochures and roadside interpretation are all possibilities being evaluated.

Phase IV (CRMP)

As a grassroots demonstration project, this project has significant potential to not only show how water re-regulation and management may be used to beneficially enhance recharge basins and equalizing reservoirs, but also to show how partnerships among affected and helping parties can be used to resolve issues and concerns.

Deer Creek is a significant tributary to the original Tulare Lake Basin. Today, as in the past, this intermittent stream flows probably seven out of ten years. During flood events, it contributes to flooding Tulare Lake, and can and has caused road closures and property losses, both on private and State lands. The opportunity exists here to expand positive environmental activities throughout the entire watershed through the use of the CRMP process. The CRMP process has been quite successfully used numerous times in northern California, but has only more recently been introduced in the southern San Joaquin Valley. Certainly the process has great potential to help this grassroots program.

A schedule of the project development is illustrated in Exhibit C. Full implementation of the project depends upon cooperation, technical assistance and assistance in funding.

F. Monitoring and Data Evaluation.

Project partners, the California Waterfowl Association, California Department of Fish and Game, US Bureau of Reclamation will be involved in the planning and evaluation of project monitoring. Vegetation, bird, aquatic and hydrologic conditions are planned to be monitored in accordance with required permits. The contract biologists have also obtained species expert input relative to proposed work (Dr. Mark Jennings, Dr. Dick Andrews and Dr. David Germano). Quarterly bird monitoring and annual vegetation monitoring are planned.

Data collection can be compared with similar work ongoing and being developed at the FWUA district locations for water recharge basin and equalizing reservoir enhancement and restoration. In addition, we participate in the San Joaquin River Basin Quarterly Monitoring meetings and in the San Joaquin River Monitoring program.

G. Implementability

Permission and cooperation of affected and participating landowners have already been obtained. The project will comply with all pertinent local, state and federal laws and regulations. The aid of the US Bureau of Reclamation, Army Corp of Engineers and California Department of Fish and Game are/or have been elicited. Outreach efforts have established a wide variety of partners. As the CRMP is developed in Phase IV, many more partners, participants and cooperators are anticipated.

IV. Costs

A. Budget Costs

The Deer Creek & Tule River Authority is requesting funding for land acquisition. The long term project of diversion structures for re-regulation will be borne by the Authority. In addition, Authority will all bear administrative and indirect labor costs. Costs associated with land acquisition are requested for funding All other capital costs and O&M funding will become the responsibility of the Authority.

Land acquisition costs supported by a certified appraisers report is attached as Exhibit D.

B. Schedule Milestones

A schedule of the project development is illustrated in Exhibit C. Full implementation of the project depends upon assistance in funding.

Payments as it relates to the construction of the project is flexible. It would be expected that payment in full as previously guaranteed would be received at the projects completion.

C. Third Party Impacts

There are no anticipated or potential third party impacts.

V. APPLICANT QUALIFICATIONS

The Authority intends to utilize the following resources as needed:

MH WOLFE and Associates ENVIRONMENTAL CONSULTING INC.
Certified woman-owned business
Certified small business

Marcia H. Wolfe - Plant and wildlife ecologist with over 25 years experience in disturbed land reclamation and re-vegetation design, implementation and monitoring, including baseline surveys and research. Twelve years experience in California endangered species and environmental permitting and regulation compliance. Assist with permitting, baseline studies, develop re-vegetation plans. Design and supervise monitoring.

References: Dick Moss - Friant Water Users Authority/(209) 562-6305
John Juette - J&M Land Restoration/(805) 872-7039

Dr. Larry Stromberg - Wetland scientist with over 50,000 acres of delineations and 20+ years experience in design, construction and restoration of vernal pools, wetlands and perennial marshes. Prepares biological assessments and mitigation plans. Assist with monitoring, re-vegetation design and baseline studies.

Reference: Doug Bower - Santa Rosa City Schools/(707) 528-5381
Alan Strachan - Courtside Village Joint Venture/(707) 575-3103

Management of the construction and O&M will be the responsibility of Roger W. Robb the Engineer-Manager of the Deer Creek & Tule River Authority. Mr. Robb is a certified Civil Engineer in the State of California and hold a Masters Degree in the Science of Engineering from the University of California at Berkley. Mr. Robb has served as Engineer-Manager of Authority member agencies Lower Tule River Irrigation District and Pixley Irrigation District for 21 years.

VI. COMPLIANCE

All compliance consistent with the RFP will be adhered to.

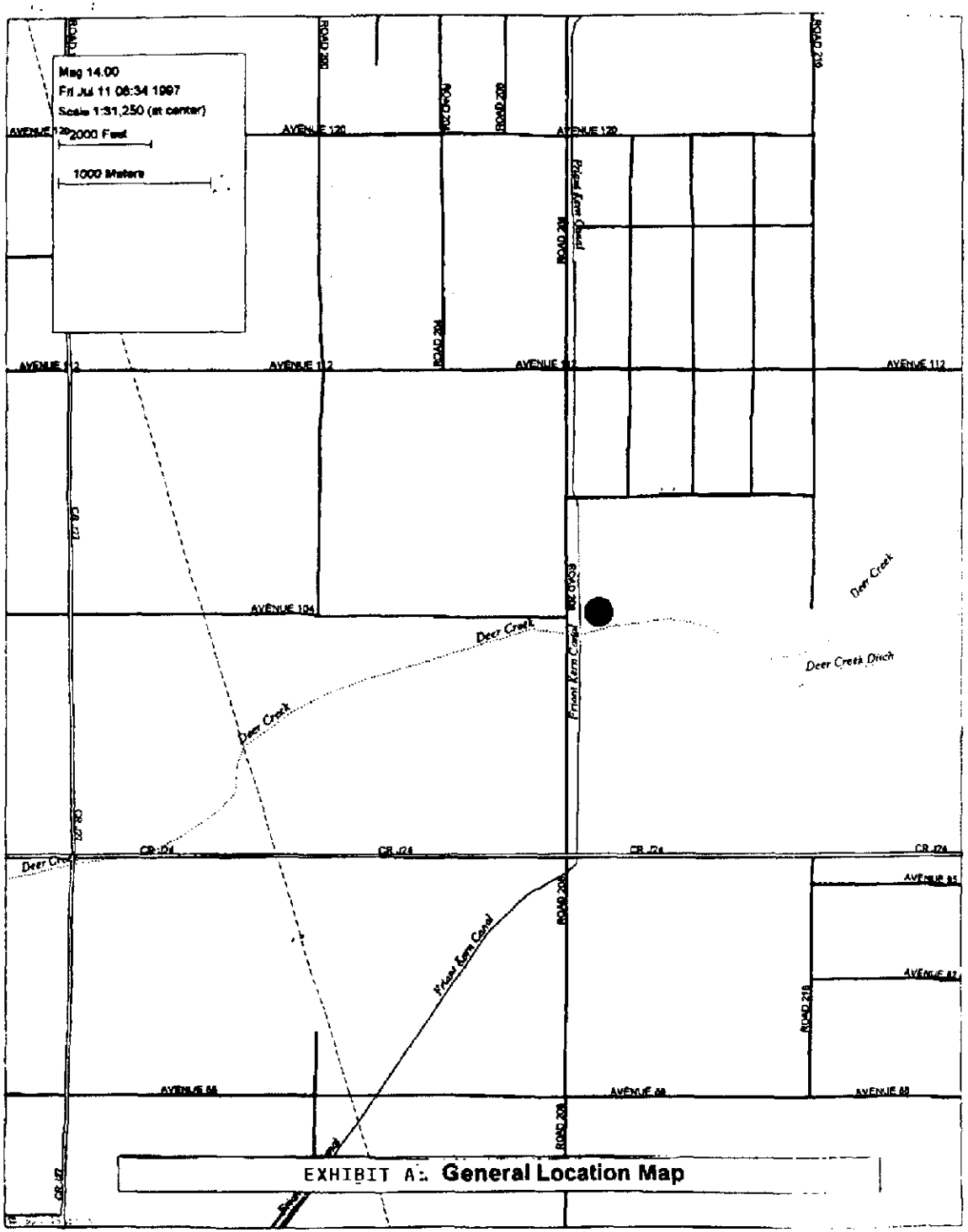


EXHIBIT A: **General Location Map**

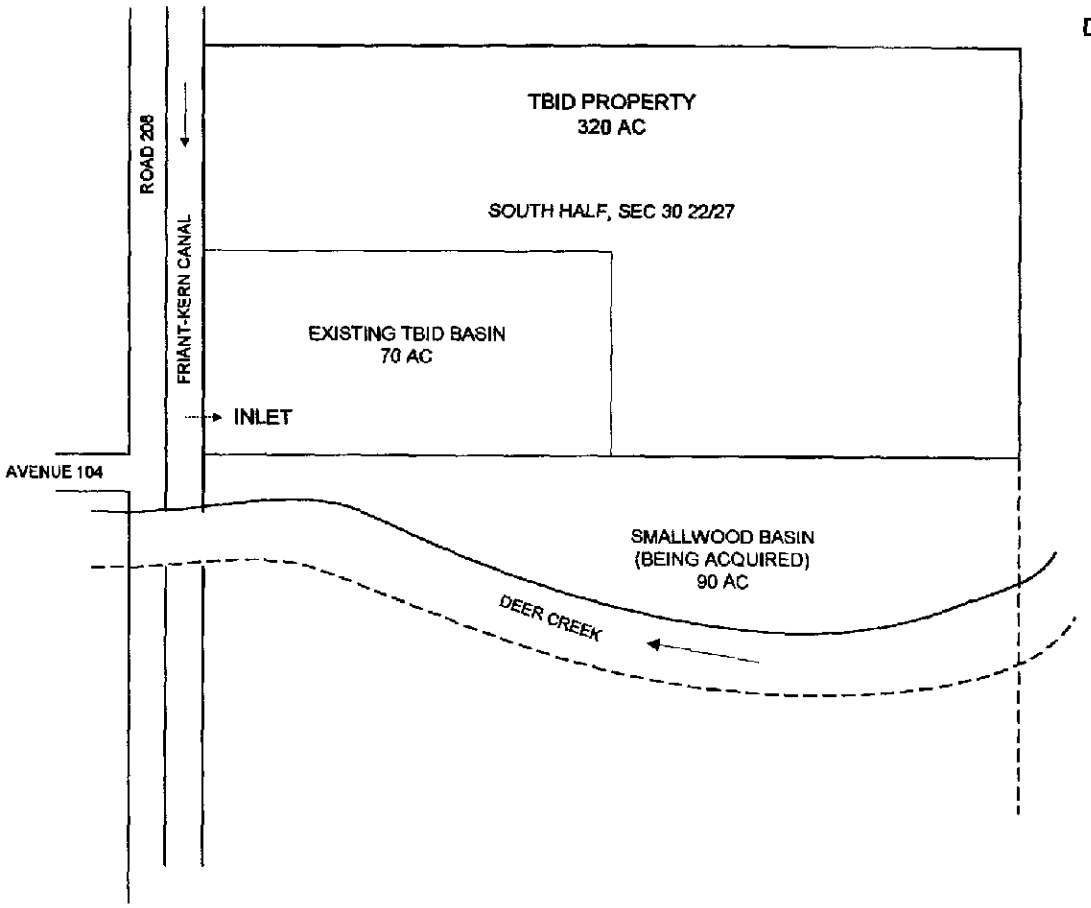
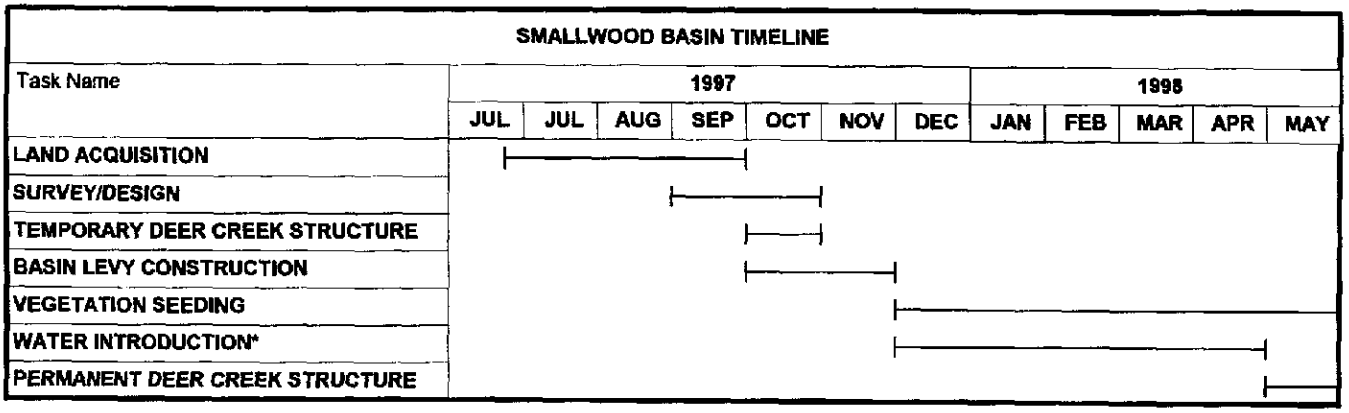


EXHIBIT B



* DEPENDING ON HYDROLOGIC CONDITIONS

EXHIBIT C

EXHIBIT D

October 17, 1996

Dunshee/Dunshee
and associates

Daniel M. Dooley
Attorney at Law
3500 W. Mineral King Avenue
Suite C
Visalia, California 93291

RE: *Smallwood*
80 acre Acquisition

Dear Mr. Dooley:

As you requested, this is a "Summary Appraisal "concerning the appropriate awards for the partial acquisition of approximately 80 acres located in the N ½ of Section 31, T. 22 S., R. 27 E., M.D.B. & M near SEC of Road 208 and Avenue 104, Tulare County, California.

This is a "Summary Appraisal" under USPAP regulations. No departures from Standard 2-2(b) were invoked. Supporting data is retained in the appraiser's file.

We have made a personal inspection of the properties and have analyzed the discernible factors that index its value. The results of this investigation are contained in the accompanying report.

This office has no present or intended future interest in the property under appraisal. The fee charged for this appraisal was not based on the total appraisal figure, but on time and responsibility involved.

Our analysis, opinions, conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice, (USPAP).

The appraisal Institute, of which we, Dave Dunshee and Mitch Dunshee, are designated members, conducts a voluntary program of continuing education for its designated members. Designated members who meet the minimum standards of this program are awarded periodic education certification. As of the date of this appraisal, we, Dave Dunshee and Mitch Dunshee, have completed the requirements of the continuing education program of the Appraisal Institute.

Based upon our investigation, analysis and the following site specific assumption. It is our opinion that the subject property has a Fair Market Value of Compensable Awards, as of August 27, 1996 as follows:

Site Specific Assumption

The appraisers were told that the remainder parcel would be reserved the necessary easements, to use an existing well in the area of the take. This appraisal assumes the larger parcel has the necessary easements to adequately use, access, and maintain the well located within the take area.

FAIR MARKET VALUE
COMPENSABLE AWARDS
TWO HUNDRED TWO THOUSAND FOUR HUNDRED DOLLARS
($202,400.00)

Thank you for the opportunity to be of service to you.

Sincerely,

Dave Dunshee, MAI
AG002928

Mitch Dunshee, MAI
AG002575

Appraisal Summary

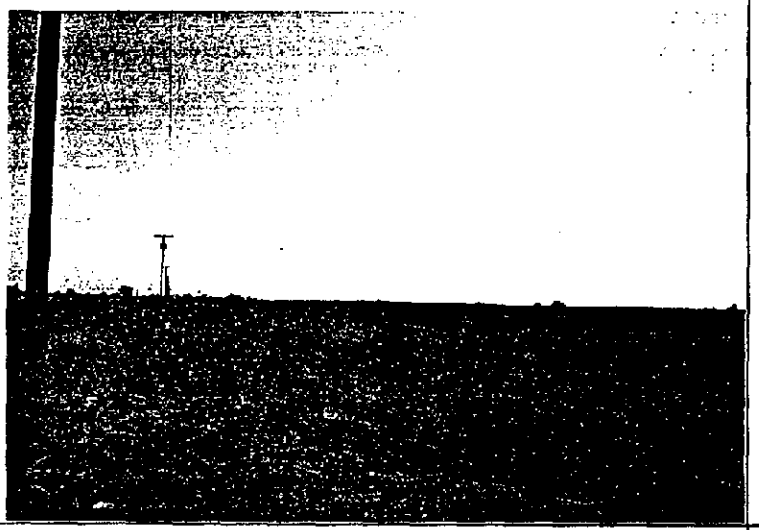
Ownership:	Smallwood Vineyards Limited Partnership
Brief Description:	The larger parcel consists of approximately 555 acres of which the 80± acres North of Deer Creek are under appraisal.
Location:	Vicinity of Road 208 and Avenue 104, East of Friant Kern Canal. Approximately 3 miles West of Terra Bella, Tulare County.
Zoning:	AE-40, Agricultural Exclusive, 40 acre minimum parcel.
Property Rights Appraised:	Fee Simple Estate
Highest and Best Use:	As agricultural, irrigated row/field crops, with planting to permanent trees in the foreseeable future.

Site Specific Assumption

The appraisers were told that the remainder parcel would be reserved the necessary easements, to use an existing well in the area of the take. This appraisal assumes the larger parcel has the necessary easements to adequately use, access, and maintain the well located within the take area.

FAIR MARKET VALUE
COMPENSABLE AWARDS
TWO HUNDRED TWO THOUSAND FOUR HUNDRED DOLLARS
($202,400.00)

Typical view of Deer Creek



Typical view of Open Land (Under Appraisal)

Typical view of Open Land (Under Appraisal)

Table of Contents

Appraisal Problem

The appraisal assignment calls for estimating the current Fair Market Value, as of August 27, 1996, concerning compensable Awards connected with proposed acquisition of approximately 80 acres located in the vicinity of Road 208 and Avenue 104, Tulare County, California. Deer Creek and Tule River Authority is intending to purchase an estimated 80 acres out of a larger parcel of an estimated 555 acres in order to expand their recharge basin lying to the north of the property under appraisal.

This appraisal report is being written during the week of October 1, 1996. Inspection of the property was made September 6, 1996.

The use of the appraisal will be as an aid in negotiation for the acquisition of the property.

The affects of the acquisition will be discussed further in the appraisal report. The use of this report is to estimate the Fair Market Value of the compensable awards.

This appraisal is being submitted as a "Summary Appraisal". To develop the opinion of value, the appraiser performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This means that no departures from Standard 2-2(b) were invoked. Supporting documentation is retained in the appraiser's file.

The appraisal required the inspection of the property, collection of all appropriate market data available, exterior inspection of the appropriate market data, confirmation of the data, analysis of data as it relates to the valuation of the subject property, concluding a value for the subject property and finally the preparation of the appraisal report. All data techniques and procedures considered to be appropriate for this appraisal assignment have been utilized.

Purpose of Appraisal

The purpose of this appraisal is to estimate the current Fair Market Value of the compensable awards of the property under appraisal.

The date of value is August 27, 1996

Definition of Market Value
California Eminent Domain Condemnation
Code of Civil Procedure Section 1263-320 (a)

"The Fair Market Value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but undergo particular necessity for so doing, each dealing with the other will full knowledge of all the uses and purposes for which the property is reasonably adaptable and available."

Property Rights Appraised

The property rights appraised in this report are the fee simple estate, less mineral rights, subject to liens and encumbrances common to the area under appraisal and/or reported in this report. A current preliminary title report on the subject property was not submitted to this office.

Fee Simple Estate: *Absolute ownership, unencumbered by any other interest or estate, subject only to the limitations imposed by governmental powers of taxation, eminent domain, police power and escheat.*
The Dictionary of Real Estate Appraisal, Third Edition, Appraisal Institute. Copyright © 1993.

Assumptions & Limiting Conditions

In acceptance of this appraisal assignment and completion of this appraisal report submitted herewith, it has been assumed by this appraiser:

1: As per the clients request, this appraisal is being submitted as a "Summary Appraisal Report" which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

2: No responsibility is assumed for legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3: The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

4: The legal description, as given, is correct. However, the legal description, if included herewith, should be verified by legal counsel before being used in any conveyance or other legal documents.

5: Responsible ownership and competent property management are assumed unless otherwise stated in this report.

6: Certain opinions, estimates, date and statistics furnished by others in the course of this investigation have been assumed to be reliable. To the extent possible, this information was cross checked for accuracy.

7: All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

8: It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

9: It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in this report.

10: It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

11: It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

12: It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13: Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the American with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

14: Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

15: The distribution, if any, of the total valuation in this report between land and improvements applied only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

16: Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the part to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

17: Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser, the firm with which the appraiser is connected, or any reference to the Appraisal Institute, MAI or RM designation shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

18: The value estimates, as reported, are in dollars and in fair basis currency in the banking exchange prevailing at the date of appraisal.

19: Any exhibits included in this report are intended to assist the reader in visualizing the property and its surroundings. The drawings are not intended as surveys and no responsibility is assumed for this cartographic accuracy.

20: If, for any reason, this appraisal and appraiser is needed in court as an expert witness concerning the property, additional compensation will be paid over and beyond the fee charged for this appraisal.

21: In this assignment, the existence (if any), of potentially hazardous materials on this site has not been considered. These materials may include, but are not limited to, toxic wastes. The appraiser is not qualified to detect such substances. We urge the client to obtain an expert in this field.

22: The estimated 80 acres included in take is from estimate only. The land has not been surveyed. The amount of land in Deer Creek is an assumption. Also, the appraisal value is based on the assumed land acreage to be correct. ASC office reports 72 acres north of Deer Creek. Also, land owners would not work with the appraisers. It is assumed that water is adequate and larger parcel is 555 acres.

23: The appraisers were told that the remainder parcel would be reserved the necessary easements, to use an existing well in the area of the take. This appraisal assumes the larger parcel has the necessary easements to adequately use, access, and maintain the well located within the take area.

The subject property is located in Tulare County, California. The general area is commonly referred to as the Southern Central Valley of California and is composed of 8 counties. It is estimated that 2½ million people reside in this area with a projected population of 3.3 million by the year 2000. Annual growth rate has been in the vicinity of 2.5%.

The southern San Joaquin Valley is considered one of the most productive agricultural areas in the United States. Over 225 commercial crops are grown in the area which include cotton, cattle, grapes, deciduous fruit, olives, citrus, poultry, almonds, etc. Besides agriculture, both Fresno and Tulare Counties, are known for manufacturing, retail services and processing sectors. Several of the small unincorporated towns in the area are considered below average in effective buyer power compared to California as a whole. However, the Central Valley has a considerable lower cost of living expenses. Highway 99 travels through the center of the Central Valley connecting the area with San Francisco and Los Angeles.

Fresno County, as of January of 1995, has an estimated population of 764,800, Selma 16,709, Sanger 17,000, Reedley 18,500, Kingsburg 7,500, and the metropolitan area of Fresno and Clovis is reported at 463,600. Fresno has the major airport in the area. Tulare and Fresno County are known as the fruit basket of the world because more fresh fruit is shipped out of the easterly portion of the Valley than any other area in the nation.

Tulare County has a population, as of January 1, 1996, of 351,488 compared to 340,000 one year previously. Some of the population of major towns in Tulare County are as follows; Porterville 32,850, Visalia 92,759 (August 96), Lindsay 38,000, Tulare 40,000 (August 96), and Exeter 8,840 (August 96). Lindsay is located due east of the city of Tulare, approximately 14 miles. Exeter lies in-between Visalia and Lindsay.

Visalia is the County seat of Tulare. Visalia offers a variety of retail conveniences and entertainment activities. Visalia has 23 elementary schools, four middle schools, and four high schools. Exeter, with a population of 8,840, offers two elementary schools, one middle school, one high school, and one independent study school.

The major thoroughfares and highway systems serving the area include Highway 65 which is located 3 miles to the east and Highway 1980, located 5 miles to the north. Highway 65 travels in a north/south direction and serves a number of smaller farming communities such as Terra Bella, Porterville, Strathmore, Lindsay, and Exeter. Highway 190 travels in an east/west direction and is linked to Highway 99 approximately 10 miles to the west.

The property under appraisal is located approximately 9 miles SW of Porterville, 10 miles East of Pixley and approximately 2 miles west of Terra Bella. Visalia is approximately 25 miles north west. Porterville is the closest town or City with commercial, Professional and Health facilities. Terra Bella, 2 miles east is a small agricultural community with a population in the range of 1,000, and offers limited retail services.

The surrounding area is devoted to agricultural with citrus, vineyards, deciduous trees, pistachios, walnuts, olives and open irrigated field crops. Deer Creek travels thorough the area in a south westerly direction. The Friant-Kern Canal is in the immediate area. Portions of the area under appraisal are served by the Terra Bella Irrigation District, Saucelito Irrigation District, Pixley Irrigation District, Lower Tule River Irrigation District, and Cross Valley Water - Tulare County. Typical water table as of 1992 is at 150 feet. It has risen some in the last 4 years. Draw down is 40-50'. Deer Creek has a history of over flowing banks and flooding general area under appraisal during above normal wet year.

All indications point toward continued use as agriculture. Discusslons with Real Estate Brokers indicate strong demand for agriculture in the area. The following are discussions of irrigation districts.

Saucilito Irrigation District has Class I contract of 21,200 acre/feet. Class II of 32,800 acre feet. There are 19,486 acres in the district with an average cost of $35 acre/foot, $5.00/acre for distribution assessment and $10.00/acre last two years for standby charge. 1996 100% Class I and 58% Class II, indicates 2.064 acre/feet per acre in district.

Lower Tule River Irrigation District

100,000 acre in district; 85,000 irrigated
Class I 61,200 acre feet
Class II 238,000 acre feet

1996 - Class I = 61,200 acre/feet
50% Class II = 119,000 acre feet
180,000 acre/feet

180,200 acre/feet/ 85,000 = 2.12 acre/feet/acre
Cost Class I $32.00/acre/foot
Class II $21.50/acre/foot

Benefit $18.00/acre assessment
Recharge 1996; $5.00/acre
1995 - 100% Class II; 3.5 acre/feet/acre delivered

Standing water line 65
Draw Down 50

Pixley Irrigation District

50,000 acres in district, 35,000 irrigated
No Class I

1996 considered average year
Purchased 50,000 acre/feet
Cost $26.00/acre/foot
1.43 acre/feet/acre delivered

Benefit Assessment $14.00/acre
Standing Water Level 125' to 130'
Draw down 50'

Tulare County Cross Canal
Cost will range between $18.00/acre/foot to $120/acre/foot
Average $60±/acre/foot
Water delivery depends on snow pack
Delta Class I, delivery depends on water through Delta Pumps

Inspection:

The property under appraisal was inspected by Dave Dunshee and Mitch Dunshee on September 6, 1996. A call was made to representative of the owner, but he refused to discuss the property with the appraiser and referred the matter to a unknown attorney.

Brief Description:

The larger parcel consists of approximately 555 acres of which the 80± acres North of Deer Creek are under appraisal.

Location:

Vicinity of Road 208 and Avenue 104, East of Friant Kern Canal. Approximately 3 miles West of Terra Bella, Tulare County.

Ownership:

According to Tulare County, Assessor's Office, the property is in the name of :

Smallwood Vineyards Limited Partnership

Assessed Value/Legal Description:

Assessed value not applicable.

Portion of APN: 302-240-01, 02, 06, 10, 12.

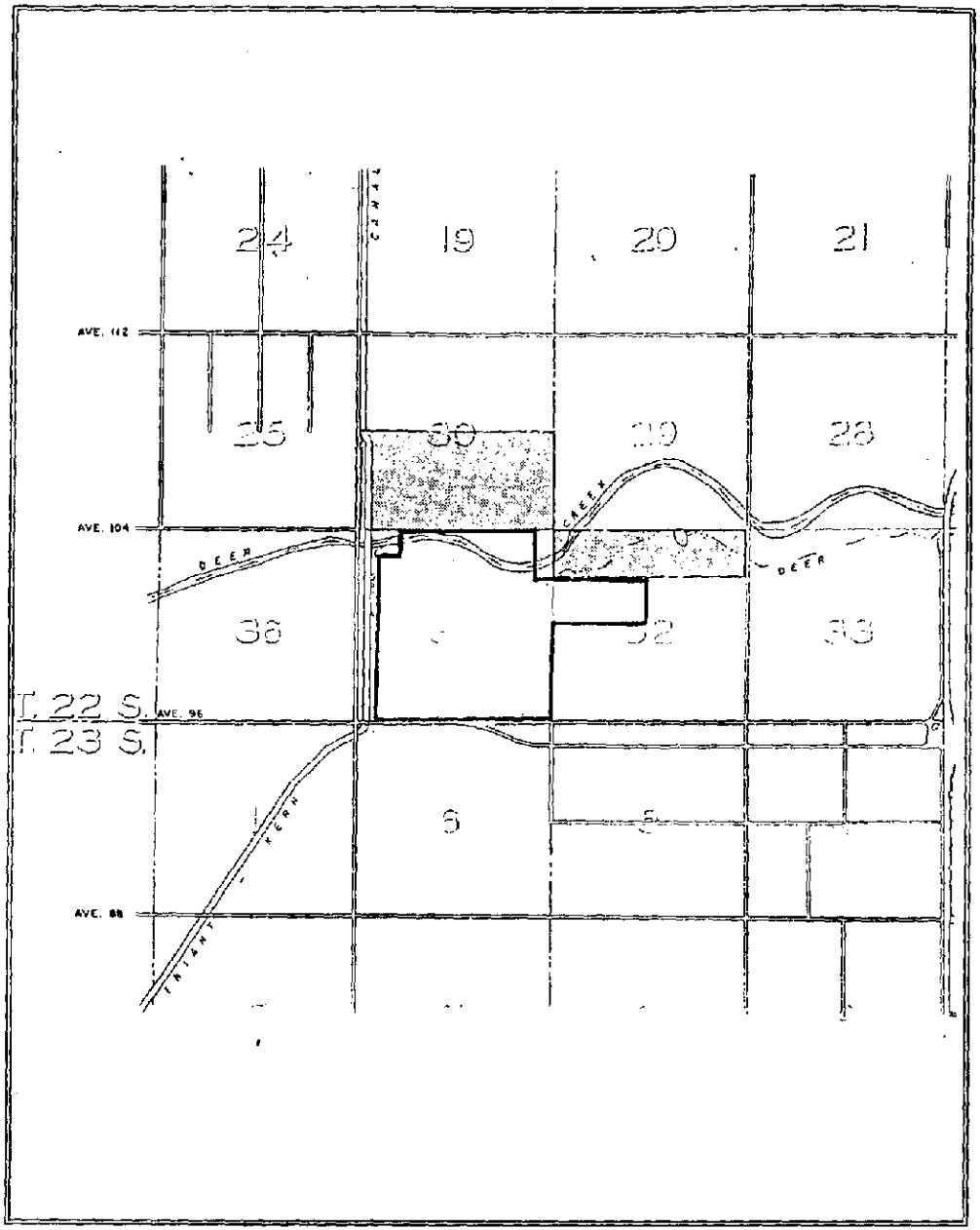
Legal: Portion of the N1/2 of Section 31, T.22 S.,R. 27E., M.D.B.&M.

History:

According to Tulare County Assessor's Office records, the land has remained in the same ownership over the last 3 years. In March 1, 1992, subject property, plus other property, was purchased for $2,800,000.00, according to the grant deed.

Zoning:

AE-40, Agricultural Exclusive, 40 acre minimum parcel.



Smallwood	N	Subject Plot Map

I —0 0 1 3 7 7

I-001377

Encumbrances:

A current title report was not submitted to this office. Upon inspection of the subject property no adverse easements were observed. Typical utility, irrigation canal, and roadway easements, are assumed to exist on the property. These easements are common in the area. The property is appraised as if free and clear of any monetary encumbrances. It is assumed the subject is owner operated and is not encumbered by any lease(s).

Hazardous Material Sites:

On-site inspection did not reveal any hazardous waste sites. However, in this assignment, the existence, (if any), of potentially hazardous materials on this site has not been considered. These materials may include, (but are not limited to), toxic wastes. It is noted the subject is an agricultural property. Agricultural property typically uses various chemicals as part of their normal cultural practices. Some of these chemicals are considered to be toxic substances. Use of these chemicals does not increase the potential of some toxic contamination of the subject property. The appraiser is not qualified to detect such substances. We urge the client to obtain an expert in this field.

Description of Site:

The larger parcel contains estimated 555 acres with an estimated 80 acres in the take. The 80 acres under appraisal lies north of Deer Creek and is open irrigated land. Soils are classified as Cajon Fine Sandy Loam, Alkali Free, SIR100, Class I soil. There is a well on the property with unknown depth, water lift and G.P.M. The proposed acquisition calls for a easement to allow continued use and operation of the well, including all pipelines and appurtenances necessary to deliver water from well to Smallwood Vineyard located South of Deer Creek. There is a water surface contract with Tulare County Cross Valley district for 400 acre feet allocated to APN: 302-240-01, 02, 06, 10, 12 or approximately 287 acres. This is the same APN that is a portion of property under appraisal. The lowest cost for this water is at $16.00/acre/foot to a high of $126/acre/foot. Average is estimated at $60.00±/acre/foot. Cost and delivery depends on snow pack and winter rains. Water rights are Class I out of Friant Kern Canal, with exchange of Water Rights with San Luis Canal, but subject to 1992 law where environmental protection of the Delta is required. It is felt that under normal years, 65-75% of allocated Rights would be delivered.

The water level in vicinity of the well is estimated at 150 feet with estimated draw down of 40-50 feet. Allow lift of 200 feet at .20 per acre/foot of lift. 1 acre feet of pump water would cost estimated $40.00. Surface water at $60.00/acre/foot average. By assuming that well could produce 1,500 G.P.M., and if well serves 287 acres alone, the water should be adequate, since apparently the 200 acres more or less in vineyard, south of Deer Creek is partially on drip irrigation.

The 80 acres under appraisal is estimated to have 8 acres in Deer Creek and 72 in gently undulating open land. The above acreage estimate is based on estimate only. No surveys were provided to appraisers.

Note:

The property owners would not cooperate with the appraiser. The appraisers were referred to an unknown attorney. Information on the ranch was from observation only, plus personal checking on soil, water, zoning, and ASC office.

Description of Larger Parcel:

Smallwood Vineyards L.P. own several hundred acres in immediate vicinity of property under appraisal. Assuming Avenue 98 is owned in Fee, then non-contiguous factor would go into effect and larger parcel is assumed to be approximately 555 acres. The open 80 acres North of Deer Creek under appraisal considered part of the estimated 555 acres of the larger parcel.

Assuming the existing well within the take area is reserved for use by the larger parcel, there is no diminution to value of the remainder.

Highest and Best Use

The definition of Highest and Best Use as taken from the American Institute of Real Estate Appraisers Terminology Handbook is:

That reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal.

The analysis of the subject's highest and best use will include consideration of what is physically possible, legally permissible, financially feasible, and creates the highest value.

Implied in the determination of Highest and Best Use is the contribution of a specific use to the community and to community development goals, as well as the benefits to the individual property owner. An additional implication is: the determination of Highest and Best Use results from the appraisers judgement and analytical skill, results from an opinion and is not a fact to be found. The concept of Highest and Best Use represents the premise upon which value is based.

Physically the subject property could be developed to a wide variety of uses. Legally, the subject property is restricted to general agricultural or agricultural industrial related uses. The most logical way to market and sell the subject property is as part of a larger farming operation. The present use of the subject as a potential irrigated row crop ranch is a profitable use. Planting to permanent plantings such as vineyards, citrus, almonds, walnuts, pistachios, or deciduous fruit would be considered a profitable use. 80 acres under appraisal are being considered part of a larger parcel of 555 acres. Therefore, the highest and best use of the subject property is considered to be as agricultural, irrigated row/field crops, with the potential of planting to permanent crops.

Valuation Methodology

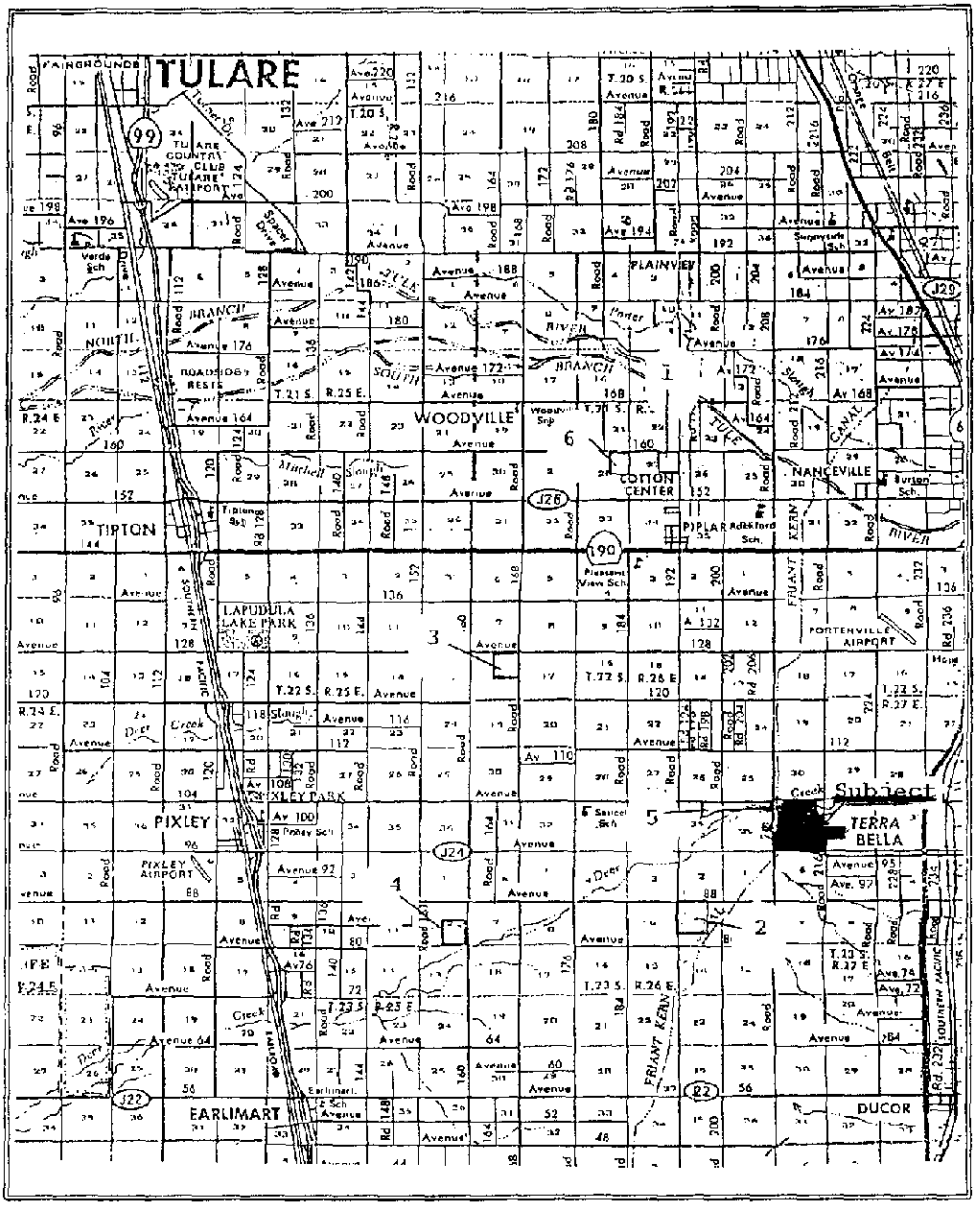
The valuation process is the orderly program in which the data required to value the property is obtained, classified, analyzed and presented. The initial step is defining the valuation problem, i.e., the identification of the real estate, the date of the value estimate, the property rights being valued, and the type of value required. Once this has been performed, the appraiser collects and analyzes the factors that affect the market value of the subject property. The factors include regional and area analysis, highest and best use analysis, and the application of the three approaches to value. The three approaches generally utilized to estimate the value of the subject include the Cost Approach, the Income Capitalization Approach and the Sales Comparison Approach.

The Sales Comparison Approach to value will be utilized as an aid in estimating the current Market Value of the subject property. The Cost Approach to value will not be utilized since there were no buildings on the property. The Income Approach to value will not be presented due to a lack of sales that had cash rents to show Net Income let alone capitalization rate from the market.

Sales Comparison Approach

The Sales Comparison Approach is a method of analysis which utilizes prices paid in real estate market transactions, to estimate the value of the subject property. It is the process of correlation and analysis of somewhat similar, recently sold properties. The reliability of this approach is dependent upon the degree of comparability of each property with the subject property, upon the time of the sales, and upon the verification of the sale data.

This office researched county assessor's office records, our continuing files, and other real estate professionals for recent comparable sales in the area. The sales were documented by obtaining copies of the recorded grant deeds, the sale terms confirmed with a principal in the transaction or other parties with knowledge of the transaction, the sale properties were inspected from public roads.



Smallwood	N	Comparable Sales Map

Sale Number 1

Grantor:	Beverly Jane Jancko	
Grantee:	Edward B. Cornell, et. al.	
Document:	95-79347	Date of Deed: 8/29/95
Recorded:	11/17/95	Official Records:
Revenue Stamps:	$528.00	
Sale Price:	$480,000.00, cash	
Zoning:	AE-40	
Legal Description:	APN: 236-180-03, 04	
Location:	SWC Avenue 160 and Road 192, SEC: 27, T21. SR16., E.	
Size:	160 acres	

Remarks:

Soil classified as Foster Fine Loam SIR100. Class I soil. There is a small area of slight Alkali. Land is leveled and set up for flood type irrigation. There are no buildings. Former River Channel being removed and leveled by buyer. Two wells and pumps distributed by pipe and valves. Overall, value $3,000/acre.

Unit Price:	$3,000/per acre
Exposure Time:	4 Months

Sale Number 2

Grantor:	James W. Andrea, et. al.	
Grantee:	Mohammand A. Mortazavi	
Document:	96-282	Date of Deed: 8/8/95
Recorded:	1/3/96	Official Records:
Revenue Stamps:	$1,921.70	
Sale Price:	$1,747,000.00, cash	
Zoning:	AE-40	
Legal Description:	APN: 319-140-01, 13, 27, 28	
Location:	SE corner of Avenue 88 and Road 192. All SEC: 11, T23. SR26., E.	
Size:	606.5 acres	

Remarks:

Soil Exeter Loam and Chualar Clay Loam leveled for furrow or flood irrigation. Water from pumps and wells plus Saucelito Irrigation District. Grantee plans to plant pistachios.

Unit Price:	$2,880/acre
Exposure Time:	6 months

Sale Number 3

Grantor:	Allan R. Jones et. al.	
Grantee:	Raghbir Batth, et. al.	
Document:	96-763	Date of Deed: 8/8/95
Recorded:	1/5/96	Official Records:
Revenue Stamps:	$465.85	
Sale Price:	$423,500.00 D.T. back to seller	
Zoning:	AE-40	
Legal Description:	APN: 300-140-004, 05, 13	
Location:	SW corner of Road 168 and Avenue 128, SEC: 18, T22. SR26., E.	
Size:	153.52 acres	

Remarks:

Soils classified as Traver Fine Sandy Loam, Chino Loam and Chino Sandy Loam WSIR 65 leveled for furrow or flood irrigation. Wells and Lower Tule River Irrigation District. Land level and ready for irrigation. Home on property reserved for Life Estate. Small house, shop and garage used by Buyer. Estimated contributing value $20,000.00. Lower 80 acres in vines since purchase.

Unit Price	$2,628/acre
Exposure Time:	4 months

Sale Number 4

Grantor:	Joe Goulart Jr.	
Grantee:	Ajmer Singh Dhillon, et. al.	
Document:	96-15440	Date of Deed: 2/20/96
Recorded:	3/6/96	Official Records:
Revenue Stamps:	$440.00	
Sale Price:	$400,000.00 25% Down with D.T. back to seller at Market Rate $300,000 D.T. back to Grantor	
Zoning:	AE-40	
Legal Description:	APN: 318-260-003	
Location:	NW corner Avenue 80 and Road 160, SEC: 12; T23, SR25., E.	
Size:	158.92 acres	

Remarks:

Soils classified as Cajon Fine Sandy Loam, Foster Fine Sandy Loam, Cajon Shallow Alkali Free, WSIR87. Wells and pumps plus Pixley Irrigation District. Approximately 3 acres lost to Deer Creek in SE corner. Level irrigated field crop land. No buildings.

Unit Price:	$2,517/acre
Exposure Time:	4 months

Sale Number 5

Grantor:	Valley FLBA	
Grantee:	Jack J. & Carolyn Pandol Jr.	
Document:	94-67998	Date of Deed: 8/15/94
Recorded:	9/20/94	Official Records:
Revenue Stamps:	$517.00	
Sale Price:	$470,000.00 $270,000.00 D.T. San Joaquin Bank	
Zoning:	AE-40	
Legal Description:	APN: 302-260-17, 25 & portion of 24	
Location:	SW corner of Road 208 and Avenue 104, northside of Deer Creek, SEC: 35-36, T20. SR26., E.	
Size:	197 acres	

Remarks:

Soils consist of 70% Hanford Loamy Fine Sandy, Shallow SIR80, 30% Exeter Loam SIR50, WSIR71. Water from 2 wells plus Saucelito Irrigation District. Prior Almond grove with plants to plant to vineyard. House 1,700 s.f. good condition. Barn and shed no value. Good access. Allocation $20,000 to house. Land value at $450,000. Planted to vineyard after purchase.

Unit Price:	$2,284/acre
Exposure Time:	4 months

Sale Number 6

Grantor:	San Joaquin Valley FLBA	
Grantee:	Ann Paragien	
Document:	95-20275	Date of Deed: 3/7/95
Recorded:	3/29/95	Official Records:
Revenue Stamps:	$231.00	
Sale Price:	$210,000.00 Cash to FLBA Loan	
Zoning:	AE-40	
Legal Description:	APN: 236-210-004	
Location:	Southside Avenue 152 and ½ mile West of SW corner of Avenue 152 and Road 184.	
Size:	78.34 acres	

Remarks:

Soils consist of Chino Sandy Loam, SIR86. A portion is affected by slight Alkali. Buildings on property no value. One well plus Lower Tule River Irrigation District pipelined. Irrigated field crops of cotton (2 bales/acre) corn silage (25+ tons/acre) and field corn (4+ tons/acre). Two small dwellings and an old barn of no contributory value. Grantor foreclosed. Sold property at market within 9 months. Land Bank financed Grantee.

Unit Price:	$2,681/acre
Exposure Time:	9 months

Sale Summary Chart

Sale #	Date	Price	Acres	Value/Acre	Improvements	Water	Irrigation/ District	Soils	Condition
1	11/17/95	$480,000.00	160	$3,000	0	2 wells/pipeline	0	Class I/SIR100	Level
2	1/3/96	$1,747,000.00	606.5	$2,880	0	2 wells	Saucelito	SIR41	Level
3	1/5/96	$423,500.00	153.52	$2,638	$15,000	wells	Pixley	WSIR65	Level
4	3/6/96	$400,000.00	158.92	$2,517	0	wells	0	WSIR87/Class I	Level
5	9/20/94	$470,000.00	197.00	$2,284	$40,000	2 wells	Saucelito	WSIR71	Level
6	3/29/95	$210,000.00	78.34	$2,681	$0	well	Lower Tule	SIR86	Level

I—001390

I-001390

Open Land Adjustment

The above sales will be adjusted for various factors relating to the value definition being sought, and the physical characteristics of the subject.

Finance:

The value definition used in this assignment assumes a cash value or its reasonable equivalent. Therefore, any sales involving seller financing which is concluded to be significantly different than current market rates should be analyzed.

All of the sales presented are considered cash, or cash equilavent. None of the sales presented were adjusted for financing.

Conditions of Sale:

The value definition used in this assignment assumes neither buyer nor seller is abnormally motivated to purchase or sell. Any sales considered to have occurred under conditions other than typical market conditions should therefore be adjusted.

Sales 5 and 6 were sold by FLBA after foreclosure. However, investigation indicates exposure on market, and terms were considered market. No adjustments.

Market Conditions:

The market conditions at a time of sale can be significantly different than the market conditions at the date of value. When the market conditions have changed significantly an adjustment is appropriate.

Sale 5 was sold later part of 1994, approximately 1 ½ years from date of value. Overall, agriculture land value and prices for commodities have held or risen over last 2 years. It is the opinion that land values have increased somewhat. Adjustment upward for sale 5. Other sale are in close proximity to date of value. Sale 6 in early 1995 and should be adjusted upward. Sales 1, 2, 3 and 4 late 95 or early 96 and should be also adjusted upward somewhat.

Acreage:

The size of a property is an important consideration if it varies significantly from that of the subject. Larger sized properties generally sell for greater amounts of money than smaller properties. The larger price reduces the number of potential buyers able to afford them and correspondingly the market. A smaller market reduces the price per unit.

All of the sales except sale 2, considering larger parcel of subject at 555 acres, were smaller in size and adjusted downward. No adjustment for sale 2.

Soils:

Soils are an important consideration especially in agricultural properties. Soils can determine the quality and quantity of the crop produced.

All of the sales presented, excluding sales 2, 3, and 5 were considered to have comparable soils to the subject property and were not adjusted. Sales 2, 3, and 5 were considered to have inferior soils in comparison to the subject property and were adjusted upward.

Water Supply:

Saucelito with pipeline delivery is considered above Lower Tule with open ditch. Both are close to each other in cost and Class I rights, Pixley is 3rd due to reliability of water. Cross Canal is 4th due to cost.

Sales 2, 5, and 6 were considered to have more desirable water supply and were adjusted downward. Sales 1 and 4 were considered to have less desirable water supply and were adjusted upward. Sale 3 with Pixley water district, considered to be equal and no adjustment.

Land Condition:

Subject site is rough leveled, and all sales are level and ready for irrigation. All sales downward adjustment.

Adjustment Chart

Sale	Price/Acre	Financing	Sale Condition	Date	Size	Water	Soil, Slope and Condition	Overall Rating
1	$3,000	0	0	+	-	+	0	-	$2,900
2	$2,880	0	0	+	0	-	+	-	$2,800
3	$2,637	0	0	+	-	0	+	-	$2,600
4	$2,517	0	0	+	-	+	0	-	$2,500
5	$2,284	0	0	+	-	-	+	-	$2,300
6	$2,681	0	0	+	-	-	0	-	$2,400

Sales show a range of $2,300/acre to $2,900/acre. Two are in the range of $2,800/acre to $2,900/acre. Remaining 4 sales are at $2,300/acre to $2,600/acre, and two out of the last four have soil ratings of SIR 87 and 86. This is close to SIR of subject at 100. The sale of $2,900/acre (sale 1) has soil rating of 100, same as subject. After analysis, and allowing for top soil and assuming water conditions on subject property, plus 1996 is 2nd good year for agriculture in valley with apparent good demand for land, it is the opinion that the Fair Market Value of the estimated 72 acres of open irrigated land considered as part of a whole of a larger parcel of 555 acres is approximately $2,800/acre. The 8 acres within Deer Creek has nominal value of $100/acre. Date of value August 27, 1996;

72 acres x $2,800/acre =	$201,600.00
8 acres x $100/acre =	800.00
	$202,400.00
Use:	$202,400.00

FAIR MARKET VALUE
COMPENSABLE AWARDS
TWO HUNDRED TWO THOUSAND FOUR HUNDRED DOLLARS
($202,400.00)

Exposure Time: 4 months
Marketing Time: 4 months

Certification

CERTIFICATION

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

The statements of fact contained in this report are true and correct.

The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal unbiased professional analysis, opinions, and conclusions.

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

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 the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

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

Our analysis, opinions, conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP).

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

I, Dave Dunshee, am currently a "Certified General Real Estate Appraiser" through January 12, 1997 in the State of California OREA appraiser identification number AG002928.

I, Dave Dunshee, am currently certified under the voluntary continuing education program of the Appraisal Institute.

I, Mitch Dunshee, am currently a "Certified General Real Estate Appraiser" through April 14, 2000 in the State of California, OREA appraiser identification number AGOO2575.

We, Dave Dunshee and Mitch Dunshee, have made a personal inspection of the property that is the subject of this report.

No one provided significant professional assistance to the person(s) signing this report unless otherwise noted in this report.

Dave Dunshee, MAI
AG002928

Mitch Dunshee, MAI
AG002575

Qualifications

APPRAISER'S QUAL'FICATIONS

David Dunshee
2377 West Shaw Avenue, Suite 202
Fresno, California
(209)222-1669

Education:

Bachelor of Science Degree, June 1952
Agricultural Economics
University of California, Berkeley

Experience:

1952-1960 Appraisal Department
Bank of America
1960 to present, Independent Fee Appraiser
Dunshee, Dunshee & Associates

Instructor:

University of California Extension
Fresno City college
College of Sequoias

Clients:

United States Department of Interior
State Agencies
County and City Agencies
Public Housing Administration
Utilities Districts
Banks, Corporations, Attorneys and
Individuals

Membership:

MAI, Appraisal Institute
ARA, Accredited Member, American Society of
Farm Managers and Rural Appraisers

Expert Witness:

Superior Courts of:
Mono County, Stanislaus County, Contra Costa
County, Fresno County, Kern County, Kings
County, Lassen County, Los Angeles County,
Madera County, Merced County, Sacramento
County, Tulare County
Federal Court-San Francisco
Bankruptcy Court
Los Angeles County and Fresno County

Certification: Certified General Real Estate Appraiser, License No. AG002928

APPRAISER'S QUALIFICATIONS

Mitch Dunshee
2377 West Shaw Avenue, Suite 202
Fresno, California
Phone: (209)222-1669

Education:

Bachelor of Science Degree, Plant Science,
University of California at Davis
1980 Graduate
American Institute of Real Estate Appraisers Courses Completed:
Real Estate Appraisal Principles
Basic Valuation Procedures
Capitalization Theory & Techniques I
Capitalization Theory & Techniques A
Capitalization Theory & Techniques B
Valuation Analysis and Report Writing
Standards of Professional Practice
Case Studies

Experience:

Appraiser with Dunshee, Dunshee & Associates,
Independent Real Estate Appraiser's since
February 1980

Appraisal Experience:

Single Family Residences
Commercial Properties
Industrial Properties
Agricultural Properties

Professional Affiliation:

MAI, Appraisal Institute (#10,879)

Expert Witness:

Fresno County Superior Court
Fresno County Bankruptcy Court
Federal Court - San Francisco

Certification: Certified General Real Estate Appraiser, License No. AG002575